

# Office of the PPP Arbiter

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## **Announcement 01/07**

**7 February 2007**

### **PPP Arbiter consults on his procedure and approach to references for guidance or directions**

The Arbiter first published his 'Procedural Framework for Use in the Giving of Directions and Guidance under the Greater London Authority Act 1999 and PPP Agreements' (the 'Procedural Framework') on 16 July 2004 following a period of consultation.

The Arbiter indicated in that document that it would need to be revisited after at least one reference had been completed and there was practical experience of using the procedures.

Now that the Arbiter has completed three references, and is progressing on two further references, he has been able to review the Procedural Framework and associated Procedural Approach documents more fully.

The attached consultation paper sets out how the Arbiter intends to modify his Procedural Framework. It also sets out his views on the approach he would adopt in respect of an Extraordinary Review, and the likely timescales.

Following publication of this consultation paper the Arbiter intends to hold a series of bilateral and group discussions with the PPP Parties. He will then issue consultation drafts of a full set of revised procedural documents during March.

If a reference is made during the consultation period, the Arbiter would expect to follow a procedure in line with that suggested in the consultation paper.

### **Announcement ends**

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## Notes

- 1 The role of PPP Arbiter was created by the Greater London Authority Act 1999, which establishes his functions and duties. When requested by one or both of the Parties, the Arbiter determines disputes on the key commercial aspects of the PPP Agreement, in particular at the 7½ year Periodic Reviews, and gives guidance on any aspect of the Agreements. He is able to require the Parties to provide information and to carry out inspections, consult appropriate parties and do what he considers appropriate to prepare for giving directions or guidance.
  
- 2 The full set of Procedural Framework and Procedural Approach documents comprises the following:
  - Arbiter's Procedural Framework for Use in the Giving of Directions and Guidance
  - Procedural Approach to the Annual Metronet Report
  - Procedural Approach to Extraordinary Review
  - Procedural Approach to the Receipt of an Unanticipated Request for Guidance

These documents are all published on the Arbiter's website.
  
- 3 The Arbiter is currently preparing guidance in response to two references made by Metronet in November 2006, and on which Initial Guidance was published on 1 December ([see Announcement 09/06](#)). As with previous requests for guidance the Arbiter has prepared draft guidance on the Treatment of Investment at an Extraordinary Review which has been provided to the PPP Parties only. The Parties have until 2 March to comment. In accordance with his published timetable, the Arbiter intends to publish his final guidance in the week commencing 12 March.
  
- 4 Further details of the role of Arbiter are at [www.ppparbiter.org.uk](http://www.ppparbiter.org.uk).

## Enquiries

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