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Good Riddance To Serco

As the People's March for the NHS set out from Jarrow, there was heartening news for opponents of privatisation: outsourcing fraudster Serco is pulling out of clinical contracting.

The Health Service Journal revealed on 15 August that Serco will not bid for further contracts after chalking up £18 million in losses on clinical work last year.

Serco had already pulled out of its contracts for out-of-hours services in Cornwall and clinical services at Braintree Community Hospital. Earlier this year it sought the help of another private firm Bromley Healthcare to sort out its troubled £140 million Suffolk community health contract. Disappointingly, Serco is hedging its bets on whether it will seek a renewal of the Suffolk contract next year.

The disclosure of Serco's NHS retreat came shortly before the Independent newspaper revealed a scandal of overcharging by the company's joint venture Viapath which is Britain's biggest pathology service provider. Viapath is a partnership with Guy's and St Thomas's hospitals.

Serco has a wide range of other public sector contracts, from prisons to trains. It was briefly banned from central government work after it was found to have claimed payment fraudulently for tagging offenders. Serco had to repay £69 million.

The HSJ speculates that Serco's withdrawal from clinical work will influence other firms to reappraise the market. Healthcare companies have been bullish since the passing of the Health and Social Care Act last year. Bain management consultancy has estimated that about £5.8 billion of NHS work is at present open to bids from the private sector, an increase of 14% on last year.

Two major contracts currently available in Staffordshire total £1.22 billion over ten years. The contracts cover cancer care and end-of-life care. While Staffordshire's NHS commissioners hope the new contracts will cost-effectively improve care, some experiences in other parts of the NHS have not been encouraging.

The Guardian has reported that dozens of patients were left with damaged vision, pain and discomfort after routine cataract operations were performed by Vanguard Healthcare at Musgrove Park Hospital in Taunton. The contract was terminated after four days but the hospital may find itself liable to compensate patients.

Elsewhere in the south-west, National Car Parks has been issued with a final warning to improve its non-emergency patient transport service in Devon and Cornwall. The problems there mirror the fiasco of patient transport run by Arriva in Greater Manchester.

A further effect of the Health and Social Care Act has been a big increase in private work by NHS hospitals. The Act raised the cap on their income from private patients from 2% to 49% of the total. Figures released by Labour show six prominent trusts, mainly in London, hugely

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increasing their income from private patients. Locally, Stepping Hill Hospital has opened a private fertility clinic.

Opposition to NHS privatisation is being brought to Parliament by the 300-mile People's March for the NHS which will arrive in Westminster for a rally on September 6. MPs will have a chance to respond in the autumn when Labour MP Clive Efford presents a Private Member's Bill to repeal section 75 of the Health and Social Care Act. The Bill would need support from LibDems in order to succeed.