

Witness Name: Rachel Reeves

Statement No.: 1

Exhibits: RR/5/1 - 3

Dated: 24 February 2025

UK COVID-19 INQUIRY

WITNESS STATEMENT OF RACHEL REEVES

I, Rachel Reeves, will say as follows: -

1. I make this statement pursuant to a Rule 9 Request from the UK Covid-19 Inquiry ("the Inquiry") in relation to Module 5 dated 23rd October 2024.
2. I strongly support the work of the Covid Inquiry and I am keen that the government learns the valuable lessons from the Covid pandemic so that the UK can better respond to pandemics and crises in the future.

Background

3. In the period immediately prior to the pandemic (2018 to 1 January 2020), I was the Member of Parliament for Leeds West and Chair of the Business, Energy and Industrial Strategy Select Committee.
4. During the pandemic (1 January 2020 to 28 June 2022), I served as the Member of Parliament for Leeds West. I resigned as Chair of the Business,

Energy and Industrial Strategy Select Committee in April 2020 on my appointment as Shadow Chancellor of the Duchy of Lancaster. In May 2021, I then moved into the role as Shadow Chancellor of the Exchequer.

5. As a Shadow Cabinet Minister, I was not involved in the procurement of key healthcare, equipment and supplies such as the procurement of PPE; Ventilators, Lateral Flow Tests; or PCR Testing equipment.

Offers of PPE during the pandemic

6. The Inquiry will be aware that in the early stages of the pandemic, there was a significant shortage of PPE for healthcare professionals. There also started to be reports of businesses being awarded contracts for PPE with no prior background, whilst at the same time firms with experience in this market were not being engaged by the government.
7. As Shadow Chancellor of the Duchy of Lancaster I wrote to the Rt Hon Michael Gove MP on the 18th March 2020 to raise concerns about the shortage of PPE and to highlight reports of UK companies who had offered to provide PPE who had not received a response from the government. My letter asked a number of questions about the overall procurement approach to PPE [Exhibit RR/1 - INQ000528588].
8. After sending the letter on the 18th March 2020, I was subsequently contacted by a number of companies who had contacted the government to offer to supply PPE but had received no response from the government. In addition, information on companies who were also waiting to hear from the government were forwarded to me by other Labour MPs.
9. As a result, I then wrote to the Rt Hon Michael Gove MP on the 22nd April 2020 to highlight the continuing need for the government to respond to companies who had expressed an interest in providing PPE. [Exhibit RR/2 - INQ000528589]

10. I also highlighted specific companies that had been in touch as described above. The list did not include all companies who had contacted my office as understandably not all organisations wished to be named publicly.
11. The engagement with the companies named in the letter undertaken by my office focused on ensuring the companies had specifically agreed to be named in the letter given the likely media attention. The companies named in the letter were used as examples of the failure of the government to quickly contact organisations who had offered to supply PPE.
12. The objective in sending the letter was to encourage the Cabinet Office to put in place adequate working process for engaging with firms who had registered their interest in supplying PPE to the government. It was for the government to complete due diligence on the suitability of these companies and this was made clear in the letter where I stated: *"You and your officials and those at the Department for Health and Social Care will be best placed to validate what capability and capacity these firms have, but as they have not received a reply after contacting the Government, I wanted to ensure that the Cabinet Office was aware of them."*
13. I received a response to my letter from the Rt Hon Michael Gove MP on the 2 May 2020. [Exhibit **RR/3 - INQ000528587**]
14. There were no prior personal or professional relationships with any of the companies listed in the letter that I sent to the Rt Hon Michael Gove MP on the 22nd April 2020.
15. Based on my recollection, I had no further contact with the companies listed in the letter, other than some companies contacting my office to express thanks for the issue being raised with the government.

16. I understand that following the media reporting of the letter sent on the 22nd April 2020 that a small number of new companies contacted my office, but we do not have a full record as many emails from 2020 have been deleted. However, I did not advocate for these companies as the focus remained on trying to get the government to establish adequate processes for engaging with potential PPE suppliers.
17. Whilst recognising the specific challenges faced by the country and the government during the pandemic, my office became aware of an increasing number of stories in the media throughout 2021 of some companies with alleged connections to the Conservative Party apparently having an advantage in relation to securing PPE contracts with the government. My office became aware of media reports and work carried out by external organisations such as Transparency International UK and the Good Law Project which identified how some organisations appeared to be particularly successful in securing Covid contracts during the pandemic. I suspect the High Priority Lane route may have been better resourced and therefore companies engaged via that route were fast-tracked through the procurement system whereas other organisations were simply encouraged to register and wait for the government to get in touch. As stated above I was aware of companies who had engaged via the standard open route who had not heard anything back from the government.

High Priority Lane

18. I did not directly refer any potential suppliers to the High Priority Lane and did not intervene directly or indirectly to influence the awards of any contracts.
19. My focus as shown in the letter sent to the Rt Hon Michael Gove MP was to ensure the government had effective processes for engaging with companies who were registering their interest in supplying PPE.

20. Based on my recollections, I am not personally aware of any referrals made by members of the Labour Party; Labour Party donors; or Labour MPs or Peers. However, the Inquiry would need to check with officials at the DHSC to get the full list of all referrals made to the High Priority Lane.

Covid Counter Fraud Commissioner

21. On coming to office, I appointed the Covid Counter-Fraud Commissioner with the aim of recouping public money lost in pandemic-related fraud and contracts that have not delivered. This involves the Commissioner providing an external challenge function to the existing review of losses of public money to fraud, error and underperforming contracts. The Commissioner is focussed on potential recoveries that could be made and is in a position to support HMT and DHSC Ministers in their decision-making, especially in relation to live cases where recoveries are being pursued, or contracts involving waiving or abandoning claims.
22. The Covid Counter-Fraud Commissioner has a personal office directly supporting him in HMT, including private secretary and PA support. He works collaboratively across government to draw on expertise in the Public Sector Fraud Authority, Government Commercial Function and Department of Health and Social Care.
23. The process is not yet finalised but HMT will conduct its usual scrutiny in line with the public spending framework and provide written advice to HMT Ministers on whether to approve DHSC's decision to abandon and/or waive a claim under a contract due to lack of evidence, weak contractual bases for proceedings, suppliers' weak financial positions, high pursuit costs, and issues with foreign-based suppliers. In addition to this advice, Ministers will also take into account the Commissioner's assessment and recommendation(s). The Commissioner is working closely with DHSC to review contracts with value at risk to inform his assessment and recommendation(s).

24. I have been clear that these contracts must be investigated further to ensure that any fraud and waste is addressed and lessons learned for the future. Any contracts where there has been a technical failure or other breach, in line with the resolution process referred to in each contract, will be pursued. In addition, this government is exploring every available option to bring those who commit fraud to account, including working with law enforcement partners, where appropriate. It is intended that the office of the Commissioner will bring new impetus in ensuring maximum efforts have been taken to recover Covid-era fraud and to avoid a repeat of such wasteful spending in government procurement.

25. The Covid Counter-Fraud Commissioner's remit includes reporting to Parliament, summarising his findings as a result of the review of Covid-19 procurement. The Commissioner's report will also generate lessons and recommendations for government procurement in the face of future crises. However, conducting any other formal investigations related to Covid-19 is out of scope of the Commissioner's remit.

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: 24 February 2025

