

**KREAB** *briefing*

# COVID-19

*outlook* 18 May 2020



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The UK Government has revealed its roadmap out of lockdown while looking to evidence from countries moving ahead of it. This briefing outlines the developments over the past week and builds on our previous briefings to look at how the UK is likely to proceed.

### Overview

The UK Government has now set out the framework it will use to plan the relaxation of the lockdown measures.

As expected, beyond the very limited measures for immediate implementation, the proposals are a list of possible measures, with two indicative phases, rather than a set of specific timetabled measures.

As most European countries start to ease lockdown, intense scrutiny is being given to the effect of each country's measures on the infection rate. In Germany, two weeks into the process of relaxing controls, there was a small temporary uptick in the infection rate and epidemiologists estimate that the disease's reproduction rate has gone above 1 on some days. However, this is from a low level of infection and there has also been a greater level of breaking the continuing restrictions in the last two weeks, so it is not yet clear if this is a response to the change in lockdown and it does not appear to be a trend. Ultimate comparisons of the number of people killed by Covid-19 will require the use of what is known as excess mortality, the number of people who die in excess of the long-term average number of deaths over the year. There is now data on the amount of excess mortality to date, which can be compared to the size of the population to give a good indication of how severely each country is being hit.

Kreab has analysed the data to form a comparison table, details of this analysis is shown below:

Country	Excess Mortality	Excess Mortality/million	Date of most recent data
UK	50000	750	01-May
Belgium	8000	698	26-Apr
Spain	32000	682	28-Apr
Netherlands	8900	515	26-Apr
Italy	24500	406	31-Mar
France	22100	330	26-Apr
Sweden	3000	293	28-Apr
Switzerland	2000	233	26-Apr
Austria	1100	124	26-Apr
Portugal	1100	107	21-Apr
USA	30800	94	11-Apr
Germany	4800	59	12-Apr
Denmark	200	34	24-Apr
Israel	0	0	18-Apr
Norway	0	0	22-Apr

By this measure, the UK is the worst hit of the countries for which data is available; including all major economies in Europe, although it should be noted that the UK data set is newer than for other countries and so covers more of the pandemic. In particular, the Italian data is very old and not yet comprehensive; Italy's figure is expected to be considerably higher when April's count is included.

More extensive data shows how infection rates vary within countries. Whereas some of the highest infection rates are concentrated in larger cities, in some countries it is more widely spread. For some selected cities/regions we can see the data below:

City	Excess Mortality	Excess Mortality/million	Date of most recent data
Bergamo	5000	4513	31-Mar
New York	17300	2060	18-Apr
Madrid	11600	1746	28-Apr
Stockholm	1600	1643	21-Apr
London	9000	1002	01-May
Ile-de-France	10700	876	26-Apr
Istanbul	3800	245	03-May

This demonstrates clearly why the health system was quite so overwhelmed in Northern Italy whilst in the UK it coped well, especially when it is considered how old the Italian data is.

Interestingly, London and Ile-de-France (Paris) have similar proportions of excess deaths but the London region is marginally smaller than the city itself and almost entirely urban, whereas Ile-de-France is larger than Paris and has significantly more rural space. When compared to figures for each country as a whole (which show that the UK is suffering nearly twice as much as France), it demonstrates that the disease must be much more concentrated in the Paris area. The regional excess mortality data confirms this, showing 60% of the UK population being in regions within 30% of the excess mortality rate of the capital. In France, that figure is only 27% and confined to just two regions (Ile-de-France itself and Grand l'Est, the region east of Paris as far as Strasbourg and the German border).

For countries with such wide disparities, the Government may feel that regional approaches to lockdown make a lot of sense although in many countries, notably Germany, it is the regions who have the power to set the rules.

## Current UK situation

Boris Johnson has now made his long-anticipated statement on the easing of lockdown measures with initial changes being very minor. People are now allowed unlimited outside exercise time, including playing sport with other members of their household. Construction and manufacturing industries are also being strongly urged to go back to work if the workplaces can be properly socially distanced.

There are no other changes and those who are able to work from home are instructed to continue to do so. There is no further opening of retail other than for garden centres.

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The outlook for garden centres remained uncertain until the moment of the announcement as social behaviour experts had warned the Government there was a danger of large crowds trying to enter these businesses at what is normally their busiest time of year. The police had concerns they might not have the resources to enforce social distancing at garden centres on top of existing lockdown measures. This decision was taken so last minute that it did not feature in the formal announcement but only in the Government's subsequent frequently asked questions document.

There are some regional variations, although unlimited exercise will be allowed across the UK, there will be no moves to allow the return to work in construction and manufacturing outside England. Wales and Northern Ireland have also allowed the re-opening of garden centres.

Beyond the announcement of these small immediate changes, the Government have given some indication of how further relaxation will take place, but only in very general terms.

It is initially proposing three phases of easing of restrictions, with the first being the minor measures outlined above.

### Stage 2

The Government envisages the second stage will see Reception and Years 1 and 6 returning to primary schools, with secondary schools remaining closed. While this will be a request for all

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The earliest that this stage will begin is 1 June.

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primary schools to open, they will still have to ensure that it is safe to do so for the staff as much as for the children. Measures will include reducing class sizes to 15 to ensure a level of social distancing. However, for many schools, especially more recently opened free schools, sites are cramped and it may prove impossible to open some of them whilst adhering to special measures.

Kreab has spoken to one school who has estimated that using social distancing, it will take them over eight hours just to conduct their lunch break.

The unions are demanding that the Government does not implement this measure until it can prove it is safe for staff, pupils and their families. Despite a meeting with the Government's scientific advisors they remain unconvinced. Labour are joining their calls for schools not to open without proven safety and demanding the Government publish the scientific advice.

Non-essential retail will be able to open at this time subject to similar social distancing rules currently used at supermarkets. Cultural and sporting events will also be able to take place behind closed doors.

The earliest that this stage will begin is 1 June, but if a rise in the transmission rate of the virus is seen due to the current relaxation, then this may be delayed or modified. The Government will review available information on 28 May to decide whether to proceed on 1 June or push the date back.

### Stage 3

The next stage will see the full opening of primary schools and key secondary school Years 10 and 12, who are set to have exams next year. If this goes according to plan, they will remain open at least until the end of the Summer Term but most schools do not have the space to be able to operate at full capacity with social distancing. The Government is considering organising summer schools.

At this point in the plan, the Government envisages the selective reopening of some sections of the hospitality industry. However, in most cases it is likely to be limited to outside space at bars, cafes and restaurants rather than the inside spaces. Cinemas and theatres may also be able to open with reduced capacity to ensure social distancing. The industry itself is sceptical that many businesses will be able to survive with such drastically reduced numbers of customers without continued financial support. The Government understands that this will be extremely challenging both for the businesses and for stopping a resurgence of infection rates and will work with industry to ensure this. To achieve this, it will run pilot projects and phase the introduction to different parts of the industry over time rather than it all taking place at the start of this stage.

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will begin is 4 July.

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At this time, places of worship will also be allowed to reopen, as will hairdressers and beauty salons.

The earliest the Government will move to this stage will be 4 July. However, as with the second stage, this date will be dependent on what the infection rate response has been to the previous measures. As a result, the measures included in each phase are only indicative at this point.

## Beyond stage 3 – the new normal?

It should be noted that the advice stating that people who can work from home should continue to do so will remain throughout these three stages. Additionally, most indoor spaces that involve close contact, which will include many pubs, cafes and clubs are not included, and neither are sports stadia and music venues. The Government's presumption is that these will have to wait for a vaccine, treatment or other significant mitigation measure to be available.

In its guidance, the Government does recognise the possibility that neither a vaccine nor an effective treatment is developed. Although it is likely that one or both will come forward, it recognises that it is unlikely to be until well after its phase 3 relaxation. Therefore, those businesses that are not able to open or operate normally at that point need to find other solutions.

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The Government will be encouraging businesses and local authorities to adapt workplaces and public spaces to help reduce the spread of the virus. This is potentially a long-term project and will not only help control the spread of Covid-19 but also other diseases, both existing and future.

In the short term, the Government has produced what it calls 'Covid-19 secure' guidelines for ensuring safer workplaces. The guidelines are largely a restatement of previous guidance such as working from home and keeping people two metres apart where possible but also contain new information on workplace adaptations and cleaning. At present, there are guides covering eight broad sectors of the economy and the Government has committed to producing a further three guides covering schools, prisons and other public spaces.

## Managing R

There is a recognition of the advice from epidemiologists, which we have previously reported, that if infection rates start to increase significantly then restrictions may have to be tightened again, with this potentially happening at short notice. The cautious approach to loosening lockdown controls is due to the desire to not have to suddenly reimpose restrictions.

In planning the way forward, the Government want measures to be seen as fair and proportional, but their guidance explicitly recognises that it will need to take measures which infringe on civil liberties, and so all regulations introduced should be temporary.

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In addition to the relaxation of movement restrictions, the Government is looking to take other measures to mitigate against the spread of the virus, including whether or not to recommend that people wear facemasks in public. Ministers have wrestled with their stance on this issue because their scientific advisors have not been able to give clear advice, as the available evidence is inconclusive on the effectiveness of this equipment for the general population. Due to this, the public are also divided on this matter and despite it, the Government are now recommending that face coverings, but explicitly not medical facemasks, should be worn in situations where social distancing is difficult, with public transport and supermarkets being specifically listed. Given the equivocal nature of the evidence, the Government will not legislate to make it mandatory, leaving it merely as a recommendation.

## Managing transport risks

Even with the facemask stipulation, the Government is advising those who return to work should avoid public transport and should drive, cycle or walk instead. However, in recognition of the fact that more people will be traveling to work in the coming weeks, the Government is working with transport providers to increase the number of services in attempt to aid social distancing.

Measures to quarantine those who arrive in the UK for two weeks after their arrival date are also being introduced. This will apply to arrivals by all modes of transport and will require passengers to give authorities the specific address they will quarantine at on arrival. However, due to the sensitivities over the common travel area with Ireland and the impossibility of enforcing this at the Northern Ireland border, arrivals from Ireland are exempt. Additionally, President Macron of France intervened before the official announcement and threatened reciprocal measures against people arriving in France from the UK, resulting in Boris Johnson adding France to the list of exemptions. There are also some professional exemptions, such as lorry drivers, although the Government is yet to publish a full list.

Airlines and airports are extremely concerned about the proposal and have warned that it could tip some of them into bankruptcy. There are also a huge number of practical steps that have to be taken to be able to implement the proposal, so while it has been announced by the Government, there has been no indication of when it will come into force or for what duration.

The drastically reduced number of people continues to place a strain on transport operators with many airlines requesting further state support and announcing permanent service cuts. There has also been significant impact on local authorities. As many airports are part owned by them, they are now having to cut council services to make up for the lack of profits they rely on from local airports, and some are now having to pay extra funds to their airports. TfL has also had to get a £1.6 billion payment from Central Government to prevent it closing services from this week onwards. However, the seriousness of the problem is exposed by the fact that this will only keep services running until October at which point it will need more money unless passenger numbers improve.



## Joint Biosecurity Centre

The Government is starting to get some results from the work that Public Health England (PHE) is conducting to perform sample antibody and antigen testing across the population to gauge both who has had the disease as well as those currently suffering from it. They have also established a Joint Biosecurity Centre (JBC) to oversee this work and provide estimates to the Government on the progress of the epidemic in the UK, as well to help identify any hotspots that may develop.

This will be augmented in the coming weeks by antibody testing from Roche whose test the Government has certified last week as picking up any level of antibody present and being 99.8% accurate in identifying them as Covid-19. However, the test is to be administered by medical professionals rather than being a home finger prick test as the Government had hoped for. It will therefore be used for testing keyworkers and around hotspots.

The current estimate is that around 136,000 people currently have the disease. The Government's scientific advisors further estimate the reproduction rate to be between 0.7 and 1, which confirms the R number the Government has been working to. However, it is hoped that the sampling work, combined with wider testing and mass self-declaration surveys such as those carried out by Kings College and the future NHS' track and trace app, will allow for the confidence interval to be reduced, giving a more accurate and up to date value for R. This will be crucial for assessing the effect of any measures taken to relax the lockdown.

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Given that it takes around 4 weeks after infection to develop Covid-19 antibodies, the estimates for the percentage of the population that have been infected reflects the level in early April at the peak of the epidemic. At that stage, approximately 4% of the population had been infected, but there remained strong regional variations, with the figure for London being at 10%. Given the number infections and deaths have fallen from the peak more slowly than they rose, it is a reasonable assessment that those figures will be close to double that.

### Covid-19 Alert Level

The Government has also established a new system for indicating the state of the epidemic in the UK. Acting on the advice of the Chief Medical officers and the JBC, the Government will set an alert level for Covid-19. The levels are:

- Level 1: COVID-19 is not known to be present in the UK
- Level 2: COVID-19 is present in the UK, but the number of cases and transmission is low
- Level 3: A COVID-19 epidemic is in general circulation
- Level 4: A COVID-19 epidemic is in general circulation; transmission is high or rising exponentially
- Level 5: As level 4 and there is a material risk of healthcare services being overwhelmed

## Track and trace

The Government continues its efforts to create an effective and rapid track and trace system. Recruitment of the 18,000 people who will initially be needed to administer the system has begun, and it is starting to make progress on its goal of increasing testing up to 200,000 a day by the end of the month. The number of tests carried out daily is still hovering around the 100,000 mark but equal emphasis is being placed on returning results quickly to allow faster quarantining.

The testing effort will also be increasingly focussed on controlling hotspots of infection with mobile testing units targeted at these areas. This will require having a good picture of what is happening with infection rates and transmission at a local scale. To do this, the data from testing will be combined with big data sources such as those from Kings College's self-identification app and subsequently the NHS trace and tracking app once this is rolled out. Additionally, data from calls to 111 will also be fed into the system. The track and trace operation will work with local authorities to get a good understanding of likely transmission routes around hotspots to take actions to suppress them.

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## Effective communication?

Despite the announcement of lockdown changes being delayed by a few days, its implementation still appeared rushed and the Government made clear mistakes in its communication.

To introduce a major change such as this, it is important to have clear communications and present all information at the same time, having tested what you are saying to ensure arguments are robust and there are no gaps in which to sow seeds of doubt. Additionally, it is also critical that spokespeople have a thorough grasp of all the information.

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The Government did not follow any of the rules of clear communications.

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The Government did not follow any of these rules.

The announcement was made on a Sunday night with no opportunity to question it and no detail available. Government spokespeople then gave out inaccurate information over the course of the next day. The full guidance was then released on the Monday afternoon which was the first opportunity for other politicians to ask questions, with the first press conference being held over 24 hours after the initial announcement.

By this time, the media narrative that the Government proposals were very confused was firmly established and the public had taken that on board. It will therefore take the Government much longer than it could have to get its message across.

## Supporting the economy

As previously reported, the Treasury is extremely keen to end the Coronavirus Job Retention Scheme as soon as possible and the Chancellor had been indicating that he wanted to rapidly wind down the scheme from its scheduled end point at the end of June. However, pressure from industry and MPs made it clear that a much slower wind down would be necessary. This is especially true for the hospitality sector who, notwithstanding government plans that some businesses can reopen from 4 July, is still likely to be extremely restricted until the end of Autumn at the very least.

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### Consequently, the Coronavirus Job Retention scheme has been extended

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Consequently, the scheme has been extended in its current form until the end of July. From August to October, employees on the scheme will still be entitled to receive 80% of their salary, but businesses must contribute to that amount with Government only picking up a part of it. The Chancellor is yet to announce the details for this as it is still being worked on internally. Under consideration is whether it should start to vary the levels of support to different sectors, with hospitality requiring extra.

Crucially, during this extension period, furloughed staff will be able to work part time. The Treasury's hope is that if they get the scheme right it will allow hospitality venues to be able to operate with reduced capacities.

## Outlook and future government action

Until now, the Government has enjoyed strong cross-party support for its course of action in dealing with Covid-19, but the cracks are now starting to show.

Within the Conservative Party there are several prominent MPs on the right, including some ministers who now believe that re-opening the economy must take priority over controlling the outbreak of the virus. Some of these individuals always maintained the view, mostly in private, that the lockdown was wrong and that more people will die from the disruption to the economy caused by restrictions than from the virus itself. The start of the relaxing of measures has now emboldened them to start pressing their case.

There is a further group who did think that the lockdown was the right thing to do but that it had to be a short-term measure. These MPs are pressing the Government to stick to the timetable that it has set out and are not likely to be sympathetic to slippage.

New Labour Leader Kier Starmer had initially taken a supportive approach towards Government handling of Covid-19 but, in the last week, this has decidedly changed and Labour are taking a very hostile position, seeking to paint the Government as having had the worst approach in Europe and that they are allowing the most vulnerable in society to pay the price.

Until this point, politicians at both a national and local level have been telling Kreab that they have found Ministers unusually receptive to hearing about issues in their constituencies and having a willingness to act to improve the Government response.

As we have previously reported, the Government have moved from conducting themselves in an entirely political way to responding more closely to the science over the last few months. By using this strategy, they have found it easier to carry out policy U-turns when required and the political consensus has made this easier to do.

The changed climate in the last week may cause the Government to take a more political response with less ability to be flexible when required. There are already signs it is becoming more defensive and less open with the public.

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Labour is now taking a very hostile position against the Government's handling of Covid-19.

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## Track and trace rollout

The Government is confident the new NHS app for tracking those who have been in close proximity with someone who has Covid-19, and instructs them to self-isolate, will work as expected, and they plan to roll it out nationwide within the next two weeks.

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The concern is about the interoperability of the app with those in other countries.

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While there have been some glitches in the app during testing on the Isle of Wight, these have been fixed on a rolling basis and around half of the adult population have downloaded the app. This is short of the 60% target but is still surprisingly good coverage in a week and the epidemiologists are getting useful information from the system.

Despite this, there are still some concerns within Government about the more centralised data gathering system rather than the more decentralised option, which Apple and Google have jointly produced.

Their concern is not so much about the gathering of data, although it is for some Conservative back benchers and opposition MPs, but rather about interoperability with those used in other countries as the Apple/Google system is being adopted by many other governments. Once international travel becomes possible, some countries may allow users of a compatible app to bypass quarantine periods if they can prove they have not been in close proximity with anyone with Covid-19 for the previous two weeks.

Work is being done behind the scenes to prepare an alternative system based on the Apple/Google system, should the Government decide that interoperability is more important for economic reasons.

## Lockdown changes

One of the issues Government is actively researching is the effect on transmission rates if limited forms of mixing between households is allowed.

One such issue is allowing two households to mix with each other, with neither household mixing with anyone else, to effectively create a larger household. This was used in New Zealand where it was known as a household bubble and allowed extended families to see each other. While the system worked well in New Zealand, it had a much lower infection rate as well as smaller cities. The Government has commissioned epidemiologists to ensure that it would not have a significant impact on the reproduction number for the virus before permitting it.

The Government is also investigating if it would be possible to allow slightly larger gatherings to allow weddings to take place. This is higher risk than the household bubble concept, but if the social distancing measures continue for many months then it feels it has to find a way to allow them to happen.

## Government structure

Government is now looking beyond this pandemic to how it can make the UK more resilient to any future disease outbreak. This is likely to mean that some of the measures now in place to combat Covid-19 may continue beyond the end of the pandemic. Some of these, such as engraining handwashing regimes through schools, may be permanent. Others may require businesses to have statutory plans in place to operate workplace social distancing if the Government determines that there is a heightened risk of disease.

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The Government is also looking at how it can make itself more resilient.

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While some have argued that one of the outcomes from Covid-19 will be that companies could decide to have smaller offices, using hotdesking and extensive home working, it is possible that such bio-resilience plans may ban hotdesking.

The Government is also looking at how it can make itself more resilient so that all departments will be able to combat future diseases. It is likely that structures it has established, such as the JBC, will become permanent.

Treasury and the Department of Business, Energy and Industrial Strategy have been instructed to look at new systems to encourage much greater investment in science and technology. This would

ensure that the country is able to react more rapidly and robustly in response to a disease threat than it was able to do with Covid-19 in areas such as testing.

Decision making across Government is becoming much more centralised. This is something that was happening anyway, but it has been accelerated by Covid-19 with Number 10 and the Cabinet office now being key to all decisions.

Government is also trying to position the UK to be in the best position to be able to vaccinate the whole population as fast as possible should an effective vaccine emerge. To this end it has concluded a deal with AstraZeneca to produce 30 million doses of the Oxford University vaccine should it work by the end of September with 100 million does to be prepared in total as part of the deal. The UK will use these to vaccinate its own population but also to provide affordable vaccines to developing countries.

The Government have also provided funding to accelerate the construction of the UK's vaccine manufacturing innovation centre so that it can open in 2021 a year ahead of schedule.

