

# UK government's pandemic contracts: A looting operation behind the smokescreen of "the national interest"

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An investigation by independent watchdog Transparency International UK (TI-UK) into the Johnson government's awarding of contracts during the coronavirus pandemic has exposed the corruption and outright criminality that has pervaded the entire process.

The TI-UK report, *Track and Trace*, was published on April 22. It examined £18 billion worth of contracts awarded between February and November 2020, concluding that one in five raised "red flags" for possible corruption. The 73 flagged contracts—worth £3.7 billion—accounted for 20 percent of the value of all reported pandemic-related contracts. Red flags were triggered by uncompetitive tendering, politically connected contractors, or contractors with no proven experience in providing the goods and services under contract.

"The way the UK Government handled bids for supplying personal protective equipment (PPE) and other COVID-19 response contracts appears partisan and systemically biased in favour of those with political access," the report found.

Safeguards designed to prevent corruption were removed without adequate justification. The report singles out for particular concern the "VIP channel", later renamed the "high priority lane." This was supposedly aimed at "triaging" the government's emergency pandemic response by circumventing normal tendering procedures. The report states it was used to fast track and select PPE bids based on referrals from "MPs, peers and senior officials."

The clandestine nature of the government's tender award process has already led to censure by the parliamentary watchdog, the National Audit Office (NAO). Its own investigation into a tranche of £17.3 billion worth of contracts awarded to the private sector, showed that £10.5 billion (58 percent) was awarded without any tendering process. NAO found the government had violated transparency rules and failed to publish documents in a timely manner.

In February, the High Court ruled the government acted

unlawfully in relation to its failure to meet strict time limits mandating that any state contract award notices must be published within a 30-day period. The verdict reflected concerns by the judiciary that the government's secretive process was producing widespread public distrust, with Mr Justice Martin Chamberlain stating, "One unfortunate consequence of non-compliance with the transparency obligations (both the public and for the government) is that people can start to harbour suspicions of improper conduct, which may turn out to be unfounded."

Health Secretary Matt Hancock was completely dismissive of the High Court verdict, telling *Sky News*, "If I had my time again, absolutely I would do exactly the same thing."

Hancock gained notoriety over £30 million worth of contracts for vials and plastic funnels awarded to his former pub landlord Alex Bourne, who ran The Cock Inn in Thurlow, Essex. Bourne had no expertise in the manufacture and supply of medical equipment and his company is currently under investigation by the Medicines and Healthcare Products Regulatory Agency over allegations he did not have "adequate facilities from a health and hygiene perspective."

The Johnson government's new tendering regime amounted to a bonanza for pandemic profiteers.

Some of the report's key findings include:

- £1.6 billion worth of PPE contracts (comprising 14 tenders) was awarded to entities with known connections to the Conservative Party. Three contracts worth £536 million went to politically connected companies for testing-related services.

- 98.9 percent of COVID-19 related contracts (£17.8 billion) were awarded without any form of competition. Contracts were awarded to suppliers without any proven proficiency. Fourteen companies incorporated in 2020 received contracts worth more than £620 million, of which 13 contracts totalling £255 million went to 10 firms that were less than 60 days old and which could have had no

track record of actual business.

· Contracts awarded to politically connected companies were more likely to be published late. Details of 93 percent (28) of the 30 contracts awarded to politically connected companies were published late, compared to 70 percent (688) of the 970 without. Seven of these late contracts awarded to politically connected suppliers went unpublished for more than 100 days.

TI-UK's report lists 10 recommendations, consisting of calls for further investigation, transparency and improved regulation, but its own Freedom of Information (FOI) requests to the Department of Health and Social Care (DHSC) over the award of COVID-19 contracts have been denied. A November 18 request for details about 493 companies referred for consideration under the high priority lane between January and June 2020—including the source, decision and status of the contracts—was rejected on grounds of cost. A second request on December 16, narrowed to the names of the companies involved, was equally unsuccessful. Initially stalled on the pretext of reviewing whether the FOI request was in the public interest, the DHSC later cited “commercial sensitivity..” The DHSC has breached the statutory response time, reneging on the full response it had promised by April 14.

The blatant efforts by the state to conceal industrial-scale corruption and criminal profiteering exposes the decomposition of democratic rule. The Johnson government stands above the law and openly proclaims it is accountable solely to speculators and profiteers on whom it has showered £18 billion worth of contracts, equivalent to one eighth of the entire annual NHS budget.

The corruption and criminality of the government is matched only by the hypocrisy of the Labour Party, which attempts to present such profiteering as the outcome solely of Tory cronyism. Labour's Shadow Chancellor Rachel Reeves declared of the TI-UK's report, “The scale of corruption risk to vast amounts of taxpayer money revealed in this report is shocking, as is the evidence of endemic cronyism flowing through the government's contracting.”

In fact, the Labour Party provided the Tories a free pass for this orgy of jobbery and political graft through the emergency exemptions it granted to awarding COVID-19 contracts as part of the Coronavirus Act 2020 it voted to support and repeatedly renewed.

The exploitation of the pandemic for the self-enrichment of a grasping layer of economic and social parasites—whether directly connected to the Tory party or otherwise—has underpinned the entire ruling class response to the pandemic in the UK and internationally. The wealth of the world's billionaires has increased collectively by 60 percent over the last year with *Forbes* magazine commenting, “COVID-19

brought terrible suffering, economic pain, geopolitical tension—and the greatest acceleration of wealth in human history.”

The Labour Party has invoked the “national interest” to justify its role as de facto coalition partner with the Johnson government. Behind this smokescreen, the ruling elite has glutted itself through a £350 billion bailout of the corporations, £895 billion of quantitative easing, and the evisceration, privatisation and looting of the NHS and other forms of pandemic profiteering. The price paid by workers has been over 150,000 preventable deaths, the imposition of fire and rehire contracts based on massive pay cuts, the slashing of jobs, and the ongoing destruction of essential services.

Nothing remains of the myth of concern within the ruling class for the NHS and the “heroes” that work in it. The failure to provide adequate PPE through the private sector has been a major factor in the deaths of around 1,000 health and social care workers during the pandemic. The clap for carers and other cynical displays of gratitude to National Health Service (NHS) staff have been replaced by the imposition of a pay cut and state repression.

The same Coronavirus Act used to enrich big business was recently renewed unopposed and used to break up protests by NHS workers against the government's miserly 1 percent pay award. The Johnson government also confirmed that it will not even match the £500 one-off bonus for nurses granted in Scotland, Wales and Northern Ireland for their services during the pandemic.

The fight against the pandemic demands the international co-operation and organisation of the working class, with health and social care workers playing a key role. The claim that there is no money to fund an emergency response is disproven by the ill-gotten gains of the corporations and the huge transfer of public funding into the coffers of big business. This must be reversed through a socialist programme, which seizes this wealth as part of a reorganisation of society to serve social need, not the profit motive.

All NHS and health care workers are invited to attend the May Day 2021 on-line rally organised by the International Committee of the Fourth International and the World Socialist Web Site which will launch the initiative for the International Workers Alliance of Rank-and-File Committees.



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