

CHPI

Centre for Health
and the
Public Interest

CHPI Our impact in 2023

2023

Introduction from our Director

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Dear Colleague,

2023 has once again been an enormously challenging year for the NHS and social care, with many services struggling to meet the needs of the population due to a decade of underfunding.

This has led to more and more people having to pay for their healthcare and we remain concerned that the UK is developing a two-tier healthcare system where access to healthcare is no longer determined by need but by ability to pay.

We have sought to raise this concern in our work over the course of this year and we are pleased that official bodies such as the Care Quality Commission are now taking this risk seriously.

Our work has continued to gain impact in the media. In April BBC News covered our work on the finances of care homes in the pandemic showed how millions of pounds leaked out of the system into profits and dividends potentially at the expense of care workers.

Our study with BBC Newsnight in October into the impact of inflation on NHS Trusts with Private Finance Initiative contracts showed that their PFI bills increased by £470million.

Our work on conflicts of interest in the NHS has been used by a number of journalists this year and we have helped them to understand how these complex arrangements can distort the ethics of the medical profession.

We have continued to ensure that our learning from the COVID pandemic is taken on board by policy makers and also by the COVID 19 Inquiry. Our report into the new public health structures which were set up after Public Health England was abolished was covered extensively by the Times and formed the basis of one of its editorials in April.

Our second report into the £2 billion contract between the NHS and the private hospital sector was covered exclusively by the British Medical Journal in February. We will be submitting all our research on the pandemic as evidence to the Inquiry.

Over this past year, I am hugely grateful to have worked with such a talented and committed team within the Centre and to have been joined by two new board members and a new staff member.

All of us within the Centre are very appreciative of the donations and funding that we have received both from large charitable Trusts like Joseph Rowntree as well as private individuals who have contributed small amounts.

I hope you find our impact report for 2023 useful and interesting and I look forward to working with colleagues from across health and social care in 2024 in promoting the public interest and the founding principle of the NHS.

With very best wishes,
David

Examining the financial impact of COVID 19 on the UK Care Home Sector

In April this year we published the final report of our study with Warwick Business School and University College London into the Financial Impact of COVID 19 on the Care Home Sector.

KEY FINDINGS

377,800 – the total number of available beds in UK care homes for older people at the start of the pandemic

42,341 – the number of care home residents who died as a result of COVID-19 between March 2020 and April 2021

1,290 – the number of social care workers (including those working in domiciliary settings) who died as a result of COVID-19 between March 2020 and February 2022

60% – the percentage of care home beds for older people in the UK operated by companies which would be at risk of insolvency in the event of a mild economic shock

8% – the average reduction in occupancy in care homes for older people during the first year of the pandemic

£2.1 billion – the total amount of additional financial support for care homes for older people across the UK given by central, local and devolved governments as part of the pandemic response

£114 million – the total amount of furlough payments claimed by the care home sector for older people to support vulnerable staff who were shielding and unable to work

£174 million – the value of the free Personal Protective Equipment (PPE) provided by central government to the care home sector in England during the first year of the pandemic

80% – the percentage of surveyed care workers who reported working more hours during the pandemic than in the previous period

42% – the percentage of surveyed care workers who reported financial problems related to working in care homes during the pandemic

50% – the percentage of care workers who reported that their ability to meet residents' needs worsened during the pandemic

£120m – the amount paid out in dividends by 122 companies providing services to older people after the first year of the pandemic, an increase of £11.7m or 11% on the previous year

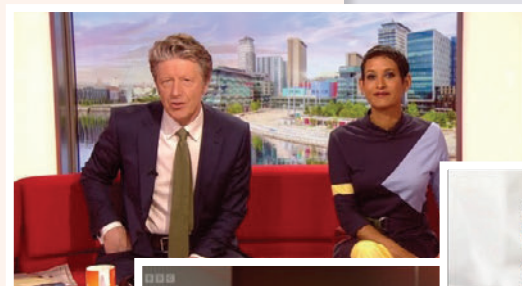
300% – the predicted increase in insurance costs for some care home companies because of the pandemic

11% – staff vacancy rates in residential care homes in January 2022, up from 6% in April 2021

The report was covered exclusively on BBC News and our Director David Rowland appeared on BBC News, the Radio 4 Today programme and Radio 5 live to discuss the findings.

Over the course of the research we have provided briefings to the Department of Health and Social Care, the Devolved Administrations, the National Audit Office and the Care Quality Commission and Parliamentary Groups with the intention of ensuring that the work impacts the thinking of key policy makers. With the future reform of adult social care still undecided we will seek to ensure that our research will inform this vital debate.

We will also submit the report as evidence to the COVID 19 Inquiry as there are significant learning points for policy makers about the challenges of relying on a market based system involving thousands of different care companies to deliver an effective and cohesive response to a major public health emergency.



Demonstrating the ongoing impact of the Private Finance Initiative (PFI) on NHS Trusts

In October we worked with BBC Newsnight to explore the ongoing impact of the Private Finance Initiative (PFI) on NHS Trusts.

In the early 2000s The Private Finance Initiative was used as a way of raising private finance to build new NHS hospitals but as we have previously shown has saddled NHS Trusts with high levels of debt and locked them into expensive long term contracts.

Because the payments by NHS Trusts to PFI companies increase with inflation each year, the recent spike in inflation of up to 14% has meant that NHS Trusts are having to pay out large sums from their limited budgets to make these payments. Because of the nature of the contracts, Trusts have to make these payments even if this means making cuts to other services.

We were asked by BBC Newsnight to look at the impact of inflation on the cost of PFI contracts and we calculated that over the past 2 years that inflation has added an extra £470 million to the PFI bills. This is a very large amount of money which could have been spent on other areas of healthcare.

In addition, we followed up our 2017 study of the profits and dividends which have been generated out of these schemes.

Our work in this area was also featured in the blog of the London School of Economics and the Financial Times.

KEY FACTS

£28.4 billion – the turnover of 99 NHS PFI companies between 2004 and 2021.

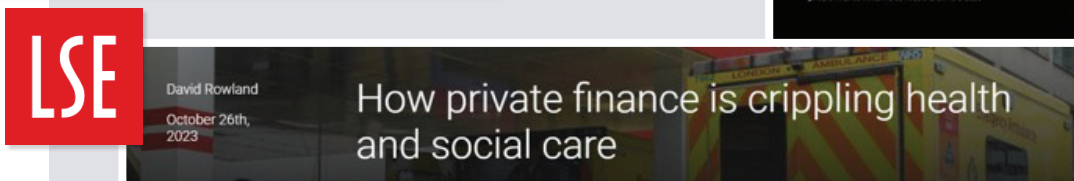
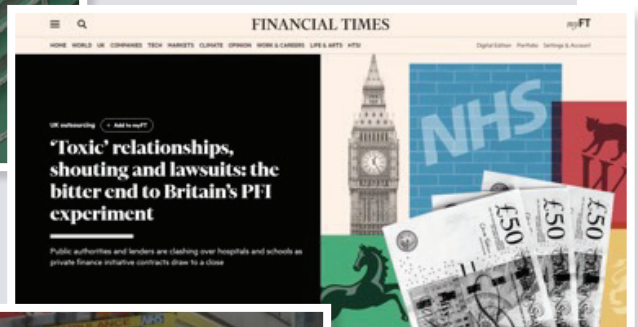
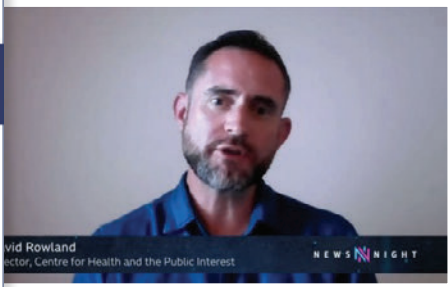
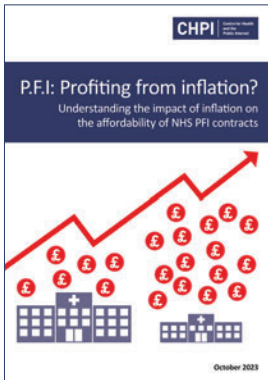
£1.9 billion – the pre-tax profits made by 99 NHS PFI companies from NHS Trusts between 2004 and 2021.

£1.07 billion – the dividends paid out to 99 NHS PFI companies between 2004 and 2021.

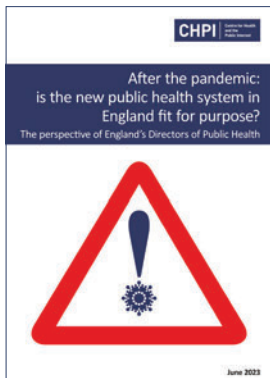
£47.6 million – the total amount paid out in Directors fees by 99 PFI companies between 2004 and 2021.

£131 million – the total amount generated by PFI companies in interest payments in 7 NHS PFI contracts between 2004 and 2022 in return for issuing high cost loans.

£470 million – the estimated increase in the costs of annual PFI payments for NHS Trusts as a result of the spike in inflation for the two years 2022-23 and 2023-24.



Scrutinising the new public health system in England after the pandemic



In June this year we published a major study of the new public health system in England which was hastily put in place after the main public health agency Public Health England (PHE) was abolished at the height of the COVID 19 pandemic.

Working with the Association of Directors of Public Health and

an Advisory board made up of academics from Kings College London, UCL, Durham University and the London School of Hygiene and Tropical Medicine we set out a series of concerns about the effectiveness of the new arrangements to protect the public's health in the future.

Based on a survey of Directors of Public Health in England the study found major concerns about the ability of the new public health system to respond to a future pandemic.

We also made a number of key recommendations for ensuring that the public health system is fit for purpose in the future, including developing a clear map setting out responsibility for who does what.

KEY RECOMMENDATION

Set out the aims and objectives of the public health system and who is responsible for what. A lack of clarity in these areas impedes effective delivery and causes unnecessary confusion.

We presented the findings of the study to a seminar of academics and Directors of Public Health in April and the work was covered extensively in the Times, including in the Times editorial and also in the London School of Economics British policy and policy blog.

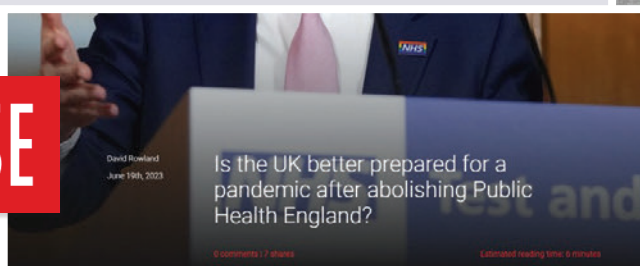
We will also be submitting this report as evidence to the COVID 19 Inquiry and will continue to work with colleagues within the public health profession to push for our recommendations to be introduced.

Almost half of DPHs said that they thought the recent changes would make the UK worse prepared for a pandemic than under the previous system.

- Around 47% of those surveyed said that the recent changes would make the UK either much worse prepared or slightly worse prepared to respond to a future public health emergency or the ongoing pandemic.

There was significant concern amongst DPHs about political interference in the work of the new bodies, particularly in OHID.

- 46% of Directors of Public Health said they considered that those working for the UK Health Security Agency had limited freedom to provide advice and data without political interference; with 14% saying that they had no freedom and 25% saying that they had some freedom.



Highlighting concerns about the deal between the NHS and the private hospital sector during COVID

In February we worked with the British Medical Journal (BMJ) to highlight public interest concerns about the deal between the NHS and the private hospital sector during the pandemic.

Although the government and the NHS committed to full transparency around these arrangements when they were first announced, over the past 2 years we have been engaged in a lengthy process to gain access to the contracts and the financial data associated with this deal under the Freedom of Information Act.

After having gained access to the contracts data we produced our second detailed study of the policy

and our lead researcher Sid Ryan wrote an editorial for the BMJ on the subject.

In addition to the fact that the government spent £2 billion on a contract which seems to have delivered comparatively little support for the pandemic response, our main concern about the contract is that it appears to have prioritised access to private hospital services to those who had the ability to pay, rather than those who were most in need. The allocation of scarce healthcare resources in this way during a public health emergency is a key issue for anyone concerned with the founding principles of the NHS.

We have asked the COVID 19 Inquiry and the National Audit Office to look into this contract in more detail and we will be submitting our research as evidence to the Inquiry.



KEY FACTS

£2.05bn – the total amount said to have been paid by the NHS to private hospitals during the first year of the pandemic.

£92m – the amount set aside by the taxpayer to cover any medical negligence claims against the private sector when treating NHS patients

£22,000 – average unit cost of one episode of healthcare activity delivered one of the private hospital companies contracted to provide NHS services

£72m – the estimated amount of furlough payments made to the private hospital companies during the pandemic.

£65m – the aggregate increase in operating profits for 11 of the companies who were signatories to the contract.

£29m – dividend payments made by some of the companies who were signatories to the contract and their subsidiaries.

6,600 – the number of patients who were treated in private hospitals who were later admitted to NHS hospitals.

791 days – the period during which NHSE financial transparency data has been unavailable.



“A gift to the sector”: why did the NHS’s contract with independent hospitals allow private patients to be treated when the NHS was overwhelmed?

Sid Ryan, researcher

When the covid inquiry looks at the £2bn contract with the private hospital sector the central question should be: what did the NHS do with the additional capacity from the private hospital sector when the UK was undergoing its worst ever public health crisis? Did it make the best use of private hospitals to ensure that patients were treated on the basis of need rather

hospitals and to turn their attention to treating seriously ill NHS patients.

The end results of this contract were an estimated cost of £2bn,^{1, 2} delivery of little inpatient care for covid patients, less NHS care in 2020^{3, 4} than in 2019, and incentives for the treatment of potentially less urgent, fee paying private patients.



Raising concerns about the development of a two-tier healthcare system in the UK

One of the consequences of the NHS being underfunded and the very large rise in waiting times for operations and other procedures is that more people are now being forced to pay for their care privately.

This trend, which is a consequence of the pandemic and the failure of government to invest in the NHS, is concerning because it means that access to healthcare is prioritised for those who either have private health insurance or can afford to pay.

In January the Observer reported that some cash strapped NHS Trusts have resorted to offering patients who are waiting for an operation the chance to pay for NHS care and hence jump the queue. This makes the two tier healthcare system worse and runs against the founding principles of the NHS.

The Centre also worked with journalists to show how the trend in people paying for their care out of their own pockets was being partly driven by the promotion of cheap credit arrangements and ‘buy now pay later’ schemes by private healthcare companies. This research was also set out more detail in a blog which was widely shared over social media and received almost half a million views.



Our Director, David Rowland wrote about this in the magazine Tribune on the 75th Anniversary of the founding of the NHS, describing it as an existential risk to the NHS.



Maintaining media interest in patient safety risks in UK private hospitals

Our research on patient safety in private hospitals continues to have an impact on the debate about the growth of for-profit healthcare in the UK and the systemic risks which need to be addressed.

In August, we worked with the health editor of the Sunday Times on a long article and dedicated podcast exploring the issues of patient safety in private hospitals. Our work on the systemic patient safety risks in private hospitals was referred to by the Sunday Times as was our work on conflicts of interest which revealed the high numbers of NHS consultants who have shares in private hospitals and also own medical equipment in the private sector.

You can pay for private healthcare — but can you trust it?

Queues and strikes mean more and more patients are dipping into their own pockets for treatment. This quick fix might have far-reaching consequences



THE SUNDAY TIMES

The Centre for Health and Public Interest (CHPI), a think tank, has found more than 600 consultants had shares or a stake in hospitals they sent patients to, while 77 doctors received a fee each time the equipment they owned was used for treating or diagnosing patients. “We don’t have the regulatory system able to cope,” said David Rowland, director of the CHPI.

Private hospital criticised for relying on NHS ambulance service to transfer patients

Death of a man who waited 14 hours for a transfer in Norwich highlights growing reliance on private providers in complex cases



Despite numerous tragedies, nothing has been done. David Rowland, director of the Centre for Health and the Public Interest, on transferring patients with acute needs from a private to an NHS facility such as Norfolk and Norwich university hospital. Photograph: David Burton/Alamy

The Observer

“Transferring unwell patients from a private hospital to an NHS hospital is a known patient safety risk which all patients treated in the private sector face - including the increased numbers of NHS patients who are now being treated in private hospitals because of government policy,” said David Rowland, director of the CHPI. “And despite numerous tragedies and despite the fact that politicians and regulators are fully aware of this risk, nothing has been done to address it.”

We also worked with the Observer in September to examine the risks associated with patients from private hospitals being transferred to NHS Accident and Emergency Departments because of the lack of intensive care facilities in the private sector.

Tragically, over the course of the last year inquiries by the coroner’s office found that three patients have died as a result of these systemic risks. We first identified these risks in our 2017 report into patient safety in the private hospital sector and we will continue to push for the recommendations from this report to be implemented by policy makers. The Centre has also contributed to the media and the public’s understanding of the Ian Paterson Scandal. In February it was reported that a further 1,500 patients of the former surgeon had been recalled because of potential concerns about their treatment. In April 2023 it was reported that the Coroner was looking at 650 potential deaths as a result of this scandal. Our Director David Rowland spoke to Andrew Marr about this issue on LBC Radio.



Working with journalists to highlight the conflicts of interest within healthcare

Over the course of the year, the team has worked with journalists in the national media to raise concerns about growing conflicts of interest in the UK healthcare system due to the growth in the amount of healthcare being delivered on a for-profit basis. Much of the basis for the media's interest in this area came from our 2018 research report into the financial incentives in the private hospital sector.

For example, we argued that the growing trend for NHS consultants to own shares in private companies that were providing services to the NHS

had the potential to damage the probity and integrity of the healthcare profession and should be banned.

We also commented in April that greater safeguards should be in place to prevent payments from pharmaceutical companies influencing clinical decisions including which types of drugs are prescribed.



The Observer

Revealed: maker of Wegovy 'skinny jab' is funding NHS weight-loss services

Critics fear conflict of interest as Novo Nordisk helps medics 'reduce unnecessary barriers' to treatment for obesity



Wegovy's slimming jabs have been described as a game changer by clinical experts. Photograph

David Rowland, director of the Centre for Health and the Public Interest thinktank, said "clear safeguards" were needed to "prevent the financial interests of pharmaceutical companies from polluting services provided to patients". He said health organisations were often struggling for funding but needed to consider the "trade-offs" carefully. "If companies are not seeing prescriptions of a particular drug, where does that leave them in terms of their interest in funding these services?" he added.

NHS consultants run private firms charging to cut waiting lists at their own hospitals

Calls for a ban as health trusts award 'insourcing' contracts worth millions to tackle backlogs



The Observer

The Centre for Health and the Public Interest, an independent thinktank, this weekend called for a ban on such arrangements. The General Medical Council said current conflict of interest policies did not always deliver "the transparency and assurance that patients rightly expect".

David Rowland, director of the Centre for Health and the Public Interest, said the current rules were "woefully weak" and called for a ban on arrangements of the sort identified by the *Observer*. He questioned whether potential conflicts could ever be effectively managed "if you've got money going from an NHS trust to a company owned by senior employees".

"Even the perception of a potential conflict is damaging," Rowland said.

Meeting with academics, patients, campaigners and healthcare professionals

Over the course of the last year team members have addressed a range of conferences and meetings to help those working in health and social care understand the changes that are happening.

For the launch of our care home report with Warwick Business School and UCL we held an event at the Shard in London with policy makers and key stakeholders from social care. We have spoken to doctors, patients and campaigners at the annual conference of Doctors for the NHS and also at the annual conference of Keep our NHS public.

We co-sponsored the annual conference of the International Journal of Social Determinants of Health and Health Services at the Pompeu Fabre University in Barcelona which was supported by one of our Trustees Dr Guddi Singh

We also co-sponsored a major international conference with colleagues from Aristotle University in Thessaloniki where our Director David Rowland spoke about our research to over 150 doctors, campaigners, and academics from across the world.

Whilst we benefit significantly from the ability to share our work through the internet and social media, we also recognise the importance of meeting with people face to face. A key part of our strategy for the next year is to hold more in person events in cities in the UK outside of London.



2023 Presentation of the International Journal of Social Determinants of Health and Health Services
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LIFE CAMPUS DE LA CIUTADILLA, CARRE D'IBARRON TRIAS FERRAGALS, BARCELONA, SPAIN
Organized by JRI-LIFE Public Policy Center



The bet against the NHS..

'Betting against the NHS': £1bn private hospital to open in central London

US investor Chorkandil 'Tom' Livonidis is to build a new private hospital in central London, but critics fear competition from the NHS system.

- A combination of the state underwriting the risks of for-profit multinationals investing in the UK plus the managed decline of the NHS has led to a rise in capital investment in healthcare facilities.
- £2 billion has been invested since 2014 in ophthalmology, cancer centres and other hospital facilities.
- 150 new private equity deals in the UK health sector.

Building the CHPI team

Our key strategic aims over the next 5 years are for the Centre to double in size in terms of our staff team, to increase our impact and to become more financially sustainable.

To help us achieve these goals, over the past year we have expanded our Trustee board to include two new Trustees with experience of organisational development. Professor David Evans, is a public health specialist and academic from Bristol who has been involved in taking smaller charitable organisations and helping them grow and develop.

Emma Watkins is currently Director of Retirement and Longstanding at Scottish Widows and has significant expertise in developing and managing teams within the financial services sector.

We have also revised our approach to raising funds as a result of working with a fundraising consultant. We have employed a dedicated fundraising co-ordinator Gabrielle Clarke and have recently been successful in receiving further funding from the Joseph Rowntree Charitable Trust as part of their Power and Accountability programme.

Who we are

Staff team

David Rowland

Director

David Rowland was appointed as CHPI's first Director in 2019 after over a decade of working in senior policy positions within the healthcare regulatory sector.



Sid Ryan

Researcher

Sid Ryan is a health policy researcher and journalist with a specialism in information law.



Gabrielle Clarke

Fundraising Co-ordinator

Gabrielle is an experienced fundraiser. She has previously worked supporting fundraising for refugees and asylum seekers.

Board members and advisors

Dr Jonathon Tomlinson

Trustee (Chair)

Jonathon Tomlinson is a full-time GP in Hackney, East London.



Sue Charteris

Trustee (Deputy Chair)

Sue Charteris is a leadership coach to charity leaders and social entrepreneurs.



Professor Colin Leys

Trustee

Colin is an emeritus professor at Queen's University, Canada, and an honorary research professor at Goldsmiths, University of London.



Lois Rogers

Trustee

Lois is an award-winning international journalist and communications advisor specialising in healthcare, life sciences and public policy.



Dr David McCoy

Advisor

David works for the International Institute for Global Health as part of the United Nations University.



Professor David Evans

Trustee

David Evans is Emeritus Professor specialising in Public Health at the University of the West of England.



Dr Guddi Singh

Trustee

Guddi is a Consultant Paediatrician and television broadcaster.



Emma Watkins

Trustee

Emma is a Managing Director at the insurance firm Scottish Widows



In brief: our impact in 2023

- **Highlighting the toxic legacy of the Private Finance Initiative (PFI) in the NHS.**

In October we worked with BBC Newsnight to highlight the impact of high rates of inflation on the amounts that NHS Trusts were having to pay for their PFI contracts and also the very large profits generated by these companies

- **Explaining where government money going into the UK care home system during the pandemic ended up.**

In April our report with Warwick Business School and UCL was covered exclusively by the BBC's Social Affairs Editor on BBC News and the Radio 4's Today programme. We showed how a large part of the £2 billion given to the care home sector by government to support the pandemic response leaked out of the system in the form of profits and dividends to shareholders.

- **Communicating the concerns of Directors of Public Health about the country's ability to respond to a future pandemic.**

In June the Times newspaper covered our research into the views of Directors of Public Health on the new public health system in England. This research showed significant concerns about political interference in the new system and the ability of the new system to respond effectively to a future pandemic.

- **Holding government to account for the contract between the NHS and the private hospital sector during COVID 19.**

In February we worked with the British Medical Journal to highlight issues with the £2 billion contracts between the NHS and the private hospital sector during the pandemic. We published a major report analysing the contracts which were disclosed to us under the Freedom of Information Act.

- **Working with the media to help inform the public and policy makers about conflicts of interest in healthcare and patient safety risks in the private hospital sector.**

Throughout the year we worked with the Sunday Times, the Guardian, the Observer and LBC Radio on a number of investigations focused on growing financial conflicts of interest in the UK healthcare system and the ongoing systemic patient safety risks in the for-profit healthcare sector.

- **Speaking at academic conferences and meeting with campaign groups.**

This year we have spoken at and sponsored academic conferences at universities in Greece and Spain and have addressed the annual meetings of healthcare campaign groups in the UK.

CHPI

Centre for Health
and the
Public Interest

A high-impact low-cost think tank which seeks to advance the public interest in the debate about the future of health and social care in the UK

Published by CHPI

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CHPI • Registered charity number 1157077 • Companies House registration number: 8047440