CARTER REVIEW INTO EFFICIENCY IN ENGLISH HOSPITALS


The report sets out to detail how £5bn a year can be saved in English hospitals by 2020, including £2bn through workforce and £1bn each from pharmacy, procurement and NHS estates. Carter is set to become a non-executive director at the newly formed NHS Improvement (encompassing Monitor and the NHS Trust Development Authority), so it is reasonable to assume his recommendations will be followed through by the NHS.

NHS efficiency

The report contains some reasonable suggestions, such as taking advantage of economies of scale through better bulk purchasing of supplies and equipment, but also has the potential to cause major disruption for parts of the English hospital system, particularly in support services and pathology.

Carter acknowledges the findings of the influential Commonwealth Fund think tank that the NHS is the best value healthcare system in the world. His report also calls for greater collaboration and cooperation within the wider NHS system as a means of boosting efficiency – something which UNISON would support but which Conservative health reforms have actively sought to undermine.

There is an understandable focus on delayed transfers of care from hospitals – apparently as many as 8,500 beds are “blocked” each day in the acute sector, costing around £900m a year, including large amounts being paid out to the private sector. However, there is a failure to acknowledge the pressing need to rebuild the capacity of social care (and other services in the community) so that many patients who are ready to leave hospital, but require further care, have somewhere to go.

Administration cost clampdown

Significantly, trusts are called upon to “rationalise” their corporate and administrative functions to ensure these costs do not exceed 7% of income by April 2018 and 6% by 2020. While this may not sound extreme, Carter finds that some trusts currently spend up to 11% on such things, so it will represent a substantial cut for a number of hospitals that are already struggling financially.

Moreover, the concern here is that management and administration costs are equated directly with wasted money. Better run hospitals produce better quality of care, and cuts to administration budgets run the risk of clinical staff spending more time carrying out equally important non-clinical tasks. Carter lapses into the lazy use of the term “back office” to describe non-clinical functions in hospitals, a term that UNISON does not recognise in our NHS, with support services crucial to the delivery of a joined-up, seamless delivery of healthcare services and to the patient experience of care.

Privatisation

Perhaps most worrying of all is the report’s focus on privatisation as a solution where the NHS is unable to deliver the cuts demanded of it. In pathology there is the suggestion that if trusts are “unlikely” to achieve the benchmarks set out for them by NHS Improvement then they should have “agreed plans for consolidation with, or outsourcing to, other providers by January 2017”. By July 2016 trust pathology departments will be expected to have hit new “quality assurance” metrics from NHS Improvement.
Similarly on the wider issue of administrative cost reduction, if trusts are unable to meet the 7% and 6% targets there is a call for “plans to be in place for shared service consolidation with, or outsourcing to, other providers by January 2017”. Trusts would need to have submitted their shared service or outsourcing plans by October 2016.

There are also plans for a “hospital pharmacy transformation programme”, with trusts forced to agree plans for “consolidation with or outsourcing to other providers”.

Such solutions ignore the long history of failure associated with outsourcing services in the NHS to other providers and are likely to prove damaging for staff and the services they provide, but also highly counter-productive given the litany of private sector failings to deliver savings in the NHS. The mass privatisation of hospital cleaning services from the 1980s onwards contributed to a halving in the number of cleaners, which in turn played a part in the rise of hospital acquired infections in the 1990s and 2000s. In 2014 there was the decision by trusts across Liverpool to pull out of a £27m deal to buy payroll and recruitment services from Capita – fewer than three years into a seven-year contract – as a result of concerns about the quality of service provided. Similarly, recent cases of botched handling of NHS contracts by private providers in places such as Cornwall, Suffolk and Hinchingbrooke Hospital shows there is no guarantee of quality or savings from such quarters.

Despite the suggestions of Carter’s interim report – and much of the language of the final report – that his plans should not be imposed on trusts, there is a tendency towards top-down diktat in a number of the recommendations, particularly with the excessively prescriptive approach to outsourcing. Think tanks have pointed to the potential for the abstract targets of the benchmarking process to create perverse management decisions to push trusts down the outsourcing route.

The focus on privatisation should perhaps come as no surprise, however, given Carter’s previous involvement with the NHS Cooperation and Competition Panel in the late 2000s, and given that his report makes a point of thanking for their “help and guidance” a series of private health operators from the USA and elsewhere (Hospital Corporation of America, Virginia Mason, Netcare etc) as well as the likes of Accenture and other companies who provide services to the NHS already.

**Safe staffing at risk?**

Another particularly worrying area of Carter’s report is its potential to undermine the ability of the NHS to deliver safe staffing levels. He sets outs plans for a new system – “care hours per patient day” – as a way to ensure the effective deployment of nurses and health care assistants. This involves adding the hours of registered nurses to the hours of HCAs and dividing the total by every 24 hours of inpatient admissions. Critics are concerned again about the use of benchmarking in this area, meaning that trusts are encouraged to aim for the average in the system, regardless of their own particular needs in terms of skill mix and staffing numbers. There is a risk that the use of this new metric will undermine the work of hospitals to move to safe staffing levels following the Francis review into care failings at Mid Staffordshire.

**Single performance framework**

Carter calls for a “single version of the truth” in the measurement of quality and efficiency, with the development of a single integrated performance framework centred around patients, workforce and finances. This is to be developed by July 2016 by NHS Improvement, the CQC and NHS England.

**Staff engagement?**

The report calls for NHS Improvement to develop a “national people strategy and implementation plan” by October 2016. Carter usefully points out the link between staff engagement and quality outcomes, and highlights the failings of the NHS to fully engage its staff in the productivity and efficiency agenda. It is ironic and unfortunate therefore that Carter and his team made no attempt to consult with NHS staff trade unions in the production of their report.
UNISON reaction and call for evidence

UNISON reacted strongly to the publication of the report and was prominent in the media on the day of its release, with head of health Christina McAnea appearing on Radio 4’s Today programme and other outlets. The BBC coverage of the report can be found here.

The union’s press release pointed out the dangers of using privatisation as a means of generating efficiency and attacked the government for its repeated cuts to social care that have left many patients stuck in hospital. In line with the union’s One Team campaign, the release also highlighted the fact that all staff in the NHS play an important role in providing a high quality of service.

UNISON also produced a blog for the Left Foot Forward website, which you can read here.

The union is keen to gather as much evidence as we can from branches about the damaging impact of trusts outsourcing their pathology, pharmacy or support services. Please send in any examples to Guy Collis at g.collis@unison.co.uk.

You can read more about the One Team campaign on the UNISON website.

You can read the full Carter report on the Department of Health website.