

# Britain: Leaked report details plans to cut jobs and pay in National Health Service

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**18 January 2007**

The Labour government in Britain is preparing huge cuts in the workforce of the National Health Service. Excerpts from a leaked draft workforce strategy for 2008-11 by the Department of Health (DoH) were published in the *Health Service Journal* this month.

The draft proposals are part of the Treasury's Comprehensive Spending Review (CSR) from 2008-11, expected to be published later this year.

According to the report there is to be a "sharp reduction" in NHS staff numbers this year—a cut of 2.7 percent, or 37,000 jobs. Following the job cuts, the DoH proposes a recruitment drive in order to meet a December 2008 deadline to reduce maximum waiting times to 18 weeks, but it envisages "a clear dip" in "demand" for nurses and doctors after this deadline has passed.

Predicting "bitter opposition" from NHS workers to the cuts, the report states that by 2011 there would be an overall shortfall of 14,000 nurses, 1,200 General Practitioners (doctors) and 1,100 junior doctors, causing severe problems throughout the NHS, including serious disruption of services to patients.

The report also estimates that the NHS will have a surplus of 16,200 therapists, scientists and technicians, and calls for "managing down" these numbers. As part of reducing the number of consultants the draft proposes a new "sub-consultant" grade for doctors who have a specialist qualification. This has already met with strong opposition from health and clinical organisations as it would mean that a "sub-consultant" could practise across a specialist field of expertise, but would not earn the salaries and benefits of full-time consultants.

The document proposes that NHS staffing levels be operated on the basis of a "market model." It may be "increasingly hard and possibly undesirable at a

strategic level for the NHS or DoH to seek to control a fluid, pluralistic market," it states.

Proposals aimed at strengthening the market in the NHS and cutting costs include encouraging foundation trusts to create "more cost-effective" sub-consultant roles and encouraging greater use of fixed-term appointments and temporary staff to cope with expected fluctuations in demand. This would erode permanent jobs for NHS staff, particularly nurses who are at present mainly employed on two-year contracts. Recent surveys among nurses have cited threats to job security as being among their most important concerns.

The report rejects rational long-term planning and states the trusts need to "concentrate on buying in the skills they need to the standards they require without necessarily seeking to predict, commission or control the supply."

It also calls for the pay of nurses and doctors to be based on local "market" conditions and advises utilising local and regional decision-making to bring down nurses' pay and the utilisation of growing unemployment in order to "create downward pressure on wages." According to an Aberdeen University study commissioned by the DoH, nurses are "recruited predominantly in local labour markets." The report concludes that, on this basis, it may be possible to "achieve a more efficient wage distribution for nurses by having a greater variation in nurses' pay by region than is currently the case."

In line with this, it reveals that the DoH is considering a three-year pay deal starting in 2008/09 that would be at or below the level of inflation and that "would allow some back-loading of costs."

Having acknowledged that this would encounter opposition from already poorly paid NHS staff, it states that such a pay deal requires the assistance of the trade

unions. The proposal favoured by the report is the introduction of a 35-hour week based on a “cafeteria style” pick-and-choose deal. This would result in the break-up of all previous national pay agreements and allow staff to trade hours and leave for pay. The report states that such a deal would be of benefit as unions “could claim” it won a 35-hour week, but “in practice most staff might be expected to cash in extra hours and leave for more pay.”

At the same time as the draft DoH report was leaked, the Institute for Public Policy Research (IPPR), a think tank that works closely with the Labour government, proposed that more patients be treated outside hospitals in order to cut the £975 million cost of what it terms “high-intensity users” of beds in the NHS.

Richard Brooks, an associate director of the think tank, said, “A better NHS will be one with fewer hospital beds overall. At the moment there is a high-intensity debate on proposed changes to hospitals but people should be aware that it is not always the best idea to keep everything as it is. Not all of these beds are necessary.”

The report states that due to increases in life expectancy over the decades since the NHS was founded in the 1948, “changing long-term health needs are not well met by hospitals focused on short-term treatment.” It goes so far to estimate that even if heart attack patients had to travel farther for specialist treatment and not be treated in a local hospital bed, about 500 extra lives could be saved every year.

The IPPR claims that it advocates fewer beds in hospitals on the basis of “health reasons” and not short-term cost cutting. But this is directly contradicted when it cites its source as the NHS Institute for Innovation and Improvement, which states that reducing hospital stays and “bed blocking” could be part of an overall increase in NHS productivity leading to savings of £2.2 billion a year.

The proposals have angered groups who are campaigning to defend the NHS from cuts including Health Emergency. Geoff Martin, Health Emergency director of campaigns, stated that the IPPR report was “an attempt to construct an intellectual argument for a government policy that is about cuts and saving money. I don’t think anybody will believe it, apart from IPPR, Patricia Hewitt [the Health Secretary] and some of the officials at the Department of Health. I haven’t seen

people on the streets of Worthing, Guildford, Huddersfield, Rochdale and Airdrie campaigning in support of closing hospital beds.”



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