

UK COVID-19 INQUIRY

MODULE 5

CLOSING STATEMENT

on behalf of

NHS NATIONAL SERVICES SCOTLAND

**Introduction**

1. NSS National Services Scotland (“NHS NSS”) provides national strategic support services and expert advice to Scotland’s NHS. For the purposes of this module, the services provided by NSS’ National Procurement Directorate (“National Procurement”) are particularly relevant.
2. NHS NSS was pleased to have been designated as a core participant in Module 5 of the Inquiry’s work. It has been represented throughout this module and Gordon Beattie, Director of National Procurement, gave evidence to the Inquiry.
3. The purpose of this written closing statement is to add to what has already been said by NHS NSS in this module, in its corporate statement, its written opening statement, its oral opening and closing statements, and the oral evidence of Gordon Beattie. Having benefited from having had the opportunity to listen to all of the evidence, NHS NSS seeks to add its further reflections which it hopes will be of assistance to the Inquiry.
4. NHS NSS has focused on what it considers to be some of the more important points (at least from NHS NSS’ perspective) arising out of the evidence. Moreover, the comments made in relation to the evidence reflect NHS NSS’ understanding of the evidence, although of course the evidence, and what should ultimately be taken from it, is entirely a matter for the Chair.

**Consideration of the evidence**

*The effectiveness of National Procurement’s systems which were and remain distinct from those of the other three nations in the UK*

5. NHS NSS’ functions and responsibilities in relation to procuring key healthcare equipment and supplies (including PPE, ventilators and oxygen, lateral flow tests and PCR tests) are supported by National Procurement.

6. As the Inquiry is aware, in Scotland health is, and has always been, a devolved matter. The NHS in Scotland has different structures from the NHS elsewhere in the UK. Similarly, Scotland has its own processes, guidance and systems in relation to procurement, separate from the other nations in the UK. National Procurement already had an established core procurement team at the onset of the pandemic. Many members of National Procurement's team had been recruited in the early 2000s so had years of experience working in the NHS and, therefore, had established networks across the NHS in Scotland and with key suppliers.
7. When the "just in time" strategy for the UK PIPP stockpile failed, National Procurement required rapidly to take steps to procure supplies to meet the needs of front-line services, care services and unpaid carers in Scotland. National Procurement did not create a "high priority lane" ("HPL") for offers of supply of PPE and other key equipment. Instead, it was mostly able to rely on established suppliers who were contacted to establish product availability within core categories of required PPE. In addition, between 17 April and 19 June 2020, an online supplier portal operated in Scotland to receive and manage the surge in offers to supply products. This online portal operated as a place to collate and then triage those offers. National Procurement was also responsible for logistics, including storage and distribution of key healthcare equipment and supplies. This role was performed successfully and expanded rapidly to include the supply of PPE to primary care, social care and unpaid carers, without the need to seek support from the military.
8. Whilst the procurement system is distinct in Scotland from elsewhere in the United Kingdom, there was collaboration by Scotland with the other three nations to support mutual aid and to ensure that there was no detrimental effect to supplies of PPE.
9. Objectively, the evidence including expert evidence supports that National Procurement's systems during the pandemic were effective: the necessary supplies were procured and distributed by it. The vast majority of PPE purchased for Scotland's health and social care services and other necessary services during the pandemic was procured by it, rather than by the Department of Health and Social Care ("DHSC") on behalf of the four nations. National Procurement did not receive any PPE stock purchased by NHS England following the start of the pandemic. Accordingly, it did not receive any PPE stock purchased via the High Priority Lane. It is submitted that National Procurement's current processes and systems draw upon its expertise and knowledge of Scottish requirements and are well matched to the structures and needs of the NHS in Scotland.

*The UK Pandemic Influenza Preparedness Programme ("PIPP")*

10. In 2009, the PIPP stockpile was established. The DHSC was responsible for the procurement of this stockpile, which was then allocated across the four nations<sup>1</sup> (with Scotland's share of the PIPP stockpile being calculated with reference to the Barnett formula). The Scottish Government tasked National Procurement with responsibility for providing storage for Scotland's share of this PIPP stockpile.

*Levels of PPE in Scotland during the pandemic*

11. At no point during the Covid-19 pandemic did the NHS in Scotland run out of its national stock of PPE or other key healthcare equipment or supplies<sup>2</sup> (although, on occasions, the volume of some items of centrally held stock was low). Despite the unprecedented turmoil in international markets National Procurement took a professional approach to sourcing and securing essential PPE items. It used a multi-disciplinary approach to estimate what was required and procured stock based on those estimates. It sought to secure forward production capacity of PPE stocks for an longer term period of time, not just to buy items as a "one-off", given the uncertainty as to the potential duration of the pandemic and the need to provide certainty over in-bound supply.
12. National Procurement sought to build national stock levels whilst ensuring stock was distributed quickly to and held in sufficient quantities where it was needed at front line healthcare settings. Despite having clear oversight of national stock levels, National Procurement did not have oversight of local department/ward levels of stock at the start of the pandemic. As a result, a regular stock count was introduced in hospitals (initially daily and then gradually reduced in frequency as time moved on) followed by the introduction of a national inventory management system across the Scottish health boards in order to support pandemic stock availability and

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<sup>1</sup> In his evidence on the PIPP stockpile [6/109/16-19], Paul Webster, executive director of governance of Supply Chain Coordination Limited ("SCCL"), said that prior to the pandemic, SCCL (which was commissioned by DHSC) only had responsibility for England's PIPP stockpile. In fact, the DHSC was responsible for the entire UK PIPP stockpile and allocated a share thereof to each of the four nations. The Scottish Government then commissioned NHS NSS to provide a stock management service for Scotland's allocated share. NHS NSS provided regular stock reports to the Scottish Government. DHSC revalidated stock within the PIPP stockpile that had been allocated to Scotland. In order to do that, it is submitted that it must have had visibility over stock held in Scotland, otherwise, it would not have been in a position to perform revalidation of the stock. See witness statement of Gordon Beattie [INQ000521969] para 47 which explains the role of National Procurement to manage, store and distribute Scotland's share of the PIPP stockpile.

<sup>2</sup> Confirmed by Audit Scotland's Covid-19 Personal Protective Equipment Report [INQ000108737].

management. This allowed for local and national visibility of hospital held stocks and helped to ensure that the right stock was in the right place at the right time<sup>3</sup> and also allowed for stock to be distributed fairly.

13. Also and importantly, from March 2020 National Procurement's role to support the Scottish health boards was expanded during the pandemic to include supporting Scotland's primary health care and social care sectors. NSS was able to respond calmly to this extra demand remarkably quickly.
14. It is noted that in the oral closing statement for the British Medical Association, reference was made to a matter raised in Module 3, namely Infection Prevention and Control guidance on FFP3 masks and whether it was influenced by levels of availability. NHS NSS refers to its submissions on this issue in its closing statement for Module 3. On 27 January 2025, the Chair ruled against making an interim recommendation. The evidence in Module 3 remains under consideration by the Chair, and the report on Module 3 is awaited.

#### **Lessons learned**

15. NHS NSS wishes to emphasise what has been said in its corporate statement for this module about the work that has already been done to address lessons learned. In addition, having had the benefit of considering the evidence presented to the Inquiry in this module, the following matters are apparent:
  - (i) The "just in time" strategy (which maintained around eight weeks of UK pandemic stockpile, which was expected to allow sufficient time to buy and replace stock in the event of a pandemic event) simply does not work in a pandemic. Such a strategy is vulnerable to a sudden supply chain collapse, for example, when countries close their borders.
  - (ii) There is, inevitably, a cost associated with maintaining a large stockpile of PPE and/or maintaining unused manufacturing capacity in the UK, only required in the event of a pandemic. However, such maintenance is the country's "insurance policy". Like an insurance policy, if you do not pay the premium, you do not benefit from the insurance.

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<sup>3</sup> As per John Manners-Bell's expert report [INQ000474864] at para 16: the six "Rs" measuring effectiveness of a supply chain.

- (iii) Collaborative work should continue across the four nations, on an equal partner status, to share best practice and to develop innovative solutions.

## **Recommendations**

16. NHS NSS contends that the following points should be considered in the context of potential recommendations by the Chair:
  - (i) As health, social care and procurement are devolved matters, a four nations approach to procurement is preferable, as opposed to a single procurement process for the whole of the UK (led by a four nations body). A single procurement process would undermine the democratic accountability that devolution demands and would unnecessarily complicate the existing procurement structure. As demonstrated, Scotland (with its relatively small population size) was well served by National Procurement during the pandemic. National Procurement was able to draw upon its existing knowledge, experience, data systems and close working relationships with partners in the NHS in Scotland and beyond. A single procurement process for the whole of the UK risks the loss, or at least diminution, of those benefits that National Procurement was able to provide.
  - (ii) The UK Government and the devolved administrations must ensure resilience arrangements for procurement and distribution are funded centrally as part of long term financial planning. They cannot be regarded as a “nice to have in an ideal world” option, which is deprioritised over other more pressing immediate investment decisions.
17. The hearing has provided much evidence upon which NHS NSS is reflecting. NHS NSS will await the Inquiry’s conclusions, which will be considered fully in due course. Whatever the Inquiry’s conclusions and recommendations are, it is essential that the UK is prepared for the next pandemic and learns the lessons from the situation which arose in early 2020.

## **Conclusion**

18. As a public body, NHS NSS understands the responsibility it owes to the Inquiry and to the people of Scotland and it will continue to support the Inquiry’s work in any way it can. If anything has been said in this document which gives rise to further questions, NHS NSS would be very happy to assist the Inquiry in any way that it can.

19. NHS NSS wishes to acknowledge that those working in procurement during the pandemic were under enormous pressure, working very hard over long hours for extended periods of time. These individuals, like everyone else, were also suffering personally from the pandemic and its consequences. In addition, most of them worked, and continue to work, closely with front line NHS staff. As a result, they fully understood what was being faced and what was needed in order to help to protect services and save lives.. NHS NSS is very grateful to them for their crucial role at such an important time.
20. As in previous modules, NHS NSS once again offers its condolences to all those bereaved as a result of Covid-19 and its sympathy to the wider public who suffered and still suffer as a result of the far-ranging effects of the pandemic and Covid-19.

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