

NEWS

Health services outsourced to private sector increased from £6.9bn to £12.2bn in three years to 2013

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The BMJ

The private sector increased its financial yield from medical services outsourced from the NHS by three quarters from 2010 to 2013, a major new audit has shown.

A report published by Oxford Economics for the Business Services Association (BSA)¹ showed that the UK-wide market for “frontline health services” that are outsourced from the NHS is now worth £12.2bn (€16.4bn; \$18.6bn) and employs 261 000 staff. When the audit was last carried out in 2012 the market was worth £6.9bn and employed just 98 000 staff.²

The research measured the NHS’s purchase of services by healthcare providers classified as the “market sector.” A BSA spokesman told *The BMJ* that this included payments made to private hospitals carrying out NHS funded operations, such as hip and knee replacements, and payments to dentists for carrying out NHS treatment.

It assessed the private sector’s turnover at a national and regional level: turnover from outsourced healthcare services was highest in London (£2.8bn), followed by the south east (£1.8bn) and the West Midlands (£1.79bn). The sector’s lowest turnover from the healthcare market was in Northern Ireland (£0.19bn), followed by the north east (£0.23bn) and Wales (£0.31bn).

Mark Fox, chief executive of the BSA, said, “We welcome this piece of research highlighting the contribution the business services sector makes to the UK economy, as both a significant employer and provider of key services.”

Clive Peedell, consultant oncologist and co-leader of the National Health Action Party, said that the figures provided clear evidence that NHS privatisation had increased under the coalition government. He said, “It vindicates what we’ve been saying all along, that the Health and Social Care Act opens the door to increasing privatisation.

“Outsourcing is increasingly common because of the section 75 regulations, and we’re seeing more services getting contracted out.”

- 1 Oxford Economics. The UK market for business services: the national, regional and constituency picture in 2013. Report prepared for the Business Services Association. January 2015. www.bsa-org.com/uploads/article_attachment/file/76/OE_BSA_report.pdf.
- 2 Oxford Economics. UK outsourcing across the private and public sectors: an updated national, regional and constituency picture. Report prepared for the Business Services Association. November 2012. <http://bit.ly/1DU7SFC>.

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