



Public Private Working to Deliver Capital Investment

Frank McCafferty

Derek Craig



Contents

- 1. Route to Investment**
- 2. Design and Build Strategy**
- 3. Procurement**
- 4. Partnership Experience**



1. Route to Investment

- **Set up Working Group - 2001**
- **Options Appraisal**
- **Review current market capability – SHQS, GHA & other stock transfers, Schools for the Future, etc**
- **Assess Scope of Estate changes**

Approach

- **Housing Investment Programme**
- **Schools Modernisation Programme**
 - **Separate Secondary Estate – PPP model**
 - **Primary School Modernisation Programme – Prudential Code**

“Home Happening”

- **£300m Investment Programme over 30 years**
- **Building Services and CCG Ltd**
- **Council Procured Material Separately**
 - **Symphony Group**
 - **Graham Group**
- **25,000 Kitchens and 22,500 Bathrooms commenced 2004**
 - **Electrical, Asbestos, Access**
- **Heating Programme commenced 2011**
 - **Gas Infrastructure, Meters, Asbestos, Access**

Secondary Schools

- **PPP Model used – Separate Team set up within Education Dept**
- **17 New schools**
- **2 refurbished schools**
- **Signed 2006**
- **Complete on site by 2010**

Primary Schools

- **124 Primary Schools**
- **Three Procurement Options**
 - Partnering Framework
 - Traditional Tendering
 - In-House Delivery Team



2. Design and Build Strategy

- **Programme Agreement**
- **Brief**
- **Employers Requirements**
- **Partnering Forums**
- **KPI's**
- **Core Group**



Primary School Delivery

- **Capital Programme – over £800m**
- **74 Primary Schools completed to date**
- **Phase 1 Schools Completed by Bovis Lend Lease & Carillion**
- **Phase 2 Tranche 1 & 2 Constructors**
 - Lend Lease Ltd
 - Kier Construction Ltd
 - Morgan Sindall Ltd

3. Procurement

- **Early challenges on VFM**
- **Hypothetical Project Phase 1**
- **Phase 2 Tranche 1 – EU Regulations on Frameworks**
- **Phase 2 Tranche 2 – Market Pressures**

4. Partnership Experience

Good

- **Continuous Improvement**
- **Aggressive Programmes**
- **Risk Management**
- **Cross Council Working**
- **Political Support**
- **Benefits**
- **Cost Certainty**

Bad

- **Ensuring VFM**
- **Change in Culture Required**
- **Guard Complacency**
- **Ensure Early Intervention**
- **Traditional Payment Mechanism - HH**



Benefits

- **Employment**
- **Supplier Engagement**
- **Health and Safety**