Covid-19: “Panic buying” of PPE led to inadequate checks on private companies, say MPs

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The Department of Health and Social Care was guilty of “panic buying” personal protective equipment (PPE) during the covid pandemic, with insufficient checks made on private companies it was handing contracts to, a parliamentary select committee has concluded.

The Commons Public Accounts Committee made the assertion in its latest report focusing on contracts awarded to the private company PPE Medpro, which won two contracts worth £200m shortly after being referred through the government’s “high priority lane” by Michelle Mone, who sits in the House of Lords.

The committee has said that two related ongoing investigations “significantly limit” what it can comment on or publish at this stage: a National Crime Agency investigation into PPE Medpro and a House of Lords Commissioners for Standards investigation into Mone’s conduct. The Department of Health and Social Care (DHSC) has also launched a civil case against PPE Medpro in relation to a disputed contract.

Last December the House of Commons agreed that all papers, advice, and correspondence relating to PPE Medpro should be released to the Public Accounts Committee. The report sets out the committee’s conclusions based on materials it received.

Meg Hillier, chair of the committee, said, “The conclusions included in this report are limited by nature. This is due both to the imperative to not impact ongoing investigations, and the fact the [committee] has seen only a snapshot of procurement processes specifically relating to PPE Medpro, rather than a complete picture of the management of similar contracts by the DHSC.

“Our scrutiny of the DHSC’s overall approach to procurement in recent years has established a theme of inadequate financial controls, governance, documentation, and transparency, and poor management of due diligence and conflict of interests. Our committee continues to closely scrutinise these issues, as well as the government’s approach to public procurement more widely.”

Accepting high risk

The committee said that the papers concerning the contracts with PPE Medpro revealed issues it had “repeatedly found” in its work on procurement failings during the pandemic. These included the department seeking offers to provide PPE without tendering processes from companies with little or no track record of delivering the equipment, and choosing to accept “very high levels of risk” when awarding contracts because of the sudden pressure to procure PPE.

On the basis of the material it had received, the committee concluded, “The department had an overriding impetus to buy and though it conducted some checks, found aspects of bids or companies that were sub-optimal and put in place some limited safeguards (including assurances and payment on delivery), it then bought the products anyway. Colloquially, this might be called panic-buying.”

The committee also noted that the risk of conflicts of interest from the government’s high priority lane was “high by design” and reiterated, as it has previously reported, that there were “serious defects in government’s stewardship of public money.”

But from the evidence they had been given, the MPs said, “We cannot comprehensively conclude whether emails from Baroness Mone and the route through the high priority lane led to the PPE Medpro offer being treated differently by government than other offers made in the same way during those abnormal times.”

A DHSC spokesperson said, “We acted swiftly to procure PPE at the height of the pandemic, competing in an overheated global market where demand massively outstripped supply. Due diligence was carried out on all companies, and every company was subjected to the same checks.

“We have launched legal proceedings against the firm in question, and as such it would be inappropriate to comment further.”


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