

Press Release

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[For immediate release]



NHS trust deficits hit £2.2 billion – and rising

As Jeremy Hunt demands NHS trust managers clear deficits before they receive any of the £1.5 billion "transformation fund" in 2016-17, figures from a snap survey of trust board papers in early February by pressure group London Health Emergency show trust deficits are bigger than ever, with 138 out of 150 trusts in the red.

The total deficits for England's 150 acute trusts are now more than a massive £2.2 billion. Just nine trusts were in surplus, sharing a meagre total of £11 million between them, while three have not published figures on their websites.

10 trusts each face deficits of more than £40 million, while three have shortfalls in excess of £70 million, headed by Barts Health, the biggest NHS trust in England, with the biggest debt at a monster £134 million.

No less than 74 trusts are showing deficits above £10 million – the figure that triggered the crisis at mid Staffordshire hospitals in the mid-2000s, where management, desperate to clear deficits, sacked nursing and medical staff – reducing services to disastrously poor levels resulting in a national scandal.

A recent letter from Mr Hunt to foundation and NHS trusts now risks a further widespread repetition of similar cuts in staffing and reduced quality healthcare. Hunt has demanded that trust bosses "balance the books without compromising patient care" to stand any hope of accessing the limited new money allocated in George Osborne's Comprehensive Spending Review. He threatens that boards which fail to clear deficits will be removed and replaced – although it's far from clear how the many dozens of trusts now deep in the red could all be subjected to this treatment.

But it gets worse: further guidance from NHS regulator Monitor and the Trust Development Agency has urged trusts in deficit to agree actions including "headcount reduction" – in other words large-scale job losses. This could cause chaos in local services all over the country.

As the Mid-Staffs trust bosses discovered, larger sums can be saved more quickly by reducing numbers of higher paid nurses and doctors than by cutting back on lower paid staff: but the damage done to the quality of care can be equally severe and swift. All these panic moves run alongside Jeremy Hunt's attempts to create what he calls 'seven-day working' in the NHS with no extra staff and no extra money, by imposing an unsafe and unfair contract on junior doctors.

Responding to the figures Dr John Lister, Secretary of Keep Our NHS Public said:

"Five years of frozen funding under David Cameron's governments have reduced the NHS to a cash-strapped shadow of the service the Tories inherited when they took office in 2010. Hospital trusts are not just missing financial targets, but also missing targets for treatment of A&E patients, treatment of cancer patients, treatment of mental health patients, and struggling to discharge patients from hospital beds as a result of the brutal cutbacks in social

care implemented year after year in Tory spending cuts. There are desperate and growing shortages of GPs. Even Public Health budgets, to reduce future NHS costs by preventing illness and promoting good health have been slashed back.

“But the latest call for trusts to balance the books by cutting staff is a sure-fire recipe for growing waiting lists, waiting times, trolley waits and all the misery some of us remember from the grim Thatcher years in the late 1980s.

NHS funding has been frozen in real terms while the population has grown, costs have risen, and staff have become more difficult to recruit and retain as pay levels have fallen steadily further behind since 2010, resulting in soaring spending on agency staff. Dr Lister adds:

“The only way to get the NHS back on an even keel is for substantial increases in real terms funding, an end to the bureaucratic costs and fragmentation of the competitive contracting system imposed by Andrew Lansley’s disastrous health and social care act, and urgent steps to regain the trust and confidence of junior doctors and other healthcare staff, beginning with a reversal of Jeremy Hunt’s decision to impose his unsafe and unfair contract.”

[Ends]

Editors’ Notes

Keep Our NHS Public’s Campaigns and Press Officer is Alan Taman:

07870 757 309

press@keepournhspublic.com

healthjournos@gmail.com

Twitter: <https://twitter.com/keepnhspublic>

Facebook: Keep-Our-NHS-Public

JOHN LISTER can be contacted on 07774 264112, or by email at johnlister@healthemergency.org.uk

Keep Our NHS Public was formed in 2005 and has a broad-based, public membership. There are 46 local groups, plus a national association. It has the explicit aim of countering marketisation [1,2] and privatisation of the NHS by campaigning for a publicly funded, publicly provided and publicly accountable NHS, available to all on the basis of clinical need. It is opposed to cuts in service which run counter to these principles. Further details: www.keepournhspublic.com

[1] Davis, J., Lister, J. and Wrigely, D. (2015) *NHS For Sale*. London: Merlin Press.

Leys, C. and Player, S. (2011) *The Plot Against the NHS*. Pontypool: Merlin

Lister, J. (2008) *The NHS After 60: For Patients or Profits?* London: Middlesex University Press

Owen, D. (2014) *The Health of the Nation: The NHS in Peril*. York: Methuen, Chapter 4.

Player, S. (2013) ‘Ready for market’. In *NHS SOS* ed by Davis, J. and Tallis, R. London: Oneworld, pp.38-61.

[2] The belief that ‘competition is always best’ does not work when applied to healthcare. A comprehensive and universal health service is best funded by public donation, which has been shown to be far more efficient overall than private-insurance healthcare models

[Davis, J., Lister, J. and Wrigley, D. (2015) *NHS For Sale*. London: Merlin Press. Chapters 2 and 8.

Lister, J. (2013) *Health Policy Reform: global health versus private profit*. Libri: Faringdon.

Pollock, A. and Price, D. (2013) In *NHS SOS*, ed by Davis, J. and Tallis, R. Oneworld: London, 174.]