

Covid-19: Update

I have received this update from the Government:

Dear John

I would like to update you on the next steps in delivering the UK Government's COVID-19 recovery strategy.

Last week, on 4 July, we took the third step on the UK Government's roadmap, with the reopening of pubs and restaurants, hairdressers, and some leisure facilities and tourist attractions, providing they adhere to COVID-Secure guidelines. We also permitted increased social contact, with two households able to meet up in any setting with social distancing measures, and people able to enjoy staycations in England with the reopening of accommodation sites. The Prime Minister set out that, where it is not possible to stay two metres apart, guidance will allow people to keep a social distance of 'one metre plus'. This means staying one metre apart, plus mitigations which reduce the risk of transmission.

These important, and cautious, steps forward have been made possible by the sacrifices of the whole nation bringing the virus under control, and the continued efforts of businesses and the public to comply with COVID-Secure guidelines and clinical advice on testing to protect against resurgences. It is clear that the vast majority of people embraced their new-found freedoms in a responsible manner, and while there remains a long way to go in tackling this virus, every indicator shows that we continue to head in the right direction.

When the Prime Minister set out the 4 July changes, he said that the Business Secretary and I would work with industry and public health experts to help the remaining sectors and activities to become COVID-secure, and reopen as soon as possible.

Following this work, I can confirm that from Saturday 11 July organised outdoor grassroots team sports and participation events will begin again, starting with cricket. Sports will only be able to resume once their return to play guidelines have been developed in line with government guidance. Outdoor water parks and swimming pools will also be able to open in England from this weekend. To further support the British people in getting active again, from Saturday 25 July, we will allow the safe and COVID-Secure reopening of indoor swimming pools, gyms, fitness and dance studios, leisure centres, and other indoor sports venues and facilities. As we have said all along, we will only allow any further easements if it is safe to do so in line with public health guidance. If it is not, then we will not proceed.

Furthermore, while we are not yet ready to get audiences back into indoor venues like theatres and concert halls, we will allow outdoor performances from Saturday. And while those outdoor performances get underway, we will be piloting a number of indoor performances to work out how we can confidently

usher socially-distanced audiences indoors as soon as possible. Rehearsals and performances for broadcast are already permitted.

Having allowed hairdressers to reopen, we will go further, by reopening beauticians, tattooists, spas, tanning salons and other close-contact services from Monday. However, certain types of high risk treatment, such as threading and facial treatments, are advised against at this stage. Further details are available at

<https://www.gov.uk/guidance/working-safely-during-coronavirus-covid-19/close-contact-services>.

As ever, we must proceed cautiously, to make sure that the commitment and sacrifice of the British people is not undone by a second peak which could overwhelm the NHS. These changes will be conditional on our ability to control the virus and respond effectively to outbreaks, as we have done so far.

We will remain cautious and measure the effect of changes we make. As stated by the Prime Minister, the Government will not hesitate to apply the brakes if that is what the situation requires as we have had to do in Leicester. For now, the changes outlined in this letter will not apply to those areas subject to local lockdown restrictions.

We know that these continue to be the most challenging of times for people and businesses across the United Kingdom. This Government is committed to supporting those in need, as shown in the Plan for Jobs set out by the Chancellor yesterday.

Everybody must play their part in observing and complying with COVID-Secure and social contact guidelines, if we are to continue to keep the virus under control and maintain our recovery. We are asking people to stay alert, maintain social distancing, keep washing hands, and follow any instructions received from NHS Test and Trace. In doing so, we will together all save lives and continue to rebuild our country.

Rt Hon Oliver Dowden CBE MP
Secretary of State for Digital, Culture, Media and Sport

[The single market was never a level playing field](#)

I have no problem with the idea that a quoted company can be bid for by potential new owners who value it more or who might run it better than the existing owners. I do have a problem with the U.K. offering this freedom to countries and companies who do not accept the same discipline. I particularly oppose the idea that nationalised industries or foreign states should be able

to buy up U.K. based businesses.

One of the unfairnesses of the single market was we offered up most of our large businesses for sale to France and Germany but they offered up very little of theirs in return. Cultural obstacles, different ownership structures, EU rules and Court judgements and different national government approaches meant during our time in the market many of our companies were acquired from the continent whilst U.K. companies made little or no progress with either acquisition or organic growth strategies in the leading EU countries.

Just look at what happened to our building materials industry for example. In the 1970s we had large advanced companies mining China clay, producing cement and ready mix concrete, making tiles, kitchen units, glass, plasterboard, bricks and tarmac. They did pioneering work on ready mix, concrete tiles, glass and other processes. These items make sense to produce locally as transport costs are high and the travel intrusive. They created many jobs in the U.K. and did not add to the import bill.

Redlands tiles was bought up by French Lafarge. Marley Tiles was bought by Belgian Etex. BPB plasterboard was acquired by French St Gobain. Blue Circle Cement was bought by French Lafarge. Ready Mix Concrete was purchased by Mexican Cemex. Hanson Trust with wide ranging building material interests including bricks was taken over by German Heidelberg Cement. Magnet Joinery's kitchens and other wood products were snapped up by Swedish Nobia. Tarmac's aggregates and road materials were bought by French Lafarge. English China Clays was acquired by French Imetal. That just left Pilkington Glass with world leading technology to go to the Japanese, and our main scaffolding business to go to the USA.

In the case of the USA Hanson had acquired various materials companies as that is an open market. There were practically no successful U.K. bids for European companies given the constraints, apart from Braas bought by Redland only to be sold back to the continent as part of the sale of the larger group.

As we develop our own free trade and overseas investment policies we need to make sure there is reciprocal access for bids. In areas like defence, data and communications we also need to be aware of the needs of national security. There are some basic competencies and essential areas where we need a domestic capability. The extraordinary story of how the U.K. sold out of practically all its leading building materials shows what can happen if our access is blocked. Once you lose control of the assets you can then be taken on a journey to much more dependence on imports, where you export the jobs elsewhere.

My contribution to the debate on the Economy, 8 July 2020

Sir John Redwood (Wokingham) (Con): I have declared my business interests in the Register.

We need a job-rich recovery. I therefore strongly welcome the measures that the Chancellor has announced today. Some of those measures will save jobs. Some of those measures will create or stimulate new jobs. The Government are right to worry that we have lost too many jobs already over the closures and they are right to worry that we might lose more in the days ahead. They are right to make the changes they are making to the furlough scheme, to encourage as many of those jobs as possible to return, and they are also right to say that we cannot carry on with a furlough scheme indefinitely; there has to be a test of whether there is still a job there. If we roll it on for too long, there will be no real job left, and it becomes just a different kind of benefit, delaying the time when that person can retrain or find a better prospect for their work.□

What do we need to extend this jobs recovery? First, we need plenty of money and credit around, so that it is available for the business to pick up and the incomes to rise. The new Governor is a welcome breath of fresh air. As I have mentioned before, the previous Governor went in for extreme austerity, which slowed the economy needlessly. The new Governor has corrected for that and made a very big boost at the beginning of this crisis, which has been extremely helpful. I see no need for the Bank to go to negative interest rates. I do not think the Swedish experiment with them was particularly helpful, and the Swiss experiment is specific to the pressure on the Swiss franc, which we do not have on the pound. I do not think we need to go to negative interest rates, but I would say that the Bank is in danger now of going rather slowly on the quantitative easing and loosening. We see that in some of the figures coming out.

If we compare our figures with those of the United States of America and the Fed, we see that the Fed is doing twice as much or more than the Bank of England, proportionate to the size of the economy. Some might think that perhaps the Fed is doing a little bit too much and the US might end up with some inflation, but we are in danger of not doing enough again, and I hope that progress will be made in getting the right adjustments.

Sir Edward Davey (Kingston and Surbiton) (LD): Does the right hon. Gentleman agree that while it is right that the Bank of England is doing quantitative easing, how that money is spent ought to have more democratic input? That money could be used for the sorts of investment we need now for jobs and tackling climate change.

John Redwood: The money is used to maintain the price of Government bonds so that the Government can borrow on very low interest rates as much money as they want. Investments are therefore determined by this House and the

Government, so I cannot quite understand what point the right hon. Gentleman is making.

The Government are right to borrow a lot of money for six months or so, to get us through the crisis and to speed the recovery, but it has to be a one-off. We cannot live like that. One needs to earn a living, but this is a one-off crisis. The markets are such and the Bank of England's intervention is such that the Government can borrow a lot of money very cheaply and quite long term. That is the best we can do, and it is the right thing to do to try to save jobs and create new jobs.

This week, we have had the summer forecasts from the European Union for the economies of the European Union, and it has still done a UK forecast. It is worrying, because the forecasts say that the French, Italian and Spanish economies will lose more than 11% of their economic output and income this year. They say Britain will be in high single figures—a bit better than those three—although not as good as Germany, which has come through it the best so far.

However, the figures are not acceptable, and most people feel that the United States figures will be considerably better, because the US response to this crisis has been on a far bigger scale, both fiscally and in terms of monetary policy, than the European response. The UK needs to be closer to the American example in this case, because this very severe hit to major economies requires something very big to try to carry them through and rescue those jobs.□

I hope that the Government will look at the opportunities for sourcing more in the United Kingdom through its purchasing programmes as we leave the European Union. I am all in favour of strong competition, value for money and good pricing, but I think we have had examples of our not having enough national resilience. We found that we could not buy the things abroad that we needed for our health service, because we were relying on others' goodwill and they needed it for themselves.

We are finding that buying things from China comes with all kinds of difficulties. We will find, if we go down the route of importing more and more electricity, that we have strategic weakness in depending on Russian gas, which is the main source of continental energy. I urge the Government to use their purchasing intelligently to give us resilience and more British jobs. Value for money and competition are good, but let us make sure that the purchasing goes to home purposes, just as they do in other countries abroad, where they look after themselves first.

[A sensible package](#)

The Chancellor yesterday set out how he intends to wind down the furlough

scheme whilst encouraging employers to keep those employees and to restore their work. He also made some proposals to boost tourism and hospitality business, and to assist more young people into the workforce. I will post my short speech in the House on the economy later this morning.

This is your opportunity to comment on the current state of the recovery and government plans to stimulate it.

[My question during the Urgent Question on Coronavirus, 7 July 2020](#)

John Redwood (Wokingham) (Con): Could the Secretary of State remind us how big an increase in intensive care capacity there has been for the health service? That increase is a great achievement. Were the unthinkable to happen and there was another surge in the virus, could we have isolation hospitals that dealt with that so that the rest of the hospitals and surgeries could carry on with their other work?

The Secretary of State for Health and Social Care (Matt Hancock): Yes. We have doubled the intensive care capacity, which, alongside the Nightingale, has been a remarkable achievement of the NHS. There are now green and blue areas in hospitals, or whole hospitals, depending on the geography—in a rural area, we could not make a whole hospital covid-secure or covid-free, because it would have to serve both covid and non-covid patients. That separation of the NHS into blue and green areas is an important part of their being able to reduce the impact of infection control procedures, which are obviously having a big impact on the provision of services.