
MODULE 5

WELSH GOVERNMENT'S WRITTEN CLOSING SUBMISSIONS

1. In its Module 5 written opening statement, the Welsh Government identified the principal evidence about the sourcing, procurement and distribution of healthcare supplies in Wales during the pandemic. This closing statement will focus on some particular points raised in the hearings, lessons learned and, importantly, recommendations.

National supply and local shortages

2. One of the questions put to witnesses from the Welsh Government and the NHS Wales Shared Services Partnership ('**NWSSP**') was why there were experiences of local PPE shortages even if, as the evidence clearly shows, stocks never ran out at a national level in Wales.¹ The fact that supplies never ran out at a national level is of course no comfort to those affected by localised shortages. The Inquiry heard in Module 3 the very real impact that shortages had on health and care staff, patients and their families. The Welsh Government's reference to the national picture is not designed to distract from those problems, but to assist the Inquiry in identifying their causes and, importantly, measures to avoid local shortages in the future.

The health sector

3. The Inquiry heard from Alan Brace, who from 23 March 2020 led the Welsh Government's work in sourcing and distributing PPE in Wales. Mr Brace told the Inquiry that he was aware there were difficulties in the very early stages of the pandemic in relation to the distribution of the pandemic stockpile. He identified the problem he saw, namely that the stockpile distribution worked differently to how the NHS in Wales usually operated. The usual process was a 'pull' system by which health boards

¹ See for example: Audit Wales report INQ000214235_4, paragraph 4 and independent military report INQ000299126_1, paragraph 3.

requested stocks as needed. However, in the first few months of pandemic, a 'push' system was adopted whereby standard packs of stocks were 'pushed out' to the NHS, which was part of the UK-wide emergency planning for the central distribution of the stockpile.² One of the lessons Mr Brace drew from the pandemic, and which the Inquiry may consider in relation to recommendations, was that it is helpful for the emergency PPE supply process to work in the same way as the usual system of supply.

4. Mr Brace told the Inquiry that, on taking up his role, he was in daily contact with the PPE leads of health boards, and throughout those meetings they assured him they were receiving sufficient stocks of PPE.³ However, as was noted in its written opening statement, the Welsh Government accepts that delivering PPE stock to health boards did not necessarily mean they always reached the right hospital or the right ward. An important lesson that therefore arises is the need for health boards and NHS trusts to ensure they have robust local stock management processes in place which can be appropriately expanded during a time of heightened demand, to ensure that supplies received from the NHS Wales Shared Services Partnership can be efficiently delivered to the right hospital and the right ward.

The care sector

5. In relation to the provision of PPE to the care sector, Mr Andrew Slade rejected the suggestion the PPE needs of care homes were overlooked in the early stages of the pandemic. He highlighted the role of the Commercial and Procurement Directorate in the very early weeks of the pandemic (before the NHS Wales Shared Services Partnership took over procurement and distribution for the care sector) working closely with local authorities to assist them in meeting their statutory responsibilities as procurers of PPE for care homes.⁴
6. Mr Brace recalled a single instance of a call, in late April 2020, informing him that a care home had run out of PPE and that there was none available in the local authority to replenish their stocks. Mr Brace told the Inquiry that he contacted the NHS Wales Shared Services Partnership, a van was sent to the relevant joint equipment store and shortly after it was confirmed that the store was in fact full of stock, and that there was simply a communication or distribution issue between the local authority, the joint

² Brace, Day 6/183/6-15; 6/205/3-12.

³ Brace, Day 6/203/23 – 6/204/16.

⁴ Slade, Day 14/89/11 – 14/90/7.

equipment store and the care home.⁵ Similarly, Jonathan Irvine, the NHS Wales Shared Services Partnership's Director of Procurement Services, stated that the Shared Services Partnership had difficulties obtaining regular and accurate stock data from some joint equipment stores. When asked whether this meant that some local authorities were left without enough PPE because the Shared Services Partnership did not have a clear picture of their stock levels, he told the Inquiry that the opposite was true: local authorities reported running out of products, only for the Shared Services Partnership to be able to quickly confirm that such stocks had in fact recently been delivered.⁶

7. Clearly, there were difficulties with local authorities' local stock management processes. On that point, the Welsh Government shares the disappointment expressed by the Bereaved Families for Justice Cymru in oral closing⁷ that no evidence was heard from Welsh local authorities. Such evidence would have cast further light on those problems given the important role played by local authorities.
8. Mr Brace and other witnesses identified the benefits of the NHS Wales Shared Services Partnership, an expert central NHS procurement function with experienced personnel and well-established processes. It was able to ramp up its usual activities without the need suddenly to develop new structures. Coming into the pandemic, local authorities in Wales had no such centralised procurement function. Mr Brace's evidence illustrated the practical impact of that absence. He told the Inquiry that although getting a clear picture of stocks held and usage rates within health boards was a challenge in the early part of the pandemic, there was nevertheless a lot more data, intelligence and insight with respect to those matters within the NHS because of its centralised procurement structures. By contrast, in the care sector those structures and data had to be generated from scratch and at pace.⁸ Inevitably, that fact was a significant factor in the local supply problems experienced by the care sector during the early months of the pandemic. This may have been further exacerbated by the fragmented nature of care provider ownership in Wales which has a much higher proportion of small locally run care providers, in contrast to the system in England for example, which has a much higher proportion of large private providers.

⁵ Brace, Day 6/201/4 – 6/202/4.

⁶ Irvine, Day 14/152/18 - 14/154/21.

⁷ Day 16/73/12-16.

⁸ Brace, Day 6/188/15-22.

9. The Welsh Government accepted in its Module 5 written opening statement that the move to centralised NHS-led procurement for the social care sector could have been put in place earlier in March 2020. This may have quickened the improved availability of supplies for the sector in the very early days of the pandemic. That said, the evidence referred to above shows that the care sector distribution difficulties experienced early in the pandemic were exacerbated by problems with local authorities' stock management, and by the fragmented nature of local government procurement and distribution systems in Wales.
10. The Welsh Government therefore asks that the Inquiry recommend that the Welsh Local Government Association considers action on behalf of the 22 Welsh local authorities to develop a more collaborative approach to the management of procurement and the collection, sharing and use of data, to provide a more resilient, responsive and flexible structure in times of rapidly increased demand. In our oral closing statement, the Welsh Government committed to working with the Welsh Government Local Association to achieve this.

The Pandemic Influenza stockpile

11. The Welsh Government and the NHS Wales Shared Services Partnership witnesses were asked about the adequacy of the pandemic influenza stockpile, particularly in relation to FFP3 mask stocks which documents appeared to indicate were all out of date at the outset of the pandemic. Mr Irvine told the Inquiry that those items were re-tested at a UK level on three occasions and confirmed as suitable for use, although on the final occasion it was not possible to re-label the expiry dates as this would have been a very labour-intensive process to undertake in March 2020. Mr Irvine also confirmed that this re-testing process did not result in delays in distribution of stocks to the front lines.
12. In Mr Irvine's oral evidence to the Inquiry,⁹ he stated that the procurement of items in the Pandemic Influenza Preparedness Programme ('PIPP') stockpile was carried out by the Welsh Government, and that it was the Welsh Government which determined the range and volume of products held. As is set out in the Welsh Government's corporate statement,¹⁰ under the terms of a Memorandum of Understanding between the devolved governments and the Secretary of State for Health, it was the UK

⁹ Irvine, Day 14/107/4-8; 14/109/24 - 14/110/4

¹⁰ Witness statement of Andrew Slade, INQ000506956_38-40, paragraphs 155 – 163.

Government which acted as lead purchaser in respect of the PIPP stockpile and it undertook procurement exercises on behalf of the four nations. The items held 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 management and storage of the stock was undertaken by the NHS Wales Shared Services Partnership under a Service Level Agreement with the Welsh Government.

13. That said, as the Welsh Government has previously accepted, some items in the stockpile were inadequate and stocks were exhausted much faster than expected. A key lesson identified in the Welsh Government's opening statement to this module was the need for decision-makers engaged in future pandemics to be mindful of the speed with which stockpiles of key supplies can be exhausted.

Inclusive procurement

14. Questions were put to witnesses from all four nations about the importance of providing appropriately-fitting PPE and other equipment for all those who use them, including Black and Minority Ethnic health and care workers. This is a lesson the Welsh Government recognises must be learned from the pandemic: suitable PPE and other relevant supplies must be available for the diverse range of users, both in terms of stockpile preparations and in the course of ongoing procurement.
15. The Social Partnership and Public Procurement (Wales) Act 2023 came into force in May 2023, and it 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. The Act introduced a duty for public bodies including Welsh Ministers and NHS bodies in Wales to consider socially responsible public procurement. It also requires public bodies to publish a procurement strategy and to set objectives related to well-being goals in their procurement processes.
16. The Welsh Government has also established a working group to ensure that the implementation of the new PPE stockpiling policy reflects the importance of providing appropriately fitting PPE for all those who use them, including Black and Ethnic Minority health and care workers. The working group has commissioned Public Health Wales to carry out a programme of fit-testing to determine the most appropriate products for stockpiling, which is due to be completed by July 2025.

The fragility of international supply lines

17. It is paramount that all four governments in the UK recognise the fragility of international supply lines during a global pandemic or similar event. The experience of Covid-19, and the evidence heard in Module 5, must alert future governments to the dangers of over-reliance on conventional markets and overseas suppliers during a crisis. There can be greater value in having resilient domestic supply chains which are less likely to break down during a global pandemic when international supplies are in extremely high demand. A mix of local manufacture with international supply should therefore be considered. Local manufacture has two components: the first is the ability to establish production quickly when required for the duration of the emergency event. That ability would be informed by the experience of the Critical Equipment Requirement Engineering Team ('CERET') from the pandemic. The second requires longer term investment in domestic supply chains to ensure there is some established base of local supply when an emergency arrives. As Mr Slade noted, it is very unlikely that UK manufacturers of items such as PPE will ever be the cheapest in the world.¹¹ The Welsh Government recognises that investment in domestic supply chains comes at a cost, and it runs the significant risk that not all such supplies end up being required. For those reasons, investment in supply chain redundancy would need to be supported by governments, and the public, across the UK.

Devolved approach to procurement

18. One of the important lessons arising from the evidence is the significant benefit of a devolved approach to PPE procurement in Wales. As the Inquiry is aware, at the start of the pandemic the general expectation was that the procurement of PPE would be undertaken on a UK basis. However, it quickly became apparent that the UK arrangements could not provide what was needed and so the Welsh Government, and ultimately the NHS Wales Shared Services Partnership, had to respond at short notice by assuming responsibility for procurement in Wales.

19. Wales had a strong centralised NHS procurement system in place before the pandemic. In both oral evidence and written statements, Welsh Government officials and Ministers frequently highlighted the close and effective working relationship between the Welsh Government and the NHS Wales Shared Services Partnership. This was echoed by the NHS Wales Shared Services Partnership's oral closing

¹¹ Slade, Day 14/68/1-8.

statement, which described the relationship with the Welsh Government as an important component of its ability to respond to the pandemic, pointing to the timeliness of the Welsh Government's responses to resources requests, contract approvals, and information-sharing.¹² Mr Brace spoke of the benefits of 'small country governance' in Wales: the ability quickly to get the relevant people together, to obtain ministerial approval and implement actions at speed.¹³ The NHS Wales Shared Services Partnership agreed with this assessment: in its oral closing, it said that it was something from which Wales benefitted during the pandemic.¹⁴

20. All offers to supply PPE or other key healthcare equipment and supplies in Wales were subject to the same transparent and rigorous processes, regardless of their source. Procurement of PPE in Wales was cost effective: there was a £385 million spend in 2020-2022 compared to £1.022 billion received in consequential funding. The Welsh procurement process resulted in proportionally very little waste, with just £12 million of PPE (or 3% of the total PPE spend) written-off. Of that £12 million, the majority was the result of an accounting adjustment due to the reduction in PPE value from the peak of the pandemic, with less than £2 million (or 0.4% of the total PPE spend) representing excess stock which had expired.

21. The Cabinet Secretary for Health and Social Care has confirmed, subject to the outcome of the UK Government's longer-term PPE strategy and any recommendations from the Inquiry, that the NHS Wales Shared Services Partnership will continue to undertake the procurement, stock management and distribution of PPE in Wales to NHS bodies, rather than return to the pre-Covid-19 arrangement of UK-wide procurement.

Mutual aid between the four nations

22. Although the UK-led procurement arrangements failed early in the pandemic, co-operation between the four nations in the form of mutual aid was successful. The Pandemic Stock Principles for the Coronavirus Outbreak agreed on 11 February 2020,¹⁵ which set out the process and principles for requesting and supplying aid between the nations, provides a strong template for any future pandemic. Wales's experience of mutual aid is particularly instructive: even as a 'net exporter', in that

¹² Day 16/106/6-15.

¹³ Brace, Day 6/194/2-25.

¹⁴ Day 16/112/2-12.

¹⁵ INQ000477023.

Wales provided more supplies to other UK nations than it received, Mr Slade confirmed that mutual aid arrangements played a positive role in the Welsh response and should do again in any future pandemic.¹⁶

The Critical Equipment Requirement Engineering Team

23. In his first witness statement, Mr Irvine stated that the work of the Critical Equipment Requirement Engineering Team did not have a noticeable impact on the availability in PPE in Wales.¹⁷ Mr Irvine candidly corrected this in his second witness statement and in his oral evidence, in which he confirmed the NHS Wales Shared Services Partnership did in fact award a number of contracts to local companies which re-purposed their manufacturing processes to produce face visors with support from the Critical Equipment Requirement Engineering Team. Mr Irvine also explained that his statement had been limited to PPE, and he gave the example of hand sanitiser as another product produced locally with support from the Critical Equipment Requirement Engineering Team.¹⁸ Mr Slade accepted that more should have been done formally to measure the effectiveness of the efforts to stimulate the domestic production of PPE during the pandemic.¹⁹

24. Questions were rightly put to Richard Davis, the senior Welsh Government official in the Critical Equipment Requirement Engineering Team, about the decision to procure 10,000 component parts for continuous positive airway pressure ('CPAP') machines early in the pandemic. Only 2,000 were ultimately needed which resulted in a write-off of approximately £560,000 of unused parts. Accepting that in hindsight this was a regrettable overspend, Mr Davis was frank in his evidence that, knowing what he did at the time, he would make the same risk-based decision again. He highlighted the extraordinary circumstances of the time, the increasing number of Covid-19 fatalities, advice from senior clinicians confirming CPAP machines were the ventilator of choice, and UK discussions about the possible need for up to 30,000 such machines.²⁰

Conclusion

¹⁶ Slade, 14/74/19 – 14/76/2.

¹⁷ INQ000536425_31, paragraph 127.

¹⁸ INQ000575089_19-21; Irvine Day 14/106/7-16; 14/126/19 – 14/127/14.

¹⁹ Slade, Day 14/76/11 – 14/77/8.

²⁰ Davis, Day 14/173/7 – 14/175/24.

25. The Welsh Government invites the Inquiry to consider making the following recommendations:

- a. In planning PPE procurement arrangements for a future crisis, the UK and devolved governments should consider a mix of local manufacture and international supply. Local manufacture includes both the ability to establish production quickly when required for the duration of the emergency event, and longer-term investment in domestic supply chains to ensure there is some established base of local supply when an emergency arrives.
- b. The four UK nations should agree measures to facilitate mutual aid in future crises, building upon the experience of the pandemic and the Pandemic Stock Principles for the Coronavirus Outbreak.
- c. NHS bodies in Wales should ensure they have robust local stock management processes in place which can be appropriately expanded during a time of heightened demand, to ensure that supplies received from the NHS Wales Shared Services Partnership can be efficiently delivered to the right hospital and the right ward.
- d. The Welsh Local Government Association should consider action on behalf of the 22 Welsh local authorities to develop a more collaborative approach to the management of procurement and the collection, sharing and use of data, to provide a more resilient, responsive and flexible structure in times of rapidly increased demand.

26. The Welsh Government also highlights the following matters which are generally relevant to the Inquiry's consideration of findings and recommendations:

- a. Stockpiles of important supplies can be exhausted very rapidly during a pandemic, a relevant consideration for both stockpile planning and decision-making during the early stages of a crisis.
- b. It is helpful for the emergency PPE supply process to work in the same way as the usual system of supply.
- c. Suitable PPE and other relevant supplies must be made available for the diverse range of users, both in terms of stockpile preparations and in the course of ongoing procurement.

- d. The devolved approach to procurement in Wales, relying on an effective central purchasing and procurement function which had been in place for many years before the pandemic, had very significant advantages.

Dated May 2025