

High Court ruling exposes Tory contracts with pandemic profiteers

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2 March 2021

The UK High Court has ruled that Health Minister Matt Hancock “acted unlawfully by failing to comply with the Transparency Policy” in granting Covid-19 contracts.

The ruling followed a judicial review against the Tory government’s failure to publish its contracts with private companies involved in the response to the pandemic. The review was headed by legal charity the Good Law Project (GLP), alongside three MPs from Labour, the Liberal Democrats, and Green Party.

Operating under the principle of “never let a good crisis go to waste,” the British ruling class, like their counterparts across the globe, ensured that vast profits were made by a small number of UK companies during the first wave of Covid-19. This is the modern-day equivalent of war profiteering.

The Conservative government is not only using the pandemic to continue privatizing the National Health Service (NHS) but to enrich a select group of corporations and shareholders. Many winners of lucrative contracts, who received them without any “competitive tendering” or scrutiny, are Tory party cronies. The government used emergency powers under the Coronavirus Act 2020, introduced with the support of the Labour Party, to bypass normal contract tendering process and set up a “VIP channel”—later renamed the “high-priority lane”.

More than £17 billion worth of contracts for the supply of Personal Protective Equipment (PPE), test and trace, procurement and consultation have been dished out in this way during the pandemic. This amount equals one eighth of the entire National Health Service (NHS) annual budget and excludes the money spent on outsourcing treatment and care services to private hospitals. By not publishing the details of the contracts awarded, Hancock was trying to conceal the corrupt practices of his government from the wider public.

In handing down the judgement, Judge Chamberlain stated, “The Secretary of State spent vast quantities of

public money on pandemic-related procurements during 2020. The public were entitled to see who this money was going to, what it was being spent on and how the relevant contracts were awarded.”

The ruling stated that there was “now no dispute that, in a substantial number of cases, the Secretary of State breached his legal obligation to publish Contract Award Notices [CAN] within 30 days of the award of contracts.”

While the documents relating to the contracts have been posted online, the GLP points out that vast amounts of detail that would allow the public to assess whether the contractors delivered what they promised have been blacked out and redacted. One £98.7 million PPE contract has the quantity, unit price, measurements and even the colour of gowns redacted.

As part of the judicial review, the Good Law Project commissioned research into the government’s handling of contracts, undertaken by procurement consultancy Tussell. Their findings are shocking. By the beginning of October 2020, the secretary of state for health and social care had spent some £15 billion on PPE. However, the value of contracts made public by then was only £2.68 billion. Their research found that the average time for publication of CANs was 47 days for Covid-19 related contracts, despite the legal obligation to publish within 30 days of awarding any contracts for public goods or services worth more than £120,000.

The government was also in breach of its own transparency policy, which requires the publication of details of all public contracts worth more than £10,000.

In November last year, the *World Socialist Web Site* noted that “A report by the National Audit Office (NAO) into 8,600 contracts signed during the pandemic found that government officials awarded contracts worth £17.3 billion to private sector firms. Of this £10.5 billion (58 percent) was awarded directly without any tendering of contracts. £12.3 billion was paid out by government for

the supply of personal protective equipment (PPE) and £2.9 billion in Testing and Tracing contracts.”

The Good Law Projects submissions to the judicial review provide a further damning picture of government criminality and corruption.

Many contracts were awarded to companies that did not have any prior experience in providing medical services, testing and tracing or PPE. As well as avoiding any competitive tendering, the government avoided scrutiny by not advertising that the contracts were on offer.

In April 2020, the government awarded a contract to Ayanda Capital Limited for the supply of face masks. The value of the contract was £252 million. Some £160 million worth of masks purchased were unusable in the NHS. This contract was won via the VIP lane by a company created by a crony of the minister for the international trade.

Clandeboye Agencies Limited, a company which previously supplied only confectionery products, was awarded a £108 million contract for the supply of gowns to the NHS.

Crisp Websites Limited (trading as PestFix—a pest control company) managed to secure six contracts worth £345 million, benefitting from the VIP lane, despite the company having never before supplied medical PPE. Serious concerns have been raised about the quality of the products it supplied and the financial standing of the company. It was reported that Pestfix had total assets worth just £18,000 prior to winning contracts.

The contracts awarded to those companies are subject to another legal challenge by the Good Law Project.

In May, outsourcing company Serco was handed £108 million to run non-complex contact tracing for three months. Another private firm, Sitel, got a separate contract from the government. It was reported that the renewal value of Serco’s contact tracing contract was £410 million.

The company’s pathetic performance was such that they managed to reach less than 60 percent of contacts by the end of October. Yet Serco was expected to make £165 million profit out of the contract. The company will this year resume dividend payouts after a seven-year interval with a £17 million distribution.

Another beneficiary of the government’s largesse to their friends in the private sector was Alex Bourne. Bourne previously ran a pub, The Cock Inn in Thurlow, situated close to Hancock’s former constituency home in Suffolk and visited frequently by the health secretary. He had no expertise in the manufacture and supply of medical

equipment but won at least £30 million worth of contracts to provide vials and plastic funnels for test samples. His company, Hinpack, is currently under investigation by the Medicines and Healthcare Products Regulatory Agency as it is alleged he did not have “adequate facilities from a health and hygiene perspective.”

Hancock was unrepentant after the High Court ruling, claiming without an ounce of shame that it was “in the national interest that we did what we did.” He was supposedly trying to “save lives.” Speaking to the Sky News, he said: “If I had my time again, absolutely I do exactly the same thing even if it led to this conversation.” Despite the well-publicised cases of nurses going to work in April wearing bin liners as PPE, Hancock insisted that “there wasn’t a national shortage [of PPE] at any point... “because of the work” his team did.

These are obscene lies. The pandemic profiteering took place amid and contributed to a catastrophic loss of life. More than 4.1 million people have contracted Covid-19 in the UK and at least 135,000 have died. Among the dead are 883 health and social care workers in England and Wales alone.

The government’s clear-eyed enthusiasm for shovelling public money into the pockets of their friends was in sharp contrast to their disregard for the actual provision of life-saving equipment.

Surveys carried out by the Royal College of Nursing, Unison and British Medical Association among their members have revealed widespread shortages of PPE, leading to tens of thousands of infections. Severe starving of funds for the NHS and social care over the last decade had already created a massive shortage of PPE even before the pandemic hit. Between 2013 and 2016, the national stockpile of PPE was slashed by 40 percent as a part of £20 billion in cuts in NHS “efficiency savings.”

Even though the government was fully aware of the PPE shortage, it refused to join a joint procurement scheme with the European Union in March. On March 19, it downgraded the classification of Covid-19 to a non-High Consequence Infectious Disease (HCID)—reducing the level of what constitutes safe PPE required for staff in treating the disease.

For further information visit NHS FightBack



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