

Message

From: Alex Chisholm [alex.chisholm@cabinetoffice.gov.uk]
on behalf of Alex Chisholm <alex.chisholm@cabinetoffice.gov.uk> [alex.chisholm@cabinetoffice.gov.uk]
Sent: 22/07/2020 21:08:12
To: [redacted] NR [redacted]@cabinetoffice.gov.uk
CC: PSAlexChisholm Mailbox [psalexchisholm@cabinetoffice.gov.uk]; Theodore Agnew [redacted] I&S [redacted]; PS Lord Agnew Mailbox [pslordagnew@cabinetoffice.gov.uk]; Gareth Rhys Williams [gareth.rhyswilliams@cabinetoffice.gov.uk]
Subject: Re: MINISTERIAL SUBMISSION: HMGC5631 - COVID-19 – DHSC, Lighthouse Laboratories Expansion, Programme Business Case

Thanks.

Naturally I share the concerns of Lord Agnew and the Gareth RW, both substantive and procedural.

However I recognise the gravity and urgency, also the lack of good alternatives inherent in the situation.

Hence I would give my consent subject to 3 conditions

(1) DHSC remove the 4 most expensive Partner Labs, saving £247M and at a notional 'cost' of foregoing 26K tests. Save 22% of the cost for less than 8% of the notional benefits (target tests)!

(2) For the biggest contracts, ie ThermoFisher and PerkerElmer, DHSC add a gain-share clause whereby any efficiency gains with experience and volume are shared 50:50, linked to full accounting disclosure.

(3) PHE and DHSC agree to convert the plan below into a firm commitment to do so.

"DHSC are exhausting the market to reach the required capacity targets in line with the National Testing Strategy. PHE and DHSC are planning to replace the current PHE Microbiology Framework with a revised, broader scope Framework by the end of September, which will include a Lot for Laboratory Capacity, providing a compliant and competed route to market."

A

On Wed, 22 Jul 2020 at 21:31, [redacted] NR [redacted]@cabinetoffice.gov.uk> wrote:

[redacted] NR [redacted]

Lord Agnew's comments on this control were:

"As I'm sure you will agree it is ridiculous to ask me to approve a £1 ¼ billion programme in one day.

What interaction with HMT/BEIS/No10 has there been since the meeting on 27th May ? Who else has quality assured this proposal ?