Re-Balancing the Roles of Public and Private Health Sectors in Wales

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ABSTRACT

In 1989 the UK implemented a form of political devolution to Wales, Scotland and Northern Ireland such that certain public policy areas, including health, became the responsibility of devolved Parliament or Assemblies and not the London based Parliament and Government. In the case of Wales, the Welsh Government is faced with a series of daunting challenges in relation to the future provision of health care but, unlike the situation in England, has rejected any significant increase in the involvement of the private sector in health care provision. The magnitude of the challenges faced in coping with the impacts of financial austerity on the Welsh health budget suggest there may be a role for the private sector to play in relation to the provision of health care in Wales. This paper explores those potential roles concerning: the supply of services to the NHS in Wales, the supply of health services to the Welsh population and the financing of Welsh health services.

Keywords: Austerity, Health, NHS, Private Sector, Wales

INTRODUCTION

Although traditionally a unitary state, in the late 1980s, the United Kingdom (or Great Britain and Northern Ireland as it is sometimes known) implemented a form of political devolution to certain distinct regions within the UK. Thus, Wales is one of the four constituent parts of the UK the others being Scotland, Northern Ireland and England (which is by far the largest). This devolution process involved the creation of an elected parliament for Scotland and elected Assemblies for Wales and Northern Ireland. Until 1989 the London based Parliament maintained responsibility for all aspects of public services and public policy in all parts of the UK. However, from 1989 onwards the devolved parliament and assemblies in Scotland, Wales and Northern Ireland assumed direct responsibility for certain public services such as: health, education, social care, local government etc. However, the provision and organisation of other public services such as: economic policy, defence, foreign affairs etc remained the responsibility of the London parliament for the whole of the UK (Cabinet Office 2012).
The nature of the devolution arrangements and the responsibilities involved are often mis-understood and need clarification. Taking health as an example, the Secretary of State for Health in the UK government (and the associated Ministry of Health) is only responsible for health services in England. They have no authority or responsibility for health policy and health services in Wales, Scotland and Northern Ireland this being the responsibility of the respective Ministers of Health in those countries. Perhaps not surprisingly, given the differences in history, culture and economic outlook, over the fourteen year period since devolution commenced, there have been significant divergences of public policy between the four constituent parts of the UK with consequent implications for public services in each country. This has often led to complications because of the remaining inter-connections between the different parts of the UK. For example, proposed changes to the school examination system in England were rejected by the Welsh Government but subsequently caused concern about the possible devaluation of Welsh examination qualifications and the impact on access to university and employment by Welsh students.

Traditionally, the NHS in the UK has been seen as a public sector monopoly with any attempt to involve the private sector in NHS activities viewed with suspicion. The former UK Chancellor of the Exchequer, Nigel Lawson, famously said that the National Health Service is “the nearest thing the British have to a religion”. By this he meant that the British public had a very strong affinity for the founding principles of the NHS and any attempt to change those founding principles (such as through the greater involvement of the private sector) would be viewed suspiciously. This is even more strongly felt in Wales which has traditionally had strong affiliations with the socialist Labour Party and where the political founder of the NHS, in 1948, Aneurin Bevan, was a Welsh Member of Parliament. On several occasions, Labour Party Welsh Ministers have criticised their Labour Party counterparts in the UK government for their greater involvement of the private sector in NHS activities in England.

The NHS in Wales now faces unprecedented challenges and consideration must be given to new policies and practices with regard to health services. This paper considers:

1. What are the challenges facing the NHS in Wales?
2. What are the potential roles for public and private sectors in health?
3. How might health services in Wales be rebalanced, between public and private sectors, in order to assist in dealing with the major challenges being faced?

This paper has been prepared through a combination of literature searches coupled with interviews with senior policy makers and managers in the health sector.

WHAT ARE THE CHALLENGES FACING THE NHS IN WALES?

The NHS in Wales faces a number of daunting and deep-seated challenges. These are summarised under four main headings:

- Poor health status and outcomes;
- Ageing populations;
- Weaknesses of current health system;
- Resources and financial austerity.

Poor Health Status and Outcomes

The data on health outcomes in the UK is limited but what is available suggests that Wales has poorer health outcomes in comparison with England. One study (Longley 2012) suggests that, while various outcome measures indicate that health services across the UK are improving, there is still a considerable and consistent negative gap in outcomes between Wales and England.

In addition to objective measures of population morbidity and mortality there is the issue of how people feel about their health. This is
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