

Witness Name: Andrew Slade

Statement No: 1

Exhibits: 181

Dated: 30th September 2024

UK COVID-19 INQUIRY

WITNESS STATEMENT OF ANDREW SLADE

I, Andrew Slade, will say as follows: -

1. As Director General with, among other matters, responsibility for overarching procurement policy within the Welsh Government during the specified period, I act as signatory for this corporate statement in response to two requests under Rule 9 of the Inquiry Rules 2006 dated 23 February 2023 and referenced M5/WGCPD/01 and the other referenced M5/WG/01. The two requests have been combined into one statement due to the overlap of coverage and for ease of reference. Where duplicate questions were posed, I have provided one response.
2. This statement is both explanatory and a response to specific questions from the Inquiry, so may lack a sense of sequence in parts, although I have endeavoured to make it flow as best I can. I am also mindful that it is partly repetitious regarding the role of the NHS Wales Shared Services Partnership. This is owing to the fact that the NHS Wales Shared Services Partnership is the provider of procurement services to all Health Boards and Trusts across the NHS in Wales, including Sourcing, Purchasing, Supply Chain and Accounts Payable functions and as such was responsible for the procurement of key healthcare equipment and supplies before, during and after the pandemic. Therefore, some of the information requested by the

Inquiry is held by it and not the Welsh Government. I have made it clear where this is the case.

Introduction

3. I joined the Welsh Government in 2012, initially working on EU programmes, and then as Director of Agriculture, Food and Marine. Having subsequently held the positions of Lead Director for Environment and Rural Affairs and the Welsh Government's Head of Policy Profession, in January 2018 I became Director General, Economy Skills and Natural Resources. I led the Economy, Skills, and Natural Resources Group until April 2022, when I became Director General, Economy, Treasury and Constitution, also within the Welsh Government. Following the election of a new First Minister and appointment of a new Cabinet in March 2024 I became Director General, Economy, Energy and Transport.
4. Immediately before coming to Wales, I worked for the UK Department for Environment, Food and Rural Affairs (Defra), where I led the establishment of their new national rural development services.
5. Between 2006 and 2011, I worked in south-west England in various roles including Deputy Regional Director at the Government Office responsible for sustainable development and the Whitehall lead engagement with Somerset, Dorset, Bournemouth, and Poole. Later I was the Executive Director of Programmes and Partnerships at the South West Regional Development Agency. My earlier career was in the UK Government in London, where I held several posts, including Principal Private Secretary to the Secretary of State for Environment, Food and Rural Affairs.
6. In preparing this statement I have relied closely on advice and information from several members of the Welsh Government's civil service team, including:

Albert Heaney CBE, Chief Social Care Officer for Wales for information relevant to social care.

Sioned Rees, Director of Public Health Protection for information relevant to public health.

John Coyne, Director of the Commercial & Procurement Directorate (from September 2021) on procurement issues.

Dickie Davis, Deputy Director Special Projects for information related to the Critical Equipment Requirement Engineering Team.

Head of Commercial Delivery and Capability for information related to procurement.

Head of Fraud for information around due diligence and fraud.

Roles and responsibilities

Overview

7. During the Covid-19 pandemic the procurement of equipment of interest to Module 5 examinations was undertaken by a number of organisational units, inside and outside the Welsh Government, working together. These reflected the different responsibilities involved, for example healthcare procurement, corporate procurement policy, and engagement with manufacturing supply chains. I set these arrangements out below in more detail.

Ministerial responsibility

8. Overarching Cabinet responsibility for procurement policy lay with Rebecca Evans MS, from December 2018 as Minister for Finance and then from May 2021 as Minister for Finance and Local Government. Individual Ministers were responsible for agreeing specific procurement activity within their portfolio areas. For example, the Minister for Health and Social Services oversaw and agreed the funding of PPE for the NHS and social care sector. Each Minister was supported by a Special Adviser, with details listed at **WGCPD/01-INQ000222505**.
9. Organograms representing the organisational structure in the Welsh Government at significant points within the pandemic period are provided as exhibits to this statement.
 - a. **WGCPD/02-INQ000116483** sets out the structure in November 2019 and represents the position in advance of the pandemic;
 - b. **WGCPD/03-INQ000116524** and **WGCPD/04-INQ000116586** show the structural changes which were made to help the Welsh Government respond to the pandemic – including the introduction of the role of Director General of Covid-19 Coordination, Deputy Director General for Health and Social Services Group, Head of Health and Social Services Group, Director Test, Trace & Protect and Director of Vaccines;

- c. **WGCPD/05-INQ000066126** highlights the change of Permanent Secretary from November 2021 and the resulting change of the Director General of the Health and Social Services Group to Judith Paget in November 2021.

Commercial & Procurement Directorate

10. The Commercial & Procurement Directorate, which develops procurement policy both for the Welsh Government and for the wider public sector in Wales (those bodies falling within the ambit of the Senedd/Welsh Parliament) is part of the core Welsh Government. It sat within the Economy, Skills and Natural Resources Group, which I led, until April 2022 when

following an internal group restructure, I became Director General of the Economy, Treasury and Constitution Group

The Commercial & Procurement Directorate stayed

within the Economy, Treasury and Constitution Group until the

creation of the Chief Operating Officer's Group and the appointment of Tim Moss as the Chief Operating Officer. It formally became part of the Chief Operating Officer's Group in September 2022. The organogram exhibited at **WGCPD/06-INQ000198622** shows the structure of the Commercial & Procurement Directorate during the pandemic. Between January 2020 (the beginning of the specified period) and September 2021, the Commercial & Procurement Directorate was headed by Dean Medcraft, who was Interim Director, alongside his substantive role as Director of Finance and Operations for Economy, Skills and Natural Resources Group.

11. John Coyne was appointed as the Director of the Commercial & Procurement Directorate in September 2021 and reported to myself until Tim Moss came into post in September 2022. John left the Director post on 20 September 2024 to take up a new role outside Welsh Government.
12. Marcella Maxwell acted as Interim Deputy Director of the Commercial & Procurement Directorate from February 2020 until September 2021.
13. During the specified period, there were around 70 individuals working in the Directorate. Despite these minimal organisational structural changes, the role and responsibilities of the directorate have remained stable and broadly comparable, prior to, during and since the pandemic.
14. Occasionally the Commercial & Procurement Directorate is referred to as the National Procurement Service (NPS), which formally ceased to exist from 5 September 2018. The National Procurement Service once provided procurement services to the Welsh

public sector, but its functions have since been subsumed within the Commercial & Procurement Directorate.

15. The Welsh Government's Commercial & Procurement Directorate is, and was during and prior to the pandemic, the directorate responsible for managing and overseeing overarching aspects of the Welsh Government's procurement responsibilities. As part of its core functions, the Commercial & Procurement Directorate works in conjunction with Welsh Government directorates (business areas) to advise and help them manage the procurement exercises they are required to carry out.
16. The Commercial & Procurement Directorate has a corporate oversight role for all tendering activity above £25,000, for goods and services, and construction activity related to property. The Commercial & Procurement Directorate also acts as the final stage reviewer for any departures from normal procurement processes (e.g. proposed single tender awards) above £25,000 within the core of the Welsh Government. There are some exceptions to these arrangements, for example, the procurement and delivery of new road infrastructure rests with the Welsh Government's directorate for transport. Generally-speaking, it is not the role of the Commercial & Procurement Directorate to decide which company is awarded a specific contract that has been put out to tender. This remains the role of the specific Welsh Government business area conducting the exercise. The Commercial & Procurement Directorate essentially helps administer the exercise for the relevant business area and provides expert advice and assistance in relation to regulatory requirements.
17. The Commercial & Procurement Directorate was, and remains, responsible for developing wider public sector procurement policy in Wales. Procurement policy is devolved in so far as it relates to non-reserved subject matters and devolved Welsh public bodies such as the NHS in Wales and local government ("relevant public bodies"), meaning that responsibility for such procurement policy in Wales falls to the Welsh Government.
18. The Commercial & Procurement Directorate's role also involves the provision of advice to the wider Welsh public sector on procurement policy and how it should be adopted in Wales. This work involves liaising with relevant public bodies such as local authorities, the NHS in Wales, arm's length bodies, registered social landlords, and higher education establishments, to assist those bodies with the implementation of procurement policy. As part of this engagement, the directorate leads on the

development and dissemination of Welsh Public Procurement Policy Notes, which are guidance documents that are published periodically by the Welsh Government to assist all relevant Welsh public bodies in carrying out their procurement activities in compliance with procurement legislation.

19. Through routine stakeholder discussions, the Commercial & Procurement Directorate regularly meets the wider Welsh public sector to discuss and agree the development and implementation of procurement policy. This can involve the directorate presenting to groups of local authority representatives. It may also involve the provision of advice to the NHS Wales Shared Services Partnership, which, as noted below, is directly responsible for carrying out procurement on behalf of the NHS bodies in Wales, including for key healthcare equipment and supplies.
20. A key part of the directorate's role is, and was during (and before) the pandemic, the development and maintenance of "framework agreements". Framework agreements are umbrella arrangements formed with a group of organisations as a result of a category-wide tender exercise conducted by the Commercial & Procurement Directorate on behalf of, and in collaboration with the wider Welsh public sector.
21. In practical terms, this results in a single supplier or list of approved organisations which have been shown to meet the relevant regulatory requirements and provide best value. The framework agreements that are developed and managed by the Commercial & Procurement Directorate are specifically for use by the Welsh public sector. Welsh Government directorates or other public bodies can use these frameworks to enter into contracts with those approved organisations, without needing to conduct a fresh procurement exercise each time, either through a mini-competition or direct award depending on the terms of the framework agreement.
22. During the pandemic the Commercial & Procurement Directorate was only specifically involved in the procurement of PPE on behalf of a range of Welsh public bodies outside of Health and Social Care settings. This included some local authorities, such as Bridgend County Borough Council and third sector organisational members of the Wales Council for Voluntary Action (WCVA) and Cymorth Cymru - the representative body for providers of homelessness, housing and support services in Wales.

23. The directorate had no involvement in the purchase of ventilators, oxygen, lateral flow tests or PCR tests. In relation to PPE, the Commercial & Procurement Directorate let and managed one framework for non-medical PPE and another for cleaning materials. During the pandemic the scope of these frameworks was extended to include a range of face masks and they were used by public bodies to purchase PPE that was to be used outside health and care settings. Health and social care settings were supported directly by arrangements put in place by the NHS Wales Shared Services Partnership. Further detail about the frameworks is set out in the paragraphs 104-120.

24. During the pandemic individuals within the Welsh Government moved to support priority areas of activity. During the initial months of the pandemic, Andrew Gwatkin, Director of International Relations and Trade, undertook short-term, co-ordinating oversight of the procurement and distribution of PPE for non-health settings. At the request of Lee Waters MS, then Deputy Minister for Economy and Transport, who temporarily took the lead at Ministerial level, Andrew chaired (jointly with the Deputy Chief Medical Officer) regular informal meetings with a range of Welsh Government officials with policy responsibilities beyond health and social services to consider guidance for their sectors in respect of PPE usage. Due to the pace of the pandemic, there were no formal agendas or formal minutes for these informal meetings.

Health and Social Services Group

25. The Health and Social Services Group supports Welsh Ministers and reports to the Cabinet Secretary for Health and Social Care on progress against Ministerial priorities. The Cabinet Secretary for Health and Social Care is responsible for the NHS in Wales, including all aspects of public health and health protection in Wales, and for policy and oversight of the provision of all social service activities of local authorities in Wales, including the issue of statutory guidance. This Ministerial position was held by Vaughan Gething MS from 2016 to 12 May 2021 when he was succeeded by Eluned Morgan MS. During the pandemic period, their title was Minister for Health and Social Services.

26. The Health and Social Services Group has a unique role within the Welsh Government in that it is responsible for exercising strategic leadership and oversight of the NHS in Wales and is responsible for the robust stewardship of NHS funds. The Health and Social Services Group is also the link between the local authorities' Directors of Social

Services and the Cabinet Secretary for Health and Social Care and the Minister for Social Care.

27. The Director General of the Health and Social Services Group holds a combined role as Director General and a role referred to as the “Chief Executive NHS Wales”. Dr Andrew Goodall held the position of the Director General of the Health and Social Services Group and Chief Executive NHS Wales from June 2014 to November 2021. Judith Paget succeeded Andrew Goodall and was appointed from November 2021 as Director General, Department of Health and Social Services, and Chief Executive NHS Wales. Judith continues in this role. Dr Andrew Goodall has explained the nature and duties of the role in the corporate statement of the Health and Social Services Group for Module 3 (exhibit **WGCPD/07 - INQ000485721** at paragraphs 40-46).
28. The Health and Social Services Group supports the Welsh Government to deliver its priorities, whilst also providing leadership to the NHS and social services systems in Wales to ensure they can deliver the required changes in services and culture. These changes and system expectations are set out in ‘A Healthier Wales’, the Welsh Government’s long-term plan for health and social care.
29. During the pandemic the NHS Wales Shared Services Partnership was responsible for procurement for the NHS in Wales. It was responsible for procuring, among other things, PPE, medicines, and medical equipment. Arrangements were also in place at a UK level to procure supplies on a four nations basis – this would have included the PCR and lateral flow tests under the UK Testing programme. Further information on the role of the NHS Wales Shared Services Partnership and how it worked with the Health and Social Services Group and NHS bodies in Wales is set out at paragraphs 36-43 below.
30. Officials at Director level within the Group are outlined in the organograms for 2019 – 2021 referenced above, however I have also outlined below the key officials working within the Group at that time and particularly relevant to the scope of Module 5:
- a) Andrew Goodall, Director General, Health and Social Services Group; and Chief Executive NHS Wales until November 2021. Responsible for leadership of the NHS and social care systems in Wales and delivering Ministerial priorities. He reported to the Permanent Secretary, Dame Shan Morgan;

- b) Judith Paget succeeded Andrew Goodall and was appointed from November 2021 as Director General, Health and Social Services Group; and Chief Executive NHS Wales. Judith continues in this role. Judith reports to Andrew Goodall as Permanent Secretary;
- c) Simon Dean, Deputy Chief Executive of NHS Wales. Prior to the start of the pandemic Simon had been seconded to Betsi Cadwaladr University Health Board to provide additional support and leadership. During the initial phase of the pandemic, Alex Howells, Chief Executive of Healthcare Improvement Wales, was seconded to the role of Deputy Chief Executive NHS Wales to act as a bridge between the Health and Social Services Group, the NHS and stakeholders. Simon later returned to post in August 2020 and alongside assisting with the NHS, also led on PPE and the NHS and social care recovery framework. Simon reported to the Director General, Health and Social Services Group;
- d) Frank Atherton, Chief Medical Officer and Director of Population Health Directorate. Frank reports to the Director General, Health and Social Services Group;
- e) Chris Jones, Deputy Chief Medical Officer supporting the work of the Chief Medical Officer. Chris reported to the Chief Medical Officer and left his role in May 2024;
- f) Rob Orford, Chief Scientific Adviser for Health, and Chair of the Technical Advisory Group. During the pandemic response Rob Orford reported to the Director General, Health and Social Services Group and left this role in early 2024;
- g) Jean White, who was Chief Nursing Officer until April 2021, when Gareth Howells temporarily held the post pending Sue Tranka taking up the role in August 2021. The Chief Nursing Officer reports to the Director General, Health and Social Services Group;
- h) Albert Heaney CBE, who was Director of Social Services and Integration until March 2020 before combining this role with the role of Deputy Director General until June 2021. Since June 2021 Albert has been the Chief Social Care Officer for Wales with senior responsibility for social care policy in Wales. Albert reports to the Director General, Health and Social Services Group;
- i) Samia Edmonds, NHS Planning Director, and Chair of Health and Social Services Covid-19 Planning and Response Group. Samia continues in this role and reports to the Director General, Health and Social Services Group;
- j) Alan Brace, Finance Director for the Health and Social Services Group, (on a secondment basis from 12 September 2016 until 30 September 2020, and as a Welsh Government employee from 1 October 2020 until 30 June 2021). During the pandemic Alan was also Chair of the PPE Sourcing and Distribution Group. Alan reported to the Director General, Health and Social Services Group;

- k) Steve Elliot, Health and Social Services Group interim Director of Finance, (30 June 2021-31 March 2023) Steve reported to the Director General Health and Social Services Group;
- l) **Name Redacted** the Health Emergency Planning Adviser. **NR** continues in this role. During the pandemic he was also chair of the Covid-19 Health Countermeasures Group and reported to the Deputy Director of Public Health. He currently reports to the Director of Public Health.

Critical Equipment Requirement Engineering Team

- 31. Falling within the broad remit of the Economy, Skills and Natural Resources Group, the Critical Equipment Requirement Engineering Team was initially established in March 2020 to support the sourcing of new domestic suppliers where existing resources for PPE and other relevant products such as hand sanitiser, face visors, face masks (various types), decontamination services, screening and shield manufacture and scrubs were either inadequate or expected to come under severe pressure.
- 32. As the situation progressed the Critical Equipment Requirement Engineering Team also became involved in support for the manufacture of CPAP devices. The Critical Equipment Requirement Engineering Team's terms of reference are exhibited at **WGCPD/08-INQ000321202**. The Critical Equipment Requirement Engineering Team consisted of several key individuals with specialist expertise in health, finance, procurement, and innovation and was led by the Chief Executive Officer of Industry Wales, (an arm's length body wholly-owned by the Welsh Government), James Davies, and Dickie Davis, Deputy Director of the Industrial Transformation Division within the Economy, Skills and Natural Resources Group.
- 33. The relationships within the team are represented in the organogram exhibited at **WGCPD/09-INQ000321203**. The team's membership consisted of experts both inside and outside government.
- 34. The Critical Equipment Requirement Engineering Team supported the development and manufacture of new products and secured components, raw materials, and services to help meet the needs of Wales during the early phases of the pandemic. The team supported Welsh manufacturers to change their existing production lines to manufacture PPE and explore new methods of production that

aimed to offer the NHS a strong, local supply chain. Where production capacity existed, the products were also made available to non-health settings.

35. The team was not involved in direct procurement except in respect of one product, a respiratory device, where the Critical Equipment Requirement Engineering Team supported its development and initial procurement. Further information regarding the work of the Critical Equipment Requirement Engineering Team can be found between paragraphs 229-239 later in this statement and in the statement **M5/CERET/01**.

The NHS Wales Shared Services Partnership

36. The NHS Wales Shared Services Partnership is an independent organisation. It became operational on 1 April 2011 to provide a range of high quality, customer-focused professional, technical and administrative services on behalf of all Health Boards and Trusts in Wales, in recognition of the need to deliver economies of scale, efficiencies and consistency of quality and processes. From 1 June 2012 the function of managing and providing Shared Services to the health service in Wales was given to Velindre NHS Trust. The Trust's Establishment Order was amended to reflect the fact that the Shared Services function has been conferred on it.

37. 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 will be responsible for exercising the Trust's Shared Services functions. The Shared Services Regulations (as amended) prescribe the membership of the Shared Services Committee in order to ensure that all Local Health Boards, Trusts and Special Health Authorities in Wales have a member on the Shared Services 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, exhibit **WGCPD/10- INQ000494262** refers. The Director of Shared Services is designated by the Chief Executive NHS Wales as the Accountable Officer for Shared Services. During the pandemic period, the Director accountable to the Chief Executive NHS Wales and Welsh Ministers was Neil Frow, OBE, and he continues in this role.

38. These arrangements also involve a Memorandum of Co-operation Agreement and a Hosting Agreement between all Local Health Boards, Trusts and Special Health Authorities setting out the obligations of NHS bodies to participate in the Shared

Services Committee and to take collective responsibility for setting the policy and delivery of the Shared Services to the health service in Wales. Responsibility for the exercise of the Shared Services functions is a shared responsibility of all NHS bodies in Wales. The Shared Services Committee is known as the Shared Services Partnership Committee for operational purposes.

39. There is no statutory definition of “shared services” beyond meaning the provision of professional, administrative and technical services provided to the health service in Wales. The services provided by the NHS Wales Shared Services Partnership include audit and assurance, counter-fraud, employment, health courier, legal and risk, medical examiner and procurement. Full details about the delivery of specific services can be provided by the organisation itself.
40. Before the pandemic, responsibility for the procurement of key health equipment and supplies was the responsibility of the NHS Wales Shared Services Partnership. Its role did not change during the pandemic, but its remit was expanded by the Minister for Health and Social Services on 19 March 2020 to procure and supply PPE to social care settings in Wales. On 25 March 2020, it was expanded to include the supply of PPE to the wider NHS, including independent contractors in primary care (GPs, dentists, pharmacies and optometrists).
41. During the pandemic, the NHS Wales Shared Services Partnership worked closely with local government to identify the demand for PPE in social care and it played a role distributing PPE to social care providers. More detail on how it worked with local government and the distribution arrangements for this is outlined in the *Provision to the social care and community care* section later in the statement.
42. The NHS Wales Shared Services Partnership’s Surgical Materials Testing Laboratory played a role in ensuring the PPE provided met technical and quality standards through the provision of medical device testing and technical services regarding medical devices to the NHS in Wales.
43. The NHS Wales Shared Services Partnership’s purchasing was subject to its own governance processes. These processes included compliance with the financial governance arrangements in place for the NHS in Wales including Standing Orders and Standing Financial Instructions as outlined in paragraph 190 below.

Life Sciences Hub

44. The Life Sciences Hub Wales is an arm's length body of the Welsh Government constituted as a private company, limited by guarantee, and wholly owned by Welsh Ministers. It was set up in 2014 and works closely with, and receives funding from, the Welsh Government's health and economy policy business areas.
45. The Life Sciences Hub Wales Board has a Chair and nine Non-Executive Directors (also known as Independent Members). The Chief Executive, and members of the Senior Leadership Team, attend Board meetings.
46. The Board is responsible for the strategic direction, the governance framework, organisational culture and development, and the development of strong relationships with key stakeholders and partners and the delivery of Life Sciences Hub Wales's aims and objectives.
47. The aim of Life Sciences Hub Wales is to help the people of Wales benefit from improved health, social care and economic wellbeing, by accelerating the development and adoption of innovative healthcare solutions. The Life Sciences Hub Wales acts as a link between industry, health and social care organisations and academia to help get innovative solutions into frontline use.
48. In 2019, the remit of the Life Sciences Hub Wales was broadened to include engagement between the NHS and industry. During the pandemic, the Life Sciences Hub, working with partners, took a key role handling all the enquires and offers of support from industry in relation to the Covid-19 pandemic. The Life Sciences Hub Wales undertook a facilitation role. It did not make decisions and had no budget or responsibility for the direct purchasing of products. The Ministerial Advice, exhibited at **WGCPD/11-INQ000477026**, outlines the funding and remit of the Hub for 2020-21. This includes reference to the health and care innovation network being repurposed to help manage the co-ordination of the industry engagement to Covid-19 pressures, and in particular the supply chain response.

49. The Inquiry asks for information on what the Life Sciences Hub did in practice and for any documents or guides it produced. I understand the Inquiry has submitted a Rule 9 request to the Life Sciences Hub who will hold the detail on how it structured its staff to support the Critical Equipment Requirement and Engineering Team, what criteria it was using and what documents or guides it produced.

Governance structures

50. Governance structures supporting the Welsh Government's response to the Covid-19 pandemic have been set out in its statements for Module 2B. The following groups are of specific relevance to this module.

51. **Covid-19 Health Countermeasures Group** - The key purpose of the Welsh Government's Covid-19 Health Countermeasures Group was to:

- Ensure pandemic stocks were deployed according to ministerial agreement;
- Consider other demands for release of the stock and advise accordingly;
- Monitor resilience of business-as-usual stocks and identify issues to be addressed;
- Consider the use of Brexit supplies to reinforce the response to Covid-19;
- Ensure that members of the Group worked with UK countries and supply networks.

52. The group was chaired by Name Redacted the Welsh Government's Health Emergency Planning Adviser. The Terms of Reference are exhibited as **WGCPD/12-INQ000107110**. The group included representatives from the NHS Wales Shared Services Partnership and Public Health Wales as well as officials from the Welsh Government. The first meeting took place on 12 February 2020, and the group was stood down and placed on standby from 1 June 2020.

53. The work of the Group was overseen by the Health and Social Services Planning and Response Group, which was brought into the response structure set up in the Health and Social Services Group in February 2020.

54. The Health and Social Services Planning & Response Group was chaired by Samia Edmonds, Planning Programme Director, and its remit was to provide strategic co-ordination of health and social services contingency arrangements for Covid-19, including planning for the reasonable worst-case scenario. The Health and Social

Services Planning and Response Group's terms of reference are exhibited at **WGCPD/13-INQ000066198**.

55. PPE Sourcing and Distribution Group – The key purpose of the PPE Sourcing and Distribution Group was to ensure supplies of PPE to the NHS and social care sector in Wales. The Terms of Reference are exhibited as **WGCPD/14-INQ000271593**. Key tasks of the group included to:

- Provide assessment of current stock position on PPE and at-risk items;
- Update on order pipeline and new supply routes;
- Provide feedback on decisions / issues raised at UK-wide Four Nations meetings, including any requests for mutual aid;
- Provide reports on spend to date on PPE, as required;
- Co-ordinate response to immediate operational issues and risks flagged by Local Health Board operational leads and social care representatives.

56. The group was chaired by Alan Brace, Director of Finance of the Health and Social Services Group. The group included representatives from the NHS Wales Shared Services Partnership, PPE Executive Operational Leads from Cardiff and Vale University Health Board and Hywel Dda University Health Board, and the Director of Community Services Carmarthenshire County Council, as well as officials from the Welsh Government. The first meeting took place on 25 June 2020, and the last meeting on 1 September 2020. As an example, minutes of the meeting held on 10 July 2020 are exhibited as **WGCPD/15-INQ000477036**. The group was stood down on 1 September 2020 and replaced by the PPE Procurement and Supply Group detailed in paragraph 55 below.

57. The PPE Policy and Demand Modelling Group - The PPE Policy and Demand Modelling Group was formed in July 2020. The Group's Terms of Reference, exhibited in **WGCPD/16-INQ000271594**, state that its key tasks were to:

- a) Develop a PPE procurement plan for health and social care in Wales.
- b) Provide information on likely changes in PPE policy or guidance.
- c) Model the impact of these policy decisions on demand for PPE.

58. The PPE Policy and Demand Modelling Group met once on 30 July 2020, but its remit was subsequently incorporated within the Sourcing and Distribution Group. This

Group was replaced by the PPE Procurement and Supply Group in December 2020, as a merger of the two previous groups.

59. PPE Procurement and Supply Group – The key purpose of the PPE Procurement and Supply Group was to inform the PPE procurement decisions, including sourcing, distribution and policy implementation for health and social care in Wales through expert policy input and intelligence on demand and supply and emerging risks and issues. The Terms of Reference are exhibited as **WGCPD/17-INQ000271674**. Key tasks of the group included:

- Support the development and maintenance of a PPE procurement plan for health and social care in Wales;
- Provide information on likely changes in PPE policy guidance;
- Model the impact of policy decisions on demand for PPE;
- Provide assessment of stock position on PPE and at-risk items;
- Provide updates on the order pipeline and new supply routes;
- Provide feedback on decisions / issues raised at UK-wide Four Nations meetings, including any requests for mutual aid;
- Provide reports on spend to date on PPE, as required;
- Co-ordinate response to immediate operational issues and risks flagged by Local Health Boards operational lead and social care representatives;
- Consider the strategic stockholding requirement of PPE in Wales post – Covid-19.

60. The group was chaired by Simon Dean, Deputy Chief Executive of NHS Wales. The group included representatives from the NHS Wales Shared Services Partnership, Public Health Wales, Association of Directors of Social Services, and the PPE Executive Operational Lead - Social Care, as well as officials from the Welsh Government. The first meeting took place on 2 December 2020, and the last meeting was held in December 2021. Key information and updates were considered by correspondence in January and February however further meetings were not considered to be required at that point. I exhibit minutes of the meeting as **WGCPD/18-INQ000271609**.

61. Covid-19 Vaccination Consumables and PPE Supplies Sub Group – The key purpose of the Covid-19 Vaccination Consumables and PPE Supplies Sub Group was to co-ordinate Wales's arrangements for securing and delivering products essential for the Covid-19 vaccination programme. The only PPE discussed at these meetings

was the PPE required to support the vaccination programme. The group reported weekly to the Vaccination Programme Board and the meetings were focused on logistics and operational delivery. The Terms of Reference are exhibited as **WGCPD/19-INQ000477049**.

62. The group's objectives included:

- Considering the range of PPE and consumable products and the quantities needed together with the appropriate storage and distribution systems;
- Ensuring appropriate logistical provision for PPE and consumables to meet the needs of the Covid-19 vaccination programme;
- Assessing the information and guidance needed to support the PPE and consumable provision;
- Horizon scanning and responding to any emerging issues and any disruptions in supplies.

63. The group was chaired by **Name Redacted** the Welsh Government's Health Emergency Planning Adviser. Its deputy chair was Mark Roscrow, Programme Director of the NHS Wales Shared Services Partnership. The group included representatives from Public Health Wales, the NHS Wales Shared Services Partnership, and a Health Board pharmacist, as well as Welsh Government officials. The first meeting took place on 4 August 2020 and the last meeting was held on 17 January 2023 when issues discussed at these meetings reverted to business as usual. A note of the last meeting is exhibited as **WGCPD/20-INQ000300256**.

64. The **Four Nations PPE Strategic Board** was established in April 2020 to support all four nations in the procurement and continuous supply of PPE. Wales was represented on the group by the NHS Wales Shared Services Partnership and representatives from the Welsh Government's Health and Social Services Group. The Strategic Board met monthly to provide mutual, strategic support with the aim of developing a shared view of PPE supply and demand, ensuring value for money on PPE procurement activity and minimising competition between the four nations on the international market.

Decision-making

65. The Welsh Government's Cabinet is the central decision-making body of the Welsh Government. It is a collective forum for Ministers to decide significant issues and to

keep colleagues informed of important matters. The Cabinet reconciles Ministers' individual responsibilities with their collective responsibility. Its business consists, in the main, of matters which significantly engage the collective responsibility of the Welsh Government, either because they raise significant issues of policy or because they are of critical importance to the public. The Ministerial Advice process provides a channel for Ministers to make decisions relevant to their portfolio which do not require a Cabinet collective discussion or decision.

66. Funding decisions relating to PPE were taken by Ministers following considerations of certain Ministerial Advice briefings, namely:

- a) In April 2020, Ministerial Advice MA/VG/1387/20, exhibited at **WGCPD/21-INQ0002227774**, outlined the position on PPE and the action taken to secure resources for the NHS and social care sector in Wales. The Ministerial Advice stated that costs were already close to £100 million and would continue to increase during the pandemic period. It said there was also a need to replenish the pandemic stock that had been issued and fully utilised. It predicted costs would significantly exceed £200 million. The Ministerial Advice asked for approval of funding from the Covid-19 Response Reserve to cover the costs of supplying PPE to the NHS and the social care sector;
- b) The first supplementary budget published on 27 May 2020 and exhibited at **WGCPD/22-INQ000066155** included an allocation of £100m for PPE (paragraph 2.16 refers);
- c) In July 2020, a further Ministerial Advice, exhibited at **WGCPD/23-INQ000281793**, asked the Minister for Finance and Trefnydd to agree Covid-19 funding for NHS stabilisation for 2020-21. This included agreement that funding would be allocated on a quarterly basis to the NHS Wales Shared Services Partnership and NHS bodies to meet their actual PPE costs;
- d) Ministerial Advice, exhibited at **WGCPD/24-INQ000136813**, followed in September 2020 and sought agreement to funding to cover the ongoing costs of provision of PPE to hospitals, primary care and social care. It noted that the estimated total costs of PPE for the year would be c.£400 million, including the costs of creating a buffer stock and replenishing pandemic flu stock, and that to date, c.£190 million had been allocated to the NHS Wales Shared Services Partnership for PPE costs. A further c.£210 million would therefore be needed from the funding yet to be allocated for this purpose. It proposed continuing to allocate funding to the NHS Wales Shared Services Partnership and NHS organisations for declared PPE expenditure based on what they actually spent.

67. A chronology of key decisions and meetings relevant to the Provisional Outline of Scope for Module 5 can be found in **WGCPD/25-INQ000477072**, **WGCPD/26-INQ000477071**, **WGCPD/27-INQ000477077**, **WGCPD/28-INQ000477070**, **WGCPD/29-INQ000477069** and **WGCPD/30-INQ000477068**. All meeting minutes have been disclosed to the Inquiry.

Scrutiny of procurement during the pandemic

68. The Senedd's Public Accounts Committee undertook scrutiny of procurement during the pandemic. The Health and Social Care Committee also carried out two inquiries into Covid-19 in July 2020 and March 2021 which included scrutiny of PPE, these are exhibited at **WGCPD/31-INQ000349686** and **WGCPD/32-INQ000066515**. The Welsh Ministers are accountable to the Senedd, which exercises scrutiny of ministerial decisions, policy, government bills and subordinate legislation via its plenary proceedings and through the work of its committees and sub committees, established pursuant to section 28 of the Government of Wales Act 2006 and the Senedd's Standing Orders.

69. The Senedd has established several subject committees, which examine Government policies and proposed legislation. Committees can instigate their own inquiries into subjects which affect Wales and propose their own legislation. The main committees which the Minister for Health and Social Services, the Health and Social Services Group and the Commercial & Procurement Directorate engaged with in relation to the matters within the scope of Module 5 were the Public Accounts Committee and the Health and Social Care Committee.

70. The Public Accounts Committee examines the economy, efficiency, and the effectiveness with which the Welsh Ministers have used their resources. The Committee will normally invite Accounting Officers to review reports. The Permanent Secretary is the Principal Accounting Officer for the Welsh Government and the Chief Executive NHS Wales is the Accounting Officer for the NHS.

71. The Health and Social Care Committee examines policy and legislation related to health and social care and holds the Welsh Government to account on specific issues

including the physical, mental and public health and well-being of the people of Wales, including the social care system.

72. The Senedd also meets in Plenary. This is a meeting of all members and is the main forum for holding the Government to account.

73. In addition to auditing public bodies within the ambit of the Senedd, Audit Wales has a role to assure public money is being managed well, good practice is identified, and appropriate lessons are learned. The Auditor General for Wales, who leads Audit Wales, reports to the Senedd, principally through the (now) Public Accounts and Public Administration Committee.

74. The Velindre University NHS Trust Audit Committee for the NHS Wales Shared Services Partnership has a role to advise and assure the Shared Services Partnership Committee and the Accountable Officer on whether effective arrangements are in place - through the design and operation of the NHS Wales Shared Services Partnership's system of assurance - to support them in their decision taking and in discharging their accountabilities for securing the achievement of the organisation's objectives, in accordance with the standards of good governance determined for the NHS in Wales.

The legal and regulatory framework and Procurement Policy Notes

75. As noted above, the Welsh Government is responsible for developing procurement policy in Wales for devolved public bodies operating in non-reserved areas. That responsibility is discharged principally through its Commercial & Procurement Directorate. The Welsh Government works with bodies such as local authorities and the NHS in Wales to help them implement procurement policy.

76. The legal and regulatory framework governing Welsh Government procurement is set out below. Procurement legislation places legal duties on Welsh public bodies, and the Welsh Government's policy statements as issued from time to time set out the procurement practices expected of Welsh public bodies.

a. Before and immediately following the UK's exit from the European Union:

77. The overarching legislation in Wales before the UK's exit from the European Union was the European Union Directive on public procurement (Directive 2014/24/EU). The directive sets out detailed procedures that public bodies must follow before awarding a contract whose value equalled or exceeded specific thresholds. The EU Directive was transposed into Welsh, English and Northern Irish law through the Public Contracts Regulations 2015 (PCR 2015) exhibited at **WGCPD/33- INQ000372757**. The PCR 2015 created a domestic legal framework, which was designed to ensure that all public contracts over the stipulated financial thresholds were awarded transparently, without discrimination, as well as ensuring that all potential suppliers were treated equally.
78. Relevant public bodies in Wales must take into account other legislation that may impact procurement, such as the Modern Slavery Act 2015 and the Well-being of Future Generations (Wales) Act 2015. For example, in relation to the Modern Slavery Act, public bodies have an important role to play in sourcing goods, services and works in a manner that enables and rewards suppliers for good employment practices, rather than purchasing in a manner which drives the use of modern day slavery practices. The Well-being of Future Generations (Wales) Act requires those organisations bound by it to undertake actions – including procurement activity – with regard to the economic, social, environmental and cultural well-being of Wales in a way that accords with the sustainable development principle.
79. The Welsh Government issued its first procurement policy statement in 2012. Adherence to the policy statement is voluntary, although the Welsh Government expects it to form the basis for procurement policy in all relevant public bodies. The policy statement, taken together with the legislation described above, provides the basis for public bodies' own standing orders or financial instructions, and strategies and policies for procurement.
80. Before the UK's exit from EU, procurement in Wales was required to be undertaken in accordance with the legislation outlined above and the Welsh Procurement Policy Statement 2015. The Welsh Procurement Policy Statement 2015 is exhibited in **WGCPD/34-INQ000473966** and sets out the following principles of Welsh public procurement policy:

- a) **Strategic** - Procurement should be recognised and managed as a strategic corporate function that organises and understands expenditure; influencing early planning and service design and involved in decision making to support delivery of overarching objectives;
- b) **Professionally resourced** – procurement expenditure should be subject to an appropriate level of professional involvement and influence;
- c) **Economic, Social and Environmental Impact** - value for money should be considered as the optimum combination of whole-of-life costs in terms of not only generating efficiency savings and good quality outcomes for the organisation, but also benefit to society, the economy, and the environment, both now and in the future;
- d) **Community Benefits** – delivery of social, economic and environmental benefit through effective application of Community Benefits policy must be an integral consideration in procurement;
- e) **Open, accessible competition** – public bodies should adopt risk based, proportionate approaches to procurement to ensure that contract opportunities are open to all and smaller, local suppliers are not precluded from winning contracts individually, as consortia, or through roles within the supply chain;
- f) **Simplified Standard Processes** – procurement processes should be open and transparent and based on standard approaches and use of common systems that appropriately minimise complexity, cost, timescales and requirements for suppliers;
- g) **Collaboration** – areas of common expenditure should be addressed collectively using standardised approaches and specifications managed by the National Procurement Service (NPS) to reduce duplication, to get the best response from the market, to embed the principles of this Policy Statement for the benefit of Wales; and to share resources and expertise;
- h) **Supplier Engagement and Innovation** – dialogue with suppliers should be improved to help get the best response from the market, to inform and educate suppliers, and to deliver optimum value for money;
- i) **Policy Development and Implementation** – deployment of policy which supports the achievement of the seven well-being goals for Wales as set out in the Well-being of Future Generations (Wales) Act (2015);
- j) **Measurement and Impact** – in accordance with good management practice, procurement performance and outcomes should be monitored to support continuous improvement, and examples of good and poor practice openly shared.

b. After the Covid-19 Pandemic began (January 2020);

81. Following EU exit, the Public Procurement (Amendment etc) (EU Exit) Regulations 2020 were made on 19 November 2020, exhibited at **WGCPD/35-INQ000470745**, and they revised the Public Contracts Regulations 2015 so that obligations and references to the EU Directives were replaced with domestic equivalents. The legal and regulatory framework from that point onward became the Public Contracts Regulations 2015 as amended by the 2020 Regulations.

82. The Welsh Government Procurement Policy Statement 2015 was replaced on 5 March 2021 with a new Wales Procurement Policy Statement 2021, as exhibited in **WGCPD/36-INQ000473967**. The 2021 Statement reflected the amended Public Contracts Regulations 2015 and acknowledged the profound consequences of the Covid-19 pandemic for the economy, society, and communities, and that with this backdrop, together with the continued uncertainty of the long-term impacts of the UK's departure from the EU, it was important to ensure public sector expenditure delivered even greater value in contributing to positive social, economic, environmental and cultural outcomes. The statement sets out 10 principles for procurement in Wales based on the Well-being of Future Generations (Wales) Act goals and is consistent with the amended Public Contracts Regulation 2015. The Welsh public sector is expected to:

- use collaborative procurement activity in Wales to maximise long-term sustainable social and economic value outcomes from public spend;
- integrate procurement into the heart of Welsh policy development and implementation;
- progress long-term sustainable procurement, which builds on and scales best practice and sets clear steps that show how procurement is supporting the delivery of organisational well-being objectives;
- raise the long-term standing and profile of the procurement profession and its role as an enabler for procurement policy;
- support the Welsh Government's policy objectives relating to progressive procurement, such as the Foundational and Circular Economy, through collaborative, place-based (whether national, regional or local) procurement activity which nurtures resilient local supply chains;

- act to prevent climate change by prioritising carbon reduction and zero emissions through more responsible and sustainable procurement to deliver our ambition for a net zero public sector Wales by 2030;
- align its ways of working and increase stakeholder involvement to support innovative and sustainable solutions through procurement;
- collaborate with stakeholders to promote equal opportunities and Fair Work in Wales;
- improve the integration and user experience of our digital solutions and applications, maximising the use of our procurement data to support decision making;
- promote value-based procurement which delivers optimum long-term outcomes for Wales.

c. Post-pandemic (post- 28 June 2022):

83. Procurement continues to operate under the amended Public Contracts Regulations 2015 and the 2021 Wales Procurement Policy Statement. The non-procurement specific legislation outlined above also continues to apply to procurement in Wales.

84. The Social Partnership and Public Procurement (Wales) Act 2023 came into force in May 2023 and established a framework for promoting sustainable development, improving public services, and enhancing the overall well-being of the people of Wales. It achieves these goals through social partnership working, fair work, and socially responsible procurement. In relation to procurement, the Act introduces three key areas:

- **Socially Responsible Procurement Duty:** The Act places a statutory duty on certain public bodies (which includes the Welsh Ministers and the NHS bodies in Wales) to consider socially responsible public procurement when carrying out procurement activities. This means that these bodies must take into account social, environmental, and ethical factors when making purchasing decisions;
- **Setting Objectives:** Public bodies covered by the Act are required to set objectives related to well-being goals in their procurement processes. These objectives should align with broader social and environmental objectives, contributing to the overall betterment of Wales;
- **Publication of Procurement Strategy:** The Act mandates that public bodies publish a procurement strategy. This strategy should outline how they plan to achieve their procurement objectives, including their approach to socially responsible procurement.

85. The UK Procurement Act 2023 is anticipated to come into force in February 2025. The 2023 Act will reform the way that public bodies in Wales, England, and Northern Ireland procure goods and services under the Public Contracts Regulations (as amended) 2015.

Procurement Policy Notes

86. During the pandemic all four UK home nations tried to adopt a consistent approach to the many procurement challenges that arose. Officials from the Commercial & Procurement Directorate, and procurement officials from the other devolved governments, worked with the UK Cabinet Office to develop four Procurement Policy Notes which could be adopted by the whole of the UK.

87. Commercial & Procurement Directorate officials found the calls with the UK Cabinet Office and the other devolved governments regarding the Covid-19 Procurement Policy Notes to be helpful and constructive. Having advance knowledge and discussion in relation to planned Procurement Policy Notes allowed the Commercial & Procurement Directorate to better consider their application and any necessary amendments to better suit the Welsh context.

88. The four Procurement Policy Notes that were published during the pandemic were:

- a) Procurement Policy Note 01/20, published March 2020, exhibited as – **WGCPD/37-INQ000048822**: 'Responding to COVID-19'. Procurement Policy Note 01/20 provided an overview of the options available to contracting authorities under procurement legislation when it was necessary to procure goods or services with extreme urgency;
- b) Procurement Policy Note 02/20, published March 2020, exhibited as **WGCPD/38-INQ000198296**: 'Supplier relief due to COVID-19'. Procurement Policy Note 02/20 provided guidance for contracting authorities relating to payment of suppliers, to ensure service continuity during and after the pandemic;
- c) Procurement Policy Note 03/20, published April 2020, exhibited as **WGCPD/39-INQ000198626**: 'Use of procurement cards'. Procurement Policy Note 03/20 provided guidance on how contracting authorities could increase their use of procurement cards in order to maintain cashflow to suppliers;
- d) Procurement Policy Note 04/20, published June 2020, exhibited as **WGCPD/40-INQ000198628**: 'Recovery and transition from COVID-19'. Procurement Policy Note 04/20 was an update to Procurement Policy Notes 02/20.

89. The Welsh Government adopted Procurement Policy Notes 01/20, 02/20 and 03/20. In relation to Procurement Policy Note 04/20, the Welsh Government issued its own Procurement Advice Note (PAN) in June 2020, exhibited as **WGCPD/41-INQ000081245**, which was based closely on Procurement Policy Note 04/20 and tailored for Wales. Minor textual changes were made to adapt the Procurement Advice Notice from the Procurement Policy Note. The changes included adding reference to *Managing Welsh Public Money* rather than *Managing Public Money* to ensure where relevant, reference was made to Welsh Government terminology. The relevant footnote on the Procurement Advice Notice also said '*Managing Welsh Public Money* should be read in conjunction with *Managing Public Money* (published by HM Treasury) to understand the wider picture of funding and financial control at a UK level'. A small number of sentences were also altered to simplify the text without changing its meaning.
90. Adopting Procurement Policy Note 02/2011, allowed advance payments where a value for money case was made. Any payments up front exceeding 25% of the contract value required the Welsh Government's approval. Requests from the NHS in Wales for payment in advance and the related cash support needed would be sent to the Health and Social Services Group's Finance team. They were then approved by either the Director General for Health and Social Services, the Health and Social Services Director for Finance or the Health and Social Services Deputy Director for Finance.
91. A full list of Procurement Policy Notes and Welsh Procurement Policy Notes that were in place in Wales during the pandemic, amendments that were made, and the dates they were made, is exhibited at **WGCPD/42-INQ000470744**.
92. The Public Contracts Regulations 2015 and then the Public Contracts Regulations 2015 (as amended) provided the regulatory framework which applied to PPE, ventilators, and oxygen; Procurement Policy Note 01/20 was used specifically to support procurement activity in this area.
93. The Procurement Policy Notes that were issued during the pandemic translated into several changes in procurement practice. For example, Procurement Policy Note 01/20 provided a clear framework under which direct awards could be undertaken to secure critical supplies. In relation to the Commercial & Procurement Directorate,

which had a framework of pre-approved PPE suppliers, it meant that orders could be placed by framework users for both healthcare and non-healthcare settings, when the directorate informed them stocks were available. The Commercial & Procurement Directorate also used Procurement Policy Note 01/20 to appoint all applicants to its Cleaning Materials framework let in March 2020. Rather than limit the number of suppliers, all those applying and passing due diligence were awarded a place on the framework.

94. The legal and regulatory framework governing procurement in place during the pandemic did not pose any specific problems or challenges for the Commercial & Procurement Directorate or the departments or bodies it was assisting. In fact, the overriding impact of the Procurement Policy Notes was positive. This gave confidence to public sector organisations to purchase in an agile way which would not have been possible pre-pandemic, as set out in the Audit Wales Report exhibited at **WGCPD/43-INQ000214235**¹.

95. The Commercial & Procurement Directorate did not develop any specific guidance or policy documents for those engaged in procurement of PPE, ventilators, oxygen, PCRs and lateral flow tests other than the Buyers Guide for PPE, exhibited at **WGCPD/44-INQ000198576**, which it developed with support from the British Safety Industry Federation.

96. The Buyers Guide was put in place to assist procurement teams across the public sector in identifying non-compliant PPE. It was a compilation of a range of information that was available elsewhere, from various organisations, about which products were approved for sale in the UK but located in the one document.

97. As referred to in the exhibit, the guidance attempted to identify commonly procured items and provide details of what documentation procurement teams should expect to see if authorised for sale in the UK. While the Buyers Guide was only circulated in Wales, the document requirements were inputted by the British Safety Industry Federation and were applicable UK wide.

¹ This exhibit has been provided by another material provider to the UK Covid-19 Inquiry and is a duplicate of a document held by the Welsh Government and disclosed to the UK Public Inquiry [INQ000066526].

98. As such, the reference to Section 7, NHS Only exemption in the Buyers Guide was included by the British Safety Industry Federation and relates to England only. There was no cross-Government Decision Making Committee in Wales because there were other relevant mechanisms in place such as the various PPE Groups outlined in paragraphs 50-64.
99. The document also refers to a notified body. This is an organisation designated by an EU Member State (or other countries under specific agreements) to assess the conformity of certain products before being placed on the market. These bodies are entitled to carry out tasks related to conformity assessment procedures set out in the applicable legislation when a third-party intervention is required.
100. The Buyers Guide constituted information and advice to public and voluntary sector buyers, and its use was voluntary.
101. As the NHS bodies in Wales had their own robust PPE checks in place, the guidance was not intended for NHS Trusts, the NHS Wales Shared Services Partnership or Local Health Boards. It was disseminated to Local Authority purchasing teams as well as the third sector via existing contacts and was publicised in the Welsh Government's Commercial newsletter. **Exhibit WGCPD/45- INQ000505363.**
102. Although the Critical Equipment Requirement Engineering Team was not involved in procurement, the guidance was also circulated to it due to its role in helping to source alternative suppliers where existing resources for PPE were not sufficient. However, as referred to in paragraph 232, if products actively needed testing, their testing certification was reviewed by the Surgical Materials Testing Laboratory.
103. The Buyers Guide was not formal due diligence guidance. As highlighted above, it was a guide to help procurement teams outside the NHS in Wales understand whether products being offered were approved for sale in the UK. Through the Frameworks highlighted above, which the Corporate & Procurement Directorate oversaw, organisations could have confidence in the due diligence and suitability of those suppliers. If they were purchasing through their own routes, the Buyers Guide was a helpful reference document to help identify genuine products.

Framework Agreements

104. Framework agreements in place prior to the pandemic relevant to the procurement and distribution of key healthcare equipment and supplies including PPE, ventilators and oxygen, were established and maintained by the NHS Wales Shared Services Partnership. The Welsh Government does not hold copies of these agreements, or details of any amendments made to the agreements. This information is held by the NHS Wales Shared Services Partnership.
105. The Commercial & Procurement Directorate currently manages 32 framework agreements in total. These framework agreements are largely used outside the health and social care sectors. However, two framework agreements were particularly relevant during the pandemic: the PPE Framework Agreement exhibited as **WGCPD/46-INQ000198623** and the Cleaning Materials Framework Agreement exhibited as **WGCPD/47-INQ000470746**.
106. Both frameworks were advertised (pre-pandemic) on an open basis through Sell2Wales and Tenders Electronic Daily (the Official Journal of the European Union). Selection was undertaken through normal procurement due diligence as set out in the then European Single Passport Document (ESPD).
107. Although stock management and supply were considered as part of the procurement, provision for wide scale supply chain disruption was not a key factor at the time the Framework Agreement was let.
108. The PPE Framework Agreement expired in 2021 and was replaced by the NPS PPE and Workwear Dynamic Purchasing System, exhibited as – **WGCPD/48-INQ000198624**.
109. Although originally set up for the provision of industrial type PPE, for example workwear and uniforms, rather than medical PPE, the PPE Framework Agreement was effective in enabling the procurement of the latter type of PPE for use in Wales.
110. The suppliers appointed to the framework were mainly industrial PPE and workwear style suppliers but once the pandemic began, many of them attempted to diversify their supply lines to accommodate the needs of customers in purchasing masks, sanitisers and aprons.

111. The two frameworks mentioned above, through which medical PPE was sourced during the pandemic, were a supplementary channel of supply given the arrangements in place via the NHS Wales Shared Services Partnership.
112. During the key phases of the pandemic, these two agreements were widely relied upon to obtain vital cleaning and PPE products within all sectors, including the NHS, local government, and the third sector.
113. Although these frameworks were put in place by the Welsh Government, organisations, including the NHS Wales Shared Services Partnership, could call-off contracts from these frameworks. The Welsh Government does not therefore hold information regarding what proportion of PPE was procured via each route. The organisations who used these frameworks hold this data.
114. As the organisation responsible for procurement for the NHS in Wales, the NHS Wales Shared Services Partnership undertook its own price benchmarking exercises to compare the pricing of products being sourced through the frameworks.
115. Members of the Commercial & Procurement Directorate, and procurement teams from local authorities and the NHS Wales Shared Services Partnership, held informal meetings three times a week between May 2020 and September 2020 to discuss PPE stock and supply in health and social care settings. Pricing information was frequently shared and discussed at these meetings. As the meetings were informal, no formal agendas or formal minutes from these meetings were produced.
116. There were no framework agreements put in place by the Welsh Government before, or during the pandemic for procurement or distribution of ventilators and oxygen and testing consumables. Lateral flow tests and PCR tests were procured by the UK Government on a four nations basis under the UK Testing Programme.
117. The Health and Social Services Group does not have a role in maintaining framework agreements, advising on procurement rules and regulations, or maintaining an approved list of suppliers for PPE and testing equipment and consumables. As outlined in paragraph 75, within the Welsh Government the responsibility for

framework agreements, procurement rules and legislation sits with the Commercial & Procurement Directorate.

118. As described above, before the pandemic the Commercial & Procurement Directorate had a workwear PPE framework, but this was not at the time set up to purchase medical PPE. It did, however, include barrier-type FFP3 masks which are used in both industrial and medical settings. Using the flexibilities of the Procurement Policy Note, the Commercial & Procurement Directorate was able to further extend the scope of the PPE framework during March 2020 to FFP2 disposable masks. These were used outside health and social care in a number of settings, for example by third sector workers, who were working closely with vulnerable adults and children.
119. The NHS Wales Shared Services Partnership had its own procurement arrangements in place for PPE for health and social care and would hold relevant detail regarding whether and how FFP3 masks were purchased for use in health and care settings. It would also have undertaken its own price benchmarking exercises to compare the pricing of products being sourced through the frameworks.
120. The NHS Wales Shared Services Partnership identified and selected contractors for its own framework agreements. Also, it was responsible for the process followed in relation to the provision within the framework agreements for wide-scale supply chain disruption.

Dynamic Purchasing Systems

121. The Inquiry asks what a Dynamic Purchasing System is and what use was made of them during the pandemic specifically in relation to procurement and distribution of key healthcare equipment and supplies including PPE, ventilators and oxygen, lateral flow tests and PCR tests.
122. A Dynamic Purchasing System provides a similar mechanism to a Framework Agreement, but with no set expiry date, and no limit on the number of qualifying suppliers who may join the Dynamic Purchasing System pool at any time if they meet the necessary qualifying criteria. It is a procurement procedure available for contracts related to works, services, and goods that are commonly available on the market.

123. The key points of a Dynamic Purchasing System are:

- Purpose: The Dynamic Purchasing System serves as a tool for procurement, similar to an electronic framework agreement. However, it has its own specific requirements and features such as new suppliers being able to join it at any time during its lifecycle. In addition, those unsuccessful in applying can also reapply once remedial action to address the issues have been identified for their non acceptance onto the Dynamic Purchasing System;
- Admission of Suppliers: During the initial setup stage, all suppliers who meet the selection criteria and are not excluded must be admitted to the Dynamic Purchasing System. Unlike framework agreements, suppliers can join the Dynamic Purchasing System at any point during its lifetime;
- Two-Stage Process: Stage 1: In the initial setup, suppliers are admitted to the Dynamic Purchasing System.
Stage 2: Individual contracts are awarded. Authorities invite all suppliers on the Dynamic Purchasing System (or the relevant category within the system) to bid for specific contracts;
- Benefits: Streamlines procurement for both suppliers and authorities and suppliers do not need to demonstrate suitability and capability every time they compete for a public sector contract. There is also a faster award of individual tenders compared to organisations letting their own agreement through open advert, ie running a full open tender;
- Flexibility: Unlike traditional frameworks, suppliers can join the Dynamic Purchasing System at any time during its validity, avoiding long lock-out periods;
- Direct call offs: Unlike frameworks, the facility to build in a direct call-off from a supplier is not available through a Dynamic Purchasing System. In normal circumstances all suppliers who qualify for a category of supply would have to be invited to tender for an organisation's requirements. However, during the pandemic direct awards could be awarded under the emergency provisions set out in the Public Contracts Regulations at regulation 32(2)(c) which allowed for the use of negotiated procedure without competition insofar as it was strictly necessary for reasons of extreme urgency brought about by unforeseeable events to depart from open competition. Guidance on the use of these emergency provisions was set out in Procurement Policy Note 01/20, published March 2020, exhibited above as **WGCPD/37-INQ000048822**.

124. On 1 October 2021 the Commercial & Procurement Directorate let a Dynamic Purchasing System to replace its PPE framework. It has been used predominantly for non-medical PPE.
125. In order for suppliers to be permitted to join the Dynamic Purchasing System or framework all suppliers needed to pass the qualification questionnaire as part of the tender process. This was based on the Welsh Government's Supplier Qualification Information Database (SQuID) question set, exhibit **WGCPD/49 – INQ000505362** refers.
126. In terms of due diligence and anti-fraud checking, questions relating to fraud were addressed as part of the mandatory exclusion ground questions. These are questions asked in any procurement exercise, whereby potential suppliers must declare that they have not breached any of the exclusion grounds, such as having been convicted of certain offences in UK national law.
127. Financial assessments were also carried out via Dun & Bradstreet reports, an external agency used by the Welsh Government to provide in-depth checks of companies' financial standings. Dun and Bradstreet's reporting functionality was also available to the wider Welsh public and third sector through a Welsh Government contract at the time.
128. Supplier performance was addressed through part five of the specification document. Exhibit **WGCPD/50- INQ000505364** refers. This addressed how performance would be monitored, who the designated lead was from the Commercial & Procurement Directorate, what management information needed to be provided and examples of Key Performance Indicators. It also set out the approach to contract management and the need for regular supplier performance meetings which were held by the framework lead.
129. The specification and framework terms contained numerous sections on payment including fair payment terms and methods for customer payments. Payment terms for orders were determined by each customer as per their standing orders/financial controls.
130. The approach to pricing varied across the lots within the framework due to the nature of the products being purchased. For more standard products, such as

uniforms and leisurewear, prices could be sought when the framework was let, and these formed a price list customers could review when they needed to call off.

131. However, for other more specialist items, such as the more specialised PPE and technical wear, pricing could not be agreed at the point of letting the framework. This was due to the vast scope of products available and the difficulty in being able to standardise these. In these instances, when customers undertake a call off, they invite all eligible bidders on the framework and get the prices real time against their specific requirement.
132. The provider can then price the task in accordance with the information provided, albeit that the framework will have established the basic pricing mechanisms. The pricing and contract terms are then negotiated, and a completed order will be issued or called off. The order will include the terms under which the provider will carry out the tasks.
133. The NHS Wales Shared Services Partnership would be able to advise on whether it used Dynamic Purchasing Systems given its role in procuring key healthcare equipment and supplies including PPE, ventilators and oxygen during the pandemic. Likewise, as procurement for PCR and lateral flow tests was carried out by the UK Government on a four nations basis, it would also be able to advise on the use of Dynamic Purchasing Systems in that context.
134. During the pandemic, using both Dynamic Purchasing Systems and framework agreements had considerable merit due to the ability to direct award under the emergency provisions within the Public Contracts regulations (supported by the Procurement Policy Notes). Both facilities offered the ability to directly purchase without the need to undertake a further competition.
135. Frameworks, often with direct call-offs permitted, can help with buyer confidence and to develop long-term arrangements. However, Dynamic Purchasing Systems have the advantage that new suppliers can join at any time, unlike with a framework. In principle, that flexibility would allow due diligence to be undertaken but also for a new compliant supplier to be brought to the table swiftly.

136. As the Welsh Government predominately used frameworks, and successfully so, during the reference period, it is hard to give a definitive view as to which route would have been more effective during the pandemic.

Direct Awards

137. The Inquiry asks how common it was for those buying for the NHS and other medical or care settings to make use of direct awards prior to the pandemic. The NHS Wales Shared Services Partnership was responsible for buying supplies for NHS bodies prior to and during the pandemic. As such, it would hold the details of any direct awards and any changes that were made during the pandemic. The UK Government would hold details of any direct awards it made on behalf of the four nations.

Sell2Wales and the Wales Collaborative Procurement Pipeline

138. I have been asked by the Inquiry to provide an overview of the Sell2Wales initiative, and the aims of the Wales Collaborative Procurement Pipeline.

139. Sell2Wales is an online portal established by the Welsh Government which aims to help businesses win contracts with the public sector across Wales and to help public sector buyers to advertise and manage tender opportunities. These contracts are offered by a wide range of publicly-funded organisations including the Welsh Government, local authorities, NHS bodies, colleges and universities.

140. Sell2Wales went live in 2004 and a new updated site launched on 30 June 2013. Through Sell2Wales, businesses can search for public sector tender opportunities; receive e-mail alerts about relevant contract opportunities; market themselves to and make contact with buyers and other suppliers; tender for contracts; manage their profiles; search and book on supplier events; and access guidance and support.

141. Sell2Wales is part of a wider programme of activity to increase the amount of spend in Wales by Welsh Contracting Authorities. Since 2006 when the spend was first measured to 2024 this has increased from 30% to 52%. Between the beginning of 2019 and the end of 2022, 14,796 notices have been published on Sell2Wales, with approximately 65% of the total number of contracts awarded going to businesses registered in Wales. There are currently approximately 23,900 suppliers on Sell2Wales and approximately 12,500 registered Welsh businesses.

142. During the pandemic, the Sell2Wales portal continued to operate as an information source and procurement portal for the Welsh public sector, helping to provide transparency around procurement activity. The NHS Wales Shared Services Partnership is best placed to explain the impact Sell2Wales had on the procurement of key healthcare equipment and supplies and hospital consumables.
143. The Wales Collaborative Procurement Pipeline is a partnership between the Welsh Government and the Welsh Local Government Association. It was established in October 2020 with the aim of bringing together a number of collaborative procurement agreements for use by the Welsh public sector, let by the Welsh public sector.
144. The Pipeline captures 48 national or regional procurement agreements (a listing of frameworks, direct awards and dynamic purchasing systems) that have been let or planned by the Welsh Government or local government in Wales.
145. The Wales Collaborative Procurement Pipeline was not set up to support the procurement of healthcare suppliers as these are predominantly procured and managed by the NHS Wales Shared Services Partnership.
146. The Pipeline has a particular focus on local government, as it is a partnership between the Welsh Government and the Welsh Local Government Association. However, the procurement agreements in the Pipeline are accessible to all other bodies within the Welsh public sector. For example, during the pandemic the PPE and workwear and Cleaning Material framework agreements were used by the NHS Wales Shared Services Partnership as part of its multi-channel procurement response to the pandemic.
147. The Welsh Government does not hold records about what was purchased through the agreements: this information is held by the purchasing organisations - Local Authorities, Higher Education, Further Education, Registered Social Landlords and third sector organisations.

Procurement of key healthcare equipment and supplies

148. In this section of the statement, I provide more detail about the supply chain, procurement and distribution of key healthcare equipment and supplies pre-pandemic, during the pandemic and post-pandemic.
149. The Inquiry asks whether the co-existence of different procurement routes for PPE within Wales drove up prices and increased competition. Wales did not have different or competing procurement routes; for example, the only route for the procurement of healthcare supplies for the NHS in Wales was via the NHS Wales Shared Services Partnership.
150. As such, the Welsh Government did not need to introduce any mechanisms, processes or procedures to decrease the risk of multiple procurement routes creating unnecessary competition for the same products or make attempts to streamline routes of procurement for PPE during the pandemic.
151. Widening the remit of the NHS Wales Shared Services Partnership to include supplying PPE to social care settings in Wales and independent contractors in primary care (GPs, dentists, pharmacies and optometrists) meant the risk of competition was further reduced.
152. While the impact of global competition on PPE obviously affected the pricing of PPE, it would be impossible to say how multiple procurement routes in the UK contributed to what was a global market issue.
153. One action of the Four Nations PPE Strategic Board was to develop a PPE Protocol which was signed by all four nations in February 2021. The protocol committed the Four Nations group to sharing data on PPE and attending regular strategic and operational meetings. The protocol did not cut across the Welsh Government's decision-making or governance on PPE but did ensure it had insight into the UK-wide PPE position. Exhibit **WGCPD/51- INQ000145102** refers.

Prior to the pandemic (June 2009 to March 2020)

154. As outlined in paragraphs 36-40, procurement of key healthcare equipment for NHS bodies has been the responsibility of the NHS Wales Shared Services Partnership since it was established on 1 April 2011. The NHS Wales Shared Services

Partnership undertook and undertakes buying decisions and selected suppliers of key healthcare equipment and supplies for NHS bodies, identifying criteria used to select suppliers and the processes for awarding contracts. Then, as now, the NHS Wales Shared Services Partnership would have undertaken checks on orders and put counter fraud measures in place. As set out in paragraph 43 it would also operate within the financial governance environment in place for the NHS in Wales.

155. Before the pandemic, the Welsh Government, in collaboration with the UK Government Department of Health and Social Care, maintained PPE stockpiles in accordance with emergency preparedness strategies and plans (primarily the Influenza Pandemic Preparedness Strategy), exhibit **WGCPD/52-INQ000188766**²refers.

156. In accordance with the agreement made under the UK Pandemic Influenza Strategy 2011, the Welsh Government maintained a range of medical countermeasures and consumables, such as FFP3 respirators; surgical masks; eye protection; liquid hand soap; detergent; hand hygiene; clinical waste bags; paper towels; aprons and gloves, to deliver what the 2011 strategy termed “a defence-in-depth” pandemic response. The Welsh Government was part of a UK health structure that maintained these countermeasures in a state of readiness.

157. A Memorandum of Understanding (“MOU”) was agreed on 18 July 2018 between the devolved governments and the Secretary of State for Health (acting via Public Health England) in relation to the provision of procurement, storage and distribution services forming part of the Pandemic Influenza Preparedness Programme (“PIPP”) and the Emergency Preparedness Resilience and Response (“EPRR”) Programme. Included in the Memorandum of Understanding is the procurement, storage and distribution of consumables which broadly includes surgical facemasks, eye protection, liquid hand soap, aprons and gloves (PPE). A copy of this Memorandum of Understanding is exhibited at **WGCPD/53-INQ000177454**.

158. Under the Memorandum of Understanding, the UK Government acts as lead purchaser and undertakes procurement exercises on behalf of the four nations to ensure value for money and to enable governments to benefit from economies of scale. On 10 December 2019, the Minister for Health and Social Services agreed to

² This exhibit has been provided by another material provider to the UK Covid-19 Inquiry and is a duplicate of a document held by the Welsh Government and disclosed to the UK Public Inquiry [INQ000144554].

the continuation of the Memorandum of Understanding with Public Health England and other devolved governments until 2025. The Memorandum outlined a four nation approach to the procurement and distribution of medicines and health emergency countermeasures. A copy of the Ministerial Advice on the continuation of this agreement is exhibited in **WGCPD/54-INQ000177473**.

159. Where possible, Wales's proportion of health countermeasures is stored in Wales. This includes all pandemic flu countermeasures apart from antibiotic medicines for primary care use, which are held centrally, however these were not needed during the pandemic. The supplies are stored in a new, modern, secure location owned by the Welsh Government, and maintained under a Service Level Agreement with the NHS Wales Shared Services Partnership. A copy of this agreement is provided in exhibit **WGCPD/55-INQ000177448**. This arrangement ensured that the stocks could be made available quickly in the event of a pandemic. It also provided value for money benefits through reduced rental and maintenance costs. Due to the scale of countermeasures stock managed during the pandemic, additional storage facilities were also used.
160. While the Welsh Government had oversight of the deployment of pandemic stocks via the Covid-19 Health Countermeasures Group, the management of the stock was undertaken by the NHS Wales Shared Services Partnership.
161. The pandemic influenza stockpile of PPE products agreed as part of this four nations approach was in addition to any PPE procured and distributed by the NHS Wales Shared Services Partnership as part of business-as-usual requirements, and any PPE purchased by healthcare organisations themselves.
162. Wales also expected to be able to avail itself of UK-wide 'Just in Time' contracts and arrangements to procure PPE at pace in the event of an emergency. At the beginning of Covid-19, the Wales share of the UK health countermeasures stockpile was 4.78%, based on the Barnett formula. The PPE stockpile was intended to cover 15 weeks of the first wave of pandemic influenza.
163. The NHS Wales Shared Services Partnership managed the distribution of PPE into healthcare settings. The items in the stockpile were as advised by expert groups such

as the Department of Health and Social Care's New and Emerging Respiratory Threats Advisory Group (NERVTAG) and comprised of the items below:

- a) Consumable products including: FFP3 respirators; surgical masks; eye protection; liquid hand soap; detergent; hand hygiene (a brand of hand sanitiser); clinical waste bags; paper towels; aprons; and gloves;
- b) Antiviral medicines to reduce severity of symptoms, antibiotics, and intravenous fluids for the treatment of influenza related secondary bacterial infections, and a range of medical consumable products; and
- c) Needles and syringes for a pandemic influenza vaccination programme.

164. Following the 2009 Swine Flu pandemic there had been a move towards a proportionate but precautionary approach to the UK pandemic influenza stockpile strategy. The proportionate approach meant that for some products a strategy to implement Just in Time ("JIT") replenishment, or 'top-up', at the time of a pandemic would be put in place. For example, in relation to FFP3 respirators the target volume was 80% of the requirement to be held in the stockpile and 20% in a Just In Time framework to be called on in the event of a pandemic.
165. Just in Time contracts were specific contracts where Public Health England led the procurement on behalf of the four nations, working with NHS Supply Chain (England). Public Health England and NHS Supply Chain reported into the UK Clinical Countermeasures Board for the Pandemic Influenza Preparedness programme. All four nations were represented on the Clinical Countermeasures Board. Wales was able to make use of these contracts through the UK Clinical Countermeasures Board.
166. The UK Clinical Countermeasures Board, chaired by Public Health England, was expected to procure replenishment of the PPE stockpile on behalf of the UK. The Welsh Government had the option to opt into those replenishment arrangements. However, it became apparent early on that the arrangements in England were very fragmented and there was no assurance on how and when they would supply PPE to the four nations to replenish stock. As Welsh stock was depleting quickly, the Welsh Government had to start making its own arrangements to ensure it could meet the growing demand in Wales, which was done through the NHS Wales Shared Services Partnership.

167. At the beginning of the Covid-19 pandemic the Health and Social Services Group had a Service Level Agreement in place with the NHS Wales Shared Services Partnership for the storage and distribution of national countermeasures, including PPE. I exhibit as **WGCPD/56–INQ000300270** (dated 19 February 2020) a spreadsheet showing the Wales pandemic influenza stock holding in February 2020.
168. The Welsh Government established a Covid-19 Health Countermeasures Group which first met on 12 February 2020, to secure the procurement and distribution of PPE to healthcare settings as part of its initial response arrangements. The Covid-19 Health Countermeasures Group included representatives from the Welsh Government, the NHS Wales Shared Services Partnership and Public Health Wales. Further details can be found in paragraphs 51-52 above.
169. On 6 March 2020, before the World Health Organization declared Covid-19 to be a pandemic, advice was sent to the Minister for Health and Social Services seeking approval to release PPE to GPs, to NHS bodies and social care when required, which the Minister approved. Exhibit **WGCPD/57–INQ000298983** refers. Although the NHS Wales Shared Services Partnership was formally asked to take on the role of supplying PPE to the wider NHS on 25 March 2020, the above MA sought the Minister's approval for some PPE from the pandemic stockpile to be issued to GPs in Wales as soon as was possible.
170. At the Health Countermeasures Group meeting on 9 March 2020, it was confirmed to the group that the Health Minister had agreed to release PPE from the stockpiles. At that meeting a representative from the NHS Wales Shared Services Partnership confirmed which stock would be delivered and the dates it would be delivered to the Local Health Boards. A note of the meeting is exhibited at **WGCPD/58–INQ000298993**.
171. The Covid-19 Health Countermeasures Group received updates on the PPE stock holding during February and March. The reports received are exhibited at: **WGCPD/59–INQ000505360**, **WGCPD/60–INQ000504941**, **WGCPD/61–INQ000505361**, **WGCPD/62–INQ000352951**, **WGCPD/63–INQ000352953**, **WGCPD/64 – INQ000505279** and **WGCPD/65 – INQ000504943**.

During the pandemic (January 2020 to 28 June 2022)

172. The Welsh Government set up a number of groups, outlined in paragraphs 50-64, to meet the increased demand for PPE during the pandemic, oversee PPE arrangements and provide a formal mechanism for joint working specifically on PPE.
173. Partnership working was already well established in Wales before the pandemic period, and the Welsh Government was able to utilise the existing infrastructure to significantly expand partnership working at pace to meet the needs of frontline health and care workers for PPE and other medical equipment and supplies.
174. The pandemic influenza stockpile of PPE was crucial during the first four months of the Covid-19 response and gained time to enable the NHS Wales Shared Services Partnership to successfully secure ongoing PPE supplies.
175. As referred to in paragraph 168, the Covid-19 Health Countermeasures Group developed arrangements to distribute pandemic stock to health services when necessary. To ensure pandemic stocks were deployed according to ministerial agreement, discussions around the distribution of pandemic stock at the Covid-19 Health Countermeasures Group would form the basis of Ministerial Advice about the release of the stockpiles such as the Ministerial Advice exhibited above at **WGCPD/57- INQ000298983**.
176. Formal reporting of PPE stockpiles and usage commenced on 9 March 2020 and fed into the Covid-19 Health Countermeasures Group. A combined report setting out management information received from the NHS Wales Shared Service Partnership on PPE items issued during the pandemic period up to 27 March 2022 is exhibited in **WGCPD/66-INQ000227378**.
177. As noted above in paragraph 40, on 19 March 2020, Ministers asked the NHS Wales Shared Services Partnership to take on an expanded role, securing and distributing the recommended PPE to all social care settings across Wales, utilising the network of Local Authority Joint Equipment Stores, exhibited in the Written Statement at **WGCPD/67-INQ000383574**.

178. This arrangement for the NHS Wales Shared Service Partnership to take on the expanded role to procure PPE for social care was formalised through a Service Level Agreement (SLA) between the NHS Wales Shared Service Partnership and the Welsh Local Government Association, exhibited at **WGCPD/68- INQ000436116**.
- This Service Level Agreement was initially put in place for 12 months, which was then renewed applying the same terms and conditions for a contracted date of 1 September 2021 to 31 March 2022; exhibit at **WGCPD/69-INQ000103977**;
 - The Service Level Agreement was again extended with the same terms and conditions from 1 April 2022 to 31 March 2023, exhibit at **WGCPD/70- INQ000361786**;
 - The Service Level Agreement was extended again to 30 June 2023, exhibit at **WGCPD/71-INQ000470742**, and again until 31 March 2024, exhibit at **WGCPD/72- INQ000470741**.
179. On 25 March 2020 the NHS Wales Shared Services Partnership was also asked to take on the role of supplying PPE to the wider NHS, including independent contractors in primary care (GPs, dentists, pharmacies and optometrists).
180. The Inquiry asks about the concerns, referred to in the Written Statement referenced in paragraph 177, around the issues identified in relation to the quality of PPE. Some concerns had been raised with the NHS Wales Shared Service Partnership about traders offering PPE which did not meet the strict certification standards. The NHS Wales Shared Service Partnership worked closely with the Surgical Materials Testing Laboratory, based in Bridgend, to test the quality of PPE to ensure it all met the strict standards. The Inquiry also asks about the concerns around the availability and level of PPE required. Concerns from the social care sector are outlined in the section *Provision to the social care and community care sector* below.
181. The Written Statement also made clear that if neither the care worker nor the individual receiving care were symptomatic, then no PPE was required above and beyond normal good hygiene practices.

Face masks

182. The Inquiry has asked about the difference in approaches to the use of face masks and face coverings between Wales and England and to what extent those decisions were based upon concerns around the availability of face masks in the market. The Chief Medical Officer for Wales, Dr Frank Atherton detailed the decisions and advice around face coverings in his statement for Module 2B exhibited at: **WGCPD/73 – INQ000391115** but to summarise:
183. The Chief Medical Officer for Wales issued a statement on the 12 May 2020 in which he confirmed that he did not recommend the compulsory wearing of face coverings by everyone when they left home and indicated that this should be a matter of personal choice. A copy of this statement is exhibited in **WGCPD/74- INQ000048738**.
184. The Chief Medical Officer had concerns at that time that PPE stocks were in high demand and the priority was ensuring sufficient supplies of medical grade facemasks for hospital and care staff.
185. Early in June 2020 the Minister for Health and Social Services and the First Minister requested advice on face coverings, particularly in light of requirements being introduced in England mandating the use in hospital settings and on public transport, these requirements did not apply in Wales. The Technical Advisory Cell's advice on the use of face coverings was received in June 2020. A copy of this is exhibited in **WGCPD/75 - INQ000311901**. This highlighted that face masks and face coverings were different, and this difference should be emphasised in advice given to the public, and a consistent use of vocabulary ensured in communications from government.
186. The Chief Medical Officer provided advice to Ministers in June 2020 which reflected on the World Health Organization's guidance and the advice from the Nosocomial Transmission Group, chaired by the Deputy Chief Medical Officer for Wales, Dr Chris Jones. A copy of the advice to the First Minister is exhibited in **WGCPD/76– INQ000281742**.
187. On the 9 June the Minister for Health and Social Services agreed the use of 3-layer face masks in Wales by the general public but did not make them mandatory. From 27 July 2020, a new legal requirement to wear face coverings on public transport was introduced. A copy of the guidance issued by the Welsh Government on face coverings is exhibited in **WGCPD/77- INQ000082634**.

188. Further updated Technical Advisory Cell advice was published on the 11 August 2020 which confirmed that the most recent New and Emerging Respiratory Virus Threats Advisory Group paper suggested that face coverings were likely to have some benefit in reducing the risk of aerosol transmission. A copy of the Technical Advisory Group advice is exhibited in **WGCPD/78-INQ000228031**.

189. The First Minister subsequently issued a statement on the 11 September 2020 confirming that from Monday 14 September, all residents in Wales over the age of 11, would be required to wear face coverings in indoor public spaces, such as shops. A copy of the advice provided by the Deputy Chief Medical Officer for Wales Dr Chris Jones, on the 10 September 2020 is exhibited in **WGCPD/79-INQ000281839**.

Governance and spending controls

190. The Welsh Government has long established and well embedded governance and accountability frameworks for the NHS, for example:

- Standing Orders – covering the effective regulations and procedures of the business, and Standing Financial Instructions – extensively covering procurement and purchasing processes and controls – exhibits at **WGCPD/80-INQ000182571; WGCPD/81 – INQ000353464; WGCPD/82 – INQ000353468; WGCPD/83 – INQ000353462 and WGCPD/84 – INQ000353467**;
- Contract approval requirements – including limits when Welsh Government approval or notification is needed (contracts over £1m), exhibited at **WGCPD/85-INQ000477066**; these applied throughout the pandemic.
- Organisational financial control procedures, exhibited at **WGCPD/86-INQ000477067**;
- Procurement regulations and controls complying with the NHS Wales Procurement Manual. Exhibited at **WGCPD/87-INQ000477060**.

191. *Managing Welsh Public Money* sets out the main principles for managing resources and is primarily aimed at organisations within the boundary of the Welsh Government's consolidated accounts. It does permit payments in advance where need is demonstrated.

Authorisation for high levels of spending

Before the pandemic

192. All Local Health Board contracts which had a total value of more than £1 million required the Welsh Government's approval. In 2009, the former Chief Executive NHS Wales issued a Revised General Consent by way of a letter to all Local Health Board Chief Executives, which provided consent for a Local Health Board to enter individual contracts up to the value of £1 million with the exception, (as outlined above in exhibit **WGCPD/85- INQ000477066**) of:

- a). Contracts of employment between Local Health Boards and their staff
- b). Transfers of land or contracts effected by Statutory Instrument following the creation of Local Health Boards
- c). Out of Hours contracts; and
- d). All NHS contracts, that is where one health service body contracts with another health service body.

193. All contracts exceeding this delegated limit, all acquisitions and disposals of land or any limit, and the acceptance of gifts of property had to receive the written approval of the Welsh Government before being entered into.

194. From January 2017, the then Cabinet Secretary delegated authority to the Director General for Health and Social Services to approve Local Health Board contracts.

195. NHS Trust led contracts did not require Welsh Government approval but were "noted" by the Deputy Director of Finance in the Welsh Government's Health and Social Services Group. However, NHS Trusts in Wales had to agree Standing Financial Instructions (SFIs) for the regulation of their financial proceedings and business. **Exhibit WGCPD/88- INQ000505293** refers.

During the pandemic

196. While recognising the importance of timely decision making, the Welsh Government set out in a letter to NHS bodies on 30 March 2020, exhibit **WGCPD/89-INQ000182437** refers, that it still expected good governance around spending decisions. The letter recognised the need to adapt arrangements on an interim basis and included guidance on financial management and reporting, including expectations on delegating authority for decision making and recording decisions and the supporting rationale.
197. The note and guidance (exhibited at **WGCPD/90- INQ000336746**) were intended to emphasise to organisations that they had to continue to comply with their legal responsibilities and have regard to their duties as set out in *Managing Welsh Public Money*, their Standing Financial Instructions (SFIs) and other related guidance. Changes made to legislation or procurement rules and regulations in Wales were not reflected in the letter or guidance, however, officials in the Health and Social Services Group were confident NHS bodies in Wales were aware of updates to procurement legislation.
198. The note and guidance acknowledged the unprecedented challenges that might be presented by the developing Covid-19 pandemic and recognised that routine financial arrangements and disciplines might be disrupted and may need to adapt on an interim basis.
199. The note covered the following areas:
- General Principles
 - Financial Governance
 - Core Financial Systems & Processes (including the involvement of the NHS Wales Shared Services Partnership)
 - Counter Fraud
 - Cash Flow for Revenue & Capital Allocations
 - Ring-fenced Allocations
 - Cost Reimbursement – Revenue Costs
 - Financial Reporting & Monitoring
 - Capital

- Purchase of enhanced discharge support services / Partnership arrangements
- Cross-Border Flows
- Primary Care Contractors

The guidance emphasised the need to ensure that:

- There were clear and pragmatic financial arrangements in place which minimised any disruption to the system
 - Business continuity arrangements were effective
 - Frameworks to support effective decision making were clear
 - Core financial assumptions and positions were clear and monitored, but with a light touch approach whilst maintaining sufficient clarity on minimum key measures
200. The guidance was developed to support organisations and set out expectations for the anticipated period of disruption and until organisations returned to business-as-usual arrangements.
201. It is important to emphasise that the normal monthly monitoring arrangements between the Welsh Government and NHS bodies in Wales remained in place and were enhanced in line with the guidance. The Welsh Government also utilised additional support from the NHS Wales Finance Delivery Unit in the ongoing financial management and governance of the NHS throughout this time.
202. For example, specific developments in monthly reporting templates covered the clear identification of:
- Baseline reporting (non-Covid-19) relative to original plans for 2020-21
 - Clear identification of impact on savings targets.
 - Separate reporting on Covid-19 specific spend across a range of headings.
203. The Inquiry asks what arrangements were in place for the Wales Audit Office (Audit Wales) to assist procurement decision-makers in the NHS in Wales. As the procurement of key healthcare equipment was the responsibility of the NHS Wales Shared Services Partnership, colleagues there are best placed to outline whether any arrangements were in place with Audit Wales. As outlined in paragraph 94, the Auditor General for Wales produced a report in April 2021 looking at the

procurement and supply of Personal Protective Equipment (PPE) during the Covid-19 pandemic.

204. In agreeing to allocate funding to NHS bodies, the Welsh Government also recognised that the nature of the supply chain challenges at the time meant the NHS Shared Services Partnership would, at times, need to agree to significant advance payment terms, in some cases exceeding 50%. These levels are above what would normally be considered 'prepayments up to a modest limit' as set out in the *Payments Outside the Normal Pattern* section of *Managing Welsh Public Money* requirements, exhibited at **WGCPD/91-INQ000116472**.
205. Approving requests for advance payments up to and exceeding 50% were considered on a case by case basis. The Finance Governance Group, which was set up by the NHS Wales Shared Services Partnership to scrutinise and manage risks related to Covid-19 procurement, would consider the advance payment request. As such it would be for the NHS Wales Shared Services Partnership to outline any enhanced checks or due diligence processes applied to such contracts in order to mitigate risk.
206. If an advance payment request was approved by the NHS Wales Shared Services Partnership Finance Governance Group, the Director of Finance for the NHS Wales Shared Services Partnership would gain further agreement from the Deputy Director of Finance or Director of Finance, Health and Social Services Group within the Welsh Government, before proceeding.
207. The Director General for the Health and Social Services Group notified the Director of Finance and Director of Governance within the Welsh Government of the need to approve such payment terms in these circumstances. They agreed that this was in line with the guidance issued by the Permanent Secretary in her capacity as Principal Accounting Officer (PAO) on the need to accept an increased risk appetite across the Welsh Government during the crisis, albeit in a selective and managed way and with due regard to Value for Money. No further guidance was issued from the Welsh Government in relation to how those involved in negotiating and awarding contracts were to achieve this balance, however, there was frequent dialogue between the NHS Wales Shared Services Partnership and Welsh Government officials in relation to

larger contract approvals and payments in advance, as well as managing cash flow effectively.

208. In April 2020, it was agreed that the NHS Wales Shared Services Partnership could submit contract award requests in a summarised form directly to the Health and Social Services Group's Deputy Director for Finance; who then consulted the Health and Social Services Group's Director General to obtain his consent prior to the award. An example of such a request is exhibited at **WGCPD/92-INQ000505082**.
209. The relevant application forms were then submitted by the NHS Wales Shared Services Partnership Procurement Services, all of which were subject to audit inspection. The standard approach, with full briefing per submission was reverted to in mid-July 2020.
210. It remained the case that, based on the value of the contract, Welsh Government approval of the contract would be needed if the value was greater than £1 million. It was also the case that, under revised delegations, if the value of the contract was greater than £5 million, approval would have been required from the Velindre NHS Trust Board as well as the Welsh Government.

NHS Contracts Briefings received by Welsh Government in 2020 and 2021

211. A contract briefing request is a notification from the NHS Wales Shared Services Partnership to the Welsh Government that either a contract is ready to be awarded or that a tender exercise is about to be undertaken. For every NHS contract in excess of £1 million a submission must be made at both stages. If the contract is being led by a Trust, then the briefing request is for the Welsh Government "To Note" the proposal. If the contract is Local Health Board led, then the briefing request is "To Note" and the contract award is for the Director General Health and Social Services Group "To Approve".
212. In response to the Inquiry's question as to how many contract briefings were received where such advance payments were made, the Welsh Government only holds records for the number and types of contracts that were agreed over £1m.
213. During the 2020 calendar year the Welsh Government received 131 contract briefing requests. Of these 131 briefings, 109 related to contracts valued in excess of £1 million. The contracts received were as follows:

- 88 “Contract Award” briefings;
 - 8 Existing Contracts “Extension” briefings; and
 - 35 “Intention to Tender Notification” briefings.
214. The contract award and extension briefings included 17 briefings related to the provision of additional accommodation.
215. During the 2021 calendar year the Welsh Government received 196 contract briefing requests as follows:
- 121 “Contract Award” briefings;
 - 5 Existing Contracts “Extension” briefings; and
 - 70 “Intention to Tender Notification” briefings.
216. With regard to the Inquiry’s question as to what proportion of those contracts were subsequently terminated or involved in litigation/contractual disputes, the NHS Wales Shared Services Partnership holds this information as it awarded the contracts.
217. The Inquiry asks why the list of contracts sent to the Welsh Government was provided retrospectively during the pandemic. The nature of the supply chain challenges at the time meant the NHS Shared Services Partnership would need prompt approval of contracts to secure the pipeline of PPE required. This is why the Welsh Government agreed to the NHS Wales Shared Services Partnership submitting a summarised request for contract approval, which was then followed up by a full application referred to in paragraph 209.

PPE Meetings

218. From April 2020, the First Minister chaired a PPE meeting with relevant Ministers and Welsh Government officials to monitor stocks and supplies. Initially, the meetings were held weekly and then moved to fortnightly in June as the PPE position regarding the supply and distribution improved. The last meeting was held on 28 July 2020. The meetings also acted as a forum to raise and resolve any emerging issues and were an opportunity to review the latest NHS Wales Shared Services Partnership dashboard.

219. The Minister for Health and Social Services and the Deputy Minister for Economy and Transport attended these meetings. The Director of Finance for the Health and Social Services Group represented the Group on PPE supply, and the Director for International Relations led on work with Welsh industry.
220. Briefings highlighting PPE provision were provided to the First Minister between April and July 2020 which provided regular updates of PPE stock and supply position. The briefings included detail on how many items of PPE had been issued to the health and social care system as well as a breakdown by item. They provided an update by the Critical Equipment Requirements Engineering Team of the latest position with regard to offers of help from Welsh manufacturers and the number of Welsh companies supporting the NHS with their products. The PPE briefings are exhibited at **WGCPD/93-INQ000198310, WGCPD/94-INQ000198315, WGCPD/95-INQ000198340, WGCPD/96-INQ000198343, WGCPD/97-INQ000228025, WGCPD/98-INQ000198376, WGCPD/99-INQ000198380, WGCPD/100-INQ000198406, WGCPD/101-INQ000198409, WGCPD/102-INQ000198414, WGCPD/103-INQ000198418, WGCPD/104-INQ000505130, WGCPD/105-INQ000198428, WGCPD/106-INQ000198629.**
221. As referenced earlier in the statement, the Welsh Government had strengthened the oversight arrangements for PPE with the establishment of the Covid-19 Health Countermeasures Group, which started meeting on 12 February 2020 to secure and deploy PPE supplies in line with ministerial policy and public health guidance. Several other groups were also set up in relation to PPE and these are described in detail in paragraphs 50-64.

PPE quality and supply

PPE quality

222. The Inquiry has asked what face visor issues were being encountered and what was causing the problems. The PPE briefing to the First Minister exhibited above at **WGCPD/99 - INQ000198380** sets out that face visors were being used as the primary supply for eye protection until further clarity was received on a suitable alternative choice for eye protection. This was as a result of advice from the Health and Safety Executive regarding the suitability of "Tiger Eye" eye protectors as exhibited at

WGCPD/107 – INQ000081415. This increase in demand for visors affected the stock holding however the NHS Wales Shared Services Partnership was able to arrange sufficient additional supplies to maintain a stock holding.

223. The PPE briefing also highlighted the emerging risk of proposed changes in UK Government guidance regarding the use of surgical facemasks for all hospital staff. The potential changes to guidance were considered a risk as they would have increased demand for face masks. There was no immediate risk to the supply chain in Wales but as set out in the PPE briefing note of 2 June 2020, the impact of any change was modelled so that the NHS Wales Shared Services Partnership could adjust their procurement activity and flag any risks if needed.
224. With regard to non-compliant PPE being bought and circulated across the health and social care system in Wales, as the NHS Wales Shared Services Partnership procures and distributes PPE for the NHS in Wales, and undertook the procurement of PPE for the health and social care sectors during the pandemic, the responsibility to ensure that fake or non-compliant PPE was not bought and circulated across the health and care system in Wales sat with it, rather than the Welsh Government, as did enforcement with regulatory compliance.
225. The Inquiry also asks how disruptions to supplies were anticipated and what actions were taken to avoid them or mitigate their effects. To ensure any disruptions to supplies were managed effectively minimum 'buffer' stockpiles were created. This approach was based on the expectation that supplies would likely be disrupted at some point. Exhibit **WGCPD/108 – INQ000505122**, which is a note of the PPE Sourcing, Stock & Distribution Group meeting on 25 June 2020, and as exhibited above, **exhibit WGCPD/104 - INQ000505130**, a note of the First Minister PPE Briefing on 7 July 2020, both highlight discussions about building up a 'buffer stock' of PPE to increase resilience.
226. Data from Stockwatch, the electronic stock management system, also enabled discussions to focus on emerging risks and issues and allowed officials to monitor stocks and supplies.
227. On 8 April 2020, Ken Skates, the Minister for Economy, Transport and North Wales, asked Welsh businesses to help create a new Welsh supply chain for personal

protective equipment to support NHS and social care staff, exhibited at **WGCPD/109-INQ000477058**. The Critical Equipment Requirement Engineering Team was set up to take forward this work.

228. From 21 March 2020 until the end of October 2020 the Critical Equipment Requirement Engineering Team held daily meetings using a slide pack highlighting critical equipment concerns, as designated by the NHS Wales Shared Services Partnership. Examples of these slide packs can be found in exhibits **WGCPD/110-INQ000470685**, **WGCPD/111-INQ000470687** and **WGCPD/112-INQ000470708**. These briefings were used to provide an update for the NHS Wales Shared Services Partnership on how Welsh manufacturers were repurposing their production facilities to support the pandemic response. Specifically, this included updates on critical equipment including visors, face masks, scrubs, gowns, hand sanitiser and aprons. Other members of the group would update on activity such as offers from companies and testing certification.

229. The Inquiry asks how the Welsh Government monitored the proportion of PPE manufactured in Wales. The overriding purpose of the role of the Critical Equipment Requirement Engineering Team was to support or facilitate the NHS Wales Shared Services Partnership in sourcing alternative suppliers where usual resources were not sufficient. The Welsh Government did not monitor or collect data from the NHS Wales Shared Services Partnership with regard to the proportion of procured PPE manufactured in Wales. The effectiveness of steps taken to stimulate domestic production was not formally measured but the broad benchmark was whether the NHS Wales Shared Services Partnership had the sufficient resources and equipment it required.

230. To help manage the needs of the NHS Wales Shared Services Partnership, the Critical Equipment Requirement Engineering Team segmented the requirements into four categories, termed as “routes”, as follows:

- Route 1: existing supplier base, straightforward procurement. Procurement was undertaken by the NHS Wales Shared Services Partnership;
- Route 2: existing supplier base, some minor restrictions on supply. Procurement was undertaken by the NHS Wales Shared Services Partnership;

- Route 3: supply limitations, requires manufacturers to adapt processes. The Critical Equipment Requirement Engineering Team worked with companies to find ways they could adapt their processes. Successful offers were passed to the NHS Wales Shared Services Partnership to work through the usual procurement process;
- Route 4: supply does not exist. The Critical Equipment Requirement Engineering Team worked with companies to find new solutions. These were then passed to the NHS Wales Shared Services Partnership to follow their usual procurement process.

231. To process requirements via Routes 3 and 4, the Critical Equipment Requirement Engineering Team used the Business Wales Web Portal to help ensure that enquiries were treated fairly and on their merits. The portal set out detailed requirements for businesses. If a business felt it could help it would submit an expression of interest via the portal. The Life Sciences Hub would triage the expressions and assess them. The Life Sciences Hub holds the detail of how it managed this process and what criteria it used to triage the enquiries received.

232. If products needed testing (such as respirators, surgical masks and hand sanitisers) their testing certification was reviewed by the Surgical Materials Testing Laboratory. The Surgical Materials Testing Laboratory would hold details of how it reviewed the testing certification. If products passed the testing, offers of supply were forwarded to the NHS Wales Shared Services Partnership as noted above. This process was followed for all offers of supply. No promises of contracts were provided during the process by those triaging the enquiries from businesses. Contracts were only awarded by the NHS Wales Shared Services Partnership. Manufacturers were not incentivised by the Critical Equipment Requirement Engineering Team to repurpose their businesses; they saw it as an opportunity and a route to keep their staff in employment.

233. To support a company the Critical Equipment Requirement Engineering Team would assign an Account Manager who would work with it to ensure it understood and had access to the right approvals route. For example, it might have needed approval from the Surgical Materials Testing Laboratory or an introduction to the NHS Wales Shared Services Partnership.

234. There was not a typical, standard path that companies would follow, but the general timescales from a company submitting an expression of interest until referral onto the Surgical Materials Testing Laboratory or the NHS Wales Shared Services Partnership was just a matter of days. The Life Sciences Hub would hold any documents it used to triage the offers submitted and the checks it carried out. The Surgical Materials Testing Laboratory would also hold the information regarding the process it followed for testing. All contracts awarded to those who went through the process were awarded by the NHS Wales Shared Services Partnership.

235. Companies that were assisted by the Critical Equipment Requirement Engineering Team included the Royal Mint, which changed its coin production facilities to enable the production of visors, and Penderyn Whisky which made hand sanitiser. The Rototherm Group was also supported to change production from making industrial measuring equipment to making high quality face shields. The Critical Equipment Requirement Engineering Team supported Rototherm to obtain a CE marking which allowed it to supply healthcare staff; by the end of April 2020, it was producing 65,000 units per week. Any contracts for these goods would have been put in place by the NHS Wales Shared Services Partnership.

236. The Critical Equipment Requirement Engineering Team helped source alternative suppliers where normal resources were not sufficient, examples included chemicals and food companies producing hand gel and garment manufacturers making PPE. The Minister for Economy, Transport and North Wales authorised up to £5 million to support the NHS in sourcing new suppliers where existing provision was insufficient, help develop and manufacture new products and secure components / raw materials / services to meet the needs of the pandemic response. I exhibit the Ministerial Advice at **WGCPD/113-INQ000145345**. Of this funding circa £656,000 was spent mainly on components for Continuous Positive Airway Pressure (CPAP) respiratory devices and the balance on PPE. Further details on the purchase of the components for the Continuous Positive Airway Pressure respiratory devices and the budget allocation referenced below can be found in the Critical Equipment Requirement Engineering Team statement **M5/CERET/01**.

237. From within the £5m budget allocated to the Critical Equipment Requirement Engineering Team, approximately:

- a. £632,302.81 plus VAT was used on purchasing components for the CPAP devices, of which £565,197.84 was written off.

- b. £3,793.80 plus VAT was used for purchasing supplies for volunteers to make scrubs for the NHS in Wales.
 - c. £4881.36 plus VAT was used for funding transport to deliver the materials in (b).
 - d. £4,550 plus VAT was paid to Orchard Media and Events Ltd to create a Back to Work video which, as far as I am aware, reminded people to wear masks, social distance and to take care when returning to work for use by businesses in Wales.
 - e. An additional £100,000 was given to Industry Wales to support the Critical Equipment Requirement Engineering Team and, in particular, to reimburse Industry Wales for the Team's related purchases including CPAP and oximeters.
238. Over 30 companies repurposed production lines to produce hand sanitiser, 25 companies repurposed production lines to make face visors, 30 companies provided decontamination solutions for surfaces. Nine companies invested in machinery to produce clinical grade face masks and coverings; five of these were capable of mass production. The Welsh Government estimates that, in total, 400 jobs were created because of this commercial activity. In addition, 189 community volunteers made over 5000 sets of scrubs.
239. From October 2020 the Critical Equipment Requirement Engineering Team meetings were less frequent as it became clear that the NHS Wales Shared Services Partnership had sufficient reserves of equipment or orders in place through supply routes which were already set up. The last meeting took place on 29 June 2021 following which the team was wound down.

PPE Supply

240. As mentioned above, the Life Sciences Hub Wales used the Business Wales Web Portal to assess and retain validated offers of supply and forward them onto buyers should there be a demand for the products. In Ministerial Advice exhibited at **WGCPD/114 - INQ000473958** (MA-VG-1479-21), a review of progress of the Life Sciences Hub found that it had *"moved quickly to reprioritise its operational focus and the Hub had worked alongside the Critical Equipment Requirement Engineering Team as the primary point of contact for industry engagement, sifting through the offers to*

accelerate the adoption of critical products and services at unprecedented pace and scale.”

241. Products that underwent testing, such as respirators, surgical masks and hand sanitisers, had their testing certification reviewed by the Surgical Materials Testing Laboratory to enable procurement services to undertake evidence-based purchasing.
242. Industry engagement was undertaken by the Life Sciences Hub Wales, enabling data capture, initial due diligence, and assessment of offers from industry, to be processed and referred where required. As a result the Life Sciences Hub Wales was able to process over 2,285 enquiries, referring 556 to the NHS Wales Shared Services Partnership, the Welsh Government and other relevant organisations.
243. The Life Sciences Hub Wales’s due diligence in reviewing submissions ensured that the most appropriate submissions were referred; its role was acknowledged in Audit Wales’s report on the ‘Procuring and Supplying PPE for the COVID-19 Pandemic’ in Wales, exhibited earlier in this statement at **WGCPD/43-INQ000214235**.³
244. Between March 2020 and March 2022, the NHS Wales Shared Services Partnership issued over 1.3 billion items of PPE to the health and social care sectors in Wales. About 550 million of these items were issued to the social care sector. The data includes PPE procured directly by the NHS Wales Shared Services Partnership as well as PPE it distributed which it received from the UK Government as part of the four nations arrangements. The published data includes stock issued from the NHS Wales Shared Services Partnership only and does not include any stock procured directly by other organisations in the NHS in Wales or local authorities.

Lateral Flow and PCR tests

245. The NHS Wales Shared Services Partnership procured PCR kit and test consumables for use in NHS Wales laboratories working closely with Public Health Wales. The NHS Wales Shared Services Partnership also let a contract for point of care tests and

³ This exhibit has been provided by another material provider to the UK Covid-19 Inquiry and is a duplicate of a document held by the Welsh Government and disclosed to the UK Public Inquiry [INQ000066526].

purchased antibody lateral flow tests as part of the initial National COVID-19 Test Plan, exhibited at **WGCPD/115-INQ000068666**⁴.

246. Ministerial Advice in relation to the National COVID-19 Test Plan and a Written Ministerial Statement outlining details of the National COVID-19 test approach can be found at exhibits **WGCPD/116-INQ000136774** and **WGCPD/117-INQ000349270**. PCR and lateral flow tests for testing purposes under the UK testing programme were procured by the UK Government on a four nations basis.

247. The plan set out a number of testing approaches to be delivered in a blended, scaled way in order to maximise the impact of tests delivered both in a lab (led by Public Health Wales) and in the community through point of care testing devices and introduction of 'lateral flow' antibody tests.

248. The procurement of lateral flow devices and increasing PCR testing infrastructure and consumables was predominantly undertaken by the UK Government on a four nations approach under the UK Testing Programme arrangements. This was initially delivered by NHS Test and Trace which was created on 28 May 2020 and transitioned to the UK Health Security Agency from its establishment on 1 April 2021.

249. Due to the pace and continual shifting landscape of the UK Testing Programme, a formal Memorandum of Understanding had not been agreed by summer 2020 between the Secretary of State for Health and Social Care and devolved governments. However, in January 2021 a set of core principles were agreed, and arrangements were formalised and agreed under a Memorandum of Understanding between Welsh Government Ministers and the Secretary of State for Health and Social Care on 29 April 2021, as exhibited in **WGCPD/118-INQ000235911**. The Memorandum of Understanding contained provisions relating to the new testing technologies, such as lateral flow devices, as well as the option to receive consequential funding should they chose not to participate in a particular testing innovation.

250. From 1 April 2021, allocations from the Testing Programme were made in accordance with Barnett allocations (as determined by the Barnett Formula). Before this, allocations were received on the basis of a population share which had implications

⁴ This exhibit has been provided by another material provider to the UK Covid-19 Inquiry and is a duplicate of a document held by the Welsh Government and disclosed to the UK Public Inquiry [INQ000384036].

for other devolved governments. The decision to move to the Barnett allocation was to more easily reconcile decisions that related to consequential funding, and to align with approach taken for the vaccination programme. This change did not impact on the allocation for Wales under the National Testing Programme.

251. The Memorandum of Understanding set out that the Department for Health and Social Care/UK Health Security Agency were responsible for procuring, where relevant, goods, equipment and services to secure the provision of the following SARS-CoV-2 testing services in Wales:

- Physical test sites for people to attend for the purposes of providing samples;
- A PCR home testing service;
- Organisation Led Testing e.g. care homes, prisons, etc;
- Laboratory services for the assaying of samples;
- Antibody testing;
- LFD Testing.

252. The Department for Health and Social Care/ UK Health Security Agency also managed the contract arrangements on behalf of Ministers for the devolved governments meeting legal and statutory requirements. This included:

- Negotiating appropriate terms and conditions for the Contracts;
- Overseeing and performance managing the Suppliers under and in accordance with the Contracts; Managing changes to the Contracts in accordance with any change processes in the Contracts; Managing any necessary termination or extension rights in accordance with the Contracts; Managing any costs, indemnities and liabilities in accordance with the Contracts;
- Reporting in a timely manner to the Welsh Ministers on any issues arising from the Suppliers' performance of the Contracts, or from changes to the Contracts, which would have a material effect on the Services;
- Informing Welsh Ministers in a timely manner if there is any issue in relation to the Contracts which would have a material effect on the Services;
- Where contract performance issues are raised by Welsh Ministers, ensuring that those issues are promptly raised with and addressed by the Suppliers.

253. The Memorandum of Understanding also indicated how Welsh Ministers were able to participate in key decision-making forums of the National Testing Programme including the UK Health Security Agency Investment Board where it was relevant to Wales. The Terms of Reference for the Investment Board are exhibited at **WGCPD/119-INQ000477041**. This gave the Welsh Government the option to opt in or out of significant procurements (over £25m) of new testing technologies to aid national testing efforts.
254. The 'in or out' decisions were taken at the UK Health Security Agency Investment Board, however agreement at the Investment Board did not necessarily reflect the levels taken forward operationally - this could have been lower than initially expected or in some instances higher – in which case it would have returned to the Investment Board at a later date.
255. Under the UK Testing Programme, the UK Health Security Agency procured over £2.7 billion Lateral Flow Devices for the UK which included £111.6 million allocated to Wales. Due to having a sufficient stock of Lateral Flow Devices, Wales chose to opt out of two procurements of these tests, **exhibited at WGCPD/120-INQ000235883** and **WGCPD/121-INQ000116768**, amounting to 16.3 million Lateral Flow Tests, of which the Welsh Government received a funding transfer equivalent to the value of the tests.
256. The Inquiry asks why target numbers for the number of tests to be carried out in Wales were reduced or dropped in April 2020. In responding to the scale of the pandemic there was a need to scale up testing capacity in Wales and across the UK. This presented logistical and supply chain challenges especially during the early period and resulted in the Welsh Government carrying out a testing review in April 2020. With countries across the world also expanding testing capacity, global competition for supplies was a real challenge.
257. Public Health Wales reported these challenges to a Senedd Committee in May 2020 giving the example of delayed delivery of equipment purchased from South Korea. There were also pressures following the early response period that needed to be managed and mitigated at times under the Test, Trace and Protect governance arrangements.

Manufacturing within Wales and mutual aid

258. Following discussion and contribution from all four nations, the Pandemic Stock Principles for the Coronavirus Outbreak was updated on 11 February 2020, as exhibited at **WGCPD/122-INQ000477023**, and outlined the following:

- All four countries would report pandemic stock inventories with each other on a weekly basis during a response to an incident, including product code, product name, stock level and expiry date.
- On agreement between Public Health England and a UK home nation, Public Health England would segregate that nation's stock in England for the sole use of that nation.
- The delivery requirement for stock procured by Public Health England on behalf of a UK home nation would be specified by that nation. Public Health England would use all reasonable endeavours to fulfil the delivery requirement.
- The exception to this was in regard to antibiotics for primary care which Public Health England stored and distributed based on the need at the time across the whole of the UK.
- Should a UK home nation (the requesting country) have a concern regarding any given stock item they could make a request to the other nations (the requested nations) for stock on a Mutual Aid basis. The requested nations would use all reasonable endeavours to assist the requesting nation in part or full taking into consideration the health needs of their own nation. The requested nation could specify the terms of the assistance in agreement with the requesting nation.

259. Agreement to provide Mutual Aid was subject to Ministerial decisions based on the Welsh Government's own protocol for mutual aid requests which included an assessment of the impact on supply, such as securing delivery slots. Exhibit **WGCPD/123-INQ000271602** is a copy of the Welsh Government's protocol.

260. At a UK Clinical Countermeasures Board, Coronavirus subgroup meeting on 6 March 2020 (attended by the NHS Wales Shared Services Partnership for Wales), it was noted that the Pandemic Stock Principles for the Coronavirus Outbreak were agreed; exhibited at **WGCPD/124-INQ000477020**.

261. The Inquiry asks how the 'loan' of 20 million tests to England worked on a practical level. Tests which were ringfenced for Wales were held in warehouses in England. When the UK Government requested a loan of tests Ministerial approval was sought

as in exhibit **WGCPD/125-INQ000505300**. Once approval was given, England would take the tests from the ringfenced Wales stock and deploy them for England. This stock would then be replenished with new tests for Wales when deliveries arrived in the warehouse.

262. On 27 April 2020, the First Minister confirmed in a Covid-19 briefing to the public that the Welsh Government was not relying simply on established links but taking a multi-pronged approach to ensuring sustainable PPE supplies, including working with other UK nations to pool procurement efforts, bring in new stocks and offer mutual aid, exhibited at **WGCPD/126-INQ000470704**. There was no specific policy to harness the opportunity created by the demand for PPE to address issues such as unemployment in Wales, the focus was on meeting the demand for PPE, however a natural consequence of businesses switching their production lines was people being kept in employment.
263. On 30 April 2020, in evidence to the Senedd's Health and Social Care Committee, the Minister for Health and Social Services noted that demand for PPE was likely to remain well above normal, but there was enough PPE within the system, exhibited at **WGCPD/127-INQ000087990**.
264. This view was consistent with feedback being received from PPE leads from the NHS Wales Shared Services Partnership and the social care sector at the time. As outlined in more detail in paragraph 292, local authorities raised concerns that the volume of supplied PPE was insufficient to meet their needs, and the issue was addressed quickly by the Welsh Government. The Minister's reference during the Committee session to enough PPE being in the system was also based on the quantitative data and modelling from Stockwatch and the NHS Wales Shared Services Partnership.
265. In his evidence session, the Minister highlighted that Wales had both received mutual aid from Scotland and England and provided mutual aid to England and Northern Ireland. He stressed the importance of collaboration between health and social care, and between the four nations of the UK.
266. On 9 August 2021, the Welsh Government announced in relation to PPE that since the beginning of April 2020, Wales had issued 13.8 million items of mutual aid to other UK nations and received 1.4 million items on request from Scotland and Northern Ireland. Welsh health services' buying power enabled £37.5 million of PPE for other

UK nations. In return Wales has received around 3.3 million items from the UK Government to replenish stocks, exhibited at **WGCPD/128-INQ000470747**.

Consequential funding

267. When the UK government decides to spend more or less on public services in England, the Barnett formula is used to decide how much money the other nations receive. This sum is called the Barnett consequential and is often referred to as consequential funding. It reflects differences in population size plus the range of devolved public services in each nation. In total, between 2020-2022, an amount of £1.022 billion was received in consequential funding from the UK Government in relation to PPE.

Communication with NHS and nursing and doctors' associations during the pandemic

268. The Inquiry asks about the extent to which the Welsh Government's procurement strategy was informed by any communication or concerns raised by nursing and doctors' associations during the pandemic. As detailed throughout the statement, responsibility for procuring and distributing PPE and healthcare supplies was the responsibility of NHS Wales Shared Services Partnership. As such, the NHS Wales Shared Services Partnership was responsible for producing a procurement and distribution strategy for the NHS in Wales rather than the Welsh Government.

269. As outlined throughout this statement, the Welsh Government worked closely with the NHS Wales Shared Services Partnership to ensure there was sufficient supply of PPE in Wales, taking account of any issues and concerns raised by stakeholders and trade unions. Views from stakeholders such as the British Medical Association Cymru, the Royal College of Nursing and other trade unions were proactively sought through meetings such as the PPE technical briefings outlined below.

270. Various issues were raised by various routes at different stages of the pandemic including the quality and expiry dates of the pandemic flu stock; a desire for goggles despite them not featuring in UK Covid Infection Prevention and Control guidance; a request for different size masks and gowns for better fit, and a desire for FFP2 and FFP3 masks over and above the surgical masks recommended by Infection Prevention and Control guidance. To address these questions, the Welsh Government referred to the UK Infection Prevention and Control guidance and sought

advice from Public Health Wales at the PPE Technical Briefings. Some issues, such as airborne spread and the need for FFP3 masks, were discussed at UK level. These issues are addressed later in this statement.

Liaison with nursing and doctors' associations

271. The Welsh Government has well-established working relationships and engagement with stakeholders and trade unions such as the British Medical Association Cymru and the Royal College of Nursing. In pre and post pandemic times, the Minister for Health and Social Services held quarterly meetings with all health trade unions on the Welsh Partnership Forum Business Committee such as the British Medical Association Cymru, the Royal College of Nursing, UNITE, and UNISON.

272. During the pandemic, liaison with nursing and doctors' associations was frequent and there were several forums where issues could be raised, information shared, or intelligence gathered.

273. The NHS Welsh Partnership Forum is one such body where the Welsh Government meets with NHS Wales's employers, trade unions and professional organisations. The full NHS Welsh Partnership Forum meets three times a year. There is also a Welsh Partnership Forum Business Committee which supports the progress and delivery of the business of the Welsh Partnership Forum.

274. During the early months of the pandemic, additional meetings with the Wales Partnership Forum Business Committee trade union representatives took place, exhibited at **WGCPD/129-INQ000355825**.⁵ The frequency of the meetings varied dependant on when issues arose.

275. When questions on PPE guidance were raised in advance for the agenda, the Deputy Chief Medical Officer would often attend to answer, along with Dr Eleri Davies from Public Health Wales. This was a useful mechanism by which the Welsh Government was kept informed about views and feelings of the workforce in Wales.

276. Technical PPE briefings were also held with trade unions, including the British Medical Association and the Royal College of Nursing, during the early stages of the

⁵ This exhibit has been provided by another material provider to the UK Covid-19 Inquiry and is a duplicate of a document held by the Welsh Government and disclosed to the UK Public Inquiry [INQ000477063].

pandemic. The first meeting was held on 28 April 2020, exhibited at **WGCPD/130-INQ000222787**. The weekly meetings were an opportunity for unions to talk directly to the NHS Wales Shared Services Partnership and Welsh Government officials about any issues around PPE including distribution and supply. The meetings continued until 30 June 2020, although PPE was sometimes discussed at the 'Technical Testing Briefings' which were primarily set up to discuss testing with trade unions and continued until December 2020.

277. PPE fitting issues were raised by the TUC during the PPE Technical Briefing on 28 April 2020, exhibited above. They provided feedback from frontline workers, stating that fitting issues were raised in respect of women, and people who wore turbans and had beards. The Welsh Government's response advised that discussions were taking place at government level with the aim to source two varieties for fit testing of FFP2 face masks to combat these issues.

278. During the PPE Technical Briefing on 19 May 2020, exhibited at **WGCPD/131 - INQ000490082**, queries were raised by the Royal College of Nursing regarding staff receiving old stock of PPE which had perished. The NHS Wales Shared Services Partnership reassured them that this stock had been tested and reassessed before being reissued.

279. The Royal College of Nursing also asked if there would be any further guidance on the time surgical masks should be worn for/ effectiveness during the PPE Technical Briefing on 16 June 2020. Public Health Wales confirmed that the guidance had not changed in terms of sessional use of masks, and masks should not be used if they become damaged or wet. It also confirmed that guidance was not likely to change imminently.

280. From April 2020, Welsh Government officials in the Primary Care Division held weekly calls with the General Practitioner Committee of the British Medical Association Cymru (GPC Wales), the Royal College of General Practitioners (RCGP), and health boards. The calls enabled stakeholders to raise any issues early on in terms of areas directly affecting general practice as well as sharing of information and gathering of feedback from GPs. As these calls were informal in nature there are no minutes of the calls, but any actions would have been operational in nature and would have reported to relevant teams in the Welsh Government following the calls.

281. The Chief Medical Officer and Deputy Chief Medical Officer also held regular meetings with representatives of the Academy of Medical Royal Colleges in Wales. These are the medical advisory colleges including the Royal Colleges of Physicians, Surgeons, Obstetricians and Gynaecologists, Paediatrics and Child Health, General Practitioners, and Emergency Medicine.
282. The Chair of the British Medical Association Welsh Council was also included in these meetings, which took place every two weeks during the height of the pandemic. The meetings provided a means of sharing information and raising questions, including on PPE. The Chief Medical Officer and Deputy Chief Medical Officer either sought to answer the questions or resolved to enquire further outside the meetings.
283. From the Welsh Government's perspective, liaison was effective. Although no formal review into the effectiveness of the engagement has been undertaken, verbal feedback from trade union members to the Welsh Government is that they found the Technical PPE briefings helpful and an effective mechanism for them to ask questions and raise concerns. Similarly, informal feedback from the General Practitioner Committee Wales suggests engagement was effective, this engagement has been maintained and is still ongoing.

Provision to the social care and community care sector

March – early April 2020

284. On 9 March 2020 work began within the Social Services and Integration Directorate, in the Health and Social Services Group of Welsh Government, to identify possible solutions for the supply and distribution of PPE for the social care sector. Prior to this the NHS Wales Shared Services Partnership had been preparing for its possible involvement in distributing PPE to the social care sector as the email thread dated 18 February 2020 and exhibited at **WGCPD/132-INQ000470674** shows. This involved ensuring a list of the 22 Welsh Local Authority delivery points, which was developed as part of EU exit planning, was up to date should the Welsh Government need to supply facemasks and other PPE to the social care sector.
285. On 16 March 2020 the Health Countermeasures Group discussed the NHS Wales Shared Services Partnership providing the social care sector with a supply of PPE from the stockpile; exhibited at **WGCPD/133-INQ000299018**. The NHS Wales Shared

Services Partnership also provided confirmation to the Welsh Government of the PPE it would be able to provide to social care settings, which included disposable gloves, disposable plastic aprons, fluid resistant surgical masks type IIR, and protective glasses. Exhibit **WGCPD/134-INQ000470675** refers. This was in line with guidance available at that time.

286. The supply of PPE to social care settings needed to be responsive to the guidance provided by Public Health Wales about the use of PPE in such settings. On 17 March 2020 the first draft of the PPE guidance for social care was provided to the Welsh Government by Public Health Wales, exhibited at **WGCPD/135-INQ000470680** and **WGCPD/136-INQ000470681**. It recommended the following PPE for the care of those with acute respiratory infection or flu-like illness:

- i. Fluid Resistant Surgical Mask (FRSM);
- ii. Disposable gloves;
- iii. Disposable plastic apron;
- iv. Appropriate eye protection after risk assessment of need if splashing or spraying of body fluids likely.

287. PPE guidance for care homes was based on UK/national level guidance. The guidance for care homes reflected the national level guidance and was adapted by Public Health Wales to ensure it could be practically applied within care home settings, based on the principle that care homes were people's homes rather than clinical settings, and that the environment was different to hospital settings.

288. On 18 March 2020 the Welsh Government's Health Emergency Planning Adviser contacted Local Health Boards requesting that, as an interim contingency measure whilst the PPE distribution mechanism for social care was developed, they put in place arrangements to support the provision of PPE to social care settings where needed. It was noted that some Health Boards were already making such provision. The email is exhibited at **WGCPD/137-INQ000470733**. This was a short-term measure, not intended for use in the long term. The Welsh Government did not expect this assistance to be maintained as demand scaled up.

289. On 19 March 2020, Albert Heaney CBE (the Welsh Government's Director of Social Services and Integration and Deputy Director General for Health and Social Services),

wrote to social care providers about the use and supply of PPE. Exhibit **WGCPD/138-INQ000336310** refers.

290. The letter outlined the interim arrangements for social care providers to approach their Local Health Board for urgent PPE assistance where a case of Covid-19 had been confirmed in their setting and PPE could not be accessed. Guidance on the circumstances in which PPE should be used and the type of PPE to be used, was also included. This letter was forwarded to all care home and domiciliary care providers on 20 March 2020 by Care Inspectorate Wales as evidenced at **WGCPD/139-INQ000470682**. The allocation of stock to care homes was based on proportional need within each local authority area.
291. On 21 March 2020 the Minister for Health and Social Services issued a Written Ministerial Statement, confirming provision of PPE to social care settings across the whole of Wales, as exhibited above at **WGCPD/67-INQ000383574**. It noted that stock would be issued at the earliest opportunity, as well as guidance for care providers on how to request access to PPE stock when needed.
292. On 24 March 2020 an email discussion took place relating to concerns from local authorities that the volume of supplied PPE was insufficient to meet their needs. The discussion included representatives from the Welsh Government, the NHS Wales Shared Services Partnership, and Local Health Boards. The email exchange is exhibited at **WGCPD/140-INQ000470683**. This exchange informed the establishment of a delivery schedule as outlined in Albert Heaney CBE's correspondence of 7 April, referred at paragraphs 297-298.
293. A further Written Ministerial Statement exhibited at **WGCPD/141-INQ000299063** was issued by the Minister for Health and Social Services on 25 March 2020 outlining the additional steps taken in the supply of PPE, and actions taken to secure supplies for social care providers. It noted that revised guidance on PPE had been agreed across all UK nations, and which was consistent with guidance from the World Health Organization.
294. On 1 April 2020 updated PPE guidance, which had been agreed in principle by the UK Chief Medical Officers was submitted by the Deputy Chief Medical Officer for Wales to the Minister for Health and Social Services and copied to Albert Heaney

CBE. This advice and the guidance are exhibited at **WGCPD/142-INQ000477028** and at **WGCPD/143-INQ000477029**.

295. The advice acknowledged that the change in guidance would prove challenging as more PPE would be used placing a higher demand on stocks.
296. The NHS Wales Shared Services Partnership, was asked to meet this increase in demand as a result of this guidance, exhibited at **WGCPD/144-INQ000477030**. The increase in demand informed subsequent actions outlined below.
297. On 7 April 2020 Albert Heaney sent a letter to local authority Directors of Social Services, local authority equipment store leads and the Social Care Planning and Response Subgroup confirming the provision of PPE for social care settings over the Easter bank holiday. It outlined that in anticipation of the bank holiday an additional distribution to all equipment stores would be made later that week, as well as outlining the intention to establish a regular timetable for deliveries.
298. The letter also set out a request for assistance in designing a distribution system that was efficient and operational outside of usual opening hours to improve access to PPE. This letter is exhibited at **WGCPD/145-INQ000470692**.
299. From this time PPE was being distributed by the NHS Wales Shared Services Partnership to local authorities for onward distribution to the social care sector. Each local authority implemented their own arrangements for further onward distribution.

Liaison arrangements

300. The Welsh Government's principal mechanism for liaison with the social care sector during the pandemic was the Social Care Planning and Response Subgroup, referred to above. It was a sub-group of the Health and Social Services Covid-19 Planning and Response Group, described earlier in the statement, and was co-chaired by Albert Heaney and Andrea Street, Deputy Director Social Services and Integration.
301. The group consisted of stakeholders from across the social care sector including Directors of Social Services, Welsh Local Government Association (WLGA), Social Care Wales (SCW) and the Care Inspectorate Wales (CIW). It also included members that provided significant input from co-dependent areas such as housing, the British

Red Cross, the Wales Council for Voluntary Action (WCVA), Care Forum Wales, and Community Health Council (CHC).

302. On 6 March 2020 the Social Care Planning and Response Group held its first meeting, where PPE was one of a series of issues raised by the sector, after which there were weekly calls to address business continuity concerns, with PPE demand being a regular discussion point. The note of the 6 March call is exhibited at **WGCPD/146-INQ000336265**.
303. At a high level, liaison with the care sector was also assisted by the Welsh Government's wider relationships with Welsh local authorities, who have statutory responsibilities for social care, under the Social Services and Well-being (Wales) Act 2014. This liaison took the form of regular Ministerial meetings/calls between the Minister for Housing and Local Government and local authority leaders. PPE issues were discussed regularly in these calls, as can be seen from the chronology of the calls exhibited at **WGCPD/147-INQ000101234**.
304. Liaison with the care sector, along with the Welsh Government's wider relationships with Welsh local authorities, was effective in providing the Welsh Government with an understanding of demand at a high level, and enabled discussion of demand issues and supply pressures, such as that described at paragraph 292.
305. The Inquiry also asks what liaison took place with the Association of Directors of Social Services Cymru. Albert Heaney, met with the Association of Directors of Social Services Cymru (ADSSC) on a regular basis during the pandemic period. The frequency of meetings varied as the pandemic progressed, beginning with weekly in the early part of the pandemic and reducing over time.
306. These meetings offered an opportunity to discuss a wide range of issues and concerns, including around the quality and distribution of PPE.

Supply of PPE to social care sector from April 2020

307. Direct payment recipients and their personal assistants were included within local planning arrangements for Covid-19, including having access to PPE where the person they care for was diagnosed.

308. The Military Assessment Team looking at PPE supply and distribution arrangements, was asked to extend its work to consider those arrangements for social care. The aim of this extension was to provide a full picture of the PPE situation across Wales. Emails related to this work are exhibited at **WGCPD/148-INQ000470689** and **WGCPD/149-INQ000470694**.
309. Liaison with the Military Assessment Team is outlined in paragraph 326 below. On 23 April 2020, a second report prepared by the Military Assessment Team (dated 21 April 2020) was circulated to Welsh Government officials, exhibited at **WGCPD/150-INQ000470703**. The report setting out findings in relation to the distribution chain of PPE from the NHS Wales Shared Services Partnership through to care providers.
310. Among the recommendations was the need for centralised basic supply training, to improve supply chain knowledge in the sector. Training on PPE distribution capability was delivered by a training design team from 33 (General Support) Squadron, 4 Regiment Royal Logistic Corps between the 2 and 15 of June 2020 across the seven Health Boards. A report summarising the training and recommending the training be continued by the NHS Wales Shared Services Partnership is exhibited at **WGCPD/151- INQ000470720**.
311. On 5 May 2020, the Head of Programme and Legislative Implementation in the Social Services Directorate provided feedback on future PPE plans for Ministerial Advice. The email thread, exhibited at **WGCPD/152-INQ000470706**, highlighted the difficulty in modelling PPE demand and understanding the sufficiency of the PPE being provided.

PPE supply during summer 2020

312. On 30 July 2020, the Deputy Minister for Health and Social Services wrote to a range of stakeholders including those in the social care sector, to provide an update on the action being taken to support care homes, and those people who lived and worked in them, in preparation for the autumn of 2020 and the potential for a second wave of infection.
313. The letter, exhibited at **WGCPD/153-INQ000336948** identified six key areas that would be considered over the summer to support care homes. The availability of PPE for social care staff was one of the six key areas and the letter outlined the steps that

had already been taken in relation to PPE, and the further measures being considered.

314. These themes were incorporated into a Care Homes Action Plan, exhibited at **WGCPD/154-INQ000336943** setting out high-level actions under these themes to ensure the care home sector was well supported ahead of winter pressures. The action plan included a commitment to explore the PPE procurement arrangements across the social care sector to better understand supply patterns and products, to ensure longer term security of product availability.
315. The action plan also undertook to consider whether a digital recording system would aid the request and receipt of specific PPE items. The result of this work was the development and implementation by the Welsh Government and the NHS Wales Shared Services Partnership of a nationwide electronic stock management system for the provision of PPE for the social care sector. This web-based tool became known as 'Stockwatch'.
316. Participation of the 11 Joint Equipment Stores across Wales in the Stockwatch system enabled real-time stock levels to be monitored and used to inform regular deliveries. The system was intended to be more responsive to local demand, and to help ensure that local authorities could maintain distribution to social care providers.
317. On 2 September 2020, the Social Services and Integration Directorate received notification from the NHS Wales Shared Services Partnership that the Stockwatch system had been distributed to/set up at all Joint Equipment Stores, exhibited at **WGCPD/155-INQ000470722**.

PPE supply 2021 onwards

318. In May 2021 elections to the Senedd were held, and the new Welsh Government's Programme for Government included a commitment to provide free PPE for the duration of the pandemic, exhibited at **WGCPD/156-INQ000350344**.
319. On 30 September 2021 the Minister for Health and Social Services announced that the Service Level Agreement (referred to in paragraph 178), ensuring social care

services received PPE, had been extended to March 2022, as exhibited at **WGCPD/157-INQ000470738**.

320. On 9 February 2022 the Minister for Health and Social Services agreed to extend the Service Level Agreement between the NHS Wales Shared Services Partnership and the Welsh Local Government Association to continue providing free PPE to the social care sector from 1 April 2022 until 31 March 2023, exhibited at **WGCPD/158-INQ000470736** and **WGCPD/159-INQ000470740**.
321. The Inquiry asks whether the Welsh Government is aware of any care homes or community care settings that ran out of PPE supplies. The Welsh Government was not made aware of any instances of care settings running out of PPE during the pandemic. As outlined by Audit Wales in their press release (exhibit **WGCPD/160-INQ000477047**, and report, which is referred to in paragraph 94), the NHS Wales Shared Services Partnership and other public services overcame early challenges to provide health and care bodies with the required PPE without running out of stock at a national level.
322. Concerns were raised by local authorities on several occasions that the volume of PPE being supplied was insufficient to meet their areas' needs.
323. The Welsh Government sought to address these concerns in a number of ways, including:
- a) The social care demand modelling activity described at paragraph 311 above;
 - b) The work undertaken on the Welsh Government's behalf by the Military Assessment Team on PPE, as described at paragraphs 308-309 and 326-327;
 - c) The Service Level Agreement agreed between the Welsh Local Government Association and the NHS Wales Shared Services Partnership;
 - d) The introduction of the 'Stockwatch' electronic stock management system.

Distribution of healthcare equipment and supplies

324. The distribution of healthcare equipment, supplies and PPE was organised through the NHS Wales Shared Services Partnership. Representatives from the NHS Wales Shared Services Partnership sat on all the groups outlined in the Governance Structures section above. This allowed it to provide regular updates to the Welsh

Government about how healthcare equipment and supplies and PPE were stored and distributed across Wales.

325. Stock management of key healthcare equipment and supplies, including PPE was overseen by the NHS Wales Shared Services Partnership. The 'push' approach refers to how the NHS Shared Services Partnership initially distributed stock from the Pandemic Influenza Preparedness Programme stockpile, issuing standard packs of available stock to providers based on a broad estimate of needs. The NHS Wales Shared Services Partnership will be able to advise the Inquiry on specific details of how the distribution of stocks was organised, the contractual arrangements in place and how performance was monitored. It will also be able to provide information on any delays to distribution of the stocks it distributed.
326. The Welsh Government worked closely with military colleagues and in April 2020, a military liaison team was deployed to support the health and social services group to lead a review of the distribution arrangements for PPE. On 3 April 2020, an email was sent from the lead military officer to the Situation Cell, within the Emergency Coordination Centre (Wales), enclosing a report titled "Welsh Government PPE Distribution Military Assessment Team (Mat) Report". The report is exhibited as **WGCPD/161-INQ000299126**. The report highlighted procurement and logistical supply advice to Welsh Government to ensure the maximising of PPE resources and PPE sourcing processes were optimised.
327. As a result of the report, further work was undertaken by the military, which was agreed by Dr Andrew Goodall, then Chief Executive NHS Wales and Director General for Health and Social Services Group, that resulted in the military reviewing the storage and distribution arrangements of Local Health Boards and Local Authorities, through their Joint Equipment Stores. This enabled a complete picture of the PPE situation across Wales to be drawn and is referred to in paragraphs 308-309.
328. The PPE Sourcing and Distribution Group, referred to in paragraphs 55-56, was set up to ensure supplies of PPE to the NHS and social care sector in Wales. The group provided a regular link between the Welsh Government and the NHS Shared Services Partnership on PPE distribution issues.
329. Recommendations were also made to the NHS Shared Services Partnership to work alongside the NHS and social care bodies to maintain an up-to-date information

system that provided timely data on local and national stocks of PPE. The recommendation led to the NHS Finance Delivery Unit developing a reporting mechanism to track orders and stock levels of PPE in Wales. Deloitte was commissioned by the NHS Wales Shared Services Partnership in April 2020 to review the tool, test its robustness and enhance it, where possible, to ensure the final product provided an effective dashboard for monitoring and reporting purposes. As the commissioning body the NHS Wales Shared Services Partnership would hold the findings of the work Deloitte carried out.

330. Following the development of the reporting mechanism, the NHS Wales Shared Services Partnership produced a dashboard on a weekly basis, including reports on the stock position and the forward order pipeline for PPE, an example is exhibited at **WGCPD/162-INQ000198407**. This information was provided to a variety of stakeholders, including the Welsh Government. The details formed the basis of the Knowledge and Analytical Services team's weekly PPE statistics released, as exhibited at **WGCDP/163- INQ000477033** and reported within the First Minister's briefings.

Due diligence, technical assurance and anti-fraud

331. The NHS Counter Fraud Service is hosted by the NHS Wales Shared Services Partnership. The operational management of the NHS Counter Fraud Service Wales has largely been delegated through a service agreement by the Welsh Government to the NHS Counter Fraud Authority. The NHS Counter Fraud Service Wales issues quarterly and annual reports to the Welsh Government and the Directors of Finance of NHS bodies in Wales, on national and local, reactive and proactive counter fraud work in Wales. It also updates Directors of Finance and the Welsh Government on any significant developments via Advance Warnings on court cases, searches or arrests. As the procurement of healthcare goods and supplies was carried out by the NHS Wales Shared Services Partnership, it would have followed its own systems to tackle anti-fraud, due diligence and technical assurance.

332. Within the Welsh Government there are a range of anti-fraud, due diligence and technical assurance systems in place to manage risks around fraud and substandard goods.

333. The Welsh Government is a member of the Credit Industry Fraud Avoidance System (CIFAS), a prescribed anti-fraud organisation under Section 68 of the Serious Crime Act 2007 and was a member prior and during the pandemic. The Credit Industry Fraud Avoidance System is a not-for-profit fraud prevention organisation that enables its members to share and search data on the National Fraud Database (NFD).
334. The Credit Industry Fraud Avoidance System's National Fraud Database was not widely used by the Welsh Government during the pandemic, and this is an area the Head of Counter Fraud highlighted in the lessons learned section of his evidence to the Audit and Risk Assurance Committee (ARAC) in January 2022, exhibited at **WGCPD/164-INQ000477057**. Accessing the database would not have incurred any additional cost to the Welsh Government, however, as the procurement of healthcare supplies was carried out by the NHS Wales Shared Services Partnership, the Welsh Government would not have had a need to use the database in relation to the procurement of PPE and other healthcare supplies.
335. The Welsh Government also takes part in the National Fraud Initiative (NFI) which is a counter-fraud exercise across the UK public sector which aims to prevent and detect fraud. The Auditor General, Cabinet Office, Audit Scotland and the Northern Ireland Audit Office lead the exercise in Wales, England, Scotland and Northern Ireland respectively. The National Fraud Initiative takes place biennially and enables public bodies to use computer data matching techniques to detect fraud and error. The main purpose of the National Fraud Initiative is to ensure funds and services are provided to the correct people.
336. The work undertaken would not have affected the procurement of key medical equipment in terms of the procurement approach and the selection of suppliers. The National Fraud Initiative requires participants to submit their supplier payment datasets and then looks for potential duplicate payments. The Welsh Government submits all of its supplier payments, and this would include those made by the Health and Social Services Group. NHS bodies submit their own data.
337. A feature of the National Fraud Initiative 2020-21 was a cross-organisational data matching against Covid-19 payments. This focused on support to businesses via grant funding rather than procurement.

The Due Diligence Hub

338. Prior to the pandemic, the Due Diligence Hub had been developed within the Welsh Government to improve information sharing to assist in decision-making processes, helping to ensure that funding was awarded only to external bodies that were fit to receive public money. The Hub allowed Welsh Government officials to search for an external body and review information about that body, for example, information such as an organisation not filing their accounts, or being investigated for fraud.
339. Officials could check the Hub prior to agreeing to fund an organisation and contact the relevant colleague who placed the entry on the Hub to enquire about any concerns or issues they signposted. During the Covid-19 pandemic, due to the larger than usual number of organisations being funded, a reminder was issued to policy areas on the importance of updating and checking the Hub along with other aspects of the support available.
340. The Hub is available to Welsh Government staff; the NHS Wales Shared Services Partnership has its own arrangements with regard to due diligence. Staff within the Commercial & Procurement Directorate and Health and Social Services Group did not use the Due Diligence Hub for the procurement of healthcare supplies as they did not directly procure any products.

Central Due Diligence Team

341. The Welsh Government's Central Due Diligence Team sits within the Finance Directorate, which is part of the Chief Operating Officer's Group. It is able to provide a "Financial Corporate Health Check" on organisations that grant managers are funding or may wish to fund.
342. This health check includes an assessment of accounts, open source information and directors within the organisation and details the Company Watch Health Score (a commercially available tool that helps assess the financial position of an organisation). The team then produces an overall assessment which is uploaded onto the due diligence hub to allow access by all officials. The Financial Corporate Health Check is not designed for procurement. It is used by grant managers to support them making decisions on grant funding for organisations.

343. To provide transparency of contracts awarded, the Welsh Procurement Policy Note WPPN 07/21: Small and Medium sized Enterprises (SMEs)-friendly procurement sets out the Welsh Government's commitment to advertise contracts over £25,000 excl VAT through the Sell2Wales portal. At the conclusion of any procurement, the Welsh Government publishes a contract award notice informing the market of the successful tenderer/s

Counter fraud

344. The Counter Fraud measures in place in the Welsh Government for reporting fraud or suspected fraud to the police or other authorities are set out in the Welsh Government's Fraud and Corruption Response Plan and the Fraud and Corruption Policy exhibited at **WGCPD/165-INQ000473965** and **WGCPD/166-INQ000473964**. This process for reporting fraud remained the same during the pandemic as the process pre and post pandemic. However, as the Welsh Government did not carry out procurement for PPE or key healthcare equipment this system was not used in respect of procurement of PPE.
345. In addition to normal reporting, the UK Cabinet Office forwarded fraud allegations reported to themselves or Crimestoppers that were alleged within Wales. The Head of Counter Fraud followed up any allegations with delivery teams or local authorities; no acts of fraud were identified following exploration. The acts of fraud reported to the Head of Counter Fraud were all linked to grant funding and not procurement. As the procuring body for healthcare supplies in Wales the NHS Wales Shared Services Partnership would hold details of any investigations it carried out into alleged fraud involving the procurement of healthcare supplies.
346. In line with counter-fraud policies, where fraud is suspected or reported by a Welsh Government policy team it is referred to the Welsh Government's External Assurance Panel, chaired by the Director of Propriety and Ethics. Further to initial consideration by the panel the Head of Counter Fraud (part of the Welsh Government's audit and assurance function) may be asked to gather evidence and exhibits, and if there is a case to answer produces an evidential package for further consideration by the Panel. The Panel considers the evidence available and decides on the evidence what action to take. If criminality is suspected following the investigation by the Head of Counter Fraud and evidence presented, then the issue is referred to the police. This system

is in place for all suspected fraud, including in principle for PPE procurement. No referrals were made to the police.

347. The Welsh Government's Head of Counter Fraud is **Name Redacted** The role and remit of Counter Fraud is to prevent, raise awareness, investigate and collaborate with other Counter Fraud public sector agencies in Wales.
348. During the pandemic the Head of Counter Fraud engaged with various teams within the Welsh Government to discuss their controls and processes to counter any fraud and identify risk of fraud. Teams would forward any suspicious applications or claims for funding, and where required, they would investigate.
349. Further to the Fraud and Corruption Response Plan and Fraud and Corruption Policy, during the Covid Pandemic the Head of Counter Fraud also:
- Continued to attend the Wales Fraud Forum Steering Group. The Welsh Government was not responsible for minuting and retaining records in relation to this group.
 - Established a network of fraud risk meetings with Welsh local authority fraud leads, discussing controls, delivery, risks and best practice. No agendas were set for these meetings and no notes were taken of these information sharing meetings. Discussions ranged from issues or best practice local authorities or the Welsh Government were identifying in relation to countering and investigating fraud. Discussions focused on the delivery of funds rather than procurement;
 - Engaged in fortnightly meetings with the UK Government Cabinet Office and devolved government fraud teams sharing information on the increase in fraud, intelligence, PPE, types of fraud and best practice. These meetings were led by the Cabinet Office who acted as the secretariat, sending email updates following meetings. A Devolved Administrations PPE Group set up in April 2020 was in place until July 2020 when it was disbanded due to procurement activity returning to business as usual. The Welsh Government was not responsible for minuting and retaining records for this group as the group was established by the UK Cabinet Office;
 - Issued three Covid-19 fraud risk bulletins, which I exhibit as **WGCPD/167- INQ000477031** and **WGCPD/168 - INQ000505365**. No record of the second fraud risk bulletin was recorded. These were circulated throughout the Welsh Government, Welsh public bodies, and all Welsh Local Authorities;

- Established a Counter Fraud Post Assurance Monitoring Team to monitor and assess fraud risk within the Welsh Government. The Counter Fraud Post Assurance Monitoring Team was set up in November 2020 and led by the Head of Counter Fraud. It was not there to identify specific cases of fraud but initially to ensure delivery teams within the Welsh Government were considering issues such as Fraud Risk Assessments and awareness of those risks, lessons learnt and Post Assurance Monitoring. This activity related to grant funding rather than the procurement of healthcare supplies.

350. The Commercial & Procurement Directorate also played an important role in ensuring that inadequate products did not reach the Welsh public sector. In particular it:

- Worked closely with industry specialists to be able to identify non-compliant PPE and produced a “Buyers Guide” (exhibited above at **WGCPD/44-INQ000198576**) with support from the British Safety Industry Federation. Further detail is highlighted above in paragraphs 95-103. This guidance was also used as part of the Critical Equipment Requirement Engineering Team due diligence checks described previously, and also predominately for non-health and social care PPE purchases through the Commercial & Procurement Directorate frameworks previously referenced. The NHS Wales Shared Services Partnership and Surgical Materials Testing Laboratory had their own processes and procedures in place to identify non-compliant medical grade PPE;
- Held two formal seminars and training sessions for procurement staff within the third sector. The Buyers Guide was also highlighted in a presentation to local government through the Welsh Local Government Association Heads of Procurement network. The Welsh Government does not have a figure for the proportion of the relevant industry that underwent the training provided as the training was voluntary.
- The Life Sciences Hub team also received the same training around the Buyers Guide. The exhibit attached at **WGCPD/169-INQ000477054** was used as the basis for training staff in the Life Sciences Hub. One training session was provided to the Life Sciences Hub team, as from May 2020 members of the Commercial & Procurement Directorate worked alongside the Life Sciences Hub reviewing the offers of PPE and helping to advise on certification before offers were referred to the NHS Shared Services Partnership;
- Provided advice directly to customers (Local Authorities, Higher Education, Further Education, Registered Social Landlords and third sector organisations) who contacted it in relation to PPE procurement concerns, including reviewing documentation relating

to customers' PPE contracts when required. Contact was made via email and directly at the training events referred to in the bullet point above. The Commercial & Procurement Directorate would help undertake checks, using the guide, and also advise on stock availability and pricing;

- Provided support and training to the Life Sciences Hub (as outlined above) who undertook due diligence in reviewing submissions to ensure that the most appropriate submissions were referred to the NHS Wales Shared Services Partnership.
- Provided advice and assistance to other directorates within the Welsh Government and other public sector bodies, in verifying offers of PPE equipment by checking the offered product against regulatory and health and safety guidance. Such advice was provided on an ad hoc basis and usually by email, as and when required, throughout the specified period.
- The Commercial & Procurement Directorate did not provide training to the Critical Equipment Requirement Engineering Team as the team was not a purchasing decision making body or involved in any direct procurement).

Conflicts of interest

351. The Welsh Government does not hold information about contracts awarded during the pandemic where conflicts of interest were identified because there were no instances where this situation arose. This relates to Ministers and civil servants involved in procurement.

352. As the purchase of PPE for health and social care was undertaken by the NHS Wales Shared Services Partnership, in respect of contracts awarded by NHS Wales Shared Services Partnership, any conflicts of interests would be monitored, recorded, declared and assessed by NHS Wales Shared Services Partnership.

353. Welsh Government Civil Servants have a duty to declare any conflicts under the Civil Service Code. In particular the code expects civil servants to carry out their fiduciary obligations responsibly (that is make sure public money and other resources are used properly and efficiently) and not to be influenced by improper pressures from others or the prospect of personal gain.

354. The Welsh Government requires all conflicts of interest for officials to be captured and recorded. If a Minister is required to make a funding decision which would fall within

their constituency the Ministerial Advice would be sent to another Minister, usually the Minister for Finance, for a decision to avoid any conflicts of interest.

355. Within Welsh Government's arrangements there was no 'referral' system in place whereby contractors were endorsed by specific, credible persons and fast-tracked or provided greater contracting opportunities than others. Businesses or contractors registered provisions of their goods or services through the Business Wales portal. The Welsh Government is not aware of any practice in Wales where contractors were fast-tracked or given special treatment.
356. In respect of the procurement of PPE, no PPE cases were referred to the Welsh Government's Head of Counter Fraud during the pandemic and no reports were made in respect of suspected or attempted fraudulent attempts to secure PPE contracts. There were also no cases of suspected PPE fraud reported to the police or prosecution authorities by any Welsh Government department or any convictions in relation to PPE fraud in Wales.
357. It is considered this was largely due to the joint processes involving the Commercial & Procurement Directorate, the Life Sciences Hub and the Surgical Materials Testing Laboratory rejecting many submissions. The NHS Wales Shared Services Partnership and the Life Sciences Hub also had their own relevant counter fraud policies in place and would have followed the processes within those to report fraud.

Liaison with other UK nations

358. The Commercial & Procurement Directorate had two key lines of communication with the UK Government during the relevant period, weekly calls with the UK Government Cabinet Office regarding Procurement Policy Notes, and monthly calls with the Crown Commercial Services.
359. As I set out above in paragraph 86, the Commercial & Procurement Directorate and procurement officials from the other devolved governments, worked with the Cabinet Office to develop four Procurement Policy Notes which could be adopted by the whole of the UK. The Commercial & Procurement Directorate did not liaise with the other UK nations directly regarding the demand for key healthcare equipment and supplies, distribution of key healthcare equipment and supplies and the division of any

stockpiles or reserves between the four nations. This was carried out by colleagues in the Health and Social Services Group via the four Nations PPE Strategic Board as outlined below.

360. The Crown Commercial Services provides a suite of procurement framework agreements for use by contracting authorities across the whole of the UK. These framework agreements are available for use within the Welsh public sector in addition to those that are developed and managed by the Commercial & Procurement Directorate. The monthly calls (which existed prior to the pandemic) enabled the Commercial & Procurement Directorate and the Crown Commercial Services to work together on areas of overlap and share information that might have been of assistance to the other. One such example was the creation by the Crown Commercial Services of a portal through which contractors could make offers to supply goods or services, other than PPE, that were in demand as a result of Covid-19. This approach was adopted by the Welsh Government Business and Regions Directorate who signposted such offers to the Crown Commercial Services portal.
361. The four Nations PPE Strategic Board was established in April 2020 to support all four nations in the procurement and continuous supply of PPE. Wales was represented on the group by the NHS Wales Shared Services Partnership and representatives from the Welsh Government's Health and Social Services Group. The Strategic Board met monthly to provide mutual, strategic support with the aim of developing a shared view of PPE supply and demand, ensuring value for money on PPE procurement activity and minimising competition between the four nations on the international market.
362. The four Nations arrangements in place for the UK testing programme are noted in paragraphs 246-255 of this statement.

Lessons Learned

363. This section briefly addresses the impact of the pandemic on procurement practices, policy and structure and notes any relevant reviews undertaken by the Welsh Government.

364. The Welsh Government's own Internal Audit Services commenced an audit in relation to PPE in December 2020. The purpose of the audit was to consider whether the PPE strategy within the Welsh Government was appropriately managed and controlled and that the Welsh Government had the appropriate oversight of the procurement of PPE.
365. The report concluded that there was 'reasonable assurance' that the Welsh Government's arrangements to secure governance, risk management and internal control within PPE were suitably designed and applied effectively. The report is exhibited as **WGCPD/170-INQ000022592**. The report identified four observations to strengthen the existing arrangements. These included;
- The timeline of PPE events should be developed to ensure there was a clear view on key milestones and progress made;
 - Lessons learnt exercises could be carried out to ensure the strategy, oversight and governance arrangements in place were still adequate and meeting demands;
 - The operation of the PPE Policy and Demand Group should be revisited and its Terms of Reference updated to reflect the required frequency of meetings;
 - The purpose, aims, and objectives of the Critical Equipment Requirement Engineering Team were clear and understood by members of the Critical Equipment Requirement Engineering Team. However, agreed Terms of Reference would be helpful to formalise membership, key deliverables and expectations, to enhance members' accountability and provide a complete record documenting the action taken in response to Covid-19.
366. All recommendations were accepted, actioned and changes made to reflect the report. A draft PPE procurement plan was developed in January 2021, which I exhibit as **WGCPD/171-INQ000472023**. The plan set out key objectives on PPE across demand, supply and warehouse including achieving and maintaining a 24 week stock holding on key PPE products until at least the end of March 2021.
367. Furthermore, the Critical Equipment Requirements Team Terms of Reference were developed and reviewed. The Terms of Reference formalised membership, key deliverables and expectations to enhance members' accountability and provide a complete record, documenting the action taken in response to Covid-19.

368. The Critical Equipment Requirement Engineering Team worked closely with Welsh manufacturers who indicated they could potentially expand into manufacturing PPE with some support. For their work responding to the Covid-19 pandemic, the Critical Equipment Requirement Engineering Team won the Go Awards Wales 'Covid-19 Outstanding Response Award' which is exhibited as **WGCPD/172-INQ000477051**.
369. In April 2021, Audit Wales published 'Procuring and Supplying PPE for the COVID-19 Pandemic' (exhibited earlier in this statement at **WGCPD/43-INQ000214235**⁶). The report focused on the national efforts to supply health and social care in Wales, led by the Welsh Government in partnership with the NHS Wales Shared Services Partnership. As part of its overall conclusion, the report stated that "*The Welsh Government and Shared Services put in place good arrangements overall to procure PPE that helped manage risks and avoid some of the issues reported on in England.*"
370. The report made a series of recommendations to the Welsh Government and to the NHS Wales Shared Services Partnership. The report was undertaken during the pandemic, and it recommended a return to competitive procurement and an end to emergency exemptions, as well as full consideration of wider criteria such as sustainable development.
371. The report also made recommendations about transparency, including that the NHS Wales Shared Services Partnership and the Welsh Government should work to publish details of the PPE stock held, that the Welsh Government should review the Sell2Wales website to allow bodies to publish retrospective contract award notices more efficiently, and that details of contracts awarded under emergency exemptions should be published in a single place.
372. The action taken in response to these recommendations was set out in a letter from Judith Paget, Chief Executive Officer of NHS Wales and Director General of the Health and Social Services Group on 31st January 2022 to the Public Accounts and Public Administration Committee. Exhibit **WGCPD/173- INQ000472022** refers.
373. In December 2021, an announcement was made which is exhibited as **WGCPD/174-INQ000477055**, in relation to the launch of the new Wales Collaborative Procurement

⁶ This exhibit has been provided by another material provider to the UK Covid-19 Inquiry and is a duplicate of a document held by the Welsh Government and disclosed to the UK Public Inquiry [INQ000066526].

Hub on Sell2Wales. The Wales Collaborative Procurement Hub was a new approach, bringing together organisations across the public sector in Wales, identifying national, regional and local collaborative agreements. The hub provides access to frameworks designed to meet the needs of customers, deliver value for money and embrace the Well-being of Future Generations Act.

374. In addition, new procurement legislation will be introduced in February 2025 by the UK Government to make new arrangements to allow the Minister of the Crown to make provisions in Regulations allowing the direct award of contracts when necessary to protect life, so that contracting authorities can procure swiftly.
375. The Welsh Government's Health and Social Services Group also undertook two internal reviews of its response to Covid-19. The first was completed in September 2020 and is exhibited at **WGCPD/175-INQ000066465**. The review findings were based upon responses to a survey which was circulated to key individuals who had been identified as directly involved in the Covid-19 response.
376. In relation to PPE, the first review found evidence of strong partnership working, highlighting the work of the Health Countermeasures Group in bringing together a team to manage PPE sourcing and distribution. It also stated that the significant offers of PPE and other equipment from suppliers quickly became difficult to manage. The review further reported significant pressures in the very early stages of the pandemic on the Social Services and Integration Directorate from local authorities and care providers, to source and distribute PPE to the social care sector, and that it was sometimes difficult to engage with partners who were focused on health, about the needs of the care sector.
377. The second review of the Health and Social Services Group response structure was completed in October 2021 and is exhibited at **WGCPD/176-INQ000022616**. This made no specific findings or recommendations in relation to PPE and reported that the procurement of goods and equipment was highly praised, particularly in relation to the supply of PPE.
378. The robust PPE stockpile that the NHS Wales Shared Services Partnership had built up beyond what was eventually needed to protect Wales, partly due to minimum order volumes set by suppliers that contributed to the over-supply of certain items, provided an opportunity for Wales to support its partner countries in Africa. The First Minister

was approached by Professor Judith Hall to see if surplus PPE could be donated to partners in Namibia.

379. To meet this request the NHS Wales Shared Services Partnership sought approval from the Velindre University NHS Trust Audit Committee for the PPE stock to be provided as assistance to Namibia, based on a reasonable assessment that the PPE would not be required in the event should the public health position in Wales change. Approval was then given from the Health and Social Services Group's Director General, Andrew Goodall, as NHS Accounting Officer, to write off the value of the donated stock which amounted to £7.3m. The equipment was donated through Cardiff University's Phoenix Project and followed a grant earlier that year of £125,000. I exhibit the news article as **WGCPD/177-INQ000477056**.
380. On the 20 September 2021, Ministerial Advice was sent to the First Minister and Minister for Health and Social Services which proposed also donating surplus Covid-19 lateral flow antibody tests to Namibia to support the re-opening of schools via the Wales and Africa programme. I exhibit the advice as **WGCPD/178-INQ000145146**. The First Minister and the Minister for Health and Social Services agreed to the advice and 300,000 Covid-19 lateral flow antibody tests were shipped alongside the shipment of PPE.
381. There was no cost to Welsh Government for transporting the masks, gowns and hand sanitiser, this was covered by Maersk who agreed with Professor Judith Hall (Phoenix Project) that it would transport the PPE to Namibia at no cost. However, there was a cost of £6000 excluding VAT for cold transport of the Covid-19 lateral flow antibody tests.
382. The donated Covid-19 lateral flow antibody tests had an expiry date of March 2022 and the action taken meant that these items did not go to waste, which would have been the likely scenario, had they stayed in storage in Wales. The value of the donation at the time was around £3,940,780 in 2021-2022, which was funded via allocations from Health and Social Services budgets in the Welsh Government.
383. In the two-year period ending April 2022, NHS Wales expenditure on PPE totalled some £385million of which just over 3% was written off as unusable due to shelf-life expiry. I exhibit the NHS Wales Shared Service Partnership Audit Committee Report as **WGCPD/179-INQ000477059**. In addition, the then Minister for the Economy,

Vaughan Gething agreed to formally write off £0.565 million used to procure components intended for the proposed development of Continuous Positive Airway Pressure respiratory devices in Wales. Further details about this can be found in the Critical Equipment Requirement Engineering Team statement **M5/CERET/01**.

384. As the body responsible for procuring and distributing PPE in Wales the NHS Wales Shared Service Partnership carried out an audit of stock in April 2022. As the Committee report exhibited above shows, there were no stocks of PPE which fell into the category of 'cannot be used' and no stock being held which fell into the category of 'PPE unsuitable for use within the health and social care sector but might be suitable for other uses'.
385. A provision of £1.491m was made in the 2021/22 accounts to take account of stock within the existing Welsh stockpile which had been identified as items that were at risk of becoming out of date before they are consumed.
386. Dean Medcraft, Marcella Maxwell, the Head of Commercial Delivery and Capability and I provided evidence to the Senedd's Public Accounts Committee on general Public Procurement: Next Steps, on 14 September 2020. Among other areas scrutinised, our evidence addressed the challenges faced by the Commercial & Procurement Directorate as a result of Covid-19 and the measures taken in response, which have been described earlier in this statement.
387. In particular, an update was provided on the Critical Equipment Requirement Engineering Team and how the establishment of the group exemplified new ways of working. The evidence also covered developments in the directorate's core 'business as usual', such as delivering e-learning modules as part of the Welsh Government's digital strategy. A copy of the Welsh Government's response to the recommendations of the Health and Social Care Committee's report – *Inquiry into the impact of the Covid-19 outbreak, and its management, on health and social care in Wales* - was provided to the Senedd in advance of the evidence session. This is exhibited as **WGCPD/180-INQ000198449**. A copy of the transcript of the evidence session is exhibited as **WGCPD/181-INQ000198631**.

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: 30th September 2024