

Save Our Acute Services: News Release

18th November 2024

*** £150 million in ‘no competition’ contracts given to private companies by health trusts over last 4 years ***

*** Campaign group questions why existing capacity in hospitals is not being fully used ***

*** ‘Value for money’ concerns highlighted by Northern Ireland Audit Office (NIAO) ***

Figures from the BSO (Business Services Organisation) show the extent of direct award contracts (DAC’s) issued by our Health Trusts to private providers for on Elective Care for Waiting List reduction.

These contracts are issued directly by the Trusts – there is no tendering process involved.

£150 million has been given to these private companies by our health trusts – over the last 4 years.

The amounts awarded by year trebled from 2023 onwards – this shows a disturbing trend.

Calendar Year	Elective by Private Companies
2021	£20.3m
2022	£20.7m
2023	£65.6m
2024	£43.4m
	£150m

(over 9 months)

Total Value of Contracts: £149,976,734

Number of Contracts: 93

Average Value/Contract: £1,612,653

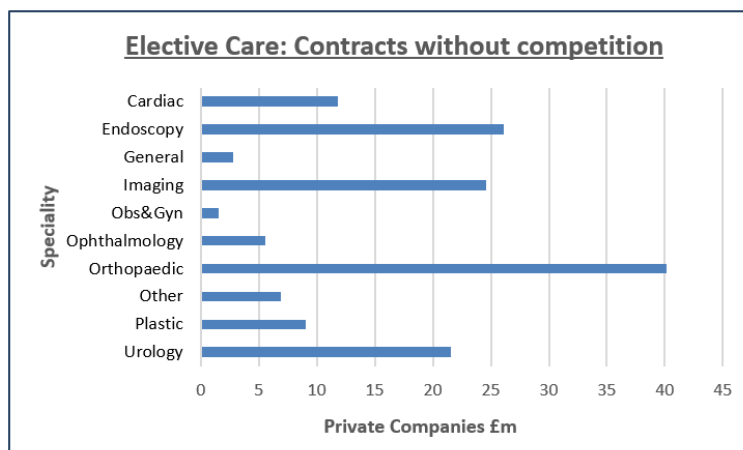
Highest Value Contract: £7,388,085

Lowest Value Contract: £ 55,000

The companies below were the Top 5 recipients of these contracts awarded without competition:

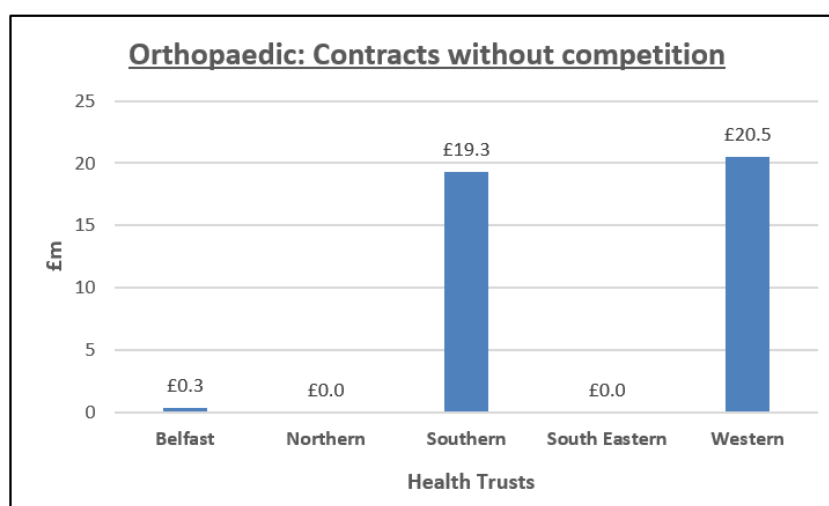
Elective Supplier	£m
3fivetwo	£46.1
Musgrave House	£15.8
Alliance Clinical	£14.3
Sports Surgery Clinic	£13.8
Alliance Medical	£10.8

The £150m has been spent on the following specialities:



There are no contracts for elective care issued through BSO that go through the tendering process during this 4 year period.

Orthopaedic is by far the biggest expenditure at £40m – this is spent across the following Trusts:



Serious questions need to be asked with regard to whether the Dept of Finance guidelines are being fully adhered to by these contracts. The fact that the amounts have trebled between 2022 and 2023 and still continue must be a cause for concern.

The Northern Ireland Audit Office in their 2023 Report (Public Procurement in Northern Ireland – NIAO) analysed these practices across Northern Ireland – link attached:

“Conclusion:

Current structures and arrangements have not provided effective leadership, governance and accountability in public procurement.

Without effective performance monitoring and in the absence of appropriate data, the Board is incapable of demonstrating that the Northern Ireland procurement function represents value for money.”

SOAS spokesperson Jimmy Hamill - who is a management accountant - said "SOAS obtained the figures from the Business Services Organisation, one of the arms-length bodies of the Department of Health. There was no tendering for the 93 contracts making up this £150 million as they were what are known as 'direct award contracts'.

"Our campaign group focused specifically on the money paid to carry out elective procedures. "We have checked eight years of figures and there was zero spent in the first four years of the eight years that we checked, on elective care. It was all spent in the last four years and there seems to be very much an accelerated spend. The spend trebled between 2022 and 2023, from £20 million to £65 million."

"We are concerned to see that these eye watering sums of money do not appear to be having an impact on waiting lists.

"That's disturbing from the point of view of a procurement process where one of the key messages is around value for money. So, to see such a dramatic increase so quickly would lead us to seriously question if there is proper value for money governance and oversight being carried out with regard to these contracts.

"By far, of the £150 million the most significant speciality is orthopaedic, on which £40 million has been spent. Of that £40 million, it's been all spent between the Western Trust and the Southern Trust. The Western Trust is the highest, with £20.5 million.

"This spend by the Western Trust on orthopaedic elective procedures alone could have paid for over 160 full time surgeons locally, based on a generous salary estimate of £125k per surgeon.

"SOAS must point out the fact that the recent DoH Hospitals Framework document confirmed SWAH's theatre suitability for elective orthopaedic, gynaecological, and general surgery.

"We're asking the question, why are both the Western Trust and the Department of Health not focusing on getting elective orthopaedic work into SWAH, using already available capacity, rather than just handing the money to these independent companies?

"We must be challenging the money spent in the health system, at a time when the public is continuously being told budgets are tight.

"The NI Audit Office issued a paper last year last year on Public Procurement in Northern Ireland. Their conclusion was that current structures and arrangements have not provided effective leadership, governance and accountability in public procurement.

"SOAS is genuinely concerned about this kind of accelerated expenditure, in the absence of appropriate governance and accountability."

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For further information or to arrange an interview, contact Donal O'Cofaigh, tel. 07375 530 941.

1. NIAO (Northern Ireland Audit Office) Public Procurement in Northern Ireland (April 2023):

Link: <https://www.niauditoffice.gov.uk/files/niauditoffice/documents/2023-04/NIAO%20Report%20-%20Public%20Procurement%20in%20Northern%20Ireland.pdf>

2. BSO (Business Services Organisation) Contracts Awarded without Competition:

Link: <https://bso.hscni.net/directorates/operations/procurement-and-logistics-service/procurement/information-for-suppliers/5-procurement-reports/contracts-awarded/contracts-awarded-without-competition/>