











































## 10 Policy Guidance

From time to time the Central PPP Policy Unit and the PPP Unit in the DoEHLG have issued guidance on the approach to be adopted to implementing PPP projects. In so far as they relate to local authorities the key documents are :

- Policy Framework for PPPs : DoEHLG / April 2000
- Framework for PPPs [DoF] / May 2001 [see above]
- Policy Framework for the Water Sector [DoEHLG] / Aug 2001
- Interim Guidelines [DoF] / July 2003

### *A Policy Framework for Public Private Partnerships / April 2001*

*Prepared for DOEHLG by consultants - PWC*

The Department sought consultants to assist it in developing a framework within which Public Private Partnerships could be advanced in the roads, water and waste sectors and to identify and address issues relevant to the successful implementation of PPP's in these sectors. An advisory team led by PWC consultants developed a Policy Framework and fifteen Guidance Notes. The Policy Framework provides general contextual information on PPP's and specific procedural guidance in relation to the delivery of infrastructure using a PPP approach.

The key objectives in developing the Policy Framework were to:-

- Implement national policy as set out in the National Development Plan.
- Assist with the timely delivery of the capital projects set out in the National Development Plan.
- Help deliver better value for money and achieve cost effective allocation of risk.

- Improve delivery of services by tapping into expertise and skills from the private sector.
- Ensure affordability and financial security of projects in the long term.
- Provide a mechanism to attract private finance.
- Provide guidance on sector specific issues and
- Provide user-friendly guidance on key stages of project selection, project procurement and contract management.

The Policy Framework also outlines a Public Private Partnership Route Map (Figure 1, Page 15) and this is attached as Appendix 2 to this document. One of its key functions is to show the differences between the traditional and PPP procurement routes.

The Guidance Notes deal with the following subjects :

Introduction to Public Private Partnerships, Financial Context, Legal Context, Public Private Partnership Assessment, Statutory Process Assessment, Procurement Procedure Selection, Project Management, Stakeholder Consultation, Procurement Management, Output Specifications, Risk Assessment, Payment Mechanisms, Key Contractual Issues, Accounting Treatment and Contract and Performance Management.

***Interim Guidelines for the Provision of Infrastructure and Capital Investments through Public Private Partnerships - Procedures for the Assessment, Approval, Audit and Procurement of Projects***

These Guidelines were issued by the Department of Finance on 7 July, 2003 and should be examined and followed carefully by everyone involved in the PPP process. They deal with the appraisal, planning, implementation and post-project review stages for all public infrastructure projects. They should be seen as imposing additional requirements over and above those already in place and which deal with the procurement, management and appraisal of capital works.

The key additional requirements for PPP projects are :

*For all PPP projects [or grouped projects] with a capital value of €20 million or more : -*

- the appointment of a process auditor [PA] to certify that proper procedures have been followed throughout the project. The PA will be appointed by and report to the Secretary General of the DOEHLG.

*For all PPP projects : -*

- the appointment of a Project Board to manage the project,
- the undertaking of a Public Sector Benchmark [PSB] to determine the estimated cost of carrying out the project by traditional means.
- the preparation by the DoEHLG of an Affordability Cap for each project based on the PSB. If at any time the estimated cost of the project increases beyond the Affordability Cap the local authority concerned must immediately seek Departmental approval before proceeding further,
- the carrying out of a formal 'post-project review' following completion of the construction of the works.

## 11 Communications and Training

Proper training for local authority staff is essential if the PPP process is to succeed. To ensure that such training was available in Ireland, the Department of Finance, put in place a *PPP Training Framework* which sets out the nature of the training required and encourages private companies to provide same. Further information on what courses are available can be obtained from the national PPP website at [www.ppp.gov.ie](http://www.ppp.gov.ie).

A National PPP Communications strategy has also been put in place with a section dealing specifically with local government. The main thrust of this strategy is to ensure that local authority officials are aware of the potential benefits of PPPs and of the main issues involved in implementing them.

Information on the PPP process, a project tracker and guidance material is available on the national PPP website. Newsletters [national and local government sector] are used to keep interested parties informed of developments.

An online users forum has been set up for local authority staff engaged on PPP projects. The forum includes a *dataroom* containing guidance and technical documents, feasibility studies, project reviews and standard contracts. The forum can also be used to share experience among local authority personnel responsible for some aspect of the PPP process.

**Appendix 1- Key Documents in the PPP Area- November, 2003.**

1. Farrell Grant Sparks and Goodbody Economic Consultants in association with Chesterton Consulting- A Report submitted to the InterDepartmental Group in relation to Public Private Partnerships- July, 1998.
2. National Development Plan 2000-2006.
3. Policy Framework for PPP's and 15 Guidance Notes issued by DOEHLG - 14 April, 2000.
4. Framework for PPP's agreed by Social Partners - 21 May, 2001.
5. Policy Framework for PPP's in Water Services Sector issued by DOEHLG- August, 2001.
6. State Authorities (PPP Arrangements) Act, 2002.
7. National Development Finance Agency Act, 2002.
8. Interim Guidelines on PPP's issued by the Department of Finance- 7 July, 2003.
9. Policy Framework Document for PPP's In Ireland - Local Government Sector Document issued by DOEHLG- November 2003.

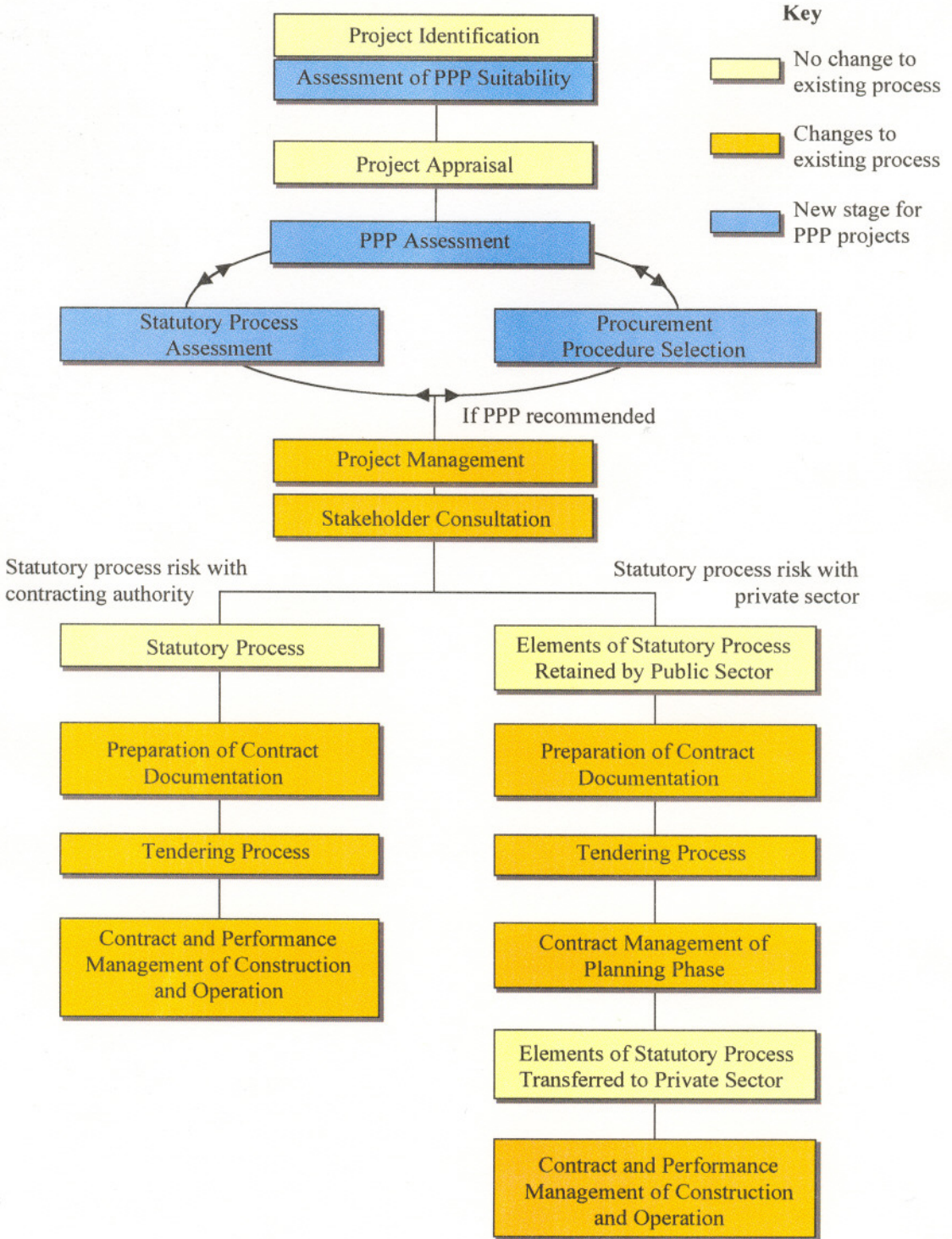
Planning Act, Training Framework, Communications Strategy



Appendix 2 - Public Private Partnerships

Route Map taken from DOEHLG Policy Framework for Public Private Partnerships - April 2001.

Figure 1: Public Private Partnership Route Map



**Appendix 3 - PPP Procurement Steps taken from Department of Finance  
Guidelines - 7 July 2003.**