




EXPLAINING LIFT AND PUBLIC PRIVATE PARTNERSHIP (PPP) MODELS

CASE STUDY

A photograph of a modern, multi-story building. The building has a mix of materials: white upper floors, a brick base, and a dark grey, metallic-looking facade on the right side. There are large windows and a prominent entrance area with columns. In the foreground, there is a paved area with a wooden bench and some landscaping with mulch and young trees.

“ THE PUBLIC AND PRIVATE
SECTOR WORKING TOGETHER
TO SHOULDER THE CHALLENGES
AND SHARE THE SUCCESSES ”



HOW IT WORKS

PARTNERSHIP NOT PFI

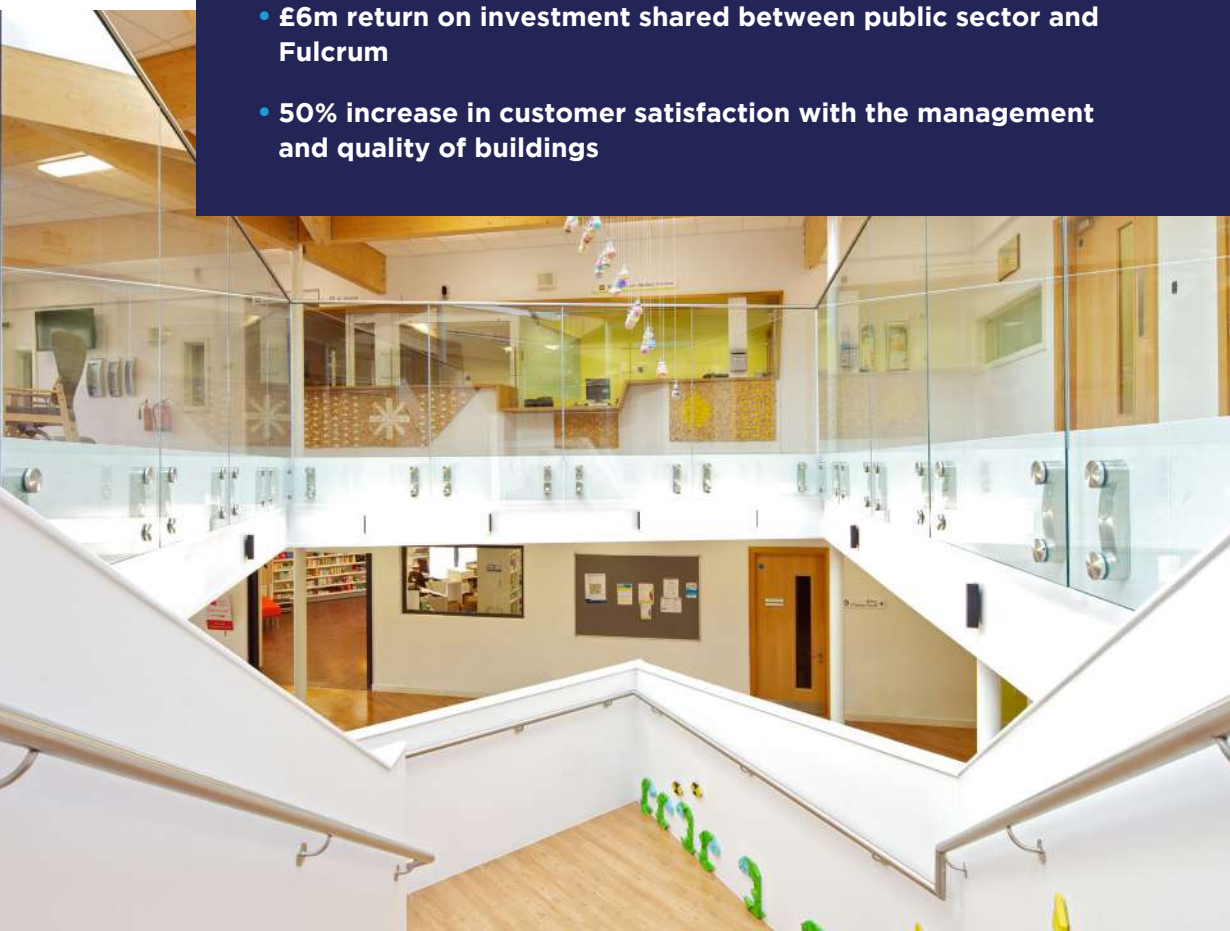
- Fulcrum's healthcare facilities are delivered through the NHS **LIFT (Local Improvement Finance Trust) initiative** which brings together the NHS, the Department of Health and a private sector partner
- Any private investment in the NHS understandably raises eyebrows so first and foremost, it is crucial to underline that these healthcare centres are **not PFI projects**
- LIFT facilities are instead a Public Private Partnership (PPP) which, as the name suggests, demonstrate **true long-term partnership in action**
- Where PFI was criticised for tying the public sector to complex, rigid contracts with the financial outcomes stacked firmly in favour of the private investor, in contrast PPP projects are founded on:
 - **FAIRNESS** - private sector hold a 60% stake and the public sector 40%. This leads to joint management, joint ownership and shared benefits, with 40% of any returns flowing back into the public sector
 - **FLEXIBILITY** - The LIFT model attracts experienced investors who can be more flexible than under PFI. As modern, high-quality buildings, LIFT facilities also offer much needed flexibility where healthcare space can be adapted to help drive better use and support the NHS in responding to emerging pressures
 - **TRANSPARENCY** - All financial and operational information is shared, with joint decision making allowing the Public sector to shape its own operational and financial outcome

THE BENEFITS

REDUCED COSTS, SHARED RETURNS AND CUSTOMER SATISFACTION

- As long-term partners and co-investors, Fulcrum and the NHS share a common interest in ensuring that the healthcare facilities continue to be **well-used, well-maintained and best serve the local community**
- It is a perfect blend of **the public and private sector working together** to shoulder the challenges and share the successes between them
- The numbers speak for themselves - Fulcrum's partnership with the NHS on more than 40 healthcare facilities through the LIFT initiative has led to:

- **25% reduction in NHS construction costs and 20% reduction in NHS rental costs**
- **£6m return on investment shared between public sector and Fulcrum**
- **50% increase in customer satisfaction with the management and quality of buildings**







WHY IT WORKS

HEALTH AND WELL-BEING, NOT BRICKS AND MORTAR

- By **helping reduce rental costs** in particular, the numbers firmly refute the misguided notion that LIFT buildings are too expensive
- And it is not only cost but also convenience - LIFT rents are “full service” and **include the provision of critical services** such as building maintenance and the “lifecycle” repair and replacement of equipment
- With the burden of building upkeep removed, the LIFT model allows the NHS and health practitioners to focus on what matters most - the community’s **health and well-being, not bricks and mortar**
- As the UK enters an uncertain new chapter, the public and private sectors working in partnership is the strongest way forwards - the LIFT model offers the **stability, continuity and flexibility** the UK needs to tackle the healthcare challenges that lie ahead

