

**Minutes of the PRG meeting held on 16 September 2008 at
HM Treasury**

Present

Peter Livesey (Chair)
Kate Cohen
Nick Joyce
Miranda Lingard
David Locke
Simon Oliver

John Enright (DEFRA)
Amar Qureshi (DEFRA)
Pat Sartoris (Leicestershire County
Council)
Holly Field (LCC)

Howel Jones (PUK support)
James Dunstan (Secretariat)

John Enright (DEFRA)
Amar Qureshi (DEFRA)
Martin Pollard (West Devon)
Mark Turner (West Devon)

Apologies

Danny Daniels
Gordon McKechnie

Sunil Parekh (Home Office)
David Blakeman (Gloucestershire
Police)
Richard Bradley (Gloucestershire
Police)

1. Conditionally Approved Projects

Department	Authority	Project	Comments
DEFRA	Leicestershire County Council	Leicestershire Waste	The PRG approved £86.6m million of PFI credits subject to the following condition: 1. that before the issue of OJEU Leicestershire County Council should provide PRG with a letter of comfort from Entec confirming the costings within the shadow bid model.
DEFRA	Plymouth City Council, Torbay Council, Devon County Council	South West Devon Waste Partnership	The PRG approved £95 million of PFI credits subject to the following condition: 1. that before the issue of OJEU South West Devon Waste Partnership should provide PRG with a letter of comfort from Entec confirming the costings within the shadow bid model.

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2. Rejected Projects

Department	Authority	Project	Comments
Home Office	Gloucestershire Police Authority	Gloucestershire Police Divisional Headquarters	<p>The PRG rejected Gloucestershire Police Authority's application for £99.2m of PFI credits and asks that further work be done on the Outline Business Case before it is resubmitted. In particular:</p> <p>The project must have a clear strategy on the creation of a level playing field for bidders, given the potential commercial advantages to the holders of the existing PFI contract with Gloucestershire Police Authority;</p> <p>A clear decision must be made on the project's output specification, most importantly but not exclusively whether to include custody services. PRG recommends in all instances that Mandatory Variant Bids be avoided;</p> <p>The project timetable should be reviewed, giving proper attention to the overall duration and the interaction of planning and competitive dialogue requirements;</p> <p>The funding terms should reflect the current state of the market;</p> <p>There must be a clear delineation of the division of responsibilities between the project team and its advisors, principally Gleeds;</p> <p>The project team should consider whether a larger advisory budget will be required;</p> <p>The project team should establish with greater certainty whether and how much the Crown Prosecution Service will pay for accommodation in the proposed building;</p> <p>The financial model must be revised to reflect all changes to the OBC and include optimism bias; and</p> <p>The OBC must include a detailed planning strategy.</p>

PRG reminds all projects of Treasury guidance on funding competitions.