

#ourNHS

no cuts | no closures | no privatisation

Myth-busting

Sustainability and Transformation Plans

S LASH
T RASH &
P RIVATISE



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Sustainability & Transformation Plans?

Under the banner of Sustainability and Transformation Plans (STPs) and the Five Year Forward View (5YFV), NHS England has begun to reorganise the NHS again, creating chaos, driving through huge cuts to services and making it far easier to privatise.

The Government's NHS Sustainability & Transformation Plan (STP's), or Slash, Trash & Privatiser programme, has the potential to change our NHS beyond recognition.

Unite is concerned because they are:

- being conducted behind closed doors
- not consulting with patients or staff
- not based on clinical evidence
- driven by £22bn of cuts
- resulting in massive centralisation of NHS services
- leading to closures, reconfigurations and privatisation
- threatening to breakup of national pay, terms and conditions

Unite believes that the NHS must be:

- universally available and free at the point of use
- publicly accountable, publicly funded and publicly run
- clinically driven and evidence led

Unite demands:

- **Staff and their unions must be fully involved in STP processes**
- **Transparent engagement with local communities about the future of their health services**
- **A fully funded NHS, driven by evidence not cuts**
- **No privatisation of NHS services**
- **A long-term workforce strategy to end staff shortages**
- **National terms and conditions and a fair pay rise for all staff**

Myth:

The NHS is a well-funded health service

FACT:

The NHS is being starved of funding

The Government has insisted that the NHS is receiving generous funding increases. In fact the Government has implemented the worst financial settlement in NHS history¹.

The NHS now has an acute funding crisis, with average deficits worth £15million in every NHS Trust².

As a result, the UK has fallen behind other countries with investment in health falling below the EU and OECD average from 7.3% to just 6.6% of GDP.

An EU study reported that the UK was ranked 24th out of 27 EU nations for doctors per capita, worse than Bulgaria and Estonia³ while in 2016 the OECD has shown that the UK spent the second least of the G7 countries on health care, above Italy when social care is included⁴. Another OECD study showed that Britain had fewer hospital beds per person than almost any country in the western world (the second lowest of 27 European countries)⁵.

Since its creation in 1948 the NHS has had annual average real terms increases in funding of 3.7% to cope with the rising populations, expanding services and new technology. Under the last Labour Government average rises reached 8.6% as they sought to repair damage done by the previous Tory Government.

In contrast since 2010 Government spending on the NHS rose by just 0.9% a year in real terms and is predicted to continue at this rate until 2021.

Government has also demanded efficiency savings of £20 billion from 2010 to 2015 and a further £22 billion from 2015/16 to 2020/21.

This has meant longer waiting times, rationing for services, ward closures, chronic staff shortages, recruitment and retention issues, increased stress and staff workloads and cuts to pay, terms and conditions for all staff.

Myth:

Demographic change means we cannot afford the NHS

FACT:

The NHS pays for itself

With the right support, finances and political will the NHS can continue to deliver world class care.

The health service undoubtedly faces challenges from an ageing population, changing patterns of disease – with more people living with multiple long-term conditions – new technologies and rising public and patient expectations.

It is not as if we have not had time to plan for these demographic changes. Experts argue that these problems are not insurmountable with the right support, finances and political will.

Sadly, demographic change is often used to push ideological policy initiatives that have nothing to do with the challenges being faced. These include charging, privatisation and rationing of NHS services.

How we plan for future NHS demand is a political choice, and worse still underfunding of the NHS is also undermining the UK economy.

There is strong evidence that spending on core public services like health and social care have a significant multiplier effects on the economy, that stimulate further positive economy activity across the economy and create jobs.

Research has shown that across countries, the average multiplier effect of public health care spending has been about 3.6 – larger than almost all other categories of spending⁶. That means for every £1 the Government spends on health, we get £3.6 back through increased economic activity.

While there are limited studies of the multiplier effect of the NHS, a report by the Joseph Roundtree Foundation and Kings Fund in 2014 estimated that the economic multiplier effect of NHS spending is in the range of 2 to 4⁷. The OECD also points to a wide range of health and economic benefits derived from increased healthcare spending⁸.

Myth.

STPs will make the NHS more efficient

FACT:

The NHS is less efficient under the Tories

The STP programme is based on a demand by Government to make £22bn of efficiency savings. This is an impossible task without cutting services.

Contrary to Government claims, the NHS is still one of the most efficient health systems in the world. In both 2010 and 2014 Commonwealth Fund research⁹ showed that the NHS was one of the most efficient and effective health systems in the world. This drew on bespoke research and data from the OECD and WHO.

In 2010 its report found that the NHS was the most cost-effective healthcare system with excellent access to care. Only New Zealand, where 1 in 7 had missed out on care because of costs, was cheaper and only Switzerland, spending 35% more, gave better access.

In 2014 the UK did even better, with the NHS ranked highest overall, based on quality of care, access to care, efficiency equity and healthy lives. These studies were referring to data before the Tories controversial Health and Social Care Act 2012 took effect.

Sadly, government policy of inadequate funding, reorganisations and privatisation have made the NHS less efficient not more.

Government policy has increased waste in the service, through fragmentation, bureaucracy and privatisation. Even conservative estimates suggest that administering the market in the NHS costs between £4.5 billion up to £10 billion each year¹⁰. NHS organisations now have to spend sizeable amounts of money bidding to run services, leading to huge legal and consultancy costs to deliver existing services.

The NHS spent £3.7 billion on agency costs 2015/16¹¹ because of poor workforce planning, vacancies and staff shortages. All this as staff absences for stress and sickness are soaring.

STPs are repeating this farce with the NHS spending millions on private consultancy firms to draft the plans, while reorganisation and secondments add cost through the creation of a new layer of STP footprint bureaucracy.

Myth.

STPs will remove wasteful NHS markets

FACT:

The NHS is still being privatised

The Government opened the NHS up to large scale privatisation through the market mechanisms in the Health and Social Care Act 2012. The 2012 Act continues to be the legislative framework for the NHS and STPs.

This Act enforces tendering of NHS contracts by opening NHS organisations up to competition law. As a result, many risk averse NHS commissioners choose to tender all contracts out rather than face expensive legal challenges.

The Act also increased the amount of money NHS hospitals can make from private patients and introduced opportunities for private companies to access NHS funding, if NHS patients choose to access services through them.

Research by the NHS Support Federation has shown that over £16 billion of NHS clinical contracts have been awarded through the market since April 2013 (411 contracts). Over this time the private sector has won nearly £5.5 billion worth, winning over 60% of contracts¹².

In total, around £30 billion worth of NHS contracts have gone before the market, although just over half this value has been awarded. These contracts cover over 80 categories of NHS services, including diagnosis, treatment and ongoing healthcare across every possible setting.

This is a rapid change but some private providers have still complained that the contracts do not provide enough profit potential and, in some cases, have even handed contracts back.

STPs do not repeal or remove the privatising elements of the Act. In fact, campaigners are concerned that by creating larger health economies STPs make the NHS more appealing to private providers.

For example, proposals to create large Accountable Care Organisations (ACO) are based on a model developed by US private health companies. ACOs attempt to create a more collaborative integrated health system and economies of scale BUT they will still be subject to the H&SC Act rules. That makes them potentially more attractive contracts for private providers to bid for, taking over large swathes of the NHS in one go.

Myth:

STPs make the NHS more accountable

FACT:

STPs have no legal structures and are completely unaccountable

The NHS is going through huge top down reconfiguration yet again but the STP programme has no legislative framework and has mostly been done behind closed doors.

We are told that the NHS needs reform to make it more patient facing but in practice the STP programmes are shady with no clear structures behind them or systems of accountability involved.

The STP programme has centralised power in the NHS. CCGs and Trusts have simply been ordered to form into 'footprint' health economies and produce a plan, or receive less funding.

STP leaders have been appointed without a recruitment process, while resources, funding and staff have been transferred over from various parts of the NHS to make the changes.

In many cases, private consultants have been used to write the plans at considerable expense taking resources away from frontline services¹³. Those same consultants are being paid to run the post plan consultation process too as STPs themselves have no formal organisational status.

The STP process has often been done without any input from local authorities, who in some case have been asked to sign them off without reading them. In most cases staff and the public have similarly not been involved; with no consultation with staff or the public on the content of the STP until after it has been drafted and signed off by NHS England.

This is a major breach of faith, undermining NHS staff partnership arrangements with the 13 NHS trade unions, and goes against the spirit of the NHS constitution.

Given that there are major concerns about the future of local services as well as the implications of STPs to job roles, skill mix and national terms and conditions this lack of transparency is extremely worrying.

Myth:

STPs will improve clinical outcomes

FACT:

STPs are being driven by funding cuts not clinical evidence

The Government has set STPs the impossible task of simultaneously improving clinical outcomes while saving money. Without proper funding STPs are likely to fail to deliver improved clinical outcomes.

For example, STPs have been tasked with the integration of health and social care. There is evidence that this could be good for clinical outcomes, if delivered in the correct way. There is, however, no strong evidence that such a process would be cheaper.¹⁴

Similarly, some STPs support hospital A&E closures and the creation of specialist hospitals often much further away for many patients. Specialist centralised services can have positive outcomes for specialist cases but, even where clinically justified, specialist emergencies account for only a small amount of A&E admissions, leaving the district general hospital vital for most other urgent and emergency care.

Other plans include closing wards and hospitals and replacing them with systems of care in the community. Contrary to claims, this could cost more, especially as for community care to be safe it would need a good hospital at its centre, and enough well trained staff delivers the service to patients.

Reforms that improve services are laudable but the question is, if these changes are so good for services, why are they only being pushed through when money is so tight?

The reality is that the funding is the driver of reform not the other way around.

Ironically at the same time many of the services that have been proven to reduce health care costs, like public health and social care, have borne the brunt of government cuts through local authorities. These short-sighted cuts have been devastating for those preventative services, and will lead to long term problems given the pending demographic challenges caused by an aging population.

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Useful Contacts:

Unite in Health - www.unitetheunion.org/health

NHS Support Federation - www.nhscampaign.org

Health Campaigns Together - www.healthcampaignstogether.com

Keep Our NHS Public - keepournhspublic.com

Open Democracy OUR NHS - www.opendemocracy.net/ournhs

About Unite:

Unite represents 100,000 health sector workers, including members in occupations such as allied health professions, healthcare science, public health specialists, applied psychology, counselling and psychotherapy, dental professions, audiology, optometry, building trades, estates, craft and maintenance, administration, ICT, support services and ambulance services.

Unite also houses seven professional associations:

- Community Practitioners and Health Visitors' Association (CPHVA)
- Guild of Healthcare Pharmacists (GHP)
- Medical Practitioners Union (MPU)
- Society of Sexual Health Advisors (SSHA)
- Hospital Physicists Association (HPA)
- College of Health Care Chaplains (CHCC)
- Mental Health Nurses Association (MNHA)

Unite also represents a large range of health and social care members working for local authorities, voluntary and community sector organisations.