

## Western Morning News

THE VOICE OF THE WESTCOUNTRY

### Workers will feel let down but pension change is vital

Public sector workers may be angry; union bosses may threaten devastating strikes. But the truth of John – now Lord – Hutton's proposals for public sector pension reform, unveiled yesterday, is that they have been a long time coming and they are desperately needed. There is no easy way to tell workers – in the public or the private sector – that they have to work for longer, make bigger pension contributions or accept less than they had hoped to get when they retire. Many will feel, with some justification, that they have been conned about how much they might receive when the time comes to finish work and how soon retirement might come.

It is not so long ago that workers were led to believe technology would result in shorter working lives and that retirement would get earlier and earlier. Final salary pension schemes became the benchmark in both the public and the private sector and for some – now enjoying retirement – they have proved to be pretty lucrative, allowing a generation of workers to enjoy the benefits of a long retirement, reaping the rewards built up over a long career. But it has been clear for many years now, that the bubble was going to burst. Poor returns for pension funds, due to both the performance of the stock market and “raids” by the Labour government on pension cash, have had their effects.

Most serious of all, however, has been the welcome improvement in longevity which has proved a huge drain on pension funds to the point where the current system was simply

unsustainable. Few private sector employers have retained final salary schemes. But in the public sector the perception, not always entirely accurate, that workers deserved a generous and guaranteed pension in return for accepting poorer rates of pay, persuaded ministers to hold off making wholesale changes. Not any more. The coalition has already approved big increases in the employee pension contributions for public sector workers. Now Lord Hutton's report makes further recommendations which fundamentally alter the terms of the pensions to be paid out, from those based on final salaries to those that will be worked on by averaging out pay rates through an individual's career. Work will go on for longer, with police officers and military personnel potentially having to work up to ten years longer before they become eligible for their pensions. These changes are shocking and threaten to spark off industrial action of the most damaging kind. But that is, in large part, because the problem has been allowed to go on for so long without the necessary steps being put in place. The financial crash of 2008 was, in part at least, a “correction” after years of living on credit with no credible means of paying back the money, fuelled by reckless bankers. The massive adjustment in pension expectations is yet another example that it is time to wake up and get real. John Hutton is the bearer of bad news but his warning – and the remedial action he suggests – could prove in the long run to be the medicine we need.

### Small could be beautiful

The perceived wisdom in agriculture, borne out by the bitter experience of many, is that small family farms are becoming ever less viable and the only way to make money out of primary food production is to expand. So it is heartening to read research from the University of Plymouth that says small holdings of as little as ten acres or less, can prove profitable, particularly if those working them can add value to their produce by processing what they grow or rear and marketing it direct to customers. The study looked at small holdings in Somerset and Dorset where produce

ranging from traditional vegetables to “champagne” cider are being produced. Tactics to make the operation viable included the use of waste from one product to support another and the spreading of risk so if one crop failed, another might fill the gap. As the demand for food grows with the expanding population this research – which also found the mental attitude of the smallholder had a bearing on his or her success – could prove vital. Small pockets of marginal land, if properly cultivated, could provide at least part of the answer to a growing, global problem.



NHS staff at work in a hospital operating theatre – but will health reforms signal the creeping privatisation of the NHS?

## Something's wrong when it's about profit, not public service

Lib Dem MP **Adrian Sanders** warns the Government to re-consider controversial NHS reform

Parliament has now discussed for the first time the Government's new health reforms; the wide ranging proposals that many fear will signal the creeping privatisation of the NHS.

It is difficult to envisage a majority Liberal Democrat government would go down this route and it's clear that these reforms are the logical conclusion to the market oriented approach of the last Government.

It's also clear these reforms are being pushed through so that they cannot be halted should there be a change of Government in 2015.

The real problem is working out how these reforms will affect services on the ground.

We know what the current problems in the NHS are; top heavy management, a lack of integration of social and health care and growing costs. We also know its strengths; its highly dedicated staff and its universal accessibility. It is also well resourced, although there are often concerns that these resources are not managed well.

As well as looking to tackle these problems we also want to respect the public's wishes. They want to see a high quality service, free at the point of use and democratically accountable.

On the plus side, the proposals do look to solve some of the intractable problems successive governments failed to solve.

Outsourcing the function

performed by primary care trusts should bring better performance and reduce the tabloid image of the NHS as the home of incompetent middle managers.

The move from measuring processes to outcomes is also good. For all the measuring and targeting of waiting times, it is ultimately the final outcome, and potentially even more importantly, prevention, that need to be real targets of effort. We will see better integrating of social care and healthcare, something which has been pioneered in Torbay,

**'A good quality public service should be about cooperation, not competition'**

and we will hopefully see far better local accountability of services. There are, however, far too many ramifications hidden in the Bill which can, and will, change the NHS fundamentally.

The main thrust of the Bill opens up the NHS to competition, not only between different parts of the NHS, as Labour introduced, but also allowing private, profit-making enterprise access to most services.

This cannot be the right way forward. A good quality public service should be about cooperation, not competition. The process was put in train by the last Government and had a range

of negative impacts.

In Torbay, the John Parkes Unit, which offers comprehensive respite care to families of profoundly disabled children may have to close because the neighbouring Devon Primary Care Trust has downgraded what it expects from respite services, and consequently has gone elsewhere. Although Torbay families and healthcare professionals want and deserve excellent support, it is now taken out of their hands and they may end up with poorer support.

Quasi-privatisation has led to a proliferation of private finance initiatives (PFIs), where private firms have delivered building projects at far greater cost to the public than if they were built through standard public procurement.

Setting up health trusts as distinct profit-seeking bodies means they look after their budgets over the best interests of the patients. In the lead up to the end of the financial year, we will see far too many hospitals putting off non-urgent operations, not because they don't have the staff and facilities, but because the referring primary care trusts do not have the finances.

Labour's system also encouraged short term thinking. It became increasingly difficult to get across the idea that spending money now on preventing health conditions, from diabetes, to heart disease, as well as managing long term

conditions better like epilepsy, saves the NHS millions in the long term by reducing complications and hospital stays.

The Government's plans will make these worse.

We are already seeing it with large multinationals like KPMG coming in to manage consortia. It will be these companies who hold the purse strings and who determine what healthcare in the UK will be like in future.

As the trade body for private hospitals itself said, these proposals will be “a race to the bottom on price that would almost certainly threaten quality”.

The assumption that greater marketisation and patient choice necessarily creates better quality services is unfounded.

When the proposals were initially put forward, the Government claimed one academic study concluded greater choice equals better quality. They were hoping no one would read the study; it said almost the opposite.

The Government claims that we will see GPs banding together and making decisions on local services based on patient needs. This may happen in a few areas, but many will see this process fall into the hands of companies like Serco and Capita. Their bottom line is profit, not public service.

The Government must seriously reconsider much of what it is doing before its reforms can be accepted by the NHS and the public..