

British National Health Service faces escalating crisis due to chronic underfunding

By Dennis Moore
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The British National Health Service (NHS) is in the midst of an escalating crisis caused by prolonged underfunding and a surge in demand this winter. Patients face extremely long waits, and many hospital trusts are unable to provide adequate care.

At least 21 trusts—responsible for multiple hospitals—have reported this week that they are on “back alert,” meaning they cannot guarantee patient safety and provide the full range of their services. Many other hospitals are severely strained.

British Prime Minister Theresa May and Health Secretary Jeremy Hunt both issued statements this week seeking to deflect growing public outrage.

On Sunday, Bob Kerslake, chairman of the board of Kings College hospital trust in London, resigned from one of the UK’s largest NHS trusts. He tweeted, “[T]he Govt & regulator are unrealistic about the scale of the challenge facing the NHS & the Trust. I want to pay tribute to the staff & their excellent patient care.”

Kerslake quit after a long dispute with the NHS watchdog over finances, saying that ministers are in denial about the reality of how much extra money the NHS requires. A senior figure in British politics and head of the civil services as recently as 2015, he resigned just days before NHS Improvement, which regulates the health service’s finances in England, was to put Kings College into “special measures” because the hospital had not been able to meet its budget for this year.

The hospital had agreed a plan with NHS Improvement that it would have a deficit for the year of £38 million. Instead, the deficit is likely to be in the region of £96 million.

In an article written for the *Guardian*, Kerslake explained that he was standing down because hospitals are being asked to meet unrealistically demanding

savings targets.

Kings has drastically reduced spending on expensive agency staff and consultants. However, the overall financial situation has gotten worse since it took over the running of the troubled Princess Royal hospital in Bromley in 2014. In the last two years, the hospital has made savings of £80 million, twice the average of other hospitals, yet has not in any way resolved the financial crisis it faces.

Kings is one of the busiest hospital trusts, serving a population of over 1 million people in southeast London. It is considered a centre of medical excellence, with specialist expertise in several areas, performing well on cancer waiting times, with some of the best health outcomes in the country.

The hospital serves a diverse and often deprived community. It was one of the capital’s leading trauma centres treating the victims of the Westminster Bridge and London Bridge terror attacks, and those affected by the fire at Grenfell Tower.

Kings, like many hospitals across the UK, is facing an increased demand on services, while having to face increased costs for drugs and medical supplies.

The chief executive of the NHS, Simon Stevens, had asked for an extra £4 billion a year from the government. What was offered in the Chancellor of the Exchequer Philip Hammond’s recent budget fell far short of this, a mere £1.6 billion. There was no increased spending for social care, which has faced unprecedented demands and is at breaking point with a funding gap of £2.5 billion.

Following the budget, Stevens said the refusal to pay the £4 billion needed by the NHS for 2018-19 would lead to increased rationing of care, increased waiting times, and “painful” choices about what a cash-strapped health services could and could not

afford.

Professor Anita Charlesworth, director of research at the Health Foundation think tank, backed Kerslake's claim that the financial problems in the NHS were due to underfunding. "Hospitals in the NHS are caught between a rock and a hard place. Emergency admissions have increased by 3.4 percent in the first half of this year, there is a shortage of 30,000 nurses and it has proved really hard to free up beds occupied by people who are medically fit to leave but need social care support," she said.

The NHS Confederation represents 240 trusts in England and has urged the government to ditch its policy of giving the NHS small increases, saying it deserved a greater share of national income.

Niall Dickson, the confederation's chair, said that Hammond's £1.6 billion increase is what the NHS needs just to stand still for the coming year 2018-19. Total health spending in England for the year 2017-18 is nearly £124 billion and is expected to rise to over £127 billion by 2020-21, taking inflation into account.

A report by the National Audit Office in 2016, "Financial Sustainability of the NHS", found that for the years 2015-16, 66 percent of NHS trusts and NHS foundation trusts (156 out of 238) were in deficit.

Several years ago, the NHS was asked to find £22 billion in savings by 2020.

Health experts from the Nuffield, Health Foundation and Kings Fund have said that tight spending in recent years and increase in demand for services have been "taking a mounting toll on patient care." They add that there is "growing evidence that access to some treatments is being rationed and that quality of care in some services is being diluted."

A joint statement by the three institutions in response to the government's autumn budget raised grave concerns about the impact of seven years of austerity, a growing demand for services, and the devastating toll this is taking on the NHS. The Care Quality Commission (CQC) 2017 State of Care report has warned that health and care services are at full stretch, and some services have deteriorated. Key waiting time standards are routinely being missed all year round, with the four-hour waiting time for treating patients in A&E not being met since July 2015.

The 62-day standard for beginning treatment for cancer following an urgent referral has not been met for

three years.

In July 2017, there were 900 patients with acute mental health needs that were inappropriately placed outside their local area, due to a lack of available inpatient beds.

The CQC notes that the care that patients receive across England is mostly good, and is due to the efforts of NHS staff, who are delivering compassionate care in challenging circumstances. Yet the delivery of good quality care cannot be predicated on the compassion of overworked NHS staff in the absence of properly funded services.

The official narrative pumped out about targets and inefficiency stands in stark contrast to the fact that productivity in the NHS is actually improving by 1.7 percent a year, and is outperforming the wider economy. Yet this will not resolve the underlying crisis, with the lack of funding.

Sally Gainsbury, senior analyst at the Nuffield Trust, said, "I don't think this is a story about Kings. I think Kings is the canary down the coal mine."

Hospitals had been asked to cut their costs in real terms by 4 percent annually since 2011, which was "the equivalent of spending this year £750 in real terms on a patient that you would have spent £1000 on in 2010."

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