

# UK government lays out agenda for National Health Service privatisation

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Plans for the wholesale privatisation of the National Health Service (NHS) were laid bare in statutory regulations published by the Department of Health.

The regulations, which are currently going through the House of Lords, relate to the Health and Social Care Act that came into force last year.

The Act set out the largest reorganisation of the NHS in its history. At the end of this month, hundreds of Primary Care Trusts (PCTs) and Strategic Health Authorities will be abolished and handed over to Clinical Commissioning Groups (CCGs). Run in the main by general practitioners, the CCGs will control £60 billion of health spending. Thousands of NHS staff will lose their jobs under the move.

The Section 75 regulation, published last month, sets out the rules to be applied to CCGs. Under the guidelines, it will be virtually compulsory for CCGs to outsource to the private sector.

Stating that all health providers must be treated equally, “particularly on the basis of ownership”, the regulations state that contracts must be determined by market mechanisms, except for “reasons of extreme urgency”.

Sue Richards, from the Keep Our NHS Public campaign, explained that this brings “the NHS into the scope of European competition law, making it prohibitive to remove these ‘business opportunities’ for private companies.”

The new regulatory body Monitor will be able to intervene if “unnecessary” restrictions are being made to competition, and will have statutory powers to end any agreements deemed to be in breach, and establish its own arrangements.

Writing in the *Guardian*, Dr. Clive Peedell said that regulations will also make it easier for staff to be transferred over to the private sector—“a huge bonus,

given that 65 percent of health care expenditure is related to staff costs. The Treasury has agreed to underwrite the pensions of NHS staff who transfer to the private sector—effectively a subsidy from taxpayers, in addition to the de facto subsidy that exists when experienced NHS staff, trained at NHS expense, move to the private sector.”

The Conservative-Liberal Democrat government has consistently denied the Act was aimed at privatising the NHS, denouncing such claims as “panic mongering.” Last year, Andrew Lansley, then-secretary of state for health, said, “There is absolutely nothing in the bill that promotes or permits the transfer of NHS activities to the private sector.”

This had led to a barrage of complaints that the government had broken its promises that CCGs would have “flexibility” over the resort to competition.

More than 1,000 NHS doctors wrote to the *Daily Telegraph* condemning the proposed secondary legislation “to force virtually every part of the English NHS to be opened up to the private sector to bid for its contracts.”

With just weeks until the regulations become law, they urged “parliamentarians to force a debate and vote on this issue to prevent another nail in the coffin of a publicly provided NHS free from the motive of corporate profit.”

A letter to Health Minister Lord Howe from the Academy of Medical Royal Colleges, leaked to the *Observer*, also accused the government of reneging on its pledges. Academy chairman Professor Terence Stephenson said that Section 75 “potentially...undermined the government’s commitments” and called for reassurance that it would be amended to address the academy’s “considerable concern” at the introduction of “unnecessary

competition...potentially having adverse effects on patient services”.

GPs who had played a central role in campaigning for the Act were forced to criticise the regulations. Dr. Michael Dixon of NHS Alliance complained that doctors could end up taking their “eye off the ball” if they became “bogged down” in dealing with competition. Competition should not be introduced “willy-nilly”, he said, but only “when it’s in the interests of patients.”

Labour and some Liberal Democrats have lined up to criticise the regulations. Labour MP Andy Burnham said, “The government needs to start listening and they should start by withdrawing these regulations without delay.” No confidence can be placed in such posturing. It was Labour that laid the foundations for the privatisation of the NHS on which the coalition is now building.

To focus on the assertion that the government has broken its previous undertakings is self-serving when it comes to all those who did not stand against and mobilise opposition to the Health and Social Care Act. The *raison d’être* for the Act was the final dismantling of the NHS as a system of universal, state-provided health care, free at the point of use.

At its centre is the repeal of the 1946 legislation that founded the NHS. Clause 12 states that the government, via the secretary of state for health, no longer has a legal “duty to provide” a comprehensive health service. The newly created CCGs merely have a “duty to arrange” health care.

Private sector encroachment into the NHS was already well established before the Act, but the last year has seen entire hospitals taken over by private companies. Under conditions in which the NHS is being subject to £20 billion of “efficiency savings”, everything has been set in place to transform the NHS wholly into a “for profit” entity.

The statutory regulations have let the cat out of the bag, and everything is now being done to obscure their significance. Labour has claimed that the government has been forced to carry out a “U-turn” on the regulations, agreeing to rewrite the regulations to make clear that privatisation is not an objective. As yet, however, nothing specific has been laid down.

Even if a variation of words were agreed, they would change nothing. The ruling elite is determined to

dismantle all the social gains won by working people. That has been spelt out in the all-party defence of NHS chief executive David Nicholson.

Nicholson was the chief executive of the Strategic Health Authority responsible for the Mid Staffs NHS Trust, during the period in which up to 1,200 patients are estimated to have died as a result of the poor care they received at Stafford hospital. A public inquiry established that many died as the result of negligence, with patients left without pain relief, food and drinks, going unwashed for weeks at a time and left in soiled conditions for hours.

Relatives of those who died have demanded Nicholson’s resignation, but at his appearance before the Commons health committee, the chief executive denied any responsibility. Claiming that he had “no idea” as to what was happening at Stafford hospital, Nicholson’s primary defence was that he was “determined” to carry through the major reorganisation of the NHS underway that he described as “fraught with risks”.

“In the next few days we will abolish over 160 organisations and we will set up another 211 local organisations and a whole myriad of national ones. It [the NHS] is at maximum risk over the next few days.”

Nicholson has been involved in the steady marketisation of the NHS since the Thatcher government in the 1980s and throughout the period of New Labour. He is now tasked with helping bring these efforts to final fruition. It is his cavalier indifference to the “risks” involved that has won him support among Labour, Tories and Liberal Democrats alike.



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