



HM Treasury

# Private Finance Initiative projects:

2014 summary data

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December 2014





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ISBN 978-1-910337-40-0

PU1729

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# 1

# Private Finance Initiative projects: 2014 summary data

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**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 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 31 March 2014.

**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 2014. 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 one of the policy document "A new approach to public private partnerships", December 2012, published on gov.uk.

## Summary data as at March 2014

**1.5** The data shows that:

- There were 728 current projects of which 671 are operational, compared to:
  - 725 current and 665 operational at 31 March 2013
  - 717 current and 648 operational at 31 March 2012
- The total capital value<sup>3</sup> of current PFI deals (which is normally calculated at the financial close of the project) was £56.6 billion compared to:
  - £54.2 billion at 31 March 2013
  - £54.7 billion at 31 March 2012
- Since 31 March 2013, when there were 725 current projects:
  - 9 projects, worth with a combined capital value<sup>3</sup> of £1.4 billion, reached financial close. The details of the projects are in Annex A
  - 1 project has been added to the current projects list which was omitted in error from previous publications. The details of the project are in Annex A

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<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.

<sup>3</sup> 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.

- 10 projects were removed from the current projects list. The details of the projects are in Annex A
- There were 11 projects in procurement with a combined capital value of £816.1 million.<sup>3</sup> This compared to:
  - 21 projects with a combined capital value<sup>3</sup> of £2.8 billion at 31 March 2013
  - 39 projects with a combined capital value<sup>3</sup> of £5.4 billion at 31 March 2012
- The 2014-15 projected capital spending by the private sector under PFI contracts is £2 billion. The projected capital spending for 2015-16 onwards is £2.9 billion
- PFI unitary charge payments are expected to total £10.3 billion in 2014-15 and £10.5 billion in 2015-16

#### 1.6 HM Treasury publishes the following information:

- Current projects, including ownership data – an Excel workbook containing information in relation to projects which had reached financial close by 31 March 2014
- Projects in procurement – an Excel workbook containing information in relation to projects which had issued an OJEU notice but which had not reached financial close by 31 March 2014
- Information on the number of projects and aggregate capital value<sup>3</sup> by year for current projects – Chart A.1, Annex A
- A chart of projects in procurement – Chart A.2, Annex A
- A breakdown of the government's portfolio of current projects by central government department and associated capital values<sup>3</sup> – Table A.1, Annex A
- A list of all projects which reached financial close between 1 April 2013 and 31 March 2014 – Table A.2, Annex A
- Estimated capital spending by the private sector (current projects) – central government departmental estimates – Table A.3, Annex A
- Estimated capital values<sup>3</sup> of projects expected to reach preferred bidder stage – departmental estimates of the capital value<sup>3</sup> of projects in procurement which are expected to reach preferred bidder for 2014-15 – Table A.4, 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 – Table A.5, Annex A
- A list of projects which were removed from the current projects list as at 31 March 2014 – Table A.6, Annex A
- A list of projects which were added to the current projects list, which reached financial close in previous years – Table A.7, 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 2014, 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 value<sup>3</sup>
- 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
- details of the equity holders and SPVs

## **PFI projects in procurement**

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

- commissioning body and region
- date of OJEU<sup>4</sup>
- expected date of preferred bidder
- estimated date of financial close
- operational period of contract
- estimated capital value<sup>3</sup>

## **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 such as Local Authorities. The data is presented as at 31 March 2014 and will not be updated until the next data collection exercise for data as at the end of March 2015.

**1.10** Gaps will generally indicate that the department and/or contracting authority has not provided the information. We continue to work with departments to improve the quality and robustness of the data.

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

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<sup>4</sup> Official Journal of the European Union.



# A

## Charts and tables

**Table A.1: Projects which have reached financial close since 31 March 2013**

ID	Project Name	Date of financial close	Capital value <sup>a</sup> (£m)
657	Salford Creating a New Pendleton	17/09/2013	78.8
659	Priority Homes – Putting Affordable Housing First	15/11/2013	41.4
660	Leeds Little London/Beeston Hill & Holbeck PFI Joint Procurement	05/07/2013	138.0
661	Brunswick HRA PFI	17/12/2013	82.6
662	North Tyneside Quality Homes for Older People	24/03/2014	78.4
666	LFEPa Accommodation	01/08/2013	51.4
780	Staffs 2 Replacement Fire Stations	10/07/2013	29.7
787	Redevelopment of Royal Liverpool University Hospital	13/12/2013	329.4
835	Mersey Gateway Project <sup>b</sup>	28/03/2014	589.0
<b>Total:</b>			<b>1418.5</b>

*Source: Figures based on departmental and Devolved Administration returns.*

<sup>a</sup> Normally calculated at financial close of individual contract  
<sup>b</sup> Project no longer receives central government funding

**Table A.2: Projects added to the current list as at 31 March 2014 but reaching financial close in previous years**

ID	Project name	Reason	Capital value <sup>a</sup> (£m)
1505	Longreach House	Technical omission	6.9

*Source: Figures based on departmental and Devolved Administration returns*

<sup>a</sup> Normally calculated at financial close of individual contract

**Table A.3: Projects removed from current and in procurement lists since 31 March 2013**

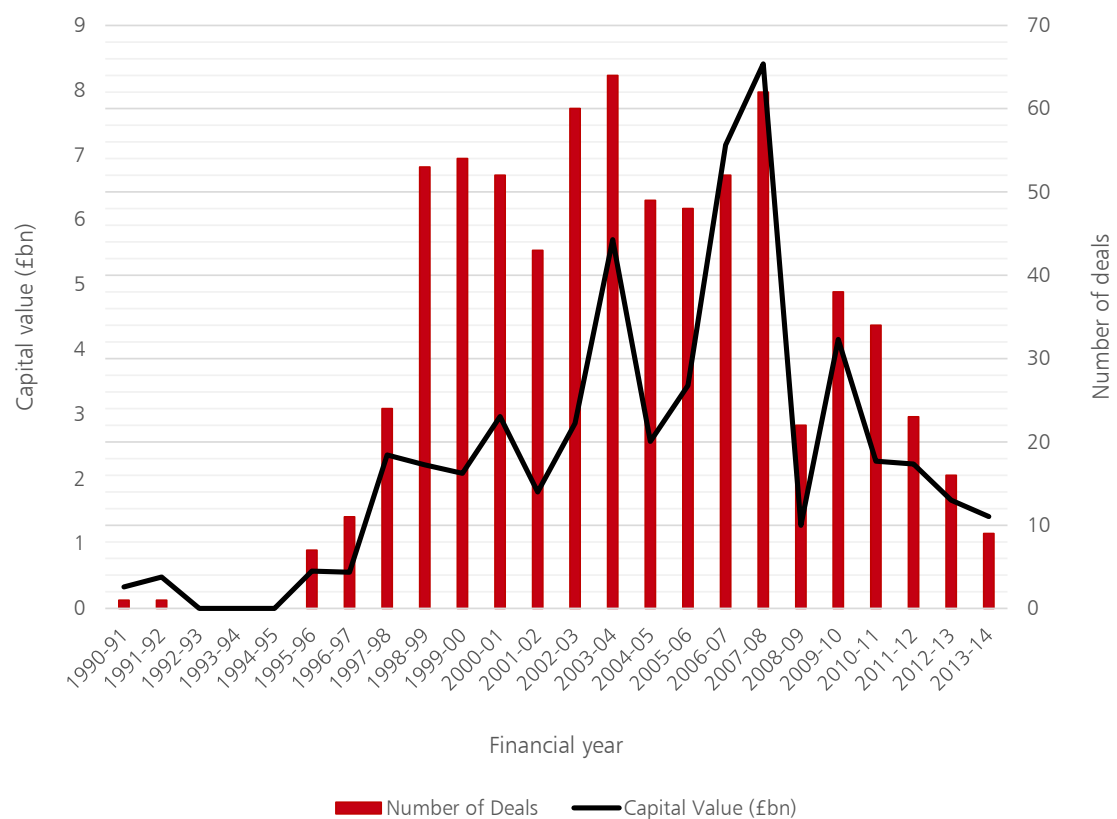
ID	Project name	Reason	Capital value <sup>a</sup> (£m)
143	Fire Vehicles & Equipment	Cancelled	118.0
385	FTN	Cancelled	73.9
446	Material Handling Equipment (MHE) – (Follow on)	Finished	8.3
463	TAFMIS (IT)	Finished	41.0
466	Tri Service Materials Handling Service	Finished	35.0
498	New Renal Dialysis Facilities	Finished	2.85
624	Energy Management	Finished	1.9

ID	Project name	Reason	Capital value <sup>a</sup> (£m)
677	Bradford and Calderdale Waste Treatment Services Project	Cancelled	181.0
683	Merseyside Waste Management Project	Reclassified	369.0
686	North Yorkshire and City of York Waste Management Project	Reclassified	356.0

Source: Figures based on departmental and Devolved Administration returns

<sup>a</sup> Normally calculated at financial close of individual contract

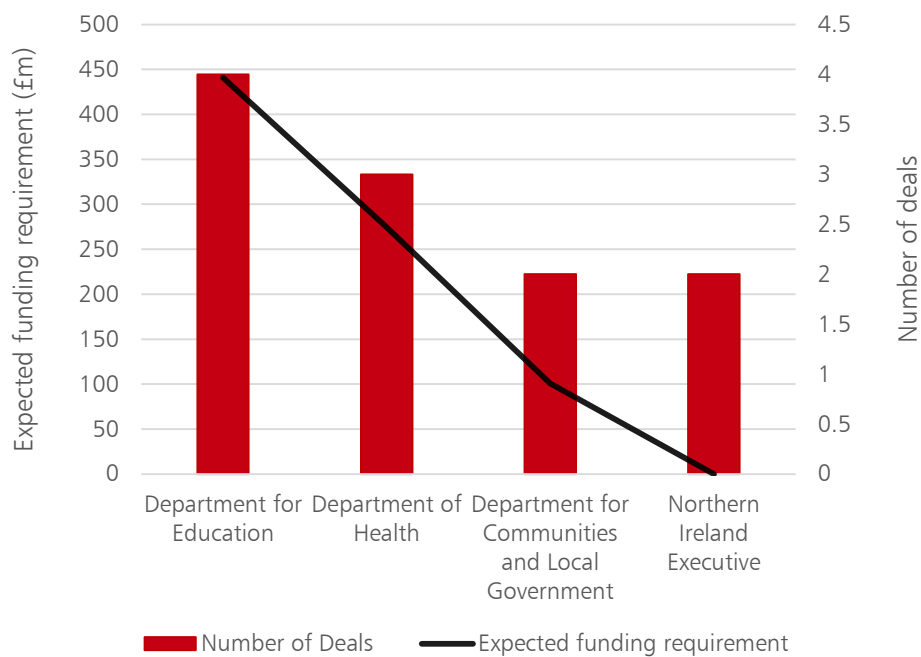
**Chart A.1: Number of projects reaching financial close and total capital values<sup>a</sup> incurred for current projects**



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

<sup>a</sup> 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 at financial close of individual contracts. No capital values provided for Northern Ireland Executive projects.

**Table A.4: Portfolio of current PFI projects across government as at 31 March 2014**

Department	Number of projects	Total capital value <sup>a</sup> (£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	74	2728.9
Department for Culture, Media and Sport	17	348.9
Department for Education	168	7799.5
Department for Energy and Climate Change	1	5.5
Department for Environment, Food and Rural Affairs	30	4073.2
Department for Transport	62	7878.8
Department for Work and Pensions	3	1102.7
Department of Health	123	12082.9
Foreign and Commonwealth Office	1	17.1
GCHQ	1	331.0
HM Revenue and Customs	8	862.1
HM Treasury	1	141.0
Home Office	28	1047.9
Ministry of Defence	41	9042.8

Department	Number of projects	Total capital value <sup>a</sup> (£m)
Ministry of Justice	23	798.6
Northern Ireland Executive	38	1985.1
Scottish Government	83	5690.0
Welsh Government	23	566.7
<b>Total</b>	<b>728</b>	<b>56549.5</b>

*Source: Figures based on departmental and Devolved Administration returns.*

<sup>a</sup> Normally calculated at financial close of individual contract.

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

	2014-15	2015-16 onwards
Cabinet Office	1.1	1.1
Crown Prosecution Service	3.0	0.0
Department for Education	1.9	0.0
Department for Transport	471.8	1029.6
Department for Work and Pensions	55.8	234.3
Department of Health	186.9	517.8
Department for Communities and Local Government	268.9	213.5
Department for Environment, Food and Rural Affairs	672.9	412.6
GCHQ	0.5	14.3
Home Office	4.8	1.4
Ministry of Defence	284.0	429.9
Northern Ireland Executive	1.2	4.6
Welsh Government	2.5	12.3
<b>Total</b>	<b>1955.1</b>	<b>2871.3</b>

*Source: Figures based on departmental and Devolved Administration returns. Departments not listed have not reported any capital spending for the specified years.*

The above table refers to the expected capital expenditure by the private sector in 2014-15 and 2015-16 onwards, 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.

**Table A.6: Estimated aggregated capital costs of projects expected to reach preferred bidder stage (£ million)**

Department	2014-15
Department for Education	441.0
Department of Health	274.5
Department for Communities and Local Government	100.6
Northern Ireland Executive	0.0 <sup>a</sup>
<b>Total</b>	<b>816.1</b>

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

<sup>a</sup> Data not provided by Devolved Administration

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

Year	Unitary charges/£m	Year	Unitary charges/£m
2014-15	10,290	2032-33	7,968
2015-16	10,467	2033-34	7,314
2016-17	10,430	2034-35	6,747
2017-18	10,614	2035-36	5,800
2018-19	10,155	2036-37	5,321
2019-20	10,220	2037-38	4,694
2020-21	10,317	2038-39	4,128
2021-22	10,172	2039-40	3,375
2022-23	10,074	2040-41	2,441
2023-24	9,941	2041-42	1,777
2024-25	10,029	2042-43	1,273
2025-26	10,005	2043-44	759
2026-27	9,853	2044-45	659
2027-28	9,799	2045-46	567
2028-29	9,676	2046-47	453
2029-30	9,344	2047-48	381
2030-31	8,871	2048-49	24
2031-32	8,545	2049-50	1

Source: Figures based on departmental and Devolved Administration returns

Figures based on departmental and Devolved Administrative 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.







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