

# UK: Another £22 billion in “savings efficiencies” in National Health Service

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One of the Conservative government’s first official announcements after coming to power last month was to confirm another £22 billion “efficiency savings” to be made from the £108 billion National Health Service (NHS) budget over the next five years. This represents a fifth of the NHS budget.

The cuts were first suggested in the planning document “Five Year Forward View”, published in October 2014 by NHS England, which oversees the NHS commissioning budget and operation in England.

Addressing an NHS Confederation meeting of top health service managers earlier this month, health secretary Jeremy Hunt insisted that the Tory Party’s election pledge of £8 billion extra funding depended on these savings being made. This is the reality behind the rhetoric of “ring-fencing” the NHS and real term increases in funding. Give £8 billion with one hand and take three times as much with the other!

Hunt told the audience that the NHS was facing a “very, very challenging period in its history.” He said a review of health service procurement by Labour peer Lord Patrick Carter would be published in September and that, from January, each hospital in the country would be given an estimate of how much it could save and will be ordered to reduce its spending.

“Most of these efficiencies are going to take a huge amount of effort from the people in this room,” he declared, adding, “Then, I’m afraid from January the hard bit starts, which is actually implementing that change.”

Hunt has also ordered hospitals to cut the £3.3 billion a year spent on agency staff and the number of management consultancy contracts, which have skyrocketed as a result of previous government policies.

The government’s claim that the second round of

“efficiency savings” will be accomplished through better procurement and efficient rostering of staff is not true. Anybody who has any doubts should look back at what has happened over the last five years, during which time the previous Conservative/Liberal-Democrat coalition imposed £20 billion worth of funding cuts. The increase in real spending on the NHS was the lowest since it was created after World War Two.

The impact of these cuts has been enormous, creating massive deficits for many hospitals. Two-thirds of hospitals are struggling to stay within budget. The number of beds, staff, including front-line workers and services, have been cut in an attempt to reduce deficits—placing patient safety and care in jeopardy. There are 2,295 fewer expert nurse posts in England than there were in 2010. Rationing of vital health services has taken place in some areas.

At the same time, the coalition stepped up the fragmentation and privatisation of the NHS. Two of its last acts before the election involved striking a £750 million deal to sell off the largest ever chunk of health services to 11 private operators and devolving Manchester’s £6 billion NHS budget to the Labour-controlled Greater Manchester Combined Authorities.

The crisis facing the NHS was highlighted prior to the election in a statement issued by 140 leading doctors, explaining that “under the coalition, dozens of accident and emergency departments and maternity units have been closed or earmarked for closure or downgrading. In addition, 51 NHS walk-in centres have been closed or downgraded in this time, more than 60 ambulance stations have shut and more than 100 general practices are at risk of closure.”

The pressures on hospital services has also increased due to a 12 percent cut in real terms in social care

provided by local councils, which have had their budgets slashed. A recent report by the Royal College of Emergency Medicine and the Patients Association found that patients were forced to use Accident and Emergency departments because they were often “the only accessible service” available for rapid treatment and that nearly a quarter had been unable to get an appointment with their GP.

As a result, Accident and Emergency targets of 95 percent of patients to be seen, treated, admitted or discharged within four hours have been constantly missed. The government is attempting to overcome the crisis by getting GP surgeries to open seven days a week, but the move has been criticised by the British Medical Association for being “unfunded” and “unresourced.”

Over the last five years, hospital workers have seen their wages slashed by up to 15 percent because of year-on-year pay freezes. The Department of Health has submitted a report to the pay review body demanding a further reduction in the pay bill including cuts to enhancement payments for unsocial hours which thousands of health workers depend on.

Further cuts to staff levels and increasing workloads for those remaining will be inevitable.

The government knows full well that this will impact patient safety. Recently, The National Institute for Health and Care Excellence (NICE) suspended its work to determine safe staffing levels in the NHS, a recommendation of the Francis report into care failings at the former Mid Staffordshire NHS Foundation Trust. It is obvious that NICE was under pressure to stop the programme, with NHS England chief Simon Stevens criticising the Institute for its “more mechanistic approach to the setting of nurse staffing ratios.”

Stevens has joined Hunt’s call for a crackdown on hiring agency staff, which hospitals are forced to use as a last resort to maintain safe staff levels.

According to Richard Murray, director of policy at The King’s Fund health service think tank, the NHS is “facing some of the biggest financial and performance challenges in its recent history. If last year was the most difficult for some time, this year promises to be much worse, with little confidence that the alarming deterioration in NHS finances can be arrested.”

“Looking further ahead, while there is still significant scope to improve productivity in the NHS, efficiencies

are becoming harder to generate and there is considerable scepticism that the £22 billion in productivity improvements outlined in the NHS five year forward view can be achieved,” he concluded.



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