

CITIZENS ADVICE BEDFORD



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

**Update 8
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With the pandemic now in its seventh month, at least in terms of the government's response, some of the impacts are becoming clearer. This report focuses on the issues clients are presenting particularly around Debt and Employment.

1. The Wider Picture

1.1 September started with a continued easing of restrictions with schools returning and an increasing number of activities permitted. People continued to be encouraged to return to their workplaces and to socialise. Figure 1¹ is a chart from the Office of National Statistics (ONS) showing the increase in socialising up to mid-September.

Figure 1: Levels of socialising, eating out and travel have decreased this week after increasing through the summer
Great Britain, May to September 2020



Source: Office for National Statistics – Opinions and Lifestyle Survey

1.2 However this appears to have triggered an increase in Covid-19 cases with almost 60,000 contracting the virus in the early part of the month² and the week commencing 14th Sept saw a tightening of restrictions with

- Groups being restricted to the “Rule of Six”³ across the country
- Tighter lockdown restrictions being imposed across parts of the North of England⁴

1.3 Although cases of Covid-19 have increased, deaths from the virus have not, suggesting that some of the increase is due to increased testing and/or those now contracting the virus are less susceptible to it. On 10th September Covid-19 there were 3,395 new cases reported in England but only 21 deaths compared to around 4,500 cases and 800 deaths a day in late April.

1.4 The protections around evictions came to an end on Monday 20th September with various bodies warning about the impact:

*The housing charity Shelter has warned that 322,000 private renters have fallen into arrears since the pandemic started, while district councils say as many as half a million private sector renters could be in danger of being made homeless, as the furlough scheme winds up and unemployment rises.*⁵

1.5 The month closed with much of the North of the country under restrictions, the government advising people to work from home if they can and fears of a second national lock-down.

¹ Source: Office of National Statistics

<https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthandwellbeing/bulletins/coronavirusandthesocialimpactsongreatbritain/18september2020>

² England Covid cases almost doubled within a week (The Guardian 18 Sept 2020)

<https://www.theguardian.com/world/2020/sep/18/england-covid-cases-almost-doubled-within-a-week-according-to-ons>

³ England's 'rule of six': the limits on socialising – and the exceptions (The Guardian 14 Sept 2020)

<https://www.theguardian.com/world/2020/sep/14/englands-rule-of-six-the-limits-on-socialising-and-the-exceptions>

⁴ Tougher Covid rules for millions in north-west England and Yorkshire (The Guardian 18 Sept 2020)

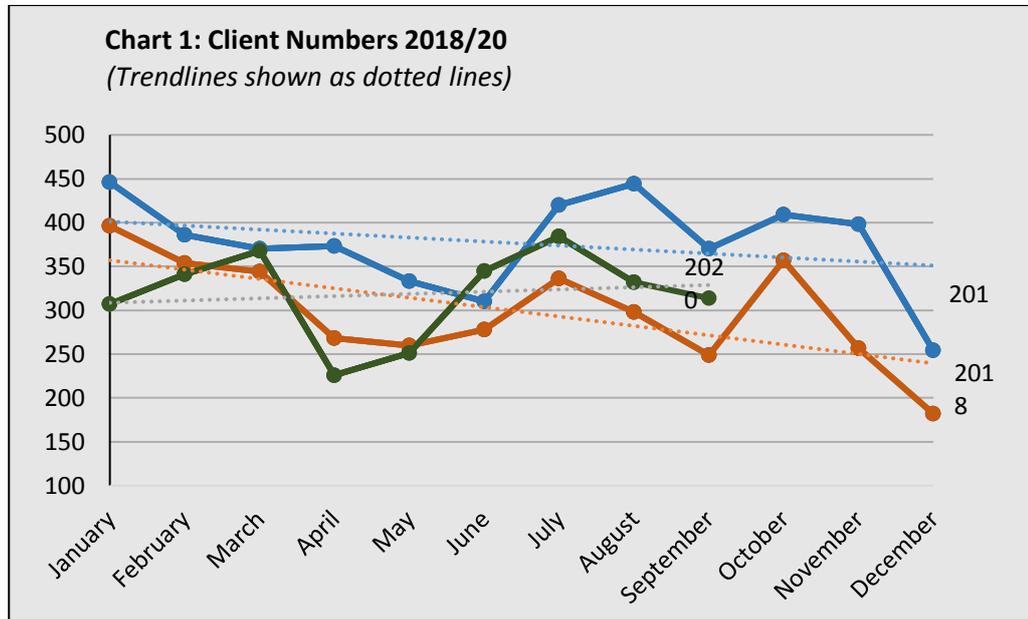
<https://www.theguardian.com/world/2020/sep/18/stricter-covid-restrictions-imposed-in-lancashire>

⁵ Calls for Covid evictions ban to be extended in England and Wales (The Guardian 18 Sept 2020)

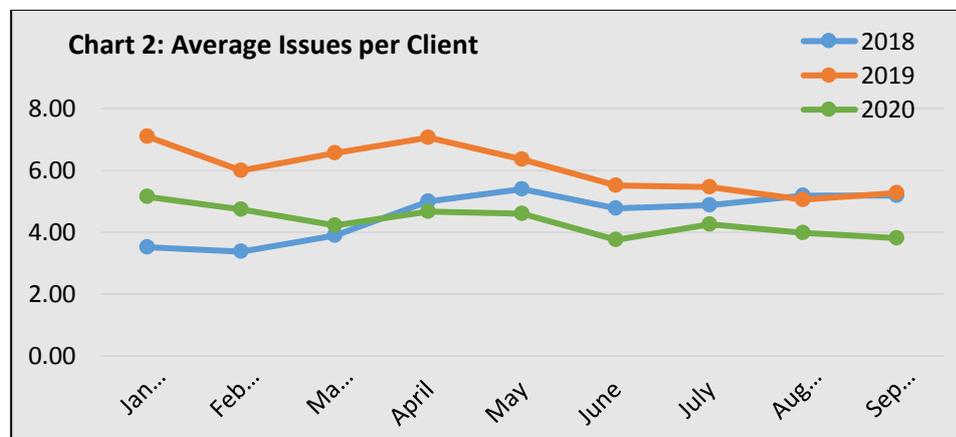
<https://www.theguardian.com/money/2020/sep/18/covid-evictions-ban-england-wales-coronavirus>

2. Client Numbers & Issues

- 2.1 In September 2020 Citizens Advice Bedford (CAB) dealt with 314 clients with 1,197 issues – an average of 3.8 issues per client. As can be seen in Chart 1, the client numbers are down compared to the previous two months but this is probably a reflection of the seasonal pattern rather than an impact of government measures to contain the virus: similar falls in client numbers can be seen in both 2018 and 2019. If this is true then we should see an increase in numbers over October/November.

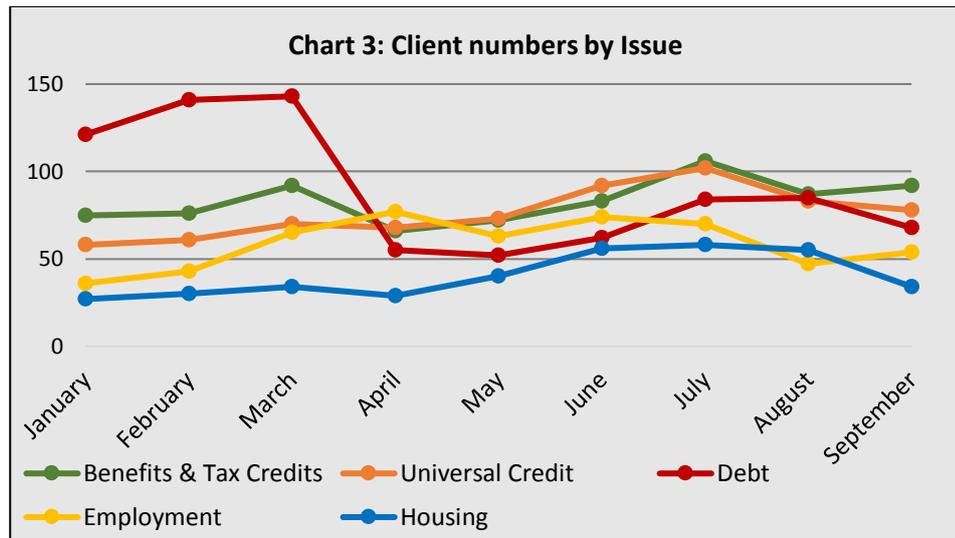


- 2.2 Despite the closure of the office to most face-to-face interviews, overall client numbers compare favourably to previous years. Both 2018 and 2019 have a general downward trend through the year, in contrast the current year so far shows a steady or slightly rising trend.
- 2.3 The average issues per client continues to be lower than in previous years, particularly since the first lockdown in late March (see Chart 2). However the general line is not dissimilar to 2019 which also shows a gradual drop in average issues per client.



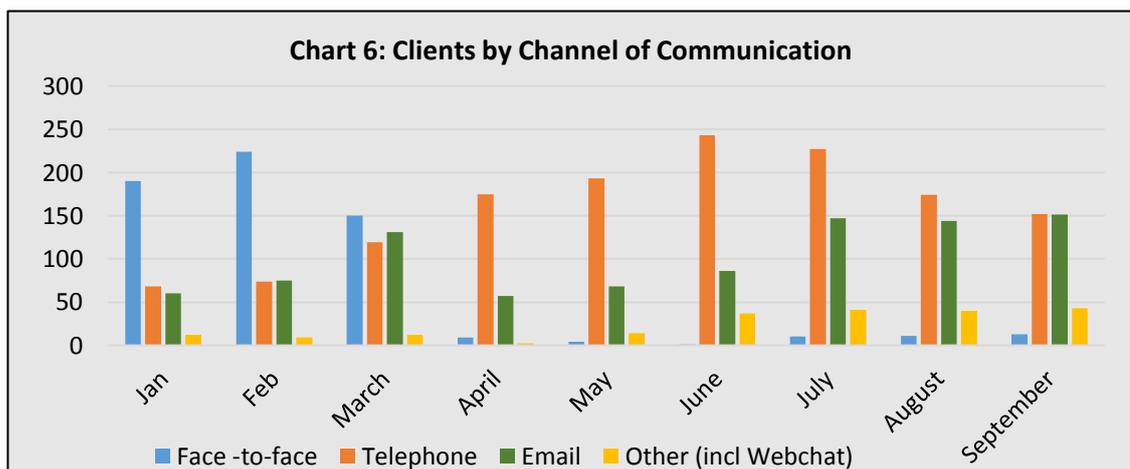
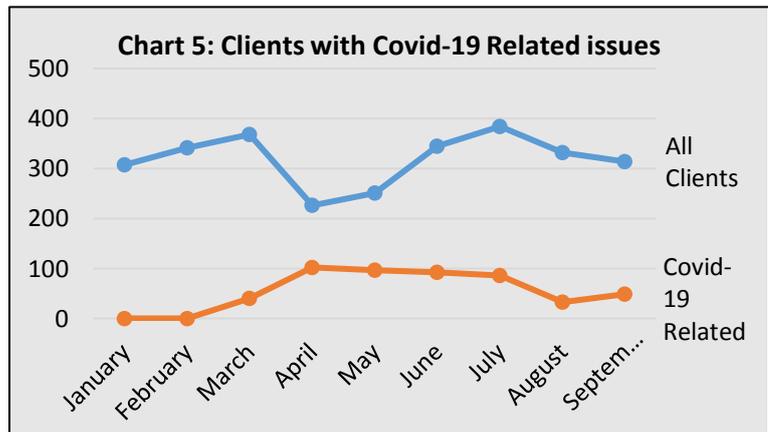
- 2.4 This view that monthly client numbers are returning to something resembling “normality” is re-enforced when the overall number of clients per issue are considered (Chart 3). Looking at the chart it would seem that the volatility noted during April - June is settling down and since July the usual pattern of the main issues has largely re-established itself.

Ignoring Debt for the moment, since July Benefits and Universal Credit have once again given the highest number of clients followed by Employment and then Housing, the same pattern as existed before the crisis hit. It is also note-worthy that the general trend of all four sets of Issues is upwards despite the drop in client numbers.



2.5 Debt is the exception. Through the early part of the pandemic, during April and May, client numbers fell to about a third of their earlier numbers (from 143 clients in March to 52 in May). Since then numbers have recovered a bit (85 in August) but are still only half of the pre-lockdown figures.

2.6 The number of clients whose issues relate to Covid-19 increased slightly in September, compared to August (Chart 5). However the general trend since March/April has been downwards despite fluctuations in the overall number of clients.



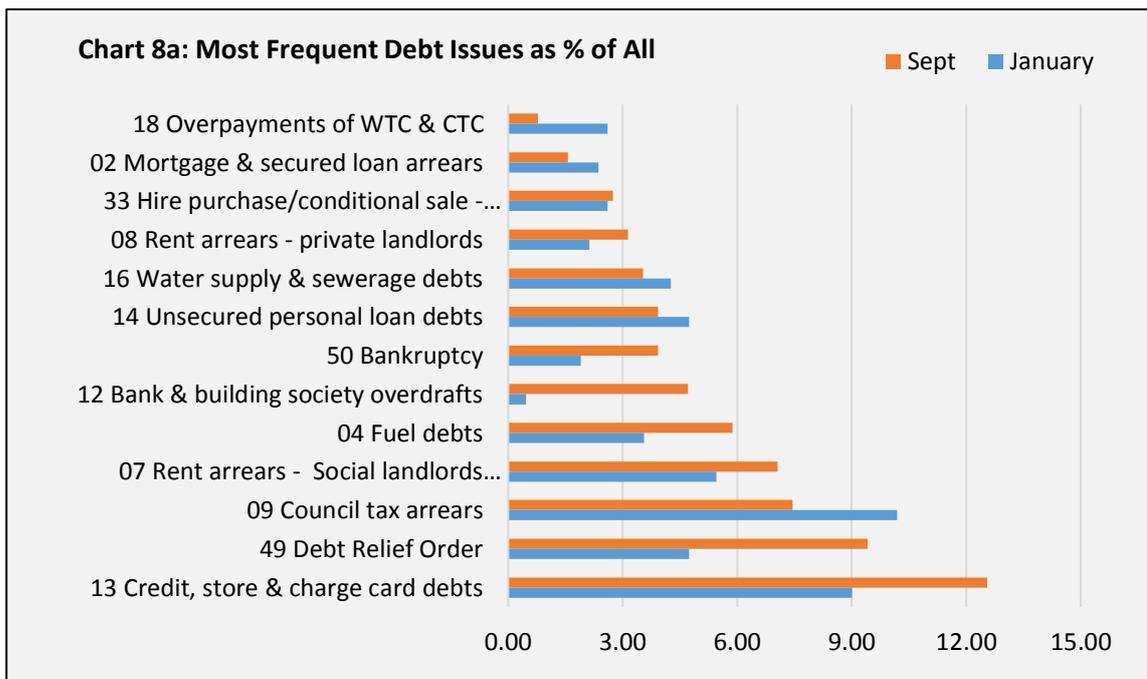
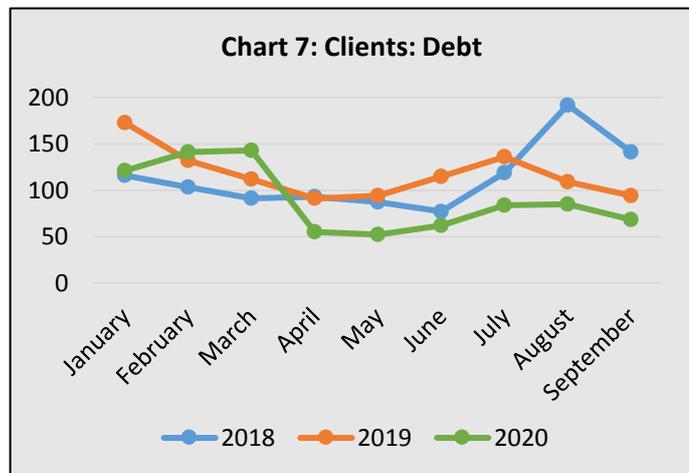
2.7 As noted in the previous report, the early preference for telephone as a channel of communication has declined through July/September (Chart 6). As client numbers have fallen over this period the drop has been entirely in telephone contacts. In September Telephone and E-mail each accounted for 42% of all client contacts compared to 70% and 24% respectively in May. This shift in preference of communication may be a reflection of people getting more used to on-line communication more generally as the government's restrictions have continued.

3. Debt & Employment & Housing

3.1 As mentioned in the previous report Benefits & Tax Credits as an issue has remained fairly steady through the pandemic. Universal Credit has been showing a steady increase, no doubt due to the impact of the government’s restrictions on people’s jobs and hours of work. The interest is in what has been happening in Debt and Employment

A Debt as an Issue

3.2 The first few months of the year suggested that Debt clients were increasing compared to 2019 which showed a generally downward trend (Chart 7). Since April /May this gradual upward trend appears to have re-established itself despite the seasonal drop in client numbers in September. There can be little doubt that client numbers have been depressed by government action to protect people from the impact of getting into Debt during the pandemic. Given the drop in client numbers in March /April, I would suggest that, if it were not for the pandemic and the government’s response, the true number of Debt clients would be double what it is.



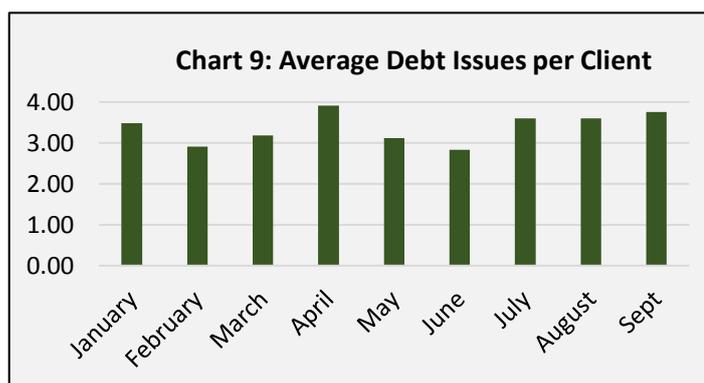
3.3 In looking at how the issues have changed during the pandemic it is better to consider the issues as a percentage of all to allow for the drop in actual numbers. Chart 8a compares the ten most frequent issues in January to those of September: seven of the issues are the same in both months, through their relative positions have changed, Chart 8b compares the same issues but shows their relative positions and the percentage change between the two months. Credit Card Debt is still a key issue but the percentage

share has increased compared to January while Debt Relief orders have increased in its frequency and Bank Overdrafts have emerged as an issue as has Bankruptcy. Rent arrears, Fuel Debt and Council Tax remain as issues.

Chart 8b Most frequent Debt Issues	% Change Jan/Sept	Jan Top 10 Issues	Sept Top 10 Issues
13 Credit, store & charge card debts	3.54	2	1
49 Debt Relief Order	4.67	5	2
09 Council tax arrears	-2.74	1	3
07 Rent arrears - Social landlords	1.61	3	4
04 Fuel debts	2.33	7	5
12 Bank & building society overdrafts	4.23		6
50 Bankruptcy	2.03		8
14 Unsecured personal loan debts	-0.82	4	7
16 Water supply & sewerage debts	-0.74	6	9
08 Rent arrears - private landlords	1.00		10
18 Overpayments of WTC & CTC	-1.82	8	
33 Hire purchase/conditional sale - vehicles and caravans	0.14	9	
02 Mortgage & secured loan arrears	-0.80	10	

3.4 Some of these shifts may be due to random monthly variations but the increases in Card Debts and Overdrafts may also be indicative of the problems working people are having in coping with the loss of income due to the economic downturn caused by the pandemic.

3.5 Unlike the overall Issues per client ratio, the average number of issues per client within Debt has remained fairly consistently around 3.5



B Employment Issues

3.6 Since numbers are comparatively low for Employment the monthly numbers has been combined into pairings (Jan/Feb, March/April, May/June, August/Sept) to allow a better analysis. Chart 10a shows the number of Employment issues (excluding "Other" and "Nor Recorded/Applicable") as a percentage of all issues while 10b lists the most frequent issues in Jan/Feb compared to Aug/Sept and the percentage change between the two.

3.7 Looking at Chart 10b it is evident that there has been little change in relative frequency of the various issues. The only issue to enter the "Top Ten" in August/September were regarding the Furlough Scheme, which was not in existence in January/February. However, looking at Chart 10a it is clear that the scheme is less of an issue in Aug/Sept than it had been during March – July.

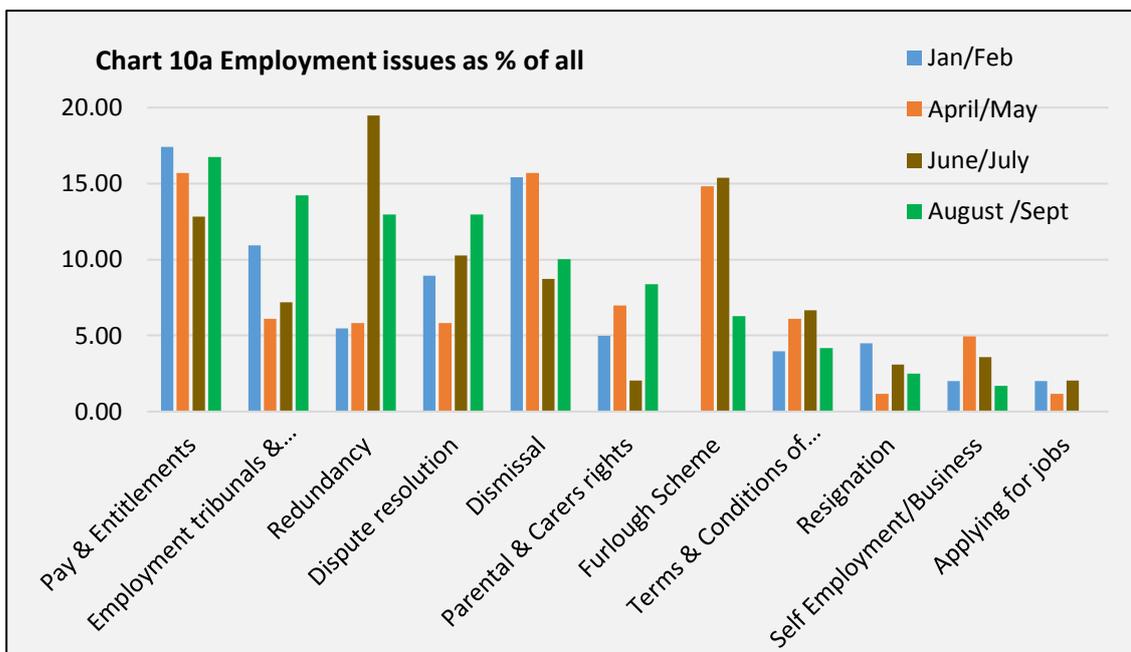


Chart 10b Employment Issues - Priority order

Issue	Jan/Feb Placing	Aug/Sept Placing	% Change
Pay & Entitlements	1	1	-0.68
Employment tribunals & appeals	3	2	3.28
Redundancy	5	3	7.50
Dispute resolution	4	4	4.02
Dismissal	2	5	-5.38
Parental & Carers rights	6	6	3.39
Furlough Scheme		7	6.28
Terms & Conditions of Employment	8	8	0.20
Resignation	7	9	-1.97
Self-Employment/Business	9	10	-0.32
Applying for jobs	10		-1.99

3.8 Apart from the Furlough Scheme the biggest change has been in Redundancy. Comparing Jan/Feb to Aug/Sept, this issue increased by 7.5% and is currently accounting for nearly 13% of all Employment issues and this is lower than the June/July peak of nearly 20%.

3.9 Looking at the overall patterns, most issues either declined during March – July and recovered in August/September, or increased and then fell away. The exceptions being redundancy, already discussed, and Dismissal which has declined, presumably because those who would have been dismissed are now being made redundant.

4. Comments & Observations

- 4.1 There is a feeling that, while the immediate crisis is over, we are still awaiting the full economic impact of the restrictions and disruption. Though we may be starting to see it in terms of Employment issues.
- 4.2 It would seem that, with the exception of Debt, client numbers are broadly where they would be expected to be and seasonal variations are starting to re-establish themselves (Paras 2.2 – 2.5). All of the main issues, except Debt, show a general, if slight, upward trend in client numbers across the year to date despite the impact of the April lockdown.
- 4.3 The nature of Debt appears to have shifted slightly towards consumer debt, particularly credit/charge card debt bank overdrafts (Paras 3.3 &3.4) and reflects the warnings back in August about rising household debt (see report 7 in this series).
- 4.4 The increase in Employment issues is more general and the particularly large increase in Redundancy issues reflects the economic reality that not all jobs can be protected by government's support schemes for businesses.



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