

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

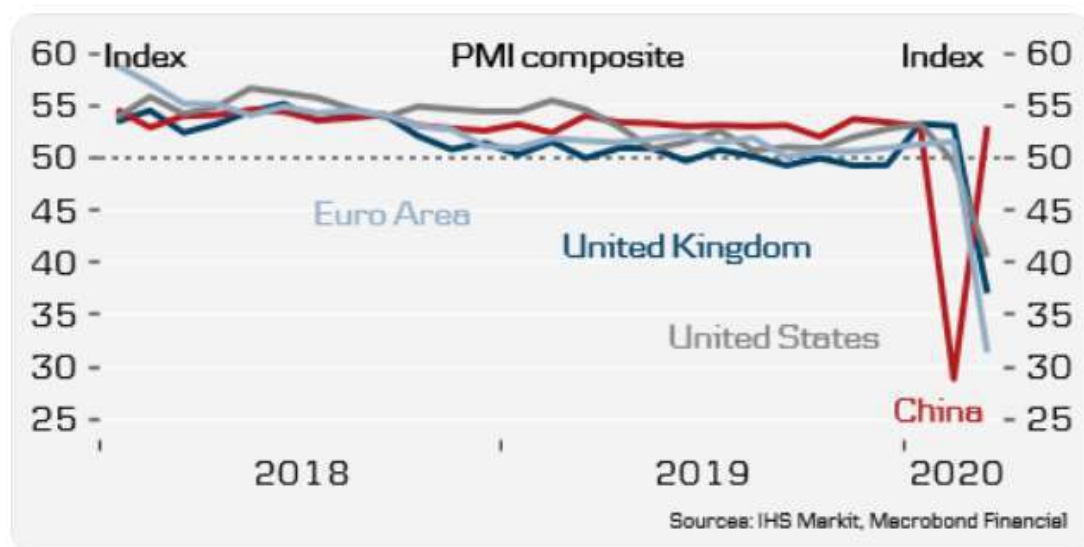
Key Issues

- Significant sections of the self employed workforce are not covered by the current government interventions. Including those who operate via a ltd company (who are normally not eligible for support). There are significant issues with confusion over self employment and eligibility for schemes and delays to implementation till April and June. There are no regional data to understand how this affects the various forms of self employed to understand the size and scale of this issue. The cap on profits at £50k limits support to those earning less than £30k per year which is a relatively low threshold
- Birmingham City Council has carried out a survey of businesses; 72% indicate a decline turnover and profitability; 80% are forecasting a decline turnover and profitability for the next 6-12 months; 46% are operating within available overdraft or cash reserves; in the next 6 to 12 months 44% will temporarily lay-off staff; 29% will need to make staff redundant; 43% will be moving to a reduced working week; 83% would like grant funding
- Significant numbers of companies are 'falling through the cracks', the IoD has indicated 7 out of 10 directors they surveyed said the outbreak posed a high or severe threat to their organisation. And they highlight 3 areas needing support, extending support for company owner directors, encouraging co-operation from lenders and further support for firms without premises
- WMREDI modelling of current known mandatory closures and increases in health sector jobs estimates the number of jobs which may be lost in the region as 64,806 and a GVA drop of 4.75% in 2020.
- April manufacturing PMI dropped to 47.8 due to downturn in orders and widespread global contraction
- The Chinese PMI rebounded back to 53 after a low of 28.9 and the recovery is now a significant 'V' shape
- GDP data released by ONS for the last qtr of 2019 showed no growth
- March was a record month for grocery sales with a surge of 20.6%; Kantar said people shopped more frequently and bought more each trip increasing spend by on average £62.92
- Local Authorities starting to deliver on business support activities and feedback positive
- Issues with Banks continue, they are using existing processes and offering chargeable products first. This includes adhering to standard data requests such as cashflow projections (when companies might be closed); personal guarantees when they can't value assets; the need for security is an issue for the charity sector whose trustees are volunteers and banks are asking for personal guarantees to access government loans; banks favouring own clients especially where an applicants own bank may not be an approved bank; significant backlog of applications and capacity issues in the banks
- Issues across manufacturing with pressure (from employees, politicians and communities) to close when the sector is vital to provide food and equipment (especially in healthcare)
- Business support companies, such as accountants etc (of all sizes) are now struggling, due to client losses and their decreased turnover and this is particularly hitting those that support manufacturing sector clients
- There is a lack of clarity over how furlough applies and whether businesses can furlough their staff. There are also issues around who gets furloughed (ie in construction) and this can create tensions across the workforce. A 'part-furlough' scheme may help companies.
- There are significant issues in the region around accessing food and supplies where there are food deserts (no retailers) and reducing transport infrastructure, affecting deprived areas and rural areas more acutely
- ONS are now producing data on deaths which include deaths in the wider community, however these are not as immediate as the hospital deaths as relies on death registration, but they are significantly higher.
- Lone parents data has been released by ONS which shows that over 50% of lone parents are in high level occupations and are also concentrated in key worker sectors, this poses a significant risk to the workforce availability now schools are closed. 1 in 5 of all workers in each occupation are from lone households.

Global Overview

The World Economic Forum has said that it could take the US economy 3 years to recover from Covid-19. With longer term social distancing and lockdown measures McKinsey have predicted a muted scenario with global recovery back to pre-crisis levels by 3rd qtr 2022, the US could be 1st qtr 2023 and Europe 3rd qtr. If however the public health responses is stronger and more successful the outlook could be more positive, with economic recovery in the third qtr 2020 for the US and 4th qtr in China and 1st of 2021 for the Eurozone. However the firm has modelled 9 scenarios, demonstrating the unpredictability in recovery.

The Chinese markets however are rebounding already after strict lockdowns. The Chinese PMI rebounded back to 53 after a low of 28.9 and the recovery is now a significant 'V' shape, we have yet to see how other countries will look. But this does signal the potential of a sharp rebound.



Stock market moods are improving especially as China picks up, also as major companies make announcements about profit warnings and scraping dividends this year, which are followed by mitigation measures such as banks waiving covenants on debts (Melrose). FTSE is currently 10% higher than March 23rd but still 23% lower than its mid-Feb levels.

National Overview

April PMI UK manufacturing output and new orders have fallen at the quickest rate since mid 2012 falling to 47.8, Business optimism slumps to series record low and supply chain disruption has intensified. Employment has also fallen linked to lower levels of production and new orders.

National Accounts GDP data released by ONS for the last qtr of 2019 showed no growth. Growth in services was offset by a drop in construction and another fall in manufacturing. Household spending saw no growth in

the last 3 months and business investment continued its weak path.

Deloitte have highlighted that no other single event is comparable to Covid-19 in terms of its severity, scale, speed and impact. Previous 'black swan' events have lacked at least one of those ingredients. Shifting epicentres are also dramatically affecting global supply chains and there is an inextricable link between the economy and health outcomes which will play out over the coming weeks. The bounceback from SARS took 4 to 6 months in the travel, hospitality and leisure sector, Deloitte expect that to be elongated for Covid-19, but will happen.

March 2020 was a record month for grocery sales with a surge of 20.6%, Kantar said people shopped more frequently and bought more each trip increasing spend by on average £62.92. Tesco sales grew by 5.5%, Sainsbury's 7.4%, Asda 4.9% and Morrisons 4.6%

Regional Overview

WMREDI has carried out some experimental scenario modelling of the impacts of Covid-19. This work looks at the economic risks we face in the coming months due to lockdown. This work creates a range of assumptions based on the potential behaviour patterns in the region either increasing or decreasing demand for an estimated period of up to a qtr and running them through the SEIM-UK model.

The first scenario of closing accommodation and food services and arts and entertainment for 3 months, puts 61,000 jobs at risk, 27,000 directly related to the hospitality services and 7,000 to recreational activities. There will also be indirect jobs affected in professional and technical services and wholesale and retail. The main shock will be focussed in Q2 but with a reduction of 3.5% of GVA over the whole year.

The second scenario adds in reduced demand for services due to working from home, this increases the job losses to 86,308 and a drop of 6% in GVA.

The final scenario includes increasing demand for basic sectors such as health (note of caution as the growth in health of c10,000 staff has been largely drawn from retired trained staff), which brings the numbers of jobs back to 64,806 and a GVA drop of 4.75% in 2020.

Final including increasing demand for basic sectors SEIMUK 2020

Variable	Value	%
Output		-4.40%
Gross Value Added		-4.75%
Employment		-5.31%
Number of Jobs	-64,806	

Implementation of Business Support

Qualitative intelligence across the business support bodies in the region have highlighted a number of issues as the new support structures are rolled out. These include:

- Majority of local authorities now delivering, with business divided into 2 groups: where LAs have the details and are low risk and this group are automatically receiving support, the second group where no details are known are still being worked through
- Issues with Banks continue, where they are helping, they are using existing processes and offering chargeable products first. They are also not implementing consistently and lacking empathy for the situation. This includes adhering to standard data requests such as cashflow projections (when companies might be closed); personal guarantees when they can't value assets; the need for security is an issue for the charity sector whose trustees are volunteers and banks are asking for personal guarantees to access government loans; banks favouring own clients especially where an applicants own bank may not be an approved bank; significant backlog of applications and capacity issues in the banks
- Issues across manufacturing with pressure (from employees, politicians and communities) to close when the sector is vital to provide food and equipment (especially in healthcare)
- Business support companies (of all sizes) are now struggling due to client losses and decreased turnover and this is particularly hitting the manufacturing sector clients
- There is a lack of clarity over how furlough applies and whether businesses can furlough their staff. There are also issues around who gets furloughed (ie in construction) and this can create tensions across the workforce, and a 'part-furlough' scheme may help companies.
- Significant numbers of companies are 'falling through the cracks', the IoD has said 7 out of 10 directors they surveyed said the outbreak posed a high or severe threat to their organisation. And they highlight 3 areas needing support, extending support for company owner directors, encouraging co-operation from lenders and further support for firms without premises

Growth Hub Intelligence

Calls from businesses reporting high levels of losses (up to 90%) continue to increase, and generally call volumes are increasing massively. Many businesses cant get through to referral organisations such as NBSH or HMRC. Although messages getting clearer there are still gaps in support.

Many manufacturers have responded to calls for assistance such as ventilator manufacturing. There are also opportunities for growth but resilience issues dominate in terms of companies understanding how they come out of the crisis. They are concerned about how they retain or get back customers, whether clients will spend money (or have capacity to spend), and how do companies that cant continue online restart their business after such a long break.

New start ups are concerned about the lack of support, finding they don't have the trading history and being let down after being encouraged to start up.

Issues with confusion over self employment and eligibility for schemes, especially sole traders who operate through a Ltd company and if they are eligible for any support. Other common issues include, decreased sales/bookings, cash flow issues, availability of staff, cancelled conferences, supply chain (major issues), business travel (visiting clients or suppliers), and staff sick pay.

Self Employment

Last week the government announced a number of measures to support the self employed including taxable grant covering 80% of trading profits up to a maximum of £2,500 and profits must be less than £50,000. However there are a number of ways an individual can set themselves up as "self employed" and this makes understanding the impact of this difficult. Also guidance and some of the schemes and how they apply to the various types of self employed have not been detailed.

The two main differences are whether you are a sole trader or operate through a limited company. The main reasons to set up as a limited company would be because a Ltd company would protect your personal assets (ie family home) and hold all the risk. As a sole trader any of your personal assets can be claimed to pay debts.

Issues with the current programme:

- Anyone who started self-employment after April 2019 is ineligible
- Anyone with over £50k profit (equivalent to £30k salary) is ineligible
- No support until June 2020
- If the self employment income makes up less than 50% of income they receive no support
- If you use a limited liability company you are not eligible for any support and no support for lost dividends, unless you pay yourself through PAYE, in which case you need to stop trading and they are likely to be eligible for £677 of support.

Currently no regional data is available to understand or monitor the delivery and implementation of the support for the various forms of self employed across these different groups or how many fall into each of the categories and are eligible or ineligible for support. In general terms there are 118k companies with less than 4 employees, 30k companies with sole proprietors, 13k partnerships. However we cannot identify individuals affected and not affected.

The issues with self employment affect some sectors more than others:

- Trades normally register as sole traders and would be eligible for many of the schemes
- Business and professional services (accountants, architects, consultants) more likely to operate via a ltd company
- Creative industries will depend on factors such as the cap and whether they have registered as directors of companies (more likely if they supply to the public sector as this is often a criteria to be a supplier)

Business Grants Payments Progress

The table below illustrates performance against the £25k and £10k grants (grant allocations from government are arriving this week to LAs). Focus so far has been on identifying the companies and the setting up the systems to make payments efficiently and ensuring no fraud is committed.

		£25k grants				£10k grants				Comments (if any) on key issues arising
		Latest estimated		Paid to date*		Latest estimated		Paid to date*		
		No. businesses	Total £m	No. businesses	Total £m	No. businesses	Total £m	No. businesses	Total £m	
31st March	Birmingham	2307	57.675	0	0	24413	244.130	0	0	These are initial projections, awaiting further software from Northgate and validations None Portal set up at: https://www.dudley.gov.uk/coronavirus-business-rates-grant/ Based on Govt guidance v3 numbers may increase by 300 iro charity shops. Awaiting Northgate Functionality Awaiting confirmation from software supplier that there is an option to bulk process payments rather than having to process manually. None None
	Coventry	533	13.325	1	0.025	4002	40.020	0	0	
	Dudley	350	8.750	41	1.025	3500	35.000	0	0	
	Sandwell	0	0.000	0	0	0	0.000	0	0	
	Solihull	361	9.025	0	0	1546	15.460	0	0	
	Walsall	360	9.000	0	0	4000	40.000	0	0	
	Wolverhampton	381	9.525	0	0	3905	39.050	0	0	
	Total	4292	107.300	42	1.05	41366	413.660	0	0	

The impact of Covid-19 on the region's tourism sector – key findings from a business survey conducted on 30th and 31st March 2020

The WMGC's Research Team and Shakespeare's England are collaborating to run a regular survey of hotels, conference venues and attractions across the region. The first was run on the 30th and 31st March. There were 93 responses with 66% of businesses based in Coventry and Warwickshire, 26% in Greater Birmingham and 8% in the Black Country.

The results of our survey are stark. Some 95% of businesses report a fall in revenue and 82% have temporarily closed. More than half report cashflow problems and 30% of businesses have let staff go. Those still trading are surviving by more active use of on-line approaches and offering home delivery services.

While there has been a strong take up of government assistance, half say that without additional support they will not survive beyond the next 3 months. Businesses are calling for the government to move more quickly to help businesses access existing support and for additional help to cover other costs.

Once the crisis passes, businesses are planning to focus on the identification of new revenue streams and a strong marketing push. Businesses are looking for support with finance, marketing and promotion - and market intelligence and insights to help identify new business opportunities.

'Have started selling our shop stock online, moving our guidebook to a digital version, looking at doing online productions'

'Stop talking about the grants and get it filtering through. Talk is cheap. NOTHING has happened yet.'

'A proper Government backed loan that I don't have to bet my shirt on.'

'Self-Employed relief for new start-ups. Increased grants for smaller tourism and leisure businesses.'

'Free promotion via national and regional tourist boards in international markets.'

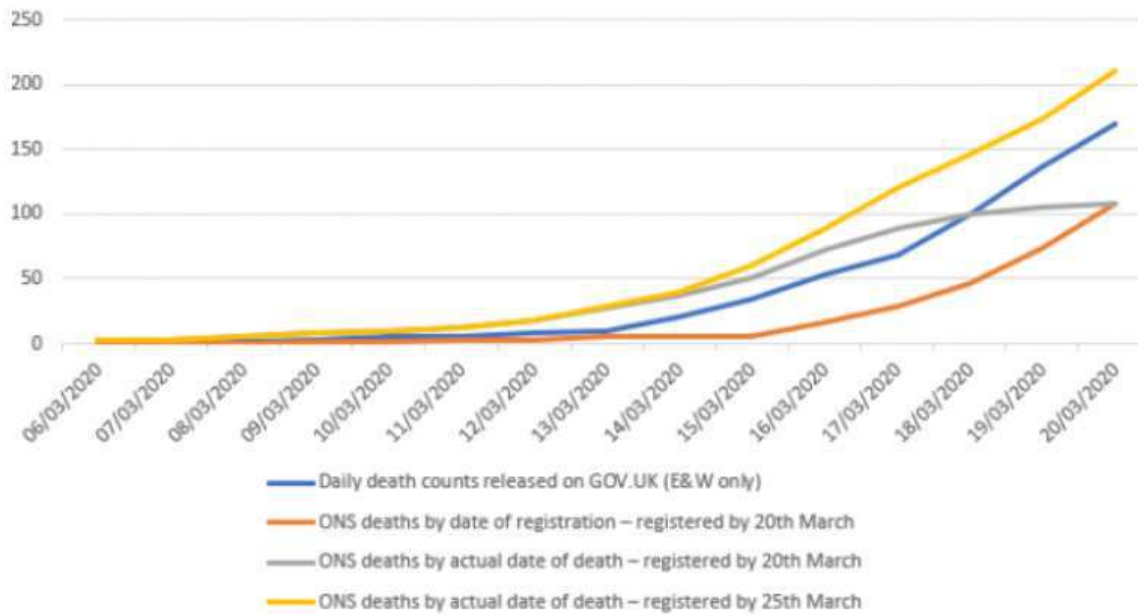
'Marketing campaign to support domestic tourism markets.'

'Analysis of what might be the longer-term implications for the sector beyond the current moment: e.g. which markets might return most quickly and which will take longer to recover.'

Monitoring deaths

Current deaths declared by the DHSC are based on hospital deaths and therefore underestimate the actual numbers, but more timely. ONS are working on more accurate numbers but these are delayed (as based on resulting registrations) . Initial comparative projections are below and show all deaths related to Covid-19 as the yellow line.

1: The cumulative number of deaths involving covid-19 in England and Wales using different data sources

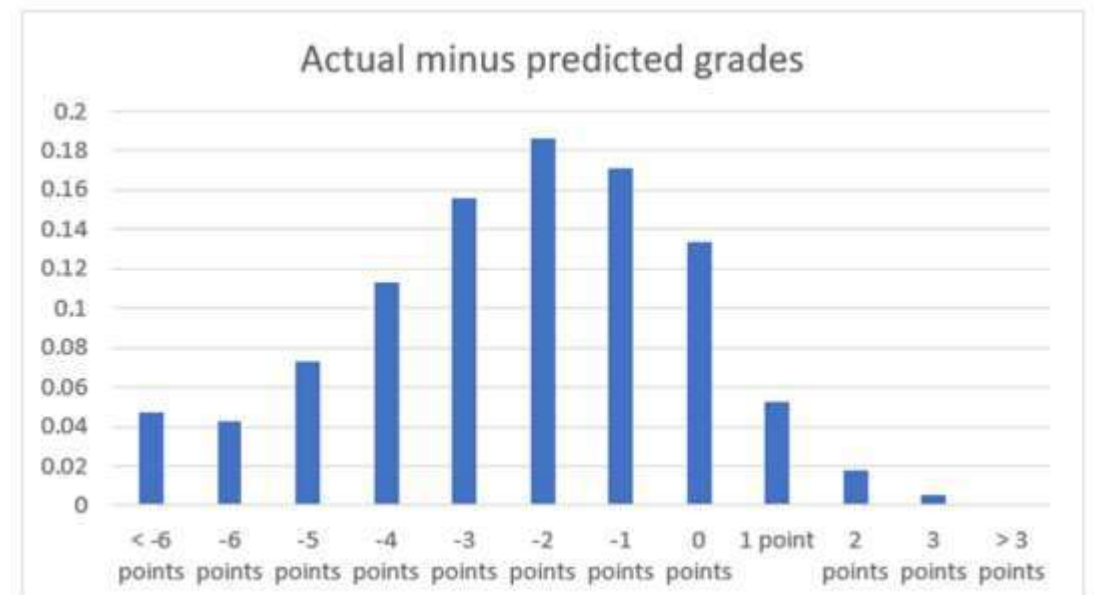


Cumulative number is deaths occurring on that date added to the total of all prior deaths.
Data published on GOV.UK website by DHSC based on hospital reporting.

Skills

There were 19,530 A-Level students in the West Midlands in the last academic year, of whom 76.8% (approximately 15,000) achieved at least two A Levels. 15.1% (2949) achieved grades AAB or better, with 11.8% (2305) achieving these grades with at least two A Levels in a facilitating subject. 8.6% (1680) achieved grades AAA or better.

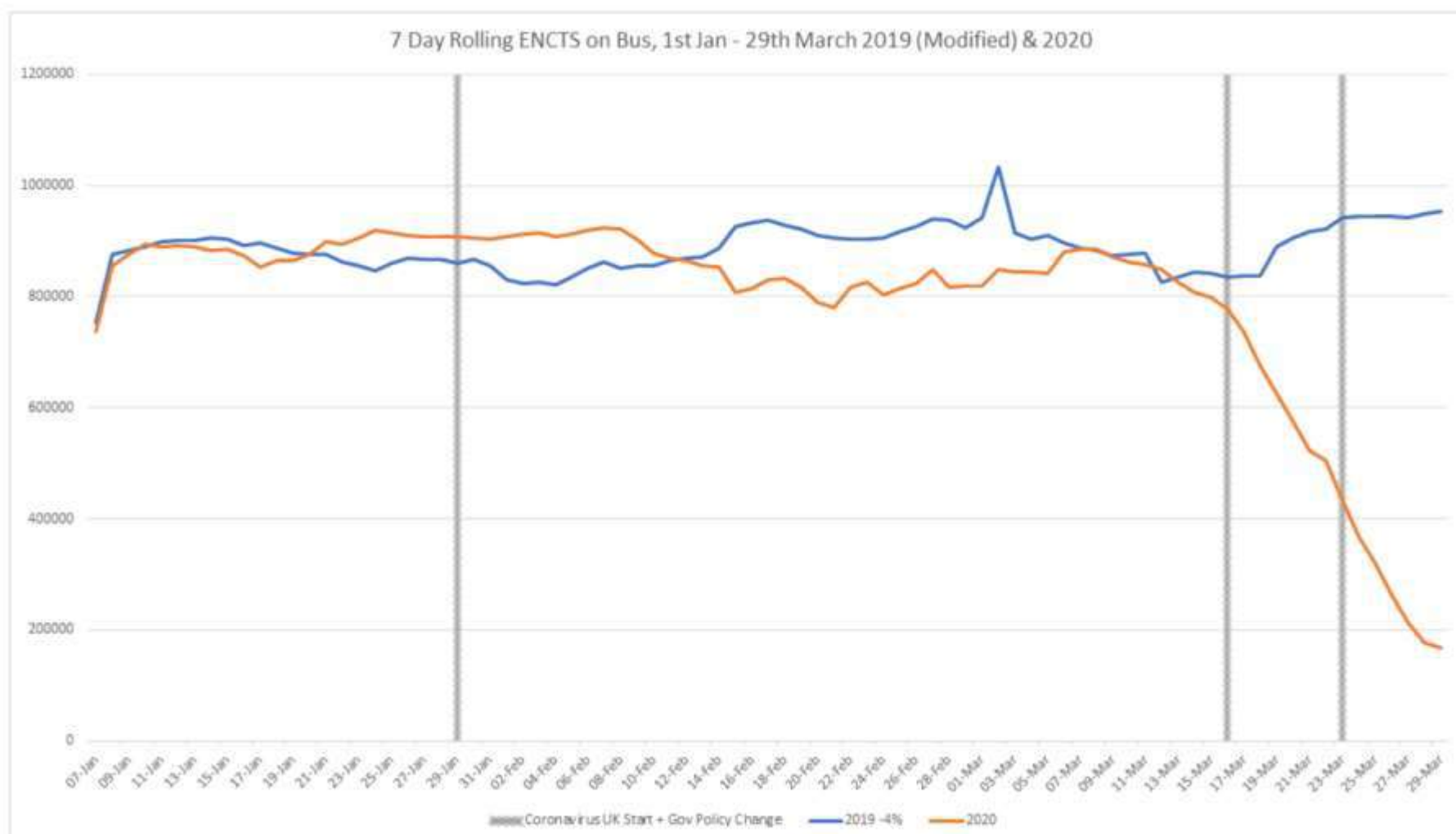
In absolute number due to the use of predicted grades, an increase can be expected in the number of students attaining results in the BCC-ABB range.



Proportionally, the greatest increase appears to be near the top, around A*A*A. This being a product of the fact that very few students attain these results to begin with. Across the board, we can expect significant disruption to the university recruitment process, with students who were provided offers being turned away as institutions risk exceeding the admissions cap the government is now imposing on them. Depending on how tightly the admissions cap is set, we could expect a displacement of students from less selective to more selective institutions via grade inflation.

Travel Flows

The WM travel figures below show that travel within the region has dramatically reduced since introduction of new restrictions. ENCTS refers to the national concessionary travel scheme, so the data is only available for seniors and people with a disability which makes them eligible for free travel. It is collected for bus, rail, and tram travel so should give an approximate understanding of what is happening to the overall network.



Societal Impacts

Food Deserts

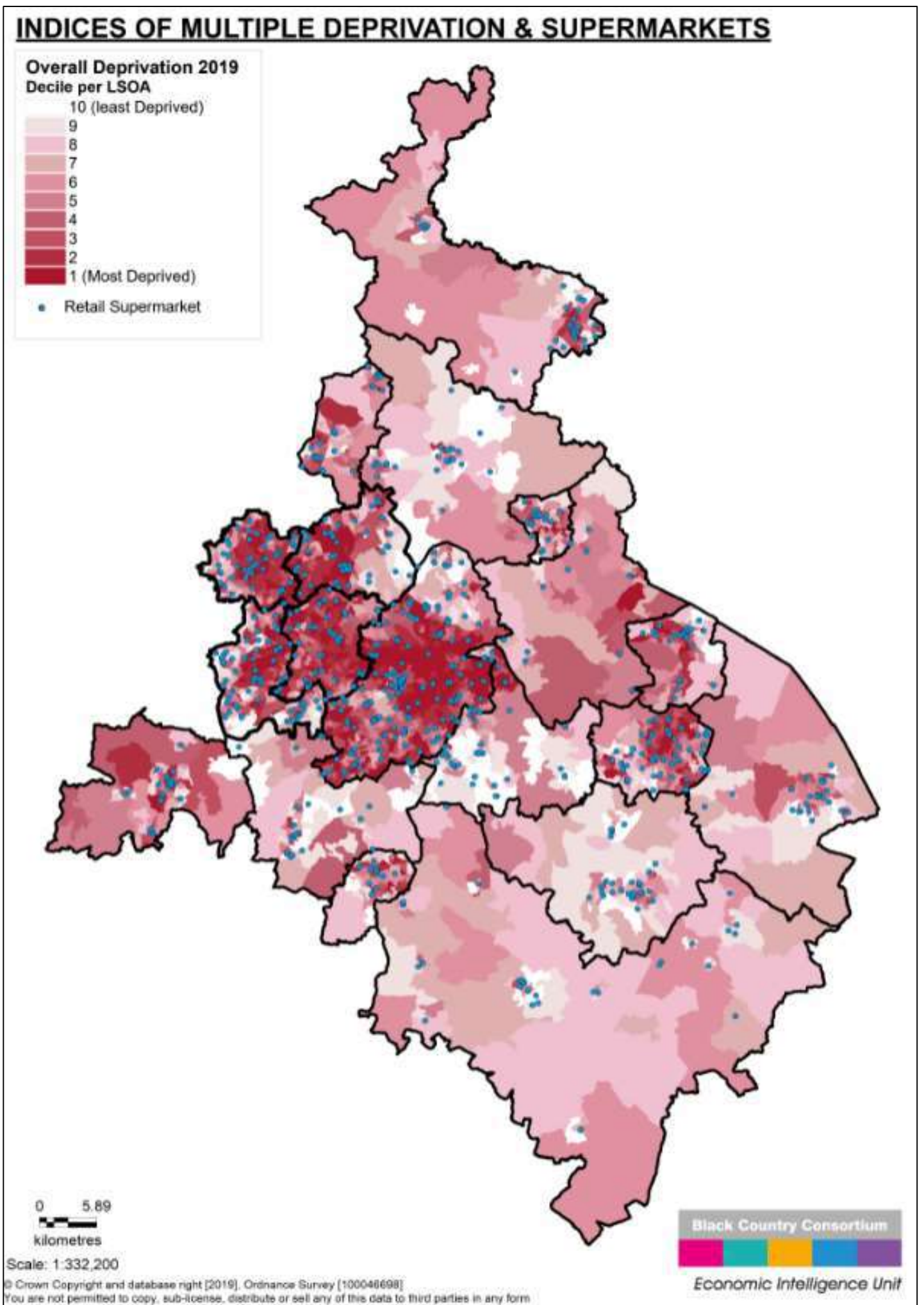
The UK lockdown and social distancing has a huge impact on the most vulnerable and deprived areas of the UK in terms of accessibility to goods and services. UK towns and cities are predominantly car oriented and accessibility to supermarkets is mainly planned for motorists and some public transport users (nearby public transport stops). However, with the rules of social distancing this is further exacerbated by the fact that people who do not own cars and regularly use public transport are not able to safely do so. Public transport service is reduced and also supermarkets have limited opening times. This leaves those who are most vulnerable within the communities who are advised to self-isolate for 12 weeks (e.g. elderly, people with disabilities and health conditions, pregnant women, single parents) with very limited choices when it comes to basic access to goods and services.

They can either walk or cycle. These are vital modes particularly in shock scenarios. The provision of safe, accessible, walkable routes within communities to basic shopping locally is critical for these vulnerable groups. Similarly, within rural areas, isolated vulnerable people who live in remote locations will need to use their cars or becoming dependant on getting help from within local communities to do basic shopping.

The maps show that the concentration of retail and supermarkets in the most deprived areas in comparison to other areas is very low. This means that access to the most vulnerable people in living in these communities will be very low as well. Particularly, with reduced bus services and no access to cars. This would also mean that these areas will get less supply in their supermarkets which will cause food shortages as local people will shop locally more than they did in the past causing further stress on supermarkets' supply chains.

Lone parents

According to ONS, there are 382,000 households in the West Midlands with dependent children aged under 16 years where all parents in the household are working, of which 311,000 are couple households and 71,000 are lone-parent households. These workers present a significant risk to employers, in terms of key workers and ability to home school/childcare under current circumstances. The sector with the highest dependency of lone and couple parents is health and social work (currently under increased pressure to remain in work) with 288,000 households supplying the workforce to that sector, 23k with a lone working parent, 93k with a couple parent and 172k other (all other households with no dependent children). 22% of lone parent households are in professional occupations, 15% in associate technical occupations and 12% in managerial/director roles. This means over 50% of lone parent household are in senior roles in the region which may be disrupted due to care responsibilities. However on average, lone parent households make up 20% of each occupation level, 30% are couple parents and 50% other groups..



Region	Occupation (1 digit)	Household Type ¹			Total (thousands)
		Lone Parent	Couple Parent	Other Households	
West Midlands	Managers, Directors and Senior Officials	88,000	116,000	205,000	409,000
	Professional Occupations	171,000	214,000	385,000	770,000
	Associate Professional and Technical Occupations	106,000	158,000	265,000	529,000
	Administrative and Secretarial Occupations	61,000	112,000	173,000	346,000
	Skilled Trades Occupations	69,000	110,000	179,000	358,000
	Caring, Leisure and Other Service Occupations	79,000	93,000	173,000	345,000
	Sales and Customer Service Occupations	35,000	52,000	87,000	174,000
	Process, Plant and Machine Operatives	35,000	74,000	109,000	218,000
	Elementary Occupations	64,000	106,000	170,000	340,000
Total	709,000	1,036,000	1,744,000	3,489,000	

Collated Recommendations for Policy

Suggestions below are gathered from various feedback from business representative organisations in the region and nationally, these have not been addressed and remain a priority:

- Temporary income protection fund for self employed (still gaps in those who are eligible such as those who operate through Ltds)
- Greater clarity over furlough employees approach, which is still causing confusion, and potential need for partial furloughing
- Loans are not enough, most businesses can't afford the unsustainable level of debt needed and the Banks are not responsive enough
- Ramp up testing for key workers and these should include retail
- Government regulatory bodies need to be clued up on changing policy and changing their practices ie OFGEM
- Financial support for medical equipment and PPE in the wider business and public sector community such as social care, care homes, Local Authority workers such as social workers and those in high risk roles
- Moratorium on commercial vehicle MOTs
- Government prioritisation of distribution networks
- Clarity on what qualifies for insurance claims
- Stranded middle-sized businesses need provision due to risk to whole supply chains
- Need to have a critical national project list to ensure supply chains and workforce for critical infrastructure projects
- Wider support for manufacturers and their employees who are staying open and continuing to provide vital services throughout this time
- Freezing of creditor and debtor books for the duration of the crisis
- Clarity over eligibility and extension of the immediate cash grants
- Development of business resilience planning and preparation for returning to business as usual
- Support in developing and implementing new income models for businesses such as digital platforms
- Specific sector support and how businesses can do things differently in the future, co-working, collective negotiations, finance
- Reduce the power of the supermarkets to control supply and ingredients at source which reduces the ability for manufacturing firms to adapt in crisis
- Improve access to R&D support and finance
- Push to share data across organisations and between govt and local level (ie sharing of HR1)
- Extend the Brexit transition period as businesses can't face another round of disruption so soon
- Don't make announcements without the appropriate mitigation measures in place first (ie avoiding hospitality venues)
- Government underwriting invoice factoring and/or extending business overdrafts

Responded to:

- Taxes to be deferred (corp tax, PAYE, VAT) and cut the 1st April tax burden
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Appendices



A: HEADLINES AND ESCALATION

BCLEP	GBSLEP	CWLEP
<ul style="list-style-type: none"> • There have been an increased number of calls from businesses who are suffering with losses of up to 90% of trade and face uncertainty for the future as measures to limit the spread of Covid-19 are implemented. • Following the Chancellors announcement around support for self-employed people, there has still been much confusion from “sole-traders” who operate through a limited company (i.e. Only a single director) and what support they will be eligible for (if any). • In addition to direct enquiries, an additional 71 Businesses were interviewed via phone with 54 (76.1%) of businesses interviewed reported that they had been affected by Covid-19. Out of the remaining 17 businesses, 10 (58.8%) replied “not yet” and 5 (29.4%) said that they hadn’t been affected, whilst 2 (11.8%) businesses didn’t answer. • Common issues that have come about due to Covid-19 include: Decreased sales/bookings, cash flow issues, availability of staff, cancelled conferences, supply chain (major issues), business travel (visiting clients or suppliers), and staff sick pay. 	<ul style="list-style-type: none"> • The comments from businesses below represents only a selection of the direct feedback the Growth Hub has received, volumes have increased massively in the past week • Many businesses cannot get through to the referral organisations (e.g. NBSH, HMRC etc.) so we are dealing with many queries that we can’t help directly with • Messaging on support for businesses and employees has become clearer and more consistent over the previous week but there are still gaps in support • WM manufacturers have responded to calls for assistance in key areas e.g. ventilator manufacture • There are opportunities for growth for some businesses but “resilience” issues, often from very small companies have dominated enquiry channels 	<ul style="list-style-type: none"> • Incoming Growth Hub enquires have increased from 110 in the last week to 121 in the current week (to 30th March) with 112 of those requiring information and/or guidance re COVID-19 support. • We are finding that a number of events including networking events, business support session/meetings are being cancelled, most of those currently do not have a rescheduled date. • Large number of businesses are concerned about how they will continue their business after this national shutdown period. They are concerned about loss of customers and when we re-open, will clients be looking to spend money etc. – this is especially for those businesses who are unable to continue their retail trade online (many hairdressers, beauty salons, independent retailers who cannot bring stock home to distribute for online sales etc.) • Some new start businesses are disappointed in the lack of support for them, many are self-employed and although schemes have been announced, they aren’t meeting the eligibility criteria as they are finding that they don’t have the trading history required. Many are feeling let down as one the one hand, they are encouraged to start a business, but now, in times of crisis they are not thought about/considered. • Our West Midlands wide telemarketing campaign has been adapted to ask more specific questions around COVID-19 impact and intelligence as well as asking about EU-Exit and Diversification. Stats so far are: <ul style="list-style-type: none"> • Total Number of Surveys Completed WM: 1,382 • Total Number Affected by COVID-19 and/or Flooding WM: 732 • Total Number of Surveys Completed C&W: 232 • Total Number Affected by COVID-19 and/or Flooding C&W: 102

B: NEW ECONOMIC SHOCKS

COMPANY	LOCATION(S)	SECTOR	SOURCE/DETAIL
The Restaurant Group	Wolverhampton, Dudley, and national	Restaurant	The owners of Chiquito restaurants have put the chain into administration, as it struggles to cope with the fallout from the coronavirus outbreak on the business – 1,500 jobs at risk. (E&S)

Growth Hub Summary – Provided by Black Country Consortium

Intu Properties	Dudley	Retail Property	The owner of Intu Merry Hill is facing renewed crisis after a big fall in the amount of rental income for the next three months - £2bn loss. (Express & Star)
MIPIM Property Conference	N/A	Event	International property conference MIPIM has effectively been cancelled for 2020 after organisers confirmed it would be not be taking place on its rescheduled June date.
Halfords	National	Retail	Halfords has said its trading in the near term is likely to be "severely impacted" by the coronavirus pandemic, despite it keeping a large part of its business open. The firm has been designated by the Government as a provider of essential services. As it currently stands, Halfords' Autocentres garages and Mobile vans are open and, within retail, the company says it is working through a plan to provide partial store coverage from later this week.
Sprinbourne Homes	Nuneaton, Warwickshire	Construction	A £20m development of luxury homes in Market Bosworth in Leicestershire has been suspended over fears of spreading the COVID-19 virus.
The Works	Coleshill, Warwickshire	Retail	The Works is set to close its stores despite experiencing a "significant uplift" in sales as parents flocked to its stores to prepare for home-schooling last week.
Laura Ashley	National	Retail	Stricken homewares retailer Laura Ashley has called in administrators from PwC putting 721 jobs at risk. 4 stores in Coventry & Warwickshire to close.
I-Nexus	Coventry	Technology	Salary cuts, reduced staffing and furloughed a proportion of the workforce in order to cope with the coronavirus pandemic.
FireAngel Safety	Coventry	Technology, Manufacturing	Losses at Coventry-based home safety products supplier FireAngel have almost doubled in its year-end results for 2019
LEVC	Coventry	Electric Vehicles, Engineering, Technology, Automotive	Electric taxi maker LEVC has temporarily extended closed its manufacturing operations in Ansty, Warwickshire.

C: NEW INVESTMENT, DEALS & OPPORTUNITIES

COMPANY	LOCATION(S)	SECTOR	SOURCE /DETAIL
Exemplar Health Care	Regional (Midlands)	Human Care and Social Work Activities	Exemplar Health Care is a specialist nursing care home provider and supports adults with complex needs such as people living with neuro-disabilities, mental health conditions, learning disabilities, autism and dementia and is set to create 250 jobs across the midlands. (https://bit.ly/3bDxyNs)
Solutions Services	Rugby, Warwickshire	Domestic and Cleaning Services	Solutions Services' new 6,000 sq. ft. premises in Glebe Farm Industrial Estate has enabled the company to employ more cleaners and to take on additional office staff (https://bit.ly/2xxTlv0)
Heart of England Community Foundation	Coventry	Charity/Social Enterprise	Heart of England Community Foundation has received almost £80,000 to support local communities across the region. (https://bit.ly/2yiW3kG)
Armstrong Burton Group/Pegasus Group	Sutton Coldfield	Architecture, Engineering	A Sutton Coldfield based architectural and engineering practice has been acquired by national multi-disciplinary consultancy Pegasus Group. (https://bit.ly/3awSKEM)

Growth Hub Summary – Provided by Black Country Consortium

Central England Co-op	Regional	Retail	Central England Co-op has revealed it has hired 500 staff since the weekend to help it meet demand from anxious shoppers. (https://bit.ly/33ZE5za)
MPAC Group	Coventry	Packaging	Discretionary spending and investment plans are being scrutinised by a global packaging and automation business headquartered in Coventry. (https://bit.ly/2xvqfsl)
Morgan Sindall	Rugby, Warwickshire	Construction	Morgan Sindall "continued to perform well and in line with expectations" during the first ten weeks of its financial year, until the coronavirus started to cause significant disruption to its operations. (https://bit.ly/2Utybir)

D: BUSINESS INTELLIGENCE & STAKEHOLDER FEEDBACK

LOCATION(S)	SECTOR (Or Company Type)	SOURCE/DETAIL
Black Country	Construction	Businesses have taken a hit in demand and are looking for financial support. One company imports stock from the US and has seen a drop in sales due to delay in receiving stock and also clients not letting them on site due to self-isolation and social distancing – they too are looking for financial support.
	Hair & Beauty	Stores have had to close and are looking for financial support – particularly the small business grants.
	Manufacturing	Looking for financial support, one business reported that they were already under financial stress and this has now worsened. Another business reported that they now have no orders and need financial support to cover outstanding bills and rates.
	Retail	Businesses looking to apply for grants to help get through this period as businesses have had to close, they have lost customers and some need help to pay for premises.
	Self-Employed	Looking for grants to help with running costs,
	Wholesale	One business has been trading for 35 years and they have said that they now have "no source of income" and need financial support. One business sells stock online, but are still looking for financial support to deal with the crisis.
Greater Birmingham & Solihull	Business and Professional Services	One solicitor said that there was "a lack of detail on the 80% wage coverage for permanent employees". Staff currently working from home but soon won't have work to do. Another business commented that there was uncertainty around house sales and transactions, as well as a lack of confidence in housing market. A logistics services company expressed concern around a new temporary EU emergency regulation being introduced making the exportation of certain PPE products subject to the production of an export authorisation.
	Media	One business said that it was "impossible to win new business in current climate", and that they had "lost 3/4's of their retainer income and had all scheduled media training events postponed".
	Construction	Industry coming under pressure and has frozen work on some sites. A supplier to the construction industry said that they were worried about the consequences and the affect that this would have on cash flow.
Coventry & Warwickshire	Hair & Beauty	Businesses lost customers and therefore reliant on funding to pay wages and keep businesses in operation "lost my business completely, no customers = no pay".
	Business and Professional Services	Accountancy firms still operating and continue to get work. Staff homeworking, have had to purchase tools for this to be possible. Other companies in other industries such as technology are facing customers who are "trying to release them from contracts" – whilst others are going into liquidation.
	Automotive	"Likely to see a big hiatus passing down through the supply chain"
	Media	"Losing clients each day due to virus = significant loss of revenue and possible business closure"
	Hospitality	Reliant on funding to pay staff and bills through this time. Businesses requesting information on how to get the grant for pubs, and 80% of staff wages. Many other

Sectoral Impacts

Sectoral impacts vary widely and can be grouped broadly into 3 groups, the first where demand is rocketing and the sector is unable to cope with demand and supply issues. And Secondly where the sector has been knocked out almost completely either through forced closure or necessary closure. The third where the sector has moved to largely homeworking, as it is knowledge based. There are significant issues around planning for recovery, self employment especially in certain sectors and supply of raw materials and security and stability of international supply chains. The following table is a summary of the detail which can be found in the appendices (provided by the 3 LEPS in the region).

Sector-specific risks			
Low Carbon Technology	Not essential activity and unlikely to be invested in in the short to medium term	Uncertain worker status in the industry and limited opportunity to homework.	Most investment driven by public sector which may not have capacity in the short to medium term
Life Sciences	Increase in demand for protective equipment, consumables, R&D	Labour shortages and cashflow issues in manufacturing	Large scale pick up in tech (digital consultation)
Creative	High risk in terms of self employed (30%) and unlikely to regain income	High risk of bankruptcy, but some sub sectors more protected	Challenge of restarting businesses without the lead up cycle
Aerospace	Larger customers not sharing information on reaction to virus	Short term revenue and cashflow issues – impact on potential survival	Long international supply chains a critical issue as parts have dropped out
Professional Skills	Business models more vulnerable to short term shocks	Large numbers switching to homeworking and different by subsector	Unlikely to seek public support and patchy vulnerability
Food & Drink	Massive short term demand changes and associated pressures	Raw prices changing rapidly especially in pinch point products	Businesses trying not to pass on costs but inevitable
Logistics/ Transport Technologies	Reduction of international supply chains and movements of goods and disruption	Short term increase in demand and workforce at capacity and shortages exacerbated by illness/isolation	Logistics need recognition as a critical service, link to care and food supplies through ports and internationally (especially with lack of air freight)
Rail	SME engineering and manufacturing firms that supply the rail sector are closing temporarily	Some larger clients have changed payment terms to 90 days. This is going to impact cashflow on SME	engineering firms who don't currently supply the rail sector but supply other sectors badly hit by the crisis are using the chance to explore opportunities in the sector
Automotive	automotive OEMs have now all but ceased production, with JLR announcing on 20 March it was shut down its production plants in the West Midlands	Customer "Force Majeur" claims that existing contracts (volumes and pricing) are therefore invalid	Crucial research will be stopped and contracts ended during this current crisis so continuing support to ensure specialist skills are not lost and research can continue is an imperative for the industry
Metals & Materials	Some SME engineering and manufacturing firms are closing temporarily (three weeks is typical) and taking advantage of the job protection scheme	Many are staying open, either as normal, or with sales and back office functions working remotely	Knock-on effects from closures of car production will soon cascade down the supply chain to general
Construction	SMEs hit by cancellations and delays – leading to redundancies	Supply of materials hit hard	Umbrella companies mean staff not covered by wage protection
Tourism	Complete shut down and support useful but insufficient	Serious cashflow and legal issues with closure	Will need investment in restarting and re-engaging

Birmingham City Council Sentiment Survey

Survey conducted by Birmingham City Council has given a snapshot economic outlook for businesses

Impact on turnover and profitability since Jan 20

- * 72% indicate a decline turnover and profitability

Impact on turnover and profitability next 6-12 months

- * 80% are forecasting a decline turnover and profitability for the next 6- 12 months
- * 46% are operating within available overdraft or cash reserves
- * 23% needed to secure additional funding, bank or other, to continue operating
- * 38% are unable to secure additional resources leading to significant cash flow pressure
- * 50% will require additional funding to continue operating over next 6-12 months
- * 33% are forecasting significant cash flow pressures for the next 6-12 months

Impact on jobs since Jan 20

- * 28% have had no impact on jobs
- * 28% have experienced difficulties directly / indirectly through absences and sickness
- * 24% have temporary laid staff off
- * 7% have had to make staff redundant
- * 38% have been operating a reduced working week

Impact on jobs next 6-12 months

- * 44% will temporary lay-off staff
- * 29% will need make staff redundant
- * 43% moving to a reduced working week

Future Interventions required to help businesses survive this crisis

- * 31% prefer loan funding
- * 83% would like grant funding
- * 61% wage subsidies- already agreed by Government
- * 49% Sickness pay equivalent to existing salary levels
- * 49% business rates relief- already agreed but

for those eligible for SBRR

- * 17% advice / support / mentoring / coaching
- * 13% support for developing new products / markets
- * 4% advice / support for identifying alternative premises (e.g. from downsizing)
- * 8% Skills support (training / re-training)

Briefing Note

Update on impact / implications of COVID19 on the Cultural Sector - West Midlands including Birmingham

Overview

The situation for the cultural sector at large (including Heritage) looks bleak, particularly for the smaller scale independent arts organisations and freelancers across the city - even after factoring in the Government's support for businesses / self-employed and Arts Council England's recent package of measures.

It is anticipated that the impact of COVID19 on the continued viability of cultural organisations will be significant with some in the sector already predicting that certain organisations may only have six to eight weeks left to survive if they can't access further support.

Short-term sector specific risks and issues

Creative and cultural businesses have been hit harder than most sectors by Covid19. Even the 80% salary support is insufficient for many to keep staff on as they are often facing cancellation of all of their current contracts with no idea when work will resume.

Theatres and music venues face uncertainty, and theatre productions scheduled for a performance during the current period will struggle to find a new date in venues for their production, as venue space tends to be booked up a year ahead or more. Many cultural organisations will have soon depleted any reserves and are concerned about the lack of any certainty they have around future planning and programming. Film and TV Production companies are facing a complete cancellation of all productions, with some of this work likely not returning after the crisis.

Essentially, creatives will not get back the income they've lost and restarting their businesses in a few months' time will itself take precious cash. Having limited cash reserves is the norm for this sector. Taking out loans is not an option for the vast majority.

Freelancers:

The situation is doubly worse for freelancers. A third of the UK's creative workforce are self-employed -higher than the national average of 15%. A survey last week (by Creative Industry Federation) revealed that 60% of creative freelancers predict their income will more than halve in 2020, 50% of freelancers have had 100% of their work cancelled and 71% say they will struggle to survive.

To a certain extent, this has now been helped by the Self-Employed scheme, however the wait for payment until June is extremely challenging as many arts freelancers live on a month to month basis.

Freelancers and creative trade bodies feel there is a worrying inequity between those who have their income secured and the self-employed workers who don't. Whilst Freelancers will have the whole of their self-assessment return evaluated the fiscal support announced yesterday for self-employed is not helpful to those who are sole directors or single/spouse directors of Ltd

companies. This applies to many businesses in the creative sector. Government will only allow support based on the PAYE element of salary, rather than the full salary through Directors dividends. As most Ltd companies of this nature pay low PAYE and high DD, these measures are not helpful to many freelance creatives.

The only other support is deferring of mortgage and payment on account and, in some cases VAT bill, but only a small proportion of creatives are VAT registered.

Medium-term (>2 months) sector specific risks and issues

For the creative sector, many will need to take decisive action to preserve cashflow and avoid bankruptcy in the next two months.

There are some sub-sectors who are probably able to 'weather the storm' in the next few months, for example, large scale cultural organisations who have a National Portfolio Organisation (NPO) status and will be able to draw on additional support measures introduced last week by Arts Council England. Also, games production and design (which can largely continue with remote working and may be able to defer decisive action), cultural organisations.

However, many cultural and creative organisations only have a maximum of 2-3 months reserves (at most) which will soon be depleted. The biggest challenge is lack of trading income and cashflow - many are unable to recoup lost income as can't often re-programme or fill venues twice.

The staff retention scheme will help, however staff can't work if furloughed, so loss of potential capacity has to be balanced with keeping jobs - also many are still awaiting confirmation on expectation of public sector funding and ability to furlough. Regarding Rate Relief and grants, only about 30-40% of organisations think they are eligible. Also rate relief is nominal for many cultural orgs who have subsidised rates through their charitable status anyway.

They are also concerned about; uncertainty of when they will be opening just how much of their current work will remain the loss of trained and experienced staff security of their venues/premises while closed

It is worth noting there is limited, if any, support for commercial cultural venues / organisations.

All sub-sectors face the challenge of restarting their businesses and re-gaining contracts after the period of shut down. For example, production companies often depend on major trade events to promote and sell their content, but big TV marketplace events like MIPTV and Canne Series have been cancelled with a lack of clarity around how and when these will be re-instated.

Symon Easton
Head of Cultural Development
30.03.2020

Sources include;
West Midlands Weekly Economic Impact Monitor (via GBSLEP)
Culture Central Economic Impact survey from 18 Birmingham based cultural organisations and 15 freelancer creatives

Gaps in coronavirus support for business need to be filled - IoD

The Institute of Directors has called for help for companies and entrepreneurs currently 'falling through the cracks' of government support, as new figures underline the impact of the coronavirus outbreak on firms.

In a survey of over 700 business leaders conducted following the Government's announcement of a job retention scheme, seven out of ten directors said the outbreak posed a high or severe threat to their organisation, up from two in ten in a similar poll a month ago.

Forty per cent of respondents had already contacted their bank about an emergency loan, while slightly more had contacted HMRC to defer tax payments. Over 70% of directors have already seen demand for their products or services decrease, including 42% who had seen a significant decrease.

Based on the extreme disruption expected over coming months, with two-thirds of business leaders describing the outbreak as a severe threat to the economy, the IoD called for support in three areas:

- **Extending support to company owner directors:** Directors of the smallest companies, including consultants and freelancers, often take their income as dividends. Those that provide a clear paper trail should be able to make a furlough claim of 80% of their monthly income subject to tax, up to a £2,500 per month cap, to put them on par with support available for employees and the self-employed. Meanwhile, the duties directors can carry out while furloughed should be clarified.
- **Encouraging co-operation from lenders:** Banks must be flexible and accommodating to get cash to companies as quickly as possible through the Coronavirus Business Interruption Loan Scheme. All lenders should follow the example of the banks who have dropped requirements for personal guarantees. Financial institutions should also avoid share buybacks and large executive incentive awards to make sure the money is going where it is most needed.
- **Support for firms without premises:** Grants available through local authorities for firms that already pay little or no business rates on their premises should be extended to some of the smallest companies and start-ups that do not have premises (including those in co-working spaces).

Edwin Morgan, Director of Policy at the IoD, said:

"The Government deserves credit for acting quickly and producing a substantial package of measures to support the economy, and in particular the breathing room they have provided for directors on insolvency. In a situation as frantic and fast-moving as this, inevitably some gaps have opened up, but these need to be acted upon to prevent people and businesses falling through the cracks.

"The Chancellor has said that tax treatment of different forms of payment will need to be looked at when the dust has settled after this crisis, and there is certainly a case for reform. This is a discussion for the future, however, and company owner-directors need support now.

"It is a risky proposition setting up any business venture, and the Government has rightly celebrated entrepreneurial people. Directors are nothing if not resourceful, but in a situation where demand vanishes apart from in a few sectors, extraordinary temporary measures are required."

Full survey results

710 respondents, conducted between 20th-26th March 2020

What level of threat do you think coronavirus (COVID-19) poses to:

	No threat	Low threat	Moderate threat	High threat	Severe threat	Don't know/NA
Your organisation	1%	5%	23%	32%	39%	0%
The UK economy	0%	0%	5%	28%	66%	0%

Have you pursued any of the support mechanism that have been announced so far?

Contacted HMRC about deferring tax payments	42%
Been contacted by local authority about grants	9%
Contacted your local bank about an emergency loan	40%
Other	48%

What impact so far, if any, has the Coronavirus outbreak had on demand for your products/services?

Significantly decreased	Decreased	No/little change	Increased	Significantly increased	Don't know/NA
42%	30%	17%	5%	4%	3%



ICAEW's Coronavirus Response and Member Feedback

DATE & TIME: 31 March 2020

In response to calls last week for ICAEW to submit material in advance of WMCA's COVID-19 Impact Group, please find below member feedback around how various measures are affecting our member base.

ICAEW has been formally collating feedback for around the last two weeks. Please note that the members positions here do not necessarily reflect ICAEW's policy priorities and positions in this regard.

ICAEW RESPONSE TO CORONAVIRUS

- **Member support-** ICAEW is working hard to update its members on revised guidance and Government measures surrounding the pandemic through its free to access Coronavirus Hub, webinars and through direct and daily communication with its members. Items on the hub include:
 - a) [Guidance on the Job Retention Scheme and Furlough](#)
 - b) [Guidance on business support available.](#)
 - c) [Guidance on business interruption](#)
- **Government engagement-** ICAEW is heavily involved in supporting HM Treasury and BEIS through this period, and our technical experts are working directly with officials on a number of projects. Our activity to date is as follows:
 - a) Submitting representations to the BEIS and Treasury Select Committees for inquiries they are conducting on the impact of COVID-19 on the economy.
 - b) Making representations direct to Ministers. [ICAEW's Tax Faculty recently wrote to the Exchequer Secretary to ask for a deferral of changes to the tax system.](#)
 - c) Filtering member feedback to Government via industry groups.
 - d) Working with the British Business Bank around the delivery of CBILS and authoring a special edition of the Business Finance Guide with them.
- **Regional support-** Proactively supplying regional bodies like WMCA with member feedback to gauge business sentiment.

OVERVIEW OF ACCOUNTANCY SECTOR

- Practices in the West Midlands are starting to be squeezed, and a number of members are losing clients due to decreased business turnover and ability to survive the present circumstances. Members are noticing that the industry most adversely affected at this time in the West Midlands is manufacturing.
-

- Practices, are however, aware that there is a need to support business at this time, and ICAEW is proactively thinking about how it can support the wider business community. In line with this, it has produced a bank of free to use resources on its [coronavirus hub](#).

JOB RETENTION SCHEME

- There is a lack of clarity around members as to how the furlough scheme works and as to whether their businesses are able to furlough their staff. ICAEW has communicated its guidance to its members in this regard on our [coronavirus hub](#). However, whilst ICAEW can communicate effectively to its own members, the rest of the business world may not have the same support.
- ICAEW West Midlands members working in businesses in manufacturing or certain aspects of construction say that they are concerned that furloughing workers could reduce productivity and lead to tension between those that are furloughed and those that are not. They would like to see a 'part furlough' type system, where businesses reduce workers' hours, but can top that up with a partial grant by the Government.

BUSINESS SUPPORT FUNDING

- ICAEW has had feedback that many business members in the West Midlands region are reluctant to take on finance from CBILS, owing to the banks' security requirements (in particular, personal guarantees from directors). We know from ICAEW's Government engagement that this is something that is being worked on with the banks.
- The need for security is particularly difficult for organisations in the charitable sector, whose trustees are volunteers. A member who is a trustee in one of these organisations said that their bank asked for personal guarantees to access Government loans.
- We have received intelligence from members in the region that a number of banks are stepping away from offering the CBILS scheme to their clients, potentially making their access to support more difficult.

TAX MEASURES

- A number of ICAEW members have welcomed the deferral of the accounts filing and VAT deadlines.
-

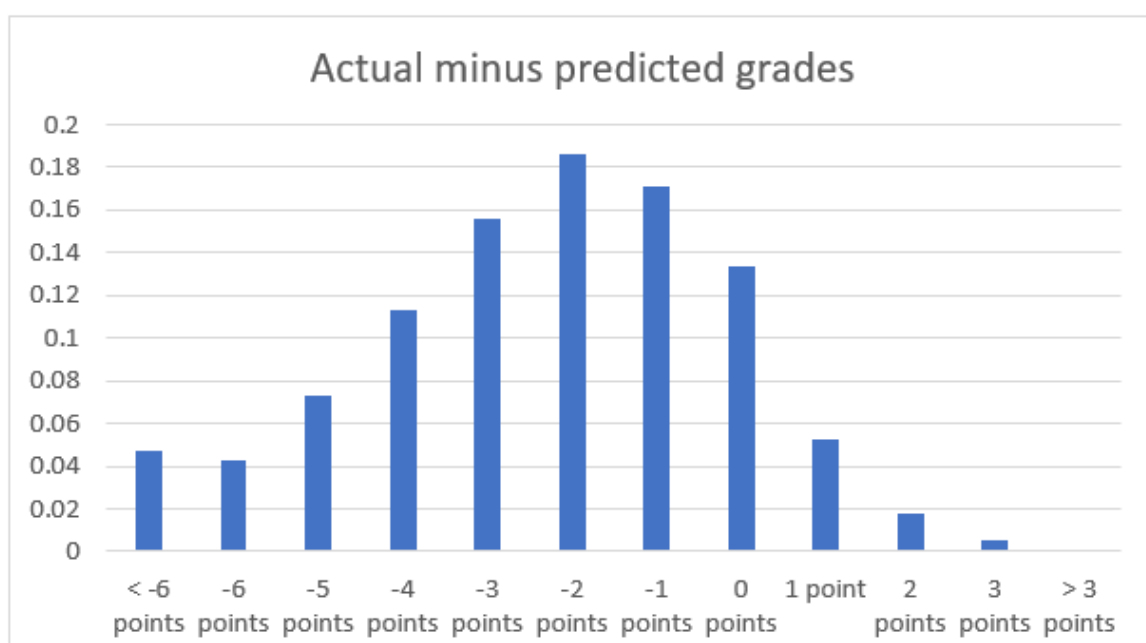
West Midlands 2020 Student Cohort

There were 19,530 A-Level students in the West Midlands in the last academic year, of whom 76.8% (approximately 15,000) achieved at least two A Levels. 15.1% (2949) achieved grades AAB or better, with 11.8% (2305) achieving these grades with at least two A Levels in a facilitating subject. 8.6% (1680) achieved grades AAA or better:

Attainment	Percentage	Count
Total A Level student count	100%	19,530
Achieve at least two A Levels	76.8%	15,000
Grades AAB or better	15.1%	2,949
AAB with facilitating subjects	11.8%	2,305
AAA or better	8.6%	1,680

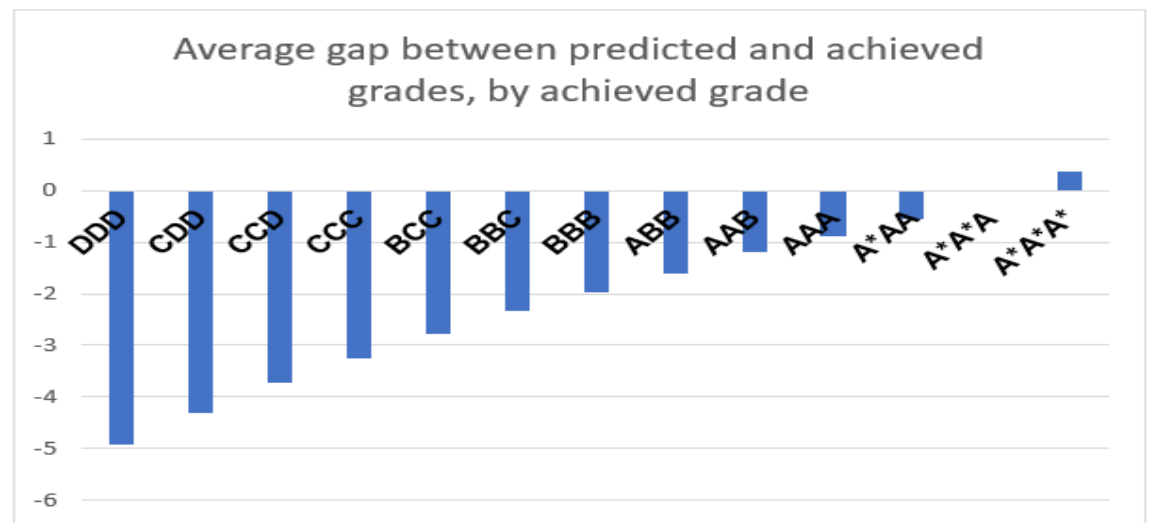
Grade Predictions

Predicted grades tend to be significantly above actual grades on average. UCAS data indicate the extent of the optimism in grade prediction is indicated by the UCAS data below, showing the proportion of A Level students by the difference (in grades) between actual grade and prediction:

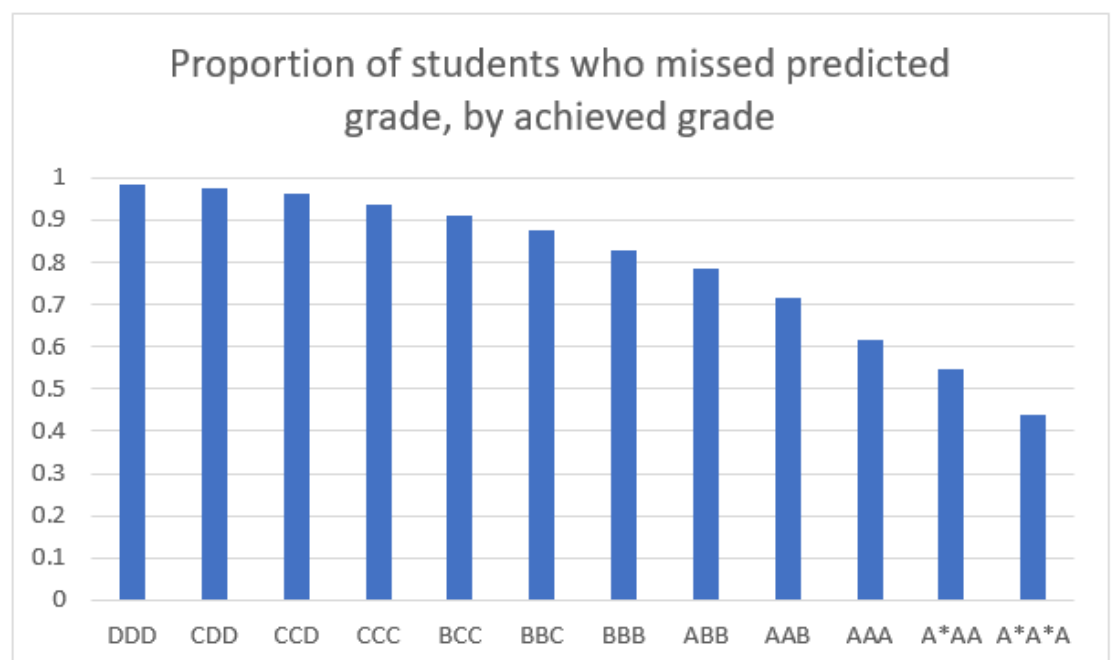


A single 'point' on this chart indicates a single grade on a single A Level subject. For instance, the difference between the results BBC and CCC would be two points.

A typical student, then, is expected to attain a prediction of around two grades higher than they would otherwise have attained. Notably, a correct prediction of the student's attainment is not the most likely outcome, but only the fourth most likely. A very significant minority have much more optimistic projections, meaning that many students this year are likely to be awarded A Levels who would not have successfully completed them had they been required to sit the exams. This is further illustrated in the data below:



This is made clearer still in the proportion of students at each achieved grade who missed their predicted grade, as below:



Ramifications of use of predicted grades

In absolute numbers, a great increase can be expected in the number of students attaining results in the BCC-ABB range.

Proportionally, the greatest increase appears to be near the top, around A*A*A. This being a product of the fact that very few students attain these results to begin with.

Across the board, we can expect significant disruption to the university recruitment process, with students who were provided offers being turned away as institutions risk exceeding the admissions cap the government is now imposing on them. Depending on how tightly the admissions cap is set, we could expect a displacement of students from less selective to more selective institutions via grade inflation. The likely large reduction in recruitment of international students (particularly from East Asia) this year and next will give them a strong financial incentive to take these students on. Their places may then be filled by students who would not otherwise have passed their A Levels, meaning that a large cohort of students may be unprepared for the demands of university studies.

Bias and Inequity

Assessment of unfairness in the prediction process is complicated by the fact that the vast majority of students are not under-estimated, but rather over-estimated by varying extents. Data currently available on how predictions vary with gender and social or ethnic group are not broken down by prior attainment, which would give a richer sense of the impacts we could expect.

There are several potential avenues for bias and inequity to creep into the education system and selection process, as a result of the loss of face-to-face learning and instruction and the reliance on predictions

- Effect of unconscious bias on the prediction process, leading to possibly lower predictions for women applicants and significant differences across ethnic groups. This does not currently appear to be borne out by the data, with UCAS research () indicating for instance that women applicants are more likely to be over-predicted than men. However, given the greater role grade predictions will play this year, it will be essential to scrutinise any changes to the methodology which could have distributional impacts.
- Social background may impact upon the prediction process – e.g. families who are under less pressure may be more engaged in appealing predictions with the school, particularly given their greater importance this time around. This impact will be masked, however, by the fact that disadvantaged pupils are more likely not to complete their studies altogether, and hence be recorded as having been overestimated.

Impacts on younger pupils

- Students are likely to fall behind on subjects which require regular practise (areas like maths particularly) during the protracted absence. This impact will also affect children of key workers still in schools; Gavin Williams was quoted as saying 'It's not going to be an educational setting.'
- The youngest pupils may also be missing out on

important time developing their social and broader life skills, particularly damaging if they were not very ready in starting school to begin with. A smaller proportion of children in the West Midlands reach a good level of development by the end of reception than the English average (68% to 71.5%), with readiness linked to affluence (Solihull having the highest readiness at 72.7% and Sandwell the lowest at 66.4%).

- There is a direct financial impact on families whose children are currently eligible for free school meals, as they will now be paying for these. The government has indicated that some support will be made available.

Impact of Covid-19 on the region's Tourism sector (20/3/20) – Provided by WMGC

Summary and key issues

Covid-19 has created an unprecedented crisis for the region's business community, with to date the tourism sector bearing the brunt.

The results of our survey are stark. All businesses have seen a collapse in revenues, half have serious cashflow problems and two thirds are grappling with legal issues.

The consensus is that the government has been too slow to act and that the support being offered is insufficient to ensure survival. Businesses are calling for urgent action at a regional and local level to ensure their survival.

In the medium and longer term businesses will be looking for help with marketing and re-engaging with audiences and customers and to access funding from sources such as the Heritage Lottery Fund and DCMS.

Introduction

Covid-19 has created an unprecedented crisis for the region's business community, with to date the tourism sector bearing the brunt. We need to:

- Urgently understand the problems businesses are facing and the help they need to address them, over and above the measures being put in place by the UK government
- Gather a body of evidence to make the strongest possible business case to secure additional resources to assist them in weathering the storm

To this end the WMGC's Research Team is consulting our commercial partner network on a weekly basis via an on-line survey and telephone consultations with a sample of hotels, conference venues and attractions.

Business impact

The results are stark. As the table below shows:

- More than half of businesses reported falling

revenues in the week ending 13th March and all did in the week ending 20th March after the government announced new measures to contain the spread of the virus.

- A quarter reported serious cashflow problems, rising to 50%
- Two thirds are grappling with legal issues such as force majeure, breach of contracted delivery terms and breach of contracted payment terms

	w/e 13th March	w/e 20th March
Covid-19 has led to falling revenue	52%	100%
Covid-19 has led to cashflow problems	25%	50%
Covid-19 has led to legal issues	66%	70%

There has been a collapse in footfall, and an upsurge in cancellations and postponements. Many corporate bookings, weddings and private parties are being postponed until the autumn. Businesses are calling for action to provide financial protection and support to ensure business continuity.

Support needs

Half of businesses feel that the new measures announced by the chancellor such as the business interruption loan scheme, 12 month business rates relief and £25 cash grants for SMEs are useful. A handful have contacted HMRC's time to pay helpline or have spoken to their banks about the new COVID-19 loans. But a substantial number feel that they are insufficient to ensure survival.

Looking forward to when the crisis passes, businesses anticipate looking for help with marketing and re-engaging with audiences and customers and to access funding from sources such as the Heritage Lottery Fund and DCMS.

Next steps

WMGC are talking with Shakespeare's England, which has been engaging with local tourism businesses in Warwickshire in a similar way, about collaboration on a region-wide approach going forward.

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

For any queries please contact the lead Author:

Rebecca Riley
R.L.Riley@bham.ac.uk



The West Midlands Regional Economic Development Institute
and the
City-Region Economic Development Institute

In partnership with:

