

Witness Name: Paul Deighton

Statement No: 1

Exhibits: LD1/1- LD1/83

Dated: 16/01/2025

UK COVID-19 INQUIRY

WITNESS STATEMENT OF LORD PAUL DEIGHTON KBE

I, Lord Paul Deighton KBE, will say as follows: -

INTRODUCTION

1. I make this statement in response to a request from the UK COVID-19 Public Inquiry (the Inquiry) dated 12 August 2024 made under Rule 9 of the Inquiry Rules 2006 (the Request) asking for a personal statement for my recollection of issues relating to public procurement of key equipment and supplies across the UK public sector in relation to the COVID-19 pandemic and the onwards distribution of the key equipment and supplies between 1 January 2020 and 28 June 2022.
2. I have included events from 1 January 2020 to 28 June 2022 where relevant, but this statement will necessarily focus on events that occurred during the period of my voluntary role to assist the UK Government with its PPE effort. This was largely between 16 April 2020 and the end of July 2020, although I engaged in some ad-hoc meetings and discussions to assist with handover shortly thereafter (**LD1/1 - INQ000513468**).
3. There are a number of terms, such as 'Make UK', 'Make', the 'PPE Make Programme' used somewhat interchangeably in the exhibited material to describe what I will refer to as 'UK Make'. The Inquiry can take this to mean all of the above and to encompass the work in the early months of the COVID-19 pandemic to increase domestic manufacturing of PPE, for which I was initially appointed to lead. This fell within the wider cross-government effort to procure PPE from both the UK and overseas, referred to in some documents as the 'PPE Taskforce', 'PPE Programme' or 'PPE Cell'. I will refer it as the 'PPE Programme'.

4. I confirm that this statement is from my own recollection of events, but I should note that I have had the benefit of reading the draft corporate statements for this module from the Department of Health and Social Care (DHSC). I have drawn from and expanded on their content, where relevant.
5. I will draw upon the content of two reports published in 2020, to which I contributed. I direct the Inquiry to the entirety of the first report, 'Personal Protective Equipment (PPE) Strategy report', published by DHSC on 28 September 2020 (**LD1/2 - INQ000234522**), as a near contemporaneous account and helpful summary of my work on UK Make and the PPE Programme. I also rely on its content to provide supportive detail to my own recollections, now some four years after the event. The second report, written by Nigel Boardman on 8 December 2020 as part of his review of government COVID-19 procurement, and upon which I was consulted, I will expand upon in Section Three (**LD1/3 - INQ000087235**).

My Appointment

6. In April 2020, as the COVID-19 crisis deepened, like many others, I wanted to help. I approached officials in No 10 to see if I could be useful. I was asked to support the Secretary of State at DHSC on PPE and, specifically, to develop UK manufacturing. As global demand was soaring and the international market was breaking down, domestic production was seen at the time as a possible medium-term solution, rather than as a cure to the current emergency.
7. Supply of PPE had at that point become critical; there was a fear of running out completely. To give a sense of the mood, headlines at the time were following the Government's efforts to release a shipment of PPE gowns destined for the UK from Turkey, which ultimately failed UK standards (**LD1/4 - INQ000513455**); (**LD1/5 - INQ000513457**). Public confidence in the Government's ability to deal with the problem was waning. Part of the solution was to strengthen DHSC leadership with outside expertise.
8. I believe I was chosen for this role for a number of reasons. Firstly, I was already well-known within government from my previous roles as Chief Executive of the London Organising Committee of the Olympic and Paralympic Games (LOCOG), and as a minister of HM Treasury (HMT) from 2013 to 2015. In particular, London 2012 was one

of the largest, most successful procurement projects in recent history. As a result, I had good understanding of how to mobilise swiftly the public and private sectors in effective collaboration with each other, which was exactly what was needed in this crisis. Secondly, I was well placed to take on a leadership role, shown through my non-executive roles as the Chair of Heathrow, The Economist Group and Hakluyt and as a director of Square Inc. Each of these companies gave me their blessing to support the national effort. Ultimately, I do not believe there were many volunteers like me with such experience in both the private and public sector who were prepared to put other priorities to one side.

9. I was officially appointed as an 'advisor' on PPE to the Secretary of State for DHSC but in practical terms, my role was much more operational. I did not work at a ministerial level or provide any formal 'advice', rather I was working with the operations team to assist with the project on the ground. In late April 2020, I became part of the team at Skipton House. Although the majority of the team operated remotely, I joined Emily Lawson, the NHSE lead, Jonathan Marron, the DHSC Lead, and Brigadier Phil Prosser, the army lead, in person every day. In my view, they were already doing an excellent job coping with an almost impossible situation. The team had quickly stood up an emergency centralised supply chain, known as the Parallel Supply Chain, following the breakdown of the business-as-usual NHS Supply Chain, the Supply Chain Coordination Ltd (SCCL), in mid-March.
10. What I observed when I arrived was a team in the middle of crisis management. Team meetings every morning and evening identified where in the country we were running out of PPE and what the options were to source the required items. Good information was scarce, whether on exact levels and locations of stock or on the likely arrival time of the many orders which had been placed. For example, there was considerable focus on accelerating the airlifting of stock from China, which was the source of virtually all our supply at the time.
11. Buying at this time was similarly an emergency effort which had been pulled together by the Cabinet Office with a team of over 400 from across government under the leadership of Chris Hall and Andy Wood. The team had varied procurement experience, none of it in PPE. Their priority had been to secure supplies in a chaotic market where every country was competing aggressively to protect their own populations. In these market conditions every customer was a price taker. There was also a direct buying cell operating in Beijing (**LD1/6 - INQ000513448**).

12. A big part of the effort I found when I arrived was sifting through the volume of offers for viability. Following the Government's 'call to arms', there were many individuals and companies offering to source PPE. There was considerable political pressure to be seen to be responsive to these offers as the public could not understand why there was such a PPE shortage with so many outstanding offers to help. There were also serious offers from large, well-established providers of PPE, or in relation to a product in particular demand, that were getting lost in the noise. As I understand from reading the First Corporate Statement of Jonathan Marron for this Module, dated 16 December 2024, in seeking to address this issue, a channel was developed to deal with 'priority' offers. Referrers marked promising offers as 'high priority' for prompt triage. Given that there was a much more limited pool of potential UK manufacturers, I do not believe any UK Make offers were channelled through the High Priority Lane (HPL), as it was called. I am aware that a referral came through my office for Wuhan Xiaoyaoyao Pharmaceutical. I had been contacted by a journalist to inform me that the largest online PPE wholesaler and distributor in China had been trying to progress an offer with no success. On or around 2 May 2020, I spoke to the company's UK representative, Mehreen Malik, who informed me that she would be submitting an offer through the appropriate government channels and I asked her to confirm when this would be sent so I could ensure she received a response. I raised this with my private secretary who, I understand, was then copied into an email exchange between the NHS PPE Closing Team and Ms Malik to ensure that the offer would be received and dealt with. The early communication I had with the journalist and Ms Malik was limited and via telephone. I was not copied into any subsequent email correspondence. I had no further involvement with the HPL or with that particular contract, but I understand it was progressed for the supply of 8 million gowns.

13. It was clear to me that everyone on the team I joined, and indeed those who came later, shared a clear sense of mission; we were there to help protect frontline health and social care staff who were exposing themselves to the risks of infection on a daily basis. I experienced the best of Britain, people working under extremely stressful conditions to do the best work they could in very difficult circumstances.

SECTION ONE: THE DEVELOPMENT OF MY ROLE AND TEAM

My role and responsibilities

14. My initial role was to lead the national effort to scale-up the UK production of PPE. The aims and objectives of UK Make are set out in the June 2020 Memorandum of Understanding between DHSC and BEIS, including four individual goals attributed to BEIS (**LD1/7 - INQ000064907**). In short, UK Make's aim was to increase UK manufacture of PPE with a focus on technical support for suppliers and supply chain management.
15. There was virtually no UK production at the time and all our buying efforts were directed overseas, predominantly through intermediaries. All possible government resources had already been deployed to the existing buying operation which was overwhelmed. A team from Deloitte was managing a database of UK suppliers which had expressed interest in helping but there had not yet been time to develop any sustained effort towards new production. It was clear that if UK manufacturing was to make a meaningful difference, I would need to bring in a highly capable team to manage the effort. Fortunately, many people had contacted me when they learned of my appointment, and I was able to assemble at speed a highly experienced and motivated team.
16. I structured UK Make into six 'sprint' teams for each of the main categories of PPE:
 - a) Films (Aprons, body bags and clinical waste bags).
 - b) Eye Protection (googles and visors, reusable and single use).
 - c) Face Masks (IIR, FFP3, FFP2).
 - d) Gloves.
 - e) Gowns (Reusable and single use).
 - f) Chemicals (Hand Hygiene, general purpose detergent).
17. The reason for organising in this way was to ensure one individual was responsible for the entire end-to-end process producing each category of PPE. Each of the above categories was overseen by one individual who would work with our government colleagues to take each contract through the eight-step process to approval, as set out below at paragraph 66. This structure reflects best supply chain practice as it enables purchasing to be managed in line with demand. Each team was charged with the

mission of understanding the UK's capability in their category and working with the manufacturers who could help us. The primary means of assessing the supplier landscape and identifying these companies was through a list of potential manufacturers that had put themselves forward in response to the Government's 'call to arms', as compiled by Deloitte. Many of these offers were yet to be followed up, which is what my team were brought in to do. We were not redesigning or managing the supply chain but rather taking care to understand any raw material dependencies and offer support where appropriate.

18. I set out below some examples of how UK Make was able to achieve its goals so effectively:

- a) Having one team lead in charge of the entire process to contract approval was certainly an advantage when it came to our deal with Survitec to make surgical gowns. Survitec expanded its production to make sterilised surgical isolation gowns for the first time which required assistance in sourcing the appropriate fabric as well as support to meet the strict regulatory standards. From their wide vantage point, the team was able to work closely with the company to move quickly through the regulatory and procurement processes to ensure its approval coincided with the arrival of the fabric. Survitec was able to begin production without delay, creating over 100 local jobs in the process. Tim Jarvis and his team from BEIS would also have liaised with Survitec, as they did with other companies we worked with, to connect them to relevant government schemes such as the High Value Manufacturing Catapults (HMVCs). I am unsure of the extent to which these schemes were available or utilised.
- b) Aprons were another good example of how the teams worked directly with UK factories to help repurpose production for the national PPE effort. At the start of the pandemic, for a number of reasons, including the difficulty in competing with Chinese pricing, the UK did not manufacture aprons. We did, however, manufacture plastic bags in the UK. We worked with these companies to adapt their processes and put in new equipment so that they were able to produce aprons. There were four UK manufacturers who repurposed their factories from producing plastics bags to producing plastic aprons in line with PPE requirements. These also created job opportunities,

such as at the PPF Packaging Group sites in the Northeast of England, that hired over 100 additional workers for the duration of their contract.

- c) Masks are another example of how the teams worked with companies directly to expand domestic manufacturing. Honeywell repurposed production lines so that FFP2 and FFP3 masks could be manufactured on its site in Motherwell for the very first time. Honeywell was eventually contracted to produce more than 65 million FFP2 and FFP3 masks per year. By the time of my departure, production had started and would create around 450 jobs.

19. Our team had managed to streamline the entire end-to-end process of design through to manufacture, including procurement processes and governance approvals, to ensure new domestic PPE supplies were rapidly approved in a robust and legally compliant way. Key to this streamlining was the appointment of category leads as set out above at paragraphs 15 and 16. Rather than changing the regulatory procedures which were rightly consistent and thorough, companies were better guided through each step by having one representative and point of contact throughout, therefore avoiding the cumbersome handover process between each stage of the approvals process. In all cases, we were dealing with manufacturers with experience with either the products themselves or highly related products, such as plastic bags for aprons, pilot overalls for gowns, or ski goggles for eye protection. These companies mainly needed our detailed product specification to manufacture acceptable products. Our experienced product-focussed team were adept at supporting these manufacturers through the procurement process to obtain the necessary approvals. Throughout this transformation of UK PPE manufacturing capability, all specific COVID-19 European Commission guidance was followed. This ensured that suppliers were dealt with fairly, transparently and that subsequent contracts agreed were legally compliant. By the time I left the role, UK manufacturing was in place in all categories except gloves. The reason for being unable to manufacture gloves in the UK in the short-term was that we were unable to source the necessary raw material, as noted in the PPE Strategy Report cited above. There were also further constraints owing to high capital investment requirements and long lead times. Unlike aprons or eye protection, for example, there is no UK-based production for highly related products that could be repurposed for gloves. UK based supply was anticipated to be supplying around 20% of NHS/social care demand for PPE by the end of 2020 (**LD1/8 - INQ000064884**). The manufacturing position at the time of my leaving is set out in detail in the following BEIS 'PPE Make' (Make UK) summary update slides dated 28 July 2020 (**LD1/9 - INQ000064902**).

20. By mid-May, it was clear that these UK Make sprint teams were functioning extremely well so I was able to devote time to the broader PPE effort, reorganising the wider PPE Programme under the same category-based structure. UK Make also needed to operate on a more integrated basis with the broader buying effort, balancing incoming orders with our domestic manufacturing capacity. This expansion of my role was authorised by the Prime Minister who wanted my assurance that the overall PPE problem was going to be resolved satisfactorily.
21. To provide this assurance, I worked with the team to get the clearest possible picture of the supply and demand situation. The consulting firm, McKinsey, was building a detailed demand model based on the recommended usage guidelines of each category of PPE, but as the actual utilisation often varied from the theoretical prediction, we needed to make common sense adjustments. There were additional variables to account for, such as the fact that hospitals were buying both directly and from central supply, and sometimes a combination of the two. We needed to manage the dynamic inventory landscape with much greater precision. We established estimates of inventory that was held both centrally and by users and how and when this would be supplemented by the arrival of the many orders which had been placed, making allowances for delays and sub-standard products. We were able to map the orders made with varying levels of confidence of their completion, scheduling all the supplies by their projected arrival. We were reconciling all orders as if they would come but building in a contingency in case deliveries were late.
22. Our 18:00 allocation meetings were part of this dynamic management of the supply line. They were supported by a 'daily pick list', which set out daily data on areas such as: the PPE portal, PPE modelling requirements, supply forecasts, inventory and usage rates (LD1/10 - INQ000339166). This daily review helped us to agree on a "Priority Buy List" to assist in deciding whether to progress opportunities. Establishing control of this information and process allowed us to emerge from crisis management and to stabilise the supply chain.
23. As an example of my operational role and interaction with the team, I sent my leadership team monthly All PPE Staff Updates which they would cascade to all team members working on PPE. I used these as an opportunity to encourage the team and keep them up to date on the overall strategy and key priorities at the time; to give each member a broad view of how the wider team was operating. I exhibit all the updates as sent by me as follows:

- a) 11 May 2020 (**LD1/11 - INQ000513460**);
- b) 26 June 2020 (**LD1/12 - INQ000513478**);
- c) 24 July 2020 (**LD1/13 - INQ000513492**);
- d) 11 September 2020 (this update was also signed by Jonathan Marron and Emily Lawson, given my recent departure from the role) (**LD1/14- INQ000513497**).

24. During the first five weeks of my involvement, we worked extremely hard to stabilise the situation. We reported on a regular basis to the PM and his immediate team on our progress in securing supplies for both the short and medium term.

25. I also spent a lot of time in the early weeks reassuring various stakeholders. I would often receive communications from representatives, concerned as to the PPE situation being reported from colleagues on the ground. I received such a letter on 24 April 2020 setting out the joint concerns from the Royal Colleges of Physicians, Surgeons, GPs, Anaesthetists and Paediatrics and Child Health (**LD1/15 - INQ000376188**). I had also received a letter on 21 April 2020 from the Chair of the British Medical Association (BMA) setting out the summary findings of their recent survey of 6000 doctors about the PPE situation on the front line (**LD1/16 - INQ000097911**).

26. In response, and with the assistance from Tim Jarvis and his BEIS team, I set up regular calls and conference calls with the above groups as well as trade unions and UK manufacturing industry representatives. I also coordinated with individuals within government with related responsibilities. The BMA letter also notes that they had been contacted directly by over 70 organisations to offer support through procurement and manufacturing, the details of which it shared with the DHSC. This is a good example of the kind of political pressure my team were under and the public perception that offers of help were going unanswered. By engaging with stakeholders' concerns directly, I was able to reassure them of the huge effort underway to stabilise the supply while freeing up my team to focus on the task at hand. This engagement with industry was very useful in terms of stakeholder management, keeping groups informed on what was happening. In the long term I am not sure I would be advising the Government to create any strategy that focussed on sovereign capability for PPE. We simply cannot be competitive with countries like China in producing these kinds of high-volume, low-value items as are typical for PPE. The optimal strategy would have a domestic capability that can be stood up should we need to resort to this in the future. I think it is more important

to have a clearer picture of international suppliers and intermediaries, to really understand the international manufacturing landscape and diversify supply from a wider range of countries.

27. On 21 May 2020, I was able to tell the PM that I was confident supply for the next 90 days would meet newly modelled demand. I expressed that in the last week, the team had conducted a sprint resulting in a pipeline of up to 3.7bn additional gloves, which had been the category causing us most concern at that point. I was asked by the PM whether I and the team could credibly say that overall, by 1 June 2020, we would have enough supply meet the 'PPE test', one of the five 'tests' set by the government to be met before lifting lockdown restrictions. I confirmed that we would **(LD1/17 - INQ000339205)**. The PM then effectively "signed off" on PPE, so that he could focus on other crucial areas, for example, track and trace.

28. Subsequently, we kept everyone up to date through PPE Assurance meetings which demonstrated consistent progress through to the end of my assignment in July. I provide an example of the slide deck in support of the 14 July 2020 meeting **(LD1/18 - INQ000513515)**. This sets out a dynamic analysis of the incoming supply for each of the PPE categories, including projected dates to reach 120 days' stock at various demand scenarios. Following the move to a more stabilised operation, we worked towards designing and delivering a new PPE Strategy referred to above, as published on 28 September 2020 **(LD1/2 - INQ000234522)**. My role is set out in further detail in the report. To the extent that there appears to be any difference in strategy between 'New Buy', or 'Buy', and 'UK Make', this was a result of timing. In the early days we were responding to a crisis and were of course purchasing PPE from wherever we could source it. By the time we converged the buy and make strategies, there became a greater focus on understanding our key suppliers. Having a strategic understanding of intermediaries and management of both domestic and international suppliers enabled us to have a clearer view of the entire landscape and identify duplication of routes through to the manufacturers themselves, for example.

29. At time of my leaving, and based on modelling for usage levels on 1 November 2020, we expected to have at least 120 days' stock for each of the six categories. In some categories where UK manufacturing capability was expanded, such as aprons, we contracted with UK suppliers to retain some manufacturing capability that could be stepped up at short notice, supported by additional stockpile to bridge the gap between a demand surge and production ramping up.

Issues

30. Further to the issues set out above, I set out further examples of particular challenges that we faced to show how these were resolved.

Care homes

31. Considerable effort was applied to the challenge of ensuring care homes had adequate PPE supplies. NHS Hospital Trusts were sophisticated organisations which procured PPE both directly and through the central system. Care homes were highly fragmented and entirely decentralised. Prior to the pandemic, care homes generally sourced their own PPE through wholesalers. When supply dried up, DHSC made emergency channels available to source products through our centralised system. We worked closely with the sector to determine how care homes used and ordered PPE so we could target more effectively our efforts to supply them. As a result, the NHS supply chain, which had been designed to accommodate delivery to 226 NHS Hospital Trusts was expanded to cover over 58,000 different settings, including care homes, hospices and community care organisations. Many of the settings had never had need for certain types of medical-grade PPE.

Distribution

32. A range of logistics solutions were applied to suit the varying need. Smaller volumes were ordered through the PPE Portal through a 'pull' system (providers order what they need), with larger quantities (pallets) distributed through a 'push' system (an agreed quantity and mix is sent out on a regular basis, monthly or weekly). Some customers require a tailored solution, identifying their specific needs in terms of quantities, storage capacity, and frequency of orders.
33. We provided every LRF with a PPE stockpile that local services could access in case of a severe local spike or any temporary break down in distribution. Each LRF had up to a week's supply of FFP3 masks and a month's supply of other PPE items to meet their local demand. We also set up bespoke PPE distribution arrangements with LRFs according to their role in distributing PPE to local services that cannot be supplied via the Portal.

34. A National Supply Disruption Response (NSDR) helpline was set up to supply a small amount of emergency stock to any service with an immediate and critical need that could not be met through other channels. This helpline was available to support requests from all four nations and the Crown Dependencies.

Data

35. Crucial to our procurement process was to understand the level of demand for PPE. At the start of the crisis, there was no PPE demand model. The PPE demand model was developed with McKinsey from PHE's guidance and tested with clinical colleagues and end-users. Over 100 senior managers and clinicians provided input and modelled outputs were 'sense-checked' against what was seen in hospitals via Chief Executive Officers, Chief Nursing Officers and Chief Medical Officers reviewing local data.
36. Once established, we continued to collate additional information to improve the data and assumptions in the model and triangulated the model with real data on usage. For example, at the start of the emergency response we did not have enough information about how social care settings were securing or using PPE. As I relayed to the PM in our meeting on 21 May 2020, we completed a number of surveys on different adult social care settings and developed a rich source of information about how they responded to the crisis and the role wholesalers played in supplying PPE to this sector (LD1/17 - INQ000339205). We also carried out PPE usage surveys of GP practices and dental practices. As in-person, non-urgent primary care services restarted, the model was updated to reflect the increased use of PPE.
37. The emergency response phase introduced system improvements that carried through into the more stabilised procurement models that we developed and helped build resilience for future pandemics. Disparate data sources, information and systems were brought together and further refined to develop a clear picture of the end-to-end supply chain. We moved to an increasingly integrated system that showed a dynamic picture from demand through to delivery.

My team and their responsibilities

38. In the early days of my appointment, I asked Jean Tomlin to join me and help put together the UK Make team. Jean was ideally qualified for this task because she had worked on the Olympics as Human Resources (HR) director, managing the largest

mobilisation of a workforce since WWII, in addition to her broader HR experience. With her help, I was able to assemble a team of experienced individuals with extensive procurement, legal and contractual expertise, many of whom had worked closely with us before. I had seen them working at a very high level, on extremely challenging situations, and I had every confidence in their abilities. Most of them heard of my appointment and approached us first to offer their help, the rest were approached by us. All, like Jean, were more than willing to assist in whatever capacity was needed.

39. I exhibit details of the roles and background for each of the 17 individuals appointed to the team from the private sector through recommendations from Jean and me (**LD1/19 - INQ000513498**). The key appointees with whom I worked most closely, including a summary of their experience and their roles are set out below:

a) **Jean Tomlin**

- i. *Role:* Chief of staff (30 April 2020 to 30 November 2020).
- ii. *Responsibilities:* Oversaw the recruitment of an expert team of senior personnel within UK Make. Supporting the integration of the initial UK Make team into the organisation, working alongside OGDs and consultancy firms.

b) **Gil Steyaert**

- i. *Role:* UK Make Team Lead (27 April 2020 to 31 July 2020).
- ii. *Responsibilities:* Led the initial UK Make sprint team assessment of UK production capability and capacity within priority PPE categories. Led the UK Make product category and supply chain planning and operations teams. Reported progress into PPE leadership.

c) **Simon Wright OBE**

- i. *Role:* Category Lead – Masks (27 April 2020 to 31 July 2020)
- ii. *Responsibilities:* Initial UK Make sprint team assessment of UK production capability and capacity within priority PPE categories. Led the Mask Category Team.

d) **James Bulley OBE**

- i. *Role:* Category Lead – Eye Protection (27 April 2020 to 31 July 2020)
- ii. *Responsibilities:* Initial UK Make sprint team assessment of UK production capability and capacity within priority PPE categories. Led the Eye Protection Category Team.

e) **Gerry Walsh**

- i. *Role:* Category Lead – Gloves (27 April 2020 to 30 September 2020)

- ii. *Responsibilities:* Initial UK Make sprint team assessment of UK production capability and capacity within priority PPE categories. Led the Gloves Category Team.
- f) **Jan Matthews**
 - i. *Role:* Category Lead – Films (18 May 2020 to 31 July 2020)
 - ii. *Responsibilities:* Led the Film Category Team.
- g) **Matt Hudson**
 - i. *Role:* Category Lead – Aprons and Masks Support (27 April 2020 – 31 July 2020)
 - ii. *Responsibilities:* Supplier landscape, identification and prioritisation for Aprons and Masks.
- h) **Charlie Wijeratna**
 - i. *Role:* Category Lead – Chemicals (27 April 2020 to 17 July 2020)
 - ii. *Responsibilities:* Initial UK Make sprint team assessment of UK production capability and capacity within priority PPE categories. Led the Chemicals Category Team
- i) **Alastair Ruxton**
 - i. *Role:* Project Manager (27 April 2020 to 26 June 2020)
 - ii. *Responsibilities:* Supported the initial UK Make sprint team assessment of UK production capability and capacity within priority PPE categories. Acted as key liaison point between NHS procurement, government lawyers, consultants and the UK Make team. Advised on public procurement law requirements and designed and implemented governance and process for UK Make deals.
- j) **Gary Horsfield**
 - i. *Role:* Supply Chain Planning and Operations (27 April 2020 to 31 July 2020) (moved to PPE Cell COO 1 August 2020 to 20 November 2021)
 - ii. *Responsibilities:* Supported the initial UK Make sprint team assessment of UK production capability and capacity within priority PPE categories. Led the Supply Chain Planning and Operations Team. Implemented industry supply chain planning and operations best practice.
- k) **Nigel Garfitt**
 - i. *Role:* Supply and Operational Planning Support – Freight and Logistics (27 April 2020 to 31 July 2020)
 - ii. *Responsibilities:* Initial UK Make sprint team assessment of UK production capability and capacity within priority PPE categories. Supported 'Move' team integrating communication and information

flows between teams dealing with 'buying', 'making' and 'moving' PPE. Supporting the China Team and UK Embassy in China efforts with the transfer of PPE responsibilities back to the UK.

l) Sue Hunt

- i. *Role*: PPE Future Strategy Advisor (19 May 2020 to 3 October 2020)
- ii. *Responsibilities*: Scoping, drafting and publication of future PPE strategy working closely with DHSC Head of PPE Strategy. Final publication of PPE Strategy: Stabilise and Build Resilience September 2020.

40. As part of my appointment, I completed a DHSC volunteer agreement and declaration of interest form. I was also subject to the DHSC conflict of interest policy, code of conduct and disclosure of information policy (LD1/20 - INQ000513449); (LD1/21 - INQ000513450); (LD1/22 - INQ000513451); (LD1/23 - INQ000400176) (LD1/24 - INQ000513453); (LD1/25 - INQ000513454). I was not involved in the onboarding of members of the team or any other HR matters, but as far as I am aware, every individual appointed through my recommendation was initially brought on as a volunteer and would have been subject to similar agreements. This process would have been handled by Jean Tomlin and DHSC.

41. All of those appointed through my recommendation joined the team as volunteers. As it became clear that they would be undertaking serious full-time roles, provision was made to pay those that required it a day rate. I understand that this was positioned at the lower end of rates the Government customarily paid individual consultants. These arrangements were all managed between Jean Tomlin and DHSC.

42. I was not involved in the recruitment process so cannot comment on whether consideration was given to public sector resources in filling the above roles but, in my experience, it was already very much 'all hands on deck' when I arrived. Anyone that was able to work on the project from within government already was. The new team members made up a relatively small number of the much larger government-staffed effort and, therefore, to be effective, they had to operate on a highly integrated level. They worked extremely effectively as a joint team and were a great example of public and private sector collaboration.

Working with Private Consultants

43. The Department had already hired McKinsey and Deloitte Touche Tohmatsu Limited before I was appointed.
44. I understand McKinsey was hired to produce a full estimate of the required PPE to manage COVID-19 over a 90-day period when adhering to government guidance on its use. McKinsey developed the framework we used to present the core data for analysis that formed the basis of our regular PPE requirement and supply forecasts and would support discussions at meetings such as those of the PPE Oversight Meetings Group below.
45. As stated above, contractors from Deloitte Touche Tohmatsu Limited initially led the UK Make Team. Prior to my appointment, they were seeking opportunities to utilise UK manufacturing to augment PPE supply. They then assisted in triaging and progressing offers, helping to put together a list of individuals that could realistically produce what we needed to the correct technical specifications.
46. As we moved to a more stabilised operation, we started to phase out both Deloitte and McKinsey as we had sufficient resources and expertise in our team to cover the work that they had been tasked with.
47. Chanzo operated as the project management office for the UK Make team. The principal project management role that they played was to identify who we needed and support new recruits through the process of integrating them into the appropriate teams. Within those recruited were individuals with project management experience who then supported those already dealing with the sourcing of products. The work of Chanzo was effectively a self-contained effort. It made sense to have a separate capability as they were effectively starting from scratch, and I do not believe that there was enough spare capacity in government to provide the support that the teams needed.
48. Both Jean and I were both non-executive directors of Hakluyt which is part of the Holdingham Group, neither of which engaged in any contract for services or otherwise with the Government.

Working with other Governmental Departments (OGDs)

49. My role sat within the PPE Programme leadership team, so I therefore worked principally with staff from within DHSC, NHSE/I and BEIS. Although I was brought in to advise the Secretary of State for DHSC on PPE, I worked at an operational level across a number of departments, with the Secretary of State's support, and *'the full weight of government'* behind me (LD1/26 - INQ000496824). We were running emergency operations; the fast pace and problem-solving nature of the work necessitated a relaxation of the more strict business-as-usual governance structures. From the range of departments and bodies working together to support DHSC, I was willing to work with whoever was best placed to deal with each particular challenge. Further to those mentioned above, I set out details of all OGDs with which I worked below.

Ministry of Defence

50. In the early days of my appointment, I worked closely with Brigadier Phil Prosser who was seconded from MoD and organised the military support to help scale up the NHS logistics structures and assist with PPE distribution. Rear Admiral Jim Higham from the Royal Navy was also brought in from MoD to support the transition from the short-term, emergency response to more stable operations. On 28 July 2020, Jim and his Programme Integration Delivery Unity (PIDU) produced a 'Haul Down Report' to support handover to the appointed COO and incoming PMO leadership which was intended to help structure handover discussions and to be read in conjunction with the Outline Programme Management Plan, which captures 'headmarks' for programme management, execution and control (LD1/27 - INQ000513495); (LD1/28 - INQ000513517); (LD1/29 - INQ000513496).

The Foreign and Commonwealth Office

51. We received general support from the (then) Foreign and Commonwealth Office (FCO) for international negotiations. More specifically, the British Embassy in Beijing helped direct opportunities from local suppliers to DHSC. After my arrival, and once the teams were reorganised into a category model process, the China Buy Team, which was an FCO team with Cabinet Office leadership, began transitioning out of direct procurement activity. Embassy staff continued to support procurement including in the area of due diligence and with ad-hoc 'boots on the ground' support with specific contracts to avoid intermediaries, such as with securing deals for FFP3 masks with Chinese

manufacturers, as set out in the minutes to delivery board meeting on 26 June (LD1/30

- INQ000498296

The Cabinet Office

52. A procurement team had originally been formed within the Cabinet Office in late March before it was subsequently integrated into the Parallel Supply Chain. The Due Diligence Team was also led by volunteers from the Cabinet Office Market Health Team and were responsible for the due diligence checks with potential suppliers. The Cabinet Office also coordinated the meetings for the PM where we made our presentations about trying to meet the PPE Test. They would compile a series of questions to be addressed by the team, for updating the PM on progress.

The Department for Business, Energy, and Industrial Strategy

53. I understand there was some attempt to make the PPE Programme a joint venture between the (then) Department for Business, Energy, and Industrial Strategy (BEIS) and DHSC, but this was ultimately not possible. Instead, we received support from a dedicated team within BEIS, headed up by Tim Jarvis with whom I worked closely. His team dealt with the issues that BEIS were best placed to navigate, such as accelerating the regulatory process, engaging through trade associations and Business Representative Organisations to identify additional manufacturers, regularising the position of consultants and coordinating with union bodies.

The Department for International Trade

54. One of the ways in which the Department for International Trade (DIT) supported us was by exploring potential suppliers of PPE from countries other than China, such as Vietnam, Thailand and Malaysia, as part of a more long-term strategy.

Devolved Administrations

55. Cooperation across and between all four nations was a key part of ensuring PPE got to where it was needed. This was a UK-wide approach underpinned by the protocol being agreed between the four nations. Scotland, Wales and Northern Ireland received a Barnett formula allocation for purchase of PPE. In my experience, ensuring that each

nation got its fair share of PPE was central to all decision-making around supply and distribution decisions.

My role within the PPE Programme governance

PPE Programme Oversight Committee PPE

56. In early June 2020, we were transitioning from an emergency response towards a more stabilised phase of operations. As part of the transition, I commissioned a PPE Programme Oversight Committee to *'provide external focus and support for the overall strategic direction of the PPE Programme'*. On 12 June 2020, I sent an email to proposed members from CO, BEIS, HMT, DHSC and NHSE/I, seeking agreement to form committee membership and shared the slides for our inaugural meeting (**LD1/31 - INQ000513469**) which was held on 23 June 2020 (**LD1/32 - INQ000513507**). I chaired further meetings on 29 July 2020 and 25 August 2020 (**LD1/33 - INQ000496873**); (**LD1/34 - INQ000496851**). After I left, Jonathan Marron chaired the meetings which met bi-monthly until 12 November 2021.

PPE Programme Delivery Board

57. Prior to the formation of the PPE Programme Delivery Board, the leadership team (typically Emily Lawson, Jonathan Marron, team leads and me) had been attending weekly PPE Leadership Meetings. In early June 2020, as part of the same move towards a more stabilised phase of operations, these meetings were replaced by the PPE Programme Delivery Board. We met for the first time on 12 June 2020, with the intention of bringing existing PPE Programme meeting activities into a more formalised governance structure. The Board became *'the main review and decision-making body for delivery performance, financial and contractual matters in connection with the sourcing, procurement and distribution of PPE.'* I attended the inaugural meeting, which was chaired by Jonathan Marron and Emily Lawson, and attended by other team leads.

58. I exhibit the summary minutes and slide decks that I received for the following weekly meetings, which also provide a helpful summary of the work being carried out by each team at the time:

- a) 12 June 2020 (**LD1/35- INQ000513470**); (**LD1/36 - INQ000513471**); (**LD1/37 - INQ000513508**);

- b) 19 June 2020 (LD1/38 - INQ000513474); (LD1/39 - INQ000513510); (LD1/40 - INQ000513475);
- c) 26 June 2020 (LD1/41 - INQ000513483); (LD1/42 - INQ000513514); (LD1/30- INQ000498296)
- d) 3 July 2020 (LD1/43 - INQ000513485); (LD1/44 - INQ000513486);
- e) 17 July 2020 (LD1/45 - INQ000513490); (LD1/46 - INQ000513491); (LD1/30 - INQ000498296)
- f) 24 July 2020 (LD1/47 - INQ000513493); (LD1/48 - INQ000513494);

59. The PPE Programme Delivery Board was supported by a number of operational demand and supply planning group meetings, including those of the PPE Supply Group, and the Customer Demand Group. I cannot recall specific dates, but I am sure I would have attended these meetings because seeking total clarity on supply and demand was at the core of what I was doing.

Finance, Audit and Risk Board

60. Jonathan Marron, Emily Lawson and I attended the inaugural Finance, Audit and Risk Board meeting on 17 June 2020 (LD1/49 - INQ000513472); (LD1/50 - INQ000513473); (LD1/51 - INQ000513509). The purpose of the board and sub-committees was *‘to advise on and assure the Governance, Central Programme and Financial Management Controls, provide oversight and management of strategic risks and external audit and assurance activities and oversight of the Financial envelope and associated HMT engagement’* (LD1/51 - INQ000513509).

61. I exhibit the invites, summary minutes and slide decks that I received for the following meetings that I attended:

- a) 17 June 2020 (LD1/52 - INQ000513476); (LD1/53 - INQ000513477);
- b) 15 July 2020 (LD1/54 - INQ000513487); (LD1/55 - INQ000513516); (LD1/56 - INQ000513488).

62. I received the following invites, summary minutes and slide decks but I almost certainly did not attend the following meetings:

- a) 29 July meeting was cancelled (LD1/57 - INQ000513479);
- b) 26 August 2020 (LD1/58 - INQ000513480); (LD1/59 - INQ000513513);

- c) 8 September 2020 (LD1/60 - INQ000513481); (LD1/61 - INQ000513512);
- d) 21 October 2020 (LD1/62 - INQ000513482); (LD1/63 - INQ000513511);

63. I understand there was a collaboration of officials and technical experts from DHSC and other bodies called the 'Decision Making Committee'. Items of PPE that fell outside a clear "yes" or "no" in relation to meeting technical specifications would be referred to the group for a decision. I was not involved in any decision-making when it came to passing technical specifications so I neither referred items to the committee for a decision nor attended any of its meetings.

64. There was also a 'Deals Committee', a daily meeting of senior DHSC and Cabinet Office commercial specialists to review the Closing Team's submission pack, for contracts over £5 million, prior to submission for approval. As with the area of technical assurance, I was not involved in any decision-making related to the making or approval of commercial contracts so I neither made submissions nor attended any of the committee's meetings.

65. At a time of crisis, you need operational agility. When I joined, we needed the ability to solve operational challenges within the DHSC governance framework that was already in place. I believe we were afforded enough flexibility to navigate within the system. In short, the structures, systems and processes functioned effectively to accommodate the extraordinary needs during the crisis. As the situation stabilised, the teams within DHSC were able to develop structures to support the more sustainable supply-chain process that we had put in place.

SECTION TWO: AWARDING CONTRACTS

Overview of our approach

66. For a detailed summary of how we approached engagement with industry, I direct the Inquiry to Section 8 of corporate statement of DHSC for this module which sets out the progressing of offers through the eight-step assurance and control mechanisms, comprising:

- Step 1: Initial Data Triage
- Step 2: Prioritising Opportunities

- Step 3: Validating Opportunities
- Step 4: Commercial Due Diligence
- Step 5: Confirm Technical Review
- Step 6: Close Terms and Conditions Pricing
- Step 7: Complete Approval Documentation
- Step 8: Send to DHSC for Approval

67. As set out above, each of these steps was handled by individual teams when I arrived.

In practice, this was quite a cumbersome process for suppliers we were trying to progress quickly to contract, given the need for a handover between teams at each stage. This was one of the reasons I structured the UK Make team, and subsequently the entire PPE Programme, so that one team could take the contract through all of the eight steps to contract approval.

68. We also received Daily Offers Updates from the broader buying team on all offers being progressed, setting out headline data on which stage each opportunity had reached and the summary reasons for rejections, such as duplication or failing to meet technical specifications. I provide an example update from 8 May 2020 (**LD1/64 - INQ000513458**); (**LD1/65 - INQ000513459**).

69. The deep commercial experience of the new UK Make Team meant that they were able to progress offers and make deals at a greater pace, while complying with the department's approval processes.

70. When it came to UK Make, there was one criterion for engagement: was the company able to make what we needed at sufficient scale and to the correct technical specifications? I do not believe any of the companies with which we engaged directly had any affiliation to the Conservative party, nor do I believe any company received any preferential treatment as a result of its status. Any priority given to an offer would have been due to the size of the order or if it addressed a particular shortage at the time. Particularly in the early days, the teams were not in the luxurious position of choosing between multiple credible opportunities, it was about producing as much as we could as quickly as we could. Further, by engaging with manufacturers directly, we reduced the risk of fraud. In my experience, the response from industry was very much, *'how can I help?'* rather than, *'how can I make money?'*

Businesses with which I engaged

71. As is clear from the above process, once a company was identified and passed to the initial triage teams, I generally had little involvement with how any opportunity would be progressed through the various stages. I was certainly not involved in any decision-making related to the approval of contracts. Although I used my personal phone and email address to communicate with the various team members, I was not engaging such communications with those responsible for the approval of contracts.
72. From an operational point of view, I will have kept track of the larger or more significant opportunities, such as when there was a shortage of a particular item. This may have involved meeting with representatives to discuss initial requirements at a very high level but once the opportunity progressed to the relevant teams, my direct engagement with companies was extremely limited. I have been asked to describe my role in relation to the award of contracts to Agua Fabricis; I have no recollection of this company and do not believe I engaged with them. As an example of companies that I did engage with, I set my interaction with Honeywell below.
73. We were approached by Honeywell in relation to the production of FFP2 and FFP3 Masks. I exhibit details of my interaction with Honeywell as an example of the type of industry engagement I was involved with directly:
- a) On 24 April 2024 we received an email from Andy Flockhart from Deloitte noting that we had been approached by Honeywell who were looking to put a new FFP3 facility in the UK which could add over 300 jobs to Scotland. Andy had asked what support could be provided to progress the plans (LD1/66 - INQ000563448);
 - b) On 27 April 2020, I held a senior meeting with Honeywell to discuss the high-level plans which were then passed to procurement teams for review (LD1/67 - INQ000563449);
 - c) On 28 April 2020, the price from Honeywell was confirmed at I&S mask. This was much cheaper than equivalent offers at the time and potentially lower than pre-COVID pricing. As such we were considering an even larger order to help rebuild stock. Terms were being negotiated by assigned 'deal champions' with finance, legal and procurement teams simultaneously briefed to ensure it could be progressed as quickly as possible (LD1/68 - INQ000563450);

- d) I responded to the above email seeking clarification on the price comparison to ensure we had the clearest picture. In response, the team looked into a comparison of prices being paid on a global basis – both pre and during the pandemic – to support the business case for the deal (LD1/69 - INQ000563451)
- e) On 1 May 2020 we received an update that the deal was in final commercial discussions for more than 4.5m masks per month (LD1/70 - INQ000563452)

74. The Houses of Lords requires members to declare financial conflicts of interest. These are set out in the Code of Conduct for Members of Parliament and the Standards of Conduct in the House of Lords. I disclosed my full portfolio of investments upon appointment to the House which were published and updated on a regular basis (LD1/71 - INQ000513489). When the Honeywell proposal was going through, David Williams, the Accounting Officer for DHSC, and I discussed the fact that Honeywell was part of my portfolio as disclosed. David concluded there would be no conflict, given the relatively small contract would not move the share price of such a large company. With regards to approving contracts, I was not involved in that area at all.

Value for money

75. I was not involved in shaping any processes or procedures around the negotiation of contracts, nor did I get directly involved in negotiations themselves. I think it worth noting, however, that throughout the emergency response, securing supply was our primary consideration. The real value being sought was lives saved. Prices were volatile due to global demand and, accordingly, became a secondary factor. On average, the price of PPE products increased significantly, with some categories seeing prices double if not treble when compared to pre-COVID costs. Notwithstanding this priority, the team and I had a keen understanding of value for money and applied it at every stage and applied it wherever we could. As the situation stabilised, the team was obviously in a better position to achieve value for money and efficiency, but this did not stop us from testing the financial aspects of the deals being made and seeking savings and efficiencies wherever possible. I refer to the correspondence above about the progression of the Honeywell contract as an example of how heavily these questions featured in our daily discussions, even when it seemed we were already achieving a favourable price.

Spending controls

76. I was not involved in agreeing funding envelopes or shaping any procedures around funding or spending controls from the Cabinet Office or HMT. These were already in place when I arrived. From an operational position, I was kept up to date on the work of the finance team. A helpful summary of their work, including a summary of the live risks and mitigations was presented to the leadership team at a 'deep dive' finance presentation on 3 June 2020 (LD1/72 - INQ000513505); (LD1/73 - INQ000513506). From my experience, there was effective coordination between the PPE Programme and DHSC on funding, ensuring that the Programme stayed within the limits set. I think that HMT hit the right note of being rigorous but responsive. They asked the right questions, but we were able to complete our mission.

Steps taken to minimise fraud and maladministration

77. I was not involved in advising on or shaping any processes or procedures around minimising the risk of fraud or maladministration. These were already in place when I arrived. As I have set out above, in relation to UK Make, engaging with manufacturers directly greatly reduced the risk of fraud from intermediaries and I am not aware that we encountered any issues in this area. I accept that the risk would be higher in the area of Buy but as far as I am aware the anti-fraud team functioned effectively given the nature of the crisis and how little we understood about the market for PPE when we started.

Conflicts of interest

78. I was not involved in advising on or shaping any processes or procedures around managing conflicts of interest within DHSC. These were already in place when I arrived. As I have set out above, in relation to my role, I am subject to my own duties of disclosure of interests as a Member of the House of Lords, which I adhered to at all times.

Contractual provisions and performance by suppliers and manufacturers

79. I was not involved in advising on or shaping any processes or procedures around ensuring contractual terms provided suitable protection for the Government or that contracts were performed. These were already in place when I arrived.

80. As set out above, many team members had extensive manufacturing and procurement experience and in approaching companies for their help, were in a good position to understand the likelihood of successful performance. Further, the way the UK Make team sought out and worked with the manufacturers to assist in removing any potential hurdles to production, such as the availability of raw materials, helped remove a layer of risk as the offers were progressed through the appropriate processes.

Compliance with public law procurement principles and regulations

81. I was not involved in advising on or shaping any processes or procedures around ensuring there was compliance with public law procurement principles and regulations. These were already in place when I arrived and being constantly addressed as the landscape changed. I did receive some correspondence from Barry Hooper, from the Ministry of Justice, who was providing commercial support to the DHSC. He initially wrote to Jonathan Marron and Steve Oldfield as SROs on 7 May 2020 to set out their responsibilities in relation to discharging public finance obligations. I received a copy of this email attached to a follow-up email from Barry Hooper on 19 May 2020 which then included further recipients including Jim Higham and Emily Lawson (LD1/74 - INQ000513461); (LD1/75 - INQ000513462). We received a further email in relation to the procurement of new consultants on 28 May 2020 (LD1/76 - INQ000513463); (LD1/77 - INQ000513464); (LD1/78 - INQ000513465); (LD1/79 - INQ000496766); (LD1/80 - INQ000513467); (LD1/81 - INQ000513504).

82. The emails show how public law principles and guidance such as HM Treasury's *Managing Public Money* (LD1/82 - INQ000496882) were being considered and applied to the more unconventional make-up of the programme. As stated above, I was not involved in how any opportunity would be progressed or any decision-making related to the making of or approval of contracts. Although I was aware that these principles were being considered and procedures were being shaped around them, the above emails were the extent of my knowledge of their substance.

Operation and effectiveness of regulatory regimes

83. I was not aware of any changes to any regulatory regimes relating to PPE to improve procurement during the pandemic. I had very little involvement with the teams tasked with ensuring an opportunity met relevant regulations for the technical specifications of each product. In my observation, the team were extremely diligent in ensuring the

products adhered to the regulatory standards. I have been asked to consider a note from a Regulatory Coordination Cell meeting (**LD1/83 - INQ000477711**). The note refers to an apparent 'disconnect' between HSE and me on 'pre-approved designs and specifications'. I was not in attendance at the meeting, so it is difficult to comment on the exact context, but I believe this relates largely to the need for clarification of technical specifications and ensuring the clear communication of such to manufacturers. I was never involved in any changes to any technical specifications, nor would I have ever sought to challenge the process by which products were approved. It is very difficult for a system based on safety to respond to a crisis at pace, so my team focussed on supporting the process through issue resolution; where there was uncertainty, to get this communicated, clarified and addressed. It was never about lowering standards; we were not willing to put users at risk.

Decisions as to what to buy at what cost

84. Although there were effective systems in place when I arrived, I believe I was able to introduce some positive changes to the structure of decision-making on purchasing, i.e., what to buy, how much and at what cost. As I have set out in more detail above, the restructuring of the teams amounted to a more efficient oversight of supply and demand for each category of PPE. Once we had a much better idea of actual demand utilisation and what had been ordered, we were able to cancel orders in a number of categories because we had a much better handle on future supply and demand.

Disposal strategies

85. During my appointment, we were very much focussed on crisis management, stabilising operations then building the 120 day stockpile for the winter. This stockpile was based on the dynamic analysis of the incoming supply and projected stock according to various demand scenarios. Plans for the winter included further capacity in the form of domestic manufacturing that could be 'stepped up' at short notice to manage unprecedented surges. This flexibility in the supply and stockpile situation gave us confidence that we would be able to adapt to the range of demand scenarios according to the modelling without creating a large surplus. As such, I do not recall strategies for disposal being discussed in any detail at the time of my appointment.

SECTION THREE: LESSONS LEARNED

86. I was consulted by Nigel Boardman as part of his review of government COVID-19 procurement, published on 8 December 2020 (**LD1/3- INQ000087235**). I agree with its recommendations, as accepted by the Government, and consider its content particularly helpful in addressing lessons learned, which I have expanded on below.

Suitability and resilience of supply chains

87. In my view, the key lesson to learn from our PPE experience is that, rather obviously, we could not rely on the Just-in-Time supply chain model that was in place prior to the pandemic and which broke down under pressure. For items as critical as PPE we must build and maintain a fully resilient supply chain. During the crisis, we stood up an emergency response which included the army as well as officials drafted in from across government. I believe the work of these individuals is best described as heroic in the face of extraordinary challenges. As the crisis abated and some degree of control was possible the team focused on stabilising the situation by putting in place the building blocks of a properly resilient supply chain operation. In the future this will involve significant contingency planning in order to position the country to respond to future crises. A resilient supply chain should incorporate the features I outline in the paragraphs below.

Improvements to procurement for future pandemics

88. The UK should establish a strategic stock reserve of PPE designed to provide, say, three months' supply for the full range of possible pandemics. This would need to be stored appropriately and rotated to avoid obsolescence. There would also need to be a release and distribution plan in the event of a crisis. Clearly the pre-pandemic focus on a reserve to meet a flu epidemic proved inadequate for COVID-19. During the period of stabilisation from May through to July 2020, we targeted and succeeded in creating a stockpile of all PPE items which could meet 4 months of modelled COVID-19 demand so that the country was prepared for the winter spike.

89. Our initial efforts in responding to the crisis were handicapped by the poor quality of available data and systems. We require an information system with full visibility of centrally- and hospital-held stock and incoming orders. This would include a demand tool to estimate utilisation rates for each category of PPE for each pandemic variant.

Ultimately, in a first-class supply chain, procurement activity will be highly tuned to a demand signal which is at the heart of keeping supply and demand in balance. During our stabilisation efforts we effectively put these tools in place so that we had the ability to operate efficiently with good transparency. For the future, these tools needed to be refined and integrated into the broader network of NHS systems.

90. It is vital to develop strategic relationships with key manufacturers and wholesalers. During the initial crisis it became apparent that we sourced almost entirely through intermediaries without any proper consideration given to the ultimate manufacturer. As it turned out at least 80% of our PPE was coming from China. Our manufacturing relationships should be geographically diversified, and our contracts should include volume flexes to allow for crisis response. We should also understand the dependencies of each supplier on key raw materials.

UK Manufacturing

91. There should be a blueprint to stand up additional UK manufacturing in an emergency, which should be possible for every category of PPE, with the possible exception of gloves. In late April 2020 when we began the UK Make initiative there was virtually no domestic manufacturing of PPE nor any idea of what would be required to source it. By July 2020, we had ordered 3 billion items of PPE from UK manufacturers which was 20% of our requirement at the time. This 3 month mobilisation provides the basis for the future blueprint.

92. As contingency planning of this nature can easily become stale, it is important to put in place an ongoing programme of testing to demonstrate that these resources and capabilities are in place.

93. The country needs a plan to supply the social care sector in a crisis. While the relatively small number of 226 hospital trusts are professional and well-integrated into the NHS, the social care sector is large, highly fragmented and, during normal times, dependent on the private sector. During the crisis we were supplying 58,000 different entities with PPE through the portal, LRFs and the emergency lines we set up.

Changes to procurement processes

94. During this crisis it was clear that our standard competitive procurement policies would be ineffective. It was therefore absolutely correct to move to direct procurement as quickly as possible in order to secure supplies. It is equally as important to restore normal competitive procurement as soon as the crisis abates. I think this was handled well during 2020.

95. In an emergency operating effectiveness is key; governance structures, while important, less so. For crisis situations, government should give consideration to simplified governance processes which are directed towards facilitating our emergency response.

Mobilising the private sector

96. Government should maintain a database of private sector individuals ready and capable to respond to a crisis. My experience was that the combination of government officials together with private sector expertise was highly effective. The response could not have worked without highly professional and motivated officials involved as they really do understand how government works, and in my experience, it was better to work with the system rather than try to break it. During my three-month involvement, I did not attempt to change any processes but rather sought to work with officials by providing focus and links to the private sector. My impression was that all of government, at both ministerial and official levels, welcomed private sector help and saw its value because it was better at actually getting things done. The universal response to my involvement was, 'Is there anything we can do to help you?'

Statement of Truth

I believe that the facts stated in this witness statement are true. I understand that proceedings may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief of its truth.

Signed: _____

Personal Data

16 January 2025

Dated: _____