



HM Treasury

Private Finance Initiative Projects:

2013 summary data

December 2013



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1

Private Finance Initiative Projects: 2013 summary data

1.1 HM Treasury collects summary data on UK Private Finance Initiative (PFI) projects once a year. The information is provided by central Government Departments and Devolved Administrations¹ that procured or sponsored² the projects, and is not audited by HM Treasury. The last collection was for all projects as at 31 March 2012.

1.2 Data on PFI projects has been published by HM Treasury for a number of years and it remains an important part of the government's commitment to greater transparency in public spending. The data is also used by bodies such as the Office for Budget Responsibility, the Office of National Statistics and the National Audit Office.

1.3 This publication includes all current projects and all projects in procurement as at 31 March 2013. Current projects are those which are still under contract; projects which have expired or been terminated are not included.

1.4 A more detailed explanation of PFI and how it works is set out in Chapter 1 of the policy document "A new approach to public private partnerships", December 2012, published on gov.uk.

Summary data as at March 2013

1.5 The data shows that:

- There were 725 current projects of which 665 are operational, compared to:
 - 717 current and 648 operational at 31 March 2012; and
 - 698 current and 632 operational at 16 March 2011.
- The total capital value³ of current PFI projects was £54.2 billion compared to:
 - £54.7 billion at 31 March 2012; and
 - £52.9 billion at 16 March 2011.
- Since 31 March 2012, when there were 717 current projects:
 - 15 projects, with a combined capital value³ of £1.6 billion reached financial close (the details of the projects are in Table A.1 of Annex A);
 - 1 project reached financial close in March 2012 and was shown incorrectly as being in procurement at the time. It has since been added to the current projects list along with three other projects which were omitted from the 2012 publication (the details of the projects are in Table A.2 of Annex A); and

¹ The Scottish Government no longer uses PFI as a procurement method. Information has been provided for PFI projects which are still under contract. New Scottish projects are procured under the Non-Profit Distribution model and do not form part of this data.

² Sponsored means projects that are part funded by Departments but delivered by other bodies such as Local Authorities or NHS Trusts.

³ The capital value is the total funding requirement for a project as at the date of financial close of individual contracts. It reflects the aggregate debt and equity finance in a project, plus any capital contributions made by the public sector.

- 11 projects were removed from the current projects list (the details of the projects are in Table A.3 of Annex A).
- There were 21 projects in procurement with a combined capital value⁴ of £2.8 billion; this compared to:
 - 39 projects with a combined capital value⁴ of £5.4 billion at 31 March 2012; and
 - 61 projects with a combined capital value⁴ of £7.0 billion at 16 March 2011.
- The 2013-14 projected capital spending by the private sector under PFI contracts is £2.1 billion; the projected capital spending for 2014-15 is £1.3 billion; and
- PFI unitary charge payments are expected to total £9.9 billion in 2013-14 and £10.2 billion in 2014-15.

1.6 HM Treasury publishes the following information:

- Current projects list including ownership data – an Excel workbook containing information in relation to projects which had reached financial close by 31 March 2013;
- Projects in procurement – an Excel workbook containing information in relation to projects which have issued an OJEU notice but which have not reached financial close;
- Information on the number of projects and aggregate capital value⁴ by year for current projects, published in Chart A.1 of Annex A;
- Information on the number of projects in procurement, published in Chart A.2 of Annex A;
- A breakdown of the government's portfolio of current projects by Central Government Department and Devolved Administrations and associated capital values⁴, published in Table A.4 of Annex A;
- A list of all projects which reached financial close between 1 April 2012 and 31 March 2013, published in Table A.1 of Annex A;
- Estimated capital spending by the private sector (current projects) – Central Government Departmental and Devolved Administrations estimates, published in Table A.5 of Annex A;
- Estimated capital values⁴ of projects – Departmental estimates of the capital value⁴ of projects in procurement for 2013-14, published in Table A.6 of Annex A;
- Estimated aggregated annual payments under PFI contracts – the total of unitary charges expected to be paid on all current PFI contracts by financial year, published in Table A.7 of Annex A;
- A list of projects which were removed from the current projects list as at 31 March 2013, published in Table A.3 of Annex A; and

⁴ The capital value is the total funding requirement for a project as at the date of financial close of individual contracts. It reflects the aggregate debt and equity finance in a project, plus any capital contributions made by the public sector.

- A list of projects which were added to the current projects list, which reached financial close prior to 2012-13, published in Table A.2 of Annex A.

Current projects list including ownership data

1.7 This is an Excel workbook containing information in relation to projects which had reached financial close by 31 March 2013, excluding projects which had expired or terminated. It sets out the following information:

- commissioning body and region;
- date of OJEU, preferred bidder and financial close;
- project status (in operation or in construction);
- operational period of contract;
- balance sheet treatment under IFRS, UK GAAP and ESA95;
- capital value⁵;
- unitary charge payments by financial year across the life of the project (these are presented as nominal figures i.e. they have assumptions about indexation and have not been discounted);
- ownership data – details of the current shareholders in the Special Purpose Vehicles (SPVs) that have contracted with the public sector to deliver services;
- dates of construction completion and starting operations; and
- details of the primary contractor (SPV) and primary subcontractors.⁶

PFI projects in procurement

1.8 This is an Excel workbook containing information in relation to projects which had issued their OJEU notice and have yet to reach financial close. It sets out the following information:

- commissioning body and region;
- date of OJEU⁷;
- estimated date of financial close;
- operational period of contract; and
- estimated capital value⁵.

General disclaimer

1.9 The data presented in the excel workbooks and summary tables is based on returns from central Government Departments and the devolved authorities and has not been audited by HM Treasury. Some central Government Departments have relied on data provided by other bodies

⁵ The capital value is the total funding requirement for a project as at the date of financial close of individual contracts. It reflects the aggregate debt and equity finance in a project, plus any capital contributions made by the public sector.

⁶ The Welsh Government, Scottish Government and Northern Ireland Executive were not obliged to provide this information as PPP policy is devolved, but information has been published where received.

⁷ Official Journal of the European Union

such as Local Authorities. The data is presented as at 31 March 2013 and will not be updated until the next data collection exercise next year.

1.10 Gaps in data will generally indicate that the department and/or contracting authority has not provided the information. HM Treasury continues to work with departments to improve the quality and robustness of the data.

1.11 All data published is for projects under contract; projects which have expired or been terminated are not included.

A

Charts and tables

Table A.1: Projects which have reached financial close since 31 March 2012

ID	Project Name	Date of financial close	Capital Value ^a (£m)
653	Derby Round 3 Non HRA	07/09/2012	23.0
656	Lambeth Myatts Field North Estate	04/05/2012	80.6
669	Norwood Hall Joint Service Centre	05/04/2012	14.8
675	Portway Lifestyle Centre	14/05/2012	15.0
681	Leeds Residual Waste Treatment Project	07/11/2012	158.3
692	Wakefield Semi Integrated Waste Management Project	11/01/2013	100.4
694	Essex Waste	31/05/2012	107.2
725	BSF Wave 2 phase 2	24/08/2012	17.7
728	BSF Wave 4 Phase 2	02/08/2012	35.1
754	London Borough of Hounslow Highways Maintenance Project	30/08/2012	97.0
763	Sheffield Highways Maintenance Project	31/07/2012	369.0
781	Creation of 'Children's Health Park'	21/03/2013	189.9
822	Modernise Police Estate	04/09/2012	83.2
823	Modernise Police Estate	25/05/2012	113.9
836	Isle of Wight Council - Highways PFI	26/09/2012	145.3
Total			1550.4

Source: Figures based on departmental and Devolved Administration returns

^a Normally calculated at financial close of individual contract

Table A.2: Projects added to the current list as at 31 March 2013 but reaching financial close in previous years

ID	Project name	Reason	Capital Value ^a (£m)
147	Community Learning Resource Centre (DCLG)	Omitted in error	10.7
676	South Yorkshire waste – BDR (DEFRA)	Omitted in error	87.4
1503	Airwave (Home Office)	Omitted in error	-
1504	Hinchingbrooke DTC (DH)	Omitted in error	30.0

Source: Figures based on departmental and Devolved Administration returns

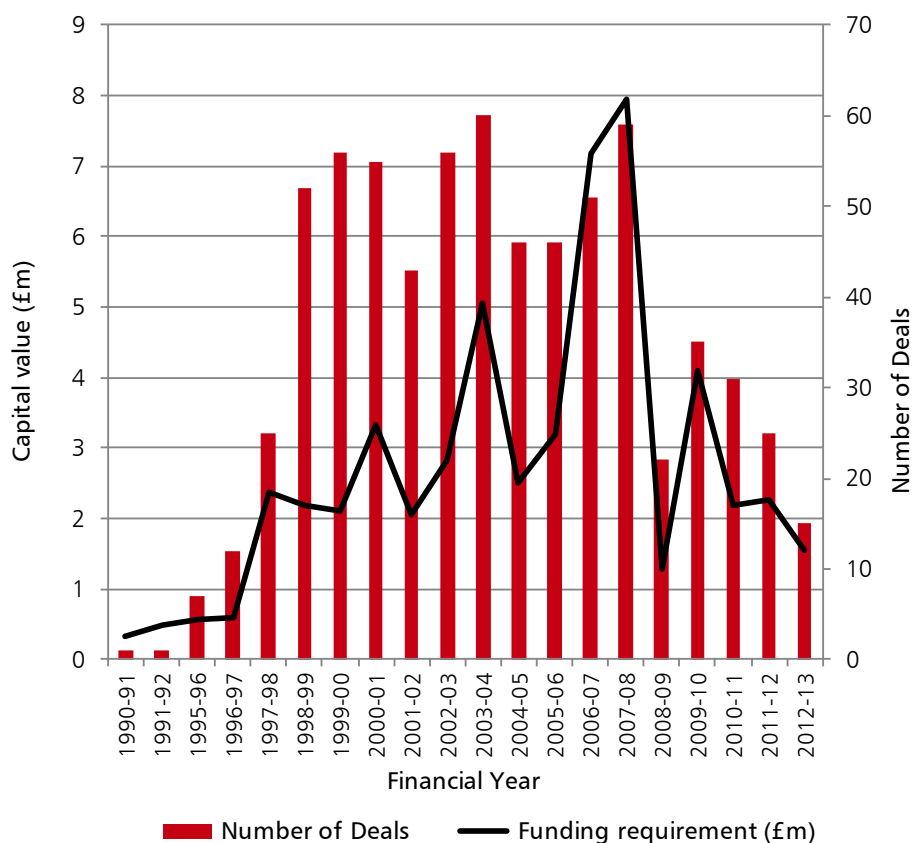
^a Normally calculated at financial close of individual contract

Table A.3: Projects removed from the current list since 31 March 2012

ID	Project name	Reason	Capital Value ^a (£m)
212	Pevensy Bay Sea Defences (DEFRA)	Reclassified	
213	Broadland Flood Alleviation (DEFRA)	Reclassified	
259	Nottingham Express Transit Line One (DfT)	Cancelled	220.9
270	DLR City Extension (DfT)	Reclassified	
272	DLR Woolwich Extension (DfT)	Reclassified	
273	Power Asset Development (DfT)	Terminated	133.0
281	Re-tendering for IT services (DWP)	Project expired	26.5
432	Defence Housing Executive (MoD)	Project expired	11.0
467	Tri Service White Fleet (MoD)	Project expired	40.0
1033	HIS (SGH) (Scottish Government)	Project expired	0.3
1034	HIS (Yorkhill) (Scottish Government)	Project expired	2.5

Source: Figures based on departmental and Devolved Administration returns
^a Normally calculated at financial close of individual contract

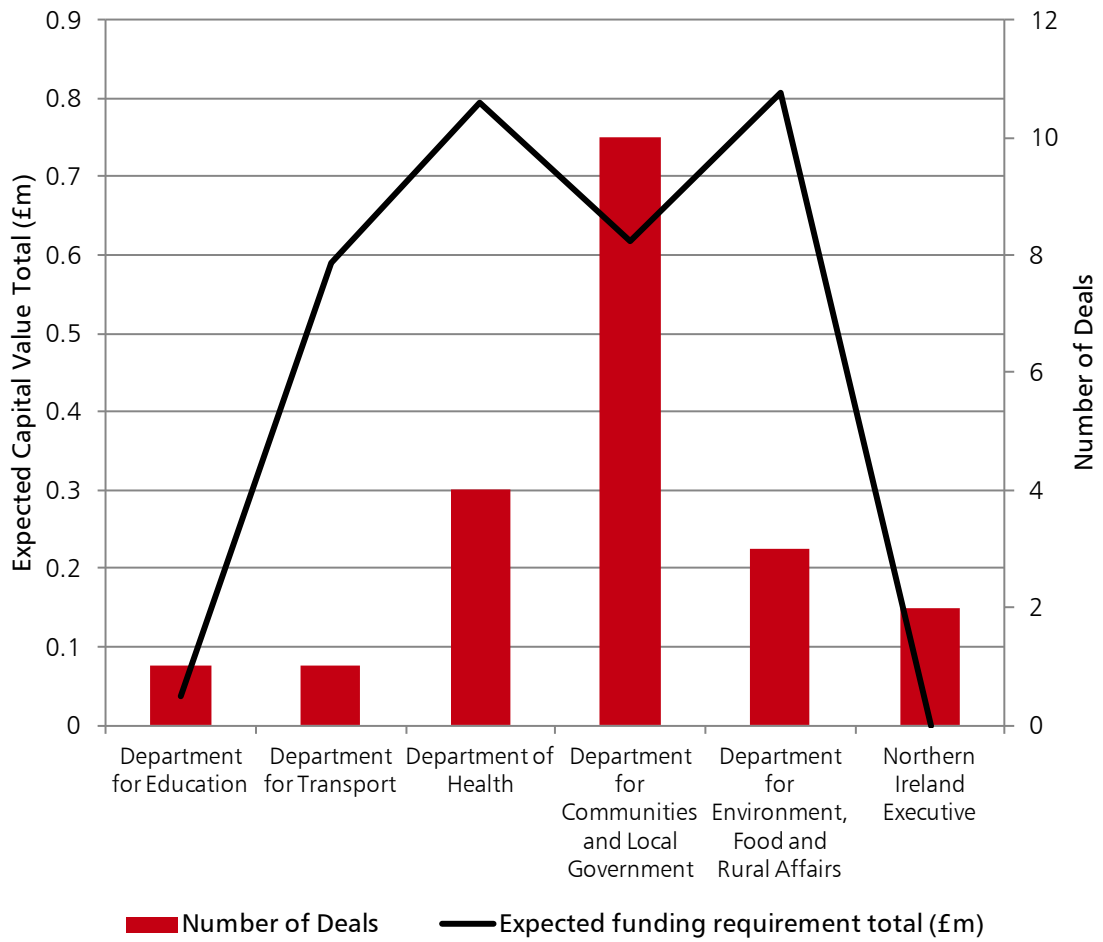
Chart A.1: Number of projects reaching financial close and total capital values^a incurred for current projects



Source: Figures based on departmental and Devolved Administration returns. Current projects only – does not include projects that have expired or terminated

^a Normally calculated at financial close of individual contract

Chart A.2: Number of projects in procurement



Source: Figures based on departmental and Devolved Administration returns.

Note: Expected Capital Value calculated at financial close of individual contract.

Table A.4: Portfolio of current PFI projects across government as at 31 March 2013

Department	Number of projects	Capital Value^a (£m)
Cabinet Office	1	6.7
Crown Prosecution Service	1	18.2
Department for Business, Innovation and Skills	1	21.8
Department for Communities and Local Government	68	2366.3
Department for Culture, Media and Sport	17	348.9
Department for Education	168	6891.1
Department for Energy and Climate Change	1	5.5
Department for Environment, Food and Rural Affairs	30	4147.2
Department for Transport	61	7278.0
Department for Work and Pensions	3	1059.2
Department of Health	121	11804.5
Foreign and Commonwealth Office	2	91.0
GCHQ	1	331.0
HM Revenue and Customs	8	862.1
HM Treasury	1	141.0
Home Office	28	1047.9
Ministry of Defence	44	9076.7
Ministry of Justice	23	798.6
Northern Ireland Executive	39	1656.9
Scottish Government	83	5690.0
Welsh Government	24	568.6
Total	725	54211.2

Source: Figures based on departmental and Devolved Administration returns

^a Normally calculated at financial close of individual contract.

Table A.5: Departmental estimate of capital spending by the private sector – current projects (£million)

Department	2013-14	2014-15
Cabinet Office	1.1	1.1
Crown Prosecution Service	3.0	3.0
Department for Education	67.1	1.9
Department for Transport	570.3	428.7
Department for Work and Pensions	54.5	55.8
Department of Health	27.0	33.0
Department for Communities and Local Government	139.2	57.9
Department for Environment, Food and Rural Affairs	710.7	413.2
GCHQ	0.0	0.3
Home Office	146.6	4.8
Ministry of Defence	319.2	261.8
Northern Ireland Executive	1.7	4.2
Welsh Government	12.5	2.5
Total	2052.9	1268.2

Source: Figures based on departmental and Devolved Administration returns

A.2 The above table refers to the expected capital expenditure by the private sector in 2013-14 and 2014-15, and not to the total capital costs¹ of projects. The single year capital expenditure on a project is likely to be significantly less than the project's total capital costs¹ because capital spending will typically be spread over a number of years.

Table A.6: Estimated aggregated capital costs of projects (£million)

Department	2013-14
Department of Health	23.2
Department for Communities and Local Government	104.6
Department for Environment, Food and Rural Affairs	272.0
Northern Ireland Executive	66.9
Total	466.7

Figures based on departmental and Devolved Administration returns. Only for projects currently in procurement

Source: Figures based on departmental and Devolved Administration returns

Table A.7: Estimated payments (in nominal terms, undiscounted) under current PFI contracts

Year	Unitary charges (£m)	Year	Unitary charges (£m)	Year	Unitary charges (£m)	Year	Unitary charges (£m)
2013-14	9861	2023-24	9,551	2033-34	7,259	2043-44	761
2014-15	10,200	2024-25	9,660	2034-35	6,613	2044-45	717

¹ The capital value is the total funding requirement for a project as at the date of financial close of individual contracts. It reflects the aggregate debt and equity finance in a project, plus any capital contributions made by the public sector.

2015-16	10,375	2025-26	9,657	2035-36	5,655	2045-46	613
2016-17	10,356	2026-27	9,576	2036-37	5,233	2046-47	508
2017-18	10,477	2027-28	9,457	2037-38	4,480	2047-48	468
2018-19	9,999	2028-29	9,348	2038-39	4,071	2048-49	21
2019-20	10,077	2029-30	8,992	2039-40	3,306	2049-50	1
2020-21	10,154	2030-31	8,641	2040-41	2,383		
2021-22	9,746	2031-32	8,312	2041-42	1,742		
2022-23	9,684	2032-33	7,892	2042-43	1,325		

Source: Figures based on departmental and Devolved Administration returns

A.3 The unitary charge payments should not be confused with the capital costs² of projects. Unitary charges include payments for ongoing services (e.g. maintenance, cleaning, catering and security) associated with these projects, as well as repayment of and interest on debt used to finance the capital costs.² Unitary charges therefore represent the whole life cost associated with the projects. The capital costs recorded for PFI projects and conventionally procured projects do not include these ongoing costs.

² The capital value is the total funding requirement for a project as at the date of financial close of individual contracts. It reflects the aggregate debt and equity finance in a project, plus any capital contributions made by the public sector.

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