**Over the edge: a no deal Brexit and the NHS**

With speculation growing about the possibility of no formal agreement being reached during Brexit negotiations between the UK and the EU, Mark Dayan explores what crashing out without a deal could mean for the NHS.

**Blog post**

Published: 02/08/2018

* 

**Author**

[Mark Dayan](https://www.nuffieldtrust.org.uk/person/mark-dayan)

This has been a summer of rising tension in Brexit negotiations, as the European Commission and UK Government both begin to set out hair-raising plans and warnings on the scenario of a no deal Brexit.

This would create plenty of long-term issues for the NHS, as I explored in my [briefing last year](https://www.nuffieldtrust.org.uk/research/brexit-relationship-eu-shape-nhs#key-points). But attention has now shifted to some of the immediate problems the health service might face in just a few months’ time. Health Secretary Matt Hancock has told the [Health Select Committee](https://www.parliamentlive.tv/Event/Index/3cc70c49-5540-46d3-9b3f-23a8e5e71514) he is looking at stockpiling and special flights to deal with shortages of medications including vaccines.

**Bordering on disaster**

At first glance it may seem odd that it has reached this level of desperation. After all, the European Union will not be blockading the UK: it will still be perfectly legal to bring in products from the continent or the Irish Republic, and no more difficult than for many other countries from which we import.

The problem is the impact of going overnight from the frictionless trade facilitated by the single market, to the normal bureaucracy and barriers of global trade. The 37 million items of medicine imported from the EU, for example, would face [44 new checks, requirements and controls](https://brc.org.uk/news/2018/brc-blog-the-cost-of-a-no-deal). Some requirements would be completely new, and not easy to comply with overnight. If the Government uses the EU Withdrawal Bill to simply roll over the current regulations so that they applied at UK level, selling medicines to the NHS would suddenly require people within the UK checking batches and holding an official marketing authorisation. Previously they could have been anywhere in the EU.

Customs checking and declarations will also be required for the [nearly 60% of UK imports](https://www.ons.gov.uk/businessindustryandtrade/internationaltrade/articles/whodoestheuktradewith/2017-02-21) that come from the EU and other single market countries, including NHS supplies.

As well as the delays they directly cause, the sudden introduction of these barriers would create two further problems.

The first is the disruption of supply chains. Business models that rely on, for example, testing in the Netherlands of UK manufacturing products would no longer be legal. Those that rely on input materials being provided ‘just in time’, with no space or funds for stockpiling components, will struggle not to interrupt supply.

The second is the risk of queuing and chaos at ports and borders that effectively multiplies the time taken for actual checks and declarations. This could cause unpredictable delays. Work by the British Retail Consortium suggests meat importers could face a wait of [two to three days](https://brc.org.uk/news/2017/brexit-border-controls-risk-gaps-on-shelves), a period as long as the half-life of the crucial diagnostic material molybdenum-99, all of which must be imported. Molybdenum-99 is used to produce technetium-99m, which is given to patients so that the patterns of the radiation it produces can be used to scan the skeleton, heart and other organs for cancer or damage.

While you might hope the crucial radioisotope could skip the lorry queue, this assumes a level of order that seems far from certain. This is presumably the scenario Hancock had in mind when he warned “difficult access through ports” could mean supplies “[would need to be flown in](http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/health-and-social-care-committee/work-of-the-secretary-of-state/oral/87145.html)”.

It seems possible that the strain on a limited customs workforce, [a fledgling IT system](https://www.computerweekly.com/news/252439082/HMRC-to-stop-or-delay-transformation-projects-to-ensure-customs-system-is-ready-for-Brexit), and ports like Grimsby and Leith that handle all types of imports could mean delays to products from outside as well as inside the European Union. And all this will echo through supply chains. The civil servants and company managers drawing up lists of what products are vulnerable to disruption and would need to be stockpiled have an immensely complicated job, which it may not be possible to get precisely right.

**Waiving or drowning?**

One response [allegedly being considered](https://news.sky.com/story/brexit-forensics-playing-chicken-with-the-channel-tunnel-11291767) as an emergency measure is for the UK to simply waive almost all customs checks, and possibly even regulatory checks for products from the EU. But this would not necessarily fully solve the problem.

There would still be declarations required on the EU side for goods coming to the UK. And for many products, the process of getting a product to the UK market will actually involve moving components from the UK to the EU. As the ABHI [told the Health Select Committee](https://publications.parliament.uk/pa/cm201719/cmselect/cmhealth/392/392.pdf): “Becton Dickinson, the largest supplier of needles and tubes for blood collection in the NHS, manufactures its products in Plymouth before they are transported to Belgium for product checking and distributed back to the UK.” As long as the EU maintains its checks, there is nothing the UK can do unilaterally to stop them being held up on the way out.

Meanwhile, the legal and safety implications could be serious. For how long could the UK let in medicines for which nobody subject to the UK regulation or reporting system holds a licence?

It also appears that dropping checks only on EU products would [contravene World Trade Organisation rules](https://www.wto.org/english/thewto_e/whatis_e/tif_e/fact2_e.htm) regarding the equal treatment of trading partners. Yet dropping all checks on all imports would create serious security and safety issues.

**Paying the price**

All this is likely to translate to a significant financial cost. The [consultancy Oliver Wyman](http://www.oliverwyman.com/our-expertise/insights/2018/mar/red-tape-cost-brexit.html) estimates that the life sciences industry would face an increase in costs of 5%. Much of this could be passed on to the NHS – and even this is under a ‘mitigated’ no deal scenario. For prices more widely, higher than expected inflation linked to the 10% drop in sterling after the EU referendum seems to have [added around £500 million](https://www.nuffieldtrust.org.uk/research/the-bottom-line-understanding-the-nhs-deficit-and-why-it-won-t-go-away) to the deficits of NHS trusts in England alone in 2016/17. A drop of [up to 20% in the event of a no deal Brexit](http://uk.businessinsider.com/pound-price-drop-hard-brexit-no-deal-2017-10/#jpmorgan-asset-management-115-by-the-end-of-2019-1) could be similarly felt. Costs for special supply flights and stockpiling, too, would be likely to be passed on to the public sector in one way or another.

Then there are those medium and longer-term impacts of a no deal scenario. The British pharmaceutical and life sciences industry is likely to take a heavy blow as exports suffer from all the barriers described above. NHS staff and patients [crossing the Irish border](http://ukandeu.ac.uk/how-brexit-could-affect-the-health-service-in-northern-ireland/), including for life-saving heart treatment, will suddenly run into a hard border. UK retirees in the EU will suddenly find they lose access to the reciprocal health care schemes [tentatively agreed](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/665869/Joint_report_on_progress_during_phase_1_of_negotiations_under_Article_50_TEU_on_the_United_Kingdom_s_orderly_withdrawal_from_the_European_Union.pdf) last year, and may have to return at a cost that we estimated could hit [£500 million each year](https://www.nuffieldtrust.org.uk/research/getting-a-brexit-deal-that-works-for-the-nhs).

Given all this would come immediately after another winter of financial pressure and strained bed capacity, we could expect the months around a no deal Brexit to be among the most difficult in the 70-year history of the NHS.

The good news? These consequences of crashing out without a deal, which would be reflected in almost every other sector of life in Britain and in nearby EU countries as well, are so sobering that it is difficult to believe either side will really dare to go over the edge.

**Suggested citation**

Dayan M (2018) "Over the edge: a no deal Brexit and the NHS", Nuffield Trust comment. <https://www.nuffieldtrust.org.uk/news-item/over-the-edge-a-no-deal-brexit-and-the-nhs>