

Peter Dowd MP responds to National Audit Office report

Peter

Dowd MP, Labour's Shadow Chief Secretary to the Treasury, commenting on the NAO's report out today on the costs and benefits of the Public Finance Initiative (PFI), said:

"The National Audit Office confirms that, not only is there little evidence of the benefits of private finance procurement, but also that it "results in additional costs compared with publicly financed procurement".

"According to the NAO's analysis of a schools building project, costs under the Tories' new PF2 schemes are 40% higher than through direct government funding.

"Worryingly, despite this and the Office for Budget Responsibility's description of PFI as a "fiscal illusion", it seems that the Treasury has actively decided against removing budgetary incentives which exist in favour of PFI.

"Today's report only further demonstrates this Tory government's continued commitment to fleecing tax payers for the benefit of large PFI firms. It also raises more questions over the use of PFI in a week in which the Carillion scandal has left many fearing for their jobs and standard of their public services.

"The next Labour government will draw a line under the failed PFI approach to public investment, and will replace it by a transparent and accountable approach, which will reduce the costs and deliver significant savings to the taxpayer."

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