

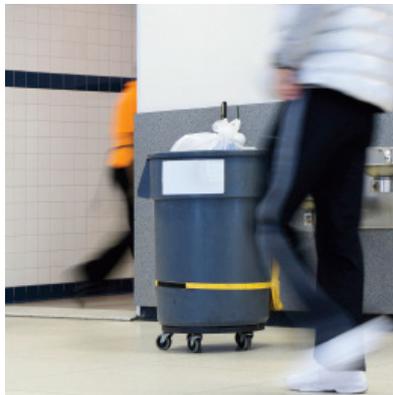
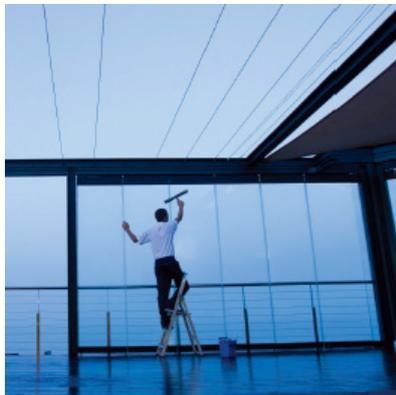


LOCAL PARTNERSHIPS

The public sector delivery specialists

OUR WORK

Private Finance Initiatives



Local Partnerships has recently worked on over 20 local authority and police PFI contracts, to identify over £200 million of savings

Our work

We review and support the renegotiation of public sector contracts to make savings, including cutting the cost of complex PFI contracts, and providing support with the management of outsourced services contracts.

Background

In support of the Government's commitment to ensure taxpayers get value for money from PFI and non-PFI contracts, Local Partnerships has worked with government departments, including HM Treasury and the Home Office, councils and other public service providers to help them realise significant savings through the review and renegotiation of their contracts.

For every £1 spent to do a review, our experience suggests that we should be able to save £4 for every year of the contract. As some contracts have another 25 years to run this translates to significant savings in many cases.

The areas where savings can be made will vary across different sectors, for example, we are working with a number of councils with accommodation PFIs to reduce the maintenance, cleaning and services specifications of their contracts



“Local Partnerships has more than met the requirements set for them. Although the reason for the engagement was to identify savings they have also done some really good work on improving the governance of the contract and better supporting our contract manager.”

Gloucestershire Police, Peter Skelton

Local Partnerships’ insight and knowledge on the PFI market has directly influenced how we’ve progressed with our PFI savings negotiations – in particular their understanding of the PFI funding market has helped us minimise the risk of incurring additional costs by pursuing proposals that would have been considered unacceptable.”

Andrew Gate, Commercial Services Team, North Tyneside Council



to cut costs. We also identify savings through the introduction of new and more efficient technologies, for example in street lighting, waste treatment and public buildings. Other savings can be made by removing contractor’s obligations to provide furniture, fixtures and equipment, or by negotiating lower margins.

Our approach

We work with sponsoring organisations such as the Department for Communities and Local Government, HM Treasury, the Department for Environment, Food and Rural Affairs, and the Home Office, to implement PFI savings programmes and

ensure that that lessons learnt from one programme are transferred to the next. We also provide front line support to councils and police forces to implement robust contract management arrangements.

As part of a PFI contract savings review, we would:

- ▶ review the contract management arrangements, including resources, governance and systems and controls
- ▶ identify savings through a thorough analysis of the contract and workshops with staff
- ▶ negotiate new contract arrangements to ensure the savings identified in the review are delivered.

We can also support your reviews on non-PFI contracts. Our approach would be similar to a PFI review, but would be likely to cover a wider number of contracts.

Achievements

We have worked with over 20 public service providers, including eight local authorities, to identify around £200 million savings.

Typical PFI savings are as much as 5 per cent of the payment and potentially far greater. To date, around 20 per cent of these savings have been implemented.

“ Savings from Private Finance Initiatives form an important part of this government’s ongoing challenge to reduce cost and waste so that we can protect vital jobs and services on the front line.”

Minister for the Cabinet Office, Francis Maude

Contact

To find out more about making savings on your PFI or non PFI contracts, or speak to Local Partnerships about how we could support you in other areas of your work delivering local services:

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