



NEWS

NEWS ANALYSIS

Labour seems to be watering down promise to abolish PFI

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High on their success in the general election, Jeremy Corbyn's Labour Party headed to its annual conference in Brighton last week in buoyant confidence.

Though there was not a huge push on NHS issues (save for shadow health secretary Jonathan Ashworth's call for an immediate extra £500m (€565m; \$675m) to ease winter pressures¹), two potentially important themes emerged.

The first was on public service funding and the private finance initiative (PFI). Shadow chancellor John McDonnell used his speech to promise that "based on our Fiscal Credibility Rule ... to pay for our public services, we will close the tax loopholes and avoidance scams used by the mega-rich, and we will make sure the rich and the giant corporations pay their way."²

Ashworth's speech to the conference set out plans for £45bn extra funding for health and social care.³ To put this in fiscal context, a rise of one penny in the basic rate of income tax currently raises about £4bn.

Turning to PFI, McDonnell told the conference that on top of Labour's existing commitment "that there will be no new PFI deals signed by us ... we will go further. I can tell you today, it's what you've been calling for. We'll bring existing PFI contracts back in house."⁴

That sounded expensive. The government's most recent projections of the outstanding cost of PFI in the NHS show that in 2016-17 the NHS in England paid an estimated £2bn (about 2% of the NHS England budget) for 105 past and current PFI projects.⁵ Some of these contracts run to 2050.

However, in media interviews Ashworth downplayed McDonnell's PFI renationalisation promise, telling BBC Radio 4's *Today* programme that "NHS experts generally accept that it's only a handful which are causing hospital trusts across the country a significant problem, but let's look at every single one in detail ... This could take some time, this is not a thing that happens overnight."⁶

Ashworth's commitment to another PFI review (to follow those of the Treasury select committee, the health select committee, and the Office for Budget Responsibility, and several studies by the National Audit Office) is unlikely to turn up many bad PFI contracts in the NHS that are currently not on the radar. It is, however, an interestingly reality based move away from the McDonnell position.

If a Labour government is formed, and if Brexit has caused the economic damage that is widely predicted, then any infrastructure spending that can be funded from taxation alone may simply not meet the actual or perceived need. Quantitative easing has rebuilt bank balance sheets,⁷ and pension funds are looking for high quality, long term investments.⁸

Deselecting GPs

Another story that appeared in the margins of coverage of the Labour conference was spotted by the *Guardian's* political correspondent and mainstay of the newspaper's live blog Andrew Sparrow in trailing Labour leader Jeremy Corbyn's speech,⁹ in a section on the theme of making public services more accountable to their communities.

In the final version of his speech Corbyn told the conference, "The kind of democracy that we should be aiming for is one where people have a continuing say in how society is run, how their workplace is run, how their local schools or hospitals are run. That means increasing the public accountability and democratisation of local services."¹⁰

Sparrow reported that "one idea being kicked around informally by Labour MPs would be to enable patients to somehow vote out GPs if they feel they are getting a bad service."

Clearly, this was and is not official party policy. Just as clearly, it's an important insight into the thinking within the Labour Party of 2017. That a Corbynite Labour Party would be keen on deselection of MPs is scarcely surprising: to consider deselection of GPs is another matter altogether.

So many aspects of this idea are bad and silly, it's hard to know where to start. In the first place, there is a significant shortage of GPs at present: NHS England reckons at least 5000.¹¹ So, the alternative providers who could come in and take over from an unsatisfactory incumbent don't actually exist, unless the Corbynistas have found the magical medical tree where experienced clinical staff grow for free.

Then there is the issue of the premises, which most GPs working under general medical services (GMS) contracts tend to own. It wouldn't be possible for a future Labour government to pursue this policy without expropriating massive amounts of private property. That would be highly expensive in compensation and open to vigorous legal challenge.

Were the local community to be offered the chance to electorally deselect its GPs, would the criteria the public use be sensible ones? What would be the fate of a general practice that had a robust policy on antibiotic prescribing? Would we go full-on reality television and have a weekly diagnose-off between the bottom two practices?

Finally, there is the issue of the N in NHS—the national bit. As the experienced public policy observer Nicholas Timmins pointed out recently,¹² the public really hates postcode lotteries. Timmins cites an observation by Tony Travers, professor of local government at the London School of Economics, that “if you ask the British electorate if they want more local control, the answer is almost always yes, but that goes with an almost Reithian belief in shared standards and equity. These two desires are almost impossible to deliver in tandem; more local control will almost inevitably lead to more variation.”

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