

Privatisation Appendix: Mental health clinical services

The scale of privatisation in the mental health sector of the NHS is visible from space. Here are two examples of the outsourcing of mental health clinical services to the private sector: the first, inpatient care for patients with significant mental health needs requiring inpatient care; secondly, online algorithm-based talking therapies outsourced to private providers who use NHS clinical data and AI to refine the algorithms sold back to the NHS.

Example 1: Outsourcing inpatient mental health services

The NHS is spending more than £2bn¹ a year sending patients to private mental health hospitals, following decades of cuts to NHS inpatient beds. The mental health and learning disability bed supply fell from 72,000 in 1993 to 22,000 in 2024.²

The two biggest private providers, Priory Group and Cygnet Health Care, account for 68% of private provision, receiving £509m and £560m in revenue from the NHS in 2023. Almost £200m was spent on private children's hospitals by the NHS in the same year.²

The Foundation Trust in Northamptonshire, for example, saw its spending on private beds increase from £1.8m in 2019 to £3.6m in the first eight months of 2023. Nottinghamshire Healthcare NHS Trust increased its spending on private beds from £26,000 in 2014-15 to £14m in 2022-23.²

The consequences

The main private mental health hospital chains that treat NHS patients have been criticised by coroners and inquest juries dozens of times over the last decade for providing unsafe care. The Priory, Cygnet and Elysium have been censured at least 37 times for mistakes and lapses in care that were involved in the deaths of patients, including several children.³

Out of 17,340 serious incidents reported by staff in hospital, community and residential mental healthcare settings in 2022-23, 15,254 incidents related to care in private community and hospital settings.

95% of all "out-of-area and inappropriate days" imposed on mental health inpatients were by private providers rather than NHS trusts.⁴ Out-of-area placements are more expensive than local NHS services and are often harmful to patients and their families.⁵

1. <https://futurecarecapital.org.uk/latest/outsourcing-nhs-mental-health-services-proving-costly/>
2. <https://www.independent.co.uk/news/health/nhs-private-mental-health-uk-b2667431.html>
3. <https://www.theguardian.com/society/2022/apr/25/private-mental-health-hospitals-repeatedly-criticised-for-unsafe-care#:~:text=Last%20November%2C%20at%20the%20inquest,properly%20inform%20assessment%20of%20risk%E2%80%9D.>
4. <https://www.bbc.co.uk/news/uk-england-63596763>
5. <https://www.hssib.org.uk/patient-safety-investigations/mental-health-inpatient-settings/second-investigation-report/>

Example 2: Outsourcing NHS Talking Therapies¹

With an NHS budget of £900 million p.a. for Talking Therapies, over a quarter of all referrals to NHS Talking Therapies were seen by private providers in 2022-23. Between 2019 and 2022, the non-NHS sector grew by 84% while the NHS therapy direct workforce grew by only 37%.

Private online providers like *Ieso Digital Health*, *Silvercloud*, *Limbic*, *Lyssn* and *Wysa* have been allowed access to millions of recorded NHS sessions, which are being used for machine learning in partnership with American Big Data companies like Google and Microsoft to develop full conversational Artificial Intelligence therapy.

The consequences

The software and algorithms of AI therapy will eventually be sold to the NHS and all over the world to provide cheap online behavioural therapy-by-machine to meet the global epidemic of "common mental health disorders".

[More information in KONP's factsheet: *Mental health: under-resourced and under pressure*. Keep Our NHS Public, March 2024.²]

1. <https://mentalhealthaction.uk/wp-content/uploads/2025/01/ai-part-1-p-atkinson.pdf>
2. https://keepournhspublic.com/peoplesnhsfactsheet_mental-health/