

Message

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**From:** Leunig, Tim - HMT [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=2F970ACA0EF44F558376F609F08873D1-LEUNIG, TIM]  
**Sent:** 10/09/2020 19:09:40  
**To:** Henricson-Bell, Olaf - HMT [olaf.henricsonbell@hmtreasury.gov.uk]  
**Subject:** RE: Furlough mark 2

I emailed Liam as well, and he said that enough Tory MPs have been dragooned into defending ending furlough that we need to end it.  
A political call.

Tim Leunig | Economic Adviser to the Chancellor

Her Majesty's Treasury | 1 Horse Guards Road, London, SW1A 2HQ



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Irrelevant & Sensitive

I&S

*If I email you late at night, please don't feel obliged to reply immediately unless it is urgent.*

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**From:** Henricson-Bell, Olaf - HMT <Olaf.HenricsonBell@hmtreasury.gov.uk>  
**Sent:** 10 September 2020 19:08  
**To:** Leunig, Tim - HMT <Tim.Leunig@hmtreasury.gov.uk>  
**Subject:** RE: Furlough mark 2

Kind of agree but I'm mainly relieved he has moved off doing nothing...And we have time on the rest

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**From:** Leunig, Tim - HMT <[Tim.Leunig@hmtreasury.gov.uk](mailto:Tim.Leunig@hmtreasury.gov.uk)>  
**Sent:** 10 September 2020 16:02  
**To:** Henricson-Bell, Olaf - HMT <[Olaf.HenricsonBell@hmtreasury.gov.uk](mailto:Olaf.HenricsonBell@hmtreasury.gov.uk)>  
**Subject:** Furlough mark 2

Dear Olaf,

Do you think that Rishi is right to be so keen to get rid of furlough?

I think he is making a mistake.

Furlough is well-understood, it is popular with firms and workers and the public. Pretty much everyone knows someone who has been helped.

We have lowered the cost by requiring co-payment – it has gone down from £10bn a month to £1.7bn by November (modelled at this stage, obviously). And it would come down further if we increased co-payment.

I would make some admin changes to cut fraud, but the principles still seem sound to me.

And we know that the returners bonus has not cut through.

Interested in your view.

Tim