



## **FINANCIAL STRATEGY & Private Finance Initiative**

*Calderdale Hospital*

### **NARRATOR:**

The Private Finance Initiative has come of age. From its inception in the early 1990s until early 2006, £43 billion has been spent on privately funded public sector infrastructure.

PFI continues to be contentious, with accusations following windfall profits, bid cost overruns and a mistrust of the private sector's motivations. But despite some notable controversies, many schemes ARE performing well.

Altcourse Prison in Fazakerley, Liverpool, was one of the first generation PFI projects. It began operations at the end of 1997 and was once considered the jewel in the PFI crown. The operating company, GSL, was not available to be interviewed for this programme so we have drawn on information in the public domain.

In Halifax, the Calderdale NHS Trust and Catalyst Healthcare, a private consortium owned by Bovis Lend Lease, two banks and a management company, were finalising their plans for the new hospital.

### **MICHAEL DAVIS**

The original brief, against which they ran the competition, was for a new hospital with 400 beds, for another 100 beds on short life and for 100 beds just for what's called decant, swing space. It was never intended to be a brand new hospital with over 600 beds and yet that was the outcome.

So the award was based on the original brief and then during negotiations the mental health hospital was brought in and other changes which meant there was both a bigger hospital with more new beds and less refurbishment.

### **KEITH SEYMOUR:**

The contract was signed 31st July 1998, it's burnt on my memory and then there was a rush of activity, we had a whole design and construction programme to deliver the hospital on the 1st April 2001, which we achieved.

### **MICHAEL DAVIS:**

The outcome is really quite remarkable because there were major changes to the design during construction without any loss of time and the affect overall was real value for about the same cost.

### **NARRATOR:**

The new hospital cost the consortium £87.5 million to build. The concession agreement also requires that Catalyst Healthcare provides a range of services to the Trust. So completing the building was just the beginning of the story.

### **KEITH SEYMOUR:**

And inevitably we had lots of problems on the way, lots of problems in terms of finishing off, making sure services were ready to operate, making sure staff were familiar with their new ways of working, and a lot of that we had to address as we went along.

We had a very short commissioning period during which time we transferred all patient activity into the new premises and closed the outlying hospitals in Halifax.

### **MICHAEL DAVIS:**

We had originally planned a 60 day period for testing and commissioning the hospital as a hospital not just a building, but to help everyone out we agreed they could move in early and so during that period, for example, we had some unreliability with the supply of sterile steam for the sterilisers, we had a power failure which was pretty awful. We had a lift, which failed with an elderly patient trapped, so these are things you really want to avoid.

**NARRATOR:**

Despite these teething problems, the new hospital was generally well-received.

**ANGELA WALTON:**

I think since I started as a student here over 20 years ago people were saying Calderdale will have a new hospital and to be fair I didn't think we'd get that before I died so I'm glad to say yes we got there and was really pleased the old build was a typically old-fashioned hospital, lots of problems with space, with privacy, with dignity for patients and issues like that.