

**SPEECH BY RT HON PATRICIA HEWITT, SECRETARY OF
STATE FOR HEALTH, AT THE UNISON HEALTH CARE
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It's a real pleasure to be here today with so many Unison health service workers. And it's a particular pleasure to be back in Gateshead – a wonderful example of a city renewed.

I know that our programme of NHS investment and reform is the cause of great debate amongst UNISON members. I know that you've had your rally today. I know from the regular contact I have with Dave Prentis, Karen Jennings and others of the concerns, the anxiety, even the anger that some of you feel.

I want to hear about that directly from you – which is why I've asked for plenty of time for comments and questions this afternoon.

This is a challenging time for the National Health Service and everyone working in it. Change brings both opportunities and uncertainties. So we all need to be honest and realistic about the challenges ahead, the tough decisions that need to be made - and why we are making further changes in the NHS. .

But let's also be honest and realistic about what you, the staff of the NHS, backed by our programme of investment, improvements and reform have already achieved.

It is vital that, when we are debating the future of the NHS, we recognise the realities of how far we've come – as well as how much more we still have to do.

The best year ever for patients

That is why I make no apology for saying that from the patients' point of view, the NHS – thanks to the efforts of all of its staff - has just had its best year ever for patients. The facts speak for themselves.

We can all remember what it used to be like.

March 1997 – 283,000 people waiting more than six months, in pain, for a hip replacement or other operation. Every winter an NHS beds crisis. Patients waiting on trolleys in A&E departments for hours and hours on end.

No wonder the public told us what their priorities were. More staff. Better paid staff. And cut the waiting lists.

And we've delivered. 307,000 more staff than we had in 1997. More staff – yes, and better-paid than ever before, and I make no apology for that either. Almost no-one waiting more than six months, and for most people far shorter than that – a target that people said was crazy when we promised it, and which the NHS delivered three months ago, in one of the coldest winters for decades.

Last year, the NHS treated more people, faster and better than ever before – and we saved more lives than ever before. 43,000 more people saved from cancer, over 60,000 more saved from heart disease.

No wonder, in every survey, patients tell us the health service is good – and it's getting better.

These are huge achievements, I think you are entitled to be proud of them – and to get more credit for them in our media.

Financial problems

But if things are so good, why are the headlines so bad? If the NHS is getting more money than ever before – which it is - why are there deficits, jobs being cut and some staff facing redundancy?

Most of the NHS is not in deficit, of course. The majority of NHS organisations are in balance or surplus. The overall deficit in the NHS is just one per cent of the total NHS budget. That's like someone on £20,000 a year having a £200 overdraft – it's a problem, but it's a manageable problem.

The real challenge comes in the minority - 7 per cent of NHS organisations which are responsible for 50 per cent of the deficit: It can't go on.

We've written a very big cheque for the NHS, and we're proud of that, But it's not a blank cheque. It never has been and it never will be.

So over-spending hospitals and other organisations do have to put their house in order. Because in the old NHS, the over-spenders were always bailed out by the under-spenders. The under-spenders were usually from the poorest communities and the greatest health needs. It wasn't fair. And part of our reforms means that every hospital and every area has to take responsibility for getting the best possible healthcare and the best possible value for the extra money that we have asked the public to contribute. That means every hospital becoming more efficient in how it uses precious NHS resources, precious staff time.

For some, that means cutting the money spent on agency staff – which as anyone will tell you is massively expensive. [West Hertfordshire] hospital, for instance, has a deficit of £17 million – and an agency staff bill of £16 million. So of course they should do what [many] other hospitals have done, re-organise their rotas to use their permanent staff better – and cut their agency bill.

Those aren't redundancies – even though they're included in the headlines. It's common sense.

Most places will tackle their deficits and make themselves more efficient with few or no redundancies.

But we will have to face up to some difficult decisions. And in some hospitals, there are staff facing redundancy.

I met some of those staff a few weeks ago in North Staffordshire hospital, in Stoke. Utterly dedicated staff, working flat out – and working in two out of date, old-fashioned buildings. They're now facing the shock and

anxiety of a consultation on up to 1000 redundancies – although, as you'd expect, the hospital is doing everything possible to get that number down. But the problem they're confronting is not just financial. The real problem is that the hospital isn't organised in the most effective way possible.

I met A&E staff, for instance, who told me that there are four different places, on two different sites, where patients can arrive in an emergency. And then some patients – many of them seriously ill – have to be moved from one site to another, so that they can be assessed, and sometimes they have to be moved back again, so that they can be admitted. Thousands of patient journeys a year – distressing and risky for patients, and a waste of precious hospital resources. So they're going to put all the emergency work onto one site. But that means they will need fewer transport staff. They're going to do more day case operations, because that's better for patients – but it will mean they need fewer beds and fewer staff on some wards.

This is a hospital that only last year was taking on new staff whom they couldn't afford – staff who they wouldn't in fact have needed if they'd organised their services better in the first place. I think that is grossly unfair on the staff, who were undoubtedly let down by the previous board of the hospital, a board that has now resigned. Thank goodness, it happens very rarely – but when it does, and when staff are left facing redundancies in a situation like that, I think they deserve an apology.

I know how devastating redundancies are. That's why we are working with staff representatives and local management to ensure that the threat of redundancy is contained to as few people as possible.

That's why we will support any staff member who loses their job to help them get new jobs and, if necessary, new skills.

That's particularly important when new medical practice and technology is making it possible to shift far more care out of hospitals and into health centres and community hospitals and even patients' own homes. So our chief nursing officer, Chris Beasley, is already working with UNISON and other organisations on Modernising Nursing Careers – making sure we have the right framework to train and retrain people for NHS careers that will be even more varied, even more flexible than in the past.

Engaging front-line staff

I know that, in every organisation, the people who really know how to do things better and how to get rid of waste and inefficiency are you, the front-line staff.

The best NHS managers are the ones who work most closely with clinicians and front-line staff – reducing the stress for staff, improving the care for patients.

Let me give you just one example. The hospital where patients complained that the porters dragged them around backwards like a sack of potatoes. It was demeaning and disorientating, particularly for elderly people. It turned out that the porters were using wheelchairs that were so old and decrepit they couldn't be pushed forwards. The porters had been saying it for years – but no-one had listened. At last, managers did listen. They bought new wheelchairs, let the porters do a proper, professional

job ... and that one small change transformed the support and reassurance the porters were able to give to a worried patient.

I want every hospital, every manager listening to front-line staff, getting rid of waste – and making the improvements, small as well as big, that matter so much to patients.

The need for change

Let me turn now to the wider programme of improvements and reforms that we're making in the NHS.

I know that Unison isn't against change. You helped lead the way in negotiating Agenda for Change – the biggest job evaluation scheme in the world - which not only means higher pay for most NHS staff, but even more important, new opportunities for staff to get more skills, take on more responsibility and work in different ways.

I know there's more we need to do to complete the implementation of Agenda for Change, including fair payments for workers doing unsocial hours.

We need to get the new Knowledge and Skills Framework into place for staff by October. It's agreed with 90% of staff – but we need improved personal development and skills for every one of our staff.

We need to do more to persuade all trusts and contractors to sign up to the two tier workforce agreement – the new Code of Practice that I agreed a few months ago with Unison and the other NHS unions.

All part of the changes taking place in the NHS.

But there are other changes that are more controversial.

We are giving patients more choice and more control over their treatment. It's what people expect in every part of their lives. And the people who want it most from the NHS and other public services are people on low incomes – like my constituents in Leicester – who've never had the choice that the best-off and the best-educated can take for granted.

We are bringing in the private and independent sector – not to take over from the NHS, but to contribute more capacity and even more innovation to the NHS.

That includes the independent sector treatment centres that introduced mobile surgery units to the NHS and helped us cut waiting times for cataract patients to just three months – four years earlier than we said we would.

We're using private finance to build [70] new hospitals already – and the new hospitals we've just announced at Barts and the Royal London, St Helens and Birmingham, and many others to follow.

That's not privatisation, that's progress.

Every one of us in government, every one of us in the Labour Party, believes that the NHS must stay true to its founding values. Funded by

taxation. Care based on clinical need, not your ability to pay. Treatment free at the point of need.

That's non-negotiable, at least as far as we're concerned.

But there are others who would abandon those principles.

Doctors for Reform demanding the introduction of social or private insurance, an end to 'free at the point of need'.

The Daily Telegraph just last week, saying it doesn't want progress, it wants privatisation.

If we are to succeed in defending the NHS, free at the point of need, then we can only do so by changing to meet the three great challenges that confront every healthcare system in every developed country. Rapidly rising public expectations. An ageing population. Medical technology and science changing faster than ever before.

That's why the NHS has to go on changing.

So there will be more arguments and controversy over the next year, and more difficult decisions to be made.

But by the end of 2008, we will effectively have abolished waiting lists – the way the old NHS rationed care and kept within its budget. We will be giving patients a more personal service than ever before, with more choice about where you're treated and appointments booked in advance to suit the patient, not just the provider. We will be treating more patients

in the community and in their own home. And all of it free at the point of use.

That is how we will protect Nye Bevan's legacy, the legacy of the great reforming 1945 government.

That is how we will persuade people that collective provision is not only fairer, but that collective provision can also meet people's aspirations – 21st century aspirations – to be treated as an individual, to get personal services.

That's how we will protect the founding values of the NHS for another generation against those who want insurance, charges and privatisation.

And that, friends, is a prize worth fighting for.