

# Number of British hospitals in debt doubles in one year

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The number of UK hospital trusts in debt has almost doubled in a year. Monitor, the National Health Service (NHS) regulator, reported that some 39 of the 147 NHS foundation trusts in England are saddled with a combined deficit of £180 million compared to 21 last year.

The rapid descent into debt shows the colossal impact of the Conservative/Liberal Democrat coalition's relentless slashing of the NHS budget, which is aimed at dismantling and privatising the public provision of health care in the UK. The crisis is set to get worse when further "efficiency savings" estimated at £30 billion by 2021—almost a third of the current NHS annual budget—currently being discussed behind closed doors, are imposed.

The Monitor report points out that 40 percent of Acute Hospital Trusts, 20 percent of Ambulance Trusts, 11 percent of Specialist Hospital Trusts and 7 percent of Mental Health Trusts are in trouble.

The Midlands is the most financially challenged region, with 14 of its 38 trusts being in deficit, including Peterborough, Mid Staffordshire, Sherwood Forest and Milton Keynes.

According to the report, foundation trusts have delivered "efficiency savings" of £867 million so far this year, but this is 18 percent behind what the government has demanded. They have achieved this by cutting down the number of beds, staff levels and patient care.

A major source of difficulty for the trusts has been meeting the obligations imposed by the Private Finance Initiative (PFI), under which private firms carry out building and maintenance of non-clinical services in the NHS. Created by the 1990-1997 John Major Conservative government and adopted in earnest by the Labour government of Tony Blair, the PFIs have seen

billions of NHS money transferred into the pockets of private companies in capital and interest payments.

A study by the Centre for International Public Health Policy at University of Edinburgh explains how, "In 2005-06, the NHS made PFI payments of £470 million to PFI consortia. But as the PFI programme expands, these annual commitments will increase. By 2013-14, when all 126 schemes in the current programme are in operation, PFI payments will be £2.3 billion a year."

The continuous drive for efficiency savings and operating surpluses has come at a cost, with many NHS hospital and services undergoing a continuous erosion of patient care. Even hospitals that show a surplus are not immune from the pressure, as the most recent example of Royal Bournemouth and Christchurch Hospital Foundation Trust shows. Although running with an £8 million operating surplus, it was found to have severe failures in delivering care by the Care Quality Commission, the regulator of all health and social care services in England.

The efficiency savings have seen thousands of frontline jobs culled, despite a government election promise they would not be, wages frozen and pension benefits worsened—all made possible by the complicity of the trade unions. The Department of Health has published figures showing that 7,060 NHS clinical staff have been made redundant since the coalition took power in 2010, including doctors, nurses, midwives, health visitors, ambulance staff and qualified scientific, therapeutic and technical staff. A significant number of NHS trusts are imposing a total recruitment freeze in an attempt to meet financial targets, regardless of the consequences for patient safety and care.

Patient care is suffering. The Monitor report states, "In Dec 2013, 1.6m foundation trust patients were waiting for treatment, which is 14% higher than Dec

2012.”

Some 18 trusts have breached a target that 85 percent of suspected cancer patients start treatment within 62 days of their referral, and 34 percent of accident and emergency departments failed the target to treat, admit or discharge 95 percent of patients within four hours of admission. More foundation trusts have breached all three target standards in elective waiting times in the latest quarter compared to the last one.

The report noted, “At 31 December 2013, 25 of 147 foundation trusts were subject to enforcement action by Monitor.” It added, “Since 31 December, we have taken enforcement action at one more foundation trust, *Cumbria Partnership*, bringing the total number of foundation trusts currently in breach of their licence to 26.”

The think tanks of the ruling class are using a deliberately manufactured NHS crisis to call for radical changes that include downgrading and shutting down hospitals and opening the door to further privatisation.

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Julia Manning from 2020Health is just the latest of such privateers, demanding, “These figures demand an honest response from our politicians. They reflect an unsustainable hospital system which we can’t simply expect the taxpayer to bail out.”

“Economists are warning us there won’t be enough taxpayers to fund services for the elderly and we carry on with too many hospitals.”

Despite Monitor reporting the disaster that has befallen the NHS, its financial reporting director, Jason Dorsett, demands more of the same medicine, declaring, “all trusts need to up their game in delivering efficiency savings this year....”

The government claim that the NHS would be “ring fenced” from its austerity measures was not worth the paper it was written on. In order to provide some £1.2 trillion—an amount that would fund the NHS for 10 years—to bail out the banks and allow the super-rich to increase their wealth enormously, a social counterrevolution against the working class and the poor has been unleashed.

NHS FightBack warns the working class that behind the “NHS is unsustainable in its current form” campaign, the ruling elite is preparing to change the public provision of health care even more

fundamentally than it has been so far.

*For further information visit [nhsfightback.org](http://nhsfightback.org)*



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