

More than £100 billion in UK National Health Service contracts handed to private sector over last decade

Ben Trent
19 May 2021

Nearly £100 billion in government health spending has gone to non-National Health Service (NHS) firms over the last decade.

In 2010, £8.4 billion was already annually flowing to private firms, but the last decade has seen this ratcheted up by 72 percent to £14.4 billion, according to data provided to the *Guardian* by the Labour Party. According to the research, £96.99 billion has been handed over in the last ten years, mainly to private sector conglomerates.

Even this is likely an underestimate. Gaps in the data for 2011-2013 mean the amount likely easily surpasses £100 billion.

The Conservative government has signalled its intent to further bankroll the private sector, proposing last year to spend £10 billion—across four years—on outsourcing knee and hip replacement surgeries. This is being justified on the pretext of reducing NHS waiting lists for treatment. The list currently stands at 4.7 million—a number that shot up over the last 12 months and is entirely down to the Tories' criminal handling of the Covid pandemic.

This is still significantly less than the amount gifted to the private sector at the start of the pandemic to take on non-Covid patients. The mouthpiece for British capital, the *Financial Times*, admitted that the pay deal to the private sector at the start of the pandemic was to “[shore] up private health groups that would otherwise have struggled to survive.”

Handing over billions in public funds is central to the government's NHS white paper released in February. It endorses a roll out of “Integrated Care Systems” (ICS), combining NHS trusts and GPs, with a single budgetary pot for the acquisition of external services. The ICSs no longer need to tender contracts but can award directly to anyone. Private companies are able to sit on ICS boards, as well as provision for them.

Commenting on the white paper, the WSWS noted that it would also formalise the “process of privatisation and outright cronyism” which has seen contracts for vast sums of money awarded to private sector friends and donors of the Johnson government. The paper gives the government more direct control of the NHS, with the health minister becoming the head of NHS England, clearing an even more direct path between the party in government, their donors and NHS services.

The government announced through the Queen's Speech earlier this month that the white paper proposals will soon be made law.

In the last few weeks, various obscene examples of private sector involvement in the health service have been made public. Last month, the WSWS wrote on the significance of the 37 GP surgeries taken over by the US insurance company, Centene—a company facing fraud allegations in the state of Ohio—giving it responsibility for the primary health care of 530,000 patients.

The WSWS also reported on contracts awarded to pandemic profiteers, with one report noting that £3.7 billion worth of contracts awarded to track and trace, PPE and other pandemic-related health care systems and initiatives were “red flagged” for potential corruption as those receiving the contracts were politically connected. A staggering £1.6 billion worth of PPE contracts (comprising 14 tenders) were awarded to entities with known connections to the Conservative Party.

Through various means, the government is attempting to obfuscate its privatisation project. It has used the pandemic as a justification for making continued private incursions into the NHS, while starving it of much-needed funds.

According to a joint study by London School of Economics and the *Lancet* medical journal published this

month, spending on the NHS, social care and public health needs to rise by £102 billion over the next decade, if it is to provide the health care required by the population in the wake of the pandemic. The LSE's Dr Michael Anderson—the study's joint research lead—commented, "Without concerted action and increased funding we risk the UK falling further behind other high-income countries in health outcomes and life expectancy, continued deterioration in service provision and worsening inequalities, increased reliance on private funding and an NHS that is poorly equipped to respond to future major threats to health."

Allyson Pollock, the director of the Newcastle University Centre for Excellence in Regulatory Science and an expert in health service financing noted in the *Guardian* that years of gutting the health service left it crippled at the onset of the pandemic, and unable to provide an effective test-and-trace system. The government decided to spend an estimated £37 billion to "[construct] a parallel privatised test-and-trace system... outsourcing these crucial services to private Lighthouse laboratories and companies with little experience in public health." Blatant profiteering allowed one firm involved, Serco, to pay dividends for the first time in seven years, worth around £17 million, as well as a profitable renumeration package for its CEO at just under £5 million.

While the recent data provided by Labour draws attention to the corrupt policies of the Tory government during the pandemic, this is aimed at political point scoring and not based on any principled opposition.

Labour's track record on the NHS over the last decades is no better than the Tories'. Conservative prime ministers Margaret Thatcher and John Major set out the initial reforms to open up the NHS for privatisation with the introduction of Hospital Trusts and "internal markets". After Tony Blair's 1997 election victory for Labour, numerous hospitals were built under lucrative Private Finance Initiatives (PFI) at a vast cost to the taxpayer and various reforms implemented to develop the NHS internal market.

In 2012, David Cameron's Conservative/Liberal Democrat government passed the Health and Social Care Act, opening up NHS trusts to massive levels of private sector involvement. The act introduced Clinical Commissioning Groups (CCGs) and allowed foundation trusts to receive 49 percent of their income from outside the NHS, i.e., from private sources.

In opposition, Labour under every leader from Ed

Miliband to Jeremy Corbyn and current leader Sir Keir Starmer have offered up at best token opposition to the moves by the Tories to eviscerate the NHS and hive it off to their private sector mates.

Operating as the de facto coalition partner of the Tories, Labour voted in favour of the draconian Coronavirus Act 2020 and has consistently voted to renew this draconian legislation under which the Conservatives have been able to hasten their plans to break up the NHS, forcibly disbanding a protest of NHS workers and arresting the organiser this March. The protest was called over the government's insulting offer of a 1 percent pay increase for NHS workers, which Labour "opposed" with a muted call for an equally insulting 2.1 percent.

The defence of the NHS will not come from the Labour Party or its adjuncts in the trade union bureaucracy. The trade unions have continually betrayed NHS workers' struggles for even the most meagre of demands. Three years ago, the unions sold out struggles over pay by health care workers, with the so-called "best deal in eight years". The stitch-up resulted in a vote of no confidence in the leadership of the Royal College of Nursing (RCN) being passed by the membership.

The only way to defend the NHS from privatisation is through the formation of new, rank-and-file organisations of workers' struggle, independent of the trade unions and the Labour Party. The NHS FightBack group, initiated by the Socialist Equality Party, supports the call by the International Committee of the Fourth International for an International Workers Alliance for Rank and File Committees and urges workers within the NHS to join this fight.

Join the NHS FightBack group on Facebook today.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact