

# CAPITAL CITY PARTNERSHIP



## Summary of COVID Related Publications - Issue 10, October 12<sup>th</sup> 2020

This issue covers a period when new data on the economy was published, Scotland's central belt entered a fortnight of restrictions on social interaction (including the closure of much of hospitality), as well as the introduction of a new job support package for those employed in sectors which have been closed due to local lock downs or 'circuit breakers'. The UK Chancellor only announced this new intervention late last week, so it is likely that the next issue will have more on this, but in this, Issue 10, there is a link to a treasury fact sheet and a short comment from the Resolution Foundation.

The Resolution Foundation published a paper that looks at welfare provision and what may need to happen to ensure it continues to provide support for those most in need and also a Intergenerational Audit looking at health as well as socio-economic characteristics. These were both published on the 7<sup>th</sup> October.

The Edinburgh Poverty Commission and the Women's Budget Group both launched significant reports at the end of September and these are summarised in the September section.

A paper that looks at the impact on the global economy was published by the World Economic Forum. This highlights how the pandemic is widening inequalities globally and imagines what this may mean for the political structure internationally. It provides a sombre read.

Over recent weeks the Fraser of Allender Institute have been publishing the winning essays from this year's Economic Futures Competition. Those that would appear to be most relevant are included in this summary.

October 2020

**Treasury Fact Sheet, 9/10/2020**

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/921389/Job\\_Support\\_Scheme\\_Factsheet.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/921389/Job_Support_Scheme_Factsheet.pdf)

The Treasury has published a guidance factsheet regarding the new Job Support Scheme (JSS) which is being introduced in the UK from 1st November this year. This is the successor scheme to the original Coronavirus Job Retention Scheme which is closing on 31st October. The guidance covers who is eligible to be enrolled on the new scheme, as well as information for employers on how to claim.

**Back to the furlough. U-turn to retain furlough scheme in closed sectors paves way for fresh lockdowns, Karl Handscomb, Hannah Slaughter, Cara Pacitti and Daniel Tomlinson, Resolution Foundation, 9/10/2020**

<https://www.resolutionfoundation.org/publications/back-to-the-furlough/>

They reflect that the short-lived attempt to set economic policy as if we were leaving the pandemic behind us is effectively over, with the Government announcing that it will pay two-thirds of wages of employees in firms forced to close because of national or local restrictions. This, they suggest, will provide much needed support, saving many jobs in the hospitality and leisure industries.

The new scheme is restricted to businesses mandated to close by any of the four national governments in the UK. Whilst currently this would only apply to a limited number of firms who are required to be entirely closed, such as pubs in the central belt of Scotland and nightclubs across the UK, it will support businesses impacted by similar lock downs if and when they are applied.

Whilst the proportion of an employee's pay covered by the new October scheme is lower than in the first wave, with a gross replacement rate of 67 per cent, as compared to the Job Retention Scheme's 80 per cent. However, a 67 per cent replacement rate is broadly in line with similar short-time work schemes in other European countries, and remains higher than Universal Credit.

**Coronavirus and the impact on output in the UK economy: August 2020, ONS, 9/10/2020**

<https://www.ons.gov.uk/releases/coronavirusandtheimpactonoutputintheukeconomyaugust2020>

The regular ONS update that looks at a number of recently published statistics. They report that monthly gross domestic product (GDP) rose by 2.1% during August 2020 but was 9.2% below February 2020 levels.

Across services, 65% of the monthly growth came from accommodation and food and beverage service activities, with more businesses opening up to take advantage of the Eat Out to Help Out scheme and increased demand for staycations. Within services, output for rail transport, creative arts and entertainment, air transport and travel agencies and tour operators and other reservation services, remained more than 50% below the level of output during February 2020.

Monthly construction output grew by 3.0% in August 2020, following record monthly growth of 21.8% in June 2020 and growth of 17.2% in July 2020; the level of construction output in August 2020 was 10.8% below the February 2020 level.

#### **Latest data on the Scottish economy, Fraser of Allander Institute, 9/10/2020**

[https://fraserofallander.org/scottish-economy/latest-data-on-the-scottish-economy-update-9th-october-2020/?utm\\_source=rss&utm\\_medium=rss&utm\\_campaign=latest-data-on-the-scottish-economy-update-9th-october-2020&utm\\_source=Fraser+Blog+and+subs+list&utm\\_campaign=6cac10ffbe-Email-Blog-RSS&utm\\_medium=email&utm\\_term=0\\_c855ea57f7-6cac10ffbe-86525662](https://fraserofallander.org/scottish-economy/latest-data-on-the-scottish-economy-update-9th-october-2020/?utm_source=rss&utm_medium=rss&utm_campaign=latest-data-on-the-scottish-economy-update-9th-october-2020&utm_source=Fraser+Blog+and+subs+list&utm_campaign=6cac10ffbe-Email-Blog-RSS&utm_medium=email&utm_term=0_c855ea57f7-6cac10ffbe-86525662)

Turnover of Scottish businesses remains well below last year's levels but businesses are experiencing a recovery in new demand on a month-to-month basis. They state that there remains a degree of uncertainty in the labour market, with redundancy related Google searches beginning to rise again as the furlough scheme approaches its end.

They have analysed the Adzuna statistics on the number of vacancies and report that the number of vacancies in Scotland rose to just over 25,000 in September, which represents a 13% increase on the previous month. Despite this, Scottish vacancies remain around 38% below pre-lockdown levels. There continues to be a degree of difference in the recovery amongst Scottish local authorities. Rural Scottish local authorities (Orkney, Clackmannanshire, Dumfries & Galloway) had experienced a smaller decline and have now recovered and are above pre-lockdown levels. However, cities (Edinburgh, Glasgow, and Aberdeen) were harder hit and have been recovering more slowly.

One thing they report on that is relevant given the recommendations of the Edinburgh Poverty Commission (see below) is the number of affordable housing completions in Scotland. They found that only 197 affordable homes were built in the second quarter of 2020, compared to 1,255 in the second quarter of 2019.

#### **COVID-19 is increasing multiple kinds of inequality. Here's what we can do about it, Ian Goldin and Robert Muggah, World Economic Forum, 9/10/2020**

<https://www.weforum.org/agenda/2020/10/covid-19-is-increasing-multiple-kinds-of-inequality-here-s-what-we-can-do-about-it/>

Around the world, responses to the first and second waves of the COVID-19 pandemic have been focused on reducing infections and fatalities. However, there are also redoubled efforts to avoid the negative economic consequences of the outbreak, especially in relation to jobs, productivity and growth. But, they argue, the pandemic is an economic wrecking ball, with intergenerational consequences. Global growth has plummeted, poverty levels are increasing and inequality is accelerating between and within countries. They argue that surging inequality is dangerous, with knock-on effects on everything from rising crime to reactionary nationalism.

Referring to a survey of 37 countries they suggest that 3 in 4 households suffered declining income since the start of the pandemic, with 82% of poorer households affected. In the US, over 44 million people lost their jobs and unemployment surged towards 15% between April and June 2020. Yet the fortunes of the top five billionaires rose by \$102 billion, increasing their wealth by 26%. In fact, the combined wealth of US billionaires increased by over \$637 billion to a total of \$3.6 trillion.

They look at how gender and inequalities based on ethnicity will likely widen before calling for urgent actions introduce more progressive systems of taxation and redistribution and closure of tax havens that allow individuals and companies to avoid their responsibilities to societies. Investments in health, education and infrastructure in deprived areas are particularly vital, as are investments in affordable housing and other measures to increase mobility, allowing individuals to move to dynamic centres which offer jobs and higher incomes.

**How can authorities control coronavirus without killing the economy? John Gathergood and Benedict Guttman-Kenney, Economics Observatory, 9/10/2020**

<https://www.coronavirusandtheeconomy.com/question/how-can-authorities-control-coronavirus-without-killing-economy>

They look at newly available forms of transaction data sourced from financial services providers which contains individual spending transactions tagged to postcodes. They have used this data to measure card spending (excluding online transactions) within each UK local authority. They then combine this data on card spending with data of Covid-19 cases to examine how local lockdowns relate to infections and spending in locked-down areas, such as Leicester and Manchester. The analysis shows that local lockdowns slowed infections but inflicted little (if any) decreases in spending – comparing lockdown authority spending to other non-lock down authority spending.

The introduction of stronger measures – such as closing pubs and restaurants or mandating working from home – would restrict the ability of consumers to spend, and undoubtedly have negative effects on the economy similar to those experienced earlier in 2020. They conclude that the government's top priority should be preventing a return to such measures by containing the virus using targeted local lockdowns with intensive testing and tracing. The introduction of national measures is likely to result in economic harm, and miss the opportunity to control the virus using local lockdowns.

**Coronavirus and the latest indicators for the UK economy and society. ONS, 8/10/2020**

<https://www.ons.gov.uk/businessindustryandtrade/business/businessservices/bulletins/coronavirusandtheeconomicimpactsontheuk/latest>

The final results from wave 14 of the Business Impact of Coronavirus (COVID-19) Survey (BICS). This reflects the period 7<sup>th</sup> to 20<sup>th</sup> September 2020, and the survey closed on 4<sup>th</sup> October 2020. Out of 23,912 businesses sampled, 23% responded.

Of businesses not permanently stopped trading, 9% of the workforce were on partial or full furlough leave, 28% of the workforce were working remotely instead of at their normal place of work, and 59% of the workforce were working at their normal place of work.

They found that 61% of those businesses operating in Accommodation and Food Services said that their profits had fallen compared to what they would normally expect at this time of year. In the Arts, Entertainment and Recreation sector it was 58%.

In the week ending Friday 2<sup>nd</sup> October 2020, there was a total of 17,940 company incorporations, which remains higher than the same week the previous year (13,791). This more positive picture should be balanced by the fact that in the week ending Friday 2 October 2020, there was a total of 6,198 voluntary dissolution applications, higher than the same week the previous year (4,900).

Using the Adzuna database the researchers found that between 25<sup>th</sup> September and 2<sup>nd</sup> October 2020, total online job adverts increased from 59% to 61% of their 2019 average, their highest recorded level since 3<sup>rd</sup> April 2020. In addition, the volume of online job adverts increased in every country and region of the UK, and the largest increase was in Yorkshire and The Humber.

The researchers use data provided by Springboard, a provider of data on customer activity. They measure the volume of footfall compared with the same day the previous year at the overall level and across the categories of high streets, retail parks and shopping centres. In the week ending 4<sup>th</sup> October, overall footfall decreased below 70% of its level the same period the previous year, with high streets having the largest decrease

### **UK report on jobs KPMG and REC, 8 October 2020**

<https://home.kpmg/uk/en/home/media/press-releases/2020/10/kpmg-and-rec-uk-report-on-jobs.html>

A further recovery in hiring activity was seen during September, according to the latest KPMG and REC, UK Report on Jobs survey, with both permanent placements and temp billings rising at steeper rates. Panel members indicated that the easing of lockdown measures had led clients to take on more staff. At the same time, overall vacancies rose for the first time since February, albeit only slightly.

Six of the ten monitored job categories noted higher permanent vacancies in September. IT & Computing topped the rankings, and saw a sharp rise in demand overall. Retail and Hotel & Catering saw the most marked drops in permanent vacancies.

Blue Collar saw by far the sharpest increase in temporary vacancies of all ten monitored job categories during September. Steep rises were also signalled for Construction and Engineering roles. The quickest drop in temp staff demand was seen in Retail.

### **Business Impact of Coronavirus (COVID-19) Survey (BICS) Weighted Scotland Estimates, Scottish Government, 8/10/2020**

<https://www.gov.scot/publications/bics-weighted-scotland-estimates-data-to-wave-13/>

Their latest main findings reflect businesses with 10 or more employees and a presence in Scotland. They report that the share of businesses 'currently trading' was estimated at 95.5% in the period 7 September to 20 September 2020. This rate varied by industry sector – with lower rates for Accommodation & Food Services (estimated at 82.7%) and Arts, Entertainment & Recreation (estimated at 92.4%).

The share of the workforce on furlough leave was estimated at 13.8% in the period 24 August to 20 September 2020. This rate varied by industry sector – with markedly higher rates for Arts, Entertainment & Recreation (estimated at 56.7%) and Accommodation & Food Services (estimated at 40.9%).

There were four industries where more than half of their businesses experienced a decrease in turnover compared with what is normally expected for this time of year. These were the Accommodation & Food Services (75.6%), Arts, Entertainment & Recreation (72.4%), Transport & Storage (55.5%) and Manufacturing (51.1%).

In the latest period, there were four industries where more than half of their businesses experienced a decrease in turnover compared with what is normally expected for this time of year. These were the Accommodation & Food Services (75.6%), Arts, Entertainment & Recreation (72.4%), Transport & Storage (55.5%) and Manufacturing (51.1%). They also report that in the latest period, the Accommodation & Food Services industry sector had the highest percentage of businesses reporting their risk of insolvency was severe to moderate, at 30.4%.

**Safe harbour? Six key welfare policy decisions to navigate this winter, Karl Handscomb, Resolution Foundation, 7/10/2020**

<https://www.resolutionfoundation.org/publications/safe-harbour/>

Looking at the end of the Furlough scheme, questions around its replacement and changes or reversions with the benefit system, Handscomb presents six areas that will need to be examined by the Government.

1. With the removal of the £20 a week pandemic increase to UC this coming April, he suggests we will see over six million families worse off by £1,000 per year- the poorest families will suffer a 7% fall in income.
2. The Benefit Cap meant that 124,000 families on UC did not receive the full £20 per week benefits increase earlier this year.
3. There is a very strong case to continue the suspension of the Minimum Income Floor for self-employed UC claimants during the uncertain economic climate. Maintaining the policy punishes self-employed business owners who are optimistic about their earnings in the coming months, and for some will reward those who close their business and become unemployed.
4. There are still over 3 million claims of the legacy benefits and other than WTC, none of these other benefits were increased when the Government added £20 a week to UC.
5. Contributory benefits are now less generous than UC.
6. The ratchet effect of the triple lock of inflation, earnings and 2.5 per cent, will continue to ensure that the State Pension increases during the crisis. They estimate that the triple lock will mean that State Pension increases by 7.6 per cent over the next two years, compared to 1.5 per cent earnings growth and 2.5 per cent price growth.

**An intergenerational audit for the UK 2020, Laura Gardiner, Maja Gustafsson, Mike Brewer, Karl Handscomb, Kathleen Henehan, Lindsay Judge & Fahmida Rahman, Resolution Foundation, 7/10/2020**

<https://www.resolutionfoundation.org/app/uploads/2020/10/Intergenerational-audit-2020.pdf>

The report considers living standards within 4 main domains: Jobs, skills and pay; Housing costs and security; Taxes, benefits and household income; and Wealth and assets. Their key findings are as follows

- Whilst coronavirus has impacted on physical health and social interaction across cohorts, the nature of the pre-pandemic economy has largely driven the impacts on living standards. This, they say has manifested itself in profound physical health risks to older adults, and a very clear distinction between the economic experiences of pensioners and working-age families during the lockdown.

- The labour market hit has been clearly U-shaped, affecting the youngest and oldest workers most. But policies to support incomes, including the JRS and boosts to benefits, mean that incomes fell most in lockdown for those in their late 40s.
- Consumer debt usage has accelerated for 35-44-year-olds; falling equity prices have dented the wealth of those in their 50s; and there were no particularly clear age differences by age (within the working-age population) in the likelihood of falling behind with housing payments in mid-lockdown.

They conclude that post-lockdown impacts may be more clearly tilted towards the bottom of the age range. By July, younger adults had become the most likely to fall behind with housing payments; young people risk long-term employment and pay 'scarring' effects from starting careers in a downturn; the prospects for a post-coronavirus home ownership increase among aspirant buyers appear limited; and the removal of temporary welfare boosts looks set to provide a major drag on the incomes of young and childrearing-age adults.

**Challenge Poverty Week– What do you need to know about poverty in Scotland?, Emma Congreve, Fraser of Allander Institute, 5/10/2020**

[https://fraserofallander.org/scottish-economy/poverty/challenge-poverty-week-what-do-you-need-to-know-about-poverty-in-scotland/?utm\\_source=rss&utm\\_medium=rss&utm\\_campaign=challenge-poverty-week-what-do-you-need-to-know-about-poverty-in-scotland&utm\\_source=Fraser+Blog+and+subs+list&utm\\_campaign=29cbd4bd4fa-Email-Blog-RSS&utm\\_medium=email&utm\\_term=0\\_c855ea57f7-29cbd4bd4fa-86525662](https://fraserofallander.org/scottish-economy/poverty/challenge-poverty-week-what-do-you-need-to-know-about-poverty-in-scotland/?utm_source=rss&utm_medium=rss&utm_campaign=challenge-poverty-week-what-do-you-need-to-know-about-poverty-in-scotland&utm_source=Fraser+Blog+and+subs+list&utm_campaign=29cbd4bd4fa-Email-Blog-RSS&utm_medium=email&utm_term=0_c855ea57f7-29cbd4bd4fa-86525662)

Congreve talks us through the definitions of poverty before moving on to look at some of the stark numbers. In the most recent data, 2016 – 2019, 1.02 million people in Scotland (19% of the population) were living in relative poverty after housing costs. The proportion of people in poverty fell during the early 2000s reaching its lowest point in 2009-12. Since then it has risen slightly but appeared to fall marginally in the most recent set of published data. She stresses that this is pre-coronavirus.

The discussion looks at what causes poverty and what the Scottish Government is focusing on to tackle it. She looks at what impact the pandemic will have on poverty and accepts that as data on poverty is released with long lags it will be a couple of years before we know exactly what has happened to incomes. That said turmoil in the labour market will have had significant impacts on some people's incomes and not just those already on low incomes. Food bank usage is one indicator and according to the Independent Food Aid Network (IFAN) there was a 113% increase in emergency food parcel distribution between February and July 2020.

She concludes by arguing that putting effort and resources into effectively tackling poverty will provide direct benefits to many people in Scotland, and have wider benefits for society and the economy. However, this is not an easy task, and if the Scottish Government is serious about ensuring it, it needs to prioritise ruthlessly.

**How reliant are UK universities on Tuition Fees and How will they adapt in a post-pandemic world? Lori McCluskey, Fraser of Allander Institute, 5/10/2020**

<https://mk0fraserofalladdy84.kinstacdn.com/wp-content/uploads/2020/10/Lori-McCluskey-UoD.pdf>

An essay from the FAI competition this one looks at the impact of Covid on international students in UK universities and the fact that their tuition fees help maintain financial stability for the sector. She cites research that indicates 75% of UK university funding comes from fees, before moving on to look at Scottish Universities in particular, which she suggests are in a vulnerable position as they have had to become very dependent on receiving international fees as a source of income, since Scottish students do not pay fees. International fees, which are uncapped, can total up to £30,000 per year. Additionally, older universities in Scotland (typically established pre-1990) tend to have more international students than newer universities, therefore they are more reliant on this income stream.

**Covid-19: Will the economic impact on women set gender equality back decades?, Leanne Wilson, Fraser of Allander Institute, 2/10/2020**

<https://mk0fraserofalladdy84.kinstacdn.com/wp-content/uploads/2020/10/Leanne-Wilson-GCU.pdf>

Wilson argues in this essay that the COVID-19 emergency will have a damaging impact on gender equality. She argues that government interventions that move beyond the traditional economic stimulus packages are required to ensure that the recovery is one that rectifies rather than entrenches gender inequality.

In the current COVID-19 crisis, the Institute for Fiscal Studies (IFS) found in February 2020 mothers were 9 percentage points more likely to have stopped paid employment than fathers indicating an immediate negative impact on women. She contends that the potential impact of this will be devastating for women, particularly for single parents who are reliant on a single income.

Women are more highly concentrated in health and social care (79%) and education and childcare (81%) sectors and so are considered 'key workers' in the UK and therefore are somewhat protected in the immediate recovery. However, this comes at a price with these roles most at risk of exposure to COVID-19. Family work patterns have been further impacted by the closure of all childcare facilities and schools which has the potential to further disproportionately impact women.

She concludes with a call for improved investment in the Care Sector. She says this is difficult as investment in care is still considered as consumption spending rather than capital investment and continues to be undervalued by policymakers when they are trying to recover from the recession.

**'The rich get richer and the poor get poorer': exploring the impact of the Covid-19 crisis on the widening inequality gap in the UK, Catherine Bouchard, Fraser of Allander Institute, 1/10/2020**

[https://fraserofallander.org/covid/the-rich-get-richer-and-the-poor-get-poorer-exploring-the-impact-of-the-covid-19-crisis-on-the-widening-inequality-gap-in-the-uk/?utm\\_source=rss&utm\\_medium=rss&utm\\_campaign=the-rich-get-richer-and-the-poor-get-poorer-exploring-the-impact-of-the-covid-19-crisis-on-the-widening-inequality-gap-in-the-uk&utm\\_source=Fraser+Blog+and+subs+list&utm\\_campaign=5a6779dffd-Email-Blog-RSS&utm\\_medium=email&utm\\_term=0\\_c855ea57f7-5a6779dffd-86525662](https://fraserofallander.org/covid/the-rich-get-richer-and-the-poor-get-poorer-exploring-the-impact-of-the-covid-19-crisis-on-the-widening-inequality-gap-in-the-uk/?utm_source=rss&utm_medium=rss&utm_campaign=the-rich-get-richer-and-the-poor-get-poorer-exploring-the-impact-of-the-covid-19-crisis-on-the-widening-inequality-gap-in-the-uk&utm_source=Fraser+Blog+and+subs+list&utm_campaign=5a6779dffd-Email-Blog-RSS&utm_medium=email&utm_term=0_c855ea57f7-5a6779dffd-86525662)

She initially discusses inequalities in modern life, including health, employment, regional and educational inequalities, and then looks at how the Covid-19 crisis has placed the burden of the Covid-19 crisis on the most vulnerable members of society. Looking first at employment she says that nearly 50 percent of all the jobs at risk are in occupations earning less than £10 per hour and at



the same time higher income earners have continued to receive their salary in full. In the longer run, more reliance on technology and working from home could favour the more highly educated at the expense of others and she argues that history is full of examples of shifts in technological paradigms increasing living standards for the upper echelons of society at the expense of structural unemployment amongst more vulnerable regions of society.

She looks at how a move away from office working could both prove to be a benefit for the regions of the UK where costs are less, but if it does happen demand may increase costs, impacting on those in the region who are unable to benefit from the new opportunities. She calls for the national minimum wage to be raised to allow people to actually support families on it, and better reflect the importance of those workers on the minimum wage. Indicating that The Covid crisis has shown our dependency on key workers, yet, 38% of key workers are paid less than £10 an hour, compared to 31% of non-key workers. More focus, she argues, should be given to subsidising local businesses to provide apprenticeships, especially as the shift to online learning has made many students leaving school question whether universities are worth their fees.

September 2020

### **Actions to End Poverty in Edinburgh: The final report of the Edinburgh Poverty Commission Confirmation. 30/9/2020**

[https://edinburghpovertycommission.org.uk/wp-content/uploads/2020/09/20200930\\_EPC\\_FinalReport\\_AJustCapital.pdf](https://edinburghpovertycommission.org.uk/wp-content/uploads/2020/09/20200930_EPC_FinalReport_AJustCapital.pdf)

Edinburgh Poverty Commission was set up in November 2018 as an independent group working together to define the actions necessary to end poverty in Edinburgh. Over the last 18 months they have held 100 evidence sessions and project visits, met and heard from over 70 local organisations, commissioned significant new research into the experience of citizens living on low incomes and attitudes to poverty across the city, and in total heard from more than 1,000 individual participants.

They estimate that in the wealthiest city in Scotland, almost 78,000 people are living in relative poverty, representing some 15% of the population overall. Many people living in poverty in Edinburgh are of working age, in employment, living in rented accommodation, with the highest rates experienced by families with children. Lone parents, nine in ten of them women, disabled people, carers and Black and Minority Ethnic families are more likely to be in poverty than others in the city.

They have identified six areas for action – fair work, a decent home, income security, opportunities to progress, connections, health and wellbeing - and one cultural challenge that they suggest should serve as a lens through which each action should be approached. •

In their summary they say that to end poverty in the city, the single biggest transformation Edinburgh could achieve would be to make the experience of seeking help be less painful, less complex, more humane, and more compassionate. One of the commissioners at the launch mentioned that often statutory services appear, for the people reliant on them, to be there to catch you out rather than help you out. They call on City of Edinburgh Council to lead in the design and delivery of a new relationship based way of working for all public services in Edinburgh.

Probably the biggest single call from the report concerns housing in the city, essentially the cost, availability and, for many, the constant worry of having to move. They say there is no solution to

poverty in Edinburgh without resolving the city's housing and homelessness and call for 20,000 new social housing units to become available over the next 10 years.

### **Creating a caring economy: a call to action. Women's Budget Group, 30/9/2020**

<https://wbg.org.uk/commission/>

The Commission published their final report on the 30<sup>th</sup> September which they hope lays out a roadmap to building a new economy. Based on over a year's research and fact finding, and working together across the four nations of the UK, they call for the design of a new economy: an economy which has the wellbeing of individuals, communities and the planet at its centre; an economy which values care, both paid and unpaid, as the activities that nurture us all; an economy which ensures that no-one faces discrimination, violence, or poverty, and in which no-one is left behind, or pushed behind. This new economy is a caring economy.

One of the practical and striking findings was flagged up in earlier notes from the commission. This concerned the multiplier achieved from investment in care is in excess of a similar investment in construction. They call for a refocus away from photo-opportunity large scale infrastructure projects to more investment that impacts on society as a whole – the care sector.

If the report does gain traction and influences policy makers it will be interesting to see how it could result in the care professions becoming higher status and less gender biased as well as changes across the board in terms of child care leave for both sexes.

### **Coronavirus Scotland: £500 self-isolation grant confirmed by Nicola Sturgeon, Article in the Herald, 30/9/2020**

<https://www.heraldscotland.com/news/18759269.coronavirus-scotland-get-self-isolation-grant/>

From the 12<sup>th</sup> October many Scots who are self-isolating will be eligible for a £500 Self-Isolation Support Grant. This will be administered by local authorities through the Scottish Welfare Fund, which currently provides community care and emergency grants. People will need to have been asked to isolate through Test and Protect, and the grant will be targeted at those who are currently on benefits in Scotland. There is, however, an allowance for 'discretion' for the fund to be extended to those facing other types of financial hardship.

### **The coronavirus pandemic and older workers, Rowena Crawford and Heidi Karjalainen, Institute for Fiscal Studies, 30/9/2020**

<https://ifs.org.uk/uploads/BN305-The-coronavirus-pandemic-and-older-workers.pdf>

They indicate that unemployment shocks have persistent effects on the employment and incomes of older workers. For example, older individuals who lose their jobs are less likely to secure re-employment, or to find a job on a similar wage to their previous earnings, than younger workers. Being unexpectedly out of work, or on lower wages, in the years leading up to retirement can have obvious negative implications for retirement resources. Individuals may not be able to save as they were intending, and may even be forced to start drawing on their accumulated savings sooner than planned if they bring forward their retirement. These difficulties could be exacerbated during the current COVID-19 crisis for those with pension savings held in equities, who will have seen the value of their retirement savings fall in the wake of falls in asset prices. Furthermore, in

addition to these financial consequences, job loss and involuntary retirement are known to have adverse effects on health.

**Monthly vacancy analysis: Vacancy trends to week-ending 13 September 2020, Dafni Papoutsaki and Tony Wilson Institute of Employment Studies, 24/9/2020**

[https://www.employment-studies.co.uk/system/files/resources/files/IES%20Briefing%20-%20w.c%2021.09.2020\\_1.pdf](https://www.employment-studies.co.uk/system/files/resources/files/IES%20Briefing%20-%20w.c%2021.09.2020_1.pdf)

Overall, they report that in the week ending 13<sup>th</sup> September there were 182,000 new vacancies notified. New vacancy notifications averaged 150,000 a week during August. However while there are signs that new vacancies are continuing to recover slowly, they remain well down on historic trends – running 25 per cent lower than in the equivalent week last year, and 20 per cent lower than in the week before the lockdown began.

The article looks at the number of vacancies in each region and nation per 100 people of working age. In every region and nation, average weekly vacancies in August are slightly above the average figures reported for July. However, the devolved nations and the North East of England have the lowest ratio of vacancies per capita compared to all other regions in England, while London and the South East of England have the highest ratios. This broadly reflects the position before the pandemic.

They report that jobs have increased in all categories since July, apart from teaching; customer services; and legal related professions. The IT, healthcare and teaching sectors had the highest number of vacancies amongst all profession types from March until July. However there has been a significant decline in advertised teaching jobs in August compared to previous months. This could be a reflection of what happens over the school summer holidays but we cant tell that from the article.

The modest recovery that has been observed in the last few months also means that for three job types the level of vacancies now exceeds the levels reported in March – namely logistics and warehouse; manufacturing; and domestic help and cleaning.

There is a useful visual on the claimant: vacancy ratio by local authority district in March, April, May, June, July and August 2020, however there is no data to interrogate from behind these graphics which is a limitation.

**Employment and homelessness in the context of the new economy following Covid-19. Tim Gray, Centre for Homelessness Impact, September 2020**

[file:///C:/Users/chris.nicol.CCP/AppData/Local/Microsoft/Windows/INetCache/Content.Outlook/B96R8M28/5f6334e0d79c216230e52fc8\\_CFHI\\_POLICY\\_PAPERS\\_V04%20\(003\).pdf](file:///C:/Users/chris.nicol.CCP/AppData/Local/Microsoft/Windows/INetCache/Content.Outlook/B96R8M28/5f6334e0d79c216230e52fc8_CFHI_POLICY_PAPERS_V04%20(003).pdf)

In this paper, Gray looks at the evidence around employment and homelessness, examining some of the barriers to employment for people experiencing homelessness, and looks at the effectiveness of some of the current interventions in place to help. He argues that the current Covid crisis could increase the number of people who become homeless.

In the conclusions they suggest that employment support for those who have become homeless should include specific aspects aimed at ensuring that the transition into work is handled in such a way that the financial implications of moving into work are well planned for and do not lead to

households getting into debt and potentially becoming homeless again. This should include advice and assistance on what to do when jobs or work placements end, in order to maximise income and avoid getting into rent arrears. Their recommendations for action can be split into two groups.

- Group 1. Those at risk of homelessness, particularly people in work who lose employment due to Covid-19 leading to homelessness, or those who are unemployed whilst living in temporary accommodation. They recommend that every person who becomes homeless or approaches a local authority at risk of homelessness is given access to employment advice and support if they want it, following a pathway model.
- Group 2. Higher needs service users more distant from the labour market. For those with a history of street homelessness, high support requirements and/or multiple barriers to entering employment, they recommend that an Individual Placement Support model is followed.

**Scottish Welfare Fund and Discretionary Housing Payments: monthly data, Scottish Government, 1/9/2020**

<https://www.gov.scot/publications/swf-monthly-management-information/>

The latest update covers to August 2020. Scottish Welfare Fund management information shows that in August 2020, 14% more crisis grant applications were received than in August 2019, and expenditure was 10% higher. There were 4% fewer community care grant applications in August 2020 than in August 2019, and expenditure on awards was 3% lower. Discretionary Housing Payment statistics show that 7% more applications had been received by the end of August 2020 in comparison to August 2019. The amount spent or committed to be spent was 10% higher.

The data presented is for Scotland as a whole and there is no break down by Local Authority.

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