

HEALTH EMERGENCY

The Health Watchdog

www.healthemergency.org.uk

EMBARGO: Not for publication before 00.01 Wednesday February 10 2010

£400 per head to be axed from NHS budgets, as Regional health bosses prepare to share out £20 billion cuts

Seven of the ten Strategic Health Authorities in England have now mapped out plans for cuts totaling £15 billion over five years, according to documents on their websites and recent press revelations, according to health campaigners Health Emergency (see table below).

The remaining three SHAs (North East, Yorkshire and Humber and East of England) have yet to reveal the scale of their planned cuts, with some promising to publish plans in March. However estimates based on their current share of NHS spending suggest that they would bring the total to around £20 billion – averaging **almost £400 per head for every man, woman and child in England**.

The cuts form part of a drastic national cost-cutting plan for the NHS as the nine successive years of big real terms increases in health budgets end in 2011. NHS Chief Executive Sir David Nicholson, who has estimated the savings target at £10-£15 billion, has said that the situation is the most serious in the 62-year history of the NHS. A *Health Service Journal* article late last year suggested that cuts on the scale now planned could only be achieved by axing up to half a dozen hospitals in each Strategic Health Authority area.

By far the biggest cuts (averaging **£673** per head of population) have fallen on London, with West Midlands facing the next biggest at **£450** per head. Most other regions are looking at cuts of between **£290** and **£400** per head. The smallest cuts appear to be in the East Midlands (**£187** per head) but there the University Hospitals of Leicester Trust is already planning to axe 700 jobs to cut spending by £58m in the next year (£5m per month).

The pace in cutbacks has so far been set by **NHS London**, where health bosses have set out plans to slash spending by over £5 billion by **axing up to a third of hospital beds**, a wholesale **switch of A&E and outpatient treatment** away from hospitals to health centres and “polyclinics”, cuts of a third in the length of **patient consultation times with GPs**, and **cuts of up to two thirds** in spending on “non-acute” (primary care and community) services. Detailed plans in North East London spell out the need to **cut nursing costs by a third**, spending on **doctors by 40%** and other overhead costs by over 30%. Similar policies will inevitably soon be emerging across the country.

NHS North West has argued for “World Class Decommissioning”, and together with **NHS South East Coast** and **NHS Yorkshire and Humberside** are looking towards the 10% reduction in staffing proposed by last summer’s controversial McKinsey report.

The squeeze on hospital budgets will also cause a crisis for costly new hospitals funded under the controversial **Private Finance Initiative**, which imposes fixed, legally binding and index-linked “unitary charge” payments for use of the building, irrespective of the Trust’s income or ability to pay. With plans to reduce the “tariff” that fixes Trust income, an all-round squeeze on spending, cuts in the payments for additional A&E patients, and pressure to divert patients away from hospitals, Trusts with PFI hospitals will soon be struggling to balance the books.

All of these cuts to the NHS would be carried out whichever party wins the next election: both main parties have pledged to “protect the NHS”, but both have made clear that they would only increase NHS spending in line with inflation, not in line with growing demand for health care and inflated costs of drugs etc, which require an additional 4% each year.

Commenting on the figures, Health Emergency Information Director Dr John Lister said:

“Cutbacks on this scale threaten real problems across the country. There is no guarantee that any of the proposals put forward so far for diverting patients from hospital A&E and outpatients to health centres and polyclinics will save any money, let alone the massive sums needed. However we know they will definitely take vital funds out of hospital budgets. It seems certain that services, beds and whole hospitals will be forced to close, leaving patients with longer journeys to access health care.

“Thousands of health workers’ jobs could be axed in every region. But it’s clear that patients and the public are being deliberately kept in the dark as these plans for unacceptable cuts are hatched up behind closed doors.

“Obviously these cuts are driven first and foremost NOT by NHS or public sector failure, but by the deficit caused by the banking crisis. But instead of cutting wasteful spending on management consultants, profiteering private providers and pointless NHS bureaucracy, these cuts are biting in to the bone of basic frontline services. Health bosses everywhere must be told this will not be accepted.”

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How the cutbacks seem set to fall across England (from Strategic Health Authority websites)

	population	Budget 2009-10	Average spend per head	population as % of England	budget as % of England	efficiency saving target	Actual and estimated targets	Estimated share of £20bn	Average target per head	
	(million)	£ billion	£			£ billion	£ billion	%	£	
North East	2.545	4,999	1,946	5.1	5.6	?	1.0	5	393	Estimate
North West	6.827	13,181	1,907	13.6	14.8	2.0	2.0	10	293	
Yorks & Humber	5.038	9,319	1,781	10.1	10.5	?	2.0	10	297	Estimate
East Midlands	4.279	7,047	1,583	8.5	7.9	0.8	0.8	4.0	187	
West Midlands	5.334	9,345	1,725	10.6	10.5	2.4	2.4	12	450	
East of England	5.491	8,836	1,546	11.0	9.9	?	2.0	10	364	Estimate
London	7.428	15,060	1,976	14.8	16.9	5.0	5.0	25	673	
South East Coast	4.187	12,846	1,538	8.4	14.4	1.6	1.6	8	382	
South Central	3.922			7.8		1.3	1.3	6.5	331	
South West	5.038	8,357	1,602	10.1	9.4	2.0	2.0	10	397	
England	50.089	88,990	1,728			15.1	20.1		399	

(Source: SHA websites, Board papers, DoH statistics, Birmingham Mail. Compiled by Health Emergency February 2010)