

The wages of privatisation - Secretive Covid contracts are heaping misery on Britain



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Opinion

Public services policy

The government's secretive Covid contracts are heaping misery on Britain

George Monbiot



Bypassing the NHS and handing crucial services to corporate executives has led to the catastrophic failure of test and trace

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'The government's irrational obsession with the private sector is symbolised by its appointment of Dido Harding to run NHS test and trace.' Photograph: Justin Tallis/AFP/Getty Images

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If you are not incandescent with rage, you haven't grasped the scale of what has been done to us. The new surge in the coronavirus, and the [restrictions and local lockdowns](#) it has triggered, are caused in large part by the catastrophic failure of the [test-and-trace system](#). Its £12bn budget has been blown, as those in charge of it have failed to drive the infection rate [below the critical threshold](#).

Their failure was baked in, caused by the government's ideological [commitment to the private sector](#). This commitment had three impacts: money that could have saved lives has been diverted into corporate profits; inexperienced consultants and executives have been appointed over the heads of qualified public servants; instead of responsive local systems, the government has created a centralised monster.

This centralisation is perhaps the hardest aspect to understand. All experience [here](#) and [abroad](#) shows that local test and trace works better. While, according to the latest government figures, the centralised system currently reaches just [62.6% of contacts](#), [local authorities are reaching 97%](#). This is despite the fact that they have been denied access to government data, and were given just [£300m](#), in contrast with the £12bn for national test and trace. Centralisation may be a catastrophe, but it does enable huge contracts for multinational corporations.

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The Conservative mantra, repeated for 40 years like a stuck record, is that the public sector is wasteful and inefficient while the private sector is lean and competitive. Yet the waste and inefficiency caused by privatising essential public health functions is off the scale. This isn't like rail or water privatisation, where failure has caused dysfunction within a single public service. This is about the escalating collapse of national life.

The government's irrational obsession with the private sector is symbolised by its [appointment of Dido Harding](#) to run NHS test and trace. She worked at McKinsey, Tesco and Sainsbury's, and as chief executive of TalkTalk. After a disastrous hack of the TalkTalk database, exposing both the details of 4 million customers and Harding's [ignorance of the technology](#), she acquired the moniker [Dido, queen of carnage](#), a nice pun on Christopher Marlowe's play. In 2014 David Cameron, an old friend, made her a baroness; she sits in the House of Lords as a Conservative peer.

It would be wrong to claim she had no experience relevant to the pandemic. She sits on the board of the [Jockey Club](#), which runs some of the biggest and most lucrative horse racing events in the UK. Among them is the Cheltenham Festival. By 10 March, it was clear that Covid-19 was a massive problem. Public health experts were frantically urging the government to take action. The epidemiology professor Neil Ferguson estimated that [20,000 lives would have been saved](#) if the government had locked down a week earlier than it did. Many events had already been cancelled, for fear of spreading the disease.

Then we watched aghast as the Cheltenham Festival went ahead, and 250,000 people packed the terraces ["like sardines"](#). It appears to have been a [super-spreader event](#), blamed by some for a [spike in infections and deaths](#).

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The racing connection might not have commended her to doctors, but could it have commended her to the health secretary, Matt Hancock? For a long time Hancock, the MP for Newmarket, where the Jockey Club has major infrastructure and investments, has drawn a large proportion of his political funding from the horse-racing industry. An investigation by the Mirror estimates that he has received [£350,000 in donations](#) from wealthy people in the racing business. Before the last election [he announced](#): "I'll always support the wonderful sport of horse racing."

Harding's appointment is not the only intersection between racing and tracing. The Jockey Club's premier annual event is the Grand National. Or, to give it its full title, the [Randox Health Grand National](#). One of the government's most controversial contracts is with [Randox](#). It gave the global healthcare firm a [£133m deal](#), without advertisement or competition, [to supply testing kits](#).

Randox employs as a consultant the former Conservative environment secretary Owen Paterson. It pays him £100,000 a year for 200 hours of work. Neither he, nor Randox, nor the health department answered the Guardian's questions about whether he had helped to secure this deal. In July, following a series of errors, the government [withdrew Randox](#)

[testing kits](#), on the grounds that they might be unsafe.

These apparent connections may be entirely coincidental. But in an emergency, when decisions must be made with the utmost rigour and a relentless focus on public health, there should be no possibility that other interests might intrude, or that ministerial judgment should in any way be clouded.

Like so much surrounding this pandemic, the identity of Harding's team at NHS track and trace was withheld from the public, until it was [leaked to the Health Service Journal](#) last month. Clinicians were astonished to discover that there is only [one public health expert](#) on its executive committee. There is space, however, for a former executive from Jaguar Land Rover, a senior manager from Travelex and an executive from Waitrose. Harding's adviser at the agency is Alex Birtles, who, like her, previously worked for TalkTalk. She has subsequently made a further appointment to the board: [Mike Coupe](#), an executive at another of her old firms, Sainsbury's.

The "world-beating" test-and-trace system she oversees has repeatedly failed to reach its targets. Staff were [scarcely trained](#). Patients have been directed to [nonexistent testing centres](#), or to the [other end of the country](#). A vast tranche of [test results was lost](#). Thousands of people, including NHS staff, have been [left in limbo](#), unable to work because they can't get tests or the results of tests.

Having demonstrated, to almost everyone's dissatisfaction, that she was the [wrong person for the job](#), Harding has now been given an even bigger role, as head of the National Institute for Health Protection, to run concurrently with the first one. This is the government's replacement for Public Health England, which it blames for its own disasters. Harding's appointment looks to me like a reward for failure.

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The test-and-trace system might be a public health fiasco, but it's a private profit bonanza. Consultants at one of the companies involved have each been earning [£6,000 a day](#). Massive contracts have been awarded without competitive tendering. Astonishingly, at least one of these, worth £410m and issued to Serco, [contains no penalty clause](#): even if Serco fails to fulfil its terms, it gets paid in full. Serco has indeed missed its targets, achieving an average by September of [only 58.6% of contacts traced](#), against the 80% it was meant to reach.

Though this is an issue of great public interest, the contracts have been shrouded in secrecy. We have not been allowed to discover how the contractors were chosen, or why the

government has repeatedly appointed them without competition. Time and again, in contracts for both the [test-and-trace programme](#) and protective equipment, [sums of £108m](#) have been disbursed. No one can explain why this magic number keeps recurring. Does it lie just below some threshold of accountability? Or is the government simply handing out standard wads of money to favoured companies, regardless of the cost of their work?

What is this about? Why is failure rewarded? Why are contracts issued with so little accountability or transparency? There may be a perfectly reasonable explanation, but you might expect the government's Anti-Corruption Champion to investigate. Or perhaps not. He is [John Penrose MP](#), Dido Harding's husband.

The anti-corruption champion sits on the advisory board of a thinktank called 1828. It campaigned ferociously [against Public Health England](#), on the grounds that its efforts to regulate junk food and reduce obesity "curtail personal liberty and undermine parental responsibility": a standard industry talking point. It called for the body to be [scrapped](#): this happened, and Penrose's wife is running its replacement. It claims that "the NHS's record is deplorable" and proposes that it be [replaced with a social health insurance system](#). It champions the idea of outsourcing patients to the [Cayman Islands for treatment](#). When I asked the thinktank who its major funders are, it told me, "1828 does not disclose information regarding donations."

Penrose and Harding met when they were both employed as consultants at McKinsey. You'd never guess which company got the contract for advising on the "vision, purpose and narrative" of the National Institute for Health Protection, the new body that Harding runs. OK, you would. [McKinsey was paid £563,000](#). Again, this work was neither advertised nor subject to competitive tender. I expect Penrose will look into it.

The head of Serco, Rupert Soames, is the grandson of Winston Churchill and the brother of a former Tory MP. His wife, Camilla, is a [Conservative party donor](#). An email of his, leaked in June, suggested that the coronavirus pandemic could go "[a long way in cementing the position of private sector](#) companies in the public sector supply chain". It seems to me that the emergency is being leveraged by the government for this purpose. Our crisis is the privatiser's opportunity.

The government has bypassed the lean and efficient NHS to create an outsourced, privatised system characterised by incompetence and failure. The system's waste is measured not just in pounds, but in human lives. It is measured in mass unemployment, economic crisis, grief, isolation, long-term illness and avoidable death. So much for the efficiencies of privatisation.

- George Monbiot is a Guardian columnist

