



Economic Insecurity: A Compendium of Intelligence Briefing Papers for the United Kingdom

**Commissioned by Shaun West, Chair of C19 National
Foresight Group**

**Authors: Stephanie Blanco, Rich Pickford, Dr Stacey Stewart, Adam Potter, Kelly Smith,
Dr Mhairi Bowe, Dr Blerina Kellezi, Dr Juliet Wakefield, Prof. Clifford Stevenson, Prof.
Ian Clark, Dr James Hunter and Dr Huw Fearnall-Williams**

Edited and synthesised by Dr Rowena Hill



This compendium is based on reviews of the systematic literature across academic subjects. This evidence of empirical data and academic insight contributes to our existing knowledge on who is most likely to be experiencing adversity in our communities, and to start to build a (provisional) picture about who is likely to be most affected by Covid-19 and the impacts from the economic measures taken to prevent the spread of the virus.

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Context

A data review is undertaken by academics at Nottingham Trent University every week to inform the C19 National Foresight Group. Evidence related to Covid-19 psychological, social and economic trends are reviewed to inform, frame and prioritise discussions at national and local strategic decision-making level (LAs and LRFs). The C19 National Foresight Group synthesise data trends and academic findings across disciplines, with evidence of existing vulnerabilities and inequalities to start to build existing and emerging risk or adversity profiles of impacts from Covid-19.

Who is this compendium for?

This is most useful for the following roles. Please pass this on to those people in the following roles in your area:

- National thought leaders
- Local strategic decision-makers
- Intel cells
- Head of the MAIC
- SCG and TCG Chair
- Directors of Public Health
- Head of Health Protection Boards
- LA Chief Execs
- Head of Recovery Groups/Cells
- Multi-Agency Support Teams
- LRF Secretariat

What is academic synthesis

This academic evidence has been gathered from systematic literature reviews, rapid reviews, webpages,



academic articles, pre-prints, academic expertise.

N.B. This is not a literature review, but a review of the broad area (balanced with C19 specific literature) to see what topics lie within the area to inform future work. Predominantly based on systematic literature reviews and rapid reviews. Carried out by Stephanie Bianco, Adam Potter, Dr Stacey Stewart, and Rich Pickford, alongside other invited academics, with revisions and edits by Dr Rowena Hill, NTU. Please contact us if you require a list of sources consulted to develop your own literature review. The section is to provide an overview of the academic and research foresight on the developing areas of latent and emergent economic needs of the community.



Economic vulnerabilities, employment and debt in the Covid-19 crisis: A rapid scope of the literature

Narrative of the review

The initial goal of this scoping review was to identify economic vulnerability within the UK. After extensive reviews, themes derived from the literature are presented here. In each case, evidence is sought of the status prior to the Covid-19 crisis. Then discussions, projections, barriers to accessing support and protective factors are considered within the context of the current crisis; at risk or vulnerable groups are highlighted where possible. Whilst further work is needed to understand the geographical (place) scope of socio-economic needs, the review suggests that a place-based framework and the intersections between social and geographical need should be considered in the aiding and targeting of support. The report highlights limitations/suggestions for further areas of discussion were not covered extensively within this scoping review.

Key Messages:

- Projected future impacts of Covid-19 and warn of food insecurity, hunger and malnutrition.
- Shifts in the pattern of vacancies as a direct result of the Covid-19 crisis with more people moving out of the labour market.
- Particular types of insecurity were more prominent in certain groups or by age.
- Governmental decisions are seen as the most likely factor to create financial insecurity.
- Further revisions to the Job Retention Scheme should include guidance for those in the shielded group, guidance for furloughing workers in the 'at increased risk group', extended self-employed income support schemes for those self-employed for less than a year, widening of the benefits system.
- Some people who have yet to require support may encounter financial problems later and are not yet protected by these schemes.
- Individuals are more likely to acquire large debt than pre Covid-19. Entering debt and using credit cards to cover essential household costs and food.
- Detrimental impacts are forecasted for many UK residents (including loss of employment and cuts in income) as well as an inability to access basic needs (e.g. food and medication).
- There are clear links between experiences of adversities, poor mental and physical health outcomes and impacts upon wellbeing and behavior.
- Particular risk are: 'Just Managing Families', those with children within the household (and particularly single parent households), those on low incomes, specific sectors of employment and those from BAME backgrounds. Those with health conditions, particularly the high risk or shielded group.
- Increased unemployment, reduced hours, and enforced self-isolation for multiple vulnerable groups is likely to lead to an increase in UK food insecurity, exacerbating diet-related health inequalities.
- People of low socio-economic status and/or migrant workers, are more likely to suffer from poor housing conditions, complying with health advice, employment in occupations with limited opportunities to work from home.
- Financial uncertainty disproportionately harms the mental health of those in low SES groups.
- Migrant workers are highly susceptible to disproportionate loss of income in the Covid-19 crisis.
- Extremely vulnerable population are often more reliant on welfare assistance, housing issues, fuel poverty and food poverty.

Concerns raised by the Covid-19 crisis

In global academic and think tank projections, millions worldwide will be pushed into poverty as a result of the Covid-19 crisis unlike any crisis seen before. Whilst basic needs such as access to healthcare and sanitation are less of cause of concern in the UK (in comparison to other countries) there are specific forms of poverty and insecurity which will affect many in the UK, and which will be worsened by the lengthy financial crisis to follow. The literature highlights the increased economic disparities that may push millions into poverty. In addition to economic considerations related to the crisis itself, The Lancet Global Health (2020) and UNICEF (2020) have both recently published reports on the projected



future impacts of Covid-19 and warn of food insecurity, hunger and malnutrition stating that these problems are already prevalent and, without critical intervention, these are likely to increase and appear as additional need.

Prior to the Covid-19 pandemic, literature that focused on economic insecurity in Western societies was not focused on. Literature now highlights that increased unemployment, economic insecurity and reduced working hours all lead to increases in food insecurity and poverty of other measures (including housing, debt and fuel). A large study of UK respondents found that economic insecurity was widespread throughout the UK population and that particular types of insecurity were more prominent in certain groups or by age. Over 65s for example have economic fears resulting from potential future need for social care and fuel poverty as opposed to housing and food scarcity, whereas young adults are more likely to see vulnerability in housing costs and families with food insecurity.

Impact of policy on employment

In response to the weakened labor market the government have announced numerous packages and employment support schemes. Governmental decisions are seen as the most likely factor to create financial insecurity and studies show that around 42% of the UKs population blame policy decisions made by the state for economic insecurity in the UK. Few believe that the state is there to help them with 62% stating that people get little to no help from the state and 54% believing that inequality will worsen before government action. Initial research and insights indicate that the government's job retention schemes appear to have established the employment rate somewhat. However, many academics argue that upon the removal of these schemes unemployment figures will likely soar. Physical distancing, self-isolation, lack of childcare and travel restrictions has led to a reduced workforce across economic sectors and insights suggest that the crisis will change the labor market considerably. Recent data from the ONS (2020) also suggests that there are shifts in the pattern of vacancies as a direct result of the Covid-19 crisis with more people moving out of the labor market.

Despite government packages, many warn of the concern that large numbers will fall between the gaps in such schemes. Recent reports from Citizens Advice warn of an increase in visits to their website directly related to employment and financial security. They warn that further revisions are needed to the Job Retention Scheme to incorporate guidance for those in the shielded group and those who live with a shielded person, improvements and extensions to the guidance for employers on the option of furloughing workers in the 'at increased risk group', extended self-employed income support schemes for those who were self-employed for less than a year and a widening of the benefits system. Some people who have yet to require support may encounter financial problems later and are not yet protected by these schemes. This includes those who have been relying on savings which may now be depleted (Citizens Advice, 2020). Additionally, some currently benefiting from these schemes will be unable to return to work by the time that they have expired (for example those in the shielded group or who work in sectors particularly affected by physical distancing; Citizens Advice, 2020). It is predicted that individuals will acquire large debt during this period and may be in need of assistance later on as a result.

During the early weeks of lockdown measures and post announcement of government interventions (including furlough schemes, mortgage holidays and other measures to reduce the financial impacts of the crisis), data shows that many were already being financially affected. Detrimental impacts are forecasted to impact the socio-economic position for many UK residents (including loss of employment and cuts in income) as well as an inability to access basic needs (e.g. food and medication). This is concerning, especially given the links between experiences of adversities, poor mental and physical health outcomes and impacts upon wellbeing and behavior. Academic insights highlight that the challenges represented here continue to worsen and measurable inequalities (such as access to food) have remained, and continue to worsen.

Debt

Whilst debt was scoped in the literature, it is felt that there is sparse insights currently and there may be many statistics forthcoming which explore the direct impact and buildup of debt for households within the UK. Prior to the current Covid-19 crisis, data from the ONS (2018) suggests that total household debt (between 2016 – 2018) was £1.28 trillion, of which 9% was financial debt and 91% was property debt (in the form of mortgages and equity release). Within this same report, 4% of households were identified as having problem debt and these people were more likely to rent their home (66%). Recent



reports from The Money Charity (March, 2020) claim that by January 2020 the average debt per UK household had already risen to £60,363. Such figures are expected to rise in the current crisis; data from Citizens Advice (2020) suggests that many are falling into debt and using credit cards to cover essential household costs and food. The FCA (2020) have released some initial data which seems to support that many are relying upon debt and use of credit cards to cover basic needs and necessities during the pandemic and claims that a cycle of debt may ensue as many might be left struggling to pay off the acquired debt during this period, especially if unemployment rates continue to rise. Citizens Advice also reported in dealing with 2,168 debt issues every day in February 2020, 420,602 enquires within England and Wales in that month alone. StepChange Debt Charity (2020) has also reported an increase in advice on debt and said that the biggest reasons for calls to their advice line were through illness or injury, experiencing a reduced income and experiencing unemployment and redundancies. This is should be reconsidered when more evidence becomes available.

Vulnerable groups

Researchers argue that the current climate is highlighting already prevalent socio-economic disparities and such disparities are likely to increase given the unique nature of this crisis. Reductions in and changes to employment will affect many but of particular risk are 'Just Managing Families', those with children within the household (and particularly single parent households), those on low incomes, specific sectors of employment and those from BAME backgrounds. Those with health conditions are likely to be impacted by the current crisis too, particularly where health conditions place them into a high risk or shielded group. This group are considerably more likely to have reported a reduction in their income since Covid-19 came to the UK - 48% have reported a drop vs 27% in the overall population. 46% report that they have already, or are expected to, become behind on rent (compared to 26% in the overall population). 25% of this group are already behind on one or more other household bills. Increased unemployment, reduced hours, and enforced self-isolation for multiple vulnerable groups is likely to lead to an increase in UK food insecurity, exacerbating diet-related health inequalities (Citizens Advice, 2020). People of low socio-economic status and/or migrant workers, are more likely to suffer from poor housing conditions which will add additional pressures in complying with health advice (Joseph Rowntree Foundation, 2020) and are more likely to be employed in occupations that do not provide opportunities to work from home. They are also more likely to have unstable employment and incomes, conditions exacerbated by the responses to Covid-19 and its aftermath. Such financial uncertainty disproportionately harms the mental health of those in low SES groups and exacerbates their stress (4in10, 2016). They are also more likely to suffer healthcare inequalities and access services of support which can be exacerbated further by language barriers, patient attitude toward healthcare and help seeking behaviors and attitudes of healthcare providers towards both those of a lower socio-economic status and BAME backgrounds.

Further recommendations

Some areas which were considered but go beyond the scope of the review have not been discussed in their entirety. Limited data and reports on debt suggest a need to do subsequent future reviews when the evidence becomes available. Migrant workers for example may be a population likely to suffer from overcrowding and poor housing conditions (Joseph Rowntree Foundation, 2020) as well as being economically vulnerable which has been discussed in *The Informal Economy and Vulnerable Workers*. This social group are highly susceptible to a disproportionate loss of income in the Covid-19 crisis as well as food poverty, poor housing conditions (and overcrowding), barriers preventing seeking support to healthcare, increased asylum detentions and limited access to participating in the asylum decision process (see Freedom From Torture). There was also a sparsity in the information available around those with disabilities, a group which might also be particularly vulnerable within the current Covid-19 crisis. In those who are considered to be part of the extremely vulnerable population, a recent report by Citizens Advice (2020), the end of protection schemes and transition packages suggest EVPs are considerably more likely to have reported a reduction in their income since the pandemic came to the UK - 48% have reported a drop vs 27% in the overall population. 46% report that they have already or expect to fall behind on rent (compared to 26% in the overall population). Not only are this group often more reliant on welfare assistance, but they are also more likely to suffer from housing issues, fuel poverty and food poverty. The current crisis adds additional complications in accessing food, healthcare, treatment, services and support. Again, with such a wide range of potential issues further reviews are needed to establish the extent of impact on those who have disabilities. Similarly, there is not a wealth of information given about the direct impacts on elderly people within this report as these groups were not common themes within the literature, but such groups should be considered in the



implementation of policy and practice and further evidence is needed to identify the needs of such groups.



Housing Insecurities as a result of Covid-19: A rapid scope of the literature

Narrative of the Review

The following rapid literature scope aimed to explore potential housing and economic insecurities which may occur as a result of the impacts of Covid-19. The review explored housing insecurities that were present prior to Covid-19 and then explored additional impacts from the current crisis. The review highlights some of the groups which are most at risk of this vulnerability including young adults, migrant workers and Just Managing Families. Those living within rented accommodation are particularly susceptible.

Key Messages:

- Loss of earnings has been widely experienced across societal groups
- Renters are 1.5 to 2 times more likely to have fallen behind on housing payments when compared to mortgaged home owners
- Those in lower-paid jobs, the youngest and oldest workers have been especially impacted to date
- Renters are more likely than mortgaged owners to have lost their job or been furloughed
- Mortgaged homeowners are most likely to have lost pay due to lower hours
- Data of families warns that many are depleting savings in order to get by and that many planned to or had taken out credit to cover household costs
- People in insecure work are also less likely to be able to put money aside as savings, and appear to be facing worse financial impacts as a result of the crisis.
- Office of National Statistics Data from May 2020 reports that 16% of adults in the UK are struggling to pay their bills even with prioritising housing costs.
- The Standard Life Foundation's Report (2020) Focusing on tracking the Financial Impact of Covid-19 claims that in April 17% of households were in some kind of arrears and 12% were finding it a constant struggle to pay household bills

Context

The provision of higher quality, affordable housing has been argued to break the link between low income and poverty. However, availability of social housing has decreased significantly in recent decades partly owing to an increase in sale schemes (e.g. Right to Buy) and building restrictions along with reduced social housing grants making this sector the smallest of the main housing tenures in the UK (Ministry for Housing, Communities and Local Government, 2017). This drive toward a home-owning society is more reflective of a move towards asset-based welfare where wealth accumulation through ownership is encouraged and that asset can be used during periods of financial difficulty instead of more traditional methods like state provided support. However, many of the lower income homeowners rarely have housing wealth to access and home ownership has become increasingly challenging owing to a rise in prices and an increase in the deposits required. This, alongside a decrease in the availability of social housing have contributed toward concerns about a growing housing crisis in the UK (Shelter, 2016). By 2016, around 20% of those in accommodation were in privately rented accommodation in the UK, a figure that has been projected to rise (Ministry for Housing, Communities and Local Government, 2017).

The private rented sector provides, on average, the most expensive, lowest quality and least secure form of accommodation in the UK. Lower quality housing in this sector also leads to higher housing-related costs (like fuel) and less money to spend on outgoing expenses (e.g. food and utilities) which can leave many who face a financial hardship also food and fuel insecure. In addition, many in the private rented sector are reliant on housing benefit to meet the costs of rent. Decreases in this allowance, caps and changes to welfare reform have, the literature argues, led to the beginning of a housing crisis within the UK. Additionally, many claim that there is a direct link between the housing crisis in the UK and household food insecurity leading to a rise in other forms of poverty and a rise in foodbank use.



Concerns during Covid-19 crisis

Whilst a loss of earnings has been widely experienced across societal groups, renters are 1.5 to 2 times more likely to have fallen behind on housing payments when compared to mortgaged home owners (The Resolution Foundation, 2020). This is attributed to owners having entered the crisis with lower average housing costs and bigger financial buffers than renters as well as schemes which benefit homeowners (e.g. mortgage holidays). The Resolution Foundation found that whilst only 1-in-12 homeowners applying for a mortgage holiday were refused, 1 in every 2 renters were refused who sought to defer rent payments or gain a reduction. While the social security system potentially offers a support structure for renters, eligibility rules, delayed payments and caps leave many without adequate support and around one-third of benefit claimants are currently in housing arrears (The Resolution Foundation, 2020). The Resolution Foundation recent report (using data from the LFS survey from ONS) on coping with housing costs during the crisis, found that those in lower-paid jobs as well as the youngest and oldest workers have been especially hard hit to date. The shock has been fairly evenly experienced across tenure groups, renters are more likely than mortgaged owners to have lost their job or been furloughed. In contrast, mortgaged homeowners are the group most likely to have lost pay due to lower hours. Across the board, around three-in-ten working-age adults have experienced impacts to earnings (28% of mortgaged homeowners, 31% of social renters and 32% of private renters).

Across socio-economic groups, the literature suggests that people are cutting back on spending during the crisis to manage housing costs and as a result are now facing material deprivation. Opinion polls from Citizens Advice, suggest that people are prioritizing housing costs above other necessities, as such the true scale of the impact cannot yet be fully assessed. However, data of families warns that many are depleting savings in order to get by and that many planned to or had taken out credit to cover household costs (Citizens Advice, 2020). A study from Citizens Advice in May 2020 “Near the cliff-edge” reports that a third of renters have fallen behind, or expect to fall behind on their rent. A further survey from the Resolution Foundation ‘Doing what it takes’ in March 2020 suggests that most respondents (45%) intended to use savings to get by and that a similar proportion would need to access benefits (44%). Only 27% of those in rented accommodation reported having savings to be able to access to buffer the effects of the crisis.

Whilst it is difficult to foresee what the economic impact of the outbreak will be over time, there is evidence to suggest that income shocks will be concentrated amongst people with lower earnings and a lower likelihood of having savings to fall back on. People in insecure work are also less likely to be able to put money aside as savings, and appear to be facing worse financial impacts as a result of the crisis. Already, data from Citizens Advice suggests that in Wales, 11% of adults reported falling behind on one or more household bill as a result of Covid-19. Similarly, Office of National Statistics Data from May 2020 reports that 16% of adults in the UK are struggling to pay their bills even with prioritising housing costs. The Standard Life Foundation’s Report (2020) focusing on tracking the Financial Impact of Covid-19 claims that in April 17% of households were in some kind of arrears and 12% were finding it a constant struggle to pay household bills.

There are particular concerns that the current pandemic may be beginning to lead to overcrowding (Joseph Rowntree Foundation, 2020). This is a particular concern for those of low socio-economic status and migrant workers and has further complications such as reduced risk of infection, poorer health and wellbeing and further financial constraints. The Resolution Foundation has found that across socio-economic groups, cutting back on essential items has been the most common way for households and families to manage housing costs. A small group of especially younger people, were reported to have moved to another home and it is thought that many young people are returning to parental homes where possible to reduce costs (The Resolution Foundation, 2020).

In addition, there is a direct link between housing situations/insecurities and other forms of insecurity (such as food and food insecurity). This means that groups which have been highlighted as vulnerable to other forms of insecurity may, longer term, become susceptible to housing insecurities too. Of particular concern are Just Managing Families who, with higher spending on essential items with no surplus income (on average), particularly higher than average housing costs and little to no savings or assets leaving them at increased susceptibility to debt and housing insecurity (The Resolution Foundation, 2016).



Households, families and economic insecurity during the Covid-19 crisis: A rapid review of the literature

Narrative of the review

The following rapid literature review aimed to explore the economic impact of the Covid-19 crisis on households and families within the UK. The primary aim of this review was to explore the impact of the economic crisis with reference to the most common forms of UK households. Particular attention has been paid to the group often described as the Ordinary Working Family or Just About Managing, families whom it is thought are most at risk of economic insecurities in this current crisis. The particular struggles of UK households have been discussed with specific reference to this vulnerable, large group. Two additional themes were identified within the literature (gender and young adults) and these have also been discussed. The review concludes with some thoughts on other areas of concern which were expected to be found within the literature but that were not widely discussed.

Key Messages:

- Households considered to be ‘Just about managing’ and ‘Squeezed in the middle’ by The Resolution Foundation in 2016, on net incomes of between £12,000-£34,000 p/a, are expected to be most affected by the Covid-19 crisis.
- Ordinary Working families (now notably termed ‘Just about managing’), large proportion of UK population, are also at risk of socio-economic impacts from the crisis due to: higher family outgoings; changes in employment conditions, which can incur reductions in salaries; and employment sectors predicted to be affected by this recession.
- Over 57% of the (‘Just about managing’) group report having no savings or assets leaving them highly susceptible to debt **prior** to Covid-19 impacts. Thus, as a consequence of the crisis, even more likely to access food and/or fuel poverty as a result of economic insecurity.
- Conversely, those with savings are becoming depleted in order to cover household outgoings.
- Additional barriers in accessing support including but not limited to social stigma, e.g. young adults often approach family for financial support during times of hardship rather than services.
- Women are at more risk of unemployment than men during this recession compared with that of previous recessions.
- Two-parent households have the ability to be more agile and therefore, have greater potential of increasing household income compared with that of single parent families, *e.g. enter labour market, increase working hours, work from home, childcare, gender pay gap etc.*
- Younger people (16–25 years) are most likely to suffer from housing insecurity, particularly in this crisis due to economic insecurity. Students, where possible, have moved back to the parental home, giving up accommodation.
- Researchers warn of a predicted rise in suicide rates within the younger people group as a consequence of increased food and housing poverty.
- Migrant workers are highly susceptible to a disproportionate loss of income as a result of the Covid-19 crisis. In addition to food poverty, poor overcrowded housing, healthcare support, and lack of [legal] guidance in relation to asylum seekers rights and the process.
- Further considerations need to be given to: the EVP group, which are also likely to be impacted upon by protection schemes concluding, housing and welfare issues, and food and/or fuel poverty with geographic disparities in socio-economic insecurity, factored in with intersectionality of vulnerable groups.

In summary, those who are particularly vulnerable to the economic crisis include:

‘about managing’ group Women (Gender) Single parents Young people (16-25) Migrant workers	Intersectionality groups, such as BAME EVP, including Disabled and Elderly Residents in geographical areas of socio- economic insecurity
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The identification of new, emerging vulnerable groups likely to arise in the current crisis. Emerging are mostly Ordinary Working Families, as well as families where childcare needs might present an additional economic disadvantage and limit access to employment.

Context

Early indications from academic literature and ONS data (2020) clearly suggests that the Covid-19 crisis has already begun to take its toll on households across the UK. Whilst it may not be surprising that some groups are being affected by this recession, for example the 'Just about managing' group, having been impacted upon by previous recessions, it is insightful to witness groups, such as 'Ordinary Working Families', transitioning/merging with the 'Just about managing' group due to the severity of this crisis. Therefore it is unlikely that members of a family will not have been affected in some way, be it economically, socially, emotionally or physically by Covid-19 or the actions taken to manage it.

Households and families background - Before Covid-19

In 2016, the 5.8 million working age households (containing around 10.4 million adults) with low-to-middle incomes received the majority of their income through employment but are still considered as being among the poorest half of households (The Resolution Foundation, 2016). These households are considered to be 'typical' of households within the UK and account for the largest proportion of families having a net income of between £12,000 - £34,000 per annum, with those in the top half of this bracket representing almost 30% of all UK working age adults (Finch, 2016). This group of low to middle income families are referred to by many names in the literature including the 'Just about managing' and 'squeezed middle. Those with lower incomes, who are more reliant on welfare, represent the 10% of those lowest incomes. The majority of this population are also at a stage in life with significant cost pressures including children (who are twice as likely to live in 'Just about managing families' than in higher income working households) and this can, unintendedly, reflect additional cost pressures. This is one example of the costs faced by this group as some Just about managing families can have salaries as high as £50,000 but still struggle with extremely high outgoing costs.

There is evidence to suggest that family financial stress can lead to mental health effects for all family members, decline in quality and breakdowns of relationships and with conflicts which can spill over and have negative interactions with children and a multitude of literature examines the negative impact of financial stress upon families and their members. However, the Family Financial Stress Model whilst recognizing the impacts of hardship upon the wellbeing of families, also acknowledges a number of **protective factors** which may buffer the negative impacts of economic deprivation upon family members. This includes individual self-efficacy (perceived ability to influence change on yourself) and coping strategies as well as family system characteristics including adaptability, cohesion and collective problem solving are associated with fewer negative effects. In times of austerity, families are also relied upon to deliver aspects of care and support through material, financial and emotional need, where members of the family are not supported fully by social and community services. Recent research suggests that this is mediated by stronger family identification and support within the family which can promote wellbeing and resilience.

Issues faced during Covid-19 crisis

Ordinary Working Families account for a large proportion of the UK population but are at risk of facing detrimental socio-economic impacts from the Covid-19 crisis, so an understanding of this group during the crisis is important. This group has large outgoing costs and are mostly reliant upon employment to sustain their families, but are at increased risk of losing employment, being in roles where home working is not a possibility, being furloughed and/or seeing complications arising from a the challenge of navigating childcare with work responsibilities and leading to a reduction or retraction of working hours. It is important to also note, that this group of families have achieved the name '**just about managing**' as they just about manage to cover their outgoing costs on a monthly basis (on average spending more than their total income, 101% of essential household costs). Leaving them with little surplus and have little to no savings (over 57% of this group report having no savings or assets at all, four in five UK workers worry living costs will outstrip pay) leaving them highly susceptible to debt prior to Covid-19 impacts.

Thus, this group is highly susceptible to economic impacts from the Covid-19 crisis accounting for a large proportion of those likely to have losses of income directly attributable to the crisis, and have little way to recover or sustain household costs making them susceptible to economic insecurity. They are also likely to experience food poverty as a result and, due to income loss and increased time at home, may be susceptible to fuel poverty. This profile of families is more likely to acquire debt to compensate for income losses and there will be additional barriers in their accessing of support including but not limited to social



stigma. This group is not commonly affected to a high degree in previous recessions, owing to their types of employment, but the unique nature of the current crisis and the changes to the landscape of the employment sector lead academics to **predict that this group might represent a new vulnerable group particularly susceptible to the Covid-19 crisis and likely to push many children and families into poverty**. Further, it is thought that this group accounts for a large portion of those in the private rented sector, or are in homeownership positions with little economic security and less savings to buffer the effects of economic insecurity caused by the crisis (The Resolution Foundation, 2020). Data of families warns that many are depleting savings in order to get by and that many planned to or had taken out credit to cover household costs suggesting that many families face economic insecurity at this time and are at risk of falling into different types of poverty (Citizens Advice, 2020).

Financial support is not always readily available or evenly distributed within families, and other family members may constitute a source of burden rather than benefit to members. Likewise, support may come at a cost, such that the obligations of reciprocity can become a strain in themselves. Women within families are more likely to be impacted by the socio-economic impacts of the current crisis with more burdens to care and increase likelihood of job losses. Single parent family structures are also particularly susceptible to socio-economic and wellbeing impairments in the current crisis. In addition, other research suggests that low-income families and families of BAME backgrounds are more likely to report reduced spending on food, delaying of major purchases and increased credit card debt within the current Covid-19 crisis. As families cope with new financial challenges, many have experienced serious material hardships with literature suggesting in the range of 31% struggling to pay housing costs, utility bills or were food insecure, and among adults in families that lost income, the shared experiencing of these hardships might be around 42%. Further research also suggests that many young adults are returning to parental homes which may previously have been considered 'empty nest' families (families in which the children have grown up and left home) and such returns may create additional financial pressures, particularly in Ordinary Working Families.

Gender

In previous recessions, men have faced greater risk of unemployment than women partly attributed to gender differences in the composition of sectors of the economy most typically influenced by recession (a larger fraction of men in construction, manufacturing, trade, transportation, and utilities which typically suffer in recessions). In contrast, 40% of all working women are employed in the government or health and education services sectors compared to just 20% of working men (2020 figures). Another reason men's employment has typically been more cyclical is spousal insurance: when married men lose their jobs during a recession, their wives can choose to increase working hours or enter the labour force. Those who are not in critical occupations and who are unable to telecommute because of the nature of their occupation are more likely to be laid off during the current recession. A recent analysis of employment data suggests that a greater share of men work in positions that are critical or in which they can work from home, suggesting women are at increased risk of unemployment (ONS, 2020). Childcare poses an additional challenge to working parents during the crisis with school closures and lack of access to support from wider family such as, grandparents. Single parents will face the greatest challenge, with many forced to quit jobs or reduce hours to cater for childcare.

In two-parent households where only one parent works in the formal labour market, the stay-at-home parent, usually the mother, is likely to assume primary childcare duties during Covid-19 – related to school closures. Whilst traditionally men are seen to do less active childcare than women, researchers optimistically suggest that an increased ability to work from home may help to increase the ability for families to combine careers and childcare needs and, in the longer-term, this may reduce the gender pay gap. **Immediate consequences will fall disproportionately on women** and so the literature recommends Government subsidies to continue to replace pay for workers who need to provide childcare during the crisis, assistance for those who voluntarily separate from employment to provide childcare and considerations within the workplace to reduce promotional impacts of those struggling to work from home with childcare needs.

Young people concern

The Resolution Foundation (2020) highlights within their report that younger people (16 – 25 years) are the most likely to suffer from housing insecurity and this may be exacerbated in the current crisis. Around 50% of recent movers were attributed to younger adults and whilst some of this is attributed to students returning home, many stated giving up accommodation and moving back into the parental home as they were struggling to cover basic housing costs like rent (The Resolution Foundation, 2020). Literature suggests that individuals often turn to family rather than friends and community services in times of



hardship owing to embarrassment even when families are not best equipped to effectively support them and when seeking financial rather than emotional assistance. This could however place further stress and strain on Ordinary Working Families (see other publications in this series for further information and examples, published 25/06/2020) and leave many falling beyond the boundaries of social support.

However, of the recent people who are moving home, younger people accounted for in The Resolution Foundation (2020) report, 30% felt unable to return to the parental home, despite struggling with housing costs. Reasons stated included, breakdown of family relationships, parents or children as a secondary consideration or work commitments. Research suggests that **young adults are likely to suffer severe economic impacts from the current crisis with many in lower paid employment, a lack of savings and fuel and food poverty, in addition to housing issues**. Literature suggests that a scarring effect occurs during economic downturns, an issue which affects young workers more than older, more established employees and this effect can have long-term consequences on career progression, economic security and wellbeing. Economic recessions are often attributed to an increase in suicide rates within younger age groups (15 – 29 years; WHO, 2017). As the current Covid-19 crisis sees the future planning and prospects of young people impaired and an increase rise in food and housing poverty within this group, researchers warn of a worrying predicted rise in suicide of younger adults.

Other areas of consideration

There were some areas which were considered but go beyond the scope of the review have not been discussed in their entirety. Migrant workers may be a population likely to suffer from overcrowding and poor housing conditions (Joseph Rowntree Foundation, 2020) as well as being economically vulnerable. **Migrant workers are highly susceptible to a disproportionate loss of income in the Covid-19 crisis, as well as food poverty, poor housing conditions (and overcrowding), barriers which prevent them from seeking support to healthcare, increased asylum detentions and limited access to participating in the asylum decision process** (see Freedom from Torture).

There was also a sparsity in the information available around **those with disabilities, a group who might also be particularly vulnerable within the current Covid-19 crisis**. In those who are considered to be part of the extremely vulnerable population (EVP), a recent report by Citizens Advice (2020) on protection schemes ending and transition packages suggest that EVPs are considerably more likely to have reported a reduction in their income since the Covid-19 began - 48% have reported a drop vs 27% in the overall population. 46% report that they have already or expect to fall behind on rent (compared to 26% in the overall population). Not only are this group often more reliant on welfare assistance, but they are also more likely to suffer from housing issues, fuel poverty and food poverty. Similarly, there is not a wealth of information given about the direct impacts on elderly people within this report as these groups were not common themes within the literature. Such groups should be considered in the implementation of policy and practice and further evidence is needed to identify the needs of such groups. Whilst debt was touched upon within this report, it is felt that the evidence presented here is sparse and that there may be forthcoming statistics which explore the direct impact and buildup of debt for households within the UK. This is something which should be considered when more evidence becomes available. Finally, **further considerations need to be given to the geographic disparities in socio-economic insecurity in the current crisis**; this can be done through ONS analysis, monitoring and incorporation of considerations of the intersections between risk factors and geography is advised.

Fuel poverty during Covid-19: A rapid scope of the literature

Narrative of the review

The current review on fuel poverty was conducted in light of anecdotal evidence of a potential rise in fuel



insecurity given i) increased economic insecurity across the population and ii) an increase in energy consumption within the home given increased time and work commitments from home. The present rapid literature scoping explored fuel insecurity and poverty prior to Covid-19 before exploring the literature concerning the effects of the current crisis. The review concludes with suggestions of particularly vulnerable groups to fuel poverty and a suggestion of increased attention toward this measure of economic insecurity/poverty.

Key Messages:

- There are established links between fuel poverty, subjective wellbeing and physical health outcomes
- Stay at Home messages will cost the average energy consumer an extra £16 per month
- For those in fuel insecurity (pre-Covid-19) there was sector support and flexibility
- Low income consumers are anxious about the additional energy costs entailed by Stay at Home messages
- Most organisations and academics are predicting large numbers of people (in the multiple hundreds of thousands) are thought to have since fallen behind on utility bills, across the UK

Those who are vulnerable to fuel poverty include:

those over 65s,
those who were already in an economically vulnerable position pre-Covid-19, those
people of low socio-economic status,
those households who are Just Managing families,
those with children within the household (particularly single parent households), those from
BAME backgrounds,
those classified as migrant workers,
those with health conditions (shielded group)

Fuel insecurity prior to Covid-19

Whilst food insecurity is widely discussed within the literature, fuel insecurity receives little attention though is an ongoing threat thought to affect millions of households within the UK in an average year. Often, food insecurities are prioritized above this though the literature repeatedly demonstrates a direct link between food and fuel insecurities. Persistent and widespread low pay, the proliferation of zero hours contracts and rising living costs, especially food prices, have been suggested as contributory factors for the increase in food and fuel insecurity, and the health consequences have also been raised by health professionals. Researchers have raised this as a particularly problematic issue during the current crisis owing to the link between respiratory health and fuel insecurity. Relative to other advanced western economies, Britain had higher general inflation, higher food, fuel and housing price inflation, lower growth in wages in the years immediately following the 2008 global financial crisis. The UK also has a history of very large numbers of very low paid employees; many of those accessing food banks are in work. Often, the literature claims that individuals facing poverty make an active choice between fuel or food insecurity, often opting to prioritise food in times of economic insecurity.

Fuel poverty as a result of the Covid-19 crisis

Prior to the current crisis, fuel poverty was considered to be a health and financial concern, estimated to affect millions of people in the UK with older people being particularly susceptible to this type of poverty.



There are established links between fuel poverty, subjective wellbeing and physical health outcomes. There are also well established links between fuel and food poverty and welfare reform particularly with changes and removal of support packages which may be of importance when current government support packages to reduce the financial impact from Covid-19 are reduced or removed.

U-Switch estimates that home confinement will cost the average energy consumer an extra £16 per month (U-Switch, 2020). This is attributed to increasing energy use when it would not usually be needed, additional gas and electricity for cooking and increased use of televisions and computers. Costs are likely to be higher for those living in homes with poor energy standards. Whilst policies have been introduced to address the impact of Covid-19 on low income energy consumers, particularly in the context of home confinement and increased energy consumption, academics argue that little attention has been paid to improving home energy standards which may also alleviate the strain. Higher standards of this will also have health benefits. Recently, the Government, Ofgem and the energy industry sector reached an agreement to support low income consumers specifically targeting the 4 million prepayment meter consumers who are struggling to keep meters in credit as a result of accessibility and finance (BEIS, 2019). For other consumers, supplier support may include debt repayments and reductions or pauses to bill payments.

Researchers argue that whilst these measures are welcome, many suppliers still expect large repayments and low income consumers are anxious about the additional energy costs entailed by home confinement. Many are rationing fuel use to cope and in some studies as many as 30% of adults report fears over paying utility bills. Despite rationing, recent data from the Citizens Advice Report (2020) 'Near the Cliff Edge' suggests that over 300,000 people in Wales alone fell behind on utility bills in the first few weeks of the crisis. With more people thought to have fallen behind since across the UK on utility bills and with people prioritizing other bills like housing, increasing debt to pay for essentials and continued increase in job losses, fuel poverty is likely to continue to rise and lead to the need for emergency intervention.

Vulnerable groups

A large study of UK respondents found that economic insecurity was widespread throughout the UK population and that particular types of insecurity were more prominent in certain groups or by age. Over 65s for example are seen as having economic fears resulting from potential future need for social care and fuel poverty as opposed to housing and food scarcity, whereas young adults are more likely to see vulnerability in housing costs and families with food insecurity, though often such papers cite 'household bills' which could incorporate fuel bills.

Literature suggests that the elderly population are more likely to suffer from fuel poverty, but many initiatives have incorporated considerations for this population within their care provision. Of additional concern during Covid-19 are those who were already in an economically vulnerable position, as the Covid-19 crisis is thought to highlight these disparities further. Subsequently, reductions and changes to employment will affect many households including Just Managing families, those with children within the household (particularly single parent households), those on low incomes and those from BAME backgrounds. Those with health conditions are likely to suffer in the current crisis too, particularly where health conditions place them into a high risk or shielded group. This group are considerably more likely to see a reduction in their income since the outbreak began - 48% have reported a drop vs 27% in the overall population; 25% of this group are already behind on one or more household bill. People of low socio-economic status and/or migrant workers, are more likely to suffer from poor housing conditions which will add additional pressures in complying with health advice (Joseph Rowntree Foundation, 2020) and are more likely to be employed in occupations that do not provide opportunities to work from home. They are also more likely to have unstable employment and incomes, conditions exacerbated by the responses to Covid-19 and its aftermath. Such financial uncertainty disproportionately harms the mental health of those in low SES groups and exacerbates their stress (4 in 10).

It is widely recognized that fuel poverty within the UK is widely unreported and not monitored. Given the increased use of energy within the home during social isolation measures this issue is expected to increase and affect more groups without intervention leaving many unable to afford basic energy costs for lighting, heating without additional fuel consumption for other activities.



Food insecurity during Covid-19: A rapid scope of the literature

Narrative of the review

This rapid scope of the literature explored food poverty, insecurity and vulnerability before and during the Covid-19 crisis within the UK. The review explores an overview of vulnerability to food insecurity (using data from the voluntary sector to identify vulnerable groups) before exploring the impact of the Covid-19 crisis on this phenomenon. This rapid literature scope has identified several themes including:

- general food insecurity,
- impact of government policy,
- vulnerable groups and barriers to support.

Of particular mention are the groups who may be at financial hardship and particularly susceptible to food insecurity including;

- **those who were struggling/vulnerable prior to Covid-19 (who may see a worsening of their economic condition),**
- **households with children,**
- **those with disabilities,**
- **Just About Managing Families,**
- **those from BAME backgrounds,**
- **and those who have seen a loss of income or employment.**

Barriers which prevent individuals from seeking support are discussed toward the end of this review.

Key Messages

Some of the key messages to consider from this review include:

- process challenges within the welfare system (e.g., universal credit applications, delays to assessment for ESA, PIP etc) to support vulnerable groups leading to delays to payment that cause food insecurity and the location of food needs to be considered
- heightened awareness that increasing food insecurity is linked with poor mental health (often mutually reinforcing/circular relationship which may be impacted by isolation/lock down)
- awareness that there is increasing variation in the range of people using food aid providers
- reluctance to seek and accept food aid due to social stigma (fear of (mis)judgement in terms of motives, categorisation, and legitimacy of need, and fear of being recognised)
- stigmatisation as a barrier that leads to extreme levels of food poverty before help is sought and/or relieving food poverty by other means - debt, crime, suicide ideation.
- access to de-stigmatising, community-based, humanising food aid delivery may reduce stigma and encourage use where it is needed.
- support local and national food aid providers due to increased demand is required
- identification of vulnerable groups, some of which are more susceptible to types of poverty e.g. elderly more susceptible to fuel poverty whereas young adults are more susceptible to housing insecurity and debt. New groups are likely to arise due to Covid-19
- a renewed focus on Ordinary Working Families and the increased needs of this particular large group of society, as well as exploration of safety nets



Before Covid-19

According to Eurostat, in 2018 6% of households with children in the European Union and 5.5% in the UK could not afford a meal with meat, fish, or a vegetarian equivalent every second day. In 2017, food insecurity affected 19.50% of children in the UK and around 20%, which is around 10 million, UK adults (Food Standards Agency, 2019). By this measure, food insecurity refers to people living with insecure access to food on account of financial vulnerability, meaning, they all reported, at minimum, having experienced anxiety about not having enough to eat, experiences of running out of food, or not eating balanced meals, all because of a lack of money for food. More severe experiences, including running out of food or skipping meals because of a lack of money, affect around 10% of adults each year, and the most severe experiences, which mean adults have gone without food, affect about 4% of adults (The Food Foundation, 2020). Such high figures prior to the Covid-19 crisis are associated with low wages, precarious employments and cuts and changes in social welfare (Human Rights Watch 2019; UN 2019).

Such rises in food insecurity have led to an increase in food aid organisations in recent years, particularly foodbanks. The largest provider of which is the Trussell Trust which reports an exponentially growth of foodbanks to around 1,200, while there are also approximately 800 independent foodbanks. The Food Foundation (2020) reported that families were already borrowing to buy food, as many as one and a half million people were going whole days without food. In recent years, there has been greater variation in those accessing food aid, providers report this is even more likely in the current crisis. Some writers on food poverty argued for a rights-based approach, which enforces the entitlement of all citizens to adequate and nutritious food and this has been supported by legal opinion. However, although this country has signed many of the relevant international covenants, these have not been incorporated into UK law.

Within the Covid-19 landscape

Whilst economists claim that the UK food system has shown remarkable adaptive capacity during the Covid-19 crisis, economists recognise that a large part of the food insecurity problem arises from constraints for vulnerable groups. Literature cites this as an issue for coordinated social care. In April, the Food Foundation reported the results of their commissioned YouGov survey to explore the socio-economic impacts of this crisis on food insecurity. This report found that more than three million people reported going hungry in the first three weeks of the UK's Covid-19 lockdown. Reports suggest an exponential increase in food insecurity in the UK during this period, only 40% of which was attributed to a lack of food in shops alone. Income losses arising from Covid-19 crisis have had an immediate impact of food insecurity with all adults reporting income losses of more than 25% at a heightened risk of food insecurity.

During the current crisis, the literature argues that previous food insecurities have been exacerbated and that the Covid-19 crisis has created further new economic vulnerabilities owing to further losses of employment, income, free school meals for children and new vulnerabilities associated with self-isolation and inability to attain food. This could indicate the size of emergence of new groups with vulnerabilities whom are not usually in need of support. Food insecurity is directly linked with poor mental health often facilitating a circular relationship which would be amplified by current social isolation measures too.

Government policy and links to food insecurity

A further cause of concern relates to the direct, specific relationship between the state of welfare and policies and food bank use. For example, from 2009 it has been argued in academic literature that the UK has witnessed marked increases in the rate of sanctions applied to unemployment claimants as part of a wider agenda of austerity and welfare. Reforms such as this, as well as previous recessions and changes to the structure of the welfare state, lead to a rise in foodbank use and in food insecurity. Similarly, this might align with a potential increased reliance upon the welfare state due to illness, unemployment, furloughing, shielding, low incomes and 'bad' work conditions (Citizens Advice, 2020). This leaves many open to the potential limitations and failures of welfare systems (such as delays in assessments or payments of benefits) which will cause delays to payment and lead to food insecurity meaning many will need to seek support from food aid. This is also an issue of concern when policies are introduced and removed. As such, in the Covid-19 crisis, academics argue that an increase in



foodbank use, food poverty and the effects of economic disparity might be attributed to the reduction in schemes which have been introduced during this time but which have a lifespan (such as the Government's job retention scheme or banks mortgage holidays). Introductions of services, policies and welfare changes as well as the removal of them lead to public uncertainty, confusion, fear and have direct impacts on wellbeing. Further, it is argued that the moral economy created by austerity, welfare systems which stigmatize, change or are insufficient and the images of "empty cupboards" and discourses of hunger normalise practices of self-rationing and exacerbate food insecurity. Such factors are of particular concern in the current crisis, aided by sharing of images which normalise food poverty and prevent those in need from seeking support.

There is another paradox in 2020 in that EU Transition is also likely to affect food security (Food Research Collaboration 2018-9). Given a large percentage of UK food is imported, it has been widely recognised that there may be considerable problems in food availability which could impact on prices. Furthermore, there have been reports of UK grown food running into problems through a lack of skills and efficient workers being available to meet the needs of the industry. For these reasons among others, food insecurity appears likely to be in the UK into the medium term. Considerations of the way this will impact on specific groups and how it will strain the voluntary food aid sector.

Vulnerable groups

There are some key groups who are more likely to experience food insecurity than others, including those with incomes that are in the very bottom of the income distribution, people who are unemployed or not working for other reasons, and people with disabilities. These are groups that are at highest risk of the most severe forms of food insecurity. In the current Covid-19 pandemic, income losses arising from the crisis have had an immediate impact on food insecurity including adults with low socio-economic backgrounds and adults that are typically not found to be at risk. Other groups are also at higher risk of less severe food insecurity in particular, including adults with children and adults from Black, Asian and Minority Ethnic groups (The Food Foundation, 2020). Not all households were equally affected, adults with disabilities and adults with children are particularly vulnerable in the present climate. Consistent with national monitoring data on food insecurity, groups at risk of poverty are at risk of food insecurity at this time. These include adults who are unemployed, adults with disabilities, adults with children, adults with children who are usually eligible for free school meals and Black and Ethnic Minority groups.

Self-isolation and a lack of food in shops has layered on additional risk of food insecurity for these groups including adults who are shielding or self-isolating who can not access food or the means of acquiring it. Adults who are less than 70 years old are at particularly heightened risk and those who are self-isolating. Despite pensioners considered as lower risk of food poverty when it is measured using economic indicators, some research suggests that elderly people may be experiencing economic and physical barriers to accessing enough food. Literature suggests that the elderly population are more likely to suffer from fuel poverty, but many initiatives have incorporated considerations for this population within their care provision.

Food insecurities during the Covid-19 crisis are a critical concern in the wellbeing of children and families who might be at particularly heightened risk. Prior to the Covid-19 pandemic, an estimated 14% of families with children (around 13 million children) were food insecure, meaning they had limited or uncertain access to enough food for a healthy and active lifestyle. In addition to the risks cited above for children, it is worth noting that food insecurity in children is linked to increased weight gain, obesity, long-term health impacts and wellbeing. The closing of schools has led to a reduction in the ability to obtain nutritionally beneficial food for many children, this in conjunction with more families out of work is leading academics to expect an increase in food insecurity in children. Food insecurities also lead to a stocking up and purchasing of cheaper, more processed, calorie-dense comfort food which affects the health and wellbeing of children more than adults. Further nutritional outcomes are predicted in women who are pregnant, breastfeeding and/or caring for very young children.

Ordinary Working Families are also thought to be of particular risk of falling into poverty and food insecurity. Though a separate review has been conducted by the team on households, it is worth noting here that this group is at serious risk during the Covid-19 crisis of falling into food poverty and needing



assistance. This group (definition taken from Black et al 2017) is not commonly affected to a high degree in previous recessions, owing to their types of employment, but the unique nature of the current crisis and the changes to the landscape of the employment sector lead academics to predict that this group might represent a new vulnerable group particularly susceptible to the Covid-19 crisis and likely to push many children and families into poverty.

Complex and strategic food shopping patterns appear to be emerging in families with lower socio-economic incomes in response to the crisis with many visiting multiple shops in search of affordable products, travelling longer distances to acquire food and increasingly risking public health advice or partaking in more risk taking behaviors to acquire food. It is suggested that these behaviours develop out of an inability to seek traditional means of social support (through family, friends and neighbors) and a reluctance to seek resources from the charitable food sector.

Barriers to support

Despite an increased need, the literature warns that there are barriers to accessing food aid. Food has an important role in defining people's identities and despite increases in malnutrition the social stigma of food aid remains a prominent issue. There is often a reluctance to seek and accept food aid through fear of social stigma attributed to motives, categorisation, legitimacy of need and fear of being recognised. Stigmatisation of such magnitude acts as a barrier that leads to extreme levels of food poverty before help is sought and/or reliving food poverty by other means including debt, crime and suicidal ideation. Social identity perspectives suggest the need to move beyond a social prescription model of food aid to overcome obstacles related to stigma of food aid. This is also essential to prevent the demonisation of those living in poverty and, it is argued, that this would be aided by changes to the present policy approach which is adding further impacts to the health and wellbeing of food aid users.

Authors also advocate that the pushing of food aid into the realm of social care has created a further stigmatisation of those in need of support which may prevent access to services and social policy decisions need to be carefully crafted to help to overcome this and the need to support local and national food aid providers in recognition of the likely increased demand of these services. There is an importance of access to de-stigmatising, community-based, humanising food delivery aid to reduce the stigma and to encourage use where it is needed.



Variation in need across different geographies or 'place' in the Covid-19 crisis: A rapid scope of the literature

Narrative of the review

The following scoping literature review aims to explore the geography, and local impact, of economic vulnerabilities as a result of the Covid-19 crisis. It is recognised that this crisis will leave certain demographic groups and household types more susceptible to economic insecurities (separate reviews have been conducted to reflect this). In addition to impact to public health, and the vulnerabilities of particular demographic groups, the current crisis will likely raise borrowing and debt. In discussing the impact of economic vulnerabilities and in crisis management it is important to consider factors at a local level to understand disparities. The present scoping review aimed to explore how the economic consequences of the crisis would impact upon particular geographical locations within the UK, which will now be referred to as 'place'.

Key Messages:

In summary, those who are particularly vulnerable to the economic crisis include:

- Understanding where best to target economic reform packages or support packages such as wellbeing, legislation and additional welfare or food provisions.
- Many of the places highlighted as being at risk of socio-economic consequences of the current Covid-19 socioeconomic impacts are also at higher risk of contracting the virus.
- Evidence is emerging that employers are asking workers to continue working, without alterations to employment conditions to Covid-19 secure working conditions.
- Economic output is forecast to decline by around 50% in parts of the Midlands and Northwest. High levels of employment in the informal sector (annually generating around 12% of Britain's GDP), operate within any one city and informal business owners are likely to move workers around the country to meet levels of demand.
- Twenty local authorities which are likely to suffer severe economic consequences during the current crisis. Most of these are in the Midlands, Northwest or Wales.
- Clear regional dimension to the current crisis which must be considered and gives direct predictions of the needs of greatest vulnerability to be targeted in policy.
- Local level understanding of the socio-economic impacts of economic decline as the regional picture often hides critical local variation on employment, unemployment and economic inactivity.
- Government's national schemes, such as the Job retention and Business Interruption loans, will be utilised in some parts of the country more than others. It also highlights that through the crisis, different approaches will be required in different parts of the country.
- An interactive map has been developed by the RSA to explore at risk employment by area and this can be accessed here: <https://www.thersa.org/action-and-research/rsa-projects/economy-enterprise-manufacturing-folder/interactive/coronavirus-jobs-risk-local-authority>
- The financial consequences of Covid-19 on Wales has been highlighted as an area of great risk.
- Government policy has begun to try to alleviate these financial pressures, further commitment needs to be provided to those renting, council tax holiday payments should be considered and gaps need to be filled within the current support packages to secure people's incomes and safety nets for those in need.
- 'Just-About Managing' (also referred to as Ordinary working) families are spread across the UK, they contribute most to populations in the North East, Midlands and Wales in particular.

Geography of needs

The UK's economy is seeing more damage in the Covid-19 crisis than any other developed country according to a recent report by the Organization for Economic Cooperation and Development (OECD, 2020). The report forecasts an 11.5% drop in GDP at present which is likely to rise to 14% if lockdowns are extended and an estimated rise of 9% in unemployment. The UK has seen a lower rise in



unemployment at present than other nations such as the US, which some attribute to Government Job Retention schemes (RSA, 2020). There are fears that it could worsen once such schemes end. However, many reports note that this economic disparity is not likely to hit all UK households in the same way with notable social groups being more at risk of economic insecurities (ONS, 2020). This includes, but is not limited to:

- Young workers – who are more at risk to lose employment and have less savings to rely upon
- Just Managing Families/ Ordinary Working Families
- Those in lower paid roles
- Households in which there are children, particularly single parent households
- Households of BAME, where there is more likelihood of employment in sectors which have been affected by Covid-19
- Those who have seen some financial impact in the current crisis
- Migrant workers, who are more likely to be employed in the informal sector

Not every geographical area is likely to be affected in the same way; reports from the CECD, Social Metrics Commission, The Centre For Cities, The Centre for Progressive Policy (CPP) and the RSA all highlight areas in which the current crisis is likely to have the greatest economic impact. In addition to discussing the intersections between societal groups and socio-economic vulnerabilities, it is vital that these are considered within a place framework and that the intersections between social group and place are considered in crisis management and welfare support changes. In previous times of economic crisis and in welfare reforms direct impacts at local and regional levels can have big variations in different areas of the country. Such geographical effects are not just essential in planning but are also needed **to understand where best to target economic reform packages, as some local areas may require additional support as well as where to target additional support packages in the form of wellbeing, legislation and additional welfare or food provisions** (The Resolution Foundation, 2020). This also infers the need for economic support packages targeted at specific local areas too.

Prior to and post Covid-19

In exploring previous welfare reforms/reductions in support, **older industrialised areas of England, Scotland and Wales are typically the most effected places as are a number of seaside towns, London boroughs and the Midlands**. Interestingly, many of these areas are highlighted as being at risk of socio-economic consequences of the current Covid-19 economic crisis, as well as being at higher risk of Covid-19 (Social Metrics Commission, 2020; CPP, 2020). Researchers have made an association between socioeconomic impacts and the likelihood of increasing risk of contracting the virus (Social Metrics Commission, 2020; Atchison et al., 2020). It should be noted that this scoping review has highlighted a link between areas of low socio-economic status and forms of poverty which are at risk of Covid-19 consequences as a result of managing the crisis including lack of access to food, self- isolation and shielding. Further, recent reports from the Centre for Progressive Policy (CPP; 2020) highlight that the economic crisis and workplace closures will lead to increased risk-taking behaviour, increasing the likelihood of contracting the virus. This will have severe economic implications for particular areas previously associated with industry. An example of this has been recently highlighted by a Labour Behind the Label Report, which suggested that some **employers were asking workers to continue working, without alterations to employment conditions to Covid-19 secure working conditions**. In some cases, workers exhibited symptoms of illness and were still encouraged to work.

A recent CPP report also estimates that **economic output will decline by around 50% in parts of the Midlands and Northwest** and stresses that these are areas of particular concern. In addition, these areas also have high levels of employment in the informal sector. This is a sector which annually generates around 12% of Britain's GDP, are not uncommon despite in not being well understood in the national narrative and sustain around 2.5 million workers (Think Tank, 2014). It is difficult to estimate **how much there is of this informal sector employment in any one city and informal business owners are likely to move workers around the country to meet levels of demand**. Informal businesses are likely to operate without complying with employment law, health and safety and environmental regulations. To note are the large number of people employed within this sector and the likely rise of those seeking employment with such businesses if unemployment rates continue to rise.



For example, the recent report from Behind the Label notes that a high proportion of migrant workers are employed in this sector but that, in times of economic insecurity, many people turn to this sector for employment despite unfair working conditions, low pay and a lack of security and health and safety. People are likely to be willing to work in the informal workforce if they fail to qualify for government schemes, have no recourse to public funds and are therefore prevented from claiming welfare support, or if they are classed as self-employed but are given no payslips and are therefore unable to obtain government support. This may be of particular concern to those across the Midlands and other areas of the UK where there is a high proportion of informal employment (Joseph Rowntree Foundation, 2014).

Areas of concern in the current crisis

The CPP (2020) report considers the **twenty local authorities which are likely to suffer severe economic consequences during the current crisis. Most of these are in the Midlands, Northwest or Wales**, none of these areas are located in the South East or London (there is only one area, Hertfordshire in South East/London which is listed in these 20 areas). No one council within the UK houses more than two of the top ten local authorities with the lowest estimated decline in economic output. Results show a clear regional dimension to the current crisis which must be considered and gives direct predictions of the needs of greatest vulnerability to be targeted in policy.

The Social Metrics Commission (2020) highlights that in addition to the impacts on some coastal and rural communities, some extremely urbanised areas are likely to be affected in which there are the most cases of low socio-economic status and vulnerable persons. Research highlights the need for work to be done at a local level to understand the socio-economic impacts of economic decline. **The regional picture often hides critical local variation on employment, unemployment and economic inactivity.**

The majority of reports covered within this review highlighted a particular concern of the economic security of those living within the North and the Midlands (CPP, 2020; Centre for Cities, 2020; Social Metrics Commission, 2020). Whilst many reports have been concerned with the self-employed, a large proportion of self-employment is located in London (with almost half of the UK's self-employed population are based in London; Centre for Cities, 2020). However, whilst there are lower rates of self-employment in the North and the Midlands, those within the self-employed sector in these areas are more likely to be in precarious situations. In addition, there are higher rates of lower-skilled and lower paid occupations within these regions (CCC, 2020). Reports suggest that in such roles, not only is there likely to be a greater economic impact but there is less opportunity to be able to work from home (CCC, 2020; The Resolution Foundation, 2020). The recent report from the Centre for Cities (2020) suggests that cities located in the greater south have higher employment in sectors where a shift to working from home is easier. There is a large proportion of employment in Reading, Aldershot and Edinburgh (around 40% of the employed population – and an additional proportion of these populations would be covered by the Government's job retention schemes). However, the same report highlights that less than 20% of workers in Barnsley, Burnley and Stoke would work from home and that many northern and Midlands cities are likely to be hard hit in the current crisis. Exceptions in these areas are Manchester, Leeds, Warrington and Newcastle as these areas have a higher proportion of jobs which could shift to homeworking reflecting a slightly different structure to economies of these regions in comparison to other northern cities. A graph from the CPP report has been given below to highlight areas of risk:

Chart 2: 9 of the top 10 and 16 of the top 20 are in the Midlands or the North West

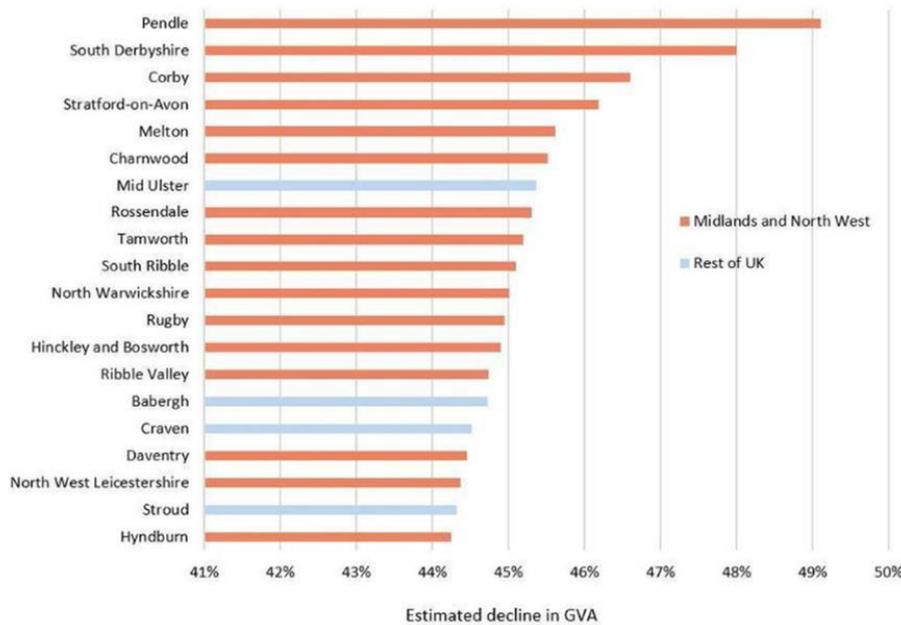
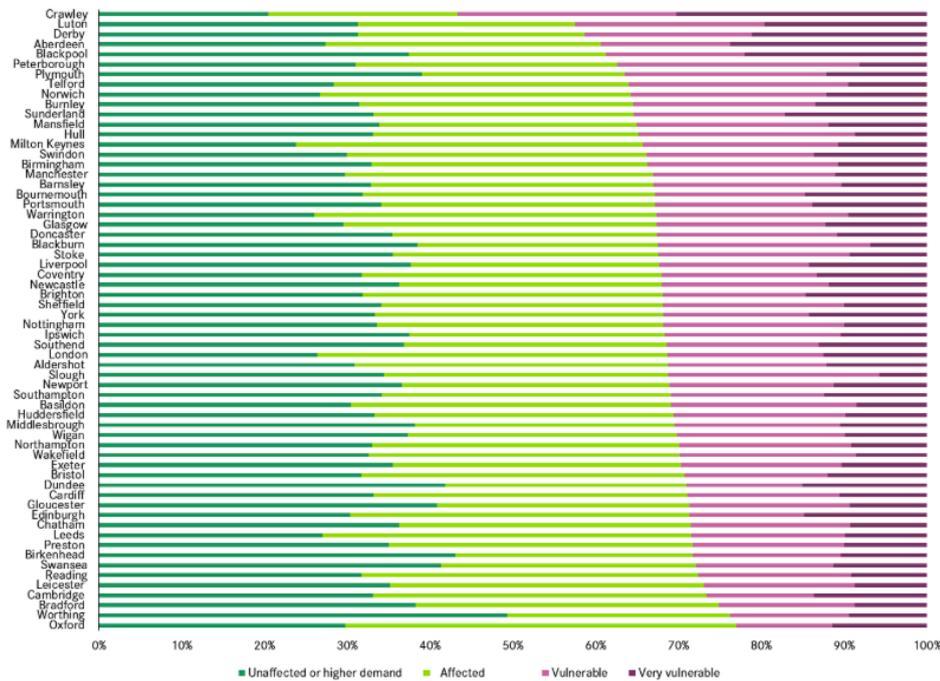


Figure from Centre for Progressive Policy (CPP; 2020) "Which local authorities face the biggest immediate economic hit?"

In addition, reports suggest that the Midlands has a higher rate of employment within the service sector and industry, in which homeworking is likely difficult, as is physical distancing within the workplace and the opening of these sectors is likely to be more staggered. The report from the Centre for Cities (2020) highlights that a large proportion of employment in Crawley and Derby is the aviation sector which is likely to be largely impacted in the current crisis, by a reduction in flights for business and leisure. These areas may be particularly vulnerable within the current crisis and will be strongly affected if the Job Retention Scheme is withdrawn too soon. The Centre for Cities (2020) highlights that Derby and Luton have high shares of employees in the aviation industries and employ more people in the automotive sector than other parts of the country, placing up to 40% of jobs in these areas 'at high risk'. The same report highlights that 18% of Crawley's work force has a large number of employees in the aviation and aircraft manufacturing industry with around 18% of the areas workforce employed in this sector placing it at high risk. Aberdeen's industry is largely dominated by oil and gas sectors which are also likely to suffer in the current crisis, placing around 11% of the areas workforce at risk of losing employment. Two figures below from the report highlight key areas of concern in the current crisis.

Estimated share of jobs exposed to the immediate effects of COVID-19

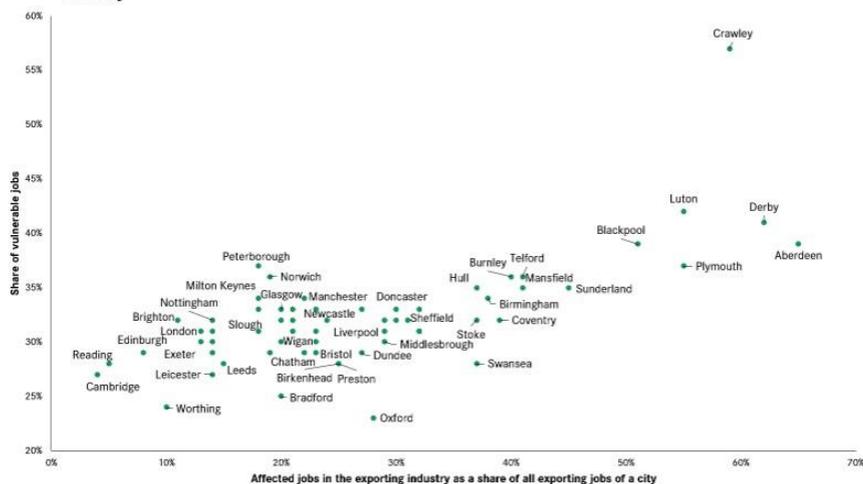
Share of jobs exposed to the immediate effects of COVID-19



Source: BRES, Employment Count, 2018 Analysis of effects: Centre for Cities (2020) What does the COVID-19 crisis mean for the economies of British cities and large towns?

Estimated share of total exporting jobs exposed to the crisis

Affected jobs in the exporting industry as a share of all exporting jobs of a city



Source: BRES, Employment Count, 2018

These graphs illustrate not only particular areas of risk but also that the **Government's national schemes, such as the Job retention and Business Interruption loans, will be utilised in some parts of the country more than others. It also highlights that through the crisis, different approaches will be required in different parts of the country** (Centre for Cities, 2020). In cities where export jobs have not been acutely affected, support should focus on helping local services businesses to find their feet again and serve the demand that should return. But in cities where the



export base is more exposed, more sustained support will be required. Centre for Cities has begun to detail guidance on this.

Unemployment has drastically risen during the current crisis; in total 2.7 million people are now claiming unemployment benefits, a figure which continues to rise (Centre for Cities, 2020). Every large city and town has been impacted by this and have seen an increase in unemployment. However, unemployment has risen fastest in Northern cities and cities like Luton, Slough and Blackpool which saw the largest increases in unemployment since the beginning of lockdown. Cities and towns in southern England have seen smaller increases in unemployment which may be reflective of a use of the Government's Job Retention Scheme and greater access to abilities to work from home. **An interactive map has been developed by the RSA to explore at risk employment by area and this can be accessed here:** <https://www.thersa.org/action-and-research/rsa-projects/economy-enterprise-manufacturing-folder/interactive/coronavirus-jobs-risk-local-authority>

A recent **Citizens Advice Report (2020) on the financial consequences of Covid-19 on Wales highlighted that this is an area of great risk.** Employment levels have already fallen below other regions in the UK with a recent forecast from the Office for Budget Responsibility suggesting that unemployment could reach 10% (the equivalent of an addition 90,000) people out of work in Wales. The report also indicates that coastal and rural communities in Wales may be particularly vulnerable to employment loss when Government Protections are lifted. Further, many households in Wales have already fallen behind on bills with around 16% of the population over-indebted before the start of the Covid-19 crisis. Estimates are that nearly 300,000 people have fallen behind on household bills; 34% of renters have or expect to fall behind on their rent. The Citizens Advice report (2020) highlights that if such figures continue to rise and unemployment continues to fall, many households will fall into poverty. **Whilst Government policy has begun to try to alleviate these financial pressures, further commitment needs to be provided to those renting, council tax holiday payments should be considered and gaps need to be filled within the current support packages to secure people's incomes and act as a safety net for those in need** (Citizens Advice, 2020).

Additional considerations

In other reviews, the concern of vulnerability of low to middle income families or the **'Just-About Managing'** (also referred to as **Ordinary working**) families have been raised and whilst these are spread across the UK, they contribute most to populations in the North East, Midlands and Wales in particular. Using working tax credits as a proxy for identifying the highest concentration of those with children in working families (which is reflective to the extent to which these families rely upon in-work support to help them to get by), the highest concentration are found in a diverse spread of other local authorities including Sandwell, Blackburn and North Devon (The Resolution Foundation, 2016). These are families with higher spending on essential items with no surplus income (on average) and little to no savings or assets leaving them at increased susceptibility to debt (The Resolution Foundation, 2016).

Recommendations

Researchers note that it is important to raise this issue as disparities between local economies and expected changes such as the government's current support schemes to mitigate the impacts from the Covid-19 crisis may have impacts at a local level when relaxed (Citizens Advice, 2020). Additional support could be considered for areas which are at particularly high risk or where a large proportion of employment is affected by the current crisis and restrictions. At present, the literature highlights that cities in the Midlands, North West and Wales are particularly vulnerable. No one local authority has more than two of the top 20 most affected areas by the crisis which may help to target support more specifically at areas in need. Close attention should also be paid to areas with high levels of employment in the informal sector and areas in which industry is particularly affected by the current crisis. Any focus should example the lowest geographical unit available for this.



The Informal Economy and Vulnerable Workers

Narrative of the Review

NTU's Work, Informalisation and Place research group published a piece on how the informal sector may have played a role in the local lockdown in Leicester. It identified key issues to consider for practitioners and policy makers and we have shared it with you below. This piece is built on research into a variety of informal sectors, hand car washes, nail bars and garment manufacturers alongside work with regulators, policy makers and police. It highlights the challenge for workers and regulators and aims to support the development of better approaches to challenge informal work. It is worth highlighting that today the Interim Director of Labour Market Enforcement releases his annual report highlighting the strategy for tackling labour market infringements. This is released whilst a single enforcement body is set up to bring together all labour enforcement bodies (such as GLAA, HMRC National Minimum Wage and BEIS Agency Regulators).

Key messages:

- It is estimated about **2.5 million people work in the informal sector** in the UK
- This generates **12% of the UKs GDP each year** (£223 billion).
- The informal economy is a broad economy stretching from Organised Criminal Enterprise (drug dealing, modern slavery) through to more permissible businesses whose activities operating outside of UK rules and regulations. (unsafe working practices, non-payment of sick and holiday pay, non-payment of taxes, underpayment of wages)
- The research highlights that these businesses operate under **'permissive visibility'**. Society knows they exist (as consumers and regulators) and they operate outside of the law but they are able to continue to trade (a mix of regulatory complexity, scale of the challenge, size of businesses and lack of power or interest to report from workers).
- **Underpayment of wages (not paying the minimum wage) is endemic** in these sectors with many paying only half pay during poor weather or business conditions.
- Leicester has a concentration of garment manufacturers who sub-contract work to smaller and smaller units which can operate in unfit units and houses to produce units at a speed and cost that allows the industry to operate. Whilst Leicester is a site for concentrated garment manufacture WIPs research outlines that for HCWs and Nail Bars there is a relatively uniform distribution of businesses across the UK.
- **Workers may well not view themselves as 'victims'** and are often unlikely to report to regulators. This is due to a range of personal and historic issues (higher wages and better conditions than native countries, using the role as a stepping stone to future employment and networks or due to residency status or coercion)
- **Many businesses continued to operate through response phase of Covid-19** but very little is known about these businesses. Estimates prior to our research estimated between 10 and 20,000 hand car washes across England (it is between 4- 6000 based on our fieldwork and estimates)
- Work undertaken in these sectors is often unreliable and variable with businesses 'phoenixing' regularly (closing due to enforcement and reopening under different management.) impacting on economic insecurity.



Working and living practices may explain Leicester's coronavirus spike

Clark, Pickford, Hunter & Fearnall-Williams

July 2, 2020 - <https://theconversation.com/working-and-living-practices-may-explain-leicesters-coronavirus-spike-141824>

Following a sharp rise in COVID-19 cases, Leicester has become the first city in the UK to enter a full local lockdown. All non-essential shops and schools have been closed, and the government's plan to reopen pubs and restaurants has been postponed. The city has recorded more than 900 new COVID-19 cases over the last two weeks.

Our research suggests that the many small-unit garment businesses and numerous roadside hand car washes may have contributed to the spike in cases. Cramped high-density living conditions, inappropriate social distancing and continued business operation during the lockdown may also have played a part. It should also be noted that Leicester has a high BAME population who may be particularly at risk.

At the heart of this problem are employers that use informal business and employment practices. They often operate beyond government regulatory institutions, imposing norms and values that erode accepted business and labour practices. They operate in plain sight, but often fail to comply with employment law, workplace health and safety rules, and environmental regulations.

Workers, in turn, tolerate such business models out of necessity, despite the insecurity, irregular working hours, low wages and lack of holiday pay. Unfortunately, it may be that they are now having to tolerate an increased risk of contracting COVID-19.

The need to work undermines control measures

Employers who use predominantly informalised business and employment practices – that is, those who don't pay the right taxes, underpay employees, fail to pay holiday and sick pay, and generally ignore all relevant laws and regulations related to employment – annually generate 12% of Britain's GDP. They are not uncommon, and include both permissible businesses that are being run illegally as well as wholly criminal industries, such as making or selling counterfeiting goods, and drug dealing. Such businesses sustain 2.5 million workers, a number equal to 9% of the formal private-sector working population, and generate £223 billion per year.

There are some of these workers in Leicester. Some work in the city's textile sector, producing, cutting, trimming and packing garments. There are also people in the city – as across the East Midlands and the wider UK – who wash cars, manicure nails, deliver takeaway food or do day-rate work in food processing.

It's difficult to say with certainty how large the city's informal sector is, but our research tells us that virtually all hand car washes operate informally, failing to observe relevant employment legislation. In Leicester's textile sector, research by others suggests that there's subcontracting of work that's often informal. It's likely that the size of Leicester's informal economy matches the average figures cited above, at around 12% of the local economy.

Workers in the informal sector often accept jobs to escape poverty and have little choice in the employment they can take. Many are newly arrived migrants. Others have never entered the formal labour force, despite extensive employment experience.

Most of these informal jobs were classified as nonessential and closed during the pandemic. But it's clear that in some sectors they remained open or reopened without appropriate COVID-19 measures in the workplace. The recent Labour Behind the Label report suggests some Leicester employers asked workers to continue working without altering employment conditions to cope with the pandemic, and in some cases while workers exhibited symptoms of ill health.

Citing the same report, the Guardian reports that Public Health England found that young male workers in the garment and food processing sector between the ages of 20 and 40 were major transmitters of the virus in Leicester. This is a core demographic of hand car wash workers, too.



Informal business owners also move workers around the country to meet current needs, a practice that – during the pandemic – would have placed workers at additional risk of infection. Yet despite these obvious issues, there has been a willingness to work among the informal workforce. We believe there are several that explain why.

First, some workers fail to qualify for any government schemes to support their roles, precisely because of the informal status of the employment they hold. The much-publicised furlough scheme is only open to formal employees.

Second, some informal workers, documented or undocumented, may have “no recourse to public funds” during periods of limited leave to remain in the UK. This status prevents them from claiming benefits. In our research, we’ve found workers in this category prepared to work at car washes for as little as £3 an hour, which gives a sense of the financial pressures some may be under.

Third, some employers classify workers as self-employed but provide no payslips or invoices, which also means they are unable to claim government support.

Finally, our findings also show that informal workers often don’t trust government agencies and that this can be a barrier to them seeking and securing support. Our research has highlighted that some workers are unaware of their rights and believe that regulators are primarily concerned with deporting workers rather than protecting their interests and prosecuting employers.

Living arrangements may play a role too

Many such workers live in intergenerational housing where it is difficult to maintain social distancing between those who continue to work and other family members who do not. Often recently arrived migrants also live in houses of multiple occupation, owned by their employers, where social distancing is also difficult to maintain. These are properties rented to three or more people, not from a single household, but who share facilities like the bathroom and kitchen. Without work, they may become heavily indebted, putting them at even greater risk of exploitation.

We also witnessed cramped on-site living conditions for workers at hand car wash sites across the UK during visits with regulators. In many of these places, social distancing and basic hygiene would be difficult – if not impossible – to establish.

Our research shows that we need to be mindful of the issues facing informal workers in Leicester – and throughout the UK – if the first local lockdown is not to be the sign of a wider trend.

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Cramped housing may make infection more likely, and the costs of rent may make working a necessity. EPA-EFE

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What we do in this analysis, how and why (caution when interpreting)

A data review is undertaken by academics at Nottingham Trent University every week to inform the C19 National Foresight Group. Data related to Covid - 19 UK social and economic trends is reviewed to inform, guide and help prioritise discussions at national and local decision-making level (LRFs). The C19 National Foresight Group are keen to ensure that the data included has been ethically governed and structured to adhere to open access, data protection and GDPR regulations and principles. For example, the data is to be manipulated in an ethical manner, and the content and context is to be fit for purpose in terms of the audience and decision timeframe in question.

Activity Completed

The following findings are based on a review of multiple data sources exploring Social, Economic, Psychological, Community aspects of Covid-19 in the UK. These could include:

- ONS: covers wellbeing, perceived financial precarity, objective indicators of UK economy, household financial pressures, perceived impact on work life
- OfCom: Public perceptions of information to help manage Covid 19, perceptions of preparedness and action
- ONS: Deaths from Covid - 19
- Gov UK: Relevant contextual information
- Census and geographical data: Geographical/location specifics
- IMD: Socio economic trends associated with spread or primary/secondary impacts
- LG Inform: Population, social, demographic, lifestyle and health data
- You Gov: Public mood
- NTU's own analysis of open source data (lead by Dr. Sally Andrews)
- Other academic survey work published within the last week

Limitations for Consideration: The National Foresight Group have been keen to quality assure the data assumptions, including the equity and representation of participants.

Internet use data indicates representational issues in older adults

Almost all of the data sets draw from online surveys. With this in mind the statistics behind online access were explored. The following is to be considered in the assumptions taken from the data sets.

The table below shows the estimated number of people who have never used the internet. The data are drawn from ONS 2019 Internet users:

Table 1: estimated number of people who have never used the internet

Age	Estimated number of people who have never used internet	Age	Estimated number of people who have never used internet
16-24	20,000	55-64	389,000
25-34	28,000	65-74	869,000
35-44	46,000	75+	2,482,000
45-54	158,000	Equality Act Disabled	2,336,000
		Not Equality Act Disabled	1,657,000

Table 1 shows that caution should be applied when considering the inferences made in the rest of the document as older adults could be underrepresented in the samples. The estimated numbers of those that have never used the internet begins to increase around age group category 35-44, the subsequent age categories increase by approximately twice as many non-users as the age category that precedes it. The numbers of 'over 75s' (2,482,000) for example not using the internet equates to almost a million more than the total of the other age group categories (1,510,000).



The interpretation of data should also consider the proportion of people known to be disabled by government agencies who do and do not meet the Act's criteria. These numbers make up 3,993,000 of the population, so this should be considered in the representativeness of the data.

END.

Contact us: If you have any questions about this output please email: C19foresight@ntu.ac.uk
Corresponding editing author Dr Rowena Hill is seconded full time to provide academic representation on the C19 National Foresight Group, and works at Nottingham Trent University.