

Witness Name: Joseph Holmes

Statement No.:1

Exhibits:2

Dated: 3rd October 2025

Module 9 of the UK Covid-19 Inquiry ('the Inquiry')
Request for Evidence pursuant to Rule 9 Inquiry Rules 2006

Reference: M9/R9R/JH

WITNESS STATEMENT OF JOSEPH HOLMES

I, Joseph Holmes, will say as follows: -

1. I am a qualified CIPFA (Chartered Institute of Public Finance and Accountancy) accountant, having qualified with the Audit Commission. I have held a variety of senior finance roles in Councils since 2008, including being a section 151 Officer (Chief Finance Officer) at:
 - Slough Borough Council (2013-16) – s151 Officer and Assistant Director; Finance & Audit
 - Winchester City Council (2016-19) – s151 Officer and Strategic Director (Resources)
 - West Berkshire Council (2019-2024) – s151 Officer and Executive Director (Resources)
 - West Berkshire Council (2024 to date) – Chief Executive (interim November 2024 to May 2025)

2. During the period January 2020 to June 2022, I was the Executive Director (Resources) and the s151 officer at West Berkshire Council. This leadership role included being a member of the Council's Corporate Board (main leadership board) and included a range of services, such as Finance, Revenues and Benefits, Human Resources, Customer services, Legal, ICT and Procurement. I was also the Council's lead officer on the recovery from the Covid-19 pandemic.

3. The structures put in place on the Council side was to move to an emergency planning framework of GOLD, SILVER etc. command structures with various sub-groups. The

Council also linked with the Thames Valley Local Resilience Forum (TVLRF) and their response.

4. From a Central/Local Government relationship, no new structures were put in place to manage our relationships, but we clearly established relationships with different departments who were requesting money be distributed/new services deployed. The overall relationship felt very similar i.e. Government put out what it wished, and the Local Council enacted those policy demands at a local level.
5. I provided a review of the Council's response to the pandemic to our Overview and Scrutiny Committee on 21 October 2021 (Exhibit JH001/INQ000656307) which sets out some of the structures as well as the scale of the work completed by the Council.
6. The key relationships I had with people in central government between 1 January 2020 and 28 June 2022 relevant to the economic response to the pandemic were as follows:
 - Alex Skinner – MHCLG Director – key lead on funding / working with the sector.
 - MHCLG ministers – meetings with the then Leader and Chief Executive
7. I had no relationships with ministers and senior civil servants at the former at the former Department of Business, Energy and Industrial Strategy('BEIS'); or Ministers and senior civil servants at His Majesty's Treasury (HM Treasury').
8. I felt that this was the first time in my career in Local Government that there was an effective two-way relationship between MHCLG (and its various iterations of name) and the Council. Staff in the communities department worked with Councils and were present and engaging with us throughout to shape their policy direction.
9. The main area of overlap was in respect of schemes being announced by the Government that were due to be administered at a Local Authority level but with a low level of information for councils. This caused confusion.
10. I was not aware of a culture of secrecy or poor information sharing by HM Treasury or other central government departments in the economic response to the pandemic. However, in my view, communication could have been sent in a more timely manner.

Funding for Local Authorities

11. Our reserve grew during the pandemic, but these were primarily due to holding a variety of section 31 grants that were distributed to the Council, and which would either have to be

then distributed out to businesses or other organisations or returned to Government departments Our underlying financial reserve position still remained low (compared to other similar Councils).

12. We did appreciate the potential for overcompensation at the Council but that was not an issue for the Council as it kept regular summaries of financial costs and funds from Government that were reported to our 'Gold' meetings. Indeed, with the benefit of hindsight, the lasting costs from the pandemic have had a significant detrimental impact on the Council's finance, and though the Council was broadly recompensed for losses incurred during the pandemic, the rise in inflation was not compensated for, nor societal changes for increased complexity of care needs, and is a major reason for the Council's current financial position of requiring Exceptional Financial Support.
13. In respect of more accurate funding requirements, these could be achieved through greater collaboration with Council areas to understand the various pressures being faced, and what was happening in local markets (the majority of the Council's expenditure is with private sector organisations). I would not agree with the suggestion for financial penalties; the Government could easily put in place mechanisms to recoup monies (and did in some areas), by providing financial penalties, you run the risk that Councils end up under-estimating estimates and then provide a sub-optimal response to a pandemic through concern over meeting those estimates, rather than making an effective response.
14. As per all councils, West Berkshire was not recompensed for all its fees and charges losses, and these were met through General Funding. The tranches of funding themselves enabled the Council to continue to function financially without required exceptional financial support from the Government during the pandemic. However, the longer term impact of the pandemic (alongside other macro-economic challenges) has been to significantly deteriorate the Councils financial position.
15. Within the context of the response to the pandemic the initial tranches of funding enabled decisions to be made in the short term. With hindsight, if the Government had known how long the pandemic would be then having an estimate of expected funding early would have been very beneficial, but not perhaps realistic given the nature of the pandemic.
16. As funding was not always clear in terms of value existing staff delivering the schemes were not backfilled therefore it will have had an impact on the collection rates for National Non-Domestic Rates & Council Tax. As an example, new burdens funding was promised relatively soon in the process, but it was not clear how much this would be. This meant

that, rather than setting up a separate section to deliver (in my example the business rates grants scheme), it put pressure on existing staff alongside a small number of contractors. This in turn led to less 'business as usual' work being completed, and a longer term issue over business rates and council tax collection. If we had known at the start the level of new burdens funding, it would have made the initial assessment of which schemes, and business as usual, work to prioritise and fund effectively. Alongside this, audit guidance was often not set out initially which meant that records were having to be updated to reflect a change in Government policy which could have been removed if the initial funding guidance was clear.

17. In respect of S31 Grant Funding for Business Rate Reliefs (Retail/Hospitality Relief) - this was paid on account as a grant to subsidise the deficits created in the collection fund as reliefs were not part of the National Non Domestic R1 Form. Due to the mechanisms of the Collection Fund Accounting, the deficit payments are made the following year. During the pandemic MHCLG/DLUHC introduced the spreading of the deficit repayment over 3 years.
18. The S31 Grant funding for these schemes were also paid wholly to the local authority, rather than to the preceptors. Therefore, there was additional settling up required at each year end to show how much S31Grant was held by the Billing Authority on behalf of the preceptors (ie accruals and invoicing required).
19. Staffing resources were extremely limited; we had a workforce that were in the main part office based that overnight had to adapt and be set up for homeworking as well as grant scheme announced quickly with little guidance on the administration of these grants and how payments would be made. A scheme on this level takes some time to set up and we had to do the job in a manual way as there was not time for creating online application and payment systems. This would have certainly made the administration more streamlined if we had been given opportunity and guidance to set this up and would have allowed a more uniformed approach across the country.
20. I was not consulted or otherwise involved in decisions relating to the expansion of the Business Rates Relief scheme in response to the pandemic, including the coverage and targeting of the scheme. Given the need for a rapid response, it would have been impractical to have consolidated all Councils though we could have provided some advice in respect of targeting the reliefs. The reliefs provided were clear, and this is an area local authorities are well experienced in providing as Government often provide different reliefs within the business rates system.

21. The delay between the announcement of the Covid-19 Additional Relief Fund (CARF) on 21 March 2021, and the publication of the guidance for its operation on 15 December 2021 was a problem for the Council as it gave a very long gap between what business might expect to receive and when they could actually apply and receive the funding. See response to c below for a further explanation.
22. One of the key problems during the pandemic (not just on business rate reliefs, but just as much on business rates grants and other grant schemes) was the gap between an announcement from the Government and the information and guidance being received from the Government. I remember one relief, announced on 17th December 2020 in response to the Omicron variant. Within two minutes of the Government announcement, we received phone calls into our customer services team asking for the money to be paid. We only received the final guidance on 13th January 2021. This is just one example, but the wider point is that the announcements made immediately raised the expectation of (mainly) businesses in receiving funding from the Council, but that the guidance from Government departments often lagged behind this. This caused frustration for businesses who understandably had been told by Government they were about to receive money, increased the Council's workload as more e-mails and phone calls were made that couldn't be answered, but ended up leading to an inefficient system for distribution.
23. The delay in guidance resulted in increases in contact to LA business rates teams at a difficult time from a workload point of view. WBC tried to create a local scheme based on the information that we had at the time with the hope of reaching the correct audience. This differed from neighbouring local authorities which caused confusion for businesses that straddle more than one LA area. This could have been avoided with the issue of guidance promptly when the scheme was announced allowing for a more uniform scheme across the country.
24. In the future, either the Government should give clear deadlines on when grants will be distributed from once announced, or make the announcement once it had the guidance in place.
25. In my view, the Business Rates Relief achieved its aim because , in the main it targeted effected businesses.
26. On reflection, the Government ended up providing some discretions for example. through Covid 19 Additional Relief Fund (CARF) – the guidance on some of these later schemes should have emerged much faster to support impacted businesses. With more time to set up relief schemes consideration could be given to introducing a more data-driven approach to targeting relief. For example:

- Use real-time financial data (for example turnover, profit loss, or trading status) from HMRC or Companies House.
- Incorporate local authority intelligence on business closures, footfall, and economic activity.
- Cross-reference with business banking data (with appropriate privacy safeguards) to assess liquidity and cash flow.

Ringfenced Funds

27. I was not consulted or otherwise involved in the decision making on the provision of ringfenced funding to my local authority. Given how quickly the pandemic emerged, it would have been impossible to have distributed the various ringfenced funds as quickly as possible by consulting with the sector. I do think it would have made a positive difference if a small group of section 151 officers and revenues and benefits managers had been involved as a focus group throughout the process to advice on the design of the scheme, elicit feedback from colleagues and feed that back to the Government.

28. In relation to the relative merits of ringfenced and unringfenced funding, my view is that it would have been much better to have had a great level of un-ringfenced funding for some of the specific areas that Government provided. Too much time was spent on administering the grants internally rather than providing the immediate response that was not an efficient use of time. It would have been better for some of the specific ringfenced grants to allow a percentage as unringfenced to allow for items and services that the Government may not have originally thought of to include.

29. As stated in the above paragraph. We ended up bringing in additional finance support to administer the grants as they were complex and sometimes overlapping. Allowing greater un-ringfencing would provide enough flexibility to prevent a use of taxpayer's money going on administration rather than recovery work.

30. Generally, the guidance for ringfenced funding schemes was timely enough to have clarity on the funding schemes.

31. I do not have any other critical reflections regarding ringfenced funding for local authorities during the pandemic.

Covid-19 Business Grant Schemes

32. I was not consulted nor was I otherwise involved in the decision making regarding how to deliver grants delivered by local authorities to businesses on behalf of central government these schemes. Given how quickly the pandemic emerged, it would have been impossible to have distributed the various ringfenced funds as quickly as possible by consulting with the sector. I do think it would have made a positive difference if a small group of section 151 officers and revenues and benefits managers had been involved as a focus group throughout the process to advise on the design of the scheme, elicit feedback from colleagues and feed that back to the Government. Importantly, I can understand why the Government selected Councils to distribute funds given the role we have for collecting business rates. However, Councils have no real role in distributing monies to businesses, so whole new system were required to be created in a very short period of time.
33. In the early days of the pandemic, we relied on the information that was held about businesses in the business Rates systems, this was especially challenging for those businesses that had been entitled to Small Business Rates Relief for several years as we have limited contact from them. Please find attached the Business Grants Table (Exhibit JH002/INQ000656308)
34. We were vigilant in checking banking details throughout all schemes to ensure irregular payments were not made but inevitably some may have slipped through with the speed in which these schemes were introduced.
35. Spotlight availability for the later grant schemes and experience /information gained from administering the first few schemes helped greatly with mitigating the risk of irregular payments. In addition, we used companies house for up to date information.
36. In the future access or links to HMRC information would help further with mitigating error in the system.

Cohort One Grant Schemes

37. I do not believe the league tables meant that we prioritized speed over proper controls. Our approach was to write out directly to those business we knew would be impacted based on the guidance and our information; this reduced the amount of fraud risk (rather than putting up a form that anyone could complete), and at the start of the league tables (19th April) the Council was in the bottom third nationally. By the middle of May, the Council in the top 10% of Councils for speed of distribution. The driver for this improvement was not the league table position, but the need to get money out to businesses to ensure their survival. Our

customer services team were inundated with requests and it was the shared objective of supporting the local area against the impacts of the pandemic that drives the behaviour to distribute monies as fast as possible rather than the league table position.

38. Of course, it was positive to see our Council improve its comparative position but for many of our businesses, they were interested in what was happening locally, not the national comparative position. On reflection, the league tables (if repeated) would be more appropriate after a few more weeks of work, as they were introduced very early on in the process when teams were only starting to grapple with the enormity of the task.
39. It's hard to think of different measures - speed and amount distributed were what the Government and Council were focused on. The total amount could be a bit misleading as it was based on the Government's estimates for the number of businesses in an area who could be eligible. As with any estimate they were wrong, especially regarding the amount of grant that could be eligible. Looking at the summary produced on the 9th June, West Berkshire was showing as 22nd national for the percentage of businesses paid (97.8%) with 87.7% of the government funds distributed. Whereas the City of London was second in the country with 100% businesses paid and 107.8% of the grant paid. Clearly the latter figure is impossible if the estimates were correct.
40. The discretion on the schemes later in the Covid pandemic led to differences between schemes for neighbouring authorities and confusion for businesses. These schemes would have been easier to administer and more effective if more guidance was provided by central government.

Cohort Two Grant Schemes

41. I was not aware that local authorities were involved in the design of all of the schemes. It could have been helpful for local authorities to be involved in the designing of schemes, which may have led to better outcomes and efficiencies
42. I am not aware of any challenges relating to the non-pharmaceutical interventions and associated restrictions on businesses posing particular challenges in our local authority in the delivery of the Cohort Two grant schemes. All of the schemes had a level of complexity, but we were able to distribute the funds effectively. More simplistic guidance could be provided in the future.
43. I did not find the guidance and eligibility criteria complex or difficult to apply, however discussion with local government colleagues before launch of grant schemes of this type could be useful in the future.

New Burdens Funding

44. New burdens funding was promised relatively soon in the process, but it was not clear how much this would be. This meant that, rather than setting up a separate section to deliver (in example the business rates grants scheme), it put pressure on existing staff alongside a small number of contractors. This in turn led to less 'business as usual' work being completed, and a longer term issue over business rates and council tax collection. If we had known at the start the level of new burdens funding, it would have made the initial assessment of which schemes, and business as usual, work to prioritise and fund.

Reflections

45. On reflection, I do not consider the grant schemes were too complex.
46. The greatest area of inequality in the grant schemes was the cliff edges provided on business grants based on the rateable value levels. Where some businesses had, for example, a rateable value of £1 over £51,000 they would receive no funding. The inequality was both the large cliff-edge of financial support (or lack of it) and the inequal approach based on location. A similar business elsewhere in the country would likely have a lower rateable value than West Berkshire, due to the high business rates likely in West Berkshire. Therefore, smaller businesses in West Berkshire versus other council areas were receiving no support compared to other parts of the country.
47. Rateable values were a reasonable factor to use in designing the scheme.
48. In my view I consider that the schemes were adequately targeted at those who needed support. As articulated further in paragraph 50 below as well – the schemes were protecting those most impacted for example. retail, hospitality and leisure businesses.
49. There were no specific mechanisms included for businesses to return the grants they received in circumstances where they did not need the financial support. We did have a handful of businesses contacted us to say they did not want the money and for us not to provide it, to them. Under the scheme we did have to provide the funding. There could have been a simple mechanism for businesses to return this/opt out of the scheme.
50. In my view, the grant schemes overall did achieve their aims.
51. In my view, I consider that the schemes achieved value for money. The economy of West Berkshire recovered relatively well overall; of course, there were more significant impacts on some areas than others, but the package overall supported a lot of businesses who were impacted by low footfall and covid restrictions e.g. retail, hospitality and leisure, and business rates relief has continued to support those businesses impacted.
52. If there was to be a similar pandemic, the one area of business that found it hard to access grants was self-employed businesses. We had quite a few businesses who did not have a rateable premise, but who approached the Council. There were some schemes where we had discretionary that assisted, but for those businesses, where there was zero rateable value, HMRC would have a much better picture to assess those business for a level of support.

Inequalities

53. In order to take into account the potential for the unequal impact of the economic response to the pandemic on economically vulnerable groups during the pandemic, the distribution of funding from the Council was very much focused on the most vulnerable groups, and as an organisation that delivers care homes in-house.
54. We were very focused on protecting the most vulnerable. Part of our recovery strategy was to reduce the inequity in economic, education and health impacts of the pandemic.
55. I have no reflections which may assist in lessening the inequality of the impact of a similar economic crisis in the future.

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.

PD

Signed:

Dated: 3rd October 2025

