

PRESS RELEASE

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Welsh NHS Confederation responds to the Comprehensive Spending Review announcement

Kate Watkins, Acting Director of the Welsh NHS Confederation, has responded to the CSR announcement today with a warning that substantial changes have to be made to the way NHS services are delivered to meet the unprecedented financial challenge.

She said: “Although the UK government has ring-fenced spending on health in England, the picture for the NHS in Wales won’t become clear until the Assembly Government has decided its budget later this year.

“Even if government spending on the NHS increases by a modest degree over the next few years, the increases will not be adequate to deal with rising demand.

“The NHS still faces a potent cocktail of financial pressures because of the rising cost of providing health services and the growing elderly population.

“Cuts in other public sector areas will also contribute to rising demand for health services – studies have repeatedly shown a link between poverty and ill health, while constraints to local government funding will have an impact on the ability of social services to meet the needs of our ageing population.

“Given these cost pressures, the NHS in Wales is preparing itself for a substantial budget shortfall in real terms. The current assumptions are that we’re looking at a shortfall in excess of £1bn over the next four years.

“Although the NHS is used to having to make savings, we have never had a financial challenge on this scale before. We cannot achieve this level of savings by making small changes here and there.

“A lot of work has already been done to improve efficiency in back office functions. Overall management costs for NHS Wales account for less than 4% of the budget and we are on course to cut management costs by a further £40 million over the next three years.

“If we look at that against a possible £1bn shortfall, it is clear that we need to make very substantial changes to the way we do business.”

Ms Watkins called for an open debate with the public about the changes required to deliver this level of savings:

“We need a frank and honest debate about the implications of the financial situation, and that means asking the public to have an open mind about the way we deliver services in the future.

“At the moment, we place an unsupportable burden on our hospitals. We need to keep people out of hospital as much as possible and reduce demand for expensive hospital services.

“That will mean changing the way we all use NHS services – more of our care will be provided out of hospital, in homes or in community settings.”

Ms Watkins also raised concerns about how cuts for local government could impact on the health service:

"With councils facing severe cutbacks, this will have serious implications for social care," she said.

"The needs of vulnerable people and their families are not going to disappear, and as the pressure grows on social services, people will turn to the NHS.

"Some will present as emergencies in A&E departments and GP surgeries, others will find themselves trapped in hospital unable to get home, blocking the bed from someone else who badly needs it.

“Already there are a lot of examples across Wales of the NHS and social services working closely together to prevent these sorts of things from happening. These close working partnerships will become even more important as budgets begin to shrink.

“The NHS is ready to meet the challenge of these pressures but we need to be realistic. It is going to require every reserve of skill and expertise to ensure that the NHS is able to keep improving the quality and safety of care at the same time as reducing costs.”

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Notes to Editors

- The Welsh NHS Confederation is the collaborative voice of the NHS in Wales. We represent all the organisations making up the NHS in Wales. All trusts and local health boards are members.