

# UK government accelerates privatisation of National Health Service

Ajanta Silva

17 November 2016

Conservative Health Secretary Jeremy Hunt often appears in the media cynically proclaiming that the government “wants the NHS [National Health Service] to be delivering the safest, highest quality care anywhere in the world.”

He shamelessly claims, “We will be increasing our emergency care provision over the next few years. We are putting more resources. We are training more doctors and nurses.”

What is actually taking place is an unprecedented gutting of services and a wholesale privatisation of the NHS. With virtually no publicity, last month the government put out to tender a massive £7.9 billion worth of NHS services in London, the North West, South West, Yorkshire and Humber, South East, and East Midlands regions of England. This amounts to 7.3 percent of the total NHS budget. Bidding for the contracts ended on November 4, and it is not yet known who won the tenders. If private companies were successful in winning the bids, this would represent the biggest sell-off in the nearly 70-year history of the NHS.

NHS England states that they “intend to award whole contracts for 2017-2019 using the NHS Standard Contract to the incumbent providers without further publication, unless expressions of interest are received from alternative economic operators.”

Appealing to the alternative economic operators (private companies) to make inroads into NHS-run services, NHS England writes in tender notices in each region: “From service reviews and from locally led change through sustainability and transformation plans, we expect there to be more networks of specialist providers and re-shaping supply models and contracting approaches to integrate care around patients.”

Services up for grabs in these areas are termed as “prescribed specialised services” on the government web site. These encompass large parts of the NHS including accident and emergency (A&E), cancer care, mental health, women and children services, blood and infection, and pharmacy services.

The call for outsourcing of services comes as the NHS is bled dry by a thousand cuts, destroying its ability to “integrate care around patients.” Over the last six years, the share of Department of Health funding that has gone to private providers has more than doubled, from £4.1 billion to £8.7 billion. However, private sector involvement is most likely far greater. Denis Campbell, the *Guardian*’s health policy editor, points out, “The myriad different bodies that make up the NHS in England and their opaqueness, especially in terms of contracts to provide services, makes mapping the true extent of the privatisation of public healthcare difficult.”

What is certain is the Tory government, on behalf of the capitalist class, is on a mission to destroy the NHS. They oppose its founding principles—i.e., that it meet the health needs of everyone, that it be free at the point of delivery and that it be based on clinical need, not ability to pay.

According to figures gathered by investigative health journalist John Lister, in 2014, £1.76 billion out of £9.74 billion of Primary Care Trust (PCT) spending on community health services were going to private providers. From PCT spending on mental health care services, £1.3 billion went to private providers in the same year. In 2013/2014 alone, 3.7 percent of elective and emergency hospital care was outsourced.

The 2010-2015 Conservative/Liberal Democrat coalition introduced the Health and Social Care Act in 2012 and created 211 Clinical Commissioning Groups

(CCGs) in order to expedite the privatisation process. These CCGs were given authority to buy care from “any qualified provider”. Under the act, the secretary of state for health no longer has a “duty to provide care” for the population, only a “duty to arrange care.” Since its implementation in 2013, private firms have won NHS clinical contracts worth £5.5 billion. Year 2015/2016 has seen 37 percent of the CCG contracts going to private providers.

One of the main beneficiaries of the privatisation process is private health care company Virgin Care. It has won over £1 billion in contracts to run vital services ranging from community health services to General Practices (doctor’s surgeries). This month, it was awarded a £700 million contract to run a wide range of services, in both the NHS and social care, in Bath and North East Somerset, to nearly 200,000 people over a seven-year period.

Many private health care giants, especially operators using tax havens as their bases, will fight for their share of the £116.4 billion NHS budget. Early this year, the *Independent* reported, “[R]ules that prevent tax-avoiding private companies from securing NHS contracts are being scrapped” by NHS England.

To create the most favourable conditions for private firms to make profits from publicly run services, the government of Prime Minister Theresa May and its predecessors deliberately starved the NHS of funds. The last six years saw the lowest-ever funding increase to the NHS in its history, under conditions in which the demand for patient care services has soared.

May and Hunt routinely claim the Tories are putting an additional £10 billion into the NHS by 2021. Five members of the health select committee, including Sarah Wollaston—a Conservative MP and qualified GP—refute this claim. They put the true figure between £4.5 billion and at most £6 billion.

Even if the £10 billion were allocated, this still represents a cut in funding, as the government is demanding a further £22 billion in “efficiency savings” from NHS hospital trusts, which are already mired in an overall £2.5 billion deficit.

To carry out the “Five Year Forward View” of the chief executive of NHS England, Simon Stevens, the government has carved England into 44 Sustainability and Transformation Plans (STPs). The role of the STPs is to carry out at local level the cuts demanded by

government. Some English Counties have already made plans to close down or downsize A&E units, maternity units, children units and community hospitals. Many NHS properties that become vacant through these closures are to be sold in order to cover the deliberately created deficits.

The Labour Party played a critical role in laying the basis for privatisation of public health care. In 2002, the Labour government of Tony Blair introduced Foundation Trusts (FTs) as semi-autonomous organisational units. FTs allowed the private sector to earn income from private patient treatments and paved the way for a two-tier system, in opposition to the founding principles of the NHS. Those who have money to spare were able to jump the queues to receive early treatment. The FTs had a cap of 2 percent, with some variations across country for the income they could earn from private treatments. The Health and Social Care Act abolished this income cap.

According to the Act, FTs have to do a majority of their work for the NHS. This means 49 percent of their income can be generated from treating private patients. FTs made a collective income of nearly £750 million in 2013 and 2014, largely thanks to long waiting lists and selling treatments to patients from other countries. Income earned from private treatment has remained relatively low in many NHS hospitals. However, this is set to increase substantially with hospitals struggling with deficits and the government demanding further “efficiency savings.”

The privatisation of the NHS poses a grave threat to patient care and safety and to the pay, terms and conditions of the 1.3 million NHS workforce. Neither the NHS trade unions nor Labour—despite its left-talking leader Jeremy Corbyn—are doing anything in opposition to these attacks. Rather, any struggles that have broken out, such as that by 50,000 junior doctors, have been localised, isolated and led to defeat.



To contact the WSWs and the Socialist Equality Party visit:

**[wsws.org/contact](https://wsws.org/contact)**