Origins, Development and Outcomes of Public Private Partnerships in Ireland: The Case of PPPs in Social Housing Regeneration

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Abstract

This paper explores the origins and development of PPPs in the delivery of public services and infrastructure internationally and in Ireland, where they were introduced on a pilot basis in June 1999. It contextualises PPPs within the broader process of privatisation and neoliberalism. It provides a critical analysis from the literature of both the benefits and more recent criticisms of PPPs in practice. It outlines the extent to which the development and outcomes of PPPs in Ireland mirror the international experience of PPPs. Using the social housing sector as a case study, this paper presents important findings for public policy in relation to the delivery of public services and infrastructure generally, given the dearth of existing empirical evidence relating to PPPs. The understanding of PPPs in Ireland presented in the paper provides both an insight into the contemporary nature of Irish public policy in this area and evidence of the increasing role of the private sector and neoliberal perspectives in Irish public service policy formation generally.

Key words: neoliberalism, public services and infrastructure, public private partnerships, regeneration, privatisation

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1 Introduction: literature review

1.1 Paper structure

This paper begins with a contextual background analysis of neoliberal policy and the emergence of PPPs internationally and in Ireland. The following 'Methodology' section outlines the key aspects of the research methodology used to ascertain the primary information. The primary information is then presented in the subsequent sections, with Section Three providing an analysis of why the Irish Government introduced PPPs and to what extent that decision was influenced by the adoption of private sector analysis and stated benefits of PPPs and a shift toward more 'market', 'neoliberal'-type policies. This is then followed in Section Four with analysis of whether or not the theoretical benefits ascribed to PPPs materialised in practice in Ireland, taking the case-study PPP projects used in the regeneration of a number of local-authority housing estates in Dublin. Section Five outlines the evidence from all the researched PPP projects in Ireland in relation to the provision of additional (private-sector) finance, value-for-money, better quality of service and evidence for privatisation or 'neoliberal' outcomes. Finally, in the 'Conclusion' in Section 6 there is a theoretical discussion on what the development of PPPs tells us about the neoliberal trajectory of the Irish state in the area of public service and infrastructure policy.

1.2 PPPs and neoliberalism

In the period from the end of World War II to the late 1970s the dominant economic and political orthodoxy was Keynesian-type policies that promoted a state interventionist approach (Bourdieu, 1998; Callinicos, 2003; Esping-Andersen, 1999; Harvey, 2005). Keynesian theorists criticised classical economics' theory that society and the economy should be organised according to the decisions of the 'hidden hand' (as identified by classical economist Adam Smith) of the market (Whitfield, 2006). Markets, as demonstrated through the pre-World War II laissez-faire period, have only planned and provided for social needs, such as essential public services and infrastructure, as long as it has been profitable for private capital to do so (Castells, 1993; Esping-Andersen, 1999; Harvey, 2005; Kirk, 1980). Keynesian governments, therefore, took responsibility for key sectors of the economy and society away from the market and expanded the role of the state on an unprecedented scale at both central and local level, to create the welfare state which, amongst other roles, provided key public services and infrastructure such as housing, roads and hospitals (George, 2004; Hall and Pfeiffer, 2000; Kirby et al., 1984; Pinch, 1985; Whitfield 2006).

These freely accessible public services, unlike privately-provided market-determined services, were non-excludable (users cannot be excluded from consuming the goods) and non-rival (consumption by one user does not reduce the supply available to others) (Whitfield, 2006). These public-sector providers were increasingly characterised by equitable access, good working conditions, high levels of staff commitment and strong public trust (Esping-Andersen, 1999; National Economic and Social Council, 2005). Such public services provided coordination and integration of services and functions, continuity and security of service and knowledge of local requirements that are an important part of quality of service. These traditional services provided direct democratic control and accountability of service delivery to elected representatives. They also had a superior record of engaging user participation and community organisations in substantive participation because of their public service obligation. The public sector is obliged under law to provide financial transparency, tackle inequality and social exclusion, under human rights law to improve access, participation and planning in delivery of services, and it places the public service delivery in broader societal contexts and objectives. There was also an aim of improving the quality of employment in terms of conditions, staff involvement and union recognition and involvement in industrial relations frameworks.

Keynesian policies, however, were blamed for the economic and fiscal crisis of the 1970s and 1980s by free-market followers of ‘neoliberalism’ such as Margaret Thatcher in the UK and Ronald Reagan in the US (Brenner and Theodore, 2002; Callinicos, 2003; Harvey, 2005). The neoliberal political ideology that they espoused advocated the dismantling of the welfare state and reducing labour standards and trade union influence through the re-implementation of market initiatives such as privatisation and deregulation (opening the public sector to competition from the private sector). This was underpinned by their belief that the private sector is more efficient, productive and cost-effective than the public sector in providing and managing the economy and society. Critical political economists have argued that the ultimate aim of these neoliberal policies was to re-orientate how the state intervened towards firstly, opening up the welfare state as a new market opportunity for private capital and secondly, reducing the proportion of the economic surpluses that were being allocated to the social wage (taxes to pay for the welfare state and labour costs), thus increasing that proportion retained by capital for profit and further accumulation (Brenner and Theodore, 2002; Kirk, 1980).

In addition, while the welfare state was notably successful in minimising many of the risks of poverty, new inequalities emerged throughout the 1980s and 1990s, in part because of labour-market and demographic transformation. The post-war welfare state had been premised upon assumptions about the family structure and labour market that had become largely invalid. There was a growing disjuncture between existing institutional arrangements and emerging risk profiles. The welfare state was not responding to new economic realities as populations found themselves barraged with new and possibly ever more intense social risks. New marginal strata or ‘underclasses’ emerged, such as lone parents and marginalised youth, as the nature of what constituted the family was transformed. The welfare state was, in many ways, unable to respond to new demands for labour-market flexibility, youth programmes, education and employment training skills, child-care support and addressing the resource inequality between household types (Esping-Anderson, 1999).

By the 1990s a dramatic transformation of welfare state policy had occurred as neoliberalism became the dominant political and ideological form of capitalist globalisation. This was recognised in 1990 when the term ‘Washington Consensus’ was coined to describe ten policy areas where neoliberalism had been universally accepted by global decision-makers (Srinivasen, 2000; Williamson, 2000; World Bank, 2000). In the area of public services these included:

- The withdrawal of direct state involvement from many areas of social provision through a reduction in public spending, privatisation (in the form of direct sale, the contracting out or outsourcing of services to the private sector and the transfer of assets and services to private ownership and/or control) and de-regulation of state companies and public services

- Local authorities and public bodies being restricted to planning and regulating services (Brenner and Theodore, 2002; Harvey, 2005; Whitfield, 2006)
- Marketisation of state functions and public services: the imposition of the private sector or 'market' ethos and competition into the public service and the introduction of user charges[1]
- Labour market de-regulation and increased flexibility; limitation of trade union power (George, 2004; Whitfield, 2006).

Thus the key role of the neoliberal state was to promote the maximum involvement of the private sector in the provision of public services and infrastructure (Brenner and Theodore, 2002; Allen, 2007; George, 2004; Harvey, 2005; Whitfield, 2006).

An OECD[2] report on services in 2005 demonstrated the practical application of this neoliberal theory. The OECD stated that several important services, such as health, education and social services, that are predominantly provided in a non-market environment, should be opened up to private providers. The underlying rationale is that the lack of a price (or market) mechanism in these public sectors meant that it was difficult for the providers of these services to effectively gauge and, therefore, adequately meet demand. This was reinforced by the absence of competition between providers and a reliance on public funding:

As a result of this environment, producers may have difficulties in responding adequately to evolving users' needs, such as the growing demand for long-term health care. Suitable policy measures, which could be explored in several public services, include the opening up of markets, the introduction

[1] User charges may be generally defined as direct charges paid to the private sector partner by third parties who are not the Government, e.g. road tolls paid by motorists (Central PPP Unit, 2006a).

[2] The Organisation for Economic Co-operation and Development (OECD) brings together the governments of countries committed to democracy and the free market economy. Its membership includes 30 countries, 27 of whom are described as high-income countries by the World Bank and include, amongst others, Ireland, Austria, Belgium, the United Kingdom and the United States of America (OECD, 2008).

of user choice, linking public funding more closely to performance as well as user payments … *such policy changes may contribute to better and more targeted services in several areas, and may help enhance efficiency while also achieving key public policy objectives* (OECD, 2005:13).

1.3 PPPs introduction and development: the international experience

Public Private Partnerships (PPPs) were introduced as part of this neoliberalisation process, firstly, in 1992 in the UK by the Conservative government and subsequently expanded across the world (IPPR, 2001; Osborne, 2000; Payne, 1999; Whitfield, 2001). In a PPP, the state contracts a private company to design, build and/or finance and/or maintain and/or operate a public service or infrastructure, generally for up to 25 or 30 years.

PPPs are classified according to their various contractual forms but generally involve one of the following types: Design, Build and Operate (DBO), Design, Build, Finance (DBF), Design, Build, Finance and Maintain (DBFM) and Concession-type PPPs (PPP Informal Advisory Group, 2001). A brief description of the two PPP types most relevant to this paper, DBF and DBFM, is now presented.

Design, Build and Finance (DBF)

This is generally used in asset transfer situations, such as social housing provision or regeneration, whereby the state hands over development rights for state-owned land to a private developer in return for a limited number of social-housing units and community facilities.

Design, Build, Finance, and Maintain (DBFM)

This model is typically used for accommodation projects such as schools and hospitals. The private-sector partner is responsible for maintaining the asset through the provision of ancillary support services, such as cleaners, while the state still provides the core services, such as teachers. In the majority of these projects, the state purchases or owns the site and issues the private partner with a long-term license for the duration of the contract, solely to enable them to deliver the required services as outlined in the output specification. The private-sector contractor is responsible for designing, building, maintaining and financing the facility. It recovers its costs principally out of payments from the public sector, remunerated by deferred annual payments from the exchequer, known as unitary payments, together with some potential for generating third-party income from user charges. PPP theory states that at the end of the contract ownership of the facility transfers back to the state (Farrell Grant Sparks, 1998). While some projects may be classified as Design, Build, Finance, Operate PPPs, for the purpose of this research they are classified as DBFM PPPs.

PPP proponents argue that PPPs can address the considerable public infrastructure and service deficits that have built up in recent decades by providing private finance to permit a greater level of public service and infrastructure delivery than would otherwise have been possible through direct exchequer funding alone (Audit Commission UK, 2003; European Commission, 2003; Payne, 1999; PriceWaterHouseCoopers, 2001a; Public Private Advisory Group on PPPs, 2001). PPPs would also introduce private-sector innovation and management skills and would result in improved speed of delivery, value-for-money and efficiencies through the higher productivity of labour and capital resources (Department of Education and Skills, 2007; Economist Intelligence Unit, 1999; Farrell Grant Sparks, 1998; Hall and Pfeiffer, 2000; Osborne, 2000; PriceWaterHouseCoopers, 2005; Williamson, 2000).

However, many of the aforementioned benefits of PPP have not been achieved in practice and, in fact, the outcomes of PPPs, to date, are very worrying from a public-service perspective (Grubnic and Hodges, 2003; IPPR, 2001; Leys, 2001; Murray, 2006; Shaoul et al., 2002). Problems identified in some PPP projects include poor value-for-money and service delivery, reductions in public-sector capacity and democratic accountability, the creation of a two-tier workforce and increases in user charges (Grubnic and Hodges, 2003; Murray, 2006; Shaoul et al., 2002). Such poor outcomes have led to considerable opposition across the world, particularly amongst trade unionists and local communities, to the introduction and expansion of PPPs (Callinicos, 2003; George, 2004; Harvey, 2005; Monbiot, 2000; Unison, 2003; www.cupe.ca). PPPs have also been identified as contributing to the exacerbation of inequality and poverty, a trend associated with the neoliberal transformation of the welfare states internationally. In the face of the growing opposition to more overt privatisation policies PPPs have been identified as an important mechanism used by governments and the private sector to intensify the neoliberal transformation or marketisation of the state (Brenner and Theodore, 2002; Harvey, 2005; Hodkinson, 2008; Monbiot, 2003; Whitfield, 2006).

1.4 PPPs introduction and development: The Irish experience

PPPs were introduced in Ireland on a pilot basis in June 1999 following recommendations made by the private sector in a report on PPP potential carried out by private consultants Farrell Grant Sparks (1998) (Allen, 2007; Central PPP Unit, 2006a; PPP Informal Advisory Group, 2001; Reeves, 2001, 2003). Since their introduction, PPPs have been implemented and expanded by government at central and local level in the water/waste-water, social housing, road, light rail and education sectors (Government of Ireland, 2007; Kay, 2005). The Irish Government Budget 2004 aimed to increase PPPs from 3 per cent of total capital investment in 2004, to 15 per cent in 2008 (Central PPP Unit, 2006b). However, there is a paucity of research into the origins, development and outcomes of these PPPs. Reports and reviews of PPPs undertaken by private consultants along with government-commissioned PPP reports and legislation, in line with their international counterparts, largely promote the positive aspects of PPPs and provide little in-depth analysis of why the government adopted this significant shift in public service and infrastructure delivery or its practical and potential implications. The only published empirical evaluation of PPPs in Ireland is the C & AG's, the Irish Government's principal auditor of public spending, value-for-money (VFM) report on the Grouped Schools Pilot PPP project which found that the projected cost of the PPP deal was 8-13 per cent higher than through a conventional approach[3] (C & AG, 2004).

C & AG Report

The C & AG Report (2004) examined the stages of the Grouped Schools PPP project up to the point where the contract was signed and, therefore, focused on the *projected* VFM of the PPP project. As noted, it found that, while the

[3] The PPP schools had a projected higher cost per sq. m. than traditional schools. They were not more expensive just because they were of greater size; the five schools had a 15 per cent increase in floor space over traditional schools (increase of 7 per cent in spaces for direct delivery of education – classrooms and administrative offices – and an increase of 49 per cent in the area for social and circulating space).

Department of Education and Science's (DOES) Public Sector Benchmark (PSB) calculated an expected saving of 6 per cent for the PPP schools, the actual projected cost of the PPP deal, according to the C & AG's calculation, was 8-13 per cent higher than through a conventional approach (C & AG, 2004).

The C & AG report compared the unit cost of one of the PPP-procured schools with the unit cost of a conventionally procured school. As noted earlier, the C & AG findings contradict the DOES's calculations that the PPP model would be cheaper and better VFM than the traditional route. The main difference between the figures found by the DOES and by the C & AG related to the fact that they both used different residual value estimations for the schools in their Public Sector Benchmark (PSB). The DOES assumed that the schools provided by conventional means would have useful lives of 35 years, but that the life span of the school buildings proposed under the PPP deal would be around 50 years. This biased the PSB in favour of the PPP option and, therefore, cast doubt on the accuracy of the assumption of different useful lives (C & AG, 2004).

The C & AG report also found the projected unit costs of construction in the PPP schools were about 26 per cent more than the projected equivalent unit costs in the conventional schools. Most of the unit costs differences were attributable to costs associated with the PPP form of procurement, including charges associated with risk transfer, increased scope of work to accommodate facilities management and to provide for third-party income generation, and increased professional/legal/financial fees.

The C & AG also criticised the DOES's PSB cost comparison as the project cost estimations should have included whole life-cycle costs – both capital costs *and* running costs over the project life. The results of the C & AG analysis suggested that schools with comparable useful lives to those offered in the PPP deal could be provided through conventional procurement at costs equivalent to the DOES's cost norms (C & AG, 2004).

The other literature that exists explains that the experience of these PPPs has been either untested (Bradley and Allen, 2001; Hearne, 2006, 2007; Reeves, 2001, 2003, 2005, 2006) or unfavourable in relation to VFM and accountability (Dillon, 2004; Kay, 2002, 2004, 2005).

Furthermore, while the Government and the Irish Congress of Trade Unions (ICTU) state that PPPs are not a form of privatisation (ICTU, 2005; PPP Informal Advisory Group, 2001) concerns have been raised about the impacts on the quality of service of PPPs in important areas of social infrastructure provision such as schools, hospitals, outsourced waste services and housing (Reeves, 2005). Trade unions are concerned, however, that in order to increase investor returns, private-sector operators would place a downward pressure on the wages and conditions of staff through reduced pension provisions, the creation of temporary and casualised staff, etc. (ICTU, 2005). Up to now, however, no research has been undertaken in relation to this.

Clearly then, given the long-term nature of PPP contracts and their financial and socio-economic impact on the Irish State in the area of public service provision and policy making, an assessment of PPPs in Ireland from a public service perspective of PPPs is urgently required, with a particular emphasis on the role PPPs are playing in the neoliberal transformation of the Irish welfare state. It was the aim of answering these questions that the PhD research that informs this paper was undertaken.

2. Methodology

An initial challenge was faced in the development of the research methodology because PPPs are at an early stage in Ireland. However, the initial review of PPPs possessing a value greater than €20 million (see Table 1 below) identified that there were sufficient PPPs at either operation or planning stage to provide a preliminary investigation into the outcomes of PPPs in Ireland.

Table 1 PPPs in Operation/Construction/Planned in Ireland as of November 2005

Department/ Responsible body	**Project name**	**Indicative Value €million**	**Project Phase**
	Road Concession (contract for 30 years)		
DCC & Dublin Port	East Link		In operation since 1984
National Roads Authority	M 50 upgrade West Link		In operation
	N1/M1 Dundalk Bypass	340	In operation
	N4 Kilcock-Kinnegad:	550	In construction
	N8 Rathcormac-Fermoy Bypass	320	In construction
	Light Rail Operate and Manage		
Rail Procurement Authority	LUAS		In operation since 2003
	Education DFBM (25-Year Contract)		
DOES	Five new post-primary schools	274	In operation since 2002
	National Maritime College of Ireland	51.3	In operation since October 2004
	Cork School of Music	205	In construction
	Social Housing DBF		
DOEHLG & DCC	Fatima Mansions redevelopment	100-250	In construction.
	Water/waste-water treatment plants DBO (20-Year Contract)		
DOEHLG & Relevant Local Authority	Dublin Bay Drainage scheme	300	In operation since July 2003
	Wexford Main Drainage	20-50	In operation
	Cork Main Drainage Treatment	50-100	In operation
	Dungarvan water treatment		In construction
	Tipperary bundled water drainage		In construction
	Balbriggan/Skerries Treatment plant	20-50	In construction
	Outsourcing		
DOEH&LG & four Dublin local authorities	Waste management and environmental services		Operational since 1997
Proposed/planned PPPs			
➢ Five road projects ➢ Twenty-three new post-primary schools and four new primary schools ➢ Local authority housing redevelopment ➢ Prison and court services ➢ Metro North, Metro West, Luas Lucan ➢ National Conference Centre ➢ Drainage/Sewerage Treatment Schemes ➢ Incinerators ➢ Bray and Greystones Harbour Redevelopment ➢ National Network for Radiation Oncology ➢ Decentralisation.			

Source: *Data Compiled from Central PPP Unit (2005)*

Over 120 direct interviews were carried out, with actors involved directly in the development and implementation of PPP projects in the social housing regeneration, school, waste-water/water, road, light rail and waste recycling and collection. The actors involved were classified into four stakeholder groups: public-sector officials and representatives (including central government department officials, local-authority government officials and elected representatives; 30 interviews), private-sector PPP companies and consultant advisors (10 interviews), trade unions representing public and private-sector workers employed in PPPs (15 interviews), school teachers and principals (20 interviews), PPP ancillary staff (24 interviews) and, in the case of the social-housing regeneration, the community sector (22 residents representatives and community workers).

The questionnaires for the various stakeholders involved in PPPs at the policy and governance level focused on why PPPs were introduced in the relevant case-study sector and continued to be used in Ireland. For example, the questions included the level of influence that factors had been, such as inadequate public funding, promotion by the private sector, the international experience and giving an increased role to private-sector and public-sector reform in their introduction and continued use. Questions also addressed the extent to which PPPs in Ireland had accelerated the delivery of public services and infrastructure, achieved VFM, impacted public-sector and PPP employee conditions, and what level of consultation with stakeholders had taken place. Questions focused on any concerns or impacts the interviewees had relating to the increased role of the private sector in public service and infrastructure delivery facilitated by PPP in terms of the social equity and poverty impacts, long-term social and public costs and democratic accountability.

The author also gleaned a considerable amount of relevant data from participant observation at three Annual Irish PPP Policy Forums (Table 2). The author took detailed notes at the forums which included workshops where private and public-sector representatives presented and discussed PPP policy and project development in all sectors (City and Financial, 2006). A full transcript of all the sessions was also made available to the author for analysis. The importance of the Forums in Irish public policy formation was highlighted by the attendance of key Government Ministers and officials from the various Government Department PPP Units.

A representative sample of PPP projects was chosen for the author's PhD research from two sectors that had developed PPPs to undertake more in-depth case-study research. The education and social-housing regeneration sectors were chosen as they had the most significant public service and equity implications (i.e. private sector involvement in the largest areas of public capital expenditure on 'social protection' in the *National Development Plan 2007-2013* (Government of Ireland, 2007)). This paper focuses on the evidence gathered from the social-housing case studies.

Table 2 Workshops and Plenary Meetings Attended at Annual Irish PPP Forums

The 2nd Annual Irish PPP Policy Forum, Wednesday 5 April 2006	*The 3rd Annual Irish PPP Policy Forum, Tuesday, 26 June, 2007*	*The 4th Annual Irish PPP Policy Forum, Thursday, 19 June, 2008*
PLENARY MEETINGS:		
GOVERNMENT POLICY AND INITIATIVES		
▪ Keynote address by Brian Cowen, TD, Minister for Finance ▪ Developing the NDFA's role as a centre of excellence ▪ Private sector perspective on the government's plans ▪ Latest developments in PPPs in Northern Ireland ▪ A European perspective	▪ The National Development Plan 2007-2013 ▪ Updates from central government procurement agencies ▪ The Railway Procurement Agency ▪ Policy guidance issued by the Central PPP Unit	▪ Where next for PPP in Ireland? ▪ The evolving institutional framework for PPP in Ireland ▪ Getting VFM – lessons so far
BEST PRACTICE GUIDANCE		
▪ Achieving VFM from PPPs ▪ Getting the output specification right ▪ Practical and legal aspects of structuring PPP consortia ▪ Recent developments in the Irish PPP model	▪ Issues to be addressed before handover of projects to the NDFA ▪ Procurement: compliance versus project delivery ▪ Benchmarking and market testing ▪ Managing risk	Issues to be addressed before handover of projects to NDFA Overcoming the challenges to the implementation of PPPs at the local authority level
FINANCIAL ISSUES		
▪ Latest developments in financing structures for PPP projects ▪ Risk and risk transfer ▪ PPP market capacity: primary developers ▪ Secondary market	▪ Payment and performance mechanisms ▪ Innovation in financing structures ▪ Latest developments in equity finance and the secondary market in Ireland	▪ Latest developments in debt and equity finance ▪ Competitive dialogue ▪ Optimising payment mechanisms ▪ Latest developments in debt finance
Workshops:		
1. Achieving VFM in roads	1.Rail case study: Dublin	1. Civic buildings. Case

projects. Case study: Dundalk Western By-Pass (Transcripts obtained) 2. Effective risk transfer in education PPPs. Case study: National Maritime College project (Attended) 3. Providing waste infrastructure through PPPs. Financing waste – key issues (Transcripts obtained)	Metro North (Transcripts obtained) 2. Accommodation case studies: Dublin Convention Centre, Criminal Courts (Transcripts obtained) 3. Education case study: Financial and contracting structures for the schools PPP programme (Attended)	studies: Dublin Criminal Courts Complex, National Conference Centre (Transcripts obtained) 2. Rail PPPs. Case study Metro North (Transcripts obtained) 3. Education: Case studies: Bundled Schools, New Campus at Grangegorman, Dublin Institute of Technology (Attended) 4. Healthcare PPPs. Case studies: UK approach to primary healthcare – could it work in Ireland?, Co-location hospitals (Transcripts obtained) 5. Regeneration. Case study 1: Greystones Marina (Attended)

Source: *City and Financial (2006, 2007, 2008)*

2.1 Case-study: Dublin City Council social-housing estate regeneration projects

The primary data for the case-study that is the focus of this paper, the assessment of social-housing estate regeneration PPP projects, were collated from 37 interviews carried out with the key public-sector and community actors involved in DCC's regeneration of ten local-authority estates that were at the most advanced stage of PPP (having commenced construction, contract negotiations or being identified by DCC as a potential PPP project. These estates include:

- Fatima Mansions
- St Michael's Estate
- O'Devaney Gardens
- Charlemont Street
- Dolphin House
- Dominick Street
- St Theresa's Gardens
- Croke Villas
- Bridgefoot Street
- Chamber Street/Weaver Court.

At central-government level two sets of interviews were carried out with officials from the PPP Unit of the Department of the Environment, Heritage and Local Government, while at local-government level three officials from the Housing Project Management Unit of DCC were interviewed. In addition, five DCC project managers and 22 residents and residents' representatives including community workers from nine estates took part. The majority of the residents and community workers interviewed and, therefore, information generated, came from six of the estates (Fatima Mansions, St Michael's Estate, O'Devaney Gardens, St Theresa's Gardens, Charlemont Street and Dolphin House).

The questions in the interviews included:

1. Why DCC decided to regenerate the estates through the PPP route
2. An evaluation of the regeneration PPP plan in terms of
    - Whether or not PPPs accelerated the delivery of regeneration
    - Whether PPPs provided VFM
    - Number, type and density of public/private/affordable units provided
    - Appraisal of quality of the physical design of the redeveloped estate, in particular the location and integration of social and private housing units and public space
    - What community and other facilities were provided under the PPP
    - Social regeneration budget and other social regeneration measures provided, e.g. local employment
    - Provisions for post-regeneration social regeneration plan such as education, health and training and employment
    - The monitoring of PPP contract fulfilment
    - What level of consultation and decision-making was shared with tenants and/or community representatives in the regeneration processes
3. Perspectives of the stakeholders on the loss of public units and land
4. What influence the private developer/market profitability requirement had on the regeneration process
5. Level of maintenance during and before regeneration
6. Level of de-tenanting and community break-up.

A significant amount of data in relation to the case-study estates in this sector was gathered from participant observation with Tenants First[4] since its inception and from the author's position as the regeneration community worker in Dolphin House from July 2007 onwards. The evidence gathering in this participant observation involved taking detailed notes at all meetings attended which were later typed up and retained for analysis.

3 Research findings: The origins and development of PPPs in Ireland

3.1 PPP Rationale

The paper now turns to the primary research generated in relation to the underlying reasons and factors that influenced the Irish Government's decision to introduce PPPs. It then details PPPs' development and practical outcomes, with a particular focus on the case-study area of social housing regeneration. Social-need and equity impacts are analysed such as access to high quality public services, workers' conditions, democratic accountability, community participation and consultation.

The principal stated reasons for the introduction of PPPs by the Irish Government were that they would address the public infrastructure and service deficit more rapidly than would have been achieved by traditional procurement alone. The deficit had arisen from the historic underinvestment in Ireland's capital assets, its rapid economic growth and a tapering off of the European structural funds which had been Ireland's source of investment in infrastructure in recent decades (Central PPP Unit, 2008; FGS, 1998). The deficit was endangering foreign investment, Ireland's competitiveness and the pace of economic growth. Key areas included the transport sector (public transport was in need of significant modernisation and, unless this issue was properly addressed, poor public transport systems would become a constraint on economic growth, particularly in

[4] Tenants First is a forum of tenants and community workers from Local Authority Estates across Dublin City who were formed in 2004 to share information and experiences and support each other on issues of common concern, particularly in relation to regeneration.

and around Dublin), affordable housing, education (schools) and water/waste-water treatment and integrated waste management infrastructure required by EU Directives. The Irish Government, at the time of the introduction of PPPs, was also 'frustrated' with the slow delivery, inefficiencies and cost overruns of a number of public-sector projects (Interview Central PPP Unit DOF, 2006).

The state officials interviewed asserted that PPPs would achieve this by accessing additional funding through private-sector finance and introducing private-sector management expertise and skills to deliver and operate public projects more efficiently – skills in which the public sector were judged to be deficient. PPPs, they stated, would provide greater value-for-money (VFM), speed of delivery, efficiency and improved quality of service in infrastructure and service provision than traditional methods through risk transfer (Interview Central PPP Unit DOF, 2006; Interview PPP Unit DOEHLG, 2006).

Accompanying the economic growth, rising inequality had created a significant need and demand for various types of public service to come on stream immediately, providing social protection. Yet the capacity to deliver those services was constrained by the infrastructure deficit. Expanding or creating infrastructure is a slower process than increasing services (NESC, 2005). Table 3 identifies the principal items of public capital expenditure that were delivering social protection in 2002 (NESC, 2005).

Table 3 Public Capital Expenditure on Social Protection in Ireland, 2002

Type of Social Protection	Department	Public Expenditure €M
Local Authority Housing, Voluntary Housing and Shared Ownership	Environment etc.	1,364
Pre-funding of Future Pension Liabilities	Finance	1,035
Schools and other Educational Institutions	Education & Science	564
Prison Building and Equipment, Courthouses, Probation Centres	Justice, Equality & Law Reform	61.5
Childcare	Justice etc.	23

Source: (*NESC, 2005)*

A key benefit identified in PPPs was that they would facilitate an increase in expenditure on public services and infrastructure while not requiring an increase in exchequer funding (Interview PPP Unit DOEHLG, 2006). EU budgetary rules meant that the annual payments to the private operator in a PPP could be recorded as off 'government balance sheet', once certain risk transfer arrangements were met. This made PPP more favourable than traditional methods of delivery where the funding would have to be counted as up-front capital borrowing. It is also easier for individual government departments to commit to such a mortgage-type PPP payment to pay for a public project rather than wait for the full capital subvention from central government, despite being a more expensive source of funding over the long-term (Interview PPP Unit DOES, 2006).

It should be noted that the state could have borrowed the money or used budget surpluses at the time to provide the additional funding. However, reflecting the adoption of a 'neoliberal' perspective the Irish Government stated that it would 'not be appropriate' for the state to undertake the required large-scale investment in, and management of, public infrastructure and services (Interview Central PPP Unit DOF, 2006). The budget surpluses that existed were being directed elsewhere at the time, such as to income and corporate tax rate reductions in line with the government's fiscally-conservative economic policies rather than directly funding the public service and infrastructure deficit (Allen, 2007; Kirby, 2002; O'Toole, 2003).

3.2 Marketisation of public provision

According to the state officials the transfer of the maximum risk (i.e. responsibility) within a public infrastructure or service delivery project to the private partner was the key method through which PPPs could implement beneficial private-sector attributes. The transfer of the risk of projects running over budget is one such risk.

What happens if the project runs over schedule? Who does it cost money to? In traditional models the public pays – in PPP it's the private sector. That's the price of the risk that's built into a PPP. In traditional procurement when the project goes belly-up, the taxpayer pays for it. In PPP you still pay for it but you pay down the road rather than upfront. It's like car insurance: in

PPP you pay for the risk but hope you never have to use it. It's there as a fall back (Interview PPP Unit DOES, 2006)*.*

PPP theory also holds that the transfer of the responsibility/risk for maintaining/operating the asset/service post-construction provides the private sector with a strong incentive to construct high-quality infrastructure that would minimise maintenance requirements and costs over the whole life of the infrastructure. This is *'*inherently difficult to achieve within the constraints of traditional public sector budgeting' as it did not, traditionally, take such a life-cycle approach to investment (Interview PPP Unit DOEHLG, 2006). Furthermore, in this model the financial/equity providers are essentially allocated the responsibility to guarantee the adequate provision of the public service. This, the state interviewees claimed, is because the financial providers, in order to guarantee the receipt of its interest or dividend repayments from the private operating consortium, must ensure that the private operator provides the adequate quality and level of service required for receipt of the annual payments from the state. Private financial institutions, they argued, would be better regulators of the projects than the public sector. The penalty clauses included within PPP contracts would also affect similar commercial incentives on the private operator as full payment is made only if the required service standards were being met on an ongoing basis. Therefore, if the private operator did not manage the risks adequately it and, ultimately, the financial providers would lose financially, it was claimed (Interview PPP Unit DOES, 2006).

The insertion of these market-based principles of competition and 'incentivised performance' into the delivery process through PPPs was also described as 'beneficial' as it would not have been permitted in traditional public service and infrastructure provision. PPPs would 'get things done' by changing the 'mindset' of the public sector away from being 'inflexible, slow and inefficient' (Interview PPP Unit DOF, 2006). For example, PPP facilitated the introduction of performance management systems and performance-based measures into the rail sector through the LUAS light rail PPP contract. It had not been possible to include such incentive measures previously in the rail sector as it was operated by the state company, CIÉ.

> *By exposing public services to competition, Public Private Partnerships enable the cost of public services to be benchmarked against market standards to ensure that the very best value-for-money is being achieved* (Interview PPP Unit DOEHLG, 2006)*.*

This is line with the with the OECD's (2008) review of the Irish public service. That review highlighted a number of practical problems associated with traditional public sector delivery including the inflexibility in redeployment between and within the civil service, non-commercial state bodies and local authority workers. The review noted that there is a need to ensure that the numbers employed in the public service are no greater than are necessary to deliver public services. In relation to procurement it stated that there is scope for a significant improvement in the professionalisation of procurement to drive value-for-money. There is also a requirement for a culture of evaluation within individual public sector organisations (OECD, 2008). Public services need to become more focused on performance and delivery and must be made more accountable for what they achieve through the measurement of that performance. Underperformance must be challenged and there is a need for a clear link between the performance ratings given to individuals and actual achievements in delivering services and improved outcomes for the public. This will involve a major cultural change in the public service (OECD, 2008). There is an identified need for a modern, responsive and citizen-focused public service (OECD, 2008).

Reflecting the neoliberal policy reform agenda the DOEHLG representative stated that PPPs would achieve VFM and additional funding through facilitating the conversion of public services, infrastructure and assets into income-generating commodities. These included the introduction of user fees such as road tolls and rail fares and the privatisation of local authority land in regeneration PPPs.

PPPs would also introduce private-sector experience and skills that the public sector did not possess (Interview DOF PPP Unit), in part as a result of cut-backs and employment embargos in the 1980s and 1990s (Allen, 2007; Sweeney 2004). Rather than building up skills, capacity and expertise within the public sector, the government decided to bring in the private sector to provide these through PPPs.

Such justifications and reasons for the introduction of PPPs provided by Irish state officials were remarkably similar to and, in many instances, exactly the same as those given by private-sector PPP firms involved in the promotion and development of PPPs internationally, such as Farrell Grant Sparks, PriceWaterHouseCoopers, KPMG and Deloitte and Touche. These same firms provided information sessions with Irish local authority senior management and government departments and played a central role in promoting and effecting the introduction of PPPs through their reports which were commissioned by the Irish Government. The government decided to use and encourage PPPs principally because of,

> *Two important Reports published in the late 90s/early 2000, both of which concluded that there was scope for PPPs in Ireland – the FGS report (1998) and a PriceWaterHouseCoopers report (2001)* (Interview PPP Unit DOEHLG, 2006).

This reveals the strong influence of the private sector in the development of PPPs in Ireland, a key trend identified internationally in the neoliberalisation of governance (Whitfield, 2006). It also appeared that, despite considerable international evidence of negative outcomes from PPPs, the Irish Government was satisfied to take the perspectives of such PPP proponents without undertaking its own detailed critical analysis.

It was also stated ‘off the record’ that PPPs were introduced to reduce the influence of trade unions within the public sector. For example, the PPP contract to operate and provide the infrastructure for Dublin’s light rail service, Luas, was outsourced to the private sector, through PPPs, partly in an attempt to reduce the control of the trade unions within the public transport system.

3.3 Imposition of PPP

As a result of the government’s decision to pursue the PPP approach certain public infrastructure and service projects with an initial capital expenditure exceeding €20 million had to undergo a PPP feasibility assessment before commencement (Central PPP Unit, 2008). While this was in theory to assess whether or not a project was suitable for the adoption of a PPP approach, the reality for certain government departments and local authorities was that the proposed project would only proceed if it was undertaken through the PPP route. DCC's social-housing estate regeneration projects, the Grouped Schools Project, the Wexford and Wicklow local-authorities' waste-water treatment plant and the Luas and Metro projects provide examples of this. The inadequacy of government funding for the provision of such infrastructure also influenced local actors to pursue the PPP route as it was perceived as guaranteeing provision in contrast to the delays of waiting for funding through traditional mechanisms.

This process revealed that actors at central government level were implementing the PPP mechanism despite the preference of some government department and local-authority management for the projects to be procured through traditional mechanisms. The centralised power structure of the Irish State and the dependency of Irish local government on central government were clearly revealed in this process.

Parallel to this process considerable institutional infrastructure at central and local state level was constructed by the government to enhance the public sector's capacity to use PPPs, such as PPP 'Centres of Expertise' in government departments and the National Development Finance Agency (NDFA)[5] (PriceWaterHouseCoopers, 2001). An interdepartmental Group on PPPs and the Informal Advisory Group (IAG) on PPPs, at which the relevant social partners are represented (Central PPP Unit, 2006a) were created. The government, as explained by the Minister who pioneered their introduction, the Finance Minister Charlie McCreevey, aimed to embed PPPs as a centrally important pillar of public capital procurement and the provision of public services (PPP Informal Advisory Group, 2001). The government also introduced four important pieces of enabling legislation to ensure that state departments and agencies would have the power to enter into PPPs, that they would be supported through the PPP process and that opportunities for developing PPPs would be enhanced (Central PPP Unit, 2006a). For example, the Irish State Authorities (Public Private Partnerships) Act 2002 enshrined PPPs into Irish Law and defined PPPs as a 'partnership

[5] In order to provide optimum support for the development of the PPP process, the Government established a Central PPP Unit in the Department of Finance to lead, drive and coordinate the PPP process. It also developed the NDFA which has the power to enter into PPPs and provides technical support to PPP projects.

arrangement' between a state authority and a private 'partner' where the PPP 'shall operate to confer on the private partner the functions of the state authority' (Government of Ireland, 2002).

4 Research findings: The case study of social housing regeneration PPPs

4.1 PPPs introduction

Dublin City Council (DCC) has 16,000 social housing units in the form of flats in large complexes in the inner city, most of which were built in the 1950s, 1960s and 1970s. Local communities and DCC developed plans for the whole-scale regeneration (demolition and rebuilding) of two of these complexes (St Michael's and Fatima Mansions) in the late 1990s and early 2000s. However, the government instructed DCC in 2002 to pursue the regeneration plans through a PPP model (Drudy and Punch, 2005; Kelly and MacLaran, 2004). The primary reason for this radical change in policy is that PPP, the government stated, would provide regeneration at 'zero financial cost' to the exchequer by transferring the market value of the land on the estates over to developers in return for a negotiated amount of social and private housing, community facilities and retail and commercial development (Interview PPP Unit DOEHLG, 2006). The value of the land on which these inner-city estates were situated had escalated considerably over the previous decade as a result of the rising value of land in Dublin's inner city:

> *PPPs can capitalise in a cost effective and socially progressive manner on the escalation in the value of urban lands in public ownership … The housing projects at Fatima Mansions, O'Devaney Gardens, Infirmary Road and St Michael's are particularly attractive because these projects are financially neutral for the Exchequer, as the private sector is providing public housing in return for development rights on the remainder of the sites* (Interview PPP Unit DOEHLG, 2006).

DCC also looked favourably on the PPP model as a mechanism to provide development gain to fund social regeneration plans and community facilities that traditional, state-funded, regeneration does not provide. PPPs would also achieve the government policy of providing a greater social mix of housing types (social, affordable, private, and commercial development etc.) in areas of high concentration of local-authority housing as a key method of reducing social exclusion (DCC Assistant City Manager for Housing and Residential Services, 26 May 2008; Interview Dublin City Council Housing Project Management Unit, 2007; Rose, 2006).

By July 2007, DCC was engaged in, or planning, the regeneration of at least 12 large local authority estates in inner-city Dublin through the PPP DBF mechanism (Table 4). Construction had commenced in the Fatima Mansions PPP project, the contract had been signed with the preferred bidder in the PPP proposed for the O'Devaney Gardens estate, and the contract had been awarded to the preferred bidder in St Michael's Estate, Infirmary Road and Jamestown, while Bridgefoot Street, Croke Villas and Dominick Street were at tender assessment and award stage. The RFQ[6] had been recently advertised for St Theresa's Gardens and Charlemont Street PPP Projects. Dolphin House and Chamber Street/Weaver Court were preparing for commencement of the PPP process (Table 4). The DOEHLG and DCC viewed the PPP projects as flagships for future regeneration developments in Dublin and across Ireland (Fatima Regeneration Board, 2005; Interview DCC Project Manager 1, 2007; Interview DOEHLG 2006; Government of Ireland, 2007). It believed they would be a catalyst for the physical, social and economic regeneration of these areas (Rose, 2006).

As with the general literature on PPPs in Ireland, given their recent emergence, there had been little debate or published research on the use of PPPs in the regeneration of local-authority housing estates. This pointed to the requirement for further research into this area given that such policies were already well advanced in Dublin in what represented a radical departure in urban policy (Bissett, 2005; Dillon, 2004; Kelly and MacLaran, 2004, Tenants First, 2005). The existing

[6] The Request for Qualifications (RFQ) stage involves DCC advertising the PPP Project and then issuing a document, on request, to interested parties. The document outlines the project in general terms, e.g. the development will comprise social, affordable and market-rate residential units, community and leisure facilities. Bidders then need to respond and show they have financial and architectural capacity to carry out the process. Furthermore, just before the RFQ is released the PPP Project Board decides on whether or not to give approval for the Project to go ahead to the next stage on the basis of the Framework plan and PPP Feasibility study. There is no community representation on this Board.

literature raised a number of key themes that required investigation such as the level of community partnership and participation taking place in the PPP regeneration process, the design and space impacts on the existing community and the level of investment in social regeneration and community facilities (Dillon, 2004; Drudy and Punch, 2005). The community-based literature identified a number of positive changes for communities brought about by PPP regeneration (Fatima Groups United, 2006). However, *The Real Guide to Regeneration for Communities*; *Making the Right Decision about Urban Regeneration* (Tenants First, 2005), a community-produced document based on experiences in local areas already in PPP regeneration, identified significant conflict, stress, disruption and fear with many aspects of 'community' being lost in the process of depopulation, demolition, and redevelopment. DCC's decision to de-tenant housing complexes during the PPP process was identified as an important influential factor on this process of 'community break-up' and dispersal.

Table 4 Case-Study Dublin City Council PPP Planned Flats Complex Regeneration Projects 2007

Case Study Estate	Fatima Mansions	St Michael's Estate	O' Devaney Gardens	Dominick St.	St Theresa's Gardens	Croke Villas	Charlemont Street	Chamber Street/ Weaver Court	Bridge-foot Street	Dolphin House
Year built	1949	1970s	Late 1950s	1961/70	1952	1961	1959	Unknown	1964	1956
Location	Rialto, Herberton Luas stop, Dublin 8	Inchicore, Dublin 8	North Circular Road, Dublin 7	Parnell St, Dublin 1	Cork St, Coombe Hospital, Dublin 8	Croke Park, Dublin 3	Harcourt St, Dublin 2,	Cork St, Dublin 8	Guinness brewery Dublin 8	South Circular Road, Royal Canal, Dublin 8
No. of original units	394 (1986) 270 (2000)	346	278	198	346	87	181	60	143	436
Project Status	Contract Signed with Elliot/Morris. Construction started 2004	Castlethorn/ McNamara selected as preferred bidder	Contract signed with Castlethorn/ McNamara 2007	McNamara selected as preferred bidder 2007	RFQ advertised 2007	Bennett Ltd. Selected as preferred bidder	RFQ advertised 2007	PPP Assessment stage	PPP Assessment Stage	PPP Feasibility Study

Therefore, investigation was required into evidence for the dispersal of the existing community during the PPP process and resultant gentrification in the final regenerated estate. One of the most challenging issues, identified by the communities, within the PPP process was the capacity of those communities to be engaged fully with the process as equal partners in order to be in a position to make that decision (Bissett, 2005; Dillon, 2004; Fatima Groups United, 2006; Kenny, 2003; McGuirk and MacLaran, 2001; Tenants First, 2005).

A trend was also emerging that identified PPPs as a neoliberal policy with respect to their reduction in, and trend toward the privatisation of, the provision and management of social housing and public land (Dillon, 2004; Drudy and Punch, 2005; Punch and Kelly 2005). Furthermore, a clear evaluation of the financial rationale of the PPP model and comparisons with other options had not been carried out by the state (Kelly and MacLaran, 2004; Punch, Redmond and Kelly, 2004; Redmond and Russell, 2008). A timetable for the completion of the PPP process for an unnamed local authority estate by DCC is detailed below in order to give an overview of the process.

Table 5 General Timetable of DCC's Social-Housing Regeneration PPP Process

Stage of Process	Commencement date	Completion date
Archaeological, utilities and soil analysis studies	**Oct 2006**	**Jan 2007**
Feasibility study to ascertain the possible yield from the site proposed for redevelopment		
Community consultation – Identify community groups Complete and sign off community charter		
Procurement process start & advertising		**Dec 2006**
Advertise project on OJEU and at least one national newspaper		
Issue Request for Qualifications (RFQ)		**Feb 2007**
Closing Date for RFQ		**Feb 2007**
Shortlist of bidders notified		**March 2007**
Issue tender document, Request for Proposals (RFP) to short-listed bidders		**May 2007**
Closing for receipt of RFP Submissions		**June 2007**
Evaluation meeting. Assessment panel meeting	**June**	**Aug 2007**
Preferred bidder selected		**Aug 2007**

Community consultation and approval received	**Aug**	**Sept 2007**
Contract negotiations –architectural contract, financial contract, legal contract	**Aug**	**Nov 2007**
Contract signing	**Nov**	**Nov 2007**
Prepare planning application, submit planning		**March 2008**
Planning process	**March 2008**	**Sept 2008**
Phase 1 construction completion	**Oct 2008**	**Oct 2009**
Demolition – De-tenant site as above	**Jun 2009**	**Jun 2009**
Construction completion		**Nov 2010**

Source: Adapted from *DCC (2006) unpublished*

4.2 PPP and reduction of social housing numbers

This new regeneration policy experiment, after six years of implementation, can be most accurately described along the lines of that identified by Tenants First (2005) as a policy of *de-generation* and *dislocation*. By 2009 only one (Fatima Mansions) of the planned PPP projects had commenced construction, at least six estate projects (St Michael's Estate, O'Devaney Gardens, Croke Villas, Dominick Street, Bridgefoot Street, ChamberStreet/Weaver Court) had collapsed, two remained in the procurement process (St Theresa's Gardens, Charlemont Street) and the other estates that were planning to start the regeneration process (e.g. Dolphin House and others such as Limerick) have been left unsure of their future. A huge amount of work had been done by local regeneration boards (including community workers, local residents and Dublin City Council officials) developing new and visionary models of social and physical regeneration and pressuring the state to accept significant resident participation in the regeneration boards (although this has not been so successful in the Limerick case). Despite this they were informed in late 2008 and through the early months of 2009 that their plans were unfeasible and must wait for an 'upturn' in the market when PPP becomes viable again (DCC, 2009). The PPP collapse and delays have left these communities devastated and highlight the need for a radical change in current government policy relating to the regeneration of disadvantaged areas and social housing provision.

An analysis of the PPP projects, as they were planned up to last year, demonstrates that the refusal of the government to invest any money in these projects resulted in the private developer consortia's potential gain (profit requirement) being the central factor that determined the overall outcome of the regeneration projects. This can be seen clearly in that the majority of the proposed redevelopment in the PPP projects entails private residential and commercial uses while existing social housing numbers were to be considerably reduced. For example, the planned regeneration of ten of DCC's estates that contained 2,033 social units through PPP would result in just over half of the original social units returned. If that figure is adjusted for the DCC plans in December 2008 it falls to 972 social units, a mere 48 per cent of the original number (Table 6).

Table 6 Private and Public Units in DCC's PPP Regeneration Projects at July 2008

Estate	Fatima Mansions	St. Michael's Estate	O Devaney Gardens	Dominick St	St. Theresas Gardens	Croke Villas	Charlemont St.	Chamber Weaver Court	Bridgefoot St	Total
Original	394	346	278	198	346	87	181	60	143	**2033**
New public	150	165 (137)	281 (200)	120 (80)	150	38	155	62	0	**1121 (972)**
Public lost	244	181	+3	78	196	49	26	+2	143	**912**
Total new private	465	555	542	240	450	110	200	33	200	**2795**
Private Affordable	70	75	250	47	150	NA	20	3	60	**675**
Total	615	720	823	360	600	148	355	95	200	**3916**
Social Mix: Private % Public %	75.5% 24.5%	77% 23%	65.8% 34.2%	66.7% 33.3%	75% 25%	74% 26%	56% 44%	35% 65%	100%	**71% 29%**

Figures Adjusted for DCC plans December 2008 in brackets

In order to develop an analysis of the impact of PPPs on social-housing provision, it is pertinent to contextualise the discussion within current social-housing policy and provision in Ireland. The government has only provided a very limited capital budget to local authorities to build new social housing, deciding instead to focus on obtaining social-housing units from private developers through Part V of the Planning and Development Act 2001[7] while providing income supports to assist

[7] Part V required, as a condition for planning permission, developers to transfer up to 20 per cent of their sites to local authorities for the provision of both social and affordable housing. Part V was amended in December 2002 to allow local authorities opt out of enforcing the on-site 20 per cent rule and instead allow approval of Part V status if the developer gave the local authority land elsewhere or the financial equivalent of the value of the land transfer. Many local authorities have used the Amendment to opt out of enforcing the 20 per cent social housing rule and therefore, Part

tenants in the private-rented sector through the Supplementary Welfare Allowance (Drudy and Punch, 2005; Kelly and MacLaran, 2004; NESC, 2005; Punch, Redmond and Kelly, 2004; Redmond and Russell, 2008). The scale of the housing affordability and social-housing access crisis throughout Ireland was underlain by the fact that in 2005 there were 18,582 applications for social housing accommodation in the DCC administrative area. By 2008, that had increased by 13 per cent to over 21,000 (Joe Costello, Dáil Éireann, 8 July 2008). In February 2008, the Health Service Executive identified to local authorities across Ireland a national total of more than 30,000 long-term recipients of rent supplement entitled to be transferred into the new Rental Accommodation Scheme (RAS). A vital question that must be addressed, therefore, is the implication of PPPs on the state's fundamental role in providing quality public housing in sufficient quantity to low-income households (Combat Poverty Agency, 2007).

The total amount of new private units on the estates would be approximately 2,795 units, resulting in a process of gentrification as private ownership becomes the majority tenure (over 70 per cent, Table 6). For example, the private residential units comprise almost 75 per cent of the total new residential units in Fatima Mansions. In the St Michael's Estate PPP plan, there will only be approx. 165 new public units, comprising just under half (48 per cent) of the original 346 public units, while in St Theresa's Gardens the proposed PPP only contains 150 (43 per cent) in comparison to 346 originally. Overall, the PPP regeneration projects, if completed, will facilitate the transferral to private developers, for private and commercial use (privatisation), of over two-thirds of public land on the estates that had previously been used for social housing for low-income families.

These figures also demonstrate that the necessity of ensuring the projects were profitable for developers appeared to have skewed the policy aim of addressing poverty through providing a social mix toward justifying large-scale privatisation. An equality and accessible based 'mix' would be more like 15 per cent affordable, 15 per cent owner-occupied private and 70 per cent social units.

V has had a minimal impact in providing social housing in some areas (Kelly and MacLaran, 2004).

4.3 Fatima success

The PPP regeneration in Fatima has improved conditions for the local authority residents that remain. This was achieved largely as a result of the strong action, vision and participation by the community group, Fatima Groups United (FGU), in the regeneration process in partnership with Dublin City Council. FGU fought to ensure that not only was there the provision of high-quality new housing units but also an extensive social regeneration budget (€6.5 million) that provided community and youth workers to work with families and residents who were vulnerable, local community employment and services, and new community facilities (e.g. crèches, community enterprise space etc.). It provided the ability to develop a ground-breaking social regeneration plan that included funding for a safe and sustainable community, education, health and well-being, employment, training and enterprise, and arts and culture (Fatima Regeneration Board, 2005). This social plan has had a very positive impact in improving the quality of life for the residents of both Fatima and the wider Rialto area (Interview Chair FGU, 2007; Interview Chair, Dolphin House Community Development Association, 2008). The community successfully managed to keep on site and help improve the lives of most of the original tenants who were on the estate at the start of the PPP redevelopment in 2004, in large part due to the social regeneration services funded from the PPP but also due to the prospect of the provision of new houses and a newly redeveloped Fatima Mansions. The new 110 public housing units are all occupied by original tenants (Interview Chair FGU, 2007).

It was believed that the overall regeneration project had, to date, improved problems associated with drug-dealing and anti-social behaviour although these were still a problem on the estate. The reasons for this were complex and included, amongst others, the reduction (through transfer) in the number of families persistently involved in anti-social behaviour on the estate, the generally positive and hopeful atmosphere in the community associated with the redevelopment, increased employment opportunities and the support given to a number of particularly disadvantaged families (Interview Fatima Resident Representative, 2007).

However, the financing through PPP of the social regeneration aspects of Fatima will terminate in the coming years. The community is actively pursuing a number of strategies to ensure that the gains made to date are not lost because of the state's refusal to provide adequate funding for these essential social services.

Given that the Fatima project was at such an early stage, it was difficult to ascertain whether the social mix actually addressed poverty and improved the living standards of existing local authority tenants. However, issues have arisen in relation to investors who have bought the units in regenerated estates of Fatima and Ballymun and are renting them out to more transient tenants and residents in receipt of the Social Welfare Allowance. For example, two investors have bought 10-18 apartments each in the new private section and the Fatima developer has made an arrangement with a third-level college to rent a block of the private apartments for student-use (Interview Sinn Féin Councillor, 2008).

4.4 The other estates

For the other estates the PPP regeneration model, because of its reliance on the private property market, has resulted in delays and collapse despite the urgent need for regeneration. The individual flats in these estates are outdated and generally smaller than the local authority guideline size. Many of the kitchens are tiny and the sitting rooms are not big enough for a dinner table. They have inadequate community facilities, insufficient parking spaces, accessibility problems, no private open space and tend to be isolated from surrounding neighbourhoods. The open plan design of the estates is a significant contributory factor to recent increases in persistent anti-social behaviour,[8] such as drug dealing. The sewerage and drainage systems experience considerable problems causing overflows and foul odours. These communities have suffered for decades as a result of the high levels of inequality in Irish society. Even during the economic boom these areas continued to suffer from high unemployment, dependency on social welfare, lone parent poverty, child and elderly poverty, high rates of school drop-out and very low rates of third-level education (Bissett, 2009; Sheridan Woods, 2009).

The most significant impact has been DCC's process of de-tenanting residents off the estates. This, combined with the poor environmental conditions and

[8] Some of the deeper causes of anti-social behaviour often lie in societal inequalities (Irish Penal Reform Trust, 2005).

maintenance, has led to the deterioration of conditions on the estates. Increasing numbers of residents have become disillusioned with these conditions and the ever-lengthening time-scale for regeneration; they are therefore seeking transfer off the estates. In some cases, this process has resulted in all the residents on the estate being relocated elsewhere, such as Chamber Street/Weaver Court and Bridgefoot Street. In August 2008 St Michael's Estate had only 14 units left occupied (a mere 4 per cent of the original units on-site) while O'Devaney Gardens, which had been a full complex just over a year previously, had only 178 occupied flats (64 per cent of the original number). Overall, only 931 of the 2,033 original public units were occupied as of August 2008 (see Table 7).

Table 7 PPP Projects Numbers of Occupied and De-tenanted Tenancies, July 2008

Estate	Fatima Mansions	St. Michael's Estate	O Devaney Gardens	Dominick St .	St. Theresa's Gardens	Croke Villas	Charle-mont St.	Chamber St./ Weaver Court	Bridge-foot St.	Total
Original	394	346	278	198	346	87	181	60	143	2033
De-tenanted	244	332	100	88	46	49	40	All	All	1102
Remaining	150	14	178	108	300	38	141	2	0	931

In O'Devaney Gardens, for example, throughout 2007 and 2008 the residents' representatives witnessed a significant increase in the number of people who wanted to leave O'Devaney Gardens because the area had deteriorated substantially. One resident explained:

> *The community has really been broken up from all this. 12 months ago my block was a great block and 90 per cent would have stayed in it and out of 8 flats I'm the only one who wants to stay now. I'd be gone tomorrow only for my kids. One girl is on her own there and she said 'You cannot believe how much I hate these flats.' The people on my hall get out and move the gangs off the hall* (Interview O'Devaney Gardens Residents' Representative 2, 2008).

The negative impacts of de-tenanting were explained by the residents:

> *When this started there was not one empty flat in O'Devaney, there was actually a waiting list, and that in itself says it all. The more they let the flats run down the more you get disheartened. I met a block Group member the other day and she was embarrassed to bring her cousins from the country up the stairs. She said she would love if they could close their eyes going up the stairs with the state of the place. She said they are judging us before they know the people* … *'You just have to be in here. It's torture to live in here with the dirt, the kids are running amok. Dublin City Council don't care about the place. A lot of people are just giving up. We don't have anything to offer people. We just don't know what's happening'* (Interview O'Devaney Gardens Residents' Representative 3, 2008).

Throughout August 2008, conditions on the estate deteriorated further with seriously violent, anti-social behaviour, including a riot taking place within the complex. The four derelict blocks were partly blamed for adding to the problems (*The Irish Times*, 8 August 2008).

This policy was introduced by DCC to prepare the estates for demolition but had, as stated, disastrous impacts for the community. However, it also reduced the requirement of social units in the regeneration projects and thus made them more financially attractive for any prospective developers. This would have also suited DCC's objective of creating smaller estates (see below). The outcomes of this process suggested that DCC was heavily focused on realising the value of the land on which these communities were housed by ensuring that the sites were available for redevelopment and the issue of sustaining a healthy and vibrant community was not given the priority it should have been given. The residents of some estates believed that DCC imposed the process of estate neglect and de-tenanting in order ‘to deliberately break up the communities’ (Interview Resident and Member of Chamber/Weaver Court Regeneration Team, 2008).

According to DCC, however, the residents transferred off the estates because they wanted to leave and were not in any way pressured to do so by DCC. DCC also stated that it desired a reduction in the number of existing tenancies as this would result in more ‘manageable’ sized estates post-regeneration:

> *The community break-up is not an issue. The people who left wanted to leave. This gives DCC an opportunity to manage a complex more effectively instead of having high numbers and isolation; now we are going to integrate and become part of the wider community. We are keeping the numbers of social housing in the clusters to an absolute minimum to suit our project* (Interview DCC Project Manager)

This process is resulting in the complete removal and dispersal of existing working-glass communities. In the estates it is having the impact of the ‘surrender grant’ of the 1980s where community leaders and those with employment leave and never return, thus irreversibly destroying the original communities. The residents who remain are generally the more impoverished and disadvantaged residents (the elderly, lone parents, single men) who have no choice but to stay; thus the cycle of decline and decay intensifies.

4.5 Resident influence

The communities of Fatima Mansions, St Michael’s Estate and Dolphin House had a number of decades of experience of community development work with support from local voluntary and community organisations. These communities, with varying level of intensity, took a position to assert a community perspective within the PPP as much as possible and only to make agreements once community gain was maximised. The residents and their representatives in these communities asserted their perspectives within the process and, as a result, won the highest levels of community gain. This included establishing a legal regeneration board in the case of Fatima and, in the case of Dolphin House, for the first time for any estate, the resources to outline a community regeneration option before PPP regeneration was agreed to.

The Fatima Mansions community was also provided with resources to participate within the negotiations process, including administrative support, capacity-building supports, a development worker and on-site premises. Community representatives highlighted that this was as a result of the community's insistence that if the PPP arrangement was to happen, it had to deliver the terms of the original Master plan or better (FGU, 2006). DCC provided these resources because of its recognition (after considerable pressure and cogent arguments made by the community sector) of the importance of the community being able to participate in a genuine manner, the availability of funding for this through development gain being made available through the PPP given the high point of the property market, and DCC's desire to ensure community buy-in to avoid delays to the pilot PPPs. This community consent would also make it more likely that Fatima could be used as a positive PPP example that would encourage other communities to consent to the PPP model that DCC planned for their estates. The St Michael's Estate community was granted the resources for technical assistance but only after exerting considerable pressure on DCC. Dominick Street, St Theresa's Gardens and O'Devaney Gardens did not receive such a level of support but did obtain capacity-building training, consultation, and technical support. The extent to which these were provided to empower residents to assert their agenda or to meet the minimum necessary EU guidelines in relation to resident consultation is a debateable point.

The Dolphin House Community Development Association (DHCDA) spent over three years attempting to convince DCC of the merit and necessity of funding independent community expertise and resources to enable it develop a genuinely participative consultation process with residents and a community-based regeneration model. DCC eventually agreed with this perspective and showed considerable vision and commitment to the principle of genuine resident participation by granting the resources to the community to undertake, for the first time for any community, an independent, innovative consultation process in March 2008 that involved the DHCDA leading the implementation, by independent architectural, planning, financial and consultation expertise, along with the provision of a part-time regeneration worker, of the consultation and plan development.

While FGU had a positive experience in getting the community voice heard in the final contract negotiations due to the process being accountable to the Fatima Regeneration Board structures community representatives in all the projects were excluded from key decision-making processes including the assessment of the winning developer bid and direct contract negotiations between the preferred bidder and DCC. DCC sited confidentiality clauses in the PPP process as the reason for this exclusion (Interview DCC Project Management Unit, 2008). However, after exerting considerable pressure the St Michael's Estate Regeneration Team managed in 2006 to get DCC to allow a local community worker and a resident to sit on the Assessment Panel. This gave the Regeneration Team access to important information that had previously been withheld from both the community and the wider public.

DCC were satisfied with the level of consultation taking place with local communities in the regeneration PPPs and explain the detailed level of participation they supported:

> *Prior to the commencement of any Regeneration project, DCC undertakes a comprehensive public consultation process with the local community. All of the community are involved in this process including a range of community/voluntary organisations. This consultation normally results in the compilation of a community charter which is a broadly based agreement between DCC and the local community. It sets out the requirements and responsibilities of both parties for the proposed redevelopment. These requirements are then included in the RFP issued to the short-listed bidders, thus ensuring the needs of the local communities are met. Consultation continues through the regeneration process, organised by the individual project managers* (Interview DCC Housing Project Management Unit, 2006).

However, while this did take place to a certain degree, as noted above, within the negotiations with the communities on the content of the PPP, Dublin City Council persistently made the case for the minimisation of public units and community facilities as the only mechanism to ensure that the regeneration projects would be economically viable for a developer and, therefore, be undertaken (Interview St Michael's Estate Resident Representative; Interview O'Devaney Gardens Resident Representative 3).

> *The whole regeneration process has been based on the prospective sale of private apartments over the next few years. The state is exploiting the current economic situation. They are hugely lucrative sites. The whole process is market driven as everything is funded on the profit from the sale of private apartments. There is no state funding. This means the PPP mechanism is very restrictive, constraining and so tightly bound you cannot move once inside it. It is claustrophobic within the boundary: every proposal put forward from the community has to be based on the basis of 'no state investment.' They say no to a suggestion if it brings the project into deficit* (Interview St Michael's Estate Resident Representative 1, 2008).

DCC informed residents and their representatives that if they did not adopt PPP regeneration they would have to wait for funding from the traditional mechanism of regeneration through the Department of the Environment, which would in all likelihood take a much longer duration than that offered by the PPP process at the time (Interview Residents' Representative Dolphin House, 2008). This was because, traditionally, DCC used its capital budget and funding from the DOEHLG to replace and refurbish its housing stock. However, given the totality of the stock and its condition this was going to be a lengthy process if DCC relied on this method alone. Thus, DCC adopted the PPP model as the only method by which it could provide regeneration of a significant proportion of its existing housing stock in a short period of time (DCC Assistant City Manager for Housing and Residential Services, 26 May 2008; Interview DCC Housing Project Management Unit, 2007).

> *If we were to rely totally on funding from the Government it would take many years to achieve what is going on in the city at present. Traditional funding*

> *does not deliver the regeneration at the same rate as PPPs. The City Council currently has five complexes being regenerated using PPPs – this would not be possible under traditional funding mechanisms. Funding is always an issue and PPP's have ensured the acceleration of delivery of redevelopments* (Interview DCC Housing Project Management Unit, 2007).

The deteriorating conditions also made it even more difficult for the communities and residents' representatives to assert themselves in negotiations. This disempowerment resulted in communities agreeing to plans that offered a less favourable deal for the community (and consequently more favourable to a private developer) than would otherwise have been the case with a fully occupied complex and confident community.

While community influence was relatively strong within some aspects of the process the developer's requirements appeared to have been the ones maximised in the plans.

Communities were also disempowered because they were at a severe disadvantage in the very complex contract and negotiation processes that PPP entailed because DCC and the developers were much more familiar with the PPP process and had amongst other professionals, architects, surveyors and solicitors working for them and were, therefore, in a position to maximise their outcomes from the process. Communities, as noted above, received varying levels of resources (architectural and planning expertise support, negotiation training etc.) to enable them participate within the regeneration process on a more equal basis with respect to the professional resources used by the other partners. The level of resources given to the community appeared to be determined by the extent to which the community pressured for it and the value to which DCC estimated it would have in supporting the development of the PPP process itself.

Also during this period DCC initiated a debate on the possibility of the transfer of the maintenance and management of its housing stock to the private and voluntary sector (Kenny, 2003; Fitzgerald, 2004). The DCC attempted, in O'Devaney Gardens and other estates proposed for PPP regeneration, to implement such stock transfer (Punch and Kelly, 2005). The residents of

O'Devaney Gardens, however, opposed this and obtained a commitment that DCC would remain as their landlord in the charter.

The residents and their representatives in the case-study estates explained that they opposed transfer because of concerns about rent increases and a diminution of tenants' rights. DCC as the local- authority housing provider was viewed as more accountable as it was answerable to local political representatives to whom tenants had access. However, the level of frustration on the part of residents with DCC's poor management of the estates is leading them to campaign and begin discussions about stock transfer. As a result of the residents' preferences, DCC stated it would remain as landlord for the public units in St Michael's Estate, Dominick Street, St Theresa's Gardens and Charlemont Street. However, the conversion of large public estates into smaller estates provides a more suitable operation for private management, as evidenced in Part V social units, where the social units and public area were not taken over by DCC but were transferred to private management companies. This is also in line with Government Policy outlined in the NDP 2007-13 which stated that PPPs would be introduced to allow social housing to be provided by private companies which would be 'responsible for the design, construction and maintenance of units, often in co-operation with the voluntary and co-operative sector' (Government of Ireland, 2007, 212). Within this context the transfer of the remaining public stock to private management must be seen as a distinct possibility.

4.6 PPP delays, contract difficulties and collapse

In late 2007 and through into 2008, Irish property prices decreased substantially on previous years as the property market boom came to an end due to domestic and international market factors. Thus the estimated potential profit margins for developers from the future sale of the private residential and commercial units, upon which the economic viability of the PPP regeneration projects was based, narrowed considerably. Therefore, the regeneration projects that reached contract award and sign stage in 2007 and early 2008 had become very high 'risk' investments for the private developer consortia such as Castlethorn/McNamara (which was involved with five of DCC's PPP projects) (DCC Assistant City Manager for Housing and Residential Services, 26 May 2008). The reality facing some of the most impoverished people in Irish society, the residents living on these local-authority estates, was that they were no longer living on high-value sites that had initiated the PPP model. Now their estate's regeneration had become too risky for the private sector to undertake (Bernard McNamara, 19 May 2008).

On 19 May 2008, DCC announced that negotiations with the developer, Michael McNamara and Co., in relation to the PPP regeneration projects of St Michael's Estate, O'Devaney and Dominick Street and the affordable housing PPP projects in Infirmary Road and Convent Lands had collapsed. The collapse of the PPP projects starkly revealed the dependent relationship that the PPP had created between the provision of vital social-protection infrastructure, in this case public housing, and the market. This form of PPP could be described as essentially a gamble with public assets. The outcomes in the PPP deals were based on a developer's risk assessment of the potential value of the sale of private apartments built on land transferred to it from DCC and, ultimately, the market forces that influenced that risk. The collapse revealed the power and responsibility handed over to the private sector in the provision of public-housing regeneration. This demonstrated the lack of safeguards built into the PPP model by the state to protect the interests of the City Council and residents. On 1 December 2008 DCC announced that the three regeneration 'projects are no longer viable under the Public Private Partnership process that had been envisaged' because of the economic downturn (DCC, 2008).

This highlighted the fact that one of the original justifications for the use of PPPs, the transfer of risk to the private sector, was market-dependent and when the residential housing market changed the private sector left the state with the risk. The market principle central to PPP theory, the transfer of risk to the private sector, was demonstrated not to materialise in practice. Michael McNamara and Co. was supposed to take the risk and potentially gain over €300 million from its regeneration projects (Interview O'Devaney Gardens Residents' Representative 1, 2008; Interview St Michael's Estate Resident Representative 1, 2008; Dublin Inner City Partnership, 2008; Joe Costello, Dáil Éireann, July 2008; Kelly and MacLaran, 2004). PPP and market theory stated that if that €300 million did not materialise from the sale of private apartments and commercial development on the site the developer would take the loss. However, in fact, the state actually took the loss (€5M) when the risk materialised and McNamara had to pay only €1.5M when it withdrew from the projects (*The Irish Times*, 2 December 2008). The state, and consequentially the communities, and more broadly the tax-payer, in fact, took on the risk, not the developer.

4.7 Conclusion

While DCC has committed to provide some social and affordable housing units on St Michael's Estate, O'Devaney Gardens and Dominick Street these plans are still a PPP-type structure where the funding will be provided by the sale of part of the estates when the upturn in the market occurs (DCC 2008, 2009). Furthermore, work will only begin in 2010, leaving these communities waiting in terrible conditions and includes a further reduction in the number of social units. There also appears to be very minimal allocation for the essential social regeneration budgets in DCC's plans.

> *Since 2003 we have been working in a PPP process that was not alone forced on us but has to date not laid one brick. Now we have families at breaking point not knowing what is going to happen with their homes and locals crying out for community amenities in an area which is hugely deprived. While the rest of the country enjoyed investment during the boom years we have been struggling with PPP. We are exhausted and extremely angry with the whole PPP process* (Interview St Michael's Estate Resident Representative 3, 2008).

The Fatima Mansions PPP project commenced only because the residential property market was experiencing a boom of high land values and the reduction in social housing units as part of the regeneration project meant that the developers' prospective profits at the time were very high. That was the only circumstance in which PPP could function. It is unlikely that the property market will reach such a height for many decades.

PPPs were being pursued by the state both centrally and at a local level in the regeneration of social housing estates because it offered an apparent solution to the 'problem' of large inner-city local authority flats complexes, at no direct cost to the Exchequer:

> *The housing is fifty years old and not fulfilling the purpose we need. We don't have the money to provide the housing ourselves. What are we going to do? Leave 50-year-old housing there and just do patch-up work? In an ideal world we would come out and deliver quality replacement housing ourselves but the PPP is a good way and the only way to deliver the quality housing we want for our tenants* (Interview DCC Project Manager, 2008).

Therefore, significant regeneration could be undertaken while the central government neoliberal policy of fiscal conservatism that aimed to reduce public spending and the funding of local government could continue unhindered.

The recent shift in market conditions demonstrated that to rely on the private sector and market to guarantee the provision of finance for public infrastructure and services was a short-sighted policy, a naïve gamble, that ignored the reality that markets are inherently cyclical and unstable (Harvey, 2005); it also demonstrated that the primary goal of the private sector is providing profitable returns to shareholders and investors, not guaranteeing social equity outcomes.

The extent of this policy failure is underlined by the claim of the DCC Assistant City Manager for Housing and Residential Services in 2006 that the DCC's PPP regeneration projects would provide €4 billion in investment and 8,500 new residential units (2,500 social and 6,000 private units) on an area that housed only 2,300 local-authority units previously. This exaggerated optimism about the potential of the PPP model perhaps reflected a strong neoliberal ideological commitment to the role and benefits of the private sector.

In recent years voluntary housing organisations (Respond, 2009), academics (Punch, 2009) and community campaigners (Tenants First, 2009) have pointed out alternative policy options to the current free-market *neoliberal* social housing and regeneration PPP policy orientation. Tenants First have critically analysed this policy for providing €391 million annually to private landlords in rent supplement and many more millions in stamp duty loopholes and tax incentives while social housing remains underfunded. An alternative policy possibility suggested in this literature is to make social housing an option of 'first choice'

(Respond, 2009) by, for example, moving the finance currently allocated for private rent supplements to a nation-wide programme of social and physical regeneration of local authority estates. It is claimed that this would provide much needed employment in these areas, a general economic stimulus, significant regeneration, secure high-quality accommodation for the 50,000 people on local authority housing waiting lists, the 60,000 depending on rent supplements and the 5,000 homeless (Tenants First, 2009). There is a requirement, the communities believe, by the state at central and local government level to publicly accept the failure of the PPP model, apologise to the communities devastated by this policy experiment and embark on a radical programme of state-led regeneration (Tenants First, 2009).

The experiences from some of the existing PPP projects provided clear lessons for other communities facing the possibility of PPP regeneration:

> *DCC want to maximise the numbers of units on the site. It will come at a huge cost. The green spaces will be gone; there will be a big increase in the height. There is no say on who will end up living in the private sector. There are delays in delivering on the PPP from the start to the finish. If a community goes for PPP DCC will start de-tenanting the blocks bit-by-bit to clear up the space and then you will have people living isolated on a block. The journey will be very hard. You might say I'll get a lovely apartment or house in four years time but it could take 10 years or 15 years and in that 15-year journey conditions could get very hard while they are moving people around* (Interview St Michael's Estate Resident Representative 3, 2008).

For all estates except Fatima Mansions the quality of life in the communities is much worse than before the PPP regeneration process commenced. Dolphin House is still a fully tenanted estate because the DHCDA delayed entering the PPP process until there was full community consultation and understanding of the implications of the PPP regeneration process; it insisted there would be no de-tenanting until new units would be available, on-site, for residents to re-locate to. However, conditions in that estate have also deteriorated, in the main because of anti-social behaviour and illegal drug related issues but also because of the collapse in the PPP process and the resultant delay in regeneration of the estate.

Despite their vulnerability, poverty and neglect by the state, government and establishment parties these communities have managed to organise successful campaigns for regeneration. Residents of estates across the city, supported by community development projects, have engaged in a very difficult campaign, with minimal resources, that has forced the state to begin to act. Most notable is the campaign by Tenants First, the local authority tenant-led organisation and that of the residents of St Michael's Estate (www.stmichaelsestate.ie) documented by local activist John Bissett, in his recently published book. These communities are not allowing hopes and plans for a better future to be dashed, despite failure by the state and the market. They are currently exploring plans from the UK and elsewhere that might involve residents undertaking regeneration projects themselves, continuing to work with the residents to try to improve living conditions and ensuring that DCC and other state agencies do not disband the regeneration boards that ensured a degree of local democracy where residents could centrally participate in plans for the future of their estates.

There are many other local authority estates in towns and cities across Ireland such as Limerick, Sligo and Waterford which urgently need physical and social regeneration. If they are to be developed through a PPP model they will have to wait for an 'upturn' in the housing and property market. However, the communities living in these estates cannot afford to wait many years. They need an urgent financial package to begin to develop and provide the vital aspects of social regeneration including community and social workers, drug awareness and support programmes, local employment, education and training, community health schemes, youth programmes, community capacity building etc. If this does not take place, communities will deteriorate further, with the associated rise of crime, drug abuse, school drop out and so on. Dealing with the outcomes of these problems will cost the state and society much more in five or ten years time rather than if it provided the investment now. The communities have argued that it is difficult to accept the government's argument of lack of finance when it is providing billions of euro to the very wealthy through tax-breaks and the recent capitalisation of banks in Ireland.

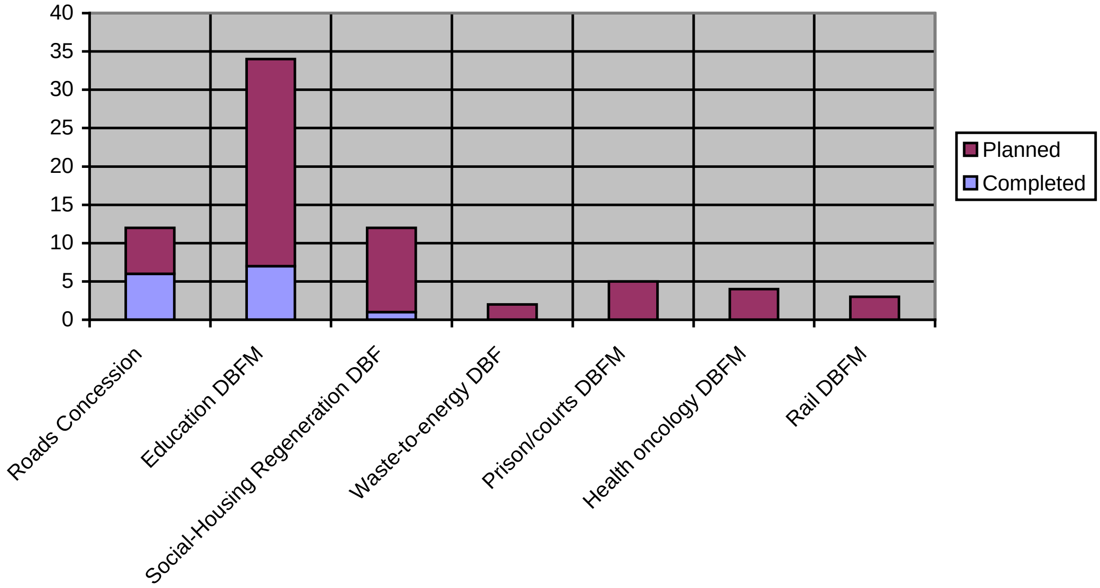
The PPP process, because it was an individualised negotiating structure, also isolated each community into an individual struggle over what it could maximise in its own project. Overall, the PPP reduced the potential for inter-community solidarity and action and made it difficult for communities to assess the overall impact of what the outcomes of PPP would mean on a city-wide basis for the future of public-housing provision and the communities in Dublin's inner city public-housing estates. However, the collapse has led to the communities coming together within the Tenants First network to try and organise a cross-community campaign for proper maintenance of the complexes by DCC, addressing the drug dealing and anti-social behaviour and providing physical and social regeneration plans.

5 Research findings on finance, value for money and privatisation/neoliberalism

5.1 PPPs and the delivery of private-sector finance

PPPs failed to achieve the government's objectives to provide between 10 and 15 per cent of capital investment over the period of the National Development Plan 2000-2006 (Minister for Finance, Brian Cowen, Dáil Éireann, 2007; Irish Business and Employers Confederation Representative, third Annual PPP Policy Forum 2007). Analysis of the data from 2005 to 2008 revealed that PPPs involving additional private finance were completed only in the roads, education and housing sectors despite also being planned for the waste and health sectors (Figure 1).

Figure 1 Completed and Planned PPPs Using Private Finance, 2008

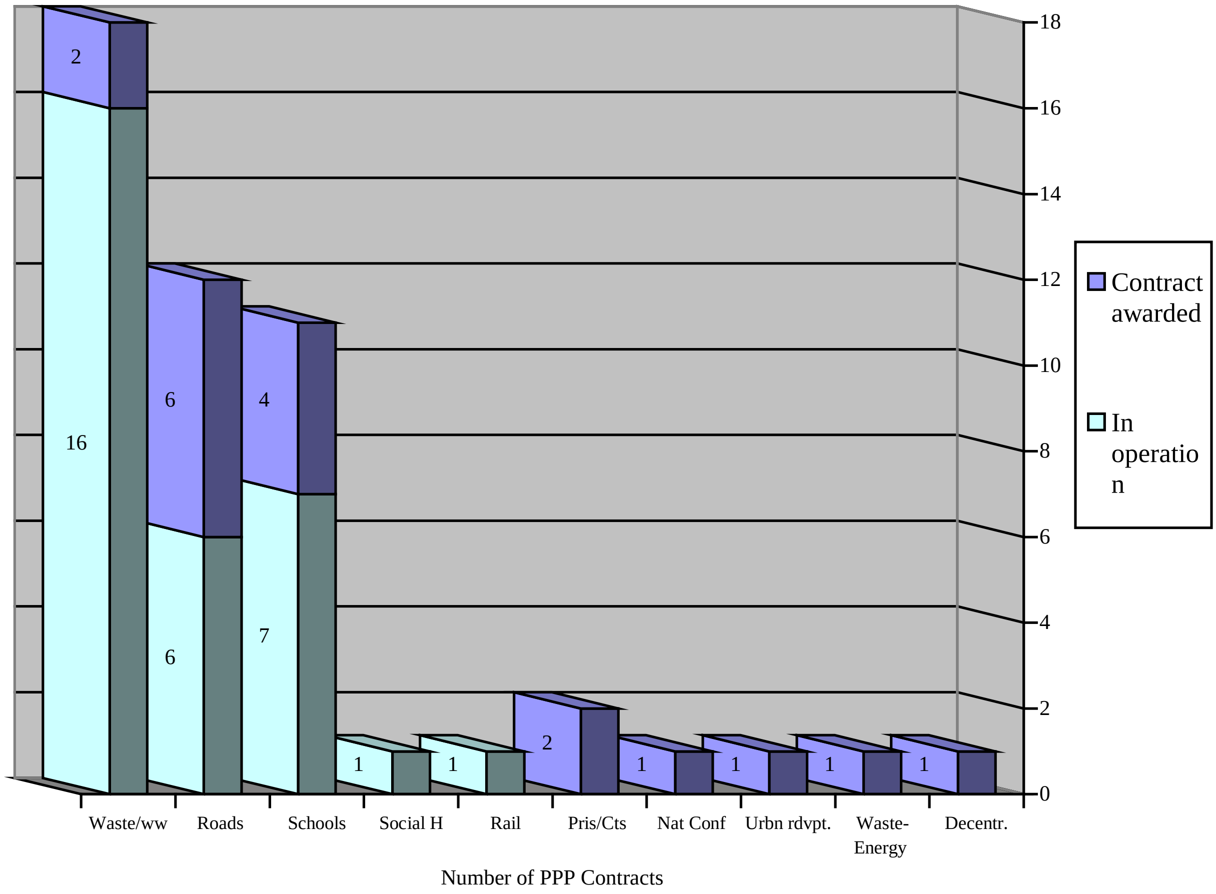


Source: *Central PPP Unit (2005, 2006, 2007, 2008)*

As a result of this failure to achieve its planned objectives the government decided to introduce additional PPP enabling legislation, the National Development Finance Agency (Amendment) Act, 2007, to extend the powers of the NDFA.[9] The Act aimed to allow the NDFA to support government departments to rapidly improve the level of funding, deal flow and rate of completion of PPP projects. The importance of this Act is apparent from the expansion of the number of PPP projects planned and reaching contract-award stage involving private finance in 2007 and 2008 to include light rail, courts and prisons and accommodation projects such as the National Conference Centre (Figures 1 and 2). For example, up to 50 per cent of the projected cost for the extensions of the Luas Green and Red Line PPPs was to be provided through private finance in the form of the sharing of development gain that was associated with the location of high quality light rail as part of private developments.[10] As of 2008, the NDFA had advised on over 60 projects for which PPP procurement had been considered.

[9] Project development is the primary responsibility of the sponsoring Department, with the assistance of advisers, including NDFA financial advice, as necessary. Procurement delivery is the responsibility of the centre of expertise. The centre of expertise undertakes the procurement after all policy issues are cleared by the sponsoring Department or agency; output specifications are set and the public sector benchmark is signed off (Brian Cowen TD, Dáil Éireann, 2007).
[10] The RPA entered into agreements with developers, where in the case of the extension of the LUAS Red Line private developers will provide the land, at their own expense, and construct the rail and the civil works right up to the track level. When completed it is turned over to the ownership of the state, and in return for that the RPA will offer a frequent service in that area (RPA Representative, 3rd Annual Irish PPP forum, 2007).

Figure 2 Number of PPP Contracts Awarded Per Sector up to 2008



Source: *Central PPP Unit (2005, 2006, 2007, 2008)*

However, in the case of the Grouped Schools Project, the assertion made by Irish Government and PPP proponents that PPPs provide *additional* funding through private finance was inaccurate. It was demonstrated by the C & AG (2004) that while Design, Build, Finance and Maintain PPPs could provide the finance for the initial capital investment in a project, the PPP mechanism proved to be more expensive, over the complete life-time of that project, than if the traditional route with conventional finance had been taken. Extra costs, that were central to the PPP form of procurement, included charges associated with risk transfer, increased scope of work to accommodate facilities management and to provide for third-party income generation and the increased professional, consultation, legal and financial fees associated with the complex PPP bidding and tendering process (C & AG, 2004). The use of private finance further added to the cost of the PPP model, with private finance being more expensive than exchequer-borrowed finance. The involvement of the private sector also necessitated the additional cost of private-sector returns. Therefore, while private finance could provide short-term access to additional finance, in the long-term it will require additional *public* finance to cover the extra cost of private-sector finance provision and involvement in the PPP mechanism.

Thus, private finance appeared to be, in all likelihood, more expensive than public funding in the long-term both to the public sector and to service users. Furthermore, the viability of planned projects in social housing and light rail sectors, that involved leveraging[11] development gain, is in doubt as a result of the property market crisis. This demonstrated that the provision of additional finance for investment in public services and infrastructure through PPPs, despite being a principal benefit outlined by the government, did not materialise to the extent planned when the PPP pilot projects were launched.

As of 2008, just over half of the pilot PPP projects that were announced in 2000 and 2001 were developed, with the remainder either still at planning stage or, in one instance, being cancelled as a PPP project and procured instead through the traditional route. In addition, the Department of Health and Children's planned development through PPP of 17 Community Nursing Units to provide 850 beds in community units and thus reduce the requirements for acute beds in the major hospitals was cancelled in 2005, two years after being announced. The Health Services Executive (HSE) cancelled the project because of the delays, complexities over public and private staff hiring and greater expense in the PPP process. The delays associated with, and failure of, this PPP model has had a direct negative impact on the bed-capacity crisis within the health sector.

In addition, the HSE's planned PPP acquisition of 36 new linear accelerator facilities to improve radiotherapy treatment for cancer was delayed by at least three years, with the projected completion date being moved from 2011 to 2014. A HSE Report (2006) found that the facilities would be sourced more quickly outside the PPP model.

[11] This is where the development of a public service or infrastructure could benefit a private entity and thus this benefit is used to 'leverage' finance from the private entity to fund the construction of the service or infrastructure.

5.2 Value-for-money

A full VFM life-cycle comparison of PPPs is impossible at this stage because such an analysis can only be done when the contract of the PPP projects reaches conclusion (C & AG, 2004; Interview PPP Unit DOF, 2006; Interview PPP Unit DOEHLG, 2006; Interview ICTU PPP IAG Representative, 2006). Even still, PPPs have not demonstrated VFM because, in the first instance, the information required is not accessible since the mechanism through which the government determined a PPP project's ability to achieve VFM, the Public Sector Benchmark (PSB) calculations, is inaccessible to the public 'because it's a policy decision by the Minister for Finance: it's a market sensitive figure' (Interview NDFA Representative, 2006). Despite Freedom of Information requests, it was also unavailable for analysis in this research.

The withholding of the PSB and the commercial confidentiality clauses introduced through the PPP process meant that the Irish citizenry could not know, aside from C & AG reports, or long after projects have been either commenced or completed, whether or not VFM is being achieved in PPP projects (Richard Bruton TD, Dáil Éireann, 2007). These PPPs, therefore, reduce the public and democratic accountability of these public service and infrastructure projects.

5.3. PPP and service quality: the case of the Grouped School PPP

In the Grouped School Pilot PPP project, the private company (initially Jarvis and now Hochtief) was required to construct five post-primary schools and maintain them over a 25-year period. In contrast to the claims that PPPs would provide improved service delivery the author's research found in all five schools aspects of poor design such as poor lighting, with classrooms and halls requiring electric lighting even on sunny days, poor design of school assembly and stage areas and in four of the schools there was leaking in the roofs of the PE halls. Furthermore, aspects of the schools' designs were aimed at meeting commercial needs which meant they were not as suited to meeting educational needs. Principals and teachers in four of the five schools were concerned with aspects of the maintenance and operation of the schools which impact on the day-to-day operation of the schools.

A PE teacher in one PPP school explained:

> *My heart is broken with this PPP. The buck doesn't stop anywhere. It's crazy. They are not interested in what the teachers on the ground have to say. We are the ones who know how to manage kids. Yet we are left with broken machines and structural problems like leaks that render the hall unusable. This year it's been ongoing for six weeks. I had two leaving cert classes and could only use half the hall: it was crazy. I rang the private company's help line but got nothing. I am like a nut case as it impacts on us. If I'm ready to eat the phone, am I focused on the kids?... For a school this size, the teacher on the ground has more to do. You are chasing everyone but it's nobody's job. I wouldn't touch the PPP model with a barge pole.*

There are disagreements in four of the schools over what equipment/fixtures supplied by the private company are to be maintained by the company and which are the responsibility of the school. The private company has stated that it is not its responsibility to maintain some of the equipment and as a result some of the equipment is lying idle. Principals also complained of the schools being charged extremely high prices by the private company for any maintenance provided outside of what is defined in the contract.

This evidence from the author's research into schools PPPs, the social housing regeneration and some waste-water PPP projects demonstrated that in many projects two of the claimed positive attributes of PPPs – achieving high quality services through commercial incentivisation and transfer for risk – did not materialise in practice. In fact, the private sector in these instances managed to avoid taking on the risk where possible, and transferring the cost and responsibility back to the state and the commercial incentives either was not implemented by the state or did not achieve its stated aims.

5.4 PPPs and privatisation/neoliberalism

The author's research found considerable evidence that PPPs introduced a form of privatisation and *neoliberalisation* of key aspects of public service delivery such as asset transfer, reduction in the role of the state over the delivery in public services and infrastructure, introduction of a commercial imperative and a reduction in labour conditions. In these areas it can be clearly seen how traditional public service values and priorities differ from those espoused by PPPs and the tensions that can arise as a result.

In the first instance, the research findings contradicted the assertions made by both the government and the ICTU. It found that asset transfer to the private sector did take place in PPPs, such as the social-housing regeneration PPP projects where public land was transferred into private-sector ownership. This was a fundamental change in the traditional role of local authorities where they had been given the responsibility to carry out most of the development, regeneration and maintenance of social housing in Ireland.

Secondly, PPPs involved not just the direct transfer of assets to the private sector but the transfer of aspects of the control and operation of key services and infrastructure – hitherto the direct domain of the public sector – to the private sector. For example, in the pilot PPP schools, waste/waste-water, roads and other services the control of the asset has been transferred to the private operator for the duration of the contract. This has had very significant impacts on the role and responsibility of the state in delivering these services and how and at what level and quality these public services and infrastructure are provided. This is because, in PPPs, the private operator is given a considerable amount of control and power to define what the exact day-to-day service and maintenance provision is over the lifetime of the PPP contract. For example, the author's research found that, contrary to government claims, the public infrastructure provided through a PPP was not an asset or service that was freely available to be altered or amended according to the requirements of the public sector. This is a significant departure from traditional delivery where control over the entire process is held by the state with the aim of meeting public need.

Any changes or flexibility required by the public sector, outside of contract definitions, in many instances entailed the private consortium charging large amounts for such changes. This reached the point where, in the case of the West Link toll road, the public sector decided it was left with no option but to pay over half a billion euro to purchase the PPP contract from the private operator (*The Irish Times*, 2008a). Similar challenges were faced when addressing odour problems in the Dublin waste-water treatment plant and further problems could be faced in the long-term in this sector as the raising of environmental quality standards will require renegotiation of the PPP contracts. The school principals and the Department of Education also found it very difficult to change requirements in the PPP schools such as removing the vending machines in the interests of pupils' health, and in this instance they had to pay the private operator to get the machines removed.

Over the extensive life-time of the PPP contracts, it is also likely that the public-sector experience and skills will be lost within these sectors (Interview SIPTU Wexford Local Authorities Branch Official, 2006). A likely result of this process is that the only option, at the end of a typical 25-year PPP contract, will be for the Irish State to re-contract the PPP to the existing, or another, private operator because the public sector, itself, will not have the skills or experience to undertake that area of operation or provision. Therefore, while a PPP might not entail immediate or direct asset transfer to the private sector, this is, in all likelihood, what ultimately will take place. The scale and extent of an increase in private-sector control and involvement in PPPs is clearly a form of privatisation (Reeves, 2005; Sweeney, 2004; Whitfield, 2006). Furthermore, the state made it clear that PPPs were introduced in order to facilitate the transformation of the role of the Irish State from one of direct provider of infrastructure and services to that of a regulator and monitor, a key characteristic of the neoliberalisation of the welfare state (Brenner and Theodore, 2002; Harvey 2005):

> *By transferring responsibility for providing public services to the private sector, government officials will act as regulators and will focus upon service planning and performance monitoring instead of the management of the day-to-day delivery of public services* (Interview PPP Unit DOEHLG, 2006)*.*

Thirdly, PPPs clearly resulted in an unprecedented level of commercial private-sector involvement in public schools and other social infrastructure. While these sectors traditionally had a high degree of private-sector involvement in the form of religious institutions, it was on a 'not-for-profit' basis, in line with the traditional public sector values, as opposed to PPPs which involved 'for-profit' commercially-motivated companies. For example, teachers and principals in the PPP schools expressed concerns over the introduction of commercialism into schools through vending machines, canteens and other aspects as the PPP facilitates the conversion of students and schools into a profitable market for the private operator. This clearly demonstrated the clash between the PPP prioritisation of commercial profit making and the traditional public service ethos of providing services according to the societal need that exists. One principal noted that ‘there are two distinct sets of values or motives: theirs is for profit. We are not in this as a business. I supervise discos voluntarily. Everything is profit for these people – profit profit. They don’t give it back. The outcome for us is educated students but for them the outcome is profit.’ Another principal explained:

> *There is an impact of the conflict of interest between the private operator’s need to make a profit and schools as a public service. I don’t believe schools should ever be used as a moneymaking enterprise. The school should be at the centre of the community. There is no finer facility in the town but I'm not sure if having it privately owned and privately maintained ensures the community gets maximum use of it. The schools are not owned by the DOES but by the people: but it’s not theirs; it’s the private operator’s* (Interview principal PPP school, 2007).

Current government thinking is exemplified by the PPP Unit in the DOES (Interview, 2006) which took the position that:

> *... there is a lot less community involvement in schools: maybe in ten years time we would be quite happy to have all these schools run by private operators ... it’s a financial issue. Why should we be any different than the private sector like the Bank of Ireland who lease their buildings?... the private sector is entitled to make a profit: the public sector has to get rid of this view that the private sector should be a St Vincent de Paul ... Our next issue as public servants is to make sure they do not make a super profit and ensure that sufficient things are built into the contract to deal with issues like that.*

There is also concern on the part of principals in four of the schools that the PPP has resulted in a reduction in the community use of the schools as the out-of-hours use of the schools is now the responsibility of the private operator.

A fourth area where PPPs affected a neoliberal reform of public service delivery was in the reduction in public-sector workers' conditions and wages and the lessening of the influence of trade unions within the public sector as a result of PPP projects in Ireland. PPPs did not involve the level of transfer of staff to private operators that had been expected when PPPs were initially promoted. However, in the Grouped Schools Project – the only PPP in operation which had involved employee transfer – the private operator refused to give wage increases that the workers were due under National Wage Agreements, refused to transfer pension contributions and the employees were given increased workloads. Some school canteen staff reported that their wages had been frozen since the private operator went into financial difficulty. In the transfer from the VEC to the private operator, the terms and conditions of school cleaning and caretaking staff were to remain the same. However, the conditions for some staff worsened when transferred. One PPP school caretaker explained:

> *We are no longer getting the state (public-sector) pension. It's now all about profit. It's ok for managers and the business; they'll get top money but people like us on the ground get nothing. I would have been better off if I never came to (the private company) and stayed with the VEC. The system now means more of a burden at work. I would advise against staff transferring from the public service.*

Another PPP school caretaker complained:

> *Caretakers in any other school automatically get benchmarking but now it's impossible to get anything. They are trying to reduce our overtime but that's how we survived. They want to cut down our hours and give us more work to do.*

This indicated a certain ineffectiveness of the EU Directive on Transfer of Undertakings, Protection of Employment (TUPE) that was expected to provide protection in such circumstances. Furthermore, in PPPs that involved the private operators hiring new employees such as waste/waste-water treatment plants, waste collection services and the Luas light rail PPP, significant problems arose including low levels of unionisation, trade-union rights being curtailed, anti-union practices by employers and regressive employment conditions, in comparison to comparable public-sector employees (Interview ICTU PPP IAG Representative, 2006; Interview SIPTU Official, 2006). For example, there was a reduction in the rights and conditions of the new private-sector employed rail drivers in comparison to the public-sector drivers as the Luas tram drivers were obliged to sign a ‘no-strike’ contract on their employment. No such contract existed previously within the public sector. Furthermore, the private operators in the Grouped Schools PPP, waste collection PPP and Luas light rail were all brought to the Labour Court[12] by SIPTU in an attempt to address industrial relation disputes that had arisen (Labour Court, 2005, 2006). As a result of poor consultation with employees and their representatives who were to be affected by PPPs, such as water/waste-water treatment and schools, during the pilot phase of PPP development, ICTU developed national guidelines for consultation (ICTU, 2005).

6. Conclusion

Theoretical Analysis of PPPs and their impact on public services and infrastructure in Ireland

The Irish Government has continued to implement, promote and expand intensely the PPP approach, with PPP investment in capital expenditure expected to rise to about 16.5 per cent by 2012, a relatively high proportion, in comparison to international levels (Central PPP Unit, 2008). PPPs are estimated to fund almost €13.35 billion worth of investment of the *National Development Plan 2007-2013,* particularly road tolls, Metro, expansion of Luas, justice infrastructure such as courts and prisons (Table 8). PPPs comprise 11 per cent of the planned infrastructure spending in the school sector. There is also substantial public investment planned through PPPs in the environmental service, housing and

[12] The Labour Court was established to provide resolution of disputes about industrial relations, equality, organisation of working time, national minimum wage, part-time work and fixed-term work matters. Cases are only referred to the Court when all other efforts to resolve a dispute have failed. It operates as an industrial relations tribunal hearing both sides in a case and then issuing a Recommendation (Labour Court, 2008).

sports and community infrastructure sectors and in the planned co-located hospitals via the direct granting of public land to private developers. In addition there were over 100 projects with a capital value of less than €20 million each progressing as PPPs in the local government sector (Central PPP Unit, 2008). The Irish PPP market is now internationally significant with, in 2006 alone, the value of the deal-flow of PPP projects closing at €2 billion (Central PPP Unit, 2008).

Table 8 Planned PPP Spending 2007-2013 in Irish Social and Economic Infrastructure

	Economic Infrastructure €million		
Programme	**Exchequer**	**PPP**	**Total**
Transport	**19,858**	**7,035**	**32,914**
Environmental Services	**4,156**	**271**	**8,526**
Govt. Infrastructure	**1,222**	**191**	**1,413**
Unallocated Capital Reserve	**1,534**	**1,966**	**3,500**
Total	**27,482**	**9,463**	**54,660**
	Social Infrastructure		
Justice	**1,551**	**795**	**2,346**
Health	**4,555**	**415**	**4,970**
Sports, Culture, Heritage and Community	**3,312**	**288**	**3,631**
Housing	**15,455**	**255**	**21,214**
Unallocated Capital Reserve	**636**	**814**	**1,450**
Total	**25,509**	**2,567**	**33,612**

Source: *Government of Ireland (2007)*

The expansion of PPPs is taking place while the ability of existing public-sector service providers in Ireland to satisfy users and retain the confidence of the public is coming under unprecedented strain from under-funding and neoliberal marketisation policies, and there is clear evidence of a resultant drift of the public from using them where the option exists (NESC, 2005). The use of many core public services is becoming increasingly associated with only the poor and lower-income populations. There is now a widespread public perception that the state on its own is no longer capable of providing quality public services and infrastructure (NESC, 2005). The development of PPPs is a further signal of government and policy makers' lack of confidence in direct public delivery. Through the PPP mechanism and process the private sector has been given a further role by the Irish Government, to develop and operate a significant proportion of new public (but privately controlled and operated) infrastructure and services. Clearly then the analysis from this research into the development and outcomes of PPPs in Ireland supports the contention made in the international literature that PPPs are an important component of the process of the *neoliberalisation* of the welfare state. The particular *Irish* neoliberal experiment, in contrast to other countries, has not entailed the dismantling of a public-service, equity-oriented, welfare state but rather supporting and continuing the development of a competition state, the priority of which, since its foundation, has been to promote private enterprise over the equitable provision of accessible and high-quality public services.

This is in large part because, in contrast to the majority of countries in Europe, Ireland has not elected a social-democratic or socialist government during the twentieth century. Each Irish Government since the foundation of the Irish State in 1921 has been led by either Fianna Fáil or Fine Gael, both politically conservative parties. As a result, the role of the Irish State has concentrated on promoting enterprise and creating a competitive economy and, to a much lesser degree than other western European countries, provided welfare state public services and infrastructure (Allen, 2007; Kirby 2002). The Catholic Church was also given the primary role of providing and managing many public services, including public voluntary hospitals, many public secondary schools and most public primary schools, with the state paying the wages of lay employees (Kirby, 2002).

Rather than viewing the recent decline of the role of these institutions and the availability of budget surpluses as an historic opportunity to develop a dedicated system for the public provision and management of public services and infrastructure, with the higher quality and more equitable outcome that would entail, the Fianna Fáil-led government pursued instead, over the last decade, the policies of neoliberalism and privatisation through PPPs amongst other policies. This shows clearly that neoliberalism, as outlined elsewhere (Brenner and Theodore, 2002; Harvey, 2005), represents not so much a reduction in state intervention in society but rather a political, institutional and geographical reorganisation of the manner and methods by which the state intervenes (Brenner and Theodore, 2002; Castells, 2000; Cox et al., 1982; George, 2004; Soros, 2000; Stiglitz, 2002).

This analysis also supports a structural political economy analysis of the role of the state under capitalism. Economic and social crises resulting from unregulated capitalism and the free market created the 'Great Depression' in the 1930s, which resulted in demands for significant state intervention and the development of the welfare state (Harvey, 1989). However, there is an inherent contradiction in capitalism: that there is a need for state intervention, but this must not interfere with the motor principle of the system – private profit and capital accumulation (Kirk, 1980). The neoliberal period from 1980 to 2009 has been an attempt to roll back such intervention that imposed limits to capital expansion and the free market by Keynesian governments. As the neoliberal period enters a crisis its catastrophic results are being experienced across the world. The Irish PPP experiment was and remains part of that neoliberal paradigm. Its results in the area of PPPs demonstrate that it had little practical foundation and was based on an ideological pursuit by government and the private sector with the aim to roll back the limited Keynesian welfare state and labour protections that exist in Ireland. The full extent of the long-term impacts on the Irish welfare state of these policies more generally are just beginning to be experienced and understood.

Lessons for policy makers

A number of lessons for policy makers have been identified from analysis of the author's research.

1 *Value for Money:* The research found that, across a variety of sectors including education, health, transport and housing, the ability of PPPs to offer better VFM over conventional, traditional, procurement methods is unclear and, in some cases, resulted in an increased cost to the exchequer and public service users. Furthermore, PPPs, through the PSB and commercial confidentiality clauses, reduce the public and democratic accountability of public service and infrastructure projects, a vital aspect to providing quality and efficient public services and a central objective of a liberal democratic state (Monbiot, 2000; Whitfield, 2006).

2 *Service Quality:* In some instances PPPs resulted in a *reduced* quality of service. For example, the Grouped Schools PPP Project did not prove conclusively to provide a better service than that which existed in traditionally provided, public schools. In many instances the private operator refused to undertake the provision of services and equipment that were not clearly defined in the contract. Clearly then PPPs do not automatically solve the problem of low standards in the provision of public services. However, PPPs did offer high quality service models in the case of the Luas and in the regeneration of Fatima Mansions.

3 *Poor risk transfer:* The theoretical benefits of risk transfer associated with PPPs were not evident to any great extent in completed Irish PPP projects. This was largely due to the fact that the state, as proven in the Ringsend treatment plant PPP, West Link toll bridge PPP and social-housing PPP projects, despite the claims of the PPP proponents, was left with the majority of risk in a number of PPP projects because it, and not the private partner, was the partner that had to pay for the expense of a risk when it materialised. For example, where problems emerged in the PPP projects and the private operators failed to take responsibility for these and did not adequately provide the necessary service the state, because of its obligations and accountability, had to remain involved in ensuring that the public services and infrastructure were provided at the required standard and remained in operation. The risk that had been passed to the private sector was then re-assumed by the state, most significantly at a cost to itself and not, as PPP theory states it should, to the private sector.

4 *PPPs commercialise public service delivery:* The requirement in PPPs to ensure profit maximisation and, therefore, adequate returns to the private partner's shareholders and equity providers, led to the adoption of practices to cut costs and increase income which de-prioritised, and in some instances were in direct contradiction to, public-service requirements. These included providing cheap materials, design and outputs and the introduction of commercial enterprises within the public service and/or infrastructure, e.g. vending machines in the Grouped Schools Project. This practice was also identified as a negative outcome

of PPPs internationally (Grubnic and Hodges, 2003; Harvey, 2005; Monbiot, 2000; Murray, 2006; Pollock and Price 2004; Whitfield, 2001, 2006).

5 *Reduction in labour conditions:* In PPPs that involved the private operators hiring new employees such as the schools, waste/waste-water treatment plants, waste collection services and Luas light rail, significant problems arose including low levels of unionisation, trade-union rights being curtailed, anti-union practices by employers and regressive employment conditions, in comparison to public-sector employees in similar positions of employment.

6 *Impacts of an over-reliance on market funding:* The viability of planned projects in social housing and light rail sectors, that involved leveraging development gain, was in doubt as a result of the property market crisis. This demonstrated that the provision of additional finance for investment in public services and infrastructure through PPPs, despite being a principal benefit outlined by the government, did not materialise to the extent planned when the PPP pilot projects were launched. Furthermore, the recent shift in market conditions demonstrated that to rely on the private sector and market to guarantee the provision of finance for public infrastructure and services was a naïve gamble that ignored the reality that markets are inherently cyclical and unstable (Callinicos, 2003; Harvey, 2005).

7 *Neoliberalisation of public services:* The dangers of the PPP strategy to embed neoliberalism within public services have been outlined internationally and were identified in Irish PPP projects (Grubnic and Hodges, 2003; Harvey, 2005; Whitfield, 2006). If local authorities and public bodies in the future only commission services and provide few this will have a significant impact on the organisation and purpose of local government and other public bodies. The market, with its cyclical characteristics, will determine public service levels, staffing levels, terms and conditions, and public-sector trade unionism will be a thing of the past. Planning and needs assessment functions will be marginalised as the contract culture becomes pervasive and resources are sucked into managing contracts, co-ordinating contractors and arbitrating disputes (Whitfield, 2006).

8 *Regeneration consultation*: The regeneration board structures provided the opportunity for genuine resident participation in the planning and development of regeneration proposals. It also provided a space for the community to work with Dublin City Council to ensure that day-to-day issues are addressed. This has ensured an improved level of accountability of service provision and estate management by DCC and other state agencies and a greater level of community involvement than would have been the case if these boards did not exist. The success of regeneration depends fundamentally on not just the involvement but the spearheading of regeneration by residents. This requires the fullest possible participation by residents and therefore the aim has to be full equality between all parties. Central to achieving this is residents and their representatives being trained and given the resources to get independent expertise to understand architecture, design, structures and processes. However, the outcomes of the projects overall raised complex questions about the uneven power relations and location of decision-making authority within the PPP process. For example, while the community had representation at various regeneration boards and committees they were disempowered by their absolute exclusion, without exception, from direct negotiations between the developer and DCC.

9 *Importance of social regeneration*: The Fatima project achieved very positive outcomes, particularly as a result of the significant social regeneration budget that was central to the overall regeneration plan. A key lesson, therefore, from the regeneration projects researched is the requirement for a social regeneration plan and budget to be given at least an equal importance as the physical plan. This is particularly so for the areas of family support, education, training, employment, social enterprise and estate management.

10 *Regeneration must continue*: Most of the communities living in these estates are in crisis. They need an urgent financial package to begin to develop and provide the vital aspects of social and physical regeneration. If this does not take place, communities will deteriorate further, with an irreversible destruction of the fabric of these well-established communities, and the associated rise of crime, drug-related issues, school drop-out etc.

10 *Pause PPP development*: Clearly further research is required to complement this study and determine whether the disquieting trends identified in this research intensify or are mollified over the contract lifetime of the PPPs and whether the broader governance transformations materialise further in the workings of the Irish State. The most appropriate course of action for government, therefore, could be to pause any development of new PPP projects until further informed analysis is undertaken of the effectiveness and appropriateness, from both a VFM and social perspective, of PPPs in the delivery and management of public infrastructure and services.

11 *Research successful alternative and traditional public service and infrastructure delivery models:* There are many examples of very efficient and high quality traditional delivery of public services such as the DART rail system, DCC-led housing projects such as Ballybough and Bridgefoot Street, public schools, waste collection services etc. There is also high-quality service delivery in the non-commercial voluntary sector such as Respond (public housing), Barnardos (child and family services), youth projects, Community Development Projects, Family Resource Centres, local community drug support projects etc. In order to develop the highest possible standards of public service and infrastructure provision in Ireland these models should be researched. In particular, it would be useful to identify how they provide such high quality services and what differentiates them from poorly performing public services and infrastructure.

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