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## Use of private finance models

Dear Accounting Officer

### Contact

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### Action

Accounting officers should ensure that they and relevant officials in their organisations follow the new guidance on the use of private finance models following the publication of the Balance Sheet Framework (November 2025) and updated Green Book (February 2026).

### Context

In July 2025, the Public Accounts Committee (PAC) published its recommendations on private finance, including that the Treasury should have a specific approach to support public bodies in managing risks for infrastructure projects and that Treasury and NISTA publish a central database covering private finance for public infrastructure.

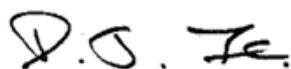
Accounting officers are required to ensure that all expenditure has Treasury authority as part of their duty to ensure the regularity of all spending by their organisation. This includes projects or programmes where private finance models are used to deliver infrastructure or capital assets where the public sector is involved. All spending proposals involving the use of private finance models to construct an asset (which may include the operation and maintenance) are considered novel, contentious or repercussive and expenditure cannot be undertaken without explicit Treasury consent directly. The responsibility for identifying these projects and ensuring Treasury consent is sought, sits with the Accounting Officer.

By their nature, all applications of private finance models are unique to the asset and context, and accounting officers and their departments should continue to seek the advice of the Treasury (or for arms-length bodies, through their sponsor department) when the approach is unclear.

The Balance Sheet Framework<sup>1</sup> (Chapter 7) and Green Book<sup>2</sup> (Annex A) set out detailed guidance on the use of private finance models and should be used for further information and guidance on how to develop, appraise, deliver and monitor these projects. The next edition of Managing Public Money will incorporate updates to Annex 7.4 to reflect this guidance.

All projects involving the use of private finance models where the government is involved should include robust arrangements for monitoring and evaluation. Each project should monitor contract performance and costs over its life. For forthcoming infrastructure projects (either new capital or maintenance and renewal projects), departments are asked to provide detail on new private finance transactions and these are recorded in the Infrastructure Pipeline. NISTA separately collects detailed data and reports annually on legacy PFI projects and will include any new PPP liabilities in the Infrastructure Pipeline.

In line with the PAC recommendation to create a record of private finance transactions, departments will be asked to include some additional project information in their Infrastructure Pipeline return. In addition, departments will be required to create a record of completed contracts which will be published on gov.uk. This will include relevant Business Cases and will cover all projects with signed contracts since 2010. The Treasury will write to departments with further detail on the process.



**David Fairbrother**

Treasury Officer of Accounts

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<sup>1</sup> [Balance Sheet Framework - GOV.UK](#)

<sup>2</sup> [The Green Book - GOV.UK](#)