

# The gathering of the Vultures

*The headlines told us of pots of money for the NHS. But look at the small print and you see the New Labour government extending its privatisation programme within the NHS. The vultures are gathering for rich pickings. Martin Wicks examines the NHS Plan.*

The irony obviously escaped the Secretary of State for Health. The NHS Plan will introduce a system whereby organisations will be judged on a 'traffic light model'. They will be deemed to be 'performing' on a scale of green, yellow, or red. Perhaps this is associated with the government's new road building programme, which will surely increase the number of 'customers' wheeled into hospitals.

Superficially it seems difficult to decry the government's proposals. Over a five year period they are proposing to increase spending by 50% in cash terms, 33% taking into account inflation. However, where does this money go? Who controls it? What say do staff in the service have in the way it is run, its priorities, and how the money is spent?

Since it came to office this government has progressively opened up the public sector to big business. There is now a market in education and in areas covered by the civil service. Despite the sums involved, the fact is that the NHS Plan is now opening the service up to exploitation by big business.

## Private Health Sector.

The NHS will henceforth "engage constructively with the private (health) sector". The argument runs that by developing a 'partnership' with the private sector the NHS can utilise their spare beds. However, the relationship is not to be restricted to this. There will now be a flow between both sectors. Moreover, the concordat will also cover "the involvement of private and voluntary sector organisations in the development of health planning". The document makes clear that this is only the start. "The concordat is intended to be the start not the end of a more constructive relationship."

This means that the private health sector, which already receives £1 billion per year from the NHS, will be bolstered by more public cash. It will be

incorporated into the health planning process as an integral part of service delivery. If the government were serious about addressing the beds shortage in the NHS why is such a 'partnership' necessary?

Even worse, the NHS will "explore with the private sector the potential for investment in services such as pathology and imaging and dialysis..." The government intends setting up call off contracts with private suppliers. This can only mean private business running



health services.

## Pharmaceutical Business.

The government's conversion to 'the market' and its impact on the NHS could not be more clearly expressed than by its proposals on the relationship between the NHS and the Pharmaceutical industry. It is not enough that the drug companies exploit the NHS by their overpriced drugs, the vultures are to be allowed to tighten their grip. The government has set up a Pharmaceutical Industry Competitiveness Task Force "to help develop a deeper partnership between industry, the NHS and government". The Task Force has already agreed on pharmaceutical industry involvement in "the development and implementation of

national service frameworks".

By April 2001 "we will have developed ways of *streamlining* the work of research ethics committees whilst preserving all the necessary safeguards". This will allow "further and more effective recruitment of patients (read guinea pigs) into clinical trials, enabling new medicines to be brought on stream more quickly".

The NHS Plan waxes lyrical about the Pharmaceutical Industry describing it as "a UK success story". Then it makes the following extraordinary statement. "The NHS has a major role to play in ensuring that the UK remains an attractive base for industry." So there you have it. Sick people are a means of strengthening the position of the UK Pharmaceutical industry in the global market place. Indeed, "The NHS has a responsibility to contribute to, facilitate and embrace these advances in partnership with the private and charitable sectors and academics." In other words the NHS has a responsibility to help UK big business drive up their profit levels.

## Crossing the Rubicon.

To opponents of PFI the government insisted that, although a privately built hospital would be run by the private contractor, medical services would remain in the NHS. There was never, of course, a clear dividing line between ancillary services (which would be taken over by the private contractor) and medical services. However, that is a redundant debate because the government has now crossed the Rubicon. Medical services can be privatised now.

"In partnership with the private sector we will develop a new generation of Diagnostic and Treatment Centres, to increase the number of elective operations which can be treated in a single day or with a short stay. These centres will separate routine hospital surgery from hospital emergency work, so they can concentrate on getting waiting lists down."

## Hospital Food.

The government intends to introduce a 24 hour catering service. Surprise, surprise, a national franchise for

catering will be examined “to ensure That hospital food is provided by organisations with a national reputation for high quality and customer satisfaction.” In other words, the private sector.

**New Performance Regime.**

By April 2001 “a new system of incentives” will be introduced, offering financial rewards. 'Green light' organisations, high quality, high performing trusts, will be used as a benchmark, with all trusts expected to reach these standards over the next 5 years. Those who 'succeed' will be given extra money from a National Performance Fund and discretionary capital funds. They will also be given “greater freedom to decide local organisation of service”. They will be offered the opportunity of taking over 'persistent failing red light organisations'. 'Red' organisations will get a share of this fund but with strings attached. The 'Modernisation Agency' will tell them how to spend it.

**Intervention.**

Primary care groups and primary care trusts already have the right to provide services in-house or to transfer buildings and services to alternative providers, where the quality of hospital services is poor. The NHS Plan, however, is forced to admit that this would be difficult in practice owing to distance of alternatives and so on. But 'red' organisations will be subject to intervention. Taking the cue from education, they will be put on 'special measures'. They will receive 'expert external advice', support, and 'where necessary', intervention. If they fail to respond to this, they will put under the control of a new senior executive, non-executive and clinical team. The Plan says that clinicians and managers from 'green' organisations could be deployed for this purpose. Given the problems with staffing levels this is ludicrous.

“Alternatively, expressions of interest would be invited from elsewhere, and subject to a tender from an approved list.” No doubt our friends from the private sector again.

**NHS and Social Services.**

The combination of Health and Social Services is something which makes sense. However, the level of under-funding of Social Services has meant

that people cannot be released from hospital because there is nowhere to put them. To tackle this problem of 'bed blocking' the government is offering £900 million by 2003/04 for 'intermediate care'. However, this will not deal with the problems.

The government has refused to accept the recommendation of the Royal Commission on Long Term care that personal care should be provided free.. It will only agree to free 'nursing care' provided in nursing homes. This will be fully funded by the NHS. However, the dividing line between nursing and 'personal care' is not so clear, when you are dealing with ailing and aged people who may not necessarily be able to look after themselves.

What if people can't pay? Electorally, the fact that people have had to sell their houses, to pay for their own care, was a liability. So the government has dreamed up a new wheeze. It will give a grant to local authorities “to expand loan schemes”. They can then sell the house after the person has died! And what if this is insufficient to pay off the loan? Is the council liable? Once again the government offers opportunities for the vultures of the private sector. The financial services industry will be taking the pickings.

**NHS - A Social Service, or a Market?**

The NHS, despite all its weaknesses, gave us a glimpse of what a society not dominated by the profit motive would be like. It was based on the principal of providing a service for the sick, free at the point of delivery, and not subject to the financial circumstances of an individual. It was paid for out of progressive taxation, where the more you earned, the more you paid, as a social obligation. Whilst it was always under-funded, both by Labour and Tory governments, the Tories under Thatcher introduced an 'internal market' which was supposed to improve 'performance'. However, performance on the market model is measured not in 'health outcomes' but in financial terms. This led to cuts in bed numbers and the selling off of assets.

Whilst the NHS Plan condemns the Tories 'internal market' it is because it did not create 'incentives', not because a market would undermine the principles on which the service was founded. New Labour's regime will

open up the service to private companies, whose interest is not patient care, but profit, whilst at the same time pressuring Trusts to compete against 'targets'. These are arbitrary and do not take account of the real factors behind disparities in service provision: social conditions, levels of unemployment, poverty and so on.

To imagine that a hospital which serves an area which is socially deprived, can 'perform' at the same level as one serving the leafy lanes of suburbia, is preposterous. As with all competition, there will be winners and losers, and more money will go to the winners.

**A Fundamental Break**

Trades unions and health campaigners should not be lulled into a false sense of security by the additional money available. The proposals represent nothing less than a deepening of the government's privatisation course. They represents a fundamental break from the ethos on which the NHS was founded. We need to expose the reality behind the headlines. And the health unions in particular, need to break from their mealey mouthed criticisms of the government, and condemn the direction which the Plan takes the service. There is not space here to examine all the contradictions contained in it. For the service to be improved, however, it is necessary to drive the market out of the NHS, not extend its scope.

**Strike Against PFI**

Hospital ancillary staff based at the Dudley group of Hospitals in the West Midlands are involved in strike action against a PFI scheme. The scheme will lead to the loss of 70 beds and 170 job losses.

Whilst UNISON is supporting the strike the main problem is that they are leaving local branches to fight in isolation. That is why the action like that at Dudley has been so rare. What is required is national co-ordination against PFI and a political campaign against the government's privatisation agenda.

Messages of support and financial donations should be sent to UNISON Office, Wordsley Hospital, Stourbridge, West Midlands Dy8 5QX. Cheques payable to UNISON Dudley Group of Hospitals.