

# UK: Private sector given largest ever National Health Service contract

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National Health Service (NHS) chiefs in the UK have struck a deal to sell off the largest ever chunk of health services involving heart, joint and other types of operations, scans, x-rays and other diagnostic tests on patients to 11 private companies.

The deal, worth £780 million over four years, is the latest in the ongoing privatisation process of the publically run health service.

These attacks are a part of the agenda of the ruling elite, escalated following the 2008 financial crisis, aimed at destroying all the social gains conceded to the working class after World War II, including health, education and social welfare.

NHS Supply Chain, a joint venture between the Supply Chain Management Division of the NHS Business Services Authority and DHL Health Care, a subsidiary of the global logistics and mail company DHL, organised the deal.

The Department of Health cynically claimed, “It’s nonsense to suggest that this contract means significant outsourcing of clinical services,” but it is clear that the little known NHS Supply Chain, the remit of which is to help the NHS with procurement, has emerged with this contract to play a vital role in outsourcing the remaining publicly run services. It states, “With the challenge ahead for the NHS to deliver £20 billion in savings by the end of the financial year 2014/2015, and £1.2 billion to come from improving procurement, procurement needs to be considered as a strategic priority. NHS Supply Chain is uniquely positioned as the national provider to work alongside trusts to respond to the evolving landscape.”

This “evolving landscape” is a euphemism for the process of privatisation accelerated by the coalition government’s Health and Social Care Act in 2012, which created 211 Clinical Commissioning Groups

(CCGs) with responsibility for the majority of the NHS budget. They are tasked with outsourcing NHS services to any “qualified provider,” opening the doors for investors to profit from patient care provision.

Last year alone, NHS England spent £6.5 billion, or 6.1 percent of the NHS budget, on the private provision of health care for patients. The recent contract marks a massive expansion of private treatment and testing.

The companies involved are to deliver services in mobile units rather than in hospitals. Some have been able to secure contracts despite their previous deplorable track records. Circle Health Care and Vanguard, two of the 11 companies that are planning to profit from this contract, have been severely criticised for poor quality care in previous NHS contracts. Care UK was slated for poor standards of care in two of its nursing homes.

When Circle withdrew from the contract to run Hinchingsbrooke Hospital—the first to be privatised in the UK in 2011, after creating disastrous failures in delivering safe patient care early this year—the *World Socialist Web Site* and NHS Fightback pointed out: “It is clear that the failure of Hinchingsbrooke will not halt the [Conservative/Liberal Democrat] coalition’s privatisation agenda.” In fact, it is more determined to dig the grave of the NHS, and sooner rather than later.

NHS Foundation Trusts, which run NHS hospitals, are under enormous pressure as a result of staff shortages, lack of beds and other facilities, high volumes of admissions and long waiting lists to buy these services from private companies to “help meet key waiting times targets” and “to help clear backlogs.”

But who is responsible for creating these increasing waiting lists and backlogs?

After taking office in 2010, the coalition government

carried out the plans already drawn up by its Labour Party predecessor to impose £20 billion in cuts to the £108 billion NHS budget. It has imposed six percent year on year so-called efficiency savings for the last five years on hospitals, which are already burdened with costly repayments for new buildings under Labour's Private Finance Initiative arrangements. Half of Foundation Trust hospitals have fallen into massive deficit as a result of these criminal policies.

Thousands of jobs, including front line jobs, have been destroyed. Dozens of Accident and Emergency Units have been shut down or downgraded. Several maternity units, children heart units and NHS walk-in centres across the country have been shut down despite well-supported anti-closure campaigns.

As the Royal College of Physicians has pointed out, "There are a third fewer general and acute beds now than there were 25 years ago," while "the last decade has seen a 37 percent increase in emergency admissions."

Pressures on hospitals have been exacerbated by funding cuts to local authorities, GP surgeries and slashing of other support services for the most vulnerable in society. Local authorities have cut their budgets by around one-fifth—almost £3.5 billion, GP budget have been cut by £1 billion and there has been a 40 percent reduction in District Nurse numbers over the last five years.

Labour Shadow Health Secretary Andy Burnham has protested, "It is outrageous that large chunks of the NHS are being parcelled up and sold off without the permission of a single person in this country."

But it was the government in which Burnham held several ministerial posts that created Foundations Trusts in 2003, turning hospitals into independent business entities, and which expanded the Private Finance Initiative to build 101 out of 135 hospitals resulting in a huge £79 billion repayment bill.

In Greater Manchester, the Labour council, which runs nine of the 10 local authorities, paved the way for another sweeping step towards privatisation and fragmentation of the NHS. In February, the councils agreed to a deal with the government devolving control of the Greater Manchester area's £6 billion NHS budget to the Greater Manchester Combined Authorities (GMCA).

Whoever comes to office after the general election in

May will face a massive funding gap of £30 billion in NHS over the next five years. That crisis will be used by the ruling class to make further inroads into the founding principles of the NHS unless the working class intervenes, armed with a socialist strategy.



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