



FINANCIAL STRATEGY & Private Finance Initiative

The Public Sector

NICK CLARKE

The public sector, on the other hand, are motivated not by returns or profits when planning a project, but on whether it offers better value for money than the alternatives.

ACTUALITY

To find out more about the process from their point of view we've come to Halifax where the local National Health Service Trust is busy negotiating a PFI deal for a new hospital.

LIZ RANGELY

It'll be wonderful to have a modern building – this used to be a Porlock hospital and still retains the image. If you go down to the basement, which is quite a large area of activity, it's absolutely awful.

NICK CLARKE

The cost of bringing the Trust's three ageing hospitals up to scratch is put at 54 million pounds. Much of this expense will be avoided if the PFI project goes ahead, as two of the three hospitals will be closed. Services, such as radiology, will be consolidated onto the one remaining site, where the new hospital will be built.

NURSE

Right, so if you take a breath in now, and hold your breath – that's right.

NICK CLARKE

Going from three to one hospital will reduce the duplication of costly resources and, it is hoped, some of the inefficiencies of working across several sites.

PIERS LESSER

An example of this is the anaesthetics department. We have to have staff who are down at the General and staff at the Infirmary, and they're not being utilised fully because they have to be in a location, and there are an awful lot of site issues that will be addressed by being on a single site. So it's not necessarily the structure of the hospital that will be better by being on a single site, but we'll be much better able to provide modern practice by being on a single site. But in fact there have been a lot of reservations. One of the main reservations is that we are going to have to shrink bed spaces. A lot of people have said that the sacrifice isn't worth making, you know, cutting down bed spaces when we're tight for beds already, and there's been some opposition to a new hospital. But I think the consensus is that most people feel we need a new hospital.

NICK CLARKE

In fact plans for the new hospital in Halifax have been around for thirty years, stalled by the chronic shortage of cash for capital expenditure – up until now, that is.

HADYN COOK

I think we'd had a very frustrating time trying to get public sector capital to make that happen and we'd always kind of been the runner-up. Private finance came along and, frankly, when I joined the Trust I knew about it but I wasn't aware of, if you like, the impact that it was really gonna have. We've really moved up a gear, a pitch, if you like, in terms of now saying "we're going to fight for a new hospital for Calderdale and we're going to get it through private finance". Some people will say "not sure I like it" but then will recognise it is our only prospect and, as far as I'm concerned, now the clock's really ticking, we're in the first batch of schemes

approved by the new Government, we've got to make it happen. I think if we fail this time in a sense Halifax-Calderdale probably won't ever have a new hospital, and there two hundred thousand people that, you know, really need a local service.