The Labour Party came to power in 1997 promising to ‘save’ the NHS. Since then, it has found unprecedented increases in funding for the health service, but Prime Minister Tony Blair has emphasised that the extra money must be linked to a ‘step-change’ in reform.

This reform has taken four main forms: clear targets and standards set nationally; regulatory inspection and assessment; central support of professionally led collaboratives; and, more recently, the introduction of market-style incentives.

The question we ask in this paper is whether it has all worked. Has Labour delivered on its targets and has it achieved the step-change it wanted?

**Spending**

In January 2000, Tony Blair committed his Government to matching European levels of spending on health. The level of expenditure on health care in the United Kingdom will reach 9% of Gross Domestic Product (GDP – a measure of the nation’s total wealth) by 2008 – a figure comparable to other European countries.

Therefore the Government’s spending target will be achieved. The harder questions to answer are whether this investment will be ‘enough’ and whether it has been well spent.

In 2003/04, the NHS cost £63.7 billion pounds. In 2004/05, hospital and community services (the largest component of NHS spending) have received an additional £5.1 billion pounds. However, much of this will go on pay and other ‘cost pressures’, such as clinical negligence claims and the additional cost of new drugs. As a result, the extra money available for additional patient services is only 2.4%.

In addition, NHS productivity (the amount of activity provided in the NHS for every pound spent) has been falling, according to the official measure. On the face of it, this suggests that the NHS is getting worse value for money than it used to. However, the official figure does not count everything that the NHS does – or record improvement in the quality of services.

**Verdict:** Target met, thanks to unprecedented increases in investment. However, questions remain over the productivity of the NHS and the value for money that taxpayers are getting for their investment.

**Waiting lists and access to care**

During Labour’s first two years in power, the number of people waiting for NHS hospital treatment and the length of time they had to wait grew. However, since 2000, the waiting list has shortened and very long waits (more than 12 months) have been eliminated.
The Government is now on course to meet its key targets to reduce the maximum time that patients have to wait for a first outpatient appointment to 13 weeks, and for inpatient treatment to six months. According to one official measure, the average time that patients have to wait has also fallen, from just over four months when Labour came to power, to less than three months last year.

The Government has tackled other difficult areas. More than 96% of Accident and Emergency (A&E) patients are now discharged, transferred or admitted to hospital within four hours; a little short of the Government’s target of 98%.

And official statistics say that virtually 100% of GP practices now comply with the target that patients should wait no more than two days to see a GP (although patient surveys give a rather different picture).

Despite these successes, the Government has accepted that there are 'hidden waits', in which treatment is stalled at specific bottlenecks (for example, diagnostic tests, such as MRI scans, that will lead to a diagnosis). To address this, the Government has announced extra investment in diagnostics and a new ‘total waiting time’ target; patients should wait no more than 18 weeks from GP referral to treatment by 2008.

**Verdict:** Targets met. Huge progress in the area that was the highest priority for the Government. However, more work is required to reduce waiting times for diagnostic tests.

**Three health priorities: cancer, coronary heart disease and mental health**

Cancer and heart disease are the ‘big killers’ in the United Kingdom. The treatment of some individuals with acute mental health problems is a focus of public concern, while surveys suggest that mental health conditions, such as anxiety and depression, are becoming more widespread.

Labour has set targets to reduce deaths and improve prevention and treatment in all these areas.

**Cancer**

Labour’s main treatment targets are a two-week maximum wait from ‘urgent’ referral by a GP to first outpatient appointment, and one-month maximum wait from diagnosis to treatment. By the end of 2005, the target is a two-month wait from ‘urgent’ referral to treatment, and this will fall to one month by 2008.

Official data suggest compliance with the first of these targets is now 99.5%. The Government has invested heavily in staff, equipment and service ‘redesign’ to try and meet the rest of the targets, but there are no routinely collected, publicly available data to let us judge at this stage whether they have been or are likely to be met for all types of cancer.

However, a ‘snapshot’ (one-off) study suggests that while only 10.1% of all patients failed to receive treatment within one month of diagnosis, 22% are not being treated within two months of GP referral; and senior NHS managers have admitted that hitting this year’s targets will be ‘an enormous challenge’.
Labour’s main health targets have been to cut the number of people dying of cancer before the age of 75 by 20% by 2010, and to cut the number of adults smoking to 21% of the population by the same date.

A national smoking cessation service was set up, and given a target of 800,000 successful ‘quitters’ by 2006. The Government is on course to meet this target. However, it counts anyone who is not smoking after four weeks as a ‘quitter’, even though studies show many people start again later.

More cancers are being detected, and the disease is claiming fewer lives than when Labour came into power. The Government claims to be on track to meet its mortality target by 2010. However, the mortality rate has been declining for decades, so it is difficult to conclude that Labour’s reforms are the only (or main) factor.

**Heart disease**

Labour’s main service targets have been: to ensure that patients suffering a heart attack get ‘clot-busting’ drugs within an hour of calling for help; to establish rapid access chest pain clinics that can see patients within two weeks; a six-month maximum wait for an angiogram (a scan of the heart); and a maximum six-month wait for routine surgery by the end of this year, falling to three months by 2008. The health service is on course to meet all these targets, or has already met them.

Labour’s main health target has been to cut the number of people dying of heart disease before they reach 75 by 40% by 2010. Labour’s mortality target looks set to be achieved; the most recent data shows that deaths due to heart disease have fallen by 27% during the past ten years. However, over the previous 15 years, when none of its reforms were in place, the mortality rate fell by 33%.

Reducing smoking and improving diet would help to reduce heart disease and stroke further. The Government has established a free fruit and vegetable scheme for children and created a ‘five-a-day’ campaign to encourage adults to eat more fruit and vegetables. However, studies show consumption has not changed much.

**Mental health**

Labour has made a number of pledges designed to improve ‘access’ to services. These include more than 600 ‘outreach’ teams for young people, adults in ‘crisis’ and adults who are ‘hard to reach.’ Some of these targets have been hit, others missed; and it is hard to tell from the publicly available data what impact the teams that have been set up are having.

The Government’s main health target has been to reduce the number of suicides by 20% by 2010. Official figures show that the suicide rate has fallen by 9.2% since 1995/96/97. The suicide rate in 2003 was 8.5 per 100,000 people in the country – the lowest ever.

However, many of the reasons that people kill themselves are beyond the control of the NHS, and suicide rates have been falling since the 1980s – so it is hard to quantify the Government’s contribution.
Verdict: Labour has substantially met its targets to get more beds, staff and equipment into services for treating cancer, heart disease and mental health. Mortality from cancer, heart disease and suicide have fallen, but were falling anyway. Progress on preventative measures, such as reducing smoking and improving diet, seems slow at best.

Four big issues: beds, staff, the private sector and health care associated infections

Beds
NHS bed numbers have been declining historically for many years. This has been due to policy changes, such as the decision to care for people with learning disabilities outside of hospital, and also new technologies, such as the increase in day case surgery techniques. The Government set targets to increase the numbers of ‘general and acute’ beds (by 2,100), ‘intermediate’ beds (by 5,000) and critical care beds (by 300). These targets have broadly been met (although there is a slight shortfall in the number of intermediate care beds).

Staff
The Government promised to provide 10,000 more doctors, 20,000 more nurses and 6,500 more therapists. These targets have been met. However, the position is not quite as impressive as at first it might seem.

The Government has recorded a ‘headcount’ (the number of people employed) rather than a ‘whole-time equivalent’ (the number of full-time posts regardless of whether they are filled by full or part-timers). Since more people are working part-time, this reduces the impact of extra numbers.

The Government also promised 2,000 more GPs by 2004, and official figures show that it got them. However, the figures include GP assistants and doctors whose practice is restricted in some way. The increase in the numbers of traditional GPs has been far more modest and, if measured in this way, the target has not been reached.

Despite these increases, England still has relatively fewer doctors and nurses per head than many of its European neighbours.

Use of the private sector
The Government has embraced the private sector, both as provider of services to NHS patients and, through the private finance initiative (PFI), as a financier of new hospital buildings. Since 1997, 68 new hospitals have been built or are underway and the Government is well on its way to meeting the target of 100 hospital schemes by 2010.

As a result, there have been major improvements. In 1997 the average age of NHS buildings was older than the NHS itself; now in 2005, less than a quarter of NHS buildings are that old.

However, critics argue that PFI cuts beds and can deliver poor-quality buildings. Savings may be marginal in the long run.
Health care associated infections

The ‘superbug’ MRSA and other health care associated infections (HAI) are a significant problem for the NHS – and for health care systems worldwide. Rates of the most serious infection (bloodstream MRSA) are increasing (although the latest government figures arguably offer some evidence that the number of cases has begun to decline).

The Government has raised the profile of HAI, but it is too early to tell whether the measures it has taken will reduce the problem. Using beds less intensively might help, but would also make it more difficult for the NHS to meet waiting time and other targets.

Verdict: A substantial increase in some types of hospital beds and in hospital staff. Good progress in modernising NHS facilities. On the downside, employment numbers may not be quite as impressive as they might first appear because headcount figures are used, not whole-time equivalents, while rates of MRSA compare badly with other countries.

Are we becoming more satisfied with the NHS or healthier?

Much of this audit deals with the additional ‘inputs’ the Government has found for the NHS (more money, more beds, more staff) and with some hard ‘outputs’ (such as lower waiting times, more operations delivered and more tests done). Here we look at two less tangible outputs: satisfaction with the NHS and whether all this activity is actually making any difference to the health of the nation.

Satisfaction

Patient surveys run by the Healthcare Commission watchdog suggest patients are generally very happy with their overall care. Public surveys, such as the British Social Attitudes Survey, suggest that those without recent experience of the NHS are less happy with it, although satisfaction fluctuates over time. This suggests that negative media reporting, rather than actual experience, may influence public views of the NHS – and support for it.

Health

The Department of Health has set a target to increase life expectancy at birth (the number of years a baby can expect to live, on average) to 78.6 years for males and 82.5 years for females by 2010. In 2002, it was 76.2 years for males and 80.7 years for females (the latest year for which data is available).

It is likely that this target will be achieved, mainly as the result of fewer premature deaths from coronary heart disease, cancer and suicides. These have all been Labour priorities, but, as discussed earlier, death rates were falling in these areas anyway.

Meanwhile, there are some problems on the horizon. Obesity has increased in men and women, and if current trends continue it is possible that the improvements in life expectancy seen in the last three decades may level off or even start to decrease.

Verdict: Public satisfaction with the NHS fluctuates, but the media may have more influence than the health service or the Government. There have been improvements in life expectancy, but these were apparent under previous governments.
Conclusion

Overall, in our view, the results of this audit are very positive. The ambition for the NHS has been appropriately high. There has been unprecedented investment. There have been significant improvements in most areas that the Government has focused policies on. Has there been a ‘step-change’ in NHS performance? If step-change means a significant shift of gear, with more and better services, then yes there has.

However, the NHS as a whole has not yet been transformed. There are still important problems to be solved and there is as yet no firm evidence to show that Labour’s reforms have produced a marked difference in health outcomes. While much of the improvement in the NHS that we describe has been achieved through central fiat and targets, it is too early to predict whether the more recently introduced tools to lever up performance – greater use of market incentives and regulation – will achieve the desired transformation.
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