

Third sector and the NHS – the Trojan Horse?

The issue of third sector involvement in taking over NHS services is a pressing one. Most of the focus of investigation and research into the privatisation of the NHS and NHS campaigning activity so far has rightly been to expose and campaign against the private sector take-over of health services. Such consideration as has been given by health service commissioners to the role the third sector is playing in the privatisation of NHS services has involved tacit assumptions that offering contracts to third sector bidders has to be preferable to their going to private sector companies. This has certainly (though not exclusively) been the case in Brighton and Hove.

We will show that there are many third sector organisations who, despite the considerable and growing funding pressures, are resisting the government push to marketise public services. At the same time though we have to confront the real and present threat to the NHS posed by those third sector organisations who are seeking to play the private health sector at their own game.

We have done our utmost to ensure all the information has been checked and verified. But this is a very complicated area into which there has been little on-the-ground research. We therefore welcome all constructive contributions to the debate.

We have consulted with a range of people – NHS workers, former NHS workers forced to move into third sector organisations and campaigners and have drawn on several important reports, which are referenced in the course of the paper. We point in particular to the National Coalition for Independent Action reports on this subject. <http://www.independentaction.net/> A range of organisations have been eager to support the paper. They are listed at the end.

What is the Third Sector?

The third sector is “part of an economy or society comprising non-governmental and non-profit-making organizations or associations, including charities, voluntary and community groups, cooperatives”. To the list can be added social enterprises - “private sector models geared towards profit creation (which) could be used to achieve socially useful purposes”, and mutuals.^{1 2} Historically third sector organisations were supposedly non-profit making with any income made being ploughed back into their activities. But this distinction is being rapidly eroded or the function is being relegated to the non-profit divisions of large companies making considerable profits.

Third sector, public services and the cuts

Following on from the privatisation of services accelerated by the Thatcher government, the Labour government continued the encouragement of private and third sector organisations taking over public services in areas such as health, social welfare and employment.³ In 2000, the Labour government also formed a “concordat” with private healthcare companies, by which they were made “permanent providers” of NHS treatment authorised to use the NHS logo.

¹ As we write whole NHS trusts in Norfolk are being threatened with “mutualisation”.

<https://www.opendemocracy.net/ournhs/caroline-molloy/we-all-already-own-nhs-latest-mutual-spin-is-about-taking-it-out-of-our-hands>

² See also Community interest companies – http://en.wikipedia.org/wiki/Community_interest_company

³ Colin Leys and Stewart Player’s book - “The Plot against the NHS” – cannot be recommended highly enough. It provides an eye-opening account of the whole process of marketisation of the NHS.

The agenda of the current government has been to build on and expand rapidly from this base, mainly by means of and under cover of the Health and Social Care Act 2012 (discussed below).

“The nature and scale of the Coalition Government’s political project – ideologically driven – to degrade rights, entitlements and social protections, and to privatise public services that cannot be abolished is now laid bare..... (exposing) an ideological drive to centralise power in a small, privileged elite, demonise and dismantle the public sector and trade unions and deregulate indiscriminately: all with the objective of maximising, profit-making opportunities for their private sector backers.”

Quoted in <http://www.independentaction.net/wp-content/uploads/2014/06/Outsourcing-and-the-Voluntary-Sector-final.pdf> *National Coalition for Independent Action*

An indispensable part of this “political project” has been swingeing cuts in the name of the Coalition’s austerity drive, which have reached unprecedented levels across the board but particularly in public services and the voluntary sector.

“In March 2012, Third Sector reported an NCVO estimate of 70,000 voluntary sector job losses in the preceding 12 months, due in a large part to local government spending cuts, but also to outsourcing arrangements in the Work Programme.”

Working paper 5 <http://www.independentaction.net/wp-content/uploads/2014/06/Outsourcing-and-the-Voluntary-Sector-final.pdf> *National Coalition for Independent Action*

Since this estimate the squeeze on central government funding and local authority budgets with the loss of £billions nationally, has further decimated grants to third sector organisations.

“over time, the idea of ‘pure’ grant has become a rarity..... Heavier reliance on contracts, in preference to grants, was accelerated by the growth of centralised control during the New Labour years, an important element of which was the use of VSGs as arms-length delivery vehicles for state policies and intentions. These changes over time have given rise to the regime we now know as ‘commissioning and procurement’

As a result in many areas of the country some third sector providers are becoming indistinguishable from private healthcare companies.

In some areas (Hackney in London being one), voluntary agencies and the voluntary sector are now collectively described – with private sector firms – as **‘the market’**.”

“The Devil that has come amongst us” - <http://www.independentaction.net/wp-content/uploads/2014/06/Commissioning-and-procurement-final.pdf> *National Coalition for Independent Action*

The NHS “market” and the Health and Social Care Act 2012

The HSA 2012 introduced 4 major changes to NHS and social care provisions in England:⁴

- removed the responsibility of the Secretary of State to secure comprehensive and universal healthcare provision.
- lifted the cap on private patient income from Foundation Trusts (and laid down a legal requirement for all NHS Trusts to become Foundation Trusts), so that they can earn up to 49% of their income from patients who can afford to pay.
- replaced the old NHS bureaucracy with a new, more complicated one (at a cost of £3bn).
- Just before the Act went fully ‘live’ in April 2012, a regulation (under Section 75) was inserted, requiring all commissioning decisions to be open to competition from private

⁴ Not in Scotland, Wales and Northern Ireland.

and other providers, unless there is only 'one capable provider'.

As we see below the HSA has resulted in rapidly growing and escalating privatisation. International trade treaties such as TTIP (Transatlantic Trade and Investment Partnerships) present an extremely serious additional threat. If ratified, such "treaties" would ensure that the takeover of public services by private companies and third sector organisations which would be irreversible.

Protecting our NHS - An introduction for campaigners. (Written for Keep Our NHS Public by Caroline Molloy).

<http://www.keepournhspublic.com/pdf/introductionforcampaigners-03.pdf>

The impact of the HSA and resultant privatisation

By one expert estimate, £13.5 billion of NHS services had been advertised to go out to tender since the passing of the Act up to April 2014.⁵ This was more than 3 times the value of the previous year.⁶ Since April 2014 many more procurement processes have been initiated with many more contracts likely to go to non-NHS providers.

NHS Support Federation - <http://www.nhscampaign.org/>

Well over 200 private companies are now engaged in what some have called the NHS "arms race".⁷ The market is dominated by big corporate players - Virgin, Circle Health, Capita, Care UK, Alliance Boots, Sainsbury's, Arriva bus and coach company, Tarmac, Serco, Harmony, Sodexo, Spire, HCA, the Ramsay group, Diaverum (corporate renal specialist based in Denmark), US companies such as United Health, private healthcare companies such BUPA and the Nuffield Trust (charity /social enterprise) – discussed on page 6.

There are no national figures for the extent of third sector involvement in this takeover. But we know anecdotally locally that the figure is pretty high, the commissioner rationale being that the third sector taking over NHS services is somehow more justifiable and politically acceptable.

At the same time as laying the groundwork for the privatisation of NHS services - the government imposed £20 billion in savings (cuts in reality) to be made in the 3 year period up to 2015.

As a direct result of these government policies, many NHS services are being driven into crisis. Large numbers of highly qualified staff have been transferred to the private sector, or been forced to leave. Lengthening waiting times in A and E; queues of ambulances outside hospitals unable to safely discharge their patients; lengthening waiting lists and deferral of operations and procedures; far too few beds for patients with mental health issues; GP surgeries threatened with closure; the erosion and in some parts of the country collapse of social care for elderly and disabled people; private sector healthcare companies failing their patients - the list is a very long one. Not least - many hospital trusts, in addition to all the other financial pressures they face, are having to deal with rapidly escalating PFI payments, which threaten to tip some over the edge into bankruptcy.

As reported in the Guardian, according to the (far from alarmist) King's Fund,

⁵ Private sector providers were most successful at winning contracts awarded via competitive tender - 80 compared with 59 won by NHS providers."

⁶ According to a Freedom of Information request made by the British Medical Journal of 3,494 contracts awarded by 182 Clinical Commissioning Groups in England between April 2013 and August 2014, 33% went to the private sector.

⁷ A major arms company - C&C Alpha Group - "a defence and healthcare business" runs NHS facilities (mental health facilities, heavily criticised by the Care Quality commission). Lockheed recently bid for an NHS contracts. For further information see our newsletter – June 2014.

“Taken together, the NHS is now in a critical state and services are stretched to the limit... with financial problems also endemic among hospitals and staff morale a significant cause for concern, the situation is now critical” (22nd January 2015)

It is considerable testimony to the skill, dedication and commitment of NHS staff that the system is still functioning as well as it does under the unremitting government and national media onslaught.

Essential contribution third sector organisations make to the NHS

We do not wish to convey the impression that all third sector organisations are succumbing to the pressures discussed and going to the “dark side”. The crucial role played and continuing to be played by third sector organisations in successfully running services in conjunction with the NHS for decades should be fully acknowledged.

Such collaborations have brought NHS services to communities of patients, not otherwise well served (or at all) by existing NHS provision. Innovative collaborative third sector initiatives have given groups of patients and communities whose voices would not otherwise be heard a say in the determination of their local services. There are considerable skills and expertise being offered by the third sector workers to complement and enhance NHS services which should continue and be developed. Best practice by example, has brought about greater responsiveness and improved provision within the NHS itself. They can also offer immediate accessibility and possibilities for democratic decision-making involving patients and others from which the NHS could learn.

There many local examples - the Sussex Beacon, Oasis, Sussex Interpreting services, Amaze, RISE, Allsorts, Brighton Minority Ethnic Community Partnership, Brighton Women’s Centre, and others.

On the other hand ...

Leaked minutes of a meeting of the Francis Maude MP had with the CBI shortly after the last election made the government strategy of backdoor privatisation and the intended third sector role in it clear. He reportedly said that the “wholesale outsourcing” to the private sector” would be politically “unpalatable”, so mutuals, co-ops, charities and the third sector would often be used as vehicles for backdoor privatisation instead, as would joint ventures or ‘partnerships’ between public and third sector or private providers.

Ten tips to help save the NHS from privatisation (written for Keep Our NHS Public by Caroline Molloy).

<http://www.keepournhspublic.com/pdf/tentips.pdf>

The National Council for Voluntary Organisations (NCVO)’s ‘Third Sector Foresight’ project itself speaks of ‘increasing expectations on voluntary sector organisations to function as high-performing private businesses’.

“In the competitive tendering environment, charities which have a tradition of valuing their employees and offering them good terms and conditions might find themselves competing with other charities or private sector organisations which have reduced these entitlements to make their service cheaper. The outsourcing of services previously delivered by government agencies with a strong history of unionisation to protect employees is likely to reduce collective bargaining power, as departments are broken up into smaller units with differing terms and conditions and no automatic union recognition.”

“ACEVO, the national grouping of charity chief executives, has reportedly pressed for charities taking over public services to be able to strip transferring staff of their pension entitlements.”

“The Devil that has come amongst us” - <http://www.independentaction.net/wp-content/uploads/2014/06/Commissioning-and-procurement-final.pdf> National Coalition for Independent Action

These adverse developments are not without their critics within the third sector (not least the authors of the quoted NCIA reports), who see them as having severe consequences not just for the particular public service but for the very ethos and survival of the third sector itself.

“The demands of commissioning have divided charities and community groups, both locally and nationally, into those who are able to or want to be ‘businesslike’ and enter the competitive tendering environment, and those who can’t or don’t want to. This is divide and rule through funding, meaning that the ‘voluntary sector’, like society as a whole, is polarised into the insiders and the outsiders, with the state deciding which is which.”

Local examples of third sector practice in relation to former NHS services

All the issues quoted below have been reported to Sussex Defend the NHS.

Inadequate vetting by council and other officers of bids and bidder business and healthcare credentials in the lead-up to the granting of the eventual contract. “Token consultation” with client and staff groups (if carried out at all) as part of the commissioning process.

Under-cutting of bids to obtain contracts, with predictable corner-cutting and consequences for the quality of services offered and the treatment of staff.

Insufficiently resourced (staff, facilities and equipment).

Some of the organisations taking over have very little knowledge or experience in the running of services they are taking over, paying large sums to private consultants to provide the necessary expertise.

In some organisations where original staff are un-unionised, union membership discouraged.

Personal and financial uncertainty for staff prior to their service being taken over, often being left for months in the dark as to whether they have jobs and under what terms and conditions. This inevitably pushes experienced and qualified people for whom financial security is essential to leave the service.

TUPE and AFC arrangements for NHS staff not being fully honoured. The expiry of the TUPE period can lead to pay, terms and conditions being undermined. As they leave, qualified and experienced staff are too often replaced with less qualified, lower-paid staff with lower terms and conditions.

Reductions in staff quotas from the levels specified in bids - in one local case 3 out of 4 managers originally employed made redundant in less than a year.

In some cases staff with professional accreditations being re-designated to lower grade (less qualified) posts ultimately placing their professional registrations (and pension rights) under threat. Former NHS staff are often made to feel their skills are devalued.

Purpose-built facilities being relinquished or sold off and replaced by less appropriate cheaper premises.

In at least one case, in perhaps the ultimate irony – TUPE’d NHS staff being signed up for private health schemes by their new employers, without their knowledge.

Staff facing disciplinary action or other consequences if they speak out against what is happening to them. Staff being threatened to remain silent, once they have left employment.

In the words of people who contributed to this paper –

“ When I was transferred over I felt like a square peg in a round hole, like my identity had gone. I was disoriented with nothing to hang on to. I had lost the anchor of my trade union.” “All I wanted was to be back in the NHS, have financial and employment security”.

The experiences described above are by no means unusual -

“Privatisation affects staff: healthcare workers have no option but to transfer to the private provider, if they want to keep their jobs, staffing levels, pay, terms and conditions, inevitably suffer. Private companies are free to use less well-trained staff, reduce the service offered, increase the workload, basically do pretty much anything they like to maximise their profit margins. Workers are often demoralised, and suffer a loss of public sector ethos. Patients suffer from deteriorating services or consequences for their well-being.”

Protecting our NHS - An introduction for campaigners (Written for Keep Our NHS Public by Caroline Molloy).

<http://www.keepournhspublic.com/pdf/introductionforcampaigners-03.pdf>

The three following case studies highlight from different perspectives, the extent of third sector commercial involvement in the NHS and the dangers posed.

Case study 1 - the private hospital chain which is a charity

Nuffield Health “for the love of life”, a “social enterprise” the term used on their website, had a turnover in 2013-2014 in excess of £650 million. It is a founder member of the Private Hospitals Alliance.^{8 9} In their report of 2011 “Destabilising our Healthcare - how private companies could threaten the ethics and efficiency of the NHS” the NHS Support Federation highlighted the disjunction between the Nuffield’s corporate profile and their charitable status

“Although registered as a charity in most respects Nuffield functions as any other corporate entity. As a result the company has come under the scrutiny of the Charity Commission... In particular - “Questions have been raised about how much ‘public benefit’ Nuffield Health offers as required by charity regulations.”

http://www.nhscampaign.org/uploads/documents/destabilising_rgb.pdf

As the banner on their website proclaims the “questions” were answered in Nuffield Health’s favour and they continue to operate as a charity.

“We continue to focus on our vision of ‘joined up healthcare’ with a view to reaching an even wider number of communities to offer fitness and wellbeing services in order to prevent long term poor health.” (David Mobbs Group Chief Executive)

It sounds so laudable until one realises that the “communities” referred to are those who are able to pay big money for the privilege of a Nuffield service.

⁸ One of five including major private healthcare players such Spire Healthcare, and HCA International.

⁹ Nuffield has 11,000 employees, including 4,000 clinical practitioners in [31 Hospitals](#); 75 Fitness and Wellbeing Gyms; 4 Medical Centres; 200 Corporate Fitness & Wellbeing Gyms; 50 Health Clinics; 66 Specialist Rehabilitation Centres.

Case study 2 the NHS Trust

The Sussex Partnership NHS Foundation Trust (SPFT) which provides mental health, learning disability and substance abuse services across Sussex (employing around 5,000 workers), has made cuts over the last 3 years of more than £37 million. 104 beds in acute in-patient wards have been permanently closed (the fourth highest number in the country).

In 2013, the then-Chief Executive of the Trust went on explosive record in the local media claiming her own service, in common with many round the country, was in serious trouble particularly in relation to a crisis level shortage of beds for mental health patients.

SPFT was one of the first local NHS trusts locally to pass control of NHS facilities to third sector organisations.¹⁰ South Downs Housing first took over the Preston Park day centre, then - Buckingham Road, the Allen Centre and about 30 other smaller contracts.¹¹ Since then the Buckingham Road centre has been closed down.¹² The only self-referral day centre providing lunch and social facilities now in the city (population of 260,000 and rising) is Preston Park, on the outer edge of the city and expensive for many users to access.

SPFT still has responsibility for the Lighthouse Recovery Support at the Allen Centre, for people with personality and emotional disorders, which it runs in conjunction with MIND and Sussex Oakleaf.¹³ This facility gives a beacon of hope of positive NHS/third sector cooperation.

From 2006 SPFT ran four recovery support houses to support people's recovery and return to independent living. When the homes went out to tender in 2013 SPFT decided not to bid! As a result Brighton Housing Trust and Sanctuary housing took over the houses, despite many officially voiced objections and a trade union and community campaign opposing the move. Two of the houses have now been sold and their residents and new patients "decanted" into what has been called a "bin by the sea".

Outside Brighton and Hove, the Trust has significantly also gone into partnership with one of the biggest private healthcare and public service providers - Care UK.¹⁴

These developments illustrate the complex interactions between different local and national interest groups which characterise the operation of most NHS trusts in today's rapidly fragmenting NHS and the often dire consequences for the survival of quality, patient-orientated services.

Case Study 3 - a cautionary tale of tendering

Last year, despite a very hard-fought campaign, the council's Health and Well being Board (including 5 CCG voting members) gave the contract to run the local Substance Misuse Services to

¹⁰ Since then services such as audiology, wheelchair and ultra sound services have been put out to the private sector by the CCG, numerous hospital services have been outsourced and the council's Health and Well-being Board has outsourced several services to third sector and private companies.

¹¹ With the aim of "streamlining" the 30 something mental health day service contracts provided by such organisations as Care Co-Ops, Mind and others.

¹² The council who owned the building - decided to sell it.

¹³ The centre offers a range of therapeutic interventions with a Community Programme, providing general support, peer support, activity groups, advice and information and learning and volunteering opportunities.

¹⁴ "Recovery and Rehabilitation Partnership" which provides intensive rehabilitation services for people with complex mental health needs. The centres are based in Nelson House Gosport and Crawley Road Horsham - so much for the development of facilities which keep patients close to their homes.

Cranstoun, a registered charity based in Surrey (as lead) together with the Surrey borders Health trust. The new service is called “Pavilions”.¹⁵

During the early stages of the tendering process - references were made by councillors and officers to fractious working relationships between the managements of the SPFT and the social enterprise/charity with whom they were working - CRI.¹⁶ The extent of the disharmony was confirmed when fairly late in the day CRI put in a bid on their own behalf in opposition to the Trust and others. In the event both CRI and SPFT lost out to the Pavilions combination. It was a pretty unedifying example of the competitive process.

The post- Justification

Green and Labour councillors alike justified their choice of the contract winner with the argument that they had selected exactly the same combination of third sector and NHS Trust and that it could not be seen as privatisation.¹⁷ We would dispute this point. But the inescapable outcome is that SMS was put out to the “market” and outsourced away from local providers. The council decision effectively contributed to the ongoing fragmentation of our local NHS.

The bottom line - the SMS decision betrayed the highly praised work and preferences of a group of highly dedicated and motivated people who were passionately committed to remaining part of their local NHS. At the time of writing NHS staff and others in the city service are still in the dark as to whether they will have jobs and on what terms and conditions.¹⁸

Further repercussions in the few months since the SMS decision

- SPFT who, until recently seconded NHS staff to work with CRI providing crucial clinical and other support, has, in some part as a result of the much-soured relationship with CRI, pulled out of their arrangement.
- Staff from a wide range of community organisations who have carried out related work for eg Patched – a well-established and used community project run by CRI were included in the transfer package and for some time in the dark as to what was happening. Staff from these organisations are apparently also being TUPE'd to the Surrey based providers.
- 3 council workers in the Community Safety department discovered that (unbeknown to them and with no prior consultation) they were to be included in the Pavilions package. They fought this with the support of their union UNISON. The director of Public Health and the council were forced to back down. A small but important victory.

The full consequences of these events for Brighton and Hove and East-Sussex wide users of the service and staff and residents, are still emerging.

¹⁵ Pavilions is a partnership of organisations, led by Cranstoun, a charity with over 45 years' experience of delivering specialist alcohol and drug treatment. Interestingly no mention of the Surrey Borders NHS Trust.

¹⁶ CRI (Crime Reduction Initiative) is one of the biggest social enterprise empires specialising in offering NHS services - Substance Misuse services (amongst others). According to their latest annual report – they have reserves of £17 million - a situation many private companies would envy. The chief executive earns in excess of £170,000 p.a.

¹⁷ The question as to why officers and councillors saw fit to replace SMS - a much-praised Brighton and Hove - based service with a similar combination of NHS trust and third sector org was never answered.

¹⁸ Thanks to a UNISON Surrey campaign the Surrey Borders health trust will not be withdrawing from NHS Agenda for Change conditions as they had been threatening. This would have had serious implications for the employment of SMS workers.

Who wins? Answer: No-one but the most ruthless and most resilient players

NHS staff lose

NHS staff often have to spend anxious months, with no clue about where, how or on what pay, terms and conditions they will be employed. All too frequently, councillors, council officers and other organisations are making crucial decisions about NHS staff lives and futures with too little experience of commissioning processes on such a scale, too little investigation of the true intentions of contract winners and too little evaluation of the longer-term employment, social and economic impact of the decisions.

Patients and service-users lose

Services are moved out of the local area (or closed altogether) or managed from afar, with inevitable knock-on effects. At the very least services are subject to considerable disruption for eg in some cases courses of treatment having to be stopped mid-way.

The third sector loses

Even larger, more financially resilient third sector organisations (such as CRI) do not always win (as we showed in Case Study 3). There are always more determined competitors on the block.

“In a survey of 101 large charities in 2012, over 90% said they face more risk in the current commissioning environment than before, a result of new funding mechanisms (payment by results, contracts and personal budgets), pressures to operate in increasingly complex arrangements - consortia, sub-contracting and declining income, raised contract requirements, increased demand, being forced to use reserves or unrestricted income to subsidise contracts, falling service and quality standards but nevertheless finding themselves responsible in Law for these services. And the public who need or want these services will not know who to complain to when they are found wanting, with accountability confused further by long supply-chains.”

“The Devil that has come amongst us” <http://www.independentaction.net/wp-content/uploads/2014/06/Commissioning-and-procurement-final.pdf> *National Coalition for Independent Action*

The odds of long-term survival in this ruthless business environment, where only the strongest can survive, are heavily stacked against third sector organisations. NHS services are contracted out to smaller private and third sector organisations only for some of them to be taken over within a few years (if they last that long) or to be forced to walk away from their “acquisition” (leaving a hole in provision and patients with nowhere to go). Depending on its size, the third sector organisation may struggle to survive the loss of the contract. Either the former NHS service it was running disappears or it becomes an unrecognisable shadow of its former self, firmly ensconced in the private sector. The irreparable damage has been done. The “Trojan horse” effect is complete.

Conclusion – what future for the NHS and third sector involvement?

In this paper we have described the future of our NHS (and other public services) - a fragmented patchwork of services with a wide range of different providers - NHS trusts, the private sector and third sector organisations. In that situation all but the biggest conglomerates are picked off by ever-hovering predators.

In the view of the Coalition government - the more (public-friendly) third sector organisations, social enterprises and mutuals can be persuaded to adopt the pro-business rhetoric, and be forced into or voluntarily collude with the government agenda, the more the strategy of “backdoor privatisation will succeed and the more the public will be duped into believing that

privatisation of the NHS, can only be a good thing. It is no coincidence that this government is co-opting the language of more people-friendly initiatives – social enterprises and mutuals to mask the reality and consequences of privatisation.

Sussex Defend the NHS position

We fully recognise the pressures under which third sector organisations (along with every other part of this country's service economy) are being placed. We deeply regret the “divide and rule” which the government strategy is imposing on the sector between those who are and those who aren't willing to marketise their services and with all the attendant consequences.

Our position is that the outsourcing of NHS services into other sectors, out of their localities with resultant fragmentation is exactly that regardless of who is implementing it. Legal responsibility for the service, standards of care, numbers of patients treated, which patients are treated, working conditions of staff, skill and experience level of staff, staff pay, terms and conditions, and the data from all of this, are handed to an organisation that is not a public body. No EVIDENCE is gathered on which to base outsourcing decisions, just competing bids and competition law. No EVIDENCE is gathered about the multiple impacts of the Health and Social Care Act and all the private and third sector providers who have taken over services. Public accountability and democratic choice are lost. Maybe that organisation has a social ethos. Maybe that organisation is a private profit making company. The outcome is the same.

The inevitable conclusion (towards which we are rapidly heading) of this government's measures is a two-tier health system – access for the wealthy able to afford private healthcare insurance vs diminishing access for the rest of us, particularly those in already deprived areas. We and campaigners round the country oppose this root and branch. There should be no differentiation in the quality or accessibility of healthcare freely available to any and all of us. Bottom line. A nation's healthcare provision should never be a marketable commodity.

“Altogether public accountability and social justice are trumped by shareholder profit, commercial confidentiality and risk aversion”

Protecting our NHS - An introduction for campaigners Caroline Molloy).

<http://www.keepournhspublic.com/pdf/introductionforcampaigners-03.pdf>

What can be done?

- We very much hope that this paper will stir debate and serious questioning in the third sector in Brighton and Hove about the role some of its members are playing in taking over NHS services. Sussex Defend the NHS would be willing to play a part in that.
- Support the “NHS Reinstatement” bill, launched by leading healthcare professionals including Professor Alyson Pollock.¹⁹ We should have no less an aim than the abolition of the “internal market” in the NHS and other public services.

“The NHS Reinstatement Bill proposes to abolish competition and the purchaser-provider split, re-establish public bodies and public accountability, and restrict the role of commercial companies. It draws on some of the best examples of NHS administration over its history, retains some features of the reforms laid out in the Health and Social Care Act 2012, and would be implemented on a timescale determined by the secretary of state.”

<https://www.opendemocracy.net/ournhs/ournhs/brand-new-nhs-reinstatement-bill-from-allyson-pollock-gives-hope-to-campaigners>

¹⁹ This should not be confused with the much weaker Efford Bill which is being sponsored by the Labour party.

- Oppose TTIP (the Transatlantic and Trade Investment Partnership) and other international trade agreements. The draft agreement gives legal powers to corporations to sue national governments for £billions in secret courts, if the corporations do not like decisions which are made. These powers will be irreversible in national and possibly international law.
<http://action.wdm.org.uk/ea-action/action?ea.client.id=1784&ea.campaign.id=34261&ea.tracking.id=twitter>
- Support “We own it” - a national group campaigning for legislation to stop the destruction of our public services.
“ Procurement policy should prioritise public ownership as the first port of call, the default option..... We need a Public Service Users bill to promote the public ownership option, because it works best for us, the people who use public services.... Local authorities and national government should be required to show by law that they have thoroughly explored the public ownership option before contracting out a service”.”
“Better in public hands - Why we need a Public Service Users Bill” – August 2013
<http://weownit.org.uk> ²⁰
- Support local and national initiatives to unionise third sector workers.
- Too many situations arise of inadequate councillor and council officer vetting and conduct of procurement processes. Too frequently, only cursory attention is given to crucial issues such as the longer-term impact on staff, patients, local communities and the local economy.
 - a) Pending the abolition of the internal market and the introduction of stronger guidelines, these loopholes must be vigorously addressed by councillors and council officers in active consultation with unions, and dealt with in the earliest stages of any commissioning process.
 - b) More stringent guidelines for council officers must be developed to ensure that any tendering processes address all key issues in detail and that public sector bids are given full encouragement and support.

The privatisation, fragmentation and dismantling of our NHS, which have always been the central aims of this Coalition government, is one of the major disasters facing this country. In 2000 a major private sector “player” looked forward “to a time when the NHS would simply be a kitemark attached to the institutions and activities of a system of purely private providers”. ²¹ His nightmare “vision” is much closer to being realised.

We hope this paper will receive the widest possible circulation, not least amongst politicians and political candidates, who are in the strongest position to oppose the pursuit of the govt agenda in relation to the NHS. We hope also that it will stir all who care deeply what happens to our NHS into action and to using the power of their vote to its maximum effect.

Sussex Defend the NHS, 31st January 2015

²⁰ info@weownit.org.uk See the website for “5 reasons privatisation is bad for you”.

²¹ Independent Healthcare Providers – Tim Evans in the negotiations round the “concordat” page 1 of the paper, quoted in the “Plot against the NHS” – Colin Leys and Stewart Player, Merlin Press 2011.

Supported by:



National Coalition for Independent Action (NCIA)

<http://www.independentaction.net/>

We offer a warm welcome to this paper on the Third Sector and the NHS by Sussex Defend the NHS. It comes at a critical time and makes an important contribution to the campaign against the dismantling of the NHS.

In our view voluntary services exist to do the things that Government cannot, will not, or should not do; to complement, not substitute for public services and entitlements: to innovate, reach excluded groups, aid access to mainstream services, offer services which have to be independent (such as advice and advocacy) and act as commentator and critic of public services and state action. Some responsibilities must rest with the state, including the role of acting as custodian of our collective human needs and their protection.

Voluntary services are in no position to take on these responsibilities. Like private businesses, they are neither universal nor democratically accountable. Once a voluntary group becomes a servant of the State its unique role is compromised. Together we must fight this creeping and insidious corruption of the true role of voluntary action and defend our public services and welfare protection.

National Coalition for Independent Action (NCIA)

<http://www.independentaction.net/>

Dr Carl Walker, parliamentary candidate for the National Health Action Party

The Health and Social Care Act 2012, and section 75 in particular, mandates that 'money follows the patient'. It doesn't matter where the money goes, money is still leaving the NHS and services, staff, and infrastructures fold behind it. This is an inevitable step toward a wholesale privatisation of the NHS and should be resisted as such. The key problems underlying this issue are the unnecessary and damaging internal market in healthcare and prolonged underfunding. Third sector providers seeking to survive in an environment where traditional sources of local authority funding have been decimated, together with NHS providers unable to commit increasingly limited funds to both running services and the tendering process, inevitably leads to costly and damaging forms of competition. This report is clear about the grave damage inflicted by any provider seeking to bid for contracts that should be delivered by a public NHS. I fully endorse the position taken by Sussex Defend the NHS on the issue.

Ian Evans, Unite

Member of the National Industrial Sector Committee for Health

Chair of the Healthcare Sciences National Occupational and Professional Committee

Unite Branch Secretary, Brighton and Sussex University Hospitals (SE/6016)

Chair of the SE Health Regional Industrial Sector Committee

"I would like to commend Sussex Defend the NHS on a fantastic piece of work. I appreciate how much time and effort went to this."