



New IPA guidance on PFI projects

On 10 March 2025 the Government's "PFI Centre of Excellence" (part of the Infrastructure Projects Authority, or "**IPA**") published new guidance aimed at public sector stakeholders on [navigating the risks of PFI project distress](#). We set out below a brief summary of the guidance and related developments, which is timely and follows HSF's recent [guidance on navigating through to the end of legacy PFI projects](#). Should you have any

specific queries in relation to any of the IPA or HSF guidance, please do not hesitate to contact us.

The IPA is the Government's centre of expertise for infrastructure and major projects, and the IPA PFI Centre of Excellence provides support to public and private sector stakeholders of PFI projects.

New guidance on navigating the risks of PFI project distress

The guidance is split into four parts, along with a comprehensive summary. The guidance is aimed at public sector stakeholders, but notes that private sector stakeholders such as contract managers, service providers and asset owners may also benefit from some or all of the guidance.

Part 1

what contract managers should do if they have a distressed project, including how to develop a legal, commercial, financial and operational strategy



Part 2

project company financial distress



Part 3

insolvency in projects



Part 4

contract termination



Future guidance

The IPA has indicated it will publish future guidance on the following two topics (in line with recommendations in the [White Fraiser report](#)):

1

a new dispute resolution process for PFI disputes – which we understand will look to ensure that individuals with sufficient technical expertise are engaged to resolve disputes, and jurisprudential precedent can be developed on an anonymised basis.

2

reset opportunities – which we understand will involve a comprehensive review of each project and relief for each project company from deductions during this period to enable resolution of issues without immediate financial pressure.

The Asset Condition Playbook and insurance guidance for PFI projects

In parallel with the new guidance described above, the IPA also published the following, which aims to mitigate the risk of disputes arising in connection with asset condition or insurance:

1

An [Asset Condition Playbook](#), which is to be read alongside the [PFI contract expiry guidance published in 2022](#). This playbook sets out a framework for assessing asset condition with the intention of ensuring a market standard approach for surveys which is predictable and consistent. At HSF we have recently seen condition surveys lead to dispute across various projects, and this guidance might prove very timely for many stakeholders.

2

[Insurance guidance for PFI projects](#), which provides a framework for parties to operate effectively under contracts with insurance premium risk sharing schedules (IPRSS). This has been prepared following an increase in disputes over agreement of joint insurance cost reports.

All such guidance is unlikely to be binding so its effect will depend on the willingness of parties to implement it.

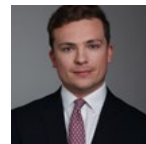
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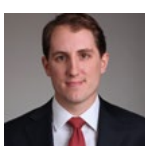
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