

**SPEECH BY RT HON PATRICIA HEWITT,  
SECRETARY OF STATE FOR HEALTH,  
AT THE ROYAL COLLEGE OF NURSING CONFERENCE,  
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It's a real pleasure to be here today with so many members of the Royal College of Nursing.

I want to hear what you have to say, which is why I've asked for plenty of time for comments and questions.

But there are a few points I'd like to make first.

I know you are angry about the prospect of redundancies amongst some NHS staff. Anyone facing the possibility of redundancy is entitled to be distressed and angry – and you are entitled to be angry on their behalf.

This is a challenging time for the National Health Service and everyone working in it. So we all need to be honest and realistic about the challenges ahead, the tough decisions that need to be made - and why we are making further changes in the NHS. .

We all know that the NHS is getting more money than ever before. But in that case, why are there deficits, jobs being cut and some staff facing redundancy?

To start with, most of the NHS is not in deficit. The majority of NHS organisations are in balance or surplus.

The overall deficit in the NHS is just one per cent of the total NHS budget. That's like someone on £20,000 a year having a £200 overdraft – it's a problem, but it's a manageable problem.

The real challenge comes in the minority - 7 per cent of NHS organisations which are responsible for 50 per cent of the deficit: It can't go on.

We've written a very big cheque for the NHS, and we're proud of that, But it's not a blank cheque. It never has been and it never will be.

So over-spending hospitals and other organisations do have to put their house in order. Because in the old NHS, the over-spenders were always bailed out by the under-spenders. The under-spenders were usually from the poorest communities and the greatest health needs. It wasn't fair. And part of our reforms means that every hospital and every area has to take responsibility for getting the best possible healthcare and the best possible value for the extra money that we have asked the public to contribute. That means every hospital becoming more efficient in how it uses precious NHS resources, precious staff time.

Most places will tackle their deficits and make themselves more efficient with few or no redundancies. For example, cutting the money spent on agency staff – which as you always tell me is massively expensive.

Re-organising rotas to use permanent staff better, getting the agency bills down – that's not redundancies – even though they are included in the headlines. It's common sense.

But we will have to face up to some difficult decisions. And in some hospitals, there are staff facing redundancy.

I met some of those staff a few weeks ago in North Staffordshire hospital, in Stoke. Utterly dedicated staff, working flat out – and working in two out of date, old-fashioned buildings. They're now facing the shock and anxiety of a consultation on up to 1000 redundancies – although, as you'd expect, the hospital is doing everything possible to get that number down. But the problem they're confronting is not just financial. The real problem is that the hospital isn't organised in the most effective way possible.

They're not doing enough day-case surgery. Lengths of stay for some operations are well above the national average. Emergency care is split between two different sites and four different entrances. That's not good for patients. And it's not good value for money either.

This is a hospital that only last year was taking on new staff whom they couldn't afford – staff who they wouldn't in fact have needed if they'd organised their services better in the first place.

I think that is grossly unfair on the staff, who were undoubtedly let down by the previous board of the hospital. I think they deserve an apology.

I know how devastating redundancies are. That's why we are working with staff representatives and local management to ensure that the threat of redundancy is contained to as few people as possible.

But we all recognise that new medical practice and technology are making it possible to shift far more care out of hospitals and into health centres and community hospitals and even patients' own homes. Nurses are leading the way in making these changes. It's what the public want ... it was the central theme of our new White Paper, Our health, our care, our say that the RCN worked with us to develop.

So our chief nursing officer, Chris Beasley, is already working with you in the RCN and other organisations on Modernising Nursing Careers – making sure we have the right framework to train and retrain people for NHS careers that will be even more varied, even more flexible than in the past.

And as I said earlier this week, we need to do more to support any nurse or other staff member who loses their job to help them get a new job and, if necessary, new skills as quickly as possible ... and we will work with you and others to make that happen.

### Record improvements

Just as we should be open and honest with each other about the challenges we face, we should be open and honest about the achievements as well.

And I want to congratulate the RCN.

Next month, 12<sup>th</sup> May, you're going to be celebrating Nurses' Day.

Celebrating your milestone of 400,000 members – particularly impressive when union membership has been falling in so many other sectors.

You're entitled to be proud of that ... just as we're all entitled to be proud of the fact that the NHS is employing over 85,000 more nurses than we were in 1997.. 34,000 more staff as a whole in the last twelve months alone, 307,000 more as a whole since 1997.

More staff – better-paid staff - treating more patients faster than ever before, more people's lives saved. Let's tell the public about that too.

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Working together

I have no doubt at all that the NHS works best when we all work together.

We worked together on Agenda for Change – a ground-breaking agreement to ensure equal pay for work of equal value and to open up new opportunities and new careers to staff for the benefit of patients.

We worked together to extend nurse prescribing.

You pushed for a comprehensive smoking ban – and we will deliver that next year, even earlier than we originally planned.

And we listened to you and many others on Commissioning a Patient-Led NHS. You told us we were wrong on PCT provision. We listened. I agreed we had made a mistake – and I said so, I changed it last autumn and confirmed the position again in the White Paper.

So I want us to go on working together and listening to each other.

Of course there will be occasions where we won't agree.

But there is one issue – the biggest issue of all – on which I believe we are completely agreed.

The founding values of the NHS.

Every one of us in government, and I am sure every one of you, believes that the NHS must go on being funded by taxation. Care based on clinical need, not your ability to pay. Treatment free at the point of need. The fairest healthcare system in the world.

That's non-negotiable, at least as far as we're concerned.

But there are others who would abandon those principles.

Doctors for Reform demanding the introduction of social or private insurance, an end to 'free at the point of need'.

The Daily Telegraph just last week, saying it doesn't want progress, it wants privatisation.

If we are to succeed in defending the NHS, free at the point of need, then we need to meet the challenges that confront every healthcare system in every developed country. Rapidly rising public expectations. An ageing population. Medical technology and science changing faster than ever before.

That's why we're giving patients more choice and a more personal service. That's why we believe in more diverse providers, including NHS social enterprises and not-for-profit organisations - as well as the private sector - not to take over from the NHS but to give patients better, faster care. And that's why we're shifting services out of hospitals and into the community, to improve care for patients and free up more resources for new drugs and treatments.

So there will be more arguments and controversy over the next year, and more difficult decisions to be made.

That is how we will persuade people that it is worth paying more for the NHS. Persuade people that collective provision is not only fairer, but that collective provision can also meet people's rising aspirations – 21<sup>st</sup> century aspirations – to be treated as an individual, to get personalised services.

That's how we will protect the founding values of the NHS for another generation against those who want insurance, charges and privatisation.

And that is a prize worth fighting for.