

# Johnson government plans UK National Health Service “overhaul” to streamline privatisation

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15 February 2021

The final draft of a government White Paper on the National Health Service (NHS), “Integration and Innovation: working together to improve health and social care for all”, was leaked to the *Health Policy Insight* website on February 5. Health Secretary Matt Hancock formally announced the policy in parliament on February 11.

Numerous mainstream media outlets have depicted the plans as a bold reversal of the changes to the NHS introduced by the Conservative-Liberal Democrat government in 2012 under former Health Secretary Andrew Lansley. The Lansley reforms introduced sweeping privatisations in the NHS, mainly through the vehicle of clinical commissioning groups (CCGs). These groups, led by GPs, bought services from hospitals and private providers “on behalf of” patients, and were required to put those services out to competitive tender.

Under the new legislation, CCGs will be replaced by Integrated Care Systems, and the competitive tender system will be altered—the White Paper refers to “eliminat[ing] the need for competitive tendering where it adds limited or no value.” Hancock will be returned powers handed to the independent body NHS England in 2012.

These changes have been widely spun as a step against privatisation in the NHS. The BBC’s political editor Laura Kuenssberg declared that the “proposed changes mark a pretty big move away—at least in emphasis—from the use of competition and the private sector.” *Sky News* reported that they would “slim down the role of private providers in the health service” and the *Guardian* asserted they would “be warmly welcomed as rolling back the increasing privatisation of care seen in recent years.” The *i* newspaper ran the headline, “NHS reforms could reduce role for private sector in health service”.

Behind the paywalls of the *Times* and the *Telegraph*, however, the ruling class discusses the reality. “The private sector will not, as some reports suggest, face banishment from the health service,” writes *Telegraph* columnist Nick Timothy. Rather, a planned “removal of fixed price tariffs might see more private provision if companies can offer better prices.”

The *Times* is more forthcoming. On February 10, Whitehall

Editor Chris Smyth wrote, “NHS shake-up offers patients more private choice”. He explains, “Private health companies unhappy at being shut out of health service contracts will also be told to take the NHS to court under reforms to outsourcing due this week as part of new legislation.”

According to a consultation on the new rules for competition in the NHS, seen by the *Times*, a “valuable ongoing role” will be played by the private sector. Instead of putting every service out to tender, NHS chiefs will be able to continue with a provider or select one which is clearly most qualified without going through the competitive process. “If providers are unhappy with how contracts have been handed out,” the *Times* reports, “the [White] paper says ‘judicial review will be available’ to them.”

The private sector already hauls in billions in NHS contracts every year. In 2018/19, NHS commissioners spent £9.2 billion on private sector services—7.3 percent of the Department of Health and Social Care budget. Another £4.5 billion was spent that year on services provided by voluntary or not-for-profit organisations. A further £1.3 billion was spent on services from “non-NHS organisations” and £271 million on outsourcing services to other providers.

Healthcare thinktank the Kings Fund notes that if spending on primary care services such as GPs, opticians, dentists and pharmacies is included, approximately 25 percent of NHS spending goes to the private sector.

This process has been dramatically accelerated during the pandemic, with billions of pounds worth of contracts handed to private companies to manage healthcare staff, run testing and contact tracing programmes and provide personal protective equipment—all of which has been a disaster. The bulk of these contracts were handed out without any tendering process and several billion pounds worth of them awarded to friends and donors to the Tory party and its ministers.

The White Paper formalises this process of privatisation and outright cronyism. As Allyson Pollock and Peter Roderick write in the *British Medical Journal*, “the proposals consolidate the market paradigm that the 2012 act strengthened and which the government has favoured during the COVID-19 pandemic.”

The “core of the disastrous Lansley reforms remain in place,” including “no duty on the government to provide key services throughout England to everybody”, “commercial contracts and the purchaser-provider split still the basis for delivering services” and “foundation trusts still able to receive 49 percent of their income from outside the NHS”.

Pollock and Roderick explain that there is nothing in the legislation to prevent private companies serving on the boards of the new Integrated Care Systems. The White Paper states that ICS bodies will “delegate significantly... to provider collaboratives,” which are “clearly open to multinational private companies and monopoly power”. The “opportunity, for example, for private companies to be either or both members of the ICS NHS body, and commissioned to provide services, is obvious.”

Other avenues of privatisation are also widened. Smyth’s *Times* article reveals, “People waiting for routine care will be able to choose treatment from any company that meets NHS standards and prices as the health service struggles to reduce waiting lists that have grown sharply during the pandemic.” The new legislation will remove “unnecessary hurdles” put in the way by health chiefs and allow patients “to choose treatment from any company registered by the Care Quality Commission that is competent to carry it out and meets NHS prices.”

*Investors Chronicle* assures its readers that while, “On the surface, these proposals may seem like a blow to the private sector... the vast majority of this private sector outsourcing has not come through the clinical commissioning group bidding process.”

The removal of the tender process “is therefore unlikely to stymie post-pandemic opportunities in the private sector. In fact, with NHS England under sole control of a health minister who desperately needs to clear the backlog of overdue operations and prevent criticism of the government’s handling of the pandemic, private sector outsourcing could actually be on the rise.”

For private healthcare company Spire, the author explains as an example, “The majority of its public sector revenues come through the e-referrals process, where GPs can book patients into Spire hospitals directly where their treatment will be covered by the NHS.”

The White Paper therefore utilises the crisis created by the government’s criminal handling of the pandemic as a spur for increased privatisation. Nearly 225,000 people have now waited more than a year for routine hospital treatment, the highest level in 12 years and up from around 2,000 throughout 2019. There are 4.5 million people on the waiting list in total. A letter from the NHS Confederation to Prime Minister Boris Johnson warns that patients can expect to wait over a year for some treatments for “some years”.

The government see this not as a health crisis, but as a market opportunity.

Nothing in the White Paper addresses the crippling shortages in the health and social care sectors. There are currently more than 87,000 staff vacancies in the NHS and the workforce is suffering from the enormous physical and psychological pressure of the pandemic. The NHS maintenance backlog bill increased by 40 percent last year to £9 billion. Social care is a privatised mess. This already strained system will now be placed under the additional pressures of patient backlogs, an unprecedented mental health crisis, and the impact of “Long Covid”.

That broad swathes of the media have done little more than raise an eyebrow at the timing of the reforms in the middle of a pandemic is an indication of the sharp rightward lurch of the ruling class. There is no section of the elite which opposes the continued privatisation and underfunding of the NHS.

Responding to Hancock’s announcement, Labour Shadow Health Secretary Jonathan Ashworth meekly urged Johnson to “explain why a reorganisation in the midst of the biggest crisis the NHS has ever faced is his pressing priority”. He asked Hancock to answer the question, “how will this reorganisation and power grab improve patient care?” Hancock was able to respond, “I will take that as cautious support.”

There are two opposed class responses to the healthcare crisis.

The ruling class intend to shatter the NHS and have the private sector pick up the pieces for profit. The working class requires, and must fight for, the massive redistribution of wealth out of the hands of a tiny super-rich elite to meet social need, including a free, high quality, universal healthcare system. This fight demands the building of the international socialist movement represented in the UK by the Socialist Equality Party.

*For further information visit NHS FightBack*



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