

Funding the Future

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As the [Guardian has noted this afternoon](#):

To help NHS trusts deliver what's needed, Hancock has written off £13.4bn of historic NHS debt.

He said at this afternoon's press conference:

This landmark step will not only put the NHS in a stronger position to respond to the pandemic, but it will ensure our NHS has stronger foundations for the future too.

Let me put this in context.

First, the NHS had no debt at all. It was owed from NHS agencies, owned by the government to the government itself. That's not debt: that's just book-keeping.

Second, that book-keeping was created to, in particular, reinforce the internal market reforms created by Andrew Lansley in 2012, which were the undoubtedly intended precursor for NHS privatisation. That process was massively bureaucratic, and so costly. It diverted massive effort into corporate management, PR, and accounting when none of that was needed: no one needed to sell the NHS to anyone. But worse, it dismantled the National element of the NHS.

Third, that debt was designed to be penal: an NHS trust that ran a deficit was penalised by expecting it to recover that deficit the following year, and if it failed, then the penalties were compounded. As such many of the Trusts in the most vulnerable areas of the UK were heavily penalised by this process which resulted in significant increases in health inequality as a consequence.

Fourth, writing this debt off does not mean that these inequalities are now being addressed.

But most importantly, if the debt is written off because that provides the NHS with stronger foundations then the next logical step is to scrap the whole NHS internal market and as a result rebuild both the idea of a national service (and that does mean Wales, Scotland and Northern Ireland do, of course, keep their services) and the idea

that care must be integrated, so that GPs, hospitals, ambulance services, mental health care trusts and others are no longer in competition with each other.

In other words, NHS debt write off is not enough now: the renationalisation of the NHS is what is required now. Nothing less will do.