

Witness Name: Jonathan Irvine

Statement No. 2

Exhibits: 75

Dated: 20.02.2025

UK COVID-19 INQUIRY

WITNESS STATEMENT OF JONATHAN IRVINE

I, Jonathan Irvine, of 4-5 Charnwood Court, Heol Billingsley, Parc Nantgarw, Cardiff, CF15 7QZ will say as follows: -

Introduction

1. I am employed by NHS Wales Shared Services Partnership (NWSSP) as Director of Procurement Services. My tenure in this role and within NWSSP commenced in September 2019.
2. My statement relates to matters within the Provisional Outline of Scope for Covid Inquiry Module 5 which will examine procurement and distribution of key healthcare equipment and supplies including PPE, ventilators and oxygen, lateral flow tests and PCR tests. I have referred to PPE throughout with reference to the definition as set out in the R9 request to include eye protection, face shields, fit test kit, gloves, masks, shoe protectors, scrubs, aprons and gowns.
3. The specific purpose of my statement is to provide further detail in relation to the establishment of several contracts for the supply and delivery of PPE during the pandemic. To provide a full and meaningful account of the procurement activity relating to the establishment of these contracts, it is first necessary to provide some context.

The following sections of the statement will therefore describe the background and operation of NWSSP, delegated authority and decision-making during the pandemic including the role of the Finance Governance Group, the role of my own Division, Procurement Services, during the pandemic and a brief outline of the supplier selection and triage process.

NHS Wales Shared Services Partnership (NWSSP) – Establishment

4. NWSSP was established in November 2010 and began operating from April 2011. From 1st June 2012 the function of managing and providing shared services to the health service in Wales transferred to Velindre University NHS Trust. The Velindre University NHS Trust's Establishment Order was amended to reflect this. The position and relationship of NWSSP to the rest of NHS Wales and Welsh Government (WG) has been reflected in the organogram at **(INQ000506410)**.
5. The Velindre National Health Service Trust Shared Services Committee (Wales) Regulations 2012 (S.I.2012/1261 (W.156)) (the "Shared Services Regulations") require the Trust to establish a Shared Services Committee which is responsible for exercising the Trust's Shared Services functions.

Shared Services Partnership Committee (SSPC)

6. The Shared Services Regulations prescribe the membership of the Shared Services Partnership Committee (SSPC) in order to ensure that all Health Boards (HBs), Trusts and Special Health Authorities in Wales have a member on that Committee and that the views of all the NHS organisations in Wales are taken into account when making decisions in respect of Shared Services activities.
7. The membership of the SSPC is 14 voting members, comprising:
 - a) the SSPC Chair;
 - b) the Chief Executives of each of the HBs, Trusts and Special Health Authorities (or their nominated representatives); and
 - c) the Managing Director of Shared Services.
8. The SSPC was in place from the establishment of NWSSP and has continued to operate during the pandemic to the present day under the same operating

arrangements. The only development has been the movement to virtual on-line meetings which started during the pandemic and has remained in place.

9. The SSPC Chair from establishment to December 2012 was John Colins. The Chair from December 2012 to April 2021 was Margaret Foster OBE. From April 2021 the Chair has been Professor Tracy Myhill OBE.

Senior Leadership Team

10. The Managing Director of Shared Services holds Accountable Officer status and retains overall accountability in relation to the management of NWSSP.
11. The NWSSP Senior Leadership Group, led by the Managing Director, is responsible for the delivery of Shared Services in accordance with an Integrated Medium Term Plan agreed by the SSPC. The membership of our Senior Leadership Team is chosen by the Managing Director and has changed over time in order to meet the requirements of NWSSP and stakeholders.
12. From the establishment of NWSSP the Senior Leadership Group (SLG) roles below have been held by the following individuals:
 - a) Managing Director (Neil Frow)
 - b) Director of Finance and Corporate Services (Andy Butler to April 2024; Alison Ramsey from April 2024; Alison Ramsey was Deputy Director of Finance and Corporate Services from June 2019 to December 2020)
 - c) Director of People, Organisational Development and Employment Services (Hazel Robinson, People and Organisational Development to June 2018; Gareth Hardacre, People and Organisational Development from June 2018 and Employment Services from October 2020; Paul Thomas, Employment Services prior to October 2020)
 - d) Director of Procurement Services (Mark Roscrow prior to September 2019; Jonathan Irvine from September 2019)
 - e) Director of Primary Care Services (Dave Hopkins prior to April 2020; Andrew Evans from April 2020; Nicola Phillips from May 2024)
 - f) Director of Legal and Risk Services (Anne-Louise Ferguson prior to April 2020; Mark Harris from April 2020)
 - g) Director of Audit and Assurance Services (Phil Sharman to June 2014; Simon Cookson from June 2014)

- h) Director of Specialist Estates Services (Neil Davies prior to April 2023; Stuart Douglas from April 2023)

13. The following senior leadership roles have been added as NWSSP has developed:

- a) Medical Director (Malcolm Lewis from November 2019 to October 2021; Ruth Alcolado from October 2021)
- b) Director of Planning, Performance and Informatics (Alison Ramsey from December 2020; Rebecca Nelson from August 2024)
- c) Director of Surgical Materials Testing Laboratory (SMTL) (Pete Phillips prior to April 2022; Gavin Hughes from April 2022)
- d) Director of All-Wales Pharmacy Technical Services (Colin Powell from April 2022)

14. Our SLG met throughout the pandemic.

15. NWSSP provides a range of shared services to NHS Wales including;

- a) Accounts Payable
- b) All Wales Laundry Services
- c) Audit & Assurance
- d) Counter Fraud Services
- e) Digital Workforce
- f) Employment Services
- g) Lead Employer for Medical, Dental & Pharmacy Trainees
- h) Legal & Risk Services
- i) Medical Examiner Services
- j) Primary Care Services
- k) Procurement Services
- l) Specialist Estates Services
- m) Student Awards
- n) Surgical Materials Testing Laboratory
- o) Wales Infected Blood Support Scheme
- p) Welsh Risk Pool

Delegated Authority and Decision-Making During the Pandemic

16. My statement will later refer to details relating to the establishment of some specific contracts for the supply and delivery of PPE to NHS Wales. In order to provide appropriate context to these contracts it is necessary to explain the delegated authority arrangements during the pandemic in relation to the approval of expenditure and the role of the Finance Governance Group (FGG) as both of these elements were key to the decision-making process and approval of many contracts for the supply and delivery of PPE that were established by Procurement Services during the pandemic. I will first turn to the arrangements with regards to delegated authority.

Delegated Authority During the Pandemic

17. Andrew Goodall, Director General Health and Social Services/NHS Wales Chief Executive, wrote to all NHS Wales Chief Executives on 30th March 2020 regarding Covid-19 Decision Making & Financial Guidance (**INQ000182437**). Within this guidance there was a requirement for NHS Wales organisations to review their financial governance arrangements to ensure that decision-making could continue at pace while maintaining the appropriate financial controls and governance.

18. The Cabinet Office published a Procurement Policy Note – Supplier relief due to COVID-19 (Action Note PPN 02/20) on 20th March 2020 (**INQ000506412**) and Financial Guidance to NHS Wales Organisation (**INQ000434421**) which sets out information and guidance for public bodies on payment of their suppliers to ensure service continuity during and after the COVID-19 outbreak. In addition, the Healthcare Finance Management Association (HFMA) had issued guidance to its members which included the need to review schemes of delegation.

19. Against this backdrop, at the outset of the pandemic, it quickly became apparent that we needed to act swiftly to procure the required volumes of PPE at pace. Our Scheme of Delegation (**INQ000506414, INQ000506415, INQ000506416, INQ000506417, INQ000506418, INQ000506419, INQ000506440, INQ000506463, INQ000506483, INQ000506503, INQ000506524, INQ000506540, INQ000506562, INQ000182591, INQ000506591, INQ000506602**) and our normal terms of trade therefore required a major revision to respond to the new global trading conditions.

20. As a consequence of this very challenging operating environment, on 18th March 2020, our Director of Finance and Corporate Services, Andy Butler, following discussions with the Managing Director of NWSSP, Neil Frow and the Executive Finance Director

of Velindre University NHS Trust, Mark Osland, proposed that we should amend our Scheme of Delegation and increase the purchasing threshold for All Wales contracts above which we require Velindre University NHS Trust Board approval from £1,000,000 to £2,000,000 (**INQ000506616**). The procurement of PPE was on an All Wales basis and therefore these procurements fell into the category of All Wales procurements and the associated threshold. This proposal was subsequently approved by Velindre University NHS Trust Board (**INQ000506632**).

21. After a short period of time, it became evident that the new limit was insufficient because of the volume and cost of PPE required to meet the demand. Therefore, on 30th March 2020 the Director of Finance and Corporate Services proposed that this limit should be further increased to £5,000,000 (**INQ000506648**). This further proposal was subsequently approved by the Velindre University NHS Trust Board (**INQ000506661**).
22. Following the approval of the FGG, procurements subject to the revised delegated limits were required to have the approval of the NWSSP Chair and either the NWSSP Managing Director or the NWSSP Director of Finance and Corporate Services. Procurements above the value of the revised delegated limits additionally required the approval of Velindre University NHS Trust Board which for the purposes of expediency was deemed to be a minimum of the Trust Board Chair, Chief Executive Officer and two Independent Members.
23. The Velindre University NHS Trust Executive Director of Finance and the Vice Chair of the Velindre University NHS Trust Board also became members of the FGG thereby providing additional assurance to the Velindre University NHS Trust Board.
24. The approval mechanism for procurements within WG was also revised to allow one officer out of a pool of four senior officers to approve COVID 19 related procurement contracts negotiated by NWSSP up to a value of £5,000,000. Where the contract value was over £5,000,000 the approval of WG through this mechanism was sought and obtained before final approval by the Velindre University NHS Trust Board as previously described. During the early stages of the pandemic advance part-payments were on occasion required by suppliers to secure stock on the ground or manufacturing slots ahead of significant competition from other global buyers for the PPE products required. Approval for advance payments requested by suppliers valued at 25% or more of the contract value was sought from WG as part of this process.

25. These arrangements were extended with the approval of the Velindre University NHS Trust Board in September 2020, March 2021 and June 2021. Papers providing the reason for each extension were submitted to the Velindre University NHS Trust Board for approval (**INQ000506672, INQ000506673, INQ000506674**).
26. All contracts were awarded in accordance with the agreed Scheme of Delegation and the revisions outlined in this statement.

Finance Governance Group (FGG) – Role and Remit

27. The paper to the Velindre University NHS Trust Board requesting the revision of the spending limit to £5,000,000 states that the NWSSP Managing Director requested the NWSSP Director of Finance and Corporate Services and the NWSSP Director of Audit and Assurance to develop Terms of Reference for a FGG to oversee proposed and actual COVID 19 expenditure and provide additional governance and assurance.
28. The Terms of Reference of the FGG were considered at its first meeting on 6th April 2020 and were approved (**INQ000506675**). The Terms of Reference stated that the FGG's primary aim was *"to assist the appropriate decision maker to ensure that COVID 19 related expenditure is incurred and monitored appropriately given the current national emergency. In particular, it is recognised and appreciated that established governance and finance procedures may be disrupted by the need to act swiftly to secure the goods and services required to respond effectively to the national emergency and Welsh Government priorities."*
29. The following were members of the FGG:
- Simon Cookson – Director of Audit and Assurance (Chair)
 - Alison Ramsey – Director of Planning, Performance and Informatics (Vice Chair) (in the period up to December 2020, Alison Ramsey was Deputy Director of Finance and Corporate Services)
 - Andy Butler – Director of Finance and Corporate Services
 - Mark Harris – Director of Legal and Risk Services
 - Mark Osland - Velindre University NHS Trust Director of Finance to 2021
 - Stephen Harries - Velindre University NHS Trust Independent Member
 - Graham Dainty - Head of Counter Fraud
 - Andrew Naylor – Programme Lead, Finance and Corporate Services
 - Peter Stephenson - Head of Finance and Business Development

30. FGG scrutiny involved working through the pre-completed Approval Form for each proposed purchase which was within the remit of the FGG (**INQ000506678**). All such forms considered by the FGG have been provided to the Inquiry.
31. The FGG did not review every prospective contract. It was anticipated that most items of COVID-19 related expenditure would not need to be considered by the FGG. Only potentially higher risk purchases were considered by the FGG. The Terms of Reference state that part of the remit of the FGG was *“To consider the risks of each significant contract/purchase that may cause disruption to established governance and finance procedures e.g. risk of financial loss if a percentage of the payment is up front.”* Another part of the FGG remit was to consider single tender and direct award of contracts as anticipated by PPN 1/20, variations to contracts as anticipated in PPN 2/20 and any other consequential actions required which may include review and consideration of established procedures in the Standing Orders and Standing Financial Instructions where appropriate.

NWSSP Procurement Services – overview of role and responsibilities

32. The Division for which I am Director, Procurement Services, is responsible for facilitating the procurement of the majority of goods and services used within NHS Wales organisations, e.g. HBs, Trusts and Special Health Authorities. This includes the main operational areas of sourcing/contracting, warehousing and distribution and transactional purchasing by way of direct transactions with suppliers via electronic purchase orders. Our area of responsibility covers both clinical and non-clinical products and a wide range of services provided by suppliers within the relevant markets.
33. The Division is responsible for undertaking national or “All Wales” procurement activity on behalf of all or multiple HBs, Trusts and NHS Organisations within Wales.
34. Examples of “All Wales” procurement activity include the procuring and establishing of national contracts for the supply of goods and services and the warehousing and distribution of a nationally stocked product range through our warehousing network. The Velindre University NHS Trust Board is the contracting authority for these national contracts due to its position as the host Trust for NWSSP.

35. As part of the “All Wales” procurement activity contracts were established and maintained during the pandemic for the supply of critical goods and services which were outside of the defined range of PPE and equipment that are the subject of this Inquiry but nevertheless crucial to maintaining the clinical capability of NHS Wales to continue to treat patients. Such contracts included those for the supply of medical and surgical consumable products, supporting contracts for clinical waste collection and contracts for the supply of vital medicines.
36. Our NWSSP Accounts Payable teams across Wales transact the payments to the suppliers for these goods and services on behalf of NHS Wales organisations. The Accounts Payable function is the responsibility of my colleagues in the Finance and Corporate Services Division.
37. My colleagues within the Surgical Materials Testing Laboratory (SMTL) provide medical device testing and associated technical services to the NHS in Wales, enabling my Division to undertake evidence-based purchasing.
38. Procurement for organisations outside of NHS Wales is generally out of scope of NWSSP Procurement Services (Procurement Services) but we do collaborate with other public sector procurement organisations for the procurement of common goods and services where this is practical and possible. During the pandemic Procurement Services did, at the instruction of the Welsh Government (WG), carry out procurement functions on behalf of organisations outside of NHS Wales including Local Authorities, Social Care organisations and Primary Care Contractors such as GPs, dentists, pharmacists and opticians.
39. At the outset of the pandemic, the procurement of PPE and ventilators was the responsibility of WG and the UK Government (UKG). In respect of PPE, Procurement Services then took on the responsibility for procuring PPE products directly from the market in accordance with the prescribed range of PPE products determined by UKG and WG.
40. Procurement Services took responsibility for procurement of PPE when it became apparent during March 2020 that stock to replenish the existing Pandemic Influenza Preparedness Programme (PIPP) stockpile plus the additional, new items of PPE, that were not part of the existing PIPP stockpile, were not going to be available through a central UKG allocation. UKG through DHSC/NHSE supplied 1.66% (by value) of the

total amount of PPE procured within Wales. The responsibility and ownership of the stock of PPE was retained by WG and continued to be managed on their behalf by NWSSP.

41. Procurement Services began sourcing activity for all PPE products during March 2020 in order to secure supply of new products such as the fluid resistant thumb loop gown and to replenish PIPP products such as FFP3 masks and “business as usual” (BAU) products that were also part of the normal stock range such as aprons and nitrile examination gloves.

Selection of Contractors

Selection Process – Overview and Initial Contact

42. NWSSP received a very substantial number of offers for the supply of PPE products during the pandemic. Offers were assessed through a triage process which aimed to establish the validity, efficacy and regulatory conformity of the products offered and the viability and credentials of the suppliers. Within Wales there was no operation of any form of “VIP lane” for selecting products and suppliers. This was also stated in the findings of the Audit Wales Report (**INQ000214235**).
43. All offers were funnelled to the Procurement Services Triage Team through a central NWSSP email contact address. Direct approaches made by telephone, email or other forms of contact were directed to the central email address. This ensured that all offers were treated in a consistent manner.
44. Each offer received through the central email address was logged and allocated to a member of staff within the Triage Team to progress. All staff involved in the process completed the Declaration of Interests form (**INQ000506713**). No conflicts of interest were identified. The process from this starting point in the triage process to the point of final approval took an average of 10 days. Where circumstances of extreme urgency dictated, there was sufficient flexibility within the process to respond at a faster pace than the 10-day average.

Overview of contracts awarded by Procurement Services

45. The contracts awarded by Procurement Services for the supply and delivery of PPE and medical equipment during the pandemic are detailed at **(JI/01 - INQ000541533)**. For the purposes of clarity, the following terminology describing contracts that were not awarded through a framework is further explained.

- **“multi quote exercise”** refers to the issuing and receipt of quotations from more than one prospective supplier, where time permitted and where there was potentially more than a single source of supply for the required product. “MultiQuote” is the name of the online platform that Procurement Services used to process these quotations. The use of “MultiQuote” was generally restricted to purchases within the value range of £ 5,000 to £ 25,000.
- **“local agreement”** refers to contracts established on behalf of a single NHS organisation and not for wider access across NHS Wales. These purchases usually reflected the specific requirements of an individual organisation.
- **“no formal procurement process”** refers to the direct award of a contract to a specific supplier, where the value of these contracts was below the threshold at which the Public Contracts Regulations 2015 (PCR 2015) applied and consequently below the threshold where a direct award pursuant to Regulation 32 of PCR 2015 would apply.
- **“low level quote process”** refers to quotations received directly from a single supplier for a contract of low value. This term can be used interchangeably with “no formal procurement process”.
- **“single quote action”** refers to a contract established through the issuing and receipt of a single quotation from a specific supplier. This can be for reasons of product availability i.e. where only one supplier is capable of providing the product required or where time does not permit a wider search for alternatives and the issuing of multi quotes i.e. in emergency situations. This term can be used interchangeably with “low level quote process” and “no formal procurement process”
- **“All Wales contract”** refers to a contract awarded on behalf of all NHS Wales organisations i.e. a national contract.

46. There follows an account describing the issues and activities relating to some of the contracts established by Procurement Services for the supply and delivery of PPE during the pandemic. These contracts are listed at **(JI/01 - INQ000541533)**. The internal risk assessment for each contract was managed through the work of NWSSP

in validating the efficacy of the product and where appropriate the review by FGG on the credentials of the contractor where they were not already known to NWSSP.

Anhui JBH Medical Apparatus Co. Ltd (Anhui)

47. Procurement Services awarded a contract to Anhui with effect from 6th May 2020 for the supply and delivery of [i&s] million Type IIR facemasks at a total value of £23,400,000 **(JI/02 - INQ000540490)**. A variation to the contract via a Change Control Notice (CCN) was undertaken on 26th May 2020 to permit an additional [i&s] million Type IIR facemasks to be supplied at a total value of £12,432,205 **(JI/03 - INQ000540491)**.
48. The decision to award this contract was taken through the deliberations of the FGG after consideration of the relevant issues as outlined in **(JI/04 - INQ000540492)**. The stock position is clearly described within the FGG report in response to Q28 where a table is provided that details the current and forecast stock position and the impact of the staged deliveries from this contract mapped alongside the inbound deliveries from other suppliers and set alongside a demand profile. This information demonstrated the build-up of stock through the subsequent weeks to w/c 27th July 2020, at which time the stock position was forecast to reach 14 weeks stock in hand based on the known demand at that time. It should be noted that even though this was a healthy stock position, it was still below the stock level we were subsequently directed to maintain by WG later in 2020 which was initially set at 24 weeks stock in hand. As a result, the CCN was activated, following approval, to support further deliveries totalling [i&s] million Type IIR facemasks from this point through to February 2021. This level of scrutiny by FGG was the agreed process through which high value contracts of this type were to proceed as part of the governance and approval procedure established during the pandemic and referred to previously in this statement. The FGG recommendation to approve the contract was then passed to the Velindre University NHS Trust Board for final approval **(JI/05 - INQ000540502)**. In parallel, WG approval was sought and received for the funding required for the contract **(JI/06 - INQ000540503)**. All approvals sought were received as was also the case for the subsequent CCN varying the contract to provide for a further [i&s] million facemasks **(JI/07 - INQ000540504, JI/08 - INQ000540515 and JI/09 - INQ000435644)**.
49. The supplier was sourced via a sourcing agent, BTBW, that had been appointed by NWSSP under contract, to support the sourcing and wider procurement activity being undertaken by Procurement Services during the pandemic. BTBW made initial contact

with NWSSP via the central email address that was used to funnel all potential supplier offers during the pandemic. The supplier was not therefore referred to NWSSP via CERET or The Life Sciences Hub but was instead indirectly sourced through BTBW. The work undertaken by BTBW on behalf of NWSSP required them to liaise directly with the prospective manufacturer/contractor. This meant that discussions regarding, capacity, price and all issues associated with due diligence and product efficacy were initiated by BTBW through their communications with the manufacturer/contractor. The results of this work undertaken by BTBW were then subject to the normal NWSSP Triage Process, including the approvals required from FGG, Velindre Board and WG. In total, the work undertaken by BTBW facilitated the award of 6 contracts of which 2 contracts were terminated for non-delivery of product with no financial loss incurred. As such, the 2 contracts terminated for non-delivery were substantially different in nature from the remaining 4 contracts awarded for which product delivery and/or payment had been made. On review of this information, a total number of 35 contracts were awarded by NWSSP for PPE products during the pandemic to include these additional 2 terminated contracts. This is an amendment to the figure identified in my previous witness statement which quoted 33 as the total number of contracts awarded as I had not counted these additional contracts.

50. A comprehensive assessment of the manufacturer was carried out by BTBW and through the scrutiny of documentation by SMTL as part of the Triage Process. This involved a close inspection of certifications, documentation and reports relating to the efficacy of the product, the production facilities and the overall technical compliance of the facemask to ensure it met with all regulatory and technical requirements. Further checks were made by BTBW who carried out direct, on-site inspection of manufacturing facilities and helped to secure the relevant certifications as included in the contract at **(JI/02 - INQ000540490)**. BTBW therefore acted as the conduit between Procurement Services and the manufacturer, Anhui. The communications between Procurement Services and BTBW regarding the provision of the technical and regulatory documentation and details of the due diligence work undertaken with Anhui and clarification on the price are detailed in **(JI/10 - INQ000540517, JI/11 - INQ000540518, JI/12 - INQ000540519, JI/12 - INQ000540520)**. The final confirmation of price is as stated in the contracts at **(JI/02 - INQ000540490)** and **(JI/03 - INQ000540491)**.

51. The contract was established by Procurement Services on behalf of all four nations. The first tranche of 1.5 million facemasks was delivered to all four nations on an agreed

“Barnett formula” apportionment of the volume. The second tranche of [i&s] million facemasks secured by Procurement Services through the CCN at an even more competitive price was delivered in full to Wales through a series of staged deliveries across a six-month period. This combination of delivery volumes and timings ensured that excess stock was not manufactured and delivered in a single upfront drop which in turn optimised the spread of date life for the facemasks, optimised stockholding requirements and minimised the product cost. The stock secured covered demand in Wales through to February 2021.

52. The FGG report **(JI/04 - INQ000540492)** details price benchmarking comparisons with other suppliers which demonstrate the competitiveness of the price agreed for this contract. At [i&s] per mask for the first tranche of [i&s] million, this price was less than half the price which had been paid to other suppliers during that early stage of the pandemic. The consolidated volumes together with the direct engagement with the manufacturer were the two factors that contributed to the competitive price that Procurement Services secured. For the second tranche of [i&s] million facemasks, we pushed for a lower price than the first tranche **(JI/14 - INQ000540524 and JI/15 - INQ000540525)** and secured a further significant reduction to [i&s] per mask. The total volume commitment of [i&s] million facemasks by the time the second tranche was agreed and direct engagement with the manufacturer were critical in securing the [i&s] per facemask price point.

53. Declarations of Interest for this contract were checked, and no conflicts of interest were declared.

54. The payments for this contract were managed through an escrow account where funds were deposited at the outset of the contract and only released to the contractor in accordance with the provisions of the contract and in accordance with the staged delivery and payment schedules. These schedules are as set out in the FGG reports **(JI/04 - INQ000540492)** and **(JI/07 - INQ000540504)** and consisted of a 10% upfront deposit which locked in the raw material costs and secured the price, followed by a series of payment instalments for each of the deliveries – 13 deliveries for the first tranche and 6 for the second. Each payment had to be authorised by myself and Claire Salisbury, then Head of Procurement, NWSSP Procurement Services responsible for Procurement Services support to the Cardiff and Vale University Health Board. Payment approval was subject to the provision of an SGS report, confirming the efficacy of the product on each shipment prior to despatch.

55. All the facemasks delivered were used across the NHS and no problems were reported.

Supply and Delivery of Nitrile Examination Gloves

56. Procurement Services established a contract with GK Enterprise Ltd on 8th July 2020 for the supply and delivery of [I&S] nitrile examination gloves (JI/16 - INQ000540526). This contract had been subject to the approval of FGG, Velindre University NHS Trust Board and WG (JI/17 - INQ000435580, JI/09 - INQ000435644 and JI/18 - INQ000503140). This supplier had been sourced through BTBW. The weekly demand for nitrile examination gloves during this period varied between 7 million and 9 million gloves. The [I&S] gloves represented approximately 14 to 15 weeks of demand. The nitrile examination glove is also a BAU product, used throughout NHS Wales so demand is constant and not restricted to pandemic related care settings. The volumes purchased were therefore reasonable and set against the subsequent WG minimum stockholding position of 24 weeks in hand which was established later in the year, there was a clearly defined need to purchase at these volumes to build our stockholding. The overall demand for this BAU product did however eliminate the risk of over-stocking and obsolescence due to product life expiry (which was 3 years). Due to demand throughout 2020 and beyond, remaining at these high levels, the volume purchased through this contract was increased through a CCN to [I&S] gloves in November 2020 (JI/19 - INQ000540537). This increase in the overall volume of nitrile examination gloves was approved by FGG, Velindre University NHS Trust Board and WG (JI/20 - INQ000503199) and (JI/21 - INQ000435869). The contractor, GK Enterprises subsequently advised NWSSP that they were unable to deliver against the contract therefore BTBW sourced two alternative manufacturers to provide the total volume of [I&S] million gloves. These manufacturers were Blue Sail Medical Company Limited ([I&S] million gloves) and Top Glove SDN.BHD ([I&S] million gloves). The following sections of this statement relate to each of these two replacement contracts. The FGG and WG approvals continued to stand in relation to the re-sourcing of the approved volumes, but contracts were not signed until the required technical and regulatory conformity approvals had been provided by the replacement manufacturers/contractors for their respective gloves.

Blue Sail Medical Company Limited

57. Procurement Services signed contracts with Blue Sail Medical Company Limited on 17th March 2021 and 26th March 2021 (**JI/22 - INQ000540549**) and (**JI/23 - INQ000540550**) for the supply and delivery of [I&S] million nitrile examination gloves. The contracts were signed prospectively in advance of a subsequent 10 month staged delivery schedule.
58. A comprehensive assessment of the manufacturer was managed by BTBW and through the scrutiny of documentation by SMTL as part of the Triage Process. The work undertaken by BTBW on behalf of NWSSP required them to liaise directly with the prospective manufacturer/contractor. This meant that discussions regarding, capacity, price and all issues associated with due diligence and product efficacy were initiated by BTBW through their communications with the manufacturer/contractor. The results of this work undertaken by BTBW were then subject to the normal NWSSP Triage Process, including the approvals required from FGG, Velindre Board and WG. It should be noted that SMTL had already approved Blue Sail Medical Company Limited on a previous report undertaken in 2020 for another potential distributor (**JI/24 - INQ000540551**). This approval was as the result of a close review of certifications, documentation and reports relating to the efficacy of the product, the production facilities and the overall technical compliance of the glove to ensure it met with all regulatory and technical requirements.
59. A contract already in place with another supplier was due to deliver, but it was agreed that this purchase was also required to provide further resilience in the context of ongoing problems being faced by our normal wholesale suppliers of nitrile examination gloves. The staging of deliveries across a 10-month period ensured a smoother injection of stock into the warehouse network and optimised the date life of the product supplied.
60. The FGG report initially submitted for the contract with GK Enterprises (**JI/17 - INQ000435580**) details price benchmarking comparisons with other suppliers which demonstrate the competitiveness of the price agreed for this contract. At [I&S] per glove, the price was significantly lower than any other price that had been negotiated to that date. The price comparisons were still relevant when the contracts with Blue Sail were established due to the ongoing high demand for nitrile examination gloves and the limited sources of global manufacturing and supply that still existed. The price per glove was subsequently increased to [I&S] per glove to take account of the emerging global challenges of political instability in the source country of manufacture

leading to supply restrictions, shortages of raw materials and shortages of shipping containers, all leading to an upward pressure on price and described in more detail in the FGG report **(JI/25 - INQ000435974)**. Despite this pressure the revised price of £ **I&S** per glove was still exceptionally competitive in comparison to other prices available or recently paid. The consolidated volumes together with the direct engagement with the manufacturer made a significant contribution to the competitive price that Procurement Services secured. Approvals for the increase in price were sought and received from Velindre University NHS Trust Board and WG **(JI/26 - INQ000435983)** and **(JI/27 - INQ000540561)**.

61. Declarations of Interest for this contract were checked, and no conflicts of interest were declared. A disclosure was made by a member of FGG as recorded in **(JI/25 - INQ000435974)**.

62. The payments for this contract were managed through an escrow account where funds were deposited at the outset of the contract and only released to the contractor in accordance with the provisions of the contract and in accordance with the staged delivery and payment schedules. These schedules are as described in the FGG report **(JI/17 - INQ000435580)** and consisted of a 10% upfront deposit which locked in the raw material costs and secured the price, followed by a series of payment instalments for each of the 10 monthly deliveries. Each payment had to be authorised by myself and Claire Salisbury, then Head of Procurement, NWSSP Procurement Services responsible for the Procurement Services operation at Cardiff and Vale University Health Board. Payment approval was subject to the provision of an SGS report, confirming the efficacy of the product on each shipment prior to despatch.

63. All the nitrile examination gloves delivered were used across the NHS and no problems were reported.

Top Glove SDN.BHD

64. Procurement Services signed contracts with Top Glove SDN.BHD on 20th April 2021 **(JI/28 - INQ000540563)** for the supply and delivery of **I&S** million nitrile examination gloves. The contracts were signed prospectively in advance of a subsequent 10 month staged delivery schedule.

65. Top Glove SDN.BHD are an established and well-known global manufacturer responsible for supplying approximately 20% of the global requirement for nitrile examination gloves including supply to the NHS in Wales and elsewhere. Despite this, and to provide further assurance, a comprehensive assessment of the manufacturer and the product was managed by BTBW and through the scrutiny of documentation by SMTL as part of the Triage Process **(JI/29 - INQ000540564)**.
66. Before the pandemic, as with several other contracts, the supply of Top Glove SDN.BHD manufactured gloves would have been managed through national wholesalers. As previously set out in this statement, the normal, pre-pandemic routes of supply failed during the pandemic. Procurement Services therefore engaged Top Glove SDN.BHD directly via BTBW. The communications between Procurement Services and BTBW regarding the provision of the technical and regulatory documentation and referring to the due diligence work undertaken and clarification on the price are detailed in **(JI/30 - INQ000540565)** and **(JI/31 - INQ000540568)**. The final confirmation of price is as stated in the contract at **(JI/28 - INQ000540563)**. The direct engagement with the source manufacturer was a key factor in securing supply of the volumes of nitrile examination gloves required to support the requirement for this product within Wales. Our engagement with Top Glove SDN.BHD did not occur as a consequence of a referral from CERET or the Life Sciences Hub.
67. The staging of deliveries across a 10-month period ensured a smooth injection of stock into the warehouse network, avoided over-stocking and ensured that the date life of the product was optimised.
68. The FGG report **(JI/20 - INQ000503199)** details price benchmarking comparisons with other suppliers demonstrating the competitiveness of the price agreed for this contract. At **I&S** per glove the price was significantly lower than any other price that had been negotiated to that date. The price per glove was subsequently increased to **I&S** per glove to take account of the emerging global challenges of political instability in the source country of manufacture leading to supply restrictions, shortages of raw materials and shortages of shipping containers all leading to an upward pressure on price and described in more detail in the FGG report **(JI/25 - INQ000435974)**. Despite this pressure, the revised price of **I&S** per glove was still exceptionally competitive in comparison to other prices available or recently paid. Approvals for the increase in price were sought and received from Velindre University NHS Trust Board and WG **(JI/26 - INQ000435983)** and **(JI/27 - INQ000540561)**. The consolidated volumes

together with the direct engagement with the manufacturer contributed significantly to the competitive price that Procurement Services secured.

69. The payments for this contract were managed through an escrow account where funds were deposited at the outset of the contract and only released to the contractor in accordance with the provisions of the contract and in line with the staged delivery and payment schedules. These schedules are as described in the FGG report **(JI/20 - INQ000503199)** and consisted of a 10% upfront deposit which locked in the raw material costs and secured the price, followed by a series of payment instalments for each of the 10 monthly deliveries. Each payment had to be authorised by myself and Claire Salisbury, then Head of Procurement, NWSSP Procurement Services responsible for the Procurement Services team supporting Cardiff and Vale University Health Board. Payment approval was subject to the provision of an SGS report, confirming the efficacy of the product on each shipment prior to despatch.
70. Declarations of Interest for this contract were checked, and no conflicts of interest were declared. A disclosure was made by a member of FGG as recorded in **(JI/20 - INQ000503199)** and **(JI/25 - INQ000435974)**.
71. All the nitrile examination gloves delivered were used across Wales and no problems were reported.

British Rototherm Co. Ltd

72. The contractual arrangements with British Rototherm Co. Ltd for the supply and delivery of face visors were established through a series of Purchase Orders, all subject to the NHS Wales Standard General Conditions of Contract. The initial Purchase Order was issued by Procurement Services to British Rototherm Co Ltd on 15th April 2020. British Rototherm Co. Ltd were a known and current supplier to NHS Wales and had proven to be reliable, which reduced the level of risk for NWSSP in trading with the company.
73. British Rototherm Co. Ltd made initial contact with the Procurement Services Triage Team on 25th March 2020 through the dedicated email contact point which was used by all other suppliers offering PPE products **(JI/32 - INQ000540569, JI/33 - INQ000540570, JI/34 - INQ000540571, JI/35 - INQ000540572, JI/36 - INQ000540573)**. At this stage the FGG had not been established by NWSSP. The

offer was progressed through the Triage Process and all the technical and regulatory documentation and certifications were sought and provided by the supplier. After this initial Purchase Orders (subject to NHS Wales Standard General Conditions of Contract) were approved and issued through the Oracle stock ordering system for initial stock to be delivered to allow us to meet the demand at that time for this product.

74. It should be noted that the initial Purchase Orders were placed for the delivery of weekly supplies that would require future replenishment and were not commitments for bulk deliveries and extended supply over the longer period to December 2020. The face visors were manufactured in Wales, which increased the speed at which the product could be manufactured and delivered into the NHS Wales supply chain via Procurement Services. This allowed us to purchase and receipt for deliveries from British Rototherm Co. Ltd based on more frequent, lower volume deliveries instead of the significantly higher minimum order volumes and the additional costs and logistical challenges (sea and/or air freight into the UK) associated with an offshore/global manufacturer. British Rototherm Co. Ltd were treated the same as any other supplier offering PPE through the Triage Process and there was no preferential or advantageous treatment given because of their engagement with CERET or because they were a Welsh based supplier. It should be noted that the face visor was a new addition to the range of PPE prescribed by UKG and WG. At this early stage of the pandemic there were only very limited sources of supply for this type of product to the regulatory and conformity standards required. The capacity to supply a suitable certified face visor was the main determinant of the ongoing engagement with British Rototherm Co Ltd and not their engagement with CERET or their Welsh operating base. The CERET group had assisted the supplier by providing technical advice and support in developing their face visor to meet the relevant certifications and standards required.

75. Although British Rototherm Co Ltd were a known and current supplier to NHS Wales, the contract was retrospectively noted by the FGG. WG were notified in June 2020 after the initial orders had been received and when it became apparent from the very high level of demand at that stage that further volumes would be required to continue supply through to December 2020. The total value of the contracts established through the Purchase Orders placed with British Rototherm Co. Ltd was £15,500,000 however the price of the visor was reduced in stages from an initial [I&S] to a price of [I&S] for the final deliveries during December 2020 (JI/37 - INQ000540574). No upfront payments or bulk delivery payments were required. Payments to British Rototherm

Co. Ltd were made on normal trading terms as detailed in the NHS Standard General Conditions of Contract which required payment to be made within 30 days from receipt of each delivery.

76. Face visors were required PPE in the Infection Prevention Control (IPC) Guidance for Wales. Further information on the settings for use of the face visors can be provided by the relevant WG lead.
77. The volumes purchased, as explained previously, were based on immediate/short term requirements which were met through weekly deliveries to our warehouse network. This allowed us the flexibility to assess demand over time prior to committing to further volumes and cost over an extended period through to December 2020. As the supplier was based in Wales, these more flexible and reactive supply arrangements were easier to facilitate.
78. Declarations of Interest were provided, and no conflicts were declared.
79. No problems were reported in relation to the face visor manufactured and supplied by British Rototherm Co. Ltd.

Mediq Healthcare UK Ltd t/a Bunzl Healthcare

80. **(JI/01 - INQ000541533)** details a contract established by Procurement Services with Mediq Healthcare UK Ltd t/a Bunzl Healthcare (Bunzl Healthcare) on behalf of the Welsh Ambulance Services Trust (WAST). A contract for a specific Trust is sometimes referred to as a "local agreement" as explained previously in this statement. The stated value of the contract was £13,288 for the supply and delivery of FFP3 and hand sanitiser (amongst other medical consumable products). On reviewing the documentation relating to this contract for the purposes of the preparation of this statement I have identified that the Purchase Orders issued to Bunzl Healthcare were not fulfilled and no PPE products were delivered **(JI/38 - INQ000540575)**. The reason for non-performance was the unavailability of product which is an indication of the limited global supply that was becoming apparent at that time. As no products were delivered, no payments were made to Bunzl Healthcare and no financial loss was incurred. The value of this transaction was below the threshold at which The Public Contracts Regulations 2015 (PCR 2015) applied and therefore also below the threshold where a direct award pursuant to Regulation 32 of PCR 2015 would apply.

81. As no deliveries were receipted, there is no expenditure or activity recorded against these orders. This is reflective of the problems that were faced by recognised, established wholesalers during the pandemic in accessing PPE from source manufacturers.
82. The products were added to the online Oracle catalogue for access by appropriately approved staff from WAST which would enable orders to be issued directly to the supplier for the products listed. As this catalogue pre-dates the pandemic and no deliveries of PPE were transacted, there is no relationship between volume at the time it was established and the volume of PPE product required during the pandemic. Due to the low value of the orders, these would have been approved through the normal order approval hierarchy that exists within Oracle. The details of the approving staff based in any NHS Wales organisation requiring a product to be ordered (in this example WAST) and the approved buyers within Procurement Services are embedded within the architecture of the Oracle system. This ensures that only appropriately authorised staff can initiate transactions for goods and services based on the value of the procurement. This architecture within Oracle will have applied to the Purchase Orders issued to Bunzl Healthcare for these products
83. Bunzl Healthcare are an existing and well-established supplier to NHS Wales and the wider NHS in the UK. As a known and widely used supplier, due diligence had already been previously assessed through previous contracts with NWSSP and elsewhere in the UK NHS.
84. The prices stated for the products would have been established through communications with Bunzl Healthcare at a point in time and placed on the product catalogue within Oracle for access to order by the appropriately authorised requisitioner (as stated previously). As this was a dormant catalogue i.e. a catalogue against which there was negligible activity recorded, the prices would have been refreshed only at the point at which orders were received by Bunzl Healthcare. If the price on the order required adjustment, Bunzl Healthcare would have contacted Procurement Services to agree current pricing.
85. No conflicts of interest were declared in relation to this transaction which was relatively low value and subject to the normal BAU approach to declarations of interest that requires all Procurement Services staff to provide a declaration of any interest they may need to declare in respect of relationships, outside employment or other interests in respect of their role within the service.

86. The NHS Standard General Conditions of Contract would have provided for the payment terms of this transaction which is payment within 30 days.
87. No PPE products were supplied as previously stated and no problems were reported.

Sale of PPE to Business Services Organisation, Procurement and Logistics Service (BSO PaLS) (Northern Ireland)

88. Procurement Services established a contract with Continuum (Scotland) Ltd for the supply and delivery of [redacted] I&S Type IIR facemasks in April 2020 (JI/39 - INQ000540576) and (JI/40 - INQ000540577). At this time, the global supply chain supply for Type IIR facemasks (and PPE generally) was extremely challenged with very limited sources of supply. Demand was moving towards a peak with the impact of the first wave of the pandemic taking hold. Against this backdrop, all four nations of the UK were desperate to secure supplies of this key item of PPE. Through regular contact with my counterparts in the other devolved administrations, we had developed a useful network, sharing intelligence and, where necessary, seeking and offering support in relation to the sourcing and supply of PPE including Type IIR facemasks. The contractual arrangements with Anhui JBH Medical Apparatus detailed previously is another example of the effect of this collaborative approach.
89. Northern Ireland, through my counterparts in BSO PaLS took delivery of some of the Type IIR facemasks supplied by Continuum Scotland Ltd to NWSSP to support their own stockholding position. BSO PaLS issued a Purchase Order to NWSSP (JI/41 - INQ000540578) for a total quantity of [redacted] million Type IIR facemasks from a variety of suppliers of which [redacted] million facemasks were supplied from the Continuum Scotland Ltd contract and subsequently invoiced. The Purchase Order and the subsequent transaction that required the issue and receipt of the Type IIR facemasks from NWSSP to BSO PaLS formed the basis of the contract. The stock position for Type IIR facemasks in NHS Wales at that time was relatively healthy with supplies having been secured from several manufacturers with further deliveries inbound. The facemasks supplied to Northern Ireland would have been retained in Wales if our stockholding was not sufficient to afford this relatively small volume of Continuum Scotland Ltd facemasks to be supplied ([redacted] million facemasks from a [redacted] million facemask contract or 3.8% of the total volume).

90. The contract with Continuum Scotland Ltd was initiated through a local contract that had been established by the Procurement Services Team at Cardiff and Vale University Health Board. This offer was then extended to provide a potential supply for all of Wales which was then, following the relevant approvals from FGG and WG, established as a contract to supply **I&S** facemasks (JI/42 - INQ000434792) and (JI/43 - INQ000434785). All relevant technical documentation, certifications and regulatory conformity requirements were checked and confirmed by SMTL (JI/44 - INQ000540590). SMTL undertook the testing and document checks. The product was also approved by MHRA (JI/45 - INQ000540591). The supplier had also been used by NHS Scotland and was therefore a known supplier to them and they had also undertaken their own checks which provided further assurance to Procurement Services and the FGG.

91. We were advised by BSO PaLS that the Northern Ireland Infection Prevention and Control group preferred a metal nose clip instead of the plastic nose clip that was part of the construction of the mask supplied by Continuum Scotland Ltd. We advised BSO PaLS that the facemask met all the technical and regulatory conformity requirements. The preference within NI for a metal nose clip was not an indication of a problem with the quality of the facemask. The plastic nose clip could be moulded around the bridge of the nose similar to a metal nose clip. We provided BSO PaLS with all the documentation and certification that we had checked in relation to the triage of this product. I understood that BSO PaLS planned to share this material with their IPC colleagues. I have not been advised of any further issues arising from this matter with Northern Ireland.

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: 20 February 2025

Witness Name: Jonathan Irvine

Statement No. 2

Exhibits: 75

Dated: 20.02.2025

UK COVID-19 INQUIRY
