



COVID-19 CRISIS: Monitoring Impact on Clients and Issues raised

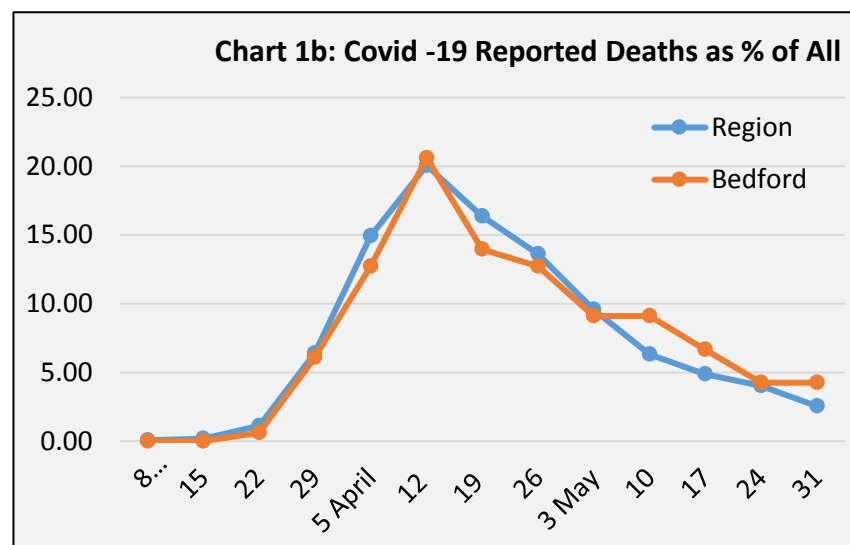
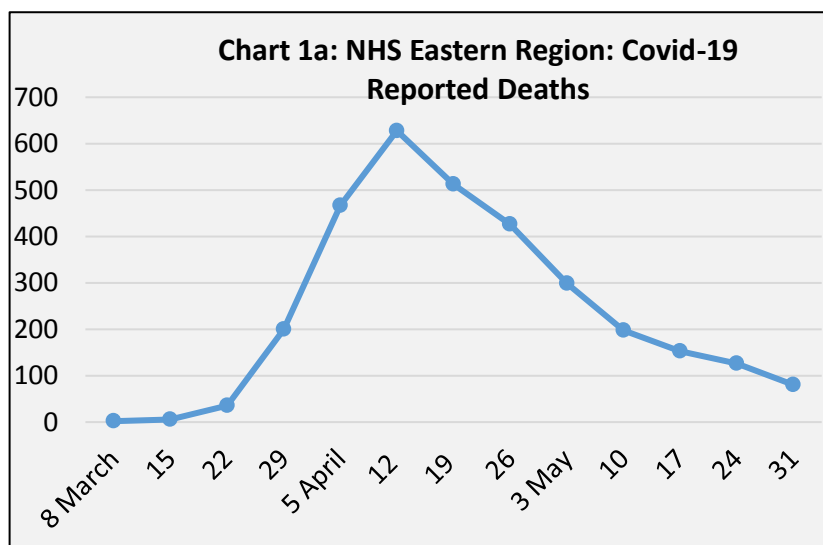
**Update 4
4 June 2020**

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This report covers the period up to the end of May 2020. As well as providing a monthly update it compares the Citizens Advice Bedford (CAB) data against that of the Eastern region to test the extent to which the local experience is typical of the region as a whole.

1. The Wider Picture

- 1.1 Towards the end of May the Government announced the easing of the Lockdown restrictions allowing greater movement, some businesses to reopen and a timetable for others to open during June and early July, this included a phased reopening of schools. This was not without some debate and criticism: the main one being that the government was risking a second wave of the virus by easing the lockdown too soon in order to protect the economy and that schools were only reopening to ease people's childcare issues so that they could return to work.
- 1.2 By the 1st June there had been 27,723 reported hospital deaths due to Covid-19¹. Of these there were 3,131 in the Eastern region of which 165 were in Bedford Hospital. Chart 1a shows the weekly death rate for the region while Chart 1b shows the weekly death rate for the region and for Bedford as percentages of all deaths. (Weeks ending on dates shown). Both show a typical wave pattern: a rapid increase in cases from the weekend 22 March with a peak in early April and a gradual decline in numbers through late April and May, suggesting that the worst of the crisis is over but that we are not yet back to "normal".



¹ NHS England: Covid-19 Deaths by Trust 1st June 2020. Deaths of patients who have died in hospitals in England and have tested positive for Covid-19. Note also that deaths are recorded to the day of death, not the day of notification. Figures may change as notifications are received and recorded, the figures used are accurate to the 5:00pm 31st May

- 1.3 The concerns about the economy are real. There is a widespread view that the furloughing scheme (which has been extended) is hiding the true unemployment figure and that redundancies will increase as the scheme is phased out and employers are asked to pay an increasing proportion of the payments.

Britain's labour market has been paralysed by the Covid-19 lockdown but you would never know it from government figures showing employment at a record high and the jobless rate below 4%. . .

. . . The reason the official data paints such a benign picture is because employment and unemployment rates are based on surveys conducted over a three-month period from January onwards, and the lockdown only came into force in the last nine days of March.

A more accurate – if still incomplete picture – is provided by the alternative method used by the Office for National Statistics to calculate unemployment: the claimant count. This showed a rise of 856,000 to 2.1 million in April, the biggest monthly rise since modern records began in 1971. . .

. . . Another guide to unemployment is provided by wage data from HMRC, which shows that the number of people on PAYE fell by 13,000 in March and a further 457,000 in April. This underestimates the size of the hit to the labour market because it includes Britain's 27 million-plus employees but not the country's 5 million self-employed.²

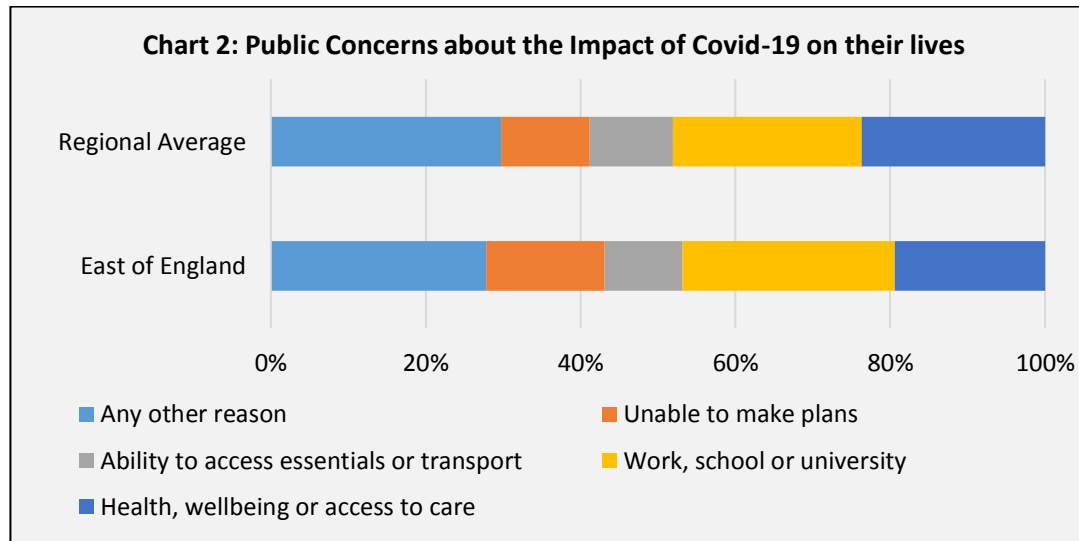
(The Guardian, 19th may 2020)

- 1.4 The Treasury's own figures are no more encouraging. Each month HM Treasury publishes a forecast based on a comparison of a number of independent economic forecasts³. The January report forecasted a 1.1% growth in GDP for 2020/21 and an unemployment rate of 4.0%. The May report gave a GDP growth rate of -8.6% and an unemployment rate of 7.7%. In other words the economy would shrink by nearly 10% compared to where it should have been and unemployment would nearly double.

² Larry Elliot, The Guardian's Economics Editor, writing in The Guardian 19 May 2020

³ HM Treasury *Forecasts for the UK Economy: a comparison of independent forecasts*

1.5 An Office of National Statistics survey published on 26th May⁴ (conducted 3 April – 3 May) reported that across the UK 80% of people are worried about the impact of Covid-19 on their lives, the numbers for the East of England (EoE) were slightly lower at 77%. Within this there are differences. People in the EoE are more likely to be concerned about the inability to make plans (at 15% compared to an average of 9.5% it had the highest percentage rating of all the regions) or about work/school/university (27% compared to 20%, the second highest region). In no areas were they significantly less worried than average.



1.6 At the same time criticism over the timetable for coming out of lockdown, and the “Dominic Cummings scandal”⁵ has led to declining trust in the government, at least in its handling of the pandemic. A survey from the Reuters Institute (Oxford University) published on 1 June⁶ reported that less than half the public trusted Government information about the virus, dropping from 67% in mid-April to 48% in late May. An Opinium/Observer poll published on 31st May⁷ shows that, over the same period, the Prime Minister’s personal approval rating fell from 58% to 37% and active disapproval rose from 23% to 42%.

1.7 The overall picture, as we emerge from the immediate crisis, is one of uncertainty in terms of individual health and security, the wider economy and employment, and trust in the government to provide effective leadership and direction.

⁴ Office for National Statistics – Opinions and Lifestyle Survey (COVID-19 module), 3 April to 3 May 2020

⁵ Dominic Cummings, a key adviser to the prime minister, admitted that he had travelled with his family from London to Durham during the height of the Lockdown. Stating that it was a valid interpretation of the guidelines he refused to apologise or to resign and the PM refused to sack him.

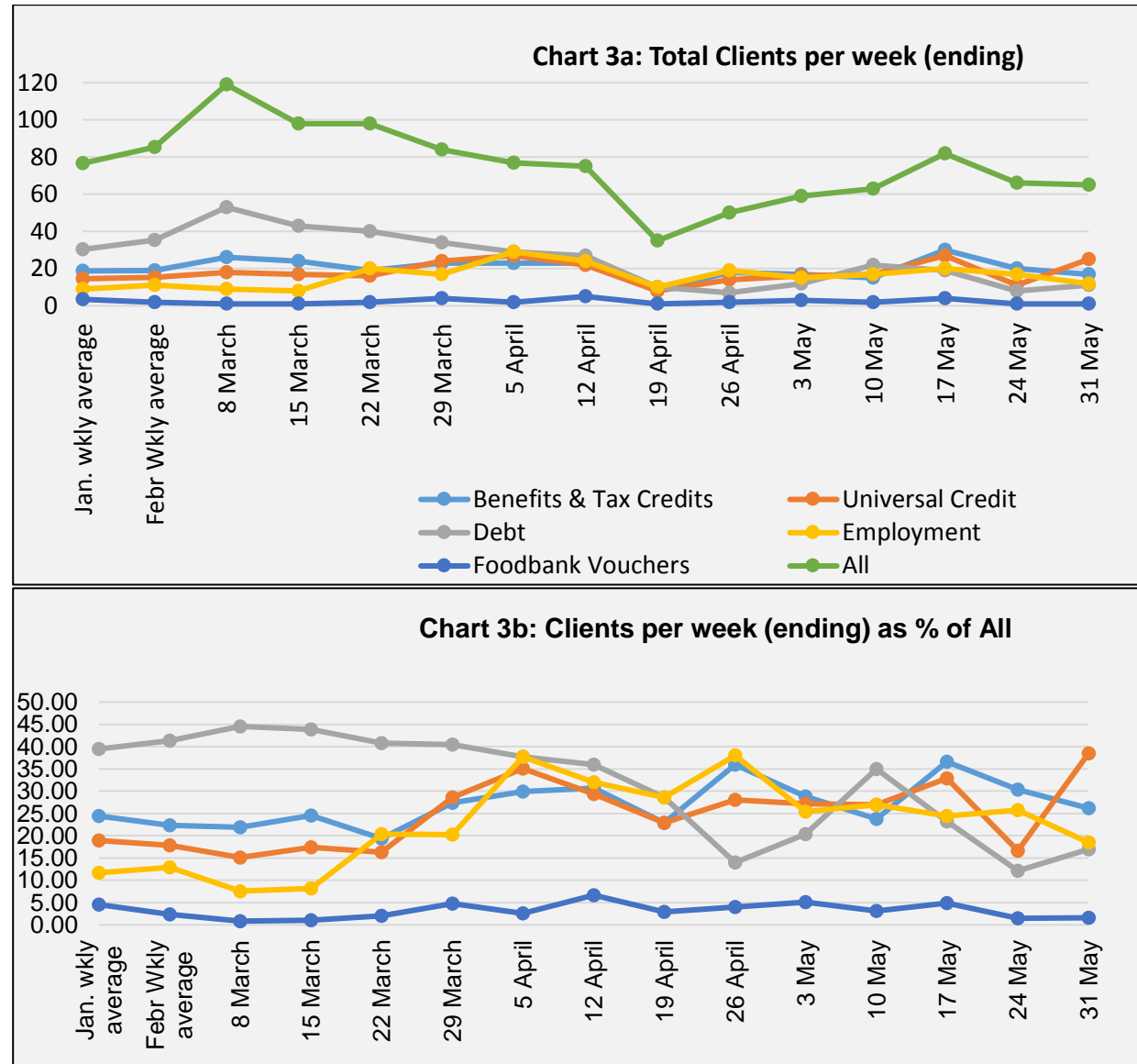
⁶ UK Covid-19 News & Information Project: Factsheet 4 Richard Fletcher, Antonis Kalogeropoulos, and Rasmus Kleis Nielsen. Reuters Institute, Oxford University

⁷ Opinium/Observer poll published in *The Observer* 31st May 2020

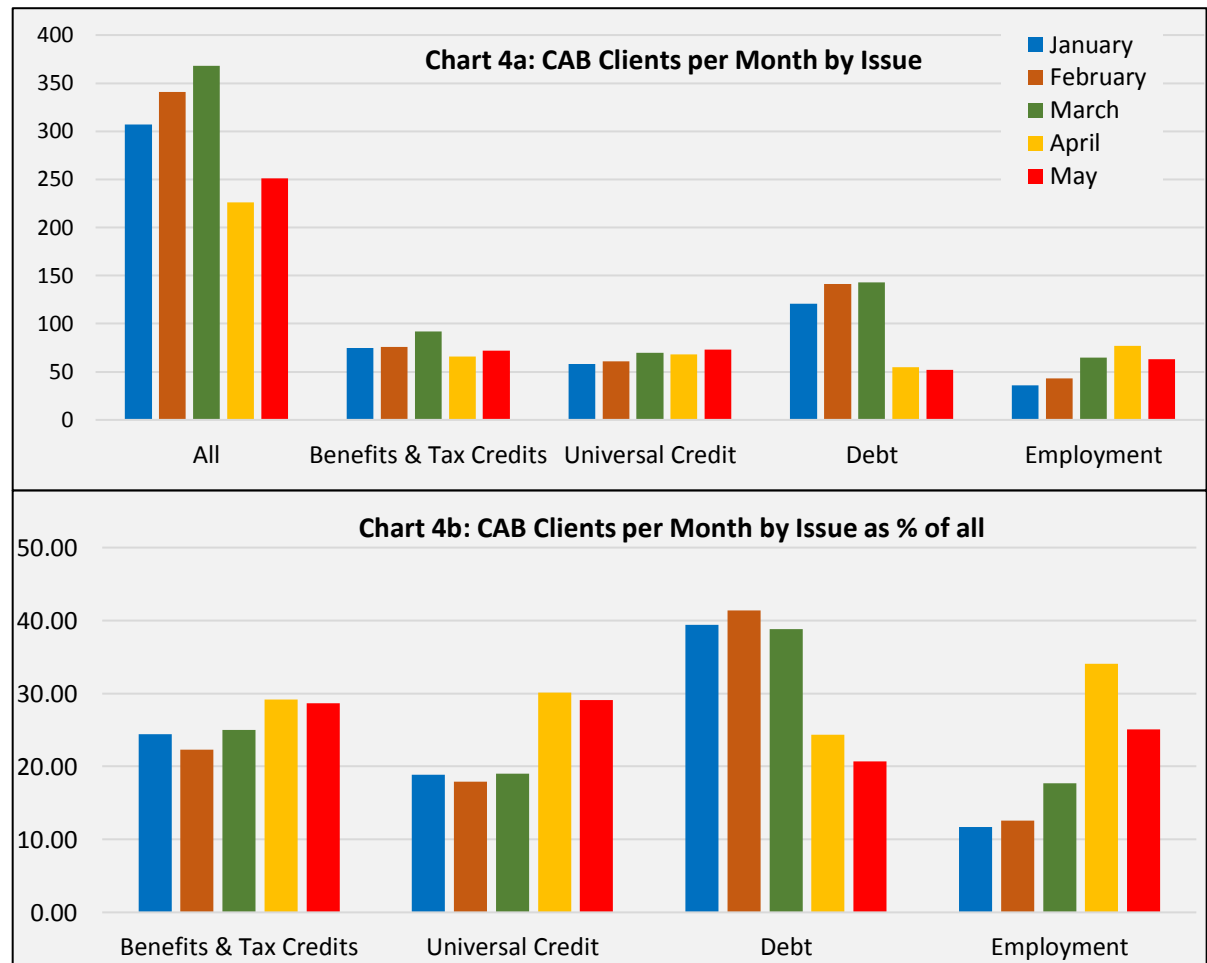
2. CAB Clients & Issues

2.1 This picture of uncertainty and insecurity is reflected in the volatility of the weekly client number and the issues they present (see Chart 3a & 3b). Up until 22nd March, although there is an increase in client numbers the range of issues they present is fairly consistent with about 40% of clients presenting Debt issues, 23% Benefits, 17% Universal Credit, 8% Employment and 1% needing Food vouchers. Since then the pattern has been more varied

2.2 Some of this, such as the drop in clients with Debt issues, is a result of government policy to ease the financial burden of the lockdown, but it also reflects people's anxieties as they respond to government announcements and policy changes. It will be interesting to see if and when a hierarchy of issues re-emerges and whether it is the same as it was before.

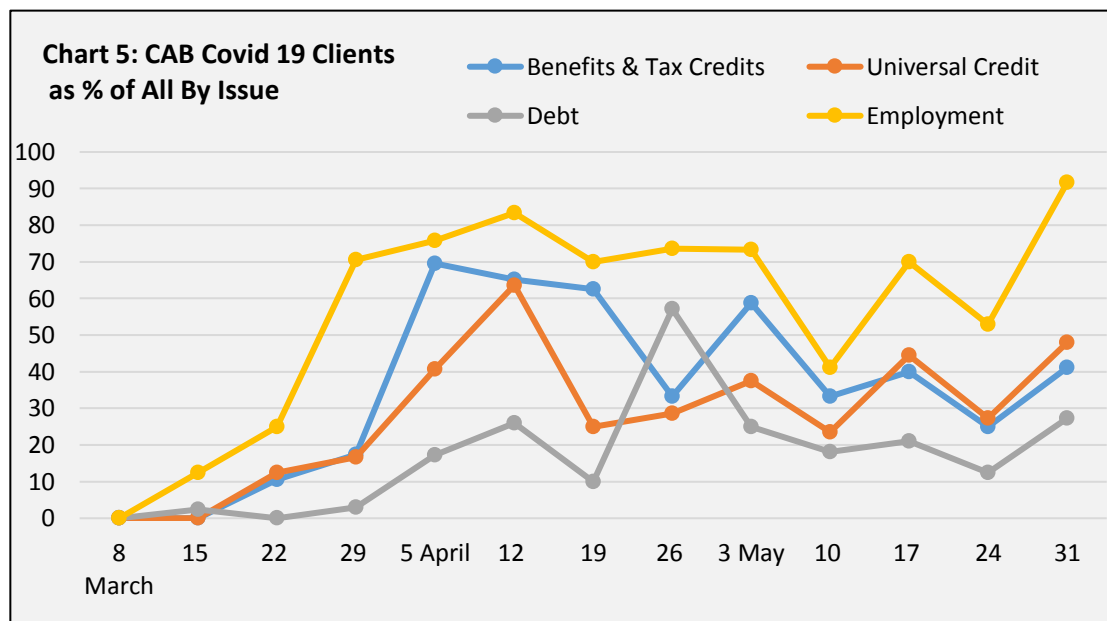


2.3 This volatility is hidden when the figures are viewed on a monthly basis (Charts 4a & b) but the underlying pattern becomes more apparent. Overall client numbers dropped in April because of the closure of the office and the shift to a telephone and email based service. This pattern is reflected in the number of Clients with Benefits issues but the numbers of those with Universal Credit (UC) issues has remained constant despite the drop in overall client numbers, this reflects the surge in numbers applying for UC during late March and early April as incomes dropped with the start of the lockdown. Debt numbers have dropped because of the government's policies to protect people with rent arrears or other debts they cannot service because of loss of income. Employment issues, in contrast have increased despite the overall drop in numbers again because of concerns about employment rights and the furlough scheme.

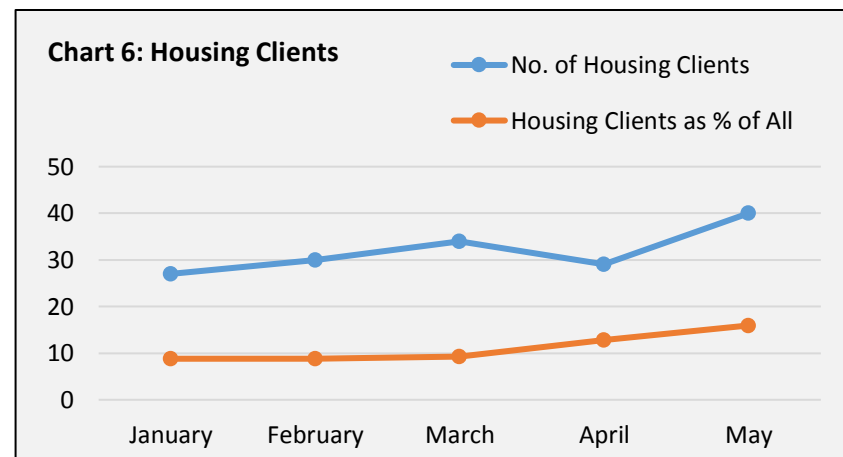


2.4 This shift in the pattern more apparent when the monthly client figures are viewed as percentages of all clients (Chart 4b). Here the relative surges in clients with UC and/or Employment issues is quite clear. There is also a clear, though slight, increase in Benefits issues.

2.5 These shifts in client concerns are still being driven by the Covid-19 crisis. All four issues had an initial spike around the weeks ending 5th & 12th April when the virus outbreak was at its peak (see Charts 1a & 1b) and the government extended the initial lockdown. Further spikes following the initial easing of restrictions on 11th May and the announcements about the initial reopening of businesses in late May. This is particularly noticeable with Employment where in the final week of May just over 90% of all clients had issues related to the crisis – 10% more than at the peak of the crisis in April. This reflects the findings of the ONS survey (see para 1.5).



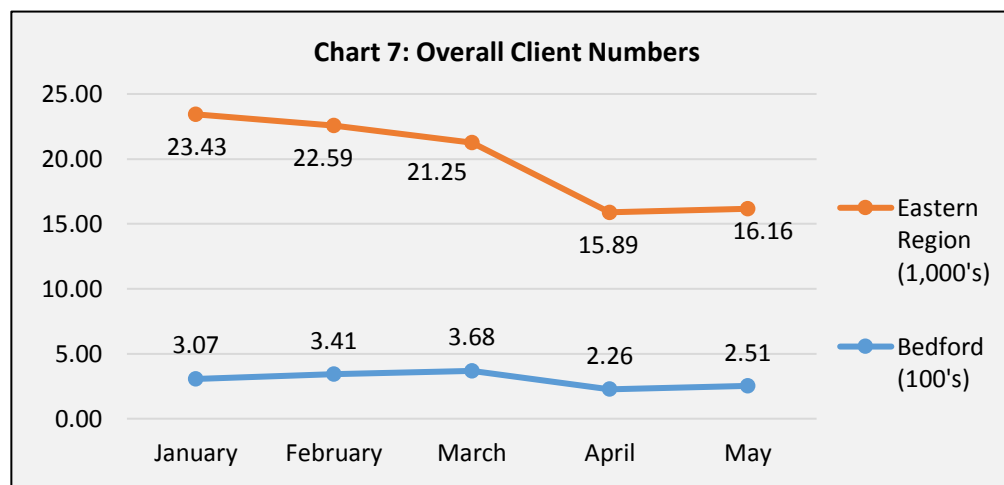
2.6 Although not part of the earlier reports it is worth having a look at clients with Housing Issues (Chart 6). Despite the drop in overall client numbers the number of clients with Housing issues has increased by a third – from 27 in January to 40 in May and has nearly doubled as a percentage of all clients from 9% to 16%. There was a particularly sharp increase in April/May, this is despite there being a freeze on eviction proceedings. The increase in May might be due fears that this protection was coming to an end, though it has since been extended. If that is the cause of the rise then client numbers should drop back in June.



2.6 Within Bedford the overall position at the end of May is that client numbers, having dropped to a third of that before the lockdown, have recovered to some extent and now stands at about two thirds of what it was in early March. However, the impact of the crisis has made employment issues a much higher concern than it was previously.

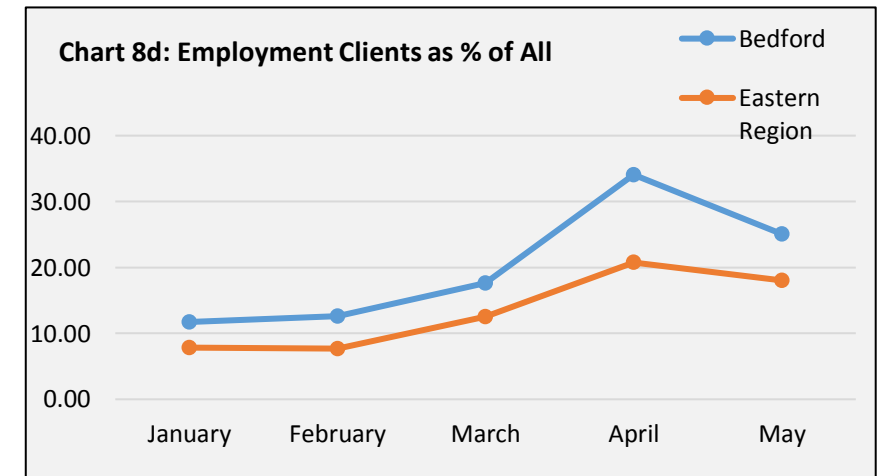
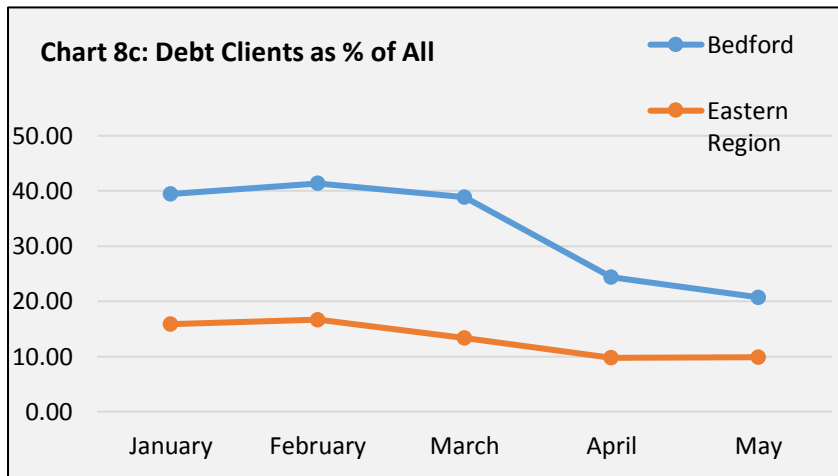
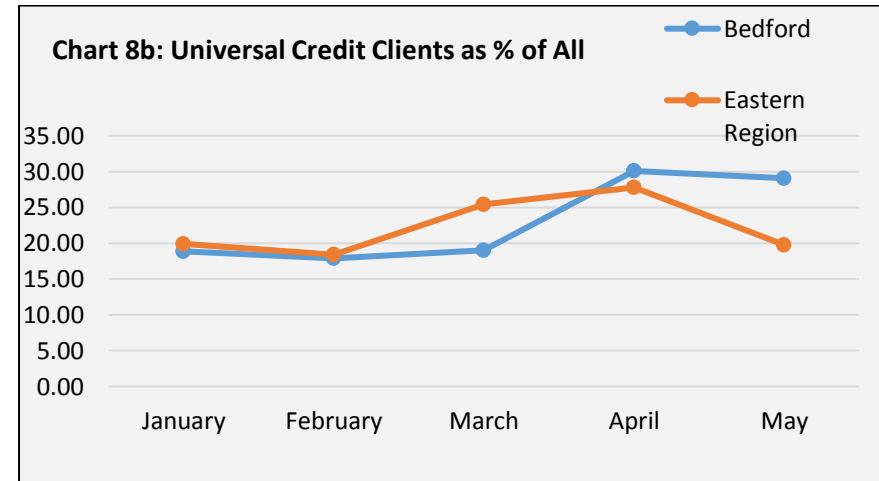
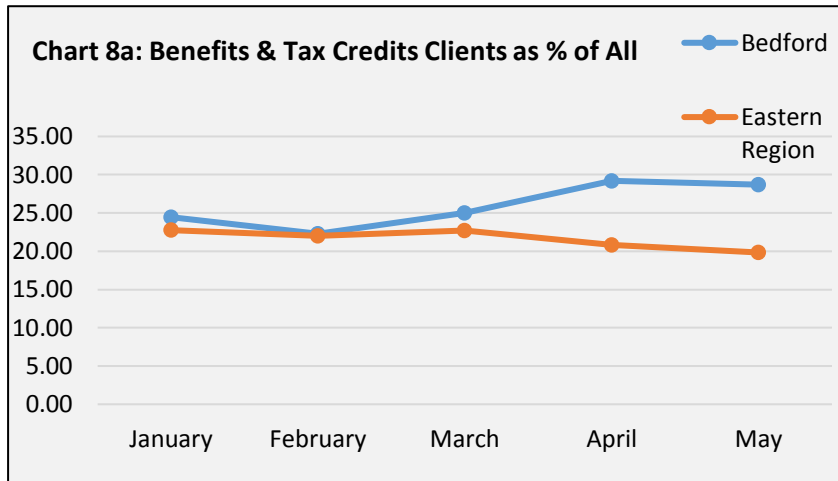
3. The Regional Experience Compared

3.1 The other question is how far the pattern of client concerns in Bedford is typical of that across the region as a whole. Chart 7 compares overall monthly client numbers for CAB and the region. For the first quarter of the year CAB shows a slight but steady increase in client numbers compared to a similar drop in numbers across the region. Both show a significant drop in April as offices closed and switched to a telephone and email based service. There is then a slight recovery of client numbers in May as people get used to the idea of accessing remotely rather than by attending an office in person. Note that the numbers of the region are in 1,000's while those for CAB are in 100's



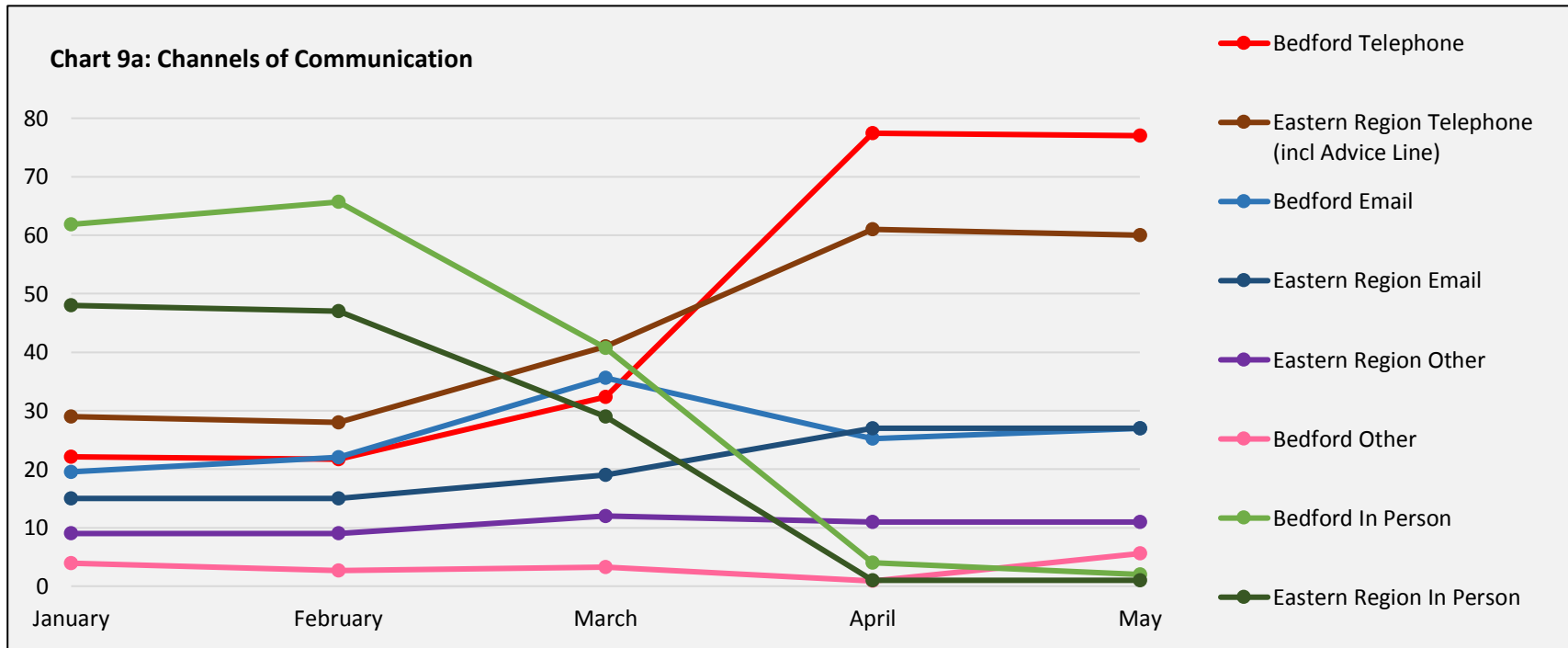
3.2 Charts 8a-d below compare the numbers of CAB and Regional clients for each of the main four issues as percentages of all clients.

- For Benefits & Tax Credits (Chart 8a) the proportions of clients are similar but there is a divergence through March and April as the crisis takes hold with a significant increase in the proportion of CAB clients and a slight but steady decrease across the region as a whole. These trends stay steady through May
- Universal Credit (Chart 8b) has a different pattern. The main increase in the proportion of clients in the region is in March, with a smaller rise in April and the dropping in May to just above the February figures. For CAB the significant increase is in April with numbers staying broadly steady in May. In May the difference between CAB and the Eastern region is similar to that for Benefits & Tax Credits.
- Debt (Chart 8c) is different again. The proportion of CAB clients is consistently and significantly high than for the region, though this may be because CAB holds contract for Debt counselling with may not be true for all other offices across the region. However, both show drops in March and April that flatten out in May.
- Employment (Chart 8d) also shows two broadly parallel lines both rising through March and April and falling away in May. This reflects the concerns about the furloughing scheme and employment rights as businesses closed down during the lockdown. It also again reflects the findings of the ONS survey about the strength of concerns about work in the Eastern region (see para1.5).

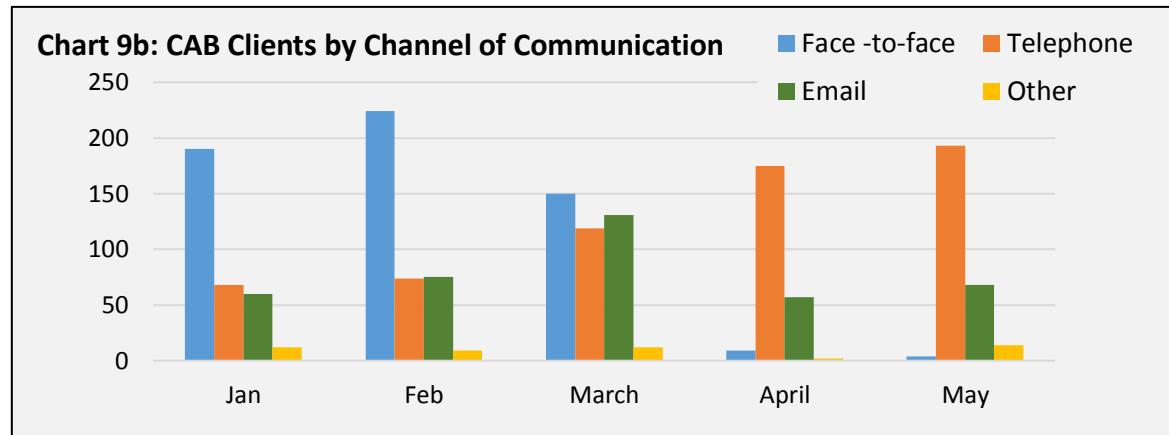


- 3.3 The fact that, in the main, CAB has higher proportions of clients with these sets of issues probably reflects the comparative urban nature of the client base and the levels of deprivation compared to the East of England as a whole.
- 3.4 The other interesting comparison between CAB and the region as a whole is of how clients prefer to make contact, the channel of communication they prefer to use (Chart 9a). The shift in March is very obvious as clients had to find alternative ways of contacting their local Citizens Advice office. What is also clear is that prior to the Lockdown a higher proportion of CAB clients contacted the office in person (62% & 66% in January and February compared to 48% & 47% for the region) with a higher

proportion of the region's clients using the telephone. Since then the main shift for both CAB and the region has been to the telephone rather than e-mail. The comparative spike in March for the use of e-mail to contact CAB is probably due to the short period at the start of the lockdown when the office had to be closed but the alternative telephone system had not been fully developed.



3.5 This shift from Face-to-Face contact to Telephone rather than e-mail is clearer when the CAB figures are viewed as monthly totals (see Chart 9b). Comparing the e-mail totals for January and February with those of April and May it is obvious that there has been no increase in clients using this channel – all the increase has been in the Telephone as a channel of communication.

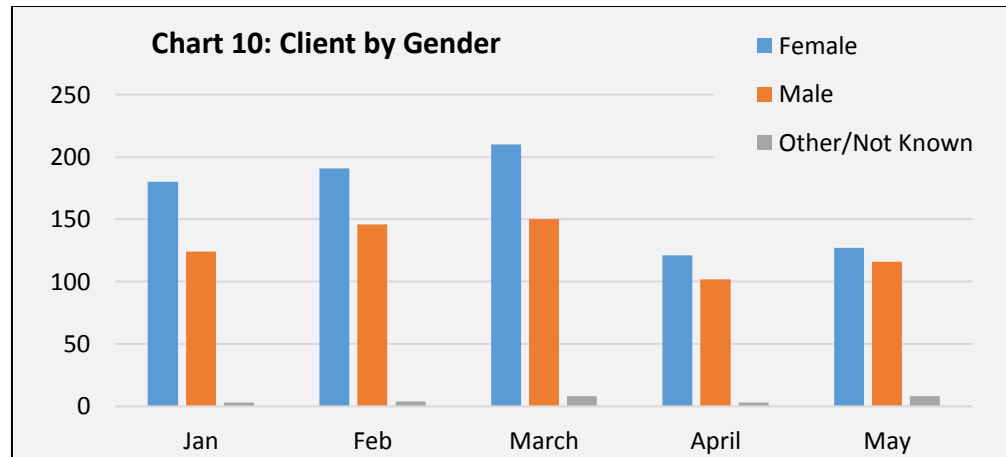


3.6 One possible explanation for this preference for the telephone as a channel of communication, as mentioned in the second of these updates (4 May2020) is that those on the lowest incomes are less likely to have internet at home and are likely to be dependent upon pay-as-you-go phones. Even if they are smart phones, accessing the web through these would be an expensive option and with libraries and other places offering internet access closed there are few, or no, other options. Thus the telephone becomes the preferred channel of communication.

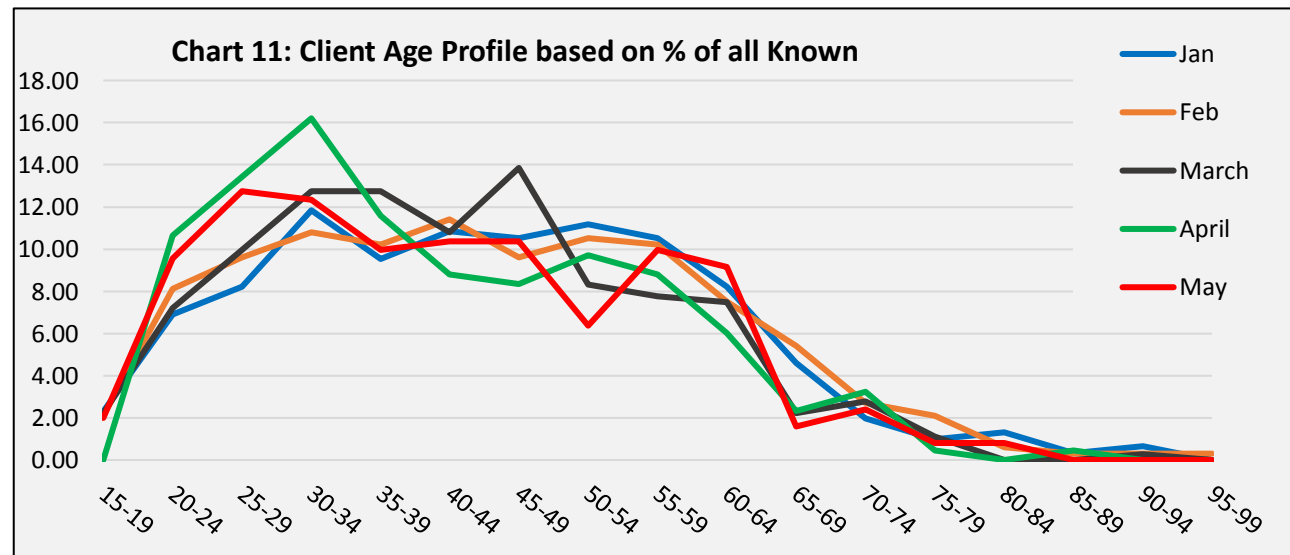
4. The Client Profile

4.1 As reported in the 4th May update there has been some change in the client profile in certain areas. This section returns to the question to see whether the shift has been maintained or not.

4.2 There continues to be a shift in the gender balance of clients (Chart 10). Through January and March, despite changing numbers, there was a fairly constant Female/Male client ratio of 3:2. In April this was reduced to 6:5 and in May to 13:12. In other words the balance has shifted from about half as many women again as men – to near parity. This may be linked to the increase in clients seeking advice on Employment issues but more analysis needs to be done to explain this change in the gender balance.

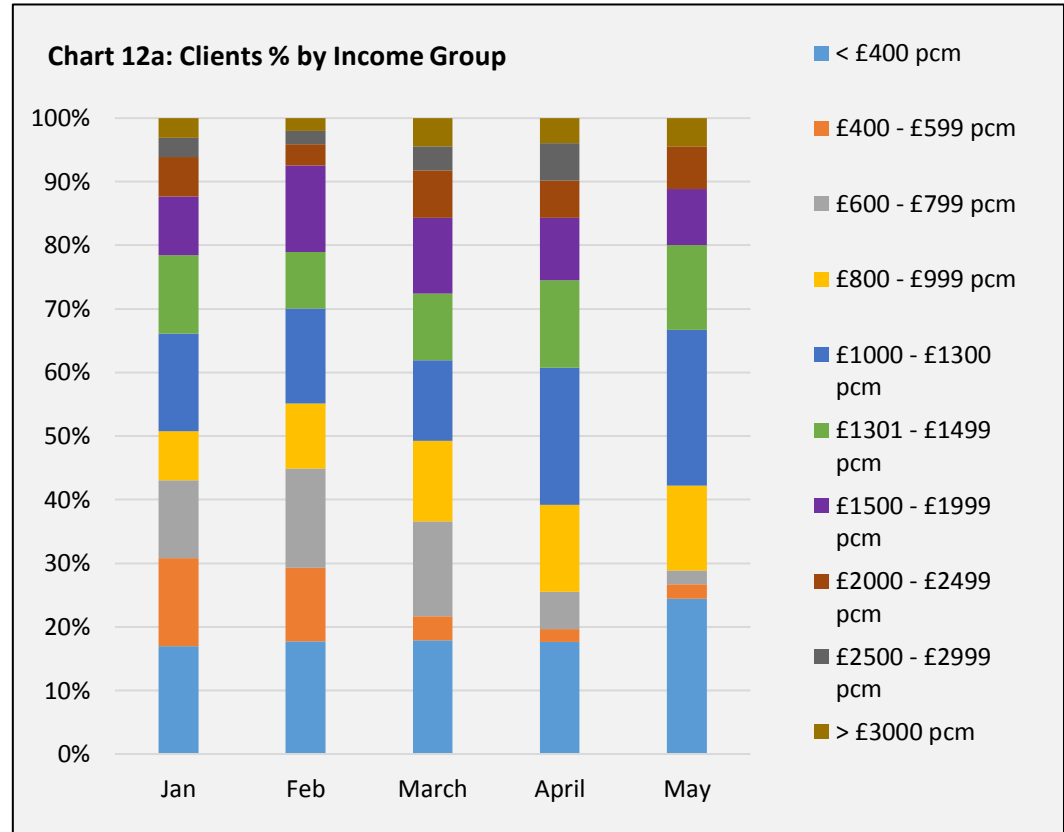
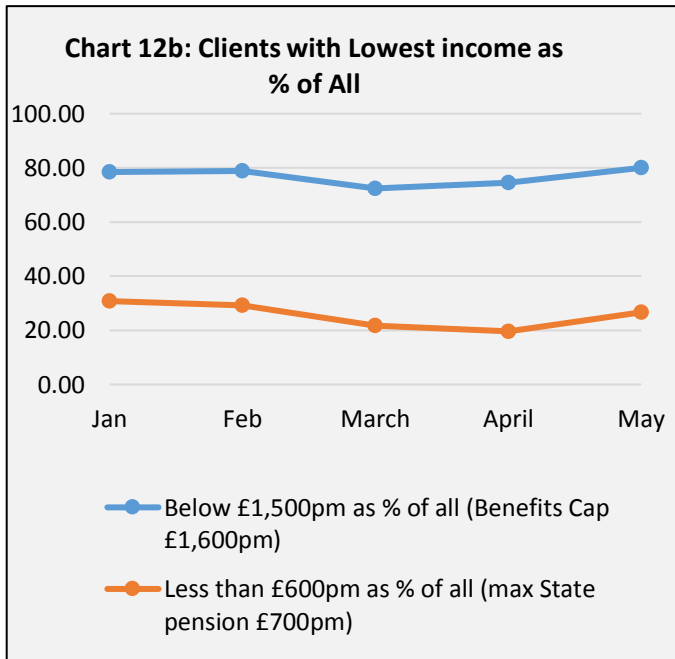


4.3 The Age profile of clients (Chart 11) in contrast has returned to be closer to the normal curve shown by those for January, February and March. The strong emphasis on the younger working age groups (20 – 34yrs) shown in April has declined, though the 20 – 30yrs groups still appear to be overrepresented.



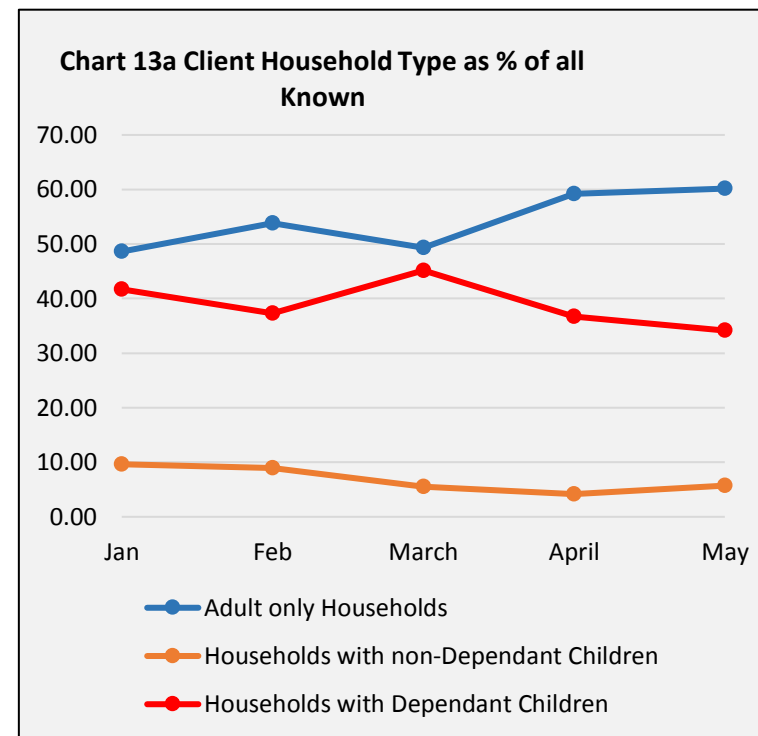
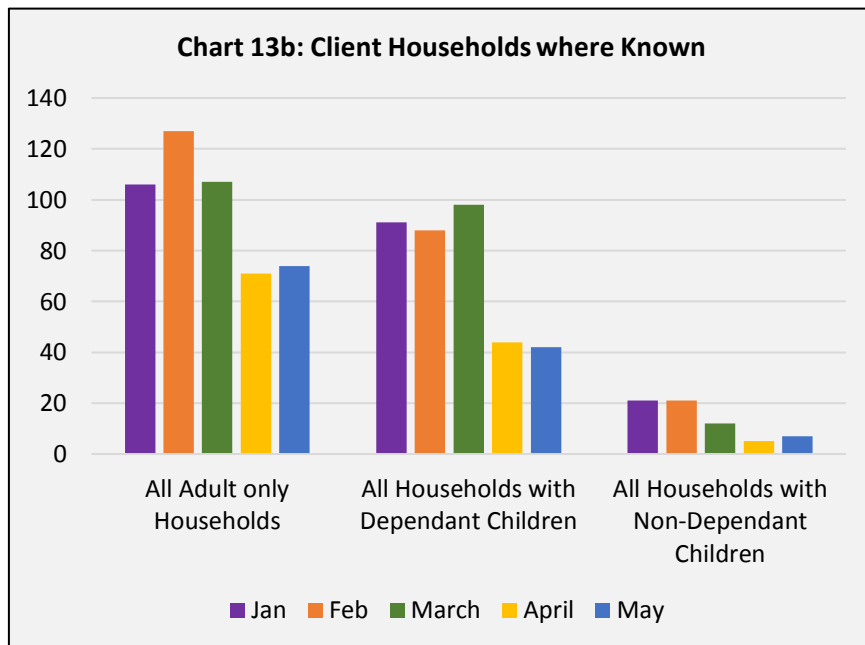
4.4

There has also been some shift back to the pre-lockdown profile in terms of Income (Chart 12a), The proportion of clients in the higher income groups (£1,500 pcm and over) for May is comparable to those for January and February. The proportion on the lowest income groups (less than £600 pcm) has also returned closer to its normal levels and in May was 26% of all clients compared to about 30% through

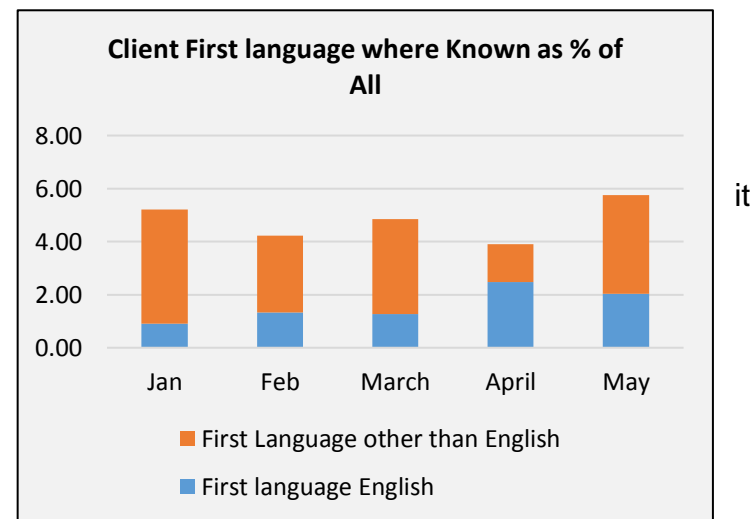


January/February. However the mean average, the point at which there are 50% of clients above and below, is still clearly within the £1,000 -1,300 pcm income group compared to the £800 – 999 before March. These shifts in income are more apparent in Chart 12b

4.5 The proportion of clients living in Adult Only households continues to be higher than it was pre-lockdown (Chart 13a). However this is due more to the drop in the other groups, than any actual increase. Looking at the actual numbers (Chart 11b) it is clear that number of households with dependant children in April / May has dropped by about half to January / February. The number of Adult only households in comparison has dropped by about a quarter



4.6 It is worth noting that the shift to Telephone and E-mail does not appear to have deterred clients whose first language is not English. The level of recording is low, over 90% of clients each month do not have their first language recorded. Those that do make a fairly consistent 4-6% of all clients. The proportion of those whose first language is not English has been around 3-4% except in April when dropped to just under 1.5%. This may have been due to the initial shift to remote contact but the proportion largely recovered in May.



4.7 Looking at the client profile the figures point to a partial return to “normality” after the initial crisis of late March and April. However, the higher than normal income profile probably reflects the concern that people in employment have in the current situation.

5. Observations

- 5.1 With remote contact only client numbers appear to be steady, though at a lower number than when the office was open to clients. Given it is not possible to visit the office there is a clear preference amongst clients generally for the telephone over the e-mail as a channel of communication. Overall this does not appear to have deterred clients whose first language is not English.
- 5.2 The overall observation is that, although Bedford, and the country as a whole, may be coming out of the pandemic, its true impact in terms of people's income, employment and confidence is yet to be felt. This will only emerge as the furloughing scheme is phased out and the Debt protections around rent arrears, mortgages and loans, come to an end.

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