

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.

## This week

This week the region is facing the prospect of rising infections, as many areas are experiencing, and the risk of local lockdowns. The A Level awards continues to create issues within colleges and universities. Mixed performance this quarter for the region but on the whole as to be expected, on the downside. On a positive note businesses in the West Midlands continue to be more optimistic about the future and jobs and apprenticeship vacancies (ie the available opportunities) although substantially down on previous performance, these indicators continue to be the best performing of all Combined Authority areas.

## Main points are:

- Infection rates appear to be rising in the region, with Birmingham rising substantially and restrictions being places on [care homes](#). Dr Justin Varney has raised fears that people have forgotten how serious the virus was and has warned Birmingham could face local lockdowns. Whilst the lockdowns in Greater Manchester have been continued.
- [Nationally the Housing market](#) is being stimulated by Londoners seeking to escape the city after lockdown. Housing price have hit unusual record highs in all seven regions, but a drop in London pulled down the national average to a 0.2% decline. The rush out of cities could get even stronger in the coming months homeworking becomes the norm for many UK businesses
- The difficulty in reconciling individual fairness and a balanced distribution of grades in A Levels has led the Government to decide to drop the algorithm which Ofqual had used for estimating grades this year. Many universities with lower entry requirements may now have less students enrol as they may have made their firm university offer. As a result, these institutions could be left in a financially precarious position.
- Summary of evidence of people at most risk of not following government guidance to socially isolate. Evidence is limited, but there is some evidence from the UK, supported by evidence from the US that people least able and/or willing to self-isolate are younger adults, males and people of BAME heritage.
- Summary of evidence of strategies to support groups to socially isolate - Evidence is limited and in relation to the Covid-19 pandemic, is currently focussed mainly on the whole population, rather than population sub-groups. There is some evidence that for younger adults and for those not complying with social distancing, messages targeting the potential negative effect of not complying with social distancing might increase compliance and that highlighting the need to protect their families might be good strategies.
- Quarterly Economic Dashboard:
  - % of deaths from Covid 19 has dropped to 3%
  - Youth claimants stands at 43k and WMCA is 5<sup>th</sup> highest
  - All Claimants stands at 210k, 6.3% of the population and joint second highest CA
  - Business activity up to 61.9 the WM is the highest region
  - Future business activity 75.2 joint highest region
  - FDI 130 projects last year (latest figures) but still highest region outside London
  - New FDI jobs 3558, 6% of new jobs and 4<sup>th</sup> highest region
  - Apprenticeship vacancies 1773 highest CA
  - Unique job postings 110,993 highest CA
  - Total number of furloughed 586,800 highest CA
  - Quarterly GDP -1.6% lowest with East Midlands and South East
  - Quarterly exports £30bn, -6.1% and now 4<sup>th</sup> highest region
- Whilst many places, businesses and local authorities are still dealing with coronavirus the government has released a planning white paper which looks to be centralising more power, with a lack of recognition of local economies

- Overall footfall is continuing to increase and as of the 9<sup>th</sup> August 2020 it was around two-thirds of the 2019 level. There have been small increases across all locations, with retail parks still having the strongest footfall at around 85% of its level a year ago. High streets and shopping centres were around 60% of its level the same period a year ago.
- 13.5% of West Midlands businesses reported that operating costs exceeded turnover by at least 20% and 11.3% reported that turnover was equal to operating costs. While 49.6% of West Midlands businesses reported turnover exceeded operating costs by at least 20% and 25.5% of West Midlands businesses were unsure.
- 30.5% of West Midlands business have had to postpone or cancel bookings, services or events that have been sold to customers (32.1% UK) with 41.5% not having to cancel or postpone (41.4%), 20.7% reported this was not applicable (21.3% UK) and 7.3% of businesses were unsure (5.2% UK).
- 48.2% of exporting businesses in the West Midlands, and 42.8% in the UK, reported their businesses were still exporting but less than normal. 39.4% in the West Midlands were importing less than normal, compared to 35.9% across the UK.
- 9.9% of businesses in the West Midlands have received financial assistance from banks or building societies. Of these businesses, 77.3% reported this assistance helped them to continue trading, however 19.3% reported there was no impact on their ability to continue trading.
- 81% of adults felt the most important issues facing Great Britain was the economy, followed by 75% with the Coronavirus pandemic and then 68% said employment. 37% identified the Coronavirus pandemic as the single most important issue facing Great Britain today.
- Nationally, total online job adverts in the week of the 7<sup>th</sup> August, increased to 62% of the 2019 average. For the West Midlands, the total online jobs adverts have increased from 62.1% (31<sup>st</sup> July) to 73.0% (7<sup>th</sup> August) of its 2019 average

## Global Outlook

### Ben Brittain WMREDI

[The US S&P 500 Index](#) closed at a record Tuesday. The U.S. market has managed to effectively rally from the historic March lows. The stock index is basically almost back to where it was pre-crisis. This was mostly driven by a surge in shares of the US' largest technology companies, as well as the stimulus steroids from the White Houser have created the perfect recipe of a substantial bubble. It is now just 1% below its record high in February, which does not mirror the current economic, labour and health crisis ongoing in the US.



Comparatively, [European equities](#) are stuck near the same levels they were at two months ago. The fear for European capitals is that the prolonged stagnation drags on into the year-end, ensuring that any significant recovery is dampened.

In Asia stocks are posting mixed registers, with the dollar holding at a near two-year low.

[Global virus cases](#) have surpassed 22 million, with the US, Brazil and India taking up more than half the share of the total numbers. In Europe the case-infection rate seems to upward. Local outbreaks have encouraged Italian and Spanish governments to close nightclubs, whilst Italy has mandated the wearing of face-coverings.

[In New Zealand](#), Prime Minister Jacinda Arden has decided to delay the country's election by four weeks, due to a resurgence in Covid numbers. Their larger neighbour, Australia, has recorded its deadliest day since

the pandemic began, with 25 fatalities recorded, however case numbers are trending down in to the 200s.

### National Outlook

[In the UK CPI inflation](#) rose to 1.0% in July, up from 0.6% in June, according to the latest figures from the ONS. These figure have defied expectation of many analysts which expected a fall.

CPIH inflation is the ONS' headline figure, and it extends to owner occupiers' housing costs was 1.1% in July, up from 0.8% in June.

The greatest contributor to the rise in the CPIH 12-month inflation rate in July 2020 came from recreation and culture. Clothing, rising prices at the petrol pump, and furniture and household goods also made large contributions to the rise.

[The Housing market](#) is being stimulated by Londoners seeking to escape the city after lockdown. Housing price have hit unusual record highs in all seven regions, but a drop in London pulled down the national average to a 0.2% decline. The rush out of cities could get even stronger in the coming months homeworking becomes the norm for many UK businesses. Two-thirds of British businesses expect all or some of their employees to work remotely for the next year, with consequences for high-streets and town centres, and the hospitality retailers geared toward accommodating demands from office workers.

### Regional Outlook

[In Birmingham](#) the infection rate has substantial risen to 31.5, up from 18.2, with Sandwell rising slightly from 22 to 25 following peaks and dips. Coventry is up from 15 to 19. Wolverhampton has also recorded a rise, up to 17 fm 11. The most significant increase has been in Walsall rising from 7 to 15. Birmingham has recorded 360 new cases with Walsall rising from 20 to 44 new cases. South Staffordshire is the follows in the region at 0.9 (1), 6.2 (7).

[Pizza Express](#), the major food retailer, is to close shops across the West Midlands, with potential loss of 1,100 jobs across the UK. Among those suggested for potential closure are those stores in Merry Hill shopping centre, Walsall and Stourbridge in the Black Country; Ludlow in Shropshire; Stafford and Stoke in Staffordshire; Bromsgrove in Worcestershire; two in Birmingham – Corporation Street and Mailbox.

## A Levels

**Alex Smith, Rebecca Riley WMCA**

A Level results were released last week and as predicted in earlier monitors the predicted results were higher, this was corrected by an approach which ensured balance at the national level but resulted in uneven and severe issues where grades were downgraded specifically impacted on certain schools and individuals. This was carried out by applying previous patterns to latest predicted grades. This also exposed biases within the education system such as the impact of smaller class sizes and the pupils in schools in disadvantaged areas.

Unfortunately in this situation many young people feel that they didn't deserve the grades they were awarded and no one really won with this outcome.

The difficulty in reconciling individual fairness and a balanced distribution of grades led the Government to decide to drop the algorithm which Ofqual had used for estimating grades this year.

Several difficulties prompted this:

- UCAS data on teacher predictions in previous years shows that historically, teachers have almost never predicted grades lower than a C. Artificially reconstructing lower grades, including failing grades, for students who did not have an opportunity to prove themselves in assessment was always going to be contentious.
- Limitations of sample size for some subjects and schools with a small student count meant that teachers' predicted grades were needed to estimate in these cases. This introduced a potential inequity because many smaller courses (such as ancient languages) are more concentrated in private schools, and the teacher's assessment is typically more generous than the Ofqual algorithm.
- With AS levels having been phased out in England, these grades could not be either awarded at A Level or used for calibration.

And the decision has several potential repercussions:

- Overall, A Level grades are 14% higher than last year, with the largest discrepancies at the lower end of the grade spectrum. This may mean more successful UK applicants, including via clearing, potentially filling the gap created by less international students being enrolled this year.
- The UK government confirmed that they are

considering introducing a cap for enrolments in medicine, which may exclude some students who achieved the necessary grades.

- Many universities with lower entry requirements may now have less students enrol as they may have made their firm university offer. As a result, these institutions could be left in a financially precarious position.
- The higher overall grade distribution means that some students may receive a passing grade and go on to university who would not have passed their exam had they been required to take it. This may mean that some students may not be ready for the rigours of university study
- The fallout of this issue has now been passed onto universities to resolve, at a peak time of the year and whilst many universities were facing redundancy processes

### Long term implications

- Potentially next year the impact on students will be greater, as they have lost a substantial amount of their first year of study, whereas this year the majority was in revision period of the year. If continued lockdowns and outbreaks happen through out this academic year it could make the assessment process harder
- Longer term the confidence in the system is knocked, which may have impacts on the way people getting qualifications this year are perceived by employers.
- The approach has also exposed weaknesses in the awarding systems and inherent inequality in the education system

## Identifying and supporting groups who are most likely to not adhere to current guidelines

Summary of Report produced 10 May 2020

Antiopi Ntouva and Kate Jolly, University of Birmingham

### Summary of evidence of people at most risk of not following government guidance to socially isolate Evidence is limited, but there is some evidence from the UK, supported by evidence from the US that people least able and/or willing to self-isolate are younger adults, males and people of BAME heritage.

A review was carried out to which population subgroups are less likely to adhere to current government guidelines on social distancing and to explore ways to support these groups and increase compliance. Key findings of evidence so far:

A cross-sectional study on behaviours and intention to comply with government measures to control the epidemic was conducted in a UK representative sample of adults (n=2,108), the day following the government announcement to increase social distancing by stopping non-essential travel and contact with other people (Atchison et al., 2020). This study was conducted before the lockdown measures were put into place on the 23<sup>rd</sup> March.

- Adults aged 70 and over were almost twice as likely to adopt social distancing measures (defined as avoiding crowded areas and social events) compared to adults aged 18-34 years after adjusting for age, sex, marital status, employment status, household income, savings and housing tenure (OR:1.9, 95% CI: 1.1-3.4). Also, people who were separated, divorced and widowed or never married were less likely to take social distancing measures compared to people who were married, living as married or in civil partnership after adjusting for the same factors as above (OR: 0.63, 95% CI: 0.43-0.91 for separated, widowed and divorced; OR: 0.70, 95% CI: 0.50-0.97 for never married).
- In terms of ability to work from home (n=1,149), people without a degree, people on household incomes less than £49,999, people with savings less than £4,999 and people who rented from local authorities or housing associations were less likely to be able to work from home after adjusting for age, ethnicity, UK area of residence and housing tenure.
- There was a gradient in each of the above categories; more specifically people with the lowest educational qualifications (secondary or below) were over 3.4 times less likely to be able to work from home (OR: 0.29, 95%CI 0.21-0.39) compared to people with degrees after the adjustments above. People with household incomes of less than £20,000 were 6.25 times less likely to be able to work from home compared to those on income of £50,000 and above after adjustments (OR: 0.16, 95% CI: 0.09-0.26). People with savings of less than £100 were 3.3 times less likely to be able to work from home compared to those with savings of £25,000 or more after adjustments (OR: 0.30, 95%CI: 0.18-0.49).
- In terms of perceived ability to self-isolate, people from BAME groups were 3 times less likely to perceive themselves to be able to self-isolate compared to people from white ethnic groups (OR:0.33, 95% CI 0.15-0.72) after adjusting for age, gender, ethnicity, marital status, education, employment status, household income, savings, and housing tenure, even though there were no differences in willingness to self-isolate between the 2 groups in the adjusted analyses.
- People with a post-secondary but below degree education were less likely to perceive themselves able to self-isolate (OR 0.59, 95% CI: 0.36-0.97) and less likely to want to self-isolate (OR: 0.50, 95%CI: 0.29-0.85) compared to those with a degree after adjusting for age gender, ethnicity, marital status, employment status and housing tenure.
- People on incomes of less than £20,000 and incomes between £30,000-£49,999 were also 3.2 times less likely to perceive themselves able to self-isolate compared to those on £50,000 or over (OR:0.31, 95% CI: 0.16-0.58 and OR: 0.44, 95% CI: 0.25-0.77 respectively) after adjusting for age, gender, ethnicity, marital status, and employment status, even though there were no differences in willingness to self-isolate in either of these groups.
- People on savings of £100 or less were over 3 times less likely to perceive themselves as able to self-isolate compared to those on savings of £25,000 or over (OR: 0.31, 95% CI: 0.18-0.68) after adjusting for age, gender, ethnicity, marital status, and employment status; there were no differences in willingness to self-isolate.
- Finally even though there were no differences in perceived ability to self-isolate by housing tenure following adjustments as described above, people living in rented accommodation from local authority and housing associations as well as people who lived with parents, family or friends were less likely to want to self-isolate compared to those who owned their house outright after adjustments (OR: 0.39, 95% CI: 0.21-0.75 and OR:0.43, 95% CI: 0.20-0.95 respectively).

### Strategies to support groups to comply with social distancing guidance

The study by Webster and colleagues (Webster et al., 2020), summarised the evidence on ways to increase adherence for quarantine and recommended the following actions:

- Providing timely, clear rationale for quarantine
- Providing clear information about the quarantine protocol
- Emphasising social norms to encourage this behaviour as altruistic
- Highlighting the benefit that engaging in quarantine will have on public health (in particular to those at heightened risk of the disease) and emphasising its importance
- Ensuring sufficient supplies are provided
- Providing assistance for those financially affected by the quarantine.

Following their analysis on standardised recall scores and intention to comply with public health guidelines the Behavioural Insight Team is investigating strategies to improve engagement with young men. They suggest that footballers' appeals to stay at home as well as visual aids such as posters directly targeted at men may be useful (The Behavioural Insights Team, 2020).

A rapid review by Lunn and colleagues used behavioural insights to inform action on five behavioural topics: handwashing, face touching, self-isolation, public-spirited behaviour and responses to crisis communication (Lunn et al., 2020). The second two aspects were deemed important in influencing adherence to public health measures. In terms of handwashing, the evidence base is strong; education and information even though important, were not sufficient to change behaviours. Interventions to attract attention and make compliance convenient (such as placing sanitiser in prominent spots with colourful signs) could increase use of alcohol-based sanitisers. There were no evidence for interventions to reduce face touching, however they are needed. Even though the evidence on the impact of isolation on mental health is strong, there are too few and small scale studies on the effectiveness of preventative measures. Support and advice for people in isolation may be helpful, as well as engaging social networks remotely and maintaining routines. There is strong evidence on the increase in public-spirited behaviour when strategies that are "best for all" are clearly communicated and repeated. Stronger group identity in all levels and reasonable punishment of non-compliance including social disapproval can be helpful. In terms of crisis communication,

authorities need to show empathy and understanding on how people feel. Mixed evidence of helpfulness of social media, but messages that promote intrinsic motivation may be helpful. Numbers and ranges are helpful in communicating risks (middle of the range is most likely) (Lunn et al., 2020).

A pre-print paper on social and behavioural insights for the Covid-19 pandemic response has highlighted the following:

- "A shared sense of identity or purpose can be encouraged by addressing the public in collective terms and by urging "us" to act for the common good.
- Identifying sources (e.g., religious or community leaders) that are credible to different audiences to share public health messages can be effective.
- Leaders and the media might try to promote cooperative behaviour by emphasizing that cooperating is the right thing to do and that other people are already cooperating.
- Norms of prosocial behaviour are more effective when coupled with the expectation of social approval and modelled by in group members who are central in social networks.
- Leaders and members of the media should highlight bipartisan support for COVID-related measures, when they exist, as such endorsements in other contexts have reduced polarization and led to less biased reasoning.
- There is a need for more targeted public health information within marginalized communities, and for partnerships between public health authorities and trusted organizations that are internal to these communities.
- Messages that (1) emphasize benefits to the recipient, (2) focus on protecting others, (3) align with the recipient's moral values, (4) appeal to social consensus or scientific norms, and/or (5) highlight the prospect of social group approval tend to be persuasive.
- Given the importance of slowing infections, it may be helpful to make people aware that they benefit from others' access to preventative measures.

- Preparing people for misinformation and ensuring they have accurate information and counterarguments against false information before they encounter conspiracy theories, fake news, or other forms of misinformation, can help 'inoculate' them against false information.
- Use of the term "social distancing" might imply that one needs to cut off meaningful interactions. A preferable term is "physical distancing," because it allows for the fact that social connection is possible even when people are physically separated"

Data from a weekly online survey of 1000 participants (nationally representative sample) in Germany on the public's response to COVID-19 found that in the first 2 waves (3–4 March 2020 and 10–11 March 2020), knowledge was high, protection behaviours were low and risk perceptions were low especially in the elderly. Even though willingness to restrict everyday life, flatten the curve and protect the health system was high, it became higher when the motivation was to protect vulnerable others. This has implications in health communication and can improve the pandemic response by creating solidarity (Betsch, 2020).

The Scientific Pandemic Influenza group on Behaviour (SPI-B) is a group of experts that advise SAGE. They provided insights on self-isolation and household isolation and recommended ways to increase adherence and reduce absenteeism (i.e. going to workplaces):

- "Emphasise the civic duty of isolating.
- Change social norms – allow others to express disapproval.
- Consider the organisations to which individuals belong e.g. health workforce.
- Emphasise how others are isolating.
- Try to give control and choice to individuals.
- Provide specific guidance to individuals in difficult circumstances.
- Community organisations will be important for providing support." (The Parliamentary Office of Science and Technology, 2020)

The authors of the social media study in the USA suggest that public health messages for younger people should address their negative affect, emphasise the importance of individual behaviours on the societal health outcomes and address specific rationales that people present in order to increase compliance with social distancing advice (Moore et al., 2020).

The authors of the Wisconsin survey report that when participants who didn't practice high levels of social

distancing were asked what would make them consider increasing their social distancing practices they reported if it would help their families, if they were at high risk of infection and because they are a caring and considerate person. The survey found that those who did not believe physical distancing was effective they were less likely to do it, and those who think that it is not the norm to practice social distancing are less likely to do it (Brauer et al., 2020).

Online research from the Behavioural Insights team examined across a number of their trials whether certain groups were less likely to remember or intend to follow public health guidelines. They looked at standardised recall scores tested on 3 types of guidance: hand-washing (4 trials), self-isolation (5 trials) and social distancing (2 trials). They found that younger people especially young men did not recall coronavirus advice; the authors attribute this partly to the fact that 1/3 of people aged 18-24 spent less than 7 seconds reading the material in their trials. The authors hypothesise that this could be because either young people are used to shorter, more interactive methods of communication or that they were less engaged/interested with coronavirus. Low recall translated to lower intention to follow the advice; younger people and especially men were the least likely to show intention to follow any of 3 types of advice shown to them. The authors report that their analyses do not support that this group are less worried about the coronavirus, but it may be that they are overconfident that they understand the advice before reading it. The most concerned age group were people aged 25 and above; however higher levels of worry did not result in higher levels of recall of the advice. The mechanisms for this behaviour are not known yet but the authors hypothesize that it could be due to strong pre-existing views on self-protection or because they think the advice is not relevant to them. However, increased worry could lead to lower compliance with the advice. Women seem to have higher levels of worry than men (The Behavioural Insights Team, 2020).

### **Summary of evidence of strategies to support groups to socially isolate**

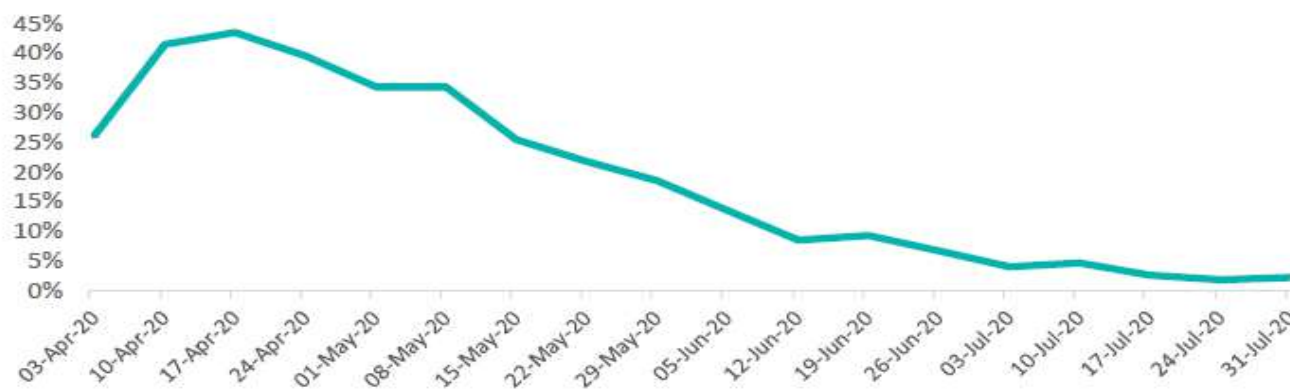
Evidence is limited and in relation to the Covid-19 pandemic, is currently focussed mainly on the whole population, rather than population sub-groups. There is some evidence that for younger adults and for those not complying with social distancing, messages targeting the potential negative effect of not complying with social distancing might increase compliance and that highlighting the need to protect their families might be good strategies.

## Quarterly Economic Dashboard August 2020

### BCC EIU



#### Percentage of registered deaths that are Covid related



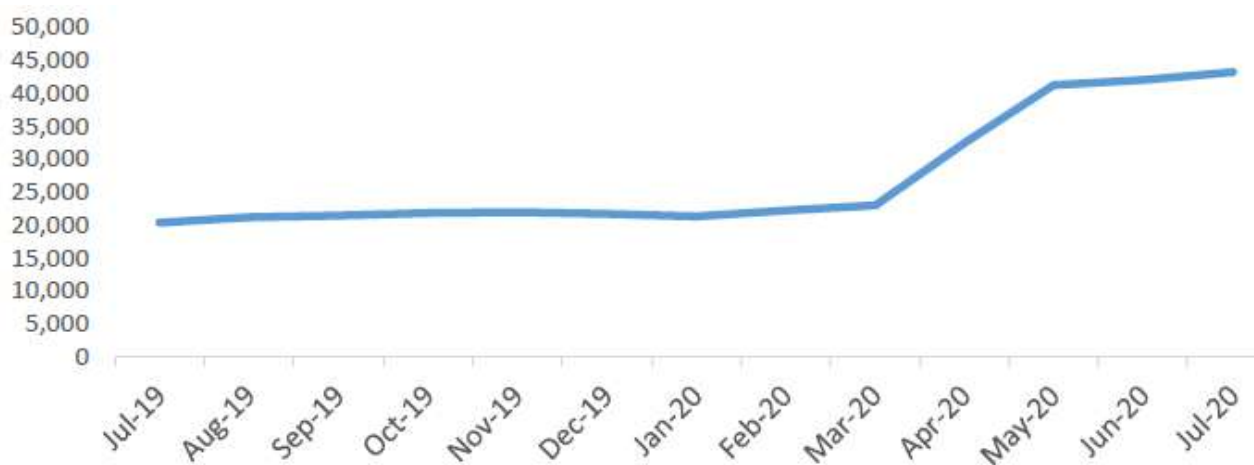
**3.0%**

**WMCA – 4<sup>th</sup> Highest CA**  
**UK: 3.6%**  
**Sheffield City Region: 6.0% (1<sup>st</sup>)**  
**West of England: 1.3% (10<sup>th</sup>)**  
**(All of July)**

Weekly analysis shows for the WMCA (3 LEP) area after the highest peak of Covid deaths in the week ending 17th April (43.4%) there has been a steady decrease until 19th June where there was a small increase from 8.4% (12th June) to 9.2% and again between 3rd July (4.0%) to 10th July (4.6) and as of 31st July was down to 2.1%.

Monthly analysis shows that the number of Covid deaths has decreased from 9.6% for the whole of June to 3.0% in July.

#### Youth Claimants

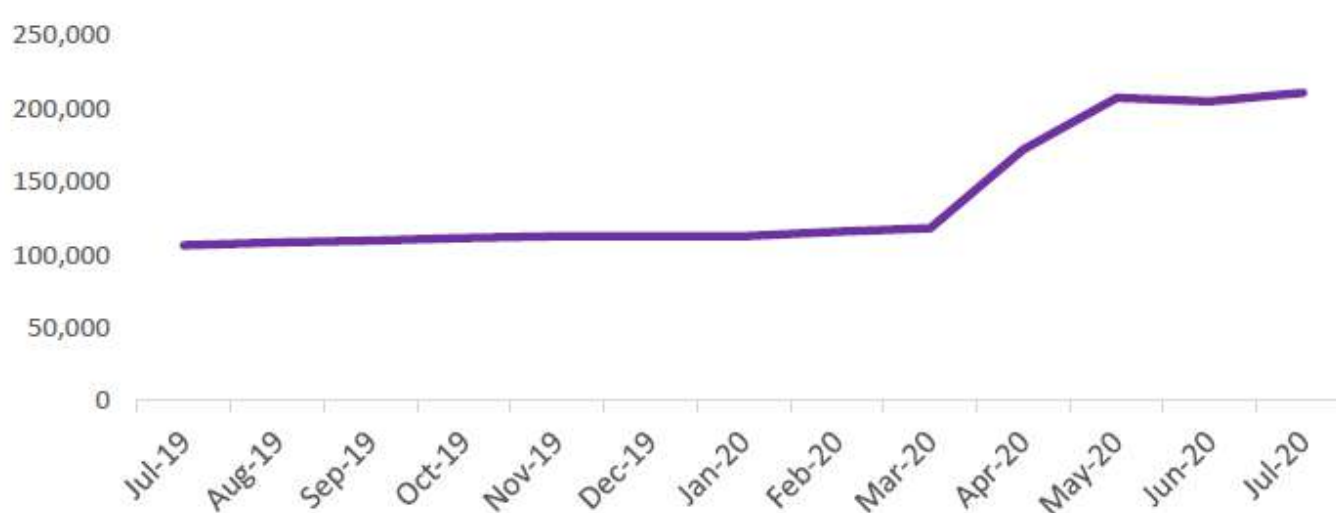


**43,120**  
**(8.7% of 16**  
**– 34 years**  
**old pop.)**

**WMCA – 5<sup>th</sup> Highest CA**  
**UK: 7.5%**  
**Tees Valley: 10.2% (1<sup>st</sup>)**  
**West of England: 5.0% (10<sup>th</sup>)**

The number of youth claimants in the WMCA area has increased by 1,185 between June 2020 and July 2020. Since March 2020, this has increased by 20,285 claimants.

#### All Claimants



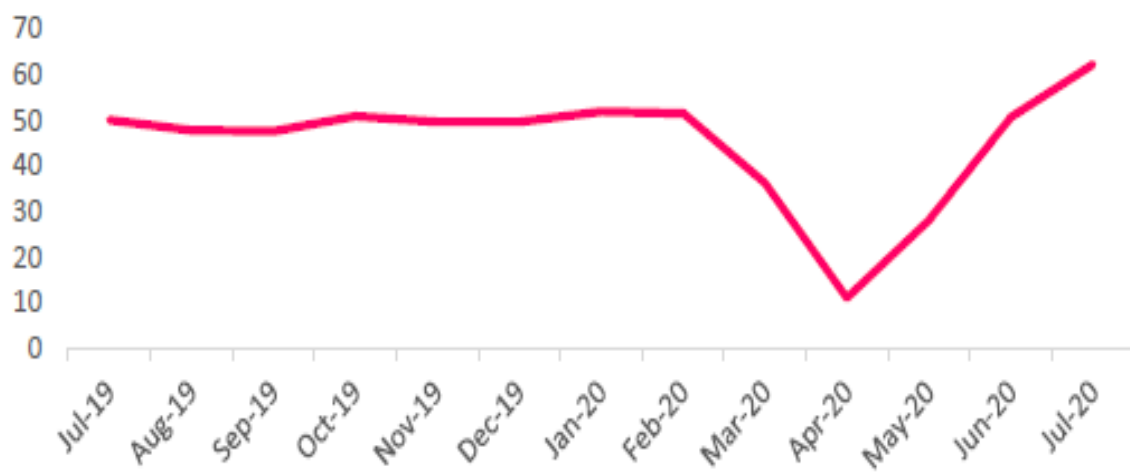
**210,295**  
**(6.3% of the**  
**pop. aged**  
**16+)**

**WMCA – Joint 2<sup>nd</sup> Highest CA**  
**alongside Tees Valley**  
**UK: 5.0%**  
**C & P CA: 3.9% (10<sup>th</sup>)**

The number of claimants aged 16 years and over has increased between June and July 2020 in the WMCA (3 LEP) are by 5,930. Compared to March 2020 there are 92,705 more claimants.



### Business Activity

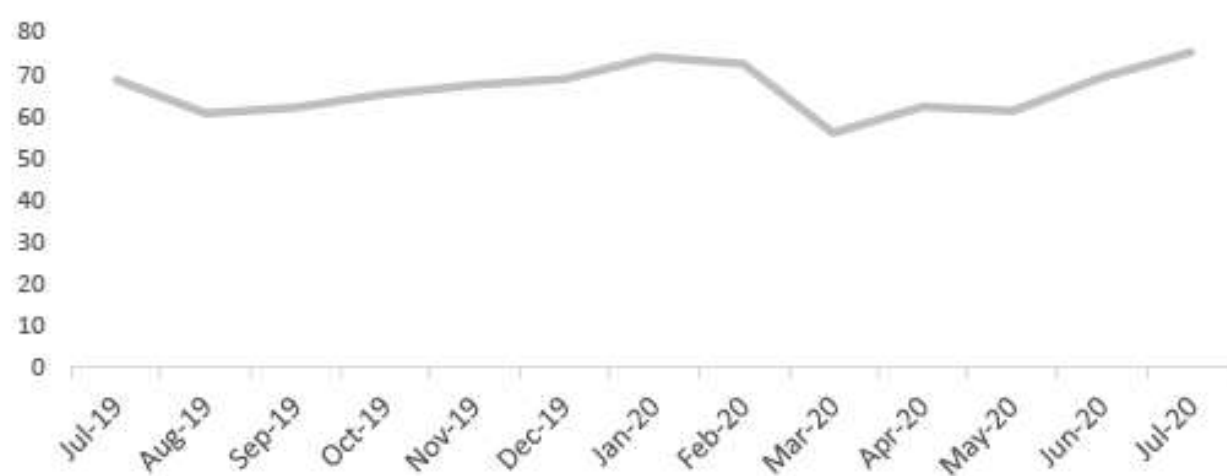


**61.9**

**WM – Highest Region**  
**UK: 57.0**  
**Scotland: 49.3(12th)**

The headline West Midlands Business Activity Index has changed from 50.4 in June to 61.9 in July. The latest reading signalled a much stronger increase in business activity at the start of the third quarter, in fact, the second-fastest rate in the survey history.

### Future Business Activity

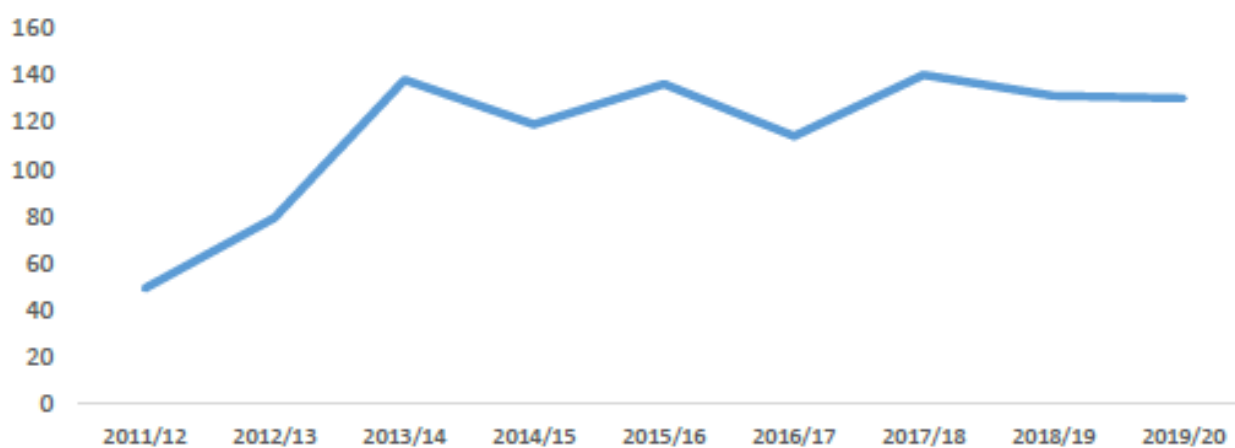


**75.2**

**WM: Joint Highest Region**  
**East of England: 74.4 (3rd)**  
**Northern Ireland: 45.7 (12th)**

The Future Business Activity Index reached its highest level for three-and-a half years, signalling that a greater proportion of firms were more positive about the year ahead outlook than in June.

### FDI

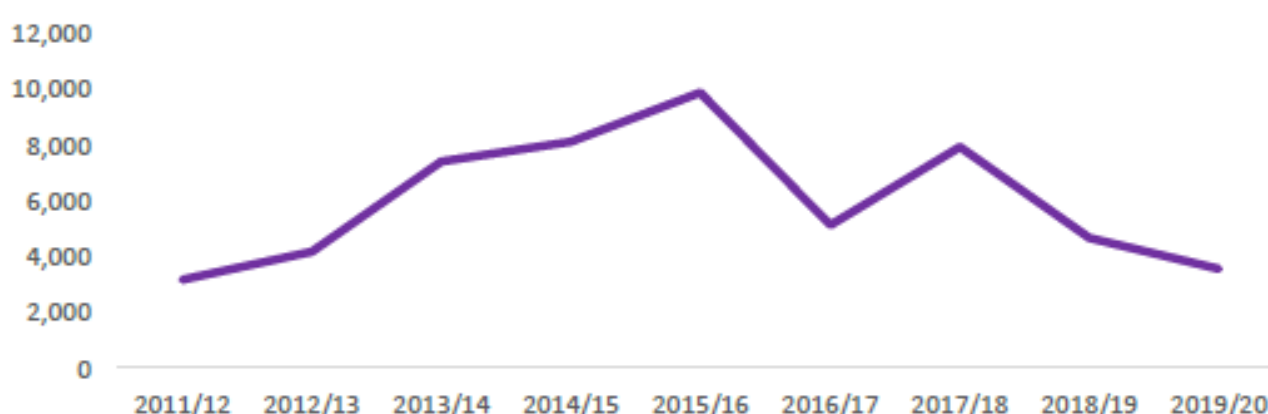


**130**  
**(2019/20)**

**The West Midlands Region** accounts for 8.5% of all UK FDI projects – which is the highest region outside of London and the South East. (London 1<sup>st</sup> with 34.4% and the South East 2<sup>nd</sup> with 11.4%).

Compared to 2018/19 the number of projects has decreased in the WMCA by 1 which equates to a decline of 0.8% while the UK increased by 3.9%.

### New FDI Jobs

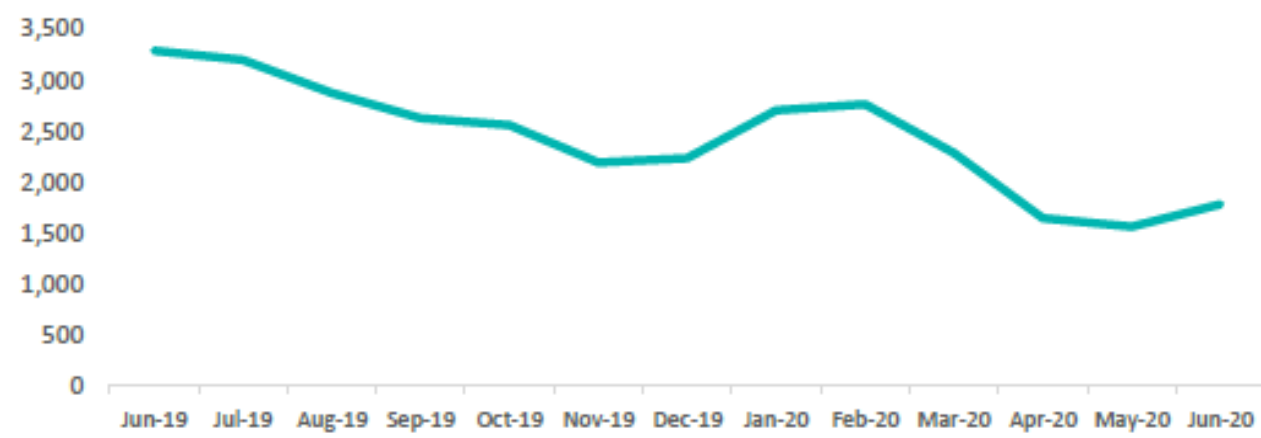


**3,558**  
**(2019/20)**

The West Midlands accounts for 6.0% of new jobs from FDI projects – this is the 4<sup>th</sup> Highest region. Although notably, WM is the highest region for safeguarded jobs at 30.3% and 2<sup>nd</sup> highest for total jobs.

Following the UK trend of decline in the number of new jobs created by FDI projects – compared to 2018/19 there has been a decrease by 23.7% (-1.108 new jobs)- the UK decreased by 2.6%.

### Apprenticeship Vacancies

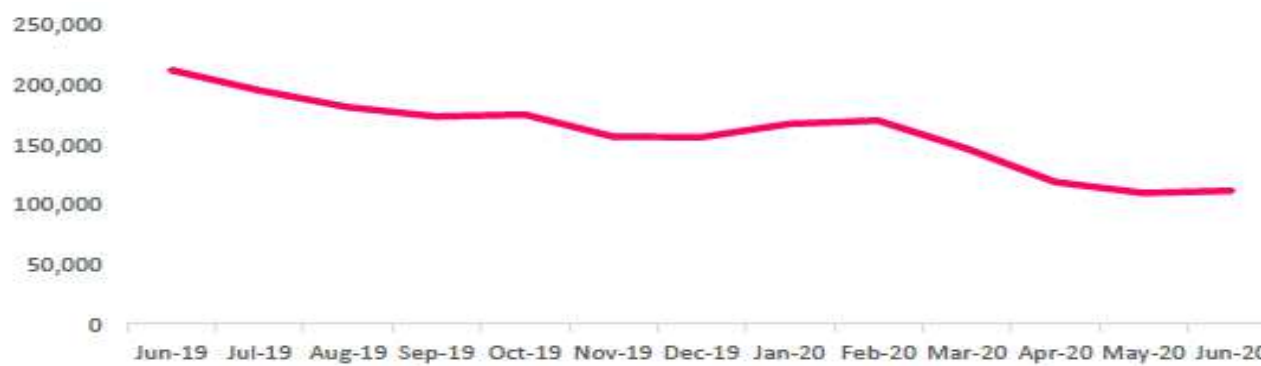


**1,773**

WMCA – Highest CA  
GMCA: 1,282 (2<sup>nd</sup>)  
Tees Valley: 231 (10<sup>th</sup>)

The latest data shows that apprenticeship vacancies stood at nearly 1,800, this has increased following two months of decline but substantially lower than March 2020 at nearly 2,300.

### Unique Job Postings

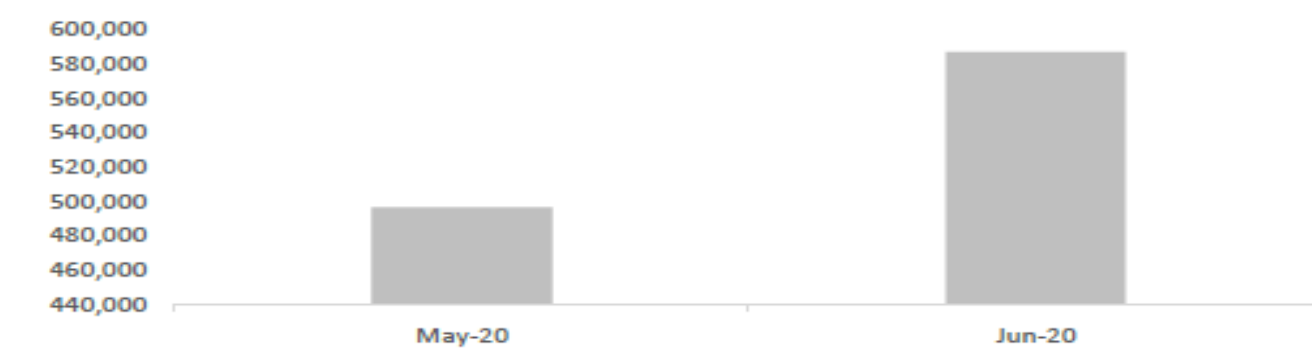


**110,993**

WMCA – Highest CA  
GMCA: 92,648 (2<sup>nd</sup>)  
Tees Valley: 11,513 (10<sup>th</sup>)

The latest data shows that the number of unique jobs postings stood at nearly 111,000, this has increased following two months of decline but lower than March 2020 figure (146,200).

### Total number of staff furloughed



**586,800**

WMCA – Highest CA  
GMCA: 384,700 (2<sup>nd</sup>)  
Tees Valley: 78,500 (10<sup>th</sup>)

Across the WMCA (3 LEP) area in June 2020, 586,800 people have been furloughed which is an increase of 18.3% (+90,600) compared to 7.8% for the UK since May 2020. In the WMCA this accounts for approximately 31.8% of jobs or 2,246 per 10,000 working age population.

### Quarterly GDP

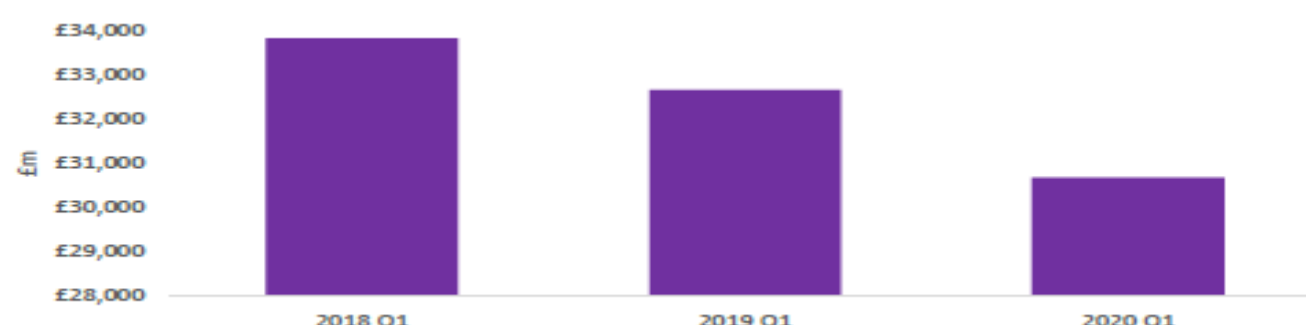


**-1.6%  
(2019 Q4)**

WM – 2<sup>nd</sup> Lowest With 2 Other Regions (EM & SE)  
England: -0.1%  
South West: +0.8% (1<sup>st</sup>)  
North East: -1.3% (9<sup>th</sup>)

There was negative growth in 2019 Q4 in the West Midlands by -0.6% after growth seen in 2019 Q3 of 0.2%, however the negative growth was smaller than that seen in 2019 Q2 at -1.7%.

### Quarterly Regional Export



**£30.6bn  
(9.1% of UK)  
Year to: Q1  
2020**

WM – 4<sup>th</sup> Highest Region  
South East: £44.4bn (1<sup>st</sup>)  
Northern Ireland: £8.9bn (12<sup>th</sup>)

Regional exports fell by nearly £2bn (-6.1%) over the year of 2020 Q1 to £30.6bn - the UK decreased by 2.2%. The West Midlands region imports decreased by 10.3% to £34.4bn - leading to a trade deficit of £3.7bn



## Introduction

In response to the unprecedented crisis caused by the advent of Coronavirus, the British Chambers of Commerce has developed a Covid-19 Business Impacts Tracker which will serve as a barometer of business' response to the measures introduced by the Government to help firms navigate this exceptional landscape. The tracker will explore weekly business conditions to help understand the scale of the challenges that companies across the country are facing right now and in a bid to gauge the awareness and usage of government support measures amongst the business community. The results listed below are based on responses received from 84 firms across the West Midlands and cover the period from 3rd August to 7th August.

95% of respondents employed less than 250 staff members and of those, 42% employed between 1 to 9 members of staff and 8% identified themselves as sole traders. 54% of businesses surveyed did not export their goods & services (and similarly, 45% did not engage in importing activities). Of those firms that were involved in exporting, 35% distributed their products and services to countries both inside and outside the European Union. 20% of businesses that took part in the survey operated in the professional services sector and 35% were listed as manufacturers.

## Changes to Trading Conditions & Access to Finance

In comparison to the previous month, 38% of businesses witnessed a fall in UK revenue (with 21% citing a significant decrease) with 36% recording an increase in domestic revenue. 37% of firms saw a drop in international revenue (with 11% suggesting it was significant) and 23% reported an increase in revenue generated overseas. 47% had also seen a decline in cash reserves (with 22% noting an uplift compared to the previous month). 28% of businesses expected their cash reserves to cover their trading activity for one to three months, 6% for less than one month and 4% had no cash reserves at all. Of those businesses that have seen a rise in cash reserves, 50% cited new business or customer demand and 38% referred to the government furlough scheme as a key factor behind this development. Of those businesses impacted by the advent of Covid-19, 51% of firms revealed they had obtained finance via Government lending schemes (such as CBILs and BBLs)

and 8% had attempted to access finance and had been unsuccessful in their attempts. 36% of businesses suggested they did not need to access finance during this difficult time period. Of those businesses that obtained finance, 76% used the money to bolster cash flow levels, 51% used it to cover overheads such as rent and 37% used it to pay off debts. 61% of businesses suggested they fully understood the terms and conditions of the finance package they obtained (whereas 12% felt they did to an extent).

In terms of assessing the impact that the repayment of finance might have on their individual business over the next 12 months, 32% expected to change their investment plans, 27% noted that it wouldn't have any impact, 22% felt they would scale back down on their operations and 15% said they would cease trading.

In terms of steps that businesses might take over the next 12 months to repay the finance, 34% suggested they would reduce spending, 32% said they would repay the debt using existing cash

reserves and 12% suggested they wouldn't take any action. Businesses were also asked to consider the approach they would undertake in case they took on debt and were struggling to repay it, 18% of firms would look to take on a longer fixed term deal to pay back the loan (through conversion to a financial instrument such as preference shares), 14% would consider taking on a student loan-type scheme (in which the loan would convert into a tax obligation and is repaid on a means-tested basis) and 11% would consider entering into forbearance with their existing lender.

Businesses were also asked to consider which factors they would consider most important in looking for business banking services, 52% cited face to face support, 47% referred to the speed of set up and access to capital and 43% cited digital capabilities.

## PLANNING FOR THE FUTURE

*Mike Best, Senior Director - Planning, Turley*

**Is ‘Planning for the Future’ tautology? Probably. What else can you plan for?**

**But the future of planning is very much what the Government’s White Paper issued last week (6<sup>th</sup> August) addresses, promising a once-in-a-generation change. Since it talks about the biggest change since the system was created in 1947, it feels more ‘once-in-a-lifetime’.**

Or is it?

There is a tendency in these proposals for an even greater centralisation of power. That may be a concern for local leaders who, as Kevin Johnson addressed in last week’s Impact Monitor, may be uneasy at the lack of real devolution to be offered in the forthcoming White Paper on Devolution and Local Recovery.

**The paper sets out five aims:**

- **To streamline the system and make it more democratic (the same challenge set every time planning reform has been promised)**
- **A radical digital-first approach (to be warmly welcomed but some of it does exist already)**
- **A new focus on design and sustainability (with the emphasis very much on design)**
- **A new approach to infrastructure delivery**
- **More land for homes and the development we need, and renewal of town centres.**

There are 24 proposals described under three “pillars” – on “development”, “beautiful and sustainable places”, and “infrastructure and connected places”.

Breaking these down, we have six proposals on the streamlining of the plan making process, which is really at the heart of the changes. Not a zonal planning system as such, but a categorisation of how we plan between “**growth**” (where ‘automatic’ planning permission will be granted on plan adoption with later approval of details through either a refreshed ‘reserved matters’, LDOs or DCOs, the latter hinting at their extension to residential); “**renewal**” (where there will be a presumption in favour of development but a regulated ‘pattern book’ approach to approval using existing tools); and “**protection**” (where planning permission would be required as at present, but with it being the exception in areas of Green Belt, landscape quality, wildlife and open countryside).

The plan making process will be shortened to 30 months,

but with more public involvement, potential changes to the examination process, a new “sustainable development” test, the survival of Neighbourhood Plans but the demise of the Duty to Co-operate, with only vague hints at how to plan strategically.

A new Standard Method for housing requirements will be nationally determined and binding, but there will be stronger measures to ensure build out of permissions. All will be digitally enhanced.

On design, we will see a new national body (having abolished CABE), better local leadership with ‘Chief Placemakers’ supporting locally-generated design guidance and coding. Homes England will be charged with delivering “beautiful places”, and we see for the first time what a “fast-track for beauty” looks like based around those local design codes.

The paper is lighter on the environment than we might expect facing into a climate emergency, but there are proposals on streamlining the assessment of environmental effects, securing environmental benefits, evolving heritage guidance and the move towards zero carbon.

On infrastructure, CIL and S106 obligations are swept away in favour of a single Infrastructure Levy, which will also deliver affordable housing, capture what is currently being lost from permitted development, and give local authorities greater freedom on how they spend it. Refreshingly, the White Paper recognises the need for a Resource and Skills Strategy which will be vital to deliver such sweeping change.

Finally, an accompanying consultation paper on changes to the current system covers the transitional arrangements on Standard Method for housing, introduction of First Homes (what began life as Starter Homes) and offers a 30% discount for 25% of affordable provision, help for SME builders, and an extension of the Permission in Principle powers.

The White Paper talks of moving away from a discretionary system towards a rules-based approach, but that also means locking in those rules perhaps once every five years, when plans are reviewed, whereas experience shows that community engagement currently crystallises around the detailed proposals. How to engage people earlier on design coding for something they can’t yet envisage will be a challenge.

As mentioned, the proposals feel like a centralisation of power with national development management policies likely to mean an expanded NPPF and PPG, with less discretion locally. That may prove to be a good thing with less duplication of effort, but it may feel to local authorities and communities like choice being taken away and a loss of distinctiveness.

There is also an alarming lack of any real recognition of the economy. All the talk is of housing which is likely to dominate our conversation in the days and weeks to come. However, in the midst of an unprecedented pandemic it does feel like the two 'pillars' of economic recovery and the climate emergency have risen to match housing as a crisis to be addressed as a society.

There is much to commend in the White Paper and much of the rhetoric is valid, but the practical implications of a demolish-and-rebuild of the planning system right now will need to be balanced by asking: couldn't we do much of this within the existing system and proceed with "build, build, build"?

**ONS Weekly Release Indicators**

**BCC EIU**

**ONS Weekly Release Indicators**

On the 13<sup>th</sup> August 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 national footfall data, final results from Wave 10 of the Business Impact of Coronavirus Survey (BICS), the final results for Wave 20 of the Opinions and Lifestyle (OPN) Survey, experimental online job advert indices and Value Added Tax (VAT) Returns.

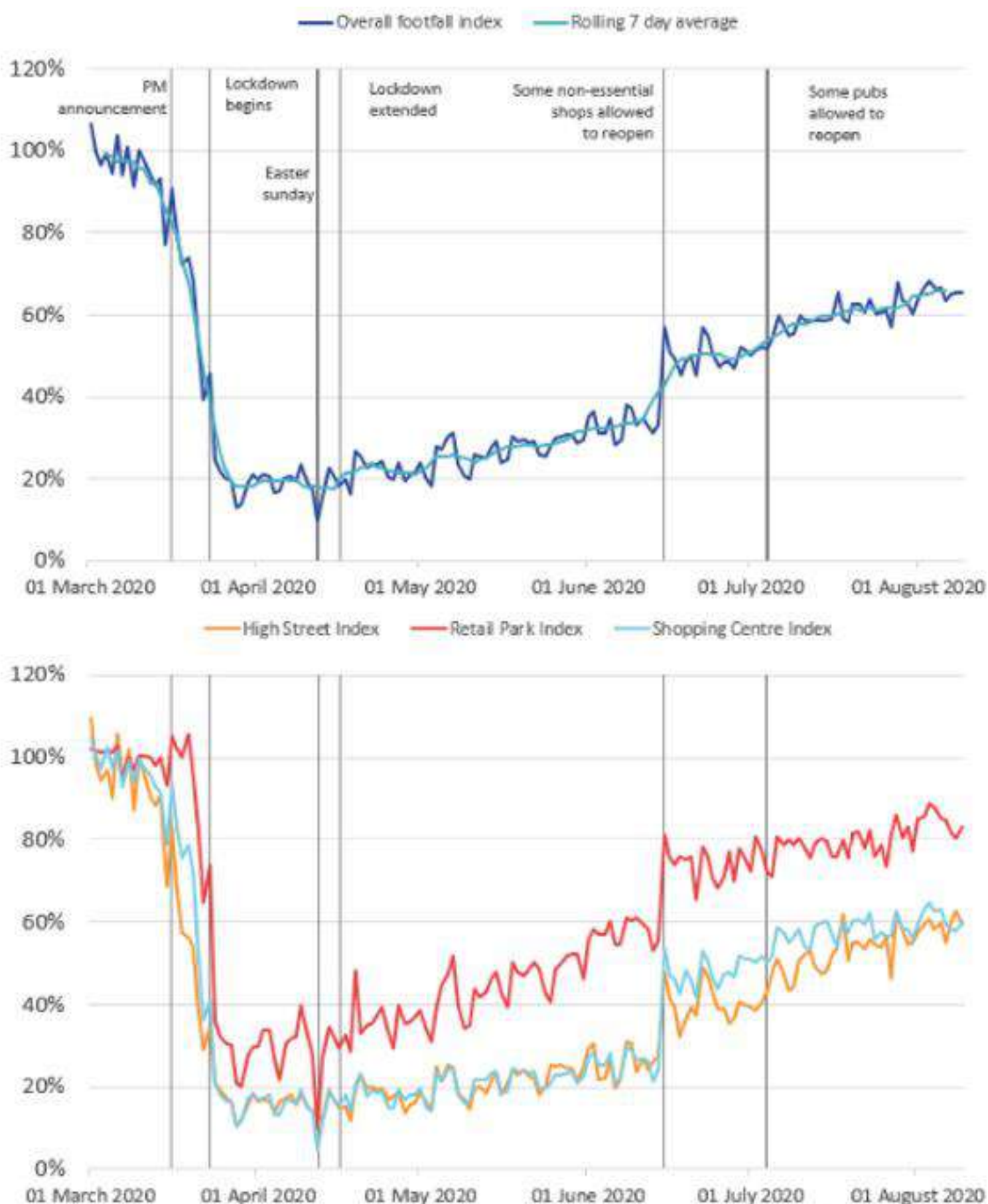
The volume of footfall has been compared to the same day the previous year (i.e. Tuesday 14<sup>th</sup> July 2020 will be compared to Tuesday 16<sup>th</sup> July 2019) for high streets, retail parks and shopping centres.

Overall footfall is continuing to increase and as of the 9<sup>th</sup> August 2020 it was around two-thirds of the 2019 level. There have been small increases across all locations, with retail parks still having the strongest footfall at around 85% of its level a year ago. High streets and shopping centres were around 60% of its level the same period a year ago.

**The following graph shows the volume of footfall for the UK between 1<sup>st</sup> March to 9<sup>th</sup> August year on year percentage change between footfall on the same day:**

**National Footfall**

Customer activity figures are provided by Springboard.



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

### Business Impact of the Coronavirus

The final results from the tenth round of the Business Impact of Coronavirus Survey (BICS) show that of the 3,722 businesses surveyed across the West Midlands there was a response rate of 25.1% (935). Unless stated, the following data is based on the period between 13<sup>th</sup> – 26<sup>th</sup> July 2020 and only covers topics where there is a regional breakdown.

### Trading and Financial Performance

The trading status of businesses refer to the period of 27<sup>th</sup> July – 9<sup>th</sup> August 2020 and the turnover analysis is between 13<sup>th</sup> – 26<sup>th</sup> July.

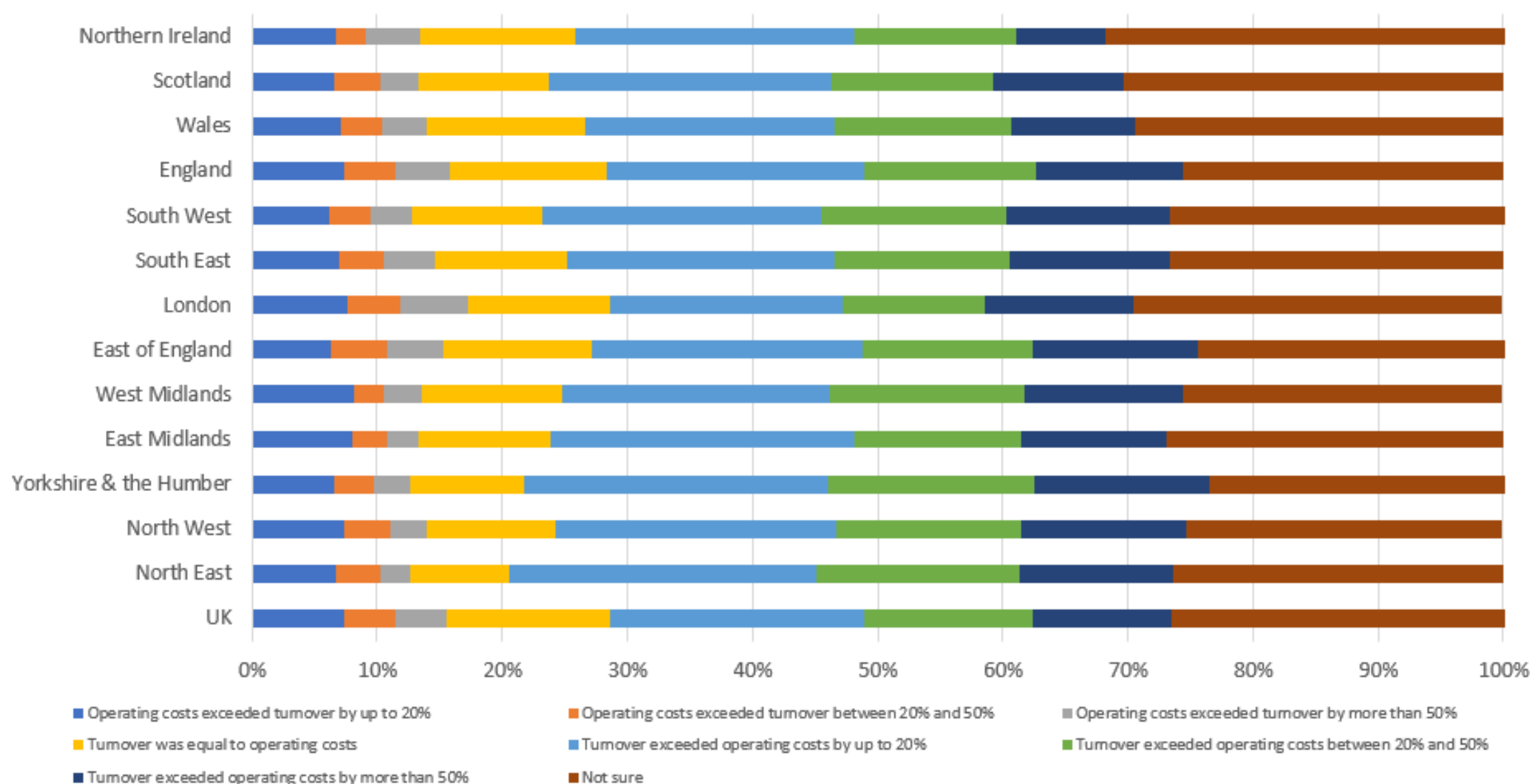
Less than 1% of UK businesses reported they have permanently ceased trading with 5.7% temporary closed or paused trading and 93.7% continuing to trade. The figures for the West Midlands show that also less than 1% of businesses have permanently ceased trading. While 96.4% of businesses were trading and 2.7% of businesses were temporarily closed or paused trading. In the West Midlands, 94.4% of responding businesses were trading and have been for more than the last two weeks (UK 90.4%). 2.0% of West Midlands businesses started trading within the last two weeks after a pause in

trading (3.3% UK). However, 2.0% of responding West Midlands businesses have paused trading and do not intend to restart in the next two weeks (UK 4.1%). 58.2% of trading businesses in the West Midlands reported their turnover had decreased by at least 20%, compared to 53.6% of businesses in the UK. However, 24.3% of trading businesses in the West Midlands reported that their turnover was unaffected (29.6% for the UK) and 12.0% reported their turnover had increased by at least 20% in the West Midlands, slightly above the UK average of 10.9%.

### Turnover versus Operating Costs

13.5% of West Midlands businesses reported that operating costs exceeded turnover by at least 20% and 11.3% reported that turnover was equal to operating costs. While 49.6% of West Midlands businesses reported turnover exceeded operating costs by at least 20% and 25.5% of West Midlands businesses were unsure.

The following graph shows a breakdown by region how turnover compared to operating costs:



## Business Sites Location

The following table shows where businesses are located who have not permanently stopped trading by region and industry between 27<sup>th</sup> July to the 9<sup>th</sup> August. The West Midlands highest industry was real estate activities at 22.7% and the lowest industry was arts, entertainment and recreation at 10.0%.

Industry	Northern Ireland	Scotland	Wales	East of England	East Midlands	Greater London	North East of England	North West of England	South East of England	South West of England	West Midlands	Yorkshire and The Humber
Manufacturing	6.6%	14.9%	12.3%	13.3%	16.8%	8.0%	9.9%	19.6%	19.3%	16.5%	16.4%	16.3%
Water Supply, Sewerage, Waste Management and Remediation Activities	4.9%	16.4%	27.9%	14.8%	18.0%	19.7%	11.5%	16.4%	19.7%	21.3%	18.0%	14.8%
Construction	5.2%	27.0%	26.0%	14.9%	13.9%	18.3%	10.7%	18.3%	21.1%	18.9%	15.9%	14.5%
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	11.6%	24.1%	23.5%	18.9%	19.8%	23.7%	16.0%	23.9%	29.4%	21.6%	21.7%	19.3%
Transportation and Storage	6.7%	23.5%	11.8%	19.7%	20.6%	18.5%	13.9%	22.7%	28.6%	18.9%	16.0%	18.9%
Accommodation and Food Service Activities	4.7%	15.8%	12.0%	10.7%	13.1%	22.9%	9.0%	16.7%	21.6%	18.2%	12.4%	11.8%
Information and Communication	7.7%	15.4%	10.2%	11.7%	12.0%	39.2%	8.3%	19.8%	26.9%	16.0%	11.1%	8.6%
Real Estate Activities	7.6%	16.7%	19.7%	19.7%	18.2%	37.9%	18.2%	19.7%	28.8%	22.7%	22.7%	19.7%
Professional, Scientific and Technical Activities	6.1%	18.1%	13.8%	12.1%	12.1%	34.8%	10.3%	22.1%	28.0%	16.7%	14.2%	13.2%
Administrative and Support Service Activities	6.2%	18.3%	14.8%	16.9%	18.9%	27.4%	14.8%	22.8%	29.8%	20.0%	18.7%	17.4%
Education	6.8%	9.5%	10.0%	15.4%	12.2%	21.7%	7.2%	13.6%	30.8%	15.4%	13.6%	7.7%
Human Health and Social Work Activities	3.1%	13.1%	7.5%	18.1%	14.4%	18.1%	12.5%	21.9%	24.4%	25.0%	17.5%	21.9%
Arts, Entertainment and Recreation	6.0%	16.4%	10.4%	11.4%	11.4%	15.9%	7.0%	13.4%	15.4%	13.9%	10.0%	9.0%
All Industries	7.2%	18.7%	15.9%	15.1%	15.9%	22.7%	11.7%	20.4%	25.4%	18.6%	16.5%	15.3%

For the West Midlands, the percentage of businesses who have not permanently stopped trading who have a workforce size of under 250 was 9.8% and for those with over 250 was 28.6%.

The following table shows where businesses are located who have currently paused or ceased trading by region and industry between 27<sup>th</sup> July to the 9<sup>th</sup> August. For the West Midlands, the highest industry was accommodation and food services activities at 5.6%, down to 1% for manufacturing, construction, and professional, scientific and technical activities.

Industry	Northern Ireland	Scotland	Wales	East of England	East Midlands	Greater London	North East of England	North West of England	South East of England	South West of England	West Midlands	Yorkshire and The Humber
Manufacturing	*	*	*	1.0%	*	*	*	1.1%	*	*	1.0%	*
Water Supply, Sewerage, Waste Management and Remediation Activities	0.0%	1.6%	3.3%	3.3%	3.3%	3.3%	1.6%	3.3%	1.6%	1.6%	3.3%	1.6%
Construction	1.6%	6.4%	6.8%	1.8%	*	3.5%	2.0%	2.7%	4.1%	2.7%	1.0%	1.6%
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	1.5%	3.3%	3.9%	1.5%	2.4%	2.9%	1.2%	2.7%	2.5%	2.0%	2.4%	1.4%
Transportation and Storage	*	3.0%	1.7%	2.6%	1.3%	1.3%	*	2.1%	2.6%	1.7%	1.7%	*
Accommodation and Food Service Activities	1.7%	5.7%	4.4%	2.8%	4.8%	12.2%	2.6%	5.4%	6.3%	4.8%	3.1%	3.5%
Information and Communication	1.3%	1.0%	1.6%	1.3%	1.3%	3.2%	1.3%	1.6%	1.9%	1.3%	2.3%	1.9%
Real Estate Activities	0.0%	1.6%	3.1%	1.6%	3.1%	7.8%	3.1%	1.6%	1.6%	1.6%	3.1%	1.6%
Professional, Scientific and Technical Activities	*	1.3%	2.0%	1.0%	*	2.9%	1.0%	1.9%	2.6%	1.4%	1.0%	*
Administrative and Support Service Activities	1.5%	3.9%	3.1%	3.1%	4.0%	7.3%	2.5%	4.9%	6.7%	2.8%	3.1%	3.1%
Education	1.4%	3.2%	2.8%	3.2%	2.3%	4.6%	2.8%	4.6%	8.7%	4.1%	3.2%	3.7%
Human Health and Social Work Activities	0.0%	1.3%	0.0%	1.3%	1.3%	1.3%	*	1.3%	2.5%	1.3%	1.3%	*
Arts, Entertainment and Recreation	4.1%	12.2%	7.1%	8.2%	3.6%	8.2%	3.1%	6.1%	5.6%	7.1%	5.6%	6.6%
All Industries	1.2%	3.2%	3.0%	2.0%	2.1%	4.0%	1.5%	2.9%	3.5%	2.2%	2.1%	1.8%

\*Less than 1%



### Cancelled Bookings

30.5% of West Midlands business have had to postpone or cancel bookings, services or events that have been sold to customers (32.1% UK) with 41.5% not having to cancel or postpone (41.4%), 20.7% reported this was not applicable (21.3% UK) and 7.3% of businesses were unsure (5.2% UK).

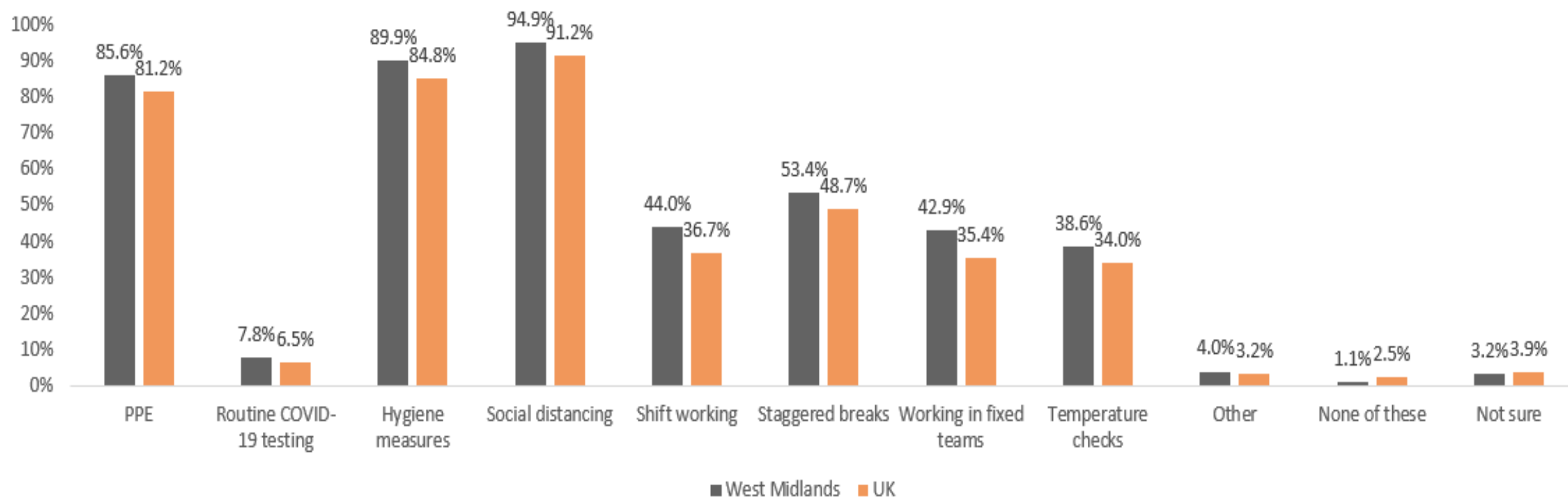
### Safety Measures

94.9% of businesses in the West Midlands who have not permanently stopped trading intend to or have

implemented social distancing, compared to 91.2% across all UK businesses.

Examples of other safety measures intended to or have implemented across these West Midlands businesses include 89.9% will use hygiene measures (84.8% UK) and 85.6% will use PPE (81.2% UK).

**The following graph shows the percentages of West Midlands businesses who have not permanently stopped trading broken down by safety measures that they intended to or have implemented:**



### International Trading

For businesses in the West Midlands continuing to trade who have exported and/or imported in the last 12 months and have exported and/or imported during Covid-19, 48.2% of exporting businesses in the West Midlands, and 42.8% in the UK, reported their businesses were still exporting but less than normal. Of those businesses who continued to trade and import, 39.4% in the West Midlands were importing less than normal, compared to 35.9% across the UK.

44.1% of West Midlands businesses who were exporting reported that they had not been affected, compared to 47.5% across the UK, and 50.7% of West Midlands businesses said that importing had not been affected, compared to 53.2% across the UK.

2.9% of businesses in the West Midlands are exporting more than normal, compared to 2.8% across the UK. The figures for importing more than usual are 4.7% and 4.6% respectively.

backed accredited loans or finance agreement (21.9% UK). While 14.7% of West Midlands businesses have not applied for any of these schemes (18.8% UK).

97.4% of West Midlands businesses have received funds from the Coronavirus Job Retention Scheme (96.4% UK), 13.8% of businesses received funds from a Government backed accredited loans or finance agreements (22.0% UK). While 2.0% have not received any funds from these schemes (1.5% UK).

60.6% of West Businesses are using the Deferring VAT payments initiative (48.7% UK), 28.0% are using business rates holiday initiatives (22.7% UK) and 15.6% are using HMRC Time to Pay Scheme (13.8% UK). 31.5% of West Midlands businesses are not using any of these initiatives (42.6% UK).

69.6% of West Midlands businesses who received support from schemes or initiatives reported that it helped them to continue trading, while 22.2% reported that it did not impact their ability to continue trading.

### Government Schemes and Initiatives

83.6% of businesses in the West Midlands who have not permanently stopped trading have applied for the Coronavirus Job Retention Scheme (77.8% across the UK).

15.6% of West Midlands businesses have applied for business grants funded by the UK and devolved government (18.9% UK) and 17.0% for government

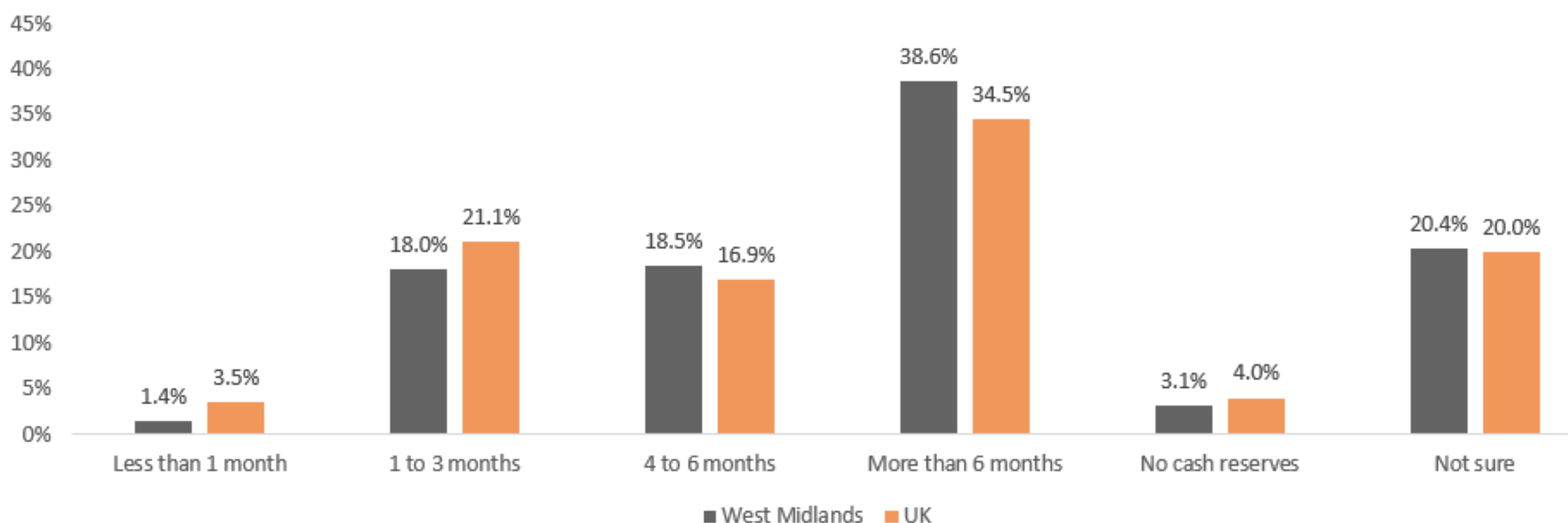
### Financial Assistance

9.9% of businesses in the West Midlands have received financial assistance from banks or building societies. Of these businesses, 77.3% reported this assistance helped them to continue trading, however 19.3% reported there was no impact on their ability to continue trading.

### Cash Flow

3.1% of West Midlands businesses that have not permanently stopped trading have no cash reserves. For the UK, this figure is 4.0%.

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



### Social Impact of the Coronavirus

Indicators from the Opinions and Lifestyle Survey is a weekly update to understand on the impacts of the COVID-19 pandemic on people, households and communities in Great Britain.

Data on the social impact of the coronavirus (COVID-19) on Great Britain were collected from the Opinions and Lifestyle Survey (OPN). The data relate to the final results for Wave 20, covering the period 5<sup>th</sup> – 9<sup>th</sup> August 2020. In this wave there were 1,424 (57%) responding adults.

#### Socialising/ Eating Out and Leisure

73% of adults reported to meeting up with people to socialise between 5<sup>th</sup> – 9<sup>th</sup> August, with 50% allowing friends or family to visit them at home.

40% of adults reported they would be comfortable or very comfortable to eat indoors at a restaurant, this has continued to increase when compared to 37% last week (29<sup>th</sup> July – 2<sup>nd</sup> August) and 34% the week prior to that.

28% of adults who had left their homes between 5<sup>th</sup> – 9<sup>th</sup> August had visited a pub, restaurant or café between 5<sup>th</sup> – 9<sup>th</sup> August, which is an increase from four weeks ago (8<sup>th</sup> – 12<sup>th</sup> July) at 10%.

14% of adults would feel comfortable or very comfortable visiting an indoor swimming pool or water park, a slight decrease from the 15% reported between 29<sup>th</sup> July – 2<sup>nd</sup> August.

#### Face Coverings

96% of adults have worn a face covering outside their home at least once in the past seven days. Notably levels vary from 79% in Wales, 97% in England and 98% in Scotland.

It was mandatory to wear face coverings while shopping

in Scotland and England and 97% reported to wearing one.

67% of adults strongly supported the mandatory wearing of face coverings in shops and supermarkets.

92% of adults in Great Britain who used public transport in the past seven days reported they had worn a face covering.

53% of adults support targeted lockdown measures for local areas affected by Coronavirus outbreaks.

#### Work

18% of adults were worried about possible job losses and 11% were worried about returning to work.

78% of working adults had either worked at home or travelled to work between 5<sup>th</sup> – 9<sup>th</sup> August, split by 55% reporting to travelling to work and 23% working exclusively from home.

#### Holidays

28% of adults reported they were either likely or very likely to go on holiday in the UK this year and 9% were likely or very likely to go on holiday abroad.

59% of adults reported their household could afford to take a week’s holiday away from home this year while 33% said their household could not afford to.

10% of adults reported they were likely or very likely to travel knowing they may have to self-isolate at home for two weeks when they return to the UK. Although 62% reported if this was the case, they were very unlikely to travel.

20% of adults have had to cancel their travel plans due to the possibility of having to self-isolate for two weeks after returning to the UK and 14% have decided to holiday in the UK instead.

## Issues Facing Great Britain

81% of adults felt the most important issues facing Great Britain was the economy, followed by 75% with the Coronavirus pandemic and then 68% said employment. 37% identified the Coronavirus pandemic as the single most important issue facing Great Britain today.

## UK Company Incorporations and Voluntary Dissolutions

In this section, companies and businesses are not the same - companies are legal entities, as registered with Companies House; businesses are statistical entities. The statistics in this section are experimental.

It is also worth noting that other measures of company closures have not been included which includes; compulsory dissolution process has been paused. Compulsory dissolution is where companies who fail to fulfil their statutory obligations with Companies House are struck off the register. The overall level of company closures throughout April to July 2020 is lower at present than it would normally be, although these companies may be dissolved via another route, or at a later date. Also, there are Insolvencies which make up a small fraction of all company closures, although they tend to be the most high-profile. Insolvencies are not considered in these measures.

### Incorporations

In the week of the 1<sup>st</sup> August, there were on average 3,332 incorporations per working day which is similar to the last 2 months and also above the Quarter 3 2019 average of 2,612,

### Voluntary Dissolutions Applications

Voluntary dissolution is where a company voluntarily registers its intention to cease trading. Voluntary dissolutions account for just over half of all company closures historically. It should be noted that at present Companies House will not be striking companies applying for voluntary dissolution off the register until September 2020.

In the week of the 1<sup>st</sup> August, there were on average 904 voluntary dissolutions per working day which remains below the Quarter 3 2019 average of 1,008.

### 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.

When comparing June 2020 to May 2020, the all-industry index was 1.9 standard deviations above the historical mean from 2008 to 2019, with a diffusion index of 0.06. Out of 36,970 firms, approximately 2,200 more firms saw their turnover increase than firms who saw their

turnover decrease. This pattern was seen across all major industries.

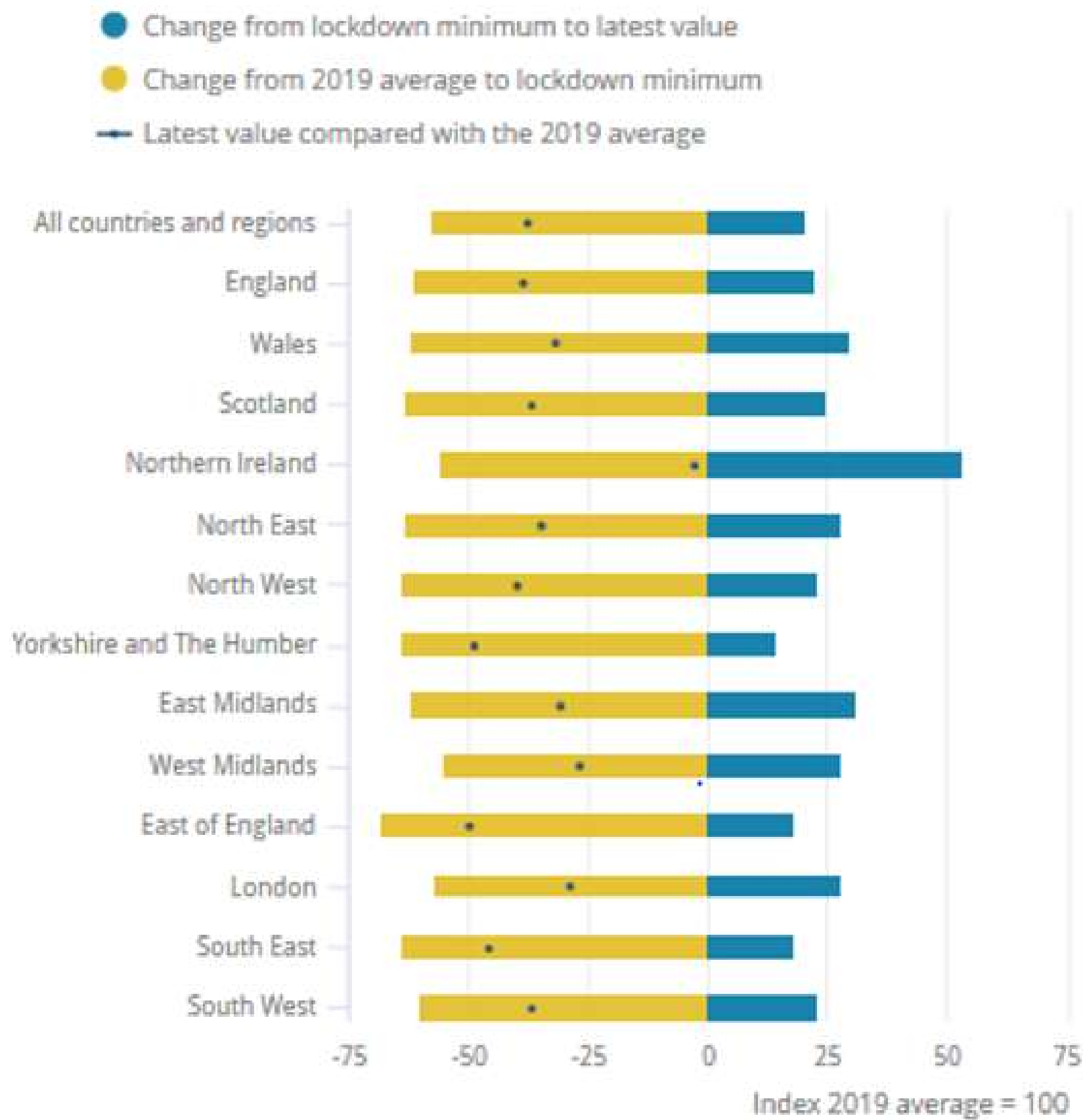
The new reporters index measures the number of firms sending VAT returns for the first time (relates to number of firm births). In July 2020, the number of new VAT reporters was 18,660, which is a pickup from April to June 2020 but below the 2015 to 2019 average of 20,908.

### 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). This release now includes a breakdown by NUTS1 regions. Nationally, total online job adverts in the week of the 7<sup>th</sup> August, increased to 62% of the 2019 average. Out of the 29 categories, 24 had increased from the previous week with transport, logistics and warehousing increasing the highest at 46 percentage points to 117% of its 2019 average. While, in contrast, the largest decrease was creative, design, arts and media at 2.2 percentage points to 41% of its 2019 average.

For the West Midlands, the total online jobs adverts have increased from 62.1% (31<sup>st</sup> July) to 73.0% (7<sup>th</sup> August) of its 2019 average. Online job adverts were closest to their 2019 average in Northern Ireland, the West Midlands, and London, where they were 3%, 27% and 29% below their 2019 averages respectively. Compared with the UK average, the West Midlands and London both saw smaller declines to the lockdown minimum and some of the strongest recoveries to the latest figure.

The following graph shows across all the regions, the change from lockdown minimum to the latest value, the change from 2019 to the lockdown minimum and the latest value compared to the 2019 average (Index 2019 average =100):



Source: Adzuna

## HEADLINES

SECTOR	KEY CONCERNS
<b>Cross Sectoral</b>	<p>Access to Finance</p> <ul style="list-style-type: none"> <li>Both micro companies and SMEs are looking to utilise Government funding to improve their hardware in order to move to more digital operations.</li> <li>However, for SMEs particularly there is a lack of funding now available for digital improvements in the region as these projects saw an influx of enquiries during the pandemic.</li> <li>Gap in support remains for the recently self-employed and directors of limited companies.</li> </ul> <p>Redundancies</p> <ul style="list-style-type: none"> <li>More redundancies have been announced and as the furlough scheme continues to wind down, there are calls for broader measures from the government to re-stimulate the economy, boost business confidence and demand to stem the flow of jobs losses.</li> <li>Concerns that an increase corporation tax later this year as this may result in further job losses.</li> <li>More redundancies likely as furlough scheme comes to an end.</li> </ul> <p>New Business Models</p> <ul style="list-style-type: none"> <li>There is much evidence of local businesses continuing to pivot, adapt and find new ways of working during the pandemic, but the need for high quality internet and WiFi provision to domestic and business premises has been highlighted.</li> </ul> <p>Skills &amp; Labour Supply</p> <ul style="list-style-type: none"> <li>Starting to see some companies starting to consider recruitment campaigns &amp; planning to employ staff from potentially October, but still concerns about future.</li> <li>Some companies bringing employees back into the office, and some more thinking about how to interview candidates &amp; plan recruitment campaigns.</li> <li>General view from Recruitment Agencies, that some signs market picking up, but most agency staff still furloughed at least for another month, with expectation they will start in September.</li> </ul>
<b>Manufacturing</b>	<p>Job Losses &amp; Furlough</p> <ul style="list-style-type: none"> <li>Media reports showed several jobs losses in this sector recently.</li> </ul>
<b>Business, Professional &amp; Financial Services</b>	<p>Access to Finance &amp; Supply Chain</p> <ul style="list-style-type: none"> <li>Concern from the business events and conferences sector as not able to resume until October at the earliest means they have lost six months of trading. This has had a huge impact on this sector as well as the supply chains that feed into it.</li> <li>Clear appetite for new ERDF specialist grants, particularly for accountancy and IT related projects.</li> </ul>
<b>Digital &amp; Creative</b>	<p>Skills &amp; Labour Supply</p> <ul style="list-style-type: none"> <li>Recent increase in demand from employers for labour in the IT and digital sector.</li> </ul>
<b>Visitor Economy</b>	<p>Job Losses &amp; Furlough</p> <ul style="list-style-type: none"> <li>Media reports showed several jobs losses in this sector recently.</li> </ul> <p>Social Distancing</p> <ul style="list-style-type: none"> <li>Following the Government's recent easing of restrictions allowing indoor theatres and music venues to reopen with socially-distanced performances, businesses have reported concerns that the economics of putting on socially distanced performances and services is challenging.</li> <li>Even with measures such as pedestrianisation of areas, some businesses may still find themselves in an economically difficult or unviable position.</li> </ul> <p>Supply Chain</p> <ul style="list-style-type: none"> <li>Sector struggling has had a knock on effect on the supply chain.</li> </ul>
<b>Warehouse</b>	<p>Skills &amp; Labour Supply</p> <ul style="list-style-type: none"> <li>Recent increase in demand from employers for skilled warehouse positions.</li> </ul>

NEW ECONOMIC SHOCKS			
COMPANY	LOCATION	SECTOR	SOURCE/DETAIL
<a href="#">Thomas Dudley</a>	Black Country	Manufacturing	Local family run manufacturing firm looks to reduce workforce by 20% (up to 100 staff) due to diminishing orders following Coronavirus pandemic. 70% of the workforce were furloughed in April.
<a href="#">Natwest</a>	Black Country and Wider areas	Finance	Natwest has announced 550 jobs will be axed across the company, including in the West Midlands. In response to changing customer behaviours.
<a href="#">John Lewis</a>	Grand Central Birmingham	Retail	John Lewis has confirmed it is closing down its Birmingham store after bosses rejected a last ditch bid to save it.
<a href="#">Jet2</a>	Birmingham	Airline	Jet2 to 'axe more than 100 pilots as pleas to save jobs turned down'
<a href="#">SSE Audio</a>	Redditch	Leisure (Events)	50 jobs are being cut at SSE Audio as the live events industry prepares to sound a "red alert" about the crisis it faces amid ongoing uncertainty about when large scale events can return.
<a href="#">Debenhams</a>	National	Retail	Department store group Debenhams is cutting 2,500 jobs, it announced today. The business said a management restructure would account for part of the latest jobs' cull at the group which, last month, entered administration for the second time this year. Jobs will also go at its warehouses.
<a href="#">Fyffes Group</a>	Coventry	Wholesale & Food Services	Nearly 200 members of staff at banana supplier Fyffes are to be tested for coronavirus after an outbreak among workers. All staff at Fyffes Group at Cross Point Business Park in Coventry are to be tested as a precaution after 10 members of staff tested positive for the virus.
<a href="#">Pizza Express</a>	National	Hospitality	Pizza Express is considering closing 67 of its UK restaurants, which would mean the loss of 1,100 jobs. The chain is the latest High Street outlet to undertake a restructuring of its business after trading was halted by the coronavirus pandemic.

NEW INVESTMENT, DEALS AND OPPORTUNITIES			
COMPANY	LOCATION	SECTOR	DETAIL & SOURCE
<a href="#">Ramfoam</a>	Sandwell	Manufacturing	Manufacturing firm creates 214 new jobs in the West Midlands (Sandwell sites) as they are awarded tender to supply facemasks to the NHS.
<a href="#">Hird</a>	Halesowen	Transport	Transport company expands its national network by opening new premises in Halesowen, creating 6 new jobs for their fleet and in turn plan to double this recruitment in the next 12 months.
<a href="#">University of Wolverhampton</a>	Wolverhampton	Land	National Brownfield Institute has been awarded a boost in funding of £14.9mil from the Government's Get Building Scheme.
<a href="#">Stiltz</a>	Dudley	Manufacturing	Home lift company sign new 20 year lease to move to larger premises in Dudley as part of their development plan.
<a href="#">Gymshark</a>	Solihull	Sports clothing and accessories	Gymshark has secured new equity investment to target the North American market. US investor General Atlantic has taken a 21 per cent stake in the firm for an undisclosed fee.
<a href="#">FIS Global</a>	Birmingham	Fintech	Florida based FIS Global have expanded their offices at Tricorn House, Five Ways taking additional 7,581 sq ft
<a href="#">Codemasters</a>	Warwickshire	Digital & Creative	Codemasters, the Redditch videogame developer and publisher specialising in racing games, says its full-year results look like they will be "significantly" ahead of current market expectations. The firm said that trading since the start of the year has been "particularly strong".
<a href="#">Gallagher</a>	Warwick	Professional Services	New Zealand-based security giant Gallagher is set to relocate to a Warwickshire business park which will be home to its European headquarters. Gallagher, which operates across 160 countries worldwide, has chosen a 'built to suit' unit at Tournament Fields, Warwick.
<a href="#">Solid State</a>	Redditch	Manufacturing	Redditch-headquartered electronics maker Solid State has said it is "well placed" to take advantage of any new acquisition prospects during the rest of its financial year. The company said its pipeline of new product designs continues to increase and work is progressing on building a portfolio of potential acquisition targets.
<a href="#">NFU</a>	Stratford-upon-Avon	Professional Services	The National Farmers' Union (NFU) surged back into the black and increased its total funds under management during its latest financial year. The organisation, which is headquartered in Stratford-upon-Avon, has reported a profit of £573m for the 12 months to 31 December 2019 after it made a loss of £290m in the prior year.
<a href="#">HelloFresh</a>	Nuneaton	Food & Drink	A Germany-headquartered fresh food provider has signed up to take a major new base in Warwickshire. HelloFresh has leased 230,384 sq ft of logistics space at Goodman's Nuneaton 230 development. Its new Nuneaton site will become HelloFresh's second UK production facility.
<a href="#">Bistrot Pierre</a>	National	Hospitality	Private equity-backed Bistrot Pierre is expecting to return to pre-Covid levels of profitability by 2024 and open a new site every year from 2023, according to a new document.
The <a href="#">Warwickshire Gin Company</a>	Leamington Spa	Food & Drink	Leamington's first ever gin distillery is a step closer to opening after the start-up company behind the concept toasted strong levels of trade.
<a href="#">Foakeswagons</a>	Stratford-upon-Avon	Automotive, Retail	A petrolhead who sold almost everything to start her used-car business up is 'eternally grateful' for a grant which saved it from certain closure. The Owner, put everything into her used-car business, Foakeswagons, which she opened in Warmington near Banbury three years ago. But the coronavirus pandemic put the future of the business in serious doubt – until a grant from Stratford District Council gave her the money she needed to keep it going.

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

For any queries please contact the lead Authors:

Rebecca Riley / Anne Green  
[R.L.Riley@bham.ac.uk](mailto:R.L.Riley@bham.ac.uk) [a.e.green.1@bham.ac.uk](mailto:a.e.green.1@bham.ac.uk)

This programme of briefings is funded by the West Midlands Combined Authority and Research England.



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

**In partnership with:**

