

# “National crisis” facing UK National Health Service as deficits grow

Ben Trent

16 October 2018

In the latest quarterly report of NHS Improvement (NHSI), the combined forecast deficit of NHS trusts stands at a staggering £519 million.

NHSI is responsible for overseeing foundation trusts and NHS trusts, as well as “independent providers” operating within the NHS. This figure has been deemed “unaffordable” by NHSI. Trusts across England were already at a total deficit of £814 million at the close of June, roughly £80 million worse than the same time last year.

NHSI has noted that providers, for the first time, are carrying an underlying deficit of around £4.3 billion, if the non-recurrent “provider sustainability fund” is discounted.

The report details how successful trusts have been in trying to mitigate the continued cutting back of resources and the challenges faced—especially the continuation of the three-year trend in increased demand of an ageing population. The report details a 3.7 percent increase of A&E [Accident and Emergency] admissions from the same quarter in 2017/18.

Despite claims that two thirds of providers met budgeted targets last year, the deficit at the end of 2017/18 came in at £966 million. With the declaration by NHS Improvement that the current target is insufficient, the report states, “NHS Improvement and NHS England regional colleagues have been working with the most challenged health economies to identify actions to close the residual local planning gap.” In other words, already punitively reduced services need to be cut back even more.

The Kings Fund charity has demonstrated the impact of austerity measures on the NHS since they began to take effect in the financial year 2009-10.

The think tank reported that in financial year 2010-11 only 5 percent of NHS trusts overspent their annual budget. In 2015-16, an overwhelming 66 percent of trusts

were overspending their annual budgets. The figures throw into sharp relief the true impact of the austerity measures on the NHS. An additional £1.8 billion was made available to the NHS in 2016-17 in the form of the Sustainability and Transformation Fund, but 44 percent of trusts still posted deficits for the following two financial years.

Acute hospitals comprised almost 90 percent of those in deficit. The latest predictions would see an increase of trusts reporting “overspending,” affecting up to 49 percent of all trusts.

Any minuscule funding given by the Tories to the NHS is massively offset by the spending cuts. By 2021 under the government’s Forward View, the NHS must save £22 billion in “efficiency” savings. Moreover, most of the cash granted in the provider sustainability fund, currently set at £2.45 billion, is allocated to acute trusts providing emergency care, but receiving it depends on them agreeing and meeting stringent financial and performance targets.

NHSI suggests ways to make further cuts by considerably reducing long-stay patients (those in hospital for over 21 days) in acute hospitals. NHSI has called for a 25 percent reduction of long-stay patients by December 2018. This was a reaction to the crisis at the start of the year—brought on by government cuts—whereby collectively the country’s 137 trusts were reporting an average bed occupancy rate of 91.7 percent (above the recommended safe level of 85 percent).

In January, 68 senior doctors issued a letter declaring that they had “insufficient hospital and community beds and staff of all disciplines.” In addition, cuts in social care means patients who could be looked after in the community have to stay in hospital.

The report includes an operational performance overview, revealing that against all the principal metrics that NHS England/NHS Improvement are measured

against, the bodies are underperforming. This is with an exception of the 31-day wait from diagnosis to first treatment. These indices highlight the inability to process patients in sufficient timeframes.

Another revelation in the report is the almost 10 percent increase in NHS staff vacancies across this quarter. By the end of June, a total of 107,743 vacancies existed out of the 1 million staff employed by the NHS. According to predictions, this number will continue increasing throughout the financial year. With a staggering 41,772 nursing vacancies alone, the NHS is on a verge, as expressed by Siva Anandaciva of the Kings Trust charity, of a “national crisis.” The last three months alone saw an increase in nursing vacancies by 17 percent.

Royal College of Nurses (RCN) director Tom Sandford declared, “This report paints a bleak picture of rising demand and unsustainable workforce shortages, and betrays a huge over-reliance on bank and agency staff in England.”

The continued reliance on agency and bank staff is due to the rapidly increasing number of vacancies that are left unfilled. The use of agency staff is a major contributor in the overspending of acute hospitals. As NHS Improvement notes, “The overspending against pay budgets was caused by increases in temporary staffing with bank staff overspending against plan by £102 million and agency staff by £32 million. This continues the trend identified in 2017/18 of increasing use of temporary (especially bank staff) by trusts to manage workload in the face of increased demands, high levels of vacancies, sickness/absence and staff turnover. As a result of these pressures, overall spending on bank and agency staff is up by £134 million (11 percent) on the same period in 2017/18.”

A recent letter submitted by an anonymous nurse to *The Plymouth Herald* gives some indication why nursing staff are leaving the NHS in droves. It describes the experiences and the pressures felt by nursing staff. The nurse explains why she moved into the occupation and her love for the job, but that “something has changed within the NHS, community beds have been lost, smaller hospitals have been closed, mental health services have been starved of funding and jobs cut, funding has been cut year on year, these are just a few examples I can give. The numbers of acutely unwell patients coming into the emergency departments is increasing but the services and facilities available to us is [sic] declining.”

The letter continues, “You inform management about the unsafe nature of the unit and they give you a

sympathetic look, there is nothing they can do, every ward is exactly the same, there is no one to help.”

She adds, “You have no time to eat or even go to the toilet as your colleagues are just as busy as you are and they cannot cover your work load or cope with any emergency situations whilst you leave the unit, this has an effect on your own physical and mental health.”

The viciously cyclical nature of the predicaments facing the NHS and its workers are not merely symptoms of mismanagement. They are the outcome of a systemic attack on a public health service provider with the intent of bringing the 70-year-old institution into private hands. Huge chunks of NHS provision are already in private hands such as those under Richard Branson’s Virgin Care, which has won over £2 billion in NHS contracts.

The unions have not only proven ineffective in combatting attacks on the NHS but are complicit in them. As the WSWS reported, the “best deal in eight years” touted by the unions was a fraud. The subsequent anger and rebellion by NHS staff at the blatant sellout pay deal resulted in the resignation of the RCN’s chief Janet Davies, after an initial apology failed to placate hostile rank-and-file members. But the resignation and resulting standing down of the RCN’s leadership—after a no confidence vote in them by the membership—is simply an appeasement maneuver. The leadership insisted that it would not reopen a pay agreement that sees NHS workers forced to undergo an effective *pay cut* for a further three years.

The fight to defend the NHS cannot be conducted within the constraints of bureaucratic unions but must be organized independently of these appendages of management. Health workers should contact NHS FightBack to discuss taking this fight forward through the building of rank-and-file committees, independent of the unions and the development of a socialist programme to defend the right to free, high-quality health care for all.

*For further information visit:* [nhsfightback.org](http://nhsfightback.org) and [facebook.com/Fight4theNHS](https://facebook.com/Fight4theNHS)



To contact the WSWS and the Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**