

Witness Name: Reg Kilpatrick

Statement No: 1

Exhibits: 63

Dated: 3rd October 2023

UK COVID-19 PUBLIC INQUIRY
WITNESS STATEMENT OF REG KILPATRICK

I provide this statement in response to a request under Rule 9 of the Inquiry Rules 2006 dated 14 February 2023 and referenced M2B/WG/LGD/01 and addressed to the Welsh Government's Local Government Directorate.

I, Reg Kilpatrick, will say as follows: -

Preface

1. Covid-19 was a terrible time for many individuals and families across the UK. I wish to extend my most sincere condolences to those who lost loved ones. I understand that the pain and sadness of their loss will last for a lifetime. While the memory of those who have been lost will live on, there can be no replacement for those parents, siblings, and friends, and their loss leaves an unfillable gap in so many lives. I wish also to recognise the suffering of those who continue to experience the effects of the virus and who have to live with the debilitating after-effects of the virus. I truly hope that they make a full recovery as quickly as possible and have the strength and determination to live the fullest possible life until then.

Background

2. I have worked in the Welsh Government since 1989 in a range of financial and policy roles. I began in the statistical profession and was Director of the Wales Cancer Registry between 1994 and 1996 before working in health finance, managing the public spending round and allocating some £3 billion to the NHS in Wales; developing economic policy working with and sponsoring the Welsh Development agency; and in

culture policy, sponsoring the National Museum and supporting the establishment of the Wales Millennium Centre.

3. In 2003 I moved into the Senior Civil Service (“SCS”) as Deputy Director for the Budget, Planning and Management Division of the Welsh Government, and then moved across to act as Deputy Director of the Local Government Policy Division of the Local Government Directorate in 2007.
4. In 2011, I became Director of the Local Government Directorate (“LGD”) with responsibility for local government corporate and financial policy, performance and improvement. In that role, I was responsible for managing the Welsh Government’s relationships and communications with local authorities in Wales on the policy matters listed above.
5. In 2013, following a restructuring of Ministerial portfolios by the then First Minister, I became additionally responsible for the Welsh Government civil contingencies and emergency planning function, community safety policy, and the Welsh Fire Service. In that role, I was and remain responsible for managing the Welsh Government’s relationships and communications with local authorities in Wales, and for liaising with and briefing the police services (including the Police and Crime Commissioners) and the Fire Services. LGD has a total annual budget of some £5 billion.
6. In September 2020, I became Director General for Covid Coordination and Director of LGD, which involved continuing to manage LGD as well as assuming responsibility for the emergency preparedness and response function of the Welsh Government during the pandemic. In broad outline, the Covid aspect of my portfolio since September 2020 has involved directing and coordinating the development and implementation of Covid policy across Welsh Government, including the 21-day review process, and managing the operational relationship between the UK governments in respect of control and containment measures, intelligence sharing, situational awareness, and the Joint Biosecurity Centre.
7. I am an accredited Wales Gold Commander and have led teams within the Welsh Government (but often including colleagues from other external organisations) in a number of exercises, including those relating to marauding terrorist firearms incidents. I have also directed the Welsh Government element in the planning and response to major events, including the 2014 NATO Summit in Newport, the 2014 Fire Service strikes, and the 2017 UEFA Champions League Final in Cardiff. I acted as

Wales Gold for Operation Dragon and Springtide (King Charles III's first visit to Wales as King, in September 2022). I have also overseen the response to a number of emerging events such as floods, snow and, more recently, the impact of hot weather.

8. I have a degree in Behavioural Science, a Postgraduate Diploma in Applied Statistics, and a Masters in Public Administration.
9. I am providing this statement on behalf of the Welsh Government in order to assist the UK Covid-19 Public Inquiry, in particular, in its understanding of the structure and responsibilities of LGD, and the role that LGD played in the Welsh Government's response to the Covid-19 pandemic. This statement relates to the period 21st January 2020 to 30th May 2022 ("the specified period").
10. In preparing this statement, I have relied on advice and information from several members of my senior management team, including:
 - a. Lisa James, Deputy Director, Local Government Policy Division;
 - b. Debra Carter, Deputy Director, Local Government Finance Reform Division;
 - c. Judith Cole, Deputy Director, Local Government Finance Policy and Sustainability Division; and
 - d. Claire Germain, Deputy Director, Communities and Tackling Poverty Directorate (and previously of Local Government Performance and Partnerships Division).

Background to Local Government in Wales

11. In order to assist the Inquiry, I set out below a brief overview of how Local Government functions in Wales. I hope that this background provides a helpful context in which to consider the specific functions of LGD and its constituent Divisions during the specified period, which I set out in some detail later in this statement.

Local government framework

12. The main legislative framework for local government in Wales is the Local Government Act 1972 ("LGA 1972"). This Act has been substantially amended since its enactment including, significantly, by the Local Government (Wales) Act 1994, which established the current system of principal local authorities. Further amendments were also enacted more recently by the Local Government and Elections (Wales) Act 2021. The

Welsh Ministers now exercise the vast majority of the executive functions under the LGA 1972 in relation to Wales.

13. The law in relation to local government is generally devolved to the Senedd: this has been the case since the beginning of devolution. This means that Ministers have almost complete autonomy in terms of setting the strategic direction for the structures of local government and the policy framework in which it operates. There is minimal overlap in policy or responsibility with the UK Government in relation to the governance of local authorities in Wales, which are matters for the Welsh Ministers.
14. Within Wales, local government includes principal councils (which are the county and county borough councils: principal local authorities in Wales are not divided into county and district councils, as local authorities are in much of England), community and town councils, three Fire and Rescue Authorities, and three National Park Authorities. There are also four Police and Crime Commissioners.
15. There are 22 principal councils in Wales. I include a list of those 22 county and county borough councils as a Annex 1 to this witness statement. These 22 councils are further divided into community areas, for which there may be a community council or a town council (which provide services and amenities such as village halls, playing fields, and cemeteries, amongst others). There are currently 732 community or town councils in Wales.
16. All principal councils in Wales operate executive arrangements under Part 2 of the Local Government Act 2000, meaning that many of the powers of the councils are exercised by Cabinets. The council elects the executive Leader and the executive Leader chooses Cabinet members. All 22 principal councils in Wales have adopted a Leader and Cabinet executive model.

Functions of local authorities

17. Local authorities in Wales have a broad remit. They are responsible for providing a range of services to their local communities, including social care, and many aspects of transport, housing, public health, and education. They are also in charge of a range of neighbourhood and other services, including libraries and waste collection.

18. There are some reserved areas for which UK Government retains jurisdiction, meaning that some contact is required with the UK Government on those matters. These matters include: Police and Crime Commissioners; the registration of births, marriages and deaths, and places of worship; licensing of the provision of entertainment and late-night refreshments, and the sale and supply of alcohol; anti-social behaviour; and Sunday trading.

Local government finance

19. Local government revenue spending for principal councils in Wales is funded from three major sources:

- (i) Welsh Government – This accounts for around 80% of total local government net revenue expenditure. It is made up of the Revenue Support Grant, pooled non-domestic rates, and a large number of grants for specific purposes. The Revenue Support Grant is distributed on the basis of a needs-based formula set and reviewed by a joint Welsh Government and local authority working group. The funding allocated is available for the authority to spend as it sees fit on the range of services it is responsible for and as agreed through the local authority budget processes.
- (ii) Non-domestic rates – This is a local tax on non-domestic property which is mainly collected from local ratepayers by local councils. The tax-rate (multiplier) is set annually by the Welsh Government. Each council contributes the amount it collects to a central pool managed by the Welsh Government which then distributes the money, together with rates collected centrally, as funding to councils as part of the annual settlements.
- (iii) Council tax – A local tax on domestic property which accounts for around 20% of total net revenue funding for principal authorities. The tax-rate is set annually by each council individually as part of its budget-setting process. The Welsh Government has powers to limit (cap) council tax increases but its policy position is to allow local authorities the autonomy to set increases as they judge appropriate.

20. Local authorities also raise money through fees, charges and investments. The UK Government provides funding to local authorities in Wales to deliver certain non-devolved functions.

Welsh Local Government Association

21. All 22 principal councils in Wales are members of the Welsh Local Government Association (“WLGA”). The WLGA is a cross-party membership and member-led organisation that represents the collective views and interests of local authorities in Wales at national level. It also provides advice and support to individual authorities. It operates through its Council and its Executive Board, which comprises the 22 principal council leaders. In addition to the principal councils, the WLGA has associate members including the three Fire and Rescue Authorities and the three National Park Authorities in Wales.

22. Under the Local Government Partnership Scheme, which was established by Ministers under the Government of Wales Act 2006, the Welsh Government is required to consider the interests of local government in all aspects of its work. The WLGA is recognised under the Scheme as the negotiating body representing local government, which means that WLGA spokespersons participate in discussions and negotiations with the Welsh Government, the UK Government, and all other national partners, as representatives of Welsh local government as a whole.

The Partnership Council

23. The Welsh Ministers must also establish and maintain, under the Government of Wales Act 2006, a body to be known as the Partnership Council for Wales (“the Partnership Council”), the members of which are appointed by the Welsh Ministers and include the Welsh Ministers and members of local authorities. Local authorities for this purpose include all 22 principal councils, the National Park Authorities, the Police and Crime Commissioners for police areas in Wales, and the Fire and Rescue Authorities for areas in Wales. Like the WLGA, the Partnership Council is a political organisation and there are therefore no Welsh Government officials in its membership.

24. The Partnership Council meets several times a year and may give advice and make representations to the Welsh Ministers about matters relating to local government. It provides a formal mechanism for the Welsh Government to engage with local authorities and wider public service leaders, and for promoting joint working across public services in Wales.

25. The WLGA is an observer but not a statutory member on the Partnership Council for Wales.

26. I will now turn to the particular structure, functions and responsibilities of LGD and its Divisions, including as part of the Welsh Government's response to Covid-19.

Structure of LGD

27. The structure of the Directorate during the specified period is set out in the diagram, which I exhibit as RK/M2B/CTPD-01-01/INQ000227457.

28. During the specified period, the Directorate sat within the Education and Public Services Group ("EPS"), which was led by Tracey Burke as Director General until February 2022, when there was a restructure of the Directorates. Throughout this time, insofar as local government matters are concerned, my role was as Director of LGD.

29. In February 2022, the remit of LGD was transferred to a new Group, called the Covid Recovery and Local Government Group ("CRLG"). I sat and continue to sit as Director General of CRLG. It is in my capacity as the former Director of LGD (until February 2022) and as the current Director General of the Local Government aspect of CRLG (from February 2022 onwards) that I make this statement. For ease, and given that CRLG was not established until the end of the specified period, I will refer throughout this statement to LGD (noting that CRLG was effectively standing in LGD's shoes from February 2022 onwards, insofar as the subject matter of this statement is concerned).

30. At all times during the specified period, I was supported by the following Deputy Directors who each had responsibility for one of the six Local Government Directorate Divisions that made up LGD (I address the remit and function of the individual Directorates in more detail later):

- (a) Judith Cole, Deputy Director (Grade 5), Local Government Finance Policy and Sustainability Division;
- (b) Debra Carter, Deputy Director (Grade 5), Local Government Finance Reform Division;
- (c) Claire Germain, Deputy Director (Grade 5), Local Government Performance and Partnerships Division;
- (d) Lisa James, Deputy Director (Grade 5), Local Government Democracy Division;
- (e) Karin Phillips, Deputy Director (Grade 5), Community Safety Division;

- (f) Gary Haggaty, Deputy Director (Grade 5), also of Community Safety Division;
- (g) Alex Walters, Director (Grade 5) of Academi Wales, from December 2021 onwards. Before December 2021 Name Redacted (substantive Grade 6) acted as Interim Director of Academi Wales.

- 31. Cabinet responsibility for LGD policy matters, from the beginning of the specified period to early May 2021, lay mainly with Julie James MS, as Minister for Housing and Local Government. Responsibility for local tax policy matters sat with Rebecca Evans MS as Minister for Finance and Trefnydd. From 13 May 2021 to the end of the specified period, responsibility for LGD policy matters and then CRLG policy matters (from February 2022) lay with Rebecca Evans MS as Minister for Finance and Local Government. Paul Griffiths acted as Special Adviser to the Ministers, in matters concerning local government until May 2021. Andrew Johnson was the Special Adviser on local government matters for the remainder of the specified period.
- 32. I would consider those individuals to be the key officials and decision-makers within LGD during the specified period.

Description of role, function and responsibilities of LGD

- 33. The overall function of LGD, now and during the specified period, is to manage the Welsh Government's relationship with the 22 local authorities in Wales, and in doing so to maintain and support a robust and well-functioning democratic system of local government. In practical terms, this means that LGD is responsible for administering the £5 billion unhypothecated annual settlement for local authorities from the Welsh Government; implementing and managing the local taxation framework, including by ensuring that local taxes are collected and managed effectively at local level; developing and implementing legislative provision and guidance relating to local elections and the general functioning of local authorities; and facilitating partnership arrangements, for example, arrangements for joint working between local authorities and other public sector bodies.
- 34. The relationship between the Welsh Government and local government in Wales is crucial. Local government is a separate level of democratic governance and, including specific grants provided over and above the Revenue Support Grant, accounts for around a quarter of the Welsh Government budget, some £6.2 billion. As well as being

responsible for the provision of key services, local authorities are important convenors and supporters of other local organisations, including third sector organisations.

35. LGD engages in regular, open communication with local authorities, with whom it enjoys strong and collaborative relationships. This is an important feature of the way in which LGD works and fulfils its remit. In addition, there has generally been good communication on matters relevant to local government between Ministers and local authorities, who come together regularly at meetings of the Partnership Council for Wales, as I explained earlier. This level of collaborative working between local and national government is distinctive of the system in Wales, and is made easier by the relatively small size of the country.
36. An important point to make about the remit of LGD is in relation to the services that local authorities are responsible for delivering in their areas. As I explained above, these include critical services such as education, social services, and housing. LGD does not have policy or operational responsibility for those service areas, meaning that LGD has no oversight of or involvement in the way in which local authorities carry out their functions in those areas. That responsibility sits with the relevant Minister and Directorates within the Welsh Government, who set the legal and policy frameworks for those service areas and who work directly with local authorities on those matters as and when required. This would include any measures that were taken in relation to those services areas as a result of the pandemic.
37. As at March 2020, LGD consisted of some 124 individuals in total who were spread out across the six Divisions. As I have noted, during the specified period, each of those Divisions was led by one or two Deputy Director(s). I outline below the remit of each Division.

Local Government Finance Policy and Sustainability Division (LGFPS)

38. The Local Government Finance Policy and Sustainability Division was led by Deputy Director Judith Cole during the specified period and had a workforce of around 13 individuals split into 2 teams. LGFPS is responsible for managing the principal financial relationship between local government and the Welsh Government. In discharge of this function, LGFPS is responsible for overseeing the overarching legislative framework, set by Welsh Ministers, which dictates how local government is funded, and provides advice to Ministers on local government finance policy in Wales.

39. This means that LGFPS is responsible for managing and administering the general unhypothecated revenue and capital settlements to the 22 local authorities, which is the core funding allocated by the Welsh Government to local authorities in Wales. Revenue settlements cover the ongoing operating expense of daily operation; capital settlements are typically granted for one-time large purchases of fixed assets to be used over a long period. Welsh Government also provides specific grants which provide funding for identified purposes. Specific grants may be made in relation to any of the relevant ministerial portfolios. The basis of the distribution varies from grant to grant. Many but not all grants are made under section 31 of the Local Government Act 2003.

40. LGFPS is also responsible for leading on local government decarbonisation policy, strategy and engagement, in support of the policy commitment for a net zero Welsh public sector by 2030.

41. All work in response to Covid-19 for which LGFPS was responsible was carried out by the existing workforce, alongside the existing workload: no individuals were redeployed into LGFPS to work exclusively on Covid-19 measures. One member of LGFPS was temporarily assigned to Covid-19 related work outside of the Division.

Local Government Democracy Division

42. During the specified period, the Local Government Democracy Division was led by Deputy Director Lisa James. The Division was responsible for the following areas:

- a. Oversight and management of principal council political governance, including cabinet/executives; scrutiny measures; the operation of council business, including meetings, their conduct and accessibility; the role and purpose of governance; and audit committees;
- b. Standing Orders in relation to council staff and politically restricted posts, and the statutory code of conduct for staff;
- c. The ethical framework for elected members including the code of conduct, standards committees and the Adjudication Panel for Wales;
- d. Promoting and supporting people from diverse backgrounds to stand as councillors including the management of the Access to Elected Office fund;

- e. Electoral administration including the conduct of local government elections, electoral registration and electoral reform;
- f. Management of the Local Government and Elections (Wales) Bill (enacted as the Local Government and Elections (Wales) Act 2021) when this was passing through the Senedd.

43. There were approximately 15 staff in the Division as of January 2020, split into an Elections Team, a Democracy Team and a Bill Team. All Covid-19 work for which the Division was responsible was carried out by the existing workforce and alongside the existing workload.

Local Government Finance Reform Division (LGFR)

44. During the specified period, LGFR was led by Deputy Director, Debra Carter. It was responsible for the following areas:

- a. Redesigning the local government funding arrangements in support of sustainable local government and the delivery of Programme for Government commitments;
- b. Developing and implementing policy in relation to council tax and non-domestic rates, including the review and delivery of reduction, discount and relief schemes;
- c. Managing the £1.4 billion annual non-domestic rates pool, providing assurance to the Permanent Secretary as Principal Accounting Officer (PAO) for the management of these resources;
- d. Sponsorship of the Valuation Office Agency (in relation to its services in Wales) and the Valuation Tribunal for Wales;
- e. Managing a range of funding programmes, including grant funding for city and growth deals in Wales and funding for reform, improvement, and digital activities in local government.

45. The local taxes, council tax and non-domestic rates, form an integral part of the local government finance system and contribute over £3 billion of revenue a year to the funding of local public services in Wales. Council tax applies to around 1.5 million domestic properties and non-domestic rates to over 125,000 business and other properties.

46. At the beginning of the pandemic, there were approximately 15 staff in LGFR, organised into teams for non-domestic rates policy, council tax policy and local

government finance reform. For the period from April to June 2020, the finance reform team (four people) was deployed to support Covid-19 shielding work led by the Communities and Tackling Poverty Directorate, and the Deputy Director split her time between LGFR's work (including pandemic-related work) and leading the 21-Day Reviews.

Local Government Transformation and Partnerships Division (later renamed the Local Government Performance and Partnerships Division) (LGPP)

47. This Division, which I will refer to by its current name of the Local Government Performance and Partnerships Division, was led by Deputy Director Claire Germain during the specified period, save for March to July 2020 when Claire Germain was redeployed to the Civil Contingencies team to lead planning work on Excess Deaths. The responsibilities of LGPP included:

- a. Implementing the new statutory performance and governance regime for local authorities under the Local Government and Elections (Wales) Act 2021;
- b. Increasing collaboration within local government, between Welsh Government and local government, and between local authorities and other public service providers, by the provision of a range of new and existing forums, including the Partnership Council for Wales;
- c. Oversight and management of public service partnerships, including the statutory Public Service Boards established in each local authority to facilitate joint working between local authorities, Local Health Boards, local Fire and Rescue Services, and Natural Resources Wales.

48. There were approximately 16 people in LGPP during the specified period, split into four teams focusing on Partnerships, Engagement, Regional Working, and Local Government Digital. The work in response to the pandemic for which the Division was responsible was carried out alongside the Division's existing workload and by the existing workforce.

Community Safety Division (CSD)

49. The Community Safety Division was jointly led by Deputy Director Karin Phillips and Deputy Director Gary Haggaty during the specified period. This was one of two

Divisions in LGD that did not have responsibility for local government matters but which still fell within LGD's remit. CSD is and was responsible for:

- a. Developing operational policy on crime and policing;
- b. Leading policy in relation to Fire and Rescue Services in Wales, including reform of Fire and Rescue Services and management of the Wales Firefighters Pension Scheme;
- c. Providing support for the Armed Forces and veterans community in Wales.

Academi Wales

50. Academi Wales was led by Director Alex Walters from December 2021 onwards. Before December 2021, Name Redacted acted as Interim Director. Academi Wales was the second Division in LGD that did not have responsibility for local government matters. Academi Wales is and was responsible, during the pandemic, for delivering organisational training, development and leadership programmes across Welsh public services. It had a workforce of around 20 over the specified period, six of whom were redeployed to the Emergency Co-ordination Centre Wales (ECCW). During an emergency, the ECCW brings together volunteers to help coordinate the Welsh Government response: ensuring that Ministers, officials, public sector organisations, government departments, press, and other stakeholders, are all briefed and kept up to speed on the situation. Academi Wales did not otherwise have any direct involvement in the Welsh Government response to Covid-19.

Relationship between LGD, local government, and Welsh Government, and key lines of communication, during the specified period

51. With the onset of Covid-19, the priorities of LGD expanded to include:

- a. Ensuring that principal local authorities remained financially sustainable, notwithstanding the considerable financial pressures that the pandemic entailed, and mobilising the delivery of significant financial support to and via principal local authorities;
- b. Ensuring that the general business of local authorities was able to continue in the new and unique circumstances that came about with Non-Pharmaceutical

Interventions (“NPIs”) including, in particular, the need for self-isolation and remote working;

- c. Strengthening the political relationships between Ministers, local authority Leaders, the four Police and Crime Commissioners, and leaders within the voluntary sector, and establishing open, honest and regular communications;
- d. Building on existing relationships with local authority officials and officials from the WGLA.

52. Relationships between local authorities and the Welsh Government were particularly strong at the onset of the pandemic. They had been strengthened by the preparations for multiple scenarios following Brexit, including for a potential No Deal outcome. Leaders of local authorities and Ministers shared broadly common policy goals and, despite the inevitable political differences among the 22 local authority Leaders, were, in general, able and willing to work together effectively and collaboratively. This was facilitated by meetings of the Partnership Council, led by the Minister for Local Government, as well as meetings held by other Portfolio Ministers, and meetings of an officials’ group called the Local Government European Strategy Advisory Panel, all of which took place throughout the period January 2019 to 2022.

53. In addition to the above fora, prior to, and since, January 2020 there have been a number of other engagement mechanisms for Ministers to engage with local authority Leaders, including WLGA Executive Board meetings which is attended regularly by the Minister for Local Government, and by other Ministers depending on the agenda. During the specified period, the Minister for Finance and Local Government attended all the WLGA Executive Board meetings which were held virtually on 28 May 2021, 16 July 2021, 24 September 2021, 22 October 2021, and 28 January 2022. The Minister for Finance and Local Government also attended the virtual WLGA Council meeting on 16 March 2022, and she and the First Minister addressed the WLGA Council and Annual General Meeting on 24 June 2022 (the First Minister virtually, and the Minister for Finance and Local Government in person).

54. All this meant that the pandemic happened at a time when the established relationships and lines of dialogue between local and national government were particularly robust.

55. It became clear very quickly at the beginning of the specified period, as the incidence of Covid-19 began to increase and the actions of the UK government moved rapidly to

lockdown, that there was a need for more frequent engagement involving local government, Welsh Government officials, and LGD. The purpose of these would be to:

- a. Share information, including the latest epidemiological information;
- b. Outline and consult on policy development and Ministerial thinking on potential NPIs;
- c. Provide advance notice of Ministerial decisions about changes to NPIs, guidance or other aspects of the Welsh Government approach to managing Covid-19;
- d. Answer questions and clarify issues; and
- e. Develop and maintain a common purpose to manage and respond to the pandemic, protecting lives and livelihoods.

56. To that end, the following meetings and lines of communication were established, or in some cases continued, during the specified period.

Regular discussions between Local Government Ministers, LGD, and Local Authority Leaders

57. Underpinning the Welsh Government approach to managing Covid-19 was the principle of open and honest conversations between Ministers and local authority Leaders. From the beginning of April 2020, the Local Government Ministers (initially, Julie James as MS for Housing and Local Government, and then Rebecca Evans as MS for Finance and Local Government) began to meet with local authority Leaders and, sometimes, their Chief Executives. These Ministerial discussions with local authority Leaders took place weekly, sometimes twice weekly, or more frequently if required, and were facilitated by colleagues in LGD's Transformation and Partnerships Division (which later became the Performance and Partnerships Division). In particular, one Grade 7 and one SEO from the Local Government Transformation and Partnerships Division supported the Minister for Housing and Local Government, and subsequently the Minister for Finance and Local Government, in relation to these meetings and in their engagement with local authority Leaders generally. During the specified period, that became a particularly intense and time-consuming role, particularly in the first few months of the pandemic.

58. I attended the meetings in my capacity as Director of LGD. Representatives from WLGA also attended.

59. These meetings quickly proved themselves invaluable. The initial engagement at the start of the Covid-19 pandemic was inevitably very targeted, particularly on the financial aspects of the immediate crisis. Almost all Ministers attended these meetings at some point, whenever there was an agenda item linked with their portfolio, supported by the attendance of their relevant officials, albeit these were mostly in relation to health or social care.
60. The meetings provided the opportunity to identify and address rapidly emerging issues or to disseminate information at short notice on Covid-19 related issues. These included epidemiological matters; the development of Welsh Government policy; consultation on options under consideration by the 21-Day Review Process; advising of decisions following the 21-Day Review Process; and consultation with individual authorities relating to any potential local measures. Other ad hoc meetings were arranged as and when necessary, such as due to rapid changes in epidemiological data. There was therefore regular opportunity for two-way sharing of issues at both local and national levels.
61. The first 21-Day Review took place on 14 April 2020 and the meetings quickly began to follow that cycle. By this, I mean that meetings were arranged to take place at regular intervals before, during and after the 21-Day Review decision points, in order to give Ministers the opportunity to gather information from the local level as to how restrictions were operating on the ground, so that this could be fed through to inform the Review process. Similarly, once a Review had taken place, a meeting would typically take place soon thereafter, in order that Ministers could discuss what had been agreed at the Review with local authority Leaders and how this might impact local concerns. The Police and Crime Commissioners and the Chief Constables were regularly involved in this same engagement alongside local government, particularly relating to any discussions around community safety, resilience and enforcement, and met separately with the Minister for Social Justice for this purpose.
62. The meetings between local authorities and Ministers continued until 24 March 2022. While the meetings were not always minuted, action points that were agreed at the meetings were recorded. I attach, as examples, minutes of the meetings of 25 March 2020 RK/M2B/CTPD-01-02/ INQ000227982 and 1 April 2020 RK/M2B/CTPD-01-03/ INQ000227653; and records of the action points agreed at the meetings on 1, 3, April as RK/M2B/CTPD-01-04/INQ000221179, the 8, 10, April as RK/M2B/CTPD-01-05/

INQ000227926 15, 16, and 17 April 2020 as RK/M2B/CTPD-01-06/ INQ000227918, 22 and 24 April 2020 RK/M2B/CTPD-01-07/ INQ00022747, 11 and 15 May 2020 RK/M2B/CTPD-01-08/INQ00022750, and 26 June 2020 RK/M2B/CTPD-01-09/ INQ000227983. In addition, written briefings were often provided to the Minister ahead of a meeting taking place. I exhibit, as examples, briefings provided for the meetings of 25 March 2020 RK/M2B/CTPD-01-10/INQ000227856, 15 April 2020 RK/M2B/CTPD-01-11/INQ000227945, 11 May 2020 RK/M2B/CTPD-01-12/ INQ000227475, and 26 June 2020 RK/M2B/CTPD-01-13/ INQ000227991.

Regular meetings between LGD and Local Authority Chief Executives

63. The emphasis on open and honest communication between national and local government also applied at official level. In parallel to the meetings between the Minister, local authority Leaders and WLGA, I also held regular informal meetings with local authority Chief Executives throughout the specified period, in my capacity as Director of LGD. Like the Ministerial meetings, these meetings tended to take place weekly, but sometimes twice weekly and often more frequently if required. It should be noted that these meetings were in addition to the service specific and other meetings taking place between Welsh Government and local government – for example, between social services policy officials and the local authority Directors of Social Services, and between education policy officials and the local authority Directors of Education, and so on.
64. These meetings were an opportunity for Chief Executives to speak frankly to me about operational matters, including how local authorities were managing to resource the many different workstreams required by the pandemic. For example, as lockdown restrictions began to ease, it was helpful for me to be able to discuss with the Chief Executives whether the proposed guidance on Safer Public Spaces (which LGD was responsible for developing, and which I address in more detail later in this statement) was operationally feasible at local level. These discussions also enabled me to take into account the different considerations that applied to different localities across Wales – for example, those local authorities in urban settings were often experiencing different sets of challenges to authorities in more rural settings, and vice versa.
65. Both these meetings and the Ministerial discussions provided a forum in which local authorities could freely express their views about the practicalities of the NPI regime, including prospective changes to the regime, and potential risks and opportunities of

either tightening restrictions or relaxing them. Those discussions were based on the latest epidemiological data briefed by the Chief Medical Officer, Chief Scientific Adviser for Health, or other Technical Advisory Cell colleagues, along with the policy assessments provided by the relevant policy colleagues from within Welsh Government, as and when those officials attended. The views of the 22 local authority Leaders and four Police and Crime Commissioners provided valuable input in this regard.

66. While officials and Ministers continually sought to keep local authority colleagues as up to date with information, developing policy and potential decisions as they could, at a time where the virus was moving extremely quickly, this was not always possible. Inevitably there were occasions when circumstances meant that the very latest data was not shared readily enough, or that emerging data had an impact on Ministers' decisions which we were unable to communicate in the time provided by the statutory 21 Day Review process.

67. Despite our best efforts, this was likely to be the case in the early months of the pandemic when processes were being developed and embedded at speed in response to the increasing pace of the pandemic and our knowledge about it. After these early months, the significant effort invested by Welsh Government officials and the WLGA helped to create a robust mechanism for warning, informing and communicating decisions from Ministers to local authority leaders.

First Minister's Covid Core Group

68. In March 2020, the First Minister established the Covid Core Group to deal specifically with the pandemic. The meetings were attended by various Welsh Government officials, as well as both Adam Price MS, the leader of Plaid Cymru, and Paul Davies MS, the leader of the Welsh Conservatives. Unusually, the Leader of the WLGA, Cllr Andrew Morgan, was also invited to these meetings to represent the views of authorities. I attended too, principally in my civil contingency planning role, but was also able to provide advice on local government matters. These meetings continued to take place until August 2020.

Meetings of the Partnership Council for Wales: general meetings; meetings of the Finance Subgroup (FSG); meetings of the Covid Recovery Sub Group

69. I have explained above the role and function of the Partnership Council. During the specified period, meetings of the Partnership Council, which were chaired by the Minister with responsibility for Local Government, continued to take place as they had done before the pandemic. These meetings provided another opportunity for Welsh Government, local government and wider public services to discuss the current issues arising and future planning for the pandemic. All Ministers are members of the Partnership Council and attend on occasion to lead items which are within their own portfolio. Jeremy Miles MS, Council General and Minister for European Transition (CG&MET), who was Ministerial lead for the Welsh Government's planning for recovery from the pandemic attended on 10 June 2020 to discuss covid recovery. He was represented by Liz Lalley on 14 October 2020 who attended to provide a verbal update on Covid recovery on his behalf. During the time in question the Partnership Council met on 10 June 2020, 14 October 2020, 1 March 2021, 7 July 2021, 24 November 2021 and 10 February 2022. I exhibit the minutes of those meetings as RK/M2B/CTPD-01-14/ INQ000227984; RK/M2B/CTPD-01-15/ INQ000227990; RK/M2B/CTPD-01-16/INQ000227995; RK/M2B/CTPD-01-17/ INQ000227989; RK/M2B/CTPD-01-18/INQ000227988; RK/M2B/CTPD-01-19/ INQ000227994.

Partnership Council's Finance Subgroup

70. In addition, the Finance Subgroup ("FSG") was a distinct component of the Partnership Council, which had also existed and been meeting regularly – normally three or four times a year – long before the pandemic. FSG meetings were attended by Welsh Government officials – principally from LGD's Local Finance and Sustainability Division, as well as Welsh Treasury officials – as well as Ministers, local authority Leaders, and WLGA. The meetings provided another forum for more detailed discussion of financial matters affecting local authorities. At the meetings, local authority Leaders were able to raise their concerns about the financial impact of the pandemic and accompanying restrictions on both the costs of local authority services and the impact on local authority income including council tax.

71. I exhibit minutes of the FSG meetings that took place during the specified period, on 30 April 2020 RK/M2B/CTPD-01-20/ INQ000066182, 19 August 2020 RK/M2B/CTPD-

01-21/INQ000227467, 2 November 2020 RK/M2B/CTPD-01-22/INQ000227915, 4 February 2021 RK/M2B/CTPD-01-23/INQ000227987, 15 July 2021 RK/M2B/CTPD-01-24/INQ000227456, 18 October 2021 RK/M2B/CTPD-01-25 /INQ000227474, and 9 February 2022 RK/M2B/CTPD-01-26/INQ000227473.

Partnership Council's Covid Recovery Subgroup

72. In June 2020, as Wales moved out of lockdown, the Partnership Council established a new, strategically focused Recovery Subgroup which was to provide a formal mechanism for Welsh Ministers, local authorities and other public service leaders to continue engagement on Covid-19 recovery at local and national level. The meetings of the Recovery Subgroup, which were to be chaired by the Minister with responsibility for local government, were intended to provide a means by which public service leaders could feed into and help inform the Welsh Government's recovery planning, by providing advice and views to Ministers. I exhibit the Terms of Reference for the Recovery Subgroup as RK/M2B/CTPD-01-27/INQ000227974. As is reflected in the Terms of Reference, the Subgroup was intended to provide a streamlined process that would maximise the use of everybody's time and would focus on some key issues for public services in Wales.

73. The Recovery Subgroup considered a proposal from the WLGA around an Economic Stimulus Package for Wales to help invest in economic recovery. I exhibit that proposal as RK/M2B/CTPD-01-28/INQ000227562. The Minister welcomed the contents of the proposal and confirmed that many elements of it were aligned with the Government's recovery proposals, many of which were subsequently driven forward by portfolio Ministers to help strengthen the Welsh economy and aid recovery.

74. The Recovery Subgroup served an advisory and consultative role rather than a decision-making one. After two meetings on 6 July and 21 July 2020, the group was stood down and Covid Recovery became a standing item at full Partnership Council for Wales. I exhibit the minutes of those two meetings as RK/M2B/CTPD-01-29/INQ000227919 and RK/M2B/CTPD-01-30/INQ000227992.

Meetings of the Society of Welsh Treasurers

75. At officer level, financial matters were discussed through officials' attendance at the meetings of the Society of Welsh Treasurers ("SWT") Executive, which occurred monthly, and at the SWT "Full" meetings, which were held three or four times a year.

Officials from Local Government Finance Policy and Sustainability Division, usually Judith Cole or Emma Smith, always attended. On occasion officials from other Divisions in LGD or wider Welsh Government would attend.

76. SWT is the network of 22 Local Authority Finance Directors. The SWT Executive comprises a smaller number of Finance Directors (the membership of which is nominated through SWT with an annual change of chair/deputy). The minutes of SWT meetings are held by the WLGA.

77. From March 2020, official level engagement through SWT Executive and SWT Full increased markedly, including daily calls with SWT Executive for some parts of the period, and weekly (virtual) meetings of the full SWT. Meeting frequency was later reduced responding to the changing nature of the emergency.

Meetings of the Digital Data and Technology Advisory Group

78. The Performance and Partnerships Division established the Digital Data and Technology Advisory Group, which was co-chaired by the Welsh Government's Chief Digital Officer and WLGA's Head of Policy, and attended by the digital leads from all 22 principal local authorities. The first meeting took place on 16 April 2020, and there were a further five meetings after that, on 30 April 2020, 14 May 2020, 11 June 2020, 25 June 2020, and 16 July 2020. I exhibit minutes of those meetings: RK/M2B/CTPD-01-31/INQ000227886, RK/M2B/CTPD-01-32/INQ000227977, RK/M2B/CTPD-01-33/INQ000227924, RK/M2B/CTPD-01-34/INQ000227970, RK/M2B/CTPD-01-35/INQ000227971 and RK/M2B/CTPD-01-36/INQ000227563. The purpose of the Digital Data and Technology Advisory Group was to share information regarding the use of digital technology across the public sector in response to the pandemic. For example, participants shared guidance on remote working practices, and information about video conference packages.

LGD's role in the Welsh Government's response to Covid-19 and key decisions taken

79. In relation to NPIs, LGD's Finance and Sustainability Division, in consultation with the WLGA, developed guidance for local authorities on the use of public spaces at times of social distancing, as lockdown restrictions started to ease. This guidance was published in June 2020 and is exhibited as RK/M2B/CTPD-01-37/INQ000081962.

80. The Finance and Sustainability Division also developed guidance on the Safer Opening of Toilets for Public Use, which was published in July 2020 and updated in April 2021 and is exhibited as RK/M2B/CTPD-01-38/INQ000227993 and RK/M2B/CTPD-01-39/INQ000227455.
81. Aside from those guidance documents, LGD did not make any formal contribution to the decisions made concerning the design, implementation or relaxing of NPIs. The Directorate did not undertake consultation with the WLGA, the City of Cardiff or any others on the Stereophonics or the Six Nations rugby matches, as this was beyond our policy remit and expertise. Similarly, LGD had no role in the provision of advice or in the decision making processes in relation to the Welsh Government initial strategies on community testing, surveillance, the move from contain to delay, or any guidance and advice to health and social care providers.
82. Aside from NPIs, LGD was involved in a number of different measures in response to the pandemic, which I will now address, grouped by reference to the relevant Division in LGD.

Measures implemented by the Local Government Democracy Division

Provisions of the Coronavirus Act 2020 and related regulations: postponement of elections in Wales and local authority meetings in Wales

83. In March 2020 there were two issues which fell to the Local Government Democracy Division to manage and resolve. Firstly, electoral legislation did not provide any powers for an election to be stopped once a vacancy had been declared by the Returning Officer. At the beginning of the specified period, there were several by-elections across Wales pending and it was clear at this point that it would not be possible to schedule further by-elections until the public health position improved and the NPI regime changed. Therefore, legislative intervention was required.
84. Secondly, section 99 and Schedule 12 of the Local Government Act 1972 required principal councils (which, in Wales, are county and county borough councils), town and community councils, national park authorities, and fire and rescue authorities, to meet in person in a single location. This was clearly not going to be possible for some time while NPIs were in place. Many councils attempted to pre-empt the need for decisions to be taken by increasing delegations to individual cabinet members or senior officers.

However, there are complex regulations and primary legislation surrounding decision making in local government and some critical decisions could not be delegated, including the setting of the authority's budget.

85. In addition, authorities have a statutory requirement under Schedule 12 of the Local Government Act 1972 to meet in person to hold their annual general meetings, elect leaders, appoint committee chairs and so on. In many cases, statute required this to happen by the end of May in the relevant municipal year which begins in April. Again, this required legislative intervention.
86. As part of Welsh Government's wide engagement with UK Government officials on the development of the Coronavirus Act 2020, it was identified that the UK Government intended to legislate in the areas of elections and local government meetings. LGD's Democracy Division had an established and productive working relationship with Cabinet Office, in relation to elections policy and administration. This was developed during the devolution of responsibility for Senedd and Welsh local government elections from 2017 onwards, and was maintained throughout and after the pandemic, by inter-governmental officials' quadrilateral meetings about the administration of national and devolved elections across the UK (these meetings are held approximately quarterly but frequency varies depending on when elections are falling). There was no similar ongoing relationship with the UK Government in respect of local government policy.
87. The relevant sections in the Coronavirus Act are sections 65 to 68 for local elections. These sections enabled Welsh Ministers to make regulations that provide for by-elections that would otherwise be required to take place to be postponed to a later date or within a later period.
88. The relevant section for local authority meetings is section 78 which provided Welsh Ministers with a power to make regulations relating to local authority meetings, including the places at which these are to take place and the manner in which people may attend. This enabled Welsh councils to meet via electronic means rather than in person.
89. Following Royal Assent of the Coronavirus Act 2020, the Division worked with Welsh Government colleagues in Legal Services, Office of the Legislative Counsel, and policy colleagues responsible for fire and rescue and national parks to develop the necessary regulations. During the development of these regulations, senior legal colleagues

working in several of the principal councils listed in Annex A were involved and consulted, as were the WLGA and One Voice Wales (as the organisation representing town and community councils in Wales) and colleagues leading on national parks, fire and rescue authorities, and port health authorities which were also impacted by the lack of flexibility in the 1972 Act.

90. Regulations relating to local authority meetings were made on 22 April 2020 (The Local Authorities (Coronavirus)(Meetings)(Wales) Regulations 2020 (No.442(W.100) and on 21 July 2020 (The Local Authorities (Coronavirus) (Meetings) (Wales) (Amendment) Regulations 2020 (No.653 (W.150)). These regulations were time limited and expired on 30 April 2021. This aligned with provisions in the Coronavirus Act. A supporting question and answer document was issued in May 2020 exhibited as RK/M2B/CTPD-01-40/INQ000227733. to support local authorities in applying the regulations. Meetings were required to be held entirely remotely and the public's right to attend was suspended. All meeting documents (including a record of decisions) were required to be published online.
91. In terms of elections, three SIs were made under these powers postponing local government by-elections: The Local Government (Coronavirus) (Postponement of Elections) (Wales) Regulations (No.461 (W.105), The Local Government (Coronavirus) (Postponement of Elections) (Wales) (No.2) Regulations (No.1399 (W.310), and the Local Government (Coronavirus) Postponement of Elections) (Miscellaneous Amendments) (Wales) Regulations 2021 (No.88 (W.25). These were developed in conjunction with stakeholders in Wales, such as electoral administrators and the Electoral Commission, and discussions with UK Government Cabinet Office colleagues.

Further legislative intervention: regulations relating to preparations for the May 2021 Senedd elections

92. The limited involvement that LGD's Democracy Division continued to have in Covid-19 matters after July 2020, was in relation to the making of further regulations on elections. The Division prepared regulations providing emergency proxy voting rights to those that were unable to leave home due to testing positive for Covid for the May 2021 Senedd elections and local government by-elections. These regulations were made twice and are still in force until the end of May 2023 (The Representation of the People (Wales) (Coronavirus) Regulations (No. 193 (W.44) and The Representation

of the People (Amendment) (Wales) (Coronavirus) No. 2 Regulations 2021 (No.1247(W.319)).

93. The Division also made regulations that allowed the electoral register publication to be moved from December 2020 to February 2021, allowing for a longer canvassing period to take account of Covid conditions (The Representation of the People (Electoral Register Publication Date) (Wales) Coronavirus Regulations 2020 (No.1064 (W.239)). These latter elections regulations were developed in the same way as those prepared under the Coronavirus Act, in consultation with stakeholders such as electoral administrators and the Electoral Commission.
94. The Division also contributed to the development of the Welsh Elections (Coronavirus) Act 2021. This Act was mainly to provide for contingencies in the event of the Senedd elections scheduled for May 2021 having to be moved if it was not safe to hold them. The development of the Act was led by colleagues in the Constitutional Affairs and Inter Governmental Relations Division, but the Local Government Democracy Division contributed specifically in relation to section 11, which provided further powers for Welsh Ministers to postpone local authority by-elections. Stakeholders were again closely involved in the development of the Act.

Measures implemented by the Local Government Finance Reform Division

Financial support schemes for businesses and not-for-profit organisations

95. The immediate focus for the Local Government Finance Reform Division at the beginning of the specified period was the development of schemes for the provision of financial support for small businesses and not-for-profit organisations. The Division led on the development of the Retail, Leisure and Hospitality Rates Relief Scheme and contributed to the development, led by ESNR, of the Covid-19 Grants for Businesses in Wales scheme. These schemes were developed following the announcements made by the Chancellor in March 2020, regarding the provision of funding to support businesses through the pandemic. The main announcements of significance for LGFR were on 11 March, which concerned an initial package of rates relief and grants for businesses, followed by the announcement of a substantially enhanced package of support on 18 March. These announcements resulted in consequential funding for Wales, and LGFR worked quickly to provide advice to Ministers on the options for how this funding could be used to provide support to organisations in Wales.

96. Policy officials in LGFR worked closely with colleagues in the Economy Skills and Natural Resources Group to convene a working group of local government expert practitioners, including the WLGA and Local Authority Directors of Finance and Heads of Revenue Services selected by the WLGA, to inform the design and delivery of the schemes for Wales. The Welsh Schemes were announced on 17 and 19 March 2020.
97. The Retail, Leisure and Hospitality Rates Relief scheme supported retail, leisure and hospitality businesses with their non-domestic rates (“NDR”) bills, providing 100% relief to the majority of ratepayers within these sectors at a cost of around £350m in 2020-21. Rates relief was not provided to businesses in properties with a rateable value of over £500,000, which freed up over £100m of the available funding to support other businesses through the Economic Resilience Fund (which also provided financial assistance to businesses facing financial and operational challenges as a result of Covid-19).
98. The Covid-19 Grants for Businesses in Wales scheme provided financial support to businesses and not-for-profit organisations previously eligible for Small Business Rates Relief – namely, those with a rateable value up to £12,000. These businesses and organisations automatically received a grant of £10,000 under the scheme. In addition, all charities and community amateur sports clubs (“CASC”) which operated in the retail, leisure and hospitality sectors and occupied properties with a rateable of £12,000 or less, were also eligible for a grant of £10,000. All retail, leisure and hospitality businesses and not-for-profit organisations with a rateable value between £12,001 and £51,000 were eligible for a grant of £25,000. Over £875m was made available through this scheme.
99. The criteria, guidance and funding mechanisms for the schemes were drawn up and published, with initial payments being made to eligible organisations before the end of March 2020. I exhibit this guidance as RK/M2B/CTPD-01-41/INQ000227978 and the Ministerial advice as RK/M2B/CTPD-01-42/INQ000227979. The sums involved were substantial, totalling over £1.1billion, and this required discussions with Finance Directorate and HM Treasury to ensure that funding could be released promptly. Initially, this was achieved by all funds flowing through LGFR, to streamline the process. Officials also discussed plans with the Wales Audit Office, given the need for rapid decision-making, to ensure that they were aware of the arrangements and the lines of accountability.

100. Over the following months, the criteria and guidance were refined to provide greater clarity as to eligible and ineligible businesses, particularly in relation to properties used for self-catering accommodation, these are exhibited as RK/M2B/CTPD-01-43/INQ000227985 and RK/M2B/CTPD-01-44/INQ000227458. LGFR managed the payments process as part of its day-to-day business and progress was monitored by the Division and reports were provided to Ministers (e.g. as to the numbers of applications and the amounts of relief and grant payments provided to businesses by local authorities). The schemes generated large numbers of queries from businesses and other organisations: the Division was also responsible for dealing with such queries and correspondence.
101. In addition to working with the expert group, LGFR engaged with finance teams from all local authorities and with key stakeholders (e.g. Welsh Retail Consortium) in relation to the design and implementation of the schemes. There were also quadrilateral meetings at intervals with officials from the UK Government, the Scottish Government and the NI Executive to share learning and good practice.
102. The political leadership in local authorities was kept informed of developments and progress on the schemes through the channels already established for communications between Ministers and local government during the pandemic, as outlined elsewhere in this statement (e.g. the weekly/ fortnightly meetings).
103. As the pandemic continued, the Retail, Leisure and Hospitality Rates Relief scheme was subsequently extended into 2021-22, with a reduced scheme being put in place for 2022-23. The Covid-19 Grants for Businesses in Wales scheme was available throughout 2020-2021, although the majority of payments were made within the first few months.

Decreased council tax revenue

104. LGFR also heard concerns that local authorities were at risk of receiving less revenue by way of council tax. This was attributed to both an increased demand for financial support under the Council Tax Reduction Scheme (“CTRS”) (which provides support to low-income and vulnerable individuals and families to help with their council tax), and the additional responsibilities placed on local authorities to administer a range of payments on behalf of the Welsh Government as a result of the pandemic, which

placed a strain on the capacity of authorities' staff to carry out collection and enforcement.

105. LGFR, in conjunction with individual local authority finance teams and the WLGA, took steps to monitor the revenue being collected by local authorities through council tax during 2020-21 and 2021-22. Monitoring of revenue from non-domestic rates was also carried out at the same time. Data on the amounts collected through each local tax were collated from each authority on a quarterly (initially monthly) basis and compared with figures for previous years. Caseloads for the CTRS were monitored on a monthly basis using existing systems.

106. By the second quarter of 2020-21, the monitoring revealed that revenue collected through council tax had fallen, and that demand for the CTRS had increased. This led to a reduction in the revenue gathered by local authorities which is used to support local services and day-to-day operations. Advice on this matter was put to Ministers in August and November 2020 and in January 2021, and I exhibit copies of those advices and a letter shared with local authorities as RK/M2B/CTPD-01-45/INQ000227908, RK/M2B/CTPD-01-46/INQ000227914, RK/M2B/CTPD-01-47/INQ000227986 and RK/M2B/CTPD-01-48/INQ000227922. As a result, funding was allocated from the Covid-19 Reserve to cover the additional costs of the CTRS and to mitigate the impact of the drop-in collection rates. In the latter part of 2020-21, local authorities were provided with an additional £10.9m towards the costs of the CTRS, on top of the £244m provided through the local government settlement. The funding was paid in three instalments between September 2020 and March 2021. Local authorities were also provided with £22.6m, a 75% contribution, to support the drop-in council tax collection rates at the end of 2020-21.

107. No significant impact was identified in relation to the collection of non-domestic rates: this is attributed, in part at least, to the levels of rates relief provided.

Measures implemented by the Local Government Finance Policy and Sustainability Division

Local Authority Covid Hardship Grant

108. Through their regular communication with Welsh Government from the outset of the pandemic, local authorities very quickly raised concerns about the financial impact of Covid-19 and the accompanying restrictions on both the costs of the services that

local authorities were required to provide, and the impact on local authority income, including council tax. For example, authorities suddenly lost income from a range of sources such as car parking, leisure centres and other charged services which they operated. Additional costs were also incurred for new activities such as enhanced cleaning, hygiene equipment, social distancing measures, increased enforcement, as well as increased activity on free school meals and tackling homelessness.

109. Advice was provided on these matters which led to an early decision by Ministers to front load payment of a portion of the annual settlement (normally released through 13 payments during the financial year) to local authorities in April 2020. This meant that, in April 2020, local authorities received the monthly payments for May and June, as well as the monthly payment for April. The remaining nine months of funding were then paid out equally over the remaining 11 months of the calendar year. This helped to manage immediate cash flow pressures.

110. As well as the decision to front load payment of the annual settlement, a Local Authority Covid Hardship Grant ("the Hardship Grant") was established to give special financial assistance to local authorities with additional expenditure incurred or revenue lost as a result of the pandemic. The Hardship Grant was set up in April 2020 following the provision of advice under reference MA/JJ/1027/20 from the Finance Policy and Sustainability Division, cleared by Judith Cole, to the Minister for Local Government and Housing (then Julie James MS) and the Minister for Finance and Trefnydd (then Rebecca Evans MS), dated 20 March 2020. I exhibit a copy of this advice as RK/M2B/CTPD-01-49/INQ000227906. Unusually, Ministers were advised that funding should be provided to local authorities on the basis of actual financial impacts and available on application by the individual authority, rather than through a formula allocation. This meant that resources were targeted to where there was demonstrable evidence of need.

111. It was agreed that the Hardship Grant would operate as the principal route for additional funding for local government, to avoid the administrative overheads of having multiple funding streams covering each impacted area. I have explained elsewhere in this statement that local authority services are the responsibility of the relevant portfolio Ministers, rather than the Minister for Local Government. Where local authorities required financial assistance for losses or expenditure relating to one of those service areas (for example, local authority activity in respect of housing the homeless, or extending the provision of free school meals when children were not in school), this was achieved through the Hardship Grant, with decisions made on the

basis of advice to those portfolio Ministers provided by their policy advisers. Operating the Hardship Grant as a single funding stream meant that there were no service-specific grant processes or terms and conditions, and allowed funding to be managed within a single envelope. As a result, the system was established quickly, and was flexible and efficient.

112. Ministers determined the amount of funding available within the Grant as the impacts of the pandemic became clearer. The Local Government Finance Policy and Sustainability Division created a streamlined and low-cost delivery mechanism and advised Ministers on general support for local authorities' costs and lost income.
113. Later, funding was released to support authorities in safely re-opening the visitor economy and for enhanced capacity in public protection teams for enforcement activity. It was also used to fund support for those national schemes that were administered by local authorities, such as statutory sick pay enhancement and self-isolation payments to individuals who met certain criteria.
114. In total, funding provided to local authorities through the Hardship Grant for 2020-21 and 2021-22 was over £1.038bn.
115. Local authorities were provided with guidance documents that explained the process for making applications under the scheme, and the principles that would be applied by the Division when determining what losses and/ or expenditure were recoverable. I exhibit copies of this guidance as RK/M2B/CTPD-01-50/INQ000227872 ("Terms for Recovery of Costs Incurred as result of Covid-19", dated 23/03/2020); RK/M2B/CTPD-01-51/INQ000066185 ("Loss of Income Principles", undated); RK/M2B/CTPD-01-52/INQ000066186 ("Local Government Single Emergency Hardship Funding – Terms for the recovery of costs as a result of Covid-19", dated November 2020) and RK/M2B/CTPD-01-53/INQ000066187 ("Local Government Hardship Fund Additional Cost Claims – Principles and Guidance 2021-22"). I am advised that the operation of the scheme was adjusted on several occasions over the course of the relevant period and the documents exhibited above reflect the terms and principles at various points during this time.

Measures implemented by Local Government Performance and Partnerships Division

116. The principal and extremely important role played by the Performance and Partnerships Division was in managing and sustaining the relationship between Ministers and local government Leaders during the pandemic, as well as supporting consistent, predictable and open channels of communication, through the regular meetings between Ministers, local authority leaders, and LGD officials. I have already outlined how those meetings operated and their crucial contribution to Welsh Government engagement with local government during the specified period.

117. I have also referred to the Digital Data and Technology Advisory Group, which was another component of the Performance and Partnership Division's Covid-19 responsibilities during the specified period.

Measures implemented by the Community Safety Division

Continued engagement with FRSs in Wales

118. The Community Safety Division of LGD continued to engage with Fire and Rescue Services in Wales throughout the specified period, principally but not exclusively at Chief Fire Officer level. The main areas of discussion were the impact of staff absences due to Covid-19 on emergency response capability; the impact of Covid-19 restrictions on FRS's fire prevention and regulatory work; and the provision of FRS personnel, appliances and equipment in support of the NHS.

Continued engagement with policing in Wales

119. The Community Safety Division worked with the Police Liaison Unit (embedded within Welsh Government) to ensure that Chief Constables and Police and Crime Commissioners in Wales were effectively engaged in Covid-19 decision making. This included ensuring policing leads had adequate and early sight of any changes to Covid-19 regulations ahead of implementation and gathering feedback from the forces to support the continual adjustment and refinement of the regulations as the pandemic evolved. Policy officials from the Community Safety Division had regular meetings with the four Chief Constables and Police and Crime Commissioners to this end.

120. Establishing a regular pattern of engagement with policing in Wales was particularly important as there were points during the pandemic where public health regulations differed across England and Wales. This made it essential to ensure that policing leads were able to help inform the Welsh regulations and were confident when tasking police staff to enforce them in an effective, proportionate and informed way. It also provided opportunity to deal swiftly with emerging issues, such as increasing the penalty for unlicensed music events.

121. Policing in Wales also provided regular feedback to Welsh Government on issues that were encountered when taking enforcement action in relation to the restrictions – including cross border issues, especially relevant in the context of public information. This operational intelligence ensured that practical considerations were fed into the ongoing process of updating and refining the public health regulations.

Concluding remarks on the role of LGD in the Welsh Government's response to the pandemic

122. Outside its own Directorate-specific measures implemented in response to the pandemic, LGD participated in the Welsh Government's internal response and briefing structures. For example, LGD participated in the daily Covid-19 Bird Table meetings and the stakeholder groups that informed the 21-Day Reviews. Reflecting the views of local authorities was a vital means of helping to shape the advice that the 21-Day Review team put to Ministers, who were very keen to understand local authority views at every stage of the policy making and decision process.

123. Colleagues from the Directorate also worked closely with policy colleagues from other Directorates including economic policy, schools and social care, to provide advice on largely operational matters related to funding and governance, for example, how financial pressures in service areas might be dealt with through the Hardship Fund mechanism or how specific questions of policy could be clarified or answered quickly.

124. On a more general note, the pandemic generated very large volumes of correspondence and other government business across the Directorate, including in relation to local taxes, the business support schemes, and the local taxation system. The Directorate's senior team worked together to establish new processes to manage the increased volumes of business alongside other pandemic-related work. Where possible, the different Divisions and teams within the Directorate provided

support to each other as and when needed, to help manage the significant additional pressures on colleagues at a very difficult time. A good example of this was the redeployment of six individuals from Academi Wales, which was not directly involved in the response to Covid-19, to the Emergency Co-ordination Centre Wales (ECCW). Additionally, the Deputy Director of the Transformation and Partnerships Division was redeployed to the Civil Contingencies team to lead planning work on Excess Deaths from March to July 2020. This work developed assurance around the public sector preparations for, and management of, the potential of a high number of deaths during the Covid-19 pandemic. A detailed report on the Excess Deaths work has been submitted separately to the Covid-19 Inquiry team, I exhibit this as RK/M2B/CTPD-01-54/INQ000227835.

LGD relationship with UK Government and the devolved governments during the specified period

125. As stated above, responsibility for local government matters is almost entirely devolved. With the exception of local tax matters where there is some shared infrastructure in place, routine contact with the UK Government on local government matters is therefore very limited. This is also the case in relation to contact with the other devolved governments. That approach did not change during the pandemic, with contact being limited to specific issues and with no formal regular contact either at Ministerial or official level on the general local government response.

126. I did nonetheless have regular informal telephone calls with the Director of the Office of the Secretary of State for Wales, Glynne Jones CBE. These began initially on a daily basis in April 2020 before moving to a weekly basis later that year. The calls were wide-ranging and on occasion would cover matters relating to local government, although at a necessarily high level of detail.

Views or concerns raised by local authorities and the WGLA

127. I have been asked to comment on whether any views or concerns were raised with LGD by local authorities or WGLA during the specified period, in particular, regarding: (a) the firebreak lockdown, (b) easing restrictions in June 2020, and (c) the opening and closing of education settings.

128. As I explained earlier in this statement, LGD has no direct oversight of or involvement in the service areas that local authorities are responsible for, which remain the responsibility of the relevant Ministers and policy Directorates within Welsh Government. Education is one of those services. Any concerns that local authorities had regarding the opening and closing of education settings would therefore have been a matter for discussion between the authorities and the Minister for Education, channelled through officials in the Education Directorate. However, the Education Minister (or other Ministers with service responsibilities) would often attend the regular local government meetings, or the extraordinary meetings held to consider specific issues relating to the pandemic and the impact on their areas of policy responsibility.

129. As to the making and easing of lockdown restrictions otherwise, the First Minister was committed to understanding the potential implications for local government of the Welsh Government's policy options. The views of local authorities in this regard would be largely secured through the cycle of meetings associated with the 21 Day Reviews. Of course, as the virus moved rapidly through communities and incidence grew, so did the challenge of trying to contain and then control that spread. This challenge raised a number of urgent issues that needed joint consideration, and so additional meetings with local government were arranged to focus on these matters.

130. For example, in late summer 2020, the incidence of Covid-19 was increasing, and this was particularly so in specific areas. This prompted the strategy of local lockdowns in an attempt to control the spread of the virus. The first of these local lockdowns was introduced to Caerphilly local authority area in early September. The lockdown in Caerphilly was followed by measures covering Rhonda Cynon Taf, Blaenau Gwent, Merthyr Tydfil, Cardiff, Swansea and Newport local authority areas, and Bangor City in Gwynedd and Llanelli in Carmarthenshire during September and October 2020.

131. Introducing local lockdowns was a major step which Welsh Ministers did not take lightly. They had to balance the need to act early and quickly so as to maximise the preventative impact of the measures, but also in a way that was proportionate, minimising the restrictions on individuals' lives and livelihoods so that these were imposed only when it was absolutely necessary. To that end, Ministers communicated with local government and other parties, such as the Police, to understand the local challenges that the lockdowns would create and how effective they were likely to be at controlling the spread of the virus. These were crucial matters which Ministers were keen to understand as fully as possible before taking any action. In addition, when it came to implementing new measures, the approach of the Welsh Government was,

wherever possible, to provide some notice to the organisations that would be impacted by those measures, rather than making unilateral decisions with no warning, which was less likely to generate support and compliance. Therefore, in the days before each local lockdown was announced, Ministers held a series of discussions with the relevant local authority Leaders, Chief Executives, WLGA, and often the Police, to set out the underlying public health data and reasoning for the potential implementation of further measures. These meetings were led by the Covid Project Team and those undertaking the 21 Day Review, and arranged both by the Team and the Office of the First Minister. The meetings were not always formally recorded, but I attach the notes that are available, which relate to the meetings that took place on 14 September 2020 RK/M2B/CTPD-01-55/INQ000227472, 22 September 2020 RK/M2B/CTPD-01-56/INQ000227477, 27 September 2020 RK/M2B/CTPD-01-57/INQ000227478, and 10 October 2020 RK/M2B/CTPD-01-58/INQ000227476, as well as an email dated 13 October 2020 which lists the dates of the meetings that took place RK/M2B/CTPD-01-59/INQ000227468. The same approach was later followed in relation to the easing of restrictions.

132. A similar approach was also adopted in respect of the eventual escalation from the series of local lockdowns to the national Firebreak at the end of October 2020, as the public health situation deteriorated further. While LDG did not lead or provide the support for the meetings relating specifically to the Firebreak, this topic would have been raised during the regular LGD arranged ministerial meetings as well.
133. There were several common themes which ran through the discussions between local authorities and Ministers as measures were implemented. First, local authority Leaders welcomed the frequent engagement on such critical matters and the opportunity to contribute their views. They provided Ministers with assurance on the actions being taken at local level by their councils, as well as specific intelligence for their areas – for example, from the Test, Trace and Protect programme, or more detailed advice from their public health Incident Management Teams.
134. Second, there was discussion about the legislation and how particular provisions might operate in practice: for example, the schedule of “reasonable excuses”, under the Regulations, according to which people were permitted to leave an area which had been locked down.

135. Third, there was discussion about how to maximise public compliance with the rules, including, in particular, how to develop the most effective communications strategies to educate and inform the public.

136. Fourth, the need for visible and effective enforcement was a constant issue for discussion. While most people behaved responsibly, there was a constant debate about how to create and sustain high levels of public trust in the Welsh Government response through clear communication and consistent action. This led to the establishment of joint teams comprising members of the Police and local authority Environmental Health Officers, which were partly financed by the Welsh Government through the Hardship fund.

Wales-specific Covid-19 Messaging

137. Communication of the Welsh Government Covid-19 regulatory regime and the difference of approach between England and Wales was a constant theme running through the ongoing discussions that took place between local authorities, Welsh Government, and Ministers throughout the specified period, and which I have described in this statement. Evidence from others will have explained the challenges of communicating specific Wales messages in a context where most Welsh citizens receive media from the English or UK press and TV.

138. There were regular briefings by Welsh Government communications colleagues to local authority Leaders, Chief Executives and Communications Teams as part of the regular Ministerial meetings that were facilitated by LGD. These briefings, along with links into the Warning and Informing groups (which are part of the pan-Wales Major Incident Communications Framework), made sure that the differences between approaches in England and Wales were made clear and that local authorities had sufficient and timely material to understand and present the Wales position accurately when communicating with the local community. I would regularly share embargoed copies of Ministerial statements and press notices with local authority Leaders, Chief Executives, Police and Crime Commissioners, and senior colleagues in the emergency services, the evening before the public announcement of the 21 day Review outcome. This ensured that there was time for those organisations to disseminate the messages internally, as well as raise any questions they might have with the Welsh Government, in advance of the public announcement. This enabled a single set of clear and consistent messages to be shared with all those who may be subject to public questioning when announcements were made.

139. This was also the approach taken with epidemiological data as it became available so local authority Leaders and Chief Executives, along with those in the police and fire services, would have the very latest understanding of the incidence and development of the virus, along with the resulting pressures on the NHS. That data was managed by the Technical Advisory Cell rather than LGD.

Data modelling

140. Advice on local tax matters is underpinned by the detailed analysis of large and complex data assets in the normal course of events. There was no deviation from this approach as a result of the pandemic. The options and advice for the provision of non-domestic rates relief, business support grants, council tax reduction scheme caseload and local tax collection were informed by the analysis of the most recent and complete data available. In the case of rates relief and business support grants, models of the number of properties potentially eligible and forecasts of the costs of the schemes were developed, drawing on full data-sets of the non-domestic rates tax-base in Wales and incorporating a range of assumptions to reflect the prospective qualifying criteria for the schemes.

Behavioural management and/or public communications

141. LGD did not advise on the behavioural aspects of the NPIs or the regulatory regime. These matters were dealt with by the Risk Communication & Behavioural Insights subgroup of the Technical Advisory Group, which was chaired by the Chief Scientific Adviser for Health. As with other scientific aspects of Covid-19, colleagues with professional expertise were engaged through the range of meetings with local government to explain, advise and answer questions on these matters. Similarly, they would advise Ministers and in doing so, take account of the views provided by local authorities.

Lessons learned

142. In the summer of 2020, the Permanent Secretary commissioned the ExCovid Group to undertake a cross-Government stocktake and lessons learned exercise in relation to the overall response of the Welsh Civil Service to the Covid-19 pandemic. Each Directorate undertook its own stocktake exercise, the aim of which was to identify what had worked well, as at that time, and what we would do differently, to enable us

to consider how the Welsh Government might adjust its arrangements for the future, particularly given the anticipated further waves. LGD's report to ExCovid was completed in November 2020 and is exhibited as RK/M2B/CTPD-01-60/INQ000227917 and RK/M2B/CTPD-01-61/INQ000227964. I also exhibit the report of the EPS Group dated March 2021, which reviewed how the Group as a whole had responded to the pandemic, taking into account the findings of the stocktake exercises that had been carried out by the individual Directorates and Inspectorates that are part of EPS: RK/M2B/CTPD-01-62/INQ000066546. The wider ExCovid report is exhibited as RK/M2B/CTPD-01-63/INQ000227454.

Evidence at Senedd Committees

143. LGD officials have not provided evidence to Senedd committees specifically on our work responding to the pandemic. Inevitably, as part of other committee business – for example, general scrutiny sessions of the Minister with responsibility for local government, or scrutiny of the local government Main Expenditure Group as part of scrutiny of the Welsh Government Budget – the impact of Covid-19 on spending, local taxation or local government corporate matters has been discussed.

Land border between England and Wales

144. I have been asked to comment on what impact, if any, the land border between England and Wales had on any advice provided by LGD. I can confirm that the significance of the land border did not feature in any material way in any of the action taken or advice given by LGD in response to Covid-19.

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.

Personal Data

Signed: _____

3rd October 2023

Dated: _____

ANNEX 1

List of 22 principal councils in Wales

- Blaenau Gwent County Borough Council
- Bridgend County Borough Council
- Caerphilly County Borough Council
- Cardiff Council
- Carmarthenshire County Council
- Ceredigion County Council
- Conwy County Borough Council
- Denbighshire County Council
- Flintshire County Council
- Gwynedd Council (known as Cyngor Gwynedd)
- Isle of Anglesey County Council
- Merthyr Tydfil County Borough Council
- Monmouthshire County Council
- Neath Port Talbot County Borough Council
- Newport City Council
- Pembrokeshire County Council
- Powys County Council
- Rhondda Cynon Taf County Borough Council
- City and County of Swansea
- The Vale of Glamorgan County Borough Council
- Torfaen County Borough Council
- Wrexham County Borough Council