West Midlands
Weekly Economic Impact Monitor

WM REDI | CITY REDI

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

Key Issues

- The overall death toll continues to rise: in the week ending 17th April ONS statistics show total England and Wales deaths are 22,351 with deaths stating covid19 as 8,758. The WM region total death toll stands at 2,536 an increase of 354 with covid19 deaths at 999, for the WMCA 841 deaths are registered to the virus accounting for 84% of deaths. Birmingham accounts for 32% of deaths in WMCA area. Coronavirus deaths are slowing but there continues to be a much higher total death rate than in previous years at the same time. In WM approximately 2/3 excess deaths are covid related, 1/3 other, which may be related the virus spill over effects such as people not attending hospital for other complaints, or undiagnosed coronavirus. The UK is set to be the worst affected country in Europe.
- Reviewing the scenarios or recovery, the most optimistic is a quick "V" however this is largely dependent on the length of the lockdown, current UK outlook would hint at a "U" shape, with the length determined by lockdown.
- PMI has dropped to 12.9, the lowest since records began, significantly lower than the 2008 crash at 38.1
- Recovery scenarios point to an increase in regional inequality as young people and those at the lower end of wage distribution will be harder hit. This a particular issue in the WM with Oxford Economics also predicting Birmingham to be one of the most affected cities globally, due to automotive and education sector. This will directly affect the wider region.
- The education sector (universities) is emerging as high risk for the region due to size and exposure to international students. The sector has 155k students, employing 28k people directly and £44k indirectly, £2.4bn combined income, expenditure (which is very local) of £2.6bn and estimated wider impact of £12bn, reduction would affect property, retail, cultural and tourism assets as well as knock on effect to FDI and investment seen from universities in cities in the region.
- Enterprise Research Centre have developed scenarios, and based on the last crisis would predict 17k firms closing and a loss of 336k jobs, 1 in 6 in WM. A second scenario using the ONS Covid-19 survey responses (which reflect current "policy on" activities) 353 firms have closed, 5,156 jobs lost so far, with a forecast of 6,999 firms and 100k jobs and a 5.3% decline. In this scenario there is no 'offset' creation elsewhere as companies have collapsed.
- Across various business surveys main messages are: cash reserves being used and rapidly depleting; workforces on the whole so far have stayed the same but a significant rise in furloughing, whilst redundancies remain low, but hours are reducing, drop in contract staff and significant homeworking (50% of workers).
- However this is a precarious situation as businesses are using cash reserves; Chamber research highlights 70% seeing a decline in reserves and although this is a drop on last week from 79%, the length of time they see reserves lasting has dropped, suggesting they are drawing closer to being unsustainable.
- Inequality is likely to get worse. Employees aged under 25 years were about two and a half times as likely to work in a sector that is now shut down as others which raising the need for specific interventions (details below). Universal Credit (UC) in the last fortnight of March 2020. 7.3 times higher than the same period a year earlier.
- It is likely city centre housing developments will be hit by a contracting market and demand for higher spec homes, with space for homeworking and outdoor space may rise as people review their situation in light of lockdown
- Office space is likely to be reviewed by companies as they have shifted to homeworking and this has become the norm, as will how they use the space they already have. This may accelerate the changes already happening in offices. It may also change the requirements for flexible office spaces.
- Retail space is likely to see a drop in demand as we see growth in online shopping as a result of far more consumer experience, this will potentially also have a knock on effect for transport and personal vehicle use, which may disrupt the automotive industry (of particular importance to WM) but also improve the environment.
- Consumer demand for leisure may grow as restrictions are lifted (within limits of social distancing implemented. Companies that may benefit most could be new operations including "independents" without legacy financial burden. They will offer weaker covenants but possibly more exciting and vibrant leisure and retail offers.
- There continue to be emerging issues about sharing data across organisations, with significant data issues on businesses. This has shown how fragile and data sharing is in the regional and nationally. With issues both across organisations and into government, including multiple data requests from multiple organisations, which slows analysis and delivery of policy interventions.

Summary of suggested interventions generated this week

Latest issues raised for interventions to manage risk:

- Publication of performance tables for banks on implementation of CIBLS, to allow us to understand issues and practices, similar to the LA data on grants.
- There are issues across the region with capacity to deliver some of the interventions/support and this is slowing implementation and getting worse because of reduced capacity in the region and size of the workforce
- Areas with a higher dependency on tourism and seasonal jobs are likely to be harder hit, which will disproportionately be rural hinterland and tourist areas in the region (where there are also significant commuters into the employment centres reliant on local services)
- Commentators identify common policy priorities as: (1) active labour market programmes for those out of work; (2) refocusing skills and training to support recovery; (3) support to young people; (4) using existing local partnership arrangements in getting back to work; (5) an orderly withdrawal from the Job Retention Scheme; (6) strategic planning for a future labour market characterised by high quality productive employment and improved security.
- Expand the anchor institutions network to look at the regional anchors role in recovery (paying attention to issues raised in earlier monitors and the CPP work on the risks to the education sector and its role as anchors)
- What will be the regulatory changes to employment i.e. right to homeworking, health and safety requirements and requirements for employers,

And support recovery:

- Initial review of past actions and activities has flagged up a number of areas to explore further. Policies include governments have support for helping failing companies; the importance of place approaches responding directly to need and encouraging risk in policy; improving liquidity; the use of mutual guarantee and peer-to-peer lending schemes to solve credit issues; R&D credits can thwart wider R&D firm impacts in recession so needs wider business support; the need for government to be an active entrepreneur in innovation; workplace social distancing is an effective measure to reduce transmission. These point to the need for task forces to develop interventions, supporting business to support each other, including mutual guarantee society model, examination of RDA interventions suggests adapting interventions they already had and rapid response, worked well.
- Clarity over the future exit strategy has gathered a pace, as businesses need to understand how they implement returning from lockdown. As in last week's monitor, especially as regards to furloughing, so that businesses can plan their return to the market. They would like the furlough to be extended or additional flexibility. There also needs to be effective communications and guidance in place on how to bring people back from both an operational business need and personal mental health and wellbeing point of view. This would inform how to safely lift restrictions and ensure they have a healthy working environment. Concerns have been expressed by companies about testing and whether they should be accessing it or leave supplies for NHS/social care, a business campaign could boost testing in the community. Similar with PPE if there is none for them what is the guidance, especially within social distancing restrictions, such as working with clients, transport implications and dealing with employees who express concern at returning, either on health or childcare issues.
- How to reshape businesses to deal with recovery ie restrictions on international movement, understand new markets and opportunities, improve their use and application of technology to build on changes already established. Programmes to develop support to create opportunities for diversifying their income and de-risk their business and invest in long term R&D and technology implementation. Also guidance on supply chain resilience and re-shoring; altering the way they work with international suppliers under the longer term social distancing rules and lack of trade missions.
- Support for universities as anchor institutions, especially where they support local economies and labour markets such as in WM. A strategic funding packing that prevents at risk universities collapsing; increase and speed up allocation of research funding; package of support with international recruitment and online learning
- Active labour market programmes (especially the young) and skills and training to support recovery, back to work schemes, planned withdrawal from job retention scheme and planning for the future
- Issue (especially for manufacturing and automotive) that we are getting through this to then hit Brexit and then hit emissions changes in 2021, creating a constant set of hurdles for the industry.
- Surplus of private housing could create an opportunity for local investment in the property market either through growth in private domestic sector or use of public investment for social housing supply
- There is a growing issue around the capacity and capability of public sector support organisations to support recovery as many staff are working 7 days a week and have no stretch to support recovery (people and business) or releasing of lock down

Global and National Outlook

European countries have tentatively begun to ease lockdown restrictions. Italy has confirmed that it will start easing restrictions next week and Germany reopened some schools on Monday as cases dropped. Stocks have rallied in Asia and Europe, and U.S. index futures and US equity futures advanced as investors begun to consider measures to restart closed-down economies. German sportswear Adidas AG remained resilient despite forecasting the first quarterly loss in over four year, indicating that investors are hopefully of post-lockdown recovery.

Malaysia has claimed its lockdown measures have been effective in flattening their respective epidemic curve. The Malaysian Director-General of Health has said they are now in the recovery phase as daily increases have remained in double-digits. The Bank of Japan abolished its limitation on buying government bonds and has substantially increased its buying of corporate debt, with the aim to stop the global crisis destabilizing Tokyo's financial system. It will now buy up to $186bn of corporate bonds and commercial paper.

Deutsche Bank AG has reserved $542 million to cover loans after a better-than-expected first-quarter performance. Electricity use in the European Union has increased for the first time in eight weeks, suggesting that the continent's economic activity may be beginning to thaw from its deep-freeze. Germany is also planning to introduce a legal right for workers to work from home. Hubertus Heil, the Social Democrat Labour Minister has said the legislation to enshrine the legal right to work from home will be tabled in the autumn.

In the US the closure of factories and production plants has mean the nation is now worryingly close to meat shortages. Nearly a third of U.S. pork capacity is down, and the nation's first big poultry plants closed on Friday and experts are now flagging that meat and poultry shortages are just weeks away.

National Outlook

In the UK EY has forecast a 'deep, short recession'. They state that economic growth could fall by 6.8 per cent this year before rebounding to positive growth of 4.5 per cent. Whilst business activity will recover once lockdown restrictions have been amended the economy will not return to its pre-lockdown size until 2023.

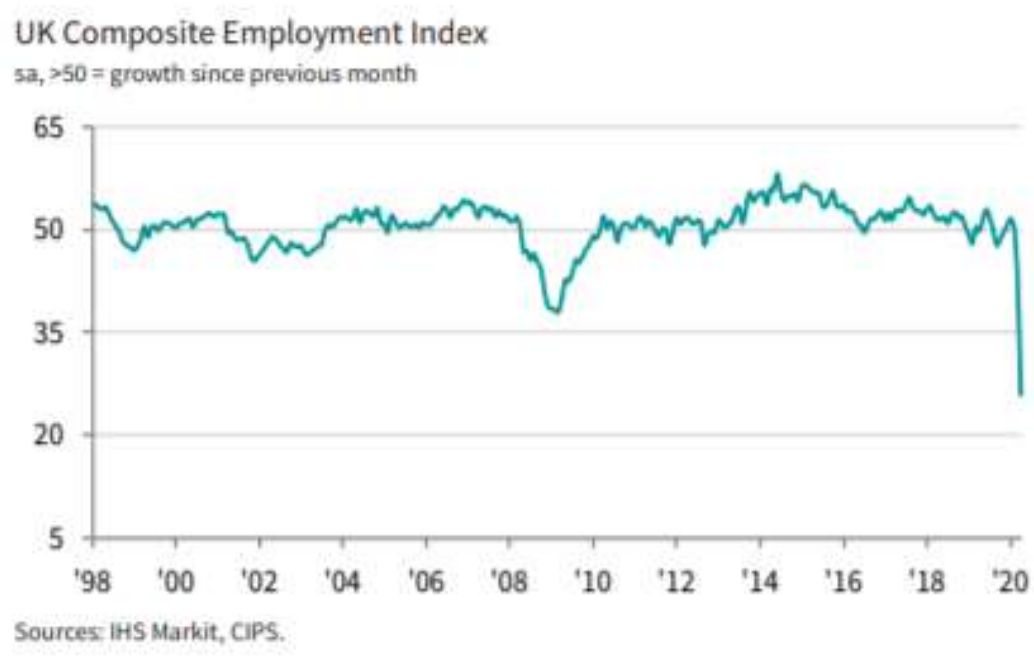
Increasing unemployment and weak business and investor confidence is likely to result in consumer spending contracting by 7.5% this year. Business investment is also likely to fall by 13.6 percent, but is then expected to rebound by 1.2 per cent the following year.

EY forecasts were based on the assumption that lockdown restrictions will start to ease in May. The PM upon his return to No 10 after recovering from Covid-19, has stipulated that the Gov't will release details of its exit strategy this week. Those workers that have been furloughed by their employee have been encouraged by the Government to take jobs picking fruit and vegetables to make up for a shortage of migrant workers. The government has released a website called 'Pick for Britain' whereby interested workers can register their interest.

Flash composite PMI released on the 23rd April has dropped to 12.9, a survey record low against 36 in March. With services activity index dropping to 12.3 and manufacturing output at 16.6. This exceeds the crash in 2008, which stood at 38.1. (NB regional figures are not released yet).

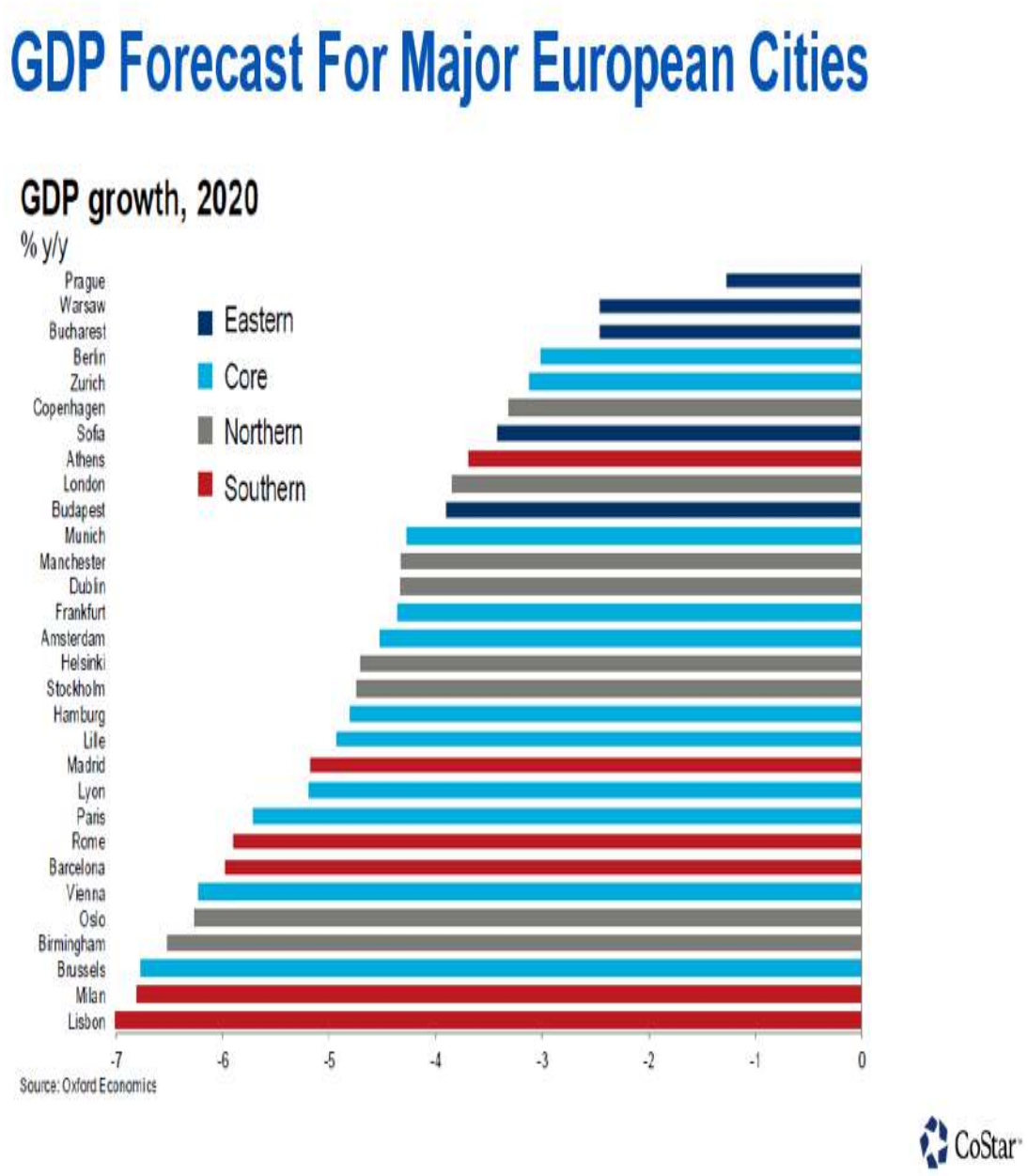
The latest survey also signalled declines in new orders, backlogs of work and employment. The small number of manufacturers predicting growth are in medical supplies. 50% of respondents predict lower staffing in April, although this also reflects furloughing.

Averages prices decreased at the steepest pace since the index began, at the same time average costs have also dropped. There was a small degree of positivity as business expect a rebound, but optimism much weaker than the start of the year.



West Midlands Economic Impacts

Birmingham's Nightingale hospital has not admitted any patients since it was opened 10 days ago. The facility set up inside the region's National Exhibition Centre (NEC), is intended to take up to 500 coronavirus patients at a time from 23 Midlands hospitals. The hospital was set up to ease the burden by receiving covid-19 patients, protecting hospitals for general services. However general admissions have dropped off rapidly raising issues with people not attending hospital for other serious conditions. Birmingham will likely be one of the most affected European cities by the coronavirus outbreak in 2020, according to a recent Oxford Economics study. The work by Oxford Economics estimates that the city's Gross Domestic Product (GDP) is predicted to contract by nearly 7% in 2020. the chart below indicates Birmingham's performance compared to other major European cities.



The automotive industry is worth over £8bn to West Midlands' regional economy and the components supply chain adds another £3bn. Before the health crisis and resulting economic crisis the industry was already facing challenges from declining sales in China and Brexit-related political uncertainty. Alongside the automotive industry tourism in the market is worth about 9% of GDP, with about 76,000 full-time jobs supported by the sector.

Property Market
(based on detail in appendix Ian Martin WMCA)

All analysts agree there is a downturn in the real estate market. Land prices are likely to see the largest falls, with a larger impact on standing stock. City centre apartments will see falling demand, from owner occupiers and foreign investors causing some schemes to stall but potential for domestic private rented sector investment to soften the prices drops. The general housing market could see a drop in demand. City Centre developments are likely to stall. "Stay at home" measures may cause people to re-evaluate what makes a good home. Demand may increase for apartments with contact free exercise ie leisure space; increase the value of balconies and reduce the market for shared living/co-living spaces. The design and requirements for homes in the future may change with demand with increase in home working requirements.

The pandemic has forced many consumers to experience shopping via the internet, for many they may not go back, this will affect the retail market. This may increase the current 20% share, however we are already top of the EU league for online shopping. Consumer demand for leisure may be higher as restrictions lift, however there may still be social distancing restrictions. In this environment small new operations may benefit, without the greater financial burdens and could provide a more exciting and vibrant leisure/retail offer building on the local and independent move already underway.

Many companies and organisations have carried out a live test of home working, and for many this has been successful and popular with staff and implementation of technology which many have taken months to implement has been done within days. This will have an impact on how organisations plan business needs and the space they require. Open plan offices under social distancing may also impact on the space requirements and the use of space. How work space is configured may change relative to home environments. However those in small or shared accommodation expectations may have found the lockdown, difficult in terms of childcare, working and living environment. As a result HMOs may need reviewing or the regulations on standards of build may need to take account of outside space, amenities and working space.

Serviced offices and providers of co-working space may benefit. On one hand, companies may opt for more flexible office space, growing and contracting according to demand. On the other, companies may opt for home working but maintain a much smaller permanent office base under a traditional lease.

That would give them a strong company identity and control of environment critical when staff need tom come together. Both outcomes will have a detrimental impact on the office sector and reduce demand. Locations will be impacted to differing degrees.

HE sector - Simon Collinson WMREDI

- The six largest Universities in the West Midlands (Aston, BCU, Birmingham, Coventry, Warwick, Wolverhampton) have 155,545 students and directly employ 27,365 people.
- While on average 79% of their students are from the UK, this varies from 63% at Warwick to 96% at Wolverhampton. This indicates different levels of exposure to the risks of changing demand across international student markets.
- Their combined, total income amounts to £2,398m varying from Birmingham at £716m to Aston at £157m. Of this, £551.1m comes from research grants, contracts and funding grants, ranging from £235.4m at Birmingham to £20.5m at BCU.

All of the above data is from the national HESA database (2018/19).

- Initial estimates suggest that these six universities support around 43,620 additional jobs in the W. Midlands region, giving a total of almost 71,000 (70,985) jobs.
- Their combined total expenditure amounts to £2,608m with an estimated regional impact of almost £12 billion.
- This also amounts to an estimated £6.5 – 7.5 billion GVA in the region.

Universities and regional economies: multiplier effects - Tasos Kitsos; Andre Carrascal-Incera and Diana Gtierrez-Posada WMREDI

Education is one of the sectors where there is growing concern and discussion in the public domain. UK universities, seeing that a drop of international students to zero would mean £6.9bn in lost income, requested support but the government as of April 27 is denying special treatment to the sector.

Research suggests that student spending, as one of a multitude of university contributions to regional development, generates between 1.6% and 2% to the national GVA and up to 4.2% of the West Midlands GVA. In employment terms, Student expenditure directly supports up to 2% of national employment and up to 4.2% of employment in the West Midlands. This means that for each 3 to 5 students not starting in September 2020, a job is at risk.

British Chamber of Commerce – WK4 Business Impacts Tracker – West Midlands

Businesses surveyed (44, which is a 50% drop in sample from last week and may impact on responses, and prior to changes in CIBLS), 98% less than 250 staff, 48% employ 1 to 4 staff and 7% sole traders. 55% do not export, 29% did not import. 29% Professional Services and 27% manufacturers (slightly above regional sectoral breakdown but they are the 2 biggest sectors)

- 70% saw a fall in revenue, this has improved on last week. 63% drop in international revenue, over a third of which said this was significant.
- 70% saw a drop in cash reserves (less than last week), and 27% expect cash reserves to cover 1-3 months (this is significant lower than last month at 47%), 20% 3 to 6 months, but 14% could only cover a month (an increase from 11%); 3% have no cash reserves
- 70% said the workforce remaining the same (up on last week which may reflect furlough kicking in), 47% cited a drop In hours worked;
- 28% said they would not furlough staff (as previous week) and 9% expect to furlough the entire workforce (a drop on last week). Of those intending to apply, 56% said they had submitted a claim and 33% planning to submit
- 39% reported a drop in apprenticeship activity and training.

Support measures - 18% already secured business rates holiday (increase of 5%). 55% aware but not planning to apply. 1/5 of firms were planning to use the self employment income support scheme (and increase of 12%)

36% deferred VAT payment (a significant increase and the highest take up of all policy options) and a further 18% are planning to; 13% planning to apply for the grant scheme and 18% had already applied; 5% applied for SSP and 14% preparing to apply for the HMRC extension (a 10% reduction on last week).

Of the businesses unable to access support, the majority stated they did not meet the criteria and 1/3 of businesses faced a slow or no response at all applying for grant funding and 1 in 5 felt there was insufficient information available to apply for business rates holiday.

23% had attempted to access finance via CBILS and 55% had no plans to apply. 22% had made a successful CBILs application and 22% awaiting a decision. On CBILs 50% had taken 14 days or more to receive a decision from starting an application. Of those that didn't receive funding 40% were scaling down and 20% said they would cease trading.

WMCA – Firm & Job Analysis Scenarios
Produced by Enterprise Research Centre (Aston team)

Mark Hart, Neha Prashar, Anastasia Ri and Lee Hopley

Headlines – by Q3 2020:

Scenario 1 – Great Financial Crisis (ONS Business Structure Database analysis on actual job losses in GFC and assuming same thing will happen now)

1. Overall, 17,394 firms will close losing 336,088 jobs (UK: 208,114 firms closed losing 3.3m jobs)
2. Almost 1 in 6 jobs (17.2%) in West Midlands
3. NB: Offset in GFC by 158,066 job creations

Scenario 2 – ONS Business Impact of Covid-19 Survey responses using 2019 BEIS Business Population Estimates (by Q3 2020) – i.e., [A+C below]

1. 353 firms have closed to date due to COVID-19 – 5,156 jobs lost
2. 6,699 firms at risk – not confident of surviving COVID-19 – 97,964 jobs at risk
3. Overall, 103,120 jobs lost or at risk – 5.3% decline in West Midlands.
4. NB: No offset job creation by openings as they have collapsed looking at FAME data – so set at zero for the time being.

Note on Methodology
Different methodologies were used for various measures of firm and job losses due to Covid-19. We look at 4 'bits' of data:

(A) 0.3% of firms permanently stopped trading (ONS BICS)
(B) 24.3% of firms have paused temporarily (ONS BICS)
(C) 5.7% of firms are not confident "Question: How confident are you that your enterprise has the financial resources to continue operating throughout the coronavirus (COVID-19) outbreak?" (ONS BICS)
(D) 2008-financial crash estimation applied to 2019 BPE

Skills and labour market intervention – Anne Green WMREDI

The pandemic has hit the UK at a time when the labour market is tight. The UK had a tight labour market at the onset of the pandemic, highlighting that the underemployment rate (measured as the number of part-time workers who say they want fulltime jobs) was still above pre-recession levels in 2019. To date the level of claims and the speed of their increase is unprecedented, with almost one million new claims for Universal Credit (UC) in the last fortnight of March 2020. 7.3 times higher than the same period a year earlier.

Policy will need to address higher levels of unemployment over a longer period than has been the case in recent years. Moreover, as in previous recessions young people are expected to find themselves particularly hard hit, with analysis by the Institute for Fiscal Studies showing that employees aged under 25 years were about two and a half times as likely to work in a sector that is now shut down as other employees (Joyce and Xu, 2020). In their analyses of the labour market impacts of COVID-19 the Institute for Employment Studies (Wilson et al., 2020) and the Learning and Work Institute (Evans and Dromey, 2020) each identified five priorities for action, while analyses by the Resolution Foundation (Hughes et al., 2020) point in a similar direction.

1. Investment in new active labour market programmes for those out of work – including:
- rapid employment of the newly unemployed
- preventing long-term unemployment – through investment in employment support
- specialist support for the long-term unemployed / disadvantaged

2. Refocusing skills and training to support recovery – including through:
- pre-employment training
- advice and guidance
- matching those out of work to short- and long-term jobs growth areas
- local partnership working

3. An integrated coherent offer to support young people – by bringing together youth employment, training, skills and welfare support in order to avoid a 'pandemic generation' of young people scarred with poorer education, earnings and skills prospects resulting from sustained periods of unemployment (as has been evident in previous recessions [Clarke, 2019]), especially given that evidence suggests that in the light of changes in the youth labour market and at times of uncertainty, employers take fewer risks on young people with less experience than their older peers..

4. Preparation for an ***orderly withdrawal from the Job Retention Scheme***

5. A ***partnership-based 'Back to Work' campaign*** – using existing local partnership arrangements and reflecting the fact that local government and LEPs need to play an important role in recovery, including in ensuring that policies are joined up at local level.

6. Planning for the future – to achieve high quality more productive employment with improved opportunity and security (as highlighted in the Taylor Review of Modern Working Practices)

Qualitative Intelligence – West Midlands

(This information is a collation of the qualitative intelligence shared regional stakeholders)

Financial support

Many of the key issues of previous weeks, still are problematic in the delivery of the various support packages.

- The challenge of dealing with banks remains an issue, as is take up and speed of decision. Figures on CIBLs is illustrating the reluctance to take on debt in an environment where the future is so uncertain and this programme remains a black spot. Also lack of understanding that this is a loan not a grant. Extension of overdrafts is still more common. The relaxing of information demands is relaxed however yet to see its effect.
- SMEs are continuing to use using cash reserves with growth hubs in the region report 29% of their respondents saying they will not last beyond the next month
- There will be no cash for investment for recovery and any associated costs. This is an important issue for getting supply chains in place, changing business models, seeking advice or managing debt going forward.
- Local Authority implementation of grants is struggling to keep pace due to capacity and issues with data on companies. Again, concerns have been raised about the lack of an appeals process for business grants. This is happening at a time when LAs are also starting to suffer significant funding and resource issues to manage the process.
- Credit still a significant issue with a lack of confidence in the supply chain which needs addressing otherwise supply will grind to a halt
- Regulators have been in discussion with insurers about the business interruption insurance which the industry is refusing to pay out on. As insurers are now required to have a “rainy day” reserve it is expected that they will utilise this, but as yet no change in approach.
- Concern amongst business that the current set of policy interventions is “kicking the can down the road”, and businesses will fail at a later date with out clear guidance

Furloughing

The ‘all or nothing’ nature of furloughing continues to prove problematic now as companies turn to looking at recovery they need greater assurance on the length and depth of the scheme to know whether they have the capacity to reopen. There flexibility and certainty over the scheme is vital to recovery plans.

Gig economy and self employed

A lot of the issues come together and impact on the ‘gig’ economy, self employed, flexible workspaces, short term contracting and flexible workforces. The normal insecurity of this is creating even greater insecurity now, and could undermine broader supply chains and business models in the future. This will also undermine recovery plans in key sector such as creative and cultural sectors.

Recovery

Businesses are now asking for guidance on recovery, this include:

- Lockdown information and timescales
- How to safely lift restrictions and ensure they have a healthy working environment. Concerns have been expressed by companies about the testing kits and whether they should be accessing them or leave supplies for NHS/social care. Similarly how do they and should they access PPE and if not what is the guidance.
- How to reopen their business within social distancing restrictions, such as working with clients, bringing staff back, transport implications and dealing with employees who express concern at returning, either on health grounds of childcare issues.
- How to reshape businesses to deal with restrictions on international movement, understand new markets and opportunities, improve their use and application of technology to build on changes already established. This is a great opportunity to build on the catalyst already started and increase future resilience (such as online marketing or sales moving to international sales at lower investment costs as less need for travel and more acceptance of technology driven solutions)
- How to develop opportunities for diversifying their income and de-risk their business and invest in R&D
- Supply chain resilience and re-shoring as well as altering the way they work with international suppliers under the longer term social distancing rules and lack of trade missions. Investment in tech based relationship development, opportunity under this accelerated lock down environment.
- Issue (especially for manufacturing and automotive) that we are getting through this to then hit Brexit and then hit emissions changes in 2021, creating a constant set of hurdles for the industry.

Latest National and Regional Statistics

ONS weekly release (national and no sector breakdown)

Business Impacts

Based on an update of the new weekly survey of businesses which is statistically representative at the national level (sample 17,786, and a response rate of 34%):

- 25% have temporary closed of paused trading with 0.3% permanently ceased trading,
- 94% interested in at least one of the government schemes announced
- Of the businesses that continue to trade, in accommodation and food service industry 40% of the workforce has been furloughed. Of those that have paused 90% are in health and social work activities.
- The only industry to continue to trade and also make redundancies was transportation and storage (1%). Generally so far levels of redundancies are low.

Wider Social Impacts on People

High levels (84%) still say they were very worried or somewhat worried about the effect coronavirus was having on their life right now. The most common issue affecting people's lives is inability to make plans (52%), followed by 49% well-being. 47% travel plans, such as a gap year. Community spirit has seen an increase with nearly 80% saying they thought people were doing more to help others. Mental health issues are increasing with 1 in 4 saying its making existing conditions worse.

70% of adults with dependents are home-schooling and 50% are confident about doing it but 50% also say its affecting their children's wellbeing. 85% have not left their home or only left for permitted reasons in the last 7 days, the remaining 15% said it was to run errands for others or voluntary work. Their remains a high level of support for the stay at home measures (85% and 12% said they 'tend to'). 4 in 10 have self isolated in the last 7 days. Only 30% expect life to return to normal in the next 4 to 6 months, and 36% say it will take longer.

42% say the virus has affected their work, mainly through a decrease in house and closure of businesses remains a concern for many. 50% are working from home. I in 4 say their household finances are being affected (an increase on last week), and 75% said this was due to reduced income. Nearly 30% are having to use savings to cover living costs and 20% are having to borrow money.

Staying in touch with friends and family remotely has increased in importance with over 80% saying this was the most popular action to help people cope. Just over 50% are exercising outdoors and 34% inside the home. 90% have access to a garden and 35% had accessed green space.

ONS are looking at life under lockdown, which highlights that disabled people are significantly more worried about the effects of the pandemic, and are spending too much time alone. But more than ¾ say they felt people were doing more to help others.

Assessment of Recovery Scenarios

Although the full extent of the impact of lockdown remains unclear there are some forecasted possible scenarios of future economic recovery:

- 'V' is the most optimistic scenario. Its downward phase will quickly be followed by a rebound
- A 'U' shape would imply a more prolonged period of stagnation after the initial fall, but an eventual return to trend growth.
- 'W' and 'L' are more worrying. The former implies a short-lived recovery would be followed by a further downturn, as might occur if a second wave of infections occurred.
- 'L' is the most alarming, because it could arise if the aftermath of the lockdowns wipes out economic capacity permanently, instead of just suspending it. This effect could be exacerbated by 'scarring' of workers and investors. Economies would, at a stroke, have seen a step-change downwards, with trend growth resuming from a lower base.

Ernst & Young (EY) Global Capital Confidence Barometer (CCB) conducted a survey of business executives in February / March 2020, regarding the impact COVID-19 expected to have on global growth. The respondents to the survey predicted the following:

- 38% predict a return to normal economic activity by the 3rd quarter of 2020. This is fast recovery resulting in a V-shape recession.
- 54% predict slower recovery extending into 2021, resulting in a U-shape demographic.

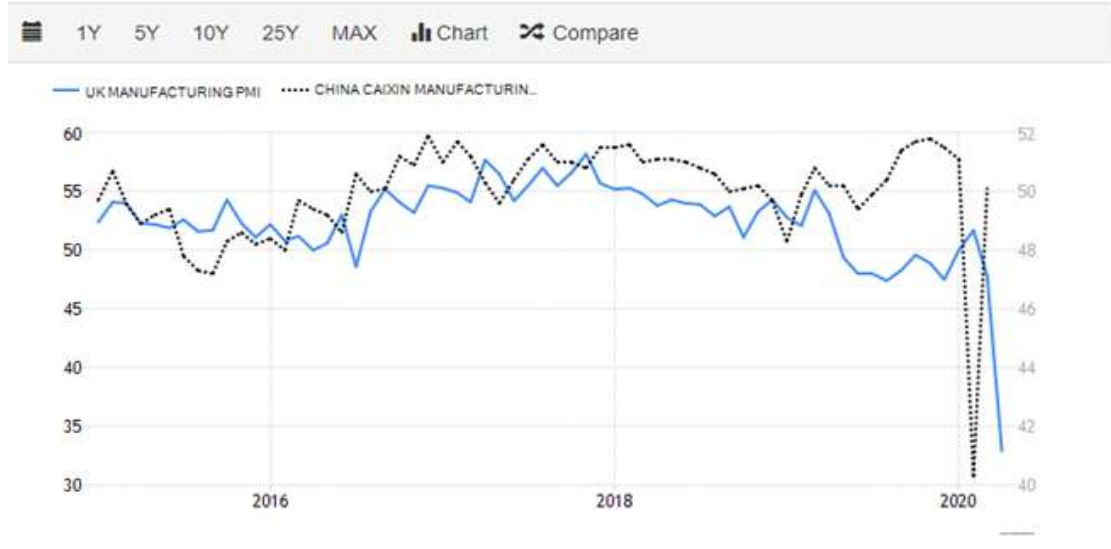
However, the further the lockdown lasts the more pessimistic the forecasts become.

Iain Begg, LSE and Jun Qian, Fudan University believe that If most of the largest and developed economies can more or less contain the outbreak by the summer and start the recovery process during the third quarter of 2020, then a global 'V' recovery by the end of the year is possible. However, given the patterns of the second wave of the outbreak already observed in some Asian countries (Singapore), it is also possible that a second wave of outbreaks will occur in a number of large economies, and hence we will see a 'W', with the higher-than-trend growth phrase postponed until the first half of 2021 or later.

Here are some arguments researchers express to support optimistic V and U shape recovery scenarios.

Previous crisis experience are not completely relevant because we have never seen anything like this before. Unlike previous crisis there were no consistently contributing factors causing economy decline; after government restriction are lifted the economy will reconnect swiftly. Comparisons with previous crisis might not be 100 % relevant - Antonio Fatas said.

China economy rebounding quick in early days. China trends of PMI as of March 2020, Services PMI, Retail Sales YoY and some other indices evidence quick rebound on early stages



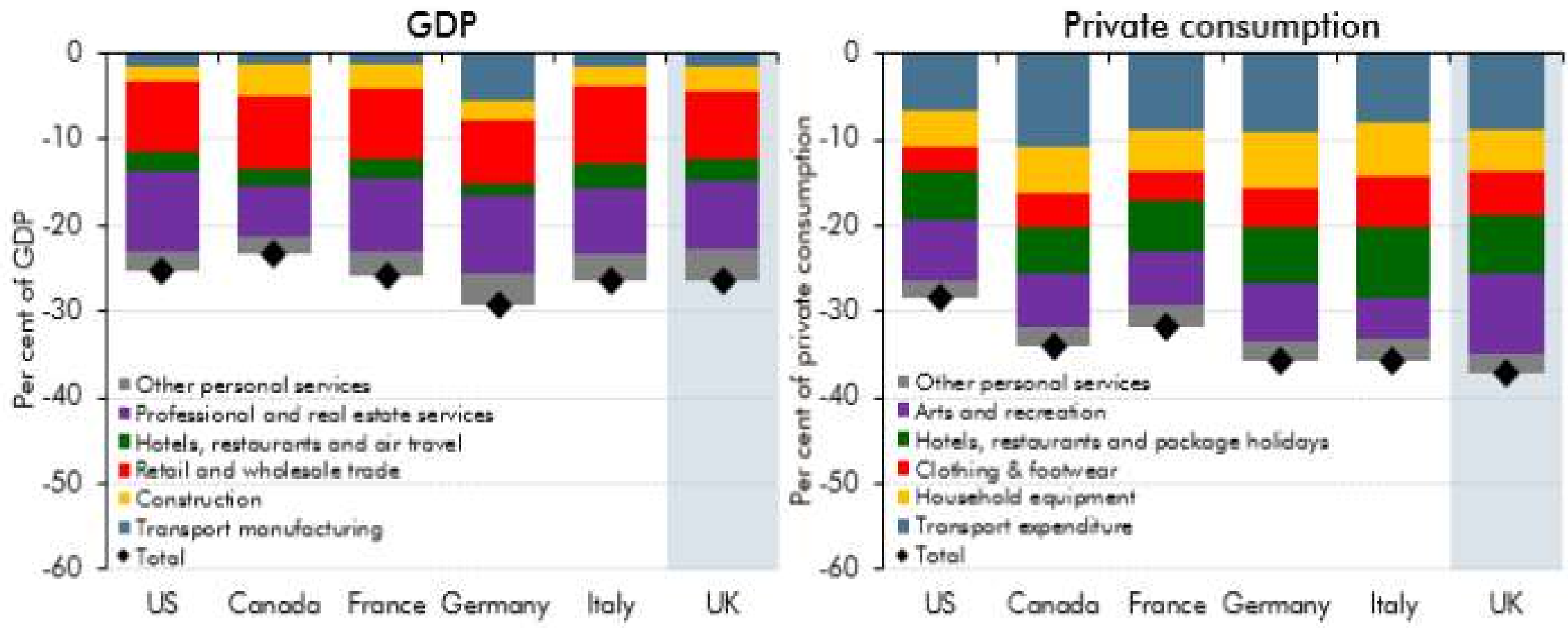
Source: tradingeconomics.com

The speed of recovery is directly dependent on the length of lockdown. UK vs China comparisons coronavirus spread evidence that UK has steeper trend of number of infected people than China suggesting longer lockdown and therefore rather U shape.

Decline in consumption due to:
Social distancing will continue
People will have less disposable finances
Consumption behaviour changed

Unemployment rise & Increase om benefit claimants. There have been around 1.6 million new Universal Credit claims since mid-March, suggesting a marked rise in unemployment in coming months according to pwc uk Oxford Economics **global GDP forecast** for 2020 is a touch stronger than the latest IMF estimate (Figure 4). At the margin, the latest China figures along with signs that lockdowns will be eased in many economies probably pose an upside risk to this year's forecast.

Chart 1.1 OECD estimates of initial GDP and private consumption losses



Source: OECD

But the poor performance of US data and the strong likelihood that restrictions will be eased only slowly mean that the risks around their forecast are still broadly balanced.

The OECD has provided estimates of the initial impact of coronavirus containment measures on GDP and household consumption for six major advanced economies (including the UK), calculated by aggregating the conjectured impact on individual sectors and expenditure categories. On average, they suggest that output could fall by around a quarter and that consumer spending could fall by a third, with the corresponding figures for the UK being 26 per cent and 37 per cent respectively.

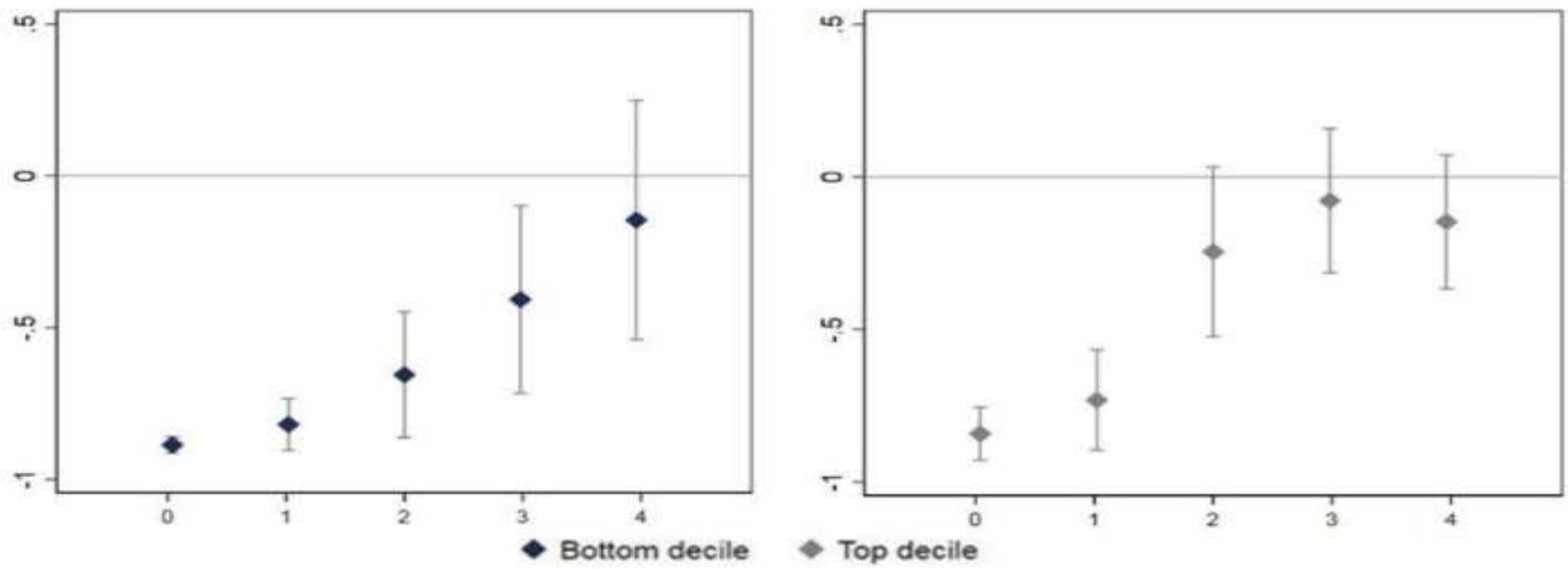
Geographical diversity of the lockdown impact across regions and smaller areas.
A recent Oxford Economics study has predicted the negative impact of the coronavirus outbreak on all major European cities in 2020, with Birmingham expected to be hit relatively hard by this crisis. The city's Gross Domestic Product (GDP) is predicted to contract by nearly 7% in 2020. Heavy exposure to manufacturing and local supply chains, tourism with its 9% GDP share and high dependency on the education sector are among main contributors.

Henry Overman, LSE highlights that sectoral composition will matter. Analysis for the US of area vulnerability based on sectoral shares predicts that some metro areas will be much harder hit than others (Muro et al. 2020) because of their structural composition. The UK is seeing big immediate hits to tourism and leisure and to much of retail, and so areas with high employment shares in those sectors will be struggling.

According to Centre for Cities there are 26.2-29.1% of workers who can work from home and 75.1-77.7% of self-employed who are self-employed only in Birmingham.

Demographic diversity of the lockdown impact.
According to A. Adams-Prassl, T. Boneva and others the expected drops in labour earnings are striking. The youngest expect to lose nearly half of their labour income in the near future and even amongst those older than 60, who feel the least threatened, the expected drop is almost 30% and 20% in the US and UK, respectively. As a consequence, on average respondents report that there is a 60% chance they will have difficulties paying their bills in the future.
According to APS data produced by ONS in response to ad hoc request on 23.03.2020., demographic characteristics vary across occupations including most affected ones. For instance, females account for 74% of all employees in 245 'Librarians and Related professionals' and only 34% in 119 'Managers and directors in retail and wholesale'. Young people 16-24y.o. account for 50% of employees in 927 'Other elementary services occupations' and 8% in 122 'managers and proprietors in hospitality and Leisure Services'.
The diversity challenges public policy intervention requiring them to be more specific and selective.

Figure 4 Dynamic relationship between regional and national GDP



Source: Hauptmeier, Holm-Hadulla and Nikalexi (2020).
Notes: Vertical axis refers to coefficient of national GDP (scaled to a 1% contraction). Horizontal axis refers to horizon of IRF (in years). Diamonds denote point estimates and ranges denote 90% confidence bands.

Inequalities exacerbation. Two thirds of most affected occupations are in the lower wages as ONS data suggest. It means that those who are on lower income will be hit harder which will increase existing income inequalities worsening current highly skewed pattern of income distribution. Monetary policy and regional inequality analysis and their outcomes suggests that current crisis will increase regional inequality.

Figure 4 shows the typical pattern in regional GDP for the bottom and top 10% of the distribution after a 1% contraction in national GDP. In both parts, regional GDP is highly synchronised with national GDP, as visible from the coefficients near -1 in the first and second year after the contraction. But the point estimates then diverge and GDP in the upper part of the distribution returns to its initial level already in the second year after the national GDP contraction, in contrast to the lower part, where it takes two additional years. To the extent these historical regularities provide a decent guide for future adjustment patterns, this suggests that regions in the lower parts of the distribution take longer to recover from the deterioration in aggregate conditions. This, in turn, would imply a temporary increase in regional inequality.

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Current Regional Mortality Rate

ONS Weekly registered deaths

- In the West Midlands there were 2,545 registered deaths, which is a rise of 354 although numbers are rising this is slowing. And overall total now stands at 999. The WMCA area accounts for 84% of those deaths.
- On the England and Wales death toll from COVID-19 has risen to 8,758 and increase of 2,545
- Of deaths involving Coronavirus 32% are in Birmingham, followed by Sandwell at 10%
- 78% of deaths occurred in hospital, 14% in care homes
- The daily hospital deaths in the UK for COVID-19 has started to fall (this figure is a leading indicator of the numbers above), with Sunday's figure the lowest in two weeks, despite weekend lag in data collation. The West Midlands remains the 3 highest region for deaths

Global Comparison

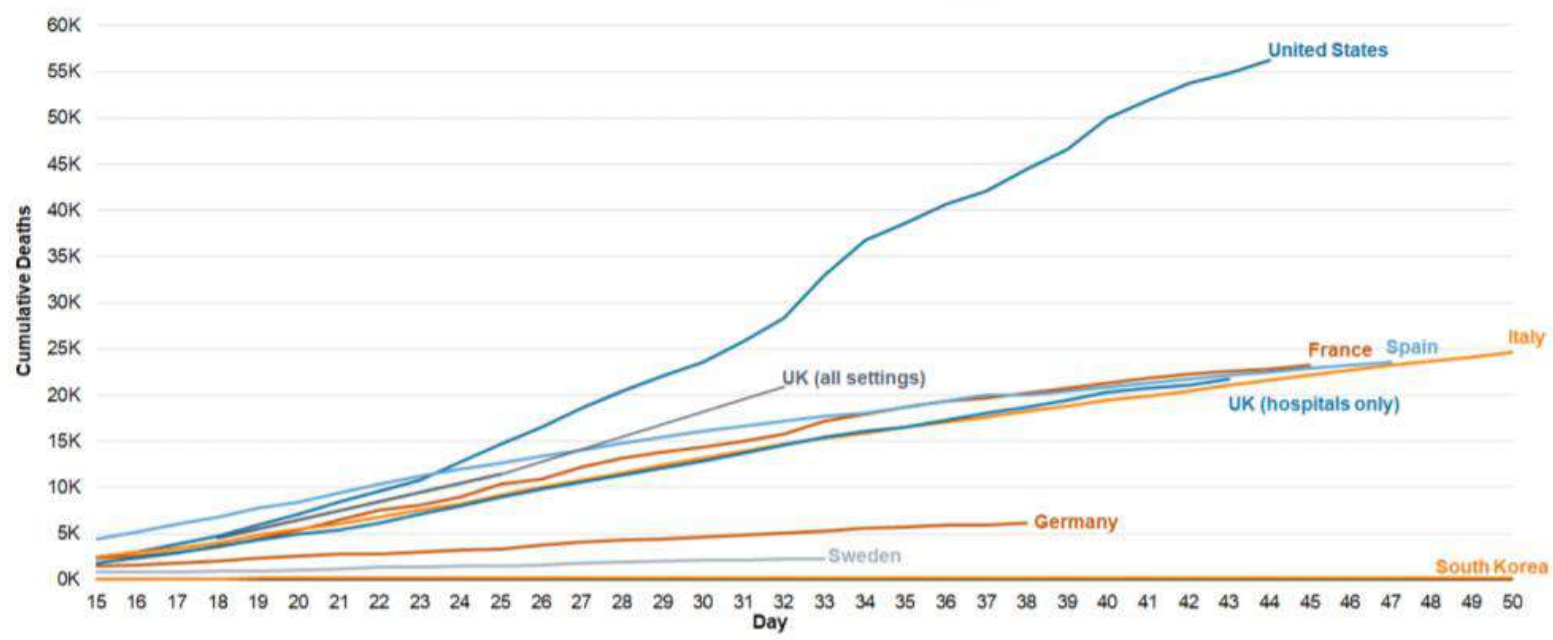
In the governments daily slide pack, the global death comparison shows the UK hospital deaths to be tracking other European countries, but the 'all deaths' total to be significantly higher.

New cases are increasing but so are the levels of testing, especially in health care settings.

COBR
Cabinet Office Briefing Rooms

Global Death Comparison

Country data is aligned by stage of the outbreak. Day 0 equals the first day 50 cumulative deaths were reported. Different countries have different methods of counting Covid-19 deaths which means it is difficult to compare statistics across countries. Some countries, such as France and the US, count deaths resulting directly from the virus only, whilst others, such as the UK and Italy, use a wider definition of deaths of those with the virus but who potentially died of other causes. In addition, some countries, such as France, include deaths from the virus in care homes whilst others, such as Italy, report hospital deaths only.



Source: ONS, NRS, NISRA, Public Health England, Johns Hopkins University. The figures on deaths relate in almost all cases to patients who have died in hospital and who have tested positive for COVID-19. Slight differences in reporting in devolved administrations may mean that they include a small number of deaths outside hospital. ONS, NRS and NISRA reporting of UK deaths for all settings is based on information from death certificates, and therefore lags daily hospital data. International reporting procedures and lags are unclear, so may not be comparing like-for-like.

COBR
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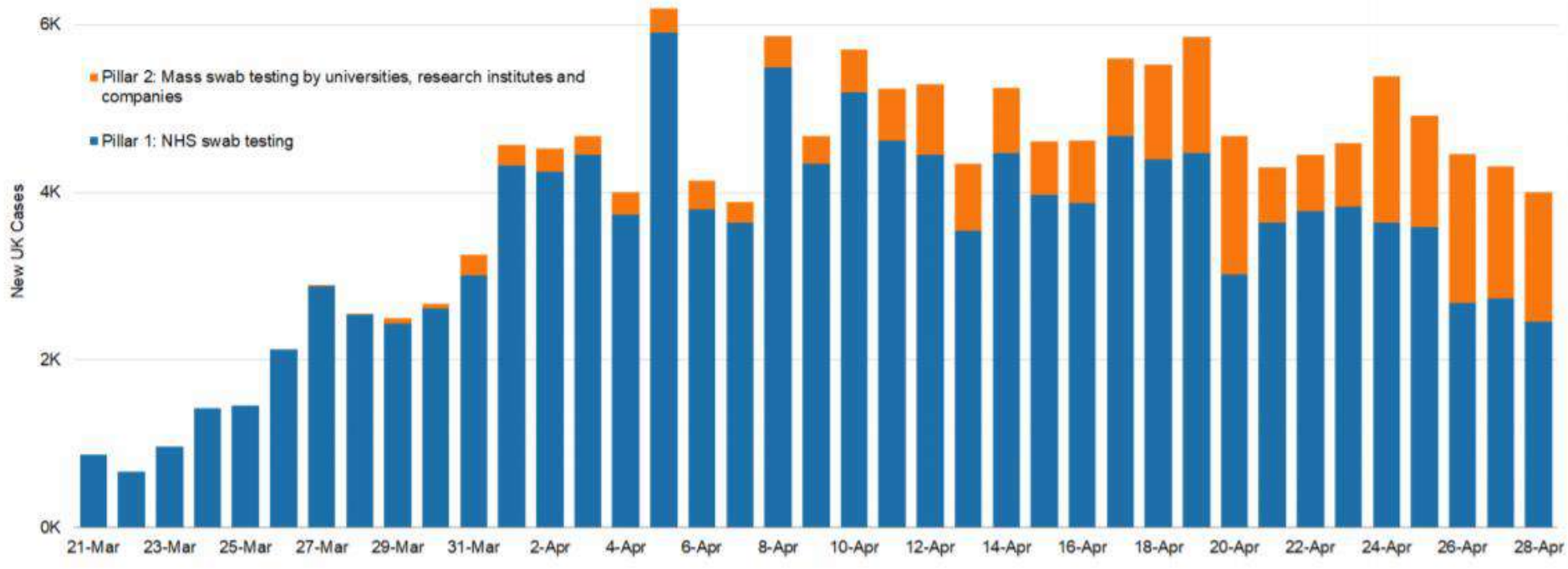
New Cases (UK)

Cases are reported when lab tests are completed. This may be a few days after initial testing. Testing capacity is increasing, the number of observed cases has remained stable over the last 7 days, though there are likely many more cases than currently recorded here.



Source: Department of Health and Social Care. Pillar 1: NHS swab testing for those with a medical need and, where possible, the most critical key workers. Pillar 2: Mass swab testing for critical workers in the NHS, social care and other sectors and symptomatic household members, delivered by a partnership of universities, research institutes and companies.

Appendices

- Review of past interventions
- Vulnerability Index
- Unemployment and Labour Priorities
- Economics of Sudden Stop
- Impact on Property Markets
- ONS Weekly Indicators
- Covid 19 Business Tracker
- LEP Level Local Business Intelligence

Initial review of previous recessions and pandemic

George Bramley WMREDI

This paper is based on rapid review based on searches of Web of Science and Econlit bibliographic databases completed 27th April 2020 that resulted 4,068 hits. The searches focused on existing evidence reviews and evaluations rather than identifying interventions reported in the academic literature. It also draws on David Bailey and Nigel Berkeley evaluation of West Midlands Taskforce

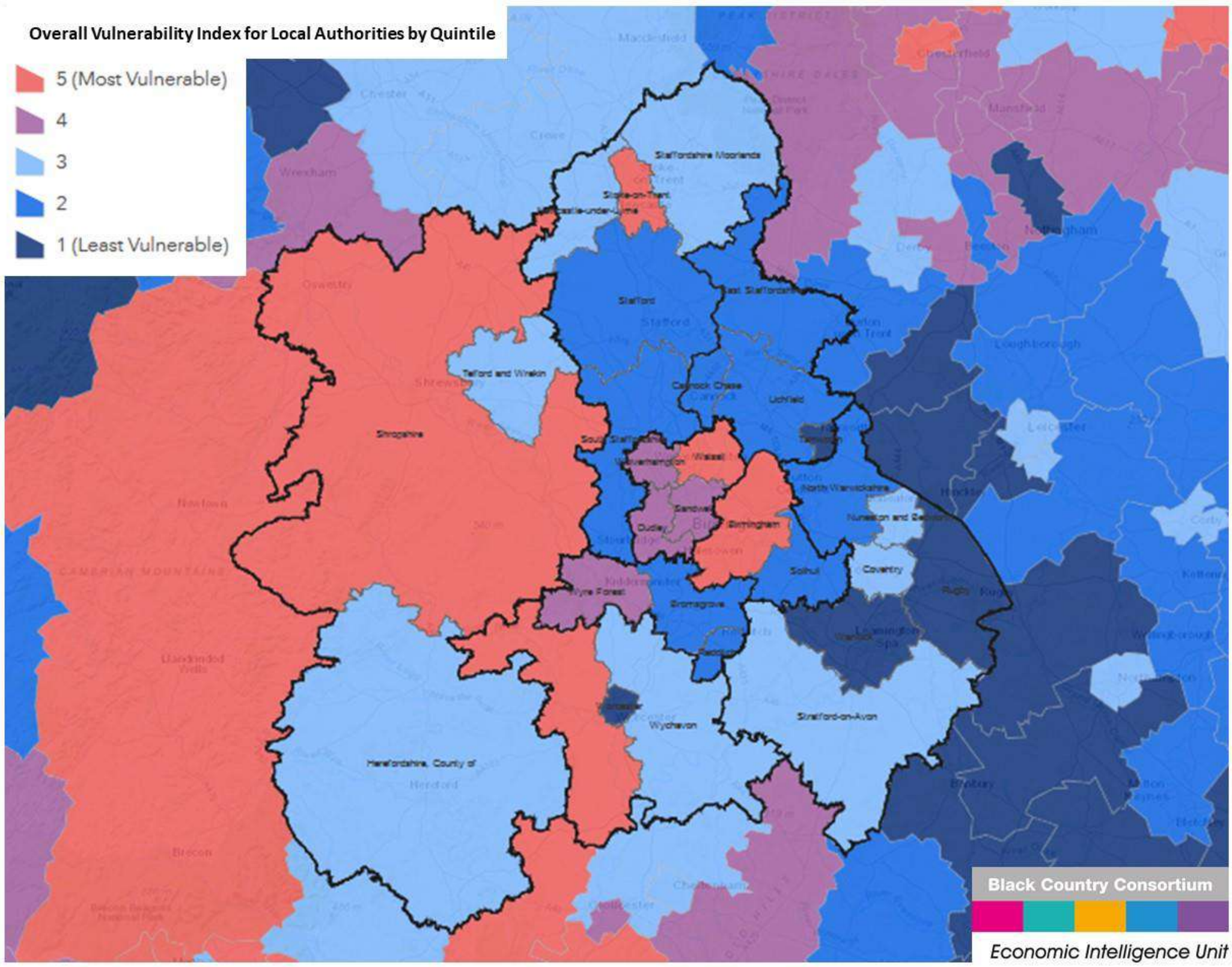
Summary of findings

- The last recession resulted in changed in policy with increased interest in the development of industrial strategies (Szalavetz, 2015) with 'A crisis-era shift towards selectivity and away from the 'level playing field' can be detected in the major trading nations' (Aggarwal & Evenett, 2012).
- While the general public is normally opposed to bailing out firms analysis of surveys undertake in the Netherlands suggest that governments can get substantial credit for pursuing a bailout in the midst of a financial crisis (Larsen, Klemmensen, & Klitgaard, 2019).
- The literature on the last financial crisis unsurprisingly focused on improving liquidity including evaluation of the effectiveness of Federal Reserve's Commercial Paper Funding Facility(Adrian, Kimbrough, & Marchioni, 2011), Primary Credit Facility (Artuc & Demiralp, 2010), International macroeconomic policy coordination (Adam, Subacchi, & Vines, 2012)
- During previously economically stable times two Spanish public programmes that provide financial support to small and medium-sized enterprises (SMEs): (subsidized credit by the Official Credit Institute and bank credit guaranteed by a mutual guarantee society) affect the growth of assets, sales and the sales to assets ratio. During the last recession, the effects extend to the growth of employment and the sales to employee ratio.(Briozzo & Cardone-Riportella, 2016)
- The increasing role of peer-to-peer lending following the Great Financial Crisis, and its potential for 'democratizing entrepreneurial finance' (Fraser, 2019)
- Economic modelling of the impacts of additional support in terms of R&D subsidies during the last financial crisis by European Union members found it did not result in firms replacing their own resources with public grants. However, these firms did not allocate additional funds to research as found in studies undertaken during economically stable times thereby reducing additionality effects of R&D subsidies. Expansive, public subsidies to R&D were considered to have thwarted the reduction of firm R&D efforts in the aftermath of economic crisis.(Aristei, Sterlacchini, & Venturini, 2017).
- German Ministry of Education and Research (BMBF) Entrepreneurial Regions' Programme is credited with helping with improving resilience in the last crisis and includes support for cluster development and spin-offs from universities. It is consider to represent a shift in innovation policy from passive funder to active entrepreneur in supporting innovation at regional level (Gebhardt, 2012).
- There are interventions which are poorly reported relating to foot and mouth and BSE crises which attempted to address their impacts on rural economies. These tended to be local initiatives supported by national challenge funds and as such evaluation reports are not readily available in the public domain.
- There are potential lessons that could be learnt from the regeneration of former coalfield areas. The Rowntree Foundation supported research in 2000 that identified policy implications in relation to regeneration issues, community issues, funding issues, the need to allow an element of risk and crucial significance of the specificity of place (Bennett, Beynon, & Hudson, 2000). The European Commission has published a good practice case study on Task force on Just Transition for Canadian Coal Power Workers and Communities. (European Commission 2019).

- While not originally in scope our search identified two recent reviews of the effectiveness of work place interventions to reduce transmission of 2009 influenza A (H1N1) in 2009. The first review identified 15 studies that were conducted including epidemiological studies showed that social distancing was associated with a reduction in influenza-like illness and modelling studies estimated that workplace social distancing measures alone produced a median reduction of 23% in the cumulative influenza attack rate in the general population. Effectiveness was estimated to decline with higher basic reproduction number values, delayed triggering of workplace social distancing, or lower compliance (Ahmed, Zviedrite, & Uzicanin, 2018). The second looked at effect of hand hygiene on infectious diseases in the office workplace. Eleven studies (eight experimental, two observational, one a simulation) were identified and hand-hygiene interventions at various levels of rigor were shown to reduce self reported illness symptoms. Hand hygiene is thought to be more effective against gastrointestinal illness than it is against respiratory illness, but no clear consensus has been reached on this point. Minimal hand-hygiene interventions seem to be effective at reducing the incidence of employee illness and may provide additional benefits to employers by reducing the number of employee health insurance claims and improving employee morale (Zivich, Gancz, & Aiello, 2018).
- There is an emerging literature around the health economics of interventions against influenza pandemics. One systematic review including 44 studies found the quality of evidence was limited. However, the data sources used were of higher quality in economic evaluations conducted after the 2009 H1N1 pandemic. Vaccination and drug regimens were varied. Pharmaceutical plus non-pharmaceutical interventions are relatively cost effective in comparison to vaccines and/or antivirals alone. Pharmaceutical interventions vary from cost saving to high cost effectiveness ratios. According to ceiling thresholds (Gross National Income per capita), the reduction of nonessential contacts and the use of pharmaceutical prophylaxis plus the closure of schools are amongst the cost effective strategies for all countries. However, quarantine for household contacts is not cost effective even for low and middle income countries(Velasco et al., 2012). There has also modelling of border closure in New Zealand in terms of cost per QALY (additional quality adjusted life year) that found under two different scenarios to be relatively cost-effective, at $14,400 per QALY gained in Scenario A, and cost-saving for Scenario B (taking the societal perspective) (Boyd, Mansoor, Baker, & Wilson, 2018).

Policy Implications

- Setting up Task forces that are able to consult widely and thereby generate interventions more likely to be accepted and based in local realities.
- Supporting businesses to mutually support each other in obtaining finance including exploration of transferability of Mutual Guarantee Society model to UK context.
- Examination of RDAs responses to the last recession suggest that were adapting interventions they had developed or had in development.



Vulnerability Index

The British Red Cross has developed a COVID 19 Vulnerability index at Ward and Local Authority level The index combines multiple sources of (open data to identify vulnerable areas and groups within Local Authorities and neighbourhoods (The Index consists of the following

- Clinical vulnerability (underlying health conditions)
- Health wellbeing including mental health (healthy life expectancy at 65
- Economic vulnerability (recipients of social care benefits, employment support allowance, disability benefits, Universal Credit)
- Social and geographical vulnerability (barriers to housing and services, poor living environment, digital exclusion)

As the map above shows there are significant parts of the WM which will be at the highest end of the vulnerability index, including Birmingham and Walsall, this ranking fits with other similar rankings provided in earlier briefings with a similar distribution of impacts. Agina the more rural areas to the west are also harder hit and areas with higher tourism sectors.

Unemployment and Labour Priorities

Anne Green, City-REDI, WM REDI

On 14th April 2020 the Office for Budget Responsibility (OBR) published a scenario in which the UK would see a real GDP fall of 35% in Q2 2020, followed by a quick bounce back. Under this same scenario unemployment rises by more than 2 million to a total of 3.4 million (10%) in Q2 2020, but then declines more slowly than GDP recovers (OBR, 2020).

Previous recessions have seen marked increases in unemployment (as shown in Figure 1). During the Great Recession the rise in unemployment was less dramatic than many commentators expected; but there was an unprecedented weakness in productivity and a stagnation in real incomes (Hughes et al., 2020). In the 1980s the annual unemployment rate averaged 11.2% between 1982 and 1987, while from 2008 to 2013 it averaged 7.5% (Bell and Blanchflower, 2020). In the West Midlands the unemployment rate remains higher than the national average, and in the Great Recession regional unemployment peaked before the UK (see Figure 2).

Figure 1: Unemployment rate in the UK, 1971-2019

Source: ONS

Figure 2: Unemployment rate in the UK and the West Midlands, 1992-2020

Source: Labour Force Survey

The data in Figures 1 and 2 suggest that the COVID-19 pandemic has hit the UK at a time when the labour market is tight. Clearly at the end of 2019 unemployment rates were well below those recorded in the Great Recession - but the trend of declining unemployment had begun to reverse. Indeed, Bell and Blanchflower (2020) dispute that the UK had a tight labour market at the onset of the pandemic, highlighting that the underemployment rate (measured as the number of part-time workers who say they want fulltime jobs) was still above pre-recession levels in 2019.

Although there is some delay in data becoming available, to date the level of claims and the speed of their increase is unprecedented, with almost one million new claims for Universal Credit (UC) in the last fortnight of March 2020. Analyses by the Learning and Work Institute on the labour market impacts and challenges of the coronavirus show that this was 7.3 times higher than the same period a year earlier. During the peak of the last recession, claims for Jobseeker's Allowance the peak in new claims was just 1.8 times higher than the previous year (Evans and Dromey, 2020).

Policies such as the Coronavirus Job Retention Scheme should both limit the scale of unemployment increases and the extent to which joblessness persists (Hughes et al., 2020). Nevertheless it is clear that labour market policy will need to address higher levels of unemployment over a longer period than has been the case in recent years. Moreover, as in previous recessions young people are expected to find themselves particularly hard hit, with analysis by the Institute for Fiscal Studies showing that employees aged under 25 years were about two and a half times as likely to work in a sector that is now shut down as other employees (Joyce and Xu, 2020).

So what does this increase in unemployment associated with the COVID-19 pandemic mean for labour market policy? In their analyses of the labour market impacts of COVID-19 the Institute for Employment Studies (Wilson et al., 2020) and the Learning and Work Institute (Evans and Dromey, 2020) each identified five priorities for action, while analyses by the Resolution Foundation (Hughes et al., 2020) point in a similar direction. Combined they make six priorities (in no particular order of importance) – as presented on the next page:

1. Investment in new active labour market programmes for those out of work – including:
- rapid employment of the newly unemployed
- preventing long-term unemployment – through investment in employment support
- specialist support for the long-term unemployed / disadvantaged

2. Refocusing skills and training to support recovery – including through:
- pre-employment training
- advice and guidance
- matching those out of work to short- and long-term jobs growth areas
- local partnership working

3. An integrated coherent offer to support young people – by bringing together youth employment, training, skills and welfare support in order to avoid a 'pandemic generation' of young people scarred with poorer education, earnings and skills prospects resulting from sustained periods of unemployment (as has been evident in previous recessions [Clarke, 2019]), especially given that evidence suggests that in the light of changes in the youth labour market and at times of uncertainty, employers take fewer risks on young people with less experience than their older peers..

4. Preparation for an ***orderly withdrawal from the Job Retention Scheme***

5. A ***partnership-based 'Back to Work' campaign*** – using existing local partnership arrangements and reflecting the fact that local government and LEPs need to play an important role in recovery, including in ensuring that policies are joined up at local level.

6. Planning for the future – to achieve high quality more productive employment with improved opportunity and security (as highlighted in the Taylor Review of Modern Working Practices)

Source: based on Wilson et al. (2020) and Evans and Dromey (2020)

Already ***young people*** have been designated a top priority in the West Midlands given the higher than average share of young people in the population. There are key questions for policy makers regarding:

- How can work-based learning help minimise the impact of the crisis on the labour market outcomes of young people?
- How well equipped is the skills and learning system to respond to the crisis?
- What could be done to ensure the crisis does not exacerbate inequalities in opportunity?

Work on an evidence review to support the development of the *Employment Support Framework within the West Midlands Combined Authority* can inform future policies to help people enter and progress in work. Examples of relevant learning with regard to young people include: The importance of young person led outreach and engagement to reach those individuals who are 'hidden' and of holistic and long-term support to de-risk transitions into employment – as shown by Talent Match.

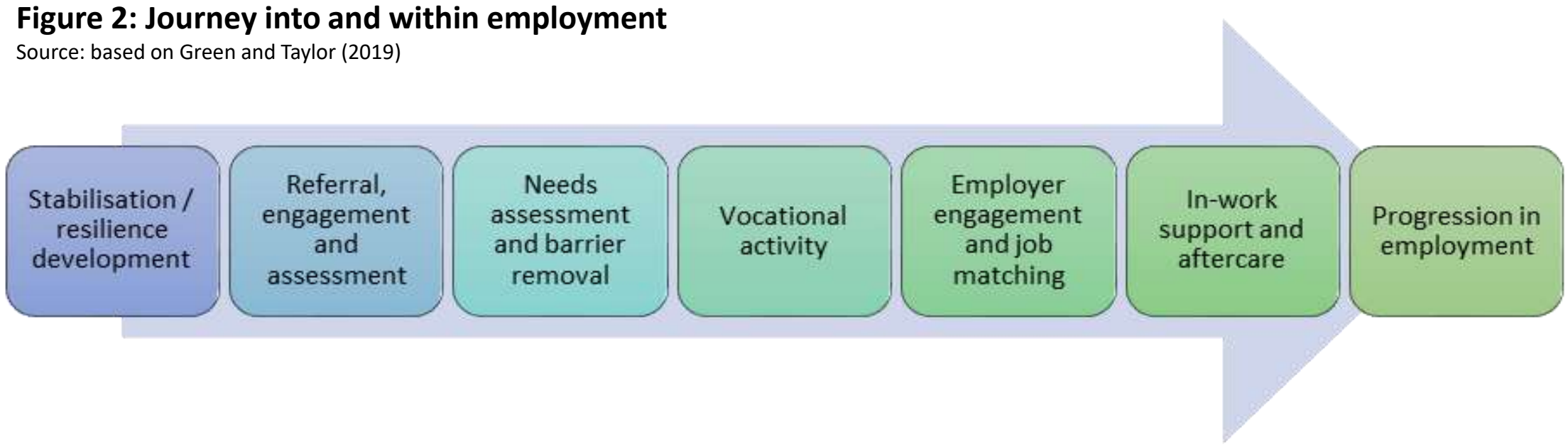
Close collaboration between providers of employability support and other types of support matters – as shown by the experience of the effectiveness of the integrated employment and skills MyGo service for young people in Ipswich shows (Bennett et al., 2018).

A role for job guarantees delivered via wage subsidies – building on learning from the Future Jobs Fund, which facilitated funded, six-month paid jobs for young adults in the aftermath of the financial crisis, with sizable positive effects (Fishwick et al, 2011; Department for Work and Pensions, 2012).

The evidence review is organised around seven stages on a continuum from those who are disadvantaged and some way from employment through to progression in employment (Figure 2).

Figure 2: Journey into and within employment

Source: based on Green and Taylor (2019)



Cross-cutting themes and principles identified in the Evidence Review are pertinent for guiding employment support policy interventions in the context of building resilience and recovery in the context of the COVID-19 pandemic (see Box 2). So there is an evidence base to draw upon – albeit there are significant challenges in getting the different elements aligned.

Box 2: Cross-cutting themes and principles for guiding employment support policy
Source: based on Green and Taylor (2019)

For individuals	Programme design/ operation	Key role of employers
Value of personalised support	Co-design can yield better policy while improving the well-being and employability of those involved	*Links with employers* are fundamental – need to understand their requirements and practices
A role for *peer support and mentoring*	The quality of *key worker support* matters	*Employer engagement* can take the form of an 'agency' approach or an 'individual approach'
Holistic intensive support is needed for the most disadvantaged	Benefits from *co-ordination of local provision* and from *local partnership working*	*Brokerage* between employers, HR managers, education and training providers and job seekers is important
Long-term support is beneficial – especially for the most disadvantaged	Benefits of a '*dual customer approach*' support the objectives of employers and (prospective) employees	*Employers* (and beneficiaries) can benefit from *active involvement and engagement with employability programmes*
Training and skills acquisition facilitates employment entry and in-work progression		
Work placements can be helpful		

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The Economics of a Sudden Screeching Stop

Prof David Bailey first published 27 April 2020

In a 'normal' recession the economy slows down gradually as confidence wanes. Not this time. The current lockdown, intended to stop the spread of the coronavirus and prevent our healthcare system from being overwhelmed, has deliberately slammed the brakes on economic interactions.

The UK economy has thus come screeching to a sudden stop. Whilst GDP figures are not yet available, the latest figures from the Purchasing Managers' Index (PMI) show that manufacturing and services industries are experiencing the biggest slump ever recorded.
The speed and depth of the economic downturn are staggering. The Office for Budget Responsibility (OBR) suggests a 35% contraction in GDP followed by a rapid bounce back, in a 'V' shaped recession and recovery.
This has been echoed – albeit cautiously – by Gertjan Vlieghe, who sits on the Bank of England's Monetary Policy Committee. I hope this is right, but fear that it isn't guaranteed unless policy works.

On the scale and speed of the downturn, data firm IHS Markit has just released its April PMI measures, tracking activity across the services and manufacturing sectors.
A PMI figure above 50 indicates an expansion of business activity and below 50 a contraction. During the financial crisis in 2008 the composite PMI measure fell to 38.1.
This week the composite PMI collapsed, hitting 12.9, the lowest reading in two decades of records.
The services PMI slumped to 12.3 (from 34.5 in March – already a very low figure) and the manufacturing PMI fell to 16.6 (from 43.9 in March).

The latest CBI quarterly survey of manufacturers charted a similar collapse, and said that nearly a half of manufacturers surveyed expected output to be limited by shortages of materials or components, a figure on a par with the mid-1970s.
IHS Markit suggest that the PMI data is consistent with the UK economy contracting by seven percent this quarter.
But these PMI measures may underestimate the actual decline in business activity taking place as they exclude many self-employed people who have been badly impacted by the lockdown, as well as retail activity, much of which has shut down.
The real economic decline could be greater.
Meanwhile some 1.4 million people have signed on for Universal Credit, and the cost of the government's interventions to keep capacity and jobs in place was indicated by the government's borrowing requirement rising to £180 billion over the next three months.
The Office for Budget Responsibility sees borrowing rising to some £273 billion this year, or 14% of GDP. That would be the biggest budget deficit in peacetime.
Vlieghe stated that the virus, and the induced lockdown, has created both a supply-side shock (people can't work so production is disrupted) and a demand-side shock (as consumption is disrupted by the lockdown and confidence takes a hit).
This economic shock is also 'highly asymmetric', he noted, with some sectors faring much worse than others.
The latest PMI figures showed financial services much less badly impacted than car manufacturing, for example.
That in turn will likely have a marked spatial impact.
KPMG have forecasted that the West Midlands will be badly affected, with car plants and the auto supply chain shutting down – and London would be least affected.
The issue this raises is that a swift economic bounce back and V-shaped recovery isn't guaranteed.
It depends on the government's interventions – like the job retention scheme and business interruption loan fund – working effectively to make sure that most capacity and jobs are kept in place.
And here there is a real danger of businesses running out of cash and failing, leaving a more deeply entrenched downturn that is difficult to exit, with a 'U' or even 'L' shaped recession.
If there is serious damage in terms of firms going bust and jobs being lost then a V- shaped recession and recovery will be much more difficult to achieve.
All of which raises some big questions about whether the government interventions are doing the job, or whether a scarring effect is already happening.
A big issue is over how quickly business support, such as the Coronavirus Business Interruption Loan scheme (CBILS) is getting through to businesses, and whether the banking system – bailed out in the financial crisis – is working in the way we want it to. The figures don't look good so far.
Some £2.8 billion has been lent under CBILS so far, to 16,624 firms. That's small beer compared to Switzerland where banks issued some $15 billion of SME loans within the first week of a new loan scheme.
Here in the UK around half of the £2.8 billion was lent in the last week, so there has been some progress after the government was forced to revise the scheme to try to get more money out of the door.
Yet there have been 36,000 applications, so many firms still seem unable to access support. The speed and volume of lending, and the number of firms helped, is deeply worrying.

On this the Federation of Small Businesses (FSB) Chairman Mike Cherry makes a number of telling points: "The average value of a CBILS loan stands at more than £170,000… The small shops, restaurants, gyms, manufacturers and mechanics at the heart of our communities are not seeking loans of anywhere near this size. The government should up its guarantee on emergency loans with values under £30,000 from 80% to 100%. That, combined with the streamlined application process that should be in place for facilities of this size, should help to get more cash to the small firms that really need it. We continue to hear from small firms that made enquiries when this scheme launched but have still been unable to make an application because of unresponsive customer service teams. For those that have made an application, the process is very slow."

Given all this, one wonders how many very small borrowers have actually been helped? For smaller borrowers the government might offer 100% loan guarantees as the FSB calls for (in line with policy in Germany).

That's something that the Chancellor is now thought to be considering – he needs to act on this quickly.

That's not enough, though. For very small borrowers seeking £5,000 or £10,000 then as Nils Pratley notes, the Treasury might be better advised to by-pass the banks and offer grants so as to get the cash out more quickly.

The key point here is that the lockdown is for a very good reason: saving lives.

Ending the lockdown too early brings all sorts of economic risks in terms of a second wave of illness affecting workers and output, and in denting confidence as Jonathan Portes has rightly pointed out.

Meanwhile, getting through the lockdown with minimal economic damage means making sure that business support schemes work effectively so as to avoid lasting economic damage or scarring.

And on that further work is needed by the government to especially help smaller businesses through the crisis.

The impact of Covid-19 on the region's Property Market

Analysis of Potential Impacts by Ian Martin, WMCA

Land prices are highly susceptible to falling values. Residual valuation methods mean that land value is effected to a greater degree than end values when sale prices decrease. In the last property market crash, values fell by more than 50% on many sites.

When land values fall, land owners are reluctant to sell land as they expect the market to return. In some cases they are unable to crystallise a loss due to banking covenants. The result is that developers cannot acquire land at realistic prices and construction of new buildings falters.

Construction costs are likely to remain broadly the same in the short term. The lack of new instructions will cause a shortage in work for contractors, however this will be off-set by contractors pricing in risk and time delays due to changed working practices and material shortages. In some instances there is likely to be an increase in prices, particularly where materials are scarce. Over time, possibly in a year or so, contractors that have survived the crisis will bid more aggressively for work and contract values may reduce.

Residential Market

City Centre Apartments - Apartments are more exposed to the investor market than general housing. Short term lets and transient residents are features.

Developers rely heavily on pre-sales. With many foreign exhibitions cancelled there will be a lull in activity and a resulting pause in development. Equally show suites frequented by the domestic market have been vacant.

A global recession will result in less free equity being available to investors and a fall in demand. It seems inevitable that prices will fall.

City centre apartment blocks are generally developed at scale. Developers and contractors have relied heavily on sub-contractors since the last financial crisis and are generally likely to be able to control costs and survive financially.

Developers are likely to find Funding difficult in the next year or two. Risk averse Investment Committees and banks' Lending Appetite can be expected, leading to delays in schemes and some re-planned.

Institutional domestic investors in the Private Rented Sector have been frustrated in acquiring as rapidly as they would like. Often the returns for sales to owner occupiers, or individual unit sales to the foreign investor buy-to-let market have been greater. Whilst the latter markets may weaken, it is likely that the former will step in, albeit at marginally lower values and for specific product. There will still be a demand from renters and this was demonstrated during the Financial crisis when rental growth only paused, remaining roughly static for 2 years from 2009-11 before continuing to grow, contrary to the fall in owner occupier values.

Many land acquisitions have involved debt and the end value assumptions have driven the site values. With reduced land values and Loan to value covenants, many developers will not be able to start developments without crystallising a loss. Sites could stall until the market returns or there is intervention by a public body or the project financier forces a sale.

General Housing - There is likely to be a fall in demand as unemployment rises. This will negatively impact the owner occupier sector and more expensive/ luxury end of the rental market. Affordability will be a big factor and values will fall.

This is despite the fall in Base Rate to 0.1% making mortgages more affordable, the rate was already at historic lows. It is therefore more likely that a continuing low rate will keep existing mortgages affordable as opposed to encouraging growth. This is a protective measure, not a stimulating one and in the mid to long-term some increase in the rate may be likely.

Larger housebuilders will be able to manage their developments to slow projects to meet demand. Construction rates can be managed in traditional housing development and the housebuilders have increasingly used a sub-contracting model meaning the overheads for direct labour are much lower than in the past.

It is unlikely that larger housebuilders will contemplate significant land acquisitions, leading to a future hiatus in supply as well as the short term issues. They will manage stock given the pressure likely on their balance sheet.

The market value of large builders has been hit hard and may take some time to recover. Their "fire power" is much reduced.

The value of the larger companies is indicated by their share price over the last 3 years.

Source: Harvey Lansdown (16/04/20) / Stock Market

The smaller housebuilders will generally find it difficult to continue trading. Many are often exposed to high amounts of debt and with lengthened construction periods as well as falling values to cover repayments, there will be financial pressures that may be too much. However, where debt gearing remains low, the ability to source more competitively priced construction labour and services will be a small boost.

The fall in Base Rate will not be of great assistance to Companies. Their interest rate burden includes the margin applied by Banks. The latter is not likely to reduce and indeed, with risk escalating, then Banks may seek to charge more. This could far outweigh the benefits of a Base Rate reduction.

As aforesaid, it is not possible to estimate the extent and depth of the current crisis at present. It seems likely that the fall in the market will be at least similar to that from the previous recession in 2008/9. As a guide, at a UK level the fall in value was approx. 18% over 18 months and it took 5 years for recovery to pre-recession levels. The UK figures are suppressed by including London, where price falls were less dramatic and recovery was quicker.

The fall in average value for the West Midlands was felt quickly in the last recession. The market fell by 17.11% over 5 quarters and the market recovered to the previous high over 8.5 years.

Leisure and retail

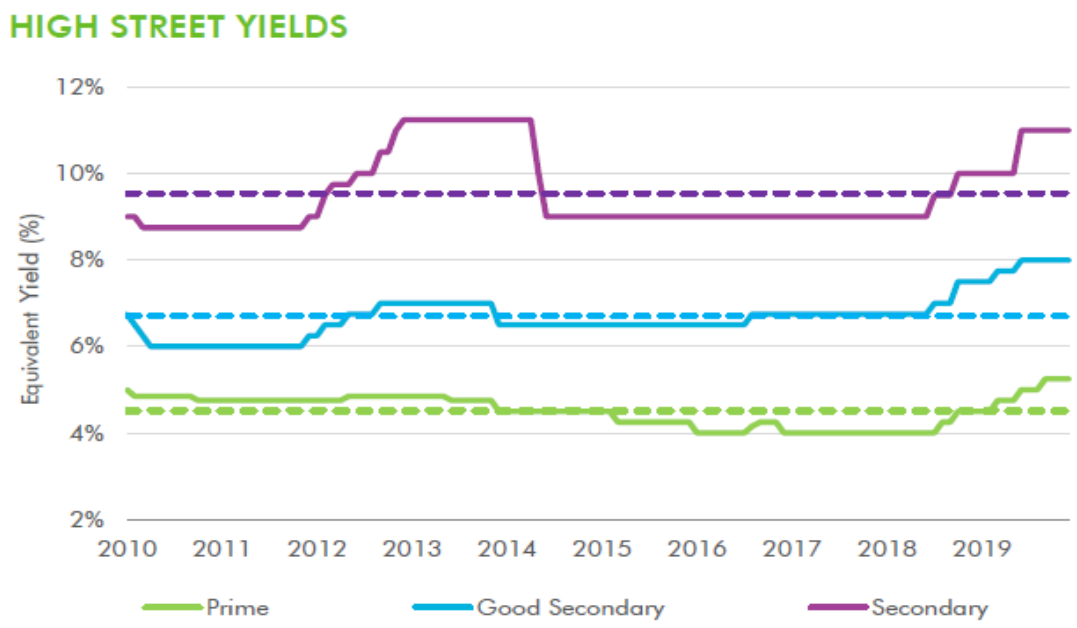
The impact for leisure and retail property will be most acutely felt and for a longer period than any other sector. Both the occupier and investor market will be impacted. Food stores remain an exception and have performed well, however this is possibly due to the fact that on-line deliveries have been fully booked and the number of visits is not indicative of customer's preferences. There may be mid to long term consequences here also.
When movement restrictions are revisited, it is likely that there will be a phased relaxation. Leisure and retail destinations may have legal restrictions relaxed last, however it may take even longer for the majority of the public to feel safe visiting such places.
The occupier market for physical space has been deteriorating for some time with businesses focussed on a physical presence struggling against those with online operations. Covid-19 will likely accelerate what was already changing and the impact will almost certainly mark the end for many cash-strapped retailers operating on thin margins.
Retailer's key trading period is Christmas. If the virus continues to effect traditional shopping patterns in Q4 then there will be even greater fall out for the "bricks and mortar" based retailers. This is not generally a scenario that commentators are considering at this stage.
For retailers, as well as manufacturers, the movement restrictions have placed a greater focus on the heavy reliance on "just in time delivery". Retailers will be considering warehousing stock. This will not assist the retail property sector.
Investor interest in retail has been waning for some time, reflecting falling demand from occupiers in light of growing e-commerce. Consequently rents have reduced to try to attract and retain tenants.
Shopping centres have been particularly badly affected to date. Savills reported a full 1% shift to 6.75% yield on prime centres between Q1 2018 and Q1 2019.
Secondary centres moved out 1.25% over the period to 11% and Tertiary 1.75% to 14.25%.
Other commentators are not as bearish. Knight Frank state shopping centre yields as between 6% to 11.5% at March 2020 (pre-Covid) but the speed and direction of travel is similar.
For some shopping centres there will be no recovery. They will need to be redeveloped entirely for alternative uses.
High street shops have long be favoured by the Private Investor. Relatively small lot sizes have enabled direct property investment. This has led to issues in managing High Streets as having all the owners aligned and financially contributing to a strategy is virtually impossible. Whilst rents have flowed they have been able to hold assets regardless of rising yields and falling values. As occupier demand recedes rapidly, these investors may be forced to sell, especially where loan payments

Given reluctance to accept such decreases in value, this may take time to come to pass. However, this may be provide opportunities for Asset managers to assemble significant interests in one location to re-imagine High Streets. This may concentrate shopping to a smaller "prime" core but could add re-invigorate the High Street.

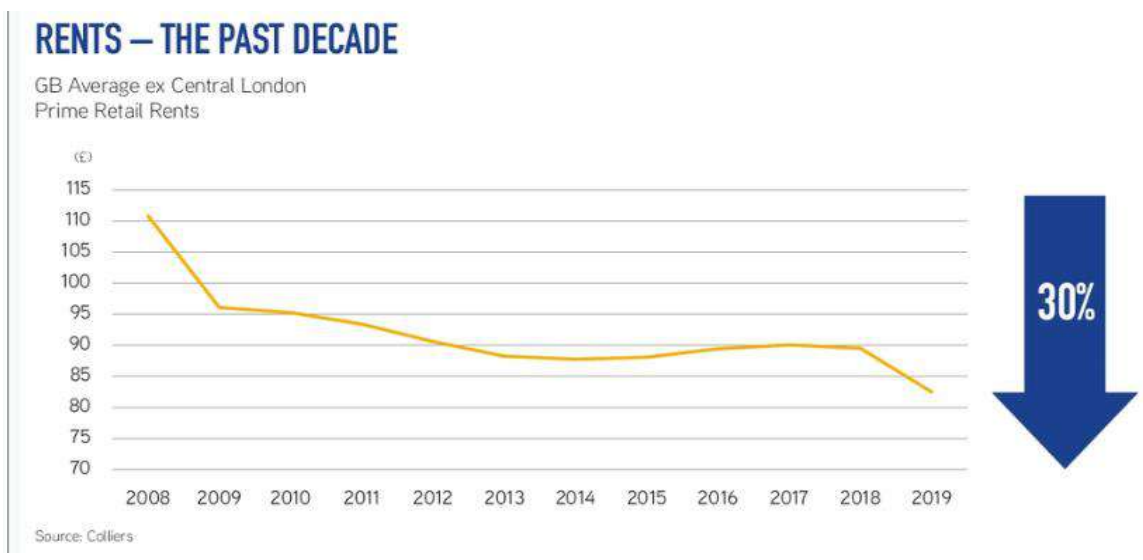
Knight Frank publish yields for the High Street. Pre-Covid Regional cities stood at 5.5%-5.75%, good secondary at 7.5% and secondary/tertiary at 10%+. All had moved outwards by 0.5-1% in just 12 months.

Due to the wide variation in town attractiveness, street appeal and shop configuration, it is impossible to assess a yield that fits an "average" shop. However, the trajectory of yields is agreed by commentators.

CBRE produce a useful Pre-Covid time series:



Prime retail rents outside London have been falling for some time. A report by Colliers in mid-2019 shows a 30% fall since 2008 with the largest dip during the Financial Crisis where rents fell from c.£111psf to £96psf in c.12 months. A sharp 13.5% drop which was never recovered.



Assuming an average rent of £80 psf Zone A and a yield of 7.5% pre Covid, a fall in rents of 13.5% combined with an increase of 1% in yield would cause a 24% fall in values. As aforesaid, the extent of the downturn is as yet unpredictable.

Leisure

For the purpose of this report the yields and rents attributable to Retail can be assumed to be similar to those for Leisure. In most cases Food and Beverage operators compete with retailers for space on high streets and are treated similarly.

For more bespoke leisure properties such as Cinemas and Leisure complexes the market may suffer severely restricted occupier demand for some time. Operators tend to be larger companies and their trading will be severely impacted by Covid-19. Company failure will result in some instances and for other organisations their balance sheets will be curtailed for some time. Rents will be reduced and take-up may cease for the coming quarters, likely only gradually rising in coming years. Savills present a more upbeat picture. They point out that operators continue to engage with developers and landlords. They had been expanding pre-Covid and were in growth mode (unlike retailers). Additionally, they believe that there could be a boom following quarantine restrictions being relaxed.

A review of current stock market prices indicate the loss in value of some major companies comparing the last 3 months:

Live stock market information taken from Harvey Landsdown website 20/04/2020.

The effects of the damage to the Leisure market will be felt in retail locations. Great store has been placed on the ability of leisure operations to integrate with retail and breathe life into town centres. Withdrawal of occupier demand will slow regeneration.

The effects of the damage to the Leisure market will be felt in retail locations. Great store has been placed on the ability of leisure operations to integrate with retail and breathe life into town centres. Withdrawal of occupier demand will slow regeneration . A possible outcome could be that new and smaller operators with lower financial burden will emerge first from Covid and be back in growth mode. Larger operators taking traditionally large space, may wish to expand but will be financially constrained for some time

Industrial and distribution

The industrial and distribution sector has been the best performing property sector over recent years. For the large units “Big Box” over 100,000 sqft occupier take-up has broadly kept pace with supply on new units with supply of Grade A space increasing by15% over 2019 and nationally, a vacancy rate increasing by 1% to 9% during 2019. Occupier demand was in good health going into the pandemic and retailers accounted for 40% of take-up to service e-commerce.

Big Box rents were forecast to grow by 0.8%. This is low but positive and it follows a number of years of strong growth. Current prime rents are c.£6.75 psf.
The investment market for logistics assets remained good in 2019 although with yields at 4.25% (Savills)/4.5% (CBRE) for prime West Midlands. The level was largely attractive due to the underlying demand and defensible characteristics as opposed to reflecting the opportunity for further rental growth.
It is likely that occupiers will have identified failings in stock inventory and delivery times that will increase the demand for storage going forward. This will apply to retailers and industrialists. There may also be a resurgence in demand from UK companies in the supply chain, as international distribution has been fallible.
Conversely some retailers will release space as they fail. These are likely to be higher end retailers offering non-essential goods. Laura Ashley was the first retailer to cite Covid-19 as a contributing factor to failure with oasis and warehouse quickly following, however there were clearly pre-existing issues. Other brands that operate in the non-essential space during recessionary times will be under pressure.
Whilst industrial and distribution is likely to be the most resilient, it is unlikely to escape market falls. In fact the first market evidence published is CBRE's monthly index for March (published April) and even as early evidence for the Covid impact emerges, the sector is showing a 1.6% decline in capital value for just that month.
For logistics space in general, it should be noted that the West Midlands had 40% of the space taken up by motor industry companies in 2019. This was from a total of 4.35m sqft. The benefits of the automotive sector in recent years will be reversed if the current pandemic causes long lasting financial issues for domestic car production.
At the smaller end of the market (sub 50,000 sqft), national take-up over 2019 was reduced at 6% below the 5 year average (vs Big Box +1% and Mid Box +3%). This is mainly attributed to Brexit uncertainty. At such times the SME market is particularly effected and this may be a sign of things to come in the aftermath of the pandemic.
Parcel distributors and couriers will provide some positive news in fulfilling last mile delivery of on-line orders, however this is unlikely to prevent a marked downwards shift in demand

The West Midlands has c.1.2 year's worth of supply in the Small to Medium space according to LSH. This is lower than the 5 year average and would usually trigger development, however the pandemic will most likely mean that plans are put on hold until market demand is more certain. Additionally, aspirational pricing of land may cause development to cease.
Land values are a key determinant of development activity for the industrial and distribution market. Whilst generally the effect of falling value will effect land values, it can be even more pronounced in the industrial and distribution market due to the large land take and the site value being a greater percentage of the overall construction cost.
Birmingham is generally £850k per acre and Coventry £900k per acre (LSH market report 2020). As yields rise and rents fall during the probable recession, the land price will reduce. This will be disproportionate to the value falls and as owners will maintain unrealistic aspirational prices, there could be a severe fall in development activity leading to undersupply of business premises.

Offices

If there is one sector that will attract speculation as to its future post Covid, this will be it. With office workers forced to encamp to their home offices, or kitchen tables, technology if being tested and work life balance is being explored.
Whilst all commentators agree there will be an increase in home working, there are those that believe this is the end of the sector and those that believe the majority will be desperate to be back in an office. However there will be a change and this may change the type but unlikely to mark the end of offices. The major issue with the different views is not that they vary so much, but the same disparate thinking will concern investors and cause a lack of investment. As investors retreat then yields will rise and values fall.

Pre-Covid the office sector was doing well in the West Midlands. Birmingham dominates with the largest take-up (780,095 sqft in 116 deals during 2019); largest deals for example the 283,000 sqft letting to BT in 2020; highest rents at £34 psf headline and lowest yields at 4.75%. It is worth stating that the yields and rents are for the very prime locations. Most yields would be around 6% for a well let, quality city centre building of reasonable size in Birmingham and 7% for Out of Town Offices. Evidence for secondary locations and buildings showed yields of 7.25% to 8.13% in 2018/2019. The following table extracted from LSH Research shows both prime and secondary deals.

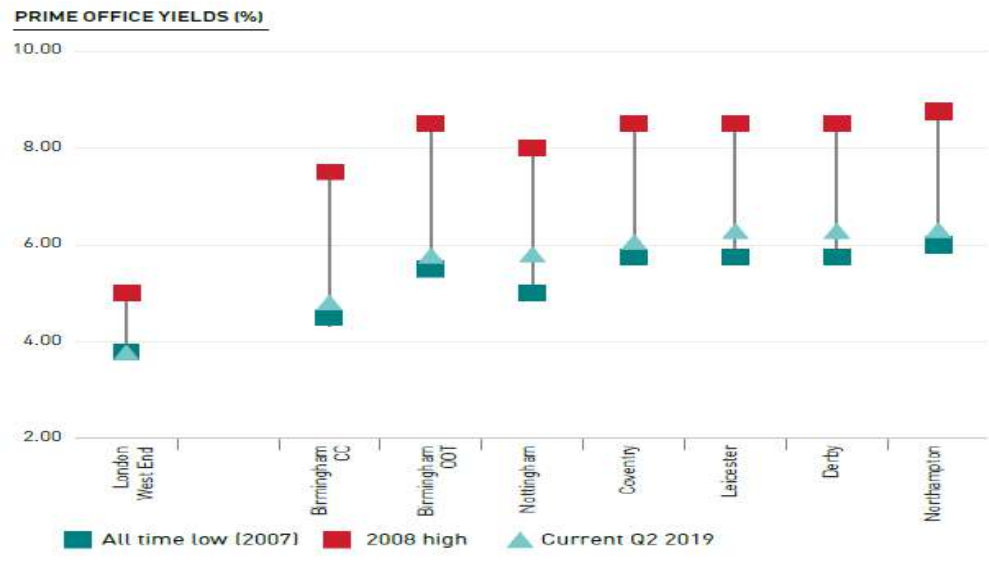
KEY MIDLANDS OFFICE TRANSACTIONS

Month	Property	Price (£m)	Net Initial Yield	Size (sq ft)	Purchaser	Vendor
Jun-18	Lewis Building, Bull Street, Birmingham	139.00	5.75%	230,000	Gulf Islamic Investments	Legal & General
Feb-19	2 Brindleyplace, Birmingham	29.25	6.51%	78,000	NFU Mutual Insurance	HansaInvest GmbH
Nov-18	54 Hagley Road, Birmingham	24.25	7.70%	141,000	Standard Life PIT	Sedco Capital
Feb-19	Norfolk House, Birmingham	20.00	7.92%	117,000	Regional REIT Ltd	Undisclosed
Dec-18	6000 Solihull Parkway, Solihull	18.45	6.78%	120,000	Brydell Partners	Allianz Properties Ltd
Feb-19	Apex House, Calthorpe Rd, Edgbaston	8.95	8.13%	58,000	UKRO (Hong Kong)	Kennedy Wilson Europe
Nov-18	Blake House, Eagle Court Business Park, Birmingham	7.45	7.88%	38,000	Christs Hospital	Wrenton Ltd
Sep-18	Stratford Court, Cranmore Boulevard, Solihull	6.10	6.87%	30,000	Wyre Forest Council	Eskmuir Properties Ltd
Dec-18	Binley Court, Coventry	5.80	7.25%	31,000	Coventry City Council	Ranier Developments

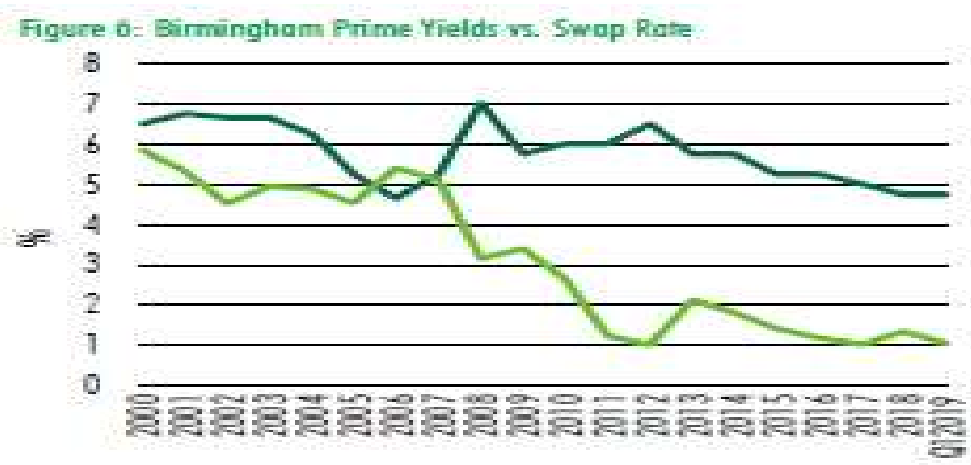
The prime M42 market has also had a resurgence in the last few years, growing slowly from a much contracted state post the Financial Crisis. Rents now stand at £23 psf headline.

Coventry was also starting to see office interest and recording rents and yields that justified new development. At headline rents of £22.50psf and yields of c.6%, new development could start to be justified.

The market in other West Midlands regional centres is reliant upon a handful of deals and is very difficult to apply any generalisation to. In looking at the possible effect of Covid on Investor sentiment it is worth considering where yields were in 2008. The chart below is produced by LSH Research and usefully shows where Birmingham and Coventry are now compared to the lowest point in recent history, 2008. Keep in mind the counter intuitive nature of yields; high is bad (low values) and low is good (high values).



CBRE demonstrates similar market movements only monitoring prime offices but offering comparable evidence for the market as a whole.

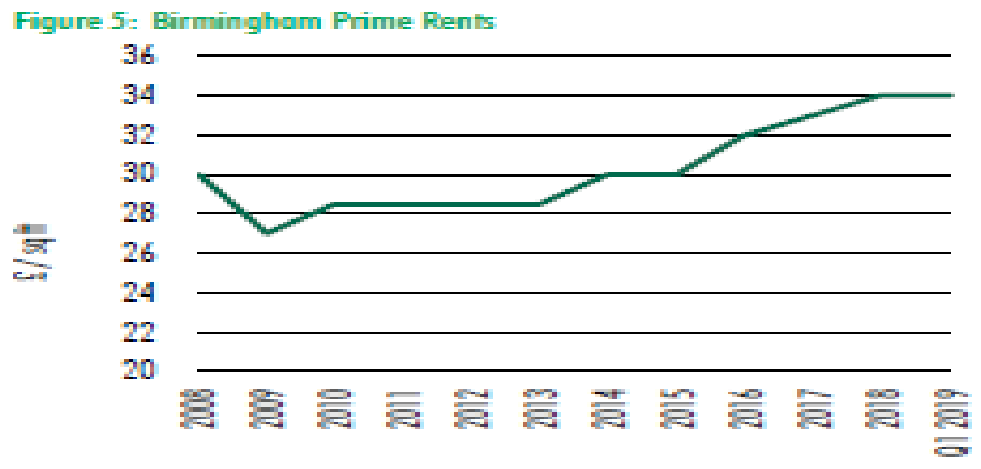


Source: CBRE Research, Q1 2019

In one year, office yields moved a full 3 points upwards in most regional markets according to LSH with CBRE putting the move at 2.25 points.

Office market rents will deteriorate in a recession. Occupiers usually take advantage of less demand for prime space by upgrading, albeit this is a slow process as they will wait until their leases expire before moving and this has a smoothing effect on the market.

As with all matters market related at this stage it is too early to say what the impact will be. However, we can look at the published research for the last few years to establish what happened in the last recession.



Source: CBRE Research, Q1 2019

The graph is extracted from CBRE research and only deals with prime rents, however the percentage falls and recovery are indicative of the whole market.

As can be seen, headline rents (not including incentives) dropped by c.10% over a 12 month period, bounced to a 6% fall in the next 12 months, plateaued and then returned to pre-crisis levels 6 years later.

Applying the previous rise in yields and fall in rents would imply a fall in value from c.£666psf prime central Birmingham to of c.£366.

This is a little misleading as rent free incentives and assumed voids were around the same at c.3 years and purchasers costs need to be taken into account. Therefore the fall was more likely £504-£536psf to £264-£289psf, a c.43-51% fall. It is also quite dramatic as this is a paper move only, many investors would not sell assets at those depleted values and therefore evidence would have been scant.

Post 2007, the market recovered relatively quickly so that the position in 24 months was more normalised and constant with values being based off a 5.75% yield and £28.50 psf rent representing (after incentives) c.£383 psf and a 29%-24% fall. The market had also risen more sharply and for a longer duration pre-2007 so arguably it was bubble waiting to burst. Anticipating a 25% fall in values would seem to be a rational position, whilst watching developments closely and expecting a sharper shorter fall before partial recovery.

It is worth making a special mentioned regarding serviced offices within this report. This has been a growing sector and much has been made of the new ways of flexible working. We Work offers such solutions with shared office space for a monthly fee. It has taken 229,582 sqft of accommodation in central Birmingham locations over 2019, making it responsible for 29% of all office lettings by floorspace over the year. Regus also took 117,000 sqft of new space in 2018.

We Work investors are clearly concerned over what the future could look like and it is not helpful that the company is carrying a lot of debt with short term occupational contracts that have almost certainly been terminated.

Clearly We Work think the future is not a traditional office. However, there will be many companies now experiencing home working. Will they return to any sort of offices and could this represent a permanent change in the market?

Investor sentiment concerning traditional real estate vs serviced offices is interesting and some insight can be gained by considering the equities market. The chart below shows IWG plc (operating the Regus brand and the largest shared office provider) and traditional real estate companies British Land and Land Securities.

Sources:
CBRE Covid-19 Update Residential Market Briefing Mar-20
JLL Covid-19 Global Real Estate Implications 12/03/20
Colliers Property Snapshot April 2020 17/04/20
Savills Hotel insights Vol 4
CBRE Post Covid 19 report Mar 2020
ONS Data downloaded and analysed Apr 2020
Colliers Midsummer Retail Report 2019
Live stock market information taken from Harvey Landsdown website 20/04/20
LSH Research: “Leading the Revolution” ILM Industrial and Logistics Market 2020
Multiple sources including CBRE Marketview Snapshot, LSH, JLL and Office Agents Society.
LSH Midlands Office Market Report 2019

Weekly Deaths Registered: 17th April 2020

Across England and Wales, the overall registered death figure has increased by 3,835 people between the 10th April 2020 to 17th April to reach a total of 22,351. The number of deaths registered that state Coronavirus on the death certificate has increased by 2,545 over the same period to reach 8,758 people.

Analysis over the same time period at a regional level shows that the West Midlands overall registered death figure has increased by 354 to a total of 2,536. The number of registered deaths related to Coronavirus has increased by 192 people between the 10th April 2020 and the 17th April 2020 to reach 999. Notably, even though the figures are still rising, the number of Coronavirus related deaths slowed down when compared to the 407 increase between the 3rd April 2020 and the 10th April 2020.

There was a total of 2,778 deaths registered across the WMCA (3 LEP) area in the week of the 17th April 2020. There were 841 deaths registered that were related to Coronavirus over the same period – this accounts for 30.3% of total deaths which has increased slightly from the 10th April 2020 (29.3%). The WMCA (3 LEP) area accounts for 84.2% of the 999 Coronavirus related deaths registered in the West Midlands Region.

In comparison to the week of the 10th April 2020, the overall registered death figures have increased 444 people, with the number of deaths related to Coronavirus increasing by 158 people.

At a local authority level, Birmingham accounts for 32.5% (273) deaths related to Coronavirus in the WMCA (3 LEP), this is followed Sandwell at 10.2% (86 deaths).

Of deaths involving Coronavirus registered in the week of the 17th April 2020, 78.2% (658) occurred in a hospital which has decreased when compared to the 10th April at 84.3% (576). The number of Coronavirus related deaths that in a care home has increased from 8.8% (60) in the week of the 10th April 2020 to 14.3% (120) in the week of the 17th April 2020.

Place and number of deaths registered in the week 17th April 2020

Source: ONS, Death registrations and occurrences by local authority and health board, 21st April 2020

	Care home	Elsewhere	Home	Hospice	Hospital	Other communal establishment	Total
Cannock Chase	**3**	**0**	**0**	**0**	**12**	**0**	**15**
East Staffordshire	**4**	0	1	1	18	0	24
Lichfield	**2**	0	2	0	21	0	25
Tamworth	**0**	0	0	0	18	0	18
North Warwickshire	**3**	0	0	0	12	0	15
Nuneaton and Bedworth	**3**	0	2	0	13	0	18
Rugby	**2**	0	2	0	4	0	8
Stratford-on-Avon	**5**	0	0	1	16	0	22
Warwick	**4**	0	1	0	12	1	18
Bromsgrove	**6**	0	0	0	18	0	24
Redditch	**2**	0	0	0	4	0	6
Wyre Forest	**3**	0	0	0	11	0	14
Birmingham	**32**	6	15	9	211	0	273
Coventry	**12**	0	2	0	39	0	53
Dudley	**10**	0	2	0	33	0	45
Sandwell	**5**	3	3	0	75	0	86
Solihull	**11**	0	4	0	42	0	57
Walsall	**8**	**0**	**3**	**1**	**59**	**0**	**71**
Wolverhampton	**5**	0	1	2	40	1	49
WM 7 Met.	**83**	9	30	12	499	1	634
Black Country LEP	**28**	3	9	3	207	0	251
Coventry & Warwickshire LEP	**29**	0	7	1	96	1	134
Greater Birmingham & Solihull LEP	**63**	6	22	10	355	0	456
WMCA (3 LEP)	**120**	9	38	14	658	2	841

Analysis provide by Black Country Consortium Economic Intelligence Unit

ONS Weekly Release Indicators

On the 23rd April 2020 the ONS published the weekly publication containing data about the condition of the UK society and economy and the impact of the COVID-19 pandemic. The statistics are experimental and have been devised to provide timely information, with publication of final survey results currently expected to take place fortnightly with initial findings released in-between. The following information contains the final results from Wave 2 of the Business Impact of Coronavirus Survey, the final results for Wave 3 of the Opinion and Lifestyle Survey and the VAT quarter-on-quarter turnover diffusion index for quarter 1 2020.

Business Impact of the Coronavirus

The final results from the second round of the Business Impact of Coronavirus (COVID-19) Survey (BICS) show that of the 17,786 businesses surveyed across the UK, there was a response rate of 6,171 (34%) businesses. The following data is based on the period between 23rd Match to the 5th April 2020 and no regional breakdown is available.

Trading

Of the 6,171 business respondents, 24% have temporary closed or paused trading with a further 0.3% permanently creasing trade. 75% have reported continuing to trade between 23rd March to 5th April 2020. When comparing the size of the businesses and those still continuing to trade there are small differences in the percentages. 79% of large companies that have 250 employees or more reported they are continuing to trade, while there was 73% of small and medium sized businesses that reported continuing to trade.

Government Schemes

94% of all companies (trading and paused) that responded indicated they were interested in least one of the government schemes that were on offer. Similar results can be seen for companies that have temporary closed or paused trading and those continuing to trade for the most favoured interests in the different government schemes available.

From the businesses that responded that have temporary closed of paused trading, 96% were interested in the Coronavirus Job Retention Scheme with 76% of those continuing to trade interested in this scheme. This was followed by 79% that have temporary closed or paused trading interested in deferring VAT payments while 65% of those continuing to trade were interested in this scheme. The third highest interested government scheme was a business rates holiday with 68% of those temporary closed or paused traded interested and 34% of businesses that continue to trade interested.

Workforce Impact

Previously, the workforce impact section focused on business numbers or proportions which will not capture the full impact on the workforce due the number of employees varying per business. The following analysis shows of the responding businesses that are still trading or temporary paused the differing impacts to employees (furloughed, working as normal or other) per industry. Of the businesses that are continuing to trade, 40% of the workforce that work in the accommodation and food service activities industry have been placed on furlough leave, while for those businesses that have temporary paused 90% are in the human health and social work activities.

Impact of Furloughing
Source: ONS, Business Impact of Coronavirus

	Put on furlough leave (Government's Coronavirus Job Retention Scheme)		Made redundant		Working as normal	Other (including sickness and self-isolation)	
Industry	**Businesses continuing to trade**	**Businesses temporarily paused trading**	**Businesses continuing to trade**	**Businesses temporarily paused trading**	**Businesses continuing to trade**	**Businesses continuing to trade**	**Businesses temporarily paused trading**
Manufacturing	14%	84%	0%	0%	75%	10%	16%
Water Supply and waste management	9%	81%	0%	0%	79%	12%	19%
Construction	32%	82%	0%	0%	61%	7%	18%
Wholesale and Retail Trade	12%	68%	0%	0%	75%	13%	32%
Accommodation and Food Service Activities	40%	87%	0%	1%	52%	8%	12%
Transportation and Storage	24%	60%	1%	0%	67%	8%	40%
Information and Communication	6%	24%	0%	3%	86%	7%	73%
Professional, Scientific and Technical Activities	9%	67%	0%	0%	85%	6%	33%
Administrative and Support Service Activities	25%	86%	0%	1%	66%	9%	13%
Education	3%	13%	0%	0%	88%	8%	87%
Human Health and Social Work Activities	11%	90%	0%	0%	74%	15%	10%
Arts, Entertainment and Recreation	22%	76%	0%	1%	50%	27%	24%
All Industries	**14%**	**78%**	**0%**	**0%**	**76%**	**10%**	**22%**

The only industry where businesses that are continuing to trade and made redundancies is in transportation and storage with 1%. There are four industries that have made redundancies from businesses that paused trading, these include 3% from information and communities and 1% in accommodation and food services, administrative and support services activities and in arts, entertainment and recreation.

The table on the previous page shows the proportions of the workforce that have been furloughed, made redundant, are continuing to work or any other reason for responding businesses that are continuing to trade or temporary paused.

Social Impact of the Coronavirus

Indicators from the Opinions and Lifestyle Survey is a weekly update to understand on the impacts of the COVID-19 pandemic on people, households and communities in Great Britain. Wave 3 covers the period of 3rd April 2020 to 13th April 2020 which now includes the first estimates for the levels of compliance and support since measures to prevent the spread of COVID-19 were put in place on the 23rd March 2020.

Concerns about household finances

The number of adults that said COVID-19 was affecting their household finances continues to increase from 22.9% in the previous survey results to 26.7% in Wave 3. Nearly 44% expect their financials to get slightly or a lot worse over the next 12 months. 82.9% expect the general economic situation for Great Britain to get slightly or a lot worse over the next 12 months.

Staying at home and self-isolation

85.1% with underlying health conditions reported they had either not left their home or only left for one of the permitted reasons in the last seven days, this increased to 85.4% of all adults which increases to 86.2% when restricting the age to those aged 70 years and over.
84.6% of adults reported they strongly supported the measures with 12.8% saying they tend to support the measures in place.
37.5% of adults reported they had self-isolated in the past seven days with 49.2% of adults with underlying health conditions self-isolating, with the highest group of people self-isolating at 60% was those aged 70 years and over.

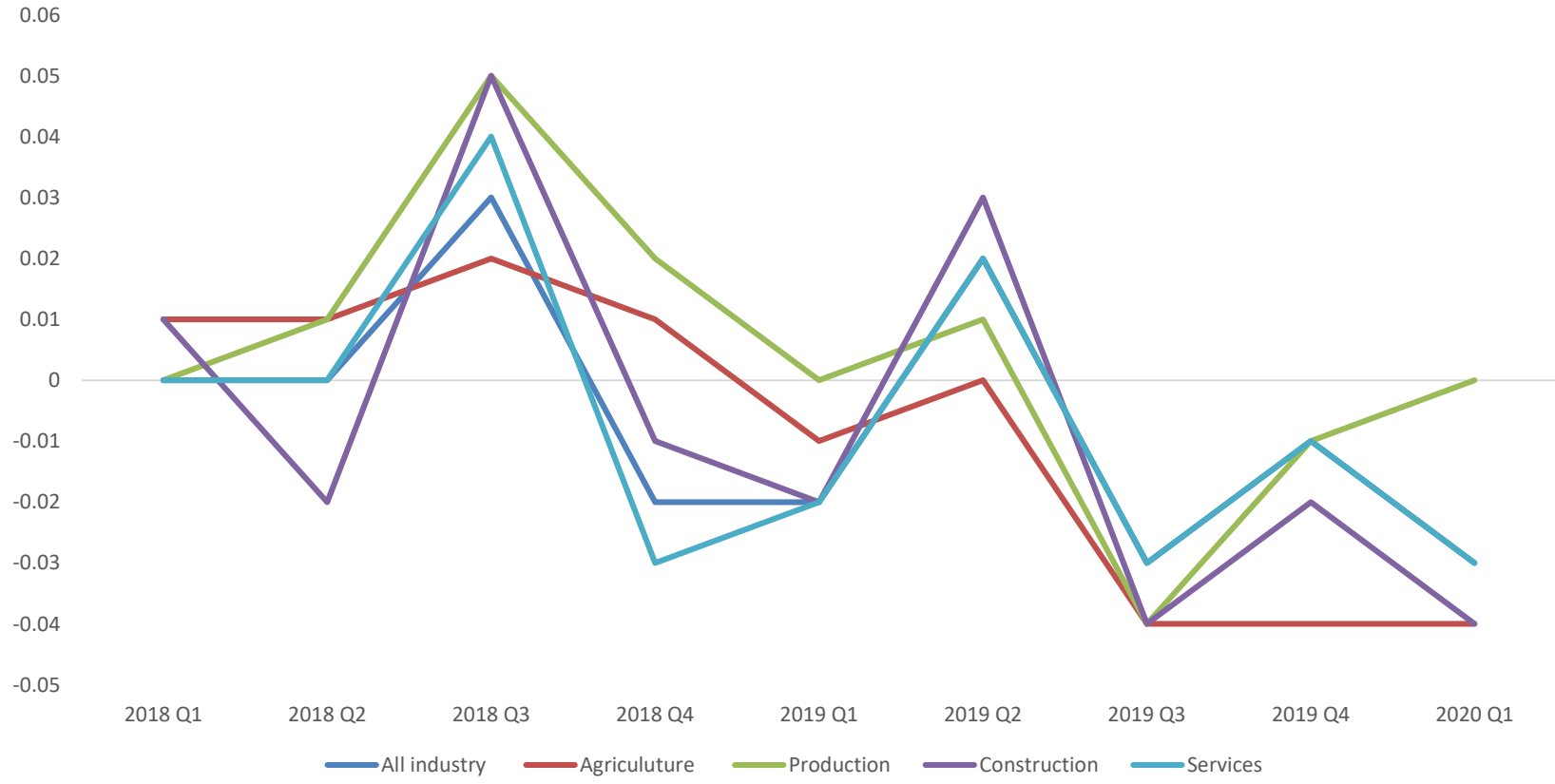
Working from home and home schooling

Compared to the Wave 2 results, the number of adults that are working from home has increased from 45.8% to 49.2% in Wave 3.
52% of parents that are home schooling dependent children strongly or somewhat agreed they were confident in their abilities, notably 26% strongly or disagreed with this statement. Nearly 78% of respondents state they strongly or somewhat agreed their children were continuing to learn whilst being home schooled.

Value Added Tax (VAT) Returns

The majority of the quarterly VAT indicators reflect activity in the first two months of the quarter - however, the following data should be used with caution as there is limited data for March 2020. A negative index indicates that slightly more firms reported a decrease in turnover from the previous quarter across Great Britain.
Across all industries in quarter 1 2020, the quarter-on-quarter turnover diffusion index was negative 0.03 – this is below the historical average. Agriculture and construction were negative 0.04 in quarter 1 2020 and services were negative 0.03 with production being recorded at 0.

Quarterly VAT turnover diffusion index for Great Britain from quarter 1 2018 to quarter 1 2020



Impacts of Wellbeing

The mean anxiety score decreased from 5 from the 27th to 6th April to 4.9 in the latest survey period for all adults, while for those aged 70 years and over this has increased from 4.7 to 5 over the same period. Similar patterns can be seen with those with any specific health conditions which increased from 4.9 to 5.4.

Compared to the 27th March – 6th April, the percentage of all adults and those aged 70 years and over reported their well-being was being affected by Coronavirus has decreased to 49.9% and 45.5% (from 53.1% and 45.8% respectively). However, adults with any specific health conditions has reported an increase over this period to 55.6% (from 54.7%).

Excluding those with any specific health conditions that reported feeling lonely often/ always between the 3-13th April, there has been an increase in percentage across all the other groups for those reporting feeling lonely often/always and some of the time. The highest increase was seen in the indicator for feeling lonely some of the time that reported having a specific health condition – 14.4% between 27th March – 6th April to 20.4% between 3rd – 13th April.

Indicators of wellbeing

Indicator	Group	3rd- 13th April	27th March – 6th April
Percentage reporting their well-being is being affected (Question only asked to respondents that said they were very worried or somewhat worried about the affect Covid-19 is having on their life right now)	All adults	49.9%	53.1%
	70 years and over	45.5%	45.8%
	Any specific health condition	55.6%	54.7%
Mean anxiety score	All adults	4.9	5
	70 years old or over	5	4.7
	Any specific health condition	5.4	4.9
Percentage with high anxiety (score 6-10)	All adults	46.4%	46.9%
	70 years and over	49.8%	42.2%
	Any specific health condition	56.6%	45.4%
Feeling lonely often/always	All adults	5.8%	5.4%
	70 years and over	3.6%	1.1%
	Any specific health condition	7.3%	11.2%
Feeling lonely some of the time	All adults	20.5%	14.7%
	70 years and over	10.9%	10.5%
	Any specific health condition	20.4%	14.4%

Analysis provide by Black Country Consortium Economic Intelligence Unit

British Chambers of Commerce – COVID-19 Business Tracker: West Midlands Results (Week Five)
Introduction

In response to the unprecedented crisis caused by the advent of Coronavirus, the British Chambers of Commerce has developed a Covid-19 Business Impacts Tracker which will serve as a barometer of business' response to the measures introduced by the Government to help firms navigate this exceptional landscape. The tracker will explore weekly business conditions to help understand the scale of the challenges that companies across the country are facing right now and in a bid to gauge the awareness and usage of government support measures amongst the business community. The results listed below are based on responses received from 44 firms in the West Midlands and cover the period from 22nd to 24th April prior to the Chancellor's announcement of the micro-loans scheme and further changes to CBILS on 27 April. Results in future weeks will indicate whether these changes have helped improve firms to access support.
98% of respondents employed less than 250 staff members and of those, 48% employed between 1 to 4 members of staff and 7% identified themselves as sole traders. 55% of businesses surveyed did not export their goods & services (and similarly, 29% did not engage in importing activities). Of those firms that were involved in exporting, 27% distributed their products and services to countries both inside and outside the European Union. 29% of businesses that took part in the survey operated in the professional services sector and 27% were listed as manufacturers.

Changes to Trading Conditions & the Workforce
In comparison to the previous week (w/c 13th April) 70% of businesses witnessed a fall in UK revenue (with 60% citing a significant decrease – 13% lower than the figure recorded last week). 63% of firms saw a drop in international revenue (with 38% suggesting it was significant) and 70% had also seen a decline in cash reserves. In terms of developments related to employment, 71% cited constancy in the size of their workforce along with a 47% fall in the number of hours worked by staff. 39% reported a drop in training or apprenticeship activity. Over the course of the following week, 28% of businesses said they would not furlough any of their staff members and 9% expected to furlough their entire workforce (a fall of 14% compared to last week). On 20 April, HMRC opened the portal for employers to claim payments for furloughed employees through the Coronavirus Job Retention Scheme and 56% of respondents said they had submitted their claim with ease and a further 33% were planning to submit an application.
A third of businesses expected their cash reserves to cover their trading activity for one to three months, 27% suggested their reserves would be able to cover them for three to six months, whereas 14% estimated that they would only be covered for less than a month. Three percent of respondents reported that they had no cash reserves whatsoever.

Support Measures Introduced by Government –feedback from the business community
In terms of the measures implemented by the Government to support businesses affected by COVID-19, 18% had already secured a business rates holiday (of those firms based in the leisure, hospitality or retail sector) which was an increase of five percent compared to the previous week. 55% were aware of this particular measure but currently were not planning to apply. Additionally, a fifth of firms were planning to use the Self-employment income support scheme (an increase of 12%
compared to last week). 36% of businesses had deferred VAT payments for three months (the highest take up of any of the measures listed) and an additional 18% expected to do the same. 13% were planning to apply to the grant scheme available for small businesses and 18% so far had made a submission for this particular scheme (an increase of one percent compared to the previous week). 5% of respondents had applied for SSP refunds and 14% of businesses were preparing to apply to HMRC's Time to Pay extension scheme.
Of those businesses unable to use the support measures listed above, the majority of firms did not meet the stipulated eligibility criteria for each of the policies. A third of businesses faced either a slow or no response at all when applying for grant funding and 17% felt there insufficient information available in order to apply for the business rates holiday.
23% of businesses had attempted to access finance via CBILs and 55% had no plans to apply for this particular scheme. Of those businesses that didn't apply, 43% already had the prerequisite levels of cash or funding, 33% wanted to gain clarity on the length of lockdown before applying and 10% felt that they would not be able to pay back the loan. 22% had successfully secured finance and 22% were awaiting a decision from the Bank. 50% said it had taken 14 days or more from starting an application and receiving a decision from the Bank. 50% of businesses said they would use the finance to pay debts and in terms of the reasons given for not being able to secure finance, 40% noted they had received either a slow or no response from the Bank and another 40% were told their business didn't meet the criteria. In terms of next steps for those firms unable to secure finance, 20% suggested they would try and speak to another lender whereas 40% felt they would need to scale down operations and 20% said they would need to cease trading.

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HEADLINES & ESCALATION		
BCLEP	**GBSLEP**	**CWLEP**

• Enquiries continue to be largely from self-employed, single director Ltd companies or retail units looking to access support as they currently don't qualify for any of the available schemes. More home-based businesses have enquired and raised concern about the lack of financial support for them ie. As they are home based and do not have a Business Rates identifier, they are unable to apply for grant support.
• We are also now beginning to have business owners asking questions about any future transformational support programmes, which can help the company innovate and diversify their offerings when the lockdown ends.
• Companies are feeling frustrated at the slowness of the turnaround on CBILS applications. This is pushing many companies into further financial distress despite them reaching out for support at an early stage.
	• Cashflow challenges and uncertainty during this period continue.
	• Businesses that do not qualify for funding via existing support mechanisms need help. Too many businesses in West Midlands are falling through the cracks in existing support and face significant hardship. Three key groups are:
	  ○ Small businesses who are not responsible for business rates need grant support.
	  ○ Non retail, hospitality and leisure businesses in premises outside the scope of Small Business Rates Relief.
	  ○ Directors of limited companies paid through dividends.
	• Small Business Grants:
	  ○ There are continuing delays with grants being issued and uncertainty over eligibility.
	  ○ Local authorities across the region have warned that they do not have business bank account details for all the businesses that could be eligible. This might mean payments to eligible businesses will be delayed / some may miss out.
	• Job Retention Scheme:
	  ○ Many businesses applied for the Coronavirus Job Retention Scheme. Very few had issues with online portal.
	  ○ Need to receive payments promptly this month so they can pay furloughed staff and manage cashflow.
	  ○ Concerns as to whether scheme will be extended beyond June.
		• Primary concern persists around cashflow needs over the next few weeks and months, many micro SME's reporting they have only weeks of cash left.
		• The early launch of the Furloughing scheme has been welcomed by SME's, early reports confirm the site is robust and clear to use, and the Government statement that all claims made by 22nd April would be paid by end of April was broadly welcomed. Only criticism of the site is that only employers making claims in excess of 100 workers could upload a spreadsheet. This makes it time consuming to make a claim for less than 100, having to enter details for each employee.
		• Concerns building about second wave of redundancies once the Furlough scheme finishes end of June, Growth Hub and Chamber surveying businesses to try and get more quantitative information.
		• With it becoming clearer that Social Distancing measures will be in place for many months to come, significant concerns about how businesses who by their nature will find it difficult to impose Social Distancing, can survive. Primarily in the Retail, Hospitality and Leisure sectors.
		• Persistent reports of slow application process and onerous criteria and inconsistent approach by the Lenders, and wide variation of terms. Continued reports of businesses which were trading effectively before the crisis, unable to secure lending due to Lenders assessment of them as 'high risk'. Lack of detailed information from BBB or the Banks makes it very difficult to assess effectiveness.

HEADLINES & ESCALATION		
BCLEP	**GBSLEP**	**CWLEP**

	• Applications for business interruption loan scheme are taking too long and viable business are being rejected.
	• It remains unclear exactly what a Director can do while furloughed.
	• There is concern about the economic damage the restrictions are doing. Unless restrictions are lifted many companies will go bust. Businesses want to know how and when the government will start approaching easing lockdown restrictions.
	• A Recovery plan is to be drawn up to help the region bounce back from COVID 19:
	  ○ A recovery action plan is to be drawn up specifically tailored to help the West Midlands economy bounce back quickly once lockdown restrictions start to be lifted.
	  ○ Political and business leaders announced they were working together to form a bespoke strategy capable of securing an effective and long-lasting economic recovery.
	  ○ The move comes as research predicts that the West Midlands could be the UK's hardest hit region.
	  ○ West Midlands recovery plan to be drawn up as scale of Covid-19 impact on regional economy is revealed.
		• Rumours of 100% Government Guarantees for loans up to £25k are welcome, speed and simplicity of application process for SME's to apply for these will be key to enable many businesses to survive, given the very tight cashflows mentioned in 1), with many SME's down to very limited cash.
		• Announcements by Aston Martin and JLR to resume production will enable many suppliers to resume at least some production, to enable Manufacturing sector to start and lead recovery.
		• Concerns becoming louder about extended payment terms being imposed by larger businesses on their supply chains, measures need to be considered to preserve cashflows. Coupled with expected very high levels of Bad Debt, cash will be starved of SME's as we move into Recovery period.
		• Coventry & Warwickshire Local Authorities made very good progress issuing grants, most of them in excess of 70% of eligible grants issued.
		• CWLEP Growth Hub launched a new Opportunities Portal, https://www.finditincw.co.uk/ to enable businesses to explore major opportunities e.g. HS2, Games, and also enable B2B trading. Joint project with CW Chamber of Commerce, and supported by LEP and all LA's. This is seen in C&W as an integral tool during the Recovery Phase.

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NEW ECONOMIC SHOCKS			
COMPANY	**LOCATION**	**SECTOR**	**DETAIL & SOURCE**
Kirkpatrick	Walsall	Metals	E&S Article: (Link) A metal casting company that specialises in handmade ironmongery has gone into administration with the loss of 50 jobs.
JLR	Coventry, National	Automotive, Engineering, Manufacturing	Car sales at Jaguar Land Rover (JLR) dropped by 12% as the coronavirus pandemic hit the car maker hard in its fourth quarter. The firm sold 508,659 vehicles over the year. Its fourth quarter sales were down almost 31% at just 109,869. Meanwhile, the manufacturing giant revealed it had furloughed 20,000 staff – half its UK workforce: article here
Coventry Rugby Club	Coventry	Sports Clubs and Leisure Activity	Coventry Rugby have warned that jobs are set to be lost and salaries slashed as a result of the Covid-19 pandemic and RFU funding cuts. The Championship club said their ambition is to remain professional but it was "inevitable" that they would also be operating with a smaller playing squad from next season. Coventry added that its revenue losses over recent weeks is in the region of £750,000. Their annual revenue is just more than £2m: article here
Aston Martin	Gaydon, National	Automotive, Engineering, Manufacturing	Luxury car maker Aston Martin has confirmed it has furloughed the majority of its workforce. On furloughing its workforce, the company added that those affected will receive 80 per cent of their base salaries from 1 May, with the business topping up the government's funding for those whose pay exceeds the maximum support level provided by the scheme: article here
Meggitt	Coventry	Aerospace, Engineering	West Midlands aerospace engineering group Meggitt is planning to axe around 1,800 roles across its global operations. The group, which makes parts used in planes, said it was axing around 15 per cent of its 12,000-strong worldwide workforce in response to a slump in civil aerospace demand. The move is aimed at slashing costs as the coronavirus crisis hits the civil aerospace sector hard: article here
LEVC	Coventry	Automotive, Engineering, Manufacturing	Warwickshire-headquartered electric taxi maker LEVC has halted payments to its suppliers. The Chinese-owned company has introduced a "force majeure situation for a short period of time". The move comes after the business shut down its factory because of the Covid-19 pandemic at the end of the March: article here
TrakM8	Coleshill	Telematics, Engineering, Electronics	Trakm8, the telematics and data firm, has missed out on posting a profit after being hit by delays in hardware shipments and installations. Revenues for the full year ending 31 March of £19.6m are in line with previous guidance and 2% more than last year, said the company this morning (27 April): article here

NB all details in these tables have been announced publicly

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NEW INVESTMENT OPPORTUNITIES			
COMPANY	**LOCATION**	**SECTOR**	**DETAIL & SOURCE**
Castleton Technology	Birmingham	ITEC	Castleton acquired by MRI Software of Ohio, USA article here
Holiday Inn Express Hotel	Castle Bromwich	Leisure	Hotel sold out of administration to unnamed consortium article here
Architectural Wallsz	Alvechurch	Construction	Company has received Coronavirus Business Interruption Loan Scheme (CBILS) funding to ensure survival through the Covid-19 crisis safeguarded 7 jobs article here
Arrowsmith Engineering	Coventry	Engineering	Winner of Queen's Awards for international trade: article here
Aeritech Limited	Warwick	Aerospace, Engineering	Winner of Queen's Awards for Enterprise in Innovation: article here
JLR	National	Automotive, Engineering, Manufacturing	Jaguar Land Rover is expanding its electrified vehicle line-up with the introduction of its latest plug-in hybrid system. The next step in its Destination Zero mission to shape future mobility: article here
Safetyflex Barriers	Coventry	Manufacturing, Anti-terrorism Developments, Engineering	A Coventry company whose anti-terrorism products protect high-profile sites around the world from vehicle attacks has grown its exports to more than a third of its business over the last decade. article here
Drive System Design	Leamington Spa	Automotive, Engineering, Manufacturing	Awarded a Queen's Award for International Trade: article here
Mor Bakery	Stratford-upon-Avon	Retail, Food and Drink	A small bakery in Stratford-upon-Avon which opened its doors just a month ago, has had to think fast to adapt to the new retail reality of opening during a global pandemic: article here
Amtico	Coventry	Manufacturing	Coventry flooring firm Amtico has adapted its manufacturing facilities to make face shields for NHS and critical key workers. The luxury vinyl tile flooring company has adapted the materials and machinery used in its production to create parts for essential PPE for use throughout the UK: article here
3P Innovation	Warwick		The Queen's Award for Enterprise in Innovation was awarded for our pioneering and patented Fill2Weight technology. This technology was achieved by combining several different technologies in one solution, creating a highly innovative system, capable of filling practically any powder into a very diverse range of containers: article here

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NEW INVESTMENT OPPORTUNITIES			
COMPANY	**LOCATION**	**SECTOR**	**DETAIL & SOURCE**
Alan Nuttall Partnership	Hinckley	Manufacturing	A shopfitter, which has worked with the likes of Harrods, M&S and Asda, achieved its aim of returning to profitability during its latest financial year, new accounts have revealed. Alan Nuttall Partnership, whose clients also include Pret, Morrisons, Homebase and Swarovski, builds and supplies shop interiors, food counters, refrigeration and signs: article here
Aston Martin	Gaydon	Automotive, Engineering, Manufacturing	Operations at its manufacturing headquarters in Gaydon are "planned to resume later": article here
JLR	National	Automotive, Engineering, Manufacturing	Jaguar Land Rover has announced plans to gradually resume production at three of its factories from May 18. The firm says its Solihull plant in the UK, as well as those in Austria and Slovakia, will be the first to reopen, with other locations due to restart once local pandemic-related restrictions are eased: article here
Severn Trent	Coventry	Utilities, Services	Water and waste company Severn Trent has arranged for £38m to be paid to its smaller suppliers early to help support them through the Covid-19 crisis. The Coventry-headquartered company has arranged for immediate payment to be made to small and medium-sized companies for at least the next three months to help them through the current difficult economic conditions: article here
Pet Shop Bowl/Petshop.co.uk	Stratford-upon-Avon	Retail	An online pet store based in Stratford-upon-Avon has tripled its workforce to cope with a rising demand from animal owners across the UK during Covid-19. The company has said the government's lockdown advice in the coronavirus pandemic has led to a 300 per cent increase in sales mainly from cat and dog owners buying food and having it delivered to their door: article here
Arden Fine Foods	Coventry		A sourcer and supplier of biscuits and bakery products based in Coventry has completed a management buyout. Arden Fine Foods has been acquired by its management team, led by managing director, Helen Young and finance director Andy Mewis, for an undisclosed sum: article here

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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and the
City-Region Economic Development Institute

In partnership with:

Aston University BIRMINGHAM UK

Birmingham City Council

BIRMINGHAM CITY University

Black Country Consortium Economic Intelligence Unit

BPS BIRMINGHAM

CWLEP Coventry & Warwickshire Local Enterprise Partnership

Greater Birmingham Chambers of Commerce

Greater Birmingham & Solihull Local Enterprise Partnership

MIDLANDS ENGINE

UK Research and Innovation

West Midlands Growth Company

West Midlands Combined Authority