



10 December 2021

## Briefing for Covid-O meeting on Daily Contact Testing and Adult Social Care

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### Summary

As part of the Plan B announcement on 8 December the PM committed to introducing daily contact testing (DCT) for contacts of all Covid cases (whether Omicron or not). The proposal is to require fully vaccinated contacts and those 5-17 to do seven daily LFD tests from the point of notification, with the person able to leave self-isolation each day they test negative (unvaccinated contacts for the time being are still legally required to self-isolate). We are supportive of this proposal as it minimises the danger of a 'pingemic'-like crisis we faced in the summer while still carrying public health benefit, though we note the large fiscal impacts and pressure on Test and Trace.

In a late addition, the agenda will also cover Adult Social Care measures; we will follow up with more on this this afternoon.

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### Speaking Points

1. As the Chancellor said in Wednesday's Covid-O, we must deliver DCT as soon as possible to avoid another 'pingdemic', especially given the fact that some sectors are already facing labour shortages.
2. Enforcement – given that we are proposing to do this through guidance rather than regs, how confident are we that it will be effective? Are we planning to enforce it in any way?
3. What is the exit strategy? Is there a plan to return to a wide exemption for self-isolation of contacts once we administer boosters to a larger portion of the population, provided they are sufficiently effective?
4. [*If pushed on HMT approval to procure LFDs* – HMT officials received the ask to procure additional LFDs last night which includes the requirement for daily contact testing – we have noted the Monday deadline for this and I will consider as soon as possible]

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### Background

#### Current policy

We currently have two sets of self-isolation rules for close contacts of Covid cases. For contacts of *non-Omicron* cases there is a wide exemption for the fully vaccinated (i.e. two doses plus 14 days). Contacts of Omicron cases must isolate for 10 days. With Omicron achieving doubling rates of around 2-3 days, it will soon become the dominant variant, threatening another 'pingdemic' (on current trends it is possible Omicron *could* make up 90% of Covid cases by Christmas, with SPI-M modelling showing a peak in January, implying the possibility of another 'pingdemic' in weeks). The summer 'pingdemic' caused a number of economic issues, including

short term disruption to labour supply. At its peak in July, 7% of UK adults (ONS data) had self-isolated in the prior seven days; as of end November, that figure was 4%.

### **New Proposal**

The TF/DHSC are proposing to move to daily contact testing for fully vaccinated contacts of **all** Covid cases. Close contacts would have to take daily LFD tests for seven days, starting on the day they are notified. Each negative test would allow them to leave isolation for 24 hours. The Chancellor strongly supports this approach, urging that it be implemented as early next week, as it significantly minimises economic disruption compared to requiring all contacts to self-isolate for 10 days. **Note** that this proposal does not cover unvaccinated contacts, who are still legally required to self-isolate unless part of a Workplace DCT scheme.

UKHSA estimate the policy may require 10m-13m LFDs per month. This (alongside the other Plan B /Omicron measures increasing testing demand) has increased the urgency to procure additional LFDs as current stocks will run out quicker than anticipated. To cover this, UKHSA are seeking to procure an additional 200m LFDs at a cost of c.£400m and we've been given a deadline of Monday 13 December. We have submitted advice to you this morning on this procurement recommending that you approve. As per previous advice, we do not have a clear view of the impact of Omicron measures on Test and Trace's £15bn budget, so our approach is to approve the spend in principle but come back to the budget pressure at Supplementary Estimates.

### **Test and trace support payment (TTSP)**

As this DCT proposal will be implemented through guidance rather than regulations (for faster implementation), and with no mandatory self-isolation requirement, this proposal would not qualify affected people for payments under current TTSP policy.

Under current TTSP policy, people who are legally required to self-isolate as a result of Covid (confirmed covid cases and contacts who are not eligible for self-isolation exemptions – e.g. unvaccinated contacts) are entitled to a one-off £500 payment if they are on low income, can't work from home and will lose income and are not exempt from self-isolating.

### **Impact of the summer 'pingdemic'**

At its peak in July, 7% of UK adults (ONS data) had self-isolated in the prior seven days. The pingdemic precipitated short term disruption to labour supply, reducing many firms' output. Over July, GDP fell by 0.2%, in part driven by issues caused by the pingdemic. Sectors where a higher proportion of workers cannot work from home were hit particularly hard (the percentage of workers remote-working "mainly" or "recently" is 6% for accommodation & food; 12% for retail; 21% for manufacturing; 18% for construction; 11% for transport). Following the introduction of mitigants (including DCT) and a change to self-isolation requirements for the fully vaccinated, this rate fell rapidly to around 3%, a rate at which it remained until end November. Currently around 4% of UK adults had self-isolated in the prior seven days. As we approach Christmas and into January, however, we expect cases of Omicron to grow substantially; leaving contacts aside, it is still possible even index cases isolating could cause substantial labour market disruption.

The economic impacts of another pingdemic could exacerbate supply constraints (particularly in labour supply) for some sectors. Input cost pressures across materials, energy, and logistics, as well as labour shortages, are directly affecting production across the economy. Sectors such as manufacturing and construction have been worst hit by supply disruptions and consequently saw output contract by 0.3% and 1.5% in Q3 respectively. This in turn is impacting more downstream

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sectors such as retail and hospitality which have been shown to be more contact intensive and to have lower capacity to work from home.

On the public services side, large numbers self-isolating could cause disruption to service delivery (e.g. NHS, social care, schools, job centres).

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