

Maximising commercial income for the NHS

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People talk of the “black hole” or “bottomless pit” of funding the NHS. We know that the Labour government is planning to give high performing trusts more freedoms to be innovative and spend their money without so many limitations.

Whilst poorly performing trusts are going to have greater constraints and restrictions placed on them.

Either way, exploring opportunities to generate commercial income not only improves the financial resilience of your organisation but can also improve patient care and enable you to do things that may otherwise not be possible.

Any income made is ultimately for the benefit of NHS patients and frontline services.

Why look at generating commercial income?

Financial stability

Generating commercial income can provide NHS trusts with additional financial resources. This can help

in mitigating the impact of funding constraints and ensure high standards of patient care are maintained without solely relying on government funding.

Innovation and improvement

The additional income can be reinvested in new technologies, research, and innovative healthcare solutions. This not only improves patient outcomes but also positions the NHS as a leader in healthcare innovation and helps with the move from curative to preventative care.

Enhanced patient care

With more resources, trusts can invest in better facilities, equipment, and staff training. This directly contributes to enhanced patient care and experience.

Diversification of revenue streams

By developing commercial ventures, NHS trusts can diversify their income sources and reduce vulnerability to changes in government funding and policy shifts

Global leadership

Engaging in commercial activities, especially in areas like research and development, can elevate the NHS's standing on the global stage. This can lead to international collaborations and opportunities to export NHS expertise, further enhancing reputation and generating income.

Staff retention and attraction

Additional income can support better staff remuneration and development opportunities, making NHS trusts more attractive employers. This is crucial in retaining skilled staff and attracting talent

Sustainability

Commercial activities can also support the NHS's sustainability goals. For example, investing in green technologies not only generates income but also contributes to the NHS's commitment to reducing its carbon footprint.

Community benefits

Commercial success can enable NHS trusts to invest more in community health programs, education, and preventive measures, leading to healthier communities and reducing the long-term demand on NHS services.

How can an NHS trust generate commercial income?

The possibilities for generating commercial income are wide and varied and will be dependent on the trust in question, its specialities, its location and its abilities and appetite to do this. Some ways to generate income by leveraging your assets, expertise, knowledge and capabilities are set out below.

Private patient services

Offering services to private patients, either within existing facilities or through dedicated private patient units, can generate significant income. This may include elective procedures, specialist consultations and procedures and other treatments which aren't readily available through the NHS but which patients want.

[Read our "Expanding your NHS Private Patient Unit" guide](#) →

Exploring international opportunities

NHS trusts can export their expertise and services internationally, providing consultancy, management services, and training to healthcare providers abroad. Some trusts even look to open hospital branches in other countries. There is also a revenue stream to be had by considering how or if it might be possible to bring in or increase revenue from international patients coming into your trust in England for treatment.

[Read our "Demystifying international healthcare contracting" guide](#) →

Commercial research and development

Collaborating with pharmaceutical companies, biotech firms, and academic institutions on research projects can open up revenue streams. Trusts can commercialise their research findings, developing patents and innovations that can be licensed or sold.

Facilities and estate Management

Utilising NHS estates and facilities more efficiently can generate income. This could include renting out unused space, developing commercial real estate projects, or offering parking and retail services.

Education and training

Capitalising on the NHS's vast expertise, trusts can offer educational programs, training, and consultancy services to other healthcare providers and/or healthcare students, both domestically and internationally. This is particularly effective when a trust has an area of specialism or has developed something first and others want to share in that learning. This can be done alone or in partnership with education institutes/universities

Digital health solutions

Developing in house or partnering with technology companies to create digital health solutions, such as apps, telehealth services, or health management platforms, can provide new revenue streams. Trusts are in the unique position of being the ones that are serving their patients day in day out – staff know what they need and what can help with their day-to-day activities so tapping in to this can be a really good way to develop commercially viable solutions.

Equipment and technology leasing

It may be possible for NHS trusts to lease out high value medical equipment and technology to other healthcare providers during periods of low usage, optimising asset utilisation.

Joint ventures and partnerships

Forming joint ventures with private sector companies can enable trusts to develop new services, technologies, or facilities that can generate income in any number of areas.

What can the income be used for?

The commercial income raised by NHS trusts can be strategically reinvested in various areas to enhance healthcare services, support the workforce, and improve patient care. Here are some key areas where the generated income is typically used:

Improving patient care

This is the foremost priority. Additional income can be used to invest in new medical technologies, equipment, and facilities that directly enhance patient care and treatment outcomes.

Research and development

Investing in research and development allows trusts to innovate in patient care, treatments, and healthcare solutions. This not only improves outcomes but also positions the NHS as a leader in medical research.

Staff training and development

By investing in the training and professional development of staff, trusts can ensure that their workforce is skilled, motivated, and capable of delivering high-quality care.

This includes providing access to the latest training programs, conferences, and learning resources.

Infrastructure improvements

Commercial income can fund the modernisation of hospital facilities, including upgrading patient wards, operating theatres, and outpatient services. This also encompasses investments in IT infrastructure to support digital health initiatives.

Expanding services

Trusts can use the income to expand their range of services, including opening new departments or clinics, thus reducing waiting times and improving access to specialised care.

Sustainability initiatives

Part of the income can be allocated to sustainability projects, such as reducing carbon emissions, enhancing waste management, and implementing energy-efficient technologies. This aligns with the broader NHS goal of becoming more environmentally sustainable.

Community health programs

Investing in community health and preventive care programs can help in addressing public health challenges, reducing the long-term demand on NHS services, and improving overall community well-being.

Ensuring financial stability

Some of the income may be used to ensure the financial stability of the trust, helping to mitigate the impact of funding constraints and ensuring that high standards of patient care can be maintained.

How can we help?

Top 10 legal considerations when pursuing commercial activity

When NHS trusts pursue commercial activities, there are several legal considerations they must navigate to ensure compliance and protect their interests. Here are the top 10 legal considerations:

1. Regulatory compliance

Trusts must comply with healthcare regulations, including those governing patient care, data protection (such as GDPR), and medical ethics. This includes ensuring that commercial activities do not compromise patient care standards.

2. NHS constitution and mandates

Activities must align with the principles and values outlined in the NHS Constitution, ensuring that commercial ventures do not detract from the primary objective of providing high-quality healthcare to all.

3. Contract law

Engaging in commercial activities often involves entering into contracts with third parties. Trusts must ensure that these contracts are legally sound, clearly outlining the terms, obligations, and protections for all parties involved.

4. Intellectual property rights

When developing or commercialising innovations, trusts must navigate intellectual property laws to protect their inventions, trademarks, and copyrights, ensuring they have the right to use and profit from these assets.

5. Employment law

Trusts must consider the implications of commercial activities on their workforce, including any changes to staff roles, working conditions, or contracts, ensuring compliance with laws and union agreements.

6. Competition law

Trusts engaging in commercial activities must be mindful of competition laws, ensuring that their actions do not unfairly restrict competition or create monopolies within the healthcare sector.

7. Data protection and patient confidentiality

Any commercial activity involving the use of patient data must comply with data protection laws and uphold the highest standards of patient confidentiality.

8. Financial regulations and taxation

Trusts must navigate financial regulations and tax laws, ensuring that commercial income is reported and taxed appropriately, and that financial practices are transparent and accountable.

9. Conflict of interest

Trusts need to manage conflicts of interest, ensuring that commercial activities do not compromise clinical decisions or lead to preferential treatment for certain patients or partners.

10. Public procurement laws

When procuring goods or services as part of commercial activities, trusts must comply with public procurement regulations, ensuring fairness, transparency, and value for money in the procurement process.

Conclusion

In its quest to navigate the financial challenges and enhance the quality of healthcare, seeking to generate commercial income presents a promising avenue for NHS organisations.

By leveraging assets, expertise, and innovative capabilities, the NHS can not only secure additional financial resources but also foster an environment of continuous improvement and excellence in patient care.

As we move ahead, it is going to become more crucial for NHS trusts to embrace innovation and, pursue commercial opportunities whilst remaining committed to the welfare of the patients they serve.

This will in turn lead to further opportunities and ensure our health service remains world leading.

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Related expertise

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