

UK: Peterborough National Health Service Trust deepens attacks on workers and services

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Monitor, a regulatory body appointed by the government, is to investigate and make recommendations on the financial crisis of the Peterborough and Stamford Hospitals National Health Service Trust, in England.

This sounds a warning that further attacks are to be made on jobs, services and health care provision.

Monitor was originally set up by the Labour government in 2004 as a supposedly independent regulatory body for NHS Foundation Trusts. The development of Foundation Trusts opened public hospital services up to private sector corporations and the banks, establishing a market in health care. Although ostensibly not-for-profit bodies, the Foundation Trusts were tied to the profit motive by contract arrangements and access to disposable assets. The move paved the way for wholesale privatisation.

With last year's Health and Social Care Act, Monitor became the "sector regulator for health care", meaning it will "regulate all providers of NHS-funded services in England".

Under its new responsibilities Monitor's primary duty is now "protecting and promoting the interests of health care users".

This is an even more directly financial role. The Health and Social Care Act outlined Monitor's new responsibility as "a continuing role in assessing NHS trusts for foundation trust status, and for ensuring that foundation trusts are financially viable and well led, in terms of both quality and finances".

From this year Monitor will be issuing licences to providers of NHS-funded care. The body has identified other areas of its responsibility:

1. Regulating prices
2. Enabling services to be provided in an integrated way

3. Safeguarding choice and competition

4. Supporting commissioners so that they can ensure essential health services continue to run if a provider gets into financial difficulties

Stripped of its business jargon, this means that Monitor's responsibility for overseeing privatisation gives it the role of slashing services and driving down wages and conditions for health workers. This is to help service the huge debts incurred through the Private Finance Initiative (PFI), whereby the private sector builds, finances and operates hospitals in return for an annual fee. Championed by the Labour government, PFI is vastly more expensive than public funding with huge amounts being ring-fenced for repayments to private contractors.

This was the funding method for the recently opened Peterborough City Hospital. The capital cost of the scheme as a proportion of turnover was 142 percent, the highest in the NHS.

When the Edith Cavell Hospital opened in 1988, NHS workers at the Peterborough hospital sites were told that the site would be expanded and become the main single hospital site. Had this plan been adopted there would have been no need for a PFI programme, with its colossal debts, as the Edith Cavell Hospital was in a good state of repair.

Doubts had been raised about the Trust's ability to meet the City Hospital repayments even before construction began in 2007. The National Audit Office have criticised the Trust for its "unrealistic business case" and "procurement of an unaffordable PFI scheme". The *Peterborough Evening Telegraph* reported before Christmas that the Trust is operating a £54 million deficit this year. This is despite a £41 million parachute payment last year, with a further payment due in 2013.

A £50 million plus deficit is projected for the coming financial year.

The chief executive of the trust, Dr. Peter Reading, announced that operating theatres at the new hospital could be closed or turned over to “new work”, probably for private health care operations. After boasting that the trust had already made £13 million in “efficiency savings”, Reading faced questioning from Labour MP Margaret Hodge and Peterborough’s Conservative MP Stewart Jackson at a House of Commons committee session.

Both MPs demanded that the privately-run Hinchingbrooke Hospital in Huntingdon should be closed, as its service debt continues to rise. Hinchingbrooke was the first NHS hospital to have its day-to-day management handed over to the private sector on supposed efficiency grounds. The amount being lost by its management, Circle health care, rose from £1.9 million to £4.1 million in just 6 months.

The demands of this cross-party committee were clear: the provision of health care for the working class needed to be cut back immediately. The closure of Hinchingbrooke Hospital would mean the slashing of hundreds of jobs, and a large payment to the private company Circle health care as a contractual payoff. This could only take place by cutting services to the bone.

To give just one example, many nurses in the Trust are already employed through nursing agencies, a commonplace practice throughout the NHS. This gives the employers ultimate flexibility in labour costs and productivity. Many nurses have little time to be trained in one ward before being transferred to another, where the process begins again.

The ongoing financial crisis surrounding the Peterborough NHS Trust is continuing to affect the conditions of NHS workers, support staff and patients. In contrast the various chief executives, board directors, managers and their trade union advisors continue to do very well. The current interim chief executive of the Trust, Dr. Peter Reading, earns £300,000 a year. He is the fifth such holder of the post in the last 10 years. Ali Parsa, the outgoing chief executive of Hinchingbrooke Hospital who left after the Circle health care takeover, received a £400,000 golden handshake as a leaving present.

In the last two years NHS Peterborough has paid

£800,000 in fees to property advisors in a bid to sell the site of the old District Hospital, which was closed in 2010. No sale has been made to date.



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