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THE UK COVID-19 INQUIRY

**MODULE 2, VOLUME 2 CORPORATE WITNESS STATEMENT OF HIS
MAJESTY'S TREASURY**

FIRST WITNESS STATEMENT OF KATE JOSEPH

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1. I, Kate Joseph, make this statement on behalf of His Majesty's Treasury ("HM Treasury" or "the Department"). My work address is HM Treasury, 1 Horse Guards Road, London, SW1 2HQ and my date of birth can be supplied to the Inquiry upon request.
2. I am providing this statement in response to the Inquiry's draft Rule 9 request dated 12 October 2022 ("the Rule 9 request") on behalf of the Department.
3. As a Director in HM Treasury, I currently coordinate the Treasury's work on Ukraine. I was previously the Director of HM Treasury's Covid Response Team coordinating the Department's work on Covid from November 2020 to February 2022. Prior to those roles, I worked in a range of government departments on domestic and foreign policy, including the Cabinet Office, the Department for Digital, Culture, Media & Sport ("DCMS"), No10 and the Department for International Development. Before joining the civil service, I worked for the United Nations and other international organisations.
4. While I have a good degree of personal recollection of many of the events or processes described in this witness statement, I have also co-ordinated and liaised with a number of colleagues with the relevant knowledge and experience across the Department. Their contributions have been used to respond to the questions in the Rule 9 request. My statement therefore relies upon those contributions to form the responses in this statement. I am also reliant on document archive searches conducted by colleagues.
5. My statement should be read subject to the caveats above. I have done my best to assist the Inquiry on behalf of the Department against these limitations. If further material is made available to me, I would be happy to add to or clarify this statement to take it into account.

Background to this draft statement

6. This statement provides HM Treasury's response to the UK Covid-19 Inquiry's Rule 9 request of 13 October 2022 with respect to Module 2. This statement is provided to the Module 2 Inquiry Team as an unsigned draft and includes additional material which is provided in response to feedback from the Inquiry Team, following its consideration of the initial draft statement submitted. This statement has been compiled in good faith and with the best efforts of HM Treasury in the time available.
7. This corporate statement covers HM Treasury's role in relation to the UK response to the pandemic between November 2020 and February 2022. This statement ("Volume 2") complements the corporate statement from Dan York-Smith ("Volume 1"). This is in line with HM Treasury's agreement with the Inquiry Legal Team that the statement should be approached chronologically and focusing particularly on Cabinet-level decision making. A number of text boxes have been inserted to cover thematic content that sits alongside the chronological approach and, in some cases, this content is relevant to both Volumes 1 and 2. I have read Dan York-Smith's corporate statement and am content that any references in his statement to my corporate statement are correct to the best of my knowledge.

Approach to discovery and disclosure

8. HM Treasury has written to the Inquiry to explain the challenges the department has faced in getting the eDisclosure platform functioning as it should. HM Treasury has therefore undertaken a largely manual document review process to inform the drafting of this statement and to assemble the accompanying exhibits.
9. To make this resource-intensive manual review more manageable, HM Treasury has focused primarily on the Strategy, Planning and Budget Group's data repositories where most of the relevant information on Cabinet-level decisions on non-pharmaceutical interventions ("NPIs") and lockdowns is judged to be held. It was complemented by an email inbox search by HM Treasury officials in key roles at the time. This approach means that only a partial picture has been revealed to date through documentary review and the content in this statement has been supplemented by the recollections of a number of current HM Treasury officials in key roles at the time, as well as *ad hoc* searches for specific documents. The intention is to broaden out searches to data repositories from other parts of HM Treasury for subsequent iterations of this statement or for future witness statements, subject to the Inquiry's steers. This statement has been developed internally

and has not, at this stage, been shared or checked with former HM Treasury officials or ministers.

10. This statement is informed and supported by a selection of relevant materials which are being exhibited to the Inquiry alongside this draft statement. Further relevant material may be discovered and exhibited in future and the statement may change as a result. Given the breadth of issues covered in this statement and the timescales for responding to the Rule 9, HM Treasury has taken the decision to focus on exhibiting selected key products that informed decisions (briefings, advice, papers, etc.) rather than every piece of potentially relevant information.

Section 1. Introduction

11. Following the submission of the Volume 1 draft statement to the Covid Inquiry in December 2022, this Volume 2 covers the remaining Module 2 period and runs from November 2020 to February 2022.

1.1 Overview

12. During the Covid pandemic, there were four main levers available to manage the virus: vaccines, testing, medicines (all Pharmaceutical Interventions (“PIs”)) and restrictions (NPIs). In the period covered in this statement, PIs were increasingly deployed as a means of managing Covid, thus slowly reducing the need for NPIs to be used to manage the virus. This marked a significant, if gradual, shift in the way in which the government collectively managed the response.
13. The increased deployment of PIs meant that, after the nationwide lockdown of early 2021, restrictions or NPIs became less critical through the remainder of that year and into 2022, as vaccines, testing and medicines began to reduce the proportion of Covid cases that led to hospitalisations. England (and Scotland, Wales and Northern Ireland) avoided full lockdowns once the initial vaccine had been rolled out in early 2021, including through the later emergence of the Delta and Omicron variants. While PIs are the focus of future Modules, they are an important part of the story for Module 2.
14. During this period, HM Treasury worked to ensure that analysis and evidence took into account the way in which PIs were changing the evolution of the virus. HM Treasury was focused on ensuring a gradual transition, where appropriate, away from economically restrictive NPIs and management of the virus through vaccines, testing and therapeutics. This was led by the Cabinet Office’s Covid-19 Taskforce (“Covid-19 Taskforce”) and was done in close consultation with the Chief Medical Officer (“CMO”), the Government Chief Scientific Adviser (“GCSA”) and in line with the public health advice.
15. However, as vaccines and therapeutics were being rolled out, and as new variants emerged, some NPIs were still needed to manage the virus. A further HM Treasury priority during this period was to ensure that, as the economic and epidemiological understanding of NPIs improved, they were used as effectively as possible. Significant cross-government work was done on determining which NPIs stopped the spread of the virus while minimising potential longer-term economic and fiscal impacts. This included, for example,

HM Treasury's input into the shape of the 2021 Roadmap, the Social Distancing Review, and January 2022 travel review.

16. As this shift in strategy happened, the dynamics of the virus became more complex due to increasing vaccine-induced and natural immunity in the population. Behaviours and economic adaptation also changed over time. Epidemiological and economic modelling and analysis became an increasingly sophisticated and useful tool for understanding these interactions and quantifying and planning for the future path of the virus. HM Treasury engaged with and contributed to the modelling and analysis undertaken across government throughout this period.
17. HM Treasury undertook a range of analytical approaches, working with others across government and economic bodies inside and outside of the public sector, to understand the evolution of the virus, the evolution of economic behaviour, the response to government policies to support the economy, and how these changed over time. This included the interpretation of increasing and more rapidly available data and a range of modelling and scenario-based approaches, such as epi-macro and supply-based modelling. These fed into cross-government and HM Treasury decision making.
18. Working closely with the Cabinet Office and other government departments, HM Treasury played a key role in this period in fostering a more predictable, better signposted approach to the imposition and removal of restrictions. As our understanding of the impact of NPIs grew, it was possible to undertake improved contingency planning and plan the exit from restrictions in a more sustainable and transparent manner. Crucially, this provided greater certainty for people and businesses, and supported faster economic recovery. It also supported the gradual withdrawal of exceptional levels of economic support, including through the furlough scheme. This will be covered in more detail in a later module.
19. Towards the end of this time period, the epidemiological analysis indicated that it was possible to move towards a more sustainable approach to the virus, with NPIs kept as a last resort. HM Treasury worked with other departments to ensure this was carefully planned and was supported by appropriate contingency planning.
20. HM Treasury continued to work closely and constructively with No10, the Cabinet Office, the Department of Health and Social Care ("DHSC") and other departments throughout this period. As structures and processes became more established, this collaboration became stronger and more effective in managing departmental concerns. HM Treasury

remained central to cross-government decision-making through the Chancellor's membership of the Quad, Covid Strategy Committee ("Covid(S)") and ("Covid(O)") (see below). Daily communication by officials through a range of meetings was a feature of this period.

1.2 HM Treasury's role in decision making during the Volume 2 period

21. Volume 1 of HM Treasury's Corporate Witness Statement for Module 2 of the Covid Inquiry set out the department's role in decision making in the initial stages of the Covid pandemic, as well as Cabinet-level decision-making structures in place at the time.
22. Much of that content remains relevant for the period covered in this second volume, and we have endeavoured not to repeat content where changes are minimal, instead focusing on the key developments, and the key decision making, during the period November 2020 – February 2022.
23. Covid(S) and Covid(O) continued to meet throughout this period, fulfilling the same functions that they had when established in late May 2020, as did the ministerial Quad meetings. HM Treasury ministers continued to attend Covid(S) and Covid(O) meetings, and the Chancellor attended Quad meetings. Cabinet Office's Covid-19 Taskforce continued to lead Covid work across Whitehall. HM Treasury officials also attended the Prime Minister's meetings on Vaccine Deployment from December 2020 onwards.
24. HM Treasury officials held a number of regular meetings with Cabinet Office counterparts. For example, there was a standing weekly bilateral meeting which switched to a daily rhythm in advance of major announcements taking place at senior and working levels. This was in addition to frequent more *ad hoc* consultation, and to the range of official level meetings in support of Covid(O)s, Small Ministerial Groups ("SMGs"), etc. There were also regular meetings with Cabinet Office, DHSC, the Department for Transport ("DfT") and the Foreign Commonwealth and Development Office at official level to discuss travel measures.
25. HM Treasury officials continued to work to inform and advise the Chancellor and departmental ministers ahead of their participation in Cabinet-level decision-making meetings through this period, responding to ministerial requests for briefing, analysis and advice as necessary. Ministerial steers on information required were given verbally, via ministerial meetings and/or passed on through the relevant Private Secretaries, and these

steers continued to inform how HM Treasury officials represented the Chancellor's and departmental ministers' positions in formal and informal meetings.

26. Other committees established earlier in 2020 also continued meeting throughout this period – for example the scientific committees including the Scientific Advisory Group for Emergencies (“SAGE”), the Scientific Pandemic Influenza Group on Modelling (“SPI-M”), the New and Emerging Respiratory Virus Threats Advisory Group (“NERVTAG”) and the Joint Biosecurity Centre (“JBC”) Gold. HM Treasury officials continued to attend SAGE in an observer capacity, as well as attending JBC Gold meetings.
27. It was a priority for HM Treasury officials to have a detailed understanding of the health picture and the likely path of the virus, particularly given the speed with which the public health position evolved and the interaction between that, the NPIs, and the need for economic policy to evolve alongside the government's public health strategy. Across government, epidemiological modelling was a vital tool to understand the range of possible outcomes for the path of the virus.
28. HM Treasury officials used the information shared at scientific committees to inform briefing or advice for the Chancellor and other HM Treasury ministers ahead of the cross-government ministerial decision-making meetings as described above and to inform internal policy development, e.g. when to ramp up contingency work on economic support. This was used in combination with the range of modelling and analytical approaches undertaken by HM Treasury throughout this period, including epi-macro and supply-based modelling, in order to understand the evolution of the virus and economic behaviour, and the response to government policies to support the economy.
29. Alongside established fora, in early 2021 four reviews were announced together with the Roadmap. These covered Social Distancing, Global Travel, Status Certification and Mass Events. HM Treasury was particularly closely involved in the Social Distancing Review, given the widespread impact on the economy from social distancing measures.
30. It should again be noted that, while HM Treasury is the economics and finance ministry for the whole of the UK, the UK Government's jurisdiction in the context of Covid-19 NPIs remained England-only through this period (although some elements of the testing and vaccine programmes were UK-wide), and therefore much of the below focuses on England.

1.3 Document Structure

31. The remainder of this draft statement consists of five sections (Sections 2-6) which set out a broad chronological account of HM Treasury's role in core government decision making within the scope of this Module between November 2020 and February 2022.

Section 2. November – December 2020

Summary

32. Following the announcement of a second national lockdown on 31 October, and the announcement by the Chancellor of an associated package of economic measures to support jobs and incomes, HM Treasury supported cross-government decision making on the approach to managing the pandemic that would be taken following the end of the lockdown. This was informed by the Prime Minister's announcement that the lockdown would end on 2 December and would be replaced by a localised tiered system.
33. During the course of November, HM Treasury officials provided advice to the Chancellor which recommended that a stricter tiering system be put in place than the regime announced during October. This was supported by analysis, including that presented to SAGE on 19 and 26 November which found that the vast majority of English local authorities placed in Tier 3 in October saw the epidemic shrink, implying that it should be expected that tighter restrictions (of the type implemented through the new tiering system) would lead to the epidemic shrinking more rapidly [KJ001/INQ000114473]. This advice, and similar processes being followed in other departments, concluded with the announcement on 23 November of the Covid-19 Winter Plan which confirmed the arrangements that would be put in place when the lockdown ended. To support the public health strategy through November, HM Treasury officials also participated in cross-government discussions including on mass testing (focused on the potential of mass testing to enable a broader range of economic activity).
34. HM Treasury officials also considered the approach taken for the return of higher education institutions, given the economic evidence that they were more able to adapt to restrictions than other sectors that would be closed under the proposed tiering framework. In line with the Department for Education's ("DfE") position, HM Treasury was supportive of primary schools and early years settings remaining open for in-person teaching, both due to the more significant economic impacts of primary school closures (e.g. on labour supply) and clear evidence of the negative impact of school closures on children's longer-term education outcomes.
35. Upon the end of the England-wide lockdown, regional restrictions were introduced on 2 December. The first fortnightly review point of these restrictions led to agreement that, with effect from 16 December, London, parts of Essex and Hertfordshire should be moved into Tier 3 following steep increases in case rates. Officials also advised that, unless new

evidence came to the fore suggesting otherwise, closing non-essential businesses under the new tiering system of restrictions was likely to be ineffective given past evidence from SAGE had shown that closing non-essential retail had a low impact on transmission, and would come at a huge economic cost. HM Treasury officials and the Chancellor favoured delaying the return of in-person teaching for secondary schools and universities instead, as evidence suggested the impact on transmission would be much greater, while supporting keeping primary schools open for in-person teaching given the greater impact closures had on labour supply and on longer-term educational outcomes for children. At the same time, the rollout of vaccines began and was expected to become a key tool in the government's efforts to suppress the virus.

36. After the initial SAGE discussion of the Alpha variant on 17 December 2020, ministers agreed on 19 December that tighter restrictions equivalent to the November lockdown be put in place in London, the South-East and the East of England. During the remainder of December, other regions were placed under these restrictions (which were more stringent than the upper bound of the tiering framework introduced earlier in the month) ahead of the England-wide lockdown announced in January 2021.

2.1 Tiering, exit strategy and the Covid-19 Winter Plan

37. On 2 November, the Prime Minister introduced a number of restrictions in a statement to the House of Commons with effect until 2 December, after which a return to a tiered system on a local and regional basis was expected [KJ002/INQ000114454]. Alongside these measures, the Prime Minister announced the extension of economic support schemes for workers and businesses (which were further detailed in a Chancellor statement to the House of Commons on 5 November) and set out a plan for a massive expansion in the deployment of rapid Covid tests [KJ003/INQ000114434].
38. The Chancellor attended Cabinet meetings on 3 [KJ004/INQ000113686] and 10 November [KJ005/INQ000113687]. Briefings provided to the Chancellor ahead of those meetings highlighted the importance of using the period of lockdown just announced by the Prime Minister to prepare and develop an exit strategy, with an emphasis on ensuring that an effective mass testing programme in the form of Test and Trace would be in place as soon as lockdown restrictions were eased.
39. On 12 November, HM Treasury officials sent the Chancellor advice seeking his views on the approach to exiting national lockdown from 3 December, including a return to a refined tiering approach [KJ006/INQ000113689]. The advice recommended that the Chancellor

support a tiering regime different in several respects to that which had been in place during October – including moving away from a process of negotiating changes with local authorities; introducing further economic restrictions within the tiering system; and aligning tiering with emerging exit strategies involving mass testing and vaccinations. As detailed in the subsequent Covid-19 Winter Plan (published later in November), it was hoped that developments in testing, and the prospect of effective vaccines, would enable the government to rely less on economic and social restrictions [KJ007/INQ000114433]. The advice also recommended non-essential retail should reopen in December given the very limited scientific evidence of transmission in shops, while recognising that sectors like hospitality would need to be considered separately.

40. The Prime Minister chaired a meeting of the Covid(O) on 17 November to agree the approach to a tiering system to be put in place upon exiting the national lockdown on 2 December. The paper presented by the Covid-19 Taskforce was predicated on adopting a strategy that would be durable through the winter and to April 2021 (by which point it was hoped that vaccines capable of reducing mortality and protecting National Health Service (“NHS”) capacity would be deployed, limiting the need for substantial NPIs). To this end, the Covid-19 Taskforce proposed stronger limits on hospitality than in October’s tiering framework in order to manage the virus until at least April without the need for national measures. Based on analysis presented to SAGE at approximately the time of ministerial decision making on this revised tiering system, it was anticipated that instituting a stricter tiering system would lead – when regions were in higher tiers – to the epidemic typically shrinking under such restrictions [KJ001/INQ000114473]. This system would be bolstered from January 2021 by the rollout of mass testing and vaccinations allowing a gradual relaxation of NPIs. The proposal also included a relaxation of the rules for the Christmas period, allowing three-household bubbles.

Box 1. The role of Pharmaceutical Interventions (PIs)

41. During the Covid pandemic, there were four main levers available to manage the virus: vaccines, testing, medicines (all PIs) and restrictions (NPIs). In the period covered in this statement, there was a major shift as PIs were increasingly deployed as a means of managing Covid, thus slowly reducing the need for NPIs to be used to manage the virus:
- a. **Vaccines** began to be rolled out in December 2020. This signaled a major shift in managing Covid, as large parts of the public gained a level of immunity to the virus without a potentially life-threatening infection. HM Treasury worked closely with DHSC and the Vaccines Taskforce to ensure

that the UK could maintain its vaccine supply, that there was funding for the multiple vaccine campaigns, and that the UK could continue to invest in developing vaccine technology and in vaccine manufacturing resilience.

b. **Testing** was being used prior to this period, but in early 2021 there was a major acceleration with multiple testing strands, including the Universal Testing Offer. HM Treasury worked with DHSC and UK Health Security Agency (“UKHSA”) to ensure the programme was being governed effectively, was deliverable and was increasingly targeted/prioritised on the basis of evidence as it became available, in order to ensure that the testing being funded by government was being used as effectively as possible. The hope was that well targeted testing might lessen the need for the most economically damaging restrictions and reduce the impact on businesses. Testing became a less effective (and comparatively costly) lever as the vaccine rollout progressed and the UK population became increasingly highly vaccinated.

c. **Medicines** specifically for Covid were slower to develop than testing or vaccines. In late 2020, some repurposed treatments were already in use to reduce mortality and treat symptoms among those hospitalised with Covid. HM Treasury, at the request of DHSC and the Department for Business, Energy & Industrial Strategy (“BEIS”), approved funding to procure other antivirals as well as monoclonal antibody treatments throughout 2021 once these had undergone clinical trials. Although these treatments have primarily benefitted those already hospitalised or at risk of severe symptoms, they have still played an important role in managing the virus by reducing the risk of adverse health impacts in some groups.

42. The increased deployment of PIs meant that restrictions or NPIs became less critical through 2021 and into 2022, as vaccines, testing and medicines began to reduce the proportion of Covid cases that led to hospitalisations. England (and Scotland, Wales and Northern Ireland) avoided full lockdowns once the initial vaccine had been rolled out in early 2021, including through the later emergence of the Delta and Omicron variants.

43. Briefing provided by HM Treasury officials to the Chancellor ahead of that meeting recommended that he agree with the need to create a durable three-tier system from 2

December, provided it minimised economic damage by prioritising the continuation of economic activity, even if under heavy restrictions, rather than closing them entirely. The content of tiers would still be subject to further official level work in line with the principle of limiting sub-sectoral closures to Tier 3, and for non-essential retail and personal care to remain open in all tiers (including Tier 3) with appropriate precautions in place [KJ008/INQ000113691]. Following work at official level, the contents of different tiers were agreed at Covid(O) on 21 November [KJ009/INQ000113694].

44. On 23 November 2020, the government published its Covid-19 Winter Plan introducing the tiering system to take effect once the national lockdown was lifted [KJ007/INQ000114433]. As noted above, the Covid-19 Winter Plan was explicit that as progress was made with PIs (testing, medicines and vaccines), the government would *“be able to rely less on economic and social restrictions and more on solutions provided by scientific progress”*.
45. Following the Covid-19 Winter Plan publication, and confirmation of the content of the new tiering regime, final decisions needed to be made about the initial allocations of different English regions to different tiers. These took place at a Covid(O) meeting on 25 November based on recommendations from the JBC. Discussion at the meeting focused on whether London should be placed in Tier 2 or 3, with HM Treasury officials briefing the Economic Secretary to the Treasury (who represented HM Treasury at the meeting) to support London being placed in Tier 2 in part because the epidemiological evidence in London was showing a decrease in infections, a decrease which was probably downplayed due to data lags [KJ010/INQ000113696]. It also made the case that the economic effects of the restrictions would be very different, with 550,000 workers unable to return to work if London was placed in Tier 3 as opposed to 50,000 in Tier 2. Covid(O) agreed to initially put London in Tier 2 in that meeting.
46. Concurrently with the introduction of the new tiering framework on 2 December, the Medicines and Healthcare products Regulatory Agency (“MHRA”) gave emergency authorisation for the first Covid-19 vaccine for use in the UK: that developed by Pfizer-BioNTech. As had been set out in the Covid-19 Winter Plan, the roll-out of vaccines was central to the government’s strategy to suppress the virus, protect the NHS and the vulnerable, keep education and the economy going, and provide a route back to normality. In a Covid(O) briefing dated 3 December 2020, HM Treasury officials noted: *“the deployment of vaccines will be crucial to our NPI exit strategy. In order to be able to plan this effectively, we need to have sufficient data on the effects of the vaccine on rates of*

transmission, as well as analysis of its impacts on hospitalisation rates and hospital capacity" [KJ011/INQ000113697]. The briefing emphasised the importance of making this a priority.

Box 2. Modelling vaccine roll-out and the impact on NPIs

47. In November 2020, the Office for Budget Responsibility ("OBR") published their latest economic and fiscal forecast. This included a range of scenarios demonstrating how the economic outlook remained highly uncertain and dependent upon the future path of the virus, the stringency of any public health restrictions, and the timing and effectiveness of vaccines [KJ012/INQ000114451].
48. This, alongside other analysis, demonstrated the importance of HM Treasury understanding how quickly vaccines could be deployed, and the extent to which they would affect the path of the virus. The Chancellor took a particular interest in these analytical questions, and HM Treasury therefore engaged closely on modelling both the speed of the vaccine rollout and how vaccines would enable the lifting of restrictions.
49. HM Treasury officials developed an internal model of a potential vaccine rollout to understand the possible timing, speed, population coverage and impacts of a vaccine campaign. The purpose of this was to improve HM Treasury's understanding and expectations of what a vaccine rollout could look like and the implications it could have for HM Treasury advice and decision making. The modelling incorporated assumptions on variables such as the timing and likelihood of regulatory approval of different vaccines, vaccine supply forecasts, expected deployment rate and potential uptake in different groups, which were continually updated as information evolved. This modelling translated these assumptions into potential scenarios for impacts on transmission ("R0") and infection-fatality ratio ("IFR") at population-level.
50. In November 2020, as promising results from vaccine trials were published, HM Treasury officials developed an illustrative disease model that incorporated the vaccine rollout, to explore how this would interact with NPI policy to shape the path of the virus. The primary purpose of the modelling was to improve HM Treasury officials' understanding of these interactions.
51. Early results and conclusions from this model were shared with the Chancellor on 18 December 2020 [KJ013/INQ000116404]. This considered a wide range of scenarios covering different assumptions of vaccine effectiveness, and considered both complete

and partial lifting of restrictions once the Joint Committee on Vaccination and Immunisations (“JCVI”) priority cohorts had been vaccinated. Preliminary conclusions from these early results were that vaccines would allow at least the partial removal of NPIs, but that a further wave of infections was possible as vaccine-induced immunity might not be sufficient to bring R below 1 (indicative of the virus shrinking). Results also showed that the path of the virus was highly dependent on the extent to which vaccines prevented transmission from person to person. These conclusions were supported by the publication of early SPI-M vaccine modelling on 9 December [KJ014/INQ000114467].

52. Given the significance of the speed of vaccines deployment, and their effectiveness in preventing hospitalisations and severe disease, the Chancellor asked HM Treasury officials to use the modelling capacity to consider different scenarios for the speed of NPI easing and how that would interact with potential changes to economic support programmes. HM Treasury officials therefore sent the Chancellor updated modelling results on 15 January, which also considered modelling from Imperial College and the University of Warwick [KJ015/INQ000113711] [KJ016/INQ000114448] [KJ017/INQ000114449].

53. The OBR’s updated economic and fiscal forecast of March 2021 later confirmed that *“the rapid rollout of effective vaccines offers hope of a swifter and more sustained economic recovery”* [KJ018/INQ000114450].

54. Following the emergence of the Alpha and Beta variants in late 2020, in 2021 the JBC developed a simple VoC model to help understand emerging variants and their interaction with vaccination and NPIs. HM Treasury officials provided input to quality assure this model, and later had the ability to run the model. This is covered in further detail in Box 8.

55. Later in 2021, this modelling capacity was used to advise the Chancellor on the spread of the Omicron variant. This is covered in further detail in Section 6.

56. The first fortnightly review of regional allocations to different tiers had been scheduled to take place on 16 December. During the week leading up to this review, there was some confusion amongst the scientific community as to why cases appeared to be rising particularly in Kent, London and its surrounding regions. A JBC Gold meeting on 9 December noted that cases were rising in London and Kent, concluding that, in North-East London in particular, this seemed to be being driven by secondary school students.

On Friday 11 December, a meeting of NERVTAG discussed a new variant (subsequently referred to as the Alpha variant), with DHSC ministers being informed of the variant on the same day but with the development otherwise not being shared widely.

57. A Covid(O) meeting on Monday 14 December concluded that, in view of a worsening epidemiological position in London, parts of Essex and parts of Hertfordshire, these regions should be moved into Tier 3. Briefing provided by HM Treasury officials to the Chief Secretary to the Treasury for that meeting set out that JBC's recommendation to move all of London into Tier 3 appeared reasonable [KJ019/INQ000113698]. This briefing also anticipated further ministerial discussions later that week which could consider closure of non-essential retail, and noted this was not supported by available evidence. The briefing suggested that the proposed Christmas easing of social contact rules might carry higher transmission risks. Tiering reviews were moved from a fortnightly to a weekly review cycle at that point. Following the Covid(O) meeting, the Secretary of State ("SoS") for DHSC gave a statement to Parliament confirming the decision to escalate regions into Tier 3, and announcing the identification of *"a new variant of coronavirus which may be associated with the faster spread in the South East of England"*.

58. HM Treasury officials subsequently briefed the Chancellor ahead of Cabinet on 15 December about the emergence of a new variant which was thought to be a possible reason for case rises in London and the South East [KJ020/INQ000113699]. Given the uncertainty around the new variant, discussions around revising the tiering system and the potential addition of a Tier 3+ or Tier 4 began to take place in mid-December.

59. In a Covid(O) briefing dated 16 December 2020 [KJ021/INQ000113700], the Chancellor was advised to support public health evidence guiding the outcomes of the tiering review. In the absence of further information about the new variant, he was advised to ask for a better understanding of what was driving case rises in Kent and London before agreeing to an alteration of the tiering rules or the closure of non-essential retail. The reasoning around this issue was as follows: epidemiological data at the time suggested that young people had particularly high case rates and positivity, which is why the government took the decision to surge testing in schools and why measures carefully targeted at settings where transmission was taking place were being discussed, i.e. delaying the return of schools and universities in person after the Christmas break. Furthermore, there was no epidemiological evidence suggesting that closing non-essential retail would lead to a reduction in cases. The briefing also referred to SAGE's October assessment on the impact certain NPIs had on transmission, which found that closing non-essential retail had

had a very minimal impact on R. This had been supported by further papers from SAGE which highlighted shopping as a low-risk activity. This led to HM Treasury officials concluding that closing non-essential retail was likely to be ineffective and come at a huge economic cost. Finally, the briefing noted the new tiering system only came into force on 2 December so making significant changes so quickly would risk undermining the integrity of the system.

60. At an initial SAGE discussion of what later became known as the Alpha variant on 17 December 2020, evidence was presented that this new variant was substantially more transmissible than the original “wild” type but did not give any evidence at the time about whether it led to more severe disease [KJ022/INQ000114468]. In light of the emerging evidence on the Alpha variant from this SAGE discussion, the implementation of “Tier 4” restrictions across London, parts of the South-East, and parts of Essex (including the closure of non-essential retail, indoor leisure, entertainment and personal care, and tighter social contact restrictions) was announced by the Prime Minister on 19 December [KJ023/INQ000114466].
61. A Covid(O) meeting on 23 December considered further proposals to escalate more regions into Tier 4, including parts of the South-East, East of England, East Midlands, South-West and North-West. HM Treasury officials briefed the Economic Secretary to the Treasury to support precautionary steps in areas seeing rapid rises in cases, and to support considering options for delaying school and university returns in January beyond what had been considered at that point. The briefing also suggested that the Economic Secretary to the Treasury ask what plans were in place to advise the Clinically Extremely Vulnerable (CEV) to shield in all Tier 4 areas given the potential for a majority of the CEV to receive a vaccine within the next couple of months. The recommendations on escalating further regions to Tier 4 were agreed, taking effect from the start of 26 December [KJ024/INQ000113703]. HM Treasury officials (with the Ministry of Housing, Communities and Local Government and the Covid-19 Taskforce) pushed for a greater link between shielding guidance and Tier 4 – particularly given the communications challenges with explaining why CEV in one part of the country in Tier 4 were being asked to shield, while CEV in other Tier 4 regions were not.
62. Over the Christmas period, there were short-notice ministerial meetings including the Covid(O) discussion on 23rd December and a further Covid(O) meeting on 29th December which considered moving more regions in England into Tier 4, as well as the approach to education and testing in schools (details and briefing in section 2.2. below). Officials also

provided oral briefings to the Chancellor over the Christmas period. There was a series of JBC Gold/Silver meetings held during this period, which focused on the latest regional Covid data and NHS capacity. These meetings helped support ministerial decision making around tiering over December and, later on, the move to placing all of England under tier 4 restrictions.

2.2 Education: Christmas travel and return in January

63. Throughout this period, and as part of the government's strategy for managing the pandemic, there were regular ministerial discussions of the approach that should be taken to face-to-face teaching in schools, further education colleges and universities. As with other ministerial decisions on NPIs, HM Treasury officials advised and briefed ministers on the basis of the expected economic and fiscal impacts of different options, alongside the anticipated impacts on public health. Advice and briefings also considered the impacts of primary and secondary school closures on children, particularly in terms of attainment gaps and mental health.

64. A Covid(O) discussion on 5 November considered a DfE proposal that universities move teaching online from the end of the England-wide lockdown on 2 December, with all in-person teaching being online by 9 December, and that any students who did not return home by 9 December may be advised to restrict contact (per the restrictions in place during lockdown) for an additional period on their return home. Briefing provided to the Economic Secretary to the Treasury (who attended the meeting for HM Treasury) suggested that he agree to encourage students not testing positive to return home between 3-9 December, and to consider measures to avoid risks of reseeding the virus (for example, requiring students to return home as soon as lockdown restrictions were lifted) [KJ025/INQ000116403]. Following agreement at the Covid(O), an announcement was made on 11 November by DfE, accompanied by detailed government guidelines. This announcement confirmed that tests would be offered to as many students as possible before they travelled home for Christmas, with universities in areas of high prevalence recognised.

65. On 11 November, HM Treasury officials also provided advice to the Chancellor seeking early views on whether officials should work with the Covid-19 Taskforce and DfE on requiring universities to move to online-only teaching in January 2021 (with exemptions for medical and lab-based courses) [KJ026/INQ000113688]. The advice highlighted potential benefits in reducing transmission, to be weighed against economic considerations (lower than short-term impacts of school closures) and financial

considerations (including pressures for potential financial support). Although there is no record of the Chancellor reading out on this advice, further advice provided on 19 November recommended that the Chancellor continue pushing for online-only learning in January for most university students, given in part what HM Treasury officials considered to be the absence of a deliverable proposal from DfE for a staggered return of students, facilitated by mass testing [KJ027/INQ000113693]. The Chancellor read out on this advice on 21 November, agreeing with this recommendation and noting that he did not consider that students studying non-clinical, non-practical courses should return to campuses in January given the evidence from parts of England (set out in the advice) that the student return to universities in September accelerated infections in older age groups.

66. Covid(O) briefings from November present HM Treasury officials' advice in favour of online learning continuing into January 2021 for students enrolled in non-clinical and non-practical courses [KJ028/INQ000113692] [KJ029/INQ000113695]. This position was underpinned by evidence on transmission in university settings, including the Office for National Statistics ("ONS") data demonstrating high prevalence in relevant age groups, evidence from Directors of Public Health for university towns and cities who believed that the September return of students had accelerated infections in older age groups in their areas, and SAGE estimates from September that full university closures could result in a significant reduction in R (between 0.2 and 0.5). The briefings suggest implementing a review point in January to analyse the latest epidemiological data, and factor in any developments in mass testing and vaccination, with a view to allowing in-person teaching to restart for most of Spring term.
67. Plans to postpone the in-person return of secondary school and college age pupils were considered at a Covid(O) meeting on 16 December. DfE raised concerns about the impact of mixing over the Christmas period and high infection rates amongst the relevant ages groups, and therefore proposed rolling out lateral flow testing before an in-person return on 11 January. The Chancellor's briefing for the meeting advised him to support this proposal in principle but raised concerns with the deliverability of the proposal to test all secondary age children, and on the interaction with planned community testing and on the vaccine rollout (given the workforce pressures facing both programmes) [KJ030/INQ000113701]. In light of these deliverability concerns, the proposals were not agreed.
68. Following the establishment of a Tier 4, HM Treasury officials provided the Chancellor with further advice on 22 December [KJ031/INQ000113702] recommending that he should not

oppose a delay to the return of secondary schools by a further week (to 18 January 2021) if that option was put forward, but that he should support DfE in pushing for early years settings and primary schools to remain open unless significant new evidence of transmission in relevant age cohorts came to light, and that (on the basis of lessons learned from the Spring 2020 lockdown) secondary school-age children of critical workers and vulnerable children should remain in face-to-face education to ensure that they continued attending school. This advice was underpinned by concerns about the economic impact of closing schools (set out more fully in the advice), including through the immediate impacts on labour supply and longer-term potential impacts on human capital. The advice also emphasised the existence of conclusive evidence that missing education leads to poor outcomes for children in terms of their learning and mental health and could widen the attainment gap.

69. Over the subsequent week, HM Treasury officials and the Chancellor's Private Office had a series of iterative discussions based on cross-government planning for the approach to returning schools in January as more regions in England were escalated into higher tiers. On 28 December, the Chancellor steered that he was strongly supportive of proposals to delay the return of university students on non-clinical, non-practical courses to face-to-face learning, tightening the criteria for exemptions to this, and to delay the return of students on practical courses if necessary. He was also supportive of delaying the return of secondary school students but remained supportive of primary and early-years students returning as planned.
70. Ahead of a Covid(O) discussion on 29 December, HM Treasury officials confirmed the Chancellor's position to counterparts in DfE, DHSC, the Cabinet Office and No. 10 that his priority in relation to education was keeping early years and primary schools open for face-to-face education (including in view of the labour market impacts of closure), and on keeping secondary schools and Further Education Colleges open for vulnerable children and children of key workers. The Chancellor's position on considering further delays or restrictions on return to face-to-face teaching in universities was also reiterated, as were concerns over the economic impacts of longer-term school closures. Briefing provided by HM Treasury officials for this Covid(O) meeting again considered the impact of school closures on Gross Domestic Product ("GDP") in the short to medium term and the longer-term impacts on human capital, as well as the risk that school closures could exacerbate existing inequalities between different types of households. The Covid(O) meeting subsequently agreed to delay the return of face-to-face teaching in secondary schools by a further week to 18 January, to implement a stricter testing regime for students and

teachers, and to implement the DfE's contingency framework in which further school closures could be implemented locally [KJ032/INQ000113704].

71. Over the following days, growing concerns about the rapid increase in cases and hospitalisations resulting from the new variant led to the implementation of DfE's contingency framework, resulting in school closures on a regional basis. Ahead of a meeting with the Prime Minister on 4 January 2021, HM Treasury officials provided briefing for the Chancellor which recommended that, given the apparent growing impact of the new variant, he should be prepared to accept the full closure of primary schools and extended closure of secondary schools on public health grounds, and that giving schools and parents certainty as soon as possible would be paramount. The briefing emphasised HM Treasury's priority of reopening primary schools ahead of all other educational settings, particularly in light of the more significant impacts on labour supply resulting from primary school closures [KJ033/INQ000113706].
72. On 4 January, the Prime Minister announced a new national lockdown in order to contain the spread of the variant as vaccines were rolled out to priority groups. This announcement included the closure of schools and colleges for both primary and secondary-age children for face-to-face learning (except for vulnerable children and the children of key workers), with a view to reopening after the February half-term [KJ034/INQ000114452].

2.3 Border measures

73. The Prime Minister's statement of 31 October made clear that – during the second national lockdown – international travel was prohibited except for work, education or other legally permitted exceptions, although inbound international travel would continue to be governed by the existing travel corridor policy. In effect, this served to further constrain the potential for international travel, although decision making on borders policy continued throughout November. Ministers, for example, took the decision at a Covid(O) on 6 November to ban all travel from Denmark into the UK (subject to a small number of exemptions) following concern over a new variant of Covid-19 circulating within the mink population. Covid(O) similarly, on 13 November, considered a statutory review of the international travel regulations and potential exemptions. The Economic Secretary to the Treasury (attending for HM Treasury) was briefed by HM Treasury officials to support BEIS in finalising a policy to allow senior executives to travel more easily into England from countries outside the travel corridor system when undertaking activities likely to bring significant economic benefit to the UK [KJ035/INQ000113690]. This change ultimately took effect from 5 December, after agreement at Covid(O) in late November.

74. A further Covid(O) on 18 November agreed a “test to release” scheme for international arrivals with effect from 15 December, providing that passengers arriving into England from that date could pay to take a test on or after the fifth day following their arrival and, if negative, leave self-isolation at that point [KJ028/INQ000113692]. HM Treasury officials briefed the Financial Secretary to the Treasury to support the proposal, in line with a recommendation from the cross-Government Global Travel Taskforce.

Section 3. January – February 2021

Summary

75. After the announcement, on 4 January, of the third England-wide lockdown, significant work began across government on monitoring the impacts of the lockdown, and on developing options for easing restrictions. Alongside announcing the lockdown, the Prime Minister had announced an ambition, subject to health indicators, to reopen schools after the February half-term and that regions would subsequently be moved down tiers from then.
76. To support this aim and over the remainder of January and February, HM Treasury worked closely with the Covid-19 Taskforce and other government departments on developing what became the February 2021 Roadmap for exiting lockdown, including providing input on the economic impacts of different NPIs to inform the sequencing of easing restrictions. Providing some level of certainty by having an expected path out of lockdown was critical for re-establishing economic confidence. Both the creation of the Roadmap, and ensuring that each Step within it was correctly timed and designed, were priorities for HM Treasury. HM Treasury officials worked with the Covid-19 Taskforce, who led on commissioning SPI-M modelling of infections and hospitalisations across a number of scenarios to help to inform this work. The combination of data and indicative milestones was crucial for HM Treasury to offer both predictability and reassurances that decisions to loosen restrictions would be made on the basis of available data at each milestone.
77. By February, and based on a range of indicators including the anticipated timetable for deployment of Covid vaccines, HM Treasury officials had prepared potential timelines for easing restrictions, and an indicative hierarchy of which NPIs could be prioritised for easing, which fed into Cabinet Office work. Following regular ministerial discussions in early February, the final Roadmap was published on 22 February setting out four tests against which Roadmap Steps would be taken, beginning with the reopening of face-to-face education in schools and colleges on 8 March, an easing of social contact rules outdoors on 29 March, followed by more significant Steps being taken no earlier than 12 April (reopening indoor leisure, personal care, non-essential retail, outdoor hospitality and attractions, and easing social contact rules); 17 May (indoor entertainment, hospitality and attractions, a further easing of social contact rules, some large events); and 21 June (a lifting of all restrictions). Although outside the scope of this module, the timings set out within the February Roadmap informed the extensions of elements of the package of

Covid-related economic support that were subsequently announced at the Spring Budget on 3 March.

3.1 The Roadmap out of lockdown

78. The third national lockdown announced on 4 January was agreed on that day by a meeting chaired by the Prime Minister and also attended by the Chancellor, Chancellor of the Duchy of Lancaster ("CDL"), Health Secretary and others. Briefing provided to the Chancellor for this meeting advised that, on balance, he should be prepared to support the extension of Tier 4 restrictions across England (so essentially imposing a national lockdown) and to support the closure of schools on public health grounds. The briefing also suggested that there was a strong argument for closing secondary schools (other than for vulnerable children and children of key workers) until the February half-term, and to support wider closures of primary schools (but seeking to reopen them as soon as possible, and ahead of the February half-term) [KJ033/INQ000113706]. Further briefing provided to the Chancellor noted that regions totalling 81% of England's gross value added were already under Tier 4 restrictions and a further 18% under Tier 3, and that placing all of England under Tier 4 restrictions was expected to lead to GDP to fall back to November 2020 levels (during the second lockdown) [KJ036/INQ000113705].
79. In the week immediately after the announcement of the lockdown, there was a series of ministerial and official-level meetings discussing the anticipated effectiveness of the lockdown in stopping transmission given uncertainties around VoCs. On 7 January, SAGE met to discuss vaccine effectiveness against new variants, hospital occupancy, and the Beta ("South African") variant which was discussed for the first time [KJ037/INQ000114469]. The numbers of cases, hospital admissions and deaths had increased to high levels across the country and in most areas were still increasing, putting pressure on the NHS – with SPI-M estimating between 117,000 and 287,000 new infections per day in England.
80. On 10 January, CDL chaired Covid(O) which comprised a stock-take on the latest epidemiological position and pressures on the NHS and considered whether the government should take further actions beyond the England-wide lockdown. It came ahead of a Prime Minister-chaired COBR with the Mayor of London and London Council leaders later that day specifically to consider the position in London. HM Treasury officials provided briefing for the Chief Secretary to the Treasury that recommended focusing on improving compliance with the existing restrictions, as in the meeting papers, with the expectation that going further could have limited impact and any further measures should

be targeted at reducing transmission [KJ038/INQ000113708]. The briefing anticipated the proposals would likely be limited to requiring wearing of face coverings in more settings; broader application of Covid-secure guidance; and potentially closing communal worship. The briefing noted there was likely to be a wider discussion on options for the government to “go further” if necessary. On 12 January, internal work conducted by HM Treasury led to an indicative list of “going further measures” with red, amber, green (“RAG”) ratings based on an assessment of their economic and fiscal implications [KJ039/INQ000113709]. As the lockdown successfully reduced the numbers of new infections, the initial cross-government focus on options to tighten restrictions further eventually receded.

Box 3. Analysing the impact of Non-Pharmaceutical Interventions

81. As the pandemic continued into 2021, HM Treasury continued to develop its understanding of the economic and social impacts of NPIs. This complemented the work conducted by SAGE to understand the health impacts of specific NPIs. Together, these assessments proved powerful in helping decision makers understand the balance of impacts from differing measures, all with the overarching aim of controlling the virus effectively.
82. HM Treasury officials drew on this analysis when advising the Chancellor on the design of the Roadmap in early 2021. For example, a 15 February briefing (referenced in paragraph 95 below) advised the Chancellor that the 1m+ social distancing restriction was “highly disruptive” for some sectors, and recommended prioritising reopening indoor hospitality and accommodation over some students on non-practical courses returning to universities. Socio-economic analysis of each Roadmap Step was included in the final publication [KJ040/INQ000114431]. This analysis also underpinned much of HM Treasury’s approach to the Social Distancing Review (as discussed in Box 7).
83. Throughout the period when the Roadmap was designed and progressed, HM Treasury worked closely with the Covid-19 Taskforce and other departments (for instance BEIS and DCMS) to ensure the assessments of NPIs captured the wide range of macroeconomic, sectoral, and business impacts. This is reflected in documents such as the Covid-19 Taskforce’s “In Depth: Social Distancing Review Analysis” document, which informed the official-led Social Distancing Review Panel and ultimately ministers (see Box 7 below for more details on the Social Distancing Review and Panel) [KJ041/INQ000116417].

84. To demonstrate how HM Treasury assessed the impact of measures, it published detail on “*estimating the economic effect of COVID-19 and public health restrictions*” in the 3 March 2021 Budget document [KJ042/INQ000114447]. This included estimates of the GDP impact of tiering in 2020.

85. As the nature of the pandemic changed, HM Treasury updated its analysis and worked with others across government to understand the evolution of the virus and of economic behaviour over time, as too did SAGE. The department continued to draw on this analysis when advising ministers on Covid strategy. This development can be seen in advice to the Chancellor on progressing to Step 4 of the Roadmap on 8 July 2021 (see Section 4), and as the Omicron variant spread in December 2021 (see Section 6).

86. By late January, and driven in particular by the need to give schools certainty about whether they would reopen after the February half-term, ministerial meetings arranged by the Covid-19 Taskforce were considering options for the sequencing of easing NPIs. A meeting between the Prime Minister and Chancellor (with the CMO and the GCSA also present) on 25 January considered policy at the borders and the approach to easing NPIs. Briefing provided to the Chancellor by HM Treasury officials suggested that he support a cautious approach to reopening, starting with primary schools, and with more work needed to determine the priority of easing NPIs after that point, balancing social contact with economic damage [KJ043/INQ000113712]. This meeting agreed that the May 2020 Roadmap had been useful, and that a similar Roadmap – informed by progress in rolling out vaccines – would be beneficial, potentially published around 22 February.

87. Following this meeting, HM Treasury officials submitted an indicative Roadmap to the Chancellor on 27 January, setting out different options for returning primary and secondary schools (noting the in-principle decision made on 25 January that schools would likely return no earlier than 8 March) [KJ044/INQ000113714]. This advice sought the Chancellor’s views both on his preferred sequencing of the return to face-to-face teaching, the review periods between different easements, and what triggers/indicators would be suitable for easing or tightening restrictions. The Chancellor’s office responded to this later on 27 January, setting out the Chancellor’s position in relation to the opening of schools (aiming to return to face-to-face teaching in primary schools on 8 March and in secondary schools on 22 March) and on a starting point for the easing of other restrictions (a national easing unless some regions needed to be held back on the basis of health indicators),

aiming to have all of England in Tier 1 (based on December's tiering framework) by early May considering the anticipated speed of vaccine roll-out.

88. On the same day, HM Treasury officials worked with the Covid-19 Taskforce on a data commission to Public Health England, NHS England, the Vaccines Taskforce, ONS, CMO and GCSA to inform decision making on the Roadmap in the course of February. HM Treasury continued to work with the Covid-19 Taskforce over the subsequent weeks, employing a range of modelling and scenario-based approaches to ensure decision making on the Roadmap was underpinned by analysis on the economic impact. This included agreeing parameters for modelling different scenarios to inform ministerial decision making, and the existence and shape of the 'four tests' that accompanied each Roadmap Step (see Box 4 below for more detail on the Steps and four tests).

Box 4. The Roadmap Steps and the four tests

	Step 1		Step 2	Step 3	Step 4
	08-Mar	29-Mar	No earlier than 12 April. At least 5 weeks after Step 1.	No earlier than 17 May. At least 5 weeks after Step 2.	No earlier than 21 June. At least 5 weeks after Step 3. All subject to review.
Education	<ul style="list-style-type: none"> - Schools and colleges open for all students - Practical Higher Education courses 		As previous Step	As previous Step	As previous Step
Social contact	<ul style="list-style-type: none"> - Exercise and recreation outdoors with household or one other person - Household only indoors 	<ul style="list-style-type: none"> - Rule of 6 or two households outdoors - Household only indoors 	<ul style="list-style-type: none"> - Rule of 6 or two households outdoors - Household only indoors 	<ul style="list-style-type: none"> - Maximum 30 people outdoors - Rule of 6 or two households indoors (subject to review) 	No legal limit
Business & Activities	<ul style="list-style-type: none"> - Wraparound care, including sport, for all children 	<ul style="list-style-type: none"> - Organised outdoor sport (children and adults) - Outdoor sport and leisure facilities - All outdoor children's activities - Outdoor parent & child group (up to 15 parents) 	<ul style="list-style-type: none"> - All retail - Personal care - Libraries & community centres - Most outdoor attractions - Indoor leisure inc. gyms (individual use only) - Self-contained accommodation - All children's activities 	<ul style="list-style-type: none"> - Indoor hospitality - Indoor entertainment and attractions - Organised indoor sport (adult) - Remaining accommodation - Remaining outdoor entertainment (including performances) 	<ul style="list-style-type: none"> - Remaining businesses, including nightclubs

			- Outdoor hospitality - Indoor parent & child groups (up to 15 parents)		
Travel	- Stay at home	- Minimise travel	- Domestic overnight stays (household only)	- Domestic overnight stays	- Domestic overnight stays
	- No holidays	- No holidays	- No international holidays	- International travel (subject to review)	- International travel
Events	- Funerals (30)		- Funerals (30)	- Most significant life events (30).	- No legal limit on live events
	- Weddings and wakes (6)		- Weddings, wakes, receptions (15) - Event pilots	- Indoor events: 1,000 or 50% - Outdoor seated events: 10,000 or 25% - Outdoor other events: 4,000 or 50%	- Larger events

89. Before moving to each new Step, the Government reviewed the latest data on the impact of the previous Step against four tests. The tests were:

Test 1: The vaccine deployment programme continues successfully.

Test 2: Evidence shows vaccines are sufficiently effective in reducing hospitalisations and deaths in those vaccinated.

Test 3: Infection rates do not risk a surge in hospitalisations which would put unsustainable pressure on the NHS.

Test 4: Our assessment of the risks is not fundamentally changed by new Variants of Concern.

90. It took around four weeks for the data to reflect the impact of the previous Step in addition to which the Government committed to providing a further week's notice to individuals and businesses before making changes. The roadmap therefore set out indicative "no earlier than" dates for the Steps which were five weeks apart. These dates were wholly contingent on the data and were subject to change if the four tests were not met.

91. HM Treasury officials provided further briefing to the Chancellor on 28 and 29 January ahead of a meeting between the Prime Minister, CDL, SoS DHSC and the Chancellor on 29 January [KJ045/INQ000113715] [INQ000113716]. These provided the Chancellor with speaking points in support of national easing of restrictions, starting with the return of schools, and aiming to ensure that England would be in Tier 1 by the end of May. This meeting supported the principles of national easements, with dates on which they could take place set out (as was the case for previous Roadmaps). It was agreed easements at these dates would be contingent on the latest health indicators.
92. Throughout early February there were frequent official-level discussions between the Covid-19 Taskforce, HM Treasury, DHSC and the Government Office for Science. These particularly focused on agreeing different scenarios (based on, for example, vaccine uptake and deployment; options for easing NPIs; and which “baseline” NPIs could remain in place) against which SPI-M could be asked to model infections and hospitalisations to inform ministerial decision making on the Roadmap. This was a priority for HM Treasury, given the desire to have a clear plan for restrictions that would deliver a reduction in hospitalisations while minimising economic damage. The importance of the impacts of each roadmap Step on infections and hospitalisations led to the four Roadmap tests that accompanied each Step.
93. This work contributed to briefing sent by HM Treasury officials to the Chancellor on 8 February ahead of a meeting with the Prime Minister the following day. This briefing suggested that the Chancellor land his views on key decisions that would be made in coming weeks, including: (a) that sustainable hospital occupancy rather than falling cases should be the key decision-making factor; (b) that it would be worse for a likely future wave to happen in winter 2021/22 rather than in summer 2021; (c) that SPI-M modelling suggested the optimal path of reopening would move England into Tier 1-equivalent restrictions in mid-May; and (d) that a separate strategy was needed to manage future VoCs [KJ047/INQ000116407].
94. Following this meeting, and alongside ongoing work on the Roadmap, the Covid-19 Taskforce also convened the Prime Minister, Chancellor, CMO and GCSA to discuss longer-term Covid strategy and the potential outlook beyond spring 2021 as Covid-19 moved from pandemic to endemic. Briefing provided by HM Treasury officials for the Chancellor suggested that he raise questions including how testing could be used to reduce the need for future NPIs, what strategic approach was envisaged to revaccination, and what NPIs might be needed in the winter of 2021 [KJ048/INQ000116409]. This

meeting concluded that, for the Roadmap, there was a choice about signalling exact plans for winter 2021 or leaving some flexibility, and there was similarly a choice for ministers about the approach to international travel over the summer.

95. Before a further ministerial meeting on 15 February, HM Treasury officials briefed the Chancellor to support reopening both non-essential retail and the personal care sector in Step 2 (envisaged for mid-April) given the economic and fiscal impacts of keeping these sectors closed, and the limited health benefits of keeping them closed, and to support only permitting indoor household mixing alongside the reopening of indoor social settings (such as hospitality, entertainment and accommodation) [KJ049/INQ000113718]. On the same day, HM Treasury officials provided the Chancellor with fuller advice on outstanding issues relating to the Roadmap – including on cross-government governance to support ministerial decision making on whether to take the envisaged “Steps” within the Roadmap, and future decision making on VoCs. It also proposed prioritising the reopening of indoor hospitality and accommodation over the return of university students on non-practical, non-clinical courses to face-to-face education [KJ050/INQ000113719].
96. The Roadmap was finalised over the following days, including through a series of ministerial meetings and sustained official-level work across government, particularly between the Covid-19 Taskforce, HM Treasury and DHSC. The Prime Minister and Chancellor met on 18 February to consider a draft Roadmap, including whether to allow the reopening of non-essential retail no earlier than 29 March (alongside reopening outdoor sports facilities and permitting six people to meet outdoors) or on 12 April (as part of the wider envisaged “Step Two” in the Roadmap).
97. On 21 February the Prime Minister chaired Covid(S), discussing the final Roadmap plan, to take the final decisions on the content and wording of the Roadmap. HM Treasury officials briefed the Chancellor to make points including [KJ051/INQ000116411]:
- i. The timing of national de-escalation should not be held back in the event that any individual regions have lagging health indicators.
 - ii. The timing of the decision on higher education should not delay reopening other sectors.

- iii. The Roadmap needed to be ambitious on travel given the significant economic impact of affected sectors and the need to give confidence to industry over the summer.
- iv. It was vital to be clear infections would increase over the coming months; that the government was prepared for this; and that alternative strategies would risk a fourth wave over the winter as well as carrying significant economic and fiscal costs.
- v. The Roadmap needed to be forward leaning on the review of social distancing that was to take place ahead of the June Step in order to give confidence to affected businesses that the government would aim for them to return profitably during the summer.

98. The Roadmap was also discussed on the 22 February at Cabinet, prior to it being published later that day ahead of a dedicated Prime Minister-led press conference [KJ040/INQ000114431]. This Roadmap was a step-by-step plan to cautiously ease restrictions in England. The Prime Minister was clear when he announced the Roadmap that it was the success of the UK's vaccination programme, through the increased protection it offered against the virus, that enabled the government to cautiously begin to ease restrictions.

Box 5. Education in the Roadmap

99. The third national lockdown announced on 4 January was agreed on that day by a meeting chaired by the Prime Minister and also attended by the Chancellor, Chancellor of the Duchy of Lancaster, Health Secretary and others. Briefing provided to the Chancellor for this meeting advised that, on balance, he should support the closure of schools on public health grounds [KJ033/INQ000113706]. The briefing also suggested that there was a strong argument for closing secondary schools (other than for vulnerable children and children of key workers) until the February half-term, and to support wider closures of primary schools (but seeking to reopen them as soon as possible, and ahead of the February half-term).

100. As part of the announcement on 4 January, schools were required to provide remote learning the following day, with the exception of in-person learning for vulnerable children and children of key workers. Alongside announcing the lockdown, the Prime

Minister had announced an ambition, subject to health indicators, to reopen schools after the February half-term and that regions would subsequently be moved down tiers from then.

101. As is set out at paragraph 87, the Chancellor gave a steer on 27 January that he favoured returning to face-to-face teaching in primary schools on 8 March and secondary schools on 22 March. A Covid(O) meeting, attended by the Chief Secretary to the Treasury, on the same day considered a DfE proposal to confirm that the reopening of all schools, colleges and universities would be delayed until at least 8 March. HM Treasury officials briefed the Chief Secretary to the Treasury to be supportive of this and reiterate that primary school reopening should be prioritised over secondary-age education [KJ052/INQ000113713]. From this point, decision making about the approach to reopening schools and other educational settings took place in the context of the Roadmap.

102. There was a further Covid(O) discussion on 15 February to consider the approach to testing in schools, for which HM Treasury officials briefed the Chief Secretary to the Treasury to support DfE's proposal to provide home tests for all school and further education staff. NHS Test and Trace and DfE were agreed on costs and feasibility and doing so would not require additional funding commitments [KJ053/INQ000116410].

103. The Education Secretary led a No.10 press conference on 24 February, focusing on plans to reopen schools.

3.2 Border measures

104. During this period, and ahead of the publication of the Roadmap (which, as set out in paragraph 117 established a review under the leadership of the Global Travel Taskforce to facilitate a return to international travel as soon as possible), HM Treasury supported cross-government decision making aimed at operationalising the lockdown announced on 4 January, preserving economically essential travel in a way that minimised risks of transmission of Covid-19, and reducing the risks of importing VoCs. Throughout this period, HM Treasury ministers also participated in statutory reviews of policy at the border (for example of the legislation that required self-isolation on arrival) and – until the regime was suspended – of routine changes to countries with which travel corridors were permitted.

105. HM Treasury officials typically briefed ministers to support a precautionary approach on travel, as there was a broad belief at the time that such an approach could slow the entry of a new VoC. This is illustrated, for example, in a briefing to the Chief Secretary to the Treasury on 7 January to support extending a travel ban on inbound flights from South Africa pending a more definitive assessment of the Beta variant (and then extending this travel ban to more countries on 21 January) [KJ054/INQ000113707]. This is also illustrated by a briefing for the Chief Secretary to the Treasury on 15 January to support both the establishment of a new, rapid process for responding to VoCs and a temporary suspension of the travel corridor regime (while noting that a longer-term strategy to reopen international travel safely would need to be agreed, and that assessments of the economic impact of border measures should also be taken into account) [KJ055/INQ000113710].
106. HM Treasury officials also briefed the Chief Secretary to the Treasury ahead of a Covid(O) on 26 January to support a range of measures to tighten enforcement of border policy – noting that impacts were expected to be limited in the short-term given depressed demand for international travel [KJ056/INQ000116406].
107. Although HM Treasury ministers (and briefing to them from HM Treasury officials) were supportive throughout this period of tightening policy at the border on a precautionary basis, HM Treasury ministers continued to support economically essential travel – for example at a Covid(O) which took place on 8 February about operationalising the Managed Quarantine Service, at which HM Treasury officials briefed the Chief Secretary to the Treasury to not support any proposals that could prevent hauliers arriving from red-listed countries delivering vital freight such as food medicines [KJ057/INQ000116408].
108. Throughout the remainder of February, briefings provided by HM Treasury officials are indicative of HM Treasury's early focus on the need for a longer-term plan for borders, in light of the negative economic consequences resulting from the inability of the travel sector to operate [KJ058/INQ000113717]. This would become a more prominent theme in HM Treasury's focus on border measures from summer 2021 onwards.

Section 4. March – 20 July 2021

Summary

109. Following the publication of the Roadmap, HM Treasury's input to cross-government decision making throughout this period centred around supporting decisions on when to take Steps set out in the Roadmap, based on the "four tests" that the Roadmap established (as described in Box 4). The first three Steps of the Roadmap went ahead to the planned timetable. In parallel with those Steps, HM Treasury also supported processes announced in the Roadmap to inform the management of Covid-19 from summer 2021 onwards in the form of four official-led reviews: around Covid-status certification (that is, allowing individuals to demonstrate their vaccination status through the NHS COVID Pass), mass events, international travel and the future approach to social distancing.
110. Of these, HM Treasury's input into the Social Distancing Review was via a Review Panel established in March 2021 by the Permanent Secretary of the Covid-19 Taskforce. HM Treasury was represented on the Review Panel by the Chief Economic Advisor, alongside DHSC, BEIS, DCMS, the CMO and the GCSA. A final report from the Panel was published in July 2021 (see Box 7 below), setting out the evidence base in relation to social distancing including the socio-economic impacts of different measures. The other reviews announced in the Roadmap were conducted via separate processes, with the Event Research Programme exploring how mass events could be run safely, publishing an interim report in June 2021, and the review of Status Certification reporting in July of the same year, concluding that Covid-status certification would not be mandated as a condition of entry for visitors to any setting in England at that point.
111. To allow for greater ease of international travel concurrent with Step 3 on 17 May, HM Treasury also worked with DfT and other relevant departments throughout this period on a risk-based reopening of international travel, as announced in a report of the Global Travel Taskforce published in April 2021. HM Treasury's priority for international travel at this point was to advocate for a consistent approach to travel restrictions, including on the approach to adding and removing countries from the "red list" (which HM Treasury noted should also take economic factors into account), and to responding to the emergence of new variants.
112. Step 4 in the February Roadmap was delayed from the "no earlier than" date of 21 June to 19 July, following the spread of the Delta variant. This was agreed formally by Cabinet on 14 June, with HM Treasury officials advising that the Chancellor agree to a

delay to 19 July if this was advised on public health grounds (details and exhibits in section 4.4 below).

113. On 5 July, ministers agreed the overall shape of Step 4, including lifting social distancing and working from home guidance and regulations. At a Prime Minister-chaired Cabinet meeting on 12 July, ministers agreed that the data showed the four tests had been met to move to Step 4 on 19 July. HM Treasury officials briefed the Chancellor to agree the move to Step 4 alongside cautious communications. HM Treasury advice was based on epidemiological evidence, the advice of the CMO that further delay could mean a further infection wave into the autumn or winter, and progress made on vaccine rollout and take up (details and exhibits in section 4.5 below).

Box 6. Spring Budget 2021

114. The Chancellor of the Exchequer presented his Budget to Parliament on Wednesday 3 March 2021. It focused on supporting the country to recover from Covid-19 and on rebuilding the economy, supporting jobs, and helping those most affected by Covid-19 [KJ042/INQ000114447]. This Budget set out a series of Covid-19 measures which included: an extension of the Coronavirus Job Retention Scheme to September 2021; two further grants for the Self-employment income support scheme; reduced VAT rates for hospitality, accommodation and attractions up until 2022; and maintained the £20 increase in Universal Credit for six months. Detail of the economic support provided in response to Covid-19 will be covered in more detail in future modules.

115. As is the convention with all fiscal events and as set out in the Cabinet Manual, the Spring 2021 Budget was developed in consultation with the Prime Minister before being presented to Cabinet for collective agreement shortly before the event.

4.1 Step 1 of the Roadmap (8 & 29 March)

116. The Prime Minister's Roadmap announcement committed to moving into Step 1 on 29 March. Much of HM Treasury's work during this month therefore focused on working with the Covid-19 Taskforce and other government departments on the early stages of the reviews announced in the Roadmap, as well as supporting cross-government work on assessing England's position against the four Roadmap tests ahead of moving into Step 1.

117. On 4 March, the Exchequer Secretary to the Treasury attended an SMG on the Covid-status Certification Review. The purpose of the meeting was to agree the Terms of Reference for the review, and the briefing recommended welcoming the review while emphasising that the economic impacts of certification must be considered [KJ059/INQ000116412].
118. HM Treasury officials submitted advice to the Chancellor on his strategic approach to the reviews announced in the Roadmap on 10 March, [KJ060/INQ000116413] recommending that HM Treasury officials should work on the basis of the Social Distancing Review reporting publicly by early May to give the worst-impacted sectors clarity over their path to recovery ahead of the envisaged date for Step 4 on 17 June; that the Status Certification Review should consider the potential positive economic impacts of opening sectors through certification against the potential negative economic and equalities impacts of excluding non-vaccinated groups; and that the review of international travel should pursue an approach that supported the return of international travel as soon as vaccination allowed. A response provided by the Chancellor's office on 15 March was broadly supportive of these recommendations.
119. On 16 March, the Chancellor attended a Cabinet meeting to discuss England's position against the four Roadmap tests. HM Treasury officials provided a briefing assessing England's data against each of the four Roadmap tests [KJ061/INQ000113720]. The data suggested that England was still passing all four Roadmap tests, with Covid prevalence across England declining, the vaccination roll-out continuing to be both successful and effective in protecting against the virus, and no evidence of any VoC becoming dominant in the UK as it had in December.
120. On 17 March, the Exchequer Secretary to the Treasury attended a further SMG meeting on Covid-Status Certification. The Terms of Reference had been published on 15 March, and this meeting focused on outbound international travel, appetite for primary legislation and a two-tier model splitting international travel and domestic activity. The briefing again emphasised the need to consider economic impacts as central to the review [KJ062/INQ000116405].
121. On 29 March, the Prime Minister led a press conference on entering Step 1 of the Roadmap which saw the end of "stay at home orders" and allowed for outdoor gatherings, including private gardens, of up to six people or two households [KJ063/INQ000114461].

4.2 Step 2 of the Roadmap (12 April)

122. Towards the end of March, and with the move to Step 1 having been agreed, HM Treasury turned their attention to Step 2, and the four reviews that were happening alongside the Roadmap. These reviews were pivotal in determining social and economic restrictions, particularly from Step 3 onwards.
123. On 23 March, the Chancellor attended a Cabinet meeting to discuss the move to Step 2. By this point primary and secondary school students had already had two weeks of in-person teaching, so there was a better sense of the impact this had had on the epidemiological data and England's position against the four Roadmap tests. HM Treasury officials provided a briefing for this meeting with a focus on the four tests, which noted that the data provided pointed towards England being in a good position to move into Step 2 on 12 April 2021 [KJ64/INQ000113721]. It did, however, note that while there were no current threats of a new VoC becoming dominant in the UK as in December, there was increasing concern amongst scientists and the Covid-19 Taskforce about the Beta variant (which was originally named the South African variant) threatening the Roadmap due to it appearing to reduce the effectiveness of the Oxford-AstraZeneca vaccine.
124. On 25 March, the Chief Secretary to the Treasury attended a Covid(O) meeting on the delivery readiness of Step 2. Ahead of this meeting HM Treasury officials provided him with a briefing which highlighted the anticipated challenges of moving to Step 2, including the risk of increased pressure on local authorities and transport, of overcrowding in public spaces, and of the public becoming complacent and/or less willing to comply with regulations as the vaccine programme progressed [KJ065/INQ000113722]. The briefing advised that the range of mitigations set out in the accompanying papers for the Covid(O) meeting (including access to funding for local authorities, increased public communication campaigns, and refreshed guidance) would be sufficient for addressing these challenges.
125. On 30 March, HM Treasury officials sent the Chancellor advice which laid out the next Steps for Steps 2 and 3, including risks to the Roadmap's timetable; the state of play on the four Roadmap reviews; and a brief outline of the implications for economic support [KJ066/INQ000113723]. The advice sought Chancellor steers on these issues to feed into wider pieces of work including on the Global Travel Taskforce report and CONTAIN framework (further detail around the CONTAIN framework can be found in Module 2 Volume 1 statement). The advice provided the Chancellor with a series of recommendations around decisions that were part of and related to Step 2 and associated

announcements (the return of the remaining 51% of higher education students; allowing people access to their vaccination data to be able to travel internationally; and a limited, high-level announcement on the use of certification for very high-risk settings, with the possibility that status certification would likely play a role in mass events and help reduce social distancing requirements in the hospitality sector). The advice then went on to look at key decisions relevant to Step 3 and beyond with a focus on social distancing, international travel and the use of Certification in other domestic settings.

126. On 30 March, the Exchequer Secretary to the Treasury attended a trilateral meeting with the Chancellor of the Duchy of Lancaster and the Home Secretary, also representing her equalities brief. Ahead of this meeting HM Treasury officials provided a further note on the potential economic benefits and costs of certification [KJ067/INQ000113725].
127. Approximately concurrently with this, the Chief Secretary to the Treasury attended a SMG on the four Reviews on 31 March. Briefing provided by HM Treasury officials particularly focussed on the certification review, noting the importance of completing policy design work before announcements were made as part of the envisaged move to Step 2 on 12 April. It recommended limiting any announcement to those settings where the government could be confident that certification would play a role (for example, in relation to facilitating international travel, mass event pilots as part of the Events Research Programme, and potentially requiring vaccination as a condition of employment in social care homes) [KJ068/INQ000113724]. The summary of this meeting shared by the Covid-19 Taskforce noted that it was agreed the announcement planned for 5 April should be approached with caution, and that decisions would be needed in future about any settings in which government may require certification to allow a citizen to participate.
128. On 5 April, the Chancellor attended a Covid(S) meeting to determine the move to Step 2 and discuss the four ongoing reviews and any upcoming announcements related to them. HM Treasury officials provided a briefing which noted positive indications against Tests 1-3, including a higher than anticipated uptake of vaccines amongst the most vulnerable groups, the emergence of real-world data reinforcing trial data showing that vaccines provide a very high degree of protection from hospitalisation and death, and data demonstrating a decrease in hospital occupancy [KJ069/INQ000113726]. Regarding Test 4, the briefing noted the continued risk of new variants emerging but pointed to the mitigating role played by border measures, increased sequencing capacity, and surge testing where variants are identified. The briefing also set out considerations relating to Covid Status Certification and its potential economic impact, on the use of face coverings

for pupils in secondary schools, and on the timetable for higher education return. The briefing suggested that the Chancellor should agree to the universal testing offer, noting the intention to help drive uptake of testing in hard-to-reach groups.

129. On 5 April, the Prime Minister announced that England would be moving to Step 2 from 12 April, which would see the reopening of non-essential retail, hairdressers, public buildings (e.g. libraries and museums) as well as outdoor venues, including pubs and restaurants [KJ070/INQ000114463].

Box 7. The four Covid reviews

130. When the Prime Minister announced the Roadmap on 22 February, he established four programmes of work, led at official level, to consider different aspects of how to handle Covid-19 from summer onwards. These reviews helped inform the approach to Step 4 and the reports for each review were published through June and July. The four reviews are outlined below:

131. **Social Distancing Review:** In March 2021, an official-led Social Distancing Review Panel (“SDRP”) was established by the Permanent Secretary of the Covid-19 Taskforce. HM Treasury was represented on the Review Panel by the Chief Economic Advisor, along with representatives from DHSC, BEIS and DCMS as well as the CMO and GCSA. Of all the reviews, HM Treasury was most actively engaged with the Social Distancing review due to the impact social distancing measures, such as the 1m+ rule, had on businesses and economic activity. Ahead of the Step 4 announcement, HM Treasury worked with the Covid-19 Taskforce on the drafting and development of economic analysis for the final Social Distancing report which was published alongside an announcement of the Step 4 package on 5 July [KJ071/INQ000182182].

132. **Certification Review:** By April, it became clear that the work of the Social Distancing Review and the Certification Review was converging, and a “Cross-review” panel was established which were represented by the same departments in the Social Distancing Review. There were some deliverability concerns around certification, particularly on how testing would be delivered (e.g. at home tests or assisted testing) and provided, which could have had potentially significant fiscal and testing capacity implications. HM Treasury was supportive of limiting the use of domestic certification to specific sectors as this would help remove some operational challenges (e.g the time required to trial certification) and give the government time to determine whether certification could be used as a tool in winter.

133. Policy development for certification also continued through a series of SMG meetings, which were attended by the Chief Secretary and Exchequer Secretary to the Treasury.
134. **Large Events Review:** over the summer, HM Treasury was also represented at the Events Review Programme, which was led by DCMS and trialed certification during its various Phases. HM Treasury provided limited input in these meetings and were primarily led by DHSC.
135. **International Travel Review:** Further detail around the Global Travel Taskforce and border measures can be found in the Borders section below.

4.3 Step 3 of the Roadmap (17 May)

136. After the successful move to Step 2, HM Treasury's work on the four reviews became more prominent alongside continuous reviews of England's data ahead of the move to Step 3.
137. On 13 April, the Chancellor attended a Cabinet meeting at which the Deputy Chief Medical Officer and GCSA updated on the latest position against the four Roadmap tests in the context of moving to Step 3. HM Treasury officials provided a briefing ahead of this meeting, including the latest data regarding the four tests. The briefing highlighted that scientists were most concerned about the early and uncertain evidence around the Beta variant, and the potential for the Oxford-AstraZeneca vaccine to have a less significant impact against it [KJ072/INQ000113727].
138. On 20 April, the Chancellor attended a Cabinet meeting. His briefing noted the emergence of a new variant of interest, the Delta variant (which was named the Indian variant at the time), with 54 cases detected at that point in UK arrivals from India [KJ073/INQ000113728].
139. On 21 April, the Chancellor received advice on Steps 3 and 4 of the Roadmap, asking for his views on these issues to help feed into a Quad meeting on the shaping of Step 4, and a Covid(O) on Step 3 readiness [KJ074/INQ000113730]. The advice looked at England's position against the four Roadmap tests, particularly the latest epidemiological data, ahead of making a decision on moving to Step 3. The advice recommended that the Chancellor should confirm his agreement to lifting the ban on outbound international travel,

noting the potential for a positive economic impact on a range of relevant sectors, while also noting that the risk of VoCs would likely result in the majority of countries being placed on Red and Amber lists under the traffic light system. The advice also recommended agreeing that the Rule of 6/2 Households should be reintroduced as a limit on households meeting indoors at Step 3 of the Roadmap, but suggested that HM Treasury support its removal as early as possible at Step 4 due to its adverse economic impact on the hospitality sector.

140. The advice then outlined considerations and sought the Chancellor's views regarding other Step 4 decisions, with a focus on the need to balance the positive economic benefits of a less restricted summer with the risk that restrictions would need to be re-escalated in autumn should infections and hospitalisations peak again. The advice noted the risk of VoCs on moving to Step 4 of the Roadmap. Additionally, the advice updated the Chancellor on the Social Distancing Review, including recommending he presses for a decision on social distancing requirements in economically important sectors, with a view to improving clarity for sectors on when and how they could viably reopen following Step 4.
141. The Chancellor agreed with key recommendations in the advice, including reintroducing the Rule of 6/2 household mixing rule at Step 3 (and then seeking its removal as part of Step 4), and pursuing a large-scale relaxation of restrictions as part of Step 4 in June. The CMO and JBC had advised that this relaxation would be better in June than later in the summer, when it could lead to a larger increase in prevalence during autumn/winter, compounding other winter pressures on the NHS.
142. On 27 April, the Chancellor attended a Cabinet meeting which looked at England's position against the four Roadmap tests ahead of moving into Step 3. HM Treasury officials provided a briefing which noted positive indications of performance against all four tests. The briefing also noted that India had been added to the "red list" for quarantine on 23 April, and that the Delta variant had been designated a Variant Under Investigation [KJ075/INQ000113731].
143. On 28 April, the Chief Secretary of the Treasury attended a Covid(O) meeting on the delivery readiness of Step 3. HM Treasury officials provided a briefing which outlined the challenges associated with moving to Step 3 – chiefly the increased transmission risk, changing pressure on local authorities, and increased pressure on services due to the return of larger events – and noted that the mitigations set out in the Covid(O) papers

(including communications to embed “safe” behaviours and driving the uptake of testing) should be considered sufficient in combatting these challenges [KJ076/INQ000113732].

144. Also on 28 April, the Chief Secretary to the Treasury attended a Covid(O) meeting on status certification. His briefing focused on certification policy needing to be driven by what was operationally feasible and economically beneficial, raising particular concerns about the operational delivery of certification in multiple settings [KJ077/INQ000116415].

Box 8. Modelling of variants of concern

145. As set out in Box 2, in late 2020 HM Treasury officials developed an illustrative disease model that incorporated vaccine rollout, to explore how this would interact with NPI policy to shape the path of the virus. Results of this modelling were shared with the Chancellor in December 2020 and January 2021.

146. Following the emergence of both the Kent variant (later Alpha) and the South African variant (later Beta) in late 2020, it was clear that new variants posed a major risk to the delivery of the Roadmap. The JBC therefore developed a simple VoC model to help understand emerging variants and their interaction with vaccination and NPIs. This was not designed to replace SPI-M modelling, which continued to be used to advise ministers, but to allow officials across government to understand how the characteristics of new variants (including transmissibility and severity) could change the path of the virus. Officials across Whitehall (including from HM Treasury) provided some analytical input to quality assure the model, and feedback on which features would be most useful for policy makers. HM Treasury officials, amongst others, had the ability to run this model following the quality assurance process.

147. On 6 May 2021, HM Treasury officials sent some illustrative scenarios to the Chancellor to demonstrate the variant modelling capacity and to show how the risk posed by variants was highly sensitive to assumptions on vaccine efficacy and transmissibility. It was not used to advise on any policy decisions [KJ078/INQ000113735] [KJ079/INQ000113736]. The modelling focused on Beta (then known as the South African variant), as this had been widely flagged as a risk, and there was more data available on vaccine effectiveness. The slides also flagged the risk posed by the Delta variant (then known as the Indian variant).

148. HM Treasury officials later used this model to advise the Chancellor on the spread of the Omicron variant. This is covered in further detail in Section 6.

149. Shortly after this, and in view of the expected move to Step 3 in the Roadmap on 17 May, the Chancellor attended a Prime-Minister chaired Quad meeting (with CDL and SoS DHSC) on 29 April to consider the approach to Step 4. Briefing provided to the Chancellor noted the continued decline in Covid prevalence and high vaccine uptake, and suggested that any restrictions not removed over the summer would be even more challenging to remove in winter, given anticipated seasonal pressures on the NHS. The briefing supported a removal of social distancing requirements as part of Step 4, also suggesting that businesses be given a choice over their “work-from-home” policies at that point and that baseline NPIs (such as face coverings and financial support for self-isolators) should only be retained where, to the extent that they have an economic cost, they would have an impact on transmission. While this meeting was not decision-making, it concluded that HM Treasury should work further with the Covid-19 Taskforce and DHSC on improving the effectiveness of self-isolation, and with the Covid-19 Taskforce, Home Office and DfT on ensuring high compliance with restrictions at the border [KJ080/INQ000113734].
150. On 6 May, the Chief Secretary to the Treasury attended a further Covid(O) on certification. His briefing focused on the need for clarity around the objective of a certification policy: either for minimising transmission or for facilitating the reopening of settings that had struggled to open during the pandemic. It raised concerns around operational delivery and the funding implications of associated testing, and supported limiting certification to the highest risk settings as a way of minimising these risks. The briefing is supportive of trialling certification through the summer [KJ081/INQ000116416].
151. On 9 May, the Chancellor attended a Prime Minister chaired Covid(O) making a go/no go decision on progressing with Step 3 of the Roadmap. HM Treasury officials provided the Chancellor with a briefing which affirmed support for progressing with Step 3 of the Roadmap, noting that the latest epidemiological picture and modelling at that point indicated a better position than had been anticipated at the Roadmap’s publication in February 2021 in terms of hospital occupancy and vaccine effectiveness. The risk posed by new variants to future progress with the Roadmap was noted and mitigations including border measures and surge testing were highlighted. The briefing also noted the importance of improving the evidence base and advised the Chancellor to ask the Secretary of State for DHSC whether plans were in place to collect data on vaccination rates (and dosages) for hospital admissions, and to match this to genomic sequencing in order to better assess the risk posed by variants [KJ082/INQ000113742]. This Covid(O) meeting concluded that England would move ahead to Step 3, and this was later confirmed by Cabinet.

152. On 14 May, the Chancellor attended a Quad which looked at the Delta variant and its implications for the Roadmap. HM Treasury officials provided a briefing which noted that cases of the Delta variant were showing exponential growth in Bolton, Blackburn, Sefton, West London, and Bedford, as well as growing prevalence across the rest of the country. The briefing also noted SAGE's conclusion that the variant was more transmissible than the Alpha variant, and that there would likely be some reduction in vaccine effectiveness, although this was still uncertain. The briefing identified three options likely to be presented to the Quad, including a nationwide pause at Step 2, a regional pause at Step 2, and a regional re-escalation to Step 1a, with the aim of gaining more time to understand the variant. The briefing assessed the economic implications of each option [KJ083/INQ000113738].
153. Later on 14 May, the Prime Minister made an announcement confirming the move to Step 3 but urged for people to err on the side of caution as the Delta variant, which evidence suggested was more transmissible, had begun to spread, particularly in parts of Bolton [KJ084/INQ000114464]. He also announced the acceleration of remaining second vaccine doses to vulnerable groups, urging those eligible to come forwards as quickly as possible, and encouraged the public to take advantage of free twice-weekly testing.
154. On 20 May, the Chief Secretary to the Treasury attended a Covid(O) on certification. His briefing covered: concerns over the list of settings in which certification would apply, and the reasoning behind clinicians' support for the proposed scheme. It reiterated that spending decisions could not be taken in a Covid(O) meeting and that a decision on certification must be taken as part of wider Step 4 decisions. It also raised continued concerns over deliverability [KJ085/INQ000113739].

4.4 Delay to the move to Step 4 of the Roadmap (21 June)

155. After the move to Step 3, there were growing concerns about the spread of the Delta variant and the impact this would have on moving through to Step 4 of the Roadmap.
156. On 25 May, Cabinet discussed the status of the Delta variant, including implications for the Roadmap, reviews, and contingency planning. HM Treasury officials provided the Chancellor with a briefing which gave more detail on the latest data from the Delta variant. The data showed that this variant was "overtaking" the UK variant as a proportion of cases in the whole population [KJ086/INQ000113740]. It also noted emerging data around the increased transmissibility of the Delta variant, with preliminary evidence suggesting a small drop in effectiveness for both vaccines (though this drop was less amongst those double

vaccinated). The briefing went on to look at the impact of the Delta variant on the four Roadmap tests and the government's existing response, which included shortening the intervals between the first and second to dose to 8-weeks for cohorts 1-9, and putting in place measures to increase vaccine uptake in Delta hotspots.

157. On 3 June, the Chancellor attended a Quad meeting which aimed to set the tone for decision making on Step 4 of the Roadmap. Briefing provided by HM Treasury officials recommended that the Chancellor ask for a further week's worth of health data before making final decisions on Step 4. The briefing also recommended that – if a delay were considered – ministers should be clear about the rationale for doing so, as this would inform any decision on the length of delay. As anticipated, no decisions were taken at the meeting [KJ087/INQ000116418].

158. Following the Quad meeting, the Chancellor received advice from HM Treasury officials on 9 June which laid out the options for proceeding with or delaying Step 4 on 21 June, as well as the implications for economic support schemes, and testing and self-isolation support. This advice asked for Chancellor steers on these issues to feed into upcoming ministerial meetings that would make final decisions around delaying Step 4. The submission recommended that the Chancellor agree to delaying Step 4 if the public health advice indicated that it would be unsafe to proceed, but that this should be subject to fortnightly reviews. The advice further noted that although delaying Step 4 would prohibit some important economic activity from resuming, businesses typically supported a steady reopening over a longer time period rather than a more rapid reopening followed by a potential re-escalation of restrictions [KJ088/INQ000113741]. On testing, should Step 4 be delayed, the recommendation was that the Chancellor agree to continue the testing regime. On economic support, the briefing recommended the Chancellor agree to continue to roll over the Test and Trace Support Payment (TTSP) until the end of September. The TTSP was initially rolled out in September 2020, details of which HM Treasury has covered in Box 8, paragraph 138, of its Module 2 Volume 1 statement.

159. On 13 June, the Chancellor attended a Quad meeting focused on delaying progression to Step 4. HM Treasury officials provided the Chancellor with a briefing which both noted his support for delaying progression to Step 4 on the basis of public health advice and emphasised the need to progress to Step 4 as soon as it became safe to do so. This included a focus on the risk of a further wave being pushed into the autumn/winter period and on the need to protect jobs by enabling businesses to return to pre-Covid operating levels [KJ089/INQ000113743]. The briefing also addressed potential changes to Step 3

restrictions, including recommending that the Chancellor take a neutral approach on proposed relaxations on wedding attendance which were considered to offer minimal benefits to the industry, and recommending that he should push against a detailed announcement on introducing a new phase to the Events Research Programme until more detailed information was available on legal liabilities and costs. In light of delays to Step 4, the briefing again recommended that the Chancellor agree to a proposal to roll over the existing asymptomatic testing offer in full, and agree to roll over the existing scheme for self-isolation financial support for a further three months. Officials were later informed that the Prime Minister had agreed to delay Step 4 and give more time for adults to receive double doses. The Prime Minister also agreed with the Chancellor that any delay would need to be pinned to a concrete milestone (i.e., second vaccine doses for all adults) to give people greater certainty that Step 4 would happen at the announced date.

160. On 14 June, the Chancellor attended a Cabinet meeting focused on delaying the progression to Step 4. HM Treasury officials provided him with a briefing which emphasised the need for considered public messaging around the delay to Step 4, highlighting that the objective was to provide more time for adults to receive second vaccine doses before progressing [KJ090/INQ000113744].

161. On 14 June, the Prime Minister announced that progression to Step 4 would be delayed by four weeks [KJ091/INQ000114460].

4.5 Moving to Step 4 of the Roadmap (19 July)

162. Following the delay of Step 4, the government committed to bringing forward their target for the first dose of the vaccine to have been offered every adult by 19 July, as had been agreed at the 13 June Quad meeting. HM Treasury were keen to have regular reviews to ensure that Step 4 not be delayed any further.

163. On 22 and 29 June, Cabinet considered the Covid data and looked at whether the four Roadmap tests were on track to be met to allow England to move to Step 4 as planned. The Chancellor's briefing for these meetings focused on maintaining momentum in the vaccine roll-out and noted the weakening link between cases and hospitalisations [KJ092/INQ000113745] [KJ093/INQ000113746].

164. The Chancellor received advice and briefing from HM Treasury officials ahead of a Quad meeting on 2 July to discuss the shape of Step 4 and agree the policy package for announcement on Monday 5 July. Officials recommended that, should the scientific advice

continue to support moving through Step 4 at the formal go/no go point on 12 July, the government should push ahead with an ambitious reopening on 19 July [KJ094/INQ000113747]. The advice recommended supporting the Covid-19 Taskforce proposals for the removal of almost all restrictions, with particular support for the proposal to remove 1m+ and WFH guidance (in line with the conclusions of the Social Distancing Review, to be published alongside the Step 4 publication), as this would be key to reopening crucial areas of economic activity. The briefing noted that the Covid-19 Taskforce proposal to reduce the volume of asymptomatic testing through communications messaging alone fell short of the Chancellor's ambition on this issue and therefore suggested the Chancellor may want to push for a removal of guidance encouraging asymptomatic testing of double vaccinated people, as other countries have had done. Similar briefing was provided for the Chief Secretary to the Treasury for a Covid(O) the same day [KJ095/INQ000113748].

165. The Quad agreed that Step 4 should include reopening closed settings, revoking social distancing guidelines, replacing Covid-secure legislation with guidance and exempting double-vaccinated Covid contacts from self-isolation. Following this, the Prime Minister made a statement later that evening, setting out the government's "five-point plan for living with Covid": first, vaccines; second, moving away from legal restrictions and reopening; third, a "proportionate" test, trace and isolate system, noting an ambition to change the regime for fully vaccinated contacts and children; fourth, maintaining border controls; and fifth, monitoring and maintaining contingency measures, though with an emphasis on avoiding re-imposing restrictions as far as possible [KJ096/INQ000114462].
166. Ahead of the go/no go decision to proceed to Step 4 on 12 July, HM Treasury officials provided the Chancellor with advice on the progression with Step 4 on 8 July, with a view to securing steers ahead of a Quad meeting scheduled for the following day and a Covid(O) on 12 July [KJ097/INQ000113749]. The advice recommended that the Chancellor support proceeding with Step 4 as set out in the Prime Minister's announcement on 5 July, on the expectation that the public health advice would recommend this and including HM Treasury officials' assessment against the four tests, informed by the latest internal and SPI-M modelling of the impact of moving to Step 4 [KJ098/INQ000113750]. Prevalence was increasing (cases and hospitalisations were higher than on 21 June, when Step 4 was delayed) and the advice therefore outlined officials' understanding of the CMO's position that proceeding to Step 4 at this point would align timings with school summer holidays and a smaller summer wave would be preferable to a larger one later, though the advice noted the high level of uncertainty over

risks to the NHS in the winter and therefore the importance of cautious messaging to the public.

167. HM Treasury sent the Chancellor further advice following sight of options from the Covid-19 Taskforce in light of rising prevalence, ahead of a 9 July Quad meeting [KJ099/INQ000113751]. The note recommended the Chancellor support the option of proceeding with Step 4, while still using cautious messaging and encouraging gradual behavioural change. The note assesses the cumulative economic impacts of greater caution and higher prevalence, particularly on labour supply and consumption, but also noted the benefits of reducing the peak through more cautious behaviour and the risks of bringing forward the planned start of exempting double-vaccinated contacts from self-isolation from 16 August.
168. Following the Prime Minister, and Quad's, decision to move ahead with Step 4, on 12 July, Cabinet ratified the decision to progress, which had also been discussed at a Covid(O) earlier that day [KJ100/INQ000113752]. That evening, the Prime Minister publicly confirmed the move to Step 4 would happen on 19 July [KJ101/INQ000114465]. The same day the government published its plan for the Covid-19 Response over summer 2021, elaborating on the Prime Minister's previously announced five-point plan [KJ102/INQ000114432].

4.6 Border measures

169. During the period from March to June 2021, the approach to health measures at the border was led by DfT's Global Travel Taskforce, with HM Treasury providing views through meetings such as Covid(O). The Global Travel Taskforce set out a proposed framework for international travel at Covid(O) on 1 April, which included the RAG rating system for classifying destination countries. HM Treasury officials provided the Chief Secretary to the Treasury a briefing which recommended supporting this RAG-rated system and supporting regular review points. The briefing also recommended a supportive stance for DfT's engagement with strategically important countries to establish bilateral agreements for less restricted travel [KJ103/INQ000116414]. The Global Travel Taskforce's report was published on 9 April 2021 [KJ104/INQ000114471].
170. Following the publication of this Report, border measures were again focused on the risk posed by Variants of Concern. On 19 April, Covid(O) met to agree the addition of India to the red list due to concerns about a surge in case numbers potentially caused by a new variant of interest, which HM Treasury officials briefed the Chief Secretary to the Treasury

to support, while noting the risk of increased pressure on Managed Quarantine Service hotels and the need for a consistent approach to adding countries to the red list (e.g., whether the approach should require the identification of a Variant of Concern rather than a variant of interest) [KJ105/INQ000113729]. The addition of India to the red list was announced on 23 April [KJ106/INQ000114437]. Ahead of the Chief Secretary to the Treasury's attendance at a Covid(O) meeting on 29 April focused on border readiness and the traffic light system, HM Treasury officials provided a briefing which recommended that economic factors should be included in the decision making on the allocation of countries to the RAG lists, and on the movement of countries between lists, which ran contrary to the draft proposal on the traffic light system and its underpinning methodology circulated ahead of the meeting [KJ107/INQ000113733]. Concerns about the Joint Biosecurity Centre's traffic light methodology would resurface in summer 2021.

171. Ahead of the reopening of international travel in May 2021, Covid(O) met on 7 May to agree that lifting restrictions on outbound travel could take place on 17 May, and further to agree the allocation of countries under the traffic light system, with HM Treasury officials briefing the Financial Secretary to support the recommendations but to push for marginal cases to be included on the green list [KJ108/INQ000113737]. On 7 May, the opening of international travel from 17 May was announced [KJ109/INQ000114438].

Section 5. 20 July 2021 – October 2021

Summary

172. After England successfully entered Step 4 of the Roadmap on 19 July, there were growing concerns across government around the issues caused by high prevalence over the summer period. Domestic regulations on self-isolation were due to change on 16 August, with those who were double vaccinated becoming exempt. In advance of this, self-isolation requirements were putting a strain on workforces and supply chains (the so-called "pingdemic"). HM Treasury supported cross-government work on reducing the impacts of high transmission levels, particularly on critical workforces where workplace absences as a result of self-isolation were impacting the delivery of key services. HM Treasury fed into this process and provided comments on critical sectors affected, as well as wider analysis of the impact on the economy.
173. Alongside the work on high prevalence, HM Treasury worked with the Covid-19 Taskforce to pull together a plan to help respond to potential challenges over the course of the autumn and winter, in what would become the "Autumn and Winter Plan for Covid" (delivering on the government commitment in July to assess preparedness for autumn and winter). The Autumn and Winter Plan was split into Plan A and Plan B, designed to manage uncertainty around the path of the virus and pressures on the NHS. Plan A focused on vaccines and therapeutics (particularly antivirals), continued testing, and communications to encourage responsible behaviours. Plan B was created for a scenario in which the epidemiological picture had begun to deteriorate, with additional interventions where necessary to reduce transmission. Plan B focused on introducing "lower cost" NPIs (increased communications, the mandating of facemasks in some settings, mandatory certification in some settings and the return to working from home guidance if the epidemiological situation demanded it).
174. The impact of border measures was a particular area of interest for HM Treasury during this period, as the focus shifted to the potential for less restricted international travel facilitated by vaccination in the medium term, as well as to the potential for immediate reforms to the traffic light system in order to achieve a more sustainable and predictable set of border measures for both industry and consumers.
175. As the country entered a new phase of the pandemic, it was felt that it was the right time to begin a phased wind-down of major Covid-19 emergency economic support, in

particular the furlough scheme. HM Treasury officials worked with the Chancellor to pull together a plan and timeline for when key economic support schemes would end. On 13 September, the Chancellor gave a Plan for Jobs update which set out why, with businesses able to operate without the constraints of necessary health restrictions, this was the right time end [KJ110/INQ000114446].

5.1 Summer 2021

176. After moving into Step 4 on 19 July, HM Treasury's focus shifted to combatting the impacts of self-isolation which were resulting in high levels of workforce absences, as well as preparing for a potential deterioration of the Covid situation in the autumn.
177. On 14 July, the Chief Secretary to the Treasury attended a Covid(O) meeting on domestic certification. The briefing recommended he voice broad support for certification, especially as a means of unlocking economic activity in otherwise closed sectors, and welcome the opportunity to trial the policy through the summer, noting the increase in testing demand and cost implications [KJ111/INQ000113753]. While the certification review concluded that mandatory certification would not be introduced at that time, HM Treasury continued to support other departments to understand the groups and economic activity most affected by proposed certification schemes through the summer, sharing work with DHSC and the Covid-19 Taskforce in early August [KJ112/INQ000113758].
178. On 19 July, the Financial Secretary attended two Covid(O) meetings, the first on child vaccination and the second on allowing people to leave self-isolation to perform critical work and certification. For the first meeting on vaccines, HM Treasury officials provided briefing which suggested that the Financial Secretary agree to the Joint Committee on Vaccination and Immunisation recommendation of a child vaccination programme, considering the impact missed school/workdays had on the economy. The briefing noted that, without vaccinating children, it would be unlikely that England would reach population immunity by vaccination, given the higher transmissibility of the Delta variant and the role that secondary-age children played in driving transmission [KJ113/INQ000113754]. The briefing also recommended that the minister should support the pragmatic proposal (in the context of rising prevalence) to allow people performing critical work to leave self-isolation early.
179. For the second Covid(O) meeting on 19 July on certification, HM Treasury officials provided a speaking note and background [KJ114/INQ000113755] which recognised that while HM Treasury was supportive of the introduction of certification, there were concerns

that the government was rushing into an announcement without having fully addressed some outstanding issues with the policy. The note emphasised that without having clarity on why and how the government planned to introduce certification, there was a risk of damaging the ability to implement the policy and therefore HM Treasury officials suggested the announcement be pushed back to allow for further work to be done.

180. On 22 July, the Chief Secretary to the Treasury attended a Covid(O) meeting on how government departments were planning to deal with high prevalence over summer and the impact this would have, particularly on the delivery of essential services. Wide-ranging briefing provided to the Chief Secretary to the Treasury highlighted the need for the self-isolation exemption to be applied thoroughly throughout the NHS and welcomed work the Covid-19 Taskforce was doing to assess the scale of potential workforce absences across the economy. HM Treasury officials had been supporting the Covid-19 Taskforce colleagues in assessing the potential scale of absences and to ensure the impacts to the macroeconomy were framed correctly [KJ115/INQ000113756].
181. On 26 July, the Chief Secretary to the Treasury attended a Covid(O) on Daily Contact Testing ("DCT"). A briefing provided beforehand suggested that he support the move to bring in DCT to help mitigate the impact of self-isolation on essential services. This was to be announced ahead of the self-isolation rules changing on 16 August when fully vaccinated people (i.e. second dose plus two weeks) and under 18s would no longer need to isolate if they were identified as close contacts of someone who tested positive for Covid. The briefing outlined the latest assessment by HM Treasury analysts on the impact of workforce absences, which had been shared with the Covid-19 Taskforce [KJ116/INQ000113757].
182. On 9 August the Chancellor attended a meeting chaired by the Prime Minister to discuss voluntary and mandatory certification. His briefing focused on HM Treasury's support for certification as a tool to allow businesses that would otherwise be closed to remain open. It also emphasised support for making the Covid Pass available to double vaccinated people only (once all adults have had the opportunity to have two vaccinations) rather than a negative test, given apparent weak health benefits and associated costs with the testing option and so that certification would have a positive impact on vaccine uptake. It also noted the importance of considering economic impacts of the scheme (for example in decisions on settings, and potential impacts of mandatory certification on unvaccinated consumers and workers). The briefing emphasised the need for the scheme to be deliverable and workable for businesses and consumers [KJ117/INQ000113760].

5.2 Border measures

183. By June 2021, HM Treasury began to take a more prominent role in decision making on international travel restrictions, becoming increasingly concerned with the impact of ongoing border restrictions both on the travel sector and on the economy more broadly. HM Treasury's approach to borders from summer 2021 onwards was also reflective of the broader shift from the use of NPIs (such as flight bans and restrictions on travel) to PIs, with the substantial progress made on vaccinations by summer 2021 opening up the possibility of more targeted and bespoke border restrictions linked to the vaccination status of individual travellers.
184. HM Treasury officials submitted advice to the Chancellor in June on HM Treasury's specific vision for a medium-term strategy for borders, which would seek to balance the public health risks posed by international travel with the significant economic and fiscal impacts of border restrictions [KJ118/INQ000116419]. The advice emphasised that restrictions on international travel were damaging the UK economy, with particularly concerning impacts on tourism, trade, the recovery of individual cities (especially London), and on the UK's international reputation and competitiveness. Officials recommended that HM Treasury Ministers should pursue shorter-term reforms to border measures – particularly via the implementation of business traveller exemptions and reforms to stabilise the traffic light system – in the immediate term, while pushing across Whitehall for agreement and announcement that vaccine certification would be the medium-term goal. The advice recommended advocating for the use of bilateral trials with economically important countries, ahead of a move to “a universal, individual-based system (any individual with a recognised vaccine)” by late September, when the UK's domestic vaccination programme would be largely completed.
185. Vaccine certification continued to be a prominent focus for HM Treasury in July, with HM Treasury officials briefing the Chief Secretary to the Treasury in advance of Covid(O) on 2 July to support an early announcement on vaccine certification (to enable fully vaccinated arrivals from “amber” list countries to be exempt from isolation requirements), and to emphasise the importance of clear direction on the next phases of certification (such as bilateral agreements with the EU) in order to give confidence to the travel industry [KJ095/INQ000113748]. On 8 July, the Secretary of State for Transport announced that from 19 July, fully vaccinated UK residents would no longer be required to self-isolate on arrival in the UK (although some testing requirements remained for this cohort), and that

guidance against travelling to countries on the amber list would be removed [KJ119/INQ000114439].

186. Despite these changes, as the summer progressed HM Treasury officials remained concerned about the borders regime. Advice sent to the Chancellor on 22 July described the traffic light system and its underpinning methodology as unsustainable and out of step with the improved epidemiological understanding of VOCs. It sought agreement for HM Treasury officials to work with the Covid-19 Taskforce and relevant departments to implement a longer-term borders policy ahead of the 1 October Global Travel Taskforce checkpoint. Again, emphasis was placed on moving from blunt restrictions to a more targeted regime focused on the vaccination status of individual travellers, rather than on individual countries (albeit a time-limited and focused red list was recommended for retention). The advice made three recommendations for short-term improvements to the borders regime: supporting the expansion of international certification at pace; supporting changes to the traffic light methodology (for example, differentiating between VoCs, creating a feasible route off the Red list, and creating a more stable and easier to reach Green list); and creating improved cross-Whitehall governance of the borders regime to enable wider factors (such as economic impacts) to be incorporated into decision making [KJ120/INQ000116420]. Officials recommended sending a ministerial letter, which set out HM Treasury's concerns and preferred approach [KJ121/INQ000116421].
187. On 28 July, the government announced that fully vaccinated travellers from the EU and the USA would no longer be required to quarantine on arrival from 2 August, and that international cruises could restart [KJ122/INQ000114436]. Throughout August, HM Treasury officials continued to develop options on a long-term strategy on borders, set out in a draft position paper shared with officials in the Covid-19 Taskforce [KJ123/INQ000113761]. HM Treasury Officials also continued to advise Ministers to aim for changes to the borders framework at Covid(O) meetings, including on 4 [KJ124/INQ000113759] and 25 August [KJ125/INQ000113762]. Further economic analysis by officials from HM Treasury and DfT of the economic impact of testing and isolation measures was sent to the Covid-19 Taskforce on 7 September. [KJ126/INQ000116422] Ahead of a Covid(O) meeting on 16 September, HM Treasury officials provided briefing in favour of a proposal to enable arrivals to take lateral flow tests instead of polymerase chain reaction ("PCR") tests. The briefing also recommended a broader review of arrivals testing and exit strategy, as well as a two-tier "red" and "non-red" system. Overall the briefing proposed pushing for a review of the red list to improve transparency and predictability [KJ127/INQ000116426].

188. Throughout the remainder of the autumn, HM Treasury officials continued to push for reforms to the borders regime to support the recovery of international travel. On 7 October the Economic Secretary to the Treasury attended a Covid(O) meeting to discuss the international travel Red list. The briefing welcomed the progress made on issues such as expanding international vaccine certification and alternative options for managed quarantine, while noting that substantial further work was needed [KJ128/INQ000113767].
189. On 21 October the Chief Secretary to the Treasury attended a Covid(O) meeting on international travel. The briefing supported retaining managed quarantine to the end of the year but was clear that it must be seriously considered as part of the upcoming international travel January review. The briefing also supported proposed changes to certification [KJ129/INQ000116428]. On 28 October the Chief Secretary to the Treasury attended a Covid(O) meeting on the international travel Red list and further expansion of international vaccine certification. The briefing supported the removal of the final seven countries from the Red list and proposed changes to inbound vaccines policy [KJ130/INQ000116429].

5.3 Autumn and Winter Plan 2021

190. In July, as part of the move to Step 4, the government had made a public commitment to *“undertake a review to assess the country’s preparedness for autumn and winter”* in September.
191. Throughout summer 2021 HM Treasury worked with the Covid-19 Taskforce to ensure economic and fiscal factors were being considered as the Autumn and Winter Plan for Covid was drawn up. HM Treasury was balancing the ongoing and high cost of the full suite of pharmaceutical interventions with the need to reduce the risks that would arise from future lockdowns. In particular, HM Treasury officials fed into the Covid-19 Taskforce plans on the use of trigger points and the proposed hierarchy of restrictions, as well as on a proposed exit strategy.
192. Alongside official level work, HM Treasury ministers continued to attend Covid(O) and SMG meetings to feed into the government’s plan for the autumn and winter.
193. On 6 September the Chief Secretary to the Treasury attended a Covid(O) meeting on supporting CEV people. The briefing recommended supporting the proposal to end the option to reinstate advice for the CEV to shield [KJ131/INQ000113763].

194. On 7 September the Chief Secretary to the Treasury attended a SMG meeting on the Test, Trace and Isolate strategy for the winter. The briefing reflected HM Treasury ministers' growing concern over the value for money of an expansive universal testing offer, given high levels of vaccination by this time. The briefing was supportive of proposals to continue PCR testing for symptomatic individuals and contacts, and to extend the legal duty for cases and unvaccinated contacts to self-isolate (with financial support extended in parallel). However, it suggested the minister reserve HM Treasury's position on the proposal for national standardisation of financial support for self-isolation until HM Treasury officials had worked through the detail with UKHSA [KJ132/INQ000113764].
195. Meanwhile the Covid-19 Taskforce was drafting the Autumn and Winter Plan document. Following iterations at official level, on 9 September the Chancellor's office sent comments on a draft of the Plan to the Cabinet Office, noting:
1. the cost of the asymptomatic testing offer and the need to plan for a sustainable approach;
 2. that the Plan must be clear that there was a higher bar for working from home than for other Plan B measures, due to the more significant economic impacts; and
 3. that DHSC should be doing everything possible to boost vaccine uptake amongst those who remained unvaccinated, thereby reducing reliance on testing and restrictions [KJ133/INQ000116423].
196. HM Treasury officials then continued to work with the Covid-19 Taskforce on further iterations of the Plan to ensure the Chancellor's priorities were delivered. HM Treasury suggested text on economic recovery and the economic impacts of working from home, aligned testing and vaccines policy with the latest spending agreements and worked to ensure the final policy on status certification would meet ministers' objectives.
197. On 13 September, HM Treasury officials advised the Chief Secretary to the Treasury to approve DHSC's proposal to extend existing self-isolation support, on the basis that financial incentives and support would continue to be vital in underpinning testing and isolation behaviour through the winter [KJ134/INQ000116424]. Approval was conditional on DHSC presenting an exit plan by the end of October. The extension of self-isolation support was announced as part in the Autumn-Winter Plan.
198. Also on 13 September, the Exchequer Secretary to the Treasury attended an SMG on certification, to confirm whether certification would be included in the Autumn and Winter

Plan. Her briefing recommended she support in principle a certification scheme, as long there was a clear public health rationale and consistency with the government's position on scaling down asymptomatic testing [KJ135/INQ000113765].

199. Throughout this period the analysis team within the Covid-19 Taskforce produced a number of "Spotlight" papers analysing Covid policy. Analysts at HM Treasury provided input as requested for these papers, including on a paper focussed on the impact of Test, Trace and Isolate on the spread of the virus in early September.
200. On 13 September, a Covid(O) briefing advised the Chief Secretary to the Treasury to agree with the approach laid out in the draft Autumn and Winter Plan. Officials suggested asking for the rationale behind changing the position on testing in schools from "*to continue testing only until the half term*" as agreed in an earlier SMG meeting, to "*until at least the end of the term*" in the draft Plan. Finally, the brief suggested the Chief Secretary to the Treasury agree not to introduce mandatory certification at that point as per the draft Plan [KJ136/INQ000116425].
201. On 14 September the Prime Minister announced the government's Autumn and Winter Plan for Covid, which was explicit in focusing on PIs (vaccination, testing and therapeutics), only expecting NPIs (social and economic restrictions) to be used if data suggested further measures were necessary to protect the NHS [KJ137/INQ000114459]. This was discussed at Cabinet on the morning of 14 September, with the Chancellor's brief recommending he welcome the approach, highlighting where, through sustained official-level engagement with the Covid-19 Taskforce, his objectives have been achieved in the Plan [KJ138/INQ000113766].
202. On 16 September the NHS began the autumn booster vaccination campaign for vulnerable groups.

5.4 Winter preparedness

203. Following the publication of the Autumn and Winter Plan for Covid, HM Treasury ministers and officials continued to work on ongoing domestic Covid policy response and winter preparedness. In October cases began rising significantly and there was concern over whether vaccine protection may be starting to wane.
204. On 18 October a HM Treasury official attended the Prime Minister's regular "dashboard" (data) meeting, where there was discussion over whether it might be

necessary to move to Plan B. It was agreed that that was not necessary at that point, but that contingency messaging should be strengthened.

205. On 19 October the Chancellor attended Cabinet, where SoS DHSC updated on the Covid-19 Response. The Chancellor's brief updated him on the Plan B conversation from the previous day and suggested he push DHSC on progress of booster doses and the "evergreen offer" (providing the initial two dose vaccine course) to reduce the risk of a crunch point later in the winter [KJ139/INQ000113768].
206. On 20 October the Chief Secretary to the Treasury attended a Covid(O) meeting to discuss adult social care and the NHS winter plan. His briefing welcomed proposed actions to ensure preparedness of care setting for the winter and reiterated HM Treasury's position from Autumn and Winter Plan discussions that setting a specific threshold for Covid/flu occupancy above which the NHS would be classified as overwhelmed was too crude a measure given the complexity of NHS capacity [KJ140/INQ000116427].
207. On 22 October SAGE published further analysis of the impact of Plan B measures, however in the latter half of October Covid cases had begun to decline again, and specific conversations around activating Plan B were therefore paused [KJ141/INQ000114470].

Box 9. Autumn Budget and Spending Review 2021

208. The Chancellor presented the Autumn Budget and Spending Review to Parliament on 27 October 2021. It focused on investing in stronger public services, including investment in health and the NHS, part-funded by the Health and Social Care Levy, as well as supporting the economy, jobs and public finances.
209. As is the convention with all fiscal events and as set out in the Cabinet Manual, the Autumn 2021 Budget was developed in consultation with the Prime Minister before being presented to Cabinet for collective agreement shortly before the event.

Section 6. November 2021 – February 2022

Summary

210. In late November 2021 the Omicron Covid variant began to spread in the UK. The Autumn and Winter Plan, which had been published in September, set out the expected shape of a response, and on 27 November the Prime Minister announced an initial set of measures, including mandatory face coverings in shops and on public transport and borders measures [KJ142/INQ000114458]. As further data emerged, and cases rose, HM Treasury advised the Chancellor urgently on the economic and fiscal implications associated with possible policy responses. On 8 December the Prime Minister announced a move to Plan B and the vaccine booster programme was expanded and expedited [KJ143/INQ000114457]. HM Treasury continued to advise the Chancellor on the latest modelling (using internal and external analysis), and the associated implications for restrictions and economic support, through December (see section 6.1 below and associated exhibits). The Chancellor announced a £1 billion support package on 21 December. Ultimately the Prime Minister decided not to go further than Plan B.

211. As cases began to fall in early January 2022, attention turned to when it would be safe to release the restrictions introduced before Christmas. On 19 January the Prime Minister made a statement in the House of Commons announcing the end of Plan B restrictions in England, and a return to Plan A [KJ144/INQ000114455]. He also committed to setting out a long-term strategy for living with Covid-19: this was announced on 21 February [KJ145/INQ000114453]. The potential for the reopening of unrestricted international travel was again an area of focus once concerns regarding the Omicron variant had abated.

212. In parallel, work continued to optimise pharmaceutical interventions, such as DCT, with the aim of shortening self-isolation periods.

6.1 Responding to the Omicron Variant

213. In November 2021 cases began to rise again, although not as sharply as they had in early October. It was only as Omicron spread in early December that case rates suddenly grew very quickly.

214. Prior to Omicron's discovery, in November there was a series of Cabinet discussions on Covid strategy and winter preparedness, led by SoS DHSC and CDL – for example, on 16 November, for which the Chancellor's briefing did not recommend he make any significant interventions [KJ146/INQ000113769].

215. On 18 November the Chief Secretary to the Treasury attended a Covid(O) meeting to review the border red list, as well as discussing contingency options for high numbers of red list arrivals, bringing domestic vaccine recognition in line with the international approach and expanding the international certification offer. The briefing welcomed the inclusion of economic impacts in the assessment for red list decisions and was also supportive of proposals on the remaining items, noting that funding implications would need to be discussed with spending teams [KJ147/INQ000113770].
216. On 25 November HM Treasury officials received initial information from Cabinet Office and DHSC on a new variant emerging in Africa. On 25 November a Covid(O) meeting was convened at short notice to discuss adding six African countries (South Africa, Namibia, Zimbabwe, Botswana, Lesotho, and Eswatini) to the red list from midday on 26 November [KJ148/INQ000114442]. The Exchequer Secretary to the Treasury attended and her briefing recommended being led by the public health advice, while noting that international travel remained in the early stages of its recovery and emphasising the importance of regular reviews and the impacts on managed quarantine and associated costs [KJ149/INQ000113771]. HM Treasury officials also engaged bilaterally with counterparts at DHSC to understand the financial risk of re-establishing the Managed Quarantine Service, and worked over the subsequent fortnight to monitor and address any funding shortfall from potential fluctuations in passenger numbers.
217. On 26 November the variant was designated "Omicron" by the World Health Organisation and HM Treasury officials updated the Chancellor on emerging data, borders decisions and financial markets [KJ150/INQ000113772]. On 27 November, the Ministerial Quad met to agree the policy response following identification of Omicron in the UK, which included the addition of 4 African countries to the Red List (Malawi, Mozambique, Zambia, and Angola), as well as increasing the existing booster rollout, contact tracing and face coverings [KJ151/INQ000113773]. Later that day, the Prime Minister announced that the Omicron variant had been found in the UK, and that face coverings would now be compulsory in shops and on public transport and that all international arrivals would face testing and self-isolation [KJ142/INQ000114458].
218. The Chief Secretary to the Treasury approved on 29 November the announcement of the expansion of the vaccine booster campaign in response to the Omicron variant [KJ152/INQ000113774]. HM Treasury officials recommended to the Chief Secretary to the Treasury that, in order to support the Omicron response, HM Treasury should approve this

'response critical' spending in principle, dealing with any resulting pressures on budgets through the usual Supplementary Estimates process in the new year.

219. At Cabinet on 30 November, the SoS DHSC, CMO and UKHSA Chief Executive gave an update on Covid-19 Response [KJ153/INQ000113775]. On 3 December HM Treasury officials sent an update to the Chancellor covering the latest data on Omicron and UK case rates, the economic context, views on moving to Plan B and implications for DHSC spending [KJ154/INQ000113776]. On 4 December there was a further Covid(O) meeting on travel restrictions. The Financial Secretary to the Treasury attended for HM Treasury and the briefing suggested that, in line with Chancellor views, she push back on 48 hour Pre-Departure Testing and adding Nigeria to the Red list, noting that border restrictions could not stop Omicron spreading in the UK and that the travel sector remained at an early stage of its recovery [KJ155/INQ000113777].
220. On 7 December HM Treasury officials sent a further Omicron briefing to the Chancellor. The briefing covered what was and was not currently known about the characteristics of the Omicron variant, noting that the Prime Minister was expected to propose a move to Plan B the following day, and setting out the arguments for and against further restrictions. The briefing judged Plan B to be a proportionate response to the developing situation [KJ156/INQ000116430]. Officials also sent the Chancellor provisional conclusions from internal HM Treasury modelling of Omicron (using the JBC simple VoC model that had been developed in early 2021, as described in further detail in Box 8), to support assessment of what policy action may be needed to avoid overwhelming the NHS and how long any interventions might need to be in place for [KJ157/INQ000116431]. As set out in the briefing, there was huge uncertainty around the characteristics of Omicron and this analysis was therefore very preliminary.
221. On 8 December the Chancellor attended a Covid(O) meeting where agreement was sought for a move to Plan B in full. The Chancellor's briefing suggested that he support the move, while recognising that the proposed measures had economic costs, in addition to the fiscal costs of increased testing [KJ158/INQ000113778]. The Prime Minister announced the move to Plan B in England later that day [KJ143/INQ000114457].
222. On 10 December the Chief Secretary to the Treasury attended a meeting with the First Ministers to discuss Omicron [KJ159/INQ000116432]. The briefing noted existing UK-wide government support and additional Barnett funding provided at Budget.

223. On 13 December HM Treasury officials sent a further update to the Chancellor summarising the latest modelling scenarios for Omicron (based on work by the London School of Hygiene and Tropical Medicine) [KJ160/INQ000113780]. This note also covered implications for NPIs and NHS capacity, as well as levers to increase NHS capacity. The note also included principles for any further economic support, which will be covered in more detail in a future module.
224. On 14 December Cabinet discussed Omicron, with an update led by SoS DHSC, CMO and UKHSA Chief Executive [KJ161/INQ000113781]. Also on 14 December, the Chief Secretary to the Treasury attended a Covid(O) meeting to review the border restrictions established in response to Omicron in late November. The briefing suggested that the minister support the removal of the temporary restrictions given their negative economic implications and the lack of a clear health rationale (given Omicron's imminent dominance across England) [KJ162/INQ000116433]. Later that day, the government announced the removal of all 11 remaining countries and territories on the red list, on the basis that the red list had become less effective since Omicron cases had risen in the UK and other countries [KJ163/INQ000114441].
225. On 17 December the Chief Secretary to the Treasury attended a Covid(O) on Omicron workforce disruption, chaired by the Prime Minister, where a potential 20-30% workforce reduction was discussed. Given the short notice ahead of the meeting HM Treasury did not provide a formal briefing, but did suggest that the minister ask whether everything possible was being done to maximise the NHS workforce.
226. Later on 17 December the Chancellor met the Prime Minister to discuss the latest SAGE modelling and the case for going further than Plan B [KJ164/INQ000113782]. The Chancellor's brief did not recommend a particular position in relation to the options for going further than Plan B. The brief emphasised the importance of the precise timing of any further measures. The brief also highlighted the substantial behavioural change already being observed from the public, and the consequent epidemiological and economic impacts. HM Treasury officials also sent the Chancellor a summary of the latest available epidemiological modelling on Omicron [KJ165/INQ000113783].
227. On 18 December the Chancellor again met the Prime Minister to discuss whether further action was needed, using the briefing that had been sent the previous day (see previous paragraph). Discussion included the booster programme, public behaviour change, other countries' strategies and the implications of available epidemiological

modelling, with officials providing tables of modelling from SPI-M accompanied by annotations from HM Treasury officials [KJ166/INQ000184556 and KJ167/INQ000184556]. A draft note of the meeting from the Chancellor's private office indicates that no final decisions were taken, with the Chancellor noting continued uncertainty over the case for introducing significant restrictions and emphasising the need to seek and interrogate additional data prior to any decision-making on restrictions [KJ168/INQ000184558].

228. On 19 December, HM Treasury officials again briefed the Chancellor on options for going further to inform his discussions with the Prime Minister later that day. The briefing recommended supporting the Prime Minister if he wanted to impose a short package of further restrictions, as long as any subsequent review was a genuine removal mechanism. These restrictions included reinstating shielding and asking older people to isolate until they had received their booster vaccine. The briefing also covers mechanisms to maximise NHS capacity and a potential prioritisation of testing capacity [KJ169/INQ000113784]. HM Treasury officials also provided the Chancellor with a note which explains the University of Warwick's modelling on restrictions and some new modelling from the London School of Hygiene and Tropical Medicine, and which set out the potential impact of NPIs on infections, on hospital admissions and occupancy, and on deaths [KJ170/INQ000184559].
229. Following a Cabinet discussion on 20 December, on 21 December the Prime Minister announced that although the situation remained extremely difficult and that further measures could not be ruled out after Christmas, the government would not introduce tougher measures before Christmas [KJ171/INQ000114476]. Despite only Plan B measures having been enacted at this point, some sectors were experiencing a significant reduction in business due to public behavioural changes in response to Omicron (such as cancelling Christmas parties). Also on 21 December, the Chancellor announced a package of support for businesses particularly impacted by Omicron across the UK. This will be covered in detail in future modules [KJ172/INQ000114445].
230. On 23 December SAGE met, noting that Omicron growth rates had decreased and that there were signs of cases plateauing in London. Also on 23 December a Covid(O) meeting was held sighting ministers that although more capacity was coming on stream, it was possible that either PCR or Lateral Flow Device ("LFD") demand would outstrip supply soon, so testing prioritisation principles (including workforce prioritisation for LFDs) would need to be agreed [KJ173/INQ000113785]. HM Treasury officials sent a further update on the characteristics of the Omicron variant and implications for cases and

hospitalisations, as well as updated SPI-M modelling, to the Chancellor the same day [KJ174/INQ000113786].

231. On 27 December, a dashboard meeting was held and, noting the SAGE conclusions, the Prime Minister decided not to implement further measures. A further dashboard meeting was held the following day, when again the conclusion was not to impose further measures. HM Treasury did not provide additional briefing for these meetings.
232. By the new year, London (the region of the UK furthest ahead in the Omicron cycle) was seeing a flattening in cases and English hospital admissions were starting to stabilise. At Cabinet on 5 January there was again an update on Covid-19 Response, as well as supply chains, from SoS DHSC and others. The Chancellor's brief recommended that he should urge the removal of Plan B measures, in particular work from home guidance, as soon as the health data allowed [KJ175/INQ000113788]. On the same day there was a Covid(O) meeting where the Economic Secretary to the Treasury was briefed to support the recommendation to return to pre-Omicron border measures, and to push again for public communications and the announcement of a date for the return of restriction-free travel [KJ176/INQ000113787]. The return to pre-Omicron border measures was announced later that day [KJ177/INQ000114456].
233. In the following weeks, HM Treasury officials contributed economic analysis to a Covid-19 Taskforce analysis of the impacts of Plan B measures. On 18 January HM Treasury officials advised the Chancellor on plans to remove the majority of Plan B measures, advising that plans were broadly acceptable but highlighting points around testing, public communications and the alignment of domestic and international measures [KJ178/INQ000113790]. The Chancellor was content with this approach, and on 19 January, following a Cabinet meeting [KJ179/INQ000113791], the Prime Minister announced the end of Plan B restrictions in England, with a return to Plan A [KJ144/INQ000114455].
234. While the Prime Minister's announcement focused on ending most domestic restrictions, restrictions at the border remained. On 17 January, officials provided advice to the Chancellor regarding the upcoming 27 January borders review and recommended continuing to differentiate by vaccination status, removing testing requirements for vaccinated arrivals, rejecting proposals for continued large-scale testing at the border but remaining open to UKHSA proposals on surveillance, aligning with domestic plans and supporting a move towards home isolation [KJ180/INQ000116435].

235. As they did in summer 2021, on 21 January HM Treasury officials again sent analysis on the economic impacts of travel restrictions to the Covid-19 Taskforce, which highlighted risks to the UK's competitiveness in travel, trade and services [KJ181/INQ000113792]. Ahead of a Covid(O) meeting on 24 January on the Borders Review, HM Treasury officials provided the Chief Secretary to the Treasury with a briefing recommending support for removing all testing requirements for eligible vaccinated arrivals, easing some testing and isolation requirements for unvaccinated arrivals, and retaining the existing definition of "fully vaccinated", which did not include boosters or a validity period for the primary course. The briefing also recommended pushing for a commitment to working with industry on a playbook for a targeted, evidence-based and proportionate response to future variants (which would take economic costs into consideration), for a proportionate approach to long-term border surveillance, and for a commitment that the government's long-term strategy would return to unrestricted travel as soon as possible [KJ182/INQ000113793].
236. On 24 January, the government announced a liberalisation of the borders regime, including the removal of all travel tests for fully vaccinated passengers [KJ183/INQ000114440].

6.2 Self-Isolation and Daily Contact Testing

237. Alongside the Omicron response, work continued on ensuring self-isolation rules reflected the latest scientific understanding on how long people were likely to remain infectious for, and on whether DCT could be used to reduce isolation periods. This was important for HM Treasury because, where self-isolation prevented workers from attending their workplace, there could be negative economic impacts. This had to be balanced against the additional cost of providing tests to enable DCT.
238. On 8 December the Prime Minister had committed to introducing DCT for contacts of Covid cases. On 10 December there was a Covid(O) meeting to discuss DCT. The Chief Secretary to the Treasury's brief emphasised the importance of introducing DCT quickly to avoid another "pingdemic", as was seen in summer 2021 [KJ184/INQ000113779]. HM Treasury continued to update the Chancellor on the potential impacts of workplace absences in briefings on 17 and 22 December (as referenced above). On 20 December Cabinet met (see paragraph 227) and agreed that self-isolation for Covid cases would be reduced to seven days (from ten), with testing. This was publicly announced on 22 December [KJ185/INQ000114475].

239. On 5 January HM Treasury officials recommended the Chancellor pursue the option of enabling people to exit self-isolation after 5 days if they tested negative on days 4 and 5 [KJ186/INQ000116434]. Following work across government on the balance of risk, on 12 January Covid(O) met to agree a proposal to shorten self-isolation to enable exit from day 6 following two negative lateral flow tests. HM Treasury ministers were supportive of this change given the economic impacts of workforce absences [KJ187/INQ000113789].
240. On 27 January there was a further Covid(O) meeting to discuss the testing and isolation regimes for close contacts of Covid cases. The Financial Secretary to the Treasury's brief emphasised that the number of days of testing advised for household contacts should be reduced, and that fully-vaccinated non-household contacts should no longer be advised to test daily [KJ188/INQ000113794]. Changes to these regimes were subsequently announced in early February [KJ189/INQ000114443] [KJ190/INQ000114474].

6.3 The Living with Covid strategy

241. Through January and early February HM Treasury officials worked with the Covid-19 Taskforce to shape the Living with Covid strategy, as promised by the Prime Minister in his 19 January statement. Where the Autumn and Winter Plan had been focused on using PIs over NPIs, the Living with Covid strategy focused on the appropriate ongoing level of PIs as the country explicitly moved away from an emergency Covid footing. PIs are within DHSC's remit, and the Chancellor was therefore focused on ensuring that DHSC PI spending would also be moving away from its emergency footing, and that ongoing commitments would fit within DHSC's Spending Review settlement.
242. In particular HM Treasury was focused on ensuring the Living with Covid strategy struck an appropriate balance between resilience against any future Covid waves and sound management of public finances in ongoing testing, vaccination and medicines strategies. Antivirals in particular were still subject to significant uncertainties at this stage, on both cost and effectiveness, while the value for money of an expansive testing programme had decreased since 2021.
243. Following extensive official level engagement, on 11 February the Chancellor attended a Quad meeting to discuss the strategy. His brief emphasised support for the strategy, but that he was unable to agree to an uncoded future DHSC strategy [KJ191/INQ000113795].

244. On 21 February the Prime Minister announced the Living with Covid strategy in the House of Commons, signalling an end to most Covid policy measures [KJ145/INQ000114453]. Some measures continued in more targeted form: for example, the published document set out that government would be ending the free universal testing offer and moving to a more targeted testing approach focusing on the highest risk groups. This was consistent with HM Treasury ministers' objectives: with the population having much stronger protection through vaccination and natural immunity, the value for money of an expansive testing offer had vastly decreased over time.
245. Following the publication of the Living with Covid Strategy, Covid(O) met again on 14 March to consider the removal of all remaining border measures. HM Treasury Officials provided the Chief Secretary to the Treasury with a briefing which recommended supporting the removal of the distinction between vaccinated and unvaccinated arrivals and the removal of the Passenger Locator Form (with a dormant version retained for any future contingency response), on the basis that these measures aligned with HM Treasury's ambition to return to unrestricted travel [KJ192/INQ000116436]. The removal of all Covid-related international travel restrictions was announced on 14 March [KJ193/INQ000114435].

Statement of Truth

I believe that the facts stated in this witness statement are true. I understand that proceedings may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief of its truth.

Signed:

Personal Data

Dated: _____ 28 June 2023 _____