NHS ‘reformed’ ... again

Apr
2016
Saturday 2nd
posted by **Morning Star** in **Features**

New ways of carving up the health service are motivated by the same zeal for competition and cuts, writes JOHN LISTER

JUST three days before Christmas 2015, with the scale of the financial crisis in acute services growing alarmingly, NHS England boss Simon Stevens scrambled chief executives of five other scattered remnants of the pre-Andrew Lansley NHS management — NHS England, Health Education England, Public Health England, the Care Quality Commission, Nice and NHS Improvement — to co-sign a joint series of instructions.

These gave trusts and clinical commissioning groups (CCGs) just six months to reorganise together into “footprint” areas covering local health economies, each of which had to work together to devise two major plans covering a whole host of required elements. The bottom line was spending cuts to balance the books.

The hefty 32 pages of holiday reading for trust and CCG bosses began with a lie, arguing that George Osborne’s latest spending review provided the NHS in England with “a credible basis” on which to implement Stevens’s Five Year Forward View, restore and maintain financial balance and increase access and standards. In fact it is a formula for a further five-year freeze, forcing massive cuts if trusts and CCGs are to return to financial balance.

Indeed the main agenda demonstrated how false that initial statement was: its focus was spending cuts. The hard edge was unmistakeable. Trusts were told to adopt a “forensic examination of every pound spent” and embed “a culture of relentless cost containment.” It continued: “Trusts need to focus on cost reduction, not income growth.”

In the event, England has been divided into 44 “footprints.” Each of which has to have a sustainability and transformation plan (STP) which has to be drawn up swiftly, and comply with a series of “strict and non-negotiable” conditions. Each “footprint” had to appoint a “senior and credible leader” to drive the implementation of the STP. And all trusts were to be required to deliver “the key must-dos” from the “list of nine must-dos” developed by NHS England.

This smacks of the pre-Lansley era, in which NHS chief executive David Nicholson laid down the requirement for massive efficiency savings after the banking crash had undermined any hope of continued funding increases for the NHS.

In this case, the austerity squeeze results not from a banking crash but George Osborne's deliberate policy, implementing the neoliberal model of a smaller state sector, by reducing year by year public spending as a share of GDP and with it effectively freezing the NHS budget.

The NHS suffers from a combination of top-down policy decisions, the continued fragmentation and bureaucratisation of the "purchaser-provider split" and pressure to privatise. CCGs are constantly pressed to put services out to competitive tender, open to "any qualified provider."

The short timescale, with 12-month and five-year plans required by the summer, left commissioners and providers little opportunity, even had they wished to do so, to consult or take account of the views of local communities — or even the GPs who allegedly control the CCGs.

The reorganisation this time has clearly focused much more on the financial issues than the privatisation agenda, although many of the strands of the reorganisation proposals can and are likely to lead towards privatisation. The complex and costly market system established by Lansley's 2012 Health and Social Care Act has been largely disregarded in the new instructions. But it still remains in place: none of the proposed savings and spending cuts will get rid of this huge bureaucratic overhead cost that could save billions.

In the new footprint areas, the lions (commissioners) are supposed to lie down with the lambs (trusts) and the market rules of competition are supposed to be supplanted by "collaboration." This is a rare reintroduction of the "C" word since the creation of a competitive market in healthcare, in which collaboration was effectively outlawed as "collusion" to distort the workings of the market and undermine patient "choice."

The idea of these area groupings to decide "place-based" systems may appear new but some of the line-ups and forced alliances are grimly familiar, with some recreating old "area health authorities" from the 1970s.

London is once again carved into five, along lines decided by NHS London back in 2009. But there are some changes. Essex has been dismembered and shared between three different footprints, while Yorkshire has been carved up between four. Bedfordshire and Luton are broken away from their traditional links with the east of England and tied instead to Milton Keynes.

All of this is being done with little if any information or debate in the news media. But nevertheless questions are understandably being asked about where it's all supposed to end up.

This new reorganisation of the NHS to face up to the financial crisis appears in some areas to cut across the various moves to devolve budgets to local authorities and CCGs. While Greater Manchester remains as a single "footprint," the plans of Oxfordshire's Tory-led county council (slavishly backed by Labour members) to bid for "devolution" along with the CCG have apparently been trumped by the announcement of a footprint which lumps Oxfordshire in with Buckinghamshire and Berkshire.

Exactly how the NHS process squares with the various devo plans led by Osborne is not at all clear — it feels as if much of this is being made up as people blunder along. The new footprints in most areas do coincide with the devo carve-up: the devo experiment is far from finished, although the crisis in the NHS has a fresh urgency.

Sadly but predictably, as with the devo plans, Labour council leaders have shown no willingness at all to challenge or even question the Tory proposals for the latest wholesale reorganisation of the NHS, all gladly signing up to whatever undemocratic scheme is proposed. This is in stark contrast to the way shadow health secretary Heidi Alexander (who has enthusiastically embraced the reorganisation involved in Stevens's plan) and the old guard Labour MPs complain that challenging Lansley's reforms is too great a "reorganisation" for them to support.

The STPs are supposed to lead to closer collaboration between NHS bodies and local government, but in Birmingham and Solihull and in Greater Manchester the footprints are led by a council chief executives, who have made little secret of their ambition to get their hands on some of the NHS budget. Of course the STPs are a formula for cuts and enforced "transformation" of services, despite the lack of evidence for new models, just as devo is a system for dumping blame and imposing changes — with Labour complicity — under the guise of "accountable" local government.

Before the STPs areas were announced, trusts had already been told to consider all measures including staffing cuts to tackle their deficits, which are at all-time record levels, averaging £15 million per acute trust by the end of December. 20 financially challenged trusts have already been forced into a "turnaround" process, costing an average £500,000 per trust in management consultants.

But the deficits come from the failure to hit near-impossible targets imposed by NHS England of 4 per cent annual "efficiency" savings, reflected in reductions in the tariff setting how much hospitals are paid per patient.

NHS funding has been virtually frozen in real terms since 2010, with five more frozen years to come, while emergency admissions keep relentlessly rising and more frail older people wind up in NHS beds for lack of proper alternatives. In other words, the NHS is underfunded.

This is deliberate, especially given the costs imposed by Lansley's competitive market system on the foundations of Labour's expensive experiments creating profitable contracts for private providers.

The Labour policies had been implemented alongside historically large increases in spending that made it possible to improve waiting times and performance despite the waste of billions through inflated contracts for elective care and overpriced PFI contracts for new hospitals.

Now the market exists as a costly bureaucratic overhead for an increasingly underfunded and fragmented NHS.