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UK Private Finance Initiative Projects: summary data

Introduction

1.1 HM Treasury collects summary data on UK Private Finance Initiative (PFI) projects once a year in the spring. The information is provided by the Departments and Devolved Administrations that procured or sponsored¹ the projects, and is not audited by HM Treasury. The last data collection exercise was carried out between January and March 2011 and produced data for projects as at 16 March.

1.2 In addition, during the year, HM Treasury periodically collects updates on projects which have entered procurement or reached financial close.

1.3 The information currently published on the website is based on the data provided by Departments and the Devolved Administrations² in response to the last data collection exercise, and then updated for those projects that have entered procurement or reached financial close between 16 March and 30 November.

1.4 HM Treasury publishes the following information:

- Signed projects list including ownership data – an Excel workbook containing information in relation to projects which had reached financial close by 30 November 2011.
- Projects in procurement – an Excel workbook containing information in relation to projects which had issued their OJEU³ notice by 30 November 2011.
- Estimated capital spending by the private sector (signed projects) – Departmental estimates of the total expected capital expenditure by the private sector under signed PFI contracts, by department, for each of the next two financial years, published at Table 1A at Annex A.
- Estimated capital value of projects expected to reach preferred bidder stage – Departmental estimates of the total capital value of projects in procurement which are expected to reach preferred bidder stage in each of the next two financial years, by Department, published at Table 1B at Annex A.
- Estimated aggregated annual payments under PFI contracts – the total of unitary charges expected to be paid on all signed PFI contracts by financial year, published at Table 1C at Annex A.

¹ Sponsor means projects that are part funded by Departments but delivered by other bodies such as Local Authorities or NHS Trusts.

² The Scottish Government no longer uses PFI as a procurement method.

³ Official Journal of the European Union

Signed projects list including ownership data

1.5 This is an Excel workbook containing information in relation to projects which had reached financial close by 30 November 2011. It sets out the following information:

- commissioning body and region;
- date of financial close;
- project status (in operation or in construction);
- operational period of contract;
- balance sheet treatment under IFRS, UK GAAP and ESA95;
- estimated capital value;
- unitary charge payments by financial years across the life of the project (these are presented as nominal figures i.e. they have assumptions about indexation and have not been discounted); and
- ownership data – details of the current shareholders in the Special Purpose Vehicles (SPVs) that have contracted with the public sector to deliver services.

PFI projects in procurement

1.6 This is an excel workbook containing information in relation to projects which had issued their OJEU notice by 30 November 2011. It sets out the following information:

- commissioning body and region;
- date of OJEU;
- expected date of preferred bidder;
- estimated date of financial close;
- operational period of contract; and
- estimated capital value.

Estimated capital spending by the private sector (signed projects)

1.7 This is a summary table found in Annex A (Table 1.A). It contains the total expected capital expenditure by the private sector on signed PFI contracts, broken down by department, for each of the next two financial years.

1.8 It should be noted that this refers to the expected capital expenditure by the private sector in each financial year, and not to the capital value of projects. The single year capital expenditure on a project is likely to be significantly less than the project's capital value because capital spending will typically be spread over a number of years.

1.9 This therefore provides an indication to the level of private sector investment being made in PFI projects in each of the next two financial years.

Estimated capital value of projects expected to reach preferred bidder stage

1.10 This is a summary table found in Annex A (Table 1.B). It contains the total capital value of the PFI projects in procurement which are expected to reach preferred bidder stage in each of the next two financial years. This table is also broken down by Department.

1.11 This indicates the total level of private sector investment that is expected from projects that are due to reach preferred bidder stage over the next two financial years.

Estimated aggregated annual payments under PFI contracts

1.12 This is a summary table found in Annex A (Table 1.C). It contains the total unitary charge expected to be paid on all signed PFI contracts. The data is presented in financial years across the life of each project.

1.13 The estimated annual unitary charge payments are presented on a projected nominal basis (i.e. they have assumptions about indexation and have not been discounted).

1.14 The unitary charge payments should not be confused with the capital value of projects. Unitary charges include payments for ongoing services (e.g. catering, cleaning, maintenance and replacement) associated with these projects, as well as repayment of and interest on debt used to finance the capital costs. Unitary charges therefore represent the whole life cost associated with the projects. The capital values recorded for PFI projects and conventionally procured projects do not include these ongoing costs.

Changes since the last data publication on 16 March 2011

1.15 The data has been updated for projects which have issued an OJEU notice or reached financial close between 16 March 2011 and 30 November 2011.

1.16 There has been no systematic update of other PFI projects. However, a small number of additional updates have been made to correct for errors and duplicate data.

General disclaimer

1.17 The data presented in the excel workbooks and summary tables is based on returns from Departments and has not been audited by HM Treasury. Some Departments have relied on data provided by other bodies such as Local Authorities.

1.18 The data is presented as at 30 November 2011 and will not be updated until the next data collection exercise. The next update will be in spring 2012.

A Annex

Table 1.A: Departmental estimate of capital spending by the private sector – signed projects (£m)

	2011-12	2012-13
Department for Communities and Local Government	217	74
Department for Culture, Media and Sport	23	0
Department for Education	723	296
Department for Environment, Food and Rural Affairs	531	513
Department for Transport	617	325
Department of Health	211	107
Ministry of Defence	637	470
Ministry of Justice	40	0
Northern Ireland Executive	124	16
Scottish Government	54	0
Welsh Assembly	0	0
Other ¹	4	4
Total	3,179	1,805

Figures based on departmental and Devolved Administration returns. Investment in assets scored on the public sector balance sheet also score as public sector net investment. PFI activity in local authority projects is included under the sponsoring government department. Figures do not include PFI projects undertaken by public corporations.

¹Other Departments include CO, CPS, BIS, DECC, DWP, FCO, GCHQ, HMT and HO

Table 1.B: Estimated aggregated capital value of projects expected to reach preferred bidder stage (£m)

	2011-12	2012-13
Department for Communities and Local Government	392	
Department for Environment, Food and Rural Affairs	941	
Department for Transport	564	133
Department of Health	866	90
Home Office	189	
Northern Ireland Executive	599	
Total	3,550	223

Figures based on departmental and Devolved Administration returns. Only for projects currently in procurement. These figures are the total capital value of projects; the actual capital spending figures will be lower, as capital spending on large projects is typically spread over several years.

Table 1.C: Estimated payments (in nominal terms, undiscounted) under PFI contracts – signed projects (£m)

Unitary charges			
2011-12	8,568	2030-31	8,251
2012-13	9,115	2031-32	7,770
2013-14	9,561	2032-33	7,313
2014-15	9,722	2033-34	6,657
2015-16	9,803	2034-35	6,066
2016-17	9,770	2035-36	5,239
2017-18	9,874	2036-37	4,619
2018-19	9,456	2037-38	3,942
2019-20	9,620	2038-39	3,631
2020-21	9,683	2039-40	2,912
2021-22	9,531	2040-41	2,223
2022-23	9,407	2041-42	1,639
2023-24	9,394	2042-43	1,212
2024-25	9,556	2043-44	677
2025-26	9,525	2044-45	565
2026-27	9,285	2045-46	260
2027-28	9,200	2046-47	267
2028-29	9,106	2047-48	274
2029-30	8,805	2048-49	20

Figures based on departmental and Devolved Administration returns.