

NHS

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Keep our NHS Public

How big business exploits the NHS

Before the arrival of the welfare state, the "market" decreed that only those who could afford to pay could have essential services like education, health and social care.

Following the desperate poverty of the 1930s, and the destruction and deprivation of the Second World War, millions of ordinary people in the UK voted for the creation of state education, the welfare state and the National Health service.

These were public services funded through taxation and available to all. No more struggling to find the money to pay, or humiliating interrogations from charities to decide whether you were one of the "deserving poor".

There was no place for a market, or big private companies in these public services.

However, over the past 30 years, big business has found it can no longer make profits it used to through the traditional manufacturing industries such as coal mining, steel and car making - these can all be produced much more cheaply overseas.

Business had to turn to other ways of making the profits their shareholders demand.

One of the few reliably expanding sectors in the UK (and internationally) is the public services sector, including the National Health Service. In the UK (for example) the government imposes restrictions on direct funding for public services, and an increasingly aging population means the need for health and social care is set to expand for the foreseeable future.

Thirty years ago, with the help of Margaret Thatcher's Tory government, the big private companies began a planned, methodical and well-resourced creation of a market in all the public services, including the National Health Service. In 1997, New Labour joined the Tories to collaborate with the privatisation vultures (see list,

The creation of a "market"

page 4 of politicians involved in privatising the NHS).

This deliberately created market is called the "Public Services Industry". Its size is estimated at around £79 billion and is predicted to grow to around £100 billion by 2012-13. Private Finance Initiative contracts add at least another £50 billion.

The big private companies have paid a great deal of money, and used a variety of methods (See page 2) to force through the marketisation of the public services. They have found keen support from politicians of all the major parties. High on their agenda has been the privatisation of the National Health Service.

The public services developed because the majority in society demanded them - and the "market" could not supply them.

Neither can the new market imposed on the public services by big business.

The evidence shows that privatised

services are very often more expensive, and deliver services of poorer quality than those which are publicly funded.

If one private company buys out another, or pulls out of providing a service because it can't make enough profit, there is no guarantee for continued quality of services, or even their continued existence.

Private companies operating within the NHS can argue the pressure of the market justifies them levying charges, restricting care, and downgrading staff pay and conditions, thus destroying the quality of the service. Their first duty is to shareholders and they must ensure the profits keep rolling in.

Privatisation increases the government's financial exposure (in the current period of uncertainty and failure for big private companies) and thus the risk of personal catastrophe for vulnerable service users.

It is very possible that the government will soon find itself in a similar situation to 1948 - but instead of found-



On Valentine's Day - Saturday 14 February

Show how "We ♥ the NHS"

KONP groups are invited to demonstrate to show "We love the NHS"

Feel free to demonstrate in whatever way you can. Camden and Haringey KONP have already decided to march through their boroughs, and hand in petitions. Other groups will have street stalls and petitions.

We are collecting photos and videos of the demonstrations to upload on our new Facebook group on the Internet, so politicians can see the strength of feeling about the NHS.

So - whatever activity you do, just make a sign (like the one in the picture), ask people to hold it up, and take a photo! Send it to us at joe.t.forster@googlemail.com



Contact us at www.keepournhspublic.com

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Dangers of the market

Creating a market in the NHS

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• Business has set up and paid large sums of money into lobbying organisations such as the Confederation of British Industries Public Services Strategy Board, the PPP (Public Private Partnership) Forum, the Business Services Association and the NHS Partners Network. These have all developed close relations with government and the media.

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• The industry puts large amounts of cash into sponsoring research that justifies its role, through organisations such as the Serco Institute or Aldridge Foundation, or direct funding of "think tank" activities.

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• Companies wanting to enter the market have recruited many former government ministers and senior civil servants as directors and advisors and paid them very well (see a list of these ministers and civil servants on page 2) While acting as ministers and civil servants, these individuals have been active in pushing forward the "marketisation" agenda.

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• The "public services industry" plays a direct role in government policymaking through bodies such as Partnerships UK and as policy advisors.

from Canada (Interhealth), the US (Nations Healthcare, New York-Presbyterian), Network Healthcare (from South Africa). Atos Healthcare, currently making bids for GP surgeries is a subsidiary of multinational Atos Origin (from France).

Other competitors for a share of the public services market are banks and private equity companies. Their nature has been exposed by the irresponsible "get-rich-quick" methods which resulted in the global banking crisis.

All of these entities — the big private companies, the banks and the private equity firms are in the "market" of the public services to make a profit.

They are also at the mercy of the world market, and an ever-deepening recession.

Private investment in buildings and other structures actually creates larger costs, through higher ongoing fees and charges for services in Private Finance Initiative and Public Private Partnership contracts. The money provided by the private sector for PFI and PPP deals does not come from their own coffers, but through loans. The

The government says that lots of competition between many different private companies (and some voluntary sector organisations) to provide public services will ensure the provision of the best quality services at the lowest cost.

But the overall trend in the Public Services Industry is that the very largest companies dominate the market. As time goes on, and mergers and acquisitions take place, they are becoming fewer in number. This creates the risk of the kind of manipulation revealed by the Office of Fair Trading last year when they named 112 companies which had colluded in bidding for public service contracts — ensuring prices were forced artificially high. Many of those named are also bidding for NHS contracts.

In one case the OFT reported that the price of building work at a college leapt by 25 per cent after four bidders agreed deliberately inflated bids.

In another, the winning bid for a primary school contract was £500,000 over the client's budget.

Many of the firms succeeding in the market have no expertise in public services, but have developed skills in winning government contracts. They have not entered the field to serve a social need, but in order to make a profit. These are companies such as Capita, which carries out a huge variety of IT, human resource manage-

ment, income collection and treasury management services. Capita also administers the congestion charge in London and has diversified into other

"In October 2007 the total value of Private Finance Initiative (PFI) contracts signed throughout the UK was £56.9bn. These deals committed central government and local authorities to paying out £180bn over the lifetime of the contracts — three times the value of the structures provided. Difficulty in paying PFI charges have already caused cuts to hospital beds and services."

markets, such as support for the turnaround of failing schools. It recently won the NHS Choices contract to promote better public health.

Also involved in the public services industry are subsidiaries of big multinational companies, attracted to the UK by the size of the public services market and the government's policies of encouraging private sector input into the public services. In the health service these include such firms as UnitedHealth (from the US), Sodexo (from France) as well as the recent arrival of healthcare multinationals

cost of borrowing for the private sector is higher than for the government (as the state is deemed to be a much safer risk). In October 2007 the total value of PFI contracts signed throughout the UK was £56.9bn. These deals committed central government and local authorities to paying out £180bn over the lifetime of the contracts — three times the value of the structures provided. Difficulty in paying PFI charges have already caused cuts to hospital beds and services.

Substantial costs are also created through the complicated process of



Pensioners are extremely active in KONP

tendering, bidding, contracting and monitoring.

Public services are providing large levels of profits for Public Private Partnership consortia and private equity houses — often far beyond what might be regarded as "fair" returns on investment. The refinancing of the Norfolk and Norwich PFI hospital meant the return for investors rose from 16 per cent to 60 per cent.

It is clear that the pressure to extract profits and pay dividends to shareholders influences these companies to prioritise cost-cutting at the expense of investment and service quality.

In addition, public service delivery contracts are inflexible and costly to alter, making it harder for services to respond to changing needs or revised policy priorities, and public bodies can be poor clients, not properly monitoring contracts — undermining public service accountability.

The process of competitive tender-

ing for public service contracts in general means a "race to the bottom" — the provision of services at the lowest cost. Unfortunately the cheapest services are not often the best. This process results in the so-called "contract culture" — the minimum of services provided by low-paid, inexperienced and exploited workers with the minimum of training. To take just one example: contracted-out cleaning services in the NHS have resulted in a leap in hospital "superbug" infections.

The dangers of this kind of service in the arena of social care (for example) goes without saying.

Finally — it is not true that the risks of funding major projects is transferred to the private sector through Private Finance Initiative and Public Private Partnership. If a private contractor fails in providing public services, they must ultimately be bailed out by the taxpayer, as major schemes cannot be allowed to fail.

Victories for local groups

Energetic campaigning helped Camden Keep Our NHS Public succeed in fending off plans for a polyclinic based at University College London Hospital - but threats to put local GP services out to tender are still in the pipeline.

Camden campaigners met with the local Primary Care Trust who agreed to look at alternatives to tendering and to give written answers to the questions the campaign had submitted. But at the moment they intend to put out to private tender the Urgent Care Centre at the Royal Free Hospital after a three month trial, and a new "GP led health Centre". A threat also still hangs over the Out of Hours service when a reprieve won through Camden KONP's efforts runs out.

The group plans a march through Camden on Saturday 14 February (Valentine's Day) for "all those who love the NHS" and who are prepared to stand up to keep it. (KONP nationally is encouraging all local groups to organise their own activities on that

day). They are busy organising a referendum on privatisation of GP surgeries, and have succeeded in getting the Labour and Liberal Democrats groups on board.

Haringey campaigners have kept up a very powerful and organised onslaught against their PCT's privatisation plans.

50 patients occupied the PCT Board meeting in November last year to ensure public concerns were heard about highly controversial privatisation plans for GP surgeries.

Despite the efforts of the PCT, including closing the meeting to reconvene elsewhere, they were not able to stop the patients making their point. They condemned the 'unwanted, unacceptable and unlawful' privatisation of the GP surgery at The Laurels Healthy Living Centre in South Tottenham.

Contact Camden KONP at defendcamdennhs@gmail.com, and Haringey at dmorris@onetel.com.

Please welcome our new Campaign Manager and administrator for KONP

Bronwen Handyside and Joe Forster started work in December as the new KONP campaigns manager and administrator respectively.

Both posts are part-time - Bronwen

is working one day a week, and Joe is doing two.

Contact Bronwen at bronwenhandyside@aol.com, and Joe on joe.forster@googlemail.com

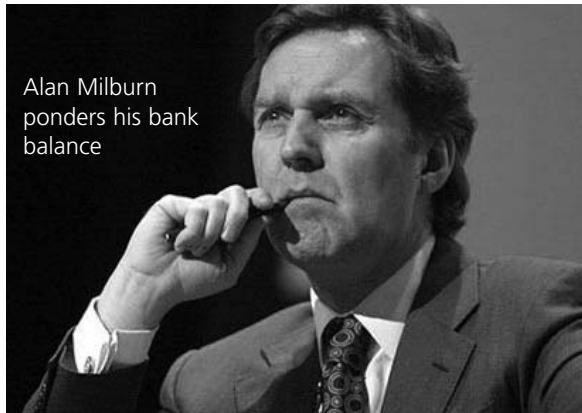


Campaigners in the London Borough of Tower Hamlets, despite intensive efforts saw one of their local GP surgeries sold off to Atos Healthcare (a subsidiary of French multinational Atos Origin) despite good bids from local GPs.

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Keep Our NHS Public

The politicians' roll-call of shame



Alan Milburn ponders his bank balance

Politicians of all parties collaborate with big business to privatise the NHS and other public services. Here's a small part of the very long list of those who devoted themselves in office to the privatisation agenda - and then found lucrative jobs with private companies specialising in the policy areas they used to control. See "The Rise of the Public Services industry" by Paul Gosling www.unison.org.uk/acrobat/PP8917.pdf for the full list.



Charles Clarke wonders where to find his next job

Alan Milburn MP: former health secretary

Alan Milburn has obtained several directorships since ceasing to be a Cabinet minister, where, among other posts, he was health secretary from 1998 to 2003. Milburn is listed in his declaration of members' interests at the House of Commons as a director of Covidien, which describes itself as "a \$10bn global healthcare products leader". He is also a member of Lloydspharmacy's Healthcare Advisory Panel. In addition, Milburn is an advisor to the European advisory panel of leading private equity firm Bridgepoint, which specialises in healthcare investments. Milburn declares his income from these senior appointments as over £30,000 a year from Bridgepoint; over £25,000 from Lloydspharmacy; nothing listed for Covidien; and a further over £20,000 as an advisor to Pepsico.

Patricia Hewitt MP: former health secretary

Patricia Hewitt was health secretary from 2005 to 2007. She is now senior

adviser to Cinven, a private equity-backed private hospitals and healthcare group (payment, over £55,000 pa). She is also special consultant (payment over £45,000 pa) to AllianceBoots, which is owned by private equity firm KKR. In addition, Hewitt is a director of BT Group, which is providing business outsourcing, IT and telecoms services to a range of public bodies. Hewitt established the telecoms and media regulator Ofcom in an earlier job as secretary of state for trade and industry and was in charge of the National Programme for IT - in which BT won one of the largest contracts - while secretary of state for health. According to BT's submission of details to the US Securities and Exchange Commission, Hewitt will be paid an initial £60,000, but with an expected increase as she takes on more responsibilities, in return for working at least 22 days a year.

Lord Warner: former health secretary

Lord Warner was a health minister from 2003 to 2007, with specific

responsibility for much of that time for the radical reform of the NHS - overseeing the introduction of more private sector involvement. Since he stepped down from that role he has taken on a directorship with UK HealthGateway and is chairman of the Government Sector Advisory Panel for Xansa plc - a leading provider of business outsource services to public bodies and holder of the £1bn NHS's shared business service centre contract, providing accounting and finance services to the NHS.

Lord Warner is also an advisor to Byotrol (a provider of micro biological health treatments), Apax Partners Worldwide (a private equity firm, with strong connections to the Government and which has invested heavily in health providers seeking contracts with the NHS), Deloitte (an accountancy and consultancy firm, with large incomes from government agencies) and DLA Piper (a legal firm, which, like Deloitte, specialises in advising on private contracting to the public sector). Lord Warner remains influential within the NHS as chair of the NHS London Provider Agency.

Frank Field - former MP

Frank Field was welfare reform minister from 1997 to 1998. He is now a director of Medicash, which operates a healthcare cash plan.

Simon Stevens - former health advisor to Blair

Simon Stevens was Tony Blair's health advisor within 10 Downing Street and, with Alan Milburn, was the key architect of the NHS reform programme. He is now chairman of

UnitedHealth UK (a subsidiary of giant private healthcare company UnitedHealth) which has won contracts with the NHS to manage and advise primary care trusts.

The company's executive director, previously chief executive, was, until late 2007, Dr Richard Smith, a former editor of the British Medical Journal. He is now working for UnitedHealth in the US.

Health minister Darzi invites big private firms to bid for NHS services

Lord Ara Darzi is the author of a major report on the NHS which recommended setting up large "polyclinics" and GP-led surgeries in London and throughout the rest of the UK.

At a recent health conference Darzi said his plans were a "huge opportunity" for private firms, as hospitals will lose two-thirds of outpatient care. Almost two thirds of NHS outpatient work - treatment that doesn't require a hospital stay - could be moved from

acute hospitals into the community, reinforcing the need for billions of pounds-worth of new community health centres. "Around 64 per cent of total outpatients could be removed or devolved from hospital outpatients, leaving only 36 per cent in the traditional outpatients setting," he said. Without giving details, he said there were "huge opportunities" for private companies to provide primary health care services.

What patient choice?

The myth of "consultation"

Local NHS bodies are not fulfilling their legal duty to consult the public according to a new study by the NHS Support Federation.

Large Darzi-inspired health centres are being introduced nationwide, but a survey of Primary Care Trusts (PCTs) found that plans have gone ahead without meeting legal obligations to inform the public and include their views.

Given the scale of the failures the report recommends that the Department of Health should drop its 31 December deadline for contracts to be signed (outside London), allowing more time to ensure that the public has been given full information about the plans and a genuine opportunity to influence them.

PCTs have also been given specific advice from Department of Health lawyers on how to consult, but the report compares this with what PCTs actually did and found that many fell short of these recommendations.

Examples from the study are being sent to the DH with a request for them to investigate.

Part of the report contained a study of 40 PCTs that were consulting and found that:

- Two thirds of PCTs do not ask local people whether they agree with the overall plan for a GP-led health centre
- 42 per cent make no reference to the fact that a new health centre could be run by a commercial or voluntary sector provider. Legal advice issued by the Department of Health clearly states that consultation should cover "the approach to selecting the preferred bidder and the proposed contractual mechanism"
- 16 per cent provided less than 12 weeks for responses - the minimum set out in the cabinet code on consultation
- only 16 per cent of PCTs asked

about the importance of the distance of travel to the new health centre

"The public must be given a genuine influence over their local NHS. There is real danger that the public will become cynical about consultation and not take part. The public can help to develop better services and their support is crucial for the future of the NHS and its funding.

"Major change is occurring to primary care without public knowledge or consent. We are very concerned that the introduction of commercial interests to run health centres will be damaging, but this and other important aspects has been missing from public consultations." - said Paul Evans NHS Support Federation director

Get a copy of the full report - www.nhscampaign.org/news/82/80/NHS-fails-to-consult-the-public-on-Darzi-health-centres.html

The NHS Support Federation is an independent organisation that works to protect and promote a comprehensive NHS, with equitable access and active public involvement. Its supporters and affiliated organisations are drawn equally from the health profession and the general public.



Save your local GP surgery



Bombard your MP with postcards carrying the case against selling off GP surgeries to big private companies. Available from KONP - order through the website: www.keepournhspublic

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KONP National Office
c/o 19 Vincent Terrace
London N1 8HN
email: via the KONP website

www.keepournhspublic.com

Join our campaign to defend the NHS

What kind of Health Service do we need?

National workshop organised by Keep Our NHS Public 15 November

As campaigners for the NHS, we often find ourselves so busy fighting against things — privatisation, closures, sell-offs — that we can lose sight of what we are fighting for. Frustratingly, we find ourselves defending the status quo — even though we know the service isn't perfect. So what kind of service would we like instead?

The government know how they want the health service to be 'modernised' — they want more commercial involvement, more consumerism, more competition. But do we know how we want the service to be different?

Keep Our NHS Public campaigners from all over the country put their heads together at a workshop in Leicester in November last year to come up with following principles for a reformed health service.

The workshop showed a vision of a much more holistic, social and integrated approach to health policy which should:

- Place a greater emphasis on prevention of illness and health promotion, including using population level interventions
- Drive social policy towards a more egalitarian and less consumerist society
- Ensure that the bringing up of children is a highly valued and protected activity
- Make sure health impact assessments are included in all areas of policy making
- Toughen the regulation of business practices of relevance to health

Workshop participants rejected resoundingly the government's privatisation of services, and put forward practical ideas on how a new NHS would be structured to ensure it was democratically accountable. They thought that the funding of local services should be allocated on the basis of assessed need, and not on the number of "activities" (operations, treatments etc) carried out by NHS bodies in the area.

There was strong support for the proposal that all charges within the NHS should be abolished, and campaigners also felt that the concept of "choice" should be redefined in a way consistent with the principle of equality

The National Health Service should:

- Be democratically accountable
- Be more integrated, and based on cooperation and planning
- Devolve much more decision making to a local level
- Be available on the basis envisaged by Bevan: universally and according to need alone
- Be publicly provided & funded
- Work closely alongside social care services
- Build in staff representation locally
- Be more responsive to the community



Keep Our NHS Public campaigners marching through East London

ty and which addresses health need more effectively. This means a move away from the government's obsession with a kind of 'supermarket' model of choice.

What was particularly striking in the discussion was campaigners' highly social model of health and a determination to place health care in a wider context. Participants concluded that an holistic approach is required both to tackle ill-health and to promote more healthy living. This involves not only changes in the health care system but also a cultural shift which includes a move away from competition and towards cooperation, and a move away from consumerism.

Health and healthy living, participants suggested, can only be produced and sustained in a much more egalitarian society. Reduction in inequalities in both income and wealth is essential to a healthy and cohesive society, with significant redistribution required through a much reformed tax and benefits system.

The workshop forms part of a process of shaping from the grassroots a national Keep our NHS Public's policy stance.

Contact us via the Keep Our NHS Public website: www.keepournhspublic.com for the full report.

Sally Ruane,
Leicester Keep our NHS Public

Stop patchwork privatisation of NHS

The NHS is being sold off to private companies behind our backs. Instead of money going to improve health services, it is increasingly flowing to shareholders. Instead of cooperation, we have competition. In place of the invaluable public sector ethos that has sustained the NHS, we have the profit motive. Our booklet "Patchwork privatisation" explains what is happening. It's available via the website: www.keepournhspublic.com



WHO WE ARE

An unprecedented process of privatisation is under way in the National Health Service: vital services and precious NHS resources are being handed over to the private sector, including companies run for profit for shareholders here and overseas. Now is the time to fight back to Keep Our NHS Public!

OUR CAMPAIGN

Our campaign was launched in September 2005 and has won the backing of hundreds of senior doctors, academics, health workers and trade union leaders, celebrities, MPs and local campaigners for its launch statement. Now we are inviting all those who support our appeal to JOIN Keep Our NHS Public, and to work with us to build local broad-based campaigns that can stop and roll back the juggernaut of a government policy that is wrecking our NHS.

WHAT WE DO

We campaign for our aims and principles. Chief amongst these:

- To keep our NHS Public. This means funded from taxation, free at the point of use, and provided as a public service by people employed in the NHS and accountable to the public and Parliament.
- To inform the public and the media what is happening as a result of the Government's "reform" programme.
- To build a broadly based non-party political campaign to prevent further fragmentation and privatisation of the NHS.
- To call for a public debate about the future of the NHS and to halt the further use of the private sector until such a debate is had.

OUR PAPER

One of our campaigning tools is our paper, produced quarterly. You can use the paper to campaign in your area to stop privatisation of the NHS - including the sell-off of local GP surgeries to big private companies. You can distribute the paper to the public, to local union branches, local politicians - and you can ask your local GP to distribute it through their surgery. We can provide you with bulk copies, at a cost of:

No. papers	Cost	p&p
1000	£80	£14
800	£64	£14
400	£32	£9
200	£16	£7
100	£8	£4
50	£4	£2
25	£2	£1



Keep Our NHS Public

We need members & donations

- Annual membership fee is £10, £5 for unwaged. Affiliation fees, information about how to join, and where your local group is located, available from www.keepournhspublic.com
- Send donations to KONP, c/o 19 Vincent Terrace, N1 8HN
- Make all cheques payable to: KONP