

# West Midlands Weekly Economic Impact Monitor



Issue 9 Publication Date 21/05/20

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

- Across England and Wales the overall registered death figure has decreased from 17,953 in the week of the 24<sup>th</sup> April to 12,657 in the week of 8<sup>th</sup> May. The number of deaths registered that state Coronavirus on the death certificate has also experienced a decrease from 6,035 to 3,930 people over the same period.
- Regional level analysis shows that the West Midlands overall registered death figure has decreased from 1,975 people in the week 1<sup>st</sup> May to 1,326 in the week of 8<sup>th</sup> May. The number of registered deaths related to Coronavirus has decreased from 651 people to 443 over the same period.
- Over the period of the monitors (since mid March) we can see key change in the performance as:
  - **Youth claimant counts have gone up by 10k to 6.8% of the young population**
  - **Overall claimants stand at 171k, 5.2% of the working age population**
  - **The CA has the second highest death rates of all CAs**
  - **PMI Business activity has dropped from 51.2 (above 50 signals growth in the economy, below 50 signals contraction) to 10.9 (the lowest levels)**
  - **However future PMI business activity is holding up rising from 55.9 to 62.1**
  - **Apprenticeships the CA has the highest level of available vacancies**
  - **Job postings have gone down but WMCA area has the highest levels of any CA at 146k**
- The impact of the Coronavirus on the number of claimants largest change in numbers April 2020. There were 171,540 claimants aged 16 years and over in April 2020 in the WMCA (3 LEP) – this is an increase of 53,950 claimants since March 2020. This increase equates to 45.9% for the WMCA (3 LEP) compared to 66.9% growth for the UK.
- WMCA (3 LEP) ward analysis shows the highest number change between March 2020 and April 2020 for claimants aged 16+ was in Aston (Birmingham) with an additional 490 people (reaching 2,345 claimants). This is followed by Alum Rock (Birmingham) with an additional 470 (reaching 2,075 claimants) and Sparkbrook & Balsall Heath (Birmingham) with an additional 445 people (reaching 2,260 claimants).
- There were 32,585 youth claimants in the WMCA (3 LEP) area in April 2020, this is an increase of 9,750 people compared to March 2020. This equates to an increase of 42.7%– while the UK was by 58.6%.
- Within the WMCA (3 LEP), the largest change between March 2020 and April 2020 for claimants aged 16 – 24 years old was in the Alum Rock (Birmingham) ward with an additional 105 claimants (reach a total of 410), this is followed by Aston (Birmingham) at 100 more claimants (reaching 460) and Kingstanding (Birmingham) at also 100 more claimants (reaching 280).
- Across various business surveys and qualitative reviews, there is a sense that a lot of the earlier issues have been resolved by government intervention, but uncertainty still exists on how long this will last an when consumer spend will return. However sole traders continue to be at significant risk, especially if female and young.
- This emphasises the increasing risks associated with the return in consumer spend, due to strained household finances and stretched credit. Barclaycard data suggests the level of spend reduction is far larger than the estimates from the Bank of England. Supermarket spend rose by 14.3%. Eating and drinking including takeaway rose 25%. Digital content streaming rose 50%. 9 in 10 households have increased their savings with a 3<sup>rd</sup> saving more and 23% were saving for a holiday. [Consumers cleared £3.8bn](#) of debt, battening down the hatches as the virus hit. And new borrowing on credit cards has dropped by £5.4bn. Overall the highest level of repayments has occurred since records began in 1987. Deposits in banks have also increased by £13.1bn. The number of mortgages approved by lenders have dropped by 24% and there are and estimated 373k sales on hold. The [British Retail Consortium](#) reported a 19.1% year on year contraction in retail sales in April, the worst levels since records began
- Revenue continues to fall but at a slower rate. However still using cash reserves; Chamber research highlights 52% of respondents seeing a decline in reserves (this is again down on last week) the length of time they see reserves lasting has increased, another week suggesting some of the freefall has stabilised.
- People feel that the pandemic is making Britain more unequal rising from 15.6% to 21.7%. But they also think the country is getting kinder rising from 39.4% to 67%

## 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

- There is an opportunity to build on the general feeling of kindness and community action to build better local communities
- Increasing good consumer habits and spending, supporting the growth in saving to build resilience in households
- Credit risk through supply chains
- Clear guidance on returning to work, and appropriate, transport, childcare and PPE supply for businesses
- Over the period of monitors the main issue now is unemployment levels especially youth unemployment in an unstable education environment and new unemployed who have never faced this before

### Businesses are now looking for support for recovery (which has not been addressed as yet):

- 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.
- Important that places collaborate and maximise the approach and maximise the funding asks for the wider economy, pooling expertise and skills to drive action

## Global Outlook

[Air pollution in China](#) has risen for the first time since December, when the country first entered phased social distancing following the outbreak of novel coronavirus in Wuhan.

The Ministry of Ecology and Environment said concentrations of dangerous airborne particles (PM2.5) increased by 3.1 per cent in April in 337 cities across the country. This is the first year-on-year increase since December when PM2.5 rose by 10 per cent.

The resumption of industrial activity is likely a contributing cause for the rise in pollution but it cannot be the primary cause of such a large spike.

GDP data has shown that [Japan's economy slipped](#) into recession for the first time in 4.5 years, meaning the country is now on course for its deepest post-war slump as the coronavirus crisis hampers consumer and businesses. Japan is the world's third largest economy and shrank at an annual pace of 3.4% in Q1 2020.

Last week data confirmed that the German economy has also slid in to recession. The current crisis is causing unprecedented global damage with an expected cost of up to \$8.8tn (£7.1tn).

In Europe, [Slovenia](#) says it will only open the borders gradually in line with neighbours, taking a step back from last week when the country declared free entry to all EU citizens. As European countries open up their economies and seek out an effective recovery strategy, the Schengen area will be under increased strain to reopen to tourists and business travel.

The US economy's recovery from Covid-19 could last until the end of next year, according to [Federal Reserve Chairman Jerome Powell](#). He stated: "For the economy to fully recover people will have to be fully confident, and that may have to await the arrival of a vaccine," He also dismissed the idea of using negative interest rates, saying they're "not an appropriate or useful policy for the United States."

## National Outlook

Whilst the UK begins to ease lockdown measures, [Britain's focus has turned to a vaccine](#) with AstraZeneca Plc announcing plans to make as many as 30 million doses available to the UK by September. It has committed to delivering 100 million doses this year, if the vaccine -- which is undergoing human trials on volunteers-- is successful and safe for human use.

Low fares [airline Ryanair Holdings plc](#) has reported that its fiscal 2020 profit before tax slumped to 670.3 million

euros. This is compared to last year's 948.1 million euros. Ryanair Holdings Plc expects to book a loss of more than 200 million euros (\$216 million) for the June quarter. It has already received a 600 million-pound (\$726 million) loan backed by the U.K. government.

[Sterling hovered at near two-month lows](#) against the dollar and the euro, as talk of negative interest rates from the Bank of England began emanating. The pound has already fallen sharply this month, by 3.75% against the dollar.

Across the UK manufacturing plants are beginning to restart. Ford Dagenham plant in Bridgend Wales has restarted production this week with social distancing and health and safety protocols in place. [Aston Martin](#) have also announced plans to restart production after posting a loss of £119 million for the first quarter of 2020.

Before the current crisis Martin welcomed a £536 million cash injection from a consortium led by fashion and Formula 1 magnate Lawrence Stroll.

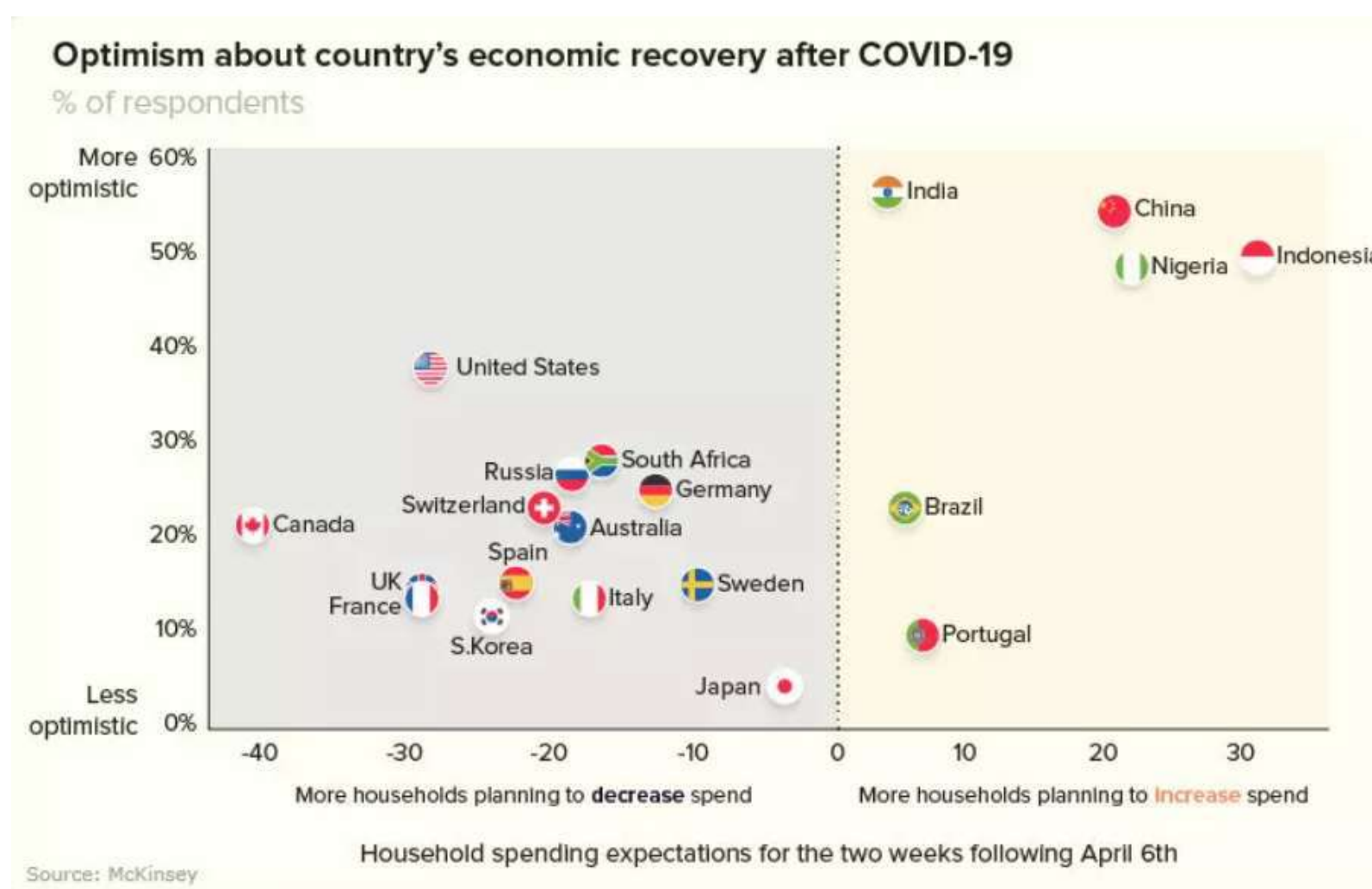
## Regional Outlook

In the West Midlands there are signs that the regional economy is slowly beginning to thaw from its recent deep freeze. [Jaguar Land Rover's engine manufacturing site](#) on the Wolverhampton's i54 Business Park has started production once again. The site has been revamped to ensure temperature checks at entrance and exits and 2-meter social distancing is practiced throughout the facility whilst production can safely continue.

Whilst there is some evidence of the local economy thawing out, more evidence is emerging that regional businesses are struggling, which will result in substantial job losses. [JCB says](#) that it could shed 950 jobs at its UK factories following a steep 50% drop in demand for their products fell by 50%.

The jobs could be axed at factories and plants in Derbyshire, Staffordshire and Wrexham plants. It is Some 500 agency workers are also being relieved of their roles.

As reporting in earlier monitors, Rolls Royce are planning to axe [9,000 jobs](#) amid the crisis, the reduction at the derby based firm will impact across the regional supply chains. At the moment no announcements have been made as to where the jobs will be post.



## Consumer demand

Rebecca Riley – WMREDI

We are now in a period of flux as businesses slowly come out of lockdown, but only certain businesses are opening, However opening businesses is only the first step, businesses will still need consumer demand to return. This demand is based on people's behaviours, what they buy and where they buy from, without confidence to shop businesses will not return to normal. The [WEF](#) highlights that generally spending is down across all industries as lock down measures have restricted what consumers can spend and the economic consequences of the pandemic mean people are less likely to risk spending. While some industries will weather the storm others will struggle to survive. Buying behaviour has become erratic but they have reduced spend on all non-essential goods. However as each country moves along the curve as above, there are glimmers of increasing spend.

[Consumer spending](#) shrank by more than a third (36.5%) as shops have been closed, despite online sales and rise in grocery shopping. Online is now becoming entrenched in behaviour and the norm. Main reasons are a halving of travel spend. 97% drop in bars, pubs and clubs, these businesses are likely to suffer worst through this period and open last.

Barclaycard data suggests the level of spend reduction is far larger than the estimates from the Bank of England. Supermarket spend rose by 14.3%. Eating and drinking including takeaway rose 25%. Digital content streaming rose 50%. 9 in 10 households have increased their savings with a 3<sup>rd</sup> saving more and 23% were saving for a

holiday. [Consumers cleared £3.8bn](#) of debt, battering down the hatches as the virus hit. And new borrowing on credit cards has dropped by £5.4bn. Overall the highest level of repayments since records began in 1987. Deposits in banks have also increased by £13.1bn. The number of mortgages approved by lenders have dropped by 24% and there are an estimated 373k sales on hold. Nationwide will not be providing its house price index as there are so few transactions so prices cannot be monitored.

The [British Retail Consortium](#) reported a 19.1% year on year contraction in retail sales in April, the worst levels since records began. But grocery in store rose 6% whilst non food fell 36%. Online sales rose 60% against the average of 8%. Generally the pandemic has accelerated current trends to online.

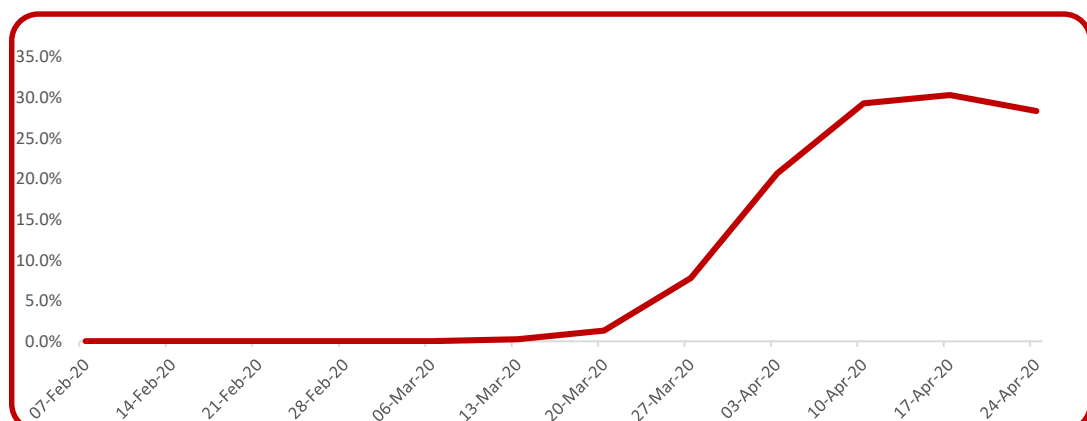
[Fitch Ratings](#) - the impact on Fitch-rated consumer companies' credit profiles depends on their product portfolio structure, diversification, financial flexibility and measures taken to offset the pandemic pressures. Large companies are in a better position. Food companies generally fairing better but beverages feeling the hit. They expect other consumer goods, clothes, perfumes, cosmetics to continue to be negatively impacted due to social distancing measures

For some, rebuilding their customer experience by appealing to changing values could result in a profitable, and perhaps much-needed revival. For other companies, there is no other choice but to play the waiting game.

### Summary Performance - current

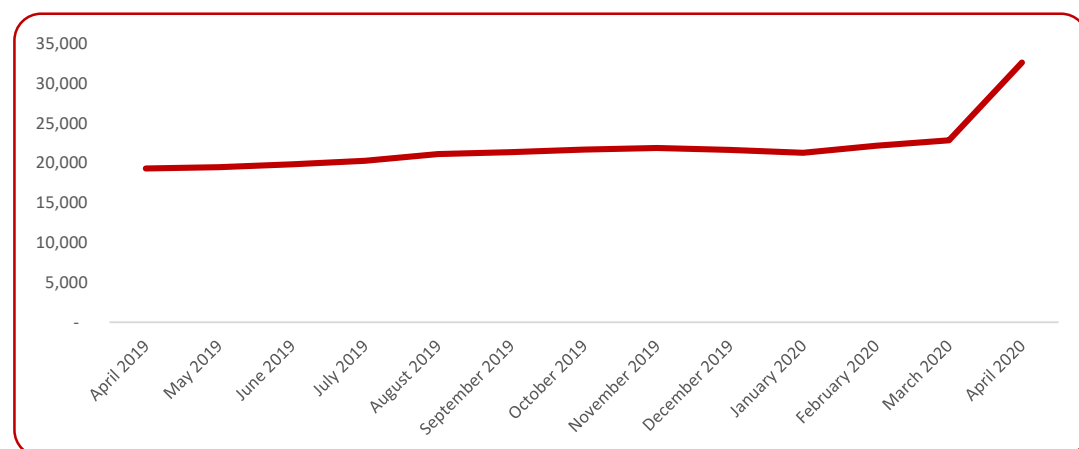
The flowing charts track the indicators across previous monitors and their performance over the period so far. The data are the most recent data from March/April 2020. Red diagram the performance has got worse, green better.

#### Percentage of registered CV19 Deaths of total registered deaths



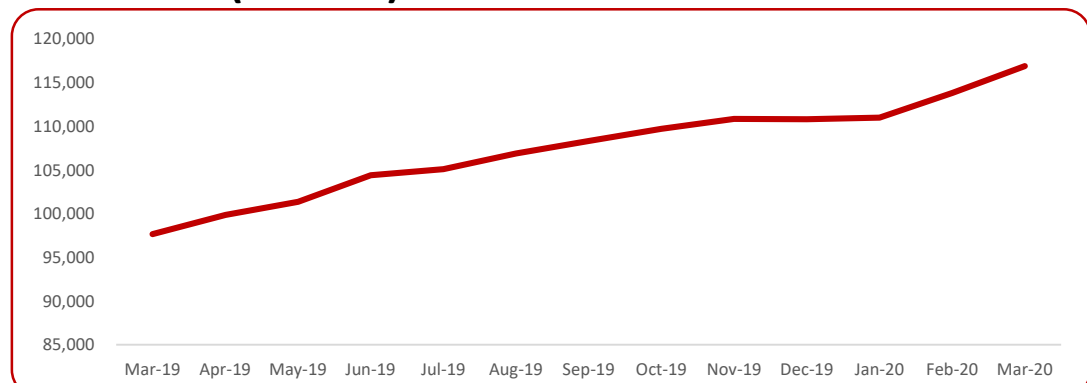
The WMCA is the 2<sup>nd</sup> highest CA area, and the percentage of registered deaths of total deaths has decreased in the later weeks of April. There are however still significant number of excess deaths regionally and nationally as seen in Monitor 8

#### Youth Claimants



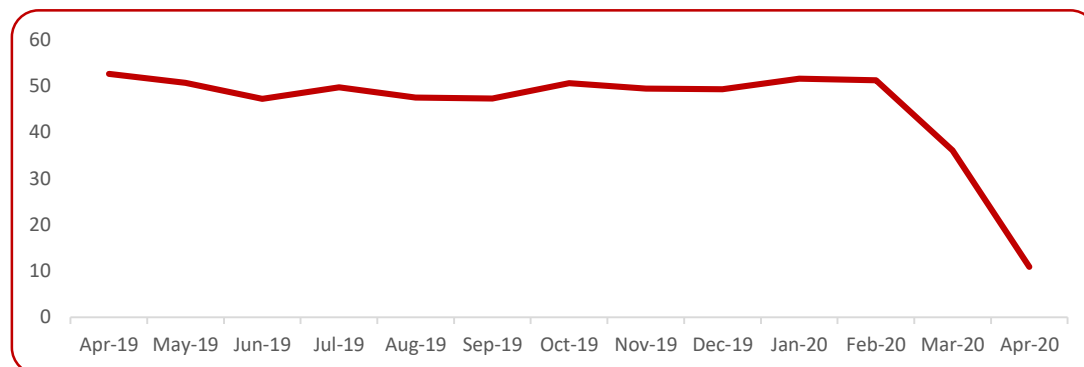
There are 32,585 youth claimants in March 2020 and increase of 10,000, rising to 6.8% of the 18-24 population. The WMCA is the 5<sup>th</sup> highest CA region and the increase has accelerated at a much higher rate elsewhere, but we remain higher than UK at 5.4%. as a percentage of the overall population the highest is the Tees Valley at 8.9%. Although the WMCA has the highest number of actual claimants.

#### Claimants (18 – 64)



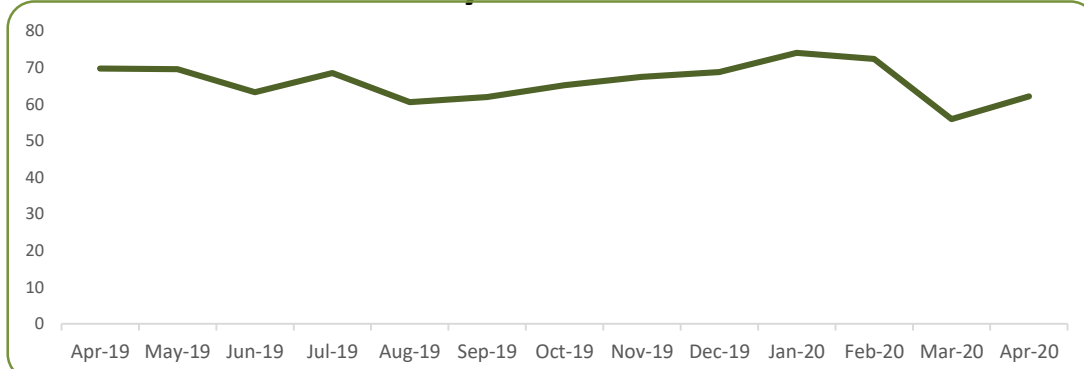
The number of claimants has increased to 171,540 and as a proportion of the population the WMCA is the 5<sup>th</sup> highest area at 5.2% (UK 3.9%), again Tees Valley is the highest as a proportion of the population at 5.7%. In terms of actual claimants the WMCA is the highest

### Business activity



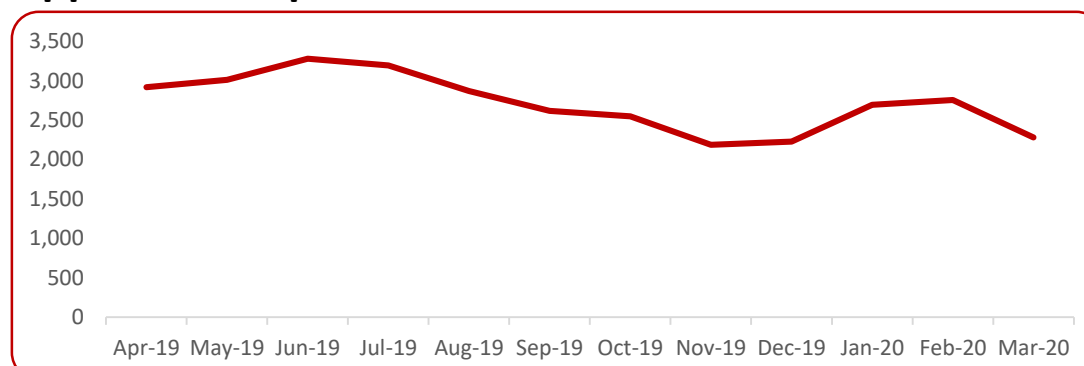
Business activity has dropped from 51.2 in February a figure above 50 and representing growth, to 10.9 (UK 13.9) in April, the lowest on record. The WM the 4<sup>th</sup> lowest, Northern Ireland saw the lowest drop (8.3) and the Northwest the smallest (19.7). This drop is driven by the strict restrictions on operations.

#### Future Business activity



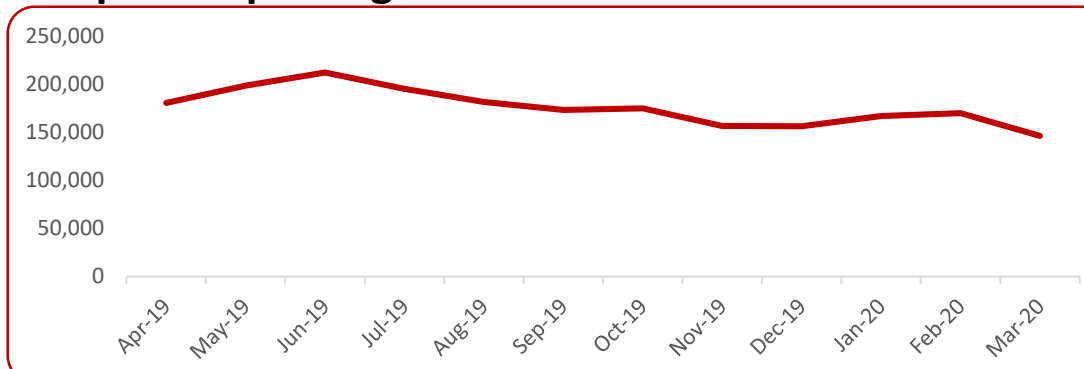
Future business activity is however holding up, with a slight increase in April on March from 55.9 to 62.1, but not back to the February levels. WM is the 3<sup>rd</sup> highest region. The improvement is driven by a perception that economic activity will return after lockdown is relaxed.

#### Apprenticeship vacancies



The WMCA has the highest level of vacancies at 2,278, this has gone down slightly compared to previous months, which mirrors comparator areas.

#### Unique Job postings

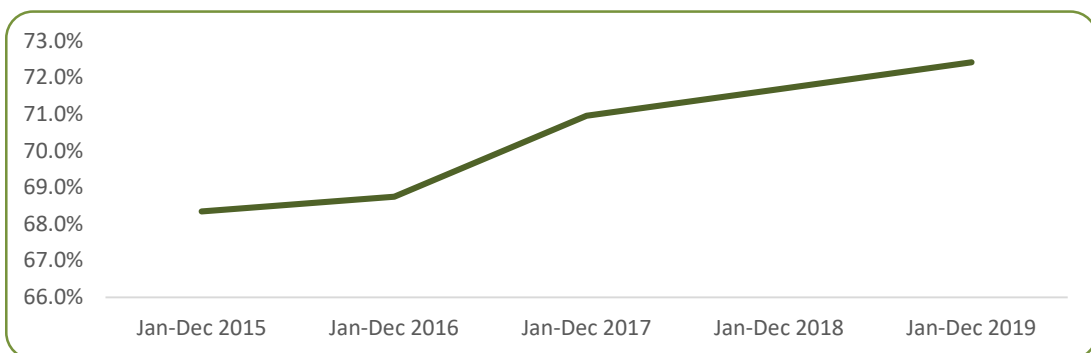


The latest data shows that the number of unique job postings has decreased compared to previous months. WMCA is the Highest at 146,246

## Summary Performance – lagged data

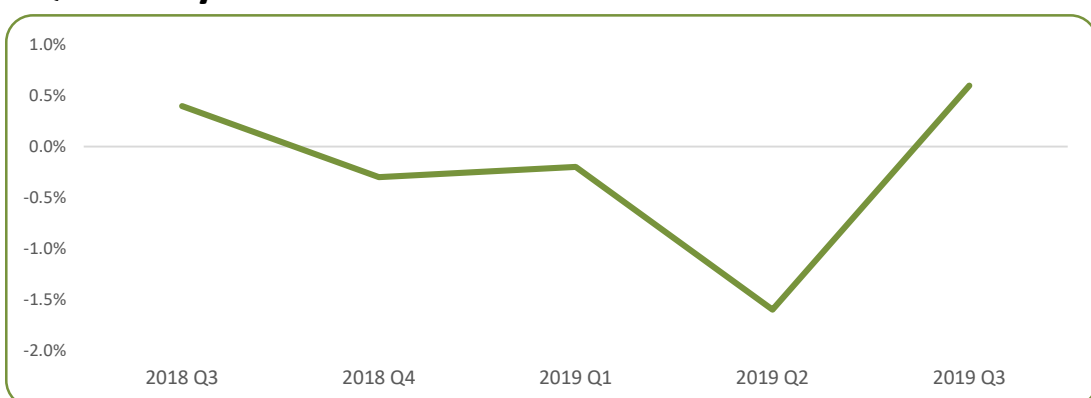
These indicators are the most up to date, however are lagged, as such the impact of Covid19 does not appear in them.

### Quarterly Employment rate



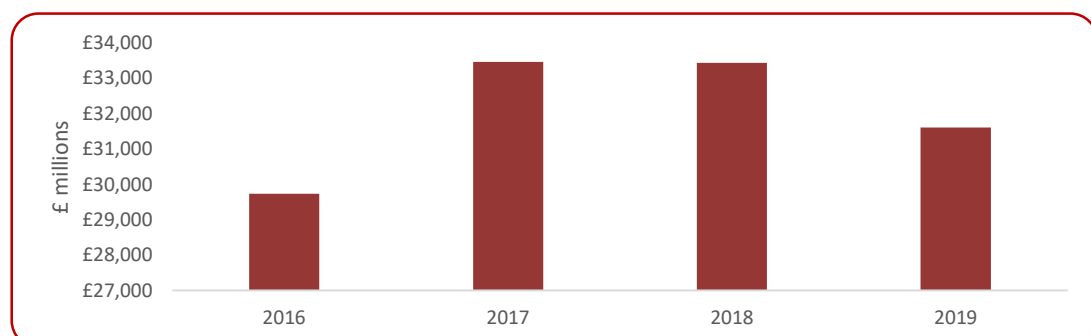
The employment rate Jan to Dec 2019 was 72.4% or 1,870,000 people. Levels have continued to rise since Jan 2015. The latest annual growth rate is above the UK rate.

### Quarterly GDP



The latest quarter shows positive growth which matches the national trend, however the percentage change compared to Q3 in 2018 is -1.5% which England experienced a +1.5%.

### Quarterly regional exports



The WM is the fourth highest region for exports at £13.6bn, and 9.1% of the UK. However regional exports fell by £1.8bn and imports decreased by 3.7% leading to a trade deficit of £4.8bn

Sources: ONS, Number of provisional; weekly deaths involving coronavirus, May 2020, Department for Work and Pensions, Claimant count, April 2020, IHS Market, PMI Survey, May 2020, EMSI, April 2020, Annual Population Survey, April 2020, ONS, UK regions and Countries, May 2020, HM Revenue & Customs, UK Regional Trade in Goods Statistics, March 2020

## Regional Outlook

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

Of respondents 99% had less than 250 staff, 38% employ 1 to 9 staff and 12% sole traders. 52% do not export, 52% did not import. 26% Professional Services and 30% manufacturers (above regional sectoral breakdown for manufacturing)

- 59% saw a fall in revenue (42% a significant drop) 40% drop in international revenue,
- 52% saw a drop in cash and 36% expect cash reserves to cover 1-3 months (this is significant higher than last week), 25% 3 to 6 months, but 12% could only cover a month, 7% have no cash reserves an increase on last week
- 77% said the workforce remaining the same (similar to last week which may reflect furlough kicking in), 29% cited a drop in hours worked
- 40% have furloughed staff. Of those intending to apply, 89% said they had submitted a claim and received the funding (an increase of 13%) and 4% submitted with no response yet (a decrease of 7%).
- 17% reported a drop in apprenticeship activity and training.

29% of firms had attempted to access the Bounce Back Loans Scheme and 52% were not planning to. Of those 44% felt they had enough levels of cash/funding, and 12% wanted clarity on lockdown and 16% concerned about being able to pay it back. 68% said they were using it to cover everyday options 20% to pay off debt. 52% successful in securing 44% awaiting a decision.

On May 11th, the UK Government released guidance for employees called 'Working Safely During Coronavirus' and 86% of respondents were aware of the guidance whereas 6% had never heard of it. 29% felt that information included in the guidance was very clear, 56% felt it was somewhat clear and 11% believed it was very clear at all. 49% of respondents felt they would be able to implement the guidance and fully re-start operations and 37% suggested they would be able to implement the guidance and only partially re-start operations; only 8% of businesses said they would not be able to implement the guidance and re-start operations.

## Qualitative Intelligence – West Midlands

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

### Financial support

In general government interventions are now having an effect and measures now doing well with good feedback from businesses and there is a general slowing down in terms of new issues. This is also reflected in:

- Reduction in HR1 notifications last week, but may have gone up this week
- AA roadside recovery has increased to pre covid levels (some related to home start due to cars being sat idle for a long time)

Issue which remain are:

- Events companies in terms of getting back into work and operational, especially smaller ones
- Still confusion over trade insurance approach (government statements made but companies reducing the credit levels until the changes come in i.e. one company has seen reductions of 25% with reimbursements at end of contracts)
- Reserves have now gone, especially in retail.
- Companies now pulling people back from furlough so requests for information on legal aspects of that are rising
- Supply chains cliff edges are catching people out in terms of products and parts not being received
- Banks, CIBLS some are withdrawing it for sole traders as risks too high. Also issues with the sole traders as their personal possessions are at risk so default may lead to personal bankruptcy
- Flexible furlough an issue as no detail and businesses can't plan
- Business interruption insurance generally hasn't paid out
- Issue that businesses who have already received grants then they can't access other schemes and important that discretionary funding can respond to needs. But clarity needed

### Recovery

Generally the advice and guidance being sought now is recovery based. Businesses are still asking for guidance on recovery, and are now planning in the absence of guidance this includes:

- Should they be providing PPE and taking temperatures
- Issues over managing investments abroad, how do businesses do this? What advice is there? No policy lines at the moment
- Companies looking at how to their take businesses forward, how they adapt and become more resilient

- Remaining ERDF funding waiting for clarification for how remaining funds can be used ie application of social distancing measures and general return to business measures
- UK hospitality time out campaign, to ease cash flow for businesses in this sector. Some companies no income at all for 6 to 8 weeks.

### Covid 19 and Self employment in the UK

Andrew Henley and Darja Reuschke at the [ERC](#) provide a preliminary assessment of the likely impact of the Covid-19 crisis on the self-employed using the most recently available UK Quarterly Labour Force Survey data, we provide an analysis of which groups and where the self-employed are most at risk of significant income loss and therefore household distress.

Because of time-lags in the publication of official labour force and business statistical data, it is still too early for us to assess with any degree of precision the impact of the crisis on the self-employment.

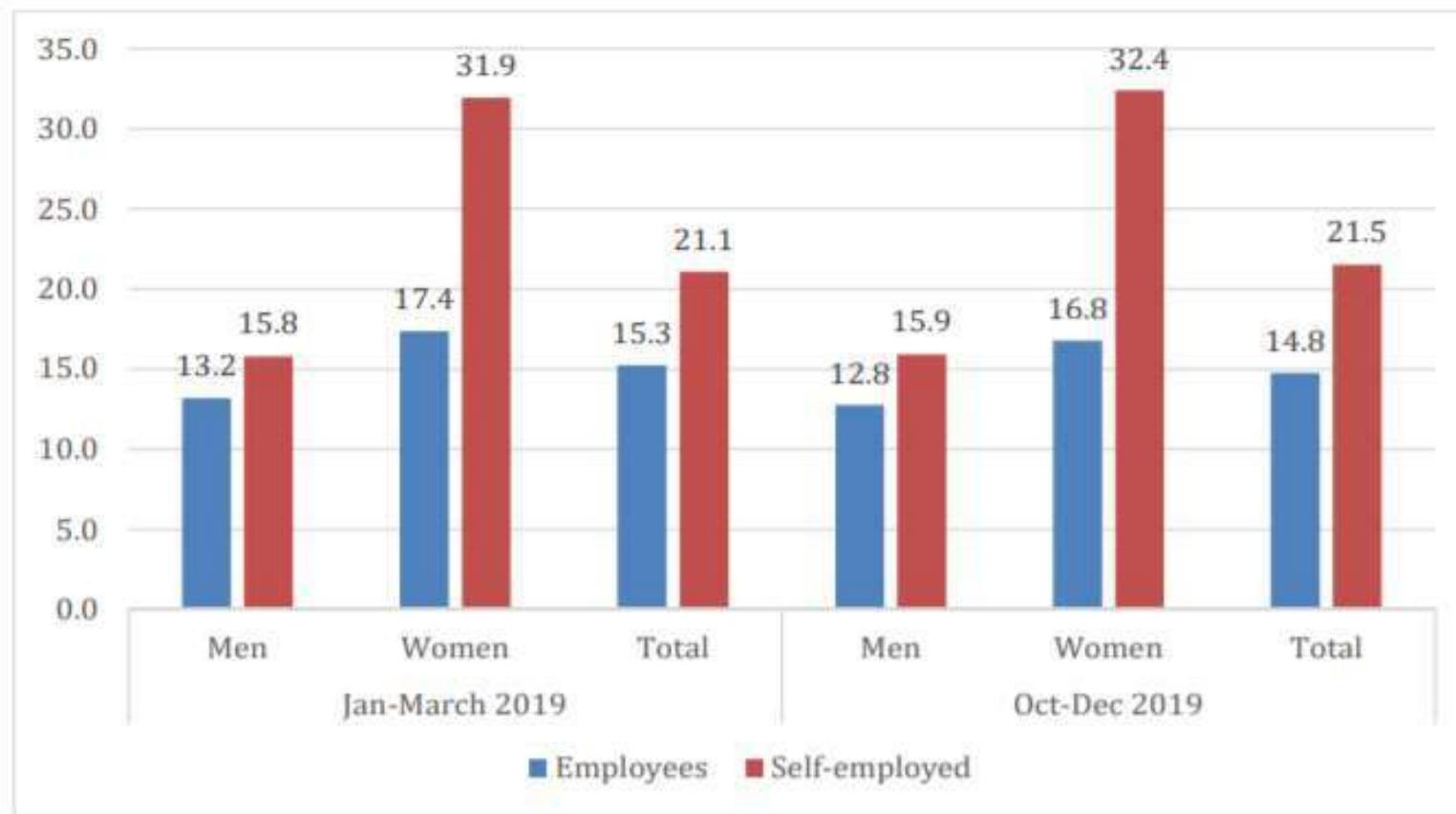
Nevertheless, the sudden closure of businesses and tight social distancing restrictions on the movement of people in the attempt to slow down the spread of Covid-19 is having unprecedented effects on employment and businesses activity. Employment and self-employment in non-food personal and domestic services is directly affected since customers are required to stay at home except for essential shopping for food and medical supplies, and where possible work from home, and so no longer permitted to use these services.

The Institute for Fiscal Studies identifies sectors that are directly affected by the lockdown: non-food, non-pharmaceutical retail; passenger transport; accommodation and food; travel; childcare; arts and leisure; personal care and domestic services (Joyce and Hu, 2020). The sector-specific employment risk coincides with specific job and worker characteristics with young people and women being predicted to be hit hardest by the lockdown. Age and gender effects are further associated with low income jobs and part-time workers. Hence, the employment effect of Covid-19 is associated with a stark level of social inequality.

However, predictions about which workers are hardest hit by the crisis (Joyce and Hu, 2020; Kitsos, 2020), included only those in paid employment.

The chart below shows in in quarters 1 and 4 of 2019. Because of seasonal changes in self-employment, Two features stand out. The first, the proportion of the self-employed at risk, is significantly higher than the proportion of the employed.

Proportion of workers 'at risk' employees and self employed by gender and in total in %



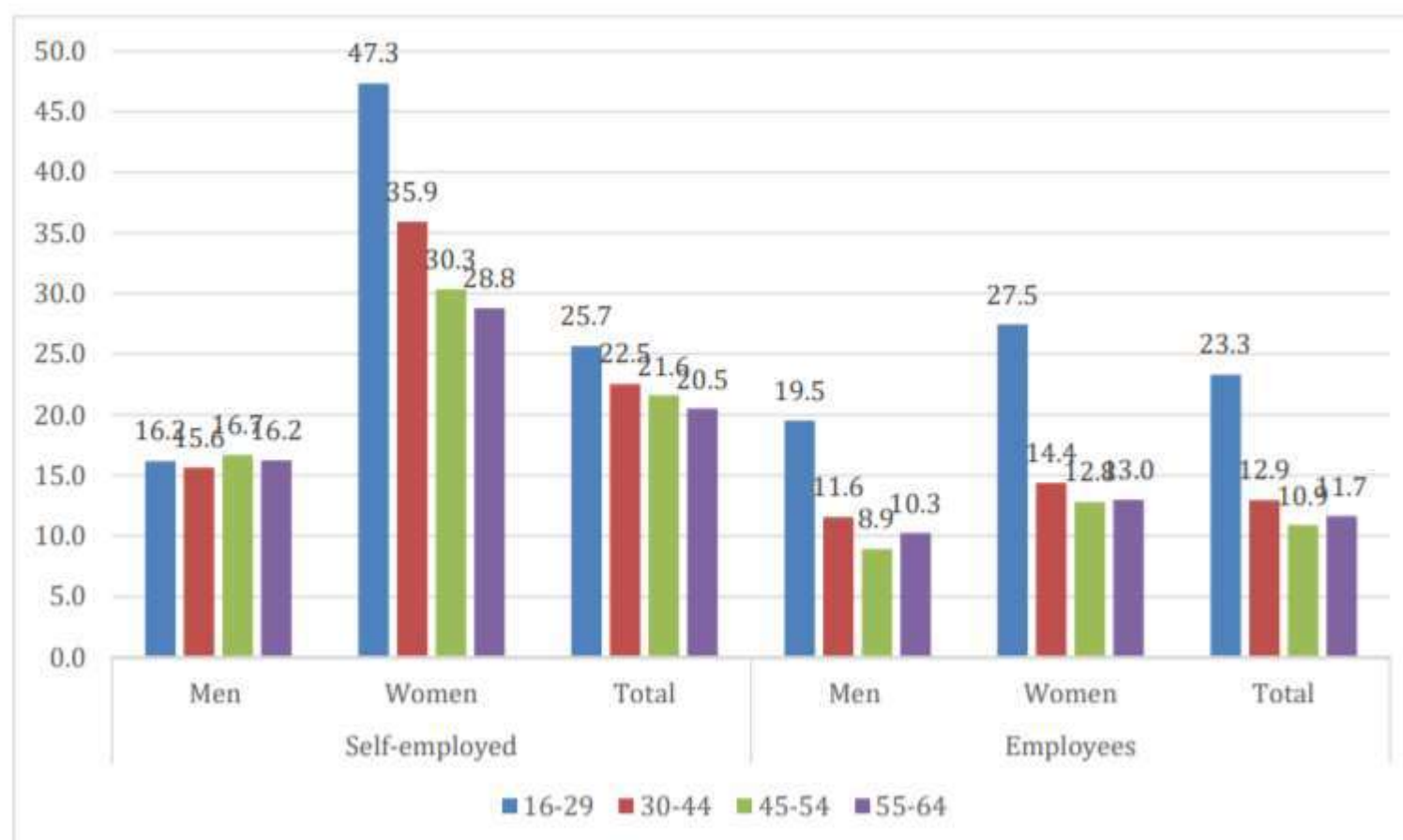
Over one-fifth of the self-employed (or approximately 1,068,000) are in at-risk sectors whereas for paid employees the proportion is just under one-sixth. These figures suggest that this gap has widened a little over the course of 2019 although this may to some extent reflect seasonality in sectoral employment patterns. Females are at much high risk than males, a reflection of the segregation of women into particular at-risk sectors, such as childcare, personal care and domestic services. Overall almost a third (or approximately 545,000) of the female self-employed are at risk, and this proportion is much higher than the proportion of female paid employees at risk.

Below is further disaggregation of those at-risk into age bands. For paid employees it is in particular the under 30s who are at high risk, and both male and female young paid employees are at high risk. However, for the self-employed in this youngest age category, almost half of females are at risk. Over a third of females in the 30

to 44- year age band are also at risk. This is particularly concerning as these young female self-employed may well be juggling self-employment activity with childcare responsibilities and be affected by school and nursery closures. Some are likely to be single parents who have primary childcare responsibilities. On the other hand, there is little variation in at risk rates across male age groups – in stark contrast to male employees and self-employed women.

22% of the self-employed, or 1.1 million in total, are in sectors most at risk of loss of livelihood in the current crisis. If this materialises and the loss of livelihood is permanent then it would wipe out more or less exactly all of the growth in self-employment activity seen across the UK since the onset of the 2008 financial crash. The odds of being at risk of losing one’s livelihood is twice as a high if one is self-employed compared to being in paid employment.

Proportion of workers 'at risk' by age groups, self employed and employee by gender and in total %





Latest National Statistics

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

**Business**

Based on an update of the new weekly survey of businesses which is statistically representative at the national level (sample 18, 506 and a response rate of 27%):

- 23% have temporarily closed or paused, 77% continue trading, 6% of them said they had only just started re trading. 25% said turnover had decreased by over 50%
- 72% reported that they were still exporting but less than normal. 20% hadn't been affected. 44% said main challenge was coronavirus related transport restrictions, 28% increase in transport costs but 39% no challenges at all.
- The top government scheme businesses are applying for that are continuing to trade and those that have temporarily closed or paused trading is the Coronavirus Job Retention scheme (71.8% and 90.8% respectively). This is followed by deferring VAT payments (56.3% and 70% respectively).

**Social Impact**

- 23% of adults stated that Coronavirus was affecting their household finances. The most common concern on household finances continues to be a reduced income at 73%, with 33% using savings to cover living costs and a further 20% borrowing money or using credit.
- 80% 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 21% who reported to have left their home the most common reason was to run errands.
- 78% of adults reported they strongly supported the measures with 18% saying they tend to support the measures in place.
- 21% of adults believed that Britain was very or somewhat united before the Coronavirus pandemic. When we have recovered from the pandemic, 57% thought Britain would be united.
- 15.6% of adults thought Britain was equal before the pandemic, however after recovering from the pandemic this increases to 21.7%.
- 39.4% of adults thought Britain was kind before the pandemic, this increases to 67.0% once we have recovered.

The following graph shows for businesses that are continuing to trade and paused how long their cash reserves would last



## Insights for COVID-19 resilience and recovery in the West Midlands from the Midlands Engine Economic Observatory

Abi Taylor - WMREDI

The **Midlands Engine Economic Observatory** (MEEEO) has recently published a number of key outputs. Whilst the analysis was conducted before the COVID-19 crisis began, it offers **insights for COVID-19 resilience and recovery in the West Midlands**.

The MEEEO is a partnership led by City-REDI, which includes Nottingham Trent University, Black Country Consortium, SQW, and Cambridge Econometrics. It aims to provide essential research capacity and grow contemporary insights into the functioning of economy in the Midlands Engine.

The publications include:

- The Midlands Engine Independent Economic Review
- A synthesis of deep-dive interviews conducted with businesses across the Midlands
- An evidence paper examining Geographical Scales And Functions: The Case of The Midlands Engine
- Analysis of public spending in the Midlands over recent years, focusing particularly on comparisons with other parts of England and the wider UK
- A series of papers analysing the potential impact of Brexit on sectors in the Midlands
- Future growth projections and scenarios
- Local Area Profiles identifying productivity assets, barriers to performance and opportunities going forward in each Local Enterprise Partnership area in the Midlands

The Independent Review provides an **extensive analysis of the Midlands economy**, at a depth and scale not seen before. Based on a review of existing evidence and analysis of the deep-dive interviews, it examines the key factors driving productivity performance across the Midlands, identifying commonalities and economic linkages across the region.

## Insights for COVID-19 resilience and recovery in the West Midlands

Several of the conclusions from the Independent Economic Review are pertinent as policy makers in the West Midlands seek to move into the resilience and recovery phases of the COVID-19 economic recovery framework.

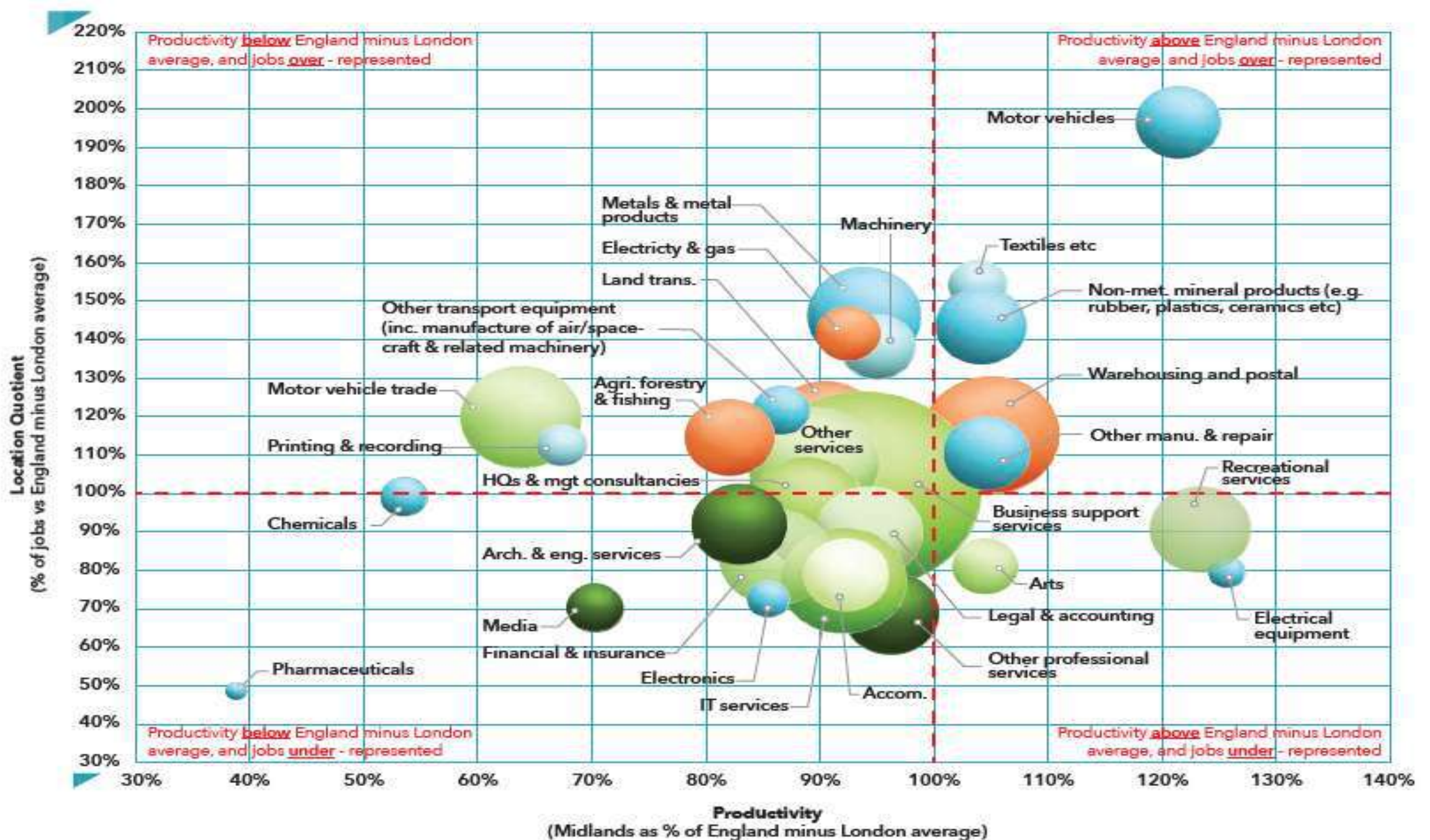
The research emphasises how despite traditional strengths (in manufacturing, a broad business base and world-class science and innovation assets), **certain parts of, and sectors within, the Midlands were already vulnerable** before the COVID-19 crisis created even deeper labour market and productivity challenges. Before moving onto economic recovery and growth, we must focus on the short-medium resilience of the Midlands economy through addressing these challenges:

- **The Midlands suffers from a productivity gap.** In 2017 GVA per capita in the Midlands stood at nearly £22,000. This was only 92% of the England minus London average. Closing this gap would enable the Midlands economy to generate an additional £20bn each year.
- **Differences in productivity performance within sectors** are important in explaining the productivity gap in the Midlands. Whereas the motor vehicles sector is a “*star performer*” in terms of productivity, overall only 10% of jobs in the Midlands are in sectors which have productivity levels above-average levels in England (excluding London). It is striking that productivity is relatively low within some sectors identified as priorities within the Midlands and which are affiliated to the regions’ key strengths (for example, other transport equipment and pharmaceuticals). Productivity challenges are also identified in the business-related services sector.

**Variable productivity levels exist** *within* the Midlands. Coventry and Warwickshire, Greater Birmingham and Solihull, and Leicester and Leicestershire have consistently performed more strongly over the last two decades than elsewhere in the region.

## Midlands Productivity Performance 2017 by sector

Source: Independent Economic Review. (2020). P.9. Based on SQW analysis of Cambridge Econometrics data. Note: Midlands sectoral productivity performance, scale and concentration relative to the England minus London average shown for sub-sectors where productivity performance is above or below the benchmark only, 2017. Size of bubble represents Midlands jobs in 2017.



**Challenges relating to starting and growing a business in the Midlands.** Some areas in the Midlands have some of England's lowest incidences of High Growth Firms, and low in-firm productivity. Skills; infrastructure; access to growth finance; and barriers to R&D collaboration, commercialisation and knowledge diffusion/technology adoption as the **most important and common factors holding back productivity and growth across the Midlands.**

The Review stresses the need to focus business support interventions on increasing productivity and long-term resilience, through **accelerating technology adoption, and boosting skills and leadership and management capacity.** It also calls for the establishment of a more **integrated and collaborative science and innovation landscape across the Midlands.** The Review identifies that the Midlands has a large number of medical technology, diagnostics and device companies and life sciences expertise across a range of specialisms. In the context of COVID-19, developing these to avoid dependence on supply chains outside of the UK is even more of a priority. Facilitating stronger

networks, and better connecting capabilities and expertise across networks and clusters is vital to supporting the establishment and growth of the cross-sector collaborations required as the region seeks to respond to the structural economic changes it is facing.

With regard to a pan-Midlands approach, the Review emphasises the **importance of establishing clarity regarding the division of responsibility between the various "tiers" of government** operating in the Midlands. The scale and depth of the challenges presented by COVID-19 crisis necessitate that such questions are considered as a matter of urgency. Maximising synergies between partners' actions and reducing confusion is likely to be crucial to the Midlands successfully designing a short to long-term recovery and resilience action plan. Research [by City-REDI before the COVID-19 pandemic](#) revealed how capacity for and expertise in lobbying for funding to support project delivery at LEP level varies. Adopting a coordinated approach offers the opportunity to drive such long-term economic recovery and resilience

## Claimant Count Summary

### Black Country Consortium

Source: Department of work and pensions, Claimant Count, May 2020

#### Claimant count for people aged 16+:

There were **171,540 claimants in the WMCA (3 LEP)** area in April 2020, this is an increase of 53,950 people compared to March 2020. This equates to an increase of 45.9%– while the UK increased by 66.9%.

Within the WMCA (3 LEP), the BCLEP had 55,065 claimants in April 2020, this is an increase of 16,790 (+43.9%) from the previous month.

There were 26,200 claimants aged 16 years and over in April 2020 in the CWLEP – this is an increase of 10,375 claimants since March 2020 - which equates to 65.6%

There were 90,275 claimants aged 16 years and over in April 2020 in the GBSLEP – this is an increase of 26,785 claimants since March 2020 – which equates to 42.2%.

All the LEPS within the WMCA (3 LEP) increased at a

#### Claimant Count % change on month and year

	April 2019	March 2020	April 2020	% Change (Apr 20 – Mar 20)	% Change (Apr 20 – Apr 19)
BCLEP	31,660	38,275	55,065	43.9%	73.9%
CWLEP	12,865	15,825	26,200	65.6%	103.7%
GBSLEP	55,945	63,490	90,275	42.2%	61.4%
<b>WMCA (3 LEP)</b>	<b>100,470</b>	<b>117,590</b>	<b>171,540</b>	<b>45.9%</b>	<b>70.7%</b>
England	915,240	1,063,505	1,768,540	66.3%	93.2%
UK	1,106,610	1,268,620	2,117,360	66.9%	91.3%

slower rate than the UK average of 66.9% (and the 66.3% for England).

Overall, for the WMCA (3 LEP) the number of claimants as a percentage of residents aged 16 years and over is 5.2% in April 2020 compared to 3.9% for the UK.

Within the WMCA (3 LEP) the number of claimants as percentage of residents aged 16 years and over varies across the 3 LEPs with the Black Country at the highest with 5.9%, followed by GBSLEP with 5.6% and then CWLEP with 3.4%

**The WMCA (3 LEP) has 71,070 more claimants when compared to April 2019, this is an increase of 70.7% - which is below the UK increase of 91.3%.**

Within the WMCA (3 LEP) area, the **BCLEP have 23,405 more claimants** when compared to the same month from the previous year, an increase of 73.9%. The **CWLEP have 13,335 more claimants** when compared to the same month from the previous year, an increase of 103.7% and **GBSLEP had 34,330 more claimants** over the same period which is an increase of 61.4%.

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

The following analysis compares the latest time period (week of the 8<sup>th</sup> May 2020) to the previous week period (week of the 1<sup>st</sup> May 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 17,953 in the week of the 1<sup>st</sup> May to 12,657 in the week of 8<sup>th</sup> May. The number of deaths registered that state Coronavirus on the death certificate has also experienced a decrease from 6,035 people to 3,930 people over the same period.

Regional level analysis shows that the West Midlands overall registered death figure has decreased from 1,975 people in the week 1<sup>st</sup> May to 1,326 in the week of 8<sup>th</sup> May. The number of registered deaths related to Coronavirus has decreased from 651 people to 443 over the same period.

There was a total of 897 deaths registered across the WMCA (3 LEP) area in the week of the 8<sup>th</sup> May. There were 307 deaths registered that were related to Coronavirus over the same period – this accounts for 34.2% of total deaths. The WMCA (3 LEP) area accounts

for 67.6% of the 443 Coronavirus related deaths registered in the West Midlands Region.

In comparison to the week of the 1<sup>st</sup> May, the overall registered death figures have decreased 509 people, with the number of deaths related to Coronavirus decreasing by 175 people.

At a local authority level, Birmingham accounts for 26.7% (82) deaths related to Coronavirus in the WMCA (3 LEP), this is followed Walsall at 9.4% (29 deaths).

Of deaths involving Coronavirus registered in the week of the 8<sup>th</sup> May, 56.4% (173) occurred in a hospital which has increased when compared to the 1<sup>st</sup> May at 53.1% (256). The number of Coronavirus related deaths that in a care home has decreased from 40.5% (195) in the week of the 1<sup>st</sup> May to 36.2% (111) in the week of the 8<sup>th</sup> May.

### Place and number of deaths registered that are related to Coronavirus in the week 8<sup>th</sup> May 2020

	Care home	Elsewhere	Home	Hospice	Hospital	Other communal establishment	Total
Cannock Chase	2	0	0	0	3	0	5
East Staffordshire	4	0	0	0	10	0	14
Lichfield	3	0	0	0	3	0	6
Tamworth	0	0	0	0	2	0	2
North Warwickshire	4	0	0	0	1	0	5
Nuneaton and Bedworth	3	0	0	0	9	0	12
Rugby	5	0	0	0	4	0	9
Stratford-on-Avon	8	0	0	1	7	0	16
Warwick	5	0	1	0	3	0	9
Bromsgrove	3	1	0	0	7	0	11
Redditch	1	0	0	0	4	0	5
Wyre Forest	7	0	1	0	2	0	10
Birmingham	24	2	1	2	53	0	82
Coventry	5	0	0	2	9	0	16
Dudley	6	0	1	2	5	0	14
Sandwell	7	0	0	0	14	0	21
Solihull	6	0	2	2	7	0	17
Walsall	9	1	2	0	17	0	29
Wolverhampton	9	0	1	1	13	0	24
WM 7 Met.	66	3	7	9	118	0	203
Black Country LEP	31	1	4	3	49	0	88
Coventry & Warwickshire LEP	30	0	1	3	33	1	67
Greater Birmingham & Solihull LEP	50	3	4	4	91	0	152
<b>WMCA (3 LEP)</b>	<b>111</b>	<b>4</b>	<b>9</b>	<b>10</b>	<b>173</b>	<b>0</b>	<b>307</b>

## Appendices

- ONS Weekly Indicators
- ONS Claimant counts –ward analysis
- Covid 19 Business Tracker
- LEP Level Local Business Intelligence

## ONS Weekly Release Indicators

On the 14<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.

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 initial results from Wave 4 of the Business Impact of Coronavirus Survey, the final results for Wave 6 of the Opinion and Lifestyle Survey and weekly management information on Universal Credit claims and advances for the 1<sup>st</sup> March to 5<sup>th</sup> May

### Business Impact of the Coronavirus

The initial results from the fourth round of the Business Impact of Coronavirus (COVID-19) Survey (BICS) show that of the 18,506 businesses surveyed across the UK, 5,036 (27%) businesses responded and stated they had not permanently ceased trading. Unless stated, the following data is based on the period between 20<sup>th</sup> April to the 3<sup>rd</sup> May 2020 and no regional breakdown is available.

### Trading and Financial Performance

Less than 1% of businesses reported they have permanently ceased trading with 23% temporary closed or paused trading and 77% continuing to trade between 20<sup>th</sup> April to the 3<sup>rd</sup> May. However, of the businesses that reported trading, 6% reported they had started trading again in the reference period.

25% of trading businesses reported their turnover had decreased by more than 50% - however, 32% reported that their turnover was within normal range.

22% of trading businesses expect for the next two weeks when compared with that normal is that turnover will decrease a little, 50% expect it to stay

the same and 14% expect turnover to increase a little.

### International Trading

For businesses continuing to trade who reported their financial performance was outside normal expectations and were continuing to export and import found that within the last two weeks, 1.3% of businesses stopped exporting and 2.0% of businesses had stopped importing.

Nearly 72% of exporting businesses reported their businesses were still exporting but less than normal and 59% of businesses that imported were importing less than normal.

Nearly 20% of business are exporting reported they had not been affected and nearly 28% reported importing had not been affected.

3.5% of businesses are exporting more than normal and 3.4% are importing more than normal.

For exporting businesses, 44% reported that main challenge was the Coronavirus-related transport restrictions and 28% reported challenges with the increase of transport costs – however, 39% reported no challenges at all with exporting.

### Government Schemes

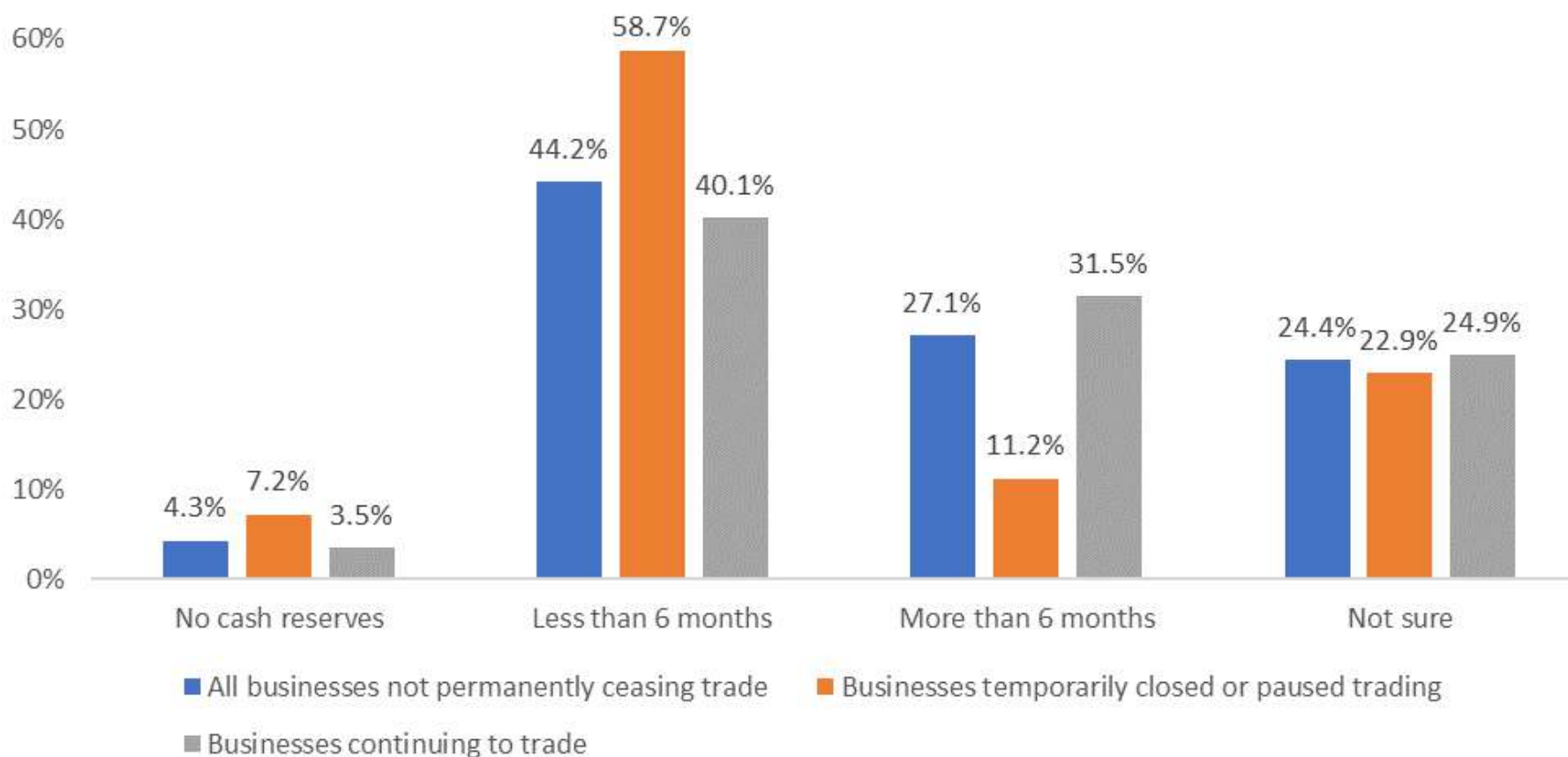
The top government scheme businesses are applying for that are continuing to trade and those that have temporarily closed or paused trading is the Coronavirus Job Retention scheme (71.8% and 90.8% respectively). This is followed by deferring VAT payments (56.3% and 70% respectively).

### Cash Flow

3.5% of businesses that are continuing to trade have no cash reserves, while 7.2% of businesses that have temporary closed or paused trading have none.

58.7% of businesses that have temporary closed or paused have cash reserves that will last less than 6 months, while 11.2% have cash reserves for more than 6 months.

The following graph shows for businesses that are continuing to trade and paused how long their cash reserves would last



### 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 6 covers the period of 24<sup>th</sup> May to 3<sup>rd</sup> May 2020.

The survey was completed before the changes to the UK government guidance were announced on Sunday 10<sup>th</sup> May.

### Concerns about household finances

23% of adults stated that Coronavirus was affecting their household finances. The most common concern on household finances continues to be a reduced income at 73%, with 33% using savings to cover living costs and a further 20% borrowing money or using credit. 25% of people reporting that are unable to save as usual.

### Staying at home and self-isolation

80% 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 21% who reported to have left their home the most common reason was to run errands.

78% of adults reported they strongly supported the measures with 18% saying they tend to support the measures in place.

25% of adults that reported to self-isolating in the past seven days, this increased to 42% for people with underlying health conditions and increasing

again to 51% for those aged 70 years and over.

### Working from home

44% of adults reported that had worked at home over the latest survey period. 36% had completely worked from home and 9% had worked from home and travelled to work. 26% of adults reported they were travelling to work and had not worked at home.

### Social Distancing

93% of adults have maintained social distancing between the 24<sup>th</sup> April to the 3<sup>rd</sup> May 2020. 91% of adults reported avoiding contact with older or vulnerable adults, within this 11% of people avoiding those to whom they provide care to.

### Impacts of Wellbeing

The mean anxiety has decreased for all adults from 4.2 in Wave 5 to 4.1 in Wave 6. For those aged 70 years and over this has decreased from 4.0 in the previous survey to 3.8 in the latest survey. Those with any specific health conditions increased from 4.3 in the Wave 5 survey results to 4.5 in Wave 6. The percentage of all adults that reported feeling lonely some of the time has remained at 16%, for those aged 70 years and over has decreased from 13% in Wave 5 to 12% in Wave 2. While in contrast, those with any specific health condition has increased from 18% to 21% in the latest survey.



Indicators of wellbeing between the periods of 17<sup>th</sup> April – 27<sup>th</sup> April and 24<sup>th</sup> April – 3<sup>rd</sup> May

Indicator	Group	24 <sup>th</sup> April – 3 <sup>rd</sup> May	17 <sup>th</sup> April – 27 <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	42%	48%
	70 years and over	32%	39%
	Any specific health condition	45%	51%
Mean anxiety score	All adults	4.1	4.2
	70 years old or over	3.8	4.0
	Any specific health condition	4.5	4.3
Percentage with high anxiety (score 6-10)	All adults	33%	37%
	70 years and over	29%	33%
	Any specific health condition	40%	38%
Feeling lonely often/always	All adults	5%	6%
	70 years and over	3%	2%
	Any specific health condition	10%	10%
Feeling lonely some of the time	All adults	16%	16%
	70 years and over	12%	13%
	Any specific health condition	21%	18%

**Unity, equality and Kindness**

21% of adults believed that Britain was very or somewhat united before the Coronavirus pandemic. When we have recovered from the pandemic, 57% thought Britain would be united. 15.6% of adults thought Britain was equal before the pandemic, however after recovering from the pandemic this increases to 21.7%. 39.4% of adults thought Britain was kind before the pandemic, this increases to 67.0% once we have recovered.

**Universal Credit**

New individual claims for Universal Credit was steady at 10,000 and 16,000 each weekday for the first half of March 2020, this then peaked to 146,290 claims on the 27<sup>th</sup> March and now numbers have declined to 27,810 new individual claims on the 5<sup>th</sup> May.

At the start of March, claim advances were steady at just under 5,000 per day, this then peaked on 6<sup>th</sup> April at 35,280 and now numbers have decreased to 11,520 on the 5<sup>th</sup> May.

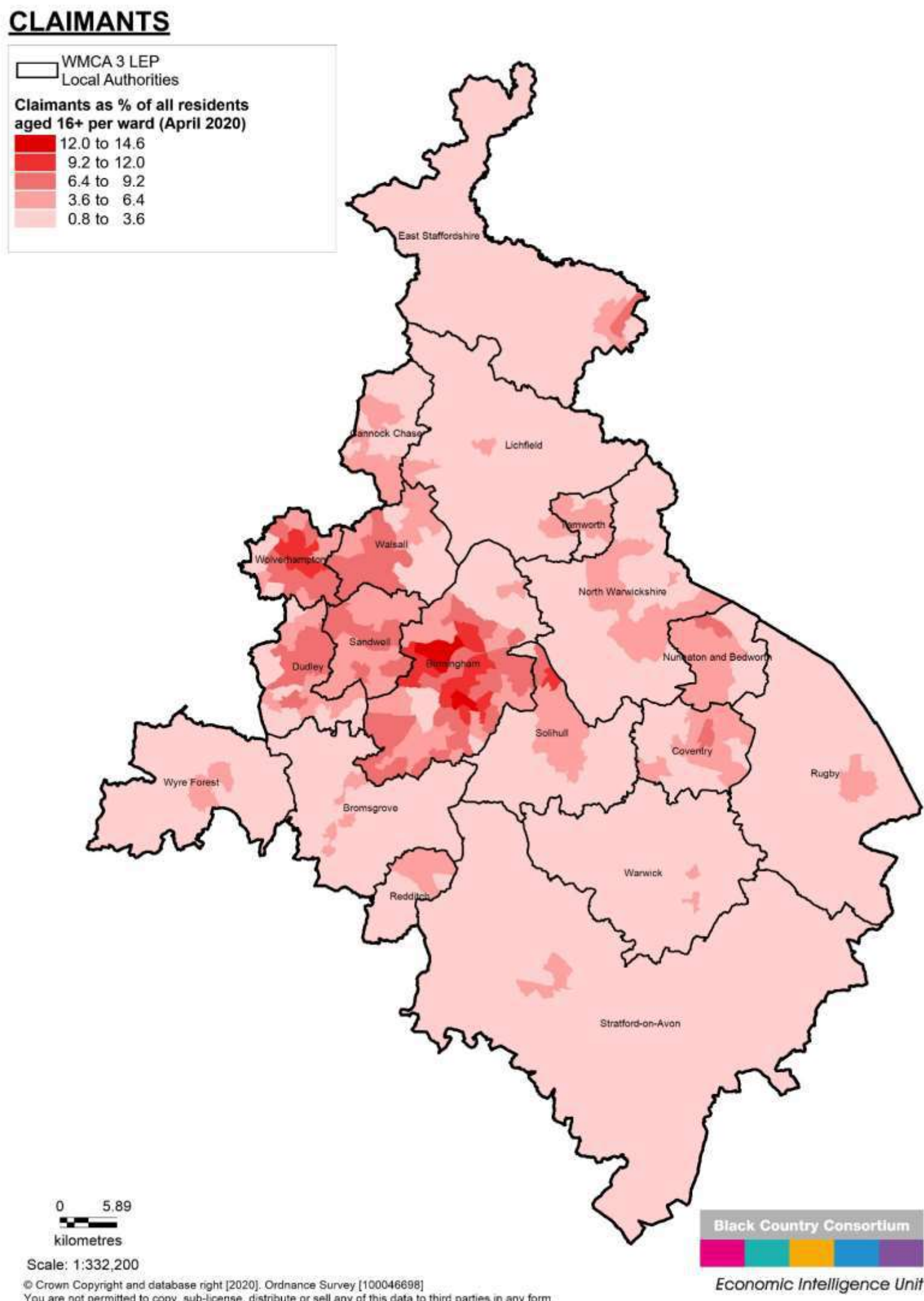
# Claimant Count Ward Analysis

## Black Country Consortium

Source: Department of work and pensions, Claimant Count, May 2020

- Out of the 422 wards within the WMCA (3 LEP), 191 are above the UK of 3.9% and 3 are the same level for the number of claimants as a percentage of residents aged 16+ in April 2020.
- The top eight wards that have the highest number of claimants as a percentage of residents aged 16+ in April 2020 are based in Birmingham, with the top three being Birchfield at 14.6%, this is followed by Lozells and Aston both with 13.5%.

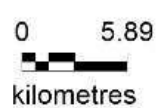
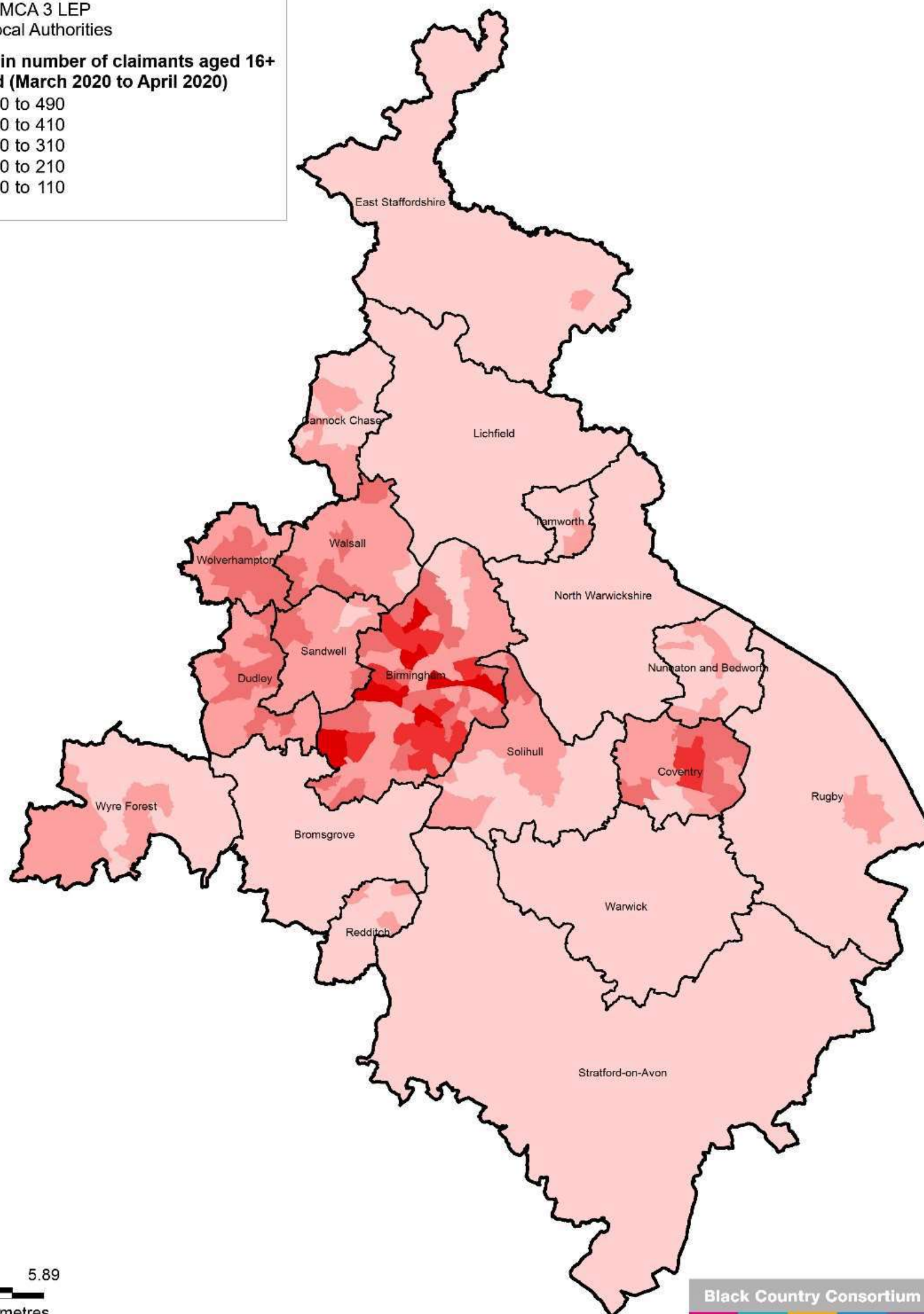
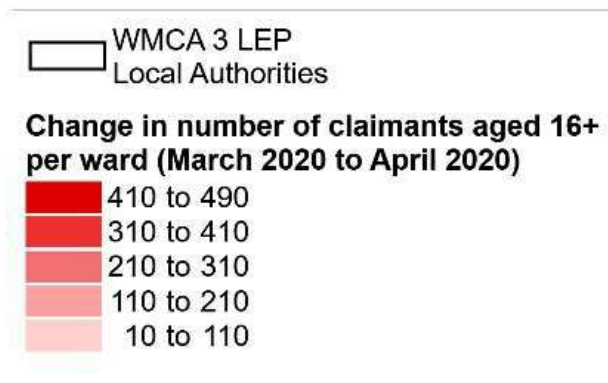
The following map shows at a ward level in the WMCA (3 LEP), claimants as a percentage of residents aged 16+ in April 2020.



There has been a notable increase in the number of claimants between March 2020 and April 2020 due to the Impact of the Coronavirus. Within the WMCA (3 LEP area), the highest number change between March 2020 and April 2020 for claimants aged 16+ was in Aston (Birmingham) with an additional 490 people (reaching 2,345 claimants). This is followed by Alum Rock (Birmingham) with an additional 470 (reaching 2,075 claimants) and Sparkbrook & Balsall Heath (Birmingham) with an additional 445 people (reaching 2,260 claimants).

The following map shows at a ward level in the WMCA (3 LEP), the change in number for claimants aged 16+ between March 2020 and April 2020

### CLAIMANTS



Scale: 1:332,200

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Economic Intelligence Unit

- There were **32,585 youth claimants in the WMCA (3 LEP)** area in April 2020, this is an increase of 9,750 people compared to March 2020. This equates to an increase of 42.7%— while the UK increased by 58.6%.
- There were **10,740 youth claimants in the BCLEP, this is an increase of 2,990 since March 2020.** This equates to an increase of 38.6%.
- There were **4,725 youth claimants in the CWLEP, this is an increase of 1,805 since March 2020.** This equates to an increase of 61.8%.
- There were **17,120 youth claimants in the GBSLEP, this is an increase of 4,955 since March 2020.** This equates to an increase of 40.7%.
- CWLEP is the only LEP within the WMCA (3 LEP) where percentage increase is above the England and UK average (58.1% or 58.6%).
- Overall, for the WMCA (3 LEP) the number of claimants as percentage of residents aged 16- 24 years old is 6.6% in April 2020 compared to 5.4% for the UK.
- The number of claimants as percentage of residents aged 16- 24 years old varies across the 3 LEPs with the Black Country at the highest with 8.6%, followed by GBSLEP with 6.8% and then CWLEP with 4.0%

	April 2019	March 2020	April 2020	% Change (Apr 20 – Mar 20)	% Change (Apr 20 – Apr 19)
<b>BCLEP</b>	6,375	7,750	10,740	61.8%	62.3%
<b>CWLEP</b>	2,335	2,920	4,725	40.7%	83.9%
<b>GBSLEP</b>	10,590	12,165	17,120	42.7%	78.5%
<b>WMCA (3 LEP)</b>	<b>19,300</b>	<b>22,835</b>	<b>32,585</b>	<b>58.1%</b>	<b>52.3%</b>
<b>England</b>	172,530	200,350	316,845	58.6%	68.5%
<b>UK</b>	211,630	241,760	383,400	61.8%	102.4%

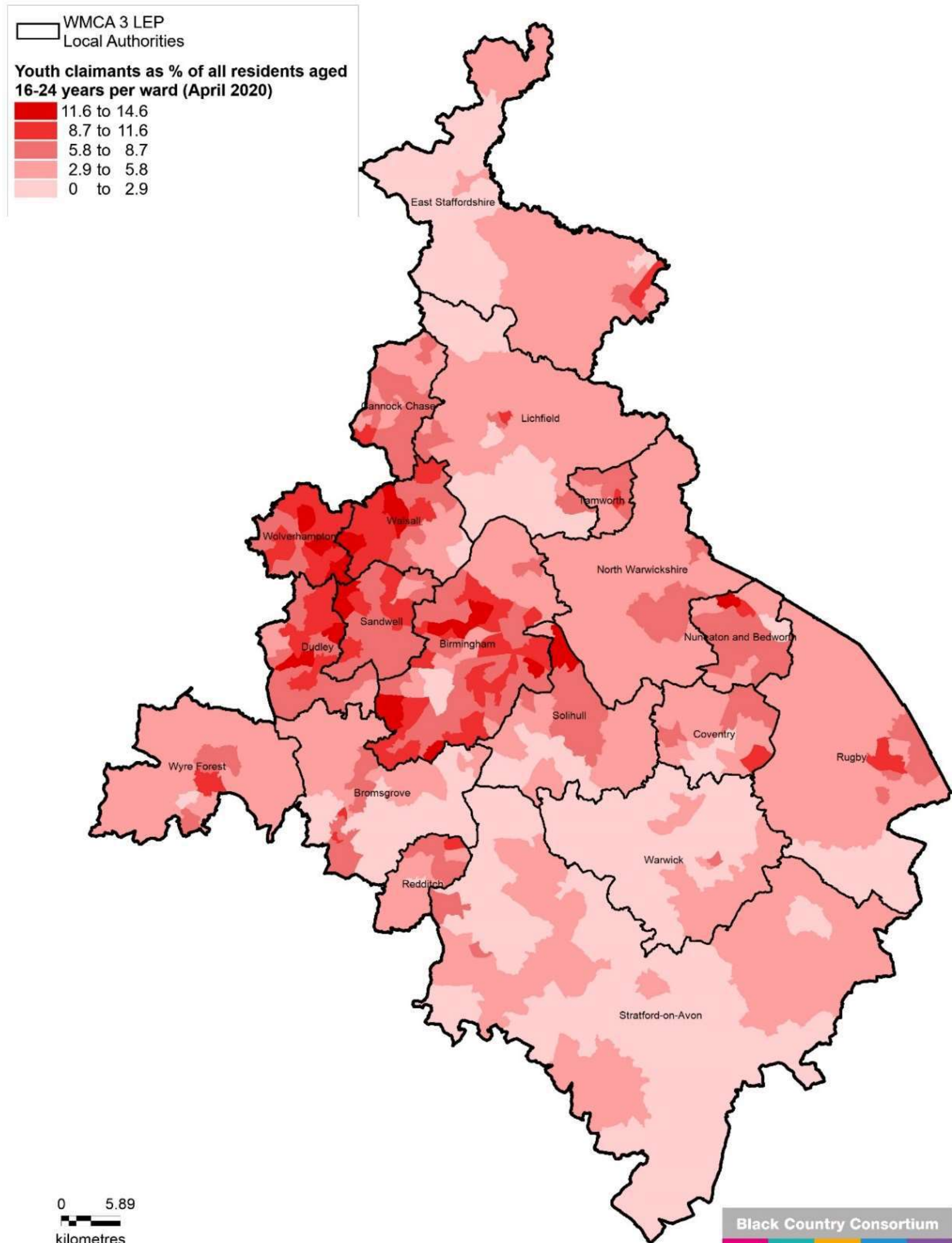
- The WMCA (3 LEP) has 13,285 more youth claimants when compared to April 2019, this is an increase of 68.8% - which is below the UK increase of 81.2%.
- Within the WMCA (3 LEP) area, the BCLEP have 4,365 more youth claimants when compared to the same month from the previous year, an increase of 68.5%. The CWLEP have 2,390 more youth claimants when compared to the same month from the previous year, an increase of 102.4% and GBSLEP had 6,530 more youth claimants over the same period which is an increase of 61.7%.

#### Ward Analysis

- Out of the 422 wards within the WMCA (3 LEP), 232 are above the UK average of 5.4% and 6 are the same level for the number of claimants as a percentage of residents aged 16 – 24 years old in April 2020.
- The top four wards that have the highest number of claimants as a percentage of residents aged 16 – 24 years old are in East Park (Wolverhampton) at 14.5%, King’s Norton South (Birmingham) at 13.7%, and Handsworth (Birmingham) and Chelmsley Wood (Solihull) both at 13.6%.

The following map shows at a ward level in the WMCA (3 LEP), claimants as a percentage of residents aged 16-24 years old in April 2020.

## YOUTH CLAIMANTS



0 5.89  
kilometres

Scale: 1:332,200

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## **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 86 firms in the West Midlands and cover the period from 13th May to 15th May.

99% 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. 52% of businesses surveyed did not export their goods & services (and similarly, 52% did not engage in importing activities). Of those firms that were involved in exporting, 36% distributed their products and services to countries both inside and outside the European Union. 26% of businesses that took part in the survey operated in the professional services sector and 30% 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). 40% of firms saw a drop in international revenue (with 26% suggesting it was significant) and 52% had also seen a decline in cash reserves. In terms of developments related to employment, 77% cited constancy in the size of their workforce along with a 29% fall in the number of hours worked by staff. 17% reported a drop in training or apprenticeship activity. On average, 40% of respondents had furloughed their workforce. On 20 April, HMRC opened the portal for employers to claim payments for furloughed employees through the Coronavirus Job Retention Scheme and 89% had submitted a claim and received payment from HMRC (an increase of 13% for the second consecutive week). 4% submitted a claim more than six working days ago and were yet to receive a payment (a decrease of 2% compared to last week).

36% of businesses expected their cash reserves to cover their trading activity for one to three months, 25% suggested their reserves would be able to cover them for three to six months, whereas 12% estimated that they would only be covered for less than a month. Seven percent of respondents reported that they had no cash reserves whatsoever (compared to the previous week).

## **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, 29% percent of firms had attempted to access the Bounce Back Loans Scheme (BBLs) – an increase of 17% compared to last week. 52% of businesses had no plans to apply to this particular scheme, and of those, 44% felt they had sufficient levels of cash/funding, 12% wanted clarity on the length of lockdown and 16% were concerned about being able to pay back the loan beyond the initial 12 months. 68% said they would use the money secured via the BBLs to finance everyday operations and 20% said they use it to pay off existing debts. Of those businesses which had made an application, 52% of businesses had successfully secured a BBL and 44% were awaiting a decision.

On May 11th, the UK Government released guidance for employees called 'Working Safely During Coronavirus' and 86% of respondents were aware of the guidance whereas 6% had never heard of it. 29% felt that information included in the guidance was very clear, 56% felt it was somewhat clear and 11% believed it was very clear at all. 49% of respondents felt they would be able to implement the guidance and fully re-start operations and 37% suggested they would be able to implement the guidance and only partially re-start operations; only 8% of businesses said they would not be able to implement the guidance and re-start operations.

HEADLINES	
SECTOR	KEY CONCERNS
Cross-Sectoral	<p><b>Small Business Grants:</b></p> <ul style="list-style-type: none"> <li>Although grants are being paid, a number of companies have still not received the grants or any communication from the local authorities.</li> <li>Many are frustrated with the lack of communication and feel unsupported by the financial assistance being offered and the routes to access the support. This is echoed in the CBILS support through banks – which a number of companies are failing to get access to due to banks rejecting them, and other banks not joining the scheme.</li> </ul> <p><b>Bounce Back Loans Scheme:</b></p> <ul style="list-style-type: none"> <li>Companies have found the application process straightforward and the payments have arrived promptly. However, lenders are only accepting applications for existing customers.</li> </ul> <p><b>Top-Up Small Business Grant Fund:</b></p> <ul style="list-style-type: none"> <li>Now government guidelines have been issued, the application process and eligibility criteria need urgent clarification by local authorities. Companies are desperately short of cash and will need payments as soon as possible.</li> <li>Companies particularly in need include home based businesses not paying business rates, businesses which narrowly fell outside previous eligibility criteria, and businesses in multiple occupancy office units.</li> <li>There is still no provision for directors paid through dividends.</li> </ul> <p><b>Job Retention Scheme:</b></p> <ul style="list-style-type: none"> <li>The extension of the Job Retention Scheme until October was welcomed by business. Some businesses reported that if the capability to furlough on a part-time basis were available before August, this would help them reopen more effectively.</li> </ul> <p><b>Additional Access to Finance</b></p> <ul style="list-style-type: none"> <li>Increase in funding enquiries to aid growth of SMEs through innovation or new machinery.</li> <li>Finance and funding remain the prime concern of the majority of enquiries.</li> </ul> <p><b>Social Distancing</b></p> <ul style="list-style-type: none"> <li>Some concern over the supply of PPE equipment into the private sector to facilitate a phased reopening.</li> </ul> <p><b>Skills and Labour Supply</b></p> <ul style="list-style-type: none"> <li>Concern over the supply of PPE equipment into the private sector to facilitate a phased reopening</li> </ul>
Manufacturing	<p><b>Access to Finance</b></p> <ul style="list-style-type: none"> <li>Many not eligible for a business grant and are struggling for finance.</li> <li>Issues with landlord's not helping businesses get the relevant grants.</li> </ul> <p><b>Supply Chain</b></p> <ul style="list-style-type: none"> <li>Manufacturer to the hospitality sector has concerns over finance as they have had no businesses from places that are closed.</li> </ul> <p><b>Skills and Labour Supply (inc furloughing)</b></p> <ul style="list-style-type: none"> <li>Aerospace showing signs of contraction with Rolls Royce announcing up to 8,000 job losses.</li> </ul>
Business Services	<p><b>Access to Finance</b></p> <ul style="list-style-type: none"> <li>Interest in discretionary grant funding.</li> </ul> <p><b>Social Distancing</b></p> <ul style="list-style-type: none"> <li>Concerns about returning to work in some industries. For some industries the guidelines are vague. A company in the photography business is concerned about how social distancing measures would affect how they work.</li> </ul>
Retail	<p><b>Cross Theme</b></p> <ul style="list-style-type: none"> <li>Retailers are becoming “increasingly frustrated” by lack of detail over the Government’s plan to allow the phased reopening of non-essential stores with only two weeks to go.</li> </ul> <p><b>Consumer Behaviour</b></p> <ul style="list-style-type: none"> <li>Concern over lack of customers if businesses reopen soon.</li> </ul> <p><b>New Business Models</b></p> <ul style="list-style-type: none"> <li>Examples of firms in this industry diversifying and producing PPE.</li> </ul>
Education	<p><b>Access to Finance</b></p> <ul style="list-style-type: none"> <li>Concerns of extended payment terms being imposed across research, commercial and other income.</li> <li>Some businesses in this industry have “fallen through the cracks”.</li> </ul>
Hospitality	<p><b>Cross Theme</b></p> <ul style="list-style-type: none"> <li>Hospitality is still very uncertain with regards to reopening at the moment.</li> </ul>

NEW ECONOMIC SHOCKS			
COMPANY	LOCATION	SECTOR	SOURCE/DETAIL
George Boyden & Son	Stratford-upon-Avon	Publishing and Media	A 160-year-old newspaper could disappear after its parent company was placed into administration. George Boyden & Son, which publishes the Stratford Herald, has called in administrators. The move is thought to be down to a combination of factors, including the collapse of advertising revenue because of the coronavirus pandemic: <a href="#">Click here</a>
Arlington Automotive Group	Coventry	Engineering, Manufacturing, Automotive	Jobs have been lost after the UK trading companies of an automotive car components maker entered administration, Arlington Automotive Group, headquartered in Coventry. The UK group employs about 600 people across sites in Coventry, Newton Aycliffe, Reading, Stourport, Birmingham and Manchester and counts Jaguar Land Rover, Ford and Nissan among its' customer base. The group's Derby site has already started to close: <a href="#">click here</a>
Grove Park (Warwick) Ltd	Warwick	Rural	The future of a rural forestry business based in the south Warwickshire countryside could be in doubt after plans for a new building to help it expand were thrown out by planners. And according to the architect behind the scheme, that decision could jeopardise the future of Grove Park (Warwick) which is based at Holes Wood, off Woodway Lane, in Budbrooke: <a href="#">click here</a>
Godiva Group	Coventry	Construction	The Coventry based business with offices also in Manchester and Leeds called in the administrators on Thursday 7th May. Work on all ongoing projects has stopped the company has said. The award-winning firm which was established in 2014 recently completed works on Coventry's tallest new build and at peak trading employed more than 100 people. The business offered a full range of access, scaffolding and temporary works solutions in the West Midlands: <a href="#">click here</a>
Rolls Royce	Coventry (& nationwide)	Manufacturing	Rolls-Royce has said it will cut 9,000 jobs and warned it will take "several years" for the airline industry to recover from the coronavirus pandemic. The reduction of nearly a fifth of its workforce will mainly affect its civil aerospace division, 2/3's of which operate in the UK.



NEW INVESTMENT OPPORTUNITIES			
COMPANY	LOCATION	SECTOR	DETAIL & SOURCE
Marston's	Wolverhampton	Hospitality	Marston's secure £70mil funding to support pubs through the period of extended closure in order to further protect jobs, allowing them to suspend rent payments. (Express and Star)
Beeswift	Birmingham	PPE	Beeswift has signed a new 16-year lease to occupy 120,000 sq ft of logistics space at Hub 120 in Birmingham. Article in The Business Desk 12/05: <a href="#">click here</a>
Gainsborough Healthcare Group	Redditch	Manufacturing	Gainsborough Healthcare Group, the UK bath manufacturer for the care sector, is set to restart bath production from today (11 May). At Europe's largest specialist bath manufacturing plant in the West Midlands, the firm will restart making Gainsborough Specialist Bathrooms, Abacus Specialist Bathroom Solutions and Access walk-in baths: <a href="#">click here</a>
Helli Air	Wellesbourne	Aerospace Services	A Warwickshire-based aviation company has secured CBIL funding from Barclays. Heli Air, which is based in Wellesbourne, also operates from four other sites around the UK including Gloucester, Thrupton, High Wycombe and Cumbernauld in Scotland. The business offers a range of aviation services including pipeline surveillance for gas and fuel infrastructure, engineering, pilot training, aircraft sales, and commercial flights around the UK and Europe: <a href="#">click here</a>
Filta Group Holdings	Rugby	Food and Drink, Hospitality Services	Shares in a Warwickshire-headquartered company which provides cooking oil filtration and fryer management services to restaurants have surged more than 60 per cent. Rugby-based Filta Group Holdings enjoyed a 64 per cent rise on Thursday 7 May after it announced the UK launch of FiltaShield, a new sanitising service to help businesses combat and prevent the spread of Covid-19: <a href="#">click here</a>
Aston Martin	Warwickshire, National	Manufacturing, Engineering, Automotive,	Aston Martin has started a carefully planned phased return to work for a number of its manufacturing staff as the business looks to restart car making while adjusting to the new normal in the battle to overcome the threat of Covid-19. Production workers at the company's global headquarters in Gaydon, Warwickshire, will follow at a later date, as will office and support staff at Aston Martin's various other UK sites: <a href="#">click here</a>
Morgan Sindall	Rugby	Construction	Construction and infrastructure company Morgan Sindall has said it is "well-positioned to successfully navigate" through the current Covid-19 crisis. The listed company, which is headquartered in Rugby, added that it is aiming to emerge "primed for future success" in the medium and longer term. The listed company's secured workload as of 31 March was £7.6bn, level with the year-end position. Of this, the construction division's secured order book was £3.5bn, down 5 per cent from the year end, with the regeneration secured order book up 4 per cent at £4.1bn: <a href="#">click here</a>
Medic Bleep	Stratford-upon-Avon	Medical Technologies	A company whose app is replacing pagers in NHS hospitals has smashed its £700,000 fundraising target. It has now extended its crowdfunding campaign. Medic Bleep, which is registered in Stratford-upon-Avon and is currently used by 4,200 NHS staff, raised £775,860 through 899 investors on Crowdcube ahead of its deadline. The company has now extended its campaign and has now raised £816,380 through 942 investors. According to its crowdfunding page, more than £2m has been invested in the business by its directors to date: <a href="#">click here</a>

NB all details in these tables have been announced publicly

NEW INVESTMENT OPPORTUNITIES			
COMPANY	LOCATION	SECTOR	DETAIL & SOURCE
Co-op	National	Retail	Gross sales at Central England Co-op have edged closer to £900m, new figures have confirmed. The organisation has reported an increase in sales of 2.7 per cent to £893m for the 12 months to 25 January 2020 while its trading profit totalled £17.5m, which was ahead of budget. It has also announced that its operating profit increased from £11.9m to £15.5m over the same period: <a href="#">click here</a>
Medherant Ltd	Coventry	Medical Technologies and Supplies	A University of Warwick drug delivery spin-out has entered into a partnership with a Cambridge company to develop new products. Medherant has agreed the deal with Cycle Pharmaceuticals to create new products using the Coventry firm's TEPI Patch technology: <a href="#">click here</a>
Sumo Group	Leamington Spa	Creative and Digital	Video game developer Sumo Group has bought Lab42 in a deal worth almost £500,000. The deal means Sumo Group will add 29 people to its Leamington Spa office. The business and its managing director, Ed Blincoe, are well known to Sumo, in particular to Sumo Digital's managing director, Gary Dunn, and the team at Sumo Digital's Leamington Spa studio, which opened in 2019: <a href="#">click here</a>
Horiba Mira	Nuneaton/ Hinckley	Engineering, Automotive	Horiba Mira has fully converted its engineering and test facilities into 'Covid secure' operations and welcomed back the first wave of furloughed employees. On 13 April the company suspended most physical operations at its 850-acre site in Nuneaton and a further facility in Basildon, but has now safely welcomed the first wave of furloughed employees back to both sites. About two-thirds of the company's 600-strong team have been working from home using remote technology, but the business said the 40 specialised on-site facilities, including its 100km proving ground, are essential to continue the work the automotive and defence sectors need worldwide: <a href="#">click 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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