

SAVE NHS



Factsheet

NHS Funding under the Coalition

- Contrary to government claims NHS funding has not increased under the coalition. Funding has remained the same since 2010-11 in real terms. (Health Committee).
- The Nicholson challenge to make £20bn efficiency savings over five years is larger than any efficiency savings ever achieved in a health service, either in the UK or abroad.
- The Parliamentary Health Committee has described the savings as being met through short-term fixes and salami slicing cuts (particularly through cuts to staff pay and conditions and reducing the value of tariffs paid)
- £1.4bn (1.3%) of the total NHS 2011-12 budget £106.8bn was not spent and returned to the Treasury. This money has not been reinvested in indebted trusts suggesting that the government is letting them fail. E.g. South London Healthcare NHS Trust (SLHT) has debts of £150m which are being used to justify closing large parts of Lewisham hospital services.

Did the NHS need reform?

- Before the Tory-led coalition came to power the NHS had its highest approval ratings on record (70% in 2011). This has rapidly fallen since the coalition took office (58% in 2012)
- In 2010 (latest data available) the UK spent 9.6% of GDP on health. This was slightly above the OECD average (9.5%) but far less than many comparator countries such as Germany (11.6%) France (11.6%), Canada (11.4%) and the US (17.6%).
- In comparison with the healthcare systems of six other countries (Australia, Canada, Germany, Netherlands, New Zealand and USA) the NHS was found to be the second most impressive overall by the Commonwealth Fund in 2010.

What the Health and Social Care Act 2012 means

- The government's duty to deliver a comprehensive public health service has been removed. (Alyson Pollock 2013)
- The Health and Social Care Act "cut bureaucracy" by turning 175 organisations into 400.
- The chaos caused by the transition has an estimated cost of between £1.5bn and up to £3bn.
- The Act forces all NHS trusts to become Foundation Trusts, making them operate like private businesses with the ability to make up to 49% of their income from private patients and locally determine pay and terms for staff.
- It will lead to rapid privatisation of the NHS in England through the extension of the purchaser provider split and the extension of competitive markets. The new Clinical Commissioning Groups (CCGs), Clinical Support Units (CSUs) and the NHS Commissioning Board are now the main

drivers of the NHS market.

- The privatisation of the NHS is currently being extended further through secondary legislation amending section 75 of the Act which enforces compulsory competition and privatisation in all elements of the NHS.
- It introduced Any Qualified Providers (AQP), i.e. private providers that can receive NHS funding to deliver services to patients that “chose” them.
- Conflicts of interest inbuilt into the system including through the privatisation of commissioning functions and the involvement of private companies in GP surgeries.

Competition and Privatisation

- 10% of GP surgeries are run by private sector companies
- 105 companies have been licensed to private community services under “Any Qualified Provider” (AQP) rules.
- 36% GPs on CCG Boards having conflicts of interests resulting from directorships or shares held in private companies. (BMJ, 14 March 2013)
- In a recent Unite survey of 2500 Unite health sector workplace reps across the UK, 36% said that part of their local health service was currently being contracted out to the private sector, while 39% said that they did not know.
- The survey highlighted a range of companies including the following that are currently delivering NHS services: Boots, Capita, Care UK, Carrilion, Circle Care, G4S, Lloyds, Mckesson, Sainsbury’s, Serco, and Virgin Care.

PFI

- The government believes that there are 22 NHS trusts at risk because of PFI. (Private Finance Initiative)
- PFI hospitals cost £12.2bn in original capital expenditure but will cost the tax payer £70.5bn at the end of the contractual term (NHS SF).
- This is £53.1bn more than if the government had borrowed the money directly (2.5% bond issue over 30 years) and £47bn more than if they had taken a high street mortgage (5% over 30 years) (NHS SF).

Staff

- NHS salary increases were below inflation in all but 8 months since April 2006.
- 46,000 staff that will transfer to new organisations and local government in April.
- Staff are currently facing a range of cuts to their overall terms and conditions over and above pay caps. These include cuts to on-call, sickness allowance, pensions, recruitment and retention premia, performance related pay, overtime and shift allowances. Some Unite members have reported cuts to take home pay of around 30%.
- Morale in the NHS is extremely low.
- Some trusts are trying to break away from the Agenda for Change National Agreement, most notably in the South West.
- In January 2013 the CQC issued 17 hospitals with warnings about dangerous levels of understaffing