



Private Finance Initiative

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Fire Service Improvement Team



- SR04 allocation from HM Treasury
 - £50m in 2005/06
 - £65m in 2006/07
 - £75m in 2007/08
- PFI credits to help fund provision of assets consistent with the needs of modernisation.

- Proposing a two stage process:
 - inviting authorities to come to us with initial proposals, feedback from ODPM;
 - then formal bid submissions
- RMBs part of the process.

- Proposals sought which support the objectives of the Fire and Rescue National Framework
 - In particular bids which take the National Framework forward and
 - Address the requirements of Chapter 2 'Working Together: the Regional Approach'



What is PFI?

- A procurement method
 - Provision of one or more assets, together with associated services
 - Allocation of risk to the party best able to manage that risk
 - Output based specifications
 - Financial penalties for under-performance

Advantages of PFI

- Assets tend to be delivered on time (unlike conventional procurement)
- Quality of assets tends to be higher than in conventional procurement
- Greater certainty over:
 - the quality of assets and services delivered
 - payments (which are fixed) over the life of the contract
- Assets handed back at the end of the contract to the same standard as provided during the contract

help for FRAs on PFI

- We will help FRAs in whatever way we can
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- 4ps
- PUK