

Doctors cry foul at NHS 'privatisation by stealth'

Leaked letter from top medical body reveals contract fears, putting health minister Lord Howe under pressure to rewrite rules

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Professor Terence Stephenson Photograph: Chris George for the Observer

Britain's leading medical body has expressed grave concern that the government is planning to privatise large sections of the NHS by stealth – in breach of previous promises to doctors to limit the role of the private sector.

In an explosive letter to the health minister Lord Howe, leaked to the *Observer*, the Academy of Medical Royal Colleges says that ministers appear to have reneged on previous agreements with the profession, by attempting to force through parliament new rules that would greatly expand the role of private operators across the NHS.

The extraordinary intervention by the most august body representing the medical profession puts doctors' leaders and the government on collision course yet again, as complex and wide-ranging NHS reforms are being implemented throughout the country.

In 2011, David Cameron ordered a "pause" to the passage of Andrew Lansley's NHS bill, to "listen, reflect and improve" the modernisation plans, after complaints from the

medical profession. The latest salvo from the royal colleges reflects a sense that the most serious of those complaints – the danger of creeping privatisation – has been ignored.

The row threatens to cause fresh tension within the coalition with the Liberal Democrats, newly assertive after their victory in Thursday's Eastleigh by-election and keen to avoid charges that they are backing covert privatisation, who suggested that they wanted the academy's concerns to be addressed.

In the letter, the academy's chairman, Professor Terence Stephenson, suggests that unless the regulations, published weeks ago without fanfare to supplement the main health and social care bill passed last year, are amended, healthcare will be disrupted and hospital services damaged as a result of time-consuming, disruptive and unnecessary tendering processes. He says the regulations are "at odds" with reassurances given last year to the colleges, which had warned that "unnecessary competition [would] destabilise complex, interconnected local health economies, in particular hospitals, potentially having adverse effects on patient services".

Stephenson said that the new regulations "appear to potentially undermine these commitments" and seeks swift reassurance that changes will be made so that the academy's "considerable concern" is addressed once and for all.

The academy's main fear is that the new rules will oblige GP groups to put almost all services out to tender rather than limiting tendering to areas in which the profession accepts competition would bring benefits.

Lord Howe, under heavy pressure to perform a U-turn, has denied that the regulations will open the way for mass privatisation but has agreed to listen to the concerns of critics in parliament and those within the profession. In a letter circulated to colleagues last week, Howe said the regulations "would not oblige commissioners to create the conditions for new markets to develop where they considered this unnecessary. For example, commissioners would not be obliged to fragment services to enable providers to compete or stimulate market entry."

On Friday, more than 1,000 NHS doctors wrote to the *Daily Telegraph* demanding the withdrawal of the regulations, saying they would be "another nail in the coffin of a publicly provided NHS free from the motive of corporate profit".

The move by the academy – which represents most of the country's 220,000 doctors – comes weeks before the new rules are due to come into force. In August last year, the government pledged that, when the new NHS system began, the 212 GP-led clinical commissioning groups, which from 1 April will control £60bn of health spending, would "have the flexibility to decide whether, where and how to extend choice or use competition as a means of improving NHS services". But critics fear that the new rules will compel CCGs to put almost all services they commission out to tender.

Dr Clare Gerada, chairwoman of the Royal College of GPs, wrote to Howe last week warning that it would "have significant implications for local determination, stability of services and transaction costs, with an ultimately negative impact on patient care".

Shadow health secretary [Andy Burnham](#) demanded the immediate withdrawal of the regulations: "This letter leaves no doubt that doctors are of the unanimous view the government is guilty of mis-selling its NHS reforms. Far from letting doctors decide, ministers are mandating the medical profession to carve open the NHS to full commercial competition. This will lead to fragmentation of care when the future demands integration. What ministers failed to achieve last year by the front door they are now trying to sneak through by the back door. They will clearly stop at nothing in their drive to privatise the NHS and are treating the professions and parliament with utter contempt."

On Friday Dr Michael Dixon, who helped draft the original plans and is chairman of the NHS Alliance, said the regulations appeared to "put a duty upon the commissioner to go for competition with all contracts that are made". He said doctors would "start getting bogged down" dealing with competition and would end up taking their "eye off the ball". He told the BBC that striking the right balance was vital: "It means not having to introduce competition willy-nilly – but using it when it's in the interests of patients.

"I don't want tenders, which cost a lot of money and time, when a local provider is doing a good job. Sadly, I think this is what one or two of the clauses might lead to.

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