

Witness Name: Alison Betts

(previously Scott)

Statement No.:

Exhibits:

Dated: 22<sup>nd</sup> October 2025

## UK COVID-19 INQUIRY

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### WITNESS STATEMENT OF Alison Betts, Director of Finance, Three Rivers District Council

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I, Alison Betts, will say as follows: -

#### **PART A: Roles and Relationships**

1. During the period 1 January 2020 to 29 June 2022, I was employed by Three Rivers District Council as Shared Director of Finance for Three Rivers District Council and Watford Borough Council heading up the shared Finance and Revenue and Benefits Services.
2. Subsequent to that period, Watford Borough Council has appointed its own s.151 officer and I remained Director of Finance for Three Rivers District Council with a wider portfolio.
3. Prior to my role as Shared Director of Finance, I was the Shared Head of Finance heading up the Finance Shared Service for Three Rivers District Council and Watford Borough Council. Prior to joining Three Rivers, I was Head of Technical at the Chartered Institute of Public Finance and Accountancy and had held various roles within local government finance.
4. During the Covid Pandemic I was the President of the Society of District Council Treasurers (SDCT), the collective body for s.151 officers in district councils. In my SDCT role I was part of the MHCLG Trusted Treasurers Group which provided a confidential interface between department officials and the local government finance community mainly through representatives from the Local Authority Treasurers Societies; SDCT, Society of London Treasurers (SLT), Society of County Treasurers (SCT) and Society of Municipal Treasurers (SMT). This also included representatives from other local authority bodies including the Local Government Association (LGA). The Department of Business Energy and Industrial Strategy

(BEIS) and Treasury (HMT) officials were included dependent on the issues being discussed.

5. Relationships with the local government finance team within MHCLG were well established prior to the pandemic and allowed for high degree of dialogue with the sector, both through informal networking through the individual treasurers' societies and more formal groups. The Trusted Treasurers Group was an established structure with strong relationships, although the frequency of meetings and extent of areas discussed increased exponentially during the pandemic. The discussions between officials and local government, through this mechanism, were effective in highlighting issues with delivery of the various schemes following high level announcements of the support schemes by Ministers. As a result, discussions with practitioners focused on implementation and were unable to influence decision making around how best to support residents and businesses.
6. As an example of the practical difficulties encountered, the initial £150 support for the poorest council taxpayers, through the Council Tax COVID-19 hardship fund, was announced without the ability for the sector to identify solutions within council tax systems. In the Shared Service for Three Rivers District Council and Watford Borough Council this meant that we had to apply manual adjustments to individual accounts in receipt of Council Tax Support to get payments made quickly to residents. Software suppliers were unable to provide a definitive timescale for software patches to do this automatically. A consequence of this initial decision was that future reporting and the second tranche of payments also had to be manual processes.
7. Relationships with BEIS had to be established during the course of the pandemic with the result that early business support schemes were announced without fully understanding the practical implications. These early schemes set the delivery mechanisms for future rounds of support. For those sole traders and the smallest businesses that had no business rates liability due to their size, this meant that amounts sat on business rate accounts as no bank details were held for automatic payment and manual claims processes had to be introduced. By the time greater understanding of local authorities' business rate and business support mechanisms was in place the delivery mechanisms had already been set.
8. Other communication was in the form of formal guidance which often followed Ministerial announcements and with a significant gap between the announcement and guidance being published. In addition, there was often more than one version of guidance as issues were identified, adding to practical implementation difficulties. For example, the Small Business Grant Fund and Retail Hospitality and Leisure Fund were first announced on the 11<sup>th</sup> and 17<sup>th</sup> March 2020 with the first guidance being published on the 24<sup>th</sup> March 2020 and 6 versions of the guidance in total being published.
9. The key issue appeared to be the lack of understanding, particularly outside of MHCLG, about how local authorities systems and funding operate in practice, for example in the use of council tax and business rate systems that are designed to collect income to distribute support funding and where a number of council taxpayers and businesses had no liability to pay. From an external viewpoint there

appeared to be insufficient liaison with civil servants within local finance at MHCLG and insufficient involvement of local government in the design of schemes.

10. The key issue relating to secrecy and information sharing was the tendency for announcements to be made by Ministers on support schemes before detailed guidance was available and without understanding the practicalities of implementation. This led to unnecessary delays in payments and frustration from recipients for perceived delays by local authorities. If local government is to be used to distribute funding or participate in future support schemes then involvement at an early design stage is critical. The involvement of software suppliers should be encouraged so that systems fixes are available at the same time as schemes are announced. Local authorities were receiving enquiries following announcements but before details of how schemes would be administered were known. Earlier confidential discussions and involvement in the design of schemes would have allowed for local authorities to communicate better with residents and businesses to explain how support would be paid out locally and to have application processes ready for launch where these were necessary.
11. It is vital that guidance is issued at the same time as schemes are announced. At a time when staff were under enormous pressure in responding to the pandemic, it was not helpful to have additional work created by responding to queries from businesses when detailed guidance was not available so definitive answers could not be given. Early consultation would allow planning for implementation of schemes and communication of sensible timescales.

**PART B: Funding for Local Authorities**

12. The Trusted Treasurers group gave intelligence to MHCLG on the impact of the pandemic on local authority funding and budgets. The method of distribution was at times confused in two tier areas with some grants distributed via the county and other funding given straight to Districts. As an example, in Hertfordshire this funding went to Hertfordshire County Council who then had to distribute funding between their functions such as Public Health, Education and Social Care and the 10 District Councils in Hertfordshire covering services such as Environmental Health and Support for Businesses and Communities. This introduced timing delays and uncertainty around the level of funding that was eventually distributed to districts.
13. Three Rivers budget monitoring report to its Policy and Resources Committee on July 20<sup>th</sup> 2020, shows a net additional cost of £0.8M after taking into account £0.3M of forecast savings and £1.1M of Government Support.

	£
Additional costs of Covid-19 response	530,385
Forecast reduction in income levels	1,602,927
Expenditure not incurred due to Covid-19	(287,915)
Government funding to mitigate Covid-19 impact	(1,081,683)
<b>Increased Budget pressure</b>	<b>763,714</b>

14. It should be recognised that, given most services are insourced, Three Rivers was able to redeploy internal resources more effectively than some councils with contracted out services, which reduced overall costs.
15. A key area where the impact of Covid is still being felt is in the Council's contract with Everyone Active its provider of Leisure Services. The Council agreed to use £300k of its Economic Impact Reserve in 2020/21, £231k in 2021/22, £490k in 2022/23, £183k in 2023/24 and £148k in 2024/25 and 2025/26. The Economic Impact Reserve is a pot of money built up by the Council over a number of financial years to manage the risks of a downturn in the economic environment in which the council operates. The drawdown of funding from this reserve in 2020/21 and 2021/22 is after the Governments Income Guarantee Scheme is taken into account.
16. The Income Guarantee Scheme, in particular, provided little certainty over funding as it was a claim-based grant with some ambiguity over the items that could be claimed for. For example, there was different understanding amongst district councils as to whether management fees or rentals paid by third party providers in areas such as leisure or car parks were claimable. The scheme aimed to reimburse councils for 75% of the income from fees and charges they lost as a result of the pandemic. Local authorities had no certainty about final funding levels until the claims had been finally approved and potentially audited.
17. Earlier co-design and consultation may have allowed improved co-ordination and reduced gaps in support. For example, those authorities in receipt of income for running of leisure centres received support through the Income Guarantee Scheme for the loss of income as a result of the pandemic, whilst those authorities paying a subsidy to an external provider to run services on their behalf received no support even though greater subsidies were required by providers during the pandemic.
18. In future, early engagement, particularly over specific expenditure and income categories that will be funded, is crucial. This allows local authorities to make better judgements about the level of government support they will receive at the point of incurring costs. The sooner exemplifications can be released, even if provisional, the quicker local authorities can react to events.
19. The Bellwin Scheme for local one off emergencies is a good example of the Government giving local authorities advance notice of the amount of external support it will receive in reaction to emergencies and, whilst local government may dispute its adequacy in meeting costs, it does give clearer parameters for financial planning that allows emergency responses to be planned more effectively. Under the Bellwin Scheme there is a pre-determined national formula which dictates how much central government funding an individual authority will receive depending upon the extent of the emergency, the cost of response and the financial characteristics of that authority.
20. The capacity of local authorities to respond to requests for information and support deeper audits should be borne in mind. All local authority staff were fully occupied in responding to the pandemic and did not have any spare capacity, indeed if anything staff were working above capacity for a considerable period. The capacity of local government should be taken into account when determining the amount of ringfenced local funding. Local authorities were constantly tweaking priorities and

moving resources to react to a changing pandemic, in such situations ringfencing of grants can lead to suboptimal outcomes and the criteria for ringfencing can only ever reflect a point in time and complying with ringfencing requirements can take up valuable staff resources.

21. Whilst local authorities had the skills to continue to provide essential services to local residents and businesses, whilst directly responding to the pandemic in key areas of business support, support to vulnerable communities, death management, environmental health and payment of grants to name but a few, capacity was only created through the goodwill of local government staff and their ability to be flexible about picking up roles outside of their normal jobs. There was insufficient recognition of the role of local authority staff in the response to the pandemic with staff feeling as though they were the forgotten 'heroes' of the pandemic.

### **PART C: Covid-19 Business Grant Schemes**

22. Local authorities had to create additional capacity within Revenues and Benefits Teams through the goodwill of staff members, who worked considerable overtime during the pandemic, and de-prioritising certain tasks such as recovery action. The impact of that prioritisation work is still being felt through increased aged debt relating to the pandemic period.
23. Systems providers and local authorities should have been involved in the design of schemes before they were announced and set in stone. The grant schemes relied upon systems designed to collect money to pay out grants which led to practical issues, especially where businesses had outstanding debts. More could have been done to acknowledge the pressure of time being applied to local authorities and the focus on getting money out of the door by Government. The number of different schemes and tranches of the same schemes added complication to verification and recovery processes.
24. The league table was not appropriate and created additional work. It would have been more efficient to have waited for systems fixes to distribute the bulk of the money in a single automated process, but the use of league tables pushed local authorities to more manual less automated processes. This impact was magnified by the delays between announcements and guidance and the number of versions of guidance that were issued. League tables focussed entirely on local authority performance and laid blame for any delays clearly towards individual local authorities when many of the delays were due to guidance or systems delays.
25. It would have been far more informative to businesses and helpful to the sector and Ministers if summary information on implementation progress could have been shared. Local authorities would have had better sight on which authorities were more advanced and could be approached for best practice and Ministers would have gained better understanding of the challenges of implementation.
26. Three Rivers put in place basic checks to ensure bank details were correct and businesses were still trading (based upon our data and Companies House data which can be dated) before making payments. The focus by BEIS on getting money out of the door meant that more thorough checks were only applied to those

companies raising red flags through this system. Arguably HMRC would have more current data on trading status than local authorities.

27. The key concern was the number of different schemes and the requirement to account for and report on each separately. This added considerably to the administrative burden at the time and decisions taken at the beginning, for speed of delivery, when further individual schemes that were not anticipated increased this complexity as systems were not set up to identify individual grants within customer accounts.
28. Whilst the Local Authority Discretionary Grant Fund was welcomed and gave local authorities flexibility to help those small businesses previously unsupported by the core scheme, administration of the scheme was a greater burden than the other schemes. In order to reach those most impacted, manual application and assessment processes had to be implemented.
29. Whilst we had the resources and skills for implementation, communication from Government around the fund could have done more to stress that local authorities would have individual schemes that may differ and that the timescales for the launch of these schemes would need to allow for decisions to be made and processes put in place. It was left to local authorities to manage expectations and deal with complaints from those who thought they should be covered but weren't.
30. New burdens funding allowed some additional resources to be brought in and overtime payments to be made to either support schemes or backfill existing staff. A key challenge was in obtaining additional staffing resources when those skills were already scarce within the sector. The furlough scheme meant that people who may have been able to be recruited to backfill, who weren't working during Covid were not available. A key improvement would have been to reduce the number of different schemes for reporting and audit purposes. A single grant scheme with some local flexibility and different tranches that could be reported, accounted for and audited as one would have reduced administrative burden.
31. The discretionary fund allowed the support of home-based businesses with fixed costs. We received some complaints from the self-employed who were not covered by furlough but we chose to focus discretionary schemes on those home-based businesses with fixed costs.
32. No mechanisms were in place for repayment of those grants with automatic eligibility. There were a limited number of businesses that indicated that they did not require the grant but decided to donate money to local charitable organisations. In practice it would have been difficult to administer a repayment arrangement through our systems.
33. The grant schemes broadly achieved their aims within the constraints of the timescales, recognition of the fact that such schemes had not been implemented before and the need to define universal eligibility criteria. The achievement of local government in implementing the schemes, using systems designed to collect not distribute money, should not be underestimated and should be recognised.

34. Schemes were not focussed on only those businesses that would have otherwise folded during the pandemic. Use of broad-brush sector invariably supported businesses that were strongly placed to survive or subsequently closed; however, this would need to be balanced at a national level with administrative burden and speed of response.

**PART D: Inequalities**

35. Local knowledge of communities and working with the third sector allowed support to be directed to the most vulnerable groups within the district. Where criteria, such as for the council tax support and business grant schemes, were set nationally these were applied.

36. Splitting funding between nationally determined immediate support to keep businesses afloat and help individuals whilst more targeted local support schemes could be designed would strike a balance between speed of implementation and targeting resources where they have the greatest impact.

**Statement of Truth**

I believe that the facts stated in this witness statement are true. I understand that proceedings may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief of its truth.

Signed:

**Personal Data**

**Dated:** 22<sup>nd</sup> October 2025