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

In general the economic indicators are getting worse: furlough continues, youth claimants are going up, along with use of food banks and redundancy notifications. Some economic indicators are showing and uptick, such as PMI, but OBR has released forecasts that predict a 12.4% contraction and borrowing at a peace time high.

- The ONS has released GDP statistics, and UK GDP grew 1.8% in May but was still 24.5% below its level in February, before the plunge in economic output when the pandemic struck. Manufacturing and house building indicated some signs of recovery as some businesses saw staff return to work during May, but whilst retail sales rose, it was mostly confined to online shopping, due to restrictions on non-essential retail still being in place.
- 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 – surged from 27.9 in May to 50.4 in June. The Export Climate Index rose steadily from 35.9 in May to 48.0 in June, which is the highest since January
- The Office for Budget Responsibility (OBR) said the economy was on course to shrink by 12.4% in 2020, with borrowing set to rise to a peacetime high.
- OBR has released 3 scenarios – Upside: GDP down 10.6% this year; pre-virus peak by 21Q1; no long-term scarring – Central: GDP down 12.4% this year; pre-virus peak by 22Q4; GDP down 3% at horizon – Downside: GDP down 14.3% this year; pre-virus peak by 24Q3; GDP down 6% at horizon. The fiscal watchdog warned that economy would not get back to its pre-crisis size until the end of 2022, while unemployment was likely to rise to a record 12% by the end of this year, falling back to 10.1% in 2021.
- The Academy of Medical Sciences published a report which highlights a reasonable worst case scenario for health in the winter, including a resurgence of covid-19 which might be greater than that seen in the spring.
- The Department for International Trade's (DIT) latest yearly figures released this week for 2019-20 indicate that the West Midlands has turned in a resilient FDI performance in the face of Brexit uncertainties and mounting global economic headwinds. However going forward there are considerable challenges from Brexit and Covid-19 which will affect the next data release.
- There are serious concerns over the number of HR1s which are now rising significantly. Government is generally well sighted on HR1s but not redundancies of those below the threshold. Perceptions are that these smaller redundancies will be far higher in total than the large HR1 notices. There are growing numbers of enquiries from companies looking to downsize. There is a huge drop in overseas student applications and most universities are now notifying redundancies. There have been large closure announcements in the region ie John Lewis, JLR etc, and although there is some offset by thriving companies the closures outweigh the opportunities. Legal and financial calls have rocketed businesses look at redundancy post furlough.
- Unintended consequences of government loan programmes are having effects on other lending, i.e. banks trying to make up income in other ways, so raising costs in other areas.
- With regard to the young people kickstarter employment incentive, businesses are more concerned about keeping existing employees before taking on new staff. So this policy may not have much take up as businesses want to put effort into current staff rather than new staff.

- The £1000 bonus for keeping people when returning from furlough isn't effective as a policy. £1,000 is a small amount relative to the cost of retaining someone, and will not change any decision on redundancies. It is therefore likely to go to businesses that would have kept staff anyway.
- Brexit – it is a tall order to prepare without understanding what you are preparing for; timing is not realistic. Businesses investing in survival now.
- Since January 2020, we have seen a growth in youth (16-24) claimants of 123% across the UK, representing an additional 279,655 young people. Across the WMCA (3LEP) area, youth claimants have increased by 94.05%. As a proportional increase on January we have seen large increases in claimants in areas which do not normally experience high youth unemployment.
- Overall, in June 2020 for the West Midlands region, 820,200 people have been furloughed which is approximately 32% of jobs. The total number of workers furloughed accounts for 8.7% of the UK total which is the 5th highest region. Compared to May 2020, the number of workers furloughed in the West Midlands region has increased by 123,100 people which equates to 17.7% rise, whilst for the UK there has been a 7.8% rise. The two next highest sectors for furloughed workers in the West Midlands was manufacturing at 17.9% (146,600) compared to 10.5% nationally and accommodation and food services at 14.7% (120,200) compared to 17.6% nationally.
- Councils have warned the latest announcements will not be enough to prevent financial failure of councils. Council total budgets for last year came to £56bn and costs to date on the pandemic have been £4.8bn and could reach £10.9bn. The BBC carried out research with councils on the impacts and highlighted that impacts include lost business rates, council tax holidays and emergency payments for families whose incomes have disappeared have all hit upper tier councils' income, at the same time as rising costs of adult care and providing protective equipment (PPE) for carers. Some of those councils would also typically depend on tourism for large chunks of income, such as dividends from airports they own or parking fees from visitors.
- Nationally, between 28th June and 5th July footfall saw a moderate increase – mainly due to an increase in high street in the last two days of the week. High streets increased from under 40% to 50% of its level when compared to the same period as last year over the weekend. Shopping centres increased to just over 50% of its level on the same day last year and retail parks at around 75% of its level the same time last year.
- Food poverty has accelerated through the pandemic, The Trussell Trust saw a national rise of 81% and 122% rise in parcels going to children. This is on the back of a 23% rise in the 6 months to December 2019. The Independent Food network reported a rise 17 times the same period last year. The Trussell Trust have said current levels of provision are unsustainable. They published key finds of latest research which found:
  - An 89% increase in the number of food parcels distributed in April – up from 81% in March
  - 67% increase in household referrals- up from 48% in March
  - 107% increase in the number of children needing support from the same time in 2019

Global Outlook

The number of confirmed cases passed the 13-million this week. The WHO has indicated that things won't return to normal for the foreseeable future and cautioned that a new vaccine won't become available to everyone. This is an indication that even if a vaccine is found safe, global manufacturing and distribution will take time.

In Europe, Germany's Angela Merkel and Italy's Giuseppe Conte expressed a united front on delivering a 750 billion-euro recovery plan for the European Union bloc. Merkel commented that the response to the crisis has to be big. Conte conceded that his government will accept tighter criteria for the grants and loans, a message aimed at the "Frugal Four" nations including the Netherlands, which have insisted on tight fiscal constraints to the package.

Leaders across the European Union are meeting in-person for the first time this week since the beginning of lockdowns to discuss the aid package.

Data signalled a substantial contraction in Singapore's economy in the latest quarter, plunging a record 41.2%.

In New York, the markets signalled some optimism, with the S&P 500 Index very briefly touching its highest since the pandemic sell-off. Oil dropped for a second day on Tuesday, 14 July 2020 amid expectations that production cuts will start to cease.

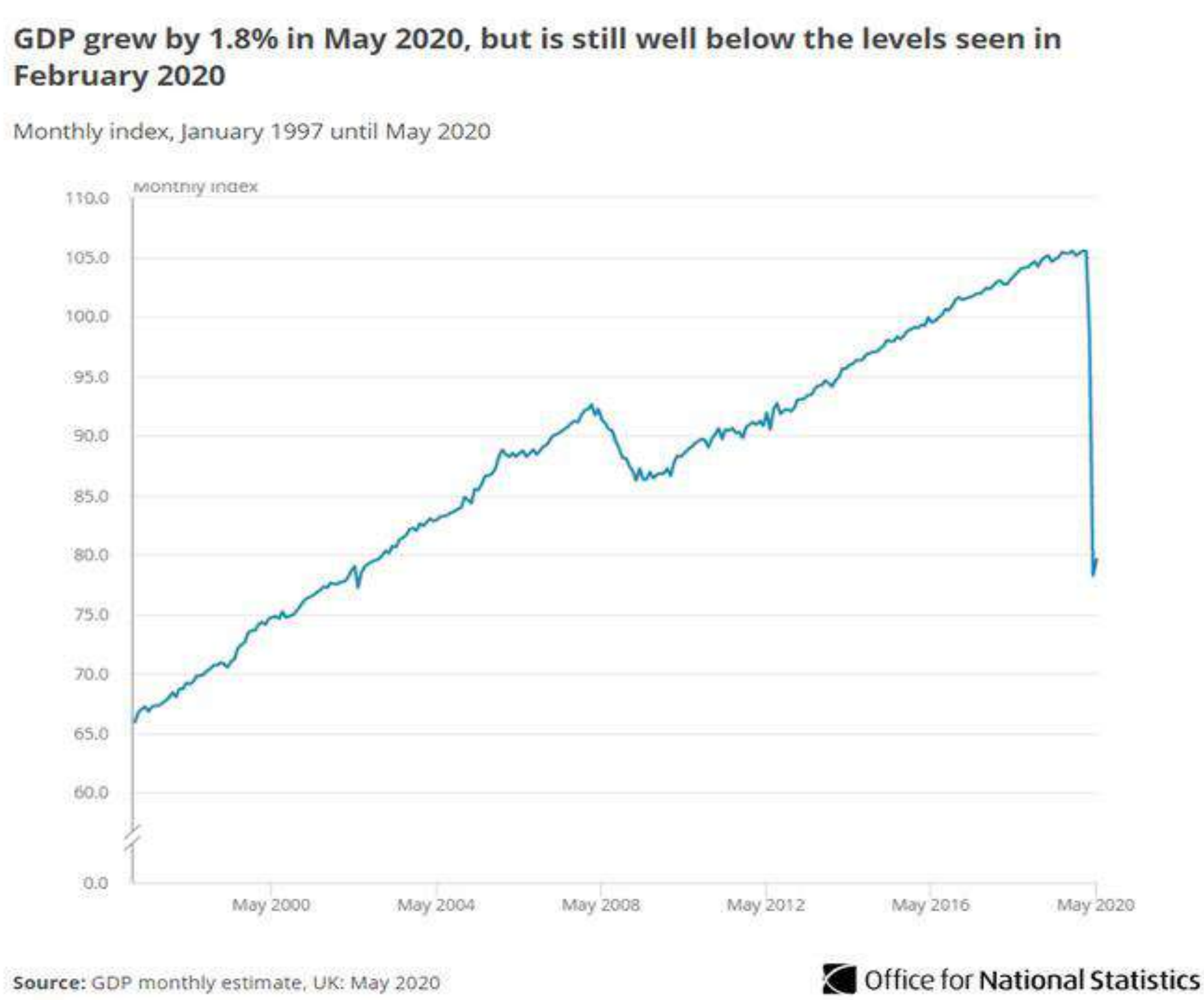
National Outlook

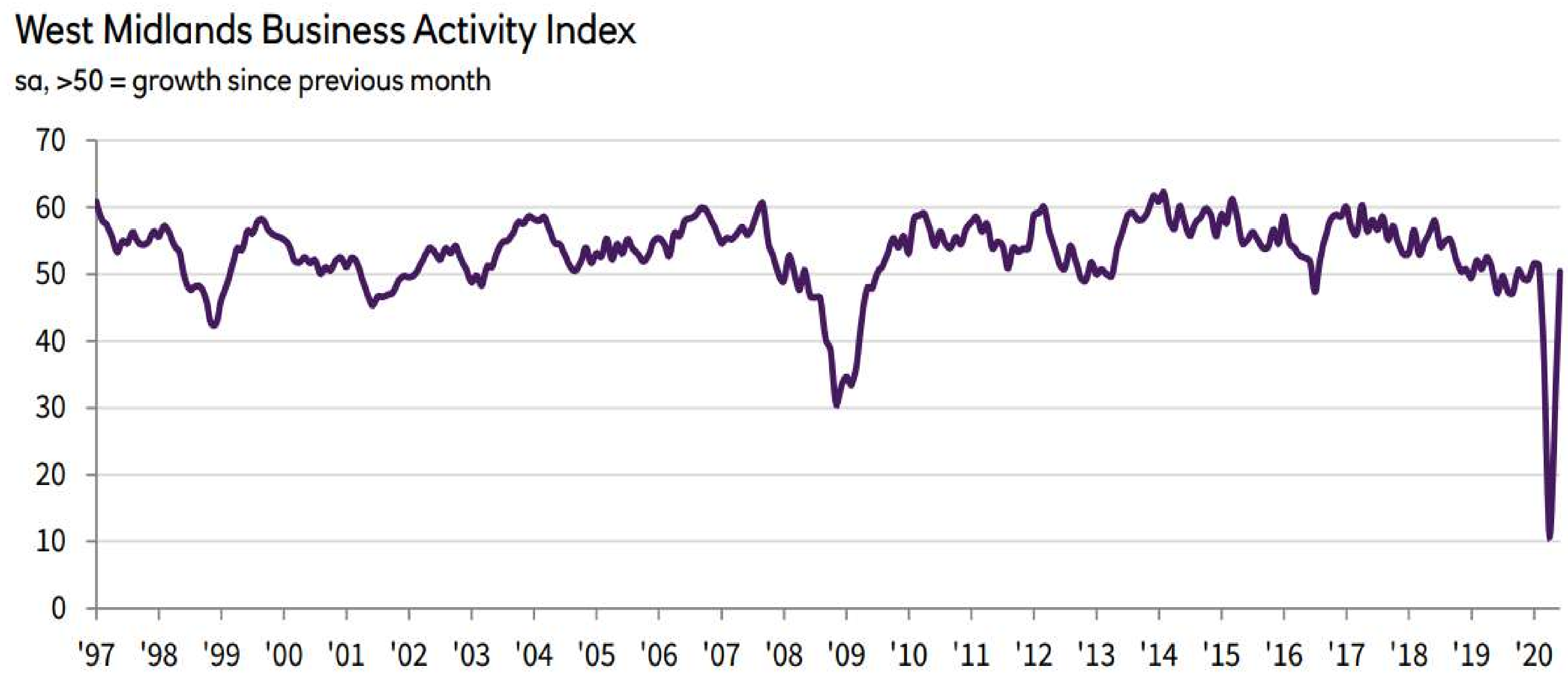
In the UK the Westminster government has confirmed that face coverings will be compulsory in shops in England from Friday July 24, with those refusing to wear a face covering facing fines of up to £100. The British Medical Association called the announcement "long overdue" and said the measure should be extended to all settings where social distancing is not possible.

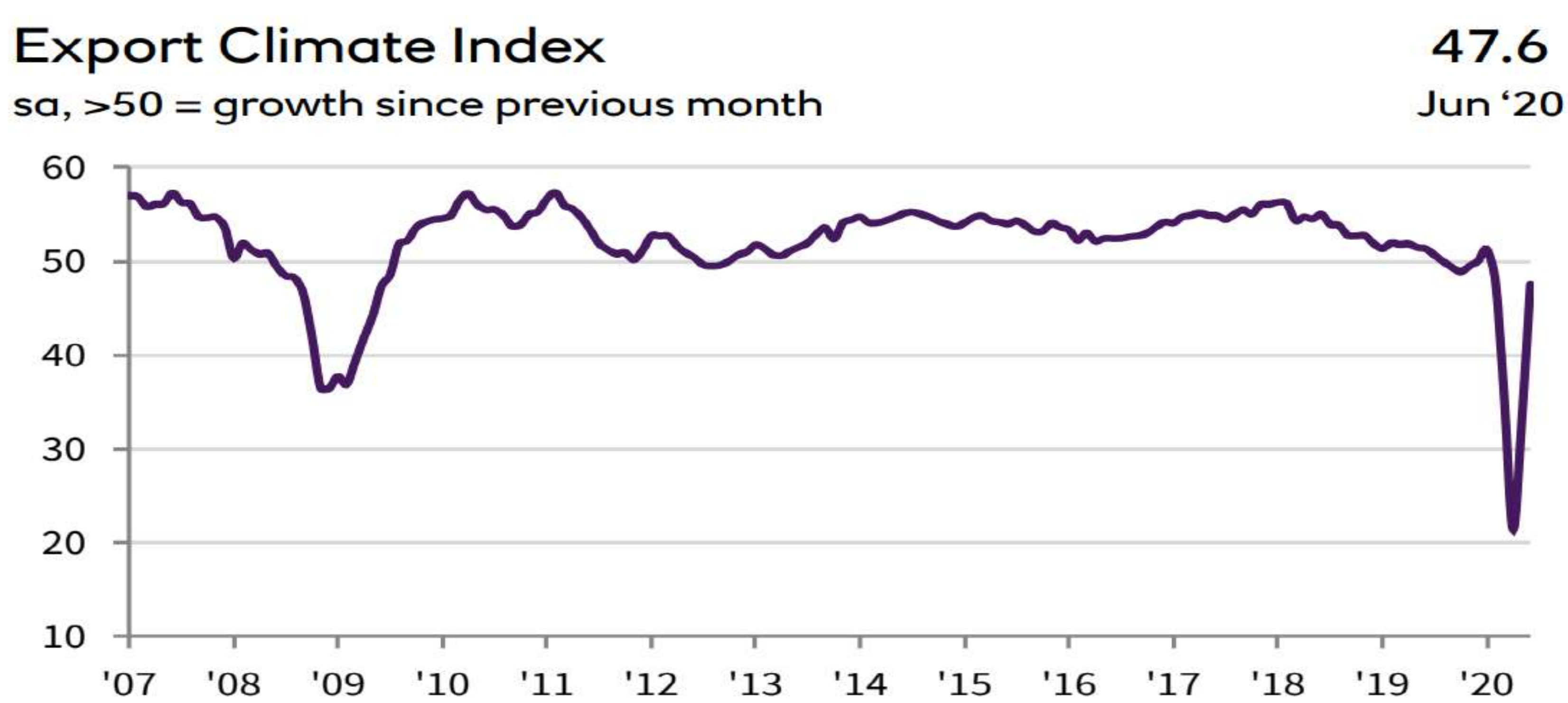
YouGov polling showed the public is supportive of the measure. Nearly two-thirds of people in Britain think it is right for face coverings to be compulsory in shops. 60% said they wanted the Government to enforce it.

The Health Secretary had told a virtual conference of the National Pharmacy Association that the Government is planning the biggest flu vaccination programme in history and confirmed they have already procured the stock for it.

The ONS has released GDP stats, and UK GDP grew 1.8% in May but was still 24.5% below its level in February, before the plunge in economic output when the pandemic struck. Manufacturing and house building indicated some signs of recovery as some businesses saw staff return to work during May, but whilst retail sales rose, it was mostly confined to online shopping, due to restrictions on non-essential retail still being in place. Despite marginal growth, the economy was still a quarter smaller in May than in February.







Regional Outlook – [Natwest West Midlands Purchasing Managers Index]

The region has returned to growth in both output and new orders, whilst employment activity reduction has softened. Business sentiment has also bounced to a four-month high.

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 – surged from 27.9 in May to 50.4 in June.

June's PMI reading signalled an increase in business activity, the first time data has signalled growth for the region since February.

The most recent PMI data indicates a recovery in business activity across the region, at a time when lockdown related restrictions have been lifted. Firms are gradually resuming business operations, however the rate of output and growth is only marginal, suggesting a muted and soft return to growth.

Business confidence also rose, with firms registering their increased optimism about the year-ahead. The level of business's backlogs also fell further, suggesting that unless demand does not increase quickly in the coming months, activity may be again constrained.

Export conditions are deteriorating at markedly slower pace in June. The West Midlands Export Climate Index is calculated by weighting together national PMI output data according to their importance to the manufacturing exports of the West Midlands.

The Export Climate Index rose steadily from 35.9 in May to 48.0 in June which is the highest since January. The figure still signals a deterioration in the region's export market conditions, albeit only modestly.

Of note is that among the region's top five markets, only China and France reported growth, whereas the USA, Germany and Ireland continued to record declines.

Fiscal sustainability report 2020 OBR

The Office for Budget Responsibility (OBR) said the economy was on course to shrink by 12.4% in 2020, with borrowing set to rise to a peacetime high.
This would mark the biggest economic decline in 300 years. Official data showed the **economy grew by 1.8% in May**, a month after suffering the biggest contraction on record.

The OBR identifies 3 scenarios:
- Starting point: GDP fell by 25% between February and April. Now recovering
- Pace of recovery and long-term 'scarring' depend on – Course of pandemic and development of effective vaccines and treatments – Speed and consistency with which Government lifts health restrictions – Response of individuals and businesses as it does so – Effectiveness of policy in protecting viable businesses and sustaining employment
- Three scenarios – Upside: GDP down 10.6% this year; pre-virus peak by 21Q1; no long-term scarring – Central: GDP down 12.4% this year; pre-virus peak by 22Q4; GDP down 3% at horizon – Downside: GDP down 14.3% this year; pre-virus peak by 24Q3; GDP down 6% at horizon

The OBR said the government was on course to borrow £372bn this year to pay for the shortfall between tax revenues and public spending. This includes extra borrowing to pay for the chancellor's £30bn package unveiled last week to protect jobs and boost the economy, and will push the UK's total debt pile to 104.1% of gross domestic product (GDP).

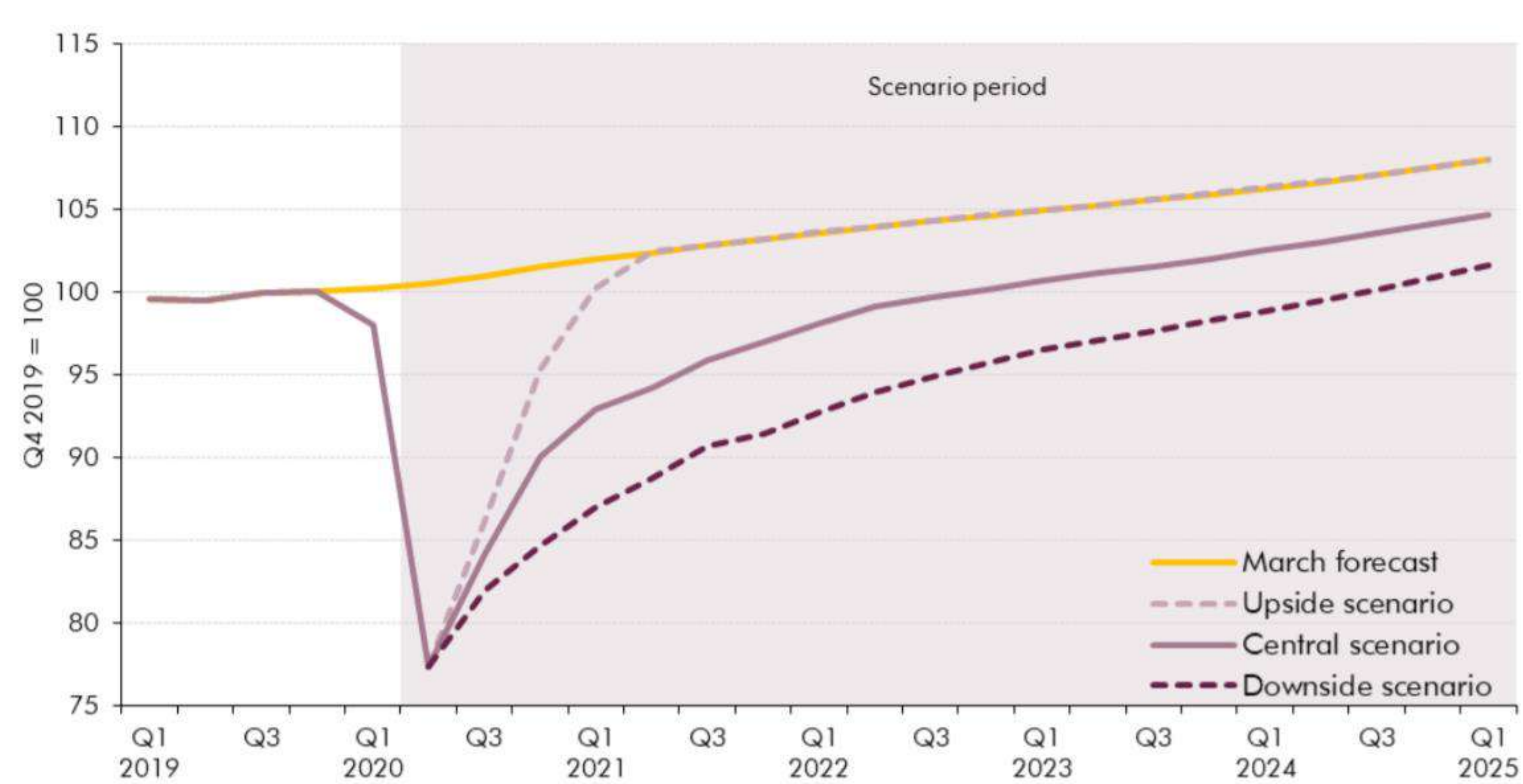
The fiscal watchdog warned that the economy would not get back to its pre-crisis size until the end of 2022, while unemployment was likely to rise to a record 12% by the end of this year, falling back to 10.1% in 2021.

The watchdog said an "early vaccine or effective treatment would allow most activities to resume much as they were before the virus", allowing the economy to recover more quickly, with no "enduring economic scarring".

However, the OBR's most pessimistic scenario, where no vaccine is found and social distancing measures continue "indefinitely", would lead to a "significant" loss of business investment.
In this worst case scenario, unemployment would rise to four million, up from 1.3 million in 2019, while the UK's high streets would be left permanently scarred as shoppers stay away.

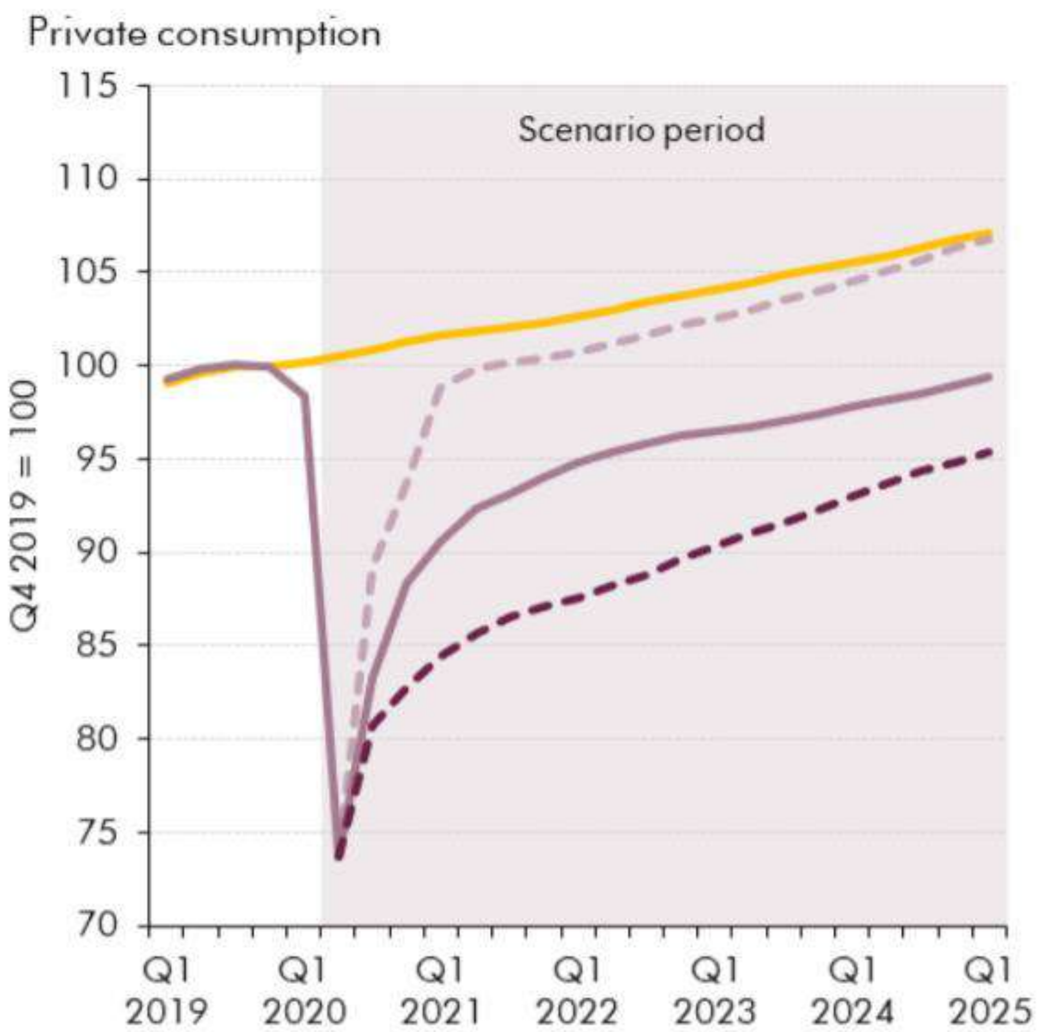
"The virus is likely to have significant effects on people's expectations and behaviour", the OBR said.

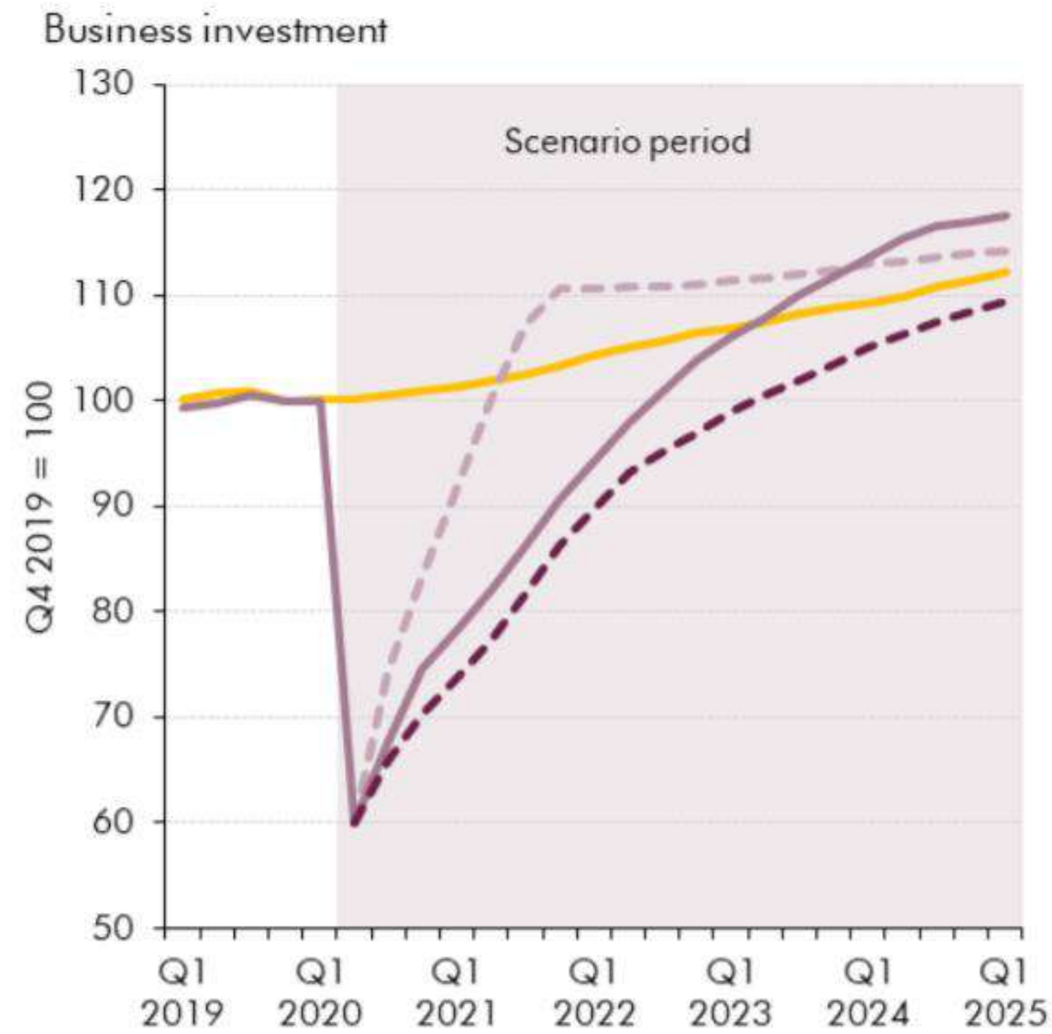
Real GDP versus March forecast



Source: ONS, OBR

Consumption and business investment



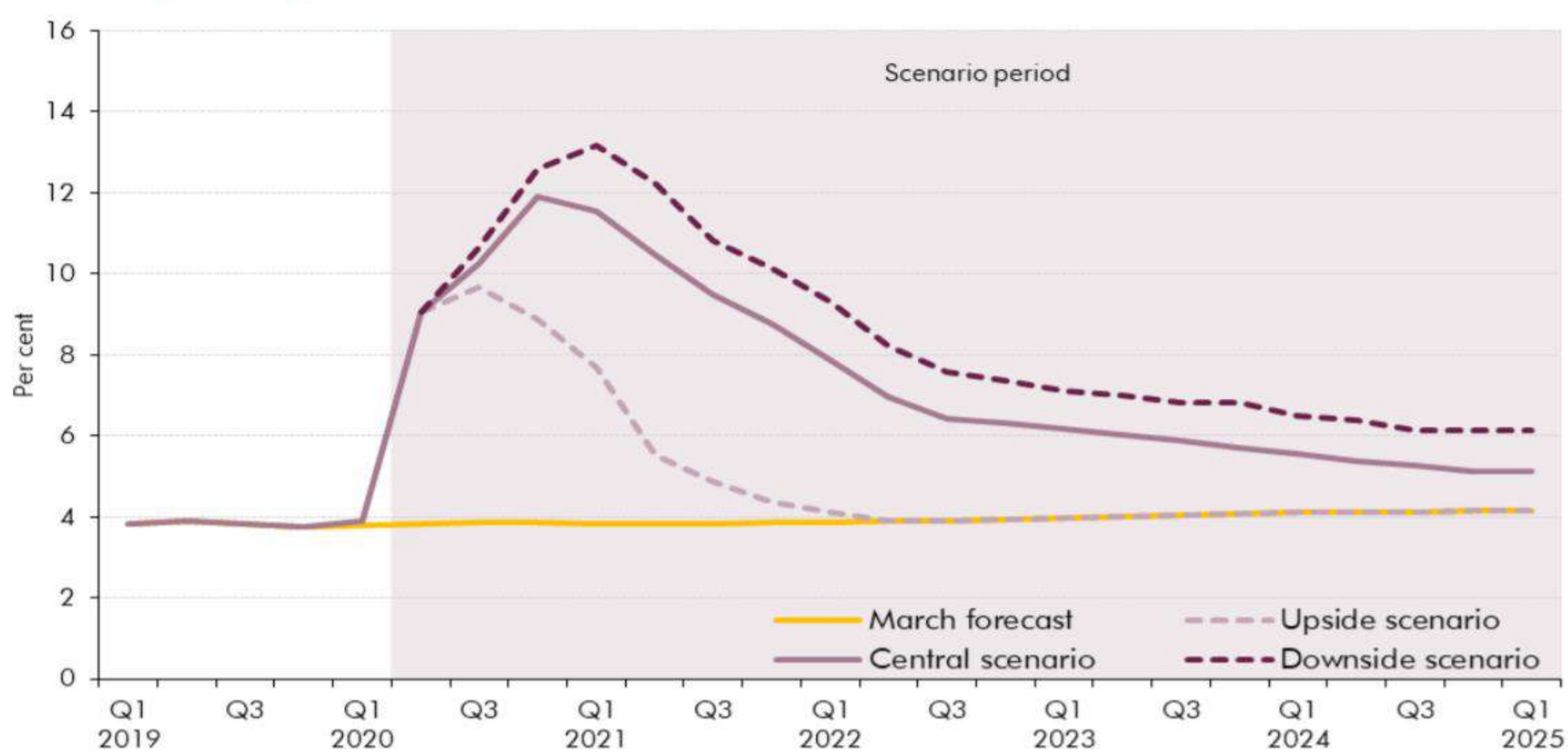


Source: ONS, OBR

The labour market

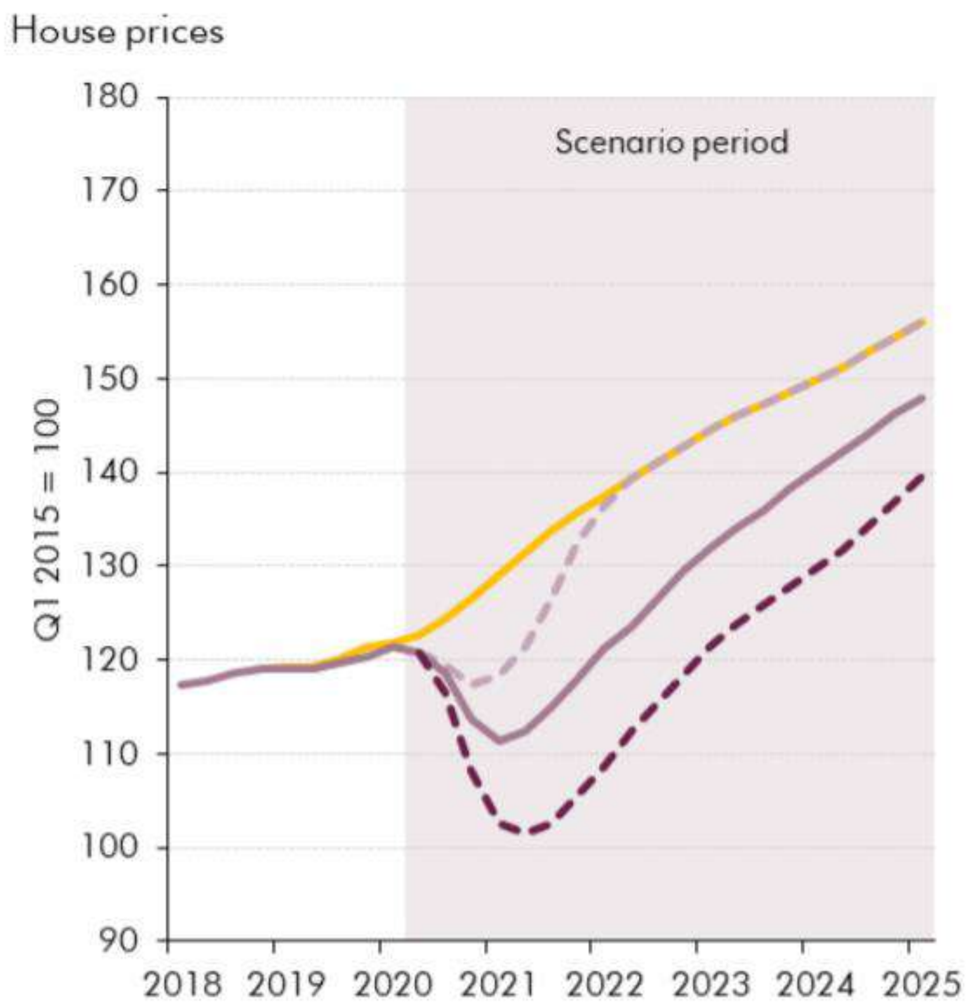
- In the second quarter, relative to March, we assume – Total hours worked down 29% – Employment down 5% (1.8m) – Average hours down 25% – Output-per-hour up 8% (sectoral impact plus furloughing dominated by low paid)
- Looking ahead – Proportions of furloughed workers entering unemployment: 10%, 15% and 20% – Scarring: unemployment rate at five-year horizon: 4.1%, 5.1% and 6.1%

Unemployment rate

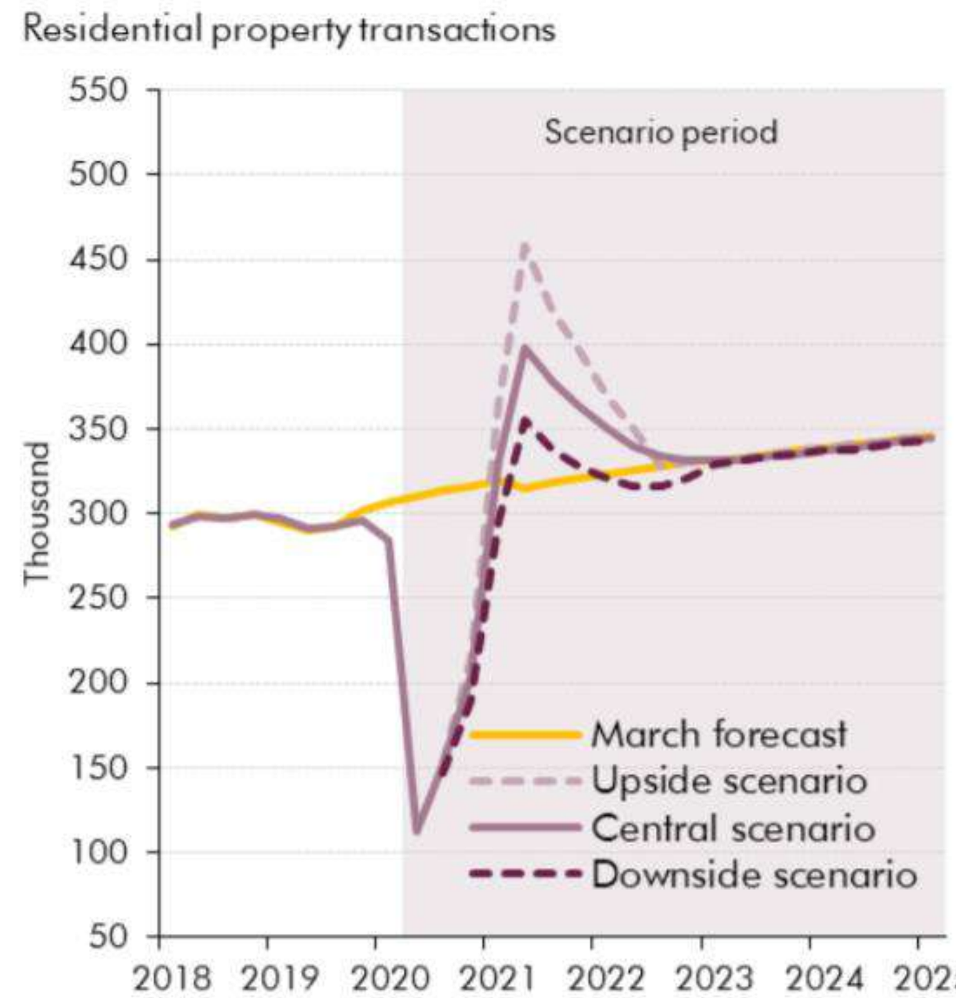


Source: OBR, ONS

Housing market

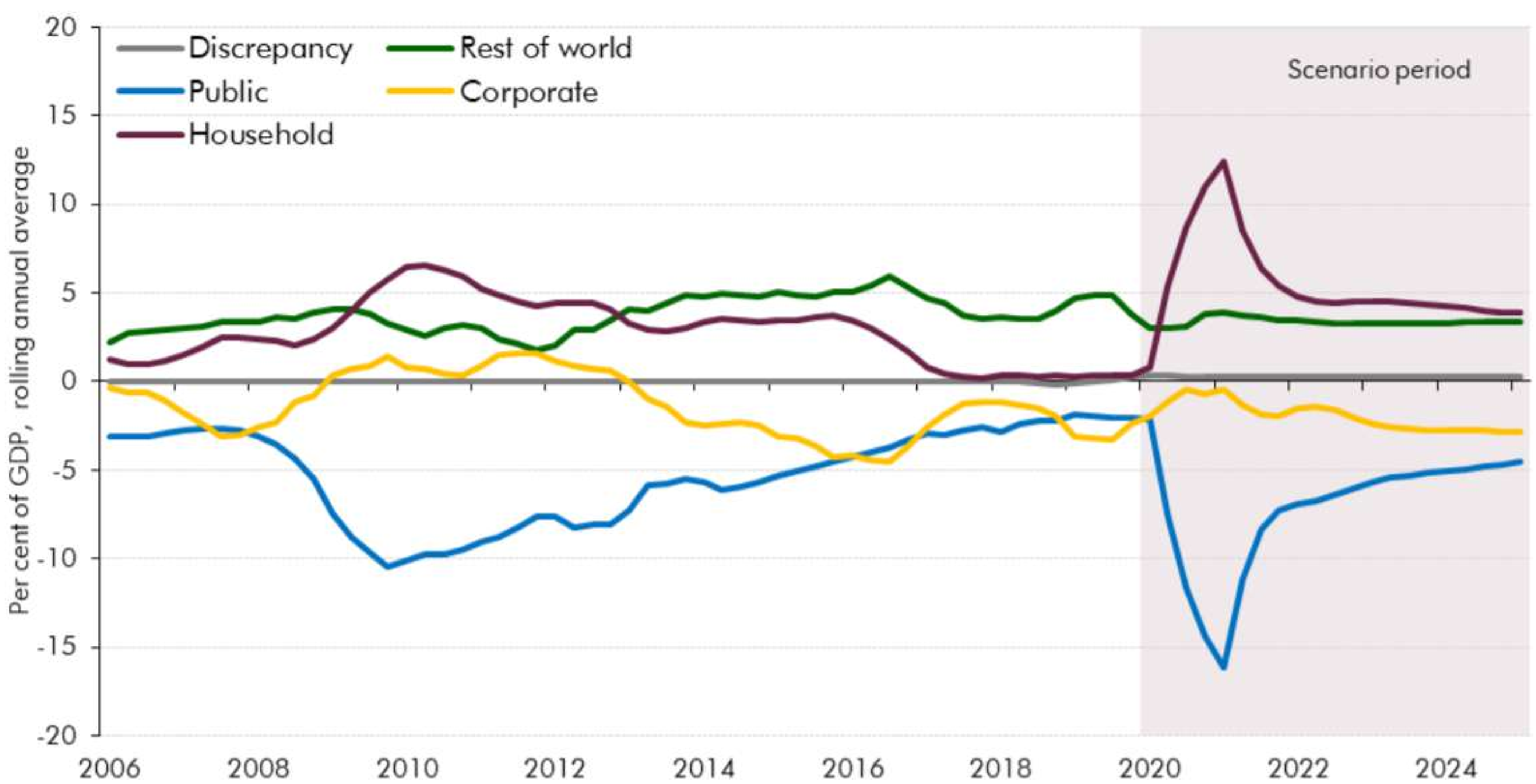


Source: ONS, OBR



Source: HMRC, OBR

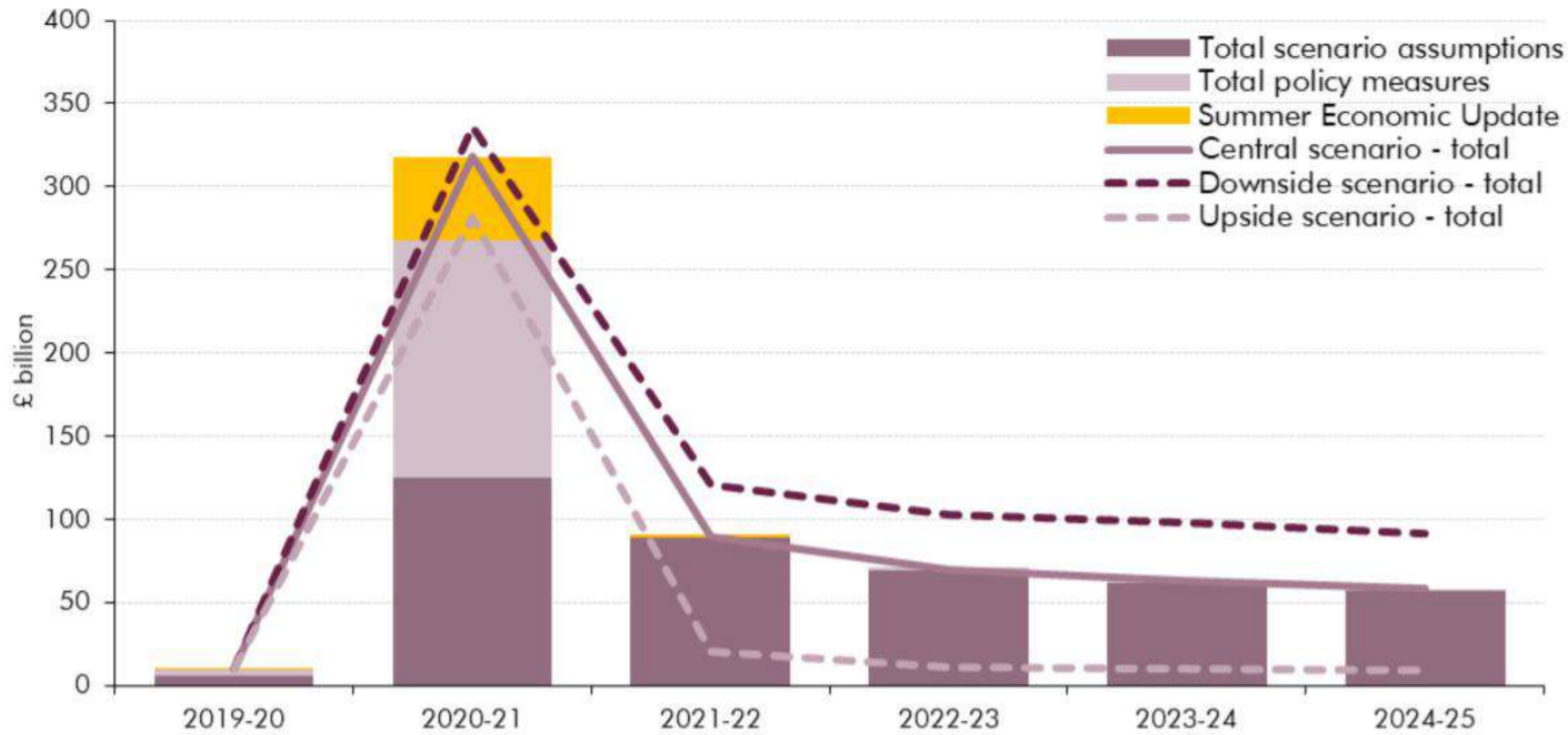
Sectoral net lending



Source: ONS, OBR

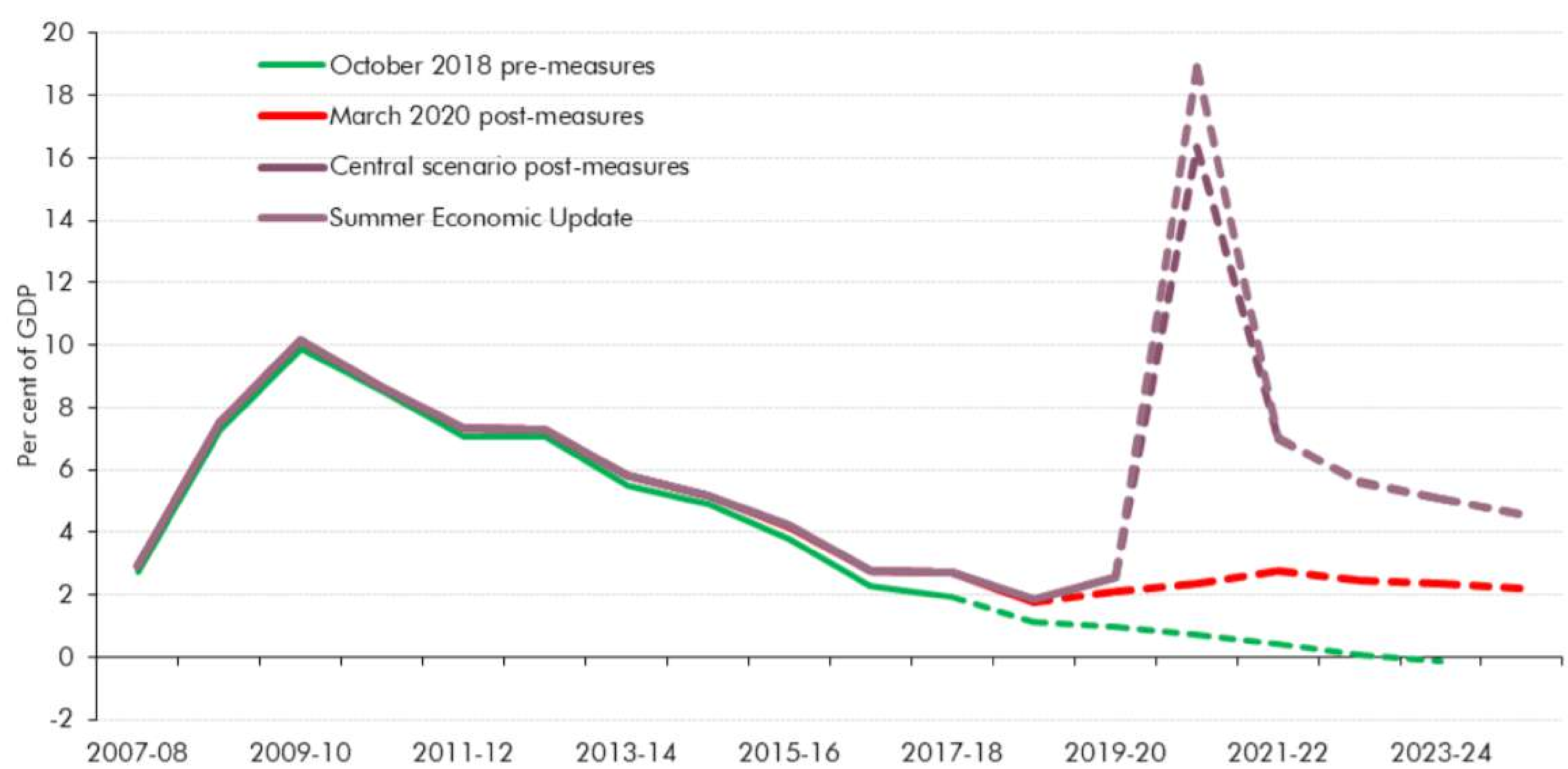
- Treasury announced jobs package worth 'up to £30bn' and footnoted departmental spending increases of £32.9bn – We estimate overall cost of around £50bn
- Economic impact – Demand boost raises GDP by around 1½ per cent this year, then fades – Temporary VAT cut lowers then raises inflation – Stamp duty cut raises transactions this year by 100k, then lowers – Job effects beyond demand boost unclear
- Some modest benefits, but job retention bonus largely deadweight

Borrowing vs March: scenarios



Note: In 2019-20, 'Other factors' reflects all non-policy-related differences, including both scenario assumptions and new outturn data.
Source: ONS, OBR

Evolution of net borrowing



Source: ONS, OBR

RISKS
- Outlook for potential output even more uncertain
- Risks have not yet crystallised in the financial sector, thanks in large part to government supporting individuals and businesses
- Loss of tax buoyancy
- Firms going bust before they can pay their taxes
- Demands on HMRC may reduce compliance
- NHS and social care post-coronavirus
- Chronic health conditions
- Temporary support measures becoming permanent
- Pressures on local authority finances
- Explicit contingent liabilities – £330bn in loan guarantees
- Implicit guarantees
- Nationalisation and reclassification risk

OBR Conclusions
- A large and abrupt shock to the public finances
- But how much is temporary; how much is permanent?
- Borrowing costs are low, but for how long?
- Fiscal strategy will need to reflect current priorities and future pressures and needs – including fiscal space
- Cherish the institutions that can give people confidence

Preparing for a Challenging winter 2020/21

The Academy of Medical Sciences

The Academy published a recent report which highlights a reasonable worst case scenario for health in the winter, including a resurgence of covid-19 which might be greater than that seen in the spring.

The need for health and social care undergoes large seasonal fluctuations, peaking in the winter. The NHS and social care systems typically operate at maximal capacity in the winter months, with bed occupancy regularly exceeding 95% in recent years. As recently as in 2017/18, England and Wales experienced approximately 50,000 excess winter deaths. In the same year, there were approximately 4,800 and 1,500 excess winter deaths in Scotland and Northern Ireland, respectively. Four additional challenges have great potential to exacerbate winter 2020/21 pressures on the health and social care system, by increasing demand on usual care as well as limiting surge capacity:

1. A large resurgence of COVID-19 nationally, with local or regional epidemics. Modelling of our reasonable worst-case scenario – in which the effective reproduction rate of SARS-CoV-2 (Rt) rises to 1.7 from September 2020 onwards – suggests a peak in hospital admissions and deaths in January/February 2021 of a similar magnitude to that of the first wave in spring 2020, coinciding with a period of peak demand on the NHS. We are already seeing local outbreaks. The modelling estimates 119,900 (95% CrI 24,500 - 251,000) hospital deaths between September 2020 and June 2021, over double the number that occurred during the first wave in spring 2020.
2. Disruption of the health and social care systems due to reconfigurations to respond to and reduce transmission of COVID-19 with a knock-on effect on the ability of the NHS to deal with non-COVID-19 care. The remobilisation of resources for COVID-19 (staff and facilities) that occurred during the first wave of COVID-19 is unlikely to be possible this winter, due to other winter pressures, urgent delayed care, and a likely increase in staff sickness absence, among others.
3. A backlog of non-COVID-19 care following the suspension of routine clinical care that is likely to result in an increased number of poorly-managed chronic conditions or undiagnosed diseases and be combined with a surge in post-COVID-19 morbidity (which needs to be quantified). Estimates suggest that the overall waiting list in England could increase from 4.2 million (pre-COVID-19) to approximately 10 million by the end of the year. Reducing the backlog of care will be hampered by reduced operational capacity across NHS organisations designed to prevent nosocomial transmission of COVID-19.
4. A possible influenza epidemic that will be additive to the challenges above. The size and severity of the influenza epidemic in winter 2020/21 will be particularly difficult to estimate, but the most recent significant influenza season in winter 2017/18 coincided with a colder winter; led to over 17,000 excess respiratory deaths; and caused NHS Trusts to cancel all elective surgery in January 2018, resulting in 22,800 fewer elective hospital admissions when compared to the previous year. A generalised increase in respiratory infections over the winter could also rapidly overwhelm test and trace capacity.

West Midlands FDI performance

WMGC

The Department for International Trade's (DIT) figures for 2019-2020 indicate that the West Midlands has turned in a resilient FDI performance in the face of Brexit uncertainties and mounting global economic headwinds. A total of 157 FDI projects were landed in the region – 2 more than the 155 recorded in 2018-2019.

Numbers of new jobs created were more than 1,100 lower than last year as, in line with national trends, projects landed have been more modest in size as investors have become more cautious in an uncertain economic climate. This was offset, however, by an increase in jobs safeguarded of more than 1,700 – and overall jobs created or safeguarded were nearly 600 up on 2018-2019.

As a result the West Midlands has retained its position as the UK's leading region for FDI attraction outside London and the South East, accounting for 8% of projects and 10% of jobs. The West Midlands inward investment strategy, which focuses on its key industry strengths and talent base, has ensured that the region can compete on the world stage for investment. The leading sectors for investment attraction were advanced manufacturing, transport technologies, IT and modern professional services.

Going forward the West Midlands Growth Company will continue to target high growth industries and source markets – and utilise the 2022 Birmingham Commonwealth Games, the West Midlands India Partnership and Coventry City of Culture 2021 to showcase the region's expertise. At the same time, reflecting the economic challenges posed by Brexit and Covid-19, responding to the needs of existing investors to safeguard existing employment will also be a priority.

Qualitative Information

(this is based on qualitative feedback from regional business representative organisations)

There are serious concerns over the number of HR1s which are now rising significantly. Government is generally well sighted on HR1s but not redundancies of those below the threshold. Perceptions are that these smaller redundancies will be far higher in total than the large HR1 notices. The Growth Hubs are going to look at reporting from their intelligence work on those below 20. There is a huge drop in overseas student applications and most universities are now notifying redundancies. There have been large closures announcements in the region ie John Lewis, JLR etc and although there is some offset by thriving companies the closure outweigh the opportunities. Legal and financial calls have rocketed looking at redundancy post furlough.

There is a growing number of enquiries from companies looking to downsize. Previously there was a lack of 'grow on' space regionally for companies and now this is in reverse with a lack of downsize premises (ie the shortage is now in reverse). Options are being explored in the potential to downsize town centre space, such as retail, to business use to alleviate issues and also provide investment in town centres where retail has collapsed.

There are still issues with company directors of small limited companies accessing finance and support; still nothing is being offered.

Worries are being raised about the impact of lockdown and how to provide support for businesses affected within locked down areas. The experience of Leicester has not been positive.

Businesses are still reluctant to take on debt but are becoming are more agile, and the packages for the hardest hit are being welcomed.

Discretionary funding: money has been allocated to local authorities and should be spent. This funding is still failing but mainly due to raising false hope for businesses who subsequently found they were not able to apply due to the rules which were not published with the announcements. There are issues around the eligibility and the marketing of the schemes, however new rules have opened this out to some extent. The main issue is whether we need more funding and different programmes for those who are missing out.

Banks are now settling back into business as usual, and large banks aren't interested unless its an easy relationship i.e. not interested in the smallest companies. So difficulties for them to get small loans, i.e. bounceback issue and complaints rising. Unintended consequences of government loan programmes are having effects on other lending, i.e. banks trying to make up income in other ways, so raising costs in other areas

There are some boom areas, such as cleaning products. Calls about start up are growing again (low of 10 in April). However generally manufacturing is still not supported well.

The terminology in documents for the support packages is changing and adapting, i.e. furloughing now referenced differently in terms of paying back which is causing problems for companies in terms of planning.

Young people employment incentive: businesses are more concerned about keeping existing employees before taking on new staff. So this policy may not have much take up as they want to put effort into current staff not new recruits.

The £1000 bonus for keeping people when returning from furlough isn't effective as a policy. It's a small amount relative to the cost of retaining someone, and will not change any decision on redundancies and is therefore likely to go to businesses that would have kept staff anyway.

Brexit – tall order to prepare without understanding what you are preparing for and timing is not realistic. Business investing in survival now and this may knock them out

International Trade –enquiries now returning to business as usual on enquiries on trade with Covid19 dropping off.

Trend in youth unemployment

Alex Smith WMCA

Since January, we have seen a growth in youth (**16-24**) claimants of **123%** across the UK, representing an additional **279,655** young people. Across the WMCA (3LEP) area, youth claimants have increased by **94.05%**.

As indicated below, Coventry and Warwickshire have felt the greatest impact proportional to January (from a relatively low base), while Greater Birmingham and Solihull have seen the largest absolute increase in young claimants.

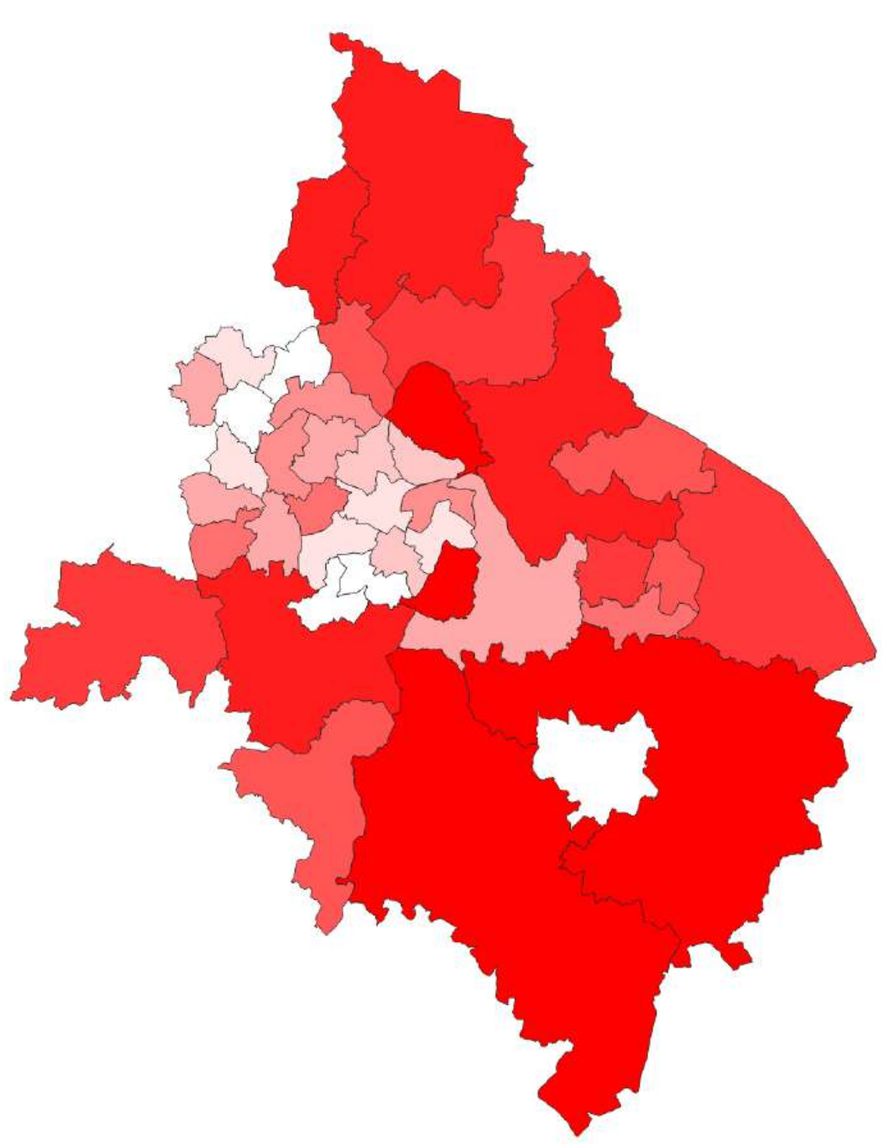
Areas most affected

As a proportional increase on January (shown below, left), we have seen large increases in claimants in areas which do not normally experience high youth unemployment. The parliamentary constituency which saw the greatest increase is Kenilworth and Southam (**293%**), followed by Stratford-on-Avon (**254%**), Solihull (**188%)**, Sutton Coldfield (**183%**), and Lichfield (**173%)**.

In absolute numbers (shown below, right), the largest increase on January was in Ladywood (**1056**), with the next five all being Birmingham constituencies (Hodge Hill, Hall Green, Perry Barr, Erdington, and Yardley all seeing increases of over **650.**) Outside Birmingham, Coventry North East (**635**), Walsall South (**615**) and Walsall North (**565**) were the next-highest, with most of the conurbation seeing significant increases.

Area	January 2020	May 2020	Increase	Percentage Change
BCLEP	7,185	13,180	5,995	**83.44%**
CWLEP	2,725	6,400	3,675	**134.86%**
GBSLEP	11,335	21,645	10,310	**90.96%**
West Midlands (3-LEP)	21,245	41,225	19,980	**94.05%**
UK	226,650	506,305	279,655	**123.39%**

Proportional increase youth unemployment



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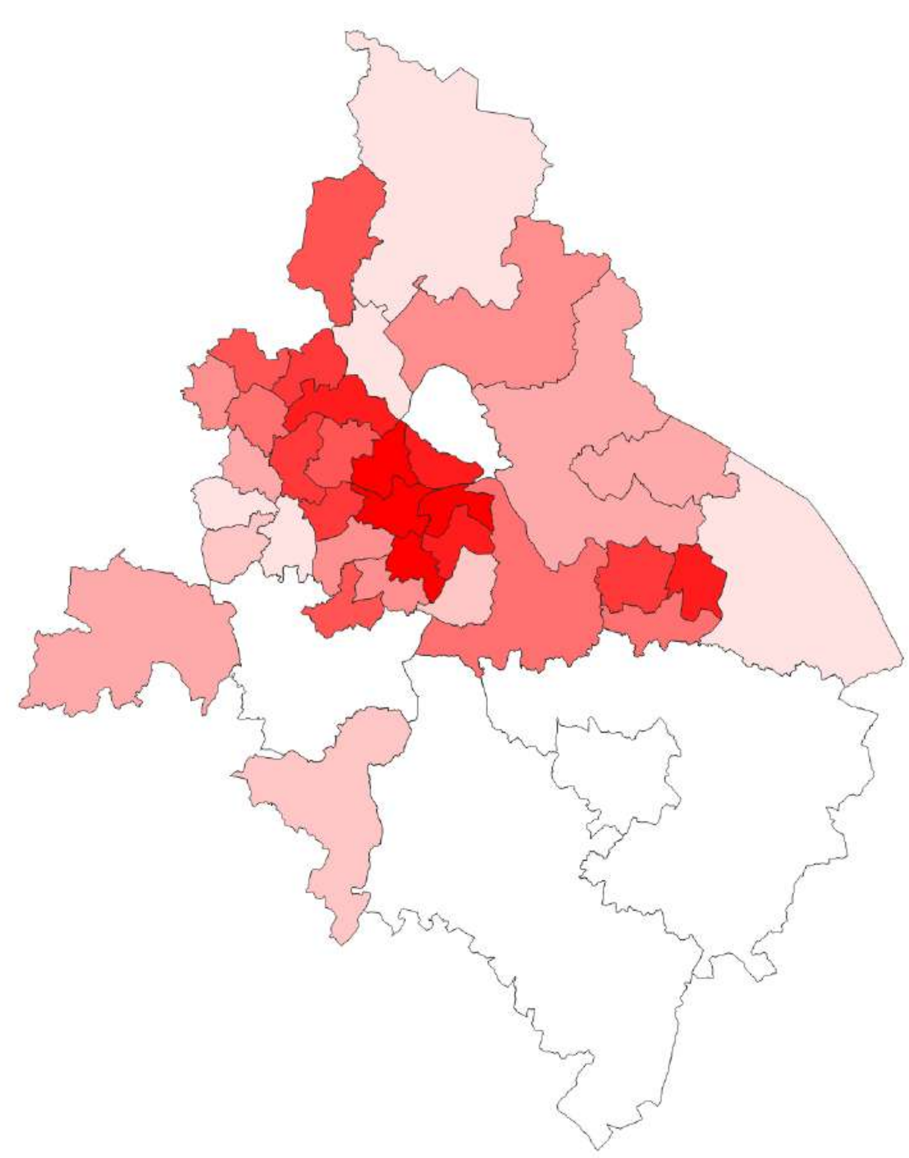

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Total number of staff furloughed – June 2020

Overall, in June for the West Midlands region, 820,200 people have been furloughed which is approximately 32% of jobs. The total number of workers furloughed accounts for 8.7% of the UK total, making it the 5th highest region. Compared to May, the number of workers furloughed in the West Midlands region has increased by 123,100, which equates to 17.7% while for the UK there has been a 7.8%.

Furloughed Workers per Broad Sector

Across the West Midlands region, the highest sector for the number of workers furloughed in June 2020 was the wholesale and retail; repair of motor vehicles sector at 20.6% (169,000) which is above the national average of 20.1%. The potential proportion of jobs where workers have been furloughed in this sector could be 39.9% in the West Midlands.

The two next highest sectors for furloughed workers in the West Midlands was manufacturing at 17.9% (146,600) compared to 10.5% nationally and accommodation and food services at 14.7% (120,200) compared to 17.6% nationally.

These calculations are based on employee numbers from Business Register and Employment – 2018 data

The following table shows the proportion of workers furloughed for the West Midlands region and England and compared to the number of jobs in June 2020:

Industry	WM Number of Workers Furloughed	% of WM Furloughed	% England Furloughed	Number of WM Jobs (2018)	WM % Furloughed to Jobs	WM % of Jobs	England % of Jobs
Agriculture, forestry & fishing	3,400	0.4%	0.4%	23,000	14.8%	0.9%	0.6%
Mining, quarrying & utilities	700	0.1%	0.1%	700	100.0 %	0.03%	0.1%
Manufacturing	146,600	17.9%	10.5%	303,000	48.4%	11.8%	8.0%
Energy Production	1,700	0.2%	0.2%	10,000	17.0%	0.4%	0.4%
Waste and Recycling	4,500	0.5%	0.4%	21,000	21.4%	0.8%	0.7%
Construction	55,000	6.7%	7.9%	122,000	45.1%	4.8%	4.6%
Wholesale and retail; repair of motor vehicles	169,000	20.6%	20.1%	424,000	39.9%	16.%	15.3%
Transport & storage (Inc. postal)	39,200	4.8%	4.4%	142,000	27.6%	5.5%	4.9%
Accommodation & food services	120,200	14.7%	17.6%	146,000	82.3%	5.7%	7.5%
Information & communication	15,800	1.9%	2.5%	70,000	22.6%	2.7%	4.4%
Finance & insurance	5,600	0.7%	0.9%	62,000	9.0%	2.4%	3.5%
Property	10,700	1.3%	1.7%	46,000	23.3%	1.8%	1.7%
Professional, scientific & technical	49,700	6.1%	6.8%	178,000	27.9%	7.0%	9.0%
Business administration and support services	74,700	9.1%	9.4%	222,000	33.6%	8.7%	9.2%
Public administration & defence	200	0.02%	0.1%	93,000	0.2%	3.6%	4.0%
Education	25,900	3.2%	3.5%	241,000	10.7%	9.4%	8.9%
Health	33,900	4.1%	4.4%	345,000	9.8%	13.5%	12.7%
Arts, entertainment, recreation and other services	33,000	4.0%	4.9%	50,000	66.0%	2.0%	2.4%
Trade union, religious, political and repair	25,400	3.1%	3.4%	62,000	41.0%	2.4%	2.0%
Domestic employers	300	0.04%	0.1%	-	-	-	-
Unknown and other	4,700	0.6%	0.6%	-	-	-	-
Total	820,200			2,560,700	32.0%		

Local Analysis

Across the WMCA (3 LEP), there were 586,800 workers furloughed in June 2020, this is an increase of 18.3% (+90,600 workers) while for the UK the increase was 7.8%.

The highest number increase was seen in Birmingham by an additional 25,000 workers furloughed which is a 20.4% change from May to reach 147,800 in June 2020. The highest percentage increase was seen in Coventry at 23.3% (+8,800) and overall stood at 46,600 furloughed workers in June 2020. The smallest increase was in Wyre Forest with an additional 1,700 workers furloughed or 12.7% increase to reach a total of 15,100.

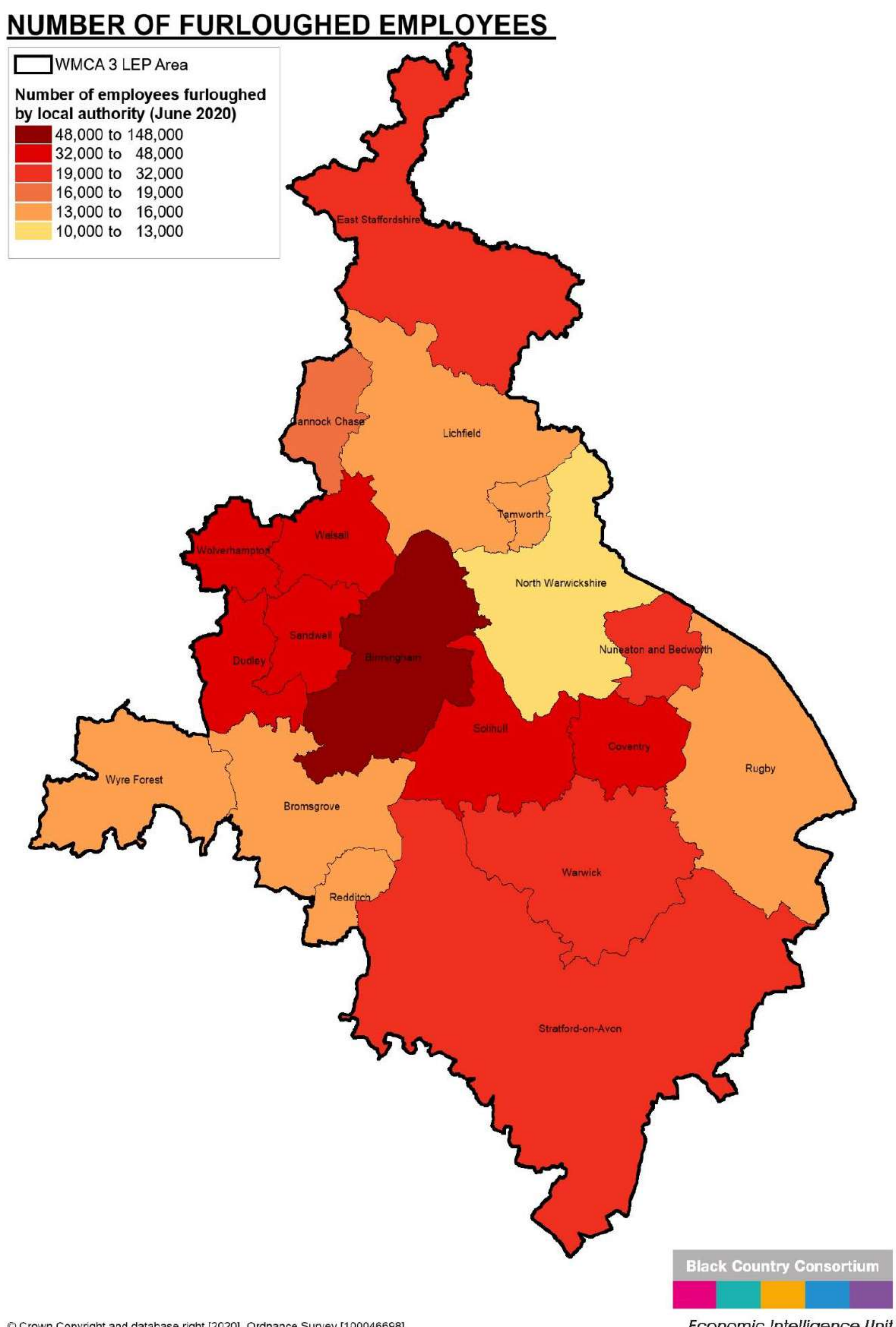
The following table shows the total number of workers furloughed from May to June 2020 and change:

	May - Total number of workers furloughed	June - Total number of workers furloughed	Number Change	Percentage Change
Birmingham	122,800	147,800	25,000	20.4%
Bromsgrove	12,000	13,900	1,900	15.8%
Cannock Chase	14,800	16,700	1,900	12.8%
Coventry	37,800	46,600	8,800	23.3%
Dudley	39,800	45,900	6,100	15.3%
East Staffordshire	16,100	19,000	2,900	18.0%
Lichfield	13,700	15,600	1,900	13.9%
North Warwickshire	8,700	10,200	1,500	17.2%
Nuneaton and Bedworth	16,400	19,000	2,600	15.9%
Redditch	12,400	14,800	2,400	19.4%
Rugby	12,500	15,000	2,500	20.0%
Sandwell	40,100	47,700	7,600	19.0%
Solihull	26,900	32,400	5,500	20.4%
Stratford-on-Avon	17,100	19,800	2,700	15.8%
Tamworth	11,900	13,700	1,800	15.1%
Walsall	33,600	39,300	5,700	17.0%
Warwick	16,900	19,900	3,000	17.8%
Wolverhampton	29,300	34,400	5,100	17.4%
Wyre Forest	13,400	15,100	1,700	12.7%
WM 7 Met.	330,300	394,100	63,800	19.3%
BCLEP	142,800	167,300	24,500	17.2%
CWLEP	109,400	130,500	21,100	19.3%
GBSLEP	244,000	289,000	45,000	18.4%
WMCA (3 LEP)	**496,200**	**586,800**	**90,600**	**18.3%**
UK	8,696,000	9,373,900	677,900	7.8%

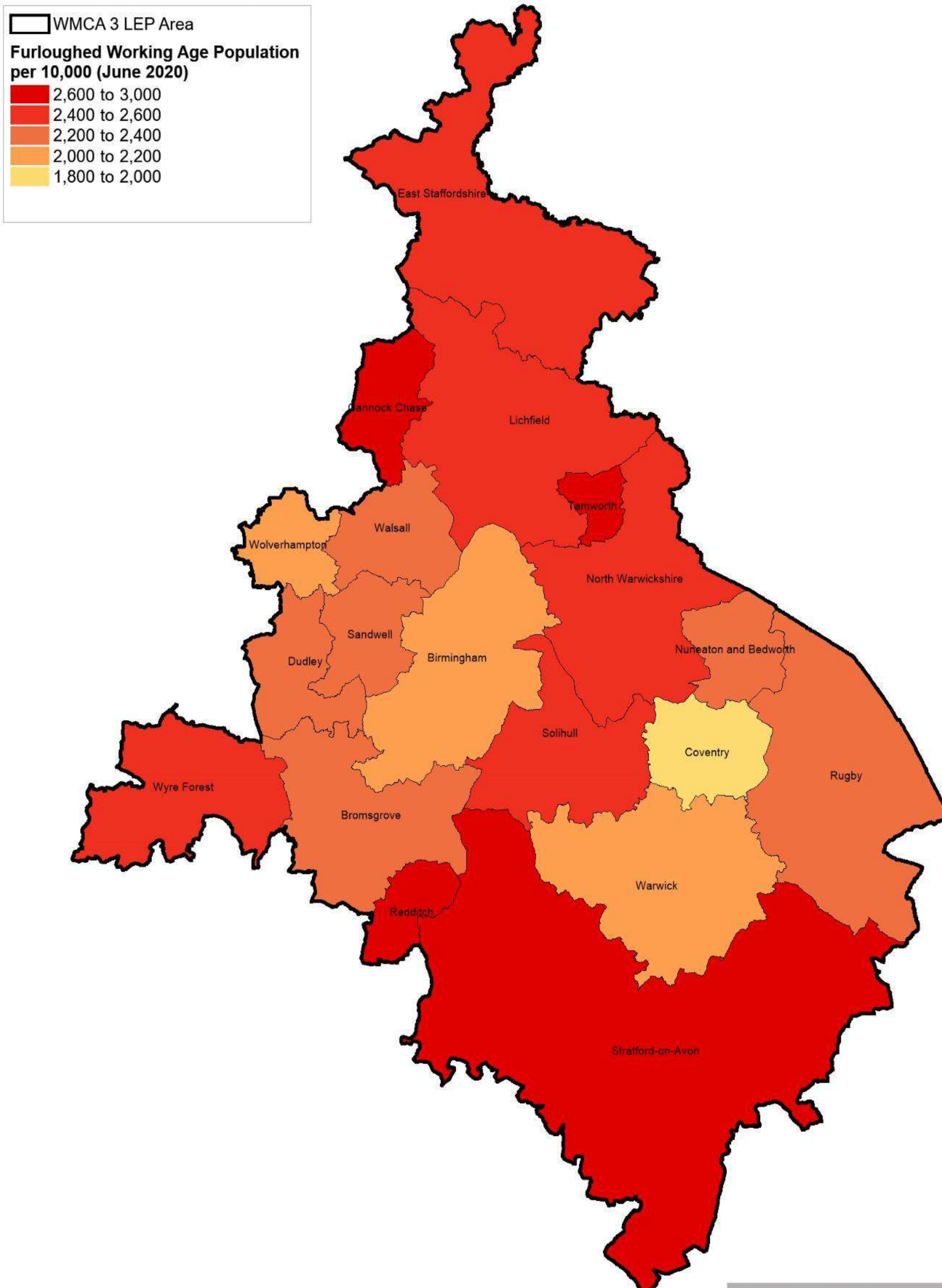
Across the WMCA (3 LEP) area, 586,800 workers that have been furloughed in June accounts for approximately 31.8% of jobs or 2,246 per 10,000 working age population (WAP, 16 -64 years old). The Black Country LEP area has the highest levels of staff furloughed as a proportion of jobs at 37.1% (Coventry and Warwickshire LEP 28.3% Greater Birmingham and Solihull LEP 30.9%) across the 3 LEP areas.

Birmingham has the highest number of workers furloughed with 147,800. However, Tamworth has the highest number per 10,000 WAP for the total number of staff furloughed at 2,903. While Wyre Forest has the highest percentage when proportioned to jobs at 47.2%.
ONS: Mid-Year Population Estimates 2019, released 2020

The following three maps shows the total number of staff furloughed, this is then proportioned to per 10,000 WAP and then to the number of jobs in June 2020:

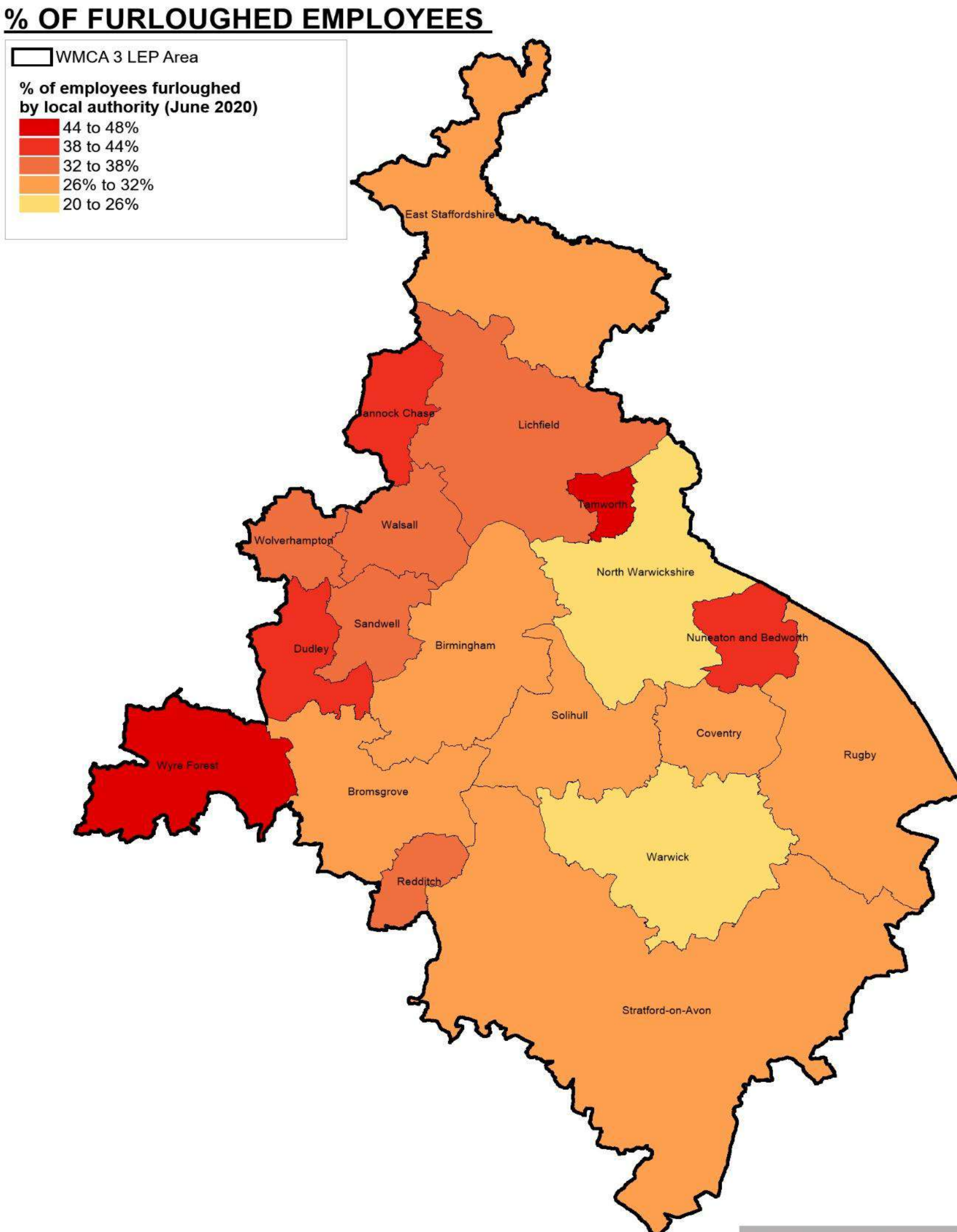


FURLOUGHED WORKING AGE POPULATION PER 10,000



Black Country Consortium

Economic Intelligence Unit


% OF FURLOUGHED EMPLOYEES
WMCA 3 LEP Area
% of employees furloughed
by local authority (June 2020)
44 to 48%
38 to 44%
32 to 38%
26% to 32%
20 to 26%
East Staffordshire
Cannock Chase
Lichfield
Tamworth
Walsall
Wolverhampton
North Warwickshire
Sandwell
Nuneaton and Bedworth
Dudley
Birmingham
Solihull
Coventry
Wyre Forest
Rugby
Bromsgrove
Warwick
Redditch
Stratford-on-Avon
Black Country Consortium
Economic Intelligence Unit

Parliamentary Constituencies

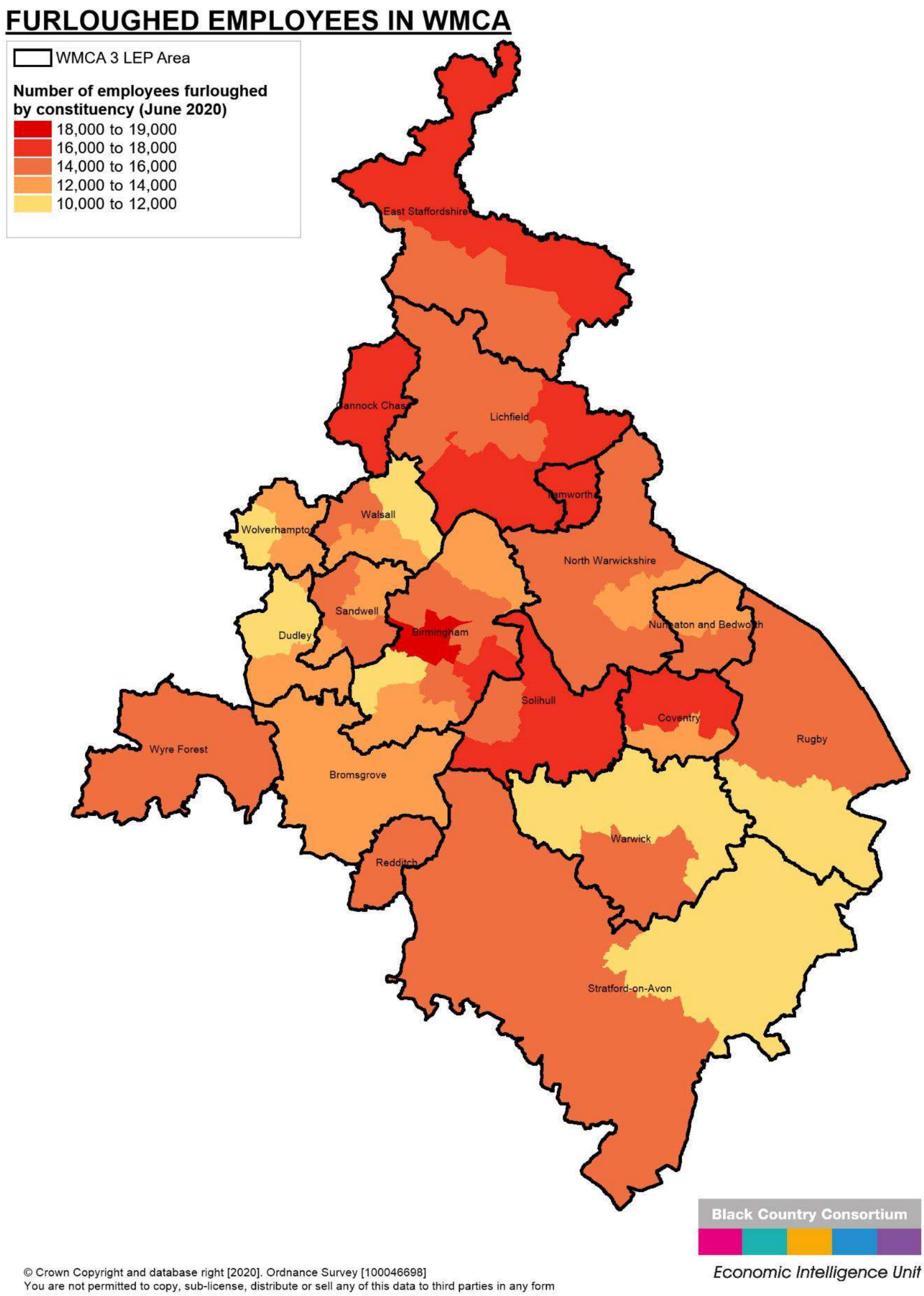
In June 2020 levels vary across the WMCA (3 LEP) area, with 18,400 workers furloughed in Birmingham Ladywood to 10,700 in Wolverhampton South West.

The largest number change from May 2020 to June 2020 was in Birmingham Ladywood by 3,400 workers furloughed which equates to a growth of 22.7%. The highest percentage increase was in Coventry South by 25.9% (+2,800) to reach 13,600 furloughed workers.

The following table shows across the parliamentary constituents in the WMCA the number of workers furloughed in May 2020 and June 2020 and change:

	May - Total number of workers furloughed	June - Total number of workers furloughed	Number Change	Percentage Change
Aldridge-Brownhills	10,000	11,400	1,400	14.0%
Birmingham, Edgbaston	9,800	11,800	2,000	20.4%
Birmingham, Erdington	13,200	15,800	2,600	19.7%
Birmingham, Hall Green	11,900	14,400	2,500	21.0%
Birmingham, Hodge Hill	13,000	15,900	2,900	22.3%
Birmingham, Ladywood	15,000	18,400	3,400	22.7%
Birmingham, Northfield	11,200	13,500	2,300	20.5%
Birmingham, Perry Barr	12,700	15,100	2,400	18.9%
Birmingham, Selly Oak	10,300	12,500	2,200	21.4%
Birmingham, Yardley	14,100	17,000	2,900	20.6%
Bromsgrove	12,000	13,900	1,900	15.8%
Burton	14,600	17,400	2,800	19.2%
Cannock Chase	14,800	16,700	1,900	12.8%
Coventry North East	13,800	16,900	3,100	22.5%
Coventry North West	13,100	16,100	3,000	22.9%
Coventry South	10,800	13,600	2,800	25.9%
Dudley North	10,200	11,800	1,600	15.7%
Dudley South	10,400	11,900	1,500	14.4%
Halesowen and Rowley Regis	11,100	12,900	1,800	16.2%
Kenilworth and Southam	10,000	11,800	1,800	18.0%
Lichfield	12,500	14,300	1,800	14.4%
Meriden	14,900	17,900	3,000	20.1%
North Warwickshire	12,300	14,500	2,200	17.9%
Nuneaton	12,100	13,900	1,800	14.9%
Redditch	13,100	15,500	2,400	18.3%
Rugby	12,000	14,400	2,400	20.0%
Solihull	11,900	14,400	2,500	21.0%
Stourbridge	11,400	13,000	1,600	14.0%
Stratford-on-Avon	12,600	14,500	1,900	15.1%
Sutton Coldfield	11,600	13,400	1,800	15.5%
Tamworth	14,500	16,600	2,100	14.5%
Walsall North	12,000	14,000	2,000	16.7%
Walsall South	11,700	13,900	2,200	18.8%
Warley	11,800	14,300	2,500	21.2%
Warwick and Leamington	12,600	14,900	2,300	18.3%
West Bromwich East	11,300	13,400	2,100	18.6%
West Bromwich West	12,000	14,200	2,200	18.3%
Wolverhampton North East	10,500	12,200	1,700	16.2%
Wolverhampton South East	11,500	13,500	2,000	17.4%
Wolverhampton South West	9,100	10,700	1,600	17.6%
Wyre Forest	13,400	15,100	1,700	12.7%

The following map shows the total number of staff furloughed across the parliamentary constituents in the WMCA:



Investment into local authorities and resilience under COVID-19

Rebecca Riley

Individual councils in England have had their funding allocations confirmed (April 2020) following Local Government Secretary Robert Jenrick's announcement of £1.6 billion in additional funding.

The £1.6 billion funding, recently announced, means councils in England will be provided with over £3.2 billion to deal with the immediate impacts of coronavirus. In July the Government announced a new comprehensive package of support to address spending pressures and in recognition of lost income.

A further £500 million brings funding given to support local councils with pressures to £4.3 billion, part of a package of over £27 billion to help councils, businesses and communities.

In addition to this funding, a major new scheme introduced by the government will help to reimburse lost income during the pandemic and boost cash flow.

Where losses are more than 5% of a council's planned income from sales, fees and charges, the government will cover them for 75p in every pound lost.

A new scheme will also reimburse councils for lost income and allow council and business rates tax deficits to be repaid over 3 years instead of one.
This comprehensive support includes:

- £3.2 billion of new funding to councils
- £600 million to adult social care to support providers through a new infection control fund
- Over £20 billion in support for businesses
- £500 million in council tax hardship funds to offer economic support to the most vulnerable
- £300 million to support track and trace

The FT has highlighted that councils have warned the latest announcements will not be enough to prevent financial failure of councils. Council total budgets for last year came to £56bn and costs to date on the pandemic have been £4.8bn and could reach £10.9bn.

Costs to councils

Councils have spent hundreds of millions more than expected during the lockdown on providing social care, personal protective equipment for staff, housing rough sleepers, and supplying emergency food packages, while losing even larger amounts in lost revenues from council tax, parking charges and leisure fees.

The BBC carried out research with councils on the impacts and they highlight that impacts include lost business rates, council tax holidays and emergency payments for families whose incomes have disappeared have all hit upper tier councils' income, at the same time as rising costs of adult care and providing protective equipment (PPE) for carers.

Some of those councils would also typically depend on tourism for large chunks of income, such as dividends from airports they own or parking fees from visitors.

Council bosses, however, previously said the funding they had received was "not even close" to covering the costs of what had already been spent during the pandemic.

Birmingham City Council - the largest authority in Europe - said "given the size" of its forecast shortfall of £212m across 2020-21 and 2021-22. after £70m government funding already received, a section 114 notice "would not rectify this situation".

Source: BBC

The pandemic also comes on the back of several years of cuts, with many local authorities facing large deficits and councils expecting to be in the red by £5bn and potentially by £8-10bn if spending carries on at the current rate.

The wider funding context for public services is:

General Public Services Spending

- Spending per head for general public services in the West Midlands remains below the UK average at £98 in 2018-19 compared to £110. This is the sixth highest out of the 12 regions.

- Yorkshire and The Humber had the lowest spend on general public services per head with £71 followed by the East Midlands with £76.

- Scotland and Northern Ireland had the highest spend on general public services per head in 2018-19 at £235 and £209 respectively.

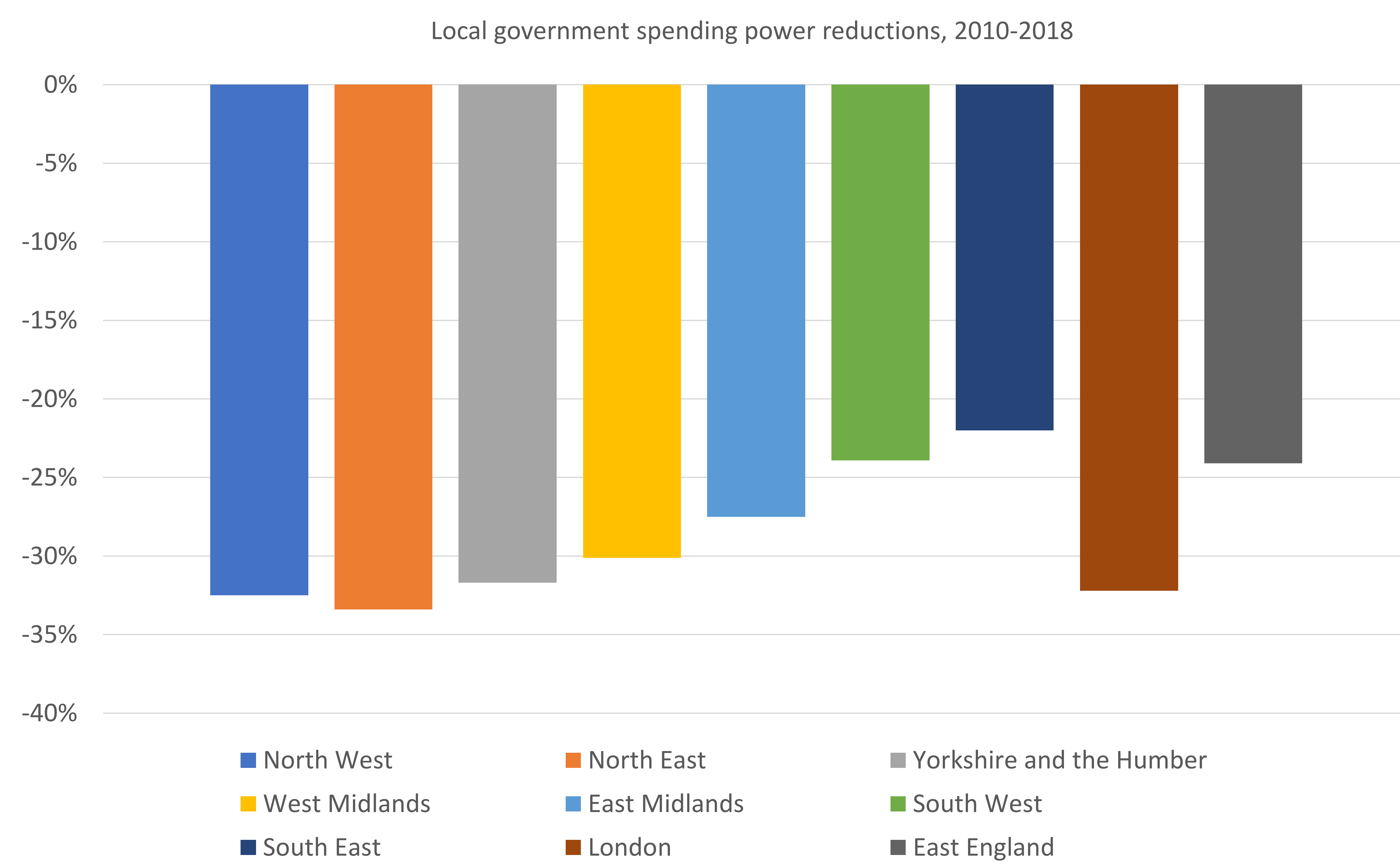
Local Government

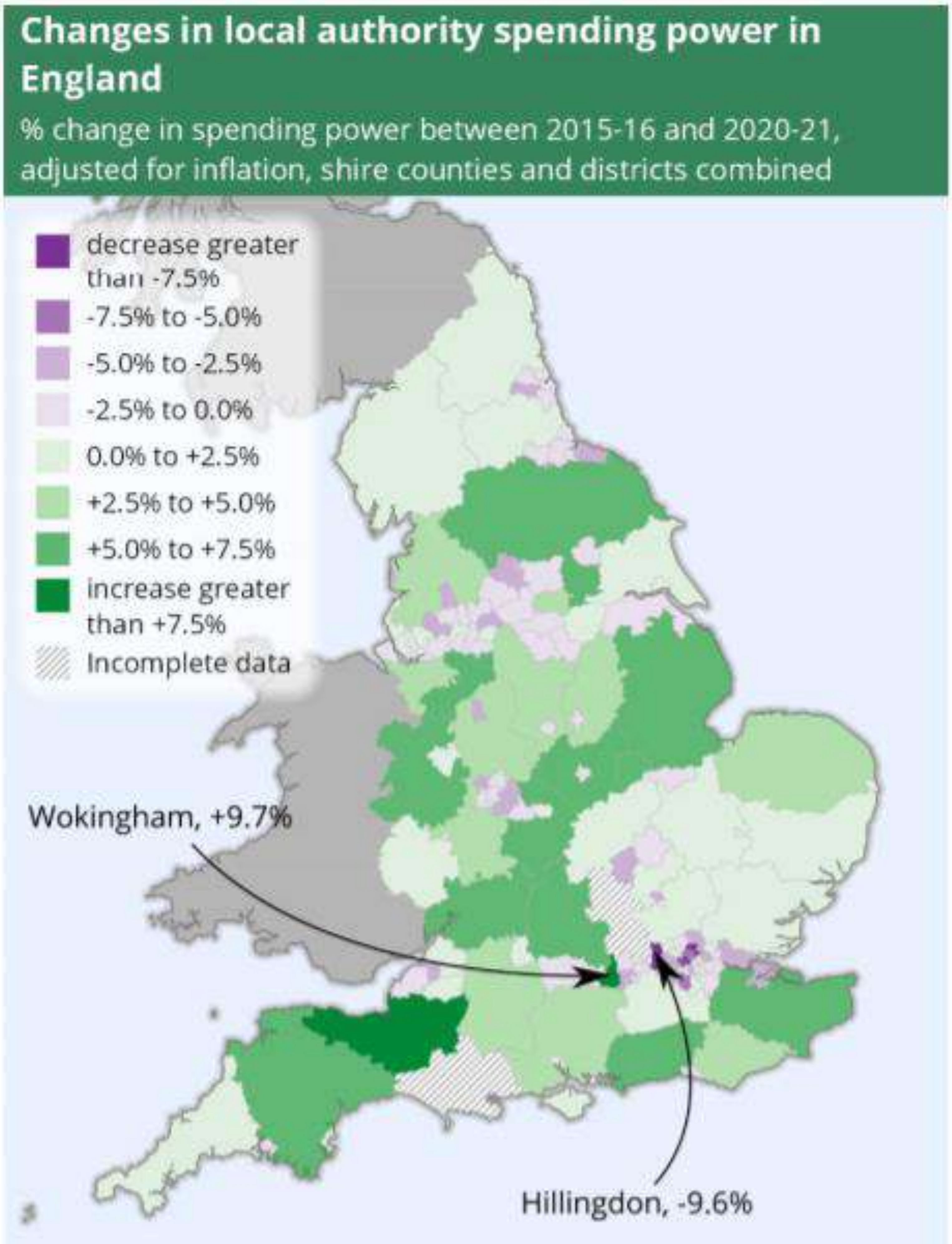
- Funding for local government across England fell by 49.1% between 2010-11 and 2017-18. The figure for the West Midlands was broadly in line with this trend (48.4%)

- Because local government also raises some of its own revenue (e.g. through council tax), the overall drop in its 'spending power' was less across England (28.6%). The West Midlands (30.1%) experienced a fairly average reduction

- However, these figures disguise local differences within the West Midlands

The chart below looks at the local government spending power reductions 2010 to 2018, from the National Audit Office (2018) *Financial sustainability of local authorities*





Source: MHCLG, [Final local government finance settlement: England, 2020 to 2021](), 6 February 2020, and earlier editions

Local authority spending, by service type
2018/19, billions, England only

Education services	32.2
Highways and transport services	3.9
Children Social Care	9.4
Adult Social Care	16.1
Public Health	3.3
Housing services (GFRA only)	1.7
Cultural and related services	2.2
Environmental and regulatory services	5.0
Planning and development services	1.2
Police services	11.4
Fire and rescue services	2.0
Central services	3.0
Other services	0.0
Total	**91.4**

Source: MHCLG, [Local authority revenue expenditure and financing data]()

Changes in local authority spending have changed significantly in the West Midlands as the map on the above from the [House of Commons Library]() illustrates.

Funding nationally goes into the services as show to the left.

How much emergency coronavirus funding are different councils in England receiving? And is the funding allocation sensible?

David Philips IFS

The IFS published a summary in April about the potential impacts of additional Local Authority funding additional spending pressures arising as a result of the coronavirus pandemic. The funding is being allocated according to assessments of spending needs in 2013–14, with the vast majority being allocated based on the assessments for adult social care – one of the services likely to be most affected by the pandemic.

They found big differences in allocations for different parts of the country; substantial variation in how both demographics and spending have changed over the seven years since the spending needs assessments used were initially calculated; and no relationship between funding allocations and currently confirmed coronavirus cases.

The amount allocated per resident ranges from £15 in Wokingham to £45 in Knowsley. In general, it is lowest in the Home Counties, especially to the west of London, and highest in parts of Merseyside, Teesside, Tyneside and inner London, as well as deprived seaside communities such as Blackpool and Torbay.

Funding for deprived areas is higher not only in pounds-per-resident terms, but also measured as a percentage of spending on adult social care. For the ten councils with the most deprived populations, it amounts to an average of 10.7% of adult social care spending, compared with just 6.9% in the ten councils with the least deprivation. If actual spending rather than spending needs assessments from 2013–14 is a better predictor of how much additional funding councils will require to cope with the coronavirus crisis, less deprived areas may be more likely to struggle financially.

The populations of different areas have also changed very differently over the last seven years, which is bound to have affected their spending needs. For example, while the populations of Blackpool and Kensington & Chelsea have fallen, the population of Tower Hamlets is estimated to have grown by 21.4%. And the numbers aged 80 or over – the group most at risk from coronavirus – have fallen by 7.2% in Barking & Dagenham, but have risen by 31.8% in Brent.

Shire district councils, which are the lower tier of local government in more rural areas, are set to receive an average of 45p per resident, or just 0.4% of their annual funding. This is unlikely to go far if the coronavirus crisis significantly impacts the services these councils are responsible for, such as housing, homelessness prevention, waste collection, environmental health, and cemeteries and crematoriums. In addition, gross income from on- and off-street parking amounts to 16% of their spending on local services, and is likely to fall significantly, putting further strain on their budgets.

Taken together, the use of out-of-date and overly-general spending needs assessments may mean funding may not end up where it is ultimately needed most. Of course, accurately predicting in advance how much the coronavirus will affect councils in different parts of the country and providing funding accordingly is a near-impossible task. Given it wanted to provide additional funding quickly, the government has therefore had to make use of the rough proxies already available to it. But there are other approaches it could have taken, and indeed could still take if further funding is deemed appropriate. Rather than try to allocate all of the funding in advance, it could loosen the rules to allow councils to borrow to fund day-to-day spending linked to the coronavirus pandemic, allowing them to respond rapidly in a manner they see fit. The government would then have the option of reimbursing councils at a later date once it has a better idea of what the impact of the coronavirus has been in different parts of the country and subject to proper financial safeguards.

The full report can be found here

ONS Weekly Release Indicators

BCC EIU

On the 9th July 2020 the ONS released the weekly publication containing data about the condition of the UK society and economy and the impact of the COVID-19 pandemic.

The statistics are experimental and have been devised to provide timely information, with publication of final survey results currently expected to take place fortnightly with initial findings released in-between. The following information contains the initial results from Wave 8 of the Business Impact of Coronavirus Survey, national footfall, the final results for Wave 16 of the Opinions and Lifestyle (OPN) Survey, experimental online jobs advert indices and Value Added Tax (VAT) returns.

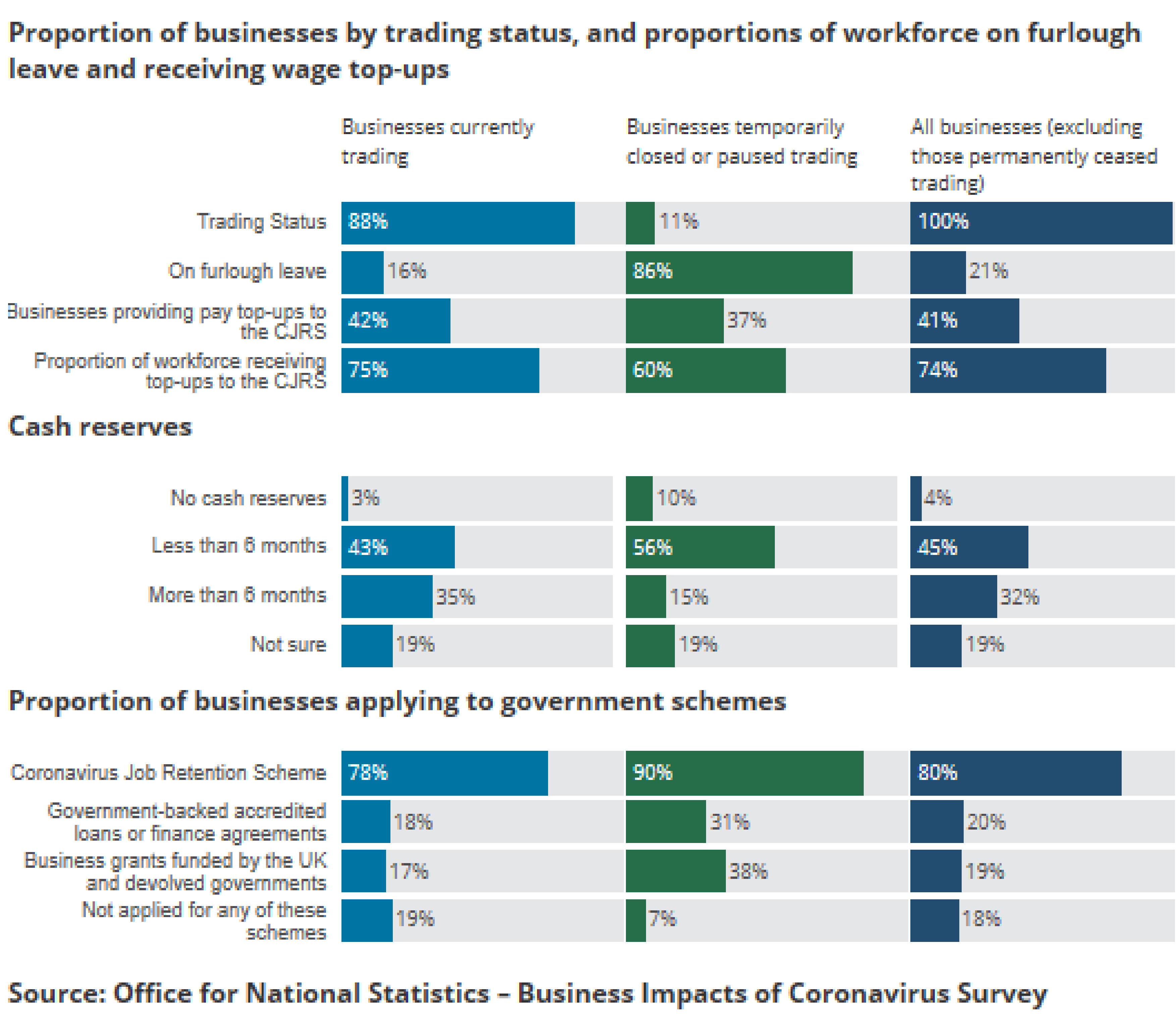
Business Impact of the Coronavirus

The initial results from the eighth round of the Business Impact of Coronavirus Survey (BICS) show that of the 24,496 businesses surveyed across the UK, 18% had responded as of the 7th July 2020. Unless stated, the following data is based on the period between 15th to the 28th June 2020 and regional breakdown is not available.

Headline Indicators

Across the UK between 15th – 28th June, 88% of responding businesses were currently trading with 16% of the workforce on furlough leave. 42% of businesses are providing pay top-ups to the Coronavirus Job Retention Scheme and 75% of the workforce are receiving top-ups to the Coronavirus Retention Scheme. 11% have temporary paused or closed trading with 86% of the workforce on furlough leave. 37% of businesses are providing pay top-ups to the Coronavirus Job Retention Scheme and 60% of the workforce are receiving top-ups to the Coronavirus Retention Scheme. 3% of businesses that are currently trading have no cash reserves, this rises to 10% for businesses that have temporary paused or closed. 43% of businesses currently trading has less than 6 months of cash reserves, this rises to 56% for businesses that have temporary paused or closed.

The Coronavirus Job Retention Scheme still remains the favoured government support scheme with 78% of businesses that are currently trading have applied for this scheme, rising to 90% for businesses that have temporary paused or closed.



85% of responding businesses have been trading for more than the last 2 weeks. 4% of responding businesses who had temporary paused trading reported to have started trading in the last 2 weeks. Of the businesses trading, 3% had returned to their normal workplace after remote working and 7% had returned from furlough. 11% of responding businesses had temporarily closed of paused trading between 15th - 28th June. Of these, 4% intend to restart trading in the next two weeks. For the businesses intending to restart trading in the next two weeks, 3% are expected to return to the workplace after remote working and 5% of the total workforce expected to return from furlough.

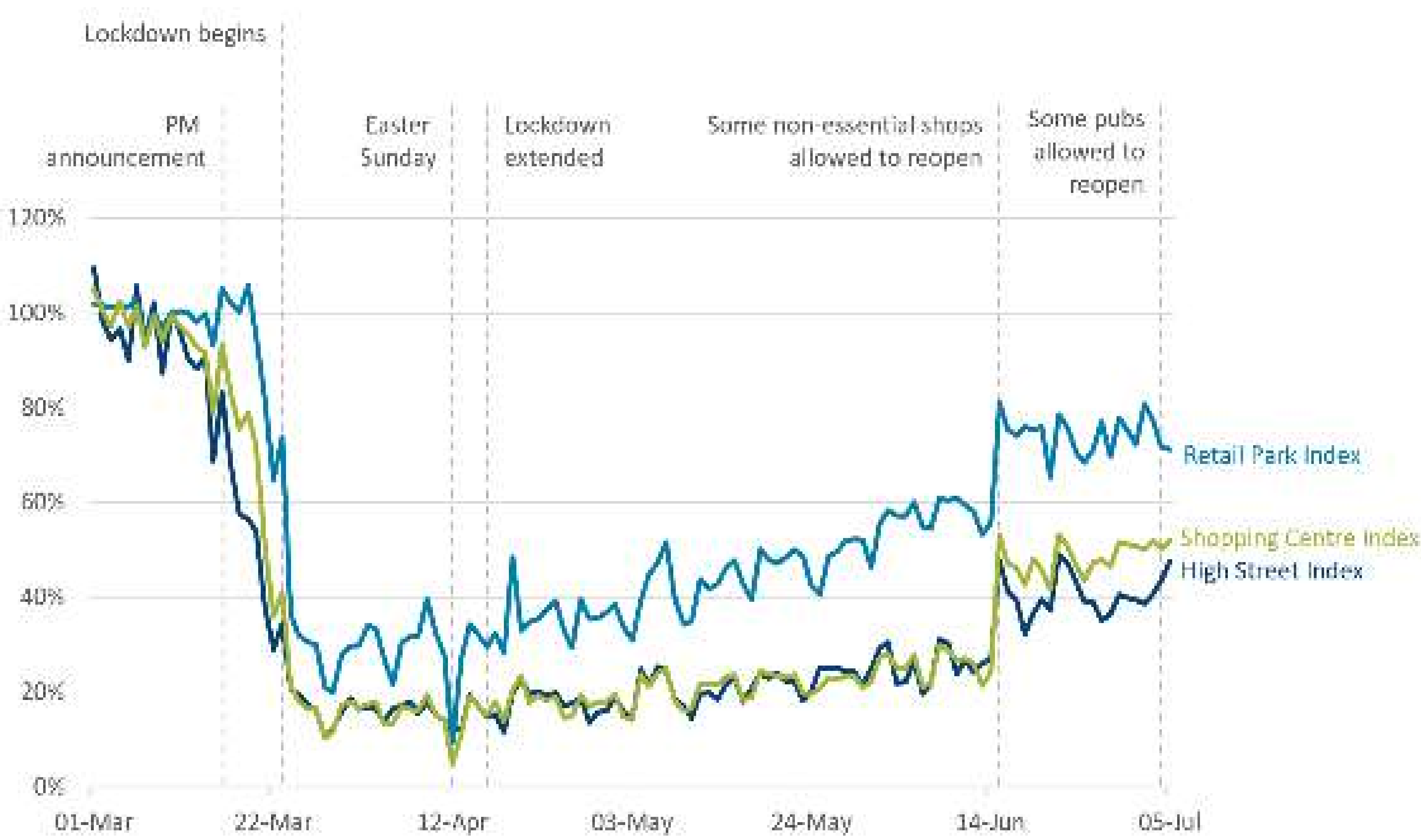
Implementation of Safety Measures on Operating Costs
Business were asked if they were using or intending to use any safety measures (PPE, temperature checks, routine COVID-19 testing, social distancing, shift working, working in fixed teams, staggered breaks, hygiene measures and other) and the effect of their implementation on their operating costs.
73% of businesses using safety measures reported their implementation had increased their operating costs (62% costs increased a little and 11% substantially increased). 14% reported that operating costs have stayed the same and 3% reported costs have decreased a little.

Financial Performance
12% of businesses that have continued trading reported turnover had increased by at least 20% and 25% reported that turnover had not been affected. However, 57% of businesses reported turnover had decreased by at least 20%.

National Footfall
Customer activity figures are provided by Springboard. The volume of footfall has been compared to the same day the previous year (i.e. Tuesday 30th June 2020 will be compared to Tuesday 2nd July 2020) for high streets, retail parks and shopping centres.
Between 28th June – 5th July footfall saw a moderate increase – mainly due to an increase in high street in the last two days of the week. High streets increased from under 40% to 50% of its level when compared to the same period as last year over the weekend. Shopping centres increased to just over 50% of its level on the same day last year and retail parks at around 75% of its level the same time last year from 28th June to 5th July.

The following graph shows the volume of footfall for the UK between 1st March to 5th July, year on year percentage change between footfall on the same day.

Source: Springboard and the Department for Business, Energy and Industrial Strategy



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 16, covering the period 2nd – 5th July 2020. In this wave there were 1,788 (72%) responding adults.

Face Coverings
52% of adults have worn a face covering outside their home, with the most common reason at 60% for shopping which is followed by visiting a health or medical centre at 23%.
58% of responding adults reported that are either very or fairly likely to wear one in the next 7 days.
89% of adults have worn a face covering while travelling on public transport in the past 7 days.

Home-schooling and Back to School
45% of adults reported they had been asked to send their children back to school and 81% of these now have their children attending school some or all of the time.
Home-schooled children spent on average 12 hours learning in the week.

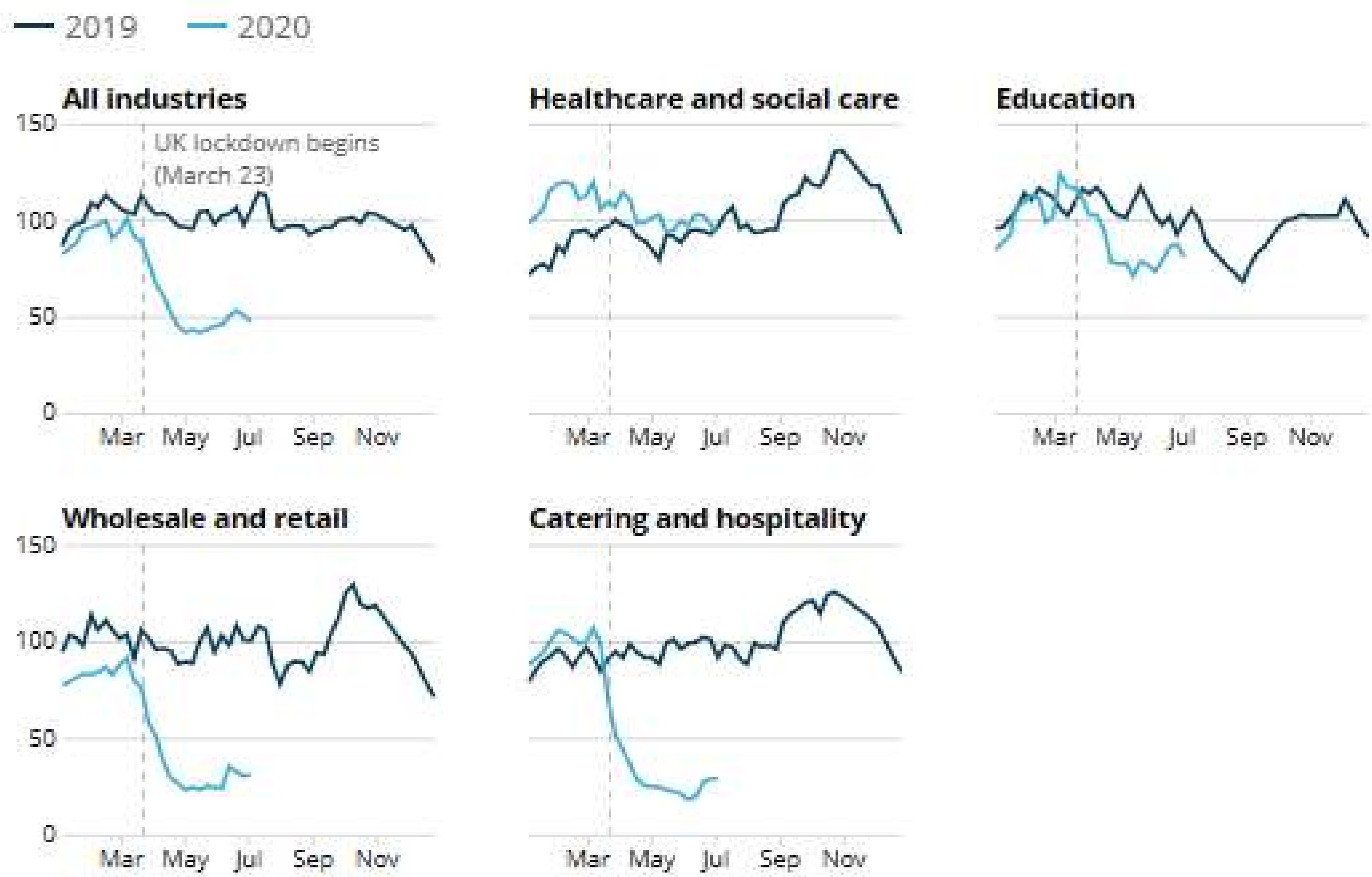
Work
9% of those who had been furloughed, had a temporary closure of the workplace or asked to take leave said they were unlikely or very unlikely to return to that job with a further 11% reporting they didn't know what will happen to their job. On a positive note, 71% said they were likely or very likely to return to that job.
30% of adults reported to have worked exclusively at home. Of those who reported working from home, 71% stated this was due to their employer asking them to do so. 50% reported they were following government advice to carry on working from home and 35% worked from home due to their workplace being closed.

Holidays and Leisure
25% of adults reported they were likely or very likely to go on a holiday in the UK this summer and 9% of adults said they were likely or very likely to go on holiday abroad this summer.
Between 2nd – 5th July when lockdown restrictions were easing, 20% reported they would be comfortable or very comfortable to eat indoors are a restaurant while 60% reported they would be uncomfortable or very uncomfortable. 37% reported to feeling comfortable or very comfortable eating outdoors at a restaurant which are similar levels to those that reported to feeling uncomfortable or very comfortable to eating outdoors at a restaurant (39%).
13% of adults feel comfortable or very comfortable to visit the cinema, while 70% felt uncomfortable or very uncomfortable.

Impacts of Wellbeing
47% of adults reported the coronavirus was affecting their wellbeing, with some of the issues including feeling bored (50%) and spending too much time alone (24%).
From a scale of 0 (not at all anxious) to 10 (completely anxious) the average anxiety score was 4 which is an increase from wave 15 – notably anxiety levels previously had been falling overall since the end of March until this last wave.

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 26th – 3rd July there was a 4% decrease in total online job adverts and overall recorded at around half of their 2019 average. 3 categories saw a 1% increase in job adverts between 26th June – 3rd July – these were wholesale and retail, unknown and catering and hospitality. Notable declines were seen in transport, logistics and warehouse (-12%) and domestic help (-10%). Online job adverts for graduate jobs remains at just under 40% of its 2019 average in the most recent week.



Source: Adzuna

Value Added Tax (VAT) Returns
Turnover diffusion indices track the proportion of firms reporting an increase or decrease in their turnover in their Value Added Tax (VAT) returns. Between April to June 2020, the all-industry index was 14.6 standard deviations below the historical mean from 2008 to 2019– which represents in general more firms had decreasing turnover rather than increasing. Declines can be seen across all the major sectors (services, construction, production and agriculture) with services experiencing a particularly negative diffusion index at more than 16.1 standard deviations below the historical average from 2008 to 2019.

The new reporters index measures the number of firms sending VAT returns for the first time (relates to number of firm births). In June 2020, the number of new VAT was 13,950, this is below the 2015 to 2019 five-year average of 20,908 – apart from April 2020, was the lowest since April 2012.

Department for International Trade: Regional FDI April 2019- March 2020
BCCEIU

Summary

There were 157 FDI Projects into the West Midlands region in 2019-20, this is an increase of 1.3% (+2 projects) compared to 2018-19. The UK increased by 3.9% (+70 projects), from 1,782 in 2018-19 to 1,852 in 2019-20.
The West Midlands region accounts for 8.5% of the UK total for FDI projects – the third largest share of all regions.

FDI projects delivered a total of 6,614 jobs in the West Midlands region in 2019-20. This is an increase of 9.3% (+565 jobs) from 2018-19, the UK had a smaller percentage increase over the period of 0.8%.
The West Midlands accounted for 10.2% of total jobs from 2019-20 FDI projects in the UK, the largest share of all regions outside of London.

FDI Projects

There were 157 FDI Projects into the West Midlands region in 2019-20, this is an increase of 1.3% (+2 projects) compared to 2018-19. The UK increased by 3.9% (+70 projects), from 1,782 in 2018-19 to 1,852 in 2019-20.

The West Midlands region accounts for 8.5% of the UK total for FDI projects – the third largest share of all regions.

	2018-19	2019-20	Change	% Change	2019-20 % of Total
Multiple UK sites	52	58	6	11.5%	3.1%
North East	59	73	14	23.7%	3.9%
North West	142	154	12	8.5%	8.3%
Yorkshire and The Humber	98	104	6	6.1%	5.6%
East Midlands	69	85	16	23.2%	4.6%
West Midlands	**155**	**157**	**2**	**1.3%**	**8.5%**
East of England	87	79	-8	-9.2%	4.3%
London	627	638	11	1.8%	34.4%
South East	202	211	9	4.5%	11.4%
South West	79	70	-9	-11.4%	3.8%
Scotland	126	121	-5	-4.0%	6.5%
Wales	51	62	11	21.6%	3.3%
Northern Ireland	35	40	5	14.3%	2.2%
Total	1,782	1,852	70	3.9%	

Total Jobs

FDI projects delivered a total of 6,614 jobs in the West Midlands region in 2019-20. This is an increase of 9.3% (+565 jobs) from 2018-19, the UK had a smaller percentage increase over the period of 0.8%.

The West Midlands accounted for 10.2% of total jobs from 2019-20 FDI projects in the UK, the largest share where data is available of all regions outside of London.

	2018-19	2019-20	Change	% Change	2019-20 % of Total
Multiple UK sites	*	*			
North East	*	3,015			4.6%
North West	5,184	5,441	257	5.0%	8.4%
Yorkshire and The Humber	2,595	3,023	428	16.5%	4.6%
East Midlands	1,874	2,842	968	51.7%	4.4%
West Midlands	**6,049**	**6,614**	**565**	**9.3%**	**10.2%**
East of England	2,882	*			
London	15,287	13,077	-2,210	-14.5%	20.1%
South East	4,303	6,510	2,207	51.3%	10.0%
South West	2,211	1,974	-237	-10.7%	3.0%
Scotland	4,469	3,347	-1,122	-25.1%	5.1%
Wales	3,704	*			
Northern Ireland	*	*			
Total	64,623	65,138	515	0.8%	

**Please note data has been suppressed for certain areas, leading to the UK total being higher than the sum of the parts (regions) displayed. Also, multiple UK sites represent those investments which span more than one region*

Total jobs are split into *new* jobs created and *safeguarded* jobs:
New Jobs

In the West Midlands there were 3,883 new jobs created from FDI projects in 2019-20. This is a decrease of 23.0% (-1,161) from 2018-19. The UK also experienced a decrease over the same period, of 2.6%.

In 2019-20, the West Midlands region accounted for 6.0% of new jobs created from FDI projects in the UK.

	2018-19	2019-20	Change	% Change	2019-20 % of Total
Multiple UK sites	12,288	8,916	-3,372	-27.4%	15.9%
North East	2,188	2,979	791	36.2%	5.3%
North West	4,663	5,013	350	7.5%	7.7%
Yorkshire and The Humber	2,244	2,264	20	0.9%	3.5%
East Midlands	1,823	2,425	602	33.0%	3.7%
West Midlands	**5,044**	**3,883**	**-1,161**	**-23.0%**	**6.0%**
East of England	1,513	1,709	196	13.0%	2.6%
London	14,875	12,989	-1,886	-12.7%	19.9%
South East	3,905	6,434	2,529	64.8%	9.9%
South West	1,945	1,472	-473	-24.3%	2.3%
Scotland	3,348	2,946	-402	-12.0%	4.5%
Wales	2,314	2,736	422	18.2%	4.2%
Northern Ireland	1,475	2,351	876	59.4%	3.6%
Total	57,625	56,117	-1,508	-2.6%	

Jobs Safeguarded

The number of safeguarded jobs in the West Midlands has increased from 1,005 in 2018-19 to 2,731 in 2019-20, this is an increase of 171.7%. The UK increased by 28.9% over the same period.

In 2019-20, the West Midlands accounted for 30.3% of jobs safeguarded by FDI in the UK - the highest region where data is available.

	2018-19	2019-20	Change	% Change	2019-20 % of Total
Multiple UK sites	*	*			
North East	*	36			0.4%
North West	521	428	-93	-17.9%	4.7%
Yorkshire and The Humber	351	759	408	116.2%	8.4%
East Midlands	51	417	366	717.6%	4.6%
West Midlands	**1,005**	**2,731**	**1,726**	**171.7%**	**30.3%**
East of England	1,369	*			
London	412	88	-324	-78.6%	1.0%
South East	398	76	-322	-80.9%	0.8%
South West	266	502	236	88.7%	5.6%
Scotland	1,121	401	-720	-64.2%	4.4%
Wales	1,390	*			
Northern Ireland	*	*			
Total	6,998	9,021	2,023	28.9%	

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FDI and European Union (EU) Split

- 43.1% (346 of 802 total projects) of West Midlands FDI projects between 2015-16 to 2019-20 were from EU countries.

- 33.1% (11,917 of 36,040 new jobs) of West Midlands new FDI jobs and 47.0% (4,033 of 8,587) of safeguarded jobs were from EU FDI projects between 2015-16 to 2019-20. This results in 35.7% (15,950 of 44,627) of West Midlands FDI total jobs coming from EU countries.

	FDI Projects			New Jobs			Safe Jobs			Total Jobs		
	Total	EU	% EU	Total	EU	% EU	Total	EU	% EU	Total	EU	%EU
Multiple UK sites	270	109	40.4%	52,194	23,968	45.9%	6,158	*		58,352	*	
North East	347	123	35.4%	15,146	6,046	39.9%	5,726	1,346	23.5%	20,872	7,392	35.4%
North West	733	269	36.7%	27,581	10,373	37.6%	6,351	2,954	46.5%	33,932	13,327	39.3%
Yorkshire and The Humber	545	232	42.6%	15,995	5,926	37.0%	5,015	2,612	52.1%	21,010	8,538	40.6%
East Midlands	385	155	40.3%	13,436	5,700	42.4%	13,921	1,104	7.9%	27,357	6,804	24.9%
West Midlands	**802**	**346**	**43.1%**	**36,040**	**11,917**	**33.1%**	**8,587**	**4,033**	**47.0%**	**44,627**	**15,950**	**35.7%**
East of England	501	168	33.5%	12,371	2,950	23.8%	7,729	5,424	70.2%	20,100	8,374	41.7%
London	3,785	1,141	30.1%	90,286	23,838	26.4%	4,404	535	12.1%	94,690	24,373	25.7%
South East	1,177	362	30.8%	26,516	7,598	28.7%	7,281	1,466	20.1%	33,797	9,064	26.8%
South West	438	169	38.6%	12,906	6,649	51.5%	4,575	2,817	61.6%	17,481	9,466	54.2%
Scotland	679	217	32.0%	20,167	6,837	33.9%	11,438	5,308	46.4%	31,605	12,145	38.4%
Wales	352	123	34.9%	16,181	7,171	44.3%	13,855	2,642	19.1%	30,036	9,813	32.7%
Northern Ireland	170	70	41.2%	8,767	3,532	40.3%	2,038	*		10,805	*	
Total	10,184	3,484	34.2%	347,586	122,505	35.2%	97,078	30,713	31.6%	444,664	153,218	34.5%

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HEADLINES	
SECTOR	**KEY CONCERNS**
Cross Theme	Office Space • Large number of enquiries over the last week from companies of all sizes looking to downsize their premises in order to manage the loss of income as they look to rebuild the businesses. • Many smaller companies have become more agile and have adapted well to working from home. JRS & Furlough • As Government announced additions to the JRS last week a number of large chains have advised due to a successful reopening they will not be taking the Furlough bonus. • Some businesses putting employees back on to the JRS as a result of inconsistent supply chains and being unable to secure stable and regular supplies of parts and materials. Redundancies - Redundancies are expected/feared by business from all sectors post Job Retention Scheme, but to what extent is unclear at this stage. New Business Models • Evidence of SMEs successfully developing online solutions for customers. • More businesses using downtime to look at new products and streamlining processes to remain effective and retain employees. Access to Finance • Continued reluctance to take on loans and concerns about repayment terms. • Business leaders would like an increase in the level of funding available for small and micro businesses through the discretionary grants scheme. Recruitment - Positive news that some companies are expanding and needing to recruit to meet demand of new and existing contracts, particularly those involved with the manufacture of PPE equipment and associated products and services.
Business & Professional Services	Micro Companies -Micro companies continue to be the largest proportion of enquiries, particularly from those in the professional services sector looking for financial support as they struggle to build their companies back up after Covid-19.
Advanced Manufacturing & Engineering	Diversification - Companies seem to be benefiting the most from diversifying their offerings. General Performance - Many are still experiencing some drop in revenue, sales or general business activity, but the overall feel is that things are starting to pick back up, albeit, slowly.
Public Sector	Universities - Universities are facing major financial issues as the number of overseas students drops as well as the Government cap to student numbers.
Retail	Jobs - A number of retail chains have announced job losses (more details in new economic shocks). Cross Theme - Covid-19 has exposed the fault lines in retailers who were already trying to cope with reduced consumer spending and the increasing threat of cheaper online providers. New Business Models- Many are still continuing to build on their online activity and presence, despite having re-opened.
Low Carbon Technologies	New Business Models • Still a focus on larger companies reducing their carbon footprint and switching to a more sustainable way to operate. • Key focus on switching old vehicle fleets to new electric options.
Visitor Economy	Jobs - A number of Hospitality chains have announced job losses (more details in new economic shocks). Events - Those businesses who rely on events are at risk of falling further behind due to lack of guidance on reopening.
Charity	Access to Finance - Charities continue to be hard hit as there is a reduction in donations from supporters due to lower disposable incomes and cancelled events.

Black Country Consortium
Economic Intelligence Unit

NEW ECONOMIC SHOCKS			
COMPANY	**LOCATION**	**SECTOR**	**SOURCE/DETAIL**
Boots	West Midlands Wide	Retail	Boots to cut 7% of its total workforce across all areas leaving 4,000 people out of work.
Burger King	Black Country and wider areas	Hospitality	Burger King management warn up to 1,600 jobs could be at risk as 5-10% of restaurants may never reopen post Covid.
H&M	Europe including UK	Retail	H&M propose to close 170 stores as sales dip. It is unconfirmed how many of these stores will be in the UK at this stage
Jaguar Land Rover/DHL	Solihull and Castle Bromwich	Automotive	Two in five of the entire workforce employed by DHL on the JLR logistics contract face redundancy, across full-time, salaried and agency staff:
John Lewis	Birmingham and Tamworth	Retail	John Lewis has revealed plans to close its department store in Birmingham. It forms part of wider plans to cut about 1,300 jobs and permanently close eight shops.
The Co-operative Travel	West Midlands	Travel and Tourism	Central England Co-operative is set to close its travel business, with 16 branches transferring to Midcounties Co-operative and the remaining eight branches closing including some across the West Midlands.
DHL/JLR	Midlands and North West	Contacted Work	Thousands of DHL workers at Jaguar Land Rover plants have learned their jobs are at risk in a move described as a “bitter blow” by a union. According to Unite, around 2,200 agency staff involved in the production of Jaguar Land Rover’s vehicles at sites in the North West and West Midlands could be affected.
Autoneum	West Midlands	Automotive Supply	Jobs are at risk at automotive supply business Autoneum, which has plants in Halesowen and Stoke-on-Trent. The Switzerland-headquartered business makes in-vehicle acoustic and thermal insulation and has customers including Toyota and Jaguar Land Rover.
JLR	National	Automotive, Engineering, Manufacturing	Jaguar Land Rover's retail sales slumped by more than 40 per cent during the first quarter of its financial year because of the Covid-19 pandemic, new figures have revealed.

NEW INVESTMENT, DEALS AND OPPORTUNITIES			
COMPANY	**LOCATION**	**SECTOR**	**DETAIL & SOURCE**
Gupta Group	Black Country	Professional services	Local Businessman purchases significant premises in Wolverhampton in a multi-million pound deal, the actual amount is undisclosed.
DWP	West Midlands	Public sector	DWP look to recruit a further 300 Work coaches to support increasing numbers of unemployed.
Birmingham 2022 and CGF Partnerships (CGFP)	Birmingham	Creative	150 jobs created for Commonwealth Games broadcasting rights award to Sunset + Vine
Amco Services International	Redditch	Transportation and Storage	Some 160 jobs have been saved at Amco Services (International) after it was sold out of administration to CBW Resources.
Stadium TM	Coventry	Security and Traffic Management	A Midlands-based events management and security firm which works across the world has won a major new contract on its doorstep. Stadium, which specialises security, safety and traffic management, has successfully bid to provide security and stewarding in its home city of Coventry– taking in the UK City of Culture celebrations.
Safetyflex Barriers	Coventry	Manufacturing	One of the UK's most iconic and popular attractions has been protected from the threat of vehicle attacks by a manufacturer of anti-terrorist bollards and barriers. Bollards produced by Safetyflex Barriers, based in Coventry, have been installed around Blackpool Tower which attracts hundreds of thousands of visitors each year.
Halfords	National	Retail	Halfords has posted strong preliminary results for the year to 3 April, boosted by a focus on motoring services and an upturn in bike sales. The firm posted profits of £55.9m – down almost 5% on 2019, but better than expected in previous guidance. Revenues were up slightly, by 0.3% to £1.1bn.
Techstep Limited	Southam	Manufacturing	An expanding electric loft ladder company in Warwickshire is set to go up in the world after receiving funding from a new scheme. TechStep was started in Southam by three years ago after he spent five years developing the innovative LOFTOMATTIC electric loft ladder which is now launching in Australia.
Geeka Media	Coventry	Digital and Creative	A teenage entrepreneur in Coventry, who was turning over £12,000 when he was in Year 9 at school, has moved into his first office and is preparing to create jobs.
Sovereign Exhibitions	North Warwickshire	Exhibition and Event Management	An exhibition company has created a classroom designed to help schools across the UK manage a safe return to education after the summer holidays.
LEVC (Royal Mail)	Coventry	Automotive, Tourism, Engineering	Royal Mail has taken delivery of a prototype of LEVC's new electric van for use in real-world testing. The partnership with the Warwickshire manufacturer comes after Sutton Coldfield-headquartered DPD made the same move last month.
TrakM8	Coleshill	Telematics, Data Services	The shares of telematics and data supplier Tram8, which is headquartered in Coleshill, have surged after it announced a major new contract.
AH Spares	Kineton	Manufacturing	AH Spares, which is based on the Kineton Road Industrial Estate in Southam, Warwickshire, saw sales increase in May despite Covid-19 as Austin Healey owners throughout the globe bought parts for their classic cars.
Pashley Cycles	Stratford-upon-Avon	Manufacturing	Grant fund helps local business continue and thrive.

Weekly Deaths Registered: 3rd July 2020

The following analysis compares the latest time period (week of the 3rd July 2020) to the previous week period (week of the 26th 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 increased from 8,979 in the week of 26th June to 9,140 in the week of 3rd July. The number of deaths registered that state Coronavirus on the death certificate has decreased from 606 people to 532 people over the same period.

Regional level analysis shows that the West Midlands the overall registered death figure has increased from 946 in the week of 26th June to 949 in the week of 3rd July. The number of registered deaths related to Coronavirus has decreased from 69 to 49 over the same period.

There was a total of 622 deaths registered across the WMCA (3 LEP) area in the week of the 3rd July. There were 25 deaths registered that were related to Coronavirus over the same period – this accounts for 4.0% of total deaths. The WMCA (3 LEP) area accounts for 51.0% of the 49 Coronavirus related deaths registered in the West Midlands Region.

In comparison to the week of the 26th June, the overall registered death figures across the WMCA (3 LEP) have decreased by 22 people, with the number of registered deaths related to Coronavirus decreasing by 18 people.

At local authority level, Nuneaton and Bedworth accounts for 28.0% (7) deaths related to Coronavirus in the WMCA (3 LEP), this is followed by Birmingham at 16.0% (4 deaths).

Of deaths involving Coronavirus registered in the week of 3rd July, 80.0% (20) occurred in a hospital which has increased percentage when compared to the week of the 26th June at 65.1% (20). The number of Coronavirus related deaths that occurred in a care home decreased from 23.3% (10) to 12.0% (3) in the week of 3rd July.

The following table shows the place and number of deaths registered that are related to Coronavirus in the week 3rd July Source: ONS, Deaths registrations and occurrences by local authority and health board, 14th July 2020

Area name	Care home	Elsewhere	Home	Hospice	Hospital	Other communal establishment	Total
Cannock Chase	0	0	0	0	0	0	0
East Staffordshire	0	0	0	0	1	0	1
Lichfield	0	0	1	0	1	0	2
Tamworth	0	0	0	0	1	0	1
North Warwickshire	0	0	0	0	0	0	0
Nuneaton and Bedworth	0	0	0	0	7	0	7
Rugby	1	0	0	0	0	0	1
Stratford-on-Avon	0	0	0	0	0	0	0
Warwick	0	0	0	0	1	0	1
Bromsgrove	0	0	0	0	0	0	0
Redditch	0	0	0	0	0	0	0
Wyre Forest	0	0	0	0	1	0	1
Birmingham	1	0	0	1	2	0	4
Coventry	0	0	0	0	0	0	0
Dudley	0	0	0	0	0	0	0
Sandwell	0	0	0	0	3	0	3
Solihull	0	0	0	0	0	0	0
Walsall	0	0	0	0	2	0	2
Wolverhampton	1	0	0	0	1	0	2
WM 7 Met.	2	0	0	1	8	0	11
Black Country LEP	1	0	0	0	6	0	7
Coventry & Warwickshire LEP	1	0	0	0	8	0	9
Greater Birmingham & Solihull LEP	1	0	1	1	6	0	9
WMCA (3 LEP)	3	0	1	1	20	0	25

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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