

# West Midlands Weekly Economic Impact Monitor



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

## Key Issues

- WM PMI has dropped to an all time low at 10.9 and it is expected that there will be a recession deeper than ever before with [the largest GDP drop](#) since records began. The IMF predicts a global hit to GDP of 6%.
- Across England and Wales the overall registered death figure has decreased from 21,997 in the week of the 24<sup>th</sup> April to 17,953 in the week of 1<sup>st</sup> May. The number of deaths registered that state Coronavirus on the death certificate has also experienced a decrease from 8,237 people to 6,035 people over the same period.
- Regional level analysis shows that the West Midlands overall registered death figure has decreased from 2,481 people in the week 24<sup>th</sup> April to 1,975 in the week of 1<sup>st</sup> May. The number of registered deaths related to Coronavirus has decreased from 880 people to 651 over the same period. 53% of deaths occurred in hospital (significant drop from previous weeks) but care homes deaths continue to rise now at 40.5%. The UK has the highest official death toll, but work by the FT and Public Health England has raised the issue that excess deaths are double normal death rates, which could mean the official statistics are estimated to be around 30% lower than actual death through direct and indirect effects. By occupation the care and medical sector are most exposed, are lowest paid, more likely to be women and BAME.
- There have been 2.3 million Universal Credit claims nationally, 700k are new. The challenge of levelling up is likely to be exacerbated as poorer areas are less resilient. 24% of adults say the virus is affecting their household finances, the most common concern is reduced income (70%) and using savings to cover living costs (30%) and using credit is increasing. 43% of jobs in the region are in frontline sectors in low paid, insecure employment. 14.8% of jobs are in vulnerable sectors.
- This emphasises the increasing risks associated with the return in consumer spend, due to strained household finances and stretched credit. This will increase poorly performing debt in banks and missed payments.
- Reviewing the effects of the 1918 pandemic, it came in 3 peaks, the second more deadly than the first and took 2 years to play out. However it hit the working age population harder and affected the social fabric due to impact on children and elderly left behind. Life expectancy dropped, there were higher death rates in the poor, disadvantaged communities (suffering poor health, lack of healthcare and crowded living conditions). Only later did clearer patterns emerge, with variability attributed to inequalities of wealth and social status. Bad diet, crowded living created an environment where the poor, immigrants and ethnic minorities were more susceptible to infection. As a result cities were hit harder (as we are seeing today). Higher deaths were related to secondary infections as pre-antibiotics and less developed health systems. It caused considerable destabilisation as populations lost trust in governments and the effects of inequality became apparent. It also prompted a wave of workers strikes and anti-imperialism as a reaction to rising inequality.
- Across various business surveys main messages are: cash reserves being used and rapidly depleting with timeframes reducing on how long they will last; workforces on the whole so far have stayed the same and furloughing has stabilised, however this may change with the announced extension. Redundancies remain low, but hours are reducing, drop in contract staff and significant homeworking.
- Credit is still a significant issue with a lack of confidence in the supply chain which needs addressing otherwise supply will grind to a halt. Payment terms are continuing to be extended with examples going from 7 to 70 days.
- The university sector is now seen as a significant issue especially to local supply chains and the reliance of places on them for employment and student spend. In Coventry and Warwickshire 1 in 4 residents rely on the university sector.
- Revenue continues to fall but at a slower rate. However still using cash reserves; Chamber research highlights 63% seeing a decline in reserves (this is down on last week) the length of time they see reserves lasting has increased, suggesting some of the freefall has stabilised.
- Businesses were asked how much time they would need to prepare for either a partial or complete end of the lockdown – this remains broadly the same with only 20% able to open immediately. 21% have Business Interruption Insurance but were unable to make a claim. 47% do not have the insurance. No firm had made a successful claim
- Applying the OBR forecasts to the regional sector jobs means the Public Sector (including Education) and the cultural/visitor economy are the highest risk of impact. Life sciences and healthcare are expected to be the most resilient, but will take the brunt of the human impact. In terms of business the cultural economy and the public sector are most at risk. There is still a high risk of redundancies, especially with extended international quarantines and impact on car manufacturing, with Rolls Royce potentially looking at 8,000.

## Summary of suggested interventions generated this week

### Latest issues raised for interventions to manage risk:

Most issues have been addressed through policy and interventions however some remain outstanding

- Credit risk through supply chains
- Clear guidance on returning to work, and appropriate, transport, childcare and PPE supply for businesses

### Businesses are now looking for support for recovery:

- An initial review of past actions and activities has flagged up a number of areas to explore further. Policies include governments have support for helping failing companies; the importance of place approaches responding directly to need and encouraging risk in policy; improving liquidity; the use of mutual guarantee and peer-to-peer lending schemes to solve credit issues; R&D credits can thwart wider R&D firm impacts in recession so needs wider business support; the need for government to be an active entrepreneur in innovation; workplace social distancing is an effective measure to reduce transmission. These point to the need for task forces to develop interventions, supporting business to support each other, including mutual guarantee society model; examination of RDA interventions suggests adapting interventions they already had and rapid response worked well.
- Coming out of lockdown has been largely left to businesses to decide, which risks uneven approaches. There is a need for good business support to help businesses prepare and move to opening.
- There is still a need for support on how to reshape businesses to deal with recovery – i.e. restrictions on international movement, understand new markets and opportunities, improve their use and application of technology to build on changes already established. Programmes to develop support to create opportunities for diversifying their income and de-risk their business and invest in long term R&D and technology implementation. Also guidance on supply chain resilience and re-shoring; altering the way they work with international suppliers under the longer term social distancing rules and lack of trade missions.
- Support for universities as anchor institutions, especially where they support local economies and labour markets, such as in WM. A strategic funding package that prevents at risk universities collapsing; increase and speed up allocation of research funding; package of support with international recruitment and online learning.

We are looking to publish a special issue of the monitor reviewing policy options and international examples of interventions – building on some features in earlier monitors.

## Global and National Outlook

### Global Outlook

Modelling the effects of a pandemic are difficult as there is so much uncertainty. Previous pandemics forecasts have [varied wildly](#). A recent [review](#) looked at the effects and showed in 1918, where data was good the poor never recovered, employment income rebounded quickly but was responsible for a 6% decline in GDP, reversed after 2 years, similar to the [IMFs current predications](#). Early lifting of social distancing in 1918 led to 2<sup>nd</sup> and 3<sup>rd</sup> waves, which might have a greater effect in today's service based economy.

Russia has [capped grain exports until July](#) after government export quotas were reached to head off a spike in food prices on the domestic market. The grain quota has stoked food security concerns, as Russia is the largest exporter of grain and wheat in the world. Earlier in April the Russian government approved seven-million-ton caps on exports of certain crops. The restrictions, intended to secure the domestic food market, apply to such essential crops as wheat and maslin, rye, barley and corn. The new quotas are effective from April 1 to June 30.

[In the United States](#), the White House is pushing ahead with reopening plans, even saying that another rise in virus cases won't prompt another shutdown. The unemployment rate has soared to 14.7% in the US with a record 20.5 million Americans losing their jobs in April. This is the most sudden and largest decline since the data begin to be collated in 1939.

Across the globe attention is beginning to turn to recovery but the road to any sort of meaningful economic rebound is looking arduous and likely to last for the whole year. Global central banks seem willing to do more, with the [Swiss National Bank to pledging more stimulus](#) to China's central bank indicating a willingness offer greater support. The US Federal Reserve has the disturbing and seemingly unsurmountable challenge of how to support the tens of millions who have already lost their jobs, plus the possibility of millions more losing their jobs as the economic situation worsens in May.

### National Outlook

It has been confirmed that [the UK has the highest official European death](#) toll as a result of the pandemic. It means the country surpassed Italy as the worst-affected country, and is only second to the US. However, caution should be maintained when comparing international figures, as the data is collated differently, and what is included varies also improvements in data collection are affecting data quality and continuity, creating issues with comparability.

The Prime Minister announced the [Government's phased plan to reopen the economy](#) and ease lockdown measures. Amongst the immediate changes are people who can't work from home are now being urged to go to work if possible, in an attempt to get the economy moving again. Without published safety guidelines this is likely to face resistance from Labour unions and Labour politicians. People will also be allowed to take unlimited amounts of exercise from Wednesday.

In a televised address Prime Minister Boris Johnson said that very young children could be back at school by June 1, with older children having some time back with their teachers before the summer break to help prepare for their exams. The measures are all dependent on new infection numbers and the R rate falling.

### Regional Outlook

In the West [Midlands hospital admissions and new cases continues to fall](#), revealing that the region has passed the peak of the epidemic. Thoughts are thus turning to the region's economic recovery. One consideration is how to ensure large city conurbations are able to commute whilst maintain social distancing measures. With this in mind, E-scooters are set to appear on West Midlands streets in a trial to help get the region moving once lockdown measures are eased. The Government has chosen four [Future Mobility Zones in the UK](#) – the West Midlands; West of England Combined Authority; Portsmouth and Southampton; Derby and Nottingham.

As reported throughout the West Midlands private sector economy has been under greater pressure in April and this is demonstrated in [recently released PMI](#). Business activity in the region has collapsed, falling at a rate unregistered since PMI data collection started over two decades ago. [The headline West Midlands Business Activity Index, covering](#) the region's manufacturing and service sectors, fell from 36.1 in March to 10.9 in April. The latest reading thus indicates an unprecedented and stark rate of decline in output. The region was among the hardest hit in the UK, with only Northern Ireland, Scotland and the North East reporting steeper declines in business activity since March.





## Latest National Statistics - business

### ONS weekly release (national and no sector breakdown and detail in appendix)

Based on an update of the new weekly survey of businesses which is statistically representative at the national level (sample 17,623 and a response rate of 35%):

- 23% have temporary closed or paused, this is particularly in arts, entertainment and recreation (19.5%) and accommodation and food (80.6%)
- 57% in the accommodation and food service activities sector and 45% in construction have reported their turnover had decreased by more than 50%.
- 54% of businesses in the information and communication reported their turnover had been unaffected
- The accommodation and food service industry which had the highest percentage of businesses applying for the Coronavirus Job Retention Scheme at 87% with 73% of the workforce furloughed. This is followed by construction at 81% applying for the scheme and 46% of the workforce furloughed and then the transportation and storage industry at 77% applying for the scheme and 42% of the workforce furloughed

## Regional Outlook

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

Businesses surveyed 98. 97% less than 250 staff, 38% employ 1 to 9 staff and 12% sole traders. 58% do not export, 53% did not import. 27% Professional Services and 27% manufacturers (slightly above regional sectoral breakdown for manufacturing)

- 59% saw a fall in revenue, this has improved on last week. 53% drop in international revenue, 45% of which said this was significant (this significance is higher than last week).
- 63% saw a drop in cash reserves (higher than last week), and 30% expect cash reserves to cover 1-3 months (this is significant higher than last week), 29% 3 to 6 months, but 13% could only cover a month (an increase from 14%); 4% have no cash reserves
- 68% said the workforce remaining the same (similar to last week which may reflect furlough kicking in), 31% cited a drop in hours worked (as last week)
- 23% said they would not furlough staff and 10% expect to furlough the entire workforce (a drop on last week). Of those intending to apply, 76% said they had submitted a claim and received the funding (an

increase of 13%) and 6% submitted with no response yet (a decrease of 7%). 2/3<sup>rd</sup> said they could unfurlough their staff as needed.

- 22% reported a drop in apprenticeship activity and training.

Support measures - 19% already secured business rates holiday (an increase on last week). 18% aware but not planning to apply (a significant fall from 55% last week). 8% of firms were planning to use the self employment income support scheme (after 2 weeks of increase this has dropped significantly this week). 39% deferred VAT payment (an increase on last week and one of the most successfully taken up measures) and a further 13% are planning to; 7% planning to apply for the grant scheme (less than half last week's %) and 16% had already applied; 12% applied for SSP (double last week) and 19% preparing to apply for the HMRC extension.

12% of firms had attempted to access the Bounce Back Loans Scheme and 22% were planning to. But 63% no plans to apply. Of those 49% felt they had enough levels of cash/funding, and 19% wanted clarity on lockdown and 19% concerned about being able to pay it back. 55% said they were using it to cover everyday options. 18% successful in securing 64% awaiting a decision.

21% have Business Interruption Insurance but were unable to make a claim. 47% do not have the insurance. No firm had made a successful claim.

42% said they would need a week to prepare to end lockdown. 27% 1 to 3 weeks and 20% no preparation. Half had provisions in place for PPE. 77% thought they could introduce social distancing measures. 24% could introduce staggered travel and 47% could introduce remote working.

## Sectors most at risk in the region

### Megan Boem – Black Country Consortium

Highlighted in purple, the following table shows the sectors where the WMCA (3 LEP area) has a higher percentage of jobs when compared to the England average – this includes advanced manufacturing and engineering (11.4% vs 8.0%), the public sector including education (13.1% vs 12.9%) and logistics and transport technologies (5.9% vs 4.9%).

In order to determine which sectors are currently most vulnerable we have applied the broad sector analysis from the Office for Budget Responsibility scenario<sup>1</sup> to the 10 main sectors for the WMCA. The table also shows on a red-green shading scale which sectors will be potentially affected the most and how much that sector accounts for the overall total. This headline analysis suggests that the public sector (including education) and the visitor economy sector will be the sectors most impacted from the Coronavirus. Analysis suggests that the life science and healthcare may be the only sector that will be unscathed, but notably also one of main sectors that has taken the brunt of the human impact from Coronavirus.

Sector	WMCA (3 LEP) Jobs	% WMCA (3 LEP) Jobs	England Jobs	% of Total England Jobs
<b>Advanced Manufacturing &amp; Engineering</b>	209,400	11.4%	2,083,450	8.0%
Business, Professional & Financial Services	402,040	21.8%	5,962,000	22.9%
Construction (Building Technologies)	121,000	6.6%	1,832,000	7.1%
Cultural Economy inc. Sports	135,150	7.3%	2,569,000	9.9%
Digital & Creative	49,320	2.7%	1,151,000	4.4%
Low Carbon & Environment Technologies	28,615	1.6%	471,850	1.8%
<b>Life Sciences &amp; Healthcare</b>	239,000	13.0%	3,306,000	12.7%
<b>Public Sector inc. Education</b>	242,000	13.1%	3,342,000	12.9%
<b>Retail</b>	306,000	16.6%	3,983,000	15.3%
<b>Logistics &amp; Transport Technologies</b>	109,355	5.9%	1,279,000	4.9%
Total	1,846,000		25,979,300	

### Enterprises

Also highlighted in purple in the following table shows the sectors where WMCA has a higher or the same percentage of businesses when compared to the UK average – including retail (16.7% vs 14.3%), life science & healthcare (4.4% vs 3.8%) and advanced manufacturing & engineering (7.0% vs 5.1%).

Sector	WMCA (3 LEP) Enterprises	% WMCA (3 LEP) Enterprises	UK Enterprises	% of Total UK Enterprises
<b>Advanced Manufacturing &amp; Engineering</b>	10,095	7.0%	137,355	5.1%
Business, Professional & Financial Services	48,860	33.8%	924,515	34.0%
Construction (Building Technologies)	18,855	13.0%	387,125	14.2%
Cultural Economy inc. Sports	10,180	7.0%	224,565	8.3%
Digital & Creative	9,245	6.4%	226,210	8.3%
Low Carbon & Environment Technologies	3,765	2.6%	164,195	6.0%
<b>Life Sciences &amp; Healthcare</b>	6,340	4.4%	102,000	3.8%
<b>Public Sector inc. Education</b>	2,745	1.9%	51,995	1.9%
<b>Retail</b>	24,225	16.7%	389,105	14.3%
<b>Logistics &amp; Transport Technologies</b>	10,445	7.2%	111,360	4.1%
Total	144,755		2,718,425	

**There will be further work in developing a robust place based methodology for assessing the vulnerability of the West Midlands economy as part of the ongoing evidence base**

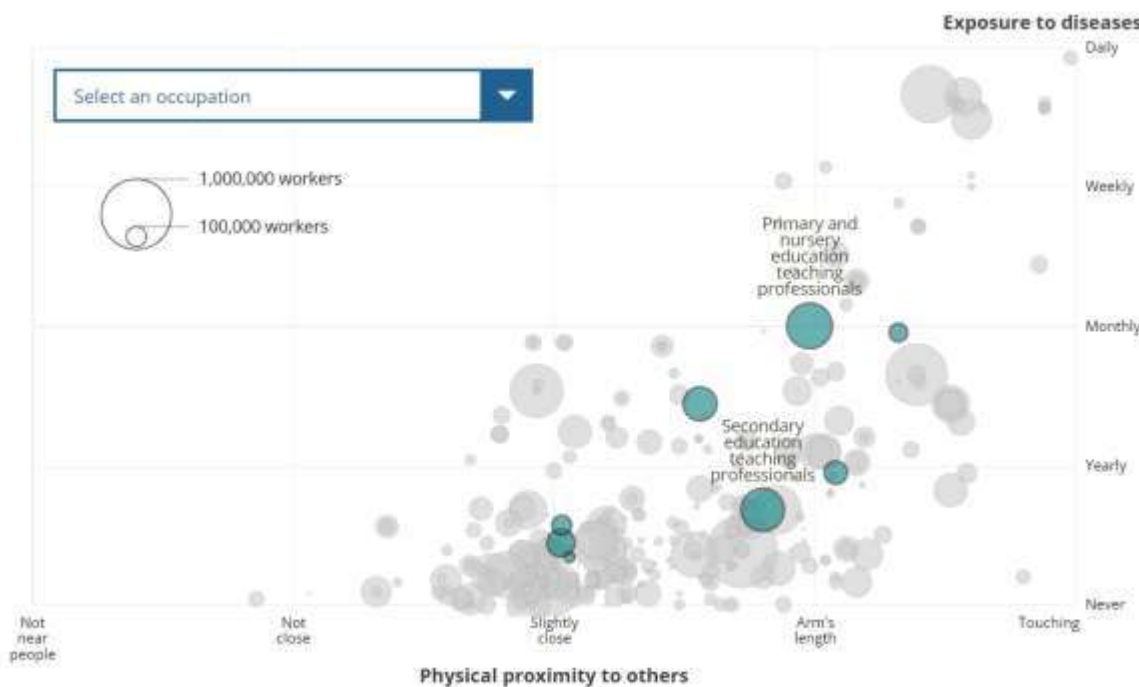
<sup>1</sup>The scenario is based on an assumption of a three-month lockdown, followed by three months of partial restrictions in the transition to normality, shows a 35.1% reduction in GDP in Q2 2020 (April to June), following growth of 0.2% in Q1 2020, with a yearly contraction of the UK economy of 12.8%. Sector Source: Business Register and Employment Survey, 2019 (2018 data) and UK Business Counts, 2019 (snapshot of the Business Demography dataset based on 2019 data). Due to rounding the total may not fully align back up.



## Exposure Impact on Occupations

Rebecca Riley – ONS employment and labour markets

ONS have taken analysis by the US on the impact of the virus on occupations, looking at the need for PPE. This work looks at occupations where close proximity is required and regular exposure. There is a clear correlation between exposure and proximity across all occupations. The interactive tool allows you to select occupations as below:



Source: ONET - US Department of Labor, Annual Population Survey and Annual Survey of Hours and Earnings - Office for National Statistics

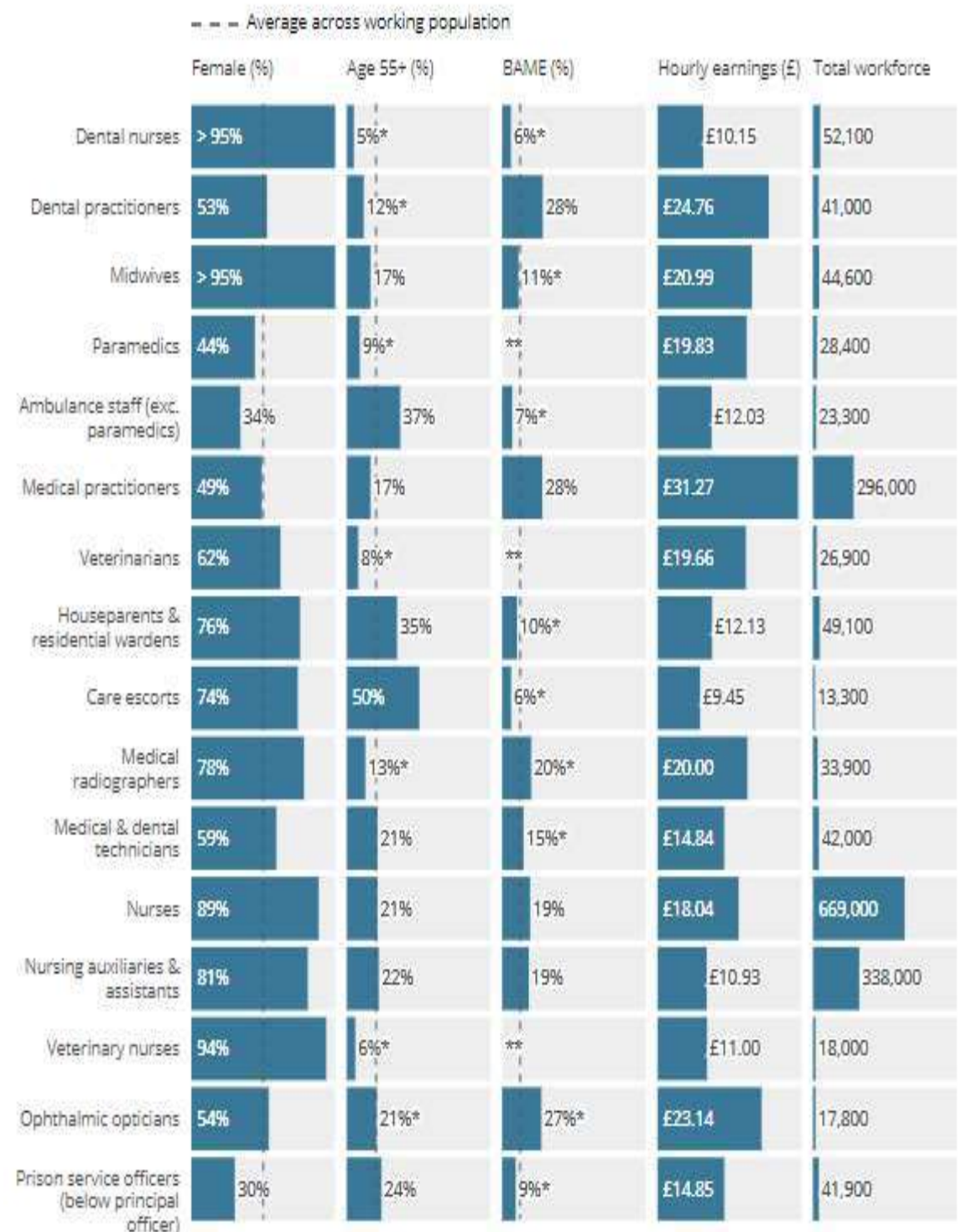
In this selection you can see that primary teachers are both more exposed and require more physical proximity to secondary teachers. This tool can help assess what the needs of a workforce might be in terms of social distancing. The vast majority of the occupations most at risk are in healthcare. There are more women working in exposed occupations. These include dental nurses, midwives, and veterinary nurses, where women make up the majority of workers.

The chart below compares characteristics of the highest exposure occupations. 1 in 5 are aged over 55, similar to the general population. However half of care escorts (assistants) are aged over 55. Workers of this age are also over-represented in other care support occupations, such as those in residential childcare and prisons.

Reflection back on last week’s look at the effect on BAME community, 1 in 5 in high risk occupations are from black and minority ethnic groups, double the average of those groups in the population. These groups make up around a quarter of dental practitioners, medical practitioners and opticians. And over represented in nursing, radiography, and medical and dental technicians.

Out of the 16 high risk occupations 6 have a median pay of lower than the average across the UK. Care assistants, dental nurses and auxiliaries and assistants have the lowest median pay.

## Characteristics of workers in highest exposure occupations



\* Data is based on low sample sizes and should be used with caution

\*\* The sample size is too small to produce a reliable estimate

Source: Annual Population Survey and Annual Survey of Hours and Earnings - Office for National Statistics

This occupational analysis illustrates the need for appropriate PPE in sectors and also the need in sectors which are currently closed. Where some occupations are not being directly exposed but work in constant contact, such as hospitality roles like bar staff, chefs and hairdressers. Because of the nature of these roles requiring close contact, employees may be more likely to come into contact with someone who has covid19, but most of these occupations are currently closed.

## Innovation

### Chloe Billing full details in appendix

One of the long term impacts on the region's business base is innovation, as firms are unable to invest and lack incentive to innovate. However more innovative firms are better able to adapt and compete in difficult circumstances. They employ higher skilled more productive and higher paid staff and produce bigger multiplier effects as a result. How does the WM perform in terms of innovation resilience?

1. 52% of firms in the region are 'innovation active' and slightly above the national average of 49% and 4<sup>th</sup> in all regions and devolved nations. Innovation active firms fell by 58% in the last recession, therefore we should expect the same effect now
2. 'Availability and costs of finance', together with 'innovation costs' and perceived 'economic risks', are the most common barriers to innovation. Contributing to the cost is the unequal regional distribution of funding for research and business R&D to the golden triangle. 52% of gross domestic expenditure on R&D goes to London, South East and East. West Midlands only receives 8%. The presence of research intensive universities in the region helps win research funding, GBSLEP sits in the top 10 of the LEPs outside London.
3. Most common factors driving innovation reported were improving product/service quality, replacing outdated products/services, and increasing value-added. The economic uncertainty and unstable market conditions post COVID-19 are likely to influence the motivations for West Midlands firms to innovate, with 'reducing costs per unit produced' and 'improving production flexibility' expected to take precedence, as firms focus on cutting costs and becoming more resilient to future shocks
4. The region is taking an evidence based approach to support by taking part in the MIT REAP programme to strengthen the regional ecosystem.

## Qualitative Intelligence – West Midlands

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

**Financial support-** Many of the key issues of previous weeks, have been responded to in government policy, especially the changes to furlough this week. Some issues remain:

- Credit is still a significant issue with a lack of confidence in the supply chain which needs addressing otherwise supply will grind to a halt. Payment term are continuing to be extended with examples going from 7 to 70 days
- The university sector is now seen as a significant issue especially to local supply chains and the reliance of places on them for employment and student spend

(especially international and UK students who move into the area, which may not happen due to international travel effects and social distancing measures)

- Interventions delivered by banks are starting to now hit bank accounts of businesses, but the process is slow and doesn't cover everyone. The process and decision making can vary by bank - i.e. how separate businesses owned by one director are treated.
- Impact on sole traders and sole directors, is still an issue and the sector is now becoming increasingly vulnerable and needs still aren't met by current interventions
- Loans are now propping up cash flow and there will be no cash for investment for recovery and any associated costs. This is an important issue for getting supply chains in place, changing business models, seeking advice or managing debt going forward.

**Recovery** - Guidance for recovery has been published and businesses are starting to process what it means for them but new concerns are now emerging:

- Although there is a timescale for the lockdown this is still uncertain
- Businesses are looking at social distancing plans but implications are wide ranging and create significant issues for the way businesses currently carry out day to day activities
- Schooling, childcare and transport are the main issues for businesses reopening and retuning to work
- How to safely lift restrictions and ensure they have a healthy working environment, guidance is largely leaving to businesses to decide on the need for PPE within their particular circumstances but this still leaves issues regarding consistency and implementation. Unions are criticising this approach as it leaves employees exposed to risk depending on employer actions and approaches.
- So far there isn't guidance and support on how to reshape businesses to deal with restrictions on international movement, understand new markets and opportunities, and improve their use and application of technology to build on changes already established.
- Guidance on supply chain resilience and re-shoring is needed, as well as altering ways of working with international suppliers under the longer term social distancing rules and lack of trade missions. Investment in tech based relationship development, opportunity under this accelerated lock down environment.
- Issue (especially for manufacturing and automotive) that we are getting through this to then deal with Brexit and then hit emissions changes in 2021, so creating a constant set of hurdles for the industry.



### Federation of Small Business Update

**One in three closed small firms fear they'll never reopen amid widespread redundancy plans** - New Federation of Small Businesses (FSB) survey of over 400 West Midlands firms lays bare the impact of coronavirus pandemic.

- One in three small employers consider redundancies as they struggle to pay bills, shelve exports and pause product development
- Four in ten (41%) have been forced to close since the beginning of the coronavirus outbreak in the UK. Of those that have closed, 36% are not sure whether they will ever reopen again.
- For those small businesses paying a mortgage or lease on their premises, over a quarter (27%) have failed to make, or faced severe difficulties in making, rent or mortgage repayments as a result of the pandemic's economic impacts.
- A similar proportion, 21%, have had to shelve product development plans. Among exporters, 17% say they have had to either reduce or cancel international sales.
- In response to the strain being placed on them, more than one in three (37%) small employers are considering, or have already made, redundancies.
- Seven in ten (69%) small employers in the West Midlands have furloughed staff to aid the survival of their business, illustrating the extent to which the Job Retention Scheme has protected the livelihoods of

millions as economic activity has slumped.

- As initial efforts are made to switch the economy back on, three quarters of these businesses say the ability to partially furlough workers would benefit them. Of these, almost half (49%) say they want to bring staff back gradually, and one in three (31%) in the West Midlands say it would keep their business viable.

The new study also highlights those within the small business and self-employed community that have struggled to access government-initiated support.

- Among small firms that pay business rates, one in seven (14%) say their landlord charges them for rent and business rates in a single recurring bill, meaning they risk missing out on cash grants linked to the payment of rates.
- Close to one in ten (8%) of business owners in the West Midlands have applied for universal credit, with close to a third (29%) having their applications rejected.
- Meanwhile, of those small business owners that say they are not using the Self-Employed Income Support Scheme, the majority (68%), say this is because they are directors of limited companies. FSB continues to make the case for support for those excluded from existing grant schemes, including by calling for increased access to improved local hardship funds

### IOD Coronavirus : Directors Priorities



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## Coronavirus: Directors' Priorities

*The IoD has been working hard on behalf of its members to give government a clear picture of how the coronavirus outbreak is affecting business on the ground, and pushing for support where it's most needed. A package of measures has been announced, but more needs to be done.*

? SUPPORT MEASURE	✔ WHAT'S HAPPENED SO FAR	🔄 MORE TO BE DONE?
<b>Time to Pay</b>	Firms can contact HMRC to defer tax payment, inc. VAT and self-assessment	Firms are getting deferrals, delays on helpline are diminishing
<b>Insolvency rules changed</b>	3 month suspension of wrongful trading provisions (from 1 Mar)	Legislation still to be enacted
<b>IR35 delay</b>	IR35 implementation delayed until April 2021	Better guidance needed to protect genuine contractors
<b>Interest rate cut</b>	Bank of England supported lending, citing IoD Policy Voice research	More liquidity may need to be offered to lenders
<b>Loans for businesses</b>	CBILS scheme provides 80% gov-backed loans to firms <£45m turnover	Money has been slow to reach firms, clarify lending criteria
<b>Wage support</b>	Gov to pay 80% of furloughed workers' wages up to £2.5k/month	Improve HMRC portal, clarify furloughed directors' role
<b>Self-employed income support</b>	Gov to pay 80% of profits up to £2.5k/month for those who make <£50k p.a.	Launch scheme, contact those eligible
<b>Grants for businesses</b>	Grants awarded to particular firms, discretionary fund launched	Clarify how discretionary fund will operate
<b>Forbearance from banks</b>	Some banks are actively easing restrictions on loans and payments	Many businesses still struggling to get support from banks
<b>Tax reliefs</b>	Business rates relief is available to certain firms	Extend rates relief to more sectors, and provide other tax reliefs if necessary
<b>Support for start-ups</b>	Gov announced a £1.25 billion package for innovative firms	Get payments up and running, cover more small firms
<b>Bounce Back loans for SMEs</b>	Accelerated 100% gov-backed loans up to £50k	Scheme launched, accredit more lenders and clarify lending criteria
<b>Roadmap for reopening economy</b>	Businesses want clear guidance on plans for easing of lockdown measures, health and safety requirements	Publish roadmap, outline directors' responsibilities
<b>Director income support</b>	Directors are eligible to be furloughed based on PAYE salary	Extend support to cover company dividend income
<b>Support for firms without premises</b>	Only some firms with premises are eligible for rates reliefs and grants	Grants could be extended to small firms without premises, renting

For the latest information and advice related to the impact of coronavirus on business, please visit the IoD's dedicated Coronavirus Business Support Hub.

[iod.com/coronavirus](http://iod.com/coronavirus)



## Latest National Statistics - society

### ONS weekly release (national and detail in appendix)

17<sup>th</sup> to the 27<sup>th</sup> April

There have been 2.3m individual claims and the DWP have paid 815,000 advance payments – with an estimated 691,000 of these new claim and benefit transfer advances.

- 23% of adults stated that Coronavirus was affecting their household finances, a slight decrease from the previous survey results (24%). The most common concern on household finances continues to be a reduced income at 70%, with 30% using savings to cover living costs and a further 16% borrowing money or using credit.
- 82% of adults reported they had not left their home (a slight drop on the previous week)
- 81% reported they strongly supported the measures (a drop on the previous week)
- 32% reported self isolating
- 94% maintaining social distancing and 92% avoiding contact with others
- Anxiety levels remain the same and those who felt their wellbeing was being affected has decreased
- 25% reported they were concerned about the strain on their relationships and 22% felt they were spending too much time with others in their household and 30% too much time alone

However where these jobs are varies, with Solihull the hardest hit at 16.2%

- The older population is at greatest risk and the region has less than average numbers in this group, at 8.5% and 7.4% of WMCA area. Again Solihull is hit hardest by this risk.
- 1 of the WMCA population has a mental health illness which is slightly higher than the region and national average at 0.9%. With Birmingham the highest at 1.2%. Social distancing and isolation can have a detrimental impact on this.
- 0.8% of the population in WMCA are under treatment for drug and alcohol misuse, with 0.66% at the regional level. They people are potentially at higher rise of the effects of the virus due to underlying health issues.
- The WMCA 7 met area has a significantly higher homelessness level (3.46) than the region and national. With Birmingham having the highest rate at 6.7 per 100,000 households.

## Wider Social Impacts – Public Health England

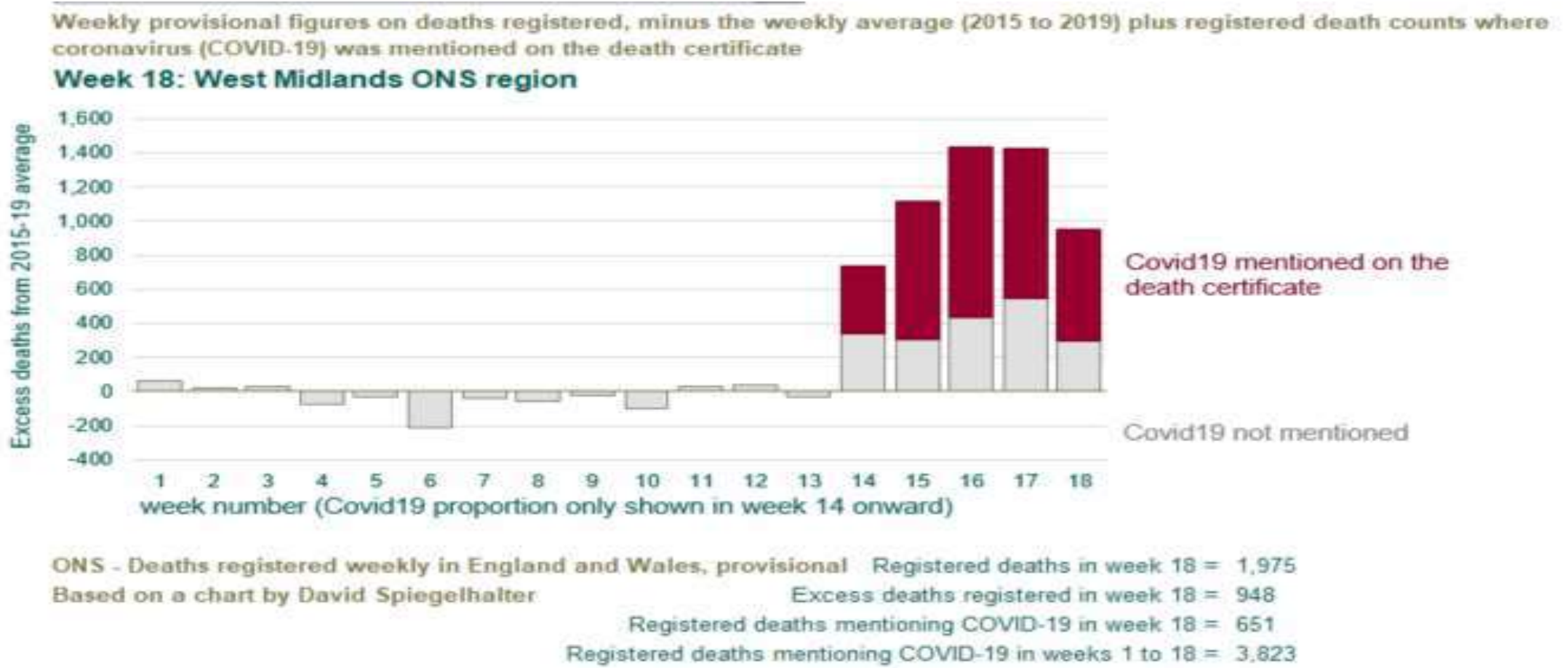
Work is ongoing within the Public Health England

In the appendix there is a detailed review of population and health inequalities but key issues include:

- Covid19 has the potential to widen existing health inequalities through direct and indirect impacts
- Frontline staff dealing with the effects are in low paid, insecure employment. 43% of jobs in WMCA are in these sectors (42% in the region). Wolverhampton has the highest proportion at 47.5%. Within subsectors, numbers are consistently high in the region than the national averages.
- It is estimated that 14.8% of jobs are in vulnerable sectors (retail, accommodation and food services and the arts, entertainment and recreations services. Less than the national average at 17.7%.

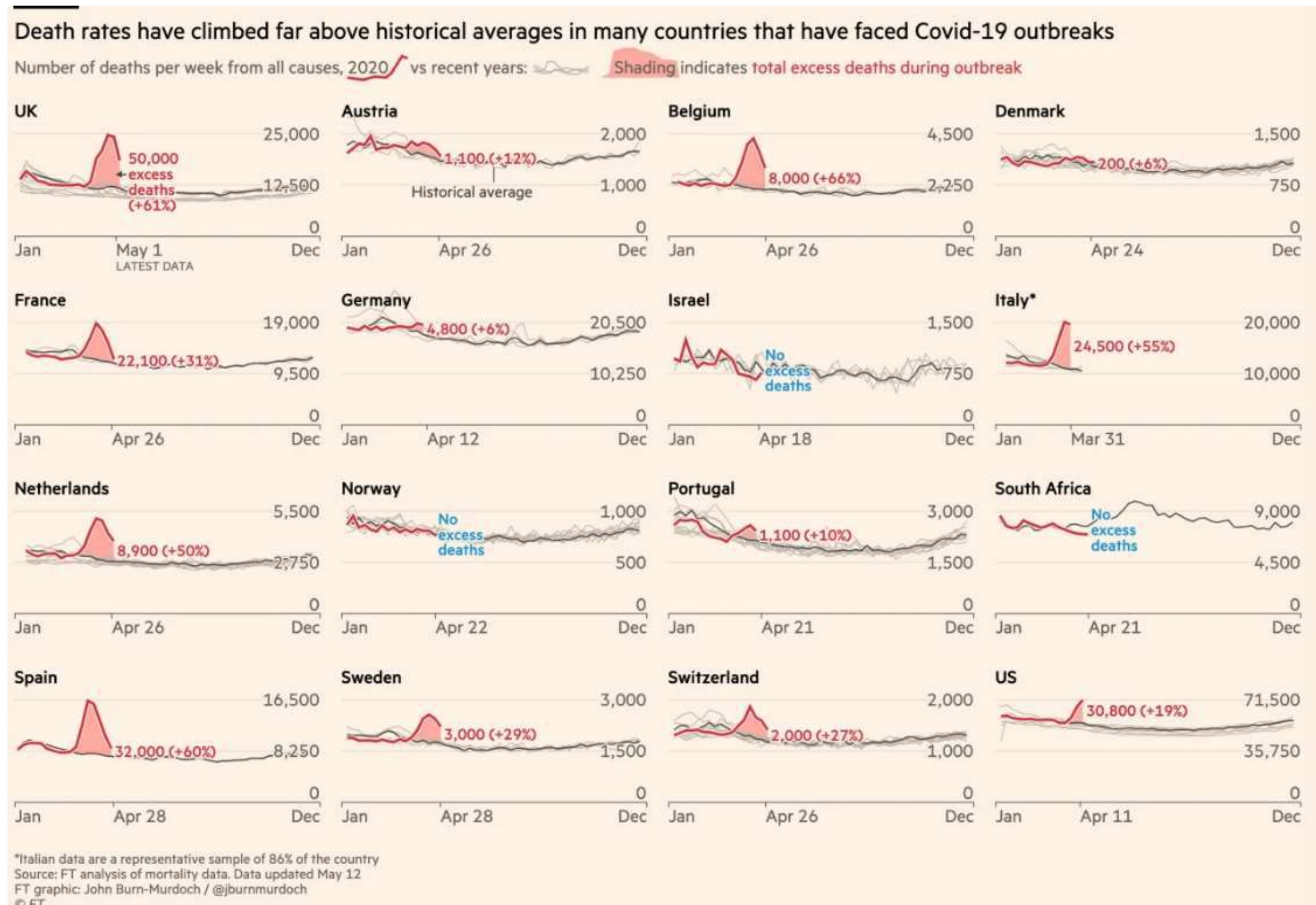
### Deaths – Public Health England

PHE are looking at excess deaths (see chart below), as there has been a rise in excess deaths in care homes not related to CV19. A report in [The Guardian](#) states that the real death toll in care homes could be double the official figure, which would account for some of the excess deaths currently being registered. This is due to incorrect official reason for death in the absence of testing of patients, or patients not seeking medical support for other illness.



### Excess death rates – Financial Times

Data for excess deaths has been compared internationally by the [FT](#) and this shows how countries who have been hit by the virus have also seen spikes in excess deaths relative to normal years (see diagram below). This shows that reported cases on deaths are not capturing the full impact, and shows that in some countries it is over 50% higher than the historic average. This is starker in London, where deaths are more than double, with New York 4 times higher. There have been 4.21m cases confirmed and 285k deaths. However the global death toll is finally easing, but the US still accounts for 1 in 3 deaths.





## Weekly Deaths Registered: 1<sup>st</sup> May 2020

The following analysis compares the latest time period (week of the 1<sup>st</sup> May 2020) to the previous week period (week of the 24<sup>th</sup> April 2020) for the number of deaths registered and the number of deaths related to the Coronavirus.

Across England and Wales, the overall registered death figure has decreased from 21,997 in the week of the 24<sup>th</sup> April to 17,953 in the week of 1<sup>st</sup> May. The number of deaths registered that state Coronavirus on the death certificate has also experienced a decrease from 8,237 people to 6,035 people over the same period.

Regional level analysis shows that the West Midlands overall registered death figure has decreased from 2,481 people in the week 24<sup>th</sup> April to 1,975 in the week of 1<sup>st</sup> May. The number of registered deaths related to Coronavirus has decreased from 880 people to 651 over the same period.

There was a total of 1,888 deaths registered across the WMCA (3 LEP) area in the week of the 1<sup>st</sup> May.

There were 482 deaths registered that were related to Coronavirus over the same period – this accounts for 25.5% of total deaths which has decreased from the 24<sup>th</sup> April (28.3%). The WMCA (3 LEP) area accounts for 74.0% of the 651 Coronavirus related deaths registered in the West Midlands Region.

In comparison to the week of the 24<sup>th</sup> April, the overall registered death figures have decreased 617 people, with the number of deaths related to Coronavirus decreasing by 229 people.

At a local authority level, Birmingham accounts for 25.3% (122) deaths related to Coronavirus in the WMCA (3 LEP), this is followed Walsall at 9.3% (45 deaths).

Of deaths involving Coronavirus registered in the week of the 1<sup>st</sup> May, 53.1% (256) occurred in a hospital which has decreased when compared to the 24<sup>th</sup> April at 62.5% (444). The number of Coronavirus related deaths that in a care home has increased from 29.0% (206) in the week of the 24<sup>th</sup> April to 40.5% (195) in the week of the 1<sup>st</sup> May.

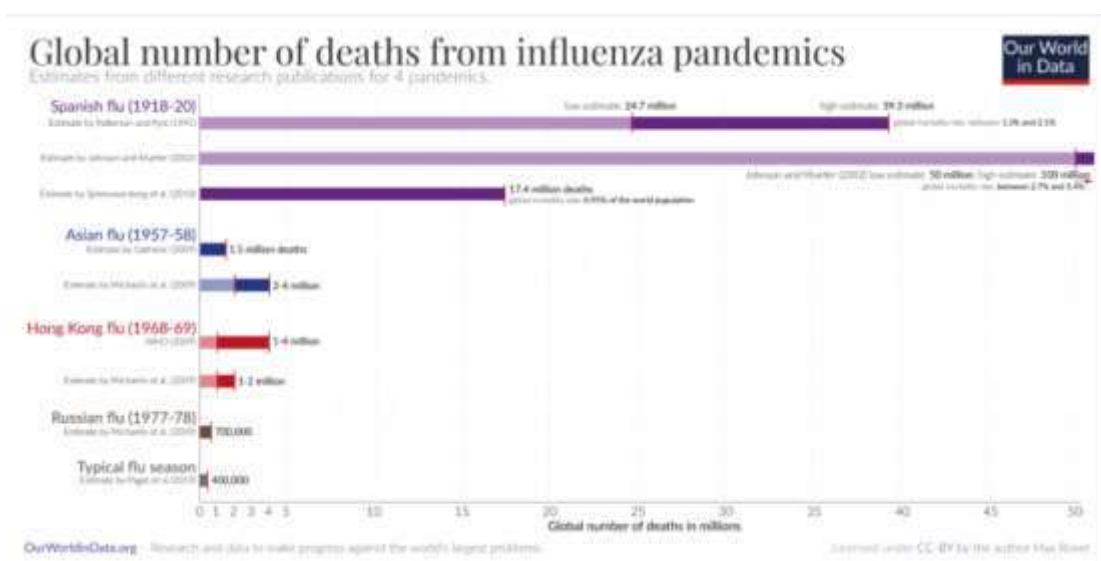
### Place and number of deaths registered that are related to Coronavirus in the week 1<sup>st</sup> May 2020

	Care home	Elsewhere	Home	Hospice	Hospital	Other communal establishment	Total
Cannock Chase	1	0	0	0	4	1	6
East Staffordshire	12	0	0	1	15	0	28
Lichfield	5	0	0	0	6	0	11
Tamworth	0	0	0	0	3	0	3
North Warwickshire	8	0	0	0	9	0	17
Nuneaton and Bedworth	5	0	0	0	9	0	14
Rugby	7	0	0	1	3	0	11
Stratford-on-Avon	28	0	0	0	9	0	37
Warwick	6	0	0	0	3	0	9
Bromsgrove	6	0	0	0	5	0	11
Redditch	0	0	0	0	6	0	6
Wyre Forest	9	0	2	0	10	0	21
Birmingham	25	3	9	2	83	0	122
Coventry	10	0	0	0	13	0	23
Dudley	10	0	1	0	15	0	26
Sandwell	7	0	3	0	20	0	30
Solihull	17	0	2	1	14	0	34
Walsall	23	0	3	0	19	0	45
Wolverhampton	16	0	1	0	10	1	28
WM 7 Met.	108	3	19	3	174	1	308
Black Country LEP	56	0	8	0	64	0	129
Coventry & Warwickshire LEP	64	0	0	1	46	1	111
Greater Birmingham & Solihull LEP	75	3	13	4	146	1	242
WMCA (3 LEP)	195	3	21	5	256	2	482

## Social Impacts of Pandemic, review of 1918

Rebecca Riley – WMREDI

The 1918 'Spanish' flu, although it was a different virus to Covid19, had similar wide ranging [pandemic](#) effects. Although transport and travel was far less common, the global population and average age of death is double what it was in 1918, the spread was similar and as damaging. The pandemic had 3 peaks, one in spring 1918, second more deadly one in autumn and a third in the following spring, in fact the pandemic took 2 years to end, and estimates range from 2.7% to 5.4% of the world population (50m to 100m) dying. [Poorer countries](#) were also hit harder with death rates double those in more developed countries.



This pandemic however hit the 20 to 40 years olds harder (the working age population). It is suspected that this was because of raised immunity in the older generation due to an earlier pandemic (Russian Flu) which many older people will have experienced. It also hit men harder than women, apart from pregnant women, where miscarriage was common.

Reviewing the impacts of the 1918 influenza pandemic a number of patterns emerged:

- Life expectancy dropped and negative impacts on health were abrupt and damaging
- Although a pandemic is democratic and can effect everyone its not egalitarian, there were higher death rates in poor, disadvantaged communities. Poor sanitation, crowded living conditions and lack of access to health care all exacerbated death rates
- There were no antibiotics which prevent deaths by secondary infections today
- Global health systems were less developed and the population suffered extreme poverty, and many countries had spent any resources on the war

Social impacts:

- This pandemic happened during WW1 and as such many countries suppressed reporting (the virus is suspected to have started in USA but as Spain was

neutral and reporting it perception was it originated there and also much worse there). So information on prevention was also suppressed in many countries.

- The impact on the working age population increased the impact on the social fabric and the world of work.
- Fear of catching the flu [changed behaviours](#), and dramatically altered social interactions. Authorities discouraged social interaction which fed rumours of enemies spreading the virus and created a climate of suspicion and distrust, this characterised the period and long after. A greater death rate increases the levels of distrust, and this was a permanent change.
- In Spain where the government and health care services proved to be ineffective this distrust grew and led to more division in society, whereas as Italy re-established solidarity and purpose and saw it as overcoming a difficult test as a nation. Mistakes and failures in managing the flu had long-lasting negative economic consequences.
- Cities suffered more than rural areas in general, but there was large variation in cities. Newly arrived immigrants tended to die more frequently than older better established groups.
- The impact on the [adult population](#) left significant issues with orphaned children, and elderly to fend for themselves. The deaths were seen as an apparent lottery. Only later did patterns emerge, with variability attributed to inequalities of wealth and social status or caste, and to an extent this was reflected in skin colour. Bad diet, crowded living created an environment where the poor, immigrants and ethnic minorities were more susceptible to infection.
- Underlying conditions left a person more susceptible to the flu, and remote communities felt the effects more severely due to lack of previous exposure.
- Public health campaigns made a difference, social distancing was employed, with quarantine zones. Isolation wards and prohibition of mass gatherings. Australia kept out the more deadly autumn wave through closing its ports.
- Failing countries collapsed, Persia lost between 8-22% of its population. 8% equated to 20 times the losses in Ireland.
- At the time losses were seen as natural selection or competing races, emphasising the constitutional inferiority of some groups. This was seen in India, where there were 18m losses and the underpowered response by the British government fuelled backlashes and triggering protests.
- It also prompted a wave of workers strikes and anti-imperialism a reaction to rising inequality.

The 1918 flu hit a world unprepared, dealt a blow to science at the time and destabilised social and political orders.



# Appendices

- Public Health England – population and health inequalities
- Impact on firm innovation
- ONS Weekly Indicators
- Covid 19 Business Tracker
- LEP Level Local Business Intelligence

## COVID-19: WMCA population and health inequalities

### Public Health England – Population and Migration hub

COVID-19 has the potential to create and widen existing health inequalities, both through the direct impacts of the virus, and the indirect impacts of the control measures imposed. While underlying health conditions increase the risk of serious consequences from infection, the economic and social response to COVID-19 has the potential to exacerbate inequalities in physical and mental health. Understanding population vulnerabilities, risk factors and inequalities is important to inform both the acute response phase and the recovery and repair phase over the longer term.

#### Key sectors

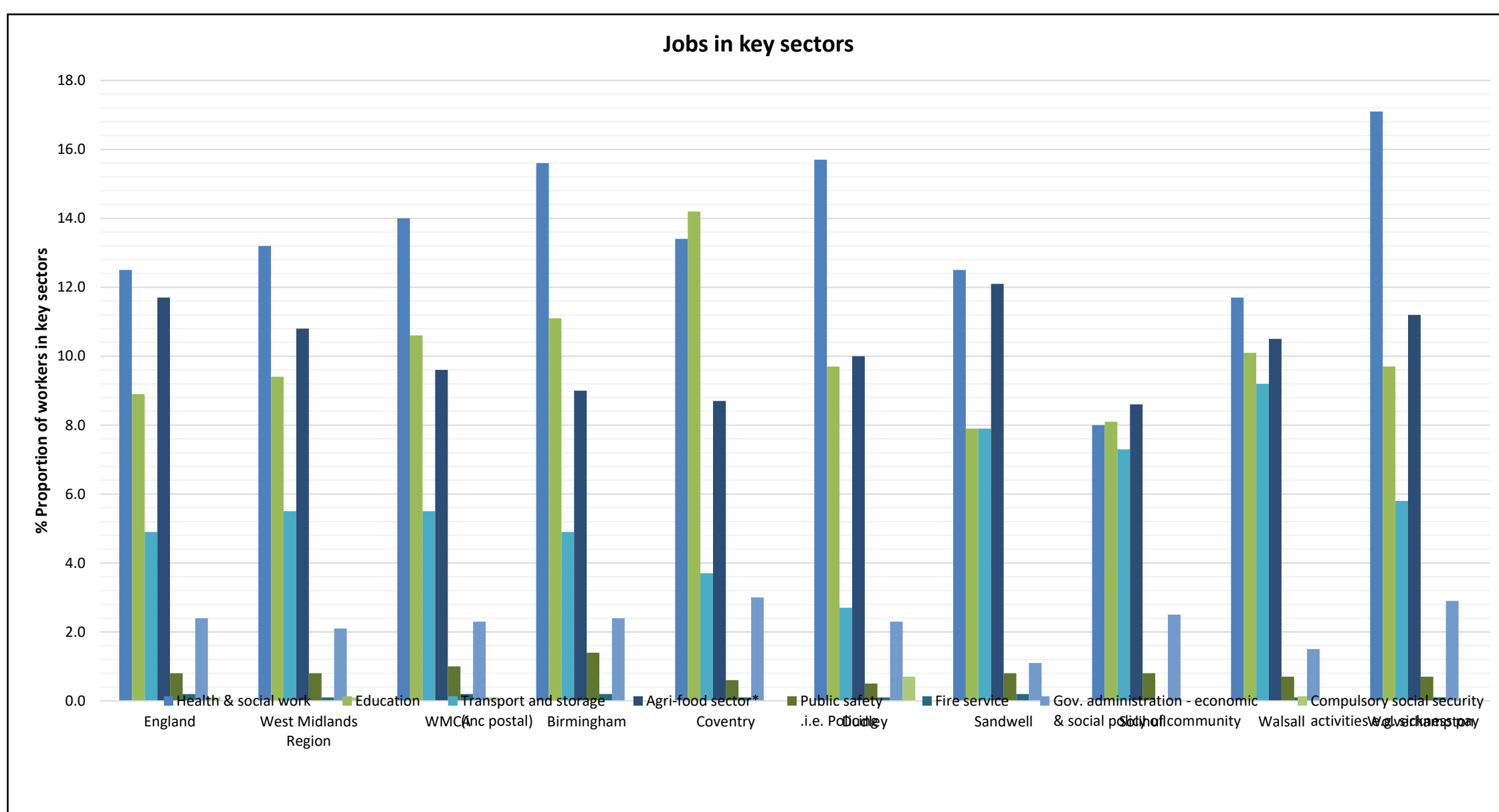
Many frontline key workers who are most at risk of contracting the virus may be in low paid, insecure employment. Analysis of estimate total proportion of jobs within key sectors - which includes health and social work, education, transport, agri-food sector policing, fire service, government policy and social security – shows 43.3% of WMCA jobs are within key sectors and slightly higher than national average (41.5%) and WM Region (42%). Wolverhampton has the highest proportion within WMCA of key sectors jobs (47.5%) followed by Birmingham (44.6%). Solihull has lowest proportion of key sector jobs (35.3%). Figure 1 shows the proportion of workers within key sectors for the WMCA and constituent local authorities.

#### Health & Social Work

The highest proportion of jobs within key sectors in WMCA is within health and social work at 14% which is higher than WM Region (13.2%) and national average (12.5%). Wolverhampton has the highest proportion within WMCA of jobs in health and social work (17.1%). Many jobs within this sector in WMCA are in hospital activities (5.9%) which is more than national average (4.8%) and WM Region (5%). The social work sector makes up 3.2% of jobs in WMCA and is again more than national average (2.8%) and WM Region (2.9%). Sandwell has the highest proportion within WMCA of jobs within social work at 3.9% followed by Birmingham and Dudley (3.5%). Dudley has the highest proportion of jobs in residential caring (3%) followed by Wolverhampton (2.9%); this is higher than WMCA (2.3%), WM Region (2.9%) and national average (2.8%).

#### Agri-food sector

The agri-food sector – which includes food manufacturing, food wholesaling, food retailing and non-residential catering – totals 9.6% of jobs in WMCA which is less than national average (11.7%) and WM Region (10.8%). Sandwell has the highest proportion within WMCA of jobs within agri-food sector (12.1%) followed by Wolverhampton (11.2%). There are an estimated 3.4% jobs in WMCA within food retail which is lower than national average and WM Region (3.7%). Dudley and Sandwell have the highest proportion within WMCA of jobs in food retail (4.6%).





Vulnerable sectors

Sectors which may be vulnerable due to economic effects of COVID-19 leading to insecure employment and job loss include retail (excluding food retail), accommodation and food services and arts, entertainment & recreation services. Within the WMCA it is estimated that 14.8% of jobs may be within vulnerable sectors, which is less than national average (17.7%) or WM Region (15.5%). Solihull has the highest proportion within WMCA of jobs which may be vulnerable (16.2%) followed by Birmingham (15.2%).

Population aged over 75 years

This age group is known to be at greatest risk from coronavirus related health complications. An estimated 7.4% of the WMCA population is aged over 75 years old which is less than national average (8.2%) and WM Region (8.5%). Solihull has the greatest proportion within WMCA in this age bracket (10%), followed by Dudley (9.6%), and Birmingham has the lowest proportion (6.2%).

Groups requiring additional support

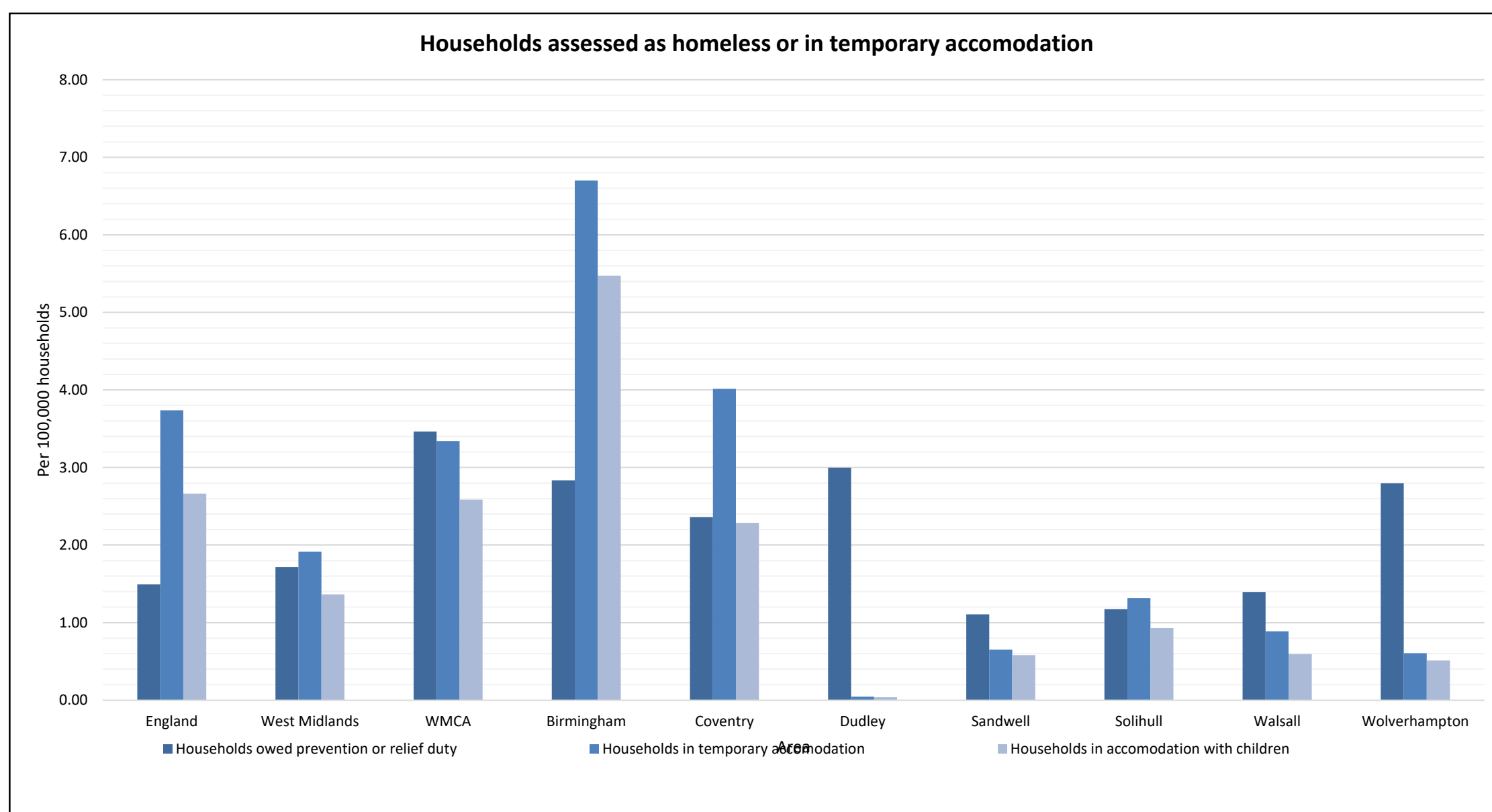
Mental health conditions

Social distancing and isolation can have a detrimental impact on mental health and wellbeing, including through harmful health behaviours and reducing access to services and

support. There is an estimated 0.7% prevalence of dementia in the WMCA population, which is slightly less than national average and WM Region (0.8%), but this is slightly higher in Dudley at 0.9%. The WMCA has the same estimated prevalence of people with learning disabilities as national average and WM region (0.5%); this is slightly higher in Birmingham and Wolverhampton (0.6%). The WMCA has an estimated prevalence of people with serious mental illness of 1%, which is slightly higher than national average and WM region (0.9%); this is highest in Birmingham at 1.2%.

Homelessness

Rough sleepers are a particularly vulnerable group and are unable in the ordinary course of events to self-isolate. Where someone's home is not a place of safety, or when they do not have ready access to essentials such as food and medicine, being more isolated may place them at greater risk of harm. Figure 2 shows rates of households assessed as homeless or in temporary accommodation in the WMCA and constituent authorities. The WMCA has 3.46\* homeless households per 100,000 households which is significantly higher than the national average (1.49) and WM Region (1.72); Dudley has the highest rate of 3 per 100,000 households. The WMCA has 3.34\* households in temporary accommodation per 100,000.



households and 77.4% of these households are with children. This is just less than national average (3.74) but greater than WM Region (1.91).

Birmingham has the highest rate of 6.7 per 100,000 households and 81.7% of these households are with children, followed by Coventry (4.01 per 100,000 households and 56.9% with children).

*\*Please interpret with caution, this statistic is aggregated from the 7 met local authorities within WMCA*

#### *Drug or alcohol use*

People who misuse or are dependent on drugs and alcohol may be at increased risk of becoming infected, and infecting others, with coronavirus (COVID-19). They may also be more vulnerable to the impact of infection with the virus, due to underlying conditions. There is an estimated 0.8% of WMCA population in treatment at drug or alcohol misuse services which is higher than WM Region (0.66%). Solihull has the greatest estimated proportion within this population group at 0.91% in WMCA area, followed by Birmingham (0.85%) and Walsall (0.81%).

#### *Looked after children*

The WM Region has a total of 82 per 100,000 children looked after by local authority which is greater than national average (65). Sandwell has the greatest amount of looked after children with 109, followed by Wolverhampton (102 per 100,000 children).

#### Data Sources

*Key and vulnerable sector jobs:* Business Register and Employment Survey, 2018

*Older age groups:* Office of National Statistics, 2018

*Mental health conditions:* Quality Outcomes Framework, 2017/18

*Homelessness:* Ministry of Housing, Communities & Local Government, Sep 2019

*Drug or alcohol use:* National Drug Monitoring System, 2017/18

*Looked after children:* Department for Education March, 2019



## The Impact of COVID-19 on firm innovation: the case of the West Midlands

Dr Chloe Billing WMREDI

A full range of business support measures have been made available to UK businesses to help with the current COVID-19 crisis. These include the Coronavirus Job Retention Scheme, Deferral of VAT payments due to coronavirus (COVID-19), Business support grants, and the Coronavirus Business Interruption Loan Scheme ([Gov.uk, 2020](https://www.gov.uk)). However, there are expected to be long-term impacts on the region's local businesses post COVID-19, which these business support measures will not cover. One example is the expected decline of innovation activities, as firms are unable to invest and lack the incentives to innovate. In response to this, "the importance of innovation to future recovery has been recognised by the UK government, in its announcement of a £1.5bn loan and grant package for the UK's most innovative companies" ([Enterprise Research Centre, 2020](https://www.enterprise-research.com)). But what will the impact be on West Midlands based firms post-COVID 19?

Innovation can be defined as the 'commercialisation of new ideas' for a new product, service or business process. More innovative firms are more competitive and adaptable in the face of external threats and opportunities ([Collinson, 2018](https://www.collinson.com)). They tend to export more (a result of their competitiveness and a factor behind their resilience) and they employ higher-skilled, more productive, and higher-paid employees and therefore produce larger positive multiplier effects for their host regions ([Collinson, 2018](https://www.collinson.com)). Innovation is needed if regional/local economies are to bounce back from the COVID-19 shock in a more resilient, more inclusive, and more productive way of working. In recent City-REDI [blogs](#), Professor John Goddard and Professor Simon Collinson explored the role of universities in this, as did the latest [REDI-Update](#). This blog address four key questions: How did the levels of innovation activity for firms in the West Midlands compare to the rest of the UK pre the COVID-19 outbreak?

What are the biggest barriers to firm-innovation post the COVID-19 crisis?

How might the factors driving innovation and the type of firm-innovation change post the COVID-19

crisis?

What business support measures would help?

### 1. West Midlands Innovation Activity pre-COVID-19 Vs. UK Average

The UK Innovation Survey (UKIS) provides the main source of information on business innovation in the UK. The data analysed here corresponds to the statistical annex based on the tenth iteration of the survey, which covered the period January 1, 2014, to December 31, 2016. The UKIS (2017) found that in the West Midlands, 52% of the organisations were 'innovation active' meaning they had introduced a significant innovation in the last 12 months. This figure was very similar to a [survey of 300 firms](#) that City-REDI conducted in 2019, which found that 53% of the organisation were 'innovative active'. Comparison across different regions shows that the West Midlands is above the national average (of 49%), coming fourth out of nine English regions and ahead of all three of the devolved nations.

### 2. Barriers to firm-innovation pre and post-COVID-19

The UKIS (2017) observed that 'availability and costs of finance', together with 'innovation costs' and perceived 'economic risks', are the most common barriers to innovation. These findings are consistent with City-REDI's recent survey of 300 firms across the Advanced Manufacturing, BPS, retail, and hospitality sector ([Billing et al., 2020](#)). The surveyed firms in the West Midlands reported a range of barriers to innovation limiting their ability to improve products and services or the way these are produced/sold. Collectively, the firms rated 'cost factors' as the most pressing constraint, as do UK firms generally. The retail (53.3%) and hospitality (53.8) firms, in particular, identified this as a high barrier to innovation, compared to 27.4% in advanced manufacturing and 31.1% in BPS firms. A contributing factor to the cost constraints observed by the region's firms is the disproportionate regional distribution of funding for research and business. Research published by UKRI in 2020 shows that the so-called 'Golden Triangle' benefits disproportionately from public investment, compared with other regions of the UK.

**UKRI analysis: R&D Activity by Region 2017-18**

Region	Gross Expenditure on R&D (GERD)	Gross Expenditure on R&D (GERD) %	Business Enterprise R&D (BERD)	Business Enterprise R&D (BERD)%
NUTS 1 Region	2017, £m	2017	2017, £m	2017
East Midlands	1,938	6%	1,521	6%
East of England	5,938	17%	4,677	20%
London	5,548	16%	2,796	12%
North East	707	2%	384	2%
North West	3,040	9%	2,174	9%
Northern Ireland	695	2%	512	2%
Scotland	2,529	7%	1,247	5%
South East	6,730	19%	4,860	21%
South West	2,334	7%	1,652	7%
Wales	744	2%	457	2%
<b>West Midlands</b>	<b>2,965</b>	<b>9%</b>	<b>2,467</b>	<b>10%</b>
Yorkshire and The Humber	1,641	5%	938	4%
United Kingdom	34,809	100%	23,685	100%

Source: GERD/BERD figures: ONS, [Gross domestic expenditure on research and development, by region, UK](#)

The headline stat is that 52% of gross domestic expenditure on R&D (GERD) goes to London, the South East, and East of England regions. In 2018-18, the West Midlands received only 9%.

Investment in Research and Development (R&D) and therefore innovation, is a topic that has been at the forefront of public policy in the last few years, with the 2017 Industrial Strategy pledge to increase investment in R&D from 1.7% to 2.4% of GDP by 2027. More recently, Science Minister Chris Skidmore set out his vision on how to level up research and development “so that it benefits every corner of the UK” ([Gov.uk, 2020](#)). Consequently, pre COVID-19 the amount of R&D investment for the West Midlands and other regions was expected to rise. However, there are unlikely to be the same certainties *post-COVID 19* and the Government’s loan and grant package can only go so far in substituting these funds. As the biggest constraint on innovation in the region, this is likely to reduce innovative activity in the West Midlands post COVID-19. The latest report by the [Enterprise Research Centre](#) observed that data from successive UK Innovation Surveys suggests that the proportion of innovation active firms fell 58 per cent during the last recession (2008-10) with parallel falls in product/service innovation (26.6 per cent), process innovation (22.6 per cent). Therefore, the region, should expect sharp falls (perhaps a third) in the proportion of innovating firms

([Roper, 2020](#)).

City-REDI research by [Dr Abigail Taylor](#), found that local universities will need to continue to play an active role in continuing to attract investment to the region. This research examined the experiences of Local Enterprise Partnerships (LEPs) and their partners in securing funding. The research found that the presence of research-intensive universities in Birmingham is a central factor in the success of the Greater Birmingham and Solihull LEP and its ability to attract funding awards. The GBSLEP has received significant levels of funding from Horizon2020 (53,590,192 euros for 2014-2018) and research Council/Innovate UK (£997,002,402 for 2012-2021). When we account for the unequal LEP geographies, by standardising funding data per head of population in each LEP, we find that the GBSLEP sits in the top ten LEP areas outside of London, in terms of its success at winning both European and UK research funding. The Midlands Engine receives the highest level of Innovate UK Funding awards, reflecting its strong history of manufacturing. Having strong research universities is critical to this success because they tend to be awarded to the strongest consortia of university research groups and R&D focused businesses in key technology areas. But high levels of science, technology and engineering skills, strong regional partnership networks, and coherent local industrial policies are also all important factor



### 3. Factors driving innovation and the type of firm-innovation post COVID-19

There are varying motivations for firms to engage in broad forms of innovation which may relate to firms' business strategies of improving quality, reducing costs, or diversifying their range of products and services. Changes in these motivations can vary over time, reflecting an evolution in the external environment and market conditions. The UKIS (2017) found that the most common factors driving innovation reported were improving product/service quality, replacing outdated products/services, and increasing value-added. The economic uncertainty and unstable market conditions post COVID-19 are likely to influence the motivations for West Midlands firms to innovate, with 'reducing costs per unit produced' and 'improving production flexibility' expected to take precedence, as firms focus on cutting costs and becoming more resilient to future shocks. This aligns with a recent [TechNation](#) survey of 116 scaling tech companies, which found that 77% of these businesses had reported that they expected cash flow to be impacted by recent events, 80% of companies said they expected securing new customers to become a challenge, with 40% of companies saying they planned to lay off staff. Changes to the factors driving innovation will affect the type of changes introduced. For example, investment in capital equipment are expected to decrease. Additionally, the [ERC's](#) study observed "firms' willingness to invest in intangibles will fall sharply with implications for future innovation and growth". These investments include the marketing of innovations, design, external knowledge, and training are expected to decrease. Further research is needed to identify the precise impact that COVID-19 will have on innovation activity in the West Midlands region.

### 4. Business Support Measures

The region needs an evidence-based, practical approach to strengthening its innovation-driven entrepreneurial (IDE) ecosystems to support innovation activity in the region post-COVID-19. The '[MIT REAP](#)' programme focusses on delivering this; the West Midlands is one of six regions currently part of a 'lite' version of the global REAP programme. The Objectives of the programme are as follows:

- Understand the key strengths and weaknesses of your innovation eco-System
- Evaluate the engagement and level of collective action of your ecosystem Stakeholders
- Design a Strategy to strengthen and catalyse your ecosystem to build innovation-driven entrepreneurship
- Find resources and engage stakeholders to move

strategy into Implementation

The [West Midlands Team 'lite' REAP team](#) is sponsored by the GBSLEP, BCCLEP and the WMCA, whilst also representing the CWLEP area. WM-REDI is part of this team, which includes representatives from Government, Academia, Corporates, SMEs, and Risk Capital. Other organisations involved include the West Midlands Combined Authority (Innovation Lead), Innovate UK, Greater Birmingham and Solihull LEP, Black Country Growth LEP, West Midlands Combined Universities, Aston Centre for Growth, Birmingham University, Midlands Aerospace Alliance, KPMG, Greater Birmingham Chambers, Black Country Chamber, Innovation Alliance West Midlands, and the British Business Bank.

The team is currently focussed on delivering the following actions:

**Customer Research** - surveying entrepreneurs (SMEs) and Risk capital providers to analyse their view of the innovation ecosystem. We aim to understand our regional portfolio of innovation actors (sector, maturity, profile, etc.) and identify the most vulnerable sectors and those that have the biggest economic impact on the region, so we can match them to appropriate business support.

**Assessing the ecosystem** – developing a set of indicators to assess the capability to support Innovation and Entrepreneurship in the region. WM-REDI are adding to the metrics supplied by MIT to ensure they are useful for our region, pairing them with regional datasets and comparing this data against the national averages.

**Mapping Current Business Support** - this will let us see if we as a region are supporting the development and growth of 'innovation-driven enterprises' (IDEs) and if not what areas of business support need to change / gaps need to be addressed. For example, is there appropriate business support available to help firms to build resilience post COVID-19, around the re-purposing, re-positioning, and re-validating of their business?

**Identification of Innovation Driven Enterprises** – these companies pursue global opportunities based on bringing to customers' innovations, which have a clear competitive advantage and high growth potential ([Aulet and Murray, 2013](#)).

**ONS Weekly Release Indicators**

**ONS Weekly Release Indicators**

On the 7<sup>th</sup> May 2020 the ONS published the weekly publication containing data about the condition of the UK society and economy and the impact of the COVID-19 pandemic.

This publication includes new experimental data on Universal Credit claims and advances which was released on the 5<sup>th</sup> May from the Department for Work and Pensions (DWP). Since the lockdown came into effect (16<sup>th</sup> March), there has been 2.3m individual claims and the DWP have paid 815,000 advance payments – with an estimated 691,000 of these new claim and benefit transfer advances.

The statistics are experimental and have been devised to provide timely information, with publication of final survey results currently expected to take place fortnightly with initial findings released in-between. The following information contains the final results from Wave 3 of the Business Impact of Coronavirus Survey and the final results for Wave 5 of the Opinion and Lifestyle Survey.

**Business Impact of the Coronavirus**

The initial results from the third round of the Business Impact of Coronavirus (COVID-19) Survey (BICS) show that of the 17,623 businesses surveyed across the UK, 6,114 (35%) businesses responded. Unless stated, the following data is based on the period between 6<sup>th</sup> April to the 19<sup>th</sup> April 2020 and no regional breakdown is

available.

**Trading and Financial Performance**

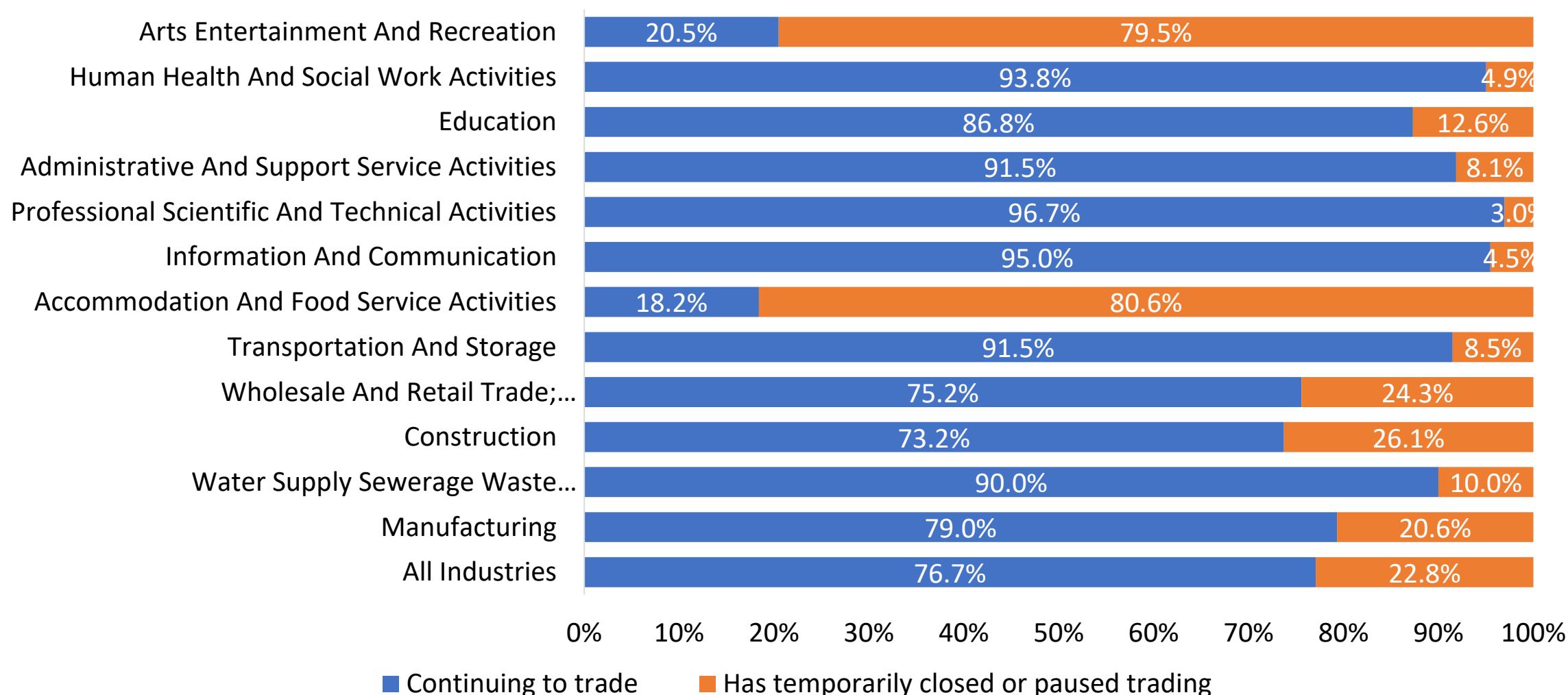
23% have temporary closed or paused trading with 77% have reported continuing to trade between 6<sup>th</sup> to 19<sup>th</sup> April 2020 (these figures and the following graph exclude businesses that responded they have permanently ceased trading).

As seen in the following graph, two industries have a significantly higher percentage of businesses that have temporary closed or paused trading these include; nearly 81% of businesses in the accommodation and food services sector and 80% of businesses in arts, entertainment and recreation.

Of the responding businesses, 57% in the accommodation and food service activities sector and 45% in construction have reported their turnover had decreased by more than 50%. 54% of businesses in the information and communication reported their turnover had been unaffected.

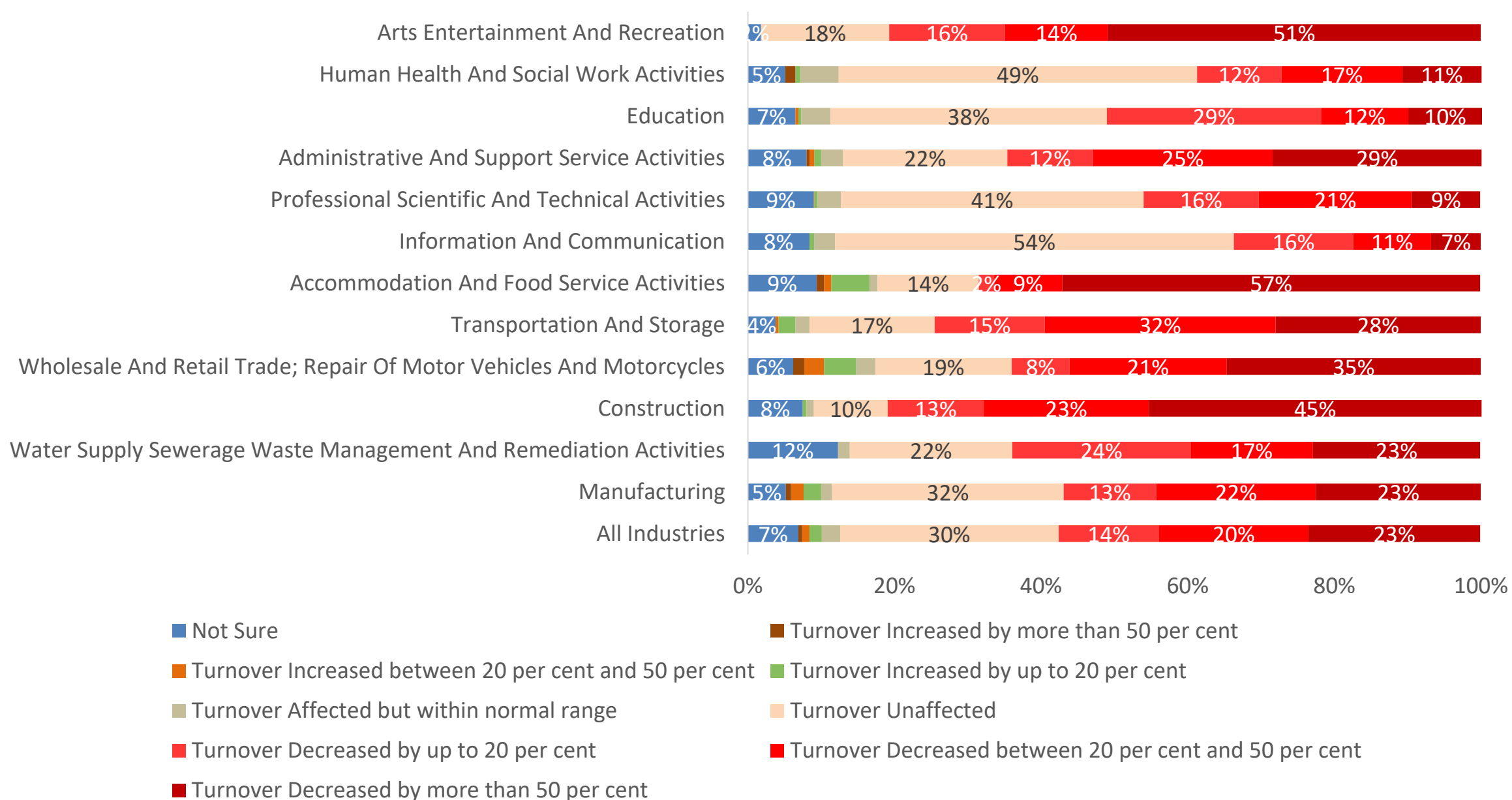
Overall, 9% of businesses in whole and retail trade; repair of motor vehicles and motorcycles reported their turnover had increased.

**The trading status of the responding businesses by industry:**



Source: ONS – Business Impact of Coronavirus Survey

## The effect on turnover for those businesses continuing to trade by industry:



## Government Schemes

The industry which had the highest percentage of businesses applying for the Coronavirus Job Retention Scheme at 87% with 73% of the workforce furloughed. This is followed by construction at 81% applying for the scheme and 46% of the workforce furloughed and then the transportation and storage industry at 77% applying for the scheme and 42% of the workforce furloughed.

## Percentage of businesses (includes businesses that are temporary closed/paused trading and continuing to trade) applying for the Coronavirus Job Retention Scheme and the percentage of the workforce furloughed by industry:

Industry	% of businesses who have applied for the Coronavirus Job Retention Scheme	% of the workforce in these sectors who have been furloughed under terms of Coronavirus Job Retention Scheme
Manufacturing	64%	31%
Water Supply, Sewerage, Waste Management and Remediation Activities	69%	14%
Construction	81%	46%
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	73%	22%
Accommodation and Food Service Activities	87%	73%
Transportation and Storage	77%	32%
Information and Communication	40%	13%
Professional, Scientific and Technical Activities	62%	13%
Administrative and Support Service Activities	76%	31%
Education	41%	7%
Human Health and Social Work Activities	35%	9%
Arts, Entertainment and Recreation	76%	70%
All Industries	67%	28%



## Social Impact of the Coronavirus

Indicators from the Opinions and Lifestyle Survey is a weekly update to understand on the impacts of the COVID-19 pandemic on people, households and communities in Great Britain. Wave 4 covers the period of 17<sup>th</sup> to 27<sup>th</sup> April 2020.

### Concerns about household finances

23% of adults stated that Coronavirus was affecting their household finances, a slight decrease from the previous survey results (24%). The most common concern on household finances continues to be a reduced income at 70%, with 30% using savings to cover living costs and a further 16% borrowing money or using credit.

### Staying at home and self-isolation

82% of adults reported they had either not left their home or only left for one of the permitted reasons in the last seven days, of the 18% who reported to have left their home the most common reason was to run errands. 87% of people aged 70 years and over and those with underlying health condition reported they had either not left their home or only left for one of the permitted reasons in the last seven days.

81% of adults reported they strongly supported the measures with 16% saying they tend to support the measures in place.

32% of adults that reported to self-isolating in the past seven days, this increased to 41% for people with underlying health conditions and increasing again to 45% for those aged 70 years and over.

### Social Distancing

94% of adults have maintained social distancing between the 17<sup>th</sup> to the 27<sup>th</sup> April 2020.

92% of adults reported avoiding contact with older or vulnerable adults, within this 16% of people avoiding those to whom they provide care to.

### Impacts of Wellbeing

The mean anxiety remains the same as the previous survey for all adults at 4.2. While for those aged 70 years and over has decreased from 4.2 in

the previous survey to 4 in the latest survey. Those with any specific health conditions decreased from 4.9 in the Wave 4 survey results to 4.3 in Wave 5. Compared to the 3<sup>rd</sup> - 13<sup>th</sup> April, the percentage of all adults and those aged 70 years and over reported their well-being was being affected by Coronavirus has decreased to 45.8% and 38.2% (from 49.9% and 45.5% respectively). However, adults with any specific health conditions has reported an increase over this period to 57.7% (from 55.6%).

The percentage of adults that reported feeling lonely often/always has increased from 4% in Wave 4 of the survey to 6% in Wave 5 and the percentage of adults with any specific health condition also increased from 9% to 10% over the same period. However, all groups have decreased in the percentage of feeling lonely some of the time.

### Relationships

25% of people reported they were concerned about the strain on their relationships. 22% reported they were spending too much time with others in their household. With 30% of people reported they were spending too much time alone. These percentages have been similar for the past four weeks after the stay at home measures were introduced.

One-fifth of people were worried about relationships with dependent children and around one-third of people reported they were worried about their relationship with parents.

Indicators of wellbeing, 3<sup>rd</sup> – 13<sup>th</sup> April and 9<sup>th</sup> – 20<sup>th</sup> April.

Indicator	Group	17-27 <sup>th</sup> April	9 <sup>th</sup> -20 <sup>th</sup> April
Percentage reporting their well-being is being affected (Question only asked to respondents that said they were very worried or somewhat worried about the affect Covid-19 is having on their life right now)	All adults	48%	46%
	70 years and over	39%	38%
	Any specific health condition	51%	58%
Mean anxiety score	All adults	4.2	4.2
	70 years old or over	4	4.2
	Any specific health condition	4.3	4.9
Percentage with high anxiety (score 6-10)	All adults	37%	36%
	70 years and over	33%	35%
	Any specific health condition	38%	46%
Feeling lonely often/always	All adults	6%	4%
	70 years and over	2%	4%
	Any specific health condition	10%	9%
Feeling lonely some of the time	All adults	16%	17%
	70 years and over	13%	14%
	Any specific health condition	18%	22%

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

In response to the unprecedented crisis caused by the advent of Coronavirus, the British Chambers of Commerce has developed a Covid-19 Business Impacts Tracker which will serve as a barometer of business' response to the measures introduced by the Government to help firms navigate this exceptional landscape. The tracker will explore weekly business conditions to help understand the scale of the challenges that companies across the country are facing right now and in a bid to gauge the awareness and usage of government support measures amongst the business community. The results listed below are based on responses received from 98 firms in the West Midlands and cover the period from 5th May to 7th May. 97% of respondents employed less than 250 staff members and of those, 38% employed between 1 to 9 members of staff and 12% identified themselves as sole traders. 58% 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, 29% distributed their products and services to countries both inside and outside the European Union. 27% of businesses that took part in the survey operated in the professional services sector and 27% were listed as manufacturers.

**Changes to Trading Conditions & the Workforce**

In comparison to the previous week, 59% of businesses witnessed a fall in UK revenue (with 42% citing a significant decrease). 53% of firms saw a drop in international revenue (with 45% suggesting it was significant) and 63% had also seen a decline in cash reserves. In terms of developments related to employment, 60% cited constancy in the size of their workforce along with a 31% fall in the number of hours worked by staff. 22% reported a drop in training or apprenticeship activity. Over the course of the following week, 23% of businesses said they would not furlough any of their staff members and 10% expected to furlough their entire workforce. On 20 April, HMRC opened the portal for employers to claim payments for furloughed employees through the Coronavirus Job Retention Scheme and 76% had submitted a claim and received payment from HMRC (an increase of 13% compared to last week). 6% submitted a claim more than six working days ago and were yet to receive a payment (a decrease of 7% compared to last week). A third of businesses expected their cash reserves to cover their trading activity for one to three months, 29% suggested their reserves would be able to cover them for three to six months, whereas 13% estimated that they would only be covered for less than a month. Four percent of respondents reported that they had no cash reserves whatsoever.

**Support Measures Introduced by Government –feedback from the business community**

In terms of the measures implemented by the Government to support businesses affected by COVID-19, 19% had already secured a business rates holiday (of those firms based in the leisure, hospitality or retail sector). 18% were aware of this particular measure but currently were not planning to apply. Additionally, 8% were planning to use the Self-employment income support scheme. 39% of businesses had deferred VAT payments for three months (an increase of six percent in comparison to the previous week and the highest take up of any of the measures listed) and an additional 13% expected to do the same. 7% were planning to apply to the grant scheme available for small businesses and 16% so far had made a submission for this particular scheme). Just under half of those businesses that completed the survey said they were unable to use the grant funding scheme and of those, 87% were told that their business didn't meet the criteria and 4% found the application process too complicated. 12% of respondents had applied for SSP refunds and 19% of businesses were preparing to apply to HMRC's Time to Pay extension scheme. 12% percent of firms had attempted to access the Bounce Back Loans Scheme (BBLs) and 22% were planning to apply. 63% of businesses had no plans to apply to this particular scheme, and of those, 49% felt they had sufficient levels of cash/funding, 19% wanted clarity on the length of lockdown and 17% were concerned about being able to pay back the loan beyond the initial 12 months. 55% said they would use the money secured via the BBLs to finance everyday operations and 45% said they use it to pay off existing debts. In total, 18% of businesses had successfully secured a BBL and 64% were awaiting a decision. 21% of firms have Business Interruption (BI) Insurance but were unable to make a claim on interruption caused by Coronavirus. 22% have an existing BI Insurance Policy and have not made a claim and overall, 47% do not have BI Insurance. Not one single business that completed the survey had made a successful claim in relation to interruption caused by the outbreak of Covid-19. Participants were also asked how much time they would need to prepare for either a partial or complete end of the lockdown – 42% said they would need less than a week, 27% said they would need between one to three weeks and 20% said they would require no preparation time at all (an increase of 11% compared to the previous week). On a related topic, just over half of respondents felt they would be in a position to make provisions for Personal Protective Equipment (PPE) available for staff members upon their return to the workplace. 77% of business believed they would be in a position to introduce measures for social distancing at premises and 24% strongly agreed with the suggestion that they could introduce staggered travel arrangements for staff. 47% also strongly agreed that they would be able to make provisions for remote working (and only 4% strongly disagreed with this statement). Two thirds of firms also felt they would be in a position to un-furlough their staff as and when required (13% strongly disagreed with this statement).



## HEADLINES & ESCALATION

BCLEP	GBSLEP	CWLEP
<ul style="list-style-type: none"> <li>Enquiries continue to be largely from self-employed, single director Ltd companies or retail units looking to access support as they currently either don't qualify for any of the available schemes or the wait time for the support is having a major impact on their chances of survival. The disparity between Local Authorities as to how the grants are processed and delivered, including the processing time is causing concern for businesses who are desperate for clarification of some sort.</li> <li>The number of companies looking for funding to diversify and access to mentoring programmes to work through business restart plans continues to increase.</li> </ul>	<ul style="list-style-type: none"> <li>The Coronavirus Job Retention Scheme has provided a lifeline for businesses and employees. The system has been efficient and payments have been prompt. However, the scheme lacks the flexibility some employers need as they struggle initially to offer full time work to furloughed staff. The option of half furloughed/half employed staff needs consideration to help these businesses restart. As the scheme is due to end on 30 June it is vital that the Government offers a clear plan as soon as possible for extending or introducing a phased ending to the scheme to reduce the risk of mass redundancies.</li> <li>The Bounce Back Loans Scheme has been welcomed by business. Most lenders are only accepting applications from existing customers, which is a disappointment for the many SMEs using internet banking. In addition, there is no central application point so the process is slow as each lender needs a separate application.</li> <li>There is still a lack of understanding around eligibility for the Small Business Grants and lack of communication from Councils. Processing of grants in Birmingham has been slow and some businesses are getting desperate, not knowing if and when they will receive money and not able to contact the Council</li> </ul>	<ul style="list-style-type: none"> <li>An increase in unemployment across Coventry &amp; Warwickshire by 27,840 individuals to 45,640, based on the Office for Budget Responsibility's (OBR) forecast of a 2.56-fold national increase during Q2.</li> <li>If 30% of the workforce joins the Coronavirus Retention Scheme (OBR's assumption), this could mean 137,400 of Coventry &amp; Warwickshire's workforce are being furloughed; however, because initial feedback suggests the proportion furloughed will be higher (half of businesses expecting to furlough at least 50% of their staff), the number could be as high as 183,200 if 40% are furloughed, and 229,000 if 50% are</li> <li>In the British Chamber of Commerce (BCC) survey 23% of businesses suggested that they had less than one-month cashflow left. If that was applied to local NOMIS data, it could mean that over 8,700 businesses in Coventry &amp; Warwickshire as a whole could be facing major threat within a month without financial stimulus, particularly within SMEs that make up the vast majority of the local business base. This could put significant numbers of local jobs at risk in the short-term.</li> <li>A key highlight is that we are starting to see businesses, across all sectors, diversify in order to survive this pandemic. For instance, manufacturers have switched production measures to develop PPE equipment, restaurants are starting to develop more elaborate e-commerce platforms and some within the food and drink industry have begun manufacturing hand sanitisers.</li> </ul>

HEADLINES & ESCALATION		
BCLEP	GBSLEP	CWLEP
	<ul style="list-style-type: none"> <li>• Many businesses which fell outside the scope of the business grant funds scheme have welcomed the launch of a top-up to local business grant funds scheme via local councils. There is an urgent need to know which businesses will benefit and money needs to be received quickly.</li> <li>• In a recent report from KPMG, the West Midlands is set to be the region most economically impacted by COVID-19.</li> <li>• Many businesses, in particular those in manufacturing, are feeling uncertain about what the future may hold for them and a social and economic recovery plan for the region by the government is needed.</li> <li>• As the government sets out plans to reopen the economy and manage COVID-19, businesses require detailed guidance and advice on their responsibilities so they can start planning what to do next. Businesses need reassurance that key business support schemes which were put in place to save businesses and jobs will continue and be adapted as companies restart. Businesses need support to make workplaces 'Covid Secure' and this will represent a cost to employers, many of whom are facing severely depleted resources after weeks of lockdown. Further support will be needed to help keep the economy moving.</li> </ul>	<ul style="list-style-type: none"> <li>• Of all England local authorities, Stratford-on-Avon is expected to experience the 4th largest GVA decline by Q2 2020 and North Warwickshire places 10th due to their presence in the manufacturing and wholesale and retail trade industries which GVA's are expected to decrease by 55% and 35% respectively. All the local authority areas in Coventry &amp; Warwickshire are however all vulnerable to a substantial decline in GVA with Warwick seeing the smallest expected GVA decline, but still placing 61st of 284 local authorities in England.</li> <li>• There is clear evidence that COVID-19 has had a particularly adverse effect on the performance of our local tourism sector. Shakespeare's England and West Midlands Growth Company – COVID 19 Tourism Business Impact Survey: 66% of businesses based in Coventry and Warwickshire, 26% in Greater Birmingham and 8% in the Black Country. Key themes: <ul style="list-style-type: none"> <li>o 95% of businesses report a fall in revenue and 82% have temporarily closed</li> <li>o More than half report cash flow problems and 30% of businesses have let staff go.</li> </ul> </li> <li>• According to the Institute of Social and Economic Research (ISER) Stratford-on-Avon is expected to see the largest overall GVA decline of 46.2% in Coventry &amp; Warwickshire. Stratford-on-Avon is followed by North Warwickshire (-45%), Rugby (-44.9%), Nuneaton &amp; Bedworth (-35.5%), Coventry (-36.7%) and finally Warwick (-34.1%).</li> </ul>



### NEW ECONOMIC SHOCKS

COMPANY	LOCATION	SECTOR	DETAIL & SOURCE
Rolls Royce		Manufacturer	Up to 8,000 jobs could be lost at Rolls-Royce after aircraft makers slashed production during the Covid-19 pandemic, according to reports. The Financial Times was the first to report that the Derby-headquartered aeroplane engine maker could make the cuts <a href="#">See here</a>

### NEW INVESTMENT OPPORTUNITIES

COMPANY	LOCATION	SECTOR	DETAIL & SOURCE
Jaguar Land Rover	Wolverhampton	Manufacturing	JLR are now producing 14,000 visors a week to support with the national shortage. (Express and Star)
Outdoor Market	Wolverhampton	Retail	Wolverhampton outdoor market reopened and saw 1,000 visitors by midday 09/05/2020. <a href="#">See here</a>
MarchantCain	Coventry	Automotive, Engineering, Manufacturing	An automotive engineering firm in Coventry will more than double its workforce if its design to manufacture face masks for frontline NHS staff is given the go ahead. MarchantCain, based at Banner Park in Wickmans Drive, has submitted its plans to the official testers, the British Standards Institution (BSI), in Milton Keynes to ensure their Personal Protective Equipment (PPE) meets stringent standards <a href="#">See here</a>
Dynamo	Bedworth	Automotive, Engineering, Manufacturing, Electric Vehicles	A Coventry-based manufacturer responsible for producing all electric black taxis – ‘Hackney Carriages’ – approved by Transport for London has secured a £1.25m loan. The funding, which was provided by the Midlands Engine Investment Fund and Maven Capital Partners, will enable Dynamo to recruit and train 50 new employees. The firm is also set to scale up its production capacity <a href="#">See here</a>
Warwickshire County Cricket Club	Warwickshire	Sports, Leisure, Charity	Warwickshire County Cricket Club’s official charity, the Edgbaston Foundation, has struck a partnership with charity Thrive Together Birmingham to use Edgbaston Stadium as a food sorting and distribution centre that will support local foodbanks and community groups. With the car park at Edgbaston Stadium already donated to the Department of Health and Social Care to be a COVID-19 drive-through test centre: <a href="#">See here</a>
JLR	National	Automotive, Engineering, Manufacturing	Jaguar and Land Rover has now deployed 362 vehicles globally to support charitable organisations and front-line workers tackling the spread of coronavirus. Most recently, a fleet of 15 Jaguars has been supplied to support the Help NHS Heroes campaign – a nationwide effort delivering vital supplies to NHS staff: <a href="#">see here</a>
The Works	Coleshill	Retail	The Works says it is confident that its offer will continue to prove popular with consumers during an extended period of social distancing as it announces a full-year trading update. Sales to the 26 April increased by 3.5% year-on-year, while the company opened a net 37 new stores, taking the total number of stores in the estate to 534 – in line with expectations: <a href="#">see here</a>

NB all details in these tables have been announced publicly

NEW INVESTMENT OPPORTUNITIES			
COMPANY	LOCATION	SECTOR	DETAIL & SOURCE
Entaco	Redditch	Medical Supplies	A Redditch medical supplies company has expanded to supply hand sanitiser to the NHS and global customers. Entaco has taken a further 6,668 sq ft and created six jobs immediately at 63 Heming Road to produce Inspec HG, an alcohol hand sanitiser, which was created by the firm's Midlands operation in three weeks: <a href="#">see here</a>
Cumberland Meat Packers	Coventry	Food and Drink	The parent company of a Coventry-based meat packing business has hailed its performance during the group's latest financial year with directors "optimistic" for the future. Barlow Properties, which is behind Cumberland Meat Packers, has reported a turnover of £26.7m for the 12 months to 30 September 2019 compared to £27.8m in the prior period. Its pre-tax profits increased from £706,532 to £1m over the same time. Cumberland Meat Packers' turnover also decreased by the same amount while its pre-tax profits rose from £883,237 to £1.2m: <a href="#">See here</a>
Zapaygo	Sutton Coldfield	Digital and Creative	A Sutton Coldfield company which has developed an app allowing consumers to pre-order and pre-pay at food and beverage venues has broken its £250,000 fundraising target. Zapaygo has so far raised £258,750 through 178 investors on Crowdcube with 23 days of the campaign still to run. The company has also hired Holland-Bendelow to explore listing on AIM while it has an exclusive mobile ordering contract with arena specialist Verteda EPOS: <a href="#">see here</a>
LEVC	Coventry	Engineering, Automotive, Manufacturing, Electric Vehicles	Turnover has been driven up by more than £60m at the Warwickshire-headquartered company famous for its London black taxis, new figures have revealed. London EV Company, which is owned by Chinese automaker Geely, has reported a turnover of £143.4m for the 12 months to 31 December 2019, up from £79.1m: <a href="#">See here</a>
Quartzinvest / Quartzelec	Rugby	Engineering	Turnover and pre-tax profits increased at a Warwickshire-headquartered electrical engineering company, which has worked with the likes of the Royal Navy and the NHS, during its latest financial year. Quartzinvest, the parent company of Quartzelec, has reported a turnover of £76.1m for the 12 months to 30 September 2019, up from £65.8m, while its pre-tax profits went from £1.5m to £2.8m. The group is headquartered in Rugby, employs 622 people and has operations in Abu Dhabi and the Philippines: <a href="#">see here</a>
Mercia Asset Management	Warwickshire	Professional and Financial Services	Warwickshire-headquartered Mercia Asset Management has completed a £1m investment into an Oxford genetics company: <a href="#">See here</a>
PSW Paper & Print	Studley	Printing Specialist	A grant from Warwickshire County Council for a Studley business to invest in a state-of-the-art machine is paying dividends to provide vital PPE equipment for hospital and care home staff in the Covid-19 pandemic. PSW Paper & Print, whose head office and retail shop are in Alcester Road, has diversified into building face visors from acetate sheets which are usually used as a clear front page to bind reports. The family-run business has received its first order to provide 300 face visors a day for hospitals and care homes: <a href="#">See here</a>



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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City-Region Economic Development Institute

**In partnership with:**

