HOUSE OF COMMONS

Business, Energy and Industrial Strategy Committee

Oral evidence: The Impact of Coronavirus on Businesses and Workers, HC 219

Thursday 14 May 2020

Ordered by the House of Commons to be published on 14 May 2020.

Watch the meeting

Members present: Darren Jones (Chair); Alan Brown; Judith Cummins; Richard Fuller; Ms Nusrat Ghani; Paul Howell; Mark Jenkinson; Ruth Jones; Charlotte Nichols; Mark Pawsey; Alexander Stafford.

Questions 129 - 184

Witnesses

I: Tej Parikh, Chief Economist, Institute of Directors, Sue Davies, Head of Consumer Protection and Food Policy, Which?, and Paul Nowak, General Secretary, TUC.

II: Professor David Heymann, Chatham House, and Dr Adam Kucharski, London School of Hygiene and Tropical Medicine.

Examination of witnesses

Witnesses: Tej Parikh, Sue Davies and Paul Nowak.

Q129 **Chair:** Welcome to this hearing of the Business, Energy and Industrial Strategy Committee. It is the fourth Committee session looking at the impact of the covid pandemic on business, workers and consumers. Today we will consider the Government's proposals to lift the lockdown, and how that might apply across the country, and compare the UK's approach with that of other countries around the world.

Before we begin, we offer our thanks to all those workers on the frontline, whether in health and social care or among retailers and across our communities, who are working to keep us fed and supported as we lift the restrictions and try to get the economy back to business.

Our first panel includes Sue Davies from Which? and Paul Nowak from the Trades Union Congress. I will start the questions before calling in my colleagues.

We now know that the Government have a phased approach to lifting the lockdown, in which certain decisions will be taken depending on the R value—the amount of infection spread—across the country. We also recognise that that puts a lot of the obligation on to businesses and workers, whether in respect of businesses, which have to risk-assess their workplaces and get them covid-19-secure, or of workers, who need to feel confident that when they are asked to go back to work, they are able to do so to a safe setting and are able to travel to work safely. If there are disputes, they need to be resolved quickly. We are also conscious that many SMEs will probably want support accessing the kit they need to make their workplaces safe.

On that issue, opening with Paul, from the TUC's perspective, will you talk us through your view of the proposed Government guidelines?

Paul Nowak: The first thing to say, which you mentioned in your opening remarks, is that it is important to remember that millions of people have remained at work during the lockdown period, not just in health and social care but in manufacturing, supermarkets and a whole range of different settings. The key thing for those millions who are at work and the millions who are thinking about returning to work is to make sure that work is as safe as possible, giving them confidence that when they go into work they are not placing themselves or their families and friends at risk.

The Government have done lots of laudable stuff over the course of the last six to eight weeks, and we can talk about that. A degree of confusion was caused on Sunday night by the Prime Minister's statement. The message seemed to be, for those who could not work from home, "Go back to work", but we had not yet seen the published plans on the guidance for business about working safely, the public transport plans, and how we were going to open our schools safely and in a way that protects both pupils and staff. We also had not seen the flexibilities in and the extension of the job retention scheme, which the Chancellor announced just yesterday.

There has therefore been some confusion and uncertainty over the past few days, but I think we are now getting more clarity. I am happy to talk in detail about some of the key issues with the Committee, but for me this is about giving confidence to people who are going back to work and giving confidence to consumers, customers and the general public that we are doing this in a safe, phased and consistent way.

Q130 **Chair:** From a TUC perspective, what advice are unions giving to members if they feel unsure about their safety when they return to the workplace?

Paul Nowak: They key thing is that—we hope—employers will follow the Government guidance, which is very clear: people should carry out a risk assessment of the workplace. Where there is a union, they should consult with the union and the union safety representative. Where there isn't a union, they should put in place arrangements to consult with their employees. Those risk assessments are absolutely key to give people the confidence that their employer has thought long and hard about safe systems of work and how to give people as much confidence as possible. One of the things in the Government guidance that we pushed for was for employers to publish those risk assessments. Again, that is crucial to give people confidence.

Where people do not feel that those risk assessments are being carried out, or carried out well, or where they still have concerns, again I would urge them to speak to their employer or a trade union representative, if they have one, and if not, to ring the Health and Safety Executive—the guidance that the Government issued this week includes a hotline number for the Health and Safety Executive. I do not want individuals to be put in a situation where they feel that they have to choose whether to go to work. Those who feel at imminent risk of danger can refuse to work—that is a very difficult choice for an individual to make. I do not think that we want to put individuals in those circumstances, so it is incumbent on employers and unions to follow that guidance, carry out the risk assessments and give people as much confidence as we can.

Q131 **Chair:** Tej Parikh, from the Institute of Directors, may I bring you in at this stage for a business owner's perspective? What are you hearing from your members about their ability to apply those guidelines and get back to business?

Tej Parikh: A lot of directors are still trying to digest the sheer amount of guidance available. From initial discussions with our members, speaking across sectors, there appears to be a balance between having a principles-based approach that allows directors the flexibility to apply the guidance that best fits their workplace versus the need for some specifics. Directors will naturally always be concerned about ensuring that their employees and customers have the confidence to operate with them, and at the same time they will also be thinking about their own legal responsibilities.

To echo some of the points that have been made, the communication point between directors and their employees when they carry out risk assessments is key. There is also an opportunity here for the Health and

Safety Executive to support directors in other ways, such as access to the hotline for making calls, which, for directors who have specific questions and concerns—particularly about the types of equipment and sanitary items that they need in their workplace—is crucial.

There have been one or two concerns about what costs may be involved in implementing the changes. Of course, as I am sure you all know, businesses are navigating a number of costs right now to operate in a time like this. Trying to make those changes and pay for new things to make sure that the workspace operates well in the recovery will be key.

Finally, because there is a lot of guidance and text, we should try to find ways to simplify it, such as through checklists or by providing flow diagrams. A flow diagram was available for the different types of support that business could access during the coronavirus crisis, and I think that something similar for businesses trying to find the right ways to optimise their workplace and make sure it is safe is key. Case studies, which will become more apparent in the coming weeks, will also support businesses to understand what they need to do.

Q132 **Chair:** Is there any concern from your members about getting access to the goods that they might need for their workplace—whether about delivery times, supply availability or costs—or do they feel comfortable that they can buy, on the market, all the kit that they need to make their workplaces covid-19-secure?

Tej Parikh: I think there are concerns. As I mentioned, the first concern is cost. The second is, "Where do I procure the items I need?". The third is the issue of quality: "What are the items I need?" It is not just a case of getting any old PPE or washing equipment; you need to ensure that you are getting the ones that the health experts recommend. Those are three concerns. A bit more hand holding on that would support businesses. We must not forget that, as businesses try to open up their workplaces, they are still trying to manage to fallout from coronavirus, so any extra help and support that they can get, in both information and cost support, is crucial.

Q133 **Chair:** Sue Davies from Which?, in the UK a lot of our economy is consumer-led, and we will want consumers to be able to get back to the high streets and buy the things that they need and want. From your perspective, on behalf of consumers, do the guidelines provide sufficient confidence that consumers will feel able to leave their homes and get back to the high street in the right and proper way?

Sue Davies: Which? has been carrying out a regular survey since the crisis began, asking people about a range of different issues. In the last survey we asked about post-lockdown life, and what was really clear from that was that people wanted there to be absolute clarity on what businesses should be doing, but also on what the expectations of them should be when they are engaging with business or going out into shops again. They felt that that needed to be really clear, but that obviously there should be some flexibility for different types of businesses.

The issues that came across as really key were about enforcing social distancing within shops but also outside shops, and having really clear signage so that people know what is expected. People also expect there to be clear rules about hygiene and sanitising. It would reassure people if they were seeing things like baskets and trolleys being regularly cleaned and if they also had access to sanitiser.

At the moment there is an awful lot of guidance and it is very difficult for people to know what is expected of businesses and of them, but it is really clear that, in order for people to feel confident, they need to know that businesses know what they should be doing, and also what is expected of them, and it must be very visible.

Q134 **Chair:** This will be my last question before handing over to my colleagues, Mark Pawsey and then Ruth Jones. Tej Parikh, you are the chief economist at the IoD. These proposals are trying to get the balance right between public health and economic health. From your perspective and that of your members, do you think that the balance is right in the guidelines and that we are going to be able to get the economy moving, while protecting people in the right way on that basis?

Tej Parikh: I think most businesses understand that, in order to get back up and operating, the health side of things—the health strategy and confidence in it—also needs to be in place, because we know that if there isn't confidence in how we open up, customers won't be coming out to shop and employees will struggle and will also be concerned about starting up in business again. They go hand in hand, and I think the balance is relatively well struck there.

What needs to move alongside the health strategy is the economic policy and response. It was very welcome that we saw the JRS being extended. A number of our members have been calling for an extension to a lot of other schemes, frankly, because as you are opening up your business, you are opening yourself up to more costs. We also know that demand and revenue projections for the coming months show that they are expected to be quite low, so extending the coronavirus business support, in terms of the economic response, is also crucial.

Chair: Thank you. I now call Mark Pawsey to ask some questions on that.

Q135 **Mark Pawsey:** Yes, I want to follow up that point from Tej. Businesses will need to be ready to get going again, having had a substantial period of very low levels of activity in most cases, and we want to explore your assessment of the measures that the Government have brought forward. There are a number of grants, loans and the furlough scheme. They were all brought forward at pace, very quickly, and they have since been modified. What is your assessment of those measures that have been brought forward? Have they been as welcome as some people have indicated, and are there any gaps still remaining? Tej, perhaps you could answer that question, and then Paul can give his view.

Tej Parikh: In looking at how we amplify the recovery, I think the first thing to do is to take stock of what the gaps are at the moment. The best

way to support businesses to recover is to support them now, and we know that there are some gaps that need to be filled. Some businesses have been unable to access bridging loans during the trial or to access grants, because they do not qualify for business rates relief or for the grants system.

Q136 **Mark Pawsey:** With regard to grants, my local authority tells me that there are 350 businesses entitled to a grant in its area that have not responded to its initial communication inviting them to claim £10,000 or £25,000. Why would that happen?

Tej Parikh: There are a number of confusions about the grants scheme. Obviously, there are businesses who rent who don't directly qualify for business rates relief, and therefore they need to speak to their local authority to try to obtain a grant.

Q137 **Mark Pawsey:** But these are 350 businesses that are registered for business rates and that have been invited to apply for a grant. Why wouldn't they do so?

Tej Parikh: I think it could just be down to misinformation, or perhaps they are trying to look through other measures. We have been doing our best to speak with local authorities to try to ensure that the details go out to either the local authorities or the local enterprise partnerships, to provide them with the information. I think there are also a number of businesses, for example company owner-directors, who do not get certain levels of support—for example because they pay themselves through dividends. They are also trying to access support.

The other challenge is that there are a lot of things that businesses are trying to weigh up at the moment. Obviously, trying to access different support comes up against trying to manage workforce issues and applying for job retention scheme issues. Trying to deal with the amount of information that is out there and the different types of support available can obviously impact the take-up of different schemes.

The extension of the job retention scheme has been very welcome. I think the next step is to determine how much businesses start to pay in contribution towards the furlough amount, which I know is the plan after the summer. Working with businesses to fully understand how much they will be asked to put forward is key, because at that stage, if demand and revenue have not picked up, you would not want to increase business costs.

Q138 **Mark Pawsey:** Paul, what are your views on the Government schemes and the way they have been modified already, and what is your assessment of any gaps?

Paul Nowak: I think I last appeared before the Committee on 17 March. At that hearing, I said that it was important that the Government put in place an unprecedent job subsidy, job support scheme. To give the Government credit, and to give the Chancellor credit, I think that the job

retention scheme, designed following consultation with unions and employers, has done a really good job.

On the balance of things, I think that the JRS has been absolutely key in retaining hundreds of thousands of jobs in the economy. There are now more than 7 million people on furlough. I welcome the Chancellor's announcements about extending the scheme and introducing flexibilities into the schemes. I think that will allow us to have that safe, phased return to work that I talked about before.

There are some specific issues with the scheme that we are still pressing the Government on. The guidance for the scheme has been developed in an iterative process, and I think that was the right thing to do. I do not think that we could have designed this scheme and got it absolutely right in all circumstances right from day one. The guidance has changed and evolved as businesses and unions have fed concerns back to the Government, but there are still some issues.

For example, we know that there are still people on zero-hours contracts, people working through employment agencies whose employers have decided not to put them on furlough, and those earning less than the national minimum wage—80% of their earnings would effectively take them below the national minimum wage threshold.

On the scheme for the self-employed—Tej mentioned this—it is an issue for those who effectively pay themselves through personal service companies. I would just say that this is not all about fat cats avoiding tax; we have members working in the creative industries who have to operate in that way, because otherwise they do not get work, and they are falling through the cracks between the JRS and the self-employed support scheme.

What more needs to happen? With regard to those flexibilities that the Chancellor announced, we have been calling for more flexibility all the way through, and the more that we can do to bring forward those flexibilities, the better, because that would allow employers to bring people back to work—for example, part time, on staggered shifts and on shift rotations.

That would be good for the taxpayer, but it would also be good for employers, and it would avoid some unintended consequences. For example, I know one large employer where staff are on furlough. They have had to bring in agency workers to help prepare the plants to get ready to go back to work, because they cannot allow people who are on furlough to do any work at all. The more flexibility in the scheme, the better.

Mark Pawsey: I think the Chancellor acknowledged that in his statement the other day.

Paul Nowak: He absolutely has. As I say, the more that we can do to bring forward those flexibilities, the better.

In terms of broader support, I think that now is the time for the Government to think about what sector-specific packages of support look like. Again, I would learn from the example of the JRS to engage unions and employers sector by sector, because we know that the package in aviation is going to look different from the package in hospitalities, and the package in non-food retail, for example.

I know that there are still some issues with some larger companies, in terms of accessing some of the Government support and loans. This is particularly important. Rightly, people often have a focus on SMEs, but some of these large companies—big household names at the top of supply chains—are absolutely crucial to the wider economic ecosystem. I know that our unions are talking directly to the Department of Business about some of those issues. But I think it is about tailoring packages of support and, crucially, designing those with unions and employers at the heart of that.

Q139 **Mark Pawsey:** Okay, thank you. Tej, may I just ask you about accessing financial support? I know that many businesses have not wanted to take on additional debt, at a time of great uncertainty—business likes certainty and now is more uncertain than ever. In many cases, businesses have not wanted to increase their debt, but when they have gone to take up some of these loans, they have found it very difficult. In the early stages, banks were offering their own loan packages rather than the Government packages. How have your members responded to the challenges of getting loans in place?

Tej Parikh: That is absolutely right. First of all, most of our members would look to reduce operational costs and use internal finance before drawing on external finance opportunities.

There have been challenges with CBILS. A number of members have been unable to access support, for a number of reasons. I think that the qualification criteria in some cases has been very challenging and confusing. There has been a large amount of paperwork for them to do to get a loan, for example making forecasts of their business over the years ahead. However, there has been—

Q140 **Mark Pawsey:** How would you like to forecast a business right now?

Tej Parikh: Exactly. I mean, it is very difficult to forecast anything, and that was obviously a concern we first heard about it. The positive development has been the bounce back loan scheme. That has been very welcome—obviously the amounts are slightly less. That is providing some support.

Gradually, though, we will need to start thinking about the fact that a lot of our businesses will be indebted and they will be paying off these loans, at least after the interest-free period is over, and that will act as a drag on the growth of a number of businesses. And I think that is where we need to be careful about how we use other policy levers, including the tax system.

Chair: We will have a quick supplementary question from Alan Brown, and then I will call Ruth and Paul to ask questions.

Q141 **Alan Brown:** I just want to pick up on a point that Tej and Paul mentioned, which is that directors paid by dividend cannot access this self-support scheme. At the moment, the Chancellor is holding the line that, with directors paid by dividend, you do not know how many dividends they are getting from different operations. But you have so many sole traders who operate from their homes and their only source of income is to be self-employed through dividends. So is that a credible line for the Chancellor to hold? Surely there must be a workaround for this.

Tej Parikh: We have been speaking very closely with the Treasury and trying to find ways in which we can actually identify this income. We know that on self-assessment forms you have your company dividend income and potentially other investment dividends that we understand the Treasury would not want to compensate for. But we know that directors have a paper trail and an audit trail that actually shows how many company dividends they have apportioned to themselves, so we think it is possible to make that payment to them.

It will be a manual process, and I think that the caution for HMRC is how long that process will take, but we believe that if we cannot compensate them in the same way we do through the JRS and self-employed scheme, then perhaps we should look to provide them with other sorts of grant support.

Paul Nowak: Just to add to that, Chair, I do not think that this is straightforward, and nobody wants to see a scheme that potentially would be left open to abuse or that would be targeting support at those who do not need it.

I know that one of our unions, Prospect, has been actively engaging the Department for Business on this issue, and we have been talking to the Treasury. I hope that we can find a workaround because, as I say, in some sectors of the economy this is not a choice that individuals make; it is the way that you get work. In the film industry, for example, large numbers of people will be employed through these personal services companies, and not just the people in front of the camera; it will be people working in providing carpentry, electrical services or whatever. So we are continuing to engage with both the Department for Business and the Treasury on those issues.

Chair: Thank you for that. I think it is important that you make that call-out, Paul. It is not just very wealthy businessmen paying themselves hefty dividends; for many people it is just bread-and-butter income to cover their monthly bills. Okay, I have got Ruth Jones and then Paul Howell to ask questions.

Q142 **Ruth Jones:** My question is for Mr Nowak and Mr Parikh. Certainly at the beginning of the covid pandemic here in the UK there were a number of health and safety issues identified, especially hand washing and the ability

to social distance. What are your thoughts on whether businesses have actually addressed these issues? If you think they have not, what more needs to be done?

Paul Nowak: Certainly I think most responsible businesses have taken on board those issues. The businesses that are carrying out their risk assessments and following the Government's guidance absolutely should be taking on board those issues, because social distancing and hygiene are at the core of some of that guidance. An interesting survey was done by Unite a couple of days ago. It surveyed more than 1,000 union representatives. Two thirds of them said they think their employers are doing the right thing, but 18% say they have concerns that employers are playing fast and loose with their safety. That is a concern for those workers, but it is obviously a concern for all of us. The guidance is a good first step. It links across to issues that were raised previously about PPE. Maybe I could focus on that, because we have had concerns about the sections of the guidance that relate to protective equipment.

We know that protective equipment is never a first resort. The key thing is to try and minimise risk in the first place. What is absolutely crucial is that where a risk assessment says that protective equipment is required, it should be provided. I know that there are employers out there trying to do the right thing, who are genuinely having trouble sourcing protective equipment. It is something that we have pushed both the Department for Business and also the Cabinet Office on. We spoke to Paul Deighton, the PPE tsar, directly about that.

We would like the Government to set out a written strategy on protective equipment, because this is an issue not just in health and social care settings—we all know what has happened in our care homes; it has been an absolute tragedy—but as more parts of the economy start to unlock, we will need more protective equipment, not as a first resort, but where risk assessments identify it. We need to have clarity about what the Government are doing in terms of supply, which sectors we are prioritising, and how employers can signal where they have potential pinch points or pressure points in supplying PPE.

Ruth Jones: Thank you, Paul. Mr Parikh?

Tej Parikh: In the first few weeks of March, before lockdown, a number of our members were already trying to improve hygiene conditions in their offices and encouraging things like remote working and speaking to their employees, so passing on the guidance at this stage would only enhance that as we try to go back to work.

We know that around a third of our members were waiting on the guidance before making particular tweaks and changes in order to open up. There is a lot of information in the guidance for them to follow. Right now a lot of them are still trying to work out what exactly they need in their offices: whether they need to implement certain screens between desks and how they can actually operate at a distance of 2 metres. Although we went into lockdown quickly, there will be a bit of a transition

period while businesses try to understand and adjust to what precisely this means for them.

One point to make is that we have been noticing the way in which things are sequenced. Not having a clear strategy on how businesses can procure PPE and cleaning equipment, for example, before you start opening up is a bit of a challenge. It is one thing trying to optimise your workspace and make it as safe as possible, but if employees are not confident enough to use public transport, such as the underground, in order to get there, then that is a challenge that is out of business leaders' hands.

Q143 **Paul Howell:** Just to follow up on the theme of health in the workplace. Clearly there is the possibility that a manufacturing company could go back to work and then unfortunately suffer some sort of outbreak. Even if they have done all of the good work in terms of all of the best practice in setting things in place, what sort of contingency planning or best practice do you think should happen? You could have a situation in which a company that has 300, 400 or 500 employees has an outbreak of half a dozen or something like that. What sort of contingency planning do you think is best for them in that situation? Obviously it has to come from the perspective of safety, but it also comes back to the confidence of the rest of the employees and/or people in other businesses as well.

Paul Nowak: Maybe if I could start in response to that, Paul. I think the response in workplaces should be the response that the Government take much more broadly, which is that we should be prepared, as we loosen the lockdown, to put in place measures to stop work, to close workplaces or to tighten the lockdown if, for example, we have an increase in the rate of infection and the R rate goes up. The Government have talked about this in their step-plays. At the level of the workplace, employers absolutely should, in those risk assessments, be identifying what happens if they have a person who displays symptoms at work, or if they have an outbreak among a group of workers. Some of this we know is difficult. Going back to the previous point, some of the issues might be about the way people travel to work; hopefully, we will get to discuss those issues a little bit later.

To my mind, it is about giving employees confidence. If we have a cluster of people who develop covid-19 symptoms in the workplace, I would expect a decent employer to have a plan in place and to say, "That part of the workplace shuts down," or "We stop operations altogether." We have to do things like deep cleans. We have to give time for workers to self-isolate. There is a wider set of issues about testing and tracing. Again, the guidance—this is a crucial point—will need to evolve as things like test and trace come online. That will be an essential part of getting more workplaces back to work safely. We just do not have those systems in place now, but we would expect any guidance that is developed in the future to take into account those issues as well.

Paul Howell: Tej, would you like to come in?

Tej Parikh: The first way to avoid those risks down the line is—this is what I am hearing from a lot of directors—to initially proceed with caution. You would not be opening up operations and bringing back a lot more staff at a quick speed; you would be ramping that up gradually. The first way to avoid risk down the road is to start cautiously. I am already hearing stories around some manufacturers and some businesses looking at ways in which they can create segmented workspaces to avoid those risks. The challenge really comes for those businesses that have staff who work in a number of different operations. For example, if you have staff who go from being customer-facing to an admin role that might be based at the desk and right the way through to working on an operation line, there is a greater risk of transmission. Supporting those businesses in a better way, particularly with guidance on how to operate with that type of workforce, is key.

That also highlights the point around how vital a flexible furlough scheme is. You need to be able to bring different types of staff on, whether back-office staff or front-facing staff, very quickly. Right now, there is a three-week minimum period for furlough. I do not know whether that is being planned to be revised, but that does not really give businesses the flexibility to bring their staff back the way they need in a quick way. Obviously, the other aspect of a flexible furlough is that if you have staff who unfortunately fall ill because they get re-infected, then you need to be able to redeploy a new staff member off furlough to replace them. So that is another way in which you can manage those issues.

Q144 **Paul Howell:** Thanks, Tej. You have nicely circled back to the direction I was going to go in. To sum up what you are saying, it is appropriate for organisations to have contingency plans in case of an outbreak, as part of the risk assessment process. I think that really comes from you, Paul. Coming back to the job retention scheme, between you, you have answered most of the questions I was going to bring to this forum, but as a final circle back, are there any specifics you want to see? I endorse the need for greater flexibility. With supervisory-type people who could end up going from one place to another and therefore be at more risk, you need to be able to drop them in and out, as organisations require.

Tej Parikh: Yes. The new part-time provisions are very supportive of that. The other factor here is the three-week minimum furlough. That needs to be looked at if you want to bring back workers flexibly. The last point is that we need to be very careful about how much we ask businesses to pay towards that 80% furlough, because you want to avoid the situation where you are unnecessarily increasing business costs when revenue and demand have not yet picked up.

Paul Nowak: I think the Chancellor made the right call in his announcement that, from the end of July, the Government will reduce their support. They will expect employers to pick up that difference, rather than individual employees. I think that is absolutely right.

We know—Tej has identified this—that there will be some employers that are operating on very, very tight margins. That is where the flexibility of

the scheme becomes really important. It may be that an employer can say, "I can get you back to work for two or three days a week, and the furlough will support you for the rest of the time." The more that we can do to support those flexibilities and to bring them online as quickly as possible, as I said in answer to Mark's question, the better for companies and for individual workers. It is actually good for the economy and the taxpayer as well, because the more that we can get people back to work safely and the more that we can reduce the call on the taxpayer the better, and it allows that safe, phased return to work.

Ultimately, we all want to avoid a second peak. We all want to avoid that R rate going back up, and the JRS is a key part of the story over the next three to four months in enabling us to do that.

Paul Howell: I thank you for that. We acknowledge the number of letters that we receive from everybody—from Greater Manchester business to the North East England chamber of commerce. As the Chair said, we have had loads of representations, and they are all relevant to what we are talking about here.

Q145 **Judith Cummins:** I turn to the risk to jobs and to job losses. The Chancellor has said that he cannot save every job. The Government support package is beginning to taper off. Does this risk significant business failures and job losses, and what steps can the Government take to mitigate this? I am thinking also in terms of young workers. As the labour market contracts, what measures can the Government undertake to make sure that young workers can still enter that labour market? Can I take Tej first, please?

Tej Parikh: Alongside the job retention scheme, the best way to try to avoid redundancies as businesses start to open up their operations is to look at ways in which we can continually support their other costs. Around 40% of our members are still keen to see ongoing tax referrals and other reliefs to support them in operating, going back to business. It is very important to realise that, just because we might be exiting this trough in economic activity and trying to move along the recovery, many businesses will now be facing their most intense cash flow and liquidity challenges. Trying to give them any additional support with their costs will help them avoid looking at other alternatives in terms of their staff.

On unemployment and young individuals becoming unemployed in the retail or hospitality sectors, we need to look at retraining and how we can support people who are on furlough, or who are made unemployed, to retrain quickly. One simple way is to look at ways in which we can give individuals some tax relief or income relief so that they can undergo the training that they need. Businesses already get some form of tax relief when they put workers on retraining schemes, but it would be important to pass that on to individuals.

Paul Nowak: Yes, this is absolutely a key issue going forward. Employers should be encouraged to use the job retention scheme, and to use it to explore every alternative to redundancies. We know that most employers

are doing that. We have seen some announcements in recent weeks where employers have jumped the gun on redundancies. There really is an obligation on them to consult with unions and their staff, and to identify every possible opportunity other than redundancy; it should certainly be the last resort, rather than the first thing to reach for.

I talked about the need for sector-specific support packages. Government working with employers and unions to design those will be really important. A key underpinning principle of those packages should be that they are about supporting jobs and the long-term sustainability of the sector. In the way that we have had success with the JRS and that tripartite approach, we should take a sector-by-sector approach.

You highlighted the issue of young people, which is absolutely fundamental. Those under 25 are two and a half times more likely to be working in a sector of the economy that is predominantly shut down. I worry about the coming wave of school leavers, college leavers and university graduates, who are potentially going into a very difficult labour market. One of the things we have called on the Government to introduce—we submitted a paper last week—is a jobs guarantee, similar to the scheme that we had under the previous Labour Government, which was evaluated and based on schemes that are common across Europe. It would give young in particular the right to a guaranteed job if they are out of work for more than three months, which would stop people becoming long-term unemployed. We built and developed the JRS based on experience in other parts of Europe, and we can look at similar initiatives around jobs guarantees.

After all that we have been through over the last six to eight weeks or more, it would be absolutely criminal if we came out of this with a layer of young people who went straight from education into unemployment. I declare a personal interest: my daughter was supposed to be doing her A-levels this year. We have really got to be thinking hard about this wave of university graduates and college leavers, to make sure that they have opportunities to get into work, because we know that if people do not get into the labour market soon after they leave education, they are more likely to languish out of work for a long period.

Q146 **Ms Ghani:** I have a question for Tej. I was reading an article posted on the Institute of Directors website on 12 May on how you support businesses as we try to come out of lockdown. You have referenced the levels of debt and issues around unemployment. The article focuses on higher levels of inequality depending on the pace of the unlock. What economic analysis is out there that focuses on the pace of unlocking across the world, month by month, so that we can look at what more support we can give businesses as we go through this process over many months?

Tej Parikh: I think there will be differences in how businesses come out of this recovery, depending on what sector and industry they are in. We know that businesses that open up later on, such as those in the retail and hospitality sectors, will have to weather a longer period without demand

over the next couple of months. In terms of the types of support that we need to look at, there are ways in which we can support the demand environment. The first pillar of helping business confidence and consumer confidence to grow is the health piece—ensuring that businesses are not too concerned that there might be a second spike, because that will stymie their ability to invest in opening up their work space and investing in their general organisations.

Alongside the importance of trying to support businesses' costs, which I described, we must not overlook the importance of supporting their growth through things such as investment incentives. One in three of our members said that they had been looking at some form of investment incentive to kick-start their business, whether that is support for innovating in their workplaces to support workers to come back and to fit into the new normal, or investing in things such as technology and automation. That will be an important piece to look at.

Q147 **Ms Ghani:** Is there any economic data out there that enables us to know whether, if a particular sector opens up in October rather than August, it will no longer exist? Is that level of granular data out there?

Tej Parikh: I am not sure whether forecasts have been made on a sector-by-sector basis, but the point you are making is important. We are already seeing that, for the businesses that are opening up, it is hard to open up fully if other organisations in their supply chain are not yet active. For that analysis to be done, we would first need to understand how various sectors are interlinked and see how that plays its part over the coming months.

Q148 **Charlotte Nichols:** Before I ask my question, I would like to declare an interest: my father is currently the annual president of the TUC. I wanted to put that on the record.

My question is for Mr Parikh and Mr Nowak and is in two parts. On Monday, the Government published guidance for a number of workplaces and advised that those unable to work from home should go to work where possible. First, what additional support is needed for businesses to be able to open safely? Secondly, the Institute of Directors said on 7 May that many companies would be able to operate only at significantly reduced levels under social distancing rules; what additional support should they be given in the short to medium term?

Tej Parikh: As I was saying, there is a lot of information in the guidance and it is very supportive for businesses. A lot of them were waiting for guidance before they opened up. The next stage is to see whether there can be some type of grant support or financial support for businesses to make changes—not only if they need to procure PPE, sanitising equipment or cleaning equipment, but also in terms of general changes to their workplace and innovating in their workplace to ensure that it is safe. Knowing that that support is available would help to accelerate things.

Businesses are generally quite supportive of a principles-based approach. They want to be able to apply things that fit with their own workplace, and

they do not want to be over-burdened by different types of rules. A lot of our members know that they have to get the buy-in of their employees—speak with them and get their confidence—as well as of their clients. Access to the Health and Safety Executive, in terms of amping up their core capacity, their equipment facilities and their inspections, could help to bridge that gap in helping businesses to come back.

As the guidance evolves—I understand it is an evolving document—the next stages will be looking at whether we can turn some of the guidance into things that are easier to digest for businesses, as I said at the start. Can we do things such as case studies and checklists to help to support them and to build trust?

On the point that a lot of our members would still struggle to operate at capacity, around one fifth of our members said that under social distancing they would be operating at less than half of pre-lockdown levels. We can see how that would generally operate in an office space, and certainly for manufacturers who have to have fewer staff in place. We are looking at a long period of transition, in terms of how businesses try gradually to scale up their operations.

Paul Nowak: I will not reinforce the points about the job retention scheme, but that scheme having the flexibility to support a phased return to work is really important.

Tej mentioned the Health and Safety Executive. Alongside the new guidance, the Government made £14 million available to the HSE. That is welcome, but it comes in the context of HSE resources declining in real terms by £100 million over the last decade. The reality is that it is hard to bring things online, like new inspectors, in a couple of months; as far as I understand it, it takes three years to train an HSE inspector.

So yes, there is more resources for the HSE, but the Government should also think about what other resources are out there. One point we have made is that we have tens of thousands of union safety reps in workplaces up and down the country, many of them trained to NEBOSH standard. We have already seen examples in large manufacturers of those companies being happy for those health and safety reps to play a role in their supply chains. The more the Government can do to draw on that resource and encourage companies in supply chains to use those health and safety reps, the better, because these are people who deal with safety issues day in, day out. They can help with the risk assessments and give advice on safe systems of work and so on.

I mentioned that the Government now expect employers to publish risk assessments, certainly if they employ more than 50 employees. That is a good step forward. Crucially, we now need the Government to monitor the implementation of that guidance, because if, for example, 95% of employers end up publishing their risk assessments, that would be a result, and we could focus HSE and local authority resources on those employers who do not publish their risk assessments, but if we find in six weeks' time that only a quarter of employers have published their risk

assessments, that is clearly a problem. I would like to see Government then take steps to place a legal obligation on employers to publish those risk assessments. It is about shining a little bit of light and transparency on to this whole process.

The final point I would make, which I have alluded to before, is that any safe return to work will require us to have clear plans in place for public transport and schools. On public transport, our unions, for example in the rail industry, have done a great job with the industry operators in agreeing principles on social distancing, but I know they have real concerns about the return to work and what it might mean in terms of loads on the network, and congestion at particular pressure points and interchanges. Again, the Government are going to have to put in place systems to monitor this and to take action if, for example, London Bridge is overcrowded—we know how difficult it is to socially distance on things like the tube anyway; the Government need to be constantly monitoring that.

There has been a lot of focus on schools in the newspapers in the last few days. We wrote to the Education Secretary last Friday on behalf of all our education unions, and urged him to sit down with our unions to agree a plan for a safe return to work. I would not say the process we have had with BEIS to develop the guidance on a safe return to work has been perfect, but, crucially, at the heart of it was employers, unions and the Department sitting down with the HSE and others to think about what a safe return to work would look like. One thing our education unions have asked the Department for Education to do is set up an equivalent taskforce in education to get the key players around the table, and I think that would be a sensible step forward and a way of addressing what is obviously an issue for schools, and key to unlocking the wider economy.

Q149 **Chair:** Paul, may I check on that? You are suggesting that the DFE has not proactively engaged with teaching unions on reopening schools as part of the lockdown-lifting measures—is that right?

Paul Nowak: There have been a number of engagements between the teaching unions, the Secretary of State and the Department. As far as I am aware, the support unions—unions that represent school cleaners, and the people who open up and maintain the buildings—have not been engaged in those discussions. But the crucial thing we have asked for—and I hope there will be progress either this week or early next week—is for all the unions to be brought together in one place with the Department, so that we can map out what a proper process looks like for a safe return to work in schools. That would be good, obviously, for the people we represent in schools, but it is also crucial for pupils and parents. Having that sort of tripartite approach, which has worked well in other parts of government and other parts of the economy, would be key.

Chair: Understood. Thank you. Let us hear from Alan Brown and then Mark Jenkinson.

Q150 **Alan Brown:** Thanks, Chair. This is a series of questions for Sue. First, Sue, thank you for your patience, as I am afraid you are going to get

bombarded a wee bit now. You identified several issues that have affected consumers as a result of the coronavirus crisis. On refunds, is the problem there just confined to the travel and transport sector, or is there a wider issue? In the travel and transport sector, is there a danger that if full refunds are honoured, many businesses are going to go bust? If so, how do we get the balance between protecting businesses and ensuring that consumers get the money back—the refunds—that they are entitled to? Can you outline how effective the Competition and Markets Authority intervention has been on cancellations and refunds, and also address the Government response?

Lastly, is there a way to deal with serial offenders such as Ryanair, who are making it almost impossible for consumers to get cash refunds?

Sue Davies: Thank you very much for the questions. Which? has had thousands of people coming to us as a result of the crisis, with a whole range of different concerns, but the top things that come out relate to refunds, as you mentioned, for not only travel and cancelled holidays, but other types of events that might be cancelled—for example, weddings—and nursery fees.

I want to reiterate that consumer confidence is really important in business as we move forward. Not only is it really important in itself—Which? would say that—but consumer spending is absolutely crucial. It makes up 60% of GDP. Prior to the crisis, £110 billion a month was spent by consumers, so it is really important that we have consumer confidence as we move forward. We have always had a really good consumer rights framework in the UK—in many ways, it is world-leading—so that consumers know they are adequately protected, and responsible businesses know that irresponsible businesses will be held to account.

On what you were saying about holidays and travel refunds, it has been very frustrating for many people that they have not been able to get their money back from businesses, even though the law has not changed and they are entitled to it. They have even heard from some businesses that the law has changed, when it has not, and that they are not entitled to a refund. This can vary; people have lost £10,000 spent on a dream holiday—a huge amount that they need back—but it could be equally stressful waiting for £150 for a flight, which is absolutely crucial in our current financial situation, in which people obviously face a lot of financial difficulty and need to pay their bills.

The travel industry has estimated that there are billions of pounds held up at the moment, which we think should be returned to consumers. It is obviously a very difficult issue, and we completely appreciate what you said about the difficult situation travel companies are in at the moment, but we are seeing some really responsible businesses still complying with the law, and able to provide consumers with the refunds in the legal timeframe, which at the moment is 14 days. We have seen that with companies like Trailfinders and Kuoni, who are still complying with the law.

It has been difficult for some of those travel companies, because the airlines are not refunding them the money to refund to consumers, so it is a difficult situation. We think that a balanced approach is needed, and we have set out an action plan for how to ensure that confidence in the industry is maintained. We think that there should be some flexibility; the entitlement to a refund in 14 days under the package travel regulations could be extended to a month, for example. That will still be a lot of time for people who are desperate to get that money back.

We appreciate that this is an unprecedented time, but the onus cannot be on consumers to prop up businesses; the Government should be supporting businesses to ensure that they can fulfil their obligations under consumer protection legislation. We have seen examples of that; in Denmark, they have a temporary travel guarantee fund that the Government has set up. We think the Government should consider something along those lines.

In relation to your question about the CMA, we have been pleased to see that it has taken a proactive approach. Early on, it set up a covid-19 taskforce. It has a reporting tool on its website, where consumers can report a whole range of different issues, be it prices being hiked—we have seen lots of evidence of price gouging—unfair contract terms, or other issues where they feel they are being misled. One of the challenges is that the CMA has limited powers to deal with those issues. Specifically in relation to refunds, it has said that it is looking at the hospitality sector, but we have not seen the outcome of that yet.

There is also a crucial role for the Civil Aviation Authority. We would like to see it being much stronger in terms of the obligations on airlines to refund their customers. Some are offering vouchers or credit notes; if that is okay for consumers, they should consider accepting that, but we know some people are really desperate for that money to come back now.

If you are given a voucher or credit note, you need to know that it will be guaranteed. Ryanair, for example, has been saying you might not be able to get a refund for a year's time, which is very difficult for consumers. We think that the CAA also needs to be supporting consumers in getting their money back, while obviously taking a balanced approach, recognising that Government support might be needed to enable businesses to fulfil these responsibilities. Sorry, that was quite a lengthy answer.

Q151 **Alan Brown:** That was very good, thanks. Do enough consumers understand their rights in being entitled to a cash refund? You said there is good practice in terms of some people reporting to the CMA, but how do you ensure that more people understand they can do that? You mentioned price gouging. Does the CMA have enough powers to tackle that?

Sue Davies: Price gouging is one of the other really big issues that people are coming to us about. We have seen ridiculous price hikes on products that are really essential at the moment, particularly things like hand sanitisers and hygiene products, but also things like baby food, which can be sold at extortionate prices. We focused on online marketplaces,

because of the restraints which make it difficult to do the research in stores—it was difficult. We set up a price gouging reporting tool. Just to show the scale of the problem, we had over 1,000 people reporting product prices that they thought were being artificially hiked within a week of launching the tool. It is an issue that people are really concerned about. We are seeing things like £1 hand sanitiser being sold online, in extreme cases, for £40, or lots for £10. There is a lot of this going on. From our tool, we know it is also happening in stores.

The online marketplaces have been taking action to try to stop their sellers doing this. There are some issues around the way that auctions are working that we think need to be tackled. The CMA also recognises that this is an issue and it is trying to do what it can within its existing powers. It could use the unfair commercial practices regulations to some extent, but it is really limited and we don't have the legislation in the UK that other countries have had or have introduced because of the crisis. In Australia, the US and France, for example, they have powers to clamp down on price gouging if businesses are unfairly profiteering and raising the price of essential items that people need.

We would like to see legislation brought in to enable the CMA to do that here. It obviously needs to have controls around it—we don't want price-fixing to be permanent—but in a real emergency situation, it should not be the case that people suddenly need to buy something and then people see an opportunity to profiteer and charge ridiculous prices for it. It will probably be face masks next.

It is an area where the CMA is using the powers it has, but we think the Government need to urgently introduce legislation to give it extra powers to control this.

Alan Brown: Thanks, Sue. Thanks, Chair; I think I'll leave it at that.

Q152 **Mark Jenkinson:** My questions are to Sue. There has been a sharp dip in consumer confidence; you have talked about the importance of consumer confidence. There is genuine concern that consumers might not return to the high street post lockdown, and that online sales won't fully fill the gap. What measures can retailers and the Government take to encourage consumers back to the high street and to increase online sales as well? What specific measures can retailers implement to reassure consumers that shopping in stores is safe, as restrictions are lifted?

Sue Davies: I think there are two things. There is reassuring people about safety when they go out shopping. As we mentioned at the beginning, we have been surveying people to ask what would give them confidence. It is about having real clarity about what the requirements are for businesses and knowing that they are being enforced, but also knowing what your responsibilities are as well. People want to see very obvious things like signage, so that you know outside the store what the rules are, but also the enforcing of social distances within stores and making sure that hygiene practices are very obviously observed within stores.

On the issue of wider consumer confidence, we carry out a regular consumer insight tracker. There is some evidence that the measures that the Government have introduced to help people with their household finances—things like mortgage payment holidays and the interest-free overdrafts that some banks have been offering—have given some reassurance to some people, because we saw that there was an increase in confidence in household finances in April relative to March, for example, but overall we know that around half of people have been cutting back and making changes to essential spending, because of concerns at the moment, and that they also have a very pessimistic view about the economy going forward.

From our point of view, one of the key things to give the consumer confidence is for you, the consumer, to know that if you are spending or paying out money for products that you are buying either online or in stores, your rights are still going to be preserved and you are properly protected, whether that is through the ability to get refunds or through controls over price gouging and so on.

Q153 **Mark Jenkinson:** Town centres and high streets have been on the Government's radar prior to this crisis, with lots of announcements on funding and renewal. What is your honest assessment of the impact of this crisis on the direction of travel we were seeing on high streets?

Sue Davies: It is very difficult to say at the moment. We are obviously in completely unprecedented times. We have seen absolutely fundamental changes to the way that people are shopping. It is very difficult at this stage to know whether or not that is going to be maintained long term. Obviously, you have been talking a lot about some of the support that has been given to businesses to try and sustain them. We know that consumers want a choice of places to continue to shop, but they need to be able to do that with the confidence that they will be properly protected as well.

Q154 **Chair:** Paul Nowak wanted to come in briefly on this question as well.

Paul Nowak: Two quick points in terms of customer confidence. USDAW, our shop workers union, along with the British Retail Consortium, have produced some really good advice for non-food retailers, about a safe return to work. I think that is really important, to send a message to customers that we have worked together with employers to make stores as safe as possible.

On the broader issues in the high street, as you identified, Mark, coronavirus is accelerating trends that we have seen for a number of years. The key thing is that USDAW published—last year, I believe—a proposed industrial strategy for retail. Quite often, when we think about industrial strategy, we think about automotive or aerospace; but I do think there is a value in Government convening, through the Retail Sector Council and the unions, to set out a plan for the retail sector. We know the sector is changing already; it was changing before coronavirus. What can we do to make sure that we have good quality jobs, as we see the

transition from high street to online? What fills the void in some of our high streets? In that respect, I think Government could play a really important convening role—supporting role—for the sector as a whole.

Chair: Thank you to our first panel of witnesses—Sue Davies from Which?, Paul Nowak from the TUC and Tej Parikh from the Institute of Directors.

Examination of witnesses

Witnesses: Professor David Heymann and Dr Adam Kucharski.

Q155 **Chair:** We now move on to our second session, in which we shall be comparing the UK's approach with that of other countries around the world. We are now joined by Professor David Heymann and Dr Adam Kucharski, both from the London School of Hygiene & Tropical Medicine. Professor Heymann is also working at Chatham House as well. If I might begin, Professor Heymann and Dr Kucharski, I wonder whether you could give us a brief overview of the approach that the UK is taking in comparison to other countries, and whether there are any particular outlier solutions that we are putting in place that set us apart. Maybe I could start with you, Professor Heymann.

Professor Heymann: There has been quite a variety of response to this outbreak. The countries in Asia—Vietnam, Hong Kong, Singapore, Taiwan and South Korea—began very early and robustly with outbreak containment activities to stop transmission by identifying patients, isolating those patients and then following up their contacts: if they became sick, testing; if they were positive, they were isolated. They have been able to keep their reproductive number less than 1 in most of those countries by doing that; but occasionally they have had to do some lockdowns—they call them circuit breakers. So in Hong Kong, when students started to come back from China and had infection, they locked down the amusement sector of Hong Kong. In Singapore, when they found that children were actually transmitting to adults, the schools that were open were then shut down. Recently, South Korea has shut down the nightlife in certain parts of the city, because of an outbreak that occurred there. So they have been striving to keep the reproductive number low from the start, and all of them have been able to do that.

In Europe, Germany started in the same way, and then they gradually added lockdowns as they saw what was happening in Italy, and they have been able to keep their reproductive number low by this outbreak containment activity, as well as doing the activities in lockdown. Then you come to the rest of Europe, which has had varied responses. Denmark, Switzerland, Austria continued with outbreak response and at the same time tried to flatten the curve of people coming to hospitals by decreasing certain sectors—by locking up certain sectors.

Then you have the mainstream in Europe, which has locked down completely in many sectors and is now beginning to open up. This lockdown, in most countries, occurred without an exit strategy. So what countries are finding themselves with is very low levels of transmission—

lower, I think, than they expected—and not a strategy of how to get out of this and sustain that low level of transmission. Many say they are waiting for a vaccine—which may or may not come; but still, there isn't a real exit strategy. Then there is the outlier, of course, which is Sweden, who felt that they were following the UK's example by letting people come in who were infected in a controlled manner, shutting down certain sectors but not completely, depending on the population to do the physical distancing, and shutting down and social distancing concerts and things as well.

There has been a varied response. Most countries now find themselves with a very low level of transmission and an exit strategy that they are developing. The only country that really has not done that is Sweden. They have seen that, in Stockholm, about 24% of people have been infected as time goes on. Most countries have now decreased the reproductive number.

Q156 **Chair:** You mentioned briefly that China had to close the circuit on schools, because of the infection being transmitted by children. Of course, that is an area of extreme interest for parents across the country here in the UK. What lessons can we draw from the way that China has had to do that, compared with Sweden, which has kept schools open? Do we have the balance right in the proposed policies in the UK?

Professor Heymann: Sorry, I may have misspoken; it was Singapore that did the circuit-breaking and closed down schools after they found that transmission was occurring. Singapore actually left its schools open until very recently. What they found was that transmission was beginning to occur from schools to family members, so they locked it down. What will be necessary in the UK is to make sure that there is a monitoring system that tells us whether people are getting infected from schoolchildren and whether schoolchildren are actually getting infected, especially with the risk of Kawasaki syndrome that occurs in some children.

Q157 **Chair:** Dr Kucharski, in the UK we have seen a differential approach across the regions and nations, with Scotland, Northern Ireland and Wales opting to take a different message to the public from the approach taken by the Prime Minister in England. What are your views on that, and how does that compare with other countries where there is, for example, state-level government?

Dr Kucharski: In a number of countries there have been quite localised approaches—first, in terms of countries that are perhaps reintroducing measures, where there have been flare-ups, such as Germany. Also, in Germany and Denmark, the timing and nature of school openings has been delegated to state or municipality level.

In countries such as Spain and France, which are in the earlier period of their transition out of lockdown, some of the relaxation of measures has come earlier in rural areas, while there are still more stringent measures in place particularly around cities, where there is more intense transmission. Those responses are varying geographically, depending on what the infection and transmission situation looks like.

Q158 **Ruth Jones:** Obviously, we are looking at the management of the disease in various areas, but I am looking specifically within countries. We know, for instance, that the north-east of England is particularly hard-hit, as is south-east Wales. I am wondering about the relationship between central Government and regional devolved Administrations. Do you see different areas of the UK coming out of lockdown at different rates and do you think that could provide any issues for the population as a whole?

Dr Kucharski: There are certainly a number of considerations in terms of what is feasible in terms of lifting those measures. From an epidemiological point of view, there is something to be said for targeting measures where transmission happens. Particularly as infections get to lower levels, in the UK and elsewhere, there is more potential to use those targeted measures around where the transmission is, and maybe relax them where there is not so much transmission. Obviously, that would not be feasible if you then have other areas of the country where you still have higher case numbers and you cannot really relax in the same way.

Q159 **Ruth Jones:** I suppose the fundamental question is that you need to be able to test adequate numbers to make sure that you have that information. Is that correct?

Dr Kucharski: It is key, yes, to be able to understand the level of infection you are currently seeing in different areas, and also the transmission, because that gives you a measure, essentially, of the risk that you may be creating if you open up in that location.

Professor Heymann: What is very important is to understand where transmission has been occurring in the past. As you know, there is now an antibody test; there are actually several, but there is a commercially available one that has been recently approved in the UK by Public Health England. That can help to determine where in the past there has been transmission, because that will be evidence of people who have been infected in the past. A logical approach would be to study various geographical areas and school settings within the UK to see where transmission was greatest in the past, and then try to unlock those sections last, while looking at those that had less transmission to open earlier, as Adam said. We are looking at a varied level of transmission around the country, and therefore a varied level of response would be appropriate.

Q160 **Richard Fuller:** What is the difference, in terms of the impact on jobs and incomes, between the UK lockdown approach and the Swedish social distancing approach—what is the impact on incomes and jobs?

Professor Heymann: I talked recently to Johan Giesecke, who is the adviser to the Government in Sweden, and he has not been able to discern yet a difference in economics between what is going on in Sweden and the rest of the world. He says that restaurants and various other areas of entertainment have remained open. They have not been forced by regulation to physically distance, but they are being forced by peer pressure and the population to make sure they are physically distancing in restaurants and various places like that. They believe that, in Stockholm,

24% of people have now been infected, and they feel confident that those people can be contributing to the workforce, even though, as you know, it is not really understood how long immunity lasts, and if it does in fact develop from this coronavirus. I can't give you specific figures. Maybe Adam has a better view on that.

Dr Kucharski: I do not have the specific economics, but certainly if you look at behavioural data, Sweden has seen a substantial reduction in mobility in different settings. If you look at Apple, Google and Citymapper data, it has not been to the extent that we have seen in places like the UK, Italy and Spain. If you look, for example, at basic mobility in the population, it is probably about 40% of the level it was originally. As David mentioned, although there have not been those top-down measures—there has not been a more formal introduction of physical distancing—there has been a pretty extensive change in how people are interacting with businesses and retail and work environments.

Q161 **Richard Fuller:** Should the Government have taken into account the difference in the impact on jobs and incomes in making a determination about whether to adopt a full lockdown or social distancing, or should it have ignored those issues?

Professor Heymann: I think at the base of all this is how well the population understand the messages of how to protect themselves and others, and how well they do it. In Sweden, they felt that their population could do that, and they have been right to a certain extent. The population have taken this on very seriously. Sweden is now left with a different predicament from many other countries. They have allowed the virus to come in, and now they have to continue to control that entry so that it doesn't overwhelm their health system. Some errors have been made in their elderly care homes; they have not protected them as well as they should have.

What the UK should have done is not clear at this point. I think everybody is working on their own risk assessment—in their own manner—to decrease transmission. That decrease of transmission has now left countries with a responsibility to maintain that low level of transmission by having excellent response mechanisms in place as well as the monitoring that might be necessary.

Dr Kucharski: The challenge, certainly early on, is that we know these stringent lockdown measures can reduce transmission substantially, but if you have only very light measures in place, you are going to get exponential growth that will quickly overwhelm your health system and will lead to enormous numbers of cases. Even now, there are still a number of questions about exactly what combination of things can be opened in what order safely. Of course, the behaviour and response of the population is a crucial part on top of what has been done as a top-down measure.

It is also worth noting that Sweden don't seem to have had a reproduction number below 1 at any point. They have got it down to about 1, and it has

remained flat over time. Of course, the impact that a flat reproduction number of about 1 has very much depends on the level of infection that you have. If you have thousands of infections a day and your reproduction number is 1, you are going to stay at that point, which will have a health impact over time.

Q162 **Alan Brown:** In this morning's session, we have already started talking about how different countries have different strategies for dealing with the coronavirus. How useful is it to make these comparisons? More importantly, is there actually enough adequate data to make meaningful comparisons? I will give one example. I saw earlier on league tables of countries, in terms of how much testing of the population they have done. However, that does not necessarily correlate with actually controlling the infection—that is about what you do with the tests and how you analyse them. Is there enough data to make useful comparisons? How long would it take, and how much study work would you need to do, to fully understand who has the best strategy and whether it was implemented effectively?

Professor Heymann: I might start out by saying that testing strategies vary in different countries, and it is wrong to think that the number of tests done shows whether there has been effective response. The testing strategy in the UK right now is to test people who are sick and need to be admitted to hospital. If they are sick and they look like they might have covid, they are tested. Those are the results that are provided internationally.

It is very important to look at what Australia-New Zealand have done. If you talk with the Australians or the New Zealanders, they will tell you three things. It was the timing of their lockdown—they locked down very early. On testing, it was making sure that they had sound testing strategies, testing patients and their contacts, and being sure that if their contacts were infected, they were isolated. It was also clear communication to their populations. Those three things are what both countries will tell you they believe has led to their success and has now ended up in what they are calling the equalisation of risk between Australia and New Zealand, and the equalisation of response. They both have the same risks and response, and they now feel that people can move very easily between the countries.

Dr Kucharski: I think it is important to learn as much as we can from countries, but as was raised there, there are caveats that we have to bear in mind, particularly the several countries that put in a basket of interventions. For example, South Korea has had school closures, working from home and restrictions on bars, restaurants and clubs, which were reopened before the restrictions were reintroduced last week after a flare-up. Hong Kong had extensive contact tracing and quarantine, but it also had working from home and a lot of other measures.

We have to be careful not to cherry-pick and look at one aspect of the response. Particularly in Europe, as these countries start to lift in sequence, we will get a clearer picture of which components of these

restrictions are really important for reducing transmission and which ones could potentially be relaxed without creating much risk of increasing transmission.

Q163 **Paul Howell:** Following on from what you said about sequencing, Adam, if you look around the different countries, when you start to look at shops or schools, there are examples of countries doing schools first and shops later, countries doing both at the same time and countries doing the reverse. How does a country decide what sequence will be best? Are there things that we can learn—or is the data not really ready yet to support that sort of assessment of the best or least-worst options?

Dr Kucharski: I think a lot of variability in the sequencing really reflects unknowns in exactly where the risk is. As you mentioned, a number of countries have lifted restrictions on schools. Again, it is often not a full restriction. There is still extensive distancing or a staggering of class timetables, as we have seen in the Netherlands, France, Denmark and Germany, particularly for younger groups or for groups for whom exam requirements make it more important to get them back to school. However, other countries are leaving that for much later and are focusing on shops. Learning where the risk actually is will be really important for doing that.

Of the countries that are, for example, reopening retail, a number have quite stringent infection control measures in place alongside physical distancing, and in some settings are doing pre-emptive testing, for example. We are seeing sports teams that are restarting in a number of countries actually trying to get ahead of the outbreak. Of course, if you are relying on identification of cases through symptoms, to some extent you are behind transmission by the time you spot a case. Countries are finding ways of reducing, but also trying to get ahead of any potential transmission through good surveillance.

Q164 **Paul Howell:** Is it about the testing side of things or is the difference between countries sometimes overlaid by the cultural approach that populations naturally take—you referred to Sweden earlier?

Dr Kucharski: It will be a combination. Having that understanding as things are lifted—having good surveillance and good identification of where transmission is happening quickly—will be important. If we are looking at case data or hospitalisations, we are looking at transmission that happened a couple of weeks ago, so it is a really lagged measure of what is going on. As you say, behaviour is another crucial part. The mobility data in different countries to some extent tracks when specific interventions came in, but it is very clear that in a number of countries population behaviour was changing before measures came in and during lockdowns to some extent. We need to account for that as well.

Q165 **Paul Howell:** Is there anything you would like to add, Professor Heymann?

Professor Heymann: No; I think Adam has covered it very well.

Q166 **Chair:** Dr Kucharski, you just talked about symptom reporting versus live testing. My understanding is that our NHS tracing app, for example, is based on the self-reporting of symptoms. Can you elaborate a little on what that lag means for our agility to make public policy decisions around turning restrictions on and off?

Dr Kucharski: One of the key challenges with the virus is that people become infectious before they are symptomatic, and then there is often a delay between symptoms showing up and people isolating or getting tested. If you are designing contact tracing and relying on a positive result in your first case to trigger contact tracing, you already have that lag of the initial infectiousness, and then there is the lag until the test result comes in. If you move to isolating people when they have symptoms and then testing them, you are reducing that duration, but you still have that period before symptom onset. That is why, particularly in high-risk environments, countries are now introducing more frequent testing—to pick up people who either do not have symptoms or are early in their infections period. On these targeted measures, getting those delays as short as possible, through isolation, quarantine and then testing those individuals to avoid the unnecessary quarantining of people who do not actually have it, will be key to increasing the effectiveness and efficiency of these measures.

Q167 **Chair:** So testing for people who are asymptomatic but in areas of the economy where we have concerns will help to make us more agile?

Dr Kucharski: That is what is happening in other countries—for example, in care homes in New York they are introducing more frequent testing. Given the nature of the virus and the short delays we are talking about, some places are doing twice-weekly testing, and again some of the sports leagues open in Europe are doing twice-weekly testing of players and team members, because unfortunately those are the sorts of timescales we are talking about if we want to catch this before people become infectious.

Q168 **Chair:** I do not think we are quite at that rate yet in the UK, are we?

Dr Kucharski: On targeted testing, it does not look like we will be near that capacity, but particularly in high-risk environments it will be key to getting ahead of these outbreaks.

Professor Heymann: Maybe I can quantify that a little bit. At present, with the evidence, our understanding is that people who are one or two days before developing symptoms can transmit to others. Singapore has good data that shows that about 6% of its cases were infected by people who were one or two days before the onset of symptoms. There is very little, if any, hard data about those people who remain asymptomatic throughout the course of their infection and how much they contribute to transmission in communities, but many countries are concerned about that, which is why countries such as the US are recommending that people cover their nose and mouth in public—not to protect themselves, but to protect others should they be transmitting. There has been some recent information out of the US where a choir at practice in early March in the

state of Washington had one person out of 122 who was sick during that practice, and 87% of those choir members became infected, probably from coughing or the droplets in the air from the singing. So it is, as Adam said, a very contagious disease, but it does not act the same as influenza, which cannot be controlled through the containment of certain outbreaks. This disease can be contained in certain outbreaks.

Q169 **Chair:** So for those of us who are well, maybe wearing a face mask is an appropriate step to take.

Professor Heymann: It is an appropriate step if you think you might have been infected. That is why, in closed places, people are recommended to wear face masks properly. All people are expected to wear them in some countries, because that protects others. It does not protect a person; a person's eyes are still exposed, and the eyes are a place that the virus can also enter.

Chair: Understood. Thank you.

Q170 **Judith Cummins:** I want to move back towards learning lessons in terms of timing. Is there any evidence that some countries have lifted restrictions too fast, and have other countries set out the circumstances in which they would reimpose those restrictions?

Dr Kucharski: Having clear criteria on reimposing is important. In Germany, for example, if a local area has more than 50 new infections per 100,000, they reinstate. Those figures have been passed in recent days with outbreaks in three meat-packing factories. In terms of going too quick, a lot of European countries are still in the very early stages of reopening. Actually, many started from different points. In terms of mobility, Spain and Italy have in the last few days increased to the point where the UK has probably been throughout. A lot of these reopenings are in the early stages. In countries that are further along, we have seen flare-ups—in Germany, as I have mentioned, and, as has been mentioned, in Korea and most recently in China—that have led to the reintroduction of some of these measures alongside contact tracing. It is really as a precautionary measure that these countries are reintroducing things. It is important to distinguish between what is a flare-up in a small cluster of cases, which can be contained through targeted measures, and something that reflects a larger, more widespread transmission risk, where the broader measures used need to be changed. Even as countries open up and have very good testing and containment—in places such as Korea—we will see flare-ups. What is going to be key is: are those things that can be contained in a very local area, or will it require a fundamental rethink of the distancing measures that have been in place over a much longer period of time?

Q171 **Alexander Stafford:** This is a question to both witnesses about confidence levels once these measures are lifted or relaxed. Have you seen evidence that people are willing or unwilling to start or restart their activities—less likely to go out and less likely to socially mix—or, conversely, have you seen evidence that people are more likely to try to

go out because maybe they have missed the opportunities they had before and want to take full advantage of them? What are the immediate/medium effects that we have seen so far?

Professor Heymann: Maybe I will start and then Adam will add. There are some confidence-building measures in countries that have really helped the population move ahead. I teach out in Singapore and was there in the second week in March. Life was going on pretty much as usual in the education sector, whereas in the tourist sector it had obviously stopped. But in the education sector and in other sectors, when I would teach a class of 50 or less, there would be someone taking a photograph before the class began to see where people were sitting, so that, if someone became sick, their contacts could then be followed up. At the same time, whenever a public space was entered, including restaurants or any other place, forehead temperature was taken. This gave confidence to the populations, and they were still using it at that time in restaurants and other places of social gathering. However, the major events had been cancelled. Now, there still is temperature monitoring and all these confidence-building measures, and people are still not wearing masks in many places because they have confidence in the Government, yet they are wearing masks when they are sick in order to protect others. Confidence building is very important, and I know many companies also are talking about forehead temperature checks before people go into work, just so they can build confidence within the people's working. Airports are using the same thing—it is not necessarily effective in stopping disease, but in building confidence in travellers.

Dr Kucharski: We have certainly seen across countries, depending what measures are in place, changes in behaviour to affect that. For example, although some places like Italy and Spain had very stringent restrictions on people going outside, a number of countries did not in the same way. In the Czech Republic, Denmark and these kinds of countries, we saw a large increase in people's mobility in visiting parks and this kind of thing because those areas were open.

I think it comes back to David's point about having very clear guidance on where the risk is and what the expectations are. We are seeing reopening of shops this week and next week in a number of European countries, but in many cases that is accompanied by quite specific guidance in terms of the social distancing that needs to be maintained. A number of countries are now mandating face masks in public. There are very strict guidelines on the limits on numbers of people and what is expected in those kind of environments. It is really thinking of all those things together not just in terms of people's natural behaviour, but in making sure there are clear expectations on what is required to reduce the risk.

Q172 **Alexander Stafford:** I hope you don't mind, Chair, but I have a quick follow-up on this point. What I am really trying to get is: is there any evidence so far that when things have been relaxed, and we expect people to go to the parks, shops or whatever, people are just reluctant to do that? Are there any sectors that we have been surprised about, which people have not tried to engage with when they can now?

Dr Kucharski: In Europe, it is still in quite early stages, so it will take some time—probably this week or next week—to see whether we actually get that change in behaviour as things are lifted. In Asia, we have seen people transitioning back. For example, as bars and restaurants were opened in Korea and Hong Kong, people did go back to those venues quite quickly. Again, I think we will see some country-to-country variation, in terms of where they are in the outbreak, where they are in lifting restrictions and then perhaps the time lags that might be required for behaviour to change.

Professor Heymann: Just to add to that, Gibraltar has actually innovated in a very interesting way in having what they call the golden hour. In the morning, the elderly are permitted or are told that they are free to go out at that period of time to parks and to shops, and other sections of the population are respecting that and staying away from those areas where the elders go at the golden hour every day. So there are different interventions that are being done in different countries, and many of them are quite innovative.

I think it is just important, as Adam said, that we look at all that is going on and pull our lessons from that, as we move forward. Fortunately, there is a good knowledge of what is going on—through WHO, through London School and through many other areas where people are exchanging information.

Chair: Thank you. I have Ruth Jones and then Nusrat Ghani.

Q173 **Ruth Jones:** Following on from the previous point, as we are coming out of lockdown now, it has been suggested that perhaps different age groups could have the restrictions lifted at different times—for instance, children first and obviously the frail elderly last. Has this been tried elsewhere, and if so, has it been successful? Can I ask Mr Heymann first?

Professor Heymann: The only place that I know it has been done is Gibraltar, where they have this golden hour, and it is being respected. I know that in many countries there are times when the elders go to supermarkets and people try to stay away from the supermarkets at that time as well. I think these are things that will be tried as time goes on. Certainly the elderly and those with co-morbidities are the ones who need to at least understand that themselves, and Government has a role to play in that, especially in elderly care facilities, in developing strategies that are reasonable, that are effective and that are monitored. All Governments are trying to do that at present to make sure that the elderly are protected.

Dr Kucharski: I think there are two things we have to be cautious about. One is that, even in younger groups, pre-existing health conditions may be a risk factor. We get a very clear gradient of risk with age, and high risk of hospitalisation and death in older groups, but in younger groups, there will be people at risk as well. The interaction structure of populations means that often younger groups are one, two or three steps away from people who are in risk groups, so very neatly compartmentalising that risk will actually be quite difficult. We have seen really horrific outbreaks in care

homes in a number of countries in Europe, in part reflecting an inability to reduce that risk into those populations, so I think we have to acknowledge that challenge as we plan future measures. I think the idea that we could open up for one age group and completely contain the risk to others is probably oversimplifying the social structure of populations.

Ruth Jones: Thank you. That is very helpful.

Professor Heymann: Just to add one more thing to that, what needs to be avoided is what happened with chickenpox and other infections before there were vaccines: they would have parties where they would try to expose people in order to get immunity. Remember that we cannot really recommend any type of immunity passport at present, because it is not understood if this virus does cause protection in people or, if it does, how long that protection lasts. That's just to complement what Adam has said.

Ruth Jones: Having been to one of those chickenpox parties myself, you make perfect sense. Thank you very much; that's great.

Q174 **Ms Ghani:** If I can just follow on from Ruth's point, in the UK—which I believe is similar to the USA—a higher proportion of people from BAME backgrounds are not only becoming infected, but being killed by this disease. How would different time zones for people to travel out work? I cannot see this working at all if we are going to focus on priority groups and getting people to be active in communities at different times of the day. Has that happened anywhere, Professor Heymann?

Professor Heymann: Certainly, the minority populations in many countries are those populations that have been neglected by the public health system. First of all, the public health system hasn't got to them with appropriate messages that they can understand about preventing these co-morbidities that develop, so those populations have been disadvantaged. I don't know that there has been any specific effort to do that, except through community groups and non-governmental organisations, which have been very important in both the UK and the US to make sure the communities they represent understand the risks, especially if they have co-morbidities or other difficulties. There have been efforts, especially for certain groups in the US, to have the NGOs working with those groups pass the appropriate messages about how to protect each other.

Dr Kucharski: To add to that quickly, it is also important to distinguish between what might be an inherent risk for groups and what is a risk driven by occupation or behaviour. A lot of work is going on to try and unpick that. Certainly at the moment, in many countries, a large proportion of the population are staying at home and able to stay at home, which means they have very limited risk. Where individuals are being exposed, that may well be a factor of the occupations they are in and their ability to get healthcare. As we have seen in Singapore, for example, the live flare-up was linked to migrant workers where the outbreak went undetected, so untangling whether this is a feature of occupation, inherent

features of co-morbidities, or other aspects of certain groups is going to be key here.

Professor Heymann: I would add that UKRI has a rolling call-out for research proposals from investigators within the UK. There is a panel that I chair for the Department of Health, the MRC and UKRI, and that has specific calls-out for disease in these populations which may have been marginalised in the public health system, especially in certain parts of the UK. That is being addressed in research that is going on, and there is a special attempt to get more research in through the UKRI panel.

Q175 **Ms Ghani:** I know that Public Health England is undertaking an item of research on this, but my concern is that it may be a little bit too late.

Professor Heymann, I want to talk to you about what metrics the Government should be using to allow the unlock to continue going forward. However, it is very rare to speak to someone who has worked at the World Health Organisation, so I wonder if I could first ask you about the WHO and its inability to declare this a public health emergency back in December, or after its urgent meeting on 22 January when Taiwan was presenting information about transmission across from China. I only ask this question because you talked about the exchange of information from the World Health Organisation. All of us are trying to work out within our own countries how to manage infection and the lockdown, but it doesn't mean a dot if the World Health Organisation is not going to be honest and transparent about what is happening in China.

Professor Heymann: That is a really difficult issue. I am quite intimately involved with the WHO at present, because I chair an external advisory group to the emergencies programme. That programme regularly reviews the data coming in from the WHO, and since the second week in January when we met, we had great information available to us from all countries, despite the geopolitical tensions that were occurring. At that time, we recommended to the director general that an emergency committee be set up, and it was set up. It takes about a week to get this committee set up. It was set up, and after its first meeting there was a 50% divide, from what I understand—I'm not a part of that committee; it is a different part of WHO under the international health regulations, but reporting back to us—between the 12 experts on that emergency committee about whether or not to recommend a public health emergency. What they requested was more information and a meeting as soon as that information became available. When that was available, they had their meeting and they called it a public health emergency.

Early on—these are the facts; I am not defending or criticising, I am just saying—WHO became aware of the outbreaks in China on 1 January, and on 5 January it was on the outbreak list that goes to every country. Every country in the world has a representative under the international health regulations who is responsible for understanding what comes from WHO and reporting that to their Governments. It went out on 5 January to all international health regulation focal points that this was a new infection in south-east Asia, in China.

Countries then did what they wanted to with that information. I have to say that the countries that had SARS and MERS coronavirus outbreaks previously in Asia rapidly responded to outbreaks when they began to occur in their countries. They took no risks. Other countries may not have responded as rapidly as they should have. I don't know what happened in WHO before 1 January; I don't know what was going on between China and WHO and I can't speak to that at present.

Q176 **Ms Ghani:** I am going to crack on, otherwise the Chairman will scold me, but the World Health Organisation did have an emergency meeting on 22 January, and they stuck with the Government line from China up to that point and would not even dispute what was happening in wet markets, so I think the World Health Organisation has a lot to answer for.

We have talked a lot about how we unlock and the data we need behind that, and you also talked about transmission before you are tested and infection rates. At the moment, we are testing as much as we can, but if there is a length of time between when a test is undertaken and a result is given back, does that damage the whole purpose of testing and managing infection rates?

Professor Heymann: Yes; what you want is a result as soon as possible after you have tested, so that you can isolate those people who are positive and get them out of circulation, so that they do not begin new chains of transmission. So yes, testing is very important in a strategy that is meant to control outbreaks. The current strategy of testing in the UK is testing of patients who come into hospital settings. It is not having major community outbreak containment activities at present, although it did start with those activities and then, at the lockdown time, moved into mitigation activities. I think Adam will be able to say a bit more.

Dr Kucharski: I think that is a good point on what the testing is being used for. As David mentioned, there is obviously a test for diagnostic purposes, but there is also one on monitoring and one on containment. In terms of transitioning from lockdowns, level of infection is a key metric—not just reported cases, because most countries are only reporting probably a fraction of the infections that are actually out there. Understanding where the infection is and the level it is at will give information on the ability to use targeted measures to control.

If you are at a lower level of infection, you can obviously use isolation of cases, contact tracing and perhaps more local restrictions to contain outbreaks. When you are at a larger level of cases, that is much harder. Monitoring values such as the reproduction number, although that is an approximate metric and it takes time to get data on it, gives you an indication of the extent of transmission you are seeing. Then, using that in tandem with the level of infection, you can get an idea of the likely risk to that population in the near future.

Q177 **Ms Ghani:** Professor Heymann, how close would we be to having enough testing within the UK to have accurate figures for the R rate?

Professor Heymann: That testing will have to be done in a targeted manner. Right now, the testing strategy does not look for the reproductive rate; the testing strategy looks for people who have covid infection in hospital settings. In order to understand—again, Adam can complement this—there needs to be understanding of what is going on in communities. That would mean either understanding past history by antibody surveys, which are going on in the UK, or presently understanding the incidence rate, those people who are positive in communities. That would require some random testing in communities.

Dr Kucharski: It is worth clarifying that we can get rough estimates of values such as the reproduction number, even if there is under-reporting, because the reproduction number is a measure of the ratio of change over time. Even if you are only seeing 10% to 20% of your cases, you can still get an understanding of whether you are seeing increasing or decreasing transmission. The problem is that you have uncertainty around that, and often the data you need to make those kinds of measurements, if you are relying on hospitalisations or fatalities, occurs quite far after infection has happened. You are not necessarily getting a realtime picture; you are getting a picture of transmission that was happening a couple of weeks ago.

There are things we can do to speed up the insight we are getting, such as using social contact data. The UK, the Netherlands and Belgium—a number of countries are running these surveys of interactions, and that can give a measure. If your daily contacts have dropped 70%, we can estimate what impact on transmission that would have, particularly at a broad level. If we do not have those fine-scale insights into where infection is, we can make general statements and ranges about what we think the reproduction number is, but it is certainly not the case that we can say, "Today, there is exactly this amount of transmission happening in this exact place."

The final thing to note as well is that a lot of transmission in the UK is centred around healthcare and care homes. Even looking at the case data, the case data now is not reflecting what case data meant a couple of months ago, perhaps, when there was more transmission in the community.

Q178 **Ms Ghani:** My final question is looking at other countries that have unlocked, particularly Denmark. I wonder what we can learn from their experiences.

Professor Heymann: Denmark is going very cautiously. They have opened some of their schools; others they have not, as Adam said earlier. They have in place monitoring systems and also response systems. They will, if they need to, respond to outbreaks. At the same time, they will also look at their schools and close those schools down. The schools that they have opened do not look like the schools that were open before the outbreak occurred. People are physically distancing. They are going to school in shifts. There are not the large gatherings that occur in many schools in assemblies and cafeterias.

Dr Kucharski: That is right. They are moving very cautiously. In terms of transmission, the reproduction number is probably up near 1, perhaps just below at the moment. If you look at infection over time, it is reasonably flat, but it is a lower level. Those schools have been opened in some form for a few weeks. This week and next week are where perhaps some of the more risky activities may be restarting. They are opening shops this week and next week restaurants. Border closures will probably still be in place until the end of the month. It is those activities that a lot of countries are now moving into where we are going to get a clearer sense of how much effect that might have on transmission. Having good surveillance and good information on that will be really important. What is happening this week and next week across Europe is going to provide a lot of information on what is and what is not feasible.

Chair: I have a very quick supplemental from Paul Howell and then the last set of questions from Mark Pawsey.

Q179 **Paul Howell:** Thank you, Chair; I am very conscious of time. I just want to circle back on something that you said, Adam. You were talking about minority groups. You talk about getting the communication methods right into minority groups across the world. It just occurred to me that we have concerns in the UK about our minority groups, where BAME groups and so on have been more affected than anyone else, but is it different ethnicities in different parts of the world who are suffering the worst? What sort of parallels are you seeing in different countries, and is there anything we can learn from that? I appreciate that it needs to be quick.

Dr Kucharski: I do not have details on exactly which groups and rates in different countries, but across the world we are seeing that particular groups that are still out to work and in risky environments are getting more affected by that. I think that is largely a reflection of disparities in the ability to lock down. In the US, a number of European countries and in Asia, the people who are still going out to work are often disproportionately from specific groups, and that is being reflected in the case data.

Q180 **Mark Pawsey:** We have had some very interesting evidence from Professor Heymann and Dr Kucharski on what is happening in other countries. I just want to focus on Denmark, Sweden and South Korea. It is interesting that in Sweden, we were told, peer pressure, not regulation, has affected behaviour. At a time when most MPs are being swamped by constituents asking us specifically what they can and cannot do, that seems a very different approach.

Adam, you said that in South Korea, when something was opened up, once a problem was identified, it was immediately locked down again. I wonder whether we should have behaved more like Sweden or South Korea. Has the approach we have taken—to bring this back to the consequences for business, as we are the Business Select Committee—created more harm to our economy than has been absolutely necessary? Professor Heymann, perhaps you can deal with that first.

Professor Heymann: I don't think anyone can say what has happened to economies anywhere right now, and that is what must be looked at. I can only say that in parts of Asia business continued as usual. They have circuit breakers, which shut it down for a time and then open it up again. In the long term it is not clear whether this will have a different impact on the economies. Many multinational companies have followed rules, which aren't necessarily Asian rules, and done lockdowns on their own when they weren't recommended to do that by countries. I cannot answer the question of which economies might have suffered more. Adam might have done some modelling on that, which could say, but I'm not sure.

Q181 **Mark Pawsey:** Okay, but we do know that Sweden's economy has been less severely affected than others. Should we have done what Sweden did? Are we capable of responding with a more flexible approach or does the UK, by virtue of its size and the way our people behave, demand a more prescriptive approach?

Professor Heymann: It is very important that people understand the messages, and that people understand physical distancing, hand washing, protecting others and what they need to do to ensure they can get back to work. Sweden believes that they can do that. I believe that people in most countries can understand the issues and we are seeing changes. In Asia, people have worn masks for years, because when they were sick, they didn't want to infect others. We are seeing that begin to take hold in certain parts of Europe and the UK. Hopefully, the population can underpin the reopening and understand that they underpin that with their own responsible behaviour. That includes wearing masks in closed areas where they cannot physically distance, but not forgetting that physical distancing is the most important, along with handwashing.

Q182 **Mark Pawsey:** Adam, do you think we have harmed the economy and our businesses more severely than we ought to have done?

Dr Kucharski: As David says, it is very hard to unpick all the exact impacts at this point. It is worth noting that while Sweden has remained more open than other countries, it has still seen a large amount of disruption and it is still seeing a lot of cases. Whereas in London, for example, we have seen a sharp decline in cases over the past few weeks, in Sweden it has been flat over time. Countries are weighing up these considerations in terms of the health impacts and wider impacts.

Predicting exactly how people will behave, even now, in terms of opening up across countries, is very difficult. We should not be too quick to suggest that countries are unable to respond in a certain way. Across Europe, we have seen huge changes in lifestyle, which will continue. We have to find ways of ensuring that we can have sustainable changes that reduce transmission while we also minimise wider disruption.

Q183 **Mark Pawsey:** Do you think we are capable of doing as they have done in South Korea, namely, unlocking an area or activity and, if we then discover there is a further problem, locking it back down again? Do we have the ability to do that in the way that other countries have?

Dr Kucharski: Korea's ability to do identification and contact tracing is beyond what European countries have currently implemented. For example, in the flare-up in Korea, they used GPS location data to identify everyone who had been in that area and sent messages to their phones. They have tested about 24,000 people since that flare-up at the weekend. Again, in Taiwan and Hong Kong they have GPS enforced quarantine, which we do not have in the same way in many European countries. We need to consider the full combination of measures that is being implemented and the infrastructure behind them.

Q184 **Mark Pawsey:** So if we were to introduce those measures, do you think we would then be capable of acting in the same way?

Dr Kucharski: If we can improve the effectiveness of contact tracing. As discussed, it is the delays in getting people into isolation and quarantine that we really need to shorten, whether through the apps that have been discussed, more efficient manual tracing or other data sources feeding in. The countries that have been successful have had really good information to inform their response. Obviously, how that is weighed against privacy and other issues is a much wider discussion.

Mark Pawsey: Thank you, Chair.

Chair: Thank you, Mark. Thank you to Professor Heymann and Dr Kucharski for your time on our panel this morning.

Today's session has been useful. From the first panel we gained an understanding that businesses, workers and consumers are going to require some level of support in order to be able to implement these guidelines and that we are going to have to work together to make sure that they work as effectively as possible. Some of the answers given about the next phase, around flexibility in the furlough scheme, the sectoral approach to support, incentives for growth and investment from the private sector, supporting young people and potential legislation around price gouging, are the types of issues I am sure the Committee will be looking at in the coming weeks and months.

On the international comparisons, from the evidence today it seems to be too early to give completely clear comparisons between the UK and other approaches. We know that the timing of lockdown, testing and tracing, especially of asymptomatic people as we try to move and understand the lifting of restrictions against the R rate, and clear communications, are key. No doubt we will try to learn those lessons as we are rolling out the solutions, so that in the future we can look back on them.

Thank you to all the speakers and to the Committee. I will bring the session to a close.