

UK: Conservative Lord's company wins £300 million National Health Service contract

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A private company chaired by a Conservative peer looks likely to be awarded a staggering £300 million [\$US 486 million] contract to run and maintain more than 550 National Health Service (NHS) buildings housing nearly 3,100 beds.

Speaking of the contract to the *Leicester Mercury*, Sue Bishop, the director of finance for Leicestershire and Rutland primary care trusts, explained, "We have chosen Interserve as our preferred bidder. We will now continue our discussions with the aim of agreeing a full contract by the end of December".

Interserve, which has an annual turnover of £1.9 billion and is listed on the FTSE 250 with around 50,000 employees on its books, is expected to secure a contract in December to provide a wide range of services for hospitals currently managed by Leicestershire Partnership NHS Trust and University Hospitals of Leicester NHS Trust.

The contract will be set for a period of seven years, giving control of the maintenance needs of three acute hospitals and a range of health facilities, including psychiatric health units, primary care facilities, and community and district hospitals. Interserve is expected to provide additional extra services such as cleaning, catering and security across the sites it intends to manage.

Back in October 2011, McKinsey & Co, along with KPMG and Price Waterhouse Coopers, secured a lucrative £7.1 million contract between them, to act as advisory bodies for 31 clinical commissioning groups (CCGs) headed by General Practitioners, who would be responsible for the commissioning, or rather NHS purchasing, of future services from private providers. The CCGs are set to be responsible for £60 to £80 billion of health care funds from next year.

From April all NHS Primary Care Trusts (PCTs) are

set to be abolished under the governments Health and Social Care Act 2012 (HSCA2012.) McKinsey & Co played a leading role in the implementation and development of the HSCA2012 and is now an advisory body to the CCGs on how to spend the taxpayer-funded health care budget.

According to a November 5, 2011 report published by the *Guardian*, they were one of 57 corporate management consultants who between them were paid almost £5.5 million by the Conservative-Liberal Democrat coalition government for "Consultancy services in support of the NHS transition programme".

Many of the proposals adopted by the Conservative-led government into the HSCA2012 were shaped and presented by the firm during this time. Some £250,000 of taxpayers' money was paid for their services.

Speaking of McKinsey & Co's proposals for the NHS at the time, Lord Blackwell stated, "I hope that, while listening to those voices, the Minister can assure us that these essential reforms will be carried through and that the period of uncertainty for the NHS will not be any longer than it needs to be before we can get to the kind of reformed NHS that we all want to see".

What the honourable Lord failed to mention was that he was a former partner at the firm before he took up his non-executive director's role at Interserve in September 2005. He has since been made Interserve's chairman of the board of directors.

Lord Blackwell's former partners at McKinsey & Co have not only billed the taxpayer for their services in drawing up plans for the privatisation of the NHS, but they have also commanded a handsome remuneration for their services to Clinical Commissioning Groups headed by GPs on how best to spend the NHS health budget.



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