



UNISON Parliamentary briefing on the Health White Paper

The Government's health white paper *Equity and Excellence: Liberating the NHS*, published in July 2010, **proposes the most radical overhaul for the NHS in 60 years**. The proposals, along with a number of other documents published by the government, open up the possibility of a completely transformed health service with private companies managing both commissioning and provision, longer waiting lists, a lack of improvement mechanisms and ultimately top up payments for healthcare services too. In summary, UNISON believes that the changes threaten **turning the NHS into little more than a brand name** to be attached to a range of competing services within a fragmented health system.

UNISON is the major union in the health service and social care sector. We represent more than 450,000 health care employees and 300,000 social care employees employed in the NHS, local Government, and by private contractors, the voluntary sector and GPs. Our members are nurses, student nurses, midwives, health visitors, healthcare assistants, paramedics and ambulance staff, occupational therapists, operating department practitioners, cleaners, porters, catering staff, medical secretaries, clerical and admin staff, pharmacy technicians and scientific staff, and primary care staff. This briefing outlines UNISON's concerns that the whole future of the NHS is now at risk, with destabilised structures and services at a time of unprecedented financial pressure.

The NHS is always in need of change to ensure that it keeps up with the challenges of the day. UNISON believes that reform should be based on the following key principles:

1. **Quality:** the quality of care received by patients is paramount.
2. **Fairness:** equity is best maintained by ensuring the NHS remains a free, comprehensive service funded by taxation, where access depends on need not ability to pay.
3. **Democracy:** commissioners and providers of NHS services should be accountable to local people.
4. **Engagement:** improvements in the quality and responsiveness of services are best achieved by involving and valuing patients, service users and staff.
5. **Scrutiny:** independent checks and ratings of all commissioners and providers are needed by an independent body that is free of dual or conflicting roles.
6. **Public:** public ownership and provision is the best means of ensuring the integrated delivery of services and geographical consistency.

WHAT IS THE GOVERNMENT PROPOSING?

The white paper's proposals are complex and wide-ranging but the elements of most interest to UNISON are:

- Strategic health authorities (SHAs) and primary care trusts (PCTs) to be abolished by 2013.
- Commissioning devolved to local consortiums of GP practices who will take over the vast bulk of the NHS budget. These consortiums will be free to buy in support from private companies.
- A statutory NHS commissioning board established, "free from day-to-day political interference", with a remit for allocating revenue to GP consortiums and designing the NHS payments system.
- All NHS trusts to move to foundation status by 2013. The existing regulator of foundation hospitals, Monitor to become the economic regulator, with responsibility for promoting competition.
- Scrapping the "preferred provider" policy of the Labour Government in favour of allowing Commissioners to use "any willing provider" thereby opening the door to an expansion of private health provision.
- NHS management costs to be reduced by more than 45% over the next four years and employers will be responsible for leading negotiations on new employment contracts.

WHAT WILL THE IMPACT BE?

1. Lack of electoral mandate, consultation or evidence base

The Coalition Agreement, published in May 2010, stated that:

“We will ensure that there is a stronger voice for patients locally through directly elected individuals on the boards of their local primary care trust... The local PCT will act as a champion for patients and commission those residual services that are best undertaken at a wider level, rather than directly by GPs.”

In contrast, however, the white paper is a radical departure from the Coalition Agreement suggesting that the plans have either been rushed out with little time for consultation or that they were already planned but hidden from the parties’ manifestos and coalition negotiations. The fact that the plans changed so fundamentally in under two months from the Coalition Agreement to the white paper does not engender confidence in the Government or its proposals.

This radical reform process has been embarked upon with no feasibility studies and no plans for piloting or testing the major structural changes proposed. Consultation documents indicate that the plans for the NHS commissioning board and for GP consortiums should first be set up in “shadow form” but there is no suggestion that the success or otherwise of these new structures will be assessed or evaluated.

UNISON would urge a slower, more evidenced based approach that involves patients, staff and other key stakeholders in the reform process – the NHS is too important to rush changes through without adequate consideration for their impact.

2. Disruptive top-down reorganisation

Having spent years as opposition health spokesman saying that major reorganisations of the NHS were disruptive, wasteful and demoralising to staff, Andrew Lansley’s first act as Health Secretary has been to engineer a comprehensive reorganisation that will affect every individual working in and using NHS services. **Forcing through so much change in the very short timeframe proposed in the white paper is bound to produce instability and impact on services.** Alongside this, the cuts of more than 45% in management costs paradoxically means that fewer managers will be expected to deliver major structural change with far less money and a hugely unsettled workforce. The likely negative impact on patients of this reorganisational gamble seems not to have been considered.

There will also be a huge cost associated with the Government’s plans. The Department of Health has already set aside £1.7bn in 2010 for reorganisation, while Professor Kieran Walshe of Manchester Business School has written that **“the proposed NHS reorganisation will cost between £2bn and £3bn to implement** at a time of unprecedented fiscal austerity”.

UNISON is calling for limited NHS resources to be channelled towards improving services not on implementing major structural change. In the current financial situation it is unacceptable for such large amounts to be used on such a re-organisation at the expense of treating patients. The impact on patients must be paramount.

3. Markets and the private sector

NHS staff members and patients all over the country have already felt the negative consequences of creeping marketisation in the NHS. However the proposals outlined in the white paper open the door to a full and far reaching opening up of the NHS to the private sector – from commissioning through to provision. The proposals would have a complete and lasting impact on the NHS as we know it, and one from which it would be impossible to return.

Already the big health companies are circling the NHS waiting to exploit the changes, with Bupa, Humana, Capita, MCCI and United Healthcare all likely participants. Kingsley Manning of Tribal has gone as far as welcoming the **“denationalisation of healthcare services in England”**. The public are almost wholly unaware

of the scale of the proposed changes and UNISON believes that the reality of the measures being pushed forward must be given more prominence both in Parliament and the broader public debate.

The white paper allows a greater role for the private sector in two significant ways:

- Commissioners will in future have to encourage “any willing provider” to deliver services to patients, which represents a shift away from Labour’s NHS first approach in which the NHS was the “preferred provider”. This will increase instability by creating a more cutthroat system in which GPs are encouraged to shift alliances more readily between foundation trusts, with “failing” hospitals no longer taken back into the NHS. There is not yet a coherent plan for what should happen to these failing hospitals and the services they provide.
- GP consortiums will be free to buy in commissioning support from private companies. While the BMA’s GPs committee has suggested that consortiums should bring in expertise from NHS managers at PCTs or SHAs before they are abolished, others will choose to use private companies to deliver this commissioning expertise.

The Government has not detailed how it will tackle conflicts of interest with private companies looking both to offer commissioning support and to deliver services. **Some GPs have expressed concerns that under the new system, a private company could be advising a consortium to place contracts with sister companies that own hospitals, effectively putting commissioner and provider in business together.**

UNISON believes that intensifying the market will further destabilise the NHS and lead to taxpayers’ money being wasted on spiralling transaction costs. The Government must be challenged on their rationale for giving a larger role for the private sector despite a track record of failure in the NHS and concerns about conflicts of interest.

4. Foundation Trusts and the new role for Monitor

The white paper proposes that all NHS trusts should move to foundation status by 2013 or become part of another foundation trust (FT), although there are significant question marks about whether the assets of these new style hospitals will remain part of the state. **The Government also intends to lift the cap on hospitals’ private earnings** and repeal legislation allowing failing hospitals to be taken back into the NHS.

The cap on hospitals’ private earnings was first brought in because of a concern that NHS patients could find themselves pushed to the back of the queue. The financial pressure on hospitals will encourage them to treat fee-paying patients first and inevitably some patients will then consider going private to pay for their care. The number of people prepared to pay to go private reduced in line with the dramatic reduction in waiting times but this trend could be reversed in the new financial situation. The likely impact will be that those that cannot afford private healthcare are treated less speedily than those who can afford to pay.

The white paper also gives sweeping new powers to the existing regulator of foundation trusts, Monitor, which will become an economic regulator with a remit that includes promoting competition. This sets up a potential for conflict of interest because Monitor’s approach to FTs has often blurred the lines between regulator and advocate. This will cause particular problems if, as the promoter of competition, Monitor deems the activities of a particular FT to be blocking the development of a wider market. As the promoter of competition it is also inappropriate for Monitor to be setting prices – there is a danger it will focus on the lowest cost services rather than on highest quality. In the increasingly competitive system envisaged by the white paper, there will be every incentive for FTs to bid to take on as much work as possible – this is already happening with many establishing themselves as providers of community services for PCTs under the transforming community services programme. Price competition tariff is being introduced and will also drive down standards and benefit large or global private providers

UNISON would like further clarity on how those responsible for buying in services will be held to account in the new system, and believes strict guidelines will need to be introduced to ensure that the new economic regulator is not conflicted. UNISON is deeply concerned that plans to ease the restrictions on the amount of money hospitals can make from private patients that pay for their care will lead to profound unfairness, particularly when coupled with severe financial constraints and the Government’s decision to scrap targets for maximum waiting times. There is no way of ensuring that hospitals’ private patient income will be reinvested in NHS services.

5. Increasing the postcode lottery

The proposals in the white paper are likely to increase the variation in levels of service across different parts of the country. With a lack of regional coordination currently provided by SHAs, it is possible that neighbouring GP consortiums could offer quite different services to their populations.

UNISON is particularly concerned that GP consortiums will have too much discretion over the services that are provided. The level of autonomy given to consortiums by the white paper includes encouragement for them to “strip out activities that do not have appreciable benefits” – but who decides what these are and does this mean that some patients could lose access to vital services? The Government has said that overspending consortiums will not be bailed out, which also raises questions about whether patients could see particular treatments suspended until their consortium gets its deficit under control.

With the profit motive set to become a more important consideration for those competing within the healthcare market, it is logical that providers will focus most of their attention on offering services that make the most money, meaning that those yielding less cash may be ignored. This could have major consequences for patients suffering from rare and complex conditions who find they are increasingly unable to get treatment near to where they live. National and regional specialised services will be the responsibility of the NHS commissioning board, but the Specialised Healthcare Alliance has voiced “immediate concerns” about the need for regional structures to support specialised commissioning.

UNISON urges the Government to ensure that the geographical variations in the level and type of service available to patients do not disadvantage some patients. We also want to ensure that mental health services and specialist services to treat patients with rare or complex conditions do not suffer.

6. Impact on staff

The proposed reforms will have a major impact on NHS staff. Most fundamentally there will be considerable job losses across the bodies that are being abolished and far greater instability for those working in other NHS bodies. The white paper states explicitly that there will be less staff employed as a result of its plans, and the greater local autonomy permitted over training and workforce planning could affect staff development, meaning they are less well equipped to treat patients in future. Anna Dixon of **the King’s Fund** has said that **“the Government runs the real risk that these structural and organisational changes will distract from the real task of clinically led service change.”**

The white paper proposes the end of national pay bargaining and an undermining of the NHS Pay Review Body. It also confirms the ongoing review of public sector pensions, of which the NHS Pension Scheme is one. Weakening the terms and conditions of NHS staff will obviously have an immediate impact on those that work for our health service. It will also potentially damage patient service as morale is affected and the NHS finds it harder to recruit and retain the best available staff.

Those that work for the health service are also patients or potential patients, so the effect on them should not be seen in isolation from the effect on patients. Staff concern for the NHS is not merely based on “producer interest” as pro-market commentators assert, but also on a desire to see a system that will treat them, their families and their communities properly when they need to depend on its services.

UNISON recognises that the dedicated workforce is the backbone of the NHS and is greatly concerned that the pace, scale and content of the proposed reforms will damage staff recruitment, retention and morale. UNISON would urge the Government to keep an honest and open dialogue with staff and the unions who represent them.

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