

Witness Name: David Cameron

Statement No.: 2

Exhibits: 17

Dated: 21 July 2023

UK COVID-19 INQUIRY

WITNESS STATEMENT OF DAVID CAMERON

I, David Cameron, will say as follows: -

1. I was Leader of the Opposition from 2005-2010 and Prime Minister of the United Kingdom between 2010-2016. I make this supplementary statement in relation to Module 1 of the UK Covid-19 Inquiry which is looking at the resilience and preparedness of the United Kingdom, and in response to the further questions put to me by the Inquiry following my oral evidence. It is to be read alongside my first witness statement of 21 April 2023 and my oral evidence given on 19 June 2023.

Support for individuals and businesses

2. As I explained in my evidence – and as George Osborne explained in his evidence – the UK's public finances were in a much stronger position to withstand the fiscal shock presented by the Covid-19 pandemic because of the action taken by the governments I led to reduce the very high budget deficit we inherited in 2010 and build fiscal capacity. It is this fiscal capacity that enabled the British state to act and help people.
3. Indeed, I maintain that restoring the UK's public finances was a crucial factor in ensuring Ministers in post at the time were able to support individuals and businesses economically during the crisis. Without this action, the country would have been dangerously exposed, and the Government's hands tied as

Ministers tried to put in place measures to support people, businesses, and public services. I would argue that the welfare and loan schemes introduced were hugely adaptable precisely because of the responsible action we took from 2010 onwards.

4. George Osborne puts this well in his statement: "Britain could have faced a fiscal crisis as well as a health crisis if we had not acted over those earlier years... No plan to deal with a health emergency, or any other national crisis, is worth having if it cannot be paid for. Sound public finances, and the confidence of international debt markets in your capacity to borrow and repay, are central to any effective contingency planning for a pandemic." [DC/16 - INQ000187308].
5. Further to this, the government architecture we put in place and strengthened during my time in office meant that a considerable amount of thought was devoted to contingency planning, including for businesses large and small.
6. In 2011, the Civil Contingencies Secretariat at the Cabinet Office published a Pandemic Flu Checklist for businesses, to complement the UK Influenza Pandemic Contingency Plan. While specifically regarding pandemic flu, the checklist was a way for the Government to assist organisations and businesses to adopt robust and flexible generic business continuity management arrangements.
7. The focus on pandemic flu was driven by the World Health Organisation and their advice at the time that countries should be planning for a possible influenza pandemic. While the nature of Covid-19 was different, the acknowledgment that businesses would have a key role to play in reducing the risk to employees' health and safety was prescient.
8. The plan – directed at medium and large businesses, but also of use to smaller businesses – identified important and specific activities which organisations could do to prepare for a pandemic, as well as where more general guidance would be provided by the Government.

9. The National Business Resilience Planning Assumptions provided guidance – a reference tool – to support and inform companies to check that their resilience planning was in line with the Government’s assessment of the impact of a range of potential hazards. The planning assumptions were informed by the National Risk Assessment and were based on 11 types of disruption, including denial of access / loss of premises; financial disruption; trading disruption; and transport disruption. For each of these disruptions information was provided on:
 - a) the national impact of the “reasonable worst-case scenario”;
 - b) secondary impacts;
 - c) potential causes of these disruptions; and
 - d) sources of information, or recommended actions, to help plan for these disruptions.
10. More localised information about risks was also offered via Community Risk Registers produced by Local Resilience Forums.
11. Sector Resilience Plans set out the resilience of the UK’s critical infrastructure to hazards, risks and other threats identified in the National Risk Assessment.
12. Published at least every two years, plans were placed before Ministers to alert them to any perceived vulnerabilities, with a programme of measures to improve resilience where necessary. The Cabinet Office summarised each version into one overall sector resilience plan for critical infrastructure.
13. As I put in my original statement, pandemic preparedness is a dynamic process, constantly evolving and being improved based on continuous assessment and review. The Sector Resilience Plans are an important part of that continuous assessment, taking into account identified risks, the latest scientific advice, and new information.

Factual evidence

14. I am happy to provide sources for the factual statements I made during my oral evidence. Please find the detail, as requested by the Inquiry, below.

15. *"...the number of children living in absolute poverty went down, the number of people living in absolute poverty went down, the number of pensioners living in absolute poverty went down very considerably"* (Transcript page 52, lines 5 – 9).

a) Between 2010 and 2016, 100,000 fewer children were in absolute low income. In 2010, 18% of children were in absolute low income, before housing costs, the equivalent of 2.3 million children. By 2016, this had fallen to 2.16 million (16% of children) (DWP, Households Below Average Income: for financial years ending 1995 to 2022; Table 1.4a and 1.4b, 23 March 2023, DC/17 – [INQ000224123]).

b) Between 2010 and 2016, 900,000 fewer people were in absolute low income. In 2010, 16% of individuals were in absolute low income, before housing costs – the equivalent of 9.8 million people. By 2016, this had fallen to 8.9 million people (14% of the population) (DWP, Households Below Average Income: for financial years ending 1995 to 2022; Table 1.3a and 1.3b, 23 March 2023, DC/17 – [INQ000224123]).

c) Between 2010 and 2016, 300,000 fewer pensioners were in absolute low income. In 2010, 17% of pensioners were in absolute low income, before housing costs – the equivalent of 2 million pensioners. By 2016, this had fallen to 1.7 million pensioners (15% of pensioners) (DWP, Households Below Average Income: for financial years ending 1995 to 2022; Table 1.6a and 1.6b, 23 March 2023, DC/17 – [INQ000224123]).

16. *"...the fact that there were 2.6 million more people in work, there were over half a million fewer children in households where no one worked, these are there were -- obviously a big dent in pensioner poverty because of the triple lock and the increase in the pension"* (Transcript page 52, lines 21 – 25 and page 53, line 1).

- a) Between 2010 and 2016, over 2.6 million more people were in work. There were 29 million people, aged over 16, in employment in May 2010. By July 2016, this figure had risen to 31.8 million (ONS, Labour Market Overview, UK; Dataset A01: Labour Force Summary, Table 1, 11 July 2023, DC/18 – [INQ000224134])

- b) Between 2010 and 2016, 567,000 fewer children lived in a workless household. In April to June 2010 there were 1,910,000 children living in workless households. By July to September 2016 this figure had fallen to 1,343,000 (ONS, Children in households by combined economic activity status of household members: Table K, 31 May 2023, DC/19 – [INQ000224135])

- c) In 2016 the Government delivered the biggest real terms increase in the state pension in 15 years. The basic State Pension rose again by the triple lock – meaning the full basic State Pension had risen to £119.30 a week – the biggest real terms increase to the basic State Pension since 2001 (DWP Press Release, 6 December 2012, DC/20 – [INQ000224132]; HM Treasury, Spending Review and Autumn Statement 2015, 25 November 2015, DC/21 – [INQ000224131]).

17. *“...more jobs, the first national living wage, the big increase in the minimum wage, taking 4 million people out of paying income tax”* (Transcript page 54, lines 16-18).

- a) Between 2010 and 2015, the Government created almost two million new private sector jobs – over 1,000 a day – to support families and grow the economy (Table sourced from National Archives, archived on 5 January 2016, DC/22 – [INQ000224129]).

- b) Between 2010 and 2016, there were over a million more businesses created. In 2010 there were 4.48 million businesses in the UK, in 2016 there were 5.50 million businesses (BEIS, Business population estimates for the UK and regions 2022: statistical release, 6 October 2021, DC/23 – [INQ000224127]).

- c) The National Living Wage was introduced in 2016, increasing the pay for over six million workers. In 2015, the Government announced the first ever National Living Wage for over-25s (HM Treasury, Summer Budget 2015, 8 July 2015, DC/24 – [INQ000224122]; HM Treasury, News story, 13 July 2015, DC/25 – [INQ000224130]).
- d) At the 2015 Budget the National Minimum Wage (NMW) increased by 3.1 per cent to £6.70, the largest real-terms increase since 2006. This meant that, from 1 October 2015, someone working full time on the adult NMW saw their annual salary rise by over £350 (HM Treasury, Budget, 8 July 2015, DC/26 – [INQ000224124]).
- e) In 2016, the Government delivered a tax cut for 31 million people. At the Budget 2016, the Chancellor announced the tax-free personal allowance rate would rise to £11,500 from April 2017 (from £6,500 in 2010). This further rise would represent a tax cut for 31 million people and would mean a typical basic rate taxpayer would be paying over £1,000 less income tax than in 2010. Actions taken to increase the personal allowance threshold meant that by 2017-18 almost 4 million of the lowest paid would be taken out of paying income tax altogether (HM Treasury, Budget 2015, 8 July 2015, DC/24 – [INQ000224122]) and HM Treasury, Budget 2016, 16 March 2016, DC/27 – [INQ000224125]).

18. *“...over the period of my government, in the G7, after America we had the fastest growth of GDP and fastest growth of GDP per head”* (Transcript page 55, lines 11-13).

- a) In 2016 the United Kingdom recorded the fastest economic growth in the G7, according to the Office for National Statistics. (The Financial Times, 26 January 2017, DC/28 – [INQ000224133])
- b) Between 2011 and 2016 the United Kingdom had the second fastest average growth of G7 nations. Between 2011 and 2016, the fastest growing economy in the G7 was the United States, followed by the United Kingdom at 2.02 per cent over the five years (IMF, Real GDP Growth, accessed 3 July 2023, DC/29 – [INQ000224126]).

- c) Between 2010 and 2016 the United Kingdom had the second fastest GDP growth per capita of G7 nations. The UK economy grew the second fastest, per capita, behind the US, between 2010 and 2016 (Data Bank, Popular Indicators, accessed 5 July 2023, DC/30 – [INQ000224128]).

Local Authority Spending

19. In terms of the DCLG 2015-16 Final Local Government Finance Settlement (February 2015), please find the relevant information below:

- a) The DCLG 2015-16 Final Local Government Finance Settlement (February 2015) noted, “The Government has decided to offer more protection to councils against large reductions in spending power – no council will see a reduction of more than 6.4% in overall spending power.” (DC/31 – [INQ000224121])

- b) The spending power figures by local authority can be found at DC/32 – [INQ000224136].

Statement of Truth

20. 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: Friday, 21 July 2023