

With a broken promise, the government has handed the NHS over to the market

Reassurances on clinicians and local people controlling how services are commissioned look likely to be overturned



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'New regulations make it easier for staff to be transferred from the public to the private sector.' Photograph: Christopher Furlong/Getty Images

The NHS needs to be reformed to remain true to its founding principles; the question is how. International evidence suggests that increasing marketisation and privatisation of healthcare services leads to greater expenditure, greater variations in care, reduced access to services, and erosion of professional standards. On that basis, the reforms have been heading in the wrong direction for a long time, with all the major political parties supporting policies that increase the role of the private sector in the NHS.

New Labour's own market-driven reforms laid the ground for Andrew Lansley's The Health and Social Care Act, which in turn paves the way for a mixed funding system. Yet, with public and patient satisfaction in the NHS at an all-time high prior to the Lansley reforms, the case for such radical changes has not been made, let alone won.

In the face of public and professional opposition to Lansley's bill, coalition MPs and peers

eventually passed the legislation only after receiving reassurances from senior ministers that there would be no NHS privatisation, and a focus on integration of services rather than competition.

However, the privatisation debate has now been reignited by revelations about section 75 of the act and the associated statutory instruments (SI 257 regulations) making their way through parliament. The regulations are aimed at making competitive tendering compulsory for clinical commissioning groups (CCGs), except in emergencies. At a stroke, they inject competition into the NHS and enable the market to decide how services are provided. Thus the reassurances ministers gave about clinicians and local people having control of how services are commissioned look set to be overturned. Private providers will gain rights under EU competition law, which will make it virtually impossible to stop them encroaching into the NHS market.

Many have protested about this broken promise. Lib Dem MPs Norman Lamb and Andrew George have raised serious concerns in the Commons. The Conservative MP Dr Sarah Wollaston has asked for it to be referred to the health select committee. The Labour party is calling for an early day motion and has Lib Dem support. The campaign group 38 Degrees has secured over 185,000 names on a petition calling for annulment of these regulations. Even Dr Michael Dixon of NHS Alliance, who was one of Lansley's key allies in helping to get the bill to royal assent, has come out against these new regulations.

At the weekend, a leaked letter to the health minister, Lord Howe, from the Academy of Medical Royal Colleges accused ministers of reneging on agreements with the profession. Meanwhile, other potential obstacles to private sector breakthrough into the NHS are being removed.

The costs of entry into the healthcare market (building and staff) as well as the financial risk due to uncertainty in obtaining contracts ahead of high performing NHS providers had been disincentives to private companies. But now the government has come to the rescue. Costs associated with infrastructure will become less of a problem with the drive to centralise services in super-specialist centres, which will force many district general hospital closures and mergers.

Meanwhile, new regulations make it easier for staff to be transferred from the public to the private sector – a huge bonus, given that 65% of healthcare expenditure is related to staff costs. The Treasury has agreed to underwrite the pensions of NHS staff who transfer to the private sector – effectively a subsidy from taxpayers, in addition to the de facto subsidy that exists when experienced NHS staff, trained at NHS expense, move to the private sector. Given that such generous state support is necessary to smooth the way to private ownership, we should ask just how much more efficient private sector involvement is, and how it can reduce costs.

Finally, the "crowding out" problem that the private sector faces will become less of an issue as NHS services come under severe pressure due to the £20bn efficiency savings being imposed. Services will deteriorate, waiting lists will go up, and the market will open up for private providers outside the NHS as well as inside.

Increasing marketisation and privatisation of the NHS goes against the democratic views of the overwhelming majority of the public, who don't want to see their most cherished institution dismantled and fragmented.

It is vital politicians, professional organisations, campaign groups, patient groups and the public stand together and fight for the NHS against a privatisation experiment that has been shown time and again to fail. This will require a concerted effort to counter the spin and obfuscation that surrounds NHS reform, to uncover what is really happening to our healthcare system.

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