



Ref: FOIA Reference 2023/24-167

Royal Stoke University Hospital
Data, Security and Protection
Newcastle Road
Stoke-on-Trent
Staffordshire
ST4 6QG

Date: 18th July 2023

Email foi@uhnm.nhs.uk

Dear

I am writing to acknowledge receipt of your email dated 15th June 2023 requesting information under the Freedom of Information Act (2000) regarding inflationary impact on PFI.

On 3rd July 2023 we contacted you via email as we require clarification on the following:

Question 1a

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

Could we have confirmation that this includes one off Capital Works, Equipment and variable energy payments

Question 1b

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

Due to the complexity of the UP payments to the PFI company which include one off items, temporary variations it is not possible to provide an exact figure for this.

A reasonable informed estimate could be made – would this be acceptable?

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

Could we have confirmation that this includes one off Capital Works and variable energy payments
Also this would be a forecast figure subject to a set of assumptions

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

Due to the complexity of the UP payments to the PFI company which include one off items, temporary variations it is not possible to provide an exact figure for this.

A reasonable informed estimate could be made – would this be acceptable?

On 7th July 2023 you replied via email with:

'Many thanks for taking a look at this request and working out how it might work with reference to the information you hold.

I'd love to be able to give you a simple answer, but ultimately we've got 100 different Trusts answering in their own way and they all have very different PFI contracts so I'm afraid there may not be one. I'm happy to trust you to take a reasonable interpretation, but I'll explain a little more where we are coming

from with this request.

On your first question about whether to include variable energy costs and one-time capital expenses, I'd say to follow the methodology used in the Trust accounts. The dataset we are trying to get this request to fit alongside is based on the information in Note 28.3, Page 125 of the Trust's accounts (<https://eu-west-1.protection.sophos.com?d=uahnm.nhs.uk&u=aHR0cHM6Ly93d3cudWhubS5uaHMudWsvbWVkaWEvNzE0OC9hbm51YWwtcmVwb3J0LTIwMjEtMjltZmluYWwtc2lnbmVklXZlcnNpb24tZm9yLXdYnNpdGUucGRml3BhZ2U9MTI1&i=NjJIYjdmNDVjOTM5YTQxMThlOWFmYzZi&t=WVBkQXRRCU52b2RodDY0VUpjODd2T3BYR3N3OGQwc1pvK01lQUV0emZlZz0=&h=804fa23538a04121bef251178ba7e464&s=AVNPUehUT0NFTkNSWVBUSVapZa8wdJnLmZFTKBtKHqtuCOaEcziDWxb3lZbjpeKmw7qv6moJr25mlZyl3Gix2tk>) so I'd say if the 'Unitary payment payable to service concession operator' in the accounts included variable energy costs and capital expenses, then the figures we're requesting here should include those too.

On your second question on the 'inflation impact', you're right that this is a nightmarishly complicated figure to derive, with lots of different elements of the contract linked to inflation to different extents, so your best estimate would be great.

And on the projections, I think we appreciate that these figures are not set in stone and do rely on many assumptions, but we would still be interested in what the Trust is *expecting* to pay this year, even if that's unlikely to end up as the final figure.

I hope that gives you a better sense of what we're driving at, but I'd be more than happy to have a quick chat on the phone to make sure we're on the same page if you'd prefer that to back and forth over email. You can reach me on [REDACTED]

As of 1st November 2014 University Hospitals of North Midlands NHS Trust (UHNM) manages two hospital sites – Royal Stoke University Hospital, and County Hospital (Stafford). Therefore the response below is for the two sites combined from that date where appropriate.

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Q1 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.

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

A1 1.a) The total payment to the PFI company (Unitary Charge) for the most recent financial year, for 2022-23.
£70,855,000

1b) The £ increase in Unitary Charge payments which can be attributed to inflation, when compared to the previous financial year (2021-22).

It is not possible to calculate this accurately therefore an estimate has been provided

Estimated at £5,265,000

- Q2 2.a) The projected Unitary Charge for the current financial year, 2023-24**
2.b) The projected £ increase in Unitary Charge payments which can be attributed to inflation, when compared to the previous financial year (2022-23) .
- A2 1.a) The projected Unitary Charge for the current financial year, 2023-24
Estimated forecast of £79,600,000
2.b) The projected £ increase in Unitary Charge payments which can be attributed to inflation, when compared to the previous financial year (2022-23).
Estimated inflationary increase is £8,745,000
- Q3 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.**
- A3 No additional support has been received. The only funding received was the inflation assumption included in tariff
- Q4 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.**
- Where a Trust holds several PFI contracts, could this information be provided for each contract separately?**
- A4 None identified

*Please note that any individuals identified do not give consent for their personal data to be processed for the purposes of direct marketing.

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An anonymised copy of this request can be found on the Trust's disclosure log, please note that all requests can be found at the following link: <http://www.uhnm.nhs.uk/aboutus/Statutory-Policies-and-Procedures/Pages/Freedom-of-Information-Disclosure-Log.aspx>

This letter confirms the completion of this request. A log of this request and a copy of this letter will be held by the Trust.

If you have any queries related to the response provided please in the first instance contact my office.

Should you have a complaint about the response or the handling of your request, please also contact my office to request a review of this. If having exhausted the Trust's FOIA complaints process you are still not satisfied, you are entitled to approach the Information Commissioner's Office (ICO) and request an assessment of the manner in which the Trust has managed your request.

The Information Commissioner may be contacted at:

Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF or via www.ico.org.uk.

If following review of the responses I can be of any further assistance please contact my secretary on 01782 671612.

Yours,



Rachel Montinaro
Data Security and Protection Manager - Records