

Witness name: Chris Hall

Statement No.: 3

Exhibits:

Dated: March 2025

THE UK COVID-19 INQUIRY

THIRD WITNESS STATEMENT OF CHRIS HALL

I, **CHRIS HALL**, WILL SAY AS FOLLOWS.

INTRODUCTION

1. This is my third statement to the UK Covid-19 Inquiry for the purposes of Module 5, in which the Inquiry is considering the procurement and distribution to end-users across the four nations of the United Kingdom of key healthcare related equipment and supplies, including PPE, ventilators and oxygen. My previous statements have been given the inquiry references **[CH/1 - INQ000536369]** and **[CH/2 - INQ000536421]**. I gave oral evidence to the Inquiry on 6 March 2025.

2. I make this supplementary statement:

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 in relation to offer and contract pricing for Meller Designs Limited ("Meller Designs").

MELLER DESIGNS PRICING

3. During the course of Mr Gove's evidence (page 169, line 21 to page 170, line 15 of the transcript of 10 March 2025), CTI took Mr Gove to an email chain [CH/3 - INQ000534834] concerning Meller Designs' offer to supply a large volume (up to 40 million) of FFP3 masks. In one of the emails in that chain, Andy Wood observed that *"The price is very high btw. Even in today's market."*
4. The following exchange then took place (page 170, line 16 to page 171, line 25):

"Q. You weren't involved in discussions about price, were you?"

A. No.

Q. Did you know that the price being asked by Mr Meller was approximately twice the going rate at the time? Did you know that?"

A. I did not know that.

Q. There are two sources to establish that -- well, three. You can either take it from me, Mr Gove, the -- Mr Meller ended up entering into a contract through Meller Designs worth £164 million. Were you aware of that?"

A. Subsequently, yes.

Q. And were you aware that within that contract, the average price for medical gowns was £5.87 -- sorry, the average price at the time was £5.87, but Mr Meller, Meller Designs' medical gowns cost £12.64, so a little over twice the going rate. Were you aware of that?"

A. No.

Q. Is it possible, I know you've given your interpretation of each of these emails, that there was pressure felt by those that didn't interpret those emails in the way that you have this afternoon to enter into a contract with Mr Meller contrary to commercial advice, or the going rate? Is that a possibility?"

A. No.

Q. Why would it not be a possibility?"

A. Because I can't imagine for any reason Mr Wood, or anyone else, choosing to place a contract on that basis. So those decisions, over the issuance of contracts, were matters for officials not for politicians, and also, I would say that, again, in the work that's been done by the National Audit Office and also by Nigel Boardman, they make it clear that those decisions were taken autonomously."

5. My understanding is therefore that CTI was asserting both that, in relation to the FFP3 masks, *"the price being asked by Mr Meller was approximately twice the going rate at that time"*; and that, in relation to the "medical gowns", the contract was agreed at a unit price *"a little over twice the going rate"*.

6. There were in fact potential deals with Meller Designs for both FFP3 masks and for coveralls (wrongly sometimes described as 'gowns', as set out below

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I address the pricing of both

deals below.

FFP3 masks

7. CTI asserted to Mr Gove that *"the price being asked by Mr Meller [for the FFP3 masks] was approximately twice the going rate at the time"*.

8. According to the Government Internal Audit Agency's report *"Targeted Review of Awarding PPE Contracts Phase 2"* [CH/4 - INQ000501951] ('the GIAA report'¹), as at the end of March 2020 (when Meller Designs offered to supply the masks) the average contracted unit price of FFP3 masks was roughly £5.00. I understand that the GIAA analysis does not distinguish between valved and unvalved FFP3 masks, and that the cost of valved masks is generally higher.² I note that the Meller Designs masks were

¹ This report was exhibited to Gareth Rhys Williams' second witness statement (the Cabinet Office's first corporate statement for this module) at GRW/36 and to Clare Gibbs' first statement (the Cabinet Office's second corporate statement for this module) at CG/199. The pricing was discussed at paragraphs 6.19-6.23 of the former and paragraphs 3.136-141 of the latter.

² I understand that valved and unvalved masks were considered functionally equivalent in terms of protection, though valved masks may offer increased user comfort.

described as “Mask FFP3 valved 9332+” (i.e. 3M 9332+ Aura masks, meeting the FFP3 standard).

9. The unit price offered by Meller Designs for the FFP3 masks was Euros 7.15, which at the then-current exchange rate would have been £6.26. As Mr Wood pointed out in his email of 3 April 2020 [CH/3 - INQ000534834], this was more than the running average unit price for FFP3 masks at that time (which, as stated above, was around £5.00 according to the GIAA analysis). Irrelevant & Sensitive the price quoted by Meller Designs was not “approximately twice the going rate at the time”. Ignoring any price differential between valved and unvalved masks, it was around 25% above the average unit price for FFP3 masks at that time.

10. I understand however that in fact the Meller Designs offer of FFP3 masks was not taken forward. This may suggest that the system was working as it should.

“Medical gowns”

11. As set out above at paragraph 4, CTI also asserted to Mr Gove that, as a matter of fact, the Government entered into a contract with Meller Designs for a supply of “medical gowns” at a price over twice the market rate:

“Q. Mr Meller ended up entering into a contract through Meller Designs worth £164 million. Were you aware of that?”

A. Subsequently, yes.

Q. And were you aware that within that contract, the average price for medical gowns was £5.87 -- sorry, the average price at the time was £5.87, but Mr Meller, Meller Designs' medical gowns cost £12.64, so a little over twice the going rate. Were you aware of that?”

12. I understand that this assertion reflected an article published in the Guardian newspaper which was in turn based on an analysis carried out by the Good Law Project [CH/5 - INQ000493464].

13. The Guardian report and the Good Law Project analysis were both factually incorrect. In fact, the data indicates that the price paid to Meller Designs was below the going rate at that time.
14. The error appears to be a result of the Guardian's and the Good Law Project's failure to identify the goods in question correctly, an error reflected in the assertion made by CTI to Mr Gove. The contract with Meller Designs was in fact a deal for coveralls, and not gowns.³
15. The relevant MPO reference is MPO1053 and the payment reference is FCP1065,⁴ as per the DHSC spreadsheet of 10 August 2020 [CH/6 - INQ000513338],⁵ which relates to the purchase of coveralls.⁶ The unit price was between £12.23 and £12.62 (with the variation the result of currency fluctuations).
16. As the GIAA report makes clear, coveralls were at all times substantially more expensive than gowns, with an average price over the course of the pandemic of £14.73 vs £6.67 for gowns (see pages 31 and 28).
17. The Meller Designs deal was specifically covered in the GIAA report. The relevant pricing data graph for coveralls is at page 31 of the report.
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- Irrelevant & Sensitive**
- I have copied below the graph and accompanying text from the GIAA report, removing the redactions of Meller Designs' name:

³ Since both gowns and coveralls are protective clothing, they are sometimes grouped together without proper distinction in analyses of PPE purchasing (for example in [CH/7 - INQ000575086], a DHSC list of PPE contracts).

⁴ FCP = Foreign Currency Payment, a record of a payment made to a supplier as an alternative to a purchase order (purchase orders which must be in GBP).

⁵ See paragraph 3.109 of the Corporate Witness Statement of Clare Gibbs.

⁶ See lines 64-67; and see also [CH/8 - INQ000563689], in which the item is described as "a one piece suit".

Unit Price Trends – Coveralls (Inc SCCL)



18. As this demonstrates, the unit price of the Meller Designs deal was below the average price paid for coveralls at that time, and cost substantially less than 3 non-HPL deals on the same day.
19. The GIAA assessed the Meller deal specifically and commented “*GIAA Sample contract (Meller Design) appears to be good value for money*” (see page 31).

20. It can also be seen from the same page of the GIAA report that, over the course of the pandemic, HPL contracts for coveralls were cheaper on average (at £12.36 per unit) than either non-HPL (£13.94 per unit) or SCCL (£15.72 per unit excluding an outlier, £20.40 including the outlier) contracts.

21. For a summary of the GIAA report, I refer the Inquiry to the Corporate Witness Statement of Clare Gibbs [CH/10 - INQ000528389], and in particular paragraphs 3.140 and 3.141, where it is stated:

"3.140 The detailed price analysis performed by GIAA, as documented in pages [30–46] of their second report was carried out on the following 10 categories of PPE: Face Shields, Gowns, Coveralls, Body Bags, FFP3 respirators, FFP2 respirators, IIR surgical masks, Gloves, Aprons and Safety Goggles. The pricing analysis compared the average price per unit for contracts for each category under the following 3 routes: (1) initially processed by the HPL, (2) originally processed by non-HPL Opportunities Teams, and (3) processed by SCCL.

3.141. Of these categories, the GIAA considered that the HPL offered the cheapest average price per unit of the 3 routes for 4 categories; Coveralls, FFP3 respirators, IIR masks and Safety Goggles. The HPL was also cheaper than the non-HPL (but more than the SCCL) for 2 more categories: Gowns and Face Shields. Finally, the HPL was cheaper than the SCCL, but more than the non-HPL, for a seventh category: FFP2 respirators. In summary, on the GIAA's detailed analysis, the HPL only provided the most expensive average price per unit for 3 categories; Gloves, Aprons and Body Bags."

22. According to the GIAA report, it was therefore not the case that the HPL was consistently more expensive than other routes. On the contrary, in 4 out of 10 categories it was the cheapest on average, and in a further 3 it was the second cheapest.

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:

Name: Chris Hall

Dated: March 2025