

## Coronavirus and the private / public sector dynamic

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I was asked of the weekend if I might write a review of various aspects of the coronavirus pandemic, with a particular emphasis on taxation, transparency, procurement, outsourcing, governance and wealth and inequality within society. I was not given a great deal of time to undertake the task, but wrote an eight page note, and was granted permission to share some elements of it here. The note will be one of at least thirty that will, apparently, be used for comparative purposes.

My review of procurement issues was as follows:

### **Private / public sector dynamics**

#### Questions

- \* Has the pandemic led to an increase in state funding to the public sector, or has it opened the way for further outsourcing to private sector companies
- \* Are any changes in public sector procurement policy likely to be short-term (i.e. lasting for the duration of the pandemic) or long-term?

#### Answers

- \* ***There is very widespread concern that the pandemic has led to a significant increase in state funding of the private sector for a number of reasons:***
- \* ***Bank loans have been made available to quite large private sector companies with few or no conditions attached with regard to changes in their behaviour;***
- \* ***State support has been supplied to companies owned from tax havens;***
- \* ***State support has been supplied to hedge fund owned operations;***
- \* ***There has been a substantial increase in outsourcing, most particularly with regard to the supply of PPE equipment, where it would seem that significant contracts have been placed with companies who have no apparent skills in***

**this area but who do have appear to have association with members of the government or their affiliates;**

- \* The government's track and trace scheme, which most public health experts considered to be essential to controlling the spread of the pandemic, has been outsourced at an apparent cost of £12 billion to date, with no evidence that any affective arrangements to either track or trace those with coronavirus have been put in place, and with a massive shortage of tests being made available, and a significant bottleneck in laboratory services being apparent. In Scotland, where government-run laboratories and local authority agencies have been used to provide equivalent services, there has been a much higher rate of success in testing and an effective track and trace app has been in operation for some time, with significant public support, in direct contrast to the situation that exists in England, where there has been dependence upon outsourced services;**
- \* The government has put in place legislation that prevents usual Freedom of Information enquiries being made with regard to outsourced contracts relating to the pandemic;**
- \* Planned judicial reviews of outsourced contracts by civil society organisations such as the Good Law Project have been threatened with substantial litigation costs by the companies to whom contracts have been awarded even when there is no apparent reason why those contracts should have been granted;**
- \* The government appears to have been indiscriminately purchasing potential vaccines against the coronavirus with no apparent value for money provisions being built into these contracts, leaving them wide open to abuse;**
- \* This failure to build performance criteria into contracts appears to be commonplace in outsource contracts granted during the pandemic period;**
- \* It could be argued that, at best, there have been significant market failures during the course of this period.**

**2. There is no indication that the arrangements put in place for outsourcing contracts during the pandemic will be reversed once it is over. The UK Parliament has been widely criticised for granting executive powers to the government of an unprecedented nature during the course of the pandemic with no apparent chance of control being re-established if and when it comes to an end. There would appear to have been a permanent shift in power from Parliament to the Executive during the course of this pandemic that has been both deliberate on the part of that Executive and which would appear to have been abused.**

I will share other elements over the next day or two.