

Choose NHS - scrap PFI!



Over 3,600 people have signed a petition calling on directors of the Royal Liverpool to abandon their ill-considered plans to rebuild the hospital using the discredited Private Finance Initiative (PFI), and instead seek alternative funding for a new hospital. They're right.

10 reasons to dump PFI

1. South London, Whiston & St Helens, Peterborough...

20,000 marched to save Lewisham hospital on Sat 26 Jan. It's being sacrificed, with no clinical justification, to pay for the collapse of PFI schemes in neighbouring South London. The gov't Special Administrator plans to close Lewisham's A&E and Maternity but keep paying for PFI. Doctors are livid.

Whiston & St Helens is another of the 7 failed PFI Trusts being 'bailed out'. The Whiston PFI opened in 2010, the Trust was bailed in Feb 2012 but no extra funds have arrived. The Trust may be merged with Warrington or sold off.

Peterborough is another of the 7 worst.

The National Audit Office found that the Foundation Trust regulator Monitor had warned this PFI was unaffordable. The Trust ploughed on, the Dept of Health accepted their assurances, and the Treasury nodded. Peterborough opened in 2010, the Trust went bust in 2011.

Interserve and Carillion, competing for the new Royal, were PFI consortia for 3 of the 7 'bail-out' schemes.

2. Monitor warned the Royal

Last March, Monitor refused the Royal Foundation Trust status as "there was insufficient evidence to demonstrate that the Trust would be viable with the PFI". The Trust will not tell us what steps they are taking in response. →

Reasons to dump PFI

3. The Royal are now uncertain

Keep Our NHS Public asked the Royal if they would stick with PFI or switch to the Chancellor's "PF2" model unveiled on 5 Dec. On 18 Jan the Royal said:

No decision has been taken to proceed with the project, whether or not Incorporating PF2, since the continuation of the project is dependent on approval of the Appointment Business Case ("ABC"), which has to be approved after the DABC ["Draft ABC"]. The Trust anticipates that the recent announcement of PF2 will be taken into account as part of the consideration of its ABC and expects to follow any advice and guidance put forward by DH and/or HMT.

4. Better alternatives

For years we were told "PFI is the only game in town". Now Hartlepool, whose planned hospital is comparable to the new Royal, aims to use loans from pension funds. Broadmoor and Whitehaven are being rebuilt with public finance. Northumbria are buying out their PFI with a County Council loan.

Assumptions

5. Efficiency Savings?

The Royal assume they'll achieve £93m in Efficiency Savings by 2016, £8.5m more than the national 4% annual targets. NHS North of England says

the viability of the Trust and the affordability of the project is directly related to the Trust's ability to find and realise future CIPs [Efficiency Savings] and given the high level nature of the forward plans this must be identified as a risk.

6. Length of Stay targets?

The Royal aim to cut the length of time patients spend in hospital. They assume by 2017/18 a length of stay equivalent

to the 90th percentile of other teaching hospitals outside London. There are 15 such hospitals, so they plan to come 2nd out of 15. They're in 13th place now.

7. Activity levels?

The design, staffing levels, and finance depend on guesstimated demand for hospital services. But as cuts begin to bite, the Out of Hospital strategy for community care may not reduce demand as planned. Austerity means higher unemployment, greater poverty, worse health and more need for hospital care. The PFI plan doesn't even mention the Health & Social Care Act.

8. Transitional Support?

The Royal hope for £49.4m transitional funding to cover double-running costs during construction. But there's no guarantee. The Trust also hopes someone will underwrite £3.3m previously covered by the PCT, now being abolished. The Clinical Commissioning Group said no.

9. Inflation

PFI payments are locked to the RPI inflation rate. The plan assumes 2.5%. The Office of Budget Responsibility predicts RPI rising to 3.7% by 2017.

Threat to staff

10. Mitigation

The Royal have a Mitigation Strategy when their assumptions fail. It includes £7m / year taken out of pay, terms and conditions. That's over £1,500 per person annually from 2017 onwards.

Staff already face the vicious Efficiency Savings. Cutting their pay & conditions to repay PFI will destabilise our NHS.

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