

PRESS RELEASE



News from Keep Our NHS Public campaign www.keepournhspublic.com

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Private earnings balloon as ‘patchwork privatisation’ of NHS takes hold

The private sector will pocket at least £23bn of NHS money in profits and interest over 30 years through the Private Finance Initiative hospital building scheme, according to calculations made by the Keep Our NHS Public campaign.

The revelation accompanies a new report showing how the government is carrying out the ‘patchwork privatisation’ of the NHS. For the first time, the report presents a comprehensive picture of the many kinds of privatisation occurring in the health service – of which PFI is only one. It provides indisputable evidence that a process of privatisation is in train.

Unlike the Thatcher privatisations of the 1980s, the whole NHS is not being put up for auction. Instead, it is being parcelled up into bite-sized pieces, and handed over to private control bit-by-bit. This is happening on such a scale and at such pace as to make it a unique phenomenon.

Alex Nunns of Keep Our NHS Public said: “Unbeknown to the public the NHS is paying astronomical sums of money to the private sector. When the NHS is making cuts and closures across the country it’s time to ask if this is the best use of public money.

“The government’s greatest achievement has been to push through the biggest change in the history of the NHS – under the radar and without a public mandate. It’s time for an open debate about whether people want the patchwork privatisation of their health service.”

The report, ***The ‘patchwork privatisation’ of our health service: a users’ guide***, will be launched at an NHS campaigners’ conference in London on Saturday 20 January. Health activists from around the country will gather to step-up the pressure on the government.

An electronic copy of the report and an executive summary are attached.

Campaigners’ conference – Saturday 20 January, 11am-4pm, Friends Meeting House, 173 Euston Road, London (opposite Euston Station). Speakers include Tony Benn

There will be a photo opportunity with a balloon release representing the sky-high earnings of the private sector outside the Friends Meeting House at 10.45am. Media are welcome to attend and film throughout the day

For further information please contact Alex Nunns on 07763 607 528

NOTES TO EDITORS:

1. According to the Department of Health, PFI hospitals with a capital cost of £8bn will cost £53bn over the life of the contracts. Of this sum, 58.84% on average covers the availability charge and 41.18% covers support services (maintenance etc). The amount of interest paid by the NHS over 30 years, which includes within it the profits of consortia and banks, can be established by taking the capital costs of the hospitals from the availability charge. This produces an underestimate of the overall figure, as we have chosen not to consider the profit that is being made on support services. We have also excluded the enormous windfall profits that accrue from refinancing deals.