

COVID-19

o u t l o o k 18 June 2020



Pressure within the Government to accelerate the relaxation of lockdown is building and it is weighing up the speed at which it should proceed. This briefing outlines the developments over the past week and builds on our previous briefings to look at how the situation in the UK is likely to develop.

Overview

As the pandemic continues, the epicentre is now firmly in Latin America with four of the top six daily death tolls coming from the region. There are also worrying signs of a second wave in some countries, with Iran being a particular cause for concern.

Should this trend to a second wave be realised more generally, the concern is that Europe could be hit by this as it starts to move into its flu season in the Autumn, potentially putting a major strain on health systems.

In the meantime, across Europe, moves towards relaxing lockdown measures have accelerated with some countries, such as France, now having removed almost all restrictions.

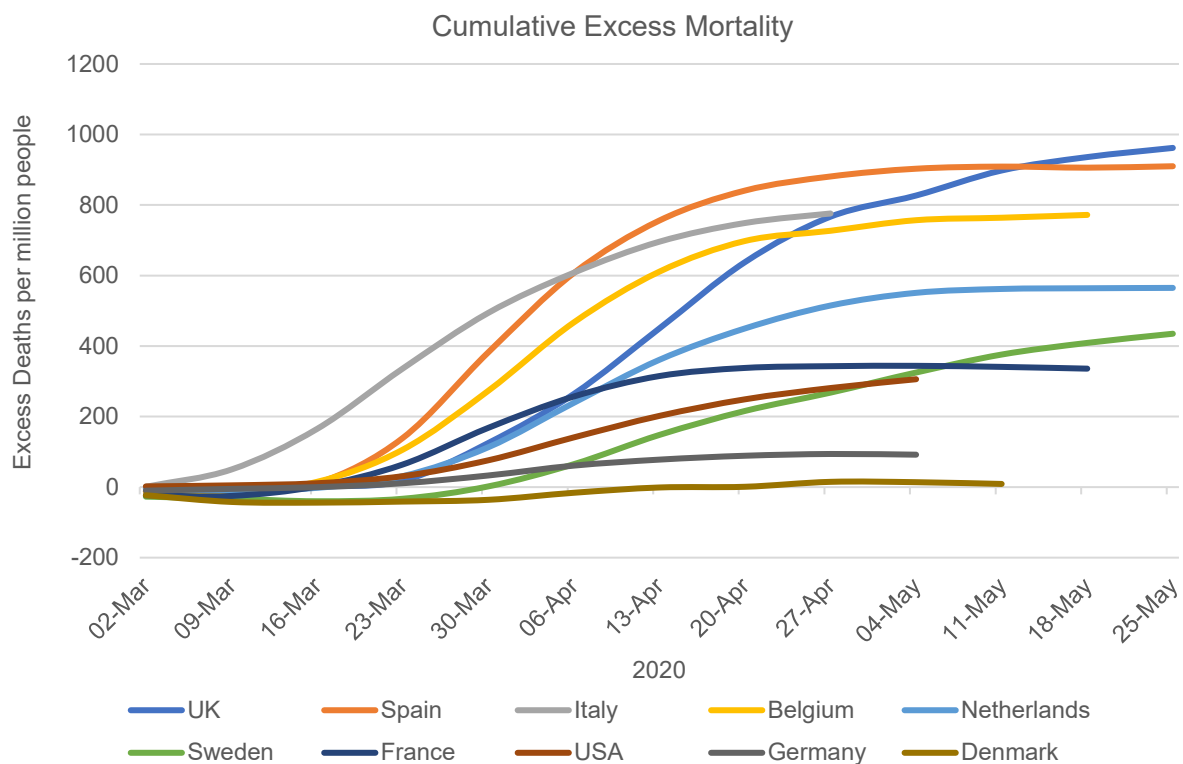
The path of the disease in the UK has always been behind other major economies in Europe and so restrictions are still high, but this is causing Ministers to come under sustained pressure from those in their own party who are concerned about the economy and want to accelerate a return to normality.

Some of these internal critics have always opposed the lockdown measures and point to other countries, such as Sweden, as the model to follow. More recent evidence shows Sweden has had a relatively high level of deaths compared to other Nordic countries whilst suffering the same level of economic damage.

These persistent critics are relatively easy for the Government to ignore, but now they are backed by normally loyal MPs who supported the initial lockdown measures, there is increased pressure to relax restrictions faster. Ministers are also now split on similar lines.

The greatest focus is on reducing the social distance guidance from two metres to one metre and on removing the blanket quarantine measure on people arriving in the UK.

Latest Kreab analysis of worldwide excess mortality figures shows demographically and geographically, similar countries have had significantly contrasting outcomes in terms of their death rates. The difference will clearly lie in the measures each Government took to control the virus and will be key to learning lessons from the outbreak.



Current UK situation

The next stage of relaxing the lockdown has started this week with the opening of non-essential retail. Secondary school pupils who face exams next year are also starting to return to school. Any effect these measures may have on the spread of the virus will not be seen until the start of July, after the next round of measures start, and so the Government is running a high risk that it may have to make a significant reversal of these policies.

In an effort to mitigate against the effect of these changes, the wearing of face coverings on public transport has also been made compulsory this week.

The Government is also taking heart from the fact that a month on from the first relaxation of lockdown measures, albeit a very minor change, the evidence is the virus reproduction rate, R, remains below 1 and so the disease is still in retreat.

Testing - improving understanding of the virus

In addition to the various models of the behaviour of Covid-19 which the Government uses to understand the infection rate, the volume of data it is gaining to validate and improve those models is getting better.

As well as figures from the testing regime, where symptomatic people are tested for the virus, the Office for National Statistics (ONS) has continued its testing of statistically weighted samples of the population. This is also backed with antibody testing of healthcare workers which determines whether someone has already had the disease.

One of the findings from ONS testing is that 80% of people who contract Covid-19 have no symptoms. While the scientific evidence is not completely established yet, virologists are able to say with a high degree of certainty that many of these people will be infectious despite not showing symptoms. This presents a serious difficulty for the Government's efforts to use the Test and Trace programme to slow the spread of the disease, as asymptomatic individuals are less likely to be tested. It also highlights the importance of being able to add a smartphone app to the system that can identify people potentially at risk, even when they are not known to an individual who is infected.

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In response to selective reporting of the regional R rates, the UK Government has now published the rates for each NHS region in England (these are not all identical to the standard UK regions) that its scientific advisory committee SAGE are using in their deliberations.

Indeed, these show that the central estimate for each region is below 1, but a range is given for each region. While the central estimate for the South West is 0.95, it could be anywhere from 0.8

to 1.1, which is the highest range for all regions. This is caused by the region having the fewest cases, and so calculating R becomes less certain. As the number of cases continue to drop, this uncertainty will rise despite the increased testing.

All indicators the Government uses show the number of cases continue to fall steadily, with the Kings study showing they have in fact halved in the last week. This has given the Government increased confidence that it is safe for it to continue pushing for the relaxation of the lockdown.

Risks for BAME communities

The Government continues to struggle with its response to the proven increased risk to people with black or ethnic minority backgrounds.

Having commissioned a report into the effect of Covid-19 on BAME communities, many were disappointed with the published report which merely set out the statistical background to the issue but made no recommendations. Subsequently, it became clear there was another report from Public Health England which did make recommendations, but it had been held back by ministers. This was partly because it was felt it would be too provocative at a time with major Black Lives Matters protests occurring across the country.

The Government's decision not to publish this report has ultimately made matters worse, and it has been compelled to publish the report this week alongside a wider review of Government policies.

The particularly difficult aspect for the government is that it has now been seen to suppress a report which in part blames historic racism for the higher rates of infection and death in BAME communities.

The report still makes no conclusions about whether there is a genetic link which makes BAME communities more vulnerable, but it does find that poor experiences of treatment in healthcare and work situations leads to people in such communities not seeking help in a timely manner.

The report also finds that the Government needs to collect better data on the ethnicity of people in the healthcare system and ensure that the system has a more diverse leadership.

It also calls for BAME staff to be given specific risk assessment audits, although there remains a level of wariness around this, with some feeling that it could lead to further discrimination.

Vaccine update

Another milestone has been reached in the drive to develop a vaccine against Covid-19 this week as the team at Imperial College has started human trials of their vaccine. The Imperial vaccine is a novel concept, which passes genetic instructions to a person's muscle cells to produce Covid-19 spike proteins. These proteins sit on the surface of the virus and are the part that the body produces antibodies to block. The theory is a small amount of the vaccine can produce a very large, and enduring, immune response. However this approach to vaccine creation is novel and this is the first of its type to be trialled in humans.

The team should get the first results which show if the vaccine is safe and produces the desired immune response in about a month, but it will not be able to start large-scale human trials to determine if it prevents transmission of the virus until October.

Worldwide, there are over 100 vaccine development projects but fewer than 10% have reached the human trials stage, so it still remains unlikely a vaccine will be widely available this year unless absolutely everything goes right with one of the earliest vaccine trials.

Outlook and future Government action

The Government is focussed on economic recovery within the bounds of what their epidemiologists think is possible without allowing the Covid-19 infection rate to increase again. The Prime Minister and his closest advisors are convinced that the Government needs to act cautiously because it will be judged on how it manages to minimise Covid-19 deaths now the peak of the epidemic has passed. However, as stated earlier in the report, the overwhelming majority of Conservative MPs, including ministers, want to open up the economy as quickly as possible. They believe the epidemiologists are too cautious and more weight should be given to the health effects of a severe economic recession.

The latest figures for the UK economy which show the biggest ever drop in GDP have emboldened those that want to relax lockdown measures faster.

One of the key issues for those that want to move faster is the social distancing rules that state people should stay at least two metres apart. They urgently want to see this brought down to one metre, citing the World Health Organisation recommendations that this is sufficient and because other countries use this distance.

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The hospitality industry has warned without this change, it will be impossible for most businesses to re-open, as they will not be able to host enough customers to be profitable.

Faced with this, Boris Johnson has commissioned a formal review to see what is possible. The aim is to reach a conclusion before the end of the month, so that any proposal can be in place by the time the hospitality sector is able to start to reopen. Even so, this may only apply to their external areas.

While Conservative backbenchers are pushing for a blanket reduction from two-metres to one-metre, the outcome is likely to be much more complex. It is likely the distance will not be changed for areas where it already successfully operates, such as in retail. It may, however, be changed in areas where social distancing is more difficult, with hospitality venues being the obvious example.

Where the distance is reduced, it is likely counter measures will be brought in. As an example, there is already a recognition that maintaining a two-metre distance is difficult in public transport particularly as usage increases, and this is the reason face masks are now mandatory. Compelling people to use face masks is one of the issues SAGE is looking at for situations where social distancing guidelines are reduced.

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There is no guarantee that the two-metre rule will be replaced by a one-metre rule. A compromise may be made, for instance distancing by a metre and a half, but it is more likely SAGE will recommend a risk-based approach. This may mean that if a pub, restaurant or café is allowed to open, then they may be able to operate with a smaller social distance in outside areas but a greater one in interior settings.

The other area where tension exists between the two camps inside the Conservative Party is on the issue of quarantine for people arriving in the UK. The travel sector has been clear with the Government that the measure will cause long-term damage to the industry and needs to be lifted as soon as possible.

Most backbench MPs feel it makes very little sense to restrict movement into the UK from countries with much lower levels of infection. They also believe this is stripping their constituents of any chance of having a holiday this year and fear a backlash over the issue. Additionally, most Conservative MPs view this as a short-term political fix to a communications problem rather than a serious public health measure.

This measure is due to be reviewed before the end of the month and, as Ministers are under internal pressure from the Party on the issue, a move towards a more risk-based approach seems inevitable. It is likely this will lead to travel from the majority of countries being free of quarantine measures from next month.

The next official stage of the relaxation of lockdown measures is due to start from 4 July although, as we have previously highlighted, the relaxation is happening incrementally week by week rather

than in monthly stages. That said, the Government want to ensure they can announce some changes for 4 July and this is under active consideration this week. The prime candidate for that week is the re-opening of outside areas of hospitality venues.

Test and Trace

The Government has now released some figures from its Test and Trace operation which show it is now starting to put people into isolation around known cases. However, it is also clear the initiative is only picking up a small percentage of cases, particularly with 80% of cases being asymptomatic.

The Government want the system to be part of a process to identify hotspots of transmission as well as for suppressing the spread. However, it is currently relatively ineffective for this purpose, especially given the strategy is to be able to micro-target measures on a very local basis. This is because as the number of infections decreases, the statistical significance of the data acquired by the system also reduces, so evidence for the level of the R number becomes unreliable on anything other than a national basis which makes the Government strategy redundant.

The other great unknown is when the NHS tracing phone app will be available.

The system is also struggling with the speed of return of test results. People an infected individual has been in contact with need to be rapidly traced and isolated. Epidemiologists have insisted this needs to happen within 24 hours, but at present this is averaging 48 hours. The system also needs high compliance levels and it is not currently mandatory.

The other great unknown is when the NHS tracing phone app will be available. At present, the tracing system is reasonably effective as the population's mobility levels are not high. This means at this stage people tend to know who they have been near in the last week. As more people physically go to work, especially if they use public transport, this will not be the case and the phone app will be crucial. The app is still being tested on the Isle of Wight and is not available across the country. The Government wants to see it integrated into the Test and Trace system by the start of July but although many of the issues we have previously reported on with the app have now been resolved, the integration with the testing regime is still to be achieved.

The effort to improve the efficiency of the system will therefore focus on improving the quantity and speed of the acquisition of data. This will be done partly by improving the efficiency of the testing laboratories as well as integrating data from bulk public self-diagnosis reporting such as the Kings College app and, when available, the NHS app.

Increased compliance will also be necessary for Test and Trace to be effective in reducing transmission rates, and so the Government is considering whether it might need to make it a legal requirement in future. However, if it chooses to go down this route, it recognises it will need to make financial provision, almost certainly via the statutory sick pay mechanism, for those who are instructed to self-isolate.

Corporate reputation – avoiding collateral damage

As set out above, the Government is trying to walk a difficult line between controlling the virus and protecting the economy, with strong lobby groups on either side of the argument. It will not always make the right choices and even when it does, those choices will not always be popular.

In these circumstances, the Government will often be looking for scapegoats for bad decisions and distractions to change the subject for those that appear unpopular. This means while the Government is keen to preserve business and help it to recover, they are not against throwing an individual company's corporate reputation under the bus to try to protect its own image.

This has clearly been seen this week when the Transport Select Committee, which has a Conservative majority, brought out a highly critical report on British Airways and their proposed staff restructuring. Ministers jumped on this as it provided a distraction from the criticism of its quarantine regime, proving the point that while the Government wants to help airlines, they are happy to damage corporate reputations if it deflects criticism from its own actions.

Companies should therefore be alert to the danger of reputational threats when the Government is struggling with their proposals for handling Covid-19. Business leaders should ensure they have crisis communications systems in place as this is a time when threats can rapidly emerge.



25
COUNTRIES

40
NATIONALITIES

+400
CONSULTANTS

+500
CLIENTS

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