



Department of Health & Social Care

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Twelfth report of session 2022-23: Management of PPE Contracts

I wrote to you on the 21 December 2022 regarding recommendation 5 of the above report and notifying you of our expectation that we would be able to provide a response to the definitive response to this recommendation in the new year.

5: PAC recommendation: the department should release its PPE strategy in full as soon as possible setting out how it will work with SCCL and what the respective roles and responsibilities of each organisation will be in the ongoing management of contracts and future procurement activities. If the strategy is not available by the end of September the department should write to the committee to explain the reason for delay.

We have received ministerial steers on a range of proposals for the future of PPE, which together form our strategy for the future.

Transition to SCCL

The management of the PPE supply chain for business-as-usual distribution to health and care settings was transferred to SCCL on 1 April 2022. This includes the ongoing distribution of COVID 19 PPE free of charge until the end of March 2024, or until stocks are depleted.

During the COVID-19 pandemic, the department ordered PPE in line with reasonable worst case scenario plans, which did not materialise. The department also assumed defect and failed delivery rates that turned out to be lower than anticipated. These factors combined to result in an excess of stock. Our excess stock will form the basis of the future pandemic stockpile. The department is also running down its excess stock, including by sales, donations and recycling. Stock that cannot be repurposed, sold, donated or easily recycled is being managed through energy from waste processes via our lead waste partners.



Department of Health & Social Care

On 1 April 2023, we shall transfer additional responsibilities for delivering the plan to dispose of our remaining excess PPE to SCCL. The relative roles and responsibilities will be set out in a Service Level Agreement, which will be signed by the two organisations.

Lessons learned to inform a more resilient PPE supply chain

Since transfer of responsibility for the PPE supply chain to SCCL, the main priorities have been to ensure operational stability whilst seeking to incorporate lessons learned from the pandemic to deliver resilient and reliable supplies of PPE. The long-term ambition is for NHS Supply Chain to utilise its unique position to provide a more data-driven, integrated and streamlined supply chain that shifts the burden of PPE procurement away from NHS trusts.

In order to develop and maintain a PPE supply chain that is resilient to supply disruption and demand surges, the following future strategic approaches will be taken: centralising supply whilst allowing individual procurement flexibility; improved use of data; better demand forecasting and signals; closer interactions with domestic and international suppliers; leveraging the purchasing power of the NHS; enhanced logistics; and using information about past events to inform the future makeup of emergency stock.

Future pandemic preparedness

Responsibility for plans associated with future pandemic preparedness remain with the department, who are working with UKHSA and SCCL to ensure that the health and social care systems have ready access to PPE in the event of a future pandemic. Given that the nature, scale and duration of a pandemic cannot be known at its onset, as COVID-19 has demonstrated, resilience in supplies of PPE to the health and social care sectors depends on having in place robust, reliable supply chains, as much as it does on retaining sufficient volumes of stock.

Nevertheless, having PPE stock that can be made available during the initial period of a pandemic until supply chains can adjust to upsurges in demand remains an important component of pandemic planning. An established and well-informed clinical countermeasures programme, which includes curation of a new pandemic PPE stockpile, is a core component of our pandemic preparedness and response capability.

PPE contract dissolution

As you are aware from our separate reporting on this issue, the Department of Health and Social Care established a Contract Dissolution Team in April 2022, to recover

From the Permanent Secretary
Sir Chris Wormald



Department
of Health &
Social Care

value for the taxpayer from PPE contracts that have not performed to our satisfaction.

Investigations into contracts where we have some degree of dissatisfaction will continue beyond April 2023. As disputes are resolved and the volume of contracts requiring investigation reduce the team involved will accordingly reduce in size. The team will continue to report their progress on a quarterly basis.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Chris Wormald', written in a cursive style.

SIR CHRIS WORMALD
PERMANENT SECRETARY