
From: Symes, Elkie - HMT[/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=AA19DC4EDF9F4AF8AEC5366C846A22DA-SYMES, ELKI]
Sent: Sun 22/03/2020 8:24:43 PM (UTC)
To: Barclay, Steve - HMT[SB@hmtreasury.gov.uk]
Cc: CST Action - HMT[Action.CST@hmtreasury.gov.uk]; **Name Redacted**
Subject: PPE Funding Request

Hi Steve,
Philippa mentioned this funding request would be coming on the phone yesterday. In summary (full advice from the team below):

- The UK currently has a 2 week supply of PPE circulating in the system before we run out.
- DHSC with the CO are looking to buy up stock from suppliers around the world.
- DHSC are looking to place one order of \$20m to a Chinese company called Meheco tonight (with \$5m paid upfront, and \$15m later).
- Because this is novel and contentious (not least as it requires payment in advance), you are being asked to approve.
- DHSC have asked that at the same time we agree to a £100m pot for PPE such as this, so that they do not need to come back to us at short notice for purchases such as these.
- As Philippa mentioned yesterday, there are three potential risks with this procurement approach: i) the legitimacy of the companies themselves; ii) the quality of their products (which may be unsuitable for the NHS – the British Medical Association are already running a campaign around poor quality PPE in circulation); and iii) the T&Cs and advance payment.
- The team continue to have vfm and propriety concerns with this purchase, although these are lower than discussed yesterday given it appears that Meheco is at least a legitimate company (DHSC have carried out further checks based on HMT steers). However, the team are still concerned that the equipment may not work, no contract has yet been seen and payment in advance of receipt is inherently risky. Compared to the multiple asks we have signed off over the last week, this therefore carries by far the most risk from propriety, regularity and vfm perspectives.
- However, given the current circumstances, the fact that some due diligence has been undertaken, and the relatively low cost of this transaction, the team suggest that you approve this purchase on a one off basis. The team do not suggest that you agree to a £100m PPE pot until we have had time to work through some of our wider concerns with DHSC/CO in (slightly) slower time.
- We understand that DHSC AO is content for this purchase to go ahead on regularity, propriety and vfm grounds, and on this basis (subject to written confirmation) recommend that you provide HMT approval for \$20m spend.

Are you content to approval the purchase?

Unfortunately DHSC are looking to put this order in this evening, and are therefore asking for your clearance tonight.

Thanks,
Elkie
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FUNDING REQUEST: PPE

- ▽ DHSC, working with Cabinet Office, are looking to buy up stock of Personal Protective Equipment (PPE) from suppliers around the world to support the response to covid-19. PPE includes equipment such as masks and gloves for use by clinical staff, and is in very high