

**untie  
the  
PFI**  
week two

# Wasting disease

Last week, *Building* launched a campaign to demand that the government meet its target of signing £500m worth of PFI hospital deals by April. A visit to a hospital in Swindon (below) highlights the need to get the PFI moving. Join our campaign. Sign the form on page 19 and fax it to us.

## Long-suffering Swindon still waiting

Although government approval to replace Swindon's Princess Margaret Hospital with a £92m PFI facility was given in April 1996, an affordability problem has halted progress. Giles Barrie reports.

STAFF AT SWINDON'S PRINCESS Margaret Hospital were delighted when health secretary Stephen Dorrell announced he had given the "go-ahead" for a £92m PFI replacement in April 1996.

The new hospital would be on site in summer 1996, they were told, giving them hope of an early escape from their crumbling concrete facilities, which need £35m of repairs.

Unlike the doctors and nurses hampered by wartime huts at Bishop Auckland and Chepstow Hospitals, highlighted in *Building* last week, Swindon's staff have to contend with a range of typical postwar problems.

Concrete cancer, windows that cause overheating in the summer, and health and fire safety difficulties are blamed on the design of Princess Margaret Hospital and the speed at which it was built.

An executive from a top 20 contractor who has visited the Swindon site says: "Huts are bad, but many of the postwar hospitals due to be replaced by PFI schemes are showing signs of wear and tear. At Swindon, the buildings are not visually appealing. It is not an environment to make people better."

As one of Britain's first postwar hospitals, it is, says Swindon PFI programme director David Roberts, "of an era when new infrastructure was needed very quickly, and then not maintained".

Unfortunately, the PFI has not been pursued with the same zeal as the NHS was in its early days, and an "affordability"

problem means that Swindon's PFI scheme has been delayed by two years.

Instead of moving on to site, Tarmac and Swindon & Marlborough NHS Trust spent last summer discovering that the local health authority could not pay for the contractor's PFI option.

The scheme's full business case was approved, but a funding gap of up to £4m was then found, forcing Tarmac and the trust back to the drawing-board.

The Princess Margaret's town-centre site was at the heart of the problem. Tarmac Health Estates director David Steele said a plan to build the new PFI hospital on the existing site was scrapped after "creeping" doubts over access were accepted.

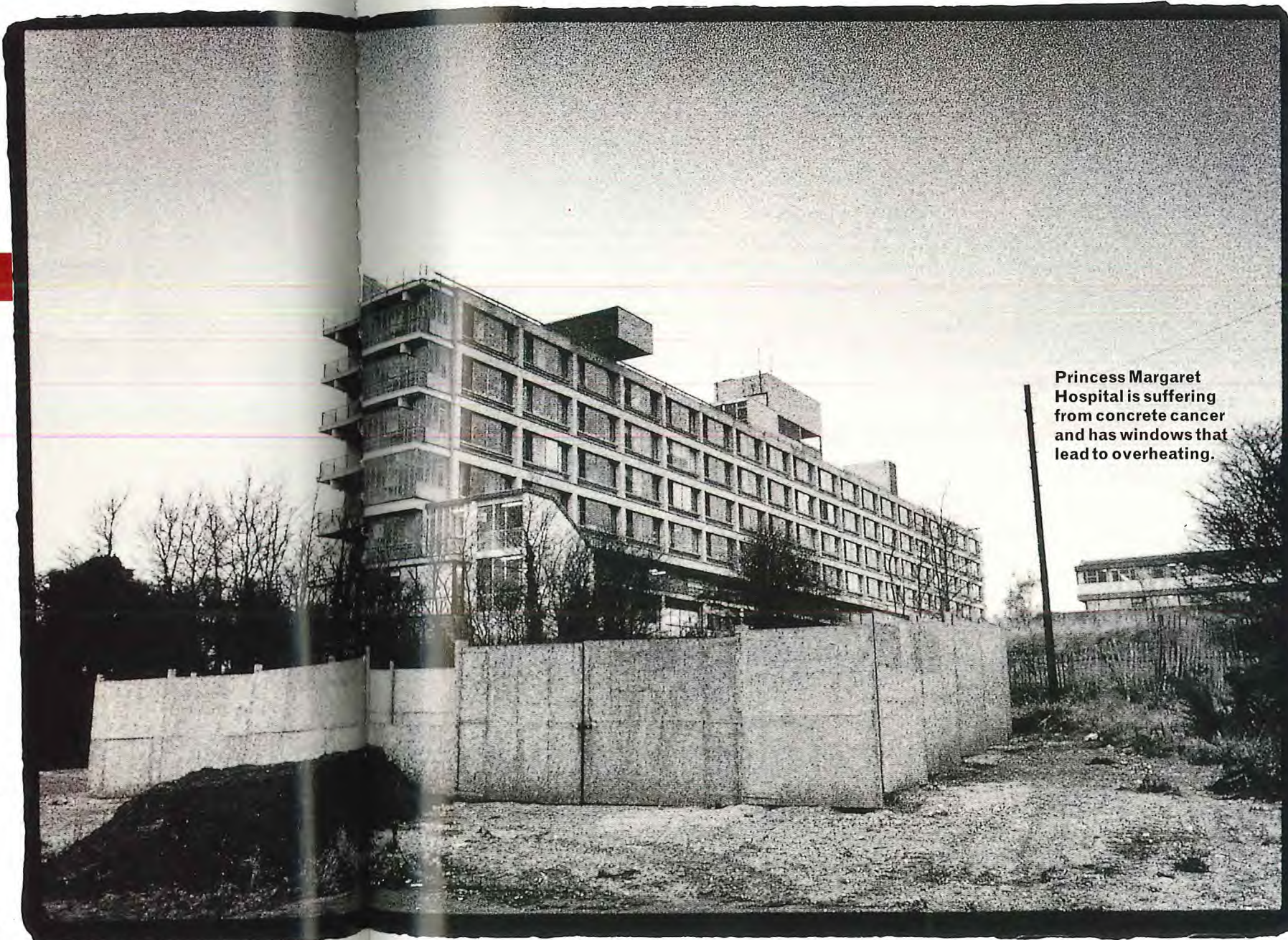
The logistics of keeping the hospital open while building the new one around it were considered too complicated, and this option would have been expensive.

The Princess Margaret is on a small site for a 534-bed hospital and there is inadequate space for parking.

None of the parties involved would confirm which site is being considered for Swindon's PFI hospital now, but a site near Junction 15 of the M4 on the edge of town is the favoured option.

Swindon & Marlborough's Roberts now has to contend with all the difficulties of major out-of-town developments. Landowners know he needs a site quickly, and have pushed up prices. The hospital also faces a 33-week planning process.

Meanwhile, at the existing hospital, conditions continue to cause difficulties.



Princess Margaret Hospital is suffering from concrete cancer and has windows that lead to overheating.

PHOTOGRAPHS BY ANDREW CROWLEY

Viv Davies, spokesman for health service union Unison at the hospital, says: "The hospital is ageing visibly, and things need replacing everywhere. The trust is upgrading some wards, but when we get a lot of emergencies and a ward is closed it causes serious difficulties."

The Swindon project has received some recent encouragement from the

Department of Health. Roberts confirmed that, as with several other PFI schemes struggling with affordability, the hospital has been allocated a "smoothing" mechanism to help it make progress.

This involves transferring money from the existing NHS capital budget to PFI projects to help meet their high initial cost.

Because PFI deals tend to involve consortia borrowing most of their money at the beginning of a 25-30-year period, their charge to the trust tends to be higher in early years.

To help trusts such as Swindon meet these payments, they will be allowed to borrow money from the capital budget and repay it, plus 6% interest, after

the PFI contract has expired.

Tarmac's Steele welcomes the additional cash, and says the PFI process has become "progressively easier".

But as one of the trailblazers for PFI hospital projects, he admits that Tarmac and Swindon & Marlborough have both "learned a lot from the very early days of PFI".