

Witness Name: Alison Greenhill

Statement No.: 1

Exhibits: 1, 2, 3, 4, 5

Dated: 22.10.2025

**Module 9 of the UK Covid-19 Public Inquiry (“the Inquiry”)
Reference for Rule 9 Request - M9/R9R/AG**

WITNESS STATEMENT OF ALISON GREENHILL

I, Alison Greenhill, will say as follows:

Thank you for giving me the opportunity to share my perspective on the issues raised in your letter. The views are mine, but are endorsed by the City Mayor, Sir Peter Soulsby.

By way of summary, I am of the following opinion:

1. By and large, the Government responded as best they could to the economic impacts of the pandemic. Mistakes were undoubtedly made, but given the constantly evolving impact of the virus, it would have been astonishing had they not been. As the situation was unique, and any subsequent pandemic is likely to be unique in a different way, it is difficult but not impossible to draw some lessons for the future.
2. There are however three areas where I feel the Government could and should have done things differently. The first of these is to put more trust in local government. Our objectives and those of central government were closely aligned, in that we all sought to prevent the spread of the virus, support vulnerable residents and protect local economic enterprises. Expertise on many issues was primarily local rather than national. Nonetheless, we faced over-prescription, multiplicity of rules and “league tables” seeking to cajole us to better performance. The effects of this were particularly felt in the design of business support schemes – the problems with these schemes are documented below, but I feel that many could have been anticipated had a group of expert local practitioners been engaged early in the pandemic.

3. The second area is fragmentation – different government departments instigated different grant schemes with unnecessarily onerous conditions requiring the diversion of effort which could have been better deployed supporting communities.
4. The third area is lack of meaningful preparation by the Government for any local lockdown to continue beyond the period of the national lockdown in 2020. Leicester (and some neighbouring suburbs) was the only area in this position, and I initially felt like we had been left high and dry.
5. In my statement, I comment in various places on how support to businesses could have been better managed by engaging local authorities and software suppliers earlier than was the case. Given the nature of the pandemic, and that any future crisis might also develop rapidly and have its own unique features, very early engagement is always likely to be a challenge. Advance planning could, however, mitigate this. This planning might include setting up standing arrangements, whereby the Government can call together expert practitioners at short notice. It may also be worthwhile utilising this group to anticipate crisis scenarios for which contingency plans can be made now (e.g. asking the principal software suppliers to develop modules that can routinely capture data that might be needed, and to enable councils to generate payments based on that data).
6. This statement is provided to the best of my knowledge and belief. The pandemic commenced over 5 years ago; since that time memories have faded, and staff have departed. Compounding this, the pressure on the council at the time was huge, and the situation was constantly changing – normal processes of recording and decision making were adapted accordingly. Consequently, seeking to piece together the sequence of events at this remove is not straightforward. The statement contains opinion as well as demonstrable fact.

Part A: Roles and Responsibilities

7. I am the Chief Operating Officer at Leicester City Council, a position I have held since March 2021. Prior to this I was the Director of Finance and Section 151 Officer from June 2012 to March 2021. I have served my career at Leicester City Council commencing in January 1986 and am passionately committed to my home city.

8. During my tenure as Director of Finance I was actively involved in the sector, a member of the Society of Municipal Treasurers and president thereof in 2017/18. I am also a “core advisor” to the Local Government Association on local government finance matters.
9. No formal structures existing pre-pandemic to respond to the situation we found ourselves in. Government departments were unprepared in how to deal with the local government sector particularly from a finance perspective. In the early days, significant reliance was placed on existing relationships with MHCLG (Ministry of Housing, Communities and Local Government) local government finance team, led by Alex Skinner (Director, Local Government Finance, MHCLG) and with BEIS (Department for Business, Energy & Industrial Strategy). Both of whom I helpfully had existing established relationships.
10. MHCLG (Ministry of Housing, Communities and Local Government) did relatively quickly reassign many staff to specific roles to create relationships across regions and “keep in touch” with local authorities, which was very much appreciated. However, I was not involved or asked to be involved in any information gathering or advisory capacity at any point. This is particularly pertinent with regards to local lockdown. Whilst I was not personally involved in most of the meetings or calls with the then Secretary of State for Health and Social Care (Matt Hancock), the announcement of the retention of lockdown rules for the Leicester and greater Leicester area was based on infection rates and no consideration of financial/economic impact was made nor funding packages considered. At no time did officials reach out to me or the then Chief Operating Officer to ask what government needed to consider as we were placed in local restrictions nor during or after to glean lessons learned. Indeed exhibit 1 - Letter dated 10 July 2020 Essential Business Support in Leicester [AG/01 - INQ000656302] and exhibit 2 – Letter dated 17 July 2020 Secretary of State Rt Hon Matt Hancock MP [AG/02 - INQ000656304] are letters requesting business support that remained unanswered.
11. In my opinion, whilst not perfect, existing structures did exist to facilitate meaningful engagement with the local government finance sector that were not used as well as they could have been. Furthermore, no realistic attempt was made to establish those during the pandemic. Regional contact leads were established however using the existing county, unitary and district societies was a missed opportunity. With particular regard to the various business grants schemes, no attempt was made to proactively

engage the business rating teams who have certainly in Leicester have an in-depth knowledge of businesses within the city and I would suggest would be the case in most councils. Most senior ratings officers are members of the Institute of Revenues, Rating and Valuation (IRRV) and I am not aware that that professional body was engaged in this process.

12. Further on in my statement I identify one of the key frustrations was the complete lack of any joined-up engagement between government departments. This was incredibly stark and imposed significant pressure on my staff in managing around one hundred different funding streams. I explain this later. I previously mention the proactive engagement from BEIS (the department for Business, Energy & Industrial Strategy), I am not aware of the relationship with wider MHCLG (Ministry of Housing, Communities & Local Government) or other departments, but I saw no evidence of that parental style overview.
13. Going forward, it is imperative that MHCLG (Ministry of Housing, Communities & Local Government) or the Treasury ensure that they maintain an overview, almost mirroring that of a unitary council (as a provider of all services) to understand the complexities and the interaction and interrelation of funding streams. Whilst the focus of this statement is the economic response, many other government funding streams directly impacted (or not) businesses in the city such as childcare providers, care homes, contracted taxi companies etc.
14. I would like to highlight that civil servants at BEIS (the department for Business, Energy & Industrial Strategy) tried to be particularly helpful. My perception was that there was little if any appetite to consider "local" issues and that ministers were wedded to a one size fits all scheme relating to economic support. We raised numerous issues particularly with the various business grant schemes, as can be seen in exhibit 3 – Letter Parliamentary Under Secretary Paul Scully MP letter dated 24 April 2020 [AG/03 - INQ000656305] and in some examples I give later. In some cases, later iterations of schemes allowed a greater degree of discretionary funding and decisions.
15. Learning from the pandemic is imperative and I am not aware of any learning sessions relating to economic support and funding support having been held.

Part B: Funding for Local Authorities

Un ringfenced Funding

16. The Council received five tranches of unringfenced emergency funding, four of which were received in 2020/21 amounting to £33.6m. A further tranche of £11.5m was received in 2021/22.
17. The final (aggregate) funding allocation for 2020/21 used a formula based on work taking place to reform the general system of local government finance – the “Review of Relative Needs and Resources.” Specifically, the fourth tranche was allocated with reference to the sum of all four tranches, from which the previous payments were deducted. I do not recall how the first tranches were allocated initially, but ultimately this did not matter. A similar method was used to allocate the (single) tranche in 2021/22.
18. I do not recall whether we were consulted on the 2020/21 allocations – if so, given the general pressures created by the pandemic, I doubt we would have devoted the resources to making a considered response (which might have required detailed technical analysis). I employ a rule of thumb that the Council receives around 2/3 of 1% of any national figure, and the grant announced would not have seemed wildly out of line with this.
19. It is worth me summarising the Council’s budget management arrangements. In normal times, the Council sets annual (broadly cash limited) budgets for its services, and directors of services are expected to spend within these limits. Where this is not possible, explanations are reported (publicly) in periodic monitoring reports to the Council’s elected members on the Overview Select Committee. Covid disrupted these expectations, and the Council had no choice but to trust its service managers to spend as necessary (within reason) to manage the pandemic impacts. We would pick up the financial consequences at a later date.
20. Whilst the grant notifications included the Government’s views on what the grant might cover, the emergency funding was explicitly unringfenced. Consequently, it was treated as available to the Council as a whole. It was not allocated to service budgets, as this would not have been practical or sensible. Thus, the question posed by MHCLG (Ministry of Housing, Communities & Local Government) in its periodic monitoring returns (asking for percentage splits of the funding, according to how we planned to

use it), was meaningless in our context and had to be constructed hypothetically each month purely for the purposes of the form. MHCLG (Ministry of Housing, Communities & Local Government) did acknowledge that some authorities may not have allocated the funding, but I do not believe our response would have given the department anything useful. Also, in this context, MHCLG (Ministry of Housing, Communities & Local Government) guidance on how the unringfenced funding could be used served no purpose, other than to illustrate that our priorities were the same as theirs (they could not really have been otherwise).

21. The monitoring form itself was difficult and time consuming to complete: one of my officers joined a call at the start of the pandemic and advised the MHCLG (Ministry of Housing, Communities & Local Government) attendee to keep the monitoring simple, but in the event it was not kept simple. Given that both MHCLG (Ministry of Housing, Communities & Local Government) and the council were finding our way through a complex and evolving situation, I would not be too critical of this.
22. The monitoring forms were explicitly stated to be for future planning purposes, not for monitoring or auditing. The forecasts of additional expenditure and lost income were inevitably imprecise: the situation was continually changing, and experience tells me that assumptions made would have varied between authorities, possibly widely. This inevitable imprecision precluded measures such as penalising authorities for inaccurate forecasts. A requirement for external checks would have added to our workload at a difficult time and I do not believe would have been of assistance to MHCLG (Ministry of Housing, Communities & Local Government). A blank copy of the information requested by 26/2/21 is attached as exhibit 5 [AG/05 - INQ000657856 for illustration purposes. (The information requested was refined over the course of the pandemic).
23. In practice, the pandemic affected many areas of the council's spending because of behavioural and other indirect impacts (e.g. reluctance of staff in the sector to change jobs); and because staff who would otherwise have nothing to do could be redeployed (e.g. leisure centre staff were used to carry out door to door testing). The impact of the pandemic was not restricted to discrete heads of expenditure.
24. Some aspects of the pandemic have cast long shadows. For instance, monitoring local tax collection does not provide a complete picture – what concerns the Council is the ultimate collection performance (and how much debt has to be written off). This can

take many months, or even years, after year end to crystallise. Our in-year collection performance is still behind pre-pandemic levels, due to the build-up of arrears.

25. At the start of the pandemic, I was worried that government funding would not be sufficient to cover the costs we were incurring. In particular, we did not know how long the pandemic would last, or what the after-effects would be. A report to our Overview Select Committee in July 2020 asked the committee to support the City Mayor's stance that all costs should be reimbursed. I was also concerned about funding arrangements for our own local lockdown (about which I am more critical - see below under "ringfenced funding").
26. With the receipt of later tranches of funding (including ringfenced funding) I came to believe that we would have enough funding for the immediate crisis, always subject to the caveat that we never knew what was round the corner. The key reasons for this include:
27. Changes in patterns of people receiving adult social care. Our original budgets for 2020/21 and 2021/22 assumed growth in costs (reflecting long-term trends). After factoring in ringfenced grants to support pandemic related costs (such as infection control) and contributions from the NHS, we spent less than the budget in each of these years. This was presumably partly due to the impact of people not being able to access services or not wanting services for fear of infection. This pattern took time to become apparent, and there remained a risk of a later period of "catch up;"
28. Indirect savings, such as difficulty recruiting staff, and reduced demand for some services.
29. Strategic planning for the pandemic was obviously hampered by lack of knowledge about how the virus would spread, in particular whether there would be future waves, and the number and extent of these. It would have been unrealistic to expect Government to foresee events in a way which would have provided certainty over funding.
30. I believe that we did have the resources and skills to manage the economic response to the pandemic, but capacity was obviously impacted by the demands on the organisation as a whole.

Business Rates Relief

31. On 11th March 2020, the Government announced an expansion of the previously existing rates discount scheme in order to provide 100% relief to the retail, hospitality, and leisure sector. The new scheme was effective from 1st April 2020. The Council was not consulted in advance of this decision but would not have disagreed with it.

32. The scheme generally achieved its aims in supporting businesses that suffered financially from the pandemic, and meant councils did not need to tax businesses that were often struggling. There were however some perverse impacts flowing from the scheme design. For example, large retail supermarket chains remained open and busy, albeit with some increased operating costs, thus effectively receiving a large “windfall” amount of relief (which some reportedly subsequently chose to repay). Car park operators on the other hand could remain open but suffered incredibly significant income reductions due to lack of custom. Car park operators generally have a high level of premises costs, with relatively low staff costs: however, they were not entitled to relief (or to mandatory business grants).

33. In any future crisis, business rates relief could be better targeted by basing it on property usage, with more reference to likely losses of income arising and the typical cost base for the sector, including whether businesses are required to close. Evidence could be drawn from the experience of the pandemic and from sector/trade groups.

34. The Covid-19 Additional Relief Fund (CARF) scheme was announced in March 2021, for affected businesses not eligible for pre-existing support. However, the guidance was much delayed (the final version is dated December 2021): the Council could not therefore respond to the inevitable queries from businesses. Once the national guidance was issued, time was required to develop a compliant local scheme of relief, leading to further dissatisfaction.

35. Consequently, delays detracted from the success of the scheme: once our local scheme was published, many businesses evidently did not see the value of committing time to making an application, or assumed they were not eligible. There was relatively little interest when applications for relief were invited, and only a small proportion of the funds was disbursed. The lesson for Government from this is self-evident.

36. The majority of our CARF (The Covid-19 Additional Relief Fund) funding was ultimately allocated via a second phase, using a formula we designed to target businesses most likely to have suffered losses due to the pandemic. Having a second phase added to administrative workload, and doubtless also meant that some businesses received rates relief that they did not need.

Ringfenced Funding

37. In this category, I discuss all grants we received other than the emergency funding and rate relief discussed above, and those in respect of business support grants (which I discuss below). Some of these grants were technically unringfenced, but each related to a specific scheme or expectation.

38. There was a plethora of ringfenced grants, reflecting the responsibilities of separate government departments. The Council needed to be aware of the conditions attached to each, which varied from grant to grant. This caused additional work and complexity.

39. I would for instance draw attention to: The scheme to give all working age recipients of council tax reductions (under our statutory scheme) a further £150 off their bills. This flat rate, untargeted reduction is not the way we would have chosen to direct support to vulnerable residents. For instance, those who were not in employment would not lose income through business closures, but received the £150, nonetheless.

40. The Covid Winter Grant Scheme, which had stipulations that at least 80% of the funding must be spent on families with children, and at least 80% must support food, energy and water costs; together with a requirement to provide a statement of grant usage, a progress report and a management information return on prescribed dates. Repayment to the Department of Work and Pensions could be demanded where conditions were breached.

41. The compensation scheme for loss of (the council's own) sales, fees, and charges income, for which subsequent reconciliation took an inordinately long time. The final request for information was received on 24th December 2024!

42. A central record of grants was maintained by the Council. This was for planning purposes and was not a control document – hence it was not necessarily comprehensive or 100% accurate. Nonetheless, the record of grants as it stood on a

date in 2021, is purely to illustrate the nature of the complexity, I have included this titled as a separate document, titled exhibit 4 – Record of Grants [AG/4 - INQ000656306].

43. It is hard now to recollect the circumstances in which the ringfenced grant regimes were devised, particularly given their number and the fact that many officers were involved in managing them. However, I do not recall being consulted on the programmes, and believe advance communication was sporadic (we often lacked any informal “heads up”). Guidance varied from department to department, and the data collection required could be onerous with little obvious benefit to some of it.
44. Ultimately, the Government’s approach showed a lack of trust in the role of local authorities, which led to over-complex arrangements.
45. I believe two alternative approaches could have worked better, each of which would have required cross departmental co-ordination across central Government:
46. Provide all support in the form of general unringfenced funding and accept that some authorities would be better funded than others. This approach could perhaps be supplemented by exceptional funding for authorities with particularly extended lockdowns, or whose budgets relied on unusually large sources of income which had ceased (e.g. from local airports). This approach would show greater trust that local government could deliver shared objectives and enable us to achieve local solutions as best we could.
47. The second alternative would have been to fund all spending through a single specific grant, with defined categories of eligibility, to be submitted on a grant claim (certified by the Director of Finance and external audit). This would replace the range of specific grants, each with their own conditions, and the unringfenced grants. At the end of the pandemic, a final return would be submitted seeking reimbursement of all pandemic related costs. Clearly, interim claims would be required whilst the pandemic was in progress. Such a single grant regime would have placed the onus on the Director of Finance to ensure the return was accurate, whilst still expecting auditors to challenge the figures; the Government could also challenge any claims that looked out of line compared to other authorities. Such an approach would undoubtedly need proper consideration of the practicalities, but instinctively I feel it must be preferable to a myriad of different regimes. It is perhaps something the Government (with

practitioners) could seek to develop as part of contingency planning for any new pandemic.

48. I believe that the Government could create a “sounding board” consisting of directors from various service backgrounds, representative of councils as a whole. This could be engaged at short notice should the need arise in a future emergency.

Local Lockdown

49. In July 2020, the country came out of lockdown, with the single exception of Leicester city, and some immediate surrounds. I am particularly critical of the way the Council (and indeed the local economy generally) was supported at that time, when we had no idea of what the overall impact of the pandemic on our budget was likely to be.

50. Being subject to local lockdown inevitably led to cost. For example, many businesses in the area had to remain closed, and our shielding programme for vulnerable adults had to continue. The Government, however, had not planned appropriately and initially there was no mechanism to assess cost or allocate funding. Officers had to lobby hard to secure any additional resources such as a further round of grants to support closed businesses. Furlough and self-employed assistance should have been given fuller consideration, due to complexities arising from people living and working in different places (i.e. in and out of the lockdown area).

51. Using shielding as an example, the national shielding programme ended but clearly had to continue in Leicester. The council continued its food offer to the medically vulnerable, an approach which was agreed with the Government. However, securing government funding was an unnecessarily complex process with a clear reluctance from government to fund costs, and a level of mistrust displayed that required the council to provide extensive weekly data to support those costs being claimed.

52. The Government failed to think through the consequences of a local lockdown. Leicester was not proactively allocated funding: we had to argue and negotiate and were expected to complete onerous returns. We were not asked to share our experiences to inform the approach to subsequent lockdowns.

Part C – Covid 19 Business Grant Schemes

General

53. The Council was not consulted on the design of any of the business grant schemes. For the later grants, I understand that BEIS (department for Business, Energy & Industrial Strategy) made use of a reference group of councils, but councils were not openly invited to participate. General engagement was limited to dealing with detailed implementation questions as schemes were rolled out. Utilising a representative selection of councils at an early stage would likely have led to better scheme design and avoided some of the issues that arose subsequently.
54. In the earlier grant schemes, processes for mitigating the risk of irregular payments were very much left to each council to determine. I took a robust approach, requiring evidence of identity for all grant payments, linked to properties known to be eligible. A hastily designed addition to the revenues collection software was used to provide a rudimentary online application system. This meant that the Council took longer than some authorities to start making payments, but relatively few irregular payments were consequently identified. In later grant rounds, additional checks were implemented such as the use of credit reference agencies.
55. The Government could have made counter fraud checks available free of charge via national arrangements at a much earlier stage than they eventually did.
56. Where irregular payments were identified, the Council took a robust approach to repayment, with some cases reaching court in the last resort. The Council did not avail itself of BEIS' (department for Business, Energy & Industrial Strategy) offer to pursue potential irregular payments on our behalf, preferring to rely on our local knowledge and to publicise our stance locally. The BEIS (department for Business, Energy & Industrial Strategy) offer, did, however seem a useful option for those that wanted to use it.
57. Particularly in the case of the earlier grants, the Government put too much pressure on councils to make payments quickly, seemingly regardless of the risks of fraud and error resulting from haste. Councils faced adverse publicity if payments were slow to start, and inevitable adverse publicity subsequently if there proved to be high levels of fraud. Councils were between a rock and a hard place. Assuming the Government's overriding priority was to secure prompt payment, ministers could have been explicit at an early stage that they would (within reason) bear the risks of fraud and error. (Answered in paragraph 58, 95, 96, 97 and 98).

58. The Government could have improved the schemes by centralising payments to big chains which have premises in many areas. This would have made life easier for the companies themselves, more robustly ensured compliance with state aid limits and minimised the opportunities for fraudulent applications in multiple locations (fraudsters purporting to claim grants for the Greggs bakery chain spring to mind). This suggestion was made to BEIS (department for Business, Energy & Industrial Strategy) but was not adopted.

59. Councils did not immediately have the necessary capacity to administer these grant schemes; this was inevitable, given the nature and speed of the pandemic. Like many councils, Leicester redeployed revenues and benefits staff away from their core tasks. Whilst achievable in the short term, this resulted in very significant and long-lasting delays to the processing of council tax, business rates and benefits, the effects of which are still with us.

60. The major implementation issue, however, was the lack of suitable IT systems. Entitlement to grants was predominantly linked to rateable property, but business rate systems are designed for collecting money not for making payments. Councils were reliant on national software providers to rapidly deliver new modules; and on their own IT capacity to develop local systems and modules. These modules took time to produce and could best be described as rudimentary. The Government did little to support councils. They could have worked more closely with the software suppliers from an early stage: grant conditions and reporting requirements could have been shared with them sooner, and the Government should have funded development.

61. There was little evidence of learning as the pandemic progressed. In particular, eligibility criteria were not consistent from cohort to cohort; councils and businesses usually found out about new grants at the same time, creating an immediate (unrealistic) expectation of payment; grant conditions continued to be refined whilst the grants were live; and reporting requirements continued to develop. BEIS (department for Business, Energy & Industrial Strategy) did, however, tighten the counter-fraud requirements as time went on.

Cohort One Business Grant Schemes

62. In March 2020, the Government announced a national scheme to support small businesses (the Small Business Grants Fund), and the Retail, Hospitality and Leisure

Business Grants Fund. Eligibility for these grants was restricted to the ratepayer at the business premises concerned (which caused some problems, as discussed below) and had other eligibility criteria as apparent from their names.

63. One of the issues that emerged was that of businesses in rateable occupation of which we were unaware. This would often be for innocent reasons: indeed, many would have been small businesses entitled to 100% relief. Naturally, these businesses often sought support grants. As time moved on, we exercised greater discretion to pay grants based on retrospective registration, as it became increasingly apparent that BEIS (department for Business, Energy & Industrial Strategy) was relatively relaxed on the matter, although still strictly at the Council's risk. The extent of checks we could make on eligibility for these ratepayers was below that which we could apply to established ratepayers.

64. Monthly tables showing authorities' performance in making prompt payment of grants were a controversial feature of the business grant regime, but if I recall correctly were not introduced until the later cohorts. BEIS (department for Business, Energy & Industrial Strategy) consistently denied these were intended to be seen as "league tables," although inevitably they were perceived in this way. These publications created a risk that councils would prioritise speed over proper controls, to the detriment of accuracy and anti-fraud measures. The tables were reported in the media, with some councils (including Leicester) criticised as a consequence. The tables were undoubtedly effective in speeding up payments at some councils, although likely at the expense of proper controls. Additionally, the tables were used by senior officials and ministers as the basis for calls to senior council officers. On two occasions (16th April 2020 and 14th May 2020), I was taken to task personally by Paul Scully MP, Parliamentary Under-Secretary of State for Small Business, Consumers & Labour Markets for not getting grants out of the door as quickly as other councils, particularly local districts who clearly had nowhere near the scale and complexity that Leicester had. The situation was in fact that we were waiting for our software supplier to deliver a new module in order to automate payments.

65. I cannot think of any alternative indicators which would have better assessed authorities' performance (at least none that could have been used at the time) but believe a better approach would have been for BEIS (department for Business, Energy & Industrial Strategy) to use the data to (privately) follow up any councils causing particular concern.

66. Cohort One also included a later Local Authority Discretionary Grant Fund. In practice, I believe this scheme was crucial to fill in the gaps arising from the (necessarily) prescriptive nature of the mandatory schemes. I also believe that the proportion of funds used for discretionary grants could have been increased, to better enable councils to support businesses of crucial local importance. Demand for discretionary grants inevitably outstripped supply.
67. We developed a good local knowledge to inform our use of the discretionary funds, assisted by our growing awareness of the impact of the pandemic on different sectors and areas. We were, for instance, able to support small businesses renting serviced accommodation and those renting units in former factories split into units where the landlord remained liable for the rates (“shared services” in BEIS terminology). Such businesses understandably viewed lack of eligibility for mandatory grants as unfair. We also supported companies such as “business-to-business” food, catering and event suppliers whose trade evaporated, but were not required to close and hence were not eligible for Retail, Hospitality and Leisure Grant. These are a significant business sector in Leicester.
68. I believe that the guidance from the Government was fit for purpose overall. Identifying some types of business councils could be support with discretionary grant was helpful but conversely opened up local expectations about payments we were “expected” to make.
69. As noted above, there were considerable challenges in being the first area subject to a local lockdown. Initial funding for additional business grants was in due course received via the Department for Health, which (once confirmed) was distributed to businesses as quickly as possible. The challenges included businesses expecting the Council to provide further support immediately, and further erosion of business confidence in a future recovery.
70. As local restrictions became more widespread, funding was received via the national Local Restrictions Support Grant (LRS) programmes. Additional funding for discretionary grants was also received, which helped the Council to target support for those businesses not entitled to mandatory support via the LRS and the subsequent Restart Grants.

Cohort Two Business Grant Schemes

71. As with all the mandatory schemes, some businesses were ineligible under cohort two as the eligibility criteria was fixed by the grant conditions. As restrictions extended over longer periods, businesses that were not eligible became increasingly affected financially and thus increasingly vocal. The Council received criticism for not making mandatory grant payments to businesses that were clearly ineligible and hence could not be supported. There was an element of businesses 'playing off' councils against each other, pointing to businesses deemed eligible elsewhere. Some of these objections were overcome by persuading BEIS (department for Business, Energy & Industrial Strategy) to extend or clarify the eligibility criteria (dog grooming businesses spring to mind), some by applying a more liberal interpretation of the criteria and others by using the local discretionary grant route.
72. The succession of grant schemes posed a clear challenge to delivery. Ongoing updates to the business rates software was required and staff had to be redeployed, or have their existing redeployments extended. Had the length and extent of the business grants programme been known earlier (which clearly would not have been possible), the Council would have looked to identify a wider group of staff who could have been trained and released from their usual work.
73. The Council continued to use the discretionary grant funds to good effect. We provided discretionary grants to public-facing city centre businesses that were not required to close but suffered a significant reduction in footfall, such as newsagents, post offices and convenience stores.
74. We remained alert to developments elsewhere, for example a national campaign by the driving instructor sector for support for self-employed instructors' vehicle costs. This led to a discretionary grant programme which was well received and designed to be comparable to programmes emerging elsewhere.
75. Looking to the final Cohort two grant schemes, we noted which businesses were eligible for the Omicron Hospitality and Leisure Grant, and which other business types were particularly affected within Leicester. We utilised discretionary funding to support some of these, including travel agents, gyms, and personal care.

76. Valuable support was also provided to voluntary and third sector organisations whose income and costs were impacted. For example, organisations such as the Scouts, Sea Cadets and play associations received mandatory grants where they were the registered ratepayer; whilst our local discretionary scheme supported places of worship with community facilities, which are a key neighbourhood resource.
77. The guidance and eligibility criteria were not complex or difficult to apply in the round, and I do not think they led to fraud or error of themselves. Problems occurred when criteria were not published until some time after a grant was publicly announced. Also, the varying eligibility criteria and grant amounts from one scheme to the next created administrative work and was confusing (and sometimes hugely disappointing) for businesses. The discretionary grant funds provided scope to address some obvious omissions but could result in variant entitlement between different authorities and perceptions of a “postcode lottery.”
78. One particular Cohort 2 scheme stands out in the memory for complexity and difficulty, and out of all proportion to the funding available – the Christmas Support Payment for wet-led pubs in 2020. A ‘wet-led’ pub was one which derived less than half of its income from serving food. The evidence requirements were completely disproportionate to the £1,000 funding on offer and proved an unwelcome distraction to staff administering the wider grants programme. Award decisions often became a matter of judgement and local knowledge, erring on the side of awarding a grant. It is also notable that the funding was announced on 1 December, with councils under pressure to make payments before Christmas - the final update of the guidance however is dated 4 March 2021!
79. Throughout the programme, the requirement to be the registered ratepayer in order to qualify for mandatory grants caused misunderstandings for businesses in shared spaces.
80. Some businesses applied for grants based on activity which was ancillary to their principal business activity (for example, wholesalers with a very small public-facing offer at their premises).
81. As the pandemic and the programme entered later phases, the requirement to be ‘trading’ was entirely understandable but could be open to interpretation - particularly

where businesses were still registered as an active company, but where all other evidence pointed to operations having ceased.

82. In terms of lessons for the future, I would suggest ensuring eligibility criteria are clear to businesses and councils, are easily measurable, and are proportionate to the funding available. They should not inadvertently omit what would appear to be significantly impacted sectors (examples that spring to mind include dry cleaners when few people are going to work or to events; hairdressers required to adopt infection control procedures which significantly impact throughput; and businesses wholly reliant on public gatherings and events which were prohibited).

New Burdens Funding

83. The Council was not provided with adequate funding for implementing the business grant schemes. Whilst detailed time records were generally not kept, the costs of staff, IT, counter-fraud checks, reconciliation/reporting, and recovery of incorrectly claimed grants significantly exceeded the funding received.

84. Wider engagement with councils and software suppliers could have led to better cost estimates. I believe an average benchmark drawn from all councils (or a representative sample) could have been arrived at.

Reflections on the Business Grant Schemes

85. Taken individually, the schemes were not particularly complex, although there were always detailed queries given the numerous iterations of the grant guidance issued. However, the varying eligibility criteria and grant amounts between one scheme and the next created administrative and IT complexities, alongside confusion, uncertainty and sometimes anger, for many businesses.

86. The impact of the schemes was inevitably unequal in some respects. Businesses that relied on the public but did not serve them face to face were particularly impacted as the pandemic progressed.

87. The discretionary grant funds enabled us to provide support to many of the businesses not eligible for mandatory grants, although not all.

88. Similar businesses can have very different cost bases and the need for grant funding therefore varies significantly. However, no grant scheme could be delivered in volume

and at pace that takes all these factors into account; some businesses will as a result be 'winners' with perhaps windfall funding, whereas others will still struggle.

89. Leicester is a very diverse city. It quickly became apparent that many small businesses whose owners were unfamiliar with official requirements had not registered as the ratepayer in a timely manner. Initially, this seemed to rule out many such businesses from receiving the Small Business Grant in particular, as they were not registered as the ratepayer on 11th March 2020. However, over time it became apparent that the Council could (within reason) exercise discretion to pay the grants based on retrospective registrations, subject to proof that they were the ratepayer on the required date. The lack of familiarity with systems and processes was exacerbated by many small business owners not having English as their first language. Much time and effort were required to ensure that organisations received the grants to which they were entitled.

90. The initial Small Business Grant scheme and the Retail, Hospitality and Leisure Grant scheme were very broad-brush and undoubtedly funded some businesses that did not need the funds. The Small Business Grant scheme funded some businesses which were not trading to any extent. Businesses that transferred to working from home, such as professional services providers, arguably retained most of their income and did not need grants. Thought could be given to how a more targeted scheme might look in the event of a future emergency, and to collecting and recording the necessary business-level data on business rates systems in readiness. The later schemes were undoubtedly better targeted, being linked to the restrictions in the locality and the perceived impact on different business sectors. As previously noted, they did not encompass all affected businesses: however, the discretionary funds were intended to enable councils to address at least some of these.

91. In broad terms, the schemes delivered value for money, more questionably so for the mandatory cohort one grants.

92. There were no explicit mechanisms for businesses to return grants that were not needed, although businesses could request to do so.

93. The Government should have done better at rolling out new schemes. It caused the Council significant problems when a new scheme was announced publicly at the same time as we were first notified, and when the detail was yet to be developed. Local

businesses naturally expected that the Council would know the eligibility rules and be ready to start making payments.

94. In the event of a future civil emergency, the trade-off would again be between targeting, minimising fraud/error, and speed of delivery. Councils essentially hold no more structured business data linked to rating records than was the case at the start of the pandemic.
95. There could be periodic national campaigns reminding businesses to register their rateable occupation of premises, regardless of whether any rates would actually be payable after reliefs.
96. The Government could also fund the major suppliers of business rating software to develop and maintain application and payment modules, so that the systems are ready in the event that businesses require support in a new emergency.
97. There could perhaps be more tapering, so there is no “all or nothing” for small business grants.
98. The Government could review how councils targeted their discretionary funding, to help identify additional business types that should receive mandatory funding in the future. Additional Restrictions Grant guidance listed a number of these.

Part D – Inequalities

99. BAME (Black, Asian and minority ethnic communities) were recognised as being more likely to suffer severe consequences arising from Covid infection due to a variety of reasons including multi-generational households, more manual frontline work and possibly a genetic component. However, it is these very households and business owners that are less likely to apply for financial support where the process is complex. This is due to a variety of reasons, literacy levels in more deprived communities are lower plus English as a second language and higher levels of self-employment in poorer communities.
100. At no point was I asked whether any of the grant schemes available to businesses would either support more economically vulnerable groups or would create barriers to

providing support. I am not aware of any reporting metrics requested with this in mind and conversely, many of the issues raised with BEIS (department for Business, Energy & Industrial Strategy) during the implementation of the various iterations of the schemes were particularly relevant to these communities.

101. On reflection, had we been engaged during the scheme design stages, we most certainly could have identified some of the pitfalls of basing business support on the business rates system. Examples of these are set out earlier in the statement.

102. The other nationally led forms of business support, furlough and self-employed scheme will have no doubt supported many individuals and businesses in the city, however no data was provided to the council on who was supported. This was a key flaw in identifying and correlating duplication or lack of support. Where multiple schemes are in operation being coordinated by different bodies (councils, HMRC (His Majesties Revenue & Customs) then cross referencing and cross matching has to be a fundamental part of good governance to protect from fraud and error but also to identify those cracks between systems and schemes that inevitably more negatively affected certain communities.

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: 22.10.2025 _____