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Feeling the pressure

The latest round of NHS reorganisation involving primary care reform is provoking opposition from unexpected quarters

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The criticism that must have stung the health secretary, Patricia Hewitt, most at the Labour party conference last week was not the expected attack on NHS privatisation from Unison general secretary Dave Prentis, but the tongue-lashing she was getting in private from people she regarded as natural allies in the programme of health service reform.

Much of the talk among NHS folk at fringe meetings and in the bars of Brighton was about her plans to change the size and functions of primary care trusts (PCTs) - the local organisations that hold the health service in England together. A word that came up surprisingly often was "bonkers".

Many patients may not even know the 300 PCTs exist, but they are the organisational bedrock of the service. Their annual budget is worth about £45bn, which is three-quarters of total NHS spending.

The PCTs were phased in across the country when Alan Milburn was health secretary, and they became established throughout England three years ago. He saw them as local organisations that were small enough to maintain a close personal relationship with GPs, but large enough to negotiate forcefully with hospitals.

Managerial firepower

The best of the PCTs may have pulled off that trick, but for a year or more there have been mutterings from Downing Street that the PCTs were too small for the job. They did not have the managerial fire-power to stand up to the hospitals and commission services effectively in the interests of their local people, Tony Blair's advisers complained.

So the stage was set for yet another reorganisation of the NHS, and proposals were written into Labour's election manifesto to achieve administrative savings worth £250m that could be ploughed back into frontline services.

The detail of how this was to be done was set out by Sir Nigel Crisp, the NHS chief executive, after parliament broke in July for its summer recess. His paper, "Commissioning a Patient-led NHS, set the PCTs - and the strategic health authorities that supervise them - a difficult challenge. There would be no national blueprint for merging PCTs into a set number of powerful commissioners. Each area should agree the best local solution - but with the condition that each contributed a fair share of the £250m administrative saving. The PCTs should withdraw from providing services such as sexual health clinics, chiropody, speech therapy, physiotherapy and school nursing. They should pay other organisations to do this work and concentrate on their core task of commissioning.

In some parts of the country, the mergers of trusts may make a lot of sense. Crisp hoped boundaries could be adjusted to coincide with the local authority map, allowing a PCT and a social services department to cover the same area with a seamless joined-up service.

Not so in London where, with a couple of exceptions, PCTs and boroughs already have the same boundaries. A leaked memo circulating in Brighton showed that the chief executives of the strategic health authorities were heading - under pressure from Whitehall - to reduce the number of PCTs from 30 to five.

The memo from Mark Easton, chief executive of North Central London SHA, said: "This will be a radical change, with the new PCTs being quite different from their predecessors. There will be no let up in the pace of change."

Merging the PCTs into five streamlined organisations by the end of next year provided "a very clear way of making the savings". The new bodies "would have considerable clout and present a manageable span of control for the (single) London chief executive".

Easton said: "The main disadvantage is the threat to business continuity, and whether this option would be supported by stakeholders."

An alternative option, allowing current PCT boundaries to continue until 2008, might "continue established relationships with the boroughs", but it was "doubtful the required level of savings would be achieved".

The memo was not describing a done deal, and much may change before merger plans have to be submitted to Crisp by October 15. However, the document was being regarded in Brighton as evidence of bone-headed bungling in the Department of Health.

Although the five PCTs might have branch offices in the boroughs, the new structure would weaken the bond between the NHS and social services that the government was trying to strengthen in other parts of England. What was the Department of Health playing at?

Much of the grumbling about these changes went on behind Hewitt's back, but some were bold enough to complain to her face.

Anne Weyman, chief executive of the Family Planning Association, berated the health secretary with what one observer described as a virtuoso 10-minute analysis of the scheme's inadequacies.

Among the questions asked were why break up arrangements that were beginning to bear fruit in London to achieve a savings figure that had been plucked out of the air? Why demoralise people providing health services in the community who are fed up with reorganisations and may choose to retire rather than go through another? Why order PCTs to withdraw from services when there are not, as yet, alternative providers? And why fragment services among many contractors when the goal was to bind services together to provide better patient pathways?

There was also criticism from long-term Labour loyalists such as Baroness Gould, the party's former director of organisation in the later 1980s, when Hewitt was press secretary to Neil Kinnock and they were all engaged in a battle to drive off the Militant Tendency.

Main concern

Gould, who chairs the independent advisory group set up to inform the government on that subject, says: "This is not just a London problem. My main concern is about the fragmentation of sexual health services when we were just starting to see improvements."

Hewitt gave herself some freedom of manoeuvre in an address to trust chairs a fortnight ago. She said the PCT mergers must happen quickly, but the withdrawal of PCTs from service provision might not occur until 2008, and even then maybe not completely.

That leaves the NHS with more questions than answers. As Dame Gill Morgan, chief executive of the NHS Confederation, put it: "Can the NHS deliver all the targets it has been set and go through a reorganisation on this scale? It has to cut hospital waiting times to 18 weeks. It has to transform its finances to eliminate the deficits. It has to create a better balance between hospitals and services for people in their own homes. Can we make a structural change of this degree while juggling all these balls?"