



Department for
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Rt Hon Meg Hillier MP
Chair, Public Accounts Committee
House of Commons
London
SW1A 0AA

30 April 2021

Dear Chair,

Response to the Committee re: *Planning for a vaccine Part 1* PAC Report

*PAC Recommendation 3: BEIS should, by the end of March 2021, review its decisions about how to invest taxpayers' money and its appointments processes to identify what it would repeat and what it will change in future. As part of this, BEIS should examine its experience of using the Taskforce model to inform its own and government's future skills requirements and to ensure accountability arrangements are robust. **BEIS should, by the end of April 2021, lay out its learning so the rest of government can improve the robustness of the cross-government emergency response. It should also assess how it will deal with indemnities for future vaccines and be clear about the benefits and risks.***

Thank you for the PAC's report on *COVID-19: Planning for a vaccine Part 1*, following the Public Accounts Committee oral evidence session on 11 January. Following the letter sent at the end of March in response to the first part of the above recommendation, this letter responds to the second part of the recommendation.

The Vaccines Taskforce is an output driven programme and has worked at speed to expedite and coordinate the efforts to research and procure a successful COVID-19 vaccine. We have worked at pace to resource our team, put in place new governance procedures, and are continually assessing value for money. As part of this, the Taskforce has identified a number of initial learning points as set out below. The lessons from the Taskforce's work will continue to be kept under review as it continues to operate.

Resourcing an emergency response team

The growth of the VTF's workforce has exemplified a government emergency response, utilising a wide range of resources at pace. The VTF's inception in May 2020 saw rapid recruitment of staff from a variety of backgrounds, including civil servants, military staff, external secondees with expertise from industry, contractors and consultants. The cross government COVID-19 volunteering campaign launched by central government helped the VTF to recruit civil servants from other government departments. Military staff have also been deployed to the Taskforce as a joint effort to support the COVID-19 response. The diversity of professional backgrounds represented across the VTF has been critical to the Taskforce's success, allowing civil servants and staff from industry to gain knowledge, skills, and expertise from working collaboratively and learning alongside each other.

Working almost entirely remotely since its inception, the VTF has been able to mobilise staff from a wide range of locations, without the need to relocate them to a central BEIS hub. Effective remote working within the Taskforce would not have been feasible without staff adapting to the use of new IT platforms, which have allowed direct, instant, and hugely collaborative communication within the VTF. However, there is currently no software in place to facilitate this type of direct communication on a cross-Whitehall scale, nor with external stakeholders. Developing a platform to allow instant cross-government communication that could be primed and ready for any future emergency response team could be of significant benefit where decision-making is required at pace to enable seamless working across departments.

Conflicts of Interest

While recruiting people from industry carries some risk around bias towards their own area of business and sharing of sensitive information, both of these risks have been mitigated through non-disclosure agreements, Conflicts of Interest (COI) transparency, and the recruitment process itself to ensure the right people are employed. The VTF's recruitment process for staff is constantly monitored and the process is refined where appropriate to reflect the changing nature of our programme.

As a minimum, all VTF staff, non-staff personnel and suppliers have been required to follow the standard BEIS COI policy and guidance, capturing COI information via an annual declaration of their interests. This has included contractors, secondees and client-side consultants who have moved to support the VTF, as well as existing VTF staff when they move role internally. Actions are agreed to mitigate any actual or perceived Conflicts of Interest, and these are signed off by the line manager of the staff and team Director. Outside of this routine (annual) data capture, reminders around COI have been circulated regularly and especially during specific times of heightened activity.

The VTF has enhanced its internal COI policy beyond the baseline set by BEIS, to further strengthen the robustness of its COI safeguards and ensure continued focus on transparency. This is as a result of learning and continuous improvement, including

from external recommendations, such as those made by the National Audit Office (NAO) as a result of their scrutiny of other COVID-19 initiatives. Changes have included the introduction of project-specific COI declarations at the commencement of any new project, and COI declarations for all Direct Award activity outside of a competitive procurement area, regardless of contract value. Future cross-government emergency responses could, from their inception, follow similarly enhanced COI measures (beyond the standard COI procedures of the government departments they belong to), particularly if they involve the recruitment of large numbers of external staff and increased direct award activity.

Governance

It was clear from the VTF's inception that the speed of decision making needed for the programme – and the magnitude of investment involved - would require responsive governance structures and procedures within the VTF, within BEIS as the VTF's parent department, and across government. These arrangements have remained agile to respond to the Taskforce's evolving needs.

Within BEIS, the principal structure used was by taking advantage of BEIS' existing expedited investment appraisal process for business cases considered by the Projects and Investments Committee (PIC). The expedited PIC process already existed within the Department, and reduces the time taken for the committee to make investment decisions from four weeks (PIC standard process) down to seven to nine days. It remains a robust process with proportionate levels of scrutiny. This expedited PIC process was initially used for all investments before the VTF's Investment Panel was formed. Once approval limits had been agreed with HMT, the PIC process was used for all investments over £150 million and any proposals below this figure were taken to the newly established Investment Panel.

Future cross-government emergency responses may benefit from considering similar proportionate but expedited approaches, while recognising the impact of response work on existing processes and central teams and ensuring that they are adequately supported. In addition, the Department carried out a light-touch assurance review at an early stage in the VTF's lifecycle, which provided many helpful recommendations about how to stabilise the governance arrangements. Future cross-government emergency responses may also benefit from a light touch assurance review of some sort early in its life to provide an outside perspective.

New governance arrangements were established across government to provide oversight of the VTF's work, as part of the process for agreeing the VTF's overall budget. A new VTF Ministerial Panel was established, for approvals on spend above £150 million (or where cases are deemed to be novel, contentious or repercussive). This Ministerial Panel brings together Ministers from relevant departments to support responsive, robust decision-making on investments made by the programme; at the pace required for the ongoing commercial negotiations. As required in Managing

Public Money, ministerial decisions are separate from considerations by the Accounting Officer.

The VTF's panels process, as outlined in our end-March response to part 1 of this recommendation, has ensured a streamlined process for swift investment approvals, while ensuring cases undergo appropriate assurance and scrutiny. Investment approvals are granted by either the Investment Panel or Ministerial Panel, both of which bring together membership from multiple government departments. Future cross-government emergency responses may benefit from setting up similarly efficient direct approvals routes which bring together all relevant parts of government into a single process, alongside utilising (and adapting) existing routes such as the expedited PIC process at BEIS.

Working with OGDs and external partners

Every aspect of the VTF's work to date has involved collaboration with other government departments, agencies and external partners, including (but not limited to) Public Health England (PHE), Cabinet Office (CO), Department for Health and Social Care (DHSC), UK Research and Innovation (UKRI), National Health Service (NHS), government Office for Science (GO-Science), Ministry of Defence (MoD), Department for International Trade (DIT), National Institute for Health Research (NIHR), Medicines and Healthcare products Regulatory Agency (MHRA) and Her Majesty's Treasury (HMT). Cross-Whitehall collaboration has particularly aided the VTF's work around vaccine deployment and supply chain security. Bringing together a wide range of stakeholders at pace was key to the Taskforce's emergency response, and the VTF has since been able to provide advice to the Therapeutics Taskforce and Antivirals Taskforce on how to embed best practice and develop their governance procedures.

With regard to the second part of this PAC recommendation:

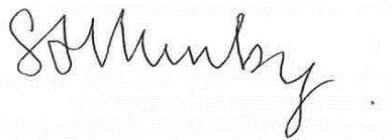
Indemnities

The emergency circumstances in which the VTF had to gain access to emerging vaccine candidates meant that a broader approach to risk sharing had to be taken than might ordinarily have been contemplated. Accepting indemnities, which HMG would normally avoid for such contracts, was necessary to secure the fastest possible access to vaccines, in what was - and remains - a highly competitive global market during a public health emergency. Many other countries were known to be offering indemnities, or providing immunity in alternative ways, such as the Public Readiness and Emergency Preparedness (PREP) Act in the US. Contingent liability is only acquired by HMG at the point of vaccine deployment, so for any contracts in which HMG does not go on to administer a vaccine, HMG will not be required to provide indemnities. The VTF will continue to take into account possible scenarios for

contingent liabilities when estimating the value for money of each VTF investment, updating models to incorporate emerging information on particular vaccines.

There is currently uncertainty about the duration of protection provided by current vaccines and a risk that virus variants may emerge against which current vaccines are less effective. To ensure the UK is equipped for a range of possible scenarios, the government is investigating the requirements of and preparing for a potential autumn/winter 2021/22 booster programme. Global vaccine supplies remain constrained and the public health and other impacts of a resurgence of Covid-19 are significant. The VTF will therefore continue to seek the best terms for HMG in any future negotiations, including in relation to indemnities, and will only offer indemnities to Vaccine Suppliers where deemed absolutely necessary. The Taskforce will also continue to follow Managing Public Money standards to notify Parliament with Written Ministerial Statements and Departmental Minutes at the point of vaccine deployment, as has already been done for the Pfizer, AstraZeneca and Moderna vaccines.

Your sincerely,

A handwritten signature in black ink, appearing to read 'S. Munby', with a small dot at the end.

SARAH MUNBY
BEIS Permanent Secretary