

Message

**From:** Name Redacted

**Sent:** 03/04/2020 6:16:37 PM

**To:** Name Redacted @hmtreasury.gov.uk; Perelman, Elizabeth - HMT [elizabeth.perelman@hmtreasury.gov.uk]; Name Redacted

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**Subject:** RE: [Commission] Medium Term Recovery Plan

Hi all,

Thanks for the call – CX is considering the paper for the Cabinet Office process and we'll get back to you with his comments.

Quick readout of the discussion in the meeting this afternoon – thanks for work in advance and dial in:

- CX agrees that it is very difficult to argue that NPIs should be lifted while the number of cases and deaths is still rising. Given that, for the Easter decision point he's broadly supportive of a strategy that seeks to: i) return behaviour back to the actual strategy, particularly to clarify communications around people going to work across the whole economy; ii) explore granular analysis around whether we can go further, e.g. for specific sectors or regions
- In support of that, economics group are starting to model which sectors or regions would be most economically valuable to start returning to work, to bring that together with CMO thinking on the health impacts. **Action:** for the bilat on Tues, pls can we feed in early results and thinking from that analysis. In particular, anything CX can say to the PM about potentially the two or three sectors we could encourage to return to work.
- CX continues to want to understand very clearly the exact timetable of what advice on modelling has been given when. **Action:** SPB are already working up a document that captures this; CX is keen to keep that as a live document to make sure there is some accountability around the medical decision making.
- CX noted the point around the timing of any decision – i.e. it might be better to delay the decision point slightly, in order to have more hard medical data to base the decision on. I think he would be open to making this point to the PM if we think it would make a difference.

Thanks,

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**From:** Name Redacted <[NameRedacted@hmtreasury.gov.uk](mailto:NameRedacted@hmtreasury.gov.uk)>

**Sent:** 03 April 2020 15:19

[See recipients listed above]

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**Subject:** RE: [Commission] Medium Term Recovery Plan

Elizabeth,

You were keen for the CX to have papers now to read ahead of the meeting in half an hour. Please find attached a submission and draft speaking note for the bilat.

As discussed, we have also attached a draft of the analytical paper that we would return to No 10 (and a potential annex table). This is still catching up with what we think the priority messages should be for No 10 based on meetings this morning (in particular that we don't think economy wide relaxation on schools are going to be land-able so we should focus on sectors instead). That is covered in the submission.

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To note – there will also be a helpful for info paper on international comparisons to follow. We think this is useful for the CX to see, but wouldn't propose to share with No 10 particularly.

Cheers,

**Name Redacted**

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**From:** **Name** - HMT

**Sent:** 01 April 2020 19:46

[See recipients listed above]

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**Subject:** RE: [Commission] Medium Term Recovery Plan

Elizabeth,

Please see attached the paper on NPIs, as requested below. Massive thanks to the economics group for their help with it. It sets out that we will take forward the analysis for the CX to share over the weekend as requested – thanks to the (cc'd) for all their continued engagement with that.

Cheers,

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**From:** Perelman, Elizabeth - HMT <[Elizabeth.Perelman@hmtreasury.gov.uk](mailto:Elizabeth.Perelman@hmtreasury.gov.uk)>

**Sent:** 01 April 2020 15:46

[See recipients listed above]

[See recipients listed above]

**Subject:** RE: [Commission] Medium Term Recovery Plan

**Specifically following up on NPI commission.**

I know you are already working on a paper updating Cx on economic impact of NPIs and plan for Easter review point (i.e. easing/lifting interventions). Which I understand is going to be sent up tonight.

I also had a discussion with Emily B in No10 today and she gave me a heads up that there is likely to be a wider cabinet discussion on NPIs/Easter decision point next week and there is also a plan to have a PM/CX bilat discussion ahead of that.

Therefore can I propose the following as a process/next steps:

1. Wednesday: COVID team to send NPI / Econ paper up to Cx tonight as planned (covering: what is going on in economy, views on compliance, exit strategy, how to optimise NPIs at Easter review point)
2. Thursday: Call with Cx to discuss NPI/Econ paper – opportunity to share thoughts with Cx and get his steers
3. Can we then get by COP Friday:
  - a. Speaking note for Bilat
  - b. Paper that we can share with PM ahead of Bilat (opportunity for Cx to set out his views and the economic analysis to the PM, without it being watered down by CO process)
4. Bilat mon/tues (timing tbc)
5. Cabinet discussion on NPIs later next week

Thanks  
Elizabeth

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**From:** Perelman, Elizabeth - HMT

**Sent:** 31 March 2020 09:47

[See recipients listed above]

[See recipients listed above]

**Subject:** RE: [Commission] Medium Term Recovery Plan

[widening copy list]

All,

With thanks to Conrad, Dan and Tom for helping to bring this together on Friday, I thought it would be helpful to formally commission the work on the **medium term recovery plan** and to update you on relevant discussions with PM/no10, which hopefully gives some useful context.

**At PM/Cx Bilat last week:**

- PM agreed that given the situation it would not be possible to afford another major/macro-economic intervention to manage virus impacts. Hence focus now is on i) delivery ii) medium term recovery plan.
- Agreed to meet in due course (timing tbc) to discuss:
  - Handling the 3-week “review point” on social distancing measures.
  - Long-term implications and recovery options, including the measures required to return the economy and public finances back to a normal footing. The PM said that we should not feel in any way constrained in our thinking here.

Not sure when this PM/CX Bilat might be but all of the work below links to this discussion.

Today I also spoke to **Patrick about the work that he and Munira are doing work on a Recovery Plan**. I think similarly Phillip Barton is coordinating something for the Cab Sec.

- The no10 focus is the implication of COVID on the domestic agenda for this Parliament – but clearly this links with economic impacts / recovery and so they are keen to get our views.
- Areas they are thinking about include: implications for NHS/Social Care/Welfare etc.
- They put something very high level to PM last week and his steer was that he is reluctant to derail his domestic agenda and wants a “People’s recovery plan”.
- I explained to Patrick some of the reality of how this could pan out, how we are thinking about economic side and link to the Easter decision on NPIs
- Overall he is keen to work closely with HMT on this and is keen for us to feed into a paper that they are pulling together for the PM for later this week.

Ian is going to lead on coordinating input from HMT side on this.

However I suggest that in parallel we get on with developing our more detailed / economic-focused plans across #1-3 below. It would be good by the end of the week to have some initial thoughts on each area so that we can get ahead of the curve on our thinking.

**Commission**

1. **NPIs:** Economic costs, options – to feed into Easter Monday decisions (Co-ordinated by COVID team with significant Econ input).

I know we are feeding into a CO paper, but given this is so critical pls can I also get a note for Cx setting out our full analysis / views / recommendation (so cx can see HMT view without it having been through CO machine)

Note for the CX end of the week in anticipation of a PM discussion next week

2. **Financing:** A paper on urgent responses in a scenario where financing comes under strain (Co-ordinated by Victoria Ogden)

Note to the Cx COP Wed

3. **Recovery Plan:** A discussion on policy issues for the recovery period, implicitly based in an optimistic scenario where constraints come off in 2-3 months. (Co-ordinated by Ian/SPB with significant input from econ/spending/tax/welfare etc).

Those issues can be split into:

- a. Economic policy to support immediate recovery.
- b. Medium-term reform of tax/welfare and public services given the crisis
- c. Medium-term repair job for public finances. Here there are two basic sub-scenarios

- i. A v-shaped recovery, in which case we have a step up in public debt, and a judgement over how much to respond
- ii. A permanent hit to the economy and public finances, and therefore structural tightening of the fiscal position

d. Implications for domestic agenda [suggest we add this to link in with no10 work]

Note to the Cx COP Thursday

4. **No10 paper on medium term recovery plan:** HMT to feed into no10 paper for the PM this week on medium term recovery (focus being on domestic agenda). (Co-ordinated by Ian/SPB with significant input from econ/spending/tax/welfare etc).

Can I get an update on this for the Cx before it goes to the PM just so he is aware and we have cover for any HMT views being fed in.

Thanks  
Elizabeth

**Elizabeth Perelman** | Principal Private Secretary to the Chancellor  
HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

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