Witness Name: Catherine Frances
Statement No: 1
Exhibits: CF/1 – CF/188
Dated: 22 August 2025

IN THE MATTER OF THE INQUIRIES ACT 2005

AND IN THE MATTER OF THE INQUIRY RULES 2006

UK COVID-19 INQUIRY

DEPARTMENT OF HEALTH AND SOCIAL CARE

FIRST WITNESS STATEMENT OF CATHERINE FRANCES

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1. I, Catherine Frances, of the Department of Health and Social Care, 39 Victoria Street, London SW1H 0EU, will say as follows:

INTRODUCTION

2. I make this statement in response to a request from the UK COVID-19 Public Inquiry (the Inquiry) dated 25 November 2024 made under Rule 9 of the Inquiry Rules 2006 (the Request) asking for a corporate statement on behalf of the Department of Health and Social Care (the Department) providing an overview of the structure of the Department and the role it played in the matters covered by Module 9: The economic interventions taken by the UK government and the devolved administrations in response the COVID-19 pandemic.

3. I am Director General (DG) for Global and Public Health, a post which I have held since 7 January 2025. Prior to this role I was DG for Local Government, Resilience and

Communities in the Ministry of Housing, Communities and Local Government (MHCLG). MHCLG was renamed the Department for Levelling Up, Housing and Communities (DLUHC) in September 2021 and later renamed back to MHCLG in July 2024. I held this post from 1 April 2019, and, amongst other responsibilities, I was responsible for the Resilience and Recovery Directorate, formally known and commonly referred to as the Resilience and Emergencies Division (RED). Prior to my role in MHCLG, I was the Director of Public Services in HM Treasury. I first joined the Civil Service in 2001.

4. As this is a corporate statement on behalf of the Department, it necessarily covers matters that are not within my personal knowledge or recollection. I was neither employed by the Department, nor responsible for the matters addressed in this statement. This statement is to the best of my knowledge and belief accurate and complete at the time of signing. Nevertheless, should additional material come to light after this statement is submitted it will of course be provided to the Inquiry, and a supplementary statement will be made if necessary.

5. For areas outside of my responsibility, I have relied on departmental records and briefings.

6. This statement describes the role that the Department played in relation to development of policy on economic interventions in response to the pandemic. It does not include the economic impact of the pandemic on public health, which is outside the scope of the module. The statement describes how the Department worked with other government departments (OGDs), including with HM Treasury, throughout the relevant period and the Department's approach to supporting socially and economically vulnerable groups, the clinically vulnerable, and the voluntary sector, which included financial support.

7. This statement is divided into 5 sections:

    a. **Section 1:** Sets out the relevant key decision makers and departmental responsibilities related to the module.

    b. **Section 2:** Describes departmental involvement in interventions that impacted the wider economy prior to the pandemic, the departments that had more significant responsibilities, and the Department's engagement with other departments.

    c. **Section 3:** During the pandemic, cross government engagement was fundamental to the government's response, and this section describes relevant governance and

the Department's engagement across government in relation to economic interventions during the pandemic.

d. **Section 4**: During the pandemic, the government implemented specific interventions, or extended existing ones, to provide economic support to individuals and businesses. This section describes the Department's role in relation to these economic support measures.

e. **Section 5**: Describes the Department's role in relation to support provided to vulnerable Groups, and to the Voluntary & Community Sector (VCS).

SECTION 1: KEY DECISION MAKERS AND DEPARTMENTAL RESPONSIBILITIES

8. The scope of Module 9 includes the economic interventions taken by the UK government and devolved administrations in response to the COVID-19 pandemic. This includes economic support for businesses, jobs, the self-employed, vulnerable people, and those on benefits, as well as the impact of key economic interventions. The scope of the module also includes additional funding for relevant public services, additional funding for the voluntary and community sector, and benefits and sick pay and support for vulnerable people. It does not, however, include the cost of input to health systems either before or during the pandemic, or the funding of the public health response to the pandemic.

9. The Department does not routinely play a significant role in the development of policy relating to economic interventions that impact the wider economy, including those aimed at individuals and businesses, and this remained the case over the course of the pandemic. However, the Department was responsible for decisions relating to health and social care, including policies and legislation, such as the non-pharmaceutical interventions set out in previous modules for the Inquiry, that could have influenced the economy during the pandemic. This statement describes, more generally, the Department's responsibilities before and during the pandemic and describes any advice or actions the Department was involved in, within the scope of this module.

Departmental Key Decision Makers

10. This section describes the ministers and senior officials in the Department who had a role in relevant decision-making, whether internally or as part of cross-government structures.

Ministers

11. I am listing here the ministers within the Department during the time under consideration by the Inquiry (from the beginning of January 2020 to 28 June 2022), along with a brief explanation of their responsibilities.

    a. Secretary of State for Health and Social Care, responsible for the work of the Department including overall financial control, oversight of NHS policy and performance and oversight of social care policy. During the relevant period, this included:

        i. The Rt Hon Matt Hancock MP (from 10 July 2018 to 26 June 2021); and

        ii. The Rt Hon Sajid Javid MP (from 26 June 2021 to 5 July 2022).

    b. Minister of State for Social Care, responsible for adult social care (including assurance and data, funding and winter planning), continuing healthcare and community health services. During the relevant period, this included:

        i. Dame Caroline Dinenage MP (from 9 January 2018 to 13 February 2020);

        ii. Helen Whately MP (from 14 February 2020 to 16 September 2021); and

        iii. The Rt Hon Gillian Keegan MP (from 16 September 2021 to 7 September 2022).

    c. Parliamentary Under-Secretary of State for Public Health and Primary Care, whose responsibilities included primary care, prevention and early intervention, the public health system, major diseases and crisis response. This role also included leading the sponsorship of Public Health England (PHE) until October 2021. During the relevant period, holders of this post included:

        i. Jo Churchill MP (from 26 July 2019 to 16 September 2021 – also with responsibility for vaccines); and

ii. Maria Caulfield MP (from 17 September 2021 to 7 July 2022 – also responsible for patient safety).

d. Parliamentary Under Secretary of State for Technology, Innovation and Life Sciences, whose responsibilities included research, data and technology, international diplomacy and relations. During the relevant period, this included:

i. Lord Bethell (from 9 March 2020 to 17 September 2021); and

ii. Lord Kamall (from 17 September 2021 to 20 September 2022).

e. The Special Advisers in position during this period were:

i. Jamie Njoku-Goodwin (from 10 July 2018 to 20 September 2020);

ii. Allan Nixon (from 8 October 2018 to 8 October 2021);

iii. Emma Dean (from 2 September 2019 to 2 January 2022);

iv. Ed Taylor (from 21 March 2020 to 26 July 2020);

v. Damon Poole (from 1 September 2020 to 5 July 2022);

vi. Beatrice Timpson (from 9 November 2020 to 24 September 2021);

vii. Michael Stott (from 5 May 2021 to 9 June 2021);

viii. Sam Coates (from 27 June 2021 to 5 July 2022);

ix. Adam Memon (from 14 July 2021 to 5 July 2022);

x. Pete Backhouse (from 12 October 2021 to 5 July 2022); and

xi. James Hedgeland (from 25 October 2021 to 5 July 2022).

Permanent Secretary

12. The Permanent Secretary supports the Secretary of State, who is in turn accountable to the Prime Minister, Cabinet, Parliament and the public, for the Department's performance.

13. Throughout the relevant period, the Permanent Secretary was Sir Christopher Wormald. He was the most senior civil servant within the Department, responsible for:

a. Ensuring ministers receive advice on strategy and objectives for the health and social care system.

b. Acting as the Department's chief executive, setting standards and managing risk and assurance.

c. Acting as the Department's Principal Accounting Officer (PAO), reporting to Parliament.

Second Permanent Secretary

14. The role of the Second Permanent Secretary in the Department was created in response to the COVID-19 pandemic. The role was held by David Williams from 5 March 2020 to 5 April 2021, who led on finance (including COVID-19 finance), group operations and business as usual (non-COVID-19 related work for the Department). Increasingly, as COVID-19 became most of the Department's work, David Williams acted as the Permanent Secretary's deputy. As Second Permanent Secretary, David was an interim Accounting Officer (AO) **(CF/1 - INQ000544678; CF/2 - INQ000273562)** and in March 2020 was appointed Senior Departmental Programme Sponsor for the Test and Trace programme.

15. Shona Dunn was Second Permanent Secretary from 6 April 2021 to 3 June 2024. She was an additional AO on all departmental matters and acted as deputy to the Permanent Secretary **(CF/3 - INQ000561640)**. She had direct responsibility for all matters relating to finance and group operations until she left the Department.

Chief Medical Officer (CMO) and Deputy Chief Medical Officers (DCMOs) for England

16. The CMO acts as the UK government's principal medical adviser and the professional head of all Directors of Public Health (DPH) in local government and the medical profession in government. This is an independent position at permanent secretary level in the Department and the CMO is a member of the Department's executive committee and Departmental Board. The CMO advises ministers across government on medical matters. He works closely with CMO colleagues in the devolved administrations. The current holder is Professor Sir Chris Whitty who took office on 1 October 2019.

17. The CMO is assisted by Deputy Chief Medical Officers (DCMOs), one of whom is specifically responsible for health protection, which includes infectious threats. The

DCMO for health protection from 2017 until March 2022 was Sir Jonathan Van Tam. He was succeeded in July 2021 by Professor Thomas Waite, initially as interim DCMO and then permanently in April 2022. The second main DCMO normally covers health improvement (non-communicable diseases) but in an emergency is expected also to cover health protection issues. Professor Dame Jenny Harries was the DCMO for health improvement from July 2019 to March 2021 and, therefore, spent much of her time on health protection issues related to COVID-19. Dame Jenny left the role to take up the position of the CEO of the UK Health Security Agency (UKHSA) on 1 April 2021.

18. Each of the devolved administrations has its own CMO and DCMOs. The UK CMOs meets regularly and there is collaboration and coordination between the CMOs across the UK government and the devolved administrations, which supports coordinated scientific advice to the UK Government and the devolved administrations.

Directors General (DGs)

19. Under the leadership of the Permanent Secretary and the Second Permanent Secretary, there were various Directors General (DGs) in the Department during the relevant time period.

20. Clara Swinson, DG for Global and Public Health (formerly DG for Global Health and Health Protection) until 13 September 2024, was responsible for leading teams including emergency preparedness and health protection, international policy, and EU Exit. Clara Swinson was the DG level SRO for the COVID-19 Battle Plan in the Department.

21. During the relevant period, there were three DGs responsible for adult social care. Jonathan Marron was DG, Prevention, Community and Social Care until 18 March 2020 (currently DG for Primary Care and Prevention); Rosamond Roughton was DG, Adult Social Care from 27 April 2020 to July 2020; Michelle Dyson took up the post of interim DG, Adult Social Care on 17 September 2020 and was appointed permanently in May 2021, continuing in this role until July 2025.

22. The DG for Finance is responsible for ensuring financial accountability of the health and social care system. David Williams held this responsibility from March 2015 to April 2021, with his responsibilities expanding to include group operations from July 2016. Andy Brittain succeeded David Williams as DG for Finance in April 2021.

23. Steve Oldfield was appointed Chief Commercial Officer in October 2017. His responsibilities included medicines and medical technology policy, commercial strategy, and development of commercial capability, and sharing of commercial best practice across the wider health family, as well as strategy for and engagement with the life sciences sector. After Steve Oldfield left the Department in October 2022, the role of Chief Commercial Officer was not replaced at DG level. Melinda Johnson was appointed as Commercial Director (July 2017 to August 2023) reporting to Steve Oldfield until he left the Department in October 2022 and to Shona Dunn as Second Permanent Secretary following that.

Support from Departmental Arm's Length Bodies (ALBs)

24. The Department is responsible for ALBs, including, prior to the pandemic, NHS England (NHSE) and Public Health England (PHE - now UKHSA). While the scope of the module does not cover the financial support the Department provided these organisations, policy teams can feed into the development of policies in ALBs that include interventions that provide support.

Departmental Responsibilities on Economic Support Measures

25. Module 9 examines the economic interventions taken by the UK government and devolved administrations in response to the COVID-19 pandemic. This includes economic support for businesses, jobs, the self-employed, vulnerable people, and those on benefits, as well as the impact of key economic interventions. The scope of the module also includes additional funding for relevant public services, additional funding for the voluntary and community sector, and benefits and sick pay and support for vulnerable people.

26. I am asked to what extent, if at all, the role and responsibilities of the Department in relation to economic functioning and financial support during the pandemic were different from the 'peacetime' role and responsibilities. The responsibilities of the Department with regards to specific economic support for individuals and businesses before the pandemic ('peacetime') was (and continues to be) limited. This was also the case during the pandemic, notwithstanding the impact that the pandemic had on public health pressures. The scope of Module 9 does not include funding of the public health response to the pandemic.

27. The Department holds key policy development responsibilities for tackling health inequalities in England (public health is a devolved matter, so Scotland, Wales, and Northern Ireland manage this separately). The Department's role involves setting national strategy, funding priorities, coordination, and oversight of interventions aimed at reducing disparities in health outcomes across different populations.

28. These interventions, however, tend to be related to improving infrastructure and services, rather than the level of economic support to individual and business covered by the scope of Module 9, and this role did not significantly change during the pandemic.

29. Under section 40 of the National Health Service Act 2006 **(CF/4 - INQ000611242)**, the Secretary of State for Health and Social Care may give financial assistance, such as loans or public dividend capital (PDC) to any NHS foundation trust, which can be in the form of, for example, financing for investments that are in the public interest, capital support to protect patient and staff safety, or revenue to support NHS Trusts in financial difficulty. These measures, however, are not aimed at individuals or businesses and are outside the scope of Module 9.

30. The Department also uses grants to fund initiatives run by voluntary organisations, charities and local authorities. Grants can be used for many purposes including funding research and to support policies. Examples of policies funded through grants can be found at paragraph 205 to 210.

SECTION 2: PRE-PANDEMIC CROSS-GOVERNMENT RESPONSIBILITIES ON ECONOMIC INTERVENTIONS

31. As stated above, the Department does not routinely play a significant role in the direct development of policy relating to economic interventions that impact the wider economy. However, the Department has worked, and continues to work, in partnership with OGDs on cross-government priorities, including those involving economic support, particularly where the initiative relates to health and social care, or to public health measures.

32. This section describes the roles and responsibilities of OGDs that were involved in developing economic support measures prior to the pandemic. I am also providing some examples of the Department's engagement with OGDs to support with the development of economic support measures.

33. The departments that had (and continue to have) responsibilities for developing policy interventions to provide economic support prior to the pandemic included:

    a. His Majesty's Treasury (HMT): This Department sets the direction of the UK's economic policy and manages public spending. Pre-pandemic this was Her Majesty's Treasury.

    b. Department for Work and Pensions (DWP): DWP develops and manages policy on a wide range of benefits, including Universal Credit, Jobseeker's Allowance, and Employment and Support Allowance, providing financial support to people facing unemployment, low income, or disability.

    c. Ministry of Housing, Communities and Local Government (MHCLG, until September 2021, and after July 2024)/ Department for Levelling up, Housing and Communities (DLUHC, between September 2021 and July 2024): This department is responsible for a wide range of issues related to housing, communities, and local government in England.

    d. Her Majesty's Revenue and Customs (HMRC): HMRC is the UK's tax, payments and customs authority, and collects the money that pays for the UK's public services and help families and individuals with targeted financial support.

34. Prior to the pandemic, the Department worked with these departments where relevant, to provide advice to and/or to develop policy on projects that resulted in more specific economic support, particularly when related to improving access to and quality of health and social care services.

35. For example, in 2016 the Department announced the Life Chances Strategy, a cross-government initiative which set out to transform the life chances of the poorest in the country. One key target for this strategy was a reduction in homelessness, and one of the policy areas highlighted was ensuring that mental health services were tailored to the needs of homeless people **(CF/5 - INQ000611240)**.

36. To that end, MHCLG was asked to work with the Department on national guidance to NHS mental health trusts, as well as on proposals to ensure rough sleepers received assessments by mental health professionals **(CF/6 - INQ000611241)**.

37. The Department worked with MHCLG on policy to improve access to mental health, drug and alcohol services for rough sleepers through the Rough Sleeping Drug and Alcohol

Treatment Grant. The Department also worked with MHCLG on delivering the Mental Health and Productivity Pilot as part of the Midlands Engine, which was jointly funded with the DWP and delivered through the Department's and DWP's Joint Work and Health Unit **(CF/7 - INQ000611249)**.

38. The Department also jointly sponsors the cross-government Work and Health Unit with DWP. The Unit works across government and the wider public sector to develop solutions that benefit disabled people and those who support them.

SECTION 3: CROSS-GOVERNMENT ENGAGEMENT AND GOVERNANCE DURING THE PANDEMIC

39. During the pandemic, the Department's primary focus continued to be on health and social care. However, as it did prior to the pandemic, the Department worked in partnership with OGDs on measures that provided support, including economic support, to individuals and businesses.

40. From the outset of the pandemic, it was clear that cross-government working would be needed to deliver the government's response, both from a public health perspective and to facilitate effective decision-making on economic and social measures. New structures were developed to support governance for decision-making and increased engagement.

41. The cross-government response to the COVID-19 pandemic was led by the COVID-19 Taskforce, a team that was established by the Cabinet Office (CO) and No.10 in May 2020. The Taskforce led the official advice in the centre of government to the Prime Minister, the Chancellor of the Duchy of Lancaster (CDL) and other ministers on the development and delivery of the COVID-19 strategy, across the full range of policy issues and all key decision-making moments, informed by a single analytical picture of the pandemic.

42. It was clear that there would be severe economic consequences from early in the pandemic; as early as 26 February 2020, Cabinet Office Briefing Room (COBR) meeting minutes confirmed that COVID-19 would have a severe economic impact. On 4 March 2020, the Department for Business, Energy and Industrial Strategy (BEIS) led discussions on support that was being considered for businesses **(CF/8 - INQ000626252; CF/9 - INQ000626253)**. On 11 March 2020, HMT first issued guidance in relation to financial support for those affected by COVID-19, and on the 13 March 2020, the Prime

Minister requested the establishment of the 'Economic and Business Response Ministerial Implementation Group' (EBRMIG) which would be chaired by the Chancellor of the Exchequer, Rishi Sunak, and supported by BEIS. The EBRMIG's functions were to ensure rapid communication and engagement with businesses and to monitor and respond to the implications of key sectors and businesses **(CF/10 - INQ000274428)**.

43. While the Department was not the lead department for the discussions on economic and business response, it was involved in these early meetings and was the lead department in the policy development of the Coronavirus Act 2020 (CVA). The CVA provided for the emergency powers that facilitated some of the economic interventions later implemented, including for example compensation for volunteers supporting the pandemic response and to provide financial assistance for industry. To draft these provisions, the Department worked closely with officials across government to develop the policy and draft the legislation at pace. The Department's involvement in the development and oversight of the CVA is discussed further in Section 4.

44. The Department's policy responsibilities for economic support measures was not extended during the pandemic; however, several other departments policies were changed to ensure economic support was in place. For example:

    a. DWP managed the uplift to Universal Credit and HMRC was responsible for the Self Employment Income Support Scheme and changes to Statutory Sick Pay; and

    b. Using the new powers granted by Section 76 of the CVA, HMT issued various directions to HMRC requiring it to be responsible for the payment and management of amounts to be paid under some of the pandemic support schemes that are outlined in Section 4 below **(CF/11 - INQ000548235; CF/12 - INQ000548232; CF/13 - INQ000548245; CF/14 - INQ000548264)**.

45. While the Department may not have had the same substantive role that HMT, HMRC, DWP and others had in the development of measures to keep the economy moving, there is evidence that the Department provided advice and/or recommendations relating to some of the key economic interventions. Section 4 of this statement sets out the actions taken by the Department and the impact of these actions.

46. The Department also maintained regular contact and exchange of information with HMT relating to funding arrangements for specific programmes **(CF/15 - INQ000626304)** and the overall costs associated with the COVID-19 pandemic **(CF/16 - INQ000548222;**

CF/17 - INQ000548221). Further information about how the Department engaged with HMT on the development of specific schemes can be found in Section 4 of this statement **(CF/18 - INQ000548238)**. The Department's regular engagement with HMT ensured that officials understood how HMT intended to address economic challenges that could then have an impact on policy interventions on public health **(CF/19 - INQ000548237; CF/20 - INQ000626305)**.

Cross-Government Governance

47. Oversight of COVID-19 response work was conducted through the UK Government's Cabinet Committee structure, established in response to the pandemic. This included COBR meetings.

48. From 17 March 2020, COBR meetings were supplemented by regular, often daily, COVID-19 meetings chaired by the Prime Minister, and 4 new Ministerial Implementation Groups (MIGs) were established to support COBR **(CF/21 - INQ000548225; CF/22 - INQ000274430; CF/23 - INQ000548223; CF/24 - INQ000049714)**.

49. The MIG system continued until 29 May 2020 when it was replaced with 2 Cabinet Committees, COVID-Operations (COVID-O) and COVID-Strategy (COVID-S) **(CF/25 - INQ000106454; CF/ 26 - INQ000087165)**. These collective decision-making models remained in place until March 2022 and February 2021 respectively.

50. The COVID-S committee, chaired by the Prime Minister, included the Chancellor of the Exchequer, the Foreign Secretary, the Home Secretary, the CDL, the Secretary of State for Health and Social Care and the Secretary of State for BEIS. According to its Terms of Reference, COVID-S was set up "*to drive government's strategic response to COVID-19, considering the impact of both the virus and the response to it, and setting the direction for the recovery strategy*". The meetings ran between 4 June 2020 until 21 February 2021, to set in place the overarching COVID-19 strategy and consider key strategic choices in the response to the pandemic **(CF/27 - INQ000176781)**.

51. The COVID-O was usually chaired by the CDL. The core membership was the Secretary of State and the Chancellor of the Exchequer. According to its Terms of Reference, COVID-O was set up "*to deliver the policy and operational response to COVID-19*". The devolved administrations were invited to meetings where a UK-wide approach was

needed, for example on border measures and vaccination. The meetings ran between 29 May 2020 and 29 March 2022 **(CF/28 - INQ000177566; CF/29 - INQ000595318)**.

52. On 11 June 2020, the Department implemented a 'GOLD' structure to provide oversight of the local containment aspects of the Test and Trace programme, and escalated issues requiring national decisions. Weekly GOLD meetings (also known as Local Action Committee meetings) were chaired by the Secretary of State and covered the latest epidemiological briefing and assessment, assurance for containment action underway, and discussed the implications of any trends identified and proposed issues to raise with the CO and Prime Minister on a weekly basis **(CF/30 - INQ000626273; CF/31 - INQ000106469)**. Final decisions were taken by ministers following recommendations to COVID-O and COVID-S. The GOLD meetings enabled the Department to engage with regional and local government representatives from across the country.

SECTION 4: THE DEPARTMENT'S ROLE IN ECONOMIC SUPPORT MEASURES

53. During the pandemic, in line with its pre-pandemic responsibilities, the Department's responsibilities focused on the health and social care response to the pandemic, and it did not routinely play a significant role in the direct development of policy relating to economic interventions that impacted the wider economy. However, the Department did work in partnership with OGDs as part of the cross-government response to the pandemic, including engagement relating to some of the economic support measures introduced during this time.

54. In this section I provide an explanation of a number of economic support schemes that were aimed at the wider economy. The extent of the Department's involvement in each varied and is therefore set out for each measure on a case-by-case basis. Based on the evidence held by the Department, the following schemes, and the Department's involvement in each, are described further in this section:

    a. Coronavirus Job Retention Scheme (Furlough);

    b. Self-Employment Income Support Scheme (SEISS);

    c. Statutory Sick Pay (SSP);

    d. Test and Trace Support Scheme (TTSPS);

    e. Universal Credit Uplift; and

f. Eat Out to Help Out.

55. I am asked to identify what worked well and what did not, and to identify challenges with co-operation, joint working and sharing of information and analysis relevant to the economic response to the pandemic between the Department, HM Treasury and other government departments. Cross-Government engagement was essential for ensuring decisions could be made at pace to respond to new evidence and information throughout the pandemic. This is as expected in any emergency response situation where usual time for engagement and consultation is reduced. As has been referred to throughout all modules to date, structures were created to ensure that views and concerns could be raised quickly.

56. The Department cooperated with OGDs through pandemic cross-government structures including the CO Taskforce, Ministerial Implementation Groups and business-as-usual decision-making structures, and regular departmental engagement as also set out with the examples included in this statement. The Department's involvement in the development of the schemes varied depending on the nature of the scheme, as set out in this statement.

57. There were points in the pandemic where sharing of analysis of information was refined and improved to support cross-government working. An example of this is set out at paragraph 133, where joint-information exchange between BEIS, HMT and the Department was improved following a meeting coordinated by CO. We have been asked by the Inquiry to provide a corporate opinion on whether HMT's approach to sharing economic analysis, and the evidential basis of its decisions was sufficiently transparent. The Department has conducted extensive searches and cannot find documentary material to support a reasonable corporate answer to the question. Unfortunately, as explained in paragraphs 3 & 4, I was not in this role until January 2025. Any answer to this question must be based on the documentary material available from the relevant period; I am not aware of documents from the relevant period which would assist in answering this question on a corporate basis therefore neither I nor the Department can assist.

58. During the pandemic, the Department played a more significant role in the development and implementation of policy through legislation on social distancing measures (such as lockdowns, shielding, self-isolation and other social restrictions) that made the economic interventions necessary. This section begins by setting out the Department's involvement

with this health and economic legislation and its input into the subsequent economic policy. It begins with a description of the CVA, which the Department led on, and which included the emergency provisions that underpinned the government's ability to implement key economic measures.

Coronavirus Act 2020

59. Although the Department did not play a lead role in the delivery of most of the schemes described in section 4 of this statement, it did play a central role in negotiating, drafting, and implementing the CVA which provided the government with the emergency powers to support businesses and individuals if required.

60. Prior to the pandemic, the legal framework for managing outbreaks was set out within the Health and Social Care Act 2012, the Public Health (Control of Disease) Act 1984 and the Civil Contingencies Act 2004.

61. The CVA was outbreak-specific, emergency legislation enacted to enable the government to manage the pandemic. It received Royal Assent on 25 March 2020. Due to its emergency nature, the CVA was enacted for a period of two years as a temporary measure designed to amend existing legislation and introduce new powers to mitigate the impact of the pandemic by increasing the workforce, easing the burden on frontline staff, containing and slowing the virus, managing the deceased with respect and dignity and supporting people **(CF/32 - INQ000548227)**.

62. The CVA was largely based upon the existing draft Pandemic Influenza (Emergency) Bill ("the draft PIEB") which had been prepared between 2017 and 2019 following Exercise Cygnus to streamline systems and mitigate infection in the event of a severe flu pandemic. The draft PIEB **(CF/33 - INQ000023118)** contained temporary emergency provisions, which amended existing legislative provisions and introduced new powers, including provisions to manage a reduced workforce, increased pressure on healthcare services and death management processes **(CF/ 34 - INQ000057495; CF/ 35 - INQ000565692)**. The CVA was a more comprehensive piece of legislation, however, and contained provisions for economic support that the PIEB did not.

Department's Role in CVA Development

63. In February 2020, the Department was confirmed as the lead on the development of the CVA. While this would entail a significant co-ordination role, OGDs were tasked with developing policy and drafting sections relating to their own areas of responsibility.

64. The Secretary of State was first briefed on the Coronavirus Bill (the Bill) on 7 February 2020 **(CF/36 - INQ000049352; CF/37 - INQ000049346; CF/38 - INQ000106098)**. The Department coordinated the development and drafting of the Bill with regular active input from OGDs and consultations with the devolved nations where appropriate.

65. The government recognised the importance of including provisions to support individuals and businesses economically from very early in the development of the draft bill, and the Department was involved in discussions with OGDs to develop those provisions. On 24 February 2020, the Department's Coronavirus Bill Team circulated an introductory email to OGDs with a commission for further information about the clauses required in the Bill **(CF/39 - INQ000626255)**.

66. On 28 February 2020, the Secretary of State and the CMO attended a meeting with the Prime Minister, the Foreign Secretary, and the Chancellor of the Exchequer. This meeting covered an update on the epidemiological situation and the HMT budget to tackle the economic impacts of the pandemic. At the meeting, the Prime Minister agreed with suggestions that early emergency legislation was needed and that COBR should be used to ensure this was happening at pace. The Secretary of State also recognised the need for a major ramp-up of OGD activity on domestic preparedness, which was also to be raised via future COBR meetings **(CF/40 - INQ000548210)**.

67. On 2 March 2020, at a COBR meeting, the Secretary of State provided an update on the Bill, which was planned to include provision for emergency economic support. As a result of this meeting DWP was asked to provide instructions on statutory sick pay measures that may need to be included in the Bill **(CF/41 - INQ000056217)**.

68. On 3 March 2020, officials from the Department's Reasonable Worst Case Scenario Team circulated a document to OGDs for triaging the content for the Bill, alongside questions to determine the necessity of each of the proposed measures or availability of alternative options to primary legislation. The Deputy Director of the Employers, Health and Inclusive Employment Team at DWP amended the SSP entry from measures relating to the eligibility of people self-isolating for SSP, as this did not require primary legislation, to cover a rebate for SMEs of SSP costs and the removal of the 3-day waiting period, so that SSP would be paid from day 1).

69. This engagement included HMRC, enabling HMRC officials to comment on, or contribute to, the contents of the CVA 2020, which included any requirements they had for including compliance powers. The Bill team also circulated daily situational reporting emails to all relevant OGDs, including HMRC, that included a 'provision tracker' showing the proposed clauses in the Bill **(CF/42 - INQ000626258; CF/43 - INQ000626259)**. Engagement included a request to review the tracker or provisions and check that the clauses were present and correct. There was also engagement across government during the period between 19 March (when the Bill was introduced to parliament) and when it received royal assent on 25 March on various amendments.

70. I am asked to set out the extent to which HM Treasury and HMRC were consulted on Section 76 of the CVA during its drafting and development. The Department did not lead on development of Section 76 of the CVA during the development of the Bill. This section, which was developed between HMT and HMRC, enabled HMT to provide directions to HMRC in relation to Coronavirus to support economic policies. The Department's Bill team were copied into exchanges between these departments as the rationale for the clause was developed but did not engage in the discussion.

71. The Department was informed that this clause was required in the Bill when the Policy, Parliamentary and Briefing Support team were notified by HMT officials on 20 March 2020. This exchange made it clear that an urgent Bill amendment was required to support the announcement that the Chancellor of the Exchequer was making on wages later that day **(CF/44 - INQ000626262)**. This became Section 76 of the Coronavirus Act.

72. When the CVA received Royal Assent on 25 March 2020, it included several provisions that facilitated the government and the Devolved Administrations in responding with more flexibility and effectiveness to the pandemic with additional powers.

73. Examples of the provisions of the CVA **(CF/45 - INQ000582646)** that facilitated actions that could provide economic support for businesses and individuals included:

    a. Sections 8 and 9: Introduced a new form of unpaid statutory leave intended to compensate emergency volunteers; effectively preventing risk to employment, employment rights and loss of income. These sections enabled those volunteering, who met the criteria set out in the CVA, to receive financial support.

    b. Sections 11-13: Introduced a power for the appropriate authority to arrange new indemnity schemes for healthcare workers and others working as part of the

coronavirus response, or undertaking NHS work to backfill for others, in the event of a clinical negligence claim and if the existing arrangements did not cover a particular activity. The sections made provisions for England and Wales, Scotland and Northern Ireland and did not require membership and was free of charge, providing additional cover to existing schemes.

c. Section 39: Modified the application of the Social Security Contributions and Benefits Act 1992 which allowed HMRC to make provisions, by regulations, permitting businesses with fewer than 250 employees to claim up to two weeks' Statutory Sick Pay (SSP) for absences relating to COVID-19 under the 'Statutory Sick Pay Rebate Scheme'. DWP led the policy, while the scheme was delivered by HMRC.

d. Section 40: Disapplied the 3-day waiting period for claiming SSP so that this could be claimed from day 1 for COVID-19 related absences. DWP led this policy.

e. Sections 45-47: Intended to encourage retired healthcare professionals to return to work by suspending the restrictions on returning to work in relation to NHS pension schemes. These provisions covered England and Wales, Scotland and Northern Ireland and ensured that their pension entitlements would not be affected.

f. Sections 72-74: Modified the application of the Social Security Administration Act 1992 and the National Insurance Contributions Act 2014 to enable the government to make a range of significant interventions to support employers including, but not limited to, the Coronavirus Job Retention Scheme (CJRS), which was led by HMT, and the Statutory Sick Pay Rebate Scheme, led by DWP. Both schemes were delivered by HMRC under the direction of the relevant lead departments.

g. Section 75: Exempted any coronavirus-related financial assistance from counting towards a cap pursuant to Section 8 of the Industrial Development Act 1982 which permitted the provision of urgent financial assistance to businesses. This covered a range of schemes, including the Bounceback Loan Scheme, Coronavirus Business Interruption Scheme, and Coronavirus Large Business Interruption Scheme, all led by BEIS, and the Future Fund, which was led by HMT.

h. Section 76: Enabled HMT to issue directions to HMRC which allowed the Government to provide support to businesses and people through the HMT-led Coronavirus Job Retention Scheme (CJRS), Self-Employment Income Support

Scheme (SEISS) and one-off payments to households working receiving tax credits. While HMT led on the policy for all three schemes, these were each delivered by HMRC.

i. Section 77: This section enabled the government to increase the rate of the basic element of Working Tax Credit for the 2020/2021 tax year, providing a financial benefit for those individuals who were in receipt of benefits.

j. Sections 81-83: Provided safeguards from evictions for residential and commercial tenants. These measures were led by MHCLG.

Oversight of the CVA During its Currency

74. Part 2 of the CVA included provisions relating to specific reporting and accountability obligations on the Secretary of State and the Department, in recognition of its emergency, short-term status and the potential impact of its provisions. Section 97 of the CVA required the Secretary of State to publish reports on its status every two months, while section 98 required the government to seek the House of Commons' agreement every six months for the continued use of the non-devolved powers in force. Section 99 further required a one-year review and debate by both the House of Commons and the House of Lords.

75. The first two-monthly report on the status of the non-devolved provisions of the CVA was presented to Parliament by the Secretary of State and published in May 2020 **(CF/46 - INQ000237619)**. In this report, the Department stated that under section 76, the government had directed HMRC to carry out new functions related to paying and managing grants to businesses and individuals under the CJRS and SEISS. The Department also reported that new regulations were made following the enactment of sections 39, 40 and 41, enabling employers to be refunded for the cost of SSP paid to employees for COVID-19-related absences.

76. The Department's second two-monthly report, published in July 2020, further noted that the Chancellor of the Exchequer had exercised powers under sections 71 and 76 to direct HMRC to undertake new functions **(CF/47 - INQ000236054)**. HMRC's role in each of these schemes is set out throughout the rest of this section.

77. Following feedback from Lord Bethell and the Public Administration and Constitutional Affairs Committee (PACAC) that previous two-monthly reports lacked sufficient detail on the impact of the provisions on the COVID-19 response, the Department, on 17

December 2020, shared a submission and draft letter to Lord Bethell **(CF/ 48 - INQ000626275)**. The submission recommended sending letters to ministers across Whitehall to strengthen departmental engagement as part of a new commissioning process, emphasising the importance of the reports. Lord Bethell subsequently agreed and approved the letter on 6 January 2021, requesting that it be sent to MHCLG, CO, the Home Office, MoJ, DCMS, HMT, BEIS, DWP, HMRC, DfE and DfT **(CF/ 49 - INQ000626276)**. The letter was shared with these departments the next day on 7 January 2021 **(CF/50 - INQ000626277)**.

78. The Department's fifth two-monthly report, published in January 2021 **(CF/ 51 - INQ000287634)**, reported that the CJRS had been extended until the end of April 2021, and that as of 13 December 2020, the scheme had supported 9.9 million jobs at the cost of roughly £46.4 billion. The SEISS had also been extended until April 2021 and had seen around 2.7 million individuals having made claims under the scheme. The government had made an initial £50 million available to local authorities in England to administer the Test and Trace Support Payment Scheme (TTSPS), with a further £20 million committed to enable continued delivery of the scheme. The report stated that powers under section 76 needed to be retained to support the government's ability to respond to the ongoing pandemic, given continued uncertainty about potential future peaks or outbreaks.

79. On 18 March 2021, during a COVID-O meeting, collective agreement was reached on expiring 12 provisions in the CVA, including section 71. On 19 March 2021, the Department shared a submission with the Secretary of State and Lord Bethell, seeking agreement to send a letter seeking consent from the Devolved Administrations on the expiry of those 12 provisions as part of a thorough one-year review of the Act **(CF/52 - INQ000060398)**.

80. Later, on 22 March 2021, the Department published its one-year report **(CF/ 53 - INQ000235012)** on the status of the non-devolved provisions of the CVA. The report stated that section 71 of the CVA was no longer required at this stage in managing the pandemic, but that the powers under section 76 should be retained. It also reported that, as of 15 February, the CJRS had supported 11.2 million jobs at the cost of around £53.8billion, with approximately 4.7 million employees furloughed at the end of January 2021. The Chancellor of the Exchequer had confirmed the extension of the scheme until September 2021 in the Budget. By 31 January, the value of claims for the third SEISS grant amounted to £6.2 billion, and almost £20 billion had been paid out across all three

grants. The Office for Budget Responsibility (OBR) estimated that £50 million would be claimed by employers via the SSP rebate scheme by 31 March 2021.

81. In the Department's July 2021 two-monthly report **(CF/ 54 - INQ000235014)**, the Department reported that, following the review, the draft Coronavirus Act 2020 (Early Expiry) regulations 2021 statutory instrument (SI) was laid under the draft affirmative procedure for section 71 of the CVA on 21 April 2021. This SI was debated and approved by both Houses and came into force on 16 July 2021, thereby expiring that provision. The reports also confirmed that CJRS and SEISS had both been extended until the end of September 2021. As of 14 June 2021, there had been 11.6 million unique jobs supported by the CJRS, with a total of £65.9 billion in claims. As of the time of reporting, £25.2 billion had been paid in SEISS grants, supporting 2.9 million individuals.

82. For further detail on the Department's reports on the status on the CVA, please refer to the chronology of policy support, which includes exhibits for all reports published as required under section 97 of the CVA. The chronology of policy support can be found in Annex A.

Coronavirus Job Retention Scheme (CJRS)

83. The CJRS was launched in April 2020 and aimed to protect jobs affected by the pandemic. The scheme offered employers the opportunity to apply for a grant to fund the wages of their employees who were on furlough (a temporary leave of absence from work). Employers who put employees on furlough were entitled to claim for a proportion of their wages through the CJRS. The scheme provided grants covering up to 80% of employees' wages, capped at £2,500 per month. From 1 August 2021, this was reduced to 60%, with a cap of £1,875 per month. In total, 11.7 million employee jobs were furloughed through the scheme, at a cost of £70 billion **(CF/55 - INQ000624348)**.

84. The scheme operated from March 2020 to September 2021 as part of the 'Our Plan for People's Jobs and Incomes' initiative and was announced by the Chancellor of the Exchequer on 20 March 2020 **(CF/56 - INQ000611246)**. This included the introduction of 'flexible furlough' in July 2020, with employers having the flexibility to bring employees who were on furlough back to work part-time **(CF/57 - INQ000583639)**.

85. HMT was the lead department for CJRS. It designed the structure, set objectives and allocated funding. HMT directed HMRC to deliver the scheme, with HMRC taking responsibility for creating the claim system, issuing payments and managing compliance.

86. The Department has not found evidence that it was involved in policy development of the scheme. In February and March 2020, the Department coordinated the development and drafting of the Bill, which ultimately provided the government with the legal authority to introduce economic support schemes such as CJRS, under Section 76 of the CVA **(CF/45 - INQ000582646)**.

87. On 26 March 2020, HMRC published guidance for employers on the CJRS **(CF/58 - INQ000626263)**. The guidance set out that where employers received public funding for staff costs, and that funding continued, employers were expected to use that money to continue to pay staff in the usual fashion – and correspondingly not furlough them. This also applied to non-public sector employers who received public funding for staff costs. Organisations that received public funding specifically to provide services necessary to respond to COVID-19 were also not expected to furlough staff. This was also set out in an HMT letter to Department's that same day **(CF/59 - INQ000626264)**.

88. For eligible employers, the guidance set out that furloughed employees were initially not permitted to undertake any work for their employer in any capacity, including volunteering. This guidance was updated by HMRC on 4 April 2020 **(CF/60 - INQ000626265)**.

Furloughing Staff in the Care Sector

89. On 9 April 2020, in consultation with HMT, the Department provided guidance for reference by Adult Social Care employers and stakeholders **(CF/61 - INQ000548231)**. Although not formally published, this guidance clarified the agreed interpretation of the CJRS. It was explained that while employers in the care sector were allowed to make use of CJRS in principle, the Department had an "*expectation*" that employers would keep the vast majority of their staff working to maintain care services which remained a vital part of the response to COVID-19. Nonetheless, the Department and HMT recognised there were circumstances where it would be appropriate for an employer in the care sector to furlough a worker. For example:

    a. Where roles in the care sector had been scaled back, needed to stop as a result of COVID-19, and could not be performed from home. Examples included charity shop

workers, day centre staff and those working on transport schemes. Guidance stated that before furloughing workers, organisations should first consider whether workers could be redeployed, including to neighbouring organisations.

b. Care staff who had been contacted by the NHS to say that they should be 'shielding'. These workers were unable to continue working in the usual way. An employer could decide to keep these workers on full pay without using CJRS, but this was considered an option if employers chose to use it for this purpose.

c. Care staff who were not shielding, and whose roles were still needed during the COVID-19 response, but who for other reasons, needed to stop work. For example, because it was essential to take time off work to support a vulnerable individual needing to shield.

90. Under the CJRS rules, furloughed employees were not permitted to work for the employer that had furloughed them. However, they could be redeployed within the organisation on their usual salary as an alternative to being furloughed **(CF/62 - INQ000548236)**. On 4 May 2020, Helen Whately the Minister for Social Care (MSC) suggested taking forward an exemption for charities where the service they were providing was to support COVID-19 efforts **(CF/63 - INQ000548239)**. However, on 14 May 2020, HMT provided an update expressing resistance to the idea of taking forward an exemption **(CF/ 64 - INQ000548242)**. The Department has not found evidence of any further response.

91. On 11 April 2020, at the request of the MSC, Baroness Camilla Cavendish returned feedback on the 'COVID-19: Adult Social Care Strategy' raising concerns about whether the CJRS was appropriately designed to support staff in the care sector. She noted that "*saying that employers can furlough care workers seems to miss the point that many are on zero hours contracts*" **(CF/65 - INQ000626267)**. However, despite these concerns, workers on zero-hour contracts were eligible to have their wages covered under this scheme if they were furloughed by their employer. Employers could claim the higher of either the same month's earnings from the previous year, or the average monthly earnings from the 2019-2020 tax year. Alternatively, an employer could claim for an average of their monthly earnings since they started work, if they were not employed longer than a year.

Furloughed Staff Working in the Care Sector

92. While the Department has not found evidence of significant engagement on the development or implementation of the CJRS, the Department was mindful about how it might impact and be used to support social care workers.

93. On 6 April 2020, the MSC, raised concerns about HMRC's policy and the negative impact this could have on care workers **(CF/66 - INQ000626266)**. On 8 April 2020, the Social Care Workforce Team provided MSC, with a note on the potential implications of this policy, including possible remedies **(CF/67 - INQ000112446; CF/68 - INQ000112445)**.

94. MSC's main concern, then highlighted in the briefing, was that HMRC's guidance allowed furloughed workers to take on additional paid work through a different employer, even while their primary employer was receiving CJRS funding for them. The briefing outlined the potential negative consequences of a furloughed worker joining the social care sector, including the risk that existing care workers might feel undervalued, which could undermine broader government efforts to retain key workers. However, it was also acknowledged that preventing furloughed workers from earning additional pay could remove a valuable incentive to attract urgently needed staff to the care sector.

95. The briefing paper provided various possible options to be raised with HMT, as the lead department for CJRS policy, including options to cap the combined earnings of any furloughed worker working in the care sector under these circumstances **(CF/67 - INQ000112446)**.The scheme proceeded under the conditions of the guidance published by HMRC and on 15 April 2020, the Department published the '*COVID-19: Our Action Plan for Adult Social Care'* (Action Plan), setting out that individuals across the UK could undertake paid employment in adult social care while furloughed from other sectors **(CF/69 - INQ000233794)**.

96. Meanwhile, MSC continued to seek further clarification regarding the CJRS policy and the implications this could have on the social care sector, including charities. The Social Care Workforce Team consulted with HMT and, on 21 April 2020, provided MSC with an updated note responding to each of her questions **(CF/70 - INQ000626270)**.

97. Following the Action Plan being published, one of MSC's clarifications related to whether a recruitment campaign for additional care workers could include an appeal to furloughed workers in other sectors. Officials advised MSC that HMT had ruled out targeting furloughed workers in other sectors in a public way due to concerns about public perceptions about the value for money of the scheme (particularly in the case of sectors

like social care where the taxpayer ultimately would pay both furloughed salary, and subsequent care worker salary) **(CF/71 - INQ000626271)**.

Further Involvement in CJRS Policy

98. On 5 August 2020, the Department contacted HMT to explore opportunities to influence the future design of the furlough scheme. The correspondence indicates that the Department understood the scheme at that time to be relatively broad in scope, without tailored provisions for specific groups in different areas of the country. At that time, the Department was unaware of any plans for the scheme to be extended **(CF/72 - INQ000058044)**.

99. On 7 August 2020, the Department published a report titled 'Carers Advisory group submission to the ASC sector Covid-19 Taskforce: how can we prepare and support carers better?' **(CF/73 - INQ000058016)**. In the report, the Department proposed that consideration be given to extending the furlough scheme to provide additional support for those supporting the health and social care sector.

Proposals for Compensation and Movement Restriction in ASC

100. I am asked about the MSC's proposals to extend the furlough scheme and compensate staff for lost earnings considering proposed staff movement restrictions in the health and social care sectors.

101. To reduce the risk of COVID-19 transmission between health and care settings, the Department hosted a public consultation from 13 November to 23 November 2020, regarding proposed amendments to CQC regulations to limit staff movement between care homes and other health and care settings. Survey data collected as part of this consultation revealed significant implementation challenges; 86% of care providers thought the proposals would be difficult to implement, and 68% anticipated needing to rely on the exception due to workforce constraints. The government subsequently decided not to progress with amending regulations to stop staff movement. However, restricting movement of staff between care settings remained part of the Department's guidance to prevent the spread of COVID-19 in care homes. The Department's guidance made it clear that routine staff movement should not be taking place, except for in limited exceptional circumstances where staff movement was necessary to ensure the delivery of safe care **(CF/74 - INQ000328145)**.

102. The MSC put forward a departmental proposal to HMT in December 2020, on behalf of the Department, to consider additional financial support for health and social care workers impacted by staff movement restrictions. This proposal included the option to extend the furlough scheme. This would allow providers to furlough staff who lost income as a result of the restriction of staff movement across healthcare settings. The proposal was raised at COVID-O on 8 December 2020, with an estimated cost of £24 million per month, and the Department sought HMT's agreement to explicitly instruct providers to use the CJRS for this purpose **(CF/75 - INQ000328025)**.

103. On the 18 December 2020, HMT rejected the proposal to compensate staff through the furlough scheme but said they would consider extending the Adult Social Care Infection Control Fund (ICF), or creating a new compensation scheme **(CF/76 - INQ000544724)**. On the 22 December 2020, COVID-O agreed there was a clear need to stop staff movement between care homes to reduce the risk of transmission and to meet the costs associated with it. The COVID-O Committee agreed that the furlough scheme was not the right mechanism to deliver it, and that the Department and HMT should decide on an alternative approach ready to implement from 4 January 2021 **(CF/77 - INQ000091096)**.

104. On 17 January 2021, the Department announced £120 million of new funding to help local authorities to boost staffing levels **(CF/78 - INQ000548257)**. The purpose of this funding was to enable local authorities to deliver measures to supplement and strengthen adult social care staff capacity, to ensure that safe and continuous care was achieved. This included supporting providers to restrict staff movement between care homes and other care settings by, for example, increasing the utility of the existing workforce by paying overtime or for childcare costs **(CF/74 - INQ000328145)**.

Adult Social Care Infection Control Fund (ICF)

105. The Adult Social Care ICF was first introduced by the Department in May 2020, to support adult social care providers in England to reduce the rate of COVID-19 transmission within and between care settings. It was extended in October 2020, and in April 2021, it was consolidated with the existing Rapid Testing Fund (RTF), to support additional lateral flow testing (LFT) of staff in care homes and enable indoors close contact visiting where possible. By September 2021, these funding streams had provided over £1.49 billion ring-fenced for infection prevention and control, and £396 million for testing in care settings. The ICF was extended a final time until 31 March 2022, with an extra £388 million of funding for the winter period. This brought the total ring-fenced funding for infection

prevention and control to almost £1.75 billion, and support for testing to almost £523 million in care settings. There were 3 rounds of the ICF, the third of which ended on 31 March 2022 **(CF/79 - INQ000576743)**.

Introduction of the First ICF

106. The Department led on the bid to HMT for the first ICF. The Department had developed a plan to distribute £600 million to support social care with extra pandemic-related costs for a period of 2 months (£300 million per month). This included £90 million a month to cover the extra costs of preventing substantive and agency staff working in more than one care home setting wherever possible; and £210 million a month to pay the wages of care staff (both working in care homes and domiciliary care), who were self-isolating as a result of the measures introduced in the Care Home Support Package **(CF/80 - INQ000327881)**.

107. As set out in paragraph 329 of Helen Whately's third witness statement to the Inquiry, dated 6 June 2025 **(CF/81 - INQ000587788)**, the Secretary of State and MSC cleared the draft proposal letter for ICF, sending the letter to the Chancellor of the Exchequer on 11 May 2020 with the financial breakdown to support the proposal sent after, on 12 May 2020 **(CF/82 - INQ000327893; CF/83 - INQ000327890; CF/84 - INQ000626272)**. The Foreign Secretary's office emailed the Department's Ministers and HMT later that day to endorse the funding recommendation **(CF/85 - INQ000327894)**.

108. Once the ICF had been approved by HMT on 15 May 2020, the Department's aim was to get funding to providers as soon as possible. MSC agreed that to help local authorities pass the funding onto care providers without delay, local authorities should be expected to pass 75% of the funding to care home providers on a per bed basis. The benefit of this approach was that it was quick, and all providers would receive a significant lump sum payment to allow them to take action to reduce risks of infection, and local authorities would have some discretion with the remaining 25%, including whether to allocate to domiciliary care. The Department also provided MSC with advice on the PSED impact of the policy, which she considered and confirmed that she was satisfied with the allocation based on beds **(CF/86 - INQ000327902)**.

109. The ICF was announced for the first time on 15 May 2020. This initial fund was worth £600 million, and its primary purpose was to support adult social care providers, including those with whom the local authority did not have a contract, to reduce the rate of COVID-

19 transmission in and between care homes and to support wider workforce resilience. Guidance on the use of the fund was published on 9 June 2020 **(CF/87 - INQ000565715)**. This explained that funding could be spent on measures such as:

a. Ensuring that staff who were isolating in line with government guidance receive their normal wages while doing so. This enabled providers to utilise the funding to uplift the pay of those who needed to isolate and who would normally only have been entitled to SSP. This prevented staff facing a financial penalty for isolating in line with government guidance;

b. Limiting or cohorting staff to individual groups of residents or floors/wings;

c. Ensuring, in so far as possible, that members of staff only worked in one care home;

d. Supporting the active recruitment of additional staff and volunteers; and

e. Steps to limit the use of public transport by members of staff.

110. Providing accommodation for staff who proactively chose to stay separately from their families to limit social interaction outside of work.

Extensions of the ICF

111. On 18 February 2021, the Department shared a submission with the Secretary of State and MSC with a proposal for HMT to bid for post-March funding once the ICF and RTF came to an end. The new costings estimated that all relevant ICF measures would cost £232 million per month (significantly higher than the £91 million per month which was already being provided through the ICF). The advice also recommended asking for a full six months' worth of funding; as well as providing longer-term certainty and protection to ensure providers were able to react to possible future waves as restrictions were lifted **(CF/88 - INQ000328067; CF/89 - INQ000328068)**. The Secretary of State cleared the submission to be sent to HMT on 25 February **(CF/90 - INQ000328073)**.

112. The Department produced a further submission for MSC, the Secretary of State, and Lord Bethell on the final design of the extended ICF and RTF for approval. As well as making decisions on the design of the grant, the submission asked for confirmation whether Ministers were content for £138.7 million to be used for the extension of the RTF. MSC cleared the submission on 19 March 2021, agreeing to all recommendations **(CF/91 -**

INQ000328087). The Secretary of State also agreed all recommendations on 23 March 2021 **(CF/92 - INQ000328089)**.

113. As part of the conditions of the funding provided, and as part of the rules governing grants made under section 31 of the Local Government Act 2003, these were to be shared with HMT and MHCLG, both of whom needed to approve the final proposal before publication **(CF/93 - INQ000328090)**.

114. In April 2021, the ICF was consolidated with the existing RTF. As set out in paragraph 168 of the fifth witness statement of Jonathon Marron and Michelle Dyson, the ICF was extended on two further occasions:

    a. In July 2021, the fund was extended until September 2021, with an additional £251 million of funding **(CF/ 94 - INQ000061246)**. This funding was paid to local authorities in July 2021 and included allocations for both Infection Prevention and Control (IPC), and testing.

    b. In October 2021, the fund was extended until 31 March 2022, with an additional £388 million of funding **(CF/79 - INQ000576743)**. This was labelled ICF3. The funding was paid to local authorities in two tranches: the first in October 2021, and the second in January 2022. This brought the total ring-fenced funding for IPC to almost £1.75 billion.

Statutory Sick Pay (SSP)

115. SSP, which was first introduced in 1983, is the minimum statutory payment an employee is entitled to when they are unable to work due to illness for periods of 4-days or longer. It is paid at a flat weekly rate and may be paid for a maximum of 28 weeks. Policy on SSP is led by DWP.

116. The scale of work absence due to illness during the pandemic meant that the SSP system was not flexible or responsive enough, placing significantly increased financial risk on employers. Consequently, legislative changes were introduced to ensure employers were provided with relief, with the primary focus being on small and medium sized enterprises.

117. As already set out in the section on the CVA above (see paragraphs 65 to 68), the Department engaged with No.10 and OGDs on early government planning to tackle the

economic impact of COVID-19. Discussions that included extending SSP to self-isolators were being discussed as early as 27 February 2020 **(CF/95 - INQ000548209)**.

118. As mentioned in paragraph 67, a COBR meeting took place on 2 March 2020, where the Prime Minister asked DWP to provide instructions on statutory sick pay measures that may need to be included in the Bill by the end of that same day **(CF/41 - INQ000056217)**.

119. At this point, the pace of discussion on SSP provision in the Bill increased considerably. On 3 March 2020, for example, the Secretaries of State for both the Department and for DWP received a letter from the General Secretary for the Trades Union Congress (TUC), requesting that changes be made to SSP to benefit more people **(CF/ 96 - INQ000548214; CF/97 - INQ000548215)**.

120. On the same date, departmental officials were involved in conversations with DWP regarding the possible scenarios for SSP policy, the legislative options available and the operational considerations needed. Among the scenarios being considered as being eligible for support at that point included:

    a. When an individual was ill with coronavirus and unable to work.

    b. When an individual was asked to self-isolate or enter supported isolation and would suffer loss despite not being unwell.

    c. Wider health measures would mean an individual would suffer loss of income **(CF/98 - INQ000548211)**.

121. Both the Secretary of State and the Parliamentary Under Secretary of State for Prevention, Public Health, and Primary Care (PS(P)) had spoken to DWP's Secretary of State and Special Advisors regarding the timing of and inclusion of SSP in the Bill **(CF/99 - INQ000611243)**. The Secretary of State was keen to ensure departmental officials, involved in drafting the Bill, had a grip on DWP's progress with SSP policy.

122. DWP led on advice for a proposal on the issue of SSP for a COBR meeting on 4 March 2020 **(CF/100 – INQ000093190)**, which the Secretary of State was asked to review **(CF/101 - INQ000548212)**. Of the proposed options put forward by DWP, the Secretary of State feedback suggested strong support for the options to remove the 'waiting days' provision in certain circumstances, and for extending the eligibility of the scheme. He expressed more reservations about DWP's suggestion to establish a scheme that would refund the cost of SSP for small employers, noting that it was difficult to judge without a

costing, but that targeting small businesses suffering from sickness absence was desirable **(CF/102 - INQ000548213)**.

123. The Secretary of State chaired the COBR meeting on 4 March 2020, where the DWP SSP proposal was discussed along with the necessary legislative changes that would be required.

124. Following this meeting, the Prime Minister and DWP published a joint press release that announced that SSP would be made available from day one, instead of day four, to those self-isolating due to COVID-19 **(CF/103 - INQ000502351; CF/104 - INQ000611244)**. It was explained that this would be facilitated as part of the emergency legislation measures that the Department was leading on in preparation for the CVA.

125. On 5 March 2020, the Secretary of State reviewed an update for the Prime Minister that was prepared by DWP. He commented that he did not want to wait for the CVA (which was still a draft bill at this point), and that he was keen that the regulations on SSP should be made sooner. He also did not agree with providing SSP only for people who were unwell, as the government was encouraging certain people to self-isolate even if they were not sick, for example, if they were members of a self-isolating household **(CF/105 - INQ000548216)**.

126. As part of its role in overseeing the drafting of the Bill, the Department worked with DWP to include clauses to remove the waiting days before individuals received SSP, to include clauses to extend eligibility (for example, to include those advised to self-isolate due to coronavirus) and to draft guidance for employers **(CF/106 - INQ000548217)**.

127. On 12 March 2020, the Secretary of State, Lord Bethell and Department officials met with members of the Official Opposition to discuss provisions outlined in the Bill. The meeting minutes are exhibited here **(CF/107 - INQ000233764)**.

128. The Statutory Sick Pay (General) (Coronavirus Amendment) Regulations 2020 were laid before Parliament on 12 March 2020 and came into force on 13 March 2020 **(CF/108 - INQ000566044; CF/ 109 - INQ000566048; CF/ 110 - INQ000566050; CF/ 111 - INQ000566049)**. A 'Dear Colleague' letter (a letter that is used to convey policy information and updates to fellow members of Parliament) was sent to all members of Parliament on 13 March 2020 jointly by the Secretaries of State for the Department and for DWP. This confirmed the changes to this legislation.

129. The Chancellor of the Exchequer gave further consideration to SSP policy in April and May 2020 in relation to individuals classed as extremely vulnerable and at very high risk of severe illness from COVID-19, and who had been advised to remain at home for at least 12 weeks.

130. The criteria relating to the parameters of 'extremely vulnerable' were health-related policy. While this, and related advice and updates to OGDs, came within the Department's remit, the Department has not been able to find evidence of engagement with the other departments on the decision to extend economic support measures to include this cohort.

131. OGDs remained involved with the development of the policy to fill the gaps in SSP legislation, because it impacted a wide range of areas. This included the self-employed, contracted workers and care workers, among other cohorts. In some instances, this involvement led to additional economic support measures such as the SEISS, Universal Credit Uplift and the ICF which are described below, and which also included engagement from the Department (as described throughout this section).

Workforce Absence Modelling

132. In early March and April 2020, the Department was engaged cross-government in relation to modelling reasonable worst case scenarios and estimated workforce absences across the UK through sickness (including 'working days lost'); widening to include economic impacts of potential non-pharmaceutical interventions (namely school closures and self-isolation) **(CF/112 - INQ000626256; CF/113 - INQ000626254; CF/114 - INQ000626257; CF/16 - INQ000548222)**.

133. On 13 March 2020, at an "*Economic Response*" meeting led by CO, the Cabinet Secretary highlighted the need for "*better join-up between models*" between BEIS, HMT Professional Analysts and the Department **(CF/115 - INQ000626260)**. Assumptions for workforce absences under different policy scenarios moved from the Department's ownership to BEIS with relevant SPI-M model outputs and preliminary calculations from the Department being shared **(CF/116 - INQ000626261)**. By 17 April 2020, the sectorial analysis of economic vulnerability from BEIS and HMT was synthesised. The Department was then better able to incorporate the health implications of reducing NPIs, allowing for a holistic view of what removing NPIs meant for both the health and economic angles of pandemic **(CF/117 - INQ000626269; CF/118 - INQ000626268)**.

Self-Employment Income Support Scheme (SEISS)

134. The SEISS provided financial support to self-employed individuals whose businesses were affected by the COVID-19 pandemic. The Chancellor of the Exchequer announced the introduction of SEISS on 26 March 2020, stating that it would provide financial support to millions of self-employed individuals. The scheme offered a direct cash grant worth 80% of an individual's average trading profits, up to £2,500 per month. It was stated that 95% of people who received most of their income from self-employment would be eligible **(CF/119 - INQ000548229)**.

135. The scheme consisted of a series of 5 taxable grants between May 2020 and September 2021, paid in instalments, to help cover lost income due to reduced activity, capacity, or inability to trade because of the pandemic. The Evaluation Taskforce (ETF), a joint unit of the CO and HMT established to evaluate government spending decisions, reported that a total of 2.9 million eligible self-employed individuals claimed SEISS grants, totalling £28.1 billion **(CF/120 - INQ000548276)**.

136. HMT directed HMRC to deliver the scheme. HMRC therefore held responsibilities for the payment and management of amounts to be paid under SEISS for the duration of the scheme **(CF/11 - INQ000548235)**.

The Department's Engagement on the Scheme

137. The Department has not found evidence to suggest it was involved in the policy development of SEISS prior to its announcement. However, as set out in paragraph 59 to 82 of this statement, in February and March 2020, the Department coordinated the development and drafting of the Coronavirus Bill, working closely with OGDs and consulting with the Devolved Nations. The resulting legislation gave the government the legal authority to introduce economic support schemes such as SEISS (under Section 76 of the CVA) **(CF/45 - INQ000582646)**.

138. On 4 March 2020, the Secretary of State collaborated with DWP on communications shared with No.10 and HMT relating to the Bill. As part of these communications, discussions were held about legislation for freelance workers and workers on temporary and short-term contracts (often referred to as the 'gig economy'). This included options for support through Employment and Support Allowance (ESA), Universal Credit and SSP **(CF/101 - INQ000548212; CF/102 - INQ000548213; CF/121 - INQ000626251)**. The

Department was consulted on briefing lines sent to the Prime Minister on the same day, which clarified that although self-employed workers were not eligible for SSP, many (estimated at over half), could access support through the welfare system, particularly via ESA **(CF/122 - INQ000548218)**. The Secretary of State attended a COBR meeting about the Bill on 12 March 2020. During this meeting, it was confirmed that self-employed individuals would not be eligible to claim SSP **(CF/123 - INQ000548220)**.

139. While the Department's direct involvement in the development of SEISS was limited, its involvement in early discussions identifying gaps in support for self-employed individuals likely informed the decision to introduce SEISS as an alternative source of support.

140. The Department was kept informed about progress of SEISS throughout the scheme. For example, on 23 April 2020, the CO shared a performance and implementation tracker with the Department confirming that the first lump-sum of SEISS grants were scheduled for payment in early June 2020 **(CF/124 - INQ000106366)**.

141. The Department advocated the continuation of support for those adversely impacted by the pandemic. For example, the Department provided input into a paper for a 30 July 2020 COVID-O meeting on the support offer for the Clinically Extremely Vulnerable (CEV). The paper listed SEISS as a key financial intervention for those who were both self-employed and CEV and advocated for support packages such as this to continue, particularly when local restrictions or lockdowns were in place **(CF/125 - INQ000626274)**.

142. HMT informed the Department of the extension to the SEISS grant on 24 September 2020 through a comprehensive briefing pack outlining the plan to introduce a third and fourth grant for self-employed individuals experiencing reduced demand due to COVID-19 but who were continuing to trade **(CF/126 - INQ000548273; CF/127 - INQ000088028)**.

Test and Trace Support Payment Scheme (TTSPS)

143. The Test and Trace Support Payment Scheme (TTSPS) was launched on 28 September 2020. The scheme supported low-income workers on benefits who had been contacted by NHS Test and Trace (T&T) and told to self-isolate. Eligible individuals received a £500 support payment from their local authority, which used HMRC data to check eligibility. Eligible individuals, who had received notification to stay at home and who would lose income if they did so, could apply for the payment through their local authority up to 42 days after the first day of their self-isolation period.

144. The need for the scheme stemmed from concern, as services re-opened after the first lockdown, that rising transmission rates may cause further economic disruption. On 27 July 2020, following the PM's Daily Dashboard meeting, it was noted that the Prime Minister had expressed concern over the continuing trend in COVID-19 cases across Europe and stressed the need to redouble efforts to prevent a significant increase in transmission. He asked for a range of steps to be taken forward urgently, one of which was for NHS T&T and the wider Department to work together with HMT to develop a targeted package of financial support for lockdown areas **(CF/128 - INQ000565533)**.

145. On 23 August 2020, the Chancellor of the Exchequer agreed that the payment level for a self-isolation financial support scheme in lockdown areas should be £13 per day **(CF/129 - INQ000565536)**. The payment was to be funded by the Department and paid via local authorities.

146. As a condition of funding, it was agreed that the Department was to play a largely operational role, which would include:

a. Addressing delivery or legal hurdles around making the payments available to those without recourse to public funds.

b. Working with DWP and HMRC to ensure that they could operationalise all income related benefits.

c. Launching trials to test key operational and policy elements.

d. Working with HMT to agree robust, quantitative plans for evaluation of the scheme, to clear formal communications materials, and to explore how local authorities and NHS T&T could strengthen compliance checking as the scheme developed.

e. Delivering the scheme through local authorities, with agreement that they could make payments within a 48-hour timeframe.

f. Ensuring that the Department's relevant AO made an AO Assessment of the scheme.

g. Engaging in further work to increase compliance via behavioural and process changes, including looking at enforcement options and possibly making the scheme mandatory if relevant.

147. On 27 August 2020, the Department announced the TTSPS, which ran until 24 February 2022. Its purpose was to support people on low incomes in areas with high rates of COVID-19, who needed to self-isolate and could not work from home **(CF/ 130 - INQ000565537)**. Although initially piloted in the 3 local authorities of Blackburn with Darwen, Pendle and Oldham, on 28 September 2020 it was extended to all areas (not just those with high rates of COVID-19) (**CF/131 - INQ000510826)**.

148. Alongside the eligibility criteria mentioned in paragraph 143, there was additional funding to enable local authorities to make discretionary payments (The Discretionary Fund) to applicants who were not in receipt of one of the 7 means-tested benefits, but who they judged would suffer financial hardship due to self-isolation.

149. On 16 December 2020, HMT and the Department agreed that the TTSPS was to be extended for 2 months (to 31 March 2021) on the understanding that the eligibility criteria would be reviewed **(CF/132 - INQ000565570)**.

150. As of 18 January 2021, over 70,000 payments had been made at a cost of £35 million **(CF/133 - INQ000595351)**.

151. At the request of CO, the Department produced a paper dated 19 January 2021 for a COVID-O meeting on 'Removing Barriers to Self-Isolation and Improving Adherence', which included proposals on the TTSPS **(CF/133 - INQ000595351; CF/ 134 - INQ000565574)**. The paper noted that the TTSPS eligibility criteria excluded some people who could face financial hardships associated with self-isolation requirements, for example people who earned slightly above the threshold and people who could not work because they were looking after a child who was a non-household contact, and that local authorities had introduced very different criteria to manage the discretionary fund. Improving compliance with self-isolation was discussed at a COVID-O meeting, on 22 January 2021, with some of the options suggested by the Department adopted and announced in the 'Roadmap out of Lockdown (the Roadmap) **(CF/135 - INQ000054522)**. One such option that was adopted was the expansion of the TTSPS to parents and guardians of children who were taking time off work to look after a child who tested positive for coronavirus.

152. In January 2021, COVID-O agreed a package of interventions to improve the support available that were announced as part of the Roadmap out of lockdown on 22 February 2021. The announcement included **(CF/136 - INQ000234766; CF/137 - INQ000593084)**:

a. An extension of TTSPS to include the parent or guardian of a child who had to self-isolate where other eligibility criteria were met.

b. A significant expansion of the discretionary fund available to local authorities (from £15 million for the first 4 months of the scheme to £20 million per month, to pay £500 to those who were not eligible under the main scheme but might still experience financial hardship.

c. £3.2 million per month for 4 months to fund a new Medicines Delivery Service for those who required prescription medicines whilst self-isolating.

d. £12.9 million per month, over and above existing funding through the Contain Management Fund, to support local authorities to deliver the practical and emotional support agreed in the new Framework.

153. Funding for the scheme was agreed until the end of June 2021, with a review scheduled for May 2021 to assess its impact **(CF/138 - INQ000565593)**. At the review point, it was estimated that around one third of eligible individuals were using the TTSPS. Feedback from local authorities and community groups indicated several barriers to uptake, including low awareness of the scheme, uncertainty about eligibility, the length of time before receiving payment, the perceived inadequacy of the £500 amount, and concerns that the financial impact of self-isolation was more about longer-term insecurity than immediate cash flow.

154. To improve take-up of the scheme, the Department held meetings with local authorities to reinforce the importance of communicating the revised eligibility criteria and the local eligibility criteria for discretionary payments. The review that took place in May 2021 emphasised continued work between the Department and local authorities to make sure they further promoted the extension of the scheme to parents and guardians.

155. From 16 August 2021, when fully vaccinated contacts became exempt from self-isolation requirements, eligibility for the TTSPS changed. Fully vaccinated adults and those under 18 did not legally have to self-isolate if identified as a contact by NHS T&T, so were no longer eligible for the scheme. Fully vaccinated adults who tested positive, together with contacts who did not meet the new exemption criteria, were still legally required to self-isolate and so were still eligible **(CF/139 - INQ000548268)**.

Uplift to Universal Credit

156. Universal Credit was first introduced in 2012 and is a payment made to people to help with overall living costs who are unemployed, unable to work, or who are on low incomes. In response to the COVID-19 pandemic, in March 2020, the government announced an uplift to Universal Credit and working tax credits worth £20 a week to the Universal Credit standard allowance. Initially planned to last for a year, the policy was extended by six months in the March 2021 budget. In July 2021, the government confirmed that it would not be extended further.

157. Both before and during the pandemic, DWP was (and continues to be) responsible for policy on Universal Credit. This section summarises the limited evidence that the Department has identified in relation to its involvement with policy relating to the scheme during the pandemic.

158. As set out in the relevant section on the CVA above, the Department led on the cross-government engagement to draft and amend the Bill prior to its enactment in March 2020. For example, in a submission on 21 March 2020, the Department sought approval from the Secretary of State for planned amendments to the Bill, which included the increase to tax credits, as well as other benefits affected by the Bill **(CF/140 - INQ000548226)**.

159. As well as its role in leading on and overseeing the implementation of the CVA, the Department was also engaged in acting on some unanticipated impacts relating to Universal Credit, including the impact on recruitment of staff.

160. On 7 April 2020, NHS Property Services (NHSPS) wrote to Lord Prior in the Department, informing him that the new changes to the Universal Credit policy would make it significantly harder for NHSPS to recruit additionally needed staff and would act as a disincentive to the lowest paid part time staff from working additional hours **(CF/141 - INQ000563141)**.

161. In response, the Department discussed its concerns in a phone call with DWP officials **(CF/142 - INQ000548230)**. Following this exchange, the Department was informed by email that DWP had been lobbied by several employers of low pay, key worker groups, including supermarkets, about similar concerns. Following discussions between DWP and HMT, it was revealed that no plans existed at that time to reduce the taper rate (which is the percentage of a person's earnings above a certain threshold that is deducted from their Universal Credit payment which was 63% at the time), which would see more of any additional pay for additional hours retained by the employee **(CF/143 - INQ000563130)**.

162. Furthermore, on the 16 April 2020 the Department was informed by HMT that the benefits system was already putting a big administrative burden on DWP. As a consequence, the Department was informed by HMT that they were unlikely to support different approaches for specific types of employees within the benefits system, as this would add to the existing complexity and workload **(CF/144 - INQ000548233)**.

Eat Out to Help Out

163. The Eat Out to Help Out scheme was announced as part of the Chancellor of the Exchequer's summer economic update on 8 July 2020 to support businesses reopening after the first COVID-19 lockdown. It aimed to boost customer demand on quieter days of the week, to help the hospitality sector recover **(CF/145 - INQ000086677)**.

164. Under the scheme, the government subsidised 50% of the cost of food and non-alcoholic drinks at participating cafes, pubs, and restaurants across the UK, up to £10 per person, all day Monday to Wednesday between 3 and 31 August 2020. Evidence reported by HMRC states that £849 million was claimed under the scheme across 78,116 outlets. Over 160 million individual meals were claimed; the average claim per cover was £5.24 **(CF/146 - INQ000548274)**. Surveys following the completion of the scheme suggested that around half of the UK population had made use of the scheme at some point **(CF/147 - INQ000548250)**.

Department's Engagement with the Eat Out to Help Out Scheme

165. HMT held primary responsibility for Eat Out to Help Out, whilst HMRC delivered the scheme. The Department has not found evidence that suggests it was involved in development of this scheme.

166. Paragraph 432 of the second witness statement of the former Secretary of State, Matt Hancock, dated 3 August 2023, explains that he was not aware of the Eat Out to Help Out scheme in advance of its announcement on 8 July 2020. The former Secretary of State recollects that despite his "*serious reservations that R would go above 1*", he abided by the principle of collective responsibility by supporting it in public **(CF/ 148 - INQ000232194)**. Paragraph 36 of Matt Hancock's third witness statement to the Inquiry, dated 4 October 2023, further explains that the Department was "*not involved with the development of EOTHO in any way*" **(CF/149 - INQ000273833)**.

167. The Department raised its concerns to HMT at a Local Action Committee (GOLD) meeting which took place on the morning of 20 August 2020, chaired by the Secretary of State and attended by the Chief Secretary to the Treasury. Discussions included areas of high COVID-19 incidence in England and associated interventions in these areas. At this meeting, the Department raised the consideration of suspending the Eat Out to Help Out scheme in local areas, based on insights from Oldham, Blackburn with Darwen, and Pendle, but no actions were concluded **(CF/150 - INQ000184581)**.

168. The Eat Out to Help Out scheme concluded on 31 August 2020, with no extension.

Chronology of Policy Support

169. Please refer to Annex A for a list of the policy support provided by the Department in relation to economic support measures.

SECTION 5: VULNERABLE GROUPS

170. This section describes the Department's approach to identifying and supporting vulnerable groups during the COVID-19 pandemic (further detail is provided in the fourth witness statement of Ben Dyson dated 11 April 2025 at section 2) **(CF/ 151 - INQ000587345)**. It examines how the Department recognised the distinct risks faced by individuals who were either clinically vulnerable to the virus or socially and economically disadvantaged, and how these vulnerabilities influenced its response. The statement outlines the Department's contributions to cross-government efforts to support vulnerable people, including the provision of clinical advice, funding support, and coordination with other departments and external organisations.

171. The Department acknowledged early in the pandemic that COVID-19 created challenges for those with new, or existing vulnerabilities, including those who were clinically vulnerable to the virus; it was also recognised that there would be those made vulnerable by the wider impacts of the pandemic. Whilst the Department participated in a wide range of support measures for vulnerable people, including providing clinical advice to MHCLG's programme of housing rough sleepers in emergency accommodation, additional funding for such support programmes was provided by OGDs **(CF/152 - INQ000485160)**.

172. On 14 May 2020, for example, MHCLG announced £6 million of emergency funding to provide relief for frontline homelessness charitable organisations who were directly affected by the COVID-19 outbreak **(CF/153 - INQ000548241)**. Homeless Link (a charity and social enterprise working directly with those experiencing homelessness) distributed the fund on the MHCLG's behalf to facilitate this support to the sector, allowing organisations to focus solely on their mission of supporting vulnerable people

Socially and Economically Vulnerable Groups

173. The first part of this section looks at socially and economically vulnerable groups and the role the Department played, before and during the pandemic, in supporting them, particularly in relation to health inequalities and the clinically vulnerable.

Departmental Responsibilities Prior to the Pandemic

174. Identifying and supporting vulnerable groups was part of the Department's remit prior to the pandemic. Reducing health inequalities was a key objective of the government's 2019 manifesto **(CF/154 - INQ000279875)**, and consequently the Department was already delivering on responsibilities for identifying and supporting socially and economically vulnerable groups.

175. This work was led by the Health Inequalities, Violence and Vulnerable groups team within the Department, which led on policy to protect groups identified as vulnerable. This included rough sleepers and the homeless, Gypsy, Roma and travellers, children and young people, people affected by violence and abuse, sex workers, and migrants. The team also worked on policy around health inequalities and increasing healthy life expectancy, however individual policy teams were and still are responsible for health inequalities in their specific policy areas, for example the tobacco control team is responsible for health inequalities in smokers. The Health Inequalities, Violence and Vulnerable groups team worked to rapidly identify the potential issues brought on by COVID-19 for their different policy areas, using usual contacts in PHE, NHSE and OGDs such as HMT to establish the current position on those issues and identify where there were any gaps, working with usual contacts to agree the best way to address any gaps **(CF/155 - INQ000548224)**.

176. Following the publication of the PHE report 'COVID-19: Review of Disparities in Risks and Outcomes', the Prime Minister and the Secretary of State asked the Minister for

Equalities Kemi Badenoch MP to lead cross-government working on next steps, this included a quarterly reporting rhythm which looked at building a more complete picture of the drivers for disparities in the risk and outcomes from COVID-19 and how government responded **(CF/ 156 - INQ000236063; CF/ 157 - INQ000089744; CF/ 158 - INQ000411770; CF/159 - INQ000548271)**.

Mitigating the Economic Impact of the Pandemic on Vulnerable Groups

177. In early September 2020, the Department undertook a programme of work with MHCLG and HMT to develop a discretionary pot of hardship funding, for local authorities to accompany TTSPS. This would allow local authorities to make payments to exceptional cases who were in need but do not meet the criteria for the main scheme. More information on the TTSPS and discretionary fund can be found at paragraph 289 to 300 and 301 to 307, respectively, of Ben Dyson's Third Witness Statement for the Department **(CF/160 - INQ000548251)**.

178. The Department had Accounting Officer responsibility for the self-isolation package in its entirety. As part of this responsibility, there were four conditions attached to spending which the Department needed to keep HMT abreast of. These included:

    a. All costs recovered from the quarantine fee and the testing charge were to be returned to the exchequer. If costs were not fully recovered, the Department needed to provide evidence as to why.

    b. The Department had to provide modelled estimates for expected demand compared to actuals and provide weekly updates.

    c. The Department provided further information on the hardship requirements and agreed exemptions with HMT.

    d. The Department arranged a review point in the week commencing 1 March 2021 to assess requirements beyond 31 March 2021 and worked with HMT, CO COVID-19 Taskforce and other departments to develop an exit strategy out of restrictions.

179. At the request of CO, the Department produced a paper dated 19 January 2021 for a COVID-O meeting on 'Removing Barriers to Self-Isolation and Improving Adherence,' which included proposals on improving the TTSPS and discretionary fund. The paper identified further individuals who may be vulnerable to economic hardship when isolating

but were excluded from the existing criteria. This included for example, people who earned slightly above the income threshold for the qualifying means-tested benefits that entitled them to the TTSPS payments. Local authorities had also introduced different criteria to manage the discretionary fund. To remedy this, in January 2021, COVID-O agreed a package of interventions that were announced in the Roadmap on 22 February 2021 to improve the support available. The announcement details are outlined above at paragraphs 151 to 152.

180. Following agreement from this COVID-O meeting in January 2021 and a submission to Lord Bethell on 11 March 2021, the government allocated funding for a free medicines delivery service to support individuals who were self-isolating after testing positive for COVID-19 or being identified as a close contact. £3.2 million a month was allocated to fund this service. The medicines delivery service was launched on 16 March 2021. The service was for prescription medication only and was available during an individual's self-isolation period where no alternatives were available. NHSE made arrangements with participating pharmacies and dispensing doctors to provide the service and the NHS Business Services Authority administered payments. The scheme ran until 5 March 2022.

181. The funding discussed above at paragraph 177 was agreed until the end of June 2021, with a review point in May 2021 to consider the impact. At the review point, it was estimated that only one third of those who were eligible were making use of the TTSPS or the discretionary fund. Feedback from local authorities and community groups suggested this lack of engagement was due to several factors including: eligible individuals being unaware of the scheme; individuals being unsure whether they qualified; the time waiting for payment; the £500 payment being insufficient; and the long-term implications, rather than immediate cashflow issues, of self-isolation for those in insecure work.

182. To combat this, the Department held meetings with local authorities to reinforce the importance of communicating the revised eligibility criteria and the local eligibility criteria for discretionary payments. At the review point, it was also emphasised that the Department would continue working with local authorities to make sure they further promoted the extension of the scheme to parents and guardians where numbers were growing.

183. The government gave local authorities funding to arrange support for the CEV group includes those with reduced immune systems, for example due to organ transplants, or

those with specific cancers or severe respiratory conditions, such as cystic fibrosis **(CF/161 - INQ000593062)**.

184. As described in Chris Wormald's third statement of Module 2 at paragraph 138, "whilst DLUHC had responsibility for the majority of the support package, the Department had responsibility for the medicine delivery service and for the NHS Volunteer Responders programme; and the '9 Actions' that the NHS was taking as part of the wider changes to support clinically vulnerable people". The NHS Volunteer Responders programme (NHSVR) was launched in March 2020 to support the NHS and people who were shielding or self-isolating. Volunteers provided help with fetching prescriptions, shopping, welfare calls, plus delivery of equipment for the NHS and patient transport. When the services launched, around 750,000 volunteers stepped forward to provide help and support.

Local Authority Practical Support Framework

185. From March 2021, the Department provided additional funding to local authorities to enable them to go further in offering practical, social and emotional support, where needed, for people self-isolating. Local authorities could use the funding to provide support either directly themselves or via delivery partners including voluntary, charitable and social enterprise organisations. The initial overall level of funding for the Local Authority Practical Support Framework was £12.9 million per month from March to June 2021. **(CF/162 - INQ000565605)**.

186. Local authorities were asked to make proactive contact through appropriate means to people flagged by NHS T&T as having specific support needs to offer help in accessing support. Local authorities were also asked to ensure that anyone required to self-isolate who sought help directly from their local authority was able to receive the same help in accessing support as someone referred via NHS T&T. The local authority funding for this purpose was increased to £15.6 million per month from July to September 2021 **(CF/162 - INQ000565605)**. On 13 September 2021, the Secretary of State and the Chief Secretary to the Treasury agreed that the funding for practical support would be extended until 31 March 2022 **(CF/163 - INQ000593093)**.

Supporting Individuals Impacted by Long COVID

187. Long COVID, or Post-COVID syndrome, is a new condition that is still being researched. A clinical definition provided jointly by the National Institute for Clinical Excellence (NICE), the Scottish intercollegiate Guidelines Network and the Royal College of General Practitioners is that it includes cases with ongoing symptomatic COVID-19 from 4 to 12 weeks, or that signs and symptoms that develop during or after COVID-19 continue for more than 12 weeks and are not explained by alternative diagnosis. It was first identified early in the pandemic when some individuals did not seem to be recovering **(CF/164 - INQ000548275)**.

188. This section describes the role the Department played in sharing emerging knowledge and information about Long COVID and the long-term sequalae of the virus with HMT. It also sets out any evidence the Department has found on engagement with assessing the economic impact of Long COVID and providing policy support to OGDs during the pandemic for financial support measures aimed at individuals who were dealing with Long COVID.

Cross Government Engagement on Assessing Long Term Impacts

189. As evidence of Long COVID evolved over time, the importance of understanding its impacts, including its economic impact, was noted by departmental officials **(CF/165 - INQ000283397)**.

190. On 5 February 2021, the Department shared a Long COVID overview note with the CMO explaining that a Long COVID cost simulator was being developed in No. 10's data science unit, aiming to quantify the economic impact of Long COVID in terms of Quality Adjusted Life Years (QALYs) and productivity. The Department's Long COVID policy team was also noted as engaging with DWP via the joint Work and Health Unit on the wider impacts of Long COVID on employers and employees **(CF/166 - INQ000283402)**.

191. On 17 March 2021, CO held a cross-government challenge and review meeting, which was attended by departmental officials to discuss an analytical paper on Long COVID covering a definition of Long COVID, socio-economic impacts and impact on NHS capacity **(CF/167 - INQ000548261; CF/168 - INQ000548262)**. The paper stated that Long COVID risked impacting the economy through a loss of output and productivity. Officials estimated that around 290,000 working age adults could have experienced Long COVID, leading to over 1 million working days lost. The human capital cost (the cost related to working time lost due to Long COVID) was estimated at around £120 million in

2020. However, the limited evidence at the time prevented any robust conclusions from being drawn. Officials also highlighted that Long COVID had the potential to worsen existing socioeconomic inequalities. Those on lower wages and in low-income groups were less likely to have employers accept long periods of leave, reduced hours, phased returns and/or other workplace arrangements, like flexible hours and the ability to work from home.

192. On 28 May 2021, departmental officials provided a briefing on Long COVID to CMO. In this briefing, the Department noted difficulty accurately modelling likely increases in demand to the health and social care system and broader socio-economic effects. Notable hypotheses included that, in a post-pandemic context, Long COVID has the potential to become a chronic condition that could both affect output and productivity due to absence from work and worsen existing socioeconomic inequalities. More importantly, given the evidence gaps at the time of the submission, difficultly in quantifying economic risks relative to broader social and economic decisions was highlighted **(CF/169 - INQ000548265)**.

193. On 6 July 2021, the Department was commissioned to provide a Long COVID note for the No. 10 Health and Social Care Policy Unit. This included the question: What are the implications for the health service and for employment / welfare claims? **(CF/170 - INQ000548267)**

194. On 22 December 2021, the Department submitted an Economic and Social Research Council (ESRC) proposal to explore the possibility of ESRC research into socio-economic impacts of Long COVID. At this stage, most of the research on Long COVID was clinically focused and there was an acknowledged gap in understanding the wider socio-economic impacts in the medium- to longer-term. The aim of this proposal was to explore how far our research goals might be met by ESRC research **(CF/171 - INQ000548272)**.

Department Engagement with His Majesty's Treasury (HMT)

195. The Department kept HMT informed of developments in Long COVID as more information about it emerged. Officials used patient data as well as modelling of staffing, drugs and training costs in discussions on Long COVID with HMT **(CF/172 - INQ000548258)**. The Department also raised Long COVID in budget and spending review meetings. For example, in November 2020, funding for Long COVID services was also included in the £3 billion agreed by HMT for NHS Recovery **(CF/173 - INQ000548255)**. In February 2021,

the Secretary of State wrote to the Chancellor of the Exchequer ahead of his Budget statement with the Department's latest assessment of the additional funding requirements of the health and care system and referred to NHSE's need for an estimated £104m to run and expand Long COVID assessment services **(CF/174 - INQ000059982)**. Officials also included Long COVID in discussions on funding for overall COVID-19 work **(CF/175 - INQ000548259)**. This formed part of the £7 billion package announced on 18 March 2021 for NHS and social care for COVID-19 response and recovery **(CF/ 176 - INQ000548263)**.

196. The Department established the Long COVID Oversight Board in June 2021 as a cross-government forum to share knowledge and collectively identify priorities and risks. Its membership included HMT. The Board's Terms of Reference included maintaining a coordinated and coherent understanding of the Long COVID response across the health and care system and across government, to be used to inform future direction setting and to consider the cross-government/sector impacts of Long COVID **(CF/ 177 - INQ000548266)**.

197. On 14 September 2021, the Board received a presentation on the strategic risks of Long COVID **(CF/ 178 - INQ000548269)**, which included the warning that Step 4 of the Roadmap may lead to a significant increase in cases of Long COVID, with a consequent impact on the benefits system as well as workforce productivity through increased sickness absence. It also highlighted the risk that Long COVID would exacerbate existing health and societal inequalities, which would lead to significant impacts for the levelling up agenda.

198. The Department also worked with HMT and OGDs on an analysis pack for circulation to the Oversight Board, looking at the potential impact of Long COVID on the NHS, education and the labour market. The analysis included prevalence, symptoms and the projected implications for the economy **(CF/179 - INQ000067095)**.

199. At the meeting on 9 November 2021, officials received a presentation on the potential impact of Long COVID on health and socioeconomic inequalities. It was noted that understanding of wider impacts was less well developed, in part due to lack of socioeconomic research around Long COVID. The Department reported that there were growing anecdotal instances of employment disruption, particularly job losses among those with symptoms lasting more than 12 months. Considering impacts solely through an economic/productivity lens, the consequences of reduced workforce availability

(whether from job loss, reduced hours or sickness absence), due to Long COVID could be very costly. It was highlighted that there may be knock-on effects on career progression, lifelong earnings, pensions and social mobility **(CF/180 - INQ000067416)**.

200. On 19 November 2020, ahead of a roundtable with stakeholders on Long COVID, the Department recommended to Lord Bethell that Long COVID should be treated like any other long-term illness or disease. That meant that terms and conditions including sick pay, and the occupational health offer were at the discretion of the workforce's employer. Also noted was work underway to try and improve the situation for staff: for example, negotiations on GP contracts, better support for social care staff and occupational health support measures set out in the people plan **(CF/181 - INQ000548256)**.

Financial Support Measures for those with Long COVID

201. The Department has not found evidence that it directly contributed to HMT or other departments' policy decisions on financial support measures relating to Long COVID. However, Long COVID notes and briefing materials, which had been prepared by the Department and summarised what we knew about the health issue, were often shared with CO (for example on 5 February 2021 **(CF/ 182 - INQ000548260; CF/166 - INQ000283402)**. This also included a note from officials that DHSC's Long COVID policy team was engaging the joint DWP/DHSC Work and Health Unit on the wider impacts of Long COVID on employers and employees.

202. All individuals suffering from Long COVID were, and still are eligible for various benefits from DWP, depending on their individual circumstances and subject to assessment. This conforms with the approach for other long term health conditions. Discussions regarding a bespoke offer for those with Long COVID have not been identified from the evidence currently available. Discussions between the Department and HMT early in the pandemic were often related to funding of Long COVID specialist services, as this was highlighted as an important step in supporting those with Long COVID and learning more about the condition. Long COVID as a condition was novel and poorly understood (early in the pandemic) making it difficult to support/oppose policy options, and this applied to all policy, not just economic interventions/financial support.

203. Regarding occupational disease specifically, departmental officials have been consistent in the position that decisions should be made following the standard due process, following direction from the Health and Safety Executive **(CF/183 - INQ000283383)**. In

submissions to Ministers regarding this issue, discussions between the Department and DWP regarding advice from the Industrial Injuries Advisory Council on Industrial Injuries Disablement Benefit regarding long term effects of Covid-19 infection were also noted. The Department has consistently advised that DWP should follow the standard due process. During these discussions, departmental officials shared the context of Long COVID prevalence, the healthcare system and ill-health retirement numbers **(CF/184 - INQ000283440)**.

204. From the evidence available, it is unclear what discussions took place between HMT, CO and the Department regarding compensation schemes for people who became economically inactive due to Long COVID.

Voluntary and Community Sector

205. This section sets out the Department's engagement on support for the voluntary and community sector (VCS). The Department for Digital, Culture, Media and Sport (DCMS) led and continues to lead on this policy area and are responsible for the implementation of cross-government funding for charities.

206. On 8 April 2020, the Chancellor of the Exchequer announced that the charities sector would receive £750m of support to be delivered through three workstreams:

    a. £370m for local charities working with vulnerable people. In England, this support will be provided through organisations like the National Lottery Communities Fund;

    b. £20m minimum pledge for BBC's 'Big Night In' fundraiser; and

    c. £360m to be allocated by government departments to charities providing key services and supporting vulnerable people during the COVID-19 crisis. Of the £360m allocated, the Department received £17.84m and this was boosted by at least 20% match-funding from existing departmental budgets giving grant recipients over £22m in total.

207. The grant funding provided a period of support for charities providing vital services to ensure they could meet increased demand due to COVID-19, while continuing their day-to-day activities to help those in need, up to the end of October 2021 **(CF/185 - INQ000611248)**.

208. The Department did not have any direct involvement in the development of this policy and was not responsible for its implementation; however, the Department did work with DCMS on prioritising the charities that should receive funding. The Department was set a challenging timescale of five days over the Easter bank holiday, by DCMS, to prepare bids for charities and to submit bids to departmental Ministers, HMT and DCMS ahead of a DCMS Star Chamber on 23 April 2020.

209. On 30 April 2020, the Department was notified of its funding allocations and on 17 May 2020, departmental Ministers were asked to approve funding distribution. This was followed closely, on 20 May 2020, by DCMS announcing the financial support available for voluntary, community and social enterprise (VCSE) organisations to respond to COVID-19 **(CF/186 - INQ000548243)**.

210. The Department awarded cash grants to mental health, ambulance, social care, learning disabilities, autism and dementia charities **(CF/187 - INQ000548244)**. Each organisation was either:

    a. Providing key services specific to supporting the COVID-19 response, to reduce burden on the NHS or other public services; or

    b. Providing critical frontline services to vulnerable groups affected by COVID-19 and associated measures (i.e. social-distancing) (must outline the characteristics that make those groups vulnerable).

The Coronavirus Act (CVA) and the Voluntary and Community Sector

211. Under the powers of the CVA, the Department created the Volunteer Compensation Scheme. Volunteers were an integral and important resource for the health, community health and social care workforces under increasing pressures. It was recognised the valuable role volunteers played in the delivery of day-to-day services and to draw upon in the event of emergencies. This scheme aimed to support local authorities and relevant health bodies to maximise the pool of volunteers that they could draw upon to fill capacity gaps. It did this by addressing two primary deterrents to participation: risk to employment and employment rights, and loss of income. The scheme achieved this through the creation of a new form of unpaid statutory leave and powers to establish a compensation scheme for loss of earnings and expense incurred through the CVA. **(CF/188 - INQ000548240)**.

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.

Name: Catherine Frances

Date: 22 September 2025

Signature: Personal Data