



HOUSE OF COMMONS

LONDON SW1A 0AA

Rt Hon Michael Gove MP
Chancellor of the Duchy of Lancaster
Cabinet Office
70 Whitehall
SW1A 2AS

Thursday 14 May 2020

Dear Michael,

The Covid-19 pandemic has necessitated rapid action by government to deliver a wide range of services and supplies. Labour has been clear that we support the government to do what is necessary to keep people safe and resource our NHS and public services. However, a wide range of issues have been reported with the government's procurement of services and supplies in relation to the pandemic and there has been very little transparency about the nature of contracts, key performance indicators, payment terms or the procurement process that the government has followed.

I am therefore writing to ask a number of questions about the government's actions on procurement during the Covid-19 pandemic. These are important questions for ensuring the effectiveness of the government response to the pandemic; transparency and accountability for the expenditure of huge sums of taxpayers' money; and for public confidence in the government's response.

I ask that in addition to answering the questions set out below you also commit to reporting regularly to Parliament on government procurement related to Covid-19.

Personal Protective Equipment

Problems with the availability and distribution of PPE have been widespread since the pandemic began, particularly impacting NHS and care workers. Deloitte was appointed by the government several weeks ago to assist with PPE procurement and distribution, but no details of this contract are in the public domain.

I ask that you set out:

- Details of the terms under which Deloitte were appointed, including the procurement process, assessment of competence, length and value of the contract, payment terms and key performance indicators attached to this contract.
- What is the current balance between UK-based and overseas procurement of PPE; and what assessment you have made of the capacity of British manufacturers to deliver PPE supplies over and above those which are already available in the international market?
- What due diligence government is undertaking on overseas companies with which it is placing orders during the current surge in demand for PPE and how confident you are that all orders will be fulfilled.

Testing

Labour believes that, before a vaccine is widely available, the only route out of lockdown will be through a comprehensive, community-based system of testing and tracing. We support the governments in its efforts to implement this. However, there are some concerning signs about implementation and performance of the testing and tracing regime so far.

It is reported that Deloitte has been awarded a contract to deliver testing centres, some of which has subsequently been outsourced. There have been many problems with the provision of testing to date, including the decision to provide testing at a small number of centres in inaccessible locations. It is my understanding that the Deloitte tests are not gathering any data on ethnicity or occupation, so the that results are unable to be used as a basis for understanding the higher rates of Covid-19 diagnosis and morbidity which are sadly evident amongst BAME people, care workers and NHS workers. Meanwhile, it has been reported that 50,000 tests have been sent to the US for processing because of problems with analysis capacity in the UK.

Furthermore, it has been reported that Randox, a company which retains the Member of Parliament for North Shropshire as a consultant at fees of approximately £100,000 a year, was recently awarded a contract by the Department of Health and Social Care worth £133 million to provide testing kits, without prior publication of a call for competition.

The Coronavirus Act allows the government considerable flexibility to undertake urgent procurement very quickly. It does not remove the duty on the government to transparency, accountability and financial decision making free from personal conflicts of interest.

Please could the Minister explain:

- Why has the opportunity to gather data regarding ethnicity and occupation been missed?
- Why has no data from the Deloitte tests been provided to GPs to date?
- Please could you publish details of Deloitte's contract in relation to testing centres, including the value and specification of the contract, payment terms and key performance indicators?
- Please could you confirm whether the tests flown to America related to the Deloitte contact, and more generally provide a briefing on the capacity of UK labs to provide timely test results at the scale required?
- More widely, please could you provide a report on the performance of the testing centres contract, in relation to the numbers of tests, and timescales for delivering results for each testing centre?
- Please could you publish in full the assessment process which led to the appointment of Randox, the length and terms of the contract, payment details and key performance indicators, and details of how the pecuniary interest of the Member of Parliament for North Shropshire was considered as part of this process?



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Contact tracing

Contact tracing is a vitally important part of the strategy to combat Covid-19. Labour believes that it was a mistake to stop contact tracing in March, and we support the government in establishing a comprehensive strategy for contact tracing both through the use of a suitable mobile phone app and a manual tracing service. However, it is by no means obvious that a centralised call centre-based approach is the most effective, or that manual contact tracing would not be more effectively managed by local authorities or CCGs.

It is widely reported that the government has awarded a contract to Serco to run call centres to provide manual contact tracing. It is my understanding from these reports that Serco have been asked to provide 18,000 staff, despite some public health professionals suggesting as many as 50,000 staff are needed, and that these staff will be provided with just one day of training before starting work.

Contact tracing is a skilled role, handling highly sensitive information, the consequences of which are profound both in terms of public health and the economy. Yet job advertisements for manual contact tracing staff are presented as a 'work from home opportunity', at an hourly rate of less than the living wage. Applicants are required to have their own computer access; and it is not clear who their direct employer will be.

The appointment of Serco raises particular concerns, firstly in relation to the previous Serious Fraud Office 2019 investigation into Serco, and secondly, because of the performance of Serco's existing contracts with the Home Office and the Department for Work and Pensions. Manual contact tracing will involve gathering sensitive personal data, and there must be public confidence that data will be secure. Please could you explain:

- What procurement process led to the appointment of Serco?
- What assessment you undertook of the suitability of Serco for this role given their previous track record, reputation and the SFO investigation?
- What steps you have taken to ensure that no-one will face consequences in relation to their immigration status or benefits entitlement as a result of Serco gathering their personal data in relation to Covid-19 contact tracing?
- Please could you also publish the length and value of this contract, the payment terms and key performance indicators?
- Please could you set out details of what assessment process led you to conclude that a centralised, outsourced approach would be more effective than a localised approach utilising the proven expertise of local public health teams and academic researchers in tracing communicable diseases such as sexually transmitted infections within communities?
- Why is the government only funding the recruitment of 18,000 manual contact tracers when many experts believe as many as 50,000 may be needed?

- In relation to the contact tracing app, please could you explain the role that the companies Palantir and Faculty have in relation to the app, the procurement process which led to the appointment of these firms?
- In light of serious concerns about Palantir and Faculty's track records in relation to personal data privacy and previous links to Cambridge Analytica, please could you set out what access to NHS data they will have?

Free school meals vouchers


Finally, it is reported that the contract to administer free school meals vouchers was awarded to Edenred with no procurement process. There is widespread evidence of problems with the free school meals voucher service including lack of website capacity to register and claim vouchers and delays in applications being processed. There are reports of schools having to run a takeaway meals service because they could not get parents on to the voucher system for several weeks.

- Please could you set out the procurement process which led to the appointment of Edenred, including the assessment of the capacity of this relatively small company to take on such a large contract at very short notice, the value of the contract, payment terms and key performance indicators?

Labour wants to support the government wherever it can to deliver the most effective response to the Covid-19 pandemic possible. I ask these questions in the spirit of constructive opposition: transparency about the delivery of some of the key aspects of the government's response to coronavirus is crucial if we are to have effective scrutiny. In a crisis, we need to move at pace, but no one would argue that is reason not to spend public money with great care.

I hope that you will agree that the value and performance of government contracts which have been awarded in response to the pandemic is a matter of public interest, and that transparency in relation to these contracts can only assist the government in delivering a more effective response. I look forward to your response to my questions at your earliest convenience.

Best wishes,



Rachel Reeves MP
Shadow Chancellor of the Duchy of Lancaster