

# WHAT'S HAPPENING TO OUR NHS IN ENGLAND?\*

\*In other parts of the UK, the NHS is treated differently.

*The NHS is a public service, funded from taxes. It was founded in 1948 to provide full health care for all, regardless of ability to pay. Research shows that it has been one of the most trusted and cost effective health care systems in the world. But now the NHS is struggling. There are many reasons for this, including:*



"This leaflet has been written by **patients4nhs**. We are members of the public who are alarmed that our NHS is being dismantled and privatised. We want to share information about what is happening and what can be done about this."

A guide for patients and public

**Constant and costly reorganisation:** The Health and Social Care Act (HSC Act) of 2012 brought in a huge top-down restructuring. From 2013, existing systems for running the NHS were demolished and new GP-led Clinical Commissioning Groups (CCGs) were tasked with planning and buying most health services. This reorganisation cost at least £1.5 billion. Then, in 2016, at unknown cost and without consultation, a new round of rapid restructuring began (see 'What is still to come').

## **The end of government responsibility for the**

**NHS:** The HSC Act removed the duty of the Secretary of State for Health to provide a comprehensive NHS. Instead, responsibility was handed to a new un-elected body – NHS England. In theory, health care would continue to be 'free at the point of use'. In reality, it's up to local health bodies (like CCGs) to decide which services they can still afford to offer from their shrinking budgets. Meanwhile, the government escapes blame for poor service provision.

**Underfunding.** Since 2010 the population has increased by over 3% and a 20% cut in social care funding means there is growing demand on the NHS from those who have to be admitted to hospital, or can't be discharged, because of lack of social care. In addition, NHS costs have risen by 4% a year but funding of the NHS has increased by only 0.8%. The government has promised an extra £8 billion by 2020 but, by the same date, the NHS has to find £22 billion in 'efficiency savings'. Far less is now spent on healthcare per head of population in England than in similar economies.

**Compulsory competition:** Under the HSC Act, CCGs can't simply commission services from local NHS Trusts but must put most services out to competitive tender. This gives private companies the chance to take over

NHS-funded work. Running the NHS as a competitive market costs at least an extra £4.5 billion each year in legal, financial and administrative costs. And because the NHS is no longer a truly public service (but partly provided by commercial companies) its services can be included in free trade agreements, like TTIP (between the EU and USA), or CETA (between the EU and Canada). These treaties allow many foreign-based companies to profit from NHS funding. They also permit these companies to sue a UK government that introduces laws affecting corporate profits. This could make it prohibitive for a future government to reverse the privatisation of the NHS.

**Privatisation:** Commercial companies are becoming increasingly involved in providing NHS services, from patient care to backroom admin. Because their first duty is to make profits for shareholders (profit that comes out of NHS money for patient care), private companies 'cherry-pick' less complex, more lucrative work (like hip replacement). Most have few facilities to cope when things go wrong and some 6000 patients a year are admitted to NHS hospitals following treatment by private companies. Many patients are unaware that their NHS treatment comes from a private business because companies with NHS contracts can use the NHS logo. Unlike NHS providers though, private healthcare companies are protected by rules on 'commercial confidentiality'. This makes it difficult to monitor how safe their care is or whether they are providing the best deal.

**Use of the Private Finance Initiative (PFI):** For some years governments have not funded the building of new NHS facilities. Instead, NHS Trusts have been forced to enter into expensive contracts with commercial companies for the financing, building and maintenance of new NHS hospitals, and for

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services like catering and cleaning. These PFI contracts are similar to hire purchase agreements but often last as long as 40 to 60 years. The vast majority involve excessive interest rates and inflated service charges. PFI debt is one of the main reasons why many NHS Trusts are now in deficit and struggling to provide full services and adequate staffing, and why some hospitals have had to close.

*The effects of all these challenges to the NHS – the underfunding, the involvement of private companies motivated by profit, the constant re-organisation with subsequent chaos and poor staff morale, and the removal of government responsibility – are now being felt by patients. For example, you may have found that the treatment you need is rationed or no longer available on the NHS; you may have to wait longer for an ambulance, or to see your GP; or you may be travelling further for crucial services such as A&E or maternity care. But there is more change to come that could spell the end of the NHS.*

## WHAT IS STILL TO COME?

### **A new 5-year plan for the NHS (2015 -2020):**

With the NHS already reeling from major reorganisation, NHS England is now pushing for further, massive change. While demanding £22 billion in 'efficiency savings' by 2020, the 5-year plan calls for 'new models of care' involving untested ways of buying and delivering services. Some models are similar to the US system where healthcare organisations receive a set payment to provide a combination of in-patient and out of hospital care for their registered patients. These organisations are encouraged to have a high threshold for treating patients: they receive a percentage of the profits they make by meeting the terms of their contract for less money. In the UK, new 'models of care' may well be privately run. It's also a small step to transform a health care system using such models into a health service based on private health insurance.

**Devolution:** In 2015, the Treasury pushed to devolve powers and funding from central government to local groups (e.g. combined local authorities) prepared to sign up to government priorities such as cutting costs. As part of the devolution experiment, some local NHS, public health and social care bodies agreed to merge, pool funding and 'integrate' their services, as well as introduce 'new models of care'

and 'flexible' (cheaper) ways of employing staff. Concerns about devolution include the possibility that if NHS care (currently free) and social care (means tested) come from a pooled budget, this will lead to means testing for NHS services.

### **Sustainability and Transformation Plans**

**(STP):** In 2016, 'devolution' was overtaken by 'transformation'. NHS England announced plans to divide the country into 44 areas or 'footprints' in which NHS bodies and local authorities will combine to provide all NHS and social care services, taking on much of the current work of CCGs and central health bodies. Each 'footprint' has to provide a Plan (STP) by July 2016 to show how it will achieve 'financial balance' (cut costs) and restructure NHS services in line with the 5 Year plan, or face severe penalties. The private sector is aiming to play a significant role in 'transformation' by, e.g., developing new services and providing capital investment.

These extensive changes, imposed by an unelected body without public consultation, are taking place at breakneck speed and without evidence that they will address the problems of the NHS. Instead, they will fragment the NHS and open up many more opportunities for private companies to take over much of the NHS.

## WHAT CAN YOU DO?

**Join a campaign group**, like Keep Our NHS Public – see <http://keepournhspublic.com> to find your local branch.

**Support legislation to fully restore the NHS in England** – see <http://www.nhsbill2015.org/the-bill/>.

For detailed information about the privatisation of the NHS, or to report what's happening to your local services see <http://www.nhsforsale.info>

**Get in touch with your MP** to let them know your concerns about how the NHS is being dismantled in their constituency. (To find your MP's name and address see <https://www.writetothem.com>)

**Write to national or local newspapers** to report your concerns about what is being done to the NHS and how this is affecting your healthcare services.

**You can find more information on all these issues and the actions you can take at <http://www.patients4nhs.org.uk>**