

Witness Name: Gordon Beattie
Statement No.: M3/NHSNSS/02
Exhibits: GB/01 – GB/21
Dated: 15 February 2024

UK COVID-19 INQUIRY

WITNESS STATEMENT OF GORDON BEATTIE, DIRECTOR OF NATIONAL PROCUREMENT (NP)

I, Gordon Beattie, provide this statement as part of a suite of four statements in relation to a Rule 9 request issued to NHS National Services Scotland by Module 3 of the UK Covid Inquiry and will say as follows: -

BACKGROUND, QUALIFICATIONS AND ROLE

1. I am the current Director of National Procurement ("**NP**") at NHS National Services Scotland ("**NHS NSS**"), a position which I have held since 9th December 2019. During the relevant time period National Procurement was part of the Procurement, Commissioning and Facilities ("**PCF**") Strategic Business Unit ("**SBU**") at NHS NSS, led by the Director of PCF, Jim Miller who held the post from 2015 to 2021. In April 2023 National Procurement became a separate business unit within NHS NSS, no longer sitting within the PCF SBU. The service provisions of National Procurement were not affected by this organisational re-structuring. My role brought together what were previously the roles of two directors, with Sourcing and Logistics having had a director each. My principal responsibilities include creating a sustainable National Procurement vision for NHS Scotland applying Scottish Government policy, EU regulations and other legal procedures and guidelines; leading on external procurement service provision; strategic sourcing and contract management. I have worked in NHS Scotland since 2001 in various procurement leadership roles. Several weeks after joining NHS NSS in December 2019, the World Health Organization ("**WHO**") declared COVID-19 to be a Public Health Emergency of International Concern. Prior to joining NHS NSS, I was the Head of Procurement at NHS Greater Glasgow and Clyde Health Board. I am a Chartered member of the Institute of Procurement and Supply and have a BA degree in Business Studies. I previously provided a copy of my CV to the Covid Inquiry M3/GB/01 - INQ000320365.

NATIONAL PROCUREMENT AND LOGISTICS – COVID-19 RESPONSE

2. National Procurement's key service provision is to provide a Once for Scotland Procurement Service, offering National Frameworks and a National Distribution Centre ("**NDC**") services to all NHS Scotland Territorial Health Boards and Special Boards, for example, NHS NSS Scottish National Blood Transfusion Service ("**SNBTS**") and NHS24. Due to their distributed location logistics services were not provided to NHS Scottish Ambulance Service ("**SAS**").
3. In March 2020 the Scottish Government enforced powers to place the NHS in Scotland under emergency measures. This meant that the Scottish Government was responsible for all key decision making in relation to the pandemic in Scotland and worked with other organisations, such as NHS NSS, to establish national programmes of work to deliver Scotland's response to the pandemic.
4. The global demands for Personal Protective Equipment ("**PPE**") rapidly intensified resulting in a global shortage of PPE (PPE includes facial masks, gloves, aprons, and hand hygiene). During the early days of the pandemic, daily calls (chaired by Ivan McKee, Scottish Government Minister) were held with the Scottish Government, NHS NSS, Scottish Enterprise and other bodies to establish existing stock levels, pipeline and to identify new PPE supply routes internationally and also to establish domestic routes to market within Scotland's manufacturing sector.

PPE

5. During the Pandemic, National Procurement took on additional responsibility for the sourcing, stocking and distribution of a range of PPE, testing, vaccine and critical care medicines, equipment and consumables. A four nations protocol was agreed in February 2021 to confirm devolved authority responsibilities and maintain collaborative working.
6. NHS NSS worked with Scottish Government to procure PPE through a number of groups, such as:
 - PPE Strategy and Governance Board (Scottish Government)
 - PPE Supply Resilience Group (Scottish Government)

- Single Point Of Contact (SPOC) PPE Oversight Group (owned by NHS NSS with attendance from Scottish Government policy and Scottish Government Ministers)
 - National PPE Clinical Short Life Working Group (SLWG) (chaired by Alex McMahon and sponsored by Scottish Association of Medical Directors (SAMD) and Scottish Executive Nurse Director Group (SEND))
 - National PPE Clinical Advisory Panel (CAP) (sponsored by Alex McMahon, Executive Nurse Director NHS Lothian and Chair of SEND)
 - National PPE Expert Clinical Oversight Group (ECOG) (chaired by Anna Lamont, Medical Director National Services Division, NHS NSS)
 - Daily PPE Supply Chain Oversight Group (chaired by Scottish Government Minister Ivan McKee)
 - National PPE Primary Care Steering Group (NPPCG) chaired by HPS and NSS
 - UK PPE 4 Nations Strategic Board (chaired by DHSC)
 - Social Care PPE Steering Group (Scottish Government)
 - Face Fit Testing - FFP3 Group. This group was led by National Procurement with face fit leads for each NHS Board attending.
7. The WN-COV Supply Chain Cell was established and chaired by the Department of Health and Social Care (“**DHSC**”). National Procurement colleagues attended this meeting, along with representation from Public Health England, Scottish Government and Devolved Administrations (“**DA**”). The focus was on PPE stockpiles throughout the UK and sharing knowledge. This group commenced 31st January 2020 and met daily for a period, last minutes held were on 26th March 2020 **M3/GB/02 – INQ000411178**.
8. At the start of April 2020 National Procurement introduced a strategic group SPOC M3/GB/03 - INQ000137436, to manage the supply, distribution, and use of PPE. The remit of the SPOC Leads were as follows:
- act as a senior point of contact within their NHS Board in matters related to PPE.

- to resolve issues locally, escalating as required.
 - to communicate internally to their NHS Board.
 - to work collaboratively on practical solutions to emerging issues.
9. There was representation from NHS Scotland Boards, the Scottish Government and Ministers, Scottish Enterprise and the Scottish Government Army Resilience on the SPOC group M3/GB/04 - INQ000137438.
 10. The global market for PPE was complex and volatile in the early stages of the pandemic. The Scottish Government, National Procurement and Scottish Enterprise worked together to identify both Scottish and global manufacturers to secure PPE to fill the immediate gaps and resilience as the Pandemic progressed M3/GB/05 - INQ000225989.
 11. National Procurement's incumbent role to support NHS Scotland Boards with PPE supplies was expanded to incorporate Scotland's Social Care Sector following initial discussion with Scottish Government on 13 March 2020. As the pandemic developed, the market availability of stock was becoming more and more constrained and buying decisions had to be made quickly to secure available stock. As we moved from an initial reactive push of stock into a large scale logistics operation, the responsibility for the regular buying for stock replenishment and daily issuing of stock had to move to the logistics management service (NHS NSS).
 12. In mid-March 2020 Scottish Government confirmed that the national pandemic stocks should now be made available to social care organisations as a stock of last resort. The 'stock of last resort' emergency back-up service was put in place week commencing 17th March 2020 followed by the establishment of a social care stock supply service in April 2020. Following those initial discussions with Scottish Government in March, working with colleagues from across PCF, in one week National Procurement set-up a triage call centre solution and distribution capacity to deliver essential products to social care. This was followed by the creation of the Social Care Distribution Hub Network which remained in place until 31st March 2023 M3/GB/06 - INQ000320367.
 13. National Procurement set up 48 regional hubs across Scotland to manage PPE distribution and stock replenishment to all Scotland's Local Authorities Social Care settings M3/GB/07 -

INQ000320479. The hubs received PPE from National Procurement and the Scottish Government, which was then distributed to care homes and other social care providers by the Local Authorities. National Procurement supplied PPE to the hubs and we are aware that the Scottish Government supplied PPE to funeral homes and nurseries through an arrangement with Lyreco, however, National Procurement supplied the PPE stock directly to Lyreco to facilitate this. The social care hubs were a key part of the overall response to the pandemic and aimed to protect vulnerable people and support the social care sector.

14. On the 19 March 2020, a revised SLA was established with Scottish Government to update the authority delegated to National Procurement to purchase and issue stock supplies M3/GB/08 - INQ000221635. It was agreed that National Procurement would now manage the overall stock in accordance with the following detailed actions:

- **Healthcare Sector:** A notional split of the stockpile between Acute / Independent Contractor GPs/ Scottish Ambulance Service (SAS) / and Social Care has been agreed by SGHRU on a Pandemic Stock line by line basis. National Procurement will manage the overall release of Pandemic Stocks within these sector allocations and in accordance with the paragraphs below.
- **Acute Hospital Sector:** National Procurement will have delegated authority to release up to 10% of pandemic stock allocated to the acute sector per week prior to reference back to SGHRU.
- **Independent Sector GPs:** National Procurement will maintain a stock issue quantity list based on the 1st GP stock release. SGHRU will instruct NP on subsequent releases to GPs.
- **SAS:** National Procurement will have delegated authority to issue up to 2000 PPE kits per day comprising 90% non-aerosoling procedure kit (Type IIR mask) and 10% aerosoling procedure kit (FFP3 mask) together with gloves and goggles in-line with HPS guidance.
- **Social Care Sector:** National Procurement will release the identified items of Pandemic Stock on an essential risk based need basis. The essential needs will be managed via the Social Care triage service provided by National Procurement up to a maximum weekly release of 10% of total allocated stock.

- **National Distribution Centre (NDC) BAU Stock:** NDC core business as usual stock (BAU stock) is maintained primarily for the use of the acute hospital sector. Access to this stock by other sectors will be managed by National Procurement and only if the demand can be accommodated within the overall stock profile for Acute hospitals. Variation to this general rule will be required to be instructed by the Cabinet Secretary for Health.
15. Full details can be found in the Audit Scotland Report M3/GB/09 - INQ000108737.
 16. For COVID-19 testing National Procurement managed, at the request of the Scottish Government, the procurement and distribution of (Polymerase Chain Reaction) PCR swab sample testing kits and PCR Testing Equipment for all of Scotland. This included NHS Scotland Health Board Virology Laboratories from late March 2020 and the three Regional Testing Hubs, which were created to manage volume throughput in Glasgow from December 2020, Lothian and Grampian from January 2021. National Procurement managed the Scottish allocation of Lateral Flow Device (LFD) kits from the UK Government Testing Team, who procured these on a national basis on behalf of the 4 nations.
 17. National Procurement supported the NSS Testing Oversight Delivery Group to implement testing in Social Care Settings in February 2021. National Procurement supported the introduction of a care home testing pack and distribution service which enabled a care home kit to be developed for each residential care home to request, receive and send samples directly to the Regional Testing Hubs for analysis.
 18. The unprecedented situation created unforeseen global supply chain disruption, creating mass shortages worldwide. National Procurement worked with NHS Scotland Boards and partner agencies, such as, Scottish Enterprise to identify 'critical commodities' impacted as a result. This covered commodities such as PPE, critical care equipment for example ventilators, PCR sample testing kits and PCR assays for laboratory testing and associated consumables. Supply and demand management was critical throughout, combined with exploring new opportunities available via existing manufacturing supply bases in addition to identifying new, local and global manufacturing opportunities.
 19. Over a period of just 24 hours, the Dava Street warehouse operation was opened in April 2020 to support the incoming and outgoing supply of critical Intensive Care Unit (ICU) equipment. The new 10,000 square feet of space was made available to provide suitable

conditions (capacity and environment) for supporting the storing and distribution of critical items to NHS Scotland Boards. Logistics and other staff from our NDC worked within the new facility to support the operation with their expertise, further supported by our dedicated specialist contractor Business Moves Group.

20. Working closely with Scottish Government, the PCF SBU had been responding to the needs of the service for both PPE, equipment and supplies to ensure availability and the safety of staff across the NHS in Scotland and had also taken on the scope of a vast range of social care bodies, through community hubs. In October 2020 Scottish Government published the PPE for COVID-19 Action Plan M3/GB/10 - INQ000225992 outlining the need for PPE in Scotland.
21. National Procurement was assigned by Scottish Government to source critical PPE items such as type 2R masks and FFP3 respirators. The latter required face-fit testing, necessitating close collaboration with all NHS Boards and an upscale of face-fit testing infrastructure.
22. Scottish Government did grant special dispensation for advance approval of purchases, allowing for a more efficient procurement process, details can be found within the Scottish Government Pandemic Stock Management Protocol document M3/GB/08 - INQ000221635. Despite the immense challenges, National Procurement ensured that governance standards were maintained throughout this period as evidenced in the Audit Scotland report, detailed below at paragraphs 71 to 73 M3/GB/09 - INQ000108737.
23. To achieve this, a specific COVID-19 approval document and process were created, ensuring transparency over contract awards. Public Contracts Scotland listed over 500 contracts with a unique 'COV' coding, showcasing the extensive measures taken during the crisis.
24. It is worth noting that the 'extreme urgency' provision already existed in legislation, and Scottish Procurement Policy Notes (SPPN 4/2020) played a key role in guiding these emergency procurement actions. SPPNs are issued by Scottish Government and provide additional advice to public bodies in Scotland who procure goods, services and works under Public Contracts (Scotland) Regulations 2015, unless otherwise stated. SPPN 4/2020 was issued by Scottish Government on 20th March 2020 and played a key role in guiding these emergency procurement actions.

25. This included the revalidation of the pandemic stockpile of FFP3 respirators through third-party labs. The National Procurement team worked closely with the Health and Safety Executive, the British Safety Industry Federation (BSIF), and received sign-off at the ministerial level from the Scottish Government to ensure the successful procurement and distribution of essential PPE.
26. National Procurement, as a participating authority on the Scotland Excel framework, utilised this route to compliantly source a proportion of PPE products.
27. A pandemic stockpile of PPE was in place before COVID-19, the Department of Health contracted for a range of consumables to be issued to the NHS in the event of a Pandemic Flu outbreak. Scotland was party to this purchase and agreed to take delivery of the share of product, based in Barnett Formula to a single point in Scotland. NSS agreed via the 2009 SLA to undertake the management, storage and distribution of these consumables on behalf of the Scottish Government Pandemic Flu Team. It consisted of the key items needed in the event of a pandemic. The role of National Procurement was to manage, store and distribute the items.
28. In March 2020 it became evident that stock management and distribution of PPE needed to be scaled up to meet the volume and intensity of the rising demand. To address this challenge, an approach equivalent to a Material Requirements Planning (MRP) was designed to provide better demand modelling.
29. From March to June 2020, a Scottish Government team modelled demand to help predict the volumes of PPE needed over the course of the pandemic. Initially, the approach focused on the acute sector and was based on information about COVID-19 patient numbers. In July 2020 the model then shifted to a staff-based one, using national workforce data. NHS Boards provided information on staff working in different settings and estimates of PPE use.
30. The accurate data from the new MRP approach enabled the effective daily distribution of PPE to NHS Scotland Boards. Supply chain teams had to adapt their operations to align quantities required with specific delivery dates based on the high-quality data provided by the MRP approach.
31. As the pandemic progressed, the risk of being overwhelmed with suppliers offering PPE became apparent. To manage this issue, an online portal using ServiceNow was created to

automate and streamline the process of identifying suppliers' capabilities, such as the products they could supply, the quantities available, the compliance standards met and the prices offered.

32. By placing the responsibility on suppliers, it allowed National Procurement to identify the best-suited suppliers to provide PPE. Approximately 2,500 offers from suppliers were received.
33. National Procurement worked with the Scottish Government and Scottish Enterprise to conduct due diligence checks in China, Scotland and other key countries that could supply PPE in the required quantities, ensuring a diversified and reliable supply chain.

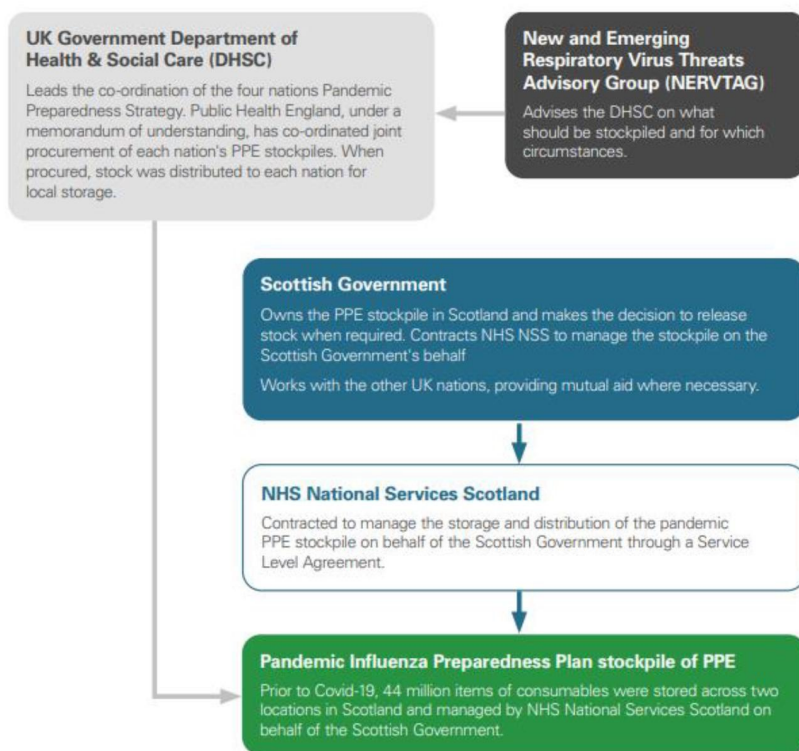
MEDICINES

34. The first wave of COVID-19 led to a spike in demand for certain intensive care and palliative care medicines. Where products were in short supply, National Procurement supported suppliers in allocating stock to Scottish hospitals to ensure equitable distribution and avoid stock-outs. National Procurement was in close contact with the Department of Health and Social Care and NHS England who coordinated efforts at UK level to arrange increased supplies of affected medicines into the UK.
35. In Summer 2020, the Department of Health coordinated work to build a medicines stockpile to support responses to future waves of COVID-19. Scottish Government was responsible for policy decisions relating to Scotland's share of the stockpile. National Procurement operationally managed the stockpile, arranging the purchase of medicines which are stored at an outsourced pharmaceutical storage and distribution provider.
36. Since Autumn 2020, National Procurement has been responsible for supporting the supply of the COVID-19 vaccines which are procured by the UK Government on behalf of the four Devolved Nations and are supplied predominantly through a pharmaceutical wholesaler commissioned by UK Health Security Agency (UKHSA). National Procurement has acted as a liaison between NHS Scotland Boards and the Vaccine Taskforce/ UKHSA on the operational supply arrangements including the allocation of stock to NHS Scotland Boards.
37. The Scottish Government were responsible for any policy decisions relating to vaccine supply. National Procurement led procurement and supply of associated equipment and consumables that were required to deliver the vaccine programme, for example freezers.

PERSONAL PROTECTIVE EQUIPMENT (“PPE”) PROVISION AND STOCKPILING

PPE Pre-Pandemic

38. Prior to the pandemic National Procurement provided stock services predominantly to acute settings across the NHS in Scotland. It did not provide any stocks to social care. Prior to the pandemic social care purchased stock from commercial distributors. Local Authority facilities and services procured goods using Local Authority procurement services, including Scotland Excel.
39. Among its functions, National Procurement undertakes the majority of non-pandemic PPE procurement for the NHS in Scotland. Pre-pandemic and now, NHS Scotland Boards place orders for standard medical PPE (mainly gloves, surgical masks, sterile gowns and aprons) with National Procurement, who then supply such PPE to the NHS Scotland Boards.
40. PPE supplied to NHS Scotland Boards pre- pandemic was limited to standard medical requirements (e.g. gloves, aprons, surgical masks and similar ensemble) and demand was stable with little fluctuation year on year. The average was 5.6m items of PPE distributed each week worth £162K per week, by April 2020 this demand had increased by 400%+ to 24.5m items of PPE distributed per week from April 2020 onwards M3/GB/09 - INQ000108737.
41. Additionally, National Procurement provided a stock management service to the Scottish Government to hold the Scottish share of the UK Pandemic influenza preparedness (PIPP) medical and facilities consumables stockpile. In 2009 this stockpile was coordinated by Public Health England (now UKHSA) who led on the management of the provision of the pandemic influenza stockpile items and quantities. Scotland was a party to this purchase and took delivery of a share of the products based on the Barnett Formula. This share became Scotland’s pandemic influenza stockpile. NHS NSS, through National Procurement undertook the management of storage and distribution of this pandemic influenza stockpile which included the PPE stockpile.
42. Scotland had, and has, its own general PPE stockpile, this is supplied to NHS Scotland Boards by the NDC service to support standard medical requirements. This is separate from any stockpile held by or on behalf of any of the other four nations. A diagram from the Audit Scotland report on PPE (2021) illustrates the management of the pandemic stockpile:



Source: Audit Scotland and Scottish Government

GENERAL PPE SUPPLIED FOR STANDARD MEDICAL REQUIREMENTS

43. As described above, prior to the pandemic and now, NHS Scotland Boards place orders for standard medical PPE (mainly gloves, surgical masks, sterile gowns and aprons) with NHS NSS, who then supply such PPE to NHS Boards in Scotland, this is managed through National Procurement. As such, on the 1 March 2020 each NHS Board would have had a stock of standard medical PPE.
44. PPE procured for use across the NHS in Scotland is required to satisfy the essential health and safety requirements of the 2016/425 PPE regulations and carry the CE or UKCA mark. All PPE items procured for standard medical use are supplied to the regulatory requirements with all required certification.
45. The below table outlines the quality standards that all PPE must meet.

Product Group	Regulating Standard
FFP3	EN 149:2001

Type IIR	EN 1468:2019
Clear Mask	1st April 2021 Technical Spec for Transparent Mask
Goggles	EN 166:2001
Gowns AGP	EN 13795 1:2019
Gloves	EN 455 Part 1, 2,3 & 4 also EN 374 2016 (Type B)
Full Face Visor	EN 166:2001
Aprons	2016:425

Scotland's share of the UK Pandemic influenza preparedness (PIPP) stockpile

46. Since 2009 National Procurement has provided resilience services for medicines and stock management for the UK Pandemic Influenza Preparedness stockpile and in supplying pandemic goods to hospitals in Scotland through a Service Level Agreement (SLA) with the Scottish Government for medicines and PPE. M3/GB/11 - INQ000108646.
47. National Procurement provided regular PIPP stock status reports prior to 1 March 2020 to Scottish Government, including levels of expired stock. M3/GB/12 - INQ000320476 and M3/GB/13 - INQ000320477.
48. In early February 2020, National Procurement discussed with Scottish Government the status of the UK stock held by National Procurement on their behalf. Although there were good volumes of some items many had reached the end of their manufacturers' validated shelf-life period or were close to exceeding that.
49. Correspondence from the UK government provided operational guidance that stocks were being revalidated by the manufacturers' and additional supply would be delivered based on the UK Pandemic Stock strategy of 'Just in Time' (M3/GB/14 INQ000320387, M3/GB/15 – **INQ000413455**.
50. Decisions relating to which products were stocked, the quantities held and stock write-off/ replenishment/ revalidation were the responsibility of Scottish Government and the Department of Health and Social Care. National Procurement's role, prior to March 2020, was to provide storage and distribution services.

Suitability of PPE

51. The use of PPE is detailed in the National Infection Prevention Control Manual. In terms of understanding what PPE should be used and when, organisations (NHS Boards and private users of the NIPCM) hold responsibility for distributing guidance and operationalising it within healthcare settings.
52. Prior to the pandemic there were three routes for PPE products to be obtained by Health Boards, facilitated through National Procurement.
 - Frameworks run and managed centrally via the NDC service, this covered products detailed in the table at paragraph 45 (above).
 - The Scotland Excel Framework, this framework was far wider in scope, covering both PPE and non PPE products.
 - Direct purchase by local health board procurement arrangements
53. Health Boards were responsible for choosing and ordering which PPE they wished to use locally. This led to a variety of FFP3 masks being used across NHS Boards in Scotland, with individuals face fit tested to the FFP3 masks in use within their board.
54. As the pandemic began to impact global supply chains in March 2020 National Procurement moved to a centrally managed model of supply via the NDC service. Sourcing the wide variety of FFP3 masks used within NHS Boards prior to the pandemic was no longer practical. National Procurement sought to secure supply of the most commonly used masks. The use of Respiratory Protective Equipment (RPE), such as FFP3 masks, requires individuals to be fit tested as detailed by the Health and Safety Executive. The FFP3 masks manufactured by each supplier will vary, as such the fit to an individual of each mask type will vary. This resulted in individuals being required to be face fit tested to the FFP3 masks available to them.
55. The PIPP stockpile held a number of different manufacturers FFP3 masks, the majority of FFP3 stock however was 3M model 1863. The 3M 1863 model of FFP3 had been superseded by the 3M 1863+ model in 2011 and was no longer actively available or in use. This meant that where the PIPP stockpile was revalidated and distributed to NHS Boards, staff would be required to be face fit tested to the 3M 1863 model.

56. Quality of product was essential so we engaged with the British Safety Industry Federation and consulted with the Health and Safety Executive to ensure all our products met the stringent standards required for use across our hospital settings. Our sourcing teams utilised a conformance checklist to ensure any products from new sources of supply were fully validated before proceeding. We also worked with colleagues in Scottish Enterprise who visited factories in China to perform the necessary due diligence on process and documentation which provided assurance that international quality standards would be met. All of the PPE we sourced met regulatory standards, was manufactured in accordance with international standards and held the necessary certification including CE marking and certificate of conformance. Where any quality issues were raised these were managed through our quality assurance process to resolution.

INEQUALITY IN RELATION TO PPE SUPPLIED DURING PANDEMIC

57. National Procurement primarily focused on ensuring the supply of PPE to frontline staff. They made every effort to secure a range of FFP3 facemasks that would accommodate various face types. As detailed above our respirator standard is the FFP3 which due to its seal and construction filters out 98% of airborne contaminants which is best in class protection for NHS Scotland front line staff operating in environments which Aerosol Generating Procedures (AGPs) are performed. In order to achieve this protection level, it is necessary that each respirator product is fitted to each individual staff member, due to the introduction of new products this meant that face fit testing had the potential to become a significant bottleneck in ensuring staff safety. We worked with the testing industry to commission the necessary and additional test equipment, consumables and additional test resource to support our Health Board colleagues to work through our entire in-scope clinical population ensuring they had the proper protection at all times. RPE2Fit Ltd delivered on the ground training and support and National Procurement supported NHS Boards to increase their capacity to carry out face fit testing through increasing their testing estate by almost 300% by the end of May 2020.
58. National Procurement collaborated closely with Alpha Solway to address the limited supply of FFP3 masks, acknowledging the challenges in this area.
59. Additionally, we partnered with other organisations to develop a compliant, clear mask that catered to the needs of those with hearing difficulties. The Royal College of Speech and

Language Therapy raised the need for transparent masks nationally as vital to the care pathways of their patients and staff groups who would wish to use the products if available. The Department of Health and Social Care (DHSC) developed new standards that permitted transparent masks to be used in a limited clinical environment where fluid resistant surgical face masks (Type 11R) were used.

60. National Procurement in partnership with Alpha Solway designed and developed a transparent face mask meeting DHSC standards, this was introduced into the social care sector from December 2021 onwards. Clinically it is the equivalent of a fluid resistant surgical face mask. It has been given approval by the Commodities and Advisory Panel (CAP) for NHS Scotland. The Alpha Solway manufactured mask has also been marketed and sold in the other 4 nations countries and we understand within Europe.
61. Scottish Government approved the use of transparent fluid resistant masks to aid communication in Health and Care settings and NP commenced distribution in early December 2021.
62. Prior to this, there was no transparent and compliant mask available, this was a significant step towards addressing potential inequalities.
63. We also worked with local NHS Scotland Boards to develop alternative compliant options such as air hoods. Prior to the pandemic National Procurement did not directly deliver stock to primary care or social care. In April 2020 National Procurement began direct delivery to primary care and established social care hubs.
64. The social care hubs in Scotland were set up to address geographical and logistical challenges related to the distribution of PPE to care homes during the pandemic. These hubs were strategically located to ensure that PPE could be easily and quickly distributed to care homes in remote or hard-to-reach areas. The hubs also allowed for more efficient and effective management of PPE supplies, with a centralised approach to procurement and distribution. The social care hubs in Scotland helped to address inequalities during the COVID-19 pandemic by addressing geographical and logistical challenges and providing greater access to PPE for a variety of care providers.
65. Additionally social care hubs ensured that care homes and other social care providers, including those in remote or deprived areas and unpaid carers, had access to the necessary

PPE. This helped to protect vulnerable people from the virus and prevent its spread within care homes and social care settings. Furthermore, the hubs provided support to care providers who may have had difficulty accessing PPE due to financial or logistical constraints, which helped to ensure that all providers had access to the necessary equipment.

LESSONS LEARNED AND RECOMMENDATIONS

66. National Procurement undertook 1 internal lessons learned review in July 2020 – M3/GB/16 - INQ000320497.
67. Externally Audit Scotland published the COVID-19 Personal Protective Equipment Report, June 2021 M3/GB/09 - INQ000108737 and in August 2021 published the NHS National Services Scotland 2020/21 Annual Audit Report M3/GB/17 - INQ000108705.
68. The Auditor General published the 2020/21 audit of NHS National Services Scotland Response to Covid-19 pandemic in October 2021 M3/GB/18 INQ000198845
69. On 4th November 2021, The Scottish Parliament Audit Committee, considered both the Audit Scotland COVID-19 Personal Protective Equipment Report (June 2021) and the Auditor General 2020/21 audit of NHS National Services Scotland Response to Covid-19 pandemic (October 2021) M3/GB/19 - INQ000226003. The committee subsequently heard evidence from a number of senior leaders in NHS NSS M3/GB/20 INQ000315543 Recommendations from these respective reports are listed below.

National Procurement Internal lessons learned reflections, July 2020 - M3/GB/16 - INQ000320497

70. Broadly, reflections of the pandemic to this point highlighted the need for robust systems and data to support swift and effective decision-making. The shift from a 'just in time' model to greater focus on resilience, social value and impact, and the circular economy was necessary.
 - Systemise more of our activities
 - Build on Scottish Enterprise networking
 - Provide services to Health and Social Care

- Review pandemic stock pile service level agreement and create PPE team within NP
- Implement forecast demand planning solutions
- Build our teams resilience
- Upgrade our technology (MRP/ERP) and systems need to speak to each other
- Broaden Information Bureau to PCF
- Deeper understanding of our suppliers and supply chain vulnerabilities
- Identify strategic supply, redesign supply chains and logistics strategy to reduce vulnerabilities
- Increase focus security of supply
- Creating a 'single' price for PPE items
- Develop a more resilient workforce plan to support future pandemics
- National Procurement needs a communications strategy to best represent our work
- Resilience plans need to include long term disruption

Audit Scotland COVID-19 Personal Protective Equipment (PPE) Report, June 2021 M3/GB/09 - INQ000108737

71. The Audit Scotland COVID-19 PPE report looks at how Scottish Government and NHS NSS put in place arrangements to procure, store and distribute PPE to health and social care settings before and during the pandemic, and how Scottish Government and NHS NSS are planning for the longer term. The report considers:

- The arrangements for procuring and distributing PPE before the pandemic. It also highlights previous pandemic preparedness exercises and how Scottish Government responded to the findings from these.

- How Scottish Government and NHS NSS responded to the pandemic and the arrangements they put in place to procure, store and distribute PPE to health and social care settings.
 - How Scottish Government and NHS NSS are planning for the longer term.
72. The 2020/21 Audit of NHS National Services Scotland, Personal Protective Equipment report recommends, in relation to pandemic preparedness in the future; resilience of the Scottish PPE supply chain and whether the PPE export market will be able to sustain Scottish manufacturers; and maintaining sufficient PPE stock that needs to be balanced against the costs of managing the stockpile and the risk that items will go out of date.
73. It identified the following points for consideration in longer term planning by the Scottish Government and NHS NSS.
- the challenges which arose during the pandemic, both at a national and local level, to ensure that lessons are learned for pandemic preparedness in the future
 - the resilience of the Scottish PPE supply chain as demand for PPE begins to reduce and whether the PPE export market will be able to sustain Scottish manufacturers
 - support for suppliers to develop more environmentally sustainable PPE and address the reported issues with the fit of masks for ethnic minorities and women
 - a new approach to the pandemic stockpile and the role they would play. The need to maintain sufficient PPE stock needs to be balanced against the costs of managing the stockpile and the risk that items will go out-of-date
 - the arrangements for the provision and funding of PPE for social care and primary care in the longer term
 - the sustainability of processes and governance arrangements for the procurement, storage and distribution of PPE put in place during the pandemic.

Audit Scotland NHS National Services Scotland 2020/21 Annual Audit Report, August 2021-M3/GB/17 - INQ000108705

74. In relation to National Procurement the following key messages were identified by Audit Scotland:

- NHS NSS has appropriate arrangements in place to support good governance and accountability including those associated with the award of PPE contracts during the pandemic.
- NHS NSS worked well with partners from early in the pandemic to source suppliers and make the PPE supply chain more resilient. It also played a pivotal role, alongside partners, in delivering the contact tracing and vaccination programmes.
- There was some variation in the procurement arrangements applied, however we acknowledge the climate that NHS NSS was operating in to respond to the pandemic

Auditor General 2020/21 audit of NHS National Services Scotland Response to Covid-19 pandemic, October 2021 M3/GB/18 INQ000198845

75. In relation to National Procurement the following key messages were identified by the Auditor General:

- NHS NSS has been integral to Scotland's response to the pandemic. It worked well with partners to procure PPE, construct the NHS Louisa Jordan field hospital, set up and operate the test and protect programme and support the vaccination programme.
- NHS NSS used emergency procurement provisions to award PPE contracts without competition. The auditor reported some variation in the procurement arrangements applied but concluded that satisfactory arrangements were in place. In addition, this work did not find any evidence of preferential treatment or bias in the awarding of contracts.
- Contract award notices were not published within the required timescales for most of the PPE contracts. This reduced the transparency of decision-making.

- NHS NSS has worked well with partners to bring the PPE supply chain to Scotland which will make it more resilient. It is working with the Scottish Government on a longer-term plan for PPE as well as its own Covid-19 recovery plan.
 - NHS NSS built, stocked and decommissioned the NHS Louisa Jordan field hospital at a cost of £51.2 million in 2020/21.
 - The contact tracing programme required NHS NSS to increase testing capacity and develop a digital portal to provide intelligence and data analysis to support decision-making.
 - NHS NSS continues to work well with partners to support the vaccination programme.
76. The National Procurement Directorate has taken forward activity to address the reflections and recommendations from the respective reports. NHS NSS National Procurement Annual Report (2020/21) M3/GB/21 - INQ000108738 outlines steps taken to address many of the above recommendations. A further updated position is provided below on the key themes.

ACTIONS FROM LESSONS LEARNED

PPE

77. With regards to the Pandemic stock pile and creating a PPE team within National Procurement. The Service Level Agreement (SLA) between the Scottish Government and NSS created lead responsibility for National Procurement beyond the original scope of the pre 2020 SLA. National Procurement continues to be commissioned by the Scottish Government Resilience unit to deliver the Pandemic stock pile with the broader remit of demand planning, purchase and disposal. A PPE commodity team was created within National Procurement both within the Logistics operations function and within the Supply chain function (in Autumn 2020). These have now been integrated into the standard arrangements and team structures within National Procurement to improve efficiency and avoid silo working (during 2023).
78. National Procurement have worked with new Scottish manufacturers within our contractor supply chains who are now able to supply the majority of PPE items. For example, our supply chain partners in Scotland are now supplying us with FFP3 masks with a 7-year shelf life,

much longer than historical norms, forming part of a strategic approach to ensure appropriate PPE is ready should another critical event occur.

79. With regards to creating a 'single' price for PPE items, PPE has been provided free of charge to Health and Social Care services since the start of the pandemic. Social Care supply ended 31 March 2023 and NHS Scotland Primary Care supply will end 31 March 2024. NHS Scotland Health Boards will revert to the standard charging model of a catalogued single price per stocked product based on average issue price. A new national PPE stockpile service is being made available to public bodies and that will also use the same charging model as used for Health Boards.
80. With regards to the provision of services to Health and Social Care. Scottish Government commission services from NHS NSS. As part of NHS NSS, National Procurement provide specific commissioned services for Health and Social Care. This included PPE supply to Social Care up to 31 March 2023 when the service ended; and for PPE supply to NHS Scotland Primary Care services which is currently provided but ends on the 31 March 2024. We continue to provide services to all NHS Scotland Health Boards and provide some continuing services to NHS Scotland community based services. National Procurement is also providing a national PPE resilience stockpile service to the Scottish Public Authorities and other public bodies where required.

Systems, Processes and Governance

81. National Procurement have implemented new large-capacity warehouses and upgraded and rolled out a new inventory management system across NHS Scotland. These have improved the efficiency and effectiveness of the supply chain for PPE and other medical supplies.
82. The need for a new Inventory management System (IMS) was identified following the concerns of a lack of access to stock level information across hospitals. National stocks were distributed to hospitals to ensure good buffer stocks to meet immediate needs. Physical daily / weekly stock counts had to be provided by hospitals during the pandemic to allow accurate stock availability to be monitored and replenishment stock deliveries to be made based on need. The IMS system has now been implemented across all health boards and allows local and national visibility of hospital held stocks for critical stocks. This national once for Scotland system implementation was led by National Procurement and broadly completed by 31 March 2023.

83. A national infrastructure capital board was created and funded, and a larger team for vaccines within the NP medical team was established. These have improved the responsiveness of the system to future crises.
84. Currently there is sufficient stock held in the national resilience stock pile and in December 2022 the PPE Implementation Steering group agreed to stand down additional PPE ordering until stock levels reduced to a reorder point.
85. National Procurement has built on the experience of Covid19 and developed more system based processes. Use of Power BI dashboards for tracking and reporting activity and performance is a good example.
86. With regards to implementing forecast demand planning solutions National Procurement have established a demand scenario forecasting approach based on High to Low demand of PPE. We continue to monitor actual demand on a weekly basis. A wider initiative to consider formal Materials Requirement Planning is currently in a 'discovery' phase with the objective of creating an outline business case for purchase and deployment.
87. With regards to upgrading our technology (MRP/ERP) and that systems needed to speak to each other. In May 2020 national procurement implemented a new approach to modelling PPE demand.
88. The approach to modelling demand for PPE developed over the course of the pandemic. From March to June 2020, a Scottish Government team modelled demand to help predict the volumes of PPE needed over the course of the pandemic. Initially, the approach focused on the acute sector and was based on information about Covid-19 patient numbers. The model then shifted to a staff-based one, using national workforce data. NHS boards provided information on staff working in different settings and estimates of PPE use. In May 2020, based on modelled demand, National Procurement began to develop 12-week oversight dashboards to help inform procurement and distribution decisions and improve reporting. It used this data to provide daily PPE stock bulletins to a range of stakeholders during the pandemic.
89. With regards to broadening our Information Bureau to PCF. PCF as a strategic business unit of NHS NSS was disestablished in early 2023. The Information Bureau has remained a

National Procurement specific service providing a consistent contact point for requests for information, mainly from Scottish Government colleagues.

90. With regards to needing a deeper understanding of our suppliers and supply chain vulnerabilities National Procurement completed a mapping of country or origin of all NDC supplied products in July 2022. This has allowed our supply chain team to react to international events and consider risks to supply chain. We continue to work closely with DHSC and have recently updated our supply disruption alert process to route DHSC alerts through to Health Board leads. Additionally since the 5 November 2021 National Procurement provides a 2 weekly update to the Scottish Government on supply chain risks.
91. With regards to the need to increase focus on security of supply and identify strategic supply, redesign our supply chains and logistics strategy to reduce vulnerabilities. During the period of March to May 2020, National Procurement, Scottish Enterprise and the Scottish Government collaborated with Scottish headquartered mask manufacturer, Alpha Solway. This successful collaboration and investment by the Scottish Government, re-shored from Taiwan local mask manufacturing in Scotland from June 2020; bringing an additional 1 million respirator masks per week into the UK supply chain. Further details can be found in the Audit Scotland PPE Report Case Study M3/GB/09 - INQ000108737. National Procurement established post-Brexit national stock resilience strategies and these were approved by the Scottish Government. Strategies have been agreed over the past 3 years with a progressive reduction on stock levels reflecting the overall risk to supply chain disruption.
92. With regards to resilience plans needing to include long term disruption. This was about considering disruption that lasted for an extended period of time. National Procurement developed our post-Brexit national stock resilience strategies and those took account of risks to long term disruption. This included increasing national stock levels to maintain 4 weeks minimum stock levels across majority of NDC stock lines during the highest risk period of international supply chain failure over 2021 / 2022. These levels were reduced progressively and are now managed on a case-by-case basis depending on prevailing risks.

Stakeholder Engagement

93. Recognising that we needed to build our Scottish Enterprise networking, Scottish Enterprise representatives now sit on the Procurement Strategic Group (the NHSS Procurement services oversight group). National Procurement Supply chain and strategic sourcing

engaged with Scottish Enterprise on aspects of supporting a Scottish supply chain through the Scottish Government lead Supply Chain Development programme.

94. On National Procurements communications strategy, we work closely with the NHS NSS Marketing and Communication stream. We have regular market engagement / meet the buyer events including Procurement for Health (P4H), and Procurex as well as provide guest speakers to relevant events. We operate within the overall NHS NSS communications strategy.

Workforce

95. With regards to building National Procurement teams resilience:

- National Procurement provides a national capacity of expert and skilled procurement and logistics professionals. We continue to develop our team capacity through our workforce plan (WFP) which is refreshed annually and implements the overarching NHS NSS Workforce Plan. We have embedded the activities undertaken during the pandemic in our core teams to avoid silos or single points of failure. For example Supply Chain contracting moved to Strategic Sourcing (Summer 23); PPE category team has been embedded in Supply Chain and Strategic Sourcing BAU activity (Dec 23); logistics inventory embedded in the Operations Control Tower team (Summer 2022).
- During the pandemic a broader range of resources were brought into play. This included the national PPE clinical groups; SPOC group; SG PPE resilience directorates and UK and 4 nations working groups. Additionally a number of efficiency improvement were established and remain in place to reduce the impact on staff in the future. These include: maintaining a national PPE stock pile; the Information Bureau communication channel; Power BI enabled dashboards; Service Now enabled service user interface systems; a national inventory management system; a culture of working together and continuous improvement across NHS Scotland procurement services. However National Procurement remains a relatively small team with reliance on our expert staff to respond to any future pandemic. Their dedication and willingness to respond to the needs of the service remains intact.

- National Procurements model of response was considered successful by Audit Scotland M3/GB/09 - INQ000108737. Reliance on our core expertise and proven supply chain processes and systems underpinned that success.
- Throughout the pandemic the NHS NSS National Procurement workforce together with our procurement colleagues from across NHS Scotland went above and beyond to respond to the unprecedented challenges created by the national emergency and the impact of Covid 19 on international trade and supply chains. I remain humbled by the selfless attitude of my colleagues and their dedication over the pandemic.

96. NHS NSS does not seek to make any recommendations in relation to improve quality assurance of NHS care in the event of a future pandemic.

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.

Signed:

Personal Data

Dated: 15 February 2024