

Witness Name: Stephen Barclay

Statement No.: 4

Exhibits: SB/09/01 - SB/09/26

Dated: 27 October 2025

UK COVID-19 INQUIRY

MODULE 9

WITNESS STATEMENT OF Rt Hon Mr Stephen Barclay

I, Stephen Barclay, will say as follows: -

1. I make this statement pursuant to a Rule 9 request from the UK Covid-19 Inquiry in relation to Module 9 dated 4 July 2025.
2. I have developed the below statement based on my personal recollection of events, my three previous statements to the Inquiry and His Majesty's Treasury's ("**HM Treasury**") corporate statements to the Inquiry. Key documents have been exhibited to this statement.
3. In relation to documentary material, as I have stated previously to the Inquiry, during the period of the Covid-19 pandemic I did on occasion communicate with colleagues by WhatsApp and as requested I have previously provided these to the Inquiry.

Role and Responsibilities

4. From 13 February 2020 to 15 September 2021, I served as Chief Secretary to HM Treasury (“CST”). For the duration of the period that is within the scope of the Inquiry, I also served as Chancellor to the Duchy of Lancaster from 15 September 2021.
5. The CST is a ministerial office within HM Government and the second senior ministerial office in HMT, reporting to the Chancellor. The CST is responsible for public expenditure, which includes the following areas of most relevance to this module:
 - a. Spending reviews and strategic planning;
 - b. In-year spending control;
 - c. Public sector pay and pensions;
 - d. Efficiency and value for money in public service; and
 - e. Procurement.
6. The day-to-day duties of the CST involve interdepartmental and HMT meetings, stakeholder engagement, budget management and policy development. Additionally, the CST has decision-making authority, including approving budgets and influencing economic and fiscal policies, all under the guidance of the Chancellor.
7. The role of CST did not fundamentally change during the pandemic but the pace for approvals inevitably increased, at times with less data being available than would be the “norm”.
8. During the relevant period, I had a good working relationship with the Chancellor and the Prime Minister. Economic support was ultimately led and driven by them. I worked closely with HM Treasury colleagues across the department. They provided analysis and advice on the pandemic to inform decisions made.
9. As CST, I received advice from HMT’s policy advisors on procurement and day to day decisions on spending, along with recommendations on whether the requests should be approved. This guidance formed the basis on which I was expected to make decisions. The Chancellor had lead responsibility for policy making regarding the government’s economic response to the pandemic, with decisions on the economic response primarily determined by the Quad (which comprises the PM, Chancellor, SoS for Health and Chancellor for Duchy of Lancaster (“CDL”). I did not have policy making responsibility in respect of, for example, CJRS or schemes such as SEISS as these

were determined by the Chancellor in discussion with CDL who, as part of the Quad, was lead minister for the Union. Economic support for the DAs was determined principally by the Quad of the most senior ministers, in line with Barnett consequentials.

Spending control framework

10. HMT utilises procurement principles and regulations which are codified in the document Managing Public Money (“MPM”), which sets out the main principles for dealing with resources in public sector organisations in the UK.
11. During the relevant time, HM Treasury’s role in overseeing public spending was often delegated to Accounting Officers (“AOs”) given the urgent pace at which decisions were required. This was needed to ensure rapid procurement of healthcare equipment and supplies. Additional capacity and increased delegation limits were agreed with departments such as, for example, the appointment of a second permanent secretary in DHCS with specific AO responsibility to deal with pandemic spending and increased delegation rights to deputies as my evidence to Module 5 set out. HM Treasury only approved spending for major projects, novel or contentious spending, or expenses beyond a department’s authority limit. It did not manage the internal allocation of a department’s funds.
12. The Covid-19 pandemic required HMT to support quick and significant financial decisions in a fast-moving market and uncertain environment. It needed to balance public spending principles with the flexibility required to meet the urgent health response.
13. HM Treasury aimed to maintain value for money, act rapidly to support public health outcomes and consider the health of the economy. It reminded departments of their duties to ensure value for money and proper spending processes during the pandemic.
14. HMT applied flexibility to its spending principles during the pandemic by:
 - a) Giving more control to departmental AOs, allowing for faster and more flexible emergency spending responses on the basis that AOs were expected to maintain spending standards;

- b) Allowing more generous spending limits and authority delegation than would normally be the case to support rapid decision-making; and
- c) Responding rapidly to spending requests, often within hours.

15. Throughout the various phases of the pandemic, HMT faced challenges such as the need for quick decision-making, dealing with uncertainty, and incomplete information. It accepted these challenges by delegating significantly more authority to AOs. HMT evolved its response to these challenges while maintaining adherence to the principles of the MPM framework, ensuring responsiveness to health and care needs while delivering value for money. HMT reiterated spending rules to departments, including regarding fraud as well as the need for approvals for indemnities, and worked with DHSC in particular to highlight these issues.

16. As detailed in my evidence to Modules 4 and 5, I was involved in approval for vaccine spending and procurement, the vaccine task force and day to day interactions with departments in those areas whereas the Chancellor led on the wider economic response.

AO Support

17. HM Treasury provided ongoing support to AOs throughout the pandemic. The Treasury Officer of Accounts team within HM Treasury provides guidance to AOs on the process and matters for consideration, both as part of the initial training of AOs and in relation to specific issues that arose. On 9 April 2020, the Permanent Secretary to the Treasury, wrote to all AOs of government departments to set out how the Treasury planned to support AOs with their responsibilities during the pandemic [**SB/09/01 INQ000609801**]. Additionally, following the Boardman review in December 2020, HM Treasury produced internal guidance, Spending Control in a Crisis, based on learning from the decisions and actions taken regarding spending controls in response to the Covid pandemic [**SB/09/02 INQ000399235**]. This included reflections on the need to provide targeted support to AOs in a crisis with guidance on taking difficult spending decisions and the role of MPM in that.

Ministerial Directions

18. A Ministerial Direction is used where the use of public resources within that department's direct control does not meet the AO standards of regularity, propriety, feasibility and value for money as set out in MPM or the specific requirements and good practice for dealing with public resources. A Ministerial Direction can be used to ensure that urgent and necessary activity can take place even where those requirements under the AO standards are not formally met. Ministerial Directions can be agreed in line with official advice, and tended during the pandemic to be in agreement with officials, but are required because of exceptional circumstances.
19. As CST, I did not make any Ministerial directions during the pandemic. The pandemic represented an unprecedented and extraordinary time, in which difficult decisions needed to be made quickly. The quantum of spending in the short period of time ultimately reflected the scale and urgency of the national crisis and as I have set out in previous evidence, I notified the NAO, and relevant parliamentary committees, of delegated spending in specific areas in real time to ensure greater transparency.

Funding for the Devolved Administrations

20. The UK's Devolved Administrations ("**DAs**") in Scotland, Wales, and Northern Ireland receive funding settlements at Spending Review ("**SR**"), with in-year changes in funding determined through UK government fiscal events and the annual Parliamentary Estimates processes. As part of the UK's constitutional settlement, the majority of a devolved government's funding is provided via a block grant from the UK government. The UK government generally has no role in deciding how funding is allocated between devolved government responsibilities (like health, education etc.) nor in assessing or assuring value for money of devolved government spending, which is the responsibility of the respective devolved legislatures.
21. The quantum of block grant funding provided to the devolved governments by the UK government is primarily based on the longstanding Barnett formula. Under the Barnett formula, a population-based share of changes in UK government departmental funding for areas that are devolved in Scotland, Wales and Northern Ireland are added to existing devolved government funding. Where emergency funding was allocated to England, that extra spend was automatically applied to the devolved nations under the

Barnett formula and, as a consequence, they received a more generous rate per head. Where the envelopes of funding were increased, the corresponding amount would be automatically applied to the devolved nations at the specified rate. Application of the Barnett consequentialia therefore resulted in more generous funding to the devolved nations.

Statement of Funding Policy

22. The funding arrangements for the DAs are set out in the Statement of Funding Policy [SB/09/03 INQ000102912]. This policy sets out how HM Treasury funds the DAs and the sources of self-funding available and was first published in March 1999.

23. The Statement of Funding Policy sets out how the UK government funding for the DAs is determined. Each DA manages its own Consolidated Fund and, consistent with the arrangements for UK government departments, DAs will normally be expected to accommodate additional pressures on their budgets by using existing tools available to them. They are responsible for ensuring sufficient arrangements are in place for the planning and control of spending on devolved services to mitigate and manage the impact of emerging pressures. Unforeseen pressures on DAs could be addressed by:

- a. Re-allocating funding from other priorities;
- b. Seeking offsetting savings;
- c. Deploying Budget Exchange arrangements;
- d. Raising revenue;
- e. Accessing reserves or borrowings; and
- f. Adjusting the timing of spending across years, to manage underspends.

24. The Statement of Funding Policy sets out the sources of self-funding (and financial flexibilities) available to the devolved governments:

- a. **Scottish Government:** The Fiscal Framework allows borrowing up to £3bn for capital and £1.75bn for resource purposes, with a £700m Scotland Reserve. Limits will increase from 2023-24 using the GDP deflator.
- b. **Welsh Government:** The Fiscal Framework includes a needs-based factor in the Barnett formula, allowing borrowing up to £1bn for capital and £500m for resource purposes, with a £350m Wales Reserve.

- c. **Northern Ireland Executive:** No formal Fiscal Framework, but agreements include £3bn capital borrowing under the Reinvestment and Reform Initiative and adjustments for long-haul Air Passenger Duty devolution.

25. For civil emergencies, Chapter 8 of the Statement of Funding Policy outlines how DAs can access the UK Reserve in exceptional circumstances. DAs must submit a ministerial letter to the CST to make their case. Access is judged on largely the same criteria as claims by UK government departments but also considering the additional tools and powers available to DAs. The Inquiry queried whether the DAs or government departments made successful claims to the reserve during the pandemic. Reserve claims are set out and published in the Central Government Supply Estimates each financial year [SB/09/27 INQ000000000] [SB/09/28 SB/01/28 INQ000000000].

26. The fiscal framework is a formal agreement between HMG and the DAs. They outline for each DA how funding is transferred and how devolved powers (for example tax) are managed.

DA Funding During the Pandemic

27. It is standard practice for the CST to lead within HM Treasury on engagement with the devolved governments on behalf of HM Treasury, rather than the Chancellor, as the CST is the minister responsible for public spending and the devolved governments within HM Treasury. As stated above, lead engagement with the devolved governments on behalf of the HMG sat with CDL. I had frequent engagement with the devolved governments in relation to funding through the Finance Ministers' Quadrilateral meetings (discussed below) as well as bilateral meetings between ministers. This engagement was however within the limited scope of exceptions that applied outside of the per head funding allocated through Barnett, where funding was allocated to English departments. It was on this basis that requests for funding were often sent to me instead of, or alongside, the Chancellor.

28. On 5 June 2020, HM Treasury provided advice in relation to managing and minimising uncertainty within the devolved government's funding [SB/09/04 INQ000659628]. A range of options were considered to provide the devolved governments with certainty and flexibility during the pandemic, including increases to borrowing limits and the ability to make CDEL to RDEL switches. All options considered carried risks including

increased PSNB/PSND in 2020-21 and beyond. I was keen to take into account the views of the Secretaries of State for Scotland, Wales and Northern Ireland and so agreed with the advice to consult each on potential flexibilities and individualised support.

29. In 2020-21, I provided the devolved governments with an unprecedented in-year funding guarantee, meaning they could plan their response to the pandemic without having to wait for changes to UK government department budgets to be confirmed and without them having to make a claim on the Reserve. This guarantee was initially set at £12.7 billion on 24 July 2020 [SB/09/05 INQ000609431] and subsequently uplifted to £14 billion on 9 October 2020 [SB/09/06 INQ000399212], £16 billion on 5 November 2020 [SB/09/07 INQ000659629] and finally £16.8 billion on 24 December 2020 [SB/09/08 INQ000659630]. For 2021-22 onwards, Covid funding for UK government departments was largely taken into account through SR settlements with the Barnett formula applied for devolved governments, so further funding guarantee was not required and this was communicated by me through letter. [SB/09/09 INQ000610861] [SB/09/10 INQ000609643] [SB/9/11 INQ000609777].

30. The devolved governments were also given extraordinary flexibility to carry forward £2.1 billion of funding from 2020-21 into 2021-22 to help manage late changes to funding beyond the Barnett guarantee. The Parliamentary Estimates process means that changes to departmental funding are reconciled late in the financial year at supplementary estimates, along with any resultant changes to devolved government Barnett block grant funding through the application of the Barnett formula. As set out in HMT's Corporate statement, due to the significant in year changes during this period the devolved governments were given unprecedented permission to carry forward significant funding from 2020/21 into 2021/22. This was on top of their existing flexibilities to carry forward funding in their own existing reserves of £700 million for the Scottish Government and £350 million for Welsh Government and Budget Exchange for the Northern Ireland Executive. The devolved governments also have their own powers to borrow as set out in their respective fiscal frameworks [SB/09/12 INQ000609868]. I supported further flexibility to enable the DAs to carry forward funding, given the formula was not originally designed for the sorts of sudden and large movements of cash that were necessitated by the pandemic response. This was an innovative decision, which was well received by representatives of the DAs.

Working with DAs during the pandemic

31. Given the urgency of economic support measures during the pandemic, decisions were made at pace and, while full consultation was not always possible, HM Treasury sought to engage with devolved governments where feasible. The benefits of information sharing needed at all times to be balanced against the sensitivities of sharing market sensitive data. As mentioned earlier, I was not involved in the design stage of economic schemes operating within the devolved nations.
32. On 21 January 2020, Scottish Minister for Finance, Kate Forbes, sent a letter seeking clarification around the operation of provisions within the Scottish fiscal framework in the event of an economic shock. This was within the context of an expectation that the Scottish Fiscal Commission was to forecast a Scotland-Specific Economic Shock alongside the Scottish Government Budget on 28 January 2021. I responded by letter to state that, on the basis that the SFC's forecasts showed the necessary criteria to have been met, the Scottish Government would receive:
- a. an increase to the annual resource borrowing limit, from £300m to £600m, to be used for any forecast or observed tax shortfall or increase in welfare spending; and
 - b. the total annual drawdown limits for the Scotland Reserve (£250m for resource; £100m for capital) will be temporarily waived.
33. These flexibilities would become available to the Scottish Government for 2021-22 and the two subsequent financial years. These measures ensured further flexibility for the Scottish Government in its economic response to the Pandemic and confirmed HMT's commitment to upholding the agreed terms of the fiscal framework.
34. The Scottish Government requested confirmation that the Barnett guarantee would continue in May 2021 by correspondence [SB/09/26A INQ000659632]. I stated in my response that the SR 2020 settlement for 2021-22, in conjunction with their existing flexibilities, provided the devolved governments with sufficient certainty such that a Barnett guarantee was not needed for 2021-22, but that HM Treasury would keep this position under review as circumstances around the pandemic progressed [SB/09/13 INQ000609774].

35. I believe the approach taken was effective in providing the devolved governments with the extra certainty they needed during the initial stages of the pandemic. It was also pragmatic to apply Barnett given it provided a framework for allocating funds where information from DAs was limited and where similar parallel discussions applied through English departments, this was particularly so as Barnett was more generous to the devolved nations. HMT responded constructively to requests for flexibility, for example taking the unprecedented step to allow unspent Barnett consequentials to be included in in-year transfers. These measures were taken in a way that ensured the existing framework of devolved government funding was also not undermined.

Finance Ministers' Quadrilateral meetings

36. One of HM Treasury's main engagement with the devolved governments was through the Finance Ministers' Quadrilateral meetings that I attended. Under normal circumstances, the Finance Ministers' Quadrilateral convened just once or twice a year (and usually in advance of key UK government fiscal events). However, at the onset of the pandemic, these meetings were rapidly increased to every two to three weeks to ensure close collaboration continued throughout the most acute periods of uncertainty.

37. The frequency of meetings was reduced in the summer of 2020 to quarterly meetings, however this was a flexible adjustment with additional sessions arranged as needed. It was possible to reduce the frequency of meetings following the announcement of an unprecedented funding guarantee in July 2020. The meetings were generally used to discuss the quantum of funding available to the devolved governments (and flexibilities to move funding between years) and, in some cases, the operation of UK-wide support schemes. In between meetings, there was continued communication between the DAs and HM Treasury ministers in the form of correspondence and regular constructive discussions at official level.

Barnett Guarantee

38. The Barnett guarantee was deemed no longer necessary in 2021-22. Devolved funding had initially been set in 2019 and so had not accounted for the impact of Covid-19. I therefore considered the guarantee necessary to enable DAs to respond to Covid-19 at a similar scale and pace as the UK Government and was committed to ensuring

the flexibility needed to do so where funding challenges for DAs arose during the period leading up to the SR 2020. Covid funding was later factored into departmental settlements at SR 2020 and Main Estimates in 2021-22 and the incumbent Autumn Budget would leave room for confirming additional in-year funding in the usual way [SB/09/14 INQ000549184] [SB/09/15 INQ000549185].

39. Enough certainty was therefore provided through the routine operation of the Barnett formula and the existing flexibilities allowed by their fiscal frameworks. Three tests were considered in determining if the Barnett guarantee was still required in 2021-22: 1) do the devolved governments have sufficient certainty over their funding; 2) if they have enough funding; and 3) how much is expected to be given from the UK Reserve to UK government departments in relation to devolved areas of spending, resulting in Barnett consequentialia for the DAs.

40. Whilst HM Treasury recognised that uncertainty remained high given the response to the Omicron Covid variant, it was determined that the devolved governments had sufficient funding for 2021-22 relative to UK government departments. Unlike in 2020-21, UK government department budgets and devolved government settlements for 2021-22 were set on a Covid basis from the start. Following UK government spending decisions, the devolved governments also received an additional £11.3 billion through the Barnett formula for the 2021-22 financial year. This was on top of their baseline budget of approximately £60 billion and included additional funding which the devolved government received after setting their original 2021-22 Budgets in their respective devolved legislatures.

Local Government Funding

41. HM Treasury worked closely with the Department for Levelling Up, Housing and Communities (“**DLUHC**”), formerly MHCLG, to agree the Local Government Department Expenditure Limit (DEL) budget, which is the main source of Government grant funding for local authorities in England. The detail of local Government funding allocations is then set out by DLUHC through the annual Local Government Finance Settlement, which is approved by Parliament. Local authorities are responsible for their own finances within centrally set parameters and budgets. Some funding will be ringfenced for particular activities. The level of funding may vary from year to year to reflect changes in responsibilities placed on local authorities by Government. Local

authorities also have the power to raise income locally, including through Council Tax, retained business rates and sales, fees and charges. HMT does not control overall local Government spending because local authorities are democratically accountable to their local communities.

42. By letter dated 23 December 2020, Robert Jenrick requested a top-up to the Hardship Fund to enable LAs to provide further council tax discounts [**SB/09/17 INQ000549178**]. This was to be in addition to the £500m Hardship Fund established by the Chancellor at the spring budget. At that time the Government communicated that it expected this funding to be used to provide an additional £150 council tax discount to working age recipients of Local Council Tax Support, but the guidance, provided by MHCLG, made clear that billing authorities would have discretion over the use of the funding.

43. HM Treasury advice recommended not approving this request for the following reasons [**SB/09/18 INQ000549179**]:

- a. LAs were asked to report spending against the Hardship Fund in routine monthly monitoring and monitoring data from the time of the request suggested that at least £447m of the Hardship Fund had been used already to provide discounts. If LAs wish to prioritise providing further council tax discounts, they could be expected to do this from within the other resources that they have available. This includes the £4.6bn of unringfenced grant funding that the government has provided for LA expenditure pressures since March 2020;
- b. The £150 discount was an expectation rather than a firm commitment/instruction, and LAs have had discretion as to how to use their allocations;
- c. LAs were expected to consider pro-rating the additional discount for new LCTS claimants over the coming weeks in the lead up to the end of the financial year.
- d. Since the Hardship Fund announcement in March 2020, the Government had announced further measures to support the most vulnerable during the pandemic, including a further £670m of support for LCTS costs in the next financial year;
- e. LAs would have already taken financial planning decisions to taper or to finalise existing allocations of the Hardship Fund. Providing a guarantee was therefore likely to be administratively burdensome to LAs, requiring them to revisit billing and existing planning decisions, as well as potentially revisit discounts already provided.

Economic Activity and consistent with NPIs; Microeconomic Policy

44. As discussed above, the Chancellor led on the government's economic response which was agreed at PM and Chancellor level and also within the Quad, with CDL leading on decisions in relation to DAs as minister of for the Union. As a result, in my role as CST I had very limited engagement on the wider economic response as detailed above. The Chancellor led on consideration of economic policies being consistent with NPIs or microeconomic policy.

Fraud and Error

45. HM Treasury sets the framework and guidance for managing fraud risk jointly with the Cabinet Office and ensures that it is consistent in all policy and delivery development. HM Treasury however has no formal role under MPM to manage fraud in relevant departments and fraud controls were ultimately a matter for that department's AO with oversight from Cabinet Office, rather than for HMT directly. Despite this, during the early stages of the pandemic HM Treasury did seek to minimise risks. It also reminded departments of spending rules and adjusted approval levels to enable swift decision making.

46. Particular concerns were raised at various points in relation to lack of inventory records held by DHSC, which inhibited the ability of the Comptroller and Auditor General to undertake a sufficiently full review of whether losses to fraud were material **[SB/09/19 INQ000477892]**. Steps were taken by HM Treasury to work with DHSC in order to improve their procedures. Similarly, recommendations were made to improve stock monitoring in respect of LFD **[SB/09/20 INQ000477875]**. In June 2021, HM Treasury wrote to the newly appointed Health Secretary to highlight the PAC's request for a plan to deal with excess stock of PPE by July 2021 **[SB/09/21 INQ000477837]**. HM Treasury received an update on DHSC's efforts to meet this transparency request on 23 February 2022 **[SB/09/22 INQ000477842]**.

47. Lord Agnew challenged DHSC on concerns over fraud. I was in agreement with Lord Agnew regarding the need for increased checking and transparency in order to safeguard against fraud risks. I supported the need for more vigorous checking processes to be implemented, should the need for such rapid securing of contracts

arise again in the future. Likewise, I supported Lord Agnew more generally in his desire for fraud to be given greater urgency within government, however this was not an issue led by the CST.

48. I have a professional interest in the prevention of fraud and financial crime as prior to becoming a member of parliament, I worked in financial crime prevention. I was cognisant of the potential for fraud and for example, insisted that the National Audit Office was notified in real time when we were delegating exceptionally large spending envelopes. There were obvious challenges in trying to balance the need to approve spending quickly whilst ensuring there were appropriate fraud controls. In order to address the need for cash flow, the Quad accepted a higher level of risk.

49. I had long standing concerns about the operation of arms-length bodies which had increased since my time as minister of state for health. In particular, there was frustration with regard to the lack of accountability around the operation of arms-length bodies, particularly NHSE, and the obvious gaps in delivery which we did not have sight of until a later date.

Inequalities

50. Throughout the pandemic, HM Treasury worked up assessments of the impact of different policy choices on different groups including those set out in the Public Sector Equality Duty. This related both to the impact of the NPIs, including the economic shock caused by Covid restrictions, and on the economic support introduced for businesses and households. These assessments would have been provided to ministers as part of policy advice and in particular in the final decision records for the various interventions.

51. From my experience, consideration of and impact of decisions on vulnerable groups was taken seriously.

Long Covid

52. In the early weeks of the pandemic there was not, and could not have been, established knowledge of the long-term sequelae of the virus, and what form that might

take. From the outset, Covid-19 was a health crisis in which medical advice and guidance was key [SB/09/23 INQ00088105]. Throughout the pandemic HM Treasury relied on the advice of health experts for information on the path of the virus and its impacts, including long-term sequelae.

53. As HM Treasury's understanding of Long Covid and its potential economic and health impacts developed over time, I was advised accordingly, and the available evidence was used to inform decision making. Examples of this included:

- f. By October 2020, HM Treasury's SR analysis considered the potential resource implications of Long Covid for the NHS [SB/09/24 INQ000609766].
- g. In July 2021, advice was provided in advance of a Covid O meeting about departmental issues caused by high prevalence of Covid over the summer, noting Long Covid as a "category C" long-term risk, with mitigation to be considered at the upcoming SR - 22 July 2021 [SB/09/25 INQ000113756].

54. Across the relevant period, HM Treasury provided over £89bn of additional funding for health and social care measures aimed at reducing transmission of the virus and saving lives.

Reflections

55. For completeness, I have provided analysis and reflections in my previous statements provided to the Inquiry and wrote to the chair of the Treasury Select Committee on 1 April 2021, setting out my approach to spending control over the course of the pandemic [SB/09/26 INQ000659631]. With regard to lessons learned, a key challenge was in the lack of timely information, the information asymmetry of what requesting departments were aware of compared to information available to HM Treasury and the paper-based way in which Whitehall operated with little use of technology. As I have previously reflected, and specifically in the context of procurement, I felt that limited access to subject matter experts was given to HM Treasury by others and a culture where transparency within government was often limited as primacy was placed on securing HM Treasury approval rather than developing a shared understanding on the issue.

56. Throughout 2020, I remained concerned by the nature of requests, which were often made late and accompanied by parallel lobbying through No 10. In some instances,

commitments were made in the absence of official approval and requests were made retrospectively. Very large spending decisions were often required out of hours to very tight deadlines where the clear message was that without approval loss of life would result. There was also a very strong steer from No 10 that in weighing the balance between spending control and timely delivery, HMT was expected to ensure contracts were not missed to international competitors due to delays in assurance processes. These factors placed great strain on the department's ability to properly control spending decisions.

57. Ministers had very little visibility as to how Covid-19 funding was being used by the Devolved Administrations as there was no legal duty for them to provide detailed data on areas subject to their authority. More data around how money was being spent and where, would allow the HMG to make more informed decisions about spending as funding allocations were automatic under Barnett without triggering any additional requirements for data sharing. Throughout this period, the same principals were applied, MPM observed and the Barnett formula consistently applied. Timelines were compressed and circumstances magnified but core principals were observed throughout.

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: 27 October 2025

