

# UCLH closes largest UK health PFI

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University College London Hospitals NHS Trust and private sector consortium Health Management (UCLH) has closed the design, financing, construction and operation of a new £225 million (\$349 million) hospital in the centre of London.

Funding for the project has been secured through a term loan arranged by Abbey National Treasury Services. PricewaterhouseCoopers acted as financial adviser to the trust, while Schroder Salomon Smith Barney acted for Health Management (UCLH). Herbert Smith and Linklaters & Alliance were legal counsel for the trust and special purpose company respectively.

Health Management (UCLH) plc raised a £280 million mix of both debt and equity, with further contributions of £82 million from land sales. The special purpose company, which comprises AMEC, Balfour Beatty and Building & Property Group, will build and operate the facility over a 40-year concession.

In addition, the company will provide a range of non-clinical support services over a 32-year operating phase. This will include flexible support services, catering, stores and supplies, waste management, security, car parking, laundry and linen, estate management as well as building services.

The construction programme will start in November and will be structured in two stages. The main hospital scheduled for completion in 2005 and the new Elizabeth Garrett Anderson Wing in 2008. Once the concession period ends, the buildings will revert to the NHS in the agreed maintenance and state of repair.

?This level of investment in healthcare facilities in the UK through Public Private Partnerships is attracting great interest from overseas markets?, states Ian Wootton, project finance healthcare specialist at PricewaterhouseCoopers. ?Many countries are already looking at how the model may be adapted to their own needs.?

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