COVID-19: Summary of external research

17 04 2020

This newsletter series presents a digest of external research that the Greater London Authority is making available for the benefit of external stakeholders in tackling the COVID-19 crisis. These summaries have been prepared under challenging circumstances and to short timescales. They are not intended to be comprehensive and exhaustive and the do not represent the full body of evidence on which Mayoral Policies are or will be based.

1. Introduction and summary

This is the latest edition in a series of briefings highlighting key statistics and external research and recommendations relevant to the GLA's response to the COVID-19 pandemic. Each briefing will offer short summaries and a deep-dive into a number of topics. This week includes a summary of published macroeconomic scenarios, and an overview of the emerging evidence base on health inequalities relating to COVID-19.

- **Summary of macroeconomic scenarios review**

A variety of macroeconomic scenarios have been examined by forecasters to understand the potential impact of COVID-19 on the UK and global economy. **Although a V-shaped recovery is the most frequent assumption amongst scenarios at this moment, the actual medium and longer-term economic impact remains highly uncertain** and depends on unknown variables, such as the length of lockdown, whether the virus spread will show any seasonality, and the development of a vaccine. This uncertainty is reflected by the fact that early scenarios are being quickly updated by forecasters as the understanding of the situation evolves.

Despite this uncertainty, there are some common assumptions made across scenarios:

- There will be a significant and unprecedented economic hit in 2020. The depth and shape (or duration) of the economic downturn is what remains uncertain and is therefore the variable that is examined through scenarios.
- The restrictions on movement (i.e. 'lockdown') are the main cause of the economic downturn, rather than the effects of the virus itself. Therefore, the length of the lockdown period is a key assumption to vary between scenarios. The 'best case' scenarios presented assumed a lockdown period of around 3 months. Some scenarios also examined the impact of there being more than one lockdown period i.e. it may be reintroduced in a cyclical way until a vaccine is developed.
- During economic recovery, the unemployment rate rises more slowly than GDP recovers.
- Monetary and fiscal policies are expected to mitigate some of the negative effects of the economic downturn. However, the extent to which scenarios factor in the impact of policy differ (e.g. the

model used by NIESR allows for some endogenous policy responses, but not the substantial discretionary measures announced by many countries)

When considering the common assumptions and methodologies of scenarios, to aid in defining scenarios for London, it is worth noting that most cover the period up to the end of 2021. Defining scenarios for the longer-term (defined as the period to 2030), in line with the capability of several economic models and a standard reference point for Government, will bring an additional challenge due to the uncertainty surrounding the long-term economic impact of COVID-19.

Downscaling UK and global macroeconomic scenarios to the level of London will also bring a challenge and will involve a number of considerations. But **the available information already points out to an unprecedented negative impact on the capital's economy, broadly similar to the impact on the whole country.**

- **COVID-19 Inequalities: summary of emerging evidence**

An emerging body of evidence from the UK and internationally is seeking to understand inequalities relating to COVID-19 exposure, cases and mortality. This evidence base is still tentative, but has started to explore the following characteristics:

- **Gender:** it is unclear whether women or men are more likely to become infected, but more men are dying from COVID-19. Women are expected to be disproportionately affected by lockdowns, through providing unpaid care and growing concerns over increased domestic violence
- **Age:** data on COVID-19 published by the ONS and internationally suggests that the mortality rate increases consistently with age
- **Pre-existing conditions:** the ONS has published a methodology and initial results to help understand the pre-existing health conditions present in death certificates where COVID-19 was mentioned
- **Ethnic background:** particular black and minority ethnic groups are more likely to have specific underlying conditions that increases their risk factor, alongside other ethnic inequalities in the labour market and institutional settings that make particular ethnic groups more at risk
- **Other public health inequalities:** early evidence suggests that key worker occupations are at greater risk of exposure to COVID-19. In general, it is argued that people facing greater socio-economic disadvantage risk greater exposure to the virus and are more likely to be in poorer health to begin with. The economic decline and social disruption resulting from COVID-19 risks harming health and widening health inequalities.

2. External research on potential macroeconomic scenarios

There remains huge uncertainty on the depth and duration (the shape) of the economic downturn and successive recovery in the wake of COVID-19. This means that traditional macroeconomic forecasts and projections are currently severely limited and changing in their predictive and informative power. A common framework to understand the economic implications of the outbreak on London is therefore needed to shed to light give the current degree of uncertainty. In particular, GLA Economics is developing a set of the most likely medium-term macroeconomic scenarios for the London's economy which will be examined in the next weeks.

As the first stage of this work, a brief literature review of alternative approaches to macroeconomic scenarios is being undertaken by GLA Economics and some of the initial findings are presented in this newsletter. A range of different outcomes for the global and UK economies is currently regarded as possible

by external forecasters. Most of them still predict a relatively short-lived dip in economic activity with a rapid bounce-back in late 2020 or early 2021 (i.e., a V-shaped recession) or even a slightly longer recession which would be represented by a U-shaped recovery. But more dramatic scenarios such as double dips in GDP (W-shape) or even self-reinforcing recession dynamics leading to a long-lasting scar on output capacity and possible future growth rates (L-shaped) cannot be discarded at this moment.

We have summarised below the key assumptions and results of a selection of global and UK scenarios from leading institutions

UK's economy

OBR (14 April 2020)

- Provided **a unique reference scenario for 2020 and 2021**, based on the illustrative assumption of a three-month lockdown followed by another three-month period where this is partially lifted. For now, they assume no lasting hit on economic growth.
- The fall in output for each sector is determined by the assumed reduction in labour supply. Consistent with the World Bank simulations, they assume that the restrictions on people's movements are responsible for around 90% of the hit, rather than the direct effects from contracting the virus.
- They also assume that the effect on output reduces proportionately as restrictions are lifted: the impact is halved in Q3, and activity returns to pre-outbreak levels in Q4.
- The policy response would have a limited effect, as the fall in output is largely the by-product of the impact of the health measures on the supply of, and demand for, good and services.
- Their assumptions leads to a **'deep V-shaped' recession** scenario with a strong bounce back, with GDP falling by 35% in Q2 on the previous quarter but returning to pre-virus levels in 2020 Q4. Unemployment rises by more than 2 million to 10% in Q2, but then declines more slowly than GDP recovers.
- The sectors which experience the largest effect on output (relative to the baseline) are education (-90%), accommodation and food services (-85%) and construction (-70%).

Looking at the potential implications for London of the OBR scenarios and based on a number of indicative assumptions, we estimate that the OBR scenario would translate into a roughly comparable fall in GVA at a London level in Q2 and into a marginally lower annual fall in GVA in 2020 (-12.7%). London's real GVA would then bounce back by 17.8% in 2021. In terms of employment, workforce jobs in London would fall by 3.9% in 2020 compared to previous year – i.e., 235,900 workforce jobs less -. For year 2021, London's workforce jobs would grow by 12.5% with respect to 2020.

PWC (7 April 2020)

- Provide **two illustrative scenarios for 2020 and 2021**, based on five main transmission channels through which COVID-19 affects the economy: supply chain disruption, labour supply reduction, uncertainty impacts, sector partial or full lockdowns and policy reactions.
    - Scenario 1 (shorter lockdown period): following an initial peak in April 2020, non-pharmaceutical measures (NPIs) such as social distancing and contact tracing prevents an ongoing rapid increase. Lockdown lasts for 3 months but there is ongoing implementation of NPIs to prevent a significant recurrence until a vaccine becomes available in June 2021. Some NPIs may be introduced and reversed in a cyclical way to limit the number of cases and antibody testing may enable a proportion of the population with immunity to return to work.
    - Scenario 2 (longer lockdown period): weaker adoption of NPIs leads to a more prolonged peak in cases over summer 2020, with lockdown lasting 5 months. There are ongoing but

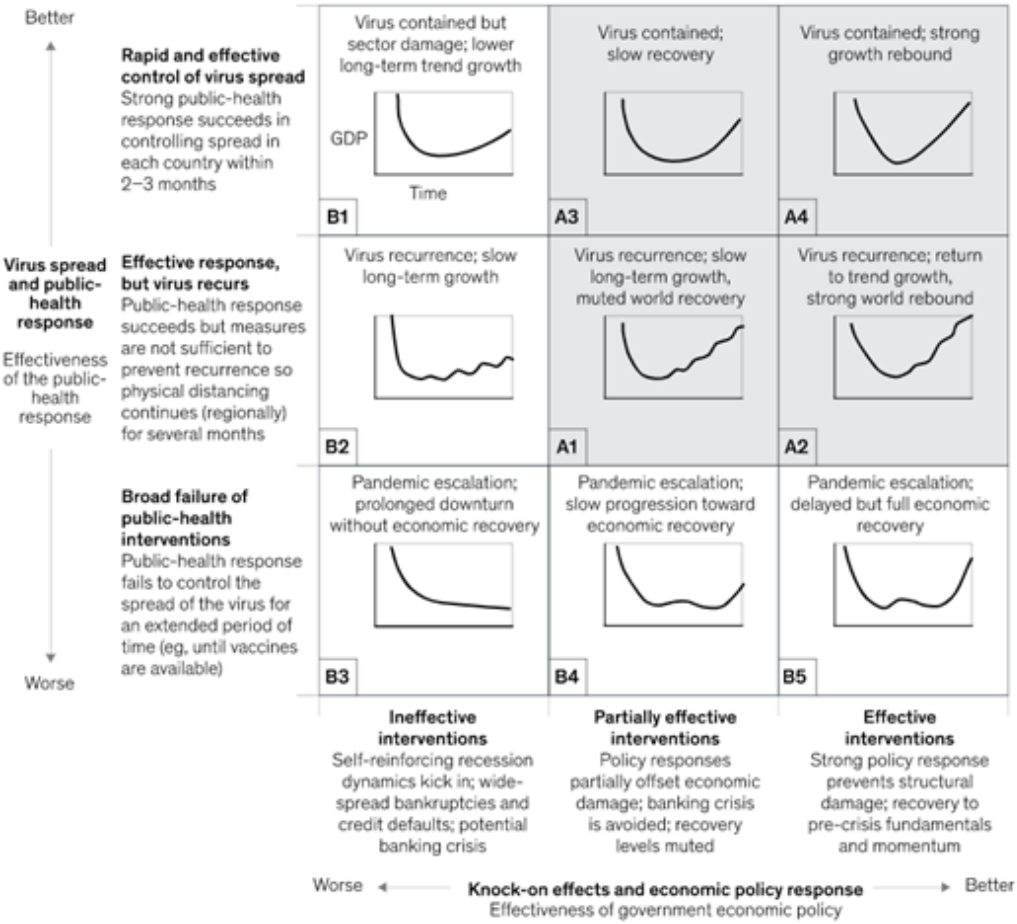
smaller peaks in the disease until the development of a vaccine in June 2021. Antibody testing may enable a proportion of the population to return to work.

- The estimated year one impact on UK GDP is -4% in Scenario 1 and is -8% in Scenario 2 (relative to the baseline case of 1% growth without COVID-19). They expect growth to rebound in 2021 and beyond (**V- or U-shaped recovery**) but do not provide estimates the speed of this recovery.
- Analysis suggests that food services, hotels and transport could be worst affected. In Scenario 2 these sectors could face GVA reductions of around 26-41% in 2020.

Global economy

McKinsey (30 March 2020)

- Provided **nine scenarios for the global impact from 2020 onwards**. They assume that there are two dimensions which will drive outcomes: the virus spread and the effectiveness of the public health response in controlling it, and the knock-on effects and the effectiveness of the economic policy response in mitigating them.
- There are three archetypes for each dimension – combining these results in nine scenarios for the next year or more (see Figure below).
- Scenarios A1-A4 (**V- or U-shaped recoveries**) are seen to be more probable, where the COVID-19 spread is eventually controlled, and catastrophic structural economic damage is avoided.
- Epidemiological outcomes are clearly a key driver. For example, one of the key differences between scenario A3 and A1 is whether the length of the lockdown is constrained to Q2 2020 or whether there is some form of physical distancing and quarantine continuing through the summer.
- Based on the impact of the four most likely scenarios (A1-A4), the hardest hit sectors will be commercial aerospace, air & travel, oil & gas, insurance carriers and automotive.
- However, more extreme scenarios (B1-B5) cannot be excluded for now. These assume structural damage to the economy, caused by a year-long spread of the virus until a vaccine is widely available, combined with a lack of policy response to prevent widescale bankruptcies, unemployment and a financial crisis. This would result in a prolonged **L- or W- shaped** economic trajectory.



[Bank for International Settlements (6 April 2020)]

- Simulate **four scenarios for years 2020 and 2021** using a statistical approach that provides insight into the multiplier effects of an initial slowdown in activity, the likely persistence of the slowdown, and the extent to which development in one economic region will spill over to others.
- They report simulations for four scenarios. These combine two assumptions on the initial reduction of GDP and its shape.
    - Initial reduction of GDP: the 'less severe' scenario is one where the direct confinement measures lowers GDP by 2.5%. The 'more severe' scenario lowers GDP by 5%. This range is broadly consistent with external estimates of the effects of these confinement measures that last one to two months.
    - Shape: the 'best case' scenario assumes a **V-shaped recovery** –where a single wave of confinement measures is sufficient to contain the virus. The confinement measures are staggered across countries and regions to be consistent which is what has been observed so far. They also consider a **W-shaped recovery** – where a second wave of confinement follows two quarters after the first waves. The exogenous effects of the second wave on domestic GDP are, however, only half as large as the first round (reflecting the possibility that countries 'learn' and 'calibrate' containment measures).
- Although containment measures are assumed to relax in the second half of 2020, the output losses for the V-type scenarios are protracted, and in all regions output in Q4 2020 Is below its Q1 2020 level.
- In the W-type scenarios, the weakness is economic activity persists for even longer. In most regions, GDP growth is negative throughout the 2020 calendar year and a sustained recovery would not begin until 2021, or around six months later than in the V-type scenarios.

IMF (14 April 2020)

- Simulated the impact of **four scenarios from 2020 to 2024**.
- In the **baseline scenario** the following assumptions are made:
    - The pandemic fades in the second half of 2020, allowing for a gradual lifting of containment measures.
    - Policy actions are effective in preventing widespread firm bankruptcies, extended job losses, and system-wide financial strains.
    - All countries experience disruptions to economic activity.
    - Countries experiencing severe epidemics lose about 8% of working days in 2020 over the duration of containment efforts and subsequent loosening on restrictions. Other countries are assumed to entail a loss of about 5%.
    - The tight financial conditions for advanced and emerging economies are expected to remain in place for the first half of the year.
    - Estimate future commodity prices based on futures market pricing at the end of March 2020.
- In this scenario, global growth is projected at -3% in 2020 (UK growth is projected at -6.5%). Global growth is expected to rebound to 5.8% in 2021, well above trend, reflecting the normalisation of economic activity from very low levels (**V-shaped recovery**). The advanced economy groups (which includes the UK) is forecast at 6.6%. Nonetheless, the level of GDP at the end of 2021 is below the pre-virus baseline.
- Three **alternative scenarios** were also considered, looking at generally more pessimistic variations around the length of time it would take to contain the virus (including presence and severity of a second outbreak), prevailing financial conditions and levels of scarring in the global economy. These lead to a **dampened V-shaped recovery and more U-shaped recoveries** respectively.

3. COVID-19 Inequalities: summary of existing and emerging evidence

This section presents a short summary of emerging evidence on inequalities related to COVID-19, both in terms of clinical inequalities and wider health inequalities affected by the socio-economic impact of interventions to combat COVID-19, such as social distancing. It is important to note that this evidence base is still in the early stages of development and so any conclusions drawn from the research thus far should remain tentative. It also summarises for context relevant evidence on longer-standing health inequalities where there is a stronger existing evidence base.

Office for National Statistics: Deaths involving COVID-19, England and Wales: deaths occurring in March 2020 (16/04/2020)
Widely-publicised ONS article on deaths involving COVID-19. Contains several key data points relating to inequality: in March 2020, **males had a higher mortality rate involving COVID-19** compared with females. For both genders, **the mortality rate increased consistently with age**.

Office for National Statistics: Measuring pre-existing health conditions in death certification – deaths involving COVID-19: March 2020 (16/04/2020)
ONS article that outlines a method and initial results for analysis of pre-existing health conditions in death certifications where COVID-19 was mentioned. A wide range of pre-existing conditions are found. **Ischaemic heart disease was the most common pre-existing condition,** in 14 per cent of deaths. Other conditions highlighted include dementia and Alzheimers disease, influenza and pneumonia and chronic lower respiratory diseases. Analysis of pre-existing conditions is important from a health inequalities standpoint as some groups in the population are at greater risk of certain conditions.

The Lancet editorial: The gendered dimensions of COVID-19 11/04/2020

From those countries that have reported sex-disaggregated infection and mortality COVID-19 data (this group does not include the UK), **it is unclear whether women or men are more likely to become infected**, but **more men are dying from COVID-19**. Adverse outcomes of COVID-19 seem to be associated with comorbidities, including hypertension, cardiovascular disease, and lung disease. These conditions are more prevalent in men.

However, **inequities disproportionately affect women's wellbeing and economic resilience during lockdowns**. Households are under strain, but child care, elderly care, and housework typically fall on women. Concerns over increased domestic violence are growing.

Intensive care national audit & research centre: ICNARC report on COVID-19 in critical care (10/04/2020)
Report containing descriptive demographic data on almost 4,000 patients critically ill with COVID-19 in participating critical care units. Finds that **older age groups and men are over-represented**. Also includes data by ethnic background, finding that a third of critically ill patients are from a BAME background.

Race Equality Foundation: Coronavirus Information and Resources 02/04/2020
Overview of how clinical risk factors, such as age, immunodeficiency and particular long-term health conditions such as high blood pressure and diabetes, affect black and minority ethnic people and communities. For example, **African Caribbean people have higher prevalence of high blood pressure**, and **South Asian people have higher prevalence of Type 2 diabetes**. While black and minority ethnic groups as a whole tend to be younger than White British people, **there are particular black and minority ethnic communities that have higher average ages such as Irish and Jewish communities**.

Black and minority ethnic people are more likely to be key workers and/or work in occupations where they are at a higher risk of exposure, and are **overrepresented in some institutional settings** including prisons, mental health inpatient units and homeless accommodation. They are also more likely to live in London, which we know is ahead of other areas in terms of spread of COVID19.

Autonomy The Jobs at Risk Index (JARI) 24/03/2020
Experimental index used to classify occupations and jobs by whether they bring people into close contact with others and/or regularly come into contact with diseases or infections. Key findings include; **of the 28 occupations with the highest risk factor, 22 can be classified as 'key workers'**; 77 per cent of the 'high risk' workforce are women; average pay for 'high risk' occupations is below the median weekly UK wage.

Royal College of Physicians: COVID-19 and mitigating impact on health inequalities 16/04/2020
Webpage providing **examples of how NHS providers have mitigated the impact of COVID-19** on health inequalities. Examples include supporting homeless populations, workforce well-being measures, using data to identify populations vulnerable to COVID-19 risk and changes to inpatient screening to identify individuals in need of support in the community.

The Health Foundation: What can we do to help those already facing disadvantage, in the COVID-19 outbreak? 08/04/2020
Expert comment from members of the of The Health Foundation's Collaboration for Wellbeing and Health. Notes in particular that **people facing greater socio-economic disadvantage risk greater exposure to the virus**; for example, as key workers or through crowded housing conditions. **These groups are also more likely to be in poorer health to begin with** (such as respiratory conditions or heart disease) and therefore more likely to experience severe symptoms and hospitalisation. Notes that **the economic decline and social disruption resulting from COVID-19 will almost certainly harm health and widen health inequalities**, at least on a scale with the illness itself.

4. COVID-19 external research and statistics

This section highlights external research into the economic and social impact of COVID-19.

IMF – World Economic Outlook April 2020 (14/04/2020)

- Because of the Coronavirus outbreak, **real GDP annualised growth rate in the UK is now forecasted at -6.5% for 2020 and 4.0% in 2021**.
- **UK unemployment rate in 2020 will be 4.8% and 4.4% in 2021.**
- **Real per capita output**, as measured in international currency at purchasing power parity, **would fall by 7% in 2020 in the UK compared to 2019**.
- "This is a crisis like no other, and there is substantial uncertainty about its impact on people's lives and livelihoods. **A lot depends on the epidemiology of the virus, the effectiveness of containment measures, and the development of therapeutics and vaccines, all of which are hard to predict**".
- "Countries reliant on tourism, travel, hospitality, and entertainment for their growth are experiencing particularly large disruptions".
- "**We are assuming the pandemic fades in the second half of 2020 and that policy actions taken around the world are effective** in preventing widespread firm bankruptcies".
- "**But** the pandemic may not recede in the second half of this year, leading to longer durations of containment, worsening financial conditions, and further breakdowns of global supply chains. In such cases, **global GDP would fall even further: an additional 3% in 2020 if the pandemic is more protracted this year, while, if the pandemic continues into 2021, it may fall next year by an additional 8% compared to our baseline scenario**."

British Chambers of Commerce - Coronavirus Business Impact Tracker (15/04/2020)

Between 8 and 10 April 2020, more than 700 UK businesses responded the following:

- 66% of firms have already furloughed some or all of their staff.
- 31% of firms have already furloughed between 75% and 100% of staff.
- 36% of firms have three months cash flow in reserve or less.
- 6% of firms say they have already run out of cash.
- 2% of firms had successfully accessed CBILS.
- 15% of firms have successfully accessed grants for small businesses.

Property reporter – 40% of UK renters struggling with payments as many request to end tenancy (15/04/2020)

- 58% of renters who were working before the COVID-19 outbreak report they have had their employment impacted in some way, and this has provoked further issues.
- 43% of renters whose work has been impacted have struggled to pay rent, bills or other essentials such as food.
- 25% have either had to voluntarily leave their home, move in with friends or parents, or request for their tenancy to end earlier than planned to avoid paying rent.
- 73% of landlords are worried their tenants will not be able to pay all or part of the rent.
- 70% of landlords are concerned that their tenants will vacate leaving them with an empty property.

- Renters would generally appreciate new policies to support their situation, such as having no energy cut-offs for those who cannot pay their bill (82%), freezing rental increases (80%), advancing Universal Credit payments (76%) and freezing rents (74%).

IFS – Household spending and Coronavirus (08/04/2020)

- Many households are experiencing falls in their income as a result of the economic and health policy responses to the coronavirus crisis – often sharp falls.
- On the one hand, if a household typically spends much of its budget on essential or inflexible items, it has less scope to adjust to a lower income by reducing spending without incurring relatively severe hardship. Hence, it is relatively likely to run down savings, miss bill payments or go into debt.
- On the other hand, since many households will find that their spending falls in a fairly automatic way during the period of social distancing, some of those experiencing moderate falls in their income may feel those reductions less sorely than they would in normal times. But **still 47% of households' spending goes on essential goods and services that will be difficult to adjust** if their incomes fall.
- **The share of spending accounted for by 'essentials' is much higher for poorer households than richer households**: the poorest fifth of households direct 55% of their budgets on average to essentials, compared with just 39% for the richest fifth.
- Therefore, **- on average – lower-income households will tend to find it harder to weather any income shocks that the crisis will bring**: a greater proportion of their spending goes towards essentials and bills that will be harder to cut if they experience income falls.

IFS – Drop in international students would imperil university finances (10/04/2020)

- Around 270,000 international students were expected to start a new course at a UK university this autumn. The fee income from international students was nearly £7 billion last year, around 17% of the total income of the sector (37% of total fee income). **If the current coronavirus (COVID-19) crisis results in a big drop in international students, this could spell major financial problems for UK universities.**
- To make up for this shortfall in revenues, universities might focus on attracting more domestic students. Otherwise, some lower-ranked universities could close or be subsumed by others. Assuming government will want to avoid that, it could support them directly or place a cap on each university's number of domestic students at or close to last year's level.

IFS – Could Coronavirus infect the Consumer Price Index (14/04/2020)

- The spread of COVID-19 has led to large changes in spending patterns and, in some cases, rapid price changes.
- In normal times, the CPI measures how much the cost of purchasing a typical 'basket' of goods and services has changed over time, giving us a reasonable idea of how price increases are affecting households, or at least a 'typical' one. However, we do not live in normal times.
- **The basket of items on which the CPI is based will no longer be representative of actual spending.**
- **The CPI for 2021 and 2022 would normally be based on spending taking place in 2020.**
- **Some cost increases may not be recorded.**
- **The gap between what the CPI is actually measuring – the increase in the prices of goods and services – and what it is often thought to be measuring – the increase in the cost of maintaining a particular standard of living – will be much bigger than usual.**

- The importance of these problems will depend on how long social distancing measures last and how long-lasting the impact is on people's spending patterns.

The Policy Institute – Life under lockdown: Coronavirus in the UK (09/04/2020)

- The King's College – Policy Institute, in partnership with IPSOS Mori, has recently released the results of a survey which is looking at perceptions, expectations, behaviours, attitudes, and beliefs on the Coronavirus outbreak among British people.
- The survey sample is 2,250 UK residents aged 18-75 and it was conducted between 1 and 3 April 2020.
- A summary of the results is provided in the link above.

5. COVID-19 external policy recommendations

This section highlights policy recommendations that have been published in the last week by influential external organisations. Inclusion in this section does not mean the recommendations are endorsed in any way by the City Intelligence Unit.

University of Cambridge BioRISC Informing management of lockdowns and a phased return to normality: a Solution Scan of non-pharmaceutical options to reduce SARS-CoV-2 transmission (15/04/2020)

Study identifying a total of 275 ways that transmission of the coronavirus could be reduced. The list is designed to be as exhaustive as possible, with the expectation that the long list would quickly be winnowed down based on practicality and relevance. The list is organised into three primary categories:

- **Physical distancing**: Options range from practical measures such as creating one-way routes around buildings, shops and other spaces to more intrusive measures such as monitoring and sharing of CCTV footage to identify 'excessive' visits to shops.
- **Enhancing cleaning and hygiene:** examples include increasing the use of ultraviolet light for disnfection, personal hygiene recommendations and wastewater and air conditioning cleaning systems.
- **Reducing contamination:** by improving the ease of carrying out activities without contact, and reducing share use and reuse of items.

The list also includes recommendations for reducing spread through pets and restricting disease spread between areas.

Social Market Foundation Intergenerational fairness in the coronavirus economy (14/04/2020)

Argues that the economic cost of tackling coronavirus will fall most heavily on those of working age, in terms of redundancies, lost income and higher public debt. In light of this, the paper makes a broad recommendation for the direction of future policy and one specific recommendation:

- **Austerity round two:** the fiscal costs of the crisis should be spread fairly across all age groups through both tax rises and welfare reform.
- **Basic State Pension:** the current 'triple lock', which ensures that the value of the Basic State Pension rises by inflation, earnings or 2.5 per cent (whichever is higher), should be replaced by a

'double-lock'. This would see the Basic State Pension rise by earnings or inflation (whichever is higher). The SMF estimate this could contribute £20bn to deficit reduction over the next five years.

Policy Exchange – Helping Britain's start-ups (14/04/2020)

- **The Government is an outlier** among comparable European economies in that it is yet **to announce measures to help start-ups** and pre-revenue/lossmaking companies.
- The task of saving them is crucial because a swift recovery depends, among other things, on productive, high-growth companies being able to pick up where they left off quickly. VC-backed start-ups are disproportionately likely to be such companies – their workers are considerably more productive than the private sector on average.
- Yet **many such companies are hard-pressed to access the range of measures available to businesses at the moment**. Since they are not yet profitable and rely on runways of equity funding, and most of their value lies in IP and human capital rather than liquid assets, they would not ordinarily qualify for business loans, which is one of the requirements of accessing the Coronavirus Business Interruption Loan Scheme (CBILS).
- Furthermore, those firms are disproportionately likely to be in receipt of Innovate UK grants for R&D, which means that if they were to fold those projects will be abandoned, leading to R&D funding being wasted, projects having to start up again and the UK's target of reaching 2.4% of GDP spent on R&D jeopardised.
- **This is also important in the context of defending the UK's position as the start-up capital of Europe**, especially considering that Germany and France already announced sizable packages, of €2bn and €4bn respectively.
- **Set of policies, particularly targeted at R&D intensive firms: first, both fast-tracking overdue and advancing not yet claimed R&D credits, secondly, creating an Innovate UK administered fund for maintaining R&D capacity of affected firms so that they are ready to hit the ground running once the lockdown is lifted, and thirdly, allowing CBILS lenders to consider a greater range of evidence of viability and creditworthiness than allowed under current regulations.**
- Ultimately, larger-scale measures are likely to be needed and the Government should press ahead with extending loans which convert to equity if not repaid.

SUSTAIN Food for vulnerable people in Covid-19 lockdown: Learning from Greenwich (09/04/2020)

Briefing on organising food for vulnerable people in Covid-19 lockdown. Key points include:

- **There is not enough free food or volunteer capacity** to feed all economically vulnerable people through local authority and charitable means
- Identifies three key groups requiring food support: **people who are financially secure but cannot shop, people who are financially insecure and cannot shop,** and those who are **financially insecure but can shop**
- The briefing shares the Covid-19 response pathway, triage and payment systems, and packing lists for four types of Food Boxes developed by Greenwich Cooperative Development Agency.
- The scheme has delivered 200 food boxes in its first two weeks, providing food for vulnerable people who can afford to pay for it (with a payment scheme), and for people who are not able to pay.

Fabian Society An Inclusive Recovery (09/04/2020)

Short piece that recommends **a voluntary job guarantee scheme**, providing a real living wage up to £2,500 per month to every worker who lost their job during the pandemic, for up to a year. The government would cover wage costs and support with recruitment. The proposal is loosely modelled on the Future Jobs Fund, which was implemented during the financial crisis and was found to have a significant positive impact.

For more information please contact City Intelligence
Greater London Authority, City Hall, The Queen's Walk, More London, London SE1 2AA
Tel: 07925 148502 e-mail: Spencer.Thompson@London.Gov.UK