



PTN Network

PFI Exit Strategies

Many local authorities have underestimated the time, resources and complexity involved in managing the end of PFI (Private Finance Initiative) contracts, the public spending watchdog the National Audit Office (NAO) has warned in a new report.

This could result in assets being returned back to councils in a worse condition than agreed in the contracts, leading to extra costs for repairs, maintenance and operation falling on already cash-strapped councils, police and fire authorities, NHS Trusts and Central Government Departments.

There are currently more than 700 PFI contracts, with most expiring from 2025. Most if not all of the in-house experts who were involved in setting up PFIs will have left, taking their considerable local knowledge with them.

About this event

This event will provide you with an essential roadmap for the successful handover of PFI assets in a fair and equitable way which ensures continuity of service delivery. You will learn the contractual, financial and operational challenges to look out for and the expertise that you will need to deploy to deliver successful PFI exit strategies. Our legal, financial and PFI management experts will share with you their considerable knowledge and experience of this sector.

Who should attend?

Anyone managing PFI projects due to complete their term within the next five years and those who will be involved in the planning, negotiation and organisation of the exit from the PFI. Directors, Heads of Service and senior managers in highways, health, education, police, fire and rescue, property, asset management, finance and legal services will find this webinar essential to inform their PFI exit strategies.

Learning objectives

- Appreciate the wider strategic framework for the transition from PFI and some of the features of best practice in planning and managing the transition.
- Develop an understanding of the alternative service delivery options to be considered in the transition from PFI.
- Develop an understanding of the contractual, financial and operational considerations in exit strategies
- Develop an awareness of the expertise that will need to be developed or acquired to ensure successful, value-for-money exit from PFI and transition to new arrangements for the management of the assets.

Find out more

visit www.cipfa.org/property.

- PTN Members can use their PTN pre-paid places to attend
- Member attendance cost is £250 plus VAT
- Non PTN Member attendance cost is £375 plus VAT
- Other CIPFA Network prepaid places cannot be used to attend these PTN events

If you have any queries please contact ptn@cipfa.org

PFI Exit Strategies

Programme

4.75 hours CPD

Wednesday 16 September - Webinar



09.30	Online Registration
10.00	<p>Session 1 - The Strategic Landscape and Challenge</p> <p>This session will set out the numbers and range of PFI projects due to come to an end in the next few years. It will focus on the findings of the recently released NAO report Managing PFI assets and services as contracts end and Partnerships Bulletin report. We will introduce the features of best practice contract management and a best value exit, aided by good operational efficiency work</p> <p>Presenter: Mark Williams (CIPFA Associate)</p>
10.45	Refreshment Break
11:00	<p>Session 2 - The Contractual Context and Challenges</p> <p>This session will outline the legal challenges presented by PFI exit strategies and hand back. We will explore the issues with PFI contracts including possible loopholes and pit falls that may create difficulties for public sector bodies to achieve a fair deal when the hand back process is negotiated. What opportunities can be leveraged and what are the essential elements of a legal roadmap to ensure correct legal due diligence can be undertaken that will be supported by finance and property.</p> <p>Presenter, Colin McConaghy & Judith Hooper (Bevan Brittan LLP)</p>
12.00	Lunch Break
12.45	<p>Session 3 - The Financial Context and Challenges</p> <p>Ensuring the PFI exit strategy is a fair and equitable deal financially is crucial. It is essential that the receiving organisation can properly account and budget for the cost of handback and the resultant impact on revenue to sustain, change or improve the asset to suit the organisation's needs. This session explores the essential financial aspects that need to be understood to get the handback deal over the line with the confidence that full transparency on budget impacts and appraisal of whole life costs moving forward can be done.</p> <p>Presenter, John O'Halloran (CIPFA)</p>
13.45	Refreshment Break
14.00	<p>Session 4 - Physical Asset Challenges</p> <p>Understanding the condition of the asset to be brought back under your control and responsibility is essential. Knowing whether the contract has been adhered to throughout its life is essential when negotiating your exit strategy. What property expertise will you need to ensure this? How best should you approach what can be a difficult and complex process to fully appraise yourself of the facts that aid exit strategy negotiation and ongoing asset provision in line with budget and service expectations. This session provides practical 'coal face' advice and comment based on the experiences of an organisation dealing with PFI exit strategies now. Presenter, Ian Gardner (Head of Infrastructure PFIs.</p> <p>Defence Infrastructure Organisation</p>

15.00

Session 5 - The PFI Exit Strategy Roadmap

This final session will draw together the various topics and themes discussed throughout this event, tying them together in a practical 'roadmap' that clearly articulates the main activities and decision points along the journey of a typical PFI exit process. It will outline the support and expertise you will need at various stages. Here, best practice contract management and a best value exit are aided by good operational efficiency work. Preparing a sound business case taking into account key exit decision points and "follow-on service" decision points is important. Again, this session will draw on recent project experience.

Presenter, Mark Williams (CIPFA Associate)

15.20

Summary and Close

Facilitators

Mark Williams, CIPFA Associate

David Hutton, Bevan Brittan LLP

John O'Halloran, CIPFA

Ian Gardner, Head of Infrastructure PFI's, Defence Infrastructure Organisation