

It is a pleasure and an honour to be asked to open this conference today. The Keep Our NHS Public campaign started just over a year ago with a few people around a table. From those small beginnings the campaign has spread the length and breadth of the country. There are now over 30 local campaigns up and running, with more springing up every week. Wherever people see their local NHS services threatened the campaign has provided a rallying point.

It is of course a matter of regret that, 10 years into a Labour government, the campaign is needed at all. But the new report produced by KONP shows that it has never been more urgent that we get out there and fight to save our National Health Service. Much of the local campaigning inevitably focuses on what is happening to local services, but as the new report reminds us, it is important not to lose sight of the national picture. Under the mantra of patient choice, care closer to home and greater efficiency through contestability the government has begun to break up the health service and hand it over to the private sector. The privatisation agenda has never appeared in any party manifesto, and requires no new legislation. The process is going ahead without meaningful debate. Hardly surprising, since where it has been debated – for instance at the Labour party conference – it has met with almost universal opposition. KONP has produced this report so that health professionals, patients and the public can look beyond the spin and obfuscation and understand the true agenda, and in the hope that the public and the media will begin the debate that the NHS deserves..

Why is privatisation bad? Simply put, a fragmented health service run by private companies in competition with each other is no longer a national health service. When the service is commissioned by and run by the private sector it is no longer a national health service. An NHS built hospital in Lymington has recently been handed over to the private sector to run. That is not an NHS hospital. And when the NHS

is privatised competition, fragmentation and profit seeking replace the co-operation, collaboration and the public service ethos that have served patients so well.

And this damage is being inflicted because of an ideological belief in the unproven benefits of the free market. This government operates in an evidence free zone. We are told that the market will save money, improve quality and introduce innovation but all the evidence to date suggests quite the opposite. Money is being wasted, billions of pounds of it. A report this week shows that the quality of care in ISTCs is giving rise to grave concerns. The reforms are incoherent and it's beginning to show. Most people would stop if they saw smoke billowing from under the bonnet of their car, but the government's response is to step on the accelerator.

Let's look at money. Patricia Hewitt tells us that every penny wasted is a penny stolen from patients. So how much money has the government wasted and stolen from patients?

We have seen millions wasted on PFI projects, which have saddled hospitals with huge bills and uncertain futures.

We have seen millions handed over to management consultants. Last year the bill for management consultants was equal to the NHS deficit.

We have seen millions wasted on diverting work to the private sector. Millions paid for work it has not done, while NHS hospitals are having to close wards, cut services and sack front line staff.

Let's ask patients where they would have preferred the money to be spent.

And now we are seeing millions wasted on the costs of a free market in healthcare. Administration costs stood at 6% before the introduction of the internal market. They rose to 12% under Margaret Thatcher. And just as there is to be no limit on the participation of the private sector – so there will be no limit to the amount of money we pay to

administer the ‘free’ market. Millions for billing every procedure, for accounting, auditing, legal services, advertising and of course shareholders profits.

It costs an estimated \$400 billion to administer the American healthcare system, where further billions of dollars are lost every year through healthcare fraud. We are told that one of the advantages of the free market is that we will see efficiency savings. How could theoretical savings made through the unproven benefits of competition possibly offset the astronomical costs of the free market?

PFI, management consultants, encouraging the private healthcare corporations and the astronomical costs of competition. All of it money squandered, stolen and lost to the front line care of patients.

But money is not the only resource that the government have squandered. They have squandered the good will of the healthcare workers. The frontline workers who have always placed the patients first, who have a long term interest in the service, the frontline workers who will be struggling with the consequences of these reforms long after the architects have retired to write their memoirs. The government have made no attempt to consult us, let alone listen to our concerns. Any business guru will tell you that you can’t create successful change unless you take the workforce and the customers with you, but the government have yet to learn that elementary lesson.

As a hospital doctor I was asked to say something today about the challenges facing hospitals. They are too numerous to list in this short time. I have already mentioned PFI hospitals tied into expensive contracts. Reconfiguration is driven by financial rather than clinical considerations. Patients are being diverted to ISTCs and CATS schemes when there is no lack of local NHS capacity. The world

famous Nuffield orthopaedic centre is under threat because orthopaedic patients have been sent to the local ISTC, which has been paid up front. A patient's choice to see a hospital specialist is being frustrated by referral management centres. Eye watering financial strictures are leading to short term solutions with loss of services, closure of wards, sacking of staff. Newly qualified staff are unable to find jobs. Staff with jobs are unable to work because the PCTs have run out of money. We're threatened by the government if we don't meet targets and by the PCTs if we overperform. If you had made this up, you would be laughed at. If you were the one who did make this up, you should be ashamed.

None of us would be here today if we thought these reforms were good for patients. But they aren't. The old, the young, the chronically sick will suffer. And patient choice? The real choice of patients is a local hospital which is comprehensive, accessible and above all which is open. Yet around the country those hospitals are under threat. Local hospitals will be replaced by privately built and run polyclinics. And we ask the government – what is the point of some patients having a choice of 5 hospitals for their elective surgery if others have lost their family planning services, their pain clinic or stand to lose their local hospital?

The irony is that huge improvements have been made with the extra money invested in the NHS, improvements which have been largely brought about by the NHS, not the private sector. The tragedy is that the government risks losing what has been achieved in an uncritical pursuit of the market. Provision of healthcare is being tailored to meet corporate demand rather than public need. And the public has not been asked if they are happy to have the NHS as a logo attached – indeed, now sold to – services commissioned by and delivered by the private sector, nor have they been told the long term consequences.

Over the last year this campaign has been responsible for taking these messages out to patients and the public, and for supporting local action where local services are threatened. We were told that patients would lead the way in the NHS. Well, they are leading the way, in their thousands – patients, pensioners, healthcare workers – onto the streets in protest at what is happening. We now need to extend the campaign both nationally and locally, to involve communities, to reach beyond activists and those who watch the health service. Our challenge today is how to do that, and it is a challenge worth meeting. The prize is the restoration of an integrated and publicly delivered national health service. We cannot afford to fail.

The NHS, for all its imperfections, is a important achievement, more popular than any political party, and politicians would do well to remember that. It must be strengthened and developed not torn apart by market forces. As Nye Bevan said – the NHS will keep going as long as there are people left with the faith to fight for it. Our message today is that we are ready to escalate that fight.