

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

18th August, 2020

Proposition No. P.2020/43

Policy & Resources Committee

Improving Living Standards

AMENDMENT

Proposed by: Deputy G A St Pier
Seconded by: Deputy T J Stephens

To delete all Propositions and replace therefor:

1. To direct the Policy & Resources Committee to incorporate within the scope of the Recovery Action Plans for the Recovery Strategy, the vision and objectives for Improving Living Standards set out in Section 4 of the Policy Letter; and
2. To direct the Policy & Resources Committee, when developing measures for reporting on progress with the delivery of the Recovery Strategy and supporting Recovery Action Plans, to incorporate the proposed Key Performance Indicators for Improving Living Standards, or similar subject to the monitoring and measures available, described in Section 5 of the Policy Letter.

Rule 4(3) Information

These Propositions are not expected to have any additional financial implications.

Explanatory note

This Amendment seeks to make a technical change to the future management of this important area of policy development in the context of recovery from the COVID-19 pandemic.

The Policy & Resources Committee lodged its Original Propositions in early March, 2020.

The States of Deliberation's strategic framework has since been reframed following the COVID-19 pandemic and the subsequent adoption by the States, on 2nd July 2020, of the 'Revive and Thrive' Recovery Strategy governing the scope of future initiatives of the States for a three year period. It identified repercussions across the community, as a result of the significant economic impacts and the changes to daily life created by lockdown; and there is a strong degree of overlap between those areas and the issues identified in the Improving Living Standards Policy Letter.

The experiences of the COVID-19 pandemic, have placed a renewed focus on many of the issues and opportunities raised in the Policy Letter underscore the relevance of the proposed vision statement set out in Section 4, *"To provide an environment which supports those in our community most at risk of deprivation and gives them the opportunity to thrive"*.

Therefore, while it is necessary to update the Original Propositions to ensure compatibility with the States' new strategic framework, the Policy & Resources Committee recommends that the States should continue to adopt and pursue the objectives relating to Improving Living Standards as proposed in the Policy Letter.

The Policy Letter put forward a number of proposed Key Performance Indicators that would have been incorporated into the work of the Improving Living Standards policy area that was the subject of the Original Propositions. The work to develop and deliver the Recovery Action Plans will include the development of an approach for monitoring and reporting. The Policy & Resources Committee proposes that the Key Performance Indicators for Improving Living Standards, described in Section 5 of the Policy Letter, should now be incorporated into the measures to be developed for monitoring progress to deliver Recovery Action Plans, as far as is practicable.

As explained in the Recovery Strategy, data on social indicators in Guernsey is being gathered and evaluated and will be used to establish the new community baseline. The States have undertaken research to gauge the impacts of the COVID-19 pandemic on community wellbeing, surveying members of the public through a 'Community Survey' over June and July, 2020. At the time of writing, the results of that survey are yet to be finalised; however, patterns can be seen in the information collected to-date, which will not substantively change in the process of finalising the results. A summary report containing some of the provisional findings is attached as a Supplementary Report to this Amendment. The provisional findings indicate that COVID-19 and lockdown have had a significant impact on wellbeing, both positively and negatively, in a wide range of areas; and where households are subject to ongoing negative impacts on their wellbeing, the Committee believes this needs to be considered in the development of the Recovery Action Plans. The Supplementary Report, can also be regarded as an 'addendum' to the Improving Living Standards Policy Letter, to bring up-to-date, where possible, previous research relating to living standards in Guernsey. The final survey results will be published in a series of reports; the first of which will be published later this month.

Supporting Report to Amendment: Improving Living Standards

The impact of the COVID-19 pandemic on community wellbeing

Provisional findings dated 10th August 2020

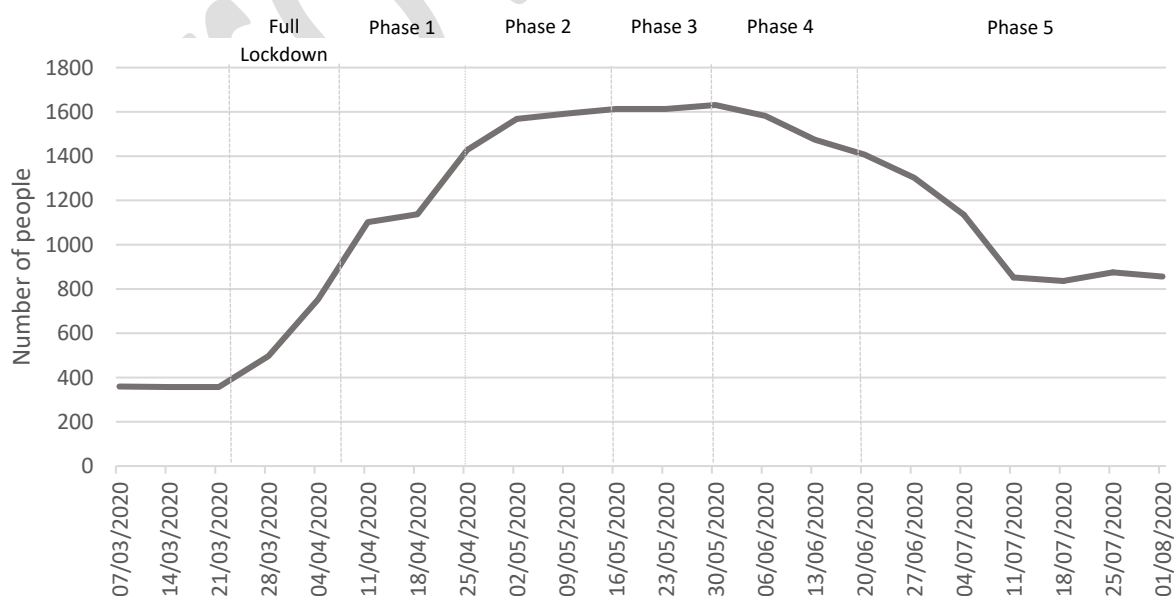
Introduction

This short report is presented as a supporting report to the Amendment laid on behalf of the Policy & Resources Committee to the policy letter “Improving Living Standards” (P.2020/43), which seeks to realign the Propositions so that the vision and objectives set out in the Policy Letter can be incorporated as appropriate within the scope of the Recovery Action Plans. The purpose of this Report is to consider how the COVID-19 pandemic and the stress and disruption that accompanied the necessary but extreme measures taken to protect the community (which in some areas are still in place) has had on living standards in Guernsey.

Everyone has been impacted by this crisis in some way. For some there has been a definite upside and they report having enjoyed more time with their families or having benefitted financially from either an increase in income or a reduction in expenses. For others lockdown was difficult and they experienced real financial, emotional and physical difficulties.

The impact will have been more significant and, importantly, more lasting for some than for others: the lifting of lockdown restrictions does not mean a return to normal life for everyone. Most visibly, even with phase 5 well established, the total number of people registered as entirely unemployed was 856 during the week ending 1 August 2020 compared to 359 in the first week of March. While it is hoped that unemployment will continue to fall, it is expected to remain above the pre-COVID level to the end of 2020 and into 2021. There are likely to be other, less immediately visible impacts which will persist beyond the immediate crisis.

Number of people registered as wholly unemployed



This report draws on provisional data from the community survey and other sources to identify areas of the community where the impacts of COVID-19 may have been greater. It makes no recommendation on policy.

An initial report providing a high level summary of the results from the Community Survey is expected to be published later in August 2020. A series of more detailed reports will follow once the results have been finalised.

Employment and the impact on household incomes

Overall 33% of those responding to the community survey reported that their household income had been negatively affected by the pandemic. The wide scale disruption of employment activity was one of the most obvious consequences of the move to a state of lockdown. Of those employed immediately prior to lockdown, 40% declared that their income had decreased.

How was your household income impacted by lockdown? (% of respondents)

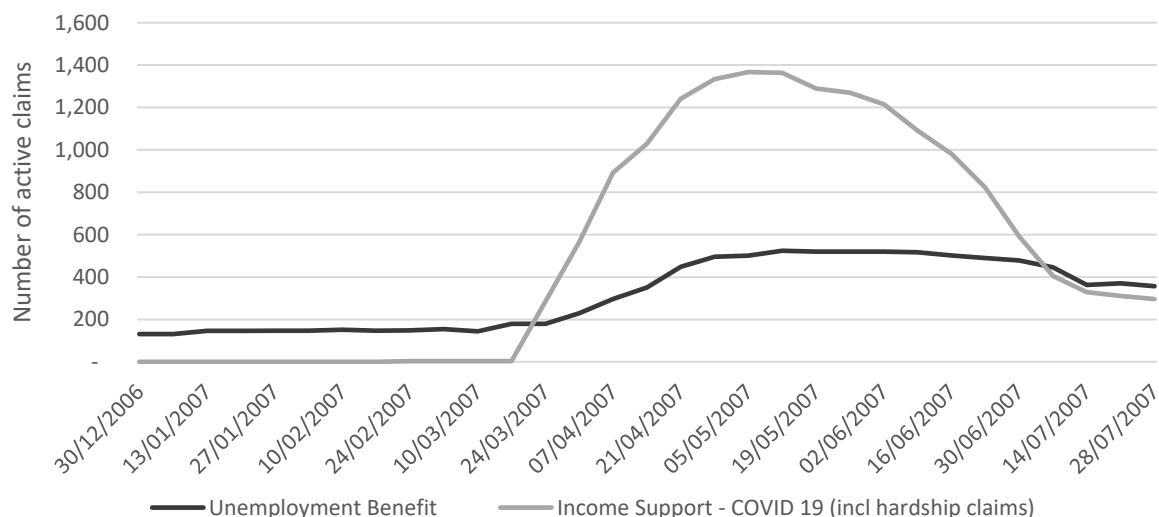
Which of the following best describes your work situation just before lockdown (which began on 25 March 2020)?

	<i>Don't know</i>	<i>It decreased</i>	<i>It stayed about the same</i>	<i>It increased</i>
<i>Employed</i>	1	40	54	5
<i>Self-employed</i>	0	71	25	3
<i>Not employed, but seeking employment</i>	25	17	56	2
<i>Not employed and not seeking employment</i>	0	35	62	4
<i>Unable to work due to longstanding illness, disability or infirmity</i>	1	28	67	3
<i>Retired</i>	0	16	78	6
<i>In full time education or training</i>	15	29	49	6
<i>Other (please state)</i>	18	37	43	2
<i>Prefer not to say</i>	0	50	50	0

More than 2,700 businesses and self-employed people claimed support via the business support scheme, with the payroll co-funding support covering at its peak approximately a quarter of the employed population. As intended, this scheme enabled employers to keep their staff employed and limited the rise in unemployment. However, in many cases those employees supported in this way still experienced a marked reduction in their income. Others will have found themselves unemployed or furloughed without pay if their employer was not eligible for, or choose not to participate in, the payroll co-funding scheme.

Many of these people sought assistance from the benefit system. At the peak in mid-May, the benefits system was supporting 524 claims for unemployment benefit¹ and 1,363 claims for income support or hardship payments specifically as a result of COVID-19. The number of claims for income support (including hardship payments) have reduced through June and July as people have been able to return to work, but the number of people claiming unemployment benefit has been slower to fall.

Claims for unemployment and income support benefits



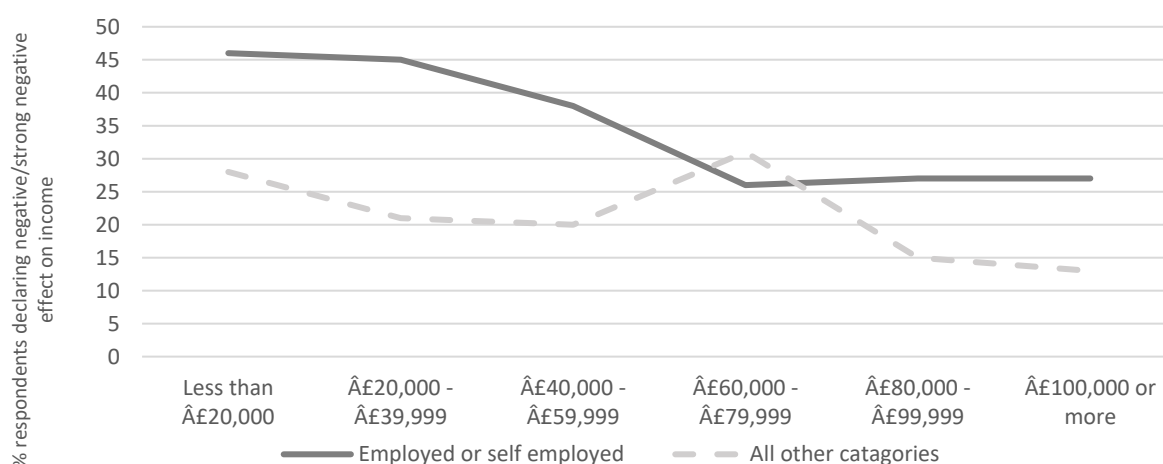
For those who remained employed or who have been able to return to work, the financial stress may be temporary, or at least have significantly reduced in intensity as the economy has reopened. For those who remain unemployed the financial impact is likely to be more lasting. At the end of July it is estimated that approximately 500 more households were in receipt of financial support from either income support or unemployment benefit than might have otherwise been. For these households, financial stress likely continues and a lack of financial independence has a tendency to erode people's feelings of self-worth and confidence.

While vacancies are being advertised, the skills needed to fill these vacancies do not necessarily match well with the skills of those unemployed. As at 1 August about 21% of those claiming unemployment benefit reported having skills in administration and finance, and 13% in retail, but these sectors represent only 3% and 6% respectively of the 192 vacancies advertised with the Job Centre in July. This means that the economy has a shortage of skills and labour in areas like construction, where reports suggest there is a significant demand for services, at the same time as Guernsey is experiencing a higher than typical level of unemployment.

¹ Because eligibility for unemployment benefit is dependent on your contribution record and your employment status prior to your claim, not every person considered unemployed will be eligible to claim unemployment benefit.

Data from the Community Survey shows that, among those employed or self-employed before lockdown, those living in a lower income household are significantly more likely to have reported a negative or strongly negative impact on their household income as a result of COVID-19 than those living in higher income households ($p= 0.03$). The implication is that COVID-19 may have increased levels of income inequality among the working population.

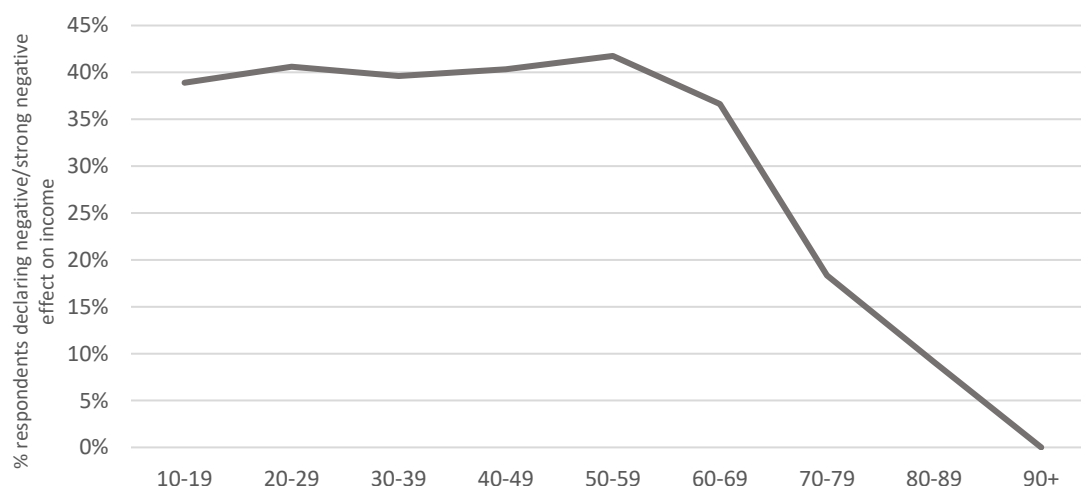
Impact on personal income by household income (employed/self employed)



For the self-employed (of which there are about 3,200 in Guernsey) the impact is wider spread with almost three quarters (71%) declaring a reduction in their household income. Data from the weekly monitoring reports shows that a smaller proportion of self-employed than employed people had been able to return to work in full by 22nd June, the third week of phase 5 (78% compared to 92%) and that 12% were not drawing a wage from their business. While many in this group will have benefitted from the small business grant and the extension of the payroll co-funding scheme to the self-employed, they may also have needed to expend their personal resources in order to meet the fixed costs associated with their businesses. This group may therefore be particularly at risk of increased debt and a lack of working capital with which to recover their business and restore their income to its pre-COVID level.

Unsurprisingly the percentage of people reporting a negative or strongly negative impact on their household income was lowest among those retired, who would generally be expected to be more reliant on pensions and savings, and less dependent on earned income. This means that the older members of the community were significantly less likely to have had their income negatively impacted by COVID-19 than those of working age.

Percentage of people reporting decreased household income by age



Mental and physical health

The pandemic has had a significant impact on the mental and, in some cases, physical health of the community. Some people reported positively on their experience of lockdown, enjoying more time with family and a greater sense of community. However, many people found the experience of lockdown, combined with potential worries about their financial security and their risk of becoming infected with COVID-19, very challenging. Numerous free text responses to the community survey reference loneliness, fear, stress, anxiety and issues with sleep.

In every household income group at least 42% of respondents stated that lockdown had a negative or strongly negative impact on their stress and anxiety levels and at least 35% declared a negative or strongly negative impact on their mental health. Supporting this data, the number of prescription items for drugs typically prescribed for the treatment of depression, averaged over the three months from February to April, increased by 9% relative to the same time the previous year, and there was a 3% increase in the prescription of drugs used to treat anxiety and sleep issues. While there are some complicating issues in the interpretation of this prescription data (for example some people may have been issued with additional prescriptions to cover the period of lockdown because of the reduced access to GP surgeries) it would suggest an increase in the number of people receiving a clinical prescription for a mental health issue during lockdown.

On reflection, what overall impact did lockdown have on the following factors of your life?

Your anxiety and/or stress levels (% of respondents)

	Strongly negative	Negative	Neutral	Positive	Strongly positive
<i>Less than £20,000</i>	19	28	34	13	7
<i>£20,000 - £39,999</i>	15	30	35	10	9
<i>£40,000 - £59,999</i>	12	34	39	12	4
<i>£60,000 - £79,999</i>	8	34	36	15	8
<i>£80,000 - £99,999</i>	11	29	38	14	8
<i>£100,000 or more</i>	9	33	35	14	9
All	11	31	37	13	7

Your mental health (% of respondents)

	Strongly negative	Negative	Neutral	Positive	Strongly positive
<i>Less than £20,000</i>	16	24	40	13	7
<i>£20,000 - £39,999</i>	12	24	42	16	6
<i>£40,000 - £59,999</i>	10	30	43	10	7
<i>£60,000 - £79,999</i>	5	29	41	19	6
<i>£80,000 - £99,999</i>	9	28	38	19	6
<i>£100,000 or more</i>	7	25	41	16	10
All	9	26	42	16	7

The evidence also shows that those in lower income households were more likely to report a strongly negative impact on their anxiety and/or stress levels and their mental health. To some extent this may reflect the increased likelihood that they were under financial stress.

The survey data also show that those declaring a pre-existing mental health condition were more vulnerable, being over three times more likely to report a strongly negative impact on their anxiety and/or stress levels and over five times more likely to report a strongly negative impact on their mental health than those not declaring such issues².

Your anxiety and/or stress levels (% of respondents)

	Strongly negative	Negative	Neutral	Positive	Strongly positive
<i>Self-declared a mental or emotional health condition</i>	33	35	14	8	11
<i>Didn't self-declare a mental or emotional health condition</i>	9	31	40	13	7

² These statistics are not controlled for other potential contributory factors. For example those declaring a mental or emotional health condition also more frequently declared a negative impact on their personal finance than those who did not.

Your mental health (% of respondents)

	<i>Strongly negative</i>	<i>Negative</i>	<i>Neutral</i>	<i>Positive</i>	<i>Strongly positive</i>
<i>Self-declared a mental or emotional health condition</i>	31	36	17	9	6
<i>Didn't self-declare a mental or emotional health condition</i>	6	25	45	16	7

For many, mental health impacts may have reduced as lockdown has eased; the immediate threat of infection has receded; and they have been able to work. However, for others the impact may be more lasting. It is well known that unemployment is a risk factor in conditions like depression and anxiety, and if unemployment levels continue at a higher than typical level, elevated levels of these conditions in the community are possible.

In terms of people's physical health there are a mix of positive and negative stories. On balance, responses to questions about changes in people physical health were positive, with the majority of respondents reporting a neutral or positive impact. However, there is a significant minority of respondents who report a negative impact on their physical health.

Your physical health (% of respondents)

	<i>Strongly negative</i>	<i>Negative</i>	<i>Neutral</i>	<i>Positive</i>	<i>Strongly positive</i>
<i>Less than £20,000</i>	3	21	46	22	8
<i>£20,000 - £39,999</i>	2	14	52	26	7
<i>£40,000 - £59,999</i>	3	17	48	24	7
<i>£60,000 - £79,999</i>	2	11	46	30	11
<i>£80,000 - £99,999</i>	2	14	42	30	12
<i>£100,000 or more</i>	2	18	38	26	15
<i>All</i>	2	16	45	26	11

Responses also show that a significant minority of the community have had medical treatment delayed or have put off attending appointments during lockdown. Deferred or missed appointments can have significant consequences. Comments suggest that missed appointments and treatments include non-urgent surgery, routine cancer screening, attendance to ED, routine dental check-ups and more significant dental work. In some cases there is a risk that such delays may have ongoing consequences, particularly if people continue to delay seeking treatment as restrictions lift.

Postponed or deferred medical appointments (% of respondents)

1 or more of the following selected:

- A medical appointment or procedure that I was due to have was postponed
- A dental appointment or procedure that I was due to have was postponed
- I put off seeing the doctor / GP
- I put off seeing the nurse
- I put off seeing the dentist
- I put off going to the Emergency Department of the Hospital
- I put off calling an ambulance
- I put off booking another kind of medical appointment or procedure

15 to 19	52
20 to 24	51
25 to 29	41
30 to 34	39
35 to 39	45
40 to 44	45
45 to 49	45
50 to 54	53
55 to 59	50
60 to 64	48
65 to 69	52
70 to 74	46
75 and over	56
Not specified	38

The disruption has also impacted people's lifestyle choices and again the results are mixed. On balance, survey respondents report spending more time doing physical activities (particularly among higher income households), but also more time doing sedentary activities. Responses also indicate a slight decrease in healthy eating, an increase in alcohol consumption (particularly among middle and higher income households), and an increase in smoking and vaping.

Time spent doing physical activities (% of respondents)

	<i>Decreased a lot</i>	<i>Decreased a little</i>	<i>Stayed about the same</i>	<i>Increased a little</i>	<i>Increased a lot</i>
<i>Less than £20,000</i>	23	15	29	22	12
<i>£20,000 - £39,999</i>	19	13	25	30	13
<i>£40,000 - £59,999</i>	15	15	21	34	15
<i>£60,000 - £79,999</i>	13	11	20	31	25
<i>£80,000 - £99,999</i>	15	12	18	31	24
<i>£100,000 or more</i>	18	10	14	33	25

Time spent sitting, reclining or lying down and/or looking at a screen (% of respondents)

	<i>Decreased a lot</i>	<i>Decreased a little</i>	<i>Stayed about the same</i>	<i>Increased a little</i>	<i>Increased a lot</i>
<i>Less than £20,000</i>	5	3	35	25	32
<i>£20,000 - £39,999</i>	3	6	26	34	31
<i>£40,000 - £59,999</i>	2	7	28	30	34
<i>£60,000 - £79,999</i>	2	5	25	27	40
<i>£80,000 - £99,999</i>	3	6	28	30	33
<i>£100,000 or more</i>	6	7	30	25	32

Further, those making positive choices in one area were more likely to have made positive choices in some others. For example, those increasing their time spent on physical activities are more likely to report eating a healthier diet. Conversely, those whose physical activity has decreased were also more likely to report poorer eating habits.

Healthy eating and drinking by time spent sitting, reclining or lying down and/or looking at a screen (% of respondents)

	<i>Healthy eating and drinking</i>				
<i>Time spent doing physical activities (% of respondents)</i>	<i>Decreased a lot</i>	<i>Decreased a little</i>	<i>Stayed about the same</i>	<i>Increased a little</i>	<i>Increased a lot</i>
<i>Decreased a lot</i>	31	23	31	10	5
<i>Decreased a little</i>	12	28	39	15	6
<i>Stayed about the same</i>	6	16	61	15	2
<i>Increased a little</i>	5	18	46	26	4
<i>Increased a lot</i>	5	12	39	24	20

Care and support

The provision of care and support services under lockdown conditions was challenging. Many of those cared for and their carers would have been considered vulnerable and are likely to have been shielding during lockdown and had their access to their normal range of support services disrupted.

Even without the added complications of COVID-19, both those requiring care and their carers are vulnerable to emotional and financial stress and feelings of loneliness and isolation. Those respondents to the survey who self-declared themselves as requiring care or providing care for a loved one were more likely to report a negative or strongly negative impact on their mental health as a result of lockdown.

Your mental health (% of respondents)

	<i>Strongly negative</i>	<i>Negative</i>	<i>Neutral</i>	<i>Positive</i>	<i>Strongly positive</i>
<i>Carer</i>	13	29	34	14	10
<i>Not carer</i>	9	27	42	16	7
<i>Receives care</i>	15	35	20	12	18
<i>Doesn't receive care</i>	9	27	41	16	7

Your anxiety and/or stress levels (% of respondents)

	<i>Strongly negative</i>	<i>Negative</i>	<i>Neutral</i>	<i>Positive</i>	<i>Strongly positive</i>
<i>Carer</i>	14	31	32	13	11
<i>Not carer</i>	11	32	37	12	7
<i>Receives care</i>	17	41	13	9	20
<i>Doesn't receive care</i>	11	32	37	12	7

Not all carers found the lockdown experience to be negative, with some saying lockdown made little difference to their routines (particularly if they live with the person for whom they provided care). However, many comments from carers referenced additional work, worry, guilt, emotional stress and additional pressure. It is evident from these that for some carers lockdown was extremely difficult.

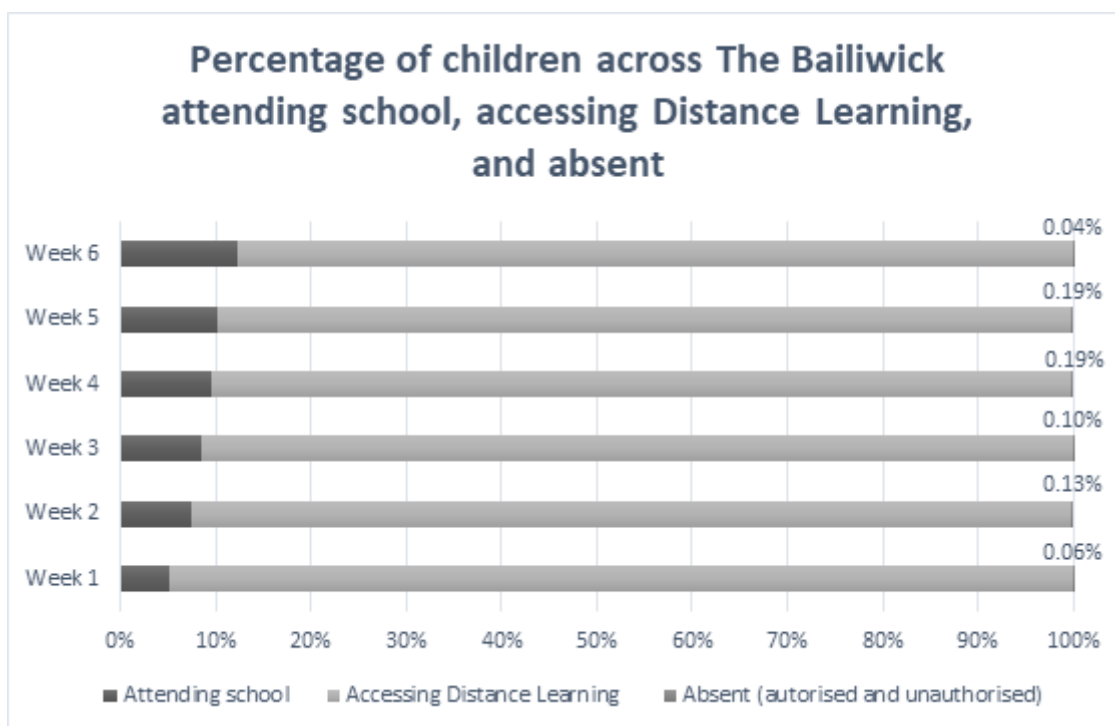
Of those receiving care, 55% reported that their care had been disrupted and 11% reported that their care had not resumed at the time of completing the survey (July 2020). Like those providing care, they reported stress and difficulties with mental health. A number of comments referenced the difficulty of not being able to bring in help with cleaning and household chores. References were also made to loneliness and isolation.

Education and generational inequality

For the younger members of the community, there was disruption to their normal education through lockdown. While every effort was made to ensure education continued remotely, this was inevitably easier for some families than others. Supporting children in their learning while at home is a difficult task, particularly for those parents who were also juggling work and other care requirements and inevitably some pupils will have been able to engage more with the remote educational resources than others.

By proactively contacting children who were not engaging with online learning and, where necessary, bringing vulnerable learners back in to a classroom environment, schools have successfully minimised the number of children deemed absent. The percentage of learners

absent in Guernsey across the first six weeks of the summer term never exceeded 0.2%. In doing so, much of the potential for a widening of the attainment gap identified in UK studies^{3,4}, may have been successfully mitigated in Guernsey.



For those leaving school the OECD⁵ states:

“For young people, and especially for vulnerable youth, the COVID-19 crisis poses considerable risks in the fields of education, employment, mental health and disposable income. Moreover, while youth and future generations will shoulder much of the long-term economic and social consequences of the crisis, their well-being may be superseded by short-term economic and equity considerations.”

When unemployment rises, rates typically rise fastest among younger people⁶- where labour supply exceeds demand employers will typically prefer to hire those with more experience. As a result those seeking to enter the workforce at a time of high unemployment can find it difficult.

Lockdown will have significantly reduced businesses’ available resources and they will be keen to keep costs down. Investing in training younger employees can be expensive and reducing the wage of existing employees tends to be more difficult than offering lower wages to new staff. This means that those unlucky enough to be entering the workforce during a time of significant economic stress are at risk of being paid less for an equivalent job and receiving less formal training than they might otherwise have done. An extended period of

³ <https://www.nfer.ac.uk/schools-responses-to-covid-19-pupil-engagement-in-remote-learning>

⁴ <http://cep.lse.ac.uk/pubs/download/cepcovid-19-001.pdf>

⁵ <http://www.oecd.org/coronavirus/policy-responses/youth-and-covid-19-response-recovery-and-resilience-c40e61c6/#p-d1e203>

⁶ <http://www.oecd.org/economy/labour/47656668.pdf>

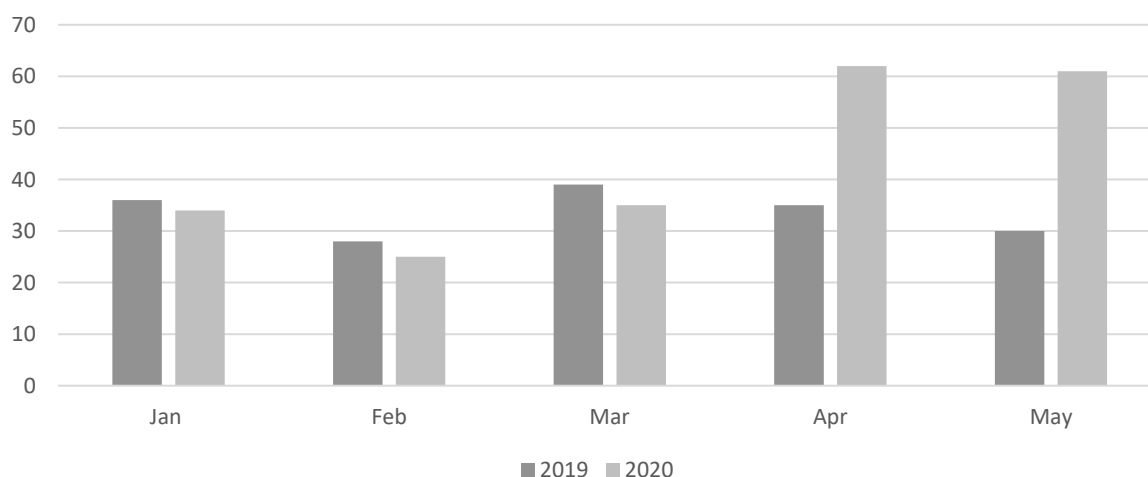
unemployment on entry into the workforce, a lower point of entry and less training have the potential to impair the longer term earning prospects of young people entering the job market in the wake of COVID-19.

Personal relationships and domestic abuse

For some households, spending an extended period of time largely confined to your home while under significant external stress can place a good deal of pressure on personal relationships. While some have enjoyed spending time with their family, not everyone found their personal relationships improved by lock down. The majority of people responding to the community survey reported that impact of COVID-19 on their personal relationships was either neutral (42%) or positive/strongly positive (41%) but for a minority of people (18%) COVID-19 was detrimental. A breakdown in personal relationships is likely to contribute to a reduced feeling of overall wellbeing.

For those where aggressive and coercive behaviour is an issue in their relationships, lockdown conditions, where their access to support and safe spaces may be significantly reduced, represents a significant risk. During lockdown, Bailiwick Law Enforcement conducted a campaign to maintain awareness of domestic abuse issues and the support available and encouraged people to report issues. The number of calls to the Joint Emergency Services Control Centre (JESCC) in relation to domestic disturbances increased significantly during lockdown, as did the number of domestic assault charges recorded. Funding for additional emergency refuge provision was made available to support victims of abuse as required.

Jan - May Domestic disturbance control room calls



Conclusion

COVID-19 and the lockdown that accompanied the pandemic has had a significant impact on wellbeing, both positively and negatively in a wide range of areas. The impact on wellbeing varies considerably from person to person depending on individual circumstances. Various factors of people's lives prior to lockdown are likely to have had a significant influence on their experience of lockdown. Such factors include their employment status, age, physical and mental health or their receipt or provision of care.

Many of these effects will have receded as the immediate threat and economic disruption have lessened. However, some of these impacts may prove lasting and some households may be subject to ongoing negative impacts on their wellbeing.

Provisional