

SESSION SIX OF THE ALL PARTY PARLIAMENTARY GROUP

Pandemic Response and Recovery

Monday 6 June 2022, 5.30-6.30pm, Room P, Portcullis House and by Zoom

MINUTES

In Attendance: Esther McVey MP (Chair), Emma Lewell-Buck MP (Vice-Chair), Chris Green MP, Philip Davies MP, Sammy Wilson MP, Earl of Leicester.

Non-voting attendees: Prof David Paton, Prof Marilyn James, Prof Jonathan Ketcham, Adam Cunningham, Jemma Moran (Secretariat), Rachel Marcus (Secretariat).

Apologies: Graham Stringer MP, Sir Graham Brady MP, Miriam Cates MP, Dawn Butler MP, Andrew Rosindell MP, Sir Charles Walker MP, Ian Paisley MP, Paul Girvan MP, Baroness Noakes, Baroness Morrissey, Baroness Foster, Baroness Fox, Lord Robathan, Greg Smith MP.

1. The Chair welcomed the APPG members to the session to discuss Covid-19 restrictions and the impact on the economy and briefly summed up some of the ways in which the work of the Group has had an impact.

2. The Chair then introduced the four speakers and the Group heard evidence from each:

Adam Cunningham, a small business owner, told the group how he had run a thriving business which was negatively impacted by lockdown and did not qualify for any government financial support. He explained that 50% of his clients were in the hospitality sector, one of the hardest hit, so he lost 60% of his business almost overnight. Adam explained that post lockdown, mainstream media scaremongering prolonged his clients' uncertainty and reluctance to make decisions and commit to contracts and many had gone so he was forced to take out a Bounce Bank Loan and a second job to keep his business afloat and pay his employees.

Adam expressed his particular anger that £9.6 billion furlough payments have been written off, yet small businesses like his, struggling to stay afloat did not qualify and now he is having to put his business into insolvency. He also highlighted how his business, and other small businesses were struggling with VAT, yet at no point did the government consider reducing it for small businesses, and the devastating effects Covid policy had on him and others in his position.

Professor Marilyn James, Professor of Health Economics, Nottingham Clinical Trials Unit, School of Medicine, University of Nottingham, focussed on health starting with the rise in unemployment, the rise in inflation to 7.8% in 2022, which began with lockdowns, well before the Ukraine war, and now record levels of vacancies, 65.5% initially softened by furlough and some sectors faring far worse. Marilyn turned next to the opportunity cost of Covid policy failures showing how funds spent on Covid policies, such as £530 million on seven never or barely used

Nightingale hospitals, £8.7 billion to supply unsafe PPE or £673 million on unusable items, could not be spent on other much needed treatments and procedures.

Explaining that stay-at-home policies and prioritising one disease over all others has caused more and longer suffering with much larger health consequences than those of the pandemic itself, Marilyn noted that this may also have contributed to excess deaths because people did not access care when needed. Citing the 6.18 million NHS waiting list, up from 4.2 million at the start of the pandemic, which is not a true picture as referrals are dropping and 300,000 are waiting over a year for treatment, Marilyn concluded that lockdown and financially poor decisions on health spending are going to be far worse for people's health than Covid.

Professor David Paton, Professor of Industrial Economics at Nottingham University Business School, began by addressing the perception that we had to lockdown because the costs of Covid were so high and hundreds of thousands of lives would be saved. He cited the latest evidence, [Herby, Jonung and Hanke 2022](#) meta-analysis that the average lockdown in Europe and the US in spring 2020 reduced Covid mortality by 3.2%, and [Mader & Rüttenauer April 2022](#) looking at the impact of lockdowns and NPI use on deaths and cases in 169 countries, which concluded none of the NPIs had a substantial and consistent effect on Covid-19 death over time. David added that the evidence shows none of the NPIs had any significant impact on reducing Covid deaths or cases, in fact work place closures increased Covid deaths per million. David examined two studies on excess mortality, Agrawal and Williams, that concluded that lockdowns caused excess mortality increases.

Looking next at the economic pain inflicted on people like Adam, David emphasised the need to be clear about the evidence. He made clear the best case is that there was no effect at all, explaining the inevitable results of paying businesses and people to shut down and not work when you open up: people want to spend money except you have created supply chain bottlenecks because of lockdowns. So of course prices go up. David added that the Ukraine war and the energy crisis make things worse, but this was inevitable because of lockdown policy. Using the example of expenditure on Covid support relative to the NHS, £154 billion compared with one year's NHS spend of £136 billion, David concluded that we have seen zero benefit, possibly lockdown made things worse for mortality and we are left with no money in the coffers to help people with the cost-of-living crisis.

Jonathan Ketcham Ph.D, Research Professor in Business at the W.P. Carey School of Business at Arizona State University concurred that we are in a moment of unprecedented inflation and cost-of-living growth not seen in 40 years that began in 2020 due to poorly targeted spending packages that boosted demand more than the pandemic dampened it. Looking at the global situation, Jonathan explained that inflation increases the prices of essentials and hurt those who spend the most of their incomes on them, the poor and the middle class, compounded by income reductions which World Bank data shows were down across the full range of the global income distribution in both years affecting the poorest in the world, in the 10th to 20th percentile and pushing nearly 200 million people into food insecurity in 2021. Jonathan called it a pandemic of inequality due to lockdowns.

Continuing, he highlighted that when governments limit or prohibit access to education and healthcare people miss out on important life saving care, suffer learning loss and widening gaps in welfare for poor and middle class causing short term suffering and long term loss, giving as an example a World Bank and UN study estimating that school closure caused a \$17 billion global loss of lifetime earnings. Jonathan highlighted how sharp increases in inflation, the cost of living and unchecked government decisions to close businesses and borders, caused people to under invest in their futures explaining the way forward is a focussed recovery approach to promote public services and private initiative and warned against repeating the mistakes of the pandemic response and throwing out what we know works. He concluded, emphasising that healthcare and education losses are large and recovery out of reach for the poor and even middle class. A focussed recovery approach could be a foundation from which initiatives and investments can be made to improve their lives.

3. The Chair invited Members to ask questions. Members were able to probe the experts further on particular points of concern, such as what regional UK data says about inequalities, difficulties in accessing Covid business support and flaws and delays in how the monies were allocated. Questions were also asked about whether it is possible to unpick further what has caused soaring inflation and what key suggestions the experts might make to government to try and redress some of the harms that have been done.

4. The Group agreed in further discussion that there is a general lack of awareness about the economic damage done due to government lockdown policies, which gave rise to consideration of possible actions that may help inform both Members and the public of the evidence.

5. The Chair thanked all the Members who attended and the speakers, confirmed the date of the next meeting, Monday 18 July 2022 in Room P of Portcullis House and brought the meeting to a close.