

Public Health

John Daniels

*The author helped found the Russell Press, in 1968, and is a lifelong activist in support of a free public health service. He takes his cue from an important new book, *The Plot Against the NHS* by Colin Leys and Stewart Player (Merlin Press).*

'We must recognise where we didn't get things right. And we must show that a changed Labour Party can again be trusted. It's not about dumping on our past, because I am proud of our record in government. But it is about being honest about what we got right and what we got wrong.'

I would humbly suggest that a careful reading of *The Plot Against the NHS* might aid the present leader of the Labour Party to discern the difference between the profusion of 'wrongs' and the sparsity of 'rights' in the area of health 'reform' perpetrated by the New Labour Government. The tragedy is that building on this superstructure, erected by New Labour, the Coalition is completing the final stage of privatisation, marketisation and the closing of any exits or the possibility of easy restitution.

The authors have exposed the direction of the 'reforms', step by step, and the alliance between NHS top officials (many recruited from the private sector), private healthcare providers, a range of commercial interests (in private equity, banking, insurance, and so on), a coterie of entrepreneurial clinicians and New Labour politicians (and now the Coalition) to privatise the NHS. There are at least two reasons for this endeavour; one ideological and one financial. Firstly, the NHS, despite the battering it has received over the years, still provides an illustration of the beneficial role that state institutions can perform and, as a consequence, undermines the idea of the neo-liberal 'minimalist state'. Secondly, the NHS costs nearly £100bn a year to run, and for the present

financial system, although it obtains a considerable revenue under the existing arrangements, would it not be much better if this was completely in the private sector, particularly at a time of a general economic downturn?

The three ‘crucial steps’ in implementing the plan are identified by the authors, Colin Leys and Stewart Player: the opening of the NHS to private providers; the reorganisation of the NHS into competing units; and, finally, the detachment of many of these units into stand alone ‘social enterprises’. The latter would be private companies composed of ex-NHS staff who would lose many of their NHS entitlements after the initial standard three-year contract arrangements had elapsed.

The first initiative started in 2000 with the ‘concordat’ to allow ‘private providers’ access to the NHS, negotiated by Tim Evans of the Independent Healthcare Association and, later, the Adam Smith Institute. Evans’ stated desire that the ‘NHS would simply be a kitemark’ with services met by private providers seemed at the time rather fanciful – in 2011 the reality of such an outcome seems ominously possible.

The line of march had been determined but, as this book shows, the plotters were often prepared to try an initiative and drop it if it encountered too much opposition. Lord Darzi and his polyclinics illustrate this phenomenon, and also exemplify one of the key components of the plan – to keep the populace in the dark with glamorous sounding initiatives. Throughout the process the public had to be sedated with the tranquillizer of platitudinous or euphemistic verbiage, and this, sadly, was largely successful during the New Labour administration. One other factor combining with the disinformation to head off public hostility was the significant extra money awarded to the NHS from 2000 onwards, after years of tight financing – this gave the appearance and, sometimes, the actuality of improvements. Much of the new building was, of course, negotiated through private finance initiative (PFI) contracts, the onerous nature of which has been carefully documented by Allyson Pollock and others. The authors assert, using Ministry of Health figures, that of 106 PFI schemes, the capital value of which was £11 billion, the actual payments to the contractors will end up costing some £58 billion. There are also the enormous sums devoted to dubious practices, such as ‘choose and book’ and computer systems that still only work partially, if at all. Surprisingly, despite all this, the NHS is still one of the most cost-effective comprehensive health-care systems in the world.

The Tories, of course, have form regarding the NHS, stemming from the Thatcher-Major period when the first attempt was made to bring

marketisation within the health system with the ‘internal market’ and ‘fund-holding’ GP practices. With the Conservatives out of office in 1997, and after a brief interregnum under Frank Dobson, New Labour picked up the torch of marketisation and privatisation. New heights were reached in disingenuous policy proclamations, together with instituting a merry-go-round of personnel appointments between the private and public sectors comparable only to the defence industry in scope and intensity.

The present inroads made into the NHS by private providers are already significant with private hospitals, treatment centres and clinics treating NHS patients paid for by the NHS and ostensibly under NHS auspices. The idea of ‘top-up payments’ for increased treatment, a situation that now exists for some drugs, is a move towards creating a tiered health service, with private hospitals entering the public system and hospitals run by private companies all being on the cards. All hospitals are to become foundation trusts as stand-alone competing organisations and will, as the authors state, ‘behave like private companies, or go under’. (Democratic controls of any kind are highly circumscribed.) Private companies have already started to run NHS hospitals, for example the Hinchingsbrooke Hospital in Cambridgeshire.

A process of company ownership of GP practices, as opposed to the usual partnership model, has also developed. These are often owned by entrepreneurial clinicians, but there now exists little impediment to the large multinational healthcare firms entering this profitable field. They have already done so in terms of ‘out-of-hours’ visits, which are now no longer the responsibility of GPs but are run by private companies. Enormous consultancy fees are paid for giving advice on how to subvert the NHS. All these manoeuvres are fertile ground to build on for Lansley’s Bill, notwithstanding the difficulties it is encountering. New Labour’s record of changes in the NHS has stymied the ability of the Labour Party to lead the opposition to the Coalition’s privatisation agenda.

Lansley’s Bill, as conceived, is the *coup de grâce* for the NHS, building on New Labour ‘reforms’, and reverting to the idea of GP fund-holding. However, this time all GPs are to be herded into consortia which will purchase the services needed from a variety of competing providers. So, for example, we should envisage a system where aftercare services for patients returning home from hospital would go out to tender. The local social enterprise, formerly NHS primary care staff, would be competing against the local hospital and any number of private providers, from Virgin Health to the big American firms such as UnitedHealth. To oversee the commissioning of services and ascertain that GP consortia are making the

correct market choices, ensuring the best service is provided, whether public or private, a competition monitoring body will be established. The Bill also establishes a Commissioning Board, which will check on the functioning of the GP consortia and define their budgets. Under the new dispensation, the Minister of Health will have little influence on the day-to-day workings of the new health ‘market’. The market, with its mystical agencies of ‘supply and demand’ and the ‘hidden hand’, will choose the provider itself. It might need someone to weigh up the results in terms of outcomes and costs, but that’s all. The final goal is about to be reached: a health system modelled closely on the US healthcare industry, probably the most rapacious model you could choose. For anyone who has watched the Michael Moore film *Sicko*, this is enough to send shivers down the relevant vertebrae: a system where health outcomes are often decided by the thickness of your wallet, rather than the severity of your affliction.

Interestingly, Colin Leys has stated elsewhere that, because of the Bill’s and health service matters’ general complexity, Cameron failed to realise the significance of Lansley’s Bill. Given the drastic nature of the Bill, together with real cuts in the health service, major public concern is beginning to be aroused, in particular among the NHS workforce. No wonder, when set against the Tories’ election pledges that the ‘NHS was safe in their hands’, and no new major organisational changes were intended. It remains to be seen what the outcome will be, but public and health bodies’ disquiet has already caused Cameron to ‘pause’ the legislative timetable so he can ‘listen’ and, presumably, learn.

The authors explain how we got to this situation but do not tell us how we can stop the momentum, presumably as the answer is blindingly clear – that is to mobilise as many people as possible within civil and political society to register their opposition. The employees of the NHS are vital to this opposition and, although most of the organisations representing them have registered their disapproval to one degree or another, the rank-and-file response has been patchy. A possible explanation is that one of the key goals of the plot is to bring about the fragmentation of the NHS and, with it, the sectionalisation of the workforce. All the above, and a multiplicity of organisational changes and directives inflicted on the workforce, have combined to create the useful bi-product of ‘initiative fatigue’ amongst NHS staff.

Given the relatively small extent of *The Plot Against the NHS*, it is a highly enlightening work, crammed with factual information and logically presented in what is a complicated field. For reasons of space we have given little appreciation of how the plan was introduced over time, and the

duplicity and cunning employed to bring about the situation we now find ourselves in. The self-aggrandisement and treachery of some of the participants in this process of NHS ‘reform’, given their previous statements and adherence to social-democratic norms, is shocking. The text also gives the reasons why the intrusion of market forces will not give improved quality of health care. It is also a call to arms to try and stop this Bill, and to roll back the tide of privatisation. We should all listen and act accordingly.

Postscript

The Health and Social Care Bill has encountered much opposition, so much so that, on 6th April 2011, the Health Secretary, Andrew Lansley, announced in the Commons that the legislation would be halted temporarily to allow for a ‘listening exercise’ – to ‘pause, listen and reflect’. Having been published in March, a month before the pause, *The Plot against the NHS* could not be expected to comment on this latest manoeuvre, but it does give us the necessary forensic insight into what is a continuation of the plot by other means.

The listening and reflection was to be carried out under the auspices of the *NHS Future Forum*, a body established for the purpose, consisting of 45 members and chaired by a GP, Steve Fields, a keen supporter of ‘reform’ and chair of the Royal College of GPs. After taking soundings from various ‘listening events’ with selected participants, plus written submissions, the *Future Forum* presented Cameron, Clegg and Lansley with some 16 recommendations for amending the Bill which the grateful triumvirate promptly accepted. Perhaps the most fulsome praise for the changes came from Clegg, anxious to placate his restive LibDem parliamentary colleagues, whose desires had been ‘completely achieved’.

Basically, the recommendations will apply the brakes on what was always a rushed Bill, (seeking to introduce further unsettling change at breakneck speed). However, despite deceleration, the destination and route remain the same. As Leys and Player make clear, when New Labour encountered too much opposition to the drive to marketisation and privatisation, it staged a feint retreat, only to drive the agenda forward in another way. With the *Future Forum* recommendations the same tactic is being used, with the Coalition executing a rather successful manoeuvre that has won some plaudits from the medical community, but by no means all.

The recommendations themselves are often changes of wording, with platitudinous statements about integrating services, abiding by the aims of the NHS Constitution, and working for ‘improvements in quality and

healthcare outcomes'. They still maintain that the Bill is right to give the responsibility for commissioning provision to GP consortia, but that they should have not just GPs but other medical specialists, nurses, hospital doctors and even patients. The consortia should be based on local authority area designations and there must be open government in terms of observation and financial reporting. We should note in this context that information on PFI agreements was often refused on the grounds of 'commercial confidentiality'. 'Cherry-picking' by private providers is condemned; privatisation as a goal is denied; and the Minister for Health, whilst not in day to day control of the NHS, will still be responsible for its running and, presumably, answerable to Parliament.

There are worthy appeals for the 'reforms' to adhere to the NHS Constitution, that the pace of change be governed by the need for meeting quality and safety standards as well as the 'financial challenge', together with appeals to work together with local authorities and voluntary organisations. The key question is the role of 'Monitor' and, at this point, the textual hyperbole launches into overdrive. Monitor's responsibilities are to use 'competition . . . as a tool for supporting choice, promoting integration and improving quality . . . never as an end in itself'. Promoting competition is to be expunged from the Bill, but Monitor must support 'choice, collaboration and integration'. In making the cake the chef is in fact to have a lot of latitude about the ingredients as long as he ends up with a cake, and we all know what that cake is. If you are not so easily convinced by fine words then, like the NHS Support Federation, you may still consider 'that all the conditions for the transfer of services from the NHS to the private sector are still in place'. What sort of regime will David Bennett, acting chief executive and chairman of Monitor, opt for when the glare of publicity has dissipated? Will that former head of the Policy Directorate and Strategy Unit at Number 10 under Tony Blair, who spent 18 years working for McKinsey & Co., (part of which as a director of the company), ditch his belief in market capitalism? I think not. For his £300,000 a year we can expect that he will follow his own dictum that 'greater competition results in better management'. When the NHS is expected save £20 billion in 'productivity improvements', according to Chris Ham, chief executive of the King's Fund, how can this be achieved except by lowering costs? We are beginning, even now, to see the results in extended operation waiting times, closed wards and redundancies. The problem is that the private providers are still expensive in comparison with that old 'Stalinist' monolith, the NHS. To illustrate the commitment of the higher echelons of the NHS management to privatisation, it appears they

were prepared to consider an enticement to private health providers, who were to be given a ‘leg up’ – a 14% price uplift above NHS tariffs. After its exposure, and a vigorous campaign by Unite, the idea was shelved.

Both the pause and the subsequent *NHS Future Forum* report can now be seen for what they are: a public relations exercise to appease some truculent LibDem MPs, and an opportunity to apply the usual balm on an apprehensive public and workforce. The helpful highlighting by the media of statements by a smattering of Tory MPs, private health providers and Alan Milburn, (Minister for Health under Blair), that the suggestions of the *Future Forum* placed the ‘NHS reforms’ in mortal danger, completed the circle. Their doubts were not shared by David Bennett, who looked forward to an ‘increased diversity of providers’ with Monitor having a ‘significant role regarding competition’.

The text of the amendments to the Bill will require careful reading. As many commentators have stated, the devil will be in the detail. The pace of change may alter but our vigilance must not falter. It is a fair assumption that many people are still troubled by, and suspicious of, the latest twists and turns. Pressure must be increased when the legislation returns to the Commons to stiffen Labour resistance in order, at least, to partially absolve its guilt for past mistakes.

Colin Leys and Stewart Player, The Plot Against the NHS, Merlin Press, 178 pages, paperback ISBN 9780850366792, £12.95

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