

# Fighting for the health service

## Con-Dem government declares war on the NHS

THE NEW government's health policy was put forward in July 2010 in the white paper *Equity and Excellence: Liberating the NHS*. This Con-Dem policy marks the end of the NHS as a national healthcare provider, and its transition to being an official facilitator for private sector healthcare.

David Pelsall

While the new policy is rooted in the market 'reforms' of the New Labour government, it represents a drastic step forward, with health secretary Andrew Lansley proposing to delete NHS management and administration and cut healthcare provision adrift from the public sector, making privatisation at all levels a foregone conclusion.

While the white paper is in theory only a policy statement, put out for 'consultation', in reality NHS chief executive David Nicholson has already ordered all NHS authorities to start carrying out these policies immediately.

The government plans to introduce a health bill in November that will enforce the changes. Meanwhile, Unison is mounting a legal challenge to stop the break-up of the NHS before proper consultation has taken place.

The government plans to have the new health system entirely in place by 2013. They intend this to be a permanent counter-revolution, doing their best to close off any way of restoring the NHS we have known for sixty years.

### Behind the financial mask

THE BASIC facts and figures are calculated to appeal to the capitalist 'free market' mentality of 'private good, public bad'. The government promises to cut NHS management costs by 40% and achieve £20 billion 'efficiency costs' by 2014. It will radically reduce the number of NHS organisations and the government's own NHS functions. They want to abolish all 10 strategic health authorities and all 150 primary care trusts, along with most of the 'arm's length bodies' that maintain NHS standards. Up to 30,000 jobs in NHS management will be cut.

The government calls this making "choice and competition" the principles of NHS healthcare. But to understand what the changes really mean, it's necessary to look behind the financial mask to the human reality.

Of course, the government has no mandate to introduce major structural reforms of the NHS, since it made an explicit manifesto commitment not to do so. Before the election, the Tories said in all their policy statements that major structural reforms of the NHS were a bad thing: they cost money, demoralised staff and delivered no improvement.

Within weeks of election, Lansley was saying that he now realised the finances of the NHS were in such a desperate state that a major structural reform was the only way forward. But there's no information now on NHS finances that was not available to him in his nine years as shadow health secretary. The truth is that if the Tories had said what they were going to do to the NHS, they would have lost the election.

Another Tory election lie was that NHS funding would be 'ring-fenced' to pro-



Marching in defence of the NHS.

photo Alison Hill

tect frontline services. The reality is that the savage cuts to social services budgets will lead to existing NHS resources being spread thinner, as the role of social services in providing community healthcare will virtually disappear.

The cost of the new reforms has itself been estimated at over £2 billion. Most importantly, the outsourcing of both healthcare management and frontline services means that public money will no longer be invested in maintaining a public sector workforce: it will go straight into the pockets of healthcare corporations such as Tribal and Casio.

### Feeding frenzy

THE NEW NHS white paper claims it will 'liberate' the NHS from bureaucracy and political interference, and give local communities control over their own healthcare. The plan is to abolish the regional strategic health authorities and the local primary care trusts, and to place up to 80% of the entire NHS budget in the hands of 'GP consortia' who will operate as private companies, commissioning services on behalf of their patients.

The NHS hospitals will all have to accept foundation trust status, whereby

they function as independent non-profit companies or 'social enterprises' – it was already New Labour policy to encourage this, but under the new legislation it will be mandatory.

The hospitals will compete for the business of GP consortia, and will be under financial pressure to outsource more and more of their services. The NHS 'internal market' introduced under Thatcher, and only partly subverted under New Labour, will become the only game in town.

You may wonder: isn't it better for GPs to commission services for their patients, rather than have the decisions made by managers with no clinical experience? But that approach has already been tried twice, as GP fundholding and as practice-based commissioning, and has failed both times for the same reason: GPs are not financial managers.

Following the white paper, 87% of GPs said they were not ready to take on commissioning. But this time, the alternatives are being destroyed. If it doesn't work, there's nothing to go back to. What happens if a GP consortium fails to meet its budget targets? The answer, according to the government, is that it will go out of business. The same is true of the hospital trusts. So on both sides, the stage is set for the private sector to take over.

The government claims that its NHS reform is wiping out the 'bureaucracy' and freeing up funds to be dedicated to frontline care. 'Bureaucracy' is one of those words, like 'insurgent', that basically mean 'You can destroy them without having to say why'. What they are wiping out is the structure of public ownership and democratic accountability.



The grim reaper of privatisation.

photo Alison Hill

The day after the white paper was published, the healthcare corporation Tribal published what can only be described as a salivating report on the opportunities that the new NHS would create for private sector delivery of healthcare. Tribal's business development director, Kingsley Manning, said that the new structure "could amount to the denationalisation of the NHS".

### Safety net profit

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Lansley has already abolished the management of performance standards within the NHS, along with many health watchdogs such as the National Patient Safety Association. He says that in future, these standards will be enforced through GP commissioning and patient choice. In other words, if your partner or parent or child dies due to poor treatment in an NHS hospital – hard luck, choose a better one next time.

The government's attitude towards patient safety, a crucial issue for the NHS, is reflected in Lord Young's recent statement that health and safety is "a music-hall joke" due to the "compensation culture" that has the state poking its nose into everyone's business. The Con-Dem plan to repeal the recent corporate manslaughter legislation that makes it possible for the directors of companies that cause deaths to be prosecuted – great news for the construction bosses, and reassurance for private healthcare bosses looking to snap up the new franchises in patient treatment.

The tragedy of patient neglect at Stafford Hospital, which caused an estimated 400 preventable deaths within three years, was a consequence of the hospital cutting its budgets to achieve foundation trust status.

Before that, the massive loss of life on hospital wards due to MRSA and C. dif-

ficile infections was a result of hospitals outsourcing cleaning to the lowest bidder while cutting nurse staffing levels. Casual 'agency' nurses were used to drive down the number of full-time nurses and undermine the health unions.

These horrific lapses in patient safety will be the norm in future. Stafford Hospital is to the NHS what the Potters Bar tragedy was to the rail service. And indeed, for a clear example of how privatisation affects the quality, reliability, safety and cost of a public service, you need look no further than the rail network. The NHS is heading for a train wreck.

### The NHS market

IT'S IMPORTANT to remember, especially when shadow health secretary Andy Burnham starts bleating about the inequity of the current government's health policies, that under New Labour the NHS was groomed for privatisation. Their programme of 'NHS reform' has been termed a 'patchwork privatisation'. Hospitals were forced to pay for overpriced and publicly unaccountable private sector interventions in their management and services. The NHS was being steadily changed from an integrated provider of services to a commissioner of services supplied by the private sector. All the ConDem government has done is to take us to that end-point in a single, ruthless stroke.

A key aspect of New Labour's NHS reform policy was the Private Finance Initiative (PFI). Under PFI, an NHS trust hires a private-sector consortium to build and maintain a hospital. The trust pays off the cost of this project by instalments over a 30-year period, at high rates of interest. Essentially it forces NHS trusts to mortgage their own hospitals. It has been estimated that the total cost paid under PFI for projects worth £8 billion is £53 billion. These profits come at the expense of frontline services.

Another New Labour policy was the Independent Sector Treatment Centre (ISTC) programme. ISTCs are clinics, run by large private healthcare companies, that carry out routine NHS procedures such as cataract operations. They are paid a fixed price by the NHS, regardless of how many people use their services.

Their official purpose is to cut waiting lists and increase patient choice.

The first wave of ISTCs, rolled out in 2006, saw £1.7 billion worth of contracts awarded but had little impact on waiting lists. It was widely observed that ISTCs cherry-picked the simplest operations and sent the more difficult, and less profitable, cases back to NHS hospitals.

A study by health policy expert Allyson Pollock found that the ISTCs were blocking public access to their clinical and financial performance data on grounds of 'commercial confidentiality'. A member of the Commons health committee described the ISTCs as an "evidence-free zone". The government said that on average, ISTCs were being paid 11% more than NHS facilities for each operation. Evidence of poor quality treatment and low success rates remains inconclusive, because the ISTCs refuse to provide data.

### Rhetoric and reality

THE 'PATIENT choice' agenda is the key piece of Thatcherite rhetoric in the jigsaw of NHS marketisation. Under New Labour, NHS trusts have had to include private sector providers in every set of options presented to a patient, either directly or through a consultant or GP. But the profits made by private sector providers have come from the trust's budget, and therefore lead to further rationing of NHS care. In other words, 'patient choice' is a euphemism for deregulation.

At the moment, the Con-Dems are telling us that NHS services will remain free at the point of care. But we're looking at a situation in which the private sector will rapidly assume control of both NHS management and NHS healthcare provision, with both sides being run to maximise profits. Free services will be rationed to force more and more patients to use private services – commissioned by the same GP consortia, and provided in the same hospitals, as NHS services. And phased introduction of fees for many NHS services and patients, mediated by insurance, is likely.

So what does the new system mean for the NHS?

For NHS patients it means the fragmentation of healthcare between private sector agencies, with the certainty that free healthcare will be rationed and private healthcare promoted. Within the



Health workers are battling for their wages and conditions.

photo Newcastle SP

new framework it will also be easy for GP consortia or their private sector surrogates to introduce NHS fees progressively, rather than in a single traumatic shift that would embarrass the government.

For NHS workers it means a destabilisation of their role in maintaining the NHS. National collective agreements will be impossible to maintain as foundation trusts introduce their own pay and pension schemes, while outsourcing more and more services to the private sector. For the public it means that the NHS is no longer accountable, since private healthcare providers can withhold performance data as being 'commercially sensitive'. And since the health budget will be spent on private sector treatment, most of it will end up in the pockets of shareholders.

The Con-Dem government's health policy is closely integrated with its attacks on all public services, and follows the overall pattern of using the pretext of deficit reduction to drive through deregulation, eradicating the role of the public sector in employing workers to meet the

needs of society. In Cameron's 'big society', the state functions only as the protector of the absolute power of private business to exploit the labour and the needs of the people for profit.

### The health of society

THE NHS was created in 1948 as a result of the overwhelming postwar demand for a social system that would make healthcare, education, work and housing available to all people. Today, that vision has been all but annihilated by the rapacious greed of the capitalist class. Aneurin Bevan, who battled in Parliament to establish the NHS, said that "It will survive as long as there are folk left with the faith to fight for it." What can we do?

The undermining of the culture and ethos of the NHS under New Labour has made the task of defending it more difficult. It's necessary not only to challenge the Con-Dem vision of a privatised NHS, but to go back and challenge the market reforms that have brought it within reach.

### The Socialist Party calls for five measures to save the NHS:

- End all privatisation. Return privatised services to NHS control.
- Take PFI hospitals and all other privately owned aspects of the health service back from big business. Publicly fund and integrate them with the rest of the NHS.
- End foundation trusts. Build democratic control of local health services by elected health workers and community representatives as well as elected representatives from local and national government.
- Nationalise the big construction companies, service companies, medical supply and pharmaceutical industries that are taking billions of pounds out of the NHS.
- Build anti-cuts unions in every area to defend the NHS and all our jobs and public services. To save the NHS we need to work with the health unions, patient organisations, GP practices (some 50% of which are opposed to the changes) and the public to start the fightback.

In the week that the NHS white paper was published, the media decided the Mandelson memoirs were far more interesting. His political career is history. If we don't take urgent steps to raise public awareness and mobilise effective protest, then by 2013 the NHS will be too.