

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

- The depth of the economic crisis is becoming clearer, exemplified by over 1 million new claims nationally to Universal Credit in the wake of the Covid-19 pandemic.
- Furloughing guidance remains an issue – especially for key workers who are needed, but not for 100% of their usual contracted time.
- There is a lack of information about the self-employed in the West Midlands, but it is clear that the newly self-employed – like new workers more generally – are vulnerable because they do not fit easily with available support.
- Businesses are still very much focused on the ‘here and now’ – with health concerns dominating. Some are focusing on responding to immediate health-related priorities (e.g. ventilators, PPE equipment) rather than recovery beyond the immediate crisis.
- The Birmingham Chambers of Commerce Business Tracker for the period 25-27 March highlights that 84% of respondents witnessed a fall in revenue compared with the previous week and 76% a decrease in cash reserves.
- There are marked variations in the impact of the Covid-19 pandemic by sector, with particular opportunities in the health technologies sector – including for cross-sector working. Conversely there is a possibility that the low carbon/ clean growth sector may be hampered by a perception that products and services are ‘nice to have’ rather than ‘need to have’.
- There has been a marked downturn in greenfield FDI but there are opportunities in digital technology and health technology. The trend towards reshoring and onshoring also presents opportunities.
- The Covid-19 pandemic has highlighted the paucity of real-time data, particularly at regional level. This Monitor presents some statistics at national level from the ONS’s fortnightly Business Impact of Covid-19 Survey. It also presents statistics from Google Analytics’ Community Mobility Report, which points to a 57% reduction in mobility in relation to workplace jobs in the West Midlands by 29th March in relation to a comparator period earlier in 2020, and a 84% reduction in retail and recreation related mobility. (These figures are similar to reductions nationally.)
- It seems likely that the Covid-19 pandemic will lead to an accentuation of existing labour market trends, including – the decline of the high street, a reduction in immigration, an increase in part-time homeworking (explored in greater depth in this Monitor), a decline in low pay, and the extension of weak income and productivity growth.
- The depth of the crisis has not yet materialised; it could be greater than the Great Depression.
- Research by the IFS at national level has highlighted that the workers hit hardest by the immediate economic and labour market downturn (in non-food retail, passenger transport, accommodation and food services, travel, childcare, arts and leisure) are young people, low earners and women. WM REDI research focusing on the West Midlands indicates that around 190 thousand jobs (nearly 15% of the total) and about a fifth of businesses are in directly affected sectors. Locally the highest shares of such jobs are in Solihull, followed by Birmingham.
- The higher than average shares of young people in the West Midlands (vis-à-vis the national average) are a cause for concern given the disproportionate negative impact they face and possible longer-term scarring effects.
- In *supplementary work*, analyses of a Covid-19 Vulnerability Index in the West Midlands shows that Sandwell, Wolverhampton and Walsall display the highest Clinical, Health and wellbeing and Social vulnerabilities.
- There is scope for the West Midlands to capitalise on the growing numbers of volunteers going forward but they need to be supported if longer-term gains are to be reaped.
- Reviews of business support in the UK, Spain and Ireland and of short-time working in France and Germany. Ease of access to support emerges as being of key importance, and there is increased emphasis on continuing access to professional/occupational training and opportunities for digital skills development for staff on short-time working. Evidence on support measures from China highlight an emphasis of business support on transforming/ optimising business models, increasing risk resistance capability and online vocational training.

National Picture – Labour Market Focus

The ongoing COVID-19 pandemic and the resulting lockdown continues. Its economic effects are continuously being revealed via snippets of data that can be used as an indicator of the severity of the crisis's damage. Nationwide electricity consumption plunged by 10% in the last week of March, compared with the same period of the year despite March 2020 being colder than March 2019.

The toll on the UK labour market is also being quantified. Since the Government imposed lockdown nearly a million people have successfully applied for universal credit, despite the government's scheme to cover 80% of salaries of those furloughed. The eye-watering rise in Universal Credit applications highlights the substantial shock to the labour market from this crisis. Similarly, there has been a 10% reduction in hiring and job postings on LinkedIn and Indeed by the end of March.

The [Resolution Foundation](#) suggest that the COVID-19 crisis might accentuate existing labour market trends, including:

- The *decline of the high street* – with the crisis powering the trend towards online shopping. This has implications for workers in retail and for high streets themselves, with decline increasingly being unmanaged as opposed to managed.
- A *reduction in migration* – continuing the trend for a reduction in migration from the EU (which was evident before proposed changes in immigration policy which include curtailing migration to low-skilled jobs), potential migrants' uncertainty about border restrictions and a slacker UK labour market making it less attractive to new arrivals. This places the onus on filling jobs at the lower end of the labour market and or making them more attractive – so bringing issues of *job quality* and *job design* to the fore.
- An *increase in part-time homeworking* – to date advances in IT have not been matched by increases in homeworking. With the COVID-19 crisis more people have experience (of more than occasional) homeworking. But there are economic and social benefits of physical interaction for workers who can work from home. These trends point to an

increase in part-time homeworking. Of course, not all jobs can be done from home.

- A *decline in low pay* – low-paid workers in hospitality have been hit hard by the COVID-19 crisis, while low-paid workers in care and food retail have emerged more into the spotlight. This may reinforce pressures to increase the minimum wage, which in any case is a policy objective.
- *Young people* facing a disproportionate negative impact – evidence from past recessions suggest that young people (especially those just leaving education) experience the biggest increases in unemployment. Policies to compensate existing workers in the immediate crisis tends to advantage them at the expense of new workers and young people about to enter the labour market.
- An *extension of weak income and productivity growth* – productivity has flat-lined since 2007 and furloughing and a reduction in output has implications for productivity.

The *depth* of this crisis is yet to materialise in quantifiable GDP data, but collective indicators are resolute in suggesting its severity. Car sales have reduced by 44%, which is a steeper drop than during the 2008 financial crisis. All predictive growth forecasts should be cautioned, especially conventional forecasting methods in the context of COVID-19; nevertheless leading forecasters expect an economic contraction greater than 6% in 2020, compared with 4.2% per cent in 2009. This means the contraction could be deeper than during the Great Depression.

Internationally, recent data from the Bank of France indicates that France's economy shrank by about 6% in the first three months of 2020 (the worst contraction seen since 1945). In Germany, gross domestic product is set to shrink by almost 10% between April and June

Substantial unemployment, financial instability and exacerbated structural inequalities in the labour market will mean the human tragedy of this crisis extends beyond the public health domain and firmly in to the economic.

Qualitative Intelligence

Business grants

Now that portals have been launched, progress is being made on implementing *business grants*. Some concerns have been raised about the lack of an appeals process (currently there is no appeals process – the rationale being the need for speedy implementation).

Furloughing

Guidance on *furloughing* remains an issue, despite further guidance being issued. There are enquiries about whether workers can be permitted to work for part of the time – this can be an issue for key workers. This is an issue for key workers – whose services are needed at the current time but to a reduced extent in comparison with their normal workload. There seems to be an increase in furloughing staff (with some suggestions that there will be a ‘second wave’). Intelligence suggests that in some instances this will be a precursor to redundancies further down the line.

Self-employment

It is difficult to get a clear picture of self-employment in the region. There is a gap in support for people who have recently become self-employed.

PPE provision

The call for businesses to help with meeting shortfalls in PPE supplies has gone live. A first delivery of PPE supplies has been made to the Walsgrave Hospital in Coventry this week.

(Non)-Availability of data

Attempts to react and to plan ahead for the economy and labour market in the face of the COVID-19 pandemic have underlined the paucity of up-to-date/ real-time data. It has also underlined the need to share data that is available.

New information and intelligence to shape future support and ways of working

Conversely, enquiries/ claims for business support have provided improved intelligence on businesses in the region and have drawn attention to businesses that local authorities were unaware

existed in some instances! Current intelligence gathering will also help in identification of gaps in business support. Where businesses seek funding and are ineligible attempts are being made to direct them with other teams/ services. This might presage a new ‘triage’ process in which business engagement occurs in new ways.

Sectoral insights and recovery

While many businesses are focused on the ‘here and now’ as health-related concerns dominate thinking, there is limited intelligence on the recovery aspects of restarting supply chains, etc. However, the need to work on ‘recovery’ on a sector base is recognised, using the structures that informed LIS development.

Growth Hub Intelligence – selected sectors

Business, Professional and Financial Services

In the *short-term* there are issues about maintaining a client base and pipeline of work in the context of uncertainty, with implications for managing costs. Professional services firms’ business models typically rely on short(er) contracts which makes them more vulnerable to short-term shocks to the economy.

In terms of *possible future support* greater technology adoption and reconfiguring businesses are emerging as support needs.

Banks are putting in place support measures directly linked to Covid-19 and are trying to be proactive in reaching out to clients through a relationship management approach. *Recruitment agencies* are trying to respond to changing needs for workers (e.g. in healthcare). In *real estate/build environment* there are issues about a decline in retailing in town centres and a negative impact on the availability of flexible working spaces (used as co-working spaces for start-ups and freelancers) that have very short term, individual, low value contracts.

Creative Industries & Cultural Sector

This sector has been hit hard as film and TV production has largely been postponed or cancelled. Businesses with large overheads and cultural organisations (relying on audiences – e.g. theatres, cinemas) have been hit hard, and despite furloughing staff are burning through reserves. 50% of creative freelancers are not covered by current government schemes due to the complex nature of their work and income: (a) some move from one short term PAYE contract to the next and are ineligible for support from anywhere; (b) many freelancers have a mix of short-term PAYE and self-employed contracts - what they can claim as self-employed is far less than their actual income has been.

Here there is scope for advocating to government about the challenges faced by larger creative and cultural businesses, often not in receipt of any subsidies. Local interventions include promoting the option of furloughed staff undertaking training or apprenticeships during this period; developing new resources and enhancing digital skills for longer-term resilience. Financial support for the creation of a *Creative Response Unit*, using furloughed staff as volunteers (as this is allowed under government terms).

Food and Drink Supply Chain Industries

Massive short-term changes have led to changes in buying patterns, with supermarkets putting pressure on supply chain while closures in hospitality and restaurants has a contrary impact. Availability and prices of raw ingredients and supplies are changing rapidly. Most businesses “didn’t know” when asked what might happen in the medium term. For some businesses adversely affected (serving the leisure market) debt management is appropriate in the current climate.

Health Technologies and Life Sciences

Short-term opportunities include the need for personal protective equipment (PPE) for both NHS and social care staff has - a joint initiative led by the WMCA working with local authorities is seeking to address this challenge. The capacity of new actors

to respond to urgent market opportunities is constrained by their ability to meet regulatory requirements (e.g. clean rooms, ISO compliance) and staff availability. Yet the speed at which new designs and materials have been authorised for clinical use demonstrates flexibility that could be useful in future. Demand for video conferencing and virtual health consultation is growing, including by GP practices. There may be a longer-term demand for new communications systems with knock-on effects into cyber-security and professional services. New funding opportunities are being distributed via established networks including Medilink West Midlands and the West Midlands Academic Health Science Network. There are market opportunities also in other parts of the world. There is scope to draw on capabilities of other sectors (e.g. automotive).

Many life science/biotech companies are at R&D stage and supported by grants rather than sales and so need access to finance. There is scope for the LEPs to work with companies to increase business resilience, including through use of existing initiatives. There is also a role for local/regional actors to support business to engage with new business and research opportunities.

Low Carbon and Energy Technologies and Services

In the short-term businesses are increasingly affected by the lockdown of the economy for non-essential products and services. The continued operation of construction sites is critical to many businesses providing products such as insulation. Consumers and businesses are unlikely to invest spare capital in energy saving measures in an environment that is short-term.

Many climate/energy solutions depend on government intervention and community collaboration. There may be a perception that clean growth and the climate emergency are downgraded as priorities. Pre-commercial businesses continue to need innovation funding and support from central government and LEPs.

ONS new weekly release indicators – Business Impact of Coronavirus (COVID-19) Survey

On 2nd April 2020 the ONS published the first edition of a new 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 survey results currently expected to take place fortnightly.

It contained results from the new fortnightly [Business Impact of Coronavirus \(COVID-19\) Survey \(BICS\)](#). The survey is voluntary survey and covers all regions and sectors. It is being used to collect information about the financial and operational performance of businesses during the COVID-19 outbreak.

Topics covered are business turnover, workforce, prices and trade and details of the [questions](#) are published by ONS.

The survey covers businesses from various industrial sectors and regions in the UK registered for Value Added Tax (VAT) and/or Pay As You Earn (PAYE). The sample size is approximately 18,000 out of a population of 2,230,190. The response rate is 20.5%. Respondents are not necessarily representative of businesses across the UK and so the results should be treated with caution.

Regional data are not available.

The data presented here refers to the period 9-22 March – much of this period is before the closure of ‘non-essential’ businesses, which formally came into effect from 20 March 2020.

Business turnover – 9-22 March 2020

- Of the 3,642 businesses who responded to the survey 45% reported turnover was lower than expected.
- 5% reported their turnover was higher than their normal range.
- 9% reported that while their turnover had been affected between 9 to 22 March 2020.

- 98% of those that reported that their turnover was abnormally affected during the period attributed this to COVID-19.
- For 41% of businesses surveyed financial performance was unaffected during this period.

Measures to manage the workforce – 9-22 March 2020

- 27% of responding businesses said they were reducing staff levels in the short term.
- 5% of businesses reported that they were recruiting staff in the short term.
- 29% of businesses reported that they had decreased working hours.
- 5% of businesses reported increasing working hours.
- 46% of businesses said that they had encouraged their staff, with 46% making it mandatory to work from home. (ONS notes that there is likely to be overlap between these two categories.)

Note: Businesses could select multiple categories so answers do not sum to 100%.

Impact on prices of materials, goods and services bought and sold – 9-22 March 2020

- 68% of businesses who responded reporting no change to their selling prices and 63% reporting that the costs of buying goods and services generally stayed the same.
- 12% of responding businesses reported that prices of materials, goods and services bought had increased, compared with 1% that reported a decrease.
- 8% of businesses reported that the price of materials, goods and services sold had decreased, compared with 3% of businesses that reported a decrease.

Note: The remaining response categories for this questions were ‘not applicable’ and ‘other’.

Supply chains – 9-22 March 2020

- 48% were able to get required materials, goods or services from within the UK in the given period.
- An additional 19% of reporting business were able to get the required materials, goods or services but had to change suppliers to do so.
- 13% of businesses were unable to get required materials, goods or services.

Exports and imports – 9-22 March 2020

- 20% of businesses reported exports being affected by COVID-19 compared with 14% who reported that exports were unaffected.
 - 24% of businesses reported imports being affected by COVID-19 compared with 28% who reported that imports were unaffected.
 - Excluding businesses that said the question was not applicable, 59% of exporters and 57% of importers of respondents said their trade had been affected by COVID-19.
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British Chambers of Commerce – COVID-19 Business Tracker: West Midlands Results

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 123 firms in the West Midlands and cover the period from 25th to 27th March.

Of those businesses that responded, 23% were based in Coventry & Warwickshire, 22% in Hereford & Worcestershire, 19% in Greater Birmingham, 15% in the Black Country, 11% in Shropshire and 10% in Staffordshire. 98% of respondents employed less than 250 staff members and of those, 13% identified as self employed. 60% of businesses surveyed did not export their goods & services (and similarly, 53% did not engage in importing activities). Of those firms that were involved in exporting, 28% distributed their products and services to countries both inside and outside the European Union. 30% of businesses that took part in the survey operated in the professional services sector and just over a quarter were listed as manufacturers.

Changes to Trading Conditions & the Workforce

In comparison to the previous week (w/c 16th March) 84% of businesses witnessed a fall in UK revenue (with 66% citing a significant decrease). 76% of firms saw a drop in international revenue (with 57% suggesting it was significant) and 76% had also seen a decline in cash reserves. 56% of companies reported that their ability to access credit or finance remained unchanged and 43%

noted that import levels had stayed the same. In terms of developments related to employment, 35% reported a reduction in the size of their workforce along with a 71% fall in the number of hours worked by staff. 44% of businesses reported a drop in the use of contractors/agency workers and 73% stated that the level of unpaid leave taken by their staff members had remained constant in comparison to the week commencing 16th March. Over the course of the following week (w/c 30th March) just under a third of businesses said they would not furlough any of their staff members and just over a fifth expected to furlough the entire workforce.

Two fifths of businesses expected their cash reserves to cover their trading activity for one to three months, 17% suggested their reserves would be able to cover them for three to six months, whereas most worryingly, 21% estimated that they would only be covered for less than a month. Businesses had attempted to maintain continuity in a number of different ways; 64% had proceeded with the use of remote working, 50% had explored the use of video conferencing and 30% increased their use of social media platforms. However, 19% of businesses had closed operations temporarily and, although no respondents had yet closed business operations permanently, both figures are expected to rise over the coming weeks and months.

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, 8% had already secured a business rates holiday (of those firms based in the leisure, hospitality or retail sector) and 10% were planning to apply; 60% were aware of this particular measure but currently were not planning to apply. 18% of firms were planning to apply to the Coronavirus Business Interruption Loan Scheme (CBILs) and in a similar fashion to the business rates measures, 58% were aware of the CBILs scheme but were not intending to apply.

14% of businesses were already making use of the Coronavirus Job Retention Scheme and a further 31% were intending to do the same. 15% of businesses had deferred VAT payments for three months (the highest take up of any of the policies listed) and an additional 43% expected to do the same. 30% were planning to apply to the grant scheme available for small businesses and only 4% so far had made a submission for this particular scheme. 4% of respondents had applied for SSP refunds and 31% of businesses were preparing to apply to HMRC's Time to Pay extension scheme – interestingly, out of the all the measures made available, 11% of businesses had never heard of this particular arrangement.

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. In relation to the CBILs scheme, 33% of businesses felt they had experienced a slow response or in some cases no response from the relevant providers, 17% felt the application process was too time consuming and 17% believed a lack of information or guidance was hampering their application. In a similar fashion, a quarter of respondents in this section also felt concrete information was lacking in regards to the Coronavirus Job Protection Scheme. Finally, a third of businesses noted that they had experienced a slow response from Government in regards to the up-scaled measures in relation to HMRC's Time to Pay scheme.

Impact of Covid-19 on the region's key inward investment markets (7/4/20) – Provided by WMGC

A global downturn

There has been a significant downturn in greenfield FDI (i.e. cross-border investment from the ground up in new facilities) since the turn of the year.

Globally, numbers for January and February 2020 were 20% down on the same period of 2019, with a 26% decline in the Asia Pacific region and Europe, a 70% decline in China and a 40% decline in Italy. This trend is expected to accelerate in March and April – and the forecast fall in global greenfield FDI over the course of 2020-2021 has been revised from between 5% and 15% to some 40%.

Market considerations

There is still *growth in a number of niche markets*, however, that the West Midlands is well positioned to leverage. The *digital tech sector* remains buoyant as the enabler of virtual business solutions, with AI and VR utilised around the world to mitigate the impact of the pandemic. *Health tech*, including vaccines and technologies to help combat the virus are also growing exponentially. These markets are expected to remain strong in the longer term, meanwhile they are leading the global economic recovery. There is also an opportunity to identify and target innovative companies across a wide range of other sectors, particularly where synergies with our own region's innovative capabilities exist to support this.

The *growing trend towards re-shoring and on-shoring* is expected to be a key driver of growth in the market as businesses consider future resilience. The supply chain problems created by Covid-19 are prompting companies to look to expand their local supply chain to reduce risks – and internationally mobile suppliers are likely to be increasingly attracted to locations where they can supply key OEMs.

That said, however, immediate investment decisions are unlikely – although many potential inward investors are putting plans in place ready for

the recovery. To this end, the West Midlands Growth Company (WMGC) team is working with a number of investors already in the region to develop resilience and recovery strategies.

Regional performance

While the impact of Covid-19 has yet to feed through to our outcome tracking data, WMGC year-end figures indicate that 53 inward investment projects were landed by the team in 2019-2020 (up from 50 the previous year) creating 4,200 jobs (up from 2,600). This resilient performance in the face of a range of other major challenges, notably Brexit, suggests that we are well placed to deal with the challenges of the coming months and to make the most of the market opportunities the recovery will bring.

Looking to the future

Our network of intermediaries are also making *recommendations* on how regional investment agencies such as ours should adapt to survive and flourish going forward – and in our strategy for the coming year, we will be *prioritising*:

- Flexing our approach to focus on sector and market growth opportunities
- Developing our digital capabilities to help generate leads and land projects (e.g. virtual sales missions and inward visits)
- Maintaining and further developing our in-market networks to provide intelligence, insights and expertise
- A focus on key existing investors

Sources

UNCTAD

FDI Markets

Wavteq/FT – Coronavirus impact of FDI on global FDI in 2020, April 2020

WMGC Covid-19 lead generation update, March 2020

FDI Intelligence – top ten impacts from Covid-19, April 2020

WMGC CRM

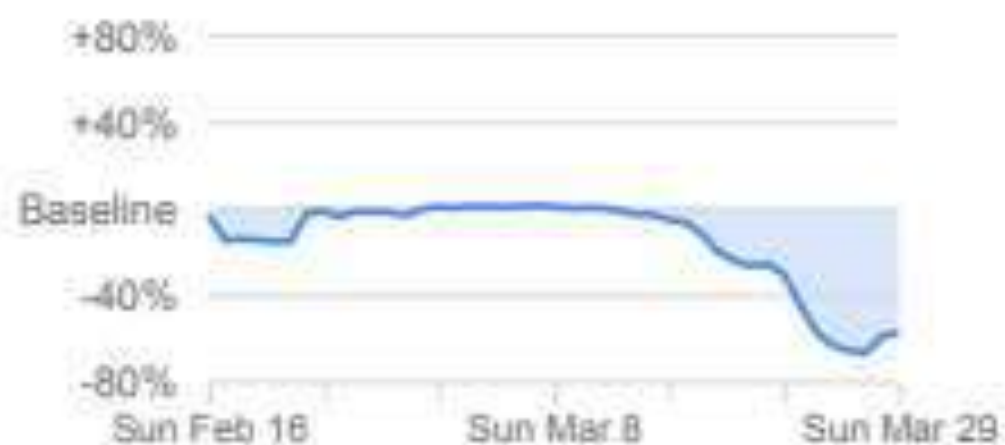
COVID-19 Community Mobility Report

Google Analytics has produced a [COVID-19 Mobility Report for local areas in the UK](#). It shows how visits and length of stay at different places change compared to a baseline, which is the median value, for the corresponding day of the week, during the 5-week period from 3rd January to 6th February 2020. The calculations are based on data from users who have opted-in to Location History for their Google Account, so the data represents a sample of our users. The data may or may not represent the exact behaviour of a wider population.

The data show the scale and speed of reductions in mobility for a range of different purposes over the period to 29th March 2020. Reductions in mobility in the West Midlands are similar to those across the UK.

Mobility related to *workplace* journeys fell by 57% in the West Midlands compared with by 55% across the UK.

-57% compared to baseline



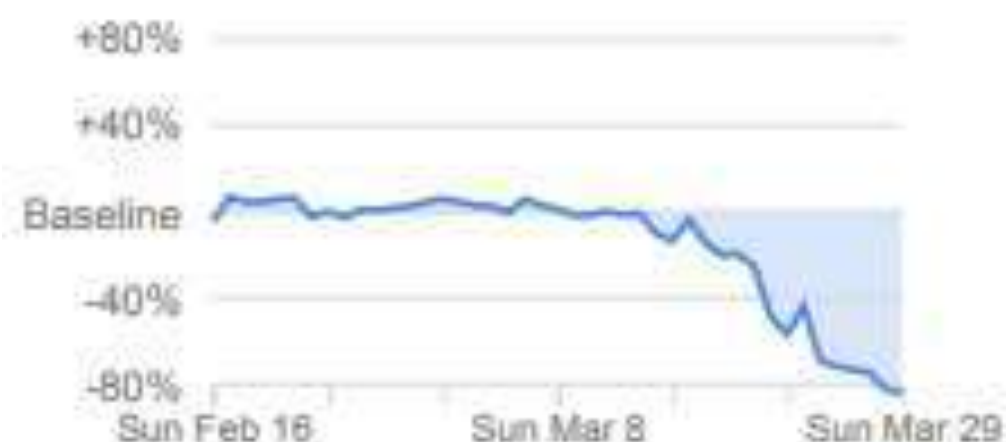
Mobility for *public transport hubs* (rail and bus) fell by 78% in the West Midlands and by 75% across the UK.

-78% compared to baseline



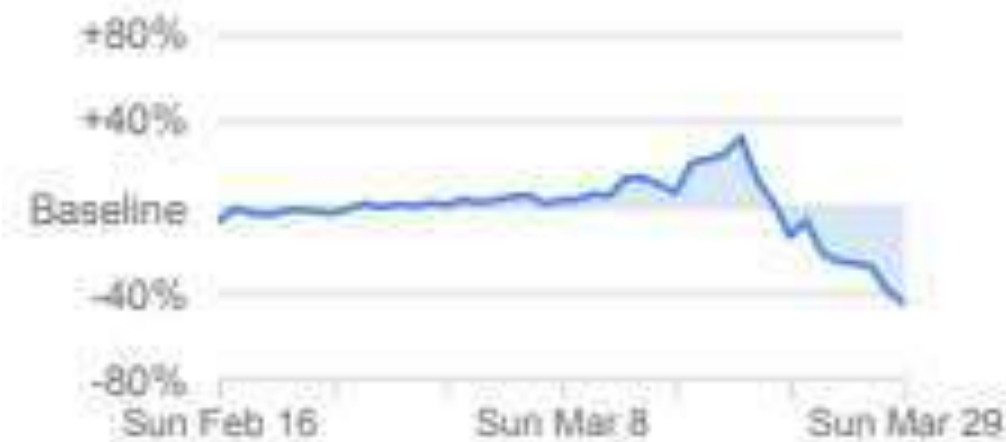
For *retail and recreation* (encompassing restaurants, cafes, shopping centres, theme parks, museums, libraries, and cinemas) mobility had fallen by 84% in the West Midlands compared with 85% across the UK.

-84% compared to baseline



Mobility related to journeys to *grocery and pharmacy* outlets fell by 45% compared with 46% nationally.

-45% compared to baseline



Which workers are hardest hit by the lockdown?

UK level

On April 6th 2020 the Institute for Fiscal Studies has published a [briefing note](#) on which workers are most exposed from the COVID-19 lockdown.

For the purpose of the IFS analysis *sectors directly affected by the lockdown* were identified as:

- non-food, non-pharmaceutical retail (4719, 4730-4772, 4776-4799)
- passenger transport (4910, 4931-4939, 5010, 5030, 5110)
- accommodation and food (5510- 5630);
- travel (7911-7990);
- childcare (8510, 8891)
- arts and leisure (9001-9329 except 'artistic creation' 9003)
- personal care (9601-9609 except 'funeral and related activities' 9603)
- domestic services (9700)

The IFS analysis *at UK level* shows that *young people, low earners and women* are hardest hit by the lockdown:

- 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. The respective proportions of workers aged under 25 years and over 25 years in these sectors are 30% (excluding full-time students with part-time jobs) and 13%. Young women are more likely to be employed in these sectors than young men. To some extent young people are shielded from this income loss as around three in five live in households with their parents.
- Low earners are seven times as likely as high earners to have worked in a sector that has been shut down. Analysis of individual weekly earnings shows that 34% of employees in the bottom tenth of the earnings distribution work in shut down sectors compared with just 5% in the top tenth of the earnings distribution.
- Women were about one third more likely to work in a sector that is now shut down than men: one in six (17% of) female employees were in such sectors, compared to one in seven (13% of) male employees.

[West Midlands analysis](#) (see also <https://blog.bham.ac.uk/cityredi/identifying-exposure-what-do-the-ifs-estimates-on-the-coronavirus-sector-shutdown-mean-for-west-midlands/>)

[Tasos Kitsos](#) has used a range of data sets to derive relevant figures for *the West Midlands Combined Authority, West Midlands LEPs and Local Authorities* and selected comparator areas. (Note that the sources used are not exactly the same as those used by the IFS at UK level.)

Table 1 shows employment in the sectors directly affected by the COVID-19 lockdown.

- Nearly 190,000 jobs (14.8%) in the WMCA area are in the affected sectors.
 - At local authority level the highest relative proportions are in Solihull where 16.2% of the employment is in industries directly affected by the lockdown, followed by 15.5% in Birmingham and 15.4% in Dudley. These figures are below the 18.1% of employment affected in the whole of Great Britain. (This reflects the exclusion of manufacturing where the West Midlands has higher shares of employment.)
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Table 1: Direct employment effects of COVID-19 lockdown							
Type of local area	Name	Employment (number)	Employment (%)	FT employees (number)	FT employees (%)	PT employees (number)	PT employees (%)
Combined Authority	West Midlands	187,190	14.8	87,500	10.1	95,175	24.9
Local Authority	Birmingham	80,795	15.5	40,525	11.4	39,180	25.3
Local Authority	Coventry	19,550	11.9	8,095	7.2	10,970	21.6
Local Authority	Dudley	17,555	15.4	7,095	9.7	10,025	25.3
Local Authority	Sandwell	16,440	12.8	8,355	9.4	7,780	21.3
Local Authority	Solihull	20,725	16.2	9,830	11.4	10,460	29.0
Local Authority	Walsall	15,340	13.9	7,235	9.7	7,535	22.7
Local Authority	Wolverhampton	16,735	16.1	7,580	10.8	8,935	27.6
LEP	Black Country	66,870	14.6	30,515	9.9	34,105	23.8
LEP	Coventry and Warwickshire	67,425	14.3	27,475	8.6	36,260	25.4
LEP	Greater Birmingham and Solihull	150,725	15.8	70,125	10.8	76,440	26.8
Combined Authority	Cambridgeshire and Peterborough	67,525	14.6	31,320	10.2	34,470	24.9
Combined Authority	Greater Manchester	245,165	18.0	119,135	12.9	119,650	29.3
Combined Authority	Liverpool City Region	127,375	19.6	55,540	13.5	66,685	30.3
Combined Authority	North East	70,630	16.2	31,725	11.0	37,330	27.3
Combined Authority	North of Tyne	77,650	20.2	37,390	15.2	38,810	30.8
Combined Authority	Sheffield City Region	95,655	16.5	38,130	10.1	54,600	29.4
Combined Authority	Tees Valley	44,510	16.9	19,040	11.3	24,160	27.4
Combined Authority	West Yorkshire	174,075	15.9	76,675	10.5	90,710	26.8
Combined Authority	West of England	86,885	16.7	38,885	11.5	45,005	26.4
Country	Great Britain	5,581,650	18.1	2,662,400	13.2	2,741,100	28.5

Source: Author's elaboration of data from the Business Register and Employment Survey. Employment (number and %) – Number and share of total employment in sectors directly affected by the lockdown. FT employees (number and %) – Number and share of total full-time employees in sectors directly affected by the lockdown. PT employees (number and %) – Number and share of total part-time employees in sectors directly affected by the lockdown.

Figure 1 shows how different groups of workers are impacted by the lockdown in the West Midlands compared with Great Britain.

Source: Author's elaboration of data from the Business Register and Employment Survey, Population Estimates and Inter-Departmental Business Register.

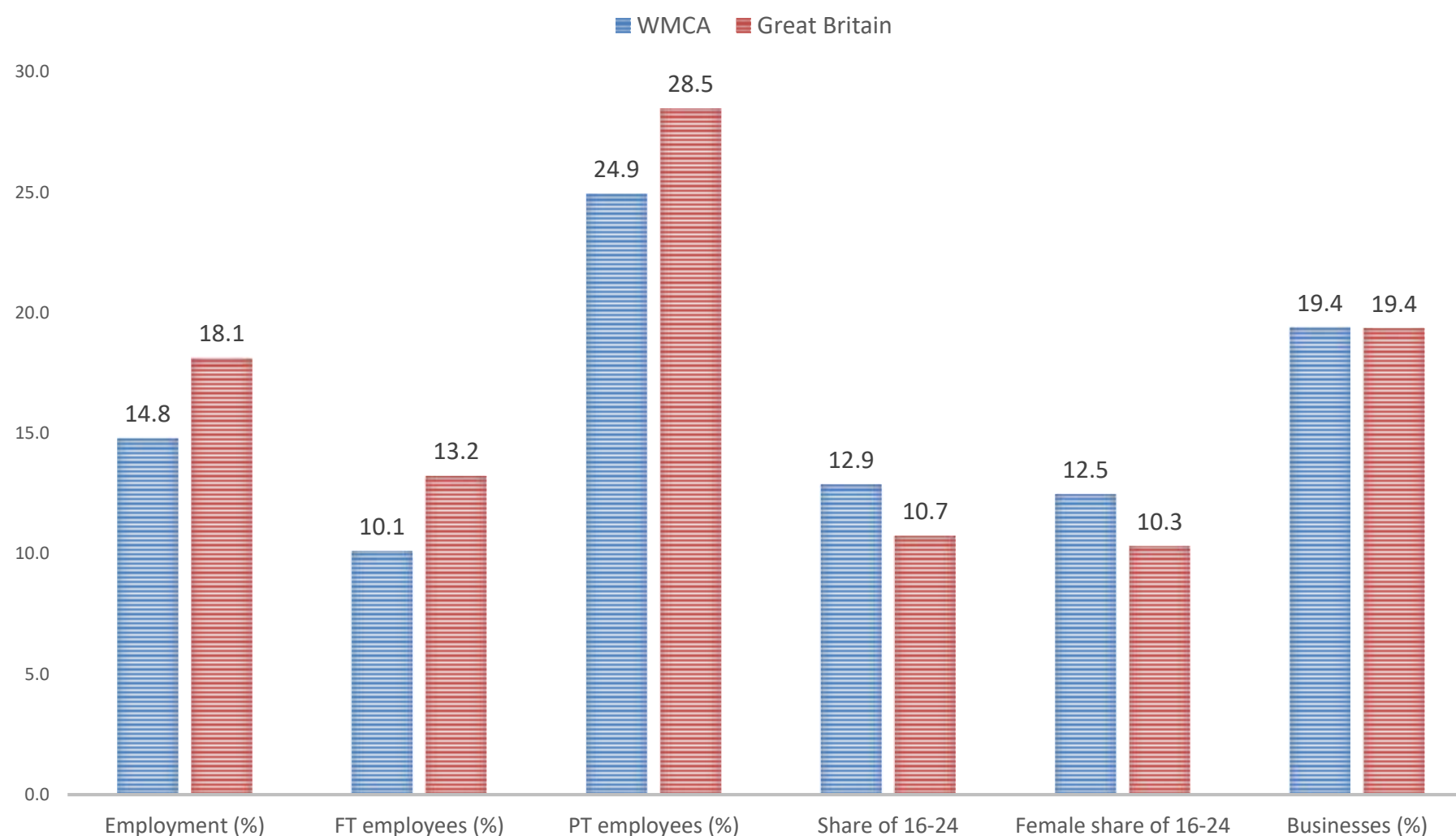
Employment (%) – Share of total employment in sectors directly affected by the lockdown.

FT employees (%) – Share of total full-time employees in sectors directly affected by the lockdown.

PT employees (%) – Share of total part-time employees in sectors directly affected by the lockdown.

Share of 16-24 – percentage share of the population, aged 16-24. Female share of 16-24 – percentage share of the female population, aged 16-24.

Businesses (%) – share of total businesses employees in sectors directly affected by the lockdown



- Part-time working is hit harder by the lockdown with almost 25% of part-time employment in the WMCA area in the lockdown sectors compared to 10.1% of full-time employment. This is because the sectors affected (e.g. hospitality) are industries with high prevalence of part-time working conditions. Again, compared to Great Britain, the WMCA has lower employment shares in the industries directly affected.
- The higher shares of the WMCA population aged under 25 years, and in particular females in this age category, may be cause for concern given the IFS briefing findings that suggest younger workers – especially young women - are over-represented in the affected sectors. Table 2 shows that the shares of young workers are highest in Coventry and Birmingham.
- Approximately a fifth of businesses in WMCA are affected by the COVID-19 lockdown. This is equivalent to the national average. Combining the share of employment affected (less than average) to the share of businesses (same as average for GB) suggests that WMCA firms in the sector could be relatively smaller and hence more vulnerable. However, the lack of detail in the publicly available statistics makes it impossible to confirm this hypothesis.

Table 2: Number of firms and share of population most affected by COVID-19 lockdown					
Type of local area	Name	Share of 16-24	Female share of 16-24	Number of businesses	Businesses (%)
Combined Authority	West Midlands	12.9	12.5	20,530	19.4
Local Authority	Birmingham	14.9	14.8	8,790	20.0
Local Authority	Coventry	16.6	15.8	2,160	18.0
Local Authority	Dudley	9.8	9.4	2,190	19.3
Local Authority	Sandwell	10.6	10.0	2,015	19.0
Local Authority	Solihull	9.5	8.9	1,800	18.1
Local Authority	Walsall	10.6	10.2	1,730	19.2
Local Authority	Wolverhampton	10.7	10.2	1,780	19.9
LEP	Black Country			7,780	19.5
LEP	Coventry and Warwickshire			7,650	17.3
LEP	Greater Birmingham and Solihull			16,480	19.0
Combined Authority	Cambridgeshire and Peterborough	10.9	10.5	7,125	16.7
Combined Authority	Greater Manchester	11.5	11.1	27,090	22.1
Combined Authority	Liverpool City Region	11.5	11.2	12,115	23.2
Combined Authority	North East	10.8	10.3	8,300	23.3
Combined Authority	North of Tyne	12.4	11.9	7,385	23.8
Combined Authority	Sheffield City Region	12.2	11.7	9,865	20.9
Combined Authority	Tees Valley	10.5	9.8	4,750	21.2
Combined Authority	West Yorkshire	12.0	11.8	18,695	20.3
Combined Authority	West of England	14.5	14.4	8,195	18.3
Country	Great Britain	10.7	10.3	598,090	19.4

Source: Author's elaboration of data from the ONS Population Estimates and Inter-Departmental Business Register. Share of 16-24 – percentage share of the population, aged 16-24. Female share of 16-24 – percentage share of the female population, aged 16-24. Businesses (number and %) – number and share of total businesses employees in sectors directly affected by the lockdown.

Collated Recommendations for Policy

Suggestions for policy identified in the Week 2 Monitor are being considered and compiled into a ***Covid-19 Policy Recommendations Matrix*** (likely to be distributed as a separate document later in April) when there will be scope for it to be populated by stakeholders/ individuals. In the first instance up to *five key recommendations* are being identified.

The matrix is under development and currently distinctions are being made between:

Policies – as previously identified, with the opportunity to add further ideas

And for each of the policies:

Type of policy -

- Government Developed National Policy
- National Policy Option
- Regional Policy Option
- Commentary

Status -

- Being implemented
- Problem identification stage

Levers needed -

- Financial support
- Changes in legislation and/ or policy
- Direction to institutions (e.g. Banks)
- Cross cutting levers (finance, logistics, policy, etc.)

Desired impact

Other considerations (including risks)

Growth Hub Local Business Intelligence

A: HEADLINES AND ESCALATION			
BCLEP	GBSLEP		CWLEP
<p>2 main areas of enquiry highlighted by company calls this week, pertaining to Government support for businesses affected by Covid-19:</p> <ul style="list-style-type: none"> Companies have been enquiring as to how flexible furloughing of staffs can be. For example, if they receive new orders, but have furloughed staff, what is the process for bringing them back in? Similarly, companies who have furloughed staff but then have received approaches to supply/manufacture PPE equipment have enquired about the appropriate process. CBILS approach has been different by each bank/vendor. This has caused some companies to obtain Business Interruption Loans quite quickly. Others have been advised of long wait times. This has been fed back to BBB and we understand improvements to guidelines are being made on a daily basis. 	<ul style="list-style-type: none"> Businesses from all sectors in the GBSLEP region are struggling with the challenges of COVID-19. Please see detailed sector references from GBSLEP Even though the government updated the rescue plans, in particular around CBILS, businesses still need reassurance. Many are heading towards a cashflow crisis and are realising the impact of COVID-19 on their businesses will be huge and far-reaching. Businesses need access to funding and welcome the grants becoming available through their local authority. There is still some confusion and concern over which businesses are eligible for support and when the money will arrive. However, many grants remain undistributed and GBSLEP Growth Hub will be working with local authorities and running a campaign to enable businesses to access them. 		<p>During the last few weeks (since beginning of March) CWLEP has noticed an increase in the volume of enquiries from local business owners and employees needing support and information regarding the COVID-19 outbreak</p> <ul style="list-style-type: none"> In the last two weeks we have received 244 new enquiries Of those, only 13 were general enquiries (not relating to coronavirus) <ul style="list-style-type: none"> This shows that 95% of all current engagements are relating to COVID-19. When compared with the same period in 2019, we can see there is a 554% increase in engagements (with only 44 businesses engaged in the same period in 2019) <p>CWLEP Growth Hub have conducted their own impact survey to understand the needs of Coventry & Warwickshire businesses during this time.</p> <ul style="list-style-type: none"> 214 Surveys completed since 19th March 2020 211 of those are being affected in some way by COVID-19 3 have not yet been affected but feel they may be in the near future <p>Of those that have already been affected, the most common reasons are:</p> <ul style="list-style-type: none"> Decreased sales and bookings, 185. Cashflow issues, 170. Business travel, 83. Event cancellation, 65. Availability of staff, 63.
B: NEW ECONOMIC SHOCKS			
COMPANY	LOCATION(S)	SECTOR	SOURCE/DETAIL
Autins Group	Rugby	Manufacturing, Automotive	The manufacturer which supplies the automotive sector, has said that despite performance in the first five months of its financial year it has reduced staff overheads and reduced employee hours by furloughing most of its employees (https://bit.ly/39CCAbI)

Carluccio's	Stratford-upon-Avon Leamington Spa Solihull (+ Others Nationally)	Hospitality	Carluccio's has filed for administration on 30 th March 2020 (https://bit.ly/3dLee2T)
BrightHouse	Coventry Rugby Nuneaton (+ Others Nationally)	Retail	BrightHouse has filed for administration on 30 th March 2020 (https://bit.ly/3dLee2T)
Poundland	Coventry Kenilworth Rugby Nuneaton Stratford-upon-Avon Leamington (+ Others nationally)	Retail	Discount retailer Poundland is to temporarily close shops at 100 sites across the UK in response to the coronavirus pandemic. A Poundland spokesperson said: "Poundland is addressing the disruption caused by coronavirus by placing about 100 of its stores into temporary hibernation this week(https://bit.ly/3dFYaQ1)
Countrywide Tax and Trust Corporation	Leamington Spa	Financial Advice and Professional Service	One of the UK's top providers of legal advice and tax guidance is moving into a £2.5m headquarters in Warwickshire after moving from its home of the last 15 years. Countrywide Tax and Trust Corporation has bought Gables House in Kenilworth Road, Leamington Spa:(https://bit.ly/2xJwVDq)
Debenhams	Coventry Nuneaton Leamington Spa Rugby (+ Others Nationally)	Retail	Debenhams, which employs 22,000 people, could be placed into administration next week, according to reports. Shareholders have drawn up a plan to call in administrators to protect the retailer from the effect of the coronavirus crisis(https://bit.ly/2V4bJAe)
JLR	National	Automotive, Engineering, Manufacturing	Jaguar Land Rover has extended the shutdown of its UK factories because of the Covid-19 pandemic:(https://bit.ly/2V6rHKc)

C: NEW INVESTMENT, DEALS & OPPORTUNITIES

COMPANY	LOCATION(S)	SECTOR	SOURCE /DETAIL
RSM Partners acquired by BMC Software/USA	Bromsgrove	Technology	Bromsgrove-based RSM Partners has been sold to to US-based BMC Software, a global leader in IT solutions. https://bit.ly/2x5JjOf
Mettis Aerospace	Redditch	Aerospace	WMGC assisted Mettis with expansion, creating 12 jobs. https://www.pesmedia.com/mettis-aerospace-redditch-factory-nears-completion/
TechTalent Academy	Brindley place, Birmingham	ICT / Education	WMGC assisted TechTalent with their investment creating 14 jobs
Hadley Group	Smethwick	Steel Manufacturer	Hadley Group have recently put in great effort to support the construction of a new facility at the ExCel in London called NHS Nightingale. The critical new medical centre aims to provide up to 500 beds equipped with ventilators and oxygen to help aid the fight against Coronavirus.
Acts of Kindness Foodbank	Redditch	Charity	A Redditch food bank has secured bigger premises just in time to cope with a huge surge in demand as a result of the coronavirus

			crisis. The Acts of Kindness food bank was already looking for new premises before the virus but is now set up in its new home on Church Green East just in time to provide urgent help for those in most need. (https://bit.ly/2Jw5q2V)
The GP Service	Coventry	Medical Technologies	More than £900,000 has been raised by a private equity-backed Coventry company which allows patients to see a UK-based doctor online. (https://bit.ly/3441aB2)
Severn Trent	Coventry	Utility Services	Severn Trent is in "robust financial position" after securing a £200m boost. The utilities giant added that its performance has reported "no material change" since its latest update at the end of January. (https://bit.ly/2UVCpTt)
Kite Packaging	Coventry	Packaging Services	A Coventry company has taken just a week to devise, design and supply a new protective face visor for the NHS – with 10,000 units dispatched within seven days. (https://bit.ly/2JAAui7)
Exeter Analytical	Coventry	Technical Testing and Analysis	A specialist laboratory in Coventry which has won new contracts and extended its workforce after investing in a state-of-the-art instrument is planning to target more world-wide business (https://bit.ly/345jkmh)
JLR	National (Gaydon, Warwickshire)	Automotive, Engineering, Manufacturing	Jaguar Land Rover has turned over its prototype build operations to start production of protective visors for keyworkers to help in the fight against coronavirus. The only reusable, NHS-approved visor of its kind, the design has been developed in consultation with a team of NHS healthcare professionals for rapid prototype printing at the Advanced Product Creation Centre in Gaydon, Warwickshire (https://bit.ly/2wRqoXw)
Häfele UK	Rugby	Manufacturing	Furniture fittings and hardware company Häfele UK has appointed three new senior consultants as part of the German Group's mission to improve its specialist project services (https://bit.ly/2URuM0k)
Wharton Natural Infrastructure	Alcester	Environmental Services	Midlands environmental consultancy Wharton Natural Infrastructure Consultants has move into larger premises. Wharton Natural Infrastructure Consultants provide topographical surveys, tree and ecology advice (https://bit.ly/34kkr1p)
Stepnell	Rugby	Construction	Construction firm Stepnell has provided University Hospitals Coventry and Warwickshire with Personal Protective Equipment (PPE) in a bid to support key workers on the front line of the COVID-19 crisis. The company's Midlands office donated 30 pairs of brand new goggles and 15 FFP3 face masks to help protect medical staff (https://bit.ly/2RfPFRV)
Medic Bleep	Stratford-upon-Avon	Medical Technologies	A Warwickshire company whose app is replacing pagers in NHS hospitals is seeking to raise £500,000 to expand further. Medic Bleep is headquartered in Stratford-upon-Avon and is currently used by 4,200 NHS staff. It has so far raised £466,300 through 191 investors on Crowdcube with 19 days of the campaign still to go (https://bit.ly/2UJ5wKZ)

D: BUSINESS INTELLIGENCE & STAKEHOLDER FEEDBACK		
LOCATION(S)	SECTOR	SOURCE/DETAIL
GBSLEP	Retail	<ul style="list-style-type: none"> • Common themes include stores that have big overheads but no income. • Businesses are struggling to pay rents, and some are being put under pressure by landlords, despite not being able to be evicted before June 30th under covid-19 act. • Other companies have made losses on stock that they can no longer sell. • Some are able to stay open for online orders. One business says they are “worked off their feet” as they have a “skeleton staff”. • One quote: “we are hearing that some shop only businesses in our sector will never reopen”.
	Business, Professional and Financial Services	<ul style="list-style-type: none"> • Companies in need of financial support, one business noted they have had difficulty contacting their local branch account manager. • Marketing company reported that they need immediate funds to furlough staff or they will go bust as they can’t access a loan to pay it.
	Education	<ul style="list-style-type: none"> • Recruitment company in the Education sector has had to furlough staff. • One business in this sector has a rateable value too high to qualify for the 25k grant.
	Charity	<ul style="list-style-type: none"> • Charity working with young people in the area has now had to stop all fund-raising activities and are struggling to survive.
	Construction	<ul style="list-style-type: none"> • A lot of sole traders in this sector are looking to apply for the Covid 19 small business grant. • One company needs to complete on a commercial mortgage, wonders whether CBILS could step in because original lender is taking too long.
BCLEP	Manufacturing	<ul style="list-style-type: none"> • Many businesses looking to apply for grants, and require information on how to do so. • Other businesses have asked about guidance on furloughing staff and flexibilities around temporary return to work if required.
	Information and Communication	<ul style="list-style-type: none"> • A business has received grant support. • Another business is looking to recruit more staff, and are looking to speak with growth hub network and match funding to recruit staff.
	Wholesale and Retail	<ul style="list-style-type: none"> • Many businesses want to apply for Covid 19 grant. • Others require information on job retention scheme. • Some businesses have had a decline in sales.
CWLEP	Retail	<ul style="list-style-type: none"> • Some areas of the sector have no sales, and no turnover, and have had to let staff go and put others on furlough payment. • Others suffering from cash flow issues. • Businesses are looking to find out if they are eligible for the cash grant.
	Manufacturing	<ul style="list-style-type: none"> • Businesses have reported that they have been affected by the supply chain. • Others have reported limitation of availability of staff. • Confusion amongst some businesses over who to reach out to in order to get financial support. • One firm who manufactures food production systems have had a huge surge in demand, and have had to send all office workers to work from home.
	Self Employed	<ul style="list-style-type: none"> • “There really is no support for self-employed childminders”. • Some concern about the government’s policy of 80% of earnings for self-employed, as this “barely amounts to anything” for some.
	Care	<ul style="list-style-type: none"> • One business who provide care fear they won’t be able to re-open. They still have to pay rent and have no funds coming in.
	Business, Professional and Financial Services	<ul style="list-style-type: none"> • One business in this industry reported that banks were making it difficult to apply for business interruption loans, and ramping up interest rates on them so that it is impractical to envisage repaying in a reasonable timeframe and putting even more pressure on small businesses to have to repay such loans during any recovery period.

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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