New guidance published for effectively handling PFI contract expiry

News story

IPA publishes new government to support public sector bodies to effectively manage the expiry of PFI contracts and transition process.



New government guidance has been published today (28 February), supporting public sector bodies to effectively manage the expiry of PFI contracts and transition process, ensuring public services continue to be resilient, well-maintained and fit for purpose.

As part of the Infrastructure and Projects Authority's (IPA) commitment to drive reform within project delivery, 'Preparing for PFI Contract Expiry' provides a framework and practical guidance for managing the expiry process, including asset handback and service transition.

The publication sets out why effectively managing expiry is vital for ensuring value for money and seamless continuity of public services, makes recommendations on how to prepare for and manage the process, and provides detailed guidance on how these activities might be undertaken — all of which are based on the lessons learned from expired and expiring contracts.

Matthew Vickerstaff, Director of Finance at the Infrastructure and Projects Authority said:

"I am pleased to announce the publication of this critical piece of guidance for public sector bodies and others dealing with the expiry of PFI contracts.

"These particular contracts deliver a wide range of vital public services and with many of these due to expire within the next 10 years, the government is committed to supporting a successful end of contract process.

"I would like to encourage PFI contracting authorities to utilise this practical guidance to help prepare for the specific challenges of the process and moving seamlessly into the future services provision."

This document is part of the suite of support offered by the IPA's PFI Centre of Excellence, as set out in the 'Managing the Risks of PFI Contract Expiry — Support Plan'.

The IPA's PFI Centre of Excellence was set up in 2020 to manage the risks in operational PFI contracts and build the capability, knowledge and tools needed within the public sector to manage those contracts effectively.

Further background

- This guidance is a key deliverable of the PFI Contract Management Programme established in 2020 and managed by the IPA's PFI Centre of Excellence.
- The PFI Contract Management Programme responds to recommendations made by the NAO in their report 'Managing PFI assets and services as contract end' (June 2020).
- This support provided under the programme includes contract expiry health checks, guidance documents, training, and expert support and advice. This is set out more fully in 'Managing the Risks of PFI Contract Expiry' (July 2021).

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