

PRESS RELEASE

STROUD AGAINST THE CUTS

12/03/2015

Campaigners who fought NHS privatisation cry foul over Hospital pharmacy sell-off

Contact: James Beecher 07745 058789 | contact@stroudagainstcuts.co.uk

Stroud Against the Cuts, which led the successful campaign to stop community health services in Gloucestershire being handed to a social enterprise, has reacted angrily to news that Gloucestershire Care Services' pharmacy provision will now be provided by private company Lloydspharmacy. Lloyds is owned by Celesio AG [\[i\]](#), a German company. Celesio is in turn majority owned by McKesson [\[ii\]](#), an American health and pharmaceuticals giant.

James Beecher, Chair of SATC said: "The views of local people and NHS workers have been made abundantly clear in the past – we do not want our services privatised. When our campaigning forced a survey over the proposed privatisation of Gloucestershire Care services (GCS), 91% of staff and 96% of the public who voted wanted local community health services to remain in the public sector. [\[iii\]](#) CEO of GCS Paul Jennings has recently claimed that "It doesn't matter who provides the service", but if he's so confident of this, why wasn't anyone asked?"

He added: “People want services to stay in the public sector for good reason: private providers cherry-pick services they think they can extract a profit from. Pieces of the NHS are chipped off, fragmenting and complicating service provision. Staff are cut, conditions worsen, and everything is conducted in secrecy behind ‘commercial confidentiality’ and exemptions from the Freedom of Information Act. Meanwhile, the expense of running tenders and a market in NHS services waste far more money than any supposed efficiencies achieved could save [\[iv\]](#) .”

In an interview broadcast on BBC Radio Gloucestershire this morning [\[v\]](#) , CEO of GCS Paul Jennings confirms that the on-site pharmacies at Stroud and Cirencester district hospitals will be lost as part of the arrangements with Lloyds. Mr Jennings also confirmed that negotiations between the current and future employers haven’t yet been resolved 3 weeks before the new employer takes over, leaving staff wondering where, who for and whether they will be working, and said he could “neither confirm or deny” whether the current provider of pharmacy services, Gloucester Hospitals NHS Foundation Trust, didn’t submit a bid because they felt it was impossible to provide an improved service for a substantial cut in funding.

Caroline Molloy, Stroud Against the Cuts co-ordinator and Green Party Cllr for Stroud Central said: “What always seems to happen is they secretly sign off a contract that neither staff nor public want and what actually happens to staff and to the service the public receive is treated almost as an afterthought to be worked out on the back of an envelope at the last minute. We don’t know much about the details here, but we do know the price offered was too low for the current NHS provider to believe it could continue to provide a quality service – where’s Lloyds’ magic wand?”

Nationally there has been controversy around the speed with which pharmacy contracts are

Written by Administrator

Tuesday, 17 March 2015 11:31 - Last Updated Tuesday, 17 March 2015 11:38

being handed to the private sector, and it has been pointed out that private companies are able to undercut the NHS due to a VAT loophole exempting private companies but not NHS providers from VAT on medicines

[6].

Notes for editors:

[i] Celesio AG is a German healthcare and pharmaceutical multinational.

[ii] McKesson Corporation is a Fortune 500 company that has been winning various NHS contracts, and in 2013 was responsible for commissioning support units being compromised due to payroll services provided by the company failing: <http://www.hsj.co.uk/news/commissioning/exclusive-csus-hit-by-payroll-failures/5061930.article>

. McKesson's purchase of Celesio is also being legally challenged:

<http://www.ft.com/cms/s/0/7542f2be-e0da-11e3-a934-00144feabdc0.html#axzz3UHdO07wF>

Written by Administrator

Tuesday, 17 March 2015 11:31 - Last Updated Tuesday, 17 March 2015 11:38

[iii] See details of the 2012 surveys here: <http://www.stroudagainstcuts.co.uk/fightback/healthcarecuts/38-healthcare/131-press-release-crunch-point-arrives-in-long-campaign-against-local-nhs-privatisation.html>

. Nationally, polls regularly show that at most one in five want more private involvement in the NHS. A recent poll by YouGov, for instance, showed 74% of people think hospitals should be run in the public sector, with 18% saying they think the private sector should run these services". Just 3% agreed with the statement "it doesn't matter which sector they are run in, as long as the standard of service is maintained" See www.y-g.co/

[1NNZNJd](#)

Indeed "

In six out of eight major public service areas, the option of running them in whichever sector that can maintain standards comes last, behind nationalisation and privatisation. Most people think the public sector should be the provider of every service apart from utilities and banks".

[iv] "No-one knows the exact cost of this bureaucratic 'marketplace'. A recent estimate by rebel Lib Dems put the figure as high as [£30 billion a year](#). Dr Jacky Davis and other doctors and campaigners including the National Health Action Party have put it at [£10 billion a year](#)

. The Centre of Health & the Public Interest put it at a 'conservative' [£4.5 billion a year](#)

," write Caroline Molloy in a recent assessment of estimates of the cost of the NHS market:

<https://www.opendemocracy.net/ournhs/caroline-molloy/billions-of-wasted-nhs-cash-noone-wants-to-mention>

. This week Caroline Lucas MP raised this issue when launching the NHS Reinstatement Bill in parliament "Market structures in the NHS cost more than £10bn a year, and the money could be better spent on patient care, Caroline Lucas has told the prime minister," reported the BBC:

<http://www.bbc.co.uk/news/uk-politics-31835402>

[v] Mark Cummings interviewed Paul Jennings as part of a piece beginning at 1 hour 36 minutes, and 30 seconds into this programme: <http://www.bbc.co.uk/programmes/p02kq17s#auto>

[6] The Union Unite "obtained a memo sent by the Department of Health to NHS trusts' chief pharmacists across the UK highlighting how: "VAT is charged on pharmaceutical drugs, but HMRC allows chemist outlets to reclaim the tax for many medicines. However, it does not allow NHS pharmacies in hospitals to reclaim it. The tax authority regards dispensing drugs to be part of a hospital's 'non-business activities', and so not VAT-recoverable." The memo adds: "NHS Trusts are increasingly examining opportunities to contract out for the provision of outpatient

Press Release: Campaigners who fought NHS privatisation cry foul over Hospital pharmacy sell-off

Written by Administrator

Tuesday, 17 March 2015 11:31 - Last Updated Tuesday, 17 March 2015 11:38

dispensing services.”” <http://www.independent.co.uk/news/business/news/revealed-the-vat-loophole-driving-nhs-pharmacy-services-into-hands-of-private-sector-9622064.html>

.