Plans to privatise Britain's National Health Service stall

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Britain's government has placed on hold its Health and Social Care Bill in order to conduct a "listening exercise", Health Secretary Andrew Lansley told parliament on Tuesday.

His statement was unprecedented, as the bill is halfway through parliament. Aimed at the wholesale privatisation of the National Health Service, the legislation is the centerpiece of the Conservative/Liberal Democrats public sector reform. When implemented, it will signify final dismantling of the post-war welfare state in Britain.

According to the bill, 80 percent of the £100 billion NHS budget will be given over to general practitioner (GP)-led consortia, so that they can commission patient treatment from "any willing provider". A new NHS commissioning board, due to begin work on April 1, will be empowered to close underperforming consortia, bring in private providers and give financial incentives to GPs and their management teams.

All public hospitals will become ostensibly not-for-profit companies, named NHS Foundation Trusts, free from direct oversight by the Department of Health. With the abolition of fixed prices for treatment, public hospitals will have to compete with the private sector to win business from the GP consortia.

In preparation, all 152 Primary Care Trusts (PCTs) and 10 Strategic Health Authorities (SHAs) that currently commission health care are being scrapped, resulting in the shedding of 24,000 jobs. This is already in process, with PCTs being merged and staff laid-off.

The proposals are deeply unpopular. The *Telegraph* cynically opined that the "NHS is the closest thing the British have to a secular religion: the public has an almost superstitious attachment to it in its present form".

Indicating public hostility to the measures, it complained that people "believe—and are encouraged to believe—that any attempt to change any aspect of it will lead to the end of 'free' health care."

Such beliefs are entirely justified. Despite claims that the NHS would be "ring-fenced" from the £80 billion in public spending cuts currently under way, the government has already insisted on £20 billion in budgetary cuts to the NHS under the guise of "efficiency savings" over the next three years. Hospitals, wards, staff, treatments and drugs are being curtailed or axed.

The new bill will ensure that the private health sector can cherry-pick the most profitable aspects of health care provision, placing the public sector on ever dwindling rations.

The pause in pushing through the legislation announced by Lansley is aimed at consolidating a political base of support—within the coalition and more broadly across the official political spectrum—to enforce the measures. As for Lansley's claim that the government will now "listen" to concerns, this is bogus. Prime Minister David Cameron made clear that there would be no retreat from the fundamentals of the legislation, the thrust of which, he insisted, was correct.

However, especially under conditions in which many health organisations, including the British Medical Association, have criticised the legislation, it is necessary for the government to try to quiet opposition by appearing to solicit input. Some doctors have expressed concern that they will face a backlash from their patients if they are seen to be making a profit out of health care, or curtailing treatment in line with budgetary restraints. Others, including those seeking to profit from the consortiums, are anxious that the government's haste in implementing the legislation could undermine this objective in the long-run.

Writing in the *Guardian*, former BMA council member and the chair of Tameside and Glossop NHS trust, Kailash Chand, said that Lansley had caused "huge concern among coalition partners by failing to win over public opinion, or any major health and medical organisation, by insisting on a big bang approach to change in the NHS".

There is a "real risk of the reforms failing at considerable political cost to the coalition government", he warned.

Similar concerns have been expressed by the right-wing Conservative Norman Tebbit and leading Liberal Democrats Dame Shirley Williams and Lord David Owen. The leading right-wing think-tank Policy Exchange has criticised the government for not having made a convincing case for its reforms. Its complaint seemed to be reinforced by the vote against the bill at the Liberal Democrats spring conference last month in Sheffield.

In its report entitled "Implementing GP Commissioning", Policy Exchange complained that changes to the NHS that were poorly thought through could "lead to the new structure simply

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replicating the existing system in all but name".

"The government has lost many potential supporters inside and outside the NHS" for its measures, the report stated. It also queried whether GPs were ready to "run such highly complex operations" at this point.

One concern is that Lansley's defence of his bill has drawn attention to the fact that the Conservative Party has received considerable funds from UK private health firms, anxious to gain a slice of the NHS hive-off.

Earlier this week, a health select committee, led by former Conservative health minister Stephen Dorrell, recommended "widening" the membership of the new consortiums and other proposals "to strengthen the health and social care bill and make it better able to meet the government's objectives."

Lansley subsequently stated that private sector involvement would only "be a means to improve services for patient, not ends in themselves", that "competition must be fair" and that GP-led consortia would be "transparent in their decisions". But aside from this window-dressing, the coalition is intent on pushing the measures through.

The media and the political establishment more broadly are equally determined that there should be no retreat on the measure. Julian Glover in the *Guardian* warned that such a prospect would be interpreted as the government losing its nerve. Although the politics of NHS reform "are awful, and some ministers have begun to go weak-kneed", that "does not make abandoning the scheme right".

"Walk away from this and the government puts at risk not just its pride but philosophical self-confidence in its entire programme for public services", he insisted.

The *Financial Times* castigated Lansley for doing a "lousy job of explaining what he is up to, brushing aside criticism and so encouraging the canard that the government's reforms spell the end of the NHS as we know it".

But, it continued, "Greater use of competition and choice are core to the coalition's reform programme for the public sector. To retreat on choice in health would be a big reverse. Rather than give ground, David Cameron, prime minister, needs to explain more, amend marginally, but essentially stick to his guns".

Sections of the media urged the government to learn from the work of the Labour government under Tony Blair. Fraser Nelson, for the Conservative *Spectator* magazine, wrote, "Labour had put in place market-based reforms which could have been quietly accelerated".

"The implicit understanding was that the NHS had been granted immunity from the cuts so that there would be no battle to fight. Lansley's job was to keep quiet. Now, a prime minister already fighting on welfare, schools, the deficit and Libya is drawn into an unwanted battle on health".

Such a fight was entirely unnecessary as the "market-based reform" of health care pioneered by Labour's Alan Milburn was "more pro-market than anything Margaret Thatcher attempted, was properly explained, carefully implemented and brought in over several years. The first steps to reform are always the most painful, and New Labour absorbed that pain. It successfully introduced the internal market, with a price put on hospital operations, and private providers invited to compete for NHS contracts. Milburn's explicit aim was to transform the NHS into a means of paying for health provision, not of providing it".

Lansley should have been content with simply sticking to Labour's policies, albeit implementing them somewhat faster, Nelson wrote.

The Labour Party has made clear that it will aid the coalition in helping to push through its plans. In a statement, Labour leader Ed Miliband said his party rejected the current "status quo", insisting that "to protect the NHS we need to change it".

"Whichever party was currently in power, the NHS would need to be driving greater efficiency through the system", Miliband said, setting out his own support for transferring budgets to GP-led consortia.

"If there is a genuine attempt to address the weaknesses of the Tory reorganisation proposal then my party will enter into a debate about a new plan with an open mind, accepting that any NHS plan must be delivered within a tight spending settlement", Miliband pledged.

The Labour leader sought to obscure this pledge of loyalty to the coalition and its privatisation measures by claiming that cross-party support would be tied to agreement on what he cynically described as "three principles"—none of which contradict the government's privatisation plans.

Change should be based on anticipated "future demands on the NHS", especially an aging population, and the NHS should be "answerable to patients".

Finally, "Reform requires difficult and sometimes unpopular choices", Miliband said. "It is only successful if it protects the sense of national mission and the values of cohesion and collaboration that underpin the work of our health service".

Though not mentioned, critical to building the political "collaboration" necessary to push through such unpopular measures will be the trade unions. Labour was able to rely on the unions to pilot NHS marketization. The unions are currently conniving in major restructuring and job losses, but will be looked on to play a more open and direct role in the next period.

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