A National Health Service?

Also by John Mohan

The Political Geography of Contemporary Britain (editor)

A National Health Service?

*The Restructuring of Health Care
in Britain since 1979*

John Mohan

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Preface

This book grew out of a project that attempted to document some of the regional and local consequences of changes in the NHS under successive Conservative governments since Margaret Thatcher was first elected Prime Minister in 1979. In the course of that project, and certainly once the NHS reforms were enacted, it became clear that a significant question was whether the reforms represented a radical departure for the NHS, or whether they were a natural outgrowth of existing trends. Kenneth Clarke put this succinctly when introducing *Working for Patients* (Secretary of State for Health, 1989a) in parliament: he suggested that the reforms represented a ‘change of pace, not of direction’. Certainly it is possible to identify many antecedents of the reforms in the policies pursued since 1979, but this is not to suggest that the Conservatives had in mind a blueprint that has been implemented in an unproblematic fashion. It therefore seemed important to investigate the road the Conservatives had taken (as well as the roads not taken), the pace at which they had travelled along that road and the causes of changes in pace. To continue the navigational metaphor, the government’s course was not always straight through a succession of green lights. It involved a certain amount of stargazing and trusting to the compass, it required decisions to be taken at junctions, and very occasionally a potential route was blocked. The journey was not trouble free nor was it an inevitable progression (though some have represented it as such – see Chapter 2).

One could spend a substantial time tracing the roots of present policies, but I argue – following in some respects Davies (1987) – that various consistent strands of policy can be traced at least to 1979. Among these are the following:

- The stress on the *finite public purse*, evoked consistently as justification for both limiting the resources available to the NHS and for introducing new methods of work organisation and management reforms.
- The importance placed on *management* – in the Thatcher and Major years considerable emphasis has been placed on the need for firm and efficient management in the public sector, and this legacy, even

more than specific policy changes, will far outlive their respective administrations.

- The importance attached to the *private health sector* as a potential competitor to the NHS, as a model for innovation that the NHS should strive to emulate, as a desirable supplement to the state's limited resources, and as a useful resource for local managers. While no post war government has attempted to eliminate private health care or private practice, with the exception of Labour's limited attack on paybeds from 1976, no government has attached such importance to the private sector.
- The encouragement of *individual and community initiative* and the placing of more of the burden of health care provision and financing on individuals, families and 'communities'. Much of this has been in the form of ideological statements rather than direct legislative measures, but there have been measures aimed at deregulating the commercial sector and at expanding state support for private health care. In addition, prevention of ill-health has been defined largely as a matter of individual choice and lifestyle.
- An apparent stress on *localism and autonomy*. The government has emphasised its wish to decentralise decision making to the lowest possible level, but in its desire to pursue certain national policies it has regularly contradicted this: in practice there has often been greater central control over local tiers of administration.

Based around these five points, changes in the British health sector are seen not in terms of a technological determinism (an interpretation that would stress the increased capacity, complexity and sophistication of the health care system); nor in terms of assumed parallels between the NHS and other complex organisations (and thus assuming that the kind of organisational reforms that have taken place were natural trends, common to any complex public or private body confronted with growing demands on and expectations of its services), nor even in terms of a supposed 'convergence' in the welfare systems of advanced capitalist states (that is to say, advocating greater spending on private health care because all similar states are going in the same direction). There is more than a grain of truth in all these arguments, but the fact remains that the responses to these economic and technical changes involved particular *political* choices at particular times. This raises the question of whether such responses were really necessary or whether alternatives could have been pursued.

The primary explanatory focus in this book is on the political economy of conservatism: the responses to the trends concerned were

and are essentially political decisions. Their satisfactory understanding therefore requires analysis of the political circumstances and constraints under which they came about, their relationship to notions of 'Thatcherism' (and, to the extent that it can be distinguished from Thatcherism, 'Majorism') as a political force, and the particular strategies pursued by successive Conservative administrations. In this context I would argue, contra Klein (1984a; 1989), that it is not the case that the 'reality of politics' has forced a 'retreat from ideology' as far as Conservative health care policies are concerned; nor was there anything 'inevitable' about the 1989 NHS White Paper. Whereas the government's case for the White Paper was based on the persistence of local variability in the costs of NHS activities and throughput, and not on the absence of resources, in practice the problems of the NHS were rather more than local difficulties (Chapter 4). The White Paper was also characterised by many of the hallmarks of the policy-making style of the Thatcher administrations, a style that strongly reflected the populist instincts of the party and the then Prime Minister. Partly as a result, it did not address the real causes of inequalities in health; it merely proposed limited internal reforms within the NHS itself, as opposed to radical alterations to the nature of health care delivery. To link the White Paper to a well-known theme in political science, it was arguably about the symbolic use of politics to address – or rather to present the appearance of addressing – intractable problems (cf. Edelman, 1971) and advance a particular agenda. It was a partial and selective approach to the problems of health care delivery.

Geography, politics and health care

One theme running through this book, then, is changes in health care delivery in relation to perspectives on contemporary conservatism and the political economy of the welfare state. A second theme (without resorting to disciplinary imperialism) is the important effect that space and spatial relationships, and their interrelations with political change, have had on developments in the NHS. In a simple sense this is a matter of uneven development: the differential impact of the changes described had consequences not just for the availability of services at the time, but for their future development as communities become more dependent on resources generated or available locally. These matters are especially important given the growing significance of

private sources of health care (Chapters 5 and 7): there may be, to paraphrase Titmuss, an emerging spatial division of welfare.

Secondly, matters of spatial distribution become questions of territorially-based conflict. Even in an ostensibly 'national' health care system there exist spatial coalitions that have greater or lesser degrees of cohesion and homogeneity, and that articulate claims on behalf of particular places. Thus many of the debates around the RAWP formula can be linked to the contentions of backbench MPs from the Home Counties about the relative pace with which services were being developed in London and the South East (Chapter 4). The London lobby, campaigning for the preservation or development of the capital's health care services, is also a key spatial coalition.

Thirdly, some interpretations of Conservative political strategies suggest that since 1979 we have seen the departure of the 'one-nation' politics of the postwar settlement and its replacement by a 'two-nation' politics of inequality (Chapter 3). This spatial metaphor sees the 'first nation' having priority over the 'second nation', with strategies being developed to maximise the electoral support given to the Conservatives from their geographical and social heartlands. The value of this interpretation is explored in Chapters 4, 7 and 8.

Fourthly, the question arises as to whether problems with health care delivery are merely 'local' difficulties, as government ministers have often suggested, or more generalised problems affecting the whole of the service. This has been the subject of considerable debate and it influences the defining of problems and their political solution. Thus the 'crisis' in the NHS in the winter of 1987-8 was initially dismissed as the problem of a few DHAs only, while staff shortages in the mid-1980s were likewise claimed to reflect labour market problems in a few high-cost locations (Chapter 6). This has had political ramifications in terms of potential solutions.

Fifthly, in the light of current debates about citizenship and the rights and responsibilities thereof, one effect of post-1979 policies, perhaps as never before in the postwar period, has been that the services available have come to depend increasingly on the balance between public and private, statutory and community services in any one locality. But was it ever the intention that such capricious influences as the relative cost of nursing-home care in different regions of the country should determine access to long-stay care within the benefit limits imposed by the government? And was it intended that the internal market would deprive residents of certain localities of access to non-urgent procedures, depending on the resources available to and/or

the whims of their health authority? The rights of citizenship appear to be geographically differentiated.

Finally, a consistent theme running through debates on the service since 1979 has been the appropriate balance of power between centre and locality (Chapter 9). The changing territorial organisation of the service is one obvious consequence of these debates, as is the extent of local autonomy accorded to health authorities and management units. This raises the question of the extent or otherwise of local control over health services.

Outline of the book

This book is organised as follows. Chapter 1 presents an outline of key policy changes and a statistical review of trends in finance, provision and activity. In Chapter 2 I consider some of the interpretations that might be advanced to explain changes in the character of public service delivery in recent years. The chapter first criticises, as oversimplistic, analyses of developments in welfare states that merely postulate evolutionary trends or rely on narrowly determinist arguments for their explanations. It then considers analyses of the political economy of welfare that relate developments in the welfare state to the apparently contradictory position of state-provided welfare systems: rather than being determined by the so-called crisis of the welfare state, the responses to changed economic circumstances are a contingent matter. Hence analyses need to be pitched at a lower level of abstraction, focusing on the specifics of political developments within individual nation-states. In this context a focus on the political economy of contemporary conservatism is crucial. Consequently Chapter 3 is devoted to an analysis of the various interpretations of Thatcherism and the implications of Thatcherite political strategies for health care policy-making and implementation.

Some of the most dramatic effects of health care policies since 1979 can be seen through an analysis of the political geography of resource allocation within the NHS (Chapter 4). There is, first of all, debate over the pace of resource redistribution between regional health authority areas. Secondly, the regional and subregional consequences of resource redistribution are described, using not only statistics on hospital bed provision and finance, but also survey data produced by the National Association of Health Authorities on the financial situation of district health authorities, and the comments of numerous backbench MPs

about the impacts of health care policies on their constituencies. The geographical impacts of the reforms, and of the Tomlinson Report, are also given attention.

As well as the spatial distribution of resources, the sectoral distribution of resources must also be analysed. Community care for the mentally ill and the elderly is an area where policy has persistently failed to match rhetoric. Chapter 5 examines the changes introduced since 1979 to determine how far they represented a break with previous practice and how far they reflected the ideological predilections of the government. It concentrates particularly on community care for the mentally ill and those with learning difficulties, and on care for the elderly, and asks how far there is a commitment to *national* standards and to a *national* service.

In an essentially labour-intensive service such as the NHS, continued attention to labour costs is essential if greater levels of productivity are to be achieved within existing resources. Precisely what measures are taken with this in mind is a matter for political decision, as will be shown in chapter 6 with respect to certain key measures taken since 1979. Equally, for policy innovations to work, the support of certain key workers within the NHS needs to be guaranteed. There has been an element of selectivity about the policies pursued: on the one hand they have prioritised the interests of key workers such as NHS 'managers' and, on the other hand, have marginalised other groups, notably ancillary workers. Consideration is given to the value of the distinction advanced by some commentators between 'core' and 'peripheral' workers.

Chapter 7 explores the development of the private, or more accurately the commercial health sector since 1979, focusing on the internationalisation and commercialisation of health care. The continued growth of commercial health care can only partly be explained by consumerist forces, because state policies have had the intended and unintended effect of expanding commercial health care. Related to this latter point, a number of measures have been deliberately taken to expand the actual and potential role of non-state sources of funds and health care provision, and the actual and likely impacts of these are reviewed in Chapter 8. These two chapters provide an opportunity to consider the various meanings of and explanations attached to notions of 'privatisation'. They also raise the question of whether developments in the 1980s have marked a decisive shift away from a health care service in which the producing and financing of services were de facto monopolies of the state, and whether a 'mixed economy' of services will henceforward be the norm.

No analysis of the political economy of the British health sector would be complete without consideration of the changing balance between central and local tiers of administration in the political process (Chapter 9). The NHS has always been caught between centre and locality, a situation that is hardly surprising given that service providers are accountable both to their local communities, who experience the consequences of their decisions, and to the secretary of state for health, who is ultimately responsible for financial control. Balancing these two accountabilities is a task that will continue to tax politicians, health professionals and authority members. Chapter 9 considers not only the changing spatial organisation of the NHS, but also the apparent decentralisation of authority and the extent to which this is contradicted by the government's determination to impose its authority on local tiers. Finally the effects of the white paper on the territorial organisation of services are examined.

In the concluding chapter some wider issues that will affect the future of health care provision are discussed. These include questions of ethics, in terms of appropriate management of public services, rights, in terms of access to care, and the entitlements and responsibilities of citizenship. In addition, the question of the boundaries between state, market and community provision is discussed, and the question is raised of whether there still exists a truly *national* health service.

This book is not a complete chronology of events since 1979; instead it concentrates on key issues that illuminate areas where the Conservatives have introduced substantial and radical changes that clearly distinguish their policies from those of their predecessors. The focus is also on the macropolitical environment rather than on the technical details of specific initiatives. Other texts are available that cover in more detail the administrative changes in the NHS (for example Ham, 1992; Harrison *et al.*, 1990). Because of its national focus this book does not present the kind of local detail evident in, for instance, the work of Davidson (1987) or Widgery (1988). There remain to be written accounts of the ways in which the NHS reforms have worked out in specific places, and of their impacts on specific groups in the population, and these will necessarily be more qualitative and ethnographic in character. Nor does the book purport to be a formal evaluation of post-1979 changes – see Le Grand *et al.* (1990) or Bloor and Maynard (1993) for an assessment of funding issues, and Le Grand and Robinson (1994) for preliminary assessments of the reforms.

A note on sources

In general this book draws heavily on sources such as Hansard and on the deliberations of government select committees, the areas in which government policy receives its most sustained examination. On occasion these sources also reveal governmental attempts to test the limits of certain strategies (the debates on the Health and Medicines Bill – Chapter 3 – and on the financing of private residential care – Chapter 5 – are good examples of this). Elsewhere, as in Chapters 6 and 8, professional journals are used extensively as the best possible source of up-to-date information on innovations within the service and on the attitude of professional groups. Where possible national statistical sources are used, but comparable data for the beginning and end of the period in question are difficult to obtain, as are subregional data due to various reorganisations of the service. For a number of technical reasons the manner in which certain statistics were collated and presented changed during this period, and the government was regularly criticised for appearing to misrepresent or suppress information in order to make its policies appear in the most favourable light (Smith, 1987; Marmot and McDowell, 1986; Radical Statistics Health Group, 1985, 1987, 1992). The book has relied largely on data published through official sources, with all the limitations that might imply. Given the pace of change in the NHS, I should also point out that the text of the book was finalised in May 1994

Given these caveats, I hope that the book will provoke debate not just about the transformations the NHS has experienced since 1979, but its possible development for the future.

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JOHN MOHAN

List of Abbreviations

ACHCEW	Association of Community Health Councils in England and Wales
AHA	Area Health Authority
AIDS	Acquired immune deficiency syndrome
AIH	Association of Independent Hospitals
AMI	American Medical International
BMA	British Medical Association
BMJ	<i>British Medical Journal</i>
BUPA	British United Provident Association
CCMA	Contract Cleaning and Maintenance Association
CHC	Community Health Council
CIPs	Cost improvement programmes
COHSE	Confederation of Health Service Employees
CPRS	Central Policy Review Staff
CRESs	Cash-releasing efficiency savings
DoE	Department of the Environment
DoH	Department of Health
DHA	District Health Authority
DHSS	Department of Health and Social Security
DMUs	Directly Managed Units
DSS	Department of Social Security
EC	European Community
FCE	Finished Consultant Episode
FHSA	Family Health Service Authority
FPC	Family Practitioner Committee
GDP	Gross domestic product
GHS	<i>General Household Survey</i>
GLC	Greater London Council
GP	General practitioner
GOS	Great Ormond Street
HCA	Hospital Corporation of America
HCHS	Hospital and community health service
HEA	Health Education Authority
HMOs	Health maintenance organisations
HPSS	Health and Personal Social Services
HSB	Health Services Board

<i>HSJ</i>	<i>Health Services Journal</i>
IHA	Independent Healthcare Association
IHG	Independent Hospitals Group
NAHA	National Association of Health Authorities
NAHAT	National Association of Health Authorities and Trusts
NALGO	National and Local Government Officers
NAO	National Audit Office
NHS	National Health Service
NHSME	National Health Service Management Executive
NHSTF	National Health Service Trust Federation
NUPE	National Union of Public Employees
OPCS	Office of Population Censuses and Surveys
PPP	Private Patients Plan
PRB	Pay Review Body
PRP	Performance-related pay
RAWP	Resource Allocation Working Party
RCN	Royal College of Nursing
RHA	Regional Health Authority
RHA	Regional Hospital Board
RMI	Resource management initiative
RPI	Retail price index
SHAs	Special Health Authorities
SMR	Standardised mortality ratio
SWS	Schumpeterian workfare state
WHO	World Health Organisation
WTE	Whole-time equivalent