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**From:** Rob Harrison [rob.harrison@cabinetoffice.gov.uk]  
**Sent:** 15/11/2021 5:46:25 PM  
**To:** Lombardelli, Clare - HMT [clare.lombardelli@hmtreasury.gov.uk]  
**Subject:** Personal re WFH  
**Attachments:** Cabinet Office Mail - Fwd\_ Official sensitive - plan B papers.pdf; HMT COMMENTS 5 Oct - Time limited reintroduction of WFH policy (2).docx

Clare,

Thanks for your time earlier.

To reiterate, this is nothing to do with the leak enquiry, and we think that Politico was factually inaccurate on several points.

We want to provide the workings behind this statement from the Spotlight:

*"HMT judge that current levels of WFH have reduced city consumption by £17bn per year compared to pre-pandemic (c.0.8% of 2019 GDP). Thus far this impact has been partially mitigated by economic support. HMT estimates that mandating WFH could increase this impact by an additional £11-18bn per annum (c.0.5-0.8% of 2019 GDP), although any re-imposition of WFH guidance would almost certainly be for a shorter period."*

I copy below the message we got last week from NR What I am after is the analysis and assumptions behind the highlighted bit, and the figures of £17bn, £28bn and £35bn. Who did the subtraction is unimportant. I also attach what I think was the last round of comments.

As I mentioned on the phone, all I want is to be able to show the workings, say that the estimates are plausible, and say that given high levels of uncertainty any further work would be poor use of our time. The qualitative conclusion is the important one: WFH likely has the highest impact on both transmission and economy. Given current epi, this looks less likely to be an issue.

Rob

PS happy to speak again if easier than exchange of messages, given sensitivities.

- CO Taskforce set out two scenarios:

1. Mandatory WFH is not implemented, however a higher proportion of people continue to WFH than pre-covid
2. Mandatory WFH is implemented

For these scenarios, CO Taskforce set assumed proportions of the population that (i) only work from home, (ii) mixed WFH with office working, and (iii) only worked from an office.

- Using CO Taskforce's scenarios, HMT estimated the annual direct economic costs of working from home, using survey-based estimates of reduced direct office-related spend, indirect social consumption, and transport. These estimates are highly uncertain and based on simplifying assumptions, given the complexity in separating out the impacts of WFH from wider behavioural changes linked to other restrictions or voluntary social distancing.

- HMT estimates suggest that in the first of CO's scenarios, the direct hit to consumer spending would be £17bn per annum, and in the second of CO's scenarios (for which they provided a range it would be) £28-35bn per annum. From HMT's estimates, CO Taskforce derived the £11-18bn per annum figure.
- All estimates were adjusted to remove the c5% of the working population who fully WFH pre-covid.
- These figures utilise lower bounds of the effects based on a range of estimates, primarily to reduce the risk of double-counting other expenditure that may be funded from the savings people make from increased WFH. It was not possible to reflect the impact of 'mixed' working between home and work locations. It is also worth noting that these are annual estimates, and therefore do not reflect the impacts of a shorter period of working from home guidance being in place.