

Next Big Idea - Labour to offer less of itself



The Chancellor wants an independent board to run the NHS ([BBC: Brown plans independent NHS board](#)) and leading Blairites want a Charter to regulate the role of ministers ([Guardian: Labour unveils plans for BBC-style charter for NHS](#)) All of which seems to be part of a move to greater devolution as the Next Big Idea for the New Labour project – see for example, [Progress pamphlet: Empowerment should be the guiding principle for New Labour in the next decade](#) by James Purnell, a junior minister, and heavy hints that this will be the big theme in Gordon Brown's bid for the top job ([BBC: Brown in pledge to devolve power](#)).

Comparisons are being made to the independence granted to the [Monetary Policy Committee of the Bank of England](#). But this is glib – the MPC has a technocratic role, albeit a difficult one, with a single target (currently 2% inflation) and a single policy lever (interest rate) in a simple [monetary policy framework](#). The model of [the BBC's charter](#) is more complex, but there is not much in it that requires hard choices and it isn't really a satisfactory analogue.

I think the question is... which activities should ministers and civil servants (never let them off the hook) be held accountable for, and which are technocratic matters that should be down to implementation of settled policy by competent professionals or expert judgement. This is far from simple with a body like the NHS. All the places that cause the most controversy are those where politics will almost inevitably assert itself and draw ministers in... here are four areas of great importance where ministers will find it difficult to stand back from, rather than stand behind, tough decisions:

1. Rationing, allocation and prioritisation...

Even though the NHS has [£84 billion in](#), critical decisions are made about where to spend and not spend – and these are not really pure technocratic decisions. A good example of the difficulty is the [National Institute of Health and Clinical Excellence](#), which decides which drugs, devices and treatments are sufficiently cost effective to be supplied through the NHS, using criteria established as policy

by ministers and civil servants (ie. it already fits the proposed 'devolution' model). The trouble is that NICE has had endless political pressure on its decisions, most notably over the [anti-flu drug Relenza](#) and Alzheimer's disease ([article / BBC](#)). Most notoriously, the licensing and cost-effectiveness appraisal system was over-run as ministers instructed Primary Care Trusts to make the unlicensed breast cancer drug Herceptin available and to fast track appraisals (see [BBC news, account of campaign](#)). The problem is that NICE is really there to ration health care spend and to be a gatekeeper to the NHS's potentially open-ended call on the taxpayer. Though it does much good work, where it comes to a 'no' decision - it enters tough political territory.

2. Facing down unions and producer interests...

The problem is writ large in getting reforms implemented. The NHS has strongly entrenched 'producer interests' (GPs, consultants, managers, nurses - even truck drivers) who are sometimes inclined to have the NHS run for their own convenience and enrichment with only a passing interest in patients. Much of the current reform effort is aimed at breaking down these groups and changing the NHS to be more patient-centric (see [NHS Improvement Plan: Putting People at the Heart of Public Services](#)). So patient choice, competition from independent sector providers, etc are really aimed at changing the attitude of the core NHS (whether they will work as intended is another question...). But much of this involves challenging producer interests within the NHS and is deeply political - in many ways the challenge is analogous to breaking down the power of unions that was faced in the private sector in the 1980s, and that cannot be done by a committee of the great and good.

3. Applying efficiency pressure...

In theory, a board could be tasked with with achieving some efficiency measure ([QALY](#)/£ or something) and be left to get on with it. But improving efficiency means taking tough and controversial action against the inefficient. In the end this may mean closing facilities like hospitals or single handed practices. An 'exit regime' for weak or failing providers is fundamental if the efficiency reforms are to work, but it is hard to see how ministers could hide behind a board when hospitals are required to close. When Kiddminster hospital was up for closure the local MP lost his seat to an independent campaigning to save the hospital. Even on something as simple as out-sourcing logistics has caused a storm of controversy with strikes threatened ([Guardian: Strike threat as private firm wins £1.6bn NHS](#)

[deal](#)), and it's hard to see how ministers could avoid engagement in that.

4. Securing the social contract underpinning the NHS

The NHS represents a huge social contract that transfers money through taxation to healthcare spending from young to old, rich to poor, fit to slothful, sane to insane and so on... it is a bargain struck between individuals as voters in return for a strengthening of the fabric of society and provision of safety nets. Keeping that contract adequately acceptable to all participants is *the* major political objective of the Secretary of State for Health, and there is little scope for outsourcing inevitable controversy to a board of the great and good.

Still worth looking at though...

However, I think the idea of taking ministers out of technocratic decisions is a good one. where it can be made to work. The huge IT programme, [Connecting for Health](#), is probably an example where it is working already. NICE technology appraisal decisions could be an area where a charter or independent board could restrain the involvement of ministers and give supposedly independent bodies more independence. With the NHS structured as a huge state-run monopoly provider, it will just be difficult to find areas that really are technocratic only and that aren't already at arms length from ministers.