

## **IN THE UK COVID-19 INQUIRY**

**Before the Right Honourable Baroness Hallett D.B.E.**

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### **WRITTEN SUBMISSIONS OF THE WELSH GOVERNMENT**

#### **FOR THE MODULE 9 PRELIMINARY HEARING**

**ON 23 OCTOBER 2024**

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1. The Welsh Government re-affirms its full commitment to the Inquiry and its determination to provide the fullest possible cooperation, so that the decisions it took in response to the pandemic are thoroughly scrutinised. To that end and as in all other modules, the Welsh Government will ensure that the Inquiry is provided with all the evidence it seeks and needs to fulfil its terms of reference.
2. Economic decision-making, including support for businesses, additional funding for public services, voluntary and community sectors and support for vulnerable people in Wales, is central to Module 9 and it is devolved to the Welsh Ministers.
3. The Welsh Government notes and welcomes the Inquiry's confirmation that rather than looking to establish a narrative account of the economic measures taken by governments in the United Kingdom, it is particularly interested in the systems and structures that shaped the economic response to the pandemic and an evaluation of the economic measures implemented during the pandemic.
4. The Welsh Government fully understands the importance of recognising the difficulties suffered by people from different communities and backgrounds including those who were at greater risk or otherwise vulnerable and welcomes the indication that the equality of economic interventions, including equality of impact, is to be considered in Module 9.
5. The Welsh Government undertook a range of policy and economic analyses about the pandemic and its impact on the Welsh economy and it developed interventions to support businesses and employees.

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6. Specific economic initiatives were established in Wales, and they were separate to the UK-wide economic response. This included (but was not limited to) the Economic Resilience Fund, the core financial scheme which provided financial assistance for eligible businesses and organisations in Wales which were facing operational and financial challenges.
7. The Economic Resilience Fund complemented specific funds for the hospitality, tourism leisure and supply sectors and the Cultural Recovery Fund. Each round of applications for grants from the Economic Resilience Fund was underpinned by economic analysis. There were regular audits of the operation of the Fund (particularly in relation to its impact), to make sure that it was supporting those most in need at a point in time, e.g., the retail, hospitality and tourism sectors.
8. The assessment of potential economic interventions was supported by the Socio-Economic Harms sub-group of the Welsh Government’s Technical Advisory Group (“**TAG**”). The sub-group provided expert advice to TAG which in turn gave advice to, and prepared briefings for, Ministers on pandemic-related policy interventions. Additionally, the Minister for the Economy’s Ministerial Advisory Board met regularly throughout the pandemic to provide valuable intelligence, evidence, challenge and support to the Minister.
9. Under s. 60 of the Government of Wales Act 2006 the Welsh Ministers may do anything which they consider appropriate to achieve the promotion or improvement of the economic, social or environmental well-being of Wales. Utilising these powers, a Self-Isolation Support Scheme for Wales was established as a discretionary scheme whose purpose was to ease the financial barriers faced by people of low incomes when needing to self-isolate.
10. Throughout the pandemic the Welsh Government worked with local authorities to make sure that non-essential retail, hospitality, leisure and tourism businesses could receive support from the Non-Domestic Rates-linked grants which were administered by local authorities. Local authorities also administered a discretionary fund, established by the Welsh Government, for sole traders, freelancers and taxi drivers and businesses that employed people but did not pay business rates.
11. Following the sharp and severe drop in use of public transport early in the pandemic (a decrease of 95%), the Welsh Government funded bus and rail operators at pre-Covid-19 demand levels to maintain a foundation timetable to allow key workers

to get to work and for those without a car to travel to shops for essential food and medical supplies.

12. The Bus Hardship Fund provided immediate support at the start of the pandemic following which the Welsh Government set up the Bus Emergency Scheme in July 2020 to support the provision of an integrated and flexible network to match supply to demand, to maintain flexible services, and to allocate any additional funding required.
13. An ‘Emergency Measures Agreement’ was approved in May 2020 to help Transport for Wales rail services cope with the ongoing effects of the pandemic. This followed an initial short-term agreement which was confirmed in March 2020.
14. The Welsh Government also took significant steps to support public services and vulnerable individuals during the pandemic. Additional funding for healthcare, local government and education services was provided. A Local Government Hardship Fund supported vital social care services, and it made sure that schools were able to adapt to new ways of working. The fund was financed by the Welsh Government and additional funds were given to support the Discretionary Assistance Fund which provided support for the most vulnerable people in Wales during the pandemic.
15. The Welsh Government provided two streams of funding under the Third Sector Covid-19 Response Fund for the voluntary and community sector including Welsh charities and not-for-profit organisations, bodies which faced huge financial and operational pressures during the pandemic. The first funding stream was the Third Sector Resilience Fund: it gave direct financial support to charities and third sector organisations through the Covid-19 crisis to help pay bills and ease cash-flow. The second was the Voluntary Services Emergency Fund: it supported third sector organisations in the community to co-ordinate the volunteer response across Wales and to help organisations cover their volunteers’ out-of-pocket expenses.
16. In providing support to businesses and the voluntary and community sectors, the Welsh Government was in regular contact with businesses in putting together the packages of economic support. The Welsh Government also took steps to communicate in Welsh with organisations that worked in the language. Those bodies were able to access support through the medium of Welsh thereby ensuring that they were not unduly disadvantaged when accessing information about the available support. This work included a community survey of the impact of the

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pandemic-related restrictions on volunteering through the medium of Welsh and use of the Welsh language. Financial support was also provided by the Welsh Government to the Eisteddfod Genedlaethol, the Llangollen International Musical Eisteddfod, the Hay Festival and Urdd Gobaith Cymru to help with the impact of Covid-19.

17. There are some topics in Module 9 that are outside the devolved executive competence of the Welsh Ministers. Employment rights (including benefits and sick pay) are matters reserved to the UK Government. Although the Welsh Government was not involved in the UK Government’s decision-making in these areas, the people of Wales were directly impacted by them and the Welsh Government will provide evidence about their impact in Wales.
18. As the Inquiry progresses to its ninth module the Welsh Government will continue to strive to learn lessons from the handling of the pandemic. The Welsh Government warmly supports the continuing importance rightly given to “Every Story Matters”. Understanding the human experience of those who accessed (or who did not access or were unable to access) the economic schemes offered in the four nations will form a central part of the Inquiry’s work.
19. The scope of Module 9 and the lines of inquiry identified in Counsel to the Inquiry’s note raise important issues of far-reaching concern for all four governments. Those matters include equality of access to support; the reasons for any disparities in the provision of support; whether government interventions had an unequal impact, with consideration given to those who were at greater risk of financial hardship or were vulnerable, whether economically or otherwise.
20. The Welsh Government welcomes the expert report on devolved and local government finance, but it would ask the Inquiry to make sure that all expert reports prepared for Module 9 properly consider devolved matters and the distinctive and different economies of the four nations. For example, one of the characteristics of the Welsh economy is the significant number of micro-companies. The impact of economic measures on defining features of the economies of Wales, Scotland and Northern Ireland should be an important point of investigation in this Module. The Welsh Government would also ask that requests for evidence that are sent to relevant English, Scottish and Northern Ireland bodies should also be sent to their Welsh counterparts. That approach will ensure that the Inquiry gathers as complete an evidential picture as it can.

21. During the pandemic the Welsh Government routinely engaged with social partners and stakeholders, including Welsh business representative organisations and UK organisations such as the Confederation of British Industry, the Federation of Small Business, Chambers of Commerce and Make UK. The Welsh Government is pleased to see that these organisations have received questionnaires to support its work in this Module. We would also suggest that questionnaires are sent to other specific devolved organisations which played an important role in informing decision-making in Wales, Scotland and Northern Ireland. In Wales, the Welsh Retail Consortium, the Trade Union Congress Cymru and bodies such as the Development Bank of Wales, Transport for Wales, Industry Wales and Cwmni Egino will be well placed to provide valuable information to the Inquiry.
22. The lessons learned in this module will ensure that this Welsh Government, and future Welsh Governments, have the best possible information available to prepare for, and respond to, any future public health challenges.

**11 October 2024**