

# Pandemic billions squandered on private providers

## Billions wasted on dodgy PPE deals ...

The government response to the unprecedented event of the pandemic has been unprecedented in scale, spending **£12.3 billion** on **6,900** contracts for **32 billion items** of PPE by July 31 – but most of it has also breached any normal rules of transparency, according to the [National Audit Office](#).

Only 25% of these plans were published within the 90 day target.

The NAO revealed a [“high priority lane”](#) was established to assess potential providers referred by government officials, ministers, MPs and Lords as well as health professionals: companies on this list of 493 were **ten times more likely** to secure contracts than the **1%** of almost 15,000 companies in the ordinary lane that were successful.

New contracts totalling **£17.3 billion** for various goods and services were awarded to suppliers, of which **£10.5bn** (61%) were awarded directly with no tender process, and just **£0.2bn** (1%) were awarded using any competitive bidding process.

That’s why PPE procurement has become a by-word for cronyism, with ministers’ friends, relations and Conservative political donors apparently favoured over companies best placed to deliver the quality and quantity of PPE required.

Questions have been raised over the propriety of [dozens of contracts](#) awarded to companies with little if any relevant experience, few if any staff and no apparent qualifications, as well as the poor quality of masks, gowns and other goods supplied.

While so many individuals and companies have lined their pockets from PPE contracts, even now safety concerns have prompted a coalition of more than 20 health and science bodies to [write to the prime minister](#) urging him to order a review of UK rules on infection prevention so that workers are provided with higher-grade masks: the Independent has found some trusts are having to [break the rules](#) to provide more appropriate and safer face masks for front line staff.



## Hancock -- “there was no shortage of PPE”

Matt Hancock has angered health and social care workers by insisting in an interview with Andrew Marr that there was no national shortage of personal protective equipment (PPE) during the first wave of the Covid 19 pandemic.

Hancock insisted on three occasions that the UK “didn’t have a national shortage of PPE”.

However a [NursingNotes](#) survey of healthcare workers following the first wave of the pandemic showed that **over half** of workers (52%) had been given PPE they felt was inappropriate or inadequate, **a third** had been told to re-use single-use PPE, and **a fifth** had been given PPE that had already expired.

Mr. Hancock’s claims came only days after healthcare leaders [wrote to the Prime Minister again calling for improved PPE](#).

Across the UK, [at least 930 health and care workers to date have died](#) and many more are suffering from long-term adverse effects of COVID-19.

## ... Supply Chain ...

NHS Supply Chain is technically a holding company owned by the [Secretary of State for Health and Social Care](#), but in practice it is an [immensely complex and dysfunctional](#) web of contracts established in 2018.

The system, [designed by Deloitte](#) was supposed to deliver “efficiency savings”. In reality, supplies of vital PPE were rationed and the country left unprepared, severely undermining the national effort to protect NHS, care staff and patients.

The major companies involved are:

■ **DHL**, [the parcel delivery company](#), which is in charge of finding wholesalers to supply ward based consumables, including PPE kits and boasts that it originally helped to privatise “the government purchasing and supply agency and logistics agency”

■ **Unipart**, responsible for delivering PPE through its [£730 million NHS logistics contract](#). Unipart’s CEO promised to ‘cure the NHS’ in 2013 but its “just in time” approach goes against the need to stockpile medical goods, such as PPE.

■ **Clipper Logistics**, whose chairman Steven Parkin donated £725,000 to the Conservative Party in the last 5 years, has also been contracted to run a separate PPE channel for NHS Trusts, GPs and care homes.

## ... and Test ...

At the start of the COVID-19 outbreak Public Health England (PHE) carried out comprehensive test and trace activities for the relatively low numbers of infections, but in mid-March ministers suspended comprehensive contact tracing and turned to a national lockdown as the main way of reducing transmission of COVID-19.

As the pandemic took hold, ministers were



not only slow to take WHO advice and put vital testing measures in place, but insisted on doing this not through local NHS or primary care but through private contractors in a system devised by city consultants Deloitte.

By the end of April sub-contractors including Serco, Sodexo, G4S, Mitie and others were belatedly opening up a [scattered network of 31 testing sites](#) across the UK, with just one in Wales, three each in Scotland and Northern Ireland, leaving just 24 to cover the whole of England, with huge areas lacking any testing centre.

[The Sun argued](#) that “Matt Hancock needs to stop pretending his coronavirus testing strategy is anything but a fiasco”.

## ... and Trace

It was not until May that “NHS Test and Trace” was set up, headed by Tory peer Dido Harding, to establish and run a national tracing system. It was not provided by the NHS, and largely bypassed the existing local networks and expertise of public health experts.

Instead it was designed by a small army of Deloitte consultants [on fees of £1,000 per day](#), and once again brought in Serco – a company with a long track record of contract failures – to deliver the service, along with call centre provider Sitel.

However 85% of the actual tracing work was [further sub-contracted](#) to smaller companies who employed many of the 18,000 workforce on zero hours contracts.

**The Test and Trace budget has grown to a massive £22 billion for 2020-21, the bulk of it assigned to testing, and just £1.3bn on tracing contacts, £720m of which is allocated to contracts with Serco and Sitel.**

Sitel has also had the much smaller contract (£664,000 over the first four months) to run the Isolation Assurance Service that is supposed to check international arrivals quarantine as required: but according to *Private Eye* (February 19) **out of 2 million**

international arrivals who left their contact details with Border Force, Sitel’s call centre spoke to **just 66,773** of them, and phoned an additional **83,000** who did not answer.

Polling shows that a [large majority \(74%\)](#) want local public health teams rather than Serco and Sitel to run NHS Test and Trace, and [local councils and campaigners](#) have been pressing for this change of policy.

**Private companies have not offered a holistic approach because they see themselves as having responsibility for only a small part of the system.**

**This reflects a wider trend where privatisation leads to fragmentation. This is echoed in their targets being limited to providing a certain number of call handlers and a working phone line, and the lack of any penalty clauses for persistent failure to reach sufficient contacts.**

By September 16 the prime minister, appearing before the Commons Liaison Committee, admitted that the testing system had “huge problems.”

Even in November (when the government changed how they measure the percentage of contacts reached), [Test and Trace statistics](#) for England showed that the national, remote contact tracing operations run by private outsourcing companies Serco and Sitel had reached less than two thirds, just **58.5%** of people’s contacts to ask them to self-isolate in the previous week.

This fell well short of the 80% required to be effective – and at a reported cost of £900 per person contacted.

By contrast the schemes run by local public health teams have reached an average of **97.9%** of identified contacts to ask them to self-isolate since the system was set up.

This is the model in [other countries](#) which have been [more effective](#) at tracking and [tracing](#) Covid19 infection.

**We Own It is a voice for the public and for public service users. We campaign against privatisation and for 21st century public ownership.**

## Hancock broke the law on PPE contracts – court judgment

On February 19 the High Court ruled that the government had acted unlawfully by failing to publish details of Covid-19-related contracts within the relevant timeframes.

While the BBC and much of the media has maintained a tactful silence over this setback for Matt Hancock, the [Good Law Project](#), which raised the funding to mount the successful legal challenge, is calling the bluff of ministers who have claimed that the government is committed to “learning lessons” from the judgement.

They have written to demand ministers take four concrete steps in the right direction – and offering to hold back on follow up legal challenges if they comply.

The four proposals are:

- Publish names of companies who went through the VIP lane, who introduced them, and, where they were successful, the prices they were paid.
- Commit to recovering public money from all the companies who failed to meet their contractual obligations.
- Commit to a judge-led public inquiry into the handling of PPE procurement during the pandemic.
- Commit to following the lead of other jurisdictions by publishing PPE contracts with pricing details visible to enable proper scrutiny.

Whether ministers will be shamed into such commitments remains to be seen – but the issue is by no means concluded.