

UK firms awarded billions in NHS/government contracts amid failure of COVID-19 testing system

Julie Hyland
21 September 2020

The pandemic is being used as a cover for privatisation of what remains of the National Health Service (NHS).

Tens of thousands are being exposed to COVID-19, forced into unsafe workplaces, schools and universities. The global pandemic has now claimed the lives of more than 963,000. According to heavily massaged official figures in the UK, 41,777 have died and 394,257 have been infected.

With cases rising exponentially, many are unable to get tested and the Conservative government has said it will begin restricting tests and require those attending Accident & Emergency departments to book in advance.

This abject failure is not primarily a result of incompetence, though this plays a role. Billions in public revenue is being outsourced to private corporations and their shareholders. This has further fragmented an already austerity-weakened NHS, preventing working people and their families from accessing vital health provision.

The spotlight necessarily falls on Tory connections and profiteering, but this conspiracy stretches across the spectrum of official politics. It is politically buttressed by the Labour Party, capitalist media and the trade unions who are fully conversant with all that is taking place.

The plunder of public health assets and funds began immediately with the lockdown in March, when the government suspended regulations requiring it to advertise for new contracts over £100,000, using emergency measures.

The exact value and extent of the resulting contracts is unknown, with many Freedom of Information

requests refused. What details have leaked out indicate that billions are being transferred to the private sector, including consultancy firms and hedge funds, while public health care provision is grinding to a halt.

By August approximately £56 million had been handed over to at least 16 consultancy firms, including Deloitte, McKinsey and PWC, many with links to Tory ministers and advisers.

According to *OpenDemocracy*, on March 30, one week after Prime Minister Boris Johnson announced a lockdown, “a Deloitte crisis cell was established in the Cabinet Office to deal with PPE [personal protective equipment] procurement ...”

Deloitte was the favoured beneficiary, but McKinsey consultants were awarded a £563,000 contract to “advise” on the scrapping of Public Health England and its replacement by a new National Institute for Health, effective from Friday. It is headed by Tory Baroness Dido Harding, a Tory peer and a former McKinsey consultant.

This is the tip of the iceberg.

Hundreds of front-line health staff—denied adequate protection—died in the first COVID-19 spike, and thousands in hospitals and care homes. This was despite the government awarding contracts of at least £15 billion for PPE. The Good Law Project has said that among the top awards were contracts to “companies specialising in pest control [Pestfix], a confectionery wholesaler [Clandeboye Agencies] and an opaque private fund [Ayanda] owned through a tax haven.”

More recently, *Byline Times* revealed that approximately £150 million worth of the masks supplied by Ayanda Capital “aren’t fit for use in the

NHS” and “The other £100 million of masks, meanwhile, were reportedly still undergoing tests at the beginning of August.”

The site also reported that a £122 million contract for the supply of gowns was awarded to PPE Medpro Limited on June 25, less than two months after the firm was incorporated. Medpro’s founding directors, Anthony Page and Voirrey Coole, work in private trust and wealth management. “The Government has also shelled out £364 million on full-body ‘coveralls’—but has delivered just 432,000 of these items for use in health and social care services. This amounts to £840 per bodysuit.”

Testing has been almost entirely handed over to private sector operators, with contracts to develop and manage testing sites nationally handed to Deloitte, Serco, Boots, G4S, amongst others, with Amazon supplying logistics.

Of the 35 “data processor” bodies involved in NHS Track and Trace, just four are NHS organisations. Dr. David Wrigley, deputy chair of the British Medical Association, told the *Huffington Post*, “NHS Test and Trace—despite its name—is not an NHS service, it’s a largely outsourced programme that sees numerous private companies given billions of pounds to run testing sites, process samples and manage contact tracing call centres.”

The £800,000 contract for the queue-management system used on the COVID testing site is run by US-based ACF Technologies.

The public health network has also been largely bypassed for laboratory testing. In April, the green light was given to a Deloitte-run project for the first private sector Lighthouse labs, which include pharmaceutical giants GlaxoSmithKline and AstraZeneca. Professor Alan McNally, of the Institute of Microbiology and Infection at Birmingham University, who was involved in the first lab in Birmingham, said it was clear “infectious disease diagnostics were going down a privatised route.”

The government’s much vaunted “Nightingale Hospitals,” seven in total built in record time at the end of March, also provided a multimillion-pound boon for private companies. With KPMG as project manager, the main contracts were awarded to CFES, Integrated Health Projects, Interserve, Kier, BAM Construction and Tolent Construction. Despite costing at least £220

million, they were not fit for purpose, lacking intensive care provision. Just two admitted any patients and all were subsequently mothballed.

The cleaning contract for these hospitals was handed to the facilities management corporation ISS, whose chair is Labour Party peer, Lord Charles Allen of Kensington. ISS cleaners at Lewisham Hospital, London took strike action at the height of the first coronavirus peak because their meagre wages were not paid on time.

Also in March, the government requisitioned the capacity of most UK private hospitals, supposedly for the pandemic and essential surgery. In return, the government met the operating costs of private groups including BMI/Circle Healthcare, Spire Healthcare and Care UK at the cost of an estimated £125 million a week. Barely anyone was treated. From November, it is report that these private hospitals will be paid up to £10 billion over the next four years to “relieve waiting lists.” But the deal only delivers 700 extra doctors, as most private hospitals rely on NHS consultants.

The largest intended privatisation is Johnson’s recently announced £100 billion-plus expansion of the national coronavirus testing programme, “Operation Moonshot.” Deloitte has been awarded the contract to deliver more than half of the project, involving eight “workstreams.”

The programme has been widely ridiculed as being truly out of this world, and the government has already scaled back its boast of being able to test 10 million a day, to 4 million, while pushing back the target delivery date to February.

It is big business that is laughing all the way to the bank, as the cost of underperformance will be borne by working people. Private firms involved in the original test and trace farrago were protected against financial penalties for non-delivery by specific clauses written into their contracts.



To contact the WSWs and the Socialist Equality Party visit:

wsws.org/contact