

# HEALTH EMERGENCY

**March 3**  
**DAY OF ACTION**  
 against NHS cuts  
 and privatisation  
 Called  
 by NHS  
 Together



**'Nimby' Blairites run for cover**

**Bulletin of Hands Off Our NHS \* No.63 \* January 2007**

# MARKET MANIA DRIVES NHS CUTS

Thousands have been marching in cities, towns and villages across the country, protesting at closures of valued local health services and the way that local views and wishes have been so blatantly ignored.

As ministers bury their heads in the sand of comforting statistics, arguing that they are spending more than ever, and that services are improving, it is easy to draw the conclusion that they are mistaken or deceived, and do not really know the impact of the policies they are forcing through.

But the opposite is the case: Tony Blair and his team have a clear vision of the type of health service they want to build – no matter how much more it costs.

The harsh fact is that what they want is not a health service centred on the NHS as we know it, with public provision, and public planning and allocation of resources, but one based on the harsh laws of the market, with private sector involvement at every level, competition, and lavish profits as the scent to draw in the major private operators.

The plans for large-scale cut-backs in NHS hospital services outlined in various local "fit for the future" reviews are not the result of mistakes or misconceptions: they are part of a government plan to open up space for a new, expanded private sector that would not exist if it were not for Blair and New Labour.

The new waves of "Independent Sector Treatment Centres" that are being foisted upon local health services make their profits by scooping up a share of the



NHS budget – creaming off the most profitable and least risky waiting list operations and procedures which would otherwise use their local NHS hospital.

To make it possible for this new private sector to muscle in on work that was previously the preserve of the NHS, a new funding system was necessary – the so-called "payment by results" (PBR) system, with NHS hospitals paid only for the number of patients they treat.

**Cash diverted**  
 This means that every patient diverted to a private sector unit for elective treatment takes the money with them ... *out of the NHS*. Ministers like to describe this new arrangement as one which establishes "contestability" (a polite word for competition) – but the "contest" between NHS Trusts and ISTCs is profoundly unequal.

While NHS Trusts are excluded even from bidding for this work, the ISTCs get preferential long-term contracts which not only pay above the odds to cover start-up costs, but

also guarantee full payment regardless of how few patients are actually treated. And to make it even sweeter for the private sector: the only competition is between rival private profiteers over the carve up of the new cake.

The ISTCs take only the most minor cases, leaving the NHS with all the heavy costs of accidents, emergencies, urgent cases, complex and chronic treatment.

The loss of revenue has already cast doubt on the future of Oxford's prestige Nuffield Orthopaedic Centre, which faces a disastrous loss of elective work to a new ISTC run by Capio and other private sector outlets bidding for NHS work.

The Nuffield is a teaching hospital – and has been a crucial centre of research on new orthopaedic techniques: all of this is undermined by the private sector which offers none of this essential work.

Almost all of the expansion of private medicine in the last ten years has come through NHS-funded contracts. The market system this requires is now forcing the pace of rationalisation, centralisation and closures as the NHS is reduced to the bare bones of services the private sector does not want.

The stakes are high for 2007: but awareness is also high. Local services have always been stoutly defended by local communities: the task for the health unions and all those who value the NHS as a public service is to link up these campaigns into a nation-wide movement that can force ministers to take notice.



Andrew Ward

Steering Committee members of Keep Our NHS Public lead a march to Parliament as part of the November 1 NHS Together lobby.



In Suffolk (above) and across the country angry communities are on the march to defend local NHS hospitals – while in New Forest a brand new hospital not yet open is being privatised

## New Forest's new hospital privatised

A PFI-funded brand new hospital in the New Forest is to become the first NHS hospital to be put under the total control of a private company.

Half of the £36m hospital was initially offered to the private sector in the Department of Health proposals for a second wave of Independent Sector Treatment Centres in the autumn of 2005.

But now ministers have awarded a five-year contract to manage the entire hospital in Hampshire to the Partnership Health Group, a partly owned subsidiary of Care UK.

PHG will run all services at the 60-bed hospital, including the minor injuries unit, x-ray, urgent care and medical admissions.

The company will deliver about 40,000 emergency and non-emergency operations and procedures using medical and nursing staff seconded from the NHS alongside

their own employees. Lymington is also the first contract where the independent sector will be running urgent care services with a state-of-the-art medical admissions unit.

Karen Jennings, head of health at the public sector union UNISON, said:

"Handing over the running of the new hospital in Lymington represents a fundamental, seismic shift towards pushing entire communities out of the NHS and into the private sector. We fear this is just the first wave."

Hampshire PCT's area director told *The Guardian*:

"Healthcare at the Lymington New Forest Hospital will continue to be funded by the NHS and it will remain an NHS facility."

Care UK's board of directors until mid 2006 included one Ruth Carnall, now the new London Strategic Health Authority boss.

Many backbench Labour MPs have already shown themselves to be almost unbelievably servile and ready to defend Blair's reforms regardless of the level of local popular anger.

A UNISON demonstration through Nottingham last autumn against NHS job losses and service cuts, in a city where deficits total £60m, was unable to secure the support of a single local Labour MP – all of them balking at one line in UNISON's leaflet which talked of the "NHS on its knees".

Even one-time left winger Dennis Skinner has failed to lift a finger in the campaign against privatisation of GP services in the middle of his own constituency.

So it has come as something of a surprise to find Labour's Party Chair, Blairite Hazel Blears, among those protesting and picketing in her Salford constituency against the run-down and closure of local maternity and children's services – a policy driven by Hewitt and the NHS bureaucracy, and only recently rubber-stamped by the Strategic Health Authority.

Nearby, another prominent Blairite, Bury MP Ivan Lewis, a junior health minister ramming through the same policies up and down England, is also reported to have backed opposition to the same Greater Manchester plans, which would also close obstetric, neonatal and paediatric in-patient services in his constituency's Fairfield hospital.

Home Secretary John Reid some time ago prominently joined in a local campaign to defend his constituency's A&E services against cuts by his party colleagues in the Scottish Parliament.

Blears, Reid and Lewis are guilty of hypocrisy of the worst kind: as part of the New Labour machine they are demanding MPs back the government on closures in other constituencies across the country – regardless of local opinion.

But now they are trying to save their own political skins by jumping aboard bandwagons defending popular local services – a classic case of "not in my back yard"

If they were serious or consistent in their approach they would not only oppose and dissociate from government policy, but urge other Labour MPs to join them in a campaign for a change of course.

We challenge them to do just that: a mass revolt of Labour MPs would be the best way to maximise the pressure on Hewitt ... but certainly not the best way to win promotion and ministerial posts under Blair or Brown.

**2007**  
 Our appeal  
 for resources  
 to build the  
 fightback  
 – Back page



## Out of hours firm misses most targets

A private firm controversially awarded a contract to provide out-of-hours services in Cornwall is missing almost all of its targets.

The Kernow Urgent Care Service, run by Serco, is missing targets for emergency, urgent and non-urgent home visits, figures from the county's PCT show.

Only 55 per cent of emergencies received a visit within one hour in the peak holiday month of August. Minutes

from Cornwall and the Isles of Scilly PCT reveal the company has now reverted to a GP rota system formerly used by co-op KernowDoc to help overcome staffing problems.

The company has also vowed to 'use only English-speaking doctors', the minutes said. A spokeswoman for the PCT said the service had improved but admitted it had not been performing 'as well as could be expected'.



A show of strength in Cheltenham as Gloucestershire joins the fightback for local services

## Emergency treatment? Try it at home!

Most emergency patients currently admitted into hospitals with certain serious conditions should be treated in the community, according to a leaked DoH report.

But doctors hit back at once, arguing that the proposals which cover conditions such as ectopic pregnancy and pulmonary embolism, are unrealistic and seemed to have been used to justify A & E closures.

The NHS Institute for Innovation and Improvement's draft 2006 Directory of Ambulatory Emergency Care report suggests many more patients could be diagnosed, risk-assessed or given specific treatment allowing them to be discharged without admission.

It claims that 90% of current hospital admissions for pulmonary embolism, transient ischaemic attack and deep vein thrombosis, and up to 60% of ectopic pregnancies and patients with chest pain currently admitted, could be treated outside of hospitals.

A & E consultants said many of the interventions suggested were already routine in emergency departments, and that cutting admissions by a further 90 per cent would be extremely difficult.

Mr Jim Wardrope, president of the College of Emergency Medicine, told Hospital Doctor: 'To suggest reductions of this magnitude from current baselines is completely unrealistic.'

It's clear that latest DoH document is intended to be used to withdraw funding from trusts that are not treating more emergency patients in the community, and close hospital departments.

## Ambulance staff face redundancy

Yorkshire's ambulance Trust has sent redundancy notices to 400 NHS staff in management, administrative and support roles giving them 90 days' notice of redundancy if they could not secure redeployment.

The job losses appear to be the most extensive in the ambulance service, after the loss of more than 20,000 posts in hospital trusts across England.

## Down the pan

The Department of Health spent a massive £133m on management consultants last year – more than the £94m projected net deficit for the NHS this financial year.

## Blair wades into argument over A&E cutbacks and hospital closures

# Cash crisis prompts new drive to slash services

Up to 43 maternity units and 58 A&E departments are among the front-line services under threat as a new wave of cutbacks and closures begins to break over the NHS in the next few months.

NHS bosses across many parts of England are about to publish a succession of local plans for "reconfiguration" of services, many of them using the generic title "Fit for the Future", and driven by a mounting cash crisis hitting both Trusts and PCTs.

In many areas whole hospitals face the prospect of closure or being downgraded from fully functioning district general hospitals with a wide range of services including emergency services and in-patient beds, to "ambulatory care" units dealing largely or exclusively with day care and outpatient treatment.

Labour ministers have swallowed a specious line of research from the Blairite "think tank" IPPR which on the basis of an abstract number-crunching exercise, proposes the closure of up to 58 A&E units across England, with a concentration of emergency care in relatively few specialist units with a minimum catchment population of 500,000.

IPPR calculations claimed that this would improve care and save lives: but *Health Emergency* has challenged the government to identify a single one of the 29 major acute hospitals facing early closure or downgrading where the axing of key services isn't being driven by a major deficit in the local NHS budget.

Health Emergency also hit back at claims by the IPPR that local campaigns to fight A&E closures will leave a thousand patients dead on the streets: Campaigns director Geoff Martin said:

"The IPPR are nothing more than cheer-leaders for the New Labour government. Their attempt to smear and insult the tens of thousands of nurses, NHS support staff and members of the public who are out on the streets in their tens of thousands every weekend fighting for their local hospitals is a disgrace.

"It will simply spur more people on to join the campaigns to save A&E and maternity services."

The transparently barmy IPPR proposals – which take no account of current caseload or access issues, especially in rural areas – would axe A&E services in nine hospitals in Cumbria and Lancashire, seven hospitals in Northumberland Tyne & Wear and nine in London (five



of them in North West London).

They have enlisted the naïve endorsement from senior medics who seem oblivious to the implications of such cutbacks in the real world of today's NHS, but who are obsessed with the notion that those with the most serious life-threatening conditions would receive better specialist care in larger centres.

Such cases make up just 3% of the A&E caseload – while most of the remaining 97% would face a drastic worsening of care, with longer delays, longer journeys for treatment and more complex discharge from hospitals many miles from where they live.

Ambulance services – already under the cosh, with some services facing job losses to save money – would be stretched to breaking point in many areas, facing ever-longer journeys to find emergency treatment, and delays in handing over patients as bed numbers prove inadequate.

The notion of improved care in expanded regional centres

also begs the question of where the funding would come from to finance the necessary expansion and modernisation of the hospitals that remain.

Under the costly Private Finance Initiative even the newest hospitals lack any spare capacity to treat patients from outside their existing catchment area, and plans for many proposed "critical care centres" are likely to be downsized or abandoned as Trusts and the commissioning Primary Care Trusts attempt to cut back on spending and address deficits.

Epsom and St Helier in SW London, for example both seem certain to close the bulk or all of their district general hospital services – but the promised £250m PFI-funded replacement hospital and the promised additional network of local care hospitals seem unlikely to make it off the drawing board.

Similar "reviews" and plans are being hatched up all over the country – threatening popular local services in pursuit of balanced budgets while hundreds of millions are being siphoned from NHS spending to purchase over-priced operations from a new, parasitic private sector delivering the simplest risk-free procedures in profit-seeking "Independent Sector Treatment Centres".

A new ISTC is due to open in NE London in February, delivering up to 11,000 operations a year which would otherwise

## Blair's hard sell for closures

In early December Tony Blair joined in the clamour for hospital closures, arguing that the future of a tax-funded NHS is at risk if doctors and politicians lack the courage to act quickly to close hospital departments that no longer provide the best patient care.

In what the *Guardian* describes as "an apocalyptic address to local health chiefs", he said the NHS in England had "only one opportunity to reorganise accident and emergency departments and other key services".

He pledged government support for managers taking unpopular decisions which provoke the anger of placard-waving demonstrators.

Roger Boyle, national director for heart disease and strokes, said the NHS could save an extra 500 lives a year if patients in a critical condition were rushed by ambulance to specialist hospitals with state-of-the-art equipment



Credibility gap: Hewitt

and skills; but he did not address the negative impact on many tens of thousands with less serious conditions if they lose access to their local A&E.

Even the tired and discredited old notion of "regional trauma centres" has raised its weary head again, with Sir George Alberti, national director for emergency access, arguing that people who were seriously injured would get the best treatment in regional trauma centres staffed by teams of consultants



have been commissioned from NHS Trusts – leaving the NHS hospitals high and dry.

In Essex the threat of another, larger ISTC has resulted in the cancellation of two new PFI-funded hospital projects, in Colchester and Chelmsford.

As precious local services come under threat from half-baked and cynical proposals which are fit for the bin, the need for high profile and coordinated campaigns to fight back against the closures and at the privatisation agenda which is driving the New Labour 'reforms' becomes ever more urgent.

The regional protests called for March 3 by the 15 unions and organisations in NHS Together must be built into the biggest-possible show of strength, focused on the services and communities most at risk, and coupled with the demand for a national demonstration to give real vent to public anger at the chaos and carnage New Labour has brought to our most popular public service.

## Is your hospital on the hit list?

The Government has not produced a list of trusts where A&E departments have closed or are threatened. But the Tories say they have identified hospitals in 29 NHS trusts:

- Ashford and St Peter's Hospitals;
- Barking, Havering and Redbridge;
- Barnet and Chase Farm Hospitals;
- Buckinghamshire Hospitals;
- Calderdale and Huddersfield;
- East and North Hertfordshire;
- East Sussex Hospitals;
- Epsom and St Helier University Hospitals;
- North Bristol;
- George Eliot Hospital;
- Good Hope Hospital, Sutton Coldfield;
- Hinchingbrooke Health Care;
- North West London Hospitals;
- Oxford Radcliffe Hospitals;
- Pennine Acute Hospitals;
- Princess Royal Hospital, Haywards Heath;
- Queen Mary's Sidcup;
- Royal Free Hampstead;
- Royal Surrey Hospital, Guildford;
- Royal West Sussex;
- Sandwell and West Birmingham Hospitals;
- South Tees Hospitals;
- South Warwickshire General Hospitals;
- United Lincolnshire Hospitals;
- West Hertfordshire Hospitals;
- Whipps Cross University Hospital;
- Whittington Hospital;
- Worthing and Southlands Hospitals

## £1.2m bill for Mid Yorks "cost-cut" consultants

What do you do if your Trust is going down the pan but needs to make its finances look solid enough for a £250m PFI?

Lash out £1.2m on a major cost cutting review which results in hundreds of front-line healthcare jobs being axed in surreptitious fashion, avoiding redundancy payments.

That's what they have tried at Mid Yorkshire Hospitals NHS Trust, covering Dewsbury, Wakefield and Pontefract. Health unions have branded the spending on a Turnaround Programme at the Mid Yorkshire Hospitals NHS Trust as 'bureaucratic madness.'

In September the trust was advertising for two managers, one on around £73k a year and another on £80k, to see through the cost cutting review, at the same time as 93 staff, mostly managers, faced losing their jobs.

With all these consultants moving in, just what is there left for real NHS managers to do?

## 43 maternity units fight Hewitt's axe

Tens of thousands of people the length and breadth of England have been signing petitions and joining protests at plans to axe local maternity services.

Over 40 maternity units have found themselves at the sharp end of the government's new drive for "centralisation", despite all the windy rhetoric about delivering care closer to home and the importance of "patient choice. Two thirds of the threatened units are part of Trusts wrestling with deficits.

Indeed the government appears to be turning its back on its own promise to deliver more choice and increased numbers of home births: staff shortages among midwives have worsened as morale has collapsed and pressures on front-line staff increased.

Tony Blair's 2005 election manifesto promised that by 2009 all mothers would be offered a choice on where and how to have their babies. But as hospitals and smaller units close, fewer Trusts are now willing to support home births

Numbers of maternity units halved in the 30 years from 1973: the new round of closures threatens to leave a growing number of expectant mums with the prospect of 30-40 mile car journeys to have their babies in large, impersonal units.

The policy seems to be one of targeting midwife-led units and those with fewer than 3,000 births a year.

Already a dozen smaller midwife-led units, predominantly in rural areas, are closed on a permanent or temporary basis: another nine are perceived to be under threat by the Royal College of Midwives.

But more than twenty consultant-led maternity units, ranging in size from 1,300 births a year to 2,964 have also been identified as under threat of closure, reconfiguration or being downgraded to a midwife-led unit which would later become vulnerable to closure.

The drive towards ever-larger units flies in the face of positive experiences in France and Germany, where the largest maternity units deliver no more than 4,000 and 3,000 babies a year: instead the model seems to be Liverpool, which operates on a virtually industrial scale with over 8,000 deliveries annually.

A consultation document in

Surrey and Sussex suggested a target size of 4-5,000 deliveries a year, which would mean East Sussex would not be able to sustain one unit, let alone its present two, and would imply no more than six maternity units to cover the two counties.

The threat to well-loved and established local services has proved a central focus to local protests over hospital "reconfiguration": last month a petition with more than 10,000 signatures, and a protest march of 4,000 people opposed the closure of the unit at West Cumberland Hospital in Whitehaven, one of the smallest consultant-led units with just 1292 per year.

Greater Manchester has emerged as the pace-setter in the centralisation of maternity and children's services, with the closure of four maternity units and the closure of child and baby beds in five hospitals.

Three new "super centres" are to be based in Manchester's St Mary's, the Royal Bolton and Royal Oldham Hospitals, each to handle up to 6,500 births a year, while Trafford, Rochdale, Bury and Salford's Hope Hospital will all lose their obstetric, neonatal and paediatric in-patient services.



Maternity cuts can threaten lives too

Hope's is by far the largest of the midwife-led units now facing closure, along with its 12-bed SCBU and 9-bed neonatal intensive care unit.

The campaign to defend the Salford unit, which has mobilised over 29,000 signatures, is the one which drew Labour Party Chair Hazel Blears into controversial action, supporting a local protest.

● In Scotland hard-fought campaigns against similar rationalisation and centralisation that would have led to 60-mile journeys in the Grampian region have forced Health Minister Andy Kerr to halt the closure plans and ask health managers to review the proposals.

## Trusts face fines for too much care

New government plans mean that hospitals will face multi-million pound fines if they treat too many patients too soon – or too late.

NHS bureaucrats argue the fines are necessary to prevent hospitals "deliberately" carrying out too much work in order to generate extra cash. Oxfordshire hospitals are among those that have been warned.

Liberal Democrat MP Dr Evan Harris, argues: "Fining hospitals for treating patients when the Government's actual policy is payment by results shows how absurd today's NHS has become."

Ipswich Hospital Trust was one of the first to fall foul of its local PCT by attempting to work its way out of a cash crisis by treating patients more swiftly: instead of raising extra cash the Trust wound up £2.5m worse off as the PCT refused to pay up.

Hospitals across Merseyside and Cheshire have also been told they will be fined millions of



Campaigners from Oxfordshire, one of the longest-running Keep Our NHS Public groups, prepare to lobby MPs against cuts and privatisation on November 1



pounds if they treat patients too quickly.

Under new regulations PCTs will be able to fine hospitals up to 2% of the value of their contract for treating more than the agreed number of patients.

But in another wacky twist, it has also emerged that from 2008, PCTs will be able to levy similar fines if hospitals miss the Government's target for treating patients

within 18 weeks of GP referral.

■ Hundreds of operations could be postponed in Sheffield's adult hospitals to help Sheffield Primary Care Trust manage its £15.9m overspend.

Now, to save cash, PCT managers at the will ask Sheffield Teaching Hospitals Foundation Trust to consider postponing hundreds of routine operations. Delaying some non-urgent operations the hospitals could help the trust to better manage its finances, says Jan Sobieraj, the new chief executive at Sheffield Primary Care Trust.

The PCT will also ask if bills for hospital treatment can be made cheaper.

Other ways to help save money

would be for patients to be discharged into the care of their GP for follow-up treatment, rather than being referred back to hospital.

### Physios squeezed

Statistics show that one in nine people admitted to hospital last year needed physiotherapy; but a Chartered Society of Physiotherapy poll has found that seven out of every ten physiotherapists who graduated in 2006 had not yet found a job.

The CSP says that a need for more physios was identified in 2001 and training expanded to meet demand, but since then NHS cuts have meant the places are no longer available.

## Query over use of private hospitals

A coroner has criticised a scheme to use private hospitals to cut operation waiting times. Father-of-five Kehar Singh, 80, from Derby who suffered from heart problems, died in November 2004 from an infection, a month after undergoing a gall bladder procedure at a Nuffield hospital with no specialist cardiological department or intensive care unit.

He had been transferred to the private sector under a programme to bring operations forward for NHS patients, but this had been done without consulting his NHS doctor.

Mr Singh developed complications and suffered multiple-organ failure.

## National conference for NHS campaigners

20th January 2006 - 11am

Friends Meeting House, 173 Euston Road, London (opposite Euston Station)

Across the country local campaigns are starting up to protect local NHS services. We are inviting all NHS campaigners to come together to find ways to urgently intensify the pressure on the government to change their approach on the NHS.

There will be speakers to provide an overview on the political situation and on what we have learnt from the campaign so far, along with workshop sessions where campaigning ideas can be developed in smaller groups.

● Speakers include Tony Benn, John Lister, Jacky Davis and Sally Ruane.

We are inviting NHS campaigns to send up to 3 delegates. All remaining places are available on a first come first served basis and we welcome anyone interested in actively campaigning in support of the NHS.

To register for places send delegate names to [olivia@nhscampaign.org](mailto:olivia@nhscampaign.org)/01273 234822. There is a fee of £5 for each place.

More details from the KONP campaign, [www.keepournhspublic.com](http://www.keepournhspublic.com)

## Patient choice – it's bad for your health!

Patient choice may actually reduce quality of care, according to a government-commissioned study.

The damning indictment of the New Labour's drive to promote patient choice has been published by the Department of Health's own research group and highlighted by Doctor magazine.

The study, by the NHS Service Delivery and Organisation (SDO) research and development programme, concludes that disadvantaged patients are less likely to benefit from choice.

It also says severely ill patients, unlike 'consumers', are making choices under stress and, therefore, prefer a trusted clinician to decide for them. It says:

"There is evidence that a 'choice' policy may have

adverse or, at least, unpredictable consequences. Above all, there is a question mark over claims that the policy will improve equity of access to healthcare."

An analysis of previously unavailable data, cited in the paper, shows that the introduction of a quasi market in the NHS triggered an increase in mortality after heart attacks.

The Bristol University researchers also found that greater competition was associated with higher death rates after heart attacks.

And the SDO review shows that patients needing non-urgent surgery only want the option of choosing an alternative hospital if there is a long wait at their local one and there is a history of poor service.



## Essex NHS faces cash rip-off

Mercury Health, the healthcare delivery arm of struggling public sector outsourcing specialist Tribal, has won preferred bidder status for a "substantial five-year contract" to provide a range of surgical, orthodontic, rehabilitation, sexual health and family planning services to NHS patients in Essex.

It is already contracted to design, build and manage five other NHS centres for diagnostic procedures and surgery. Tribal said the Mercury deal was for 29,000 procedures and appointments annually in Essex: such a large new centre will have a severe impact on the elective budgets of NHS Trusts and Foundation Trusts in the county.

## Dodgy letter alert

Royal Surrey County Hospital's department of breast, general and melanoma surgery is warning GPs that correspondence they receive will not be checked for errors. The hospital, which has outsourced transcription of consultant letters to India, is piloting the move in order to "save time".

Baffled GPs have described the move as 'extraordinary'.



As high cost schemes face the axe

# Has PFI really had its day?

2006 was a year of mixed fortunes for the controversial Private Finance Initiative (PFI) the scheme through which private sector banks, building firms and developers design, finance, build and operate hospitals which are then leased back to the NHS over 30 or more years – at a handsome and guaranteed rate of profit.

On the plus side for its big business sponsors, the giant £1.2 billion Barts & London hospital project, scaled back by hefty last-minute reductions including leaving whole floors of the new building empty, finally got the go-ahead from ministers, and promises to provide a long-term income stream for its consortium's shareholders.

Already the mix of larger and smaller hospital schemes already operational are generating annual payments of £500m: that total is set to soar skywards as the bigger projects kick in.

And in the midst of the summer holidays New Labour ministers rubber-stamped another clutch of six schemes worth almost £1.5 billion, although several of them had already been drastically hacked back to make them appear more affordable.

● The cash-strapped University Hospital of North Staffordshire Trust, whose near £400m PFI scheme called for index-linked payments of £53m a year, was given the go-ahead for a scaled-down £272m scheme: and there have subsequently been severe doubts as to whether even this will go ahead, given the failure to agree a full business case with the West Midlands Strategic Health Authority.

● Walsall Hospital Trust is another which has downsized its plans to try to make the PFI project affordable: but the £140m scheme given the nod by health minister Andy Burnham in August will increase costs by £13m a year for the next 30 years, at a time when PCTs and ISTCs are scaling down the use of NHS hospital care.

● University Hospitals of Leicester Trust got the go-ahead for a massive £711m scheme for new and refurbished buildings, which has been revised and reviewed on numerous occasions. The Trust has been looking at options including postponing operations and freezing 160 posts to tackle a cumulative



"Give it to us straight. How long have we got?"

deficit of £42m: it's not at all clear how they will find the money to pay a PFI 'unitary charge' that could be as high as £100m a year.

But while some Trusts are counting the costs of successful bids, others are surveying the wreckage as cherished schemes crashed to earth with nothing achieved. In the summer, Colchester's Essex Rivers Trust scrapped a £167m scheme, after warnings from finance chiefs that it could lose up to 20% of its elective budget to a new ISTC planned for Essex, and lose more from its income under the controversial Payment By Results system.

In December neighbouring Mid Essex Hospitals trust axed a £140m scheme in Chelmsford amid similar worried over affordability.

Also in the home counties, West Hertfordshire has axed plans for an ambitious £550 million hospital in Hatfield, despite having already forced through the closure of A&E services and beginning the run-down of other services in Hemel Hempstead, concentrating all acute care in the condemned and crumbling buildings of Watford General.

Other PFI projects likely to face the axe under the current drive for cash savings and centralisation include the "critical care" hospital planned as a replacement for services at Epsom and St Helier, and the £350m scheme for Northwick Park in NW London.

It was the dimension of PFI as a book-keeping scam to hide the level of public debt that hit the headlines in September when government statisticians decided that just under £5 billion of the £48 billion capital value of PFI projects should be

incorporated into government borrowing, leaving the rest in the private sector – keeping the UK well within EU financing guidelines.

Shortly afterwards even the Conservative Party, who invented PFI, latched on to the huge cost of servicing the contracts: the NHS will pay out some £53 billion over the next 30 years to lease buildings with a capital value of £8 billion that are currently operational or under construction.

Around £16 billion of these payments will be for non-clinical support services – that that leaves £37 billion in payments for £8 billion investment – delivering a surplus to the private sector equivalent to more than four times their initial stake.

These inflated costs are already causing major problems to Trusts such as South Tees and Queen Elizabeth (Woolwich) which are paying out 20% or more of their turnover in rent to PFI consortia: PFI increased the running costs of the QE by £9m a year, compared with a publicly-financed project. Over 50% of Trusts with major PFI schemes are facing deficits, compared with an average 28% of all Trusts.

But even this underestimates the profitability of PFI, which also opens up windfall profits through refinancing of the initial investment as soon as the construction work is complete: Dartford and Gravesham Hospital trust is fork-

ing out 20% of turnover to a consortium that is making annual returns of more than 60%. In Bromley Hospital and in the notorious Norfolk & Norwich Hospital investors were able to scoop profits as high as 71% compared with a projected 16%.

It seems that as the spending cap is tightened on increasingly desperate NHS Trusts and PCTs, the rocketing costs of PFI and the expansion of private capacity in Treatment Centres could be the factor that finally kills off all but a handful of prestige projects, leaving NHS managers – like those in Barking Havering & Redbridge, who have just picked up a £36m a year bill for a new £238m hospital – scratching their heads on how to balance the books in Trusts where schemes have gone through.

■ Scotland has £602m worth of new hospitals funded through PFI, but these contracts are set to cost £2.4 billion over their lifetime. Now plans are being pushed through that would almost quadruple the value of PFI investment to £2.2 billion over five years – resulting in annual payments totalling over £500m a year.

Northern Ireland is also joining the PFI bandwagon, with plans that could rapidly add up to more than £2 billion in borrowing, with huge on-costs for Trusts faced with servicing the debt.



Romford's Queen's Hospital with standard PFI design features – and a £36m a year bill

## Romford's right royal foul-up

The new PFI-funded Queen's Hospital in Romford, which has just opened to replace Oldchurch and Harold Wood hospitals, will have 939 beds, with an option for another 60 – compared with the previous provision of 935 beds.

Harold Wood – once touted as the proposed site for a single site hospital for Barking, Dagenham and Havering – is now due to run down and close, with much of its remaining land sold off, resulting in much greater problems of access to care for residents in the outer areas of Havering and the London end of Brentwood.

But even as local MPs belatedly question whether the new hospital will be large enough to cope with the health needs of an ageing population in the boroughs of Barking & Dagenham, Havering, and Brentwood, plans are being laid to divert even more patients to Romford as part of the Trust's "Fit for the Future" proposals for a population of 700,000 in three London boroughs.

The plans, postponed to the new year, are being driven by the massive financial crisis confronted by the Barking, Havering and Redbridge Trust (which now picks up the bill for the £238m hospital in the form of annual index-linked payments of £36m for the next 30 years, despite an underlying cumulative deficit of £43m this year), and by the adjacent Whipps Cross Hospital Trust (forecasting a deficit of £33m by the end of the year).

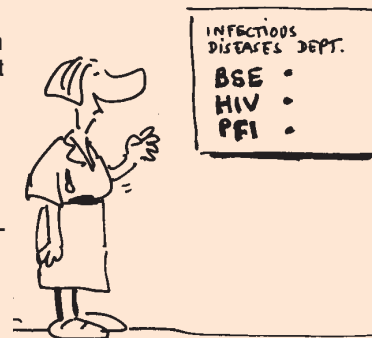
A recent audit letter to BHR bosses stressed that the Trust scores the lowest possible rating on financial management, financial standing and value for money, and not much bet-

ter on financial reporting or internal control. The Trust has repeatedly failed to hit savings targets or to improve its payment of suppliers.

Two of the PCTs in this swathe of "outer NE London" are also in deficit (Waltham Forest £1.5m and Havering £5.9m), and this helps explain the crazy alternatives that have been put before the half-cock 'consultation' process – all of which mean the run-down of existing hospital services to centralise care at the new PFI hospital, regardless of the problems of access and its lack of spare capacity to cope.

One scenario would reduce Whipps Cross to an "ambulatory only" hospital, but it seems that the favoured option is to downgrade King George's hospital in Ilford, which was only completed in 1993, to an "ambulatory care" centre, with a privately run "Treatment Centre" on site siphoning out vital revenue from the NHS Trust.

The Treatment Centre, due to open in February, is scheduled to take over 11,000 elective cases a year, every one of which will result in a loss of revenue to the BHR Trust and further destabilise NHS care in NE London.



Affordability issues were highlighted last summer when the chair of the flagship £422m University College Hospital London admitted that the costs of PFI were higher than expected, and urged the Trust and the government to investigate other ways of funding new projects.



## Mental health Trusts face cash-driven cutbacks

### £7.3m cutbacks dropped

Controversial plans to close mental health wards and day services have been dropped. Leicestershire Partnership NHS Trust, which runs the services, said it has found "less damaging" ways to save the money. In September, mental health bosses proposed a raft of measures to save £7.3m - including shutting day hospitals and in-patient wards.

The re-think came after pressure from patients' watchdog Leicester, Leicestershire and Rutland health scrutiny committee trust chief executive Maggie Cork had admitted the closures could lead to an increase in suicides and more patients having to be treated outside the county. Cuts that have already been put into effect will remain in place.

### Late developers

Mental health trusts have been warned by the Mental Health Act Commission not to cut acute beds until their community services are fully developed. In a report about bed over-occupancy, the commission found that in the year leading to July 2006 the national average for bed occupancy in acute admission wards visited was 101 per cent, while in London it was as high as 112 per cent.

### Private reservations

Paying for private medical treatment does not guarantee a safer or better quality of care than using the NHS, the health inspectorate said yesterday in its first analysis of the performance of the independent sector.

The Healthcare commission said it was concerned about mental health services in the independent sector, where 35% of establishments failed three or more of the 32 standards and 12% failed seven or more.

### Market failure feared

People with chronic mental illness will be worse off under new NHS, doctors say. Doctors fear that practice based commissioning and foundation trust plans could alter mental health services in England so much that

people with chronic mental ill health could suffer.

At a conference organised by the NHS Confederation in London last week they urged the government to remember that a balance of services between inpatient and community mental health services was necessary in its plans for reform of mental health services.

### East Enders clobbered

East London and The City Mental Health Trust plans to freeze 162, mainly nursing, posts until April 2007 when it hopes to be able to pay them again, in a bid to save up to £4.7m.

Among the posts being frozen are 50 registered and 40 unregistered nursing posts, according to Nursing Standard. The trust has begun by cutting the number of night nursing staff on wards from three to two, with one floating staff member working between two wards to cover for breaks.

### Ludlow laid low

Shropshire's PCT has ceased admissions to the Whitcliffe Ward for elderly and mentally ill patients at Ludlow Hospital, on the grounds of staff shortages. The decision has infuriated health campaigners who have accused the PCT of closing wards by stealth.

### Fair enough to cut back

Health minister Rosie Winterton argued in September that it was "fair" for mental health services to share the cuts even though many mental health trusts did not go over budget last year.

Her comments came amid concerns that 'stealth cuts' were already being imposed by primary care trusts which have gone hugely over budget, with mental health day centres, wards and community teams across the country now facing closure.

### Cambridge blues

The axe has fallen on mental health services in Cambridgeshire after Patricia Hewitt chose to back £3 million cuts, despite the opposition of councillors and campaigners who have opposed the savage cutbacks proposed by Cambridge City and South Cam-

bridgeshire PCTs and in February forced the Scrutiny Committee to refer the decision back to Hewitt.

After months of deliberation, Patricia Hewitt finally announced the Government will let the reductions to the Cambridgeshire and Peterborough Mental Health Partnership Trust's services go ahead.

Mental health services for the vulnerable in our local community for young and the elderly, including the Young People's Service which provides care to 16 to 25-year-olds will now face significant cuts. Beds and services temporarily closed and other cuts rushed through as part of the savings package will remain closed.

### PCT boss Wilts under pressure

In a totally unexpected move, on her last day working in Wiltshire, the embattled chief executive of two primary care trusts shocked staff and campaigners by announcing there would be no decision on whether as many as eight of the county's original nine community hospitals would close. But mental health facilities, including a unit in Trowbridge, remained under threat.

### Sun sets on Somerset

In Somerset the closure of the last six surviving beds at Bracken House, Chard's mental health unit, was approved at a meeting of the Somerset Partnership NHS and Social Care Trust to save money, though Director of social care Diana Rowe said it was not yet known how much money the move would save.

### Probe into £30m rip-off

At the end of August the Commons health select committee promised to investigate claims that more than £30m has been plundered from mental health budgets to bail out deficits in other sectors.

Mental health charity Rethink has been running a campaign highlighting areas where mental health budgets are being slashed, bringing together reports from Suffolk, Cambridgeshire, Cornwall, Nottingham, various parts of London, Sussex, Gloucestershire, and

Hertfordshire - where the Partnership trust, which has run at a surplus for four years, has been asked to contribute over £5m to help pay off debts in local acute trusts.

### South London campaign

Local MPs in Southwark and Lambeth responded swiftly to the UNISON-led campaign against mental health cuts imposed on the South London & Maudsley Trust (SLAM) by Lambeth and Southwark PCTs, and sought meetings with health ministers to pass on our concerns.

Both Patricia Hewitt and London Health Minister Lord Warner have been briefed on the depth of anger and concern at the proposals for £6 million of cuts in the first wave, with more to come this year.

The feedback suggests that the ministers have been ill-informed by their officials about what's going in mental health services in south east London.

It seems that all the local MPs - including two cabinet minister Tessa Jowell and Harriet Harman - conveyed the level of outrage that the SLAM cuts have generated.

The political system moves slowly but at least the facts about the cuts have now been laid out for the Secretary of State to consider.

The government have produced a "heat map" of areas of the country where the local opposition to health cuts is running hot - we will be working to make sure that mental health services in south east London are right up there in front of the politicians.

## GP agencies "holding NHS to ransom"

The New Year has begun with a number of highly publicised cases of private agencies hiring out doctors "on the lump" to the NHS - at huge cost to the taxpayer.

The individual cases attracting attention are simply the tip of the iceberg of a national failure to meet a key element of local health care provision.

A massive planning failure at both national and local level has created a situation where private GP locum agencies across the UK are now able to hold the NHS to ransom for the provision of out of hours cover - bleeding huge sums of money away from patient care, and adding to the financial crisis hammering Primary Care Trust budgets up and down the country.

Health Emergency will be working with MPs to formulate a series of questions to the Health Secretary aimed at establishing just how much the private locum agencies are creaming off from the NHS budget in each Primary Care Trust across the country - the figure is expected to run into millions of pounds.

Geoff Martin, Health Emergency Head of Campaigns, said: "It defies belief that a government that repeatedly lectures us on the need to provide health services in the community and in people's homes has allowed the out of hours GP service to collapse into such a state of chaos that private locum agen-

cies can effectively hold the NHS to ransom.

"We want to know how much money is being bled away from front line patient care in fees to these agencies - money that could be used to stop redundancies and bed closures at the sharp end of the service.

"A decade ago we campaigned to stop the nursing agencies ripping off the NHS by and charging fat fees to the hospitals and exploiting staff shortages. We're going back into battle with the locum agencies and will be lining up political support for this campaign over the weekend."

## More GP care to go private

Almost 60 per cent of PCTs in England could have brought in private firms to offer GP services by the end of next year, a Pulse survey of 51 PCTs reveals.

A total of 29 per cent of trusts have either already tendered for Alternative Provider Medical Services (APMS) contracts or are in the process of doing so.

A further 11 per cent have plans to tender next year and 21 per cent are considering it. Of those trusts to have already signed APMS contracts, more than three-quarters have brought in private providers rather than use existing GPs.

## Referral centres put the squeeze on 70% of GPs

Pressure on GPs to cut their hospital referrals is intensifying as the NHS gets ever more desperate to rein in mounting deficits.

A survey by GP magazine Pulse revealed that almost 70% of GPs are being subjected to policies aimed at cutting their referrals, with some facing attempts to cut them by more than 20%.

Referral management centres are the most popular method being used to hold down numbers sent for hospital treatment. Some 53% of GPs said their referrals were now going via these centres.

Oxford GP Dr Thomas Nichols told Pulse: "There is no way to know the impact on health, but there is a big nuisance factor for GPs and patients."

Dr Mohammad Mustafa, a GP in Fareham, Hampshire, said: "I have been trained to know what a patient needs and I am upset that my decisions are being challenged because of money issues."

25% of GPs had been set a specific target to cut their referrals. GPs experienced most problems referring to orthopaedics, where 44 per cent of GPs were having difficulties, and mental health (27 per cent).

One GP in three said they had had a referral bounced back because it had not been submitted in accordance with procedure.

Almost 30% cited cases where their referral had been deemed "unnecessary" and they had been asked to manage the patient themselves.

One GP in five had been told to re-refer because the procedure was available more cheaply elsewhere.

## Marchers fight to save Maudsley Clinic

Angry patients, workers and supporters of the campaign to Save the Maudsley Clinic handed in a petition with over 1,500 signatures in to the Department of Health on 12th December.

There were representatives from Southwark Mind, Cooltan Arts and the Southwark Pensioners Action Group among others, as well as Simon Hughes MP and Kate Hoey MP.

The emergency clinic is open 24 hours a day and anyone with mental health problems can simply walk in without a referral. So it is a very important resource.

The government argues that it is under used and that anyway people can go to King's College Hospital Accident & Emergency if they need help. This is obviously inappropriate. The threatened closure is part of the general attack on health services and cannot be allowed to go unchallenged.





With just two major acute hospitals, it's Suffolk's community hospitals that have faced closure

# Suffolk stiffed

Half way through the financial year - despite a succession of headline-grabbing measures to cut spending by PCTs by delaying patients' treatment, and raise revenue for Ipswich Hospital Trust by renting out its radiotherapy units to local vets treating animals - Trust and PCT deficits in Suffolk are still projected to be £49m.

At the end of 2005 UNISON Eastern region published a detailed survey warning that the cash gap facing the new expanded "East of England" Strategic Health Authority, covering Norfolk, Suffolk, Cambridgeshire, Essex, Bedfordshire and Hertfordshire could hit £200 million: in fact the deficit was even larger, at £214m, with 25 East of England Primary Care Trusts in the red by more than £1m, including four of the five Suffolk PCTs.

Suffolk has remained one of the Eastern counties most heavily hit by cash crises, service cuts, proposed closures and the looming threat of redundancies.

Suffolk's PCTs wound up carrying combined debts of £28.5m into the new financial year, while Suffolk's two main acute hospital

Trusts were also running large deficits, totalling almost £24m at year end.

In other words Suffolk, with just 12.4% of the population of the new East of England SHA, faced a massive 24.5% of the SHA's deficits in April 2006.

Even the Suffolk Mental Health Partnership, which was not in debt - indeed running a marginal surplus - was being forced into cutbacks to help balance the county's health economy.

Worse, the PCTs were projecting another year-end deficit, totalling £19.2m, while the acute Trusts

were projecting a combined £29.6m shortfall. If these figures are achieved, the county would account for 39% of the projected total for the whole East of England SHA, equivalent to more than £70 in deficit for ever man, woman and child in Suffolk.

The large geographical size of the county and long distances to the nearest alternative hospitals in Cambridge and Essex mean that there are no easy targets for rationalisation in acute hospital services, although that may not be enough to prevent the new SHA proposing drastic action.

## Herts acute failure

One of the areas hardest hit by NHS deficits, and by the drive for rationalisation of services is west Hertfordshire.

The area served by Hemel Hempstead hospital has been told it is to have a centralised "trauma unit" - but this will just be one full A&E unit instead of two units, housed in a condemned building in Watford General, in a very congested area, without any investment in either staff or state-of-the-art equipment.

There will certainly not be any angioplasty done there, and the so-called "super hospital" promised at Hatfield has been axed.

Around 160 hospital beds are to be lost, however community services are certainly not expanding, but facing cuts including a 50% cut in health visitors.

# Market chaos and cash crisis rip through Kent's NHS

The powerful forces tearing apart the NHS are all too apparent in Kent and Medway, which now comes under the new South East Coast Strategic Health Authority.

In 2006, UNISON members at the NHS Logistics depot near Maidstone found themselves at the sharp end of privatisation when they took strike action in protest at the organisation being handed over to DHL and Novation.

Meanwhile, across the NHS in Kent and Medway, a rolling programme of cuts, job-losses and "reconfigurations" began to take shape last year on a massive scale and at a frightening speed.

Darent Valley Hospital, in Dartford, cut 35 jobs as part of attempts to save up to £10 million.

Meanwhile, the hospital Trust is handing over £20 million a year - a fifth of its budget - to the private firm that runs the hospital under the Private Finance Initiative.

Medway Maritime Hospital shed 160 jobs in attempting to

cut spending by £12m. Meanwhile, the nearby privately-run Will Adams Independent Sector Treatment Centre is being paid for work it isn't carrying out.

Maidstone and Tunbridge Wells NHS Trust is looking for £17 million of savings in 2006-7. It has shed 300 bank and agency posts, and plans to downgrade blue-light Accident & Emergency facilities at Maidstone Hospital.

This has led to a storm of protest, with the local BMA voting almost unanimously against the plans and 2,500 people attending a protest rally. Maidstone also now has an Independent Sector Treatment Centre.

East Kent Hospitals Trust needs to save £35 million over two years and recover an overspend of £2.6 million.

It has axed 160 beds and is making cuts in many areas. Most nurses and other health-care professionals who graduated last summer from Canterbury Christ Church University have been told there are no local jobs for them.

West Kent Primary Care Trust is pushing through a "turnaround package" of savings totalling £9.6 million in the south of West Kent, including the loss of a quarter of Health Visitor posts.

Also, three out of four community hospitals in the area are facing closure.

And more cuts are expected in the north of West Kent, where a £19 million deficit has just been uncovered.

A radical, overarching review of health services in Kent and Medway, called "Fit for the Future", will soon begin and is expected to result in major cuts and reconfigurations.

This will supposedly be about "modernisation" and making services clinically "fit for purpose". In reality, it will be about making the local NHS fit for marketisation and privatisation.

A Kent and Medway branch of Keep Our NHS Public has been formed and links are being built with local anti-cuts campaigns.

For more information, see:

<http://www.nhskent.net>

## Gagging for health reforms?

Health chiefs in Kent have vehemently denied that they have rigged "consultation" procedures to gag campaigners and stifle resistance to controversial cuts and closures.

But they have been caught bang to rights with the publication of a leaked document proving that they have set out deliberately to bamboozle the public.

Like many other NHS Trusts and SHAs the newly-created South East Coastal Strategic Health Authority (SECSHA) has adopted the misleading slogan "Creating an NHS Fit for the Future" to describe plans which seem certain to involve a wholesale reduction in local access to hospital care, in the most far-reaching review ever of health services in Kent.

Behind the scenes, private consultancy firm McKinsey, who act as the shock troops of the Department of Health, have already been at work to begin identifying which hospital services in Kent and Medway must be lost.

In late October, the local NHS published a flimsy 8-page "Fit for the Future" discussion document, which claims the review is being carried out primarily to 'modernise' services and refers to "overspending" and the need to achieve "best value" but does not spell out the massive financial pressures on PCTs and Trusts in Kent.

A similar "Fit for the Future" review in Surrey and Sussex has provoked an unprecedented storm of controversy, with many thousands of people marching, signing petitions and forming campaign groups to save their local services. This has been dragging on since May - with publication of detailed proposals put back since November.

Desperate to avoid getting bogged down in similar a public-relations disaster, Kent bosses wanted to use surprise tactics, and rush their "Fit for the Future" through in just a few weeks, including Christmas.

The internal NHS document about their plans makes this crystal clear:

"It is urgent to complete these [meetings] before the engagement process leads to heavy media coverage or any active campaigning so that it is relevantly [sic] easy to recruit a representative sample of the population who have not been affected by any previous public discourse. Therefore it is intended to hold these events in mid-November."

In other words - NHS bosses wanted the meetings over and done with before anyone realized that the "review" is really about taking an axe to local services, and local communities begin protesting.

But they were not competent enough even to organise that properly, and so the fight has yet to begin in the weeks ahead.



Not the message the SHA wanted to hear

## Sussex united

Patients and staff from Worthing, Hastings, Eastbourne, Chichester, Haywards Heath and Brighton gathered outside a health summit meeting of the South East Coast Strategic Health Authority (SHA) to show their anger at possible cuts in hospital services.

They waved banners, chanted, blew whistles and sounded horns throughout the noisy two-hour demonstration in front of the Hilton Brighton Metropole hotel. Passing drivers showed their support, sounding their horns to the accompaniment of cheers from the crowd.

Those attending included patients, staff, union officials and councillors determined to make their views known. Groups taking part included Keep Our NHS Public, Keep Worthing and Southlands Hospitals, Support the Princess Royal Hospital, Support St Richard's, Save Eastbourne District General Hospital and Hands Off the Conquest.

## UK's largest hospital trust faces big cuts.

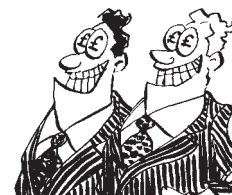
Britain's biggest hospital trust is set to announce sweeping job cuts and service closures in order to reduce spending by £50m over two years - the equivalent of axing 1,000 jobs.

Leeds Teaching Hospitals trust, which runs the Leeds General and St James's, the largest teaching hospital in Europe, balanced its budget for the past six years. A spokesman said the latest deficit was due to the new system of "payment by results", by which hospitals are paid a set national tariff for each operation. The trust is a regional centre for cancer and cardiac surgery. It treats about a million patients a year and employs more than 14,000 staff.

Its efforts to balance the books may well not be enhanced by the recruitment of consultancy services from Chris Appleby a former serial Chief Executive, who trousered £750,000 before scarping on 'retirement' from Pennines Trust which he had reduced to a state of crisis, incurring 'no confidence' motions from angry consultants as the finances went down the plug-hole.

Last autumn he pitched up as an advisor at a Trust Board meeting in Leeds, leaving local medics far from delighted: there is one job that many would happily see axed.

## Private sector moves in on South London



In another kick in the teeth for the NHS in South London the news has broken of a highly secretive deal between the government and a private company called Clinicenta (a 50:50 joint venture between Carillion and Australian-owned Lodestone Patient Care) to build a chain of private hospital facilities and clinics on NHS land south of the river.

The deal, reported to be worth £175 million over five years, will be one of the biggest Independent Sector Treatment Centre developments anywhere in the country. Clinicenta will deliver clinical services including ear, nose and throat, general surgery, ophthalmology, urology, trauma and orthopaedics at the new and refurbished facilities from April 2008.

Clinicenta would build two major surgical centres, one at St George's in Tooting and the other at Queen Mary's Hospital in Sidcup, supported by a network of eight clinics strung out across south London and providing diagnostics and post-op back up.

Queen Mary's had previously been floated as a possible candidate for closure as a result of its chronic financial problems and a one star rating by the Healthcare Commission in 2005: the new deal could result in it being preserved - but as a hidden prop for the private sector.

The shifting of more NHS cash into the back pockets of private companies is bad enough, but the damage that these centres will do to the NHS providers will be catastrophic.

Every patient they divert away from the NHS blows yet another hole in the financial stability of NHS units like Kingston, St George's and St Helier: trusts as far afield as Guy's & St Thomas's and King's College Hospital will also feel the draft as cash equivalent to £35m a year is sucked out of NHS budgets.

It's no wonder senior NHS managers are privately so worried about the impact of ISTCs. One Trust's managers have written to all their consultants warning them not to moonlight for private companies who may be looking to nick their caseload.

We can only presume that they are trying to spike the guns of outfits like Clinicenta.

# Fatter CATS



## Silver lining for new Hinchingsbrooke chief

Huntingdon's Hinchingsbrooke Hospital, with one of the smallest catchment populations in the country, was one of the names instantly in the frame as NHS Chief Executive David Nicholson took over, calling for up to 60 hospitals to be downsized or closed.

East of England SHA chiefs immediately instigated a "review", warning that at least one hospital was likely to go.

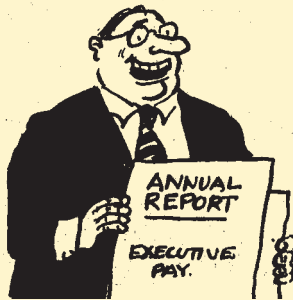
Hinchingsbrooke has run up a staggering cash shortfall projected at £30m by the end of March - 56% of its turnover. Its maternity unit also has one of the smallest caseloads of any consultant-led unit.

But as a modern hospital, serving a population that would face long journeys to any alternative hospital, it has been stoutly defended by a vocal local campaign, including a 1,000-strong demonstration last autumn.

However the Trust's crisis is not bad news for everyone: its chief executive Jane Herbert is doing very nicely, picking up £119,000 for a six month contract, equivalent to £238,000 a year.

The trust has defended paying her nearly £20,000 a month saying it offers "good value for money", although it is not clear what evi-

I COME TO A BRIGHT SPOT IN AN OTHERWISE GLOOMY YEAR..



dence there is for this..

Other staff were told last year their £250 long-serving bonus was being cut to save a few thousand pounds, and pronounced it another "slap in the face".

Herbert, who was directly implicated in a waiting list fiddle while chief executive of South Manchester University Hospitals Trust between 1998 and 2003, was employed by the Hinchingsbrooke in September as a consultant from Frontline Consultants, of which she is a director.

Hospital bosses had earlier paid KPMG £250,000 to come up with a plan to claw back £6.5 million in savings, which led to 21 staff losing their jobs and up to 200 being threatened with redundancy.

## Bosses' bounty on PCT cash savings

Amid all the crisis and confusion it is comforting to know that at least one section of the NHS workforce is set to prosper from every cutback and redundancy.

New pay scales for chief executives and senior managers in PCTs and Strategic Health Authorities earning £110,000 and above now link their pay to the financial performance of their Trust. Hospital Trust bosses are not included.

For PCT and SHA chiefs, hitting or exceeding their financial targets will bring bonuses - possibly as high as 10% of their basic pay. Falling short of target could result in them getting no increase at all, and scraping by on their salary.

With Gordon Brown leading the charge in demanding that most NHS and other public sector staff get below inflation wages increases, they have found a way to exempt these senior managers - and of course the growing army of highly-paid management consultants who are now congregating in "turnaround teams" in cash-strapped Trusts.

Last year NHS Trusts and PCTs spent £133m on this type of consultancy - contributing to the deficit while urging on the process of cutbacks in front-line jobs and services: we already know that even more will be wasted in this way this year.

Among the guests was Lord Patrick Carter of Coles, a member of Gordon Brown's Treasury Productivity Panel. Delegates paid just £150 for a conference ticket, leaving the DoH to foot the remaining £100,000-plus bill for the revelries.

Geoff Martin of Health Emergency, (perhaps furious at being left off the guest list?) said: "When frontline staff whose jobs are on the line find cash is being wasted on beans it will cause outrage."

A spokesperson for the DoH told the *Sunday Mirror*: "This was an important conference. There are strict rules in place to establish the most cost-effective way to run all events."



## London's NHS cash melt-down

Detailed analysis of Department of Health figures by pressure group London Health Emergency at the end of last year reveals that the projected deficits this year for London's NHS Trusts and Primary Care Trusts stacked up to a massive £303 million by the end of Quarter 2 - money that ministers have insisted has to be clawed back by March.

Almost a quarter of the 69 Trusts and PCTs face a worse financial problem than last year, and several face monumental deficits involving a very large chunk of their budgets:

- Bromley Hospitals Trust faces an 8.6% shortfall;
  - Kingston PCT is expecting to be 9.7% adrift;
  - Lewisham Hospital 9.8%;
  - North West London Hospitals 11.5%;
  - Whipps Cross Hospital 18.4%;
  - Hillingdon PCT 26.9%
- and the PFI-funded Queen Elizabeth Hospital in Woolwich is technically bankrupt, with a staggering 32.3% shortfall - generating a cumulative deficit of £65m by the end of March.
- However some of the figures published in this latest Department of Health round-up

appear to be overly optimistic, and it seems likely that further deficits will be reported in the final half of the year, posing huge problems for Trusts trying to rein in spending while facing the usual winter pressures and tough government targets for performance.

Commenting on the figures Dr John Lister of London Health Emergency said:

"This is a real old-fashioned winter cash crisis. And the figures still do not tell us the whole truth.

The Department's habit of adding together the possible surpluses of a small minority of Trusts and PCTs with the deficits which tend to be understated seems to make the problem appear more manageable than it is.

However, no NHS trust has been offered a bail out from a central pot - they are all being told to get it alone.

These huge deficits can only be resolved two ways: massive and damaging cuts that will devastate services, or government action to rescue the NHS in parts of London and many other parts of the country from the danger of melt-down."

## New Year exit for boss of key London crisis Trust

The Chief Executive of one of the NHS Trusts facing the most severe cuts anywhere in the country has stood down from her post with effect from Sunday 31st December 2006.

Epsom and St Helier has racked up debts of £24 million and is currently trying to bundle through cuts including 480 staff posts closure of 208 beds - nearly a quarter of their current total - in the teeth of major public and staff opposition which has seen thousands protesting on the streets of Epsom and Sutton in 2006.

The Trust is also looking to downgrade maternity services at Epsom in the new year, and is one of the targets on the government's list for closing services and moving to centralised care.

A plan to build a new critical care hospital to replace Epsom and St Helier is now in doubt and has been called in for further review by Health Secretary Patricia Hewitt.



"Which leg would you like us to amputate?"

cia Hewitt.

Campaigners fear that the Chief Exec's departure, the architect of the new hospital plan, will pave the way for the scheme to be ditched in the new year, along with other high-cost PFI hospital schemes.

Geoff Martin, Health Emergency head of campaigns, said:

"The sudden departure of Lorraine Clifton clears the decks for the scrapping of her 'Better Healthcare Closer to Home' policy

## Homerton axe

Foundation Trusts are also feeling the pinch as the cash squeeze tightens in the NHS.

Two wards for the elderly and five nurse specialist posts at Homerton University Hospital were axed in the run up to Christmas.

The 19-bed Cass ward and 22-bed Defoe ward have been replaced by a 13-bed rehabilitation ward as the hospital tries to counter a £6m predicted shortfall.

A hospital spokesperson told the *Hackney Gazette* that it was not a closure but an "efficiency improving merger".

## Threat to stadium A&E

In North West London, the Central Middlesex Hospital, a new PFI-funded building, right next door to the new Wembley Stadium, is in the frame for closure as the NW London Hospitals Trust struggles to clear its £26m deficit.

If Central Middlesex stays, Northwick Park in Harrow, with two Labour MPs in local marginal seats, would be the one to close, and scrap plans for its £300m PFI-funded rebuild.

This type of dilemma underlines the depth of the financial crisis facing London's NHS and the desperate measures health chiefs are cooking up behind closed doors to balance the books.

and the new critical care hospital to replace Epsom and St Helier.

"That was Ms Clifton's policy and now that she has gone the Trust are likely to dump it early in the new year.

"This is ominous news for local people. The path is now clear for the new Trust management to run down services at both Epsom and St Helier and we expect consultation to begin early in 2007. This is yet another example of crisis management stitching up services for local people behind closed doors.

"Epsom and St Helier Trust is being run like a bankrupt, lower-league football club where managers come and go like ships in the night, the board have lost any control and the local supporters of the hospitals are treated with total contempt.

"We need to be prepared for a long, hard fight to defend services in 2007."

## Banquets, fine wines, free bar, goodie bags 3am DoH bosses push the boat out

The Department of Health spent nearly £130,000 on a lavish 2-day party for 174 of the country's most important health leaders at The Chief Scientific Officer's Conference held at London's Russell Hotel.

They got a disco, a free bar, goodie bags and a mock 'Hello' cover featuring themselves, before spending the night in £290-a-night suites.

The event, attended by Patricia Hewitt, was organised by three of the DoH's senior Events and Exhibitions Department, dubbed the '3am girls' after the *Daily Mirror*'s showbiz columnists.

## Sick notes



# A crucial message to all our supporters for 2007

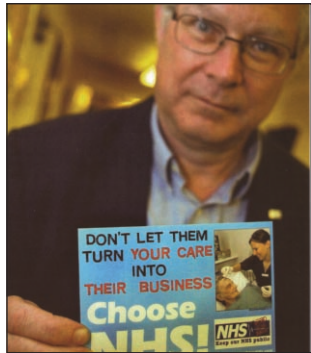
## Help us step up our campaigning work!

2006 was an extraordinarily busy year for London Health Emergency – and one result of this which many affiliates will have noticed was that there was only time and resources to produce and distribute one issue of our normal quarterly newspaper *Health Emergency*.

We apologise for this weakness – but we also trust that the many trade union branches, pensioners' groups and others that have remained loyal to LHE over many lean and difficult years will appreciate the work that was done over the year, with a dramatic increase in our local campaign work right across the country (from Newcastle to the South Coast, Bristol to Ipswich). Much of this work took the form of practical (and time-consuming) support from LHE for the building of the Keep Our NHS Public campaign, which has taken off as a nation-wide and broad campaign with individual membership, affiliations and at least 25 local groups in England, in addition to links with many other local campaigns.

LHE's John Lister, as one of the founder members of Keep Our NHS Public, has spoken at dozens of public meetings up and down the country, promoting the new organisation and offering an update and a response to government policies as they are unveiled.

Keep Our NHS Public has from the outset been politically independent of any of the mainstream or other parties, and open to all those health workers, community organisations, pensioners, academics and others who want a fightback that links resistance to the cuts with a



On the campaign trail: John Lister brandishes Keep our NHS Public postcard for Health Service Journal photographer

challenge to New Labour's privatisation agenda.

It has focused strongly on making hard-hitting information available to campaigners, and its website [www.keepournhspublic.com](http://www.keepournhspublic.com) is a treasure trove of resources including a fully searchable "news roundup" section, background briefings and campaigning advice.

Legal advice organised through KONP was key to the landmark victory by Derbyshire pensioner Pam Smith, who successfully sought a Court of Appeal ruling to overturn the award of a contract for private GP services in the pit village of Langwith to the giant US corporation United Health.

### Support needed

But it has not been possible to build a campaign on this scale without material support: and in the absence of any significant national level donations from the major health unions (only Amicus has been willing to make any serious contribution) it has been the NHS Consultants Association which has

generously and far-sightedly donated the cash to keep the operation afloat with its high quality research.

The next stage ahead really calls for a stepping up of the campaign effort: TUC unions have opted against calling a national demonstration on the Day of Action fixed by the NHS Together coalition as March 3 – but building significant regional and local action on that day requires resources and a sustained press campaign.

KONP and its network of campaigners must play a central role in this work, and the trade unions really ought to recognise the value of the work that it is doing in defence of their members' jobs and services.

LHE has also been active working directly with unions in the Hands Off SLAM campaign, and mobilising protests in Epsom & St Helier. And in its own name LHE has also been more actively pushing the issue of NHS policy to the top of the media agenda, with press releases and comment.

As part of this work over the last 6 months or so many local supporters will have seen the familiar name and face of Geoff Martin, who worked full time for LHE for 17 years, now back employed by the organisation on a freelance basis as Head of Campaigning.

We want to make sure that we produce at least three issues of *Health Emergency* this year – and have pulled out all the stops to get this one off the press early in January.

But to achieve that we need resources – we need support from all our affiliates and supporters. It is now almost 10



Chichester protestors set political correctness aside to tell us how crazy they think local health planners are to consider closing their A&E

years since we received any of the local government funding that used to underwrite the general running costs of LHE and enable us to carry out regular research.

Now all our funds come either from commissioned research and publicity work – whether this be branch newspapers for UNISON branches, responses to consultation documents and 'Fit for the Future' proposals – or from donations.

### Sign up for 2007

So here is our appeal – please make sure your branch decides now to affiliate (or reaffiliate) to London Health Emergency for 2007, and make as generous a donation towards our campaigning war-chest as you can afford.

This will ensure we can keep up the media work, the press releases, the campaigning and support for local activity across the country.

You may also want to take out a supporters' advert in our next issue, which will be out in April: if so, give John Lister a ring on 07774 264112.

We want to thank those organisations which have stuck with us and generously supported LHE from the beginning, enabling us to reach our 24th year of battling against cuts and privatisation: we think it is obvious that our work has never been more necessary.

Please give us your support – so we can ensure we can keep giving ours.

## Leaked paper reveals NHS workforce planning shambles

As they whittle down the NHS workforce this year, with some Trusts seeking to save as much as 10% of their pay bill, NHS managers should expect to face shortages of key staff in a couple of years time.

That's the wacky conclusion to be drawn from the draft of the NHS pay and workforce strategy for 2008 – 2011, leaked to the *Health Service Journal*.

It predicts a massive oversupply of hospital doctors, and a shortage of nurses, within four years as ministers zig zag from one extreme policy to the next.

But it also makes clear that the Department is expecting a "sharp" reduction of almost 3% in staff numbers this year – equivalent to almost 40,000 jobs, even as ministers argue that few actual jobs have been axed in the latest rounds of cuts.

The latest figures published by LHE show that over 22,000 job cuts were announced by Trusts during 2006.

Among these have been highly qualified nursing staff who will be needed for new systems of health care in future years.

The DoH document, the final version of which will feed into Gordon Brown's comprehensive spending review this summer, reveals:

- a shortage of 14,000 nurses – after nurse training capacity has been slashed back, and despite the large numbers of newly qualified nurses who cannot find NHS jobs this year.
- an excess of more than 3,200 more hospital consultants

than the NHS can afford

- a shortage of 1,200 GPs;
- a shortage of 1,100 junior and staff grade doctors.

■ an excess of 16,200 allied health professionals, healthcare scientists and technicians – again flying in the face of the current pattern of shortages coupled with unemployed new graduates.

Strangely, the galloping surplus of management consultants and senior managers does not seem to merit any comment.

The document discusses a number of possible solutions to the problem – but many are extremely controversial, and involve dumping the problems back on to the NHS workforce.

Ideas include:

- encouraging the creation 'more cost-effective' roles at a level below that of consultant roles – a move which it acknowledges would be 'bitterly opposed by the British Medical Association'

■ 'managing down' the supply of allied health professionals – jobs like that of physiotherapists, healthcare scientists and technicians;

■ encouraging more use of fixed-term appointments and temporary staff to cope with expected fluctuations in demand

■ encouraging increased investment in nurse training

Interestingly Department of Health bureaucrats warn of a real prospect of industrial unrest if Gordon Brown sticks to his insistence that pay increases this year are capped to 2% – well below real inflation levels.

Advertisement

**JOIN THE RESISTANCE**

# Affiliate for 2007

London HEALTH EMERGENCY



London Health Emergency, launched in 1983, has remained in the forefront of the fight to defend the National Health Service against cuts and privatisation.

We work with local campaigns and health union

**PLEASE AFFILIATE** our organisation to **Health Emergency**. I enclose £15  £25  £... I also enclose £10  £20  for extra copies of the paper, and a donation of £... Value of cheque £ .....

**NAME** .....

**ADDRESS** (for mailing) .....

**ORGANISATION** .....

**Position held** .....(Cheques payable to LHE)

branches and regions all over England, Wales and Scotland, helping to draft responses to plans for cuts and closures, analyse local HA policies, design newspapers and flyers, and popularise the campaigning response.

The campaigning resources of Health Emergency depend upon affiliations and donations from organisations and individuals.

If you have not already done so, affiliate your organisation for 2007: the annual fee is still the same as 1983 – £15 basic and £25 for larger organisations (over 500 members). Affiliates receive bundles (35 copies) of each issue of *Health Emergency* and other mailings.

■ Additional copies of *Health Emergency* are available: bundles of **75 for £20** per year, and **150 for £40**.

■ Affiliated organisations also get a generous discount on LHE publicity and research consultancy services.

Send to LHE at 213, Church Rd, Hayes, Middlesex UB3 2LG PHONE 020-8573-6667 (office answerphone). Urgent calls: John Lister 07774-264112. Geoff Martin 07831-465103 email [news@healthemergency.org.uk](mailto:news@healthemergency.org.uk)

### Join Keep Our NHS Public

- Annual membership £10/£5 waged/unwaged.
- Trade union affiliations: £30
- Local health and anti-cuts campaigns £20
- Pensioners groups £15
- Regional organisations £100 ● National organisations £250



I want to join/affiliate our organisation to Keep Our NHS Public. I enclose a membership fee of £..... plus a donation of £..... Cheque total £..... (payable to Keep Our NHS Public) [delete as appropriate]

Name .....

Address for mailings .....

Postcode .....

Phone ..... Email .....

Organisation (if any) .....

Position held .....

Send completed form to us at: Keep Our NHS Public, c/o NHS Support Federation office, Community Base, 113 Queens Road, Brighton, BN1 3XG