

IN THE COVID PUBLIC INQUIRY
BEFORE THE RT. HONOURABLE BARONESS HALLET

UK COVID-19 INQUIRY

DEPARTMENT OF HEALTH AND SOCIAL CARE
SUPPLEMENTARY CORPORATE STATEMENT OF JONATHAN MARRON
CORPORATE STATEMENT MODULE 5

1. I, Jonathan Marron, Director General of Primary Care and Prevention, at the Department of Health & Social Care (the Department), 39 Victoria St, Westminster, London SW1H 0EU, will say as follows.
2. I make this statement in response to a request from the UK COVID-19 Public Inquiry (the Inquiry) dated 30 October 2024 made under Rule 9 of the Inquiry Rules 2006 (the Request) asking for a response on behalf of the Department.
3. I am currently Director General (DG) for Primary Care and Prevention. I joined the Department in 1994 and subsequently held various roles in the Department and across the wider healthcare system. Prior to the pandemic, I held the role of DG for Prevention, Community and Social Care which I began in June 2017. I am the relevant DG for the purposes of this statement. My involvement in Personal Protective Equipment (PPE) started on 18 March 2020 when I took responsibility for PPE related actions at the Reasonable Worst Case Scenario (RWCS) Oversight Board. In the following week I became the Department's DG Lead for PPE. This was formalised on 27 April 2020 when I became DG for PPE and Prevention and my previous responsibilities were reassigned to other DGs in the Department. This remained the position until 1 October 2021, after which I took up the role of DG for Health Improvement and Disparities. My role in relation to PPE procurement is described in greater detail in my First Corporate Statement on behalf of the Department.
4. As this is a corporate statement on behalf of the Department, it necessarily incorporates matters that are not within my personal knowledge or recollection. I have consulted with colleagues who worked in and with the Department at the time. This

statement is to the best of my knowledge and belief, accurate and complete at the time of signing as the Department continues to prepare for its involvement in the Inquiry.

BACKGROUND

5. As is set out in Section 4 of my First Corporate Statement on PPE, Supply Chain Coordination Limited (SCCL) was established in April 2019 as the management function of Supply Chain and the legal entity through which the Supply Chain undertook procurement services and transacted with customers and suppliers. It was initially owned by the Secretary of State for Health and Social Care, with ownership transferring to NHS England and NHS Improvement (NHSEI) on 1 October 2021.
6. SCCL had existing warehousing and logistics capacity, managed both directly and through contracted partners. One of these contractors was Unipart Logistics, who were appointed through competitive tender. The logistics operations of SCCL were scaled to deliver medical consumables to the 56% of NHS Trusts they routinely delivered to prior to the COVID-19 pandemic. The Department understands that the Unipart contract had provisions to allow them to subcontract to increase capacity as needed to meet service requirements. As was set out in paragraph 297 of my First Corporate Statement, SCCL sought to increase its logistics capacity as more NHS Trusts approached it to supply items in response to the approaching first wave of COVID-19 in the UK.
7. On 15 March 2020, SCCL's COO wrote to DHSC officials stating that they would need extra resource to meet the extra demands being made of SCCL and this would require funding coverage from the Department (**JM3/1 - INQ000534978**).
8. The Department began to be informed of potential logistics disruption due to the COVID-19 pandemic in early 2020. On 17 March 2020, Department officials held a stakeholder call with medical wholesalers including the Healthcare Distribution Association and its members. Concern was raised by stakeholders of the impact of COVID-19 on logistics, including the impact of loss of drivers due to sickness. Officials were discussing with the Ministry of Defence (MOD) as to what logistical support the military might be able to provide (**JM3/2 - INQ000534981**).
9. Additionally, on 17 March 2020, Emily Lawson (National Director Vaccine Deployment

at NHS England and NHS Improvement) and Gareth Rhys Williams (Government Chief Commercial Officer at the Cabinet Office) spoke to the Chairman and Chief Executive of Unipart Logistics, John Neill, to discuss significantly increasing its distribution capacity. It was confirmed that capacity had already been doubled; however, further increases were necessary. On 18 March 2020, Unipart Logistics informed Emily Lawson that capacity could not be increased further.

10. On 19 March 2020, in relation to the distribution of PPE from the Pandemic Influenza Preparedness Programme (PIPP) stockpile, an MoD official informed Emily Lawson that the military had "*a limited amount of Green Fleet and drivers, with potentially competing demands (oxygen, food...)*". However, it suggested that the "*MOD may be able to assist in contracting and coordinating movements*" to subcontract logistics/haulage capacity (**JM3/3 - INQ000534982**).
11. On 19 March 2020, SCCL's CEO declined an offer of logistics fleet support from Delivery Group Ltd forwarded to SCCL by DHSC officials. The predominant issue appeared to be one of warehousing capacity impacting distribution (**JM3/4 - INQ000534983**).
12. To mitigate logistics issues impacting the timely delivery of PPE to the NHS and the wider health and care system emerging over this week, the Department and NHSE&I instructed SCCL to immediately provide additional logistics resource.

PROCESS FOR CONTRACTING WITH CLIPPER LOGISTICS

13. On 21 March 2020, Jin Sahota (then CEO of SCCL) informed Emily Lawson and Major General Phillip Prosser that SCCL were unable to increase their distribution capacity. On the same day, Unipart reported looking for 36 hours for opportunities to increase warehousing capacity, but finding an immediately available centrally located facility of suitable capacity was challenging (**JM3/5 - INQ000534984**).
14. Over the weekend of 21st and 22nd March 2020, the Department became aware that SCCL and military logistics specialists had met to explore options on how to scale up the distribution of PPE. The options included:

- a. Scaling up the existing Unipart distribution route

- b. Scaling up the Movianto distribution route
- c. Setting up an alternative, direct, channel.

15. This third option was chosen as it increased resilience by being separate from existing distribution routes. The decision was taken by SCCL to create this route by obtaining additional commercial logistics resource using the Unipart subcontracting provisions. This allowed logistics resource to be onboarded quickly flowing through existing terms and conditions.
16. On or around the 21st of March, in the circumstances of SCCL stating they were unable to scale up logistics, Major General Prosser contacted a chief commercial expert for a third-party logistics company who was also an army reservist to seek expert advice on options to support the wide-scale distribution of PPE. The commercial expert and army reservist connected SCCL and Unipart Logistics with Clipper Logistics to explore if there was an opportunity for Clipper to assist with logistics and warehousing capacity.
17. On 22 March, Major General Prosser and Emily Lawson were briefed on ongoing discussions between Unipart Logistics and Clipper Logistics.
18. The Department is aware that DHL logistics were also considered, but this option was discounted. Major General Prosser and Emily Lawson were not aware of how the decision to discount DHL was made. Clipper Logistics were readily available for immediate onboarding and had suitable centrally located warehousing with capacity available.
19. On 27 March 2020, an MoD official wrote to Emily Lawson informing her of the SCCL's decision to subcontract with Clipper Logistics and set out the role that they would take in the distribution of PPE:

"PPE Supply Chain Elevator Statement: We are building a Parallel Supply Chain (PSC) to the normal Unipart Logistics serviced Supply Chain, which will take the critical volume/demand PPE items. This will improve speed and reliability of delivery of these items, whilst relieving pressure on the established supply chain to deliver the business as usual. This is a dedicated PPE channel, the core PPE products for COVID-19 will flow through this and not through NHS SC ... Availability of items will continue to be managed by SCCL/Unipart, in partnership with new buying team under Andy Wood.

Direct daily management of the PSC will be through a Joint Control Tower staffed by SCCL and Clipper". (JM3/6 - INQ000534986)

20. This was a period of close cooperation between SCCL, DHSC, NHSE/I, MOD and the military on issues related to logistics capacity. Decision making in this period was occurring at pace and often as a result of informal discussions, rather than minuted meetings or via written communications. The Department was only one of a number of organisations contributing towards this effort and therefore information may be available elsewhere to assist the Inquiry. Thus, the Department has been unable to identify documentation setting out the steps taken in SCCL contracting with Clipper, however the wider contextual evidence set out as part of this statement illustrates the role that the Department and other organisations took at each stage of this process.
21. SCCL were responsible for managing the arrangement with Clipper Logistics PLC, a subcontractor of Unipart PLC (JM3/7 - INQ000534988). The initial contract was for nine months with the costs shared between the Department and NHSE&I.
22. The Department was aware and content with SCCL extending the contract with Clipper, initially to 30 September 2021 and then to 30 September 2022. The Department as sole shareholder until 1 October 2021 wrote to SCCL accordingly (JM3/8 - INQ000534999). Beyond this date, ownership of SCCL moved to NHSE. Questions of onward contracting should be directed to SCCL and NHSE.

OPERATIONAL DELIVERY BY CLIPPER

23. Unipart continued to be the logistics provider for BAU distribution of medical consumables excluding PPE during the pandemic. Unipart Logistics sub-contracted logistics support for the storage and distribution of PPE products obtained by the Parallel Supply Chain to Clipper Logistics. SCCL retained overall management responsibility for these contracts (JM3/9 - INQ000492085). Decision making on procurement and distribution of PPE was carried out by the PPE Cell and is set out in Section 7 of my main statement, from paragraph 273 onwards.
24. From April 2020, all PPE products which were being distributed to the health and care system by the Parallel Supply Chain were distributed by Clipper and passed through

a central warehouse in Daventry prior to delivery (**JM3/8 - INQ000534999**). Information on the supply routes served by the logistics provided by Clipper are set out in my main statement at paragraphs 325 to 327.

25. Following the formation of the Parallel Supply Chain, the Department received management data, including stock holding and distributions, from SCCL. This information was compiled by Clipper Logistics PLC. The information provided was included in the briefings for the twice-daily supply and distribution meetings (**JM3/10 - INQ000534989; JM3/11 - INQ000534990**).
26. For a short period, early in the pandemic response as the e-Portal was set up and trialled, it was informally referred to as “Clipper” by officials and Ministers. However, the e-Portal was owned by the Department and it was not solely a Clipper Logistics system. The e-Portal was developed and delivered through the Department partnering with eBay, Royal Mail, the NHS, Volo, and Unipart along with Clipper Logistics (**JM3/12 - INQ000534995**).
27. For the e-Portal, Clipper Logistics’ role was to deliver PPE from the main PPE warehouses to the e-Portal warehouses, from where the e-Portal team processed the e-Portal orders before delivery by Royal Mail (**JM3/13 - INQ000534997**). The e-Portal is described in Section 10 of my Corporate Statement on PPE procurement.
28. As well as Royal Mail’s role in the e-Portal, the Department has set out the use of other logistics providers, such as DPD by the NSDR team for the initial deliveries of PPE to community health and care providers in March 2020, as set out in my First Corporate Statement. The Department is not aware whether discussions were held with other logistics providers by SCCL, NHSE/I or the MOD before SCCL contracted with Clipper.
29. The Department is not aware of any issues that arose from the introduction of the logistics support provided by Clipper Logistics.
30. A report drafted by Lieutenant Colonel Coombes, 101 Logistics Brigade, on 11 April 2020 set out the immediate impact that Clipper had had on the supply of PPE concluding: “*The development of [PPE] fulfilment and distribution through Clipper Logistics with prioritisation and management from NHS(E) has certainly stabilised the system.*” (**JM3/14 - INQ000534993**)

DECLARATIONS OF INTEREST/CONFLICTS OF INTEREST

31. The Department did not recommend the use of Clipper Logistics nor manage this contract. However, it did provide assurance to SCCL that it would fund the expanded logistics capabilities that were necessary.
32. As this was not a Department contract, the Department did not request a conflict of interest declaration from the supplier and did not access information from the Electoral Commission in relation to this contract. The Department has conducted a search of documents relating to this company but is not able to find any evidence of contact or discussions with Steve Parkin or that he was involved in relation to this contract. The Department is also unable to find any evidence of preferential treatment in relation to the award of the contract.
33. The Inquiry would need to contact SCCL to request further information about its processes in relation to due diligence, including conflict of interest declarations for the contracts it authorises.

STATEMENT OF TRUTH

I believe that the facts stated in this 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

Jonathan Marron

Dated: 20 January 2025