

Witness Name: Andrew Slade

Statement No: 2

Exhibits: 29

Dated: 3/10/2023

UK COVID-19 PUBLIC INQUIRY
WITNESS STATEMENT OF ANDREW SLADE

I provide this statement in response to a request under Rule 9 of the Inquiry Rules 2006 dated 26 January 2023 and referenced M2/CPD/01.

I, Andrew Slade, will say as follows: -

Preface

1. The Covid-19 pandemic was unprecedented for all of us, with impacts on lives, livelihoods, and our very way of living. On behalf of my team and myself, I would like to extend our deepest sympathies to all those who were affected, and particularly to those who lost loved ones or have suffered lasting health impacts.

2. Decisions taken during the pandemic by public authorities in order to safeguard the population had direct and immediate implications for businesses, communities and individuals. As members of the Welsh Government Civil Service, we were motivated by the wish to protect and support the people of Wales, and I would like put on record my thanks to colleagues and all our partners for their commitment and dedication during this extraordinary period. In the context of this specific statement, I wish to offer particular thanks to Commercial and Procurement Directorate colleagues and their partners across Wales and beyond, who worked together to deliver essential advice and services during the pandemic.

3. In preparing this statement I have relied on advice and information from the past and current Directors of Commercial and Procurement Directorate, colleagues – both past and present – from CPD, as listed in paragraph 8 below, and from my immediate office team.

Preface

4. I joined the Welsh Government in 2012, initially working on EU programmes, and then as Director, Agriculture, Food and Marine. Having subsequently held the positions of Lead Director for Environment and Rural Affairs and Welsh Government's Head of Policy Profession, in January 2018 I became Director General, Economy Skills and Natural Resources. I led the Economy, Skills and Natural Resources Group until April 2022, when I became Director General, Economy, Treasury and Constitution, also within Welsh Government.
5. Before coming to Wales, I worked for the UK Department for Environment, Food and Rural Affairs (Defra), where I led the establishment of the Department's new national rural development services.
6. Between 2006 and 2011, I worked in South West England in roles including Deputy Regional Director at the Government Office responsible for sustainable development, and later as Executive Director of Programmes and Partnerships at the SW Regional Development Agency. My earlier career was with the UK government in London (Ministry of Agriculture, Fisheries and Food, and then Defra) where I held a number of posts, including Principal Private Secretary to the Secretary of State.
7. The purpose of this statement is to assist the Inquiry in its understanding of the structure and responsibilities of the Commercial and Procurement Directorate ("CPD"), and its role in the Welsh Government's response to the Covid-19 pandemic in the period between 21 January 2020 and 30 May 2022 ("the specified period").

Function and structure of the Commercial & Procurement Directorate

8. During the specified period, CPD sat within the Economy, Skills and Natural Resources Group ("ESNR"), which I led from January 2018 to March 2022. As at January 2020, CPD was headed by Dean Medcraft, who was Interim Director, alongside his substantive role as Director of Finance and Operations for ESNR, until September

2021. John Coyne was appointed Director of CPD from that time and remains in post, now reporting to Tim Moss, Welsh Government's new Chief Operating Officer. Marcella Maxwell acted as Interim Deputy Director of CPD from February 2020 until September 2021, since which time the post of Deputy Director has remained vacant. Cabinet responsibility for CPD lies with Rebecca Evans MS, from December 2018 as Minister for Finance and then from May 2021 as Minister for Finance and Local Government. During the specified period, there were around 70 individuals working in CPD.

9. Given the breadth of policy and delivery functions within the ESNR group and in line with my role as Additional Accounting Officer, responsibilities were passed to Directors under delegation arrangements to manage affairs within their respective Directorates. There were established group committees which were used to manage our collective corporate responsibilities. The ESNR Covid-19 Coordination function was stood up formally during week commencing 16 March 2020, when an initial dashboard was developed to keep track of Covid-19 related issues and risks emerging from across the ESNR Group. This built on existing structures in place to prepare for a possible no-deal Brexit and evolved into daily stocktake meetings. The function, in turn, fed into the central Covid-19 project team. Each Director led and managed the Covid-19 response in their respective areas, feeding into central/cross cutting work and escalating issues as required.
10. CPD is and was at the relevant time the directorate responsible for managing and overseeing the main aspects of the Welsh Government's procurement responsibilities. This includes working in conjunction with Welsh Government business area directorates to advise and help them manage the procurement exercises they are required to carry out, as part of their core functions. I should make clear at the outset that CPD is not a decision-making department, in that it is not CPD's role to decide, for example, to which company a contract that has been put out to tender should be awarded. This remains the role of the specific business area conducting the exercise. CPD essentially helps administer the exercise for the relevant department and provides advice and assistance in relation to regulatory requirements.
11. In addition, CPD is responsible for developing public sector procurement policy in Wales. Procurement is a devolved activity, meaning that responsibility for procurement policy in Wales falls to the Welsh Government.

12. During the specified period, CPD was divided into the branches depicted on the organogram that I exhibit as **ASM2CPD01/01-INQ000198622** . These branches were:
- (a) Corporate Procurement Services (“CPS”): which dealt with most standard Welsh Government procurement matters. **NR** (Grade 6, Executive Band/1) was Head of CPS during this period. CPS worked closely with all Welsh Government departments and provided advice and assistance for all procurement activity, aside from ICT, with a tender value in excess of £25,000.
 - (b) Procurement Reform and Commercial Policy: which consisted of two teams. **NR** (Grade 6, EB/1) was Head of Procurement Reform, which dealt with the preparations for procurement after Brexit including working closely with the UK Government on the Procurement Bill, and which was not involved in the response to the pandemic. Commercial Policy was led by **NR** (temporarily promoted to Grade 6, EB/1, as Head of Policy) at that time. Commercial Policy was responsible for developing Welsh Government procurement guidance for use across the public sector.
 - (c) Commercial Procurement, Digital Data and ICT (“CPICT”): which dealt with the procurement of ICT and digital products. **NR** (Grade 6, EB/1) was Head of CPICT. Business Intelligence (“BI”), which works to support operational and business strategic business intelligence requirements, is also part of CPICT.
 - (d) Commercial Procurement Delivery and Capability & Leadership: which consisted of two teams. **NR** (Grade 6, EB/1) was Head of both Commercial procurement Delivery, and Head of Capability & Leadership. Commercial Delivery was responsible for developing and delivering all framework agreements (which I address in more detail below), in conjunction with the Welsh public sector. Capability & Leadership worked to raise the profile of the procurement profession, by identifying and developing opportunities to support professional training and development, and to grow procurement capacity across the Welsh public sector.
13. CPD’s role also involves the provision of advice to the wider Welsh Public Sector on procurement policy and how it should be adopted in Wales. This involves liaising with public sector bodies such as local authorities, NHS Wales, arm’s length bodies, registered social landlords, and higher education establishments, in order to assist those bodies with the implementation of procurement policy. As part of this engagement, CPD leads on the development and dissemination of Welsh Public Procurement Policy Notes (“WPPNs”), which are guidance documents that are published periodically by the Welsh Government in order to assist all Welsh public

bodies in carrying out their procurement activities in compliance with procurement legislation.

14. CPD meets regularly with the wider Welsh Public Sector to discuss and agree the development and implementation of procurement policy. This can involve CPD presenting to groups of local authority representatives. It may also involve the provision of advice to the NHS Wales Shared Services Partnership (“NWSSP”), which, as noted below, is responsible for carrying out procurement on behalf of the NHS bodies.

15. A key part of CPD’s role is, and was during the specified period, development and maintenance of what are known as “framework agreements”. Framework agreements operate as umbrella arrangements formed with a group of organisations as a result of a category-wide tender exercise conducted by CPD on behalf of, and in collaboration with the wider Welsh Public Sector. In practical terms, this results in a single supplier or list of approved organisations which have been shown to meet the relevant regulatory requirements and provide best value. The framework agreements that are developed and managed by CPD are specifically for use within the Welsh public sector. Welsh Government departments or other public bodies can then enter into contracts with those approved organisations, without needing to conduct a fresh procurement exercise each time, either through a mini-competition or direct award depending on the terms of the framework agreement. The specific agreements highlighted below were let in compliance with the Public Contract Regulations 2015. Robust due diligence is always undertaken throughout these processes, including the analysis of a qualification questionnaire, followed by a transparent tender exercise and rigorous evaluation.

15. CPD currently manages 32 framework agreements in total. Out of those, there are two framework agreements that became particularly relevant during the pandemic: the PPE Framework Agreement (exhibited as **ASM2CPD01/02-INQ000198370**) and the Cleaning Materials Framework Agreement (exhibited as **ASM2CPD01/03-INQ000198623**). For completeness, I note that the PPE Framework Agreement expired in 2021 and was replaced by the NPS PPE and Workwear Dynamic Purchasing System (exhibited as **ASM2CPD01/04-INQ000198624**). A Dynamic Purchasing System (“DPS”) provides a similar mechanism to a Framework Agreement, but with no set expiry date and no limit on the number of qualifying suppliers, who may join the DPS pool at any time if they meet the necessary qualifying criteria. During the

key phases of the pandemic, these agreements were widely relied on to obtain vital cleaning and PPE products within all sectors, including the NHS, local government, and the third sector.

16. Occasionally CPD is referred to as the National Procurement Service (“NPS”), which in fact formally ceased to exist with effect from 5 September 2018 following a written statement by the then Cabinet Member for Finance, Mark Drakeford (exhibited at **ASM2CPD01/05-INQ000198625**). NPS once provided procurement services to the Welsh Public Sector but its functions have since been taken over by CPD. References to NPS during the specified period are therefore generally likely to be references to CPD.

Measures implemented by CPD in response to the pandemic

17. CPD implemented the following key measures to ensure that it was able to provide the necessary additional support in relation to public procurement issues which arose during the pandemic, particularly in relation to the supply and demand of PPE. NHS procurement is conducted through NWSSP, which operates independently from Welsh Government, and CPD does not have any involvement in or influence on their procurement activity or practices aside from the provision of advice from time to time, when requested, which tends to be on discrete topics. This remained the case during the pandemic, save that CPD played an important role in helping to facilitate NHS procurement needs during the specified period, by ensuring that there was regular communication with and information being passed to the relevant parties. As to the procurement of PPE *outside* of the health sector, CPD similarly played a key role in the facilitation of that procurement, with other public sector organisations including Local Authorities, as well as engaging in the wide range of other measures that are detailed below.
18. The pandemic required CPD to rapidly re-prioritise much of the work in which it was engaged as at the beginning of 2020, so that resources could be directed where they were needed. Around 50 individuals – which was the majority of CPD’s workforce – were engaged on the work that CPD carried out in response to the pandemic during the specified period.

Contract management meetings

19. CPD conducted regular contract management meetings with its existing suppliers under the PPE framework, to obtain up-to-date information on stock levels, lead times, and new product availability. This information was collated and circulated to all customer organisations on a daily basis, so that those customers knew when and where to place orders for the stock that they needed at any given time. These meetings typically took place every week for the first three months of the pandemic. After that, as supply capacity improved, the meetings were held every month.

Daily calls with Welsh Local Government Association and NWSSP

20. During the key phases of the pandemic, CPD had daily calls with NWSSP and the Welsh Local Government Association (“WLGA”), which is a politically-led cross-party representative and co-ordinating organisation, of which all 22 local authorities in Wales are members. The WLGA represents the interests of local government at national level and seeks to support local authorities in the development of policies and priorities which will improve public services. During these calls, WLGA and NWSSP provided updates to CPD as to their PPE stockholdings, and CPD used this information to support their (CPD’s) approach to sourcing critical products through the PPE framework.

Development of PPE framework agreement guidance

21. CPD led on the development of guidance for the public sector on the PPE framework agreement and, subsequently, on the PPE DPS, to assist public bodies with how to enter into contracts for PPE relying on the framework. I exhibit this guidance as **ASM2CPD01/06-INQ000198272** and **ASM2CPD01/07-INQ000198627**.

Development of guidance: ‘Making best use of procurement resource during Covid-19’

22. CPD provided informal advice as required and rapidly developed general guidance for the public sector on procurement during the pandemic, called ‘Making best use of procurement resource during Covid-19’. This procurement advice note was first published formally on 30 April 2020. It included practical advice on steps that could

be taken to minimise pressure on supply chains and to ensure, insofar as possible, continuity of service and delivery. It reminded public bodies of the available options when needing to contract with suppliers on an urgent basis.

PPE due diligence

23. During the height of the pandemic, the market was flooded with fraudulent or sub-standard PPE that did not meet requirements. CPD played a key role in ensuring that such inadequate products did not reach the Welsh public sector. This was achieved by CPD:

- (a) Working closely with industry specialists to be able to identify non-compliant PPE.
- (b) Sharing this expertise through the provision of seminars and training sessions to the wider public and third sectors. This included a training session that CPD delivered at an event hosted by the Wales Council for Voluntary Action in August 2020.
- (c) Developing a “buying guide” (exhibited at **ASM2CPD08/INQ000198576**) with support from the British Safety Industry Federation (“BSIF”), to assist customers in identifying non-compliant PPE.
- (d) Directly providing advice to customers who contacted CPD in relation to PPE procurement concerns, including reviewing documentation relating to customers’ PPE contracts when required.
- (e) Providing support and training to the Life Sciences Hub (“LSH”), which is a wholly owned subsidiary of the Welsh Government, jointly funded by Health and Economy Groups, that encourages innovation and collaboration between industry, health, social care, and academia. It has been operational since 2014; lead operational responsibility transferred to the Welsh Government’s Health and Social Services Group in 2019. At the beginning of the pandemic, the LSH established its own portal through which manufacturers and suppliers, outside the existing framework agreements, could make offers to supply PPE to the Welsh public sector. CPD worked alongside LSH’s PPE offer review team, to assist in identifying any non-compliant products. The LSH’s portal effectively replaced a similar portal that had been established by CPD in the early days of the pandemic, and which operated for around two months before being closed down once the LSH portal was fully operating.
- (f) More widely, providing advice and assistance to other departments within the Welsh Government and other public sector bodies, in verifying offers of PPE

equipment. Such advice was provided on an ad hoc basis and usually by email, as and when required, throughout the specified period.

24. CPD received positive feedback for their role in supporting the Life Sciences Hub activity. It was noted that the involvement of CPD assisted in identifying incorrect certification. The Welsh Council for Voluntary Action, who act on behalf of a large number of voluntary organisations, also fed back how grateful they were for the support, specifically noting through the activity of CPD that they did not feel they had been forgotten.

Role in the Critical Equipment Requirements Engineering Team

25. The Critical Equipment Requirements Engineering Team (“CERET”) was established by Welsh Government officials in March 2020. It was chaired by James Davies, CEO of Industry Wales. The primary role of Industry Wales (formally known as the Sector Development Wales Partnership) is to support technology and manufacturing businesses in Wales, set within the context of the Welsh Government’s strategic aims. It is fully accountable to the Welsh Ministers, as a wholly owned subsidiary company limited by guarantee. Also represented on CERET were NHS Wales, NWSSP, the Life Sciences Hub, CPD, and other Welsh Government officials. The function of CERET was to respond to the urgent demand for critical items for the NHS and Social Care, including PPE, medical devices such as ventilators, and cleaning products, with a focus on Welsh manufacturing solutions. This involved a range of approaches, including communicating with existing suppliers to ramp up supply; identifying other contractors which were outside the existing framework agreements but which could supply required products; and identifying entities whose products or materials could be repurposed to meet a gap in the supply chain. For example, at the outset of the pandemic, CERET worked with alcohol distilleries to repurpose existing stocks in order to produce hand sanitiser, which was then high in demand and low in supply.

26. CERET also worked to assess offers of products from suppliers, to ensure that any non-compliant or poor-quality products did not reach the sector. This aspect of

CERET's work was carried out by the LSH with assistance from CPD, in conjunction with the work I have outlined above in relation to the LSH's own portal for PPE.

27. CERET was wound down and ceased to operate in November 2020.

Work with NWSSP on new PPE DPS

28. Building on their close working relationship in the response to Covid-19, CPD and NWSSP worked together to explore potential future procurement options for medical PPE for the NHS. In particular, CPD and NWSSP aimed to develop a procurement model that enhanced supply chain resilience, supported Welsh manufacturers, addressed modern slavery and ethical sourcing, and supported decarbonisation and the circular economy. This work ultimately led to the creation of the PPE DPS to which I referred earlier, and which replaced the original PPE framework agreement in 2021.

Contact with the UK Government

29. CPD had two key lines of communication with the UK Government during the relevant period.

Weekly calls with the UK Cabinet Office regarding Procurement Policy Notes

30. As I set out above, procurement is a devolved activity, meaning that the Welsh Government has responsibility for developing and implementing procurement policy in Wales, which it carries out through CPD. However, during the specified period, it was necessary for all of the four nations to ensure that they were adopting a consistent approach to the many procurement challenges that arose as a result of the pandemic. CPD, and procurement officials from the other devolved administrations, worked with the UK Cabinet Office to develop four Procurement Policy Notes ("PPNs") which could be adopted by the whole of the UK. PPNs are published periodically by the UK Cabinet Office and provide guidance on best practice in public sector procurement.

31. CPD engaged in weekly calls with the UK Cabinet Office and the representatives from the other devolved administrations during the development of the PPNs. The four PPNs that were published during the relevant period were:

- (a) PPN 01/20, published March 2020, exhibited as **ASM2CPD01/09-INQ000198275**: 'Responding to COVID-19'. PPN 01/20 provided an overview of the options available to contracting authorities under procurement legislation when it is necessary to procure goods or services with extreme urgency.
- (b) PPN 02/20, published March 2020, exhibited as **ASM2CPD01/10-INQ000198296**: 'Supplier relief due to COVID-19'. PPN 02/20 provided guidance for contracting authorities relating to payment of suppliers, to ensure service continuity during and after the pandemic.
- (c) PPN 03/20, published April 2020, exhibited as **ASM2CPD01/11-INQ000198626**: 'Use of procurement cards'. PPN 03/20 provided guidance on how contracting authorities could increase their use of procurement cards in order to maintain cashflow to suppliers.
- (d) PPN 04/20, published June 2020, exhibited as **ASM2CPD01/12-INQ000198628**: 'Recovery and transition from COVID-19'. PPN 04/20 was an update to PPN 02/20.

32. The Welsh Government adopted PPNs 01/20, 02/20 and 03/20. In relation to PPN 04/20, the Welsh Government issued its own Procurement Advice Note (PAN) in June 2020, exhibited as **ASM2CPD01/13- INQ000198598**, which was based closely on PPN 04/20 and tailored for Wales.

33. CPD found the calls with the UK Cabinet Office and the other devolved administrations regarding the Covid-19 PPNs to be helpful and constructive. It was beneficial to have sight of the draft PPNs in advance of their publication by the UK Government.

Monthly calls with Crown Commercial Services

34. Crown Commercial Services ("CCS") provides a suite of framework agreements for use by contracting authorities across the whole of the UK. These framework agreements are available for use within the Welsh public sector in addition to those that are developed and managed by CPD. CCS and CPD work together on areas of overlap, and engage in monthly calls (which continued throughout the pandemic) in order to share information that may be of assistance to the other. One example of this, during the specified period, was in relation to the creation by CCS of a portal through which contractors could make offers to supply goods or services, other than PPE, that

were in demand as a result of Covid-19. This approach was adopted by the Welsh Government Business and Regions teams.

35. This was the nature and extent of CPD's contact with the UK Government on the pandemic during the relevant period, and with the other devolved governments.

Advice and briefings prepared by CPD

36. CPD contributed to a series of PPE briefings that were provided to the First Minister between April and July 2020. These are exhibited as follows:

- a. **ASM2CPD01/14-INQ000198310**
- b. **ASM2CPD01/15-INQ000198315**
- c. **ASM2CPD01/16-INQ000198340**
- d. **ASM2CPD01/17-INQ000198343**
- e. **ASM2CPD01/18-INQ000228024**
- f. **ASM2CPD01/19-INQ000198374**
- g. **ASM2CPD01/20-INQ000198380**
- h. **ASM2CPD01/21-INQ000198406**
- i. **ASM2CPD01/22-INQ000198409**
- j. **ASM2CPD01/23-INQ000198413**
- k. **ASM2CPD01/24-INQ000198418**
- l. **ASM2CPD01/25-INQ000198428**
- m. **ASM2CPD01/26- INQ000198629**

37. CPD did not otherwise provide Covid advice or briefings, either to the First Minister or to other Ministers or departments within the Welsh Government. CPD was not involved in any decision-making around Covid-19 strategies, legislation, or the imposition of Non-Pharmaceutical Interventions ("NPIs") in Wales.

Lessons learned

38. The Welsh Government's Internal Audit Services commenced an audit in relation to CPD's activities during the pandemic, and produced a draft report dated November 2021, which is exhibited as **ASM2BCPD01/27-INQ000198630**. The draft report stated that there was "reasonable assurance" that the Welsh Government's procurement

activities during the pandemic had been conducted subject to arrangements that had been suitably designed and applied to achieve secure governance and risk management. The report identified five recommended actions, to strengthen the existing arrangements. Those recommendations concerned, in summary: the need to maintain all documentation relating to a particular procurement; the need to ensure that departure forms (requesting authorisation to depart from standard procurement procedures) were fully completed; the importance of clearly recording any changes to Welsh Government procurement guidance in a log; the importance of conducting a lessons learned exercise, which CPD at that stage had not yet carried out; the requirement to update CPD's Business Continuity Plan with any relevant information regarding the pandemic, which had not yet been carried out.

39. CPD was not in fact provided with the draft report, which was never finalised, at the time. I understand from colleagues in our Internal Audit Services department that this is because the relevant individual who was managing the audit in respect of CPD commenced a period of parental leave shortly after the draft report was produced, and the Internal Audit Services department at that stage decided to focus its resources on more critical Covid-related assurance work, given the relatively minor nature of the findings in relation to CPD.
40. CPD was not otherwise involved in any wider lessons learned exercises within Welsh Government. CPD were represented in wider Covid stocktakes and lessons-identified/learned work at various points. As a team they strive to improve continuously and share best practice/lessons learned both within Welsh Government and the wider public sector in Wales.

Evidence to Senedd

41. Dean Medcraft, Marcella Maxwell, Paul Griffiths and I provided evidence to the Senedd's Public Accounts Committee on Public Procurement: Next Steps, on 14th September 2020. This evidence addressed the challenges faced by CPD as a result of Covid-19 and the measures taken in response, which have been described earlier in this statement. The evidence also covered developments in CPD's core 'business as usual'. A copy of the report provided to the Senedd in advance of the evidence session is exhibited as **ASM2CPD01/28- INQ000198442**. A copy of the transcript of the evidence session is exhibited as **ASM2CPD01/29-INQ000198631**.

Statement of Truth

I believe that the facts stated in this witness statement are true. I understand that proceedings may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief of its truth.

Personal Data

Signed: _____

Dated: 3/10/2023_____