

**Witness Name:** Dan York-Smith

**Statement:** M9/HMT/1

**Exhibits:** DYS/01 – DYS/59

**Dated:** 20/10/2025

**THE UK COVID-19 INQUIRY**

**MODULE 9, INDIVIDUAL WITNESS STATEMENT OF  
DAN YORK-SMITH**

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I, Dan York-Smith, will say as follows:

1. I am providing this statement in response to the Inquiry's Rule 9 request dated 4 July 2025 ("Rule 9 request").
2. In line with the Rule 9 request, I have focused on the work I engaged in as part of the UK Government's economic response to the pandemic, for the period between January 2020 and November 2020 ('the relevant period') when, as explained below, I was Director of His Majesty's Treasury ("**HM Treasury**") Strategy, Planning and Budget Group. In March 2020 I assumed responsibility for the coordination of the department's Covid-19 economic response. My role then changed significantly again in November 2020, when it reverted to my pre-February 2020 responsibilities and I focused on the department's routine work, as set out in Part A below.
3. I have compiled this statement in good faith and with best efforts in the time available. In order to assist my recollection of the matters referred to in the Inquiry's Rule 9 Request and the preparation of this statement, I have taken account of information supplied by HM Treasury and read HM Treasury's Module 9 corporate statement. Due to the passage of time, to assist in the Inquiry and for expediency, where it accords with my own recollection, I have drawn upon relevant parts of the corporate statement to provide established background context.

4. The matters referred to in the Inquiry's Rule 9 request are wide-ranging, the scale of the material generated over the relevant period is vast and significant time has elapsed since 2020. Those assisting me with the statement have sought to identify the documents and correspondence relevant to the Inquiry's Terms of Reference and the matters I have been asked to address. Whilst I have some independent knowledge and recollection of matters referred to, due to the passage of time it is not possible to independently recall every detail therefore, I have also read some of the information identified by HM Treasury to assist my recollection and ensure the contents of this statement are accurate. However, any views expressed in this statement are my own. I have done the best I can to recall events to assist the Inquiry and have referred to contemporaneous documentation however, it has not been possible to read all available records, due to the large volume of material. Should it assist the Inquiry I would be happy to clarify or expand on any aspect of the evidence set out in this statement.

#### **PART A: ROLE AND RESPONSIBILITIES**

5. I am the Principal Private Secretary to the Prime Minister. I have held this position since September 2025. In this role, I am responsible for the overall operation of the Prime Minister's Office. Prior to that, I spent most of the last 21 years in HM Treasury. I was most recently Director General, Tax & Welfare from November 2022, at first on an interim basis. I have also been Press Secretary to the Chancellor (2015-16) and Deputy Director for Enterprise and Property Tax (2017). I worked in 10 Downing Street once before, where I served as the Prime Minister's Private Secretary (Economic Affairs) from 2013-2015.
6. During the Covid-19 pandemic I was Director of HM Treasury's Strategy, Planning and Budget Group ("**SPB**") which ordinarily leads on the department's overall strategy, resourcing and prioritisation, and acts as HM Treasury's central coordination function. SPB supports HM Treasury's Executive Management Board ("**EMB**") in setting strategic direction for HM Treasury, working with and alongside groups across the department to bring together HM Treasury's departmental objectives into a coherent strategy. SPB oversees the Budget and other fiscal events and delivers HM Treasury's overall business

plan and permanent and flexible resource allocations to achieve that plan, amongst other functions.

**PART B: DIRECTOR OF STRATEGY, PLANNING AND BUDGET GROUP ('SPB')**

7. SPB is the central policy group in the Treasury. It is responsible for the overall delivery of fiscal events, in particular the Budget and associated finance bill; departmental strategy and business planning; and it provides flexible resources through a central project team which can be deployed to priority projects.
8. Like most Treasury groups, the core functions and responsibilities of SPB remained consistent during the pandemic, but the scale and pace of Covid-19 required the group to operate with greater agility and flexibility. Compared with many other areas of the department, SPB expanded more substantially as it took on additional Covid related responsibilities. This growth was evident in its core functions, for example the flexible project team doubled in size to enable rapid deployment of capacity to new and emerging policy areas. Additional temporary resourcing was also brought into the central Budget team, who co-ordinated economic response policy announcements like the Plan for Jobs and the Winter Economy Plan.
9. Early in the pandemic, consistent with SPB's co-ordinating role, it was recognised that SPB was best placed to lead a co-ordinated response to Covid. As such, my role and the role of the SPB changed early in the pandemic. From around early March 2020 I took on the additional role of the Director responsible for the co-ordination of the department's work on Covid-19. I held this role, alongside my existing role until the end of October 2020 when Kate Joseph joined the department as Director for the Covid Response and my responsibilities reverted to their pre-March 2020 scope.
10. My additional responsibilities were to provide leadership, oversight and direction to the Covid Response group's work; to help bring together the subject matter experts across the Treasury, to represent their views and evidence both to the Chancellor and to the Cabinet Office and supporting them in navigating trade-offs where these arose; and to ensure that information about the central, Cabinet Office led process was quickly shared with colleagues working on the

economic response to Covid.

11. In early March 2020, a Covid Response Team was established in SPB to provide a central point of contact between the Treasury and the emerging governance in the Cabinet Office - initially the Covid-19 Secretariat and later the Covid-19 Taskforce. This team evolved naturally from the role the group had already begun to play in February 2020, when it was tasked with coordinating a package of economic policy measures for the new Chancellor's 11 March Budget. The team had responsibility for:

11.1. Bringing together Covid-related advice to the Chancellor and HM Treasury ministers. This included drawing together analysis on the economic impacts, business impacts, public services, costs, risks, distributional effects and international experience; and

11.2. The relationship with the central decision-making processes, particularly Cabinet Office and No.10 Downing Street.

12. EMB Minutes dated 16 March 2020 note the recruitment of two Deputy Directors to lead this team [DYS/01 - INQ000657986]. It was initially established with two Deputy Directors, Jonny Medland and Alex Furse, to reflect both the volume and scale of the workload and the likelihood of weekend working and out of hours working, ensuring greater resilience in leadership. The initial team began with around seven members and later expanded as demands increased.

13. The team's main objective was to ensure that individual policy teams in the Treasury working on particular policies received timely and consistent information about the Government's overall Covid-19 strategy and that there was a co-ordinated, single response to requests from the Cabinet Office. The intention here was to mirror the role the group played on the Budget which generally involved little direct policy ownership, but instead focused on bringing policy and analysis together to allow ministers to make decisions in the round.

14. By mid March 2020, a decision was taken to put more formal governance around the Covid Response. Due to the passage of time, I am unable to recall who made the decision but it reflects HM Treasury's standard way of working

which is to ensure good governance. An email from Jonny Medland to Director Generals, Directors and Deputy Directors dated 16 March 2020 that they led on formalising the governance around the department's work **[DYS/02 - INQ000657987]**. The Covid Response Board was established as part of this work and its inaugural meeting took place on 27 March 2020 **[DYS/03 - INQ000657988]** **[DYS/04 - INQ000657985]** **[DYS/05 - INQ000657984]** **[DYS/01 - INQ000657986]** **[DYS/06 - INQ000657991]** **[DYS/07 - INQ000657989]**. I chaired the Board when I was available and able to do so; otherwise, others took up the role of Chair. The Terms of Reference **[DYS/08 - INQ000658040]** for the Board outline its purpose, objectives and remit. They are summarised in an organogram of the Covid Response Structure dated March 2020 **[DYS/09 - INQ000655226]** as follows:

- 14.1. Drives HMT strategy, analysis & policy development in response to Covid-19;
  - 14.2. Oversees effective collaboration & agreement on cross-HMT response; and
  - 14.3. Sets HMT's strategic priorities through Covid-19 response team and policy teams.
15. There were four Sub-Boards that included: the Economic/Business Response Sub-Board chaired by Vanessa McDougall, the Public Services Response Board chaired by Will Garton, the Vulnerable People Response Sub-Board Chaired by Lindey Whyte and the International Response Sub-Board Chaired by Veda Poon. This internal governance set up was to mirror the CO implementation groups **[DYS/09 - INQ000655226]**.
16. As the pandemic progressed, the team also co-ordinated advice to the Chancellor ahead of his discussions about the path of social distancing restrictions, bringing together expert teams across the department and agreeing a recommendation from officials, where a recommendation was required.
17. In addition to this Covid-19 specific work, my standing responsibilities included overseeing the process by which the Chancellor was informed and assessed the fiscal and economic implications of the health restrictions, and how these

interacted with wider fiscal events and policies not directly related to the pandemic.

18. I had good working relationships with those referred to below, to the extent that I engaged with them at the relevant time.
19. During the relevant period, I worked with the Chancellor and Senior Civil Servants within HM Treasury serving in part as a conduit for information from the Cabinet Office Secretariat, then Taskforce, which led government decision making on the pandemic response. I also continued to support the Chancellor in navigating trade-offs on the economic policy response, much as I would for the Budget or other fiscal events. For example, balancing the need for rapid short-term action, with the desire for well targeted support, and an awareness of the longer-term policy consequences. The need to navigate trade-offs in policy making was not in itself unusual, but the pace and scale of the pandemic meant that decisions often had to be taken quickly on the basis of information available at the time. Overall the approach taken was holistic, no single aim was pursued in isolation, and where one aspect necessarily gave way to another, due consideration and serious thinking was given to trade-offs to balance competing demands. This support was typically provided as part of discussions and during meetings.
20. Beyond HM Treasury, I regularly engaged with colleagues in other government departments, including departmental representatives on the Covid response strategy. My core role as SPB director was primarily internally facing, supporting the Treasury in managing the process of preparing for fiscal events. My Covid-19 related responsibilities were far more Cross-Whitehall in nature. This involved providing input to the Cabinet Office government decision making processes, including liaising with DHSC and other economic policy departments such as the Department for Business, Energy and Industrial Strategy, the Department for Levelling Up, Housing and Communities and the Department for Culture, Media and Sport.
21. I had limited engagement with parties external to government as I was not responsible for any individual part of the economic policy response. From time to time, I engaged with civil servants working in the devolved governments who were working in similar co-ordination roles. For example, I had several calls

with Alyson Stafford in the Scottish government. Engagement more commonly took place between the devolved governments and other Treasury officials who were involved in the development of economic schemes, policy making and budget related matters concerning the devolved governments. The department's relationships with the devolved governments were well established. I am not aware of the extent of engagement being limited by the pre-existing relationship.

22. I do not recall experiencing any specific challenges in working with those identified above, aside from the rapid pace of developments in the early weeks of the pandemic as the Cabinet Office central governance structures were being established and my work on the economic response to the pandemic was certainly not adversely affected by any of those relationships.
23. As a whole HM Treasury worked effectively with other government departments and public bodies in the economic response to the pandemic, most notably HMRC; BEIS; DWP; DCMS; MHCLG. Given that many of the economic interventions were designed and implemented by multiple departments, collaboration was an integral part of the response. The nature of the relationships with other government departments during Covid-19 varied depending on a variety of factors such as; the purpose of collaboration, the composition of the respective teams, the prevailing pandemic developments, the evolution of the virus, and the necessity of the economic schemes. However, overall the working relationship with each department was effective, including the relationship with HMRC, as outlined at paragraph 26.
24. In the first phase of the pandemic, the Treasury engaged with the Ministerial Implementation Groups ("**MIGs**") and the Covid-19 Secretariat as it developed. Once the Cabinet Office had established the Covid-19 Taskforce, HM Treasury officials worked closely with the Taskforce to ensure fiscal and economic considerations were included in decision making and collaborated with Cabinet Office officials to support them in analysing economic evidence as part of the wider evidence used to support decision making by ministers and ultimately the Prime Minister. HM Treasury was central to various reviews, such as the Roadmap and Social Distancing Review and developed assessments for ministers of the economic impacts of the pandemic, restrictions, and policies

for No.10 and the Cabinet Office, many of which were shared with other ministers.

25. HM Treasury engaged in cross-government decision making through its participation in the MIGs introduced by the Prime Minister in early March 2020. Strategic decisions were made by Cabinet Office Briefing Rooms (“**COBR**”). The Covid-19 daily meetings monitored progress and refined measures agreed by COBR, and the implementation committees fed into the Covid-19 meetings. In early June 2020 the Cabinet Committee structures were streamlined into the Covid-19 Strategy Committee (“**Covid(S)**”) and the Covid-19 Operations Committee (“**Covid(O)**”). The Chancellor had a seat on both Covid(S) and Covid(O).
26. The level of successful co-operation and joint working between HM Treasury and other departments is evident in the design and delivery of economic support schemes. For example, the HM Treasury-HMRC policy partnership helped deliver key interventions, including the Coronavirus Jobs Retention Scheme (“**CJRS**”) and the Self-Employment Income Support Scheme (“**SEISS**”) delivered through the welfare system.
27. Many economic support schemes were developed at pace, from design to announcement in a matter of days, and required cross-departmental collaboration to ensure their rapid and effective implementation. This would not have been possible without HM Treasury working effectively and closely with other UK Government departments. Cross-departmental collaboration improved markedly as structures were established to support co-ordinated decision-making. In particular, the creation of the Covid Taskforce supported cross-departmental alignment on priorities, responsibilities and timelines. Regular meetings and clear processes for decision making helped to strengthen coordination and enable departments to collaborate effectively so that decisions were taken with a shared understanding of key factors. Future responses could benefit from embedding these cross-government mechanisms from the outset.
28. For most economic support schemes, HM Treasury was either solely or jointly responsible for developing the policy and was closely involved in overseeing

delivery. HM Treasury's role was also to ensure that the economic and fiscal impact of policies under consideration were understood and explained to ministers, and to provide spending cover.

29. The speed at which policies had to be developed and delivered was a significant challenge and the urgency of the situation occasionally prevented HM Treasury from giving as much advance notice of changes to certain schemes to other departments as would ideally be the case. Nevertheless, there was a shared sense of purpose and collaboration across government to overcome these challenges and ensure that support reached those who needed it as quickly as possible. As outlined at paragraph [xx] I was not involved in the development of Covid-19 related policies and economic schemes therefore, I am unable to provide specific examples of shorter than usual advance notice. However, for context, in ordinary times economic policy and schemes might be developed over many months or years and will often include wide and lengthy advance discussion with other government departments. My understanding is that the unprecedented speed, scale and imperatives of the pandemic meant that across the board decisions and actions were necessarily taken at pace and advance notice periods were shorter than might usually be the case.

30. Overall, my understanding is that, despite the challenges posed by the necessary speed of policy development, novelty of the interventions and operational and spending considerations connected to the introduction of various measures, the department worked effectively to leverage longstanding and evolving relationships with other departments in its economic response to the pandemic.

31. The Covid 19 Response Team was not responsible for the development of any single economic policy, as this was generally the responsibility of the relevant dedicated policy team within HM Treasury. The team's role was to coordinate the covid related information, analysis, and advice from across the department. In relation to HM Treasury's participation at Cross-Whitehall discussions regarding the pandemic, I was primarily responsible for connecting colleagues with the relevant economic experts. In practice, this meant facilitating links to officials from the analysis teams, rather than presenting the analysis myself. There were separate channels through which the economic analysis was

shared in more detail by the parts of the department which developed that analysis. For instance, in many of the regular meetings I had with the Cabinet Office and No.10, the Director for Economics Group also attended and would present.

32. I have been asked to explain my understanding of the following Government economic objectives:

**32.1. Preventing unemployment and supporting living standards:** HM

Treasury's most immediate fear for the economy was that restrictions would lead to very high levels of unemployment, which in turn would have long-term effects on the economy due to the scarring effects of extended periods of unemployment. Economic support sought to mitigate the impact of public health measures on jobs, living standards and the wider economy.

**32.2. Preventing viable businesses from failing:** Businesses faced a

significant reduction in demand, and disruption to their workforces, as well as further issues with supply chains and export markets, leading to increased costs and disruption to cashflow. Economic support sought to mitigate these challenges and enable businesses to continue to trade.

**32.3. Protecting the most vulnerable and avoiding unfair impacts:** HM

Treasury was aware from the outset that the economic costs of the pandemic would not be felt equally. Policy development took into account vulnerable groups and those with protected characteristics. HM Treasury monitored the equality impact of its policy interventions.

**32.4. Ensuring economic activity was consistent with NPIs and enabling a rapid recovery once restrictions were lifted:** Short-term economic

crises can have significant long-term economic effects, which is known as "scarring", including higher unemployment, lower wages and reduced capital investment. Economic support sought to enable economic activity in line with NPIs and reflect the relaxing and lifting of restrictions.

**32.5. Maintaining value for money and fiscal discipline:** While support measures were designed and implemented at pace, HM Treasury remained committed to ensuring policy development was value for money, minimising long-term economic damage and followed due process as far as practical.

33. The objectives above should be understood in the context of HM Treasury's fundamental aims during the pandemic, which were aligned with those of the wider government: to prevent the spread of the virus, protect lives and protect the economy. They should also be seen against the backdrop of HM Treasury's broader objectives, as set out in its Outcome Delivery Plan: to maintain sound public finances, deliver sustainable economic growth, and maintain macro-economic and financial stability [DYS/10 - INQ00088020]. These objectives provided the underlying rationale and framework for the department's pandemic response. The rationale for the specific Covid objectives was, in my view, self-evident and is clearly articulated within the objectives themselves.

34. HM Treasury worked closely with other departments, particularly the Cabinet Office to ensure that economic objectives and considerations were integrated into wider policy decisions. The Chancellor consulted the Prime Minister on key economic decisions and on occasion and when required, worked with the Cabinet Office to ensure that collective agreement was obtained through Write-Rounds (the means of collective agreement when a decision is not taken to a Cabinet Committee meeting) and Ministerial Groups.

35. I did not lead the process of setting these objectives, but they remained constant throughout the pandemic, which indicates they were grounded in sound policy advice. I do not recall any alternative objectives that may have been considered and therefore cannot assess whether others should have been included. In hindsight however, I believe the objectives identified were the right ones.

36. The prioritisation of these objectives evolved, as would be expected, in line with changing risks, emerging economic challenges, and the growing understanding of the virus. At each stage, the objectives and their relative priority were communicated clearly by the Chancellor to me and others within the Treasury during meetings, discussions and via management chains. As outlined above,

I did not lead the process of setting these objectives which were ultimately decided by Ministers therefore, I was not involved in the decision making exercise relating to the objectives. The objectives were not codified in a single document, they evolved organically and were reflected in the economic policy interventions developed during the pandemic.

### **Dedicated Covid-19 Team**

37. At the outset of the pandemic, as mentioned above, HM Treasury's governance quickly adapted to coordinate the department wide response with the setting up of the Covid Response Board. The Covid Response Board did not have decision making powers, it was designed for information sharing to develop a shared understanding of analysis and key issues, to inform advice for ministers and as a forum to discuss the work programme across the department. It initially met three times a week, before moving to twice weekly meetings. I chaired some of these meetings, but often delegated to the deputy directors who lead the Covid Response Team, as even in April 2020 much of my time was spent on leadership of the department, the group and my responsibilities for co-ordinating on Budget and tax strategy. By way of example, the Board focused on matters such as international approaches to NPIs, and the potential longer-term impacts of public health measures on the economy. More targeted matters were addressed as required, for example, preparations for winter, the costs and impacts of tiered systems of restrictions, and the approach to the 2020 festive period. The Board was chaired by me and subsequently Kate Joseph. Membership included representatives of all teams involved in pandemic work.

38. As outlined above, the Covid Response Team was also set up early in the pandemic to coordinate the covid related information, analysis, and advice from across the department.

39. In the summer of 2020, I agreed with the Permanent Secretary and my manager, the Director General ("**DG**") for Tax & Welfare, that we should appoint a dedicated Covid Response Director. This decision was made because it had

become clear that the pandemic response would be prolonged. While it had been logical for me to step into this role alongside my core responsibilities in March 2020, it was not sustainable in the longer term. In November 2020, Kate Joseph took up this role, following a recruitment process run by the DG. Kate assumed responsibility for the Covid Response Board and the Covid Response Team. Kate's appointment allowed me to refocus on my core responsibilities. This included supporting the Chancellor on decisions for the upcoming autumn Budget and other fiscal events, and the developments in the pandemic and the economic response were essential context to the advice I provided, but I was no longer co-ordinating that work or engaging with the Cabinet Office, except for a couple of periods when I covered for Kate during her absence. I believe the team had the resources it required to carry out its role effectively. I was able to delegate a range of tasks appropriately and the team functioned well under the circumstances.

40. Throughout the relevant period, HM Treasury officials worked to inform and advise the Chancellor and departmental ministers ahead of their participation in Cabinet-level decision-making fora, responding to ministerial requests for briefing, analyses and advice as necessary. Within a short time and based on steers provided by HM Treasury ministers, officials developed a detailed understanding of ministerial objectives and provided briefing aimed at supporting delivery of these. Given the often fast-paced nature of decision-making throughout this period and because HM Treasury participated in but did not own the decision-making process for NPIs, the audit trail is imperfect and HM Treasury's actions are therefore often less thoroughly or formally documented than might be normal. Many of these steers about information required by ministers were given verbally, via ministerial meetings and passed on through the relevant Private Secretaries.

41. The sharing of information with other government departments and more widely, generally occurred directly between private offices, or the analytical groups and other department officials. Insofar as the SPB facilitated the sharing of information, the Covid Response Team co-ordinated sharing various information and analyses, for example, with the Cabinet Office. This information and analysis was produced elsewhere in HM Treasury, primarily in the Economics Group therefore, those involved with this work may be better placed to address questions relating to the sharing of it. The Chancellor was

responsible for deciding what information and analysis would be shared in addition to normal sharing arrangements. As highlighted elsewhere in this statement, HM Treasury analysis is often highly market sensitive and requires particular care when sharing outside of the department. The SPB facilitated sharing in line with the decisions of the Chancellor. Requests to share information would have been made through the usual means of communication such as during meetings or by email. For example, in May 2020, as part of a joint commission between HM Treasury, No10 and the DWP [DYS/11 - INQ000610871] and in October 2020 as part of joint presentation between HM Treasury and BEIS to the Prime Minister [DYS/12 - INQ000658030], the Chancellor approved the sharing of analysis and information..

42. I cannot recall specific occasions when information was not shared with other government departments. If such a decision was taken, it would have been made by the Chancellor. While I cannot point to a particular example, the rationale in such cases might be that the information contained sensitive data and therefore, could not be shared.
  
43. I believe the decision making on the economic support schemes worked well, particularly given the extreme uncertainty created by health restrictions, which in turn depended on the path of the virus. With hindsight, the decisions taken in early Autumn 2020 on adapting the schemes to a more regional approach to managing the virus, led to uncertainty and suboptimal decision making by businesses. The schemes were intended to incentivise economic activity where a sector could be open. When the changes to schemes were first announced, businesses made decisions on the expectation that those changes would be implemented. For example, the CJRS would change to the JSS from 1 November; however, when, due to the path of the virus, the health approach reverted to a national approach as announced on 31 October 2020, the economic support also needed to change to reflect this and the JSS was never implemented. I do not consider this to have resulted from the decision making and advisory structures on economic support, but rather from the wider change of strategy from regional to national restrictions in late October 2020.

## PART C: INITIAL RESPONSE TO THE PANDEMIC

44. Following the emergence of Covid-19, HM Treasury monitored the development of the disease and began assessing its potential economic implications in late January 2020. My recollection of this early period is limited, as I was not closely involved until late February 2020, when my role shifted to coordinating the package of policies for the Budget. I became more directly engaged after the budget when, as outlined above, I assumed the additional role of Director responsible for the co-ordination of the department's work on Covid-19.
45. It was obviously important to understand the potential path of the virus to be able to consider the likely impact on the UK economy. Early indications about the virus suggested that it was perhaps likely to follow similar trends to previous virus outbreaks in Asia such as Bird and Swine flu in 2006 and 2009 respectively. Therefore, when HMT started its work on the potential economic implications led by the Global Economics Team it drew on in-house analyses prepared during the 2006 H5N1 Bird Flu and 2009 Swine Flu outbreaks [DYS/13 - INQ00088159] [DYS/14 - INQ00088134] [DYS/15 - INQ000128604]. HM Treasury's initial advice to the Chancellor on 4 February 2020 noted high levels of uncertainty but expected the primary short-term impact to be on the Chinese economy, with the global and UK economy only modestly impacted, mainly through the slowdown of the Chinese economy [DYS/16 - INQ000609802]. This reflected the common understanding within HM Treasury at the time about the virus.
46. With cases rising through February and early March, the 11 March Budget's main focus was on how to respond to what at the time was thought to be a "short temporary shock". My understanding and that of other HM Treasury officials was based on guidance from the health experts (e.g., DHSC, SAGE and the CMO) on the likely path/duration of the virus. Consequently, the Budget was informed by DHSC's health data as well as SAGE's work on the Reasonable Worst-Case Scenario for an outbreak of pandemic influenza and this informed the introduction of economic support measures.
47. As March progressed, it became clearer that the path of the virus and the scale of the potential impact on the UK economy would be much greater than the

Reasonable worst case scenario had estimated; however there remained uncertainties around the scale and duration of the pandemic [DYS/17 - INQ000609848]. This change in the scientific advice occurred shortly after I took on responsibility for internal co-ordination and there was an inflection point on the weekend following the 11 March Budget, as the new Covid Response Team was being formed. Ultimately, this led to an initial set of NPIs [DYS/18 - INQ000088048 ] on 16 March 2020, followed by the announcement of a full national lockdown on 23 March 2020.

48. Given the understanding of the virus at the time, and the expectation as articulated in HM Treasury's initial advice to the Chancellor on 4 February 2020 which noted high levels of uncertainty but expected the primary short-term impact on the UK economy to be modest [DYS/16 - INQ000609802] my perception at the time was that the level of attention being allocated to crisis preparation in January and February 2020 was appropriate. As explained at paragraph 7, I was not closely involved with the response at this stage however I am aware that it was based entirely on the expert scientific and medical evidence being provided to HMT in real time. There was a rapid allocation of resource to address the impact of the virus as it was understood at the relevant time. As noted above, HM Treasury had carried out meaningful analyses based on the worst case scenarios at the time and measures were being designed and developed to address what was anticipated to be the likely extent of economic shock. On reflection, I do not feel that any further preparation could have been meaningfully allocated to the response given the advice received at that time. Once this advice began to change, HM Treasury adapted to allocate additional resource where necessary and this was also, in my view, appropriate. I do not believe that additional resource in January or February would have made any difference ultimately to the economic response – it would have been basing crisis preparation on a limited understanding of the virus and its likely impact. As such it would not have developed any different proposals.

49. As far as I can recall the cabinet reshuffle on 13 February 2020 had no meaningful impact on my or HM Treasury's preparation for the economic response to the pandemic. My role did not change as a result of the appointment of a new Chancellor. The new Chancellor displayed considerable attention to detail and pushed the department to produce an expansive package of measures for his Budget on 11 March.

50. The nature and pace of the work shifted significantly between February and March 2020 as structural changes were introduced within HM Treasury to meet the emerging economic challenges. From March 2020, staff were extensively redeployed with more than 70 civil servants including senior officials moved into high priority areas. To manage growing demands, the department also expanded capacity by recruiting and promoting staff. The number of Deputy Directors was increased, which both freed up senior capacity and strengthened resilience at that level. This depth of senior oversight was critical given the pace and intensity of the pandemic pressures at the time. By the onset of lockdown, it had become clear that the economic impact would be more prolonged and severe than initially anticipated, and the scale and pace of the work necessarily intensified in line with evolving expert advice on the likely trajectory of the virus.
51. The level of attention and resources was shaped by shifts in scientific advice and strategy, with HM Treasury adapting at each stage in response. In my view, the intensity and pace of work during this period was sufficient to meet the economic challenges. The speed with which measures to address these challenges were designed and implemented demonstrates both that resources were sufficient and that HM Treasury officials delivered at exceptional pace.
52. The newly established structures facilitated this with schemes jointly delivered between HM Treasury and other departments, for example, the Statutory Sick Pay rebate scheme, which was developed and designed through a coordinated approach with HMRC.
53. To bolster resourcing, HM Treasury drew on the Strategic Projects Team, a flexible cross-departmental resource pool based within SPB that provides rapid support to high- priority areas. This allowed HM Treasury to deploy staff with crisis and project management experience quickly into key roles in March 2020. The Strategic Projects Team was active and engaged early in March 2020 and, for example, led the initial response at the Budget.
54. As outlined at paragraphs 12, the Covid Response Team was established in SPB under the dual leadership by two Deputy Directors to coordinate the department's response to the pandemic. In the summer a process was

launched to recruit an additional SPB Director to provide overall leadership of the coordination of the department's response. Within groups, Directors undertook an extensive reprioritisation exercise, and new teams were established in some of the key directorates, including The Personal Tax, Welfare and Pensions group, the Enterprise and Growth Unit, and Financial Services to develop and oversee the core economic support measures and interventions.

55. Alongside the changes to team structures came strengthened oversight. As noted above, I led the Covid Response Board which served as the key forum for sharing information on the path of the virus and providing updates on the main workstreams relating to economic support and intervention, until the arrival of Kate Joseph in November 2020. Overall oversight of the Covid Response generally rested with the EMB, which met daily to review pandemic and economic developments, and to set priorities and agree next steps.

56. Based on the scientific advice available at the time, and taking into account the organisational changes outlined above, I consider the initial response to prepare for the economic impact of the pandemic was appropriate. With the benefit of hindsight, and knowing how the virus ultimately developed, it would have been beneficial to have had more resource allocated to preparations at the outset. However, at the time, it was not possible to make that judgement or allocation because the contemporaneous scientific advice did not indicate the need for it.

57. As outlined above, my understanding, and that of colleagues within HM Treasury regarding the likely duration, severity and impact of the pandemic in early March 2020 was guided by the expert advice that we received at the time. My recollection is that the advice changed in mid March and certainly by the time of the first lockdown on 23 March 2020, it became clear that the pandemic would be more severe and more prolonged than previously understood. Fiscal and economic policy changed accordingly.

58. It is important to recognise that the pandemic was both unprecedented and unpredictable, with significant uncertainty around its trajectory and the duration for which economic support schemes would be required. At the outset, the design of the schemes was based on the expectation that they would only be

needed for a short period. As the situation evolved, these assumptions were revised and updated, and HM Treasury's policy development adapted accordingly. An example of this shift in expectations about the duration of the pandemic was CJRS and SEISS. While initially conceived as three-month economic interventions, within a month of implementation they had been extended [DYS/19 - INQ000609338].

59. In the period leading up to March 2020, Ministers prioritised broad-based support aimed at reaching as many businesses and individuals as possible [DYS/20 - INQ000609303]. This support was delivered at speed, and as understanding of the virus evolved, so too did the approach. HM Treasury subsequently introduced more targeted interventions for those most impacted. As outlined further below, when NPIs were eased, the focus shifted towards measures that incentivised and supported a safe return to economic activity.

#### **PART D: ENSURING ECONOMIC ACTIVITY WAS CONSISTENT WITH NPIs**

60. HM Treasury's economic interventions followed very closely and were consistently adapted in light of the prevailing NPIs at any given time. It was generally understood within the department that economic support had to align with the broader government response on public health.

61. There was a high level of information exchange and HM Treasury worked closely with other departments, most notably DHSC, to understand the NPIs in force at any given time and to adapt policy accordingly. Information on NPIs came from multiple sources, including SAGE. Vanessa MacDougall who was an HM Treasury official attended SAGE meetings from 31/3/20-29/10/20 and cascaded information to colleagues within HM Treasury from those meetings.

62. Advice to Ministers was always provided in light of the prevailing NPIs. I do not recall advice ever being inconsistent with NPIs or wider public health policy. Working at considerable pace presented significant challenges, and the urgency of developing and delivering support meant that some aspects of advice were less comprehensive than might normally be the case – for example, documentation was not always as thorough as under normal circumstances, processes were less streamlined, and it was difficult to fully calibrate factors such as behavioural responses. Despite the heightened

pressure, frequent changes and the fast-moving environment, I believe that overall, HM Treasury functioned effectively and provided sound advice based on information available at the time.

63. The Covid Response Team led on work to synthesise economic advice, which was shared with the Chancellor and HM Treasury Ministers. Final decisions rested with the Chancellor and Ministers who took decisions based on advice. Therefore, any economic policy was effectively co-ordinated with the aims and objectives of the overall government. As outlined above, HM Treasury's fundamental objectives during the pandemic were aligned with those of the wider government: to prevent the spread of Covid and to protect the economy. The department recognised that long-term economic stability and growth could only be secured by controlling and then managing the virus. Economic measures supported public health efforts and encouraged compliance with health restrictions. The advice was always provided within the context of these overarching objectives, drawing on information shared internally and across government. Ministerial decisions ultimately ensured that the economic response was consistent with the evolving evidence and the government's overall strategy.

64. HM Treasury worked closely with other departments, particularly the Cabinet Office, to ensure that economic objectives were considered alongside wider policy decisions. The Chancellor consulted the Prime Minister on all key economic decisions and collaborated with the Cabinet Office through Write-Rounds and Ministerial Groups to secure collective agreement across government.

65. HM Treasury inevitably received large volumes of information throughout the pandemic through a wide range of channels including, through SAGE, as noted above. However, this material did not always provide the level of granularity needed to assess sector-by-sector impacts, or to determine the precise effect on the R rate. While the information was not necessarily inconsistent, sometimes there were limits to how it could be interpreted and applied. Nevertheless, HM Treasury's approach to the economic response was always informed by, and grounded in, the information available at the time.

66. Overall, public health advice was well integrated into economic analysis. However, the nature of economic data collection meant that, even with the additional high-frequency data gathered by the ONS and BEIS, there was often a gap between the timeliness of economic data compared to health data, which was administrative data that was typically available on a daily basis. This posed a challenge, but it was an inevitable consequence of how economic statistics are produced.
67. In retrospect, the UK's economic policy was, in my view, well aligned with the overarching objectives of the Government. I have been asked to address any tension between economic and public health policy. Inevitably, NPIs had an adverse impact on the economy. The pandemic required the deliberate suppression of economic activity on an unprecedented scale, including the temporary closure of parts of the economy to reduce close contact and limit the spread of the virus [DYS/21 - INQ000609804]. However, I do not consider this to represent a tension between economic and health policy. Rather, economic policy was always developed in light of, and subject to public health policy and the NPIs in place at the time. As these factors evolved throughout the pandemic, so too did the economic response. This alignment is evident in the way economic measures shifted in step with successive lockdowns and the broader trajectory of public health policy throughout the pandemic.
68. At the outset, in January and February 2020, the prevailing assessment was that the Covid outbreak would have limited duration and impact on the UK. Policy developed at this time was therefore focused on what was expected to be a short economic shock. As the virus spread, however, it became clear that the economic impact for both the UK and global economy would be more significant. In response, a series of support measures for individuals and businesses were introduced alongside lockdown restrictions, varying in duration and eligibility criteria. However, it was still at this stage, the expectation that the impacts would be short term. For example, CJRS was initially announced as a three-month support package, but was extended when it became clear that the duration of the virus was going to be prolonged. Throughout, the economic and wider government response evolved in step with new information and expert advice about the virus and its transmission [DYS/22 - INQ000251931]. Importantly, the suppression of transmission of the

virus through public health policy was not separate from, but aligned to the long-term economic interests of the UK.

69. As businesses and consumers adapted and gained confidence from government support, subsequent lockdowns resulted in a less severe decline in economic activity. While the lockdowns inevitably caused significant direct economic damage, they also limited the spread of the virus. At the same time, government policies to support businesses and workers helped mitigate the impact and reduce the potential for long-term economic scarring.

70. In the summer of 2020, the government introduced a series of measures aimed at restarting activity and encouraging consumption where it could safely occur [DYS/23 - INQ000609855]. However, uncertainty remained, about both the pace of recovery and, critically, the future path of the virus. By the autumn of 2020, the government was preparing for a different set of outcomes, developing measures such as the Job Support Scheme (“JSS”) to respond to the tiered system of NPIs. These plans were then superseded by the resumption of full national lockdowns in the late autumn and winter. This illustrates how the trajectory of the virus evolved throughout 2020, and how government interventions adapted accordingly.

71. Given the adjustments within the economy, each subsequent lockdown caused less economic damage than the first. As noted above, I do not see a fundamental tension between economic and health policy since both pursued the same overarching objectives. Clearly, there was a strong imperative to reopen the economy as soon as health policy permitted, to prevent further long-term economic damage. Once government policy allowed social contact in a Covid-secure way, economic policy followed suit. Individuals and businesses became better equipped to manage the challenges posed by the pandemic, and the economic impact of each subsequent lockdown was reduced, reflecting adaptation and learning from earlier experiences.

72. Overall economic policy reflected that suppressing activity was necessary in order to suppress the virus. However, once conditions allowed, and particularly after vaccines were widely available, it was right to shift focus toward stimulating the economy. Targeted measures were introduced to support hard-hit sectors such as hospitality, but always in line with prevailing public health

guidance and subject to mitigation measures. Inevitably there was a balance to be struck and trade-offs: efforts to stimulate the economy required increased social contact, which carried some risk of transmission. However, I would not characterise this as a fundamental tension between economic and health policy, rather, it was a process of balancing priorities within an overarching set of objectives.

## **PART E: DATA, ADVICE, ANALYSIS AND MODELLING**

73. The UK's data infrastructure was robust at the onset of the pandemic and was rapidly adapted to provide a highly targeted, real-time understanding of the impacts of the virus. My role did not involve the collection, analysis or interpretation of data; however, my understanding is that HM Treasury Officials effectively leveraged its extensive data sources and as outlined below, took steps to obtain additional and more timely data where needed, to assess and advise on the potential economic impacts of the pandemic. This included analysis and advice on the economic impact of the pandemic, the labour market, business and sectors, public services, and the economically vulnerable.

74. Reliable, timely and relevant data is essential for producing economic analysis. Wherever possible, HM Treasury drew extensively on official statistics produced by the ONS. As under usual circumstances, HM Treasury continued to provide the Chancellor and Prime Minister with regular economic updates that encompassed a wide range of the ONS's latest data **[DYS/24 - INQ000184619]**.

75. However, the pandemic and subsequent government response unfolded at an unprecedented pace and scale, affecting economic activity both rapidly and severely. Traditional official statistics could not always be produced in the time required to inform decision-making as normal data collection was disrupted by the pandemic and associated restrictions **[DYS/25 - INQ000184621]**. This required the department to seek more frequent and new sources of data **[DYS/24 - INQ000184619] [DYS/26 - INQ000184624] [DYS/27 - INQ000184627] [DYS/28 - INQ000184631]**.

76. HM Treasury officials worked across government to widen the scope of the review of data from both internal and external sources **[DYS/29 - INQ000184564]** **[DYS/30 - INQ000184574]** **[DYS/31 - INQ000184599, [DYS/32 - INQ000184609]**. For instance, officials made use of data that had not previously been used to consider economic impacts, such as DfT's transport data and DfE's education data to understand levels of mobility across the UK and school attendance and absences. HM Treasury officials also drew from public source data collected by the private sector, for example, mobility data from Google on transport usage and time spent in different locations.
77. Recognising that some impacts could not be fully assessed from existing sources, HM Treasury officials worked closely with the ONS and BoE to develop new or enhanced data sources. The ONS developed a wide range of faster indicators, which were combined with social indicators in regular publications on economic activity and social change real-time indicators **[DYS/33 - INQ000271314]**.
78. HM Treasury drew on economic statistics produced by other government departments and credible external bodies. This included HMRC's flash estimates of payrolled employee numbers from April 2020, which provided timely and highly effective insights into UK employment **[DYS/34 - INQ000252719]**. To better understand the near-term economic outlook HM Treasury officials routinely used its 'Nowcasting' framework **[DYS/35 - INQ000184628]** **[DYS/36 - INQ000184626]**. This uses a range of external data with a set of equations to assess changes in GDP in the current and near-future months. Given the unprecedented circumstances, established data sources were less reliable, and this framework was rapidly updated to incorporate new data sources and real time indicators. In April 2020, HM Treasury officials provided Nowcasts to the Chancellor. This real-time assessment of the economy supported informed policy decisions **[DYS/25 - INQ000184621]**.
79. Throughout the pandemic HM Treasury interrogated a vast amount of data to inform ministerial decisions across government. Data produced during this period, whether by statistical bodies or by private firms, was often challenging to collect or subject to an extraordinary level of uncertainty. To overcome this, HM Treasury widened the scope of data sources and adopted novel

approaches to best inform ministerial decisions, while working closely with other departments and external bodies. The department stepped up its sharing of analysis to other departments, including with the Cabinet Office, who incorporated this information into ministerial advice. I was aware this was happening, but I was not responsible for collecting data, producing analysis and for decisions around sharing it. Therefore, colleagues responsible for this work may be better placed to assist with the timeline for any increased sharing of analysis and whether it was expressly approved by the Chancellor.

80. HM Treasury are continuing to consider how economic analysis, and the use of data can be improved to support policy decision-making and enhance resilience to future shocks.

81. As the government's economics ministry, HM Treasury has deep knowledge of, experience in, and capability to analyse the economic outlook to ascertain how shocks might affect the economy, and to assess the impact of policy decisions taken by the government. Underpinning this is officials' understanding and use of a wide range of analytical tools and techniques. In my view, the Treasury possesses the capability, capacity and expertise required to produce analysis to inform decision-making.

82. As was the case during the pandemic, HM Treasury draws on a wide variety of processes and methodologies to assess the economic outlook, the impact of potential government policy, and the effects of shocks to the economy. This ranges from in-depth assessments of economic theory and the latest external analysis to the department undertaking its own economic modelling. However, the pandemic was an unprecedented shock, affecting the economy in new ways and this required adaptation of existing analysis techniques and development of new approaches to inform ministers and the centre of government **[DYS/37 - INQ000184607]** **[DYS/38 - INQ000184604]**. During the pandemic, HM Treasury undertook a wide range of economic analysis and modelling.

83. As was the case prior to the pandemic, HM Treasury officials used their professional judgement and expertise to extensively interrogate data and communicate its implications for the economy. HM Treasury officials assessed the implications of trends observed across multiple data sources, including their

interaction with policy decisions, and the resulting effects on the economy, including for different sectors, households and firms. During the pandemic, the scale and intensity of this analysis expanded significantly. From the outset, HM Treasury shared much of this material across government and supported other departments in their understanding of economic data.

84. Given the unprecedented economic impacts of the pandemic and role of the Cabinet Office in coordinating the government response, HM Treasury seconded policy and economist officials to the Cabinet Office, including senior civil servants, to provide further expertise in integrating economic inputs into decision-making, as well as providing further strategic capabilities. This included officials joining the Civil Contingencies Secretariat, which was coordinating the government's overall response to the pandemic, to ensure that the latest economic data was integrated into the central government decision-making and communicated across government.

85. HM Treasury works closely with other departments who deliver parts of the government's overarching economic strategy, as well as with all government departments to ensure that spending plans support high quality public services and value for money for the taxpayer. HM Treasury worked widely with other departments to leverage expertise from across government and make best use of the available data. HM Treasury also used the analytical community across government to inform and strengthen its assessment of the economic outlook and to ensure Cabinet Office colleagues were able to draw on the latest economic analysis when synthesising information drawn from across government. For example, HM Treasury officials were an integral part of the Heads of Analysis group which was set up in November 2020 and chaired by the Covid Taskforce. The group included representatives from the JBC, DHSC, ONS and Government Office for Science. It met on a weekly basis to align and integrate the analytical work from across government and produce analysis which took into account the health, economic and social impacts of the virus and interventions [DYS/39 - INQ000236549] [DYS/40 - INQ000236550]. HM Treasury officials also routinely worked with the Department for Transport ("DfT"), Department for Education ("DfE"), Department for Work and Pension ("DWP") and BEIS, for example synthesising the latest data available across government into regular ministerial products which were shared with the

Chancellor [DYS/24 - INQ000184619] [DYS/26 - INQ000184624] [DYS/27 - INQ000184627] [DYS/28 - INQ000184631].

86. Throughout the relevant period, the Covid(S) and the Covid(O) also provided HM Treasury with the opportunity to gather information on relevant modelling and forecasts in relation to the rate of usage, level of supply, and the need for vital healthcare equipment, as well as to remind relevant departments to follow proper spending controls. HM Treasury also participated and took an active role in several cross-government boards which facilitated discussions on ongoing and pressing issues surrounding Test, Trace and Isolate ("TTI"), including the Test and Trace Investment Board.
87. HM Treasury relied on extensive joint working with other departments to share data to inform economic decisions and design relevant schemes. Analytical and policy teams within HM Treasury gathered real-time indicators and quantitative data, as well as qualitative insights from departments such as BEIS, DWP and HMRC and integrated these into advice. Similarly, HM Treasury data was shared to help inform thinking in other departments for example, via the Cabinet Office Dashboard. There was extensive collaboration with HMRC on CJRS and SEISS, BEIS on loans and grants, and MHCLG on local government delivery, as well as DCMS and DFT for sector-specific support. Policy design and decisions on one economic intervention was informed by how it interacted with existing support measures, whether pre-pandemic or introduced during the crisis.
88. In undertaking its analysis and policy development during the pandemic, HM Treasury consulted with a wide range of external experts and bodies, examples of which are outlined below. I was not responsible for, nor directly involved in, the department's work that engaged outside experts, such as analysis or economic scheme development. I am therefore not in a position to comment on the range, frequency, or depth of that engagement and others may be better placed to provide that insight.
89. When it comes to the provision of economic advice, HM Treasury already sits within a set of institutions that perform a very similar function to SAGE in that there are already mechanisms in place for substantive independent advice on economic analysis such as the OBR and BoE's forecasts and commentary.

SAGE exists to provide scientific and technical advice to support government decision-makers during emergencies. During the pandemic, SAGE's various sub-groups, including SPI-M, SPI-B, JBC and NERVTAG also played a role in explaining public health data and producing associated modelling. This was achieved by drawing on expertise which does not exist extensively within government, with SAGE meetings attended by experts from across the scientific spectrum, including those within academia and industry. HM Treasury officials used the information shared at these scientific committees and cross-government analytical groups to inform briefings or advice for the Chancellor and other HM Treasury ministers ahead of the cross-government ministerial decision-making meetings and to inform internal policy development.

90. HM Treasury frequently worked closely with other external institutions to inform decision-makers on the actual and potential economic impact of the pandemic. For instance, the OBR published various scenarios which were utilised by HM Treasury to guide decision-making, HM Treasury also discussed economic analysis widely with the BoE, and HM Treasury routinely used modelling produced by other institutions to inform advice to ministers.
91. In November 2020, HM Treasury invited academics from the University of Cambridge, the University of Chicago and Birmingham University to discuss the advances in epi-macro modelling and its possible application to policy analysis.
92. HM Treasury engages with various international organisations for example, the OECD and IMF. The OECD and IMF are both organisations that aim to work with governments and policy makers on establishing evidence-based international standards and support economic policies that promote financial stability and monetary cooperation. These co-operative relationships continued during the pandemic.
93. Ultimately, it was for ministers to decide what information and analysis could be shared outside the department and, as such, the extent to which external support could be engaged. The level of engagement outside of the department was higher than HM Treasury had typically undertaken prior to the pandemic. However, in some instances, the department was limited in what it could share with other government departments or external bodies due to the sensitivities

of policy under consideration. Further, it is important to note that much of HM Treasury's analysis was highly market sensitive, requiring the careful sharing of outputs.

94. The department's external engagement was limited during the pandemic by factors such as the rapid pace of policy development, the sensitivity of policy issues under discussion, and as outlined above, constraints relating to sensitive market data. Decisions to share data and information outside the department, whether within government or externally, are balanced against the sensitivities and risks of sharing the data including the risk of leakage or negative market effects. Such decisions were ultimately for ministers to take.
95. It is the OBR's duty to examine and report on the sustainability of the public finances, and in fulfilling this duty, the OBR must prepare fiscal and economic forecasts on at least two occasions for each financial year. In between those forecasts, HM Treasury analysts produce (where needed) scenarios for the future path of the economy and public finances, but these are not full or detailed forecasts and are generally for internal use.
96. These scenarios are analysis that HM Treasury conducts as part of its usual work, to inform advice to ministers. Internal HM Treasury analysis, where based on OBR forecasting, uses the OBR's overarching forecast methodology but often in a reduced form, for instance a reduced number of economic variables or fiscal analysis is produced using ready reckoner models instead of using inputs from HMRC and DWP and these are not normally therefore shared outside of the department. I have no recollection of any requests that were or were not refused in relation to the sharing of scenario analysis.
97. I do not recall any concerns being expressed about HM Treasury's capability or capacity to produce analysis and modelling at the time. On the contrary, others looked to the department for support, for example the Cabinet Office frequently requested that HM Treasury second officials to support their own work.
98. HM Treasury produced scenario analysis that sought to map out how differing paths of the virus and subsequent restrictions might affect headline macroeconomic variables and the fiscal position. For example, scenario

analysis, produced in May 2020, detailed how a “V-shaped” recession might differ from more protracted “U shaped” or “L-shaped” recession, and how this might affect tax receipts with subsequent pressures on public spending [DYS/41 - INQ000184606]. This allowed the Chancellor to understand the outlook against which he might make further decisions on economic support and what medium-term challenges he might face at future fiscal events. This scenario analysis is different from a forecast, which the OBR are responsible for; instead, it was a stylised projection to analyse different impacts on the fiscal position. I have been asked whether the department produced forecasts for different scenarios of NPIs. To be clear, forecasting was not produced by the department as this fell within the remit of the OBR. Analysis was produced for different scenarios of NPIs and these came to the Covid Response Board. However, I was not responsible for the production of analysis and modelling therefore, other HM Treasury officials may be better placed to address this and provide details of analysis undertaken. I have also been asked about the department’s consideration of analysis relating to the prospect of a second wave. I understand that in May 2020, the government published its recovery strategy: Our Plan to Rebuild [DYS/42 - INQ000198892]. This plan set out how restrictions would be eased subject to certain conditions being satisfied. This included that the government would need to ‘be confident that any adjustment to the current measures would not risk a second peak of infection’. Therefore, during the relevant period, the prospect of a second wave was an overarching consideration across government, including within HM Treasury. This would have been factored into discussions and analysis by the relevant HM Treasury teams and officials. As outlined above, my role on the Covid Response Board was to lead and coordinate the Covid Response group’s work therefore, I will focus on the analysis and discussion which took place as part of that fora, examples of which include:

- 98.1. On 23 June 2020, the Board held a meeting which focused on second wave planning [DYS/43 - INQ000658011] [DYS/44 - INQ000652933] [DYS/45 - INQ000658036] [DYS/46 - INQ000658014].
- 98.2. On 30 June, the Board held a meeting which included discussion on a possible approach to a second wave strategy for the UK, drawn from international experiences [DYS/47 - INQ000658016] [DYS/48 - INQ000658038] [DYS/49 - INQ000658015].

98.3. On 3 July 2020, the Board discussed second wave planning including the targeting of support schemes in the event of a second wave **[DYS/50 - INQ000658018] [DYS/51 - INQ000658017]**.

98.4. On 7 July 2020, the Board held a meeting during which the Covid Response Team provided an update about the Team's ongoing second wave contingency planning which had been approved by EMB **[DYS/52 - INQ000658019]**.

98.5. On 10 July 2020, the Board held a meeting which included discussion on second wave planning **[DYS/53 - INQ000658039] [DYS/54 - INQ000658020]**.

99. As outlined above, I was not involved in the creation of models or scenario analysis, and other HM Treasury officials may be better placed to speak to the use and value of these tools within the wider data infrastructure and within the context of risks and uncertainties, what worked well and areas for improvement.

100. The Covid-19 pandemic was at its core a public health emergency, and therefore understanding the interaction between the health and economic impacts was a key priority for the department, and one that involved the use of different analytical techniques as the pandemic evolved. HM Treasury considered closely the interaction between health and the economy, using techniques that included, but were not limited to, the department's rapid development in understanding epidemiology, building its capability to model complex epidemiological and economic interactions, and focusing on the health implications of various strategies. To support its understanding the department conducted an unprecedented level of engagement with external experts.

101. It was necessary for HM Treasury officials to have a detailed understanding of the likely path of the virus, particularly given the speed with which the public health position evolved and the interaction between that, NPIs, and the need for economic policy to evolve alongside the government's public health strategy. In spring 2020, the JBC was created and tasked with providing real time analysis and assessment of infection outbreaks at a community level. This supported rapid intervention before outbreaks grew.

102. HM Treasury also engaged across the government to ensure economic policy supported health policy as well as to avoid duplication of efforts across departments, and to ensure that HMG's response to the pandemic remained united. This was achieved through its participation in the centrally managed cross-government fora, such as MIGs introduced by the Prime Minister in early March 2020 and from June 2020, the COVID(O) and COVID(S) committees.
103. My recollection is that HM Treasury was as open and transparent as sensitivities and ministerial steers on information sharing would allow for. Compared to the pre-pandemic period, HM Treasury officials stepped up the sharing of analysis and were central in developing economic understanding with other departments. However, as always, it was important that HM Treasury carefully considered and controlled the distribution of highly market sensitive analysis across other departments.
104. How HM Treasury shared analysis changed as the relationships and structures at the centre of government changed. For instance, as the pandemic progressed, the collating and sharing of data within government improved, with HM Treasury's relationship with Cabinet Office and the UK Health Security Agency ("UKHSA") becoming increasingly collaborative.
105. HM Treasury provided information rapidly to support policymakers in decision making. This often involved sharing analysis with the Cabinet Office who incorporated it into briefings and advice. Alongside this, the department developed cross-government assessments for ministers on the economic impacts of the virus and restrictions, and worked closely with No.10, the Cabinet Office and economic departments (for instance, BEIS and DCMS) to formulate policy responses.

## **PART F: MICROECONOMIC POLICY**

106. I wasn't responsible for any particular scheme and did not lead on the development of the schemes I have been asked about. Whilst I was aware of the schemes through my co-ordinating and leadership role, my involvement was limited to relaying an understanding of what the health restrictions were and how they might develop. I also provided challenge and support from the strategic perspective of how they fitted together and their fiscal cost. I was able

to contribute to some aspects of design based on my previous experience leading the business rates policy team, for example, how to calibrate business rates support and grants but I didn't provide any written advice.

107. The Civil Service Code [DYS/55 - INQ000066056] makes clear that the relationship between civil servants and ministers is based on impartiality, integrity, honesty and objectivity. Civil servants are responsible for providing ministers with professional and evidence based advice, setting out options, risks, and implications in a clear and candid way, and where necessary challenging ministers respectfully on the practicality and consequences of their proposals. Such challenge is given privately and constructively, while recognising that ministers have the authority to make final decisions. Once decisions are taken, civil servants are expected to implement them faithfully and effectively, regardless of personal views, ensuring delivery is lawful, proper and consistent with ministerial priorities. Civil servants must not act in a partisan capacity or mislead ministers and, where asked to act contrary to the Code, they are required to raise concerns. Overall, the relationship is one of professional partnership – ministers provide direction and are accountable to Parliament, while civil servants support them by advising objectively, challenging appropriately, and implementing policy with dedication.

108. This is an important part of my role and during the pandemic, I endeavoured to provide robust advice to the Chancellor and ministers, to ensure that decisions were informed by the best available evidence and analysis. Due to the passage of time and the enormity of the day-to-day demands during the pandemic, I am unable to recollect specific examples of challenges. What I can say is that this is a relatively routine aspect of my job which I try to exercise judiciously, proportionately and in a balanced way. This aspect of my role would ordinarily include presenting the range of policy options, highlighting risks and consequences - good and bad - and testing the practicality of proposals - whether positive or negative - as required by the principle of impartiality. I have never felt inhibited from giving robust advice or challenge and I believe I carried out this responsibility effectively, contributing to open and constructive discussion. My experience within HM Treasury, is that colleagues also have no difficulty expressing their views and appropriately challenging ministers who are receptive to advice and any challenge. As outlined above, ultimately, decisions rest with ministers, and it is the

responsibility of a civil servant to respect a final decision, when it has been made.

#### **PART G: INEQUALITIES AND VULNERABLE GROUPS**

109. HM Treasury's Covid-19 strategy was led by the Chancellor who was responsible for decision-making concerning socially and economically vulnerable groups, including those with protected characteristics. HM Treasury's Equalities Policy team, and Equality & Living Standards Analysis team, provided advice and guidance to policy teams in the department [DYS/56 - INQ000609441]. Separately, a Distributional Analysis team was responsible for advising policy leads and ministers on the impact of tax, welfare, and public spending changes on households across the income distribution. I understand that equalities work also happened within the Cabinet Office Equalities team, and within other government departments.

110. As outlined above, my role was limited to coordinating and synthesising HM Treasury's input into the strategy under the instruction of the Chancellor. This input would often contain analysis of the impacts on socially and economically vulnerable groups, touching on the social and economic makeup of different economic sectors, and how decisions would affect different protected characteristics and vulnerable groups. Therefore, equalities impact work formed part of the information that was coordinated by the Covid Response Board for example [DYS/57 - INQ000655301] [DYS/58 - INQ000655302]. As such, equalities related work was shared across HM Treasury teams and taken into account as part of their work. However, to be clear, I was not involved in the analysis, assessment, development and monitoring of equalities related work, or making related decisions. Therefore, others may be better placed to address the extent of this work, its adequacy, the availability of data, any challenges that were encountered and the monitoring of its implementation.

#### **PART H: LONG COVID**

111. During the relevant period of my involvement, I do not recall long covid being a well-understood phenomenon or a major feature of the department's work therefore, I am not well placed to answer the Inquiry's questions on this

issue. Accordingly, I am not able to explain how its economic impacts were taken into account in designing schemes although, I would note that the introduction of the changes to Statutory Sick Pay (“**SSP**”), Universal Credit and Work Tax Credit and the initial development of CJRS and SEISS occurred long before the term was first used.

## **PART I: ANALYSIS AND REFLECTIONS**

112. As set out in the earlier parts of this statement, my overall reflections are that during the period in which I was most closely involved with the Treasury’s covid response I think that the economic response was appropriate based on the scientific understanding at the time and in light of the factors such as the fiscal cost, the operational viability of schemes, the data available and the need to match the pace with which support was provided to the pace of change in the social distancing rules.
113. The shock was unique and the Treasury responded rapidly and comprehensively to provide support to achieve its economic objectives, in particular supporting living standards and businesses in what was an enormous economic shock. The response demonstrated effective collaboration and the innovation between government departments and stakeholders. This was vital for the rapid roll out of the schemes and highlighted the need for a coordinated approach in future crises.
114. The response also highlighted the need for strong Governance and coordination structures which were bolstered to enable HM Treasury to operate effectively during this period. Staff were also moved around the department to resource new priority areas. As I set out earlier in this statement a new central team was set up in the SPB group to lead and coordinate the department’s work on Covid. This allowed for advice and analysis to be brought together from across the Department and fed into Cabinet decision making. To support Governance structures a Covid Response Board with a broad cast list was set up, to coordinate advice for ministers and discuss key questions.
115. To improve availability or quality of data in future responses, it would be helpful to have more detailed and timely information on the income characteristics, and financial resilience of businesses, to enable more targeted support while reducing fraud risk and improving value for money. From a policy perspective, richer data can support faster and more effective decision-making. However, there are important

trade-offs to consider, including the administrative burden on businesses of providing additional information and the cost to the government of collecting and maintaining it. Any expansion of data collection should therefore be proportionate and clearly justified by the expected benefits, particularly where future use cases may be uncertain.

## **PART J: INFORMAL COMMUNICATIONS**

116. I have been asked by the Inquiry about the use of any diaries and/or notebooks that I might have kept or used during the pandemic for formal/key decision making. I did not keep either a diary or a notebook during this time, but did use a OneNote **[DYS/59 - INQ000658041]** to make a note of work questions and issues that were being discussed on various topics at the time.
117. Additionally, I have exhibited the relevant emails that have been located for me, but would like to stress that there were tens of thousands received into my mailbox during the pandemic and it has not been possible to review all of them.

## **STATEMENT OF TRUTH**

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

**Signed:**

Personal Data

**Dated:** 20/10/2025

**ANNEX E - THE COVID-19 RESPONSE BOARD MINUTES**

INQ000657990	INQ000658001	INQ000658012	INQ000658026
INQ000657992	INQ000658002	INQ000658013	INQ000658027
INQ000657993	INQ000658003	INQ000658016	INQ000658028
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