

Message

From: Perelman, Elizabeth - HMT [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=FB436D0686D54923A0C5CDA1F9F8F28B-ELIZABETH.P]
Sent: 28/04/2020 18:17:21
To: Director Generals [managingdirectors@hmtreasury.gov.uk]; Smewing, Conrad - HMT [conrad.smewing@hmtreasury.gov.uk]; **Name Redacted** @hmtreasury.gov.uk; York-Smith, Dan - HMT [dan.york-smith@hmtreasury.gov.uk]; MacDougall, Vanessa - HMT [vanessa.macdougall@hmtreasury.gov.uk]; Medland, Jonny - HMT [jonny.medland@hmtreasury.gov.uk]; **Name Redacted** @hmtreasury.gov.uk; **Name Redacted** @hmtreasury.gov.uk; Nayee, Dharmesh - HMT [dharmesh.nayee@hmtreasury.gov.uk]; **Name Redacted** @hmtreasury.gov.uk; Duffy, Philip - HMT [philip.duffy@hmtreasury.gov.uk]; Gray, Jean-Christophe - HMT [jean-christophe.gray@hmtreasury.gov.uk]
CC: **Name Redacted** @hmtreasury.gov.uk; Patel, Kunal - HMT [kunal.patel@hmtreasury.gov.uk]; **Name Redacted** @hmtreasury.gov.uk; **Name Redacted** @hmtreasury.gov.uk
Subject: PM Bilat on Tuesday - Read out
Attachments: PM Bilat (28 April 2020).pptx

All

Firstly thanks for all the work late last night and early this morning (particularly **NR**, **NR**, **Name Redacted**, **NR**, **NR** but I know more people were involved). But I have purposefully just tightened the copy list given sensitivity.

Attached are final slides. Given this includes an HMT base case these were shared only amongst a tight group and we asked a few people to leave the room.

The cx focused on the first three slides, but dipped into the data pack and used the stats to back up broad statements. When the PM asked to see the data behind the 110%/25-70bn etc (prompted by a note from our favourite PS) the Cx immediately offered to flip to annex and walk through the bottom assumptions underpinning the base case. Predictably the PM then said not to worry – think he realised we had done the hard work and this was not just hyperbole.

More specifically:

- PM said that it is critical that we wean people off support (away from state control) and bring back entrepreneurial spirit. His instinct is that we might have overdone lockdown; telling that no other countries closed construction (turned to our intl slide) but said interesting that there are new opportunities coming out of this and online is growing. So maybe lessons on how we can improve economy? [Aside: Even if we don't believe this whole heartedly there might be something tactical about building into our economic plan along side "getting people back to work" a nod to how we can help industry harness some of the positives and also bank benefits in public sector – eg A&E attendance etc)
- PM said need a powerful narrative. Cx made it clear that needs to be more than words. Need action.
- Cx also agreed that need to embrace "pro market" "new opps" "do things diff" but given no fiscal space, these needs to be about supply side reform. Planning. Sunday Trading etc. Only way to get to end of parly is with ambition on supply side. **NR** / **NR** note in terms of plans of what to do at bottom of V]
- Cx explained how expensive Furlough scheme is and 45 day redundancy, which means we need a plan mid May/. Cx said he needs to be able to stand up and say that scheme is going to end in [1-2] months and until then will be at [half] rate.
- PM did agree that "sooner get this open the better" but caveated (and he said multiple times throughout meeting) that can't have another exponential increase / can't have $R > 1$. Said need to carefully get things started again but with stuff in place to protect people. Cx said need to be honest people – taking it step by step; will be about managing / iterating.
- Overall PM seemed agitated that he didn't have a plan.
 - PM wanted to know what are the 4-5 things we are doing; when do it; how explain; how do we bring political consensus.