

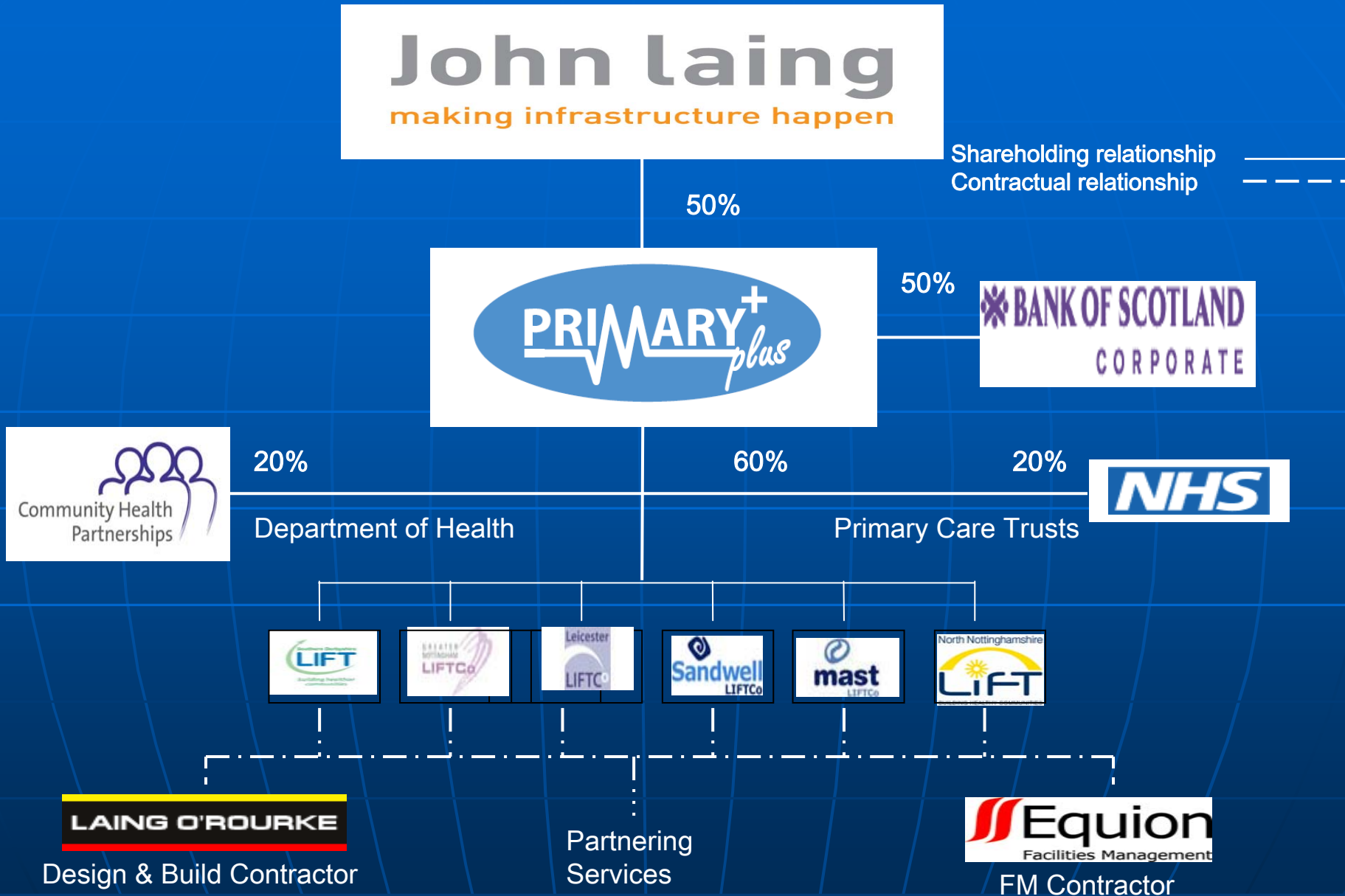
What does the Private Sector Bring to PPP

The Added Value of Private Sector Involvement in Public Health and Social Care Infrastructure

John Laing

making infrastructure happen

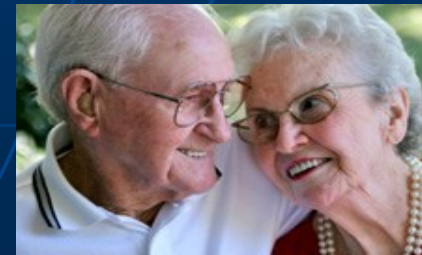
Shareholding relationship ———
Contractual relationship - - - - -



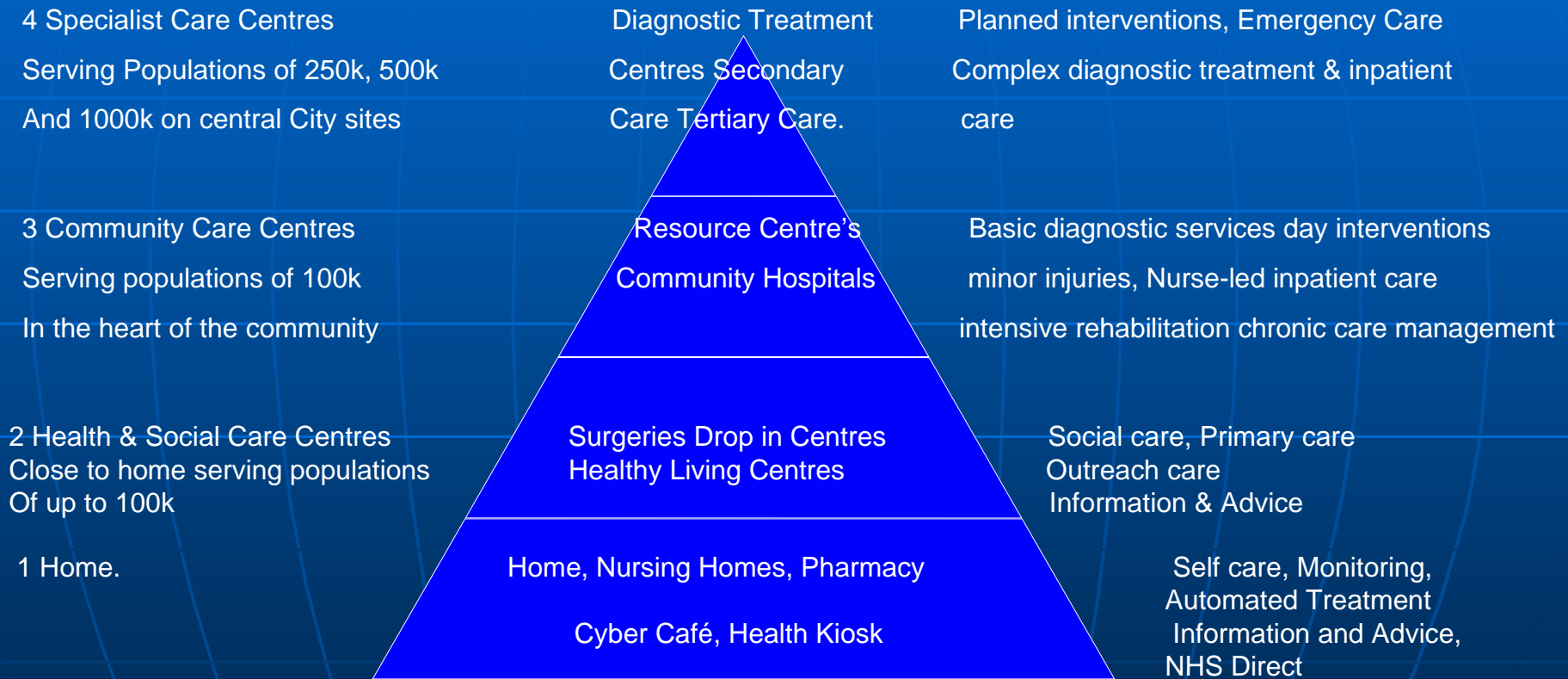


FIRST - A FEW BASIC POINTS

- Primary care in the UK is FREE at the point of delivery (but this doesn't include Dentists)
- Doctors and Dentists are private contractors
- Many Doctors own surgeries or partnerships, and often practice together in small groups
- Their premises rents are repaid by the National Health Service (Primary Care Trusts) who also state what services will be provided
- The British Government aim is to put more health services into localities and take all bar emergencies and specialist treatments out of hospitals
- Civic government is delivered through local and regional councils, elected members but managed by executive civil servants providing social and welfare care



WHAT DOES THE LATEST STRUCTURE OF THE NHS LOOK LIKE?



FOUR SETTINGS FOR PATIENT CENTRED CARE



Manchester, Salford & Trafford LIFTCo

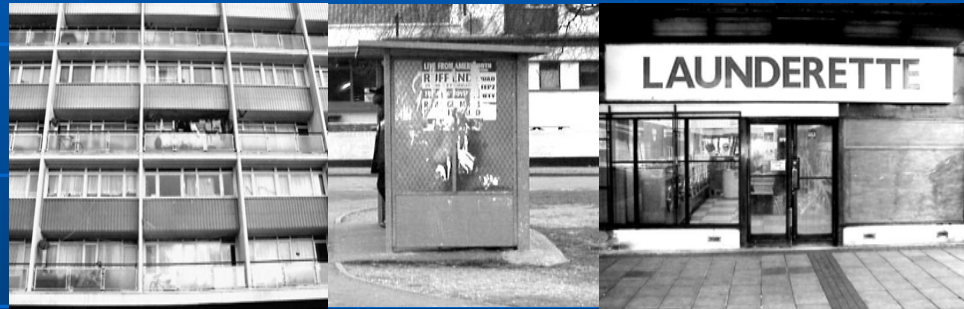
One of the Wave 1 bids (2003) at the time, Manchester had the lowest life expectancy in England & Wales and the highest incidence of lung disease for instance.

80% of premises were below recommended size

Less than 5% of GP surgeries were near pharmacies or Social Service provision

More than 50% of GP surgeries were adapted from houses or retail

Very few premises were DDA compliant



Nottinghamshire LIFTCo

One of the Wave 2 bids (2004), National centre of Gun Crime had the highest infant mortality rate outside of London. Highest incidence of methadone use outside of London.

73% of premises were below recommended size

Less than 11% of GP surgeries were near pharmacies or Social Service provision

More than 35% of GP surgeries were under doctor'd, didn't meet compliant regulations

LIFT IS A LOT MORE THAN BUILDINGS

- FOR THE PARTNERSHIP – ITS ABOUT LOCAL SERVICES

Health Improvement
Regeneration
Social Services
Libraries
Leisure & Retail
Cafes and Shops
Community Groups



Social Responsibility



“You have to be a responsible investor, developer, operator – people don’t vote with their feet – they vote with their money!”

What's the catch at the end?

- 25 yr warrantee – relationship managed
- Lifecycle'd - The asset is in as good a condition at 25 yrs as when it was built
- All these initiatives eliminate back log maintenance
- Very little public money utilised to build and operate

Communities Own These Buildings

- At the end of the concession, in PFI the asset is handed back to the Public Sector.
- In LIFT Public sector can just walk away ? – if it wants to ?
 - In LIFT, the asset is sold or released by the partnership, and any gain is shared 60 : 40

Procuring Joint Service Centres

– the Nottingham experience of JSC procurement



Partners



What have LIFT Co done for PCT



Clifton

£8.8m



Mary Potter

£14.56m



Keyworth

£4.75m



Stapleford

£11.04m



Carlton

£7.5m



Rainworth

£2.99m



Bull Farm

£2.85m



Balderton

£3.46m



Worsop

£3.52m



Ashfield

£4.53m



Retford

£9.5m



Harworth

£5.28m

Doing...

- Bulwell £22m
- Minor works £1.7m

Planning...

- Arnold £4.5m
- Eastwood £6.6m
- Bingham £6.4m
- St Ann's tbc

= **£79M** + **£39M**

What have LIFT Co done for NCC



Value: £8.8m

Sub Lease

Size : 5931 m²

NCC 20%

PCT 80%



Value: £14.6m

Head Lease

Size : 7991 m²

NCC 42%

PCT 58%

Bulwell JSC
due 2010

Value: £22m

Head Lease

Size : 8239 m²

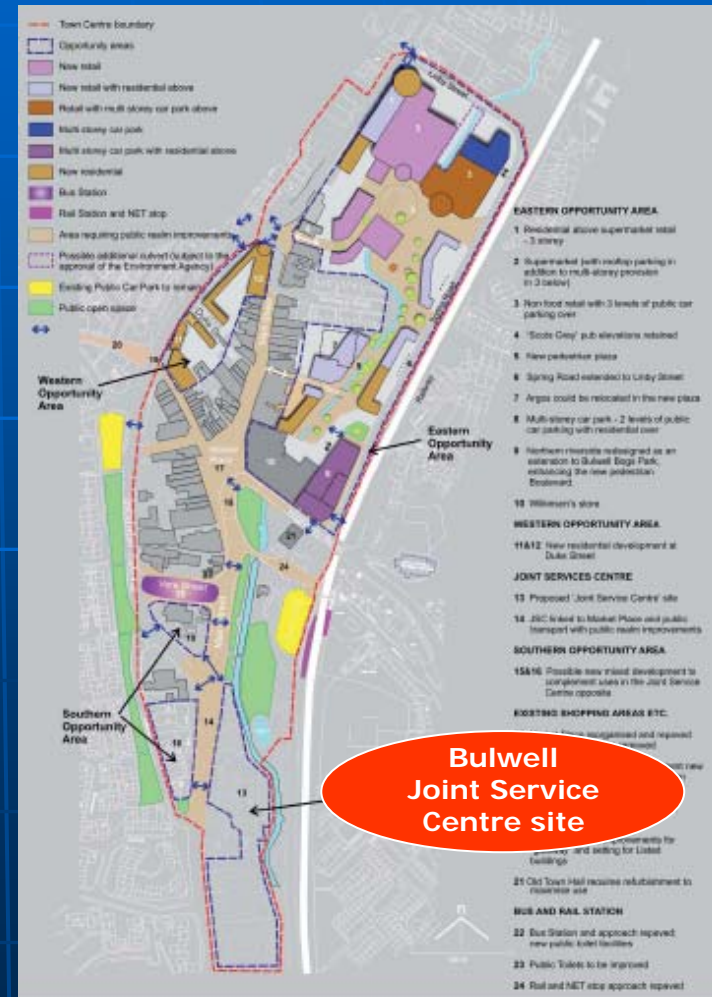
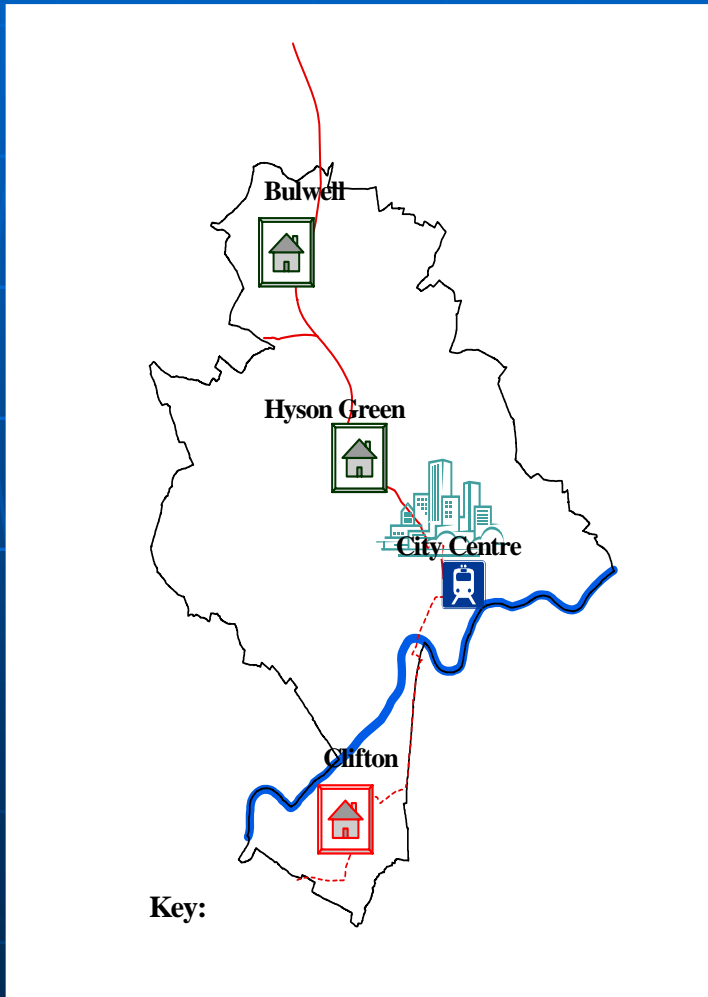
NCC 58%

PCT 42%

Bulwell Joint Service Centre

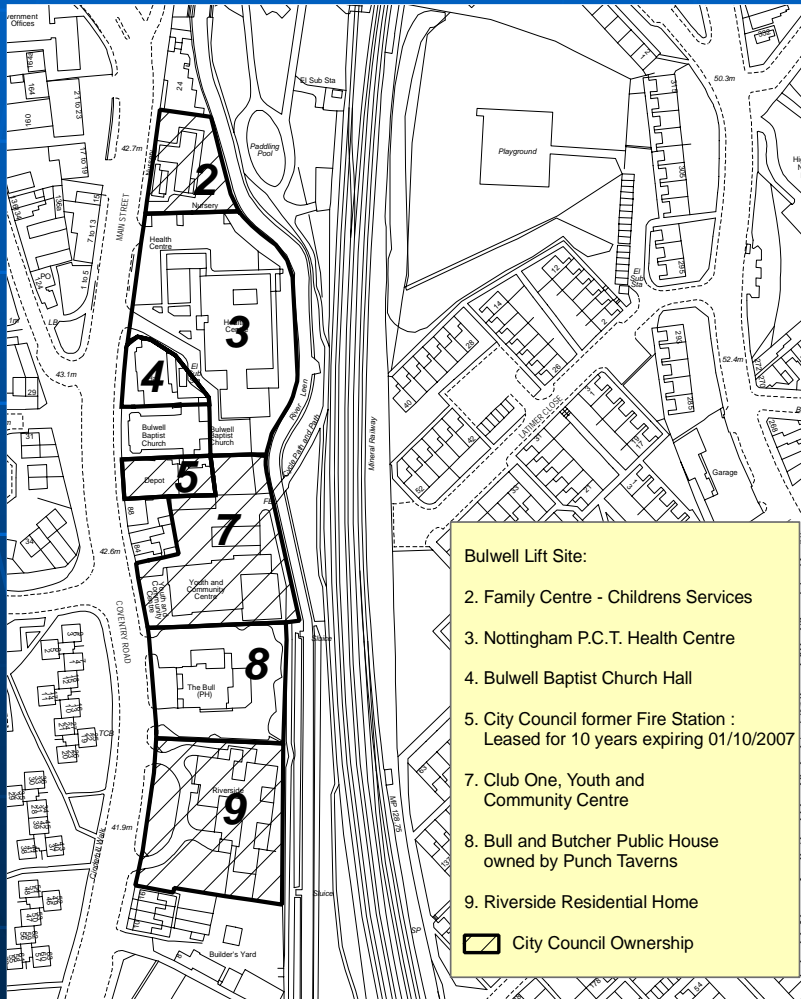
“Hubs” and “Spokes”

Regeneration Plans



Bulwell Feasibility

Site Assembly



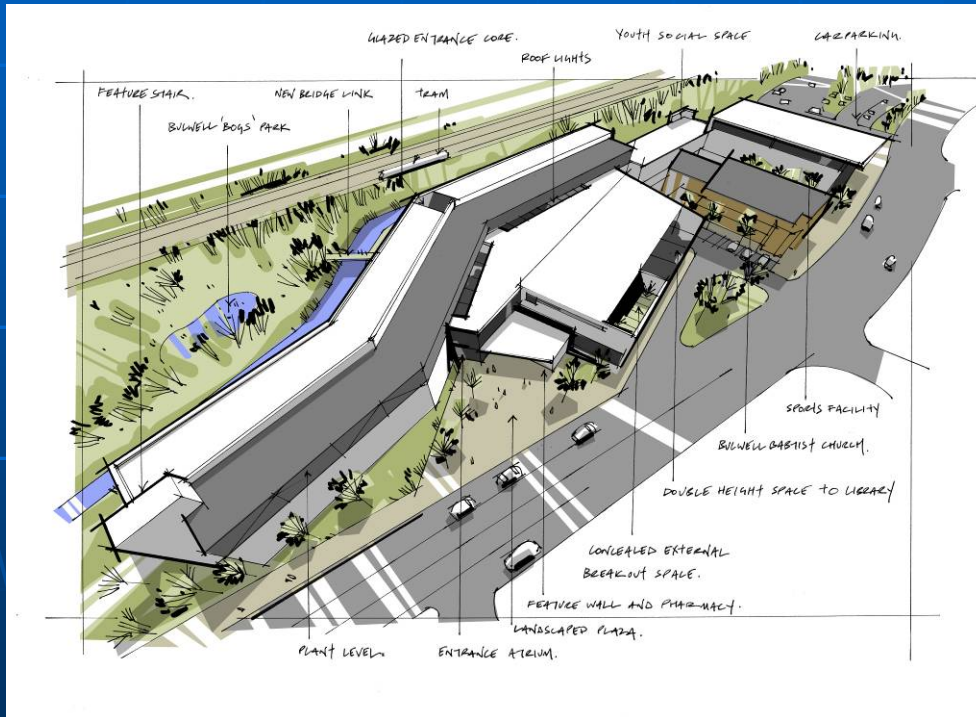
Typical LIFT Co activities

- Site Assembly negotiations
 - Land holding
 - Enabling Projects (Church)
 - Public & Private
- Site Optimisation
- Desk Top Studies
 - Site remediation
 - Flood
- Grant revenue streams
- Assist Partners with Business Cases & approvals
- Assist Public Consultation

Bulwell Facts

Facts

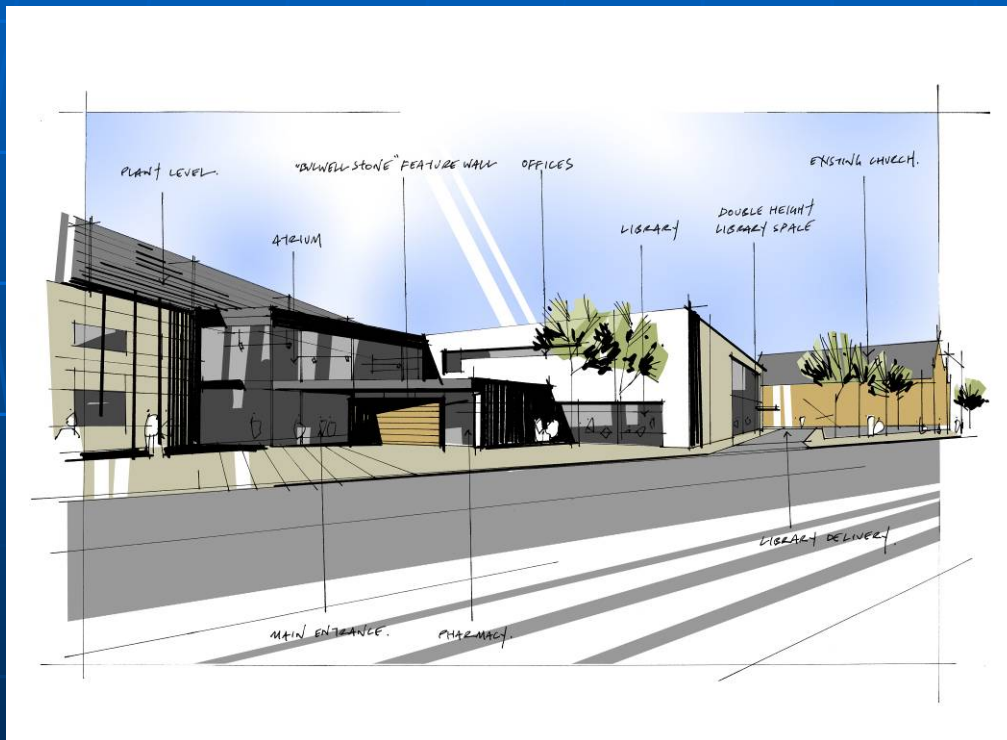
Proposal



- GIFA 8239 m²
- NCC 58% PCT 42%
- Head Lease
- £22m Build
- BREEM 'Excellent'
- LPA Version 5 Standard Docs

Bulwell Services

Proposal



NCC

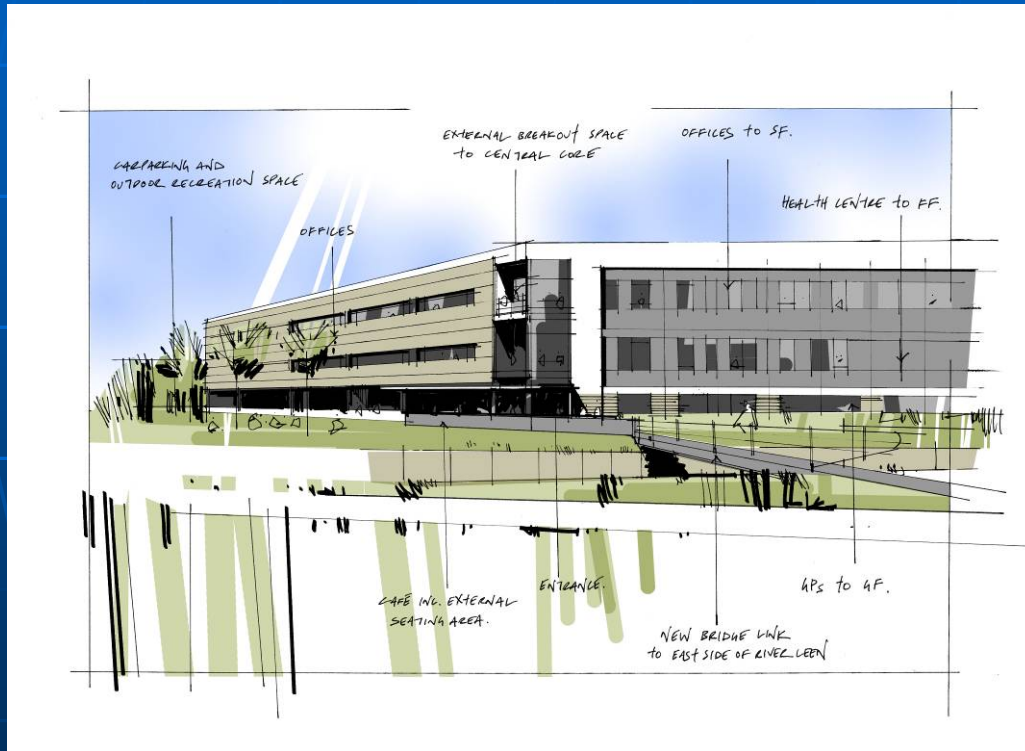
- Library
- Social Services
- Children's Services
- Neighbourhood Management
- Youth & Adult Services
- Community Centre Facilities
- Cash Payment
- Housing and Health Social Care
- Welfare Rights
- Multi-functional space
- Office Accommodation
- Indoor and outdoor sports & play facilities

PCT

- 2 GP Medical Practices
- Primary Care Teams
- Multi purpose clinical treatment and consulting rooms
- Defined children's area
- Podiatry Services
- Meeting & Conference rooms
- Sexual and Mental Health facilities
- Substance Misuse

Bulwell timescales

Proposal



Timescales

- SSDP 2004/5
- PFI bids March 2005
- OBC 31st Dec 06
- Brief Jan 2007
- Stage 1 3-6 Months
- Financial Close April 2008
- Completion Sept 2010

OBC to SOS

17 months

Application of learning

Proposal



Learning's

- Early engagement of users
- Closer relations with client
- Design Ownership
 - Site Options & appraisal
 - phasing implications
 - Optimising affordability
- Challenge requirements (TRs)
- RDS tracking vehicle
- User Training & understanding of design & operational policy
- Integrated working

Happy Tenants Happy Public

City Council Perspective



Clifton Cornerstone

Facts



- Land via NCC/PCT
- Utilities passed through at cost
- Joint management
- Joint HR protocols
- Joint soft FM agreement
- Joint TUPE issues

Fully maintained for 25 yrs

Clifton Cornerstone

Services



- Numerous City Council depts
- ALMO
- Housing Payment Office
- 2 Nr GP Practice
- Diagnostic Clinic
- Dental Theatre
- Paediatrics
- Specialist Teams
- Mental Health Services
- Social Care Team
- Healthy Living Café

Integrated Working

Clifton Cornerstone



Timings

- PFI Expression of interest 2003
- OBC Oct 2003
- Tender PS partner OJEU
- LIFT Co established June 2004
- SSDP 2004
- FC June 2004
- SOS Aug 2004
- Opening Feb 2006

OBC to completion = 29 months

Mary Potter Health Centre

Stepped change



- Solar panels
- Phasing
- Sure Start
- Arts & Colour
- User Consultation
- NDC Partnerships
- Invest in TR's & Design

Civic buildings in community

Efficiency

Speed of delivery

No payments till completion

- Co located Central Team
- Early Involvement
- How to be good clients
- Integrated working
- Standardised Documentation & Processes
- Established supply chain
- Enable affordability
- Regeneration Links

Preferred procurement route



upLIFTing facts

Surprising facts - Or are they ?

- Health and Community Gains
 - Quantifiable added value
- Quality environment for public
- Quality environment for staff
- Established partnership / relationships
- Efficient
- Proven procurement route
- Greater Certainty
 - Time
 - Quality
 - Cost - Construction
 - Cost - Operational



Public Private Partnership....It Works



Let LIFT Speak for itself

- Visit the British Consulate Trade Stand
- Video Testimonials
- Visit our website
- Visit the CHP website

