# Government’s turnaround on NHS outsourcing signals a shift in staff protections



The government’s recent decision to pause plans for outsourcing NHS workers to subsidiary companies marks a significant and welcome shift that could help address the longstanding recruitment crisis and stave off the erosion of staff pay and conditions. UNISON, the UK's largest public services union, has long campaigned against the practice of transferring NHS support staff into these so-called SubCos—arms-length companies owned by NHS trusts but operating outside the core NHS structure. According to NHS England’s fresh guidance, any future transfers will require clear union backing and safeguards to protect NHS terms and conditions, reflecting concerns UNISON has consistently raised about the detrimental impact of such moves.

Subsidiary companies have been criticised for undermining the principle of a unified NHS workforce while generating anxiety among staff over job security and terms of employment. Outsourced workers typically face lower pay, fewer benefits, and restricted career progression opportunities compared to directly employed NHS staff. This situation disproportionately impacts the lowest-paid workers, including porters, caterers, and cleaners—many of whom recently voted overwhelmingly in Dorset for strike action to resist SubCo transfers. UNISON general secretary Christina McAnea described the government’s announcement as a positive development, urging trusts to reconsider outsourcing plans and collaborate with staff to find better ways to manage services efficiently without undermining worker protections.

The government’s shift echoes earlier commitments made by Labour, which pioneered the promise to insource public services and reverse the widespread retrenchment caused by outsourcing. UNISON has repeatedly highlighted how insourcing enhances service efficiency and responsiveness, contrasting with the exploitation and precarious job conditions often associated with external contracts. The union’s broader advocacy includes demands for increased funding and reforms to counter austerity’s damaging effects on public service delivery, particularly within local government and the NHS.

UNISON’s stance has been unequivocal. The union condemned large-scale outsourcing proposals, such as those by the East Suffolk and North Essex NHS Foundation Trust, reiterating that these strategies are out of step with government pledges and staff preferences. The union continues to caution that any failure to address outsourcing risks could trigger widespread industrial action. McAnea has called on ministers to assume responsibility and progress towards rebuilding the NHS as an integrated service rather than fragmenting it through commercial measures.

The specialist nature of NHS support staff roles—critical in keeping hospitals clean, safe, and operational—reinforces the union’s argument that these workers deserve parity with clinical staff in terms of pay and conditions. UNISON’s ‘Bringing Services Home’ campaign focuses on abolishing wholly owned subsidiary companies within the NHS to halt privatisation trends and protect vulnerable workers, who tend to be women and ethnic minorities.

While the government is also tackling NHS challenges through partnerships with the independent sector aimed at reducing hospital waiting times, UNISON's intervention highlights the importance of internal workforce stability alongside external capacity-building efforts. The union underscores that addressing outsourcing is key to safeguarding the NHS’s long-term sustainability and ensuring patient care does not suffer from staff insecurity and fractured working arrangements.

In sum, the government’s move to curb the expansion of SubCos represents a tactical and strategic nod to the union’s persistent campaign and the wider political context advocating for public sector insourcing. Nevertheless, UNISON leaders remain vigilant and committed to ongoing pressure to eliminate outsourcing altogether, pointing to it as a necessary step in restoring fairness, operational coherence, and morale within the NHS workforce.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.unison.org.uk/news/2025/09/government-shift-on-outsourcing-is-a-positive-step-for-nhs-says-unison/)
* Paragraph 2 – [[1]](https://www.unison.org.uk/news/2025/09/government-shift-on-outsourcing-is-a-positive-step-for-nhs-says-unison/), [[5]](https://www.unison.org.uk/news/article/2025/04/health-conference-business-closes-on-privatisation-and-nhs-england/), [[7]](https://www.unison.org.uk/news/press-release/2018/04/nhs-trusts-spending-millions-outsourcing-staff-private-companies-says-unison/)
* Paragraph 3 – [[1]](https://www.unison.org.uk/news/2025/09/government-shift-on-outsourcing-is-a-positive-step-for-nhs-says-unison/), [[2]](https://www.unison.org.uk/news/press-release/2025/07/curbs-on-outsourcing-and-council-funding-reforms-will-benefit-staff-and-public-says-unison/), [[5]](https://www.unison.org.uk/news/article/2025/04/health-conference-business-closes-on-privatisation-and-nhs-england/)
* Paragraph 4 – [[1]](https://www.unison.org.uk/news/2025/09/government-shift-on-outsourcing-is-a-positive-step-for-nhs-says-unison/), [[3]](https://www.unison.org.uk/news/press-release/2024/09/plans-by-essex-trust-for-mass-outsourcing-of-nhs-services-are-out-of-order/), [[4]](https://www.unison.org.uk/news/press-release/2025/09/government-must-keep-promise-on-nhs-outsourcing-staff-to-avoid-strikes-says-unison/)
* Paragraph 5 – [[1]](https://www.unison.org.uk/news/2025/09/government-shift-on-outsourcing-is-a-positive-step-for-nhs-says-unison/), [[5]](https://www.unison.org.uk/news/article/2025/04/health-conference-business-closes-on-privatisation-and-nhs-england/)
* Paragraph 6 – [[1]](https://www.unison.org.uk/news/2025/09/government-shift-on-outsourcing-is-a-positive-step-for-nhs-says-unison/), [[6]](https://www.gov.uk/government/news/deal-between-nhs-and-independent-sector-to-cut-nhs-waiting-lists)
* Paragraph 7 – [[1]](https://www.unison.org.uk/news/2025/09/government-shift-on-outsourcing-is-a-positive-step-for-nhs-says-unison/), [[2]](https://www.unison.org.uk/news/press-release/2025/07/curbs-on-outsourcing-and-council-funding-reforms-will-benefit-staff-and-public-says-unison/), [[5]](https://www.unison.org.uk/news/article/2025/04/health-conference-business-closes-on-privatisation-and-nhs-england/), [[4]](https://www.unison.org.uk/news/press-release/2025/09/government-must-keep-promise-on-nhs-outsourcing-staff-to-avoid-strikes-says-unison/)

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## Bibliography

1. <https://www.unison.org.uk/news/2025/09/government-shift-on-outsourcing-is-a-positive-step-for-nhs-says-unison/> - Please view link - unable to able to access data
2. <https://www.unison.org.uk/news/press-release/2025/07/curbs-on-outsourcing-and-council-funding-reforms-will-benefit-staff-and-public-says-unison/> - UNISON's general secretary, Christina McAnea, welcomed the government's commitment to curbing outsourcing and reforming council funding. She highlighted that a public interest test for external contracts aligns with Labour's manifesto promise to insource public services. McAnea emphasised that in-house services are more efficient and responsive to local needs, and that outsourcing often leads to exploitation and job insecurity for staff. She also called for increased funding to reverse the damage caused by years of austerity and to recognise the vital role of local government services.
3. <https://www.unison.org.uk/news/press-release/2024/09/plans-by-essex-trust-for-mass-outsourcing-of-nhs-services-are-out-of-order/> - UNISON condemned the East Suffolk and North Essex NHS Foundation Trust's plans to outsource NHS services, urging the trust to abandon its large-scale outsourcing strategy. General Secretary Christina McAnea joined striking workers at Colchester Hospital, stating that outsourcing public services on such a scale is wrong and goes against the government's commitment to discourage outsourcing. She emphasised that staff prefer to remain within the NHS to ensure patient needs are met and services are properly delivered.
4. <https://www.unison.org.uk/news/press-release/2025/09/government-must-keep-promise-on-nhs-outsourcing-staff-to-avoid-strikes-says-unison/> - UNISON called on the government to halt plans that could transfer thousands of NHS workers to subsidiary companies, warning that failure to act could lead to strikes. The union highlighted that such outsourcing contradicts Labour's pre-election pledge to insource public services. UNISON general secretary Christina McAnea stated that the government cannot hide behind NHS England and must take responsibility for these decisions, emphasising the need to rebuild the NHS without dismantling it or outsourcing services.
5. <https://www.unison.org.uk/news/article/2025/04/health-conference-business-closes-on-privatisation-and-nhs-england/> - At UNISON's annual health conference, delegates discussed motions to resist privatisation and the abolition of NHS England. The conference noted that outsourcing disproportionately affects the pay and terms and conditions of women, Black, and low-paid staff. Delegates called for the government to be held accountable and for UNISON's 'Bringing Services Home' campaign to be promoted. They also urged the abolition of wholly owned subsidiary companies in the NHS to prevent further privatisation.
6. <https://www.gov.uk/government/news/deal-between-nhs-and-independent-sector-to-cut-nhs-waiting-lists> - The UK government announced a new agreement with the independent sector to help tackle NHS waiting lists and provide patients with greater choice. The deal focuses on specialist areas of treatment, including gynaecological services and orthopaedics, aiming to reduce the hospital waiting list backlog. The agreement is part of the government's Plan for Change to meet the 18-week NHS waiting time standard for operations and other planned procedures.
7. <https://www.unison.org.uk/news/press-release/2018/04/nhs-trusts-spending-millions-outsourcing-staff-private-companies-says-unison/> - UNISON revealed that NHS trusts across England are spending millions of pounds outsourcing staff to new arms-length private companies. Using a Freedom of Information request, the union found that 15 trusts had already spent over £3.2 million on consultants advising on setting up wholly owned subsidiaries. UNISON criticised this practice, stating that these companies are used to reduce VAT payments and cut pay and pensions for new staff, often affecting the lowest-paid workers such as porters and cleaners.