



## NHS Newsweek 14/05/10

### NHS budget will increase in real terms, coalition document confirms

The Conservatives and Liberal Democrats have agreed there will be a real terms spending increase in the NHS budget. The coalition document published 12 May by the two parties confirms that they "agree that funding for the NHS should increase in real terms in each year of the parliament, while recognising the impact this decision would have on other departments". Earlier that day it was being reported that spending would be increased in cash terms but not real terms, but the document makes the real terms pledge an explicit commitment of the coalition government.

*Source of Extract: HSJ*

### Lansley sets out NHS spending plans

Health Secretary Andrew Lansley has said spending on the NHS will rise in real terms - but warned that "efficiency savings" were necessary. Mr Lansley said Labour's "substantial increase" in health spending over the last decade was "not sustainable for the future". Liberal Democrats have accepted a Conservative "ring-fence" to guarantee real-terms increases - ie, rises above inflation - in NHS funding every year. These had been criticised by new Business Secretary Vince Cable during the election campaign, who said they would lead to deeper cuts elsewhere in Whitehall. Mr Lansley told BBC Radio 4's Today programme that Lib Dems had accepted the need for real terms increases and acknowledged that "those will have an impact on other departments". He said: "We have come together as two parties, each with our own mandate from the General Election, but in order to secure the national interest. And of course that does include action, starting soon, to cut the deficit to deal with the debt crisis. The Conservative Party were very clear that our mandate was that we would not let the sick pay for Labour's debt crisis, that we wouldn't cut the National Health Service." The Government would "secure the NHS" by ensuring that resources increased each year in real terms, he said.

*Source of Extract: Press Association*

### Wales falls "woefully" short on meeting cancer standards

The NHS is falling "woefully" short on reaching a set of standards designed to improve cancer care in Wales says a report obtained by the Western Mail that shows compliance with official cancer standards is as low as 36% in some parts of Wales. The document, which was scheduled to be published last year, reveals a worrying inequality between services for people diagnosed with common cancers and those for people with rarer forms of the disease. And there is a definite north-south divide, with North Wales achieving a greater compliance with the standards than the rest of the nation. But none of Wales' former NHS trusts achieved 100% compliance, even though the target date was March 2009. The NHS has now been given until September to comply with all the standards.

*Source of Extract: Wales onLine*

### **£87m 'black hole' for health board**

Health bosses in Wales are facing a £87.5 million budget hole, Wales Online has revealed. The shortfall at Cardiff and Vale University Health Board, which wants to become a “flagship” organisation with a reputation for “excellence and innovation”, emerged as chiefs outlined their spending plans for the coming year. Most of the sum - around £74.6 million - comes from “unavoidable” commitments like pay, the impact of inflation and the return of the 17.5% VAT rate, Paul Hollard, the board’s executive director for planning, told Wales Online, adding that a challenging year of tough cuts lay ahead.

*Source of Extract: HSJ*

### **NHS spends millions on promoting polysystems to patients**

The NHS in London could be landed with a bill of up to £2m in the next financial year for a ‘branding’ exercise to make polysystems attractive to patients, Pulse can reveal. All 31 PCTs in the capital have been told by NHS London that getting the PR message right is key if polysystems are to win support. Eight PCTs in North West London have already committed to coming up with new marketing strategies to promote polysystems. A report by NHS Hillingdon said it alone planned to spend up to £70,000 in the next 12 months.

*Source of Extract: Pulse*

### **NHS 'scaring patients into accepting electronic records database'**

The NHS has been accused of scaring patients into agreeing to have their personal information included on the controversial electronic records database. The agency charged with rolling out the new system is warning of “adverse consequences” if people choose to opt out of the computerised network, which has been criticised as chaotic by doctors. It is also claiming that the NHS currently has “significant problems” with lost records. A document posted on the website of NHS Connecting for Health lists several dangers to patients if they continue to have their medical information stored on paper files. It states:

"Health-care staff treating you may not be aware of your current medications in order to treat you safely and effectively.

"Health-care staff treating you may not be made aware of current conditions and/or diagnoses leading to a delay or missed opportunity for correct treatment.

"Health-care staff may not be aware of any allergies/adverse reactions to medications and may prescribe or administer a drug/treatment with adverse consequences."

While acknowledging confidentiality risks over the digital database, the document continues: "It is ... misleading to suggest that not having such a record is risk free." The computerised record system, also known as the care summary record, is intended to make it easier for doctors and nurses to get access patients' medical histories.

*Source of Extract: Telegraph.co.uk*

### **Scottish public sector bodies set out cash-saving plans**

Scottish public sector bosses delivering vital frontline services are setting out their efficiency plans, amid the prospect of UK spending cuts. The position of the NHS, councils and other bodies on proposals to save cash are being scrutinised by MSPs. The Scottish government's chief economic adviser has already warned Scots spending may not return to last year's levels for another 15 years. Andrew Goudie said that could mean cuts of between £22bn and £35bn. Holyrood's finance committee is hearing from groups representing council and education chiefs as well as NHS Greater Glasgow and Clyde, at a time when tackling the UK deficit - expected to hit £178bn this year - is riding high on the political agenda.

*Source of Extract: BBC News*

### **Treatment restrictions being imposed as management looks to reduce NHS costs**

A cost-cutting scheme by Derbyshire's NHS means patients will have to meet stricter criteria before being given a range of treatment. The scheme outlines a host of restrictions – snoring will not be routinely treated, smokers and over-weight people will be unlikely to get varicose vein operations, and grommets for children with ear infections will only be paid for in serious cases. Restrictions on treatment will also cover other conditions, including irritable bowel syndrome, tonsillitis and sleep apnoea (breathing difficulties while asleep) and Caesarean sections will not be routinely offered to women who have hepatitis, are pregnant with twins, have small babies or go into an early labour. Health bosses say they are only restricting treatments which have very little or no effect on patients' conditions. They say the rules simply make clear what national best practice is, with many medics already following these guidelines. But they admit the new rules will lead to a big enough change to save £1.3m in Derby alone and around £1m across the rest of the county in one year.

*Source of Extract: This is Derbyshire*

### **Gary Belfield to leave DH**

Department of Health director of commissioning Gary Belfield has handed in his notice saying he wants to take up a post outside the department. Mr Belfield has been acting director general of commissioning and system management at the DH since June last year, following the departure of his predecessor Mark Britnell for the consultancy firm KPMG.

*Source of Extract: HSJ*

### **Use of local food boosts hospital funds**

Hospital food cooked with fresh local ingredients could put hundreds of millions of pounds back into the NHS, one hospital trust has said. Catering managers at Nottingham City Hospital and the Queen's Medical Centre have switched to such a menu. The trust says the daily plate saving is £2.50 per patient - that is more than £6m a year. The Trust food travels less distance than many of the 7,000 patients who choose from the menu each day. The hospital contract is also supporting dozens of local farmers and has saved a number from going under. In its first year the farm-to-plate scheme has put a million pounds into the local economy and that is likely to double over the next 12 months.

*Source of Extract: BBC News*

### **£28m spent by NHS bosses on management consultants**

NHS bosses in the south have spent £28m on management consultants over the past four years. The figures emerged as hospitals in the county plan to slash hundreds of staff and millions of pounds from budgets. Campaigners have described the spending as “obscene” and called for it to be slashed – and eventually scrapped altogether. They say the cash should be spent on hospital beds, life-saving drugs and other treatments instead. But health chiefs claim management consultants can be cheaper than employing in-house experts on projects for cutting waiting times, identifying savings and management training.

*Source of Extract: The Daily Echo*

### **Up to 5,000 Scottish NHS jobs face axe**

Thousands of NHS workers and nurses face losing their jobs over the next 18 months under plans for cutbacks ordered by Scotland’s health minister. Nicola Sturgeon is considering proposals to scrap up to 5,000 posts in the health service, with nursing jobs potentially accounting for more than half the total. This is despite the new Conservative and Liberal Democrat Government promising to increase spending on the English NHS in each of the next five years. Thanks to the Barnett formula, this will result in more money for Scotland, with SNP ministers deciding how this is spent. Alex Salmond tried to blame the job losses on Westminster-imposed spending cuts, but he was told at First Minister’s Questions that they were his responsibility. Iain Gray, Labour’s Holyrood leader, highlighted a job reduction plan drawn up for Miss Sturgeon by NHS Greater Glasgow and Clyde, Scotland’s largest health board. This shows the health board anticipates cutting 1,252 posts in this financial year, including 669 nurses and midwives, 116 support staff and 315 clerical workers.

*Source of Extract: Telegraph.co.uk*

### **NHS cuts may be deeper than expected, warns Lansley**

Andrew Lansley, the new health secretary, says there is a case for 'efficiency savings' of more than 3%. Andrew Lansley, the new health secretary, yesterday signalled that the NHS may need to make more savings than the previously announced £20bn in efficiency cuts, a move health experts described as "extremely ambitious" and unions warned could have a "devastating impact" on hospitals. Before the election, none of the parties disagreed with the head of the NHS, Sir David Nicholson, who asked the health service for £20bn savings by 2014. But Lansley said this "implied something like 3-3.5%, probably about 3%, efficiency savings each year in the NHS ... We may need to do more, because we have increases in demand."

*Source of Extract: Guardian.co.uk*

### **Directors of NHS finances should sweat their assets**

Regardless of what is in the Budget, one thing is certain: the pressure is on for those managing NHS finances. The going will only get harder as the constraints in public expenditure and rising healthcare costs become more intense. The past 13 years have seen a huge hospital building programme, resulting in the creation of 118 state-of-the-art hospitals and 18 still in progress. These were PFI schemes, with fixed costs on hospital trusts' balance sheets, and are likely to be paid for by the taxpayer for decades to come. The Liberal Democrats put the total funding cost of these projects at more than £60 billion. While the benefits to the NHS and patients of the PFI investment have been huge, NHS trust finance directors face significant changes in how they must work. First, the economic climate means that all funding requirements cannot be met by the taxpayer alone. Second, the delivery of healthcare is moving away from the hospital, resulting in less demand for the shiny facilities that PFI has helped to build. .... Managing the aftermath of the PFI hospital generation is no mean feat, but by embracing entrepreneurialism, finance directors will be one step closer to creating more efficient and profitable trusts. Reassurances from politicians that they will ring-fence the healthcare budget will simply not be enough to protect high-quality acute services in the years to come.

*Source of Extract: The Times*

### **NHS spend on covering doctor staffing gaps increases**

NHS spending on hiring temporary doctors to cover staffing gaps in Scottish hospitals has risen sharply. The cost of hiring medical locums was about £29m during 2008/9, according to figures issued by the Scottish government. But this increased to about £36m last year, BBC Scotland can reveal. The government has now set up a group to examine establishing an NHS medical staff bank, to reduce the need to use locums from expensive private agencies.

*Source of Extract: BBC News*

### **Independent board to oversee NHS**

The new government is to press ahead with Conservative plans to create an independent board to allocate National Health Service resources and oversee the commissioning of NHS care. Andrew Lansley, the new health secretary, is hoping to turn Monitor, the existing foundation trust regulator, into a full economic regulator for the NHS, allowing for the creation of the NHS board, probably from April 2012. Confirmation that Mr Lansley is to press ahead with the Conservative plans to reduce politicians' day-to-day involvement in the NHS came as health department sources said the party had not had to modify its proposals as a result of negotiations with its Liberal Democrat coalition partners.

*Source of Extract: Financial Times*

### **The election outcome leaves London's plans for significant cuts in hospital capacity on a knife-edge**

The NHS in the capital has well developed plans for moving activity out of hospitals to networks of GPs and health centres. But the prospect of closing accident and emergency and obstetrics units sparked outcry ahead of the election, fuelled by political battles around inner-London marginal seats, even before plans had been agreed or published. Kingston and Whittington hospitals were particular flashpoints. Their local seats remain marginal with contests involving the three main parties. Senior sources in London said they accept major changes need political support so, with a change of government, will have to be open to alternatives to their approach so far. They plan to press on with primary and community improvements, including 30 new health centres this year. Sources said delays to major change would see some London hospital trusts go into deficit, potentially as early as this year, as commissioners use strengthened powers to withhold payment for emergency care. Without reform London as a whole may face deficit in 2011-12. If trusts run out of money they may decide themselves to run down and close loss-making services. Sources said this would be a risk to safety and, as a route to change, less likely to improve services than clinically led reconfiguration.

*Source of Extract: HSJ*