

HEALTH EMERGENCY

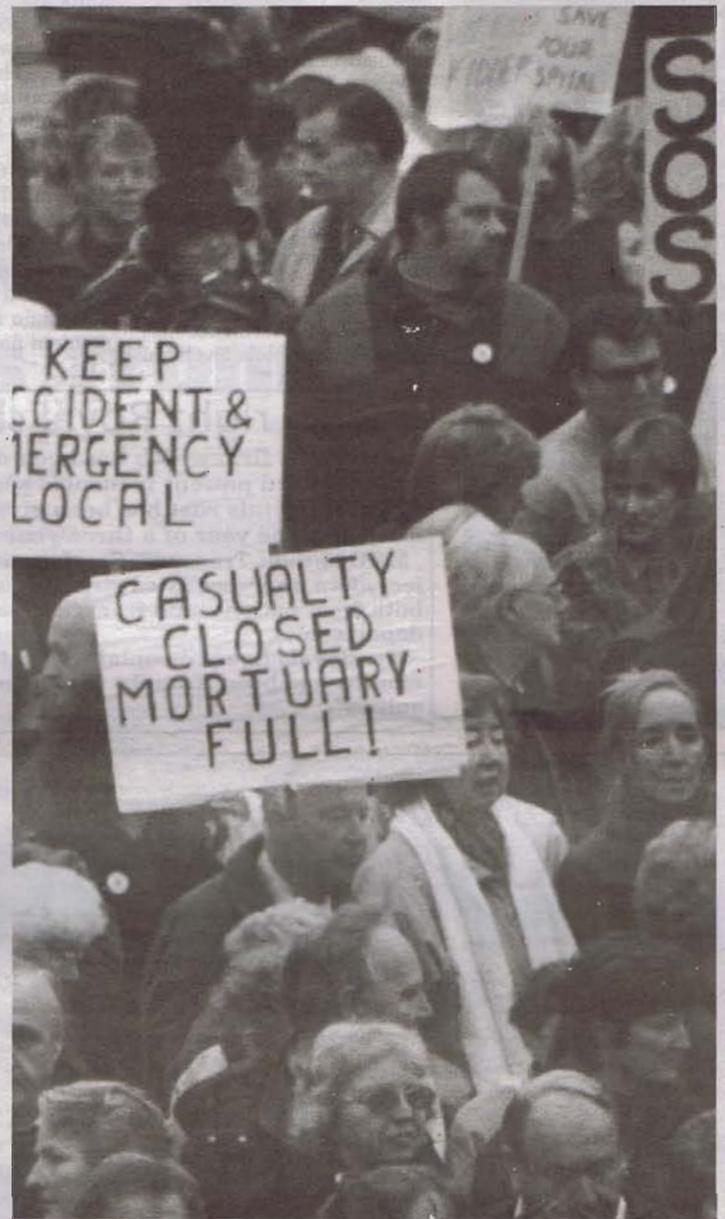
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PFI: THE COSTLY NIGHTMARE CONTINUES



John Lister

MINISTERS are closing their ears to criticism and ignoring all of the warning signs as they rush headlong to rubber-stamp more hospital building projects financed by the Private Finance Initiative (PFI).

Another list of six major new hospital developments (totalling £650m) which have been given the green light to finalise deals with private sector consortia was unveiled early in July, covering schemes in Leeds, Oxford, Havering (East London), Portsmouth, Blackburn and Derby. Two more years of costly negotiations will follow before building begins on these schemes in 2001.

37 new hospital projects have now been agreed in principle, with 17 of them currently under construction – all but four of these funded by PFI.

Tony Blair has joined Alan Milburn and other ministers in claiming that the combined package of PFI

schemes – costing a massive £3.1 billion – represent the “biggest hospital building programme in the history of the NHS”.

But even as they do so, the storm of scepticism and opposition is increasing.

● doctors’ leaders are warning that ministers are unleashing the “largest acute hospital closure programme” ever to hit the health service;

● the all-party Commons Health select committee has called for a halt to new PFI projects while the true costs are evaluated;

● the NHS Confederation, representing Health Authorities and Trusts, has expressed its reservations at the cost and complexity of PFI deals;

● the normally docile conference of the Association Community Health Councils of England and Wales has voted to call on the gov-

ernment to abandon PFI as the principal method of funding projects because the NHS can’t afford it;

● the National Audit Office has warned that the first PFI hospital to be completed, Dartford & Gravesham, will fall short of the promised savings;

● academics are warning that PFI deals can only claim to represent value for money by fiddling the figures and leaning on government subsidies;

● building firms and others in PFI consortia are boasting of the fat profits they expect to coin in from these projects over the next 30-60 years;

● and campaigners across the country are protesting that PFI deals will result in hospitals moving to remote greenfield sites, and leave local services desperately short of front-line beds.

So embarrassing are the facts to government ministers that a detailed review of the PFI process set up by Health Minister Alan Milburn before he departed to the Treasury has been shelved by his successor John Denham, while many Trusts

embroiled in PFI schemes are hiding vital information behind a curtain of “commercial confidentiality”.

LHE and other campaigners have warned from the outset that the huge reductions in front-line beds being driven on by the PFI process will leave hospitals and health services struggling to cope with a rising tide of medical admissions.

Ancillary and non-clinical staff will be handed over wholesale to profit-seeking private firms, and health authority budgets will be skewed by the long-term obligation to fund Trusts locked in to long-term, legally-binding lease agreements with PFI consortia.

Far from a dream solution to the cash problems of the NHS, PFI – dreamed up by Tory ministers as a means of privatising sections of the NHS – is a nightmare in which dwindling NHS resources are siphoned into the coffers of banks, building firms, cheap-skate contractors and their shareholders.

The longer it is allowed to go on, the worse will be the long-term damage to the NHS.

**Not so
super**

WOULD-BE “super-nurses” hoping to cash in on Tony Blair’s promise of salaries as high as £40,000 may find these elite posts even harder to find and win now it has been made clear that Trusts will get no extra funds to pay for them.

Instead any new “nurse consultant” jobs for the fortunate handful are likely to be established at the expense of reducing numbers of qualified staff as part of a “general service reconfiguration”.

This is likely to increase the pressure on most nursing staff, who received a miserable 4.5% increase this year.

Meanwhile vacancy rates are soaring to crisis levels – as are bills for agency staff.

