



08 March 2018

Ref: PAC32-I-770

Margaret Falsey

Committee Secretariat

Committee of Public Accounts

Leinster House

Dublin 2

Dear Committee Secretariat,

I refer to your letter of 21 February 2018 requesting a briefing note on the following:

- Financial information available on PPPs
- Any instances of where, in your view, commercial sensitivity precludes the provision of this information to the Committee. In each case provide the rationale for why such commercial sensitivity remains, and in particular in relation to contracts which have been awarded more than five years ago.
- Details of when commercial sensitivity considerations expire.

We have had discussions with colleagues in the Department of Public Expenditure and Reform, Department of Education and Skills and Transport Infrastructure Ireland (who will appear with us before the Public Accounts Committee on 22nd March 2018) and we are all in agreement that further disclosure than heretofore is optimal for projects that are signed and that are part of completed programmes of projects.

Further to this, the Department of Public Expenditure and Reform have prepared a document which outlines projected unitary payments for all PPPs which have been signed across the Education, Transport, OPW, Justice and Health sectors, as well as aggregate projections of unitary payments for currently planned PPPs. The Department of Education and Skills and Transport Infrastructure Ireland



will also advance you more detailed financial information in relation to those PPPs which they have procured.

In relation to the second and third items in your letter, we are satisfied that certain financial information on PPPs, such as the projected unitary payments, may be disclosed shortly after reaching financial close. In the cases of projects which have recently closed, there may be commercial sensitivities which might affect the State's ability to optimise value for money which precludes the publishing of such data. In general, commercial sensitivity considerations will have expired five years after the contract for a project has been closed and such considerations no longer preclude the release of more detailed financial information.

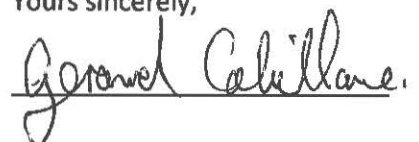
On that basis, and in relation to the education projects procured by the NDFA, it has been agreed with the Department of Education and Skills (which acts as Sanctioning Authority on the projects) to release to the Committee the detailed Value for Money reports for Schools Bundle 3, 2 and 1. Schools Bundle 3 was signed in 2012, Schools Bundle 2 was signed in 2010 and Schools Bundle 1 was signed in 2009. We are currently reviewing these reports with a view to determining if any redactions are appropriate. We will send these to the Committee with our briefing note to be issued one week prior to the Committee meeting on 22nd March. The Department has already published the Public Sector Benchmark and Value for Money headroom for each of these projects on its website.

We further note that the existing PPP guidelines¹ preclude the publishing of Public Sector Benchmarks "on the basis that revealing the amount that the State is willing to pay for a service may give tenderers an opportunity to increase their asking price above what they might otherwise seek". The Department of Public Expenditure and Reform are revising the main PPP Guidelines document. The draft revised Guidelines now state that "Current policy is that the final PSB, or any elements thereof, is not made public during the tendering process" However, "following the completion of the procurement process, and once an appropriate period of time has elapsed and the commercial sensitivity of the information on the project is no longer an issue, the Sponsoring Agency may consider releasing the PSB if it is satisfied that it is appropriate to do so."

¹ Guidelines for the Provision of Infrastructure and Capital Investments through Public Private Partnerships: Procedures for the Assessment, Approval, Audit and Procurement of Projects (July 2006)

I look forward to discussing these matters in further detail before the Committee on the 22nd of March.

Yours sincerely,

A handwritten signature in cursive script that reads "Gerard Cahillane". The signature is written in black ink and is positioned above a horizontal line.

Gerard Cahillane

Deputy Director