

# UK: Rotherham Hospital spends £3 million on consultants advising on cuts

Dave Hyland  
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Figures obtained by BBC Radio Sheffield reveal that Rotherham National Health Service Trust, in South Yorkshire, England, has spent £3 million in the last three years on external advisers and management consultants.

In 2009/10 the figure was £296,777. This rose to £504,606 in 2010/11 and £1,249,669 in 2011/12. So far into 2012/13, spending stands at £941,666.

Larry Blevins, a former IT adviser to the White House, has been drafted in by the Trust to fix its £40 million patient record system. Workers are also picking up the bill for £4,000 in airline tickets, as well as his hotel and restaurant bills. The Trust has admitted that three other consultants are costing it £92,400 a month. It has also temporarily hired the business/financial consultant Tim Bolot on a payment of £1,500 a day. In a statement, the Trust said, “Employing external consultants can, on occasions, be necessary to enable the Trust to buy in expertise or experience we simply don’t have, especially where this expertise is only needed for a time limited basis.”

While these advisers and consultants are making fortunes, the 3,800 staff at the hospital are being told they must accept 750 job losses and cuts to their wages and conditions. However, the trade union bureaucracy is seeking to hide its own despicable role behind demagogic denunciations of the predictably appalling actions of senior management.

When the 750 redundancies were first announced last October, the unions refused to raise the prospect of any fight against them. They placed the blame for the hospital’s financial difficulties almost exclusively on the “incompetence” of the then chief executive, Brian James.

Pam Johnson, Unison’s head of health for Yorkshire and Humberside, interviewed on local news service *Look North*, said, “Local people and dedicated NHS staff are paying the price of failings on behalf of senior managers in Rotherham, and for the pressure the government has

put on NHS budgets.

“I’d like to know how much was spent on the report from Price Waterhouse Coopers, when all NHS budgets for patient care are under huge pressure. It is also worrying, but hardly surprising, that the consultants recommend the use of expensive private consultants as a remedy for the trust’s current problems.”

Citing the impact of escalating debt due to the use of the Private Finance Initiative (PFI) to fund infrastructure projects, Johnson’s only response was to call on the hospital “to think again, explore other options and for the government to step in to project jobs and services if necessary”.

No suggestion of a struggle. No mention of the 13 years of the Labour government that created the massive PFI debts or the policies it pursued to prepare sections of the NHS for privatisation.

The “options” that were “explored” between the Trust and the unions are explained in the March edition of the in-house journal *Your Choice* :

“On 14th December 2012, the Trust formally announced a 90 day workforce restructuring proposal with our staff and unions. This proposal will have an impact on all staff groups and all staff grades and was developed as a result of the annual business planning cycle and was developed by departments and services themselves. It is hoped that a significant proportion of these redundancies will be achieved by removing unfilled vacancies or through voluntary redundancies, but it seems likely that some will unfortunately need to be compulsory.”

James has since retired and the problems of the hospital continue to deepen. A week before Christmas hundreds of nurses, therapists, clerical and technical staff and some managers were issued with “at risk of redundancy notices”. A total of 500 jobs are at risk, with possibly around 200 compulsory redundancies including frontline nurses, health visitors and community staff. Many staff

remaining face “down-banding”, i.e., pay cuts for the same job, and possibly privatisation of some departments.

The hiring of Bolot has dire implications. He is a barrister and accountant who has, for over 20 years, commanded a high salary for carrying out “slash and burn” policies on ailing hospitals, care homes and businesses on behalf of blue-chip companies and the stock market. His CV boasts, “Over the past seven years he has worked extensively as an executive, [Chief Restructuring Officer (CRO), Chief Financial Officer (CFO)] in troubled businesses to successfully drive and deliver large-scale turnaround programmes. He has worked with a wide range of stakeholders including PLC boards, banks, private equity sponsors, creditors and government departments.”

This has included: “CRO of Southern Cross PLC, the largest UK care home provider. In this role, over a 12 month period [Bolot] agreed a four-month standstill period with major creditors and oversaw the transition of 750 care homes to new operators and a disposal programme for freehold properties...”

Restructuring has allowed the Trust to close departments with some nurses moved out into the community. The short-term contracts of phlebotomists and others are not being renewed, but replaced with lower paid staff. Workers on temporary contracts are being encouraged to compete against each other over jobs with the intention of driving down overall wages and conditions.

The pseudo-left groups such as the Socialist Workers Party and the Socialist Party dedicate their efforts to concealing the refusal of the Labour Party and trade unions to take up a fight in defence of their members’ jobs and conditions. They provide Unison with a cover by collecting signatures on petitions and lobbying the hospital in support of the unions’ “mismanagement” agenda. In reality, all of the restructuring and cuts have been achieved with the collaboration of Unison.



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