



PRESS RELEASE
23 February 2015
For immediate release

Campaigners point to PFI debt as Barts Health deficit hits £93m and CEO resigns

Health campaigners from the People vs Barts PFI group are putting the blame firmly on the Private Finance Initiative (PFI) deals at Barts Health NHS Trust, as it emerges that the Trust will end the financial year with a deficit of at least £93m – the largest deficit in the health service.

On Thursday 13 February, the Trust made the shock announcement that CEO Peter Morris had resigned and Chief Nurse, Professor Kay Riley, would be retiring. Chief Financial Officer Mark Ogden left the Trust on 31 January, citing ‘personal reasons’.

The troubled Trust has been battling against the odds to balance its books and to restore its reputation after a CQC report issued in January 2014 reported widespread bullying of staff and low staff morale.

The Trust now has the highest bill for agency staff in the NHS, after trying to cut costs by downbanding staff – a tactic that misfired, when senior nurses left for jobs elsewhere. Recent reports show that the Trust is now looking as far away as Italy to recruit nurses, as it attempts to reopen beds in Acorn children’s ward at its Leytonstone hospital, Whipps Cross.

Campaigners say that all these problems stem from the largest PFI contract in the NHS, entered into for the building of the new Royal London Hospital in Whitechapel. The 40+ year contract is draining millions from frontline services across east and north-east London, as Barts Health NHS Trust struggles to pay a ring-fenced £2.4m a week in unitary charges to Guernsey-based infrastructure fund Innisfree and Swedish construction giant Skanska.

Worse, the unaffordable contract still has more than 30 years to run, with interest rates rising every year. In total, Barts Health expects to pay out £7.1bn in construction and service costs, together with interest charges, for a hospital that cost £1.1bn to build. Yet, if Barts Health defaults on the debt, Innisfree and Skanska will own the hospital.

Helen Mercer from People vs Barts PFI said: “Whipps Cross Hospital was inspected again this November, but we’ve been told that the report won’t be made public until May. We think this report – and inspections due soon at The Royal London and Newham University Hospital – need to be published as soon as they’re available.”

Allyson Pollock, who is Professor of Public Health Research and Policy at Queen Mary College, and an expert on PFI, said: “It is now widely recognised that PFI contracts in the NHS were a bad deal for patients, health workers and the taxpayer. The entire PFI contract at Barts should now be opened up to scrutiny and forensic analysis to determine its legitimacy.

“Neither managers nor clinical staff should be forced to work under the intolerable conditions imposed upon by the PFI. It is the current PFI contract that should go, not Barts Health staff.”

NOTES TO EDITOR

- The minutes of the last Barts Health Board meeting (Chief Financial Officer's resignation) www.bartshealth.nhs.uk/media/261739/150204%20Barts%20Health%20NHS%20Trust%20Board%20papers%20-%20Part%201.pdf
- Bullying at Barts Health: www.bbc.co.uk/news/uk-england-london-25738511
- Heath Service Journal report on resignations (paywall): www.hsj.co.uk/5082504.article?WT.tsrc=email&WT.mc_id=Newsletter2#.VOXddjfyCS0
- Nursing Times report on Kay Riley's departure (paywall): www.nursingtimes.net/nursing-practice/specialisms/management/chief-nurse-and-chief-exec-resign-at-countrys-largest-trust/5082515.article
- For details on the cost of the PFI go to:

<https://www.gov.uk/government/publications/private-finance-initiative-projects-2013-summary-data>

- The graph below illustrates the rising payments for the Barts Health PFI:

NAO Reports

Payments (£m) +

Barts NHS annual PFI 'unitary charge' payment

