Cameron government steps up drive to sell UK public assets

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A proposed bill will make it even easier for the Conservative-Liberal Democrat government to sell off high-value public land. The National Health Service (NHS) is expected to be one of the social services hardest hit.

The Public Sector Land Assets section of the Infrastructure Bill would "permit land to be transferred directly from arms-length bodies to the Homes and Communities Agency [HCA]." This, the government argues, would reduce bureaucracy, manage land more effectively and enable more homes to be built.

The bill would ensure that future purchasers of land owned by HCA and the Greater London Authority (GLA) "will be able to develop and use land without being affected by easements and other rights and restrictions suspended by the Agency."

This would basically facilitate unbridled private use of land. The governmental information notes on the Bill explain that land owned by HCA and GLA sometimes has easements or rights and restrictions from its previous use. HCA and GLA can suspend these rights, but not pass the suspension on to purchasers. The Bill will remove that limitation in order, as the government web site puts it, to "make sure that purchasers of this land would also benefit from the suspension."

The drive to sell off NHS property significantly escalated in January 2012 when then-UK Health Secretary Andrew Lansley announced that the newly-established government-owned firm PropCo would take over ownership and management of more than 150 NHS estates with the aim of evaluating and disposing of the highest value land parcels. Figures released by the Department of Health in March this year reveal that 224 NHS trusts have identified 629 parcels of land—totaling more than 900 hectares—as surplus or potentially surplus. This includes nearly 75 sites around London, totaling 80 hectares.

The premise for selling off the estate is the chronic indebtedness of the NHS, which will see a deficit of more than £330 million in England alone this year. As a result, hospital estates across England remain under threat of restructuring, repurposing or closure. Hospitals across Britain are cutting staff and services in a desperate attempt to avoid ending the current financial year in debt. Despite these measures, more than half are expected to end the year significantly in debt.

Since 2008, the British government has used the current economic crisis as an excuse to impose an austerity regime. This includes a plan to cut more than £30 billion from the NHS by 2021. The drastic shortfall in hospital budgets has led to potentially deadly compromises in patient safety, the near elimination of family doctor services and a significant increase in hospital waiting times.

The *Health Service Journal* reports that proposals to sell hospital sites contributed to an 11 percent increase in the area of land designated for sale for housing by English NHS organisations in 2012. In March 2013, Dan Poulter, Undersecretary of State for Health, wrote to all NHS Chief Executives, Directors of Finance and Estates Directors stating that his top priority for government is the release of public-sector land.

The determination to dismantle the NHS can be seen in the example of the Whittington Hospital in North London. By March last year, one-third of its estate was threatened with closure, with the proposed sale expected to raise around £17 million from private developers. Six blocks were slated for sale, including buildings used as wards and staff accommodation. The result would have meant a loss of 570 jobs and 230 fewer hospital beds.

This sell-off deal was an integral part of the hospital board's application for the Whittington to become a Foundation Trust. Foundation Trust status removes hospitals from central government control and is a step towards the complete privatisation of the NHS. To qualify for Foundation Trust status, the Whittington is required to make savings of £4.8 million before the trust application is approved.

There was widespread opposition to the proposed selloff, and there were a number of high-profile resignations from the board after the initial plans had to be withdrawn. But despite protestors being told that the cutback plans would be scrapped and "a new strategy put in place to guarantee our hospital's future," it was clear that that there had been no change of heart.

When Joe Liddane resigned as chairman of Whittington Health, he was replaced by Steve Hitchins, former Liberal Democrat leader of Islington Council. Hitchins was a board member of the London Development Agency, assembling land for the 2012 Olympics. As Whittington Health boasted on his appointment, he "has extensive experience in the private, public and voluntary sectors."

In March this year, Dr. Yi Mien Koh, Whittington Health's chief executive, stood down and was replaced for six months by Simon Pleydell, one of the 10 highest-paid NHS chiefs in the country. Some NHS analysts suggested Pleydell had been appointed to oversee wider changes across London hospitals.

Whittington is again undertaking a review of its Accident and Emergency (A&E) department. The A&E was under threat of closure last year. The nearby Royal Free Hospital, which did receive Foundation Trust status last year, has just announced a major upgrade of its A&E over the next three years.

As part of its push for Foundation Trust status Whittington Health has long been advancing "care in the community" services to clear beds. This has already led to it being classed as a "community care organization" rather than a district general hospital. In his first month in office, Hitchins announced that a district general hospital on the site was "no longer viable."

When hospitals sell off "surplus" land they cannot expand in the future. Selling public land to cover debts caused by budget shortfalls creates a vicious circle because land is a discrete, non-renewable asset.

Private land developers stand to gain the most. As an example, the GLA has agreed to let Barratt Homes and Ward Homes "build now and pay later" on 83 hectares of land at South East London's Cane Hill hospital site. Under the build now/pay later scheme, the government transfers public land to private developers for free and the developer eventually pays for the parcels after it recovers the development costs through sales and leasing. In the case of Cane Hill, the developer is receiving the equivalent of a £250 million interest-free deferred loan to develop the hospital site.

Barratt and Ward plan to build 675 housing units—including 400 luxury homes—and 70,000 square feet of commercial space. Only 25 percent of the development—168 apartments—will be "affordable." Of these 60 percent will be affordable rent and 40 percent will be "shared equity", where the tenant buys on a mortgage a part-share of the house and pays rent on the rest.

The paltry number of affordable units proposed for Cane Hill reinforces the fact that the fire sale of NHS assets will not benefit workers at all.