



MEDIA RELEASE

The Covid-19 pandemic: Supply and procurement of Personal Protective Equipment to local healthcare providers

A new report, published today (Tuesday 1st March 2022) by Northern Ireland's Comptroller and Auditor General, has highlighted the challenges faced by the health and social care sector in sourcing and securing adequate Personal Protective Equipment (PPE) in response to the Covid-19 pandemic.

Mr Kieran Donnelly CB's report summarises the key issues around PPE supply and procurement at the outbreak of the pandemic, and tracks the situation up to July 2021. Equipment for the health and social care (HSC) sector was purchased by the Business Services Organisation's Procurement and Logistics Service (BSO PaLS), an arm's length body of the Department of Health. Whilst individual independent care sector (ICS) providers bought their own PPE before the pandemic, extreme difficulties in securing equipment meant that the sector has also been supplied with PPE free of charge through BSO PaLS from mid-April 2020. Nearly £400 million of PPE was purchased by BSO PaLS between January 2020 and April 2021, compared with £3 million spent in 2019.

Supplying PPE to healthcare providers

The early stages of the pandemic saw a dramatic rise in demand for core PPE – the total number of items required each month by the HSC and ICS sectors increased by 429 per cent, from the 6.3 million items used by HSC providers in 2019 to 33 million items between March 2020 and May 2021.

Faced with hugely increased demand and supply constraints, BSO PaLS initially struggled to build sustainable PPE stocks. Its existing contracts proved incapable of providing reliable supplies, and it held less than one week's supply of most items throughout most of March 2020. Today's report highlights clear evidence of PPE shortages across the HSC sector and ICS nursing and residential homes well into April 2020, particularly for FFP3 (respirator) masks.

As supply pressures eased, the total number of core PPE items delivered to healthcare providers increased, from 17 million in March 2020, to an average of 32 million items every four weeks between late April 2020 and May 2021. The report notes that supplies amongst ICS providers improved significantly following DoH's mid-April 2020 decision to routinely provide them with PPE free of charge, but that the Royal College of Nursing and Independent Health & Care Providers (IHCP) consider improvements were only secured after extensive lobbying, and, according to IHCP, only after COVID-19 cases began escalating in care homes.

Costs and Procurement

Similar to the rest of the UK, procurement of PPE involved heavy use of Direct Award Contracts (DACs - i.e. contracts let without competition) to purchase items. By April 2021, £371 million of PPE was purchased using through DACs. The HSC sector also incurred very high costs early in the pandemic, with average pre-COVID prices increasing by 957 per cent for gowns, and 1,314 per cent for Type IIR masks. Despite referring 60 high cost cases to the Competition and Markets Authority in May 2020, BSO PaLS bought £127 million of PPE from these suppliers to secure urgently needed equipment. BSO PaLS stated that no potential offers were 'fast-tracked', and all had to pass quality and specification assessments prior to purchase.

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BROADCAST BEFORE 00.01 hrs ON 1 MARCH 2022**

Current and future arrangements

By July 2021, between 47 weeks and 71 weeks stocks of various PPE items had been accumulated by the HSC sector, which greatly exceeded its target of 12 weeks' supply, due to usage falling well below its projections. A high proportion of this was purchased under the early high cost DACs. BSO PaLS has now developed a more flexible procurement system to help reduce the need for non-competitive DACs. However the report highlights that further work is required to improve demand modelling and develop responsive and flexible supply chains for the future.

Commenting on the report's findings, Mr Donnelly said:

"This report reflects and recognises the enormous challenges facing the health service, particularly at the outset of the Covid-19 pandemic. As the need for PPE was rising dramatically, so was global demand and the health sector here was under immense pressure to identify new sources and secure orders. Although there were clearly initial supply shortages, over 2,000 potential leads were investigated, and 45 new suppliers engaged between January 2020 and April 2021, from whom over 600 million core PPE items have been ordered. It is clear that the unprecedented response to Covid-19 has extended to all parts of our health service, including those working in procurement, and I would like to pay tribute to their efforts.

"At the same time, it is important that the lessons identified in my report are also learned. In addition to the need for improved contingency and emergency planning to avoid a repetition of any supply shortages, there should have been less reliance on uncompetitive procurement processes, better controls for managing potential conflicts of interest, and more comprehensive documenting of decisions over high cost procurements. It is also important that there is greater clarity over longer-term procurement and funding arrangements for PPE provision to the independent care sector."

ENDS

Notes for Editors

1. The Comptroller and Auditor General is Head of the Northern Ireland Audit Office (the Audit Office). He, and the NIAO, are totally independent of Government. He certifies the accounts of Government Departments and a range of other public sector bodies. He has statutory authority to report to the Assembly on the economy, efficiency and effectiveness with which departments and public bodies use their resources. His reports are published as Assembly papers.
2. The report is available on the Audit Office website at www.niauditoffice.gov.uk. The report is embargoed until 00.01 hrs on 1 March 2022.
3. PPE significantly assists infection control in healthcare settings, but before the pandemic, local health and social care (HSC) and independent care sector (ICS) staff needs were mainly limited to gloves and aprons, with some HSC usage of Type IIR face masks. The Business Services Organisation's Procurement and Logistics Service (BSO PaLS) purchased equipment for the HSC sector, with individual ICS providers buying their own PPE. Covid-19 saw demand for these items rise dramatically, alongside a need for largely new equipment including FFP3 (respirator) masks, eye protection, and gowns.
4. An arm's length body of the Department of Health, Business Services Organisation's Procurement and Logistics Service (BSO PaLS) provides business support functions and professional services to HSC organisations. Within BSO, PaLS provides professional procurement and logistics services to HSC organisations.
5. The independent care sector provides a range of social care services, including operating residential and nursing homes and homecare services. Independent Health & Care Providers (IHCP) is the representative body for independent care sector providers.
6. The report highlights some issues which arose over the quality of PPE procured largely in the early stages of the pandemic. These include concerns over both the availability and quality of fit-testing of FFP3 masks, creating the risk that ill-fitting equipment could increase infection risks. Various steps were taken to resolve safety concerns, including re-test programmes, local staff support helplines, and offering COVID testing to staff.