

SHOULD WE PAY MORE TAX TO FUND THE HEALTH SERVICE?

THE DILEMMA

As the COVID-19 pandemic continues, we've heard a lot about the enormous sums of money "raised for the NHS" (the National Health Service) by kindhearted people like Captain Tom. The 100-year-old's 100 laps of his garden raised more than £30 million.

In total, more than £103 million has been donated by the British public to the NHS Charities COVID-19 Appeal. But what will this money be spent on? And who pays for the NHS and all the medical care it provides?

The NHS itself is not a charity. Until 1948, charities provided most of the UK's healthcare. Then the NHS was formed to give everybody free healthcare. But every NHS trust (a local organisation responsible for the hospitals and health centres in its area) has a charity that raises money.

Almost all of the NHS' funding comes from the UK



Government. And most of the Government's budget comes from taxes that people who live and work in the UK pay. Some people think we should pay more tax to better fund the NHS, while others think taxes should be kept low.

Despite all the amazing work of NHS staff, the organisation has a big problem. It has been struggling for many years now as a result of not receiving enough funding. Last year, waiting lists for treatment reached record highs. Some NHS staff and opposition politicians have criticised



An NHS worker treating a patient with COVID-19

the Government's handling of COVID-19, saying that they are not providing staff with appropriate protective equipment, and that hospitals don't have the funds to look after everybody – patients with COVID-19 and those with other conditions, too. Many treatments for diseases such as cancer were suspended due to the pandemic, and most hospital appointments were cancelled.

So how should a world-class health service be funded? Is it right that public healthcare be paid for through taxes, or should charities play a bigger part?

WHAT IS TAX?



Tax – Tax is money that people and businesses have to pay to a government or local council. This money is then used to pay for public services such as healthcare, education, the military, carers, police and the fire brigade. The idea behind tax is that everyone pays into the pot. Almost every country has a taxation system. The percentage of a tax rate is the proportion that a person pays to the government. For example, if somebody owes 10% of £100 in taxes, they pay £10.

WHAT ARE UK TAXES?

There are many different types of tax that people pay. These are the main ones in the UK:

- **Income tax** is deducted from the money earned through employment. In the UK there are four bands:

ANNUAL EARNINGS	TAX RATE
Up to £12,500	0%
£12,501 to £50,000	20%
£50,001 to £150,000	40%
Over £150,000	45%

- **Value Added Tax (VAT)** is an extra tax on many goods we buy in shops. The standard rate of VAT in the UK is 20% of the value of the item you're buying. But some goods are taxed at 5% and some, such as children's clothes and most foods, have 0% VAT.



- **Inheritance Tax** is a tax on the estate (the property, money and possessions) of someone who has died. Before the estate can be given to someone else, they must pay tax. It only applies to an estate worth more than £325,000. The standard Inheritance Tax rate is 40%. It's only charged on the part of the estate that's above the £325,000 minimum.

- **Council tax** funds the services provided by local governments. Your local council wherever you live spends the money on things like social care, leisure centres, libraries, youth clubs and bin collections. Council tax is worked out according to the value of a person's home.

- **National insurance (NI)** is a form of tax taken out of a person's earnings, just like income tax. It contributes mostly to pensions (the money the government pays to retired people) and welfare (such as benefits for people who are unemployed or too sick to work). How much a person pays in NI depends on the type of work they do and how much they earn.

THE NHS



The four countries that make up the United Kingdom – England, Wales, Scotland and Northern Ireland – all have NHS services, but they have slightly different healthcare systems. In three of the four, the health service is separate from social care, which is the system that helps people with health or other difficulties in their own homes and care homes.

The four UK organisations – NHS England, NHS Wales, NHS Scotland and Health and Social Care Northern Ireland – all receive their funding from the UK Government.



HOW FUNDING WORKS



Planned spending for the NHS and social care in England is £140.4 billion in 2019/20. Most of this – £133 billion – will go on day-to-day spending, such as staff salaries and medicines. The remaining £7 billion is for what is called ‘capital spending’ – that’s buildings and equipment.

The NHS is funded mostly through taxation and National Insurance. A much smaller amount is collected through patient charges for things like prescriptions (medicines a doctor says you need) and dentistry work. For example, in England, general taxation funds about 80% of the budget, and National Insurance (NI) contributions cover most of the rest.

Patient charges in England, which were introduced in the 1950s, contributed £555 million to the NHS in 2016/17. In Scotland, Wales and Northern Ireland prescriptions are free for everybody.



IS IT ENOUGH?

Many doctors, nurses and other healthcare professionals – as well as politicians – think the NHS desperately needs more money. NHS spending has risen since it was established in 1948. In the first full year of its operation, the Government spent around £11.4 billion in today’s prices on health across the UK. In 2018/19 the figure was more than ten times that amount, at £152.9 billion.

According to the King’s Fund, which is an independent charity that says it aims



“to improve health and care in England,” the current NHS budget is not big enough, and funding is not growing enough each year. They say:

“Though funding...continues to grow, the rate of growth [has] slowed. Budgets rose by 1.4% each year on average... in the ten years between 2009/10 to 2018/19, compared to the 3.7% rises since the NHS was established... While the new NHS funding deal will ease current pressures, it is not enough...”

THE HISTORY OF THE NHS: A TIMELINE



A ward in an NHS hospital in 1948

1948 – The NHS was created by the Labour Government, which was elected at the General Election after the Second World War ended in 1945. The brains behind the country's first free public healthcare system was the Health Secretary, Aneurin Bevan. It was his plan to bring together hospitals, doctors, nurses, pharmacists, opticians and dentists in one organisation, free for all to use.

At one minute past midnight on 5 July 1948, the first baby was born in the NHS. Aneira Thomas was delivered at Glanamman hospital in Ammanford, Wales.

1952 – The first charges were introduced. Patients had to pay one shilling (around 5p) for prescriptions, and a flat rate of £1 for dental treatment. Bevan was upset at this, and resigned from the Government in protest.

1958 – The first NHS mass vaccination programme was introduced. Everyone under the age of 15 was given a vaccine against polio and diphtheria.



1965 – The charges introduced in 1952 were abolished.

1968 – The charges were re-introduced!



1968 – The country's first ever heart transplant took place this year at the National Heart Hospital in London. South Africa-born surgeon Donald Ross was in charge of the team of doctors and nurses that operated for seven hours. Foreign-born workers continue to play a big and important part in the NHS.

1978 – The world's first test-tube baby, named Louise Brown, was born in an NHS hospital.



2016 – Doctors went on strike for the first time in 40 years. They were protesting against the Government's new contract for doctors, which scrapped overtime pay rates for work done between 7am and 10pm on every day except Sunday. *The Sun* newspaper called on the striking doctors to be sacked.

2019 – Hospital performance in England was at its worst level on record. Targets for cancer, hospital care and A&E were missed for the third year in a row.

In December, waiting times at Accident and Emergency (A&E) wards hit their longest ever. One in five people who attended an A&E unit were forced to wait more than four hours to be seen. More than 2,000 people had to wait over 12 hours for a hospital bed – up from 284 in December 2018.

RAISING MONEY FOR THE NHS

When we talk about “raising money for the NHS”, what do we mean? You can’t just give money from a sponsored walk to the Government to spend on the NHS. Charitable donations to the health service work in two main ways:



Captain Tom Moore, whose sponsored walks have raised millions

1) Individual trust charities

Every NHS trust has its own charity that raises funds throughout the year for the hospitals, health centres and public health programmes within the trust’s area. One of the most famous is the Great Ormond Street Hospital charity, which was started in 1852 to raise money for children’s healthcare.

2) NHS Charities Together

This organisation brings together all the individual NHS-related charities in the UK. They exist to provide “extras” rather than the basic day-to-day things the NHS needs, such as protective equipment and medicines. What are these extras? During the COVID-19 crisis, they are:

Immediate support for NHS workers, patients and volunteers to improve their wellbeing. This includes groceries, toiletries and tech, such as tablet computers.

Another example is paying for sick people to have free TV and phone calls in their hospital beds (this would usually cost a patient £7 a day).

Supporting voluntary organisations that help the NHS. This includes helping community groups that are supporting people who are either self-isolating at home or recovering after suffering from COVID-19.



Food parcels being prepared for vulnerable people during the COVID-19 pandemic

Supporting NHS workers and volunteers after the COVID-19 pandemic passes. Many workers will need psychological help and some who fell ill with the new coronavirus won’t be able to return to work for a while, so may require support.

By law, money raised for the NHS can’t be spent on essential things like personal protective equipment (PPE) for staff, or medicines or staff salaries. It must only be spent on ‘extras’, like those listed above.

OTHER COUNTRIES

In 2017, the UK spent £2,989 per person on healthcare. In the G7 group of the world’s largest economies, UK healthcare spending per person was the second lowest, with the highest spenders being France (£3,737), Germany (£4,432) and the United States (£7,736). But the USA doesn’t have a free public healthcare system. With the NHS, treatment is free – you don’t pay a penny. It’s only adults who are in work who pay for medicines, eye tests and dentistry. So how does the NHS compare to healthcare in other countries?

France

In France’s public health system, most patients must pay the doctor when they see them. The Government then pays them back, either in part or in full. Unlike in the UK, a French patient can choose which doctor or service to visit.



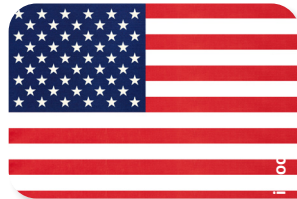
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Seeing the GP (general doctor) costs €23 (£20). Most or all of the money is paid back to the patient within five days. The poorest and the long-term sick are covered 100%.

USA

There is no nationwide system of public healthcare in America. People there are expected to have private health insurance. That's a scheme in which you pay a regular sum to cover any medical costs. This can be very expensive and not everybody can afford it, but some employers provide their staff with insurance schemes. There are public systems in place to help the poor and elderly, but for most Americans, healthcare costs are the highest in the world.



patients must still pay a fee of between £8-£16 to see a doctor, while children are only charged if they visit Accident & Emergency. Seeing a specialist will cost an adult around £30. However, there is a limit on how much you spend on healthcare within a 12-month period – around £90.

THE STATE OF THE NHS



Late last year, NHS England data showed that:

- 4.42 million patients were on the waiting list for treatment at the end of September 2019, the highest number ever.
- 84.8% of them were waiting less than 18 weeks. That's way below the Government's target (92%) and it's the worst performance since the target was introduced in 2012.

- 76.9% of cancer patients started treatment within 62 days. The Government's target is 85%. This target has not been hit since December 2015.

- 83.6% of A&E patients were admitted or transferred within four hours in October. That's way below the 95% target and the worst performance since the target was introduced in 2004.

The NHS in Scotland, Wales and Northern Ireland were also found to be missing their targets.

FAIR RATES

Some people think that the tax system is unfair. They argue that people who earn less should pay a smaller proportion of tax than those who earn more. The richest used to pay more in taxes in the UK: during World War Two, the top rate of income tax was 99.25%. It was reduced to around 90% throughout the 1950s and 60s. In 1979, the top rate was reduced from 83% to 60%. Today it's 45%. The lowest rate has fallen from 33% in the 1970s to 20% today.

Germany

Germans are expected to have a health insurance scheme. But unlike in the USA, these are public insurance funds that do not exist to make money. Membership rates are about 15% of a person's monthly salary, and half of that is paid by employers. So it's a bit like a tax that goes directly to healthcare.



Sweden

Although taxes contribute to the healthcare system,



NOT ENOUGH IN THE POT



Politicians are reluctant to make tax rises because they are generally seen as being unpopular with voters. But some people think that there isn't enough money going into the Government's coffers. They point to the ongoing crisis in the NHS as proof. Rather than cut services, some people say it's better to pay more tax because ultimately everyone benefits from better healthcare.

LOW TAX, FEWER SERVICES



While some believe it is our duty to pay tax and contribute to the nation's public services, others think that the money you earn is yours to do what you wish with. They don't believe it's up to

a government to take your money. Of course, if we pay less tax, it means the Government receives less money, so it becomes harder to fund things like the NHS. But some people think that individuals should pay for their own private healthcare and private schools, rather than paying for the Government to provide these services for free through taxation.



Hospitals rely on money from taxes for their funding

YES, WE SHOULD PAY MORE TAX TO FUND THE NHS



1. TAX IS A FAIR WAY OF CONTRIBUTING –

Everybody should pay a little bit more into the pot to fund the excellent NHS. It's only right that we all pay to help each other out. Our hardworking NHS staff deserve fair pay, and patients deserve the best possible care.

2. TAXES AREN'T VERY HIGH IN THE UK –

Compared to previous years, and other countries, UK workers don't pay as much tax on what they earn. A tiny amount of extra tax could make a big difference to the NHS.

3. THE NHS DESPERATELY NEEDS MORE MONEY –

The staff are doing their very best in difficult circumstances, but they are the first to admit the NHS is desperately in need of more money. The system was struggling to cope last year and, after COVID-19, the NHS could end up in a bad place.



NO, WE SHOULD NOT PAY MORE TAX TO FUND THE NHS



1. TAXES SHOULD BE FAIRER, NOT HIGHER –

It's not fair that hard-working people on a lower income pay more tax. Instead, the tax system should be made fairer so that those with more money pay a higher share than the rest. This can be done by cutting taxes for people who earn less.

2. PEOPLE ARE STRUGGLING AS IT IS –

Millions of people have lost their jobs due to COVID-19, and even those in work are struggling with the rising cost of bills and food over the last few years. The NHS may be in trouble due to under-funding, but many people in Britain are struggling to make ends meet. Higher taxes could hit people hard.

3. CHARITIES SHOULD DO MORE – The recent fundraising efforts by people like Captain Tom have shown that the British public is very happy to donate money to the NHS. We should encourage more fundraising to pay for vital healthcare services, not force people to pay even more tax.





DISCUSS • ?

Why are taxes useful?

DISCUSS • ?

Why might people not want to pay more tax?

DISCUSS • ?

Should people who earn more money pay more in tax than lower earners?

DISCUSS • ?

Have you had any personal experience of the NHS? If yes, what was it like?

DISCUSS • ?

Should the NHS always be free of charge?

DISCUSS • ?

Is it right that charities provide tens of millions of pounds to the NHS?

DISCUSS • ?

Are you proud of the NHS?

DISCUSS • ?

Why might raising taxes help the NHS?

DISCUSS • ?

Should prescriptions be free across all of the UK?

DISCUSS • ?

Should we use more charity money to fund the NHS?