

1. Part A: Introduction to the Institute for Employment Studies ('IES')

1.1. IES is an independent centre for applied research and insight on employment, skills and labour markets. Our aim is to improve outcomes for people at every stage of their working lives – from preparing for and transitioning into work, to improving experiences in work, and extending working lives and transitions into retirement. We do this by generating insights to understand emerging challenges, helping shape the design and testing of interventions, and advising on the design of policy and strategy. Expert economic analysis feeds into all aspects of our work.

2. Part B: The IES During the Pandemic

2.1. Overview of the work the IES engaged in to inform the government's economic response to the pandemic

2.1.1. IES published multiple blogs, spanning employment policy, education and skills and HR topics, alongside reports including regular vacancy analyses and monthly labour market statistics briefing notes. During the reporting period of Jan 2020-June 2022 IES published a total of 81 blogs and 73 reports. IES published a dedicated Covid-19 research collection that lists all outputs in chronological order Exhibit IES/01 [INQ000652276]. Our work focused on understanding the labour market impacts of the pandemic and the policy response.

2.1.2. In addition to its published research, IES also contributed oral and written evidence to a number of UK Parliamentary select committees during the pandemic. These included three appearances before the Work and Pensions Committee Exhibit IES/02 [INQ000652279], Exhibit IES/03 [INQ000652277] and Exhibit IES/04 [INQ000652278], one before the Women and Equalities Committee Exhibit IES/05 [INQ000652281], and one before the Youth Unemployment Committee Exhibit IES/06 [INQ000652280]. These engagements provided direct insight and expert testimony to parliamentary scrutiny of the government's labour market and economic responses.

2.2. The relationship between the IES and the UK Government and Devolved Administrations

2.2.1. IES is regularly commissioned by UK Government and Devolved Administrations to conduct research and evaluations. As a charity, the majority of our research is made publicly available and is often shared with key stakeholders in the UK Government and Devolved Administrations. We also regularly meet with officials in UK Government to share our research and provide pro bono advice based on our work. The nature of relationships did not change during the pandemic, and we continued to share our research and views on the policy response. More broadly, IES continued its work with

UK Government departments and Devolved Administrations through commissioned projects.

2.2.2. During the pandemic, we shared reports and analysis with officials in DWP, No 10 and HMT as it was produced. This included the May 2020 report on labour market response to the downturn, the weekly vacancy analyses, and the papers later in 2020/2021 Exhibit IES/07 [INQ000649433], Exhibit IES/08 [INQ000649434] and Exhibit IES/09 [INQ000649435]. We also had various discussions with officials and special advisers on these reports, labour market trends and policy response, including via webinars with officials in HMT and DWP.

2.2.3. We are not aware of any correspondence between IES and the UK Government and Devolved Administrations relating to the economic response to the pandemic, beyond published outputs noted.

2.3. The design of key economic interventions

2.3.1. We were asked for and gave views on various elements of the policy response, including around DWP's initial policy response, the measures announced in Summer 2020 (specifically the Kickstart Scheme, which IES' former Institute Director was on the external advisory group for), and the extension/ reform of the CJRS (in particular, following the analysis in our On Notice report Exhibit IES/09 [INQ000649435], which was completed before the decision to extend the CJRS and correctly forecast that there would be 650k redundancies in the second half of 2020). All engagement was after the initial decisions to lockdown and introduce the Coronavirus Job Retention Scheme (CJRS). IES were not consulted on the introduction of CJRS.

2.3.2. We are not aware that IES was consulted by the UK Government or Devolved Administrations or asked to advise or comment on the implementation of the economic interventions referred to above, beyond the interactions noted in response to question 4.

2.3.3. We are not aware that IES was consulted by the UK Government or Devolved Administrations or asked to advise or comment on the monitoring of the economic interventions referred to above, beyond the interactions noted in response to question 4.

2.4. Working relationships

2.4.1. We engaged with officials at different levels, and with Senior Civil Servants in particular, in HMT, DWP, No. 10, as well as with lead policy officials for different areas. As far as we are aware, we had an effective working relationship with each.

2.5. IES work to inform the economic response to the pandemic

2.5.1. IES published a number of outputs to inform the government response to the pandemic. Report examples include:

2.5.1.1. *Getting Back to Work (2020)*. This report set out IES' assessment of the economic challenges that the country faced from the pandemic crisis, and evidence-based proposals for the labour market response. It outlined how the pandemic caused job losses on a scale unseen in modern times, with up to two million roles disappearing, and indicated that recovery would be slow, particularly for young, low-paid and insecure workers. The report called for a new Back to Work campaign, backed by a £4.7 billion employment and skills programme to rebuild opportunities. Exhibit: [IES/07 \[INQ000649433\]](#)

2.5.1.2. *On Notice: Estimating the impact on redundancies of the Covid-19 crisis (2020)*. This briefing note used newly released data from employers planning 20 or more redundancies alongside historic estimates of actual redundancies, in order to estimate the potential path of job losses this year. It warned that redundancies could reach 650,000 in the second half of 2020, well above the last recession, and recommended urgent wage support, retraining access and stronger redundancy rights. Exhibit: [IES/07 \[INQ000649433\]](#).

2.5.1.3. *The impacts of the coronavirus crisis on the labour market (2020)*. This paper set out analysis of the impacts of the Covid-19 pandemic, using quarterly and longitudinal Labour Force Survey data covering the period from July to September 2020. It showed that millions had lost hours or jobs, with lower-skilled, young and minority workers hit hardest while higher-paid sectors grew. The paper highlighted deepening inequalities and the need for targeted support. Exhibit [IES/11\[INQ000649437\]](#).

2.5.1.4. *A better future: Transforming jobs and skills for young people post-pandemic (2021)*. This research, commissioned by YFF and Blagrave Trust and delivered jointly with IPPR, explored the impact of the pandemic on young people, the prospects for future employment growth and how youth employment and participation can be increased. It found that many young people want secure, purposeful work but face shrinking opportunities and local barriers,

calling for a transformation in youth jobs and skills pathways. Exhibit IES/12 [INQ000649438].

2.5.2. Blog examples include:

2.5.2.1. *This crisis shows that sick pay and Universal Credit are no longer fit for purpose* – here’s five ways that Parliament needs to fix them (2020). How will government support the many millions of workers finding themselves off work, sick or in self-isolation? Tony Wilson considered the urgent steps Parliament needed to take in order to protect the public, support those off work and to keep the economy moving. He argued that Statutory Sick Pay and Universal Credit were inadequate, and set out five reforms including raising SSP to £175 a week and expanding UC access. Exhibit IES/13 [INQ000651538].

2.5.2.2. *Covid-19 Jobs and Incomes package: IES response* (2020). Former IES Director, Tony Wilson reflected on the Chancellor’s plans to protect millions of jobs but questioned the current support offered to the millions of self-employed. He welcomed the generosity of the package but highlighted gaps in coverage for the self-employed and for those reliant on sick pay, urging stronger welfare and cost-of-living protections. Exhibit IES/14 [INQ000651539].

2.5.2.3. *We’ve never seen a month like this one - now we need to start planning for the recovery* (2020). Tony Wilson reflected on this month’s labour market statistics and the latest data on Universal Credit claims, highlighting the importance of early intervention from government, employers and wider social partners to aid economic recovery. He noted over one million UC claims in weeks, with volumes still four times higher than normal, and stressed the need for fast benefit processing and early recovery planning. Exhibit IES/15 [INQ000651540].

2.5.2.4. *This is the biggest employment crisis that we’ve faced – we now need to respond* (2020). Tony Wilson argued that we have the evidence, the money and the capacity to tackle the looming unemployment crisis – what was needed was swift government action in helping people back into work. He pointed to half the workforce being out of work or furloughed and claimant unemployment rising by 860,000 in a month, calling for large-scale active labour programmes. Exhibit IES/16 [INQ000651541].

- 2.5.2.5. *Cut taxes or spend more? Tackling unemployment at next month's Budget (2020)*. Tony Wilson considered ways in which the Chancellor could use a July budget to boost jobs, arguing that whilst cuts to National Insurance for existing staff could help, they were only part of the solution. He suggested temporary tax cuts or employer relief to spur hiring, while emphasising that longer-term recovery required green investment and infrastructure spending. Exhibit IES/17 [INQ000651542].
- 2.5.2.6. *The government's Plan for Jobs: a comprehensive response to the crisis, but challenges remain (2020)*. Tony Wilson considered the government's just-announced Plan for Jobs but highlighted areas where challenges remained. He welcomed measures such as retention bonuses and Kickstart jobs, but warned unemployment could still top three million without rapid delivery and inclusion of disadvantaged groups. Exhibit IES/18 [INQ000651543]
- 2.5.2.7. *The experience and impact of Covid-19 calls for government to use measures beyond GDP to shape our recovery, level-up, and ensure opportunities for everyone (2020)*. Rosie Gloster considered the argument for building and using a broader set of measures beyond GDP to monitor our economic and social progress post-lockdown. She argued that GDP is too narrow and called for measures of security, inequality and work–life balance, broken down by region and group, to drive a fairer recovery. Exhibit IES/19 [INQ000651544].
- 2.5.2.8. *Sunak's measures needed to protect workers and support the recovery - they don't (2020)*. Tony Wilson considered the Job Support Scheme, part of the newly announced Winter Economy Plan, and estimated that the government's post-furlough proposals could still leave a million people long-term unemployed. He welcomed VAT and loan support but criticised the Job Support Scheme as costly and exclusionary, noting the lack of hiring incentives or retraining offers. Exhibit IES/20 [INQ000651545]
- 2.5.2.9. *Spending Review 2020: Good marks on support to find work, more to do on raising demand (2020)*. Tony Wilson reflected on the just-announced Spending Review, and while there was much to welcome in the announcements, there was still much to be done to support a strong recovery. He praised the £3 billion Restart scheme but warned it needed faster rollout and more focus on disadvantaged groups, while regretting the absence of hiring incentives or direct job creation. Exhibit IES/21 [INQ000651546]
- 2.5.2.10. *One year on: we averted a jobs catastrophe, now we need to secure the recovery (2021)*. In a long read to mark one year since the start of the national

lockdown, IES Director Tony Wilson offered his reflections on three big stories in the labour market and what we can learn from these for the recovery. He argued that while catastrophe was avoided, sustaining recovery would require investment in job quality, skills and tackling inequalities. Exhibit IES/22 [INQ000651547].

2.5.2.11. *Way to Work - a first step, but we can and must do better* (2020). Tony Wilson argued that the new Way to Work campaign is a first step, but will not be enough to address the challenges that the country faced. He set out how a new plan for participation and growth should be underpinned by a universally accessible, modern employment service. He stressed that more ambitious reform was needed to improve job quality and build a truly inclusive labour market. Exhibit IES/23 [INQ000651548].

2.5.3. Select Committee witness contributions:

2.5.3.1. 20th May 2020: Tony Wilson submitted a witness contribution to the Work and Pensions Select Committee. Subject: the DWP's response to the coronavirus outbreak.

2.5.3.2. 14th October 2020: Dr. Duncan Brown submitted a witness contribution to the Women and Equalities Select Committee. Subject: Unequal impact? Coronavirus and the gendered economic impact.

2.5.3.3. 16th December 2020: Tony Wilson submitted a witness contribution to the Work and Pensions Select Committee. Subject: the DWP's response to the coronavirus outbreak.

2.5.3.4. 15th June 2021: Tony Wilson submitted a witness contribution to the Youth Unemployment Select Committee.

2.5.3.5. 5th January 2022: Tony Wilson submitted a witness contribution to the Work and Pensions Select Committee. Subject: the prospects for the labour market in the year ahead and the impact of the government's Plan for Jobs

2.6. *Secondary data sources used to analyse the impact of the pandemic on the labour market*

2.6.1. IES also used a variety of data sources to understand the impacts of the pandemic, including key variables from the Labour Force Survey (LFS), Pay As You

Earn Real Time Information, Claimant Count and real time job vacancy data from Adzuna. IES also used the Understanding Society Covid datasets which were special releases to get Covid-related data about work out quickly (i.e. Covid absence, furlough/self-employment support).

2.6.2. In general, during the pandemic, labour market secondary data would have faced limitations that could have affected accuracy. For example, the claimant count did rise sharply during that period but could be misleading as it might have included people still employed or furloughed who claimed Universal Credit due to reduced income. The fieldwork for LFS was disrupted, switching to telephone interviews for all waves which could have introduced sampling bias and affected response rates.

2.6.3. IES received weekly datasets from Adzuna, for live vacancies that week by sector, area and job titles. Adzuna is one of the largest online job search engines in the UK and it manages the government's 'Find a Job' service. It aggregates job ads from thousands of sources and cleans, de-duplicates and standardises the information to provide a robust picture of employer demand, covering at least 90 per cent of all vacancy activity. Despite an extensive data cleaning process, there is likely to be some duplication remaining and misattribution to incorrect geographical areas. As a result, while national-level vacancy totals by sector were likely to be broadly reliable, the granular local data (e.g., by county or unitary authority) may have shown inconsistencies in certain areas.

3. Part C: The Impact of the Pandemic on the Labour Market

3.1. The nature and severity of the economic impact of the pandemic on different groups

3.1.1. Younger people.

3.1.1.1. The COVID-19 pandemic had a disproportionately severe impact on younger people's engagement with the labour market. Our analysis consistently showed that young people experienced higher rates of job loss, increased economic inactivity, deteriorating job quality, and reduced prospects for progression, particularly among those already facing structural disadvantage.

3.1.1.2. Early in the pandemic, analysis showed that youth employment fell by 425,000 – the largest fall in employment in at least four decades, with young people accounting for nearly half (46%) of the total fall in employment during the crisis (*A better future: Transforming jobs and skills for young people post-pandemic*, 2021). These losses were concentrated in sectors with high youth employment – hospitality, retail, leisure, and care – which were most affected by lockdown measures. Within those sectors, young people were more acutely

impacted – employment among young people in hospitality fell by 15%, compared to a 10% fall in overall hospitality employment (*An Unequal Crisis: The impact of the pandemic on the youth labour market, 2021*).

3.1.1.3. Data analysed in *A Better Future: Transforming Jobs and Skills for Young People Post-Pandemic* (2021) Exhibit IES/12 [INQ000649438] estimated that the 'jobs gap' for young people stood at 300,000 at the end of August 2021, equating to around 8.5% of pre-pandemic youth employment. This figure reflected both a fall in employment and the number of young people still furloughed, reinforcing concerns about long-term detachment from the labour market.

3.1.1.4. The impacts were not experienced uniformly across young people. *An Unequal Crisis: The Impact of the Pandemic on the Youth Labour Market* (2021) Exhibit IES/25 [INQ000649432] demonstrated that employment losses were highest among young men, Black and Asian young people, and those in London and the devolved nations. In contrast, young white women were slightly more likely to move into growing sectors such as sales and administration. In particular, the fall in employment for young Black people was more than four times greater than the fall for young white people, while the fall for young Asian people was nearly three times greater. This report provided one of the clearest illustrations of how the pandemic exacerbated existing structural inequalities in the youth labour market.

3.1.1.5. In addition to job losses, the quality of work available to young people declined markedly. Drawing on a survey of over 1,200 young people, *Not just any job, good jobs! Youth voices from across the UK* (2021) found that many respondents reported worsening job conditions: 35–45% said that their work environment, job security, work–life balance, and mental health had deteriorated since the pandemic began. While some reported small improvements in pay and feeling valued, the dominant theme was heightened precarity and declining confidence in long-term prospects. Nearly two-thirds of respondents reported reduced confidence in finding “good work” (62%).

3.1.1.6. *Beyond labour market statistics, Supporting disadvantaged young people into meaningful work* (2020) identified a range of challenges faced by young people with additional vulnerabilities, such as those with care experience, learning difficulties, or mental health conditions. These challenges included

limited access to employer networks, poor transport, digital exclusion, and low confidence. The report concluded that effective support for these groups needed to be multi-stranded – combining employer incentives (e.g. wage subsidies), personalised support (e.g. mentoring and coaching), and accessible, locally tailored provision.

3.1.1.7. All of these reports draw on either primary data (such as surveys and interviews), Labour Force Survey analysis, or synthesis of domestic and international research evidence. While the quality of the data is high, some limitations are acknowledged. LFS fieldwork was affected by the shift to telephone interviews during the pandemic, which may have introduced sampling bias. Additionally, some groups of young people who were entirely disengaged from both education and employment may be underrepresented in survey samples.

3.1.1.8. In summary, the economic impact of the pandemic on younger people was both wide-ranging and deeply unequal. It encompassed large-scale job loss, disengagement from education and training, deterioration in work quality, and a narrowing of future labour market opportunities. The effects were especially pronounced for young people already facing disadvantage, and they risk becoming long-term without targeted, sustained policy intervention.

3.1.1.9. Additional references: *Securing a place for young people in the nation's economic recovery (2020)* (interim) and *Securing a place for young people in the nation's economic recovery (2021)* (final).

3.1.2. *Older people.*

3.1.2.1. The pandemic triggered profound and enduring labour market disengagement for older workers. Kim Chaplain, the Associate Director for Work at the Centre for Ageing Better, contributed a blog to our website entitled *What next for the older workers losing their jobs to coronavirus?* (2020) Exhibit IES/26 [INQ000651549]. This highlighted that older workers (aged 50+) faced particularly acute economic challenges during the pandemic. The blog underscored that, absent tailored support, many older workers were at risk of being forced into early retirement – a trend reinforced by health concerns, hiring biases, and a lack of re-employment infrastructure. Subsequent research found higher rates of early retirement during the pandemic, with many people experiencing a fall in living standards which suggests they were 'forced' to retire early (Ray-Chaudhuri, S and Xu, X. (2023). *Living standards and inequality*. London: Institute for Fiscal Studies).

3.1.3. *Those on parental leave and with childcare commitments, including single parent workers.*

3.1.3.1. The COVID-19 pandemic placed extraordinary strain on workers with primary childcare responsibilities, particularly single parents, whose ability to balance work and care was severely disrupted. IES worked with Gingerbread on the *Caring without Sharing* project, looking at the unique challenges facing working single parents during the first year of the pandemic (*Caring without sharing: Single parents' journeys through the Covid-19 crisis, Final report 2021*) Exhibit IES/27 [INQ000649440]

3.1.3.2. Our interim report, *Caring without sharing: Single parents' journey through the Covid-19 crisis, Interim report (2020)* Exhibit IES/28 [INQ000649441], highlighted the early pandemic impacts on single parents. We reported that pre-crisis, single parents earned significantly less than couple parents – nearly half the weekly income – and were more likely to hold frontline roles in retail, hospitality and care, as well as being twice as likely to be on zero-hours contracts. This made them particularly vulnerable to being impacted by lockdowns: between March and August 2020, 30% of single parents had been furloughed, compared to 21% of couple parents. This also resulted in a greater deterioration in mental health, with 51% of single parents reporting symptoms of depression, anxiety or “bad nerves”, compared to 27% among couple parents. Finally, only 22% of single parents were able to work from home, compared to 35% of couple parents.

3.1.3.3. Qualitative findings showed juggling home-schooling, childcare, and paid work in isolation had widespread negative impact. Employer flexibility – around working hours and remote work – played a crucial role in mitigating stress, but such flexibility was inconsistent. Furlough availability was also uneven: where guaranteed, it enabled balancing caring duties; in its absence, parents faced untenable trade-offs.

3.1.3.4. Building on this, our report with Gingerbread, *The Single Parent Employment Challenge: Job loss and job seeking after the pandemic (2022)* Exhibit IES/29 [INQ000649442], examined the experience of single parents throughout the rest of the pandemic. It found that single parents were twice as

likely as couple parents to be unemployed or economically inactive pre-and post-pandemic. In early 2022, only 65 % of single parents were employed compared to 83 % of couple parents; 30 % were inactive and 5 % unemployed, versus 15 % and 2% respectively. Their unemployment was often linked to a lack of affordable, flexible childcare for example, being unable to afford upfront childcare while retraining under Universal Credit caused additional delays. Many positioned themselves in lower-paid, temporary roles to fit caring schedules. Job centre support was also mixed: only about one in five reported that employment advisers had helped them find or plan a job, and many felt that the system lacked understanding of single parents' complex circumstances.

3.1.3.5. The reports combine robust Labour Force Survey data with qualitative interviews (40–45 single parents) to offer both statistical breadth and lived experience context. The LFS data – though high quality – can provide only periodic snapshots rather than full temporal detail of crisis dynamics. Qualitative samples, while insightful, reflect the experiences of those who remained engaged in research; they may not capture the most disconnected voices

3.1.4. *Those in low-paid employment.*

3.1.4.1. The pandemic had a particularly acute impact on those in low-paid employment, who faced higher levels of job disruption, income insecurity, and slower recovery than higher-paid counterparts. These workers were significantly more likely to be furloughed, to see reductions in hours, or to lose their jobs entirely, often while lacking financial resilience to absorb such shocks.

3.1.4.2. Our early analysis found that, between February and April 2020, employment among low-paid workers – defined as those earning below the Real Living Wage – fell from 82% to 78%, representing around 140,000 job losses. Low-paid workers were also more likely to experience reduced working hours or be away from work entirely. Around one in eleven were actively looking for additional or alternative employment, double the rate among higher-paid workers (*Covid-19 and the low paid: Early analysis of Labour Force Survey, 2020* Exhibit IES/30 [INQ000649443]).

3.1.4.3. This pattern continued throughout 2020. In our report *Laid low: The impacts of the Covid-19 crisis on low-paid and insecure workers (2021)*, we estimated that two-thirds of low-paid workers – nearly four million people – were either furloughed or working reduced hours at the height of the first lockdown, double the disruption rate for higher-paid workers. Sectoral impacts were stark: hospitality, retail, food production, construction, and residential care were

especially affected. Even by late summer 2020, 30% of low-paid workers were still not working normally, compared to just 20% of higher-paid workers. Moreover, job losses were more common among the low paid – around one in twenty low-paid employees left their jobs in each quarter of 2020, compared with just one in fifty of those not in low pay.

- 3.1.4.4. Qualitative findings from *Laid Low* revealed that many low-paid workers struggled to access the support intended to cushion the labour market shock. Some reported being denied furlough despite eligibility, while others were placed on furlough with limited communication or support from their employer. Several interviewees described continuing to work in public-facing roles without adequate safety measures in place. At the same time, they were often contending with increased living costs and reduced household income.
- 3.1.4.5. A companion report, *The impact of COVID-19 on low-income households (2020)*, highlighted the wider effects of employment instability on household finances and wellbeing. Through interviews with workers and households, we found that job loss or reduced hours quickly eroded savings, pushed people into debt, and led to increased reliance on Universal Credit. Respondents reported anxiety about future employment, with many unsure whether previous jobs would return or whether new work would match their skills, pay expectations, or flexibility needs.
- 3.1.4.6. The evidence for these findings combines detailed analysis of Labour Force Survey data with qualitative research involving low-paid workers. The LFS provides a robust source of statistical insight, though its reliability was affected during the pandemic by a shift to telephone interviewing. The qualitative interviews enrich the data with real-life accounts, but due to their small sample size (40 participants), they may not capture the full diversity of experiences, particularly among marginalised or hard-to-reach groups.
- 3.1.4.7. In summary, low-paid workers bore some of the most significant labour market consequences of the pandemic. They experienced a greater likelihood of furlough, job loss, and financial strain, often without the protection or flexibility needed to weather the disruption. These outcomes raise important considerations for future employment support, including the design of income

safety nets, access to training and progression opportunities, and protections for workers in precarious or vulnerable sectors.

3.1.5. *Those in part-time or insecure employment (e.g., zero hours contractors and gig economy workers).*

3.1.5.1. The pandemic intensified existing inequalities for part-time and insecure workers, who experienced prolonged hours reductions, higher job instability, and slower recovery than full-time counterparts.

3.1.5.2. Early in the pandemic, IES analysis in *Laid low: The impacts of the Covid-19 crisis on low-paid and insecure workers* (2021) showed that at the height of the first lockdown, around two-thirds of low-paid and insecure workers – nearly 4 million people – were furloughed or saw their hours reduced, a rate roughly double that of higher-paid and more stable workers. Among low-paid but secure workers, just 30 percent had not returned to normal hours by late summer 2020, compared with only 20 percent of higher-paid employees. Additionally, low-paid employees were also more than twice as likely to leave their jobs – with around one in twenty doing so each quarter compared with just one in fifty of those not in low pay (*Laid Low*).

3.1.5.3. A separate IES analysis of part-time employees, conducted in partnership with Timewise (*The impact of Covid-19 on part-time employees*, 2021 Exhibit IES/31 [INQ000649444], highlighted that half of part-time employees who were working in early 2020 were on reduced hours or temporarily away from work by the first lockdown – compared with one-third of full-timers. Moreover, 44 percent of part-time workers who were away from work between April and June remained out of work through July–September 2020, versus only 34 percent of full-time workers.

3.1.5.4. While 80 percent of part-time workers indicated that they did not want to increase their hours – often due to caring commitments, lack of flexible jobs, or satisfactory current roles – only 8 percent of advertised positions offered part-time hours. This mismatch compounded the strain of prolonged disruption (*Impact of COVID-19 on Part-Time Employees, 2021*).

3.1.5.5. These insights draw on high-quality Labour Force Survey analysis and a representative Timewise dataset, ensuring strong quantitative grounding. However, LFS interview adaptations during COVID-19 may have undercounted more precarious workers, and the Timewise data, while robust, relies on cross-sectional analysis that does not fully capture longer-term career impacts.

3.1.5.6. In summary, part-time and insecure workers faced some of the most persistent labour market disruptions during the pandemic, enduring extended hours loss and job exits at higher rates than full-time staff. This group's ability to maintain a balance of paid roles with caring responsibilities was undermined by inconsistent employer support and a lack of flexible part-time opportunities.

3.1.6. *Disabled workers.*

3.1.6.1. The pandemic had a disproportionate impact on disabled workers and those with long-term health conditions, who faced heightened risks of job loss, reduced access to reasonable adjustments, and limited employer preparedness in supporting ongoing health needs. While some workers with health conditions found new opportunities through remote working, many others experienced exclusion and deteriorating workplace participation.

3.1.6.2. Our report *Working well? How the pandemic changed work for people with health conditions* (2021) Exhibit IES/32 [INQ000649445] for the Centre for Ageing Better explored how the shift in working practices affected disabled workers and those managing long-term conditions. It found that many people with health conditions felt that remote working had, in some cases, improved their ability to manage symptoms – particularly by removing the stress of commuting or enabling flexible pacing of work. However, these benefits were inconsistently realised. Some reported inadequate support from employers, especially when attempting to access adjustments, and others experienced difficulties in continuing treatment or accessing healthcare. Older workers with long-term conditions were also more likely to report furlough, job loss, or detachment from the labour market.

3.1.6.3. Our *Returning to the workplace after Covid-19* toolkit (2021) highlighted the need for risk assessments and tailored workplace protections for vulnerable groups, including those with underlying health conditions such as respiratory issues or suppressed immunity. The guidance stressed that employers had a legal duty to ensure safe returns for at-risk staff, but in practice, the application of protective measures varied significantly. Workers with health conditions were not always proactively supported, increasing the risk of early exit from the workforce or prolonged absence.

3.1.6.4. For those in frontline roles, especially in the social care sector, the pressures were intensified. *Potential Impact of Covid-19 Government Policy on the Adult Social Care Workforce (2020)* Exhibit IES/33 [INQ000518421] found that workers in this sector – many of whom manage chronic health conditions – faced high exposure to infection, with limited access to protective equipment and sick pay. Some workers reported feeling they had to choose between safeguarding their health or retaining their employment. The lack of sector-specific guidance and weak enforcement of safe working practices compounded the challenge, particularly for disabled workers in low-paid or precarious roles.

3.1.6.5. Together, these reports draw on a combination of qualitative interviews, workforce data, and employment law analysis. While the evidence base provides valuable insight, some limitations are acknowledged – particularly in terms of sample size and the lack of longitudinal data on disabled workers' post-pandemic outcomes.

3.1.6.6. In summary, the pandemic revealed significant weaknesses in the labour market's ability to support disabled workers and those with long-term conditions. It exposed gaps in the provision of reasonable adjustments, safe return protocols, and health-focused employment support. While some benefitted from greater flexibility, this was not the norm, and the risk of long-term detachment from the workforce remains high without sustained, inclusive policy interventions.

3.1.7. *Different sectors of the UK economy.*

3.1.7.1. IES conducted real time vacancy analysis (*Real time vacancy analyses*) throughout the COVID-19 pandemic using Adzuna data from March to October 2020. This data highlighted stark contrasts in resilience and recovery across different sectors throughout the year.

3.1.7.2. Early analysis showed overall UK vacancies fell by 42% between mid-March and mid-April – from 820,000 down to 475,000 – a drop twice as steep as the previous record from the 2008. The steepest declines occurred in customer-facing sectors - hospitality, retail, catering, sales, HR, and recruitment – with these occupations suffering the largest proportional falls.

3.1.7.3. By 10 May, vacancies stood at just 329,000 – a 60% decline compared to pre-pandemic levels and 63% lower than the same week in 2019. Weekly updates up to July confirmed fragile and slow recovery: by 5 July, vacancies remained approximately 65% lower year-on-year, with levels still 450,000 below pre-crisis norms.

3.1.7.4. Monthly analysis in August 2020 showed a tentative rebound: vacancies rose by nearly 40% to reach around 504,000, narrowing the year-on-year gap from a 65% drop to 44%. However, September and October briefings revealed lingering disparities: rural and previously industrial areas experienced stronger vacancy recovery, with most exceeding 50% of pre-pandemic levels, while Central London remained significantly depressed in October. Recovery was also skewed by occupation: demand rebounded in manual/elementary roles and skilled trades, but contracted in senior professional occupations, such as legal, IT, and teaching, falling from 40% to just over 25% of total vacancies.

3.1.7.5. Despite recovery, the data shows sectoral divergence remained by mid-Autumn. Hospitality, retail, and sales roles sustained the deepest and longest vacancy deficits, whereas health, social care, logistics, and digital-capable roles showed the most resilience. Data limitations for real time vacancy data are noted above.

3.1.8. *Different regions of the UK*

3.1.8.1. Our report *Covid class of 2020, and beyond* (2021) Exhibit IES/34 [INQ000649447] provides a region-wide perspective for Sussex. During the pandemic, Sussex saw pronounced educational and labour market disruptions, with sharp variations across sub-regions. The Raising Participation Age (RPA) challenge was notable: only 82% of 17-year-olds in West Sussex met the requirement – a figure substantially below the 90% national average – while an unusually high 14.4% had an unknown status. Similar patterns emerged in Brighton & Hove and East Sussex, both recording elevated NEET (Not in Education, Employment, or Training) rates, particularly among young people with special educational needs or disabilities.

3.1.8.2. Meanwhile, the labour market impact was stark. Between March and August 2020, claimant unemployment in Sussex surged by 144%, outpacing the 113% national increase. But even within Sussex, the rise varied significantly: Rural East Sussex experienced the most dramatic rise at 264%, albeit from a low base; Rural West Sussex and the Gatwick Diamond corridor saw increases of 183–191%; and Hastings & Rye, while the smallest at 100%, had the highest claimant rate by August (7.6%). This uneven pattern of unemployment closely mirrored the decline in labour demand: while vacancy-to-claimant ratios

rebounded most strongly in Rural West Sussex and Gatwick Diamond, Hastings & Rye showed the weakest recovery.

3.1.8.3. Finally, higher education progression remained mixed. Overall UCAS applications stayed stable at around 12,000, but Brighton & Hove bucked regional trends, rising by 8%, whereas East and West Sussex recorded modest declines of 1–4%, especially to higher-tariff universities.

3.1.8.4. National level IES analysis revealed some regional disparities in vacancies. Early vacancy data shows national vacancies halved – yet regional experiences varied: Scotland saw the largest drop (–56%), while the North East, Wales, and Northern Ireland were slightly less affected (43–44%). By 26 April, London had suffered the steepest decline (–58%), underscoring urban vulnerability compared to devolved nations and parts of Northern England (46–50%). By October, rural, semi-rural, and ex-industrial areas had nearly rebounded to pre-pandemic vacancy levels, in contrast to urban and affluent regions which remained 14–30% below, with Central London still 55% down.

3.2. *Chronological list of any reviews, pieces of analysis, or similar, produced or commissioned by the IES relating to any of the matters in the Provisional Outline of Scope for Module 9*

3.2.1. *This crisis shows that sick pay and Universal Credit are no longer fit for purpose – here's five ways that Parliament needs to fix them* (16th March 2020). Tony Wilson considered the urgent steps Parliament needs to take in order to protect the public, support those off work and to keep the economy moving. This blog highlighted the inadequacy of Statutory Sick Pay (SSP) and Universal Credit (UC) as safety nets during the pandemic. It recommended urgent reforms including extending SSP eligibility to low earners and the self-employed, increasing UC generosity, eliminating the five-week wait for payments, and improving support for carers and those self-isolating.

3.2.2. *Coronavirus benefit: Do what it says on the tin* (18th March 2020). Guest author Bill Wells draws on over 30 years' experience as a labour market economist and makes recommendations for a temporary Coronavirus benefit that can be delivered easily to those who need it. He recommended a flat-rate payment administered through employers for PAYE staff and directly to self-employed individuals, minimising delays and administrative burdens.

3.2.3. *Covid-19 Jobs and Incomes package: IES response* (20th March 2020). This response welcomed the introduction of the Coronavirus Job Retention Scheme (CJRS) but raised concerns about insufficient support for self-employed workers and

those outside PAYE. It called for urgent action to close these gaps and ensure that all workers could access income protection.

- 3.2.4. *We've never seen a month like this one - now we need to start planning for the recovery* (21st April 2020). Reflecting on record-breaking increases in unemployment claims, this blog emphasised the need for early and coordinated recovery planning. It recommended proactive engagement by government, employers, and social partners to scale up employment support and prevent long-term unemployment
- 3.2.5. *'Falling through cracks' or 'left in limbo' - fixing the holes in our safety net* (27th April 2020). This piece focused on those excluded from mainstream support, such as people in insecure work or with caring responsibilities. It recommended targeted support to these groups, enhanced guidance for navigating the system, and flexible policy solutions to ensure comprehensive safety net coverage.
- 3.2.6. *This is the biggest employment crisis that we've faced – we now need to respond* (26th May 2020). Tony Wilson argues that we have the evidence, the money and the capacity to tackle the looming unemployment crisis – what's needed is swift government action in helping people back into work. This calls for urgent, large-scale labour market interventions to prevent long-term unemployment. Recommendations included wage subsidies, investment in re-skilling, sector-specific job creation, and strong local delivery partnerships to support job transitions.
- 3.2.7. *Cut taxes or spend more? Tackling unemployment at next month's Budget* (4th June 2020). This analysis argued that spending on job creation and employment support would be more effective than tax cuts in tackling unemployment. It recommended direct funding for employment programmes, hiring incentives, and targeted support for the most affected groups.
- 3.2.8. *The government's Plan for Jobs: a comprehensive response to the crisis, but challenges remain* (8th July 2020). Reviewing the Plan for Jobs, this welcomed initiatives like the Kickstart Scheme and investment in apprenticeships. However, he flagged concerns about complexity, delivery risks, and the need for local coordination. He recommended strengthened intermediary support and simplified processes for employers.
- 3.2.9. *Getting Kickstart working will take more than a pot of cash for businesses* (12th Aug 2020). In this guest blog, Tracy Fishwick argued for the importance of

intermediaries in making the Kickstart Scheme work effectively. She highlighted the need for wraparound support for young people, clear guidance for employers, and additional funding to help smaller organisations participate.

3.2.10. *Sunak's measures needed to protect workers and support the recovery - they don't* (28th Sept 2020). Tony Wilson assessed the Job Support Scheme and warned it could still leave up to a million people unemployed. He recommended stronger wage subsidies, more inclusive eligibility criteria, and enhanced re-employment support to reduce long-term scarring.

3.2.11. *Spending Review 2020: Good marks on support to find work, more to do on raising demand* (25th November 2020). This analysis welcomed increased funding for employment services but stressed the need for bolder action to stimulate labour demand. Recommendations included extending eligibility for support programmes, improving access to childcare, and offering greater incentives for private sector hiring.

3.2.12. *Way to Work - a first step, but we can and must do better* (28th Jan 2022). Reviewing the DWP's Way to Work campaign, Tony Wilson argued it fell short of the scale required to address economic inactivity. He proposed the development of a modern, universally accessible employment service built on personalised advice, employer engagement, and sustained support for all jobseekers.

4. Part C: Analysis and Reflections

4.1. Strengths and weaknesses of the overall economic response to the pandemic by the State

4.1.1. The State's response had significant strengths, particularly in the early phases, but also highlighted key weaknesses, especially in long-term planning and inclusivity. In some cases, the national response duplicated or displaced existing good provision in local areas.

4.1.2. Strengths: The Job Retention Scheme, the speed and scale of the initial response and support for employers through loan schemes and business tax relief.

4.1.3. Weaknesses: Key groups (i.e. the self-employed, gig economy and informal workers), were often poorly served or excluded from support. Inequalities relating to women/carers, young people and ethnic minorities were exacerbated as they were deepened by the crisis and not fully addressed by the response. Employment support was slow to scale up with the emphasis on a short-term response rather than a longer-term labour market strategy.

4.1.4. The overall economic response to the pandemic demonstrated significant strengths in terms of scale and speed. The introduction of the Plan for Jobs and

associated measures offered essential lifelines during a period of acute labour market disruption. Positive outcomes included widespread access to support programmes and strong employment outcomes for participants in schemes like Kickstart, Sector-based Work Academy Programmes (SWAP), and Job Finding Support (JFS).

4.1.5. Findings from the cross-cutting evaluation of Plan for Jobs Exhibit IES/35 [INQ000649448] show that most participants achieved employment-related outcomes, including securing jobs, gaining qualifications, and building confidence. For instance, at wave two of the evaluation, 41% of those who participated in a Plan for Jobs strand were employed, compared to 31% of non-participants. Notably, employment rates were higher among those who had taken part in SWAP (53%), Kickstart (48%), or JFS (48%).

4.1.6. However, weaknesses were also evident. The complexity of the multi-strand approach, lack of early clarity in communications, and inconsistencies in delivery undermined the effectiveness of support in some cases. Jobcentre Plus staff reported feeling overwhelmed at the initial rollout, and many customers – especially those with complex needs – did not feel well supported. These weaknesses limited the reach and effectiveness of the response for the most disadvantaged.

4.1.7. Overall, while the State's response was ambitious and timely, its effectiveness was unevenly distributed. Successes were more likely where participants received personalised, sustained support, whereas those facing multiple or entrenched barriers often struggled to access the help they needed.

4.2. Strengths and weaknesses of the design and implementation of economic interventions by the UK Government

4.2.1. The Plan for Jobs evaluation points to several strengths in the design of interventions. The inclusion of tailored support through named Work Coaches and personalised plans proved highly effective. Customers who trusted their advisor were more likely to disclose barriers, engage meaningfully with support, and progress towards employment. The focus on specific sub-groups, including young people and the long-term unemployed, was a well-targeted design decision that aligned with known risk areas.

4.2.2. Implementation strengths included the swift rollout of interventions and the flexibility offered within strands to local Jobcentres. Programmes like SWAP and

Kickstart enabled participants to develop work experience, skills, and confidence. In many cases, this directly contributed to participants' ability to access sustained employment aligned with their career aspirations.

4.2.3. However, weaknesses in implementation were also clear. Initial communication about Plan for Jobs was poor, and frontline staff often lacked clear guidance. There were issues with the clarity of programme eligibility and suitability, especially at launch. Overload of information, especially for Work Coaches, sometimes led to confusion and under-utilisation of certain strands.

4.2.4. Monitoring and review processes were not always adequate for complex participant needs. Individuals with barriers such as mental health conditions, limited English, or caring responsibilities frequently reported feeling unsupported. In some cases, they disengaged entirely from the provision. The evaluation suggested that a cross-government approach would be necessary to support customers with multiple and intersecting barriers effectively. More effective cross-departmental collaboration may have also enabled more personalised decision-making for individuals.

4.2.5. In terms of timing, the rapid mobilisation of Plan for Jobs was commendable, but the early-stage delivery challenges limited the impact for those most in need. While some strands showed clear effectiveness, the evaluation highlights the need for improved planning, more coherent implementation strategies, and stronger integration with wider social support systems to enhance future resilience. To build a resilient system, we should retain effective measures in the background, ready to be reactivated in times of crisis. For example, if Kickstart proved successful, it could remain dormant but available for rapid deployment when a youth wage subsidy is next needed.

4.3. Additional or alternative economic interventions should have been given greater consideration

4.3.1. The government's Plan for Jobs introduced programmes that reflected best practice and helped ensure people were well-prepared for the labour market. The Kickstart programme introduced financial subsidies to support short-term hiring and employability support for young people, who were one of the most vulnerable groups. However, one potential limitation was the short-term nature of employment support delivered through Youth Hubs, especially given the disproportionate impact of the pandemic on young people. That said, Youth Hubs played a valuable role in making employment services more accessible and responsive to young people's needs.

4.4. Analysis of the economic response of the Devolved Administrations

4.4.1. We are not aware of any analysis conducted on the economic response from Devolved Administrations.

4.5. Engagement of the UK Government and Devolved Administrations with external parties

4.5.1. Engagement with academic and applied research experts throughout the pandemic was highly valuable and enabled access to evidence-based recommendations across a range of topic (health, employment, education). There may have been scope to improve coordination here. IES previously recommended that government brings together a 'Cobra' for jobs, to work together on designing, coordinating and mobilising this response, and convening a wide range of partners including government Departments and agencies, local government, sector bodies, trusts and foundations and key stakeholders.

4.6. Improving the economic response to a future pandemic

4.6.1. To improve the economic response to a future pandemic, we ask the Chair to consider the following recommendations:

- Establishing a standing employment response framework, outlining employment interventions and programmes (e.g. Kickstart, Future Jobs Fund) that can be rapidly (re)activated. This would help avoid delays in deploying employment support if new schemes need to be designed from scratch. It would require cross-departmental planning between HM Treasury, DWP, BEIS, and local authorities, and engagement with key stakeholders. It would also require setting clear criteria for when and how to redeploy these programmes.
- Strengthening local delivery infrastructure, including Youth Hubs, and improving coordination with local partners. This would help to address inconsistencies in access to support and reduce duplication. It would require long-term investment in local infrastructure and support for local integration.
- Investing in labour market data and intelligence systems and making better use of administrative data to track employment trends and outcomes for individuals. The collapse in response rates to the Labour Force Survey (LFS) reduced the reliability of estimates, making it harder to assess labour market conditions (both at national level and particularly for more detailed breakdowns). Monitoring information and outcome data from specific programmes is often not shared among stakeholders,

which can limit the ability to understand what works, identify gaps in provision and target support effectively. Investment in data collection and infrastructure, coupled with greater use of administrative data and data sharing, would help inform targeted and responsive interventions.

Statement of Truth: I believe that the facts stated in this witness statement are true. I understand that proceedings may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief of its truth.

Personal Data

Signed.....

Date...19/09/2025.....