

NET
ZEROSUSTAINABLE
PLACESINCLUSIVE
GROWTH

SFT Outcomes 2021/22

Demonstrating progress with impact

PRIMARY OUTCOME

07

**PUBLIC ASSET CONDITION
AND PERFORMANCE IS
IMPROVED**

SECONDARY OUTCOMES

03



Supporting the public sector with new financial PPP arrangements

Across Scotland, there are many essential buildings such as schools and hospitals built and maintained through Public Private Partnerships (PPPs). For over ten years, SFT's Operational Contract Management (OCM) team has offered and provided support to public bodies on their operational PPP projects which in many cases has led to improved public service delivery and financial savings.

The Financial Conduct Authority (FCA) announced, on 5 March 2021, that a majority of London Interbank Offered Rate (LIBOR) rates would cease on 31 December 2021. LIBOR had been widely used for a range of financial transactions across PPP contracts and PPP projects were likely to move to a new financial rate known as the Sterling Overnight Index Average (SONIA).

To help standardise and streamline the transition process, the OCM Team took part in an industry wide working group hosted by the UK Government's Infrastructure Projects Authority (IPA), and worked closely with them in the development of its guidance for the public sector.

Following its publication, the OCM Team communicated and promoted the guidance to relevant public bodies with PPP projects and provided ongoing assistance.

Since the transition process required amendments of financing documents and granting of consent from public bodies for a substantial number of PPP projects, the development and dissemination of the guidance and subsequent support from the OCM Team helped streamline the process making it easier for the transitions to be completed.

Partners

- IPA
- Health Boards
- Local authorities
- Private sector industry participants