

Contractor Carillion publishes details of its PFI holdings while PUK launches a website of contracts

Everything you wanted to know about the PFI...

BY JOSEPH MCHUGH

Campaigners for greater openness about the Private Finance Initiative have had a good week.

First, major contractor Carillion broke ranks and publicly valued its PFI holdings, revealing that its £29m investment in 18 schemes has almost trebled in the past 18 months and is now worth £83m.

Companies have until now been shy, to say the least, about revealing their PFI valuations, but Carillion's decision to break *omerta* leaves its counterparts looking rather exposed. As a result, tracking contractors' profits might have become just a little easier.

Secondly, a long-awaited database has been launched that brings together data on all 633 PFI and public-private partnership contracts signed in the UK.

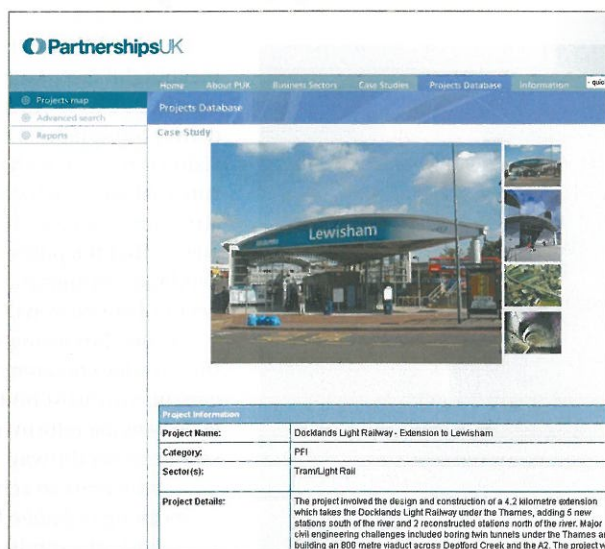
It is the brainchild of Partnerships UK, the organisation that advises public sector bodies entering into PFI and PPP deals, and is intended to bring greater transparency to a sector traditionally wreathed in a fog of confusion.

The database is free to use and accessible through PUK's own website. It draws together all the publicly available information that currently lies scattered, often in inaccessible form, throughout government departments, local authorities and the rest of the public sector.

Information available includes which projects have been signed, their capital value, which firms built and own the facilities, whether they are open, and who the advisers were.

It is currently limited to details at the time the contracts were signed but as the database, which went live on March 10, is developed it is expected to reflect changes in the market.

Andy Carty, PUK's chief operating officer, has told *Public Finance* that the organisation plans to increase the data available on the site in phases. He envisages



Contracts in close-up: the PUK website lists details of all 633 PFI deals

it expanding to include operational and financial data, although he is unable to say yet how it will be presented and admits it is contingent on the information that public bodies and private firms are willing to make available.

Details of refinancing deals, changes of ownership resulting from secondary market sales and debt holdings are examples of the type of information the database might hold in the future.

Carty says the introduction of the Freedom of Information Act in January has heralded a significant shift towards greater openness among public bodies.

This is a welcome development that will help dispel suspicions about the PFI and foster confidence in the market, he says, which might in turn influence firms' behaviour.

'It is likely to encourage companies to be more open because they want to be seen to be transparent,' Carty says. 'The more open the process can be, the more it will help the market as a whole.'

The database is unlikely to satisfy PFI critics. However there is some recognition that it is an attempt to address concerns about secrecy.

Margie Jaffe, PFI policy officer for public sector union Unison,

says the database is 'long overdue' but she concedes that it is 'a move in the right direction'.

She says it needs to go further, to contain details of the PFI policy reviews conducted by Whitehall departments and public bodies, along with the business cases drawn up to justify individual projects.

'We think it is a matter of public accountability that that data should be made available for scrutiny, so we can see what we're paying for.'

Businesses involved in the PFI market are unlikely to agree with Jaffe's demand, but they display a growing recognition of the need for transparency.

Norman Rose, director general of the Business Services Association, says his members 'wholly subscribe' to the provision of project data in a publicly available and easily accessible form. He believes it will help to do away with the 'obfuscation' surrounding contracts, which has done so much to excite suspicion among the public.

Rose also backs the publication of performance and service data, arguing that there is 'no reason' contractors should object.

'It will keep us on our toes. Now that there is a public register, we have to make sure we're up to scratch, because otherwise people will know who's at fault,' he says.

'We need to encourage a new spirit of openness across both the public and private sectors.'

Rose's comments are a tacit recognition that the argument over the PFI will be won only if public bodies and private companies can demonstrate that their relationships yield tangible benefits to the taxpayer.

On its own, the database will not be enough to silence the sceptics, who want greater disclosure so that projects can be robustly assessed. Nevertheless, it is a welcome step on the road to real transparency.

www.partnershipsuk.org.uk

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