West Midlands
Weekly Economic Impact Monitor

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This monitor aims to pull together information across regional partners to understand the impacts of Covid19 on the economy. Where possible it will utilise all forms of quantitative and qualitative intelligence. However we urge caution in the use of the contents as this is an emerging situation.

Key Issues

It is 100 days since lockdown. This week's monitor contains a number of publications which are reflecting on the last 3 months of impacts. Our world is a very different place to what it was at the beginning of March. Below are the main themes of the impact addressed here.

Forecasts: there is considerable consensus in the forecasts as following a V shape, but this is based on a return of consumer spending, a trade deal and return of trade activity, and no second waves of lockdowns and a vaccine by mid next year and a return to 'normal' late 2021. Forecasters are predicting that the West Midlands will be hit hardest of all regions. The fall is around the 9% level, which would take about £10bn off the economy which stood at £105bn. This is due to the sectoral mix (manufacturing, retail, tourism, higher education) however predictions are also consistent that the rebound will be quickest in the West Midlands.

PMI: after an unprecedented plummet early in the period the PMI is coming back. It is still significantly in negative territory but is showing signs of recovery. And the future prospects element is still remaining positive.

Consumer spend: this is fluctuating and some sectors are not fairing as well as others. Food retail is growing (but not at rates high enough to offset the drop in demand from hospitality) and non-food on the whole is dropping off significantly. Online sales have rocketed, but generally the gains do not offset the falls elsewhere.

Business Conditions: Local businesses are facing the most significant economic shock of recent decades with domestic demand, export demand, investment in training & capex and cash flow positions falling to record lows. While businesses are continuing to, on balance, experience the negative impact of COVID-19 and related lockdown measures, it is likely that businesses felt the sharpest negative impact of Coronavirus related measures in the early weeks of lockdown (end of March to mid-April).

Access to Finance: A significant proportion of firms report having applied for, or planning to apply for, finance through the Coronavirus Business Interruption Loan Scheme or Bounce Back Loan Scheme and 1 in 4 firms report pressure to increase prices arising from finance costs, indicating high levels of debt accruing within the business community. Going forward the burden of debt is significant; nationally it is forecast to be around £100bn. Payments are now being pushed back across the board, including public sector payments, which is creating a huge credit risk in supply chains.

Long Term Recovery: contrary to forecasters, businesses do not expect to see a sharp recovery as lockdown measures ease with the majority predicting a fall in profitability and turnover over the next 12 months. Meanwhile, a number of significant Government support schemes and interventions are set to end over the coming months.

Employment: While, on balance, firms are decreasing headcount, and HR1 redundancy notices are seeing a sharp rise, the Coronavirus Job Retention Scheme is likely to be playing a significant role in limiting workforce reduction. Businesses are to adapting to reduced demand by decreasing hours worked without decreasing headcount to the extent they otherwise may have done. However there is a change in business operations, with an increasing recognition that they can maintain operations on much lower numbers of employees, and the accelerated adoption of technology will drive this further. Maintaining headcount was an unusual pattern in the 2008 crash and has continued since, and this may now change as businesses can see gains from reducing the headcount. Therefore as the furlough scheme tapers down, it is likely that further redundancies will be made.

There is a sense of significant struggle in the SME sector, which makes up the majority of the region's business base and who have fallen through the cracks of support and may not be able to restart post lockdown

Impacted Sectors: While businesses in many sectors and industries are being negatively impacted, the tourism, leisure, cultural, hospitality, aspects of retail and the manufacturing sector are notably negatively impacted. The higher education sector has not seen the impact as yet but expects this to happen early in the new academic year once enrolment is clear. There is also expected to be a big hit on business R&D investment which the region excels at. According to MakeUK manufacturing is expected to decline by 11% nationally creating a decline of between £19bn (baseline forecast) and £35bn (downside forecast) losses. The predict manufacturing investment to also be down between 1% and 9.7%. Nationally automotive is expected to have the biggest decline down by 34% a significant concern for the West Midlands. Creative industries in the West Midlands are expected to be the worst hit of all regions. Retail in the region is still only generally operating at 40% of that at the same time last year. The sectors with the most furloughed workers (WMCA) are in the cultural economy (20.2% of employment in the sector), retail (12.5%), business and professional and financial services (18.5%).

Local lockdowns: these are of significant concern to businesses, especially the manner in which Leicester has been closed, without warning. There is little understanding of what the lockdown might look like and how it might impact.

Mobility: our ability to move around has been severely curtailed, this has impacted at all levels. Affected trade, education and tourism significantly which is driving most of the economic risks and downturn. Lack of public transport has impacted on the more vulnerable in society and continues to constrain businesses opening and customers returning. The lack of national and international mobility has changed our supply chains and is impacting on attitudes towards resilience.

Skills and employment: the rise in job losses and those claiming benefits points to the need for investment in lifelong learning, better skills development and utilisation; effective local partnerships; reducing skills mismatches and helping people take greater responsibility for their own learning and development. The potential levels of unemployment facing the region will call for significant scaling up of training at a time when providers are facing uncertainty driven by social distancing and individual choices about investment in skills. Significant changes are happening in working practices, such as homeworking and technology changes which are creating a polarisation in employment opportunity and could leave many behind. The importance of key workers to a thriving economy has also been exposed.

Covid19 Vulnerability: The West Midlands has high levels of vulnerability particularly in Wolverhampton, Birmingham, Bromsgrove, Wyre Forest, Stratford-on-Avon and Rugby. These areas have the characteristics which make them more likely to be vulnerable to high mortality risks due to underlying health and demographic factors. Although ONS has not found conclusive evidence of occupational related deaths, they have found in the working age population that other factors associated with the workers in particular occupations are statistically significant. So sectors that have more men, or people from black and Asian ethnic backgrounds, are impacted most.

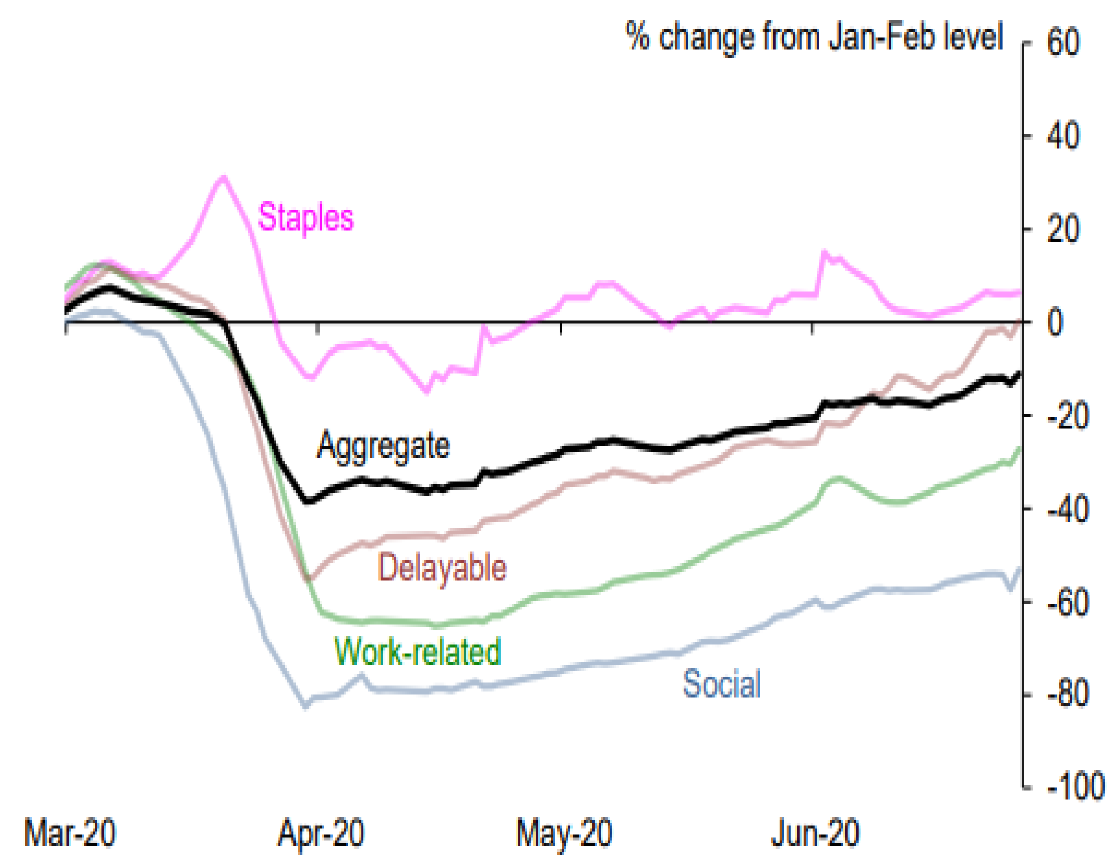
Wellbeing: There has been a considerable change to people's lives, for a prolonged time. This has had an effect on mental health and wellbeing, and the threat of job losses, access to services and reduced social network all contribute to an increased vulnerability. Continued uncertainty is likely to exacerbate this. The longer term impacts of infection are also not known, those recovering are displaying significant long term health related issues which may persist long into the future.

The pandemic has shown how interconnected businesses, places and people are and how we all rely on these connections working efficiently. It has exposed the fragility and weakness in daily life and how there needs to be more effort put into resilience at all levels.

Global Outlook

Gold's rally continued this week with futures very briefly rising above $1,800 an ounce for the first time in more than eight years.
Demand for the secure investment has been encouraged by investor concern over recent upticks in coronavirus cases in some regions of the Globe, particularly the US. Dr Anthony Fauci, the U.S. government's infectious disease specialist, warned the nation that coronavirus infections in the U.S. are likely to rise to 100,000 a day, up from the current level of about 40,000.
Job losses in the aviation sector give us an indication of the state of international travel, with EasyJet Plc announcing its intentions to reduce a third of its pilot positions and the closure of three bases in the U.K. EasyJet is Europe's second-largest budget airline and discussions with Unions have suggested that the number of jobs at stake is 727 pilots.
Airbus SE has also announced that is set undergo the most extensive restructuring in the firm's history, aiming to cut 15,000 civil-aerospace positions worldwide. The firm says its output will be 40% lower than expected for two years, indicating its expectation of prolonged pain for international travel.

National Outlook – a V-shaped recovery?
The Bank of England has suggested the UK economy is heading for a V-shaped recovery. It has used a variety of indicators to come to its conclusion. Analysts use the same indicators they used to track collapse in activity in the first quarter of the year, to forecast the second quarter.
The pandemic has adversely affected specific components of spending, mostly social, work-related and delayable – whilst data suggest the fastest recovery has been in delayable expenditure such as DIY and household goods.
There has also been a substantial up-tick in the car and housing markets, however this comes from stagnant and near-historic low levels. There are also indications that parts of consumer confidence have surged too, in particular consumers' appetite for major purchases.
Data on retail sales have confirmed this recovery in spending, rising 12% in May to leave spending 13% below its pre-Covid level. In part this may reflect the partial opening-up of a larger number of shops. The important thing to note here is that online sales has risen from around a fifth prior to the Covid crisis to around a third now.
Generally, and when taken together, these indicators suggest that the UK is undergoing a recovery 'somewhat sooner, and has been materially faster' than initially envisaged by the BoE. PMI data appears to conflict with this analysis and suggests that in May and June the UK economy still underwent significant contraction



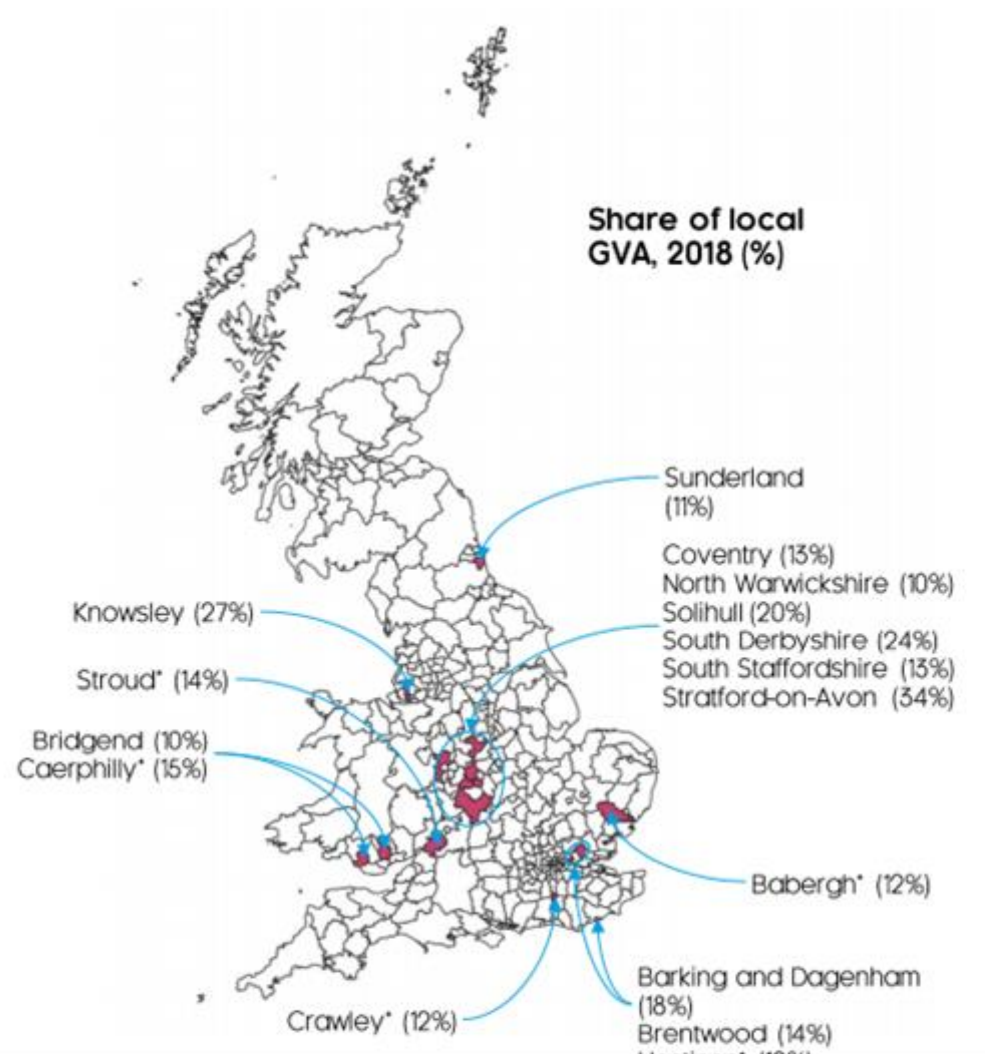
June's Markit Purchasing Managers Indices (PMIs) show a marked improvement in outlook, returning to near pre-lookdown levels, below February levels but near-February. Registering at below 50 indicates the economy has contracted and comparing on a month-on-month basis suggests the UK economy contracted in June, but not by as much as it did in the previous months. Other indicators appear to be contradicting this. As an example, and as mentioned, in May PMI registered at 30, even though retail sales jumped by 12%. An economy that is in severe recession does not experience a rise in retail sales. It may be that the trend over several months is the significant thing to consider. The data indicates the UK economy is undergoing a recovery, but responders to the PMI survey may be thinking of recent trends over a prolonged period – potentially several months. The below-50 readings in May and June may align with economic activity in March and April, whereas increased activity may have started in May / June enabling the recovery in those months.
Crucially, even if we interpret the PMI an indicator of where economic activity is compared to normal (pre-lockdown) levels the current trend and trajectory suggests a bullish and sharp recovery likely to outpace the Eurozone economies.

West Midlands Outlook

Forecast (2020-2021)

The following commentary summarises the available forecasts on the West Midlands, giving insight into the impact the pandemic and subsequent economic crisis will have on the West Midlands economy. Forecasting is dependent on several variables, of which many can change to affect the final outcome. Forecasting is thus beneficial as an indicator of overall trends.

The overall trend for the West Midlands is of substantial contraction for a prolonged period. Cambridge Economics conducted a Local Economy Forecasting Model (LEFM), to produce estimates of the director sector employment and GVA impacts, with local variables, such as business demography, and occupations of the workforce.



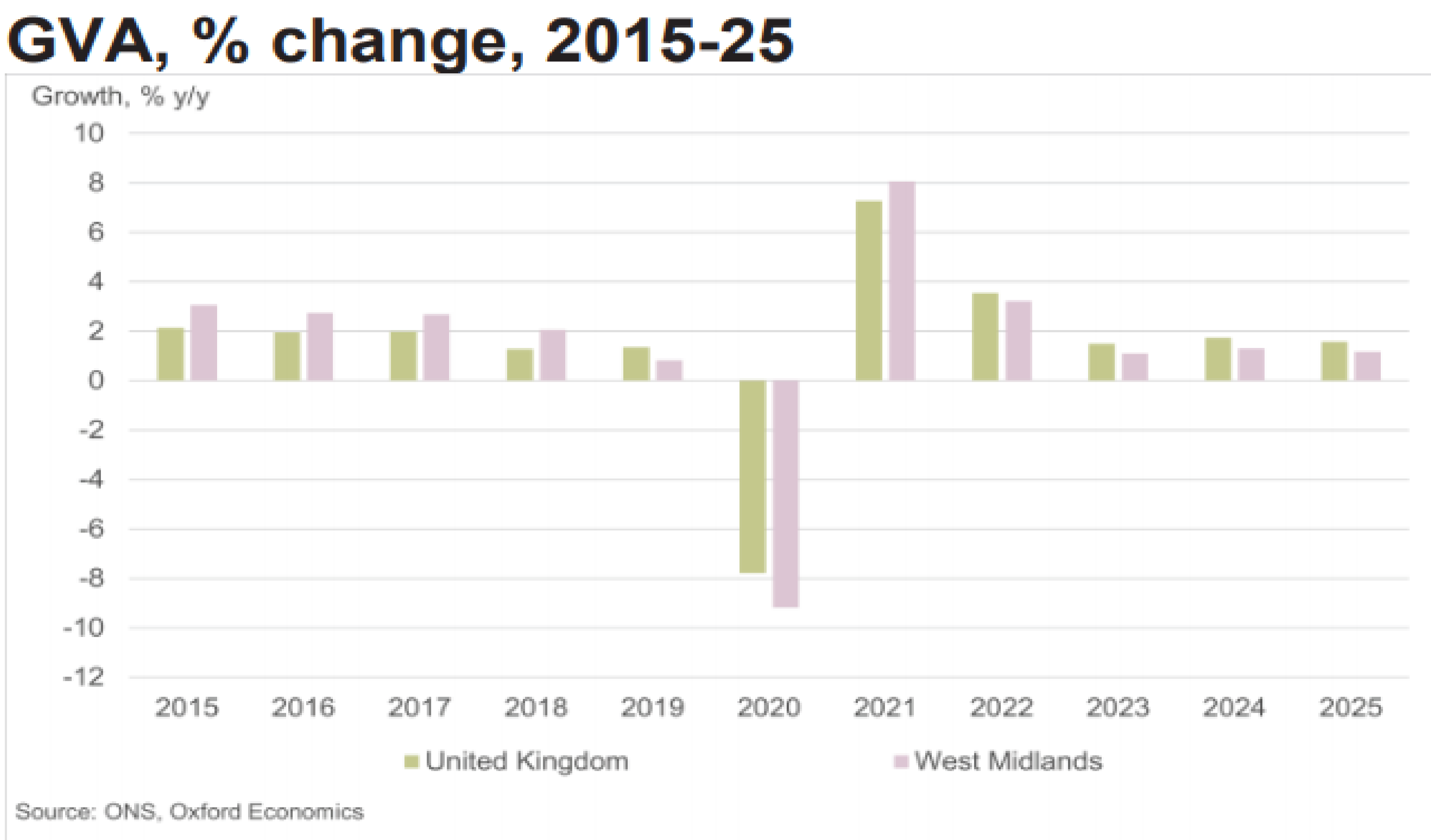
Their modelling concludes that several areas of the West Midlands are likely to be more exposed, a consequence of the strength of its automotive manufacturing sector. The share of local GVA in Coventry linked to automotive is 13% and in Warwickshire 10%. Any hit to that is likely to have substantial rippling effects on the supply chain, and connected sectors and workforce.

The Bank of England's Agent's summary of conditions for 2020 Q2 report that output continues to be significantly weaker than a year ago, however there has been a modest improvement as more companies reopen production lines, including Jaguar Land Rover. However, even though a number of manufacturing companies are resuming production, many are doing so under social distancing measures, with a significant proportion of the workforce remaining on furlough or reduced hours. The flex-furlough scheme is expected to give firms the flexibility in a phased return of the workforce.

Social distancing and weak demands, both domestic and international, are expected to constrain output in manufacturing for several months. This is likely to be a particular challenge for a manufacturing dominant region, like the West Midlands. According to the Bank of England, the most common central expectation among companies was that output would still be around a fifth below normal levels by the end of the year.

KPMG has forecast that the consequence of the pandemic will cause the West Midlands region to contract by 9.1% in 2020. The UK is expected to contract by 7.2%. The quarterly Economic Outlook forecast highlights that GVA will rise by 4.3% next year.
The assumption of this forecast is that a deal with the EU will be reached by the end of this year and this will enable a no-tariff, no-quota free-trade agreement. KPMG's main assumption is that a vaccine will be available from July 2021, meaning all social-distancing measures that damage consumer confidence and output will be omitted. In this scenario, lockdown measures are phased out in the summer, with activities resuming more fully in the second half of 2020.
If neither of these assumptions materialise then there will be a sustained and prolonged contraction, a further loss of confidence and subdued demand, meaning the region will face a robust and residual structural change to the region's economy. Prolonged social distancing and reduced demand could provide companies, such as Jaguar Land Rover, with an existential challenge, its loss resulting in mass damage to the supply-chain and the labour market. The region's structural facets of the economy would therefore forever be changed.

Oxford Economics echoes the findings by KPMG that West Midlands GVA and employment is likely to fall by more than the UK average in 2020. However, it is likely that this will be followed by a slightly faster than average recovery in 2021.
They forecast that regional employment in 2021 is likely to be lower than it was pre-virus, at 2.89m next year compared with2.95m in 2019. The analysis takes into consideration the relationship between differences in sectoral performance and regional variations in sectoral structures, given that they are often are significant drivers of differences in regional economic performance.



The region's worse-than-average performance is related to the region's economy being more manufacturing intensive than the UK average but has a smaller than average Digital connectivity, we would need to be better than the UK average to aid recovery.

Whereas, London and the South East is likely to be least hit, due to its strong service sector, the West Midlands may experience the largest GVA decline of any region, at over 9%.

The economic crisis is also likely to exacerbate current health, social and economic inequalities. Areas in the northern spine of England are more vulnerable than average along health and family dimension, with a cluster in the West Midlands. Again, the West Midlands economy is more weighted towards manufacturing, such as automotive and vehicle manufacturing. Whilst defining vulnerability is difficult, the authors list those Local Authorities in the top 20% most vulnerable on each index, such as the age of their populations, economic reliance on tourism and hospitality, and the town or cities' prevalence of local socio-economic deprivation. On these measures, Birmingham and surrounding clusters are vulnerable to the social and health costs of the economic crisis.

The non-medical intervention of lockdown (i.e. social distancing and reduction of travel) may have reduced consumer demand, but this has had the unintended consequence of encouraging people to spend disposable income in their more immediate economies. Analysis by Deloitte has shown that a majority of consumers in the West Midlands (55%) have used more local stores and services to help support them during lockdown.

What is encouraging for local retailers is that 58% of West Midlands' consumers also said they will be more likely to spend money at a business that offers locally produced products once the lockdown has lifted. An active campaign to 'buy local and shop independent' would help ensure this intention materialises in to action that supports small businesses, which have been substantially impacted by the crisis.

It is likely that the economic pain for the West Midlands is going to be substantial and deep, but how protracted that is depends on the pace of the wider national economic recovery. An uptick in global and domestic demand for the goods that are manufactured in the region will be crucial. As such, the data that suggests a substantial up-tick in the car market bodes well for the region's recovery. Nevertheless, the economic hit, however short lived has been so profound, that it is going to take a significant period to recover lost growth and return to pre-pandemic employment levels.

In summary, most forecasters are aligned to a similar V pattern, with the largest hit to the regional economy of around 9% in 2020 and a bounce back in 2021, but this depends on:

- **Return of consumer spend to previous levels**
- **A trade deal maintaining key markets such as China and the USA**
- **No subsequent waves of infection and a vaccine is developed**

Unprecedented Times: How COVID-19 has impacted Greater Birmingham's businesses & what we can do about it – GBCC Report

Greater Birmingham Chamber of Commerce have released a document that is 'very much centred on the practical realities of the here' with recommendations that reflect that what business needs and what business has relayed to them.

A snapshot of their analysis shows:

Business Conditions: Local businesses are facing the most significant economic shock of recent decades with domestic demand, export demand, investment in training & capex and cash flow positions falling to record lows.

Early Impact: While businesses are continuing to, on balance, experience the negative impact of COVID-19 and related lockdown measures, it is likely that businesses felt the sharpest negative impact of Coronavirus related measures in the early weeks of lockdown (end of March to mid-April).

Access to Finance: A significant proportion of firms report having applied for, or planning to apply for, finance through the Coronavirus Business Interruption Loan Scheme or Bounce Back Loan Scheme and circa. a quarter of firms report pressure to increase prices arising from finance costs, indicating high levels of debt accruing within the business community.

Long Term Recovery: Businesses do not expect to see a sharp recovery as lockdown measures ease with the majority predicting a fall in profitability and turnover over the next 12 months. Meanwhile, a number of significant Government support schemes and interventions are set to end over the coming months.

Employment: While, on balance, firms are decreasing headcount, the Coronavirus Job Retention Scheme is likely to be playing a significant role in limiting workforce reduction and allowing businesses to adapt to reduced demand by decreasing hours worked without decreasing headcount to the extent they otherwise may have. As the furlough scheme tapers down, it is likely that further redundancies will be made.

Impacted Sectors: While businesses of many sectors and industries are being negatively impacted, the tourism, leisure, cultural, hospitality, aspects of retail and manufacturing sector are notably negatively impacted.

Based on the insight gained by survey respondents of their members, GBCC recommend that the Gov't needs to address the immediate gaps in Coronavirus business support and government policy, through providing support for core groups of people currently unable to access income based government schemes, and improve businesses' ability to access CBILS and BBLS.

The GBBC also signal its support for a recovery strategy that boosts the economy through investment in, and support for, major regional infrastructure projects. They also call for enhanced investment in, commercialisation and application of R&D as well as simplifying and streamlining the taxation and regulatory burdens facing businesses to enable them to focus on survival and growth

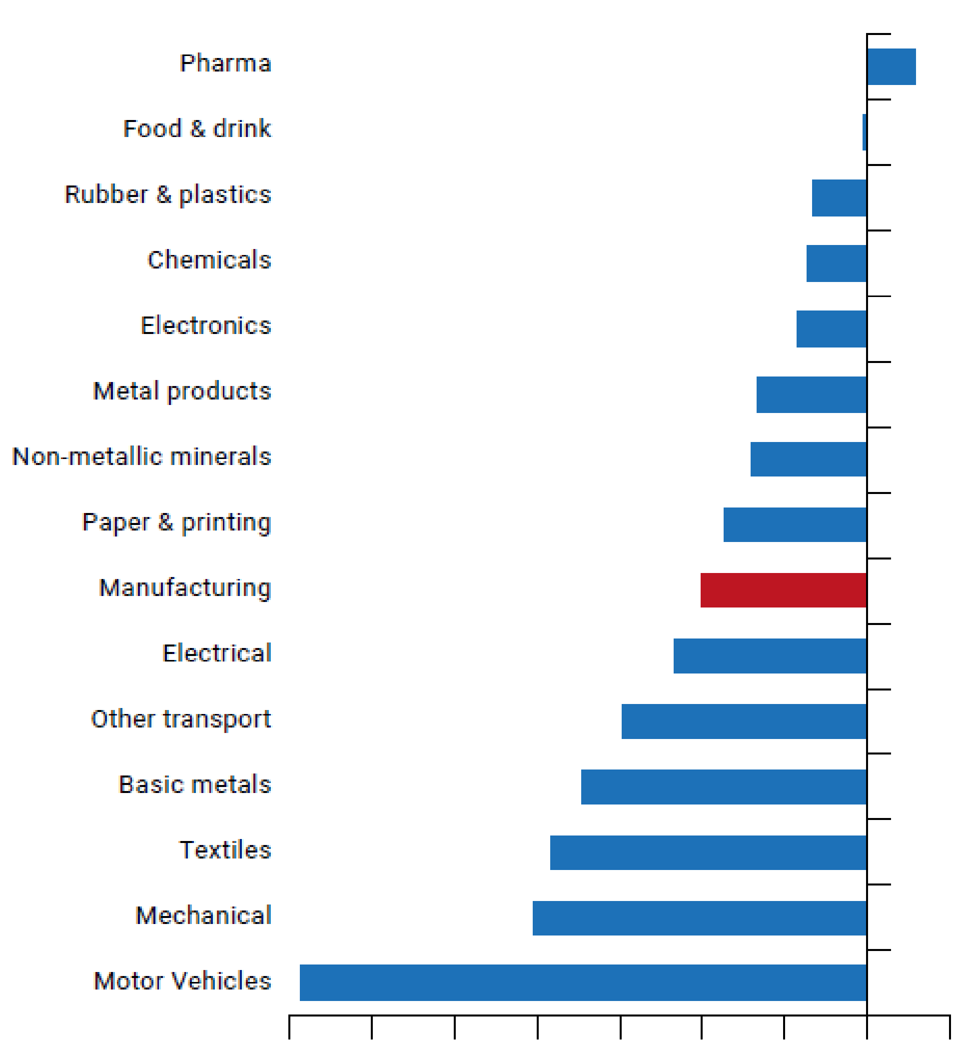
The GBCC claim that underpinning their individual interventions, is an opportunity for a strategic focus on improving business level productivity, delivering green growth and reducing inequality across the full scope of the post-COVID-19 policy agenda.

MakeUK: responding, resetting and reinventing UK Manufacturing post Covid19

The UK manufacturing sector has been profoundly hit by the Covid-19 pandemic. The UK manufacturing Purchasing Managers' Index (PMI) dipped to 32.6, the lowest value since records began almost 30 years ago. Some 70% of manufacturers have seen a fall in their orders and sales, and a quarter of manufacturers expect to make redundancies in the next six months.3 This is further backed up by the latest UK GDP data, which fell by a staggering 20.4% in April alone.

- Manufacturing Gross Value Add (GVA) is expected to decline by 11% in Q2 2020 in the baseline forecast.
- Output is expected to decline by -9.7% in the baseline forecast for 2020.
- Up to £19.2bn in lost GVA in 2020 (baseline).
- Up to £35.7bn in lost GVA in 2020 (downside).
- Total Manufacturing GVA could be between £6.8bn and £16.5bn lower in 2022 compared to the pre-Covid-19 forecast
- Manufacturing investment could decline between 1% and 9.7% in 2020.

Chart 3: Forecasted impact of Covid-19 in 2020 by subsector



Source: Make UK analysis of Oxford Economics UK Industry Model, 2020 % change in GVA (2019–2020)

TOP 3 SECTORS BY THEIR RELATIVE CONTRIBUTION TO OVERALL MANUFACTURING GVA DECLINE:

- MOTOR VEHICLES
- MECHANICAL EQUIPMENT
- OTHER TRANSPORT (AEROSPACE)

TOP 3 SECTORS BY THEIR RELATIVE CONTRIBUTION TO OVERALL MANUFACTURING GVA INCREASE:

- FOOD & DRINK
- PHARMACEUTICALS
- CHEMICALS

Pharmaceuticals

The pharmaceutical industry could be the only subsector to see growth (+2.8%) in 2020 – thanks to an increase in demand for medical equipment and increased spending from the NHS. Especially contributing to this growth will be those domestic companies directly involved in the production of Covid-19 interventions.

Food & Drink

The Food & Drink subsector is expected to decline weakly (-0.2%) as increased demand from fresh-to-consumer produce are outweighed by the decrease in demand from other key sectors, such as Hospitality. Supermarket spending habits have now stabilised following initial panic buying, therefore demand from households is unlikely to increase any further.

Rubber & Plastics

The Rubber & Plastics subsector is expected to decline significantly as a result of falling orders from downstream industries – such as Construction, Motor Vehicles and Aerospace. However, increased demand for PPE, food packaging, and single-use plastics limited the decline in the Rubber & Plastics sector (-3.2%)

Automotive

The Motor Vehicles industry expects the biggest decline (-34%) in GVA. The subsector was exposed to a collapse in buyer demand, parts shortages, supply-chain bottlenecks and Covid-19 containment measures resulting in mass factory shutdowns. However, the subsector is expected to hit a significant bounceback in 2021, assuming demand conditions return to normal and all else remains constant.

Source: Make UK, Manufacturing Monitor, May 2020

MakeUK recommendations:
Opportunities in a new economy: Rethinking supply chains - rethinking supply chains would mean diversifying supply bases and ensuring that manufacturers have a range of options available to them rather than relying on a single supplier or a single location. This will help improve resilience and support in mitigating the impact of external shocks in manufacturing supply chains. Furthermore, there is an opportunity to combine local suppliers with existing global supply chains to increase stocks of critical components. **Build resilient smart supply chains manufacturers**, it is important to understand their supply chains as well as constantly reviewing them. Understanding your supply chains means knowing where you sit in the journeys. Reviewing your supply chains means regularly monitoring your position. Visibility will highlight pinch points and potential risks and flag any areas that need improvement – this can include identifying where the adoption of technology and smart data could be beneficial in understanding inventory levels, identifying alternative sources of supply and conducting scenario planning.
New Approach to logistics: For many smaller manufacturers, outsourcing or subcontracting logistics management is common, as this requires expertise and skills that are not necessarily available in house. However, having visibility as to how products or components move from A to B and understanding how this can be improved should be encouraged among manufacturers. To date, manufacturers have used traditional forms of logistics such as lorries or sea freight to move products and components. However, a new economy could support manufacturers in using other physical forms of logistics, such as rail freight, especially within countries where this is currently underused.

Embracing a Digital Future: the sector must embrace the need for new digital skills that can support both the adoption of technology and the way it is deployed to rethink existing systems and processes. Having these skills will support a digital transformation, which we know is now a strategic priority. This is an opportunity for the Government to support manufacturers, particularly SMEs, to understand the range of options, technologies and services available to them, as well as to provide them with impartial advice to make the digital future a reality. **Plan workplaces and workforces of the future People are central to UK manufacturing**, driving change and powering growth. Manufacturers should accelerate upskilling and retraining their existing workforces to take advantage of technological change, and they also need to consider how they can attract the next generation of creators, makers and innovators. This means looking beyond traditional engineering and manufacturing skillsets to attract those with digital, technological and strong leadership skills. Workplaces should also reflect the new ways of working, implementing genuinely flexible working where possible and encouraging greater employee engagement, to name just a few.
Think about how to make it green: There is extremely high awareness of the Government's target of a net zero carbon economy by 2050, and a recognition among manufacturers that the Covid-19 pandemic presents an opportunity to build a green recovery. This means accepting that to save money in the longer term through green initiatives, capital and operational expenditure are required in the short term. This can no doubt be supported through Government fiscal incentives to 'go green', as well as rewarding those who do, as discussed in the Government recommendations below. These are steps that manufacturers can take now to help to begin to adapt to the new normal. However, to effectively transition to this digital, global and green economy, we need bold action from Government.

Qualitative intelligence

(The information below is a collation of the qualitative intelligence shared across regional stakeholders)

Of major concern are cultural, tourism, leisure and hospitality businesses who are uncertain about the future. The current lockdown status is becoming increasingly unsustainable for many businesses, who are unlikely to be able to continue beyond late summer. These sectors are the main focus of the many businesses still looking for financial support to survive. The uncertainty about the reopening of any business based on events means they cannot plan for recovery until there is some certainty.

Local lockdowns are a concern to businesses especially the manner in which Leicester has been closed, without warning. There is little understanding of what this lockdown might look like.

Retailers are generally operating at 40% compared to last year in the like for like period. There has been no rush back to retail. But some are still building back from a few days. Unless there is a huge increase in sales, many will be looking to close in August

Positive news that the PMI bounced back and there are a growing number of enquiries on start up and this is normal in recession

There are a small number of businesses thinking they don't need to pay back loans. This has been reported in the FT who predict 40% will not pay back.

There has been a change of wording on job retention, which seems to suggest if you are making someone redundant there may be claw back; this is being investigated.

The next bottle neck will be child care and placing children of all ages being an issue.

Payments are being pushed back – especially in the motor vehicle and accountancy sectors. One of the issues is that figures match on B2B and public sector so delays are hitting both client bases. There has been a 55% increase in late payments from the public sector.

Membership is holding up for many representative organisations, which is positive. The tourism/leisure sector is re-engaging.

There is no unilateral approach from local authorities on discretionary funds and companies facing different issues. Local authorities are reviewing EU funds to look at services and what WM needs. Analysis has shown that the UK regions economies were reducing at such a rate prior to the pandemic they would have received more EU funds as the UK regions were dropping below the EU average. This funding will now not be there, and would have been targeted at recovery policy areas ie employment support. So we were in a position of at least wanting the same budgets from government as a replacement, but in reality we would have been getting more back from the EU in the coming years.

Things have calmed down in terms of enquiries, but there is still a lack of clarity on business future. There has not been enough focus on business travel as opposed to holidays, when the real issue is exports and freight as a priority.

On a positive note some businesses are doing exceptionally well: a deep clean company in one month took a year's business.

Student Recruitment

UCAS released a short update noting that more applicants are currently holding firm offers than at the equivalent point last year, with fewer (so far) deferring. UK accepts are up 1% and non EU up 12%, though EU acceptances are down 6%. Clare Marchant, UCAS' Chief Executive, said:

"Today's numbers will also be welcome news for universities and colleges, and show their announcements on the blend of online and face-to-face learning most are planning to deliver have been building confidence ahead of the start of term.

"We are publishing these headline offer-acceptance statistics for the first time, to provide the clearest possible picture of students' behaviour at this moment in the application cycle."

The press release does not refer to UCAS' research shared with institutions which shows very high proportions of applicants still considering deferral, and far higher than usual traffic to UCAS web pages concerning deferral, nor UCAS Media's projection reported two weeks ago of a fall in UK enrolment of 2-10%, and of overseas enrolment by 10-65%.

Internal Migration

ONS: Internal migration by local authorities in England and Wales: mid-2019 Released 24th June 2020

Internal migration is driven by a number of factors, including the movement of students from city to city, which is the bulk of the movement. The data below is for the mid year estimates for 2019.

They are broadly similar to previous years, with the majority of people moving to large cities especially London, due to the brain drain of students and young professionals. Data relating to this year will not be released until next year; however this data demonstrates the scale of movement under normal circumstances which may be severely curtailed in 2020.

It is worth noting that this pattern may change as home working becomes more prevalent in higher skilled sectors.

Migration between combined authorities only in 2019 (Not all LA analysis):

73.3% (99,703) of people internally migrated within the WMCA 3 LEP boundary. Originating from the WMCA 3 LEP geography 13.2% (17,931 people) migrated to the Greater London Combined Authority area, followed by Greater Manchester with 3.3% (4,442 people) and Leeds City Region at 3.2% (4,287 people).

72.9% (75,298) of people from the WM 7 Met. area migrated within the WMCA 3 LEP boundary. Originating from the WM 7 Met geography 14.1% (14,551 people) migrated to the Greater London Authority area, followed by Greater Manchester Combined Authority area with 3.4% (3,545 people) and Leeds City Region area at 3.0% (3,095 people).

Excluding Greater London (86.8% migrated internally within Greater London) the WMCA (3 LEP) experienced the highest amount of people from Greater London Authority at 3.8% (19,858 people) compared to other combined authorities with Greater Manchester Combined Authority at 2.0% (10,556) and Leeds City Region at 1.9% (9,820).
16,658 people migrated from the WM 7 Met area to Greater London.

LA name	Inflow	Outflow	Net
Cannock Chase	4,698	4,287	411
East Staffordshire	5,700	5,186	514
Lichfield	6,425	5,318	1,107
Tamworth	3,276	3,490	-214
North Warwickshire	4,098	3,642	456
Nuneaton and Bedworth	6,407	5,654	753
Rugby	6,363	5,133	1,230
Stratford-on-Avon	8,973	6,431	2,542
Warwick	11,507	10,720	787
Bromsgrove	6,460	5,140	1,320
Redditch	3,199	3,355	-156
Wyre Forest	4,224	3,892	332
Birmingham	51,981	63,541	-11,560
Coventry	21,341	25,582	-4,241
Dudley	12,169	11,845	324
Sandwell	15,450	17,688	-2,238
Solihull	12,082	11,050	1,032
Walsall	12,961	12,668	293
Wolverhampton	11,538	12,827	-1,289
WM 7 Met.	137,522	155,201	-17,679
BCLEP	52,118	55,028	-2,910
CWLEP	58,689	57,162	1,527
GBSLEP	98,045	105,259	-7,214
WMCA	208,852	217,449	-8,597

Furloughed Workers per Sector

HMRC released at a national level the number of workers furloughed by broad sectors. The broad sectors were grouped to largely align to the WMCA ten sectors to help further understand impacts to vulnerable sectors.
Applying the national proportions of workers furloughed per sector to the WMCA (3 LEP) furlough numbers suggests the cultural economy, including the sports sector, will have the highest number of workers furloughed at an estimated number of 100,444 workers. This potentially accounts for 74.3% of jobs in the cultural economy, including the sports sector, in the WMCA (3 LEP).
This is followed by the retail sector with an estimated 91,856 workers furloughed in the WMCA (3 LEP) area. This potentially accounts for 30.0% of jobs in this sector the WMCA (3 LEP). Notably, when looking at the proportion of jobs per sector, the retail sector is higher than the national average (16.6% vs 15.3%).

The business, professional and financial services also has a potential high number of workers furloughed in the WMCA (3 LEP) area at 91,737 workers, which is an estimated 22.8% of jobs in this sector.
The sector with the lowest proportion of workers furloughed is low carbon and environment technologies, with an estimated number of 5,523 workers furloughed in this sector for the WMCA (3 LEP) area, however this may equate to 19.3% of jobs in the WMCA (3 LEP) area.
The next lowest sector at an estimated 9,586 workers furloughed in the digital and creative sector which is around 19.4% of jobs.

The following table firstly shows the potential number of workers furloughed per sector which has been coloured red to green depending on how heavily impacted and also in the table is the total number and proportion of jobs in the WMCA per sector, highlighted in blue demonstrates where the WMCA has a higher proportion of jobs when compared to national:

	% of National Furloughed	Estimated Number of WMCA Furloughed	WMCA Jobs (2018)	% of WMCA Workers Furloughed to Jobs	WMCA % of Jobs Total	England % of Jobs
Advanced Manufacturing	9.6%	47,417	209,400	22.6%	**11.3%**	8.0%
Business, Professional and Financial Services	18.5%	91,737	402,040	22.8%	21.8%	22.9%
Construction	7.8%	38,778	121,000	32.0%	6.6%	7.1%
Cultural Economy Inc. Sports	20.2%	100,444	135,150	74.3%	7.3%	9.9%
Digital and Creative	1.9%	9,586	49,320	19.4%	2.7%	4.4%
Life Sciences & Healthcare	3.8%	18,944	239,000	7.9%	**12.9%**	12.7%
Logistics & Transport Technologies	3.5%	17,307	109,355	15.8%	**5.9%**	4.9%
Low Carbon and Environment Technologies	1.1%	5,523	28,615	19.3%	1.6%	1.8%
Public Sector Inc. Education	2.5%	12,428	242,000	5.1%	**13.1%**	12.9%
Retail	18.5%	91,856	306,000	30.0%	**16.6%**	15.3%
Unknown/ Other	12.5%	62,025				
Total	100%	496,200	1,846,000	26.9%	100.0%	100.0%

How can we mitigate the impact of the Covid-19 unemployment crisis through lifelong learning?

Abigail Taylor and Anne Green WMREDI

We are entering an unemployment crisis as a result of COVID-19. Since lockdown the number of people out of work and claiming work-related benefits in the UK has risen by 23% to 2.8 million in May. With the furlough scheme being wound down from August and ending in October, it is likely unemployment will rise further in the coming months. What can be done to mitigate the impact of the unemployment crisis?

A new report by City-REDI and the Industrial Strategy Council presents evidence on some of the skills challenges facing the UK and how they might be addressed. Below we consider the key points in the report that are relevant to the West Midlands as it seeks to plan its recovery from the crisis.

The importance of promoting lifelong learning

Lifelong learning is becoming more important in the context of Covid-19. In addition to the job losses caused by the crisis, workers around the world who remain in employment have faced changes in how and where they work including the rapid increase in the use of digital technology.

Developing an effective lifelong learning system for all is essential to addressing employers' changing skills needs and ensuring that individuals have the skills they require to find work in the increasingly challenging labour market.

The report emphasises how information campaigns, employer and union learning representatives, and managers can all play a role in communicating the benefits and necessity of lifelong learning to employees. Introducing clearer signposting regarding what different forms of adult funding support can be used for, together with greater guidance on eligibility, can help local skill providers to adapt to local skill needs.

Supporting managers to better promote skills development and utilisation

Leadership quality and broader institutional culture are critical in determining opportunities for learning and driving up participation in training.

The report reveals the role managers play in skills development and utilisation. If managers and leaders are to effectively upskill their workforce to respond to the COVID-19 crisis, it is essential they receive appropriate training and organisational support.

Clear training objectives and career progression pathways within organisations, coupled with better data and more developed systems to develop training and monitor its impact, will help managers to foster and support workplace skills development and utilisation.

Developing strategic and local partnerships

The report suggests that developing effective strategic and/or local partnerships will also be key to regions like the West Midlands in addressing the skills challenges they face going forward. Evidence reveals some of the most successful international skills systems feature **strong partnerships between the State, education providers, and businesses and,** in many cases, **social partners** such as trade unions. Closer collaboration between business and education can be supported through increased opportunities for providers to work with business, improved training for trainers and mentors, and the establishment of technical colleges. For example, in both Canada and France sector councils play an important role in anticipating skill needs within and across sectors and using sector-specific knowledge to develop recommendations for education and training. France shows how employers' organisations and trade unions can take a leading role in funding sector councils. It also indicated how without significant levels of state funding, sector councils can lack visibility and sufficient resources to fulfil their roles effectively. Strong support from central government for partnerships between employers, employers, government and social partners is important.

Whilst the scale of the COVID-19 crisis may create pressures for significant policy change, **Policy stability and continuity emerges as important** for employers to navigate the skills system and build relationships within it. Interviews conducted as part of the project indicate the need existing policy to be tailored rather than replaced. **Improved use of information and data analysis** is likely to be important in better meeting sectoral and local needs while supporting existing objectives to raise productivity and improve competitiveness.

Reducing future skills mismatches and incentivising lifelong learning

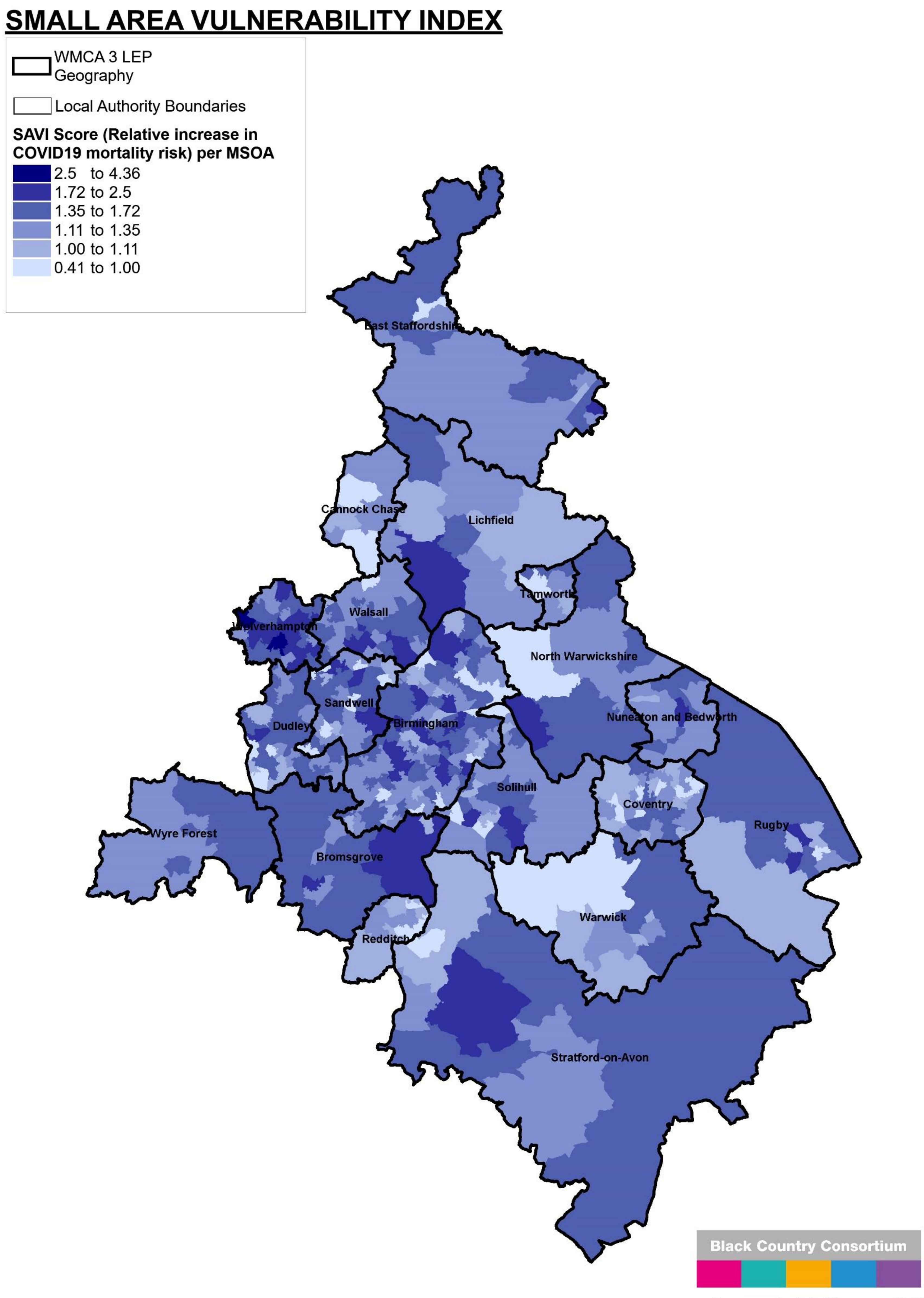
Overall, whilst individuals will need to take greater responsibility for their learning going forward, and managers must foster an environment that promotes upskilling, the report makes clear that stakeholders across the skills system will need to work together to develop a **clear overarching vision** for UK skills and a long-term commitment to delivery in order to reduce future skills mismatches and incentivise lifelong learning.

Small Area Vulnerability Index (SAVI)

Black Country Consortium EIU

The SAVI is an empirically informed measure of COVID19 vulnerability for each Middle Super Output Area (MSOA) in England. The SAVI index investigates the association between each predictor (proportion of the population from Black, Asian and Minority Ethnic (BAME) backgrounds, income deprived, over 80 years old, living in care homes, living in overcrowded housing and having been admitted in the past 5 years for a chronic health condition) and COVID19 mortality using a multivariable Poisson regression, whilst accounting for the regional spread and duration of the epidemic.

The SAVI provides a score for each MSOA in England that indicates the relative increase in COVID mortality risk that results from the level of each of the six vulnerability measures for each area.



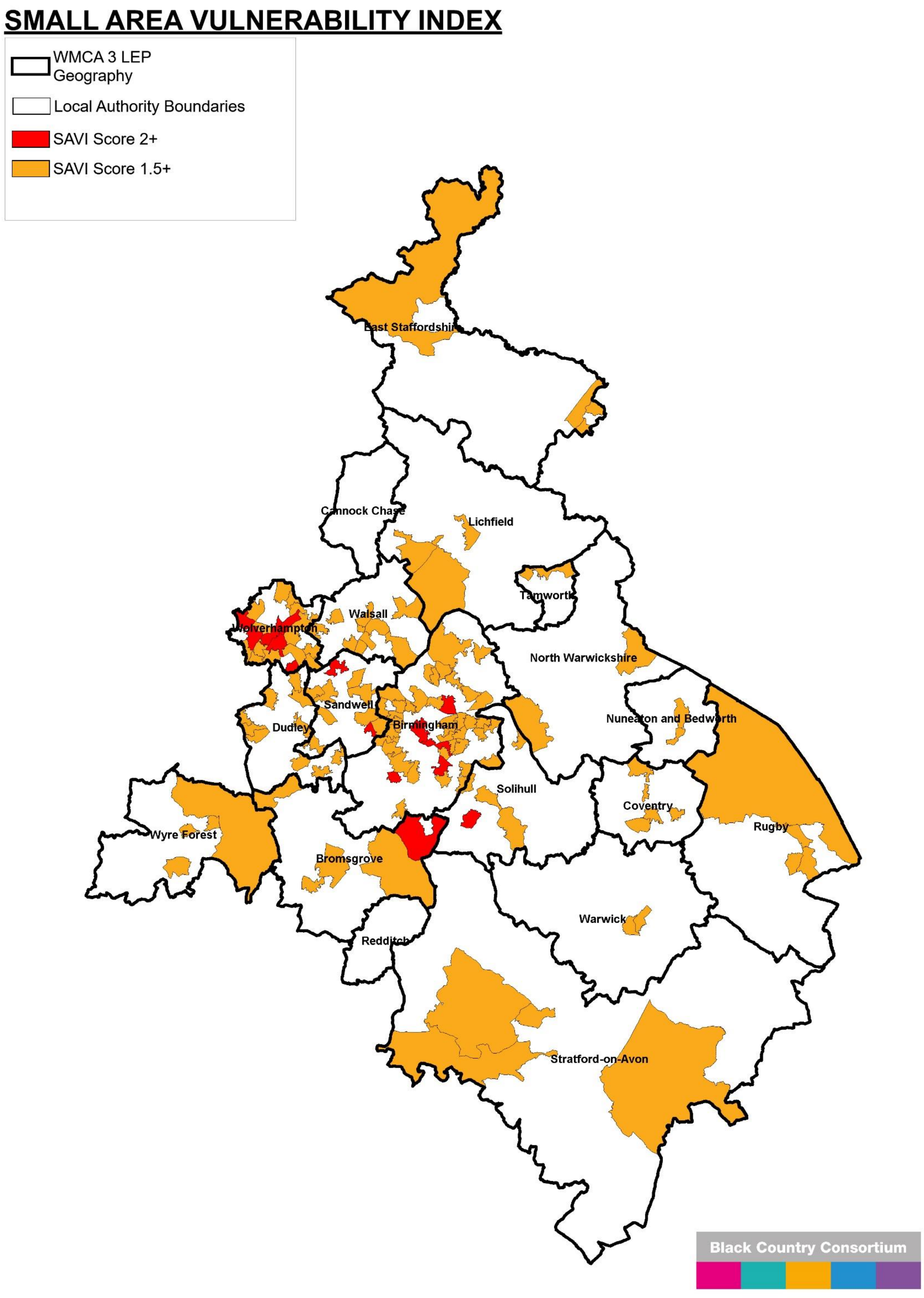
Findings indicated that high levels of vulnerability to COVID19 are clustered nationally within the North West, West Midlands and North East regions.

Out of the 513 MSOA's covering the WMCA 3 LEP area there were 49 MSOA's (10%) that had a score under 1 whilst 15 MSOA's had a score of 2 plus (3%). The most vulnerable MSOA within the WMCA 3 LEP area was Tettenhall South in Wolverhampton with a score of 2.89 for increase in risk (the 16th highest score in England).

High levels of vulnerability are concentrated particularly in the West Midlands with high scoring clusters in Wolverhampton, Birmingham, Bromsgrove, Wyre Forest, Stratford-on-Avon and Rugby.

The SAVI has been based on the most recent data (available on 12 June 2020) at the MSOA level. The Isles of Scilly (E02006781) and City of London (E02006781) have been excluded due to missing data in these areas, leaving 6,789 MSOAs for analysis.

Source: [The Place-Based Longitudinal Data Resource](#) (PLDR)



Coronavirus (COVID-19) related deaths by occupation, England and Wales: deaths registered between 9 March and 25 May 2020
ONS

There are many complex issues playing out during the pandemic and the risk of death involving COVID-19 is influenced by a range of factors including the job someone does, but also age, ethnicity and underlying health conditions. We also know that people living in the most deprived local areas, and those living in urban areas such as London, have been found to have the highest rates of death involving COVID-19.

The ONS analysis shows that jobs involving close proximity with others, and those where there is regular exposure to disease, have some of the highest rates of death from COVID-19. However, findings do not prove conclusively that the observed rates of death involving COVID-19 are necessarily caused by differences in occupational exposure.

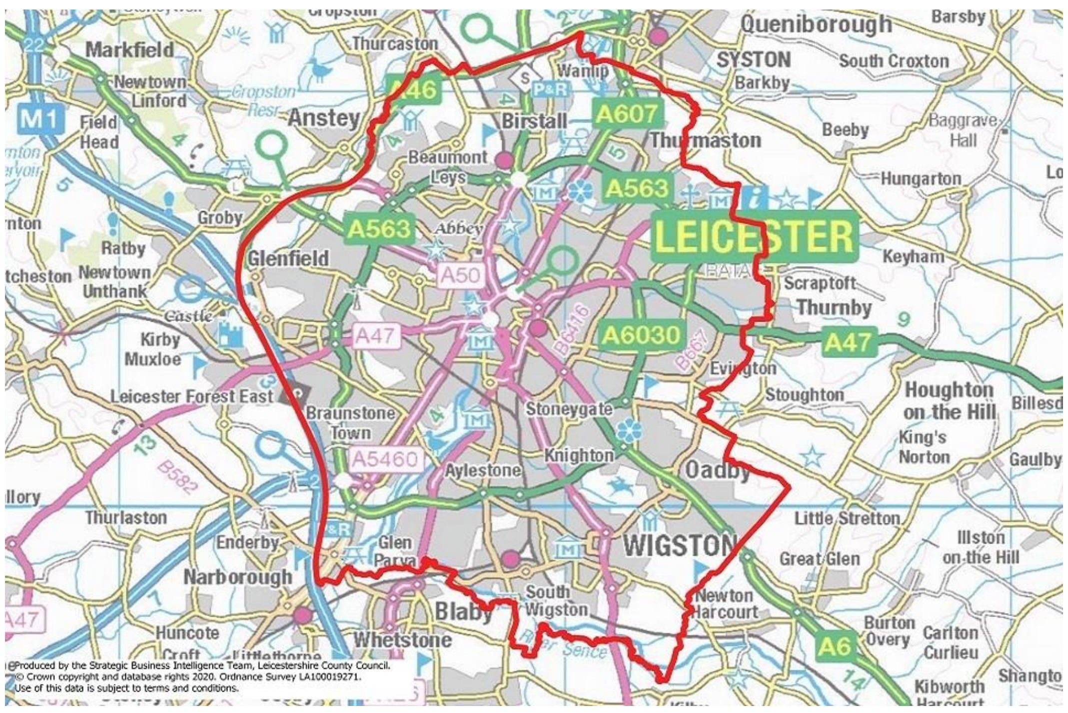
Key findings

- A total of 4,761 deaths involving the coronavirus (COVID-19) in the working age population (those aged 20 to 64 years) of England and Wales were registered between 9 March and 25 May 2020.
- Nearly two-thirds of these deaths were among men (3,122 deaths), with the age-standardised mortality rate of death involving COVID-19 being statistically higher in men, at 19.1 deaths per 100,000 men aged 20 to 64 years compared with 9.7 deaths per 100,000 women (1,639 deaths).
- Compared with the rate among people of the same sex and age in England and Wales, men working in elementary occupations had the highest rate of death involving COVID-19, with 39.7 deaths per 100,000 men (421 deaths); of the specific elementary occupations, **men working as security guards had the highest rate**, with 74.0 deaths per 100,000 (104 deaths).
- **Men and women working in social care, a group including care workers and home carers, both had significantly raised rates of death** involving COVID-19, with rates of 50.1 deaths per 100,000 men (97 deaths) and 19.1 deaths per 100,000 women (171 deaths).
- **Among health care professions as a whole, including those with jobs such as doctors and nurses, only men had higher rates of death** involving COVID-19 (30.4 deaths per 100,000 men or 130 deaths) when compared with the rate among those whose death involved COVID-19 of the same age and sex in the general population; of the specific health care professions, **nurses had elevated rates among both sexes** (50.4 deaths per 100,000 men or 31 deaths; 15.3 deaths per 100,000 women or 70 deaths).
- Among women, four specific occupations had raised rates of death involving COVID-19, including **sales and retail assistants** (15.7 deaths per 100,000 women, or 64 deaths).
- Because of the higher number of deaths among men, 17 specific occupations were found to have raised rates of death involving COVID-19, some of which included: **taxi drivers and chauffeurs (65.3 deaths per 100,000; 134 deaths); bus and coach drivers (44.2 deaths per 100,000; 53 deaths); chefs (56.8 deaths per 100,000; 49 deaths); and sales and retail assistants (34.2 deaths per 100,000; 43 deaths**).
- Of the 17 specific occupations among men in England and Wales found to have higher rates of death involving COVID-19, data from the Annual Population Survey (APS) show that 11 of these have statistically significantly higher proportions of workers from Black and Asian ethnic backgrounds; for women, APS data show that two of the four specific occupations with elevated rates have statistically significantly higher proportions of workers from Black and Asian ethnic backgrounds.
- This analysis does not prove conclusively that the observed rates of death involving COVID-19 are necessarily caused by differences in occupational exposure; we adjusted for age, but not for other factors such as ethnic group and place of residence.

Local Lockdown - Leicester

Will Rossiter NTU
Rebecca Riley WMREDI

On 29th June, the Secretary of State for Health and Social Care Matt Hancock announced a local lockdown in Leicester, Oadby and Wigston and parts of other surrounding Districts. The areas covered are indicated on the map below.



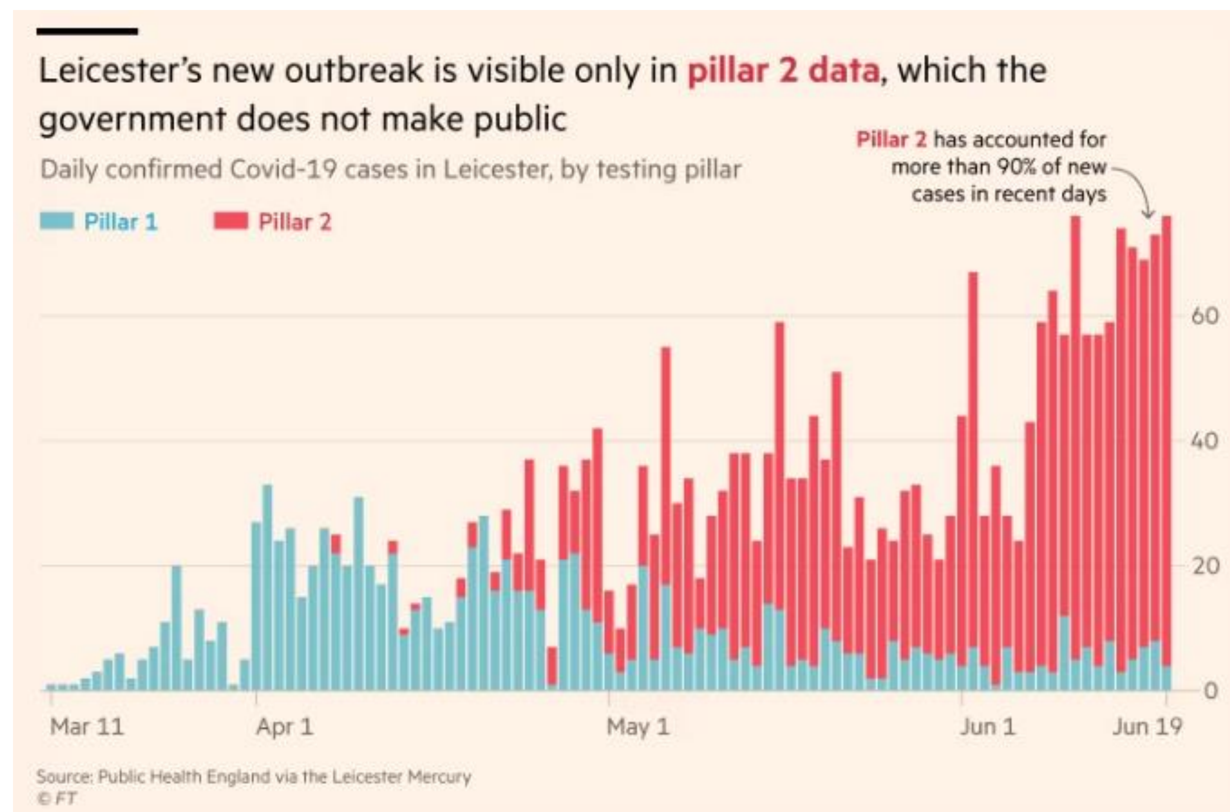
Changes in the Leicester area

Within this boundary, the following restrictions have been put in place and will be reviewed from 18 July:

- non-essential shops that reopened on 15 June have been asked to close from 30 June
- bars, restaurants and hairdressers will not reopen on 4 July
- schools will close from Thursday 2 July except to vulnerable children and children of key workers. They will not reopen until next term
- the relaxation of shielding measures due on 6 July cannot now take place in Leicester
- single-adult households (those who live alone or with dependent children only) can still form a support bubble with one other household
- people are still able to meet in a group of up to 6 and only outdoors, provided strict social distancing is followed
- people in Leicester are recommended to stay at home as much as they can
- Government advises against all but essential travel to, from and within Leicester

Active Cases

This lockdown is an example of how the differe pillars of data are being used to make decisions, pillar 1 is hospital testing (and widely reported). Pillar 2 is community testing (and not reported) and local areas do not have access to this data as it is compiled nationally. This has created issues locally as places cannot prepare or understand the risk in advance. This has been a major criticism of the Leicester lockdown. The FT published this data when it was released as part of their Covid-19 data reporting. The blue bars are the hospital reporting and the red bars are the community cases. In Leicester these cases account for 90%. There are currently upticks in pillar 2 cases in Yorkshire and the Humber and East Midlands. According to the FT Data is only made available to local authorities if they sign the Data Protection Act and only for their own authority. Local Authorities, who would normally deal with outbreaks, do not know who is being tested or what the results are.



Potential economic impacts of local lockdown

While it is clearly too early to take a definitive view of likely scale of economic impact on the areas covered by the local lockdown, we can make some initial observations on potential impacts.
The local lockdown in Leicester is likely to bear heavily on businesses that incurred significant costs in preparation for the anticipated opening of additional sectors on 4th July. The flexibility to return workers affected by the lockdown to furlough is welcome, but additional financial support is likely to be required if this circumstance is not to result in additional business failures. There is the risk that Leicester based businesses unable to trade will lose business to competitors based outside the lockdown. There is also a risk that some firms that would have opened on 4th July will not now reopen at all – because they will simply not be able to survive a further period without the ability to trade and generate income.
As the first example of a local lockdown, the Leicester case is strongly suggestive of need for Government to consider a more spatially targeted approach to business and employment support initiatives as we move into high summer. Particularly if, as some suggest, it is possible that more local lockdowns may follow Leicester should more local outbreaks of Covid-19 be identified.

HEADLINES	
SECTOR	**KEY CONCERNS**

Cross Sectoral	Access to Finance
	• There are continued concerns from sole Director led Limited Companies, who have received no specific support from government, apart from taking on loans.
	• Some targeted action is required, such as:
	  o Extend grant support schemes for SMEs via local authorities to help local businesses survive.
	  o Extend Business Rates relief to mid-sized businesses in all sectors for the next 3 months to help supply chains recover.
	  o Defer VAT payments for businesses in 2nd quarter of 2020 to support cashflow and investment.
	  o Extend the deadline for the Coronavirus Business Loan Scheme beyond August for a further 3 months.
	  o Accelerate local infrastructure upgrades in 2020/21 by increasing funding for local authorities.
	Many micro companies have seemed to fall into the category where Covid support has not been accessible.
	New Business Models inc Diversification. More businesses are using this time to diversify and there is a significant drive for businesses to reduce their carbon emissions and look at new, greener ways of working.
	New Business Start-Ups- Start-up enquiries continue to be in line more with normal times. A handful of new businesses who were almost ready to launch have now been delayed due to the pandemic. A number are delaying launching their business until 2021 post EU-Exit.
	Supply Chain - Companies that have been using existing stocks now starting to struggle obtaining parts or supplies, halting or delaying production. May lead to further furloughing of staff. Smaller companies originally sourcing products or supplies from India and China, no longer able to do so and have had to find more expensive local sources.
	Office Space & WFH - Ongoing and similar issues. Working from home identified by most businesses as highly effective bringing into question the need for expensive fixed office bases. New flexible attitude to home working a positive step although will negatively impact commercial (office) property rental markets. Warehousing and Logistics are an exception to this and remain in strong demand.
	Successes, Recruitment & Grants - Continued upturn in referrals, grant applications (particularly Innovation) to all partners. Grants being awarded to business diversifying or adapting as a result of COVID-19. Some businesses recruiting for both skilled and unskilled positions. Positive although will not address the demand for all those seeking employment.

Charity	Access to Finance - Some charities struggling as it has been difficult to navigate what government support has been available to them.
Aerospace	Jobs - Redundancy warnings are particularly high in this sector.
Automotive	Jobs - 1 in 6 jobs in the UK Motor Industry are classed as 'at-risk'; 1/3 of workers in this sector remain on furlough across the UK, financial support will be needed to help them return to work.
Business & Professional Services	Consumer Behaviour • Demand for these offerings has remained steady throughout the lockdown period. • Some lost a few clients due to site closures, but on the whole, mostly positive. • Issues for companies who rely on events where they cannot be replaced by online events. New Business Models inc Diversification - Many businesses we have spoken to in this sector have advised that they have carried out some form of diversification to ensure business continuity Finances - Some businesses in this sector predicting turnover will drop over 80% for the year – and are concerned about not getting back customers they have lost due to the crisis.
Construction	Labour Supply - Some businesses looking to employ more staff to increase productivity. Access to Finance - Some businesses still looking at applying for Covid grant funding.
Visitor Economy	Re-opening of hospitality venues on 4th July • The news is generally welcomed by the sector. • Businesses will require specific guidance to prepare, particularly at such short notice. • Companies expressed frustration that they have been given just 11 days' notice to restart their supply chains, return staff to the workplace and get ready to deliver a whole new Covid-secure service. Social Distancing - The replacement of the two-metre distancing rule with a one-metre plus measure has meant re-opening is now viable for more businesses. Redundancies - Companies are preparing for redundancies post Job Retention Scheme. Demand for some services, particularly leisure/hotels, significantly reduced, if not removed altogether, leading to redundancies and company closures.

Appendices

- Weekly deaths ONS
- ONS Weekly Indicators
- LEP Level Local Business Intelligence

Weekly Deaths ONS

The following analysis compares the latest time period (week of the 19th June 2020) to the previous week period (week of the 12th June 2020) for the number of deaths registered and the number of deaths related to the Coronavirus.

Across England and Wales, the overall registered death figure has decreased from 9,976 in the week of 12th June to 9,339 in the week of 19th June. The number of deaths registered that state Coronavirus on the death certificate has decreased from 1,114 people to 783 people over the same period.

Regional level analysis shows that the West Midlands the overall registered death figure has decreased from 1,096 in the week of 12th June to 973 in the week of 19th June. The number of registered deaths related to Coronavirus has decreased from 104 to 93 over the same period.

There was a total of 661 deaths registered across the WMCA (3 LEP) area in the week of the 19th June. There were 61 deaths registered that were related to Coronavirus over the same period – this accounts for 9.2% of total deaths. The WMCA (3 LEP) area accounts for 65.6% of the 93 Coronavirus related deaths registered in the West Midlands Region.

In comparison to the week of the 12th June, the overall registered death figures across the WMCA (3 LEP) have decreased by 98 people, with the number of registered deaths related to Coronavirus decreasing by 3 people.

At local authority level, Birmingham accounts for 18.0% (11) deaths related to Coronavirus in the WMCA (3 LEP), this is followed by Sandwell at 13.1% (8 deaths). Notably, there were no registered deaths related to Coronavirus in Lichfield and Wyre Forest.

Of deaths involving Coronavirus registered in the week of 19th June, 57.4% (35) occurred in a hospital which has decreased when compared to the week of the 12th June at 67.2% (43). The number of Coronavirus related deaths that occurred in a care home increased from 21.9% (14) to 27.9% (17) in the week of 19th June.

The following table shows the place and number of deaths registered that are related to Coronavirus in the week 19th June 2020:

The following table shows the place and number of deaths registered that are related to Coronavirus in the week 19th June 2020:

Area name	Care home	Elsewhere	Home	Hospice	Hospital	Other communal establishment	Total
Cannock Chase	0	0	1	0	2	0	3
East Staffordshire	2	0	0	0	1	0	3
Lichfield	0	0	0	0	0	0	0
Tamworth	0	0	1	0	2	0	3
North Warwickshire	1	0	0	0	2	0	3
Nuneaton and Bedworth	0	0	0	0	6	0	6
Rugby	1	0	0	0	0	0	1
Stratford-on-Avon	0	0	0	0	1	0	1
Warwick	1	0	0	0	0	0	1
Bromsgrove	2	0	0	0	1	0	3
Redditch	0	0	1	0	1	0	2
Wyre Forest	0	0	0	0	0	0	0
Birmingham	5	0	2	0	4	0	11
Coventry	0	0	0	0	2	0	2
Dudley	3	0	1	0	2	0	6
Sandwell	1	0	1	0	6	0	8
Solihull	1	0	0	0	0	0	1
Walsall	0	0	1	0	3	0	4
Wolverhampton	0	0	0	1	2	0	3
WM 7 Met.	10	0	5	1	19	0	35
Black Country LEP	4	0	3	1	13	0	21
Coventry & Warwickshire LEP	3	0	0	0	11	0	14
Greater Birmingham & Solihull LEP	10	0	5	0	11	0	26
WMCA (3 LEP)	17	0	8	1	35	0	61

ONS Weekly Release Indicators

On the 25th June 2020 the ONS released the weekly publication containing data about the condition of the UK society and economy and the impact of the COVID-19 pandemic.

The statistics are experimental and have been devised to provide timely information, with publication of final survey results currently expected to take place fortnightly with initial findings released in-between. The following information contains the initial results from Wave 7 of the Business Impact of Coronavirus Survey, the final results for Wave 14 of the Opinions and Lifestyle (OPN) Survey, experimental online jobs advert indices and weekly management information on Universal Credit claims and advances.

Business Impact of the Coronavirus

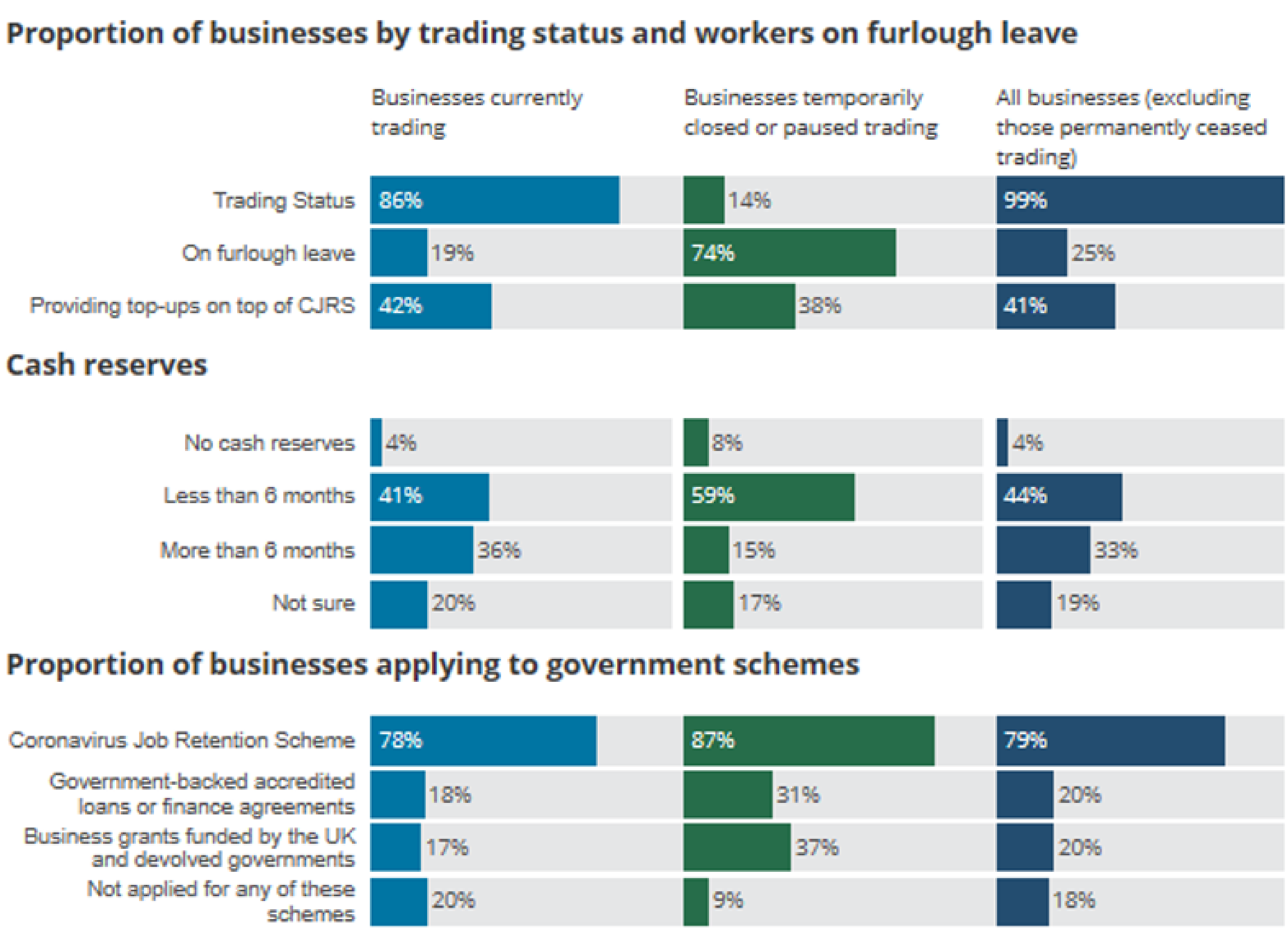
The initial results from the seventh round of the Business Impact of Coronavirus Survey (BICS) show that of the 24,473 businesses surveyed across the UK, 21% had responded as of the 23rd June 2020. Unless stated, the following data is based on the period between 1st June to the 14th June 2020 and regional breakdown is not available.

Headline Indicators

Across the UK between 1st – 14th June, 86% of responding businesses were currently trading with 19% of the workforce on furlough leave. 14% have temporary paused or closed trading with 74% of the workforce on furlough leave.

4% of businesses that are currently trading have no cash reserves, this rises to 8% for businesses that have temporary paused or closed. 41% of businesses currently trading has less than 6 months of cash reserves, this rises to 59% for businesses that have temporary paused or closed.

The Coronavirus Job Retention Scheme still remains the favoured government support scheme with 78% of businesses that are currently trading have applied for this scheme, rising to 87% for businesses that have temporary paused or closed



Source: Office for National Statistics – Business Impacts of Coronavirus Survey

79% of responding businesses have been trading for more than the last 2 weeks. 6% of responding businesses who had temporary paused trading reported to have started trading in the last 2 weeks. Of the businesses trading, 2% had returned to their normal workplace after remote working and 7% had returned from furlough.
14% of responding businesses had temporarily closed of paused trading between 1st and 14th June. Of these, only 3% intend to restart trading in the next two weeks. For the businesses intending to restart trading in the next two weeks, 2% are expected to return to the workplace after remote working and 18% of the total workforce expected to return from furlough.

Capital Expenditure
Wave 7 was the first-time businesses were asked about the impact of the coronavirus on capital expenditure. Initial results show that 43% of businesses that had continued to trade reported that capital expenditure had stopped or was lower. Nearly 33% of businesses reported capital expenditure had not been affected and nearly 6% reported capital expenditure was higher than normal.

Financial Performance
9% of businesses that have continued trading reported turnover had increased by at least 20%. However, 22% reported that turnover had not been affected and 64% reported turnover had decreased by at least 20%.

Social Impact of the Coronavirus
Indicators from the Opinions and Lifestyle Survey is a weekly update to understand on the impacts of the COVID-19 pandemic on people, households and communities in Great Britain.
Data on the social impact of the coronavirus (COVID-19) on Great Britain were collected from the Opinions and Lifestyle Survey (OPN). The data relate to the final results for Wave 14, covering the period 18th – 21st June 2020. In this wave there were 1,920 (77%) responding adults.

Face Coverings
44% of adults have worn a face covering outside their home in the last 7 days, with the most common reason, at 65%, for shopping which is followed by running errands and at 23%.
55% of responding adults reported that are either very or fairly likely to wear one in the next 7 days.
86% of adults have worn a face covering while travelling on public transport in the past 7 days.

Home-schooling and Back to School
32% of adults reported they had been asked to send their children back to school and 87% of these now have their children attending school some or all of the time. Of those who were asked to send their children back but have decided not to, 63% reported this was due to worry that their children will catch the Coronavirus there.
Home-schooled children spent on average 12 hours learning in the week.

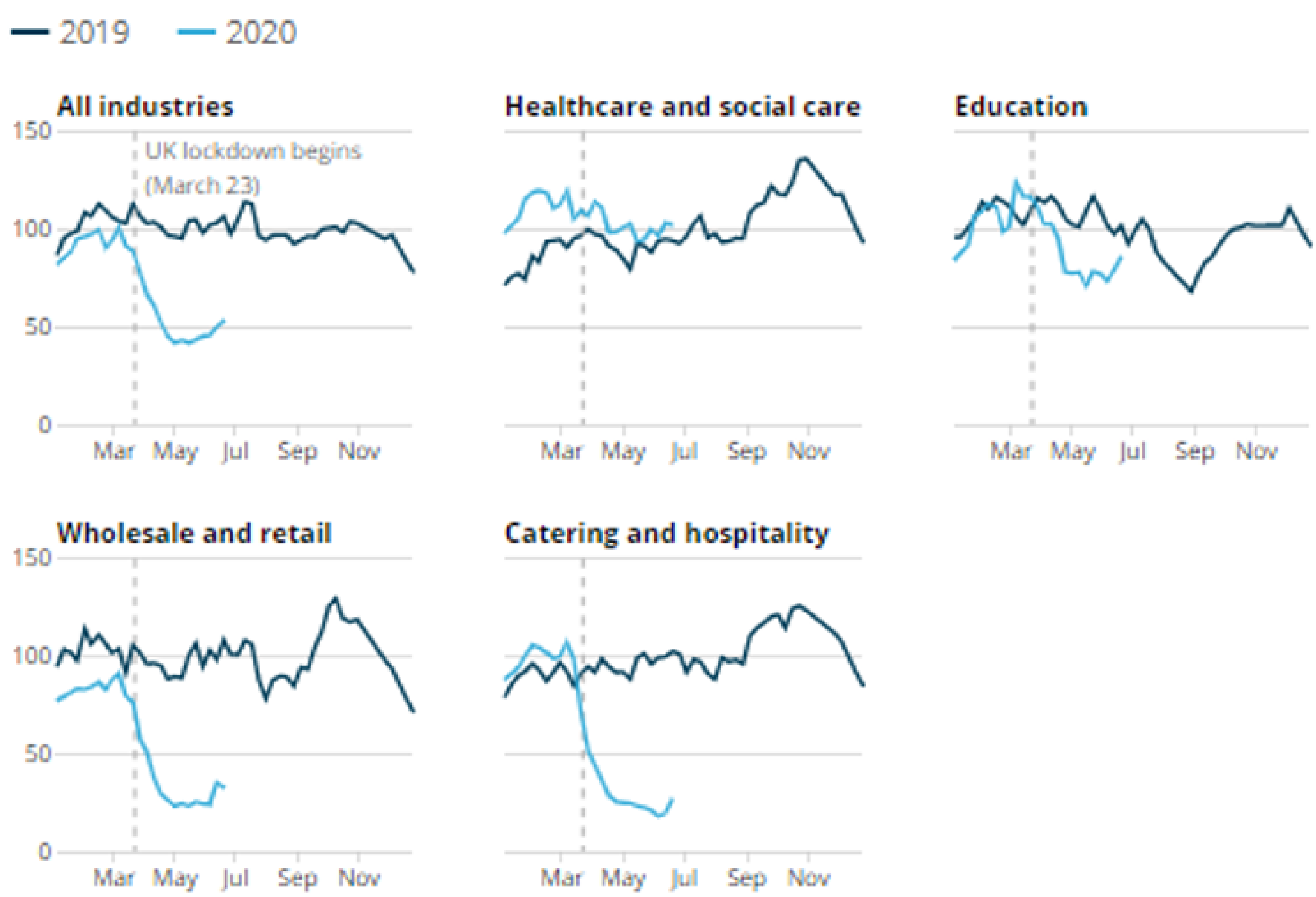
Work
33% of adults reported working exclusively at home, this is a decrease from 38% in the previous survey results. Of those who reported working from home, 69% stated this was due to their employer asking them to do so. 48% reported they were following government advice to carry on working from home and 38% worked from home due to their workplace being closed.
For those who had travelled to work, 43% did work that required direct physical contact with others, with 52% reporting they had either often of always worn personal protective equipment. However, 21% reported never wearing personal protective equipment.
For those who did not have physical contact with others at work, 30% stayed at least two meters away from each other.

Impacts of Wellbeing and Future Expectations
Similar levels for the percentage of adults reporting the coronavirus was affecting their wellbeing when compared to wave 13 results at 47%.
43% of adults reported they had experienced some positive life changes, with 56% reporting they were able to spend quality time with people they lived with. 50% are enjoying a slower pace of life and 47% prefer spending less time travelling.
Of those who reported undertaking more exercise since the pandemic, 99% wanted to continue this lifestyle change once the pandemic was over.
28% of adults plan to make big life changes once the pandemic was over. 42% want to make a change to work, 38% want to change relationships and 35% want to change where they live.

Online Jobs Adverts
These estimates are experimental/ Figures are taken from jobs adverts provided by Adzuna. Each value in the series measures the number of jobs adverts at a point in time, indexed for the average for 2019 (average = 100).

Across all industries the total online jobs vacancies have increased from 50% to 53% of its 2019 average between 12th and 19th June. However, the demand for labour is distributed unequally across categories of adverts as half saw an increase and the other half decreased over the period.
In catering and hospitality industry job adverts have increased from 20% to 27% of it 2019 level between 12th and 19th June due to the growing expectation for pubs and bars to reopen. Education increased from 79% to 86% of it 2019 average. While for wholesale and retail there was a decline from 35% to 33% of it 2019 average over the same period.

Universal Credit
Since 1st March 2020, the Department for Work and Pensions has received 3.3m individual declarations and 2.6m household declarations. The Department for Work and Pensions have paid 1,067,540 new claim and benefit transfer advances over the same period.



Source: Adzuna

Black Country Consortium
Economic Intelligence Unit

NEW ECONOMIC SHOCKS			
COMPANY	**LOCATION**	**SECTOR**	**SOURCE/DETAIL**
Swissport	Birmingham Airport	Aerospace	Birmingham Airport baggage handler Swissport announces thousands of job cuts.
Dunlop Aircraft Tyres	Erdington, Birmingham	Aerospace	Up to 200 jobs are at risk, with Covid-19 and air travel restrictions blamed for a fall in orders
Intu	Black Country and wider areas	Retail	Administrators have been called in to Intu Merry Hill as Intu were unable to work through any rescue deals. It remains unclear as to whether the centre will find a buyer, or have to close completely.
Marstons	Wolverhampton	Hospitality	Brewing company have announced the cost of Covid-19 on their company has amounted to a £40mil shortfall in revenue.
Collins Aerospace	Wolverhampton	Aerospace	Collins makes 255 redundancies following reduced demand for products during CV19 pandemic.
Lee Longlands	Leamington (Regional)	Retail	A furniture retailer which has been trading for almost 120 years has called in administrators. The bosses of Lee Longlands & Co says the decision has been made following the “devastating” impact of the coronavirus pandemic, but that the company will be operating as usual.
Listers Honda Garage	Coventry	Automotive, Retail	A Listers garage in Coventry has closed with more than 20 workers reportedly losing their jobs. The Listers Honda site in London Road officially ceased trading on Monday (June 22), although workers have gone through a consultation process over the past two weeks. Seven contacts had already been terminated and a further 16 were made redundant in the last week.
Autins	Rugby	Manufacturing	Warwickshire-headquartered supplier to the automotive industry Autins Group has said it has seen a "significant fall off" in demand during the first few months of the second half of its financial year which it does not expect to return to pre-Covid-19 levels in 2020. AIM-listed Autins, which is based in Rugby, has also confirmed it submitted an application for a £2.75m CBILS loan through HSBC to help it through the crisis which forced it to close its facilities in Europe.

NEW INVESTMENT, DEALS AND OPPORTUNITIES			
COMPANY	**LOCATION**	**SECTOR**	**DETAIL & SOURCE**
Nicoman	Tyseley, Birmingham	Furniture / Other manufacturing	The Business Desk 26/06 11,000 new-build warehouse occupation by vinyl mat manufacturer
Dawsons Group Vans & D and K Transport Ltd	Walsall	Property	Councillors have approved plans for 2 new businesses to be built on an area of dilapidation which will create 46 new jobs for the area.
Studios24	Wolverhampton	Property	Funding of £6.4 million has been secured by The Studios24 which was the first company to deliver a major co-living development in the Midlands.
Green Duck Brewery	Dudley	Brewery	Company invest £30k in four new vessels to increase capacity by 50%
PSU Designs	Wolverhampton	Manufacturing	Funding received from BCRS as part of the CBILS scheme to assist with cash flow to support their development plans and attract new customers.
Bromford Homes	Wolverhampton	Property	Landlord has secured the funding through Private investor in order to build more homes and support with challenges that have arisen during the CV19 pandemic.
Codemasters	Southam	Digital and Creative	Profits and revenues at Southam-based videogame developer Codemasters have both risen for the 12 months to 31 March. Turnover was up 6.8% to £76m, while profits were up 4.5% to £65.2m.
Grace and Flavour/Spray It Safe	Leamington Spa	Catering, Hospitality	A company which offers a spraying and anti-bacterial fogging service to commercial clients allowing staff to return to the workplace after the Coronavirus lockdown has been launched.
Octanauts Swim School	Coventry	Education, Training	A community swimming school is staying afloat thanks to kind-hearted Coventry and Warwickshire businesses and parents rallying round. The business, has been receiving advice and information from CWLEP Growth Hub.
Fire Angel	Coventry	Safety, Construction	A Coventry-based smoke alarm and carbon monoxide detector manufacturer has secured £3.2m through the Coronavirus Large Business Interruption Loan Scheme (CLBILS) scheme.
Filta Group Holdings	Rugby	Catering, Hospitality	Shares in a Warwickshire-headquartered company which provides cooking oil filtration and fryer management services to restaurants have risen to their highest level in more than a month. Rugby-based Filta Group Holdings' shares increased 25 per cent on Friday 19 June.
JLR	National	Automotive, Engineering, Manufacturing	Jaguar Land Rover is to support the city of Oslo with the world's first high-powered wireless taxis. In a programme known as ‘ElectriCity’, the Coventry-headquartered vehicle manufacturer will join Nordic taxi operator Cabonline (NorgesTaxi AS), the region’s largest charge point operator Fortum Recharge, US technology developer Momentum Dynamics and the City of Oslo to build wireless, high-powered charging infrastructure for taxis in the Norwegian capital.
LEVC/DPD	Regional	Automotive, Engineering, Manufacturing	Queen's Award-winning parcel delivery giant DPD is to partner with the London EV Company (LEVC) for a series of road trials ahead of the launch of the company's new VN5 Electric Van later this year. DPD will be testing the technology using a specially adapted LEVC vehicle. The team will be looking at how the vehicle operates in different driving conditions, and with different loads and on different types of routes, using the full capability of the range extending technology.
Papp’s Café	Coventry	Catering, Hospitality,	A family-run business which opened in Coventry two weeks before lockdown has re-opened with a new-look and a five-figure investment. Papp’s Café launched prior to the lockdown period, but despite being forced to close due to Covid-19 and with support from the Coventry and Warwickshire Local Enterprise Partnership (CWLEP) Growth Hub, takeaway customers are being welcomed with social distancing measures in place.
Aston Martin	National	Automotive, Engineering, Manufacturing	Aston Martin has revealed major plans to increase its liquidity by completing an equity raise of almost 20 per cent, received a Covid-19 loan of £20m and drawing about $68m of delayed draw senior secured notes. The company is also in talks to secure up to £50m of trade financing. The listed luxury car maker has said the total number of placing shares and retail offer shares will not exceed 19.99 per cent of its existing ordinary share capital.

Disclaimer: The contents of this document are based on the latest data available and the contribution of regional partners in a fast paced environment, therefore we urge caution in its use and application

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