

UK COVID-19 INQUIRY

MODULE 5 HEARINGS

OPENING STATEMENT

on behalf of

NHS NATIONAL SERVICES SCOTLAND

Introduction

1. NHS National Services Scotland (“NHS NSS”) welcomes this UK Inquiry which has been established to ascertain the UK’s preparedness for and response to the COVID-19 pandemic, the impact of the pandemic across the four nations of the UK and the lessons to be learned.
2. NHS NSS is a core participant in a number of Modules in this Inquiry, including Module 5.
3. NHS NSS is conscious that, although the Inquiry team is aware of the organisation NHS NSS, the wider public may not know what NHS NSS is or does or why it is a core participant in this Module. This opening statement, therefore, contains a brief introduction first to the NHS in Scotland, and then to NHS NSS, explaining its roles and its interest in this Module of the Inquiry.

The NHS in Scotland

4. Health, social care policy and funding are devolved to the Scottish Parliament. However, the NHS in Scotland is and has always been structured separately to the NHS elsewhere in the UK since its establishment by virtue of the National Health Service (Scotland) Act 1947. Prior to legislative and executive devolution in 1999, the Secretary of State for Scotland had responsibility for health in Scotland.
5. The Scottish Government oversees the activities of the NHS in Scotland. It sets national outcomes and priorities for health and social care, approves plans with the territorial and national NHS Boards and manages the performance of the NHS Boards.

6. NHS Scotland includes fourteen territorial NHS Boards, which are each responsible for the protection and improvement of health and the delivery of frontline healthcare services to the population within the particular Board's geographical area.
7. There are also seven national NHS Boards (Golden Jubilee National Hospital; Healthcare Improvement Scotland; National Education Scotland; NHS24; Scottish Ambulance Service; The State Hospital; and Public Health Scotland ("PHS")). PHS is distinct in that it is jointly accountable to both the Scottish Government and the Convention of Scottish Local Authorities ("COSLA"). In addition, there is NHS NSS which is a non-departmental public body and is accountable to the Scottish Government.

The role of NHS NSS

8. NHS NSS was created in 1974 under secondary legislation derived from the National Health Service (Scotland) Act 1972. It was established to provide national strategic support services and expert advice to Scotland's NHS. Its headquarters are in Edinburgh, but it has staff based at a number of locations in Scotland. It is structured into several different units each providing distinct services.
9. Services currently provided by NHS NSS include the following:
 - National Procurement and Logistics ("National Procurement");
 - Practitioner Services;
 - Counter Fraud Services;
 - Legal Services;
 - Digital Systems and Security Services;
 - National Screening Oversight;
 - National Programmes;
 - Programme Management Service;

- Scottish National Blood Transfusion Service; and
 - NHS Scotland Assure (Engineering and Assurance; Facilities; and Property, Sustainability and Capital Planning (formerly Health Facilities Scotland); and Antimicrobial Resistance and Healthcare Associated Infection Scotland ("ARHAI Scotland")).
10. Prior to 1 April 2020, NHS NSS also provided a service called Health Protection Scotland ("HPS"). Elements of that service moved on 1 April 2020 to become part of a new organisation, PHS. When it was within NHS NSS, HPS planned and delivered specialist national services aimed at protecting the people of Scotland from infectious and environmental harms. Prior to 1 April 2020, ARHAI Scotland had been a part of HPS. However, it did not move to become part of PHS and still remains within NHS NSS, and together with Health Facilities Scotland forms NHS Scotland Assure.
11. Although it is not primarily a public facing organisation, all services provided by NHS NSS have had a role in the response to the COVID-19 pandemic in Scotland. Its roles during the pandemic response included the following:
- programme management services to a range of programmes including the commissioning and decommissioning of the Louisa Jordan Hospital, Test and Protect and COVID-19 vaccination programmes;
 - leading the mobilisation of construction partners including the contracting, design, construction and equipping of the Louisa Jordan Hospital and providing technical oversight on mechanical, electrical and water systems at the Louisa Jordan facility;
 - development of therapeutic convalescent plasma treatments;
 - provision of procurement leadership, guidance and subject matter expertise to health boards as a procurement Centre of Expertise;
 - procurement and logistics for personal protective equipment ("PPE");

- procurement, development and operation of digital platforms for Test and Protect and COVID-19 vaccination and COVID-19 status certification programmes including publicly accessible apps and web platforms;
 - procurement and logistics for polymerase chain reaction (“PCR”) testing, including consumables, equipment and laboratories;
 - procurement and logistics for lateral flow tests and point of care testing, including consumables and equipment;
 - commissioning and operation of the National Contact Centre providing support to Test and Protect, COVID-19 vaccinations and COVID-19 status certification;
 - operational delivery of the UK national and local testing programmes in Scotland, working with the UK Health Security Agency, local authorities, health boards and the Scottish Ambulance Service to ensure access to appropriate COVID-19 testing for the population;
 - working with other bodies on the production of UK COVID-19 Infection Prevention and Control Guidance;
 - development and publication of Scottish COVID-19 Infection Prevention and Control (“IPC”) Guidance; and
 - surveillance and monitoring of COVID-19 in healthcare settings.
12. NHS NSS, therefore, played a significant operational role in the response to the COVID-19 pandemic in Scotland across a wide range of diverse functions. Some of NHS NSS’ diverse functions may receive further attention in later Modules in this Inquiry.

Interest in Module 5

13. In this Module 5, the Inquiry will focus on the procurement and distribution to end-users across the United Kingdom of key healthcare related equipment and supplies, including PPE, ventilators and oxygen. It will investigate the

robustness and effectiveness of procurement processes, the adequacy of the items obtained and the effectiveness of their distribution. It will also consider the UK-wide procurement of lateral flow tests and PCR tests.

14. NHS NSS has submitted one witness statement in response to a rule 9 request in relation to the matters to be considered by the Inquiry in this Module 5. That statement provides, amongst other things, information on NHS NSS generally (including the services provided to the NHS in Scotland), NHS NSS' role in procurement in Scotland and the distribution of stock.
15. NHS NSS wish to emphasise the following points which are of relevance to the matters under consideration in this Module:
 - (i) the role of its National Procurement service in ordinary times, and during the pandemic;
 - (ii) National Procurement's priority during the pandemic;
 - (iii) procurement processes, guidance and systems in Scotland;
 - (iv) levels of PPE in Scotland during the pandemic; and
 - (v) NHS NSS employees' response to the pandemic.

(i) The role of National Procurement in ordinary times and during the pandemic

16. NHS NSS' functions and responsibilities in relation to procuring key healthcare equipment and supplies (including PPE, ventilators and oxygen, lateral flow tests and PCR tests) are supported by National Procurement.
17. National Procurement's key service provision is to provide a "Once for Scotland Procurement Service", offering national frameworks (medicines and non-medicines) and a national distribution centre service for non-medicine consumables to all NHS Scotland health boards and national boards. It also provides expert advice and support to health boards on procurement matters, working closely with colleagues in health board procurement teams, creating a community of expertise.

18. National Procurement undertakes four core functions, namely: strategic sourcing of supplies; supply chain management and operational logistics (including inventory management and demand planning of products provided); contract management; and quality assurance. Each of these functions were relevant to NHS NSS' response to the pandemic.
19. National Procurement is the only Scottish public service with a large scale national warehouse (circa 145,000 square feet). In normal times over 9,000 product lines are stocked and over 80,000 items are delivered weekly to hospital wards, departments and community centres. This accounts for approximately 80% of products used daily in NHS hospitals in Scotland. This "business as usual" stock at any time would be sufficient to provide required items for a period of around four to five weeks, in ordinary times. During the pandemic two additional warehouses were leased to hold the national resilience stock piles of a minimum of 12 weeks stock.
20. In addition, National Procurement is responsible for storing Scotland's share of the UK's pandemic stockpile. In 2009, a UK Pandemic Influenza Preparedness Programme (PIPP) stockpile was established. The UK government procured the stock for this stockpile. Scotland's share of the PIPP stockpile was calculated with reference to the Barnett formula. National Procurement was tasked with providing storage for Scotland's share of this PIPP stockpile.
21. As the NHS in Scotland was placed into emergency measures at the start of the COVID-19 pandemic, the Scottish Government was responsible for all key decision making. The Scottish Government established a dedicated PPE team, which provided funding to support the purchase, storage and distribution of PPE to health and social care. National Procurement, as a delivery partner of the Scottish Government, then purchased, stored and distributed stock in accordance with decisions made by the Scottish Government. From March 2020, National Procurement's role to support NHS Scotland health boards was expanded to include supporting Scotland's primary health care and social care sectors.

22. For many years, National Procurement has worked closely with the Scottish Government, Scottish Enterprise, local authorities, the territorial health boards in Scotland and other teams within the NHS in Scotland, such as ARHA Scotland. By the time of the COVID-19 pandemic, therefore, National Procurement had an experienced procurement team with established networks within NHS Scotland and was able to rely on this 'in-house' capacity and knowledge to build a whole system response across NHS Scotland to the challenges of the pandemic.
23. During the pandemic, National Procurement supported collaborative working by organising, chairing and providing secretariat at key meetings. It also worked with colleagues across the four nations of the United Kingdom to provide an integrated system-wide response to the pandemic.

(ii) National Procurement's priority during the pandemic

24. During the COVID-19 pandemic, National Procurement's priority was to protect front line services, staff, carers and patients/residents across health and social care. The global market for PPE was complex and volatile early in the pandemic. As worldwide demand grew rapidly, international supply chains collapsed and prices increased. Securing immediate, high-volume supply of PPE was of critical importance to National Procurement and the team fully recognised the importance of this work.

(iii) Procurement processes, guidance and systems in Scotland

25. It is important to note that Scotland has its own processes, guidance and systems in relation to procurement, separate from the other nations in the UK. At the start of the pandemic, National Procurement already had an established core procurement team that worked closely with procurement colleagues across our health boards, many of whom had been recruited in the early 2000s so had many years of experience working in the NHS, and had established networks across the NHS in Scotland and with key suppliers. These collective ways of working meant NHS Scotland's procurement services were experienced in the central procurement, storage and distribution of items prior to the pandemic.

26. Prior to the COVID-19 pandemic, the UK Pandemic Stock strategy was “Just In Time”, which maintained around eight weeks of national stockpile which was expected to allow sufficient time to buy and replace stock in the event of a pandemic event. When that strategy failed, given the world-wide pandemic, National Procurement had to rapidly create its own processes to meet the needs of front line services, care services and unpaid carers. Existing contracted suppliers to NHS NSS were contacted to establish product availability within core categories of required PPE. This information was used to establish availability profiles against identified demand, and to provide a position statement around capacity with any potential shortfall that would require additional vendor support. A supplier portal was set up in Scotland to receive and manage the surge in offers to supply products. This ensured fair and equal treatment of all offers made, through the need to establish that the suppliers could provide a quality assured product as well as value for money.
27. In Scotland, products were sourced using expertise and existing trusted framework suppliers wherever possible. New suppliers had to undertake standard security and quality assurance checks. For any offers considered, National Procurement’s approach was in line with the Scottish Government’s procurement journey, where supplier validation was completed prior to any offer being approved for purchase. It should be stressed that the “High Priority” Lane (also known as the “VIP lane”) established in England did not exist in Scotland and was not accessed by National Procurement.
28. Whilst using its expertise and supplier networks to procure supplies, National Procurement also collaborated closely with the four nations PPE working groups, to support mutual aid and ensure that each nation had a fair share of product lines, such as, for example, critical care products.

(iv) Levels of PPE in Scotland during the pandemic

29. Throughout the pandemic, National Procurement maintained a throughput of PPE stock in its central national distribution warehouses, with incoming stock arriving and being distributed. Whilst the volume of some items of centrally held stock was low on occasions, at no point during the COVID-19 pandemic

did NHS Scotland run out of its national stock of PPE or other key healthcare equipment or supplies (which has been confirmed by Audit Scotland's Covid-19 Personal Protective Equipment Report [INQ000108737]).

30. National Procurement had clear oversight of national stock levels, but not local department/ward levels which were managed by the territorial health boards. As a result, National Procurement implemented a stock count in hospitals. This was daily from April 2020 to July 2020 and reduced in frequency to weekly from August 2020 to January 2021 and then monthly from February 2022. Later a new national inventory management system was introduced across all health boards to support pandemic stock availability and management. This allowed for local and national visibility of hospital held stocks and allowed stock to be distributed fairly.

(v) NHS NSS employees' response to the pandemic

31. Throughout the pandemic response, the values and culture of NHS NSS were typified by the response of all of those working on the provision of PPE and critical care equipment. NHS NSS' National Procurement staff had the knowledge, skills, experience and NHS Scotland values to respond to the challenge. Most worked and continue to work closely with front line staff, and all understood fully what was being faced and what had to be achieved to help protect services and save lives.

Conclusion

32. Despite the extraordinary circumstances, NHS NSS' National Procurement was able to respond to the pandemic in a competent, professional and efficient manner in order to support Scotland's overall response to the COVID-19 pandemic. As already noted, the centralised procurement services in Scotland during the pandemic were distinct from those in the other nations in the UK. We suggest that this fact should be borne in mind and that, when Counsel to the Inquiry is questioning witnesses, the witnesses are asked to make clear at the outset the geographical extent of the procurement services about which they give evidence.

33. As in previous Modules, NHS NSS once again offers its condolences to all those bereaved as a result of COVID-19 and its sympathy to the wider public who suffered and still suffer as a result of the far-ranging effects of the pandemic and COVID-19.
34. As a public body, NHS NSS understands the responsibility it owes to the Inquiry and to the people of Scotland and it will continue to support the Inquiry's work in any way it can.

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