The NHS is being privatised by stealth under the cover of a pandemic

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From PPE contracts to political appointees, the government is embedding private providers at the heart of the health service

‘Rather than selling off the NHS outright – a decision politicians know would be unpopular – they are instead doing this through the backdoor.’ Photograph: Getty Images

Cronyism and outsourcing have defined the government’s response to the pandemic, from the “VIP lane” for personal protective equipment (PPE) suppliers with connections to the Tory party to the privatised track and trace system so flawed it was described by Sage as only being of “marginal impact”. But less attention has been paid to what the longer-term impact of these decisions might be. Far from being an aberration, the government’s pandemic response reflects its commitment to embedding private interests at the heart of the state and stealthily chipping away at our most valued national institution.

As Sir David King, a former chief scientific adviser, and the special representative for climate change under Boris Johnson when he was foreign secretary, recently told the Guardian, the government is slipping through plans to “effectively privatise the NHS by stealth” in “the name of a pandemic”. This story of privatisation is not one of wholesale transfer, such as the sell-off of British Gas or Royal Mail, but rather of a gradual hollowing out, a process that has been further accelerated by the pandemic and will continue under the Johnson government. In 2010, for example, the NHS

spent £4.1bn on private sector contracts; by 2019, this had more than doubled to £9.2bn.

Already, the government's pandemic response is shaping the future structures of the NHS, public procurement and public scrutiny. Look at PPE procurement, which has functioned recently as a giant slush fund for Tory donors. Matt Hancock's pub landlord, Alex Bourne, and a former adviser to Priti Patel, Samir Jassal, are just two beneficiaries of what the charity Transparency International has called "systemic biases in the award of PPE contracts favouring those with political connections to the party of government". The charity says these red flags require more, not less, scrutiny. But less scrutiny is precisely what the government has been engineering.

Ministers are still refusing to publish the full list of companies that were placed in the "VIP lane" after being endorsed by politicians or senior civil servants. The register of ministers' financial interests, which should be published every six months, was last updated nine months ago. Basic avenues of accountability and transparency are consistently being closed down or obstructed; journalists have found freedom of information (FoI) requests delayed or blocked by the "clearing house" unit set up in the Cabinet Office to screen requests, while leaked emails show the Cabinet Office is collating lists of journalists with details about their work, and intervening when "sensitive subjects" are inquired about. (The unit has been condemned as "Orwellian" by the former Conservative cabinet minister David Davis.)

Meanwhile, the role of overseeing the ministerial code was left vacant for five months after Sir Alex Allan resigned when Johnson opted not to sack Patel for breaching the code last November. His replacement, Christopher Geidt, will still not be able to initiate investigations into impropriety without the prime minister's approval.

These instances reflect a dilution of oversight that bodes ill for the future. Scaling back scrutiny and accountability are vital ways of providing cover for further NHS privatisation, a policy ministers know to be politically unpopular. Another way of doing this is through the creation of new bodies, spearheaded by figures who are compliant with and sensitive to this government's agenda. Hancock has already replaced Public Health England (PHE) with the National Institute for Health Protection (NIHP), which will continue to sit outside the NHS (the consulting firm McKinsey was paid £560,000 for five weeks' work drawing up plans for the new body). The NIHP will be led by Dido Harding, who sits in the House of Lords as a Tory peer, an appointment that Lord Falconer termed a "corruption of our constitution".

The creation of the NIHP was sold as bringing together expertise. But politically the government has used the cover of a pandemic to subsume public health experts under track and trace management. Vital areas of public health are now being handed over to an appointee who thought the most appropriate way of dealing with the pandemic was to outsource contracts to private sector providers such as Serco, Sitel and Deloitte, rather than harness the capacity of local public health teams. Understandably, the creation of the NIHP and abolition of PHE has upset dedicated public professionals across the health service.

Another policy decision that may strengthen the cronyist approach adopted during the pandemic is the health and social care white paper, which was published in February this year and spun as a set of policies that would unravel Andrew Lansley's 2012 Health and Social Care Act. The white paper sets out how "integrated care systems" (ICS) will be rolled out, combining NHS trusts with GP services as commissioners from a single budget pot. These ICS bodies will no longer be required to put contracts out to tender, but can instead award them directly – creating opportunities for contracts to be awarded to politically connected firms.

The government dithers and delays, but the UK needs a Covid public inquiry now
Marcus Shepheard

The campaigning think tank We Own It is concerned that these plans would embed the role of the private sector within the health service, but with less transparency and accountability over contracts. Indeed, GP services are an area where the private sector is taking an increasing interest, with US health giants such as Centene Corporation buying up GP services through its UK arm Operose Health. Campaigners are worried these ICS bodies will be unaccountable and profit-making, and that private providers could sit on their commissioning boards (it's not yet clear whether ICS board meetings will be public and subject to FoI requests).

It's not just GP services that are an area of concern. In August last year, the government announced a four-year plan to spent £10bn of taxpayers' money on private hospitals in order to clear NHS waiting lists. This has been justified as an emergency measure to deal with a backlog, but the question remains why this money was used to fund private providers rather than NHS capacity. The health campaigner John Lister says the "institutionalised use of private hospitals will likely leave the NHS weakened and could lead to long-term expansion of the private sector for elective care".

This points to the crux of the issue. Though ministers have sought to justify their decisions with reference to the exceptional circumstances of Covid-19, many of these decisions instead seem part of a longer-term plan to embed political appointees and private providers at the heart of the state. Rather than selling off the NHS outright – a decision politicians know would be unpopular – they are instead doing this through the backdoor, by stealth. It's up to everyone who cares about the future of the NHS to make some noise about it.

- Andrew Fisher was the Labour party's executive director of policy from 2016 to 2019