

NHS hospitals face massive deficits and demands for further cuts

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Unprecedented levels of funding cuts in the National Health Service (NHS) have severely undermined the ability of many hospitals to operate without jeopardising patient care. Due to the cuts, many hospitals are saddled with massive deficits.

Some 114 NHS providers—NHS trusts and NHS Foundation Trusts—have recorded a net deficit of £800 million for the 2014/2015 financial year. The Quarterly Monitoring Report (QMR) of the Kings Fund think tank stated that “estimates by NHS Providers indicate that overspending by all trusts could amount to more than £2 billion by April 2016.”

In the financial year, 2011/2012, one quarter of NHS providers were reported to have overspent, while the latest figures for 2014/2015 suggest that half have overspent.

Many hospitals previously recording surpluses or breaking even have plunged into deficit, with the NHS going through the biggest financial squeeze in its history. Over the last five years, the NHS budget was not only effectively frozen, but the previous Conservative/Liberal Democrat coalition government, with utter disregard for patient safety, also took a further £20 billion in “efficiency savings” from it.

The Conservative government now demands a further £22 billion in “efficiency savings” over the next five years, regardless of the dire financial position NHS providers are in because of previous cuts.

Cuts are coming while demand and service costs are growing by around 4 percent every year. Annual real-term NHS funding is increasing on average by less than 1 percent. During the last five years, the NHS recorded the lowest funding increases in its entire history. Interest payments for expensive Private Finance Initiatives (PFI) in building and maintaining hospitals also have a crippling effect on hospital finances.

According to NHS England, which oversees the commissioning budget and operation in England, there are currently 13 NHS providers under “special measures.” Many are also under investigation by the NHS regulators—Monitor and the NHS Trust Development Authority. Special measures are imposed when there are concerns about the quality of care hospitals are delivering.

David Bennett, chief executive of Monitor, wrote to all foundation trusts early this month warning of the financial difficulties ahead. His letter stated, “As you know, the NHS is facing an almost unprecedented financial challenge this year. Current plans are quite simply unaffordable.” He ordered the trusts to “ensure vacancies are filled only where essential.”

He wrote that Monitor was already “reviewing and challenging the plans of the 46 foundation trusts with the biggest deficits” and called on “all providers—even those planning for a surplus this year—to look again at their plans to see what more can be done.”

The Monitor chief declared, “As I have said before, if we are to do the best we can for patients we must leave no stone unturned in our collective efforts to make the money we have go as far as possible.”

No one should have any illusions that these demands are “to do the best for patients,” as he claimed.

It was reported that the other regulator, Trust Development Authority, had sent a similar letter to NHS trusts.

The cuts were first suggested in the planning document “Five Year Forward View,” published in October 2014 by NHS England. Health Secretary Jeremy Hunt, in a speech to the NHS Confederation in June, endorsed the cuts, acknowledging that the NHS was facing a “very, very challenging period in its history.”

For NHS patients and NHS workers, this means a massive erosion of patient care services that are at breaking point. It means further unnecessary deaths and suffering, huge waiting lists for elective surgeries, long delays to get a diagnostic test done and long delays in seeing a General Practitioner (GP). More rationing of vital health services is inevitable.

For NHS employees, massive attacks on their jobs, pay, terms and conditions, along with staff shortages, are on the table. There are calls for reducing the pay bill. Monitor's order to fill vacancies only where essential will put more pressure on already struggling clinical staff. The Royal College of Nursing's new chief executive and general secretary, Janet Davies, warned, "It is... unclear what constitutes a non-essential job in an NHS trust. If you get rid of support staff, their work does not disappear. Instead, it will mean frontline staff picking up extra paperwork and spending less time with patients."

The last five years have seen the closure or downgrading of dozens of Accident and Emergency (A&E) departments, and the shutting down of maternity units, children's heart units, walk-in centres, ambulance stations and GP surgeries. Some hospitals have shut down wards, operation theatres and other services in order to balance the books.

Bed capacity in the NHS has been severely curtailed, increasing "trolley waits" and putting pressure on ambulance services. The crisis of bed availability in Mental Health Trusts is such that there are recurrent reports of children being treated in adult wards and patients being treated hundreds of miles away from their homes.

Many of the Clinical Commissioning Groups (CCGs) that were established by the coalition government's 2012 Health and Social Care Act, in order to expedite the NHS's privatisation, have already started to ration vital health services. An investigation by *Pulse* magazine exposed widespread rationing measures within the NHS. A survey of 652 GPs found 36 percent had experienced increased restrictions to services in the last year.

Among the rationed services are hip and knee surgeries, hearing aid provision, spinal physiotherapy, vasectomies and female sterilisation procedures. Some CCGs have introduced abrupt eligibility criteria that discriminate against the most vulnerable people, obese

patients and people who smoke, in disregard of the NHS constitution. These attacks lay the ground for a further widening of health inequalities in society.

NHS performance indicators reveal the ongoing erosion of patient care services.

The total number of patients on the waiting list in May 2015 stood at 3.4 million, the highest since 2008.

The Kings Fund stated that in first quarter of 2015/2016, "the proportion of patients spending more than four hours from arrival to discharge, admission or transfer in all A&E departments was 5.9 percent (more than 337,100 patients). This was an improvement on the previous quarter but the highest figure in quarter one for more than a decade. Compared to the same quarter last year there were an additional 52,540 (18 percent) patients who spent more than four hours in A&E."

One third of all providers missed the four-hour target in the first quarter of 2015/2016.

According to the Kings Fund, "for major A&E departments overall, just under 9 percent of patients waited more than four hours and less than a third of providers achieved the target."

The number of patients waiting more than four hours to be admitted into a hospital bed from A&E or trolley waits has increased to 7.2 percent (71,382). This is the highest number for the first quarter of the year for more than a decade.

Patients languishing in hospital beds when they are medically fit for discharge or delayed transfers of care have dramatically increased over the last few years due to lack of appropriate care, facilities and support in the community and patients' homes. The total number of days delayed in May 2015 was 136,900, an increase of more than 9,880 on the same month last year.

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