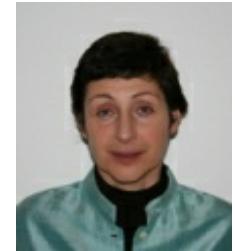


# Co-operation, collaboration and competition – inside the mindset of NHS managers

[lse.blogs.lse.ac.uk/politicsandpolicy/is-competition-welcome-in-the-nhs/](http://lse.blogs.lse.ac.uk/politicsandpolicy/is-competition-welcome-in-the-nhs/)

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*After two and a half decades of marketization, [Pauline Allen](#) argues that the attitudes of NHS managers towards competition in our health services are changing. Whilst in general NHS managers remain committed to co-operation and collaboration, pockets of pro-competitive thinking are present. However, a lack of clear policy direction leaves many managers preoccupied first of all with preserving their own organisation's interests and identities.*



The publicly funded, free at the point of use NHS has been described as the UK's '[national religion](#)'. Its significance in our national consciousness underlined by its prominence in the opening ceremony of the 2012 London Olympics. Even Mrs Thatcher – whose government enthusiastically privatised many public enterprises such as telephones and utilities – maintained a rhetorical commitment to its ideals. Ongoing sensitivities surrounding the financing and management of the NHS are nicely illustrated by the current debates surrounding the Labour Party leadership contest, with '[privatising the NHS used as a stick](#) which to beat Owen Smith.

In spite of this rhetorical appeal to public-sector purity, a form of marketization was introduced into the NHS as long ago as the 1990s and continues to affect the NHS today, having been maintained and extended by the Labour governments of Blair and Brown. Usually called a 'quasi market' because patients do not have to pay when they use health services, NHS agencies are instead allocated money by the government which they spend on behalf of their local populations. Since the latest re-organisation of the NHS under the Health and Social Care Act 2012 (HSCA 2012), these 'commissioners' or 'purchasers' are known as 'clinical commissioning groups' (CCGs), and are led by local general practitioners (GPs), with the help of professional managers.

Although the NHS is still funded out of taxes and is still free at the point of use, hospitals and other providers of healthcare are constituted as semi-independent entities. These are known, confusingly, as 'trusts', even though they have nothing to do with the legal definition of a trust, and, although wholly state owned, they are expected to compete with each other for patients. The quasi market is structured so that the amount of money each trust earns should depend on the number of patients it treats. The idea is that market forces (i.e. competition) will encourage improvements in quality of care and improve value for money.

Yet this competition between state-owned providers does not tell the whole story of NHS competition. Alongside NHS trusts, successive governments (including New Labour) have encouraged non-state organisations to enter the quasi market and offer care to NHS funded patients. This includes for-profit firms, and also various forms of third sector organisations, such as social enterprises and charities. This is the 'privatisation' against which [many are currently campaigning](#), taking the view that the HSCA 2012 has made a fundamental change to the NHS by attempting to enshrine the need for competition in law, and widening the opportunities for for-profit companies.

And so over the past two-and-a-half decades, the structures of the NHS and the rules governing its operation have undoubtedly shifted in the direction of greater marketisation. At the same time, there has been ongoing debate about the extent to which this marketisation has also permeated the mind-sets of NHS managers and healthcare professionals. [One view](#) is that there is a lack of fit between the enduring underlying values of the NHS, such as the focus on individual patients and seeing the NHS as a common enterprise (as celebrated in the Olympic opening ceremony), which encourage collaborative approaches, and the formal rules of commissioning which push for greater marketisation of relationships in the health system. [Other researchers have found](#) that the longstanding 'clan' culture in the NHS, bonded by loyalty and tradition, has been overtaken by a 'rational' culture bonded by competition and emphasis on winning market share.

## Marketisation and management culture in the NHS

To find out if NHS culture is changing, [our recent research](#) investigated the views of managers about competition in the NHS after the enactment of the HSCA 2012 to examine the extent to which marketisation has become an internalised feature of NHS commissioning practices, and explore how far this is actually changing the NHS in any fundamental way. We investigated the views on competition of senior managers in both providing and commissioning organisations in four local health economies in England; focusing on managers is key to detecting any 'real' shifts in the NHS culture, because they hold the power of either translating structural changes into changes in behaviour or hampering such changes.

We found evidence that marketisation has become embedded in the thinking of some NHS managers, however, rather than a wholesale shift in attitudes, this seems to reflect creative incorporation of some market principles into everyday commissioning work – and such work still mostly seems to favour collaborative rather than competitive approaches.

Commissioners and providers (including non-state providers) found the rules introduced by the HSCA 2012 confusing, hard to follow and potentially contradictory. Instead of a shared understanding of the rules, there was a shared sense of confusion, leading to divergent interpretations and organisational responses. A lack of clear policy direction and changing policy emphasis were also noted as the government made a series of policy announcements which appeared to change the direction of competition policy in the NHS without actually repealing the legislation promoting competition.

There also existed a whole spectrum of underlying opinions about the place of competition in the NHS. Although most interviewees preferred collaboration as a main method of solving local service delivery problems, especially in cases of complex service transformations, this was not the only attitude encountered. Some pointed out the benefits of competition when used in a non-prescriptive, creative way. This suggests that, notwithstanding the strong commitment to a 'public' NHS amongst NHS patients and staff, some NHS managers have internalised the idea of a more pluralistic NHS. In the face of contradictory and ambiguous rules, participants were preoccupied first of all with preserving their own organisation's interests and identities.

Overall, this suggests that, whilst in general NHS managers remain committed to co-operation and collaboration, two and a half decades of marketisation have introduced pockets of pro-competitive thinking. The outstanding question is how the changes which are starting to occur in NHS managers' attitudes will affect our NHS; will the common NHS identity expressed by Danny Boyle at London 2012, which has successfully supported the delivery of care to all citizens regardless of ability to pay, withstand this shift in attitudes?

*Note: this paper draws [from research](#) published in *Public Administration* and co-authored with [Dorota Osipovic](#) (lead author), [Elizabeth Shepherd](#), [Lorraine Williams](#), [Marie Sanderson](#), [Anna Coleman](#), [Neil Perkins](#) and [Katherine Checkland](#).*

### About the Author

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(Featured image: [Pete](#) public domain)

