

Coalition Causing Chaos

The Coalition's reorganisation of the NHS has been disastrous and left the service "not fit for purpose", according to the UK's most prominent health think tank.

The King's Fund's verdict follows last autumn's findings by two other health think tanks, the Nuffield Trust and the Health Foundation, that NHS care is "going into reverse".

The King's Fund's says in its report *The NHS Under The Coalition Government* that the reorganisation was "complex, confusing and bureaucratic" and a distraction from the challenges facing the NHS of more patients and squeezed finances.

The Coalition's Health and Social Care Act is estimated to have cost between £1.5 billion (according to the Tories) and £3 billion (in Labour's view). It shifted responsibilities around, putting local boards of GPs in charge of buying some services, while centralising other decisions in the hands of NHS England. Crucially, at its heart is compulsory competitive tendering for most clinical services.

A Tory-friendly caveat in the King's Fund view of the reorganisation is that "claims of mass privatisation" have been exaggerated. This echoes the Coalition's own incredible claims that the reorganisation was not intended to produce privatisation.

The Coalition itself has admitted that NHS spending on private health providers has risen by almost 60% on its watch. But it tries to make the 2013-14 spend on private providers of £6.5 billion seem trivial, by setting it against the NHS total budget of £113 billion. There are three blatant flaws in the Coalition's presentation of the figures:

- Not all the NHS budget is spent directly on clinical services, so comparing the spending on private providers with the NHS's total outgoings is irrelevant.
- Within the clinical spend itself, acute hospital services and GP surgeries should be removed from the analysis because, so far, these have largely been protected from competitive tendering. Elective surgery (such as for new knees) and community services are where privatisation is rushing ahead.
- Typical contracts for clinical services are for three years, while the Health and Social Care Act did not come into force until April 2013, so only one full year's figures are available. It's early days, but what is important is the frightening direction of travel.

Creeping privatisation seems to have been given another push forward in February when the Coalition quietly tabled regulations requiring that all upcoming contracts over £625,000 should be publicised to the European Union. The Coalition has claimed that the new rules make no difference, while Labour says contracts over the threshold will have to be competitively tendered. This could draw in contracts that have been protected up until now. The most sustained attempt at quantifying NHS privatisation has been carried out by the NHS Support Federation. It says that in the first 19 months of the Health and Social Care Act, the private sector has won two thirds of clinically related contracts that have been advertised – or 50% by cash value. It estimates that if all contracts advertised since April

February 26th 2015

2013 follow the same trend, including those not yet awarded, private firms will benefit to the tune of £9.2 billion.

The British Medical journal has also tried to put a figure on NHS privatisation. It asked CCGs how many contracts went to the private sector in the first 17 months of the Health and Social Care Act's regime. It came up with a figure of a third by number. However, the approach it took was different from the NHS Support Federation. The BMJ included contracts that were not offered to the market, such as for hospital acute services. However when it looked only at contracts put out to competitive tender, 80 were won by private providers, and only 59 went to NHS providers.