

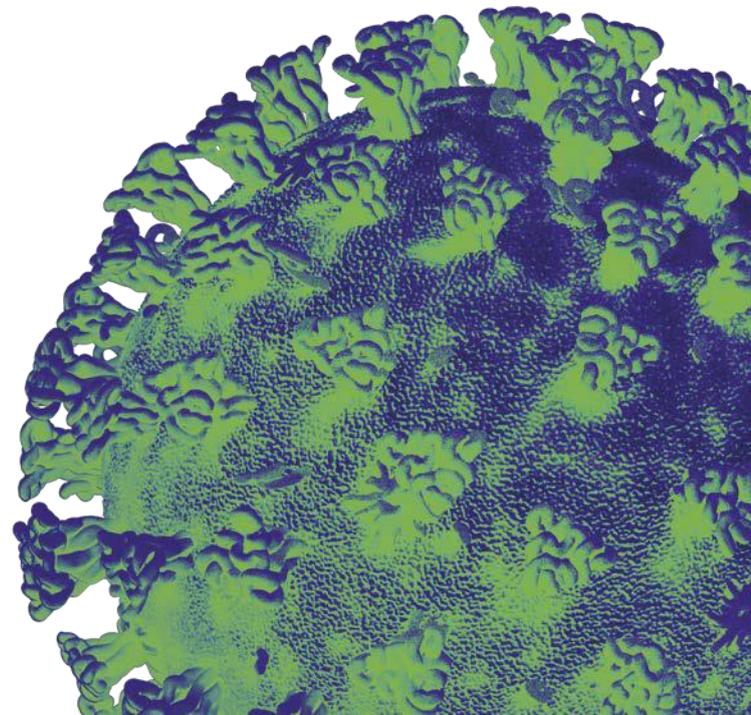
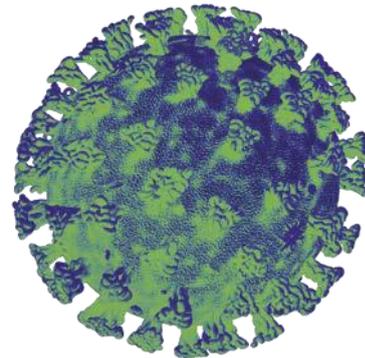
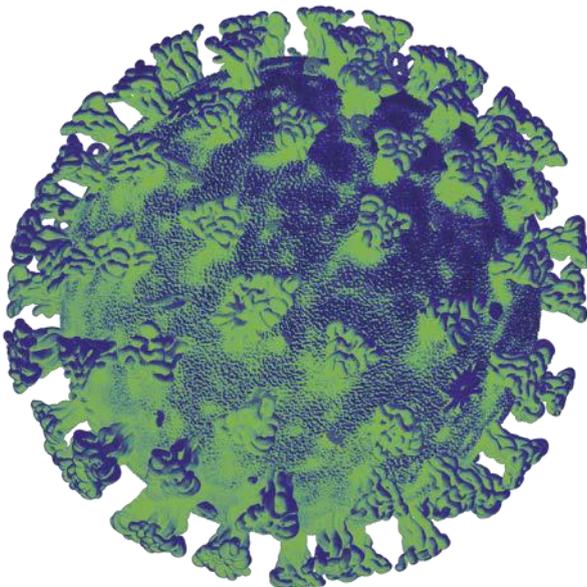


Llywodraeth Cymru
Welsh Government

Technical Advisory Group

The potential risks and benefits of removing restrictions in a phased approach to mitigate the impact of harms from Covid-19 in Wales

5 March 2021



Technical Advisory Group – Socio-Economic Harms Subgroup

High level summary of the potential risks and benefits of removing restrictions in a phased approach to mitigate the impact of harms from Covid-19 in Wales

Context

The TAG socio-economic group has previously published its high-level analysis of the costs and benefits of potential Covid-19 mitigations [here](#). The attached table in this paper sets out a high-level summary of the potential risks and benefits associated with removing Covid-19 measures and restrictions applied to date in a phased approach.

The current modus operandi of restrictions - lockdown - easing - restrictions - lockdown - easing is doing significant long-term social and economic damage that cannot be mitigated and in some dimensions will become permanent. In a rational decision making process, an individual restriction should only be lifted if where the benefits of doing so exceed the (mitigated) harms. The set of restrictions and priority of removal that is selected should be the one that maximises the excess of benefits over mitigated harms (or, equivalency, over “dis-benefits” or “costs”). In practice, the evidence that is available does not permit the full quantification of costs and benefits using a common metric to a large element of judgement is unavoidable.

The potential impact of removing restrictions in a phased prioritised way has therefore been assessed by TAG sub-group members. **In general, the removal of those restrictions which have the highest economic and social impact for the lowest relative risk should be removed first.** In broad terms the sub-group have considered sectors and areas of activity impacted by restrictions and the socio-economic benefits of removing those measures relative to their broad level of risk of increasing transmission in a way that is as transparent as possible in order to aid decision making in taking informed decisions.

The summary table below reflects the consensus of TAG Socio-Economic Harms Subgroup members, based on their assessment of the known evidence base and economic values. This has been supplemented by evidence on the risks drawn mainly from material published by the UK Government¹. More detailed analysis and references to the wider evidence base are not included here but are available if required.

It must be borne in mind that:

- The evidence base is evolving and conclusions may change.
- The strength of the evidence varies across different measures and their relative costs / harms.

¹SAGE, Non-pharmaceutical interventions (NPIs) table, 21 September 2020

PHE: Factors contributing to risk of SARS-CoV2 transmission in various settings, 26 November 2020

- The impact of many of the measures and restrictions are impossible to assess with numerical precision; ranges and heavily rounded numbers will often be more appropriate. In most cases a detailed quantification beyond a broad indication of the scale of risk appears impossible.
- In particular, risk and uncertainties (particularly those associated with an uncontrolled epidemic or a major recession) are often impossible to assess precisely.
- It is often almost impossible to distinguish with any precision the harms that arise directly from a restriction as it is not known how population behaviour might have changed in response to increased prevalence, if controls had not been put in place.
- Effects will vary across social groups and across time. The relative weight given to risks from various harms as they affect different groups inevitably reflects value-judgements and is therefore a matter for political choice. If feasible the nature and scope of restrictions in relation to existing inequalities and the potential unequal effect on those already disadvantaged should be considered.
- The severity of the pandemic in Wales has meant that a high level of restriction has been necessary. The level and nature of restrictions imposed and the length of time they have been necessary has made it very difficult to mitigate the level of indirect harm being caused.

The benefits and risk of options to remove restrictions will vary depending on the strategic context within which they are implemented. Apart from the increased risk in transmission from the removal of any measures, the success in reducing transmission will depend on the impact of the vaccines on virus prevalence, the introduction of new variants and mutations, incidence and severity and the level of protection afforded to those most vulnerable to the disease.

In Annex 1 the subgroup has assessed in broad terms the wider benefits of removing primarily the major economic restrictions and the impact of an increased risk of transmission of Covid-19. Sufficiently granularity of all of the detailed financial implications within sectors is not currently available within published ONS data. For context, Annex 2 provides a broad estimate of the potential economic impact of the complete closure of selected sectors or areas of activity, with a weekly impact on the Welsh economy of around £130m. In practice, much of this loss will be offset by additional financial support provided by the UK and Welsh Governments.

Governments Restriction /measure	Impact on risk of transmission	Benefits/Harms/Mitigation	Weekly economic value to the Welsh economy £m or social impact
<p>1. Closure of non-essential retail</p>	<ul style="list-style-type: none"> Non-essential retail has a low impact on transmission (low-moderate confidence) with very minimal impact on R values. The ability to distance in most settings and use of face coverings are likely to mitigate well. 	<ul style="list-style-type: none"> Economic harms will take the form of lower incomes and increased unemployment, proportional to length of closure. In turn, these impacts will have adverse effects on health and well-being. Non-essential retail and the High Street have been severely affected by the pandemic particularly impacting lower skilled/paid jobs for women/part-time supporting family incomes. 	<ul style="list-style-type: none"> The full extent of the damage to retail is yet to be ascertained but the increased transfer to online sales is likely to be a permanent feature. The weekly value to the Welsh economy is £26m
<p>2. Restrictions on outdoor gatherings, including prohibiting large events.</p>	<ul style="list-style-type: none"> Risk is Low but impacted by the frequency of large gatherings, number of attendees, likelihood of attendance by infectious participants, indoors vs outdoors, singing and shouting, proximity of people, amount of time spent in one place, ability to trace contacts, and elderly or vulnerable people in attendance. Impact on R likely to be between 0.05-0.3 depending on ventilation and other factors). SARS-CoV2 does not persist in well-ventilated outdoor areas for long. High confidence. Virus survival on surfaces is reduced under UV light, however this effect may be less in winter. Large events/gatherings can have a role in seeding infections in and between communities, and are associated with outbreaks. ~2% of cases due to gatherings of over 50 people but this might be skewed by current restrictions. Transport to/from events and use of pubs and other shared facilities nearby may be more important. 	<ul style="list-style-type: none"> Adverse economic consequences depending on frequency of large gatherings, number of attendees, but relatively small impact on financial and employment in context. 	<ul style="list-style-type: none"> Surveys all suggest that meeting family and friends again are people's top priority and that it has a very significant impact on health and wellbeing
<p>3. Requirement to undertake shielding.</p>	<ul style="list-style-type: none"> Low impact on virus transmission at a population level. Potential moderate impact on risk of hospitalisation and deaths in shielded individuals which should be significantly mitigated by the vaccination programme and once transmission rates are much lower. 	<ul style="list-style-type: none"> Reduced socio-economic harms likely compared to some alternative restrictions. However, increase in social isolation, loneliness and associated mental health problems. Potentially adverse implications for age, health and income inequalities. 	<ul style="list-style-type: none"> (Obviously) minimising coverage and duration of requirements will mitigate adverse effects. Significant damage is arising from long periods of shielding particularly for those who are isolated.
<p>4. Restaurants, Cafes and Coffee shops</p>	<ul style="list-style-type: none"> While many food establishments have attempted to operate some form of takeaway to maintain a degree of cash flow many have abandoned or chosen not to and reporting incomes down by up to 90%. The sector has a low to moderate impact on transmission particularly outdoors (low-moderate confidence) with minimal impact on R values. The ability to distance in most settings and use of face coverings are likely to mitigate. 	<ul style="list-style-type: none"> Restaurants and cafes have been severely affected with employment again particularly impacting lower skilled/paid and part-time jobs. While many businesses have attempted to find alternative means of operating on a lower scale such as restaurant takeaways the overall financial mitigation of this if effect for most is likely to be low. 	<ul style="list-style-type: none"> Outdoor activities at restaurants, cafes, pubs and sport generally have a lower level of risk of Covid transmission risk than operating indoors. It is evident that many business have attempted to modify their business operation towards more outdoor activity (though not all can). There is no specific detail on the values involved £ or the level of risk mitigation.
<p>5. Gyms and leisure centres</p>	<ul style="list-style-type: none"> Gyms, leisure centres and fitness: Low to moderate impact (moderate confidence). Potential impact on Rt of up to 0.1, though precise estimation very difficult. Mitigations may ensure that people can maintain 2m distancing, although this is typically for longer periods and there is significantly higher risk around increased aerosol generation and shared surfaces. These create a risk of super spreading events and some evidence from outbreak data e.g. in https://gov.wales/sites/default/files/publications/2021-01/technical-advisory-group-sars-cov-2-infection-risks-at-indoor-exercise-facilities.pdf and https://www.cdc.gov/mmwr/volumes/70/wr/mm7009e2.htm, particularly for group classes. 	<ul style="list-style-type: none"> Sport and fitness are shown to contribute massively to both physical and mental wellbeing. 	<ul style="list-style-type: none"> Individual breakdowns not available but global figures available in Annex 1

Governments Restriction /measure	Impact on risk of transmission	Benefits/Harms/Mitigation	Weekly economic value to the Welsh economy £m or social impact
<p>6. Closure of bars and pubs</p>	<ul style="list-style-type: none"> Bars and pubs have a moderate to higher impact (medium confidence). The potential impact on Rt may be 0.1-0.2, although risk may vary substantially. Environmental risk in bars, pubs etc. is likely to be higher than many other indoor settings due to close proximity of people, long duration of exposure, no wearing of face coverings by customers, shared surfaces, loud talking that can generate more aerosols and potentially extensive contact networks. Some venues are poorly ventilated, especially in winter. Consumption of alcohol impacts on behaviour. These factors may be reduced to some extent through reduction in table service and measures such as screens and markers to enable distancing. Curfews: are likely to have a marginal impact. (Low confidence) though sitting outside only is likely to be much lower risk. 	<ul style="list-style-type: none"> The closure of pubs and bars has severely affected employment again particularly impacting lower skilled/paid and part-time jobs. Some evidence suggests that tighter restrictions on occupancy of venues (perhaps < 20%) may reduce transmission which if strictly applied could deliver a similar impact to closing the hospitality sector while substantially reducing costs. The nature of employment in the most affected sectors means that effects will tend to worsen inequalities – the most affected tend to be low paid, in insecure employment, and young people as more broadly, recessions tend to impact most severely on people who are already “disadvantaged”. Reduced social activity will reduce well-being and harm mental - and potentially physical - health. 	<ul style="list-style-type: none"> Individual breakdowns not available but global figures available in Annex 1
<p>7. Accommodation including tourism</p>	<ul style="list-style-type: none"> Risks are Moderate to High depending on the nature of the venue and restrictions. However until transmission rates are lower the risk of transmission and spread will remain. 	<ul style="list-style-type: none"> Tourism has been severely affected with employment again particularly impacting lower skilled/paid and part-time jobs. (A small numbers of accommodation have continued to operate for business purposes.) 	
<p>8. Personal services beauty and hairdressing</p>	<ul style="list-style-type: none"> Risks are Moderate to High depending on the nature of the venue and factors such as increased proximity, shared surfaces and interconnected social networks 	<ul style="list-style-type: none"> Employment of many small businesses and individuals is at risk with additional benefits to the mental health and wellbeing of customers 	<ul style="list-style-type: none"> The weekly value to the Welsh Economy of personal services is £17m
<p>9. Arts or cultural centres such as theatres</p>	<ul style="list-style-type: none"> Operating effectively with social distancing remains a difficulty when many venues are considered High to Very High risk. These require a significant reduction in the overall rates of transmission. 	<ul style="list-style-type: none"> Arts and cultural venues have been particularly hard hit to due to the nature of audience attendance and the minimal mitigation that is possible. 	<ul style="list-style-type: none"> The weekly value to the Welsh Economy of arts and culture is £22m
<p>10. Restrictions on indoor gatherings (including limiting the number of households able to meet)</p>	<ul style="list-style-type: none"> Social activity is one of the greatest areas of challenge as it is one of the main focuses of restrictions to contain the spread of the virus. There is a High risk of transmission within households from droplets, aerosols, fomites and transmission from shared surfaces. While options are limited to control transmission in households, an epidemic can only be sustained if there are transmission chains between households. Data show high secondary attack rates (up to 40%) between members of the same household. Modelling of relaxing lockdown concluded that allowing any one household to make contact with more than one other household would substantially increase R. Stopping all contacts between different households in the home might increase Rt by ~0.1-0.2. Bubbling of single occupancy households has little effect. There are additional difficulties during the winter period when much outdoor activity is prevented. Which has only a low to moderate impact. (Medium confidence). 	<ul style="list-style-type: none"> Reduced social activity has reduced well-being and increased mental harm – and potentially physical – health. Effects are likely to be unequal and depend heavily on individual circumstances. It is likely that resulting unequal social activity is linked to other inequalities (such as income and type of accommodation). Some people may have a greater propensity to risky behaviours such as the excess consumption of alcohol or use of illegal drugs. <p>Those who do not have access to gardens through location or financial disadvantage (cannot afford commercial indoor spaces, or have no local café/pub, difficulties with small children etc.) are further restricted and isolated. The extension of home to cover garden options for many will not be the answer for everyone</p>	<ul style="list-style-type: none"> While outdoor activity has a lower level of risk social mixing indoors has a much higher risk of transmission, particularly while prevalence remains high although meeting in smaller numbers can mitigate that level of risk. Surveys all suggest that meeting family and friends again are people’s top priority and that it has a very significant impact on health and wellbeing

Annex 1

Estimate of the weekly economic impact of complete closure of selected sectors (£m)

Direct GVA is value of lost output in closed businesses.

Total GVA is value of lost output including supply chain effects.

Wales	Direct GVA (£m)	Total GVA (£m)
Retail trade (1)	70	103
<i>of which "non-essential" retail (2)</i>	26	41
Land, water and air transport (3)	18	35
Accommodation and food service activities (4)	38	64
<i>of which food service activities (5)</i>	31	52
Real estate activities, excluding imputed rental (6)	37	52
Arts, entertainment and recreation (7)	14	22
Other personal service activities (8)	14	17
TOTAL 2+5+7+8	86	133

Notes

Approximate figures.

The focus of this report is primarily on the economic dimension, separate work is being undertaken on some of the other social aspects, especially the impact on children and equalities.

ONS data is currently only available within the sectors as specified. Attempting to further split data within sectors or through using proxy data is not recommended by KAS.