

## Public meeting calls for campaign to end the crippling PFI deal for The Royal London Hospital

Fifty people attended a public meeting at the Jagonari Centre in Whitechapel on Tuesday 27 January to call time on the controversial Private Finance Initiative (PFI) contract used for the building of The Royal London Hospital.

The meeting called by Tower Hamlets Keep Our NHS Public heard how the 40+ year contract is draining millions from frontline services across east and north-east London, as Barts Health NHS Trust struggles to pay multinational companies Innisfree and Skanska.

Worried health campaigners have now launched a People vs Barts PFI group, as part of the national People vs PFI campaign.

Speaker Helen Mercer from Drop the NHS Debt explained how, for the past 14 years, PFI schemes have allowed governments to keep public projects off their books by using expensive private loans instead of cheaper government borrowing.

Compared to a publically funded hospital build, the Barts PFI contract pays inflated interest on the loan and charges over the odds for contracted services such as cleaning and catering, which are provided by private companies such as Carillion. Carillion has been heavily criticised for its poor catering hygiene and labour relations at another hospital.\*

At a time when Barts Health NHS Trust is battling with an expected deficit for 2014/15 of at least £64m – the largest deficit in cash terms in the country – Ms Mercer reported that publically available accounts suggest that Innisfree and Skanska have already made in the region of £150m in profit on the Barts PFI deal over an eight-year period.\*\* Worse, the contract still has 30 years to run, with interest rates rising every year.

In total, Barts Health is now expected to pay out £7.1bn in construction and service costs, for a hospital that cost £1.1bn to build. This is the largest deal of its kind in the UK. But if Barts Health defaults on the debt, Innisfree and Skanska will own the hospital.

Speaker John Lister from London Health Emergency told how health and other PFI deals up and down the country had created unsustainable debt, often for poorly designed and constructed buildings, and poor quality services.

He said that Barts and The London Health Trust only merged with Newham University Hospital and Whipps Cross Hospital to become Barts Health NHS Trust because it would spread the burden of the unsustainable debt. This put services and staff across a wide area of east and north-east London at risk and has already led directly to services being reduced and staff being downbanded in all the Barts Health hospitals.

Hackney GP Coral Jones reported that the effect went even further, as many Hackney patients have also been hit by cancelled appointments and operations at The Royal London. “Hackney citizens are concerned that the Barts PFI debt could mean that the Homerton Hospital is targeted, in the way Lewisham Hospital was targeted to deal with the PFI debts of a neighbouring Trust.”

Local GP Anna Livingstone of Tower Hamlets Keep Our NHS Public said: "Since the PFI began, there's been a shift in focus from patient care to repaying finance, which has affected all the Barts Health hospitals. But even with damaging cuts to services, the debt is not sustainable.

"We say it's time for the Government to step in and sort out these scandalous contracts once and for all."

#### NOTES TO EDITOR

- \* Carillion's poor reputation is reported here: <http://www.bbc.co.uk/news/uk-england-wiltshire-29350244>
- \*\* PFI figures quoted are taken from publically available company accounts and are quoted in good faith.
- For further details, phone: Dr Anna Livingstone on 07966 130699.