The lowdown

Health news and analysis to inform and empower NHS staff and campaigners

Past mistakes repeated in academy-style hospitals proposal

Almost identical reports in the Times and Daily Mail that Sajid Javid "is planning to set up academy style hospitals," potentially run by the private sector (coyly described as "outside sponsors"), are clearly much more linked to the task of supplying "red meat" to Tory back bench headbangers than any serious attempt to tackle post-pandemic waiting lists.

They also confirm that Tory politicians, especially bankers like Javid and Rishi Sunak, just don't get the fact that running an NHS general or teaching hospital is unlike any other management task outside the NHS. This failure was also shared by New Labour ministers who first experimented with privatised management.

Javid's demonstrated his ignorance by his decision last October to bring in General Sir Gordon Messenger, who led the Royal Marines' invasion of Iraq, to lead an overhaul of NHS management.

Javid's main concern in his speech to last year's Tory conference, was "to stamp out 'waste and wokery,' while also casually threatening to sack NHS managers who failed to reduce waiting lists.

But while the right wing press always delights in speculation there could be "a cut in the number of highly-paid managers," achieving these cuts has been difficult, since there is no ready source of people to replace them.

The combination of organisational complexity, political sensitivity, constant pressures on services, the constraints of cash limits and the potentially lethal impact of staff shortages mean managing NHS hospitals has no similarity to running any ordinary business, or running private hospitals in this country.

That's why the two previous small–scale experiments with private management (Good Hope Hospital, franchised out by New Labour back in back in 2003 to management consultants, and Hinchingbrooke Hospital, handed over to Circle by the Tories in 2012) both ended in total and costly disasters – and took years for the NHS to sort out afterwards.

Management of Good Hope Hospital Trust, then a 550-bed general hospital, was contracted out on a 3-year deal to management consultants Secta, who installed a chief executive, Anne Heast, on £225,000 a year – up to £80,000 higher than the going NHS rate. The company jacked up its own fees

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by 48% in the first year, despite also racking up deficits.

The contract – which offered no provision for the Trust to terminate early, or enforce penalty clauses for failure – was wound up 8 months early when Ms Heast left for another job after a period of utter chaos in which, far from sorting out the Trust's financial problems, it haemorrhaged money at £1m per month, and was headed for a £47m deficit. The Audit Commission report on the contract revealed a managerial shambles and noted: "The franchise arrangement … was only partially successful and introduced significant extra costs to the Trust."

The management was handed over to the neighbouring Birmingham Heartlands Trust, which brought in £21m of cuts including loss of beds, wards and buildings in an effort to reduce the deficit.

Hinchingbrooke Hospital is small in NHS terms in 2012, with up to 310 beds, but with a busy A&E, and a mix of emergency and elective admissions, it was more than ten times larger than Circle Health's extravagant, tiny private hospitals in Bath and Reading – which scraped through financially only on the strength of treating NHS patients in otherwise empty beds.

But when Circle (which claimed to be a 'partnership' offering 'shares' to its staff – but all along was owned by hedge funds) promised to generate a staggering £311m of savings, they were given the 10-year franchise deal, potentially worth £1bn, to balance the books and manage the Trust. If the company failed to deliver, it would get paid nothing, and could lose up to £7m before it could escape.

The contract began in February 2012. But things quickly started to go wrong. A November HSJ report based on an unredacted copy of Circle's business plan revealed a planned 20% cut in workforce – 320 jobs, 130 of them clinical posts.

In the 2013 NHS staff survey the Trust scored worse than average on 19 of 28 key measures, and in the worst 20% on almost half the questions. Hinchingbrooke staff reported above average rates of bullying.

Vacancy levels grew, as did the bills for more costly agency staff. In November 2014 Finance Director Jenny Raine left her post, amid growing signs of chaos. Papers for the Trust Board's October meeting listed "contract penalties and deductions" of up to £1.6m.

In January, just before the publication of a critical CQC report on the quality of care, the long-expected announcement was made that Circle was pulling out. Deficits had already exceeded £7 million, so the firm walked away without additional payment – leaving the NHS to clear up the mess they had left behind.

It's not surprising that today's reports make no reference back to these previous abject failures.

But the messaging is hugely confused.

Javid's latest excursion into NHS "reform" with proposals to give "well-run hospitals more freedom" is in complete contradiction with the legislation Tory MPs have just rubber-stamped in the Commons – which seeks greater central powers for Javid and NHS England. The Health and Care Bill is still going through the Lords.

And changing course yet again to set up yet another tier of NHS trusts not only ignores the previous failure of 'autonomy' to solve problems in trusts and then foundation trusts, but also cuts right across the claim that the Health and Care Bill is all about "integration" of health and social care services. "Reform trusts" will not even pretend to be integrated with other services.

"And changing course yet again to set up yet another tier of NHS trusts not only ignores the previous failure of 'autonomy' to solve problems in trusts and then foundation trusts, but also cuts right across the claim that the Health and Care Bill is all about "integration" of health and social care services."

Worse still this latest effort to bully managers into success comes at a time when staff and management morale is at a historic low ebb after almost 2 years of Covid stress and pressure. As the HSJ's James Illman pointed out last November, when the talk of a new round of 'performance management' first surfaced:

"Flogging an exhausted leadership cohort with an already battered morale will very unlikely lead to the tremendous results required to turn around the NHS' waiting list crisis."

Indeed one impact in each of the previous experiments in private management was to lose vital staff — the biggest problem already facing the NHS.

Are ministers daft enough to try it again? It seems like they might – as a last-ditch resort to ignorance and neoliberal ideology in the effort to bolster up back bench support to bail out Boris Johnson.

John Lister

Vaccine Centre sell-off

Over the Christmas-New Year break more scientists joined a growing outcry against the government plan to sell off the Vaccine Manufacturing and Innovation Centre UK (VMIC), which was first revealed by the Financial Times at the end of November.

The FT reports that at least four companies have tabled bids for the VMIC, including UK biotechnology company Oxford BioMedica, Swiss healthcare manufacturer Lonza, and Japanese conglomerate Fujifilm.

The "offloading" of the Centre marks a major about-turn by government. Back in May 2020, then chief executive of UK Research and Innovation Professor Sir Mark Walport, welcoming fresh government investment to expand VMIC's capacity, said it was "an essential new weapon in the UK's arsenal against diseases and other biological threats."

In December 2020 the UK Vaccine Taskforce's document '2020 Achievements and Future Strategy' also insisted on its long term importance: "We have worked with VMIC to increase VMIC's delivery capability … to 70m doses of pandemic vaccine. … This is a permanent facility, with government step-in rights during a crisis."

Immediate criticism of the planned sell-off came from experts working with VMIC. Sandy Douglas, a vaccine research leader at Oxford University, told the FT it had "accelerated Oxford's vaccine programme by months" and "saved many lives".

Professor Dame Sarah Gilbert, who developed the AstraZeneca jab, told the FT's Helen Thomas that a fully-functioning VMIC would have been "game-changing" for the Oxford team in making larger stocks for clinical trials rather than working with multiple manufacturers.

The director of the University of Oxford's Jenner Institute, Professor Adrian Hill, told the Independent the sale of VMIC was like "having been in a terrible war and you suddenly cut your defence budget substantially".

VMIC was first set up in 2018, as a not-for-profit company with no shareholders, by the University of Oxford, Imperial College, and London School of Hygiene and Tropical Medicine, with support from vaccine industry experts MSD, Johnson and Johnson, and Cytiva and £66m of government funds.

It was initially envisaged as a way to break from the long history of UK vaccine research, which had "not always had a clear pathway for new vaccines to move from discovery to licensed product." For the first time "Under one roof this unique facility, operated by our experts, will promote, develop and accelerate the growth of the vaccine industry."

Recouping the investment

The pandemic led to an expansion and acceleration of the project, bringing forward its full opening by a year to 2022. In April 2020 construction of the 74,000 square metre VMIC facility began on the Harwell Science and Innovation Campus in Oxfordshire.

VMIC experts set up the first UK consortium which drove the process and manufacturing scale–up of the Oxford vaccine through to 2021, when the work was handed over to AstraZeneca.

For this leading role VMIC won an industry award in December 2020, and as recently as March this year VMIC's role was praised in an Industrial Strategy Council Research Paper, which described in as "a cornerstone" of strategy for vaccine supplies "in the long term."

However the subsequent large scale production of successful vaccines by big pharma corporations, meant ministers and hawk-

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ish Treasury chiefs are now trying to recoup as much as possible of the money invested.

Their argument that VMIC's crucial role as a state-backed vaccine manufacturing centre is no longer necessary has been strongly refuted by a previous leader of the government's own Vaccines Task Force, Clive Dix, who told the Observer in November:

"If we leave it to the industry to do, they're going to go to the highest bidder, and the UK won't be at the front of that queue any more, because it's not a big market. Whereas if you act as a partner, you get things done."

Now it seems VMIC is set to be another victim of Chancellor Rishi Sunak's tightening austerity cap on NHS funding, which has already led to him warning Health Secretary Sajid Javid that the extra costs of the booster jabs will have to mean cutbacks elsewhere in the NHS.

This short-sighted decision to prioritise cash, profits and corporations over health is consistent with the Johnson government's instinctive turn to the private sector rather than invest in the NHS or other public services.

Forced to partner private sector

This has led to the disastrous squandering of up to £37 billion on a dysfunctional test and trace system, billions more on dodgy deals for PPE with firms owned by cronies and donors rather than established companies, and up to £12bn more on treating NHS patients in private hospital beds rather than invest in remodelling NHS hospitals to reopen thousands of closed beds.

Since 2010 Tory-led governments have used the lack of NHS capital as a way to force hospital bosses into "partnerships" with profit-seeking private companies.

Years of real-terms cuts in funding for public health provision have also cut the public health grant by 24% in real terms per capita since 2015/16, with the biggest reductions in the poorest areas. This has undermined efforts to address health inequalities and tackle major threats to health. It also meant that public health experts lacked the resources to develop a professional and effective track and trace system to combat Covid-19: instead lucrative contracts went instead to Deloitte, Serco, Sitel and other private contractors.

The sale of VMIC must be stopped: but we need to go further, and fight to reverse the austerity policies of the Treasury and Rishi Sunak, and force this government that has been so generous to the private sector to invest instead in repairing, reopening and expanding the NHS itself and its workforce to cope with the real health needs of the 21st century.

That's what the new SOS NHS campaign is setting out to do in 2022. Join us and help us win.

John Lister

Campaign calls for £20bn to start rebuilding of the NHS

A powerful new alliance of campaigners and trade unions has launched the SOSNHS campaign, demanding an immediate injection of another £20 billion in capital and revenue to help put England's crisis-ridden NHS back on its feet.

The need for it is obvious from all the stories of patients dying in ambulances queuing outside A&E, the waiting list, set to soar above 6 million, the inadequate provision of beds and staff in the NHS compared with other countries, and desperate shortages and delays accessing mental health services – not to mention the dire state of social care.

£20 billion sounds like – and is – a lot of money: but after more than a decade of real terms freeze or cuts in NHS funding it would only be a down payment to address some of the most pressing problems. Much more investment will be needed – not least to fulfil government promises of building 48 new hospitals, expanding the workforce, and fixing social care.

To put £20bn in context we also need to remember the huge sums of money Rishi Sunak threw at the private sector with little or no accountability during the Covid pandemic.

£48bn was shelled out on 'bounce back loans': the National Audit Office has found that that at least 37% of loans (£17.3bn) will not be repaid, and that 11%, worth £4.9bn, were fraudulent.

Billions were squandered on dodgy deals for overpriced or useless PPE and equipment. Billions more were wasted on the disastrous privatised test and trace system.

And let's not forget more than £2bn forked out for use of private hospital beds in 2020 – few of which were used – and another £10bn over 4 years to treat NHS waiting list patients, which will also line the pockets of private hospital bosses and shareholders, while thousands of NHS beds remain closed or empty.

Now Sajid Javid has instructed NHS England to sign yet another rip-off 3 month, £200m-plus 'standby' deal with private hospitals that guarantees them profits even if no private beds are used – and commits to pay at least 10% above NHS tariff prices for some operations.

The money wasted on these three things alone would have been more than enough to put the NHS back on track. If money can be raised to waste, it can be raised to invest.

But there is a common factor to these different ways of wasting money: the beneficiaries are always the private sector, and the loser is always the public purse and public services.

In recent years the main driver of privatisation and so-called "partnership" deals between NHS and the private sector has been the lack of adequate NHS capital, capacity and resources.

That's why private sector partnerships have been proposed or implemented in building new community diagnostic hubs, and for major contracts for laboratory and pathology services and imaging, why private hospitals are contracted to fill gaps, and provide the majority of some mental health services, and why a majority of hip and knee replacements are now being done in private hospitals rather than the NHS.

So to reverse the trend of increased NHS spending on private providers – while NHS trusts lack the capital and revenue funding they need to expand services – we need to inject new investment into the NHS. This demands a change of policy.

Since 2010 even the BBC has noted that spending on the NHS has increased by only a fraction of the previous average rate of 4% per year. By 2019 NHS Providers calculated that the gap between actual spending and what it would have been was £35bn per year.

The consequence was huge deficits in NHS trusts, lack of capital for new projects, a sharply rising bill for backlog maintenance – and NHS staff pay falling ever further behind equivalent 2010 levels.

Theresa May as Prime Minister claimed to be spending "record amounts" on the NHS: but increasing cash allocations each year does not necessarily match the increased costs and demands on the NHS. At the end of 2018 Chancellor Phillip Hammond announced a "£33.9bn" increase in NHS funding – which the Treasury admitted was only £20bn in real terms.

Boris Johnson was still cynically claiming to be spending the same "£34bn extra" on the NHS in the 2019 election, coupled with even more far-fetched promises to build 40 – and later 48 – new hospitals, although the PR spin on what constitutes a 'new hospital' has since been revealed.

While extra funding was found to tackle Covid, the lion's share of this was channelled in to private contractors and suppliers: and last autumn's spending review Chancellor Rishi Sunak made clear there would be little added to the deceptive £36 billion "health and care levy" to run over 3 years from April 2022, and raised through the least progressive taxation, hitting the lowest-paid hardest.

Of this £36bn just £15.6bn was allocated to NHS England, over three years, falling well short of the £10bn extra for 2022-3 called for by NHS bosses, and just £1.8bn a year for social care: by contrast the Health Foundation estimated an extra £17bn was needed by 2024 just to shrink waiting times to 18-week target levels.

The Spending Review locks in this limited spending to 2024-5, failing to fund even the miserly 3% 2021 pay award: Rishi Sunak has set the NHS on course for a second decade of decline, and warned Sajid Javid that the NHS budget will not cover the extra costs of booster jabs to tackle the Omicron variant of Coronavirus.

To ensure high quality and safe services – and restore the performance levels that have been declining since George Osborne's austerity regime kicked in in 2010, a change of course is vital.

We need to repair and rebuild crumbling infrastructure & reopen beds left empty since Covid-19 struck, invest in the NHS as a public service, squeezing out parasitic private contractors, and invest in staff, with new targets for recruitment, training, and levels of pay that would prevent the service losing staff. We also need to build a properly resourced, publicly run national care and support service, and invest in public health and policies to tackle huge and growing inequalities in health.

This Government has shown it won't change course without pressure from below: but U-turns have occurred. It's up to us to pile on that pressure.

How much does the NHS need?

£14bn needed now to repair and rebuild crumbling infrastructure & reopen beds left empty since Covid-19 struck.

The bill for backlog maintenance to repair crumbling buildings and replace clapped-out equipment has soared to £9.2 billion –

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double the £4.5bn capital allocation to NHS England. The lack of maintenance causes thousands of incidents each year that interfere with clinical care and put patients at risk. To tackle the most urgent of these issues will cost around £5bn: in addition up to £6bn needs to be made available sooner rather than later to rebuild a dozen or so hospitals built in the 1970s using reinforced autoclaved aerated concrete planks, which are in danger of collapse.

West Suffolk NHS Foundation Trust is so concerned over the threat that it has hired a law firm to assess the risk of being charged with corporate manslaughter should part of the hospital collapse and kill patients, staff, or visitors. Several of these hospitals are in such a dire state that it could be cheaper to knock them down and rebuild – but there is no capital to do so.

A further £3bn is needed to reorganise, rebuild and in some cases refurbish hospital buildings to enable them to reopen almost 5,000 beds that were closed in 2020 to allow for social distancing and infection control, and remain unused today. Sufficient capital is also needed to build new community diagnostic hubs and surgical centres without any private sector involvement. The latest desperate short-term moves to create "mini-Nightingale" hospitals in tents in carparks or under-used areas of NHS hospitals do nothing to address the long-term problem of inadequate NHS capacity.

£3bn capital and £5bn over 3 years in additional recovery revenue funding to equip mental health services to cope with the increased demands since the pandemic and expand services for adults and children, as called for by the Royal College of Psychiatrists.

Rebuild public health

The Health Foundation has calculated that an extra £1.4bn a year by 2024/25 is now needed to reverse years of cuts in public health, which should be leading a local-based test and trace system and preventive work to reduce ill health and stem the growth in health inequalities.

Fund a fair pay deal

This is essential to help restore morale. Each 1% increase in England is estimated to cost £340m: so even to fully fund even the miserly 3% 2021 pay award needs an extra £1bn in core NHS budgets. Covering recent inflation needs another £1.3bn. The promised extra 50,000 nurses will cost another £1.5bn – plus a pay award for all staff, which is key to efforts to recruit, retain and grow the workforce. All of these sums are annual costs – ensuring the NHS has the staff needed to deliver safe, efficient and effective services.

Research commissioned by the unions has shown that increased spending on NHS pay generates increased tax and economic activity that means over 80% of any increase flows back to the Treasury: Rishi Sunak must be told to pay up to enable the NHS to grow the workforce to meet health needs.

In addition to the emergency funding

A further £18bn+ capital will be needed to ensure the promised 'new hospitals' can be built as planned. The £2.7bn allocated to build six, and then eight prioritised 'new hospitals' was completely unrealistic from the outset.

But it's even less plausible now that the New Hospitals Programme insists the same pathetic pot of cash must stretch to cover costs of eight previously existing schemes – including two long-delayed PFI hospitals.

The New Hospitals Programme itself, which during the summer instructed all the priority schemes to submit new plans costing no more than £400m – implying drastic cutbacks – has now admitted few of the prioritised projects will be completed by the next election in 2024.

Estimates in 2019 suggested the full cost of 40 new hospitals could be as high as £24 billion, and not less than £18bn. To get any projects started Rishi Sunak needs to be told to make the necessary funds available as soon as clinically viable plans have been locally agreed and received planning approval.

Meanwhile, as The Lowdown has reported, the government has invited trusts to bid to be one of eight additional hospital projects to be funded, bringing the total schemes to 48 – but so far has allocated no additional capital. A clutch of schemes have been published, adding up to a total cost between £3.4bn and £5.1bn.

We're calling on the government to revise last autumn's spending review and allocate an immediate extra £20bn NOW – an amount we believe is well within the power of Government to fund and addresses all the key urgent problems we have discussed above.

But it will only do so if we make it.

£20bn is an adequate down-payment to ensure these investments can go ahead as soon as suitable plans are in place and public consultation complete. Of course a lot more will be needed to fulfil government election promises, expand the workforce and restore NHS performance to the levels they reached before the austerity squeeze on funding.

That's why The Lowdown supports the SOSNHS campaign which has been launched with the backing of campaigners, the health unions and many other unions. SOSNHS is holding an online rally on the evening of January 19, with over 1,000 already signed up to participate.

The campaign is united around the need to act now to rescue our NHS, before more patients and staff lose confidence that things can ever get better. The government's current weakness gives us an ideal opportunity to build a movement strong enough to force another U-turn on funding..

John Lister

Mental health: services have never been more in need of 'Help!'

NHS England's latest TV ad *(pictured above)* promoting talking therapies, featuring music celebrities and a spoken rendition of a classic Beatles song, has attracted widespread press coverage, but take-up of the services on offer risks being undermined by the historic capacity, workforce and funding issues that constrain mental health provision.

One leading figure in the sector – the NHS Confederation's mental health network chief executive Sean Duggan – has suggested this campaign fails to address core issues, despite its welcome focus on early intervention. "The government must go further," he says, "in its acknowledgement of the increased demands placed on mental health services as a result of the pandemic, and invest accordingly."

Last month Duggan wrote about the problems facing children and young people with a mental health disorder – effectively those being targeted by NHSE's TV ad – during the pandemic, saying, "Sixty per cent of [this group] are not able to access support, [while] our analysis of available data shows a 50 per cent increase in the number in contact with mental health services between September 2019 and September 2020." He added "We do not have enough staff [and] mental health services for children and young people have historically been underfunded."

Duggan's comments echo those of Dr Adrian James, president of the Royal College of Psychiatrists, one of the organisations endorsing the TV campaign. After the college's call during last October's Budget for an extra £8.9bn to fund mental health services was rebuffed, James said, "Record numbers of people are waiting for treatment, yet mental health seems to be at the bottom of the list of government priorities in this spending review."

Coinciding with the campaign launch, healthcare consultancy Candesic has released an analysis of Care Quality Commission data relating to hospital bed capacity for children and young people with mental health problems. Its research showed that the number of beds available for this group has fallen by a fifth since 2017, with more than 10 per cent cut as recently as last year.

Reporting on these findings, the FT noted that 65 per cent of NHS Trust leaders were currently "unable to meet demand for children and adolescent mental health services, resulting in higher thresholds for treatment, longer waiting times and more placements further away from family homes".

Similarly, analysis of NHS data by the Independent last month showed that almost all mental health hospitals in London were nearly 100 per cent full during October and November last year – with just 10 children's beds out of 140 available – and 94 per cent full across England.

Perhaps unsurprisingly, the FT also noted that mental health generally was one of the most heavily outsourced parts of the NHS, and that while 98 per cent of beds are paid for by the health service, more than half that capacity was managed by private providers – providers which have actually been cutting beds while the number managed directly by the NHS has remained stable over the past five years.

So, while the title of the song used in NHSE's ad – Help! – is clearly aimed at encouraging people (particularly the young) struggling with their mental health to seek support, it could equally represent a plea to ensure the services those individuals will depend on actually survive.

Martin Shelley

Mental health: data backs up concerns over services

The last three months have seen more worrying reports of the pressure mental health services are under as a system that was struggling before the pandemic now tries to cope with a surge in requests for support.

In early January 2022, NHS Digital data showed the dramatic surge in demand for services for eating disorders with hospital admissions up by 41% in a year, leading to widespread concern that the NHS can no longer treat every child with an eating disorder.

The provisional data for April to October 2021 showed there were 4,238 hospital admissions for children aged 17 and under, up 41% from 3,005 in the same period in 2020, and up 69% on the pre-pandemic year of 2019.

There has been a rise in admissions for eating disorders for all age groups, up 13% in the financial year 2020-21 compared to 2019-20. The most recent data from April to October 2021 shows 15,941 admissions so far among all age groups, which could result in 2021-22 being the highest year yet for people needing inpatient treatment.

At the end of December data on mental health services in London was leaked to The Independent, which showed critical levels of bed availability. In October and November almost all mental health hospitals in London had been at "black alert", which means their beds were at nearly 100% occupancy; a source told the paper that the situation was similar across the country, with nearly all mental health trusts at 94% bed occupancy.

The Independent also revealed that long waits for a bed were increasing in London, with 50 patients a week waiting more than 12 hours for a bed, compared with 35 during the same period Iin 2020. However, sources told the paper that the true length of A&E waits are often hidden, with many waits measured in days. One senior director in London, speaking anonymously with The Independent, said they'd seen a child wait 60 hours for a bed earlier this month, while another emergency care doctor said patients in their A&E were waiting for 18 hours.

Bed availability data for children in London showed just 10 children's beds out of 140 available in mid-October. Sources in the east of England told The Independent that almost 150 children's mental health beds were closed, which was causing huge pressures.

"Out of area placements" have increased due to a lack of beds with The Independent reporting that during one week in November, just 3% of beds for women were available in the capital and on one day, 40 patients had been sent miles away from home to "out of area placements".

The Royal College of Psychiatrists' 2021 census of staff released in December 2021 highlighted the issues with staffing, with consultant vacancies up by more than a third (35%) since 2017, with nearly one in 10 posts going unfilled.

Dean of the College, Professor Subodh Dave told HSJ that one in four (24%) of the country's 7,782 consultant posts are not substantive and there are a high number of locums, typically on shorter-term contracts.

Further 2021 census findings revealed that CAMHS vacancy rates are at 13% and disciplines, such as eating disorders and intellectual disability, also have significant staffing gaps at 12.5%.

In November 2021, Senior Responsible Officer for Mental Health, Claire Murdoch's, report to the board meeting of NHS England and NHSI noted that at least 1.4 million people are on the waiting list for care, with an additional eight million who would benefit from care, but who do not meet current criteria.

The board was told that adult acute bed occupancy remains above the recommended safe levels of 85%. At this level, any surge in demand cannot be met, the likelihood of safety incidents increases, as do the number of out of area placements.

The Covid-19 response crisis lines have been receiving a staggering number of calls, in the first quarter of 2021/22 it was between 180,000 and 200,000 calls per month or more than 6,000 each day.

In addition, the Board was told that A&E waits over 12 hours are worsening, and that NHS Digital had estimated a 4.5% increase of detentions under the Mental Health Act (1983) between 2019/20 and 2020/21 (compared to an annual increase of around 2% in recent years)..

Sylvia Davidson

Surge deal – good for business, bad for the NHS?

Health secretary Sajid Javid's decision earlier this month to force through another 'surge capacity' deal with independent providers, to protect the health service from being overwhelmed by the Omicron variant, has been questioned by many in the sector – not least by NHS England's own chief executive – and suggests few, if any lessons have been learned from similar deals waved through by Javid's predecessor earlier in the pandemic.

Although NHSE ceo Amanda Pritchard eventually signed off on the three-month contract, having covered her back by requesting 'ministerial direction' on the matter, she reportedly told Javid that it would leave the health service "exposed financially" and that it represented "a material risk that the NHS pays for activity that is not performed", adding "On a per bed basis this is significantly more expensive than the equivalent costs of an NHS site with much less certainty on the potential staffed capacity."

Under the terms of the new deal – which allows the independents to carry on treating private patients and choose which cases to take on – the private sector will receive at least £225m between now and 31 March simply to reserve elective capacity, despite only agreeing to staff just half of the 5,600 beds being made available.

If that capacity is then fully used, this windfall increases to £525m, a sum which nevertheless pales in comparison to the £10bn in state support already being made available to the independent sector over the next four years, to help the NHS clear its backlog of elective surgery.

Worryingly, these generous terms echo those of earlier deals agreed during the pandemic, and could end up representing similarly poor value for money.

Around £2bn of NHS cash was wasted on block-booking private hospital beds back in 2020, resulting in just seven beds a day being set aside for covid patients, according to the Centre for Health and the Public Interest, whose spokesperson Dr David McCoy later told the Covid People's Inquiry there were many days during that period when no private beds at all were being used for covid patients, and that at no point did private hospitals treat more than 67 covid patients on any single day.

Two-thirds of the private sector's capacity block-purchased by NHSE in 2020, at an alleged cost of £400m a month regardless of how much work was carried out, were left unused that summer, following which ten independent providers were removed from the national contract because of "poor utilisation".

The HSJ news site, a few months later, memorably quoted an unnamed source who thought the independent sector – and the doctors working in it – were at that time simply "taking the piss and walking off with the money".

The Omicron deal has already prompted similar levels of concern. Colin Hutchinson, chair of the campaign group Doctors for the NHS, told the Guardian last week, when the deal was announced, "Do [the independents] have the staff to do this or is this deal again bailing them out at a time when they can't maintain their cashflow from their normal activities? The independent sector… is acting as a parasite, absorbing public funding that could be used to address the workforce crisis within the NHS. It's being portrayed as being the cavalry riding to the rescue of the NHS, but it is more like a tapeworm."

And CHPI researcher Sid Ryan, also talking to the Guardian, said, "It's not clear what help the private sector can really provide when it relies so heavily on NHS consultants working privately outside their core NHS hours. The private sector may have beds, but their workforce is vanishingly small, and just as challenged by Omicron as the NHS, so it seems unlikely their support will be the key difference-maker.".

Martin Shelley

48 new hospitals? Only one by 2025

The Johnson government's promise to build first 40, and more recently 48 "new hospitals" has time and again been exposed as little more than empty words.

Last year the New Hospitals Programme called for plans for the six new "large hospital builds" (which ministers had claimed in 2019 had received funding to go ahead at once) to be resubmitted, each also including a plan with costs cut back to £400m – questioning the viability of the schemes.

Now research by the HSJ has revealed that only one of the six, Epsom & St Helier in SW London, stands any chance of being completed by the original target date of 2025. Three others – Barts (Whipps Cross Hospital), Leeds, and West Hertfordshire – are expecting to complete some time in 2026 or later, while schemes in Leicester and Harlow (Princess Alexandra) now lack even a target date.

Seven other schemes from the repeatedly revised and expanded list (which includes numerous extensions and refurbishments, passed off as "new hospitals" in accordance with NHS England's PR "playbook") are expected to be finished by 2025.

One of these is Liverpool University Hospital – the still incomplete PFI hospital left in the lurch by the collapse of Carillion in 2018. Others expected before 2025 are in Salford, Bath, Cumbria, Northumberland Tyne and Wear FT, Cambridge, Nottingham and North Cumbria Integrated Care FT.

But with only £3.7bn allocated to new hospital projects up to 2025, and other trusts also invited to bid to be one of eight further projects, it's obvious that there is nowhere near enough cash available to fulfil the government's promises. Bids already in for the 8 additional schemes add up to billions, with the plan for a £370m rebuild of Banbury's Horton General Hospital being one of very few to come in below £400m.

It will come as no surprise that ministers are willing to distort, deny or challenge the facts rather than face up to the need for far more funding. On December 1 Boris Johnson stood up in parliament and denied that the New Hospitals Programme had been "red-rated" by the Infrastructure Projects Authority, despite the Department of Health & Social Care having admitted as much to the HSJ.

An "amber/red" rating means the successful delivery of the project is "in doubt:" a "red" rating means it "appears to be unachievable."

The red rating, downgraded from an amber in March was revealed by the HSJ in mid November, denied in PMQs on December 1 – and mysteriously revised back up again by the IPA just before Christmas – even though two trusts, West Hertfordshire and Princess Alexandra had been forced by lack of funding to pause "external advisory support."

The amber rating is based on the assumption that if the issues that were obstructing progress could be "addressed promptly," they "should not present a cost/schedule overrun."

However the lack of working capital to finance the schemes is a fundamental obstacle that has been in place since the 'fake forty' list was first trumpeted in 2019 as part of Johnson's bid to win electoral support.

The IPA rating might have changed under pressure from the top, but the problems are not easily wished away. It would be a foolhardy gambler would bet on the completion of many, if any of the schemes before the next election.

Lord Stevens pushes for clarity on mental health funding

Lord Simon Stevens, the previous chief executive of NHS England, has tabled amendments to the health and care bill currently making its way through Parliament, which would force the government to be clear on the level of funding it is providing for mental health services.

The amendments would require NHS England's annual report to disclose whether "in that year NHS revenue expenditure on mental health services increased as a proportion of total NHS revenue expenditure" and that each NHS integrated care board (part of each ICS), "state whether, and to what extent, in that year the integrated care board's revenue expenditure on mental health services increased as a proportion of its total revenue expenditure."

A third amendment under which the government "must ensure that revenue expenditure on mental health services increases as a proportion of total NHS revenue expenditure" has been withdrawn.

These amendments were welcomed by the mental health charity MIND, with Paul Farmer, Chief Executive, noting:

"If the UK Government is serious about 'levelling up' and treating mental and physical health equally, they must accept this amendment, which would make sure they were accountable for increasing mental health spending in line with need."

However, although the amendments are welcome, mental health services are struggling right now. Services that had been subject to years of underfunding prior to the pandemic and that struggled to provide sufficient services are now faced with a massive rise in need due to the pandemic.

Back in November 2021 Claire Murdoch, Senior Responsible Officer for Mental Health, reported to the board of NHS England and NHS Improvement that between 180,000 and 200,000 calls per month were being received by covid-19 response crisis lines in the first quarter of 2021-22 more than 6,000 each day, plus there had been a 74% increase in referrals to crisis services 'post-pandemic'. The report to the board also highlighted that services were seeing only 40% of children and just under 50% of adults with mental health problems.

If the government is serious about addressing the need for mental health services, including the increase in need due to the pandemic, an expansion of services and an increase in funding is needed, according to Farmer:

"The pandemic has taken its toll on the mental health of a nation, and as a result our mental health services are under even more pressure. There are currently 1.5 million people on a waiting list for treatment and a further eight million who would benefit from treatment can't get on the list. While physical health services are stretched too, mental health services have

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been disproportionately affected and were lagging behind even before the pandemic."

Organisations are trying to budget for services over 2022-23 at the moment, but without extra funding promises then services will begin to be cut. Planning guidance released on Christmas Eve for the coming financial year failed to provide any extra funding for mental health services on top of that already planned for this period.

The NHSE said it would "[maintain] continued growth in mental health investment to transform and expand community health services and improve access", and that "delivery of the Mental Health Investment Standard (MHIS) remains a mandatory minimum requirement".

The additional funding for the NHS announced back in September is unlikely to benefit mental health services, with most of it earmarked for clearing the backlog of elective surgery. There was no matched funding for mental health services. To tackle winter pressures mental health services have been allocated seasonal funding of around £50m to tackle bed occupancy rates and boost emergency care.

"Organisations are trying to budget for services over 2022-23 at the moment, but without extra funding promises then services will begin to be cut. Planning guidance released on Christmas Eve for the coming financial year failed to provide any extra funding for mental health services on top of that already planned for this period."

At the time of the funding announcement, NHS Providers, which represents the NHS trusts, warned that without an adequate increase in funding any progress that has been made in improving mental health services over the past few months to help those who actually reached the waiting lists will be lost and there would be no prospect of reaching the 8 million who had failed to even reach the waiting lists.

No extra funding could mean that despite claims from the Health Secretary Sajid Javid that he wants to maintain the "parity of esteem" funding policy of recent years, the overall share spent on mental health could go down in 2022-23.

If Lord Stevens' amendments are included in the bill, then this reduction would have to be made clear in NHS England and ICS reports.

Services for eating disorders is a good example of what mental health services are having to deal with. Recent data from NHS Digital earlier this month for England showed a sharp rise in admissions for eating disorders, up 41% in a year. The provisional data for April to October 2021 shows there were 4,238 hospital admissions for children aged 17 and under, up 41% from 3,005 in the same period the year before. The 2021 figure is also a 69% rise on the pre-pandemic year of 2019.

Dr Agnes Ayton, the chair of the eating disorders faculty at the Royal College of Psychiatrists, said: "The hidden epidemic of eating disorders has surged during the pandemic, with many community services now overstretched and unable to treat the sheer number of people needing help. We are at the point where we cannot afford to let this go on any longer."

Dr Ayton noted that it was a matter of urgency that money reaches the frontline services and that a workforce plan tackles the shortages of staff in eating disorder services.

The lack of staff in mental health services was highlighted by the December publication of the Royal College of Psychiatrists' official 2021 census which reveals consultant vacancies are up by more than a third (35%) since 2017 with nearly one in 10 posts going unfilled.

The Dean of the college Professor Subodh Dave told the HSJ that the current situation impacts "very adversely" on achieving NHS long-term plan goals for mental health services adding that one in four (24%) of the country's 7,782 consultant posts are not substantive (permanent) and are currently dominated by locums, typically on shorter-term contracts. The census covered findings from 84 NHS organisations and eight independent providers.

The college has called for an amendment of the Health and Care Bill to include a duty for the secretary of state to report independently verified workforce numbers every two years and it also asks for the reporting of projected supply for the following five, 10 and 20 years, and future workforce numbers based on the projected health and care needs of the population.

An amendment has been proposed by Conservative peer, Baroness Cumberlege, supported by Lord Stevens, Liberal Democrat and Labour peers, which would require the Government to publish independently verified assessments every two years of current and future workforce numbers required to deliver care to the population in England, taking account of the economic projections made by the Office for Budget Responsibility, projected demographic changes, the prevalence of different health conditions and the likely impact of technology. This has yet to be voted on..

Sunak: from 'whatever NHS needs' to 'booster jabs will mean cuts'

Rishi Sunak, the Tory chancellor whose 2021 Spending Review in November locked the NHS on course for a second decade of decline, is now warning that the limited NHS budget will not cover the extra costs of booster jabs for the latest variant of Coronavirus.

And while further tightening the financial straitjacket on the NHS that has effectively frozen real terms funding since 2010 – while the population, its health needs and cost pressures have grown –Sunak is, according to a recent Spectator article, also leading a cabal of cabinet ministers who are critical of the NHS itself – and, according to the Financial Times, involved in meetings with US health corporation bosses.

Systematically starving the NHS of the revenue it needs to sustain services and the capital it needs to repair and renew hospitals and equipment has emerged as the main driver of privatisation. Desperate NHS bosses lacking the capacity to cope with rising demand have been forced to turn to private hospitals to supply extra beds, contractors to supply cataract and other routine operations, imaging services, laboratory services and mental health care.

The extra costs and inefficiencies of this fragmented system pile further pressures back on the NHS – while the private sector, which trains no staff, can only expand by recruiting from the limited pool of NHS-trained staff.

Now Sunak has reportedly warned Health Secretary Sajid Javid that additional spending on vaccination – the government's preferred (and only) strategy to combat the virus – will have to be paid for, either by cutting spending elsewhere or by raising taxes.

The recent socially regressive "levy," increasing National Insurance payments for even the lowest-paid to raise £36bn for UK health and care services over the next 3 years, showed Sunak has no intention of taxing the rich to raise any additional funds. Now Daily Mail reports the Chancellor warning Javid that "people would feel the effects of [any additional extra] spending in NHS and household budgets."

Estimates suggest that six-monthly vaccinations could cost an extra £5bn a year; but no such extra cost has been factored in to Sunak's tight-fisted allocations to the NHS up to 2025.

It also appears that Sunak and the Treasury, eager to recoup its £200m investment in the Vaccine Manufacturing Innovation Centre at Harwell near Oxford, are the force behind the efforts to sell it off to a private corporation, jeopardising its potential

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future role in pioneering new vaccines and saving lives.

The Chancellor who previously promised the NHS would get “whatever it needs” to fight Covid-19 is now starving it of funds while consorting with US health bosses and apparently seeking to carve up and privatise parts of it.

This coincides with articles in the right–wing press that cynically exploit the lack of NHS capacity as a way of challenging the NHS itself as a publicly-funded and publicly run service. Articles in the Spectator and Daily Telegraph, both by Kate Andrews, the American who so frequently gets BBC and other media platforms to spout the ignorant nonsense of the obscurely-funded Institute for Economic Affairs, argue that the NHS itself is failing.

Both articles claim – using distorted figures from the pandemic year of 2020-21 (in which most of the Covid-driven increase in “health spending” did not come anywhere near the NHS, but was squandered on private contractors and consultants screwing up Test and Trace and procurement of PPE) – that the NHS is awash with cash.

Both articles ignore the fact that since 2010 the meanest-ever increases in NHS funding have left the NHS at least £35 billion per year short of the level it should be receiving.

The Spectator article also ignores the resultant dire shortage of NHS beds compared with most high income countries, and compares the NHS unfavourably with other systems in which private insurance and private provision, increased spending and increased capacity play a significant part.

These include Belgium, which has more than twice as many hospital beds per 1,000 population; Germany, which spends almost 28% more per head on health than the UK, and has six times more acute beds per head than England; and even Switzerland, which spends over 35% more than the UK on health, levies sky high user fees, and has almost double the UK provision of beds.

The Telegraph article changes tack, simply attacking NHS performance, proposing no alternative approach. It accuses the NHS of failing to open enough beds: “Take the number of hospital beds. This is estimated to have fallen since 2019…” and failing to employ enough staff: “Understaffing has been a persistent problem for the NHS, and it may soon worsen.”

These attacks on the NHS are happening in the midst of a pandemic that has exposed to all the abject failure of private contractors, and the complete inadequacy of private hospitals – which offer no emergency services and only limited numbers of beds – to fill in for gaps in NHS provision.

The fight by the new SOSNHS campaign for the resources needed to restore and expand NHS capacity is focused on the need to force the government both to fully fund ALL additional costs of fighting Covid, and also for them to tear up the 2021 Spending Review and allocate at least £10bn additional capital plus increased revenue funding to the NHS in the Spring Budget, without which neither bed numbers or staffing levels can be increased.

John Lister

(This article was first published in Tribune, December 20)

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