

Witness Name: Kenneth Skates

Statement No.: First Statement

Exhibits: [141]

Dated: 20th November 2023

UK COVID-19 INQUIRY

WITNESS STATEMENT OF KENNETH SKATES

I, **KENNETH SKATES M.S.**, will say as follows: -

Introduction

1. This statement is prepared in response to a request dated 26 June 2023 that wishes to draw upon my experience as the Welsh Minister for the Economy, Transport and North Wales in the period between 1 January 2020 and 30 May 2022. I have drawn on support from the Welsh Government in preparing this statement.
2. I offer my deepest sympathies to all who suffered and continue to suffer the consequences of the pandemic. It was a horrific episode and continues to inflict physical and emotional harm on people. I hope that through this inquiry we can learn lessons that can be applied to minimise suffering in the event of a similar future pandemic.

A. Background

3. I was born in Wrexham and attended Ysgol y Waun comprehensive school in Gwernaffield and the Alun School in Mold. I graduated from Cambridge University in 1997 with a degree in Social and Political Science. I also obtained

an NVQ in Journalism at Yale College in Wrexham and then worked as a freelance journalist for the Daily Express, whilst also working as a staff journalist for the Flintshire and Wrexham Leader news titles. From 2001, I worked as the Office Manager for Mark Tami, MP for Alyn and Deeside.

4. In May 2011, I was elected as the Assembly Member for Clwyd South and still hold this position. In June 2013, I was appointed as the Deputy Minister for Skills and Technology. In September 2014, I was made the Deputy Minister for Culture, Tourism and Sport. In May 2016, I was appointed as the Cabinet Secretary for Economy and Infrastructure. My title changed to Cabinet Secretary for Economy and Transport in 2017, and again in 2018 to Minister for Economy, Transport and North Wales. I held this office until May 2021 at which time I stepped down as a Minister.
5. As Minister for Economy, Transport and North Wales, I was supported by the Deputy Minister for Economy and Transport. My ministerial responsibilities included transport policy, economic development and the Development Bank for Wales. A full list of the responsibilities is exhibited at **KSM2BWG01/01-INQ000066140**.
6. The role was dominated by responding to the Brexit referendum, forming a new economic strategy creating Transport for Wales, awarding the Wales and Borders Rail Franchise, creating the Development Bank of Wales and, most significantly, responding to the Covid-19 pandemic. I was chiefly responsible for leading the economic response to the pandemic, including business support and support for individuals in employment and the self-employed. I was also responsible for transport matters which included supporting the financial resilience of major providers of public transport in order to continue vital public service provision. I was also responsible through collective responsibility for all major decisions across the Welsh Government in responding to the pandemic.
7. I was supported at a Ministerial level by my Deputy Minister. With respect to the tourism and hospitality sector, I was supported by the Deputy Minister for Sport, Culture and Tourism and the Minister for Welsh Language. I was also supported

by the Minister for the Environment, Energy and Rural Affairs in respect of engagement with supermarkets.

8. During the pandemic, new groups were formed with stakeholders and social partners, and I was also asked by the First Minister to liaise with the Secretary of State for Wales on a regular basis over Covid-19 related matters. I also held regular meetings with my counterparts in England, Scotland and the Northern Ireland Executive. I established a regular forum with Senedd Opposition spokespeople to share important, often sensitive, information, to gather concerns from their respective parties and to widen the pool of ideas from across the political spectrum. Over the course of the pandemic, my Deputy Minister took increasing responsibility for Transport matters. Regular press conferences took place and I was asked to represent the Welsh Government at a number of these in Cathays Park, Cardiff.

B. Welsh Government Decision-Making in Response to the Pandemic

Contextual Background to Decision-Making in Wales

9. We went into 2020 with a new UK Government elected on the promise to 'get Brexit done'. Throughout 2019 we had focused very much on Brexit 'No Deal' preparations and this intensified into the New Year, given the clear direction of travel following the December 2019 general election. Delivering the Welsh Government's Programme for Government, reducing waiting lists in the health service and improving the performance of certain health boards, particularly Betsi Cadwaladr University Health Board, were other priorities. UK intergovernmental relations was another area of concern, which required attention, given the comparative instability of UK Government in recent times and the lack of robust mechanisms for intergovernmental engagement. Public transport improvements were also a priority, with the recent award of the Wales and Borders franchise, creation of Transport for Wales and development of radical plans for improving bus services.
10. During January 2020, Covid-19 began to emerge as an additional new challenge. This became more significant and intense toward March 2020, but in the first two

months of the year, Brexit continued to be the dominant feature of planning within the Economy, Skills and Natural Resources Group and across the Welsh Government, until the virus was seen to be spreading faster than had been estimated. SAGE estimate of worst-case scenario for deaths were significantly less than would become apparent. During the early months of 2020 the evidence indicated that the threat to the UK and Wales was low to moderate, but the situation was very fluid. As new information, evidence and evaluations were presented, the prioritisation of work changed in response.

11. By March 2020 the situation in London illustrated the much more serious and advanced nature of the virus and its impact on communities. By that time, we had developed plans for supporting businesses in the event of more severe restrictions being implemented, utilising much of the work and funds associated with supporting businesses through a No Deal Brexit. The strategy was to help businesses hibernate for as long as possible to reduce the spread of Covid-19, utilising both Welsh and UK Government funding.
12. Whilst Brexit had consumed an enormous amount of time and energy across Welsh Government, primarily in terms of planning for a 'No Deal' scenario, in my department the scenario planning actually assisted in our development and deployment of support for businesses. Existing channels of communication, key contact points in business, contact with patterns such as local authorities, as well as the plans we had developed to support businesses deal with a No Deal outcome to Brexit negotiations, assisted in supporting employers and workers who would be impacted by non-pharmaceutical interventions. Brexit planning, along with the relatively small size of Wales, aided Welsh Government in providing targeted and rapid support for businesses during the pandemic.
13. A particular issue that has been present since devolution is the north/south divide within Wales. Whether real or perceived, people in North Wales often see the Cardiff Bay administration as acting first and foremost in the interests of people in South Wales, with a view of what works for greater Cardiff will work for the rest of Wales. This issue became particularly challenging at times during the pandemic, especially when divergence between England and Wales emerged, given the

interdependence of North East Wales and the North West of England, the porosity of the border, and the fact that the functional economic and social region of north Wales crosses into England, but has little interdependence with mid-Wales or South Wales. This tension and challenge required a great deal of attention in my role as North Wales Minister and was one of the reasons why I was keen to maintain harmonious and collaborative relations with political leaders in Westminster and the North West of England.

14. I do not believe devolution necessarily hindered a UK-wide response to Covid, but rather that the lack of maturity in our political systems, along with the absence of political alignment across the four UK administrations, meant that fractures in a collective response were more likely to happen. There are no robust facilities or frameworks in place for collective decision-making post-devolution, which I believe are now more vital than ever before given the virus.
15. In attempting to balance the marks of Covid-19, it was important to remember at all times that, no matter how difficult the decisions, we needed to protect lives first, without which livelihoods and wellbeing would be irrelevant. Consequently, the protection of life was of paramount importance, across government and within my responsibilities. How we then protected livelihoods to the best of our ability and maintained wellbeing for citizens stemmed from the actions we took to protect lives. We considered the weight of the situation regarding the threat to lives and then balanced our actions with protection for businesses and jobs.

Structures and bodies

16. The existing structures and bodies within the Welsh Government contributed to effective and efficient communication and decision-making during the pandemic. However, urgent and rapid changes to those structures and to the decision-making processes were introduced in March 2020 to address the crisis. For example, Ministerial Team calls were introduced for daily discussions, along with daily meetings with directors within my portfolio. Notes of Ministerial calls

are exhibited at **KSM2BWG01/02-INQ000349652** and **KSM2BWG01/03-INQ000349647**. In addition, Star Chamber was created to interrogate spending proposals by Cabinet Ministers. Although the changes brought significant disruption to business as usual, it was necessary in order to focus all attention on fighting the virus.

17. New ways of working, with virtual meetings as an example, enabled improved efficiency of decision making. However, decisions continued to be made through the same formal channels and no decisions were made through informal means such as WhatsApp; this was instinctive as Ministers shared an understanding that such methods of decision-making would have been inappropriate.
18. In my view, decisions by the Welsh Government were taken in a timely way that reflected the urgency of the crisis and the challenges faced by individuals, communities, businesses and public services. As Ministers, we were responsible for collective decision-making and, as a result, I believe that our working relationships became more collegial. There were issues over which we sometimes disagreed, mainly relating to the tension between trying to avoid divergence with England and the specific details of certain non-pharmaceutical interventions. Divergence between Wales and England caused particular problems in North East Wales, which is deeply integrated into North West of England and vice versa, which is deeply integrated into the North West of England and vice versa, with people on either side routinely crossing the border for work, health service, to socialise and to shop. On occasion, some colleagues felt that divergence contributed to confusion, uncertainty and resentment. To better inform our decisions, discussions would sometimes take place to calm tensions over cross-border matters. For example, I would hold meetings including with council leaders in North Wales and the North West of England, the Wales Office and business groups representing employers on both sides of the border. A specific example of this tension was the decision to ban the sale of non-essential goods in Welsh supermarkets and those discussions helped to ease tensions.

The Cabinet

19. The Cabinet was the central decision-making body of the Welsh Government. That remained the case after the outbreak of Covid-19 and I attended Cabinet meetings regularly during the pandemic. I understand more information about Cabinet has been set out by Andrew Goodall, Permanent Secretary to the Welsh Government, in his statement, with reference M2B/WG/01, and will also be dealt with by the First Minister in his witness statement, with reference M2B/WG/MD/02.

Covid-19 Core Group

20. The Covid-19 Core Group was established by the First Minister in March 2020, to bring together a core group of Ministers and senior officials who were leading on the response to the pandemic. The group evolved into the main information-sharing meeting. A letter from the First Minister to Welsh Ministers and Deputy Ministers dated 3 April 2020 setting out regular Ministerial engagement is exhibited at **KSM2BWG01/04-INQ000349253**. It first met on 11 March 2020 and I attended this meeting; I exhibit the minutes at **KSM2BWG01/05-INQ000215171**. These meetings were attended by the Chief Medical Officer and the Chief Scientific Adviser for Health who provided updates and further information and the spread of the virus. For the avoidance of doubt, all future references to the 'Chief Medical Officer' within this statement are a reference to the Chief Medical Officer for Wales.

Star Chamber

21. On 23 March 2020, the First Minister announced to Cabinet that the Star Chamber would be established to assess proposals for the allocation of resources to tackle the impact of the pandemic. The minutes of the Cabinet meeting on 23 March 2020 are exhibited at **KSM2BWG01/06-INQ000048923**. The Star Chamber was not a decision-making body; it acted in an advisory capacity to the Minister for Finance and Trefnydd in relation to the deployment of available resources held centrally to address the challenges of the Covid-19 crisis. It reviewed Ministerial Advice proposing new Covid-19 spending commitments with a focus on value for money and affordability.

22. I understand that the purpose and function of the Star Chamber is more fully set out in the witness statement of the Minister for Finance and Local Government, with reference M2B/WG/RE/01. However, is it my view that the establishment of the Star Chamber was beneficial in that, although it did not make the decisions, it added a new level of scrutiny to the proposals under consideration. At times, I and other Ministers were concerned that Star Chamber participants were at risk of straying into challenging policy, rather than spending considerations; however, on the few occasions that policy was debated, I would remind Star Chamber members of their remit that decision-making on policy was for Ministers and Cabinet.

Shadow Social Partnership Council

23. The Shadow Social Partnership Council was established before the pandemic to discuss strategic issues relating to fair work and social partnership. It is chaired by the First Minister and other Ministers attend as necessary. Put simply, 'social partnership' is used to refer to the bringing together of government, employers and trade unions to discuss solutions to common problems. The Shadow Partnership Council comprised of union, employer and government representatives, all of whom would subsequently have to work closely and collaboratively in responding to the pandemic in Wales.
24. After the outbreak of Covid-19, the Shadow Social Partnership Council helped to ensure a consistent message was being provided to the main stakeholders across Wales in respect of the evidence the Welsh Government was considering in its decision-making and the reasons for the actions it was taking. During the pandemic, its remit and membership were significantly altered and rather than a formal quarterly meeting, it met much more frequently.

Economy and Business Response Ministerial Implementation Group

25. The Economy and Business Response Ministerial Group (also referred to as "EBRIG (M)") was led by the UK Government to co-ordinate and advise on business-related regional, sectoral and corporate-level issues relating to the Covid-19 pandemic. It met as required to ensure a coherent approach to

communications, business intelligence and policy. The agenda and briefing for the meeting held on 7 April 2020 is exhibited at **KSM2BWG01/07-INQ000350545**. It was chaired by the Chancellor of the Exchequer.

26. This was one of several Ministerial committees led by the UK Government in relation to Covid-19 and Welsh Ministers were invited when the UK Government thought it necessary; it was not a standing invitation. I felt the group was largely for reporting on what UK Government Ministers had already decided, rather than for collectively planning interventions and responses to the virus.
27. I dialled into this meeting for the first time on 31 March 2020, along with the First Minister, and its agenda is exhibited at **KSM2BWG01/08-INQ000349230** with a summary of the actions at exhibit **KSM2BWG01/09- INQ000350829**.
28. There was also an 'official level' equivalent of this meeting, referred to as EBRIG (O). I believe that the purpose of this group was to look over and discuss papers that would be subsequently tabled for discussion at the EBRIG (M) meetings (see, for example, an email setting out this purpose: Exhibit **KSM2BWG01/10-INQ000349308**).

Advice

29. The main sources of the advice I received which underpinned my decision-making were advice from the Chief Medical Officer, briefings from officials, Ministerial Advice submissions, Cabinet papers, intergovernmental meetings, discussions with social partners and submissions from sector experts. I believe that I received adequate advice upon which to make decisions in response to Covid-19. The advice I received from SAGE, through the Welsh Government science and medical advisers, was generally comprehensive.
30. I also met special advisers, key officials and specialist policy advisers on a daily basis after the breakout of the pandemic. During the first few weeks of 2020, the

focus on Covid-19 increased in its intensity and just before the first national lockdown almost every discussion related to Covid-19.

31. I believe that the core decisions taken by the Welsh Government were taken after proper consultation. Using well-established and longstanding social partnership arrangements, consultation was able to take place in a regular, consistent and timely fashion. This then enabled core decisions to be taken in a timely way.

32. I was satisfied that those providing advice to inform core decision-making conveyed the extent to which there was significant disagreement. I do recall that there were some issues that were 'grey areas' and the advice in those cases relied on judgement calls or assumptions because it was difficult to determine the precise impact of the proposed measure: for example, the impact of easing a certain restriction on the reproduction rate of the virus.

Changes to Decision Making Post-March 2020

33. The Welsh Government Cabinet ordinarily met once per week when the Senedd was sitting. Following the First Minister's letter dated 3 April 2020, which was previously exhibited at **KSM2BWG01/04-INQ000349253**, we also held daily Ministerial calls in addition to weekly Cabinet meetings. The daily calls began on 6 April 2020 and remained in place until around July 2020 when they became less frequent; by July 2020, Daily calls were no longer needed for decision-making because the suite of non-pharmaceutical interventions had been implemented and we had entered a regular routine of reviews.

34. I recall that the move to daily calls and the intensity of work was exhausting, especially when juggling other duties. The amount of work involved on a daily basis increased dramatically during the pandemic and weekends were treated no differently to weekdays. It was only by exhausting every available moment and sacrificing other life duties that it had been possible to be discharge functions effectively and in the time necessary.

35. The fact that remote working became the default arrangement for meetings was a significant change. It offered enormous advantages in terms of decision-making as discussions could be undertaken at short notice. That, combined with digital Ministerial submissions, made the work of government far more efficient than before the pandemic.
36. Even before the pandemic, decisions were made collectively at Cabinet when they affected other Ministerial portfolios or government more broadly. Therefore, Ministers were familiar with the collective decision-making process when the pandemic began. In my portfolio, one of the benefits of collective decision-making was that I could more closely discuss and align decisions about financial support for businesses and vital public services with other Ministers who had, or were likely to have, a major interest in those decisions. For example, I liaised closely with the Minister for Local Government, who was responsible for local authorities in Wales, through which a significant amount of financial support flowed.
37. Where collective decision-making was needed, my recollection is that the First Minister would hear the views of Ministers and, if there was significant disagreement, he would then use his judgement to determine the most appropriate position for the Welsh Government to take. In that sense, he acted as the first amongst equals. I cannot recall an instance where I felt that the First Minister made a decision that was against the majority view in Cabinet. I recall that the First Minister would pause during decision-making and allow time for further reflection or for alternative views to be put forward. He would also allow time for further evidence to be gathered if required. I recall several issues upon which differing views were offered by Ministers, such as the opening up of activities (i.e. easing restrictions), cross-border issues, the five mile 'rule of thumb' and the ban on supermarkets selling books, toys and white goods.
38. There are 124 Members of Parliament in UK Government, compared to just 14 in Welsh Government. Some Welsh Ministers were responsible for matters that scores of Ministers were responsible for in the UK Government. Most of my counterparts in UK Government were on top of their briefs and knowledgeable

about how devolution operated. I was fortunate to build constructive, collegial and collaborative relationships with them, including the Secretary of State for Wales, Parliamentary Under Secretary of State for Wales and Parliamentary Under Secretary of State for Business, Enterprise and Industrial Strategy. However, there were others whom I felt did not engage as openly, collaboratively or with an awareness of devolution, such as the Secretary of State for Business, Enterprise and Industrial Strategy. The Welsh civil service is also considerably smaller.

39. I am not aware of any core decisions that were made outside of formal Government processes. My view is that Welsh Government decision-making was conducted properly and in accordance with the spirit of collective responsibility. I participated fully in Cabinet discussions and decision-making. Clearly, there would be occasions where I would discuss certain elements of policies relating to my portfolio with the relevant Minister before a Cabinet meeting. To my mind, that is a necessary and useful part of preparation for Cabinet. During the pandemic, there was a useful development by which Cabinet discussed an issue or a decision in draft and then returned to it at the following Cabinet for further discussion and decision. This allowed for reflection and further discussion before a final decision was made.
40. There was a WhatsApp group in which Ministers would provide information on updates and announcements to each other, as well as personal support. I will arrange for the disclosure of a transcript of those messages. It was not a decision-making forum. Text messages and WhatsApp messages between Ministers and officials were sometimes used and when those means of communications were used, it was to ask questions and to seek the views of others but also more importantly to offer thanks and support. I will arrange for those messages to be disclosed.

C. Funding

41. The Inquiry is correct in its understanding that the Welsh Government had the following four principal sources of funding available to it during the pandemic:

- i. Funds granted by the UK Government under what is termed as the annual “Block Grant”;
 - ii. Funds raised in Wales by means of taxation and other charges;
 - iii. Borrowing; and
 - iv. EU structural funds.
- 42. In addition to the annual block grant, the Welsh Government also receives Barnett consequential funding.
- 43. Funding was generally effective to provide businesses with the support necessary to accommodate the financial impact of non-pharmaceutical interventions. We were able to maintain the most generous package of support for businesses in the UK through the pandemic. The funding came from UK Government without conditions on how it should be invested. We worked with local authorities in using their databases for business liable for and exempt from non-domestic rates. This facility helped avoid creating new administrative tools and also minimised fraud, as the systems used by local authorities were thoroughly and regularly tested. Thirdly, the scale of losses incurred by most businesses could be minimised, complementing the UK-wide support found in the Job Retention Scheme.
- 44. However, the funding would often follow as a consequential of UK Government financial commitments, so the speed at which we were able to respond was regularly related to the speed at which the UK Treasury made decisions and relayed the precise level of consequential funding to Welsh Government officials. An example of this is the Economic Resilience Fund, discussed more fully later in this statement, which in part utilised funding from the UK Government based on its own commitments in England. This meant that, based on announcements by the UK Government regarding grants and rates relief, we received consequentials that were used for similar business support schemes. Welsh Ministers agreed to add more funding to ensure sufficient support was available to businesses so that they could hibernate through the worst of the pandemic.

45. Although funding was generally effective, it is my view that insufficient funding was available during the pandemic to meet the demand for post-pandemic recovery planning. For example, such was the demand for investment to help businesses recover as fast as possible, the Business Development Fund was over-subscribed within days of its launch. Greater levels of funding from the UK Government to help businesses to recover speedily would, for obvious reasons, have been helpful. Extensive work was undertaken by local authorities in Wales and across the border in planning for a greener, more equal recovery. For example, the Mersey Dee Alliance produced a detailed plan to aid the recovery of the economy, but there was a general lack of willingness to support the funding requirements of such plans.
46. Communication regarding the general response in financial terms was primarily undertaken by the First Minister and the Minister for Finance. However, in regard to my portfolio responsibilities, regular four nation meetings with my counterparts enabled me to raise specific concerns about support for businesses and transport. For example, during the regular four nation meetings, I was able to raise the need for UK Government to commit to the continuation of funding for the Job Retention Scheme and to revise the criteria for Covid-19 business loans so that more firms could benefit from them. Also, I relayed regularly in discussions with the Secretary of State for Wales and the Department for Business, Enterprise and Industrial Strategy the need to maintain financial support from the UK Government to a level that would enable businesses to remain closed or partially closed.
47. Generally, the regular scheduled meetings with UK Government Ministers and my counterparts from the devolved governments were effective in terms of sharing concerns, intelligence, ideas and seeking clarity on various matters. In addition, matters were also raised in writing with UK Government Ministers who generally replied in a timely fashion.
48. I am asked to identify any disagreements between the UK and the Welsh Governments regarding the funding of the latter's response to the pandemic. I believe this question would be better addressed by the Minister for Finance and

the First Minister as discussions about the funding of Covid-19 interventions were led by them. My role was more concerned with ensuring that the UK Government's interventions, such as the Job Retention Scheme, were maintained and that other forms of support were refined and amended to maximise the number of businesses that would be able to benefit from them.

D. Initial Understanding and Response: January to March

Initial Understanding

49. I cannot recall precisely when I first heard of Covid-19. The earliest document I could find was an email sent on the 28 January 2020 to the Minister for Health and Social Services, copying in me and other Ministers, which updated him on the evolving public health situation concerning Covid-19. This is exhibited at **KSM2BWG01/11-INQ000320709**. Ministers received further updates of this kind by email throughout January, February and March 2020. These updates provided details about the numbers of confirmed cases of Covid-19 internationally. Ministers also received this information, and further information on the Reasonable Worst Case Scenario, at Cabinet meetings which is exhibited at **KSM2BWG01/12- INQ000048789**.
50. I do recall watching BBC news bulletins about a new virus in China with Wuhan at its centre. I recall Matt Hancock had said that the risk to the UK was low and that Chinese authorities were confident that it would be contained. However, I cannot recall whether that was before or after the matter was raised in government. I do not believe I gave any advice to the First Minister in respect of Covid-19 in January 2020.
51. During Cabinet meetings, the Minister for Health and Social Services provided briefings on the emergence of the virus and the international, UK and Welsh positions. For example, on 25 February 2020, he updated Cabinet on the international response and the risk assessment for the UK which is exhibited at **KSM2BWG01/13-INQ000129852**. The Minister for Health and Social Services also made weekly written statements to the Senedd on the development of Covid-19.

52. I would also receive updates on the virus during the Covid-19 Core Group meetings. For example, on 11 March 2020, Ministers were updated by the Chief Medical Officer on the spread of Covid-19. At that stage, there were 15 cases in Wales and we were told that the policy across the UK was to contain the virus and the need to prepare for the reasonable worst-case scenario remained. The note of the Covid-19 Core Group Meeting was exhibited at **KSM2BWG01/05-INQ000215171**.
53. With the benefit of hindsight, it is my belief that the World Health Organization, SAGE and every western government underestimated the threat posed by Covid-19 in its earliest stages. The advice I received at that time was based on the UK being classed as low or medium risk and that it was a risk competing with the seemingly more real and imminent threat of a No Deal Brexit crisis. With hindsight had a truer picture of the threat been known to my officials and I, then briefings, advice and prioritisation of Covid-19 over Brexit would have occurred sooner.
54. I am asked whether I received sufficient briefing as to the potential consequences of Covid-19. In respect of the consequences for employees and businesses, I believe regular meetings with business organisations and trade unions enabled us to identify which businesses and individuals would be most adversely impacted by Covid-19 and possible non-pharmaceutical interventions. This enabled us to shape support for, and the substance of, non-pharmaceutical interventions and regulations sensitively, including being able to prioritise public transport for vulnerable people when social distancing dramatically limited capacity.
55. Business as usual in the department began to give way to Covid-19 in early March 2020. By mid-March, directors were instructed to identify all workstreams that were not part of the direct effort to combat Covid-19 which could be paused. Personnel from divisions where there was little Covid-19 impact were moved to high impact areas.

Vulnerable Groups

56. My initial understanding of the groups that were most likely to be more seriously affected by Covid-19 was formed by the information I received at Ministerial meetings. As Minister for the Economy and Transport, I was acutely aware that certain vulnerable groups were heavily dependent on a number of services that were impacted by Covid-19, such as bus and taxi services. For that reason, we developed plans to support the bus industry through the pandemic, the Bus Emergency Support Scheme, and we developed support for taxi drivers too. We liaised with trade unions over concerns within both the bus and taxi sectors and urged the public to prioritise public transport for the vulnerable and essential workers.
57. In March 2020, the issue of vulnerable groups was discussed regularly at the Covid-19 Core Group meetings. For example, one of the three potential options for the delay of Covid-19 discussed at the meeting on 11 March 2020 was to cocoon the elderly and vulnerable; the minutes were previously exhibited at **KSM2BWG01/05- INQ0002151**. At the meeting on 18 March 2020, Ministers were updated about a future meeting with the Third Sector to discuss the role of the voluntary sector in supporting the vulnerable who would need to stay at home; the minutes are exhibited at **KSM2BWG01/14-INQ000336348**. Ministers were also informed at the meeting on 25 March 2020 that local authority leaders had confirmed that they had plans in place to shield the vulnerable. It was also noted that the data from the first 500 cases in the UK would help us to understand how the virus attacked those with pre-existing medical conditions. The note of this meeting is exhibited at **KSM2BWG01/15-INQ000216473**.
58. Issues relating to vulnerable groups were also discussed at Cabinet. For example, on the 30 March 2020, Cabinet received an update confirming the 'shielded' group of people had been issued and that discussions on supply arrangements for shielded and vulnerable people were ongoing. This is recorded in the Cabinet minutes exhibit at **KSM2BWG01/16- INQ000022473**.

59. I recall that the First Minister also established the Black, Asian and Minority Ethnic Advisory Group, which provided Ministers with advice and information that helped to shape policy across departments.

The Initial Response and Strategy

60. My immediate reaction was to compare the outbreak to other recent viruses such as Avian Bird Flu. I had initially hoped that the outbreak would be contained by the Chinese authorities and that they would be transparent about its origins, spread and seriousness. I was also concerned about the impact on supply chains, which involved China to some extent, serving Welsh businesses and how that might compound the challenges presented by Brexit.
61. I am asked about the steps I would have taken in the initial response period to ascertain the state of Wales's emergency preparedness to deal with a pandemic. Due to the financial crash in 2008 and the economic fallout from the EU referendum in 2016, I was mindful of the impact that unforeseen events could have on the economy and, with this in mind, we developed the Economic Action Plan; however, I was not familiar with the detail specific to Wales's emergency preparedness to deal with a pandemic.
62. By March 2020, the need to introduce more restricted measures on movement was discussed at Cabinet. On 10 March 2020, the First Minister reported to Cabinet following the previous day's COBR meeting. He stated that it was not yet appropriate to introduce restrictions on movement because the premature use of such restrictions could lead to the population becoming less receptive to messages around lockdowns at later stages when the spread of the virus may have been more virulent. This is exhibited in the Cabinet minutes in **KSM2BWG01/17-INQ000129909**.
63. On 16 March 2020, the First Minister reported to Cabinet that the UK Government had still not agreed to advise against mass gatherings but that seven-day self-isolation proposals were under consideration: the minutes are exhibited in **KSM2BWG01/18-INQ000048797**.

64. On 20 March 2020, the First Minister asked all Ministers to set out proposals about how their respective department's budgets could be repurposed to meet the challenges of Covid-19. This email chain started by the First Minister's request is exhibited at **KSM2BWG01/19-INQ000349209** and my department's response is exhibited at **KSM2BWG01/20-INQ000048817**.
65. By 23 March 2020, Welsh Government officials had started working on plans for a lockdown in Wales which would follow a decision by UK Ministers to lockdown England. The minutes of the this Cabinet meeting were exhibited at **KSM2BWG01/06-INQ000048923**. Finally, on 24 March 2020, the First Minister informed Cabinet that the UK Government had decided to restrict the movement of people; the minutes are exhibited in **KSM2BWG01/21-INQ000022472**.

My Role in the Initial Response

66. My role during the first national lockdown was to advise the First Minister and my Ministerial colleagues on how businesses could be supported (essentially, by hibernating) and to outline what support was needed from the UK Government to make sure that businesses were able to survive. The furlough scheme became an important element of that programme of support.
67. I fulfilled the same role in the later lockdowns.
68. Any advice I provided was given in Ministerial calls and Cabinet meetings. However, on 15 March 2020, I updated Ministers on WhatsApp regarding the first round of support that was being prepared; this update was only shared on WhatsApp because it was a Sunday and no calls or Cabinet meetings had been scheduled for that day. Whilst I had made a formal announcement earlier in the day, I briefed colleagues again on 18 March 2020 on the nature and substance of the support package I had announced so that they had the salient points to hand. As previously stated I will arrange for the disclosure of a transcript of those messages. By 25 March 2020, I had established a live dashboard on my Twitter account that summarised all the forms of business support that were available from the UK and Welsh Governments.

69. Sections F and G of my statement below set out a chronology of the specific actions I took relating to transport and the economy.

Other Matters relating to the Response

70. In answer to the questions set out in the Rule 9 request, I had no concerns about the performance of the First Minister, Welsh Ministers, senior civil servants, special advisers or individuals in charge of any significant aspect of Wales' response to the pandemic. I was concerned about the wellbeing of some Ministerial colleagues, the First Minister and some special advisers and senior officials. The pressure that a small number of people faced on a daily basis was immense and unyielding. I was concerned at various points that the weight of the pressure and the work might affect their health and wellbeing. That weight and responsibility fell particularly on the First Minister and Minister for Health and Social Services, who were shouldering by far the greatest weight of responsibility. However, their performance remained consistently strong throughout the pandemic.
71. I am also not aware of any concerns being raised about my performance by core-decision makers or senior advisers in respect of the response to Covid-19. Although I left the Welsh Government in May 2021, it was entirely voluntary and for purely personal reasons unconnected to the pandemic.

Reflections on the Initial Response

72. I believe that we fully appreciated the advice given to us in the initial response period about the seriousness of the threat posed by Covid-19. In my experience, we responded to the emergence of the pandemic during this period in accordance with, and informed by, the advice we received as Ministers. For example, the Cabinet minutes of 25 February 2020 as exhibited at **KSM2BWG01/13-INQ000129852** illustrate how we were told in late February 2020 that in the UK, the risk posed by Covid-19 was assessed as 'moderate',

and on 4 March 2020 the Chief Medical Officer provided us with the SAGE worst case scenario modelling that showed 25,000 deaths could occur. This was exhibited in **KSM2BWG01/12- INQ000048789**. In the same briefing, he advised that no routine operations should be cancelled to prevent public panic.

73. Between January to March 2020, scientific and medical advice inevitably changed as the spread and threat of the virus worsened. During that time, measures were introduced to limit movement which I believe responded to the advice given at the time.
74. In my view, the regular cross-party briefings and discussions were highly effective during the pandemic. I was conscious of the need to ensure the response to Covid-19 was not “political” for two reasons. The first is that in a crisis of this magnitude, a united effort is vital and political discord undermines public confidence and the importance of a collective response. The second is that politicians in other groups possess ideas, information and skills that can be used positively in a national effort. I found regular and candid briefing sessions with opposition spokespeople to be helpful in shaping the detail of proposed interventions and business support.
75. The information I received was generally excellent, especially about business intelligence, trade union concerns, local government matters and internal pressures. The co-ordination of forums was, in my view, exceptional and the social partnership approach to developing interventions ensured that government, employers and employees worked closely together.
76. The strategy for responding to the pandemic and for restoring the economic activity, which was agreed at a high level prior to lockdown, was also successful in minimising job losses, as was hibernating businesses in order to control the spread of Covid-19.

E. Decisions about non-pharmaceutical interventions

Decision-making about non-pharmaceutical interventions in general

77. In mid-March 2020, my discussions with civil service Directors moved from preparing for lockdown to protecting businesses in the event of a lengthy crisis. We considered as many threats as possible to economy including the loss of economic activity whether due to non-pharmaceutical interventions, the loss of life, the impact on workers' mental health, the loss of disposable income in the poorest households, the diversion of funding to support other areas of government and the potential collapse of supply chains in key sectors.
78. We could not predict the potential wider health, social and economic impact of non-pharmaceutical interventions and we appreciated that we would need to be guided by the developing knowledge of the science of the virus. Further, although the potential impact of Covid-19 upon the economy and businesses in Wales was integral to the Welsh Government's decision-making, we were deeply conscious of the need to balance many potentially significant harms.
79. On 24 April 2020, the Welsh Government published 'Leading Wales out of the Coronavirus pandemic; a framework for recovery'. I exhibit the framework at **KSM2BWG01/22-INQ000182406**. The framework identified the four harms associated with Covid-19:
- a. The direct harm to individuals from Covid-19;
 - b. The harm caused if services including the NHS became overwhelmed due to any sudden large spike in demand from patients with Covid-19;
 - c. Harms from non-COVID illness (for example because of necessary changes in NHS service delivery to pause non-essential activity); and
 - d. Socio-economic and other societal harms such as the economic impact on certain socio-economic groups of not being able to work, the impact on businesses and the psychological harm to the public of the restrictions.
80. On occasion, the scientific evidence on the benefits and disadvantages of non-pharmaceutical interventions was not conclusive. For example, at a Cabinet meeting on 27 April 2020, it was noted that the Chief Medical Officer's initial views were that the use of face masks by the general public was of marginal value; that SAGE would be considering their merits and advice would be

submitted in due course. Minutes from the meeting are exhibited in **KSM2BWG01/23- INQ000129868.**

81. I cannot recall the specific equality impact assessments that I considered when Cabinet made its decisions about non-pharmaceutical interventions. That said, the impact of proposed interventions on the most vulnerable society was at the forefront of our thinking throughout the pandemic. One of the principal objectives of our Programme for Government was to improve the lives of the vulnerable and so protection of their interests was a constant in all aspects of decision-making. Additionally, I remember that we received information from both the Chief Medical Officer and the Deputy Minister and Chief Whip at Cabinet meetings about the potential impact of the measures on vulnerable groups. In my view, the assessments we would have had delivered orally in this way at Cabinet meetings would have had the greatest impact in keeping the needs of the vulnerable and at-risk groups at the forefront of our minds.
82. I am specifically asked to comment on my engagement with the Equality and Human Rights Commission on non-pharmaceutical interventions. However, I believe my only significant contact with members of the Commission at Shadow Social Partnership meetings which they attended.
83. The level of funding from the UK Government often had a huge impact on the core decisions taken by the Welsh Government on non-pharmaceutical interventions. That was particularly so with the furlough scheme. In his statement of December 2020, the First Minister noted that the Welsh Government's ability to provide and sustain longer-term economic support during the pandemic was severely constrained by the position taken by the UK Treasury in only making funding for the furlough schemes available to the devolved governments when restrictions were introduced in England. The statement is exhibited in in **KSM2BWG01/24- INQ000023305.**
84. Although I am asked about accounting exercises undertaken to utilise the block grant fund most effectively, this question is likely to be better answered by director-level officials working within the Welsh Government. However, I can

state that in order to offer the most generous package of support to businesses and to minimise the risk of fraud, the Development Bank and local authorities were used to distribute grants and provide Covid-19 loans, making use of existing mechanisms that checked against fraud.

85. I am asked about my engagement with the Equality and Human Rights Commission (EHRC) in respect of non-pharmaceutical interventions. I cannot recall the EHRC raising any specific concerns with me specifically in respect of the imposition and easing of non-pharmaceutical interventions and their impact on vulnerable people in Wales; however, my recollection is that they would be represented at the Shadow Social Partnership Council meetings. An example of these minutes is exhibited at **KSM2BWG01/25-INQ000310191**.
86. It is my opinion that the use of non-pharmaceutical interventions in Wales was very timely and effective and that the decisions taken regarding their use was reasonable in light of the available information. Ministers had no other option but to base decisions on the information they had and to consistently follow such advice as could be obtained from the constantly developing understanding of the data. However, we knew every decision carried the risk that time and swiftly changing evidence might prove us wrong.

Engagement with Business and Workplaces on non-pharmaceutical interventions

87. In broad terms, my role in respect of engagement with businesses and workplaces on non-pharmaceutical interventions was to communicate any issues that were being raised to and from both the sectors and Cabinet, which in turn would help to shape future policy. I would discuss the need for various pieces of guidance during meetings with employer organisations and unions, ahead of the detailed guidance then being drawn up between officials, employers and trade unions, which I would subsequently approve. My engagement with the sectors would feed into the advice provided to all Ministers ahead of Cabinet decisions and would allow me to verbally brief colleagues during Ministerial calls and at Cabinet.

88. There were many forums in which I would feedback from Cabinet to the sector points relating to non-pharmaceutical interventions, including:
- a) Discussions with business group representatives, exhibited at **KSM2BWG01/26-INQ000349964**
 - b) Discussions with Unions at fortnightly meetings, exhibited at **KSM2BWG01/27-INQ000222589**
 - c) Discussions with high street and development banks, exhibited at **KSM2BWG01/28-INQ000350832**
 - d) Discussions with the sectors at Shadow Social Partnership Council meetings, exhibited at **KSM2BWG01/29-INQ000349673**.
89. The drafting of guidance and consultation with business was done at official level. Officials would liaise with sector representatives and trade unions to arrive at draft guidance which would then be considered by Ministers.
90. A significant number of forums were used to brief, advise and consult businesses over non-pharmaceutical interventions, regulations and guidance. Through social partnership arrangements, joint working with trade unions and business representatives were utilised to develop guidance, for example, over safe working in various types of workplaces.
91. Employer groups were integral to the formation of guidance on non-pharmaceutical interventions and the shaping of policy. I met employer organisations very regularly and they included the Confederation of Business Industry, Federation of Small Businesses, Chambers of Commerce and the Institute of Directors. A briefing for such meetings is exhibited in **KSM2BWG01/30- INQ000350541**. Through our regional economic development teams, we were also able to draw on specialist, sectoral expertise from across Wales. I had regular discussions with them.
92. I believe that my engagement with Welsh business and workplaces about non-pharmaceutical interventions was sufficient and timely. Regular scheduled and ad-hoc meetings with employer organisations and trade unions took place.

Discussion and consultation on the introduction of non-pharmaceutical interventions, regulations and workplace guidance often took place at short notice, with remote working allowing a degree of efficiency in engagement that was unprecedented. Employer organisations and sector bodies were able to assist in advising on how non-pharmaceutical interventions could operate most effectively in the workplace and the barriers that might be faced.

Impact of non-pharmaceutical interventions on at-risk and vulnerable groups

93. In my department, as in other departments of the Welsh Government, we considered the potential impact on vulnerable people. That was as a direct result of working in social partnership with trade unions and employer organisations. It was also as well as a result of working with business and trade unions, who were identifying at-risk and vulnerable groups as the virus spread. For example, in our discussions with social partners, the increased vulnerability of Black, Asian and minority ethnic workers was regularly considered, as well as those with pre-existing medical conditions. These discussions helped to inform the implementation of non-pharmaceutical interventions, for example, in the restrictions applied to public transport.
94. The Deputy Minister and Chief Whip, along with the Minister for Health and Social Services and Deputy Minister for Health and Social Services, gave regular updates on the impact of non-pharmaceutical interventions on at-risk and other vulnerable groups in Cabinet discussions, which helped to shape interventions and support.

Non-Covid-19 impact of non-pharmaceutical interventions

95. I have set out elsewhere the extent to which Cabinet was required to balance the respective harms associated with Covid-19 and non-pharmaceutical interventions. In respect of the impact on the economy and transport, I can recall a specific example which might assist the Inquiry. In response to the review of lockdown and social distancing measures undertaken on 7 May 2020, my department provided an assessment of the impact of measures in place from an economic perspective which is exhibited in **KSM2BWG01/31-INQ000336498**.

For example, it noted the particular pressures on the cash flows on account of ferry operators and road hauliers due to the near-total reduction of passenger ferry movements and decline in freight movement following the closure of non-essential retail. It then set out a summary of the financial and non-financial interventions that had been implemented to support the public, businesses and other sectors.

96. I recall that a variety of internal and external measures were used to measure the economic impact of non-pharmaceutical interventions, including assessments from officials, as well as intelligence from employers' representatives. The information enabled us to identify gaps in support, particularly for the lowest paid and the most vulnerable. That helped me in quadrilateral discussions over future support for the economy and in shaping additional rounds of financial support from the Welsh Government.
97. Information about the economic impact of Covid-19 in Wales was shared with the UK Government and vice versa. During regular quadrilateral calls, I and my counterparts shared live information about the impact on our economies and specific sectoral impacts. The Chief Economist in the Welsh Government was also responsible for assessing the economic impact of the pandemic and providing an interpretation of the data to help inform direct financial support. I was keen for officials to share as much intelligence and information as possible with our UK Government counterparts.

Approaches between the four nations on non-pharmaceutical interventions

98. Decisions over divergence were always made on the basis of scientific evidence and advice, which prioritised the need to contain the spread of the virus. The rationale was that where it was possible to act in a way that could slow or reduce the spread of the virus, then action should be taken, even if it regrettably led to divergence. That divergence was reasonable given the evidence and advice available, however some parts of Wales were more exposed to divergence than other areas. For example, divergence over non-pharmaceutical interventions relating to retail and local travel restrictions caused more difficulties in terms of communication and enforcement in Northeast Wales than, say, Northwest Wales

because of the former's proximity to the English border. Notwithstanding the challenge, divergence was based on the need to make sure that decisions were grounded in the available scientific advice and evidence.

99. Divergence occasionally created additional burdens for those implementing and enforcing non-pharmaceutical interventions along the border with England or where businesses operated on both sides of the border. Communication with sectors, trade unions and employer groups was effective, particularly in sectors that had strong networks in place for sharing and disseminating information. However, communication with the Welsh public was often a challenge because of the relatively weak media in Wales and a lack of Wales-specific coverage in the UK national media. However, daily televised media briefings significantly helped to address the problem.

Reflections on general decision-making in respect of non-pharmaceutical interventions

100. All Ministers were acutely aware that, in agreeing to certain non-pharmaceutical interventions, we were curtailing the freedom of people and depriving children and the vulnerable from accessing services, such as school and social support, in the way that was familiar and safe to them. However, restricting freedoms was needed to safeguard lives. Balancing harms and sacrificing freedom in order to protect lives was challenging. In practical terms, we offset harms to a degree by introducing new forms of support, such as remote working for learners. However, it still troubled many of us that we would see emotional impacts of Covid-19 long after the virus had been brought under control.
101. Although we had concerns about the implications of some non-pharmaceutical interventions, many proved to have been highly effective. For example, social distancing measures and lock down worked very well. However, on occasion, concerns over enforcement created obstacles that required a collective social partnership approach, involving government, trade unions and employers. That became relevant when, for example, the matter of staff being abused on trains had to be raised after the mandatory introduction of face coverings. We were

also concerned throughout lockdown that compliance might waiver, particularly if the virus reproduction rate did not reach a point at which it would be safe to ease some restrictions. It had been discussed in Cabinet how some easing would maintain adherence to non-pharmaceutical interventions and noted that there was some evidence of compliance fatigue in May 2020. Cabinet Minutes are exhibited at **KSM2BWG01/32-INQ000022481** and **KSM2BWG01/33-INQ000048792**.

102. Those concerns aside, in my view the first lockdown was highly effective in controlling person-to-person contact. I believe working from home had also proved highly effective as did closing schools. However, the latter presented difficulties for many parents and there were concerns about the impact on the mental health of children, young people and parents.

The first national lockdown

103. The seriousness of the situation intensified rapidly following the decision to impose the first national lockdown across the UK, including in Wales. At a Cabinet meeting on 23 March 2020, it was noted that officials had been working on plans for a lockdown in Wales to enable the Government to mirror any decision by UK Ministers to lockdown or to move separately. This was exhibited at **KSM2BWG01/06-INQ INQ000048923**. On 24 March 2020, the First Minister informed the Cabinet that it had been decided at a COBR meeting on the previous day that the movement of people would be restricted, which was exhibited in Cabinet Minutes at **KSM2BWG01/21- INQ000022472**.

104. In my view, a UK-wide lockdown was vital and unavoidable. It was equally important that the decision was made with the UK Government. There was no realistic prospect of imposing a Wales-only lockdown because of the porous border between England and Wales and the interdependency of Welsh and English regions. Porosity of the border was a significant point of discussions between all UK and Welsh Ministers, especially in respect of the North East where more than 204,000 people cross the border every working day and where news information is generally sought from national or English media. That impaired our ability to inform citizens of territorial differences in policy. The

border, in many cases, runs through communities and this is particularly so in the North East, where the border runs through housing estates. In my view, it would have been incredibly difficult to enforce lockdown in Wales alone and particularly in these areas.

105. It may also have been the case that people living in the border areas would not have adhered to a Wales-only lockdown and it may have led to civil unrest. On 10 March 2020, the First Minister reported to Cabinet following COBR that introducing restrictive measures on movement should not happen prematurely due to the risk of people not adhering to them. Meeting minutes were exhibited in **KSM2BWG01/17-INQ000129909**. In my view, the decision to lockdown could not have been made any earlier in Wales and the implementation of lockdown was as timely as it could have been in the circumstances. If Wales had gone into lockdown before the rest of the UK, then the lack of compliance in border areas might have been very significant.
106. The overall aim of the first national lockdown was to minimise the risk of Covid-19 spreading from household to household and, in my view, it was effective in achieving this aim.
107. In my view, the main lesson to be learned from the first lockdown was that the sooner a country locked down, the better. It also seemed to me that there was no alternative in the circumstances but to put much of the economy into hibernation and to avoid undoing the benefits of doing so by easing restrictions prematurely or, worse, by actively promoting human interaction as was the case with the Eat Out to Help Out Scheme which I refer to later in this statement.

Easing of restrictions following the first national lockdown

108. With the exception of the first lockdown, through Cabinet collective responsibility I was part of the group of Ministers that decided on every measure. All decisions were made in an attempt to combat the spread of Covid-19 and on the advice of the Chief Medical Officer and TAG.

109. The recovery framework published in April 2020, and exhibited in **KSM2BWG01/22-INQ000182406**, described the Welsh Government's intended approach to leading Wales out of the pandemic in a way that sought to keep everyone safe and although seeking to revitalise the economy. The easing of restrictions would be assessed against seven principles:

- a. To what extent would easing a restriction have a negative effect on containing the virus?
- b. Was the measure at the low end of risk of further infection?
- c. How could it be monitored and enforced?
- d. Was it capable of being rapidly reversed if it had unintended consequences?
- e. Was it a measure of relatively high positive economic benefit?
- f. Did it have a high impact on social and psychological well-being?
- g. Did the measure have a high positive equality impact?

110. The Welsh Government published 'Unlocking our society and economy; continuing the conversation' on 15 May 2020, which is exhibited in **KSM2BWG01/34-INQ000227929**. It described our preparations for the lifting of restrictions and provided more detail about the way in which possible easements would be assessed. I understand that more detail about this document is provided in Andrew Goodall's statement M2B-WG-01, at paragraphs 482-485, so I do not repeat it here.

111. As of 27 May 2020, my recommendation to Cabinet was that the existing restrictions on businesses should be maintained although it was acknowledged that there was still scope to encourage more businesses safely to return to activity. The minutes were exhibited in **KSM2BWG01/32-INQ000022481**, paragraph 1.18. However, as lockdown had progressed, there were concerns around the increasing mental and emotional harms being inflicted on people. I was also concerned that our ability to maintain a largely hibernated economy relied on UK Government funding. It was because without the UK Government deciding to maintain support, there would be no consequential funding available to the Welsh Government. Easing restrictions in June 2020 offered an opportunity to ensure tolerance of lockdown was not breached and also the

possibility of people gaining relief from the emotional impact of the pandemic. I remain of the view that the easing of some restrictions was necessary at that time. However, it was very difficult containing people's expectations when faced with regular headlines that suggested further and faster easing of restrictions was likely.

112. My Economic Response and Renewal paper to Cabinet in June 2020 sought to create the framework for a values-led economic recovery. The paper highlighted how different vulnerable groups had been impacted by the pandemic in multiple ways and how the recovery had to focus on reducing inequality and spreading wealth and wellbeing more evenly. This paper is exhibited in **KSM2BWG01/35-INQ000057748**.

Face Coverings on Public Transport

113. I am asked to explain why the Welsh Government's decision to make the use of face coverings mandatory on public transport was not made until the 27 July 2020. I will now briefly set out my understanding of the advice the Welsh Government received in respect of face coverings and the reasons for the ultimate decision to make them mandatory on public transport.
114. On 27 April 2020, it had been noted by Cabinet that SAGE had still been considering the science behind the use of face coverings and that the Chief Medical Officer's initial views were that their use by the general public would be of marginal value. This minutes of this meeting were exhibited in **KSM2BWG01/23-INQ000129868**. On the 12 May 2020, the Chief Medical Officer issued a formal statement in which he repeated these views and, although declining to recommend the mandatory use of face coverings, made reference to three harms that might arise from such a course of action, exhibited in **KSM2BWG01/36- INQ000349422**. In summary, these harms related to the stocks of clinical masks for frontline caregivers, a potential increase in risky behaviours by members of the public and the potential for discrimination against those who could not afford to wear masks. At a Covid-19 Core Group meeting on

13 May 2020, this advice was again relayed to Ministers and the Chief Medical Officer emphasised the importance of staying safe by maintaining social distancing and regularly washing hands, which is exhibited in **KSM2BWG01/37-INQ000221186**. At this point, the absence of evidence to support making face coverings mandatory for the public meant that such action was outweighed by the potential harms cited by the Chief Medical Officer.

115. On 21 May 2020, I met the unions and discussed the advice that the Welsh Government had recently received from the Chief Medical Officer on face coverings, which is exhibited in **KSM2BWG01/38-INQ000350822**. I emphasised the importance of social distancing and explained my understanding that there was not much proven clinical benefit of making face coverings mandatory. The Deputy Minister for Economy and Transport informed the unions that the situation would be kept under review as it was possible that the medical advice could change.
116. On 4 June 2020, the UK Government announced mandatory face coverings on public transport, which is exhibited in **KSM2BWG01/39-INQ000350823**. This was said to be based on SAGE advice that using face coverings could provide some small additional protection. The Transport Secretary acknowledged that the protection offered by face coverings would be limited; he also stated that these should be face coverings which were made at home rather than surgical masks. This statement is exhibited in **KSM2BWG01/40- INQ000350824**.
117. I understand that the SAGE advice was relied upon by the UK Government: it is exhibited in **KSM2BWG01/41-INQ000350585**. The advice was considered by the Technical Advisory Cell and their assessment of the evidence was sent to the First Minister and the Minister for Health and Social Services and Social Services. The Technical Advisory Cell's advice is exhibited in **KSM2BWG01/42-INQ000349537**. (p.10).
118. On 5 June 2020, a Welsh Government Action Group on PPE and Face Coverings met for the first time. A note of their meeting is exhibited in

KSM2BWG01/43- INQ000215452. I was a member of this group which had been established at request of the First Minister and the Minister for Health and Social Services. During the meeting, it was noted that the UK Government's announcements on face coverings, which did not appear to be based on the scientific evidence, had changed the context in which Wales was operating. Although I relayed the concerns of the transport unions regarding face coverings and PPE, it was reiterated that the Chief Medical Officer's advice was that face masks were not necessary. It was recognised that the situation was fast moving and there was a need to form a clear policy position, therefore it was agreed that the Chief Medical Officer would provide further advice and the group would meet again.

119. On 6 June 2020, the First Minister and Minister for Health and Social Services were sent an update by the Chief Medical Officer in which he reiterated his view that the evidence of the benefits of wearing face coverings did not justify a mandatory or legislative process and that he saw dangers in taking such an approach in Wales. He further set out that the World Health Organization had included clear specifications requiring a minimum three-layer construction and appended a list of the potential risks of mandating facemasks. This update is exhibited in **KSM2BWG01/44-INQ000349539.**
120. On 9 June 2020, the Welsh Government Action Group met again. Once more it was noted that the World Health Organization's guidance was for a three-layer face covering to be used but further clarification was needed and the risks that wearing face masks could lead to lack of social distancing and diverting of supplies from the Health and Social Care sector were reiterated. This email note of this meeting is exhibited as **KSM2BWG01/45-INQ000299377.**
121. On the same day, a Ministerial Call took place in which it was agreed that recommending, rather than mandating, was the appropriate course of action based on the advice available. This is exhibited in **KSM2BWG01/46-INQ000349582.** A note of the discussions that had taken place with the Trade Unions had also been referred to during the Ministerial Call, which is exhibited as

KSM2BWG01/47-INQ000349583. It was noted that although the unions' general position was to follow the science, they were particularly interested in the issue of face coverings and raised several concerns about the mandatory use of face coverings on public transport. These included the coverings being seen as an alternative to social distancing, workers being made to police the public on wearing face coverings. It was noted that unions with membership in public transport were, understandably, very keen to see face coverings being mandated for passengers; however, there were still noted to be major concerns from RMT about the implementation in England arising from the UK announcement, including the confusion that had arisen and reference to cross-border services.

122. On the same day, the Welsh Government formally announced its recommendation that people in Wales wore three-layer face coverings in situations where social distancing was not possible. This announcement is exhibited in **KSM2BWG01/48- INQ000350831.** My view at the time was that this was the correct decision because of the advice we had received from the Chief Medical Officer and in light of the potential risks and harms of mandating the use of face coverings on public transport. I was very conscious of the need to give confidence to transport workers and their union representatives. Although I would have preferred a mandatory requirement to wear face coverings, I was relieved that a recommendation to wear them had been agreed. My view at the time was that although falling short of mandating mask wearing, the recommendation would lead to passengers who were in the physical condition to wear them doing so. I also believed that passengers crossing the border in either direction would keep their face coverings on. With hindsight, it would have been preferable to mandate face coverings at the same time as England, however the lack of evidence supporting such action at the time meant we did not deviate from the scientific advice.
123. On 15 June 2020, the UK Government's requirement for face coverings on public transport came into operation. The following day, Technical Advisory Cell provided its contribution for the 21-day review, indicating that there was still no consensus on use of facemasks and restating the risks that symptomatic people

may have believed they did not need to self-isolate if they wore a facemask. The TAG contribution is exhibited in **KSM2BWG01/49- INQ000227178**.

124. On 7 July 2020, the Cabinet met and received an update from the Chief Medical Officer that, overall, there was 'headroom' to release some of the restrictions in Wales and that the summer period presented a safer opportunity to do this. The Cabinet Minutes are exhibited as **KSM2BWG01/50-INQ000048852**. For this meeting, Ministers had received a Cabinet paper entitled 'Remaining Restrictions Assessment' exhibited at **KSM2BWG01/51-INQ000057753** which noted (page 2):

'As prevalence of the virus in Wales reduces the health benefits of maintaining 2m becomes less proportionate. Weighted against the potentially significant harms from unviable businesses and unsustainable public transport models, this points to some early exemptions where mitigations can be put in place.'

125. The assessment also noted that, although physical distancing and managing numbers was still an effective control measure, face coverings could be put in place to minimise the risk of closer distances where necessary and it was safest to do so when prevalence was low.
126. To clarify, 'headroom' was the phrase used to describe the difference between the reproduction rate (R number) at any given point in time and R1, above which the spread of the virus would accelerate. The minutes of that meeting noted that the available headroom would be used to support further mitigation on public transport where it was not possible to observe the two-metre distance rule. It was expected that, in easing restrictions, greater capacity on public transport would be needed, particularly for the most vulnerable who rely heavily on bus travel. With the inability to enlarge train carriages and buses, capacity could not be increased. Consequently, further mitigations against the risk of transmission were deemed to be needed.

127. On 8 July 2020, the Chief Medical Officer provided further advice on face coverings as part of the 21-day review. He stated that there was nothing new in the scientific literature to change his previous views about the risks and benefits of mandating the use of face coverings. This is exhibited in **KSM2BWG01/52-INQ000349683**. However, he also noted that broader social science considerations should inform the decision on mandatory use of face coverings, including cross border policy consistency, which he noted was particularly relevant to the transport sector, and recent public engagement, which showed stronger support for more directive approach.
128. On 13 July 2020, the First Minister announced that it would become mandatory to wear face coverings on public transport from 27 July 2020, following the paper exhibited as **KSM2BWG01/53- INQ000349714**. I believe that the two-week period between the announcement and the measure coming into effect was needed for several reasons; the main reasons were that there was a need to produce robust guidance and the operators also needed time to implement the changes to carriage [see e.g. a note of the Ministerial call on 10 July 2020 at **KSM2BWG01/54-INQ000349701**. The First Minister noted that with the reopening of the economy and more people returning to work, it would become more difficult to maintain distances of 2 metres on public transport. He stated that guidance had been published to explain the measures that should be put in place if social distancing was not possible and he noted that some operators had assured the Welsh Government that they would be ready to implement the measures sooner than this date. The First Minister indicated that the decision was for the sake of simplicity and consistency, which was important for public understanding and enforcement on cross border services, as well as being part of the plan to reduce risk of transmission of Covid-19 although on public transport where it is not always possible to maintain a 2-metre distance. I exhibit the press release regarding the review of the Regulations at **KSM2BWG01/55-INQ000350825**.
129. The advice from the Chief Medical Officer along with the reasoning given by the First Minister for the decision were factors in my agreement with the decision to

mandate the wearing of face coverings on public transport. I agreed with the First Minister that the changing context due to the announcement in England of the requirement to wear face coverings and the need for consistency and simplicity were important considerations. Consistency was essential for cross border transport services, especially with more elements of the economy opening up as restrictions eased. I was very conscious of the concerns of the unions, who were calling for face covering to be mandatory, but for robust guidance to also be in place to mitigate against the risk of transmission, where 2-metre distances could not be maintained. We had learnt from how mandatory face coverings had been implemented in England and Scotland, so were able to shape guidance with due regard to the lessons learnt. The measure was needed further to the aim of opening back up the economy using the available headroom Wales now had available. The decision was also made with regard to the particular circumstances in Wales around infection rates and our ability to ease measures safely.

Social Distancing

130. I am asked to address the question of why the Welsh Government did not change its advice on the 2-metre social distancing rule in circumstances where the UK Government decided to reduce the acceptable distance to 1 metre on the 4 July 2020.

131. My role in respect of decision-making on social distancing was the same as the general position I have stated elsewhere in this statement. I would make decisions on a collective basis within Cabinet, but my responsibilities chiefly related to restarting the economy and supporting public transport and, to this end, I would liaise with businesses and the unions to ensure their views were fed back to Cabinet to underpin decision-making as well as to inform guidance.

132. In my view, the advice which the Welsh Government was provided on social distancing was very consistent in stating that the greater the distance members of the public kept between themselves, the lower the risks of spreading the virus. For example, on the 5 June 2020, Technical Advisory Cell had advised us that

1-metre separation distances could carry between 2 and 10 times the risk of a 2-metre separation. I exhibited the Technical Advisory Cell brief at **KSM2BWG01/42-INQ000349537**.

133. To my knowledge, this position and the science behind the rule had not changed throughout June and July 2020. For example, on 24 June 2020, it was noted at a Covid-19 Core Group meeting that the science behind the 2-metre distance rule remained clear, I exhibit the minutes of the Core Group meeting at **KSM2BWG01/56-INQ000311872**. On 8 July 2020, it was noted by the Chief Medical Officer at a Covid-19 Core Group meeting that, looking at the international picture, the message remained that the virus thrived through human contact in all its forms and social distancing was essential to maintain the current low circulation levels. I exhibit those minutes at **KSM2BWG01/57-INQ000311825**.

134. It was always noted that, although the science and need for distancing was clear, it was not always possible to maintain a 2-metre social distance and appropriate measures needed to be taken in those circumstances. As discussed above, this was the position in July 2022 in respect of face coverings on public transport. The Welsh Government was acutely aware of this fact. For example, the restrictions assessment for the 7 July 2020 Cabinet meeting noted that it was unsustainable to maintain a public transport model based on 2-metre distancing and therefore appropriate mitigations should be put in place. I exhibited the summary of those restrictions at **KSM2BWG01/51-INQ000057753**.

135. My recollection is that, from around June 2020, the desire in Wales to reduce the 2-metre distance rule to 1 metre was strongest in the hospitality and transport sectors [see, for example an email on 18 June 2020 following a CBI Coronavirus call with business leaders in Wales on 17 June 2020 which is exhibited at **KSM2BWG01/58-INQ000349606** and an email on 25 June 2020 following a ministerial call that day exhibited at **KSM2BWG01/59-INQ000349646**. For hospitality, one of the key underlying factors on this issue was the impact cross-border differences was having on the competitiveness of business in Wales (see for example a letter from the Member of Parliament for Wrexham

expressing the concerns of hospitality businesses in Wrexham which is exhibited at **KSM2BWG01/60-INQ000349849**). In respect of the transport industry, the issue was that capacity under the 2m distancing rule would be too limited to cater for the increasing number of people who would be seeking to use public transport; therefore, a pragmatic approach had to be reached where a relaxation of the 2 metre rule on public transport was accompanied by clear guidance and mitigation measures.

136. I remained convinced that social distancing was one of the most effective means of preventing the spread of Covid-19. Although a reduction to the 2m rule came out of necessity for public transport provision, I did not believe a universal easing of 2m across all sectors was desirable, especially although economic support remained in place for businesses impacted by Covid-19.

Eat Out to Help Out

137. I do not recall having any discussions with the UK Government about the Eat Out to Help Out scheme before its implementation in August 2020 or having any involvement in the scheme. I was not responsible for this area of policy making and this would have fallen within the remit of the Deputy Minister for Culture, Sport and Tourism.
138. I cannot recall what the First Minister's views were on the scheme and have not been able to find documentation relating to this. However, I did not support the scheme for several reasons. I was concerned about the social injustice that it might cause; those who could not afford to eat out would be deprived of the benefit being offered by UK Government. I also felt it was not a fair policy as the Welsh Government could not stop it from operating in restaurants and cafes in Wales without alternative funding from the UK Government to compensate for the relative disadvantage that Welsh businesses would have face. Finally, I was concerned about possible fraud. As stated above, I felt that financial support from UK Government should go directly to the businesses in need to be used to assist in hibernating businesses as long as necessary in order to minimise the spread

of Covid-19. Eat Out to Help Out was a UK Government Treasury scheme that we had no control over and promoted social mixing during the summer of 2020 by fuelling demand for hospitality services. We were offered no alternative package of support to pursue a different cause of action in Wales.

139. Although other Ministers were involved in the scheme, my recollection is that the Welsh Government had not been engaged in discussions in respect of the scheme and had only become aware of it when the decision to implement it had already announced. Therefore, our role would have been primarily focused on mitigating against the risks through social distancing and face mask measures.

Effectiveness of Local Restrictions

140. Although I am asked to comment on the effectiveness of local restrictions, including lockdowns, I cannot recall precisely how much the reproduction number reduced in relation to these measures.
141. The Inquiry has referred to a meeting between me and the Secretary of State for Wales on 29 September 2020 during which I referred to the need to emphasise that businesses were not being asked to close due to local restrictions and that individuals were still permitted to cross borders for work. I exhibit this at **KSM2BWG/61-INQ000128933**. The problem of individuals needing to work in an area which was subject to different restrictions to the one they lived in was a constant problem and particularly so in parts of Wales that drew on labour from neighbouring local authorities and from England, and vice versa. Businesses such as Airbus and Wockhardt were crucial in the fight against Covid-19 (ventilators and the vaccine) and, even with permits to travel, people were often concerned about travelling in and out of areas that had local lockdowns. We utilised the local and regional media and employer organisations to explain local restrictions and lockdowns to such individuals but it was a challenge nonetheless. However, it was helpful that the Welsh Government was consistent in telling members of the public that they should work from home if they were able to do so.

Decisions leading up to and including the Firebreak Lockdown

142. Although agreement had been made in principle at Cabinet on 15 October 2020 to implement a firebreak lockdown [I exhibit the minutes of that meeting at **KSM2BWG/62-INQ000022499**], the proposal was more substantively discussed at Cabinet on the 18 October 2020 [I exhibit the minutes of that meeting at **KSM2BWG/63-INQ000048801**]. The key considerations for the use of a fire break lockdown were included within a discussion paper for use at Cabinet on the 18 October 2020 [I exhibit that paper at **KSM2BWG/64-INQ000048887**]; this made reference to, among other things, the evidence including in a Technical Advisory Cell paper which supported the use of a firebreak lockdown and the potential costs of the decision to implement it. It had been said at Cabinet that the Technical Advisory Cell conclusions were clear and that, without intervention, the continued increase of cases of Covid-19 in Wales would be too high for the NHS to sustain. A consideration of the need to balance the 'four harms' also appeared important to Technical Advisory Cell's recommendations as was data on how older age groups were being infected by the spread of Covid-19.
143. At the meeting of the Cabinet on 18 October 2020, I set out the significant business support arrangements that would be put in place during the firebreak lockdown and the overall costs of the package was stated to be almost £300m. Specific reference was also made to the need to discuss with the Third Sector the measures that could be used to support the vulnerable in society and to engage Black, Asian and Minority Ethnic outreach groups.
144. A substantive decision to implement a firebreak lockdown was reached by Cabinet on 19 October 2020 [I exhibit the minutes of that cabinet meeting at **KSM2BWG/65-INQ000048802**]. This was to last two weeks, starting on 23 October and ending on 9 November 2020. Although a longer period was noted to have not been affordable or sustainable, a two-week (or three weekend) period was in line with the advice of Technical Advisory Cell.
145. Our experience of the first national lockdown had told us that lockdowns were the 'go to' non-pharmaceutical intervention as they were proven to reduce reproduction rates. The impact that a firebreak lockdown would have on the

Welsh economy and businesses in Wales was a key consideration in the decision to implement it. My officials and I were tasked with mitigating this impact with a package of support to help protect the economy and businesses, and we worked with business groups and trade unions to this end.

146. I was supportive of the decision to impose firebreak lockdown, not least because it offered some hope that the public would be able to have a Christmas of sorts but also for the other reasons discussed at Cabinet. The decision was made, and the implementation was then undertaken, in an effective and timely manner. The firebreak ended on 9 November 2020 and was effective in achieving its purpose of addressing the rising reproduction rate of the virus (see, for example, the Chief Medical Officer's update on 25 November 2020: which I exhibit at **KSM2BWG/66- INQ000350028**). The firebreak may have been more effective had it lasted for a longer period and with sufficient public tolerance of it. However, we only had sufficient funds for a short firebreak, and we were also mindful of the need to hold onto some revenue in the event of another firebreak being required. We followed the advice of imposing a Firebreak of two to three weeks and, although a longer period might have been even more effective, I believe the decision to implement the firebreak lockdown was the right one.
147. Although I am asked to comment on whether the implementation of the firebreak lockdown was unavoidable and whether it could have been avoided if more stringent restrictions had remained in place following the first national lockdown, I do not believe I am expert enough to provide an answer to this question. I can say that, given the data presented to Ministers in October 2020, a firebreak was unavoidable and if it was to be over a short period, it had to be deep enough in terms of restrictions so as to break transmission chains. It might have been avoidable if a package of more stringent restrictions remained in place following the first lockdown; however, although local lockdowns had also been used, they had failed to prevent the need for a firebreak so I am not certain what restrictions could have been retained to avoid the firebreak. This is a question I hope the Inquiry will be able to answer.

Decisions after the firebreak lockdown up to Christmas 2020

148. When decisions were being made about easing restrictions after the firebreak lockdown, the primary factors that were considered were the potential impact on the reproduction rate as well as upon the other harms being inflicted by Covid-19. These harms included the damage isolation and loneliness was inflicting on the mental health of the public, especially vulnerable and at-risk groups. The worsening outlook for the UK economy was also a concern as was the need to help young people recover in respect of their learning opportunities.
149. I am referred to the First Minister's decision to bring forward lockdown restrictions to the 20 December 2020 and asked to comment on what consideration was given to the disruption this decision might cause to business in Wales, including the hospitality sector. I am unable to comment on the latter part of this request; although I can state that I supported Welsh Government measures and the First Minister's decisions, engagement with the hospitality sector was primarily a matter for the Minister for International Relations and the Welsh Language and the Deputy Minister for Culture, Sport and Tourism.
150. The likely disruption to businesses and the resulting economic harm was fully considered in bringing forward restrictions to 20 December 2020. In anticipation of a potential decision to impose a further firebreak or restrictions from 28 December 2020, a paper was prepared for Cabinet setting out the potential impact of such a decision for businesses and advice on which approach could be adopted if such a decision was made [I exhibit the paper at **KSM2BWG/67-INQ000048913**]. Advice had already been obtained from the socio-economic sub-group of Technical Advisory Cell [I exhibit the cabinet discussion at **KSM2BWG/68-INQ000048996**] concerning restrictions in the winter period. Further, at the Cabinet meeting of 19 December 2020 there was recognition of the need to avoid further disruption to businesses. However, the overriding priority was to protect lives in Wales and so a further round of funds for businesses was created. I exhibit minutes of that Cabinet meeting at **KSM2BWG/69-INQ000048803**.

151. Based on the information we were given at that Cabinet meeting, my views were, difficult as it was, it was necessary to contain the spread of the virus. A new, more transmissible variant was circulating, case and reproduction numbers were not where they needed to be and more severe restrictions in England were to be announced. I appreciated the disruption that would be caused by the decision, especially to businesses and to people planning for Christmas, but we had to act decisively. Again, my view at the time - and now - is that the timeliness of the decision was good, and the timeliness of the implementation of the national lockdown was excellent. I believe the lockdown was effective in controlling the spread of the virus and in achieving its purpose of saving lives that would otherwise have been lost.
152. As with all interventions, we could not be certain of the outcomes. We were learning from each of the lockdowns and firebreaks as we went. I think the lessons I took from this period and the national lockdown imposed on 20 December 2020 was that an early warning system would have been helpful so that the public could plan for the cancellation of events.

Decisions relating to non-pharmaceutical interventions in 2021 until May 2022

153. I left the Welsh Government in May 2021 and so I can only provide information about my experience of decision-making in relation to non-pharmaceutical interventions between January and May 2021.
154. I would say that the Welsh Government's 'high level' approach to non-pharmaceutical interventions was maintained during this period, in that the same balance of harms persisted, but with the vaccination rollout we were able to factor this into our considerations.
155. My involvement in decision-making remained the same, in so far as major decisions continued to be made by Cabinet. I acted as part of the collective in making decisions and we were led by scientific and expert advice.

156. Non-pharmaceutical interventions continued to be reviewed on a 21-day basis. I do not remember advising at Cabinet specifically in respect of non-pharmaceutical interventions in this period and my contributions at Cabinet related to matters falling within my portfolio. For example, on 15 March 2021, I introduced a paper for Cabinet's approval on the recommendations of the Task and Finish Group established to review and refresh the Economic Contract. I exhibit minutes of that cabinet meeting at **KSM2BWG/70-INQ000129926**.
157. In my view, the decision-making on non-pharmaceutical interventions between January and May 2021 was characterised by the planning for and eventual easing of various restrictions, such as the move from 'stay at home' to 'stay local' and the movement of Wales into Alert Level 3. This easing was discussed, planned and implemented on the basis of the scientific and technical advice available to Cabinet at the time.
- 158.** I was content the right decisions were made, based on the information we had at the time, with a reliance on scientific and medical evidence to keep people as safe as possible, although recognising the need to address the other harms that Covid-19 continued to inflict on society.

F. Key decisions relating to transport during the pandemic

159. In terms of transport, my ambition as a Minister was, and remained during the pandemic, for Wales to have a sustainable integrated public transport network, which included community transport. Steps were taken during the pandemic to maintain the services required at that time to enable key workers to be able to continue to travel to work. Therefore, we, as Ministers introduced free bus travel for NHS frontline staff for the first six-month period of the pandemic, which matched Transport for Wales' offer of free travel by rail.

Bus travel

160. Before the pandemic, significant work had been done on the existing Welsh Government commitment to undertake major reform of bus networks in Wales.

This culminated in the publishing of the Bus Services Wales Bill on 16th March 2020. The legislation was not able to be pursued owing to the pandemic. However, as Minister I remained very supportive of moves to increase the quality of bus services and support their more effective planning and delivery across Wales.

161. During March 2020, and following the submission of MA/KS/1088/20, which I exhibit at **KSM2BWG01/71-INQ000198433**, I agreed that a short-term Bus Hardship Fund should be introduced to provide financial support to the bus industry and community transport sector through grants administered by local authorities. Grants were paid in advance based upon the value of historical payments made under previous grants (Bus Services Support Grant, Mandatory Concessionary Fare reimbursement and payments under the MyTravelPass scheme).
162. The total funding package was in excess of £29 million, which was based on the approximate level of funding that operators would have received had there been no change in passenger numbers. The funding represented around 45% of the revenue that operators normally received over the same period pre-Covid-19.
163. The aim of the Bus Hardship Fund was for key workers and those without access to a car to travel for work, essential food and medical supplies. I agreed that the initial tranche of support would be for the period April-June 2020.
164. On 7 May 2020 a ministerial discussion took place to discuss the future of bus provision delivery and the future funding of bus services via a new Bus Emergency Scheme 1 (I exhibit the minutes at **KSM2BWG01/72-INQ000349591**, on page 20 of the Cabinet paper). I attended that meeting with the First Minister, Deputy Minister for Economy and Transport, Minister for Finance, Minister for Housing and Local Government and the Council General and Minister for European Transition; together with officials.

165. At that meeting I introduced a paper on what I considered to be the future of bus services in Wales. That paper signalled the fragmentation and lack of control over services, and the impacts of Covid-19 on the existing system. The paper identified an opportunity to help re-shape the industry and its operation to deliver more positive outcomes.
166. It was at that meeting the First Minister considered “that this was a rare moment, with passenger levels so low, that should be seized to do radical things to deliver as much public benefit as possible”. At that meeting I expressed a desire to increase the role of Transport for Wales in delivering bus services given their developing remit for integrated transport and to encourage multi-modal thinking.’
167. Following that meeting, Cabinet Paper CAB (19-20)72 was drafted setting out the outcomes of the meeting which I exhibited at **KSM2BWG01/72-INQ000349591 p.1.**
168. On 15 June 2020 the Cabinet considered Cabinet Paper CAB (19-20)72 and agreed to a phased approach to the Bus Emergency Scheme 1 intervention, which I formally approved via a Ministerial Advice document MA/KS/2112/20, which I exhibit at **KSM2BWG01/73-INQ000103939.** The intervention comprised three measures:
- i. creating a “single controlling mind” to better coordinate public transport;
 - ii. re-setting the public sector taxpayers’ relationship with bus operators to allow the Welsh Government to exert the appropriate level of control that public funding merits, and
 - iii. developing a long-term investment plan that could support the restart of the economy and wider Welsh Government ambitions.
169. Cabinet subsequently agreed to provide £16.8 million emergency Covid-19 funding from existing budgets for the quarter starting from 1 July 2020. I have attached the minutes of that Cabinet meeting **KSM2BWG01/74-INQ000129883.**

170. The short-term funding arrangements which underpinned the Bus Emergency Scheme were reviewed by Ministers on an ad hoc basis through the Ministerial Advice process with the intention being to develop a lasting partnership that would continue post-pandemic.
171. In July 2020, following further consultation with the sector, a further £20m of support was agreed by Ministers to support a return to pre-Covid-19 service levels, to increase capacity of bus networks, and facilitate social distancing, as Wales came out of lockdown and schools returned in September 2020. I also approved funding to cover until end of September 2020 following receipt of MA/KS/2220/20 which I exhibit at **KSM2BWG01/75- INQ000198439**.
172. The Bus Emergency Scheme 2 proposed a formal Public Service Obligation contract with operators, which would allow a level of co-ordination and direction to deliver passenger benefits which would not be possible in the normal competitive, de-regulated environment of the bus industry. Given the terms of the Bus Emergency Scheme 1 that meant that the Bus Emergency Scheme 2 funding would terminate at the latest in July 2022. The Deputy Minister and I made that decision following consideration of MA/KS/4165/20, which I exhibit at **KSM2BWG01/76-INQ000198609**.
173. Additional financial support to maintain existing levels of services and additional ramp-up on critical routes from October 2020 to April 2021 was also agreed by the Deputy Minister and me until the end of the 2020/21 financial year. I exhibit the relevant Ministerial Advice documents which the Deputy Minister and I received at **KSM2BWG01/77-INQ000103957** (MA/KS/2731/20) and at **KSM2BWG01/78- INQ000145557** (MA/LW/3386/21).
174. A Bus Reform Programme Board was formed in June 2020. I understand the board met around July 2020 to prepare guidance on the impact on public transport for the reduction in social distancing restrictions from two metres to one metre.

175. Transport for Wales also sought additional funding from the Welsh Government at the start of the pandemic to implement contactless payment technology for all SME bus operators who were not already offering this service. This provided a practical support for drivers and passengers who wished to minimise payment transaction contact during the pandemic.

Rail Travel

176. Before the pandemic the Welsh Ministers' role in respect of rail transport was limited. It essentially focused upon being the franchising authority for the Wales and Borders franchise. In that role the Welsh Government was required to procure a commercial rail passenger service operator to operate the route. Most of that work sat with Transport for Wales with Welsh Government oversight. Control over rail infrastructure was very limited, confined to the agreement made with the UK Government to bring control of the Core Valleys line into the Welsh Government's ownership.
177. The immediate impact of, and response to, Covid-19 led to a significant reduction in passenger numbers. This significant and sudden decrease in passenger volumes and corresponding revenues meant that Covid-19 had an immediate and profound impact on the fare-box and would continue to do so as citizens responded to the need for further self-isolation and social distancing. Combined with the need to keep train services running to support key workers in Wales, it was considered that providing immediate financial support was required.
178. As such I agreed that revenue funding of £40.2m for March - June 2020 should be allocated to offset the fare box reductions. I exhibit MA/KS/1003/20 at **KSM2BWTG01/79-INQ000226980**. At the same time, I agreed that Transport for Wales should look at a number of options to reduce the risk of ongoing revenue support.
179. Following the commencement of the emergency measures for Wales and Borders rail operation in July 2020, Transport for Wales began to investigate

potential contracting options for the future of rail services on the Wales and Borders Network. In September 2020, the Minister for Finance and I agreed the preferred approach [I exhibit the Ministerial Advice MA/KS/2304/20 at **KSM2BWG01/80- INQ000103956**], which included:

- a. Welsh Ministers/Transport for Wales "stepping in" to contract directly with Amey Keolis Infrastructure Limited for Infrastructure Management and Core Valley Lines Transformation Services (using substantially the same contract terms as currently existed);
- b. Wales Operator of Last Resort arrangements for the provision of rail passenger services; and
- c. Contracting with Amey Keolis Infrastructure Limited to provide integration and innovation services under an agreed structure.

180. To allow for negotiations and due diligence, Rebecca Evans and I also agreed to extend the Emergency Measures Agreement until 6 February 2021, plus additional funding of up to £5m to cover operating costs plus a fee that would be payable to the operator. This was also included in MA/KS/2304/20 which was exhibited at **KSM2BWG01/80-INQ000103956**.

181. On 13 October 2020 I received advice within MA/KS/3276/20, exhibited at **KSM2BWG01/81-INQ000103965**, which included:

- a. Agreement to the key principles/draft Heads of Terms relating to the Preferred Option relating to Wales Operator of Last Resort arrangements, contract novation for Infrastructure Management and Core Valley Line Transformation Services, and Joint Venture for integration services;
- b. Agreement that Transport for Wales could engage with Department for Transport on the terms of the Wales Operator of Last Resort services contract in respect of the operation of the agency arrangements; and
- c. Agreement to additional funding of up to £40.4m to cover additional costs over and above those approved previously).

182. On 14 October 2020 I met officials, the First Minister, the Deputy Minister for Economy and Transport, and the Minister for Finance and Trefnydd to discuss the advice.
183. Following Ministerial approval, the operations of rail services transferred from the private sector into public control on 7 February 2021. For the 2021-22 financial year the rail subsidy budget was baselined on the pre-Covid-19 level as it was not clear how passenger demand would respond as restrictions were lifted [I exhibit the Ministerial Advice MA/JJ/2092/21 which was sent to my Deputy Minister at **KSM2BWG01/82-INQ000198606**.

Taxi and Private Hire

184. Before the pandemic work had begun to take forward the Welsh Government's commitment to modernise the archaic legislative landscape that governed Taxi and Private Hire Vehicles. Though this work was disrupted by the pandemic, it remained a key objective of mine as Minister to support major reform in the industry. There was financial support made available through the Economic Resilience Fund.
185. On 24 November 2020, I made an oral statement regarding issuing free Personal Protective Equipment (PPE) to taxi and Private Hire Vehicle drivers [I exhibit the transcript of my Oral Statement at **KSM2BWG01/83-INQ000350826**. I agreed, following advice via MA/KS/0006/21, which I exhibit at **KSM2BWG01/84-INQ000176817**, that the Welsh Government would lead this exercise on behalf of all 22 local authorities. On 3 February 2021. I announced a further scheme that all 12,000 licensed taxi and Private Hire Vehicle drivers in Wales were able to claim a free Welsh Government PPE pack. The PPE pack contained sufficient product for six months use. The invitation was open for a limited period of three weeks, beginning on the date of the announcement. I exhibit the written statement at **KSM2WG01/85-INQ000176820**.

Aviation – Cardiff Airport

186. Since it acquired direct ownership of Cardiff Airport in 2013, the Welsh Government has been committed to ensuring it became a financially viable and successful commercial operation. Clearly the pandemic and the restrictions this placed on movement of people and trade was going to make this challenging and it was clear early on that additional financial support would be required.
187. Cardiff International Airport Limited (CIAL) had submitted a 'routine' request for a drawdown of £4.8m from its existing loan facility, the Covid-19 crisis meant that this was no longer a 'routine' draw-down; the crisis (and its impact on the industry) constituted a "Material Adverse Event" for the purposes of the Loan Agreement, enabling the Welsh Ministers to revisit the terms of the loan and determine whether it was appropriate to proceed as it would have done in normal circumstances. Based upon third party expert advice from Oxera Consulting LLP, including legal advice, the drawdown would need to be approved subject to a higher rate of interest (15.9%) and accompanied by efforts to ensure that Cardiff International Airport Limited received State Aid for damages at the earliest opportunity, in order for the support to remain State Aid compliant.
188. I subsequently agreed to the drawdown request on the basis that Cardiff Airport would be provided with the minimum amount of finance which it necessarily required to enable it to discharge any ongoing liabilities, after it had implemented all cost mitigation measures and utilised its existing cash by MA/KS/1059/20 which I exhibit at **KSM2BWG01/86-INQ000198578**.
189. The Welsh Government also submitted a State Aid Notification to the European Commission for approval to grant compensation to Cardiff Airport for the damage caused by Covid-19 for up to £6.5m, following Ministerial Advice dated 28 September 2020. That decision is exhibited at **KSM2BWG01/87- INQ000177001** (MA/KS/2737/20). The initial damages for the first period between 17 March – 30 June 2020 at a value of c£2.39m was agreed.
190. In March 2021, Ministers agreed a financial package to provide support to Cardiff Airport in the medium term against a five-year plan for the rescue and restructure

of the airport following Covid-19. Ministers agreed investment by way of a grant of up to £42.6m which has enabled Cardiff Airport to begin restructuring its operations and securing its viability, via Ministerial Advice document MA/KS/0809/21 which I exhibit at **KSM2BWG01/88-INQ000198612**.

Anglesey – Cardiff Public Service Obligation

191. The Cardiff to Anglesey Public Service Obligation air service was a return air service twice a day, Monday to Friday, from Cardiff to RAF Valley on Anglesey. It was fully subsidised by the Welsh Government and operated by UK regional airline, Eastern Airways.
192. The service was important because it offered connectivity between north and south Wales, with passengers able to make a return flight in a single day.
193. On 30 March 2020, Ministers agreed to suspend flights under the PSO Contract for an initial period of up to 3 months although the Covid-19 travel restrictions remained in place, via MA-KS-1123-20 which I exhibit at **KSM2BWG01/89-INQ000198577**. The suspension was subsequently extended a number of times between that date and 20 May 2022, and the service has now been withdrawn.

G. Key Decisions Relating to the Economy

Economic Resilience Fund

194. In early March 2020, I worked with my officials to develop the conception of an Economic Resilience Fund to manage the economy in both the short and long term during the pandemic. A group of senior officials from the Economy, Skills and Natural Resources Group, the Welsh Treasury and the Welsh European Funding Office were brought together to explore what sort of interventions could be provided, the feasibility and deliverability of those interventions, particularly in terms of the funding implications, and likely UK Government action. As Minister, I

was very clear in wanting any package of support to be designed and delivered in partnership with local authorities who understood their communities very clearly and had existing mechanisms that could support the rapid delivery of support to individuals and businesses.

195. This was supplemented by regular and ongoing engagement with business leaders and key figures in the Welsh Government's business support ecosystem, including the Chair and CEO of the Development Bank of Wales and members of the Economy Minister's Ministerial Policy Board. I led the development of the fund - supported by officials from the Business and Regions Directorate.
196. On 25 March 2020, I received a policy proposal for the Economic Resilience Fund. Following a number of amendments to the proposal, a final submission was made to the Star Chamber on the 27 March 2020. At its meeting on 27 March, the Star Chamber indicated it was content with the proposal for an Economic Resilience Fund and agreed that £200 million central revenue funding could be made available initially, with potential to increase by a further £200 million, augmented by a £100 million capital loan fund to be administered by the Development Bank of Wales. I exhibit a note of the meeting at **KSM2BWG01/90-INQ000320772**.
197. As part of the Economic Resilience Fund, in response to eligibility issues for smaller business in Wales to the UK Government's Coronavirus Business Interruption Loans, and in advance of April's Bounce Back Loan scheme launch, the Development Bank for Wales deployed in the first weeks of the pandemic a Welsh specific loan scheme: on 31 March 2020 the First Minister announced the £100m Covid-19 Wales Business Loan Scheme as a rapid response during the early days of the pandemic, to support existing businesses affected during the first lockdown. The Scheme was specifically targeted at small and medium size enterprises and was available for a limited period (closed at the end of July 2020) and was intended to provide support to businesses experiencing cash flow difficulties because of the pandemic and to work alongside the UK wide

Coronavirus Business Interruption Loan Scheme, other Welsh Government and UK Government support offers. Loan terms were for six years with an interest and capital repayment holiday for the first 12 months. State aid cover under the Temporary Framework allowed for discounted interest rates to apply. The Covid-19 Wales Business Loan Scheme offer maintained unique to Wales eligibility, for example maintain funding guarantees, but was not designed to compete with or replace the need for the UK Government's Coronavirus Business Interruption Loans or Bounce Back Loan scheme products which provided over £2.3bn of finance to businesses in Wales. The Covid-19 Wales Business Loan Scheme was ceased with the launch of Bounce Back Loans in April as the new fund filled the eligibility gap in Coronavirus Business Interruption Loans in the earlier weeks of the pandemic.

198. I understand the Development Bank of Wales received their first application within the hour, and the first funds were sent four days later. Under unprecedented demand, Covid-19 Wales Business Loan Scheme closed to applications in less than a week. Ultimately, over 1,300 businesses benefitted from over £92m of funding safeguarding over 16,000 jobs, providing more vital options for Welsh businesses.
199. I recall the feedback received from banks and businesses was that the Covid-19 Wales Business Loan scheme in Wales played an important role in the early weeks of the crisis, providing finance solutions to businesses ahead of the UK Government backed Coronavirus Business Interruption Loan scheme gaining traction and launch of the Bounce Back Loan Scheme
200. On the 30 March 2020 the launch of the £500 million Economic Resilience Fund was announced I this is exhibited at **KSM2BWG01/91-INQ000321159**. The Economic Resilience Fund was discussed again at the Star Chamber meetings on 31 March, and on 2 April, when it was asked to consider a document which described the core question set and design requirement for the front-end digital eligibility check systems which would be needed for applications to the new fund.

I exhibit the note of the meetings at **KSM2BWG01/92-INQ000320779** (31 March 2020) and **KSM2BWG01/93-INQ000320780** (02 April 2020).

201. On 3 April 2020, I received, along other ministers, a Ministerial Advice for policy approval of the key aims of the Economic Resilience Fund to offer direct funding support to businesses, as the best and most cost-effective way of maintaining employment levels and adding to efforts to stabilise the economy. I exhibit the Advice MA/KS/1150/20 at **KSM2BWG01/94-INQ000145366**. It was intended that the fund should be flexible, providing cross-sector support, including to social enterprises and charities. It was also designed to fit with wider Welsh Government policy ambitions, including those set out in the Economic Action Plan (discussed further below). The principle of inclusive growth, enshrined within the Economic Contract was a key underpinning for the Economic Resilience Fund ensuring that despite the unfolding crisis, interventions remained rooted in the values of Welsh Ministers. This advice was submitted in advance of formal consideration at the Star Chamber on 6 April.
202. The Ministerial Advice proposed to make available £100m of Financial Transaction loan finance through the Development Bank of Wales, and an initial allocation of £200 million non-repayable revenue support. Based on the business demography data and an estimation of likely applicant and eligibility, the non-repayable revenue support would initially be divided as follows, with the ability to switch if required and the modelling needed amendment:
- a. £80 million for micro businesses employing between one and nine people;
 - b. £80 million for Small and Medium Enterprises employing between 10 and 249 people;
 - c. £40 million for large businesses employing 250 people or more.
203. The Ministerial Advice also acknowledged the high risk of the demand for funding outstripping the supply as well as the risks of fraud and ineligible applications and the need to continuously improve and review the approach. It recommended that reviews would be undertaken after one week and one month using a hot and cold review process. Using this evidence and based on demand, an additional £200

million revenue funding support would be made available in due course, pending further development of UK-level packages to support businesses.

204. The Ministerial Advice set out the due diligence which would be undertaken and highlighted the increased risk of error and/or fraud, as well as the likelihood that some businesses who receive support would nonetheless fail.
205. I approved the revised Ministerial Advice on 7 April 2020. The Star Chamber made further comments and requests for information about the Economic Resilience Fund, but the Minister for Finance confirmed that she was content to approve the Ministerial Advice at that point, subject to an assurance that officials would reflect upon the additional points raised as the fund was operationalised.
206. Complementing the Economic Resilience Fund grant based support, and as a first step quickly deployed, the Development Bank of Wales loan scheme was launched by the First Minister on 30 March 2020 as part of the £500 million package of support. On 8 April 2020, the Welsh Government confirmed that the scheme was fully subscribed, having received over 1,500 applications. I exhibit these announcements at **KSM2BWG01/91–INQ000321159** and **KSM2BWG01/95-INQ000321166**. The UK Government followed this scheme with the Coronavirus loans scheme and bounce back loans scheme meaning that the Covid-19 Wales Business Loan Scheme had met its objective and could cease.
207. On 10 April 2020, I announced further information about the eligibility criteria for the Economic Resilience Fund and confirmed that the application process would open on 17 April 2020, via the Business Wales website with the pre-eligibility checker live in advance from the 10 April. I exhibit my announcement here **KSM2BWG01/96- INQ000350597**. On 17 April 2020, I made a further announcement which confirmed that the applications process had opened; I exhibit the announcement here **KSM2BWG01/97- INQ000350598**.
208. In response to the demand for support, on 17 April 2020, officials sought my agreement and the agreement of Minister for Finance via MA/KS/1337/20 to the release of a further £100 million within the already approved £400 million

non-repayable grant money for the Economic Resilience Fund. The Ministerial Advice noted that as of 18:00 that day, 4,161 micro businesses had applied for £40.5m and 1,644 Small and Medium Enterprises had applied for £94.5m. I recall applications were well distributed across sectors, with a particularly strong response from construction, although lower levels of average funding requests (an average application of £58,000 rather than anticipated £80,000) from Small and Medium Enterprises than anticipated had enabled the support of a greater number of Small and Medium Enterprises. I exhibit the Ministerial Advice at **KSM2BWG01/98-INQ000145346**. Ministers agreed to the proposal set out in the Ministerial Advice on 8 April 2020. Enquiries and application began to slow from mid-April and using the expected business demographic as a guide, it was estimated that the eligible business segments had had sufficient time to apply under the first phase of the Economic Resilience Fund (“ERF1”) and receive support for this phase covering to the end of April. ERF1 was therefore paused for applications on 27 April 2020 to allow time to evaluate and plan for next rounds.

209. On 5 May 2020, officials prepared a paper entitled ‘Covid-19 Economic Resilience Fund – Next Steps (May 2020)’, which they later discussed with me, the Deputy Minister and Welsh Government special advisers on 18 May 2020. I exhibit the paper at **KSM2BWG01/99-INQ000321194** with supporting Annex A of this paper exhibited at **KSM2BWG01/100-INQ000321121** and Annex B exhibited at **KSM2BWG02/101-INQ000321143**. These summarised the agreed approach to the next phase of Economic Resilience Fund (ERF2), which would be open to micro, Small and Medium Enterprises and large businesses on primarily the same criteria as phase 1, but only to new applicants. I provided written response to this on 19 May 2020 which I exhibit at **KSM2BWG01/102-INQ000320861**.
210. On 3 June 2020, I received a further Ministerial Advice (MA/KS/1666/20) to seek my formal agreement to phase 2 of the Economic Resilience Fund. I exhibit the Ministerial Advice at **KSM2BWG/103-INQ000349522**. The Ministerial Advice described the outcomes of phase 1 of the Economic Resilience Fund and the economic context and set out in detail the proposals for phase 2. The key messages included the strong case for operating the second phase in broadly the

same format as the first phase, with the aim of protecting the employees of as many viable businesses, social enterprises, and charities as possible to support eventual restart and recovery phases; and that the underlying objective for the Economic Resilience Fund remained, i.e. that “a good business in 2019 will be a good business in 2021”. I agreed the proposal on 3 June, and I exhibit my response at **KSM2BWG01/104- INQ000320884**.

211. On 26 June 2020, I announced that Phase 2 of the Economic Resilience Fund was open for applications. I exhibit the announcement at **KSM2BWG01/105- INQ000350827**. I understand that by 4pm on 2 July 2020, more than 5,000 applications had been received.
212. On 14 September 2020, I was presented with a paper produced by the Economic Resilience Fund team setting out options for phase 3 of the Economic Resilience Fund. The paper noted that at that stage the anticipated total spend on the first two phases of Non-Domestic Rates, Economic Resilience Fund and the Development Bank for Wales loan scheme was £1,126bn made up with Economic Resilience Fund of £320m supplemented with non-domestic rate grants of £806.1m. It also noted that a £40m skills package had been agreed for delivery from the Economic Resilience Fund budget. This left an anticipated £140m for future phases. The paper therefore set out possible options, along with an agreed action to undertake a gap and economic analysis to support the options appraisal before options were selected. I exhibit the documents at **KSM2BWG01/106-INQ000350542**.
213. On 25 September I received Ministerial Advice document MA/KS/3126/20 which I exhibit at **KSM2BWG01/107-INQ000145349** seeking my agreement to the implementation arrangements for phase 3 of the Economic Resilience Fund (ERF3). The advice sought agreement for £140m to be allocated in support of business development and recovery and to help businesses subject to local lockdown restrictions.
214. The Ministerial Advice also reflected feedback from the Star Chamber meeting on 27 September. I agreed with the recommendations and on 28 September I made

the announcement. I exhibit my announcement at **KSM2BWG01/108-INQ000321142**.

215. However, the situation rapidly evolved with from September and into October 2020, local restrictions began to be introduced across several local authority areas, through the establishment by regulations of Local Health Protection Areas. This required an analysis of the expanded deployment of ERF3, with a response to counter the local restrictions and their impacts on the Welsh economy.
216. On 16 October 2020, a proposal for an Economic Resilience Fund firebreak response was presented to the Star Chamber. I exhibit the presentation at **KSM2BWG01/109-INQ000349951**.
217. The Deputy Minister for Economy and Transport, Minister for Finance and Trefnydd and I were asked to approve the finalised proposals via Ministerial Advice MA/KS/3420/20 dated 17 October 2020, which I exhibit at **KSM2BWG01/110- INQ000145350**. On 18 October 2020, I approved Ministerial Advice MA/KS/3420/20 to create the financial package of support, through the allocation of the additional £134.5m from the centrally held Covid-19 revenue response reserve to the Economy and Transport MEG; the deployment of the balance of £20m from the original £500m Economic Resilience Fund package; and the re-purposing of the £160m from ERF3 as set out in the Ministerial Advice.
218. On 28 October 2020, I announced that the latest phase of the Economic Resilience Fund was open for applications. I exhibit the announcement at **KSM2BWG01/111- INQ000321195**.
219. The announcement set out the details of the latest phase of the Economic Resilience Fund. The first part was a £100 million Business Development Grant fund: micro businesses, Small and Medium Enterprises and larger firms were able to apply for funding from this £100 million to provide their business with post

pandemic resilience. £20 million of this was ring-fenced for tourism and hospitality businesses.

220. The second part was a Lockdown Business Fund, which was administered by local authorities, and comprising three elements:

- a) Payments of up to £5,000 for retail, hospitality and leisure businesses that were required to close, and which occupied a property with a rateable value of between £12,001 and £51,000. Businesses were automatically eligible for this funding but needed to register and update their details via Business Wales or their local authority to receive it.
- b) Payments of £1,000 for businesses that were eligible for Small Business Rates Relief (SBRR) and occupied a property with a rateable value of £12,000 or less. Businesses needed to register and update their information and bank details via Business Wales or their local authority to access funding.
- c) Eligible businesses that did not qualify for business rates linked grants were able to apply for awards of up to £2,000 from a £25 million discretionary fund via their local authority.

221. On 29 October 2020, I received advice from officials recommending that, based upon the number and analysis of received bids for Business Development Grants, the assessment of risk based on the current applications should be updated; and the value of applications accepted should be increased from the £120 million initially planned to £135-£138 million, and/or close at 15.00 hours the following day, thus giving two full days open for applications (whichever is first). I agreed this to this recommendation and wrote to Members of the Senedd on 29 October to advise that the Business Development Grant element of the Economic Resilience Fund, aligned to the worsening situation with the pandemic, would be paused from 18.00 hours that day. I exhibit the letter at **KSM2BWG/112- INQ000350589**.

222. On 2 November 2020, I was provided advice setting out three possible options for the next steps in relation to phase 3 of Economic Resilience Fund, and recommending that options ii and iii were viable options:

- a) Immediately provide more budget to the Economic Resilience Fund Business Development and re-open to meet any demand;
- b) Provide a route for business to register interest for a future round, which in turn would provide additional evidence and content to build a case for a fourth phase of Economic Resilience Fund.
- c) Continue with firebreak support as currently covered under Ministerial Advice and develop evidence base as the process rolls out, with no further action at that point.

223. I understand that work continued to develop those options, and on 12 November I received an email which I exhibit at **KSM2BWG01/113-INQ000320993** which **included** further papers consisting of: a paper updating on phase 3 and setting out the policy context for phase 4 as exhibited at **KSM2BWG01/114-INQ000349997**; an economic analysis as exhibited at **KSM2BWG01/115-INQ000349999**; and a slide presentation with support options and scenario analysis as exhibited at **KSM2BWG01/116-INQ000350828**.

224. On 16 November 2020, I attended a meeting with officials to share thinking and planning with the Minister for Finance on the fourth phase (ERF4) for the short, medium and long term and seek input on proposals; and to explore with the Minister for Finance the potential to:

- a) Convert revenue to capital within the 20/21 budget aligned to the Development Bank for Wales proposal
- b) The potential option for Business Development to access capital and revenue funding in the 21/22 budget.

225. I exhibit at **KSM2BWG01/117-INQ000320997** an email summarising attendance and the agreed actions.

226. On 19 November 2020, I received an update on the Economic Resilience Fund Lockdown Business Fund, and was asked to agree that, given the progress being made in delivering the Fund, as well as the high demand for Economic

Resilience Fund Business Development Grants, the closure of the Lockdown Business Fund should be postponed from 15.00 hours on 20 November, until 11.00 hours on 30 November. I agreed this recommendation; I exhibit the email exchange at **KSM2BWG01/118-INQ000321002**.

227. A £340m support package agreed by Cabinet on 29 November was announced on 30 November and included a £160 million Non-Domestic Rates Restrictions Business Fund. The fund provided grants for non-essential retail, hospitality, leisure and tourism businesses affected by national restrictions, as follows:
- i. Businesses in receipt of Small Business Rate Relief and with a rateable value of £12,000 or less were eligible for £6,000. Supply chain businesses qualifying for Small Business Rate Relief were also eligible if they had greater than 40% reduction in turnover during the restriction period;
 - ii. Businesses with a rateable value of between £12,001 and £51,000 were eligible for £10,000 if impacted by the restrictions, along with supply chain businesses who met the 40% reduction in turnover threshold;
 - iii. Businesses with a rateable value of between £51,001 and £500,000 were eligible for £5,000 if impacted by the restrictions, along with supply chain businesses who met the 40% reduction in turnover threshold;
 - iv. To support businesses who were not registered on the non-domestic rates register and with a turnover below £50k, grants of £2,000 grants were made available through a further phase of the Local Discretionary Fund of £30 million.
228. The package also included a £180m Economic Resilience Fund Sector Specific Fund for businesses not in receipt of the Culture Recovery Fund. This was targeted at hospitality, tourism and leisure businesses or supply chain companies who were materially impacted, with a greater than 60% impact of turnover because of the restrictions. For eligible businesses the package of support provided the following grant awards:
- i. For single employee business, a minimum grant of £2,500 was made available;

- ii. Small and Medium Enterprises (up to 249 employees) were able to apply for £1,500 per employee up to a maximum of 10 employees, representing £15,000 or for those employing more than 10, £1,500 per employee or self-declared operating costs for the restricted period (whichever was the lower amount);
 - iii. Large businesses (250+ employees) were able to claim £500 per employee for Welsh headquartered large business applicants to a maximum of £150,000.
229. On 4 December 2020, I was asked along with, the Minister for Finance and Trefnydd and the Minister for Housing and Local Government (covering in order Economy, Finance and Local Government considerations) via Ministerial Advice MA/KS/4122/20 **[exhibit the Ministerial Advice at KSM2BWG01/119-INQ000145352]** which sought my approval of the detailed implementation arrangements.
230. The Ministerial Advice also sought my agreement to finalise detailed planning measures to support the economy beyond the restrictions in place at that point, noting that approval of these would require the submission of further Ministerial Advice. As with previous Ministerial Advice regarding business support, the Ministerial Advice also set out detailed information in relation to due diligence measures. The eligibility checker for the funds went live on the Business Wales website on 11 December 2020.
231. On 17 December 2020, I received further advice in MA/KS/4297/20, seeking agreement that the Restrictions Business Fund previously agreed at Cabinet on 29 November 2020 should be extended. This was so it could provide support to non-essential retail businesses which would be required to close immediately after the festive period under the Alert Level 4 restrictions. The proposal was for an additional £110 million to be added to the £160 million previously allocated for the Restrictions Business Fund. The Ministerial Advice noted that the Sector Specific Fund would not be extended, on the basis that the newly affected businesses would not meet the reduced turnover eligibility requirement. I exhibit the Ministerial Advice at **KSM2BWG01/120-INQ000145367**.

232. On 12 January 2021, I announced the Economic Resilience Fund Sector Specific Support package opened for applications. I exhibit the announcement at **KSM2BWG01/121-INQ000350678**.
233. A second phase of the Sector Specific Fund provided an additional £30m support to Small and Medium Enterprises and large businesses to cover the period from 25 January 2021 to 31 March 2021.
234. On 22 January 2021, I was asked in MA/KS/0133/21 to enhance the Economic Resilience Fund with the non-domestic rates-based Restrictions Business Grant for non-essential retail, hospitality, leisure, and tourism sectors, to provide a single top-up payment between 25 January (when the previously agreed support package ended) and 31 March 2021. I was also asked to agree an additional £20 million to the Local Discretionary Fund for grants of £2,000 to 10-15,000 businesses who do not pay non-domestic rates.
235. I was further invited to consider two possible options for the Restrictions Business Grant: option one would provide support just below estimated costs for a typical business and would require an additional £100 million plus £42 million from previous Economic Resilience Fund underspends; option two would provide support just above estimated costs, at around £160 million plus £42 million from previous Economic Resilience Fund underspends. I exhibit the Ministerial Advice at **KSM2BWG01/122-INQ000145369**. In response, I agreed with option two; I exhibit the email confirmation at **KSM2BWG01/123-INQ000321045**. Further details of this additional £200 million support were announced on 29 January 2021. I exhibit the announcement at **KSM2BWG01/124-INQ000350679**.
236. A Written Statement was made on 29 January 2021 announcing the extension of the Restrictions Business Fund non-domestic rates linked grants and discretionary based grants for non-essential retail, hospitality, leisure and tourism sectors to provide payments to businesses affected by national restrictions if they were extended following the 21-day review on 12 March 2021. As with the original scheme, grants were available to businesses impacted by restrictions, based upon their rateable value, with supply chain businesses also eligible if they

met the 40% turnover reduction threshold. The Discretionary Fund (for businesses with a turnover below £50,000 and who did not pay business rates) remained open until 30 March 2021.

237. On 1 March 2021, I received advice for the latest phase of the Economic Resilience Fund (MA/KS/0591/21) recommending that, in the scenario of Alert Level 3 or 4 restrictions being extended beyond the end of March, there should be a further extension to the business support package originally agreed in December 2020 and subsequently extended as set out above. Triggered by the 11 March Covid-19 regulations and 21 day restrictions review checkpoint the Ministerial Advice sought approval to an extension and enhancement of the non-domestic rates-linked grants to provide operating support to businesses, covering costs of closure falling to the end of March 2021. Four options were set out in the Ministerial Advice:

- i. option one was a 'like for like' re-run of the existing offer;
- ii. option two would increase the grant amount for the smallest cohort of businesses with rateable values of less than £12,000 per annum, from £3,000 to £3,500;
- iii. option three would increase the grant amount for the smallest cohort from £3,000 to £4,000;
- iv. option four would increase the grant amount for the smallest cohort from £3,000 to £4,000 but would also increase to £7,000 the grant for business properties with rateable values between £50,000 and £500,000.

238. I exhibit the Ministerial Advice at **KSM2BWG01/125-INQ000145374**. In response I agreed to the further extension of the business support package, and indicated my preference for the third option which would increase the grant amount for the smallest businesses from £3,000 to £4,000. This was also agreed by the Minister for Finance and Trefnydd. I exhibit the emailed confirmation at **KSM2BWG01/126- INQ000321052**.

239. On 10 May 2021, I was asked to agree (via MA/FM/1647/21) recommendations for the deployment of up to a further £196m in financial support proposals for Economic Resilience Fund 6. The key element of the recommended package

was an emergency business support grant, consisting of £40m in funds for the Economic Resilience Fund and a £20-£25 million local discretionary fund. The Ministerial Advice document also recommended that further policy development work be undertaken, to develop a package of business development support for potential launch in July or August 2021. I exhibit the Ministerial Advice at **KSM2BWG01/127-INQ000116692**.

240. Ministers agreed the proposal subject to some changes to the fixed grant awards amount (set out in paragraph 53 of the Ministerial Advice). I exhibit at **KSM2BWG01/128-INQ000350321** an email confirming approval and the revised amounts.

241. At this time, I stepped down as the Minister, however, I understand this work was continued by the now Minister for the Economy.

Economic Action Plan

242. The Economic Action Plan was the guiding economic strategy from December 2017, which sought to deal with the challenges and opportunities facing the Welsh economy, particularly (but not exclusively) in relation to the UK's departure from the EU. I was resolute throughout that this remained the guiding strategy during the Covid-19 pandemic and the need to follow this strategy as closely as possible, in considering impacts or designing support for businesses.

243. In June 2020, in discussions with officials I was made aware that progress was being made in implementing the new strategy and tackling the challenges set out. Although Covid-19 had deepened some existing challenges and had also brought some new economic issues, I wanted a real focus on recovery.

244. From the outset I made my intentions clear that I did not wish to replace the Economic Action Plan, but rather to provide a sense of further direction alongside the plan as a complementary economic focus aimed at helping the Welsh economy as it began to move out of the pandemic and it also provided focus for emerging priorities. There was therefore a focus on ensuring economic resilience

but also reconstruction in those sectors and regions most impacted by Covid-19 and looking ahead towards new ways of working. The Mission was completed during a period of intense activity and its publication delayed due to further outbreaks and lockdowns. The Ministerial Advisory Board provided helpful advice and guidance, as well as businesses and social partners.

H. Coordination and communication: Welsh, UK and other devolved governments

Coordination and communication with counterparts and the Secretary of State for Wales

245. I attended weekly meetings with my ministerial counterparts in the UK Government and the other devolved governments; these were sometimes referred to as quadrilateral meetings or 'BEIS Quad' meetings. I had called for more regular engagement with the Department for BEIS and the Parliamentary Under Secretary of State responded positively; thereafter, the Welsh Government was more able to influence UK Government policy through the weekly meetings. The Secretary of State for Business, Enterprise and Industrial Strategy decided not to engage with Ministerial equivalents across the devolved governments, which was unfortunate, but I was content that his Parliamentary Under Secretary was equally, or better equipped to appreciate the various matters we discussed in quadrilateral meetings.
246. I would send letters directly to the BEIS Secretary of State and joint letters would also be sent from the devolved governments (see for example, I exhibit **KSM2BWG01/129-INQ000350830** and **KSM2BWG01/130-INQ000349385**).
247. I also had weekly telephone calls scheduled with the Secretary of State for Wales. The Secretary of State had no delivery role in the UK Government but was a conduit for communicating with UK Government Cabinet Ministers and for gathering concerns and information about Welsh Government actions in areas where it was responsible. Therefore, our calls were primarily for the purpose of information sharing.

248. I am asked about a meeting between me and the Secretary of State for Wales on 9 June 2020 in which it was noted that his invitation to a Welsh Government meeting on 10 June 2020 had been retracted. I cannot recall this meeting but believe he may be referring to a Ministerial Call. I have not been able to find a record of a Ministerial Call taking place on 10 June 2020. In any event, I can confirm that I did not retract the invitation. I was keen for governments to plug into each other, even if it was solely for the purpose of minimising political disputes that could undermine public confidence in non-pharmaceutical interventions. After this meeting, I believe I left it to the Secretary of State for Wales to send the letter to the First Minister that he had referred to at the meeting. My communications with him continued in to be collegiate for the remainder of the time I was Minister. I believe he was invited to meetings where issues of retained competence were being discussed, such as policing matters and I participated jointly with Ministers from BEIS and the Wales Office in joint briefings with businesses and council leaders.
249. In the weekly meetings and calls I have referred to above, I was able to share any concerns the Welsh Government had; where we could not find common ground, we would generally agree to relay concerns to colleagues and to agree to disagree without allowing it to harm public trust in our governments. One concern I had politely conveyed in a weekly call with the Secretary of State for Wales was the lack of coproduction between the UK and Welsh Governments.
250. In my Ministerial role, and through quadrilateral meetings, I sought to learn from and to influence my counterparts in their decisions including in respect of non-pharmaceutical interventions. There was, I believe, a sincere desire by my counterparts to utilise and share the same non-pharmaceutical interventions and to avoid divergence as much as possible.
251. Insofar as the sharing of information is concerned, it was the lack of coproduction that was generally the biggest challenge, with decisions being made swiftly by each government without involvement of officials or Ministers from the other. Information was provided but often only once a decision had been made which then led to subsequent action being responsive rather than coordinated and coproduced. For example, the lack of involvement in the Job Retention Scheme

development meant that we were not able to share complementary support for businesses until key decisions had been made by UK Treasury. Officials would sometimes be given a steer by their UK counterparts of how a policy was being shaped and the possible outcomes, but there was an absence of presence within the heart of all four administrations of officials from each government. This resulted in information being available before decisions having been made on the basis of the strength of individual relationships.

252. I am asked to comment on what communications there were between the Welsh Government, the UK government and the other devolved governments around differing decisions on public health messaging and communications. However, the First Minister was generally responsible for strategic communications and this is a question best addressed by him.

Four nations decision-making

253. I am asked to comment on the role the Welsh Government played in UK Government core decision-making, the role the UK and devolved governments played in Welsh Government core Covid-19 decision-making and the extent to which there was a four-nation approach. I believe these questions are better answered by the First Minister and the most frequent attendees at UK-wide core decision-making groups, as they will offer insight into the operation and effectiveness of bodies such as COBR.
254. I can state that COBR was used for collective decision-making and information sharing and, at the outset, I felt it was effective in ensuring a 4-nation approach was maintained. For example, it led to a collective decision over lockdown and devised a Covid-19 Action Plan. However, as the pandemic continued and more decisions had to be taken that related to devolved matters, divergence became more pronounced. I was also concerned by reports that both COBR and SAGE could be stood down prematurely during the pandemic (see for example exhibits **KSM2BWG01/131-INQ000349535** and **KSM2BWG01/132-INQ000349600**) by UK Government, as the loss of facilities for delivering a consistent UK approach would, in my view, lead to widening divergence. Outside of COBR, I used regular

meetings with UK counterparts to try to influence UK Government policy and vice versa, but this was no substitute for the lack of involvement in core decisions at a UK Government level, particularly over business support.

255. Although I can only speak for the meetings I was involved in, I believe that sufficient consideration was given to the impact of decisions on at-risk, vulnerable and minority groups. Ministers were cognisant of the need to protect the most vulnerable from all the harms caused by Covid-19. My recollection is also that the Deputy Minister and Chief Whip was particularly forceful to ensure for all key decisions that we prioritised the wellbeing and welfare of at-risk, vulnerable and minority groups. I can only recall there being one occasion when an equality impact assessment was not available and this was recorded in Cabinet minutes for a meeting held on the 7 May 2020 (I exhibited the minutes of the Cabinet meeting at **KSM2BWG01/33-INQ000048792**; this was in respect of the proposals contained in the 21-day review paper. I exhibit the paper at **KSM2BWG01/133- INQ000048978**. However, it was noted in the Cabinet meeting that the impact assessment would still need to be considered in the future.

256. Although it may be because I live in and personally represent an incredibly porous border area, I feel that insufficient regard was given within 4 nations decision-making to the impact of Covid-19 restrictions on people living and working across such areas. As discussed elsewhere within this statement, I was often frustrated by these issues.

257. I am not able to comment to any great extent on whether there was 4 nations decision-making in respect of Covid-19 restrictions over the Christmas period in December 2020 as these discussions would have primarily concerned the First Minister. However, the Cabinet minutes dated 19 December 2020 indicated that four nations meeting of the First Ministers of the devolved governments and the Chancellor of the Duchy of Lancaster had taken place earlier that day to discuss the latest strain of Covid-19. I exhibited minutes of the Cabinet meeting at **KSM2BWG01/142-INQ000022519**. This meeting would have taken place in

addition to the regular COBR meetings at which the latest situation and relevant non-pharmaceutical interventions would have been discussed.

258. In respect of learning lessons from other countries during the pandemic, I believe we and other similar countries were on the same learning curve at the time. I recall being briefed on the interventions being used in other countries to support businesses, but I have not been able to find any documents which show this. This may have been a purely oral briefing. Through the BEIS quadrilaterals, we agreed to share ideas and to identify opportunities for rebuilding the economy, with lessons and experience to be drawn not just from the UK. This formed our recovery work.
259. In terms of my role and responsibilities, intergovernmental engagement took place frequently, with regular scheduled meetings with the other devolved governments and UK Government, particularly with regard to business and the economy. Engagement and communication with BEIS and the Wales Office was effective through regular meetings. These meetings were helpful in sharing intelligence, experience, ideas and concerns. However, there was little co-ordinated decision-making, which in turn allowed for divergence to occur. I believe this is due primarily to the absence of effective formal structures for joint decision-making beyond COBR.
260. The advice and information provided by SAGE was excellent, and information sharing between my department and equivalents in the UK Government and Devolved Governments was also unprecedented. I was keen to promote trust and transparency between us.
261. As stated above, I held regular scheduled meetings with the Secretary of State for Wales, with whom I believe I developed a strong rapport and mutual trust. We were able to compare information, intelligence and concerns obtained from the various forums that we and our officials were engaged with. For example, we would both regularly engage with employers' groups and would in turn be able to compare information gained and concerns raised. Likewise, through regular

meetings with counterparts responsible for business and the economy, we were able to share information in a candid manner.

262. Although information sharing, the exchange of advice and coordination with groups and forums were strong, strategy and planning was not as effective. An exchange of civil servants, or better, the sharing of civil servants across governments, would help facilitate UK-wide strategy and planning.
263. Save for the Welsh Government's attendance at COBR and Quadrilateral meetings, there was no general pooling of decisions between the four nations where each nation was considered equal. The main challenges we faced in this regard was in trying to shape business support without being part of the UK Treasury's core decision-making team or having sufficient advanced notice of decisions to enable parallel announcements.
264. To overcome this, communications through the media, to social partners and to local government regularly stressed the need for the Welsh Government to assess the financial implications of a UK Government decision, so as to be able to shape support that was affordable, based on consequential.

Consultation with the devolved governments

265. Although I was fortunate to have very regular discussions with counterparts in the UK Government throughout the pandemic, I do not believe that the devolved governments were always adequately involved in core decision-making by the UK Government. For example, on the Help Out to Eat Out scheme, I do not believe the Finance Minister, Minister for International Affairs and Welsh Language or Deputy Minister for Culture, Sport and Tourism were part of the deliberations over the scheme, nor asked whether we would support it prior to it being announced.
266. Another example concerns public transport, notably trains, and the reduction in social distancing from 2m to 1m. The move to 1m was taken after UK Government had given notice of its intention to reduce the distance, which

required us to consider how we could follow suit with mitigations in place to reduce the risk of Covid-19 spreading (for example I exhibited the notes of the Ministerial calls on 30 June 2020 at **KSM2BWG01/02-INQ000349652** and on 25 June 2020 at **KSM2BWG01/03- INQ000349647**).

267. In terms of business support, I was not part of any core decisions regarding the Job Retention Scheme, although I made calls for furlough plans to be developed by the four nations . The eventual scheme was developed without direct Ministerial involvement in decision making. Instead, my influence was applied primarily through UK Government counterparts, specifically the Under Secretary of State, Nadim Sahawi, and the Secretary of State for Wales, Simon Hart. The engagement in this respect was regular, collaborative and productive, but it did not fully compensate for a lack of involvement in core decisions by UK Government.
268. I am asked to comment on the extent to which there was a four nations approach to several specific areas of the Covid-19 response. In relation to the approach to move from contain to delay, the imposition and easing of non-pharmaceutical interventions and public health communications and legislation, I believe these questions are likely to be better answered by the First Minister and Minister for Health and Social Services as they were the Welsh Government representatives at COBR. However, in respect of the approach to sharing and use of medical and scientific expertise, I would say that SAGE was present at COBR as the UK body providing advice which would be relayed through the Chief Medical Officer and the Technical Advisory Group and Technical Advisory Cell to inform collective decision-making.
269. I am asked about my knowledge about the discussions around the differing definitions of key workers and divergence between the Welsh and UK Governments. However, I would have had very little involvement in this matter and I believe it was led by the First Minister and the Minister for Health and Social Services, with the advice of the Chief Medical Officer.

Potential for Reform

270. I believe that any formal structures for preparing for a future pandemic must be based on the findings of this Inquiry.
271. There are possible improvements that could have been made to collaborative working across the four governments. Specifically, while I found collaborative working to be generally strong, closer integration of policy development with other UK governments could have been effective in avoiding policy divergence. For example, although both the Wales Office and the Welsh Government would meet bodies such as the Wales Care Forum and the Wales Confederation of British Industry, it would have been beneficial to meet collectively. During the pandemic, I agreed with UK Government counterparts in BEIS and the Wales Office to attend briefing sessions and question and answer events with business groups and councils together. This helped ensure we were received the same information and presenting as best a united front as possible to give confidence to businesses and council leaders. On reflection, it would have been beneficial to have agreed at the outset of the pandemic that Ministers from Welsh and UK Government would attend as many stakeholder events together, including those with trade unions, employers and local authorities, across portfolios, in order to alleviate concerns over divergence and cross border tensions.
272. Shared advisory boards and combined meetings with stakeholders and social partners could also have ensured that all governments had access to the same information. For example, the Council for Economic Development and the Ministerial Advisory Board would have benefited from involvement by UK Government Ministers and officials, as we would have been able to discuss action and interventions with all decision makers. However, it would have required involvement from the UK Treasury for maximum benefit, but that particular department was especially remote.
273. Prior to the pandemic, I had been seeking agreement with UK Government for an exchange of officials between both BEIS and the Wales Office to better share ideas and drive collaboration. Discussions took place at a Ministerial level and at an official level. I also had discussions with the Secretary of State for Wales: both Alan Cairns and his successor Simon Hart. Consequently, we then saw an

unprecedented level of information sharing, openness and collaboration between Wales and the other governments.

274. A four nations Standing Ministerial Committee for pandemic preparation and response is, in my view, essential as is a framework for how decisions should be taken on a four nations basis in order to minimise divergence and provide assurance that, on the basis of science and the need to protect lives, interventions will be made when certain trigger points are reached. For example, there should be in place a measure that all four nations agree would necessitate lockdowns, what non-pharmaceutical interventions would be imposed in certain circumstances and the point, and scale, of business support needing to be introduced. In reality, with four nations and the likelihood of varying political complexions across them always being present, there is a need to have a clear and tight framework for responding to a pandemic on a UK-wide basis. This is not just to ensure divergence is minimised, but to eliminate the prospect of political opportunism and reactionary communications. Discipline and unity in a crisis are of paramount importance. A framework and Standing Committee of Ministers, supported by an equivalent committee for officials, would help in this regard. A single source of medical and scientific advice, unfiltered by region or nation, to complement the framework might also reduce the possibility of divergence.
275. It would be desirable for all four governments to be woven more closely when responding to future pandemics. The involvement of the Welsh Local Government Association in regular Cabinet discussions helped ensure a partnership approach within Wales and the mutual involvement of Ministers from the four administrations in respective Cabinet meetings might also help in the response to any future pandemics.
276. I think there would also be benefits from reform of the advice provided to governments; as the role of the Chief Scientific Adviser in each government/department varies, and with the existence of four Chief Medical Officers, if there is a difference of view decision makers should always be aware of those differences and be able to access advice from those with an alternative

science-led opinion. SAGE is highly effective in providing a single source of scientific advice, but different Chief Medical Officers and Chief Scientific Advisers means that there are expert filters which might not always result in consistent advice being provided. This, as we saw with facemasks, leads to divergence.

I. Coordination and communication: Welsh Government and Welsh local authorities

277. I am asked to comment on the coordination and communication between the Welsh Government and Welsh local authorities in respect of decision-making around non-pharmaceutical interventions.
278. The Covid-19 pandemic was an unprecedented crisis, and it was particularly important during that time that all Ministers had, and worked within, clearly defined remits. Formal engagement with the Welsh local authorities and the Welsh Local Government Association was the responsibility of the Minister for Housing and Local Government. She would have engaged frequently with those bodies during the pandemic on a wide range of matters including non-pharmaceutical interventions. I understand that engagement with Local Authorities and the Welsh Local Government Association will be set out more fully in her witness statement.
279. My role was to involve and consult regional leaders in North Wales and feedback the results of those conversations to Cabinet. However, both the Deputy Minister and I did meet with the Welsh Local Government Association Leaders during the pandemic; for example, we met with them on the 22 April 2020 to discuss matters related to Transport and Covid-19 [I exhibit the meeting invite at **KSM2BWG01/134-INQ000349761** and **KSM2BWG01/135-INQ000349759**].
280. My officials would work closely with the Welsh Local Government Association and Welsh local authorities to understand and identify any wider support required by the business community and potential gaps at a local level. This work would underpin the Ministerial Advice I received. Welsh local authorities would also be

kept fully informed about the decisions I made in respect of that advice. By way of example, the collaborative working that took place is evidenced in the Ministerial Advice MA/KS/1088/20 I received in respect of Emergency Bus Industry Funding in March 2020 (which I exhibited at **KSM2BWG01/71-INQ000198433**) and the Covid-19 Start-up Grant and Discretionary Fund in June 2020 (the Ministerial Advice MA/KS/1811/20 is exhibited at **KSM2BWG01/136-INQ000103931**), and a letter I sent to local authorities in March 2020 on bus industry support which I exhibit at **KSM2BWG01/137-INQ000198434**.

281. Welsh local authorities were integral to decision on imposing and easing non-pharmaceutical interventions, including local lockdowns, because the Welsh Government could not have implemented these measures alone. Therefore, there was a significant amount of consultation with, and involvement of, Welsh local authorities in the decision-making on non-pharmaceutical interventions. Welsh local authorities would also be given as much advance notice of possible of the non-pharmaceutical interventions that they would be required to enforce as their assistance enabled us to identify challenges and mitigating measures. For example, we were able to identify how to safely utilise outdoor public space for hospitality when indoor restrictions were in place.
282. Matters relating to non-pharmaceutical interventions would also be discussed with local authorities although Ministers were still considering interventions in Cabinet; so, although engagement had to regularly be conducted at short notice with council colleagues, engagement was always sought before final decisions were made. As Welsh local authorities were responsible for much of the day-to-day implementation of the non-pharmaceutical interventions, they were regularly invited to feed into the guidance issued in respect thereof where such input was considered appropriate. The Chair of the Welsh Local Government Association was invited to Cabinet, Covid-19 Core Group and Shadow Social Partnership Council meetings. Therefore, I believe that engagement overall was both sufficient and timely enough.

283. In general, I believe the co-ordination and communication between the Welsh Government and Welsh local authorities around core decision-making during the pandemic was good. In particular, the presence of the Welsh Local Government Association's chair at regular scheduled Cabinet meetings was vital in sharing information and in being able to shape interventions (including non-pharmaceutical interventions) in a way that could be delivered effectively and in a timely fashion. The Welsh Local Government Association was also represented at Shadow Social Partnership Council meetings. In addition, regular discussions with local government leaders, economy leads, transport leads also helped to guarantee collaboration and the effective implementation of policy. For example, the collaboration and coordination between the Welsh Government and local government in making Business Resilience Fund payments to employers was vital. I would also meet local government from across the border. For example, I met Andy Burnham, the Mayor of Greater Manchester, in August 2020 to discuss the UK Government's expectations for recovery after the pandemic (see for example exhibit of the invite to a meeting at **KSM2BWG01/138-INQ000349760**).
284. The existence of forums such as the Mersey Dee Alliance also enabled important cross-border collaboration and information sharing to take place, however there were clear challenges, focusing primarily on managing the consequences of divergence. Although counties such as Wrexham and Flintshire are part of a functional economic area with Chester, Cheshire West, Ellesmere Port and the Wirral, policy alignment for non-pharmaceutical interventions was strictly with Welsh local authorities. There was no opportunity for border local authorities to align with measures in English counties and no opportunity on either side of the border for more sensitive, cross-border interventions to be pursued.
285. Through strengthening the Mersey Dee Alliance, the newly formed Marches Forward Partnership and the Western Gateway in South East Wales/South West England, there is an opportunity to plan for future pandemics on a cross-border basis that recognises people do not move, work, socialise and access services solely within their own counties or countries.

286. Such work would require collaboration not just by local authorities, but also by the Welsh and UK Government and would possibly have implications for devolution, however such an opportunity might have enabled the spread of the virus across country and national borders to be reduced. Areas in which this would have had clear benefits is in the coordination of local and regional lockdowns, in the implementation of non-pharmaceutical interventions such as face coverings on public transport and in sharing consistent public health messages.
287. The easing of restrictions and subsequent return to lockdown arrangements was also conducted on the basis of country and national borders, whereas with such a porous border in the North East, a more co-ordinated cross border approach could have had greater benefits than the implementation of respective national Non-pharmaceutical interventions. Such cross-border collaboration might have been of assistance in terms of test and trace, given the significant movement of people across the Wales England border.
288. I raised the need to strengthen future cross border arrangements in Cabinet in June 2020, (I exhibit cabinet paper CAB(19-20)73 at **KSM2BWG01/35-INQ000057748**) in regard to the economic recovery and noted how engagement with bodies on both sides of the national border had been of assistance in responding to the pandemic. Exhibited at **KSM2BWG01/12- INQ000048789** these minutes also show the Chief Medical Officer advised Cabinet on 4 March 2020 that cross border arrangements would have to be put in place for the health response to Covid-19.
289. I do not know the extent to which local authorities were able to access the medical and scientific data and expertise that was available to the Welsh Government; I expect health and local government officials would be best placed to answer this question. However, in matters relating to the economy and transport, we were happy to share data, advice and expertise with local authorities.

290. I do not believe I would have used any informal means to communicate with local authorities, such as Whatsapp or similar messaging applications, unless it was absolutely necessary due to the urgency of the matter in question.

J. Public health and Coronavirus legislation and regulations

291. I am asked to express a view on Public Health and Coronavirus legislation and regulations. However, the matters referred to lay outside of my field of expertise and experience. I do not feel that I can confidently provide an answer to the questions posed by the Inquiry and believe the questions posed would be best addressed by others within the Welsh Government.

292. I can confirm that I was not personally consulted on the decision of the UK Government's decision to use public health legislation as the legal framework governing the UK's response to Covid-19 rather than the legislative framework of the Civil Contingencies Act. I am therefore not aware of the extent to which the decision had taken into account the possibility of greater divergence of approaches across the UK in the Covid-19 response.

293. I can also state that, as further detailed elsewhere in this statement, the 21-day review process was adopted by the Welsh Government for the review of Covid-19 regulations.

K. Covid-19 Public Health Communications in Wales

294. I am not the best placed witness to provide evidence on the questions posed by the Inquiry in respect of public health communications in Wales during the Covid-19 pandemic. The First Minister was generally responsible for strategic communications. We had regular briefings from communications officials on the effectiveness of communications and the penetration of public health information. All of these are documented in Cabinet Minutes.
295. I am not expert enough to comment on the effectiveness of such communications in controlling the spread of Covid-19. I was also not responsible for ensuring that

these communications were accessible for at-risk, vulnerable and minority groups, or for addressing issues around potentially conflicting public health communications.

296. However, I would state that, as Ministers, we conveyed the same, consistent messages at all times. I do recall raising concerns during the pandemic with Cabinet about the potential for public confusion over the territorial extent of non-pharmaceutical interventions, primarily around travel restrictions. I believed the communications adequately explained the territorial extent of decisions, however I did not believe the communications were always reaching the widest audience possible, in no small part due to Wales's weak media and the dominance of communications from UK Government and its bodies in the national media.
297. We used a variety of means to address this, including the use of Variable Message Signs on Welsh Trunk Roads, especially at and near borders, as well as social partnership networks. These were particularly helpful where businesses drew on labour from both sides of the border. We also engaged with neighbouring regional leaders, such as those in the Mersey Dee Area and Greater Manchester, to help convey the different territorial policies. Public transport, particularly trains, were also used to carry a Wales Covid-19 message and online platforms such as Visit Wales were used to press the message that people should not visit Wales during the pandemic. Exhibit **KSM2BWG01/140-INQ000349409** illustrates how we used various communications on a cross border basis to provide information.
298. I believe the use of daily press conferences by Welsh Ministers; the First Minister and the Chief Medical Officer were of immense assistance in conveying direct to citizens the territorial extent of decisions. The viewing figures and reaction to these press conferences were important in maintaining trust between citizens and the government and in ensuring a clear and consistent safety-first message was made from Welsh Ministers. Exhibit **KSM2BWG01/141- INQ000349762** highlights the success of the press conferences.

L. Breaches of Rules and Standards by Ministers, Officials and Advisers

299. I believe that the only alleged breaches of lockdown rules that I was aware of were those reported by the media. I am unable to say what impact these alleged breaches had on public confidence or their observation of the rules thereafter as this would be very difficult to determine. However, Ministers in the Welsh Government were very aware of the damage that could be caused to the national effort if we did not adhere to our own laws.
300. I was aware of the reports of the incident of Vaughan Gething in Cardiff Park in May 2020. My view was that most people saw this as a political attack on Vaughan, conducted at a time when politicians needed to be putting day-to-day enmity aside. The incident resulted in clarity on questions some people were seeking answers to regarding the restrictions, notably, whether it was acceptable for a child and parent to sit down briefly when walking outdoors.
301. I became aware of the fact of Dominic Cummings' visit to Barnard Castle in April 2020 when it was reported. I believe this incident may have had an impact insofar as Mr Cummings subsequently amplified the matter through a press conference which may have further damaged public confidence in Downing Street's commitment to put public health first.
302. I also became aware of the fact of Matt Hancock's relationship with Gina Coladangelo when it was reported. Given the story broke in June 2021, after the strictest of non-pharmaceutical interventions had been eased, I do not believe the affair had a major impact on infection rates, however, it may have reinforced a perception that some decision-makers do not behave as they expect others to.
303. I believe the deepest impact of such actions took place during 2020, when we required the greatest level of adherence to non-pharmaceutical interventions as possible. The behaviour of Dominic Cummings in breaking lockdown damaged trust in public figures and authority at a comparatively early stage in our attempt to address Covid-19. This in turn had the effect of heightening awareness amongst all Ministers, officials and advisers of the need to adhere at all times to non-pharmaceutical interventions, but also impacted adversely on morale, given

the detrimental effect it had on public confidence in governments. I do not believe any actions were taken, as it was clear what the consequences of breaching non-pharmaceutical interventions would be, but I believe it brought into clear light how our own behaviours had a significant effect on the behaviours of the population. I was concerned about travelling to Cardiff during the pandemic for press conferences, however such journeys were minimised and only undertaken when major announcements about business restrictions and/or support had to be made. I raised concerns with communications officials on a number of occasions about travel to Cardiff for press conferences but was informed that conducting such events from North Wales (to comply with the Stay Local message) was simply not possible due to the technical and professional requirements of the daily press conferences. The First Minister supported my view that press conferences should be held locally, I exhibited the cabinet minutes for the meeting held on 18 October 2020 at **KSM2BWG01/63-INQ000048801** however the technical challenges proved too difficult to resolve.

304. I was also keen to ensure working from home and remote working remained in place for the long term, primarily because of the need to remain vigilant against further Covid-19 strains, but also because it had proven invaluable in working in a timely fashion and reaching swift decisions.

305. The lengthy 'Partygate' episode and the resignation of Matt Hancock from UK Government came later in the pandemic, by which time non-pharmaceutical interventions had mostly been removed. Therefore, the impact on behaviours was less pronounced, however both incidents further damaged trust in political leaders and in turn damaged morale.

M. Public Health and Coronavirus Legislations and Regulations

306. In general, my view is that legislation and regulations were consistent, well aligned and based on strong advice. Legislation and regulations were also developed with the input of social partners, including employers and employee representatives. The overarching strategy of the economic response to Covid-19 was to provide the support necessary to hibernate the economy although non-pharmaceutical interventions addressed the spread of Covid-19. It is fair to

say that as the situation evolved and fresh evidence emerged, so too did some of the advice.

307. I believe criminal sanctions were considered necessary as a last resort and only should they be needed.

N. Conclusion

308. The experience of Covid-19 was horrific for everyone, especially for those who lost their lives and for their loved ones left behind. It was, by far, the most distressing and stressful time I experienced in the Welsh Government, with the challenge of dealing with personal issues although attending to the constant demands of my Ministerial role. In my department there was just myself and my Deputy Minister, whereas at a UK level there were dozens of government ministers attending to the equivalent responsibilities for England. Capacity constraints meant we were stretched to an often damaging degree.
309. The pressure was relentless and the enormous consequences of our decisions weighed considerable on my mind throughout the pandemic. We could not always be certain that our decisions would result in their intended outcomes and the task of balancing the many harms of Covid-19 was a challenge. In addition, I feared non-compliance with non-pharmaceutical interventions, should people become exhausted by restrictions, or lose faith in the effort to control the virus.
310. I have reflected considerably on the sorrow of loss in all its forms that we have suffered because of the virus. I believe we were right to focus foremost on protecting lives, but also to protect livelihoods and emotional health.
311. Although I do not believe devolution hindered the response to Covid-19, I believe the lack of established structures for joint decision-making in a post-devolution UK did lead to divergence that could have been avoided. This was probably exacerbated due to the four governments having different political complexions, which made establishing and maintaining trust across governments challenging as the pandemic went on. During the pandemic, the Welsh Government was

occasionally accused of choosing to protect lives over livelihoods and vice-versa for UK Government. My view was and remains that livelihoods would be harmed and lost for as long as lives continued to be lost.

312. I believe a framework for making joint decisions, based on an agreed criteria for initiating the various non-pharmaceutical interventions and business support packages would help avoid divergence in the event of a future pandemic. It should be based on a set of principles underpinned by the need to protect life first, but also to protect against the other harms of a pandemic such as Covid-19. Trust and respect between individual UK and Welsh Government Ministers should not have been relied upon to avoid divergence. Although I was fortunate to have positive relations with UK Government counterparts, I am not convinced others had such co-operative or collaborative relations. Politics attracts a range of character types and we should not assume the default position of all is the search for consensus. My view is that at a UK level, a national government of all parties should have been created and that would have facilitated a similar arrangement in Wales, Scotland and Northern Ireland, with the subsequent pooling of decision making.
313. We did not know how or when the pandemic would end, but we needed people to have hope in order to accept the continuing need for restrictions. I felt it was vital that we did not undermine such hope by allowing political disagreements to play out in public. A framework for making collective decisions in response to specific levels of threat from a virus could reduce the risk of political discord at times when unity is most needed.
314. I was fortunate to have begun discussions with UK Government counterparts on the exchange of civil servants prior to Covid-19, as this provided strong links that were helpful in sharing information. Indeed, we benefited from having a Civil Servant with direct and recent experience of Wales working in the Wales Office. I also believe there was also a good degree of mutual respect between myself and UK Government counterparts, which helped in sharing concerns in a mature and respectful and in helping to shape some of the business-related support measures. However, the lack of involvement in Treasury matters relating to the

pandemic meant that we could never announce business-related support measures alongside the UK Government. This caused avoidable stress and confusion for Welsh businesses and workers, who would often consume news information firstly and foremost from UK media, which did not always reflect the devolved nature of certain key functions.

315. As a Member of the Senedd representing a border constituency I was also acutely aware of the consequences of divergence, especially given many people access services and work across the border. It would be beneficial to consider how border areas should be treated in the event of another pandemic, especially in terms of how the introduction of non-pharmaceutical interventions should be co-ordinated along the border, should a framework for joint decision-making not be possible. It would also be beneficial for the four administrations to agree on the most effective means of supporting businesses through a future pandemic, should similar restrictions be needed again. Providing consistency of support and announcing measures together at the same time would help minimise confusion and anxiety.
316. As standard practice, Ministers who leave office should be offered exit interviews so as to gather ideas, observations and concerns. I had discussions with my successor as Economy Minister about my experience of the role during Covid-19 and lessons learned. This was of his own initiative and he was keen to understand my experience in the role during the pandemic. However, a formal exit interview would capture a record of lessons learned that could be helpful to civil servants and other Ministers.
317. The small size of Wales facilitated an incredible degree of collaboration across councils and the Welsh Government; however, capacity constraints in many councils and also in the Welsh Government meant that some individuals were stretched to the limits of their abilities. Increasing personnel in the Welsh Civil Service, local government and also at a Ministerial level would help ensure those who step up the most in a future pandemic have more support.

318. I hope the Inquiry will be able to make recommendations that will enable more joint decision-making in the event of a future pandemic and provide the evidence needed for a framework to be agreed by the four nations concerning when, how and what interventions need to be introduced and subsequently eased. It strikes me that the four nations were not able to learn from each other's mistakes in a collaborative way, because of previous institutional and political enmity. A culture of candour and collaboration needs to be embedded within any future collective decision-making body.

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: 20th November 2023