

Freedom of Information Request

Reference Number: EPUT.FOI.23.3020
Date Received: 15th of June 2023

Information Requested:

We are writing from the Centre for Health and the Public Interest, a charitable think-tank which produces evidence-based research on the health and social care sectors. The Private Finance Initiative has often been a focus of our work (<https://gbr01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fchpi.org.uk%2Fpapers%2Freports%2Fdealing-with-the-legacy-of-pfi-options-for-policymakers%2F&data=05%7C01%7CEpunft.FOI%40nhs.net%7C9cd35cd5094a49b268ed08db6da83f6e%7C37c354b285b047f5b22207b48d774ee3%7C0%7C0%7C638224341634123250%7CUnknown%7CTWFpbGZsb3d8eyJWljojMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTil6Ik1haWwiLCJXVCi6Mn0%3D%7C3000%7C%7C%7C&sdata=B8QcIIJxdPbXaOtAV6h4VkfXO6qegJnCir9nbIHWSw%3D&reserved=0>) and given the acute inflationary pressures and severely constrained NHS budgets we wanted to revisit this topic to try and quantify the impact inflation has had on PFI Costs.

We understand that the Trust has contractual arrangements with a PFI company and that the payments under these contracts increase according to the rate of inflation, which is often the Retail Price Index (RPI) We are interested in knowing by how much the payments by the Trust to PFI contractors have increased as a result of inflation over the last year and the Trust's predictions of the likely additional increases in payments to the PFI company over the current financial year.

To this end, we have gathered the Trust Accounts Consolidation data (<https://gbr01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.england.nhs.uk%2Ffinancial-accounting-and-reporting%2Fnhp-providers-tac-data-publications%2F&data=05%7C01%7CEpunft.FOI%40nhs.net%7C9cd35cd5094a49b268ed08db6da83f6e%7C37c354b285b047f5b22207b48d774ee3%7C0%7C0%7C638224341634123250%7CUnknown%7CTWFpbGZsb3d8eyJWljojMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTil6Ik1haWwiLCJXVCi6Mn0%3D%7C3000%7C%7C%7C&sdata=p44Ud%2BayjTvOfFTLi%2FCIV9h2uMB4UkGVAVLXwnMGgd8%3D&reserved=0>) for the 100 English NHS Trusts with PFI hospitals to gather a breakdown of elements of PFI spend (Unitary Charge, Interest, Service, Lifecycle etc.) and supplemented this by adding the most recent information from your Trust accounts.

This leaves us with a dataset of England's NHS Trust PFI expenses over a six year period, from 2016-17 to 2021-22, and we hope to build upon this with a request for further information.

This request firstly aims to bring our existing dataset into line with the most significant inflationary impact in 2023-24. And secondly, because not all increases in PFI costs will be inflation-linked, to try and isolate and quantify the £ figure for how rising interest rates have impacted PFI costs. Finally we ask for a summary of government support for inflationary pressures.

A model of the inflationary impact on NHS Trust PFIs is complicated by each element of the cost being linked to inflation to a different degree, and by each PFI contract being unique. Rather than try and model the impact on inflation on service cost, finance cost and/or contingent rent separately, we are requesting information on inflationary impact on the 'total unitary charge' from your Trust. We hope the total sum would be easier to calculate than item-by item breakdowns, and we hope that by aggregating all Trust's data nationally we can smooth out local variations.

This request is for:

1.a) The total payment to the PFI Company (Unitary Charge) for the most recent financial year, for 2022-23.

£5,660,000

b) The £ increase in Unitary Charge payments which can be attributed to inflation, when compared to the previous financial year (2021-22).

£396,200

2.a) The projected Unitary Charge for the current financial year, 2023-24

£6,463,853

b) The projected £ increase in Unitary Charge payments which can be attributed to inflation, when compared to the previous financial year (2022-23).

£804,750

3. The amount of financial support (if any) provided by NHS England or the Department of Health and Social care specifically to assist with meeting the additional cost of inflation rises.

£0

4. A summary of information held on specific or local factors (other than inflation) which may have had a significant impact on PFI costs in the previous two years e.g. Major lifecycle maintenance, availability issues, disputes, service contract re-basing or other major contract milestones.

The Trust believes that this information is of commercial interest and may prejudice either the supplier or the Trust. The Trust is therefore applying Section 43 of the Act (Commercial Interests).

Where a Trust holds several PFI contracts, could this information be provided for each contract separately?

		Total Unitary Charge 2022/23		
		EMI	Brockfield	Total
Q1a	2022/23 Actual Payment	1,320,000	4,340,000	5,660,000
	Projection if there is no Inflationary uplift of 8%	1,227,600	4,036,200	5,263,800

Q1b	£ increase in Unitary Charge payments which can be attributed to inflation	92,400	303,800	396,200
Projection Total Unitary Charge 2023/24				
		EMI	Brockfield	
Q2a	2021/22 Projection Payment based on RPI Feb 2023 rate	1,502,634	4,961,219	6,463,853
	Projection if there is no Inflationary uplift of 14%	1,315,556	4,343,547	5,659,104
Q2b	£ increase in Unitary Charge payments which can be attributed to inflation	187,078	617,672	804,750

Publication Scheme:

As part of the Freedom of Information Act all public organisations are required to proactively publish certain classes of information on a Publication Scheme. A publication scheme is a guide to the information that is held by the organisation. EPUT's Publication Scheme is located on its Website at the following link <https://eput.nhs.uk>