

Public Accounts Committee

Oral evidence: Investigation into the UKHSA's health security campus, HC 651

Monday 13 May 2024

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Members present: Dame Meg Hillier (Chair); Paula Barker; Sir Geoffrey Clifton-Brown; Mr Jonathan Djanogly; Richard Fuller.

Also attended: Graham Stringer, on behalf of the Science and Technology Committee.

Gareth Davies, Comptroller & Auditor General, National Audit Office, Thomas Tyson, Senior Audit Manager, National Audit Office, Charles Nancarrow, Director, National Audit Office, and David Fairbrother, Treasury Officer of Accounts, HM Treasury, were in attendance.

Questions 1 – 92

Witnesses

I: Professor Dame Jenny Harries DBE, Chief Executive, UK Health Security Agency; Scott McPherson, Strategy, Policy and Programmes and Programme Senior Responsible Officer, UK Health Security Agency; Shona Dunn CB, Second Permanent Secretary, Department of Health and Social Care; Andrew Sanderson, Director General, Finance, UK Health Security Agency.



Report by the Comptroller and Auditor General

Investigation into the UK Health Security Agency's health security campus programme (HC 553)

Examination of witnesses

Witnesses: Professor Dame Jenny Harries, Scott McPherson, Shona Dunn and Andrew Sanderson.

Chair: Welcome to the Public Accounts Committee on Monday 13 May 2024. Today, we are looking at the UK Health Security Agency's containment laboratories. These are crucial for protecting the UK against the most dangerous pathogens. The containment laboratories at Porton Down and Colindale are near the end of their lives. For a decade, the sites have been working with at least one issue for at least half of the time and, unless they are replaced, the UK will not be able to study highly infectious diseases.

The programme to create a new site has still not received full business case approval, despite the business case being approved in 2015. Overall, there has been longer-term planning for this programme. The costs of this programme have risen enormously, by over 500%, and the latest estimate of when the new sites will be operational is 2036 at best. Clearly, we have a lot to talk about today. This is absolutely crucial to public health and to the security of our country.

We are delighted to welcome our witnesses today. We have Professor Dame Jenny Harries, who is the chief executive of the UK Health Security Agency. She is joined by Scott McPherson, who is the strategy, policy and programmes and programme senior responsible officer for the UK Health Security Agency. That is a mouthful, Mr. McPherson; I am not sure if you are paid by word in your job title. They are joined by Andrew Sanderson, who is the director of finance at the UK Health Security Agency—we have a lot of questions for you about the money, Mr Sanderson. They are joined by Shona Dunn, who is the second permanent secretary at the Department of Health and Social Care, which is the sponsoring Department.

Without further ado, I am going to hand over to Sir Geoffrey Clifton-Brown to kick off.

Sir Geoffrey Clifton-Brown: Good afternoon to our witnesses and particularly to Professor Harries. I am, not unsurprisingly, coming to you first. Could I take you to one of your responses to the Science and Technology Committee? Of course, we have one of its members as an honoured guest today. This was a question from the Chair, and you may remember it.

Chair: Could you give the date, Sir Geoffrey?



- Q1 **Sir Geoffrey Clifton-Brown:** Yes. It was very recent. It was 28 February, as you will probably remember, Professor Harries. He asked, at question 450, “Is it”—that is, UKHSA—“responsible for assuring that our preparedness, our health security, is adequately provided for?” You replied: “The organisation is responsible for assuring its own preparedness for the things within its remit”.

That slightly begs the question of whether you are just a science and research organisation or whether you are responsible for policy in relation to public health. Your strategic plan 2023-2026 says that you will “be ready to respond to all hazards to health”. The ministerial direction to you says that UKHSA will “provide strong national leadership on public health security and health protection”. Indeed, the NAO’s recent Report says that the UKHSA is “responsible for protecting citizens from the threats of infectious diseases” and a long list of other things. Which are you? Are you a research and scientific organisation, or are you responsible for public policy?

Professor Dame Jenny Harries: We are definitely a research and scientific organisation. We are advisory. We have a policy team and we support policy, particularly through the Department of Health. I suspect that the whole of the Committee will recognise from the pandemic that one organisation cannot be fully prepared for and respond to all elements of a serious infectious disease. We have critical components of that that we are responsible for, and we align that with the Department of Health, which holds the overall responsibility for health pandemic preparedness.

- Q2 **Sir Geoffrey Clifton-Brown:** A pandemic is a slightly wider health problem than protecting the public from infectious diseases. Is one of your key remits protecting the public from infectious diseases?

Professor Dame Jenny Harries: Yes, but we do that in partnership with a number of other areas. To give you an example, we are very aware of rising cases of measles now. There are other key contributors to that: directors of public health, vaccine companies and a whole host of components. We play a very critical part in the science—the evaluation of vaccine programmes, for example—and in providing advice to health professionals. A whole arena of elements are definitely our responsibility.

- Q3 **Sir Geoffrey Clifton-Brown:** Coming to the core of the Report, and your health campuses and clinical research laboratories, the NAO says, at paragraph 1.6 on page 14 of its Report, “The COVID-19 pandemic has only further highlighted the critical need for resilient access to modern highest containment laboratories”. Can you tell the Committee what the conditions are at Colindale and Porton Down? You have ongoing maintenance. You said in 2008 that there were only five years left. You cannot deliver a new facility until 2036. It looks as though there may be a gap in your facilities. Can that gap be satisfactorily filled by the ongoing maintenance programme or is there a real problem?

Professor Dame Jenny Harries: The short answer is that we can continue to provide those facilities. The facilities are safe. We are not



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allowed to operate without that being the case. The facilities are serviced every six months. They are continuously upgraded to ensure that they are safe. They are inspected by the Health and Safety Executive, and we respond immediately to any findings that are there. The short answer is that they are safe. They are continuing to operate. In fact, as long as one of the cabinet lines for working in Porton is renewed within the next four to five years, our latest information and review suggests that they will be able to be operational, as long as that upgrading continues, for 15 years on both sites.

There should not be a gap—I am sure that we will come to this—as long as the new programme that will be the focus of this discussion comes into place and continues steadily as we go forward. It will be at risk, of course, if we cannot progress that smoothly.

Q4 **Chair:** Is that 15 years from now?

Professor Dame Jenny Harries: Yes, it is 15 years from now.

Scott McPherson: We got some external surveyors to supplement the work that our internal site team do at Porton. That is the basis for concluding that we have 15 years, provided, as Dame Jenny says, that it is properly maintained. That 15-year lifespan is sufficient to enable us to complete either the project at Harlow, with a completion date of 2036, or a project at Porton, with a completion date for high containment labs of 2038.

Q5 **Sir Geoffrey Clifton-Brown:** I understand that there have been certain derogations by the Health and Safety Executive. Does your answer still stand, Dame Jenny, even though those derogations are there? Why are the derogations there if you are saying that everything is satisfactory in terms of the condition of these laboratories?

Professor Dame Jenny Harries: I may refer to Mr McPherson on the detail of those. Broadly, anything that we are required to do for health and safety reasons will be done. Basically, the labs come out of service. In fact, one of the ways in which we manage this is that we have two labs and can ensure that, if one is down, the schedules for servicing or maintenance are always aligned, so that the other one is operational.

Q6 **Sir Geoffrey Clifton-Brown:** That is very helpful. Why is this critical programme for protecting the UK against infectious diseases running so very late and over budget?

Professor Dame Jenny Harries: I have said to the Health Committee before that I felt that the NAO Report was really helpful for the reasons that we have said. This is really important, and I see it as a critical point of public health protection. The events of the pandemic particularly have brought that right into sight of the whole of the nation.

There have been delays and, again, the NAO Report has set those out. From conception to changes, as we have gone through the programme,



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there are a number of steps. I will turn to Mr McPherson in a moment just to go through those, but where we have had clear direction and delegation to move ahead within the business case process, that has taken place.

UKHSA started our real life only in the autumn of 2021, and this programme goes right back to around 2006 or 2007. We have reviewed where we are in that time. We have taken onboard the fact that we are a new agency specifically here to manage a response to severe infectious diseases in a growing threat environment. We have reviewed the case up to then and concluded that this does need to progress, and we are very keen to progress it.

I will turn to Mr McPherson, if I may. He will go through the detail of any of those delays.

Scott McPherson: The answer is that there is no one simple reason why the programme has cost more and taken longer than was originally envisaged back in 2015 when the business case was done. As Dame Jenny says, the NAO Report does an excellent job of setting out, in a series of stages, the reasons for the cost increases.

If you start with the 2015 business case that PHE did of £530 million, that clearly excluded a number of categories that should have been included and that were added in the revised business case later in that year, relating to contingencies, VAT and inflation. That is the reason why, essentially, in that same year, you go from £530 million to £888 million.

Between then and 2020, the programme was progressing. We had bought the site and started work with three construction partners that were employed on pre-construction contracts. The work that we were doing with those partners was on developing the detailed design. We did some more detailed assessment of the site security requirements with some external security advisers. That led to much more accurate costings and schedules.

Also in that time period, PHE took the decision that the scope should be increased, which added the intention that the Harlow site would provide headquarters for the agency rather than having headquarters in London, and bring together a large number of national functions on the site. When you add inflation and VAT to those additional costs, that is where you get to the £1.9 billion.

Since then, to get to the 2023 business case, there were three main factors that drove the cost increases. Again, this is set out in some detail in the NAO Report. The first is inflation. It was a period of exceptionally high inflation, particularly during 2022, and then you add extra VAT on top of that. There are costs of delay. Essentially, any delay just increases costs, given that you are providing your programme costs for a longer time period and it is also shifting the delivery schedule further into the future where inflation has increased.



Finally, there were some further changes to the scope of the programme, in part due to decisions that PHE took about what its requirements were, but also some external changes. For example, new building regulations came in. Part L of those building regulations required different standards in relation to net zero and climate change, which required us to change the cooling system that we had in our energy plant. There were also some regulatory changes from the Health and Safety Executive around fumigation requirements. We were anticipating a potential banning of formaldehyde. That meant we that needed to redesign the fumigation, which alone drove a cost increase of £50 million. There is a long series of reasons that drive the cost increases.

Q7 Sir Geoffrey Clifton-Brown: Professor Harries, the NAO Report sets that all out pretty carefully. We know all of that, with great respect to you, Mr McPherson. If you asked for five different reviews, which this Report sets out, with the same set of facts, why would you expect any of the five to come up with a different answer? You are a professor. If somebody gave you the same set of facts and asked you to do five different reviews, would you come up with a different answer?

Professor Dame Jenny Harries: In an objective assessment and a critical analysis, you would be looking for a number of reasons for why that might be the case. You would be looking at governance of the programme, and I am happy to go into that. You would be looking at the context in which this was operating. One of the obvious things here is that there has been significant organisational change. There have been three health protection agencies running through it and each time, as Mr McPherson has said, the context and the settling of those organisations will change as well.

The threat levels around it will change. That was one reason why you may get prioritisation of issues. I will give you an example. When I came in as the chief executive of the UK Health Security Agency, it was at a time of considerable concern, before we had really got past the peak of this particular pandemic threat. The ambitions for the organisation, as provided to me, the background funding envelopes and what-have-you and the breadth of that ambition were not clear at the start of the organisation.

Many of these factors have settled as we have gone through. I accept that you can look through multiple different lenses. We have tried to look through the ones where we have a responsibility to manage since October 2021 and the governance process, which is the one to predominantly to keep the system and the programme going. Clearly, we then have to work with colleagues at the Department of Health and with Ministers to ensure that the programme is fitting what the country needs from a wider perspective as well.

Q8 Sir Geoffrey Clifton-Brown: Notwithstanding the explanation that Mr McPherson has given, to go from a projected cost of £530 million in 2015 to a projected cost in 2023—and we are not even finished yet—of £3.2



billion is going some. You have been in post, if your biographies are correct, for exactly two years; you came into post in April 2021. What have you been doing to press the Department of Health to give you a budget to get on with doing this vitally needed public work?

Professor Dame Jenny Harries: I may refer to Ms Dunn. We have been working very closely with the Department of Health, given the recognition of how important this is for long-term biosecurity. Another contextual element is that the country, quite rightly in my view, has developed a new biosecurity strategy in that time and is developing different programmes of work to which this will also contribute. That is well outside the Department of Health.

In terms of what we have done, before I came into post, we had a figure of about £1.9 billion. Just with the inflationary pressures, that comes out at about £2.45 billion today anyway, without any delay at all. Our latest estimate is £3.2 billion. In 2021 and early 2022, we reviewed where we were with this as a new organisation, as best we understood that. We selected the Harlow option on review and felt that that coincided, as the NAO Report says, with our new remit, and we submitted a submission for options to Ministers in February 2023. There have been a number of strategic reviews since then, to which we have contributed as best we can and in as timely a way as we can. It is a very complex subject.

The other thing to say is that, where we have been asked to review different options, as the NAO Report says, the original science hub at Harlow is not the same as the provision at Porton. The critical component—the CL4 high containment labs—is the same and is what we are proposing. Some supporting laboratories are the same, but some of the other additional features, such as an envisaged teaching and training centre at Harlow, are not. It is a slight apple and pear situation. They are not directly comparable, and so it is right that we look at those.

Of course, we absolutely recognise that, in the current financial context, if something is not affordable, we have to review what is. My responsibility is to make sure—and I am very keen to be here today—that these facilities are built in the right timeframe, so that we can use our scientific knowledge to protect the nation.

Q9 Sir Geoffrey Clifton-Brown: Ms Dunn, Professor Harries is making a good fist of trying to cover up a situation that is very unsatisfactory. When are you going to give her a budget and the instruction to go for a full business case to get Treasury approval so that we can get this thing started? The longer it goes on, the more inflation is going to take over and the more costs are going to rise. The sooner you get on with it, the sooner it will be finished and the sooner the public will be better protected. When are you going to give her the go-ahead?

Shona Dunn: First of all, I would agree with the point that Professor Harries made. The Department and UKHSA work really closely together on this. It is not the case that UKHSA sits on one side of the fence and



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the Department sits on the other. We have very close engagement, and the Department and Ministers have been very focused on the strategic importance of the capabilities that will be provided by the science hub throughout the discussions.

As Professor Harries has said, there have been a number of points in time over the years that she has been involved with this, where there has been cause for Ministers to want to review the position and the strategic alignment of the existing programme with the needs of the country going forward.

They have had advice, which has been entirely joint and shared advice. They have always had access to the intelligence and insight of UKHSA in those discussions. As Professor Harries has pointed out, they are considering their position on the science hub programme in the round, alongside other pressures and priorities for the Department.

They have a responsibility, as you would rightly hold us to account for, to consider value for money, affordability and all the other things. They are doing that. They have considered that. There is a process ongoing and discussion between Ministers, and they will reach a conclusion in the coming weeks or months. I cannot give you a timetable for that, but that is under active consideration and they understand the importance of moving forward.

Q10 Sir Geoffrey Clifton-Brown: Let us boil that answer down. Are you saying that there will be a decision by the end of the year?

Shona Dunn: I cannot give you a guarantee on when a decision will come out. That is for Ministers to determine. They need to take the time to consider where they want to come out on this position. The important point that I am making is that they are seized of the urgency of it.

Q11 Chair: What about the spending review? The reality of the timing of the election, unfortunate or not, means that it is going to be difficult to have a spending review this autumn, so does that have an impact on the funding decisions?

Shona Dunn: They are seized of the importance of making a decision, so that UKHSA can be given the certainty that it needs to take the next steps on the programme. They understand the timing constraints. They understand the implications of not moving forward currently, so they are seized of the urgency. We are not in a position where we have been talking about whether this decision needs to be made this side or that side of the spending review. Ministers have the information that they need and are going through the process.

Q12 Chair: The point is that, if the spending review does not happen in the autumn, it is likely to be a good six months at least after that, just because of the normal rhythm of fiscal events and so on, so there must be an impact. If the spending review does not happen in the autumn, Ministers cannot necessarily agree additional money, or would that come



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from somewhere else in the Department?

Shona Dunn: The critical question, as the NAO Report points out, is whether the programme is proceeding at Harlow, which is currently the stated position. Is that an affordable option? Are there other options? That is what they are considering at the moment.

Once a position is reached on that, there is then a lot of work to do to develop the next stages of the programme business case. That is work that will need to be done in any case and will take some months, so I do not think that the timing of the spending review is a critical consideration at this point.

Sir Geoffrey Clifton-Brown: Can we just eliminate one key element of Professor Harries' reasons for delays? When you purchased the site at Harlow, it was purchased for a CL4 laboratory. You are now saying that it might be a corporate headquarters and training establishment. I am a chartered surveyor.

Chair: The training centre is the bit that is not going to happen.

Q13 **Sir Geoffrey Clifton-Brown:** What about the corporate headquarters?

Scott McPherson: The intention for the Harlow site was that it would still deliver the full scope of the original 2015 business case—so, high containment laboratories for the whole of the agency. In addition, it would have the headquarters, national functions and a training centre. That is the full scope of the Harlow site.

Q14 **Sir Geoffrey Clifton-Brown:** It is national headquarters and training centre.

Scott McPherson: Yes, that is correct.

Q15 **Sir Geoffrey Clifton-Brown:** Hundreds and thousands of training centres and corporate headquarters have been built up and down the country in relatively short times, so that is not an excuse for the delays. If necessary, you could build or buy those somewhere else. Surely, the critical factor in all of this is to build this CL4 containment laboratory. That is what you need to be concentrating on, not headquarters and not the training centre, is it not?

Shona Dunn: I completely agree, Sir Geoffrey, that the critical capability is the CL4 high containment labs, and everybody understands that.

Q16 **Sir Geoffrey Clifton-Brown:** Surely, whatever else, that is what you need to be concentrating on and getting a Treasury decision for.

Shona Dunn: Yes, absolutely.

Chair: I am glad to welcome Graham Stringer from the Science and Technology Committee, who is guesting with us today.

Q17 **Graham Stringer:** If I can go back to Sir Geoffrey's original question, Professor Harries, when you were last before the Science and Technology



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Committee, you explained that you had three hats on, if you remember, as a medical professional, as a second permanent secretary and as the chief executive of an arm's length body. In the follow-up question about any potential conflicts, you said that you had to think very carefully about whether there were conflicts between those three hats, which is sensible. I have thought a lot about your answer since, and it does not really answer how you resolve those potential conflicts. Can you tell us a bit more? It is usually not satisfactory for people to have three quite separate responsibilities.

Professor Dame Jenny Harries: Did you want me to do that in relation to this particular problem?

Chair: Yes.

Professor Dame Jenny Harries: I understand that. I would say that, in many ways, it was perhaps similar to when I was deputy chief medical officer. I had a medical professional role and a Government role. You need to think carefully. It is an important check point for me, and quite helpful in thinking about and considering topics, but usually they not in conflict, because, as a civil servant, you are serving the public as well as your Ministers, and trying to deliver the right thing in the professional role that you have been given.

With my CEO hat on, I need to deliver effectively and efficiently, and to manage my organisation. I am really keen to progress rapidly on the decision, for the reasons that have been stated. I have a responsibility to, for example, maintain scientists to be able to work in these facilities once we have them.

With a medical and GMC hat on, I have higher professional training in public health medicine within that, so I am looking at the infectious disease and other hazard risks to that, and the risks to public health. They do not differ from the conversation that we have had. These are urgent facilities that need building, and I do not think that anybody is suggesting otherwise. I also have a responsibility to flag if anything is unsafe in terms of clinical quality. For the reasons that we have given, I do not think that that is the case.

As second permanent secretary, I need to work with my parent Department to ensure that Ministers are fully apprised of the risks and the opportunities of these issues, but the wider point is that it is then for Ministers to decide where that fits within all of the other contextual issues that they have to deal with.

In fact, one of the reasons, which is clear in the NAO Report, why we are considering in detail the Porton site rather than the original Harlow site is that it looks to give us the ability to build the necessary parts—the containment level 4 laboratories. I might just add that it needs supporting. You cannot just plonk one down. It needs a supporting



infrastructure with it. As Ms Dunn has said, I have provided that advice to the Secretary of State, and I have been listened to very carefully.

Q18 Graham Stringer: The obvious point of conflict really comes at the point of a question that anybody who is thinking about this is bound to ask. If we are regularly losing capacity in these very secure laboratories—if “secure” is the right word—can we deal with any pandemic or epidemic from one of these very dangerous pathogens? That is the obvious question. Where it relates to a possible conflict, you advise Ministers, but you also have a responsibility as a health professional, if Ministers do not agree, to say something publicly. I am interested in how you deal with that conflict.

Professor Dame Jenny Harries: I have stood on platforms through the pandemic and given answers and responses, which are perhaps not always totally in accord with all the political persuasion at the time, because my job and the one that I have been charged with by Ministers is to give evidence-based commentary. That is the job that I have been given. It is the same advice that I would provide to them. If you are a public health physician, the public are your patients, in the way that the population is your patient, rather than individuals.

What you are getting at is: if the line forward on this appears to be blocked, what do you do about it if it is a critical concern? There are two comments that I would like to make. I am very sure—and you will have heard that when I spoke to the Health Committee, and Ms Dunn has also said it—that the Department of Health and Ministers are very carefully listening to this. In fact, it is one of the reasons why we have been asked to look very closely at an alternative model within a £2 billion context, because that allows us to manage the critical public health element while reducing the overall cost, when there are a number of other areas of investment required for the country.

The second point is that we are part of the national security infrastructure, so my conversations link, for example, to other chief scientific advisers across Government and to various Ministers and senior officials contributing to national security discussions. It is not simply my Ministers that I need to apprise, and I am very assured that all of those groups of individuals are aware of and actively considering this.

Q19 Graham Stringer: I will come back to that point at the very end, if I may. Can you assure this Committee, and the public, that we are now in a position to respond to any epidemic from a dangerous pathogen? Presumably, one of the reasons why the laboratories have to be closed down is the pressure on them. If we were threatened with a pandemic, there would be more pressure on them. Can you reassure the public that we can respond to a bird flu epidemic or some other pathogen?

Professor Dame Jenny Harries: Please pull me back if I am not answering your question, because that is, from my position, quite a difficult one to answer. There is, “What are these high containment



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laboratories used for and what is their purpose?" either in a pandemic or outside it, and, "What are the infrastructure and general response requirements to respond to a pandemic?" If I use Covid as an example, or a novel pathogen, what tends to happen is that, until we understand the characteristics of the pathogen, they will be dealt with and researched, and cases diagnosed, in these high containment laboratories.

Once we understand the characteristics, it is very likely that we can move those out to a lower-grade facility, entirely appropriately. The issue here is that, if we have an imported case of viral haemorrhagic fever, for example, we can do that. Often, we will get handfuls of cases. If you had a high-consequence infectious disease-causing pathogen whose characteristics were really significant and we had large numbers of cases, it is unlikely that any country would have this level of facility to be totally diagnostically confirming. We would do it in a different way.

The key point here for me is to reassure you and the public in terms of the labs that we have, which are the labs that we have had. Porton has been around for 55 years, which is one reason why we need to replace it, but it is a very good lab. It is a WHO centre of excellence for applied biosecurity, and it can continue to fulfil that role in just the same way that it has done until now.

Q20 **Graham Stringer:** That is reassuring, except that the Report shows that the laboratories have their capacity reduced fairly regularly, presumably because they are not safe. If they were reduced by 100%, presumably this work could not be done, so how can you reassure us that that will not happen?

Professor Dame Jenny Harries: It is the time taken out of action. A laboratory will not be working if it is not up to standard. It will be serviced and out of action, but the other one will be. Whenever the laboratory is working, it is working 100% safely, and it is why we have a different service issue. The issue about the lifespan of these, as Mr McPherson signalled in his answer, is that, if we roll forward, there comes a point in time, although not yet, when the time out of service starts to become greater than the time in service, and the costs of maintaining it completely outweigh the costs of rebuilding it.

There is a spot in the middle of this where, because of the lead time to have a functioning, built and commissioned laboratory, you say, "This is the point of no return. We should be building something new." That is the timeframe that we are looking at now. My concern is not about what we have now, but that, if we have a delay, that 15-year life expectancy starts to move down, we are not able to maintain them as it gets older and older, and we will not have built a replacement in time. We then go back to Sir Geoffrey's point, which is about whether we would have a gap.

Q21 **Graham Stringer:** Sir Geoffrey made the point that this project seems to have made all the mistakes that it is possible to make in a large



project in terms of changing what the client wants, which always adds costs to things. Have you had a chance to look at whether the decision to go to Harlow was the right decision? Did you or your predecessors take advice from the chief scientific officer on this matter?

Professor Dame Jenny Harries: The short answer to your last point is that I have spoken to the chief medical officer and the chief scientific adviser at the Department of Health, and to all of the chief scientific advisers who meet across Government. They are agnostic about the location of the facility, but we are all united in the fact that we need one.

In terms of the project design, I take my responsibility exactly as I should do, but I was not part of the original decision-making. We have looked at the documents as far as we can. In 2022, once the initial stages of the pandemic had gone down, we looked back at all of the plans and the proposed benefits from that in the new context and the new organisation, and concluded that that was, at the time, the right way to go.

If you put a financial bracket around it, for reasons that are, contextually, exactly as Ministers may wish to choose, we cannot deliver that output in Harlow. As I keep repeating, my concern is that we have the protective laboratories for the country. I can make them work wherever they are, and I can build my organisation to rally around them wherever they are. I just need the certainty of being able to deliver them and, when we have the remit, I can assure you that I will be very keen to be absolutely moving this forward as quickly as possible.

Q22 **Mr Djanogly:** I would like to look at the business case. I am looking at paragraph 2.10 in the NAO Report, which says, "UKHSA's programme business case in 2023 again concluded that Harlow was the best value for money option, although with rising costs the absolute benefit-cost ratio was marginal and only assessed at 1.02, whereas the Porton Down option was seen to have a ratio of less than 1 at 0.86, meaning that the costs outweigh the benefits". Mr McPherson, why is the absolute benefit-cost ratio of the Harlow option so low?

Scott McPherson: There is a key point that the NAO Report also makes, which is that the figures that you are quoting for the benefit-cost ratio are based on a very limited number of benefits that are being assessed and are relatively easy to quantify. There is a large number of other benefits that have not been quantified in the business case. If it would be helpful, I could explain in a little more detail how the benefits were calculated.

Mr Djanogly: Yes, please.

Scott McPherson: There are, essentially, two main elements to the benefits. One is delivery of public health benefit, which is, fundamentally, what the agency exists to do. Our work protects people from infectious diseases. In doing so, it reduces the number of people who get ill. There is a benefit for the individual people. There is a benefit for the NHS of



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reduced numbers of patients going to hospital, so we reduce costs for them. There is an economic benefit from people not being off work and being sick. There is a general economic benefit from increased GDP that derives from that.

The main way in which the benefits are being calculated is by looking at a scenario where we have a future pandemic. It is calculated on an assessment of our ability to respond quickly to that pandemic. The key thing that drives the benefits that are quantified in the business case is a calculation that, with the revised facilities that we get through the construction of the new high containment laboratories, we would enable the deployment of a new vaccine in a pandemic scenario two weeks more quickly than would otherwise happen.

Two weeks is a relatively small amount. If you reflect back on the Covid pandemic, it took roughly 10 months to get from the start of the pandemic to deployment of a vaccine. Two weeks, therefore, does not sound like very much. Even that is enough to drive the vast majority of the benefits, so roughly in the order of £5 billion.

The calculation that we have done is extremely conservative. Essentially, it reflects the fact that the new laboratories would be more flexible, so we would be able to run experiments in parallel rather than doing them sequentially. There is a modular design, which means that there would be a benefit in moving in different equipment, depending on the pathogen that we were dealing with, much more quickly than we could currently do in very constrained laboratories.

There are also some technical benefits. For example, at the moment, our laboratories need to be fumigated overnight. If you have done an experiment one day, you have to wait for the next day to do some more. We would be able to do that much more quickly. All of those technical changes to the capability of the lab mean that we are confident that that would speed up various stages of the process.

Q23 Mr Djanogly: With all of these benefits that you are describing, why is the difference between the two so very small?

Scott McPherson: In both options, we would build the high containment facilities, which is what drives the majority of the benefits. The main difference between the Harlow option and the Porton option is that the Harlow option includes some additional benefits that derive from co-location of services. At the moment, we have two scientific teams split across our Porton and Colindale sites. If we proceed with the Harlow plan, they will all be co-located on one site, and so you get the opportunity for scientists working together to collaborate much more closely.

Q24 Mr Djanogly: In reply to Sir Geoffrey's question, Dame Jenny said that the sites are not compatible. I think you said that it is like comparing apples to pears. Mr McPherson, you are saying that the vast majority of it is all the same.



Professor Dame Jenny Harries: If you took the whole site plan at Harlow, that is not what is proposed to shift to Porton in totality, but the main components are exactly the same. In fact, for quite a considerable amount of the design work that has gone on for Harlow for the H50 block, or the main CL4 component, we are hoping, although cannot confirm yet, that we would literally lift and shift that design, build it at Harlow and, therefore, take that expenditure with us into the new programme.

If I could just add to what Mr McPherson said in terms of the differential in costs, the Harlow site is ready to go. On the Porton one, we will need to do more planning, permission, procurement and what-have-you. That time frame, exactly as we have said before, is the bit that pushes the costs yet further into the future. A lot of the differential in costs is about moving the programme outward.

Q25 **Mr Djanogly:** Mr Sanderson, you have not had a question yet. How confident are you that the programme will deliver value for money?

Andrew Sanderson: As Mr McPherson has said, the approach to benefit quantification has been pretty conservative. It was focused mainly on teasing out the differential between the Porton and Harlow options. We have not yet got to the stage of having the formally updated business case that goes through its gate of approval.

Q26 **Mr Djanogly:** That is another review.

Andrew Sanderson: No, that is just a standard gateway on the approach of a major project. At that point, we would expect a richer appraisal of the benefits to be there and, on the basis of evidence so far, we could be pretty confident about the overall value for money of the facilities, given their criticality as an essential national infrastructure.

Q27 **Mr Djanogly:** I will admit that I am coming into this quite fresh, but I am hearing about review after review after review. Could there be any truth in the idea that the Harlow project is unpopular with, say, the staff, and so it has become an unwritten policy that you just go for a few years, have another review, and another few years and another review, hoping that it is going to even out?

Professor Dame Jenny Harries: I am very sure that I could find some staff across the organisation who think that it is a great idea and some who do not. That is not the point. The point is that they are signed up to do a job, and we have to plan for the health protection of the country.

We have looked back at documents, and there was a lot of planning about staff movements. It varies in different ways, and that is about equal. With the Porton site, the cost required around staff movements is pretty small, because those teams already work across two sites, for the reasons we have said. A small number of senior staff would need to move from Colindale to Porton, so you could argue that the risks might be lower, given that staff are already working.



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On the other hand, with a new science hub, we are now working directly with the pharmaceutical industry in a completely different way than the public sector has before, and that is important for upstream investment and economic growth. That might be very exciting in a different way.

Q28 **Mr Djanogly:** Is that near Cambridge?

Professor Dame Jenny Harries: Yes. It also runs the risk of us losing all of our staff to the pharmaceutical companies that are trying to work with us, so it is a bit like swings and roundabouts. That is why I say that the critical thing is that we build the infrastructure. We are an attractive place to work because we are quite unique for scientists. Even if they want to stay with us and have long careers, that is a risk. They need the certainty. The key point for staff is that they will say, "Please give us the certainty of what we are going to do", and will run with it. There may well be mixed views, but, with the right messaging, enthusiasm and the right vision to deliver it, I do not think that it will be a problem.

Q29 **Chair:** We were talking earlier about your role in delivering national security. We have also looked at the animal health centre in Weybridge, which is desperately in need of investment. There is a big risk there. How much are you working with DEFRA, the Department for Environment, Food and Rural Affairs, which is responsible for that?

Professor Dame Jenny Harries: We work with them routinely on incident response. You will, hopefully, be pleased to hear that cows in the US are a topic of common conversation. We work with them routinely. When it comes to the sites and looking at trying to understand this programme and what the opportunities might be, we work with DEFRA. As we have just said, different sites have different opportunities. MHRA is closer to the proposed Harlow site, and there are potentially opportunities that we would try to explore there. There are others working with DSTL. Again, we work with them routinely in Porton, but this could be a different step. We have looked at that.

We also look internationally. We have done detailed work with Canada, which is known as international experts on this. I was in South Korea a little while ago, which has just built a new facility. We take advice everywhere.

In terms of the delivery and your point about a grip on delivering a premises and keeping them maintained, I hope that I have given an assurance that we have really good programmes running to maintain the health and safety of the labs and to plan ahead.

Q30 **Chair:** Other colleagues are going to come to that. We have looked at that and know that, if there were two zoonotic diseases breaking out at the same time, it would not cope. You have given us some assurance today that you are not going to have a gap, but lots could still slip 'twixt cup and lip, between where we are now and getting the facilities so that they are performing as efficiently and as well as they can be. In your role



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as having responsibility for UK health security, how much does it keep you awake at night that you have the animal side and the human side both going through major change and in need of huge taxpayer investment?

Professor Dame Jenny Harries: It is clearly important. I use H5N1 in cows in the US at the moment. Clearly, we work on this routinely and are looking at and thinking about it with all our relevant scientific colleagues. It is a good example of why we are now in a one-health world, which is both zoonotic and human.

Q31 **Chair:** Perhaps we should explain, for anyone thinking that they are tuning in to listen to people talk about human health, what we mean by “zoonotic”.

Professor Dame Jenny Harries: If we think about animal infectious disease, human infectious disease and the link with the environment, the one-health agenda means that you cannot separate those. You have to be thinking about them together, all of the time. That is well accepted now. It has potentially been an artificial division historically, but one that has worked. Things like the impacts of climate change, mass migration of populations, changes in risks and threats and global travel all start to become much more relevant. That is part of the growing threat risk.

We work with them closely. It is important for the country that both facilities are built. We have looked to see whether there are ways of working directly together, but the work that is done is different. We need to work with APHA and with DEFRA, but we do not think that we can use the same facilities. A similar thing applies for some of the DSTL work as well.

Q32 **Chair:** You and Ms Dunn were talking earlier about the other engagement that you have across other Whitehall Departments. We have mentioned DEFRA and DSTL, which is defence. The Home Office covers science. Are there any other key Departments, such as the Department for Business and Trade, that you are working with?

Professor Dame Jenny Harries: Increasingly, that starts to move into being not so specific to this work but to our work more generally around things like vaccine development and evaluation. We do quite a lot of commissioned work.

Q33 **Chair:** For the work that these sites would cover, the Departments that I listed are those that you would be working with.

Professor Dame Jenny Harries: Yes.

Q34 **Chair:** To be really explicit for the record, they are completely on board with this, and all the money would come from the Department of Health, not from these other Departments; or is it one of those heroic cross-Government efforts that will require innovative, new technology in order to deliver this? If that is the case, that makes us feel very reassured.



Seriously, how much are those other Departments contributing in terms of effort, money and policy?

Professor Dame Jenny Harries: This is very much still a health focus, despite the fact that we are all working within a one-health agenda. It is right that we are working primarily with the Department of Health and through our Ministers. As I said earlier, there have been cross-Government discussions, particularly with the chief scientific advisers, to understand where the different facilities are across the country, their relevant status, their states of repair and their proposed plans ahead. That has been very strong in the last year or so, and it is an area where UKHSA has helped promote that understanding.

Q35 **Chair:** I just want to pick up on some points that Mr Djanogly raised about staff and where they are based. Over the many years that Sir Geoffrey and I have been on this Committee, we could list a number of examples where people do not want to move. Recently, we talked to Defence Digital, which has some interesting sites around the country that are not necessarily the hot hubs for tech experience, hence it is setting up a hub in Stockport.

The General Register Office's base has some very specifically talented staff there, which makes Stockport a centre for them, but they might not necessarily want to move somewhere else. We saw a closure of the then Business Department's education element in Sheffield, and they were all supposed to move to London, which went down very badly.

On the other hand, we have seen the campus in Darlington expanding. We see movement of civil servants, but, in certain professional groups, there can be a risk that they do not want to move or that you create those jobs. You were hinting that you might lose people to pharmaceutical companies in the Cambridge corridor, but are there also opportunities for skilling people up in Essex, say, to go and have those jobs in Harlow, so that you create a new skills base for the UK? How are you balancing that, or is that lower down your agenda because your primary function is to deal with UK health security?

Professor Dame Jenny Harries: There are a number of aspects to that. One is that that definitely was considered in the benefits assessment of the original Harlow case. You can apply it in different ways. For example, the idea of having a science park in Harlow and growing that would equally be attractive for different reasons.

There is an interesting point around pharma. We are working more with them, with appropriate governance, but it is really important to develop upstream products as far as you can ahead of pandemics. It is very clear that we do not have the supplies in the country of all of the scientists who we need, so there are opportunities for us to work jointly to develop that and have rotating staff going in and out to understand different ways.

Q36 **Chair:** At the moment, we have levelling up, but every Government have some plan to balance out the economy and bring jobs into areas where



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there are not so many. Has that been a factor, or are you having discussions across Government more widely about job creation and skills development in relation to the area that you are responsible for?

Professor Dame Jenny Harries: It was definitely a factor for the earlier Harlow plans. The focus of the most recent plans has been much more to do with the primary responsibility to ensure that we have the facilities within the current financial context. Wherever we are, we try to encourage diversity in our staff. We have an accelerated programme, for example, to ensure that we have leaders coming through, including in our scientists as well.

Chair: Sir Geoffrey has gone through the numbers. We do not need to go through them all, because the NAO, in its Report, lays everything out very clearly, but it is an absolutely exponential increase in cost. What has gone wrong with the governance and assurance procedures? We have looked at some quite egregious examples on this Committee, as you would imagine, and this is up there in the top 10, if I am being generous.

Sir Geoffrey Clifton-Brown: The top half-dozen.

Q37 **Chair:** Sir Geoffrey is harder than I am. Why? You were not here all the time, we know, Dame Jenny, but, looking back, what has gone wrong in the organisation?

Professor Dame Jenny Harries: There are lessons to be learned from that. Whether it is in my chief executive role era, I want to make sure that they do not get repeated as we go through. I want rapid delivery and to keep tight controls on it. The governance around the programme is really important. When we look back, there has been a governance programme in there. In fact, it is part of the infrastructure programme and, therefore, automatically has checks. Equally, it reports into the Department of Health governance process. It is not that the programmes have not had governance around them.

Q38 **Chair:** That is more worrying. They have had governance around them, and this has still happened. Why?

Professor Dame Jenny Harries: There have genuinely been high degrees of uncertainty.

Q39 **Chair:** Do you mean uncertainty in the decision?

Professor Dame Jenny Harries: No, I mean in the numbers. My understanding is that the original estimate back in 2015 was around £530 million. Within the same year, with the VAT and various other elements, it was £888 million.

Q40 **Chair:** That brings me neatly to Mr Sanderson. Inflation is a more recent issue. Contingency costs and VAT are basics in running a major programme. Why were they not factored in?

Andrew Sanderson: I cannot speak to that stage of the programme, I am afraid, which was before our time in the new UKHSA. I would agree.



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Q41 **Chair:** You agree that it is highly unusual not to have worked out that they might be an issue that ought to be factored in.

Andrew Sanderson: Yes, that seems absolutely clear. Picking up some points that Mr McPherson made at the start, one of the positive developments that the programme has made is to get much stronger specialist expertise to support it in terms of coming up with costings and financial projections. There has been a much stronger basis for credibility and trust in the figures in the latter stages than there was at the beginning.

Shona Dunn: You are entirely correct in expressing some surprise about some of the things that were missed out earlier in that 2015 business case. Through the governance that we have at the moment, and as we have been considering our options, we have certainly considered the lessons that have been learned from that. We would say that there are three big ones.

The first is that, as Mr Sanderson was saying, it is quite clear that the level of expertise on specialist works of this type that was involved in the initial cost estimate was not what was subsequently applied. Some of those costs were significant.

Q42 **Chair:** Just to unwrap that, are you saying that scientists wrote the case and would not have thought about VAT and the other costs, or that finance people got it wrong because they were not talking to the scientists?

Shona Dunn: It was a little bit of both.

Q43 **Chair:** Where was the Infrastructure and Projects Authority?

Shona Dunn: Back in 2015—

Q44 **Chair:** It was the MPA then, the Major Projects Authority.

Shona Dunn: Yes, exactly. When the initial case was produced, that was absent. The second thing was that, from what I have seen, there had not been an opportunity at that point in time to engage the construction market properly, and so understanding the realities of the design process and the build process had not been fully factored in.

The third issue that has been a learning event, as Mr McPherson and Dame Jenny have referred to, is the importance of that cross-Government collaboration and really understanding what the needs are of a wider group of people and organisations, which has had some impact on scope and specification.

There were definitely some things there that, with learning across Government on major programmes, I would like to think would be much less likely to happen today, and are certainly considerations that we look at closely in the context of the governance arrangements that we have in place.



Q45 **Chair:** We will take that as is. Mr Sanderson, we still have two options in play. As Mr Stringer said, the more the client is not deciding on the final programme or altering what might be happening, we see costs escalating. Dame Jenny has been very open about the fact that, if it pushes it out, it becomes more expensive. The UKHSA says that its predecessor has been riding two horses for such a long period of time. It feels like, as Mr Stringer or Mr Djanogly was saying before, there might be other reasons behind this. It is very expensive.

Andrew Sanderson: Do you mean riding two horses?

Q46 **Chair:** We have the Harlow plan, and are now looking at shrinking back to Porton Down, but the money that is sunk into Harlow is still a significant amount. Until there is a decision made to narrow it down, we are spending a lot of money riding both horses.

Andrew Sanderson: Yes, exactly. The renewed focus on the Porton option was in response to a clear direction that the costs of the Harlow project were going to exceed the agreed £2 billion envelope that had been set back in 2020. Up until that point, there was not a particular focus on the Porton-based option. It was very much a central focus on Harlow. It was the work in response to that that has led the programme to look at what the alternatives might be and see what comparator project could be done that lived within the available funding envelope, albeit by constraining the scope—

Q47 **Chair:** The funding envelope is very elastic. It was £530 million and is now £3.2 billion. If we were not the Public Accounts Committee, we would be on the floor with shock, but sadly we have seen other problems like this too.

I wanted to go to you, Mr McPherson. You are the senior responsible owner now. It is worth reminding everyone of your CV, talented civil servant that you are. You came to this in 2021 and you have previously worked in crime, police and fire, justice and courts as director of law, rights and international, in the Department for Energy and Climate Change and in the Cabinet Secretariat. What other big projects like this have you been senior responsible owner for?

Scott McPherson: When I was in the Home Office, I set up—

Chair: I missed out that one. That was the fire and crime. Yes.

Scott McPherson: The biggest project I have been responsible for is in the Home Office, where we set up the police uplift programme, to recruit an additional 20,000 police officers. I was there in the initial stages of setting it up and the successful delivery for the first year, until I left the Home Office and then it was managed by other people.

Q48 **Chair:** That is not in the top 10 of Home Office failures, so that is good. Well done.



Scott McPherson: I am pleased about that. Then there were other projects. For example, in the Ministry of Justice I was responsible for a major project to introduce a new judicial pension scheme. This would be the first major construction project that I have been—

Q49 **Chair:** How long are you going to be around for? This is full-time. Are you 100% on this or do you have other responsibilities?

Scott McPherson: No. I have a much wider role and I am described as the interim SRO. In Public Health England, there was an SRO who spent a portion of their time on this project. The intention when I took over responsibility for it at executive committee level was that we would recruit a full-time SRO, in accordance with best practice that the IPA would set out. We went out for a recruitment for that in 2023—

Chair: No one wanted the job.

Scott McPherson: There were some good applicants. We just did not think any of them were the right fit for the project at the time and then, having not appointed, we were in a stage where the project was essentially put on hold while we were going through review with the Department about the alternative options. We decided it was not appropriate to appoint an SRO at that point. It would be hard to approve someone for a project where the future was uncertain and the IPA and others agreed that we should appoint a full-time SRO in advance of awarding the main construction contracts, which is the stage we have not yet got to.

Q50 **Chair:** You are going to be carrying on until then.

Scott McPherson: The future of the programme clearly depends on the decisions Ministers take. If we decide to stick with the Harlow option, I will carry on with executive committee responsibility and we will, at that point, go out and recruit an SRO. If the decision is alternatively to go with the Porton option, our intention is that we would close down the current programme and we would start a new programme specifically dedicated to building high containment labs at Porton. That is a choice for my chief executive, but the ownership of that would probably best sit in the science group, which owns and operates the Porton Down—

Q51 **Chair:** You are keeping things ticking on until there is a decision and then somebody will be recruited to be SRO.

Scott McPherson: That is correct.

Chair: Thank you for being interim SRO. At least we have somebody on top of it there. Mr Richard Fuller, welcome. It is Mr Fuller's first meeting as a member of the Public Accounts Committee. He may be on the floor with shock.

Q52 **Richard Fuller:** It is my first time, so forgive me if I have not learned the politeness and manners of this Committee. Sir Geoffrey said that this



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was probably one of the top six in terms of cost escalation in his long experience of Parliament—a £530 million initial estimate to £3.2 billion. In the 2015 business case, it said by June 2021 the project would be complete. In the 2020 update, it said we might have designs by that completion date.

This is the Public Accounts Committee. Professor Dame Jenny Harries, you talked about lessons that need to be learned. The second permanent secretary, Shona Dunn, talked about learnings. In my previous line of work, accountability meant accountability. Not all of you were here or involved at the beginning. Who is accountable for one of these top six gross overruns in cost estimates?

Professor Dame Jenny Harries: I am the accounting officer. I am accountable as we go forward for the programme, but you are right that in fact none of my team here, because of the length of this programme, was involved at the start of this. We have a clear remit. The cost escalation is important to flag, because I agree this is a startling amount. The two things were the cost inaccurately predicted at the start—

Q53 **Richard Fuller:** Who has been held accountable for that?

Professor Dame Jenny Harries: The individuals who were previously in role and managing that will be scattered through the number of organisations we have just described and are probably no longer in post—

Q54 **Richard Fuller:** Who was held accountable for that?

Chair: That is a good question, Mr Fuller, but—

Shona Dunn: Mr Fuller, if your question is, back in 2015, who was held accountable when it became apparent that £500 million-odd was £800 million-odd, nobody here on this panel will be able to give you a name.

Q55 **Richard Fuller:** Presumably you would be able to find out. It was a £300 million error. That person apparently is moving on into other aspects of the public sector, presumably making similar areas. Has that person been identified? Are they being held accountable for that? We can go through the others. Who put together the original timeline? Are they being held accountable?

My concern, Dame Meg, coming to this Committee for the first time, is if I am going to be holding organisations accountable by taxpayers for money that they have to earn and pay, I want to know that I do not have people here saying that lessons need to be learned. I want to have people here who say, "We understand our accountability. We have identified who was responsible and here is how they have been held to account". Please can you give me a summary on these issues: who was accountable? How have they been held to account? What was the sanction?

Shona Dunn: Mr Fuller, no, I cannot, and nobody on this panel will be able to give you a name. I am certainly willing to go and see whether the records are able to enlighten us on those points.



- Q56 **Chair:** We can take this out of the room. I should just say, to anyone who is interested, including Mr Fuller, that we have at times brought back former civil servants to this Committee. At one point, we were going to have three permanent secretaries from one Department. Sadly, that was the day that PC Palmer was murdered, so it did not take place. We want to bring people back to be held accountable.

One of the challenges here, of course, is that the UKHSA absorbed other parts of public health and is a new body, interestingly formed mid-year—not that that is at the door of Dame Jenny, who is chief executive, but that was the decision. There are areas here, but Mr Fuller’s point is well made. Failure is too often an orphan when it comes to public policy and we need to pursue it. We will leave that there for now, because we will pursue it outside this room, but thank you very much, Mr Fuller.

- Q57 **Sir Geoffrey Clifton-Brown:** I want to just catch up on one or two things that we have not explored fully, but have been asked already. Professor Harries, if you went for the Porton option, would you have to close the Porton laboratory down?

Professor Dame Jenny Harries: No, not initially. One of the positive or easier things about the Harlow site is it would be a site that is not live, effectively. People would be working on it while the rest of our system was resilient and functioning, and then you would move over in an orderly way.

With the Porton site, we clearly will have an operational site and we will have a build. Because of the stage of the proposal—again, the decision is not made, so some of this detail will have to come through shortly—we would build at the same time as maintaining the current facility. The new H50 block would be a completely new build. It is more to do with site security, rather than getting in the way of the work that goes on routinely.

- Q58 **Sir Geoffrey Clifton-Brown:** There will be a significant element of new build. It does not really make, from that point of view, much difference whether it is for Porton or Harlow.

Professor Dame Jenny Harries: With the H50 block, I would just keep reinforcing that it is not just the block. You do need the CL3, the feed-in laboratories to this, to make the system work. We will be building almost exactly the same block at Porton that we were planning to build and have started to build at Harlow.

- Q59 **Sir Geoffrey Clifton-Brown:** Ms Dunn, I am a property man. I am a chartered surveyor. I am not at all an expert in building CL4 laboratories but, if you take an old building with serious defects, nearly always, over a fairly short period of time, it costs more than knocking down and building a new one.

I am really curious to know why the new building was estimated to cost £3.2 billion and the refurbishment is estimated to cost £2 billion. There is



a gap of £1.2 billion. I would put it to you, before you answer, that either the estimate of £3.2 billion is too high or, more likely, the estimate at Porton Down of refurbishing and rebuilding, as Professor Harries has just said, is far too low.

Shona Dunn: I will give you an initial answer and then Mr McPherson will want to come in with some more detail. The two figures are not comparing like with like, Sir Geoffrey. The £3.2 billion Harlow option covers a broader range of—

Q60 **Sir Geoffrey Clifton-Brown:** You are going to tell me the corporate headquarters and the training facility is going to cost £1.2 billion.

Shona Dunn: Mr McPherson will go into the details, but it is not just the HQ facilities and the training facilities. It is a wider range of capabilities at Harlow. The proposition for building something at Porton within the £2 billion is specifically for the H50. It is for the high containment labs and so it is a different proposition. It would certainly be the case—I think this is also clear within the NAO Report—that there would be an expectation that, beyond that period of time, there may well be a wider investment required in Porton for some of the other facilities. Mr McPherson will want to add some detail.

Scott McPherson: As others have already set out, under both schemes we would build a new block that we have referred to as H50, which is the high containment laboratories. We have designed that in great detail to be built at Harlow. If we had to move to Porton, then we would take the designs we have spent a lot of time developing and build that block at Porton. As Dame Jenny has said, that would be on part of the site that is separate from the operational facilities, so we would be able to continue running the Porton Down facility.

The full Harlow scheme includes building a large number of other laboratories at containment levels 2 and 3 to fully replace the laboratories we currently have at Colindale and the laboratories at Broughton. The cost, as you have rightly pointed out, Sir Geoffrey, of the headquarters building and the office space is a relatively small part of the scheme. The rest of the cost to make up the £3 billion is mostly made up of building other laboratories, an energy centre, a logistics centre and other essential operational facilities.

The scheme at Porton, as Dame Jenny has pointed out, is significantly smaller. We would build the high containment facilities and then, within the £2 billion budget envelope, we would refurbish as much of the Porton estate and the Colindale estate as we can, but the £2 billion scheme is designed against a cost envelope. That is the absolute limit on the totality of the works we would do.

That would mean that quite a lot of the existing facilities at both Porton Down and Colindale would not have been refurbished within that £2 billion budget and so, at some point in the future, the agency would have



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to be coming back to the Department with a new business case for further works in the 2030s and 2040s to fully upgrade the rest of the estate.

Q61 Sir Geoffrey Clifton-Brown: You would not need that if you went for the Harlow option.

Scott McPherson: Yes, correct.

Q62 Sir Geoffrey Clifton-Brown: Are you able to give us—either now, or I am very happy for you give the Committee a note—a breakdown of that £2 billion of costs at Harlow, in terms of the corporate headquarters, the training bit, the smaller, less sophisticated laboratories, and the CL4 laboratory? What is the split? Presumably, the CL4 is £2 billion, more or less.

Scott McPherson: The CL4 is less than £2 billion, but I am very happy to give you a breakdown of the costs of the different schemes.

Q63 Sir Geoffrey Clifton-Brown: That would be really helpful, thank you. Professor Harries, using your expertise, on a resilience point, is it not better to have two laboratories rather than one?

Professor Dame Jenny Harries: That was recognised at the start. All sites are protected and have significant security around them, as I am sure you would expect, but the site at Harlow is designed, effectively, to operate as a resilient system in itself. It may be on one site, but it would be able to do exactly what Colindale and Porton are. You could take parts of it out of service and put the other one in. That has all been factored in to start with.

Q64 Sir Geoffrey Clifton-Brown: I was thinking of something catastrophic that would happen to that one site. There might be a serious leak or it might get bombed or destroyed. There might be a flood or an earthquake, or something. Surely all the planning of our predecessors was that it was better to have these things on several sites, rather than one site.

Professor Dame Jenny Harries: Forgive me. I clearly will not go into the absolute detail of security around the laboratories, but all of those sorts of things have been considered in the planning arrangements for assurance, by people other than myself and my immediate team. They were rigorously assessed and I am sure any new business case for that also will be considered as we go forward.

I would just add to the points that Mr McPherson has made that the costs of the Porton option are still very much, for obvious reasons, an estimate. I am slightly anxious that we might come back again and Mr Fuller would say, quite rightly, "You said it was going to be under £2 billion and this is what it is". We will need to have more detail in it to understand what that true cost is as we go forward.

Q65 Sir Geoffrey Clifton-Brown: Yes, hence my question to Ms Dunn. Either



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the £2 billion is too little or the £3.2 billion is too much.

Professor Dame Jenny Harries: On those two points, the £2 billion represents part of the programme, as Mr McPherson has said.

Q66 **Chair:** The total cost today is £2.45 billion, is it not?

Professor Dame Jenny Harries: That is today, but there would be a forward case as well. As Sir Geoffrey has pointed out, it is about the totality of the cost. The Harlow site was building forward for 40 or 50 years. They are difficult comparisons. The other one is, quite rightly, we have been challenged on the costs of the build, because it seems extraordinary, as do the lengths.

It is why we have been in discussion with international laboratories, but I also have noted figures in the public domain around the DEFRA proposals. If you take the last public figure for that and add in inflationary costs over the last two and a half years—whatever that is—it comes out to a bit more than we are proposing. As a rough benchmark, it is not too far off. It is just a very big figure for a very specialised piece of required science.

Q67 **Sir Geoffrey Clifton-Brown:** This is the final question from me at the moment. As a layman, 16 years or 12 years, whatever it is, seems a long construction time to 2036. Can you explain why it is so long?

Professor Dame Jenny Harries: I might refer to Mr McPherson in a moment. Broadly, you have a planning phase, which we have noted was very long. You have a build phase, which I am going to say is five to six years, roughly. The bit that really often gets missed out is the commissioning phase. This is the science bit. Every airlock, every joint in the building and every component part of it has to be so perfectly sealed that it is safe for use, and that bringing into commission will take one to two years. Mr McPherson, is that right?

Scott McPherson: You have it right. It does seem an extraordinarily long time period. At this point, we are really keen to make sure we are realistic. If we look back at the history of the programme, it was clearly at the beginning unrealistically optimistic about the timeframes and that quite quickly proved to be wrong. I am very keen that the timetables we set out now are realistic.

Broadly, it is around a year to get through ministerial decisions and final business case approval. There is another year for some further design work and some local planning work. There is roughly two years for procurement and for the contractors to be mobilising their teams, getting their supply chains in place. As Dame Jenny says, there is around a six-year construction period. That is for the high containment building, which takes the longest time period. There is then two years for validation of that building, once it has been constructed, to get our staff up to speed with it and go through the regulatory approvals that are required.



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It does all seem an extraordinarily long time period, but that is driven, as I say, by the particularly specialist nature of the high containment laboratories. Other aspects of the site would be built earlier than that.

Q68 **Chair:** You benchmark with international facilities, Dame Jenny. Do they do it quicker in South Korea?

Professor Dame Jenny Harries: There are different standards. That is the other thing. It depends on what your standard is. It is one of the reasons why that conversation is ongoing. We have a Korean delegation visiting UKHSA at the end of this week. We are actively seeking to make those comparisons and set realistic programmes going forward, which challenge us to deliver in a timely way, because that will actually reduce the overall cost, without diminishing on the safety and security.

The Harlow site was planned for quite a long life expectancy. Some of that will vary a little bit depending on what life expectancy you are planning at the start of the process.

Q69 **Sir Geoffrey Clifton-Brown:** On this Committee, when things really start to go wrong, as this has, you see what we call mission creep. My worry is that the longer it takes to make a decision, some scientists will come up and say, "The latest laboratory has to have this gizmo", or, "It has to have that", and it has gone up by another few hundred million and then another few hundred million. There has to come a point where you have to say, "This is the specification. We must get on with it". How are you going to stop mission creep, Ms Dunn?

Shona Dunn: I completely agree with you. That is a thing that we see on numerous occasions, is it not? One of the things that we have reflected on is how important it is that we have really strong, independent scrutiny and challenge of that scope and specification as part of the work of the programme team. Mr McPherson as the SRO might want to talk about this. We are very clear that that change control process is absolutely critical.

The key thing right now, as both Dame Jenny and Mr McPherson have said, is to set the direction of travel and move forward on the overall programme business case but, as part of that, the scope needs to be fixed at that point in time, with a very rigorous change control process as part of the governance, which I know Mr McPherson is very seized of.

Q70 **Sir Geoffrey Clifton-Brown:** Once you have set the scope, you have to not alter it.

Shona Dunn: Yes, indeed.

Scott McPherson: Yes, hence the intention that, if we were to change from the plan at Harlow to one at Porton, we would take the design of the building for high containment and essentially drop that at Porton, without changing it.

Q71 **Chair:** You would have to go through planning.



Scott McPherson: Yes. We would have to go through planning and a site master plan, and work out the energy, water supplies and everything else.

Professor Dame Jenny Harries: Picking up Sir Geoffrey's point, that is exactly what we have done. We have heard all sorts of suggestions, so we have reviewed whether the original plan does the job. Yes, it does. That is what we are staying with, but that also means that it reduces, to some extent, the potential for opportunities for others. We can support the use of the space better going forward, more efficiently. For things like the fumigation changes, we can make it more efficient usage, but when it comes to collaboration or what-have-you, if we start to change that model we will set the whole thing back another two, three or four years. I am afraid I have fairly rigidly stuck to the original model in a lift-and-shift proposal, having checked that that still is the right thing for public health going forward.

Chair: The view of this Committee will be that that is the right approach.

Q72 **Mr Djanogly:** To what extent will the £401 million already spent have to be written off if the programme does not go ahead at Harlow, Mr McPherson?

Scott McPherson: The £401 million in the NAO Report was up to October of last year. Just to update the Committee, the figure to the end of the financial year was £406 million. Of that, £295 million is classified in our accounts as assets under construction. If we were to move from the Harlow scheme to Porton, that £295 million would almost certainly all be written off.

Most of the rest of the money was revenue spend on things like design, which has already been through the accounts and where we would retain some value, as we have just been discussing, for the design for the high containment building that we would move. The final element of the spend relates to £30 million for the purchase of the site and the buildings. We would obviously hope to realise as much of that as possible through a sale of the site. The key element that would be written off would be the £295 million assets under construction.

Q73 **Mr Djanogly:** Ms Dunn was talking about stopping mission creep, something we all agree with. Mr Sanderson, for each year the programme is delayed, how much do you estimate the cost of the programme would increase by?

Andrew Sanderson: I do not have that estimate at my fingertips. Mr McPherson may. Clearly, that delay has been the biggest contributor to the increase in the estimated cost of the programme. Your underlying point that speed is important is well taken.

Q74 **Mr Djanogly:** Mr McPherson, do we have any figures?



Scott McPherson: We do not have a precise calculation, but if you take a £3 billion budget and assume 5% inflation, that is £150 million already, without doing anything else. It is the point that we made earlier: delay just drives cost.

Q75 **Mr Djanogly:** The other point made was that you are not going to be able to do anything else: that is, mission creep.

Scott McPherson: Yes, that is quite right. We have not changed the specification and scope in recent years. In fact, we have not changed it since we reformed as the UK Health Security Agency. As Dame Jenny said, whichever option we do, our imperative is to get an agreement to a plan and then deliver it as quickly and efficiently as we can.

Q76 **Sir Geoffrey Clifton-Brown:** Ms Dunn, what further analysis does the DHSC need from UKHSA before a decision can be made? Is there any further analysis, or do you have so much from these five reviews that you do not need anything further?

Shona Dunn: I do not think there is any further analysis we need to get to the point of a decision to set the clear direction of travel and move forward. As both Dame Jenny and Mr McPherson have said, the costings around a Porton option are high-level costings at the moment that have started from the perspective of the potential financial envelope available, rather than a bottom-up calculation of the costs of that. There is a lot of work to be done to develop that costing to a level of confidence that you would expect to see in a programme business case.

As part of that—or, indeed, as part of moving forward with a Harlow option—as Mr McPherson talked about, there is the need for us to look at a broader range of benefits. What has become clear to us—and the NAO made this point very cogently in its Report—is that having a fuller understanding of and ability to quantify the range of benefits that are available from either of these options helps with the investment decisions that need to be made.

There are a range of additional pieces of work that could be done that could build out that benefits case, which would give us a clearer articulation of value for money and benefit-cost ratios. That is all important work to be done.

Q77 **Sir Geoffrey Clifton-Brown:** What other risks are you managing, before you can get to a full business case?

Shona Dunn: As I say, those are the key things. We need clear direction of travel. We need to then move ahead with developing the next stage of the programme business case for whichever option we are moving forward with and get that approved. We can then move into the identification and procurement of main contractors, so that the process can move forward.

Q78 **Sir Geoffrey Clifton-Brown:** When do you expect to be able to put it to



Ministers to get a decision? I am not asking when they are going to make a decision. When are you going to be in a position to be able to put it to Ministers for a decision?

Shona Dunn: We have done all the work that is necessary for Ministers to consider the issue. Ministers are considering the issue.

Q79 **Sir Geoffrey Clifton-Brown:** You could do it tomorrow.

Shona Dunn: It is already under consideration, Sir Geoffrey.

Chair: Maybe our sister Committee could press Ministers who appear in front of it but not this Committee.

Q80 **Sir Geoffrey Clifton-Brown:** I am going to ask a question that is slightly unkind, but it needs asking. Given the other pressures that UKHSA is under—we have had a hearing very recently, so we know what those are—would it not be better to take this whole thing out of UKHSA and have a separate delivery authority, like the Olympic Delivery Authority? Given that it is so complex, so expensive, so delayed and so important to the nation, does it not deserve a separate delivery authority?

Shona Dunn: Sir Geoffrey, I do not think what you are suggesting is that the UKHSA would not be involved in such a programme. It is a really critical point to make and it is one that came up consistently at our previous hearing. It is really important that those people with the accountability for the delivery of health protection capabilities and those people with the scientific and operational understanding of how the facilities and capabilities would be used are gripping the delivery of that.

I take your point entirely. If you like, there are potential capabilities for infrastructure procurement, for working with construction firms and so on, which may not be core capabilities for UKHSA. What is important is that the Department is working with UKHSA to make sure that those capabilities are brought into the programme team. I would rather do it that way than take the responsibility elsewhere, because the critical connection to UKHSA's accountabilities, and its science and operational understanding of how to use the buildings, is so important.

Sir Geoffrey Clifton-Brown: I hear your answer. Given where UKHSA are with their other problems, the whole chronology and history of this programme, and the success of a really good delivery authority like that for the Olympics, might that not be a better model? It could still take advice from UKHSA in the areas where they need advice, but this essentially a very big and complex construction project.

Q81 **Chair:** You could not recruit the right person to be an SRO for it, so that was quite significant.

Shona Dunn: You can, although, to be fair, you can recruit the right person to be the SRO within UKHSA as much as you can without UKHSA. I hear the point you are making, Sir Geoffrey, but some of the issues we



were discussing at the last hearing that have occurred in the first couple of years of UKHSA's existence do not speak directly to delivery competence and capability. They speak to other issues but, in this case, it is important that, once that decision is made, we make sure this programme is set up to deliver with the right people in it.

Q82 Sir Geoffrey Clifton-Brown: Let us just try one more challenge. There is only so much management bandwidth. While they are trying to get to grips with the financials, as we know from the previous hearings, trying to get to grips with this also and all the other issues that UKHSA has to get to grips with seems to me quite a challenge for Professor Harries or anybody else who is the chief executive.

Shona Dunn: As ever with these things, we will always keep in mind what is best for the delivery of a critical piece of capability for the country. I know that Dame Jenny would want us to do that as well.

Q83 Chair: Dame Jenny, do you have the bandwidth and the people to deal with this?

Professor Dame Jenny Harries: As you have alluded to, we are a new organisation. As I know you know, Chair, we have had various changes mid-year in budgets in successive years and we were built flying the aeroplane, so to speak, in the middle of a pandemic. The challenge is one I would like to think we are overcoming and I am looking forward, I hope, to meeting you at our next accounts. I would not want to accept that we cannot deliver on it. We are moving to a much more efficient organisation, as you would expect.

Having said that, I am also very open to the recognition that we have multidisciplinary everything in the organisation. Why would I not want the support of experts in delivering a big programme? The comment I would make, which is perhaps a suggestion, is about this difficult interplay with people who understand—this is not necessarily me personally—the real risks around the construction, design and laboratory functionality. It is quite a critical component.

One of the things I would suggest I take away from this is just to check how other countries have done the delivery versus the professional input. It was part of the questions I was going to ask in more detail of some of our overseas colleagues, to see how that plays out, and I think in all of them—I stand to be corrected—the professional organisation has had very significant input of, if not direct control over, the build for those reasons. I am very open to thinking how we could look at that going forward.

Q84 Sir Geoffrey Clifton-Brown: I will extemporise on this question. I am not suggesting that laboratories would be taken away from UKHSA forever. There would simply be a new delivery authority to just deliver it, to do what it says. It would take advice from UKHSA, but the delivery authority would produce the building itself.



Shona Dunn: I hear the point and I understand it. I am not misinterpreting it at all. What I was saying earlier is exactly what Professor Harries just said. I know that Professor Harries would not want us to do anything that limits our ability to do this properly. We will certainly consider that as we move forward on the programme and, as Dame Jenny has said, ask others how they have done it too and take that into consideration.

Professor Dame Jenny Harries: I just have a final observation. The new CL3 laboratories, which were funded by the Vaccine Taskforce, are at Porton, and, of course, in this model, then would be part of the new Porton vaccine development and evaluation centre. They are in use now. They were built very rapidly. They are different to this. It is not the same model, but one of the success stories of the fast build was because the deliverers and the technical experts were working hand in hand. The reason I am slightly anxious is it is not as simple as just delivering the build and then—

Chair: Partly what Sir Geoffrey is driving at is the discipline of a delivery function.

Professor Dame Jenny Harries: That is really welcome.

Chair: There is always a danger that experts want to add on bells, whistles and everything else. We look at this in defence a lot.

Q85 **Graham Stringer:** If I can take up your point, Professor Harries, about looking at international experience on this, have you looked to co-operate with UK experience, where people have delivered large and complicated projects?

Professor Dame Jenny Harries: Do you mean in relation to these laboratories or projects generally?

Q86 **Graham Stringer:** Generally, in this country there have been a lot of large projects that are very complicated. Sir Geoffrey mentioned the Olympics but there are others, some of which have gone well and some of which have not. Have you looked at the UK experience? You say you are thinking of looking at international experience.

Professor Dame Jenny Harries: The international experience was very much to do with the laboratories, because we are relatively unique in the UK and this is an area that is not really replicated.

Graham Stringer: Sir Geoffrey's point was that big projects are big projects.

Professor Dame Jenny Harries: It is about the expertise. If you look at the timescales of this—I am very happy to be accountable going forward with the decision—we have not had a build on this or a deliverable, really, since the UKHSA has been in place. We are awaiting clear direction. Absolutely, yes. Clearly, we have been working to all the infrastructure



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programme standards and that will set a standard for all the programmes, but it is an area where, when we have the decision and we know what it is we are trying to deliver, we absolutely should be working on that.

Q87 Graham Stringer: Every time UKHSA and its predecessors have been asked which is the most effective, efficient location for this, they have come back with Harlow. That has been stopped. What is the conflict? Why has Harlow not been accepted, given it has been put forward regularly as the best option?

Shona Dunn: Mr McPherson made this point earlier. The range of reasons that have led to the number of reviews have included changes in strategic context and changes in organisation and the objectives for the country, but the issue in recent times has been the question of affordability. The NAO Report sets out very clearly the increase in anticipated costs of the Harlow site from the £1.9 billion to the £3.2 billion, and there is a question—and it is always, as you would expect, a question in any significant Department—around the right use of public funds at that scale.

Ministers, understandably, wanted to understand what would be the options for staying within the financial envelope that was affordable at that time.

Q88 Graham Stringer: Jonathan asked about the costs for an annual delay or year's delay and we were told that nobody knew. Why not? I would have thought that that was a fairly basic part of budgeting and risk analysis.

Professor Dame Jenny Harries: For the Porton option, we have as yet not tied down tightly what those costs are, as we have explained, so it is difficult to estimate that. We can see what the costs have been in terms of delay for the Harlow site. In fact, they are evidenced. We perhaps have not produced a precise figure now, but we can put that out. One of the key points about this in some of our conversations is around the building in.

I am sure my finance director colleague will give me the right terminology, but the risk going forward actually increases the cost quite considerably. We are projecting that these are potentially quite real with this programme, given there is a global push, if you like, towards creating more laboratories post pandemic. There is a risk in ensuring contractors are available and the actual final delivery of the programme.

Q89 Graham Stringer: I am just surprised that you have come before the Public Accounts Committee and cannot answer a simple question like that.

If I can just follow up the point that Richard was making about accountability, the answer was, "There have been too many people involved". As public servants who are trying to do your best to produce



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something for the public, something vital for the country, are you ashamed to be part of a project that has gone so badly wrong?

Professor Dame Jenny Harries: I am set on delivering the programme, which I hope is very evident from—

Q90 **Graham Stringer:** With respect, Professor Harries, that was not the question. I have no doubt that you want to get the project right in the future. Why would you not? This is an embarrassing project in terms of the financial overrun. As public servants, are you embarrassed about that?

Professor Dame Jenny Harries: I am a taxpaying member of the public, of course. It is the point Mr Fuller made. The public would seek to know where the finances and delays in expenditure are. It is a big sum of money. It always will be for this sort of programme, but a delay in delivery is not what we want to see. However, as we have discovered and described, there are constraints around this.

Q91 **Chair:** We recognise the constraints going forward. We recognise the challenge you have, but Mr Stringer is asking a fair question. What do you feel about how it has been run so far and the point it has got to before you inherited it? We could put it that way, perhaps.

Professor Dame Jenny Harries: I am professionally saddened, in some ways, that a vision for a new science hub, the Harlow model, has not yet been delivered. As many of you have pointed out, there are opportunities for things to be moved quickly using the right experience and the right skills, which are perhaps not always readily available all the time. I am very keen to use those skills.

As I say, as a new organisation working differently, particularly with both private and other parts of the public sector across Government, there are opportunities to move this very quickly.

Q92 **Chair:** Ms Dunn, how do you feel Whitehall comes out from this?

Shona Dunn: Clearly, nobody wanted a programme like this to play out in this way and clearly it has been a very challenged programme. It has had a number of occasions where it could have moved ahead and various issues have stopped it. Mr Stringer, everybody here on this panel has been focused on how we get it moved forward, rather than going back and undertaking a forensic analysis of exactly who did what wrong. We find it quite difficult to say that there are particular things that absolutely should not have happened that did happen.

To an earlier point, of course, one of the things is that we are very much engaged with the IPA on this programme. One of the reasons we do that is in order to learn the lessons, not only of our own experience on this programme but of all programmes, so that we can try to get that right going forward.



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I understand the point you are making entirely. Clearly, this is not how it should have played out and it clearly has been a very challenged programme. I accept that we all have a responsibility to learn the lessons and make sure that does not happen in future.

Chair: As we have highlighted, the figures speak for themselves. It has gone up an awful lot in cost, and yet we do not see anything delivered. Deadlines have been missed. We take you on good faith that you have promised certain things going forwards. We have those dates and deadlines and, if it is not us, a successor Committee will have them earmarked. I am leaving a detailed handover note to whoever does this role after the next general election. This is something that is absolutely critical to the safety of our country. While we wish it well, we will continue to scrutinise it very closely.

Can I thank our witnesses, Professor Dame Jenny Harries, Scott McPherson and Andrew Sanderson from UKHSA, and Shona Dunn from the Department of Health and Social Care? I thank them very much indeed for their time. A transcript of this session will be available on the website uncorrected in the next couple of days, and we will be producing a full report on this after the Whitsun recess. Thank you very much indeed.