

Witness name: Chris Hall

Statement No.: First

Exhibits: 170

Dated: 15 January 2025

**THE UNITED KINGDOM COVID 19 INQUIRY
FIRST WITNESS STATEMENT OF CHRIS HALL**

I, **CHRIS HALL**, WILL SAY AS FOLLOWS

1. I make this statement in response to the request for evidence under Rule 9 of the Inquiry Rules 2006 made on behalf of Baroness Heather Hallett, the Chair of the UK Covid-19 Inquiry, by letter dated 12 August 2024.
2. This statement is intended to set out the key aspects of my involvement in the making and processing of referrals by a dedicated team within the PPE Buy Cell known as the High Priority Lane (“HPL”) team. I have also set out below details of my subsequent role as part of the management team of the PPE Buy Cell, including the development of the Clearance Board and the Rapid Response team, the development of the PPE sourcing strategy and the reorganisation of the PPE Buy Cell.

1. Professional Background

- 1.1 I joined the Cabinet Office on secondment in September 2012 to work for the Government Chief Commercial Officer (GCCO). When the secondment ended I joined the Civil Service in spring of 2014 as a Deputy Director, leading the Complex Transactions Team (CTT) which I had founded in 2013 while on secondment. Prior to joining the Cabinet Office, I was the practice lead for IT Sourcing in Ernst and Young’s Advisory Unit.

- 1.2 Before joining Ernst and Young, I had worked for thirty years in the IT industry and in management consulting. I have a Bachelor's degree in Maths and Computer Science from the University of Bristol and a Master's degree and PhD in Organisational Behaviour from the University of London.

2. Summary of my roles prior to and during the pandemic

- 2.1 Following the resignation of the then Government Chief Commercial Officer (GCCO) (Bill Crothers) in 2015, I was briefly appointed to be the interim GCCO until Gareth Rhys Williams joined the Cabinet Office in March 2016. Thereafter, I worked as Gareth's deputy until July 2020 and as a Director in the Government Commercial Function working on special projects until my retirement in June 2022.
- 2.2 Between 2 April and 30 June 2020, I worked in the PPE Buy Cell. I was initially assigned as a caseworker in the High Priority Lane (HPL) team. From about 20 April 2020, I took on a wider managerial role as part of the management team of the PPE Buy Cell. I was the most senior Cabinet Office Commercial representative within this team, but I did not have supervisory responsibility for it. In this role, I supported the team leadership and led certain initiatives such as re-structuring the PPE Buy Cell and preparing DHSC for future buying after the withdrawal of Cabinet Office staff.
- 2.3 I was also chair of the Clearance Board between its formation on 5th May 2020 and when I left the Buy Cell on 30th June 2020. In this role, I (like all others in the PPE Buy Cell) was at all times reporting to a management board initially led by Jonathan Marron DHSC and Emily Lawson of the NHS. Latterly, Paul Deighton (former Chief Executive of the London Organising Committee of the Olympic and Paralympic Games (LOCOG), the organisation responsible for planning the 2012 Summer Olympics and Paralympics) took over leadership of this management board, as an appointee from outside the civil service.
- 2.4 Between 25 September 2020 and 31 January 2021, I was seconded to the NHS test and trace programme working for Jacqui Rock, Commercial Director. On 2 October 2020 I was asked to act as the Commercial Director of a new programme to establish UK manufacturing of lateral flow tests (LFTs). In this role, I reported to the Programme Director who was initially Frank Hayden (an external consultant appointed by DHSC) and later Frazer Bennett of PA Consulting.

- 2.5 This initiative was overseen by a programme board chaired initially by Emma Stanton of NHS Test and Trace and later Mike Coupe (former CEO of Sainsbury's). I did not sit on this board. This activity is described in detail in my second witness statement.
- 2.6 I had no delegated authority to sign contracts in any of the roles which I have summarised above as I was not an employee of DHSC. I had no role in the purchase of ventilators, in the ventilator challenge or in the buying of oxygen or equipment, services and materials to support PCR testing.

3. Recruitment to the PPE Buy Cell

- 3.1 I joined the PPE effort in the PPE Buy Cell on 2 April 2020. At the time I had moved to live with my mother in Derbyshire, together with my partner Sali Hallsworth. We had been locked down for, from memory, about 10 days. I was working on one of the special projects mentioned above, which was near to a satisfactory conclusion. I was intending to retire from the Civil Service that summer, as my replacement as deputy GCCO had been appointed but was not yet in post.
- 3.2 I remember being very concerned with the onset of Covid-19, as it seemed to me that the disease could have severe consequences as illustrated by what was reported from China and Italy. I was worried that food and power supplies might be disrupted as workers fell sick, and most concerning of all, that hospitals would close their doors to new admissions. My mother lived on her own, so my partner and I moved there in order to help keep her safe, for example if any of these concerns materialised.
- 3.3 I was aware of the challenges which the government faced in responding to the pandemic, and so I asked Janette Gibbs, temporary head of the CTT, what I could do to help. Owing to the urgency of the situation, I was initially appointed as a caseworker in the PPE Buy Cell. Janette assigned me to the recently formed High Priority Lane team which was being led by Max Cairnduff. The team had 4 or 5 other members, some of whom I 'met' on a team call later that week. At this early stage, I had no role in the management of the PPE Buy Cell. I do not believe, for example, that Andy Wood (who was leader of the PPE Buy Cell) knew that I was working as a caseworker in those early days.
- 3.4 Due to the exceptional demand for PPE, the government had adopted what was later described as an 'open source' approach for procuring items from new suppliers. Potential

suppliers were invited to submit their details to a webform. This information then automatically populated a spreadsheet which was used to allocate offers to caseworkers in the PPE Buy Cell. Caseworkers were tasked with contacting the individuals or companies to understand what they had to offer, whether DHSC needed it and whether the equipment was likely to meet technical standards.

- 3.5 The volume of offers made via the webform was overwhelming. At the time, I described the work to one of my colleagues, Barry Hooper, as like drinking from a fire hose. Members of the team were making back-to-back calls and processing case after case after case. The offers kept coming in and we simply could not process them quickly enough. By 6 April 2020, the queue of offers which had built up since the formation of the PPE Buy Cell had reached nearly 3,000. A large proportion of these offers were completely unsuitable; either the product did not exist, or it was of the wrong specification for the NHS. Processing these offers was very time-consuming and I believe represented an immense distraction from the key task of urgently acquiring PPE.
- 3.6 Given the nature of the emergency and owing to the backlog of offers which had very swiftly built up, some potential suppliers were frustrated that they did not receive an immediate call back. Dozens of people who had made offers via the webform contacted members of the government, their MPs, senior officials and NHS managers, often to complain that they had not yet received a response and in an attempt to speed up the process of contact from one of the teams within the PPE Buy Cell which was working on these offers.
- 3.7 The ministers and officials to whom they reported their concerns then contacted senior officials in DHSC and other officials directly engaged in the PPE effort, asking for action to be taken and often requesting feedback on the progress of the offers. Feedback was requested both on suitable offers and some that were distinctly unsuitable - all of which increased the workload of buyers. I believe that these ministers and officials were keen to ensure that suitable offers were followed up and to avoid any suggestion that the PPE buying system was not fit for purpose. I suspect that they were concerned that confidence in the government might be undermined by news stories alleging that viable offers from credible suppliers had been lost in a bureaucratic swamp, but this was about more than political reputation or credibility.

3.8 If health workers felt that the supply of PPE was likely to dry up then clearly this would cause distress, and fear for their personal safety. Some might have been understandably reluctant to go to work if they were not given access to appropriate PPE. There was also a concern that hospital managers would create local stockpiles and compete in the world market with the central, DHSC/NHS led buying initiative. I was indeed myself very concerned that health workers would run out of PPE - that was why I had volunteered to work within the PPE Buy Cell.

4. The High Priority Lane

- 4.1 The High Priority Lane (HPL) had been established shortly before I joined the PPE Buy Cell in early April 2020, formalising a structure that had been in place for a couple of weeks. I was not involved in the decision to establish the HPL. Those individuals involved in the management of the PPE Buy Cell will be better placed to comment upon the reasons why the HPL was set up [CH/01 - INQ000562381] as will Emily Lawson and Jonathan Marron who were jointly responsible for leading the purchasing of PPE. I have been asked to describe my understanding of how the idea for and establishment of the HPL came about. This is based upon information which I obtained after I joined the PPE Buy Cell and therefore might not be entirely accurate or complete. I exhibit an email that I received from Max Cairnduff in October 2020 which coincides with my own understanding [CH/02 – INQ000527566].
- 4.2 A 'VIP' team was formed soon after the PPE Buy Cell started work to field the large number of referrals that were coming into the mailboxes of Emily Lawson, the Chief Commercial Officer of NHSE/I and others such as Jonathan Marron, Director General for Primary Care and Prevention at DHSC. The referrals were being made by Ministers, MPs, members of the House of Lords, officials and others. As I have already mentioned, many of those who were referring offers to DHSC asked for feedback on the progress of their referred offers.
- 4.3 These requests for feedback created an extra burden on caseworkers who were already struggling to keep on top of the existing and new offers which continued to come in. The objective of the HPL, as I understand it, was to help the rest of the PPE Buy Cell be more efficient by concentrating these requests for feedback in one place. Max Cairnduff formalised this priority team when he started in the PPE Buy Cell on or around 1 April

2020. The team was called “High Priority and VIP Appraisals” subsequently shortened to “High Priority Lane” (HPL). Max directed referrers to a special Cabinet Office mailbox.

- 4.4 These ‘high priority’ offers (and the explicit or implicit requests for feedback) were directed to the HPL team from this dedicated mailbox. A member of the HPL team would then contact the person making the offer directly (with a target of making contact within 24 hours). The reason for expediting contact with these particular suppliers was to protect the reputation of the programme which, as stated above, was already attracting criticism in the press for being bureaucratic and slow.
- 4.5 The HPL team was one of the PPE Buy Cell’s ‘Opportunities’ teams that was intended to screen the approaches made to DHSC to establish whether they constituted viable offers of PPE. The remit of the team was to screen these ‘high priority’ referrals in the same way that offers were being screened by other Opportunities teams (i.e. by confirming precisely what was being offered and who was offering it). It was not the role of the HPL team to perform full due diligence on potential suppliers or to agree the price which would be paid for the goods. Whilst I worked as a caseworker in the HPL, I did occasionally hear the price of items being discussed. However, I did not at that time have access to pricing data on which to base a decision about the appropriate amount to be paid for the PPE.
- 4.6 The primary task of each HPL team member was therefore solely to gather sufficient information and documents to enable the Technical Assurance Team to verify that the PPE being offered met the published standards and was suitable for use in the NHS and social care environments. The HPL team was not involved in the process of technical assurance and so far as I am aware their offers were not accorded priority by the Technical Assurance Team. The HPL team was also separate from the Closing Team, which would negotiate the actual price and terms of the final contract, and the Finance team in DHSC, which would present an offer to the Accounting Officer (AO) who would decide whether a contract should be agreed at all.
- 4.7 In order to provide feedback to their referrers, the members of the HPL team would occasionally contact the Technical Assurance Team or the Closing Team to check the progress of their offers. Again, the HPL team was not involved in price negotiations or in determining to which suppliers a contract was awarded. These aspects of the

procurement process were handled by separate teams as demonstrated by the process flow diagram which I exhibit [CH/03 - INQ000477933].

- 4.8 Not all of the offers that came to the HPL team were viable. Some were for small quantities of product or from seemingly risky counterparties. However, many of the referrals which the team received were promising as they came from big companies with large financial capacity and established business connections in the Far East. One of the intended benefits of having a team dedicated to processing these referrals was that it would enable credible offers to be identified and advanced to Technical Assurance within the very tight timescales mandated by the market. Many offers were only open for a short time as other buyers gazumped stock and production slots; and raw material was sold to other factories. As I have described at paragraph 5.9 below, it subsequently transpired that getting an offer to the Technical Assurance team quickly was not enough to ensure that a contract was entered into before these time limited offers expired.

5. My Appointment to the HPL Team

- 5.1 I believe I was recruited to the HPL team on account of my commercial expertise and my prior experience of dealing with ministers and senior officials. I had sufficient confidence to manage those relationships and, where necessary, to push back on the external pressures being exerted on the HPL team. As I understood it, one purpose of the HPL team was to provide government ministers and senior officials with assurance that leads were being investigated - for example [CH/04 - INQ000527554].
- 5.2 When I joined the HPL team on 2 April 2020, it was being led by Max Cairnduff whom I knew quite well. I wrote to Max the following day to raise some points about the offers being processed by the HPL. It seemed to me that there was a need to differentiate more clearly between VIP offers which merited being given priority because they were viable and those which did not. I was also concerned to ensure that VIP leads which were unproductive were closed down quickly [CH/05 - INQ000527542]. At the time I wrote this email (which was only my second day working on the HPL), I would have considered an offer to be unproductive if it came from an individual or company which had no history of trading with a location where PPE was manufactured, or no demonstrable links with a manufacturer.
- 5.3 One of the offers which I processed whilst working on the HPL came from a small logistics company in the west of England. The company claimed that it could supply

various items of PPE, including type IIR masks, goggles, gowns and gloves [CH/06 - INQ000562403]. However, their offer failed technical assurance as some of their documentation had been redacted and we could not therefore verify that the certification which they had supplied was genuine. The company director later admitted that he believed the supplier he originally intended to use was a fraudster [CH/07 - INQ000562398]. I suspect that the company was attempting to diversify its business to survive during the pandemic. However, it did not appear to me to have a credible source of supply.

- 5.4 After working in the Buy Cell for a couple of days, I discussed with Max some concerns about the HPL. To me, it seemed unwise to adopt a process which appeared to give priority to suppliers who had contacts within government as it would look to the general public as though we were giving preferential treatment to the connections of Tory Ministers. I cannot recall precisely what Max said to me but I believe it was along the lines of: “this is what we have been asked to do”.
- 5.5 Although I was concerned about the optics of the HPL, I was newly appointed to the team and was not responsible for managing it. My understanding of the system was still developing and I did not feel that it was appropriate for me to question the decisions of my colleagues who had been working extremely hard and under very challenging circumstances. It is also important to remember the context in which we were working. We were desperate to obtain PPE from any source, given that we believed that PPE was running out and it was almost impossible to obtain it from pre-existing suppliers. In spite of my concerns (detailed above), I recognised that the HPL was an established structure and generating a flow of seemingly reasonable quality leads for us to work on.
- 5.6 We were swamped with offers through the webform but many of these were in fact worthless and the risk in working through all of them in order was that by the time we reached a good offer, it would have already been snapped up by another country. In this context, I believed it made sense for me to use the HPL and engage with those suppliers who had been brought to the attention of senior officials and ministers as having promising leads. I do not recall being shown any criteria for assessing the merits of the offers which had been referred to the HPL. From the very beginning of my work in the PPE Buy Cell, I attended the daily meeting of the Buy Cell leadership team at 09.30am. From the discussions at these meetings, I understood that we were prioritising offers for

selected categories of goods, in useful quantities, with immediate availability and from seemingly viable counterparties.

- 5.7 Initially, there was a focus on obtaining gowns and we were accepting any quantities which we could get. Over time, the volume of items which we were seeking to procure from an order increased. As for the identity of the supplier, priority was given to big household names such as Amazon, Boots, Primark, Next and Bestseller. From around 10 April 2020, Sophie Brown began to review the emails in the HPL mailbox and to filter out those which related to offers for the wrong types of products or for low quantities of goods.
- 5.8 I have been asked to address the question as to whether the suppliers being processed through the HPL were being given unequal treatment compared to those coming through the Buy Cell. In hindsight, I recognise that this process had the potential to lead to unequal treatment (as defined by the public contract regulations), but this was not so apparent to me at the time. As I was working from home, I did not know in any detail what other teams within the Buy Cell were doing and how they were working with their suppliers. My attention was focused, at the time, on the task which I had been given (to acquire PPE) and the many challenges which it presented.
- 5.9 I do not know whether, in practice, the offers processed by the HPL obtained an actual advantage over offers in the general opportunities stream. I have referred at paragraph 4.4 above to expediting contact with a supplier referred to the HPL. This related to the initial, introductory phone call which we aimed to make to an HPL supplier within 24 hours. I do not believe that expediting this initial contact created a material advantage because, owing to the backlog in Technical Assurance, it often took several days (and sometimes weeks) to obtain a response from that team. As a consequence, time limited offers processed by either the HPL or non-HPL teams were being lost.
- 5.10 Moreover, I have carried out some comparative analysis which is described at paragraph 3.146 of the second corporate witness statement of the Cabinet Office and which indicates that on average, offers in the general opportunities stream were progressed to contract at least at comparable speed to offers on the HPL. The references which I have made in section 4 above to feedback relate solely to the feedback which we provided to those who had referred offers to the HPL (e.g. ministers). In terms of the contact which we had with suppliers, I know from reviewing the Buy Cell process maps that all

caseworkers were expected to provide advice about the specifications and documents which were required.

- i. In preparation for giving oral evidence, I have reviewed the analysis that I carried out on the relative speed with which offers progressed through the PPE Buy Cell (as described in the paragraph above). For the purpose of that analysis, I previously used the 'submission date' recorded on Mendix to assess how long it took for offers to be progressed through the PPE Buy Cell to the issue of a purchase order. When carrying out that analysis, I had understood that the 'submission date' recorded on Mendix referred to the date on which the first offer by a supplier was submitted to the PPE Buy Cell via the webform.
- ii. When validating that data, it came to my attention that the submission date was not always recorded consistently on Mendix. I have therefore carried out a further analysis by looking at alternative sources of data to establish, for example, when a supplier first came to the attention of the PPE Buy Cell. In the case of HPL offers, it is possible to establish the date of receipt of a referral via email. In the case of non-HPL offers which were submitted prior to the existence of Mendix, large volumes of names and addresses of potential suppliers were passed to the PPE Buy Cell in spreadsheets. In addition, Mendix records each separate product offer made by a supplier. If a non-HPL offer was made after Mendix came into general use on 8 April 2020 then it is possible to ascertain the date on which that product offer was entered into Mendix.
- iii. I have undertaken two different analyses to try to understand how quickly offers were processed by the PPE Buy Cell. In the first analysis, I have calculated the time between when a supplier first came to the attention of the PPE Buy Cell and the date of the first purchase order received by that supplier. For HPL cases, the average time is 4 weeks and, for cases not processed via the HPL, the average time is 6 weeks.

- iv. I have also calculated the time between when the first acceptable offer from a supplier was received by the PPE Buy Cell and the date of the relevant purchase order. By acceptable offer, I mean an offer which was for priority goods that were in demand. For HPL cases and for non-HPL cases, the average time to reach the issue of a purchase order was 3.5 weeks.
- v. One possible explanation for the difference in the speed with which HPL and non-HPL cases proceeded from the date of first contact with the PPE Buy Cell is that many offers were received in late March and early April 2020 before the PPE Buy Cell came into full operation and thus a backlog of non-HPL offers built up. This backlog may have led to a delay by the PPE Buy Cell in making initial contact with a non-HPL supplier.
- vi. By contrast, I have generally measured the date of first contact with the HPL as the date on which an email was received either by a caseworker or in the dedicated HPL mailbox. At this time, the HPL was by definition in operation and these offers could therefore be processed straightaway. Once both the HPL and the non-HPL routes were in full operation, it appears from this analysis that they were able to process acceptable offers through to the issue of a purchase order at comparable speed.

5.11 I accept that a higher proportion of the offers in the HPL received contracts compared to those in the general opportunities stream. I do not know precisely what caused this disparity. It might relate to the smaller number of offers being processed on the HPL and to the size and composition of the team. The HPL team was staffed with a small number of experienced commercial professionals and in my view was effective at processing these offers. Having said that, whilst I was working on the HPL during April 2020 a significant backlog of offers built up as the team struggled to get orders processed (see for example **[CH/08 - INQ000562400]**).

5.12 The disparity might also relate to the relative quality of the offers referred to the HPL. It is difficult accurately to gauge the relative success of the two streams as the statistical analysis is not comparing like with like. The smaller proportion of non-HPL offers which secured a contract is likely to result, at least in part, from the far larger number of offers which were processed by the general opportunities stream, many of which were of poor quality. As a result of research I have carried out since working on the HPL and which is

reflected at paragraph 4.492 of the first corporate witness statement of the Cabinet Office, I have discovered that a significant number of the offers made to the general opportunities teams were of poor quality. For example, in many cases the potential supplier failed to provide sufficient or accurate information, they failed to respond when repeated attempts were made to contact them or they failed to offer goods which we were seeking. As an extreme example, one of the offers we received was for a recipe for homemade chicken soup which was said to have proven anti-viral and anti-bacterial properties (see Mendix submission ID: 10666 [CH/09 - INQ000562452]).

- 5.13 Many of the deals that I was assigned in those early days came from big companies offering substantial quantities of PPE. It proved difficult for me to get large, seemingly viable deals with these suppliers to the point of contract, even though they had been referred to a 'High Priority' lane. Although frustrating, this demonstrated to me that offers made to the HPL were not being rubber-stamped. Moreover, I knew that, as a caseworker, my step in the process - essentially collecting the offer and checking that it was not obviously deficient - was only the very first step in the journey towards a contract.
- 5.14 It was not my role to replicate the documentation checks which were conducted by Technical Assurance. I was just looking for very obvious omissions, and would therefore check whether the supplier had provided all the necessary documents, whether the documents were written in English, were without redactions and related to products which were being sourced by the PPE Buy Cell. I had confidence that the subsequent Technical Assurance and Closing stages were designed to act independently and impartially in their progression of offers.
- 5.15 Based on my experience of working with the three principal managers of these stages, David Moore, Bruce Marshall and Mike Beard (all of MoD DE&S), I believe that they did act independently and impartially. They were sceptical about the HPL in general (see for example, the sentiment expressed by Nick Elliott, Deputy Chief Executive of DE&S [CH/10 - INQ000562402]). Although I occasionally referenced the name of the referrer when communicating with the Technical Assurance and Closing teams (for example, see the Donna Kinnair case which I discuss in section 10 below) I generally did not. The identity of the referrer was not information which we recorded in Mendix but it might have been communicated to these teams by other caseworkers in the hope of getting their offers processed more swiftly. Caseworkers were instructed to identify within the subject line of their emails that an offer was very urgent or from a VIP [CH/11 - INQ000562382].

As those instructions show, we were further instructed to set out the last acceptable time/day for a response independent of whether it was a VIP case (these instructions applied to caseworkers on both routes). I have no reason, however, to believe that the decisions of the Technical Assurance and Closing teams were affected by the fact that an offer was proceeding in the HPL, as evidenced by correspondence from Max Cairnduff which said that (Technical) Assurance had said that VIP submissions would not be prioritised [CH/12 - INQ000562383].

- 5.16 Our objective was to obtain suitable products as swiftly as possible. One way of doing this would have been to task a small, high capability team with making proactive approaches to a restricted number of companies that we had assessed, using some objective criteria, as having a high likelihood of success in sourcing and delivering PPE. These objective criteria might have included having trading links with manufacturing locations, connections with the health industry, some history in supplying PPE or similar products (for example to other buyers worldwide) or involvement in the garment industry. A similar approach was adopted by the Ventilator Challenge.
- 5.17 That is not, however, the approach which was adopted and I do, with hindsight, recognise that there needed to be a mechanism for dealing with the large number of unsolicited offers that came to ministers and senior officials. It would not have been politically acceptable just to ignore them. To my mind, the principal flaw in the HPL was the selection criteria. Knowing the email address of a minister, or applying through your constituency MP did not make a company better qualified to deliver the PPE that we needed. However, the frequent requests which we were receiving for feedback had to be managed and the HPL was the solution which had been established to address this problem. It would not have been practical to wind down the operation of the HPL whilst there remained a need to provide feedback to ministers and other referrers (see for example [CH/13 - INQ000534717]). As it transpired, the HPL did contain some companies that were suitably qualified, which enabled the PPE Buy Cell to purchase significant quantities of PPE.

6. My Experience of Working in the HPL

- 6.1 The HPL team, like other Opportunities teams, was made up of civil servants and volunteers drawn from across the government together with a small number of consultants. Caseworkers in these teams were working from home on their own

departmental IT systems - which were often different from those used by other Departments, and interworking (for example on videoconferences, or filesharing) was difficult. Information was exchanged via emails and large spreadsheets and version control was hard to maintain. Data management was still evolving. When I first joined the HPL team, the Mendix system had not yet been introduced.

- 6.2 Data relating to the suppliers we were contacting and the offers we were pursuing was not being managed very effectively. Moreover, some data was kept to limited circulation for example on current stocks, the prices being paid for goods, the number of orders being placed and the quantities of PPE being delivered. As a result, most caseworkers had limited context for what they were doing and whether the team was moving towards achieving its targets of obtaining PPE or failing. To my mind, this was an issue which potentially affected team morale but it did not impede individual caseworkers from progressing offers.
- 6.3 The buying process relied on getting technical documentation from the potential supplier that demonstrated compliance with the published requirements. By this stage, travel to China (and indeed most producing locations) was impossible so facilities could not be inspected (unless by one of a very few in-country specialist agencies). Moreover, samples could not be examined either as it took too long to get them from China for examination in the UK due to the severe restrictions on air freight caused by the cancellation of scheduled passenger flights. We therefore needed to obtain a set of documents that described the product on offer, where it had been made and to what standards it conformed. It was the role of Technical Assurance to check the credibility of these documents.
- 6.4 Purchasing from new suppliers presented risks. However, we had no alternative but to seek out new sources of product as we were unable to obtain sufficient PPE from the existing suppliers to the NHS. These existing suppliers were mostly wholesalers and they informed us that they were unable to source enough product to meet the significant increase in demand. One of the established suppliers to the NHS, Valmy, had a factory located in France but the French government took control of its production. Some of the other existing suppliers could not continue to supply at their previous prices or could not supply at all as they were intermediaries supplied by factories which were unable to source the necessary raw materials. The inability of our existing suppliers to meet our demand was the very reason why the PPE Buy Cell had been established.

- 6.5 Legally, to be imported to the UK, the goods needed a CE marking (the relevant EU legislation still applied). We also needed ancillary documentation such as instructions for use. Among the most critical documents were the test certificates that had to come from a registered testing house and were an indication of conformity with the relevant standards. Because of the nature of PPE, these standards were promulgated in the UK by a number of bodies including the Medicines and Healthcare Products Regulatory Agency (some items of PPE were considered to be medical devices) and the Health and Safety Executive (much PPE had uses other than medical). This complicated and delayed the process of obtaining derogations from the published standards as it was necessary on occasion to obtain approval from more than one body. Moreover, these bodies were overseen by the Office of Product and Safety Standards which also became involved in decision-making. Relatively few derogations were requested and to the best of my knowledge only approximately 30 were granted. I understand that the Derogation process was discussed in the first Corporate Witness Statement of the Cabinet Office, signed by Gareth Rhys Williams.
- 6.6 It was an important part of the caseworker's role to work with suppliers to obtain the extensive paperwork required by DHSC to permit PPE to be purchased. Depending on the type of product, perhaps six or seven documents were needed for submission to Technical Assurance. As most potential suppliers were not experienced in supplying medical PPE, it often took some discussion and several iterations to get this right - which would have not been possible if such data had been obtained solely through the 'portal' webform. Even had the webform been more sophisticated, the most common problem was that suppliers were struggling to attach the right documents, so that this kind of interaction was inevitable. I believe that this challenge was faced by caseworkers in the HPL and also those in the other Opportunities teams. Thereafter, further information was needed for supplier registration, drafting of contracts, processing of payments and to enable the DHSC to mitigate risks such as fraud and money laundering. This further information would only be needed in the event that a contract was about to be awarded. It was, therefore, unnecessary and would have wasted time to obtain it from the outset.
- 6.7 As a member of the HPL team, I was allocated cases by Max Cairnduff (or his delegate) who reviewed each of the referrals which were sent to the priority appraisals mailbox. Max indicated that he wanted me to handle some of the most difficult cases by which I understood him to mean those with the biggest stakeholder implications [CH/14 -

INQ000527544], some examples of which I give below. To my mind, these were the offers which had the potential to cause reputational damage for the programme and to undermine public confidence if not handled appropriately.

- 6.8 The first case which Max assigned to me was a donation of masks from a government body in Vietnam. This offer clearly had diplomatic significance and I could, therefore, understand why it required more careful handling by an experienced official. I made contact with the representative of the donor to obtain some documentation confirming the specification of the masks. This was necessary in order to accept the donation but it proved impossible to obtain the right documentation. I believe that we did ultimately accept the donation but that the masks were not supplied to the NHS. I do not know whether the masks which were donated by the Vietnamese government were used for non-healthcare purposes.
- 6.9 At the request of another colleague, I liaised closely with Lord Feldman who was very effective at generating new leads and assiduous in following up to ensure that they had been dealt with appropriately. His assistant frequently contacted the HPL seeking updates from the team in relation to contacts which Lord Feldman had introduced to the Buy Cell as well as leads which had been referred by others (for example **[CH/15 - INQ000562433]**). When I was first asked to liaise with Andrew Feldman, I queried why his contacts were being treated as a priority **[CH/05 - INQ000527542]**. As a result of working on many of the offers, I later found that several of his contacts had the potential to lead to large quantities of useful PPE.
- 6.10 Andrew Feldman was a former chair of the Conservative Party who (I understand) had been asked to help Lord Bethell (the Parliamentary Under-Secretary of State for Innovation at DHSC) with finding contacts in industry who could help with the Covid-19 response. Lord Feldman was involved in the referral of three companies to the HPL who later received contracts¹, and referred at least 18 other companies to the HPL that did not receive contracts². He also introduced other companies that were not taken forward by the HPL. He was not involved in making decisions about which suppliers would receive contracts. I was not responsible for pursuing all of the leads which were

¹ Maxima Markets, SG Recruitment and SkinnyDip.

² Aquanima, Ben Gerbi Consulting, BHA Medical, Covafly, FOSROC International, JDM Global Retail Solution, JHT Group, Lancea Partners, Mary Gorman, Next Pharma International, Nick Mason, Padma Textiles HK, Protector Plus LLC, Rostam Capital, Rowena Johnson, SGH Global, Suttersmill and The Hut Group.

introduced by Lord Feldman and therefore do not know why some of the companies that he introduced were not awarded a contract.

- 6.11 As might be expected of a former party chair, some of his referrals had some connection to the Conservative Party but others did not. I knew that Ben Gerbi Consulting and Mary Gorman were linked to Ben Elliott, then Chair of the Conservative Party and that Nick Mason, SGH Global and SG Recruitment had links to Lord Chadlington, a Conservative Peer. Two of the successful referrals, The Paper Drinking Straw Company and Skinnydip, were linked respectively to Stuart Marks and Lord Leigh. Moreover, one of the unsuccessful referrals, FOSROC International, was linked to Jim Hay, a party donor.
- 6.12 In some cases, I was unaware at the time that the supplier had any link to the Conservative Party, while in others Lord Feldman made the connection explicit. For example, in the case of SGH Global, Lord Feldman notified me that the company's founder, David Sumner, had been introduced to him by Lord Chadlington. Moreover, in his introductory email, Mr Sumner had declared that Lord Chadlington sat on the board of the company [CH/16 - INQ000562451]. Lord Feldman also informed me that Stuart Marks was formerly Northern Treasurer of the Conservative Party. This I took to be Lord Feldman's way of saying that he knew Mr Marks personally and could vouch for him. Stuart Marks was involved in the referral of The Paper Drinking Straw Company which I discuss in further detail at section 9 of this statement. Mr Marks had earlier referred another supplier to me directly (known as RSW). However, this offer did not result in the award of a contract. For more than half of Lord Feldman's referrals, I was not aware and am still not aware of any connection to the Conservative party³.
- 6.13 I was not asked to act as the dedicated caseworker for all of Lord Feldman's contacts. However, I had some involvement in most of the referrals which he made to the PPE Buy Cell. At times, I would make the introductory call to the supplier and then hand over to another colleague to progress the offer as occurred in the case of SGH Global [CH/17 - INQ000562397]. My initial assessment from speaking to the founder, David Sumner, on 22 April 2020, was that his company appeared to have a credible source of supply. The company had contacts on the ground in the Far East, its product list appeared credible

³ Aquanima, BHA Medical, Covafly, JDM Global Retail Solution, JHT Group, Lancea Partners, Next Pharma International, Padma Textiles HK, Protector Plus LLC, Rostam Capital, Rowena Johnson, Suttersmill and The Hut Group.

and one of its board members was a doctor. After I made this introductory call, the case was then allocated to Hannah Bolton but I continued to be informed of major developments (see e.g. **[CH/18 - INQ000562793]**). David Sumner's first offer to supply isolation gowns was assigned to the newly established Rapid Response Team (RRT) which I discuss in further detail at section 7 below. The offer proceeded successfully through the RRT with a UK subsidiary known as SG Recruitment being nominated as the counterparty for the deal. As was normal practice, approval for the deal was subsequently sought from DHSC Finance and DHSC Procurement, in correspondence on which I was copied **[CH/19 - INQ000562795; CH/20 - INQ000562796; CH/21 - INQ000562794]**.

- 6.14 The due diligence position of SGH Global was not straightforward as the company was registered in Jersey, and consequently fully transparent information was not available about its finances. On 3 May 2020, I raised concern about the consequent counterparty risks and suggested that they needed to be mitigated before a contract could be awarded **[CH/22 - INQ000562413; CH/23 - INQ000562798; CH/24 - INQ000562799; CH/25 - INQ000562414]**. These mitigations were detailed on the deal form when a further deal was agreed with SG Recruitment for the supply of a large quantity of hand sanitiser, and included a Deed of Guarantee, removal of pre-payments prior to successful first delivery, and weekly payment thereafter, lowering the Department's cash flow risk **[CH/26 - INQ000562801]**. The deal was submitted to the Clearance Board on 7 May 2020 **[CH/27 - INQ000528647]**.
- 6.15 David Meller of Meller Designs had originally been introduced to the HPL via Michael Gove's office, as was noted in the list of HPL companies published by DHSC in 2021 **[CH/28 - INQ000498353]**. I knew that David Meller had a connection to the Conservative Party because I remembered his name in connection with newspaper stories in 2018. Meller Designs was awarded several contracts for the supply of PPE, but I had no dealings with him or role in the award of these contracts before around 1 May 2020, when Andrew Feldman mentioned him to me in connection with a deal to supply a large quantity of type IIR masks that I had been pursuing with John Vincent of Leon Restaurants **[CH/29 - INQ000562411]**. Andrew explained that he had discussed the deal with John Vincent and David Meller and that David Meller had agreed to provide the counterparty, as John Vincent did not believe that it was appropriate for his restaurant

business to front the deal **[CH/30 - INQ000562412]**. The deal was subsequently presented to the Clearance Board on 7 May 2020 **[CH/31 - INQ000480115]**.

- 6.16 Shortly after the deal was endorsed by the Clearance Board, I was contacted by Andrew Feldman requesting my help to resolve an issue relating to the packaging of the masks **[CH/32 - INQ000562430]**. Although suitable certification for the product had been provided, the Chinese government was refusing to allow the manufacturer to place CE markings on it until Meller Designs was formally authorised to act as their European representative. We could not accept the masks without either CE labelling or an express waiver. It was, therefore, necessary to obtain a derogation from the Medicines and Healthcare Products Regulatory Agency (MHRA) and Andrew Feldman asked if I could assist to expedite this process. A representative of Meller Designs had contacted me directly with details of the derogation request. After speaking to him and David Meller, I then contacted Hannah Bolton to ask whether it was even possible to accelerate the MHRA approval, as I had not had such a request before **[CH/33 - INQ000562435]**. Meanwhile, Lord Feldman's private secretary liaised directly with the MHRA to request that the derogation request receive their immediate attention **[CH/34 - INQ000562429]**. I made clear in correspondence with David Meller later the same day that I would do my best to point out to the MHRA that we would be grateful for their attention to be given to the request but that I would and could not "push" an independent regulator to approve the application which David understood **[CH/35 - INQ000562434]**. Shortly after I reached out to the MHRA, the derogation request was approved **[CH/36 - INQ000562436; CH/37 - INQ000562437]**. A contract for the type IIR masks was subsequently awarded on 23 May 2020.
- 6.17 As I have indicated above, the identity of the referrer was not routinely communicated to all of the teams involved in processing offers through the Buy Cell. I was not aware at the time that some other companies had links to the Conservative party and I do not believe that these links would have been apparent to caseworkers in the Buy Cell unless they had been expressly referenced in some of the email communications. As I have already stated, I do not believe that the independence and impartiality of the Technical Assurance and Closing teams were affected by the identity of the individuals who brought these offers to the attention of the Buy Cell.
- 6.18 However, I was concerned that these referrals would, as later happened, feed a narrative that the HPL was only for suppliers with connections to the Conservative Party. In fact,

referrals came in from parliamentarians of other political parties as well as crossbench Lords. The HPL also received referrals from a trade union, the British Medical Association, the Royal College of Nursing, NHS officials and clinicians, and the DIT Trade network.

- 6.19 In 'normal' competitive procurement processes, links to a politician would not in themselves represent grounds for exclusion. Steps would, however, be taken to ensure that any minister with links to a potential supplier would not be involved in the final decision whether or not to award a contract. The fact that we were receiving regular requests for feedback from referrers was unusual and would not ordinarily happen in a normal procurement process. Part of the reason why it occurred during the pandemic was because of the extreme sensitivity to delay in the process. Referrers had a strong incentive to ensure that their offers were 'looked at', even if that led to a justifiable decision not to proceed.
- 6.20 To ensure that all suppliers had access to the same information, we published the requirements and specifications which the government expected their products to meet. A supplier whose offer had been referred to the HPL did not obtain any advantage from the progress updates which were provided to their referrer. Insofar as there was "interference" in the buying process, this was caused by the noise which the frequent requests for feedback were generating. It was the purpose of the HPL to insulate the system from that interference.
- 6.21 When I later chaired the Clearance Board (which I describe in further detail at Section 8 below), the existence of these 'connections' did not affect my decisions as to which deals to endorse or to reject. My decisions were solely based on having the right product, available at the right time and at an acceptable price. Whilst chairing the Clearance Board, I knew that some suppliers had political connections but only where this had been expressly brought to my attention by Lord Feldman (as explained above) or by others, NCA RO I personally had no interest in prioritising offers from suppliers with political connections. I have never been a member of a political party or donated to a politician. As a member of the Senior Civil Service I was "politically restricted" and prohibited from any participation in national political activities.

- 6.22 Within a few days of joining the HPL team, I had been allocated more cases and after two weeks I was processing something like 40 cases in parallel. The volume of work required to process this number of offers was extremely demanding. I used a Trello board as a brought-forward file to assist me in managing the offers. Following up a single lead could require dozens of telephone calls and emails. At one point (on 20 April 2020), I was sending an email every two minutes either to a prospective supplier or to a colleague to try to progress an order. It was also very challenging to maintain professionalism and to be courteous at all times when working under such intense pressure.
- 6.23 Whilst I was engaged as a caseworker on the HPL, I was able to reject some cases quite swiftly as the person offering PPE either did not have access to the goods or, in my view, was not credible as a vendor. However, some people offering goods (or services) were incredibly persistent even though their offers were plainly not viable. One rejected vendor whose offer had been referred to the HPL made five or ten calls to me in an attempt to try and do business of some kind with government. He also escalated his case to whoever would listen to him, including his MP. Each time, I told him that he didn't have anything to offer that the NHS needed. All of this interaction took time that we did not have. It was frustrating to have to deal with cases like this when the demand for PPE within the NHS was so high and my perception was that the remaining stocks were running low. My only experience of processing offers as a caseworker was on the HPL. I, therefore, do not know whether caseworkers in the general opportunities stream had similar experiences in handling low quality offers.
- 6.24 It was quite common for suppliers to threaten that they would escalate their grievances to the press or to senior figures within government - see for example **[CH/38 - INQ000527557]**. The actual referrer tended to be a senior government official or minister who was unlikely to threaten escalation. Some suppliers whose offers had not been referred to the HPL complained to their contacts in government and, as a result of their complaints, they were placed in the HPL. Most often, they were aggrieved by the time it was taking for a caseworker to examine their offer. Occasionally, complaints were made about other aspects of the process, for example, because we would not accept equipment which was used in other countries and would not accept technical documentation which had been redacted. Some suppliers alleged that we had shared the details of their offer with competitors or had attempted to bypass them and negotiate directly with the manufacturer.

- 6.25 Ultimately, many of these complaints would be referred back to the HPL mailbox by the official or Minister who had received the complaint. This simply added to our existing workload and required time to investigate and to explain to hard-pressed ministers what had in fact happened and why the offer had not proceeded further. Threats of escalation were made to me personally on a number of occasions; however, these threats did not affect my judgement of the viability of the offer. Unless it was technically compliant, at an acceptable price, upon acceptable terms and from a sufficiently robust counterparty, as chair of the Clearance Board (for which see below), I would not agree that the offer should be sent to the DHSC AO, who had to make the final decision on any award of contract.
- 6.26 Over time, I discovered that many of the referrals which I processed whilst working on the HPL had the potential to deliver substantial quantities of suitable supplies. One such example was an offer from Amazon UK which was referred to the HPL by No. 10. Together with another colleague, Rob Nixon, I pursued a long discussion with Amazon UK which built upon earlier conversations which the company had had directly with Matt Hancock [CH/39 - INQ000527545]. Amazon had PPE available from stock in a distribution centre (I believe in Germany).
- 6.27 Amazon's original proposal was to make a donation of 200,000 masks. They said that they could thereafter provide access to 7.2m items of PPE per month via a dedicated website. They also proposed establishing a separate web portal to allow people to order PPE, which they would then distribute [CH/40 - INQ000527546]. DHSC had existing contractual arrangements for distribution with Clipper and an ordering portal which had been constructed jointly with eBay and Clipper; so there was no obvious role for Amazon in this area.
- 6.28 I believe that the Amazon donation was successful and that we also bought 60,000 coveralls from Amazon which they supplied at "factory gate prices plus freight costs" [CH/41 - INQ000528638; §4 - 8]. I helped to facilitate the purchase of an additional 15,000 coveralls to be bought from their European stockpile. This was not straightforward as Amazon claimed to have no system whereby we could be invoiced for these goods in the normal fashion. We had instead to pay through an Amazon business account. Luckily the Crown Commercial Service (CCS) already held a business account with Amazon. I contacted the Chief Executive of CCS, Simon Tse, who kindly let us use the CCS business account to make an immediate order of coveralls which were later paid for by

DHSC. I believe that DHSC took over management of the CCS business account and made further purchases.

- 6.29 Having been ordered, the coveralls from Amazon were then trucked across Europe when another problem came to light. Amazon does not normally use pallets but the PPE distribution centre at Daventry could only accept palletized goods. The trucks, therefore, had to go to another distribution centre to be offloaded, the goods palletized and then reshipped to Daventry. All of this took time. However, I thought it was an achievement to get 15,000 coveralls at a time when the NHS had nearly run out of gowns. This achievement was put into perspective by Emily Lawson who reminded me that, at this time in early April 2020, a single region of the NHS required more than 60,000 gowns per day. By 24 April 2020, the daily national requirement for gowns was around 360,000; for FFP3 respirators 360,000 and for IIR surgical 3-ply masks 4.6 million **[CH/42 - INQ000562406]**.
- 6.30 Everyone working in the PPE Buy Cell was under pressure to deliver against these very challenging targets. We could all read almost daily stories in the press about shortages of PPE and how this was affecting health workers - for example **[CH/43 - INQ000527567]**. We were regularly working 14-hour days and seven days a week. Caseworkers had to be told to take downtime for the sake of their health. Some team members unfortunately had to be moved to other areas of work as they could not sustain working with this level of pressure and uncertainty. Every day there were hundreds of emails to answer, dozens of phone calls to make and pressure to obtain more and more PPE.
- 6.31 Against this background of perceived shortage of stock and difficulty in obtaining product from the market we increased our efforts and reached out to increasingly unusual sources of supply. I found myself talking to potential suppliers all over the USA, many of whom were supplying State governments and other Healthcare providers there; and other dealers in South Africa, Turkey, Israel, the Gulf, the Indian subcontinent, all over the Far East and especially China. These new opportunities derived originally from referrals to the HPL which then I used to identify new leads and alternative sources of supply - for example **[CH/44 - INQ000528453]**.
- 6.32 The most credible sources (it seemed to me) were potential suppliers based in China and Hong Kong who had direct, established trading relationships with Chinese

producers. One significant challenge we faced in procuring supplies directly from China was the scarcity of civil servants who spoke Mandarin. We managed to identify one who held the necessary clearance but we were unable to arrange their secondment to our team. We did, however, receive invaluable support from HM Ambassador to China, FCO and DIT staff in the Beijing Embassy and the Shanghai consulate. Nearly £1Bn of PPE was acquired through contacts made by the Beijing Embassy team with factories and trading companies in China.

- 6.33 One of the suppliers referred to me was the Shanghai sourcing arm of Bestseller, a major European retail group, whose ordinary business was to buy clothing for the many shops and internet outlets of this group. This organisation had already bought PPE on behalf of a European government and offered to do the same for us. They constructed an offer for much needed gowns from a Chinese factory. Here we struck a problem; although the gowns appeared to be of the right specification it was difficult to get them through Technical Assurance.
- 6.34 At this time, Technical Assurance to us in the HPL Team was a black box. We had no view of what happened to our submissions once they had been emailed to the Technical Assurance team although we were assured that they were dealt with on the basis of clinical priority. After a long delay the specification for the gowns was approved but the vendor had lost his production slot in the factory's queue so we lost some weeks of production.
- 6.35 I was later told that the Technical Assurance team had been asked to prioritise "China Buy" deals (i.e. offers that had been sourced by the Beijing embassy, that were often direct contracts with State Owned Enterprises in China and other producers). An additional complication with the Bestseller offer was that the gowns came from a factory that had already been accessed by the Beijing Embassy, who argued that we were cannibalising DHSC's own, already ordered supply. I countered this argument by saying that the vendor would, in all likelihood, obtain the gowns and take them to another buyer so we might as well take them and hope that the order was additive.
- 6.36 Looking back on my time as a caseworker in the HPL, I was initially uneasy about the establishment of a purchasing route which appeared to favour one group of suppliers over another. For the reasons which I have already given, I do not know whether the suppliers referred to the HPL obtained an actual advantage over non-HPL offers. I

certainly had no intention or interest in favouring the 'connections' of Ministers or MPs. However, like my other colleagues in the PPE Buy Cell, I worked with any leads we were asked to follow up in order to purchase PPE which was desperately needed. As a result of our efforts, we obtained substantial quantities of PPE. As it turned out, not all of that was used during the pandemic.

7. Establishment of the Rapid Response Team

- 7.1 By mid-April 2020, while some deals on which I had worked had been taken through to contract (see paragraphs 6.28, 6.33, 10.16), I was frustrated that the time between first contact with an opportunity and contract signature appeared to be of the order of 15 to 20 days because of the bottlenecks in the PPE Buy Cell process **[CH/45 - INQ000527547]**. With many handoffs and the lack of end-to-end management, queues built up and offers grew stale. The buying activity could be seen as a spot market where stock (which was very hard to come by) and production slots were sold to the first buyer that could meet the price.
- 7.2 The nature of our process (involving many pre-contract checks, conducted serially) meant that the PPE Buy Cell could not make a commitment to buy quickly, certainly not before completing technical assurance and due diligence checks and also gaining accounting officer approval. Rigour was important. We could not afford to put substandard PPE into the NHS and equally we had to consider the risk in dealing with new counterparties and the value being offered in a highly dynamic pricing market.
- 7.3 However, the most important goal for the Buy Cell was to get supplies into the distribution centre. We had lost a number of deals because this serial process took some time (often weeks) to complete. I argued that this was a problem and that we needed to adapt our processes to increase our deal velocity. We were only doing between two and four deals each day across the whole PPE Buy Cell.
- 7.4 The solution that I proposed was to build an integrated team with all the skills, authority, access to data and other elements needed to process a complete deal from start to finish in one working day. By this stage, all caseworkers were using Mendix to record and monitor the progress of offers. Working in a different way did not require any changes to our IT systems. Each deal was led by a dedicated case manager (who took this 'end to end' responsibility for the deal) and included representatives of all the specialist strands of the PPE Buy Cell such as technical assurance and due diligence. These

representatives remained embedded within their specialist teams and carried out their functions independently of one another (i.e. there was no cross-working), but in coordination with the other members of the integrated team. Another team member took responsibility for setting up each case, assigning the case manager and other team members and obtaining initial briefing material on the potential supplier.

- 7.5 The purpose of integrating the Buy Cell's processes was to improve channels of communication and to enable the team to focus upon progressing a single deal. The proposal met with approval in some places and resistance in others. The team that undertook financial due diligence on potential suppliers was concerned that working in this way this would increase the throughput that was demanded of that team while reducing the amount of time to turn around requests on counterparty data sources. Instead of a 24-hour turnaround, this new way of working would require a four-hour turnaround.
- 7.6 Despite the misgivings of some colleagues, we went ahead with a pilot of this new way of working. We called it the Rapid Response Team and started on 24 April 2020 with a new deal which had been put forward by the clothing retailer that I had worked with before. This pilot went incredibly well, probably because of the quality of the supplier who was experienced and very well-organised. As this was an existing supplier who already held a contract we did not need to repeat financial due diligence so the question of a four-hour turnaround did not arise.
- 7.7 However, the new deal did require technical assurance which was performed in a few hours, and the closing team member needed to negotiate the contract and to agree terms with the supplier in the conventional fashion. The integrated team also included members of the DHSC commercial and finance teams so that they were ready to put the completed deal in front of the accounting officer for approval at an early moment as they were completely briefed regarding the nature of the supplier and the nature of the deal. This first deal was signed after 10 elapsed hours rather than 10 to 20 days which had been the norm previously.
- 7.8 Executing a deal in this fashion revealed some very useful information about how the process was working in practice. This emerged from the 'lessons learned' exercises we conducted after the first couple of deals. There was some debate about whether deals should be 'pre-cleared' by Technical Assurance before being processed by the RRT.

This was to avoid a situation in which the resources of the team were spent processing offers which failed at the first hurdle. The problem was addressed in part by increasing the number of offers referred to the RRT which ensured that another offer could be picked up quickly in the event one failed early in the process [CH/46 - INQ000527558].

- 7.9 It also became clear that the bulk of the work required to process a deal sat with the Closing team, which was managed by Bruce Marshall and Mike Beard of MoD DE&S. This team relied on individual caseworkers who were experienced negotiators. The workload and number of these personnel were the rate-limiting factors. We could do as many deals as the closing team could manage since all of the other buying processes could feed deals into the closing queue as fast as the closing team could process them.
- 7.10 There was some understandable resistance from the closing team managers to working in this new way as they felt that it deprioritised other equally important work and they lost some control over the allocation of their staff. I understood their concern to be that they were losing a member of their team to the RRT at a time when they needed to reduce the backlog of open source offers which had accumulated in the closing workstream. However, I thought that there were process and morale advantages in working in a different way as the whole Rapid Response Team could see a positive outcome from the effort that they put into finding a new supplier, getting the right information from them, checking that the goods were the right goods and the supplier had sufficient backing to support the deal. Until this point, we had been working in silos which had proved to be inefficient. The purpose of the RRT was to address the obstacles which this siloed way of working had created.
- 7.11 With the agreement of colleagues, I continued the Rapid Response Team experiment and eventually, at peak, four Rapid Response Teams were working in parallel. Cases were allocated to the Rapid Response Teams by the team coordinator. She invited team leaders from across the PPE Buy Cell to propose suitable offers and selected one or two cases which were capable of being processed rapidly and which reflected the clinical priorities communicated in the daily 09.30am meetings. Often two cases were selected for allocation to each Rapid Response Team in case the first case failed at an early stage.
- 7.12 There was some discussion at the very outset of the RRT as to which cases should be allocated to the team. Max, for example, expected that higher value HPL cases would

be processed by the RRT [CH/47 - INQ000527556]. I and others however thought that cases should be selected based on their clinical priority and suitability for quick processing, and while this included some HPL cases, cases from other routes which satisfied these criteria were equally important. An email from the RRT team leader illustrates those priorities [CH/48 - INQ000527560]. The call for new RRT cases went to other team leaders as well as Max - for example [CH/49 - INQ000527559].

- 7.13 This process of prioritising offers for allocation to the RRT relied upon team leaders to exercise their judgment. Had more information about the detail of each offer been made available from the outset, it would have been easier to achieve a greater consistency in approach. However, due to the urgency of the situation, we had not had sufficient time to analyse and design the front end data entry requirements in such a way as to capture all relevant information. Moreover, we were operating in a sellers' market and many suppliers were reluctant to fill in extensive forms.
- 7.14 Not every deal could be completed in one day. In fact, I don't think the RRT ever achieved that velocity again. However, almost all of the deals processed by the RRT were completed within two or three days. Often there was some piece of information missing from the pack of documents needed for Technical Assurance that could be quickly obtained from a competent supplier. If a deal reached a hold-up (e.g. because of serious questions at Due Diligence or Technical Assurance) then the deal 'failed fast'. If the situation was remediable, the offer would usually be put back into the normal Opportunities team flow for further action at a later date.
- 7.15 The onus was on the supplier to produce the documents which would demonstrate that their goods conformed to the published specifications. As a caseworker, the first email which I sent to any supplier told them what they needed to provide. The package of documents varied from product to product and, over time, the requirements changed. Some of the offers we received were for products which we were not seeking to purchase and therefore requesting all the documents upfront could have generated more unnecessary work.

8. Establishment of the Clearance Board

- 8.1 On 28 and 29 April 2020, soon after the formation of the Rapid Response Team, I stopped taking casework for the High Priority Lane and handed my cases over to other team members. This was to free-up my time for a reconfiguration of PPE Buy Cell

management responsibilities. In particular, the workload that was being placed on Andy Wood as team leader was unsustainable. I had some background, networks with civil servants, experience of working within Whitehall and the government procurement community and experience of dealing with ministers and senior officials which meant that I could provide “top cover” and allow Andy to continue to provide the excellent operational leadership that he had undertaken for the PPE Buy Cell since its formation in late March 2020, and also free up some of his time for more ‘strategic’ thinking.

- 8.2 Within a week, the first test of this ‘top cover’ arrived. The DHSC’s bank expressed concerns that large payments were being made to some counter parties in connection with PPE purchases. These counter parties did not have background in selling PPE and were not of a size to have attracted similar large payments in the past. These concerns were raised over the first bank holiday weekend of May 2020. The bank threatened to stop the DHSC from making payments until it could be assured that DHSC’s processes were sufficient to stop for example fraudulent payments or payments to inappropriate payees.
- 8.3 Jon Fundry was a director of MHRA and had been seconded to DHSC to act as one of the delegated accounting officers. He said that he also was concerned about this topic and asked for ideas to solve it. I put forward the idea of a “clearance board” that would look at every deal over £5m and act as a final quality control step to ensure that the necessary checks had in fact been performed and give assurance to the accounting officer (and through him to the banks) that the risk in the deal had been assessed and it was appropriate for the Department to proceed.
- 8.4 Chris Young (DHSC Finance Director, and also a delegated accounting officer) asked me to work up this proposal into draft terms of reference for the board and to convene the necessary group of officials to make the process work. Over the weekend I drafted the terms of reference, circulated them to colleagues and gained agreement that this process should start immediately after the bank holiday weekend so that the buying process could continue. This extra process step also gave some reassurance to the banks.
- 8.5 The Clearance Board was chaired by me and met (online) every weeknight at six o'clock and often at least once during the weekends in order to endorse or push back proposed deals. The function of the board was to carry out a review exercise which was rigorous

but necessarily time-limited. At each meeting of the board, we reviewed approximately 4 - 12 deals. Each deal was discussed for approximately 10 minutes. The meetings of the board lasted as long as was necessary to examine each deal and reach agreement on a way forward.

- 8.6 It was not the board's role to perform financial due diligence. It was intended that this part of the process would be carried out by a dedicated team before the deal was submitted to the board. If due diligence had not been completed either at all or to a satisfactory level, the deal would be pushed back for further checks to be made. The board had no authority to relax the procedural safeguards put in place to mitigate the risks of contracting in conditions of extreme urgency.
- 8.7 The board sought to ensure that all necessary checks had been applied appropriately to the deals as the deals had been processed through many teams to reach the point of final 'endorsement'. The minutes of early meetings of the Clearance Board illustrate this point, as the Board was correctly challenging some deals and therefore setting a standard that it expected deals to meet before they should be passed to the AO for approval [CH/50 - INQ000527561]; [CH/51 - INQ000528646]. As an example, on 7 May 2020, the supplier behind one deal proposed to fly 3M product from Singapore to the UK via Beirut - the board questioned why this was necessary and the deal was later withdrawn [CH/27 - INQ000528647].
- 8.8 As well as ensuring that the necessary checks on the proposed product and supplier had been carried out, the Clearance Board verified that any identified risks (such as those associated with the counterparty) were being managed. It also checked that the product remained in demand and that the deal had the support of the category and closing teams. Given that the board was performing a review function, it was reliant upon the quality and accuracy of the information supplied to it.
- 8.9 The board had four 'voting' members (me, Melinda Johnson, Ed James and Jen Nichols of DHSC). Jen Nichols worked for Chris Young as Deputy Director in the Finance Department of DHSC and she was responsible for all of the PPE payments. She also managed the team that issued payment instructions to the banks. Ed James was another Deputy Director who signed almost all of the contracts in his role as Procurement Director for DHSC. Melinda Johnson was the Commercial Director for the DHSC.

- 8.10 All four voting members (or in their absence, delegates) had to agree to endorse a deal before it could proceed to the AO for final approval. The board also had standing legal support and was attended by other team members as needed for discussion of specific deals. It was not the role of the board to 'approve' deals - this was the responsibility of the DHSC AO and his delegates. It did, however, by 'endorsing' deals provide some extra assurance to the AO that the needed checks had been performed.
- 8.11 When I established the Clearance Board, I was conscious of the need not to add delay to the process of contracting, which had to proceed swiftly in order to avoid deals being lost to competing buyers. This was part of the rationale for meeting every evening so as to avoid waiting until the following day for a decision of the board to be made. It was also the reason why we requested that paperwork be limited to one or two pages. The intention was to facilitate a quick discussion with all the relevant managers on the call.
- 8.12 I believe that the Clearance Board did important work and helped enforce consistency across the very broad range of offers that were received by the PPE Buy Cell. It was a back-end process which was designed to ensure that all the steps and checks which were due to be performed at the front end had been conducted properly. To the best of my knowledge the bank did not raise objections regarding transfers to counterparties after the Clearance Board was established.
- 8.13 The Clearance Board was asked on two occasions to advise on potential conflicts of interest. I was present at meetings where potential conflicts were raised in relation to Uniserve and Medpro. The minutes for these meetings are exhibited **[CH/53 - INQ000513329]; [CH/54 - INQ000528650]**. I address these potential conflicts of interest in my second witness statement to the Inquiry.
- 8.14 As chair of the Clearance Board, I was involved in endorsing or pushing back on contracts with potential suppliers. This was the role of the Board. Contracts were endorsed that allowed DHSC to acquire priority goods at a reasonable market price, from suppliers and under terms that the Board considered would be acceptable to the DHSC Accounting Officer.
- 8.15 Potential contracts that did not meet these criteria were either not endorsed and fell out of the procurement process or were referred back for further work to increase their acceptability. I was never asked to intervene in the decision-making of the Clearance Board to progress an offer which came from a source with political or personal

connections and I never intervened to endorse an offer which had been rejected as unsuitable.

9. Making Referrals to the HPL

- 9.1 I was involved in two referrals to the High Priority Lane; Regal Polythene Ltd and The Paper Drinking Straw Ltd. The details of how these referrals came about is addressed in the paragraphs which follow. There were no set criteria for making referrals to the HPL. In deciding to make these referrals, I was applying my judgement and the experience which I had obtained from working within the PPE Buy Cell for approximately 4 – 5 weeks.
- 9.2 The factors which led me to conclude that these companies had viable offers which were suitable for priority treatment were as follows: they had products which would be manufactured and available to be dispatched swiftly; the products which they were offering were in demand within the NHS; and both companies had experience of supplying products to the NHS or the social care sector which satisfied me that their offers were credible.

Regal Polythene Ltd t/a Regal Disposables

- 9.3 I wanted to understand what was going on in the social care area as it appeared that demand there was lower than predicted. This implied that somehow the wholesalers that serviced this market were getting their goods from somewhere other than the DHSC. Sarah Burrows of DHSC had held a workshop for these wholesalers (most of which were SMEs) and was kind enough to put me in touch with a couple of them. They told me that some goods (masks in particular) were impossible to source but others were not. One of these wholesalers gave me the contact details of the Managing Director of Regal Polythene who had previously worked in the NHS as a sourcing manager.
- 9.4 I contacted Regal Polythene on 30 April 2020. The company had been able to source aprons throughout the pandemic from Chinese sources. The Managing Director told me that he was about to source a container load of aprons from China and could potentially buy more if he had some help with his cashflow. He had an established business and proven links with suppliers in China so I thought that this was a good prospect. On 13 May 2020, I sent an email to the HPL mailbox copying John Brannan, who was then

leading the HPL, asking for someone to consider a deal with Regal **[CH/55 – INQ000527563]**.

- 9.5 Although the deal was below the £5m threshold, it was discussed by the Clearance Board on 9 June 2020. The deal sheet records that I made the introduction **[CH/56 - INQ000528654]**. The board endorsed the deal subject to the category team representative (Jules Kirby) confirming that the aprons were needed **[CH/57 - INQ000528651]**. On 25 June 2020, Regal Polythene was awarded a contract for aprons worth £1.1m. I subsequently found out that the company had previously been awarded a small contract on 27 April 2020 to supply aprons worth £44,000.
- 9.6 I confirm that I have at no time had a personal or financial connection with Regal Polythene or its owners. I did not perform any checks on the company before I made the referral as I knew that these would be performed by other colleagues with access to specialist resources later in the procurement process. I did not take any steps to follow up or to 'chase' whether the deal was progressing. However, as chair of the Clearance Board, I later became aware that the referral had progressed to that stage in the process.

The Paper Drinking Straw Ltd

- 9.7 Andrew Feldman introduced me to Stuart Marks, an established businessman who had been a regional treasurer of the Conservative Party. Stuart approached me as he was aware of a factory in the Northwest whose workforce was about to be furloughed **[CH/58 - INQ000528636]**. The factory, which had been making plastic items, had been repurposed to make visors, and a million of these visors had already been sold. Stuart believed that the additional volume that this firm could provide would be useful for the NHS nationally.
- 9.8 I forwarded the details of this firm, Vogue Plastics initially to the 'Make' team as I thought it was a manufacturing prospect, but subsequently it was processed through the HPL because of interest from Andrew Feldman and the fact that finished goods were being offered. The correspondence is exhibited **[CH/59 - INQ000528645]**. I later found out that this company had previously made two other attempts to have its offer considered by the PPE Buy Cell **[CH/60 - INQ000527553]; [CH/61 - INQ000528653]**.
- 9.9 The counterparty was changed before the deal was finalised to The Paper Drinking Straw Ltd, which had common ownership with Vogue Plastics. The deal was considered by

the Clearance Board on 5 June 2020 and the minutes record that I asked questions about whether the manager then leading the eye protection category (James Bulley) was aware of and content with the order. The Board endorsed the offer subject to obtaining a Parent Company Guarantee [CH/62 - INQ000528649]; [CH/63 - INQ000522285, p. 19].

- 9.10 Eventually on 12 June 2020, The Paper Drinking Straw Ltd was awarded a contract worth £20m to make visors for the NHS. I confirm that I have at no time had a personal or financial connection with this company or its owners. I did not perform any checks on this company as these would be performed by other colleagues with access to specialist resources later in the procurement process. I did not take any steps to follow up or to 'chase' whether the deal was progressing, although, as chair of the Clearance Board, I was later aware that it had progressed to that stage in the process.
- 9.11 I examined some deals which I did not refer to the HPL as they did not contain an offer which I believed was credible or otherwise appropriate for the HPL. An example was a deal which was offered by a Turkish dealer for 40m 3M masks in a warehouse near Heathrow [CH/64 - INQ000528637]. When I checked with colleagues, similar offers had been current for several days, and all of them appeared illusory [CH/65 - INQ000527555]. I was never approached by any potential supplier complaining about a refusal to refer them to the HPL. As far as I know, suppliers were generally unaware of the existence of the HPL (although they may have been aware of the existence of the mailbox).

10. The Award of Contracts

- 10.1 I have been asked by the Inquiry Team to detail my role in the award of two 'HPL' contracts, to NKD International and to PPE Medpro. I describe below my interactions with the referrers, Dame Donna Kinnair and Baroness Michelle Mone. In the case of NKD International I also detail other interactions with that company's principals which did not lead to contracts, and the interest taken by the Secretary of State for Health, Matt Hancock MP.
- 10.2 To put this in context, I think it would be helpful to describe the other work that I was doing when these interactions took place. Discussions on the first contract, with NKD International, started on 13 April 2020 when I was a caseworker within the HPL. NKD was the 28th such case that I had been asked to work on since I started taking on cases on 3 April 2020, ten days before. At least 20 of the previous cases were still 'live', and

during the discussions with NKD I took on at least 20 other cases. In addition I was working on some special situations (such as Amazon, as described in paragraphs 6.26 onwards above). All these cases involved working with the potential supplier to get full technical details of the offer before passing it on to the Technical Assurance team for checking. The interaction with NKD International was different and completely atypical. Not only did it have the direct attention of the Secretary of State, Matt Hancock, but the principal, George Farha did not wait until we had checked that the goods were appropriate for the NHS. Instead he bought 10,000 gowns (without a commitment from DHSC) and challenged us to ship them from China to the UK. We did this, but on the basis that we would only pay for the gowns after successful inspection (and I am uncertain whether they passed). In the extreme circumstances of the pandemic, it was not unusual for me to try and overcome hurdles in the procurement process to help close a deal, whether or not there was involvement from senior ministers. Mr Farha subsequently made other offers that were not acceptable to DHSC, and later wrote to me saying that he had lost money as a result of his attempts to sell PPE to us.

- 10.3 My interactions with Baroness Mone regarding PPE Medpro took place in June 2020 when I was chair of the Clearance Board. When PPE Medpro's offer was discussed on 17 June 2020, this was the 215th such offer to come before the Board since its formation on 5 May 2020.

NCA RO

NCA RO

Dame Donna Kinnair and George Farha

- 10.4 At quite an early stage in the pandemic, I was asked by Matt Hancock, the Secretary of State for Health and Social Care, to speak to Dame Donna Kinnair, the head of the Royal College of Nursing (RCN). She had introduced a businessman to Matt Hancock named George Farha, who owned the GSP group and other businesses including NKD International. I was aware that Mr Farha had donated to the Southampton Paediatric Hospital A&E Wing as well as being the lead funder for the Prince Of Wales Nursing Cadet Initiative (which brought him into contact with Donna Kinnair), because he identified these associations in emails to me as part of describing his background. He

wanted to help to source PPE for the NHS. I spoke to Dame Donna on 13 April 2020 and she agreed to send me details of two gown offers which she said were available for immediate delivery. One of these offers came from George Farha. Mr Farha later forwarded to me an email which he had sent to Matt Hancock the previous day summarising his offers to supply large quantities of face masks and surgical gowns **[CH/66 - INQ000528644]**. Mr Farha stated in his email that he required help and guidance to ensure that his offers were compliant with our specifications.

- 10.5 A short time later, Mr Farha sent me a further email stating that he had managed to source 50,000 surgical gowns which were available to be shipped the following day from Shenzhen Airport, China **[CH/67 - INQ000562775]**. He attached to this email some documentation relating to the product and to SES (Hefei), the factory where the gowns were being produced **[CH/68 - INQ000562776]**. I then sent the package of documents to the Technical Assurance and Closing teams requesting that they review it as an urgent priority **[CH/69 - INQ000562774]**. At this stage, surgical gowns were a high priority item and, if there were of an acceptable specification, this quantity of 50,000 gowns would have been very useful as they were immediately available. In the hope of adding some weight to my request for prioritisation, I mentioned that the referral had been made by the head of the RCN. I did not receive any response.
- 10.6 In the meantime, I continued to liaise with Mr Farha to clarify the details of his offer and to try to obtain full technical documentation to show that the gowns were of an acceptable specification **[CH/70 - INQ000562780; CH/71 - INQ000562385]**. In a short exchange with Jonathan Marron, I suggested that we would fast-track the offer of 50,000 gowns **[CH/72 - INQ000562778]**. I am not entirely sure what I meant by fast-tracking the offer as this was before we had introduced the RRT. There was, therefore, no process to fast-track offers at this stage and I believe I was simply saying to Jonathan that we would try informally to process the offer quickly. I later sent an email to Gill Jenkins in the closing team in an effort to get the offer processed before it expired **[CH/73 - INQ000562777]**.
- 10.7 Mr Farha was unable to produce a CE certificate for the gowns before the offer was due to expire. He, therefore, offered to purchase the gowns at his own risk. I provided periodic updates to Dame Donna Kinnair on the progress of the offer **[CH/74 - INQ000562386; CH/75 - INQ000527548]**. Later on 13 April 2020, Mr Farha emailed me, copying Jonathan Marron and Matt Hancock, to report that 50,000 gowns would be ready for collection from Shanghai Airport, China on 16 April 2020 **[CH/76 - INQ000562779]**. In

the same email, Mr Farha stated that he had a quantity of Type IIR and FFP2 masks available. We had received no technical documents for these products and so I requested that Mr Farha supply them **[CH/77 - INQ000562384]**.

- 10.8 I received an update from Mr Farha on 14 April 2020 stating that 10,000 of the medical gowns had been checked for quality and would be ready for dispatch later that week. He asked what arrangements would be made for their shipment from China to the UK **[CH/78 - INQ000562783]**. We were initially told that there was an option to purchase the remaining 40,000 gowns. However, by the time an order was placed for the quantity which Mr Farha had purchased, the remaining gowns had been sold to another buyer **[CH/79 - INQ000562395]**.
- 10.9 On 14 April 2020, Mr Farha made a separate offer to supply 10,000 surgical gowns which were available in the UK. I attempted to obtain some documentation from Mr Farha certifying the product and supplied him with a sample certificate as he appeared not to understand what was required **[CH/80 - INQ000562387; CH/81 - INQ000562781]**. However, he was unable to produce any certification for these gowns which we did not, therefore, purchase **[CH/82 - INQ000562388; CH/83 - INQ000562389]**.
- 10.10 At his request, I provided an update to the Secretary of State on 14 April 2020 **[CH/84 - INQ000562782]**. The following day, Mr Farha made a new offer to supply 20 million gowns and requested that I provide a letter to facilitate his negotiations with the manufacturers which I did **[CH/85 - INQ000562784; CH/86 - INQ000562390; CH/87 - INQ000562391]**.
- 10.11 I proposed that Mr Farha liaise with UPS to arrange shipment from China of the 10,000 gowns which he had purchased. This UPS option was too expensive for him and he asked that DHSC take responsibility for the shipping **[CH/88 - INQ000562787]**. In order for DHSC to ship the gowns and accept them into the DHSC warehouses in Daventry it was necessary to raise a purchase order.
- 10.12 I was contacted again by Matt Hancock on 16 April 2020. He expressed concern that Donna Kinnair would go to the press with criticism of the way in which his department was procuring PPE, and asked why we were not able to proceed **[CH/89 - INQ000527550]**. Following receipt of this email, I contacted Dame Donna who was angry and concerned about the shortage of gowns. I updated her on the progress of my

discussions with Mr Farha and told her we were doing everything we could to secure the supply which was needed **[CH/90 - INQ000562392]**.

10.13 I had previously updated Emily Lawson on the topic of these 'leads' through the RCN **[CH/91 - INQ000527549]**. I approached Emily again for help in raising the purchase order and she put me in touch with DHSC Finance **[CH/92 - INQ000528640]**. I agreed with Mr Farha that the DHSC would not make any upfront payment for the gowns and that they would be paid for on delivery only if they were found to be technically acceptable to the NHS. Matt Hancock had nominated Jonathan Marron as the main point of contact for this deal in DHSC, and I asked for and received Jonathan's help in registering NKD International as a new supplier so that DHSC could issue a purchase order **[CH/93 - INQ000528635]**; **[CH/94 - INQ000562785]**. Chris Young, Finance Director and Accounting Officer in DHSC, approved the issue of the purchase order **[CH/95 - INQ000528642]**. However, there remained a substantial amount of paperwork still to complete.

10.14 I liaised with DHSC colleagues to arrange for Mr Farha's company NKD International to be registered as a supplier and obtained the necessary information from Mr Farha to allow a purchase order to be raised. Whilst this process was ongoing, I regularly contacted the Secretary of State directly to keep him informed of progress - see references above and **[CH/11 - INQ000562382]**. A purchase order was raised for the 10,000 gowns on 17 April 2020 **[CH/97 - INQ000527552]**; **[CH/77 - INQ000562384]**; **CH/71 - INQ000562385]**. The gowns were eventually airlifted from Shanghai on 28 April 2020. I do not know what happened to them subsequently, but my recollection is that they were not accepted for distribution to the NHS and thus Mr Farha was not paid for them. DHSC holds the definitive data on contract outcomes.

10.15 The rationale for raising this purchase order 'out of process' (i.e., not via the Closing Team) was, as identified by Emily Lawson, stakeholder management **[CH/100 - INQ000528641]**. I understood that the concern, at the highest levels of DHSC, was that Dame Donna Kinnair represented nearly half a million nurses, the core of the health workforce. If she told her membership that the DHSC, in spite of the personal intervention of the Secretary of State, was not straining every sinew to obtain PPE, then there would be adverse consequences (as outlined in paragraph 3.8 above). As I have said, because the offer was conditional on passing quality checks, the public purse was protected and the health workforce was also protected against receiving substandard

equipment. In any event, this was a relatively small contract worth £135,000 and thus did not pose a large financial risk.

10.16 I continued to have discussions with Mr Farha in relation to his offer to supply 20 million gowns. He proposed sourcing these products from a factory named Henan JoinKona **[CH/80 - INQ000562387; CH/82 - INQ000562388]**. I knew that we had concerns about overcommitment by this factory and that this new offer would not be acceptable. I, therefore, suggested to Mr Farha that he attempt to source some gowns from another factory named Anhui Medpurest. We had already obtained gowns from this factory via a crowd-funded charity named "NHS Masks for Heroes". I had worked with this charity's buying agent and with my colleagues to secure the necessary funding to place a larger order than the charity could afford to place on its own. This had enabled us to procure approximately 130,000 gowns **[CH/83 - INQ000562389]**. However, there was a possibility that the charity would not be able to procure more gowns for us as they were going to run out of funds. I therefore proposed putting their buying agent, P1F in touch with Mr Farha **[CH/86 - INQ000562390]** and later made an introduction **[CH/87 - INQ000562391]**.

10.17 On 22 April 2020, Mr Farha put forward an offer to supply 7.5 million sterile and non-sterile gowns from Anhui Medpurest. The offer was to deliver 250,000 gowns per week over a period of 30 weeks on condition of a 50% advance payment per shipment **[CH/90 - INQ000562392; CH/107 - INQ000562393]**. The following day, Mr Farha sent details of the offer to the Secretary of State, Matt Hancock, who forwarded the correspondence to me to lead on the offer **[CH/108 - INQ000562394]**. On 24 April 2020, I sent details of the offer to Gill Jenkins in the closing team **[CH/79 - INQ000562395]** and submitted the offer to Technical Assurance noting that the gowns were from Anhui Medpurest and therefore should already have been assured. However, the offer was initially rejected by Technical Assurance due to problems with the certification of the gowns **[CH/110 - INQ000562396]**. Mike Beard, head of the Closing Team and I both spoke to Mr Farha to explain the decision **[CH/17 - INQ000562397]**.

10.18 Between 28 - 30 April 2020, I liaised with Mr Farha, his associate Mikey Todd and Ken Roy (an MoD DE&S employee in technical assurance) to address the issues relating to certification of the product **[CH/07 - INQ000562398]**. On 30 April 2020, Mr Farha sent an email to me and Jonathan Marron stating that he had made two firm offers to supply substantial quantities of surgical gowns and that he was awaiting our decision. The email

was copied to Matt Hancock [CH/113 - INQ000562399]. A short time later, I received confirmation from Ken Roy that the Anhui MedPurest offer had been approved [CH/08 - INQ000562400]. I reassured the Secretary of State that the offer was progressing [CH/115 - INQ000562401] and requested that it be processed by the Rapid Response Team where it was assigned to James Thirkettle [CH/10 - INQ000562402].

- 10.19 The terms of the Anhui MedPurest deal were negotiated by Tracy Washer in the Closing team. Because of the perceived counterparty risk, the deal was discussed at the inaugural meeting of the Clearance Board on 5 May 2020 where it was rejected on the grounds that the counterparty, NKD International, did not have the economic and financial standing necessary to undertake a contract of that value [CH/117 - INQ000533360]. It transpired that Mr Farha's parent company, the GSP group, was based in the British Virgin Islands and therefore could not provide a parent company guarantee for NKD International which would be acceptable to the DHSC. I reported back to Matt Hancock on the decision of the Clearance Board [CH/118 - INQ000562404]. I then proposed internally two alternative ways in which the deal might proceed; either as an agency arrangement under which the DHSC would contract directly with the factory; or alternatively backing in another counterparty who would work with Mr Farha to fulfil the contract [CH/119 - INQ000562405]. We explained the options to Mr Farha in a conference call on 6 May 2020 [CH/42 - INQ000562406].
- 10.20 In response, Mikey Todd proposed GovData as an alternative counterparty [CH/121 - INQ000562407]. However, they were not sufficiently robust to take over the deal. He then proposed that NKD International pay for each weekly order upfront with payment being made by DHSC upon inspection and collection of the goods at the factory [CH/122 - INQ000562408]. There was some concern within the team that effort was being wasted on pursuing a deal with NKD International. I stated that we should end our discussions with the company if the team felt that no suitable revised offer had been made [CH/123 - INQ000562409]. James Thirkettle then wrote to Mr Farha and Mr Todd on 7 May 2020 to inform them that we would not be taking the opportunity any further [CH/124 - INQ000562410].
- 10.21 I was concerned by this stage that Mr Farha might be financially exposed as a result of the terms he had agreed with Anhui MedPurest and that he might seek recourse from the DHSC. Mikey Todd had revealed that NKD International had already signed a contract with the factory and placed their first order [CH/121 - INQ000562407]. He then

claimed that the company had acted in reliance upon representations made by us **[CH/125 - INQ000562422]**. I therefore wrote to the team advising them not to correspond directly with NKD and to direct all future correspondence to the government legal department **[CH/30 - INQ000562412]**. Mr Farha reached out to me on 7 May 2020 asking if the deal could be revived **[CH/22 - INQ000562413]**. I discussed his request with a government lawyer and responded to Mr Farha to confirm that we would be prepared to consider pursuing an agency agreement on the condition that NKD withdraw the allegation that it had been induced by us into issuing purchase orders to Anhui Medpurest **[CH/25 - INQ000562414]**.

10.22 Mr Farha responded on 8 May 2020 and after discussing his email with a government lawyer I sent a brief reply. He then wrote to me again to confirm that NKD accepted that it had acted at its own risk and requested that we proceed to enter into an agency agreement. I stated that we would be happy to proceed on that basis reiterating that all discussions would be subject to contract and confirmed that James Thirkettle and Max Cairnduff would be in touch **[CH/129 - INQ000562415]**. On 10 May 2020, Mr Farha provided a copy of the contract between NKD and Anhui MedPurest and stated that he had placed an order for 100,000 sterile gowns with them. He requested that we purchase these gowns directly from his company. Max Cairnduff replied the following day to confirm that lawyers were reviewing the contract but that we were making no commitment to purchase the 100,000 gowns which had been ordered **[CH/130 - INQ000562416]**. To perform due diligence, Max then requested further information about Anhui MedPurest which Mr Farha provided **[CH/131 - INQ000562417; CH/132 - INQ000562418; CH/133 - INQ000562419]**.

10.23 The option of novating NKD's contract with Anhui MedPurest was discussed at the Clearance Board on 18 May 2020 and rejected as the board was not comfortable with the proposed terms of the contract **[CH/134 - INQ000528648]**. Since the agency option was no longer open, in an effort to resurrect the deal I proposed two alternative counterparties: Nine United and FOSROC. Mr Farha negotiated a new deal with FOSROC which was presented to the Clearance Board on 10 June 2020. This offer was also rejected on the basis that the price was too high **[CH/135 - INQ000528652]**. A subsequent offer at a lower price was considered on 15 June 2020 - but this was 20% higher than other offers considered on the same day **[CH/125 - INQ000562422]**. The

offer was placed on hold, pending confirmation of demand, but no further action was taken.

10.24 On 18 June 2020, Mikey Todd sent me a revised offer based on an even cheaper unit price but proposing that the deal reverted to NKD International [CH/137 - INQ000562423; CH/138 - INQ000562424]. Mr Farha then reached out to me again on 22 June 2020 to request my assistance in arranging the purchase of the 100,000 gowns which he had ordered. I responded to explain that prices for sterile gowns had declined significantly in recent weeks and that we could not justify purchasing the stock at the prices which he had indicated [CH/139 - INQ000562425]. The following day, Mr Farha requested that I assist him in recovering his deposit [CH/140 - INQ000562426]. I have no record of responding to this request. I left the programme on 30 June 2020.

10.25 Looking at this case with hindsight, it was atypical of the work that I undertook as a member of the HPL team and thereafter. It had the continuous attention of the Secretary of State, Matt Hancock, which I presume was because of the importance that he gave to the relationship with the RCN. Matt Hancock asked how NKD's initial 10,000 gowns could be shipped to the UK. He did not ask that NKD International be given a contract for the much larger quantities of gowns (and other goods) that NKD was offering. He was, however, keen to see that the company's offers were receiving attention. I certainly gave the gowns offer consideration and asked other colleagues to work on it too, as it promised to deliver a worthwhile quantity of much needed PPE. In spite of this effort, and Matt Hancock's interest, for valid reasons NKD International was not given the high value contract that it was seeking. This case illustrates the workings of the checks and balances operated by the PPE Buy Cell.

Baroness Mone and PPE Medpro

10.26 PPE Medpro had been introduced by Baroness Michelle Mone via Lord Agnew, as was recorded in the list of HPL referrals published by DHSC in 2021 [CH/141 - INQ000533263]. On or around 2 June 2020 PPE Medpro was awarded a contract worth £80.9m to supply type IIR masks. [redacted] NCA RO

[redacted] NCA RO

10.27 In mid-June 2020, three companies made an offer of gowns, each of which was at an advanced stage in the procurement process. [redacted] NCA RO

[redacted] NCA RO

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10.28

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10.29 On 19 June 2020, there was discussion about the demand signal for gowns at the meeting of the Programme Delivery Board [CH/34 - INQ000562429; CH/32 - INQ000562430; CH/145 - INQ000562431]. Later that day, I attended a meeting [NCA RO

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NCA RO] to review the outstanding deals. [NCA RO

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Townsend

emailed me and Chris Young late on 20 June 2020 to provide an update on the demand signal for gowns and the status of our remaining deals [CH/152 NCA RO

NCA RO

Nick's analysis appeared to show that we would be short of gowns in the short term but that our stocks would build significantly in the autumn of 2020 and would be consumed by early 2021.

10.35 In his email, Nick pointed out that we had lost two of our China deals for gowns and that changes in some of our inbound deliveries would leave us "a little tight in places". Of the three remaining deals, Nick's preference was to proceed with KAU Media (one of PPE Medpro's competitors) as it was offering to deliver fairly quickly and at a good price. He suggested that there was space for one large deal to deliver through August and September but that the demand figures did not justify proceeding with both and Inivos

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10.38 I received an email from Michael Beard the same morning in which he summarised the status of the three outstanding gown deals

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10.41 The following day (23 June 2020), I was copied on some correspondence from Jonathan Marron's private secretary, querying whether the sterile gowns being offered by Inivos and [NCA RO] were being purchased for Covid use. I referred this query to Dr Darren Mann, a clinician working with the PPE Buy Cell who had direct experience of treating Covid patients in a Nightingale hospital. He confirmed that both sterile and non-sterile surgical gowns were used in the clinical management of Covid-19. I forwarded his response to Jonathan's private secretary [CH/161 - INQ000562447]. Later the same day, I was copied on an email from Emily Lawson in which she confirmed that there was an ongoing need for sterile gowns [NCA RO]

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11. Writing the procurement strategy for PPE

- 11.1 Soon after I joined the PPE Buy Cell I expressed concerns that, while we had a buying process, we didn't have a buying plan. While this was appropriate for an immediate response to the emergency, based on what I heard from other colleagues and from briefings I received, we would need to continue buying for some time; at least several months. I sent an email to colleagues to gain support for putting a procurement strategy together [CH/165 - INQ000527543]. A CTT colleague, Rob Nixon was tasked around 7 April 2020 with leading the production of a procurement strategy for PPE.
- 11.2 In order to develop a suitable strategy, we needed data as a starting point. I learned that DIT had retained Ernst & Young to research the market and find out what was produced where, globally and if possible in what quantities. By coincidence, the lead EY partner on this work was a personal friend that I had worked with on a previous procurement

project when I was at EY also. Together with DIT colleagues, we discussed how this work could be shaped and shared [CH/166 - INQ000527564; CH/167 - INQ000527565].

- 11.3 Over several weeks, Rob and a junior CTT colleague developed a sourcing strategy [CH/168 - INQ000480113] in stages (so that we didn't have to wait for a complete, signed off document to shape our actions). My job was to critique the strategy in terms of its relevance to the situation 'on the ground' as our caseworkers were seeing it; and to help sell the strategy to DHSC and NHS seniors, and later to Paul Deighton.
- 11.4 Very soon thereafter, this strategy was used to guide buying decisions and shape the design of the future organisation [CH/169 - INQ000493958]. It included the following key messages: to concentrate on China and other key East Asian/South East Asian producer markets (a conclusion drawn from the EY Global sourcing work referred to in paragraph 11.2); to slim down the number of counterparties and concentrate on fewer, bigger orders from counterparties who had proven to be reliable; and to examine how to overcome materials shortages, especially of SMS, from which both gowns and masks were made.

12. Reorganisation of the PPE Buy Cell

- 12.1 I subsequently worked on proposals to reorganise the PPE Buying Cell for the longer term. We considered (in late May 2020) that buying efforts would continue for at least six months and the temporary emergency arrangements set up in March 2020 were not sustainable over such a period. I ran a quick competition to hire procurement consultants with some organisational design expertise that was won by 4C Associates. Under this contract, 4C was also retained to provide interim management during a transition period as the new organisation was established.
- 12.2 The new organisation would be smaller (100-150 people rather than 500), be based in the NHS rather than DHSC, be category-focused rather than process-focused and would fully integrate the Buy and Make activities that had been started in March 2020. It would implement the sourcing strategy described in the subsection above. These proposals were accepted by the PPE Steering Committee chaired by Lord Deighton, and transition started to the new organisation from early June 2020 with the establishment of buying teams for key categories including gloves, eye protection and gowns. These teams were led by executives that had previously worked with Lord Deighton and who had been in charge of similar teams as part of the 'UK Make' effort.

- 12.3 This change in organisation was underway when, in June 2020, there was a major reappraisal of demand for PPE. As stated in the second corporate witness statement of the Cabinet Office [CH/170 - INQ000498292], actual demand from Health and Social Care bodies from June onwards was radically below the figures calculated by the 'McKinsey' model. As a consequence, buying stopped from mid-June onwards (with the exception of gloves, sterile gowns and FFP3 respirators) as it was considered that orders already placed would lead to adequate stocks for Winter 2020-21.
- 12.4 Because of the reorganisation and the drop in buying activity, it was possible for many of the people who had joined the PPE Buy Cell in March and April 2020 to leave the programme. They included: the MoD DE&S teams that had performed Technical Assurance and had undertaken the bulk of our commercial negotiations in the Closing Team; the many volunteers from all over government who had dropped their day jobs at no notice to buy PPE; many hardworking consultants; and most of my CTT colleagues who had built a complex buying organisation from scratch. They had all performed admirably under very difficult circumstances, and have my sincere thanks. It is my great regret that the adverse publicity that DHSC's efforts to buy PPE have received has prevented team members from getting the recognition that they deserved.
- 12.5 I accept that we bought more PPE than was ultimately needed but no-one knew how long the pandemic would last and how successful social distancing or the vaccine rollout would be. It is also true that we paid a lot for the PPE but we were in competition with every major economy in the world, and accessing a specialised market with constraints on production dictated by machinery and scarce raw materials. It is right that we bought from non-traditional suppliers but this was a deliberate strategy, as our traditional suppliers could not obtain enough goods to meet our needs. Some of the companies we bought from were connected (sometimes very loosely) to the Conservative Party; but it is not uncommon for companies to have connections to Conservative Party members or donors.
- 12.6 To my mind, the adoption of an open source approach which caused a very large number of offers to be received [CH/45 - INQ000527547] caused the PPE Buy Cell some fundamental difficulties. Since every offer needed to be considered on its merits this was never going to be a practical way of acquiring large amounts of PPE in a short enough time to address the needs of health and social care workers. However, such offers were always going to come in, with or without a 'call to arms', and ignoring them would not be

politically acceptable. It is ironic that the desire of the public and businesses to help actually got in the way of the efficient sourcing of PPE, which I believe would have been better executed by a smaller team with a more targeted approach, as described in paragraph 5.16.

12.7 We did, however, achieve our superordinate goal, which was to protect health and social care workers by obtaining unprecedented quantities of goods in an overheated market, at a time when the whole country and many producers were in lockdown. I'm proud of what we did.

12.8 I stopped working in the PPE Buy Cell on 30 June 2020 and Melinda Johnson, Commercial Director of DHSC became the chair of the PPE Clearance Board.

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

Name: Chris Hall

Dated: 15 January 2025