

## **Property Training Network (PTN)**

### **PFI Exit Strategy**

#### **Webinar Date**

Thursday 18<sup>th</sup> November

#### **Purpose**

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. 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.

#### **Learning Outcomes**

- 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.

## Who Will Benefit?

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 organization 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.

## Programme

09.30-10.00

**Online registration**

10.00 – 11:00

### **Session 1 – Introduction to the day**

Overview of the day and the political and economic landscape that this work will be occurring in.

**Mark Poppy CIPFA**

### **Session 2 – The legal and contractual perspective**

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 road map to ensure correct legal due diligence can be undertaken that will be supported by finance and property.

**Judith Hopper and Colin McConaghy Bevan Brittan**

11.00 – 11.20

**Break**

11.20 – 12.45

### **Session 3-Sharing challenges and best practice on PFI expiry from a survey of 100 PFI contracts.**

Following on from the NAO report last year and the recent this session will look at current best practises and the challenges those exiting from contract will face.

**Gregor Botlik NAO**

### **Session 4 – The Financial Context and Challenges**

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 hand back 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 hand back deal over the line with the confidence that full transparency on budget impacts and appraisal of whole life costs moving forward can be done.

**John O' Halloran CIPFA**

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12.45 – 13.45

**Lunch**

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13.45 – 14.30

**Session 5 Practical experience of managing PFI**

Patrick will give an overview of his time as Head of Estates at the Department of Work and Pensions (DWP) where they had c1,000 properties at the start of the 20 Year PFI contract in 1998 reducing to 850 Properties at Exit. The services included capex, life cycle, security, cleaning, catering, furniture, equipment and PPM. He will explain his experience of exiting the PFI contract, what worked well and what could have been improved for all parties.

*Patrick O'Connell Peopletoo.*

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14.30 – 14.45

**Break**

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14.45 – 15.30

**Session 6 Your Physical Assets**

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 services. This session provides practical 'coal face' advice and comment based on the experiences of an organisation dealing with PFI exit strategies now.

*Tim Reade CIPFA*

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15.30 – 16.00

**Summary and Close at 4pm**

*Mark Poppy CIPFA*

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The facilitators for this event will be;

**Mark Poppy**, Property Network Manager, CIPFA Property

**Judith Hopper**, Partner, Bevan Brittan

**Colin McConaghy**, Bevan Brittan

**John O'Halloran**, CIPFA Consultancy

**Patrick O'Connell**, Peopletoo

**Tim Reade**, CIPFA Senior Property Consultant

### **Booking Details**

Find out more visit [www.cipfa.org/property](http://www.cipfa.org/property)

To attend PTN Network webinars Members can use prepaid places, no other network places can be used to attend this event

**Member Cost:** £325+VAT for any members that have used all their allocated prepay

**Non-Member Cost:** £375+VAT

If you have any queries or would like to book a place, please contact Keeley Hope  
[ptn@cipfa.org](mailto:ptn@cipfa.org)



### **CIPFA Sustainability Policy**

CIPFA is delivering all of our training courses, workshops and seminars in accordance with our sustainability strategy. We do not provide hardcopy course materials to delegates and these are now distributed by email in advance of the event. We are striving to reduce our carbon footprint in every way that we can, and we hope that we can count on your support.