

Government prepares to dissolve South London National Health Service Trust

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On December 13, a government-appointed administrator ended a period of “public consultation” on draft proposals to dissolve the South London Healthcare NHS Trust (SLHT).

SLHT runs Queen Mary’s in Sidcup, Queen Elizabeth in Woolwich and the Princess Royal University Hospital in Bromley. It has 6,300 staff and serves a population of 1.7 million across six boroughs in South East London, created from a previous cost-cutting merger.

In July, the Conservative Party/Liberal Democrats appointed Mathew Kershaw as trust special administrator (TSA) under the “Regime for Unsustainable NHS Providers” because its financial plan did not satisfy the government that it would reduce accumulated debts. This is the first time such a measure has been used since passed into law by the last Labour government’s 2009 Health Act. The government is planning to deploy the same provisions against 21 other National Health Service Trusts.

On October 31, Kershaw published his “Draft Report—Securing sustainable NHS services.” He proposed selling vacant premises around the Queen Mary’s site and Bromley estate, the sale of Orpington Hospital and Beckenham Beacon, and the closure of Lewisham Hospital’s Accident & Emergency (A&E) department, and threatened the closure of Lewisham’s maternity unit and its transformation into an elective centre for non-complex inpatient procedures with half the site sold off.

According to a report by London Health Emergency, Kershaw proposes cutting 5.4 percent from spending for the next three years, involving significant job losses and £20 million cuts to the wages bill. The five-year plan “involves closing 618 of the existing 4,053 beds, including 119 at St Thomas’s and 105 at Guy’s, 173 at

Lewisham and 221 of the 240 at Queen Mary’s, and opening 196 new ones (39 at PRUH, 78 at QEH, and 79 at KCH)...— a net loss of 422 beds, over 10% of the present total.”

Kershaw will submit his final recommendations to the Conservative secretary of state for health, Jeremy Hunt, by January 7. Hunt will then decide the fate of the Trust by February 1.

Kershaw is currently national director for provider delivery at the Department of Health. He has become a key figure in implementing NHS privatisation under successive governments. One of those involved in the consultation is Penny Dash, a former head of strategy for the NHS who devised the foundations of the last Labour government’s privatisation programme. She is now a senior partner in McKinsey & Co, the largest private health consultants, which were hired by successive UK governments to assist and drive through plans to rationalise and privatise the NHS.

Sue Slipman, chief executive of the Foundation Trust Network (FTN), a trade association representing NHS trusts, said, “All eyes will be on the process.” Slipman was an Executive Committee member of the then Communist Party of Great Britain before becoming a founder member of the Social Democratic Party (SDP)—a right-wing breakaway from Labour. She told the SDP in 1987 that it should “civilise the Thatcherite project”.

As if to underline that the consultation meetings are a fraud, last August, months before the TSA final draft report, Kershaw published “Market Engagement on South London Healthcare Trust and the services it provides.” It describes the purpose of the engagement as to “test the appetite of the market” to pick over the bones of SLHT.

During public consultation events, public opposition

has correctly identified debts accrued by the South London Trusts' enforced repayments to two Private Finance Initiative (PFI) schemes as the major source of its financial crisis. In 1998, two PFI schemes were initiated under the Labour government. Private companies built the Queen Elizabeth and Princess Royal Hospitals for Bromley NHS Trust and Greenwich NHS Trust at a cost of £214 million. Based on the PFI contracts, Trusts have so far repaid £620 million. The full cost of the hospitals is expected to reach £1,954 million, more than 12 times the original cost.

In June, the BBC reported that this year alone, SLHT faced “£61m in charges and interest...nearly 15% of the trust's turnover.”

In a November 26 article, Kershaw demanded a frontal assault on staff and services while insisting the government guarantee payments to the PFI. This is the only bailout the administrator has considered. This came as NHS Northwest London published its analysis of consultation at the end of November on closing four out of nine Accident & Emergency units. NHS directors made the extraordinary claim that the receipt of more than 17,000 submissions meant there was popular support for their closure programme. In the face of such outcomes, the Labour Party, the trade unions and their footmen in the Socialist Party and Socialist Workers Party continue to dragoon opposition to the attacks on SLHT back behind the same bankrupt consultation procedure.

On December 9, Labour shadow health secretary Andy Burnham sent a letter to Health Secretary Hunt. Burnham, while he was health secretary, was the architect of the Regime for Unsustainable NHS Provider. In the letter, he said “there are several good recommendations in the Draft Report of the TSA,” then sought to drive a wedge between opponents of cuts at SLHT and Lewisham Hospital, which is not part of SLHT. He used a formulation in the Labour government's 2009 Health Act supposedly proving Kershaw had overstepped his jurisdiction by suggesting that Lewisham Hospital was not part of the Trust on which Kershaw was appointed to report.

Lewisham East Labour MP Heidi Alexander then initiated an e-petition to parliament, and Labour-controlled Lewisham Borough Council focused on this issue in its December 12 submission to the

consultation. Its argument is entirely commercial. It challenged Kershaw's assessment of the “disposal value of the current site of Lewisham hospital and your proposal for the sale of nearly 60 percent of the site,” asking Kershaw only to “re-run the options appraisal” to better scrutinise his judgment.

Unison, the largest health trade union, has issued a call to the government to cancel or “renegotiate” the PFI schemes, just as the government treasury is initiating a PF2 programmeram (the proposed successor to the Private Finance Initiative) to shore up PFI profits as it intensify its NHS wrecking operation. The GMB union emulated the phony consultation process, inviting union members to submit their views on the draft proposals.

Lead Officer for Public Services GMB Southern Region Andy Prendergast wrote “the GMB is always supportive of improvements to efficiency,” but Kershaw's proposals are not “credible and sustainable.”

The Socialist Party is typical of the fake-left fraternity in directing all its efforts to dragooning opposition back behind Lewisham's Labour council and the trade union bureaucracy. On November 14, *The Socialist* wrote, “Labour-controlled Lewisham council...should be mobilising opposition across the borough. It should also be using its scrutiny powers to help defeat this attack,” even while admitting that the council had “introduced its own cuts locally.”



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