

## UK Government Accused of ‘Cronyism’ after Tory Councillor Wins £156m COVID Contract

Stroud councillor Steve Dechan ran a small, loss-making firm distributing medical devices. Documents show it signed a £156m deal to import PPE from China

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*A small, loss-making firm run by a Conservative councillor in Stroud was given a £156m contract to import PPE from China without any competition, openDemocracy has learned.*

**Steve Dechan**'s company, P14 Medical, signed the huge contract to supply medical gowns in May, even though the firm suffered significant financial losses in 2019, and its previous track record in PPE procurement is unclear. Transparency campaigners say the deal “reeks of cronyism”.

Dechan, who stood down from Stroud town council in late August, had previously made headlines when it emerged that P14 Medical had [landed a contract worth almost £120m](#) to supply face shields to the Department of Health and Social Care.

The £156m gowns deal was signed in late May, but details were only published at the end of September. Government contracts are supposed to be made public within 30 days.

Questions have also been raised about [large contracts awarded to other small firms](#) with limited experience of supplying PPE, including many with links to the Conservative party.

Shadow Cabinet Office secretary Rachel Reeves told openDemocracy: “There have been growing worries about the lack of transparency and effectiveness of the government’s approach to awarding public contracts throughout this pandemic, and how many contracts have been given to businesses with clear links to the Conservative Party.

“It is crucial that the public has total confidence that the best decisions are being made for the right reasons and that no-one has been advantaged in any way because of their party political relationships.”

In late September, Liberal Democrat peer **Lord Tyler** submitted a written question in the House of Lords asking [“what due diligence and tendering process”](#) was followed in awarding contracts to Steve Dechan’s firm, P14 Medical. A response was due by October 7 but at time of writing had not yet been received.

Government departments contracts are usually awarded after a tender process which allows multiple providers to compete to provide the best value. But since the COVID-19 pandemic struck, the government has used an exemption in procurement laws to avoid having to open

up public contracts to competition. The lack of transparency around pandemic outsourcing has been branded a [“national scandal”](#).

## Losses

Steve Dechan was elected to Stroud Town Council as a Liberal Democrat but defected to the Conservatives in 2018. During last year’s general election, he campaigned for the local Tory MP Siobhan Baillie.

P14’s experience in PPE procurement is unclear. The company – which is also known as Platform 14 – describes itself as an “experienced medical device distributor”. A section on the business’s website about ‘PPE gowns/masks’ appears to have been added recently. Searches on the internet archive reveal [no mention of personal protective equipment](#) in previous years.

[Under terms of the £156m contract](#), P14 Medical would import isolation gowns from a Chinese firm called Xinle Huabao Medical Supplies, based in Hebei province. P14 was handed the contract despite recording significant losses in 2019.

P14 previously told the Financial Times that the losses were owing to heavy investment in new chronic pain technology that it plans to market in Europe and the Middle East this summer.

## ‘Reeks of cronyism’

Earlier this week it emerged that a company run by the former business associate of [Tory peer Baroness Mone](#) won a £122m contract to supply PPE to the NHS just seven weeks after it was set up.

Previously a firm [co-owned by a Conservative donor](#) that supplied beauty products to high street chains was given a £65m contract to provide face masks to the NHS.

Meanwhile Ayanda Capital, [a private equity company, was handed a £252m](#) contract to provide face masks that were subsequently not used, after concerns were raised that they may not provide an “adequate fixing” around the face. The deal was brokered by an advisor to International Trade secretary Liz Truss who was also a senior board advisor at Ayanda.

Transparency International’s senior research manager Steve Goodrich told openDemocracy: ‘When one politically-connected company is awarded uncompetitive public contracts it smells a bit off, but when this happens again and again it reeks of cronyism.

“Continuing to award major public contracts without competitive tender fuels the perception that political patronage matters more than suitability for the job. In order to ensure best value for money is being secured, the government should return to open, competitive tendering in all but the most exceptional cases.”

Steve Dechan could not be reached for comment but [he previously told the BBC](#):

“We are an expert company that has been in medical supplies for eight years

including PPE that has managed to deliver on a big contract that the 'big companies' could not.

"I only know a couple MPs through local campaigning on issues, only met ministers (no current ones) on [general election] campaign trails. Never discussed PPE."

He added:

"We are so proud that we stood up and unlike many got it done and protected our customers."

A Department of Health and Social Care spokesperson said: "We have been working tirelessly to deliver PPE to protect our health and social care staff on the frontline throughout this global pandemic.

"Proper due diligence is carried out for all government contracts and we take these checks extremely seriously."

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