

Witness Name: Darren Blackburn

Statement No. 1

Exhibits: 108

Dated: 10 January 2025

UK COVID-19 INQUIRY – MODULE 5

WITNESS STATEMENT OF DARREN BLACKBURN

I, Darren Blackburn, will say as follows:

1. This witness statement is produced to address queries that have been raised by the UK Covid-19 Inquiry ('the Inquiry') in a Request for Evidence pursuant to Rule 9 of the Inquiry Rules 2006 and sent to the Cabinet Office on 12 August 2024 (the "Rule 9"). The statement has been prepared with the assistance of Counsel and lawyers at the Government Legal Department. I have not previously given evidence to the Inquiry.
2. I have been asked to address my role in the procurement of key healthcare equipment and supplies and my understanding of the establishment of the High Priority Lane and any role that I played in supervising its operation. I have also been directed to a table of offers that were processed through the High Priority Lane and have been asked to comment on the role I played in respect of any of those referrals.
3. This statement is set out in the following sections:
 - Section A will provide an overview of my career to date and the various roles I held during the periods relevant to the Inquiry – I will particularly focus on my roles within the PPE Cell.
 - Section B addresses my understanding of the establishment of the High Priority Lane.
 - In Section C I outline the role that I played in any of the referrals to which the Inquiry has directed my attention. This section will also provide details on how

I was introduced to Ayanda Capital Ltd., the company which I referred into the High Priority Lane.

4. I have been only very recently provided with my Cabinet Office mailbox, and I have not had the time to go through all emails therein and I have relied on those that have been obtained through the use of search words by the legal team assisting me with this statement. I have not had access to that mailbox, prior to this enquiry, since I left the Cabinet Office in May 2022. I have therefore had to rely, to a greater extent than I would have liked, on my independent recollection of events which took place some time ago, during an extremely busy and stressful period, and on documents provided to me by lawyers. Whilst the period in question was only 4.5 years ago, a lot of my memories were hazy. I believe that this is because of the extraordinary conditions we were working under in the PPE cell. My compounding memories were of the long days, 7 days a week, the intense pressure, the stress of the situation and the difficulties around family life with a 2 year old at home and a wife that also worked in the NHS. The approximately 4 months that I worked in the PPE cell felt like a much longer period, such was the intensity of the task. In this statement I have done my utmost to set out what I remember of the important events pertinent to the rule 9 I have received, focusing on the areas with which I think I am well placed to assist the Inquiry.

SECTION A: Overview of Career to Date

Brief Background

5. My career prior to joining the Civil Service in 2019 can be briefly stated as follows:
- Between 1999 and 2004 I worked in the procurement function for BAE Systems, moving between different business units, starting on the Astute Class Submarines programme being built for the Royal Navy, moving to the F-35 development programme and then finally in the Royal Ordnance area of the business.
 - From 2004 to 2010 I worked for Hedra. Hedra was a small consulting firm contracted by Her Majesty's Government. My role focused on supporting Government agencies on procurement, such as the National Policing Improvement Agency and associated police forces, and Department for

Education, through one of its key suppliers (CfBT) on some of its key programmes.

- From 2010 to 2019 I worked for Price Waterhouse Coopers in their Procurement Consulting Team working for public bodies and agencies such as the Metropolitan Police, Defence Equipment and Support, the London Borough of Richmond and numerous other private sector and financial services clients.
6. I joined the Civil Service in September 2019 as Deputy Director in the Cabinet Office Commercial Function Complex Transactions Team. I left in May 2022. I am now a Partner at 4C Associates ('4C') which is a procurement/commercial, supply chain and operations consultancy in the public and private sector.

Civil Service Roles

7. As above, I was a Deputy Director in the Cabinet Office Commercial Function Complex Transactions Team ('CTT'). The CTT is an internal consulting team that would be deployed to other Central Government Departments, and so I had numerous 'clients' during my c.2 year tenure, supporting MOD, BEIS, DfE and DHSC. On around 19 March 2020, I was deployed from the Cabinet Office to the Cross-Government team buying emergency PPE supplies for the public sector during the Covid pandemic which was known as the PPE Cell or the PPE Buy Cell ("the PPE Cell").

PPE Cell

8. The PPE Cell was a new supply chain brought into being during the COVID-19 emergency. It ran in parallel to the existing system by which DHSC procured necessary equipment for the NHS. It was established because the existing supply chain could not supply PPE in the quantities which were necessary during the COVID-19 emergency. Over 700 civil servants and contractors came together in a virtual environment to buy PPE. Members within that team came and went as they were sometimes needed for their primary role. As I recall, the membership of the team was principally made up of procurement specialists from the Ministry of Defence (and particularly DE&S – an Arm's Length Body of the MOD's who negotiate contracts on behalf of the armed forces), Department for Education and supplemented by a smaller

number of external consultants in the private sector. Generally speaking, though we all had commercial and procurement experience, we typically would not have worked together but for the need for the PPE Cell. As referred to already, the team began to be formed on or around 21 – 24 March 2020 with managers and case workers being drafted in to assist from around this time.

9. People arrived into the PPE Cell quickly, and completely new systems and processes had to be implemented in the middle of the crisis. Its processes evolved as lessons were learned and were put into effect.
10. The goal of the PPE Cell, as I saw it, was to get PPE into the hospitals, protect NHS workers, and get us in a position where we could leave our houses and live normal lives. In March 2020 we thought this was only going to be months, so we in the PPE Cell were desperately trying to get enough PPE into the country, because we believed that would help bring life back to normal. In the early days of the PPE cell there was a great deal of work to be done, and everyone was under great pressure. It was an emergency “all hands on deck” effort to get the PPE desperately needed by our hospitals to keep our NHS workers safe in the pandemic. When we did manage to complete a contract to purchase PPE, we treated this as a cause for celebration¹, especially in the early days when all items of PPE were in shortage, and there were stories in the media about nurses and other hospital workers not having the PPE they needed.
11. Those working in the PPE Cell worked very long hours, including most evenings and weekends, especially in the early days. I (and I think everyone in the PPE Cell) were always conscious that if we did not secure supplies quickly and in great volume, our doctors, nurses and other hospital support staff including cleaners and porters, would be facing coronavirus in our NHS hospitals without proper protective equipment. There was intense pressure to secure product quickly against priorities and specifications which changed rapidly as information gathering improved, and the pressures of dealing with a market where if we didn’t move quickly, products would be lost to other buyers. Offers came and went from the market rapidly.
12. My role evolved during my time there, and included looking at how to establish the whole purchase to pay process (which is that part of the overall process of purchasing PPE which took place after a supplier had been vetted and approved, and a contract

¹ See for example, [DB/1 – INQ000534578] and [DB/2 – INQ000534576].

then concluded) and how to find the best suppliers for the products we needed and get these suppliers tied in to appropriate contracts. I was due to start in the PPE cell on approximately 19 March 2024, which I did remotely as I was sick, and required to isolate at home. There was a meeting at Skipton House on Saturday 21 March. I did not attend this meeting because I was still isolating. I believe (based on what I was told at the time) that it was at this meeting that the basic elements of the process for emergency procurement of PPE during the pandemic were designed. I was asked to lead the development of the purchase-to-pay process as I had previous experience of purchase to pay from my period as a consultant at PWC.

13. I fulfilled the following roles within the PPE Cell during the period of interest to the Inquiry:

- From around the week commencing 23 March 2020 to around the beginning of April 2020 I was Procurement Lead in charge of establishing the Purchase to Pay Process.
- From around 7 or 8 April 2020 to 1 July 2020, I was Head of New Supplier Sourcing for the PPE Cell. I have tried to ascertain from documents the date when I took over as new supplier sourcing but have not been able to find the precise date. I have no independent recollection of the precise date, but I believe, based on documents I have been shown that it was around 7 or 8 April².
- From approximately the end of May 2020 for approximately 3 weeks I was (along with Mark Aplin, James Bulley and Lt Col Adrian Lovelock) part of the Eye Protection sprint leadership (I detail this further below).
- From 1 July 2020 I was Change Management, PME and Comms lead in the PPE Cell³.

14. I would refer to the organogram of the PPE Cell which was produced in April 2020 and which sets out the various teams, roles and structures which were stood up⁴.

15. In July 2020 I prepared the first draft of the Complex Transactions Team Handover Document relating to the PPE Covid 19 response for DHSC, and with others, produced

² In the daily standup minutes for 7 April [DB/3 – INQ000534550] am described in the section relating to “Main Effort for Today” as procurement. On 8 April [DB/4 –INQ000534551], I am described for the first time as “New Suppliers”.

³ [DB/5 - INQ000534602].

⁴ [DB/6 - INQ000534590].

the final version this document⁵. At the end of July 2020 my deployment to the PPE cell ended. After that, I had no further involvement in procurement of PPE.

PPE Cell Roles I Fulfilled

Procurement Lead in Charge of the P2P process

16. The purchase-to-pay process was that part of the overall process of purchasing PPE which took place after a contract had been concluded until the goods were paid for. It included entering the new supplier on the system, obtaining bank details, seeking Accounting Officer approval, producing a purchase order, and making bank transfers (i.e to pay the supplier). My role was to design and set up the purchase to pay process, including setting up the links between the PPE team and DHSC who were raising the purchase orders for the selected suppliers.
17. Setting up the purchase to pay process turned out to be less difficult than I initially had anticipated because DHSC already had a purchase to pay process and a team led by Ed James (Head of Procurement for DHSC), and we were able to use this existing system for the PPE cell procurement. The work that I did in this role was mainly working with Ed James to determine how the existing DHSC purchase-to-pay machinery could link up with the Source to Contract (S2C) part of the PPE cell's procurement process (i.e. that part of the process from sourcing the goods up to and including to concluding a contract).

Head of New Suppliers Role

18. Shortly after I started in the PPE cell, Andy Wood (Deputy Director in CTT) asked me to take over as the Head of the New Suppliers team. Before I took over as head of New Suppliers, Richard James (Deputy Director also in CTT) led both the New Suppliers team and the Existing Suppliers teams. These roles were split when I took over as head of New Suppliers.
19. My role as Head of New Suppliers overlapped with my role as the purchase-to-pay lead. Before I was appointed Head of the New Suppliers team (before the formal

⁵ [DB/7 - INQ000534603], [DB/8 - INQ000534601], [DB/9 - INQ000534921].

creation of the HPL) I worked on a small number of cases, supporting the caseworkers in the Opportunities Team. Usually this involved cases where the supplier or sometimes referrer was persistently asking for progress updates. This generated extra work for the caseworkers who were already working at capacity, and distracted them from the work of progressing their cases. Typically, I took on the role of communicating with these “noisy” suppliers, and helped the caseworker to progress these cases to the point where we could conclude the case (by rejection, or progression towards a contract) as rapidly as possible. This problem of supplier (or referrer) escalation distracting caseworkers from progressing their cases was one of the reasons for creation of the HPL (see further paragraph 38 below).

20. For most of my time in the PPE Cell I led the New Suppliers Team (‘NST’). This was a team of approximately 500 people deployed from the MoD (DE&S) and Department of Education trying to triage, process and conclude the 16,000 or so offers of supply which came into the team.
21. The NST was established to manage the process of reviewing offers made from the general public, new suppliers and other introductions (Opportunities), triaging thousands of offers, confirming the technical acceptability of the manufacturers (Technical Assurance), managing offer rejections, agreeing commercial and contractual terms with suppliers prior to finalising commercial terms (Closing) and passing to DHSC Procurement and Finance for approval and placing orders.
22. The NST managed a large caseload of offers on an end-to-end basis from triage to the point of deal closing recommendation. This included:
 - Initial review of submitted ‘offer’ forms via the public portal
 - Prioritisation aligned to the latest PPE product demand signals set by DHSC
 - Obtaining supplier due diligence reports
 - Technical Assurance and due diligence of submitted certification documents
 - Negotiation and closing of contract form
 - Presentation of recommended transactions to DHSC procurement team
 - Supplier communication

23. Throughout the time period we needed to place orders and secure supplies urgently. As such, awards of new contracts made in the NST (as it was for those throughout the PPE Cell generally) were placed with the use of Regulation 32(2)(c) of the Public Contract Regulations 2015. We relied on guidance on this from a PPN issued by the Cabinet Office Commercial Policy Team.⁶.
24. The day-to-day aspects of my personal responsibilities as Head of the NST, included⁷:
- Overseeing the delivery of the end-to-end New Supplier Process, including managing offers from new suppliers, managing the technical assessment of offers and the closing of commercial terms for handover to DHSC Procurement and Finance team for review and approval. It was not part of my role to manage individual caseworkers in the opportunities, Technical Assurance and/or closing teams or to understand the details of everything going on in these teams. Oversight of the process involved troubleshooting, making sure the process was functioning as it should, understanding the priorities for the process and communicating those to the team, answering questions and asking for updates so that I could report upwards to Andy Wood and Emily Lawson. My role was operational rather than strategic. Andy Wood was responsible for strategy and Chris Hall also contributed to strategy. Chris undertook a number of different roles throughout the duration of the PPE cell, and I cannot remember precisely at which points in time he was undertaking the strategy role. My role was to shield Andy and Chris from the noise of the operational activities so that they had space to consider strategy.
 - Overseeing an operational management team which sat beneath me and over case worker teams.
 - Being an escalation point for problem-solving. In essence, I was a troubleshooter, and problems would often be escalated to me to try to resolve or to try to coordinate other people towards resolution.
 - I have been shown a document⁸ which suggests that I provided leads for new suppliers to ensure a steady pipeline and support demand fulfilment. This was not part of my role. The leads came initially from the web-portal and then from

⁶ [DB/10 - INQ000048822].

⁷ [DB/6 - INQ000534590].

⁸ [DB/6 - INQ000534590].

the Mendix system (once it was up and running from about 9 April 2020) which was the back-office case management system into which any offers of assistance came once submitted via the online web portal letterbox. There was never a shortage of leads following the government's call to arms, and in fact the greater challenge was how to prioritise and process all the leads that we did have.

- I ensured bottlenecks in the process were identified and unblocked, working with other teams.
- I had formal oversight of the Donations and VIP leads. This involved checking in with Max Cairnduff (who was the HPL/VIP and donations lead) and understanding any challenges he was dealing with. Max was very competent, calm, commercially astute and experienced. He was self-sufficient and carried out his role in an autonomous manner.
- I oversaw the smooth handoff between the closing into the PO raising process. This involved designing a process (including agreeing what documents should be necessary) for handover from the closing team to the purchase to pay process.
- I provided end to end reporting (to Andy Wood the PPE Lead) for the New Supplier workstream including Opportunities Rejected, Closed Deals, purchase orders - Volumes and Values.

25. From 4 April 2020, I was provided with daily submissions listing the outstanding suppliers going through Mendix, which generally included details of the terms and conditions of the contract, price negotiated, whether the order had been submitted for formal commercial approval (i.e. submission up the chain/to me) and whether the order request template and audit trail were complete and sent to DHSC Procurement Operations⁹. I then reported on the suppliers and opportunities in a daily meeting.

Eye Protection Sprint Lead

26. From approximately the end of May 2020 for 2 or 3 weeks I was (along with Mark Aplin, James Bulley and Lt Col Adrian Lovelock) part of the leadership on the Eye Protection

⁹ [DB/11 - INQ000534930].

Rapid Response (also called a Sprint). This was a role I did in addition to my main job as Head of New Suppliers.

27. In the early days of the PPE cell, we had information about what items were most needed by the NHS, but it was not very refined. For example, gloves might be specified as a priority item without any information about what type of gloves were required. As time went on, we began to have better data on what was required, a clearer indication of usage and shortfalls, and were able more effectively to respond to shortages of particular sub-categories of PPE. We did this through “sprints”. During a sprint, dedicated workers assigned to a rapid response team would identify offers in the Mendix system for the item we were focussing on and accelerate them through the purchasing process. In a Sprint the rapid response teams focused on a single subcategory e.g. Goggles which formed the Eye Protection Category. I cannot now remember clearly whether a Sprint was just another name for the work of the Rapid Response Team or whether it described a more narrowly focussed effort by the Rapid Response Team, what I do remember is that the Sprints were narrowly focussed on a single sub-category of PPE.
28. James Bulley led the Eye Protection Sprint. My role in this Sprint was to provide advice and guidance as a commercial/procurement specialist, and to assist with setting strategy, priorities objectives and plans for the eye protection category¹⁰. During a Sprint, it did not matter where the suppliers came from in the system (i.e. HPL or otherwise) – we simply went through each and every supplier supplying that particular product – however we would generally start with those who were already being looked at and going through the process and would try and ensure that was sped up through to contract.

Change Management, PME and Comms lead in the PPE Cell

29. At approximately the end of May 2020, whilst I was head of New Suppliers, a decision was taken (possibly by Chris Hall) to restructure PPE procurement to a categories-based structure. The original PPE cell set up was no longer suitable for the NHS's changing procurement needs, and the idea was to consolidate and transition to a more standard and best practice operating model, taking more of a strategic view over the PPE Procurement Cycle.

¹⁰ [DB/12 -INQ000534594].

30. I was not involved in the design of the new procurement model, nor was I involved in the decision to start the transition. From 1 July 2020 I was Change Management, PME and Comms lead in the PPE Cell¹¹. This role involved some management of 4C (a Consulting firm who specialises in Procurement) doing transition work, project managing the other elements that 4C couldn't do, such as sourcing new people, updating the PPE buying teams, and co-ordinating communications to the wider team as to what was happening and when, the time scales for change and what it would mean for them. I dealt with any problems which came up from category teams and tied up any loose ends.
31. Prior to taking up this role, I was involved in implementing the transition to the category-based model. For example:
- I reviewed the bids as part of the tender process which led to engagement of external consultants 4C to manage the transition to the categories-based approach. 4C were appointed as external consultants to that transition following a public tendering process and their bid was scored and moderated by a panel in order to determine the supplier. As I have said above, much later (in May 2022) I went to work for 4C Associates ('4C'), but I had no links to 4C in 2020 .
 - As part of the transition we moved from more than 500 people in the PPE cell to 30 or so in the category based structure. I assisted with planning what roles we needed going forward and identifying who within the PPE cell could fill them. Many others went back to their own (pre-COVID) jobs. Staff from a specialist organisation started to come in. I assisted with recruiting category managers/directors, and teams below them.
 - Around the same time, I managed the process of reducing the opportunities queues within the Mendix system by identifying and rejecting any offers where the supplier failed due diligence or where the offers were for products that were no longer on the buy list. This wasn't directly related to the transition; it was one of a number of tasks which just needed to be done at the time. By reducing the queues we aimed to reduce the noise in the system - i.e. the time that case-workers were spending responding to queries about the progress of offers, instead of progressing those offers.

¹¹ [DB/5 - INQ000534602].

32. The categories-based model (known as the PPE Category (Buy) Organisation) went live from 1 July 2020¹². From that date, the role of Head of New Suppliers ceased to exist. I finished my role in PPE procurement on the last day in July and went on holiday with my family before going back to the CTT where I was assigned a new client in the Department of Education.
33. During my time involved in pandemic-related procurement, I did not have any role in the procurement of; ventilators, lateral flow test kits, or PCR testing equipment.

SECTION B: CREATION OF THE HPL

Genesis of the HPL

34. Max Cairnduff (CTT) led the High Priority ("VIP") Appraisals and Donations team (which later came to be referred to also as the HPL), which was one of the opportunities teams within the NST. Max reported to me. I do not have an independent recollection of precisely when Max was appointed but I have been shown email correspondence which discloses that Max was appointed on 1 April 2020¹³. Before Max was appointed, the team which went on to be led by Max was led by Hannah Bolton. Max continued to lead the HPL until 1 July 2020 when PPE procurement was restructured to a categories-based procurement system (see further paragraph [31] above). There was no equivalent to the HPL in the categories-based structure.
35. I was not involved in the establishment of the HPL. I do not now recall (if I ever knew) whose idea it was to create the HPL. I don't believe it was Max's idea (although he was responsible for implementing it).
36. I have referred at paragraph [18] above, about a conversation or conversations I had with Andy Wood when he asked me to take over the New Suppliers role from Richard James. I believe that it was in the course of those conversations that I first heard that the HPL would be established. I also recall that subsequently, the establishment of the HPL was announced in one of the daily meetings, but I can't remember whether this was the 0830 meeting or the 0930 meeting. In the period when I was Head of New Suppliers, I attended a daily meeting at 0830 with Emily Lawson (Chief Commercial Officer at NHS), a wider team meeting at 0930 and a further meeting at 1830 at which

¹² [DB/5 - INQ000534602].

¹³ [DB/13 -INQ000498242]

we would provide updates on progress¹⁴ and from this minutes and actions would be circulated¹⁵.

Purpose of the HPL

37. As I have explained above, my role as head of new suppliers did not include taking decisions about strategy. I was not involved in the decision to create the HPL nor was I involved in any discussions which led to creation of the HPL. I therefore cannot be certain what the rationale for creating it was, however, my understanding is that the HPL was created because a number of high-quality offers (high quality because they came from a known trustworthy source and/or were for high volumes) to supply the PPE our NHS desperately needed were lost, or at risk of being lost, to other countries. This was because the UK was not able to place an order quickly enough, and/or because prices were increasing very rapidly and during the time it took to process the relevant offer, the supplier received a higher offer. I remember that this problem was discussed in our team meetings (the 0830 meeting with Emily Lawson and/or the 0930 meeting of the wider team chaired by Andy wood) around the same time, or shortly before the HPL was set up in early April 2020. As I understood it, the idea was the HPL would be a route for expediting the processing of these offers. Given that the goal of the PPE cell was emergency procurement of desperately needed PPE for our NHS, it was important to identify and progress offers from known suppliers or other credible sources which would be most likely to pass Technical Assurance and due diligence checks. Due diligence usually took place after Technical Assurance, and time and effort would be wasted if an offer was processed through the opportunities and Technical Assurance stages and then could not proceed because it failed due diligence.
38. The HPL also dealt with offers where the supplier or referrer of the offer was persistently contacting their MP, or a contact within government, or the civil service, to seek updates on the progress of their offer. This was clogging up the inboxes of the MPs, Ministers and civil servants who were being chased, and distracting them from dealing with more important issues. The idea was to stop the noise these persistent suppliers were creating, by getting them swiftly to the point where their offer could either be rejected or accepted. Again, this persistent chasing for updates was an issue

¹⁴ See as an example [DB/14 - INQ000534945].

¹⁵ See as an example [DB/15 - INQ000534949].

which was identified and discussed in our team meetings around the end of March or beginning of April 2020. On 1 April, in an attempt to reduce this noise, I arranged for a bulk communication to be sent to all the companies that had registered an interest in becoming a PPE supplier to say we had received their form and would be in touch in due course¹⁶.

39. In essence, therefore, there were two types of cases which were processed through the HPL:

- The first was to enable a point of urgent triage for those leads/opportunities which were generating “noise” in the system. The “noise” was generated by the referrer, who would normally be an MP, Minister, or senior civil servant¹⁷ seeking updates on the progress of a particular offer, often because the supplier had in turn contacted the referrer to seek an update (or to complain about lack of progress updates). With this category there were concerns that the referrer would want updates urgently and so we treated the referral as urgent, or the offeror themselves would be particularly noisy by pressurising for updates. This category would likely initially have been referred to the Opportunities Team following the offeror contacting a senior MP, Minister or civil servant directly who would then refer them to us, and we would assess them once they had completed a submission via the portal letter box and the offer details were captured on Mendix.
- The second was as a point of urgent referral for those leads/opportunities which came in by email¹⁸ (in particular) from senior officials within the NHS and the DIT and from senior officials in other departments and ministers and which looked particularly promising and with which there was a real risk that without urgent attention they could be lost to alternative buyers. Such leads/opportunities would be promising because they appeared to offer a source of required goods at a desirable quantity and/or appeared to be from a credible or known source (and therefore more likely to pass due diligence checks).

¹⁶ [DB/16 - INQ000534544], [DB/17 - INQ000534545].

¹⁷ There was at least one referral from 10 Downing Street, see [DB/18 - INQ000534573].

¹⁸ Email referrals needed to be added to the Mendix system before processing.

40. Where an offer fell into one of these two categories, the senior members of the PPE Cell (including myself, Max, and Andy Wood) could refer it to the HPL. Caseworkers and other more junior members of the PPE cell did not have the power to decide whether an offer was processed through the HPL. There was nothing to stop, however, a caseworker who identified an offer which they thought suitable for processing through the HPL from escalating the offer on to me, Max or Andy, and we would decide whether the offer would be processed through the HPL, although I do not remember this happening.
41. Not every referral which came through an MP, minister or senior civil servant would be allocated to the HPL. It would be allocated to the HPL only if it fell into one of the 2 categories set out at paragraph [39] above. For example, on 13 May 2020 I received a referral from the office of the Permanent Secretary of the DHSC. I replied to ask whether this was from a trusted source with whom we wanted to do business (in which case it should be referred to the HPL) or if it was just being passed on to us (in which case the supplier should be directed to the general pool)¹⁹. On 25 April 2020 I received a number of referrals from Lord Deighton's private secretary, I replied asking why they were VIP suppliers²⁰.
42. As far as I remember, there was never a decision tree or other set of fixed rules for determining which offers would go through the HPL, it was usually down to the discretion of the senior members of the PPE Cell. Different senior members of the PPE cell may well have exercised this discretion differently. The circumstances which I would take into account when exercising my discretion to refer an offer to the HPL would include the volume of items on offer, whether the items on offer were a priority at the time, whether the offer was from a source which suggested that it was credible (for example a supplier who had supplied the NHS in the past), an initial assessment of the likelihood that the offer would result in a contract and the amount of noise being generated by the supplier or original referrer. The workload of the HPL team was also a factor I took into account. If the HPL caseworkers already had a heavy workload, I was less likely to refer new cases to the HPL, and more likely to challenge why a particular case I was being asked to refer needed to be in the HPL²¹. There was at

¹⁹ [DB/19 - INQ000534587].

²⁰ [DB/20 - INQ000534577].

²¹ [DB/20 - INQ000534577] see for an example of me challenging why a case should be referred to the HPL.

least one instance (towards the end of April 2020)²² when there was a backlog in the HPL.

43. As I have said, my understanding of the HPL at the time was that its primary purpose was therefore for expediting good offers through the source to pay process. I am named in the DHSC list as the referrer of Ayanda (see further paragraph [77] below). This was an example of a referral to the HPL in the second of the categories set out at paragraph [39] above. It did not come from an MP, minister or senior civil servant. Ayanda came to my attention from an NHS Trust. I considered it a suitable offer for the HPL because it was for a high volume of PPE at a time when we required high volumes of a PPE in all categories. The initial due diligence was positive and I had hope and confidence that it would ultimately pass scrutiny and lead to a contract for supply of PPE to the NHS.
44. In my role I wasn't aware of every offer that the HPL team were processing and nor would I have had time to get involved in the detail of every offer.

Prioritisation of Offers Outside the HPL

45. Not all offers of large volumes of high priority items were processed in the HPL, and processing through the HPL was not the only way that these offers were given priority processing. From the beginning of my time in the NST, we discussed at Emily Lawson's 0830 what items were needed that day, and/or needed to be expedited (demand signal), this was then cascaded to the broader team at the 0930 daily standup meeting (chaired by Andy Wood).
46. In the very early days of the PPE procurement activity (March 2020) we had comparatively little information about what was in demand. There was some feedback from hospitals about what they needed, and we knew we had plenty of hand sanitizer but beyond that we were working on the basis that everything was in demand. From the beginning of April we began to have a clearer demand signal, and the demand signal information became more refined as time went on. In early April we might have been told to prioritise gloves, but by mid-April the demand signal specified particular sub-categories of PPE items (such as a type of glove).

²² [DB/21 – INQ000534574].

47. Opportunities Team caseworkers in the general stream selected which offers to work on/progress in accordance with the demand signal and prioritisation by volumes and delivery speed. Once the Mendix system was in operation they did this by using the Mendix system to filter available offers and identify those which fit the priority for the day and were of the highest volumes. Opportunities Team caseworkers in the HPL had similar instructions to give priority to cases in accordance with demand signal. This meant that they would advance (towards Technical Assurance) the offers of high volumes of high priority items over other offers in the HPL.
48. Technical Assurance was a bottleneck in the system initially as there were not as many people in the Technical Assurance team as there were in the opportunities teams. The Technical Assurance team was expanded and it became less of a bottleneck as time went on, but I cannot remember the precise timeline. Technical Assurance was a specialised role and it was therefore more difficult to find additional people who could do this role. I do not know how the Technical Assurance team decided the order in which they processed HPL and/or other cases. Although as head of New Suppliers I had formal oversight of the Technical Assurance team, the day-to-day working of the Technical Assurance team was the responsibility of a self-sufficient team from the MOD headed up by Bruce Marshall. David Moore the Technical Assurance lead reported to Bruce.

Implementation of the HPL

49. There was a dedicated address for HPL offers. I don't remember precisely when this was set up. Max and all of the HPL caseworkers were able to pick up emails sent to that address. The purpose of having an email address for the HPL was to ensure that there was a point of contact for the HPL, rather than relevant emails being sent to Max or to Caseworkers' personal addresses (when they might move jobs) and it had the added benefit of being centrally accessible and visible to everyone. The email address was not provided to suppliers. I was not involved in distributing the email address.
50. In every case handled by the HPL team (as with every case handled by the NST generally) the web portal form had to be completed and (after Mendix was up and running from approximately 9 April 2020) a case had to be opened in Mendix which could be accessed by anyone in the team. I have been shown a process flow²³ which

²³ [DB/22 - INQ000534584].

suggests that case workers manually entered details where required. I do not recall this but I do recall that where I dealt with an email offer I would ask the supplier (not the caseworker) to complete the web-form. Mendix allowed for the team to check offers as they came in by reference to size and value and type of goods, and therefore provided an initial triage system from which offers to interrogate urgently could be identified.

51. Mendix had within each case, the respective stages of the process which each needed to be marked as complete as a case progressed on to the next stage. This was part of the 'submission pack' which would ultimately then be sent to Ed James's team for final approval of the contract, and it would contain a checklist showing each stage was completed. Once a case was closed, that pack for that case, would then be sent to DHSC as the ultimate contracting party for their approval²⁴. This submission pack, via Mendix, would have to be completed for every case – including all of those on the HPL.
52. As an example of the sort of referral which would have come in, and how it would have been dealt with initially, is in the emails regarding an offer for supply of visors from Tower Supplies around 3 April 2020²⁵. In that exchange it can be seen that the supplier made a direct approach to a senior NHS official who then passed it over to Ed James. Ed, in turn, referred it to myself and I enquired of my operational management team in NST whether that supplier was "in our pipeline". By that, I was enquiring whether they had completed the webform²⁶. Max replied directing that they needed to re-submit through the "survey form" (i.e. the web form), and then feed into the triage team (i.e. someone does an initial brief assessment information provided in the webform) to direct where the case goes from then. I appreciate that in his email Max also states "unless they come from a Ministerial office they go to the survey form". I would point out that that aspect is incorrect, as ultimately as I have said above, irrespective of the source, a web portal submission would be required so that we could look out for the case and escalate it. Ultimately, Tower Supplies was dealt with in the HPL, and is an example of a case in the second of the two categories I have referred to at paragraph [39] above.

²⁴ [DB/23 - **INQ000480120**], and [DB/24 - INQ000534922], for example.

²⁵ [DB/25 - INQ000533341].

²⁶ This email exchange pre-dates the Mendix system which was operational from approximately 9 April.

Checks, Procedures and Processes for the HPL

53. Offers processed through the HPL route, including donations, were still subject to the same Technical Assurance and contracting requirements as all other offers so as to ensure that they only progressed to an actual contract (or were accepted as donations) where they genuinely were of an appropriate quality standard. Equally, these offers were assessed in the same way and to the same standards as offers which did not proceed down the HPL route.
54. The process by which offers were assessed in the PPE Cell – irrespective of whether they came via the HPL or not and again irrespective of which category of HPL case it was – was outlined in my handover to DHSC procurement teams²⁷. I refer to the following table which appears in that document which outlines the process in full (as it was at the end of July 2020), though our team would have generally focus on the first three stages of the process (Source to Contract) with the remaining being for DHSC (Purchase to Pay) once approval had been given for the contract:



55. Each stage of the process was carried out by a different team. There was a Technical Assurance team who would corroborate technical compliance of an offer to the requirements set by DHSC for that product (see paragraph [21] above). Due diligence (for HPL and non-HPL cases) was carried out by a due diligence team (see further paragraph [60] below). There was also a legal team to refer contract terms and documentation to. This was the same for HPL and non HPL cases (except that in the

²⁷ [DB/9 - INQ000534921]. The process evolved over time. The document sets out the final form of the process.

HPL, the opportunities caseworker had a role in closing was which was different from the general stream - see further paragraph [59] below).

56. For HPL cases (at least in the early days of the PPE Cell, before we had good information about demand signal²⁸) it is my belief (although this was not something we measured at the time) that the time taken for an offer to progress from first contact to rejection or order, was typically less than for cases in the general stream. This was because of the way the HPL cases were dealt with at the opportunities stage and closing stage (see paragraphs [58] and [59] below as to how HPL cases were dealt differently from general stream cases) and because the opportunities caseworkers in the HPL usually had fewer cases to deal with than the opportunities caseworkers in the general stream²⁹, and so were able to progress their assigned offers to Technical Assurance more quickly than offers in the general stream. Although from the beginning of my time as head of new suppliers there was some form of prioritisation of offers, as time went on, we got better demand signal information, and we were able to more accurately target the largest offers for high priority items to be given priority in the general stream (in the sense that these offers were picked up as a priority by the general opportunities caseworkers). I have said that typically HPL cases would take less time to progress from first contact from the supplier (via the online portal, or email) to rejection or contract award, but in all cases the time taken to progress would depend (as well as where the case sat in the queue of cases to be picked up by the opportunities caseworker) on the time it took each of the necessary steps to complete. The time taken for the steps to complete could depend, for example, on the extent of the negotiation which needed to be done, the speed at which the supplier responded and/or agreed terms as well as the caseload of the caseworkers dealing with the opportunity.
57. All cases in the HPL and general opportunities streams had an allocated case worker, who would complete the opportunities stage of the process, and pass the case through to Technical Assurance. The same caseworker would track the progress of the case through Technical Assurance and contact the supplier if the case failed Technical Assurance or if Technical Assurance returned with a query. Once the Technical Assurance process was completed, the caseworker would hand the case on to the closing team, and it would wait for a caseworker in the closing team to pick it up.

²⁸ The demand signal improved over time. There was gradual improvement rather than a single point in time when it got suddenly better.

²⁹ I believe that this was the case even when the HPL was backlogged.

Outside of the HPL, the opportunities caseworker would not usually have any further involvement after handing on to closing (I have described the role of the HPL caseworker in closing at paragraph [59] below). The process is set out in the instructions given to caseworkers³⁰.

58. Caseworkers in the HPL were instructed to carry out an initial assessment of a supplier, and rapid initial communication with the supplier. If that offer was to be rejected this was so as to turn off the noise as quickly as possible. If the offer was promising, the speedier initial contact (compared with the general stream) ensured that we did not lose the supplier to another country.
59. In the HPL the opportunities caseworker continued as a point of contact for the supplier throughout the process, including the closing stage. For example, after the Clearance Board was stood up on 5 May, HPL caseworkers received minutes of clearance board meetings concerning their cases (if they attended, they got the minutes as a matter of good practice, but even if they didn't attend, they received minutes so that they could communicate the outcome to the relevant supplier)³¹. HPL case workers were chosen for their ability to communicate effectively with referrers, and a consequence of this was that they were typically senior civil servants with commercial expertise. Their commercial expertise enabled them to assist the closing team to prepare the case for approval once the previous checks were completed. An example of the sorts of tasks an HPL caseworker did in relation to the closing process is the Ayanda case (see further below) where the HPL caseworker Wendy Burdon prepared a draft letter of intent³², communicated with the lawyers responsible for completing the contract³³ and continued to act as a point of contact with the supplier throughout the closing process.
60. As part of their initial assessment of the offers, caseworkers (in the HPL and general opportunities teams) conducted basic due diligence including conducting online research to verify that the Company was real. Further due diligence was carried out by members of the Cabinet Office Market and Supplies team on any offers which passed the Technical Assurance stage. Later on (from around 16 April) we used an external provider (Contingent) to conduct further due diligence. Contingent only carried out due diligence checks on offers which had passed the Technical Assurance stage. In ordinary circumstances it would make sense to carry out all of the due diligence checks

³⁰ [DB/26 – INQ000534942]. This document is dated 15 April 2020.

³¹ For example, [DB/27 - INQ000534586].

³² [DB/28 - INQ000534568].

³³ [DB/29 - INQ000534604].

at an earlier stage (so as not to waste time and effort on Technical Assurance of offers which would not pass due diligence). In the circumstances of the pandemic where we were attempting to purchase very large volumes of PPE as quickly as possible, we just did not have the resources to conduct in depth due diligence on every offer. Prior to 16 April (when Contingent were engaged) the due diligence team (consisting of 2 people) was smaller than the Technical Assurance and opportunities teams. The more in-depth due diligence was therefore carried out only on those offers which had passed Technical Assurance.

61. One consequence of doing the in-depth due diligence at a late stage in the process was that time and effort would be wasted if an offer was processed through the opportunities and Technical Assurance stages and then could not proceed because it failed due diligence. It was therefore important to identify and progress offers from known suppliers or other credible sources which would be most likely to pass Technical Assurance and due diligence checks.
62. If a due diligence report came back with a red rating, this did not always mean that the contract would not go ahead. We were sometimes willing to take a calculated commercial risk in order to secure the PPE we needed. It was inherent in what the NST did that we were dealing with suppliers who were often new to supplying PPE, or were offering to supply much larger volumes than they had done pre-pandemic. These were both reasons why due diligence might come back with a red rating. Purchases of PPE from established suppliers to the NHS were dealt with by SCCL, and not by the NST. In order to secure supplies of PPE from new suppliers we had to be prepared to take a greater degree of commercial risk than government would usually take in a procurement exercise outside of the COVID emergency situation. If we had not been prepared to do so we would not have secured the PPE the NHS so desperately needed. We tried to mitigate risks identified by the due diligence by appropriate contract terms, for example where due diligence flagged a risk that a supplier's historic cashflow suggested that they would not be in a position to finance manufacture of large volumes of PPE, we could mitigate this by making part payment in advance.
63. As above, each part of the process would then be reflected in the submission pack at the end of which was a checklist for the Clearance Board (detailed below) to view and interrogate which reflected the overall stages of the process as I have extracted above.

My Roles in the HPL

64. My general role as Head of NST did not focus exclusively on the HPL and did not make me a member of the HPL team. I would also be overseeing and troubleshooting those cases which proceeded through the general system and who were not on the HPL. However, it is correct to say that since the HPL sat within the NST, I would also have managerial oversight of the HPL functioning generally, and I would also become involved in some individual cases as required. It was my job to know the status of potential contracts being considered with suppliers. When I was asked to solve a problem or troubleshoot a case, I would not usually know or ask as to whether it was in the HPL or the general stream. Although there were different caseworkers for the HPL stream, I did not know all of the caseworkers personally or know which stream they were working in – there were hundreds of caseworkers in the NST.
65. There was one case (namely Ayanda which I discuss in a later section of this statement (see paragraph [77] below), in which I had some more significant involvement.
66. As already referred to, I was also a troubleshooter. I was therefore a point of reference for a case worker in the event of a query or issue arising. If it was that a case worker was concerned about a case, either because there was a concern generally about the suppliers' viability, or because the case worker was satisfied about viability but there remained a highlighted risk, they could raise this with managers as appropriate, including myself. Examples are:
- The KPM Marine contract which was for an increased volume of gowns to be provided. Though a previous contract had been awarded to the supplier for a lower volume, a red due diligence rating had been attached to the increased volume. The closing case worker raised this with me as they were concerned about losing the increased supply which we needed at that time (I should point out that the red due diligence marker indicated increased risk but would not prohibit a contract outright for reasons explained already)³⁴. I was later copied into correspondence from the HPL caseworker who was seeking advice as to whether the deal should be put forward to the clearance board in spite of the red due diligence. I was concerned that there should be no delay in deciding whether to put the deal forward to the clearance board (or reject it) because this was a VIP supplier with the potential to generate noise if there was an

³⁴ [DB/30 - INQ000534592].

unexplained delay. I reminded the caseworker that it was important to handle the supplier with care, by which I meant that she should not unreasonably delay³⁵. I cannot now recall the overall outcome and whether the contract was approved.

- An email which I received from a team member of CTT regarding the importation of masks from China and issues which could potentially block this³⁶.

67. Another aspect of my role which would bring me into contact with HPL cases was the Clearance Board. I attended meetings of the board in an advisory capacity to field any questions about the proposed transaction. The Clearance Board was constituted of senior DHSC and NHS officials, particularly those from their Procurement and Finance Teams, who would give final approval to a contract once it had passed through the processes and closing – the principal people who would ultimately decide whether to give approval or not would be Ed James and Melinda Johnson from DHSC. It was formally stood up from 5 May 2020³⁷. Prior to this, there was no meeting as such, and awards would be cleared by DHSC officials who considered submissions³⁸ by email and liaison with the case workers and myself, or other seniors in the team, as required.
68. Once the formal Clearance Board meetings began, proposed deals would again be submitted in advance by the caseworkers on those cases they sought clearance on³⁹. Caseworkers could attach items to these submissions, such as photographs of the goods, or certificates or company accounts etc. I would attend the majority of the meetings. Someone from the closing team would normally present the case to the Board and then myself and others would offer commercial challenge in the form of questions to establish whether the process was complete and the deal made commercial sense to proceed with. Sometimes the HPL caseworker attended if it was an HPL case. Myself, Chris Hall, Andy Wood, and Max Cairnduff would fulfil this commercial challenge function and give any advice the Board requested. Chris usually chaired the board. Michael Beard (head of closing), Opportunities Lead (head of opportunities) and [Name Redacted] boss Bruce Marshall also attended the board, to answer

³⁵ [DB/31 - INQ000534593].

³⁶ [DB/32 - INQ000534582].

³⁷ [DB/9 - INQ000534921].

³⁸ [DB/24 - INQ000534922] – example submission for clearance prior to the formal Clearance Board being established.

³⁹ [DB/33 - INQ000534944] – example of a submission made for the Clearance Board.

questions and to support the caseworkers. I would receive the minutes of any meetings as part of an email chain⁴⁰.

Interventions

69. As outlined above, I was sometimes asked by case workers within the NST with knowledge of the case to see if a particular check could be mitigated or overcome if the case worker was concerned that it might cause the supply to be lost. Equally, there could be queries sent to me by procurement teams outside of the PPE cell where they may ask me to take over a case or otherwise signpost it onwards. I was never contacted, for example, by any official, politician or civil servant and asked to bypass a process on a contract, or to interfere with any decision-making on a contract which would otherwise have been lost or to ensure that a contract was refused to a supplier.
70. I did not intervene directly or indirectly in the award or refusal to award contracts to suppliers, except:
- Where a supplier did not pass due diligence checks, or where the offer did not meet the necessary technical standards or selection criteria (volume and priority items). In this instance on occasion I intervened to close down or reject the relevant offer. I give some examples at paragraph [71] below.
 - I attended meetings of the PPE Clearance Board which took decisions about which proposed deals to accept or reject. I was not a decisionmaker on the Clearance Board. I have set out in more detail at paragraph [67] the function of the board, and my role on it.
71. There were contracts which I took upon myself to intervene on and refuse. I can recall the following:
- The team was made aware of a supplier of protective suits and goggles from Korea⁴¹. The supplier was resident in the UK and his offer was assessed in the HPL because the offer had been forwarded to the Government Commercial

⁴⁰ [DB/34 - INQ000534946].

⁴¹ [DB/35 - INQ000534941] I can see in this thread that I told my team I would like this to be dealt with quickly as I knew one of the ministers who was copied in on the complaint from the supplier (about delay). I was concerned to deal with this quickly in light of the complaint about delay and demonstrate the competence of myself and my team to a former colleague.

Function by a Minister. After a lot of negotiation and effort in trying to secure the products, it later transpired that the supplier wanted to use his wife's name on the order as opposed to his own⁴². We therefore required more due diligence to be done into both the supplier, and his supplier in Korea. I, and other members of the team felt concerned about this⁴³. The due diligence risk report came back confirming our concerns. I took the decision to place a hold on the deal pending proper due diligence and further enquiries⁴⁴. Ultimately, there was too much risk and lack of assurance with the proposal and we did not feel it was value for money overall. We therefore did not proceed with the supplier.

- At the end of April 2020, a further supplier for gowns came to my attention following them contacting an NHS official⁴⁵. They continued to contact me directly without following the process. I reminded them of the process and the need for them to register their offer through the portal⁴⁶. Once through we were persistently contacted by the supplier but found their supply chain not to be clear and the volume of gowns which they could produce was insufficient. They were therefore rejected⁴⁷.

SECTION C: SPECIFIC REFERRALS TO THE HPL

DHSC List of Offers

72. As is, and was, a matter of public record, the DHSC retained a list of all referrals to the HPL in respect of PPE offers which were made during the pandemic. The list shows the name of the person who referred the supplier to the HPL mailbox/team. It is for that reason that they have the status of 'actual referrer' attached to them. To be clear, however, it does not mean that the supplier was previously known to the 'actual referrer' or that the supplier had approached the person stated as the referrer directly to begin with.

⁴² [DB/36 - INQ000534929].

⁴³ [DB/37 - INQ000534932].

⁴⁴ [DB/38 - INQ000534931].

⁴⁵ [DB/39 - INQ000534579].

⁴⁶ [DB/40 - INQ000534580].

⁴⁷ [DB/41 - INQ000534591].

73. I suspect that where I am listed as the 'actual referrer' it was because it was me that sent the supplier's details to the HPL team. I note that I was not named as a 'source of referral' against any company referred to HPL.

Specific Referrals

74. In the course of the time that the HPL was running, I made some referrals of offers to the HPL which I had become aware of, and which I thought would be suited to the HPL because they appeared to fall into one of the two categories which I have outlined above. I set out below some of those specific offers. As above, usually, if I referred a supplier to the HPL, it was because it seemed an offer to supply high volumes of high priority items (i.e. they fell within the second of the two categories set out at paragraph [39] above).
75. I had no prior personal, professional or other type of relationship with and/or interest in any of the potential suppliers I referred to the HPL. I did not perform checks on potential suppliers before referring them to the HPL as it was part of the role of the caseworkers in the opportunities, Technical Assurance and closing teams to carry out necessary checks (see paragraph [57] above).
76. I refer below to of the referrals which I have been able to recollect and see documents relating to. I have referred at paragraph [71] above to some potential suppliers who I determined should not be progressed to contract – some of which came via 'VIPs (i.e. the first of the two categories referred to at paragraph [39] above)'. The list below should not be taken to be exhaustive, but these are the ones I can best recollect from my own memory and the documents which I currently have sight of.

Ayanda/Prospermill

77. I am named in the DHSC list as the referrer of the contract with Ayanda Capital Ltd. That means that the supplier was referred to the HPL team by me, and not that the supplier first approached me. Whilst the contract was eventually entered into with Ayanda, the original offer came from Prospermill Limited.
78. I took a closer interest in the offers from Prospermill Limited/Ayanda Capital Limited than in any other offer processed by the NST. This was because very shortly before

Prospermill's offers came in the New Suppliers team had spent a great deal of effort and nearly 2 weeks processing the offer (for protective suits and goggles from Korea) referred to at paragraph [71] above, which initially appeared very promising, but eventually did not proceed because of concerns confirmed by the due diligence report. As a result of time wasted on the unsuccessful deal, the need to get PPE to supply our hospitals felt all the more urgent, and I felt it was important for morale (my morale as well as that of the wider team) to succeed in procuring some of the PPE that was so desperately needed at the time. Prospermill appeared to be a credible source of large volumes of priority PPE items, and therefore appeared a likely prospect to proceed to a completed contract. I therefore was more interested in receiving updates on the progress of Prospermill's offers through the process than I was with other offers processed by the HPL team, and the caseworker assigned to the case gave me regular progress updates. From the beginning of the case I also communicated directly with Andrew Mills (a senior adviser at Ayanda) in relation to progress of Ayanda's offers, and in effect became a point of contact for Andrew Mills.

79. The offer from Prospermill was referred to me on 10 April 2020 by Alison Kerfoot, the Director of Healthcare Solutions at NHS Shared Business Services⁴⁸. Alison was an ex-colleague who was working for an NHS trust in Manchester at the time and she suggested their offer should be managed centrally. I did not have any prior personal, professional, or other type of relationship with Prospermill Limited, Ayanda Capital Limited or Andrew Mills who was a Senior Adviser at Ayanda.
80. Following the referral, I asked Andrew Mills to submit the offer details through the online portal, Mendix. The Mendix portal required all suppliers to provide information about themselves and their offer. So far as I recall this included company information, supply chain information (e.g. factory they were using) and confirmation of CE certificates. The initial offer was for I&S (k)N95 masks, which would be manufactured through Zhende Medical Co. Limited (Zhende), a Chinese manufacturer. On 13 April 2020, once the technical team confirmed that the offer was showing in the system, I arranged a call with Andrew Mills. Prior to the call, Andrew provided me with the offer summary⁴⁹ and test report⁵⁰.
81. On 13 April 2020, Andrew Mills also sent me a request to connect on LinkedIn, with the message *"Hi Darren, I thought I'd connect on LinkedIn so that you can review my*

⁴⁸ [DB/42 - INQ000534553].

⁴⁹ [DB/43 - INQ000534928].

⁵⁰ [DB/42 - INQ000534553], [DB/44 - INQ000534927].

background. Best, Andrew". I accepted his request to connect, but I never replied to his message.

82. Andrew followed up with me on 14 April 2020⁵¹, 15 April 2020⁵² and 16 April 2020⁵³. He informed me that he had uploaded a further three offers under Prospermill for combination ventilators, non-invasive ventilators, and antibody tests. Andrew said that he would *"go to France or the US if we don't act"*⁵⁴. On 15 April 2020 I received an email from an official at the DIT asking me to treat Prospermill's offer as a VIP case, on the basis that Andrew Mills was a former Board Member and adviser for DIT and his offer was likely to be credible⁵⁵. Andrew was vouched for by Martin Kent, a director in the DIT COVID-19 Joint Action and Coordination Team. On 17 April 2020, I asked [Opportunities Lead] (Head of Opportunities) and Bruce Marshall to expedite the offer⁵⁶ as I was concerned that otherwise it would be lost.
83. Ayanda/Prospermill were subject to the standard checks by the HPL team, Technical Assurance and closing teams. I did not conduct these checks personally as this was not part of my role, but the assigned caseworker kept me informed of the progress of the offer through these stages, and I provided updates to Martin Kent (out of courtesy). Initially, Ayanda/Prospermill's offer for [I&S] K95 FFP2 masks was rejected by the Technical Assurance Team as the Declaration of Conformity provided did not meet the EN standards for KN95 FFP2 masks and there was no CE mark for the FFP2 masks or a certificate from the notifying body⁵⁷. Andrew emailed me on 18 April 2020, explaining that Zhende had applied for EU/CE certification and expected to receive it by the end of the month at the latest, and attaching evidence of their application and a letter outlining conditions that Zhende were willing to accept. Andrew stated that Zhende was willing to begin manufacturing on the basis of a Letter of Intent from HMG that was contingent on Zhende meeting the EU/CE certification⁵⁸. I forwarded this email to Ed James and Wendy Burdon. Ed confirmed that if the masks were needed, he would produce a Letter of Intent, which would include the standard "get out clauses"⁵⁹. On 24 April 2020, Andrew provided a report that demonstrated that the

⁵¹ [DB/45 - INQ000534555].

⁵² [DB/46 - INQ000534558].

⁵³ [DB/47 - INQ000534559].

⁵⁴ [DB/46 - INQ000534558].

⁵⁵ [DB/48 - INQ000534943].

⁵⁶ [DB/49 - INQ000534567].

⁵⁷ [DB/50 - INQ000534566].

⁵⁸ [DB/28 - INQ000534568].

⁵⁹ [DB/51 - INQ000534569].

masks met the relevant standards and that a Declaration of Conformity would be issued⁶⁰.

84. In late April 2020, there was demand for type IIR masks. I asked Andrew whether he could supply IIR masks and he confirmed that he could supply them and the price⁶¹. The Technical Assurance team initially declined the offer as the masks did not comply with the appropriate standards⁶² however Andrew later provided updated documentation and the offer was resubmitted to Technical Assurance on 24 April 2020⁶³. The Technical Assurance team approved the IIR masks on 27 April 2020.
85. On 27 April 2020, Andrew emailed saying that while he had submitted the offer under Prospermill, he would be using Ayanda Capital because they had the infrastructure for international payments already set up. Andrew was a Board Advisor for Ayanda Capital⁶⁴. Due diligence was undertaken on Prospermill, which returned an amber rating, and on Ayanda, which returned a red rating⁶⁵. A red rating did not mean that a contract with Ayanda could not go ahead, but it did mean that careful thought had to be given to contractual terms to minimise the risk. Given the demand for type IIR masks at the time and the value of the Ayanda contract, the offer was progressed.
86. A contract to supply both the FFP2 masks and the IIR masks was signed on 30 April 2020⁶⁶. Further due diligence for the Ayanda contract was retrospectively considered in May 2020 after concerns were raised by NatWest bank about payments being made to new entrants to the PPE market. On 5 May 2020, Andrew provided explanation of the background and structure of Ayanda⁶⁷. On 7 May 2020 a request was put forward to the deals committee for retrospective approval of the contract dated 30 April 2020⁶⁸ and the contract was approved the same day.
87. The FFP2 masks supplied by Ayanda were unsuitable for use in the NHS because they had earloops rather than headloops. I do not remember precisely what happened to the masks but I believe any earlooped masks supplied by Ayanda would have been distributed to settings where they could be used (for example social care/care homes).

⁶⁰ [DB/52 - INQ000534572].

⁶¹ [DB/53 - INQ000534937].

⁶² [DB/54 - INQ000534570].

⁶³ [DB/55 - INQ000534571].

⁶⁴ [DB/56 - INQ000534600].

⁶⁵ [DB/57 - INQ000534581].

⁶⁶ [DB/29 - INQ000534604].

⁶⁷ [DB/58 - INQ000534583].

⁶⁸ [DB/59 - **INQ000512424**].

88. Following the initial contract, Andrew made further offers, including:
- Gowns through Bayteks and Vatanim⁶⁹
 - **I&S** nitrile gloves through Hongray⁷⁰.
 - FFP3 masks ⁷¹.
 - A further offer of Type IIR and FFP2 masks⁷²
89. On 21 May 2020, Andrew sent through an offer to supply Gowns made by Bayteks, volume **I&S** per month, and provided a link to a Technical Assurance pack. On 9 June 2020, Andrew was contacted by a Senior Commercial Manager asking him to review and sign a new contract for the Baytek gowns. Andrew responded that he did not have the *“time or appetite to negotiate a new contract for such a relatively small order”*⁷³. On 10 June 2020, Andrew emailed me with a summary of his additional offers and outlined the issues that he had been facing with the Closing Team⁷⁴. Given that Ayanda was an existing supplier I did not understand why a new contract needed to be negotiated. This appeared to me to be a poor use of our time, and the supplier’s time. I asked **Opportunities Lead** to “unlock” the case (meaning to resolve the impasse over contract terms) ⁷⁵. There was a delay in closing the contract (whilst the closing team requested and Ayanda supplied further information). By 15 June gowns were no longer a priority list item and by 19 June 2020 we no longer required gowns⁷⁶. Ultimately the Bayteks offer was put on hold on 23 June 2020⁷⁷, and as far as I know did not proceed⁷⁸
90. On 5 June 2020, Andrew confirmed that Ayanda had agreed an exclusive arrangement with Zhende for the supply of Type IIR and FFP2 masks⁷⁹. FFP2 masks were then on the buy list. HPL caseworker Wendy Burdon suggested that we proceed with a new order of these from Ayanda (which would be easier than going with a new supplier since due diligence and Technical Assurance were already complete). I have reviewed

⁶⁹ [DB/60 -INQ000534914].

⁷⁰ [DB/61 - INQ000534595], [DB/62 -INQ000534915].

⁷¹ [DB/63 - INQ000534916], [DB/64 - INQ000534599].

⁷² [DB/61 - INQ000534595].

⁷³ [DB/65 - INQ000534596].

⁷⁴ [DB/66 - INQ000534919].

⁷⁵ [DB/65 - INQ000534596].

⁷⁶ [DB/67 - INQ000534597].

⁷⁷ [DB/68 - INQ000534598].

⁷⁸ [DB/69 - INQ000534954].

⁷⁹ [DB/61 - INQ000534595].

relevant email correspondence and believe (although I have no independent recollection of this) that although due diligence had been complete, the Mendix system had not been updated to show this. At Wendy's request I contacted a member of the team to ensure that Mendix was updated to show that due diligence had been completed⁸⁰ and Wendy forwarded Ayanda's offer to the Closing Team, copying me in.⁸¹

91. By 9 June 2020, FFP3 masks had come back onto the buy list, Wendy Burdon contacted Andrew Mills asking whether Ayanda could supply these⁸² later the same day he confirmed that he could supply at least I&S per month. He provided information for Technical Assurance the next day. There was a delay in Technical Assurance. As far as I recall the delay was due to the fact that the UK government had not previously purchased PPE made in the particular factory where these masks were to be made. The PPE Make Team's Technical Assurance team had expertise in checking the certification of new factories and so on 12 June I asked Simon Wright of the PPE make team whether he could expedite the offer through Technical Assurance using Technical Assurance staff from the make team.⁸³
92. Ultimately, not all additional offers that Andrew made resulted in contracts, either because they did not pass Technical Assurance or because the product was no longer needed. The Hongray offer did not progress as orders were not being progressed with Hongray⁸⁴.

Medico Global

93. On 19 May 2020, I was forwarded an offer for Aprons and Goggles from Medico Global. The referral came through during the Goggles sprint (discussed above at paragraph [27]), I believe based on what I said in my 19 May 2020 email to Richard James⁸⁵ (who was then working as a caseworker in the HPL) that the offer had come in from John Manzoni, but I have no independent recollection of the offer or where it came from. I requested that it was dealt with in the HPL⁸⁶.

⁸⁰ [DB/61 - INQ000534595].

⁸¹ [DB/70 - INQ000534920].

⁸² [DB/71 - INQ000534918].

⁸³ [DB/72 - INQ000534917].

⁸⁴ [DB/73 - INQ000534926].

⁸⁵ [DB/74 - INQ000534589].

⁸⁶ [DB/74 - INQ000534589].

Tower Supplies Limited

94. On 3 April 2020, Edward James forwarded me an offer for gowns from Tower Suppliers Limited. Pia Larson, NHS, had been following up however had not had a response⁸⁷. I have referred to some correspondence relating to this supplier in previous sections of this statement, particularly at paragraph 44. I followed up with Robert Young, who advised that Tower Suppliers was not on the existing suppliers list⁸⁸. Tower Suppliers completed the online portal form on 3 April 2020⁸⁹ however by 5 April 2020 they still had not received a response. I ensured that it was being escalated⁹⁰. On 9 April 2020, I was copied in on correspondence between the Closing Team, who flagged that they had received an urgent request to buy [I&S] gowns from Tower Supplies before the stock was lost⁹¹.
95. I received an update on 15 April 2020 and checked whether the offer was going through the High Priority route⁹². Max Cairnduff confirmed that [I&S] gowns were ordered through Tower Supplies⁹³

Unispace

96. I have been referred to the DHSC's list of offers processed through the HPL. That list refers to Unispace and records the referrer and the source of the referral as GCF COVID-19 enquiries mailbox, Cabinet Office.
97. I have very little independent recollection of the offers made by Unispace to supply PPE, but I have reviewed relevant correspondence and other documents. I believe based on the contents of those documents that Unispace was awarded contracts to a total value of £[I&S] million⁹⁴, including the following (the value of these contracts is less

⁸⁷ [DB/75 - INQ000534546].

⁸⁸ [DB/76 - INQ000534548].

⁸⁹ [DB/77 - INQ000534547].

⁹⁰ [DB/78 - INQ000534549].

⁹¹ [DB/79 - INQ000534552].

⁹² [DB/80 - INQ000534938].

⁹³ [DB/81 - INQ000534556].

⁹⁴ [DB/82 - INQ000534605].

than £680 million, but these are the ones in respect of which my legal advisers and I have been able to find correspondence and/or other documents):

- Contract dated 22 April 2020 between DHSC and Unispace for supply of **I&S** **I&S** non-sterile coveralls.⁹⁵ Contract value £239 million.
- Contract dated around 29 April 2020 for supply of **I&S** type IIR facemasks. Contract value £113 million
- **I&S** nitrile examination gloves. Contract value £104 million.
- **I&S** nitrile examination gloves. Contract value £9.66 million.
- **I&S** gloves at a cost of £161 million

98. I set out in the paragraphs which follow, my role in referring Unispace to the opportunities teams. Unispace was suitable for referral to the HPL because it was offering to supply very high volumes of items which were desperately needed by the NHS and appeared to be a substantial company with an established PPE supply business. It is an example of a case in the second of the categories of HPL cases to which I have referred at paragraph [39] above.

Unispace Gowns

99. On 13 April 2020, Michael Pace of Guys and St Thomas's NHS Foundation trust forwarded to me a quotation from Unispace for supply of **I&S** thumb loop gowns (and an offer to donate a box of **I&S** isolation gowns)⁹⁶. Unispace had initially sent the quotation to Suzanne Scannell of the Chelsea and Westminster NHS Trust, copied to Stephen Bloomer of the North-West London Collaboration of Clinical Commissioning Groups. Stephen had sent it on to Richard Jeffrey of NHS England & NHS Improvement. Richard sent it on to Michael Pace believing that Unispace was an existing supplier to the NHS. Michael, having ascertained that Unispace was not an existing supplier, sent the quotation on to me as head of New Suppliers.
100. Michael Pace recommended that Unispace's offer (to supply gowns) was suitable for urgent processing. His email records that this was based on conversations that

⁹⁵ [DB/83 - INQ000534955].

⁹⁶ [DB/84 - INQ000534554].

morning. Although I don't now recall what conversation he was referring to, I consider it is likely that this was a reference to the daily discussion at the 0830 meeting (see paragraph [36] above) about purchasing priorities.

101. Having reviewed relevant documentation relating to Unispace, I do not believe that DHSC ultimately ever purchased thumb loop gowns from Unispace.

Unispace Masks – Initial Contact

102. On 14 April 2020, Seb Parsons of Unispace sent Ed James of DHSC an offer to supply 25 million KN25 masks⁹⁷. Ed James was the Head of Procurement at the DHSC. Unispace sought to expedite the offer because (they said) their US division were going to take the masks within the next few hours if the UK did not take them.
103. On 15 April 2020⁹⁸ Ed James forwarded the Unispace's quotation and a document detailing their sourcing process⁹⁹ to Max Cairnduff and copied me in. Ed's email noted that he thought the offer was worth raising because Unispace's procurement process seemed strong¹⁰⁰.

Unispace Coveralls Contract

104. On 16 April 2020 at 0927, Ed James of DHSC forwarded on to Max Cairnduff and to me an offer he had received from Seb Parsons of Unispace to supply I&S coveralls for immediate shipping¹⁰¹.
105. At 0930 on 16 April 2020, I replied to Ed asking whether Unispace were an existing supplier, and why the Unispace offers kept coming to him. Ed replied¹⁰² that the Company (Unispace) came through Michael Gove, but he had no idea how that had happened, and that "*companies seem to be finding me on Linked-In and emailing me.*"

⁹⁷ [DB/85 - INQ000534940].

⁹⁸ [DB/86 - INQ000534939].

⁹⁹ [DB/87 - INQ000534557].

¹⁰⁰ [DB/86 - INQ000534939].

¹⁰¹ [DB/88 - INQ000534562].

¹⁰² [DB/89 - INQ000534561].

Not only am I getting 400 work emails a day, I then get another 50 through Linked-In bombarding me with this stuff'.

106. At 1106, Ed emailed me, this time without copying Max, apologising for forwarding the Unispace offer, stating that he didn't want us to miss out in case we needed coveralls but also that he didn't want to give Unispace special treatment and asking for my suggestions. At 12.55 on 16 April 2020 I replied to Ed¹⁰³ to the effect that all the Companies were saying that unless we responded immediately we would lose the offer, and that we could not keep diverting from the process, but that if Unispace were known to Ed and he thought we should escalate, I was happy to "try them with the team"- what I meant by this was that if Ed thought we should escalate I would refer the offer to the Opportunities Team to investigate whether the offer met the necessary requirements to proceed to a contract. I advised Ed that if he did not think we should escalate, he could either ignore their persistent correspondence or respond saying that we are progressing our offers and someone would be in touch in due course.
107. Ed replied at 1332 stating that this was a substantial company who could supply large quantities of PPE, and the offer seemed less risky (although possibly more expensive) than some of the other offers we have.
108. At 1535 on 16 April 2020, I emailed Ed to confirm that we wanted to progress Unispace's offer. The email records that I had spoken to Ed before sending the email, but I do not now remember the call or what was said. I copied in [Opportunities Lead] asking him to assign Unispace's offer to a caseworker. [Opportunities Lead] was head of opportunities, so all the caseworkers, including the HPL caseworkers reported to him¹⁰⁴. [Name Redacted] confirmed shortly thereafter that a caseworker would be assigned to Unispace's offer and would be asked to make urgent contact.¹⁰⁵
109. I have been asked what checks, if any, I carried out before referring Unispace to the HPL. I did not carry out any checks on Unispace before asking [Opportunities Lead] to assign a caseworker – it was part of the function of the caseworkers in the opportunities team, the Technical Assurance teams and the closing team to carry out the necessary checks.

¹⁰³ [DB/90 - INQ000534564].

¹⁰⁴ [DB/26 - INQ000534942].

¹⁰⁵ [DB/90 - INQ000534564].

110. At 1536 on the same day (16 April 2020) Ed emailed me, copying Seb Parsons of Unispace, to confirm he had asked Unispace to hold the [I&S] coveralls and attaching a quotation and technical information relating to the coveralls¹⁰⁶. A few minutes later Seb emailed me asking me to call him asap. His email stated that there was a lot of pressure to secure these for the UK because the Italian government had renewed its interest¹⁰⁷. I emailed Ed to ask him not to give my details to suppliers in future¹⁰⁸. I tried to call Seb, but got no answer so sent him an email noting that we were going to allocate a caseworker who would be in touch shortly.

Coveralls and Masks - Contracts

111. On 22 April 2020 DHSC signed a contract with Unispace for supply [I&S] non-sterile coveralls to a total value of £10,000,000.¹⁰⁹ Although I do not now have any independent recollection of this, I believe I would have been aware of it at the time.
112. On 29 April 2020 the closing team submitted for DHSC approval a deal with Unispace for Supply of [I&S] IIR Masks with value £113,950,000 to be delivered by weekly deliveries from 22 May to 22 August. Although I do not now have any independent recollection of this, I believe I would have been aware of it at the time as it was reported to me at the time as part of “forward look for submissions today from closing” management information ¹¹⁰ This “forward look” tracked which deals were likely to be submitted for approval from day to day.

Unispace Gloves

113. On 24 April 2020 Ed James emailed me¹¹¹ to flag that he had been contacted by Unispace with an offer to supply [I&S] gloves over the calendar year. Ed thought this was worth following up because of the large volumes and good value. I agreed with Ed, and I said that I would ask the caseworkers who were dealing with Unispace’s other offers to incorporate these into the closing deals. I then forwarded the details of

¹⁰⁶ [DB/91 - INQ000534565], [DB/92 - INQ000534933], [DB/93 - INQ000534934], [DB/94 - INQ000534935].

¹⁰⁷ [DB/88 - INQ000534562].

¹⁰⁸ [DB/95 - INQ000534563].

¹⁰⁹ [DB/83 - INQ000534955].

¹¹⁰ [DB/96 - INQ000534925].

¹¹¹ [DB/97 - INQ000534936].

- Unispace's offer to supply gloves to Bruce Marshall and Michael Beard and suggested that the offers could be sent on to the relevant caseworkers for incorporation into the closing deals.¹¹² Michael Beard and Bruce Marshall were both senior commercial operations personnel from DE&S. Michael was head of closing, and I can't remember Bruce's precise title, but he led the MOD team.
114. On 27 April 2020 Ed James emailed me to enquire on progress progressing Unispace's offer to supply gloves. He stated that he was being chased by Unispace asking for a progress update. I replied to Ed the same day stating that Unispace had a mix of products which were either in Technical Assurance or in closing.¹¹³
 115. On 8 May gloves were identified as a top priority item to purchase¹¹⁴. On 11 May I asked leaders of the opportunities, Technical Assurance and closing teams to focus on progressing Unispace's offer for gloves and a number of other offers. Unispace (and the other offers I was hoping to progress rapidly) were for very large volumes of priority items.
 116. Due to concerns over specification and price, ultimately DHSC decided to proceed to purchase only some of the gloves offered by Unispace. On 11 May 2020¹¹⁵ Michael Beard presented to the Clearance Board a proposal to enter into a contract with Unispace to supply [I&S] gloves at a total value of £103,684,000¹¹⁶. The Clearance Board decided that further information was required before the deal could be approved¹¹⁷. The PPE clearance board approved the contract to purchase gloves from Unispace on 12 May 2020¹¹⁸. The forward look dated 13 May 2020 recorded that an issue has arisen which may delay submission¹¹⁹.
 117. On 18 May 2020 the Clearance Board approved a fourth deal with Unispace, to supply a further [I&S] nitrile gloves, contract value £9,660,000¹²⁰.
 118. On 28 May 2020 the PPE clearance board approved a fifth deal with Unispace to supply [I&S] examination nitrile gloves at a total cost of £160,546,500¹²¹. The

¹¹² [DB/98 - INQ000534575].

¹¹³ [DB/97 - INQ000534936].

¹¹⁴ [DB/99 - INQ000534588].

¹¹⁵ [DB/23 - INQ000480120].

¹¹⁶ [DB/100 - INQ000534924].

¹¹⁷ [DB/101 - INQ000534585].

¹¹⁸ [DB/27 - INQ000534586].

¹¹⁹ [DB/102 - INQ000534923].

¹²⁰ [DB/103 - INQ000534953], [DB/104 - INQ000534950].

¹²¹ [DB/105 - INQ000534947], [DB/106 - INQ000534951].

request for deal approval submitted to the board recorded that the proposal to purchase further gloves from Unispace was in direct response to further quantities of gloves being urgently needed by the DHSC¹²².

119. The 5th Uniserve deal was resubmitted to the PPE clearance board, because Unispace had increased the size of its offer from [REDACTED] I&S gloves at a cost of £161 million. The Clearance Board approved the deal with conditions on 2 June 2020¹²³

PART D – FINAL REFLECTIONS

120. The primary objective of the PPE Cell was to source high volumes of technically compliant PPE for the NHS Trusts/Hospitals across the UK. Reflecting back, I think the PPE Cell was very successful in this objective. Large quantities of PPE were secured for our dedicated doctors, nurses and support staff. The alternative was unthinkable. It's not to say that mistakes weren't made, with any project things could have been done better and this is no different. But we were trying to do our best in very difficult circumstances.
121. The PPE Cell was established very quickly, and its processes evolved over time. The intention of the leadership within the cell was to continuously improve, to do things faster and more efficiently while securing the valuable PPE we needed. As we went along we faced the difficult situation of encountering moving goalposts; both in terms of what we were being told to buy, and the way in which the market was. Looking back on my years of working in commercial markets and procurement, it is difficult to recall a time where there was so much volatility in the market and that undoubtedly increased the risks which we had to take on. There is no question that in normal peace time, things would have been done differently and with less risk being taken on, but avoiding risk was impossible in those first few months of the pandemic.
122. As part of the Complex Transactions Teams engagement with and support to the DHSC a Handover document¹²⁴ was developed by means of capturing what was done and effecting knowledge transfer, as it does with all its engagements. I was a

¹²² [DB/107 -INQ000534948].

¹²³ [DB/108 -INQ000534952].

¹²⁴ [DB/7 - INQ000534603].

contributor to the Handover Document. My view is that this document could be used as a playbook for how to stand up a Commercial/Procurement organisation at pace, needing to secure goods and services in times of crisis where time is of the essence during a global incident. It is regrettable that we had no such playbook to go to in March/April 2020. Of course, there will be other lessons that the Inquiry will learn and I hope that that benefits the way in which procurement occurs in a crisis in the future.

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 in its truth.

Signed:

Personal Data

Dated: 10 January 2025