

UK COVID-19 INQUIRY

WITNESS STATEMENT OF ELIZABETH JANE WHITTAKER

1. I, Elizabeth Jane Whittaker, Director of His Majesty's Revenue and Customs' ("HMRC") Knowledge, Analysis and Intelligence directorate ("KAI"), will say as follows: -
2. I was appointed as Director of KAI in November 2017. Prior to this, I held a number of positions in the Department, such as the Finance Director in HMRC's Customer Service Group and a Deputy Director in Corporate Finance, having been employed by HMRC (and previously the Inland Revenue) since 1998.
3. This witness statement is made in response to the request dated 11 July 2025 from the Chair of the UK COVID-19 Inquiry (the "Inquiry") made pursuant to section 21 of the Inquiries Act 2005.
4. This statement has been prepared to help the Inquiry understand my role in implementing the support HMRC provided to businesses and individuals during the COVID-19 pandemic, and to give my personal reflections in respect of the same. This statement focuses primarily on the period from 1 January 2020 to 28 June 2022.

Contents of this witness statement and overall approach to the preparation of it

5. In drafting this statement, I have reviewed HMRC's Corporate Witness Statement dated 7 May 2025 and its exhibits. I had some prior involvement with the production of that statement as I reviewed and commented on it during the drafting process. In order to prepare this statement, I considered the Inquiry's request and with the assistance of a lawyer, a draft was produced which I then amended and finalised.

6. Recognising that there is a range of topics to address, the statement will deal with the following issues and topics, and I have produced an Index to assist with navigating it:

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Part A: Overview of Roles

7. Between 1 January 2020 and 28 June 2022, I was the Director of KAI in HMRC.
8. KAI is HMRC's main analysis team and, during this period, had around 500 staff. It produces analysis to support HMRC's Policy Partnership – I discuss the Policy Partnership in further detail at paragraph 15 below. This involves providing: analysis to aid policy development; costings of potential policy changes; forecasts of taxes and HMRC administered benefits; and evaluations of past policy measures. KAI also publishes official statistics on tax receipts and tax liabilities. Additionally, KAI provides analysis to support strategic decision making in HMRC: it measures the 'Tax Gap' (which is the difference between the tax that should, in theory, be paid to HMRC (theoretical tax liability) and what is actually paid, measuring the overall level of non-compliance in the tax system); estimates levels of error and fraud in HMRC administered benefits and tax credits; and assesses the impact of key operational and transformation initiatives. For clarity, KAI does not have responsibility for sharing data with other departments and the Devolved Administrations – KAI is an analytical team that analyses data available to HMRC.
9. My role as Director of KAI may touch on policy decisions by production and provision of analysis of policy options, forecasts and evaluations for example. However, I feel it is worth noting that I am not responsible for making policy recommendations – KAI provides information to support policy decisions; it does not make policy decisions.

10. As part of my role as Director of KAI, I am also HMRC's Chief Analyst. This means that I have accountability for the quality of analytical outputs in HMRC, whether they are produced by my own directorate or elsewhere in the Department. To exercise this accountability, I engage with the network of analysts in the Department and conduct an annual functional standards exercise. HMRC's analytical capabilities are uniquely benefited by having direct access to tax data and associated established models and expertise. As my role as Chief Analyst is limited to HMRC, I am not involved with building or assessing the analytical capabilities of other departments.
11. During the COVID-19 pandemic, I was responsible for providing analysis to inform policy design of the Coronavirus Job Retention Scheme (the "CJRS") and the Self-Employment Income Support Scheme (the "SEISS"), producing costings, and publishing official statistics. I was also responsible for assessing levels of error and fraud in both the CJRS and the SEISS and for conducting formal evaluations of both schemes.
12. I had regular contact with the Chancellor and his Special Advisers, particularly during the first few months of the COVID-19 pandemic and then when adjustments to policy design were being considered. This meant that I attended some meetings, and was on email chains, with several other colleagues from across HMRC and His Majesty's Treasury ("HMT").
13. I did not have direct contact with colleagues in the Devolved Governments.

Part B: The Functions of HMRC

14. Outside of a time of national emergency HMRC is responsible for collecting most taxes, facilitating international trade in line with the government's trade policy through its administration of the customs system and paying financial support to families (child benefit, certain childcare support and tax credits). I exhibit a GOV.UK document which sets out an overview of HMRC's responsibilities [EJW/01 – INQ000101304]. During the pandemic, the key functions of HMRC were extended and HMRC became required to deliver emergency support schemes through the payments of grants. Further detail on HMRC's usual functions, and its functions during the pandemic, is set out in paragraphs 16 to 19 of HMRC's Corporate Witness Statement.

15. HMRC and HMT work together in a Policy Partnership, which took effect with the creation of HMRC in 2005. This Policy Partnership covers policy and analytical work on all direct and indirect taxes and duties, National Insurance, tax credits and child benefit. The Policy Partnership works by HMT, supported by HMRC, leading on strategic tax policy and policy development and HMRC, supported by HMT, leading on policy maintenance and delivery – collecting taxes and paying out benefits. The Policy Partnership is explained on GOV.UK [EJW/01 – INQ000101304]. During the pandemic, HMRC and HMT continued to work in line with the Policy Partnership principles, working together through boards such as the HMT/HMRC joint labour market board and the HMT/HMRC COVID-19 Delivery Portfolio Board. Further detail on the nature and extent of HMRC’s relationship with HMT outside of a time of national emergency, and during the pandemic, is set out in paragraphs 47 to 60 and paragraphs 96 to 104 of HMRC’s Corporate Witness Statement.
16. HMRC also has important relationships with other UK Government departments, although it does not operate in a Policy Partnership with other departments in the same way that it does with HMT. During the pandemic, HMRC worked with various departments, including the Department for Work and Pensions, the Cabinet Office and the Department for Business, Energy and Industrial Strategy, to support the delivery of economic support schemes and details of that work are at paragraph 61 to 73 of HMRC’s Corporate Witness Statement.
17. HMRC teams engage directly with counterparts in the Devolved Governments on relevant issues and since 2014 HMRC has had a central Devolution Team (now named the UK and Devolved Governments Team). That team was set up to lead HMRC’s general engagement with the governments in Scotland, Wales and Northern Ireland on tax or HMRC issues. This engagement continued throughout the pandemic with HMRC assisting the Devolved Governments with queries relating to the Devolved Government’s own economic and social support interventions. The extent to which HMRC worked with the Devolved Governments, and the support it provided to them, during the pandemic is set out in paragraphs 75 to 78 of HMRC’s Corporate Witness Statement.
18. New functions were conferred on HMRC during the pandemic, for example requiring HMRC to administer elements of the economic response by paying out grants via the CJRS, the SEISS and the Eat Out to Help Out (“EOHO”) scheme. Those functions were conferred on HMRC through Treasury Directions made under the powers of the Coronavirus Act 2020.

Directions are a type of delegated legislation made by a person or body under authority contained in primary legislation.

19. The Coronavirus Act 2020 received Royal Assent on 25 March 2020 and included at sections 71 and 76 powers to enable initially a Treasury Commissioner, and latterly two such Commissioners, to issue directions to the Commissioners for HMRC to provide them with functions in relation to coronavirus or coronavirus disease.

20. Treasury Directions were used to set out the scope and nature of the schemes, including the eligibility rules and grant calculations, as well as some administrative rules. For example:

20.1. The first Treasury Direction relating to the CJRS was made on 15 April 2020 which establish the scheme and provided for its operation covering the period up to 31 May 2020 [EJW/02 – INQ000583316]. During the course of the scheme, six further Treasury Directions were made, as set out in paragraph 270 of HMRC's Corporate Witness Statement;

20.2. The first Treasury Direction relating to the SEISS was made on 30 April 2020 and set out the purpose of the SEISS and the rules for the operation of the scheme [EJW/03 – INQ000583327]. During the course of the scheme, four further Treasury Directions were made, as set out in paragraph 618 of HMRC's Corporate Witness Statement; and

20.3. The Treasury Direction relating to EOHO was made on 7 July 2020 which set out the purpose of EOHO and the operation of the scheme [EJW/04 – INQ000235022].

21. I am unable to provide further detail on either how Treasury Directions were used during the COVID-19 pandemic or the process by which they were drafted: my involvement would not have been appropriate to the remit of my role as Director of KAI.

22. I was also not involved in the decision making around whether and how new functions should be conferred, but I do understand that HMRC was given new functions to administer emergency support grants during the COVID-19 pandemic as I explain at paragraph 17 above. I believe this was appropriate as HMRC had a unique capability in government to administer emergency support payments because of the data and systems it held at the time.

23. My role in respect of these new functions was to provide analysis – as the work on HMRC's support schemes during the COVID-19 pandemic was conducted in a similar way to HMRC's business-as-usual work in respect of tax, KAI worked on the basis that the nature of the analytical support of these schemes would be similar. This meant that KAI and I were responsible for providing analysis to support policy design, monitoring, and evaluation, as well as the production and publication of official statistics.
24. HMRC's Corporate Witness Statement discusses HMRC's overall resourcing position at paragraphs 23 to 25 and whether it had the appropriate resources and skills to enable it to fulfil the new functions granted to it. I can only comment on resourcing as far as it pertains to KAI, and I do so at the relevant parts of my statement below.
25. I felt that priorities within HMRC at the time were very clear: the delivery of the support schemes and other work in respect of dealing with the COVID-19 pandemic were the top priority, and people were redeployed onto this work as necessary. I understood that other work could be slowed down, stopped or paused accordingly. There were many similarities between the skills needed to deliver the COVID-19 schemes and those required to fulfil HMRC's longstanding function of collecting tax, so I felt that we had the appropriate skills.
26. My own responsibility was to ensure that analysis could be provided. We were able to achieve this by redeploying analysts within KAI and by building partnerships with data scientists and data engineers in HMRC's Chief Digital and Information Office.
27. HMRC's Corporate Witness Statement sets out a series of lessons learnt at Part G, paragraphs 1315 to 1349. The aspects that were most striking to me, given my role, were:
- 27.1. the power of using administrative data to underpin payment schemes and limit the risks of error and fraud;
 - 27.2. that administrative data designed for one purpose – in this case, the collection of tax – is unlikely to ever have all information available to target payment schemes perfectly; and
 - 27.3. certain data issues are very difficult to resolve – such as the true location of business activities – and lags in the provision of data are often problematic.

Part C: The Coronavirus Job Retention Scheme

The initial design of the CJRS

28. I was not involved in the initial policy design of the CJRS before it was announced on 20 March 2020, though I was informed of plans for a wage subsidy scheme via emails from Beth Russell (Director General in HMT) and my line manager, Ruth Stanier (then Director General of HMRC's Customer Strategy and Tax Design group), on 19 March 2020 [EJW/05 – INQ000623817].

29. Following the announcement on 20 March 2020, I was involved in discussions with colleagues who were leading on the design and delivery of the CJRS claims system about how to use the data collected through the system to monitor take-up of the scheme. This involved working out how to match claims data to HMRC's Real Time Information data to provide further insight on the types of businesses claiming the CJRS and the characteristics of the employees who had been furloughed. I was also responsible for providing management information on the CJRS take-up to policy and operational colleagues – this information was reviewed in meetings with the Chancellor and, I understand, informed policy thinking for later phases of the CJRS as well as alternative policy designs such as the Job Support Scheme.

30. I believe that it was a strength of the initial design of the CJRS that HMRC officials responsible for delivering the scheme were involved in the design process from the outset – the detailed knowledge of the customer base, interactions with the tax system, relevant IT systems and knowledge and experience of how to minimise error and fraud were consequently considered at the outset.

31. An economic crisis suggests that action may need to be taken very quickly, and that policy interventions might need to be designed with immediate operational delivery arrangements in mind. Therefore, having operational experts closely involved in design and decision making is essential to ensure prompt implementation.

32. I understand that the CJRS was made available to all businesses and workers regardless of need or ability to withstand the economic pressures of the COVID-19 pandemic because support needed to be provided quickly to ensure businesses could survive and jobs could

be maintained. Designing and agreeing a measure of 'need' would have been complex and slow and may not have been practical to implement – for example, the data needed to identify the businesses that needed support most is unlikely to have been available in HMRC or within Government. Furthermore, there would likely have been difficult boundary issues with seemingly deserving cases missing out on support by not meeting the agreed measure of 'need'. I therefore think that making the CJRS widely available was an appropriate feature of the design.

33. As the CJRS was widely available for employers to claim, I do not think that there was unequal access to the scheme. There was only a very small number of employers who could not claim, or employees for whom employers could not claim, due to the conditions that payrolls must have been in place and employees must have been on the payroll on 19 March 2020; other than that, the CJRS was accessible to all employers.

34. HMRC monitored which employers successfully claimed the CJRS in respect of which employees; this is the data that was reported in HMRC's statistical publications. My understanding is that claims were automatically checked against Real Time Information data held by HMRC to assess whether the employer and the employees covered in each claim were eligible for the CJRS by reference to the payroll requirements of the scheme, and that claims were refused where these conditions were not met. KAI was not responsible for monitoring unsuccessful claims.

35. When the original scheme was developed, the economy was facing unprecedented disruption and I believe it was appropriate to design a scheme that was open, as far as possible, to all employers. It appears to me that equal access was considered, and I believe it was also appropriate to set a requirement around existing payrolls to mitigate the risk of fraud.

36. The availability of data through the Pay As You Earn system – referred to as Real Time Information – enabled the design and delivery of the CJRS. Real Time Information data relates to a pay period, which in most cases is monthly or weekly. The data is submitted to HMRC on or before the date when employers pay their employees. Through Real Time Information, HMRC has access to data on all UK employees, including their income from employment, as well as basic details about their characteristics (such as age, gender and address). Real Time Information also includes data about the employer, such as the number

of employees they have. This means that the data available to HMRC provides a comprehensive and up-to-date picture of employees and employers.

37. I believe that this data was well used in the design and delivery of the CJRS – including for monitoring take-up and estimating the cost of the scheme. It was also used extensively alongside data from the CJRS claims to produce official statistics on the use of the scheme, an example of which I exhibit **[EJW/06 – INQ000182946]**.

38. At various points in the life of the scheme, particularly between December 2020 and January 2021, and again in June 2021, policy colleagues considered whether it would be possible to target the scheme to different locations, sectors or types of business. However, we did not have sufficient data to support the operationalisation of more targeted versions of the CJRS. In particular, we did not know: the location of each employee's business activities; the business sector of each employer; nor the hours worked by, and the occupations of, each employee.

39. I was not involved in policy development discussions with the Devolved Governments. However, it is not my view that the CJRS was developed with its operation in England primarily in mind with the Devolved Nations being an afterthought. I believe that the CJRS was designed to meet the needs of the whole UK economy. HMRC is a UK-level organisation and operates the tax administration system accordingly. The CJRS was a broadly defined scheme which was available in all nations of the UK.

40. As part of the process for publishing official statistics, my direct report, Sean Whellams, who is HMRC's Head of Profession for Statistics, engaged with his counterparts in the Devolved Governments about the content of our publications and arrangements for giving them early access. I was copied into these exchanges and exhibit a copy **[EJW/07 – INQ000623840]**.

Extending the CJRS beyond 31 October 2020

41. The timing of the decision to extend the CJRS beyond the 31 October 2020 was a policy decision taken by the Chancellor – I did not have a role in making that decision.

42. My understanding is that the CJRS was intended to end on 31 October 2020 because it was expected that the COVID-19 pandemic would have come to an end by 31 October 2020 and businesses would not need further or ongoing financial support from the Government.
43. More generally, recognising the cost to the Exchequer of the CJRS, it was also important to have an end point rather than an open-ended spending scheme. I think it is reasonable that there was a milestone at which the Chancellor could consider the pros and cons of continuing to provide financial support to businesses whilst managing the overall fiscal position.
44. With regard to contingency plans to support businesses and workers on the intended expiry of the CJRS, a scheme called the Job Retention Bonus was considered to support job matches at the end of the CJRS, as set out in HMRC's Corporate Witness Statement at paragraphs 402 and 403. I understand that this was to encourage employers to continue to employ their staff. HMT commissioned HMRC to work on the Job Retention Bonus policy design and delivery options, and officials from HMT and HMRC worked together on these plans.
45. I also understand that HMT commissioned HMRC to work on the Job Support Scheme – which was designed to be used in response to different local restrictions, rather than a national lockdown – with officials from both HMT and HMRC working together on the policy design. This is discussed in further detail at paragraphs 404 to 412 of HMRC's Corporate Witness Statement. My role in the work on the Job Support Scheme was to ensure that KAI provided analysis of the potential impact of different policy design options. KAI colleagues produced estimates of the number of jobs for which Job Support Scheme claims were likely to be made, and the total cost to the Exchequer of the Job Support Scheme, under different policy options which involved differing levels of employer and government support and set eligibility criteria in different ways.
46. There were, however, challenges in designing a policy that could be effectively implemented given that different restrictions were in place in different areas across the UK and those restrictions changed regularly: HMRC data could not tell us exactly where employees worked and in exactly which types of business, so it was not possible to automatically identify which businesses needed support under the Job Support Scheme. Instead, the outline policy design depended on businesses claiming the Job Support Scheme on the

basis that they had been required to close because of health restrictions or, where the business was open or partially open, demonstrating that their turnover had reduced significantly as a consequence of COVID-19 restrictions.

47. I cannot say how resources across the whole of HMRC were divided between maintaining and improving the CJRS and developing the Job Support Scheme, but KAI made available analytical resource to work on both schemes. Generally, we prioritised anything needed on the COVID-19 support schemes over our business-as-usual analytical work. This was achievable because there were fewer demands on my team from other tax policy work at the time.

48. I think it was important to both maintain and improve the CJRS and develop the Job Support Scheme in order to keep both options open, and so it was appropriate to allocate resource to both schemes. The work in developing the Job Support Scheme was commissioned by HMT in late August 2020 and continued through the autumn. During this period, changes were made to the CJRS which included changing the balance between the employer and Government contributions, and introducing a 14-day claim deadline.

49. While it might have looked easier to just continue running the CJRS, the scheme was expensive and I believe it was right for the Chancellor to explore whether there were other ways to get targeted support more effectively to the businesses and individuals who most needed it.

50. I do not recall being involved in discussions about the requirement that large firms notify the Insolvency Service at least 30 days before redundancies take effect in the timing of the decision to extend the CJRS. In any event, the extent and impact of such a consideration would be for my policy colleagues, rather than for KAI or me.

51. On a more general level, it is my view that certainty would have been helpful for businesses and workers regarding the anticipated length of the CJRS. However, I do not think that certainty was achievable in the context of the COVID-19 pandemic: the date at which support would no longer be required or justified was inherently uncertain as the COVID-19 pandemic itself was inherently uncertain.

52. I think it was appropriate for the Government to continue to provide support, in the best and most targeted way it could, for as long as businesses needed that support to survive and maintain people's jobs. This is my understanding of what the Government aimed to do.
53. My understanding is that the main factor affecting the timing of the decision to extend the CJRS beyond 31 October 2020 was the accelerating path of the virus, which resulted in the announcement of a second national lockdown on that date. It appears to me that the Government believed that: the CJRS worked effectively in a national lockdown situation; HMRC had the operational capability to operate the scheme; and the CJRS was straightforward for employers to interact with at a time of heightened health and economic concerns. I consider that it was justified to announce an extension of the CJRS on the day it was due to end given that the country was going into another national lockdown.

Targeting the CJRS

54. I understand that HMRC considered targeting the CJRS by sector and geography but this was not ultimately introduced. I believe targeting would have been appropriate from a value for money perspective. However, targeting was very difficult to do given the lack of sufficiently reliable data available for operational purposes. Additionally, the nature of the pandemic, and the geographical regions and business sectors affected, changed during the course of the COVID-19 pandemic. By definition, targeting creates boundaries that would have made the CJRS difficult to operate and would have resulted in seemingly deserving cases not receiving support.
55. Advice on targeting the CJRS by sector, location and financial position – using a Financial Impact Declaration – was provided to the Chancellor on 17 December 2020, as set out at paragraph 430 of HMRC's Corporate Witness Statement. Further advice on targeting was provided in Summer 2021 as explained at paragraph 435 of HMRC's Corporate Witness Statement.
56. I cannot say for HMRC as a whole what resources were allocated to investing in developing infrastructure that would have allowed the CJRS to be more targeted later in the COVID-19 pandemic.

57. The main infrastructure development that I can comment on is about data collection. We knew that we did not have all the information that would be needed to enable targeting of the CJRS. HMRC did consider broadening data collection through the Real Time Information system. From my recollection, this formal consideration took place after the closure of the CJRS. My understanding is that it was not practical to implement this at pace during the COVID-19 pandemic as system changes of this nature have previously taken a long time to deliver.

58. Additionally, any new data collection exercise has to balance the administrative burden on providers (employers, in this case) against the benefits of being able to use the data. After the COVID-19 pandemic, HMRC consulted on expanding data collection and implemented legislation to that effect – this is discussed in greater detail at paragraphs 1331 to 1335 of HMRC's Corporate Witness Statement.

Ending the CJRS

59. I was not involved personally in the decision to bring the CJRS to a close – this was a ministerial decision. My input was to ensure that information was available on the nature of the employers and employees who were still claiming the CJRS towards the end of the scheme. My team in KAI produced regular monthly data packs based on CJRS claims data showing several breakdowns of claims, including by sector and size of employer, and by age, gender, geography, and income of employees. These tables were sent to and discussed with HMT officials before being sent to the Chancellor's office [**EJW/08 – INQ000606711; EJW/09 – INQ000606712**].

60. Consequently, I was not directly involved in the decision making process to end the CJRS on 30 September 2021. I do understand that the date was chosen to align with the Government's roadmap to ease COVID-19 pandemic-related restrictions during the Summer of 2021, as explained in HMRC's Corporate Witness Statement at paragraphs 434 to 438.

61. The announcement that the CJRS would be extended to 30 September 2021 was made in the Spring Budget on 3 March 2021. It is normal – and I think it is reasonable – for fiscal measures to be announced as part of Budgets. At each Budget, the Office for Budget

Responsibility makes and publishes a forecast of the overall position on the public finances and this takes account of planned spending (and revenue collection). I understand that announcing the planned end date for the CJRS in the Spring Budget meant that the Office for Budget Responsibility could incorporate a good estimate of the cost of the scheme in its public sector finances forecast.

62. The number and composition of claims under the CJRS was monitored over the subsequent months: the decline in the number of jobs on furlough was consistent with other data that suggested that labour demand had bounced back. This, alongside health data, suggested that the plan to end the CJRS on 30 September 2021 was reasonable.

63. I was not involved directly in the decision to taper the CJRS. I am aware that the tapering options were covered in advice to the Chancellor on 17 December 2020 [EJW/10 – INQ000623844; EJW/11 – INQ000623845; EJW/12 – INQ000623846].

64. I think that tapering was a reasonable way to reduce the cost of the CJRS without creating a hard edge for those businesses that still needed government support in order to avoid making redundancies over the Summer of 2021.

65. There were still 4.3 million jobs furloughed at the end of March 2021, 1.9 million at the end of June 2021, and 1.2 million at the end of September 2021 [EJW/06 – INQ000182946]. Therefore, I consider it to have been reasonable to extend the CJRS in order to allow time for the tapering of the scheme.

66. If HMRC had not tapered the level of support afforded by the CJRS but instead initiated a harder stop, I consider that this may have led to further redundancies. Ultimately, I believe that tapering was a good option.

Part D: The Self-Employment Income Support Scheme

The initial design of the SEISS

67. I understand that discussions had been taking place during the week commencing 16 March 2020 about the idea of a wage subsidy scheme (which became the CJRS). I was notified of a wage subsidy scheme plan on 19 March 2020, in emails from Beth Russell, who was

Director General of Tax and Welfare at the Treasury, and Ruth Stainer, then Director General of HMRC's Customer Strategy and Tax Design group and my line manager **[EJW/05 – INQ000623817]**.

68. As part of these discussions about the wage subsidy scheme, officials began to consider what to do for the self-employed. Ruth Stainer emailed me on Saturday 21 March 2020. I was forwarded an email from Tim Leunig at 1.56pm **[EJW/13 – INQ000623818]** and, at 2.35pm, there was an ask for information about the self-employed population in preparation for a meeting with the Chancellor which was due to happen at 3pm that day **[EJW/14 – INQ000623819]**. I provided a link to national statistics about self-employment published by the Office for National Statistics **[EJW/15 – INQ000623820]**. Later that evening, I shared additional published data drawn from HMRC's Survey of Personal Incomes with HMT and HMRC colleagues **[EJW/16 – INQ000623822]**.

69. On the morning of Sunday 22 March 2020, there was an email exchange about how to define self-employed people and clarification that data from the Survey of Personal Incomes related to people with self-employment income **[EJW/17 – INQ000623823]**. It was recognised that self-employment is not the main source of income for everyone covered by these Survey of Personal Incomes figures.

70. At 10.02am, my team was asked to provide costings for a support scheme for the self-employed in advance of a meeting with the Chancellor at 1.30pm. We provided the costings at 1.22pm **[EJW/18 – INQ000623826; EJW/19 – INQ000609256]**. At 4pm, my team was asked for another costing, to be provided by 7pm. We provided the costing at 6.15pm **[EJW/20 – INQ000623828]**.

71. I believe that the data and costings that my team provided helped to influence the Chancellor's decisions about the precise design of the SEISS, but I was not involved in meetings with the Chancellor about these decisions. The decisions were confirmed in an email from the Chancellor's office at 8.49pm on Wednesday 25 March **[EJW/21 – INQ000623831]**.

72. I believe that it was a strength of the initial design of the SEISS that HMRC officials responsible for delivering the scheme were involved in the design process from the outset. Knowledge of the Income Tax Self-Assessment system, its coverage, and administration

was essential in order to design a system to provide payments that would be as extensive as possible in its coverage and as safe as possible to limit the scope for error and fraud.

73. It is my understanding that the intent of the policy was to provide support to people for whom self-employment was their main source of income, and whose businesses were likely to be affected by the COVID-19 pandemic. To limit the risk of fraud and error in the scheme, payments would only be made to individuals who HMRC already knew were self-employed, which would be through identifying that self-employment income had been declared in the last available Income Tax Self Assessment data.
74. I believe it was appropriate for the Government to take a view on whether to provide support payments to all self-employed people or whether to have a threshold above which it might reasonably be judged that support payments may not be justified. This was the 'hard edge' of the £50,000 limit. The alternative to the 'hard edge' would have been some kind of tapering: tapering would generally be more complex to deliver and could slow down the delivery of essential support. I would expect similar considerations to be made again in future pandemics.
75. KAI was asked for a costing on 17 April 2020 regarding the increase in cost of moving the SEISS threshold 'hard edge' from £50,000 to (1) £60,000 and (2) £75,000. I do not have a record of a request for a costing in relation to tapering the SEISS.
76. It is my view that it was in line with the policy intent noted above to limit eligibility to those with trading profits at least equal to their non-trading income. I believe it was appropriate for the Government to target support payments to those it felt most needed support, and this will remain the case for future pandemics.
77. The exclusion of the newly self-employed flowed from the need to base payments on verifiable data relating to people's self-employed status from HMRC's Income Tax Self Assessment data. This was necessary to limit error and fraud. I believe this was justified and would be justified in response to a future pandemic. HMRC's Making Tax Digital for Income Tax Self Assessment will deliver more timely data which should limit the number of newly self-employed people being excluded should the SEISS be repeated in the future.

78. The exclusion of company owner managers or directors of limited companies was due to the difficulty in identifying these individuals from the data held by HMRC: these individuals generally take their profits as dividends. They do not complete a self-employment schedule on their tax return and so the data necessary to enable identification was not available.
79. I was not in every discussion of the design of the SEISS over the weekend of 20 March 2020. However, from the discussions and exchanges that I was involved in, there was some consideration of how best to set the parameters of the policy to best target the self-employed people most in need of support in order to alleviate any unequal access and unequal impact of the SEISS. For example, one of the factors considered was the balance of trading income from self-employment (or partnerships) versus other income sources to identify those people most reliant on their income from self-employment. It may be that, with more time, some kind of tapering could have been designed to avoid hard edges, but it was extremely important to deliver payments in a timely way.
80. The existing Income Tax Self Assessment data was the only practical source to use to identify self-employed people and administer a payment scheme that linked to verifiable data to limit error and fraud. This data does not allow the identification of company owner managers or directors of limited companies.
81. There is relatively little data available across government on the self-employed population and the nature of their businesses. HMRC's 2017/18 Survey of Personal Incomes and 2018/19 Income Tax Self Assessment data were the richest sources available at the time. That data was used by officials and the Chancellor, and I believe it was used effectively.
82. However, it would have been helpful if more up-to-date data had been available to more closely reflect the self-employed population in 2020. The fact that the latest available Self Assessment returns were for 2018/19 meant that anyone who had become newly self-employed between 2018/19 and March 2020 would not receive support through the first phases of the SEISS.
83. Nevertheless, I believe that the SEISS was designed to meet the needs of the whole UK economy. HMRC is a UK-level organisation and operates the tax administration system accordingly. The SEISS was a broadly defined scheme which was available in all nations of

the UK and I do not consider that the Devolved Nations were an afterthought in the scheme's design.

84. Additionally, my understanding is that the SEISS was designed to be broadly equivalent in generosity to the support provided to employees via the CJRS. This intention was reflected in the policy parameters set for the SEISS scheme. For example, the first SEISS grant was worth 80% of the recipients' average trading profits, for a three-month period, up to a maximum of £7,500. This was similar to the CJRS claim of up to 80% of employees' wages, up to a maximum of £2,500 per month, being paid. I believe the schemes were as similar as possible in their generosity.

85. Whilst the primary objective for the CJRS was to provide support to maintain job matches and avoid excessive redundancies, the SEISS was intended to support self-employed individuals whose businesses had been adversely affected by the COVID-19 pandemic. These are not the exactly the same objectives but are very similar in terms of supporting businesses to survive through a period of economic disruption.

86. Advice on the SEISS design was submitted to the Chancellor on 25 March 2020, and these policy parameters were directed by him [EJW/21 – INQ000623831].

Targeting the SEISS

87. The grants under the SEISS were not targeted by sector or geography. The third, fourth and fifth grants made under the SEISS were targeted by financial circumstances by introducing tests to assess whether the self-employed individuals were 'adversely affected' by the COVID-19 pandemic. In my opinion, this financial test was the best way to target the SEISS grants to the people most in need of support, or facing the most disruption, due to the COVID-19 pandemic.

88. I do not recall being part of discussions on targeting the SEISS other than about the tests of financial circumstances. On 5 February 2021, my team provided analysis of the likely effect of a Financial Impact Declaration [EJW/22 – INQ000623855] having been asked to so in a meeting with the Chancellor earlier that day.

89. It was standard practice to ask KAI to produce costings for each significant change to the SEISS in order to feed into advice to the Chancellor ahead of announcing each new phase. The costings would have been signed off at a Deputy Director level unless they were particularly contentious – I do not have a record of, nor will I have seen, every costing request or piece of analysis provided.
90. The main development that would have allowed the SEISS to be more targeted, which I am aware of, would have been an improvement in the timeliness and coverage of data gathered through Income Tax Self Assessment. For example, a more up-to-date view of the self-employed population would have potentially enabled the SEISS to be better targeted., However, such changes have long lead times and were not possible to deliver during the COVID-19 pandemic. As set out in paragraph 633 of HMRC's Corporate Witness Statement, previous projects to alter the Self Assessment IT system took over 12 months to deliver the core change: I understand that it would not have been possible to reduce the long lead times and introduce temporary or permanent changes after the delivery of the first SEISS grant.
91. After the COVID-19 pandemic, HMRC consulted on options to increase the data fields collected through Income Tax Self Assessment, including business sector, occupation, business location, and self-employment start and end dates. From an analytical perspective, having this additional data would enable better assessment of the cost to the Exchequer of different policies affecting the self-employed, and a better understanding of any sectoral and geographical impacts. Further detail on the consultation and its outcome is set out at paragraphs 1331 to 1335 of HMRC's Corporate Witness Statement.

Part E: Analysis and Reflections

High level analysis and reflections

92. It is my view that HMRC was effective in delivering emergency payments to employees and self-employed people affected by the COVID-19 pandemic, which helped to keep businesses viable and mitigate the risk of large scale redundancies. HMRC worked well with HMT to design schemes at pace and operational delivery of the schemes was considered from an early stage. HMRC's existing data and systems enabled the Department to administer the schemes effectively whilst reducing the risk of error and fraud. HMRC were transparent about the take-up of the schemes – producing regular official statistics on both

schemes and undertaking and publishing full evaluations. The evaluations found that the schemes had been effective in meeting their objectives [EJW/23 – INQ000583638; EJW/24 – INQ000583534].

93. Both the CJRS and the SEISS were designed to be widely available to the employers, employees and self-employed people most affected by the COVID-19 pandemic. The claims systems for both schemes were designed to be as simple as possible to facilitate quick payments, whilst also limiting the scope for error and fraud by using verified data already held by HMRC. However, it was recognised by officials and the Chancellor that some groups did not have access to the CJRS nor the SEISS. For CJRS, Real Time Information cut-off dates meant that employers could not claim for some employees. The SEISS policy was set to identify those individuals most reliant on self-employment income and most in need of government support, so excluded those who did not meet the policy parameters. This included company owner managers and company directors; HMRC did not have access to sufficient data to identify these individuals.

94. In terms of data availability, HMRC's Real Time Information gave an extensive picture of employers and employees. However, there was – and still is – less data available to understand the self-employed population. HMRC's Income Tax Self Assessment data was the best source to identify self-employed people for the purposes of making a payment to them. However, the latest available data at the outset of the SEISS, in March 2020, related to 2018/19. Neither Real Time Information nor Income Tax Self Assessment data included information on sector or business location, which would have been useful as options for targeting the schemes in their later phases.

95. I was not involved in policy design and implementation discussions with the Devolved Governments. Liaison with the Devolved Governments would have been for policy and delivery colleagues to lead, rather than for me or for KAI. Both the CJRS and the SEISS were UK-wide schemes with UK-level objectives: the published evaluations did not identify or reference any differential impacts in the four nations.

96. Both schemes were designed to provide economic support to those employees and self-employed individuals in greatest need. For the CJRS, this was reflected in the capping of monthly payments of £2,500 – I have explained above that I do not believe there were issues with unequal access to, or unequal benefits from, the CJRS. I understand that the SEISS

was specifically designed to reach individuals who were most reliant on their income from self-employment, and it excluded individuals with higher incomes. The eligibility criteria for the scheme meant that those just above and just below the threshold for self-employment income (£50,000), and the threshold for trading profits as a proportion of total income (50%), could experience different outcomes – this is set out in the published SEISS evaluation [EJW/24 – INQ000583534].

97. Within KAI, and from the re-prioritisation of our analytical work at the time, there was no knock-on negative effect on our business-as-usual work due to our response to the COVID-19 pandemic – I am not able to comment on the wider HMRC position. Normally KAI works on a range of different tax policy measures in areas where ministers are considering policy changes. During the COVID-19 pandemic, ministers, HMT and HMRC policy colleagues were focused primarily on measures in response to the COVID-19 pandemic. This meant that the demand for tax policy analysis naturally reduced, and it was reasonably straightforward to focus analytical staff to work on COVID-19 pandemic related measures with little impact on the business-as-usual work..

98. Nevertheless, we did feel pressures at times during the COVID-19 pandemic. For example, it was initially difficult and resource intensive to process the data on claims made under the CJRS but, over time, we were able to ensure that the data was provided to analysts in a more suitable format that was easier to process. We also set up repeatable processes to ensure that we could produce regular monitoring data and the monthly official statistics publications: for example, establishing standardised data feeds to KAI analysts, around the end of April 2020, and producing a regular pack of management information tables in a standard format, starting on 13 May 2020. The format of data feeds to support the production of official statistics and other monitoring reports should be considered at an early stage in the future.

Relationships between officials working in HMRC and the Chancellor and other ministers

99. Civil servants routinely advise ministers on policy choices (as well as other issues). Written advice to ministers on policy choices generally sets out multiple options and the advantages and disadvantages of each. Policy submissions to the Chancellor or other HMT ministers on tax issues are normally drafted jointly between HMRC and HMT officials under the Policy Partnership. I have explained the Policy Partnership in further detail at paragraph 15 above.

100. My involvement in the process is generally to advise on the likely revenue impacts of the options being considered.

101. It is part of the general role of HMRC officials to robustly advise the Chancellor and other HMT ministers on issues within HMRC's remit, which includes tax policy. The Civil Service code requires civil servants to assist the Government with integrity, honesty, impartiality and objectivity – these principles underpin the robust advice HMRC officials give to ministers and support HMRC officials in challenging the Chancellor and other HMT ministers.

102. I upheld these principles when it came to the publication of data about the take-up of the CJRS and the SEISS. I believed that the data that was being favoured to measure take-up in the early days of the CJRS was not meaningful because, for example, it was incomplete and did not take account of likely patterns of claims across each month. I felt strongly that take-up analysis needed to be provided by professional analysts in my team. I was able to persuade delivery colleagues to pass responsibility for take-up analysis to my team in KAI after some discussions. I also advocated for the publication of monthly official statistics on the CJRS – I provided clear advice to the Chancellor on the publication of these statistics and he was minded to proceed on that basis [EJW/25 – INQ000623838].

103. Additionally, my main role in advising ministers during the COVID-19 pandemic was to ensure that they had, and took account of, the right data and analysis of the schemes take-up and costing of different policy options. I routinely took the Chancellor, his advisers, and policy colleagues through this data in meetings to set the context for decisions they needed to take concerning the future design of the schemes. I am comfortable with how I performed this role.

104. From a wider viewpoint, meetings with the Chancellor and other ministers tended to involve experienced and senior colleagues from HMRC: I do not remember specific examples given how long ago these meetings were, but I do recall feeling that those individuals were robust in constructively challenging the Chancellor on policy and delivery issues to interrogate decisions and reach a consensus if needed.

105. As to Ministerial Directions, I did not have a role in their drafting during the COVID-19 pandemic, and therefore, I was not closely involved in the process of generating Ministerial

Directions during the COVID-19 pandemic. More generally, the drafting of Ministerial Directions is not normally part of my role.

Recommendations

106. Given the importance of access to data and systems to implement the emergency support payments during the COVID-19 pandemic, I think it would be appropriate for the Chair to consider recommending continued or improved investment in data infrastructure, including digitisation of key customer facing systems. More timely and complete data based on reliable and scalable IT systems would have helped to further target the CJRS and the SEISS to ensure that support was delivered to those who most needed it. It would also have given the Government options to limit the cost of the schemes if necessary.

107. Reflecting on the effective close working between HMT and HMRC officials in design and delivery of the CJRS and the SEISS, I believe this worked well because it drew on the experience of operating the established Policy Partnership between HMT and HMRC. It may be sensible to recommend that plans are put in place to enable strong and effective partnerships to be built between other Government Departments who may need to be involved in the response to future economic crises.

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 in its truth.

Signed: PD

Dated: 4 September 2025