Twenty-Seventh Report of Session 2019-21

Cabinet Office and Department of Health and Social Care

COVID-19 Supply of Ventilators

Introduction from the Committee

Ventilators are medical devices that assist or replace a patient's breathing. Patients with COVID-19 who are admitted to hospital often have problems breathing. On arrival in hospital a patient's blood oxygen level is measured. If it is low, then the patient may be given standard oxygen therapy using a mask; non-invasive ventilation where oxygen is delivered under pressure via a mask or helmet; or invasive mechanical treatment using a mechanical ventilator, which takes over a patient's breathing. The specific treatment used is a judgement for clinicians and patients may undergo more than one treatment during a stay in hospital.

In the early stages of the pandemic, based on information available at the time, the NHS believed it could need far more mechanical ventilators than were available. From March 2020, the government made efforts to rapidly increase the number of ventilators available to hospitals in the UK. Its strategy included: purchasing ventilators from suppliers on the global market, led by the Department of Health & Social Care (the Department); and encouraging UK manufacturers to design and scale-up production of ventilators as part of the 'ventilator challenge', led by the Cabinet Office.

Based on a report by the National Audit Office, the Committee took evidence, on Monday 12 October 2020 from the Department of Health and Social Care. The Committee published its report on 25 November 2020. This is the Government response to the Committee's report.

Relevant reports

- NAO report: *COVID-19 Supply of Ventilators* – Session 2019-21 (HC 731)
- PAC report: *COVID-19 Supply of Ventilators* – Session 2019-21 (HC 685)

Government response to the Committee

1: PAC conclusion: ***The Departments lost a crucial month because they were underprepared and reacted slowly to the shortage of mechanical ventilators.***

1: PAC recommendation: ***The Department of Health and Social Care and NHS England and NHS Improvement should set out how their future plans for responding to emergencies will address:***

- ***Maintaining an adequate asset register of its critical equipment and a method for quickly gathering the up to date data.***
- ***Protocols for rapid procurement of critical equipment.***
- ***The need for surge capacity in the NHS's supply chains.***

1.1 The government agrees with this recommendation.

Target implementation date: Summer 2021

1.2 NHS providers maintain asset registers of critical equipment. In the short term, the processes established for the COVID-19 pandemic have demonstrated that a national view of critical equipment together with any associated required information can be quickly gathered when needed. Should information on a different type of equipment be required this process would be repeated.

1.3 In the longer term, consideration is being given to how information in local asset registers could be standardised to ease consolidation. This could include promotion of standardised taxonomies for product descriptions and the adoption of standards for information exchange.

1.4 The equipment purchased as part of the COVID-19 response has both increased NHS provider

capacity and created a strategic reserve of equipment for use in future incident responses. Together this should significantly reduce the need for future rapid equipment procurement.

1.5 However, should future rapid procurement of equipment be required, variants of the processes used for COVID would be used. The National Audit Office reviewed these processes, reporting that they provided effective management and sought to control costs where they could be controlled.

1.6 Inevitably, the circumstances of any future rapid procurement may differ from those experienced in early 2020 and so the department would expect to adjust, and where possible improve, the processes accordingly.

1.7 As part of the COVID response, strategic reserves of equipment, consumables, medicines and PPE have been created to provide additional capacity to meet future surges.

1.8 Whilst these stockpiles have been designed to meet immediate needs, once the pressures of COVID have subsided, we would expect to review stockpile levels to ensure that they remain appropriate given up-to-date assessment of the risks facing the UK.

2: PAC conclusion: ***It is not clear how the Department of Health and Social Care is assessing whether the NHS has enough critical care equipment for future demand.***

2: PAC recommendation: ***The Department of Health and Social Care should write to us within one month of this report explaining its current methodology for assessing 6 COVID-19: Supply of ventilators whether it has all the equipment it needs to respond effectively to the pandemic.***

2.1 The government agrees with this recommendation.

Recommendation implemented

2.2 Given the exceptional circumstances of the pandemic, since March 2020, DHSC and NHS E/I have worked together to provide additional support to NHS trusts to help ensure sufficient medical equipment, including ventilators, were available.

2.3 This has included the direct purchase by the government of 22,300 mechanical ventilators, 12,150 non-invasive ventilators, 9,500 CPAP machines and thousands more items of associated medical equipment. DHSC has also worked with NHS E/I to develop and implement an escalation and national loan process through which trusts could make urgent requests for this equipment which was then quickly and efficiently distributed to where it was needed. More information about this *national loan process can be found on NHS England's website*

2.4 Since March, over 30,000 items of equipment have been distributed across the UK through these processes, however significant volumes of equipment remain available in national stocks to distribute to Trusts (through Regional teams) if they need them.

2.5 Therefore, the department have assured themselves that the NHS have both the right processes in place and hold sufficient stock, to ensure trusts have all the equipment they need to respond to the pandemic.

3: PAC conclusion: ***Despite having to operate at speed, the Department of Health and Social Care still had a duty to carry out full due diligence for all parts of the supply chain.***

3a: PAC recommendation: ***The Department of Health & Social Care should set out in its Treasury Minute response its view of the risk resulting from the speed of its due diligence on its purchase of ventilators and how it is ensuring that its due diligence procedures for future procurements cover the full supply chain during emergency procurement. This should include how it will minimise the risk of contributing to modern slavery and meet other legal requirements.***

3.1 The government agrees with this recommendation.

Recommendation implemented

3.2 The majority of devices purchased during this period were through framework agreements where NHS standard procurement processes had been followed. These include usual full due diligence checks.

3.3 Where devices were purchased outside these normal framework agreements, due diligence on suppliers was undertaken along with colleagues from FCO (now FCDO). This included commissioning rapid risk reports on potential new suppliers through specialist third party organisations. However, given the extreme urgency and exceptional circumstances, it is inevitable that the ability to conduct thorough due diligence checks were more limited during March and April 2020 than normal.

3.4 The checks that we undertook were appropriate to the circumstances faced and uncovered no material concerns relating to organisations that the department contracted with.

3.5 The government is confident that the increased capacity purchased already, and improved horizon scanning arrangements that we have now put in place (as set out in the answers to 1 and 2 above) will significantly reduce the need to rely on rapidly purchasing equipment outside of normal procurement processes in future. The department takes all allegations of modern slavery very seriously and is committed to ensuring all suppliers follow the highest legal and ethical standards, fully understand their supply chains and operate responsibly.

3b: PAC recommendation: ***The Cabinet Office should also set out what updates it plans to make to its guidance to help departments meet this requirement during emergency procurements.***

3.6 The government agrees with this recommendation.

Target implementation date: February 2021

3.7 The Cabinet Office will publish an update to Procurement Policy Note 01/20 to strengthen guidance on the risks to be considered when using emergency procurement procedures.

4: PAC conclusion: ***The ventilator challenge was an exceptional and far from traditional approach that offers some lessons for future programmes although they could not be applied wholesale under normal circumstances.***

4: PAC recommendation: ***As part of its treasury minute response, the Cabinet Office should work with participants to understand and ensure the right lessons from the ventilator challenge are learnt. It should publicise:***

- ***which lessons were unique to the circumstances;***
- ***which can be applied to future programmes. It should ensure these lessons are disseminated to the appropriate government departments or functions; and***
- ***be clear about the risk to taxpayers' money of this innovative approach.***

4.1 The government agrees with this recommendation.

Target implementation date: June 2021

4.2 The Government Commercial Function is in the process of updating the Outsourcing Playbook V2 which will be launched as a Sourcing Playbook in Spring/Summer 2021 and will incorporate the lessons from the Ventilator Challenge that can be applied to future programmes. The Ventilator Challenge lessons will be captured as a case study and used as part of training on risk - this will be disseminated as part of the regular knowledge sharing sessions with government departments.

5: PAC conclusion: ***Both programmes succeeded in part due to cross-government working and the expertise of key individuals involved.***

5: PAC recommendation: ***The Cabinet Office should set out, as part of its Treasury Minute response, what lessons it has learnt from these programmes for how government will, in future, ensure that it identifies the skills it needs, where these skills are, and how it will get them in place quickly when a rapid response is required.***

5.1 The government agrees with this recommendation.

Target implementation date: March 2023

5.2 The Government Commercial Function and associated central employment model of the Government Commercial Organisation enables the Cabinet Office to continue to optimise the skill development and deployment of staff with these skills accordingly. Further activity is underway to ensure that assessment and associated capability building in the commercial space continues in both government departments and across the wider public sector, with a target date of March 2023 to have achieved scale. This will ensure that in the event of future crises more commercially trained /assessed and accredited staff will be available for deployment.

6: PAC conclusion: ***The ventilator challenge produced intellectual property that should be exploited to maximise value for the taxpayer.***

6: PAC recommendation: ***The Cabinet Office should set out, as part of its Treasury Minute response, how it plans to maximise the value to the taxpayer from the intellectual property created through the ventilator challenge. This should include how it plans to:***

• use its learning from the ventilator challenge to set out how it could bring together small and large companies to develop workable and scalable products that the government needs in future; and

• monitor whether intellectual property it owns is used so that it can achieve value for money for the taxpayer.

6.1 The government agrees with this recommendation.

Recommendation implemented

6.2 As a result of the Ventilator Challenge, the government owns a number of designs for viable, emergency-use mechanical ventilators. It has standard licencing terms for licencing these designs and have supported conversations pursuant to organisations licencing the designs. To date, this has not resulted in any revenue to the government.

6.3 In terms of sharing the lessons learned on the Ventilator Challenge with respect to innovation, a document has been developed with key lessons and this has already begun to be shared, including at the Government Innovation Symposium on 15 December 2020.