

KREAB *briefing*

WORLDWIDE

COVID-19

outlook 14 August 2020



The resurgence of the virus has continued and efforts to contain hotspots are under immense strain. This briefing outlines how the situation has developed over the past week.

Overview

There has been a gradual resurgence of the virus in the UK. This trend is also being seen across Europe, where countries are using three element strategy to reduce infection rates: 1) isolate infection hotspots, 2) enact local restrictions and 3) increase testing in those areas.

In many countries, notably Spain, the number of hotspots is growing rapidly and resources are becoming strained. The Government's epidemiological advisors want to expand these measures to the regional level and some are even considering requesting the re-instigation of a full national lockdown. However, there is extreme pressure on political decision makers to resist this route due to the significant economic damage already caused by the pandemic.

In the UK, as is the case globally, hopes remain pinned on the discovery of an effective vaccine. With several candidates in their final stage of trials in areas with high infection rates, the first results are likely to be available within the next month. For Europe, the timing could be crucial as governments want to deliver vaccines before the winter flu season hits its peak, as this will be the point of maximum stress on healthcare systems.

Current UK situation

As expected, the pattern of infection hotspots has been maintained and the number of hotspots continues to grow. As a result, there are 30 council areas either implementing local lockdown measures or being closely watched to see if tighter restrictions are needed.

The Government is encouraged by evidence showing the nation's first local lockdown, in Leicester, has been a success, with the area showing a significant drop in infections. As a result, restrictions have now been lifted in all council areas surrounding the city and, in the city itself, only the extra rules on social mixing between households remain in place.

The Government cancelled plans for further relaxation

The Government has delayed plans to further relax national lockdown measures on 1 August due to both the overall increase in the national infection rates and the increase in the number of areas which are designated hotspots. Boris Johnson has a strong desire to reinvigorate the economy as fast as possible, however his epidemiologists are adamantly opposed to further relaxation.

Despite this opposition he decided to press on regardless with these previously reported measures on 15 August. Recognising the controversy that could ensue these were announced late at night, a few minutes after the Government announced the latest extension of quarantine measures will now include travellers from France. However, Government medical and epidemiological advisors will come under pressure from the media in the coming weeks to state whether they back this development.

One issue the Prime Minister could sight in his defence is the number of official deaths from Covid-19 in the UK has been reduced by 5,000 following a review of the statistics. As we previously reported, Public Health England had been including deaths of anyone who had ever tested positive for Covid-19 in its total count, regardless of the actual cause of death. This meant that anyone who had tested positive for Covid-19 but died due to other reasons, such as a car crash, would be counted as a Covid-19 death. The new system has now attempted to rectify this and only counts people who meet one of three criteria: those who die within 28 days of a positive test, those with Covid-19 mentioned on the death certificate, or anyone who has been continuously in hospital since diagnosis.

The most accurate estimate of the total number of people who have had Covid-19 to date has been released by the Government. The study from the UK Biobank, a resource set up by the Government in 2006 to examine the effect of genetics on disease, conducted anti-body tests on a

representative sample of 20,000 people. The results show that 7.1% of the UK have had the disease. This is in line with previous estimates and a large study published by Imperial College this month which used home testing kits.

There are considerable regional and demographic differences within the results. London has had the highest level of infection, with 10.4% of the population having been infected, whereas the rate in the South West and in Scotland is only at 4.4%. Additionally, there is a strong split by age, with 10.8% of all under 30s testing positive compared to 5.4% of those over 70.

The study confirms previous findings that people from ethnic minorities are more likely to have caught Covid-19, with some groups showing particularly high infection rates. For instance, an estimated 18.4% of people from ethnic minorities who are under 30 and living in London caught the virus. The representative nature of this study adds definitive evidence to earlier research that identified the impact on BAME communities which is not explained by geographical location or socio-economic group. This will be further investigated as it indicates there may be a genetic link for some ethnic groups and this could lead to greater insights into the nature of the virus.

Test and trace goes local

Having established a new national contact tracing system following much controversy, due to the low number of potentially infected people being traced, the Government has now proposed major changes to provide a more localised response.

As we have previously reported, environmental health officers who are based in local authorities have longstanding experience in tracing those who have been in contact with people who have notifiable diseases in their areas, so councils have been calling for a local rather than a national system. As the current (national) test and trace system is only successfully tracing slightly over half of those who may have been exposed to infection, the Government has moved to increase the resources given to local contact tracers.

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As a result, the number of people working as contact tracers for the national system is being reduced from 18,000 to 12,000, and resources are being allocated to local authorities to boost their local units. The remaining people in the national tracing system will mostly be used to provide extra capacity around hotspots of infection.

Unlike the national system, local public health teams are able to physically visit premises to talk directly to contacts who have not responded to phone calls or electronic communication. As these teams know their local communities better, they will also likely be able to achieve a higher success rate in tracing.

How local is local

While the Government has been increasingly focused on local action delivered through councils, the form it has taken has caused various controversies. At times, this has been due to rivalries between local government and sub-regional government, but it is largely because local authorities and MP's believe that local lockdowns have been imposed too widely in some areas.

This was first seen in Leicester, where the central government-imposed lockdown measures across the whole city, even though the City's Leader insisted the hotspot was entirely located in a small section in the east. Similarly, this tension was seen when Greater Manchester was put into a local lockdown by central government: Conservative MPs representing areas that think of themselves as Cheshire, despite not having been in the county for nearly 50 years, protested this decision, claiming their areas should not be affected by Manchester's restrictions.

Although the Government has discussed restrictions covering as small an area as possible, its preference is to operate directly through the elected sub-regional Mayors, as it believes that they have the range of powers needed as well as the ability to act rapidly. Ministerial epidemiological advisors are also requesting that action is taken over as wide an area as possible to ensure that there is no further spread. So, while these wider local lockdowns are more economically damaging, the Government is likely to continue to use them. The test will be if a hotspot is declared in London, which could in turn lead to a region-wide lock down and result in serious national economic consequences.

Vaccine update

With great fanfare this week, Vladimir Putin announced that Russia has licensed the first vaccine against Covid-19, even claiming his own daughter had already taken it. However, in reality, Russia is licensing an unproven drug as it has not yet completed safety trials let alone its efficacy ones and no data has yet been released. Russia now plans to manufacture this drug and start a vaccination programme in the autumn. Despite its lack of adequate trials, should Russia experience a big dip in infection rates following widespread use of the vaccine, it will likely be indicative of its effectiveness.

China also has developed what it hopes is an effective vaccine and is starting to distribute it. However, it recognises that it is not yet proven to work so it is only being issued to the military while clinical trials continue.

Vaccine development is progressing on a broad front, with six candidates now in their final trials and a further ten about to enter this stage. Most of these vaccines are or will be undergoing trials in countries with high infection rates and so it is very likely that some of them will be publishing results and potentially going forward for regulatory approval in the next month if the findings are very positive.

Outlook and future Government action

The Government has now reached the point at which it is not able to push its agenda of opening up the economy further without prompting significant, and public, backlash from its medical and epidemiological advisors, given the rise in infections as highlighted above.

The Chief Medical Officer has already warned the UK has gone as far as it can

Several figures, including Chief Medical Officer Chris Whitty, have publicly stated that the country has already gone as far as it can and any new relaxed restrictions must be compensated by tightening in other areas.

As previously stated, this delayed further relaxation of lockdown measures, for instance allowing facial treatments in beauticians or trial events to explore ways of allowing spectators back into sports stadia. The decision to allow this to go ahead on 15 August will put pressure the government epidemiologists as

they are known to believe the Government should be introducing stricter measures rather than relaxing the current ones.

The Government maintains that people should return to their offices as fast as possible, however in epidemiological terms, especially in London, this is extremely risky. Boris Johnson and his chief advisor Dominic Cummings see very serious long-term damage to the economy if this does not happen, which puts their post-Brexit plans for the country at risk.

The Government also remains firmly committed to the re-opening of all schools in September, seeing this as necessary to both prevent long-term damage to the education of a generation. It is also a pre-requisite before office workers return to work, even though it is apparent that many companies have already decided that all staff will work from home until at least January 2021.

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While the effect on the infection rate of re-opening schools is disputed, it is clear the move will create some upward pressure on the spread of the disease. Given this, the Government is looking

at possible areas where it could introduce measures that would act to reduce infection spread and mitigate against this threat.

It is possible the mandatory use of face coverings in other areas will be considered, but the remaining public spaces are outdoor where they would make little difference. The one exception is indoor bar and restaurant areas, which, while sounding impractical, is enforced in some countries, with masks being lowered when eating or taking a drink.

The issue is often framed as the Government having to choose between schools or pubs when deciding what to open. However, having only just been able to revive the hospitality industry, Boris Johnson is not going to force them to close again, especially given this would require further financial support for the sector.

At a national level, action is likely to include minor amendments to regulations. The one significant action the Government could consider is closing or severely restricting indoor areas of hospitality venues. While this would be a last resort due to the financial impact, the Government did consider treating interior spaces differently when the hospitality sector was allowed to reopen, and Wales split the opening dates of indoor and outdoor spaces for the sector. Another restriction under consideration is to restrict or ban the operation of pubs which do not serve food, as is currently the case in Northern Ireland.

Equally when considering local lockdown restrictions during term time, the Government will in future re-open schools before pubs and restaurants.

Councils' power push

Despite the Government's new found faith in localism, as we have described in our previous reports, there is a fundamental belief in the civil service that only central government can deliver effective action which explains its reticence to pass powers to the local level.

However, councils are unhappy with the system the Government has instigated, with Westminster deciding on the actions to be taken and using local government for delivery only. Consequently, the Local Government Association has been lobbying the Government to grant councils the power to decide on local lockdown measures on the basis that they understand their areas better and so will be more accurate in targeting resources, which will in turn cause less collateral damage to the economy. Specifically, they would like the prevention of the spread of communicable disease to be added to the duties under the Licensing Act. This would give local councils the powers to shut any licensed premises that it believes is allowing the spread of the virus.

Sunak looks for economic recovery

For the last few months, the Treasury has been pushing for firm cut off points to Government support for the economy. At the same time, Boris Johnson and Rishi Sunak want to establish an economic framework for post-Brexit UK and had targeted the budget this Autumn to do that.

Sunak intends to stick to his guns on ending the furlough scheme at the end of October, but Treasury officials are examining options for targeted support to areas of the economy that will continue to be largely shut down until a vaccine becomes available. If he is to implement these, then they will be announced at the Budget or financial statement this Autumn.

It is likely the Budget will be downgraded to a financial statement, as the Treasury does not feel it will be in a position to set out a firm, enduring, fiscal framework for the UK. The spending review, which would normally set out a fixed pattern of Government spending for the years ahead, will be released at that time. However, this year it will have to be flexible due to Covid-19.

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The Government hope that a vaccine will be widely available by the end of the year or very early 2021. This will enable Sunak to present an enduring budget and set more rigid spending projections at a Budget in Spring 2021.

Return of the app?

As we have previously reported, the UK's epidemiologists have warned Ministers that without an effective and widely used contact tracing phone app, a widespread return to using public transport is extremely unsafe.

The Government has now put its latest app into trials, again on the Isle of Wight but also in Newham and with a group of volunteer users.

However, the new app is still a long way from launch. Having given up on the UK's own technology, due in part to issues with Apple phones, the new system uses the system jointly developed by Apple and Google. This eases privacy concerns as it is more decentralised, but also blocks access to raw Bluetooth data. Unfortunately, this means that it is worse at detecting the proximity of other phones than the original UK app, albeit it will now work on iPhones.

Consequently, the new app operates a hybrid model asking users to scan a QR code into their phone every time they enter a public building so that it has an absolute record of who has been in these locations on top of the Bluetooth proximity data.

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