Step 4 Impact Statement

Background

1. On 22 February 2021, the Government published the COVID-19 Response - Spring 2021, setting out the Roadmap out of the current lockdown in England and balancing this with how the Government will continue to protect and support citizens across the UK. Since then, the UK government has gradually eased restrictions by progressing through the Steps (1-3) of the Roadmap, honouring the commitment to take a cautious approach to reopening, guided by data and not dates. The purpose of this assessment is to set out the impact of moving to Step 4 of the Roadmap, summarise the assessment against the four tests outlined below and assess the amendments to the remaining regulations and guidance. As with the previous Steps, these regulations will be implemented across England.

2. Step 1A was implemented on 8 March. The epidemiological situation at that time allowed England to move to Step 1B on 28 March, Step 2 on 12 April and Step 3 on 17 May. As set out in the roadmap the move from Step 3 to Step 4 was not planned for earlier than 21 June and subjected to the four tests (outlined in the next section). However, as at 21 June, the assessment of the risks was fundamentally changed by the continued rise in B.1.167.2 cases also known as the Delta Variant and as a result Step 4 was delayed.

3. The latest SPI-M-O consensus statement[1] shows that **R in England** is between 1.2 and 1.5. These estimates reflect the latest available data up to 5 July. **The growth rate in new infections** in England is between +3% and +7% per day[2].

4. In recent weeks cases have been increasing rapidly: 135,685 people tested positive for coronavirus (COVID-19) at least once in England between 24 June and 30 June 2021, a 71% increase compared to the previous week[3] . This is the highest weekly number of people testing positive since the week ending 17 February 2021. As discussed above, the key driver for this rise is the **Delta Variant.** Updated SPI-M estimates of the increased transmissibility of Delta compared to B.1.1.7 (Alpha variant) are converging around 40% to 60%.[4] However, crucially, vaccinations have proved highly effective in reducing the risk of hospitalisation as a consequence of infection. PHE estimates that vaccination had prevented 46,300 hospitalisations up to 25th June [5] (See Figures 1 and 2).

[1] SPI-M-O 7 July 2021
[2] SPI-M-O 7 July 2021
[3] Weekly statistics for NHS Test and Trace (England): 24 June to 30 June 2021
[4] SPI-M-O 2 June 2021
[5] COVID-19 vaccine surveillance report published - GOV.UK (www.gov.uk)

Figure 1: Case numbers in England from 1 September to 7 July (GOV UK data)[6]

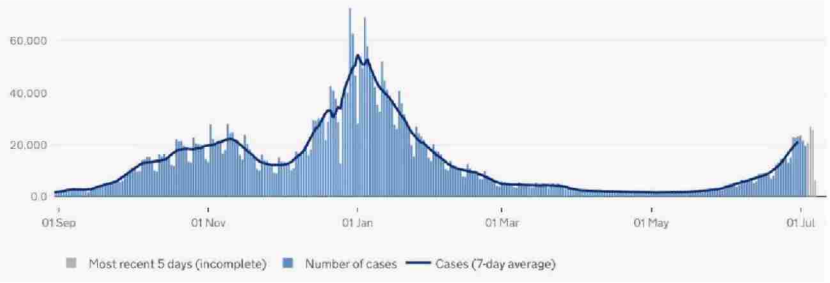
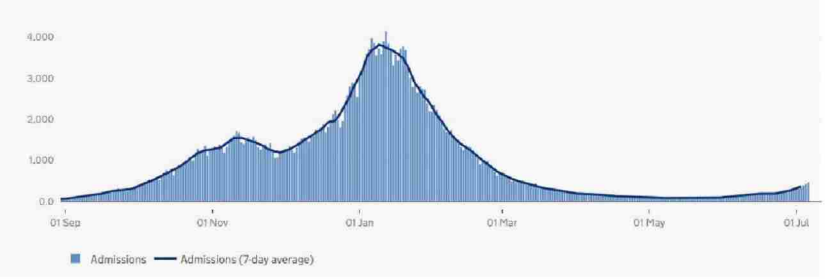


Figure 2: Hospital admissions in the England 1 September to 7 July (GOV UK data[7])



5. **Vaccination** numbers are increasing rapidly. The total number of first dose vaccines is close to 38.5 million and second dose vaccines are over 29 million; hence the total vaccinations administered in England as of 11th July is 67,618,807[8]. As part of plans to tackle rising cases of the Delta government announced appointment for a second dose vaccine to be brought forward from 12 to 8 weeks for the remaining people in the top 9 priority groups who have yet to receive their second dose[9]. On 14th June, Public Health England (PHE) published estimates of vaccines' effectiveness against hospital admission with the delta variant. For the Delta variant, vaccine effectiveness against symptomatic disease is 55% or 45% after one dose of Pfizer or AstraZeneca, respectively. After two doses, this increases to 85% for Pfizer, and 70% for AstraZeneca. One dose of either vaccine reduces hospitalisations by ~80%. A second dose boosts protection to ~95%. Protection against hospitalisation is similar for the Alpha and Delta variants[10].

6. **Long COVID** is the continuation of symptoms and the effects of COVID-19 that remain after the initial period of infection. According to the ONS, within the four-week period ending 6 June 2021, 962,000 people had self-reported long COVID of any duration in the UK. Of these, 385,000 reported having long COVID for 12 months or longer[11]. In the literature, prevalence estimates of long COVID vary widely, arguably due to differences in study design and in definitions of long COVID[12] – with one

[6] Testing in England | Coronavirus in the UK (data.gov.uk) (Accessed 9 July)
[7] Testing in England| Coronavirus in the UK (data.gov.uk) (Accessed 9 July)
[8] https://coronavirus.data.gov.uk/details/vaccinations?areaType=nation&areaName=England
[9] https://www.gov.uk/government/news/most-vulnerable-offered-second-dose-of-covid-19-vaccine-earlier-to-help-protect-against-variants (Accessed 23 June)
[10] COVID-19 vaccine surveillance reports – Public Health England, 8 July
[11] Prevalence of ongoing symptoms following coronavirus (COVID-19) infection in the UK - Office for National Statistics (ons.gov.uk)
[12] NIHR Evidence - Living with Covid19 – Second review - Informative and accessible health and care research

study suggesting that 2.3% experience symptoms lasting 12 weeks or more[13], and a more recent study suggesting that 37.7% experience at least one ongoing symptom for 12 weeks or more[14].

Rationale (Four Tests)

7. The roadmap[13] includes four steps and each step has been assessed against Four Tests before decisions on moving to the next step has been taken. The roadmap sets out that a move to Step 4 would take place no sooner than 21 June 2021 and would be contingent on the data supporting this move. After assessing the available evidence, and as a result of the concerns around the new Delta variant, the government decided to maintain Step 3 with amendments made to the Steps regulations in relation to gathering limits for life events[15], and to continue monitoring the data against the Four Tests ahead of a potential move to Step 4 on 19 July.

8. Based on Cabinet Office C19 Taskforce report[16], the assessment against the four tests is as follows:

The vaccine deployment programme continues successfully.

- Since pausing the move to Step 4 on 21 June and up until 6 July, 2,077,762 first and 2,006,574 second doses have been administered.
- The NHS projects that we will not administer a first dose to all adults by the end of July. We met our target of offering all adults a first dose early and the NHS projects there will be 67.0% second dose coverage by 19 July.
- 64.5% of adults have received two doses. Vaccine coverage is lower in London, more deprived areas, non-white ethnic groups, and care home staff.
- There is uncertainty around which population denominator is most accurate (ONS, PDS, etc.). We are currently using ONS mid-2019 estimates as they are consistent with NHSE coverage data.

Vaccines are sufficiently effective in reducing hospitalisations and deaths in those vaccinated.

- For the Delta variant, vaccine effectiveness against symptomatic disease is 55% or 45% after one dose of Pfizer or AstraZeneca, respectively. After two doses, this increases to 85% for Pfizer, and 70% for AstraZeneca.
- One dose of either vaccine reduces hospitalisations by ~80%. A second dose boosts protection to ~95%. Protection against hospitalisation is similar for the Alpha and Delta variants.
- For the Alpha variant, transmission by a vaccinated individual to household members is reduced by 35-50% (for symptomatic cases).

Infection rates do not risk a surge in hospitalisations which would put unsustainable pressure on the NHS.

- Nationally, infections have increased sharply and admissions are steadily increasing following slows in the rate of increase last week.
- The ratio of cases to hospitalisations has continued to decrease in recent weeks and is at the lowest level since the beginning of the pandemic and significantly lower than previous peaks.
- SPI-M modelling suggests that the scale of the next wave in hospital admissions is highly uncertain and extremely sensitive to behaviour change, but most modelled scenarios have peaks lower than in previous waves.

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[13] Attributes and predictors of long COVID | Nature Medicine

[14] Spiral: Persistent symptoms following SARS-CoV-2 infection in a random community sample of 508,707 people (imperial.ac.uk)

[15] https://www.gov.uk/guidance/covid-19-coronavirus-restrictions-what-you-can-and-cannot-do#history

[16] Four Test Step 4 – Final Decision Analysis Pack. Cabinet Office. 8 July 2021.

The assessment of the risks is not fundamentally changed by new Variants of Concern.

- Delta accounts for c.95% of cases in England and 98% of symptomatic cases in England. The risk Delta poses has not changed significantly since the last review (21 June).
- Variants (VoC and VUI) excluding Delta remain at a very low level.
- The Delta AY.1 mutation (provisionally assigned a VoC), has the potential for increased transmissibility and immune escape when compared to Delta. Investigation is underway.
- The risks the Delta variant poses has not changed significantly since the last review point, but has been mitigated by delaying step 4 for 4 weeks and delivering additional vaccine doses.

9. After assessing the Four Tests, **further easing is possible, and Step 4 will take place on the 19th of July.** This follows a four week pause, announced on 14 June, which as of 10 July has allowed an additional c7 million (3.5 million first and almost 3.6 million second) vaccination doses to be given. Every adult is expected to be offered a first dose, and two-thirds of adults a second dose, by 19 July[17]. The success of the vaccination rollout has paved the way for the safe and gradual lifting of restrictions. Although there is decreased vaccine effectiveness against symptomatic disease for Delta compared to Alpha, the reduction is modest, particularly after two doses. Furthermore, the relationship between cases and hospitalisation has changed; hospitalisation is at a low level currently and only starting to increase. While cases are high and rising, everybody needs to continue to act carefully and remain cautious. Hence, **guidance will remain in place** making it clear this is not yet a return to normal.

10. In addition, moving to step 4 on 19 July means relaxations coincide with the end of the school term, **take place over the summer** when more activities can take place outdoors and pressures on the NHS are less than in the autumn and winter months.

Changes to regulations - Overview

11. Step 4 eases restrictions in the following areas:

- Social contact
  - The rule of limiting meetings to six people or two households indoors and up to 30 people outdoors will no longer apply.
- Business, activities and events
  - Revoking restrictions on service of food and drink: table service requirement for customers to eat and drink while seated in certain hospitality venues and casinos, and for full table service in these venues where alcohol is served
  - Allowing the reopening of closed businesses: nightclubs, dance halls, discotheques, dance floors/spaces for dancing, sexual entertainment venues/hostess bars, and shisha bars
  - Allowing large events, no longer limiting indoors activities to 1,000 or 50% capacity, outdoors seated to 10,000 or 25% and other outdoors to 4,000 or 50% capacity.
  - These changes will bring an end to limits on social contact and social distancing, meaning there will be no restrictions on indoor or outdoor gatherings. Weddings, funerals and other life events able to take place without limits or restrictions.
- Face coverings
  - Lifting the legal requirements to use face coverings[18]. Guidance will advise that wearing a

[17] Moving to step 4 of the roadmap. July 2021

[18] Face Coverings (Public Transport) Regulations and Face Covering (Relevant Place) Regulations.

face covering may reduce your risk and the risk to others, where you come into contact with people you do not normally meet in enclosed and crowded spaces. Some transport operators and other businesses may decide to retain their use as a condition to entry; they are allowed to do so, as long as they take into consideration their existing legal obligations such as the Equality Act 2010. However, Government guidance will make it very clear that those who have a reasonable excuse are not required to wear a face covering. Public facing guidance will state that "COVID-19 spreads through the air by droplets and aerosols that are exhaled from the nose and mouth of an infected person. The Government expects and recommends that people wear face coverings in crowded areas such as public transport".

- Collection of contact details
  - Revoking the requirements for designated venues to display an NHS QR code and collect certain contact details from customers, visitor and staff to share them with NHS Test and Trace.

12. In addition to the changes on regulations, Step 4 includes amendments to government guidance:

- 2m/1m plus social distancing rules
  - It will no longer be required in social setting. There are limited exemptions: health and care settings will continue to maintain appropriate infection prevention and control processes as necessary and this is continually reviewed; guidance will be updated based on the latest clinical evidence this summer. Furthermore, for individual settings where the risks of rapid spread are particularly acute, Directors of Public Health, in consultation with setting operators and relevant departments, will be able to advise that social distancing is put in place if necessary, to control outbreaks; this should be targeted, time limited, and apply to settings characterised by enclosed and vulnerable communities such as prisons, immigration removal centers and homeless shelters.

- Working from home
  - It will no longer be necessary on public health grounds for people to work from home, i.e. Government is no longer instructing people to work from home if they can, however Government expects and recommends a gradual return over the summer[19]. Employers will have the capacity to update working arrangements and implement changes in line with latest guidance. Working Safely guidance sets out a range of mitigations employers should consider when doing this, including: cleaning surfaces that people touch regularly, identifying poorly-ventilated areas in the venue and taking steps to improve air flow, ensuring that staff and customers who are unwell do not attend the workplace or venue, displaying QR codes for customers wishing to check-in to the venue, etc. Employers should communicate to staff and customers the measures they put in place. Employers continue to have a legal duty to consider requests for flexible working arrangements, this duty predates the pandemic.

- NHS COVID Pass
  - Encouraging and supporting organisations in higher risk settings to use the NHS COVID Pass as a condition of entry, in order to reduce the risk of COVID-19. This will especially be the case in large crowded settings where people are likely to be in close proximity to others outside their household. The Government reserves the right to mandate certification in certain venues at a later date if necessary.

[19] Moving to step 4 of the roadmap. July 2021

13. The following impact assessment also assesses the expiry date of the No. 3 Regulations being extended until the end of 27 September and the Local Authority Enforcement Powers (LAEP) Regulations being revoked so they are no longer in force, from the end of 18 July.

Response to Regulatory Changes

14. Removing these restrictions will permit life to return to close to pre-pandemic levels. However, **it is not clear how individuals and businesses will respond to the removal of restrictions** and, indeed, how this may change over time. There are several reasons why we may not observe a complete return to pre-pandemic behaviour.

15. First, businesses have adapted to deal with pandemic restrictions and some of these **innovations will remain** as they may be perceived as good for customers, staff or productivity (including general health and safety). Furthermore, it is anticipated that some businesses will continue to implement **infection control measures** if they consider them to be beneficial to manage risk or to encourage customers or staff to attend in person. Hence, they may choose not to return to previous arrangements or capacity, and so the recovery of turnover and Gross Value Added could be slower. Furthermore some businesses may be concerned about high costs if restrictions are re-introduced so may opt to continue the measures currently required by law rather than remove these and reintroduce them later.

16. Secondly, there is an expectation that people will continue some protective behaviours after the easing of restrictions on 19th July. According to recent YouGov polling[20]: 61% say they will continue to wear a **face covering** on public transport at least some of the time and 72% say they will continue to wear a face covering in shops at least some of the time. Although intended use of face coverings and social distancing is high, around two thirds of respondents think that most other people will stop these behaviours. In terms of maintaining social distancing measures, 79% say they will continue to keep at least **1 metre distance** from people. With respect to individuals returning to workspaces, 10% say they will continue to **work from home** all of the time, 15% some of the time, and only 3% say they will stop working from home (66% are not working from home or the question was not relevant to them). In addition, it is reasonable to assume that, as case rates go up the number people that need to isolate will increase, and this will lead to wider impact on behaviours, e changing the sort of activities people engage with to avoid those settings perceived as riskier.

17. Furthermore, **belief in the effectiveness of key measures** in slowing the spread of the virus remai high. YouGov polling from 9th July shows many to think that the relaxation is happening too quick 62% of respondents think it is too soon to ease rules on face coverings and 50% that it is too soon lift all social distancing rules. This was supported in smaller focus groups (7th July), where son participants expressed a preference for a more gradual easing[21].

18. Nevertheless, and although **reported intentions for some behaviours are high, we expect to see gap between intentions and actual behaviours.** This gap has been observed throughout t pandemic thus far. In the latest BMG data[22]: Two thirds of people (67%) claim they would self-isola if they became symptomatic. However, only a third of people who developed symptoms in the pa ten days, and did not receive a negative test result, reported completing a full self-isolation peri

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[20] Unpublished – INTERNAL USE ONLY

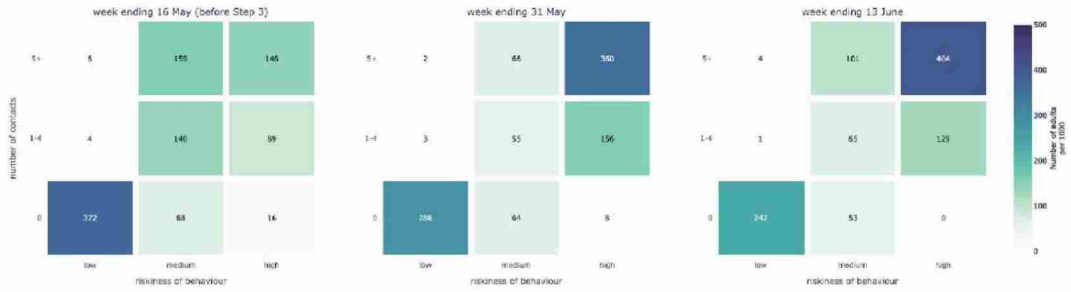
[21] Unpublished – INTERNAL USE ONLY

[22] Britain Thinks for CO Insight Evaluation and Behavioural Science team, four focus groups in England, 6 Ju 2021. Unpublished – INTERNAL USE ONLY

(32%). In addition, more than two thirds of people say they would request a test if they developed symptoms (69%) but less than a third of those who experienced symptoms reported taking a test (29%). We might expect to see a smaller gap for some behaviours that have a lesser effect on people's lives than others, such as wearing face coverings in some settings.

19. Overall, every Step of the roadmap seems to have had an influence on the **degree of risk** taking by individuals. Figure 3 shows how in Step 3 the public has behaved in riskier ways than earlier in the Roadmap or expected. For example, not maintaining social distancing, meeting indoors, and spending longer than 30 minutes when meeting someone.

Figure 3: ONS Opinions and Lifestyle Survey[23]



20. However, at the same time, data from Comix[24] shows that **the number of contacts** made by adults has remained broadly flat from late April / early May 2021 to date, hence Step 3 had a limited impact on the number of contacts.

21. Focus group participants[25] reported few big plans to change personal behaviour post-step 4, with many saying they will wait and see how other people behave. While some will make the most of the new freedom, others feel they will retract from more public spaces or only visit certain settings where they see controls in place. Hence, the unpredictability around behavioural adjustments after Step 4 implies a significant degree of **uncertainty on the magnitude of the costs and benefits captured in this Impact Statement**.

22. Furthermore, behavioural adjustments may vary across society. Individuals rarely come to their understandings alone or through private contemplation and calculation. Rather, they draw on socially shared understandings that are current in their communities and society. Consequently, different communities may see a phenomenon in different ways. Social groups have shared norms for how one should respond to risks. For example, some ethnic minority groups have been historically exploited or neglected by medical authorities which can lead them to regard vaccination

[23] Office for National Statistics, GB: Opinions and Lifestyle survey, 16 June 2021, unpublished – INTERNAL USE ONLY

[24] https://cmmid.github.io/topics/covid19/comix-reports.html

[25] Britain Thinks for CO Insight Evaluation and Behavioural Science team, four focus groups in England, 6 July 2021. Unpublished – INTERNAL USE ONLY

in terms of control rather than public health[26]. Therefore, **the assessment of the impacts also presents uncertainty in terms of different impacts across different groups.**

23. **Government's five point-plan**[27], aims to support individuals and business to manage the risk of living with the virus by: 1) reinforcing the country's vaccine wall of defence, 2) enabling the public to make informed decisions, 3) retaining proportionate test, trace and isolate plans, 4) managing risks at the border and support a global response and 5) retaining contingency measures.

Counterfactual

24. For simplicity, the counterfactual used when considering the impacts of Step 4 is remaining in Step 3, i.e. our assessment is compared to a scenario with stricter measures. However, the current Steps regulations[28] has an expiry date of 18 July and therefore new regulation would be required in order to remain in Step 3. As part of Step 4, the regulations requiring collection of contacts details by venues for NHS T&T purposes has been revoked; to evaluate its impact, we also use as a counterfactual the stricter measures that applied in Step 3.

25. When evaluating the impacts of extending the No. 3 Regulations and revoking the Local Authority Enforcement Powers (LAEP) Regulations the comparisons are made with respect to letting the regulations fall under the current expiry date of 18 July.

Impacts of Step 4

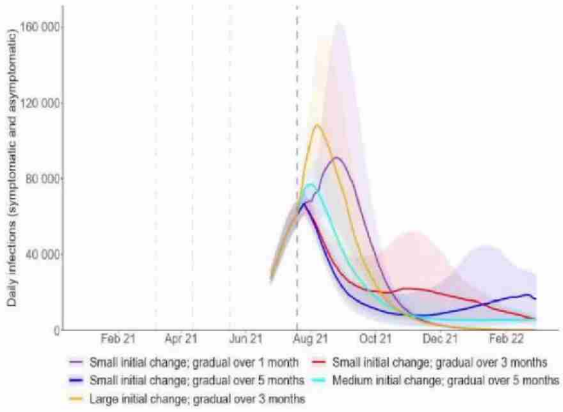
COVID-19 cases and related health costs

26. Easing restrictions is likely to result in an increase of infection rates. This section discusses the mechanisms through which this could happen and considers the potential magnitude of effect and the uncertainty around this.

27. Step 4 results in a significant easement of social distancing measures which permits social contacts indoors and outdoors to increase which would therefore **increase the amount of transmission**. The magnitude of this increase is unclear. As discussed above, the increase in social contact as a consequence of relaxing the measures is highly uncertain and so the impact on the number of cases. Figure 4 presents the Warwick model[29], which considers a range of scenarios in terms of return to pre-pandemic behaviours; very small changes in the assumed behaviour lead to very different epidemic trajectories. The model produced by the Imperial College London reaches similar conclusions: the peak is significantly smaller and a more gradual change in behaviour extends and flattens the peak.

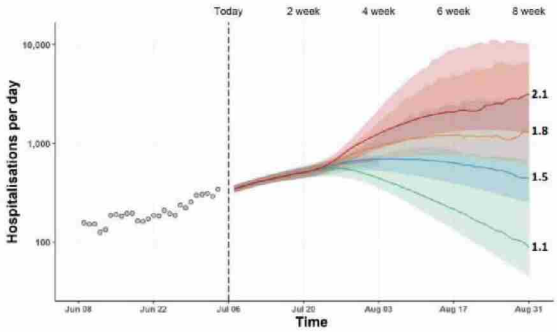
[26] SPI-B: Sustaining behavioursto reduce SARS-CoV-2 transmission, April 2021
[27] Moving to step 4 of the roadmap. July 2021
[28] COVID-19 Response – Spring 2021.
[29] SPI-M-O: Summary of further modelling of easing restrictions – Roadmap Step 4 on 19th July 2021

Figure 4: Warwick Model – Estimated number of infections in England.



28. The latest SPI-M-O modelling[30]provides a medium-term forecast of the **number of hospitalisations** (Figure 5). The predictions represent a scenario in which the trajectory of the epidemic continues to follow the trends if no further changes in behaviour or policy take place. The scale of the next wave in hospital admissions is highly uncertain. While most modelled scenarios have peaks lower than in January 2021, a resurgence of this scale of hospitalisations cannot be ruled out. The models from Warwick, Imperial College London and LSHTM also present different scenarios for hospital admissions; these scenarios highlight the uncertainties of the impact on hospitalisations as a result of Step 4. Name Redacted assumption of all the models is the effectiveness of the vaccine against hospital admissions.

Figure 5: New hospital admissions per day, eight-weeks scenario reflecting the possible impacts of the easements from the 19th of July.



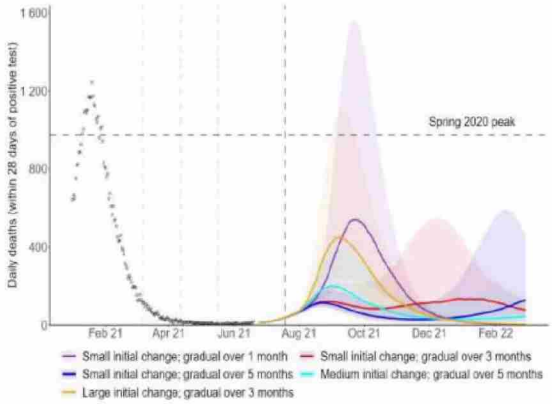
29. According to Warwick modelling, under a medium scenario[31] **daily deaths** will have a resurgence in late August, before dropping off over the course of winter 2021. Figure 6 shows Warwick scenarios in more detail. It is almost certain that, with the delta variant dominant, the peak in deaths will be

[30] SPI-M-O: Summary of further modelling of easing restrictions – Roadmap Step 4 on 19th July 2021

[31] Medium drop in precautionary behaviour from 19th July then gradual reduction to pre-pandemic levels over five months

well below the levels seen in January. LSHTM's model suggests (in the scenario with the least effective mitigating behaviours) deaths around half the number observed in January.

Figure 6: Warwick modelling estimates of deaths in England as estimated under five different behavioural scenarios[32]



30. Furthermore, a significant increase in prevalence as a result of easing of restrictions is likely to have a direct impact on the number of individuals suffering from **Long Covid**[33]. This may have implications in terms of pressures to the NHS in the medium-long run as well as an increased health burden, particularly in younger people. However, the success of the vaccine program may partially mitigate the impact: double vaccination further reduces the risk of developing long COVID by up to 30% amongst those who still go on to contract COVID-19[34].

31. **The reopening of large events** will likely have an impact on transmission of COVID-19, with the risk of transmission depending on behavioural and environmental factors. The highest risks of transmission occur at indoor events with large numbers of people mixing in close proximity, and where there is less effective ventilation. The Events Research Programme phase 1 findings report[35] very low take-up of post-event PCR tests, but of those returned there were 28 PCR-positive cases recorded, with 11 considered potentially infected before the event and 17 at or after an event. However, due to the low PCR take up (24% 1-3 days post-event and 28% 4-7 days post-event, with just 15% returning both), there is potential for the actual transmission rate to be higher than reported. Furthermore, the pilot events took place with other restrictions in place at the time, and additional measures in venues. Therefore, it may not accurately represent what will happen when events reopen as other restrictions are removed. For example, compliance with social distancing and face coverings was high where required. At the same time, the risk may be mitigated by Government

[32] SPI M consensus statement Figure 5: Purple – small drop in precautionary behaviour from 19th July then gradual reduction to pre-pandemic levels over one month; Red – as purple, but gradual reduction to pre-pandemic levels over three months; Blue – as red, but gradual reduction to pre-pandemic levels over five months; Orange - large drop in precautionary behaviour from 19th July then gradual reduction to pre-pandemic levels over three months; Cyan - medium drop in precautionary behaviour from 19th July then gradual reduction to pre-pandemic levels over five months)

[33] Ninety-third SAGE meeting on COVID-19, 7 July 2021. Point 9

[34] Post-vaccination SARS-CoV-2 infection: risk factors and illness profile in a prospective, observational community-based case-control study

[35] Events Research Programme: Phase I findings.

encouraging businesses and large event to use NHS COVID Pass in high risk settings to help to limit the risk of infection; the impact will depend on the uptake rates.

32. SAGE evidence[36] concerning **face coverings** points to a number of large-scale studies and reviews from data in other countries. These suggest effectiveness very heterogeneous depending on the setting and individuals. Analysis suggests typical reductions in transmission for previous variants of the virus in real-world scenarios, which account for both physical filter performance and behaviour, are around 6-15%[37]; but could be as high as 45% depending on the implementation strategy[38]

33. A large proportion of the observed reduction in contacts is the result of people **working from home.** The CoCoNet survey[5] found that those participants who were going to work had significantly more non-household contacts (3.04-3.68 times higher) than those working from home. It is reasonable to assume that a change on government advice, will result in an increase on the number of people returning to their workplace, and so a rise on the number of contacts, increasing the risk of transmission and therefore increasing the number of COVID-19 cases. The REACT survey from Imperial College London[39] has also shown working from home to reduce the chance of catching COVID-19; being 54% to 76% less likely to test positive for SARS-CoV-2 compared to those that did go to their place of work.

34. It will no longer be required for designated venues **to collect certain contact details from customers, for the purpose of contact tracing to be shared with NHS T&T.** This is likely to have a negative impact on the system capability to trace those that have been exposed to a positive case, and so may have a negative impact on transmission rates and total number of cases. However, the impact may be partially mitigated by the NHS Covid-19 app[40], which records close contacts and contacts those exposed to a positive cases, requiring them to self-isolate.

35. On the top of higher number of infections, the relaxation of the measures also increases the risk of **new variants of concern appearing[41]**. In the event of a vaccine escape, this may have implications for the current weakened link between cases and hospitalisations.

Non-COVID-19 physical health impacts

36. **Other infectious diseases** have seen their numbers decrease partially as a result of the measures imposed to control the spread of Covid-19. Data from the ONS shows that deaths from influenza and pneumonia are lower in 2020 compared to the 5-year average[42]. This trend has been the same in other countries, such as the US[43]. By relaxing social distance measures, we expect an increase in other infectious diseases, causing a negative health impact on the wider society in the short term.

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[36] SAGE 87, Social Distancing note, paper 7b: "Considerations in implementing long-term 'baseline' Non-Pharmaceutical Interventions (NPIs) , 22 April 2021
[37] B. Cowling and G. Leung, Eurosurveillance, 25(49), Dec 2020
[38] Mitze T, et al. Proc Natl Acad Sci USA. 2020;202015954
[39] 30 Jun SPI M consensus statement
[40] https://www.covid19.nhs.uk/ (Accessed 12 July)
[41] Ninety-third SAGE meeting on COVID-19, 7 July 2021. Point 9
[42] Deaths due to COVID-19 compared with deaths from influenza and pneumonia. ONS (October, 2020)
[43] Estimated Influenza Illnesses, Medical visits, Hospitalizations, and Deaths in the United States — 2019–2020 Influenza Season | CDC

The extent of this is difficult to predict and will depend on other factors such as infectious advantage of Covid-19 over third respiratory infectious disease, or the population profiles being at risk.

37. A consequence of the pandemic is the increasing preference of private transport options over public ones[44]. Hence, it is likely that changes in mobility will also increase the negative impact of **air pollution on health**, air pollution has remained lower than pre-pandemic levels during some periods of 2020[45]. Furthermore, road travel throughout the majority of the pandemic has been below historical levels[46]. With working from home advice discontinued and venues such as nightclubs reopening, the policy is likely to be associated with a greater risk of death or seriously injury in road collisions[47]. However, the magnitude of the change as a result of Step 4 is unclear.

38. Whilst the guidance to work from home remained in place, those able to work from home may have **been able to substitute time which would be spent on commuting to the workspace on other activities, such as exercise or sleeping patterns.** Brand et al (2020) finds that 44.2% of the participants reported no change in exercise during the first national lockdown, 23.7% reported a decrease, and 31.9% reported an increase in their exercise frequency during the coronavirus pandemic. Whilst it is difficult to attribute this specifically to commuting, the results show that for the majority of people, the lockdown restrictions did not lead to decrease in exercise levels. By removing the guidance to working from home, exercise levels may reduce.

39. Changes due to the pandemic have also had an impact on **sleep patterns** and sleep duration: Pinto et al (2020)[48] finds home confinement without working was associated with difficulties falling asleep and waking up too early in the morning. As the end of the of the restrictions enables people to return to work (see discussion above), this is likely to be associated with positive sleep outcomes, and subsequently positive wellbeing impacts[49].

40. Similarly, research by Ingram et al (2020)[50] suggests that COVID-19 related stress may have led to a change to less-healthy **eating habits**, particularly for those reporting a change in employment status. Those who are allowed to return to work as a result of Step Name Redacted therefore make improved choices related to diet. More broadly, the pandemic has contributed to changes in eating habits. A recent IFS study in conjunction with the Nuffield Foundation has shown that 90% of British households consumed extra calories during the pandemic[51]. These behaviours will have been as a result of the pandemic as well as restrictions and so it is impossible to say at the current time how Step 4 will change food consumption and its associated health impacts.

41. The reopening of nightlife is likely to imply a rise in risky behaviours for certain groups, leading to a potential increase of **sexually transmitted diseases (STD), as well, as drugs misuse, smoking**

[44] Transport use during the coronavirus (COVID-19) pandemic - GOV.UK (www.gov.uk)
[45] UK Environmental Accounts - Office for National Statistics (ons.gov.uk)
[46] Department of Transport (2020) Transport use during the coronavirus (COVID-19) pandemic
[47] Road casualties reduced significantly when restrictions were introduced and vehicle numbers fell: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/956524/road-casualties-year-ending-june-2020.pdf
[48] Sleep quality in times of Covid-19 pandemic - ScienceDirect
[49] Changes in sleep pattern and sleep quality during COVID-19 lockdown (nih.gov)
[50] Frontiers | Changes in Diet, Sleep, and Physical Activity Are Associated With Differences in Negative Mood During COVID-19 Lockdown | Psychology (frontiersin.org)
[51] https://ifs.org.uk/publications/15503

behaviour and alcohol intake. Pavarin et al (2020)[52] investigates substance consumption styles during the COVID-19 lockdown for socially integrated people who use drugs, finding that during the lockdown there was a reduction in consumption and expenditure on illegal substances (cocaine, MDMA, ketamine) and alcohol (spirits). With the reopening of many venues which were previously closed during the first COVID-19 lockdown and subsequent tiering regulations, there may be an increase in consumption of these substances and alcohol.

42. Beyond this population there have been changes in behavior around **alcohol and substance use** during the pandemic which has led to a higher level of alcohol-specific deaths (19.6% increase in 2020 compared to 2019[53]) and drug deaths (April 2020 to February 2021 death rate of opiate users was 13% higher than the preceding five years[54]). The removal of restrictions in Step 4 and the extent to which this brings us back to "normality" may reduce some of these impacts, particularly in so far as people who opted not to access medical care at the peak of the pandemic may now choose to do so.

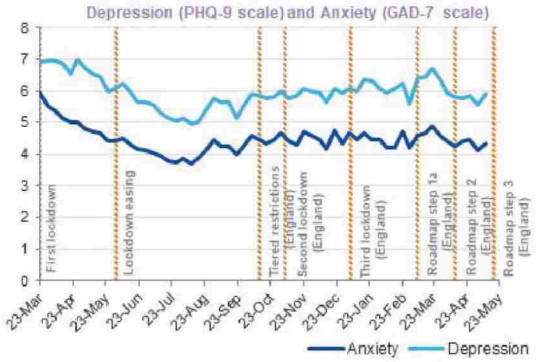
Mental health impacts and impacts on people's wellbeing

43. **It is unclear what the overall impact of Step 4 will be on mental health.** It is likely to impact different groups of the population in different ways: some directly through the increase in freedom and some indirectly through increased risk or perception of increased risk.

44. Step 4 will include a removal of all legal limits on social contact and the reopening of remaining premises, including nightclubs. As we reach the final stages of lifting restrictions, the positive impacts on mental health from this change are likely to be felt to a lower extent. When Step 1B (29 March) implemented the Rule of Six or two households, it was the Step likely to have had the most significant impact, as previously, individuals could only meet one other person outdoors for a coffee or exercise. Figure 7 shows that following Step 1, anxiety and depression scores shot up before reducing significantly. However, in the week following Step 2, anxiety and depression scores remained fairly stable. Comparatively, allowing big groups to meet, may have a relatively small positive impact on mental health, following the law of diminishing marginal utility and the fact that individuals tend to have smaller social networks. **THE APPG community survey[55] finds that** 85% of respondents considered nightlife industries as 'important' for their mental health, highlighting that mental health could improve for some groups as nightlife reopens in Step 4.

Figure 7: Depression and Anxiety scores from 23 Mar to 23 May 2021[56]

[52] Substance consumption styles during the COVID-19 lockdown for socially integrated people who use drugs: Journal of Substance Use: Vol 0, No 0 (tandfonline.com)
[53] Quarterly alcohol-specific deaths in England and Wales - Office for National Statistics (ons.gov.uk)
[54] PHE National Drug Treatment Monitoring System (unpublished)
[55] APPG-Inquiry-Covid-19-and-UK-Nightlife-no-watermark.pdf (fife.gov.uk)
[56] ABCD slides



45. The biggest impact on mental wellbeing may be felt due to the **perception of the exceptional pandemic circumstances decreasing, and so the associated stress and anxiety levels -** as people will be able to enjoy social encounters to a greater extent. However, it is unclear whether that would be the case for all the population; **certain segments of the population may see their mental wellbeing worsened due to an increased perception of risk**, in particular, as the infections rates and Covid-19 prevalence increase. It is unclear the extent to which the opportunities for socializing outdoors, given the summer period, may impact the risk perception and associated anxiety.

46. Anecdotal evidence shows that mental health may worsen for some individuals as they have **to adjust to the easing of restrictions** with more social contacts.[57] At the same, time research done by the NIHR Health Protection Unit[58] finds that around half of survey respondents are keen for "normal" life to return and have few if any concerns around easing restrictions. Of the other half of respondents, 34% reported concern around restrictions and believe public health would be compromised by easing, whilst 14% were content with life under lockdown and would prefer to keep things the way they are. YouGov polling[59] shows that older people in particular were more likely to continue following social distancing even if it were lifted on 19th July.

47. **Those who have not received a vaccination,** or those who have underlying conditions which make the vaccine less effective (for the majority of those with underlying health conditions the vaccine is as effective[60]), may feel particularly concerned [redacted]his could affect both their mental health and their physical health if they choose to isolate to minimize their risk of catching the virus. Survey evidence from those not vaccinated indicates underlying health issues and worries about safety and side effects are common reasons for not taking a vaccination, though there are also [61][redacted]

48. Under Step 4, the regulations underpinning the use of **face coverings** will be revoked, although certain settings may request their use under their conditions of entry. Research[62] shows that face covering restrictions may not only protect against the COVID-19 but also increase the level of

[57] BBC - The Social - 'Post-Lockdown Anxiety': Not everyone is excited about restrictions easing; Lockdown ending could trigger anxiety for many, say UK charities | Society | The Guardian

[58] NIHR DGA(21)143 20210107 Behavioural Sitrep - OS

[59] 01072021 YouGov daily note

[60] COVID-19 vaccines highly effective in most people in clinical risk groups - GOV.UK (www.gov.uk)

[61] Reasons for not getting the vaccine (England). Latest data 2nd June, sample size c.930 (low confidence). Source: YouGov (unpublished)

[62] Psychopathological responses and face mask restrictions during the COVID-19 outbreak: Results from a nationwide survey (nih.gov)

perceived self-protection as well as the level of social solidarity and thereby improve mental health wellbeing. Altshul et al (2020)[63] also finds face covering adherence is positively associated with better mental health and wellbeing. Therefore, by removing the requirement to adhere to face mask usage, mental health outcomes may worsen for some individuals. At the same time, those that felt anxious about their use, but did not have a clinical exception not to wear them, will see their stress level reduced. Self reported studies[64] find that with few exceptions, participants reported that face coverings negatively impacted hearing, understanding, engagement, and feelings of connection with the speaker.

49. **As the guidance to work from home is removed**, individuals may see impacts on mental health outcomes. Clark et al (2020)[65] finds that when commute time increases, stress increases and mental health worsens. Working from home is shown to be associated with increased job satisfaction and leisure time satisfaction, indicating benefits of working in this way for those for whom this is possible. At the same time, some segments of the population may benefit from returning to the workplace. ONS survey data[66] finds that those who are in older age groups report more positive perceptions of working from home than younger age groups, which may be as a result of additional responsibilities in these age groups, such as childcare. In addition, those in poorer socioeconomic backgrounds may suffer from worse of household conditions, benefiting from the return to workspaces to a higher extend. It is not clear what level of home working will persist once the guidance changes. Current indications are that many firms may adopt hybrid models of home and office working; a large proportion (36%) of those currently homeworking thought they would spend the majority or all their time homeworking in the future[67]. Ultimately, however, this will be at the discretion of the employer.

50. Under Step 4, remaining premises, including nightclubs, and social distancing restrictions that apply in Step 3 would be eased. Consequently, it is likely that a number of jobs would be created and so the number **of people on furlough** is expected to reduce, which may lead to a positive health impacts as returning to work can have a direct mental health benefit and also reduce financial worries. However, this impact may be marginal: Cook et al (2020)[68] finds that despite furloughing significantly increasing the likelihood that a worker expects their financial situation to worsen, it does not appear to have affected mental wellbeing. Burchell et al (2020)[69] similarly finds that those who remain part-time employed before and during the COVID-19, those who are involved in furlough job retention scheme or transition from full-time to part-time employment are all found to have similar levels of mental health as those who continued to work full-time.

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[63] Face covering adherence is positively... | Wellcome Open Research

[64] Saunders, G. H., Jackson, I. R., & Visram, A. S. (2020). Impacts of face coverings on communication: an indirect impact of COVID-19. International journal of audiology, 1-12.

[65] How commuting affects subjective wellbeing | SpringerLink

[66] "Business and individual attitudes towards the future of homeworking, UK - Office for National Statistics (ons.gov.uk), Figure 10

[67] Business and individual attitudes towards the future of homeworking, UK – Office for National Statistics (ons.gov.uk)

[68] delivery.php (ssrn.com)

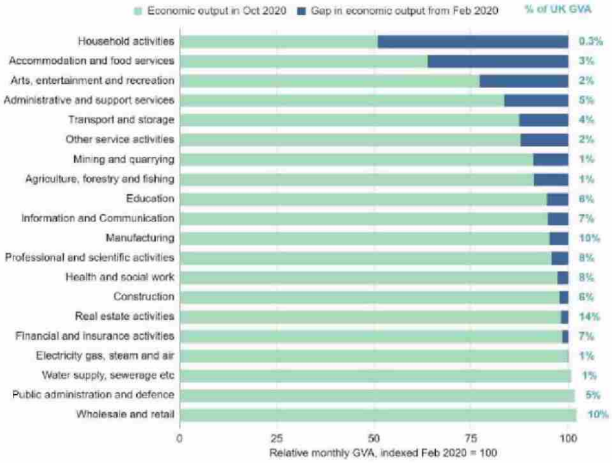
[69] Cut hours, not people : no work, furlough, short hours and mental health during COVID-19 pandemic in the UK - University of Salford Institutional Repository

Economic Impacts

Impacts on the sectors

51. As part of Step 4 those sectors that have been harder hit by **social distancing measures** as shown in figure 87 (e.g. hospitality) will likely benefit the most, as many of them are currently operating below their break-even capacity, especially nightclubs which have not yet reopened. As expected, existing Covid-19 restrictions have impacted sectors differently. An industry survey found that retaining 1m+/2m social distancing is expected to reduce revenues by c.40% compared with pre-Covid levels[70]. Revenues present a clear correlation with the stringency of social distancing measures: industry bodies, for example, have estimated that outlets in the hospitality sector could make only 30% of pre-COVID revenues with 2m distancing, as opposed to 60-75% at 1m[71]. ONS data shows the accommodation and food sector is operated at 42.7% of its 2018 value in March 2021. Whilst this has increased to 61.5% in April 2021 as more hospitality venues open up, this is still significantly below its pre-pandemic peak[72].

Figure 8: Gross Value Added (GVA) in October 2020 relative to February 2020[73]



52. Secondly, as part of Step 4, the **remaining premises not yet open at Step 3 (such as nightclubs) will reopen**, which may provide a boost to the wider economy [74]. Research[75] shows that the night-time economy, a significant proportion of which remained closed or working below capacity in Step 3, accounted for at least 8% of the UK's employment and annual revenues of £66bn. Crucially, a reopening of the night-time economy could have multiplier effects on the rest of the economy: the Centre for Economics and Business research find[76] that for every £1 in turnover generated by the arts and culture industry, in which nightlife is a central part, supposes an additional £1.17 in output in the wider economy. UK Music also estimate that for every £10 spent in a live music venue, a further £17 is spent in the local community. In the second half of 2020, businesses in the night time

[70] In depth: Covid-19 and place-based inequalities, Cabinet Office.
[71] Social Distancing slidepack – Slide 53
[72] Monthly gross domestic product by gross value added - Office for National Statistics (ons.gov.uk)
[73] HMT via ONS Monthly GDP by GVA. Available from: Monthly gross domestic product by gross value added - Office for National Statistics (ons.gov.uk) (accessed 11 June 2021)
[74] NTIA
[75] APPG-Inquiry-Covid-19-and-UK-Nightlife-no-watermark.pdf (fife.gov.uk)
[76] APPG-Inquiry-Covid-19-and-UK-Nightlife-no-watermark.pdf (fife.gov.uk)

economy traded at an average of 28% of their annualised pre-Covid turnover, illustrating that supply has been strongly constrained in this sector.

53. However, **the extent of the impact of allowing businesses to operate at full capacity will depend on the recovery of consumer demand.** Whilst some indicators suggest demand is rising, it still remains short of pre-pandemic values: ONS data[77] finds the percentage of currently trading businesses that reported turnover was lower than normal has continued to fall, from 65% in June 2020 to 30% in early June 2021. It is possible that the financial savings made by certain segments of the population as a result of NPIs will support a recovery of demand going forward. The Bank of England suggest that consumer spending is rising materially as restrictions ease, and as worries about health are reduced. They find that consumption is supported by households running down around 5% of the additional savings they have accumulated while spending on some activities have been restricted (the Households' saving ratio was 19.9% in Q1 2021)[78]. The Resolution Foundation found that in June 2021, 17% of people who have seen their savings increase plan to use them for increased spending.[79] The Office of Budget Responsibility (OBR) expects households to 'treat' themselves' and spend some of their savings after restrictions are lifted.[80]

54. Businesses may accommodate new consumer preferences with respect to social distancing and COVID-19 safety measures. These may lead to **disparate impacts within sectors**. For example, in hospitality, those with space and seating may see the recovery of their activity to a higher extent compared those reliant on large events and requiring tightly packed customers, as people may be reluctant to return to these settings. Furthermore, the extent to which capacity can be adjusted to any shift of consumer preferences is constrained by the nature of the activity and depends on the setting. Libraries, cinemas, museums, and accommodation report being unviable with 2m guidelines but might be able to operate at 1m. Whereas, 1m+ distancing means firms reliant on audiences or spectators at large music and sporting events continue to be at risk [81].

55. Step 4 is likely to have **a positive impact on employment.** Sectors most affected by social distancing restrictions have furloughed large proportions of workers. Accommodation and food services presented a 27% furlough take-up and Arts, entertainment and recreation a 24%, compared to other sectors like Finance and Insurance or Manufacturing for which only represents the 2% and 8% respectively [82]. In addition, those sectors tend to be intensive in the use of labor force. For instance, the hospitality and entertainment sectors made up 3.4 million jobs in 2020 which have typically been restricted since the end of last year[83]. The largest drops in payrolled employees since Covid-19 were seen in hospitality, entertainment and retail totalling around 660,000[84]. [Nightlife, individuals] [85] Research conducted in 2020 finds that 78% of all employees in the sector had at some point been on furlough

[77] Business insights and impact on the UK economy - Office for National Statistics (ons.gov.uk)
[78] Households' saving ratio (per cent). ONS (30 June 2021)
[79] The Living Standards Audit 2021, The Resolution Foundation (1 July 2021)
[80] Economic and fiscal outlook OBR (March 2021)
[81] SD slidepack – Slide 51
[82] Coronavirus Job Retention Scheme statistics: December 2020. ONS (17 December 2020)
[83] 2HMT via ONS Employee jobs & Self-employment jobs
[84] SD review slide 48
[85] APPG-Inquiry-Covid-19-and-UK-Nightlife-no-watermark.pdf (fife.gov.uk)

56. With guidance on working from home being adjusted, we expect to see **changes in footfall in England's city centres**. The Centre for Cities high street recovery tracker[86] shows, relative to a pre-lockdown baseline of 100, the number of city-center workers in the city in the daytime on weekdays was around 17% at the end of May 2021. They also show that offline spending in city centers was around 80% of pre-pandemic levels. This is likely to improve as people return to workplaces, particularly for the hospitality sector. However, there are likely to still be some permanent changes in where people work from. The ONS[87] report that 9.2% of businesses in England do not expect their workforce to return to their normal place of work and 15.7% to not return in the next 6 months. Additionally, they find that only 60.7% of businesses expect more than 75% of their work force to return to their normal place of work in the period they selected. Therefore, the impact on city-centers and places of high-density workers will likely persist beyond the changes in regulations.

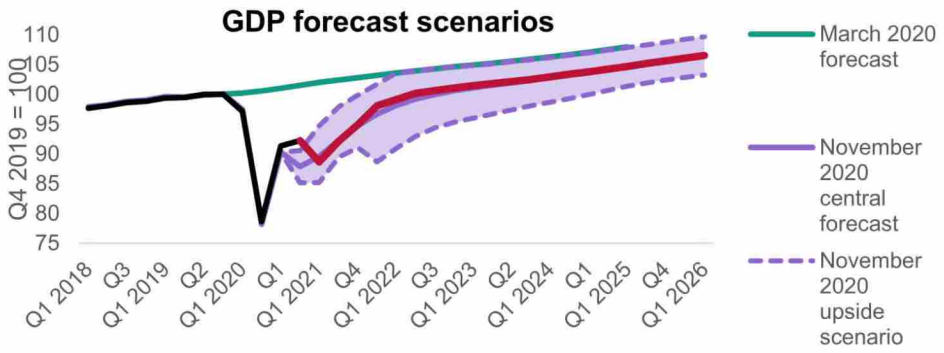
57. The recovery of the pre-pandemic levels of activity are dependent not only on the easement of the restrictions but also on the overall **epidemiological trend**. The latter will have an impact on individuals' willingness to engage on activities, as well as on the likelihood of re-imposing stricter measures in the future. Public opinion indicates that businesses would rather see stricter measures continue if that decreases the likelihood of re-imposing restrictive measures in the future[88].

Macroeconomic impacts

58. **Relative to the counterfactual of additional restrictions remaining in place for longer, we expect GDP to return to pre-pandemic levels faster.** In their latest Economic and fiscal outlook report, the OBR[89] suggest a return to pre-pandemic GDP levels by Q2 2022 (as shown in figure 9 below). They assume the pandemic restrictions follow the same Roadmap as set out by the Government in February 2021, and therefore do not account for the pause in moving to Step 4 in June. The move to step 4 will likely see an increase in GDP growth and a reduction in unemployment. However, these impacts cannot be distinguished from the impact of further vaccinations, changes to the level of voluntary social distancing, changes to the Coronavirus Job Retention Scheme and other macroeconomic shocks like leaving the EU customs union in January. The economy has seen significant adjustments to changes in behaviour, and these are likely to persist post-pandemic. For example, the proportion of retail sales taking place online rose by 15 percentage points to over 36% in January 2021 compared to 21% at the end of 2019. The Bank of England[90] assume in their latest forecasts that restrictions are removed at the end of Q2 2021 and suggest Name Redacted factor in the predicted increase in UK activity is as a result of the higher demand due to the easement of COVID-related restrictions. Also, business investments rise as sales recover and uncertainty declines. While some parts of the economy have adjusted, even when restrictions were relatively mild in October, the economy was still operating at -5% of February 2020 levels[91].

[86] Centre for Cities High Street Tracker. Centre for Cities (2021)
[87] Business Insights and Conditions Survey data, Wave 33. ONS (2021)
[88] In depth: Social distancing review analysis. Cabinet Office, 28 May 202.1
[89] Economic and fiscal outlook OBR (March 2021)
[90] Monetary Policy Report. Bank of England (May 2021)
[91] Social distancing review – slide pack – slide 45 – INTERNAL USE ONLY

Figure 9: OBR's GDP forecast



59. The lifting of restrictions will likely boost economic activity relative to the counterfactual of retaining them, although some voluntary distancing and residual guidance may continue to depress activity in some sectors, e.g. transport. As highlighted in the 'Impacts on sectors' section, **we expect to see increased activity in hospitality, night-time and events sectors**. This will help GDP return closer to pre-pandemic levels and further slow the growth in unemployment. The Bank of England[92] predict that the unemployment rate is expected to rise a small amount in the short-term but will peak at 5.5% in Q3 2021 (with the largest impact on the rate resulting from not all furloughed employees returning to work). The current spare capacity will likely be met with a recovery in demand as restrictions and uncertainty ease which may lead to increased hiring and a reduction in the unemployment rate. As this increase in demand is reliant on the easing of restrictions, the reduction in unemployment will likely be quicker under this scenario relative to the counterfactual.

60. **The impact of Step 4 on productivity is unclear**. The likely return to workplaces may boost productivity, though this may be impeded in the short term if infection rates and therefore sickness absence rates increase as a result of measures' relaxation; this is particularly the case for younger age population, who currently have lower level of vaccination rates (around 2.9m people under the age of 25 had been administered a first dose, but around 2.0m of these individuals were still waiting for their 2nd dose and therefore do not have maximum levels of immunity[93]). ONS survey data[94] finds that overall, the pandemic caused a reduction in average weekly hours worked. Compared with 2019, hours worked fell by a greater amount among those who reported never doing any work from home (down four hours) compared with those who did some work from home (down two hours). However, the Bank of England state that temporary adverse effects on productivity – for example, through enforced work from home – may have been smaller than expected[95]. Sickness absence decreased in 2020, falling to 0.9% from 2.2% in 2020, somewhat offsetting the reduction in hours worked.
61. Inferences on economic impacts of lifting covid-19 related measures present a significant degree of uncertainty and are highly dependent on other factors, such as:

[92] Monetary Policy Report. Bank of England (May 2021)
[93] Statistics » COVID-19 Vaccinations (england.nhs.uk) (Accessed 7 July)
[94] Homeworking hours, rewards and opportunities in the UK: 2011 to 2020 - Office for National Statistics (ons.gov.uk)
[95] Monetary Policy Report – Bank of England. May 2021

- Some companies have deeply relied on government support (e.g. Business rates relief[96]) to survive the impacts of the pandemic. It is **unclear whether some of these businesses will be fully viable in the future** or just able to cover their debts but unable to invest in growth for their future.

- **Structural changes in terms of consumer preferences** may fundamentally change consumption patterns (e.g. willingness to attend live events), and so the pre-pandemic demand may not be extrapolated to future one.

- **Public confidence in the future** (economic and epidemiological outlook) is likely to have a direct impact on the willingness to invest by businesses and to make use of saving by consumers.

- Finally, **the international economic outlook**, the degree of economic recovery of key trade partners and their potential spill over effects to the UK economy are uncertain.

62. **The extent of the economic recovery is deeply dependent on the epidemiological trend remaining under control**. Even if Non-Pharmaceutical Interventions (NPIs) are not re-introduced, any change on the current state of businesses - in terms of infection rates, hospitalisations and fatalities - may have a direct behavioural response by the economic agents.

Impacts on the Public Sector

63. **The furlough scheme** has supported a number of industries throughout the pandemic: over 11m jobs have been furloughed across the UK, including over 1.75m jobs in sectors that are currently closed (including in accommodation, food services and recreation)[97]. Public sector net borrowing in 2020-21 was a peacetime record, totaling £303bn (15% of GDP) in the financial year ending March 2021[98]. HMG have announced a package of direct support worth £350bn for the economic response to Covid-19 across 2020-21 and 2021-22 and have helped 1.3 million employers pay the wages of 11.5 million jobs, with £61bn paid out across the UK, protecting jobs that might otherwise have been lost. No longer requiring social distancing would allow more people to return to work and increase businesses' capacity, reducing the amount of financial support needed by businesses from the government.

64. Many sectors that have achieved some level of commercial viability under social distancing restrictions, have done so through **government support** (e.g. the Sport Winter Survival Package). The Self-Employment Income Support Scheme (SEISS) provides support for self-employed individuals whose business has been affected by Coronavirus (COVID-19) and will be extended until 30 September. According to HMRC data[99], to date £25.2 billion has been paid in Self-Employment Income Support Scheme grants in total (up to 6 June 2021). Across the four grants 2.9 million individuals have received Name Redacted and 9.1 million total grants have been claimed. Other support includes Test and Trace Support Payment, New Style Employment and Support Allowance (ESA).

65. Therefore, as Step 4 is implemented, government financial support to businesses and individuals will no longer be required to the same extent, having a positive impact on financial pressures on public spending.

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[96] Financial support for businesses during coronavirus (COVID-19)
[97] Review of two metre social distancing guidance - GOV.UK (www.gov.uk)
[98] SD review – slidepack – slide 45
[99] Self-Employment Income Support Scheme statistics: July 2021 - GOV.UK (www.gov.uk)

Impacts of extending No. 3 Regulations and the automatic fall of Local Authority Enforcement Powers (LAEP) Regulations

66. **The No. 3 Regulations** have enabled Local Authorities to take action to mitigate local Covid-19 outbreaks: LAs can either close or restrict individual premises, outdoor places or events though these regulations for any period of time under the Regulations - so long as it is proportionate and reasonable as a means of addressing the serious and imminent risk to public health. A direction must be reviewed every 7 days to ensure that it remains valid and is still supported by the evidence; it can be revoked, continued or revoked and replaced with a different/amended direction.

67. **The LAEP Regulations** enabled additional enforcement tools to be used by Local Authorities (LAs). In step 4, as national requirements (e.g. face coverings, social distancing, etc) are lifted, it is reasonable to assume the impact of sunsetting LAEP regulations will be marginal. It is worth noting that as restrictions are lifted and individuals return to workplaces, those who have been notified to self-isolate may also be encouraged to come to work by their employer – which will remain a breach of the legal duty to self-isolate. In this instance, LAs will not be in a position to issue improvement notices as a means of enforcement, although there are other enforcement tools set out in the self-isolation regulations.

68. The No. 3 Regulations have been **used 330 times as of 8 July 2021** – across several local authorities but to varying degrees. Directions previously issued have ranged in length from one afternoon to 3 months in length. However, their use has decreased recently (110 directions have been issued in 2021 so far compared to 220 in 2020). It is uncertain the extent to which No. 3 Regulations will be used in the future. On the one hand, as national restrictions are lifted, it may become more difficult for LAs to provide sufficient evidence to issue a direction, which satisfies the legal tests in the regulations. However, on the other hand, as the relaxation of measures draws an increase in the

number of cases, the likelihood of local outbreaks may increase, leading to the need for targeted non-pharmaceutical interventions.

69. The most recent SPI-M data states that the **R varies significantly across different regions in England.** For instance, in the South West, the upper bound for the R is 1.6 with an estimated doubling time of 8 to 16 days, compared to East of England, with an upper bound for R of 1.5 but an estimated doubling time of 11 to 33 days[100]. Hence, to retain powers for local interventions to take place will enable a targeted approach to control the spread of the virus if needed. Modelling by SPI-M-O suggested the peak to be unlikely to happen simultaneously or homogeneously[101].

70. To assess the costs and benefits of No. 3 Regulations is complex as the conditions for its use require that the direction responds to a serious and imminent threat to public health, implying that there would be significant benefit from acting. Furthermore, **the requirement for proportionality implicitly implies the balancing of benefits and costs at the time of decision**. As a theoretical framework, in terms of costs-effectiveness, the main benefit would be the public health impacts of reducing transmission rates, and the main costs, the disruptions to businesses and the LA enforcement costs. The measures' effectiveness depends on several factors, one of the most relevant being the general public behavioural responses; for example, we may observe mobility to other neighbouring LAs where premises are open. LAs face the risk of litigation and the administrative cost of implementing the measures – i.e. providing the evidence to set the direction, as well as, the communication process with the relevant organisations and individuals to whom a direction has been issued. Finally, this measure implies a direct negative impact to businesses. The magnitude of this is unclear and will vary on a case by case basis; depending, among other factors, on the nature of the activity or the length of the direction.

71. The opportunity to challenge directions issued through representations to the Secretary of State or a legal challenge through magistrates courts ensures that each aspect is carefully considered before the No. 3 Regulations are used.

Risks and uncertainties

- **The degree of risk undertaken by individuals.** Social interactions have increased as the roadmap has progressed: since step 1a, there have been large increases in people meeting and interacting with friends or family they don't live with as well as an increase in people going into their workplaces. Although the type of messaging used has some impact on behaviour, their change is mainly driven by the stage of the roadmap, i.e. what is open and the level of mixing permitted[31]. In general, compliance with restrictions still in place remains high: the NHS Test & Trace Mystery Shopping exercise[102] conducted in May 2021 has found generally there is a high level of social distancing in venues, with approximately 86% of locations reporting all customers making reasonable efforts to socially distance. Social distancing compliance appears to be slightly higher in close contact settings compared to leisure and tourism and hospitality settings, whilst the use of face coverings has remained at a high level throughout May, though it has decreased slightly in public transport settings following the implementation of Step 3[103].

[100] SPI-M-O Consensus Statement 7 July.
[101] SPI-M-O Consensus Statement 16 June.
[102] Source: Ipsos, NHS Test & Trace – INTERNAL USE ONLY
[103] BMG Coronavirus Tracking, latest data: 1 - 2 June; Sample size: 1,697

- If the **number of cases increases** as a result of the relaxations of the restrictions, there may be direct health impacts resulting from NHS being put under pressure, particularly Intensive Care Unit Capacity.

- **Uncertainty in relation to new variants –** New variants will continue to emerge within the UK and overseas. Each variant will have different effects on transmission rate and potentially the course of infections. There is also the risk of vaccine escape amongst novel strains.

- **Vaccine uptake and effectiveness –** Vaccine coverage and efficacy determine how effective the vaccines are in reducing COVID-19 infections, hospitalisations, and deaths. No vaccine offers 100% protection, but as more data emerges, we will gain a better understanding of the efficacy of the different vaccines and how they are likely change the course of the pandemic. Vaccine hesitancy has been identified in the population and is considered as part of the modelling of health impacts. However, hesitancy may change over time leading to lower health risks if more people choose to take the vaccine or higher risks where vaccine hesitancy is higher.

  Long Covid uncertainty – Our understanding of long Covid, the number of people affected, the length and severity of long Covid is still improving over time. The costs associated with it are uncertain as well as the impact of the vaccines on its prevalence.