

longer restrictions are in place, the more likely it will be that some of these businesses become unviable. Moreover, longer restrictions are also likely to further exacerbate existing socio-economic inequalities as well as mental health and well being.

64. The long-term economic impact and the level of economic ‘scarring’ from COVID-19 are still highly uncertain. They will depend on: the course of the pandemic and the development of effective vaccines and treatments; the speed and consistency with which public health restrictions can be lifted; the behavioural response of individuals and businesses; and the effectiveness of policy measures to protect viable businesses, foster new opportunities and sustain employment. In the downside scenario of the OBR’s Fiscal Sustainability Report, output does not recover to pre-COVID-19 levels until the latter half of 2024 – and real GDP is predicted to be 6% lower by 2025 than the March 2020 forecast.⁴²

Wider social impacts

65. The economic consequences of interventions, especially for those who are directly impacted (e.g. those who lose their jobs), could impact on mortality, given the relationship between deprivation and increased mortality. For example, people living in the most deprived areas in England were 4.5 (men) and 3.9 (women) times more likely to die from an avoidable cause than those living in the least deprived areas respectively⁴³.
66. The ‘Stay at home’ order could also increase domestic abuse and sexual violence cases – as suggested by the considerable increase in calls to charities supporting these victims during the first-wave lockdown, although leaving home to avoid or escape risk of injury or harm (such as domestic abuse) is allowed under the new restrictions.
67. Although schools would stay open, it is possible that some parents might choose not to send their children to school in fear of the children, and/or subsequently other family members, getting infected. This is likely to adversely impact children’s education, subsequent earnings, and health. In some cases, this may also result in children not getting adequate nutrition by not having access to school meals.

Environmental impacts

68. The closure of more business and reduced travel is expected to have some positive impact on the environment, although considerable reductions in polluting activities would also have been expected in the absence of the new national restrictions compared with the 3-Tiers system.

Risks

69. The identified general costs and benefits, and wider impacts, may be impacted by risks, including:
- **Accuracy of data underpinning public health assessments** – There are varying degrees of uncertainty around the data used to assess COVID-19 cases and even deaths. For example, there is uncertainty about the level of undiagnosed or asymptomatic cases in the population.

⁴² The downside scenario “might also be consistent with lockdown measures being re-imposed to some degree, though not with a second wave of infections later in the year necessitating the re-imposition of a full lockdown.” [OBR, Fiscal Sustainability Report, July 2020](#), p. 29.

⁴³ <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/causesofdeath/articles/measuring socioeconomic inequalities in avoidable mortality in england and wales/2001 to 2017>