

## OPENING STATEMENT IN MODULE 5

Made on behalf of the Department of Health

1. I appear on behalf of the Department of Health Northern Ireland which I will refer to hereafter as the Department.
2. The Department would like to take the opportunity, at the beginning of this Module, to offer its sincere condolences to all those who were bereaved because of Covid-19. It also extends its sympathy to the wider public who suffered during the pandemic, both in terms of the virus and also of the impact of the many measures introduced to combat it.
3. The Department recognises that the effects of Covid-19 are ongoing and that the impact of the virus is still being felt by individuals as well as the wider Health and Social Care system. Like previous Modules, the bravery, commitment and professionalism of health and social care workers across Northern Ireland must be praised.
4. The Department would also like to thank those Business Services Organisation (BSO) staff who worked behind the scenes, in exploring potential new procurement routes for medical equipment and Personal Protective Equipment (PPE) supply at a time when the global supply chain was experiencing extreme pressure. It also wishes to thank all those who assisted in the distribution of vital equipment. The Covid-19 pandemic presented unprecedented challenges to public health systems worldwide and it is important to acknowledge that the work

carried out by these staff members was integral in protecting frontline workers and the wider population.

5. The Department's role in procurement is somewhat limited in comparison to those areas examined in other Modules of this Inquiry. However, this opening statement will outline the role that the Department played in the decisive actions and decisions made in the procurement of medical equipment, PPE and other critical supplies. It will also address the second facet of this Module: distribution of equipment and supplies.
6. While Northern Ireland faced unique geographical and logistical challenges, efforts were made to ensure a coordinated approach that prioritised the safety of healthcare workers, patients and the public.
7. In its statement to the Inquiry, the Department explained how medical equipment is procured in Northern Ireland. The Department believes that an understanding of the procurement process in Northern Ireland will be key for this Module, and therefore highlights a brief outline in this statement.

### **Policy Background - Procurement**

8. The Northern Ireland Public Procurement Policy was agreed by the NI Executive in 2002 and requires all Departments, not just the Department of Health, their Agencies, Non-departmental Public Bodies and public corporations to carry out their procurement activities by means of documented Service Level Agreements with the Central Procurement Directorate in the Department of Finance or a relevant Centre of Procurement Expertise.

9. Centres of Procurement Expertise, or CoPEs, are centres of excellence with specialist procurement expertise across the Northern Ireland public sector and undertake procurement activities in relevant sectors. The Department uses three CoPEs, the most relevant of which for this Module is the Business Services Organisation Procurement and Logistics Service (BSO PaLS) for the procurement of healthcare equipment and supplies. Throughout the pandemic BSO PaLS maintained its direct operational responsibility for procurement of key healthcare equipment and supplies for Northern Ireland's Health and Social Care system.
10. The procurement role which the Department has, therefore, is one of financial sponsorship of BSO PaLS and oversight of their governance arrangements.
11. As we have seen in earlier modules of this Inquiry, the Department is the lead Government Department for responding to the health consequences of emergencies arising from chemical, biological, radiological and nuclear incidents; disruptions to the medical supply chain; human infectious diseases; and mass casualties. It also leads on the arrangements for storage, management and distribution of the Northern Ireland held countermeasures (including Pandemic Influenza Preparedness Programme (PIPP) PPE). I will return to this shortly.
12. As I have highlighted at the start of this statement, Northern Ireland faced many logistical and geographical challenges at a time when the global supply chain was experiencing extreme pressure. Despite these pressures, BSO PaLS worked to expand capacity to meet demand and played an important role in Northern Ireland's pandemic response. In

working to scale capacity to meet demand, it is the overall view of the Department, that BSO PaLS performed well, considering the difficulties they faced.

13. The Department assisted BSO PaLS in securing ministerial approval for establishing a Dynamic Purchasing System for PPE. The Dynamic Purchasing System, or DPS, allowed BSO PaLS to access a pool of essentially pre-approved suppliers and so, enabled quicker supply routes. The establishment of the DPS was in recognition of the significant increase in demand encountered in the first wave of Covid 19, and was considered an opportunity to mitigate supply chain issues such as the rapidly changing supply and demand position.
14. The Department, in conjunction with the Northern Ireland Executive, also explored various channels, both locally and internationally, to procure PPE for Northern Ireland.
15. In respect of this, officials in the Department, BSO and Department of Finance worked in collaboration with officials in The Executive Office to purchase significant stock on behalf of the Northern Ireland Executive directly from China, known colloquially as 'the China contract'. This contract was with a company that had been identified by the Northern Ireland Bureau in China and Invest NI, and which had been approved by the Chinese government to export PPE.
16. To ensure value for money, several pieces of work were commissioned, including:
  - a Due Diligence Report for the Department of Finance;
  - an assessment of value for money by BSO, and

- Validation of the products by experts in Infection and Control from the Medicines Optimisation and Innovation Centre.

17. While the procurement of the China contract was led by BSO PaLS and DoF CPD Supplies and Services Division, the contract, as a cross departmental arrangement, was signed by the Department's previous Minister, the then First Minister and the deputy First Minister, all on behalf of the NI Executive.

### **Distribution of Medical Equipment, PPE and other Critical Supplies**

18. Turning to the second subject of this Module: distribution of medical equipment, PPE and other critical supplies. The Emergency Planning Branch in the Department managed the stockpile of the Pandemic Influenza Preparedness Programme (PIPP) both before and during the pandemic. The BSO was responsible for requesting the release of PIPP stock at the start of the pandemic which the Chief Medical Officer approved.

19. The Department established a PPE Strategic Supply Cell on the 23 March 2020. The aim of the cell was to prioritise the supply and distribution of PPE for the HSC and to monitor the distribution of PPE from Trusts to the Independent Sector. The Cell also oversaw the introduction of a revised process for Health and Social Care Trusts to order personal protective equipment on the High Demand Management List. This revised process aimed to ensure a more even distribution of stock across all Health and Social Care sites and for Trusts to maintain local stock levels higher than what would normally be expected in business as usual.

20. An Oxygen Supply Working Group was also established which worked with Health and Social Care Trusts and the existing regional oxygen supplier, BOC, to coordinate and authorise a prioritised work plan to enhance Trusts' infrastructure and capacity for oxygen supplies.
21. With the development of Lateral Flow tests, the Health Minister approved the establishment of a NI SMART ((Systematic, Meaningful, Asymptomatic, Repeated Testing) Programme Board in the Department in March 2021. The Board had an advice and administrative role in relation to some aspects of distribution and worked closely with DHSC/ UKHSA, BSO and a range of local delivery partners to assist at times with coordinating distribution of LFD tests to sites across NI.

### **Conclusion**

22. The Department welcomes the opportunity to provide this opening statement. It is hoped that this overview, that summarises the role which the Department played in the procurement process during the pandemic, has been useful in setting the scene.
23. Prior to concluding it wishes to reiterate its thanks to the health and social care workers, to officials in BSO and to its departmental officials, all of whom were instrumental in the fight against Covid-19.
24. The Department welcomes this module of the Inquiry. We are keen to learn lessons from the pandemic, to consider how things could have been done better and to learn from those who did things differently with better results.