

Steve Oldfield

Chief Commercial Officer Second Floor South, 39 Victoria Street, SW1H 0EU

By email 8th October 2019

Dear Colleagues,

I am writing to update you on the Government's contingency planning to get ready for Brexit on 31 October 2019, and to provide more operational details of several elements of these plans:

- NAO Report: "Exiting the EU: supplying the health and social care sectors"
- Government-secured freight capacity
- Department of Health and Social Care's Express Freight Service procurement
- How to register for the Government freight contingency measures <u>all recipients of this letter should</u> register
- Trader readiness and additional measures to support industry

On 26th June, I wrote to you to inform you of our multi-layered approach to support the continued supply of medicines and medical products, one element of which was to support supplier rerouting through two freight procurements. Ministers and the Department recognise, and are extremely grateful for, the work that suppliers of medicines and medical products and sponsors of clinical trials and clinical investigations have continued to do since 26th June and would like to thank you once again for your collaboration and efforts.

The Department continues to work alongside our stakeholders including industry, Royal Colleges, charities, patient groups and the NHS. This includes the Devolved Administrations (DAs), (DHSC and the DAs have jointly formed a 'Supply Forum', which meets fortnightly to focus on information sharing at a senior level relating to the continuity of supply of medicines and medical products), Crown Dependencies and Gibraltar.

NAO Report

I would like to welcome the recent report from the <u>National Audit Office (NAO) into the Department's preparations</u> in the event that the UK leaves the EU without a deal. I am pleased that the NAO recognised the enormous amount of work already done by the Department, and our industry partners, in preparation for leaving the EU. To supplement this, government and industry continue to work together to enhance our knowledge of supplier readiness and needs.

We firmly believe our preparations and multi-layered approach remain necessary to support the continued supply of medicines and medical products if the UK leaves the EU without a deal. Our latest data collection exercise and supplier assurance process show that:

- 96% of medicines suppliers within scope of the programme have responded;
- this represents 98% of the market;
- 82% of products within scope have a 6-week stockpile in place;

These numbers are constantly rising and will do so until 31st October, providing an ever-clearer picture and even greater levels of assurance.

Government-secured freight capacity

Further to my letter of 26th June and the possibility of significant disruption at the short Strait for up to six months, the Government is procuring additional freight capacity away from terminals and ports forecast to have the most disruption. This will be available as an alternative supply route for companies moving all priority goods into the UK including medicines and medical products which have been prioritised for use of the Government-secured freight capacity.

The Government is securing capacity from freight operators and these will be sold at market rates to suppliers of 'Category 1' goods. The Call Off mini-competitions to secure capacity from the freight capacity framework began on 20th September and the Department for Transport (DfT) intends to award contracts in mid-October. At this point DfT will announce the routes and terminals available. The process for securing capacity will be similar to last time. Access to the Government-secured freight capacity will be via tickets; there will be no 'turn up and go' access. Tickets will be available for purchase after the Call Off contracts have been awarded

If you wish to access the Government-secured freight capacity you will need to register. Details of how to register are included below.

Express Freight Service procurement

The DHSC is, in addition, seeking to procure an 'express freight service' to provide access to an end-to-end solution able to deliver small consignments on a 24-hour basis and a two-to-four-day pallet delivery service. This is designed to be used only if suppliers' own contingency measures encounter difficulties or there is an urgent need for specific medicines or medical products. The bid response window for this procurement has now closed and we are currently reviewing the bids. Again, we are looking to award the contract(s) in early October subject to the relevant approvals.

To enable products to be channelled through this logistics route at short notice, it is necessary that we have received and verified a range of information from suppliers, by means of an Express Freight Service registration process. Registration does not constitute a commercial agreement and does not commit the supplier to use this contingency or provide any guarantee that the DHSC will grant access to this contingency arrangement.

While we recognise that you may have full confidence in your own contingency measures and may feel that you would not need to call on this arrangement, we encourage all suppliers to register as an important element of their preparedness arrangements so that products can be moved quickly and efficiently in the event that this additional contingency needs to be deployed.

How to register for the Government Secured Freight Capacity and Express Freight Service

Suppliers will need to register online to be eligible for access to both the Government-secured freight capacity and Express Freight Service, regardless of whether they registered last time. Previous registrations for Government secured freight options were carried out on a different registration system and to streamline the process during this registration period we are using the same system for access to both the Government-secured freight capacity and the Express Freight Service contingency measures. Suppliers should complete the relevant form at https://ship.mixmove.io/registerfreightservice. Please note the following guidance:

- We recommend that the form is completed by colleagues working on the supply chain.
- Suppliers should aim to register by the 16th October to allow good time for processing
- Following successful registration, an access code will be provided to you within 2 working days

- The access code will enable the purchase of freight capacity from the week commencing mid-October. For the Government secured freight capacity, you will also need to instruct your hauliers to complete the Haulier Registration process.
- Further guidance will be distributed in mid-October with further information on the process for accessing capacity on to the Government-secured capacity and Express Freight Service.
- Registration does not constitute a commercial agreement to purchase the capacity, but it will form the
 basis of the Department's future contact with suppliers and their logistics providers about the ticketing
 process.
- If you do not believe you will require, or are unsure, whether you will require use of the Governmentsecured capacity, please continue with registration and provide comments to indicate this during the registration process.
- If you choose to not respond it will not preclude you from later registering for the freight capacity, although we encourage you to respond early as this will assist the Department in ongoing contingency planning.
- The Department will be holding a webinar to provide practical support on how to register. Further details on how to join will follow.

Please be assured that any data provided will be handled in confidence and is protected in law through the <u>General Data Protection Regulation (GDPR)</u>, the Data Protection Act 2018 (DPA 2018) and the Law Enforcement Directive. Information provided in the registration process will be held securely on behalf of DHSC by its appointed agents and used only for the purpose of enabling shipments via the Government-secured freight capacity and Express Freight Service.

<u>Trader readiness and additional measures to support industry</u>

The Department's multi-layered approach includes an ask of companies to be trader ready – ready for new customs and border arrangements that will come into place from Day One, if the UK leaves without a deal. To support industry further in their preparations, we are announcing that, following engagement and feedback with trade associations, suppliers and distributors, we will establish a dedicated trader readiness unit to support the health and social care sector. With this important step the Department re-affirms its support for industry, provides practical guidance to logistics providers and enhances the level of assurance we can provide the NHS and patients ahead of 31st October. The contact email address for the team is: BeTraderReady@dhsc.gov.uk.

These teams of specialists will be able to provide up-to-date advice and practical guidance on the steps they need to take to be ready for new customs and border arrangements from day one, if the UK leaves the EU without a deal. These teams will be working closely with both HMRC and the Border Delivery Group to ensure advice and guidance provided is grounded in the latest planning assumptions and the latest advice for traders.

The Department is committed to working closely with industry, through trade bodies and representatives, so that our contingency plans work effectively for patients and care providers across the UK, and that we can be as prepared as possible in advance of Brexit.

In the meantime, should you have any questions, please contact the workstream relevant for your sector directly at one of the following email addresses:

- Medicines: <u>medicinescontingencyplanning@dhsc.gov.uk</u>
- Medical Devices and Clinical Consumables: mdcc-contingencyplanning@dhsc.gov.uk
- Clinical Trials: ctcontingencyplanning@dhsc.gov.uk
- Vaccines and Countermeasures: Immunisation-MB@dhsc.gov.uk
- Blood and Transplants: transplants@dhsc.gov.uk

Non-Clinical Goods and Services: <u>contractreview@dhsc.gov.uk</u>

I urge all suppliers to give full consideration to the contingency measures set out in this letter and take the necessary steps to ensure your organisation is registered through the system outlined above. Thank you in advance for your continued cooperation with this important work.

Yours faithfully,

Steve Oldfield

Chief Commercial Officer