

# UK Private Finance Initiative Projects:

## Summary data as at March 2012

---

### 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<sup>1</sup> that procured or sponsored<sup>2</sup> the projects, and is not audited by HM Treasury. The last collection was for all projects as at 16 March 2011.

**1.2** In addition, during the year, HM Treasury periodically collects and publishes updates on projects which have entered procurement or reached financial close. The last update was for projects as at 30 November 2011.

**1.3** This publication is the full collection for all current projects, and for all projects in procurement, as at 31 March 2012. Data for current projects is for all those still under contract; projects which have expired or terminated are not included. PFI projects procured by local authorities are included under the sponsoring Government department.

**1.4** The data show:

- There are 717 current projects of which 648 are operational, compared to:
  - 712 current and 631 operational at 30 November 2011.
  - 698 current and 632 operational at 16 March 2011.
- The total capital costs of current PFI projects is £54.7 billion compared to:
  - £54.2 billion at 30 November 2011.
  - £52.9 billion at 16 March 2011
- Since 16 March 2011, where there were 698 current projects:
  - 25 projects have reached financial close worth £2.3 billion (10 projects worth £1.1 billion since November)
  - 4 additional projects have entered the current list (due to correcting errors in information previously supplied by departments)
  - 10 projects have left the current list, due to contracts expiring, terminating or correcting errors in information previously supplied by departments

---

<sup>1</sup> 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.

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

- There are 39 projects in procurement with combined capital costs of £5.4 billion. All of these projects are expected to reach financial close within 2012-13 to 2014-15. This compares to:
  - 49 projects with capital costs of £6.3 billion at November 2011.
  - 61 projects with capital costs of £7.0 billion at 16 March 2011.
- Two projects have entered procurement since 16 March 2011 (one since November)
- The 2012-13 projected capital spending by the private sector under PFI contracts is £2.4 billion up from £1.8 billion as forecast at 2011. The projected capital spending for 2013-14 is £1.4 billion.
- The capital costs of projects expected to reach preferred bidder stage during 2012-13 is £0.3 billion compared to the November 2011 estimate of £0.2 billion. Projects with capital costs of £0.6 billion are expected to reach preferred bidder stage in 2013-14.
- PFI unitary charge payments are expected to total £9.3 billion in 2012-13.

### 1.5 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 2012.
- Projects in procurement – an Excel workbook containing information in relation to projects which had issued their OJEU<sup>3</sup> notice by 31 March 2012.
- Information on the number and total capital costs incurred per year for current projects, published as Graph 1A at Annex A
- A breakdown of the Government’s portfolio of current projects by Department and associated capital costs, published at Table 1A at Annex A
- A list of all projects which reached financial close since 16 March 2011, published at Table 1B at Annex A.
- A list of all projects which issued an OJEU notice since 16 March 2011, published at Table 1C at Annex A
- Estimated capital spending by the private sector (current projects) – Departmental estimates of the total expected capital expenditure by the private sector under current PFI contracts, by department, for each of the next two financial years, published at Table 1D at Annex A.
- Estimated capital costs of projects expected to reach preferred bidder stage – Departmental estimates of the total capital costs of projects in procurement which are expected to reach preferred bidder stage in each of the next two financial years, published at Table 1E at 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 at Table 1F at Annex A.

### Current projects list including ownership data

1.6 This is an Excel workbook containing information in relation to projects which had reached financial close by 31 March 2012, 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;
- estimated capital costs;

---

<sup>3</sup> Official Journal of the European Union

- 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); and
- ownership data – details of the current shareholders in the Special Purpose Vehicles (SPVs) that have contracted with the public sector to deliver services.

**1.7** The workbook also contains the following new information:

- dates of construction completion and starting operations<sup>4</sup>;
- details of the primary contractor (SPV) and primary subcontractors<sup>4</sup>;
- information on refinancing and insurance reviews

## **PFI projects in procurement**

**1.8** This is an excel workbook containing information in relation to projects which had issued their OJEU notice by 12 March 2012. 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 costs.

## **General disclaimer**

**1.9** 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. The data is presented as at 31 March 2012 and will not be updated until the next data collection exercise.

**1.10** Data is for projects under contract; projects which have expired or been terminated are not included.

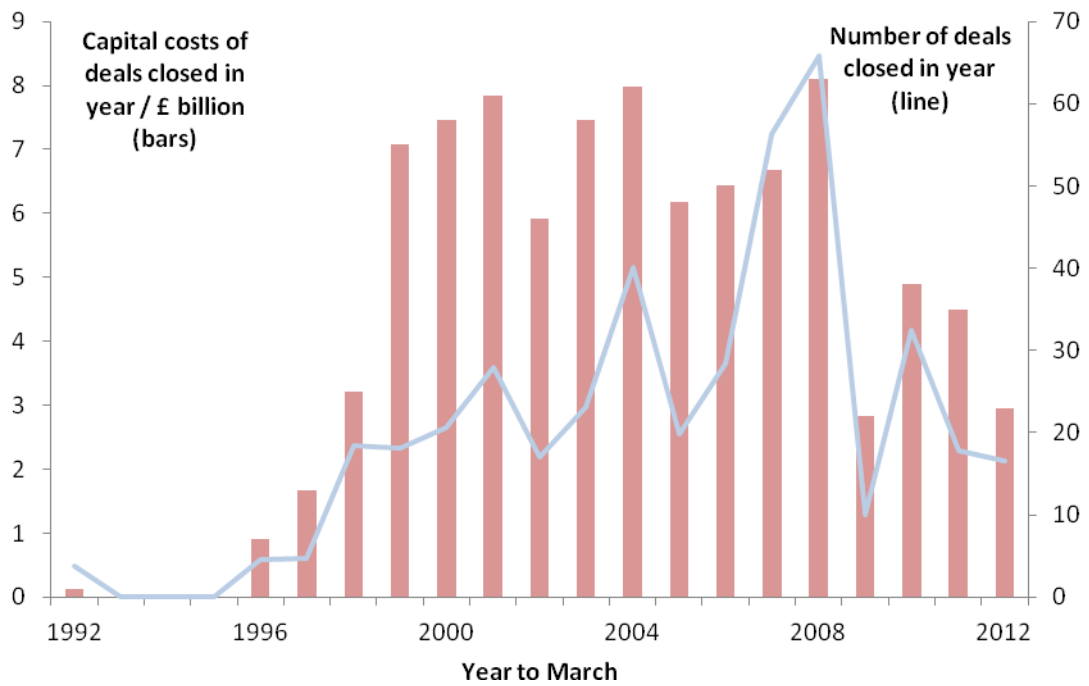
---

<sup>4</sup> The Welsh Government, the Scottish Government and the Northern Ireland Executive were not obliged to provide this information as PPP policy is devolved, but information has been published where received.

# A

## Annex

**Chart 1.A: Number of projects reaching financial close and total capital costs incurred for current projects**



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

**Table 1.A: Portfolio of current PFI projects across Government**

<b>Department</b>	<b>Number of projects</b>	<b>Total capital costs £ million</b>
Department of Health	118	11,614.3
Ministry of Defence	46	9,131.5
Department for Education	166	7,731.1
Department for Transport	62	7,349.4
Scottish Government	85	5,692.8
Department for Environment, Food and Rural Affairs	28	3,843.8
Department for Communities and Local Government	64	2,240.5
Northern Ireland Executive	39	1,999.8
Department for Work and Pensions	4	1,085.7
HM Revenue and Customs	8	862.1
Home Office	25	850.8
Ministry of Justice	23	798.6
Welsh Assembly	24	543.4
Department for Culture, Media and Sport	17	348.9
GCHQ	1	331.0
HM Treasury	1	141.0
Foreign and Commonwealth Office	2	91.0
Department for Business, Innovation and Skills	1	21.8
Crown Prosecution Service	1	18.2
Cabinet Office	1	12.0
Department for Energy and Climate Change	1	4.4
<b>Total</b>	<b>717</b>	<b>54,712.1</b>

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

**Table 1.B: Projects which have reached financial close since 16 March 2011**

ID	Project Name	Date of financial close	Capital costs £ million
739	Lagan College/Tor Bank Special School PPP Project	14/03/2011	44.0
870	BSF Wave 4	23/03/2011	22.0
689	South West Devon Waste Partnership	24/03/2011	230.0
688	ST&W Waste Management Partnership	15/04/2011	177.0
649	Cambridgeshire Street Lighting	19/04/2011	57.4
757	Croydon & Lewisham Street Lighting	19/04/2011	74.0
758	Knowsley Street Lighting & Sign Replacement	20/04/2011	35.8
762	Oldham Street Lighting	20/04/2011	30.5
881	Rochdale Street Lighting	20/04/2011	30.9
709	BSF Wave 6	21/06/2011	28.0
714	BSF Wave 2 phase 2	25/07/2011	59.5
680	Hertfordshire County Council Waste Management Services	28/07/2011	222.7
880	Northamptonshire Street Lighting	02/08/2011	75.0
697	BSF Wave 2 phase 2	16/08/2011	27.0
705	BSF Wave 3 phase 2	17/11/2011	69.9
663	Oldham Gateways to Oldham	30/11/2011	77.0
674	Holt Park Wellbeing Centre	14/12/2011	17.0
755	Nottingham Express Transit Phase 2	15/12/2011	536.0
655	Kirklees Excellent Homes for Life	20/12/2011	74.8
658	Wiltshire Social Housing PFI Project (phase 1)	21/12/2011	38.7
671	Whitley Bay Joint Service Centre (LIFT project)	18/01/2012	8.0
685	Norfolk Waste Management Project	07/02/2012	155.1
821	Classroom 2000 Local Area Network services	06/03/2012	170.0
707	BSF Wave 4 phase 2	30/03/2012	27.0
869	BSF wave 1 phase 2	30/03/2012	45.0
	<b>Total</b>		<b>2,332.4</b>

**Table 1.C: Projects which have entered procurement since 16 March 2011**

ID	Name	Date of OJEU notice	Capital costs £ million
847	Extra Care Housing	09/01/2012	44.5
835	Mersey Gateway	20/10/2011	589.0
	<b>Total</b>		<b>633.5</b>

**Table 1.D: Departmental estimate of capital spending by the private sector – current projects (£ million)**

	2012-13	2012-13
Department for Transport	758.5	454.9
Department for Environment, Food and Rural Affairs	730.3	429.2
Ministry of Defence	470.0	321.5
Department for Education	260.5	45.4
Department for Communities and Local Government	110.0	92.8
Northern Ireland Executive	19.7	1.7
Department of Health	18.1	7.0
Department for Culture, Media and Sport	9.7	-
Others <sup>1</sup>	4.6	5.5
<b>Total</b>	<b>2,381.5</b>	<b>1,358.1</b>

*Figures based on departmental and Devolved Administration returns.*

*This table refers to the expected capital expenditure by the private sector in each financial year, and not to the total capital costs of projects. The single year capital expenditure on a project is likely to be significantly less than the project's total capital costs because capital spending will typically be spread over a number of years.*

*<sup>1</sup>Other Departments include the Crown Prosecution Service, Home Office, Government Communications Headquarters, Department for Work and Pensions and the Ministry of Justice.*

**Table 1.E: Estimated aggregated capital costs of projects expected to reach preferred bidder stage (£ million)**

	2012-13	2013-14
Department for Communities and Local Government	90.1	-
Department for Transport	152.4	589.0
Department of Health	90.0	44.5
<b>Total</b>	<b>332.5</b>	<b>633.5</b>

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



**Table 1.F: Estimated payments (in nominal terms, undiscounted) under PFI contracts – current projects**

Unitary charges / £ million			
2012-13	9,312	2031-32	8,062
2013-14	9,686	2032-33	7,600
2014-15	9,932	2033-34	6,922
2015-16	10,025	2034-35	6,279
2016-17	9,987	2035-36	5,417
2017-18	10,140	2036-37	4,897
2018-19	9,625	2037-38	4,213
2019-20	9,821	2038-39	3,904
2020-21	9,997	2039-40	3,122
2021-22	9,880	2040-41	2,299
2022-23	9,654	2041-42	1,762
2023-24	9,665	2042-43	1,313
2024-25	9,824	2043-44	748
2025-26	9,788	2044-45	655
2026-27	9,544	2045-46	566
2027-28	9,448	2046-47	514
2028-29	9,335	2047-48	468
2029-30	9,023	2048-49	21
2030-31	8,486	2049-50	1

*Figures based on departmental and Devolved Administration returns. The unitary charge payments should not be confused with the capital costs 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. 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.*