

25th November 2014

Dear Constituents,

RE: National Health Service (Amended Duties and Powers) Bill

Thank you for contacting me about private sector involvement in the NHS and the National Health Service (Amended Duties and Powers) Bill, a Private Members Bill supported by the Labour Party, which was debated on Friday 21st November 2014. Unfortunately, I was unable to attend this debate due to a prior engagement.

I want to reassure you that this Government is committed to protecting the NHS, undertaking to invest an extra £12.7 billion in the service, which represents a real terms budget increase in every year of this Parliament. The Government is also absolutely committed to the founding principles of the NHS – that care is free at the point of use based on need, not on the ability to pay.

The Bill debated on 21st November seeks to prevent “privatisation” that simply is not happening. While Labour has seen this debate as a vehicle to scaremonger, I want to set out the facts to reassure you that the NHS is not at risk:

- There are no new competition provisions in the Health and Social Care Act – it simply codified practices the old Primary Care Trusts were obliged to follow under European law.
- The Coalition has made it a matter of law that commissioners cannot pursue competition in the NHS if it is not in the interests of patients.
- Right now only 6 pence in every pound spent by the NHS is spent with private sector providers.

The NHS Confederation, the independent membership body that represents the service, has already expressed serious concerns about the National Health Service (Amended Duties and Powers) Bill, citing the “potential for disruption caused by further changes”.

The Bill, if passed, would stop local doctors making decisions about the best services for their patients. Clinical leadership is highly valued in the NHS – but this Bill seriously undermines it.

What the Coalition’s reforms actually did was remove layers of bureaucracy in the old Strategic Health Authority and Primary Care Trust organisations so we have been able to recruit additional frontline staff.

The Coalition’s reforms:

- Removed 19,000 managers.
- Save the NHS £5.5 billion in this Parliament alone and then £1.5 billion every year after that.
- Mean we can afford to employ more doctors, with over 6,000 more working in the NHS now than in 2010.
- Help us to carry out nearly a million more operations a year, perform millions more diagnostic tests, and refer 51% more patients for cancer treatment, ensuring people get the care they need.

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Labour's record on private sector providers

When it comes to the use of private providers in the NHS and the last Labour Government's record it is worth noting that:

- Figures from the House of Commons library show that under the last Labour Government expenditure on non-NHS providers increased by around 600 per cent!
- Labour signed contracts with the private sector that guaranteed levels of income to Independent Sector Treatment Centres regardless of the amount of work they actually carried out – which the current Government has stopped.
- The former Labour Health Secretary, Andy Burnham, (now the Shadow Health Secretary) remains the only Secretary of State in history to hand over the services run by an entire hospital to a private company.
- Labour went into the 2010 general election promising to increase private provision of healthcare – with their Manifesto promising to support “an active role for the independent sector”.
- When he was Secretary of State, Andy Burnham said that he wanted the NHS to “finally move beyond the polarising debates of the last decade over private or public sector provision”.

Transatlantic Trade and Investment Partnership

Supporters of the Bill also claim that it will stop the NHS being affected by the Transatlantic Trade and Investment Partnership (TTIP), a free trade agreement currently being negotiated by the European Union and the United States.

TTIP would remove many existing barriers to trade which make goods more expensive. Some of these barriers include high tariffs, unnecessary differences in regulations and excessive border checks. The deal would be of huge benefit to the UK through lower costs to businesses (both small and large) and cheaper goods for consumers. The average benefit for a family of four is estimated to be about £400 per year.

Let me be clear, there is no requirement in TTIP for the Government, or future governments, to open NHS healthcare services to further competition and private sector provision.

EU law actually provides special protections for national governments to run health services (and other public services) however they wish, and any EU-wide trade agreement would have to comply with these protections.

The EU's chief negotiator on the deal has said that “provisions in TTIP could have no impact on the UK's sovereign right to make changes to the NHS” and the EU has acknowledged that the deal “excludes any commitment on public services, and the governments remain at any time free to decide that certain services should be provided by the public sector”.

Alok Sharma, MP for Reading West

When the EU reaches an agreement in principle with the United States on TTIP, the proposed text of the agreement will be sent to the 28 EU national governments which must unanimously agree to the deal. Having lived and worked in Scandinavia and Germany myself, and seen the way these nations value their own health services, I would expect that we would not be alone in rejecting the trade deal if it threatened health services.

I hope that you find this reassuring. However, should you feel that I could be of any further assistance, please do not hesitate to contact me again.

Yours sincerely,



Alok Sharma MP