

Witness Name: Rishi Sunak

Statement No.:1

Exhibits: RS/5/001-019

Dated: 9 December 2024

UK COVID-19 INQUIRY

WITNESS STATEMENT OF Rt Hon Mr Rishi Sunak

I, Rishi Sunak, 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 24 September 2024.
2. As I have expressed previously, I welcome the opportunity to contribute to the Inquiry's important work. Many suffered as a consequence of the Pandemic and there were huge impacts on society and individuals as a result of the actions taken in response.
3. I have some recollection of the matters referred to in the Inquiry's Rule 9 Request, but this obviously is not detailed nor in depth given the time that has elapsed since the events under consideration, but it is also limited by the fact that as Chancellor I was not principally involved with the matters that fall for consideration under this Module. In order to assist my recollection and the preparation of this statement I have reviewed documents that were created at the time of the events under scrutiny; and key documents are exhibited to this statement. I have also taken account of information supplied by His Majesty's Treasury ("**HMT**") and read HMT's Module 5 corporate statement.

4. In relation to documentary material, as I have stated previously to the Inquiry, during the period of the Covid-19 pandemic I did on occasion communicate with colleagues by WhatsApp. For my part I do not consider that these messages (which were infrequent) formed any part of the decision-making on any decisions that I was involved in. I also very rarely used texts to communicate with colleagues, but again, not for decision-making purposes. My phone does not retain and nor do I have access to any text messages at all relating to this period.

Background

5. I was elected Conservative MP for Richmond (Yorks) in May 2015 and was appointed Parliamentary Under Secretary of State at the Ministry of Housing, Communities and Local Government (“**MHCLG**”) from 9 January 2018 to 24 July 2019. Following this I undertook the role of Chief Secretary to the Treasury (“**CST**”) from 24 July 2019 to 13 February 2020, before being appointed Chancellor of the Exchequer (“**Chancellor**”) on 13 February 2020 [RS/5/001/INQ000236978]. I remained in this role until 5 July 2022.

Ministerial Roles within HMT

6. The Chancellor is the Government’s chief financial Minister and has overall responsibility for HMT and for economic and fiscal policy, and the financial services sector. The Chancellor is involved in Cabinet-level decision-making, with a focus of providing economic and fiscal considerations in the decision-making process.
7. During the period of the pandemic, alongside the typical duties of the Chancellor of managing fiscal and economic policy, I had the additional responsibility of considering economic advice, policy and decision-making within the context of an international pandemic.

CST / Spending Controls

8. The CST is a ministerial office within HM Government and the second senior ministerial office in HMT, who attends Cabinet. The CST is responsible for public expenditure which includes the following areas of most relevance to this module:
 - a. Spending reviews and strategic planning;
 - b. In-year spending control;
 - c. Public sector pay and pensions;
 - d. Efficiency and value for money in public service; and
 - e. Procurement.

9. The CST has decision-making authority, including approving budgets, approving funding requests from government departments, and influencing economic and fiscal policies. The CST led on all areas of work and decision making in relation to public procurement of key equipment and supplies across the UK public sector in relation to the Pandemic and the onwards distribution of the key equipment and supplies.

10. HMT has a number of spending teams that are responsible for overseeing the spending policies of specific government departments. Spending teams consist of officials up to Deputy Director level. The Health & Social Care (“HSC”) team, sitting in the Public Services Group, has specific responsibility for health and care spending. Alongside the HSC team, a separate dedicated team was established for spending and policy advice related to Covid-19 vaccines and Covid-19 medicines between March 2020 and March 2021. These teams are responsible for advising Ministers on matters within those policy areas.

11. Responsibility for policy related to the procurement of key healthcare equipment in HMT sat within the HSC Spending Team. There was regular engagement between the HSC Spending Team and the Department of Health and Social Care (“DHSC”) on procurement policy. Engagement ranged in purpose but would often be a means for HMT officials to gain further

information about DHSC requests that needed HMT approval before advising Ministers. Conditions were set on the provision of funding but equally we needed to provide flexibility in order to avoid delays to procurement and secure the necessary supply of PPE for front line health and care workers with urgency. From the outset I had given my private office a clear steer that we needed to move at pace [RS/5/002 **INQ000232133**].

12. Although CST reported to me in my capacity as Chancellor, I was not involved in day-to-day decisions on approvals for spending. Searches conducted by HMT have confirmed this. Whilst during this period I would have been attending Cabinet, COBR and other ministerial groups I would not have been doing so in a procurement-focused or decision making capacity, as this was the role of the CST who also attended Cabinet, COBR and Covid-O, but where I did address any such matters in those fora I have detailed below.
13. As a consequence, I had limited direct involvement in a number of areas of this Module as they are outside the role of the Chancellor or my experience, especially in view of the fact that this was a very busy time during which we were working at pace and therefore roles and workstreams had to be respected. I was also not involved in implementing any processes and procedures in relation to procurement, and matters relating to the appropriate handling of conflicts of interest fell to HMT and the Propriety and Ethics Team based in the Cabinet Office. To assist the Inquiry, I have provided information to the best of my knowledge and recollection where I had involvement as Chancellor. CST or HMT may be better placed to provide information to the Inquiry in relation to areas within this Module that I am unable to comment on.
14. I was not involved in the appointment of Lords Agnew, Bethell, Deighton, Feldman nor Baroness Harding.
15. Likewise, I have no knowledge of how the High Priority Lane was established or its intended purpose and I had no role in its establishment, operation or supervision.

Procurement Involvement

16. The Inquiry has asked me to describe my role in the funding and monitoring of funds spent on the procurement of key healthcare equipment and supplies. This includes the procurement of PPE, Ventilators, Lateral Flow Tests, PCR Testing Equipment and Oxygen. Whilst I had oversight of strategic decisions on the rollout or direction of programmes and policies in my role as explained above, I was not involved in day-to-day decisions on approvals for spending as this work was led by the CST.

17. I provide below a summary of the limited number of actions and decisions taken specifically by me in my role as Chancellor:

18. On 25 March 2020, HMT transitioned from approving individual PPE contracts to a more flexible and efficient spending control framework. DHSC were given a 'funding envelope' of £100m to enter into PPE contracts without HMT approval, on the basis that a number of conditions were met. One of the conditions included was that a 'reasonable attempt had been made to ensure prices were less than 25% above the average unit price paid to date.' At a 915 meeting on 20 April 2020, the SoS for DHSC raised an issue with me about the 25% condition. Following the meeting, I raised this with the relevant HMT official in order to unblock any potential obstacle. It was explained to me that "*[DHSC officials] haven't raised the 25% as an issue at official level, as it's just based on reasonable attempts (and they don't think holding them up)*" [RS/5/003 **INQ000232166**]. This is an example of occasions where I may have followed up on matters with my officials of which other ministers had made me aware, although I would stress that CST also had regular interactions with other departmental Ministers and this was not confined to my role as Chancellor.

19. On 18 June 2020, CST was informed that DHSC was requesting approval to enter into a long-term domestic PPE manufacturing contract with Medicom. The contract would provide 540m facemasks and 122m respirators. CST's officials recommended he approve this deal, as it would ensure PPE supply at a

reasonable price and provide a stockpile in case of a second wave. CST accepted the recommendation that day but with the request that I address with Lord Deighton the issue of data not being shared with HMT in a timely manner. [RS/5/004 [INQ000528097](#)]

20. Later into the pandemic, on 23 February 2021, CST received correspondence from Department for Transport including a £26m request to fund protective screens and disinfectant in taxi cabs. CST was advised to fund the screens at £20m but exclude the disinfectant. This matter was raised with me as the Transport Minister had written to me in relation to proposals for the Spring Budget, and I had previously indicated that I did not think funding for this should form part of the Budget. Thus, it was appropriate for the CST to involve me in what was essentially a procurement matter but with wider implications. I had also discussed the matter with the PM in relation to the Roadmap and who had agreed that the measure was not needed for its successful operation [RS/5/005 [INQ000528100](#)]. I was concerned as to the lack of time to work out repercussive risks and accordingly rejected the requests the following day RS/5/006 [INQ000475186](#). On 7 April, the Transport Secretary asked for the funding for the screens to be formally considered and provided additional details regarding the limited repercussive risks. I was still unconvinced that the repercussive risks had been exhaustively considered, but moreover these funds could also be reprioritised within the department's existing budget. As such, whilst I did not approve the provision of additional funding due to my underlying concerns, the funding was still available to the department should it have decided to go ahead in any event. [RS/5/007 [INQ000475146](#)].

21. Another area in which it was necessary and appropriate for my input to be sought was in relation to management of excess ventilator stock. HMT had regular engagement with DHSC on managing excess ventilator stock which included, in April 2021, further proposed ventilator donations to India, as part of a wider COVID-19 support package. Approval for this particular decision was directed to and subsequently granted by me [RS/5/008 [INQ000477878](#); RS/S/009 [INQ000477879](#)] as opposed to CST. This was because on 25

November 2020, I had announced a reduction in the overseas aid budget during my annual Spending Review. Consequently, in 2021, the Government was to allocate 0.5% of Gross National Income for Official Development Assistance. It was therefore necessary to consider the risk that the donation would cause HMG to breach the 0.5% ODA target. However, this had to be balanced against the obvious benefit of disposing of much needed equipment that other countries could use. Due to my previous involvement and the wider policy implications, this decision fell most appropriately to me [RS/5/0010 **INQ000528098**] and on 7 May 2021 I agreed to the donation. [RS/5/011 **INQ000477879**]. Other than in this regard, I had no other involvement in the procurement of ventilators or oxygen, this again falling to CST and HMT officials.

22. At times, as Chancellor I was involved at a strategic level with scrutinising policies related to testing primarily arising within the context, for example, of the Roadmap, which fed into high level decision making indirectly related to funding and procurement. For example:

- a. In October 2020, I was involved in decision making with the Prime Minister regarding a package of financial support which aimed, inter alia, to unblock airport testing in order to help to stabilise the aviation sector. Having established the aim of the support package, it was then CST's role to consider and approve funding for 18m LFTs, of which a proportion were to be reserved specifically for the aviation sector. [RS/5/012 **INQ000475149**]
- b. In February 2021, I expressed reluctance regarding ongoing funding for testing to large private companies. Whilst CST and I recognised the need to support reopening, we were both concerned at the high cost of testing as set out in the 'Roadmap to Recovery'. As a consequence, CST proposed that there should be a review of all testing leading up to June, a proposal that I endorsed. In particular I felt that larger companies within the private sector should bear some of their own costs. Funding approvals however sat within the remit of the CST and it was CST who was involved in the testing aspect of the Roadmap. As such, it was CST

who attended the Testing Meeting with the PM. My input remained at this limited strategic, oversight level [RS/5/013 [INQ000475147](#)]

- c. In early January 2022, I posed questions related to the frequency of testing required during periods of self-isolation as I had concerns over potentially very high monthly testing costs. I requested further information from my advisors on international comparators to ascertain whether the UK's predicted expenditure was sensible, the total cost per LFT including delivery, and estimated number of tests used per month. At this time, we were testing at a much higher rate than other countries and I believed it was important to remember that this approach did not come without a significant cost. I was particularly interested in looking into international comparators and those countries that had approached an apparently more flexible approach to contact isolation and the risks around reducing the numbers of days of isolation and the number of tests thus required during that period. [RS/5/014 [INQ000475145](#)] As stated above, decision making around procurement and funding of LFTs fell within the remit of CST.

23. A further example of my involvement in this area due to wider economic policy considerations was in the context of VAT and tariff liberalisation:

- a) In April 2020 I decided to implement a temporary zero-rate of VAT to all supplies of PPE from 1 May 2020 until 31 July 2020. The main objective of this exemption was to enable VAT-free supplies to reach the widest possible range of businesses and sectors. In June 2020, I agreed to a three-month extension to the temporary zero-rate [RS/5/015 [INQ000477824](#)]. On 25 September, I agreed with the advice from officials that an extension of the exemption (as legislated on 31 October) was not necessary (RS/5/016 [INQ000475150](#) AND RS/5/017 [INQ000528098](#)). By this time, the provision of PPE had become less of a burden on affected sectors, and supply of high-grade PPE covered by the zero rate had grown to meet the demand.

b) In November 2020 I agreed to implement tariff liberalisations on 86 COVID-critical products via a 12-month tariff suspension from 1st January 2020 until 31st December 2021. Implementation of these liberalisations brought into effect a commitment made by the PM on 26 September. The aim of this initiative was to facilitate trade in health-related goods including PPE, medical equipment and healthcare products (RS/5/018; **INQ000475148**). I announced a two-year extension of this measure as part of the Autumn budget 2021.

24. As stated and demonstrated above, I was not substantively involved in day to day decision making nor approvals in relation to procurement, as from the ministerial perspective this was dealt with by CST. My involvement primarily arose where there was a nexus between procurement and wider economic and fiscal policy. However, a reflection I have is that there was generally a lack of live data, across several sectors, during the pandemic and as referenced above, I was asked to raise a lack of data sharing with Lord Deighton. In the specific context of Module 5, as a department we were very conscious that there was a significant lack of live data for how much PPE was required or was being used. Consequently, spending decisions had to be made by CST on advice for which officials would not be able to rely on the level of information usually available or required. As I have stated previously in this Inquiry, during the pandemic we were working in an environment where decisions had to be made extremely quickly, with imperfect information and where all options carried cost or risk. I believe that HMT did all it practically could to mitigate those costs and risks. It held regular calls with the relevant procuring departments which evolved into more formal structures as the pandemic progressed and as such put CST in as well-informed position as possible when making spending decisions.

25. During this challenging period where it was hard to make perfect decisions, HMT sought broadly to balance four principles. First, maintaining value for money for taxpayers, avoiding waste and driving efficiency. Second, acting rapidly to deliver the best possible outcomes for patients, care users and public

health, in line with proposals from the relevant health bodies. Third, supporting Accounting Officers to ensure government spending operated with regularity and propriety at all times. Lastly, accounting for considerations on the health of the economy and wider societal impacts.

26. Of course flexibility was shown in applying these principles. In particular, we introduced significant flexibility by delegating greater control to AOs thus enabling departments to respond more quickly and flexibly, increasing spending envelopes and levels of Delegated Authority which enabled more rapid decision making with spending approvals provided at significant pace, often within hours. The CST wrote to the Treasury Select Committee on 1 April 2021 to outline the flexibilities that we had built in [EXHIBIT RS/5/019 INQ000068427]. Checks and balances remained in place throughout this period however, with all departments required to meet the standards stipulated in Managing Public Money.

27. Whilst, inevitably, practical issues arose in relation to procurement, I believe that HMT always remained focused on exercising control of health and social care spending on behalf of taxpayers whilst working flexibly, creatively and rapidly to support and protect the overall health of the country.

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.

Personal Data

Signed:

Dated: 9 December 2024

