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 Covid-19 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.

It is Budget week and Chancellor of the Exchequer Rishi Sunak presented HMG's Budget 2021 to the House of Commons on 3 March 2021. The Chancellor outlined measures in the Government's Build back better: our plan for growth budget aimed at supporting jobs and businesses and stabilizing public finances.

Budget summary:

- **Business:** £126m to fund 40,000 more traineeship places; new restart grant to help businesses re-open – non essential retail to receive up to 6k per premise and up to £18k for hospitality and leisure businesses; Cultural and Sports recovery fund; Film and TV restart fund; CBLIS and CBBLS replaced with Recovery Loan Scheme; tapered business rate for most affected sectors and extension of 5% VAT to September 2021, 12.5% till April 2022.
- **Employment:** JRS extended until September 2021 with tapered government contributions; Universal Credit uplift extended and one-off payments available; stamp duty extension and 95% mortgage guarantee scheme; addressing domestic violence programme and funding for army veterans with mental health conditions.
- **Public finances:** personal tax allowances stand at £12,570 and £50,270 next year (until April 2026); corporation tax to increase to 25% in 2023; Super deduction meaning that companies will have a capital investment allowance of 130%; planned duties cancelled.
- **Future:** creation of the UK Infrastructure Bank, will have an initial capitalisation of £12bn and is expected to support at least £40bn of total investment in infrastructure. Support for small and medium-sized enterprises to grow through two new schemes to boost productivity: Help to Grow: Management, a new management training offer and Help to Grow: Digital, a new scheme to help 100,000 SMEs save time and money by adopting productivity-enhancing software, transforming the way they do business.
- The Government is launching the prospectus for the £4.8 billion Levelling Up Fund alongside Budget.
- £1bn new town deals confirmed - this includes funding for Wolverhampton, Rowley Regis, Smethwick and West Bromwich.
- A number of Freeports announced, the closest to the region is East Midlands Airport.

Regional priorities announced:

- £59m for five new stations in the region in the Black Country and south Birmingham.
- £50m will go to Solihull Council's Urban Growth Company to help fund transport improvements around the HS2 Birmingham Interchange Station.
- £116m for the regeneration for Rowley Regis (£19m), Smethwick (£23.5m), West Bromwich (£25m) Wolverhampton (£25m) and Nuneaton (£23.5m).
- A £10m Wolverhampton-based Government taskforce to work with the WMCA in developing new construction technologies including low carbon, energy efficient homes.

OBR - GDP is expected to grow by 4 per cent in 2021 and to regain its pre-pandemic level in the second quarter of 2022, six months earlier than we forecast in November. Unemployment still rises by a further 500,000 to a peak of 6.5 per cent at the end of 2021, but the peak is around 340,000 less than the 7.5 per cent assumed in our November forecast, thanks partly to the latest extension of the furlough scheme. The pandemic is nevertheless still expected to lower the supply capacity of the economy in the medium term by around 3 per cent relative to previrus expectations

Economic overview

- WMCA 3 LEP area had 261,300 employments furloughed at 31st January 2021. This reflects 14.5% take-up of eligible employments for the scheme, compared to the UK average of 15.6%. At the UK level those aged 25-34 years old accounted for the highest proportion of the total number of employments furloughed at 21.9% (1,029,200), followed by those aged 35-44 years old at 19.3% (909,400) and then those aged 45-54 years old at 18.2% (857,000). Accommodation and food services accounted for the highest proportion of UK employments furloughed at 24.4% (1,147,200). This was followed by wholesale and retail at 20.0% (938,500) and then administrative and support services at 8.2% (387,000).
- 46.9% of trading businesses in the West Midlands reported their turnover had decreased by at least 20%. However, 36.7% of trading businesses in the West Midlands reported that their turnover was unaffected and around 7% reported their turnover had increased by at least 20%. 43.1% of trading businesses in the West Midlands reported profits had decreased by at least 20%. However, 35.0% of trading businesses in the West Midlands reported that profits had stayed the same and approximately 7% reported their profits had increased by at least 20%. 52.9% of West Midlands businesses reported prices did not change any more than normal, 14.8% reported prices increased more than normal and 8.0% of West Midlands

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businesses reported some prices increased and some prices decreased. 11.0% of responding West Midlands businesses reported they were stockpiling goods or materials.

- At a West Midlands regional level, there were approximately 259,000 of the population eligible for the third grant of the SEISS, which is a take up rate of 65% based on the total number of claims of 170,000. This can be split further by gender and there was a total potentially eligible male population of 185,200 for the third grant of the SEISS, which equates to a take-up rate of 68% at the end of January which is based on the total number of claims of 125,200. There were 74,200 eligible female population for the West Midlands region with a take-up rate of 60% based on the total number of claims of 44,400.
- PWC released a report this week which highlights
  - whilst COVID-19 brought communities together to support the vulnerable, it has exacerbated inequalities with 44% of people feeling that the pandemic has increased social divisions since it started
  - After a year spent closer to home, the public wants housing, high streets, jobs and skills to top the levelling-up agenda, with housing a standout priority
  - 67% of West Midlands public surveyed say a focus on housing would be most effective in levelling up the country
  - The majority of the public would nevertheless recommend their area as a place to live
  - Low levels of public trust is a challenge for central government but creates opportunities for charities, local government and businesses to build on trust earned through the COVID-19 response
- It was reported this week that Stoke-on-Trent has announced it is to work with Capital & Centric to create a new urban quarter, The Goods Yard, next to the city's main train station. Developer Capital & Centric has been appointed to bring forward £75m million plans for a key regeneration site in Stoke-on-Trent.
- Horton's Estate has also secured planning approval this week for the Birchley Island Retail Park, to deliver a 65,000sq ft retail park.
- It was reported this week that work had begun on a data centre at the Worcester Six Business Park for one of Europe's largest data-hosting companies. Property developer Stoford secured planning for a facility of more than 50,000 sq ft for IONOS and its subsidiary UK brand, Fasthosts.
- The Kalifa Review of UK Fintech was set up in the 2020 Budget to conduct an independent review to identify priority areas to support the UK's fintech sector. The report highlighted that the clusters, including Birmingham, were a worthwhile focus, as they are recognised as powerful economic and social development tools that empower innovation and show more resilience. Birmingham qualifies as an established cluster with a growing financial services presence.
- City Monitor argues that smart cities are on the decline, thanks in fact to the pandemic. People don't want their cities smarter, thanks to growing concerns about data security, but tech that tackles serious concerns like racism or the environment will continue to grow.
- Disabled people are still being left behind and let down by the welfare system despite decades of attempted reform, The Social Market Foundation reports.

EUExit

- A report by UK in a Changing Europe investigating changes in UK Policy and regulation lists four main findings:
  - Significant variation between policy areas, sectors and sub-sectors regarding policy continuity, government had enacted major change in only two of the domains considered in the report: immigration and agriculture. In several others, including data protection and fisheries, the UK has rolled EU regulations into domestic law with minimal change.
  - UK government gave new or existing UK bodies responsibility for regulatory tasks that had previously been carried out by EU institutions and agencies. However, in some cases, preparatory legislation was not passed early enough to allow regulators sufficient time to become operational before the end of the transition period.
  - Although a no-deal BREXIT was avoided, the Trade and Cooperation Agreement (TCA) did not resolve all matters once and for all. In some domains, there are still issues yet to be agreed, therefore the new regulatory settlement is not yet complete.
  - Whilst part of the aim of Brexit may be to 'de-Europeanise' UK regulation, this has only been partly realised. The analyses also suggest that this is unlikely to materialise in the long-run as well.
- The British Chambers of Commerce have set out below some of the measures they would like the government to adopt at this early stage to help businesses as they adjust to the UK's new trading position with the EU:
  - Allocate long-term funding to the Customs Grant Scheme.
  - Support firms in adapting to the new trading arrangements with the EU through the introduction of a temporary SME 'Brexit' tax credit until 2022/23.
  - Delay the imposition of additional Sanitary and Phytosanitary (SPS) checks (from April) and full customs checks (from July) on imports into the UK.
  - Invest in a new market suitability and market research service to reduce the uncertainty of investing in a new export strategy.
  - Deliver a long-term investment plan for expanding the network of expert international trade advisors (ITAs), to be fully integrated with existing programmes and delivery.
  - Support the automotive sector in building up the UK's domestic battery industry in time for when the six-year phase in of rules of origin requirements (included in the UK-EU trade deal) ends in 2027.

Global, National and Regional Outlook

Alice Pugh, WMREDI; Rebecca Riley WMCA/WMREDI

Global

The Biden administration has a very different relationship with Russia to that of the Trump administration. Following the poisoning and arrest of the Kremlin critic Alexey Navalny, the US had administered sanctions on Russian officials. Washington also imposed sanctions on 14 entities involved in the chemical and biological industrial base in Russia. However, Russia has rejected the new sanctions imposed by the US describing the restrictions as hostile. Russia's Ministry of Foreign Affairs said that it would retaliate against what it said was a "counterproductive" act that aggravated bilateral relations further. Russia has stated that they see this as a pretext for the continuing undisguised interference in their domestic affairs, with the Foreign ministry stating that "*Based on the principle of reciprocity, we will respond but not necessarily with symmetrical measures*." What the response will be as of yet is unknown and it is clear that these challenges will continue into the future, especially as the new President is still keen to investigate Russian interference in elections.

In the United States, the Federal Reserve and the Treasury are both becoming more focused on climate change and how it affects financial institutions and the clients they serve. More than a decade ago, the US government began conducting stress tests of financial institutions in order to determine their preparedness for low-probability/high-impact financial and economic events. Based on these test results, the government could decide to require higher capital buffers and/or lower dividend payments. Now, Treasury Secretary Yellen says that the government is moving toward conducting climate stress tests as well. This means it will assess the preparedness of financial institutions for climate-related events. The idea is that climate-related events, such as floods, storms, and fires, could damage or change the value of the physical assets that are behind bank loans and other financial assets and liabilities.

Deloitte highlight in their weekly report that during the pandemic, many small- and medium-sized businesses in multiple countries were seriously disrupted, with a large number going out of business. Other companies remained in business, in part with government help. Meanwhile, a large number of workers lost their jobs. Yet in some countries, new businesses were established either to take the place of those that exited the market, or to take advantage of new opportunities that were driven by the pandemic. In some countries such start-ups benefitted from government support. The process of business turnover was long ago dubbed "creative destruction" by the great economist Joseph Schumpeter. What is interesting about the pandemic is that such action accelerated sharply in some countries, while it declined in others.

A recent study conducted by the Peterson Institute found that, in the United States, the number of new businesses increased by 23% from 2019 to 2020. In Chile the number increased 14%. In the UK, the number increased by 9%. In China, however, there was only a 3% increase in business formations. And in Germany, the number of new businesses fell by 4%, although that number might soon reverse given the government's creation of a "Future Fund" program for startups. Moreover, the number of new businesses fell 21% in Spain and 26% in Russia.

National

A report by UK in a Changing Europe has been released that investigates the changes in UK policy and regulation following the end of the transition period. The paper focuses on the policy changes made by the UK government especially on whether to retain the substance of existing EU policy through minimal changes or to enact radical policy reform, and its decisions on the structure and organisation of UK regulation. There were four main findings. The first was that there was significant variation between policy areas, sectors and sub-sectors regarding policy continuity. The report found, however, that the government had enacted major change in only two of the domains considered in the report: immigration and agriculture. In several others, including data protection and fisheries, the UK has rolled EU regulations into domestic law with minimal change – often simply limited to replacing references to the EU with the names of UK bodies. This could give the appearance of policy continuity if viewed only from a domestic perspective, but in fact there has been significant and sometimes important changes, either because the Trade and Cooperation Agreement (TCA) has imposed new regulatory requirements, or stakeholders have lost freedoms that they enjoyed when the UK was an EU member state, or both.

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Secondly, it was found that the UK government gave new or existing UK bodies responsibility for regulatory tasks that had previously been carried out by EU institutions and agencies. However, in some cases, preparatory legislation was not passed early enough to allow regulators sufficient time to become operational before the end of the transition period. More generally, the government was selective in the powers and responsibilities it transferred or entrusted to UK regulators, and the resources it allocated to them. As a result, some UK bodies were not ready to take on regulatory functions after 1 January 2021. There is also a question mark over whether UK authorities are well enough equipped to carry out their responsibilities, either because they have lost access to EU instruments, databases or regulatory networks, or because the appropriate infrastructure is not yet in place.

Thirdly, the report found that, although a no-deal BREXIT was avoided, the TCA did not resolve all matters once and for all. In some domains, there are still issues yet to be agreed, therefore the new regulatory settlement is not yet complete. They include some areas where agreement still needs to be reached by the two sides, and some where a decision is still awaited from the EU. The TCA has also provided grace periods for certain areas or another form of transitional arrangement, and reviews, where some degree of change is likely to follow. However, in some areas, the UK has yet to take decisions pursuant to the Agreement.

Fourthly, the findings show that whilst part of the aim of Brexit may be to 'de-Europeanise' UK regulation, this has only been partly realised. The analyses also suggests that this is unlikely to materialise in the long-run as well, due to either the terms of the TCA, constraints arising from non-EU international law and conventions, or other pressures militating against policy change.

Supermarket giant ASDA has announced a major restructure this week, placing thousands of jobs at risk. It said the decision has been driven by the 'structural shift' towards online grocery shopping during the pandemic. The Leeds-headquartered grocery firm also plans to close its Dartford and Heston home shopping centres, with around 800 jobs affected. As part of the restructure the company also wants to create 4,500 jobs in its online operations and confirmed that it will look to re-hire staff who have been impacted by the potential cuts. However, unions have stated that they will battle to make sure nobody is forced to leave their jobs.

Regional

It was reported this week that Stoke-on-Trent has announced it is to work with Capital & Centric to create a new urban quarter, The Goods Yard, next to the city's main train station. Developer Capital & Centric has been appointed to bring forward £75m million plans for a key regeneration site in Stoke-on-Trent which includes new homes, a hotel and a water taxi. The plans will see the Swift House site, which is owned by the council, renamed and transformed to provide 180 homes, a 150 bed hotel, 25,000 sq ft of workspaces and 10,000 sq ft of retail and leisure space. The site is located next to Stoke-on-Trent train station, which will have access to HS2. The council has entered into a pre-construction partnership with Bowmer & Kirkland construction group, which has appointed Capital & Centric as a development partner to work up detailed designs for the development of the site and securing planning consent. The hope is that construction will begin in the summer next year and be completed within two and a half years.

Horton's Estate has also secured planning approval this week for the Birchley Island Retail Park, to deliver a 65,000sq ft retail park. Sandwell Metropolitan Borough Council has granted consent for Hortons' to transform the site of the former Oldbury Toys 'R' Us on Wolverhampton Road, which could create jobs and attract investment into the town. Hortons' has agreed lease terms with B&M for one of the units on the site, which will be a new 20,000 sq ft store that will include the development of an ancillary external garden centre of 5,000 sq ft. A second unit will comprise a retail facility of 20,750 sq ft, and is currently under offer. Hortons' will also construct an extension to the existing building to create a further 16,000 sq ft unit, which is expected to be for leisure use. Canadian coffee chain Tim Hortons has committed to a lease of a new 2,800 sq ft standalone drive-thru restaurant that will be developed on the park. Work is due to start on site in spring 2021.

It was reported this week that work had begun on a data centre at the Worcester Six Business Park for one of Europe's largest data-hosting companies. Property developer Stoford secured planning for a facility of more than 50,000 sq ft for IONOS and its subsidiary UK brand, Fasthosts. Building contractor Benniman Construction says it will complete the scheme in August. Edward Peel, development manager at Stoford, told The Business Desk: "*We have made a really positive start to 2021, with works on the new facility for IONOS commencing within a few short weeks of planning*

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approval from Wychavon District Council. We've been working closely with IONOS to get to this stage and are looking forward to delivering Wychavon's first data centre. IONOS is a world-class business that has recognised the strengths of the Worcester Six Business Park, such as the strategic location and excellent infrastructure links."

The Kalifa Review of UK Fintech was set up in the 2020 Budget to conduct an independent review to identify priority areas to support the UK's fintech sector. The Review formally launched in July 2020 with objectives for supporting the growth and widespread adoption of UK fintech (financial technology), and for maintaining the UK's global fintech reputation. The review made key recommendations including fostering Birmingham City as one of the key fintech clusters across the UK. The report highlighted that the clusters, including Birmingham, were a worthwhile focus, as they are recognised as powerful economic and social development tools that empower innovation and show more resilience. Birmingham qualifies as an established cluster with a growing financial services presence, one example being HSBC's relocation of its head office from London. However, given Birmingham's size and status as the UK's second city, there is a sense the fintech footprint there today is below potential, with greater upside to come from this cluster.

HMG Budget Briefing
Mike Lewis WMCA

Chancellor of the Exchequer Rishi Sunak presented HMG's Budget 2021 to the House of Commons on 3 March 2021. The Chancellor outlined measures in the Red Book aimed at supporting jobs and businesses and stabilizing public finances. The Government's plan for growth strategy was also launched alongside the budget.

The Chancellor prefixed his announcements by highlighting some of the challenges facing the country, including a 10% fall in growth in the last year and 700k rise in unemployment. The announcements were made across three themes;

- Business and people
- Fixing public finances
- Building the future economy

Business and people
Key business related announcements made by the Chancellor were:

- £126m to fund 40,000 more traineeship places, and employer incentives for apprenticeships will rise to £3,000, regardless of the age of the apprentice.
- New restart grant to help businesses re-open – non essential retail to receive up to 6k per premise and up to £18k for hospitality and leisure businesses.
- A £300 million Cultural Recovery Fund.
- A £300 million Sports Recovery Fund to focus on cricket.
- An extension to the £500m Film and TV restart scheme.
- The Recovery Loan Scheme will replace CBLIS and CBBLS. Firms will be able to borrow £25k to £10m and the Government will guarantee 80% of individual loans made to businesses.
- The 100% business rate holiday for retail, hospitality and leisure businesses will continue until the end of June 2021. This will then be followed by a reduced concession rate of 66% until March 2022.
- Hospitality and tourism businesses will pay 5% VAT rate until September 2021 and then an interim rate of 12.5% until April 2022.

Key measures to support employment, income, home ownership and mental health:

- The Job Retention Scheme is to be extended until September 2021. Government contributions will fall to 60% in July, 60% in August, from its current level of 80%. A similar process is to be put in place for the Self-Employment Income Support Scheme.
- The Universal Credit uplift of £20 per week will be extended for another six months. Claimants on Working Tax Credit will get a one off payment of £500.
- Stamp duty holiday will be extended until June 2021 for property sales under £500,000. The nil rate band will be £250,000 until the end of September, returning to the usual level of £125,000 from 1 October 2021.
- A new Government mortgage guarantee will enable 95% mortgages.
- £19m for domestic violence programme which includes piloting "respite rooms" for victims of domestic violence.
- £10m will be allocated to support army veterans dealing with mental health issues.

Public finances
Key taxation measures:

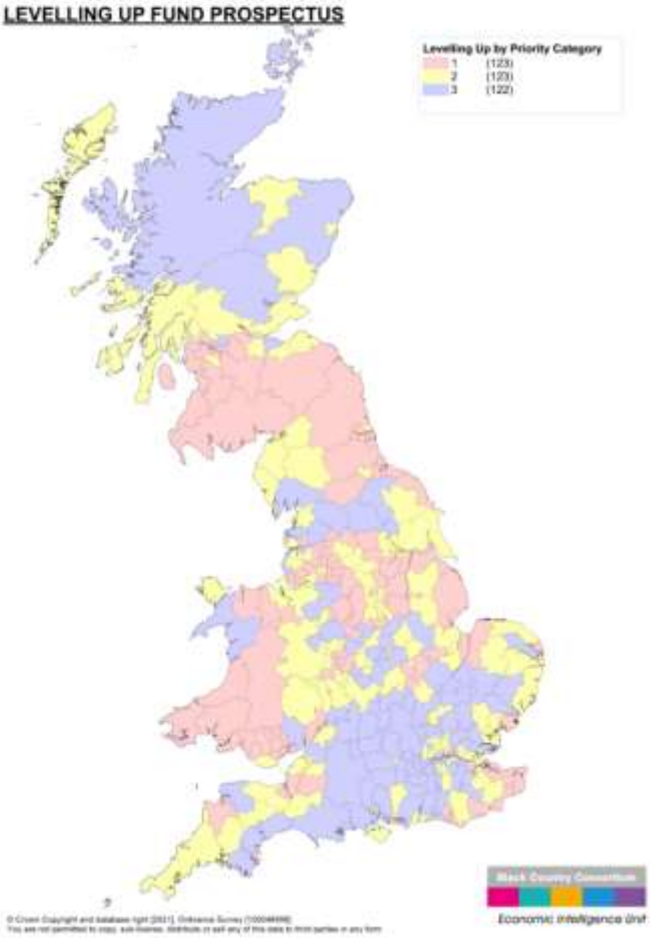
- Personal tax thresholds will stand at 12,570 and 50,270 next year (until April 2026).
- Corporation tax on company profits are to increase to 25% and will start in April 2023. It is estimated that 10% of firms will pay this rate due to profit levels, with smaller firms paying lower rates.
- The Government will introduce a "Super deduction" meaning that companies will have a capital investment allowance of 130%.
- Planned duty increases all alcohol products and fuel are to be cancelled

Building the future economy
The Chancellor introduced this section of the budget by emphasizing the Government's green growth ambitions:

- Budget 2021 confirmed the creation of the UK Infrastructure Bank that will invest across the UK in public and private projects. Beginning this spring, the bank will have an initial capitalisation of £12bn and is expected to support at least £40bn of total investment in infrastructure.
- Support for small and medium-sized enterprises to grow through two new schemes to boost productivity:
  - Help to Grow: Management, a new management training offer
  - Help to Grow: Digital, a new scheme to help 100,000 SMEs save time and money by adopting productivity-enhancing software, transforming the way they do business.
- To launch consultation on tax relief, alongside the budget

Levelling up

- The Government is launching the prospectus for the £4.8 billion Levelling Up Fund alongside Budget. Places have been divided into priority categories:



- £1bn new town deals confirmed - this includes funding for Wolverhampton, Rowley Regis, Smethwick and West Bromwich.
- £150m Community Ownership Grant to allow communities to take ownership of pubs at risk.
- A number of Freeports announced, the closest to region is East Midlands Airport.

Potential for funding regional priorities

The Chancellor also announced a further £225m of investments to back some of the region's key schemes. These include:

- £59m for five new stations in the region in the Black Country and south Birmingham
- £50m will go to Solihull Council's Urban Growth Company to help fund transport improvements around the HS2 Birmingham Interchange Station
- £116m for the regeneration for Rowley Regis (£19m), Smethwick (£23.5m), West Bromwich (£25m) Wolverhampton (£25m) and Nuneaton (£23.5m).
- A £10m Wolverhampton-based Government taskforce to work with the WMCA in developing new construction technologies including low carbon, energy efficient homes

Initial Reactions to the Budget

Rebecca Riley WMCA/WMREDI

Generally interventions have been welcomed, especially the extension of successful schemes such as JRS. However under the OBR's central scenario the biggest tax-raising Budget since the first Budget of 1993 is forecast to be sufficient to eliminate the current budget deficit in 2025-26. This would mean that the government would only borrow to invest, with day-to-day spending covered by revenues. Around half is achieved by the large increase in corporation tax, and around a quarter by the freezing of income tax. But the outlook for the economy for revenues - remains uncertain: Under the OBR's downside scenario the current budget is forecast to still be running a deficit of something like £85 billion in 2025-26, in which case further tax rises would be likely if the Chancellor is to balance the current budget within this timeframe. OBR have revised down their predications, and still have very uncertain forecasts. Employment has got worse despite vaccine roll out, as new strains and scaring effects of long term furlough and unemployment is expected to accelerate employment issues. IFS also highlight the issues of the fiscal balance and public spending, and as a lot of commentators pick up there is very little in the budget to support the services which are currently stretched. General consensus is this is another budget dealing with the short term crisis out of necessity but not a lot on long term recovery planning

Some initial responses are below:

Martin Reeves for Solace highlights managing the major risks facing our economy and supporting some of the sectors under the greatest pressure was always going to be the key focus of this Budget. The Chancellor said we need public finances to be strong so that we are better able to respond and act when the next crisis comes. Solace agrees entirely - but that must apply at a local level as a well as a national level. Unfortunately, however, local government once again misses out in this Budget despite the extraordinary events of the last year placing a severe strain on the finances of councils, weakening their ability to address the many inequalities revealed and accentuated by the pandemic.

Civil Society: Charity leaders have described today's Budget as disappointing and suggested the government does not recognise the value of the sector. The Budget pledges money to armed forces veterans and domestic abuse services, but has done little to address many of the key asks laid out by charities ahead of the Budget. Indeed, a coalition of sector bodies working together as the #NeverMoreNeeded campaign had urged the government to create an emergency support fund and groups had suggested a temporary increase to Gift Aid. None of these changes have come to fruition in the Budget. Meanwhile frontline charities said measures announced did not go far enough to help vulnerable people.

Local Government Association: "Public finances are undoubtedly under huge strain but investment in our local services will be vital for our national economic and social recovery." Cllr James Jamieson highlights economic challenges ahead is a huge task. It is councils who know their local areas best and who have delivered for residents and businesses during the pandemic. They must now be trusted to lead efforts to rebuild and level up our economy, get people back into work and create new hope for communities. It is good that councils have been placed at the heart of the delivery of new funds such as the Levelling Up Fund and Community Renewal Fund. He states that councils look forward to working with government on the detail but are concerned by the prospect of competitive bidding processes at a time when councils want to be fully focused on protecting communities and businesses from the impact of the pandemic.

Resolution Foundation highlighted the Chancellor had made the right judgement with a bigger budget, but has enough been done to support households in recovery and how credible is further reductions in spending. He may have more work to do in order to plug gaps in support, tackle the living standards scarring from the crisis, and avoid another tight squeeze on public services. The Foundation estimates that around £15bn of further consolidation would be needed by the middle of the decade to give the Chancellor enough fiscal space to credibly see net debt sustainably falling in the face of future recessions. While GDP is set to grow by 4 per cent this year, the fastest growth since the late 1980s, real household disposable incomes are actually set to fall marginally – highlighting the risk of the recovery not feeding through into living standards as unemployment rises. The poorest households will face a 7 per cent fall in income in the second half of 2021-22 due to the removal of the £20 a week Universal Credit uplift, which will take the basic level of benefits back to levels not seen since the early 1990s at the same time as unemployment is due to peak. Further planned cuts to public services spending will see budgets for unprotected departments (such as transport and local government) fall by £2.6bn next year (2022-23). By 2024-25, day to day public service spending per capita in unprotected departments will still be almost one-quarter lower than in 2009-10, with less than a fifth of the reduction in spending between 2009-10 and 2018-19 having been unwound

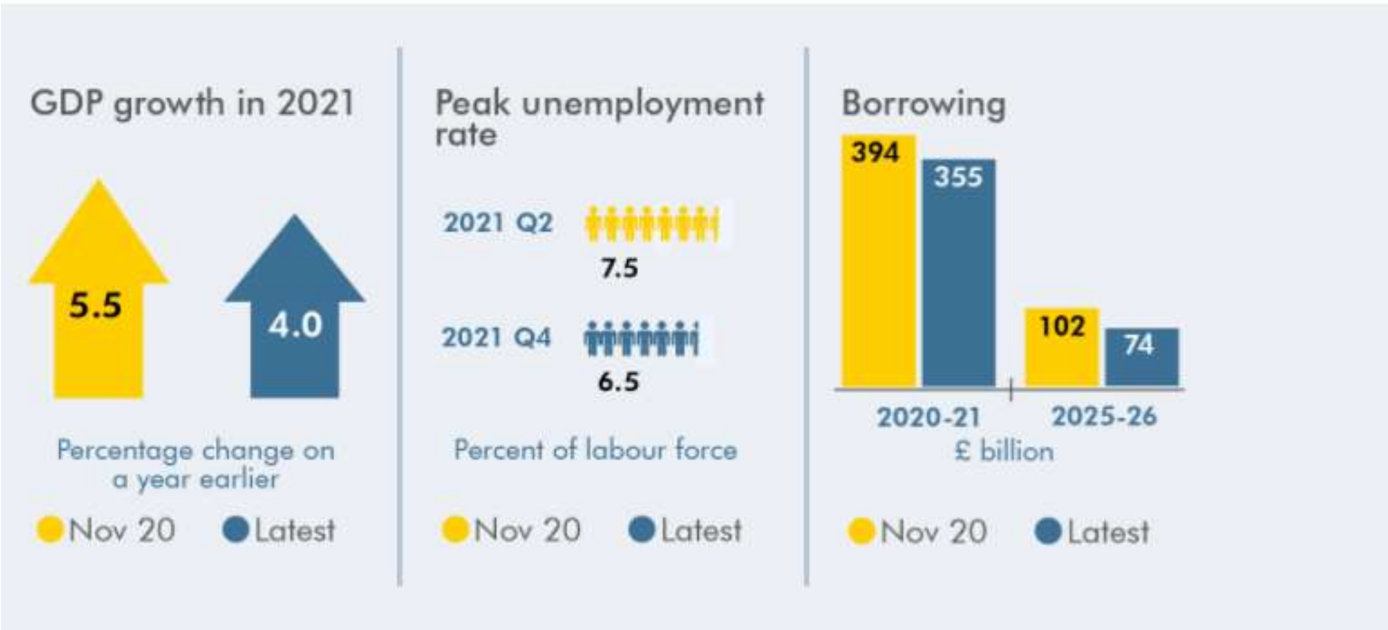
The IFS said that what we can be sure of is that Rishi Sunak has spent big again, extending some support right through 2021 at a cost of an additional £60 billion or more. As a result borrowing is now forecast to again be above 10% of national income in the coming financial year. Whether the big fiscal tightening planned for subsequent years will actually happen is less certain. It continues to depend on spending being lower than planned prior to the pandemic. And it also depends on a large increase in corporation tax actually being implemented without additional measures to at least ease its long-run impact. Make no mistake, this proposed increase in the main rate of corporation tax is a big reversal of decades of policy direction and a significant risk. For all the rhetoric about it leaving the headline rate here below that in other G7 countries, our *effective* tax rate will be relatively high. Public service spending was not a central focus of this Budget. The Chancellor set detailed allocations for the coming financial year in the Spending Review last November and he left those plans largely unchanged. Under those plans, Mr Sunak is planning to spend £14 to £17 billion *less* on public services each year after 2021 than he had planned pre-Covid. Given the mounting pressures on the NHS, schools, courts and other services, the credibility of such a tight settlement is questionable. There will certainly be strong pressure for future top-ups. The personal allowance has risen by almost 60% in real terms over the past decade, reducing income tax revenue by an eye-watering £25 billion per year and meaning that 40% of adults do not pay any income tax at all. The planned freeze, representing a 7% real-terms cut, undoes only a small share of that rise, and brings another 1.3 million people into the income tax system. By contrast, the higher-rate threshold is already 9% below its 2009 peak in real terms, and the freeze will bring it 16% below. It has not kept up with earnings growth over recent decades, meaning that steadily more and more people have become subject to it. While fewer than 4% of adults paid higher-rate tax in 1990, by the time the freeze is over that figure will likely be more than 10%. Corporation tax will reverse course, rising from 19% to 25% in 2023. This is forecast to raise £17bn per year by 2025–26, pushing corporation tax receipts to 3.2% of national income.

IPPR North welcome the steps that the government have taken to support business and jobs at this time but there was very little in today's Budget to help bolster the creaking foundations of the North's economy such as poor skills, health and child poverty. It particularly neglected to help local government which has been at the forefront of the Covid efforts in towns and cities across the country. For young people right across the country, owning their own home is an increasingly distant prospect and the chancellor's announcement today will do little to change this. 95 per cent LTV mortgages are nothing new and higher value mortgages risk saddling buyers with even more debt. England's broken housing market has priced too many people across the country out of accessing a home of their own, including in the North. In Greater Manchester for example, house prices have increased 35 per cent in the past 5 years. Even with access to more capital, aspirational buyers simply cannot save at the required rate to buy a home. The support offered falls short of a long-term plan to revive our high streets and there is a serious risk that many retailers, arts venues and hospitality businesses might go under before they have a chance to get back on their feet. IPPR's recent analysis has shown that more than half a million employers are already at risk of bankruptcy. Many of these will be located on our high streets. Alongside this, high streets have been facing long standing pressures including rising business rates and competition from online retailers. A long-term plan is needed to support a new and ambitious role for high streets in the years to come.

British Property Federation: highlights longer-term town centre recovery, however, will require root and branch business rates reform. This has yet again been kicked down the road, but fixing business rates is fundamental to any ambition that wants our high street businesses to start planning for their futures beyond the next few months. The stamp duty holiday has kept the residential sector moving throughout 2020 and, with recovery still insecure, an extension is the right decision. The current 'holiday' has illustrated what a damaging tax stamp duty is – it stops people from moving home. Our tax system should focus on where value is created and that should mean working towards low or no stamp duty. Mortgage guarantees have a mixed history. They can inflate house prices, which was the experience of the Help to Buy mortgage guarantee scheme that ended in 2016. We support government efforts to help more people on to the housing ladder, but this will require supporting housing supply as well as demand. Getting that balance right is key, and fit-for-purpose planning reforms will make or break this ambition.

Step Change respond to the budget, and welcome changes to Universal Credit, including the six-month extension of the £20 uplift, the limiting of deductions to 25% and the bringing forward of the extension of the advance repayment timeline to 24 months will help to keep millions of heads above water while national restrictions continue to be in place. Questions remain, however, about how those in financial difficulty will be supported once support mechanisms are removed. Their research shows 1.2m people affected by Covid are in severe problem debt with a further 3 million at risk of it – if they are not helped back to their feet, it will act as a drag on any consumer-led recovery. Successive autumn and winter lockdowns have prolonged income reductions for those in affected sectors, as well as rises in costs for families caring for children. Meanwhile, unemployment is rising and is likely to peak later this year. More action is needed to protect people from hardship and provide safe routes out of financial difficulty for those struggling with arrears and debt in the wake of the pandemic.

OBR analysis

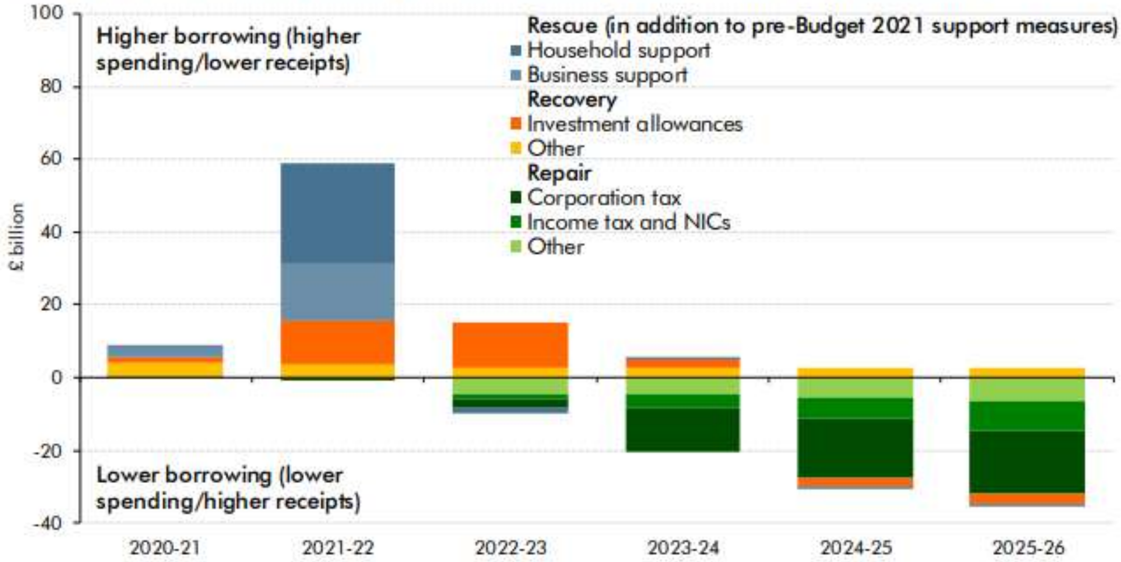


The OBR has released its supporting analysis and state that more than a year on from its start, the coronavirus pandemic continues to exact a heavy toll in lives and livelihoods. Around the globe, more than 100 million people have had the virus and around 2½ million have died from it, and world GDP fell by 3½ per cent in 2020 as governments imposed public health restrictions in an attempt to control the virus. The UK has been hit particularly hard. Following a resurgence of infections over the winter, around 1 in 5 people have so far contracted the virus, 1 in 150 have been hospitalised, and 1 in 550 have died, the fourth highest mortality rate in the world. And GDP fell 9.9 per cent in 2020, the largest decline in the G7. While output partially recovered in the second half of last year – and somewhat more strongly than we previously thought – the latest lockdown and temporary disruption to EU-UK trade at the turn of the year is expected to result in output falling again in the first quarter of this year.

The rapid rollout of effective vaccines offers hope of a swifter and more sustained economic recovery, albeit from a more challenging point than we forecast in November. The easing of public health restrictions in line with the Government’s 22 February Roadmap should permit a rebound in consumption and output through this year, partially supported by the release of extra savings built up by households during the pandemic. GDP is expected to grow by 4 per cent in 2021 and to regain its pre-pandemic level in the second quarter of 2022, six months earlier than we forecast in November. Unemployment still rises by a further 500,000 to a peak of 6.5 per cent at the end of 2021, but the peak is around 340,000 less than the 7.5 per cent assumed in our November forecast, thanks partly to the latest extension of the furlough scheme. The pandemic is nevertheless still expected to lower the supply capacity of the economy in the medium term by around 3 per cent relative to previrus expectations

Faced with an economy that is weaker in the near term but rebounding faster than we forecast in November, the Chancellor has done three things in this Budget. First, he has extended the virus-related rescue support to households, businesses and public services by a further £44.3 billion, taking its total cost to £344 billion. Second, he has boosted the recovery, most notably through a temporary tax break costing more than £12 billion a year that encourages businesses to bring forward investment spending from the future into this year and next. Third, as the economy normalises, he has taken a further step to repair the damage to the public finances in the final three years of the forecast by raising the headline corporation tax rate, freezing personal tax allowances and thresholds, and taking around £4 billion a year more off annual departmental spending plans, raising a total of £31.8 billion in 2025-26

Chart 1.1: The impact of Budget measures on public sector net borrowing



Source: OBR

They present 3 scenarios:

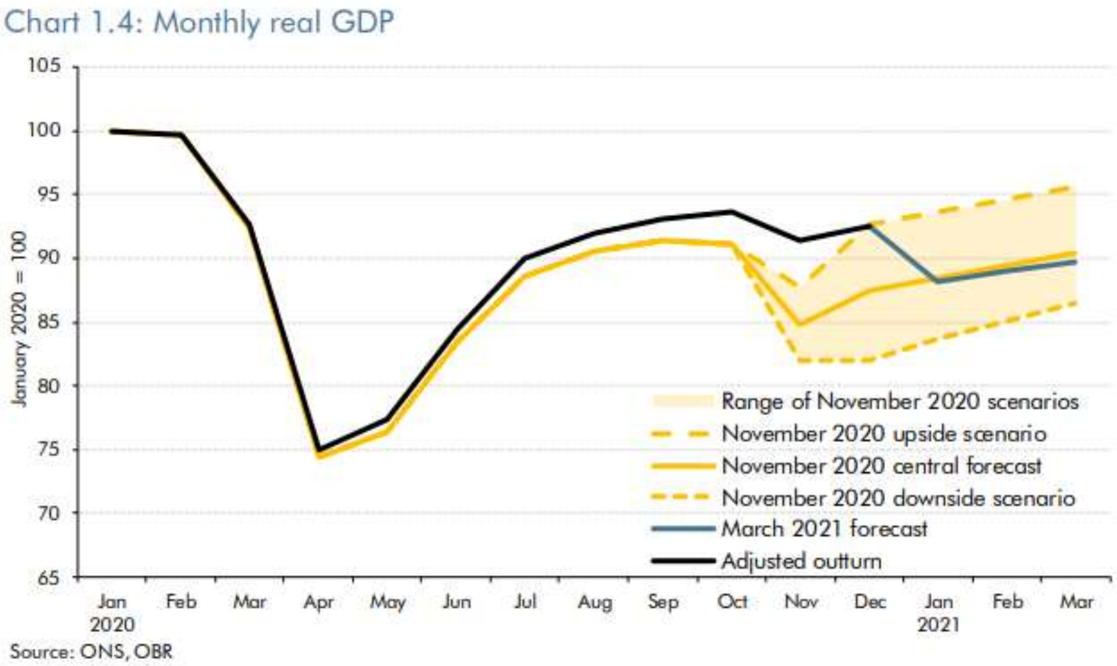
- An upside scenario in which the second lockdown and an effective test, trace, and isolate system brought the second wave of infections under control and effective vaccines were rolled out rapidly. That allowed an early easing of restrictions, with output rebounding to its pre-pandemic level by the end of 2021.
- A central forecast in which the country exited the second lockdown into a stricter set of tiered public health restrictions, with a less effective test, trace, and isolate system, and slower rollout of the vaccines. That allowed only a more gradual recovery, with output regaining its pre-pandemic level by the end of 2022.
- A downside scenario in which the second lockdown failed to reduce cases to manageable numbers, test, trace, and isolate was overwhelmed, and stricter restrictions were imposed through the spring of this year. Vaccines proved ineffective in keeping the virus in check giving rise to a third wave of infections over the winter. This required a more substantial, costly, and permanent economic adjustment, with output only regaining its pre-pandemic levels at the end of 2024.

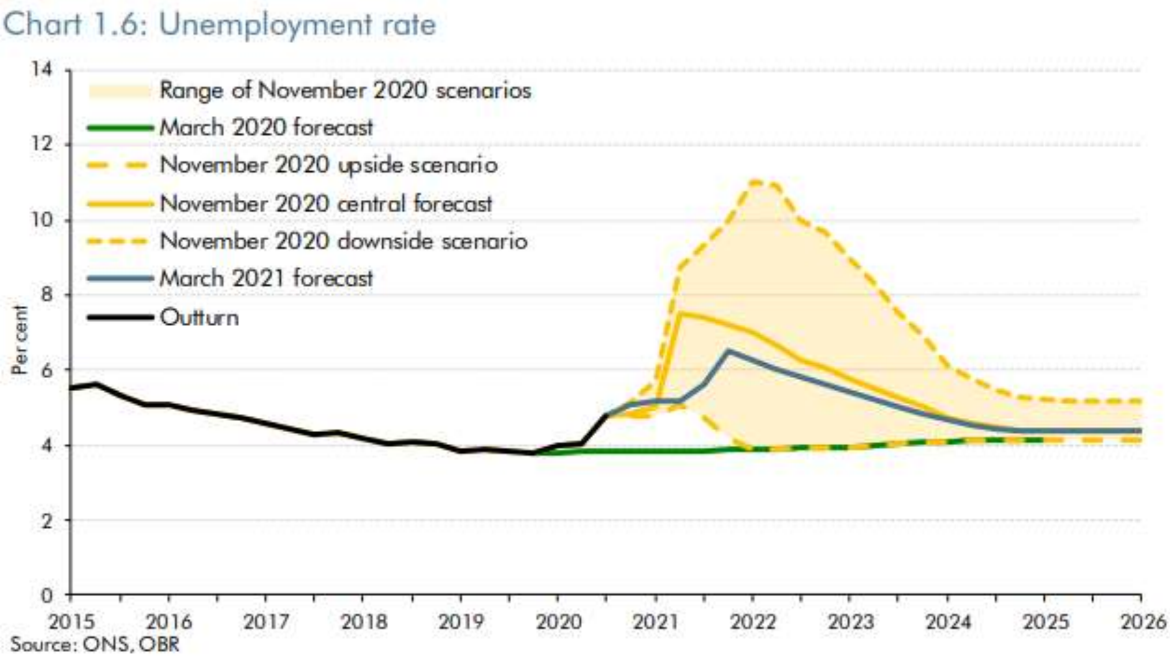
The resurgence in infections, imposition of another lockdown, and temporary disruption to UK-EU trade are expected to cause output to fall by 3.8 per cent in the first quarter of 2021 (Chart 1.4). This drags the level of output down to 11 per cent below pre-pandemic levels and slightly below our November central forecast. The number of people on the Coronavirus Job Retention Scheme (CJRS) has also risen from 4.0 million at the end of 2020 to 4.7 million at the end of January.

The faster recovery in output, combined with the extended CJRS and additional fiscal support announced in this Budget, help to limit the further rise in unemployment to below the levels anticipated in our November forecast. The unemployment rate rises from 5.1 per cent in the fourth quarter of 2020 to a peak of just 6.5 per cent (2.2 million) at the end of 2021 (Chart 1.6 below). That represents a rise of 490,000 over the year, but is 340,000 lower and six months later than in our November forecast. The ultimate rise in unemployment reflects the residual constraints on activity in some sectors such as accommodation and transport, as well as firms' adoption of less labour-intensive modes of operation in sectors like retail and hospitality. It also reflects the scarring effect of the long spells away from

The WM Weekly monitor is funded by the West Midlands Combined Authority, Research England/UKRI

employment experienced by some CJRS beneficiaries, 475,000 of whom have been away from work for more than six months over the past year.1





Top Five From Around the Web

Keziah Watson WMCA

- IPPR have created a plan for London that brings together social, economic, and environmental solutions for these intersecting issues. Recommendations include creating 60,000 good green jobs and upgrading fuel poor homes.
- The UN Environment Programme has released a paper bringing together the latest research on environmental challenges from land deterioration to waste and pollution. It also highlights the necessity of creating actions for individuals and international bodies in order to ensure a liveable, successful world for the future.
- City Monitor argues that smart cities are on the decline, thanks in fact to the pandemic. People don't want their cities smarter, thanks to growing concerns about data security, but tech that tackles serious concerns like racism or the environment will continue to grow.
- With an impending Budget the news over the last week was awash with speculation and advice about what Rishi Sunak should do, like this article from Centre for Policy Studies recommending learning the lessons of the United States post WWII economic boom due to not propping up unviable industries. The Resolution Foundation also suggests taking a leaf out of the US's book and copying the Biden plan to provide £100 billion in stimulus for activities such as retraining and keeping the £20 a week Universal Credit uplift.
- Disabled people are still being left behind and let down by the welfare system despite decades of attempted reform, The Social Market Foundation reports. Although many disabled people are out of work, there are many who can and want to work but have been unable to secure jobs, contributing to the 42% of families that rely on disability benefit living in poverty.

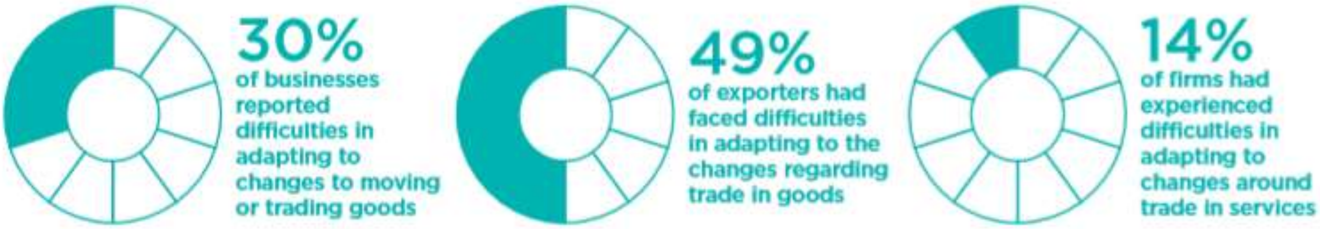
Brexit- How are businesses being impacted so far?

Greater Birmingham Chambers of Commerce

The British Chambers of Commerce ran their Brexit survey between the 18 January and the 1st February 2021 which received 1000 responses. The survey sought to understand the extent to which businesses had found it challenging adapting to the changes in trading goods and/or services since the ratification of the EU-UK Trade and Cooperation Agreement.

Businesses reported the highest proportion of difficulties in adapting to changes in trading goods.

The survey found that:



Summary

The feedback that the Chamber has received over the course of the last month has identified a number of key areas that are impacting the business community:

- The lack of capacity within the customs intermediary section to handle the increased volume of documentation required
- The increased costs and administrative burden placed on businesses importing and exporting to the EU
- The complexity of rules of origin and knowing whether the goods you import from/export to the EU qualify for preferential tariff rates
- The impact of double duty rates on businesses that import from countries outside the EU and reexport to the EU
- UK firms having to take on the additional costs and responsibilities for shipping goods between the UK and the EU
- Businesses based in the EU switching from using UK suppliers to EU suppliers to avoid the increased bureaucracy involved with shipping goods between the UK and the EU
- UK firms understanding what they can and cannot do in regards to supplying services in the EU
- The new requirements for bringing in skilled workers from the EU
- Increased shipping costs and delays as a result of COVID and Brexit

They have set out below some of the measures they would like the government to adopt at this early stage to help businesses as they adjust to the UK's new trading position with the EU.

- Allocate long-term funding to the Customs Grant Scheme to build up capacity within the customs intermediary sector
- Support firms in adapting to the new trading arrangements with the EU through the introduction of a temporary SME 'Brexit' tax credit until 2022/23
- Delay the imposition of additional Sanitary and Phytosanitary (SPS) checks (from April) and full customs checks (from July) on imports into the UK
- Invest in a new market suitability and market research service to reduce the uncertainty of investing in a new export strategy
- Deliver a long-term investment plan for expanding the network of expert international trade advisors (ITAs), to be fully integrated with existing programmes and delivery. ITAs are the Department for International

The WM Weekly monitor is funded by the West Midlands Combined Authority, Research England/UKRI

Trade (DIT) experts on the ground providing the advice, support and connections that build business confidence in exporting and enable them to reach new markets and customers
- Support the automotive sector in building up the UK's domestic battery industry in time for when the six-year phase in of rules of origin requirements (included in the UK-EU trade deal) ends in 2027

Whilst the free trade deal agreed between the UK and the EU covers a significant number of policy areas, there are still some outstanding issues that need to be resolved between both sides. Below, we have set out some of the priority areas we would ideally like to see further movement on from both the UK and the EU:

- For the UK and the EU to expand the list of permitted activities (e.g. musicians) that qualify for visa-free travel for short term business visitors travelling between the UK and the EU.
- For the UK to negotiate bilateral agreements with EU member states to recognise professional qualifications
- For the UK and the EU to end the uncertainty over market access for financial services providers by issuing their equivalence determinations

Levelling up study: despite COVID bringing communities together in the West Midlands, social divisions have grown

PWC

- *Whilst COVID-19 brought communities together to support the vulnerable, it has exacerbated inequalities with 44% of people feeling that the pandemic has increased social divisions since it started*
- *After a year spent closer to home, the public wants housing, high streets, jobs and skills to top the levelling-up agenda, with housing a standout priority*
- *67% of West Midlands public surveyed say a focus on housing would be most effective in levelling up the country*
- *The majority of the public would nevertheless recommend their area as a place to live*
- *Low levels of public trust is a challenge for central government but creates opportunities for charities, local government and businesses to build on trust earned through COVID-19 response*

PwC's latest Future of Government research, *Rethinking Levelling-Up*, surveyed 4,000 people across the UK and found that, whilst communities have become more important to people during the pandemic, 44% of people feel that social divisions have increased.

While 38% of those polled say their local community has become more important to them, and 39% agree that the pandemic brought their community together, a greater number feel that it has increased social divisions in every region, with (55%) in the West Midlands, (60%) London and (64%) Wales feeling the strongest divisions. The public feel a sense of geographical inequality, with 52% of people feeling there is too much inequality in the UK and 47% are concerned about the inequalities between London and the rest of the UK.

Nationally, 39% of people say their area has been treated fairly by central government in the pandemic. This falls in the North West where only 29% feel their area has been treated fairly but climbs as high as 45% in the West Midlands and East of England. Of the devolved nations, 28% in Northern Ireland feel their area has been treated fairly, compared to 38% in Scotland and 36% in Wales.

Despite concerns around geographical inequality, the UK public are generally happy to recommend their area as a place to live, with more than half of those polled (62%) willing to recommend their local areas to live in and raise a family, however, only 36% would encourage anyone to start a business in their area. People are most likely to recommend their area to live in Northern Ireland (69%), the South West (68%) and the East of England (67%), with London and the West Midlands being less favourable at 57%. The best regions to start a business in the eyes of the general public are at either end of England - the North East (42%) and London (41%). We see this drop to 38% in the West Midlands and 34% in the East Midlands.

Karen Finlayson, Regional Lead for Government at PwC said:

> "The pandemic has brought neighbours together to support each other and the vulnerable, but this has been at a very local level. We should not underestimate the inequalities it has created socially and geographically. COVID-19 has introduced new divisions, such as those who are able to work from home and those who cannot, as well as reinforcing deep rooted ones, that will need to be addressed head on at a local level to deliver a fair recovery across the UK. While the public are most concerned about inequalities between London and the rest of the UK, 'levelling up' needs to go deeper and address the inequalities that exist within regions and between communities."

Increasing local investment to level-up

After a year spent closer to home, the public supports the Government's aim to level up the UK and wants housing, vibrant high streets, jobs and skills to top the agenda.

Housing is the standout priority for the West Midlands public with 67% saying a focus on housing (supply and quality) would be most effective in levelling up the country and reducing inequality. This increases to 76% in Scotland, 75% in Northern Ireland and 74% in the North West.

Jobs and skills for the future are also a big focus for the West Midlands public, as 47% would like to see levelling up focus on creating more better paid jobs and 49% highlight investment in skills for the future. Other regions where the public prioritised investment in skills for the future are the East Midlands (49%) and the East of England (49%).

Access to better paid jobs is a key issue for younger people, who have been heavily impacted by a disrupted labour market, with 52% of 18-24 year olds naming it as a priority, compared to 44% of over-55s.

While the pandemic has accelerated the move to online shopping, it has not diminished the importance of vibrant high streets and town centres for the public. 42% of people surveyed in the West Midlands would like to see investment in town centres and high streets as a priority in levelling up inequalities.

Matthew Hammond, Midlands Region Leader at PwC said:

"COVID-19 has led people to refocus on what really matters to their everyday lives. 'Levelling up' has become synonymous with big infrastructure projects including HS2, the economic impact of the Commonwealth Games and connectivity expenditure. The broader narrative in relation to levelling up in the eyes of localities and communities will need to be more tangible with visible investment in local places, jobs, skills and homes. A year of many people living and working at home has recalibrated what is of local and regional importance. Demonstrable gains for local communities in the short and medium term will be the turning point."

Opportunities to build on trust

Over three quarters (76%) of respondents hold the central government responsible for reducing geographical inequality. However, less than one in ten of our respondents trusts that central government 'listens to people like me' or 'takes my needs into account when making decisions'.

People feel greater connections with third sector community groups and charities and local government, with 29% and 25% feeling that community groups and charities respectively listen to 'people like me'.

During the pandemic the role of business has been under the spotlight, and business emerges with an opportunity to play a greater role in improving opportunity, social mobility and equality in the places where they operate. Over half of respondents in the West Midlands (52%) feel they have been treated fairly by their employers during the pandemic. Across the UK, 43% of respondents trust businesses to act to deliver a fair recovery, compared to 38% that trust central government and 40% that trust local government.

Self-Employment Income Support Scheme (SEISS)

BCCEIU

Introduction

The main figures are based on claims submitted for the third grant of SEISS to 31st January 2021.

Summary

- Across the WMCA (3 LEP) area, 171,900 people were eligible for third grant of SEISS. There were 116,200 claims made to 31st January, with a total value of just over £311m with an average claim value of £2,800. The take-up rate for was 68%, above the UK average of 65%.

- At a West Midlands regional level, there were approximately 259,000 of the population eligible for the third grant of the SEISS, which is a take up rate of 65% based on the total number of claims of 170,000. This can be split further by gender and there was a total potentially eligible male population of 185,200 for the third grant of the SEISS, which equates to a take-up rate of 68% at the end of January which is based on the total number of claims of 125,200. There were 74,200 eligible female population for the West Midlands region with a take-up rate of 60% based on the total number of claims of 44,400.

- For the West Midlands region, (excluding unknown and other) the industry with the highest take-up rate was other service activities at 81% (17,900 eligible, 14,500 claims).

In Depth

WMCA (3 LEP)

Across the WMCA (3 LEP) area, 171,900 people were eligible for third grant of SEISS. There were 116,200 claims made to 31st January, with a total value of just over £311m with an average claim value of £2,800. The take-up rate for was 68%, above the UK average of 65%.

Compared to the first and second round of SEISS grants, there was a total of 135,900 claims and 123,500 claims respectively. The average claim was 2,900 for the first SEISS grant and was £2,500 for the second grant. The take up rate was 78% for the first SEISS grant, down to 71% for the second grant.

For the third grant of SEISS only across the WMCA (3 LEP) area, there were 125,700 of the male population eligible. There were 87,900 claims with a total value of nearly £252m with an average claim at £3,100. The take-up rate was 70%. For the female population in the WMCA (3 LEP) area there were 46,200 eligible population. There were 28,400 claims, the total value of just over £59m with an average claim at £2,100. The take-up rate was 61%.

The take up rate varies from 59% in Kenilworth and Southam to 74% in Birmingham, Yardley and Birmingham, Hodge Hill. **The following table shows an overall breakdown of the third grant for SEISS by parliamentary constituencies for eligible population, claims and take-up rate up to 31st January 2021:**

Parliamentary Constituency	Total potentially eligible population	Total no. of claims made to 31/01/21	Total value of claims made to 31/01/21	Average value of claims made to 31/01/21	Total Take-Up Rate
Aldridge-Brownhills	3,600	2,500	£7,500,000	£3,000	68%
Birmingham, Edgbaston	3,300	2,200	£5,900,000	£2,700	66%
Birmingham, Erdington	4,000	2,800	£7,300,000	£2,600	70%
Birmingham, Hall Green	5,600	4,000	£8,800,000	£2,200	71%
Birmingham, Hodge Hill	6,300	4,700	£9,000,000	£1,900	74%
Birmingham, Ladywood	4,900	3,500	£6,900,000	£2,000	70%
Birmingham, Northfield	3,700	2,600	£7,400,000	£2,900	70%
Birmingham, Perry Barr	4,900	3,500	£7,900,000	£2,300	71%

Parliamentary Constituency	Total potentially eligible population	Total no. of claims made to 31/01/21	Total value of claims made to 31/01/21	Average value of claims made to 31/01/21	Total Take-Up Rate
Birmingham, Selly Oak	3,900	2,600	£7,400,000	£2,800	68%
Birmingham, Yardley	5,100	3,800	£9,300,000	£2,500	74%
Bromsgrove	4,500	3,000	£9,000,000	£3,000	66%
Burton	4,600	3,000	£7,600,000	£2,500	65%
Cannock Chase	5,000	3,500	£10,600,000	£3,000	70%
Coventry North East	5,000	3,400	£8,600,000	£2,500	68%
Coventry North West	4,400	3,000	£8,000,000	£2,700	68%
Coventry South	3,500	2,300	£6,100,000	£2,600	66%
Dudley North	3,800	2,700	£7,400,000	£2,800	70%
Dudley South	3,400	2,300	£6,400,000	£2,700	69%
Halesowen and Rowley Regis	3,800	2,600	£7,300,000	£2,800	69%
Kenilworth and Southam	4,200	2,500	£7,600,000	£3,100	59%
Lichfield	4,400	2,800	£8,500,000	£3,000	63%
Meriden	4,100	2,700	£8,400,000	£3,100	67%
North Warwickshire	4,100	2,700	£7,900,000	£2,900	66%
Nuneaton	3,600	2,300	£6,500,000	£2,800	64%
Redditch	4,200	2,800	£8,100,000	£2,900	67%
Rugby	4,100	2,500	£7,200,000	£2,900	61%
Solihull	3,800	2,500	£7,700,000	£3,100	65%
Stourbridge	4,300	3,000	£8,200,000	£2,700	70%
Stratford-on-Avon	5,600	3,400	£10,300,000	£3,000	60%
Sutton Coldfield	3,700	2,400	£7,500,000	£3,100	65%
Tamworth	3,900	2,600	£7,600,000	£2,900	67%
Walsall North	4,100	2,900	£8,000,000	£2,800	71%
Walsall South	4,100	2,900	£6,900,000	£2,400	70%
Warley	4,000	2,900	£6,700,000	£2,300	71%
Warwick and Leamington	3,800	2,400	£6,700,000	£2,800	63%
West Bromwich East	3,500	2,400	£6,300,000	£2,600	69%
West Bromwich West	3,700	2,600	£6,600,000	£2,500	71%
Wolverhampton North East	3,200	2,100	£5,900,000	£2,800	66%
Wolverhampton South East	3,500	2,400	£6,200,000	£2,600	68%
Wolverhampton South West	3,600	2,400	£6,000,000	£2,500	66%

Parliamentary Constituency	Total potentially eligible population	Total no. of claims made to 31/01/21	Total value of claims made to 31/01/21	Average value of claims made to 31/01/21	Total Take-Up Rate
Wyre Forest	5,100	3,300	£8,800,000	£2,700	64%
WM 7 Met.	**115,000**	**79,600**	**£205,500,000**	**£2,600**	**115,000**
BCLEP	48,800	33,800	£89,500,000	£2,700	69%
CWLEP	38,300	24,400	£68,800,000	£2,900	64%
GBSLEP	84,800	58,000	£152,800,000	£2,800	68%
WMCA (3 LEP)	**171,900**	**116,200**	**£311,100,000**	**£2,800**	**68%**

The take-up rate varies from 59% in Stratford-on-Avon to 70% in Cannock Chase, Birmingham, Sandwell and Walsall. **The following table shows the overall breakdown of the third grant for SEISS by local authority for eligible population, claims and take-up rate for the SEISS up to 31st January 2021:**

Local Authority Area	Total potentially eligible population	Total no. of claims made to 31/01/21	Total value of claims made to 31/01/21	Average value of claims made to 31/01/21	Total Take-Up Rate
Cannock Chase	5,000	3,500	£10,600,000	£3,000	70%
East Staffordshire	5,200	3,300	£8,700,000	£2,600	64%
Lichfield	4,800	3,100	£9,500,000	£3,100	65%
Tamworth	3,000	2,000	£5,600,000	£2,800	68%
North Warwickshire	3,200	2,000	£6,000,000	£2,900	65%
Nuneaton and Bedworth	4,900	3,200	£8,900,000	£2,800	65%
Rugby	4,400	2,600	£7,600,000	£2,900	60%
Stratford-on-Avon	7,500	4,500	£13,700,000	£3,100	59%
Warwick	5,500	3,400	£9,900,000	£2,900	62%
Birmingham	45,500	32,000	£77,300,000	£2,400	70%
Coventry	12,800	8,700	£22,700,000	£2,600	67%
Dudley	14,300	9,900	£27,400,000	£2,800	69%
Sandwell	12,900	9,100	£22,800,000	£2,500	70%
Solihull	7,900	5,200	£16,000,000	£3,100	66%
Walsall	11,800	8,300	£22,400,000	£2,700	70%
Wolverhampton	9,800	6,500	£16,900,000	£2,600	66%
Bromsgrove	4,500	3,000	£9,000,000	£3,000	66%
Redditch	3,800	2,600	£7,300,000	£2,800	68%
Wyre Forest	5,100	3,300	£8,800,000	£2,700	64%
WM 7 Met.	**115,000**	**79,600**	**£205,500,000**	**£2,600**	**69%**
BCLEP	48,800	33,800	£89,500,000	£2,700	69%

Local Authority Area	Total potentially eligible population	Total no. of claims made to 31/01/21	Total value of claims made to 31/01/21	Average value of claims made to 31/01/21	Total Take-Up Rate
CWLEP	38,300	24,400	£68,800,000	£2,900	64%
GBSLEP	84,800	58,000	£152,800,000	£2,800	68%
WMCA (3 LEP)	**171,900**	**116,200**	**£311,100,000**	**£2,800**	**68%**
UK	3,370,000	2,191,000	£6,210,000,000	£2,800	65%

Regional Analysis

West Midlands Region: Claims by Age and Gender

At a West Midlands regional level, there were approximately 259,000 of the population eligible for the third grant of the SEISS, which is a take up rate of 65% based on the total number of claims of 170,000. This can be split further by gender and there was a total potentially eligible male population of 185,200 for the third grant of the SEISS, which equates to a take-up rate of 68% at the end of January which is based on the total number of claims of 125,200. There were 74,200 eligible female population for the West Midlands region with a take-up rate of 60% based on the total number of claims of 44,400.

Overall, for the West Midlands region the highest take-up rate was for those aged 35-44 years old (58,900 eligible, 41,200 claims) Excluding missing data, the highest take-up rate in the West Midlands region for females were those aged 25-34 years old at 64% (12,600 eligible and 8,000 claims). For males in the West Midlands region, the highest take-up rate was those aged 35-44 years old at 73% (41,600 eligible, 30,400 claims).

West Midlands Region: Claims by Broad Industry

Excluding entries categorised as “unknown” or “other”, the industries with the highest take-up rates were other service activities at 81% (17,900 eligible, 14,500 claims), followed by transportation and storage at 80% (23,700 eligible, 18,900 claims) and then education at 74% (8,800 eligible, 6,600 claims).

The following table shows a breakdown by broad industry for the West Midlands Region:

Gender	Age bands	Total potentially eligible population	Total no. of claims made to 31/01/21	Total value of claims made to 31/01/21	Average value of claims made to date	Take-Up Rate
Male	16-24	7,700	4,700	£10,300,000	£2,200	61%
	25-34	34,800	24,300	£72,100,000	£3,000	70%
	35-44	41,600	30,400	£87,800,000	£2,900	73%
	45-54	47,600	33,200	£98,300,000	£3,000	70%
	55-64	39,200	25,300	£74,800,000	£3,000	64%
	65+	12,500	6,000	£19,800,000	£3,300	48%
	Missing	1,800	1,300	£3,300,000	£2,600	69%
	All	185,200	125,200	£366,300,000	£2,900	68%
Female	16-24	2,100	1,100	£1,900,000	£1,700	54%
	25-34	12,600	8,000	£16,000,000	£2,000	64%
	35-44	17,300	10,800	£21,700,000	£2,000	62%
	45-54	20,500	12,800	£27,800,000	£2,200	63%
	55-64	16,000	9,200	£20,800,000	£2,300	57%
	65+	5,000	1,900	£5,500,000	£2,800	39%
	Missing	700	400	£1,000,000	£2,400	64%
	All	74,200	44,400	£94,700,000	£2,100	60%
All	16-24	9,800	5,900	£12,100,000	£2,100	60%
	25-34	47,400	32,300	£88,100,000	£2,700	68%
	35-44	58,900	41,200	£109,500,000	£2,700	70%
	45-54	68,100	46,000	£126,200,000	£2,700	68%
	55-64	55,300	34,500	£95,600,000	£2,800	62%
	65+	17,500	8,000	£25,300,000	£3,200	46%
	Missing	2,500	1,700	£4,300,000	£2,500	68%
	All	259,000	170,000	£461,000,000	£2,700	65%

	Total potentially eligible pop.	Total no. of claims made to 31/01/21	Total value of claims made to 31/01/21	Average value of claims made to date	Take-Up Rate
Accommodation and food service activities	6,500	4,000	£10,300,000	£2,600	62%
Administrative and support service activities	19,300	10,600	£21,200,000	£2,000	55%
Agriculture, forestry and fishing	8,700	2,700	£8,100,000	£3,000	31%
Arts, entertainment and recreation	5,400	3,700	£8,800,000	£2,400	68%
Construction	80,500	56,600	£193,600,000	£3,400	70%
Education	8,800	6,600	£14,800,000	£2,300	74%
Financial and insurance activities	1,500	900	£3,400,000	£3,800	58%
Human health and social work activities	11,500	5,600	£15,900,000	£2,900	49%
Information and communication	2,400	1,200	£3,600,000	£3,000	52%
Manufacturing	7,000	4,400	£12,500,000	£2,900	62%
Other service activities	17,900	14,500	£30,700,000	£2,100	81%
Professional, scientific and technical activities	11,800	6,500	£20,900,000	£3,200	55%
Public administration and defence; compulsory social security	500	300	£700,000	£2,400	62%
Real estate activities	1,100	600	£1,800,000	£3,100	53%
Transportation and storage	23,700	18,900	£36,200,000	£1,900	80%
Wholesale and retail trade; repair of motor vehicles and motorcycles	17,800	10,900	£28,000,000	£2,600	61%
Unknown and other	35,100	21,600	£50,500,000	£2,300	62%
All	259,000	170,000	£461,000,000	£2,700	65%

Source: HMRC, Self-Employment Income Support Scheme (SEISS) Statistics: February 2021

Coronavirus Job Retention Scheme (CJRS) Statistics: February 2021[1]

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Summary

- In total, the WMCA 3 LEP area had 261,300 employments furloughed at 31st January 2021[2]. This reflects 14.5% take-up of eligible employments for the scheme, compared to the UK average of 15.6%.

- There was a slightly higher percentage of females furloughed, 14.8% (131,400), compared to males, 14.3% (129,900).

- The West Midlands region had 366,400 employments furloughed at 31st January. Compared to the previous month, this has increased by 20.8% (+63,000), while the UK increased by 18.3%. Compared to 31st August, the West Midlands region has increased 14.0% (+45,000 workers furloughed), while the UK increased by 23.4%.

- Figures show that, as of the 31st January for the UK, those aged 25-34 years old accounted for the highest proportion of the total number of employments furloughed at 21.9% (1,029,200), followed by those aged 35-44 years old at 19.3% (909,400) and then those aged 45-54 years old at 18.2% (857,000).

- Across the UK, businesses with over 250 employees have made the highest value of claims for periods to 31st January with £2.8bn (28.3% of the total value of claims). This is followed by businesses with employer size 20-49 with £1.5bn, and then 2-4 with £1.4bn.

- Figures show that, as of 31st January, accommodation and food services accounted for the highest proportion of UK employments furloughed at 24.4% (1,147,200). This was followed by wholesale and retail at 20.0% (938,500) and then administrative and support services at 8.2% (387,000).

Full Briefing

Introduction

- This is the ninth release of Official Statistics on the Coronavirus Job Retention Scheme (CJRS). This release provides analysis of claims for periods up to 31st January 2021. The data used includes claims submitted to HMRC by 15th February 2021.

- The January figures should be considered as provisional and will be revised in a future release.

Furloughed Employments per day – UK & West Midlands Region

- Since the peak of 8.9 million employments furloughed on 8th May in the UK, the number of employments furloughed steadily dropped to 6.8 million on the 30th June. The number of employments furloughed continued to fall to 5.4 million at 31st July and 3.8 million on 31st August.

- The number of employments furloughed continued to reduce during September falling further to 2.8 million at 30th September and then to 2.4 million on the 31st October.

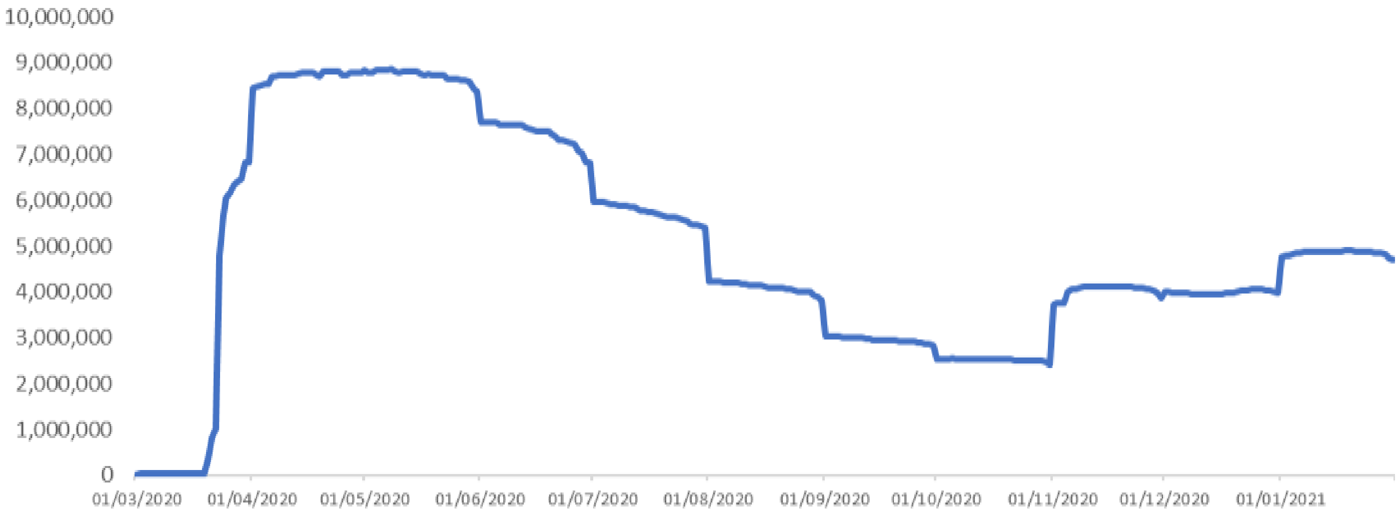
- However, employments furloughed increased throughout November, reaching 3.9 million on 30th November, then increased slightly throughout December to reach 4.0 million on 31st December.

- The latest data shows that employments furloughed continued to increase, and reached 4.7 million on 31st January.

[1] Source: HMRC, Coronavirus Job Retention Scheme statistics: February 2021. January values are provisional

[2] 619,800 individuals in the WMCA 3 LEP area have been furloughed at some point, but 261,300 remain furloughed as of 31st January

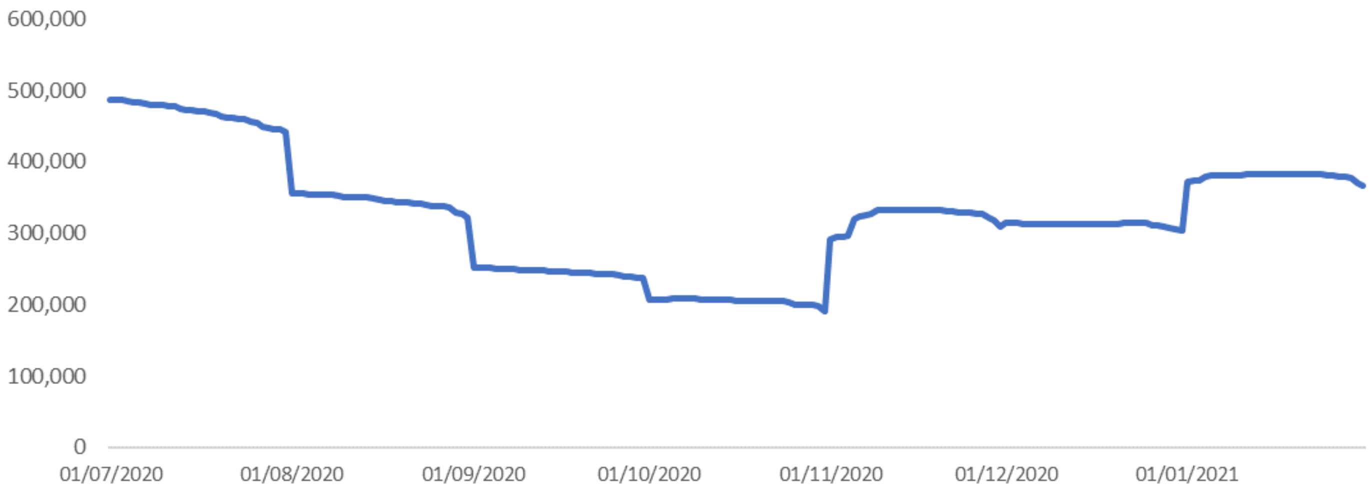
The following chart shows the UK employments furloughed between 1st March to 31st January:



- The West Midlands region had 366,400 employments furloughed as of 31st January 2020.

- Compared to the previous month, the West Midlands increased by 20.8% (+63,000 employments furloughed), while the UK increased by 18.3%.

The following chart shows for the West Midlands Region the number of employments furloughed between 1st July to 31st January:



- Of the 366,400 employments furloughed in the West Midlands region, 254,300 are fully furloughed and 112,100 are partially furloughed.

Age - UK

- For employees aged 25 to 34, the number of furloughed employments was 1.17 million on 31st July and fell to 833,600 at 31st August. This continued to fall throughout September to 627,900 employments furloughed at 30th September and by 31st October it was 526,000. Following this, employments furloughed began to increase again and reached 865,800 on 30th November and 887,900 on 31st December, and then 1,029,200 on 31st January.

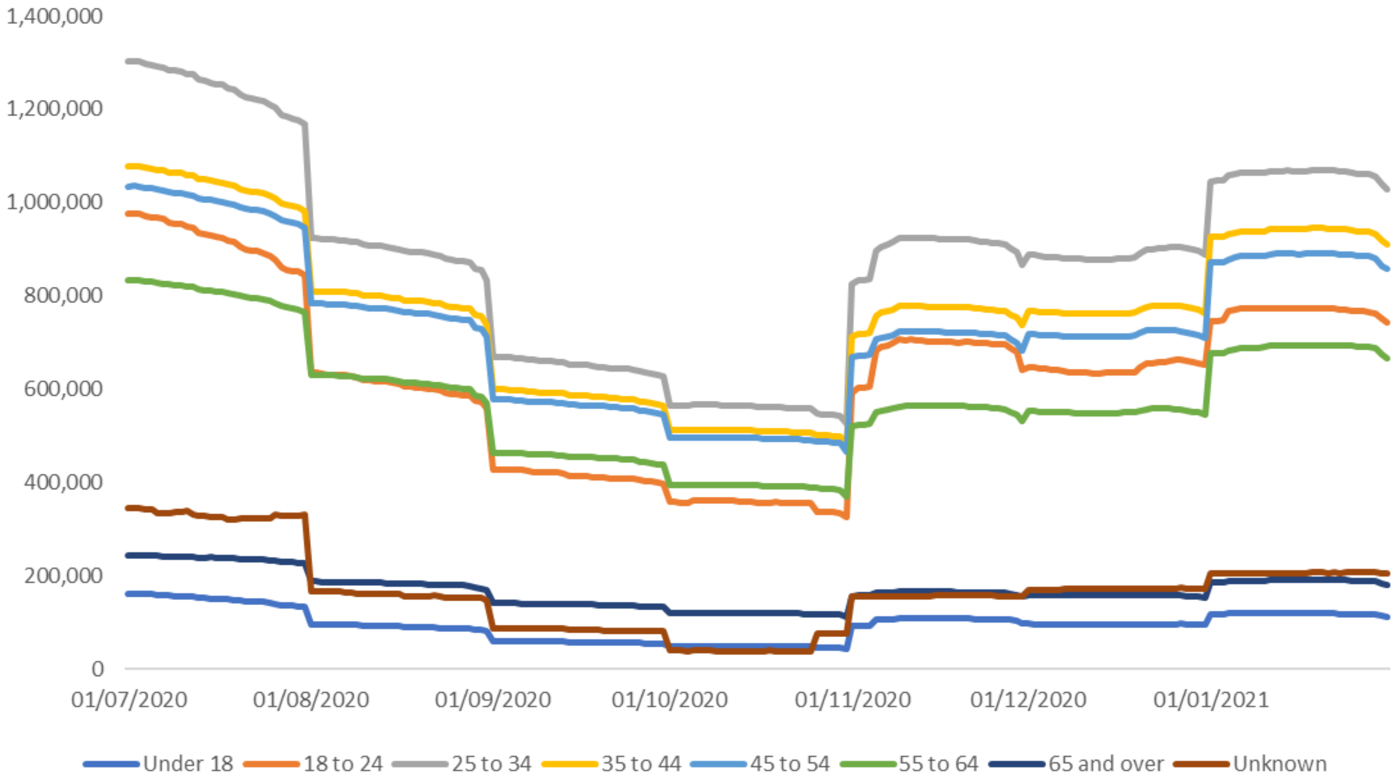
- The number of employments furloughed with employees in the 18 to 24 age band was 844,500 on 31st July. Figures show this decreased to 558,600 employments furloughed at 31st August, 398,400 at 31st September and 325,300 at 31st October. Employments furloughed began to increase again and reached 680,100 on 30th

November but decreased slightly to 651,000 on 31st December, before increasing to reach 742,700 on 31st January.

- Where the employee was 65 or over, the number of employments furloughed was 225,800 on 31st July. Figures for this age band show the number of employments furloughed decreased to 168,300 at 31st August, 132,500 at 30th September and 111,900 at 31st October. Employments furloughed began to increase again and reached 156,200 on 30th November, decreasing to 153,200 on 31st December, and then increasing to 181,600 on 31st January.

- Figures show on the 31st January for the UK, those aged 25-34 years old accounted for the highest proportion of the total number of employments furloughed at 21.9% (1,029,200), followed by those aged 35-44 years old at 19.3% (909,400) and then those aged 45-54 years old at 18.2% (857,000).

The following chart shows the number of employments furloughed per day by employee age (inc. unknown) between 1st July to 31st January for the UK:



Gender – WMCA (3 LEP)

- In total, the WMCA 3 LEP area had 261,300 employments furloughed at 31st January. This reflects 14.5% take-up of eligible employments for the scheme, compared to the UK average of 15.6%.

- There was a slightly higher percentage of females furloughed, 14.8% (131,400), compared to males, 14.3% (129,900).

- Overall, the local authorities with the highest percentage of workers furloughed were Stratford-on-Avon at 17.1% (10,300 employments furloughed of the 60,100 eligible), Birmingham at 15.5% (68,200 employments furloughed of the 439,200 eligible), and Wyre Forest at 15.2% (6,500 employments furloughed of the 42,900 eligible).

The WM Weekly monitor is funded by the West Midlands Combined Authority, Research England/UKRI

- The local authority with the highest percentage of males furloughed was Birmingham at 16.0% (36,200 furloughed of the 226,400 eligible).

- The local authority with the highest percentage of female employments furloughed was Stratford-on-Avon at 18.8% (5,700 furloughed of 30,400 eligible).

The following table shows employments furloughed, eligible employments and the take-up rate for the WMCA (3 LEP) area by gender on the 31st January:

	Female			Male			Total		
	Female employments furloughed	Female eligible employments	Female take up-rate	Male employments furloughed	Male eligible employments	Male take up-rate	Total employments furloughed	Total eligible employments	Total take up-rate
Birmingham	32,000	212,800	15.0%	36,200	226,400	16.0%	68,200	439,200	15.5%
Bromsgrove	3,400	22,900	14.8%	3,200	21,400	15.0%	6,500	44,300	14.7%
Cannock Chase	3,600	23,300	15.5%	3,000	23,000	13.0%	6,600	46,300	14.3%
Coventry	9,900	75,600	13.1%	10,300	80,200	12.8%	20,200	155,800	13.0%
Dudley	9,700	69,000	14.1%	10,200	68,600	14.9%	20,000	137,600	14.5%
East Staffordshire	4,300	28,500	15.1%	3,800	30,300	12.5%	8,100	58,800	13.8%
Lichfield	3,800	23,600	16.1%	3,200	23,300	13.7%	7,000	46,900	14.9%
North Warwickshire	2,400	15,400	15.6%	2,000	15,100	13.2%	4,400	30,500	14.4%
Nuneaton and Bedworth	4,000	31,300	12.8%	3,800	31,500	12.1%	7,800	62,800	12.4%
Redditch	3,100	21,200	14.6%	2,800	20,900	13.4%	5,900	42,100	14.0%
Rugby	3,800	27,200	14.0%	3,000	29,200	10.3%	6,800	56,400	12.1%
Sandwell	10,000	69,300	14.4%	10,800	71,400	15.1%	20,800	140,700	14.8%
Solihull	7,900	48,400	16.3%	6,600	47,800	13.8%	14,500	96,100	15.1%
Stratford-on-Avon	5,700	30,400	18.8%	4,600	29,700	15.5%	10,300	60,100	17.1%
Tamworth	3,100	18,700	16.6%	2,600	19,300	13.5%	5,700	38,000	15.0%
Walsall	8,700	57,400	15.2%	8,700	59,300	14.7%	17,400	116,700	14.9%
Warwick	5,100	33,600	15.2%	4,400	34,900	12.6%	9,500	68,600	13.8%
Wolverhampton	7,600	56,600	13.4%	7,500	57,000	13.2%	15,100	113,600	13.3%
Wyre Forest	3,300	21,900	15.1%	3,200	21,000	15.2%	6,500	42,900	15.2%
BC LEP	**36,000**	**252,300**	**14.3%**	**37,200**	**256,300**	**14.5%**	**73,300**	**508,600**	**14.4%**
CW LEP	**30,900**	**213,500**	**14.5%**	**28,100**	**220,600**	**12.7%**	**59,000**	**434,200**	**13.6%**
GBS LEP	**64,500**	**421,300**	**15.3%**	**64,600**	**433,400**	**14.9%**	**129,000**	**854,600**	**15.1%**
7 Met.	**85,800**	**589,100**	**14.6%**	**90,300**	**610,700**	**14.8%**	**176,200**	**1,199,700**	**14.7%**
WMCA (3 LEP)	**131,400**	**887,100**	**14.8%**	**129,900**	**910,300**	**14.3%**	**261,300**	**1,797,400**	**14.5%**
West Midlands	**188,400**	**1,267,500**	**14.9%**	**178,000**	**1,284,800**	**13.9%**	**366,400**	**2,552,300**	**14.4%**
United Kingdom	**2,322,100**	**15,170,100**	**15.3%**	**2,176,600**	**15,005,800**	**14.5%**	**4,703,600**	**30,175,900**	**15.6%**

- The parliamentary constituency in the WMCA (3 LEP) area with the highest furlough rate on 31st January was Stratford-on-Avon at 17.9% (7,700 furloughed of the 42,900 eligible).

- Birmingham, Ladywood is the parliamentary constituency with the highest male take-up rate at 18.3% (5,300 furloughed of 29,000 eligible).

- The parliamentary constituency with the highest female take-up rate with 19.7% (4,300 furloughed of the 21,800 eligible) was Stratford-on-Avon.

The following table shows by parliamentary constituencies within the WMCA (3 LEP) area the employments furloughed, eligible employments and take-up rate on the 31st January:

	Female			Male			Total		
Country / Region / Parliamentary constituency	**Female employments furloughed**	**Female eligible employments**	**Female take up-rate**	**Male employments furloughed**	**Male eligible employments**	**Male take up-rate**	**Total employments furloughed**	**Total eligible employments**	**Total take up-rate**
Aldridge-Brownhills	2,700	17,400	15.5%	2,400	16,800	14.3%	5,100	34,100	15.0%
Birmingham, Edgbaston	2,700	19,400	13.9%	2,800	19,400	14.4%	5,500	38,800	14.2%
Birmingham, Erdington	3,200	21,900	14.6%	3,200	21,700	14.7%	6,400	43,600	14.7%
Birmingham, Hall Green	3,000	19,300	15.5%	4,300	23,900	18.0%	7,300	43,300	16.9%
Birmingham, Hodge Hill	3,000	18,800	16.0%	4,200	23,800	17.6%	7,200	42,600	16.9%
Birmingham, Ladywood	4,100	23,700	17.3%	5,300	29,000	18.3%	9,400	52,700	17.8%
Birmingham, Northfield	3,000	23,100	13.0%	2,900	21,000	13.8%	5,900	44,100	13.4%
Birmingham, Perry Barr	3,200	21,700	14.7%	3,800	23,100	16.5%	6,900	44,800	15.4%
Birmingham, Selly Oak	2,800	21,000	13.3%	2,900	19,800	14.6%	5,700	40,800	14.0%
Birmingham, Yardley	3,500	21,600	16.2%	4,000	23,300	17.2%	7,500	44,900	16.7%
Bromsgrove	3,400	22,900	14.8%	3,200	21,400	15.0%	6,500	44,300	14.7%
Burton	3,800	25,900	14.7%	3,500	27,800	12.6%	7,300	53,800	13.6%
Cannock Chase	3,600	23,300	15.5%	3,000	23,000	13.0%	6,600	46,300	14.3%
Coventry North East	3,500	28,600	12.2%	3,800	30,600	12.4%	7,300	59,300	12.3%
Coventry North West	3,500	25,000	14.0%	3,400	25,500	13.3%	6,900	50,500	13.7%
Coventry South	2,900	22,000	13.2%	3,000	24,100	12.4%	6,000	46,000	13.0%
Dudley North	2,300	18,200	12.6%	2,500	18,100	13.8%	4,900	36,300	13.5%
Dudley South	2,600	17,500	14.9%	2,700	17,500	15.4%	5,300	35,000	15.1%
Halesowen and Rowley Regis	2,700	19,600	13.8%	2,900	19,400	14.9%	5,600	39,000	14.4%
Kenilworth and Southam	3,200	19,900	16.1%	2,600	20,000	13.0%	5,900	39,900	14.8%
Lichfield	3,500	22,100	15.8%	2,900	21,700	13.4%	6,400	43,700	14.6%
Meriden	4,300	25,400	16.9%	3,500	24,900	14.1%	7,800	50,300	15.5%
North Warwickshire	3,300	22,100	14.9%	2,900	21,800	13.3%	6,200	43,900	14.1%
Nuneaton	2,900	23,400	12.4%	2,700	23,600	11.4%	5,600	46,900	11.9%
Redditch	3,300	22,500	14.7%	3,000	22,100	13.6%	6,300	44,600	14.1%
Rugby	3,600	26,000	13.8%	2,900	28,000	10.4%	6,500	54,000	12.0%
Solihull	3,600	23,000	15.7%	3,100	22,900	13.5%	6,700	45,900	14.6%
Stourbridge	2,900	19,300	15.0%	3,000	19,200	15.6%	5,900	38,500	15.3%
Stratford-on-Avon	4,300	21,800	19.7%	3,500	21,100	16.6%	7,700	42,900	17.9%
Sutton Coldfield	3,500	22,300	15.7%	3,000	21,500	14.0%	6,400	43,800	14.6%
Tamworth	3,900	22,800	17.1%	3,200	23,400	13.7%	7,100	46,200	15.4%

	Female			Male			Total		
Country / Region / Parliamentary constituency	Female employments furloughed	Female eligible employments	Female take up-rate	Male employments furloughed	Male eligible employments	Male take up-rate	Total employments furloughed	Total eligible employments	Total take up-rate
Walsall North	2,900	20,100	14.4%	3,000	20,500	14.6 %	5,900	40,600	14.5 %
Walsall South	3,000	19,900	15.1%	3,300	22,000	15.0 %	6,300	41,900	15.0 %
Warley	3,100	20,900	14.8%	3,500	21,900	16.0 %	6,600	42,800	15.4 %
Warwick and Leamington	3,700	24,700	15.0%	3,200	26,000	12.3 %	6,900	50,700	13.6 %
West Bromwich East	2,900	19,700	14.7%	3,100	19,900	15.6 %	5,900	39,700	14.9 %
West Bromwich West	2,800	20,500	13.7%	3,000	21,200	14.2 %	5,800	41,700	13.9 %
Wolverhampton North East	2,600	20,500	12.7%	2,500	19,800	12.6 %	5,100	40,300	12.7 %
Wolverhampton South East	2,700	19,800	13.6%	2,900	20,600	14.1 %	5,600	40,500	13.8 %
Wolverhampton South West	2,600	19,000	13.7%	2,500	19,300	13.0 %	5,100	38,300	13.3 %
Wyre Forest	3,300	21,900	15.1%	3,200	21,000	15.2 %	6,500	42,900	15.2 %
WMCA	**131,400**	**887,100**	**14.8%**	**129,900**	**910,300**	**14.3 %**	**261,300**	**1,797,400**	**14.5 %**
United Kingdom	**2,322,100**	**15,170,100**	**15.3%**	**2,176,600**	**15,005,800**	**14.5 %**	**4,703,600**	**30,175,900**	**15.6 %**

Employment Size – UK

- Across the UK, businesses with over 250 employees have made the highest value of claims for periods to 31st January with £2.8bn (28.3% of the total value of claims). This is followed by businesses with employer size 20-49 with £1.5bn, and then 2-4 with £1.4bn.

- On the 31st January, businesses with 20-49 employees have had the highest take up rate at 61% (53,300 employers furloughing staff of the 87,800 eligible employers). This was followed by businesses with employer size 100-249 at 56% (9,400 employers furloughing staff of the 16,700 eligible) and businesses with employer size 250+ at 56% (6,300 employers furloughing staff of the 11,300 eligible).

- Those businesses with an employer size of 2-4 furloughed the highest percentage of eligible employments at 36% (622,900 employments furloughed of the 1.7m eligible). This was followed by 5-9 at 33% (540,500 employments furloughed of the 1.6m eligible).

The following table shows by employers and employments the number furloughed, eligible and the take up rate by employer size for the UK on 31st January:

	Employers			Employments			
Employer size	Employers furloughing staff at 31 December	Eligible employers	Take-up rate at 31 December	Employments furloughed at 31 December	Eligible employments	Take-up rate at 31 December	Value of claims made for periods to at 31 December (£m)
1	194,400	719,900	27%	194,400	719,900	27%	414
2 to 4	312,800	698,300	45%	622,900	1,735,400	36%	1,390
5 to 9	135,700	256,300	53%	540,500	1,613,500	33%	1,257
10 to 19	74,600	139,700	53%	522,000	1,823,700	29%	1,210
20 to 49	53,300	87,800	61%	652,000	2,598,500	25%	1,505
50 to 99	15,500	28,300	55%	327,800	1,920,900	17%	718
100 to 249	9,400	16,700	56%	343,900	2,521,300	14%	707
250+	6,300	11,300	56%	1,492,800	17,242,600	9%	2,848

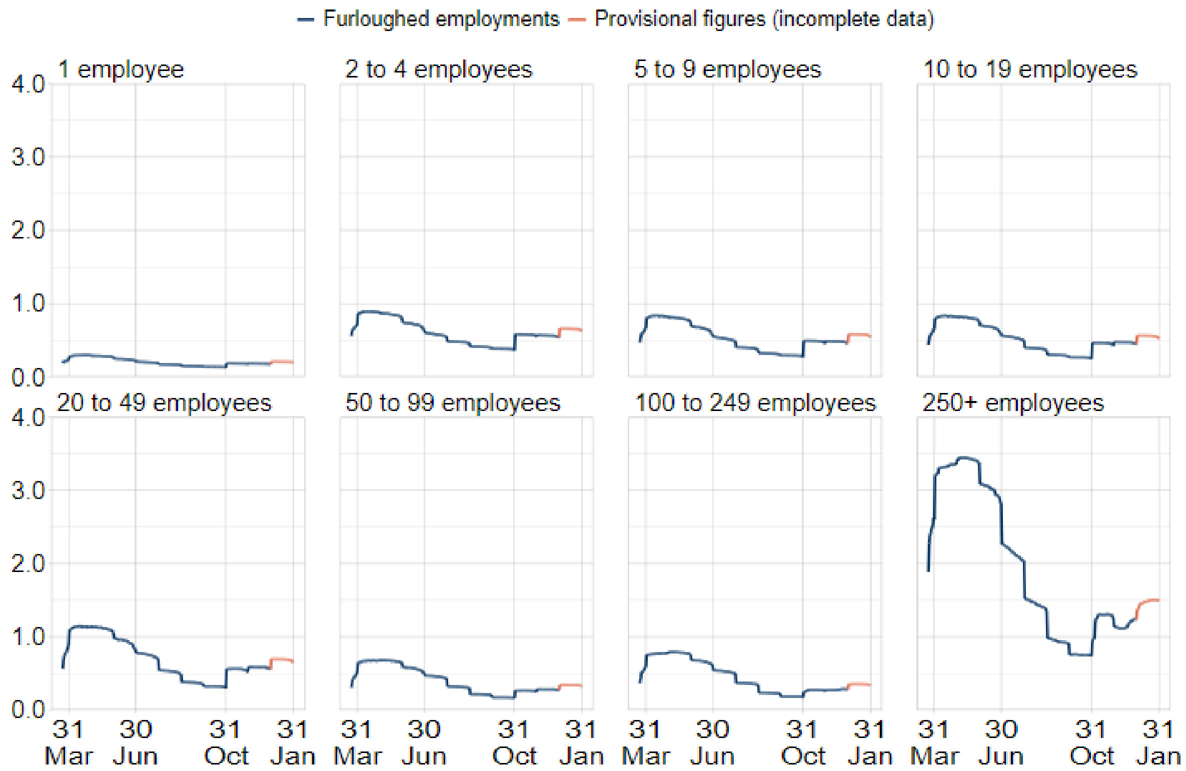
Employer size	Employers			Employments			Value of claims made for periods to at 31 December (£m)
	Employers furloughing staff at 31 December	Eligible employers	Take-up rate at 31 December	Employments furloughed at 31 December	Eligible employments	Take-up rate at 31 December	
Unknown	600	-	-	7,400	-	-	8
Total	**802,700**	**1,958,200**	**41%**	**4,703,600**	**30,175,900**	**16%**	**10,057**

- 3.45 million employments were furloughed by large employers with 250 or more employments on 5th May (the peak for this category). This reduced to a low of 737,000 employments furloughed by 31st October, before increasing again and reaching 1.49 million by 31st January.

- Employers with 20 to 49 workers had a peak of 1.15 million employments furloughed on 16th April, compared with a peak of 795,400 for employers with 100 to 249 employments on 1st May.

- Sole trader employers had a peak of 295,700 employments furloughed on 20th April, which then decreased to a low of 127,900 by 31st October, then increased again to 194,400 by 31st January.

The following charts show the total employments furloughed (millions) by employer size for the UK between 23rd March to 31st January:



Source: HMRC CJRS and PAYE Real Time Information data

Sectors – UK

- Furloughing of staff in the wholesale and retail sector peaked on 24th April 2020 at 1.85 million employments furloughed. This dropped to a low of 356,400 on 31st October 2020, before increasing again to reach 938,500 on 31st January 2021.

- Accommodation and food services peaked at 1.65 million employments furloughed on 10th April 2020, and declined to a low of 601,400 on 31st October 2020. By 31st January it had increased again, reaching 1.14 million.

- The manufacturing sector had a peak of 911,000 employments furloughed on 17th April 2020. This reduced to a low of 188,200 on 31st October 2020, before increasing again to reach 312,800 by 31st January 2021.

- In construction, furloughing peaked on 14th April 2020 with 723,600 employments furloughed, with this falling to a low of 130,700 by 31st October 2020. By 31st January 2021 numbers had increased to 244,100.

- Furloughing in arts and entertainment sector peaked later than other sectors on 15th May 2020 with 455,100 employments furloughed falling to 159,600 on 31st October 2020. Employments furloughed increased to reach 315,100 by 31st January 2021.

- Figures show that, as of 31st January 2021 accommodation and food services accounted for the highest proportion of UK employments furloughed at 24.4% (1,147,200). This was followed by wholesale and retail at 20.0% (938,500) and then administrative and support services at 8.2% (387,000).

Sectors – West Midlands Region

- Accommodation and food services had the highest number of employments furloughed in the West Midlands region as at 31st January 2021, at 81,000 people. Water supply, sewerage and waste had the least employments furloughed at 1,300.

- The wholesale and retail; repair of motor vehicles sector saw the largest increase in employments furloughed in real terms between 31st December 2020 and 31st January 2021, at 40.4% (+22,300).

The following table shows the total employments furloughed by sector for the West Midlands region and the change since the previous month as at 31st January 2021:

Sector	**December**	**January**	**Change**	**Change %**
Manufacturing	34,800	37,800	3,000	8.6%
Water supply, sewerage and waste	1,100	1,300	200	18.2%
Construction	14,700	17,300	2,600	17.7%
Wholesale and retail; repair of motor vehicles	55,200	77,500	22,300	40.4%
Transportation and storage	10,700	13,600	2,900	27.1%
Accommodation and food services	75,100	81,000	5,900	7.9%
Information and communication	7,200	7,800	600	8.3%
Financial and insurance	1,900	2,200	300	15.8%
Real estate	3,600	4,200	600	16.7%
Professional and scientific and technical	18,300	21,000	2,700	14.8%
Administrative and support services	24,200	29,300	5,100	21.1%
Education	7,200	15,800	8,600	119.4%
Health and social work	11,100	14,600	3,500	31.5%
Arts, entertainment and recreation	19,800	19,800	0	0.0%
Other service activities	13,400	17,600	4,200	31.3%
Other	1,800	2,300	500	27.8%
Unknown	3,300	3,300	0	0.0%
Total	**303,400**	**366,400**	**63,000**	**20.8%**

Source: Coronavirus Job Retention Scheme statistics: January 2021

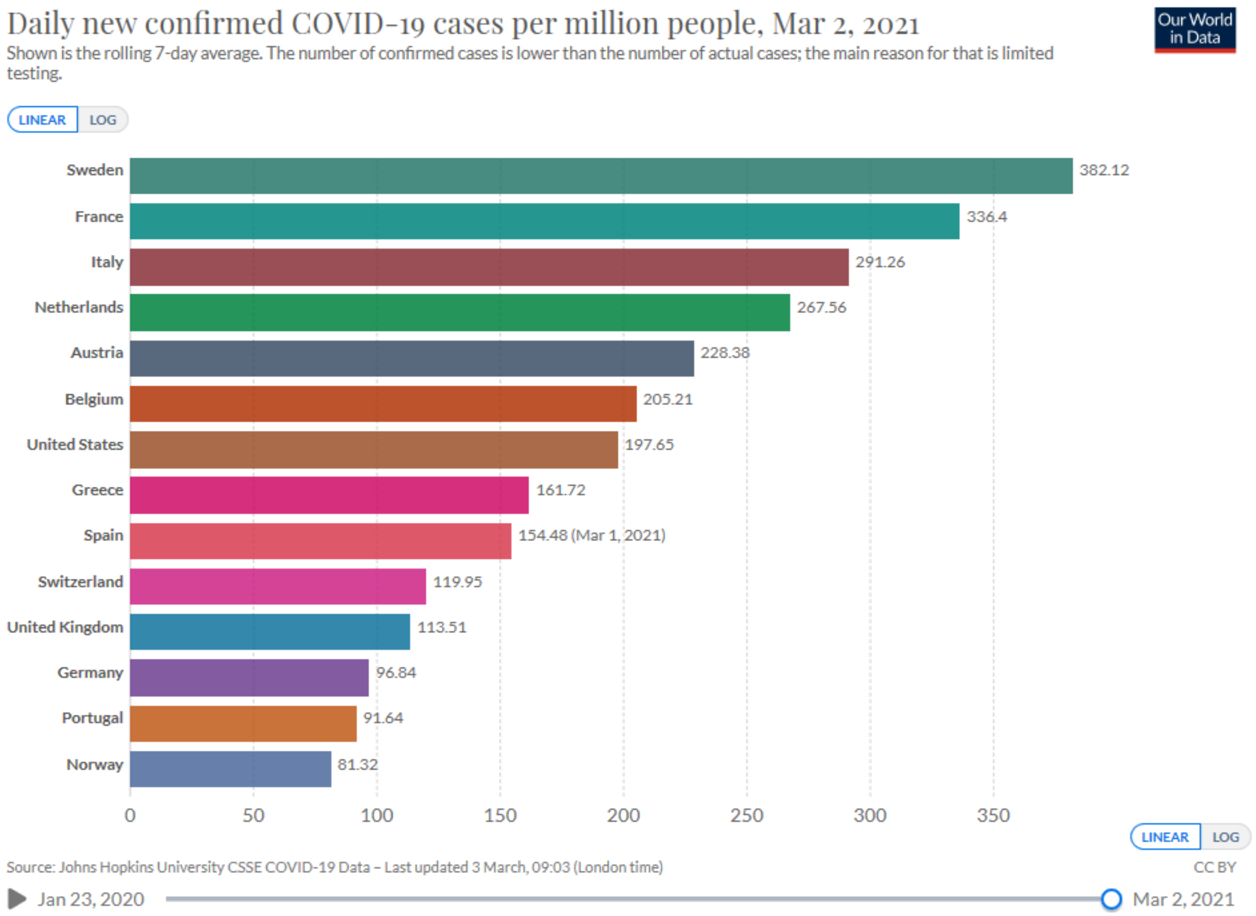
The WM Weekly monitor is funded by the West Midlands Combined Authority, Research England/UKRI

Infection Rates and Vaccine Update

Alice Pugh WMREDI/WMCA

Europe has seen a resurgence in infection rates which is continuing (see graph below).

Since 31 December 2019 and as of week 2021-7, **112 348 223 cases** of COVID-19 (in accordance with the applied case definitions and testing strategies in the affected countries) have been reported, including **2 484 324 deaths**.

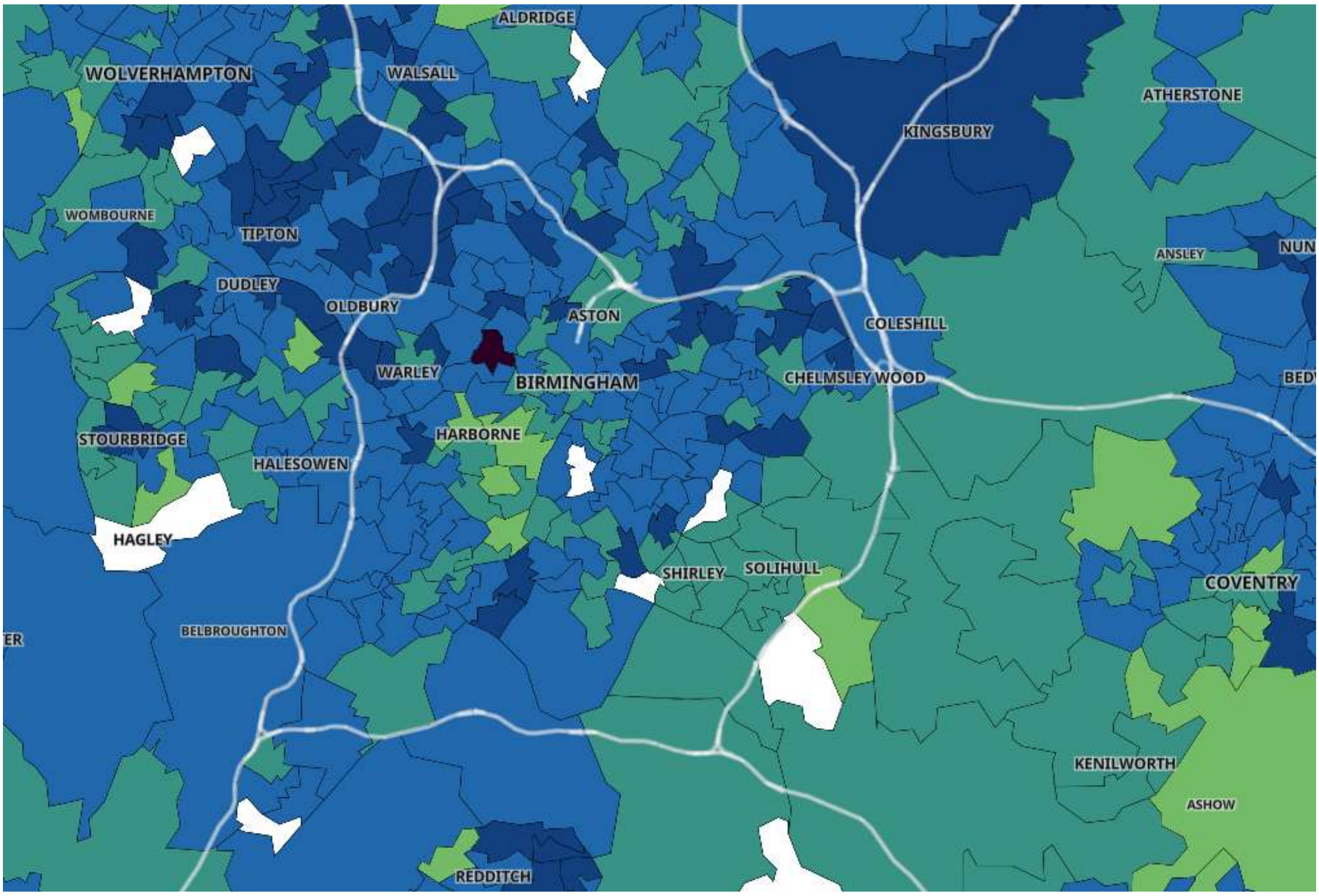


Latest ONS infection survey data (26th Feb- next release 5th Mar) states:

- In England, the percentage of people testing positive for the coronavirus (COVID-19) has continued to decrease in the week ending 19 February 2021; we estimate that 373,700 people within the community population in England had COVID-19 (95% credible interval: 346,400 to 401,300), equating to around 1 in 145 people.
- In Wales, the percentage of people testing positive has continued to decrease in the week ending 19 February 2021; we estimate that 14,700 people in Wales had COVID-19 (95% credible interval: 11,100 to 18,800), equating to around 1 in 205 people.
- In Northern Ireland, the percentage of people testing positive has continued to decrease in the week ending 19 February 2021; we estimate that 9,500 people in Northern Ireland had COVID-19 (95% credible interval: 6,600 to 13,100), equating to around 1 in 195 people.
- In Scotland, the percentage of people testing positive has continued to decrease in the week ending 19 February 2021; we estimate that 23,400 people in Scotland had COVID-19 (95% credible interval: 18,600 to 29,000) equating to around 1 in 225 people.

The map below displays weekly data, which are updated every day here. This map is for 25th February 2021

The WM Weekly monitor is funded by the West Midlands Combined Authority, Research England/UKRI

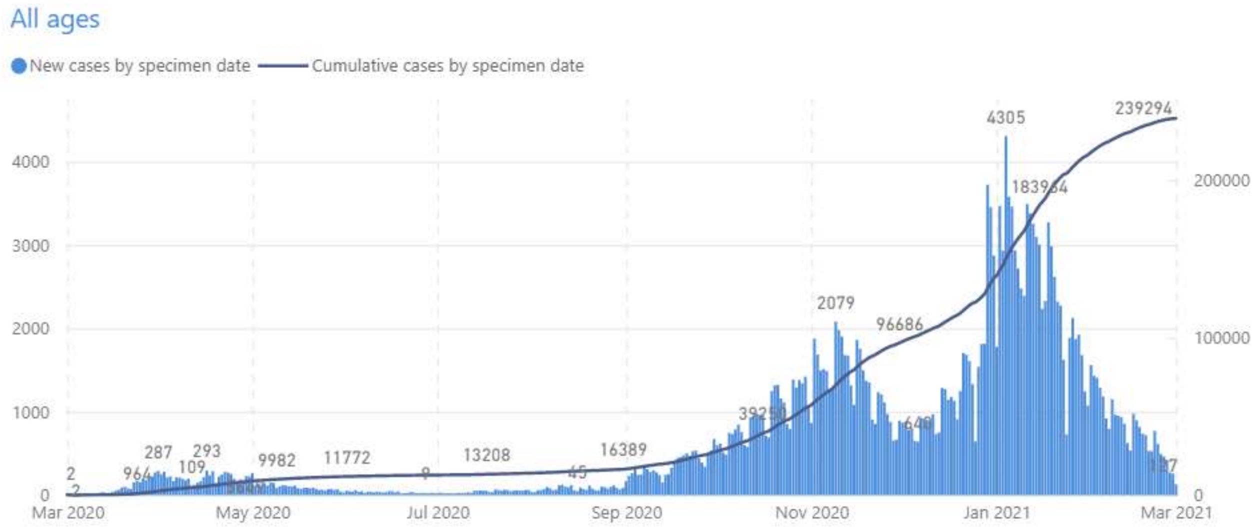


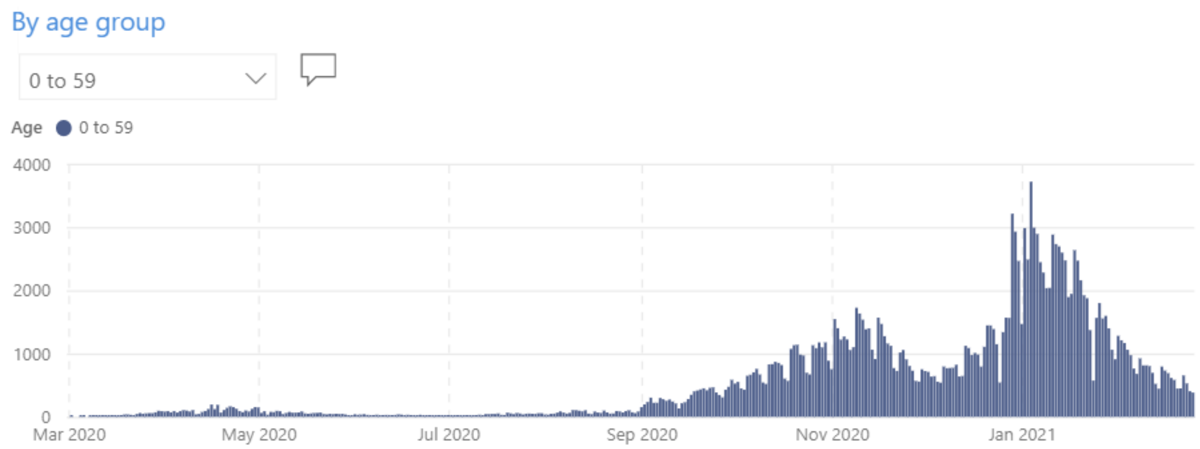
Regional Data

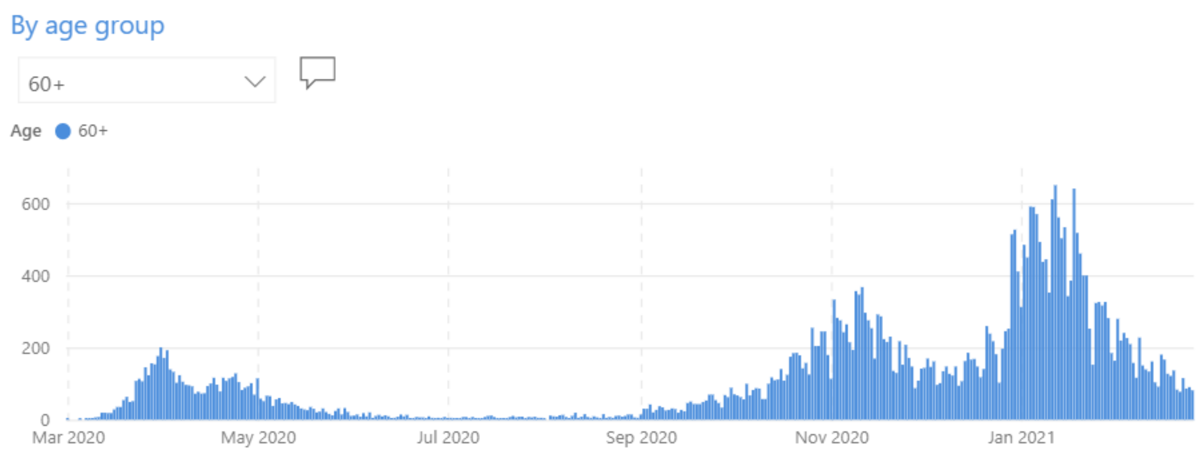
[The Coventry, Solihull and Warwickshire Epidemiology and Intelligence Cell](#) have created a dashboard which looks at covid data on a regional level. Data below:

Date	New cases by specimen date	New cases by publish date	Cumulative cases by specimen date	Cases in the last 7 days	Rate per 100,000 in the last 7 days
26 February 2021	419	529	238641	3808	130.03
25 February 2021	463	624	238222	4107	140.24
24 February 2021	493	722	237759	4378	149.49
23 February 2021	611	500	237266	4700	160.49
22 February 2021	767	690	236655	4985	170.22
21 February 2021	526	735	235888	5191	177.25
20 February 2021	529	644	235362	5199	177.53
19 February 2021	718	773	234833	5293	180.74
18 February 2021	734	845	234115	5430	185.41
17 February 2021	815	929	233381	5629	192.21
16 February 2021	896	701	232566	5765	196.85

As can be seen from the charts below in the first lockdown infections were higher in the older age groups, whereas now younger people are being infected (nb there will be some effect from higher testing but symptomatic cases presenting for testing are also more prevalent now).







Covid 19 Hospital Activity

A number of [data collections] have been implemented to support incident management. The collections were activated at short notice and the content of the collections has evolved as the incident has developed. The data collected is classified as management information. It has been collected on a daily basis with a tight turn round time. No revisions have been made to the dataset. Any analysis of the data should be undertaken with this in mind.

Total reported admissions to hospital and diagnoses in hospital

The table below shows the latest daily rates

The WM Weekly monitor is funded by the West Midlands Combined Authority, Research England/UKRI

Name	18-Feb-21	19-Feb-21	20-Feb-21	21-Feb-21	22-Feb-21	23-Feb-21	24-Feb-21	25-Feb-21	26-Feb-21	27-Feb-21	28-Feb-21
ENGLAND	**1,149**	**1,068**	**904**	**1,009**	**980**	**976**	**874**	**832**	**718**	**624**	**662**
East of England	145	97	98	132	102	97	104	68	81	58	68
London	142	150	110	127	129	103	105	110	72	64	97
Midlands	267	270	229	228	246	248	219	210	172	147	126
North East and Yorkshire	214	167	168	163	194	172	145	172	159	152	132
North West	148	163	148	133	144	165	108	120	103	96	121
South East	155	155	113	160	113	130	137	110	94	75	82
South West	78	66	38	66	52	61	56	42	37	32	36

Mechanical Ventilation beds - occupied by confirmed COVID-19 patients

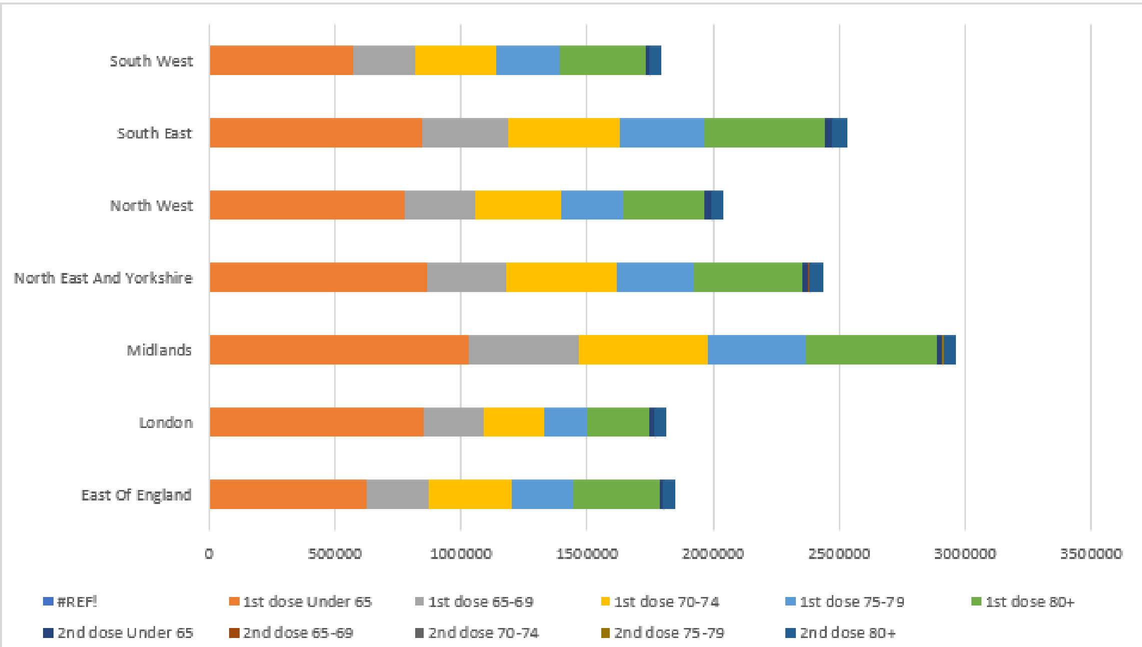
Name	19-Feb-21	20-Feb-21	21-Feb-21	22-Feb-21	23-Feb-21	24-Feb-21	25-Feb-21	26-Feb-21	27-Feb-21	28-Feb-21	01-Mar-21	02-Mar-21
ENGLAND	**2,251**	**2,142**	**2,122**	**2,072**	**1,956**	**1,931**	**1,866**	**1,808**	**1,747**	**1,630**	**1,658**	**1,556**
East of England	183	176	169	164	156	148	149	149	147	141	136	134
London	705	667	667	653	552	604	577	556	540	455	511	485
Midlands	439	421	415	421	413	387	376	362	356	358	349	328
North East and Yorkshire	263	252	252	248	247	237	232	231	225	219	217	200
North West	284	272	272	256	251	237	233	225	223	203	196	182
South East	270	258	249	234	249	232	227	219	196	190	191	174
South West	107	96	98	96	88	86	72	66	60	64	58	53

Total beds - occupied by confirmed COVID-19 patients (as at 08:00)

Name	19-Feb-21	20-Feb-21	21-Feb-21	22-Feb-21	23-Feb-21	24-Feb-21	25-Feb-21	26-Feb-21	27-Feb-21	28-Feb-21	01-Mar-21	02-Mar-21
ENGLAND	**15,018**	**14,316**	**14,142**	**14,137**	**13,511**	**13,007**	**12,449**	**11,781**	**11,090**	**10,663**	**10,765**	**10,121**
East of England	1,536	1,530	1,504	1,521	1,474	1,418	1,344	1,239	1,163	1,113	1,100	1,032
London	3,048	2,803	2,734	2,737	2,490	2,503	2,371	2,253	2,102	1,828	2,018	1,932
Midlands	3,190	3,080	3,036	3,080	3,003	2,875	2,776	2,648	2,518	2,483	2,458	2,304
North East and Yorkshire	2,197	2,155	2,163	2,118	2,076	1,947	1,894	1,800	1,736	1,747	1,742	1,629
North West	2,198	2,071	2,072	2,078	1,978	1,938	1,830	1,724	1,628	1,602	1,622	1,540
South East	2,025	1,902	1,875	1,860	1,859	1,686	1,624	1,548	1,451	1,413	1,354	1,248
South West	824	775	758	743	631	640	610	569	492	477	471	436

Vaccine Update

As of the 25th February 2021 the Midlands has successfully vaccinated **2,885,786** people with the first dose and a **77,253** of these individuals have received the second dose as well. Meaning the Midlands has successfully continued to provide the most doses of the first jab, and has remained the 3rd highest provider of the second dose out of the English regions.



NHS Region of	1st dose					Cumulative Total of 1st Doses to Date	2nd dose					Cumulative Total of 2nd Doses to Date	Cumulative Total of all Doses to Date
	Under 65	65-69	70-74	75-79	80+		Under 65	65-69	70-74	75-79	80+		
Total	5,575,259	2,106,677	2,623,884	1,946,973	2,675,253	14,928,046	145,084	8,053	5,736	9,060	342,716	510,649	15,441,149
East Of England	625,162	246,544	329,377	245,130	338,783	1,784,996	14,108	848	536	786	46,783	63,061	1,848,057
London	854,583	237,088	236,698	169,213	248,756	1,746,338	19,342	1,349	1,300	1,940	42,540	66,471	1,812,809
Midlands	1,026,178	439,366	512,828	391,278	516,136	2,885,786	23,253	1,165	792	2,123	49,920	77,253	2,963,039
North East And	862,165	319,375	435,126	310,487	425,438	2,352,591	25,105	1,382	879	1,051	58,106	86,523	2,439,114
North West	778,961	278,976	338,326	244,766	326,779	1,967,808	22,047	1,186	990	1,439	44,094	69,756	2,037,564
South East	846,325	340,454	443,172	336,131	475,120	2,441,202	26,231	1,473	866	1,271	58,085	87,926	2,529,128
South West	573,251	242,799	325,865	248,239	341,865	1,732,019	14,649	639	371	446	42,987	59,092	1,791,111

Weekly Deaths Registered 19th February 2021

BCCEIU

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

Across England and Wales, the overall registered death figures decreased from 15,354 in the week of the 12th February to 13,809 in the week of 19th February. The number of deaths registered that state Coronavirus on the death certificate experienced a decrease from 5,691 people to 4,079 people over the same period.

Regional level analysis shows that the West Midlands' overall registered death figure decreased from 1,670 people in the week 12th February to 1,592 in the week of 19th February. The number of registered deaths related to Coronavirus has decreased from 657 people to 530 over the same period.

There was a total of 1,135 deaths registered across the WMCA (3 LEP) area in the week of the 19th February. There were 409 deaths registered that were related to Coronavirus over the same period – accounting for 36.0% of total deaths. The WMCA (3 LEP) area accounted for 77.2% of the 530 Coronavirus related deaths registered in the West Midlands Region. In comparison to the week of the 12th February, the overall registered death figures in the WMCA (3 LEP) area decreased by 95, while the number of deaths related to Coronavirus decreased by 63 people.

At a local authority level, Birmingham accounted for 29.8% (122) of deaths related to Coronavirus in the WMCA (3 LEP), this is followed by Walsall at 11.2% (46 deaths).

Of deaths involving Coronavirus registered in the week of the 19th February, 78.0% (319) were in registered in a hospital, 13.4% (55) were in a care home, 6.4% (26) were registered as at home. 1.5% (6) of deaths were registered in a hospice. 0.2% (1) of deaths were registered at other communal establishment and 0.5% (2) of deaths were registered were classed as elsewhere.

Place and number of deaths registered that are related to Coronavirus in the week of 19th February 2021:

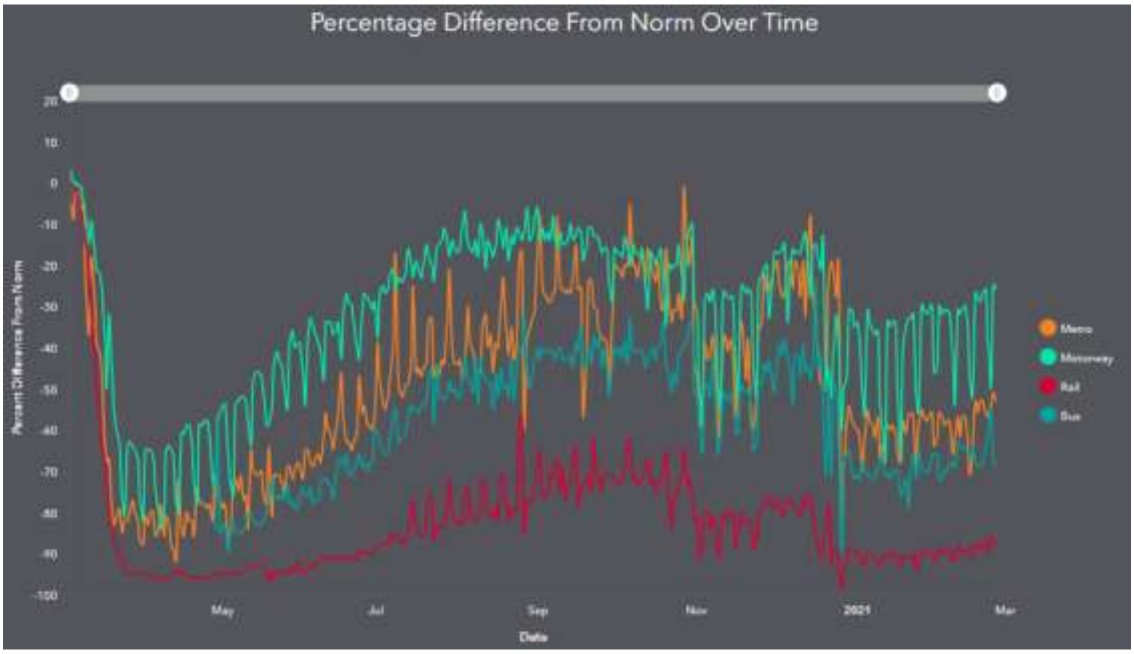
Area name	Care home	Elsewhere	Home	Hospice	Hospital	Other communal establishment	Total
Cannock Chase	1	0	1	0	7	0	9
East Staffordshire	8	0	1	0	7	0	16
Lichfield	2	0	0	0	9	0	11
Tamworth	3	0	0	0	5	0	8
North Warwickshire	0	0	0	0	2	0	2
Nuneaton and Bedworth	0	0	1	0	5	0	6
Rugby	2	0	2	0	2	0	6
Stratford-on-Avon	0	0	0	0	4	0	4
Warwick	1	0	0	0	4	0	5
Bromsgrove	0	0	0	0	8	0	8
Redditch	0	0	0	0	2	0	2
Wyre Forest	0	0	0	0	9	0	9
Birmingham	8	1	6	4	103	0	122
Coventry	6	0	2	0	20	0	28
Dudley	7	0	4	0	24	0	35
Sandwell	2	0	3	0	29	0	34
Solihull	1	1	1	1	21	1	26
Walsall	6	0	3	1	36	0	46
Wolverhampton	8	0	2	0	22	0	32
WM 7 Met.	**38**	**2**	**21**	**6**	**255**	**1**	**323**
Black Country LEP	23	0	12	1	111	0	147
Coventry & Warwickshire LEP	9	0	5	0	37	0	51
Greater Birmingham & Solihull LEP	23	2	9	5	171	1	211
WMCA (3 LEP)	**55**	**2**	**26**	**6**	**319**	**1**	**409**

Source: ONS, Death registrations and occurrences by local authority and health board, 2nd March 2021

The WM Weekly monitor is funded by the West Midlands Combined Authority, Research England/UKRI

Transport Data

Anne Shaw TFWM

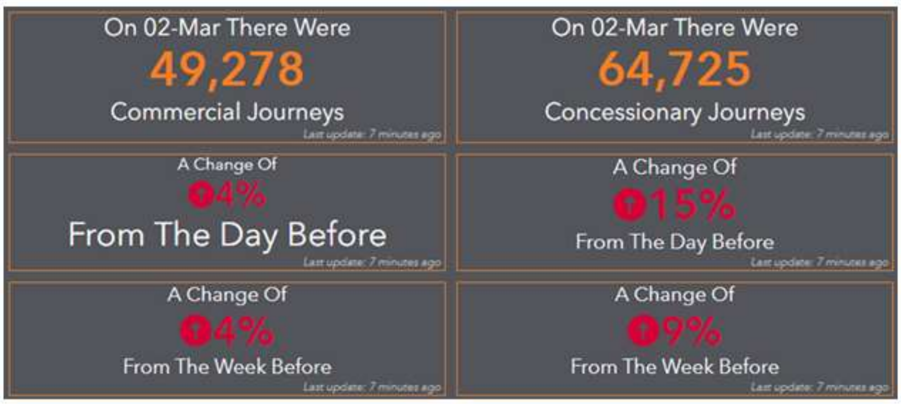


As reported last week, transport has made all necessary preparations to ensure school services are in place ahead of return to school on the 8th March with planning ongoing for return to full services as we approach further steps within the government 4 stage plan of easing restrictions. Travel advice continues to be essential journeys only. We have updated all messaging and with the return to school we have also released our face mask campaign which is specifically aimed at young people to get them to “mask up”

There has been a steady increase in Concessionary journeys over the last few weeks to around 60,000 journeys a day. Analysis shows that there is no real pattern of who is travelling and most likely correlates to increased confidence in this group following 1st vaccine roll out. We are monitoring this carefully.

The table provides intel in terms of the levels of services and the use of the network per mode compared to this time last year, the day before and the week before (2nd February).

	% levels pre covid	% change from day before	% change from Week before
Bus	31	-2	0
Train	12	-1	0
Tram	47	-2	+3
Roads (HE SRN)	74	-1	+2



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ONS Weekly Release Indicators

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ONS Weekly Release Indicators

On the 25th February 2021 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. The following information contains footfall data, final results from Wave 24 of the Business Insights and Conditions Survey (BICS), national company incorporations and voluntary dissolution and results from Wave 46 of the Opinions and Lifestyle Survey (OPN).

Footfall

For the week to 20th February 2021, overall footfall was at 38% when compared to the same week in 2020. Footfall in retail parks increased by 1 percentage points compared to the previous week to 65% of the level in the same week of 2020. Footfall in high streets increased by 11 percentage points compared to the previous week to 28% of the level in the same week of 2020 and shopping centres increased by 4 percentage points to 28% when compared to the same week in the previous year.

Footfall was weaker in the East Midlands, Wales and Northern Ireland in the week to 20th February 2021, however across all UK regions levels are still significantly lower than level seen for the same period in 2020.

The following chart shows the volume of footfall, percentage change from the same day the previous year for UK regions between 1st March 2020 to 20th February 2021:

Source: Springboard and the Department for Business, Energy and Industrial Strategy

The WM Weekly monitor is funded by the West Midlands Combined Authority, Research England/UKRI

National Company Incorporations and Voluntary Dissolution

Companies House data shows for the UK, there were 15,846 incorporations in the week ending 19th February 2021. This is down from 16,882 recorded in the previous week but higher when compared to the same week in 2020 (13,052) and 2019 (13,366).

Also, for the week ending 19th February 2021, there were 6,087 voluntary dissolution applications, an increase from 5,367 recorded in the previous week. The number of voluntary dissolution applications was higher than levels seen in the eighth week of 2020 (5,371) and the same week in 2019 (6,025).

Business Insights and Conditions Survey

The final results from Wave 24 of the Business Insights and Conditions Survey (BICS) based off the 5,130 businesses surveyed across the West Midlands that businesses have a presence in with a response rate of 27.0% (1,387) and to 2,957 businesses that are head quartered in the West Midlands, with a response rate of 26.0% (769). Please note, unless stated, the following data is based on the period between 8th to the 21st February and only covers topics where there is a regional breakdown. Also, the data used is unweighted for regions and response levels can be low so the following results should be treated with caution when evaluating the impact of COVID-19. Due to weighted data being available for the UK a comparison has not been included.

Trading and Financial Performance

89.7% of responding West Midlands businesses were trading between 8th to 21st February. In the West Midlands, 9.9% of businesses had temporarily closed or temporarily paused trading and less than 1% of businesses had permanently ceased trading.

In the West Midlands, 89.2% of responding businesses were trading between the 8th to the 21st February and had been for more than the last two weeks. 9.0% of West Midlands businesses had paused trading and do not intend to restart in the next two weeks.

46.9% of trading businesses in the West Midlands reported their turnover had decreased by at least 20%. However, 36.7% of trading businesses in the West Midlands reported that their turnover was unaffected and around 7% reported their turnover had increased by at least 20%.

Excluding “other” and “not sure”, 73.9% of responding West Midlands businesses reported the main reason for the change in the business turnover in the last two weeks was due to COVID-19, 1.8% reported the main reason as the end of the EU transition period and 12.8% reported that it was due to COVID-19 and the end of the EU transition period.

Profits

Businesses were asked for their experiences for the reference period 25th January to 7th February. However, for questions regarding the last two weeks, businesses may respond from the point of completion of the questionnaire (8th February to 21st February).

Businesses were asked in the last two weeks how profits compared with normal expectations for the time of year. 43.1% of trading businesses in the West Midlands reported profits had decreased by at least 20%. However, 35.0% of trading businesses in the West Midlands reported that profits had stayed the same and approximately 7% reported their profits had increased by at least 20%.

Prices Brought and Prices Sold

Businesses were asked for their experiences for the reference period 25th January to 7th February. However, for questions regarding the last two weeks, businesses may respond from the point of completion of the questionnaire (8th February to 21st February).

Businesses were asked in the last two weeks how the prices of materials, goods or services brought by their business when compared with normal price fluctuations. Excluding those who responded “not applicable” or “unsure”, prices brought data shows 52.9% of West Midlands businesses reported prices did not change any more than normal, 14.8% reported prices increased more than normal and 8.0% of West Midlands businesses reported some prices increased and some prices decreased.

Businesses were also asked in the last two weeks how the prices of materials, goods or services sold by their business when compared with normal price fluctuations. Excluding those who responded "not applicable" or "unsure", prices sold data shows 1.6% of businesses in the West Midlands reported prices had decreased more than normal. 65.1% of West Midlands businesses reported prices did not change any more than normal, 6.4% reported prices increased more than normal and 5.4% of West Midlands businesses reported some prices increased and some prices decreased.

Stock Levels and Stockpiling

Businesses were asked for their experiences for the reference period 25th January to 7th February. However, for questions regarding the last two weeks, businesses may respond from the point of completion of the questionnaire (8th February to 21st February).

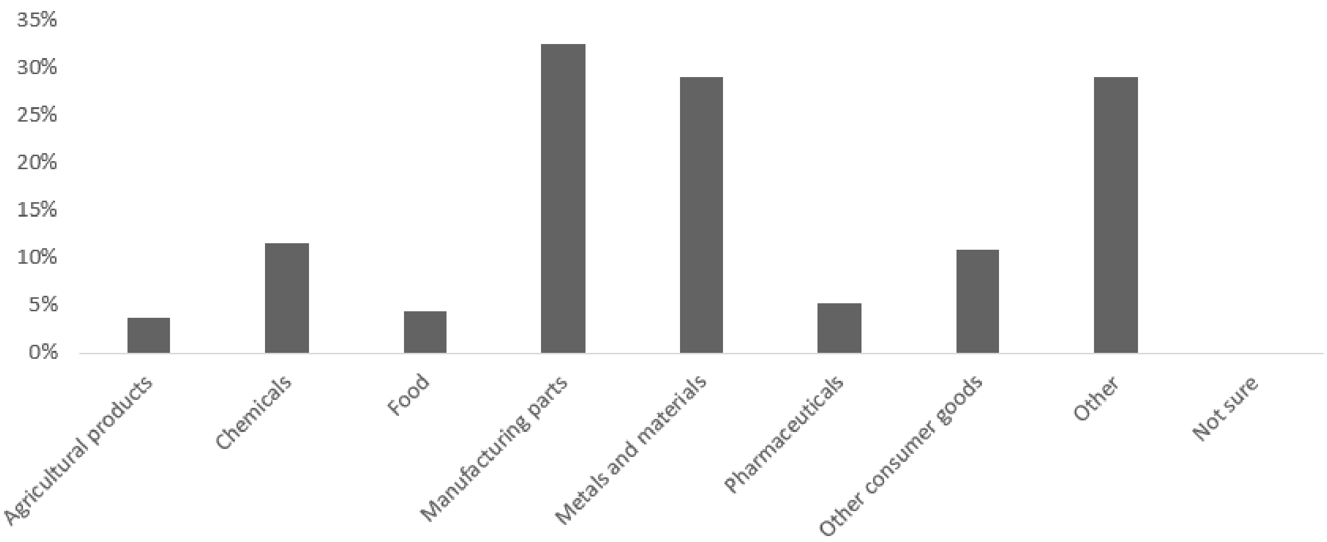
Businesses were asked how stock levels in the last two weeks compared to normal expectations for the time of the year. Excluding "not sure" or "not applicable" responses, 11.4% of West Midlands businesses reported that stock levels were higher than normal. 36.6% reported stock levels had not changed and 14.5% reported that stock levels were lower than normal.

Excluding "not sure" or "other" responses, 45.7% of West Midlands businesses reported that the main reason for the difference in stock levels were due to COVID-19. 25.5% of West Midlands businesses reported the main reason to be COVID-19 and the end of the EU transition period. 18.0% of West Midlands businesses reported just the end of the EU transition period as the main reason.

11.0% of responding West Midlands businesses reported they were stockpiling goods or materials. 58.0% of responding West Midlands businesses reported they were stockpiling goods or material from UK suppliers, 63.0% were stockpiling from EU Suppliers and 32.6% were stockpiling from non-EU suppliers.

Of the West Midlands businesses that reported they had stockpiled goods or material the highest percentage were for manufactured parts at 32.6%.

The following chart shows what goods or materials responding West Midlands businesses were stockpiling:



Grants Applied and Received, Finance Agreements and Further Schemes

14.1% of West Midlands businesses had applied for Local Restrictions Support Grant – England (88.4% have received). 1.8% of West Midlands businesses had applied for a grant from the Lockdown Business Fund – Wales (9.5% have received). 2.0% of West Midlands businesses have applied for a grant from the Strategic Framework Business Fund

Scotland (11.1% have received) and 2.5% had received a grant from Local Restrictions Support - Northern Ireland. While 74.8% of West Midlands businesses have not applied for any of these grants.

7.0% of West Midlands businesses have received small business grant, 7.3% have received a sector-specific grant and 3.3% have received an additional Restriction Grant.

25.7% of West Midlands businesses have received government-backed loans or finance agreements during COVID-19.

7.2% of West Midlands businesses are using or intend to use Kickstart Job Scheme for young people. 66.0% are using or intend to use the Coronavirus Job Retention Scheme. While 24.4% of West Midlands businesses are not using or intend to use either of these schemes.

International Trading

Businesses were asked for their experiences for the reference period 25th January to 7th February. However, for questions regarding the last two weeks, businesses may respond from the point of completion of the questionnaire (8th February to 21st February).

Businesses were asked in the last two weeks, had their businesses exporting or importing of goods or services been affected when compared to normal expectations for the time of year. 38.2% of exporting businesses in the West Midlands reported their businesses were still exporting but less than normal. Of those businesses who continued to trade and import, 27.7% in the West Midlands were importing less than normal.

42.5% of West Midlands businesses who were exporting reported that they had not been affected and 51.4% reported that importing had not been affected.

Less than 1% of businesses in the West Midlands are exporting more than normal and 3.4% are importing more than normal.

5.9% of businesses in the West Midlands have not been able to export in the last two weeks and 2.2% of West Midlands businesses have not been able to import in the last two weeks.

Great Britain to Northern Ireland

Businesses were asked if they had sent or intended to send goods from Great Britain to Northern Ireland in the last two weeks - 55.8% of West Midlands businesses responded yes.

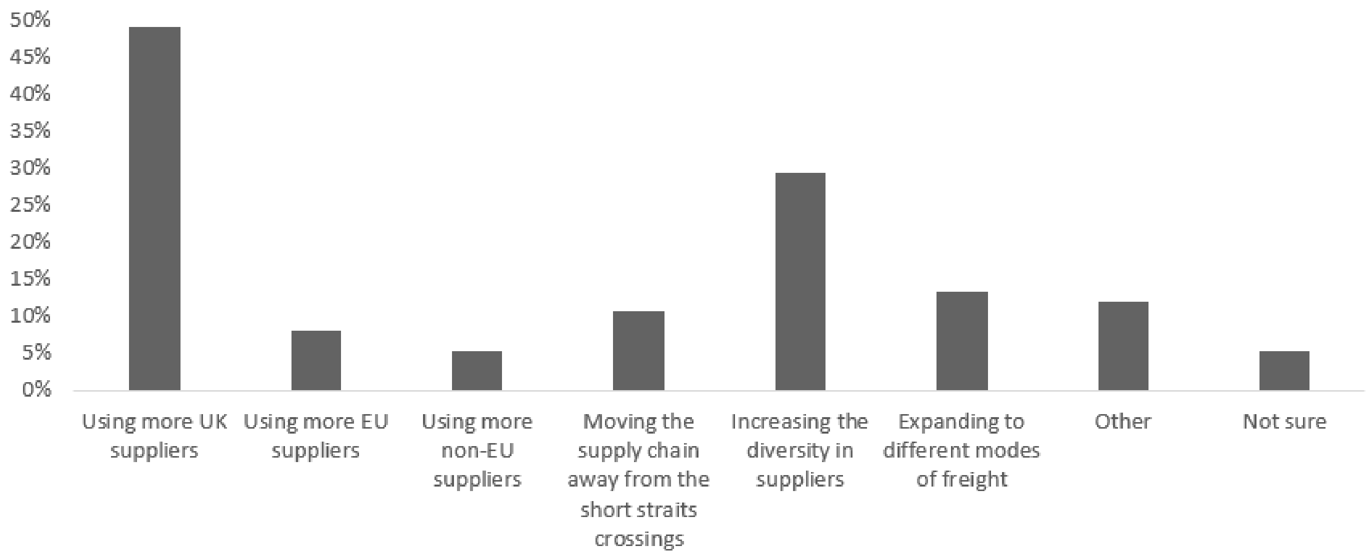
63.0% of West Midlands businesses reported the volume of goods sent from Great Britain to Northern Ireland had stayed the same, 26.6% reported the volume had decreased and 1.9% had stopped sending goods.

Excluding “other”, “not sure” and none of the above”, 50% of West Midlands businesses reported the change in volume sent was due increased delays, this was followed by 31.8% from increase cost, 27.3% decreased demand in goods and 20.5% due to COVID-19.

Supply Chains

Businesses were asked if they had made changes to supply chains due to the end of the EU transition period. 6.0% of responding West Midlands businesses reported they had. Where businesses stated they had made changes, 49.3% of responding West Midlands businesses reported they were using more UK suppliers.

The following chart shows where West Midlands businesses had reported they had made changes to supply chain, what the change was

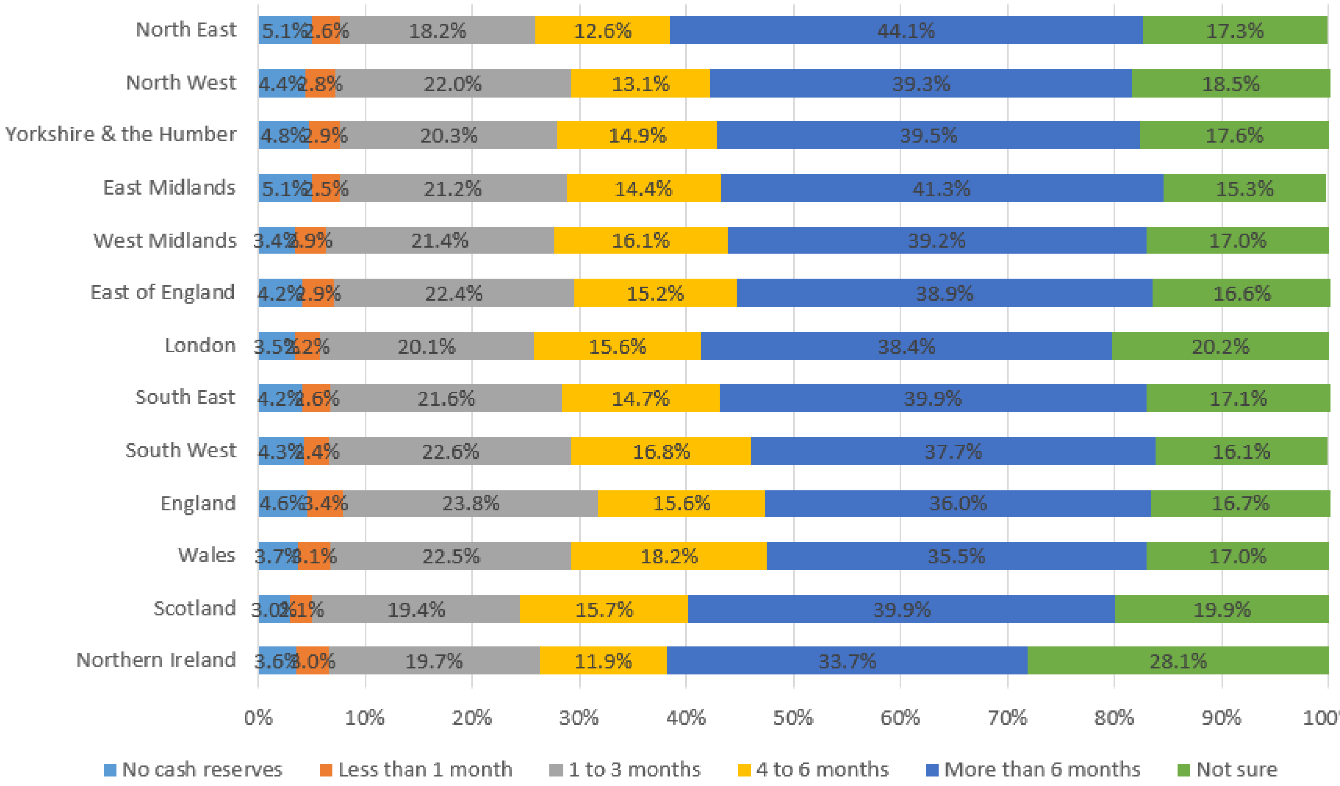


24.1% of responding West Midlands businesses reported extra costs due to increased red tape after the end of the EU transition period. Although 43.6% reported no extra costs.

Cash Flow

3.4% of responding West Midlands businesses that have not permanently stopped trading have no cash reserves.

The following graph shows across the UK regions how long cash reserves will last:



Business Confidence, Debt Repayments and Insolvency

In the West Midlands, 62.3% of responding businesses had high confidence in surviving over the next three months. 28.4% had moderate confidence of survival, 2.9% had low confidence. The remaining 5.6% were not sure.

The WM Weekly monitor is funded by the West Midlands Combined Authority, Research England/UKRI

43.2% of responding West Midlands businesses reported there was no debt repayments. 18.0% reported repayments were up to 20% of turnover and 9.6% of West Midlands businesses reported repayments were over 20% of turnover.

1.3% of responding West Midlands businesses reported they were at severe risk from insolvency and 12.2% of West Midlands businesses reported they were at moderate risk. 50.0% of West Midlands businesses reported a low risk of insolvency and 27.0% reported no risk.

7.5% of West Midlands businesses reported that the risk of insolvency had increased in the last two weeks. While, 84.6% of West Midlands businesses reported insolvency risk had stayed the same and 2.2% reported the risk had decreased.

Working from Home

68.1% of responding West Midlands businesses had more staff working from home as a result of COVID-19.

Excluding "not sure", 9.6% of West Midlands businesses reported productivity had increased while 55% reported productivity had stayed the same. While 18.7% of West Midlands businesses reported productivity had decreased.

26.6% of responding West Midlands businesses reported they intend to use increased homeworking as a permanent business model going forward.

Expected Sites Closures in the Next Three Months

3.7% of responding West Midlands businesses reported they intended to permanently close business in the next three months.

Expected Redundancies

8.3% of responding West Midlands businesses expected redundancies to happen within the next three months. With 3.5% of West Midlands businesses expected redundancies to occur within the next two weeks. 21.1% of responding West Midlands businesses expect redundancies between two weeks and one month and 72.8% expected redundancies between one and three months. 6.1% of West Midlands businesses were unsure when redundancies would occur.

Social Impacts of the Coronavirus

The following refers to the period of 17th to 21st February unless stated otherwise.

Avoiding Contact and Self-Isolating

In the past seven days, when a West Midlands resident has met up with people outside their household or support bubble, 90% reported to always or often maintaining social distancing (86% GB).

92% of responding West Midlands adults who have left their home in the past 7 days have avoided physical contact with others (matching GB average).

84% of responding West Midlands adults have avoided contact with older or other vulnerable people in the past 7 days (82% GB).

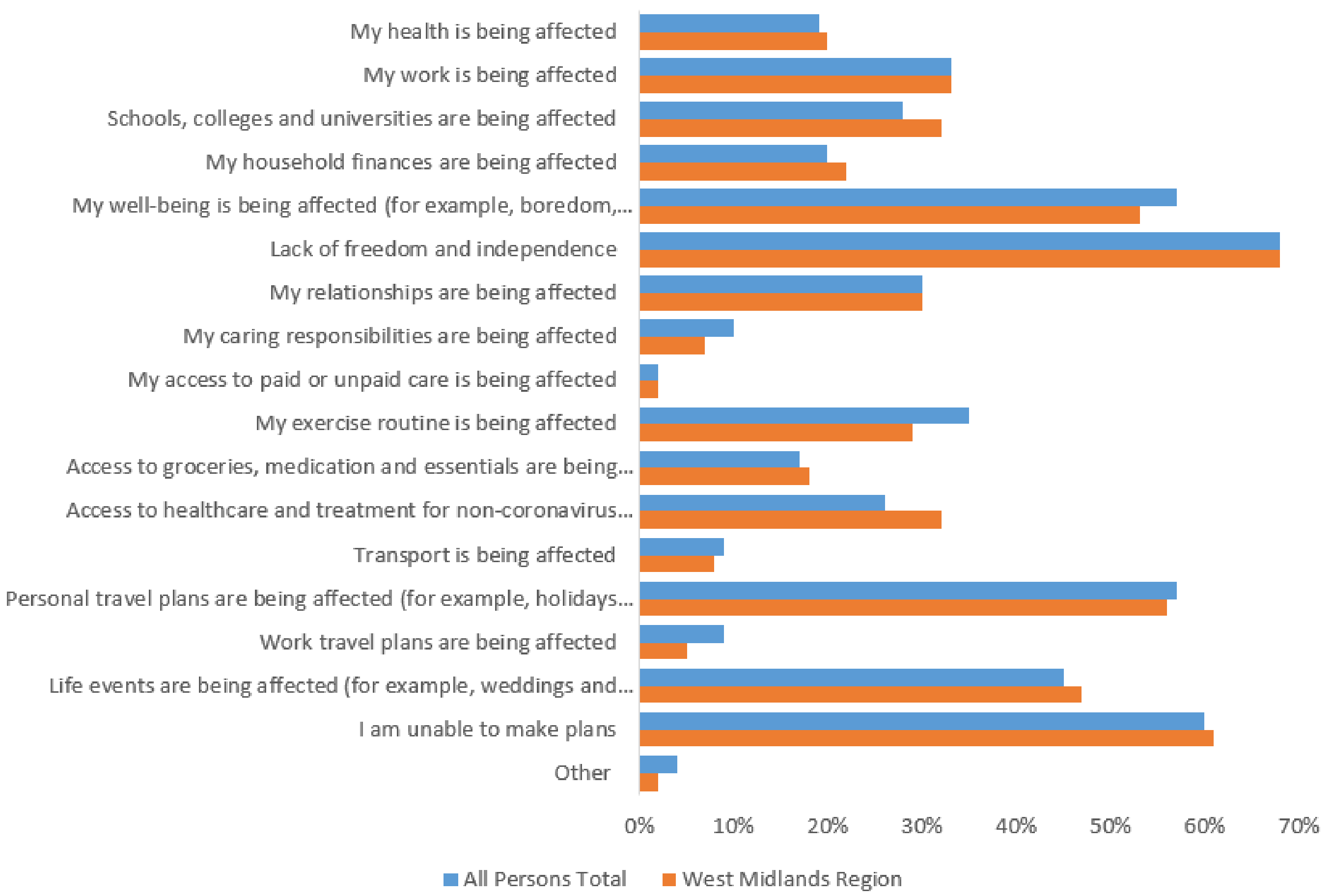
6% of responding West Midlands adults have self-isolated in the past 7 days due to COVID-19 (7% GB).

Impact on People's Life Overall

In the West Midlands 76% of adults reported they were very or somewhat worried about the effect COVID-19 was having on their life (71% GB). Only 9% of responding West Midlands adults reported that they were somewhat unworried or not at all worried (11% GB).

68% of adults in the West Midlands reported the main impact COVID-19 was having on their lives was the lack of freedom and independence (matching GB average).

The following chart shows how COVID-19 is affecting West Midlands adults and also the overall all persons total:



51% of working adults in the West Midlands reported their work had been affected due to COVID-19 (47% GB).

Well-Being, Loneliness and Perceptions of the Future

Average personal well-being scores for life satisfaction was 6.6 in the West Midlands (6.4 GB), worthwhile was 7.0 in the West Midlands (matching GB average), happiness was 6.5 for West Midlands adults (6.6 GB) and anxious was recorded at 4.0 for West Midlands adults (4.1 GB).

13% of adults in the West Midlands reported low levels of life satisfaction (16% GB). 9% of West Midlands adults reported low level of feeling worthwhile (11% GB).

25% of adults in the West Midlands reported to often/always or some of the time to feeling lonely (27% GB). While 45% reported hardly ever or never feeling lonely in the West Midlands (47% GB). 17% of responding West Midlands adults reported low level of happiness (16% GB) and 33% reported high levels of anxiety (34% GB).

20% of West Midlands adults believe it will take 6 months or less before life returns to normal (22% GB). While 31% of West Midlands adults believed it will take 7 to 12 months (29% GB). 27% of West Midlands adults think it could more than a year to return back to normal (matching GB average) and 6% for the West Midlands adults thought it would never go back to normal (5% GB).

Government Guidelines

58% of adults in the West Midlands felt they had enough information about government plans to manage COVID-19 (56% GB). 84% of adults in the West Midlands strongly or tend to support the current lockdown measures for where they live (87% GB). Only 9% of West Midlands adults strongly or tend to oppose the lockdown measures (6% GB).

74% of adults in the West Midlands region reported it was very easy or easy to understand the current lockdown measures (76% GB). 8% of West Midlands adults found them difficult or very difficult to understand the measures (matching GB average).

79% of adults in the West Midlands region reported it was very easy or easy to follow the current lockdown measures (77% GB). 5% of West Midlands adults found them difficult or very difficult to follow the measures (8% GB).

Mass Testing and Vaccines

In the West Midlands, 85% of adults strongly or tend to support mass testing (82% GB), while only 1% strongly or tend to oppose mass testing (2% GB).

75% of adults in the West Midlands were very or fairly likely to get a test for COVID-19 even if they did not have any symptoms (73% GB). While 11% were very or fairly unlikely to get a test without symptoms (14% GB).

35% of responding adults In the West Midlands region have received a vaccine (matching GB average) a further 7% have been offered a vaccine and waiting to be vaccinated (5% GB). 56% have not received or been offered the vaccine (59% GB).

LEP Level Intelligence

HEADLINES

<table>
<tr><th>SECTOR</th><th>KEY CONCERNS</th></tr>
<tr><td>Cross Sector</td><td>
COVID-19
Businesses across the region are welcoming the opportunity of lockdown to be lifted following the PM's announcement on the 22 February 2021 as the UK continues to administer vaccines and now has some certainty in the form of the government's roadmap. However, with many sectors still unable to open and trade fully for a number of additional months, they are imploring the Government to extend the various support schemes, including furlough and business rates relief, through the summer at least in order to help protect jobs and power economic recovery.
Regional business leaders are calling on the Government to ensure additional grant support is available for closed businesses with high overheads for which the current grant levels cannot pay the bills. Furthermore, there is a call for non-business rate payers and businesses without commercial premises to be able to access grant support and significantly impacted supply chain firms to receive support alongside those directly required to close and/or limit their activities. Directors of limited companies, the recently self-employed, charities currently excluded from support should also be helped.
Additional Covid feedback direct from local businesses includes:

VAT deferral period needs to be extended and VAT needs to be reduced.
Cost of PPE is reducing profits considerably.
Furlough needs to be extended
Current grants should not just be made available to hospitality and retail industry but also to those in the supply chain
Queries about eligibility for Covid grants
Some companies looking to change banks that have taken CBILS loans are finding that they are unable to transfer the CBILS to their new bank. Feeling that banks then hold the control over the business until loans are fully repaid
Since the government announcement, there has been a surge of enquiries from retail, hospitality and leisure businesses looking for updates on, and information on how to apply for, LRSG and ARG local authority grants. Some positive feedback received from businesses that were successful with ARG, saying the grant has made a real difference

A key concern locally is the pandemic's impact on joblessness. Business leaders describe the rise in unemployment in the West Midlands (as depicted by recent ONS data) as deeply concerning as the pandemic continues to hamper the labour market and point out that while the furlough scheme continues to limit job losses, these figures show that the ongoing pandemic has nonetheless significantly impacted the labour market, and especially so in the West Midlands. The pandemic and subsequent restrictions have put many otherwise viable businesses into desperate situations, struggling to stay afloat and retain jobs with little to no income for almost a full year. The TUC, in arguing for the extension of furlough, have warned of the damaging effect of jobs uncertainty and unemployment.
EU Exit
West Midlands businesses are still struggling to get to grips with some of the new post-Brexit trading arrangements. Key issues have been summarised in a recent Greater Birmingham Chambers of Commerce report:

There is a lack of capacity within the customs intermediary section to handle the increased volume of documentation required.
Complexity of rules of origin and knowing whether the goods imported from/exported to the EU qualify for preferential tariff rates.
Impact of double duty rates on businesses that import from countries outside the EU and re-export to the EU.
UK firms having to take on additional costs and responsibilities for shipping goods to and from the EU.

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</table>

SECTOR	KEY CONCERNS
	• Businesses based in the EU **switching from using UK suppliers to EU suppliers** to avoid increased bureaucracy. • New requirements for **bringing in skilled workers from the EU.** While some of these issues are said to be short-term teething problems, the Chamber says others will require intervention from Government, through additional support or further negotiation with the EU. The Chamber has called for the following measures: • **Allocate long-term funding to the Customs Grant Scheme** to build up capacity within the customs intermediary sector • Support firms in adapting to the new trading arrangements with the EU through the introduction of a temporary **SME 'Brexit' tax credit until 2022-23** • **Delay the imposition of additional Sanitary and Phytosanitary (SPS) checks** (from April) and full customs checks (from July) on imports into the UK. • The UK to negotiate with the EU around **expanding the list of permitted activities (eg. Musicians) that qualify for visa-free travel.** Growth Hubs have reported hearing of similar issues direct from businesses: • Businesses across the region continue to enquire about the **availability of grant initiatives to cover the cost of the EU exit procedures.** • Issues where companies sourcing products from UK based "middle men" but the source of the product is the EU, experiencing confusion over who is liable for payment of taxes. Companies buying products from UK based suppliers then being pursued VAT. • Queries about commercial invoices and other **documentation required** for export. • **Lack of clear guidance** and conflicting advice around documentation requirements • Government website hard to follow and time consuming • HMRC advisors only give broad answers **not related to specific queries** • Queries about **incoterms** • Queries about **labelling** • How to absorb extra charges and if it will be worth it • The challenge and time involved managing 2 different systems: **E.U. to U.K. R.E.A.C.H.** • Consideration of establishing EU entities to reduce non-tariff barriers to trade. • Many service type activities not covered by the Treaty, meaning work permits required. • There are reports that **EU businesses are turning away from UK food and drink** because of the delays and complexity. • Businesses say Government advice around delivering services in the EU is unhelpful. **Enquires** • There continues to be a mix of businesses looking to expand into bigger premises versus those looking to re-evaluate their commercial accommodation requirements as a result of the success of working from home. Some businesses not renewing leases. • Continued strong level of Growth Hub enquiries asking for support with new start up ventures.
Manufacturing	**EU Exit** The latest Manufacturing Barometer, which is produced by the Manufacturing Growth Programme (MGP) and SWMAS (the South West Manufacturing Advisory Service), suggests that **Brexit issues are causing SME manufacturers in the West Midlands significant disruption** as they look to recover from the economic effects of Covid-19. The survey reveals that:

<table>
<tr><th>SECTOR</th><th>KEY CONCERNS</th></tr>
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71% of companies have seen negative price changes within their supply chain since leaving the EU, with the availability of raw materials an issue for 47% of firms.
Of the 49 West Midlands respondents, more than half cited complications with exporting (53%) and 41% have had issues with importing goods since December 31, causing potential short and long-term hits on volumes and new opportunities.
Only a third of SME manufacturers feel they are getting the right support and guidance from Government on how to navigate changes caused by Brexit, underlining the need for better communication and additional tailored support.
On a more positive note, 24% of businesses believe Brexit could deliver new reshoring opportunities as firms look to bring their supply chains closer to home.

The barometer chimes with the GBCC report, recent MakeUK research and direct business engagement from Growth Hubs. Particularly important issues raised by manufacturers recently includes:

Lack of clear advice around trading with NI and ROI, eg:
- Import VAT/customs clearance requirements
- Postponed VAT for imports to ROI
- VAT on imports to NI
- Reclaim of import VAT paid in ROI related to goods moving onto NI
Manufacturers report how mixed loads and size of shipments are a problem with shipping firms.
The increase in shipping costs is a big issue.
Some couriers are ignoring rules of origin and charging tariffs
Delays in getting EORI numbers issued and receiving Ni XI number.
Confusion over duties and VAT
Delays and increased costs of importing materials and supplies.

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<tr><td>Hospitality</td><td>Covid-19

While the government’s lockdown is welcomed, extra support is still required in the immediate term. This is particularly relevant for firms that still won’t be able to open for many months (if they cannot serve food and drink outside for example).
Pub chiefs have warned that the current approach could prove to be “difficult and impossible to trade profitably” for some.

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<tr><td>Retail</td><td>Covid-19

Reports from John Lewis and Asda about job losses reflect the dire situation some retail finds itself in. This is reflected in the CBI’s most recent Retail Survey, that reported retail sales had dropped 45% in the year to February 2021.
In contrast, other parts of the sector have thrived in the current environment. According to Kantar, locked-down Britons have spent £15.2bn extra on groceries over past year.

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NEW ECONOMIC SHOCKS

COMPANY	LOCATION	SECTOR	SOURCE/DETAIL
John Lewis	Wider Region and Nationwide	Retail	John Lewis is set to launch a fresh round of store closures as the turmoil on the high street worsens, according to reports. The department store giant is understood to be considering the closure of eight stores in a bid to cut its significant property costs.
Asda	Wider Region and Nationwide	Retail	Thousands of jobs threatened as Asda launches major restructuring. Supermarket giant Asda says its restructuring has been driven by the 'structural shift' towards online grocery shopping, which could put 3,000 back-office store workers at risk.
Gallagher Estates	Warwick	Real Estate	A Warwick-based strategic land company has reported a fall in pre-tax profits and turnover, according to new accounts. Gallagher Estates rebranded as L&Q Estates in 2019 after it was acquired by L&Q for an enterprise value of more than £500m in 2017. The company reported a pre-tax profit of £3.2m for the year to 31 March 2020, down from £136.5m in 2019. Additionally, turnover was £48.3m, falling from £136.5m.
Economy-wide	Wider Region and Nationwide	Retail	Retail sales dive and expectations hit record low in slowdown. The Confederation of British Industry's (CBI) latest retail survey revealed a decline in both sales volumes and orders over the past year.

NEW INVESTMENT, DEALS AND OPPORTUNITIES

COMPANY	LOCATION	SECTOR	DETAIL & SOURCE
Minebea Intec	Solihull	Advanced Engineering	German Company Minebea Intec has announced plans to expand its UK operations and begin manufacturing from their current UK and Ireland headquarters based on Birmingham Business Park in Solihull from January 2021.
Fanatical	Rugeley	E-commerce/ Gaming	A Rugeley-based e-commerce firm has been sold to private equity-backed Fandom. Fanatical, which specialises in gaming e-commerce, was founded in 1995 as a distributor of PC CD-ROM software. To date, the site has sold over 80 million gaming keys to customers in 200-plus countries.
Generation	Birmingham	Employment Services – Training	US-based employment training agency opens new facility
Economy-wide	Birmingham		Birmingham should be nurtured as a hotbed of the fintech sector, according to a newly published government report into the industry. The Kalifa Review makes key recommendations including fostering Birmingham as one of the key fintech (financial technology) "clusters" across the UK.
Victoria Carpets	Kidderminster	Retail	The Kidderminster-based carpets and flooring group Victoria has raised £430 million through a bond issue. It will use half of the 500 million euros to fund acquisitions of more firms
City of Wolverhampton Council	Wolverhampton	Environment	Wolverhampton to bloom after £600,000 funding approved. Wildflower meadows, tree planting and bat and bird boxes will be introduced in parts of Wolverhampton after £600,000 funding was secured. It forms part of the Black Country Blue Network 2 project which aims to improve green space linked by the canal and river network
Tipton and Coseley Building Society	Sandwell	Building Societies	Despite the challenges of the Covid-19 pandemic the Tipton and Coseley Building Society has reported another set of strong results for 2020.
WMCA	Across the WMCA	Public Transport	Development work has started on a £30 million package of bus priority measures to improve reliability and journey times on commuter routes covered by some of the region's busiest bus services between Birmingham, Sandwell and Dudley.
Pet-XI	Coventry	Education and Training	A Coventry-based national training provider which helps learners get the skills they need to get ahead has gone international. Multi award-winning PET-Xi, which has been operating for 26 years, is now offering a wide range of courses to learners based outside of the UK through its new 'PET-Xi International College'.
Harvey UK	Henley-in-Arden	Interior Design	Henley-in-Arden based commercial decoration company Harvey UK has completed a contract to decorate a building on London's Regent Street. Harvey UK has carried out all of the painting, decorating, resin flooring and finishing work on 44 apartments in the recently-redeveloped Morley House – part of the Crown Estate.
RBH	Meriden	Digital & Creative	Creative communications agency RBH has started the year in a strong position having secured more than £1.5m of new business during 2020 despite the challenges of the pandemic. The Meriden-based agency, which celebrated its

COMPANY	LOCATION	SECTOR	DETAIL & SOURCE
			25th birthday last year, has won new business from both existing and new clients with a line-up now including Wacoal, NHS, Peugeot, Cameron Homes, Jaguar Land Rover, and Kingfisher Shopping Centre.
Aurrigo	Coventry	Manufacturing	Driverless vehicle manufacturer Aurrigo has launched an autonomous luggage and cargo transport platform which will enable airports to move luggage and cargo around indoor and outdoor settings without the need for human operators. The Auto-Dolly has the ability to navigate autonomously from one task to another, collecting and dropping off items automatically using a powered roller deck and the ability to crab sideways when docking and parallel parking.
FireAngel	Coventry	Manufacturing	Coventry headquartered home safety products group FireAngel has won a contract to supply connected smoke, heat and carbon monoxide alarms to a social housing customer in Scotland. FireAngel will supply approximately 4,000 properties with the group's wireless interlinked mains-powered and battery-powered smoke, heat and carbon monoxide alarms.

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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