West Midlands
Weekly Economic Impact Monitor

Issue 14 Publication Date 26/06/20

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

Key Issues

- The UK PMI figures indicate a vastly improved economic picture, similar to the improved outlook in the Eurozone. The composite purchasing managers' index (PMI) reading from IHS Markit's survey registered in at 47.6 in June, up from 30.0 in May and just 13.8 in April. The expected reading was 40.
- A number of Q2 reports are now being released which is showing the scale of the impact and are all at similar levels: **WMCA Chambers Q2 results: 61%** of all businesses expected exports to fall in the upcoming months; **65%** of manufacturers across the region expect their cash flow levels to fall compared to **62%** of service firms; **44%** of all firms' surveyed faced recruitment difficulties in Q2 – a fall of **5%** compared to Q4 2019. **9%** of service companies across the region increased their capex spend, **37%** maintained consistency in their spend and **54%** reduced it. Business confidence in the region - Total balance score of **38** for businesses in both manufacturing and Service sectors combined was recorded for profitability projections (a decrease of thirty-three points compared to Q4 2019).
  28% of all firms expecting their profits to increase in the next 12 months
  20% of all firms expecting their profits to stay the same in the next 12 months
  52% of all firms expecting their profits to fall in the next 12 months
- JRF highlights that the levelling-up challenge has changed in three important ways since March 2020: (1) the public finances have taken a huge hit, (2) geographical inequalities are at risk of becoming even larger – as the weakest local economies are amongst those hit hardest, (3) COVID-19 may have long- as well as short-run implications for our economic geography. They recommend - (1) Take action now to stop the levelling-up challenge becoming even harder.(2) Increase the scale of investment in basic, digital and vocational skills to match the ambitious investments in infrastructure.(3) Increase the share of planned capital investment that will be invested in local public transport systems and lever this infrastructure investment to unlock opportunities for people trapped in poverty. (4) Improve productivity in low-wage, low-productivity businesses and sectors by improving the quality of work, boosting in-work training and enhancing management practices.
- Work by David Bailey and Ivan Rajic highlights manufacturing may need to be cushioned from the impacts of Brexit, and this might become particularly necessary in light of the economic impact of the Covid-19 lockdown. Measures taken to support businesses during the lockdown, such as wage support and loans, could be reactivated along with measures such as tax deferrals. Longer term, a more active policy could also be considered post-Brexit. A carefully integrated set of policies (aimed at boosting skills, innovation, and technology adoption, providing finance and so on) could be targeted at specific industrial sectors to support their long-term competitiveness and help them in recovering from the impact of Covid-19. This could be combined with a drive towards take up of industry 4.0 technologies (where other countries have gone further than the UK) and embracing environmental sustainability, for example, by paying particular attention to supporting the adoption of green technologies. And more power and funding could also be given to the UK's countries and regions, so they can set their own industrial goals (in coordination with the central government). So whatever the exact for of Brexit at the end of the transition period, a new industrial policy could help in both dealing with Covid-19 and Brexit challenges and embracing new opportunities such as Industry 4.0 technologies. That would require something of a 'policy reset' moment on the part of government when it comes to industry and industrial policy
- **General outlook:** In retail, tourism and hospitality are worst affected and it still remains to be seen what the impact on the longer term viability of businesses is. In most areas there is a push for 'stay local, buy local' amongst suppliers and buyers; Sales down, cash down, profits down (as echoed in Q2 reporting above). There is a significant upturn in interest in start up (as was the case in 2008); Insolvency is down but there is a feeling that this is the 'calm before the storm'.
- **Recovery:** Manufacturing and engineering are coming back and diversification is the key thing and looking beyond core sectors for clients. In automotive there is a sense of waiting for an announcement form government. In manufacturing /engineering productivity is up as there are less people on the shop floor and similar levels of output. A big concern is of a potential second wave and what would happen - would support be reintroduced? Rhetoric between EU and the UK Government is now becoming a concern. Landlords are starting to take a hard line on smaller tenants

Global Outlook

The WHO (World Health Organisation) confirmed there were a reported 183,000 new cases of coronavirus around the world on Sunday June 21st. This marks the biggest one-day increase in infections around the world. Just under 37,000 were in the US, where infections have risen 15 per cent in two weeks.

In Brazil, a nation suffering from considerable increases in new infections, they had more than 50,000, and the most new cases. At the weekend it became the second country after the US to register more than 50,000 deaths.

In Africa, where more than 8,000 of the WHO's new cases were recorded, infections have risen above 300,000 as the spread of the diseases gains considerable pace across the continent.

South Africa, with more than 97,000 cases, accounts for almost a third of the continent's confirmed infections.

In Germany, Deutsche Lufthansa AG faces the prospect that its Government bailout will not be approved by shareholders, meaning the airline company will collapse into insolvency Wirecard having to face more questions, following its fall, which has now said that the missing $2.1 billion which caused its shares to plunge not exist. Following further falls in its share, the payments processor reportedly considered a tie-up with Deutsche Bank AG back in 2019. Germany's financial regulator said the scandal is a "complete disaster".

The euro-area economy showed signs of recovery, picking up from its record slump.

The June Purchasing Managers Index from IHS Markit revealed an improvement at the region's manufacturers and service firms, and subsequent business confidence at its highest since before the onset of the pandemic in February. The Composite PMI headline figure rose from 31.9 in May to 47.5 in June, still signalling contraction, suggesting the recovery will be long and protracted.

National Outlook

In the UK PMI figures indicate a vastly improved economic picture, similar to the improved outlook in the Eurozone. The composite purchasing managers' index (PMI) reading from IHS Markit's survey registered in at 47.6 in June, up from 30.0 in May and just 13.8 in April. The expected reading was 40.

The figure indicates that the UK economy contracted once again in June, even if the pace of contraction had softened than that seen in previous months.

IHS Markit registered at 47.0 for the services sector and a 50.1 figure for manufacturing sector.

The Prime Minister has announced further measures on reducing lockdown-measures in England, Cultural life in England is to restart with museums, art galleries and cinemas able to reopen from July 4th. In addition to this, members of two households will be able to meet indoors as long as they maintain social distancing under plans announced by the Prime Minister.

As the UK continues its phased economic opening-up, a much mooted VAT reduction has come in to opposition. Retail bosses have suggested that a temporary cut to VAT could result in extra cash-handling that could increase the spread of coronavirus.

High street chains have notified the Department for Business, Energy and Industrial Strategy that despite growing momentum for a VAT cut, that more cash could be handled if the price of items aren't round numbers. Since VAT cuts in Germany, staff at 27 Primark stores have reported an increase in the amount of cash they handled because prices were no longer in round numbers.

The Local Government Association have called on the government to build 100,000 "homes for heroes" every year to ensure that key workers in the pandemic have affordable accommodation.

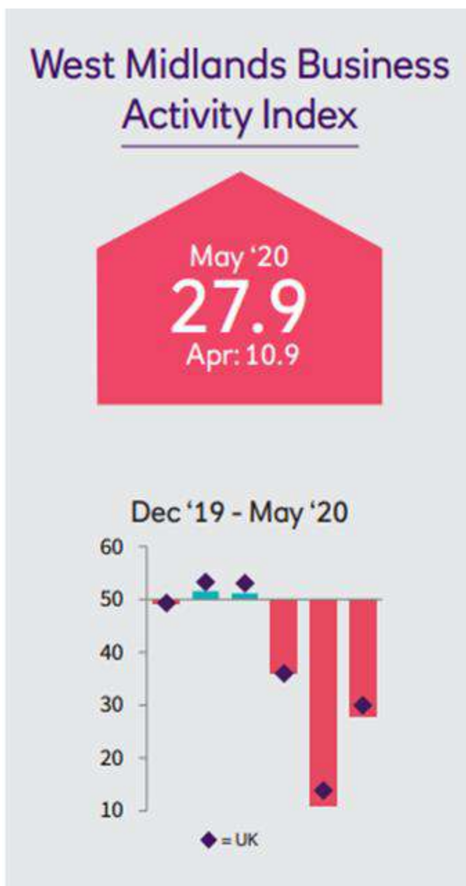
The LGA have said that the construction programme would boost the economy by creating thousands of jobs and cut the housing benefit bill, according to the Local Government Association.

It was also suggested that the properties could be rented to public service workers at reasonable rates and with additional stock being used to house people who have lost their relatives during the pandemic.

Regional Outlook

Regional demolition firm Coleman Group is set to cut jobs because of the impact of the covid-19 pandemic on workloads.

The Birmingham-based group is believed to be axing up to 50 roles from its 110-strong business. Coleman group said its largest contract, to start work on regenerating Broadmarsh Shopping Centre in Nottingham for troubled operator Intu, has been pulled.



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 the latest reading had increased it still signalled a substantial decline in business activity. It is the second-lowest survey response in the survey's history.

May data also indicated a further substantial rise in spare capacity among firms in West Midlands, meaning the level of outstanding work in the region fell steeply again.

Firms across the region have also reported a further sharp reduction in new business during May. Again despite softening since April, the rate of decline was still the second-quickest in the survey history.

There is cause for concern for the region, as whilst the decline was reflective of the national trend, the fall in new work in the West Midlands was among the steepest recorded in the UK.

The Future Business Activity Index hovered just above contraction, at the 50.0 level, signalling that firms on were positive about the year ahead outlook. Firm's optimism was broadly based on the belief that the regional business environment will return to some level of normality in the coming months. Negative sentiment raised by businesses relate to the longer-term impact of the pandemic on economic activity.

COVID-19: This is when life will return to normal, according to the experts

The world Economic Forum

COVID-19 has upended normal life, putting an end to most of our everyday activities.

Data from more than 500 epidemiologists and infectious disease specialists in the US and Canada shows when we might start to see a return to normal. From battles on the front lines to social distancing from friends and family, COVID-19 has caused a massive shake-up of our daily lives.

The infographic on the next pages visualises the results of over 500 interviews with epidemiologists and infectious disease specialists from the U.S. and Canada. The responses, based on the latest publicly available and scientifically-backed data, varied based on assumptions around local pandemic response plans. The experts also noted that their answers would change depending on potential treatments and testing rates in their local areas.

The urge to be outdoors is pretty clear, with 56% of those surveyed hoping to take a road trip before the summer is over. Meanwhile, 31% felt that they would be able to go hiking or have a picnic with friends this summer, citing the need for "fresh air, sun, socialization and a healthy activity" to help keep on top of their physical and mental health during this time.

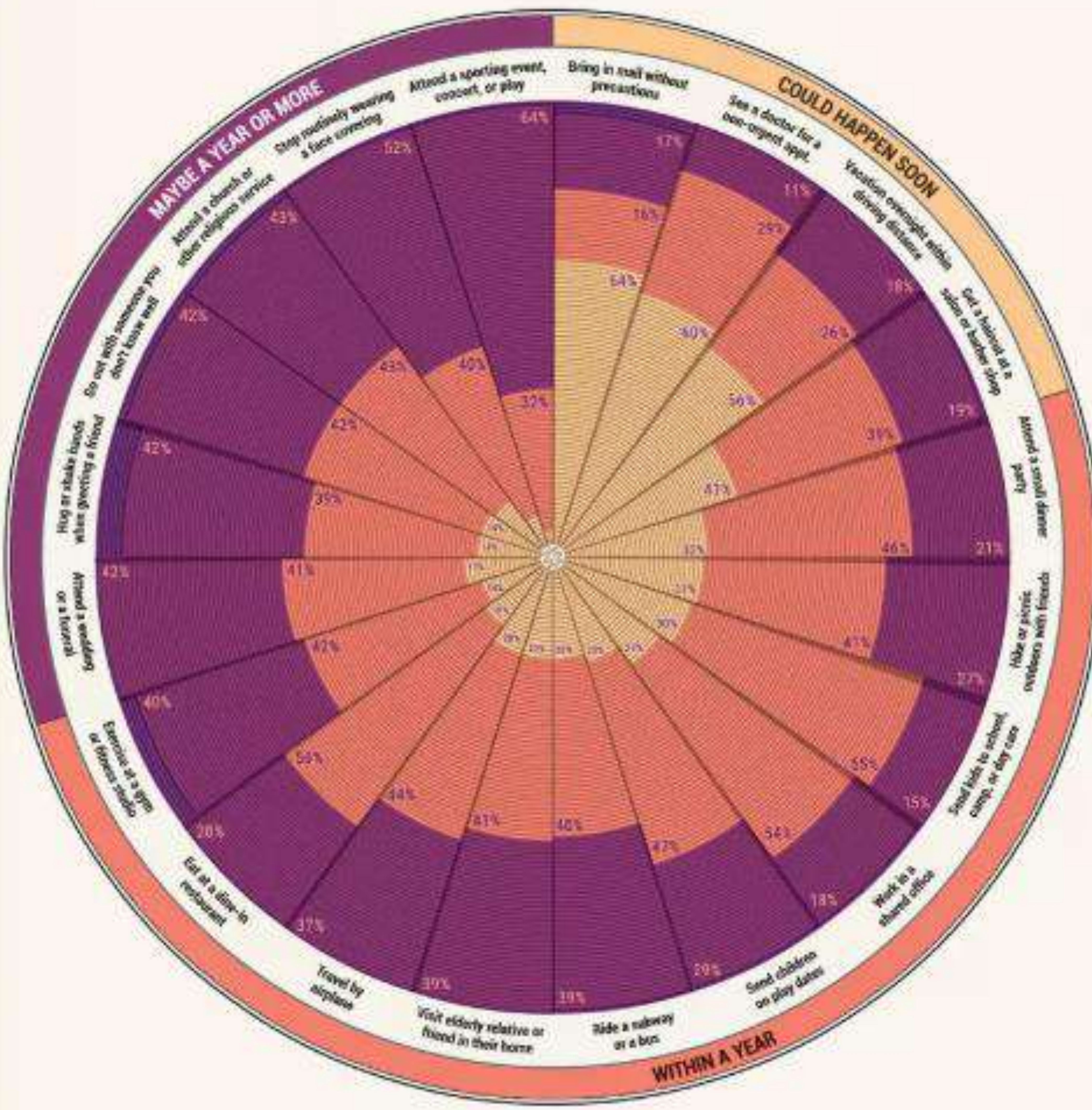
Public transport and travel of any form is one aspect that has been put on hold, whether it's by plane, train, or automobile. Many of the surveyed epidemiologists also lamented the strain the pandemic has had on relationships, as evidenced by the social situations they hope to restart sooner rather than later.. On the other hand, there are certain activities that they considered too risky to engage in for the time-being. A large share are putting off attending celebrations such as weddings or concerts for at least a year or more, out of perceived social responsibility. Perhaps the most surprising finding is that 6% of epidemiologists do not expect to ever hug or shake hands as a post-pandemic greeting. On top of this, over half consider masks necessary for at least the next year.

EXPERTS WEIGH IN

When Will Life Return to *Normal?*

COVID-19 has caused a massive shake-up of daily life, making us question everything from hugging our loved ones to getting a haircut.

According to a recent survey of 511 epidemiologists and infectious disease experts from the U.S. and Canada, here is how long it is expected to take before things can return to the status quo.



While these results are not meant to represent every situation nor serve as public guidelines, they reflect how experts are deciding to resume these activities based on health advisories.

Ultimately, it's the virus that sets the timeline.

Qualitative intelligence

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

The main issue raised across organisations is that the number of redundancies are going up very quickly this week and may be a marker for the future trend
Lots of businesses not meeting criteria now for the loans

Nearly everyone being spoken to about advisory services have people on furlough and are talking in terms of some of those people not coming back (in part or in full)

There is a full spectrum of enquiries now, from desperate situations, to companies with a positive outlook and looking to grow

General outlook:

- Retail, tourism hospitality - the worst effect is still to be seen and what impact it has on the longer term viability of businesses is uncertan
- In most areas there is a push for 'stay local, buy local' amongst suppliers and buyers
- Sales down, cash down, profits down (as echoed in Q2 reporting above)
- There is a significant upturn in interest in start up (same as in the 2008 recession)
- Insolvency is down but there is a feeling that this is the 'calm before the storm'

Recovery:

- Manufacturing and engineering coming back and diversification is the key thing and looking beyond core sectors for clients
- Automotive there is a sense of waiting for an announcement form govt
- Man/eng productivity up as they have less people on the shop floor and similar levels of output
- Big concern of potential wave and what would happen, would support be reintroduced
- Rhetoric between EU and the UK government is now becoming a concern
- Landlords are starting to take a hard line on smaller tenants
- There are generally reduced international targets but beyond that conversations with businesses are as usual transition, trade and increasing trade

Trade -

- Covid 19 enquiries have now slowed down and the focus is recovery
- Webinars on recovery are doing well - 2000 people attending
- Should be some additional support for education, fast moving consumer goods, F&D and advanced manufacturing

Loans and grants

- Discretionary grants started
- Local picture is that some places are picking up the funds more than others and this may be related to the focus of the funding
- Criteria on eligibility on loans some still missing out
- In terms of job losses high numbers are expected and Local Authorities are looking at a collective response
- Bounce back easy to access but a lot of 'write off' feeling from business

Brexit and UK Manufacturing

David Bailey & Ivan Rajic University of Birmingham

Manufacturing is still important

The UK is largely seen as a 'service-based' economy, which means that services – such as financial, legal, research & development (R&D), real estate and so on – account for the bulk of economic output and employment. Manufacturing, on the other hand, only formally accounts for around 10% of the economy and 9% of employment.

However, manufacturing's importance for the UK economy far outstrips its relatively small size. Manufacturing accounts for a disproportionate share of total exports (45%), wages in manufacturing are around 15% higher than the national average, and manufacturing accounts for 65% of private sector R&D spending. Also, some services exist largely because they are closely tied to manufacturing (such as industrial R&D and service jobs in the repair of industrial machinery).

Taking such links into account, manufacturing is actually responsible for 15-22% of the economy and 18-27% of employment in the UK. Given this, it's fair to say that shocks to UK manufacturing can have a major impact on the broader UK economy.

Close links with the EU

UK manufacturing is tightly linked with the EU in a number of ways. Nearly a half of UK exports and imports of manufactured goods go to, and come from, the EU, and EU labour helps fill key skills gaps in the UK. Some sectors, like automotive, are highly integrated into EU-wide supply chains.

Intermediate goods (such as car parts or semi-finished products such as steel bars) often criss-cross the borders of various EU countries (and also the UK) multiple times, as they are shipped from factory to factory to undergo various industrial processes, before being assembled into final products. The latter in turn could be sold in any EU country.

In many cases, sectors such as automotive or chemicals need such intermediate goods delivered 'just-in-time' to save on the costs of stockpiling. They will often hold very low stocks of these goods, sometimes enough for just a few hours of production, and rely on multiple daily deliveries within tight time slots, sometimes as short as 15min. Disruptions of links with the EU after the transition period ends, such as through customs delays could therefore have a negative effect on manufacturing companies in the UK.

Brexit Impacts

In this new report for the UK in a Changing Europe on Manufacturing, we have reviewed existing evidence on what effects Brexit will have on the UK manufacturing sector, covering ten key areas: tariffs, rules of origin, non-tariff barriers, regulatory alignment, geographical indications, data protection, state aid, skills, research & development, and uncertainty & investment. Overall, the evidence, including the opinions of most manufacturers, is that the effects will be disruptive and negative. However, the extent to which this will be the case will crucially depend on the outcome of the Brexit negotiations.

A worst case scenario for manufacturing would be one in which there is no trade deal between the EU and the UK. This would introduce delays at the UK-EU border, add costs (such as tariffs, the need for separate safety certifications in the UK and the EU, etc.) and disrupt exactly the sort of links described above – such as tightly interwoven supply chains. If this happens, then manufacturing in general will be negatively impacted, and some manufacturing sectors, such as volume automotive production will badly affected in particular, especially at a time when they are recovering still from the impact of Covid-19.

However, even with a free trade agreement, a degree of disruption would still occur. For example, manufacturers feel that is important to ensure that UK and EU technical, safety, and other regulations remain aligned. If they do not, and if there is no agreement on the mutual recognition of standards, manufacturers will be forced to make products to different specifications for the UK and EU markets and do safety and other tests twice. This would add to the costs of doing business, with industry saying that there would be no discernible benefit from this.

Another big challenge for manufacturing is uncertainty around Brexit – just six months until the transition period ends, it is still unclear what will happen in many areas. Trade and regulation that we mention above are just two such areas, but industry simply does not know yet how data protection will work, whether and how they will still be able to employ EU staff for short periods of time, how state support for manufacturers will function, and so on.

Uncertainty is one of the biggest detriments to investment, which has already taken a hit. For example, investment has fallen considerably in recent years in the automotive industry, one of the biggest sectors of UK manufacturing, and major investment decisions such as that by Peugeot in its Vauxhall plant at Ellesmere Port, are effectively on hold.

Policy matters

UK manufacturing may need to be cushioned from the impacts of Brexit, and this might become particularly necessary in light of the economic impact of the Covid-19 lockdown. Measures taken to support businesses during the lockdown, such as wage support and loans, could be reactivated along with measures such as tax deferrals.

Longer term, a more active policy could also be considered post-Brexit. A carefully integrated set of policies (aimed at boosting skills, innovation, and technology adoption, providing finance and so on) could be targeted at specific industrial sectors to support their long-term competitiveness and help them in recovering from the impact of Covid-19.

This could be combined with a drive towards take up of industry 4.0 technologies (where other countries have gone further than the UK) and embracing environmental sustainability, for example, by paying particular attention to supporting the adoption of green technologies. And more power and funding could also be given to the UK's countries and regions, so they can set their own industrial goals (in coordination with the central government).

So whatever the exact form of Brexit at the end of the transition period, a new industrial policy could help in both dealing with Covid-19 and Brexit challenges and embracing new opportunities such as Industry 4.0 technologies. That would require something of a 'policy reset' moment on the part of government when it comes to industry and industrial policy.

David Bailey and Ivan Rajic both work at the Birmingham Business School and are funded under the ESRC's UK in a Changing Europe programme

WMCA Chambers Combined Quarterly Economic Snapshot

Q2 2020

Analysis of West Midlands Combined Authority area business sentiment and economic trends

Recruitment Trends – Statistics

Recruitment Difficulties (QES Stats):
In total – **44%** of all firms' surveyed faced recruitment difficulties in Q2 – a fall of **5%** compared to Q4 2019.

Manufacturers
50% of manufacturers in the region faced recruitment difficulties – a fall of **6%** compared to Q4 2019

Service firms
43% of service firms in the region faced recruitment difficulties – a **4%** fall compared to Q4 2019

Export Trends (QES Data)
Total Balance Score of **24** for businesses in both sectors combined recorded for Export Sales (a thirty point fall compared to Q4 2019). This was based on:

- **8%** of firms reported an increase in export sales for Q2 (a 16% fall from Q4 2019)
- **32%** of firms reported constancy in export sales for Q2 (a 27% fall from Q4 2019)
- **60%** of firms reported a decrease in export sales in Q2 (the highest figure on record since reporting began in Q1 2018)
- **8%** of manufacturers across the West Midlands reported an increase in their overseas sales compared to **9%** of service firms.
- For the third consecutive quarter, the highest proportion of manufacturers reporting a fall in their export business came from Greater Birmingham **(68%)** whereas the Black Country had the highest percentage of manufacturing firms reporting constancy in their volume of international business **(44%).**
- **9%** of all companies across the region expected their international output to go up over the next 3 months. **30%** of firms expected their overseas orders to stay the same for Q2 whereas **61%** of all businesses expected them to fall in the upcoming months.

Business Resilience (QES Data)

A balance score of **53** for businesses in both sectors combined recorded for price pressures (a drop of fifteen points compared to Q4 2019). This was based on:

- **19%** expecting the price of their goods and services to increase over the next three months
- **68%** expecting the price of their goods and services to remain the same over the next three months
- **13%** expecting the price of their goods and services to decrease over the next three months (a **10%** increase compared to Q4 2019).
- **18%** of service firms expect the prices of their goods and services to increase over the next three months, compared to **23%** of manufacturers
- Firms in the Black Country were under the greatest pressure to raise their prices **(20%)** compared to **19%** of firms in Coventry & Warwickshire and **19%** of businesses in Greater Birmingham
- The overall balance score for cash flow projections was revealed to be **24** – This was based on: **11%** expect their cash flow projections to improve, **26%** expect cash flow levels to stay the same and **63%** expect cash flow to worsen (a 47% increase compared to Q4 2019)
- **65%** of manufacturers across the region expect their cash flow levels to fall compared to **62%** of service firms
- The largest proportion of manufacturers reporting a fall in cash flow projections are based in Greater Birmingham **(68%)** compared to 62% in Coventry & Warwickshire and 56**%** based in the Black Country.

Business Investment (QES Stats)

Across the region as a whole, **9%** of businesses reported that investment plans for capital expenditure had been revised upwards, 3**6%** revealed that investment in capex had remained the same and **55%** had lowered their plans for investing in equipment.

9% of service companies across the region increased their capex spend, **37%** maintained consistency in their spend and **54%** reduced it

Regionally, the largest proportion of manufacturers recording a drop in capex investment levels were based in the Black Country **(72%),** compared to **58%** based in Greater Birmingham and **48%** in Coventry & Warwickshire

Business Confidence (QES Data)

Total balance score of **38** for businesses in both sectors combined was recorded for profitability projections (a decrease of thirty-three points compared to Q4 2019). This was based on:

- **28%** of all firms expecting their profits to increase in the next 12 months
- **20%** of all firms expecting their profits to stay the same in the next 12 months
- **52%** of all firms expecting their profits to fall in the next 12 months

From a regional perspective, the highest proportion of firms expecting a fall in their profits were based in Coventry & Warwickshire **(58%)** whereas the largest proportion of firms expecting their profitability to remain the same were based in Greater Birmingham **(22%)**

The overall balance score for turnover projections fell by thirty-four points for firms operating across the region as a whole. A score of **40** was based on **31%** of the total number of companies surveyed expecting their turnover to go up whilst only **53%** envisaged a decrease in turnover levels.

About the West Midlands Quarterly Economic Snapshot

The West Midlands Quarterly Economic Snapshot offers an up to date picture of the performance of the business community in the West Midlands Combined Authority area. It is the most comprehensive regular report of its kind in the region. The findings of the snapshot are informed by official statistics for national and West Midlands region geographies sourced from bodies such as IHS/Markit CIPs and the Office of National Statistics along with WMCA area data gathered from quarterly economic surveys which are conducted by The Greater Birmingham Chambers of Commerce, Black Country Chamber of Commerce and Coventry and Warwickshire Chamber of Commerce.

The quarterly economic surveys consist of information gathered from local businesses on key indicators such as sales, exports, recruitment plans and turnover projections. In total, 1085 businesses across the West Midlands completed the Quarterly Economic Survey with 84% of them operating in the services sector and 16% operating in the manufacturing sector. Percentage balance figures are determined according to business responses to the indicators: an increase (multiplied by 1), remain constant (multiplied by 0.5), decrease (multiplied by 0). A score of over 50 is indicative of a growth sentiment.

For more information on this report, please contact Raj Kandola on 0121 274 3264 or r.kandola@birmingham-chamber.com

[Bank of England Q2 Report](#)

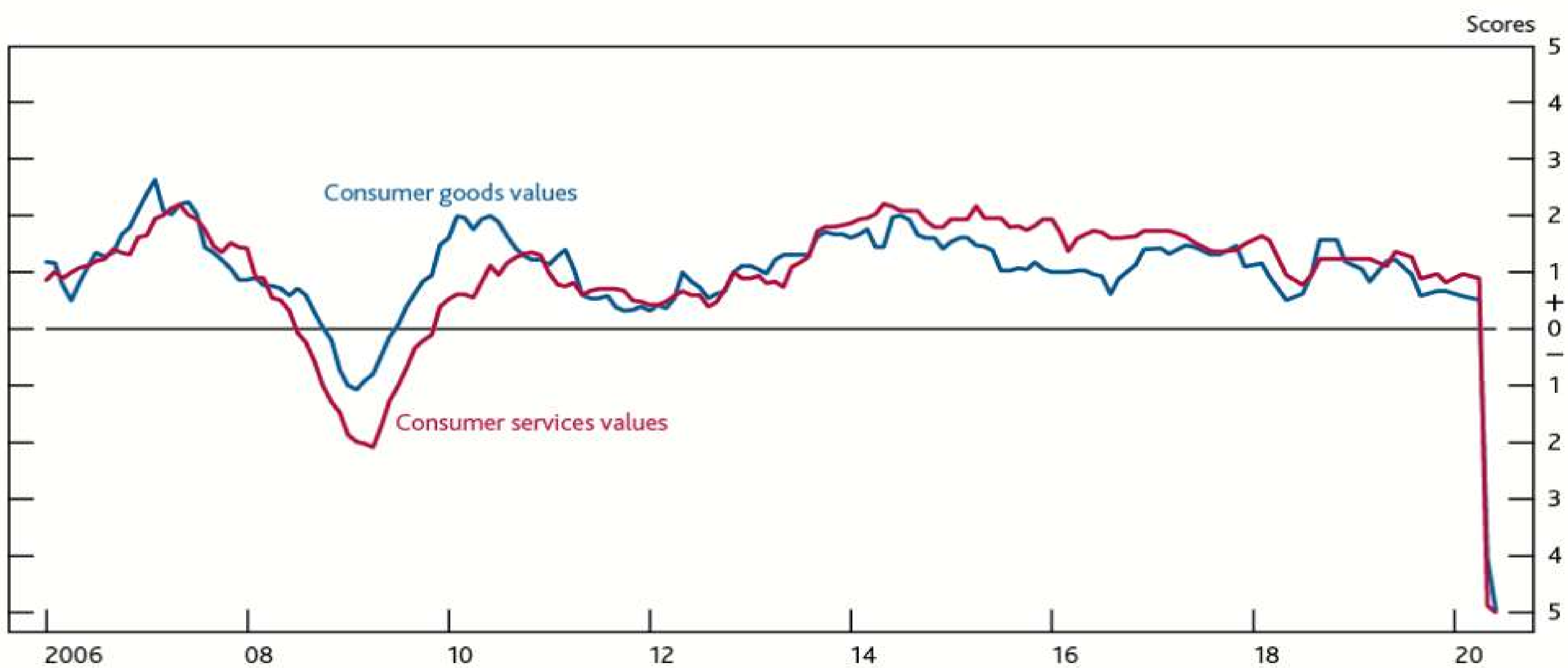
This publication summarises intelligence gathered by the Bank's Agents between mid-May and mid-June. The Agents' scores published alongside this document are based on information gathered between late April and late May.

Spending on consumer services and non-food goods was significantly weaker than a year ago, though online sales of some products were strong.

Chart 1 There has been a sharp drop in retail sales and consumer services

Consumer goods and services values

Three months on the same period a year earlier

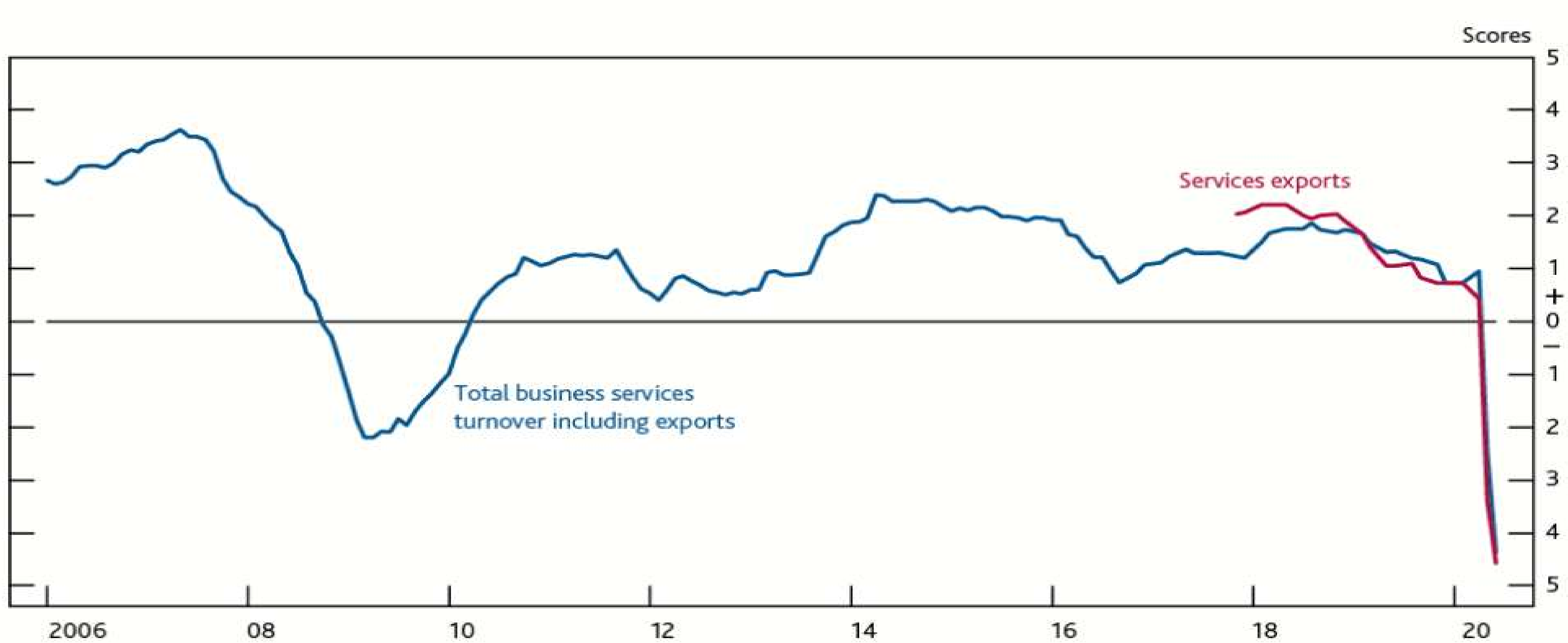


Activity weakened further overall, but developments across sectors were mixed, with demand holding up in restructuring, audit and IT.

Chart 2 Business services activity has weakened as corporate transactions were put on hold

Business services and services exports

Three months on the same period a year earlier

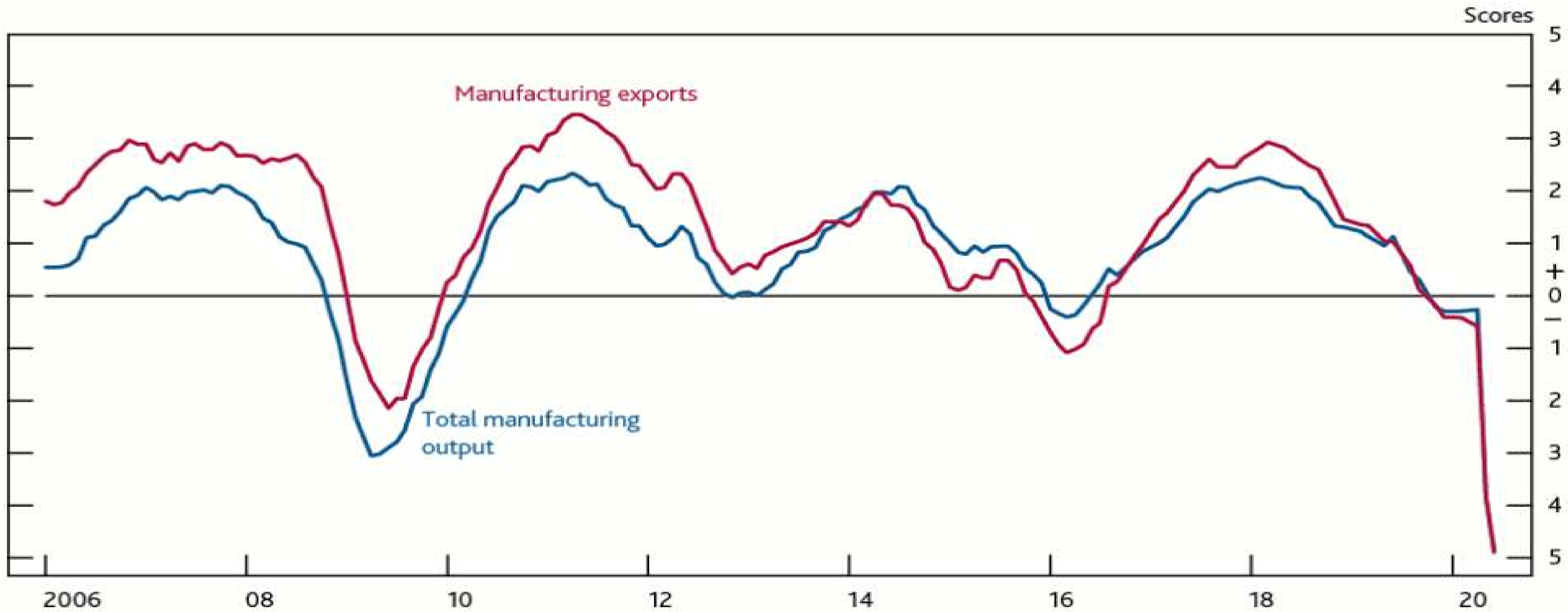


Output continues to be significantly weaker than a year ago, though there has been a modest improvement in recent weeks as more companies reopen.

Chart 3 Widespread shutdowns caused manufacturing output to fall sharply

Total manufacturing output and manufacturing exports

Three months on the same period a year earlier



Construction sites are reopening in some parts of the UK but output is still significantly lower than a year ago due to weak private sector demand.

Construction activity resumed on a phased basis in May and June, though mainly on sites where building had already started or was close to completion. Contacts reported that activity was being constrained by social distancing measures as well as by shortages of materials as more sites reopen.
Lower construction activity and repair and maintenance work, is likely to have a detrimental effect on other sectors, such as companies that provide furnishings and fittings.

Demand for credit is high and expected to increase as companies start to reopen over the coming months Housing market activity is gradually resuming in England, and there are early signs of demand returning for some commercial real estate properties, but the outlook for both markets remains highly uncertain.

Companies have mostly cancelled or postponed non-essential investment to preserve cash buffers, and many are uncertain when or whether investment plans will be reinstated.

Chart 4 Many companies have substantially reduced investment and the outlook is highly uncertain

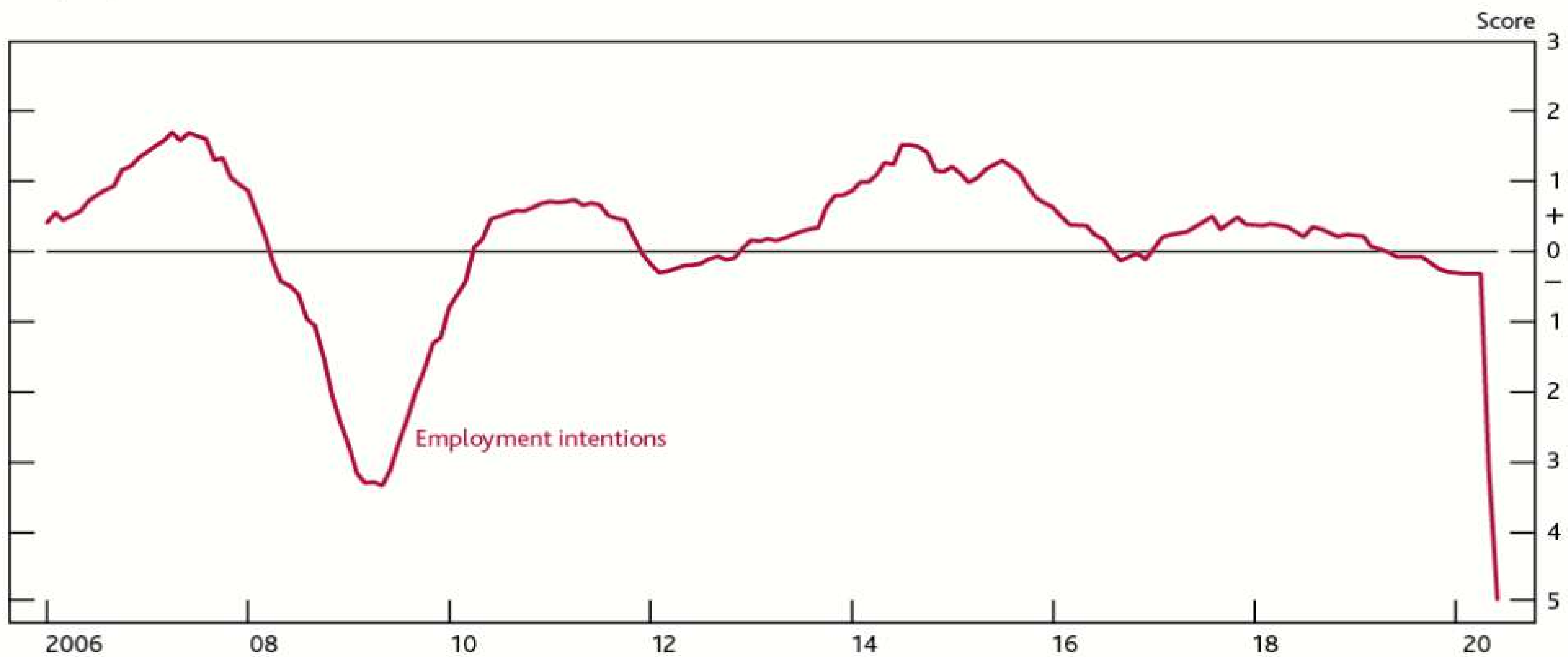
Investment intentions over the next 12 months

A large number of workers remain on furlough, though increasing numbers are returning to work as companies across sectors reopen. However, redundancies are also picking up.

A number of contacts anticipate having to lay off workers if demand does not recover sufficiently once the CJRS is phased out (Chart 5). For some companies, social distancing measures will limit output, and therefore the need for workers. And some contacts have been able to improve productivity during lockdown, reducing their need for staff. Contacts in recruitment say that the number of vacancies being advertised has fallen sharply.

Chart 5 Redundancies are likely to pick up as demand remains weak

Employment intentions over the next 12 months



Input price inflation remains limited overall and contacts see little scope to raise prices, due to uncertainty about demand.

Levelling up the economy: we cant afford not to

Summary by Anne Green WMREDI

The [Joseph Rowntree Foundation has published a briefing on Levelling up the Economy] addressing two key challenges - (1) productivity and (2) living standards – which are particularly pronounced in local areas in the Midlands and north of England. These challenges are interconnected because productivity is a driver of pay and pay is a driver of poverty. But importantly from a poverty perspective, increases in productivity do not always feed through to wages of the lowest paid. Tackling poverty requires high employment rates and people need the skills that allow them to take advantage of local employment opportunities.

The briefing highlights that the levelling-up challenge has changed in three important ways since March 2020: (1) the public finances have taken a huge hit, (2) geographical inequalities are at risk of becoming even larger – as the weakest local economies are amongst those hit hardest, (3) COVID-19 may have long- as well as short-run implications for our economic geography.

In a discussion of policy approaches, the briefing discusses issues of investment in high-productivity industries and the extent to which such investment impacts on living standards. While the growth of high-value technology jobs, knowledge-intensive services and manufacturing creates job opportunities it highlights that this is not sufficient to tackle the living standards challenge. Additionally, there is a need to help those in low-productivity, low-paid work to move into higher-productivity, better-quality jobs, or improve the productivity and pay of the jobs they are in.

Improving skills is central in addressing productivity and living standards. Basic, digital and vocational skills have been identified as areas of under-skilling. Internationally, the long tail of low skills is particularly pronounced in the UK, so offering people the chance to achieve mid-level skills is important.

The JRF **recommendations** are:

(1) *Take action now to stop the levelling-up challenge becoming even harder*. The next stage of economic support needs to focus on maintaining spending power and focusing job creation in the weakest economies most likely to see a rise in the unemployment rate as the furlough scheme is wound down. This could include targeting job creation and infrastructure schemes on areas where unemployed people have fewest job opportunities, providing extra local stimulus through direct transfers, and extending support for businesses in local areas seeing a prolonged downturn.

(2) *Increase the scale of investment in basic, digital and vocational skills* to match the ambitious investments in infrastructure. This requires the Government to be less bound by the distinction between current and capital spending allowed by the fiscal rules.

(3) *Increase the share of planned capital investment that will be invested in local public transport systems and lever this infrastructure investment to unlock opportunities for people trapped in poverty*. This involves providing affordable, reliable and efficient transport to enable people to access better local transport and for the local economy to realise the potential of a larger, effective working population.

(4) *Improve productivity in low-wage, low-productivity businesses and sectors by improving the quality of work, boosting in-work training and enhancing management practices*. This could be done through providing business incentives to train workers, investment in business support services to improve management quality, and providing better-quality jobs.

West Midlands Police responds efficiently and effectively to COVID-19 and works in partnership to protect the public of the West Midlands

Summary BY Emerzon Somera WMCA

On 16th of June 2020, this report was produced by WMP for the PCC's Strategic Policing and Crime Board meetings. A summary of the report The full document was presented by ACC Vanessa Jardine and can be found in this [link].

Background

It's been 2 Weeks since UK went into phase 2 of its recovery roadmap (13/05/20) and the crime patterns from the last report have changed in line alongside the hypothesis. The first phase of lifted restrictions has seen an increase in use of public transport, unlimited exercises with people from different households and the steady return of people going back to work and as a result there has been an expected increase in recorded crime in the following areas : Domestic abuse, hate crime, public order and violent offences.

Domestic Abuse

DA is on a continuing upwards trend as it was throughout the last performance year. A traditional seasonal spike can be seen for offences last week (18/05/20) as the numbers were higher than during Christmas week. An increase in reporting of incidents are expected as the restrictions gradually become relaxed. A significant seasonal peak for DA offences is usually seen around the month of July where multiple factors such as school holidays, hot weather, alcohol consumption and increased time at home are in play. However, because of lockdown essentially making most people 'experience' said factors already, this may flatten out offending over the summer period.

Hate Offences

Offences belonging in the hate category did not see a reduction during phase one of restrictions but did experience a shift what's being committed. There was a slight increase in offences being reported involving online/mobile technology and the numbers representing disputes with neighbours have also increased. A large amount of the offences recorded involved coronavirus in some type of way where Chinese and Pakistani communities along with other individuals are being targeted with the common accusations of 'spreading' the virus. Hate crime on public transports accounts for 40% of the offences. The week Commencing 11th May 2020 saw the highest ever volume of recorded hate offences. The combination of the additional COVID-19 offences alongside the traditional hate offences unsurprisingly will increase the overall volume of crime recorded.

Children and crime

An increase in reports of child abuse is anticipated as children begin to return to educational settings from 1st June 2020. There is potential for more serious cases of neglect due to the length of time children have been off school. It is likely that an increase in online exploitation has occurred with children being at home with more access and exposure to social media. There are worries surrounding the idea in children attempting to make physical contact with those they have met online – increasing the risk of Child Sexual Abuse and Exploitation (CSAE).

Young people and Violence.

Crime recorded for violence involving young people below the age of 25 had fallen to very low levels since closures of schools, the Night-time Economy (NTE) and movement was restricted. A steady increase is visible as we have moved to the phase two of recovery with the expectations of this type of crime to increase in parallel to restrictions being lifted in the following weeks/months especially with the reopening of NTE related activities which can range from trip to a night club, theatre or restaurant.

Robbery, burglary and theft

Robbery numbers has seen a slight increase in offending since phase two began. Vehicle and burglary crimes are expected to see a slow incremental rise back to normal level. This is to no surprise as restrictions slowly. Business offences also remain low. The re-opening of all non-essential shops commencing 15th June 2020 may cause the figures to rise. It is assumed that businesses burglaries will be discovered as owners return to premises which may reflect on a sudden increase of records in that category. Nationally there has been an increase in business robberies, but this has not yet been realised within the region.

HEADLINES	
SECTOR	**KEY CONCERNS**
Cross Sectoral	**Economic Outlook -** KPMG's latest quarterly economic outlook reported that the continuing impact of the COVID-19 virus is expected to see the West Midlands economy contract by 9.1% in 2020, compared to 7.2% for the UK. **Return to Work -** Businesses need clearer communication on returning to the workplace and becoming Covid-19 secure.. The government needs to support and incentivise investment in adaptations to workplaces, including support for increasing productivity of remote working.. Most businesses are starting to take steps to get back to their usual working patterns. Many are now working to bring staff back from furlough leave. **New Business Models inc Diversification** • SMEs stepping up the challenges they are facing and looking at new ways to diversify and develop. Many are now operating with and selling to markets they would not have considered in a pre-covid-19 world. • New ways of working, including working from home more has helped staff at some businesses to be more focused on task, increasing productivity and sales in some cases. **Uncertainty** - In order to minimise job losses and business failures, businesses need practical help to navigate uncertainty and change. **Access to Finance & Cashflow** • Many businesses report that their cash flow position has worsened during the crisis. • Many businesses are still reaching out in the hope of accessing financial aid to help cover losses due to the pandemic. • Businesses are reporting that the discretionary grant has not bridged the gaps in support sufficiently. **Business Start-ups** • Growth hubs seeing an increase in start up enquiries, more in line with usual levels. **Brexit** • KPGM's latest quarterly economic outlook warned that the West Midlands is marred by uncertainty and risks of hard Brexit – stating that the region could start 2021 with another negative shock to the economy due to the end of the transition period with the EU, with GVA rising by 4.3% next year.
Retail	**Return to Work** • Retailers on the whole are especially relieved to be able to reopen **New Business Models** • Not all businesses in this sector have been able to sell online as much as they'd like. Those who rely heavily on selling at events have been hit hard by the crisis.
Business & Professional Services	**Access to Finance** • Many businesses have lost potential new investment as investors could no longer commit the case. **New Business Models** • Lot's of companies utilised working from home in this sector.
Construction	**Cross Theme** • Many companies in different situations as some tried to trade through the lockdown period whilst others closed or reduced production.
Creative Industries	**Employment** • Creative and Arts sectors in the Midlands are struggling, new figure show 2 in 5 jobs in this sector will be lost – could be as many at 51,000 job losses in the midlands in this sector alone.
Manufacturing & Engineering	**New business models inc diversification** • Diversification is playing a huge part for the Manufacturing and Engineering sector businesses locally. • Many of them are recouping losses by selling to new markets or adding new products from stocks already available **Social Distancing** • Some manufacturing businesses changing to 2 or 3 shift patterns to adhere to the social distancing rules and correct spacing of their workers. Some report that productivity has increased as a result given less distraction.
Visitor Economy	**Cross theme** • Call for targeted long-term support for the sectors most impacted by the current crisis, such as hospitality and tourism.

Appendices

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

Weekly Deaths Registered: 12th June 2020

The following analysis compares the latest time period (week of the 12th June 2020) to the previous week period (week of the 5th June 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 10,709 in the week of 5th June to 9,976 in the week of 12th June. The number of deaths registered that state Coronavirus on the death certificate has decreased from 1,588 people to 1,114 people over the same period.

Regional level analysis shows that the West Midlands the overall registered death figure has decreased from 1,172 in the week of 5th June to 1,096 in the week of 12th June. The number of registered deaths related to Coronavirus has decreased from 158 to 104 over the same period.

There was a total of 759 deaths registered across the WMCA (3 LEP) area in the week of the 12th June. There were 64 deaths registered that were related to Coronavirus over the same period – this accounts for 8.4% of total deaths. The WMCA (3 LEP) area accounts for 61.5% of the 104 Coronavirus related deaths registered in the West Midlands Region.

In comparison to the week of the 5th June, the overall registered death figures across the WMCA (3 LEP) have decreased by 27 people, with the number of registered deaths related to Coronavirus decreasing by 42 people.

At local authority level, Birmingham accounts for 20.3% (13) deaths related to Coronavirus in the WMCA (3 LEP), this is followed by Sandwell at 12.5% (8 deaths). Notably, there were no registered deaths related to Coronavirus in Warwick and Redditch.

Of deaths involving Coronavirus registered in the week of 12th June, 67.2% (43) occurred in a hospital which has increased percentage wise when compared to the week of the 5th June at 56.6% (60). The number of Coronavirus related deaths that occurred in a care home decreased from 30.2% (32) to 21.9% (14) in the week of 12th June.

The following table shows the place and number of deaths registered that are related to Coronavirus in the week 12th June 2020:

Area name	Care home	Elsewhere	Home	Hospice	Hospital	Other communal establishment	Total
Cannock Chase	0	0	0	0	2	0	2
East Staffordshire	1	0	0	0	2	0	3
Lichfield	1	0	0	0	1	0	2
Tamworth	0	0	0	0	2	0	2
North Warwickshire	0	0	0	0	2	0	2
Nuneaton and Bedworth	0	0	0	0	2	0	2
Rugby	0	0	0	0	2	0	2
Stratford-on-Avon	0	0	0	0	2	0	2
Warwick	0	0	0	0	0	0	0
Bromsgrove	1	0	0	0	0	0	1
Redditch	0	0	0	0	0	0	0
Wyre Forest	0	0	1	0	1	0	2
Birmingham	2	1	2	0	8	0	13
Coventry	1	0	2	0	0	0	3
Dudley	2	0	0	0	2	0	4
Sandwell	0	0	0	0	8	0	8
Solihull	2	0	0	0	2	0	4
Walsall	1	0	1	0	3	0	5
Wolverhampton	3	0	0	0	4	0	7
WM 7 Met.	11	1	5	0	27	0	44
Black Country LEP	6	0	1	0	17	0	24
Coventry & Warwickshire LEP	1	0	2	0	8	1	11
Greater Birmingham & Solihull LEP	7	1	3	0	18	0	29
WMCA (3 LEP)	14	1	6	0	43	0	64

ONS Weekly Release Indicators

On the 18th 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 6 of the Business Impact of Coronavirus Survey, the final results for Wave 13 of the Opinions and Lifestyle (OPN) Survey, experimental online job advert indices and weekly management information on Universal Credit claims and advances.

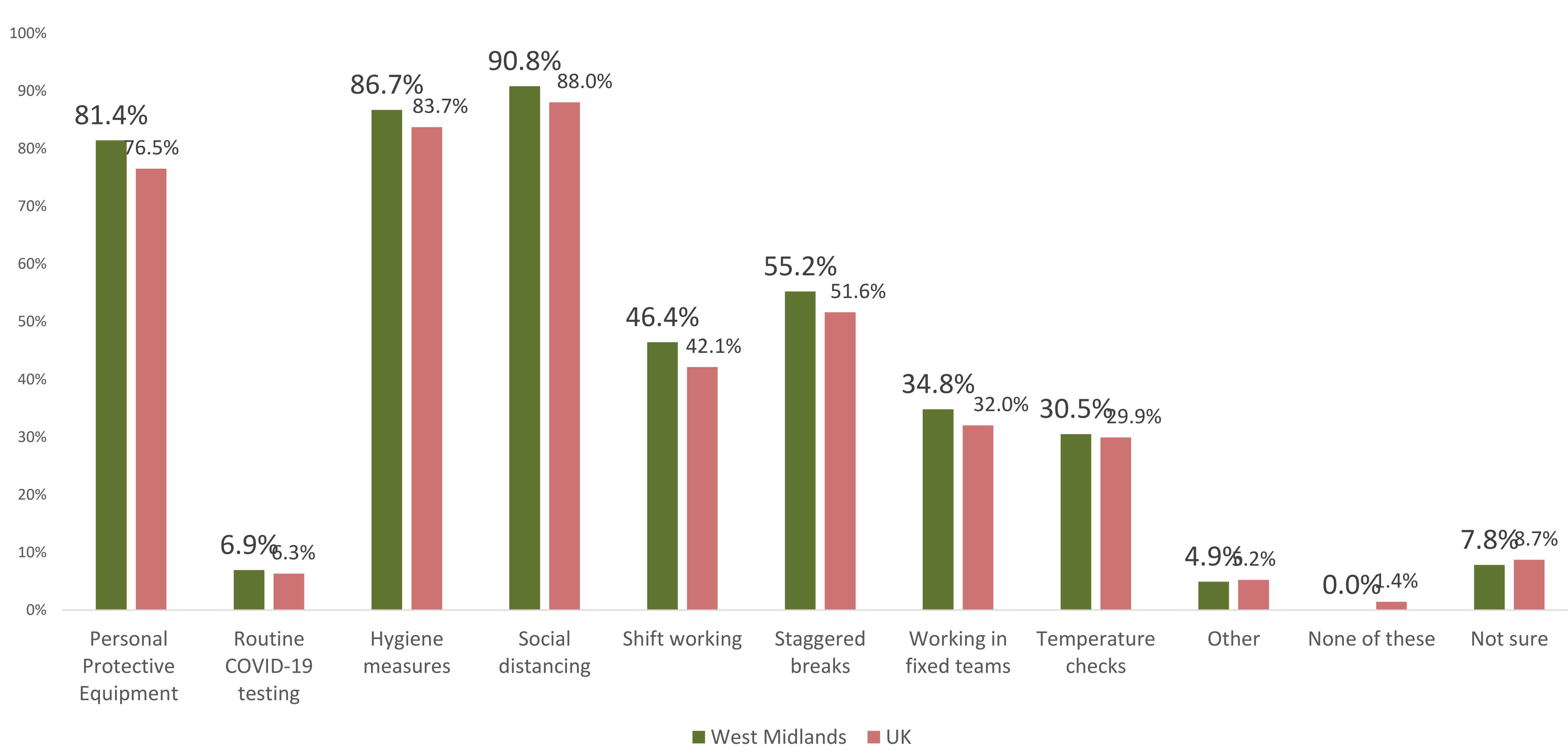
Business Impact of the Coronavirus

The final results from the sixth round of the Business Impact of Coronavirus (COVID-19) Survey (BICS) show that of the 20,548 businesses surveyed across the UK there was a response rate of 33.5% (7,245). On this occasion regional breakdown is available, of the 1,423 businesses surveyed across the West Midlands, there was a response rate of 36.4% (518). Unless stated, the following data is based on the period between 18th to 31st May 2020.

Trading and Financial Performance

The trading status of businesses refer to the period of 1st to the 14th June 2020.
Less than 1% of UK businesses reported they have permanently ceased trading with nearly 16% temporary closed or paused trading and 84% continuing to trade. The figures for the West Midlands show that also less than 1% of businesses have permanently ceased trading. While nearly 88% have continued to trade through this period which is the second highest region (Yorkshire & The Humber - 88.2%). 11.6% of businesses have temporarily closed or paused trading which is one of the lowest regions with Yorkshire & the Humber.
In the West Midlands, nearly 84% of responding businesses are currently trading and have been for more than the last two weeks (UK 79%). 4.1% of West Midlands businesses started trading within the last two weeks after a pause in trading (nearly 5% UK). 4.7% of responding West Midlands businesses have paused trading but intend to restart in the next two weeks (UK 4.5%). However, nearly 7% of responding West Midlands businesses have paused trading and does not intend to restart in the next two weeks (UK 11%).
23% of trading businesses in the West Midlands reported their turnover had decreased by more than 50%, compared to nearly 24% of businesses in the UK. However, 16% of trading businesses in the West Midlands reported that their turnover was unaffected (22% for the UK) and just over 10% reported their turnover had increased by at least 20% in the West Midlands, above the UK average (nearly 9%).

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:



Safety Measures

Nearly 91% of businesses in the West Midlands who have temporarily paused or ceased trading and intend to restart trading in the next two weeks, next two to four work or in more than 4 weeks intend to implement social distancing, compared to 88% across all UK businesses.

Examples of other safety measures intended to implemented across these West Midlands businesses include 81% will use personal protective equipment (76.5% UK) and 55.2% will introduce staggered breaks (51.6% UK). Notably, nearly 8% 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 (nearly 9% UK).

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 – matching the UK average. 1.1% of businesses had stopped importing (compared to 1.3% across the UK).

Nearly 60% of exporting businesses in the West Midlands, and nearly 53% in the UK, reported their businesses were still exporting but less than normal. Of those businesses who continued to trade and import, 52% in the West Midlands were importing less than normal, compared to 44% across the UK.

Nearly 32% of West Midlands businesses who were exporting reported that they had not been affected, compared to nearly 39% across the UK, and 36% of West Midlands importers said that importing had not been affected, compared to nearly 45% across the UK.

Just over 2% of businesses in the West Midlands are exporting more than normal, compared to 2.2% in the UK. The figures for importing more than usual are 3.4% and 3% respectively.

Government Schemes and Initiatives

88% of businesses in the West Midlands who have not permanently stopped trading have applied for the Coronavirus Job Retention Scheme (81.4% across the UK).

Nearly 16% of West Midlands businesses have applied for business grants funded by the UK and devolved government (nearly 18% UK) and 14% for government backed accredited loans or finance agreement (17% UK). Nearly 12% of West Midlands businesses have not applied for any of these schemes (17% UK).

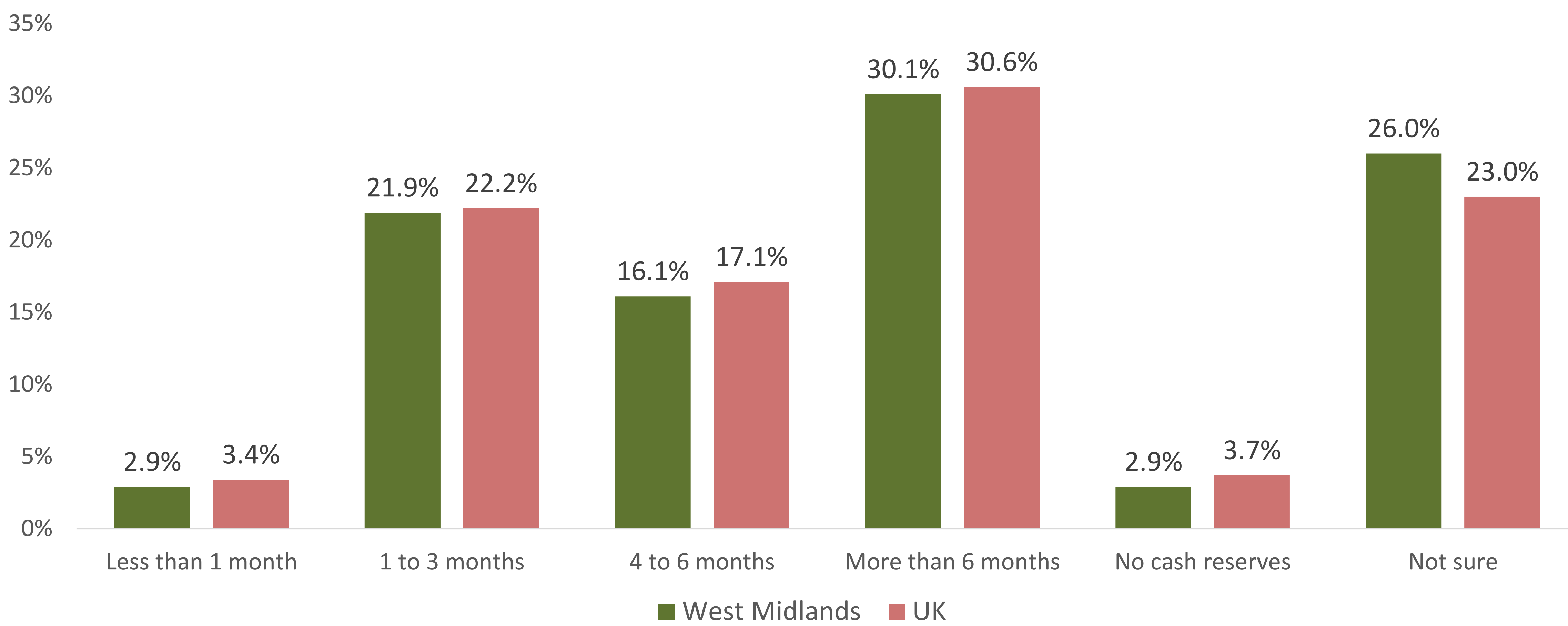
Nearly 73% of West Businesses are using the Deferring VAT payments initiative (61% UK), 34.5% are using business rates holiday initiatives (29% UK) and 25% are using HMRC Time to Pay Scheme (22%).

71% of West Midlands businesses who received support from schemes or initiatives reported that it helped them to continue trading, while 20% reported that it did not impact their ability to continue trading.

Financial Assistance

11% of businesses in the West Midlands have received financial assistance from banks or building societies. Of these businesses, 76% reported this assistance helped them to continue trading, however 21% reported there was no impact on their ability to continue trading.

The following graph shows for businesses that have not permanently stopped trading how long their cash reserves would last



Cash Flow

2.9% of West Midlands businesses that have not permanently stopped trading have no cash reserves. For the UK, this figure is 3.7%.

Furlough

Regional breakdown is not available for the furlough section.

Overall, across all industries for the UK in the last two weeks, 84.6% of business who have temporarily closed or paused trading (apportioned by employment size) had workforce that were on furlough leave. Figures vary from less than 1% in water supply, sewerage waste management and remediation activities, real estate activities and human health and social work activities to 84.0% in the accommodation and food services activities, 74.1% in arts, entertainment and recreation and 46.9% in construction.

Across all industries that have temporarily paused or ceased trading and intend to start trading in the next two weeks, 40.2% of staff have returned to the workplace from furlough leave and 4.5% have returned to the workplace from remote working. Figures vary from 11.2% of staff returning from furlough leave (2.2% from remote working) in arts, entertainment and recreation to 47.5% of staff retuning from furlough leave (4.9% from remote working) in wholesale and retail trade.

Overall, across all industries for the UK in the last two weeks, 22.5% of business who had continued trading (apportioned by employment size) had workforce that were on furlough leave. Figures vary between industries from 6.9% in human health and social work activities, 9.2% in information and communication and 10.2% in education to 67.6% in the accommodation and food services activities, 59.2% in arts, entertainment and recreation and 34.7% in transportation and storage.

Across all industries that have continued trading, 4.7% of staff have returned to the workplace from furlough leave and 1.9% have returned to the workplace from remote working. Figures vary from less than 1% of staff returning from furlough leave in human health and social care work activities to 14.4% of staff retuning from furlough leave (3.4% from remote working) in construction.

Across all industries 41.5% of businesses that have not permanently stopped trading are providing top-ups to any furloughed workers pay, on top of the Coronavirus Job Retention scheme. Figures vary from 30.2% in transportation and storage industry to 75.7% in education.

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 13, covering the period 11th to 14th June 2020. In this wave, 2,500 individuals were sampled, with a response rate of 76% (1,896) for the survey.

Concerns about household finances

19.7% of people stated that Coronavirus was affecting their household finances. The most common concern on household finances continues to be a reduced income at 68.4%, with 30.8% using savings to cover living costs, a further 14.1% borrowing money or using credit and 14.7% are struggling to pay bills. 35.1% of people survey are unable to save as usual and 21.4% were concerned the savings value is being affected by economic instability.

Self-isolation

12.1% of adults reported to self-isolating in the past seven days, this increased to 25.4% when looking at people with any specific health condition, and to 28.9% for people aged 70 or older.

Face Coverings and Handwashing

39.5% of people have worn a face covering outside their home in the last 7 days, with the most common reason at 76.7% for shopping which is followed by running errands at 29.4%.
50.5% of respondents reported that are either very or fairly likely to wear one in the next 7 days.
96% of people reported they either always or often washed their hands straight after returning home from a public place.

Impacts of Wellbeing

The mean anxiety has decreased across all groups, with the highest decrease seen in those with any specific health condition from 4.4 between 4th – 7th June to 3.9 between 11th – 14th June.
The percentage of all adults that reported feeling lonely often/ always or some of the time has increased from 21% to 27% from between 4th – 7th June to 11th – 14th June. Those with any specific health condition has remained the same at 30%, while for those aged 70 years and over this has slightly decreased from 21% to 20% over the periods.
Across all categories the percentage reporting their well-being is being affected has gone back up (between 11-14th June from the previous time period of 4-7th June. The highest increase was seen in all adults which has increased from 42% to 51%.

Indicators of wellbeing between the periods of 4th – 7th June to 11th – 14th June:

Indicator	Group	4th – 7th June	11th – 14th June
Percentage reporting their well-being is being affected (Question only asked to respondents that said they were very worried or somewhat worried about the affect Covid-19 is having on their life right now)	All adults	42%	51%
	70 years and over	32%	34%
	Any specific health condition	56%	60%
Mean anxiety score	All adults	4.0	3.9
	70 years old or over	3.5	3.4
	Any specific health condition	4.4	3.9
Percentage with high anxiety (score 6-10)	All adults	32%	31%
	70 years and over	31%	26%
	Any specific health condition	39%	30%
Feeling lonely often/always or some of the time	All adults	21%	27%
	70 years and over	21%	20%
	Any specific health condition	30%	30%

Online Jobs Adverts

These estimates are experimental/ 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).

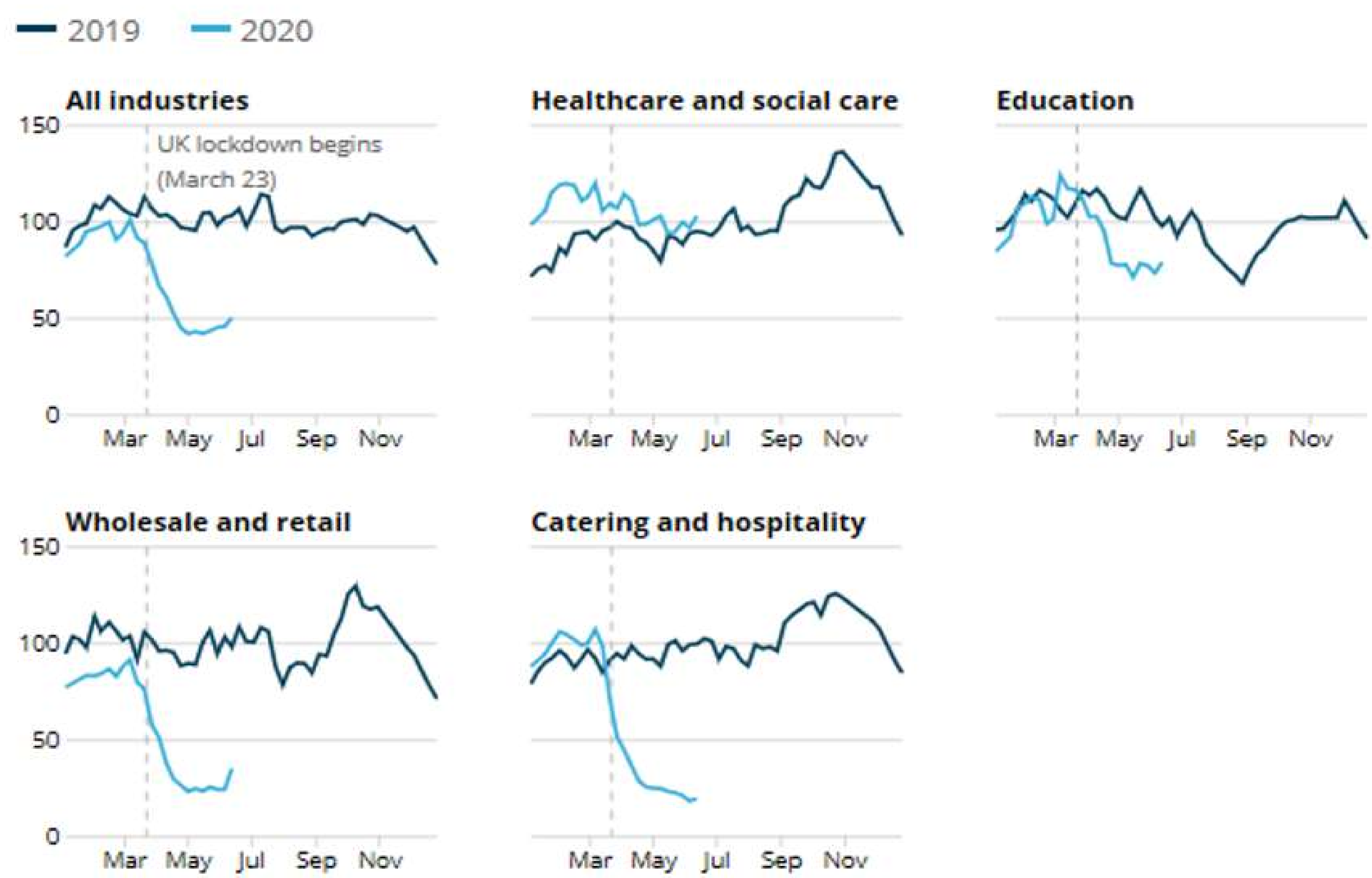
Between 5th June and 12th June, the number of online jobs adverts for wholesale and retail increased from 24.1% to 35.1% of its 2019 average. Health and social care reached 102.9% of it 2019 average and catering and hospitality increased to 19.6% of it 2019 average.

Across all industries the total online jobs vacancies have increased from 45.6% to 50.1% of their 2019 averages between 5th- 12th June.

The increase in the number of job adverts is spread relatively evenly across many categories – with every sector seeing a positive change.

from 42% to 51%.

The following image shows the total weekly jobs adverts on Adzuna between 4th January 2019 to 12th June 2020 (Index 2019 average =100):



Source: Adzuna

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 16,210 new individual claims on the 9th June.

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. Since 16th March 2020 to 9th June, there has been 977,660 new claim and benefit transfer advances.

NEW ECONOMIC SHOCKS			
COMPANY	**LOCATION**	**SECTOR**	**SOURCE/DETAIL**
Go Outdoors	Black Country and wider areas	Retail	The retail chain is on the brink of administration risking 2400 jobs. The business relies on physical store sales and may struggle to return from the impact of the pandemic.
JLR	National	Automotive	Up to 1100 agency workers set to lose their jobs with Jaguar Land Rover, including their i54 site in Wolverhampton.
Travis Perkins	National (7 branches in Coventry & Warwickshire)	Trades, Retails (B2B retail)	About 2,500 jobs are set to be cut at historic builders' merchants Travis Perkins, it has been revealed, with in the region of 165 branches also earmarked for closure. The Northampton-headquartered listed business said it was looking to decrease its branch estate by approximately 8 per cent while the number of job losses would bring its headcount down about 9 per cent.

NEW INVESTMENT, DEALS AND OPPORTUNITIES			
COMPANY	**LOCATION**	**SECTOR**	**DETAIL & SOURCE**
Dennis Eagle	Walsall	Manufacturing	Company expand operations and move into a new unit in Walsall which is significantly larger. The company have signed a 10 year lease.
Lighthouse Cinema and Café Bar	Wolverhampton	Leisure	Company have received grant funding from The British Film Institute and their covid-19 relief fund.
Grand Theatre	Wolverhampton	Leisure	The theatre receives £30,000 grant from the Arts Council as part of their emergency response funding.
DPD	Sandwell	Logistics	DPD looks to recruit a further 6000 employees following a boom in demand for deliveries. It will also invest £200mil to expand UK operations.
Oak Furniture Land	Black Country wide	Retail	Furniture retailer has been purchased through a private hedge fund after falling into administration. They have not yet stated whether there will be job losses or closures of any of the 105 stores.
BOF	Jewellery Quarter, Birmingham	Other manufacturing	A South Wales-based workplace and education furniture company has opened up a Midlands and North England office in Birmingham
Vivarail	Stratford-upon-Avon	Rail, Engineering, Manufacturing	A designer and manufacturer of modular trains is set to grow its workforce and move to a larger site after securing a £1.5m loan. Vivarail will use the cash injection from Midlands Engine Investment Fund Debt Finance, managed by Maven Capital Partners, to scale up operations and create five jobs.
Socotec UK	Coventry	Construction and Infrastructure	Socotec UK has agreed a new 15 year lease for the unit which is due to be used for engineering and storage related to the ongoing HS2 project.
National Grid	Warwickshire	Utilities	Profits at Warwickshire-based National Grid have decreased by 3%, according to its annual results published today (18 June). Operating profits dropped by 3% to £2.8bn, with the power giant predicting that the Covid-19 pandemic will wipe a further £400m off its profits next year. Despite this, the board has recommended a final dividend of 48.57p a share – a rise of 2.6%.
AW Brandreth & Sons	Warwickshire	Farming, Agriculture	A family-run farming business known for its organic milk, hay and straw production is diversifying its business as it looks to supply feed to the UK's racehorse industry. AW Brandreth & Sons, a Warwickshire-based, third generation farming partnership, has invested £1.6m in a ground source heat pump to dry Lucerne hay, which is in demand from the UK's equestrian industry where it is used to provide energy, good quality protein and a source of fibre to the specialist diet of performance racehorses.
Holland and Barratt	Warwickshire	Retail	Holland & Barrett and Deliveroo have announced a new partnership to deliver a selected range of more than 200 products from 50 stores across the UK. The Warwickshire-headquartered retailer has joined forces with the food delivery business to offer a range of its most popular health products on the Deliveroo app and website.
Coventry Rugby Club	Coventry	Sports and Leisure	The campaign, which was launched in April, included a range of rewards and offers available to people who donate, from discounted match tickets and replica shirts all the way up to opportunities for clubs to join the Coventry squad for pre-season training. At the end of the campaign, which was extended after the club met their original £30,00 target, a total of £34,511 has been secured through 293 supporters.
Kite Packaging	Coventry	Packaging Services, Manufacturing	Plans for a £90m-turnover packaging company to construct a new headquarters in Warwickshire have been recommended for approval. Kite Packaging has earmarked part of the Rolls-Royce site in Ansty for the scheme which would provide a base for up to 200 employees.
Warwick Conferences	University of Warwick	Services and Facilities	A leading conference, meeting and events venue in the Midlands has announced its plans to re-open for business at the beginning of July.
Westbourne Leisure	Coventry HQ	Hotels, Accommodation, Events	A company which operates hotels, bars, pubs, nightclubs and members clubs across the West Midlands increased its turnover during its most recent financial year. Westbourne Leisure, which is headquartered in Coventry, has reported a turnover of £20.4m for the 12 months to 30 September 2019, up from £18.7m.

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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and the
City-Region Economic Development Institute

In partnership with: