Witness Name: Matt Hancock
Statement No.: 7
Exhibits: MH7/1 – MH7/273
Dated: 10 January 2025

UK COVID-19 INQUIRY

SEVENTH WITNESS STATEMENT OF MATT HANCOCK

I, Matt Hancock, former Member of Parliament for West Suffolk will say as follows:

1. I make this seventh substantive statement in response to requests from the Inquiry dated 12 and 27 June 2024 made under Rule 9 of the Inquiry Rules 2006 ("the Requests") asking for a witness statement in connection with Module 5 of the Inquiry. Although most of what is below has already been discussed in the Inquiry, this Inquiry works in modules and so has asked that I repeat paragraphs of my previous Witness Statements to the Inquiry where relevant to the matters under consideration in Module 5. None of this evidence can however be taken in isolation, as the events in each module were concurrent to each other and the circumstances of the pandemic affected all of the decisions described below. Nevertheless as requested this statement has been drafted as a 'stand alone' statement for the purpose of Module 5.

2. This statement is to the best of my knowledge and belief accurate and complete at the time of signing. The Department of Health and Social Care ("the Department") continues to work on its involvement in the Inquiry, and should any additional material be discovered I will of course ensure that this material is provided to the Inquiry and I would be happy to make a supplementary statement if required.

3. I served as Member of Parliament for West Suffolk from 6 May 2010 to 30 May 2024. I was privileged to serve as Secretary of State for Health and Social Care from 9 July 2018 to 26 June 2021.

4. This statement sets out my involvement in decisions relating to procurement and distribution of healthcare equipment and supplies in the period between 1 January 2020

and 28 June 2022, and adopts the following structure in response to the Inquiry's questions:

a. An explanation of my role in relation to procurement;

b. An explanation of the role of the Department, officials and advisers in relation to procurement;

c. A chronology of key decisions and policy relating to procurement of PPE, ventilators and oxygen;

d. A chronology of key decisions and policy related to procurement of lateral flow tests and PCR testing equipment;

e. Comments on specific procurement-related issues raised by the Inquiry;

f. My reflections on procurement in the pandemic

5. I have been asked about how I worked with other government departments and ministers, various committees and other bodies on issues relating to procurement and distribution of key healthcare equipment and supplies; this is outlined in the chronology below.

My role in relation to procurement

6. As discussed at paragraph 5 of my Second Witness Statement, as the Secretary of State for Health and Social Care ("the Health Secretary" or "Secretary of State") my motivation was to improve the health services in this country and to save lives. In the early days of the pandemic, huge decisions had to be made very quickly on the basis of very limited information. This was particularly challenging for procurement, because global demand for vital items accelerated at an unprecedented rate, and the task of procurement was very hard. A vast amount of work by a very large number of people was done with diligence, due care and huge effort to save lives. My Civil Service, political, and clinical advisers gave exemplary service, as did many others who stepped up in the nation's hour of need.

7. In a crisis of the scale of the pandemic, a vast number of decisions are taken at great pace at all levels. In those circumstances, sometimes taking no decision may have significant consequences, and the speed at which decisions are taken also impacts the outcome. The approach I took was to set the direction in which we needed to go, based

on the best available advice, and encourage and empower all involved to take decisions to the best of their ability.

8. There were thousands of decisions to be taken every day. One of the central tasks of the Department and wider Government was to make decisions at the right level. The goal in relation to procurement was basic and that was to enable the government to buy supplies to save as many lives as possible in this extraordinary situation. It was that simple. At all times the guiding principle was to take action to make sure the front line had the supplies they needed to save lives. This was extremely difficult. It wasn't just about PPE, the challenge extended to procuring the treatments, medicines, medical devices and clinical consumables we needed to treat those suffering from the virus, and developing tests and vaccines to help life return to normal.

9. As discussed in my 4 October 2023 statement, I did not take substantive decisions over WhatsApp or any other messaging platform. The decisions I took, including those relating to procurement were taken as a matter of formal record, for example via departmental email.

The Department's role in procurement

10. Prior to the COVID-19 pandemic:

    a. the Department was responsible for the UK Influenza Pandemic Preparedness Strategy;

    b. Public Health England (PHE) owned the Pandemic Influenza Preparedness Programme (PIPP) stockpile, which was managed by Supply Chain Coordination Limited (SCCL) on behalf of PHE. PHE was responsible for procuring the PIPP stockpile.

    c. Individual NHS Trusts were responsible for their own procurement, often, but not exclusively through SCCL.

    d. SCCL contracted with Movianto, a private sector contractor, for ambient storage, day to day management of the PIPP stockpile.

11. SCCL was established by the Department in 2018 in response to the Carter report, which had identified inefficiencies in procurement between NHS Trusts and potential costs savings in trusts collaborating to procure supplies. SCCL is a limited liability company,

and all of its shares were owned by my office as the Secretary of State. Trusts are not required to use SCCL for procurement and can buy products by a variety of routes.

12. Typically the Department is not involved in procurement decisions relating to healthcare equipment and supplies; the stockpile the Department had arranged in preparation for a potential no-deal EU exit was an exception.

13. Broadly speaking, the government's spending rounds set out Departments' allocated funding. For example, the September 2019 spending round allocated £132.3 billion to the Department, of which £123.7 was for the NHS for 2020-2021 (MH7/1 - INQ000551258). Put simply, prior to the pandemic, most of the money allocated to the Department by central government was spent and managed by the NHS. When it quickly became clear that we did not have sufficient quantities of key healthcare equipment and supplies we needed to confront a coronavirus pandemic, and that the stockpile we had was going to run out very quickly the Government had to step in, and began to procure equipment and supplies directly.

14. When the pandemic struck, SCCL was overwhelmed by demand and effectively collapsed. In order to buy what was needed, and in the face of extreme global demand for certain goods, a system had to be invented from scratch to move away from local supply from a range of different suppliers to central contracting, central logistical and distribution support, central management of stock and forward purchase planning based upon the best available scientific advice, which was constantly changing as we learned more about the virus.

15. There were no plans in place to gear up domestic manufacturing to the scale needed to ensure resilience in the supply chain. Everyone – PHE, NHS, the Department, Cabinet Office, the Foreign Office, and willing cooperation from the Official Opposition, worked day and night to get supplies of PPE to the right place at the right time. We were all involved. Prior to the pandemic it would have been absurd if the Secretary of State had received messages from individual manufacturers of PPE or to make sure that we had enough gowns and other essential supplies. We put out numerous national calls to arms for supplies, and many people rose to that challenge.

16. Within the Health Department's remit – including the NHS, PHE, and regulators, everybody did what they could to fight the battle. I am proud of the way that the Department geared up and responded, everyone worked all of the hours in a day, in the pursuit of a single goal which was to save as many lives as possible. Insufficient credit

and acknowledgement has been given to the astonishing dedication and determination of this team, to provide what was needed across the UK. In those circumstances you don't expect everything to be perfect, so when action was taken that can later be criticised, for example overpaying for a consignment of PPE, I don't apologise for one minute – because we had one goal above all else: to get what was needed to where it was needed to save lives. While of course theoretically there is a limit to this approach, we were nowhere near it. Given the extreme circumstances the country faced the actions taken to buy at pace were not just warranted, but required.

17. My central lesson with respect to procurement is that a mechanism is needed in the emergency procurement system to protect the people who take the action that saved lives from undue criticism afterwards. I worry that because of the inaccurate commentary, unless this is corrected, in future people will watch their backs too much, fearful of what people might say about their actions. In a pandemic, inaction costs lives. Therefore, I suggest:

    a. government should set parameters about when emergency procurement rules should be triggered, rather than this being a matter entirely for discretion and

    b. emergency procurement should be reformed to speed up Government's capacity to triage offers of supply and optimise for speed of purchase. We had to invent this necessary capacity, and a standing capacity designed in peace time would be valuable.

18. While of course some may seek to take advantage of these circumstances, the vast majority were seeking to make the best contribution they could in difficult circumstances.

Role of Departmental officials

19. Steve Oldfield was the Department's Chief Commercial Officer. Steve led the 'supply' stream of the battle plan. Steve and I worked together closely, and his service was exemplary.

20. Jonathan Marron, a senior civil servant in the Department was the Department's senior officer for PPE, working closely with Emily Lawson, the NHS's National Director for Transformation and Corporate Development. Both served with distinction.

21. The Department was led by Sir Christopher Wormald, who is also an Accounting Officer. Accounting Officers are accountable to Parliament for ensuring that public funds are used for the purposes intended by Parliament, hence individual procurement decisions

made by the Department are signed off by Accounting Officers. Sir Christopher was formidable throughout.

22. David Williams, the Department's Director General Finance and Group Operations since 2015 became a Second Permanent Secretary in DHSC with effect from 6 March 2020. David played a critical role stepping up to the huge responsibilities placed on him. In his role as Second Permanent Secretary he was an additional Interim Accounting Officer ('AO') for the Department (MH7/2 - INQ000273562). During the pandemic David Williams signed off COVID-19 specific procurement activity.

23. DHSC had a dedicated COVID-19 Finance team, established at the start of April 2020 (MH7/3 - INQ000273563).

24. Procurement specialists from the Cabinet Office and Ministry of Defence worked with DHSC officials to assist with the vast increase in the Department's procurement.

25. My role as Secretary of State was to let the officials, who are the experts in procurement, get on with their job. My job was to unblock any barriers in their way, and make sure that the country had the medical equipment and supplies it needed to save lives. The primary barriers for officials were the slowness of the centre of government in initiating emergency procurement procedures, and the lack of preparedness of those procedures for the volume of procurement we had to undertake. I took extensive action to try to alert the centre of government to the severity of the potential pandemic, as detailed in my previous witness statements for this Inquiry. I took action on a Ministerial level to facilitate purchasing, as outlined in the chronology below.

Advisers

26. Over the course of the pandemic a number of advisers came into Government to assist with various strands of work.

27. The pandemic significantly expanded the role of the Department, and therefore the Department required support from senior individuals, who lent their talents to the government, in order to respond effectively.

28. I have been asked to comment on the reasons for the appointment of the following individuals, the skills and expertise each brought to procurement, and the person or persons responsible for the decision relating to their appointment.

Lord Agnew

29. Lord Agnew chaired the Cabinet Office's daily Covid-19 procurement meeting. The Cabinet Office is the lead Department for overall government procurement and has particular responsibility for procurement policy and guidance. Cabinet Office officials lead on procurement policy for the Government across government, therefore it was appropriate that the Cabinet Office minister led that group, and I delegated further attendance to my junior Minister (MH7/4 - INQ000233774; MH7/5 - INQ000233775).

30. I had no involvement with Lord Agnew's appointment.

Lord Bethell

31. Lord Bethell became Parliamentary Under Secretary of State at the Department on 9 March 2020. Prior to this he had been the Department's whip in the House of Lords. I recommended his appointment to the Prime Minister because he is incredibly effective. I gave him Ministerial responsibility for the strands of testing work within the Department. Testing was key to our response to the pandemic, and thanks to the work of Lord Bethell, Professor John Newton, Tamsin Berry, Sir John Bell and many others, although the UK entered the pandemic without the diagnostics capacity needed to deal with outbreaks, by 18th May 2020 everyone aged 5 and over with symptoms of Covid-19 was eligible to be tested.

Lord Deighton

32. The Prime Minister suggested to me that we bring in Lord Deighton to lead on PPE efforts, and I was delighted at the idea. I called Lord Deighton and, along with the help of others in No10, we persuaded him to come in to lead on PPE procurement, based in the Cabinet Office. His volunteer agreement is exhibited at (MH7/6 - INQ000551470). Lord Deighton had previously served as Chief Executive of the London Organising Committee of the London 2012 Olympic Games. Purchasing PPE in the middle of the pandemic was one of the most difficult jobs in peacetime history, and given his track record with the Olympics he was a good fit for this role. Lord Deighton was appointed as a voluntary advisor on 19 April 2020.

Lord Feldman

33. Lord Feldman came into the Department as a volunteer to support the civil service commercial team in finding leads and landing deals to buy PPE. He has a background

in clothing manufacturing and therefore was well placed to assist with this task given that in China, factories that had made clothing began to produce PPE.

Baroness Harding

34. Baroness Dido Harding was appointed as executive chair of Test and Trace as of 7 May 2020. As a condition of her appointment, No10 officials insisted that Dido formally reported directly to the PM, but in practice she reported to me as part of the Department's senior team, and she and I necessarily liaised extensively given the centrality of the Department's work to the Test and Trace programme. She had extensive experience in both the NHS and private sector, having run a FTSE 100 company and as Chair of NHS Improvement, and therefore was impeccably placed to lead Test and Trace, which required integration of the health system and scaling up of private industry. I received a shortlist of candidates from the Cabinet Secretary, and put forward three candidates for consideration by the Prime Minister.

35. In the circumstances of a pandemic the appointment of talented leaders as Advisors is a valuable and effective way of broadening the leadership capacity of the response.

Chronology

Preparedness

36. On coming into post as Health Secretary I was advised that the UK was a world leader in preparations for a pandemic (MH7/7 - INQ000184101; MH7/8 - INQ000184105).

37. The stockpiling of antivirals for an influenza pandemic was given careful consideration with a submission for the business case being sent to me for approval in September 2018 (MH7/9 - INQ000184107; MH7/10 - INQ000184108; MH7/11 - INQ000184109; MH7/12 - INQ000184110).

38. During 2019 I pushed the Department to advance work on a Vaccine Strategy for the UK, and made the case for the £200m necessary funding to deliver it. I thought the attitude to tackling antivax sentiment was complacent, and took steps to put in place a more robust approach. I also requested to the Department for Digital, Culture, Media and Sport to add antivax into the Online Harms White Paper. The immediate purpose was to reverse the UK's loss of measles-free status, which I thought was appalling, but I took action to drive forward vaccine preparedness across the board.

39. Work done in 2019 to prepare for a "no deal" Brexit had included consideration of the impact on pandemic preparedness, including on the devolved administrations (MH7/13 - INQ000184116; MH7/14 - INQ000184117; MH7/15 - INQ000184118; MH7/16 - INQ000184119; MH7/17 - INQ000184120). Due to this work, led by Steve Oldfield, in late 2019 the Department's knowledge of medicine and medical devices supply chains, including vaccines, was greater than at any time in modern history. In January 2020, we were able to redirect Steve's efforts directly to the procurement needed for the pandemic.

40. As I discussed in my Module 1 written and oral evidence, the UK's pandemic doctrine as set out in the 2011 UK Influenza Pandemic Preparedness Strategy was flawed. The UK's strategy was to contain the very early cases, but once capacity to contain a relatively small number of cases was overwhelmed, to turn that capacity off, to give up on controlling the pandemic, and prepare to handle the consequences. So, rather than being ready to act to expand pandemic-fighting capacity at pace, and being ready to act to stop the spread of the disease, preparation was focussed on coping with the overwhelming consequences of the disease, for example how to deal with hundreds of thousands of excess bodies - rather than stopping those people from dying.

41. The Department's awareness of the threat of a global pandemic grew throughout January 2020. In a meeting on the 28th of January Professor Chris Whitty informed us all that in a reasonable worst case scenario 820,000 people in the UK may die. I recognised that we were looking at a catastrophe, and acted as such.

42. Another indication of how bad it was going to get also occurred in on 28 January 2020 when the Foreign Secretary, Dominic Raab relayed a request from the Chinese Foreign Ministry for the UK to put goggles, masks and other equipment on a flight out to Wuhan (MH7/18 - INQ000233745). We realised that if China was reaching out to us now, we needed to be aware how important global cooperation was going to be, so we got what we could onto a flight out to Wuhan. With hindsight this was the correct decision: international cooperation was essential and we anticipated the future need to source PPE from China during the pandemic, in far far greater quantities than the early contribution we made to their response, so this early act of goodwill was prudent.

43. Plans for stockpiling had been based on planning for an influenza epidemic, and we discovered that the nation's preparations for a pandemic of the nature we faced were not good enough, so I had to act to improve our capability.

44. Even with additional supplies stockpiled in preparation for EU exit, we did not have the supplies we needed for a global pandemic. There was no capacity for the radical expansion to an industrial scale for manufacturing PPE, Lateral Flow and PCR testing equipment, ventilators or supplies required for the provision of oxygen.

45. My experience is that preparations both for stockpiling and distribution or healthcare equipment and supplies were insufficient for the challenge the country faced and I took extensive action, described below, to make sure we did everything we could to procure vital equipment and supplies in order to save lives.

46. In these early months we faced challenges on every front. We were dealing with everything at once - this was not work as normal. At the beginning of 2020, my Department was struggling to be heard by some officials in the centre of Government who were sceptical of the alarm bells we were sounding. My view was that we had to wake up the Government and get the country to listen. In the meantime we were pushing on every front:

- Vaccines to be delivered in an unheard of time period of months not years;
- Preparation of emergency legislation;
- Flights back to the UK from China, cruise ships and quarantine of passengers;
- Cobra meetings;
- Building a testing system and contact tracing;
- Preparation for shielding the vulnerable;
- Understanding the virus, mode of transmission, the mortality rate, working out how we would handle the scale of potential loss of life.

47. The first Coronavirus daily meeting in the Department took place on 27 January 2020. In this meeting I asked to be kept aware of any resourcing problems so that the Department could fix this and increase resources accordingly (MH7/19 - **INQ000106067**). This was my approach to resourcing throughout – that I needed to be kept aware of problems and we would do everything we could to fix them.

48. At the end of January 2020 I recall speaking to Sir Chris Wormald about our general approach; my view was that we deal with any legal headaches later, and that the primary

goal above all else was to save lives. No buck-passing. No back-covering. That was my entire attitude to the decision-making process during the pandemic.

49. The next day I asked, via my private secretary, for advice on the rapid development of diagnostic tests for coronavirus. The Chief Medical Officer's private secretary noted in reply that we had received proposals from several groups and companies, and that those that proved promising would be channelled through targeted research funding calls which were being pursued as a matter of urgency. As my private secretary's response notes, I was already being contacted by MPs with other proposals for combatting the virus (MH7/20 - INQ000551260).

50. On 30 January 2020 I discussed the resilience of medicines and consumables in light of COVID-19 with the Permanent Secretary (MH7/21 - INQ000551262). An email from Clara Swinson records an account from the Permanent Secretary that in that discussion I wanted "*reassurance that we are on the case on medicines and stocks*," in response another official records my Private Secretary noting that I wanted to keep the EU exist stockpiles that were intended to be disbanded (MH7/22 - INQ000551259).

51. On 30 January 2020 officials revised a letter to trade bodies and suppliers of medical goods to include references to coronavirus, at my request (MH7/23 - INQ000551261). The revised letter noted that the Department was standing down its continuity of supply plans and preparations for EU exit "*However, due to the implications of the control measures that the Chinese Authorities have put in place to combat coronavirus, we recommend that you consider the resilience of your supply chains when making decisions on how to manage your stockpiles.*" (MH7/24 - INQ000551263) The letter noted that if stockpiles of medicines and medical products were being reduced, the implications of coronavirus and how this might impact supply chains should be considered. The letter also includes "*The Centralised Stock Build (CSB) of medical devices and clinical consumables (MDCC) administered by NHS Supply Chain will be drawn down in a managed way over the next four months, however, where necessary we will amend these plans in response to the evolving coronavirus situation*." I approved the revised letter (MH7/25 - INQ000551264).

52. On 4 February 2020 I met with officials to say that we needed to look at the NHS in terms of capacity and demand for the reasonable worst case scenario in terms of beds, respiratory services and mortuary capacity (MH7/26 - INQ000551265). I agreed to tell suppliers to stop running down stockpiles that had been built up in case of a no-deal Brexit and asked that this be handled sensitively with the EU.

53. On 5 February 2020 I was updated about supplies at a meeting with departmental officials (MH7/27 - INQ000551266). Departmental officials had prepared slides which record that officials were assessing stock levels for products that may see a surge in demand (MH7/28 - INQ000551267). These slides record that SCCL was working to bring stockpiles up to 8 weeks.

54. The CRIP for the COBR meeting later that day included briefing about potential supply chain implications of coronavirus (MH7/29 - INQ000551268).

55. An email from an official on 7 February 2020 records that I had asked for additional stock to be procured that day and that the stockpile of body bags had been viewed as being too low in a meeting I attended earlier that week (MH7/30 - INQ000339116).

56. On 11 February 2020 Steve Oldfield, the Department's Chief Commercial Officer gave an update on supply (MH7/31 - INQ000551272). By this time, a supply chain cell had been established to manage supply issues relating to COVID-19, including representation from the Department.

57. In preparation of this statement I have seen a note prepared for Steve Oldfield the day before this meeting giving an update on Coronavirus and supply (MH7/32 - INQ000551269).

58. The note records, and the briefing I was given at the time was:

    a. The Department is assessing levels of stock for broader products (drugs & consumables) that may see a surge in demand. Through data and stockpiles held PHE, NHS Supply Chain (SCCL) & DHSC, we have great visibility of the stock levels for products that we would need for a pandemic situation. The status of these stockpiles is being monitored daily;

    b. The Department is awaiting details of the WN-CoV escalation scenario modelling from NHSE so that current stock holding can be assessed for adequacy (expected w/c 10 February). In the meantime, we have granted NHS Supply Chain delegated authority to purchase on the open market PPE items of the most concern : FFP3 respirators, clinical waste bags, fluid repellent masks, body bags, clinical waste bags, general purpose detergent and gowns. NHS Supply Chain are now working to secure additional stock of applicable PPE to enhance preparedness;

c. FFP3 respirators are recommended for use in acute care and ambulance settings. To support the potential for demand surge of these products, last week (w/c 3 February) PHE activated a contractual call-off for a further 6.84 million FFP3 respirators . These respirators are scheduled to be delivered from w/c 24th Feb over a 9-week period. PHE currently have an additional 6.83 million stock of out-of-date FFP3 respirators being tested for shelf life extension;

d. SCCL have been asked to see if further quantities of FFP3 respirators can be secured from suppliers. However, production capacity is known to be very limited with the main suppliers and therefore lead times could be months rather than weeks.

59. I was also advised that the Department was assessing the potential medium-term impact on supply chains of controls imposed by Chinese authorities, and that the Department had contacted 75 suppliers with a Wuhan/Hubei touchpoint in their supply chain for information about potential supply risks. I was advised that that week the Department would follow up with non-responders to the Department's contact and the Department would expand its engagement to cover all products with a touchpoint in China.

60. At the meeting Steve commented that the Devolved Administrations had asked to access PHE's stockpiles, which were for England. I commented that the stockpiles should be open to the Devolved Administrations but that we should ask them to also plan to stockpile. While not a formal responsibility of the UK Government in normal times, I was very concerned to ensure adequate supplies across the whole UK, despite lower stockpiles in the devolved nations.

61. At this meeting I commented that the UK Government's prime responsibility is to protect the lives of UK citizens and so we needed to prioritise UK supplies. I asked that we ensure that the Department for International Development (DfID) avoid sharing any of our supplies globally (MH7/31 - INQ000551272).

62. I was shown the tables in the annex to the briefing note about stockpile data.

63. A letter to industry, which I approved, was sent on the same day (11 February 2020) asking suppliers not to run down their EU exit stockpiles and formally requesting they review their supply chains (MH7/33 - INQ000551270; MH7/34 - INQ000551271). I insisted that a line in the draft of the letter be removed, which would have stated that we were *not* asking suppliers to build new stockpiles or rebuild EU exit stockpiles. At this

time my recollection was that officials were concerned not to worry suppliers, as they thought that matters would be resolved. I wanted maximum possible preparation.

64. I met with No.10 Special Advisers on 27 February 2020 to discuss the virus. Steve Oldfield also attended and summarised the Department's actions on supply. His note of the meeting records that I asked about increasing capacity of "the coronavirus testing kit". Steve's note also records that Chris Whitty had asked him to buy oxygen contractors (MH7/35 - INQ000551273).

65. I was provided with further formal advice about PPE stocks on 3 March 2020. The advice noted that the Civil Contingencies Secretariat were considering cross-Government strategies for procuring additional PPE stock. The advice also records that the department had data about three categories of PPE stock:

    a. PIPP stock;

    b. SCCL 'business as usual' stock;

    c. SCCL EU exit preparedness stock.

66. The advice noted:

    "The Covid19 outbreak and the subsequent increase in global demand and imposition of export bans from China has created a serious shortage of personal protective equipment (PPE) required in the management of patients. Chinese authorities have placed embargoes on the export of PPE equipment, which are unlikely to be lifted in the short term. In addition the preparedness measures taken by health and care providers has depleted stock levels of face masks in acute and primary care supply chains to such an extent that these routes will be exhausted within one to two weeks.

    Of all PPE requirements face masks are the most significantly impacted, in particular FFP3 respirators, required for use in treating Covid19 cases in acute care and ambulance trusts, and fluid repellent surgical masks, required for protecting staff that might come into contact with symptomatic patients in primary care. We are also seeing an impact on gowns. Our ability to procure additional stock of these three products is limited.

    …

    Certain PPE products (body bags, clinical waste containers, FFP2 face masks, fit tests & pulse oximetry) do not have a PIPP target. They are not stockpiled as part of the PIPP as they are not included in the WHO Pandemic Influenza Preparedness

guidance. However, clinical advice has suggested that these would be supportive products for COVID-19. Therefore, although we hold stocks of them, and are already attempting to procure more, we do not have a provisional measure of stock adequacy for these products. (MH7/36 - INQ000551274)

67. I reviewed this advice and noted concern that we would run out of PPE. I also noted that we needed to make appropriate steps to ensure supply of body bags, swabs and PPE. I asked if oxygen supplies were a potential risk and if we should take steps on this too. I also asked for a dedicated meeting on supply for COVID-19 response early the next week (MH7/37 - INQ000551276). I have been asked by the Inquiry the point at which I discovered the difference between preparations necessary for an influenza pandemic and those that would have been required for the Covid-19 pandemic we faced. Obviously the fact there are differences was self-evidently obvious from the moment we knew that the disease was a coronavirus. A pandemic almost by definition involves a novel pathogen, so any preparations will always be different to the requirements needed.

68. Supply was discussed at the Coronavirus daily meeting on 5 March 2020. A supply update was prepared for Steve in advance of the meeting, I cannot now exactly recall but would imagine this is the update he shared on the call (MH7/38 - INQ000551275). The update records that we were awaiting NHSE modelling to extrapolate demand and stock adequacy, but that decisions may need to be made without a full data picture.

69. The situation at this time was therefore:

    a. The market for PPE and other medical supplies was exceptionally tight;

    b. We were in competition with every other country in the world for key items;

    c. Our primary source for these items, China, had put embargoes in place;

    d. International air travel and freight, particularly from China, was disrupted.

70. At the Budget on 11 March 2020 the Chancellor announced that the NHS would get whatever extra resources it needed to cope with coronavirus. My view was that we should do whatever was necessary to protect life and end the pandemic as quickly as possible.

Ventilator Challenge

71. I have been asked about my role in relation to the Ventilator Challenge. I received advice from officials on 11 March 2020 about our oxygen surge plan (MH7/39 - INQ000551277;

MH7/40 - INQ000551278). The advice made clear that the UK was likely to have sufficient oxygen, but the big limitation in a coronavirus surge was our supply of ventilators.

72. On 12 March 2020, after the press conference where the Prime Minister announced the decision to move to the Delay phase of our 'Contain, Delay, Mitigate, Research' strategy, we had a debrief in the Prime Minister's study next to the Cabinet room. We talked about the likely need for as many as 300,000 ventilators; and decided to launch a national ventilator challenge.

73. The day before I had asked civil servants whether manufacturers should be asked to build oxygen concentrators, but departmental officials advised that what we needed was for ventilators (MH7/41 - INQ000551279). The next day I approved lines for a letter for the Prime Minister to send to senior industrialists and noted that we had a design specification being worked up but needed manufacturing capacity (MH7/42 - **INQ000477233** MH7/43 - INQ000551280).

74. I have been asked for the reasons that these senior industrialists were selected. I don't understand that I selected particular senior industrialists at this stage – our goal was to reach out to industry, which we did with a public call to arms.

75. The MHRA published a specification for ventilators on 13 March 2020 and the Prime Minister launched the call to arms on 16 March 2020 (MH7/44 - INQ000106234; MH7/45 - INQ000551282).

76. As ever British industry and the British public rose to the challenge, over there as an enormous response, which was triaged by BEIS. At of close of play on 16 March the BEIS helpline had received 434 calls and 716 emails with offers of support (MH7/46 - INQ000551283).

77. I have been asked if there were any issues with sharing intellectual property in the design specification for ventilators or for other key healthcare equipment and supplies. My recollection is that everyone effectively waived their intellectual property and worked together to save lives.

Cabinet Office Procurement Guidance

78. On 18 March 2020, the Cabinet Office, who deal with procurement policy on behalf of the government, issued:

a. Procurement Policy Note 01/20: Responding to COVID-19 (PPN 01/20) (MH7/47 – INQ000000000), and

b. Government Commercial Function Commercial Guidance - Direct Award for Extreme Urgency (MH7/48 – INQ000000000)

79. PPN 01/20 provided formal information and associated guidance on public procurement during the pandemic to all contracting authorities, including central government, local authorities and the NHS.

80. PPN 01/20 noted that, emphasis added:

a. *"The exact response to COVID-19 will be tailored to the nature, scale and location of the threat in the UK, as our understanding develops. However, it is already clear that in these exceptional circumstances, authorities may need to procure goods, services and works with extreme urgency. Authorities are permitted to do this using regulation 32(2)(c) under the Public Contract Regulations 2015* [('PCRs')].

b. *"COVID-19 is serious and its consequences pose a risk to life. Regulation 32(2)(c) of the PCRs is designed to deal with this sort of situation.*

… Therefore, in responding to COVID-19, contracting authorities may enter into contracts without competing or advertising the requirement so long as they are able to demonstrate the following tests have all been met:

1) There are genuine reasons for extreme urgency, for example:

- *you need to respond to the COVID-19 consequences immediately because of public health risks, loss of existing provision at short notice, etc;*
- *you are reacting to a current situation that is a genuine emergency - not planning for one.*

2) The events that have led to the need for extreme urgency were unforeseeable, for example:

- *the COVID-19 situation is so novel that the consequences are not something you should have predicted*

3) It is impossible to comply with the usual timescales in the PCRs, for example:

- *there is no time to run an accelerated procurement under the open or restricted procedures or competitive procedures with negotiation;*
- *there is no time to place a call off contract under an existing commercial agreement such as a framework or dynamic purchasing system.*

4) The situation is not attributable to the contracting authority, for example:

- *you have not done anything to cause or contribute to the need for extreme urgency. (*MH7/47 – INQ000000000)

81. Similarly, the Government Commercial Function Commercial Guidance - Direct Award for Extreme Urgency provided guidance for officials about procurement during the pandemic. It noted that:

"*COVID-19 will likely result in a range of extremely urgent requirements for the procurement of goods and services of a type and/or volume that an Authority may never previously have required and/or which may fall outside the scope of existing contracts. It may also result in interruptions to essential goods and services due to its impact on particular suppliers (where other suppliers may not be so impacted for various reasons). Authorities may therefore be required to obtain urgent services or supplies for which they have no current suppliers, relevant contracts and/or time to procure via normal routes or which the current supplier may not have capacity to supply*." (MH7/48 – INQ000000000)

March 2020 response to acute supply issues

82. I held a meeting with officials about supply issues the next day (19 March 2020). At that meeting I decided:

a. PPE was to be separated out as an acute issue. Military support would be used to pack and distribute PPE stock but distribution would be procured through standard lorry companies in parallel.

b. Each NHS Trust would have a standard pack [of PPE] by the end of the weekend; Trusts would be divided into large, medium and small both in terms of size of hospital and size of epidemic with a standard pallet delivered by end of the weekend;

c. PIPP stockpiles were to be considered deployable for frontline needs.

83. I directed Steve Oldfield to make sure there was sufficient security for the PPE warehouse, including military support, that same day.

84. I have been asked when I first became aware that SCCL were likely to be overwhelmed by demand and collapse. I suspect it will have been around this time, in discussion with Steve Oldfield. I took the above actions in response.

85. We needed more PPE. I wanted to have a team on each individual PPE item, and directed that we should buy in scale what we have and what we could make. I asked the NHS to publish specification of what we needed online. I also asked that anyone with testing capabilities be asked to come forward (MH7/49 - INQ000551284).

86. At this time the Government's Chief Commercial Officer (Gareth Rhys-Williams) was leading on the ventilators, DHSC was leading on procuring testing kits and PPE, supported by the Cabinet Office, and DHSC was leading on oxygen supplies (MH7/50 - INQ000551286). I have been asked by the Inquiry why PHE and or SCCL did not lead on procuring testing kits and PPE. The answer is that they did at first, but when it became clear PHE and SCCL did not have the capacity to lead a national procurement endeavour of this magnitude the Department had to step in and lead in this area.

87. I have been asked when I decided that DHSC should lead on procuring testing kits and PPE. I decided that DHSC should lead on procuring testing kits on 17 March 2020 because it became clear that PHE and NHSE could not scale testing as required, see paragraphs 194-197 below. I decided that DHSC should lead on PPE on 19 March 2020, when it was clear that central leadership was needed.

88. On 21 March 2020 I had a series of calls on ventilator supply and broader supply related issues (MH7/51 - INQ000551287). My private secretary's note records that I reiterated the need to progress as far as possible the procurement of additional ventilators and in parallel look into the process of developing more products (keeping every option open). There was a discussion of the involvement of Dyson, I agreed that we should work with Dyson on the innovative side of developing more ventilators but accepted that they may not have the processes in place to fulfil immediate demand.

89. My experience of dealing directly with Dyson and other senior industrialists was that everyone was trying their hardest in very difficult circumstances to contribute to the national effort. I have been asked how in the future their skill, expertise and capacity

may be used in the event of a future pandemic, and my recommendation is that public calls to action are used to source valuable contributions from industry. Some have criticised public calls to action because they generate a wide range of responses, not all of which are credible. However this downside was vastly overshadowed by the role of a public call to action in bringing forward supplies and galvanising the system.

90. On 22 March 2020 I attended a COVID-19 Health Ministerial Implementation Group meeting. The minutes record that:

> *"many private companies have offered support with production or procurement of supplies and tracking those offers is important. The agreement reached between the NHS and independent healthcare providers increases ventilator capacity by 1,200 (including theatre and recovery bays). More granular detail should be included in the metrics on supplies of ventilators, other oxygenating equipment, medications and PPE. Projected demand for PPE should be included in the metrics, and based on a more intense requirement given the difference between PHE and WHO guidance. Distribution of PPE is now being supported by the military. Work on frontline access to PPE should be extended to cover both primary and secondary care, community care and Adult Social Care. The General Public Sector Ministerial Implementation Group will create an order of priority for PPE distribution to the wider frontline workforce which will then interact with the priorities within the health and social care sector;*
>
> *the workstream on testing needs to include both supply chains relating to tests, as well as keeping track of volumes of tests administered in totality, and to specific groups such as frontline key workers."* (MH7/52 - INQ000055942)

91. On 22 March 2020 I received advice from the Department about its efforts to secure additional PPE from China. I was advised that the Cabinet Office Complex Transactions team were working alongside DHSC and NHSE&I Commercial to negotiate PPE purchases, including via the Beijing embassy. I confirmed that I was content to proceed with a purchase of 1 million FFP3 face masks the team were looking to conclude that day, or risk losing the supply (MH7/53 – INQ000000000).

92. The battleplan, published on 22 March 2020, included supply as one of the 6 workstreams. The battleplan evolved over the course of the pandemic, and I have exhibited the battleplans in place during my time as Secretary of State (MH7/54 - INQ000234336). The 6 workstreams were:

- Resilience (NHS and social care);

- Supply;
- Testing;
- Technology (which included new treatments and vaccines);
- Social distancing;
- Shielding; and
- Cross-cutting.

93. The very first version of the battleplan noted that we would key performance indicators for supply would include:

    a. Volume of oxygen ventilators; existing, new and planned,

    b. Stock levels of PPE, now and planned, broken down by product

    c. Supply of swabs and tests

    d. Volume of calls to NSDR

    e. Front line access to PPE (NHS, social care and others)

    f. Volume of treatment medicines purchased.

94. On 21 and 22 March 2022 officials developed what became the 'parallel supply chain' for PPE, led by the creation of a 'PPE cell', formed largely of commercial specialists from the Cabinet Office, who worked with DHSC, SCCL and Foreign Office colleagues to identify potential sources of PPE. Purchases were subject to approval from a DHSC AO. The PPE cell had four teams: Buy, Make, Purchase to Payment ('P2P'), and logistics, led by Brigadier Prosser of the MoD. The cell included commercial specialists to respondent to what became known as the 'high priority lane', see below.

95. On 23 March 2020 I formally approved a request from the NHS for military aid for PPE distribution (MH7/55 - INQ000551289; MH7/56 - INQ000551290). One of the problems that the warehouse where the PIPP stockpile was stored was in 'deep storage' in the north-west and not designed for rapid access, so that we needed military assistance to physically get the stockpile to the front line.

96. I have been asked what role I played in the replacement of Unipart by Clipper Logistics. I don't recall having a role in this issue, and believe it was managed by the Parliamentary Under-Secretary of State for Prevention, Public Health and Primary Care, Jo Churchill MP.

Introduction of Treasury conditions

97. Coordination with HM Treasury about spending, adherence to Treasury conditions, and monitoring inventory and expenditure during the pandemic typically took place at an official-to-official level. Officials in the two departments have a great deal of experience working together, and my role was to get involved as and when issues arose. My view is that these arrangements for coordination worked well during the pandemic due to the professionalism and expertise of civil servants in both Departments.

98. In response to the pandemic the Department needed substantially more funding than it had been allocated in September 2019. Additional funding envelopes for the Department were agreed by the Treasury, and came with conditions attached. For example on 25 March 2020 the Chief Secretary to the Treasury approved:

- *A CDEL envelope of £330m for ventilator and all linked purchasing including monitors (this includes the £130m already approved for monitors);*
- *A £100m RDEL envelope for PPE purchases;*
- *Expanded scope and size of the home testing kit delegated fund to cover all testing kit workstreams and increase it to £300m RDEL in total;*
- *All envelopes allow DHSC to cover standard purchases as well as payments in advance of need where necessary (deposits and prepayments).*

on the condition that the Department:

- *Ensure any foreign companies are considered reputable by FCO and the local British Embassy, and assurances provided to DHSC in writing;*
- *Ensure all equipment has the appropriate medical certification and commercial colleagues have sought and taken all reasonable action to review time-stamped pictures of the equipment;*
- *Confirm that all stock will be medically inspected as fit for purpose before distribution to NHS Trusts and/or use;*
- *Ensure commercial teams have reviewed purchase contracts and confirmed they see no terms and conditions that represent unacceptable risk to Government;*

- *Make all reasonable attempt to ensure prices are <25% above the average unit price paid to date;*
- *Ensure DHSC AO has signed off each payment given potential issues with propriety, regularity, vfm [value for money] and feasibility;*
- *Share details with HMT of all individual procurements; including supplier, product type, volume of goods purchased, unit cost, certification details and written assurances from Embassy/FCO;*
- *Provide HMT with a weekly tracker on purchases made and potential upcoming purchases, and how progress tracks against demand in the system; and*
- *Keep any deposit payments and prepayments to a minimum. (MH7/57 -* INQ000273559)

99. I received a submission from David Williams on 27 March 2020 which explained that "*necessary spend on the coronavirus response may mean that the Department and its ALBs are unable to live within the level of resources authorised for 2019-20 by Parliament through the Estimates process.*" (MH7/58 - INQ000551296)

100. The 27 March 2020 submission explained "*the Department and the NHS are fully committed to tackling CoVID-19 and we have been working on the basis that availability of funding should not prevent the right actions being taken at pace. We have been working closely with HM Treasury officials who concur with this approach, reflecting the Chancellor's Budget announcements whilst applying proportionate scrutiny and due diligence to rapid spending decisions."*

101. This submission also gave what I think is likely unparalleled advice for the Civil Service to have given a Secretary of State since the Second World War, emphasis mine:

> *I also want just to put on the record that for certain categories of spend (e.g. PPE, testing equipment, ventilators) we are dealing with unknown foreign companies, seeking cash payments in advance in foreign currencies and sometimes with limited ability to demonstrate that the stock we want is available in the quantities we are contracting for. In normal circumstances this would be a concern on both grounds of propriety and value for money given the risk it poses either of loss or fraud. We are applying sensible due diligence where we can, including through assurances provided by our Embassies abroad and through Cabinet Office commercial experts, consistent with the need to move at pace, but these are not fool proof. <u>These are not, however,</u>*

normal circumstances and Chris Wormald and I are both comfortable from an Accounting Officer perspective that a higher risk appetite here is entirely appropriate. It would be helpful to confirm this is in line with your own risk appetite. Given the circumstances, we are also spending on a precautionary or "no regrets" basis even if in the end not everything we buy is needed or can come onstream in the timelines we will need.

…

We have streamlined our approvals and scrutiny to be agile as required. We continue to work with HMT to apply proportionate due diligence and agree approval envelopes. I am satisfied this allows us to respond as quickly as needed while maintaining appropriate safeguards. (MH7/58 - INQ000551296)

102. David was (and is) an extremely experienced government finance professional. His comments on the risk appetite being entirely appropriate and supported by Sir Christopher Wormald, also an extremely experienced civil servant, is evidence of how serious the situation we were in was.

103. I confirmed that I was content with the advice, including the risk profile, the next day (MH7/59 - INQ000551297).

104. Sir Christopher Wormald and Sir Simon Stevens formally wrote to me that day stating that they could not be certain that new COVID-19 related expenditure could be contained within the Departmental Expenditure Limits approved by Parliament through the Estimates process and requesting a formal ministerial direction (MH7/60 - INQ000279919).

105. I replied the next day and thanked them and their teams for the work they were doing with Treasury colleagues to ensure that availability of funding was not a barrier or delay to the actions we needed to take. On that basis, and recognising the extraordinary circumstances the country was facing, I approved that the Department and NHS continue to work in this way, even where this meant spending in excess of formal Departmental Expenditure Limits (MH7/61 - INQ000279920).

106. I have been asked to describe my experience of working with HM Treasury to agree funding envelopes for the procurement of key healthcare equipment and supplies during the pandemic, in particular for PPE, testing kits, equipment for lateral flow and PCR tests, and ventilators. My experience was that HM Treasury worked closely with

Departmental officials to enable the Department to purchase vital equipment while managing public money prudently.

107. I have been asked how I would describe the systems which the Department had available to it to help predict expenditure during the pandemic; I did not have involvement with these systems and suggest others are better placed to describe them. The Department did commission extensive modelling and forecasting of PPE consumption and supply, but it's hardly surprising that estimates were very difficult, given we were in an unprecedented global crisis.

108. I only became involved in engaging with HM Treasury when it was clear that Treasury rules were blocking vital purchases, see paragraph 118-119 below.

Establishment of supply workstreams

109. At the start of April 2020 there were various supply workstreams as per slide 5 of (MH7/62 - INQ000551325). The scale of direct emergency central government procurement was unprecedented in peacetime.

110. At a meeting on 9 April 2020 on medicines supply I was advised about supplies for critical ITU medicines and potential COVID-19 treatments (MH7/63 - INQ000551312).

PPE Plan

111. On 10 April 2020 we published the PPE Plan. This described the parallel supply chain that had been set up and the Government's approach to PPE procurement:

> *"A new, dedicated unit has been set up to focus on securing supplies of PPE, while ensuring that specifications match clinical need, supply chains are secure, fraud is mitigated and the best value for money is achieved in a high demand market.*
>
> *Expert procurement professionals from the NHS Supply Chain have been seconded into this dedicated new unit to work with a cross-government team of over 200 staff from the Government Commercial Function. This unit is identifying PPE suppliers from across the globe to meet the increasing demand for a growing list of PPE products. This effort has been equivalent to establishing a new national supply system in the space of 2 weeks.*
>
> *Our Foreign and Commonwealth Office (FCO) teams across the world – and in China specifically – have ensured that local sources are able to deliver the products required,*

as well as working with the central teams to secure inbound logistics and freight operations at speed. The Department for International Trade has also stood up a global network to co-ordinate the PPE sourcing augmenting the FCO's work so that faster fulfilment can be delivered.

This is enabling us to pull together a global list of the UK's PPE needs. We are taking an open source approach and involving our partners around the world in a co-ordinated procurement programme.

We have also worked closely with the UK's public health agencies and clinicians to identify specifications to meet a variety of clinical needs. These specifications are used to engage with suppliers and to cross check that the products produced meet the specifications before they are dispatched to the UK. A further check against the specification is undertaken prior to products being delivered to the point of use.

Due to the rising demand for PPE, we recognise that organisations have been concerned about accessing such a limited market and have been frustrated in trying to source PPE themselves in competition with other countries. As the new sourcing system develops for the whole public sector, it will no longer be necessary for each organisation to compete for supplies in a very restricted market.

There are no restrictions in place on individual organisations sourcing PPE from suppliers, providing the PPE is compliant with requirements. It is important that where a supplier has further stock, organisations direct these suppliers to Offer coronavirus (COVID-19) support from your business so that the national buying team can follow up these suppliers to secure wider stock for the NHS. (MH7/64 - INQ000106347)

112. The PPE Plan also included a 'call to action' - the 'make' strategy of encouraging UK manufacturers to produce PPE. We published the technical specifications for PPE alongside the PPE Plan and provided a link to the portal where businesses could offer support.

113. The PPE Plan also explained the PPE distribution strategy which had been created almost from scratch involving the NHS, industry and armed forces. This included distribution strategies for primary care, social care, and the mobilization of a national supply disruption response system to respond to emergency PPE requests, including via a 24/7 helpline.

114. The PPE plan explained how the Department was working with the 4 nations to supply PPE equitably, while each devolved administration managed its own distribution system.

115. I attended the 10 Downing Street press conference on the same day the PPE plan was published. I said:

> *"The third strand [of our PPE plan] is about future supply, which is making sure we have enough PPE to see us through the crisis. We are using up PPE on an unprecedented scale, so we are constantly buying more from abroad and now making it at home.*
>
> *Our PPE sourcing unit is securing new supply lines from across the world, ensuring that what we buy meets rigorous standards. This includes teams from the Foreign Office and the Department of International Trade, out in the Far East especially, buying directly from manufacturers, and teams in Whitehall focused on rapid freight operations to get it here. We've published the standards that we'll buy against, along with our global shopping list.*
>
> *And it's also about ramping up domestic production as well. Going into the crisis, we did not have a major domestic PPE manufacturing industry. So, like with ventilators and testing, we're creating one.*
>
> *Many businesses have generously come forward with offers to turn over their production lines as part of this national effort. In particular, I want to thank Burberry, with their offers of gowns; Rolls-Royce and McLaren, who are creating visors; Ineos and Diageo, who are producing hand sanitiser. We're talking to many others and we want more to step up to the plate.*
>
> *So, if you've got production facilities and you can meet our published technical specifications, we want to hear from you so we can make this kit here in Britain that will keep people safe. This is our comprehensive PPE plan to protect the people who protect us to make sure they have the kit they need to do their jobs safely and with confidence. (MH7/65 - INQ000478869)*

116. As always, the response from UK businesses and the public to the call to action was excellent.

Further procurement changes

117. On 18 April 2020 the Chancellor of the Duchy of Lancaster, with responsibility for the Cabinet Office, and I agreed that we should draw up a protocol to allow key FCO posts directly to authorise purchase of urgent PPE stocks, balancing the need for speed with appropriate due diligence. He asked that we include an explicit instruction to buy above market value if needed, which I agreed should be included in the protocol. I also asked him to instruct the Civil Contingencies Secretariat and his Cabinet Office team to buy faster, with more risk, and at higher prices if needs be (MH7/66 - INQ000551344). The Inquiry have asked what the antecedent system for direct purchases by the FCO was, my understanding is that prior to this protocol FCO officials in Beijing were sourcing deals which were authorised by Departmental officials, rather than purchasing directly.

118. As the then-Chancellor explains at §54 of his Module 2 witness statement, on 20 April 2020 at the 915 meeting I raised with him an issue that I was concerned that the requirement to make reasonable attempts to "*ensure prices are <25% above the average unit price paid to date*" condition was slowing down purchasing, because prices were shooting up.

119. On 20 April 2020 the Chief Secretary of the Treasury agreed to relax the 25 March 2020 conditions on due diligence for PPE purchases. This change meant that we would "take all reasonable action" to ensure equipment had the appropriate medical certification, rather than ensuring that equipment had certification prior to purchase. In turn we would notify the Treasury within 24 hours if any PPE stock failed the checks and tests carried out in the UK before reaching the NHS, and would undertake action to recover payment where contractually possible (MH7/67 - INQ000551347). The new protocol for the FCO included a simplified checklist for named posts/Ambassadors, which did not include a 25% condition (MH7/68 - INQ000551342).

120. On 20 April 2020 the Prime Minister raised concern about current and projected PPE shortages, and emphasised we must take all possible steps to avoid a situation where we were having to ration supply or ask staff to modify usage due to shortages. I was asked if I had the staffing capacity, expertise and resources I needed. I raised the importance of the culture in the buying teams, and suggested that the recent change to the buying protocols would help. The Prime Minister agreed that in the current market, concern over fair price should not be an obstacle. I flagged that there had only been capacity to respond to around half of the c.7,000 offers of assistance that had been received and more staff with commercial experience would help (MH7/69 -

INQ000551352). One issue was that as the team was inundated with offers, potential donors or suppliers would send follow-up emails chasing their initial offer, adding to the volume of correspondence. Some donors or suppliers would then contact their MP, who would then contact me, another Minister, or a civil servant within the department, further increasing the volume of correspondence. As time was of the essence for many offers, this understandably caused confusion and frustration.

121. For example, on 22 April 2020 Rachel Reeves MP wrote to the Chancellor of the Duchy of Lancaster, and included an annex of 35 companies of individuals which she suggested had the capacity to manufacture PPE and had contacted the government to offer to do so. Her letter included:

> "*as the Labour Party have made clear, we want to help the Government in the national effort to defeat the Coronavirus, and that is why I wanted to pass the details of these offers on to you at the earliest opportunity*."

and

> "*Of these firms, if just one, five or ten were able to contribute to the national effort of ensuring that our NHS and care workers -and indeed anybody who needs to use some form of Personal Protective Equipment and clothing -could be better protected, or just one hospital or care home were able to access adequate supplies of the PPE they need, I know you will agree that that would go a long way and make a big difference.*"

and

> *"We need government to strain every sinew and utilise untapped resources in UK manufacturing, to deliver essential equipment to frontline workers. This must be a national effort which leaves no stone unturned." (MH7/70* - INQ000551356)

122. I entirely agreed with these propositions.

123. The letter also alleged that the companies listed had not received a reply after contacting the government. The Chancellor of the Duchy of Lancaster confirmed in his reply on 2 May 2020 that officials had sought to contact every company on the list to discuss any potential offer. Officials could only find records of contact from 18 of the 35 Rachel Reeves MP had listed. A contract was already in place with one company which had made contact with the government, and six others were under review (MH7/71 - INQ000551368).

124. On 24 April 2020 the Chief Secretary to the Treasury wrote to me and the Chancellor of the Duchy of Lancaster to confirm funding envelopes agreed between HMT and DHSC for ventilators, PPE and testing programmes, and between HMT and the Cabinet Office for the UK manufacture of ventilators (MH7/72 - **INQ000480114** separate letter set out conditions for this funding (MH7/73 – INQ000000000).

125. On 25 April 2020 Gareth Rhys-Williams, the Government's Chief Commercial Officer, sent me an update by Whatsapp. He noted the have made "*good progress on eating into the 'uncalled-back' – (3800 calls made between wed lunch and Friday 4.45); should be clear by wed depending on how many more come in…*" (MH7/74 - INQ000551360)

126. On 4 May 2020 an email from my private secretary noted that he had been asked to pick up specific PPE queries that came to me, and for these to be overseen by Lord Deighton's office (MH7/75 - INQ000551371).

127. On 11 May 2020 my private office was sent updated guidance on how to route offers of supply to the commercial team. This email noted I had announced to MPs that a specific mailbox had been set up for MPs to chase or escalate offers which constituents or those who had contacted them had made (MH7/76 - INQ000551378).

128. I have been asked about data management systems used to manage and triage offers. The officials who directly managed these systems will be better placed to answer these questions.

High Priority Lane

129. Although I was not involved in the setting up of the high priority lane my understanding of its origin is that private offices, that is, Ministers' officers, were receiving large numbers offers of help relating to ventilators, tests and PPE. On 6 April 2020 a civil servant from the Cabinet Office working as part of the PPE cell emailed Lord Bethell, Michael Gove, and Lord Agnew's private offices explaining that the vast majority of PPE offers should be asked to complete the online coronavirus support from business survey to be triaged by the PPE cell.

130. A separate email address was provided for PPE offers which were personal recommendations from or a contact of a minister or senior official. Different email addresses for testing kit offers and ventilators were provided (MH7/77 - INQ000496810). This is an entirely common process in Whitehall; there are mechanisms for MPs to directly contact parts of 'the system' on behalf of their constituents, for example for assistance with queries about passports, driving licenses or the Homes for Ukraine

scheme. It makes sense that such a system was set up take to take referrals from MPs and peers, but also senior civil servants or people within the health service who had access to credible offers.

131. Offers referred to the high priority lane were subject to due diligence and signed off by civil servants as with every other offer of assistance received. Although I was not involved in setting up this system, I was not surprised because such a system is regularly used in Government to manage such circumstances – like the MP passport office hotline, or the Home Office service to support MPs with inquiries about Ukrainian refugees. The reason is that MPs represent people, and part of their job is to triage enquiries to Government.

132. I have been asked if offers referred to the email address were disproportionately from supporters or donors to the Conservative Party. Because I was not the recipient of the referrals I am unable to answer this question. I have been asked to set out any offers I received connected with other political parties. The offer received from Rachel Reeves MP is described at paragraph 121 above. I received offers of assistance from former MPs from other political parties, including Tom Watson (MH7/78 - INQ000551288) and Norman Lamb (MH7/79 - INQ000551361; MH7/80 - INQ000551362). Again this is hardly surprising as it reflects part of the job of a Member of Parliament – opposition MPs take up issues with Ministers all the time.

133. I have been asked about referrals I made to the high priority lane. Unsurprisingly, as Secretary of State for Health, I received numerous offers of help and products from a wide range of people, some of whom I knew, and some who I did not. I used the system put in place to triage enquiries. I passed on offers to the person I believed to be most relevant for that particular issue, or once it was established, the high priority lane. Not to do so, in the circumstances, would have been a dereliction of duty.

134. Below I have commented on five offers which were processed through the HPL where I have been publicly named as a source or referrer. Considering each in turn:

JD.com

135. I received a message from Aidan Barclay on 24 March 2020. He explained that a partner in China had offered his retail business a supply of face masks and goggles. I asked him to email details of the offer to me (MH7/81 - INQ000551291). I forwarded the email I received to Steve Oldfield (MH7/82 - INQ000551292). Mr Barclay messaged me again on 26 March 2020 that he had seen a copy of an email to my team on items they could

obtain from Chinese partners. I explained in reply that I hadn't seen this email, and asked that it be sent on to me, but was reassured that the team were taking this forward (MH7/82A -). I was forwarded the email, which I could see had been sent to Steve Oldfield and Emily Lawson (MH7/83 - INQ000551293). I received another message from Mr Barclay and explained in reply that I had chased the offer, the team was progressing the offer, and the key was finding where the actual stock would come from (MH7/84 - INQ000551295). I explained to Jonathan Marron that the offer needed to be looked into, and indicated that I would be grateful for feedback once someone had done the due diligence (MH7/85 - INQ000551298). Jonathan then emailed the source and explained that he would ensure the buying team get back to him (MH7/86 - INQ000551299). Jonathan updated me that a civil servant from the PPE cell had contacted the source (MH7/87 - INQ000551300).

Excalibur Healthcare

136. I received an offer of face masks from Sir Christopher Evans of Excalibur Healthcare on 8 April 2020. I forwarded this offer to Jonathan Marron, who was leading on PPE procurement at the time (MH7/88 - INQ000551309; MH7/89 – INQ000000000).

137. For completeness, I also discussed ventilators and testing with Sir Christopher Evans, and have exhibited the relevant messages and correspondence (MH7/90 - INQ000551302; MH7/91 - INQ000551307; MH7/92 - INQ000551359; MH7/93 - INQ000551332; MH7/94 - INQ000551301; MH7/95 - INQ000551303; MH7/96 - INQ000551304; MH7/97 – INQ000000000; MH7/98 - INQ000551328; MH7/99 - INQ000551330)

Nine United Ltd

138. On 11 April 2020 I was copied into an email from Lord Feldman to civil servants in the Cabinet Office about a sourcing business, Nine United, which was supporting the Danish government, including with PPE, and had offered to help the UK (MH7/100 - INQ000551313). I replied to Lord Feldman and asked if Emily (Lawson) knew about the offer. He replied that he thought the offer was very serious given the supplier's scale of work with the Danish government (MH7/101 - INQ000551315). I had received an email the day before, which made a similar offer and explained they had tried to access the right people within the NHS but struggled to get through to a decision-maker (MH7/102 - INQ000551310). I sent the gown specifications we were looking for, and copied in Emily Lawson (MH7/103 - INQ000551311). For context, at this time we were concerned

that supplies of gowns were extremely low – we had none in storage and were relying on deliveries to come in each day (MH7/104 - INQ000478872).

139. Lord Feldman sent me more information about Nine United and subsequently forwarded me an email chain between Nine United and a civil servant discussing the potential buying model (MH7/105 - INQ000551314; MH7/106 - INQ000551317). Lord Feldman also sent me an email from Nine United that copied in a Danish contact (MH7/107 - INQ000551318), and his email forwarding that email to the priority appraisals mailbox and cabinet office civil servants (MH7/108 - INQ000551319). I replied to Lord Feldman and copied in Jonathan Marron. I explained to Lord Feldman that we had an urgent need for gowns. I asked Jonathan if our buyers were complaining about not being able to buy due to process and our approach, if it was time to change our approach (MH7/109 - INQ000551320). I then copied Jonathan into the chain with Nine United and explained he would take this lead forward (MH7/110 - INQ000551321). I understand Jonathan then also sent that offer to the priority appraisals mailbox, Emily Lawson, and a Cabinet Office civil servant (MH7/111 - INQ000551474).

140. I explained to Lord Feldman that I had asked Jonathan to look into this offer from a policy point of view – I was concerned that credible but novel or innovative offers were getting 'stuck' in the system, which was borne out by an email I got two days later from Lord Feldman identifying issues Nine United had had going through the conventional procurement route (MH7/112 - INQ000551322; MH7/113 - INQ000551324). I asked Jonathan Marron to watch progress of an offer of surgical gowns from Nine United like a hawk because at that time we were very short on gowns and I was worried that the system would miss a credible offer (MH7/114 – INQ000000000). I was given updates by a Cabinet Office civil servant and Lord Feldman (MH7/115 – INQ000000000; MH7/116 - INQ000551343; MH7/117 - INQ000551331; MH7/118 - INQ000551340). In short, civil servants worked with Nine United's agent and had more confidence that the flows of gowns he was proposing were additive, the product had passed quality assurance, and they would gain extra confidence in supply as discussions progressed (MH7/119 - INQ000551329). The deal was approved by Emily Lawson and David Williams given it was for gowns with a favourable delivery schedule (MH7/120 – INQ000000000). I was copied into an email exchange between Lord Feldman and a Cabinet Office civil servant about a subsequent issue relating to shipping. The civil servant advised that there was nothing I needed to do to intervene so I took that advice (MH7/121 - INQ000551377).

141. For completeness, Lord Feldman also copied me into an email he sent to Professor John Bell on 11 April 2020 about an offer of antibody tests via Nine United which had been approved by the Danish government (MH7/122 - INQ000551472).

Monarch Acoustics Ltd

142. On 17 April 2020 I received an email from Monarch Acoustics offering PPE. I replied and copied in the priority appraisals mailbox, and sent a link to our publicly available list of requirements for PPE. The supplier chased me for an update on 19 April, and I asked the cabinet office team via the priority appraisals mailbox (MH7/123 – INQ000000000). I was provided with an update by a civil servant the same day, she explained that the supplier was going to send over the certifications and photos needed to get products through the assurance process (MH7/124 – INQ000000000).

143. The only follow up was that the supplier sent me an email congratulating me on meeting my testing target, which I thanked him for (MH7/125 - INQ000551367). The supplier also sent an email about freezers for the vaccine roll-out, I cannot see that I responded to this email (MH7/126 - INQ000551443).

Cargo Services Far East Ltd

144. On 20 April 2020 I got a message from Andrew Percy MP asking "*Matt. I know you getting lots of this but through some canadian contacts ive a guy who is a well established Hong Kong shipping magnate claiming he has lots of PPE including aprons and coveralls he can get to UK within 48 hours They are providing proof of their contracts with NSW gov and Danes and portugese. I know so many crackpots and fakes out there but what should i do?*"

145. I told Andrew to please email me, and asked if they had actual kit, as if so, we were very interested, but weren't so keen on middlemen chancing their arm (MH7/127 - INQ000551349). He emailed me the same day, and I forwarded the email to the priority appraisals mailbox (MH7/128 - INQ000551348; MH7/129 - INQ000551350). I confirmed to Andrew that I was on it (MH7/130 - INQ000551351).

146. Andrew messaged me the next day, "*I sent that ppe case through. Cabinet office made contact and said they wanted the kit. The company have come to back to me to say that Cab office still dragging feet on contract so the gowns are going to be gone by the morning as they have customers in US. Ive tried to contact the Cabinet Office guy again who they have been dealing with. Not sure anything you can do.*" I asked Andrew to

contact the supplier and copy me in. I explained that this was a constant problem, and I had changed the protocols the day before so civil servants could just buy (MH7/131 - INQ000551354).

147. Later that day I was copied into an email chain including a Cabinet Office civil servant and one of my special advisers. The civil servant explained that there was a problem with verifying the specification and provenance of the equipment, and that the equipment couldn't be taken into the supply chain without stronger proof it was safe (MH7/132 - INQ000551353).

148. I messaged Andrew the next day and explained that equipment verification was a 'total nightmare' and asked if he had seen the story about Spain buying 350,000 useless masks and now having thousands of nurses in isolation as a consequence (MH7/133 - INQ000551355). On 26 May 2020 Andrew messaged to update me that the supplier had been contracted to supply PPE (MH7/134 - INQ000551381).

149. I have been asked to comment on three additional suppliers. Considering each in turn:

NKD International Ltd

150. On 11 April 2020 I received a message from Dame Donna Kinnair, Chief Executive and General Secretary of the Royal College of Nursing about gown shortages. She said that George Farha could get FDA approved gowns by Wednesday. I asked her to get George Farha to email me direct (MH7/135 - INQ000551316).

151. George Farha sent me two emails on 12 April 2020. I forwarded his contact details to Jonathan Marron (MH7/136 - INQ000551323). I copied Jonathan into my reply, and explained Jonathan would take his offer forward (MH7/137 – INQ000000000). On 13 April I tried to call George Farha because Donna had told me they could accelerate the gowns delivery and get them here tomorrow (MH7/138 - INQ000000000).

152. Also on 13 April I was copied into and forwarded emails between George Farha and Chris Hall, the Cabinet Office's Deputy Chief Commercial Officer (MH7/139 - INQ000000000; MH7/140 - INQ000000000; MH7/141 - INQ000000000; MH7/142 - INQ000000000; MH7/143 - INQ000000000; MH7/144 - INQ000000000). In response to a query from George Farha I explained that Jonathan Marron was the best counterparty in the Department.

153. On 14 April 2020 I asked Chris Hall for an update on the offer from George Farha because I was being chased (MH7/145 - INQ000000000). Chris explained that George

Farha had secured the first consignment of gowns, but we still needed to find out exactly what they were (MH7/146 - INQ000000000).

154. On 15 April 2020 I thanked George Farha for his hard work on this (MH7/147 - INQ000551326).

155. On 16 April 2020 I asked Jonathan Marron and Chris Hall for an update because Donna Kinnair had called me complaining that they did not have a PO number (MH7/148 - INQ000551333). I forwarded an email from George Farha explaining that he had passed the 10,000 gowns on as he didn't receive the certification documents the Department required (MH7/149 - INQ000551334).

156. On 16 April Chris Hall sent me an update:

> "*As you requested, I talked to Dame Donna on the phone just now*
>
> *As you anticipated, she is angry and concerned about the shortage of gowns - she quoted the Excel Nightingale where she says that they have only 2 days supply.*
>
> *I explained the situation regarding George Farha. George has bought 10,000 gowns with his own money. They are in a factory in China with an option to buy a further 40,000 now, all for shipping next week. The challenge was that we did not know (and he could not tell us) exactly what they were - whether isolation or surgical gowns, and whether they met NHS standards.*
>
> *George is a great guy, but has never been involved in buying medical equipment before. We have had to educate him in what is needed, in particular the need for test reports and certification to make sure the equipment is safe enough to put into a hospital. While he has test certificates for the material from which the gowns are made, they do not cross reference to the factory or the product (and date from 2008). George is now arranging for extra testing to take place - and if the gowns are the right spec we will try and construct a deal, with a new factory, that could give us flows of 1m pieces/week.*
>
> *I assured Dame Donna that we were working very hard on this issue - for example, I helped get 60,000 gowns via Amazon into the warehouse in Daventry on Monday and Tuesday - but it remains a challenging situation.*" (MH7/150 - INQ000551336).

157. I thanked Chris Hall, who also confirmed he would call George Farha and get him a PO (MH7/150 - INQ000551336; MH7/151 - INQ000551335). On 17 April 2020 George

Farha forwarded me an email that he was now a registered supplier (MH7/152 - INQ000551337).

158. On 17 April Chris Hall updated me that the Department had concluded a deal with George Farha for 10,000 gowns but we lost an option on another 40,000 gowns as another buyer came in and put cash on the table. I thanked officials and explained *"I think given the acute shortage of gowns we should put money on the table at risk on these wherever possible."* (MH7/153 - INQ000551338)

159. On 18 April George Farha forwarded me an offer he had sent to Chris Hall (MH7/154 - INQ000551341). I cannot see that I replied to this email.

160. On 23 April George Farha forwarded me a further offer he had sent to Chris Hall. I forwarded the offer to Jonathan Marron and asked him to action (MH7/155 - INQ000551357). George Farha resent the email later that day and I asked him to confirm that the team had picked up the offer (MH7/156 - INQ000551358; MH7/157 – INQ000000000). George Farha confirmed he had spoken to Chris Hall, and I forwarded this reply to Chris Hall to 'close the loop' (MH7/158 - INQ000000000). Chris explained to me that he spoke to George Farha at least twice a day and was happy to update me (MH7/159 - INQ000000000).

161. I was copied into additional correspondence between George Farha, Jonathan Marron and Chris Hall on 30 April (MH7/160 - INQ000551363). I asked Chris if this was all under control, and Chris explained there had been a problem with certification which had been solved (MH7/161 - INQ000551364).

162. On 5 May 2020 Jonathan Marron updated me that a deal for further gowns from George Farha hadn't been reached because it reflected an unacceptable risk for the Department. I thanked Jonathan for letting me know (MH7/162 - INQ000551372). George Farha emailed me about this, and Jonathan Marron assured me he was on it and explained that the companies George Farha proposed lacked the financial balance sheet to make them credible counterparties for the deal (MH7/163 - INQ000551373; MH7/164 - INQ000551374). I replied that this was fine, Chris made me aware of the problem and asked Jonathan to go back to George Farha (MH7/165 - INQ000551375).

163. For completeness, Goerge Farha and I had an email exchange in early May 2020, where I explained I was glad he had supported the Prince of Wales nursing cadet scheme (MH7/166 - INQ000551370). He also emailed me about the opening of an extension at Southampton Hospital (MH7/167 - INQ000551369). In June 2020 I was emailed by the

CEO of a vaccine-related app sponsored by George Farha; I forwarded this email to my private office to forward to the relevant officials (MH7/168 - INQ000551383).

Pharmaceuticals Direct Ltd.

164. On 13 May 2020 I approved a letter to be sent to the then-Home Secretary, Dame Priti Patel, in response to correspondence she had received from the Head of Sales at Pharmaceuticals Direct (MH7/169 - INQ000551379). The letter explained that the masks he had offered were not suitable for use in the NHS, and that there were problems with all four products he had offered.

165. On 28 September 2020 I received an email from Samir Jassal of Pharmaceuticals Direct. I asked officials for advice and a draft response, which they provided and I sent. Mr Jassal was directed to the Department's open tender exercise for pharmaceutical products (MH7/170 - INQ000551436; MH7/171 - INQ000551437).

166. On 25 November 2020 I received another email from Samir Jassal, and forwarded this to my private office to be considered as correspondence (MH7/172 - INQ000551444). My Private Secretary records that I wanted to respond to this correspondence, but I cannot see that I did (MH7/173 - INQ000551455). I received further correspondence from Samir Jassal on 4 December 2020 and 19 December 2020, I cannot see that I replied to this correspondence (MH7/174 - INQ000551445; MH7/175 - INQ000551446).

167. On 31 December 2020 Samir Jassal copied me into an email about lateral flow tests. I forwarded this email to my private office to be directed to the testing team (MH7/176 - INQ000551447).

168. Samir Jassal copied me into further emails on 5 and 6 January 2021. I was copied into a reply from a departmental official and additional correspondence (MH7/177 - INQ000551448; MH7/178 - INQ000551449; MH7/179 - INQ000551450; MH7/180 - INQ000551451; MH7/181 - INQ000551452; MH7/182 - INQ000551453; MH7/183 - INQ000551454; MH7/184 - INQ000551456).

169. On 14 January 2021 Samir Jassal sent me a further email about lateral flow tests. I forwarded this email to Lord Bethell (MH7/185 - INQ000551457). Lord Bethell copied me into his reply to Samir Jassal his email forwarding Samir Jassal's initial email to an official, and the official's reply (MH7/186 - INQ000551459; MH7/187 - INQ000551458; MH7/188 - INQ000551461).

170. On 16 January 2021 I received a further email from Samir Jassal, who appeared to be disappointed with the outcome of a tender. I was copied into an official's reply, which asked me to disregard or refer any further communication so that Mr Jassal could be pointed towards the appropriate channel (MH7/189 - INQ000551462; MH7/190 - INQ000551464).

Hinpack Ltd and Alpha Laboratories Ltd

171. I was not involved in advancing the progress of, or decision to award contracts to, Alpha Laboratories. Alex Bourne was a constituent, and I understand that he was the director of Hinpack Ltd.

172. I was first contacted by Alex Bourne by Whatsapp on 30 March 2020. He indicated that he had an option to buy a medical face mask plant and could have it up and running in 7-10 days. I asked him what standard the masks were, he replied and I asked him to email me. He emailed me on the same day and I forwarded his email to Jonathan Marron, noting the offer was for domestic production (MH7/191 - INQ000551469)

173. On 4 March 2020 Alex Bourne contacted me about plasticware to fulfil the testing strategy. He said he had put an order through the system but not heard anything (MH7/192 - INQ000551305). I cannot see that I replied to this message.

174. On 14 May 2020 Alex Bourne contacted me to let me know he had got approval to make test tubes for antigen tests (MH7/193 - INQ000551380). I replied that this was excellent and asked where he was making them.

175. On 12 June 2020 Alex Bourne contacted me about a local doctor who was having immigration issues. I replied that if he wanted to email about it I would see what I could do with the Home Office. He then sent me an email which I forwarded to my Private Office (MH7/194 - INQ000551389). This is standard constituency MP work. Alex also told me he was hopefully getting signoff to produce saliva test kits to be assembled in Newmarket (MH7/195 - INQ000551385).

176. On 27 June 2020 Alex Bourne contacted me with feedback about how the testing system was working. We discussed his suggestions about how the system could be improved and I asked him to put this to me in an email (MH7/196 - INQ000551390; MH7/197 - INQ000551391).

177. On 30 June 2020 Alex Bourne sent me a Whatsapp message to let me know he had sent an email (MH7/198 - INQ000551392). I forwarded his email to Lord Bethell, who

described the email as fascinating. I asked Lord Bethell if he would talk to Alex Bourne and see if we should act on any of his points (MH7/199 - INQ000551393; MH7/200 - INQ000551394; MH7/201 - INQ000551395; MH7/202 - INQ000551396; MH7/203 - INQ000551397; MH7/204 - INQ000551398; MH7/205 - INQ000551399; MH7/206 - INQ000551400; MH7/207 - INQ000551401; MH7/208 - INQ000551402; MH7/209 - INQ000551473). Alex Bourne chased me by Whatsapp on 1 July and I replied by Whatsapp on 2 July 2020 (MH7/210 - INQ000551403; MH7/211 - INQ000551404).

178. On 7 August 2020 Alex Bourne updated me that he was making about a million tubes per week for the testing network, and asked if I would like to open their new factory (MH7/212 - INQ000551405). I replied that I would (MH7/213 - INQ000551406).

179. Alex Bourne attended a roundtable on 27 August 2020, see paragraph 210 below. My private office sent out the invitations to the roundtable (MH7/214 - INQ000551409). He messaged me before the roundtable, and I asked him afterwards what he made of it (MH7/215 - INQ000551410; MH7/216 - INQ000551411). The next day he messaged me about enzyme production (MH7/217 - INQ000551412).

180. On 31 August Alex Bourne attended a meeting with officials and other industry representatives about a manufacturing industry coalition for testing supplies. This became known as the Diagnostics Manufacturing Industry Coalition. My private office was sent a note of the meeting, which officials, but not ministers, attended (MH7/218 - INQ000551416; MH7/219 - INQ000551417).

181. On 31 August 2020 Alex Bourne sent Lord Bethell an email, and copied me in. I was copied into the subsequent exchange (MH7/220 - INQ000551419).

182. On 4 September 2020 I was sent a briefing about the work of the Diagnostics Manufacturing Industry Coalition, which discussed the meeting on 31 August (MH7/221 - INQ000551422; MH7/222 - INQ000551421).

183. On 5 September Alex Bourne asked if I had 5 minutes for a call (MH7/223 - INQ000551423). On 6 September 2020 Alex Bourne emailed me about two specific problems with testing and proposed solutions. I forwarded his email to my private office and Lord Bethell (MH7/224 - INQ000551428).

184. I attended a meeting of the Diagnostics Manufacturing Industry Coalition on 7 September 2020 (MH7/225 - INQ000551425; MH7/226 - INQ000551426). The slides from that meeting are (MH7/227 - INQ000551429). My private office was kept up to date

about the work of the Coalition (MH7/228 - INQ000551431; MH7/229 - INQ000551432; MH7/230 - INQ000551433).

185. On 14 September Alex Bourne emailed an official at NHS Test and Trace, and copied me in. I was copied into the official's reply, and then a thank-you email from Alex Bourne to the official.

186. On 23 October 2020 Alex Bourne asked me if I would like to come and see the factory producing tubes for the testing programme. I asked if we had sorted standardisation (MH7/231 - INQ000551440).

187. I had very limited contact with Alpha Laboratories. I attended a live online thank-you for at least 88 companies, public bodies and organisations involved in delivering the national testing programme; they were one of the organisations involved in the testing programme (MH7/232 - INQ000551365; MH7/233 - INQ000551366). I also sent them a generic thank-you letter (pg. 79, 81, 89 of MH7/234 - INQ000551384; MH7/235 - INQ000551388). They were one of 70 companies sent this letter (MH7/236 - INQ000551387).

188. I was not involved in any contracts being awarded to Alpha Laboratories, Hinpack, or Alex Bourne. A briefing note from officials to David Williams explains:

"• The company [Hinpack] was not awarded a PPE contract as it did not meet our due diligence requirements.

• The Department awarded a contract to Alpha laboratories for testing services.

• Hinpack are a subcontractor to Alpha, providing consumables for the testing process.

• There is no evidence to support claims that Alex Bourne benefitted from his relationship with SoS and as the National Audit Office report has made clear, ministers are not involved in procurement decisions or contract management and to suggest otherwise is wholly inaccurate.

NB: We did have a priority lane for testing technologies but basic consumables did not come through this route so Hinpack was not part of that process. The priority lane was triaged via the New test assessment group (NTAG). Hinpack is for basic consumables so was not qualified to be triaged via this route." (MH7/237 – INQ000000000)

189. On 1 April 2021 my private office was sent a briefing about the review of contracts for tubes and swabs placed as part of the mass testing programme. Alpha Laboratories Limited (Hinpack) is mentioned alongside 6 other suppliers (MH7/238 - INQ000000000; MH7/239 - INQ000551465)

190. As can be seen, I acted entirely appropriately in relation to procurement. I gave instructions that we should take a high risk approach to buying, in order to save lives, and I engaged in and triaged many offers. I was not involved in contracting, but was deeply engaged in driving the effort to buy equipment that was desperately needed to save lives.

Additional funding

191. An uplifted envelope of £9 billion for PPE was agreed with the Chief Secretary to the Treasury on 20 May 2020, and a further uplift to £13.8 billion for PPE on an England-only basis was agreed on 3 June 2020 (MH7/240 - INQ000551382).

192. I was kept up to date on the Department's financial performance, including against the Treasury's conditions, by civil servants, see for example (MH7/241 – INQ000000000).

193. I have been asked to comment on the key process and procedures I introduced, adapted or oversaw to ensure there was overall value in the contracts awarded for key healthcare equipment and supplies. The most important consideration during the pandemic was to protect lives, and because of that I was content for civil servants to take substantially more risk in procurement decisions because the cost of missing out on vital equipment and supplies was extremely high.

Chronology – testing

194. On the evening of 17 March, the Prime Minister and I attended a meeting with public sector health officials and representatives from private sector companies and organisations (including Amazon, Boots, Roche, Thermo Fisher, Altona Diagnostics, and Randox) that could potentially assist with our Covid-19 testing efforts. From an early stage, we recognised that regular, mass testing across the country would be pivotal to the successful navigation of the pandemic, enabling the country to minimise spread as well as providing data that would be central to planning. This echoed the advice from the WHO to "test, test, test". At the meeting we discussed, among other things: testing capacity; the barriers to expanding it; and what steps the public and private sector could take to break these barriers and accelerate testing (MH7/242 - INQ000233771).

195. During the meeting, the NHS and PHE were unable to give convincing plans for scaling up their testing capacity. I therefore decided that the Department would lead on the testing programme, rather than PHE. From a very early stage of the pandemic, I followed and scrutinised the UK's testing programme and capacity, and had been constantly pushing for its expansion. I was lucky to have many allies on this challenge. Sir John Bell, University of Oxford Professor of Medicine also saw expansion of testing as critical and I remember him talking about a world in which mass DIY testing would be available on demand and it would be perfectly normal to get up in the morning and do a coronavirus test before going to work.

196. Based on the advice at that meeting from both public and private sector testing providers, it was agreed that PHE and the NHS would carry on expanding as much lab capacity as they could, but that the Department would also set up a mass-scale testing programme, alongside the existing system, for antigen tests, another for antibody tests and a strand for surveys to find out how many people had the virus and how many and had previously had it. These different strands of testing were referred to as the four 'pillars' of testing. Lord James Bethell, was given overarching responsibility for the strands of testing work within the Department.

197. I have been asked to describe the principal flaws in the NHS and PHE plans, and to explain why it was considered that DHSC was better placed to lead on procurement for the testing. In short, we needed to expand testing on a massive scale, and while PHE had been effective in developing a test, despite my pushing for expansion they were not able to expand or present convincing plans to expand, at the pace needed. The Department took a leadership role.

198. The following day (18 March) Oxford University scientists based in China announced that they had developed a rapid test for Covid-19, which produced a result in half an hour. The same team were exploring the validation of the tests in the UK, and their incorporation into rapid devices which could allow for very large scale personal testing, for example, at airports or even at home.

199. On - 19 March 2020, I had a meeting with officials on testing. I asked officials to purchase the maximum quantity of tests, and to concurrently seek HMT approval. I asked officials to purchase tests which were CE marked and being sold to another European country (MH7/243 - INQ000551285).

200. At the Downing Street press briefing on 2 April 2020 (MH7/244 - INQ000292602) I announced our testing strategy, which had five pillars:

    a. Boosting swab (extraction and PCR) testing by PHE and NHS labs for those with a medial need, and where possible, the most critical key workers;

    b. Creating new mass swab testing capacity for critical workers delivered by commercial partners;

    c. Developing antibody tests;

    d. Surveillance to help learn more about the disease and help develop new tests and treatments

    e. Increasing the domestic diagnostic industry to create mass testing capacity.

201. I noted during the press conference that unlike some countries, we didn't go into this crisis with a huge diagnostics industry. We have the best scientific labs in the world, but we did not have scale. I have been asked why this was the case; others with expertise in the history of the diagnostics industry in the UK will be better placed to advise but I suspect influential factors include historic reasons and potentially comparatively less focus on diagnostics within the NHS than in other health systems.

202. The testing strategy was outlined in 'Coronavirus (COVID-19) Scaling up our testing programmes'. In the foreword I explained that good quality testing was a big part of how we were going to defeat coronavirus.

203. in relation to PCR testing, the plan for scaling up our testing programmes explained that "*The challenge is the global shortage of materials needed to run the end-to-end testing process at full capacity, particularly the reagents that help to ensure high levels of sensitivity and specificity for these tests, the swabs with which they have been validated, and the challenge of matching specific materials to the different machines available. Most of these high-tech testing platforms are 'closed', which means that these materials can only be supplied by the same manufacturer as the machine. We are therefore dependent on global manufacturers to very rapidly increase the quantity of their specific reagents and kits. We are working in partnership with them to increase supply of these proprietary reagents, maximising the UK's global allocation, and creating a sustainable supply of these components, including setting up local manufacturing bases here in the UK. Where possible, we are 'opening up' the closed platforms to make use of alternate suppliers of suitable reagents.*" (MH7/245 - INQ000106325)

204. On 2 April 2020 I received advice from officials updating me on our efforts to develop an antibody test. We had purchased a number of different antibody tests, but none of them proved accurate enough to be rolled-out for public use (MH7/246 – INQ000000000). I approved £2.5 million of funding to the UK Rapid Test Consortium (UK-RTC) to design and develop a new antibody test (MH7/247 - INQ000551306).

205. On 8 April 2020 I hosted a webinar with industry and set out 4 challenges to industry:

    a. To provide additional testing consumables that are in short supply, such as swabs, tubes and components for test kits;

    b. For universities, research institutes and private companies to donate additional lab testing capacity for coronavirus tests, supported by best practice guidance on specific requirements;

    c. To develop new technology to diagnose coronavirus quicker than ever before and new methods of delivering tests widely across the UK safely;

    d. Put forward proposals in support of reliable and accurate antibody testing. These should be scalable, resilient and scientifically robust. Proposals could include a range of ideas for end-to-end solutions or address specific challenges in the supply chain.

206. A press release on 8 April 2020 noted that an online portal had been launched on GOV.UK providing companies with specifications for our most urgent requirements, and the NHS Business Services Authority has set up a new engagement team allowing companies an easier, more focused route to offer their support, in order to develop a large British diagnostics industry (MH7/248 - INQ000551308).

207. Again the response was overwhelming. A message from Lord Bethell to MPs on 17 April 2020 illustrates the scale of the response;

    "*We have received 5,000 enquiries in the last two weeks from companies. We have a huge team at BSA handling them. We have engaged with many and have spent £100ms with UK companies which meet our brief. But many companies are offering tests which are not relevent for our battleplan. https://www.gov.uk/government/news/health-secretary-sets-out-plan-to-carry-out-100000-coronavirus-tests-a-day do not meet our standards. I appreciated many are frustrated, but we do have high standards and it is reasonable to apply these to protect the british people. https://www.gov.uk/guidance/guidance-on-coronavirus-covid-19-*

tests-and-testing-kits And many of the labs that are offering services do not have the correct validation, the right safety environment or access to reagents (and if they get them, it means taking them out of a very constrained supply chain. This is a difficult message to deliver. We are not closed to new ideas, but we are drowning in helpful suggestions while at the same time being very focused about delivering some very tough deliverables. If there are any stand-out companies that you really think we're missing, do pls email me (lordbethell@dhsc.org.uk) and I have a fast-track process. But also please be aware that there might be strong clinical or practical reasons why we cannot take up every offer for help." (MH7/249 - INQ000551339)

208. I have been asked to comment on 'Operation Moonshot'. As I explained in my second witness statement, I supported the goal of mass testing to help reduce R, and supported the "Operation Moonshot" proposal (discussed below), but never expected it to be able to replace all lockdown measures, as some hoped for. Test and Trace could only ever be one string in the bow.

209. I attended a meeting with the Chancellor, Chief Scientific Advisor and Dido Harding on 19 August 2020 to discuss Moonshot. I noted that we were engaging with up to 100 suppliers.

210. On 27 August 2020 there was a call to arms roundtable meeting with invited representatives of the manufacturing industry (MH7/250 - INQ000551413).

211. On 28 August 2020 the Cabinet Office and Treasury agreed DHSC's proposals to streamline the process for commercial and financial approvals for Test and Trace purchases (MH7/251 - INQ000551418).

212. The Chancellor agreed to allocate £500 million of preliminary funding, including to proceed with investments in new testing technologies. This funding was announced on 3 September 2020 (MH7/252 - INQ000551420).

213. On 5 October 2020 I approved the purchase of 223.5 million lateral flow tests (MH7/253 - INQ000551435). This was further to an instruction from the Prime Minister to purchase all available supplies of lateral flow antigen tests without further delay. The advice I received on the purchase noted that in recent weeks the global demand for lateral flow tests had significantly increased, there was a constrained supply of validated products, and scientific understanding and development of clinical use cases had expanded rapidly in recent weeks (MH7/254 – INQ000000000; MH7/255 – INQ000000000).

Additional Issues

Cooperation with Devolved Nations

214. I have been asked how I achieved ensuring that adequate supplies were available across the UK. The Department worked very closely with the devolved nations at an official and ministerial level. In March 2020 I instigated weekly four-nations calls, which continued throughout the pandemic. The PPE Plan explained that the Government and Devolved Administrations were committed to ensuring those on the frontline were provided with the PPE they needed to do their jobs safely, and that a weekly four-national PPE oversight board had been set up to manage demand and supply.

215. On 18 April 2020 I received a submission about PPE distribution to the Devolved Administrations. The submission explained that officials were meeting the Devolved Administrations twice a week to review stocks, coordinate engagement and share information on distribution approaches and communications (MH7/256 - INQ000551345).

216. My reply demonstrates that I was concerned about effective and fair allocation "*The approach should be to allocate relative to populations *having taken into account stocks** - *so for example if Wales is very short of visors, then we should help them with visors first, not just give them their % population share of the flow. i.e. we need to take account of stock AND flow in the fair allocation. This obviously requires good data – but should be our goal* (MH7/257 - INQ000551346).

EU exit

217. I received advice on 26 March 2020 about EU joint procurement on ventilators and PPE (MH7/258 - INQ000551294). The UK had been a member of the EU Joint Procurement Agreement since 2014, but had never taken part in an EU joint procurement because we found that a national approach tended to deliver more effectively. At the start of the pandemic the UK was still in the transition period. We did not receive the invitation to the EU ventilator programme because EU officials sent the invitation to the wrong email inbox. But it made no difference: the UK ventilator programme was more advanced and I would not have authorised joining the EU programme. In the event it is clear that membership of the EU programme would have delivered fewer ventilators.

218. Ultimately we were able to increase our ventilator capacity, thanks to the hard work of many officials as well as the ingenuity of British industry.

219. We were fortunate to have done a lot of work within the Department to assess supply chain resilience for medical supplies in preparation for a no-deal Brexit. The issue was purchasing additional supplies in an extremely competitive market, and then making sure they got where they were needed as quickly as possible.

Fraud, compliance and contractual performance

220. The Department has officials who are experts in procurement and compliance. They circulated detailed guidance for the Department, see (MH7/259 - INQ000551327). Similarly, the team of civil servants in the PPE cell, many of whom were Cabinet Office procurement experts, worked tirelessly to try to complete due diligence in extremely difficult conditions. The advice I received from the Department's Accounting Officers, which I reference at paragraph 101 above, illustrates just how severe the country's situation was, and that Officials were doing their absolute best to save lives in unprecedented circumstances, and this meant taking more risks than in normal circumstances. I fully supported officials taking risks if it meant procuring supplies we needed to save lives.

221. On occasions the Government missed publication deadlines because officials were too busy buying life-saving equipment. While I did not know about this at the time, I would have completely supported their decision on time allocation and thank them for their service. We knew at the time that defeating the virus was our number one priority, and the focus of our efforts was, quite rightly, saving lives during an emergency.

Advice on surplus supplies

222. I received initial advice on options for surplus medical supplies, including PPE, ventilators and medicines, on 28 July 2020 (MH7/260 - INQ000551407). My reply noted that my, and other ministers' preference, was to proceed extremely cautiously before selling, donating or destroying stock, and should maintain a percentage of buffer stock above what the reasonable worst case scenario would suggest we might need. I was worried already about a second wave. I asked that a FCO and a DfID lead be nominated to work with the Department on this issue, and that officials consider if a Department for International Trade lead should be included in any strategy group as well (MH7/261 - INQ000551408).

223. I again received advice about excess PPE stock on 15 October 2020 (MH7/262 - INQ000551438). The advice noted that some level of obsolescence is inevitable in a commercial operation of this kind. I replied that I needed a more substantial briefing on

the PPE strategy before he I could answer the questions posed in the advice about what we should do with excess PPE, and wanted to discuss this issue in the upcoming PPE stockpile deep dive with Lord Deighton as well as the long-term PPE normalisation plan (MH7/263 - INQ000551439).

224. The deep dive on 6 November 2020 showed that we were in a much better position on PPE than in the early stages of the pandemic (MH7/264 - INQ000551441). We had built resilience into the system and had improved visibility of frontline stock positions and PPE consumption. In terms of warehousing, we had a core operation supplemented by 22 further warehouses across the UK, where products could be easily accessed at less than 48 hours' notice. Trusts held stock locally to give resilience and were replenished as a minimum every two days. We also had significant oversupply because we were not seeing usage at modelled levels, we ordered additional stock to provide coverage for expected failure, for example that some orders would be delayed, of insufficient quality or not fulfilled, and we accepted longer term contracts to secure immediate supply when we were short. After the deep dive I advised that I was content to consider sales or donation of PPE to other governments (MH7/265 - INQ000551442).

225. I received further advice about excess PPE stock on 11 January 2021. The submission explained that we held significant volumes of surplus stock which was unlikely to be used at a rate compatible with the products' shelf-life constraints and/pr unsuitable for the critical response to COVID-19, and the excess was 'well beyond' what we would need even in a reasonable worst case scenario (MH7/266 - INQ000551460). I approved departmental proposals to pilot use of a NATO auction platform to sell excess stock to participating nations (MH7/267 - INQ000551463).

226. I received additional advice about excess PPE stock on 26 March 2021 (MH7/268 - INQ000551467). My private secretary's reply noted that ministers' position was that we should distribute excess stock to the NHS and care homes, repurpose stock to the public sector, and give PPE to public institutions across the UK for free. Ministers also advised we should reach out to Brazil as a priority for donation of stock given the worsening position there at that time (MH7/269 - INQ000551466). The reply notes that Ministers were content with plans to dispose of stock only where it is not safe or usable for sales, donations or repurposing. The advice noted that items classed as not fit for any further user were deemed unfit for use in a medical setting but also all other non-medical settings. The reply from Ministers notes that we asked whether the Department was seeking reimbursement for unusable stock.

227. I received a submission on an updated PPE strategy on 5 May 2021. My Private Secretary's response noted that Ministers "*would be grateful if officials could make every effort to ensure that we offload PPE before it expires.*" (MH7/270 - INQ000551468; MH7/271 - INQ000551471)

228. I have been asked to provide my critical reflections on the information and data which I had access to about the PPE inventory during the pandemic. Initially the data was very poor, because we did not know what local stocks hospitals had, nor did we have effective information about the contents of the stockpile, and this inhibited our response. Data about PPE was first incorporated into the Covid-19 dashboard on 21 March 2020 (MH7/272 - INQ000283617). On 20 April 2020 I asked that the dashboard better present the PPE stock picture, to include anticipated supply alongside modelled demand MH7/273 - INQ000478881). I have been asked why data about PPE inventory improved during the Covid-19 pandemic. I think there are two reasons; firstly, because the Department was procuring centrally rather than individual trusts procuring, making data collection easier, and secondly, because I and the Department pushed very hard for better data to inform our decision-making about purchasing and distribution.

Further Reflections

229. Given that global demand for key healthcare equipment and supplies rose dramatically during the pandemic, there were significant procurement challenges. This will happen in any future pandemic. The Government triggered emergency procurement rules to speed up purchasing, issued public calls to arms, and put in place a team to support with procurement. We were inundated with offers for support from businesses and private individuals who wished to help in this effort, for which I am very grateful.

230. One of my concerns for a future pandemic is that the unreasonable and inaccurate criticism of many of those involved in this life-saving procurement work will lead to more caution and as a result less effective purchasing in a future pandemic, costing lives. Putting in place mechanisms now for incredibly rapid procurement that both protects those who operate emergency procurement procedures, while minimising the risk of fraud as much as is feasible given the need to buy fast, would be a very useful piece of work.

231. I have been asked if national, public calls to arms were the correct approach given that the system received non-credible offers of supply. On balance they were. The country was in dire need of medical equipment and therefore it was responsible for the

government to ask the public to assist with supply. The fact that non-credible offers were received does not negate that asking the public for assistance was the right thing to do in the extremely difficult circumstances we faced. In the future we should, of course, learn from this experience and design emergency procurement rules and systems which enable government to quickly and effectively assess offers of supply which come directly from the public.

232. I have been asked whether I consider there is a case for the government to have a closer relationship with industry in relation to preparing for pandemics. Given the difficulties we encountered undertaking emergency procurement at the scale the Covid-19 pandemic required, I do think industry should be heavily involved in pandemic preparation. I agree that an emergency industrial strategy for the domestic manufacture and international supply of key healthcare equipment would be advantageous. One thing we learned during the Covid-19 pandemic is that the ability to scale up domestic production really does matter. Sleeping contracts with industry, particularly those with capacity to manufacture domestically would be wise.

233. Emergency procurement rules need updating to protect the reputation of those who respond to a Prime Ministerial call to action to do their duty in the national interest. The only alternative to buying expensive PPE was not to buy PPE, which would have cost lives.

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

Dated: 10 January 2025