



Cabinet Office

COVID-19

Social Distancing Review summary data deck

14 April 2020

(Data collated as of 12 April 2020, unless stated otherwise)

OFFICIAL SENSITIVE

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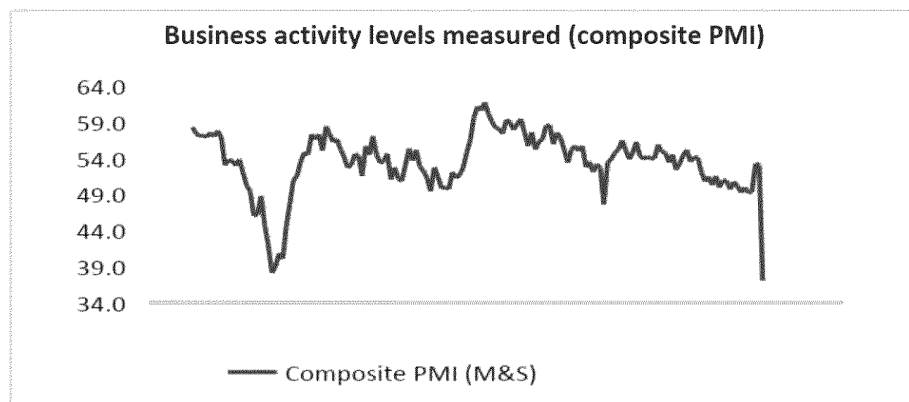
Economic impacts: Covid-19 is having a significant negative effect on UK economic activity with output, consumer spending and confidence significantly down...

Activity has stopped in large swathes of the economy

27% businesses temporarily closed or paused trading (ONS survey*, 23 March - 5 April)

53% firms that continue to trade said **turnover was lower** than 'normal range' (ONS survey*, 23 March - 5 April)

Business output fallen dramatically: PMI lowest on record

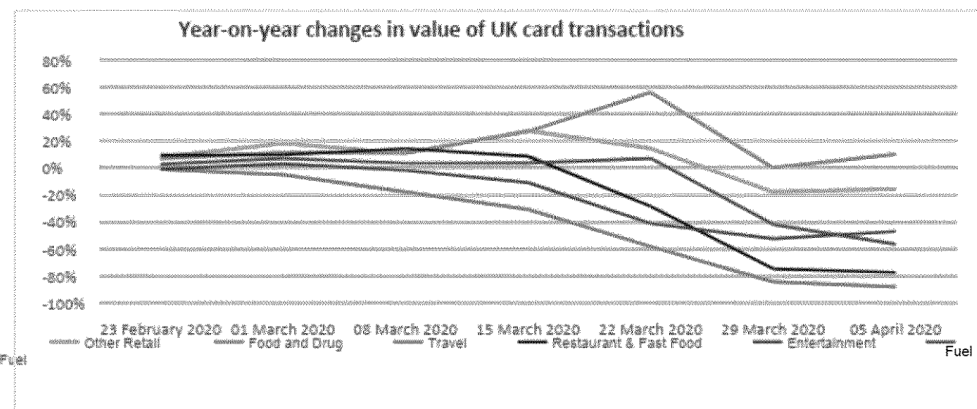


*ONS fortnightly survey initial results, final results expected w/c 13 April

...And consumer confidence and spending has fallen

Card spending down 27% in week ending 5 April. Essentials like food and drugs remain at levels similar to last year, 'social' consumption (eating out, leisure and travel) is down around **80%**.

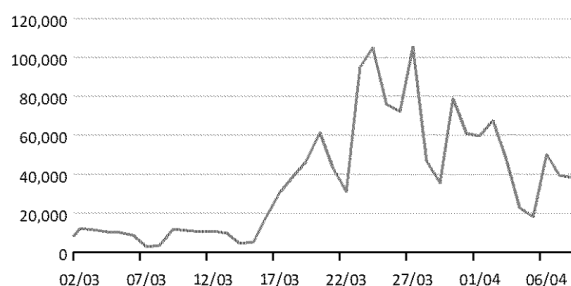
Consumer confidence fell sharply in the second half of March: GfK's headline consumer confidence figure fell to **-34** from **-9** (biggest fall on record, similar to financial crisis), suggesting further falls in spending.



...and a big impact on the labour market with many employees laid off or furloughed

1.3	Million Universal Credit claims since March 16, likely indicating significant increase in unemployment.
22%	of staff reported to have been furloughed by firms between 23 March - 5 April (ONS survey) – this varies by industry.
21%	drop in employer confidence in hiring and investment in March. Recruitment activity fell to its lowest rate since 2009 (REC).
71%	of smaller firms report hours worked by staff decreased 1-3 April, compared to w/c 23 rd March. 62% planning to furlough at least some staff (BCC).

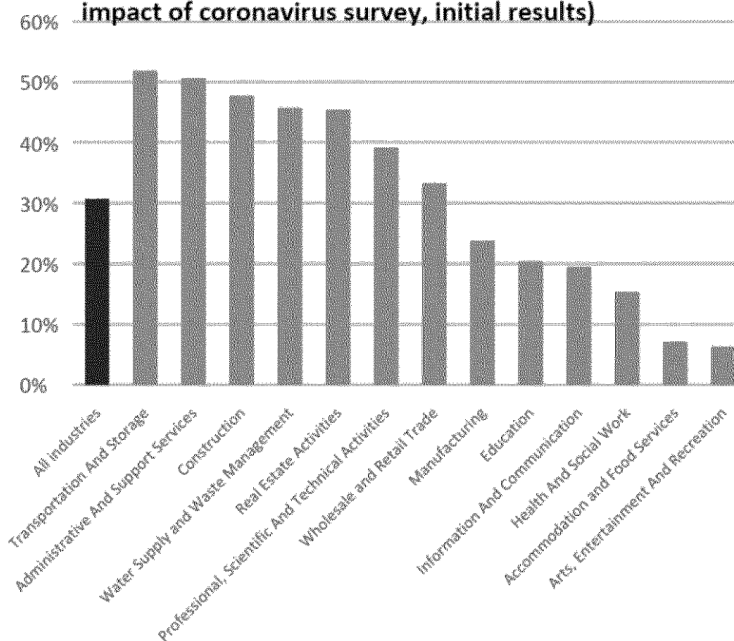
Daily Universal Credit claims (to 8th April)



31%

firms that continue to trade said that they were reducing staff levels in the short term

Proportion of trading firms that are laying off staff in the short term (23 - 5 April) (ONS fortnightly business impact of coronavirus survey, initial results)



Note: initial results, final results expected w/c 13 April; figures relate to firms that continue to trade so comparisons with Wave 1 results (9-22 March) should be treated with caution; not considered official statistics.



The longer the lockdown and the associated effects on the economy last, the more difficult it will be to avoid a persistent impact on health and society

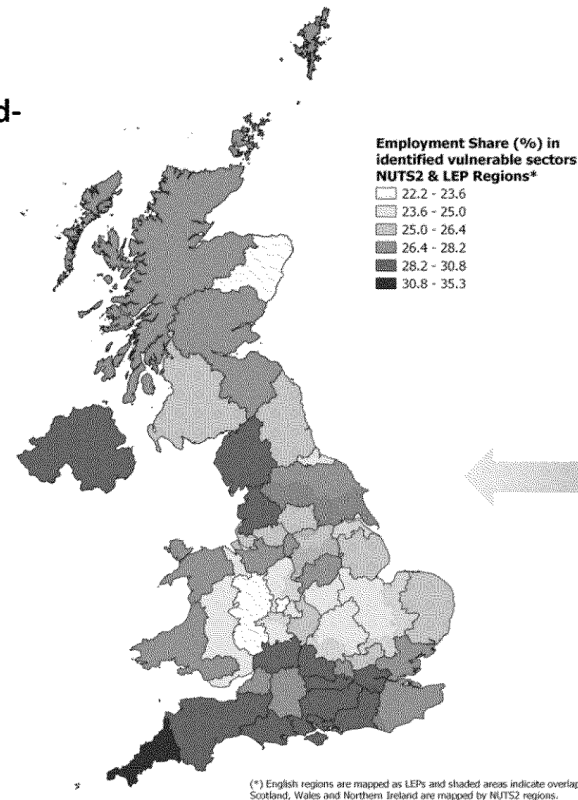
In the short term, lock down conditions can affect mental health and wellbeing

- During the crisis there has been a large reduction in **non-Covid-related healthcare**.
- There are higher rates of **loneliness** and significantly higher volumes of calls to **domestic abuse helplines** (rise of 120%).

And there would be significant longer term effects of poor economic conditions on health and society

- Resources available for healthcare will be **reduced**.
- Longer term, a 1% decrease in employment leads to a 2% rise in **chronic health conditions**.
- An economic downturn equivalent to 2008 could increase **mental health** incidence in working people by **half a million***.
- There is a well documented association between **unemployment and suicide**
- Poverty in childhood creates long-term health impacts: being born in a recession is estimated to **reduce lifespan by 5%**.
- Long run negative health outcomes likely to affect the **vulnerable most**

**Centre for Economic Policy Research, 2020*



Impacts will be felt differently across different regions - already vulnerable groups will be hit hardest

- **Initial effects** strongest in **London** (offices/construction closure) and the **North East** (auto shut down)
- As the effect spreads, already **vulnerable areas** with high reliance on affected sectors **will be affected most heavily** e.g. **South West** (tourism) & **North West** (manufacturing).
- Vulnerable areas will **struggle to bounce back**.

Note: initial results, final results expected w/c 13 April; figures relate to firms that continue to trade so comparisons with Wave 1 results (9-22 March) should be treated with caution; not considered official statistics.



...and different drivers are impacting sectors differently

For the most affected:

Mainly wider supply/demand

- Auto
- Aero
- Steel
- Oil/gas

Mainly direct measures – closed sectors

- Retail (non-essential)
- Hospitality & tourism
- Arts / Heritage
- Sport / Events
- Aviation

Mainly disproportionate messaging impact

- Consumer goods and manufacturing
- Construction
- Transport & Logistics (maritime)
- Energy

Societal impacts: Overall, social distancing measures are having a negative effect on a range of social outcomes

There are clear negative impacts on **wellbeing, children, and vulnerable people**, including those at risk of domestic abuse

Isolation and school closures are **negatively affecting workforce absences and therefore the delivery of public services**, some of which are facing **increased demand** putting pressure on local authorities and welfare - e.g. 1.3m Universal Credit claims since 17th March compared to 0.2m last year.

Social distancing measures are **exacerbating food supply problems** by increasing demand and impacting workforce

The current evidence does not allow for a full analysis of the **distributional impacts**, but across the outcomes assessed the groups worst affected include:

- Vulnerable children and young people
- School-aged children
- People in lower income groups
- Young adults (18-24)
- Women

1%

Of pupils remain in school in England, risking poor educational outcomes for the vast majority. This is significantly below the policy intent*

4%

Of vulnerable children attending school on 6th April, vs. 92% in autumn 2018

52%

Of adults staying at home report that Covid-19 is affecting their wellbeing (ONS - 5 April)

* There are a range of factors involved, but polling suggests 1/3 key workers are keeping children at home over concerns about safety, rather than not understanding the guidance (DfE)

49%

Increase in calls to the National Domestic Abuse Helpline w/c 6th April compared to an average week

278k

Eligible registrations requesting essential supplies for shielded individuals

100%

Of prisons in England and Wales operating a 'red' regime minimum service standard

Societal impacts: Social distancing measures have caused workforce shortages across key public services, negatively impacting the delivery of public services

2%

Of key workers' children are in school

Isolation and school closures are **increasing workforce absences** across police, prisons, probation, social work and benefits services **and therefore impacting the delivery of public services**.

18%

Of prison staff absent as of 8th April

DWP workforce shortages have put **pressure on the benefits system**. Overall, 43% of DWP's 70k staff were absent on 09/04 (vs average daily absence of 3.5%), including 26% of staff self isolating for 12 weeks due to vulnerable status. Against rising demand, almost 58,000 calls to Universal Credit were abandoned or blocked on 7th April compared to an average of 6,000 per day in February.

26%

Of DWP staff are self-isolating for 12 weeks

Workforces are impacted by sickness absences and the impacts of social distancing measures, particularly self/household-isolation and school closures. **Uptake of school places by key workers' children has been much lower than anticipated** - only 2% of these children are in school (although it is currently difficult to measure the impact this is having on key workers' ability to do their jobs). 32% of HMCTS staff were absent for non-illness COVID reasons as of 30th March.

35%

DfE estimate of the absence rates of social workers

Local authorities are under pressure managing additional demand for services alongside workforce and social distancing impacts. 24% of waste collection and 56% of disposal services were disrupted as of 31st March due to increased staff absence and inability to maintain social distancing at household recycling centres. There are also particular challenges in adult social care where a pre-Covid workforce shortfall of 10% is expected to increase to 12% this month, in addition to extra pressure on providers to navigate social distancing measures.

