

# UK National Health Service forced to the brink of financial collapse

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The National Health Service (NHS) in England is facing a “colossal financial challenge” and “cannot deliver the required services to patients and maintain standards of care within the current budget.”

This is the damning conclusion of “Impact of the Spending Review on health and social care,” a report released July 23 by the House of Commons Health Select Committee. It underlines the parlous state of NHS finances due to endless cuts and indicates that the health service is facing an existential crisis.

The report examines the effect of the Conservative government’s spending review last autumn on health and social care and its impact on the NHS England’s Five Year Forward View strategy document. The strategy document was published by NHS chief executive Simon Stephens in 2014 and identified a projected £30 billion funding gap by 2020-2021. Stephens is a former Labour Party councillor, who later became an adviser to former Labour Prime Minister Tony Blair. The strategy was promoted as a panacea for eradicating inequality in health outcomes between the rich and poor. The most deprived people, for example, can expect to live in good health nearly 17 years less than their least deprived counterparts do.

In last year’s Spending Review, great play was made of then Tory Chancellor George Osborne’s announcement that the NHS would receive an additional £8.4 billion to plug the funding gap. That figure was a lie as even Health Select Committee chair and Tory MP, Dr. Sarah Wollaston, acknowledged. Wollaston said the “increase in health funding is less than was promised by the usual definitions.”

Total NHS spending will in fact rise by just £4.5 billion—half the amount Osborne announced. The rest includes money diverted to NHS England from the Public Health grant to Local Authorities and Health

Education England.

However, to even talk about an increase in spending on the NHS is misleading. To plug the funding gap, the NHS has been instructed to make savings of £22 billion by 2021, on pain of fines and takeovers by regulators.

Accepting the overarching strategy of the ruling elite that “efficiency savings” are required, the Five Year Forward View advocated Preventative Medicine as the key to realising these savings. However, the Public Health budget, which finances preventative health, is set to shrink from £3.47 billion this year to £3 billion by 2020/21.

The Select Committee concludes that neither the government nor NHS managers can provide “sustainable” ways of meeting the rising deficits.

The Select Committee findings are no less bleak when it comes to the training of new staff. Its assessment that Spending Review cuts on Health Education England come at a time when the “workforce shortfall is already placing a strain on services and driving higher agency costs” is an indictment of the criminal operation now underway to wreck the NHS.

The report describes how cuts in training for new doctors and nurses have led to staff shortages and reliance on more expensive, agency staff and that “We are deeply concerned about the effect of the cuts on the training budgets,” which takes effect next year. Nurses instead will have to fund their own training and living expenses by taking out loans, leading to debts of up to £52,000.

With one in three nurses due to retire in the next five years, and one in 10 nursing posts unfilled, ending bursaries will inevitably make worse the huge crisis in the supply of NHS staff.

The Select Committee report also expresses what is

obvious to all—that the NHS cannot implement the seven-day service in hospitals and GP (General Practitioner) surgeries demanded by the government, “given the constraints on NHS resources.”

The imposition of seven-day working without the necessary extra funding has met with huge opposition from health workers and the public. Junior hospital doctors have taken days of strike action, for the first time ever, against an inferior contract that increases their hours without remuneration and compromises patient safety. They recently rejected the British Medical Association’s (doctors’ trade union) recommendation to accept the government’s final offer before they imposed the new contract.

In Reviewing Social Care, the Select Committee writes that “historical cuts to social care funding have now exhausted opportunities for significant further efficiencies in this area.” In other words, and like most other sectors in the NHS, Social Care has been cut to the bone. In what the report refers to as “delayed transfers of care,” the discharge of old people from hospital after treatment is often delayed, because there are not enough places in recuperative care homes.

The report’s final verdict on Social Care is that “increasing numbers of people with genuine social care needs are no longer receiving the care they need because of a lack of resource.”

In relation to provision for Mental Health Services, the Select Committee warns that promised extra money to achieve parity for this poor relation “could get sucked into deficits in the acute sector.”

Not only are services being cut now, but funds earmarked for facilitating the changes outlined in the Five Year Forward View are being used to cover current account deficits. The budget for capital projects is also being raided.

Hospitals have been told by NHS England that they need to take whatever action is necessary to tackle the £2.5 billion deficit this year, the largest aggregate deficit in the history of the NHS. An example of the destruction this is leading to is at Stepping Hill Hospital in Stockport, northwest England, which due to a £40 million deficit is preparing to shed 350 jobs out of total staff of 5,000. In Scotland, Tayside health chiefs are planning cuts in jobs and services over the next five years to tackle a deficit of £175 million.

Such is the determination of the government to

impose austerity that Health Secretary Jeremy Hunt, one of the few Tory senior cabinet members to retain his post after Prime Minister Theresa May took up office last month, has instructed NHS England to abandon long-established NHS treatment targets. Waiting times for Accident and Emergency treatment and cancer referrals will be relaxed and hospitals have been told to ignore previous safety guidelines regarding staffing levels. One nurse per eight patients now no longer constitutes the absolute minimum safety level, but is the maximum ratio allowed.

A picture emerges of an NHS near collapse. For the ruling elite, its answer is more of the same. The House of Commons Select Committee concludes, “If the funding is not increased, there needs to be an honest explanation of what that will mean for patient care and how that will be managed.”

Department of Health Director Pat Mills is more forthright—that patients may have to pay to use the NHS by 2025.

Though making a hard-hitting assessment of the crisis overwhelming the NHS, the parliamentary report was a fraudulent exercise. It is a part of a softening up process to prepare the population for the break-up and destruction of the NHS. The report does not and cannot offer any progressive solution to the funding crisis, because the Select Committee that wrote it comprises MPs from the very parties, including Labour, whose policies have led the way in attacking the NHS.

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