West Midlands
Weekly Economic Impact Monitor

WM REDI | CITY REDI

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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

- There are signs that the dramatic downward trend in the world economy is beginning to plateau out. However the German manufacturing slump is expected to continue until at least September, but the decline is not as steep.
- There is expected to be a fiscal event in July around supporting businesses, labour markets, and consumer consumption. As it is outside the budget cycle this limits the action that can be taken by Treasury.
- The OECD has released its latest predictions and warns that Britain is likely to be hardest hit with a slump of 11.5%, 14% if there is a second wave. This is largely because of the reliance on the services sector and the warning that the furlough scheme may not offset effects on employment
- PMI has risen again for the WM to 27.9 from 10.9, export climate index rose to 35.9 from the record low of 24.5 in April
- ICAEW forecasts say GDP dropped 2% in Q1 - the largest drop since 2009 - and is forecast to shrink by 8.3% rebounding by 7.8% next year. WM may face the largest decline of any region at 9.2%, however if may see the largest growth in 2021 at 8.1%. This is based on having the largest number of temporary closures and expectation of most reopening.
- A recent report comparing unemployment by ethnic group finds that unemployment rate differentials in the West Midlands are stark: 11% of ethnic minority groups are unemployed compared to 5% of white groups. Disparities in health outcomes, educational outcomes, age profile, crime, income and hostile immigration, all contribute to racial inequalities. CV19 is likely to worsen these issues. Although there aren't data on claimants yet, pre CV19 Black and Black British groups faced higher unemployment levels than other groups. Mapping where the increases are, these are largely in areas with high black populations.
- The pandemic makes it more likely that the UK will exit the EU without a trade deal; work by CityREDI estimated a risk to GDP of 12.2% to the NUTS2 (WMCA area) and the whole NUTS1 region of 14.3% making it more exposed that the UK average. It is expected that any type of Brexit will exacerbate the negative impact of CV19. We are also nearing the closure of the EU programmes, 80% of which support recovery type activities and there has been no detail on replacement or shared prosperity funds.
- Mobility nationally declined by 50% and still remains low, but workplace mobility has seen a larger fall in urban areas.
- Retail footfall fell to 20% of its 2019 levels and remains below 40%, with West Midlands and the North East seeing the highest falls of between 74% and 76%; however the lowest regional fall is still significant at 68%.
- Consumer spending data shows small towns geared around tourism are hardest hit. There is a significant localisation effect leading to inner city areas doing better than suburbs. Coventry 47% drop, Birmingham saw a 42% drop and Wolverhampton and Walsall a 46% drop in consumer spending.
- Universal Credit claims peaked in mid March and the WM overall is at the lower end ranking of the regional increases.
- Fewer businesses reported a decrease in turnover by more than 20% in the latest wave of the ONS weekly survey in all but four regions; North East, Yorkshire and Humber, West Midlands and London.
- There is a rising concern about redundancies with a rise from 2,400 in April to 5,500 in May; significant regional announcements include Rolls Royce, Aston Martin, Triumph, Churchill China and Forterra, with Intu Merry Hill putting administrators on standby. There are also concerns about quarantine and its impact on international trade flows and activity. There is still no support for limited company directors.
- There has been an increase in smaller businesses seeking funding that haven't before, and growing concern over surviving until the economy picks up and managing with the debt picked up.
- There are signs that businesses are adjusting their employment but remaining productive. If this pattern grows or remains in the long term it could point towards higher levels of structural unemployment but improved productivity (similar to other European countries). Since 2009 the UK has maintained employment levels and protected the skilled workforce. The above trend may signal the end of that pattern.
- Crime in the region has been affected by the pattern of behaviours change with reduction in retail, and business crime, youth violent crime, car crime and robbery and theft. Domestic abuse saw significant reductions at the start of lockdown, but have been steadily rising.
- Rental markets within a 3km radius of universities are heavily reliant on the student intake and houses that enter the market after the start of term (peak Oct and Nov) stay on the market longer; this is especially the case for Coventry.

Global Outlook

The week started with European stock futures trending slightly lower and U.S. futures slightly higher after there were small gains in Asia, whilst comparatively the dollar is weaker than last week and crude oil is fluctuating. Governments around the world are beginning to change their focus from rescue mode and instead turning to how best to implement effective recovery strategies. This comes amid signs that the historic and unprecedented downward trend of the global economy is beginning to plateau out.

In the US the Federal Reserve Chairman Jerome Powell will this week announce policy amendments, with investors expecting reassurance that all the support provided will remain in place. This is increasingly significant when the coronavirus crisis has recently been merged with civil unrest.

The much anticipated OPEC+ meeting of oil producers has ended with an agreement on a one-month extension to output cuts. There remains uncertainty as to whether the deal can address the unprecedented turmoil in the market, especially considering it is unknown whether oil demand will ever return to previous levels.

The Ifo index of production survey showed that the German manufacturing slump is likely to continue until at least September. The forecasted and expected hit is predicted by manufacturers to be minus 20.4 points in May, compared to April's huge decline of minus 51 points.

Whilst this is German Ifo's biggest monthly jump on record, it does not mean that there is a big post-pandemic recovery. The decline is still ongoing, but the decline is no longer as steep.

National Outlook

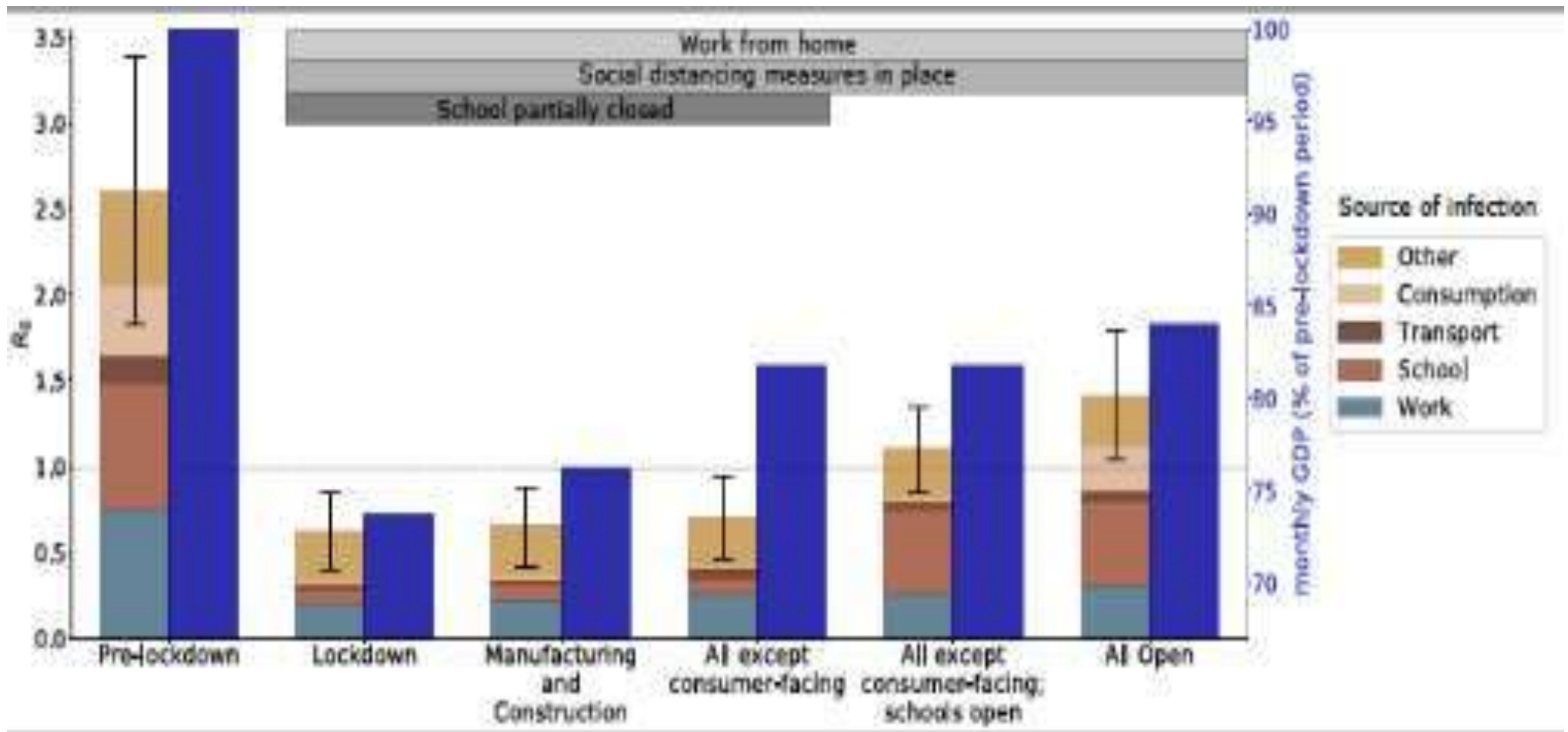
The OECD has released its latest predictions and warns that Britain is likely to be hardest hit with a slump of 11.5%, 14% if there is a second wave. This is largely because of the reliance on the services sector and the warning that the furlough scheme may not offset effects on employment

In the UK there is a reported shift of focus in the government from the health crisis to the economic costs of the pandemic. The Treasury was initially considering a fiscal event in July that would have likely been labelled an 'emergency budget'. It was expected that in the period of July the UK would be moving from phase one of the outbreak to phase two, which would signal the start of the recovery.

However, the much mooted emergency budget is likely now to be a 'fiscal event'. Preparations are being made for phase two, which is being built around three core concepts: supporting business; supporting labour markets; and supporting consumption. The decision to not hold a budget will hamper what measures the Treasury can take. Taxes are unlikely to be changed outside of a budget because taxes changes require legislation, usually through a finance bill.

As the government considers its options, modelling by VOX shows the trade-offs between health security and economic security that the Government will be making by easing lockdown measures. They maintain that a significant part of the 'upstream' economy tends to have a relatively lower risk for workers, little risk for consumers, and also has higher economic value. This is because manufacturing and businesses have high value-added, providing significant input to other industries and sectors.

Their modelling shows that the scenario of opening up "all except consumer-facing industries" increases the reproduction number of the virus only marginally but has the positive economic benefit of increasing GDP by 8%. In contrast, re-opening the entire economy only increases GDP by an additional 2%.



West Midlands

NatWest West Midlands purchasing manager's index has been released and showed a softening in the decline of regional economic output. The headline NatWest West Midlands Business Activity Index – a seasonally adjusted index that measures the month-on-month change in the combined output of the region's manufacturing and service sectors – rose to 27.9 in May, up from a record low of 10.9 in April. Whilst there was a rise, the registered index does still signal a substantial decline in business activity. It is the second-lowest in the survey history, with last month's registered figure the lowest. Firms in the West Midlands have also reported a further significant reduction in new business during May. Despite easing notably from April's historic record, the rate of decline was still the second-quickest in the survey history. In addition to this, The West Midlands Export Climate Index rose to 35.9 in May, up from a record low of 24.5 in April. Among the region's top five markets, Ireland reported the sharpest decline. Only China recorded growth.

A summary of UK and Midlands information within the ICAEW / Oxford Economics report

Hopes at the start of this year for steady economic growth have been up-ended by the coronavirus pandemic. UK GDP fell by 2% in Q1, the biggest drop since 2009. And with a chunk of the economy in hibernation, UK output is forecast to shrink a further 14% in Q2, an unprecedented post-war contraction.

The UK economy is forecast to shrink by 8.3% in 2020, the largest decline since 1921. Although output is expected to rebound by 7.8% next year, the forecast does not see the economy returning to its pre-crisis size until the end of 2021.

The West Midlands may experience the largest GVA decline of any region during 2020, at 9.2%. In terms of indicators of vulnerability, the region lies roughly in the centre of the range, with two of its neighbours, the East Midlands and the South West, ranked as the two most exposed parts of the UK.

The West Midlands looks to be better placed than most in terms of recovery. Oxford Economics forecasts that the region will see the fastest GVA growth of any region in 2021, at 8.1% next year. This is partly because the West Midlands falls further in output terms this year than others. More businesses have closed, or severely cut production, and so more are able to reopen, or return production to normal. And related to that, it reflects 2020 supply-chain problems turning into 2021 supply-chain opportunities, as recovery in Germany and elsewhere feeds back to the region.

The East Midlands's GVA is forecast to drop by 7.6% in 2020 and to grow by 7.5% in 2021. In comparing the East Midlands, the West Midlands and the South West, the report explains that the West Midlands was already underperforming the UK average, even before the pandemic took hold, whereas the South West closely matched the UK's growth rate in 2019, and the East Midlands grew somewhat faster in 2019 than the national average. The East Midlands also has the advantage that an important component of its manufacturing sector is food production, which is mostly continuing to operate in the current situation, albeit with restrictions. Additionally, the East Midlands has only a small hospitality sector, and it has fewer self-employed than most regions. Oxford Economics predicts that the East Midlands' recovery will be dampened by the same factor that has been its modest protector in 2020: a large food manufacturing sector.

Specifically within the manufacturing sector, so important to the Midlands economy, the report details a net result of a decline in manufacturing output in 2023, and slow growth in other years, after the strongly-forecast 2021 bounce-back, once changes around the UK's impending exit from the Single Market come into play.

(NB this work is based on earlier forecasts from OE than the City Forecasts featured in earlier Monitors)

Where to find the ICAEW economic outlook report

UK economy overview UK economy by sectors UK economy by regions

Ethnicity, Race, Inequality State of the Nation 2020

Bryne et al Policy Press

Comparing the different regions in Britain, unemployment rates across ethnic minority groups vary, with the disparity between unemployment rates more stark in London (where 9% of ethnic minority groups including men and women are unemployed compared to 4% of white groups), the West Midlands (where 11% of ethnic minority groups are unemployed compared to 5% of white groups) and finally, the North West region (where 9% of ethnic minority groups are unemployed compared to 5% of white groups). These regional disparities may reflect different geographical and sectoral concentrations of ethnic minority groups.

Summary of findings:

- Ethnic inequalities in health outcomes, experiences of health care and employment in the NHS are substantial and have not changed over time.
- Disparities in educational outcomes show persistent disadvantage for Black Caribbean, Pakistani and Gypsy and Irish traveller groups, including significantly higher levels of permanent exclusion for Black and Gypsy and Irish traveller groups.
- Ethnic minority groups are disproportionately represented in the youth criminal justice system and in prison. Stop and search powers continue to be used disproportionately against ethnic minority groups – with black groups facing the highest rates.
- There is a sustained ethnic penalty in earnings suffered by Bangladeshi, Black and Pakistani groups. Discrimination in the paid labour market has, in part, led to high rates of self-employment for ethnic minority people.
- Recent immigration policies, including the 'hostile' or 'compliant' environment, have produced acts of discrimination and racism against ethnic minority groups as well as the injustices highlighted by the 'Windrush scandal'.

The persistent and systemic racial inequalities that the report highlights, are likely to worsen as a result of Covid19, in areas including employment, health and housing, for example ethnic minorities are already more likely to be in low-paid, insecure work, more likely to suffe ill-health and more likely to live in overcrowded condition even before the outbreak.

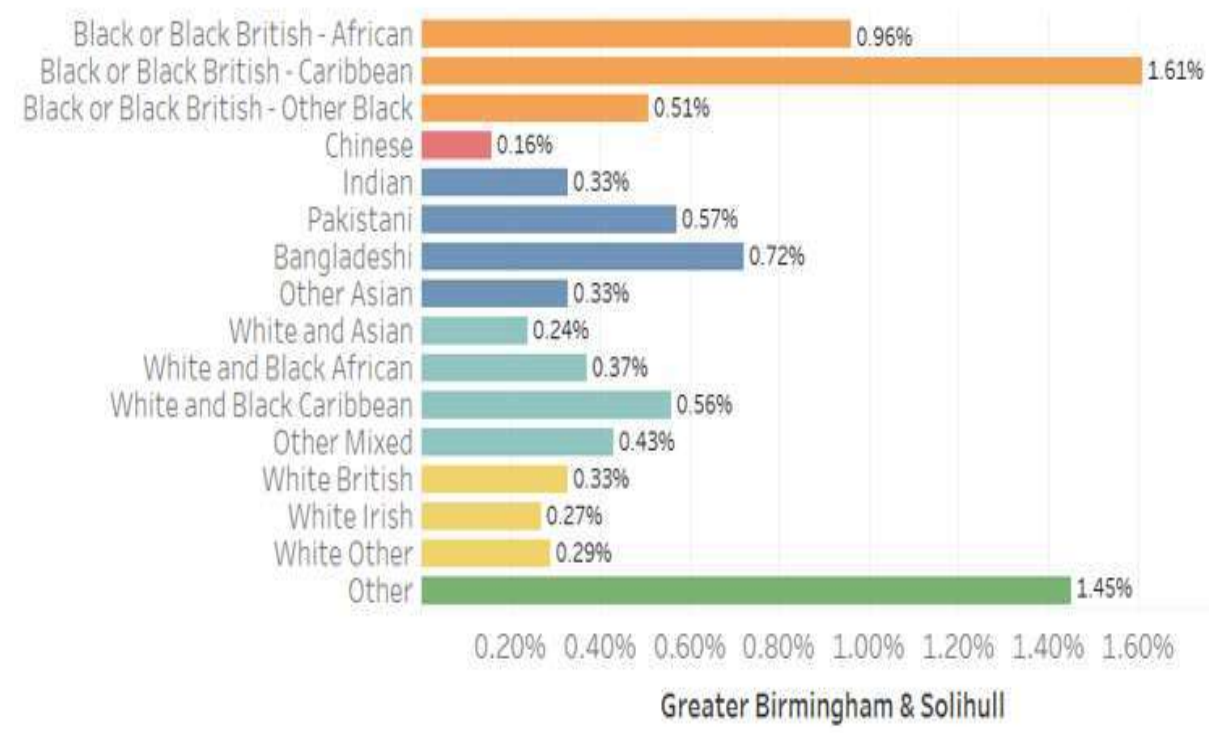
There are concerns that the government's Covid-19 response will not address these inequalities, and that new emergency measures will actually worsen them, including increased state powers and reduction in people's rights.

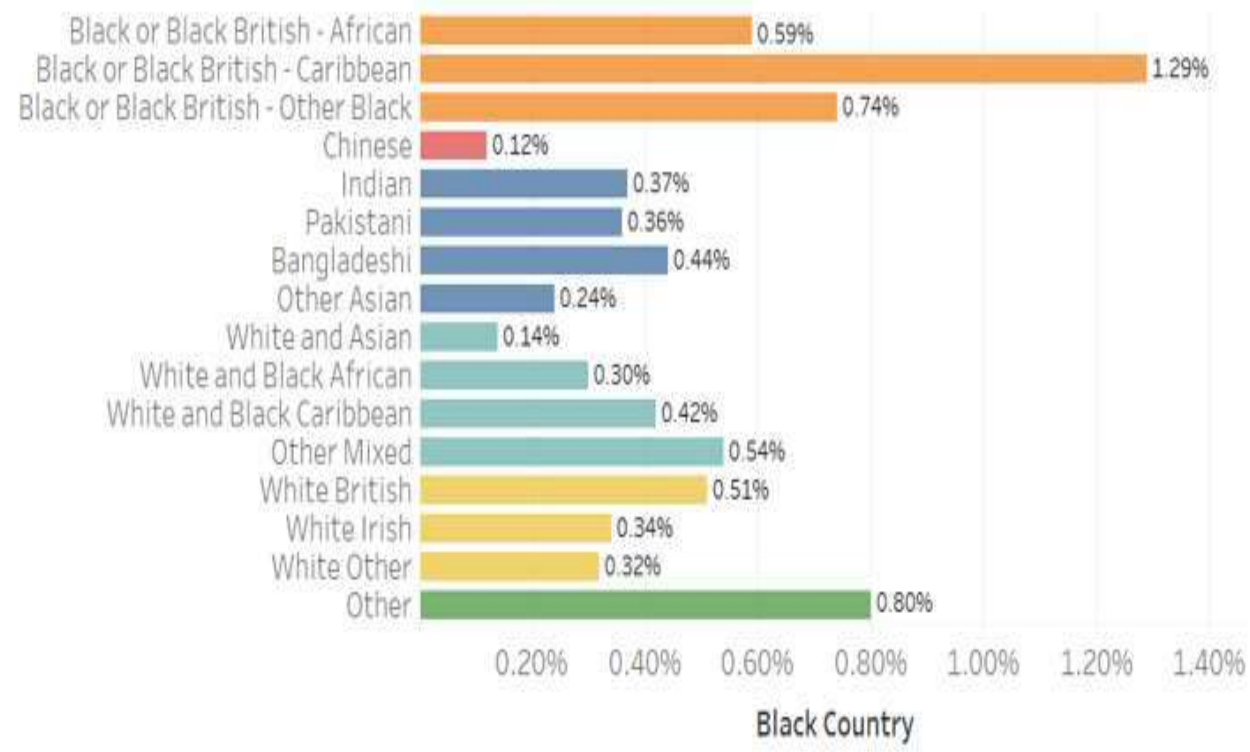
Analysis of Claimants by ethnicity

Alex Smith WMCA

Based on jobseekers' allowance claims figures for March 2020, Black or Black British people in the West Midlands already faced higher levels of unemployment before the COVID-19 mitigation measures took hold. And while more recent figures for JSA and Universal Credit claims are not broken down by ethnicity, it is apparent that the largest increases have been in areas with a high black population. These are also areas in which there are high numbers of black people working in occupations worst affected by the crisis, including customer service and leisure occupations. This supports the conclusion that the economic damage of the crisis is concentrated on those who were already facing greater socio-economic challenges.

Claimants by Ethnicity as a proportion of the population





How is Brexit going to be affected by the Covid-19 outbreak?

Raquel Ortega-Argiles, WMREDI

Since the UK officially left the European Union on 31 January 2020 much has changed. Brexit has gone out of the political focus as both the UK and European governments have been preoccupied with responding to the coronavirus pandemic. The negotiations have slowed, or even stalled in some regards, as governments and also civil service functions have been rapidly diverted to addressing the overwhelming health and safety imperatives. These lockdown responses have led to enormous disruptions in global value chains, dramatic capital shocks, and severe cutbacks in the flows of people and, consequently, knowledge and ideas.

Jonathan Portes, one of the authors of The Brexit Negotiations: a Stocktake, said: "COVID-19 pandemic and Brexit are major shocks for the UK economy. The interaction of the two is complex and unpredictable, with the potential to amplify some impacts while moderating others.“ "On balance, the pandemic probably does make the economic risks of exiting transition on January 2021 without a trade deal larger, but considerable uncertainties remain," Portes said. As such, the UK and EU negotiators must decide whether or not to extend the period of negotiation due to the interruptions caused by the pandemic, and if so, how this might be achieved, given that the transition period runs out at the end of 2020.

Over the last few months the UK-EU negotiations have been taking place via electronic media (Ebner, 2020), and in particular via a Webex videoconference system produced by Cisco. Apart from technical issues, the major difficulty here is that electronic video-conferencing and webinar systems cannot act as perfect substitutes for face-to-face contact, especially in highly complex and sensitive negotiations. This suggests that the ability of both sides to come to a mutually acceptable resolution is diminished by the lack of personal interactions over recent months (The Independent). This has probably meant significant lost time. Moreover, during the immediate recovery period, the EU governments are all preoccupied with negotiating the €750 billion recovery package, so the immediacy and importance of Brexit has probably been significantly reduced in most EU capitals. At the same time, as the CBI Daily Coronavirus Webinar “Update on UK-EU negotiations” held on the 10 June concluded, in the case of the UK, that the dominance and disconnection of politics from business and economics suggests that the post-covid recovery priorities of job creation are unlikely to play any real part in extending the transition period, or altering the UK’s negotiating position (IANS). The Cabinet Office minister said it is “prudent and wise” to prepare for trade negotiations to fail and for the UK to default to World Trade Organisation (WTO) terms for business with the EU from January (HuffPost UK). The result is that the prospect that Britain departs the bloc with a ‘no-deal’ Brexit is more likely than ever, or something very close to this.

Our research at City-REDI/WMREDI suggests that these types of outcomes will almost certainly lead to greater interregional and intra-regional inequalities within the UK and will fundamentally work against the 'levelling up’ agenda (Billing et al., 2019). The effects of a “no-deal” Brexit will be very damaging for the UK regions and the West Midlands economy in particular as our research has already illustrated Our results show that 2.64% of EU GDP is at risk because of Brexit negative trade-related consequences. In the UK, the Brexit trade-related consequences account for 12.2% of its GDP. Our results suggest that adverse effects are likely to be more severe in the regions which have the least ability to respond to adverse shocks. Our results show that 12.2% of West Midlands GDP is at risk because of Brexit negative trade-related consequences. If we consider the wider West Midlands region we see that the exposure of Shropshire and Staffordshire is 13.9% of local GDP and the exposure of Herefordshire, Worcestershire and Warwickshire is 14.3% of local GDP. In other words, the West Midlands as a whole is more exposed than the UK average (Ortega-Argiles et al., 2018, 2018, 2018c). What is already clear is that any type of Brexit will exacerbate the negative economic effects caused already by Covid-19 in UK firms, regions and sectors.

Sources

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Mayes, J.; Hipwell, D. and Ring, S. (2020) Here’s how a no-deal Brexit would shock virus-hit UK companies, Bloomberg, published 10th of June 2020.
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Bailey, D.; McCann, P. and Ortega-Argiles, R. (2018) Could Brexit spell the end for “just-in-time” production?, *Prospect Magazine*

Exposure and Vulnerability

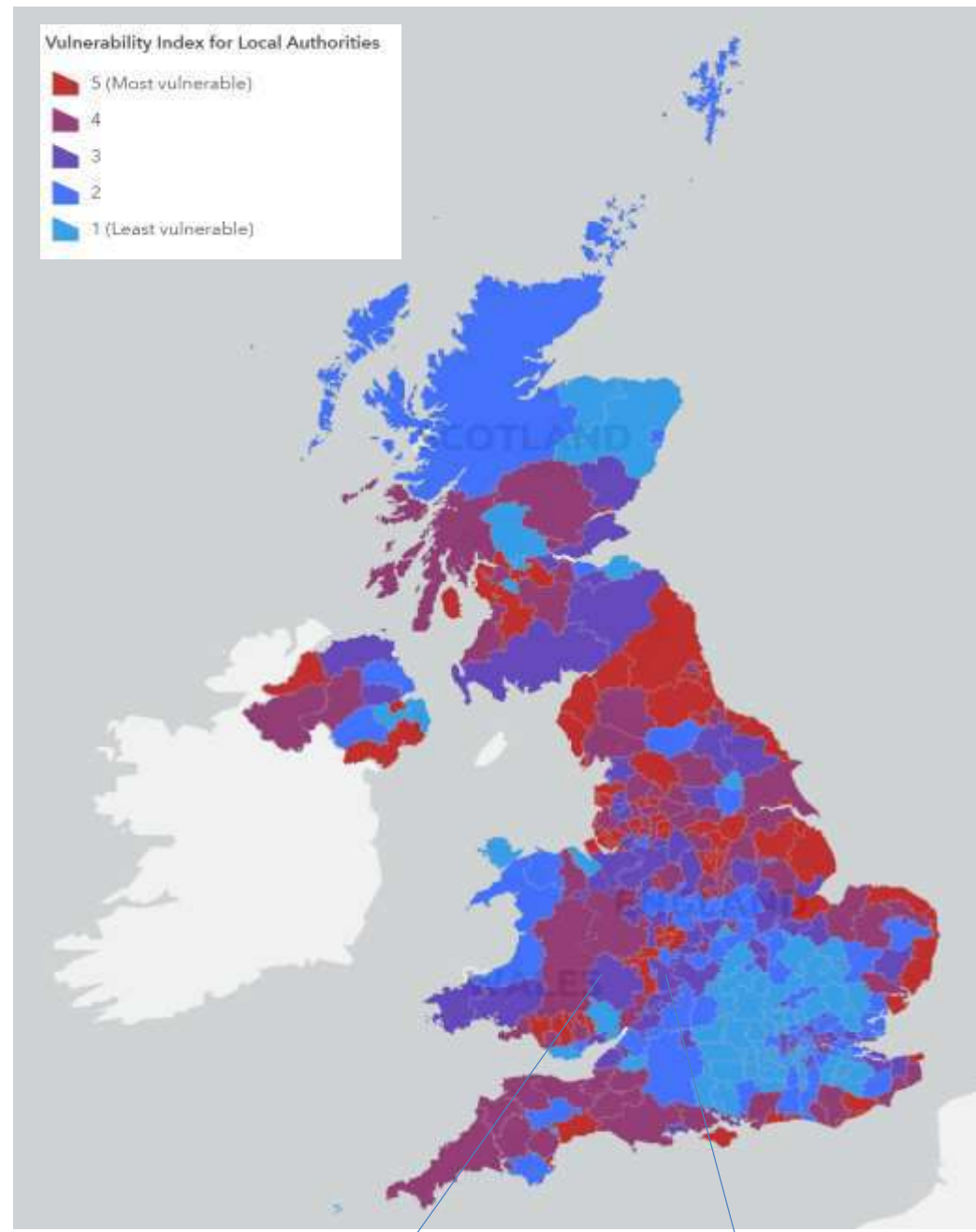
Hatch has als created a free to use dashboard which reports a number of societal, economic and health metrics at LA level to judge Exposure to Covid-19. These can be compared easily using the built in map (business exposure shown as an example) or extracted for further analysis.

In some regions vulnerability is driven by sectoral exposure through high concentrations of employment in those sectors most impacted, such as:

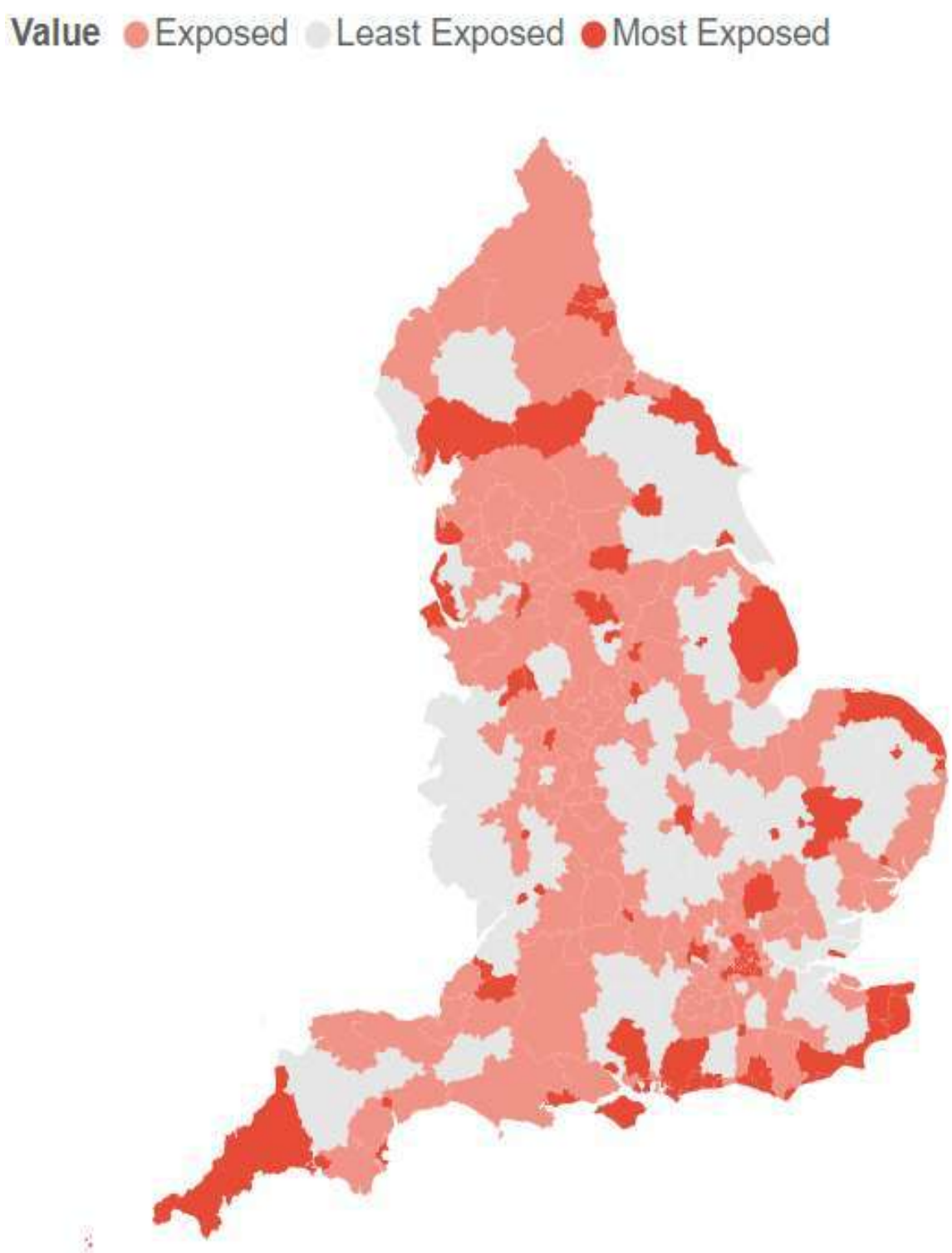
- Hospitality and Tourism in Cornwall and Cumbria.
- Aviation in Outer London - West and North West

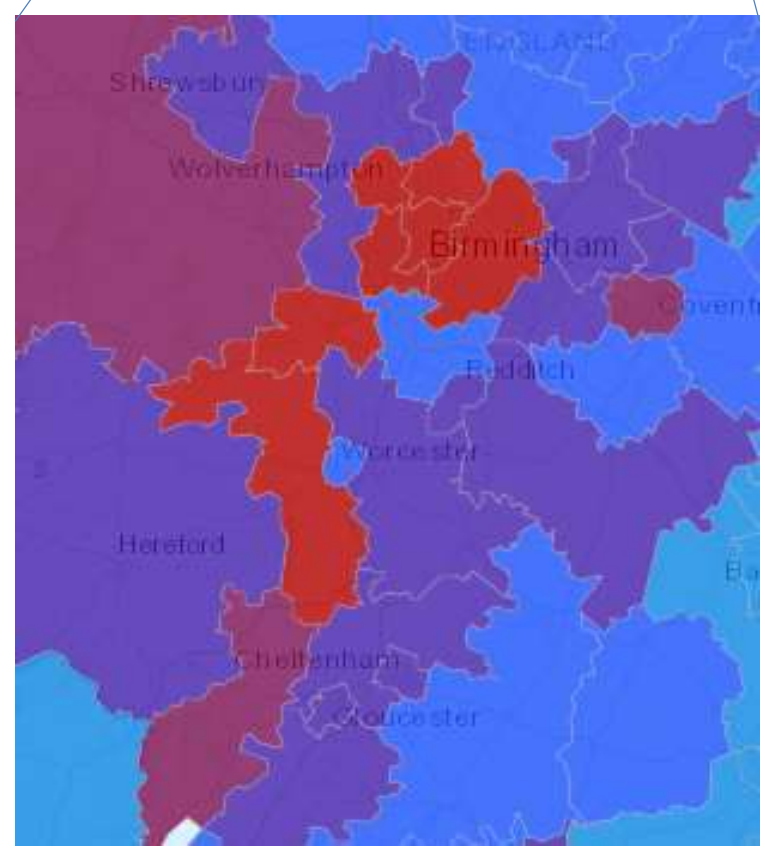
The West Midlands as a result is exposed but not as exposed as other regions in terms of business but has much high exposure in terms of health, with Coventry, Walsall, Birmingham and Sandwell most exposed. However caution must be taken as comparing with the British Red Cross reported earlier in the monitor series a more complicated, layered picture emerges

British Red Cross COVID-19 Vulnerability Index for Local Authorities



Hatch % of businesses impacts by covid 19





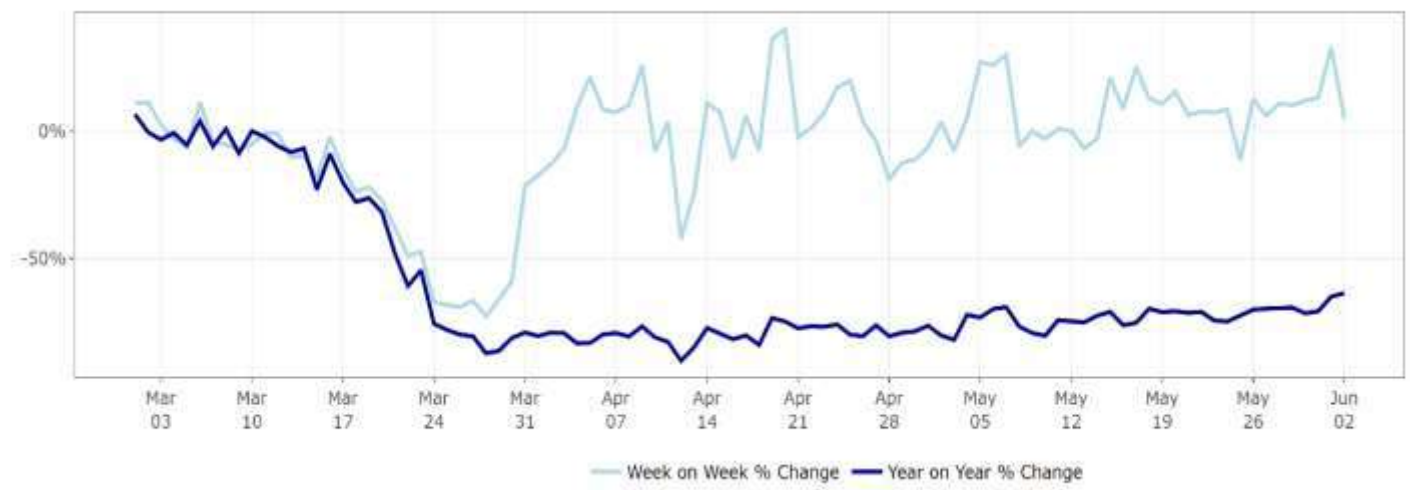
Mobility and Retail Footfall

Google mobility reports show changes in visits at different places compared to a baseline. Google calculate these changes using the same kind of aggregated and anonymized data used to show popular times for places in Google Maps.

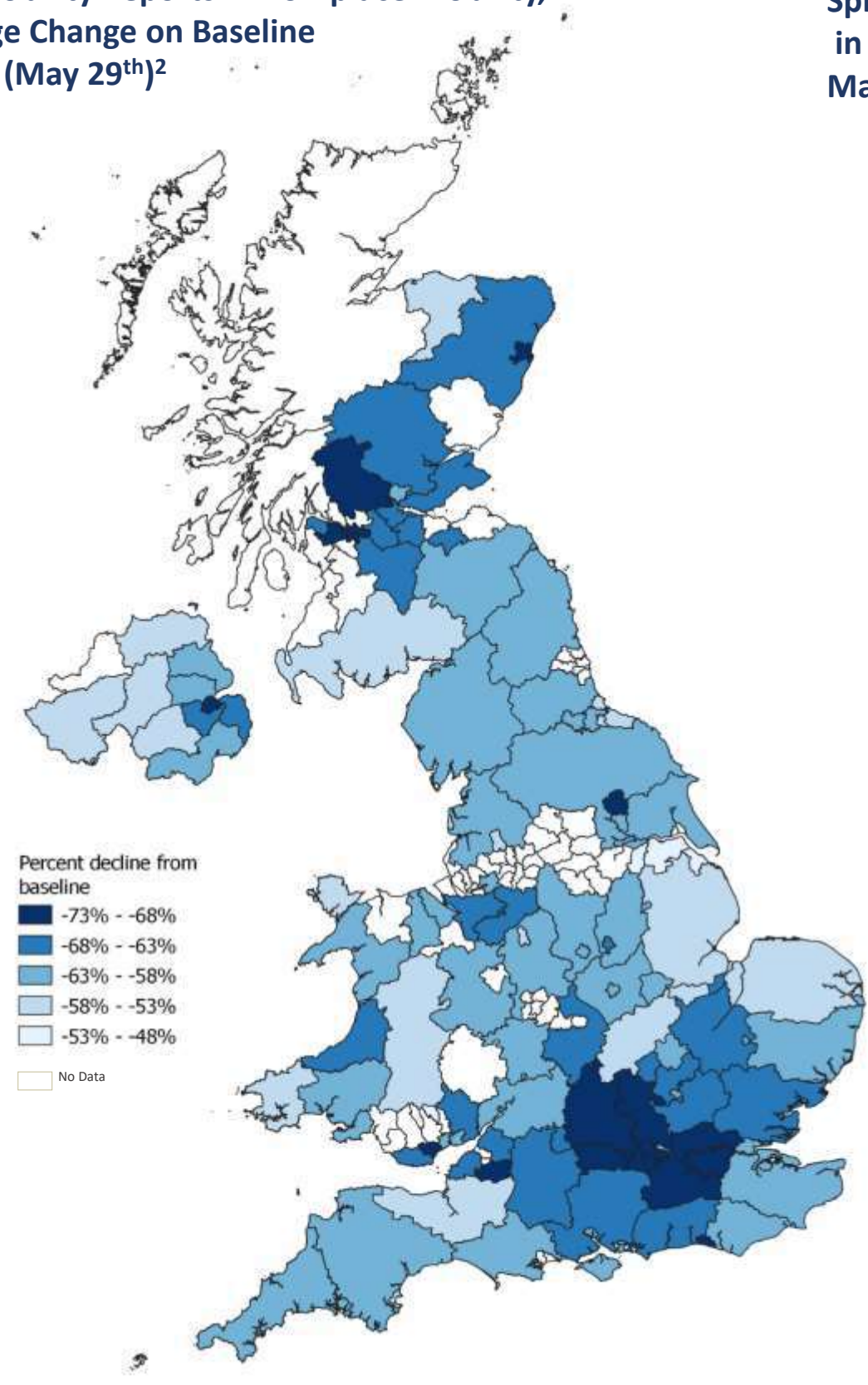
Data on retail footfall is available from Springboard who monitor footfall at 4,500 locations using a mixture of CCTV and proprietary technology.

- Mobility declined since March 15th and remains below 50% for activities such as public transport, work and retail. Regionally there is a mixed picture, for example workplace mobility has seen a larger fall in urban areas and commuter towns.
- Retail footfall fell to around 20% of its 2019 levels and remains below 40%, however it has begun to increase in recent weeks as NPI measures are eased.
- West Midlands and the North East have seen the highest drop in footfall, however all places have seen over 68% fall

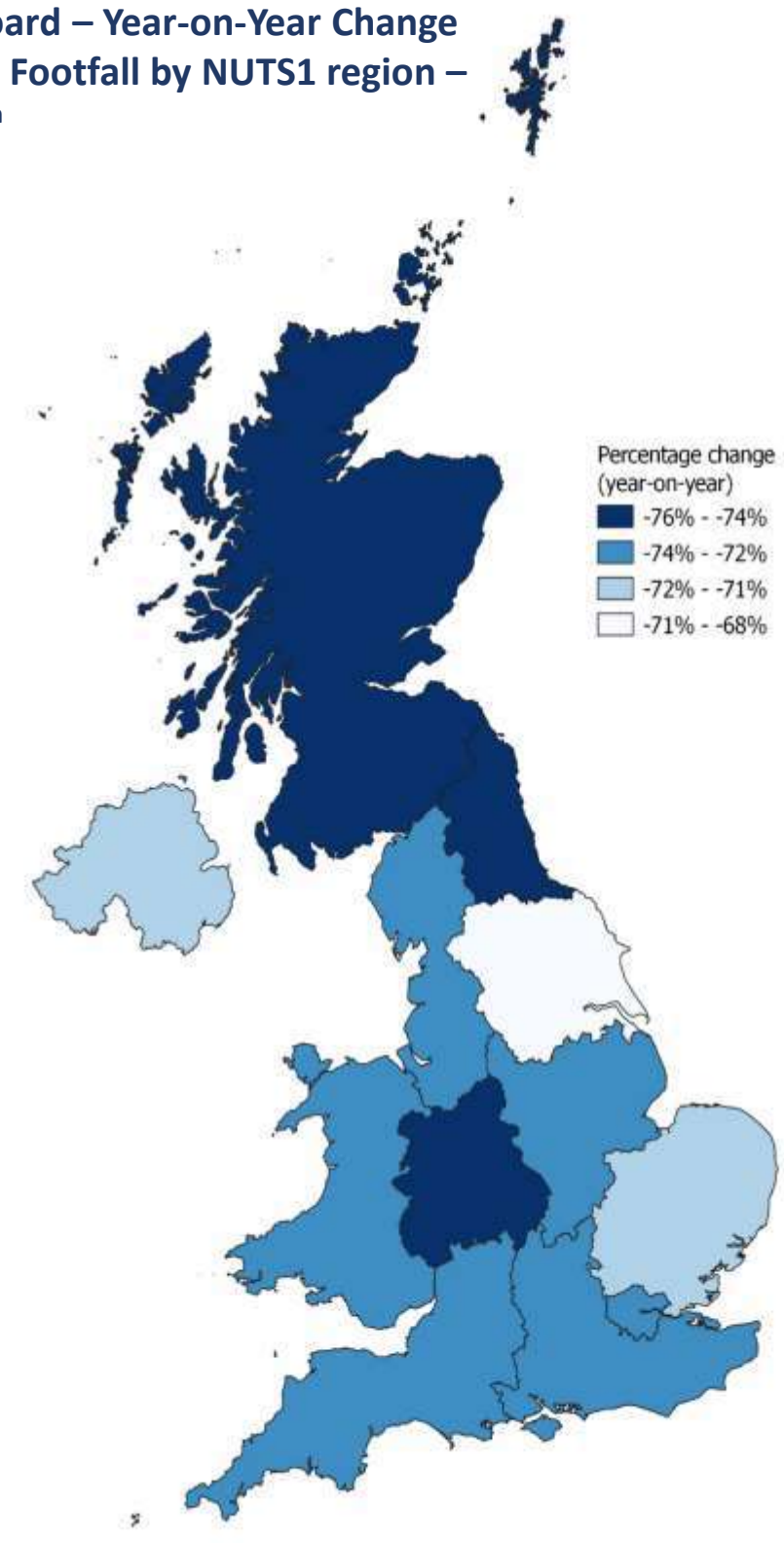
UK Retail footfall since March 01 – Year-on-Year and Week-on-Week



Google Mobility Reports – Workplace Mobility, Percentage Change on Baseline by region (May 29th)[2]



Springboard – Year-on-Year Change in Retail Footfall by NUTS1 region – May 20th

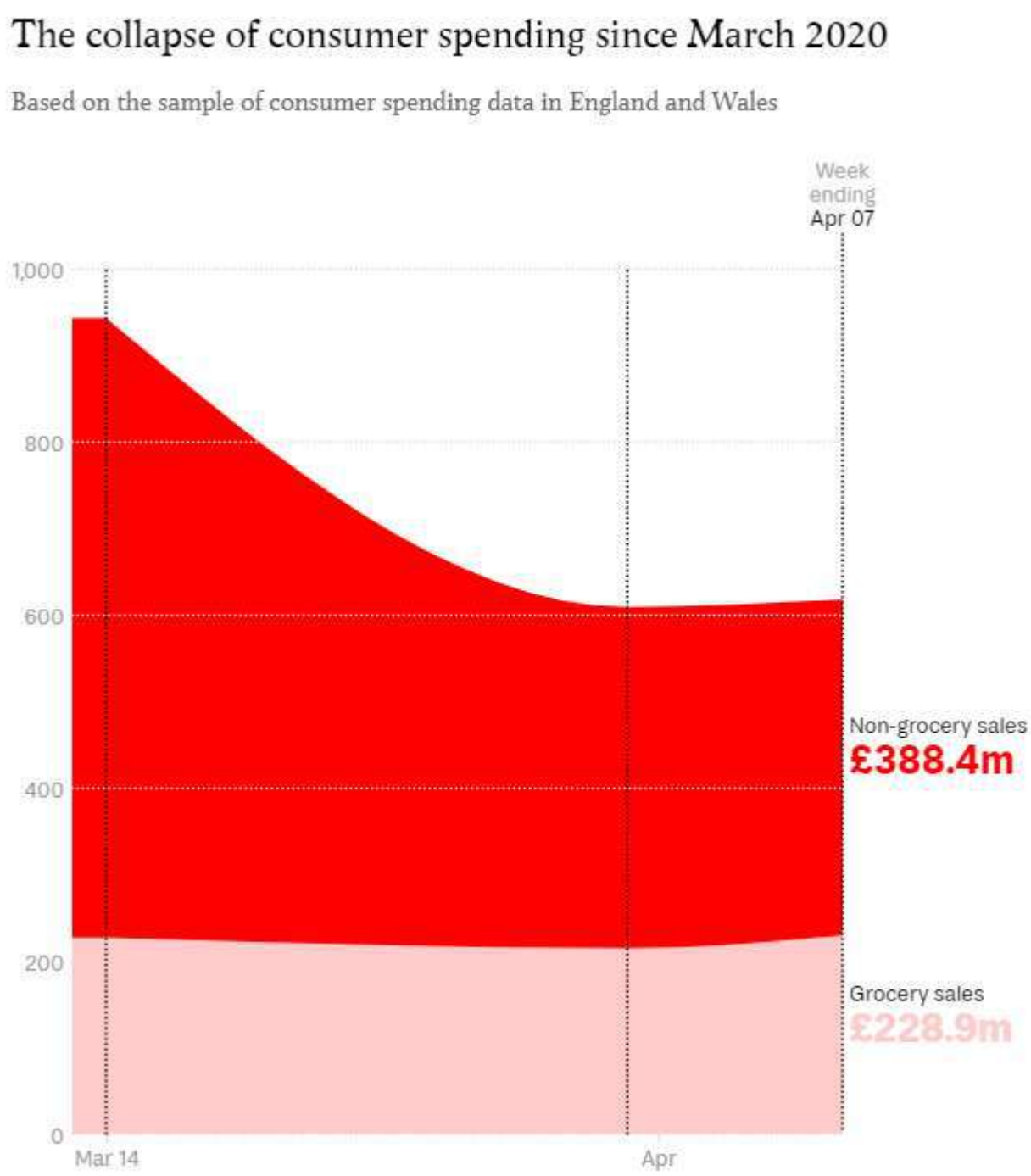


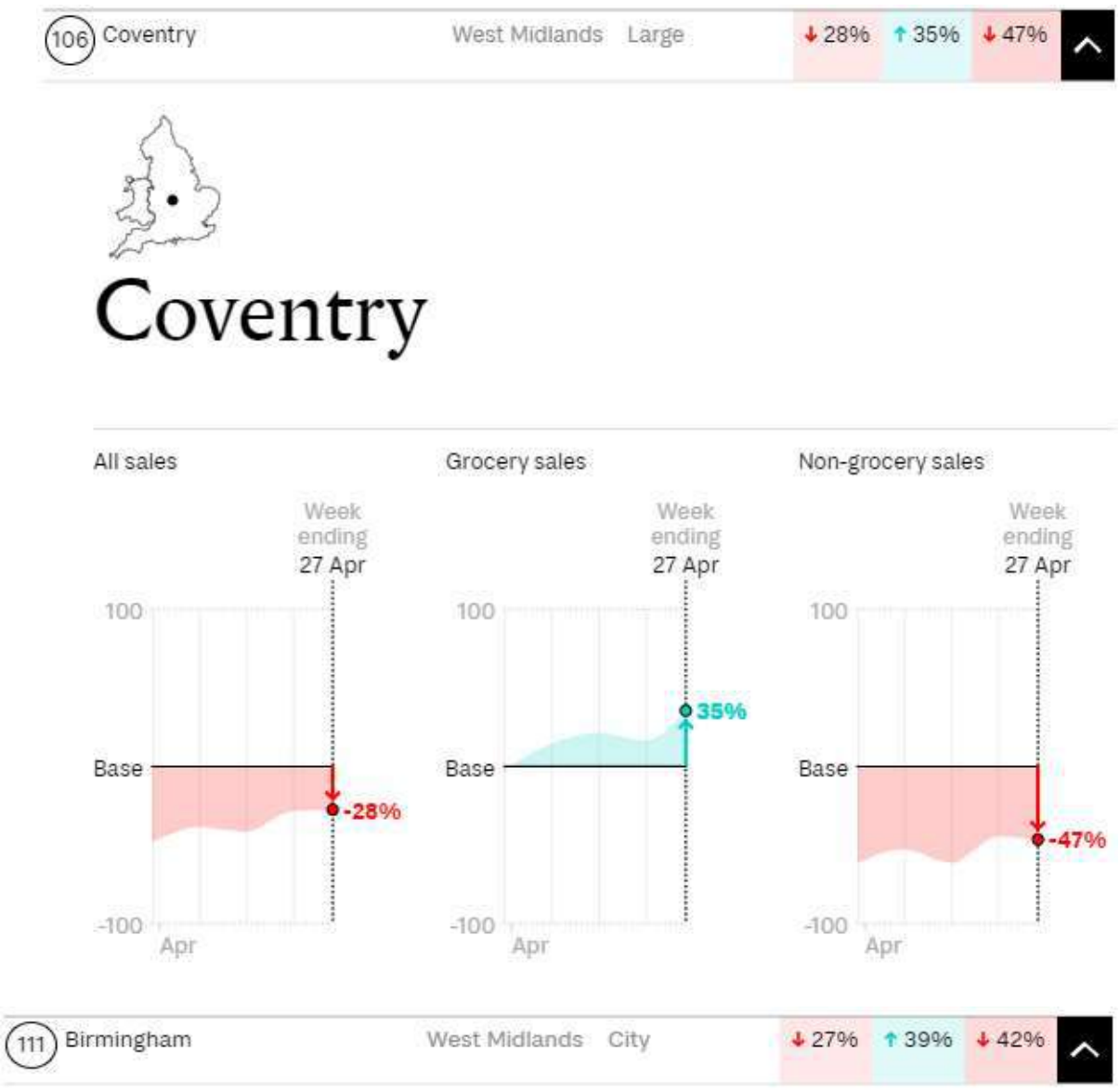
Consumer Spending Data

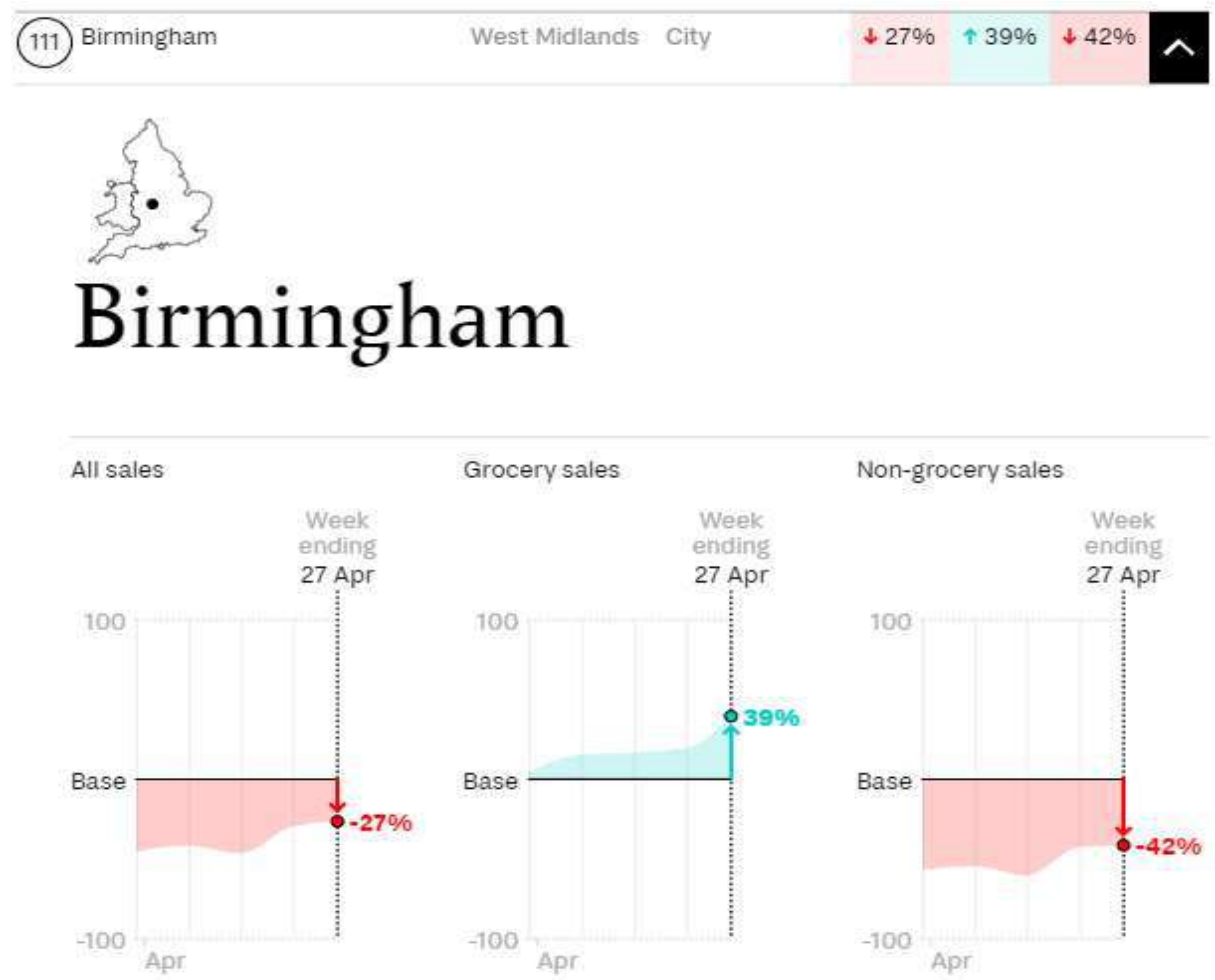
Consumer spend data has been made available by Social Impact Business and has been analysed in a Tortoisemedia report looking at the change in consumer spend in towns and cities.

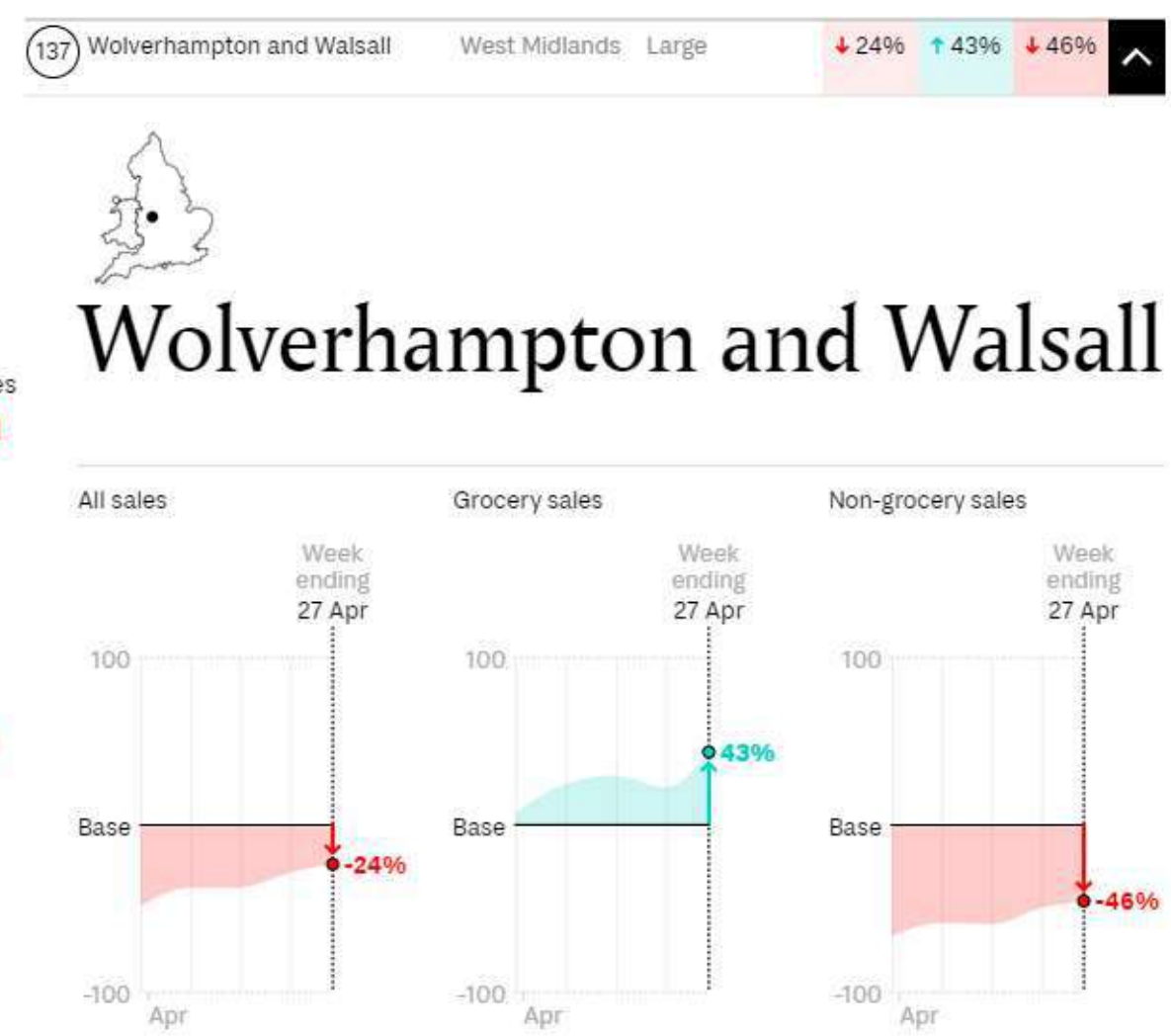
Eight of the 20 small town areas with the biggest losses are in the south west: Taunton, Barnstaple, Bideford, Kingsbridge and Dartmouth, Falmouth, Penzance and Wadebridge are all local economies geared around tourism, with a high proportion of jobs in accommodation, food and drink services and retail**.** Spending in areas geared to tourism may see a shaper drop compared to previous years as we enter the holiday season.

Within cities the decline in spend depends largely on the extent to which local businesses are reliant on the local customer base. Average spend in wards where shops primarily serve local customers is only down 7%. This localisation effect explains why inner city areas are doing better than those in the suburbs where things are more spread out. Turning to the biggest cities, Birmingham saw a 42 per cent drop, while Liverpool dropped by 33 per cent and Manchester by 40 per cent.

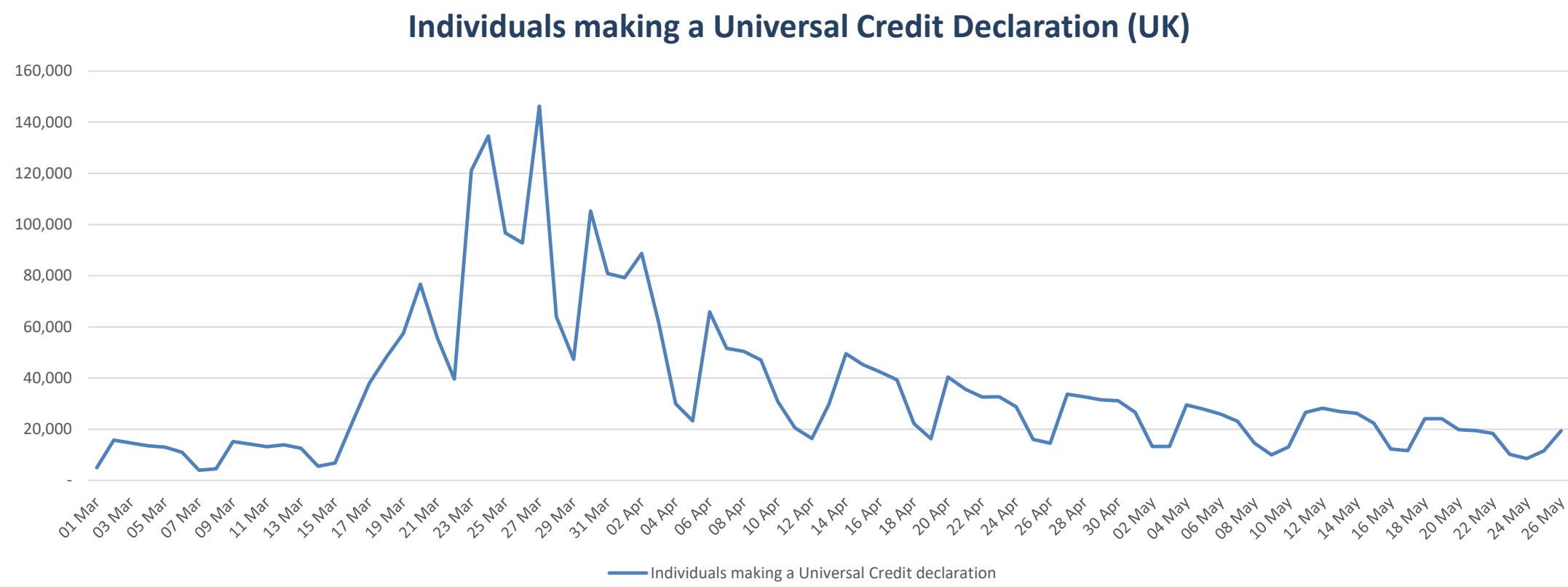








Source Tortoise Media



Universal Credit Claims

Data on Universal Credit claims in available from DWP's Stat-Xplore tool at postcode region level.

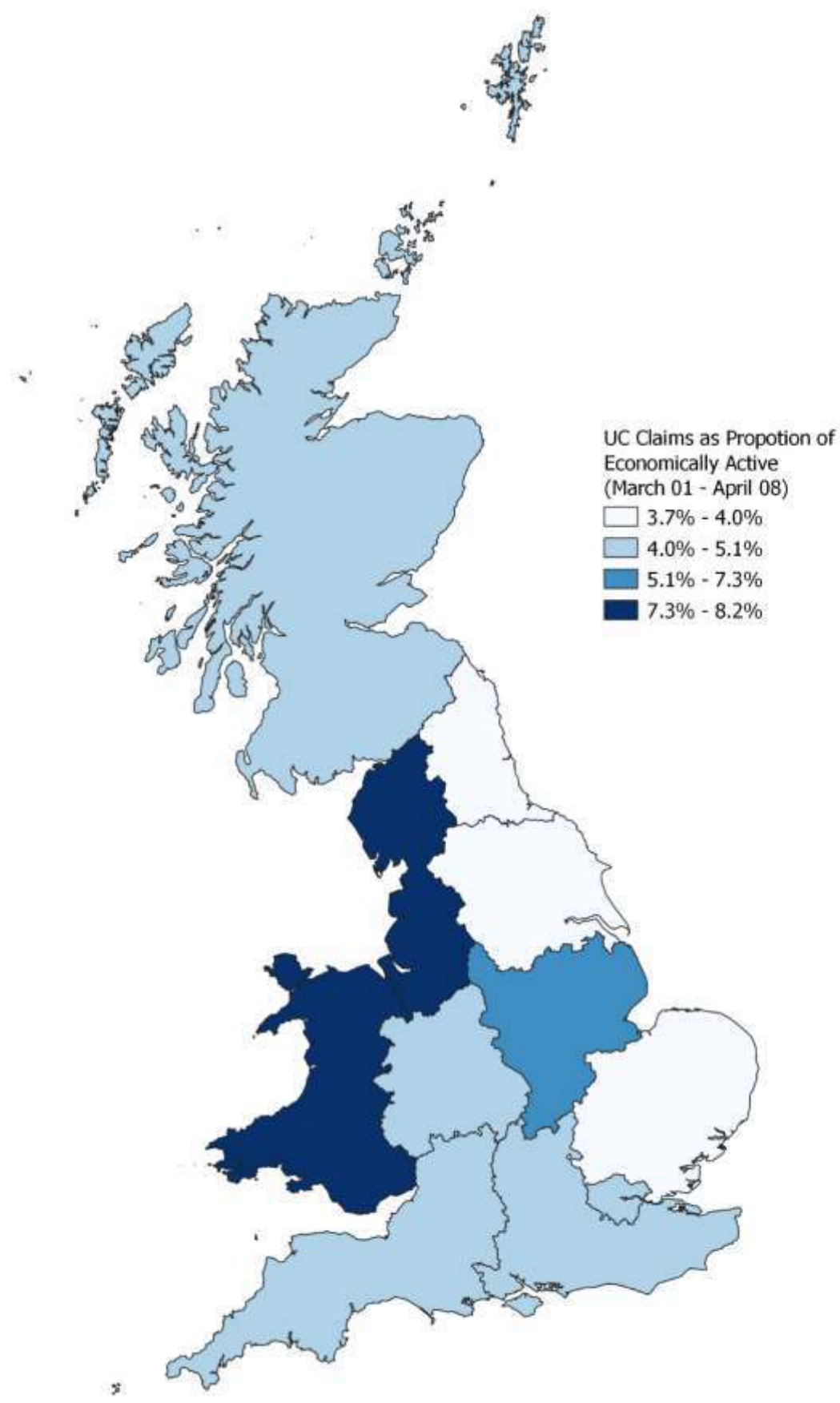
Insights

According the latest available data there were 1.2 million starts to Universal Credit in the 4 weeks to 9 April 2020. This is around 6 times more than the average number of starts per month during 2019.

Looking at the data the number of claims peaked in late march, however claims remained around a third higher than the average week in the month before lockdown. Looking at the total amount of claims from March 01 to April 08 as a proportion of Economically Active shows substantial differences across NUTS regions, with a higher proportion of claims in Wales and the North West of England but relatively fewer in the North East and East of England.

For the West Midlands although rates are high, rates in some other regions are much higher.

Total Universal Credit Claims from March 01 to April 08 as a proportion of Economically Active by NUTS1 Region



Online Job Postings

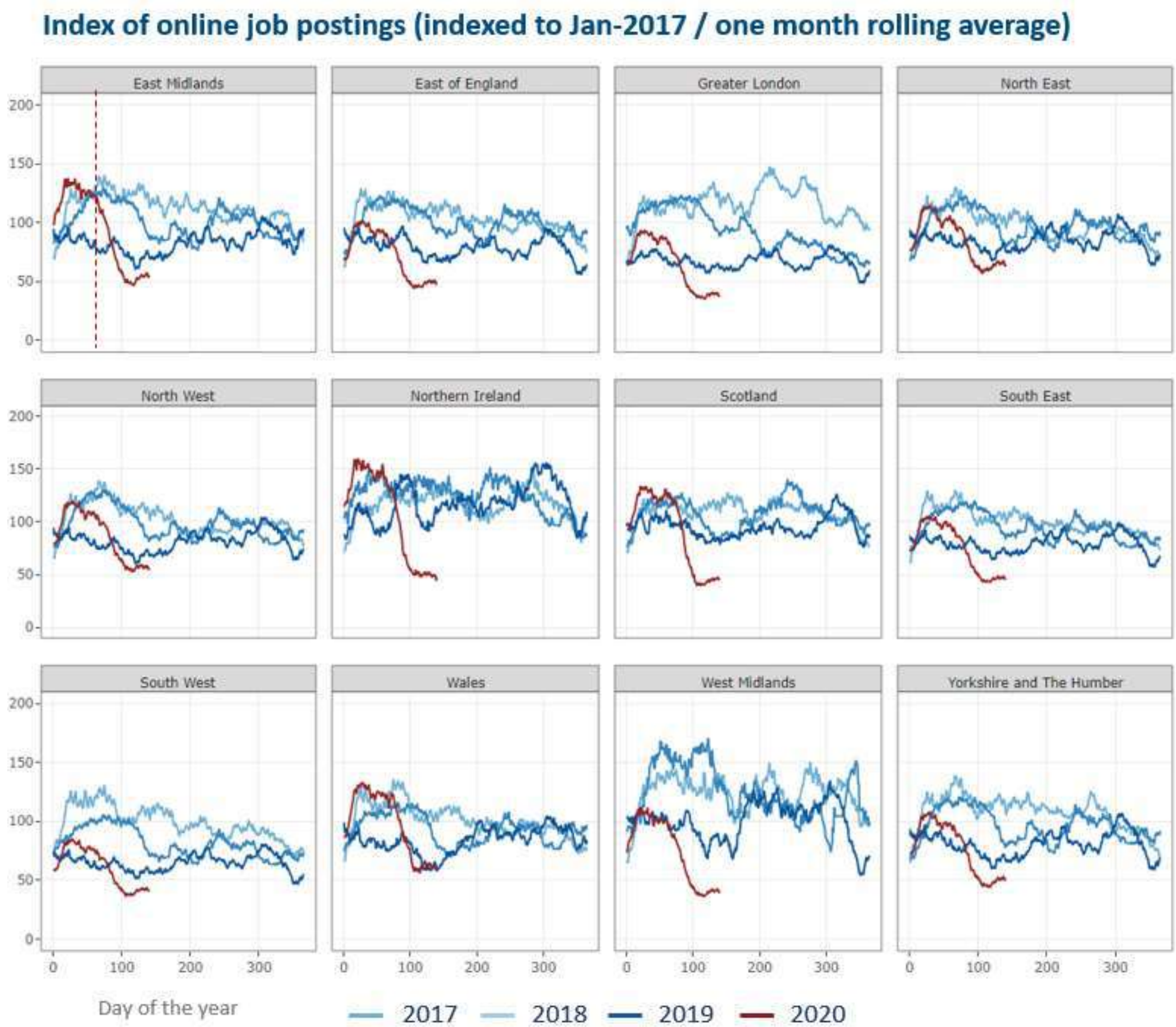
Data on online job vacancies is available from a number of providers, including Burning Glass, EMSI and Adzuna. The charts below shows online vacancies across NUTS1 regions since 2017 using Burning Glass data.

Job vacancy postings are a useful indicator of labour market strength and business expectations. Burning Glass analysis has shown that:

There has been a significant decline in the number of job vacancies being advertised online since March, with the decline becoming particularly acute since implementation of the lockdown. Across the UK **the number of vacancies advertised online has fallen by more than 50%** since the beginning of March. This has varied substantially by sector and skill level, with some sectors such as hospitality seeing declines of over 90%, and lower skilled occupations being harder hit.

Job postings appear to have hit their lowest level around April in most regions and appear to have stabilised. London and West Midlands are the furthest below their 2017 average, whilst the decline in northern regions has been slightly less severe.

(data from BEIS Regional Public Indictors presentation)



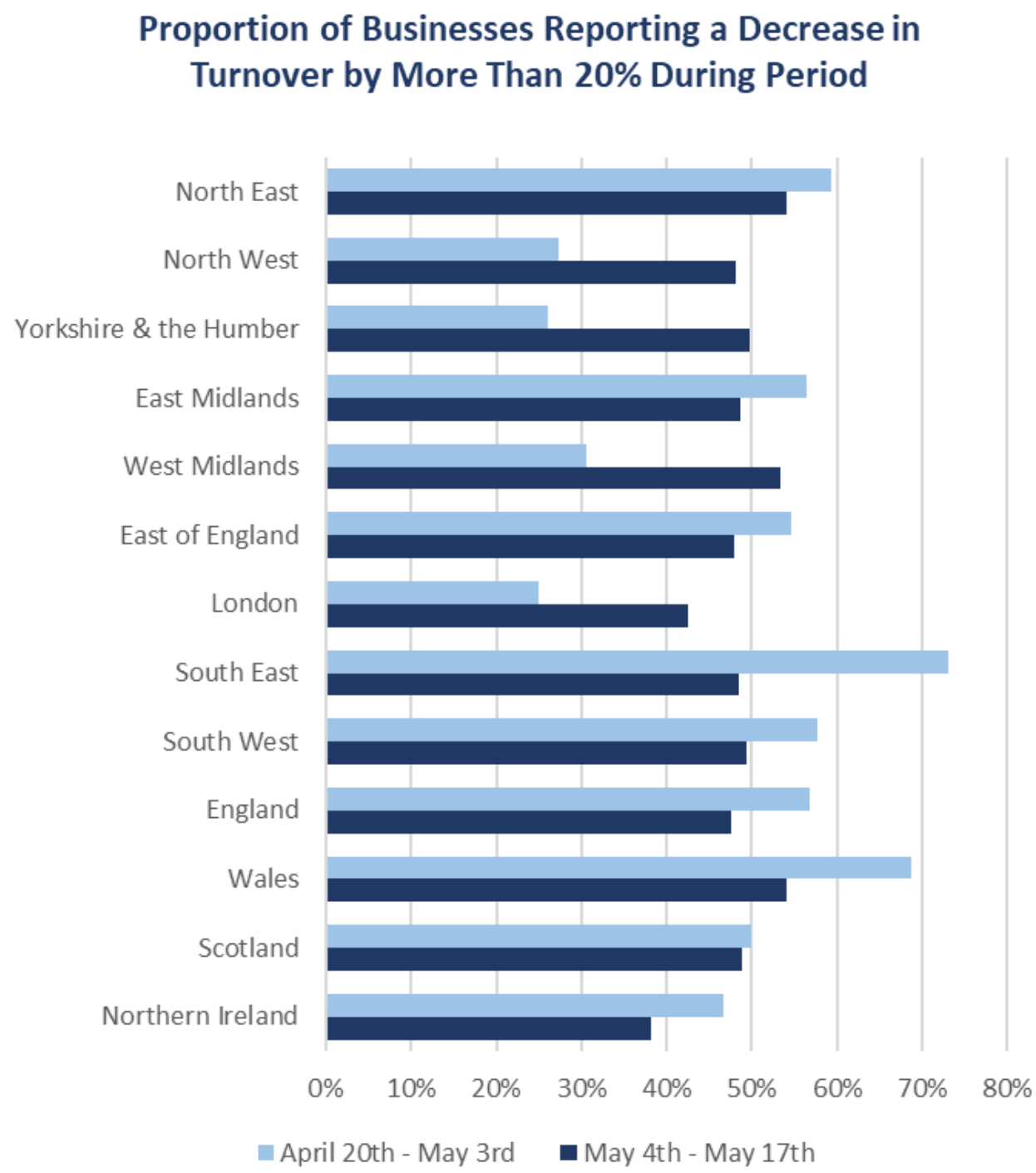
Business Support and Finances

The ONS has published (June 4th) the fifth wave of its fortnightly Business Impact of Covid Survey (BICS) which is the second wave to contain regional breakdowns for questions where the respondent sample size is sufficiently large. Future waves may allow for further breakdowns and longitudinal comparisons of the data.

Unless otherwise stated the data shown here is from the latest wave (wave 5) and reflects the period May 4th to May 17th.

Use of the CJRS is high across regions followed by deferring VAT payments (however this is much lower in Northern Ireland). The regions with the highest proportion of respondents not applying to any schemes were London and Northern Ireland with 16% of businesses reporting this option in Wave 4 (comparable data was not available for Wave 5).

Fewer businesses reported a decrease in turnover by more than 20% in the latest wave in all but four regions; North East, Yorkshire and Humber, West Midlands and London.



The Economic Observatory

A new public online resource documenting the effects of coronavirus on the economy has been launched online. It is a partnership between universities across the UK, the Institute for Fiscal Studies and others. The Economic Observatory covers topics ranging from pensions and savings to trade and supply chains. Current featured resources are on inequality and deprivation and on the labour market. It is accepted that children who grow up in low-income households or whose parents have low levels of education do not progress through their educational attainment journey as well as their richer peers. With schools not opening up to all ages until September, there are fears worries that lockdown and the subsequent recession will exacerbate educational inequality. This article explores that. In addition, this article asks: What are the effects of coronavirus on the UK and US labour markets? Our weekly monitor has consistently highlighted the damage that is currently happening to the UK's labour market. Millions of jobs have already been lost in the Covid-19 recession. This article on the coronavirus and the economy resource explore what kinds of workers who have been most affected and what will be the likely effects on economic inequalities and the future prospects of people.

Resumption of Business Activity

The ONS has published (June 4th) the fifth wave of its fortnightly Business Impact of Covid Survey (BICS) which is the second wave to contain regional breakdowns for questions where the respondent sample size is sufficiently large. Future waves may allow for further breakdowns and longitudinal comparisons of the data.

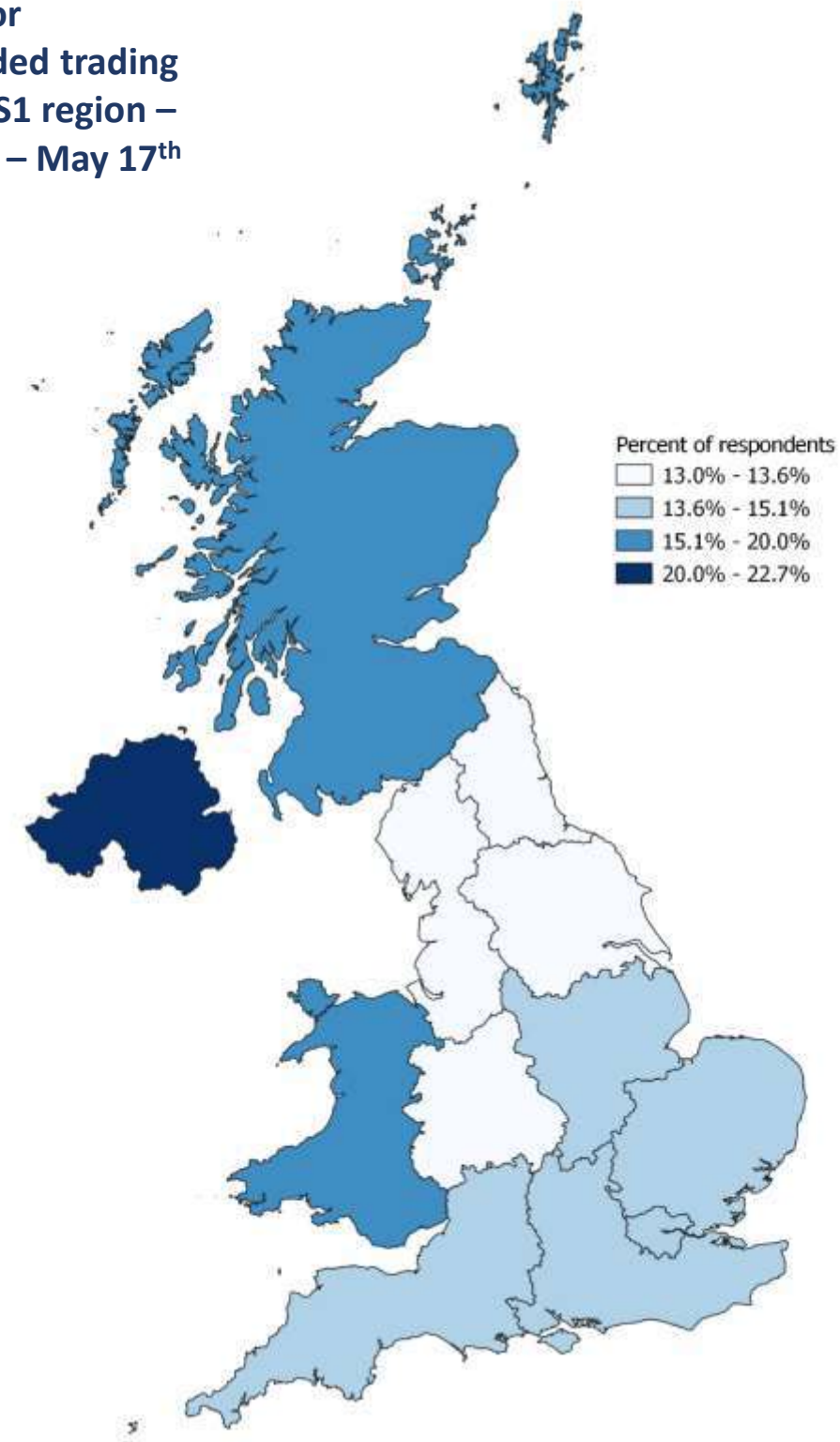
Unless otherwise stated the data shown here is from the latest wave (wave 5) and reflects the period May 4th to May 17th.

Devolved nations had a higher proportion of businesses reporting that they had either closed or had suspended trading compared to England.

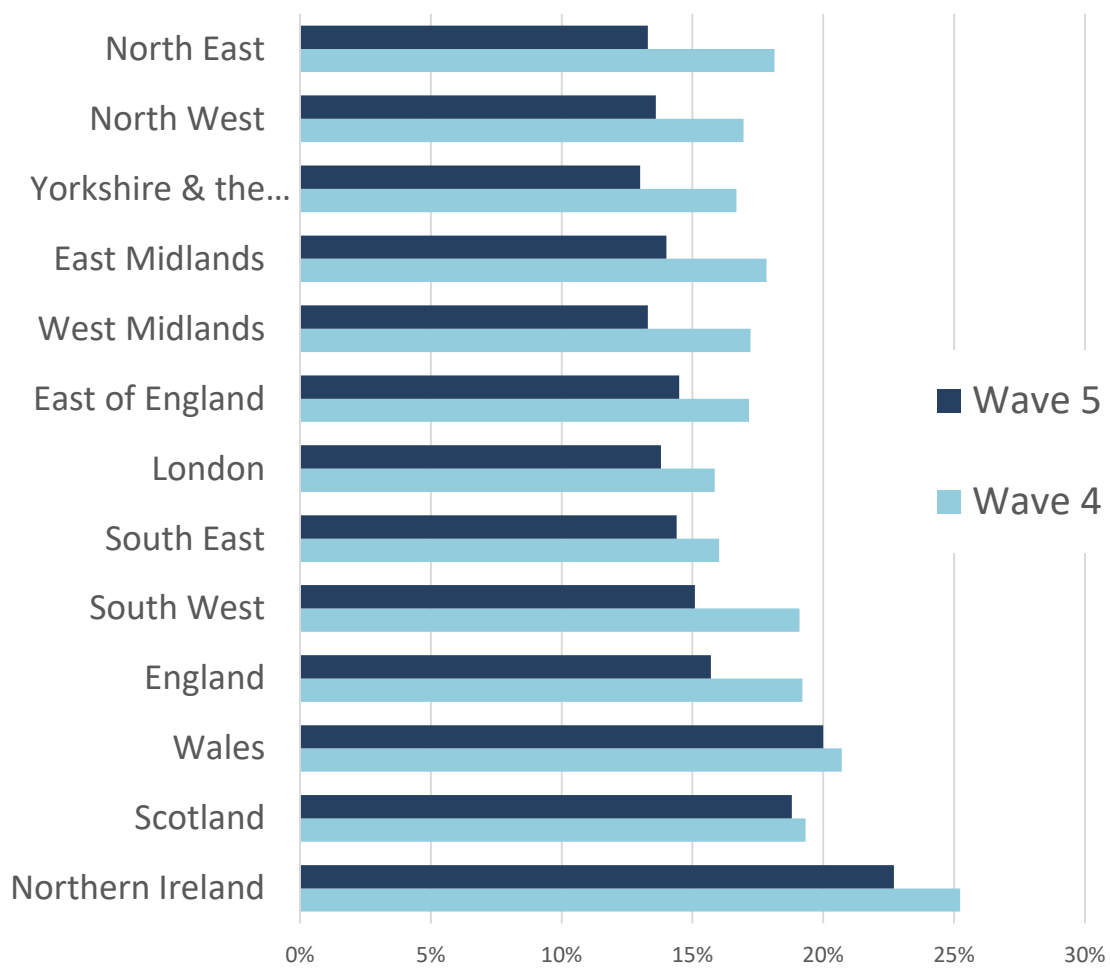
All regions had a lower proportion of businesses reporting as closed/suspended when compared to the previous wave. The North East had the largest decrease with 13% of businesses reporting as closed/suspended compared to 18% in the previous wave.

In terms of regional differences in implementation of safety measure, business in the North East were much more likely to require social distancing but more reliant on fixed teams. Northern Ireland had much lower use of shift working but 100% indicated use of social distancing.

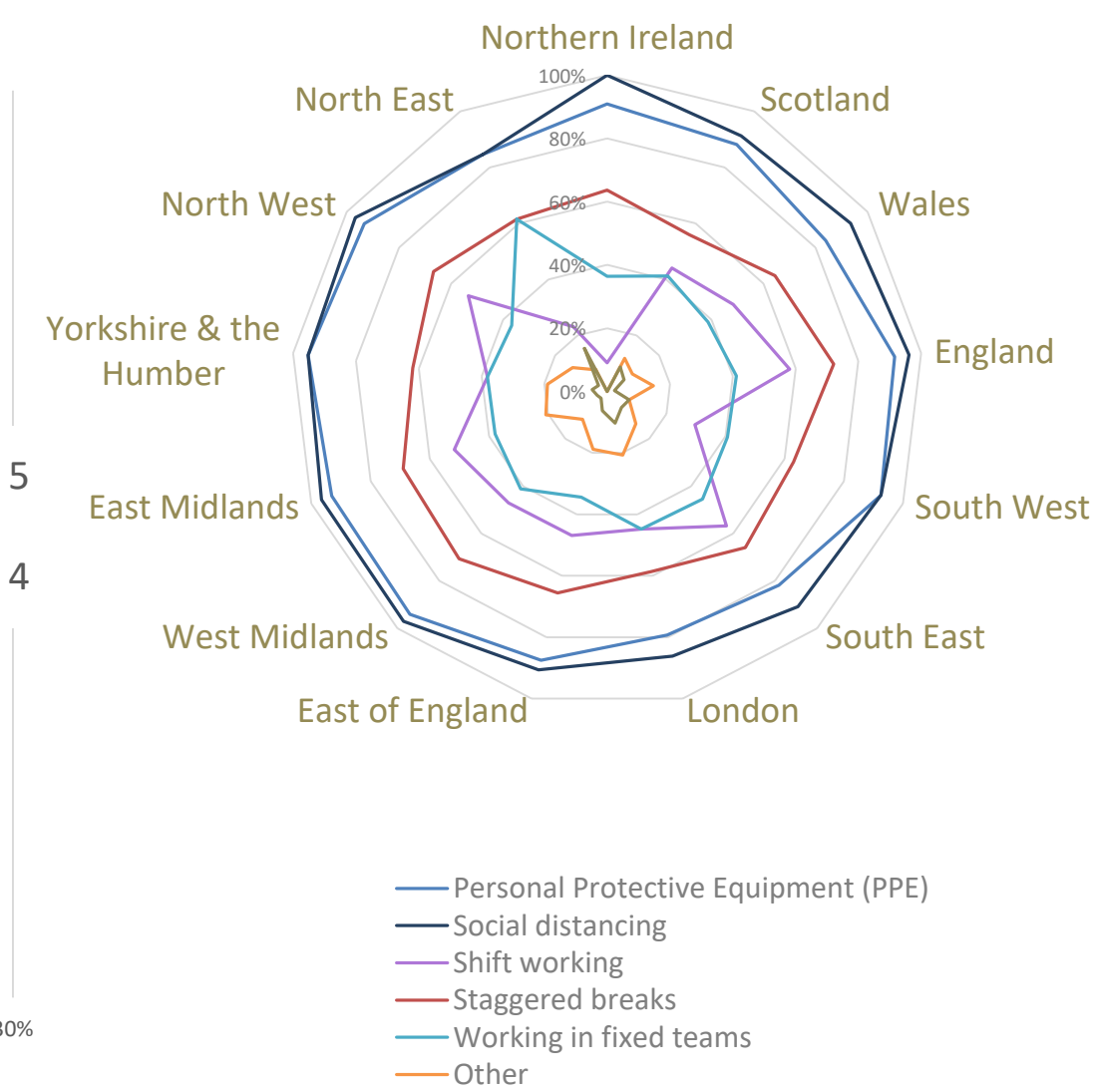
Percent of respondents having temporarily closed or suspended trading by NUTS1 region – May 4th – May 17th



Proportion of Business Reporting Having Closed/Paused Trading



Proportion of Businesses Intending to Implement Any of the Following Safety Measures in the Workplace by Region



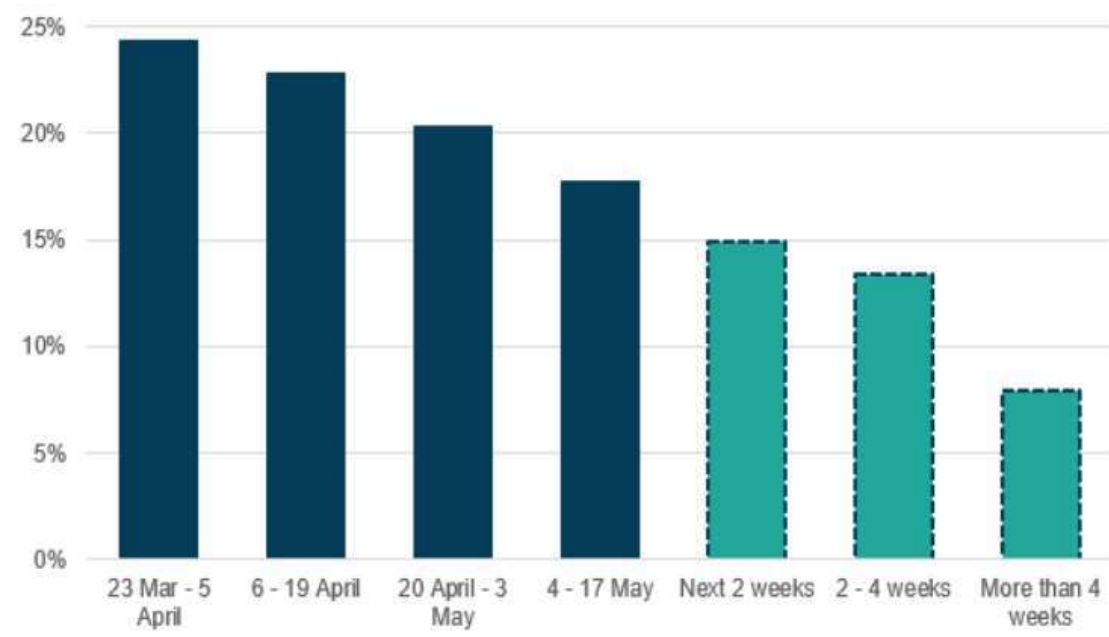
The Road to Business Recovery

ONS blog Grant Fitzner

In the immediate aftermath of the introduction of movement restrictions, the ONS introduced new surveys to monitor the impacts of Coronavirus (COVID-19) on the UK's economy and society. Here Grant Fitzner reflects on the findings of the survey of impacts on UK businesses and looks at what it might mean for the UK economy in the near future. UK businesses have clearly been hit hard by the COVID-19 pandemic. We have seen dramatic falls in output, significantly reduced consumer demand, and disrupted trade supply chains. Many companies have applied for business support, with around 8.7 million jobs furloughed through the Coronavirus Job Retention Scheme. Not long after the Government announced social distancing measures and travel restrictions on 23 March our Business Impact of Coronavirus Survey (BICS) found that around one-quarter of UK businesses had temporarily closed or paused trading. Since then that proportion has gradually declined to just under a fifth (18%) in the latest period.

Figure 1: Steady decline in UK businesses that have paused trading

Percentage of all responding businesses who have temporarily closed or paused trading by survey wave, and current expectations of restarting, UK



Source: Office for National Statistics – Business Impact of Coronavirus Survey, Waves 2 to 5

We asked those businesses when they intended to start trading again. One quarter said they expected to restart trading in the next four weeks, and another 30% in more than 4 weeks. If those predictions are born out, we would see the proportion of firms that have paused trading fall to under 10% of all companies – around a third of the number seen at the start of this pandemic. However, almost half (45%) of paused businesses told us they weren't sure when they would be able to restart trading, reflecting the high levels of uncertainty that many UK businesses continue to face. Businesses may have responded that they were not sure when they would restart trading prior to the government announcement about non-essential retailers on the 26 May 2020.

It is not a uniform picture across industry, though. These averages mask a significant divergence in business impact across different industries. In Real estate, Water & waste, and Professional, scientific and technical services fewer than 5% of businesses have paused trading. Information and communication, Transportation & storage, and Manufacturing were only a little higher.

But two industries have been particularly hard hit: around three-quarters of businesses in Accommodation & food services and Arts, entertainment & recreation, have temporarily closed. Even more worrying, the vast majority of these expect their businesses will continue to be on hold in four weeks' time.

Two-fifths of paused businesses in Accommodation and food services, and almost half of Arts, entertainment and recreation businesses, said they were not sure when they would be able to restart.

Another way of looking at the challenges facing business is when they expect to run out of cash. In the latest BICS survey we asked businesses 'how long do you think your enterprise's cash reserves will last?'

One in 25 responding businesses (4%) said they had no cash reserves with another 4% saying they had less than one month's reserves. However, over a fifth (23%) said they had enough for one to three months. All up, almost one-third of UK businesses said they only had enough cash reserves to survive three months or less. Troublingly, another quarter said they were not sure how long their cash reserves would last.

Again, there is considerable variation across industries. Not surprisingly, Accommodation & food services and Arts, entertainment & recreation businesses were again most vulnerable with over half the businesses in Arts, entertainment & recreation having three months or fewer in cash reserves to rely on.

his points both to the high level of uncertainty and the difficult choices that many business owners, and indeed policy makers, will face in coming months.

The ONS will continue to monitor businesses' experiences closely and will update our questionnaire to capture how they are preparing to re-open, and the steps they may need to put in place.

In more positive news, to date our business surveys have found only a very small proportion (0.5% or less per survey wave) of businesses reporting that they had permanently ceased trading. But those firms who don't consider they're able to restart trading any time soon, or who have fast depleting cash reserves, face an uncertain future. How they fare will have consequences not just for their business and employees, but for the wider UK economy and society.

Qualitative intelligence

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

Concern about redundancies

An Increase in redundancies was reported – from 2,400 in April to 5,500 in May. This reflects issues in manufacturing, tourism and hospitality. There is a possible spike in redundancies this week.

There are big concerns about **tourism** – with some businesses not possible to be kept going and not viable with social distancing. It is possible that some businesses will close now and will need to look at a 'phoenix plan' to re-open at a later (unspecified date).

Professional services are holding up and are fairly steady – and these firms are a useful source of intelligence going forward.

Transport companies are also facing severe problems – coach companies were specifically mentioned with regard to viability of operating and social distancing.

There is some **nervousness within businesses** about the position of JLR and large OEMs – with implications for the supply chains in the region.

MTC has announced a **Manufacturing Resilience Commission** – this has beem welcomed).

Furlough – reported increase in furloughing are taking place (to take advantage of the scheme) – but it is not helpful that flexibilities with furlough are not due to be announced until 12 June.

Aerospace sector remains a big concern. Aerospace and automotive such high margins and no choice but to cut jobs. **Automotive** – the hope is that with reopening of economy people will go out and buy cars. **Machine tooling** – about 50% of workforce on furlough.

Significant redundancies at Rolls Royce, JCB and others. Talent Retention Solutions playing a role here in trying to facilitate skills and ensure they are not lost to the sector. There is an issue here that a substantial proportion of these are older workers.

There are concerns about **quarantine** – especially timing of it and impact on FDI, trade etc

Large moves of workforce across sectors and many people will not go back to jobs in **hospitality or retail.** Employers potentially have a good skills pool due to the closed industries. Most recruitment is from the closed sectors and won't go back.

The business focus in **on transition, trade agreements, some FDI** activity starting to pick up

Still no support for limited company directors – this will continue and has disproportionate affects on certain sectors, i.e. creative industries, retail, consultancy etc

Entertainments industry – not only direct impact of closure but also the wider knock on to supply chains, including tech i.e. sound and lighting, and this is hitting other sectors. The loss of large scale events impacts on the retail, tourism and technical support sectors. The assumption was that things would have resolved by now and this would pick up over summer. However now it is becoming clear this isn't the case. And the impacts will be much longer term; most companies are furloughing to October (with redundancy expected).

Those who have received **loans** have been positive, but many have had issues, including refusals on basic data like names etc. In terms of self employed many banks are not allowing you to put the loan into a personal bank account, even though there is no requirements to have one as a self employed person. Therefore a significant number of sole traders not been able to get hold of loans. Some banks also only just going live.

There is no news on the Shared Prosperity Fund – work is going on around what will be funded, but the term is going out of fashion. There is still hope for a large single pot. As a result the funding is now running out from EU programmes and there is no clarity on what is next. 80% of funding goes to SMEs and this is directly linked to economic recovery but this could get lost in Brexit discussions.

Covid 19 and impacts on crime

Sara Hassan WMREDI and Emerzon Somera WMCA

In the wake of the COVID-19 crisis, many speculated changes in crime. These statistics show the impact of COVID-19 on crime reporting which gives an indication on whether crime increased or decreased. It can be noticed that certain crime types have been affected more than others. For example, robbery and theft, violence crime and vehicle crime are the types where some change in statistics can be noticed. Although, there is a total reduction in residential burglary down to 42%, it might be seen that as restrictions are lifted with phased return to school and work this might see an increase. Similarly, vehicle crimes with most of the offences being theft. However, it might be unlikely for it to return to its normal rates due to more people working from home. Commercial robbery as well with a decrease of 6.8% which has the potential to increase as businesses re-open. Both personal robbery and theft in shops and stalls have seen reductions by almost half since schools were closed and retail premises also still closed. Also, an increased activity in online shopping, which might continue in the future will have an effect on the overall percentage of total recorded crime.
While in total violent crime has reduced, it is expected that there will be increases as soon as the lockdown is lifted and more people need to travel for work and education. Perhaps, public transport will be most affected by crime. However, it remains to be seen how social distancing measures on public transport which will ultimately reduce the numbers of passengers on each mode can have an impact on the youth violence rates. While domestic abuse has seen a considerable reduction, this can be attributed to lower reporting rates and similarly child abuse.

Below is a summary of key statistics outlined in the report titled *"West Midlands Police responds efficiently and effectively to COVID-19 and works in partnership to protect the public of the West Midlands"* produced by WMP for the PCC's Strategic Policing and Crime Board meetings on the 19th of May 2020. The full document can be viewed here.

Volume Crime Plausibility Assessment
A VCPA investigates the likelihood of an event occurring and evaluates whether crime or demand will likely increase or decrease.

Robbery and theft
Residential Burglary accounts for 7% of usual Total Recorded Crime (TRC). There was a significant reduction of 42% for residential burglary which is now reflecting 6% of the TRC. With a phased return to school and work, its likely that these offences will slowly rise as the restrictions are lifted.
Commercial Burglary accounts for 2% of the TRC. There was a 6.8% reduction in commercial burglary. There were no significant changes to crime patterns in the last six weeks. There are likely to be an increase in these numbers for businesses as they re-open.
Personal robbery accounts for 3% of the usual TRC where offences have increased, a significant reduction of 53.6% since schools were closed and restrictions were put in place.
Theft shops & Stalls (TSS) usually accounts for 6% of usual TRC. With almost all retail premises now closed with the exceptions of a few such as supermarkets and the wave of panic buying have subsided as goods become more available in stores and online. TSS has reduced by 47.4%.

Violent crime
8% of the TRC accounts for (Non-DA) violence with injury. Youth violence is 60.9% lower than it was prior to the week commencing 23rd March 2020 and now only contributes to just 2% of TRC. It is believed that the gradual re-opening of schools and educational facilities will impact violence involving young people with more people travelling between town and city centre – there may be an increase in crime on public transport.
Domestic Abuse (DA) accounts for 17% of the usual TRC. Weekly volume of DA has been stable since the beginning of March and only seen a reduction of 4% since the restrictions in movement. The beginning of lockdown saw a considerable reduction in DA however it is currently steadily rising on a weekly basis.
Child Abuse accounts for 5% of usual TRC. Due to the significantly lower level of attendance in schools, referrals from agencies have been lower therefore, the recorded child abuse crime has reduced by 47.7%.
3% of the usual TRC accounted for Hate Crime. Since restricted movements began, hate crime reduced by 23.7%. Offending is predominantly in residential areas and a number of these offences are occurring on buses.

Vehicle Crime
Vehicle crime accounts for 11% of the usual TRC. Over the last six weeks, vehicle crimes have reduced by 43% and have remained very low where theft makes up most of the offences.

Rental market liquidity in Birmingham: What will happen in the next few months?

By Yilmaz O. (Swansea), O. Talavera (Birmingham), and J. Jia (Swansea)

As with many other markets, the real estate market follows predictable seasonal patterns every year: heat up in hot period and wind down in cold period. That is, a more liquid UK property market is observed in hot season when both prices and the number of transactions increase (Ngai and Tenreyro, 2014). Whilst the fluctuations in the sale market is well-documented, there is less evidence available for the rental market. In the UK, private rental market accounted for about 20% of households and about 4.6 million people live in private rented houses (English Housing Survey, 2018-19).
Focusing on the effect of student housing demand, we investigate changes in rental markets across time and locations within the cities in the UK (Yilmaz et al., 2020). Understanding the dynamics of the rental market is of great interest to tenants, landlords, agents and policy makers, particularly amid the Covid-19. In the 2020-2021 academic year many universities will either move completely online (e.g. Cambridge University) or provide blended learning (e.g. University of Birmingham). Hence the analysis could shed some light on what will happen with rental market within the next few months.
More precisely, we explore how liquidity differs for houses with respect to their distances from the university campuses in 13 major cities, including Birmingham, Leeds, Glasgow, Bristol, Liverpool, Manchester, Sheffield, Edinburgh, Cardiff, Coventry, Newcastle, Nottingham, and Plymouth. The data come from Zoopla.com and the Urban Big Data Centre (UBDC) and cover 2015-2017 period.
We found that rental markets show similar patterns to the sale market in terms of liquidity across all cities. For instance, the Birmingham rental market is more liquid in late summer and early autumn as shown in below. More specifically, in July and October, the average entry ratio is about 65% at its peak, in comparison to 43% in March at its lowest. The average exit ratio is also at its lowest in March, below 40%, whereas the peak time of the average exit ratio is in July above 70%. Although, Coventry seems to have similar periodic patterns, liquidity is smaller compared to Birmingham and the country.
Birmingham has a large student population which accounts for the 3% of the higher education students in the UK (HEAS, 2020). It is reasonable to expect that student housing demand affects rental markets. Particularly, this effect should be more visible in certain times of the year, such as the start of the academic term, and certain locations, such as areas closer to the campuses. Among three universities in Birmingham, Aston University and Birmingham City University are located close to the city centre while Birmingham University which is one of the largest universities in terms of number of students in the UK is located in Edgbaston, slightly outside the city centre. In Coventry, two major universities are in different parts of the city - Coventry University being in the city centre and University of Warwick being in southwest of the city.

Entry and exit ratios.

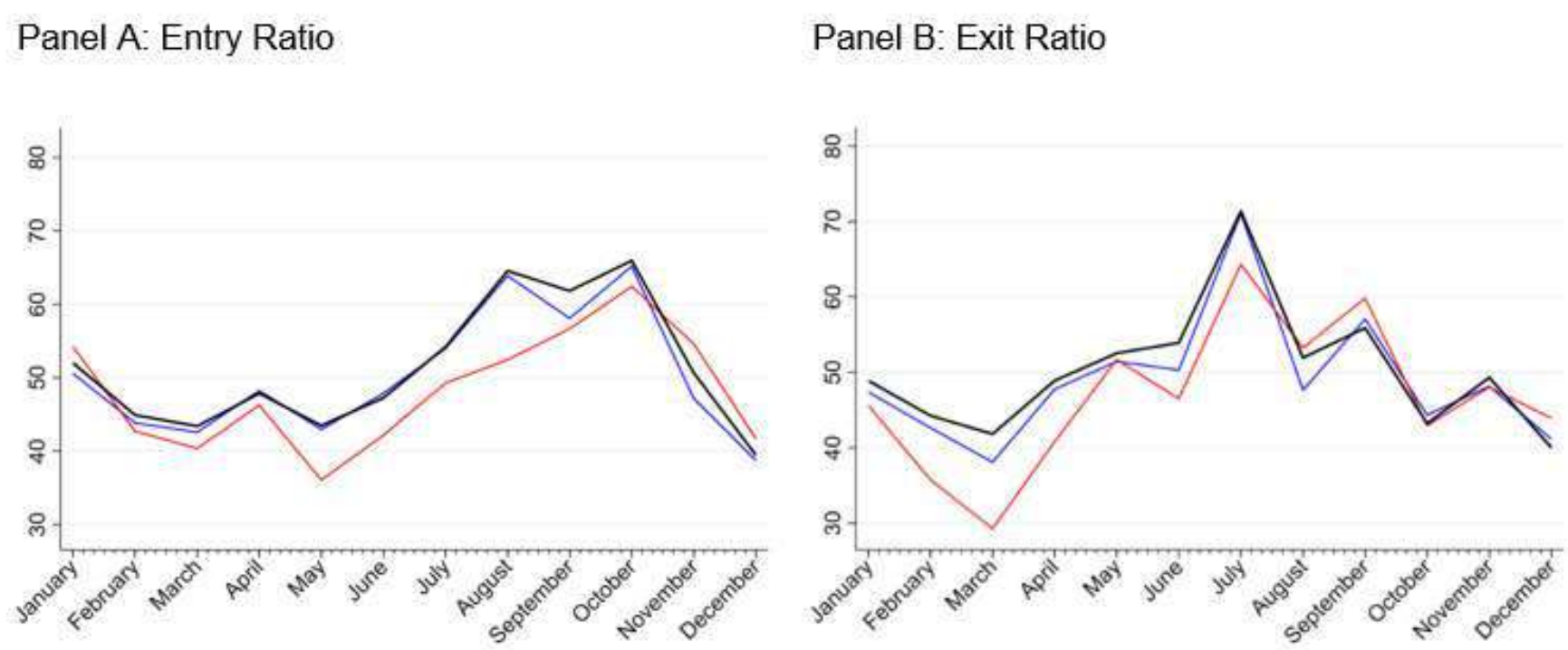


Figure 1 presents dynamics of rental market though the calendar year. The entry(exit) ratio is calculated as the number of new listings entering (listings exiting) in the market between the beginning of a month and the end of a month divided by the numbers of all available listings in the respective month. Black line represents sample average of 13 cities while blue and red lines represent Birmingham and Coventry, respectively.

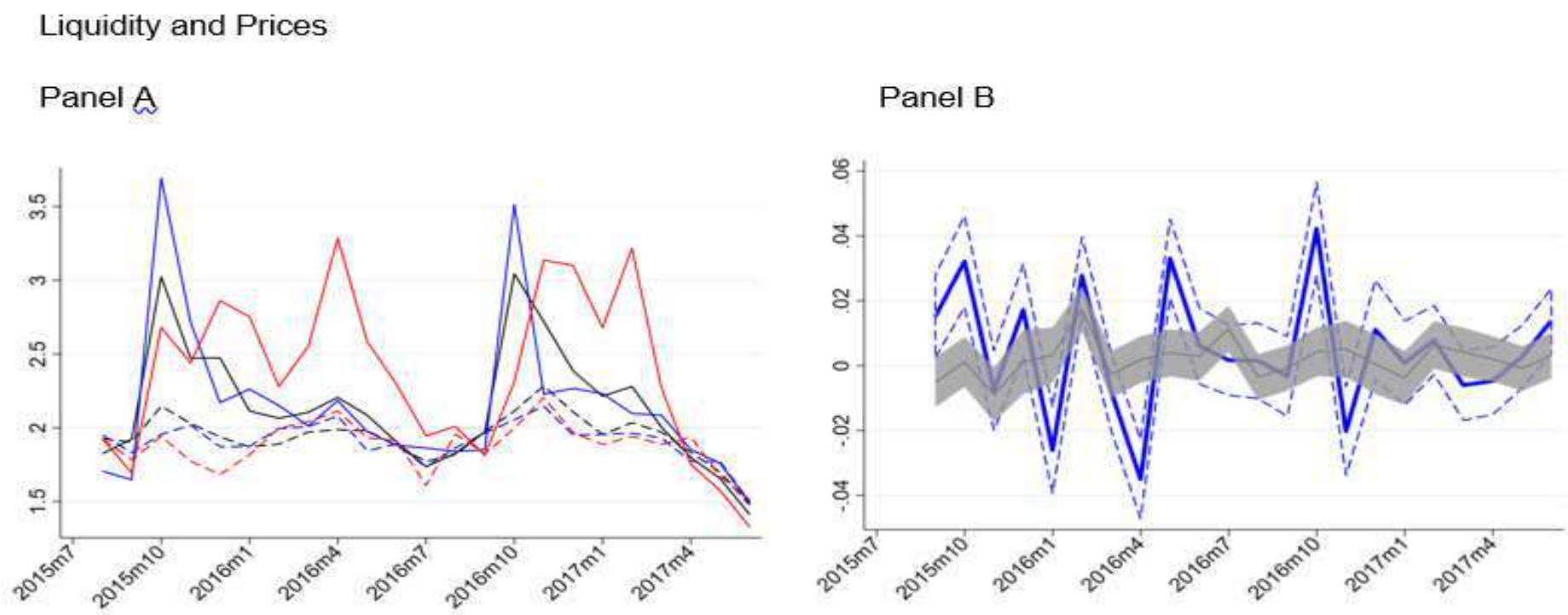


Figure 3: Panel A reports the average length of marketing time of the listings that come to the market in the relevant month. Solid lines represent houses within 3-km to a campus while dashed lines represents houses outside 3-km range. Black line represents sample average of 13 cities while blue and red lines represent Birmingham and Coventry, respectively. Panel B, for pooled sample, reports rental price change for properties within 3-km (blue) and outside 3-km (grey) separately using hedonic regression estimation.

Looking at how time on market (TOM-the length of time a rental listing stays on the market in terms of months) and rental prices vary in different locations in the city and across the year, our results point out that student housing demand indeed affects rental markets dramatically (see Figure 3). For both Birmingham and Coventry, TOM for the properties 3-km further away from campuses is relatively constant throughout the year. However, within 3-km, TOM shows a substantial variation. Notable peaks are observed around October and November, which coincides with the start of the academic term. Houses that enter the rental market after the start of the academic term stay on the market around one month longer than the average. The variation in the rent of the properties within 3-km to a university is also noticeably higher than that is observed outside this range. This indicates that student housing demand plays an important role in the rental market in Birmingham and Coventry. Coventry is likely to be particularly affected as TOM for properties close to universities stays at 3-month levels between the start of the academic terms and next summer season.

Understanding the fluctuations in rental markets in major UK cities such as Birmingham and Coventry can be vital for landlords, renters, investors, and policymakers. For instance, the strong effect of the start of the academic term points to heavy reliance on private rented sector by students. However, the situation is likely to change in Autumn 2020, where most of the UK universities are likely to face reduced demand for their services. Therefore, we are likely to observe another consequence of COVID-19 pandemic.

References:

Ngai, L. R., & Tenreyro, S. (2014). Hot and cold seasons in the housing market. *American Economic Review*, 104(12), 3991-4026.

Yilmaz, O., Talavera, O., & Jia, J. (2020). Liquidity, Seasonality, and Distance to Universities: The case of UK rental markets, *University of Birmingham Economics Working Paper* 20-11.

HEADLINES	
SECTOR	**KEY CONCERNS**
Cross Sectoral	**Access to Finance and Cashflow** • Small independent and micro businesses still seeking guidance around the LA grants, including the new discretionary grant. • Increase over the past week of micro and SME businesses looking for Covid funding who have previously not applied for funding but have now run out of reserves. • 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. • Some SME's with RV over £51k have expressed concern that they have very high fixed property costs but aren't able to access any of the grant funding schemes. This is of particular concern to the leisure sector who have been closed for the duration and do not know yet when they will be able to reopen. • Businesses have expressed concerns over the amount of debt taken on during the crisis and that this debt will have a negative impact on their recovery. **Skills and Labour Supply (inc furloughing)** • Survey carried out by Wolverhampton Council showed that the furlough scheme was the most accessed of the support offers presented, with 4 out of 5 companies accessing this support. • Over half of the companies surveyed indicated they would only anticipate requiring half of their workforce after the pandemic. • Further guidance required by employers and employees to explain how flexible furloughs will work. More information about a staged approach to being back in the office is required. **Public Transport** • A major concern for employees. Calls for a clear set of rules from Government on what rail and bus providers can and cannot do. **14-day quarantine policy** • Businesses require clarity on how this will affect both the travel industry and international business. Specifically, more details on 'air bridges' with key overseas trading partners and the need for further services industry travellers to be added to the quarantine exemptions list. **Post Transition Period arrangements:** • Clear instructions re post-Brexit regulations needed by the end of August. Businesses are concerned with the uncertainty and lack of agreements. Many businesses and organisations are in favour of an extension to the Transition Period to allow more time for business and economy to undertake the necessary preparations and also to allow businesses to concentrate on their recovery from the Covid-19 crisis.
Retail	**Return to Work** • Retailers working to ensure that they are adhering to regulatory procedures as they prepare to return to work. • Concerns remain for non-essential retail around how they manage premises and procedural adaptations in order to reopen next week. Plus, further guidance is needed re use of face masks and what responsibilities employers and retailers have in this area. • Businesses concerned that the 2-metre rule will slow business.
Automotive	**Cross Theme** • The car industry's ability to bounce back from this severe shock remains to be seen. • The West Midlands is home to many tier 3 and 4 suppliers into large OEM's. • Jobs at risk in Rolls-Royce and Triumph Motorcycles.
Construction	**Skills and Labour Supply (inc furloughing)** • The Construction West Midlands team have been working with councils to encourage apprenticeship opportunities and jobs to be set aside for local residents on local projects. **Cross Theme** • Some businesses seeing a sector-wide slowdown of work and activity. **Access to Finance** • Companies who missed out on grant support earlier on in the Covid crisis are hoping to qualify for discretionary grant support.
Manufacturing & Engineering	**Skills and Labour Supply (inc furloughing)** • Some companies won't require all staff when lockdown ends. • Other companies have seen orders increase and are looking to invest and grow. **Supply Chain** • Businesses who have seen increasing sales during this period are now being negatively impacted by covid-19 due to the supply chain, which has been hit hard.
Visitor Economy	**Cross theme** • Businesses preparing for the worst and have signalled that with the vast reduction in activity and no profitable return in the near future, many will be facing redundancy decisions or closure. **Return to Work** • Businesses looking for help as things start to re-open. Looking for general advice as well as funding and investment support. **Social Distancing** • Tourism based businesses who are reliant on visitors and large gatherings are concerned that they won't survive without support.

Appendices

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

Weekly Deaths Registered: 29th May

The following analysis compares the latest time period (week of the 29th May 2020) to the previous week period (week of the 22nd 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 12,888 in the week of 22nd May to 9,824 in the week of 29th May. The number of deaths registered that state Coronavirus on the death certificate has experienced a decrease from 2,589 people to 1,822 people.

Regional level analysis shows that the West Midlands overall registered death figure has decreased from 1,319 in the week of 22nd May, to 970 in the week of 29th May. The number of registered deaths related to Coronavirus has decreased from 290 to 184 over the same period. There was a total of 631 deaths registered across the WMCA (3 LEP) area in the week of the 29th May. There were 116 deaths registered that were related to Coronavirus over the same period – this accounts for 18.4% of total deaths. The WMCA (3 LEP) area accounts for 63.0% of the 184 Coronavirus related deaths registered in the West Midlands Region.

In comparison to the week of the 22nd May, the overall registered death figures across the WMCA (3 LEP) have decreased by 249 people, with the number of deaths related to Coronavirus decreasing by 75 people.

At local authority level, Birmingham accounts for 22.4% (26) deaths related to Coronavirus in the WMCA (3 LEP), this is followed by Sandwell at 10.3% (12 deaths). Notably, there were no registered deaths related to Coronavirus in East Staffordshire.

Of deaths involving Coronavirus registered in the week of 29th May, 57.8% (67) occurred in a hospital which has increased percentage wise when compared to the week of the 22nd May at 54.5% (104). The number of Coronavirus related deaths that occurred in a care home decreased in percentage terms from 38.2% (73) to 37.1% (43) in the week of 29th May.

The following table shows the place and number of deaths registered that are related to Coronavirus in the week 29th May 2020.

Source: ONS, Deaths registrations and occurrences by local authority and health board, 9th June 2020

Area name	Care home	Elsewhere	Home	Hospice	Hospital	Other communal establishment	Total
Cannock Chase	1	0	0	0	3	0	4
East Staffordshire	0	0	0	0	0	0	0
Lichfield	0	0	0	0	2	0	2
Tamworth	0	0	0	0	3	0	3
North Warwickshire	2	0	0	0	1	0	3
Nuneaton and Bedworth	1	0	1	0	6	0	8
Rugby	6	0	0	0	1	0	7
Stratford-on-Avon	2	0	1	0	2	0	5
Warwick	2	0	0	0	3	0	5
Bromsgrove	2	0	0	0	3	0	5
Redditch	0	0	0	0	3	0	3
Wyre Forest	1	0	0	0	0	0	1
Birmingham	11	0	2	0	13	0	26
Coventry	5	0	0	1	0	0	6
Dudley	5	0	0	0	4	0	9
Sandwell	2	0	0	0	10	0	12
Solihull	1	1	0	0	3	0	5
Walsall	1	0	0	0	5	0	6
Wolverhampton	1	0	0	0	5	0	6
WM 7 Met	26	1	2	1	40	0	70
Black Country LEP	9	0	0	0	24	0	33
Coventry & Warwickshire LEP	18	0	2	1	13	1	34
Greater Birmingham & Solihull LEP	16	1	2	0	30	0	49
WMCA (3 LEP)	43	1	4	1	67	0	116

ONS Weekly Release Indicators

On the 4th June 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 final results from Wave 5 of the Business Impact of Coronavirus Survey, the final results for Wave 11 of the Opinions and Lifestyle (OPN) Survey, experimental online job advert indices and weekly management information on Universal Credit claims and advances.

Business Impact of the Coronavirus

The final 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 there was a response rate of 31% (6,364). On this occasion regional breakdown is available, of the 3,790 businesses surveyed across the West Midlands, there was a response rate of 31% (1,179). Unless stated, the following data is based on the period between 4th to 17th May 2020.

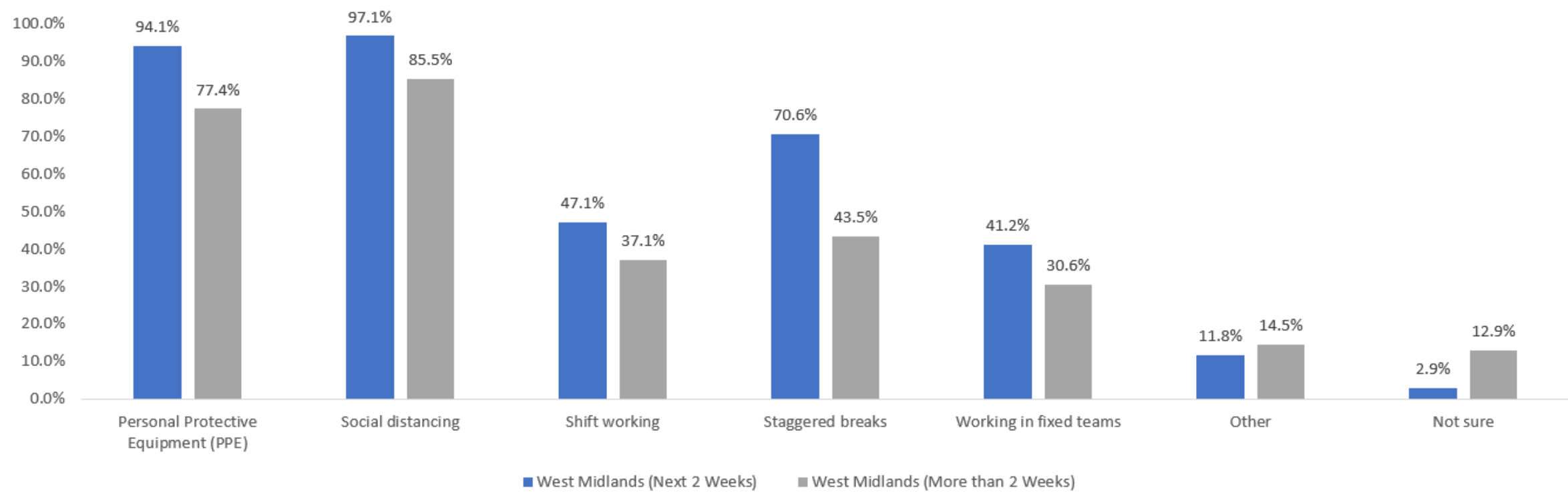
Trading and Financial Performance

Less than 1% of UK businesses reported they have permanently ceased trading with 18% temporary closed or paused trading and 80% continuing to trade between 4th to the 17th May. The figures for the West Midlands show that also less than 1% of businesses have permanently ceased trading. While 86% have continued to trade through this period, and 13% have temporarily closed or paused trading.
28% of trading businesses in the West Midlands reported their turnover had decreased by more than 50%, compared to 26% of businesses in the UK. However, 21% of trading businesses in the West Midlands reported that their turnover was unaffected (29% for the UK) and 1.0% reported their turnover had increased between 20% and 50% in the West Midlands, matching the UK average.

Safety Measures

Just over 97% of businesses in the West Midlands who have temporarily paused or ceased trading and intend to restart trading in the next two weeks intend to implement social distancing, compared to 96.6% across all UK businesses.
Examples of other safety measures intended to implemented across these West Midlands businesses include 94% will use personal protective equipment (91% UK) and nearly 71% will introduce staggered breaks (69% UK). Notably, nearly 3% of businesses in the West Midlands that intend to restart trading in the next two weeks are not sure what safety measures to put into place (2% UK).
For businesses in the West Midlands that have temporarily paused or creased and intend to restart trading in the next two to four weeks or more than four weeks, the safety measure classed as other has increased to nearly 15% (from nearly 12% for business intending to open in the next two weeks) and also those businesses that are not sure what safety measures to implement increased to 13% (from nearly 3% for businesses intending to open in the next two weeks). All the other options of safety measures saw a decrease when compared to the businesses that intended to open in the next two weeks.

The following graph shows the percentages of West Midlands businesses who have temporarily paused or ceased trading and intend to restart trading in next two weeks and in next two to four weeks or more than four weeks broken down by safety measures that they intended to implement:



Source: Office for National Statistics – Business Impacts of Coronavirus Survey

International Trading

For businesses in the West Midlands 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, less than 1% of businesses stopped exporting (compared to 1% across the UK), and 1.6% of businesses had stopped importing (compared to 1.5% across the UK).

75% of exporting businesses in the West Midlands, and nearly 74% in the UK, reported their businesses were still exporting but less than normal. Of those businesses who continued to trade and import, 65% in the West Midlands were importing less than normal, compared to 60% across the UK.

16% of West Midlands businesses who were exporting reported that they had not been affected, compared to 17% across the UK, and 26% of West Midlands importers said that importing had not been affected, compared to nearly 28% across the UK.

Nearly 2% of businesses in the West Midlands are exporting more than normal, compared to 3% in the UK. The figures for importing more than usual are 3% and 3.6% respectively.

Government Schemes and Initiatives

86% of businesses in the West Midlands who have not permanently stopped trading have applied for the Coronavirus Job Retention Scheme (79% across the UK). Nearly 14% of West Midlands businesses have applied for business grants funded by the UK and devolved government (nearly 17% UK) and for government backed accredited loans or finance agreement (16% UK). Nearly 13% of West Midlands businesses have not applied for any of these schemes (19% UK).

Nearly 72% of West Businesses are using the Deferring VAT payments initiative (60% UK), 35.3% are using business rates holiday initiatives (29% UK) and 25% are using HMRC Time to Pay Scheme (22%).

77% of West Midlands businesses who received support from schemes or initiatives reported that it helped them to continue trading, while 15% reported that it did not impact their ability to continue trading.

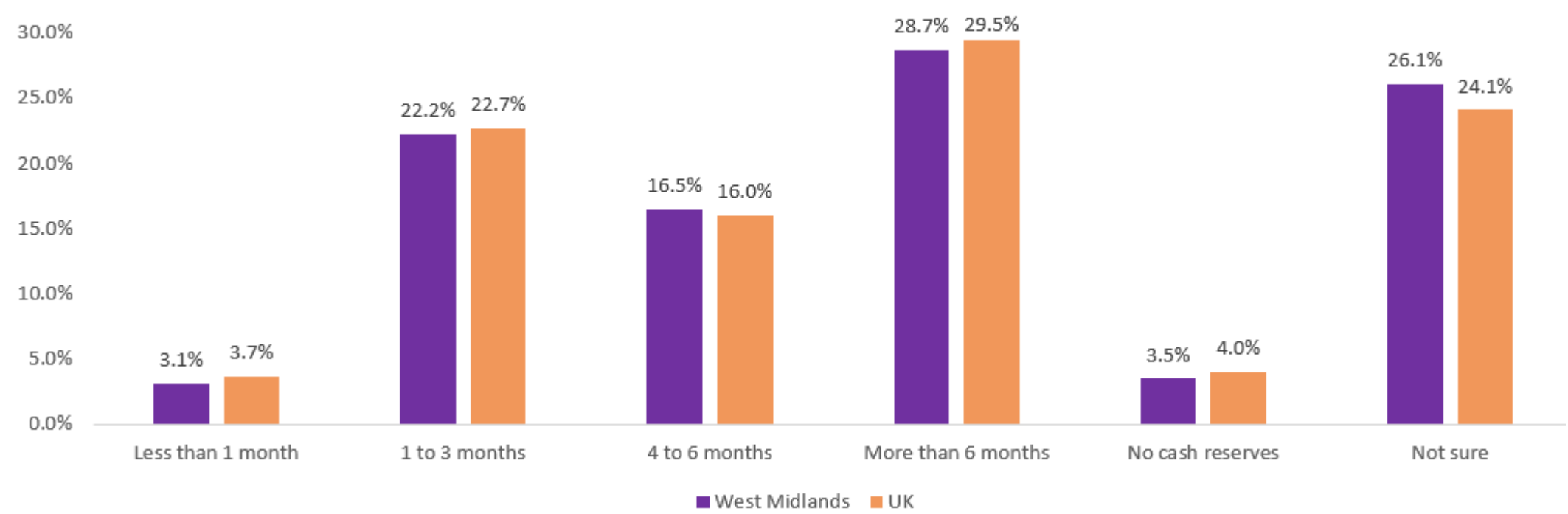
Financial Assistance

10.5% of businesses in the West Midlands have received financial assistance from banks or building societies. Of these businesses, 73% reported this assistance helped them to continue trading, however 23% reported there was no impact on their ability to continue trading.

Cash Flow

3.5% of West Midlands businesses that have not permanently stopped trading have no cash reserves. For the UK, this figure is 4%.

The following graph shows for businesses that have not permanently stopped trading 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.

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 11, covering the period 28th May to 31st May 2020. In this wave, 1,224 individuals were sampled, with a response rate of 49% for the survey.

Concerns about household finances

22% of adults stated that Coronavirus was affecting their household finances. The most common concern on household finances continues to be a reduced income at 80%, with 34% using savings to cover living costs, a further 15% borrowing money or using credit and 10% are struggling to pay bills. 30% of people survey are unable to save as usual and nearly 20% were concerned the savings value is being affected by economic instability.

Indicators of wellbeing between the periods of 21st -24th May to 28th – 31st May:

Indicator	Group	21st – 24th May	28th – 31st 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	47%	44%
	70 years and over	35%	36%
	Any specific health condition	48%	47%
Mean anxiety score	All adults	4.1	3.7
	70 years old or over	3.5	3
	Any specific health condition	4.0	3.7
Percentage with high anxiety (score 6-10)	All adults	33%	30%
	70 years and over	28%	24%
	Any specific health condition	44%	32%
Feeling lonely often/always or some of the time	All adults	27%	25%
	70 years and over	16%	17%
	Any specific health condition	43%	29%

Self-isolation

13% of adults reported to self-isolating in the past seven days, this increased to 19% when looking at people with any specific health condition, and to 28% for people aged 70 or older.

Face Coverings and Handwashing

28% of adults have worn a face covering outside their home in the last 7 days, with the most common reason at 76% for shopping which is followed by exercising outdoors and at 23%.

36% of responding adults reported that are either very or fairly likely to wear one in the next 7 days.

94% of adults reported they either always or often washed their hands straight after returning home from a public place.

Outside & Feeling Safe

49% of adults reported visiting a park of public green space between 28th – 31st May compared to 42% between 21st -24th May. Of these adults. 39% reported that had met up with friends or family from outside their households.

41% of adults reported they felt safe or very safe when outside their home, an increase from 33% from 21st – 24th May. Levels vary for safety across activities with 60% feeling safe when meeting some outside their household, however this decreased to 36% for visiting garden centres.

School

65% of adults with dependent children reported to home-schooling their children between 28th – 31st May, with these children spending an average of 11 hours learning over the time period.

For the week commencing the 1st June, a selected number of children are able to return to school with 63% of adults reporting feeling very or quite unconfident in sending their children back to school in June. 54% said they were either very or quite unlikely to send their children back to school in June.

Impacts of Wellbeing

The mean anxiety has decreased across all groups, with the highest decrease seen in those aged 70 years and over from 3.5 between 21st – 24th May to 3 between 28th – 31st May.

The percentage of all adults that reported feeling lonely often/ always or some of the time has decreased from 27% to 25% from between 21st – 24th May to 28th – 31st May. Those with any specific health condition has significantly decreased from 43% to 29%, while for those aged 70 years and over this has slightly increased from 16% to 1

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 19,390 new individual claims on the 26th 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 7,670 on the 26th May.

7% over the periods.

Black Country Consortium
Economic Intelligence Unit

NEW ECONOMIC SHOCKS			
COMPANY	**LOCATION**	**SECTOR**	**SOURCE/DETAIL**
Forterra	Sandwell	Construction	Brick making company has seen a sharp decline in demand through the Covid-19 pandemic. A restructure could lead to a loss of 225 jobs in Cradley.
Lookers	Black Country (and wider West Mids sites)	Automotive	Lookers car showrooms are looking to close 12 showrooms across the region including some in the Black Country. 55% of their workers remain on furlough at this time.
Ibstock	Walsall (And Staffs)	Construction	Brick making company anticipates a 20% decline in demand could force them to restructure and significant job losses will be a risk factor.
Intu Merry Hill	Dudley	Retail	Intu Merry Hill (Dudley) have placed administrators on standby as they continue to plunge further into debt, which now sits at £4.5 billion
Triumph Motorcycles	Midlands	Automotive, Engineering, Manufacturing	In the region of 400 jobs have been put at risk at Triumph Motorcycles across its global workforce, including about 240 in the UK, because of the Covid-19 pandemic's ongoing impact. The Leicestershire-headquartered company is to begin a consultation period with its employees "in order to protect the long-term health of the business". The announcement comes after it revealed in February that it planned to cut up to 50 jobs and move mass production to Thailand.
I-Nexus Global	Coventry	Digital and Creative Services	A 10.7 per cent stake in a Coventry cloud-based software company has been sold. Amati AIM VCT plc has disposed of its holding in I-nexus Global. It comes after financial services firm Canaccord Genuity, which is based in Canada, sold its almost 9 per cent stake in May. In a statement issued to the London Stock Exchange last week, the company added that it is "reviewing strategic options to introduce fresh capital" to the business.
Churchill China	Stoke-on-Trent	Manufacturing	Up to 250 jobs are on the line at pottery manufacturer Churchill China as a result of the coronavirus. The company, based in Stoke-on-Trent, suspended all of its manufacturing operations in March following a massive drop in demand across the ceramics industry as orders from the hospitality sector slowed significantly. In a statement, the firm, which employs 700 people.
Aston Martin	National	Automotive, Engineering, Manufacturing	Aston Martin is set to cut around 500 jobs after announcing the firm needs a “fundamental reset” to turn into a profitable company. The car-maker says it wants to save £28m a year through axing the roles which will mean a planned reduction in front-engined sports car production to “rebalance supply to demand”
Rolls Royce	Midlands	Automotive, Engineering, Manufacturing	Around 300 jobs are set to be cut at Rolls-Royce’s West Midlands plants, the manufacturer has confirmed. The firm’s Solihull factory will see 175 roles axed, while a further 90 will go and Rolls-Royce’s Ross Ceramics premises in Derbyshire and Stoke and another 65 workers are facing redundancy in Ansty.

NEW INVESTMENT, DEALS AND OPPORTUNITIES			
COMPANY	**LOCATION**	**SECTOR**	**DETAIL & SOURCE**
Coinadrink	Walsall	Vending Machine	Walsall based vending machine company adapts machines to dispense PPE
Acton Finishing	Coventry	Manufacturing, Metal Finishing	An engineering firm in Coventry has had a five-figure makeover as it gears up for further growth. ActOn Finishing in Torrington Avenue, a surface finishing technology provider in the healthcare, aerospace, automotive and motorsport sectors, has transformed its test laboratory after receiving support from the Coventry and Warwickshire Local Enterprise Partnership (CWLEP) Growth Hub.
Consilium Recruit	Stratford-upon-Avon	Recruitment Agency, Professional Services	Recruitment company Consilium Recruit has signed a two-year deal with technology specialist Electroflight to source specialists in the emerging battery powered aerospace industry.
Telent	Warwick	Communications Services	Warwick-headquartered Telent has been awarded a contract by Sure to upgrade the service provider's network and enhance its network security on the Channel Islands. The major upgrade will see company replace Sure's existing 10G core network with a 100G Juniper Networks core network.
Codemasters	Leamington Spa	Digital and Creative	Warwickshire-headquartered Codemasters is to develop and publish the FIA World Rally Championship videogames and esports tournaments. The listed company has signed a licence agreement with WRC Promoter GmbH which allows it to release videogames based on the franchise including its support categories such as the FIA WRC 2, WRC 3 and Junior WRC Championships across console, PC and mobile platforms, including annual iterations for the five seasons from 2023 through to 2027.
Telent	Warwick	Communications Services	Telent has agreed a three-year contract to install anti-drone technology at Bristol Airport. In collaboration with its technology partner Digital Global Systems (DGS), the use of CLEARSKYTM Drone Threat Management system at Bristol Airport will mark the first UK deployment of the system. The system was developed by DGS in response to the rising threat of unauthorised drone usage at critical infrastructure sites, including airports.
Well Played Games	Leamington Spa	Digital and Creative Services	Well Played Games has moved premises as the team continues to grow, with 19 members of staff covering all disciplines of game development including programmers, artists, designers, producers and product managers.
Catering Equipment	Polesworth	Food and Accommodation Services	Catering Equipment moved from 5,000 sq ft premises in Tyseley, Birmingham, to a 25,000 sq ft unit in Grendon Road, Polesworth, last May. Before Covid-19, the business specialised in supplying wash basins to the catering and hygiene industry.
Sarginsons	Coventry	Manufacturing	Sarginsons Industries, which is based in Torrington Avenue, Coventry, was approached to produce 1,000 components on behalf of a UK-based OEM. The supplier had previously imported the products from Asia but the global crisis halted supply and meant the part needed to be sourced in the UK at speed.
Energy Integrity Services	Alcester	Engineering	Energy Integrity Services is a company based in Warwickshire providing structural integrity inspections for wind turbines. Through the grant they were able to access the skills and equipment to develop a new technology and carry out a pilot demonstration at one of their customers sites.
Green 4 Motor Group,	Coventry	Automotive, Retailer	Green 4 Motor Group, which changed its name from Coventry Motor Group in June 2018, has posted a turnover of £39.3m for the 12 months to 31 October 2019, up from £38.4m.
LEVC	Coventry	Automotive, Engineering, Manufacturing	London Electric Vehicle Company (LEVC) is to begin a phased return to work on Monday 8 June at its Ansty manufacturing facility. More than 100 new processes have been put in place at the electrical vehicle factory to ensure the safety and wellbeing of all staff upon their return.
Rolls Royce	Midlands	Automotive, Engineering, Manufacturing	Rolls-Royce has been awarded a full-service engineering design framework contract with the UK Atomic Energy Authority (UKAEA); the government research organisation responsible for the development of nuclear fusion power.

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

In partnership with: