HM Treasury

Infrastructure and Projects Authority

Private Finance Initiative and Private Finance 2 projects: 2018 summary data

May 2019

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Chapter 1
Introduction

1.1 This document provides information about Private Finance Initiative (PFI) and Private Finance 2 (PF2) projects at 31 March 2018. PFI and PF2 are forms of Public Private Partnerships (PPPs).

1.2 Public Private Partnerships (PPP) are long-term contractual arrangements between a public sector entity and a private sector provider. The private sector provider is engaged to design, build, finance, maintain and operate infrastructure assets and related services. The risks associated with construction delay, cost overrun and maintenance of the asset are transferred to the private sector partner.

1.3 The public sector entity does not pay for the asset during construction. Once the asset is operational and services are being provided the public sector entity pays a monthly fee – sometimes referred to as a 'unitary charge' (UC) – to the private sector provider. This payment includes the costs of construction, financing costs, lifecycle replacement expenditure, maintenance and services. The payment is subject to performance, which means that payments are reduced if services are not delivered to the standards set out in the contract. This form of payment mechanism provides an incentive on the private sector provider to meet their performance obligations and underpins the transfer of risk to the private sector.

1.4 PPPs have been used to deliver investment in infrastructure across a wide range of sectors including hospitals, schools, roads, prisons, waste management and energy-from-waste infrastructure, housing, and military accommodation and equipment.

1.5 Projects signed pre-May 2010 have a capital value of £50.6 billion compared to £8.4 billion for projects after May 2010 (86% of the total). Between 1997 and 2010 on average 55 contracts were signed a year. Since May 2010, 84 contracts have been signed, an average of 9 a year.

1.6 Until 2012, PFI was the government's preferred model of PPP. In 2012, PFI was replaced with Private Finance 2 (PF2), in response to widespread concerns about value for money. PF2 was used six times, for projects with a total capital value of around £900 million, comprising around 0.5% public investment over the period 2012 to 2018. At Budget 2018, the Chancellor announced that the government would no longer use PF2 for new government projects. This announcement did not affect devolved bodies (including Scotland and Wales, which both have their own models of PPP).

1.7 The government will continue to support the portfolio of existing PFI and PF2 contracts, seeking to ensure that they deliver value to the taxpayer. In the interests of transparency, the government will continue to report future liabilities and other information relating to the portfolio of existing projects through this annual publication and the accompanying excel documents, published on gov.uk.[1] This information includes:[2]

- unique HMT project ID and name of the project
- sponsoring department and the procuring authority
- sector and region
- key dates such as the beginning and end of the procurement process
- contract duration
- balance sheet and budgeting treatment
- capital value
- forecast annual payments
- shareholders identity
- project company name and address

1.8 A key criticism of the original PFI model was a lack of understanding and transparency of the financial returns earned by project company shareholders. In response to this, the government required the shareholders in PF2 projects to provide information on financial returns to HM Treasury. This information is included in this annual data publication.

1.9 The Infrastructure and Projects Authority (IPA)[3] collates data annually on PFI and PF2 projects on behalf of HM Treasury. This publication only includes projects that are delivered or supported by departments and devolved administrations, and procured under the standard PFI and PF2 contract terms. Other forms of PPP, such as NHS projects under the Local Improvement Finance Trust (LIFT) programme and those procured under the non-profit distributing (NPD) and hub models used in Scotland are not covered in this publication.[4]

1.10 The information is provided by the central government departments and devolved administrations[5] that have procured or sponsored[6] projects. The

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[1] Please see https://www.gov.uk/government/organisations/infrastructure-and-projects-authority for information on the Infrastructure and Projects Authority.

[2] The balance sheet treatment of projects according to Generally Accepted Accounting Practices (GAAP) has been removed as Government reports under International Financial Reporting Standards (IFRS) and European System of Accounts (ESA).

[3] Please see https://www.gov.uk/government/organisations/infrastructure-and-projects-authority for information on the Infrastructure and Projects Authority.

[4] Intercity Express Programme and Thameslink Rolling Stock, which closed in 2012 and 2013 respectively, are also excluded from this data publication as they are not classified as PFI projects due to bespoke contract terms.

[5] The Scottish Government no longer uses PFI (or the PF2 model) as a procurement method. Recent Scottish PPP projects have been procured under the Non-Profit Distribution and hub models, and these do not form part of this publication.

[6] Projects which are 'sponsored' receive financial support from departments but are delivered by other bodies such as Local Authorities or NHS Trusts.

contracting public sector entities for most projects are local authorities, NHS Trusts and other arm's length bodies.

1.11 Where there are gaps in the data, this is because it has not been provided by the department and/or contracting authority responsible for the project. The data in this publication is not audited by HM Treasury or IPA, although IPA continues to work with departments to improve its quality and reliability.

1.12 This year, the completeness of data on shareholders in the Special Purpose Vehicles (SPVs) that deliver existing PFI and PF2 contracts has improved. Previous collections relied on procuring authority returns for information on equity ownership but the exchange of equity in the secondary market makes it challenging for authorities to accurately monitor SPV ownership. To address this issue, IPA now uses alternative data sources to collect equity ownership data centrally. The method for doing this is set out in the Technical Appendix to this report.

1.13 To assist with reading this document, some key terms are defined in Table 1.A below.

Table 1.A: Key terms and definitions for PFI / PF2 project reporting

Data	Definition
Capital Value	This is the total nominal capitalised cost of the project as recorded in the financial model at financial close. This includes SPV debt plus total shareholder investment (equity and shareholder loans) plus any authority capital contribution.
Department	Name of the sponsoring department
Equity	This is the combination of shares and subordinated debt invested in the project
Financial Close	The date the project reached contract signature
Procuring Authority	The procuring authority responsible for commissioning the project
Project IRR	The projected nominal pre-tax project Internal Rate of Return (IRR). This reflects the operating margin for the project, pre-debt and equity costs
Special Purpose Vehicle (SPV)	The name of the project company carrying out the project
Unitary Charge (UC)	The payment made by the procuring authority to the contractor from the start of operation until the end of the contract. It covers the cost of the construction of the asset, of borrowing debt and equity investment, taxes, operating services such as cleaning, and maintenance
Weighted Average Cost of Capital	The total cost of capital for the project, calculated as the blended rate of equity (including equity and shareholder loans) and senior debt costs based on the gearing of the project

Chapter 2
2017-18 summary data

Current portfolio

2.1 A current project is one that is either in operation or in construction. Operational projects are projects that have completed their construction phase and payment of the UC has commenced. Projects which have reached the end of their contract period or that have been cancelled are not included.

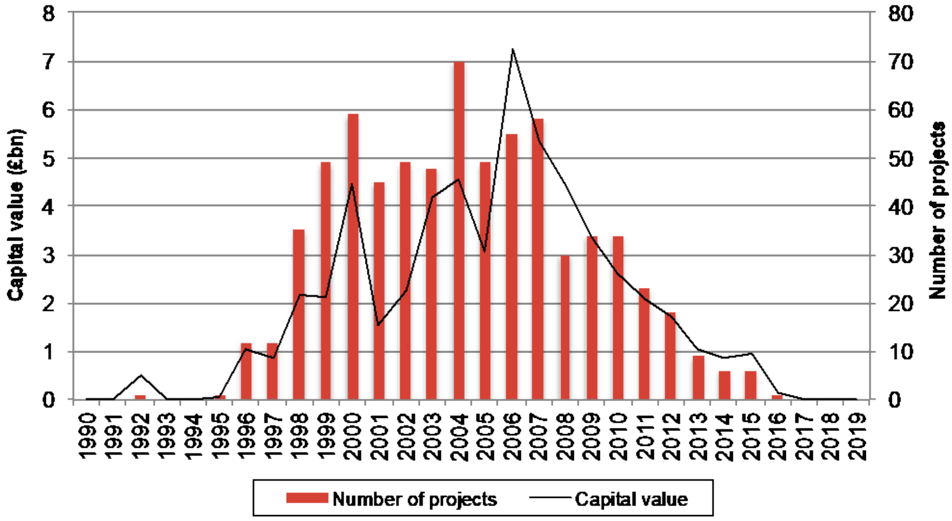
Size of the PFI and PF2 portfolio

2.2 As at 31 March 2018, there were 704 current PFI and PF2 projects; 700 were in operation and four were in construction.

2.3 The total capital value of the current portfolio was £57 billion (nominal), compared to £59.1 billion as at 31 March 2017. The majority of this change is due to the expiry of two significant contracts (Department of Work and Pension's PRIME contract and the Severn River Crossing) and the early termination of the Greater Manchester Waste project.

2.4 Chart 2.A shows the number of existing PFI and PF2 contracts that were signed (reached financial close) in each financial year and their capital values. This represents the point when contracts are signed and after which construction begins. The chart also shows the corresponding capital values for the signed projects.

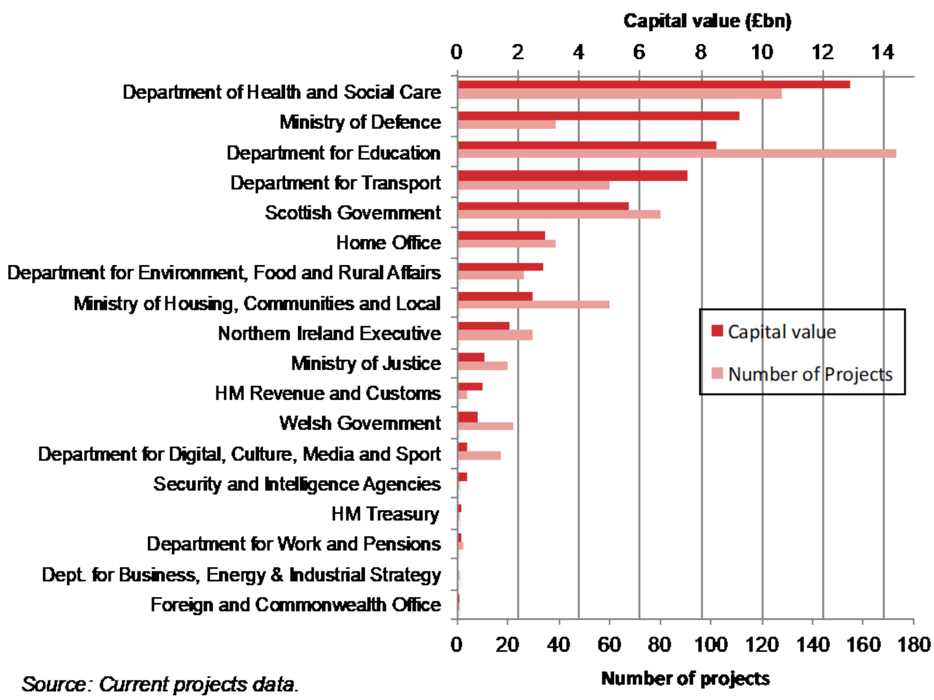
Chart 2.A: Portfolio of current PFI and PF2 projects - number and capital value by year of financial close[1]



Source: Current projects data.

2.5 Chart 2.B below shows the portfolio of current PFI and PF2 projects by department. The Department of Health and Social Care has the largest portfolio by capital value (£12.9 billion, nominal), while the Department for Education portfolio is the largest by number, with 173 contracts.

Chart 2.B: Portfolio of current PFI and PF2 projects - number and capital value by department



Source: Current projects data.

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1 Note: This chart excludes contracts that have expired or cancelled.

Projects removed

2.6 11 projects have been removed from the current projects list and are detailed in Table 2.A below.

Table 2.A: Projects removed from the current projects list since 31 March 2017

Project ID	Project name	Department	Capital value (£m)	Reason
2	Sunningdale Park Site	Cabinet Office	6.7	Contract expired
214	Manchester Waste	Department for Environment, Food and Rural Affairs	637.8	Cancelled
215	Isle of Wight Waste Management Project	Department for Environment, Food and Rural Affairs	15.9	Contract expired
252	Severn River Crossings	Department for Transport	331	Contract expired
282	PRIME	Department for Work and Pensions	990	Contract expired
443	Lynx Aircrew Training	Ministry of Defence	14.5	Contract expired
445	Marine Support to Range & Aircrew Services	Ministry of Defence	11.9	Contract expired
500	RVH Car Park	Northern Ireland Executive	4.5	Contract expired
544	Baldovie	Scottish Government	43	Cancelled
582	Ferryfield House	Scottish Government	2.5	Contract expired
628	Council offices	Welsh Assembly Government	12.1	Cancelled

Projects in procurement

2.7 As at 31 March 2018, one project was in procurement under the Northern Ireland Executive detailed in table 2.B below.[2]

[2] Newry and Lisburn healthcare facilities, which are also in procurement, use the Northern Ireland Executive's 3PD model. This is a form of PPP contract used in Northern Ireland. It is not PFI or PF2.

Table 2.B: Project in procurement as at 31 March 2018

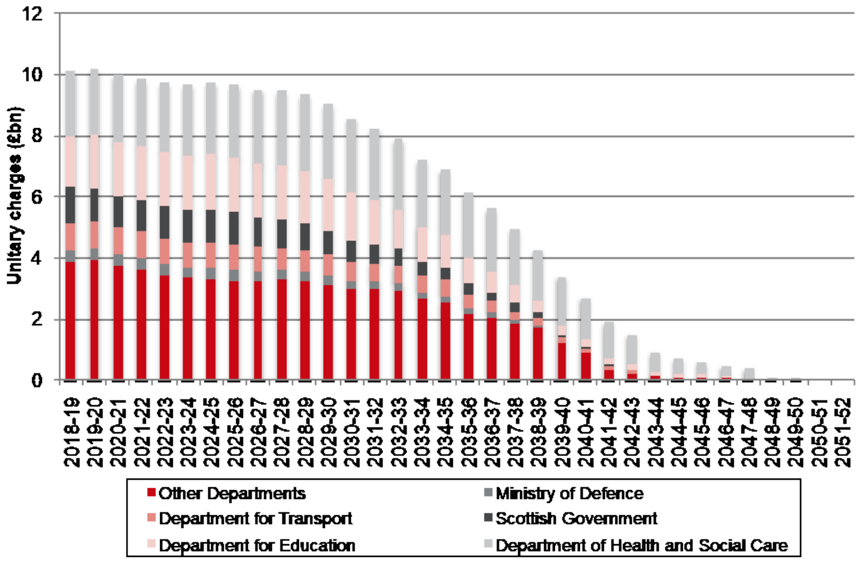
Project ID	Project name	Department	Sector	Expected capital value (£m)
738	Arc21 Residual Waste Infrastructure Procurement	Northern Ireland Executive	Waste	318.6

Estimated future payments

2.8 Over the next 30 years, the forecast aggregate payments for the 704 current projects is £188.35 billion, accounting for inflation. This is a reduction from outstanding payments of around £280 billion as of May 2010. Future changes in inflation may increase or decrease this forecast amount.

2.9 The Chart 2.C below shows the decline in UCs payable on the current portfolio over the long term. The UCs for the four departments with the largest portfolios by capital value and the Scottish government are shown separately from the rest of the portfolio.

Chart 2.C: Estimated unitary charge payments for current projects by department



Source: Current projects data.

Chapter 3

Equity return data

Purpose

3.1 To improve transparency under PF2, the government required the private sector to provide actual and forecast equity return information for publication.

3.2 Six projects were launched under PF2 – five schools batches under the Priority Schools Building Programme (PSPB) and the Midland Metropolitan Hospital. This section sets out the equity internal rate of return (IRR) data as at 31 March 2018 for four of these projects. The data for each of these projects are also included in a supporting spreadsheet available alongside this report on the gov.uk website.

3.3 The liquidation of Carillion plc had a material impact on two PF2 projects. The contract for the Midland Metropolitan Hospital project has been terminated and equity investment in the project written down. The expected equity IRRs at financial close for this contract were 10.03% nominal and 7.40% real. The Midland Schools project company is in administrative receivership and therefore it would be misleading to publish expected equity return data as at March 31st 2018. The expected equity IRRs at financial close for this contract were 11.50% nominal and 8.80% real.

3.4 This section provides context for the returns, including comparison between PF2 projects and other infrastructure investments, based on publicly available information.

Definitions

3.5 A range of information is provided for each project, definitions for which are set out in Table 3.A below:

Table 3.A: Key terms and definitions for equity return reporting

Data	Definition
Real Equity Internal Rate of Return (without Fees)	The projected real internal rate of return (IRR) represents the return equity providers expect to receive over the whole life of the project, after inflation is excluded. The calculation of the projected returns is set out in the spreadsheet accompanying this publication and is the post project tax pre-shareholder tax real equity IRR.
Real Equity Internal Rate of Return (with Fees)	The projected real equity return as above but including fees paid to each shareholder. Fees include any upfront fees at financial close as well as on-going fees, such as Director's fees.
Real Equity Internal Rate of Return (Current)	The real equity IRR to date. For projects in construction this excludes fees. This is because in some projects the full amount of equity (via shareholder loan) is not invested in the project until construction ends. Small payments, such as Director's fees paid during this period can create an artificially high IRR, creating a spike for a short period that is unrepresentative of the whole project.
Real Equity Internal Rate of Return by Investor (with fees)	The projected real Equity IRR with fees projected for each shareholder over the whole project life.
Nominal Equity Internal Rate of Return (without Fees)	The projected nominal internal rate of return (IRR) represents the return equity providers expect to receive over the whole life of the project, including the impact of inflation. The calculation of the projected returns are set out in the spreadsheet accompanying this publication and is the post project tax pre shareholder tax nominal equity IRR
Nominal Equity Internal Rate of Return (with Fees)	The projected nominal equity return as above but including fees paid to each shareholder. Fees include any upfront fees at financial close as well as on-going fees, such as Director's fees.
Nominal Equity Internal Rate of Return (Current)	The nominal equity IRR to date. For projects in construction this excludes fees. This is because in some projects the full amount of equity (via shareholder loan) is not invested in the project until construction ends. Small payments, such as Director's fees paid during this period can create an artificially high IRR, creating a spike for a short period that is unrepresentative of the whole project.
Nominal Equity Internal Rate of Return by Investor (with fees)	The projected nominal Equity IRR with fees projected for each shareholder over the whole project life.

Weighted average cost of capital (WACC)	The weighted average cost of capital is the overall cost of capital from debt and equity for the firm. As debt is generally cheaper than equity, the more debt a firm raises, the lower will be it's WACC as it displaces the need for more expensive equity.

3.6 As well as the IRRs described above, each return includes a graph of the projected returns, both real and nominal. This shows the timing of when returns are expected to be made.

IRR Return Data by PF2 Project

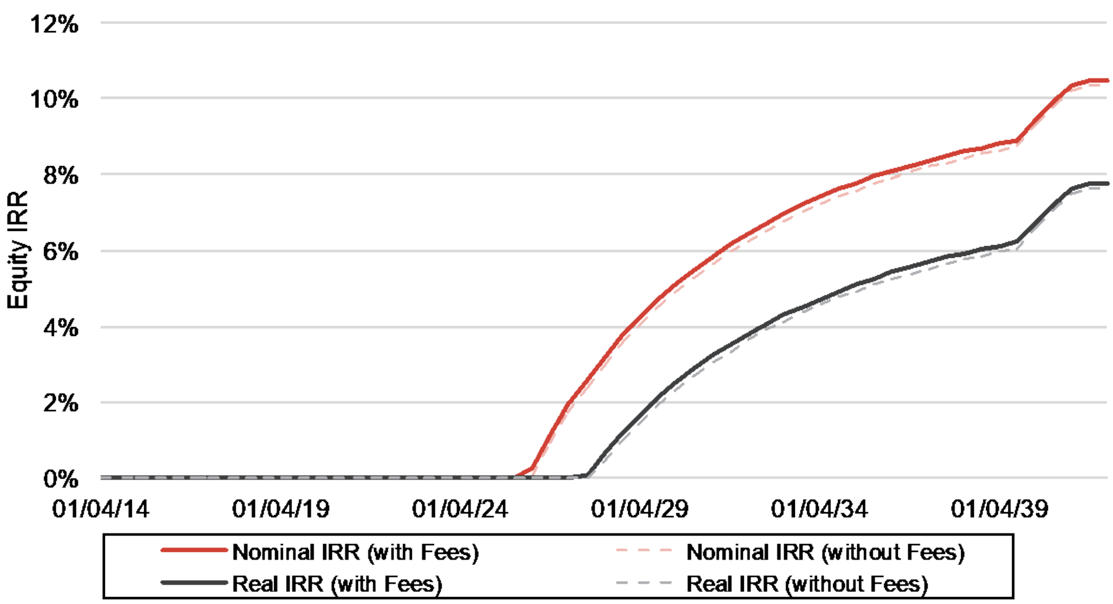
Table 3.B: PSBP Hertfordshire, Luton and Reading PF2 key data

Priority Schools Building Programme: Hertfordshire, Luton and Reading			
Project Summary			
Construction of 7 new secondary schools benefitting more than 8,900 pupils			
Department		Procuring Authority	
Department for Education		Secretary of State for Education	
Special Purpose Vehicle		Wholelife Unitary Charge*	
HLR Schools Limited		£324.2m	
Financial Close	Date of Operation	Years in Operation	Capital Value*
19/03/15	31/08/16	25	£138.9m

Key Metrics		
Project IRR (nominal pre tax)*	Weighted Average Cost of Capital	Senior Debt Rate
4.98%	4.08%	3.44%
Real Equity Internal Rate of Return		
Projected (without fees)*	Projected (with fees)	Current
7.62%	7.74%	0.00%
Projected Real Equity Internal Rate of Return by Investors (with Fees)		
Interserve (45%)	Kajima (45%)	IUK Investments Ltd (10%)
7.62%	7.62%	7.62%
Nominal Equity Internal Rate of Return		
Projected (without fees)	Projected (with fees)	Current
10.34%	10.47%	0.00%
Projected Nominal Equity Internal Rate of Return by Investors (with Fees)		
Interserve (45%)	Kajima (45%)	IUK Investments Ltd (10%)
10.47%	10.47%	10.47%

* At financial close

Chart 3.A: PSBP Hertfordshire, Luton and Reading PF2 IRR



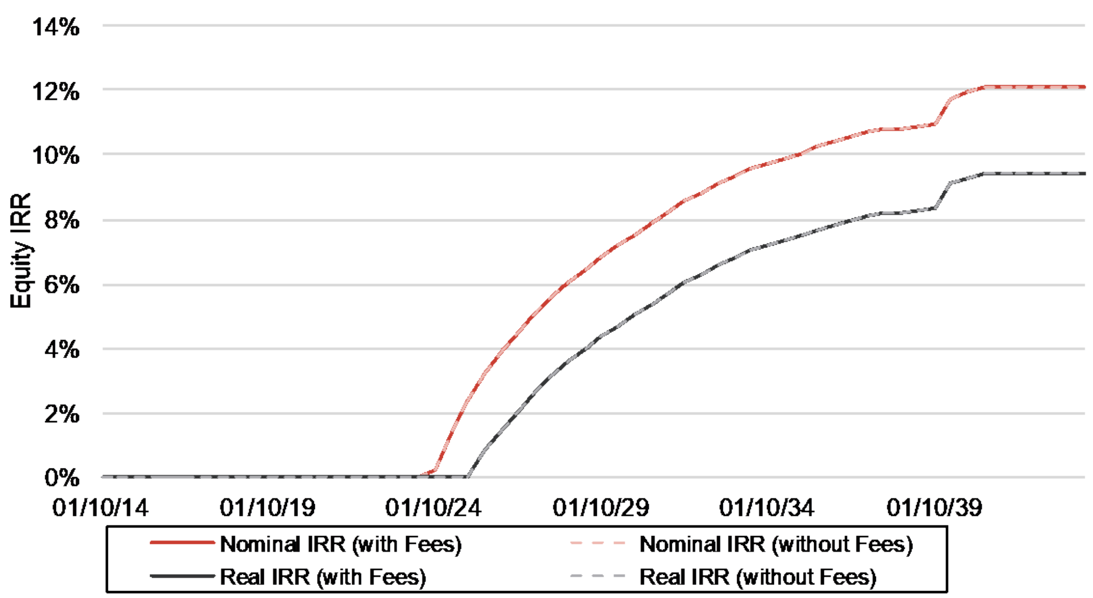
Source: SPV returns.

Table 3.C: PSBP North East PF2 key data

Priority Schools Building Programme: North East					
Project Summary					
Construction of 6 new primary schools and 6 secondary schools for over 8,000 pupils					
Department			Procuring Authority		
Department for Education			Secretary of State for Education		
Special Purpose Vehicle			Wholelife Unitary Charge*		
GT NEPS Limited			£291.9m		
Financial Close	Date of Operation		Years in Operation	Capital Value*	
10/03/15	28/12/15		25	£104.6	
Key Metrics					
Project IRR (nominal pre tax)*		Weighted Average Cost of Capital		Senior Debt Rate	
5.74%		4.64%		3.81%	
Real Equity Internal Rate of Return					
Projected (without fees)		Projected (with fees)		Current	
9.45%		9.45%		0.00%	
Projected Real Equity Internal Rate of Return by Investors (with Fees)					
Infrared (90%)			IUK Investments Ltd (10%)		
9.45%			9.45%		
Nominal Equity Internal Rate of Return					
Projected (without fees)		Projected (with fees)		Current	
12.10%		12.10%		0.00%	
Projected Nominal Equity Internal Rate of Return by Investors (with Fees)					
Infrared (90%)			IUK Investments Ltd (10%)		
12.10%			12.10%		

* At financial close

Chart 3.B: PSBP North East PF2 IRR



Source: SPV returns.

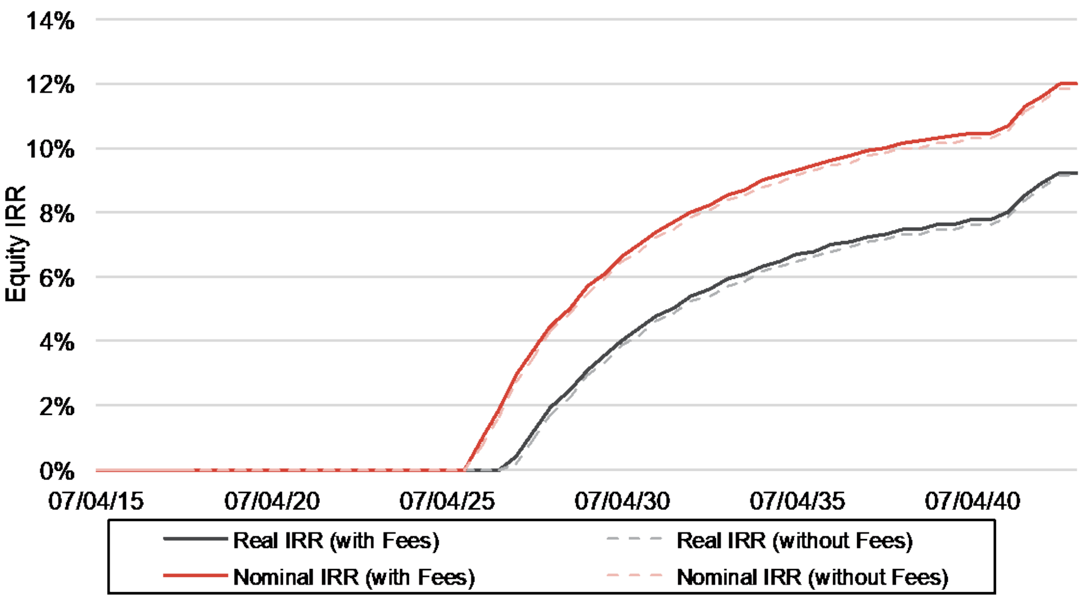
Table 3.D: PSBP North West PF2 key data

Priority Schools Building Programme: North West			
Project Summary			
Construction of 7 new primary schools and 5 secondary schools for over 8,000 pupils			
Department		Procuring Authority	
Department for Education		Secretary of State for Education	
Special Purpose Vehicle		Wholelife Unitary Charge*	
PSBP NW Projectco Limited		£274.6m	
Financial Close	Date of Operation	Years in Operation	Capital Value*
25/03/15	11/04/16	25	£114.2m

Key Metrics		
Project IRR (nominal pre tax)*	Weighted Average Cost of Capital	Senior Debt Rate
4.66%	4.17%	3.39%
Real Equity Internal Rate of Return		
Projected (without fees)	Projected (with fees)	Current
9.38%	9.52%	0.00%
Projected Real Equity Internal Rate of Return by Investors (with Fees)		
Morgan Sindall Plc (45%)	Equitix Infrastructure 3 Ltd (45%)	IUK Investments Ltd (10%)
9.53%	9.53%	9.52%
Nominal Equity Internal Rate of Return		
Projected (without fees)	Projected (with fees)	Current
12.11%	12.26%	0.00%
Projected Nominal Equity Internal Rate of Return by Investors (with Fees)		
Community Solutions for Education Ltd (45%)	Equitix Infrastructure 3 Ltd (45%)	IUK Investments Ltd (10%)
12.26%	12.26%	12.26%

* At financial close

Chart 3.C: PSBP North West PF2 IRR



Source: SPV returns.

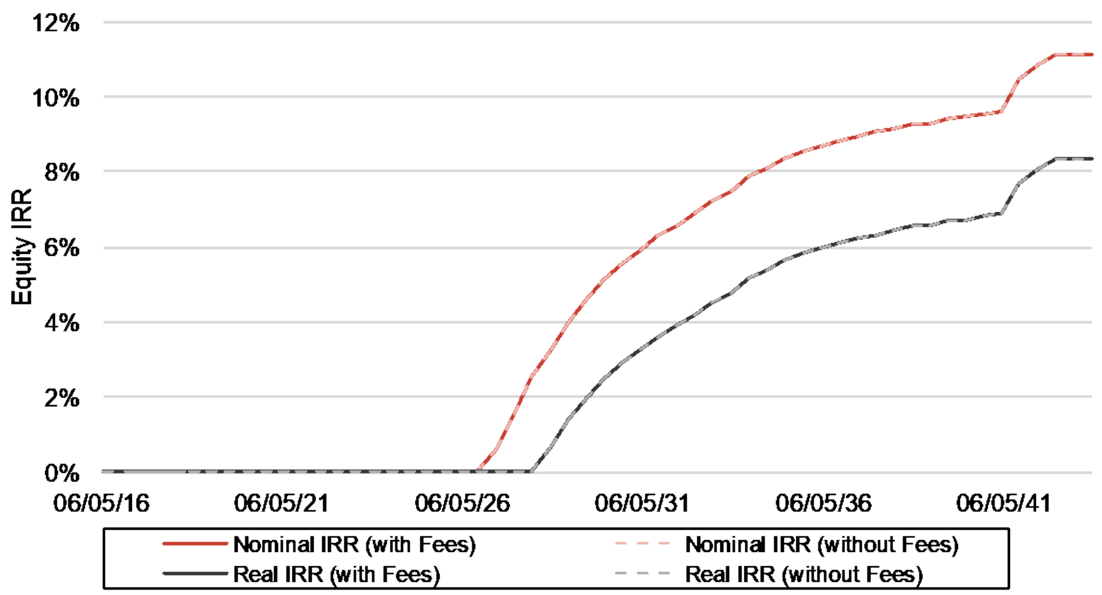
Table 3.E: PSBP Yorkshire PF2 key data

Priority Schools Building Programme: Yorkshire			
Project Summary			
Construction of 7 new secondary schools benefitting more than 7,000 pupils			
Department		Procuring Authority	
Department for Education		Secretary of State for Education	
Special Purpose Vehicle		Wholelife Unitary Charge*	
Yorkshire Learning Partnership ProjectCo Ltd		£288.3m	
Financial Close	Date of Operation	Years in Operation	Capital Value*
26/04/16	24/02/17	24	£123.5m

Key Metrics		
Project IRR (nominal pre tax)*	Weighted Average Cost of Capital	Senior Debt Rate
4.75%	4.04%	3.39%
Real Equity Internal Rate of Return		
Projected (without fees)	Projected (with fees)	Current
8.37%	8.37%	0.00%
Projected Real Equity Internal Rate of Return by Investors (with Fees)		
Laing O'Rourke Plc (70%)	Equitix Ltd (20%)	IUK Investments Ltd (10%)
8.37%	8.37%	8.37%
Nominal Equity Internal Rate of Return		
Projected (without fees)	Projected (with fees)	Current
11.14%	11.14%	0.00%
Projected Nominal Equity Internal Rate of Return by Investors (with Fees)		
Laing O'Rourke Plc (70%)	Equitix Ltd (20%)	IUK Investments Ltd (10%)
11.14%	11.14%	11.14%

* At financial close

Chart 3.D: PSBP Yorkshire PF2 IRR



Source: SPV returns.

Analysis

3.7 A summary of the financing costs and returns for the six PF2 projects is set out below in Table 3.B. This analysis has assumed a 0% return for the Midland Metropolitan Hospital and the Midlands School contract[1]. The financing costs of the four remaining PF2 projects (excluding Midland Metropolitan Hospital and Midlands schools) are also presented separately.

Table 3.F: PF2 Weighted Average Cost of Capital and Internal Rate of Return ranges and averages as at 31 March 2018

Data	Range[2]: 6 PF2s	Average: 6 PF2s	Weighted* IRR: 6 PF2s	Range: 4 PF2s	Average: 4 PF2s
Real Weighted Average Cost of Capital (WACC)	3.81% - 4.37%	3.99%	3.96%	3.81% - 4.37%	3.98%
Nominal Weighted Average Cost of Capital (WACC)	4.04% - 4.64%	4.24%	4.22%	4.04% - 4.64%	4.24%
Real Equity IRR (with fees)	0% - 9.52%	5.85%	4.55%	7.74% - 9.52%	8.77%
Nominal Equity IRR (with fees)	0% - 12.26%	7.66%	5.97%	10.47% - 12.26%	11.49%

* Weighted by capital value of projects

Equity IRR

3.8 The Equity IRR represents the equity cost of the project. Equity is typically around 10% of the overall financing requirement, with the remaining 90% provided by senior debt (known as the gearing of the project).

3.9 The Equity IRR reflects the risk of the project. The NAO's 2012 report on Equity Investment in Privately Financed Projects[3] set out the expected return to investors when PFI contracts were signed, ranging between 12% and 15% pre-2012. The six PF2 projects have an average nominal IRR of 7.66% (weighted by capital value of 5.97%) and an average real IRR of 5.85% (weighted by capital value of 4.55%). The four remaining PF2 projects have an average nominal IRR of 11.49%, with the highest return including fees being 12.26%.

3.10 A 2017 report by the GIIA and PwC on Global Infrastructure Investment[4] also identified a reduction in equity returns expected by Infrastructure funds from 14% in 2004 to 10.6% in 2016. A Deloitte survey of European

1 0% IRR is used to reflect the losses in these two contracts for means of portfolio average return analysis. It is not based on any current or intended future financial return to investors in these projects.

2 Includes Midland Metropolitan Hospital and Midlands Schools

3 NAO Report (HC 1792 2010-2012): Equity investment in privately financed projects

4 GIIA/PwC, Global Infrastructure Investment

Infrastructure Investors[5] in 2016 also identified that target IRRs had reduced to 10%-12%. Infrastructure funds invest in a wide range of infrastructure projects and sectors as well as at different stages of the project, for example many invest after construction risk has passed. However, while the four remaining PF2 projects are in line with these wider returns for infrastructure projects in other sectors, across the six PF2 projects, average returns are below that expected at financial close.

Weighted Average Cost of Capital (WACC)

3.11 This section provides a broad comparison of the four remaining PF2 projects' WACC against other infrastructure projects' WACC. However, there are a number of reasons why these are unlikely to be directly comparable:

- the WACC for utilities are for corporates, rather than an individual project, which are subject to demand and other risks not included in an individual PF2
- the project vs corporate nature of the WACC also means there is a significant difference in the gearing (debt to equity) between a PF2 and utility
- the WACC is for a shorter pricing period (c.5-7 years) for utilities compared to a 25-30 year PF2 project
- the PF2 deals were signed at different dates and so the underlying debt rate assumptions will be impacted by timing of PF2 vs price control periods

3.12 The table below sets out the average real WACC of the four remaining PF2 projects compared to those in the waste and energy sector. The data is, where possible, taken from March 2015, which reflects the timing closest to when the PF2 deals reached financial close.

Table 3.G: PFI and RAB WACCs and deltas as at 31st March 2018

Data	WACC	Delta to PF2
PF2 Average Real WACC	3.98%	-
OFWAT Pricing Period 2015-2020[6]	3.60%	-0.38%
OFGEM RIIO-T1 Gas 31st March 2015[7]	4.25%	0.27%
OFGEM RIIO-T1 Electricity 31st March 2015[8]	4.65%	0.67%

5 Deloitte, European Infrastructure Investors Survey 2016

6 OFWAT final price control determination notice: policy chapter A7 risk and reward, Setting price controls for 2015-2020

7 OFGEM RIIO-T1 Gas Financial Model WACC for March 2015

8 OFGEM RIIO-T1 Electricity Financial Model WACC for March 2015

OFGEM RIIO-GD1 Gas Distribution Networks 21st March 2015[9]	4.11%	0.13%
OFGEM RIIO-EDI Electricity 31st March 2016[10]	3.76%	-0.22%
Average Delta		**0.09%**

3.13 The table above shows that the WACC of OFWAT/OFGEM projects range between 0.38% below and 0.67% above the PF2 average WACC, with an average of 0.09%. While this demonstrates the WACC for the PF2 projects is similar to that of the other projects this is only a broad comparison, noting the caveats identified above.

9 OFGEM RIIO-GD1Gas Distribution Financial Model WACC for March 2015

10 OFGEM RIIO-ED1 Electricity Distribution Financial Model WACC for March 2016

Chapter 4

Supporting information

4.1 Alongside this document are two Excel workbooks: the first details the current projects as at 31 March 2018 and the second details the equity IRR data of the four remaining PF2 projects.

Chapter 5

Technical appendix: equity ownership data

Method

5.1 Since the first publication of equity ownership information in 2011, reporting has relied upon information returned by procuring authorities. While much of the information provided was accurate, the sale and transfer of investments in the unlisted secondary market has made it challenging for some procuring authorities to monitor changes in SPV ownership. To achieve a comprehensive and up-to-date view of the equity ownership of PFI SPVs, a central monitoring exercise was undertaken this year to manually collect shareholder information.

5.2 Several sources were consulted during this exercise including the FAME (Finance Analysis Made Easy) database, provided by Bureau van Dijk, a Moody's Analytics company. This database collates company accounts filed with Companies House and links companies within corporate groups, making the tracing of shareholdings less time consuming and more accurate. Other supplementary sources used included Bloomberg, Open Corporates, Companies House direct filings, Parliamentary Hansard, Inframation, the ESSU PPP database[1], the historic Partnerships UK PPP database, as well as previously published PFI datasets.

5.3 The ownership of each SPV was traced up to the highest appropriate level. This often entailed stopping some levels below the ultimate global parent, where their identity was not familiar as an active equity fund or investor in UK PPP. The shares of equity ownership presented are the sums of both direct and indirect ownerships traced through intermediary vehicles.

Main challenges

5.4 There were several challenges to overcome in achieving this improvement in transparency of information about UK PFI equity owners. The primary challenge was the need to complete the identification of SPV companies where, in recent years, reporting procuring authorities had not provided this. There were also instances of incorrect identification of PFI SPVs. Other challenges included:

- missing data in FAME and / or other sources
- complex ownership structures

1 European Services Strategy Unit database 1998-2016, available at: https://www.european-services-strategy.org.uk/ppp-database

- the need to cross match multiple data sources, sometimes providing conflicting information

HM Treasury contacts

This document can be downloaded from
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