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£521 million, and rising as costs leap 66% in two years

Soaraway costs of Brum's PFI superhospital

The new PFI hospital for University Hospital Birmingham Trust has been mushrooming in cost, well before the final stage negotiations open up with preferred bidders Consort Healthcare: final stage talks customarily increase the eventual price by anything up to 100%.

Back in 2002, the project for a new single site hospital to replace the popular Selly Oak Hospital and Queen Elizabeth Hospital, together with new mental health facilities, a treatment centre and other facilities, including a claimed



increase of 95 beds was provisionally costed at £306m.

But just two years later as Trust bosses announced the preferred consortium and

commenced the final stage talks behind closed doors, it had increased to a massive £521m – an increase of over 66%.

Trust financial director Peter Shanahan tried to explain away this runaway escalation in costs as “building cost change”. Speaking to the *Health Service Journal*, he said:

“Because the construction industry is so buoyant, prices are moving way ahead of inflation.”

He then pointed out that – as critics of the scheme had thought from the outset – the initial costings were little

more than “an educated guess”.

It is a fair bet, then, that from this primitive and naïve starting point, the Birmingham Trust will be eaten for breakfast by Consort Healthcare, who know, because Mr Shanahan has said as much, that the Trust has no choice but to sign up for PFI regardless of the cost.

This is the approach that has landed so many first wave PFI Trusts in deep financial water. Birmingham Trust bosses should look and learn – or the second city’s health care will face a looming cash crisis.

Bart's and London PFI tops the billion mark!

The mega-PFI development of Bart's Hospital, which has been tagged on as part of the scheme to rebuild the Royal London Hospital, Whitechapel, is set to create one of the most expensive hospital floor space in history.

Campaigners have calculated that on the most recent projected figures the new building will come out at a staggering £64,400 per square metre.

To make matters worse, the refurbished building will provide only 343 beds, com-

pared with the previous capacity for 850 – while offering no additional patient services.

The Save Bart's Campaign points out that among the building space to be lost in the rebuild will be 1930s medical and surgical blocks that contain “some of the most practical and user-friendly wards in the country”.

Nurses Home

And among the buildings being demolished in advance of any final plans being agreed is the Queen Mary's Nurses Home – at the very

point where affordable accommodation for nursing staff in London has been at such a premium.

Bart's, one of the oldest established hospitals in the world, was originally a fully-fledged teaching hospital in its own right, until it was recommended for closure in the Tomlinson Report in 1992, and “reprieved” only by being merged with the Royal London.

Its A&E unit and many acute services were closed down, reducing it to a specialist cancer and cardiac unit.

Now 40% of the controver-

sial PFI scheme to rebuild the Royal London (last estimated to total at least £1.025 billion) is to be spent refurbishing Bart's: three quarters of the floor area is due to be new build, while some of the more attractive and useful buildings are to be demolished.

The PFI prospectus claims that the development will replace “Victorian buildings” – in spite of the fact that Bart's uses few Victorian buildings for patient care.

The scheme is claimed to represent an overall increase in bed numbers, but the original capacity of Bart's and the London together was 1700 beds, and the combined total of the PFI project would be just 1248.

Even in the unlikely event that the “final stage” negotiations now under way between the Trust and Skanska Innisfree stick to the latest estimated price, the Trust, which has struggled every year to balance its books, is likely to be facing an annual rent in the region of £150 million, to be top-sliced from its income.

In the quarter of London which finds three of the country's most deprived and impoverished Boroughs, it seems that health ministers are presiding over a project more costly but no more financially viable than the Millennium Dome across the river.

WHIPPS CROSS: Demand reinstatement of Kola Shokunbi

AS WE GO to press, support staff at Whipps Cross Hospital are holding meetings to decide on how to take forward the fight for the reinstatement of a key UNISON activist.

Kola Shokunbi, a leading activist in last year's successful pay strike against the previous contractors, ISS-Mediclean, was dismissed by Initial Hospital Services Limited on Wednesday April 7th.

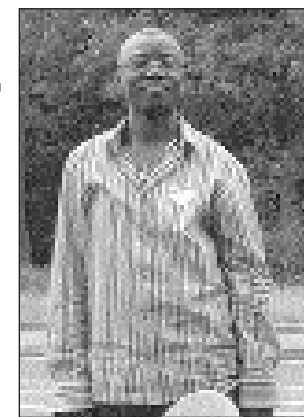
UNISON believes Kola was dismissed because of his trade union activities, and has lodged an appeal against his dismissal with the Employment Tribunal.

Kola had received no warnings from management under the disciplinary procedure prior to his dismissal. The company alleged that Kola had intimidated a manager by shouting at her.

This is denied. The manager, who was under pressure at the time, approached Kola and began lecturing Kola about work he was not responsible for, and then began to tell him how to behave as a union representative.

In May, Kola and his colleagues will receive UNISON's national award for recruitment and organisation. This award is in recognition of work done for members on low pay at Whipps Cross.

Kola was also a key player in UNISON's Migrant Worker Pro-



Kola Shokunbi

ject. The company have refused him permission to continue to work on the project at Whipps Cross.

Staff should note that the same management team who suspended Kola has been reported to senior management for an alleged invasion of one of our member's privacy. It is alleged that the day prior to Kola's suspension, a 61-year-old worker had her uniform opened against her will, in front of two male colleagues. We believe the purpose of opening the worker's tunic was to expose a necklace she was wearing.

These matters are of extreme concern to UNISON. We believe that Initial management are working under extreme pressure to “get results”.

The struggle for Kola's reinstatement goes on. **MESSAGES of support to and further details from UNISON Waltham Forest Health Branch, UNISON Office, Whipps Cross Hospital, Leytonstone, London E11 1NR.**

Slim pickings where NHS goes private

NHS hospitals coined in £388m from private patients in 2002-3, up almost 8% on the previous year, according to market analysts Laing & Buisson.

But the share of total NHS income generated by private work remains insignificant, at less than 1% of Trusts' core income from patient activity.

A handful of Trusts, most of them in London, account for the lion's share of the private work: the top ten Trusts between them accounted for a third of the total private patient revenue across the NHS.

At the top of the list was the Royal Marsden, newly launched as a first-wave Foundation Trust, with over 23% of its total income flowing from private treatment.

The Royal Brompton and Harefield Hospitals Trust, which made almost £16m in 2002-3, was the next highest in share of income from private work, at 13%.

The only non-London Trust in the top ten earners from private patients was Oxford's Radcliffe Hospitals Trust, which secured £12.5m in revenue, 4% of its income.

UCLH: last of the first wave PFIs?

IT LOOKS splendid from the outside, but the gleaming green and white £422m PFI-funded University College London Hospital at the top of Gower Street is not built to the latest Department of Health specifications.

Inside the glass and concrete structure bed centres will be just 2.7 metres apart, instead of the 3.3 metres that has been recommended since the first wave of PFI hospitals came on stream four years ago.

The difference, just 22%, may not seem significant, but staff in the first wave Trusts

have repeatedly complained that there was too little space between beds to move and use modern equipment, to minimise the spread of hospital-borne infections, and for nursing staff to be able to move freely.

The DoH guidelines changed in 2003 – too late to alter the plans for UCLH, which were drawn up in the 1990s: a showpiece 21st century hospital is being built to the cramped space allocations of one of the meanest periods of the 20th century – and it will also have 50 or so fewer beds than the various smaller hospitals it is replacing.

It's not all going to be sar-

dine-style accommodation: two of the 18 floors will be occupied by just 51 private patients, for whom there will be no lack of space and luxury.

But for NHS patients every other floor will take a maximum of 63 beds.

The building is also unique in allocating no space at all for nursing stations.

Instead there will be “podiums” with IT equipment at the end of each bay, encouraging nurses to keep moving at all times rather than relaxing for an instant. That should do wonders for recruitment and retention of scarce staff.