# Johnson used pandemic to step up privatisation of UK public sector

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**24 June 2020**

The Johnson government has handed out about 400 contracts totalling £1.7 billion to the private sector during the pandemic. Seven contracts were each worth more than £100 million. The Department for Education awarded the largest, for £234 million, to Edenred to deliver supermarket vouchers.

The corporate raid underscores the cynicism of government ministers clapping frontline workers and hailing National Health Service (NHS) workers as "heroes." The Department of Health gave over huge contracts to private firms to supply materials, train medical laboratories, and test key workers. These included £151 million to Hologic, £133 million to Randox Laboratories, and £64 million to Life Technologies.

Due to the pandemic, the government utilised emergency procurement rules to ensure that most of the deals were exempt from the usual "competitive tendering" process.

A campaign has been launched for a judicial review into why a small company was awarded a hefty contract to supply personal protective equipment (PPE) in the UK. PestFix, the trading name for Crisp Websites Ltd—net assets just £19,000—works out of Littlehampton in Sussex with just 16 staff. It was awarded a contract worth £108 million in early April to supply gowns and face masks to the NHS. This is nearly a third of the value of the £350 million in PPE-related contracts signed earlier in the year. PestFix deals in pest control supplies and has no experience providing PPE.

The Good Law Project, is suing the government over the PestFix deal, describing it as "unlawful" and "disproportionate." It is demanding to know where the contract was advertised, on what basis was the company chosen, whether the £108 million was paid upfront, why the contract lasts 12 months, to March 2021, and why was notice not made public within the required 30 days. It demands the publication of the full contract.

Founder of the Good Law Project, barrister Jolyon Maugham, commented, "This is the most bizarre thing I've seen in my 25 years at the bar. We just cannot understand why the government paid £108 million to two guys who run a pest control firm using public money."

Privatisation policies have encroached on the public provision of health care for decades, with disastrous consequences. As the pandemic took hold in Britain, NHS and social care staff were left to battle the deadly virus without the necessary PPE. As part of the austerity drive since the 2008 bank bailout, the refusal to stockpile basic items required by health workers was part of the multibillion-pounds "efficiency savings" NHS cuts programme of the 2010–2015 Conservative/Liberal Democrat coalition. Between 2013 and 2016, the value of the national PPE stockpile was slashed by 40 percent.

Procurement, including sourcing, delivery and supply of health care products, services and food for NHS trusts and health care organisations in England and Wales, has been managed by NHS Supply Chain Coordinated Ltd since 2016. Its stated aim is to "leverage the buying power of the NHS to negotiate the best deals from suppliers and deliver savings of £2.4 billion back into NHS frontline services by the end of the financial year 2022/23."

Greenwich University and campaign group We Own It published a report last month, "Privatised and Unprepared: The NHS Supply Chain." Its introduction states, "NHS Supply Chain—the organisation at the centre of this problem—was created in 2018, after years of outsourcing of NHS Logistics. NHS Supply Chain is technically a part of the NHS, headed by the Secretary of State. But this status is merely a fig-leaf for a needlessly complex web of contracts with private companies that answer to shareholders first.

"Immediately upon its formation NHS Supply Chain outsourced two major contracts for IT and logistics, and then broke up and outsourced the whole procurement

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system, by delegating eleven supply areas to various contractors. The parcel-delivery company DHL was put in charge of finding wholesalers to supply ward based consumables, including PPE kits. Unipart [a logistics firm] was given control over supply chain logistics, including the delivery of PPE. The stated rationale for this approach—an almost obsessive drive towards greater outsourcing and greater fragmentation—was 'efficiency savings'"

The system is horribly complicated and bureaucratic, with "11 key outsourced procurement contracts and four levels of profit taking before equipment arrives at the hospital or care home":

* The producers, who deal with

* The wholesale suppliers, who receive their contracts from

* Supply Chain's Category Tower Service Providers (CTSPs), paid to contract suppliers like DHL, who transport the equipment to

* Companies with a logistics contract that deliver to its destination.

The report finds that NHS Supply Chain "helped turn the pandemic into an utter disaster. … It is a system in which a 'just in time ethos'—devised by logistics companies in order to win contracts and enrich shareholders—takes priority over public health."

The report emphasises that all countries were forewarned about the need to stockpile PPE to prepare for a pandemic, but "the privatisation of NHS procurement generated perverse incentives that encouraged a rationing of the demand for PPE, rather than a boosting of supply."

On March 7, government guidelines on the wearing of PPE were made less stringent, contradicting advice from the World Health Organisation. Workers on COVID-19 wards were told they only needed plastic, not fluid-repellent aprons and a surgical mask and eye protection based on a "risk assessment" if within one metre of a patient.

In late March, consultancy firm Deloitte was given responsibility for procuring emergency supplies of PPE. Tory Cabinet Minister Chloe Smith was a consultant at Deloitte before going into politics. Deloitte ignored e-mails from 8,000 potential UK suppliers of PPE who then exported millions of items.

One British factory owner cited in the report told the *Telegraph* , "They [Deloitte] don't seem to understand how supply chains work…why have they barely spoken to factories across this country who know how to make this kit?"

By early May, doctors still reported having to buy their own PPE kit. On May 3, the government instructed hospital trusts to stop ordering their own PPE supplies. This was taken over by Supply Chain Coordination Ltd, enabling the NHS Supply Chain to protect "their own contracts with other private companies," states the report, and to manage "demand to fit the supply, rather than responding to demands from the NHS for resources."

The system proved disastrous. Manchester-based wholesaler IMS Euro Ltd, not a manufacturer, was given the monopoly to supply surgical gowns, which require a high degree of specificity for dealing with COVID-19 patients. Outsourcing to Turkey, what arrived were not the 400,000 fluid-repellent gowns required, but "a delivery of 67,000—thousands of which were useless."

Successive Conservative and Labour governments share responsibility for the tragic deaths of at least 312 NHS workers and social care workers from COVID-19. According to Alex Bailin QC, an expert in corporate manslaughter law, in many cases these fatalities were "avoidable with proper PPE."

For four decades, private companies have bled the NHS dry. DHL managed the supply chain on a 10-year contract from 2006 on behalf of the NHS Business Services Authority. In less than a year to April 2020, DHL put out 64 tenders to supply NHS equipment worth at least £4.1 billion.

It is estimated by news source TruePublica that more than a quarter (29 percent) of all NHS England spending in 2018/2019—totalling £29 billion went to the private sector.

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