Britain’s National Health Service being gutted through privatisation

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The Health and Social Care Act 2012 gave free rein for the hiving off of National Health Service (NHS) assets to the big corporations and the construction of a health care “market” paid for with taxpayers’ money.

The impact of the 2012 Act on the creeping, piecemeal privatisation of the NHS is vast. The Act removed the Secretary of State for Health’s core duty to provide or secure comprehensive and universal healthcare, making it unclear who is ultimately responsible for health care. Instead, it set up some 200 new clinical commissioning groups (CCGs) to make contracts for service provision in their area under a newly established NHS Commissioning Board (NHS England), at a cost of at least £1.5 billion.

The Health and Social Care Act compelled the CCGs to put their contracts, whose value would be based upon what they could afford from their shrinking budgets, out to competitive bids from “Any Qualified Provider.” These bidders include private-sector independent sector treatment centres, Circle, Serco and Virgin Care as well as the NHS. This opened up the NHS’ £110 billion annual budget to the corporations. In addition, the cost of commissioning adds an extra £4.5 billion each year in legal, financial and administrative costs, pushing up the cost of administering the “internal market” to a staggering 14 percent of the NHS’ budget.

According to David Lock QC, the effect of the regulations has been to close down the option of in-house provision and create a health care market, bringing health care under the remit of European Union (EU) competition law. This gives private providers legal rights that make it almost impossible to stop their penetration of the NHS. Any trade deal with the United States following Britain’s exit from the EU would also encompass health care.

Hospitals, incorporated as Foundation Trusts—i.e., *de facto* commercial enterprises—are allowed to enter into joint ventures with and distribute surpluses to for-profit companies, raise commercial loans without restriction and raise up to 49 percent of their revenue from commercial sources—up from just two percent previously.

The Act shifted the responsibility and budget for some services to local authorities and created new powers for charging—signalling a move from a largely tax-based service to one in which patients may have to pay for services.

It has transferred all NHS land and property to NHS Property Services, a government-owned company that is empowered to sell off NHS buildings and land. Last year, the company, some of whose board members have declared interests in real estate, property management and facilities management companies, raised its rental charges, adding another £60 million to the NHS’ annual costs. It can be expected that the government will soon transfer the ownership and control of the NHS’ assets to private owners.

The government has already confirmed that it will sell off £2 billion of NHS land—equivalent to 5 million square metres—out of the estimated £9-11 billion land and property controlled by NHS Trusts. Property identified for sale includes ambulance stations, clinics, staff accommodation and trust headquarters.

Privatisation takes the form of the internal cannibalisation of NHS hospitals.

A number of NHS Foundation Trusts are now raising a small but significant percentage of their income from private sources, including private UK and overseas patients, car parking, rentals, accommodation and other services. This is increasing year-on-year, with some London hospitals reporting 30 percent increases. About one quarter of the Foundation Trusts are planning to open private patient units.

This process is particularly evident in the specialist hospitals such as the Royal Marsden Hospital (specialising in cancer), which derived 20 percent of its income from non-NHS sources in 2015, and the Great

Ormond Street Hospital (specialising in paediatrics), which derived 12 percent of its income from non-NHS sources in 2015. Other hospitals exemplifying this process include Moorfields Eye Hospital (13 percent), the Liverpool Heart and Chest NHS Trust (18 percent) and the Robert Jones and Agnes Hunt Orthopaedic Hospital (31 percent). Much of this revenue is from overseas patients.

Top-class NHS facilities are being used to treat private patients while waiting lists grow, and surgeons and consultants earn fat fees on the back of NHS training and experience. Whistle-blowers have revealed that some doctors are even carrying out private work while being paid to work for the NHS.

According to the NHS Support Federation, more than one third (£5.5 billion) of £16 billion in contracts awarded by the CCGs have gone to the private sector. The largest contract is believed to be worth more than £1 billion for community services in Cambridgeshire. The *Financial Times* reported that private-sector companies were engaged in an "arms race" to win NHS contracts.

These companies choose the less complex treatments such as hip replacements and cataracts, which are more lucrative, leaving the more complex, chronic and costly treatments to the NHS. Since they have few resources to put things right when treatments go wrong, NHS hospitals have to admit some 6,000 patients treated by private companies every year.

In addition, the exorbitant cost of new hospitals procured under the Private Finance Initiative, the three percent population increase since 2010, the 20 percent cut in social care and the four percent annual rise in NHS costs despite a pay freeze for medical staff have had a devastating impact on the financial resources available for front-line services.

The government has demanded that the NHS deliver a further £22 billion in "efficiency savings" between 2016 and 2020, leading to a lower level of health care spending per capita in England than in similar advanced countries.

To achieve this gutting of health care expenditure, NHS England announced yet another reorganisation, superseding the CCGs, which divides the country into 44 areas in which NHS bodies and local authorities together provide all NHS and social care services.

Each area had to provide a plan by July 2016 for implementing the cuts and restructuring its NHS services, "advised" by expensive financial consultants such as McKinsey, Deloitte or PwC, who also advise the insurance and health care industry. Key elements in these plans include the disposal of "surplus" property and assets and the involvement of the private sector with its "new models of care."

The area plans lay the basis for moving towards a "mixed-funding insurance model," with the budgets passed to insurers. A new system of personal health care budgets is being piloted and is to be rolled out to 5 million patients by next year. It paves the way for an insurance-based system, with additional charges for anything not covered under the personal health care budget—much to the delight of the insurance and health care industry.

At the same time, NHS staff will be transferred to private-sector companies, breaking up nationally negotiated wages and conditions, dividing NHS staff and pitting them against one another in a race to the bottom in terms of jobs, wages and conditions.

The authors of two articles in the *Journal of the Royal Society of Medicine* said that "2015 saw the greatest rise in mortality for almost 50 years in England and Wales" and accused the government's "relentless cuts" to the health service of being behind 30,000 excess deaths in 2015. They concluded that "the evidence points to a major failure of the health system, possibly exacerbated by failings in social care" and warned that without "urgent intervention" from the government, mortality rates could continue to increase.

The scale of the cuts already imposed is vast:

* 66 Accident and Emergency/Maternity wards have already closed
* 19 more hospitals are to close
* 14,966 NHS beds have been closed
* 51 more NHS walk-in centres are set to close

The deliberate dismantling and running down of the NHS has already caused untold suffering, lengthening waiting lists, early deaths and a fall in life expectancy in Britain.