What's next for the NHS?

As Gordon Brown takes over from Tony Blair as prime minister, **Nick Timmins** speculates on what he might have in store for the NHS

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Day to day most doctors, nurses, managers, and other NHS staff carry on with what they do best: treating patients and trying to make sure the service works.

But among policy makers, politicians, NHS trade associations, trade unions, and those with financial and managerial responsibility for the service, the focus right now is elsewhere, and on only one question. What will Gordon Brown's arrival as prime minister mean for the NHS?

The short answer is that no one knows. Perhaps, at this point, not even Gordon Brown himself. Despite the fact that the NHS now consumes almost a fifth of all public spending, the service is not something to which he has devoted a lot of time over his decade as chancellor.

To be sure, he has been deeply involved in the really big issue: how much money the NHS should receive. It might have been Tony Blair who announced on television that the government would get health spending in the UK up to the European average—a promise the government delivered. But it was Gordon Brown who—after exploding at the prime minister for stealing his budget—commissioned Derek Wanless to provide the justification for the huge increases in spending that the NHS has seen.

It is also true that the chancellor was deeply involved in the debate over the freedoms that foundation trusts should enjoy. There are two views of those events. One is that the chancellor hated the idea and was firmly on the side of those who see their creation as just one part of the “creeping privatisation” of the NHS. The other is that all Gordon Brown did was ask a question that Ken Clarke, Norman Lamont, and Nigel Lawson (all former Tory chancellors) would have asked—namely, “If a foundation trust can borrow freely from the private sector and goes bust, and we then decide that the district general hospital in, say Scunthorpe, cannot be allowed to close, who picks up the bill?” When the only convincing answer that anyone could provide was the Treasury, the chancellor's reply was, “Well, in that case, I control their borrowing.”

I favour the second explanation. But there could have been a bit of both in it. And there is evidence that Treasury officials—and here I mean officials as much as the chancellor—have fretted over the years about whether competition in the supply of health care will increase costs because of its demand for spare capacity, rather than produce sufficient savings to offset that demand.

But all that aside, NHS policy is not something that the new prime minister has engaged with much over the past decade.

Telltale signs

Hence, of course, the question: "What will his arrival mean for NHS policy?" The absence of evidence, and a brooding silence from Mr Brown, has led to fevered speculation and much reading of runes and tealeaves. The answers from the oracle at Delphi were clearer than the outcome from these exercises.

But for what it is worth, here is the evidence. The joint document that Blair and Brown issued in March on the future of public services endorsed the Blair approach of competition, choice, and use of the private sector, but contained a bunch of Treasury-style qualifications such as "where appropriate." Pro-choice civil servants in the Department of Health were excited when a draft of the document came back with a big red circle around the word "choice" in Mr Brown's handwriting with a comment along the lines of "we must pursue this." The more sceptical, however, noted that, at least in theory, it is possible to pursue a policy of choice entirely within a publicly owned system. No room, necessarily, for an enhanced role for the private sector there.

The next big piece of evidence was a leaked letter in late May from Mr Brown to the Confederation of British Industry in response to one of its policy documents. It declared that a reform agenda of "choice" and "the use of competition and greater contestability," one involving the independent sector, "must be driven forward" for the public services. In other words, the Blair agenda, this time shorn of the weasel words such as "where appropriate" that the Treasury inserted into the earlier document.

Blairite sceptics, however, noted that nowhere did the letter state to which parts of the public services this should apply. All of them? Or merely in prisons, which the private sector now runs; or welfare to work services, where a big expansion of private sector involvement is planned; or in schools, where Mr Brown has publicly thrown his weight behind privately sponsored city academies? Nowhere did it say specifically that it would apply to the NHS.

Private sector involvement

Against that, doctors who hope that Mr Brown's arrival will halt the Blairite agenda of private sector involvement should note that the private finance initiative, which will

deliver more than £170bn of business to the private sector over the next 25 years, was a policy that Mr Brown made work, even if the Conservatives invented it. It was Mr Brown who backed private sector involvement in prisons, a service that even Adam Smith would have seen as a core role for the state. And it was Mr Brown who supported the private sector's involvement in welfare to work programmes and now believes this programme and city academies should be extended. Andrew Adonis, the arch-Blairite advocate of academies, has been left in post.

Added to that, those who hope that the new prime minister will honour the BMA's current policy of an independent board for the NHS may be disappointed. It is not just that Mr Blair went out of his way to trash the idea in a recent King's Fund speech and press conference. So did Patricia Hewitt, the health secretary, in a speech that her advisers claim was cleared with the then chancellor. And the new prime minister's spokesman was quietly dismissing a *News of the World* story on Mr Brown's first weekend in Number 10 which suggested that an independent board is precisely what he has in mind.

So what will the new prime minister do? We have to speculate. My guess is that Mr Brown is, in his gut, much less comfortable with the choice, competition, and involvement of the private sector agenda than Mr Blair. He has spoken passionately in the past about the value of public service and of public servants—of devotion to duty being put above profit and financial motives. But whatever his gut says, his head may turn out to rule his heart.

No going back

Firstly, what is the alternative? Almost any other option—and certainly any of the options currently being touted—will sound like going back. And selling the message that the NHS worked much better—in terms not just of waiting times, but the outcomes of treatment—before the arrival of these pressures will not be easy.

Secondly, the chancellor is a Scottish MP. And although services in Scotland are improving quite rapidly, Labour's sustained drive to abolish the internal market north of the border far more comprehensively than Labour did in England produced, by almost any of the available measures, a decline in performance, not an improvement.

Thirdly, the Conservatives have put Mr Brown in a clever place. Not only have they sworn undying devotion to the idea of a tax funded NHS largely free at the point of use, the rest of their policy might be characterised as "Blair on speed": yet more involvement of the private sector and choice, with more individual budgets for care thrown in. Any backsliding by Mr Brown on the current

state of the NHS supplier market and he will be hit by one of the Conservative's favourite characterisations of him: "the roadblock to reform." So the best guess is that he will plough on with the

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Blairite agenda but with less enthusiasm and drive, while changing the language to make it seem less confrontational. But *BMJ* readers who are depressed by that may care to reflect that less enthusiasm and drive is probably enough to sink a genuinely competitive supplier market in health care. Its death may not come quickly, but it would still come.

Already, talk in John Reid's day as health secretary of the private sector doing perhaps 15% of elective operations looks fanciful. The second wave of independent surgical treatment centres is in trouble. Only six out of 18 still existing contracts have been signed. One big contract in south London has been cancelled so late in the day that compensation will have to be paid. A clutch of the others are in trouble. And the contracts for diagnostics, which some analysts see as being key to delivering the 18 week target, are not in much better shape.

A genuine right for patients to choose any provider from April next year may rectify that—not least because the rates of hospital acquired infections may lead patients to choose the private sector in numbers larger than the private sector actually wants.

But on current form, without genuine political commitment, the serious engagement of the private sector in a mixed economy of healthcare provision runs the risk of being more of a passing phase than a genuine transformation of the NHS. Whether that is what is wanted is the question that Gordon Brown and his new health secretary, Alan Johnson, now have to answer. That Mr Johnson has been put in place to use his charm and self-deprecatory skills to ease relations with staff is not in doubt. Whether he has been put there to try to ensure the policies he inherited work is a more open question.

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