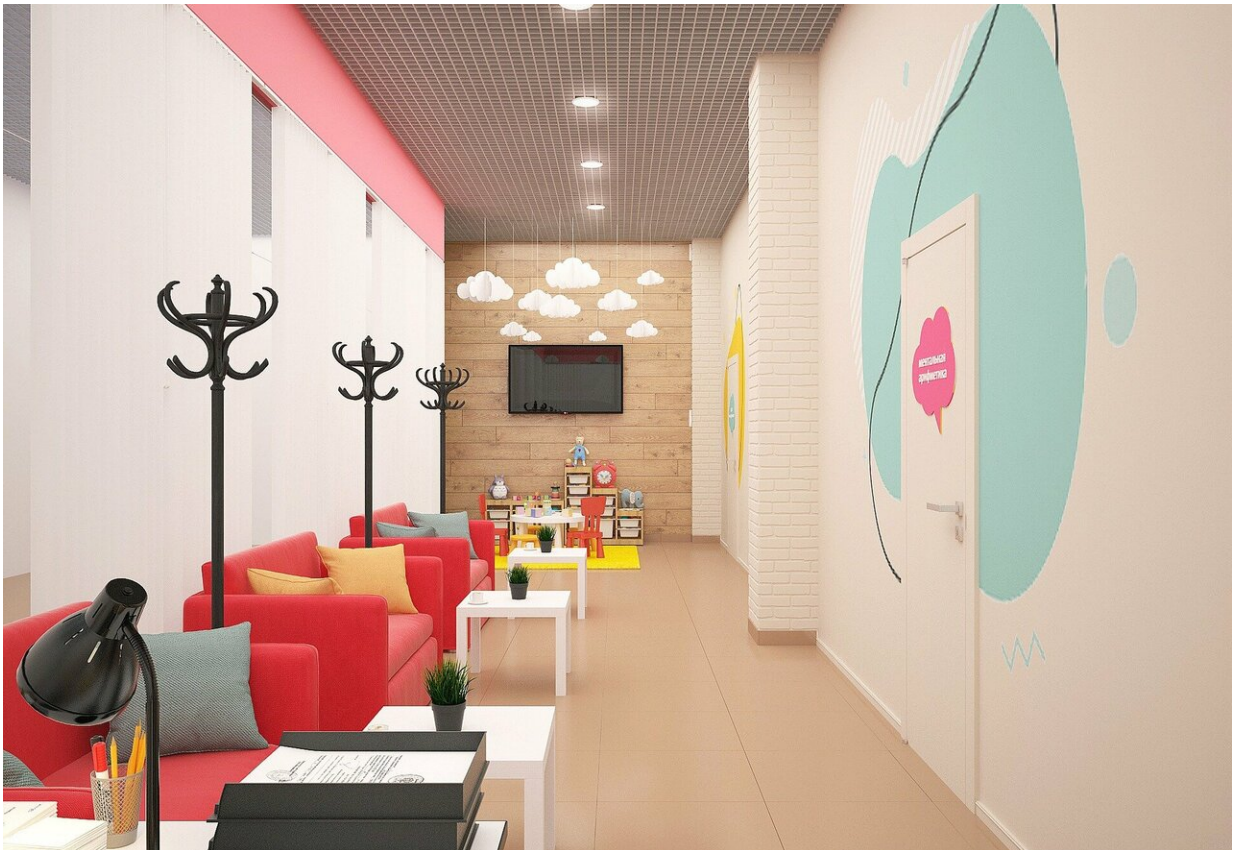


# NHS trusts earning hundreds of millions of pounds in private income, new study shows

September 19 2023, by Caitlin Hazell

---



Credit: CC0 Public Domain

UK Hospital trusts are relying more and more on private income to boost their finances, with one Trust making more than half their income from commercial activities, a new study has revealed.

University of York academics looked at six high-profile NHS trusts as [case studies](#) and found them to be making between 12 and 53 percent of their total income from [commercial activities](#) in 2021/22, including activity from treating private patients and running labs and pharmacies to establishing branches abroad.

The "top earner" from commercial income was Guy's and St Thomas' NHS Foundation Trust which made £441 million in 2021-22 (which equates to 16.7 percent of its overall income).

## **Commercialization**

The Royal Marsden NHS Foundation Trust was generating the biggest proportion of income from commercial work—53 percent.

The findings are [published](#) in *Public Money & Management*.

The study was led by a team of experts from York and the University of Birmingham, concluding that there is a "clear direction towards commercialization" which has been aided by legislation passed by the Coalition government in 2012.

## **Entrepreneurialism**

Professor Neil Lunt, from the School for Business and Society at the University of York, said, "We have identified a shift in language to defend such income and explored how entrepreneurialism has been justified with a public service ethos. Although this was an atypical sample, there is a clear direction towards commercialization through diversifying income sources."

"While the majority of their funding will still come from public/state

sources, NHS organizations are implementing entrepreneurial strategies which are seen as essential to underpin core NHS services."

"In turn, this will reorient the organizations and their staff with a potentially detrimental effect upon a public service logic. The tension between public service and commercial imperatives has long been apparent but the logic and consequence of them has become more acute recently. The likely intensification of this tension will reveal further the impact (intended or otherwise) of such strategies upon 'core' public services."

## **Hospital's income**

To determine how much of [hospital's](#) [income](#) comes from private, rather than public, the research team analyzed publicly available documents from:

- The Christie NHS Foundation Trust
- Great Ormond Street Hospital (GOSH) for Children NHS Foundation Trust
- Guy's and St Thomas' NHS Foundation Trust
- Moorfields Eye Hospital (MEH) NHS Foundation Trust
- The Royal Marsden NHS Foundation Trust
- University Hospitals Birmingham NHS Foundation Trust
- NHS patients

Professor Mark Exworthy, from the Health Services Management Centre at the University of Birmingham, said, "While hospitals claim they are carrying out commercial work to top-up the funding they need to treat their NHS patients, the demands placed upon them by commercial imperatives could instead shift their focus away from their NHS work."

**More information:** Mark Exworthy et al, From commodification to entrepreneurialism: how commercial income is transforming the English NHS, *Public Money & Management* (2023). [DOI: 10.1080/09540962.2023.2243775](https://doi.org/10.1080/09540962.2023.2243775) [www.tandfonline.com/doi/full/10.1080/09540962.2023.2243775](http://www.tandfonline.com/doi/full/10.1080/09540962.2023.2243775)

Provided by University of York

Citation: NHS trusts earning hundreds of millions of pounds in private income, new study shows (2023, September 19) retrieved 29 April 2024 from <https://medicalxpress.com/news/2023-09-nhs-hundreds-millions-pounds-private.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.