

Witness Name: Duncan Whitfield, **OBE**

CPFA

Statement No.:1

Exhibits:0

Dated:22 October 2025

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

WITNESS STATEMENT OF DUNCAN WHITFIELD OBE CPFA

I, Duncan Whitfield, will say as follows: -

Roles and Relationships

1. I am a qualified CIPFA accountant with more than 40 years experience in Local Government. Before retiring as the Strategic Director of Finance and Governance at London Borough of Southwark in 2023, I had held the position of the Council’s statutory s151 Officer for 18 years.
2. During my time at Southwark, I held the positions of the President of the Society of London Treasurers (SLT), President of the Society of Municipal Treasurers (SMT) and President of the Association of Local Authority Treasurer Societies (ALATS) for a number of years. Since my retirement, I have continued to work in two interim s151 roles in other London Authorities.
3. For the period of the Covid pandemic, I was both s151 Officer at Southwark and President of Association of Local Authority Treasurers Societies (ALATS). In the presidential role in particular, I was involved in many interactions with MHCLG together with other s151 colleagues from across the country. These were weekly events with sometimes more frequent engagements on specific issues (e.g. system design).

4. I consider these exchanges and the collaborative working that was generated to have been very helpful in allowing LA treasurers to understand government thinking around specific initiatives and the underlying considerations for Local Authority Government Finance more generally, both throughout the Covid crisis and immediately thereafter. As a consequence, the local government finance offer to the public in response to government policy at the time was enhanced on what it may otherwise have been.
5. In my experience in the period leading to January 2020 and dating back two to three years, there had been an increasing interface between Local Authority s151 officers and officers with MHCLG.
6. From an opening point of latent suspicion and lack of trust on both sides, regular briefings and meetings involving both civil servants and Local Authority s151 officers (and within restricted numbers and often with chatham house conventions applied) allowed for fuller openness and transparency from both sides, the building of trust and increased general understanding and challenge and support in the early design for the application of new government policy.
7. Additionally during this time and initiated by MHCLG, civil servants from other government departments (e.g. Treasury; DfE; etc.) would be welcomed to join the discussions to consider more widely the risks and opportunities presented by existing and new government policy and how Local Authorities may be impacted directly or indirectly.
8. The relationship also allowed space for the definition and identification of key datasets and detailed volume data for key activities necessary to assess the effectiveness and value for money of both current and proposed future arrangements.
9. It is recognised that at the same time regular and essential meetings were being held within and across specialist functions (not least health and adult social care; DfE and children's services; etc.) and especially but not exclusively across regional 'gold' groups.
10. Where appropriate, I would consider the cross referencing to have been adequate which, in the context of the scale of the pandemic, was a considerable success.

11. In my opinion, this growing relationship between LA s151 officers and MHCLG / DHLUC provided a solid foundation for collaborative working as Covid began to have impact, both in the short period leading to lockdown and thereafter.
12. At the earliest moment, briefings for senior s151s across the country became more frequent (I recall short weekly meetings for Association of Local Authority Treasure Societies members) with more specific working meetings being held as necessary to help MHCLG to 'construct' vehicles for policy delivery.
13. As 'critical friends', it is recognized that advice from s151 officers will not always have been accepted taken. However, many relevant facts were brought to the table and alternative options 'tossed around' in a very short timeframe and sometimes with conflicting thoughts on urgency and outcome. I consider that the fact that this relationship was so sound, the management of different opinions was far easier than it may have been and enabled all eyes to focus on delivery.
14. The principal contact (civil servant) at MHCLG was Mr Alex Skinner with excellent support from his team.
15. I do not recall main contacts of senior civil servants from BEIS in the s151 forum, but more junior BEIS civil servants may have been invited to and attended some specific briefings and working meetings, especially in respect of business rates matters.
16. I do not recall main contacts of senior civil servants from the Treasury in the s151 forum, but more junior Treasury officials may have attended some specific briefings and working meetings.
17. The relationship with MHCLG continued to evolve and develop throughout the pandemic and felt increasingly effective and efficient, not least given the ability to have challenging two way conversations, sometimes on quite detailed matters. This also would have had the impact of being able to influence some parts of policy design and implementation, thereby making the schemes more productive and especially for the most vulnerable.
18. From a BEIS and Treasury point of view, the relationships did not develop during the period in the same way. The approach of neither department felt

collaborative and sometimes I felt a sense that LA involvement was a 'challenge' and they preferred a 'command and control' default position. I can understand that this may have been the case given that they themselves were working under severe pressure and will not have understood the benefits of the working relationships that had been built prior to Covid by MHCLG.

19. This was a shame. In particular, what felt like direct and repeated criticism by BEIS of Local Authority performance (e.g. Business rate rebate / discount schemes) showed a fundamental misunderstanding of the challenges faced by Local Authorities despite the enormous demands being placed on limited local resources. In some authorities this will have unfairly impacted on the morale of staff working under additional pressure during a very sensitive period.

20. Overall and in my opinion, the public sector response to the pandemic, and especially the impact of arrangements for 'total' lock down, was extraordinary. Government leadership on local authority finance issues was probably as clear as it could reasonably have been in the circumstances and decisive. Hindsight may produce different schemes and targeted outcomes, but hindsight clearly allows a much longer period for reflection and consideration of options.

21. From a Local Authority perspective and from the position of an experienced s151 officer, potential improvements or lessons learned may be :

22. Significant need for government departments to recognise the critical and extensive role of Local Authorities in delivering government policies and priorities including :

- a. Protection of the most vulnerable and the management of impacts arising from welfare benefit changes
- b. Asylum seekers, homelessness and rough sleeping
- c. Housing
- d. Clean streets and waste collection (inc. recycling)
- e. Community safety
- f. Child Protection
- g. Adult Social Care
- h. Etc.

23. Ensure that on an ongoing basis, the impact of government's departmental policy initiatives are properly assessed and fully funded for Local Authorities being asked to take on new or changing responsibilities.
24. Need to maintain and develop even further the close working relationships between MHCLG and LA s151 officers, at both strategic and operational levels, that were so supportive during the Covid period.
25. The need for other government departments to build (and sometimes to establish from a very low base) better relationships with Local Authority s151 officers and gain a better understanding of Local Authorities finance and practice not least :
- a. Department for Health – re social care, public health, hospital discharge; etc.
 - b. DWP – Benefits; Homelessness; etc.
 - c. Home Office – Asylum seekers; etc.
 - d. DfE – Child protection; SEND; etc.
 - e. BEIS – purpose; distribution; administration; etc.
 - f. Treasury – special financial regulations; balanced budget; need for reserves; etc.
 - g. Etc.
26. Improve quality and relevance of ongoing financial and volumetric analysis across local authorities in support of decision taking and improve analysis of variations on unit costs across Local Authority. This includes not only the number of cases / units being supported but the different levels of complexity that the delivery of these services entail.
27. All parties involved recognise that. even with best endeavours, pandemics and other protracted emergencies will leave backlogs in systems (e.g. because of limited resources on the front line) that will need short term funding to recover (I assume that health will have some very sound examples of this). For LAs, consider Housing repairs, capital project delays, recovery of lost revenue as services reestablish themselves; case assessments; etc..
28. I do not consider that there was such an issue particular to the Covid crisis, over and above the 'traditional' difficulties encountered in relationships between Treasury and other government departments. In the context of the

enormity and unique nature of the matters raised by the Covid pandemic, there is a need to acknowledge the speed with which the Treasury liberated resources to deal with significant activities and needs.

29. It is worth noting that as some form of normalisation has returned and mindful of prevailing economic conditions, the performance of Treasury cannot be reflected by their response to areas of major Local Authority financial stress, not least for homelessness, adult social care and special educational needs where resources are not tracking demand, complexity or cost.

Funding for Local Authorities

Unringfenced Funding

30. From my recollection, there could have been greater consultation with s151 officers while recognising that timelines were short and, not unreasonably demands from the public, business, central and local government politicians and lobby groups such as the LGA (and s151 officers themselves) was very vocal.
31. In terms of quantum and nature of grants, that was not a discussion that I can remember with MHCLG although there were definitely conversations about best timing and distribution. However, as I recall, the options were either for to 'spend what it takes' on guarantee of reimbursement from government down the line or 'receive a guaranteed advance with a view to reimbursement to government at some time in the future if that funding could not be justified'; or indeed additional funding if the quantum was not sufficient.
32. The latter was the preferred option, not least because it gave those Local Authorities with low levels of balances and reserves to proceed without needing to resort to a s114 notice; so looking back this would seem to have been the correct approach.
33. By way of quantum and distribution, MHCLG had a number of complex conversations over a very short period on the means of calculation of grant using existing formulae and publicly available data.
34. My observation is to reflect on the accuracy, currency and relevance of data to work from (e.g. inconsistent treatment of data on RO returns; are RO forms collecting the correct analysis; treatment of BCF funding that will be allocated differently across ICBs; netting off of costs/ revenues; disparities caused by outsourced / insourced arrangements; similar for central support charges; etc..). All these issues individually and collectively compromise the integrity of interpretation of these data sources.
35. The potential for over compensation from government grant will as certainly have been considered, but the general feeling would have been that any such impact was likely to be marginal at best and in reality would probably be insufficient over time.
36. For example, fees and charges and business rates and council tax not only reduced over the Covid period but since then will also have taken time to

recover back to their 'normal' levels. Consider also that for some Councils, the alternative may have been underfunding and the creation of the multiple s114 risks.

37. The risk will have been recognised with a view to understanding any need for reimbursement in line with the 'funding agreement' (e.g. I understand that a number of authorities have now reimbursed funding for fees and charges and business rate rebates / discounts have been made, reducing originally reported reserves.)
38. I am aware of MHCLG scrutiny through the period and understand that changes in assessments may have been made, although these will have been communicated.
39. In order for more accurate assessments of need and distribution to be made, all parts of the public sector need to continue to work on improving the collection and maintenance of key data. For example data on voluntary sector costs against outcomes; local business rate systems to be required to hold greater detail on what the business actually do by way of trade, workforce numbers, etc..
40. I disagree strongly with the suggestion that financial penalties for inaccurate estimates would improve accuracy of distribution, and especially in the context of a national emergency and an ongoing local government funding crisis. However the principles of reimbursement remain reasonable providing that it could also work the other way.
41. All funding was subject to spend and where necessary audit. Please note that funding did not take account of long term consequences (e.g. permanent loss of income; need to increase bad debt provision / write off debt) and all LAs will have their own local circumstances. And opportunities for laying off staff who were being redeployed to other functions was not available
42. To some extent, the pandemic demanded the suspension of normal control arrangements over finance, both nationally and locally; not recommended but extreme conditions demand extreme actions and I would commend the response from a funding perspective. Moving forward, a codification of departures in the event of a crisis would maybe be helpful.

43. From a MHCLG perspective and in the circumstances, I think it was excellent. I would be less positive regarding other government departments including the Treasury.
44. Separately, I do not recall any significant communications from government regarding the LA response to the crisis (e.g. child protection and all efforts by social care; collecting rubbish; maintaining house building projects; delivering food; etc.). The promotion of NHS was by contrast and justifiable amazing.
45. In the circumstance I think that MHCLG did a good job in communicating with LAs and giving reasonable support and flexibility. This needs consideration in the context of other underlying pressures and new burdens being placed on the sector (e.g. housing; homelessness; rough sleeping; SEND; etc.).
46. Of course there could have been more control and monitoring from government in the local administration of all schemes, albeit I am not clear on where resources would have come from at that time other through costly and ultimately unproductive third parties.
47. In addition, additional layers of supervision would have delayed distribution of funding to the beneficiaries that they urgently required and may have introduced additional barriers that would have further drained resources available and potentially created unnecessary duplication.
48. I believe that the intention to hold statutory s151 officers to account for distribution and where necessary reimbursement was the correct approach and proportionate to the emergency at that time.

49./

50. I do not believe that BEIS carried out as much consultation as they may have done and especially regarding strategy and practical aspects of delivery. However time was extremely limited and pressure on BEIS extremely high for obvious reasons.
51. In future, there is a need, again in my opinion, for BEIS to establish and build a longer term relationship with Local Authority practitioners and especially s151 officers and to make full use of the interface that is provided by MHCLG with Local Authorities.
52. My recollection is that there was an absolute government imperative to provide assurance to business that support was on its way and an early decision was taken that business rates would form the correct base and that distribution should be handled by LAs. I think that this was generally accepted and much was achieved in a very short period of time.
53. This was in spite of some limitations in guidance being provided by BEIS. In this context I believe that by working more closely and alongside s151 officers, arrangements, definitions, processes and implementation may have been made more efficient and effective and some disparities in handling by different LAs reduced.
54. In general and in my opinion, business rates relief did achieve its aim, although detailed purpose and design of the scheme could, with hindsight, have been enhanced and better communicated with the public and with business and maybe more specifically targeted. The relative success of the scheme will differ from authority to authority, not least driven by the scale and competency of local teams, their business intelligence and the application or otherwise of their internal control systems.
55. Business rates revenue remains (legislatively and in reality) a cornerstone of local government funding and any changes need to be set in that context whether they be temporary or permanent.
56. Like Council Tax, the basis for business rates need to be fundamentally reviewed to confirm that current arrangements are fit for the 21st century,

given that the principles are now very old and changes have been layered over time.

57. As part of any review, Local Authorities should be enabled to retain additional data on each of its properties registered for business rates. This should include information on category, nature and scale (e.g. no. of employees) of the business actually being performed on each site. This data would have been invaluable in understanding the business community better. (for example of leisure and hospitality undertakings; financial institutions; operational as opposed to administrative; etc.).

Ringfenced Funds

59. The urgency of the situation left little scope for genuine consultation, especially from a system wide perspective. There were certainly discussions at association and local levels although these always felt driven, not unreasonably, by ministerial priorities and urgency
60. Ringfenced funding should as a normal be limited to specific activities that attract discreet costs that are measurable over a limited period of time (e.g. acquisition of property for a specific purpose) and allow for a sufficient level of overhead (such as employee oncosts and organisational overheads).
61. While not the preferred funding arrangement for Local Authorities, I believe that the ringfenced nature of schemes at the time was appropriate and proportionate in the context of the emergency conditions facing the country.
62. Emergency times call for emergency measures and therefore I do not think it unreasonable for there to have been delays in finalising the details of some of the funding schemes.
63. For the future, government departments would benefit from having closer ongoing relationships with s151 officers and Treasurer Societies where those departments are dependent on Local Authorities for delivering or supporting government policies. MHCLG, not unnaturally, were far better prepared to engage this support and I believe that this continues today.

Covid-19 Business Grant Schemes

General

65. Contact was predominantly by MHCLG and regularly with as they attempted to 'design' the scheme. In particular, s151 officers were able to explain the complex nature of the business rates system of delivery from a Local Authority perspective (e.g. problems in identifying the nature of the business; the absence in many cases of bank details; etc.). MHCLG were able, I understand, to share such practical issues with BEIS.
66. I am not aware of any detailed consultation on the quantum or targeting of the scheme but am conscious that many sectors (e.g. hospitality) were creating their own lobbies for support.
67. Our priority, and as encouraged by all, was to make payments as quickly as practically possible which will almost certainly have compromised some of the Councils' normal control procedures. For example, for a scheme of this type I would normally have expected this to be by way of payment on basis of application and details provided.
68. I would consider that the application of such normal controls would have considerably reduced the speed of distribution, for which some LAs were criticized.
69. Looking forward, I would again suggest the need to empower LAs to carry greater detail of the business as a stand on their systems and to be able to use this data for other purposes, for example in support of local business development.
70. The ideal must be to reduce and eliminate the number of irregular payments made in the first place. Better data is at the heart of that but in any event requires more processing time and resources. From a robity point of view, this would be entirely appropriate from a s151 perspective, but looking back, was this really a practical option at the time?
71. In the time available, the government could have done little more I suspect.
72. On the ground different authorities responded in different ways according to their local resources, reprioritization of work, etc. My sense are that larger

billing authorities will have been better placed than smaller ones but would have had more business to transact.

73. All of this had to be achieved during a lockdown period where rapid training and support needed to be provided to staff who were required to work remotely and had no 'dispensation' to travel.
74. Lessons continued to be learned and clearly much knowledge and data collected from earlier cohorts were helpful. Efficacy will have probably improved (is there any evidence base for this), but controls will continue to have been compromised in some way.

Cohort One Grant Schemes

75. This 'stick' approach was in my view entirely unacceptable and inappropriate. Naming and shaming will have done nothing to improve local control arrangements and probably the opposite will have been the case.
76. I think the measures were probably fine as a top level performance guide for internal consumption by BEIS and this may have been turned into more supportive dialogue with some LAs and maybe some shared experience from the 'higher performing' LAs.
77. There is a separate level of performance around the volume of work being carried out to track down businesses in order to pay them. This would have provided a useful dynamic and maybe useful information for BEIS to have shared with businesses.
78. My understanding was the LA Discretionary Grant Fund was in direct response to lobby activity by the Voluntary Sector and by Local Authorities and other lobby groups and the premise that the VCS would be a critical player in supporting government efforts throughout the Covid period.
79. I believe that the guidance was adequate insofar as it gave LAs enough flexibility to gear the grants and to have these delivered with some urgency and in line with what was required locally.
80. Resources had to be redeployed to design and implement the local scheme and I would consider that in the context this was a success in meeting government expectations of the scheme.

Cohort Two Grant Schemes

82. As previously set out, collaborative working between s151s on behalf of the financial aspects of Local authorities continued, learning lessons from previous steps but still in a highly pressurized and stressed environment.

83. I cannot recall any significant impacts from the changing nature of non pharmaceutical interventions although the stress on businesses continued to be recognised.

84. In the circumstances, the balance of complexity within the schemes felt reasonable, although understanding of the need for standards of financial check and control in the special circumstances became a higher priority and somewhat easier to tackle in the face of the stabilities created by earlier schemes and by other measures in place.

New Burdens Funding

86. It was important for MHCLG to recognise the new burdens arising from the grant schemes and the adequacy of this funding from Local Authority to Local Authority will have differed according to scale, complexity of process, etc..
87. Many shortfalls in funding will have been made up by redeployment of resources from standard arrangements (e.g. debt collection schemes tended to be reduced during the Covid period especially for the most vulnerable, thereby releasing resources for a temporary period). The new burden funding will have been appreciated in particular by those Council with limited reserves.
88. It is important to note that where resources were redeployed (e.g. because of lock down and the inability to be on site (e.g. housing repairs; capital projects; etc.) backlogs will in some cases have been created that shifted additional cost requirement into a post Covid period
89. The net impact of these deferrals has not been measured but is likely to have been significant as services returned. To a higher cost base, shortages in workforce, materials shortage, etc.. As for fees and charges moving to recovery, these factors have added to the Local Government Funding crisis that now faces us.

Reflections

90. In the circumstances of such an emergency, I think that arrangements for grant schemes were appropriate. To be 'better' targeted, more complexity would have probably been necessary which would have acted against the need to distribute grant with urgency. A challenge for the future is to test the need for such urgency but, for some, that need was certainly urgent.
91. At a macro level, I am not aware of any equality issues in the schemes as designed. However, if subjected to scrutiny at a local level there may be questions as to whether what were principally national schemes translated to localities where special equality issues are at play (e.g. race; religion; business profiles; city / rural characteristics; etc.).
92. Regarding design of the grants schemes and as ever with hindsight, of course there may have been more engagement, consultation, planning, communications, system design, etc.. However the nature and rapid onset of the emergency did not enable these things to happen and overall I believe the response and solutions were appropriate
93. Generally I would confirm that the schemes were adequately targeted to those needing support, although recognising that for any future event the needs and understanding of the issues may be better informed from the previous Covid experience..
94. The mechanism for controlling the distribution of grants etc. were necessarily more limited than they would normally have been given the need for urgent distribution. This is of course extremely regrettable, but means almost certainly some errors may have been made at the time; where identified and where possible, these errors will have been corrected through recovery arrangements. That is not to say that there would have been examples of exceptional practice and performance. In emergency situations, this weakness must be identified but should not prevent the design of the system to minimize the risk of error but without significantly impacting on the urgency of the need.
95. Referring to an earlier statement, I would have normally expected these grants to be provided on application and then issued maybe on a fully audited draw down basis. I don't believe that the nature of the pandemic allowed time for this.

96. I think this is immeasurable, but on balance I believe that the grant schemes as identified achieved their aims. The level of that success needs a macro economic assessment, not least considering value for money for the whole of the economy in the short, medium and long term.

97. Closer ongoing relationships between government departments and LA s151 officers based on a common understanding of financial strategy and operations. Maybe an ongoing joint committee of s151 officers linked to the Association of Local Authority Treasurer Societies together with senior officials from government departments could be mobilised in the future. This would enable existing working relationships to be in place in order to facilitate movement into an emergency situation.

PART D: Inequalities

99. No comment other than once equalities impact assessments will I assume continue to be carried out within central government departments, how can these be replicated if at all at a local level where impacts may differ when the purpose of the allocation is in part predetermined.

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.

Personal Data

Signed:

Duncan Whitfield OBE CPFA

Dated: 21st October 2025

Annex D: Table identifying responses to each Rule 9 question in Annex A

Question Number (from Annex A)	Has this question been answered in the statement?	If yes, what is the paragraph reference in the statement?	If not, why not?
1 - 6 Part A)	Yes	Pages 1-6	N/A
7 - 13 (Part B)	Yes	Pages 7 - 12	N/A
14 - 29 (Part C)	Yes	Page 13 - 18	N/A
30 - 31 (Part D)	Yes	Page 19	N/A

