

From the Permanent Secretary
Sir Chris Wormald



Department of Health & Social Care

Dame Meg Hillier MP
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Dear Chair

Sixth report 2021–22 Department of Health and Social Care 2020-21 Annual Report and Accounts

I am writing to provide the Committee with further information to set out the approach to disposals of excess Covid-19 PPE stock as requested in recommendation 1a & 1b of the above [report](#). This letter accompanies the TM13 update (sent on 1 November 2022), which includes an update on the progress of disposals.

Alongside its Treasury Minute response, the Department should write to us setting out full details on how it plans to dispose of unusable and excess PPE, the volumes and cost (of the PPE disposed of and the related storage and disposal costs) and impacts (environmental or otherwise) this may have. In addition, we ask that the Department now include an update on the progress of PPE disposal in the quarterly update they already provide the Committee following our Initial lessons from the government's response to the COVID-19 pandemic report (Thirteenth report Session 2021–22).

On 31 March 2022, the department signed contracts with two lead waste partners Veolia and Suez. Since then, these lead waste partners (LWPs) have been assessing the products in our recovery pipeline, which is the flow of products to our LWPs that have been identified for disposal, so that they may then determine the most suitable recovery options (focusing on recycling and energy recovery). LWPs are assigned Stock Keeping Units (SKUs) from the recovery pipeline and given a sample of the SKU. The complexity of the sample is analysed, as this is integral to understanding the best recovery option for the item. Based on this the LWPs will make a recommendation to the department about the best disposal route (recycling or Energy from Waste), the estimated costs of this route, revenue forecast and recovery location. These proposals are then reviewed by senior managers of the PPE team to determine the most appropriate recovery option. Decisions are guided by the government's Waste Hierarchy but also build in value for money considerations.



Department of Health & Social Care

In addition to the work with the LWPs, the department has continued to use its existing contract with Clipper to recycle around 6,000 pallets of PPE a month between March – June 2022. Being able to utilise this additional recycling capacity, it will assist in increasing the volumes of PPE that can be recovered each month and allows the efforts to reduce the costs associated with the storage of PPE to be prioritised.

The department continues to prioritise selling, donating, repurposing and recycling wherever possible. In April 2022, the department launched an e-auction pilot, which aimed to reduce storage costs by selling excess stock. By 30 June 2022, 744 pallets had been sold for £164,370 through this mechanism, with an associated reduction to storage costs of £113,700 per year. The pilot has now been extended to the end of the calendar year (unless the contractor reaches the £125,000 commission cap before that date).

The department has also recently been able to donate PPE to the 2022 UEFA European Women's Football Championship and a similar number to the 2022 Commonwealth Games.

Environmental impact

Environmental considerations are factored into the approach to excess stock, which is aligned to the government's Waste Hierarchy. In terms of disposals, where stock can easily be recycled that will always be the preferred route. However, the majority of excess stock cannot be easily recycled, if at all, because it is made of multiple materials which may be difficult to separate and may or may not be recyclable even when separated. For example, with visors, while the plastic visor itself could be recycled, it would need to be separated from the foam headband which could not then be recycled. The Waste Hierarchy states that other recovery options should then be considered, including incineration with energy recovery.

Based on preliminary assessments of a small proportion of the products, the LWPs have indicated that the majority of products being incinerated will be used as fuel for cement kilns. The department's excess PPE will replace the coal that would normally be burnt in these kilns, so will offset the burning of that fuel. Between March and June 2022, we have disposed of 59,300 pallets for disposal. Of this 5 per cent was disposed of as EfW which has resulted in around a £290,000 environmental saving¹ through the switching of coal to plastic PPE to fuel the cement kilns. Since the appointment of the LWPs, 56,344 pallets have been recycled.

¹ Environmental impacts are calculated by taking the carbon emissions per tonne of waste incinerated and multiplying this by the carbon values that are produced by BEIS ([Valuation of greenhouse gas emissions: for policy appraisal and evaluation - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/valuation-of-greenhouse-gas-emissions-for-policy-appraisal-and-evaluation))



Storage cost savings

Based on the current storage cost of £2.68 per pallet per week, the disposal of 59,300 pallets of PPE between March and June 2022 represents £8.3 million per year savings in storage costs.

Next steps

The LWPs will continue to work their way through items in the recovery pipeline. The department is on course to continue to achieve a minimum rate of 15,000 disposals of pallets a month and expects to be able to increase the rate of disposals to 21,000 pallets per month by the end of 2022.

The department continues to explore other options for exiting stock, including through sales and donations.

Yours sincerely,

**SIR CHRIS WORMALD
PERMANENT SECRETARY**