

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

- Globally there are signs of increasing confidence. However China's PMI slipped to worse than expected but generally the data suggests a mild recovery muted by reduced global demand. The US economy remains in contraction.
- Job vacancies have fallen further with overall vacancies still less than half those at the beginning of March with a slight increase in new vacancies this week.
- Nationally 81% of responding businesses are currently trading with 20% of the workforce on furlough leave. 18% have temporarily paused or closed with 78% of the workforce on furlough leave. 3% of businesses that are currently trading have no cash reserves, this rises to 7% for businesses that have temporarily paused or closed. Job Retention Scheme still remains the favoured government support scheme with 75% of businesses that are currently trading have applied
- Significant disparities in the mortality rates as a result of Covid19. The greatest is age related, those over 80 are 70 times more likely to die than those under 40. Mortality is higher for deprived communities and for BAME groups where they have a risk between 10% and 50% higher than White British people.
- 52% of gross domestic expenditure on R&D goes to the Greater South East; (the West Midlands only received 9%). They account for 46% of all public/charitable expenditure, but only 31% of business R&D and 71% of major capital investments in research infrastructure between 2007 and 2014. WM is identified as a '*business-led innovation region*' with above average levels of business investment in R&D, not matched by public investment. This business led investment is under threat within the post-Covid19 economy and there is a need for a rebalance of the public sector investment. There needs to be a supercharged approach to backing the decisions of the private sector with additional public sector funding. Recommendations include: greater transparency of decision making; regional devolution of innovation funding; new science and tech institutions outside SE; UKRI to lead rebalancing; Strength in Places Fund developed and expanded.
- 9/10 manufacturers have continued to trade during the crisis; ¼ plan to make redundancies in the next 6 months; 40% believe it could take more than 12 months to return to normal trading conditions; 1/5 manufacturers are operating between 25% and 50% of their full capacity; Over 70% of manufacturers have seen a further decrease in orders and sales; and ¼ of companies expect to be back to full operating levels by the start of 2021
- In the West Midlands there are 21 large automotive firms which are at high risk because they have relatively poor liquidity ratios. They employ 16k people and only 12 are eligible for CLBILS. 4 also have weak credit scores (Uk-Nsi CO. Limited, Faurecia Emissions Control Technologies UK Limited, TRW Systems Limited and Grainger & Worrall Limited). The big OEMs and particularly JLR, but also Aston Martin, are also amongst the high-risk firms. Out of the 9 high-risk firms that do not qualify for the CLBILS, 6 of these firms (CAB Automotive Ltd, Aisin Europe Manufacturing (UK) Ltd, ADV Manufacturing Limited, Mahle Filter Systems UK Limited, Polytec Car Styling UK Limited, Paintbox Banbury Limited), also have negative profit margins. The 21 firms that do not qualify for CLBILS will rely heavily on the Job Retention scheme
- There has been no further development on data at the regional level, key areas still outstanding include: Furlough impacts at a local/sectoral level; Take up of grants and loans at a detailed level and performance including discretionary funding; UC claimants at a detailed level.
- Latest WMGC data highlights 80% of businesses are now closed in the tourism sector. All have seen a drop in revenue of more than 50% and 60% are experiencing cash flow problems. Most businesses are worried that, without additional support, they may not survive lockdown. Some 10% say they are contemplating permanent closure in the next few weeks and another 40% say they may be facing failure by the end of the summer. An audience survey by Indigo Only 17% are booking for events, half of which are for events November onwards and 35% are in September/October.
- Safety measures are of significant concern to businesses as premises are often too small to accommodate the demands, getting staff back to work without transport is an issue and adapting to working from home on a longer basis, but for many industries, this isn't possible. Businesses are still reporting issues with accessing finance through the Covid-19 support schemes due to ineligibility, delays and concerns about their ability to take on risk when they are in a precarious position and may not be able to repay loans. Quarantine requirements continue to scar businesses as they try and deal with high absence levels. The implications of track and trace on the operations of businesses is also a concern. Businesses are calling for consistency with other countries in the approach.

Global Outlook

[European and US stock futures](#) rose at the beginning of the week whilst Hong Kong's Send Index made-up some of the previous week's loss, rising 3%. The increasing confidence of the markets comes as Goldman Sacks avoided another sell-off. This confidence can also be seen in bonds, as yields begun to reflect the steadying market sentiment, whilst oil steadily gains for another fifth week. In China, [the official manufacturing purchasing managers' index](#) for May slipped to a worse-than-expected 50.6, from 50.8 a month earlier. This data was released by the National Bureau of Statistics. The non-manufacturing gauge rose to 53.6. The sub-index of new export orders increased to 35.3, whereas manufacturing employment softened to 49.4, while non-manufacturing employment was at 48.5. The data indicates a mild recovery in China, which entwined with the global market, is suffering from reduced international demand.

[The US ISM Manufacturing](#) was released this week and showed that the US economy remains in overall contraction. "The May PMI® registered 43.1, up 1.6 points from the April reading of 41.5 percent. This figure indicates there has been expansion in the US economy after April's contraction, which ended a period of 131 consecutive months of growth.

National Outlook

England has started the week with an additional [reduction in lockdown measures](#). Thousands of primary school pupils returned to classes at the beginning of this week, but many stayed home. Surveys have suggested that about half of parents remain uncertain about safety measure implemented by schools.

In addition to this, outdoor markets and car showrooms were permitted re-open, as the risk of transmission of coronavirus "is lower in these outdoor and more open spaces." Ikea also be opened 19 of its stores this week.

[The Institute for Employment Studies' weekly](#) changes in vacancy levels and new vacancies finds that job vacancies across the UK have fallen further this week. As at 15 March 2020, Adzuna was listing 820 thousand UK vacancies, which by 24 May had fallen to 331 thousand. Over the last week vacancies have increased slightly by 16.000, or 5%. There are still signs of recovery in the number of new vacancies advertised, as the number of new vacancies continued to increase for a fifth consecutive week, increasing from 67.000 the previous week to 74.000 last week.

All UK regions and nations experienced falls in the stock of vacancies in the week to 24th May. The largest fall by percentage and total count has been in London, and the

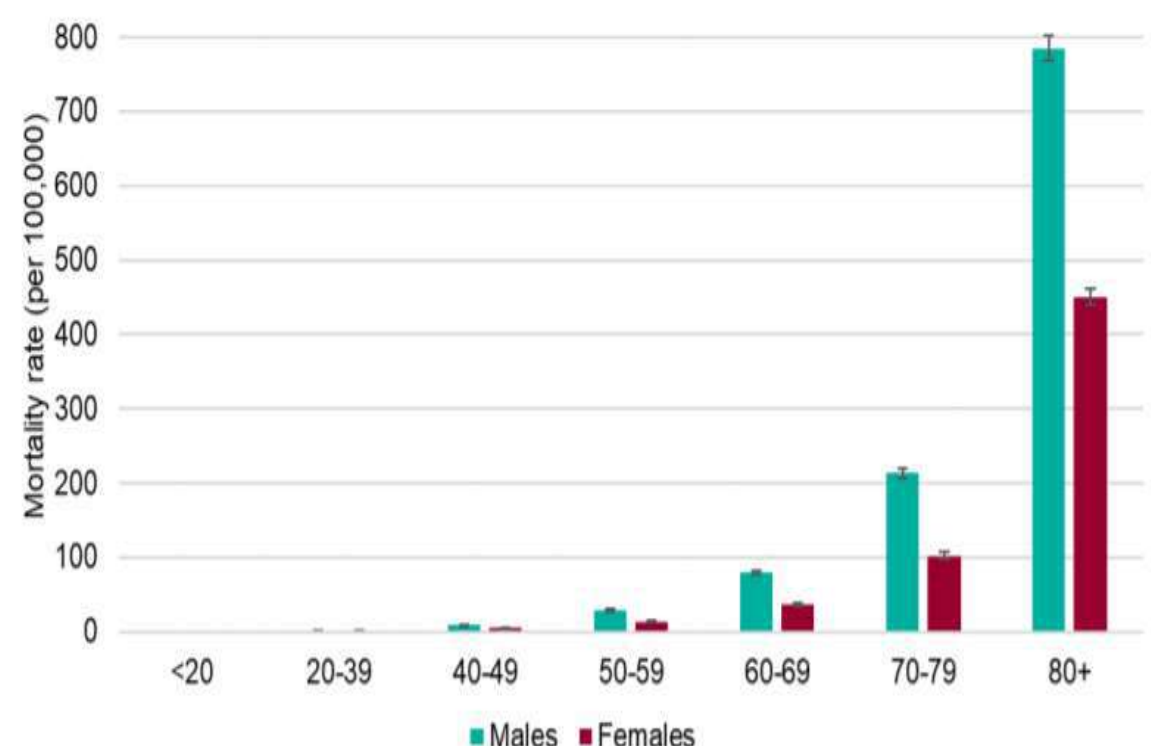
lowest fall by percentage and total count has been in Northern Ireland, Wales, and the North East of England. Sales is one of the highest drops in both percentage change (84 per cent) and total number of jobs decline (56 thousand), according to the analysis.

In the UK final composite PMIs for May have been revised higher in the UK, confirming that the UK's steep fall has softened and the economic recovery is gaining momentum.

Public Health England has published its [report](#) on disparities in Covid-19 cases and mortality rates. The key disparity is by age: people who were 80 or older were seventy times more likely to die than those aged under 40. Risk of dying among those diagnosed with COVID-19 was also higher in males than females; higher in those living in the more deprived areas than those living in the least deprived; and higher in those in Black, Asian and Minority Ethnic (BAME) groups than in White ethnic groups.

After accounting for the effect of sex, age, deprivation and region, people of Bangladeshi ethnicity had twice the risk of death from the virus than people of White British ethnicity. People of Chinese, Indian, Pakistani, other Asian, Caribbean and other black ethnicity had between 10% and 50% higher risk of death when compared to White British people. It is important to note that the analyses did not account for the effect of occupation, comorbidities or obesity. These factors are associated with the risk of acquiring COVID-19, the risk of dying, or both. These factors also vary by ethnic group.

In addition to this all-cause mortality for the same period, was almost four times higher than expected among black males for this period. Similarly, it was three times higher in Asian males and almost two times higher in white males. Alongside disparity by ethnicity, there is a clear gender disparity.



Death rates were higher for white British people as well as BAME people for the same period, however it must be noted that the increases in mortality were steeper for non-white groups.

As well as ethnicity and age, deprivation is reported as a significant disparity factor. The trend in the number of diagnosed cases by deprivation quintile shows that cases in the least deprived group peaked earlier and lower than other groups and in the period.

The report highlights that survival in confirmed Covid cases, after adjusting for sex, age group, ethnicity and region was lower in the most deprived areas, particularly among those of working age. However, the reports notes that underlying health conditions merit further investigation.

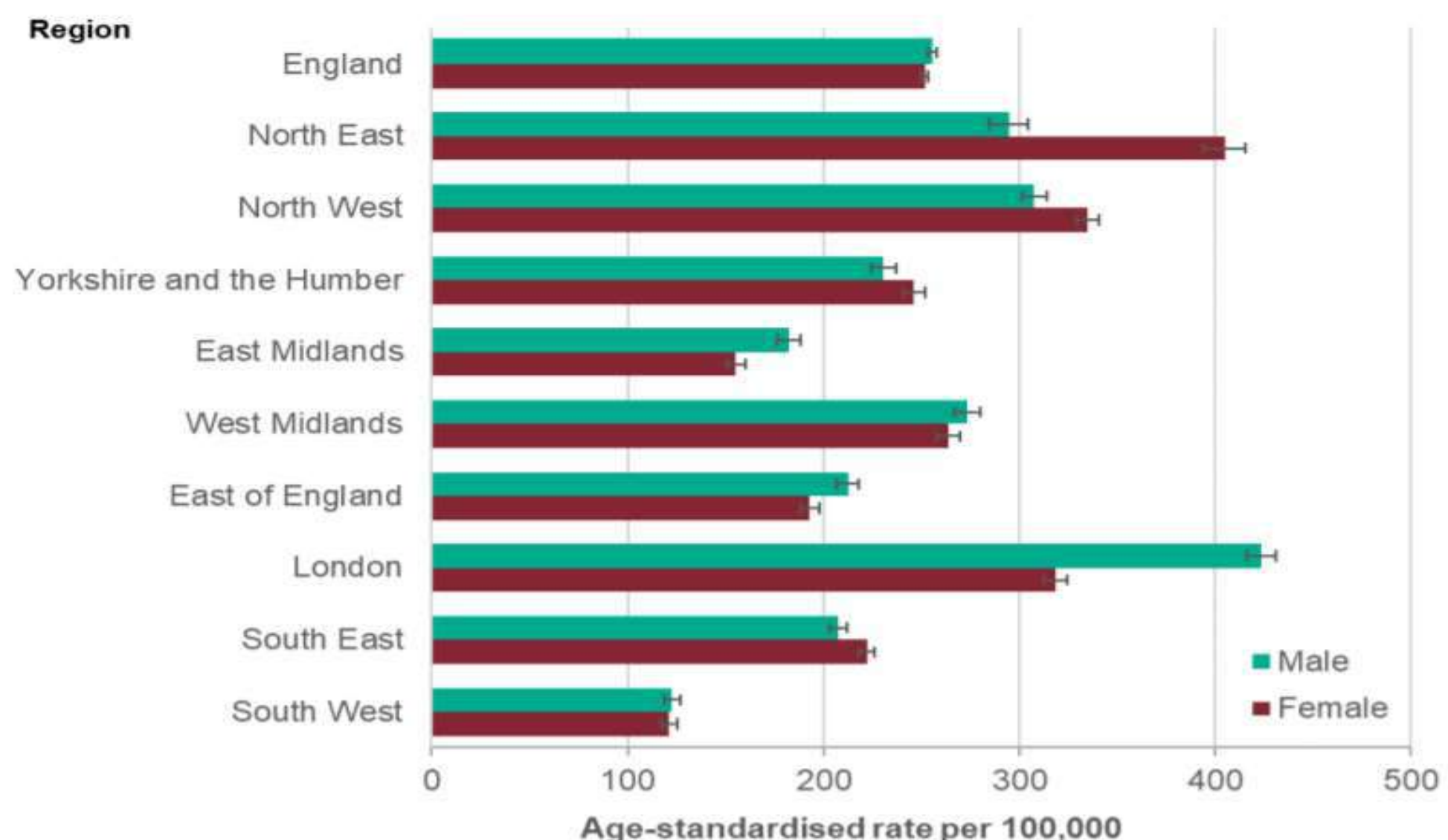
Regional Outlook

[The report](#) from Public Health England revealed that the highest weekly number of diagnosed cases was reported in week ending 4 April in the East Midlands, London and West Midlands.

As expected, diagnosis rates are highly clustered and authorities which are mostly urban areas, in London, the North West, the West Midlands and the North East had the highest rates, explaining the high-rate in the West Midlands and Black Country.

In the West Midlands, from 20th March to 7th May there were 5817, 4293 of which were confirmed Covid-19 death, meaning Covid-19 accounted for 73.8% of excess deaths in that period.

[Public Health England](#) has amended the number of diagnoses cases in the Black Country. PHE reported 4,442 had tested positive for Covid-19 in the four Black Country boroughs but on Sunday the figure had gone down to 3,992. Between Friday and Sunday the number of total confirmed cases in Sandwell went down from 1,343 to 1,029, in Wolverhampton from 1,018 to 998, in Walsall from 1,133 to 1,087 and in Dudley from 948 to 878. On Monday beginning of this week there were 12 new cases across the entire region.



Regional variations in R&D investment: the case of the West Midlands

Chloe Billing, WM REDI ([More details here](#))

On 28th May 2020 NESTA launched a report on where and how Research and Development (R&D) investment is distributed across the UK. The link to the report can be found [here](#) and an online data tool [here](#).

Background

Investment in R&D and innovation is a key public policy issue. R&D spending matters because it leads to innovation, which creates [productive industries](#) and well-paid jobs. There is good evidence that R&D investment correlates with economic growth, reduced regional inequalities and better health outcomes for local populations.

In the 2017 Industrial Strategy there was a pledge to increase public expenditure on R&D from 1.7% to 2.4% of GDP by 2027. In the [March 2020 Budget](#), the Government pledged to increase public R&D investment to £22 billion per year by 2024-25. [OECD statistics](#) show that prior to the COVID-19 crisis R&D spending averaged 2.37% of GDP across OECD countries, compared with

1.66% in the UK.

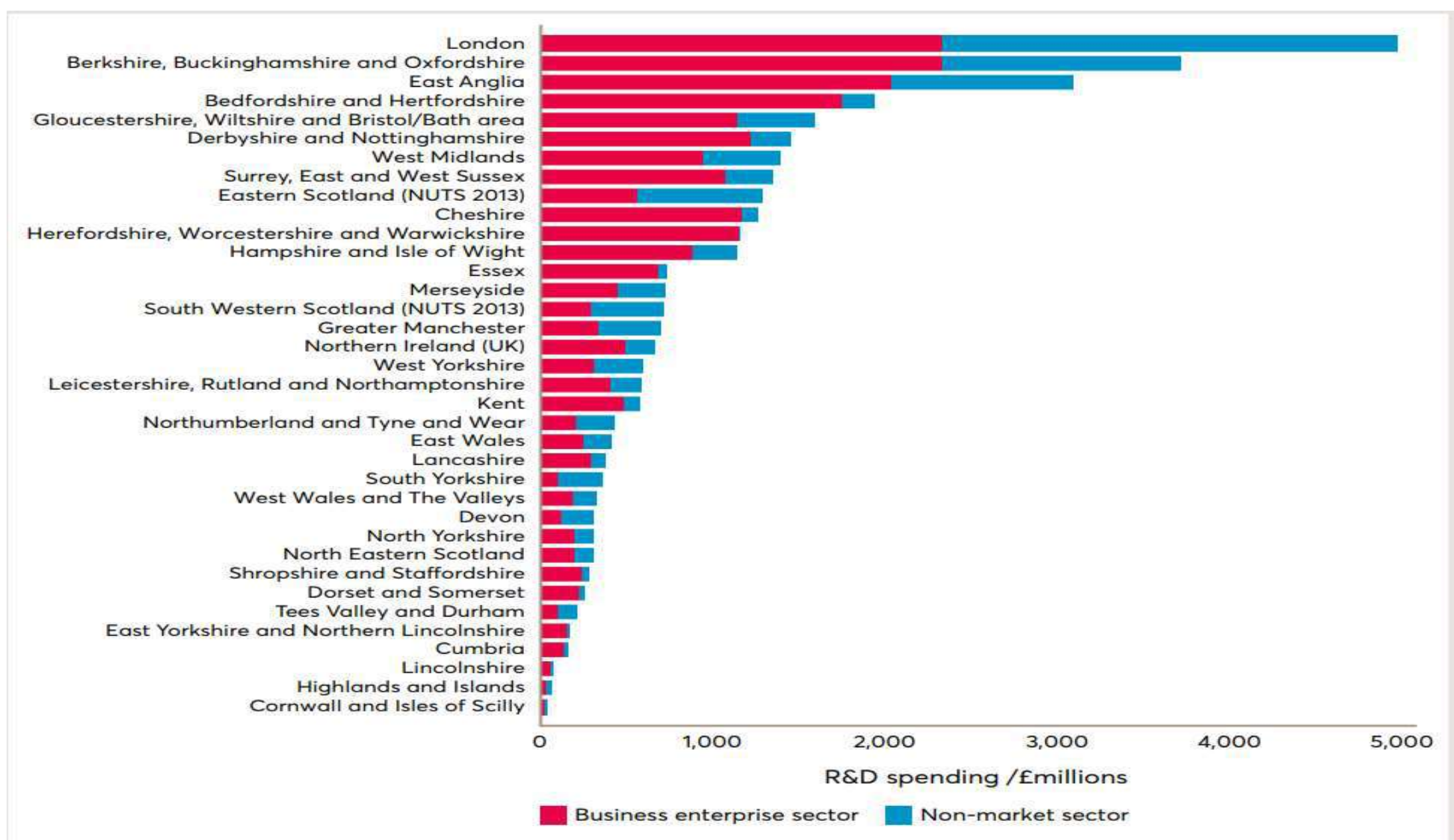
The [NESTA](#) report examined this “longstanding gap in UK investment” and explored “regional imbalances in public and private funding”.

Public sector R&D – regional imbalances

52% of gross domestic expenditure on R&D (GERD) goes to London, the South East, and East of England regions ([ONS, 2020](#)). In 2018-19 the West Midlands received only 9%. ([ONS, 2020](#)).

The [NESTA](#) report found that the relationship between public and private sector R&D at the regional level is highly variable, with significant geographical imbalances (see Figure below). London and the two sub-regions containing Oxford and Cambridge account for 46% of all public and charitable spending on R&D, but just 31% of business R&D and 21% of the population. 71% of major capital investments in research infrastructure between 2007 and 2014 were made in London, the East and the South East. This demonstrates natural tendencies to concentrate funding in particular places that already have a strong science base.

Business and public sector R&D by NUTS2 region (except for London, presented at NUTS1 level)



Source: [Nesta](#)

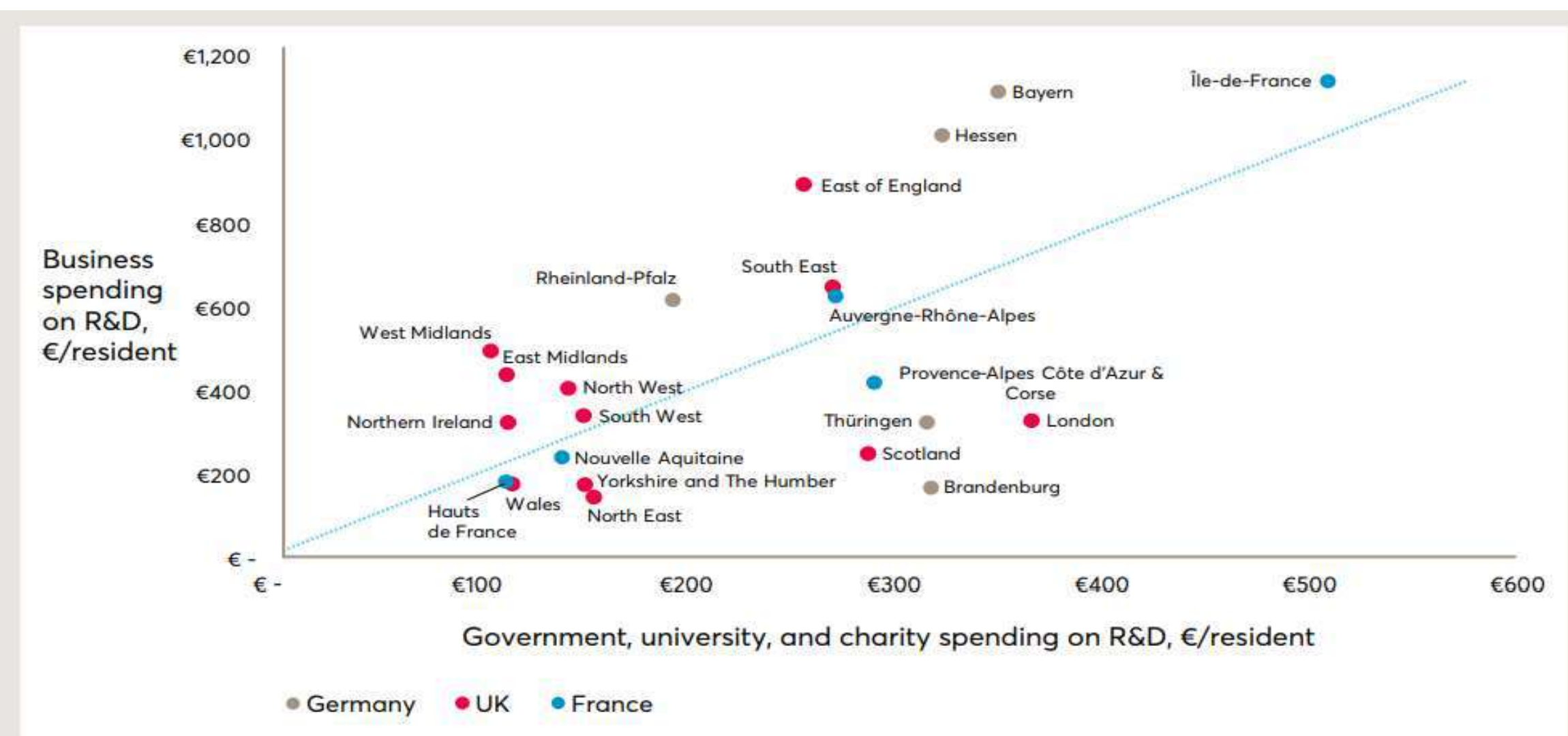
Business-led R&D

The West Midlands (with the East Midlands and North West) is identified as a ‘*business-led innovation region*’ where above average levels of business investment in R&D are not matched by public sector investment. The figure below shows that similar regions in France and Germany enjoy two to three times the state investment as these three regions.

The report argues that, if public sector investment in the West Midlands is not increased, the danger is that the

private sector will respond to the better availability of innovation resources and skills elsewhere by relocating their own investment. This also limits the region’s ability – and potentially that of the UK more generally – to attract new R&D investment from abroad. The report highlights the example of Tesla, choosing to locate its ‘European Gigafactory’ in Berlin as opposed to a UK city such as Birmingham, where there is six times more public R&D money available.

Spending on R&D in NUTS1 region of the UK compared with selected regions of France and Germany



A comparison of R&D spending, expressed in € per resident for the market-led and non-market-led sectors, in UK regions and selected regions of France and Germany with similar levels of spending.¹⁴ (Conversion is at market exchange rates in 2016: £1.00 = €1.26.)

Source: [NESTA](#)

The role of universities

The report argues that the West Midlands has a “straightforward” opportunity to “supercharge” its innovation ecosystem, by backing the decisions of the private sector with additional public sector funding. It suggests that this expansion of R&D capacity should be aimed at areas with strong sectoral specialisations and existing innovative businesses that already create a demand for skilled people.

Scenarios

Five potential future scenarios are presented for how the distribution of R&D investment could be approached in the future. All five have increased public sector spending by £4.9 billion per year, consistent with the UK

government’s stated ambition of increasing national R&D intensity to 2.4 per cent of GDP. In most of these scenarios, the West Midlands would receive more additional funding than any other region:

Everyone is equal: UK government commits to investing in R&D equally in every nation and region of the UK. The West Midlands would need an additional £0.91 billion of Government and Higher Education investment.

Excellence above all: The UK government commits to investing in R&D in proportion to research excellence.

Follow the business money: Matching business R&D spending regionally would mean an additional £1.06 billion of Government and Higher Education investment in the West Midlands - more than any other region.

Levelling up: UK government commits to investing in R&D in *inverse proportion to the GVA per resident* of each region or nation of the UK (with parallels to Germany). This would result in an additional £1.06 billion of Government and Higher Education investment to the West Midlands - more than any other region.

March of the makers: UK government commits to investing in R&D in proportion to the GVA produced by manufacturing in each region or nation. The West Midlands would gain an additional £1.38 billion.

Recommendations

To connect R&D investment with the levelling-up agenda the NESTA report recommends:

- A commitment to greater transparency on how funding decisions are made in the government’s existing research funding agencies, an openness to a broader range of views on how this might change.
- A substantial regional devolution of innovation funding at a sufficient scale to achieve a better fit with local opportunities.
- The creation of new science and technology institutions outside London, the South East and the East of England, including: translational research centres, City Centre Innovation Districts and Advanced Manufacturing Innovation Districts
- For the UKRI to take a lead in driving regional R&D rebalancing, including:
 - Block grant funding for research and knowledge exchange in universities should be regionally weighted to reflect current regional public underfunding of R&D. The longstanding explicit preference to London in the Quality Research funding formula should be removed.
 - The Strength in Places Fund should be developed and expanded

Make UK Covid-19 Manufacturing Monitor no.3
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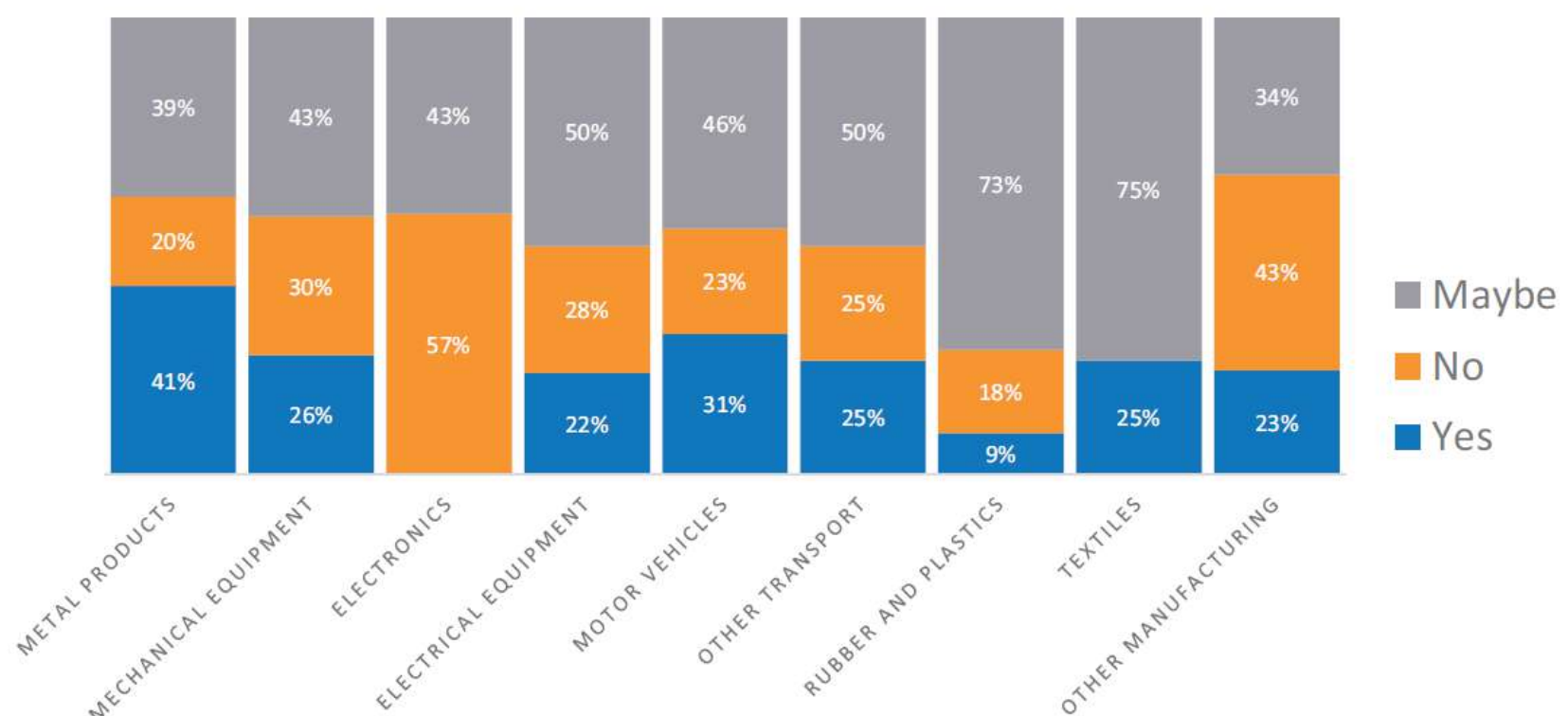
Key Findings

- 9/10 manufacturers have continued to trade during the crisis
- ¼ plan to make redundancies in the next 6 months
- 40% believe it could take more than 12 months to return to normal trading conditions
- 1/5 manufacturers are operating between 25% and 50% of their full capacity
- Over 70% of manufacturers have seen a further decrease in orders and sales
- ¼ of companies expect to be back to full operating levels by the start of 2021

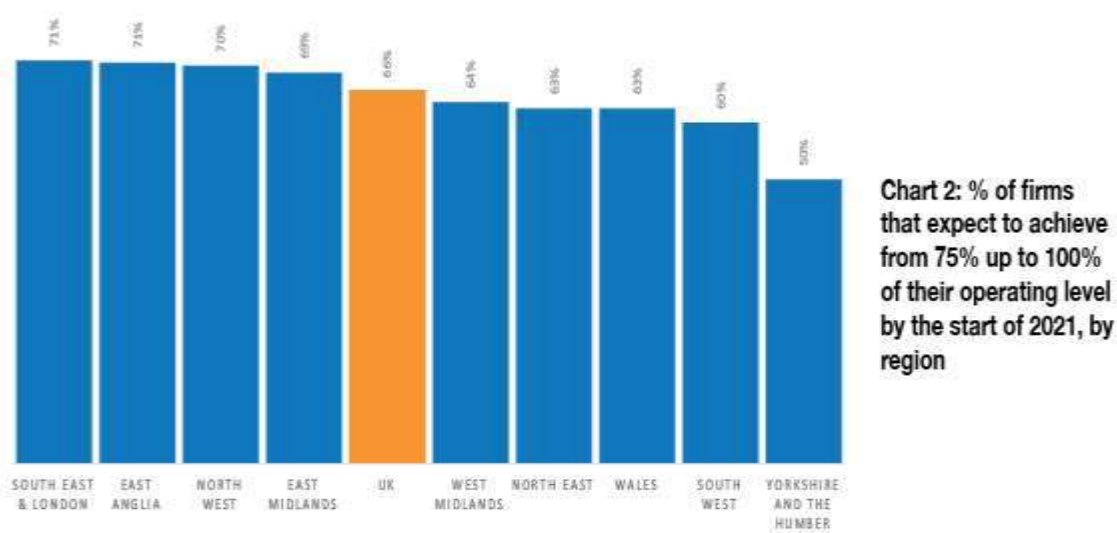
Manufacturers have reported a slight increase in furlough activity over the past two weeks yet there has been a fall in the number of firms that have furloughed almost all their staff. Manufacturers have confirmed plans for redundancies, particularly amongst the worst hit subsectors, however there is a large number of firms that are still unsure about whether to make workers redundant. With an announcement on the Coronavirus Job Retention Scheme (CJRS) expected imminently, it may be the case that some manufacturers are waiting for the detail on the future of the scheme before confirming their decision.

Sales and orders continue to nosedive due to the pandemic. However, almost a third of manufacturers believe they can achieve between 75% and 100% of their operating capacity by the start of 2021 – resulting in a long lead time before sales and orders increase again. In particular, some parts of the UK will be more successful than others in achieving this feat.

Chart 1: Does your company plan to make redundancies in the next 6 months? Selection of subsectors



Source: Make UK, Manufacturing Monitor #3 (April-May 2020)



Source: Make UK, Manufacturing Monitor #3 (April-May 2020)



According to the data, only 11.7% of firms are currently operating at full capacity, whilst up to 35.6% of firms are operating at anywhere between zero and half of their capacity, relative to pre Covid-19 times. In more positive news, 38.9% of manufacturers believe they can reach between 75% and 99% of their operating capacity by the start of 2021.

Nevertheless, as stated previously many Make UK members have expressed that other parts of the supply-chain, including those overseas, will need to be reactivated in order to start the recovery process fully. This does not mean only maximising internal operating capacity, but also enabling access to logistical capacity in the form of shipping and air freights, the latter of which faces significant barriers due to the government's quarantine policy. Breaking down the question of capacity by region, chart 2 above provides a view of which areas could reach between three quarters and 100% of their operating capacity by the start of 2021.

The last Manufacturing Monitor reported a stark increase in the number of firms who had downgraded their expectations for recovery. In the latest edition, there was another increase, albeit a meagre one, of manufacturers that believe it could make more than 12 months to return to normality. Interestingly, another 5.6% of manufacturers instead believe that conditions will never return to normal. Again, this is a slight increase from the previous Manufacturing Monitor survey (which reported only 3.4% of manufacturers adopted this view).

[Policy Briefing: The West Midlands Automotive Industry in the aftermath of Covid-19: survival of the fittest? \(Full briefing here\)](#)

Amir Qamar and Simon Collinson

Research by Oxford Economics identifies Birmingham to be hit exceptionally hard by the pandemic because the city, as well as the region, is heavily exposed to

manufacturing and local supply chains. The industry is already suffering from Brexit-related issues and a significant decline in sales from China, but coupled with Covid-19, it is forecasted that multiple car plants will close (Inman, 2020). Given the interconnected nature of automotive supply chains in general, and the high concentration of other firms that are highly dependent on the industry, the West Midlands regional economy could shrink by 10.1%. This figure includes the automotive sector itself, which makes up around 6% of the local economy, plus other dependent suppliers and contractors. Factory shutdowns and interruptions to supply chains, alongside a significant decline in demand for new vehicles, means that the sector will take a long time to recover and there are likely to be a growing number of lay-offs and possibly bankruptcies along the way.

Given the UK's pledge to help large businesses via the Coronavirus Large Business Interruption Loan Scheme (CLBILS), in this study, we explore the financial position of the 50 largest (in terms of revenue) automotive firms in the West Midlands. How resilient are they in the face of economic shocks of this scale? Our findings show that 21 firms are at high risk as they have relatively poor current liquidity ratios. These are the firms that will face severe cash flow issues and will need support immediately. Importantly, some of these firms include key Original Equipment Manufacturers (OEMs), thus they inevitably operate at the upstream end of supply chains. Multiplier analyses show that if these firms were to fail, there would be a significant ripple effect with a destructive impact on the industry and the local economy

Highlights:

Although key OEMs in the UK are predominantly foreign owned corporations (Qamar et al., 2019a), the automotive sector is an integral part of the UK economy. The sector accounts for over £82 billion turnover and £18.6 billion in value adding activities (SMMT, 2018), employs around 168,000 people directly in automotive manufacturing and over 823,000 across the wider automotive industry. It also accounts for 14.4% of total UK exports (worth £44 billion), with 80% of vehicles produced in the UK exported to 160 different markets in the world (SMMT, 2018). The industry invests £3.75 billion each year in automotive R&D. More than 30 manufacturers build in excess of 70 models of vehicles in the UK, supported by 2,500 component providers and some of the world's most skilled engineers. In 2019, over 1.3 million cars, 78,270 commercial vehicles and 2.5 million engines were produced in the UK (SMMT, 2020). The West Midlands is one of the main UK centres for car production and best known for its OEMs such as Jaguar Land Rover, Aston Martin and Mini

Table 1: Top 50 Automotive Firms in the West Midlands Ranked by Current Ratio

| Rank | Company name | Latest accounts date | Latest Operating Revenue/Turnover (Thousands £) | Profit margin (%) | Profit per employee (unit) | Current ratio (X) | Liquidity ratio (X) | Credit score | Likelihood of failure | Latest No of Employees Last Avail. yr | Jobs at risk |
|------|--|----------------------|---|-------------------|----------------------------|-------------------|---------------------|--------------|-----------------------|---------------------------------------|--------------|
| 1 | CAB Automotive Ltd. | 31/12/2018 | 27,364 | -29.81 | -30,662 | 0.44 | 0.25 | 24 | 11.20 | 266 | HIGH |
| 2 | Aston Martin Lagonda Limited | 31/12/2018 | 949,497 | 4.83 | 21,121 | 0.47 | 0.34 | 95 | 0.90 | 2,173 | HIGH |
| 3 | Aisin Europe Manufacturing (UK) Ltd. | 31/03/2019 | 27,255 | -18.55 | -22,775 | 0.61 | 0.35 | 77 | 2.20 | 222 | HIGH |
| 4 | ADV Manufacturing Limited | 30/06/2018 | 27,584 | -21.54 | -19,805 | 0.64 | 0.40 | 26 | 11.20 | 290 | HIGH |
| 5 | Mahle Filter Systems UK Limited | 31/12/2018 | 28,125 | -30.69 | -44,495 | 0.67 | 0.41 | 77 | 2.20 | 194 | HIGH |
| 6 | UK-Nsi CO. Limited | 31/03/2019 | 92,629 | 2.58 | 5,685 | 0.84 | 0.59 | 27 | 11.20 | 420 | HIGH |
| 7 | Polytec Car Styling UK Limited | 31/12/2018 | 40,270 | -5.33 | -4,643 | 0.85 | 0.71 | 86 | 0.90 | 462 | HIGH |
| 8 | Jaguar Land Rover Limited | 31/03/2019 | 20,870,000 | -18.55 | -117,551 | 0.86 | 0.70 | 86 | 0.90 | 32,939 | HIGH |
| 9 | ZF Automotive UK Limited | 31/12/2018 | 336,380 | 1.58 | 2,826 | 0.86 | 0.78 | 89 | 0.90 | 1,876 | HIGH |
| 10 | Faurecia Emissions Control Technologies UK Limited | 31/12/2018 | 54,381 | 5.84 | 30,835 | 0.88 | 0.73 | 25 | 11.20 | 103 | HIGH |
| 11 | Grupo Antolin Leamington Limited | 31/12/2018 | 86,092 | 4.04 | 15,896 | 0.89 | 0.55 | 88 | 0.90 | 219 | HIGH |
| 12 | Edscha UK Manufacturing Limited | 30/06/2007 | 22,969 | 8.85 | 40,642 | 0.94 | 0.84 | n.a. | n.a. | 50 | HIGH |
| 13 | TRW Systems Limited | 31/12/2018 | 501,982 | -2.63 | -11,229 | 0.98 | 0.86 | 40 | 4.20 | 1,177 | HIGH |
| 14 | Rimstock Limited | 31/03/2018 | 18,744 | 0.10 | 77 | 0.98 | 0.50 | 92 | 0.90 | 235 | HIGH |
| 15 | Grainger & Worrall Limited | 31/05/2019 | 61,047 | 6.43 | 6,624 | 1.02 | 0.68 | 28 | 11.20 | 593 | HIGH |
| 16 | Brose Limited | 31/12/2018 | 263,830 | 2.62 | 9,481 | 1.04 | 0.83 | 92 | 0.90 | 728 | HIGH |
| 17 | Antolin Interiors UK Limited | 31/12/2018 | 360,617 | 0.33 | 677 | 1.06 | 0.42 | 88 | 0.90 | 1,779 | HIGH |
| 18 | London EV Company Limited | 31/12/2018 | 79,196 | n.a. | -215,525 | 1.07 | 0.89 | 86 | 0.90 | 446 | HIGH |
| 19 | International Automotive Components Group Limited | 31/12/2018 | 332,502 | 1.14 | 3,122 | 1.10 | 0.98 | 89 | 0.90 | 1,219 | HIGH |
| 20 | Tricorn Group PLC | 31/03/2019 | 22,783 | 4.17 | 3,125 | 1.10 | 0.70 | 95 | 0.90 | 304 | HIGH |
| 21 | Paintbox Banbury Limited | 31/12/2018 | 24,150 | -3.39 | -3,916 | 1.11 | 0.93 | 30 | 11.20 | 209 | HIGH |
| 22 | Auto-Sleepers Group Limited | 31/08/2018 | 138,694 | 5.54 | 16,710 | 1.20 | 0.14 | 99 | 0.90 | 460 | MEDIUM |
| 23 | Adient Seating UK Ltd | 30/09/2018 | 402,003 | -1.29 | -3,258 | 1.23 | 1.06 | 81 | 2.20 | 1,597 | MEDIUM |
| 24 | Arlington Engineered Systems Limited | 30/03/2018 | 70,112 | 4.09 | 12,630 | 1.26 | 1.14 | 92 | 0.90 | 227 | MEDIUM |
| 25 | MG Motor UK Ltd | 31/12/2018 | 107,420 | 3.65 | 103,211 | 1.33 | 1.00 | 85 | 0.90 | 38 | MEDIUM |
| 26 | Sertac Precision Components Limited | 31/03/2019 | 20,243 | -6.16 | -6,908 | 1.34 | 1.13 | 86 | 0.90 | 180 | MEDIUM |
| 27 | Stadco Limited | 31/12/2018 | 171,054 | 2.51 | 5,586 | 1.35 | 1.24 | 92 | 0.90 | 768 | MEDIUM |
| 28 | Rheinmetall BAE Systems Land Limited | 31/12/2018 | 190,000 | 3.16 | 8,571 | 1.51 | 1.50 | 86 | 0.90 | 700 | MEDIUM |
| 29 | Don-Bur (Bodies And Trailers) Limited | 30/09/2018 | 51,088 | 3.87 | 4,193 | 1.71 | 1.19 | 99 | 0.90 | 472 | MEDIUM |
| 30 | Morgan Motor Company Limited | 31/12/2018 | 33,729 | 9.38 | 15,204 | 1.71 | 0.90 | 92 | 0.90 | 208 | MEDIUM |
| 31 | Valco Engine Cooling UK Limited | 31/12/2018 | 33,419 | 16.93 | 70,725 | 1.75 | 1.66 | 99 | 0.90 | 80 | MEDIUM |
| 32 | Sevan Motor Bodies Limited | 31/12/2018 | 23,861 | 1.46 | 1,638 | 1.75 | 1.36 | 95 | 0.90 | 213 | MEDIUM |
| 33 | Auto-Sleepers Investments Limited | 31/08/2018 | 138,809 | 5.73 | 17,290 | 1.76 | 0.22 | 95 | 0.90 | 460 | MEDIUM |
| 34 | Trakns Holdings PLC | 31/03/2019 | 19,145 | -18.61 | -15,202 | 1.76 | 1.40 | 86 | 0.90 | 333 | MEDIUM |
| 35 | Sumitomo Electric Wiring Systems (Europe) Limited | 31/03/2019 | 697,875 | 0.31 | 89 | 1.78 | 1.01 | 92 | 0.90 | 24,134 | MEDIUM |
| 36 | Titan Europe Limited | 31/12/2018 | 428,832 | 2.78 | 4,726 | 1.81 | 0.90 | 99 | 0.90 | 2,522 | LOW |
| 37 | Sevan Group Ltd | 31/12/2018 | 28,125 | 3.26 | 3,013 | 1.93 | 1.50 | 95 | 0.90 | 304 | LOW |
| 38 | DAU Draexlmaier Automotive UK Limited | 31/12/2018 | 45,791 | 5.36 | 4,425 | 1.95 | 1.95 | 99 | 0.90 | 555 | LOW |
| 39 | Morgan Motor Company Manufacturing Limited | 31/12/2018 | 28,836 | 7.34 | 13,069 | 1.96 | 0.43 | 95 | 0.90 | 162 | LOW |
| 40 | Arceormittal Tailored Blanks Birmingham Limited | 31/12/2018 | 47,145 | 2.72 | 12,232 | 2.02 | 1.01 | 95 | 0.90 | 105 | LOW |
| 41 | GKN Driveline Birmingham Limited | 31/12/2018 | 195,637 | -1.96 | -4,872 | 2.04 | 1.74 | 81 | 2.20 | 786 | LOW |
| 42 | Walsall Pressings Company Limited | 30/06/2018 | 38,845 | 3.43 | 4,687 | 2.08 | 1.61 | 99 | 0.90 | 284 | LOW |
| 43 | Dennis Eagle Limited | 31/12/2018 | 226,383 | 6.86 | 18,347 | 2.11 | 1.52 | 95 | 0.90 | 847 | LOW |
| 44 | SAI Automotive Fradley Ltd | 31/12/2018 | 176,010 | 11.18 | 37,047 | 2.14 | 2.03 | 92 | 0.90 | 531 | LOW |
| 45 | HUF U.K. Limited | 31/12/2018 | 40,305 | 5.76 | 11,540 | 2.74 | 2.42 | 33 | 11.20 | 201 | LOW |
| 46 | Kolto Europe Limited | 31/12/2018 | 88,495 | 10.78 | 14,385 | 2.83 | 2.57 | 99 | 0.90 | 663 | LOW |
| 47 | Leoni Wiring Systems U.K. Limited | 31/12/2018 | 306,374 | 4.26 | 34,168 | 3.37 | 3.00 | 77 | 2.20 | 382 | LOW |
| 48 | Carwood Motor Units Limited | 31/08/2018 | 35,034 | 12.24 | 16,689 | 3.75 | 3.31 | 99 | 0.90 | 257 | LOW |
| 49 | Paillon Engineering Limited | 31/12/2018 | 17,772 | 13.80 | 14,176 | 4.41 | 2.60 | 99 | 0.90 | 173 | LOW |
| 50 | Brian James Trailers Limited | 31/07/2019 | 25,870 | 20.69 | 30,939 | 5.14 | 4.27 | 99 | 0.90 | 173 | LOW |

The Table above lists the largest 50 automotive manufacturing organisations in the West Midlands region (based upon revenue) and are ranked on their current ratios (ascending order). The current ratio is a liquidity ratio that compares a firms' current assets to its current liabilities and is commonly used to evaluate whether an organisation has enough resources to meet its short-term obligations. We define a firm as being high-risk when its current ratio is below 1.2, medium-risk if current ratios are between 1.20 and 1.80 and low-risk firms if above 1.80. Based upon the latest available accounts in FAME we find that 21 firms (highlighted in grey) have an annual turnover below the £45 million threshold, so they are not eligible to apply for the CLBILS.

In Table 1, firms highlighted in orange are the 21 firms

that we define as high-risk. Together they employ 45,814 people, but only 12 of these high-risk firms are eligible for the CLBILS. Out of these 12 firms we find that 4 firms (Uk-Nsi CO. Limited, Faurecia Emissions Control Technologies UK Limited, TRW Systems Limited and Grainger & Worrall Limited) have weak credit scores, thus applying for the CLBILS is exceptionally important for these organisations. Critically important, the big OEMs and particularly JLR, but also Aston Martin, are amongst the high-risk firms. JLR is the largest direct employer, but also supports several tiers of supply chain firms and a wide range of dependent contractors and service firms in the region. If either of these firms were to shut down the repercussions for the West Midlands economy would be severe.

Moreover, out of the 9 high-risk firms that do not qualify for the CLBILS, 6 of these firms (CAB Automotive Ltd, Aisin Europe Manufacturing (UK) Ltd, ADV Manufacturing Limited, Mahle Filter Systems UK Limited, Polytec Car Styling UK Limited, Paintbox Banbury Limited), also have negative profit margins. These 6 firms have a total workforce of 1,553 individuals and negative profits coupled with poor current ratios makes these jobs vulnerable to redundancies.

Our analysis shows that only 29 out of the top 50 firms have an annual turnover greater than £45 million, and qualify for the CLBILS. The 21 firms that do not qualify for CLBILS will rely heavily on the Coronavirus Job Retention Scheme (CJRS), which is only a temporary measure. This scheme is designed to support firms by allowing them to furlough employees with the government paying cash grants of 80% of their wages up to a maximum of £2,500. The above data should provide a guide for government agencies to target support more precisely where it is needed. One of the reasons for direct government intervention is the need to limit redundancies. While these reduce costs and can improve resilience for firms, unemployment places the financial burden on the taxpayer via the costs of benefits and welfare support. The significance of the key OEMs in the automotive industry is revealed when we apply appropriate multipliers to account for both direct and indirect unemployment impacts.

Overall, the results show that many of the top 50 automotive firms are facing severe cash flow issues, to the degree that some business closures are inevitable. This will impact specific firms and particular regions far more than others and policy makers need to adapt support mechanisms appropriately. Firms need to be agile in response to the current and likely future economic shocks as this will provide resilience in a competitive environment where only the 'fittest' will survive.

Qualitative intelligence

(The information below is a collation of the qualitative intelligence shared across regional stakeholders)

There has been no further development on data at the regional level, key areas still outstanding include:

- Furlough impacts at a local/sectoral level
- Take up of grants and loans at a detailed level and performance including discretionary funding
- UC claimants at a detailed level

Many surveys by regional organisations are now turning to restart and recovery but findings have not been delivered yet.

Key issues:

- Tourism and events sector has now fallen off the edge of a cliff and issues around clarity on social distancing and performances/opening continue. This week the [RSC](#) announced it was postponing its events for the summer and the Autumn Winter programme moved to next year. [Twycross Zoo](#) has now had no income the whole of this year (it costs £650k a month to operate) and plans to open have been dashed as zoos are now added to the governments official closed businesses list and the zoo will be closed for at least another month. This sector also has higher levels of sole directors who still cannot access any support mechanisms.
- There are emerging exporting issues because of not being able to travel and build connections/sales
- Safety measures which need to be put in place are of significant concern to businesses as premises are often too small to accommodate the demands. As an example of the effects, many dentists are run using locums, and they are finding because the number of appointments are significantly reduced the locum rates are halved. This wont be sustainable for the industry in the longer term.
- Businesses still concerned about getting staff back to work without transport and adapting to working from home on a longer basis, but for many industries, this isn't possible.
- Quarantine requirements continue to scar businesses as they try and deal with high absence levels. The implications of track and trace on the operations of businesses is also a concern as both in practical terms as mobile phones are often not allowed in workplaces and the quarantine implications. Businesses are calling for consistency with other countries in the approach.
- Current range of grants are not flexible enough to cover preparation for reopening or temporary changes. So Local Authorities looking at what can be done within these restrictions. The amount reserved for the discretionary grants are capped at 5% of the whole amount LAs have for grants.

Covid-19 and Job Matching

Anne Green, WM REDI

As in previous recessions, Covid-19 brings a massive economic shock across the country but with locally specific impacts. What is different about the current recession is that the government has shutdown particular sectors of the economy. Associated economic uncertainty is compounded by the medium- and long-term impacts of social distancing measures.

Labour market policy interventions enacted at a time of recession fall into three main categories:

- *Employment* interventions – including work experience, wage subsidies, public works programmes;
- *Matching* interventions – providing counselling, job matching, co-ordination between programmes;
- *Education* interventions – including short courses, vocational training, vocational learning.

Interventions will be needed on all three fronts. Here the focus is on the role of matching – in both the short-term and longer-term.

In the *short-term* there has been an increase in demand for supermarket workers, care workers, agricultural workers and drivers. On the other hand hospitality, leisure and the aviation sector have seen drops in demand.

Examples of sectoral, occupational and local/ regional initiatives to help redeploy workers who are no longer working to fill jobs where demand has risen include: [Pick for Britain](#) – which amalgamates job opportunities for pickers, packers, drivers, etc. in the horticulture and agriculture sector.

[Mirimar Connect](#) – works to match airline cabin crew to roles in other sectors that utilise their customer care, team working, cultural sensitivity, language skills, etc. It is making its service free of charge to employers of key workers during the Covid-19 crisis.

[Talent Retention Solutions \(TRS\)](#) – was developed to support redeployment, recruitment and skills retention across UK manufacturing, engineering, construction and STEM industries. It has developed into a national talent platform and by providing a single point of access to talent, vacancies and development opportunities. In the Covid-19 crisis it is working to facilitate redeployment so that talent is not lost to the economy.

[Proud to Care London](#) – extended out of an initiative set up by the North London Sustainability and Transformation Partnership. Its aim was to aid

recruitment and retention in the health and care sector. It has been used to help with recruitment during the Covid-19 pandemic and demonstrates what can be done for a particular sector at regional level.

In the *longer-term* there is [evidence](#) that matching to a good quality job with prospects for career progression is beneficial for the individual concerned and for the economy more generally. Sector-based initiatives can work well here.

An example is [WorkAdvance](#) in the US. The logic model underpinning WorkAdvance is that offering low-income individuals education and employment-related skills and experience in high-demand sectors will help them advance in the labour market.

WorkAdvance has five components:

- 1) Intensive screening of programme applicants for motivation and readiness, to ensure that participants who can take advantage of the training and qualify for jobs in the target sector
- 2) Sector-appropriate pre-employment and career readiness services, including an orientation to the sector and career advancement coaching.
- 3) Sector-specific occupational skills training aligned with employer needs, leading to certifications that are in demand in the regional labour market.
- 4) Sector-specific job development and placement services based on strong relationships with employers and intended to facilitate entry into positions that participants have been trained for and that offer genuine opportunities for continued skills development and career advancement
- 5) Post-employment retention and advancement services, including ongoing contact, coaching, skills training, and rapid reemployment help if needed

Evaluation of the long-term economic impacts of WorkAdvance show that sector-focused programmes can lead to career progression and earnings gain. However, taking care to work on a ‘good match’ at the outset is key.

The response and recovery to Covid-19 calls for job matching in both the short-term and the long-term to aid economic regeneration and employability.

The impact of Covid-19 on the region's tourism sector – key findings from a business survey conducted between 27th and 29th May 2020

WMGC

Covid-19 has created an unprecedented crisis for the region's business community, with the tourism sector the first to be affected and continuing to bearing the brunt. The WMGC's Research Team and Shakespeare's England are collaborating to run a regular survey of hotels, conference venues and attractions across the region. This is the 5th survey, conducted between 27th and 29th May. Businesses' trading position and prospects for survival. When we ran our 4th survey on 20th April 40% of businesses had temporarily closed. This proportion has increased to 80%. All have seen a drop in revenue of more than 50% and 60% are experiencing cash flow problems. Most businesses are worried that, without additional support, they may not survive lockdown. Some 10% say they are contemplating permanent closure in the next few weeks and another 40% say they may be facing failure by the end of the summer.

Additional support needs

Businesses cite the extension and adaptation of the furlough scheme, additional financial support and business rate relief and more targeted help for the events industry as key asks of government.

'Part time Furlough. I do not have enough work to bring back my staff on a full time basis having not generated any money for almost two months'.

'We will be among the last sectors to reopen and therefore need either an extension of the furlough scheme or some kind of bespoke package for the arts & culture sectors'.

'Working capital to repurpose and reframe our business model and to enable reasonable investment into next season'.

'Raise the bar for business rates relief for those businesses with a rateable value of over £51k to a total of £150k – this would help save 9,000 local businesses'.

'More support for the events industry going forward as events probably not start back up till 2021, otherwise many redundancies will occur'.

'For the government to include conference centres within the list of hospitality businesses that are entitled

to business rates relief'.

Social distancing

While 40% of businesses feel confident that they can operate viably with social distancing, another 40% have concerns.

Once social distancing has been lifted a third of businesses feel they can start trading again within a week. A further 12% can start within a month and a further third within three months.

'Our business cannot realistically operate commercially whilst there is social distancing'.

'It will be a struggle to break even or make any sort of profit. Only time will tell'.

'Conference Centre restrictions on gatherings may make it unviable to reopen'.

'It entirely depends on lots of other variables - including further government support'.

After the interval national Audience Survey

Indigo

Indigo have been publishing [a survey](#) into audience participation aiming to capture audience views on returning to live cultural events, booking tickets now and in the future, and missing out on events during lockdown. They have 86k audience responses from 192 organisations, 5% of responses were from the West Midlands but no regional breakdown is available. Findings so far indicate:

- 93% are missing events
- 74% want to get back to the buzz of a live event
- 55% look forward to supporting local venues
- Only 17% are booking for events, half of which are for events November onwards and 35% are in Sept/October
- Only 19% will return to events just because venues are open and 41% would not consider booking for at least 4 months
- ¾ would feel safer with social distancing measures in place and

HEADLINES

| SECTOR | KEY CONCERNS |
|--------------------------|---|
| Cross Sectoral | <p>Access to Finance & Cashflow</p> <ul style="list-style-type: none"> Businesses are still reporting issues with accessing finance through the Covid-19 support schemes due to ineligibility, delays and concerns about their ability to take on risk when they are in a precarious position and may not be able to repay loans. A number of SMEs have expressed concern about their ability to survive until the economy fully reopens due to cash flow. Hope amongst businesses that the Local Authority Discretionary Grants funding will offer support to companies which have been ineligible for previous government support schemes. Extension to the Self-Employment Income Support Scheme announced last week will be welcomed by many. However director-managed limited companies have not received equal financial support, despite operating in the same way as self-employed people. In addition, they are not able to furlough themselves and keep their business going. This has been a major issue for many local companies. Businesses will need longer term support to help recover. Concerns from self-employed about access to finance CWLEP 3-month review of Covid-19 data shows 42% have only 1 or 2 months' worth of cash reserves left, 18% of business have no cash reserves left in their business <p>New Covid-19 Regulations & Social Distancing</p> <ul style="list-style-type: none"> Businesses are reporting concerns about how long their industries may be impacted for, particularly those that require overseas travel, and whether Government business support interventions will continue long enough for their industry. Businesses have raised concerns about how the isolate element of test, trace & isolate will impact their businesses and the risk of 14-day isolation of employees causing them to have to close for 14 days, potentially multiple times over. Following the announcement that non-essential businesses can re-open from 15th June, further guidance is needed re use of face masks and potential exposure to liabilities if it could be proved that the virus got transmitted in premises, either to employees or customers. <p>Job Retention Scheme</p> <ul style="list-style-type: none"> The announcement that from 1st July, businesses will be given the flexibility to bring furloughed employees back part-time will help many local companies plan their recovery. However, previously viable firms not able to open until later, particularly in leisure, hospitality and the creative industries, may need further help and support in the coming months. <p>New Business Models</p> <ul style="list-style-type: none"> Increase in the number of start-up enquiries from individuals, many focused around 'work from home' businesses and lifestyle businesses. |
| Professional Services | <p>General Performance</p> <ul style="list-style-type: none"> Businesses impacted due to closure of clients and other businesses in the supply chain. Drop in sales throughout the lockdown period for many. <p>Access to Finance</p> <ul style="list-style-type: none"> Many businesses struggling due to not qualifying for grants & loans that they need to survive. <p>New Covid-19 Regulations & Social Distancing</p> <ul style="list-style-type: none"> Businesses would like to see clearer instructions on how to manage PPE/protection in the workplace. |
| Manufacturing | <p>Access to Finance</p> <ul style="list-style-type: none"> Businesses in need of finance to help with diversification. Businesses struggling where they are reliant on other suppliers / tradespeople. <p>New Business Models</p> <ul style="list-style-type: none"> Businesses looking to diversify where they have suffered from being reliant on one industry / sector. |
| Visitor Economy | <p>Cross Theme</p> <ul style="list-style-type: none"> Some concerned about losing virtually a whole year of activity due to event cancellations, as some venues and organisations have blanket cancelled events for much of 2020. <p>Access to Finance</p> <ul style="list-style-type: none"> Cashflow issues common due to drop off in sales for key months of the year. |
| Retail | <p>Access to Finance</p> <ul style="list-style-type: none"> Retail businesses requiring support to access discretionary grant and bounce back loans. <p>Consumer Behaviour</p> <ul style="list-style-type: none"> Concerns about how many customers will visit reopening retail stores. |
| Transportation & Storage | <p>Social Distancing</p> <ul style="list-style-type: none"> Transport services concerned about social distancing – limits amount of people they can have on board at a time so this means less business. |

Appendices

- Weekly deaths ONS
- ONS Weekly Indicators
- LEP Level Local Business Intelligence

Weekly deaths Registered 22nd May

The following analysis compares the latest time period (week of the 22nd May 2020) to the previous week period (week of the 15th 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 14,573 in the week of 15th May to 12,288 in the week of 22nd May. The number of deaths registered that state Coronavirus on the death certificate has experienced a decrease from 3,810 people to 2,589 people.

Regional level analysis shows that the West Midlands overall registered death figure has decreased from 1,502 in the week of 15th May, to 1,319 in the week of 22nd May. The number of registered deaths related to Coronavirus has decreased from 382 to 290 over the same period.

There was a total of 880 deaths registered across the

WMCA (3 LEP) area in the week of the 22nd May. There were 191 deaths registered that were related to Coronavirus over the same period – this accounts for 21.7% of total deaths. The WMCA (3 LEP) area accounts for 65.9% of the 290 Coronavirus related deaths registered in the West Midlands Region.

In comparison to the week of the 15th May, the overall registered death figures across the WMCA (3 LEP) have decreased by 147 people, with the number of deaths related to Coronavirus decreasing by 69 people.

At local authority level, Birmingham accounts for 18.3% (35) deaths related to Coronavirus in the WMCA (3 LEP), this is followed by Walsall at 8.9% (17 deaths).

Of deaths involving Coronavirus registered in the week of 22nd May, 54.5% (104) occurred in a hospital which has increased percentage wise when compared to the week of the 15th May at 48.5% (126). The number of Coronavirus related deaths that occurred in a care home decreased in percentage terms from 42.7% (111) to 38.2% (73) in the week of 22nd May.

The following table shows the place and number of deaths registered that are related to Coronavirus in the week 22nd May 2020

Source: ONS, Deaths registrations and occurrences by local authority and health board, 2nd June 2020

| Area name | Care home | Elsewhere | Home | Hospice | Hospital | Other communal establishment | Total |
|-----------------------------------|-----------|-----------|----------|----------|------------|------------------------------|------------|
| Cannock Chase | 1 | 0 | 1 | 0 | 1 | 0 | 3 |
| East Staffordshire | 0 | 0 | 0 | 0 | 4 | 0 | 4 |
| Lichfield | 1 | 0 | 0 | 1 | 5 | 0 | 7 |
| Tamworth | 1 | 0 | 0 | 0 | 2 | 0 | 3 |
| North Warwickshire | 1 | 0 | 0 | 0 | 2 | 0 | 3 |
| Nuneaton and Bedworth | 4 | 0 | 0 | 2 | 10 | 0 | 16 |
| Rugby | 2 | 0 | 0 | 0 | 2 | 0 | 4 |
| Stratford-on-Avon | 5 | 0 | 1 | 0 | 3 | 0 | 9 |
| Warwick | 4 | 0 | 0 | 0 | 2 | 0 | 6 |
| Bromsgrove | 7 | 1 | 0 | 0 | 2 | 0 | 10 |
| Redditch | 2 | 0 | 0 | 0 | 4 | 0 | 6 |
| Wyre Forest | 3 | 0 | 0 | 0 | 5 | 0 | 8 |
| Birmingham | 13 | 0 | 0 | 1 | 21 | 0 | 35 |
| Coventry | 6 | 0 | 1 | 0 | 6 | 0 | 13 |
| Dudley | 4 | 0 | 1 | 0 | 7 | 0 | 12 |
| Sandwell | 1 | 0 | 0 | 0 | 11 | 0 | 12 |
| Solihull | 8 | 0 | 0 | 0 | 4 | 0 | 12 |
| Walsall | 8 | 0 | 2 | 0 | 7 | 0 | 17 |
| Wolverhampton | 2 | 0 | 1 | 2 | 6 | 0 | 11 |
| WM 7 Met | 42 | 0 | 5 | 3 | 62 | 0 | 112 |
| Black Country LEP | 15 | 0 | 4 | 2 | 31 | 0 | 52 |
| Coventry & Warwickshire LEP | 22 | 0 | 2 | 2 | 25 | 1 | 51 |
| Greater Birmingham & Solihull LEP | 36 | 1 | 1 | 2 | 48 | 0 | 88 |
| WMCA (3 LEP) | 73 | 1 | 7 | 6 | 104 | 0 | 191 |

ONS Weekly Release Indicators

On the 28th May 2020 the ONS released 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 5 of the Business Impact of Coronavirus Survey, the final results for Wave 10 of the Opinions and Lifestyle (OPN) Survey, experimental online jobs advert indices and weekly management information on Universal Credit claims and advances.

Business Impact of the Coronavirus

The initial results from the fifth round of the Business Impact of Coronavirus (COVID-19) Survey (BICS) show that of the 20,566 businesses surveyed across the UK, 24% had responded as of the 26 May 2020. Unless stated, the following data is

based on the period between 4th May to the 17th May 2020 and regional breakdown is not available.

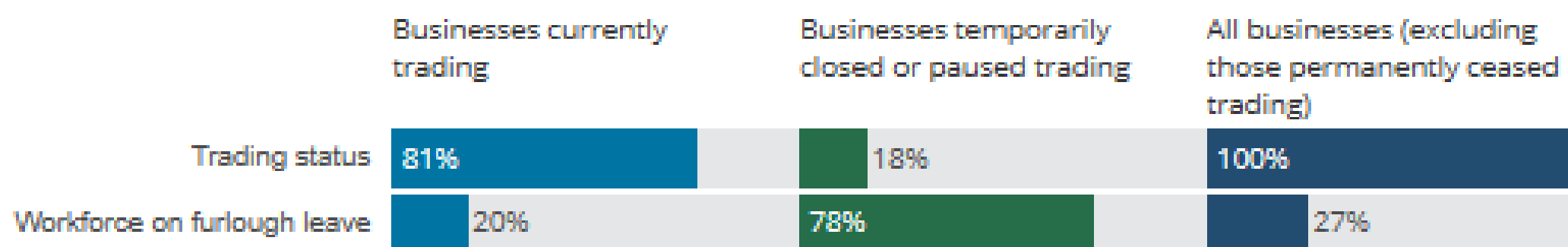
Headline Indicators

Across the UK, 81% of responding businesses are currently trading with 20% of the workforce on furlough leave. 18% have temporarily paused or closed trading with 78% of the workforce on furlough leave.

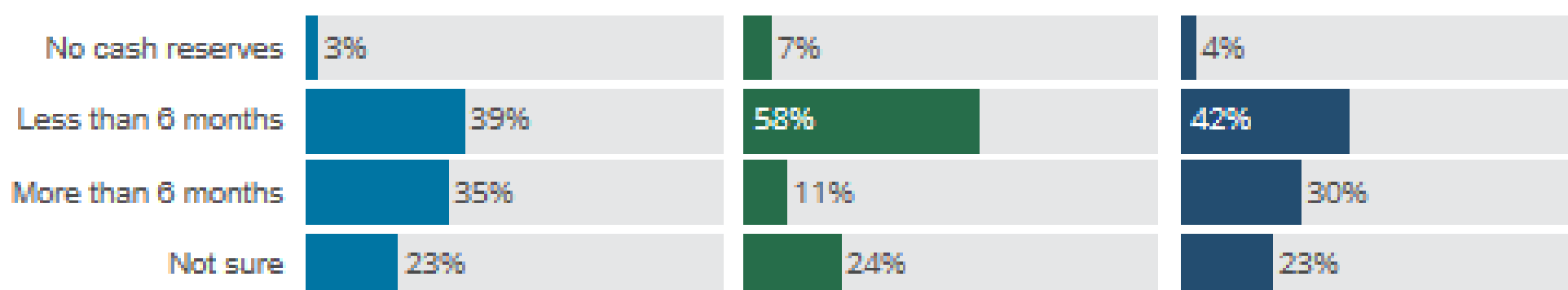
3% of businesses that are currently trading have no cash reserves, this rises to 7% for businesses that have temporary paused or closed. 39% of business currently trading has less than 6 months of cash reserves, this rises to 58% for businesses that have temporary paused or closed.

The Coronavirus Job Retention Scheme still remains the favoured government support scheme with 75% of businesses that are currently trading have applied for this scheme, rising to 94% for businesses that have temporary paused or closed. 23% of responding businesses that are currently trading have not applied for any government schemes, with 4% of businesses that have temporary paused or closed not applied for any.

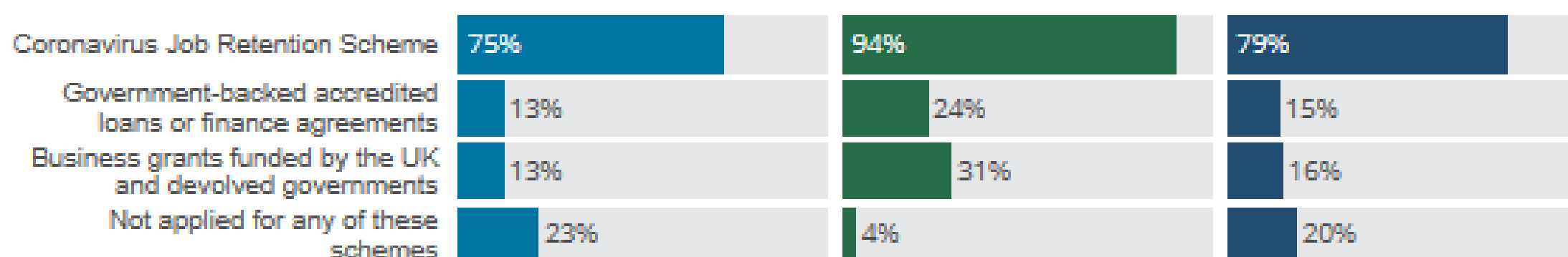
Proportion of businesses by trading status and workers on furlough leave



Cash reserves



Proportion of businesses applying to government schemes



Paused Trading

8% of responding businesses who had temporarily ceased trading have reported to have started trading in the last 2 weeks. 99% of businesses that had temporarily closed or paused trading reported the closure or pause started more than 2 weeks ago.

14% of responding business that have temporarily closed or paused trading expect to start trading in the next 2 weeks, apportioned by workforce size it is estimated 15% will return from remote working and 31% will return from furlough.

10% expect to start trading in the next 2 to 4 weeks. However, 31% of businesses expect to start trading in more than 4 weeks' time and 46% are unsure when they will start trading again.

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.

Data on the social impact of the coronavirus (COVID-19) on Great Britain were collected from the Opinions and Lifestyle Survey (OPN). The data relate to the final results for Wave 10, covering the period 21st May to 24th May 2020. In this wave, 1,028 individuals were sampled, with a response rate of 51% for the survey. The data collection period for this wave of the Opinions and Lifestyle Survey has been reduced to 4 days from 10 or 11 days on previous waves.

Concerns about household finances

24% of adults stated that Coronavirus was affecting their household finances. The most common concern on household finances continues to be a reduced income at 74%, with 27% using savings to cover living costs, a further 17% borrowing money or using credit and 11% are struggling to pay bills. 24% of people survey are unable to save as usual and nearly 22% were concerned the savings value is being affected by economic instability.

Self-isolation

19% of adults reported to self-isolating in the past seven days, this increased to 33% when looking at people with any specific health condition, and to 36% for people aged 70 or older.

Working from home

At the time of the survey, government advice was workers should travel to work if their workplace was open and they could not work from home.

39% of adults reported that they had worked at home some point over the last 7 days.

36% reported to have left their home to travel to and from work in the last seven days, within the 36% of workers, 14% have changed their mode of transport.

Social Distancing and Face Coverings

98% of adults have tried to stay at least two meters away from other people when outside their home in the past seven days. 88% of adults reported avoiding contact with older or vulnerable adults, within this 10% of people avoiding those to whom they provide care to.

29% of adults have worn a face covering outside their home in the last 7 days, with the most common reason at 67% for shopping with exercising outdoors and running errands at 20%.

41% of responding adults reported that are either very or fairly likely to wear one in the next 7 days.

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 27th March and now numbers have declined to 24,100 new individual claims on the 19th May.

At the start of March, claim advances were steady at just under 5,000 per day, this then peaked on 6th April at 35,280 and now numbers have decreased to 9,050 on the 19th May.

Impacts of Wellbeing

The mean anxiety has increased for all adults from 4.0 in between 14-17th May to 4.1 between 21st-24th May. For those aged 70 years and over this has decreased from 3.9 to 3.5 and those with any specific health conditions decreased from 4.7 to 4.0 over the same periods.

The percentage of all adults that reported feeling lonely often/ always or some of the time has increased from 23% to 27% from between 14th – 17th May to the 21st – 24th May. Those with any specific health condition has increased from 31% to 43%, while for those aged 70 years and over this has decreased from 19% to 16% over the periods.

Indicators of wellbeing between the periods of 14th-21st May to 21st -24th May:

| Indicator | Group | 14 th – 17 th May | 21 st – 24 th May |
|---|-------------------------------|---|---|
| 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 | 43% | 47% |
| | 70 years and over | 34% | 35% |
| | Any specific health condition | 55% | 48% |
| Mean anxiety score | All adults | 4.0 | 4.1 |
| | 70 years old or over | 3.9 | 3.5 |
| | Any specific health condition | 4.7 | 4.0 |
| Percentage with high anxiety (score 6-10) | All adults | 32% | 33% |
| | 70 years and over | 32% | 28% |
| | Any specific health condition | 47% | 44% |
| Feeling lonely often/always or some of the time | All adults | 23% | 27% |
| | 70 years and over | 19% | 16% |
| | Any specific health condition | 31% | 43% |

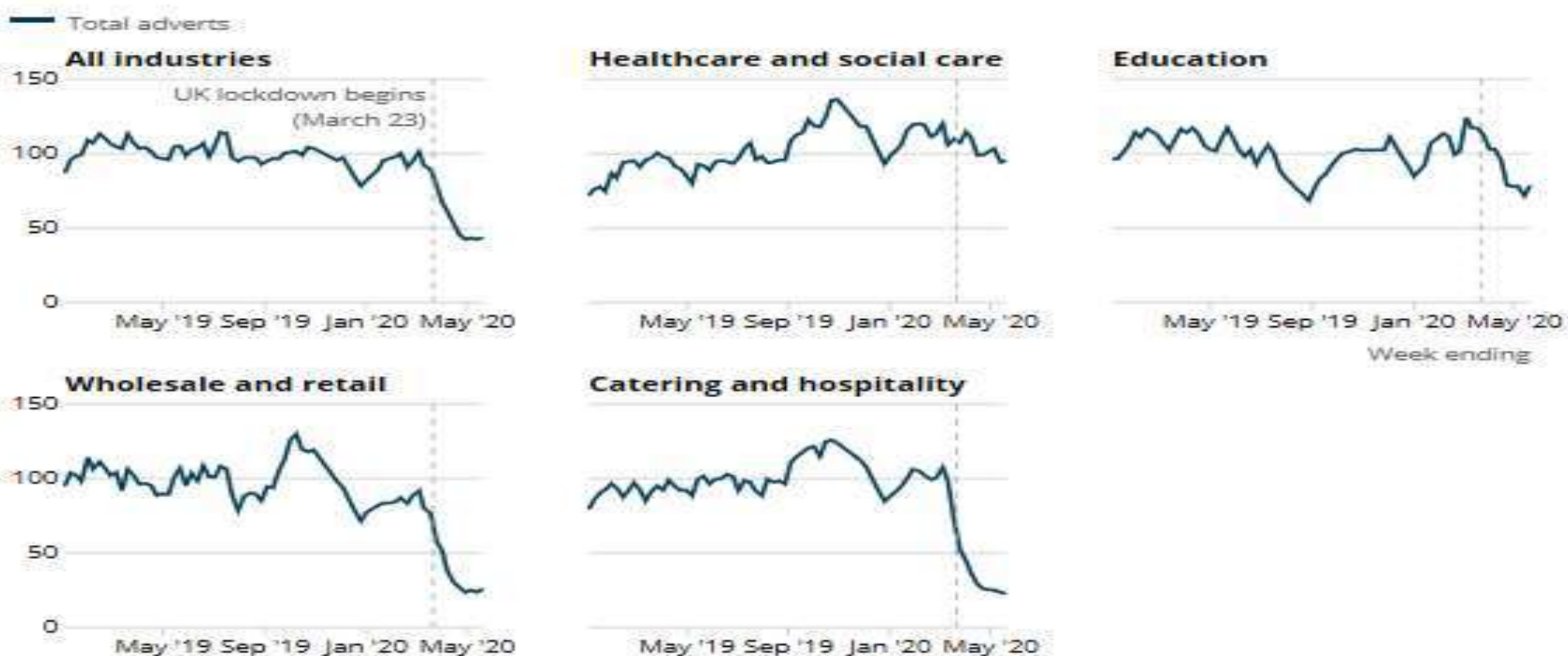
Online Jobs Adverts

Figures are taken from jobs adverts provided by Adzuna. Each value in the series measures the number of jobs adverts at a point in time, indexed for the average for 2019 (average = 100).

Across all industries the total online jobs vacancies have declined by more than 50% from the start of March to the start of May 2020.

Across four selected categories show that following initial large declines catering and hospitality and wholesale and retail show jobs adverts stabilising between 20% and 25% of their 2019 averages. However, in contrast, education saw a smaller decline to approximately 80% of the 2019 averages and health and social care saw little or no change between March and May.

Total weekly job adverts on Adzuna, UK: index 2019 average = 100



| NEW ECONOMIC SHOCKS | | | |
|---------------------|----------|--|---|
| COMPANY | LOCATION | SECTOR | SOURCE/DETAIL |
| JLR | National | Automotive, Engineering, Manufacturing | <p>Luxury car maker Jaguar Land Rover (JLR) has applied for government financial support, according to Sky News, although the group denied claims it has asked for £2bn. Reports at the weekend said the group, which operates manufacturing sites in the West Midlands and on Merseyside, has requested tax payer support of around £1bn to help it through the current industrial crisis brought about by the coronavirus lockdown.</p> <p>Link: Business Desk</p> |
| I-Nexus Global | Coventry | Information and Communication Technology | <p>The board of a Coventry cloud-based software company is "reviewing strategic options to introduce fresh capital" to the business. I-nexus Global said it is in the early stages of the plans which are running alongside preparing an additional cost reduction plan in response to the Covid-19 crisis. A total of 25 employees were furloughed from 1 April while "significant" cost reduction measures were implemented in January. It comes after the company confirmed that its revenue for the six months to 31 March 2020 went from £2.3m to £2.2m and its pre-tax losses widened from £1.9m to £2.1m.</p> <p>Link: Insidermedia</p> |

| NEW INVESTMENT, DEALS & OPPORTUNITIES | | | |
|---------------------------------------|-------------------------|--------------------------|--|
| COMPANY | LOCATION | SECTOR | DETAIL & SOURCE |
| Thomas Howse | Sandwell | Manufacturing | A leading Middle Eastern manufacturing group has completed its single largest investment in the UK with the acquisition of a historic Sandwell manufacturer of paint and powder coatings. |
| PTP Training | Sandwell | Learning and Development | Oldbury-based training provider BCTG Group has acquired PTP Training, trading as Performance Through People, for an undisclosed sum. Sandwell News |
| Resorts World / Genting (Malaysia) | Resorts World, Solihull | Leisure | Expansion of Resorts World Arena to 21,600 will entail the recruitment of up to 220 part-time employees Press release |
| ilke Homes | Birmingham | Housing | Modular housing specialist ilke Homes has opened offices in Birmingham, Bristol and London Press release Twitter |
| Safetyflex Barriers | Coventry | Manufacturing | A Coventry manufacturer at the forefront of protecting the public and buildings from potential terrorist vehicle attacks at key locations around the world has landed its first export order in Finland. Safetyflex Barriers has won a contract to supply its anti-terrorist bollards for a major government project to protect key infrastructure in the Nordic nation: Link: Business Desk |
| JCB | National | Construction | More than 900 jobs have been saved at JCB plants across the Midlands and in Wales after unions and management announced a new flexible working arrangement for staff. Last week, the digger giant announced it was axing 950 jobs due to falling demand for its products because of the coronavirus epidemic. Now, following discussions between the GMB union and JCB bosses, some 915 shop floor workers have kept their jobs. Link: Business Desk |
| CEWE Photoworld | Leamington Spa | Photography | CEWE, Europe's largest photo printing specialist, has become an exclusive partner for the photo service operated by Boots, the leading pharmacy-led health and beauty retailer in the UK. Under the heading of "Boots Photo powered by CEWE" customers can now order CEWE products on the Boots website. Link: Business Desk |

| NEW INVESTMENT, DEALS & OPPORTUNITIES | | | |
|---------------------------------------|---------------------|----------------------|--|
| COMPANY | LOCATION | SECTOR | DETAIL & SOURCE |
| Lake Chemicals and Minerals | Redditch | Distribution | A business specialising in the distribution of chemicals and minerals has secured £1m in funding. Lake Chemicals & Minerals, based in Redditch, will use the CBIL funding to support the business through the current crisis. The business, which was established in 2002, supplies chemicals, minerals and technical products to customers across a range of sectors but primarily the manufacturing sector. Link: Business Desk |
| Guthrie Douglas Group Limited | Warwick | Manufacturing | A Warwickshire company that specialises in manufacturing blinds for complex buildings is planning to more than double turnover and take on new staff after investing in its growth. Guthrie Douglas, which is based at the Heathcote Industrial Estate, was established nearly 40 years ago and makes blinds which are sold all over the world. Recent orders include automated shading systems for the new Google Headquarters in London, through to a skyscraper in Sydney and a new airport in Kuwait. Link: Business Desk |
| Sarissa Biomedical | Coventry | Medical Technologies | A Coventry biotech business has raised £1.2m for a new hand-held device that allows paramedics and emergency doctors to quickly diagnose patients who are having a stroke. Sarissa Biomedical has secured funds from a consortium of investors including the MEIF Proof of Concept & Early Stage Fund, which is managed by Mercia and part of the Midlands Engine Investment Fund, Mercia's EIS funds. Link: Business Desk |
| Filta Group Holdings | Rugby | Catering Services | Revenue jumped at an acquisitive Rugby-based listed company which provides cooking oil filtration and fryer management services to restaurants, according to new figures. Filta Group Holdings has reported a revenue of £24.9m for the 12 months to 31 December 2019, up from £14.2m. It comes after the company snapped up Watbio in December 2018, with the business contributing 34 per cent of the group's revenue in 2019. The group's pre-tax profits went from £1.7m to £936,284 over the same period. Link: Insider Media |
| Deeley Construction | Coventry | Construction | A Coventry construction company has started work on a multimillion-pound Dunelm unit near Newcastle-under-Lyme. Deeley Construction has begun work on the 22,000 sq ft unit at Wolstanton Retail Park. The unit, which is expected to be completed later this year, is being built between the existing Matalan and Marks & Spencer stores at the retail park. Link: Insider Media |
| Stratford Garden Centre | Stratford-upon-Avon | Retail | Stratford Garden Centre sprang into action shortly after lockdown by implementing a local delivery service to take supplies to customers within a six-mile radius, before then setting up a collection system and then opening its doors when Government relaxed restrictions on the sector. Helen Lloyd, a director of the family-owned business, said: "We realised early on that people were still very keen to do work in their outside spaces and that for many that was a release from lockdown. "Once the deliveries were in full swing, we then set up the collection service, and that has allowed us to bring furloughed staff back into the business. Link: Insider media |

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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