



# COVID-19

## UK Political Analysis

By Tim Hames, Senior Adviser | 16<sup>th</sup> October 2020



### [A Circuit Break. Is one inevitable? Of what form? With what impact?](#)

This has been the week when the policy divide between maximising public health and minimising economic damage has come out into the open more starkly than before. It is of little comfort to UK ministers that their counterparts in other countries are facing a very similar situation. The latest version of a strategy for England is another attempt to find a middle option between measures that would have the strong sense of lockdown-lite to them, or a change of course in the direction of keeping the economy as open as is possible and seeking to prevent those most likely to enter hospital and then risk death as a result of contracting COVID-19 from acquiring the virus in the first place. It is completely understandable that ministers should want to “split the difference” for as long as it is plausible and possible to do so. With luck, they might still yet be able to avoid a more awkward choice. The risk of the middle option disappearing is, though, very real indeed.

Boris Johnson has avoided having to impose fully or totally reject outright a “circuit break” strategy for the better part of a month now. Within another month, possibly somewhat less if the R number resists the attempt to find the softest means of moving it downwards, that very unappealing decision might not be capable of deferral for longer.

What is left of a political consensus between the major parties nationally and across the four nations of the United Kingdom looks set to disappear as new hard choices are made. Sir Keir Starmer's decision to endorse the circuit-breaker option is thus highly significant. It raises the stakes for all sides in the weeks and months ahead until a vaccine is found.

So is a circuit break in England inevitable? What form would it take? With what impact?

## EXECUTIVE SUMMARY

- Ministers are clearly resistant to the notion of moving now to a national circuit break not least for fear of a disproportionate impact on the economy.
- It is possible that the three tier structure introduced this week could hold provided that new infection rates stabilise and deaths do not escalate.
- It is more likely, at a minimum, however that if the three tier system remains and there is no national circuit break that either the restrictions imposed on local locations within the "Very High" risk category will become more stringent and/or there will be, in effect, a subdivision inside the Very High risk category with a Very, Very High risk sub-division enduring a de facto local circuit break.
- England, Scotland, Wales and Northern Ireland are now moving in different directions. This will further complicate a coherent UK-wide COVID-19 response.
- There are softer and harder notions of a circuit break at the national level and if forced to adopt this strategy, ministers would prefer the less demanding stance.
- It would require very considerable fortune for any version of a circuit break to be deemed successful and scaled back in a period as short as two weeks. It is more likely than any such initiative would last at least three weeks, perhaps a month.
- This exercise would only really be worth the very substantial economic costs if it bought time for a radical improvement in testing, treatment or for a vaccine.
- The worst case scenario would be a series of circuit breaks (local or national) that then had to be reintroduced, possibly regularly, throughout the winter period.

What had until this week been primarily less an argument about policy and principles than efficiency and execution has now fundamentally changed course. On Monday, Boris Johnson set out a refined approach to controlling COVID-19 which essentially sought to take measures that he had previously announced and then merge them into what was

presented as a simpler and more coherent version of what had become something of a patchwork quilt of local lockdown measures. It was manifest that the extent to which the existence of three tiers – “medium risk”, “high risk” and “very high risk” – in and of itself constituted comprehensive simplification and enhanced coherence was debateable.

There were several aspects to the restrictions imposed and the allocation of local areas to the different categories which were not straightforward. One of these is that movement between “medium” and “high” is supposed to be triggered, by implication more or less automatically, by a specific numerical indicator (the number of new cases exceeding 100 per 100,000 of the population) but there were numerous instances of locations which comfortably exceeded this threshold that were (for now at least) kept in the “medium” zone. Another seemingly curious aspect is that while the division between “medium” and “high” is, as set out above, supposedly dependent on a number, the line between “high” and “very high” is not based on a set figure but instead on a somewhat vague form of works around significant and substantial increase in case numbers. Finally, the process of a locality being placed into one of the three bands seems to have involved considerable often ill-natured bartering between central and local government, much of which had the amount of additional money that might be awarded to the Mayor or the Council concerned as an explicit element in those deliberations. These did not all point in the same direction. Greater Manchester wanted to avoid “very high” status at the first moment of the system coming in (which has caused a bitter confrontation), while Essex County Council, by contrast, decided to ask ministers to move it up from “medium” to “high” as a pre-emptive strike on Covid (and has had its wish granted by Whitehall).

As illogical as this all might appear, it is not an indefensible situation. A sizeable number of the “hot spots” to have emerged in the past few weeks have been in universities as students arrived for the first time or came up to resume their courses. Halls of residence are relatively straightforward to seal off, contact between students and the older and vulnerable members of the wider community are very limited and if self-isolation for two weeks is observed, then it should not be long before case numbers start to reduce there sharply. In such instances it is much more rational to keep these places in the “medium” camp until there is strong and unexpected evidence of a clear transmission beyond the

campus. Other areas, where there is less reason to suspect a “student factor”, would rightly be of more concern as higher case numbers are more likely to result in fatalities.

The somewhat uncertain boundary between “high” and “very high” is not without an explanation. What matters is not just the raw overall numbers of new cases but also the speed of the increase and whether the proportion of those being tested who come out as positive has also altered notably. Different places with similar overall numbers in this regard will have diverse profiles. It makes sense not to be the prisoner of one statistic. In addition, the co-operation of local authorities, even if it is reluctant and only secured by the pledge of additional resources, is vital if this system is to be introduced competently.

What is actually noteworthy about the system announced earlier this week is how mild it is compared with some of the regulations and restoration of old lockdown features that are being implemented elsewhere in Europe. The “economy first” contingent came out top in this round of the argument, to the evident displeasure of numerous members of the Scientific Advisory Group on Epidemics, some of whom took to the airwaves to make the case for something much closer to the “circuit break” that their colleagues had put on the table as an approved option at a meeting more than three weeks previously.

The actual formula adopted means that the consequence of moving from “medium” to “high” is comparatively modest, mostly involving a prohibition on separate households from meeting each other indoors. This is a long way short of lockdown terrain. The unit that is the household has wide remit for movement provided that it avoids close contact with other households. The switch from “high” to “very high” is not as forceful as it may have been, as while some entertainment and leisure centres will be compelled to close if they are in the “very high” contingent, many bars and pubs can continue to function until 10pm provided that they are capable of offering a restaurant-like form of service. A sweeping system of outright closure as issued in Edinburgh was not adopted by London.

In all of this, the hand of the Chancellor and the Treasury is apparent. If a real body blow to the economy can be averted, that would be the preference in Whitehall. The Treasury is more or less resigned to the fact that the recovery that has been seen since June will be stopped in its tracks but it is desperate to avoid an outright reversal which would see the economy resume the process of contraction with a further hit on borrowing. That

this means the approach towards the second wave of the virus could fairly be described as closer to containment than suppression is true, but not a sentiment to float in public.

## **Is this all delaying an inevitable shift to a national circuit break in the near future?**

Or, put differently, is Boris Johnson the reincarnation of King Canute? He might be. There are, though, some reasons why he could have cause to hope that the basic structure of the new tiering mechanism remains in place, even if it requires some amendments.

The first lies in the numbers themselves. These are clearly not good (particularly when held up against July and August) but (assuming no more spreadsheet glitches at Public Health England) they are a long way short of the 50,000 new cases a day that was set out as a credible scenario a few weeks ago if there were no further interventions. To that extent, it is hard to denounce the “Rule of Six” as an outright example of policy failure. Ministers believe that the level of compliance with this dictum has been substantial (particularly among the older citizens whom they most want to observe the stricture).

Furthermore, the figures today (as identified above) contain a staggeringly large set of students who are most unlikely to enter hospital, let alone intensive care, due to the virus. If the undeclared objective of policy is to shield the economy as far as possible, then maintaining an R-number that is above one but below 1.5 (the figure above which the risk of a really exponential surge becomes much more probable), with a slow rate of increase in hospital admissions and eventually deaths, then the three tiers could endure.

Few in Whitehall actually think that the tiers will continue without some amendment. As the restrictions are, by lockdown standards, not stringent, this might not matter much. If almost the whole of that part of England designated now as “medium” went to “high” (as London is about to do) the direct impact on the economy would be modest. Even a switch from “high” to “very high” would not be economically fatal for most sectors.

Even if matters are worse still, the tier system seems to have enough flexibility to make a distinction between a “baseline” within “very high” and advanced additional measures. This was openly alluded to by Professor Chris Whitty, the Chief Medical Officer for

England, on Monday evening. Three tiers would, whether openly acknowledged or not, become four to all intents and purposes with the most difficult areas of the country in a similar spot to how they would be in a national circuit break, but with enough of the rest of England avoiding that fate for it to be asserted there was not a national circuit break.

The Prime Minister will try very hard not to be forced to abandon the concept of local tiers. It would probably take data demonstrating that the R number was uniformly over 1.5 in England with a steep increase in hospital admissions and in deaths to shift him.

## **If it came anyway, there are different forms that a circuit break could take.**

England, Scotland, Wales and Northern Ireland are already diverging in their approach. This will probably remain the case even if the Prime Minister is compelled to adopt a form of national circuit break by the sheer weight of case numbers, increased hospital admissions and rising figures for deaths. There are different models for what a national circuit break might look like and he would probably prefer a softer version of one.

The differences between a softer and a harder form of circuit break broadly follow three interconnected decisions. They would determine the extent to which any circuit break looked like and had the effect of the full national lockdown from earlier this year.

The first is the degree of movement that an individual or household would be allowed outside of their homes assuming that they respected social distancing and wore masks at virtually all times. This could range widely from the sixty or ninety minutes for exercise and essential purchases that was the norm during the national lockdown to little in the way of limitation during the day but with a curfew at night (although this could be 11pm rather than the strict 9pm that many French cities are about to endure) to no limits at all provided proper behaviour with regard to social distancing and masks was observed.

The second is whether all offices deemed non-essential would be directed to close or if some could remain open assuming that they followed safety procedures to the letter.

The third is whether non-essential retail which was obliged to shut from March to June was forced to cease trading once more, or whether it was allowed to continue to operate with the circuit break only shuttering hospitality, leisure and hairdressing and beauty.

The interrelationship exists because if the public can only be at liberty outside of their homes for a very limited amount of the day then there will not be many customers for non-essential retail to cater for and they might be better off closing completely with the Government then lobbied to offer considerable assistance to them in wage support.

It is plain that the Plan B for the “economy first” lobby would be to stick with a circuit break which allowed individuals and household units more rather than less freedom of movement as this would be the least disruptive course of action for the economy. It would, it is reasonable to deduce, be opposed by the Labour Party as insufficiently robust to suppress the second wave with Sir Keir Starmer contending that the regime should be tighter and the level of funding to businesses from the Treasury increased further. The administrations in Scotland, Wales and Northern Ireland might be aligned with him on this. The exact character of the circuit break would thus be of deep political contention.

## **What would be the impact of a circuit break in England?**

This is incredibly difficult to predict. It would depend on what the R number was at the moment that a circuit break was introduced, the precise rules of the circuit break that, as outlined above, were selected and the degree of compliance with the new restrictions. One study that acquired prominence earlier in the week attracted the headline that a circuit break would halve the number of otherwise anticipated deaths by the end of the year, but on closer inspection the range of lives saved by the outset of 2021 went from 800 to a mind-numbing 106,000 depending on the assumptions that were adopted. Nor is there enough evidence from other countries that have previously deployed something akin to a circuit break for the UK to make a valid assessment of what effect it would have here. The closest example in policy terms is New Zealand but there are a host of very evident reasons why one would doubt that this is a really a suitable case study for the UK.

All that could be stated with some confidence is that it would be surprising if any circuit break did not force the R number down further than not adopting one would do (but whether and when it would fall below one is almost impossible to anticipate) and that it would lead the economy to shrink during the period that the circuit break prevailed (but, once again, it would be a matter of, at best, informed guesswork as to the size of this).

There are a few other factors about a circuit break that merit some further thinking.

The first is that we would be very fortunate indeed if a circuit break on a national level could be introduced and then completely abandoned in a timespan as short as just two weeks. It is difficult to see how the data could be compiled in such a tight duration so that ministers could be confident that the circuit break was no longer required. At best, there might be some softening of the circuit break after two weeks but not a return to where we were in late August. It would be realistic to proceed on the basis of planning that a circuit break lasted for at least three weeks and quite conceivably for a month and could be extended or not due to random factors such as the weather this November.

The second is that once any national circuit break were lifted, the numbers would after a month or so start to rise again unless some other development can constrain them. This is a point conceded even by those who are most enthusiastic over having a circuit break. Their argument is that it buys time to allow for a substantial increase in the availability of testing (including the time taken to secure results), for more work to be done on what are currently experimental forms of treatment which could slash the expected fatality rate once winter comes in fully, or function as a form of bridge before the initial launch of a vaccine which it is still reasonable, as Kate Bingham, leader of the relevant taskforce on the vaccine, said in a radio interview this week, to think could make its appearance this year. It would be imperative that an advance of scale on at least one of these fronts occurred courtesy of the circuit break for there to be a reasonable case that the short-term economic harm endured would be more than offset by a stronger recovery in 2021.

The absolute worst cases scenario is that no such progress is made during a relatively short (compared with lockdown) circuit break experience and that it either has to be extended beyond November (killing Christmas stone dead among other features) or it is loosened for December but has to be reintroduced again (potentially in an even more



stringent manner) in January, before being relaxed properly as the Spring approaches. These are not the most probable outcomes by any means. It is more plausible that some combination of enhanced testing, more effective treatments and the prospects for a vaccine would allow ministers and officials somewhat more flexibility rather than being trapped by a circuit break that was brought in as a temporary measure but proved to be very hard to dispose of once it had been adopted. Business would, however, be wise to factor the worst cases into their considerations as they try to plan for the rest of 2020.

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