West Midlands
Weekly Economic Impact Monitor

Issue 24 Publication Date 03/09/20

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

This week

This week we focus on the dilemma of returning to the office and the impact on cities. Most commentators highlight that homeworking is a trend here to stay, at least in the medium term. Cities will need to adapt their offer and opportunity to attract people and businesses back. It is worth noting that as places open up and people become more mobile, responding to positive coronavirus cases takes longer as the number of contacts are increased. Outbreaks are commonly linked with workplaces but more general outbreaks could be linked to transport infrastructure, taxis and car sharing and the general opening up of the economy/society.

Main points are:

- Europe has seen a resurgence in infection rates. The United Kingdom, Germany, and Italy all had just 15 or less per million; however even those low numbers are higher than what was seen earlier in the summer
- Open Table data shows the 'eat out to help out' policy and the August Bank holiday impact with a rise of 216% on the 31st August, and most other offer days a rise of around 50% in diners.
- Mobility across Europe remains significantly below previous years, which large variation. France, Germany, Italy and Spain all remain relatively low, but the UK is growing around retail centres.
- Across Europe most furlough schemes will be coming to an end and could bring a tsunami of job cuts is as companies prepare to carry out sweeping downsizing plans to offset a collapse in business from the outbreak. As many as 59 million jobs are at risk of cuts in hours or pay, temporary furloughs, or permanent layoffs, especially in industries like transportation and retail, according to a study by McKinsey & Company.
- KPMG's economic outlook for September highlights that the risks are skewed to the downside and include the resurgence of a second wave this year, no deal with the EU next year and limited progress in eradicating the pandemic. If these play out, growth in 2021 could vary between 8.4 and 4% (similar to previous forecasts from various forecasting houses). The outlook highlights the main risk to the short-term outlook comes from the possibility of a second wave of infections.
- KPMG's Local Authority forecasts, with the largest drops in GVA 2020 in Stratford, North Warwickshire, Coventry and Solihull. In 2021 this will to some extent bounceback, but this growth is lower than the contraction in 2020. Which will leave the region's economy lower overall.
- The Chamber survey included specific questions related to the Brexit process. 55% of firms revealed that they had not undertaken a risk assessment on the potential impact that an alteration of trading terms with the European Union would bring from the start of 2021. 17% of businesses were unaware of the term 'net zero' and the potential implication it would have on their own firm
- According to ONS nearly 16% of responding businesses reported that operating costs exceeded turnover by at least 20%. Although, 13% reported turnover was equal to operating costs and nearly 34% reported that turnover exceed operating costs by at least 20%.

Return to Work

- Deloitte highlights the prospect of unprecedented productivity gains through homeworking but society will pay a price in terms of less demand for office space, air travel, hotels, restaurants, hotels and public transport.
- Nationally during the Covid-19 national lockdown in April 2020 43.1% of workers were working exclusively from home. In June 2020 the proportion had fallen back slightly to 36.5%.
- Homeworking is positively associated with **qualifications**. The proportion of graduates reporting that they worked exclusively at home rose from 8.0% before lockdown to 62.4% in the first month of lockdown and had risen by six percentage points in the period to June 2020
- A clear **occupational** pattern of homeworking is evident. In April and May 2020 a majority of those in managerial, professional, associate professional and technical, and administrative and secretarial staff worked exclusively from home

The WM Weekly monitor is funded by the West Midlands Combined Authority, Research England/UKRI

- Looking at the top 10 urban areas for footfall and spend there are some distinct characteristics:
  - Seaside towns where visits have remained higher, likely boosted by staycations
  - Where an urban area is a locally significant centre with a lack of competition from elsewhere
  - Places with low levels of the sectors identified as mainly 'working from home'
  - Had less of a drop in footfall throughout the pandemic
- Looking at the bottom places for spend and footfall they share other characteristics:
  - University cities and towns
  - Higher percentage of knowledge workers
  - Higher percentage of sectors identified as home working
- Looking at the Centre for Cities recovery tracker and the worker index, Birmingham remains significantly below (similar to London) the average. With Coventry near the average. In terms of spend however Coventry after being below average in lockdown has now risen substantially above average, as has Birmingham. Whilst London still lags considerably.
- Results from a working at home experiment in 2013 amongst call centre employees at a Chinese travel agency, revealed a 13% performance increase amongst those working from home. Evidence from the Understanding Society: Covid19 study in the UK found no significant reduction in productivity associated with homeworking. 41% of respondents working at home reported getting the same amount of work done in June 2020 as they did six months earlier. Of the remainder similar proportions reported increasing productivity and decreasing productivity.
- Businesses will have difficult decisions to make as homeworking can reduce costs and potentially increase productivity: two biggest concerns, especially in recession. There are also the corporate risks of bringing people back into an environment which may end in illness and quarantine, thereby reducing the workforce and bringing risks of litigation.
- Cities therefore have seen no significant return of office workers; there is limited evidence that certain workers are returning, such as those where the job necessitates return and amongst young people where the alternative is working from home in shared or cramped accommodation
- There are strong motivating factors preventing the return:
  - Many of the highly skilled prefer it, they miss colleagues but often not the commute (especially as that is likely to be much harder and riskier in the face of a deadly virus)
  - They have gained time in their day (some of which they give their employer) but they also gain personal time with family
  - It is easier (especially for older/ richer workers with space and digital connectivity)
  - Greater autonomy
  - Reduced outlays on transport and incidental spend on lunches and shopping
- Employers also have to have motivation to bring staff back. The experience of the move to homeworking appears to have shifted opinions of many employers regarding previous barriers around reliability of IT, trust and productivity.
- This outcome, however, is the creation of greater inequality, where some low paid service workers have no choice but to return, even though for many of their occupations exhibit a higher health risk. There are also significant risks for those in the gig economy who rely on face to face contact and may not be covered by employment rights.
- In the USA Professor Nicholas Bloom at Stanford expects that a more hybrid way of working will emerge, with people whose jobs enable them to do so – notably highly educated managers and professional workers in the service sector. As a result, he expects spending in city centre bars, restaurants and shops to reduce by more than half as economic activity shifts away from city centres to suburbs and rural areas. He suggests that city centres will no longer be as attractive as places to live for young, highly educated people.
- Those able and choosing to work from home for some or most of their time are likely to want larger residential accommodation to facilitate remote working and are likely to be willing to substitute longer for less frequent commutes. This suggests a shift in residential preferences to areas with cheaper housing and/ or to well-connected high-amenity places. Quality of life for the highly-paid is likely to become more important. (This resonates with analysis in earlier monitors.)

Global Outlook

Rebecca Riley WMCA

Global

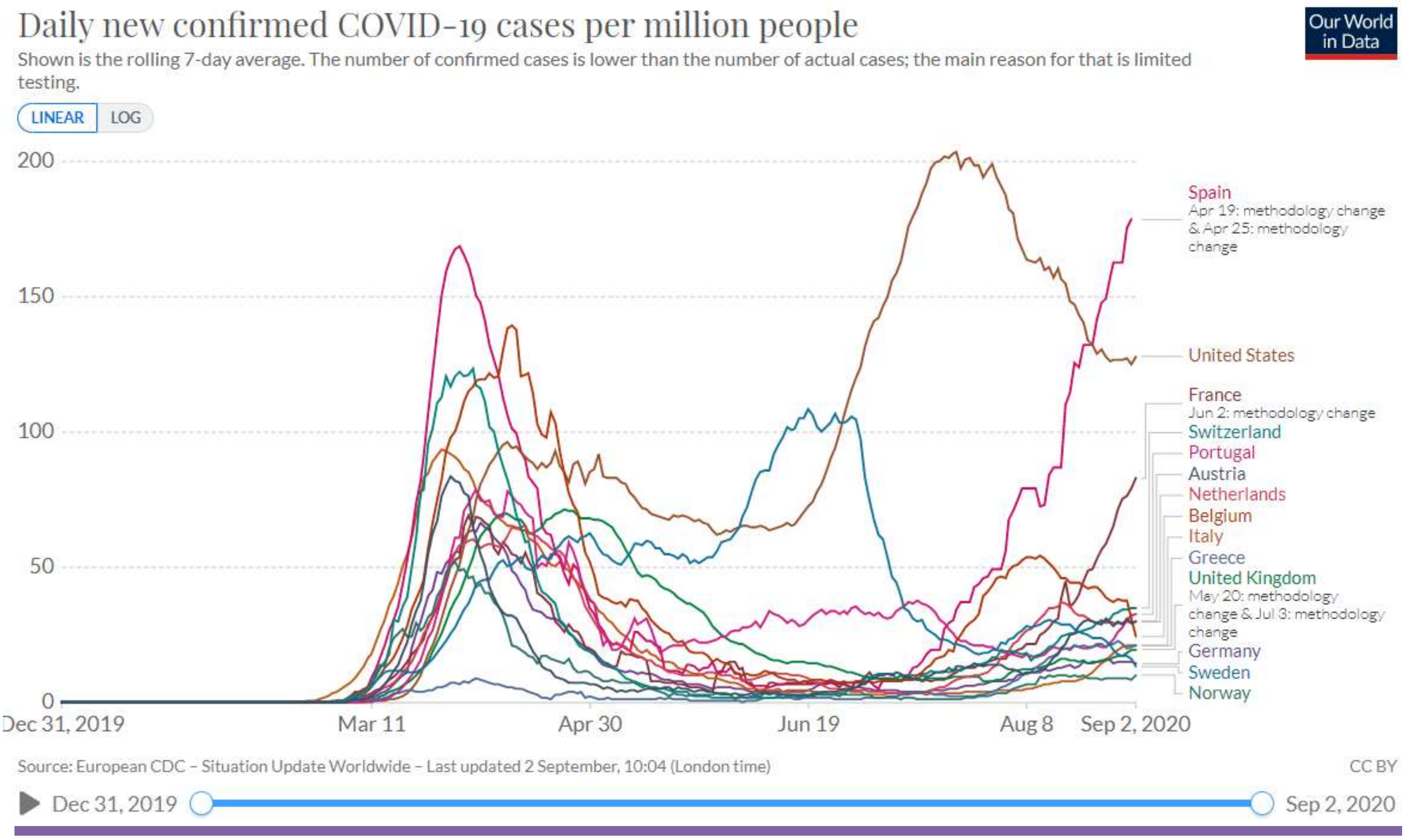
Deloitte's weekly economic update highlights that Covid-19 is likely to accelerate the trends we have seen already. Including increasing productivity gains, will allow future generations to enjoy living standards we can only imagine. However in the short and medium run this process will be disruptive and exacerbate problems in society, just as the industrial revolution did.

Prior to the crisis, the average American spent 225 hours per year traveling to and from work. Millions travelled by air frequently to attend meetings. The shift to remote work means that tasks can be accomplished with fewer resources and time expended. This is a productivity improvement, implying producing the same or greater output at much lower cost, which is potentially beneficial to everyone. Yet society will still pay a price. Less demand for office space, air travel, hotels, restaurants, and public transportation will mean that countless low-wage workers will be displaced. Some existing real estate will lose value, companies will fail, asset holders will lose wealth, and social problems could explode.

However there are caveats to productivity growth, firstly "deglobalisation" and a drop in trade and intensification in remote work may stymie growth, based on the argument that people need to interact to generate new ideas and drive creativity.

The Fed announced a new policy this week; Chairman Jay Powell said that, from now on, the Fed will see the 2.0% rate as intended to be an average inflation rate over time. The Fed is saying that it will likely be biased toward reducing unemployment and less focused on suppressing inflation. As Powell put it, the policy "reflects our view that a robust job market can be sustained without causing an outbreak of inflation." This means interest rates are likely to remain low in the US.

Europe has seen a resurgence in infection rates The worst impact has been in Spain, which averaged 143 new daily confirmed COVID-19 cases per million people the week through August 23, about the same number as the United States. In France, the number was 49, though infections have grown sharply in recent weeks. The United Kingdom, Germany, and Italy all had just 15 or less per million; however even those low numbers are higher than what was seen earlier in the summer. Rising infection rates raise concerns over the sustainability of economic growth in the region. So far, high-frequency data suggests more of a pause in the recovery than an outright decline, but economic conditions could deteriorate should contagion worsen.



Europe is experiencing a pause in recovery as shown by the Purchasing Mangers Index which slipped from 54.7 in July to 50.1 in August, barely above 50 which would indicate contraction.

Mobility across Europe remains significantly below previous years, which large variation. France, Germany, Italy and Spain all remain relatively low, but the UK is growing around retail centres.

Data from Open Table shows the flow of seated diners, and the impact on the pattern because of the ‘eat out to help out’ policy and the August Bank holiday:

Name	9/1	8/31	8/30	8/29	8/28	8/27	8/26	8/25	8/24	8/23	8/22	8/21	8/20	8/19	8/18	8/17
Global	-26.33%	-41.86%	-44.89%	-34.03%	-35.72%	-41.4%	-35.06%	-40.25%	-41.14%	-41.36%	-36.5%	-40.31%	-44.58%	-43.55%	-44.2%	-45.12%
Australia	-36.66%	-30.03%	-54.08%	-18.39%	-14.61%	-27.56%	-34.39%	-38.38%	-38.49%	-25.03%	-17.81%	-22.26%	-30.55%	-40.62%	-45.19%	-42.71%
Canada	-8.47%	-40.68%	-39.81%	-27.18%	-26.77%	-35.7%	-35.16%	-32.93%	-36.57%	-32.42%	-26.16%	-33.82%	-39.83%	-38.96%	-39.69%	-42.47%
Germany	16.03%	20.77%	13.57%	27.78%	24.15%	21.13%	28.13%	26.42%	24.53%	21.54%	18.98%	17.15%	20.91%	17.06%	9.92%	12.08%
Ireland	13.74%	40.01%	92.39%	52.75%	41.31%	22.79%	34.73%	32.26%	42.46%	65.97%	50.63%	34.82%	30.37%	24.78%	26.79%	38.2%
Mexico	-51.97%	-52.54%	-52.34%	-49.12%	-52.98%	-53.41%	-59.73%	-57.33%	-54.8%	-54.54%	-50.74%	-54.85%	-60.76%	-63.14%	-59.77%	-58.95%
United Kingdom	2.05%	216.34%	32.07%	9.44%	-3.19%	-9.39%	102.88%	105.92%	69.96%	-5.84%	11.72%	-8.61%	-11.87%	58.12%	57.63%	70.24%
United States	-32.11%	-59.77%	-51.53%	-40.14%	-41.24%	-47.34%	-47.39%	-53.04%	-53.98%	-47.03%	-42.5%	-44.92%	-49.98%	-53.53%	-54.07%	-55.69%

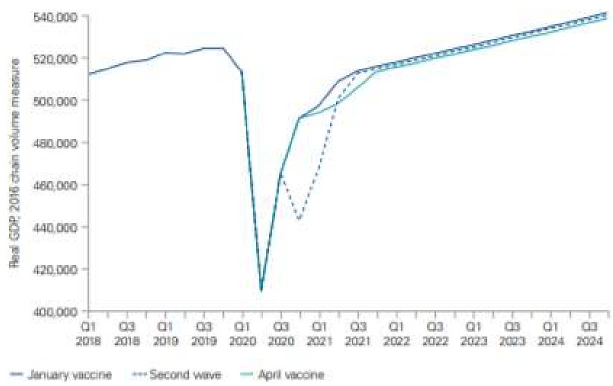
Across Europe’s five largest aviation markets of the UK, Germany, France, Spain and Italy, IATA forecasts a yearly decline in passenger numbers of 608 million, against a predicted a fall of 573 million back in June. “The near-term outlook for recovery in Europe remains highly uncertain with respect to the second wave of the pandemic and the broader global economic impact it could have,” says IATA. “Passenger demand in Europe is expected to recover gradually and will not reach 2019 levels until 2024.”

Across Europe most furlough schemes will be coming to an end and could bring a tsunami of job cuts is as companies prepare to carry out sweeping downsizing plans to offset a collapse in business from the outbreak. Government-backed furlough schemes that have helped keep around a third of Europe’s workforce financially secure are set to unwind in the coming months.
As many as 59 million jobs are at risk of cuts in hours or pay, temporary furloughs, or permanent layoffs, especially in industries like transportation and retail, according to a study by McKinsey & Company.

National Outlook

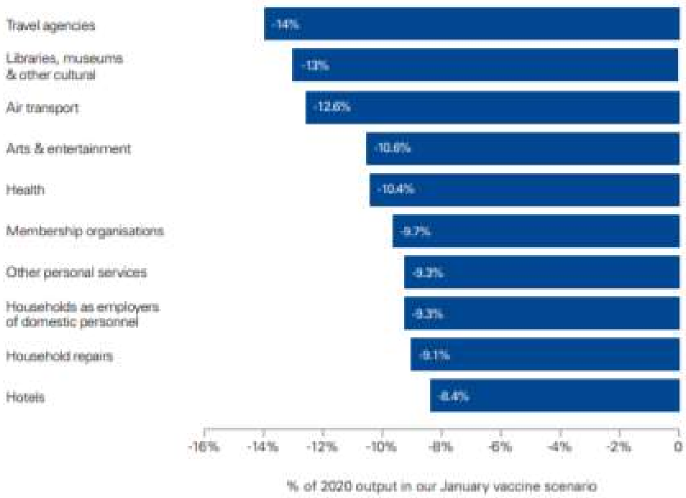
KPMG’s economic outlook for September highlights that the risks are skewed to the downside and include the resurgence of a second wave this year, no deal with the EU next year and limited progress in eradicating the pandemic.
If these play out, growth in 2021 could oscillate between 8.4 and 4% (similar to previous forecasts from various forecasting houses). The government’s Job Retention Scheme has been greatly effective in keeping unemployment down during the peak of the crisis but as the scheme unwinds, and the economy continues to operate below capacity, unemployment could rise to just over 9% in the fourth quarter of 2020.
On the other hand, a combination of lower oil prices, temporary tax cuts and weaker demand could keep inflation well below the Bank of England’s 2% target. That should help keep base interest rate at 0.1% or below until at least the end of 2021.

They highlight the main risk to the short-term outlook comes from the possibility of a second wave of infections and lockdown to contain the disease across much of the UK. Even if a second lockdown is shorter than the one that started in March – lasting just four weeks – it could exacerbate the drop in GDP to -12.6% in 2020. The chart below highlights the potential paths of the different scenarios compared to their January 2021 vaccine baseline.



Source: ONS, KPMG forecasts

A second wave would hit some sector disproportionately as seen in the first wave and the KPMG estimates are illustrated below:



Source: ONS, KPMG analysis

Regional Outlook

KPMG has also examined the regional vulnerabilities, which, as shown in earlier monitors, are highly uneven. They highlight areas exposed to air travel and employment around airports as exposed, UK Holiday destinations are seeing a boom, which may soften the downturn earlier in the year. Local retail is also coming under stress as the fall in bricks and mortar retail is offset by a substantial increase in online shopping. July figures from the BRC-KPMG retail sales monitor show a 41% increase in the volume of online retail sales compared to a year ago, while overall sector activity appears unchanged. Retailers based in city centres are losing out as office workers continue to work from home.

The table below shows KPMG's Local Authority forecasts, with the largest GVA drops in 2020 in Stratford, North Warwickshire, Coventry and Solihull. In 2021 this will to some extent bounceback, but the growth will be lower than the contraction this year. Which will leave the region's economy lower overall.

Local authority	2018 GVA, £ million (nominal)	2019	2020	2021
West Midlands				
Herefordshire, County of	4,334	1.0%	-10.3%	8.5%
Shropshire	6,880	1.2%	-10.2%	9.0%
Stoke-on-Trent	6,324	1.1%	-10.4%	9.3%
Telford and Wrekin	4,950	0.7%	-10.0%	7.4%
Cannock Chase	2,166	1.5%	-11.4%	9.6%
East Staffordshire	3,320	1.0%	-11.5%	8.9%
Lichfield	2,392	0.9%	-11.3%	9.5%
Newcastle-under-Lyme	2,364	1.6%	-10.5%	9.7%
South Staffordshire	2,078	0.4%	-12.1%	9.1%
Stafford	3,038	1.4%	-10.2%	8.7%
Staffordshire Moorlands	1,724	0.4%	-10.8%	8.0%
Tamworth	1,510	1.1%	-11.1%	9.3%
North Warwickshire	2,557	0.9%	-12.7%	10.0%
Nuneaton and Bedworth	2,688	0.7%	-11.2%	9.1%
Rugby	2,490	1.5%	-10.3%	9.4%
Stratford-on-Avon	4,650	-0.8%	-14.4%	9.3%
Warwick	4,763	1.5%	-9.8%	8.8%
Birmingham	27,266	1.1%	-9.9%	9.2%
Coventry	8,979	0.4%	-11.8%	9.6%
Dudley	6,066	0.9%	-10.4%	8.6%
Sandwell	6,729	0.9%	-10.4%	8.3%
Solihull	7,529	0.3%	-11.7%	9.2%
Walsall	5,742	1.1%	-9.9%	8.4%
Wolverhampton	6,075	1.0%	-9.6%	8.3%
Bromsgrove	2,551	0.9%	-10.9%	10.0%
Malvern Hills	1,675	1.8%	-8.3%	8.2%
Redditch	2,199	0.8%	-10.7%	8.1%
Worcester	3,102	1.3%	-9.6%	8.5%
Wychavon	3,504	1.0%	-9.1%	7.3%
Wyre Forest	1,759	1.0%	-11.0%	9.3%
West Midlands	**141,404**	**0.9%**	**-10.6%**	**8.9%**

Return to the Office

Rebecca Riley WMCA, Anne Green WMREDI

Current situation in cities

The pandemic has changed the nature of work significantly which may have long term impacts. Not least is the fact that at a time when significant business decisions are being made, businesses have had a rapid shift to working from home. Reflecting back on the earlier piece on Cities in the monitor, the pattern of staying away from city and town centre continues, but there is significant variability between urban areas.

Remote working has seen a gradual increase over recent decades, with 1.5% of people in employment working mainly from home in 1981 rising to 4.7% in 2019. Evidence on recent trends in homeworking in the UK is available from a study primarily examining data from three online surveys undertaken in April, May and June 2020 as part of the Understanding Society: Covid-19 Study. This shows that nationally during the Covid-19 national lockdown in April 2020 43.1% of workers were working exclusively from home. In June 2020 the proportion had fallen back slightly to 36.5%.

Homeworking is positively associated with **qualifications**. The proportion of graduates reporting that they worked exclusively at home rose from 8.0% before lockdown to 62.4% in the first month of lockdown. By contrast, for those with no qualifications the proportion exclusively working from home remained below 10% throughout lockdown.

A clear **occupational** pattern of homeworking is evident. In April and May 2020 a majority of those in managerial, professional, associate professional and technical, and administrative and secretarial staff worked exclusively from home. During lockdown those in associate professional and technical occupations and in administrative and secretarial occupations became more likely to be doing some of their work at home than managers. Only a small minority of those in elementary, operative and skilled trades occupations reported working exclusively from home at any stage during the lockdown. By **region**, employees in London became more likely to work at home taking into account all other characteristics and factors. By **sector**, there were marked differences in the extent of homeworking: three-quarters or more of workers in manufacturing, construction were not working from home

In terms of **prospects for returning to the office**, it is particularly pertinent to examine who the 'new home-centred workers' are – i.e. those who did no work at home or did so only occasionally before the lockdown, but reported working exclusively or often at home during the lockdown. Around a third of workers are in this category. They are predominantly higher qualified and better paid and more likely to be located in the London and the South East. By contrast 'established factory/office-centred workers' who both before and after lockdown hardly ever worked from home (accounting for around half of workers) are lower qualified, more poorly paid, lower skilled and more likely than average to be located in the Midlands, the North and in Wales, Scotland and Northern Ireland.

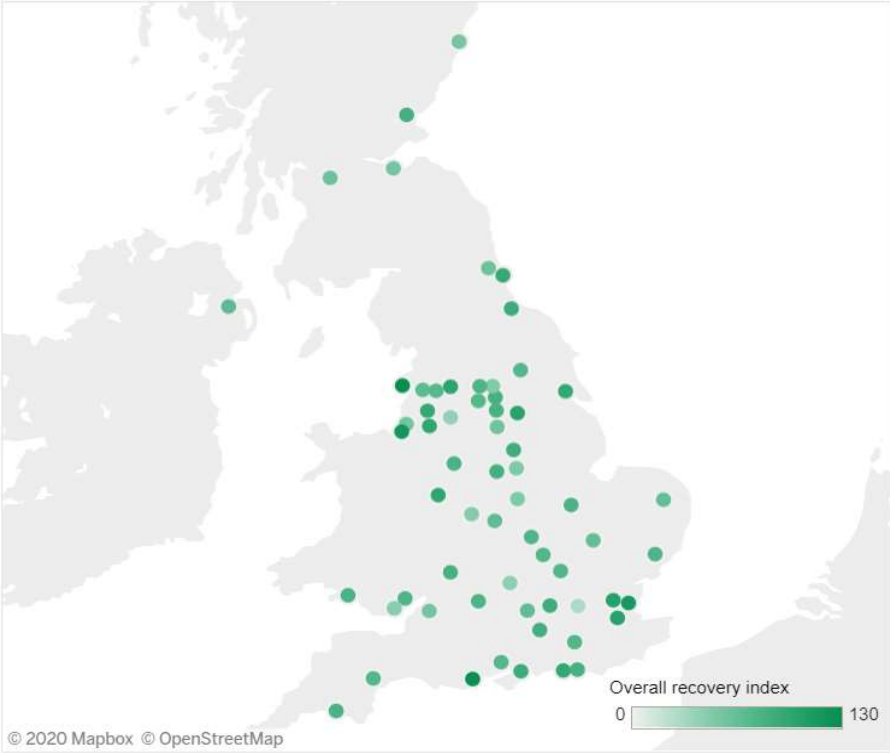
The table below shows **trends in the use of the home as a workplace for workers in the West Midlands**, where homeworking is slightly less prevalent than nationally (percentages shown in parentheses):

Time	No use of home as a workplace	Use of home as a workplace - SOMETIMES	Use of home as a workplace - OFTEN	Use of home as a workplace - ALWAYS
Jan/Feb 2020	77.2% (70.6%)	12.9% (17.7%)	5.3% (6.1%)	4.6% (5.7%)
April 2020	48.4% (39.5%)	6.9% (9.1%)	8.6% (8.3)	36.2% (43.1)
May 2020	48.9 (40.0%)	9.3% (10.3%)	7.6% (8.9)	34.1% (40.8)
June 2020	54.6 (45.3%)	7.6% (9.6%)	9.5% (8.7)	28.4% (36.5)

Source: Felstead A and Reuschke D (2020) 'Homeworking in the UK: Before and during the 2020 lockdown', WISERD Report, Cardiff: Wales Institute of Social and Economic Research

Data period: 13 February - 11 August 2020
Date updated: 18 August 2020

Mapping city centre recovery



Footfall Top 10

Blackpool	130
Bournemouth	128
Birkenhead	118
Southend	115
Basildon	103
Chatham	103
Doncaster	102
Burnley	100
Telford	98
Warrington	97

Spend Top 10

Bournemouth	117
Southend	101
Burnley	110
Middlesbrough	129
Aldershot	113
Brighton	107
Gloucester	103
Wakefield	105
Barnsley	105
Blackburn	102

Footfall Bottom 10

Bristol	56
Aberdeen	55
Leicester	51
Nottingham	51
Leeds	49
Birmingham	47
Cardiff	46
Oxford	43
Manchester	41
London	28

Spend Bottom 10

Milton Keynes	68
Cambridge	69
Newcastle	65
Sheffield	66
Edinburgh	63
Bristol	72
Leicester	43
Oxford	49
Manchester	64
London	50

'Enforced' homeworking for some workers during lockdown appears to have given many employees an appetite for **continued homeworking**. In June 2020 88% of employees who had worked at home during lockdown reported that they would like to continue working at home in some capacity. 47% of employees wanted to work at home often or all of the time.

Return to offices

Returning to city centre offices is one element of the revival of city centre economies. The Centre for Cities has produced a recovery index showing footfall and spend in the daytime on weekdays, compared to a pre-lockdown baseline of 100. It should be noted that the index is partial as it is only selected areas and based on Primary Urban Areas, which also means that 'Birmingham' also includes Dudley, Sandwell, Solihull, Walsall and Wolverhampton and Coventry (without Nuneaton or Warwick) is its own area.

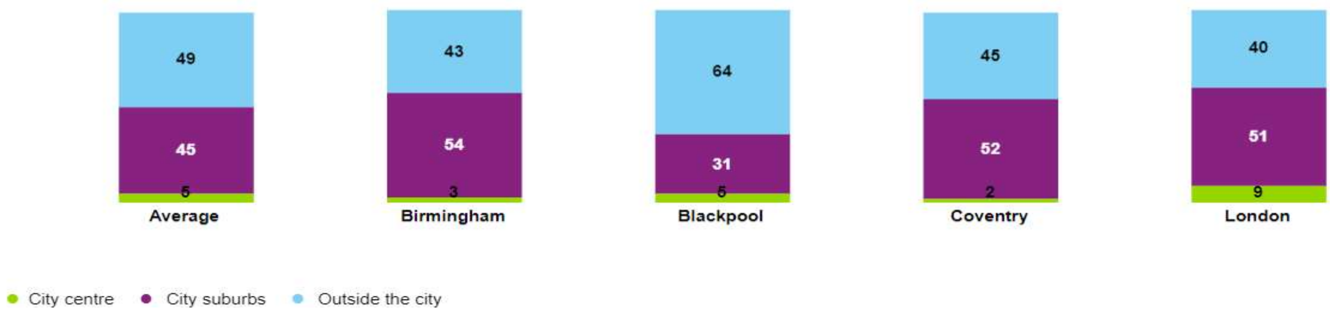
Looking at the top 10 places for footfall and spend some distinct characteristics emerge:

- Seaside towns where visits have remained higher, perhaps boosted by staycations
- Places which are the only local significant centre with a relative lack of competition from elsewhere
- Places with low levels of the sectors identified as 'working from home'
- Places which had less of a drop in footfall throughout the pandemic

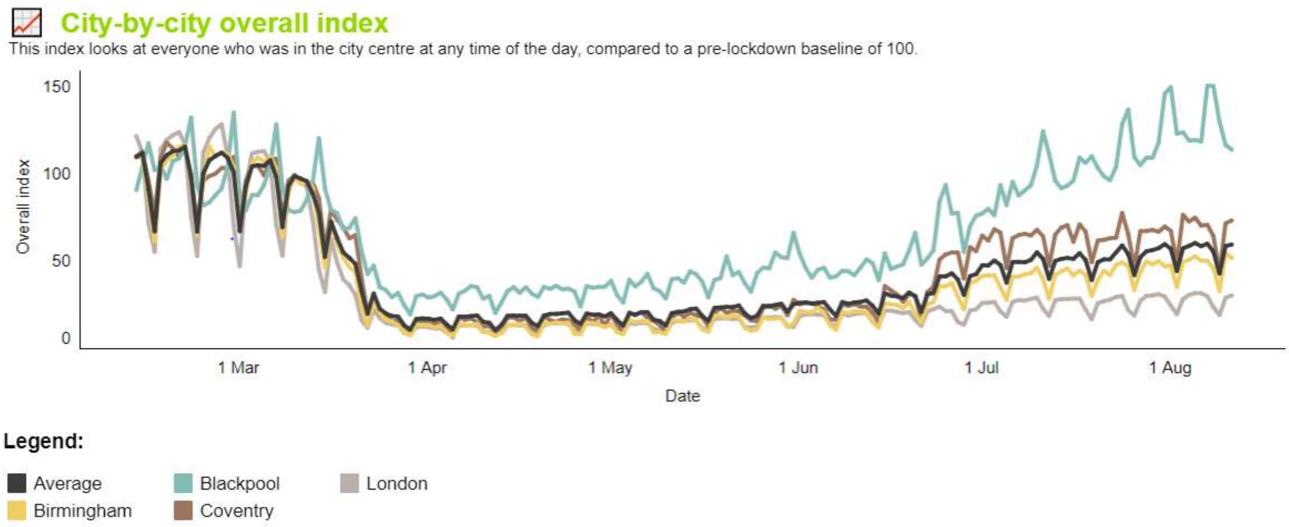
Looking at the bottom places for spend and footfall they share other characteristics:

- University cities and towns
- Higher % of knowledge workers
- Higher % of sectors identified as home working

Compare where people are coming from now (Last full week of August)

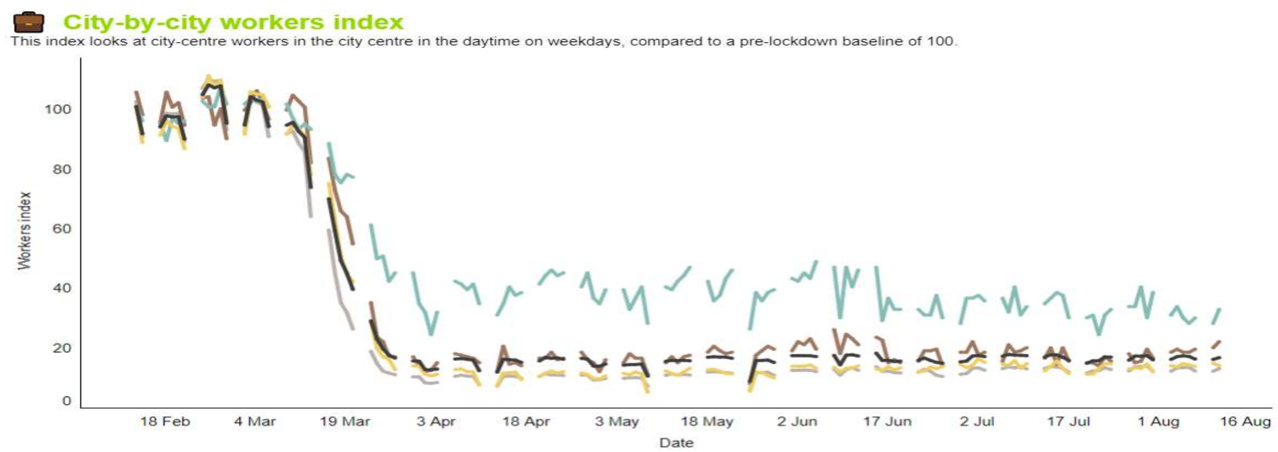


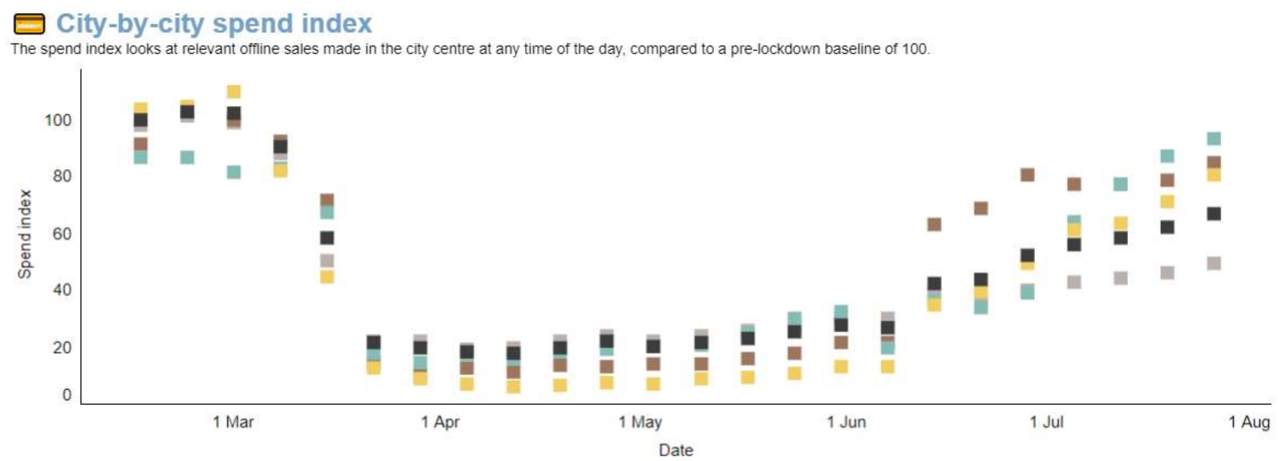
Looking at the overall index and comparing the best/worst/average places and Birmingham and Coventry the pattern of weekend visits to seaside places versus the weekend drop in the city centre is evident, with a general slow increase of weekday activity. This also shows London has hardly changed from the height of lockdown. Birmingham remains below the average, but Coventry remains above the average.



Looking at the worker index for the same places, Birmingham remains significantly below the average (similar to London), with Coventry near the average.

In terms of spend however Coventry after being below average in lockdown has now risen substantially above average, as has Birmingham. Whilst London still lags considerably.





Homeworking and productivity

There is evidence to suggest that working from home does not have the negative impacts on productivity that some employers might fear. Results from a working at home experiment in 2013 amongst call centre employees at a Chinese travel agency, revealed a 13% performance increase amongst those working from home. (The experiment involved 1,000 employees who volunteered to be assigned randomly to two teams: one team working from home four out of five days for nine months and the other team working exclusively from the office.). Of the 13% performance increase, 9% was attributed to working more minutes per shift (due to fewer breaks, less commuting and fewer days off sick) and 4% from more calls per minute (due to a quieter working environment). It is important to note that the experiment was restricted to a sub-group of employees who met three requirements: having no children, having a room at home to work in that was not their bedroom and had high quality broadband internet (i.e. conditions conducive to homeworking with limited disruption).

At the end of the experiment the company rolled out a working from home option on a permanent basis. Interviews with those choosing to work from home at this stage revealed that half found working at home harder, as they became more isolated, while the other half were 22% more productive. This underscores heterogeneity in attitudes to working from home.

Evidence from the Understanding Society: Covid19 study in the UK found no significant reduction in productivity associated with homeworking during lockdown. 41% of respondents working at home reported getting the same amount of work done in June 2020 as they did six months earlier. Similar proportions of homeworkers reported an increase (29%) and a decrease (30%) in productivity. Two-thirds of those reporting an increase in productivity wanted to work mainly at home in the future. Workers who spent all (as opposed to some) of their time working at home were most likely to report improved productivity, so supporting a business case for continued homeworking.

Communication

Research in the US has explored the impact of COVID-19 on employee's digital communication patterns through an event study of lockdowns in 16 large metropolitan areas in North America, Europe and the Middle East. Using de-identified, aggregated meeting and email meta-data from 3,143,270 users, the research found, compared to pre- pandemic levels, increases in the number of meetings per person (+12.9 percent) and the number of attendees per meeting (+13.5 percent), but decreases in the average length of meetings (-20.1 percent). Collectively, the net effect is that people spent less time in meetings per day (-11.5 percent) in the post- lockdown period. They also found significant and durable increases in length of the average workday (+8.2 percent, or +48.5 minutes), along with short-term increases in email activity.

So employees have expanded both their frequency and scope of communication. Larger meetings and email circulations appear to have led to a more inclusive approach to information dissemination. The nature of meetings has changed to reflect the missing office environment; the spill over effect, however, to more communication is longer hours worked.

A negative impact of homeworking is isolation and not feeling engaged; however with wholesale shift everyone is in the same position and proactive communication and engagement could help overcome this barrier.

Businesses will have difficult decisions to make as homeworking can reduce costs and potentially increase productivity, the two biggest concerns especially in recession. There are also the corporate risks of bringing people back into an environment which may end in illness and quarantine, therefore reducing their workforce and bringing risks of litigation.

International evidence on the return to offices

International evidence suggests that the UK and the USA are returning to work more slowly and in lower numbers that in countries such as Italy, Spain, France and Germany. In part, the slower pace of return in the UK and the USA reflects the fact that the Covid-19 crisis hit later than in mainland Europe and harder.

A Morgan Stanley Research survey of 4,297 office workers undertaken in mid July 2020 shows that in the UK at that time more than half of office workers surveyed would be either very (26%) or somewhat (29%) uncomfortable about hot-desking. The proportions uncomfortable with hot desking were less than this in Germany, France, Spain and Italy. In the latter the proportions who would be very or somewhat uncomfortable with hot desking were 7% and 15%, respectively.

Another factor underpinning the slower return to the office in the UK and USA than in some mainland European countries is the sheer scale of cities such as London and New York and their reliance on public transport with its greater risk of contagion. Amsterdam is an example of a city that benefits from more alternative transport modes.

Motivation to return

Cities remain largely empty of workers, there is limited evidence that certain workers are returning:

- Those where the job necessitates return (such as the sectors highlighted earlier)
- The young for whom the alternative is shared or cramped accommodation which makes homeworking difficult

It is yet to be seen what impact the return of school will have in enabling people to return to the office. Which makes the next 2 weeks critical to understanding the longer term shifts. However it is expected this will still be a phased return, and so far the government request to return has had limited impact. There are strong motivating factors preventing the return:

- Substantial numbers of the highly skilled prefer it; they miss colleagues but not the commute (especially a commute that is likely to be much harder and riskier in the face of a deadly virus)
- They have gained time in their day (some of which they give their employer as noted earlier) but they also gain personal time with family
- It iss easier (especially for older/ richer workers with space and digital connectivity)
- Greater autonomy
- Reduced outlays on transport and incidental spend on lunches and shopping (bearing in mind that overall people have paid off more debt and increased savings more than ever before)

Key to return will be how disadvantages are perceived, such as:

- Zoom fatigue
- Getting to know colleagues personally and being physically present, against the view that people who are not are less committed and less important
- Readjustment back - losing some of the advantages above will lead require a further adjustment

Employers also have to have motivation to bring staff back. The experience of the move to homeworking however has helped to shift opinions of many employers, including previous barriers around reliability of IT, trust and productivity away from the office. Many companies were already moving to flexible workspaces (as regional work on the Business and Professional services sector by WMREDI has already highlighted) and the home has just become part of that flexibility. Most offices will need to reduce capacity by 30% to 50% to respect social distancing and those impacts will make for strange office spaces, including limited face to face meetings, one way systems, no canteen facilities, and queues for washrooms. This will w[leave many wondering what the advantage of being in a office is?

This is reflected in what major employers are saying:
Natwest - 50,000 staff – the "vast majority" – that they can keep working from home until 2021. "It's a cautious approach but we feel the right one to take currently," an RBS memo said last month.

Lloyds - Currently around 50,000 of Lloyds's roughly 65,000 employees are working from home. But they could start returning to workplaces from September, the bank said at its earnings call in late July. Chief executive Antonio Horta-Osario said: "We would like people to return to the office when possible, subject to that being done in a safe way and also according to government advice."

HSBC - The Canary Wharf-based bank told staff at the end of last month that only "a small number" of its tens of thousands of UK employees are working in its offices or branches. It said it will not return any more staff to the office "before September 2020 at the earliest". HSBC added that no more than 20 per cent of staff will return due to social distancing measures. And it said their return would be "on a phased basis". It will prioritise colleagues "carrying the greatest risk" working from home in the first stage of its return to work. And it will reportedly reduce social distancing to one metre.

Barclays - Chief executive Jes Staley said last week that 60,000 Barclays staff were working from home at "their kitchen tables". Around 20,000 were working in offices and branches, he said.
But Staley said he would like to see employees return to the office "over time". Staley told Bloomberg TV that "it is important to get people back together in physical concentrations". Although he gave no concrete timeline, he added that firms had a responsibility to the wider areas in which their offices are based to return to them.

JPMorgan - Around 95 per cent of the US firm's 19,000 UK staff – 12,000 of which are in London – have been working from home during the coronavirus pandemic. Sales and trading teams have maintained the biggest office presence, but even then 80 per cent were at home. JP Morgan has slowly welcomed staff back to its offices on a voluntary basis and will gradually work its way up to 50 per cent of its buildings' capacity. JP Morgan expected just over 20 per cent of total London staff to be back in the office by 3 August.

Return to the office and inequality

This situation is creating a greater inequality, where low paid service workers have no choice but to return, even though for many occupations they are at higher risk (as identified in earlier monitors). There are also significant risks for those in the gig economy, some of whom rely more on face to face contact and may not be covered by employment rights.

Offices could be torn in two, either because of social distancing measures reducing the numbers able to go in or between those who can work at home and those who cannot. One characterised by a social distancing dystopia, and the other isolated and stuck online.

People who were excluded before and missed out on inside conversations, may face exclusion again as the return to work happens, as those with care responsibilities, disabled, or vulnerable will be amongst the last to return and face greater issues in returning.

This will again change the face of cities and the scale and type of commuters. Women, BAME groups and young people already hardest hit are likely to be under greater pressure to return to service jobs.

Looking to the future

The consensus amongst commentators is that the experience during the Covid-19 pandemic has accelerated the trend to remote working. This is particularly the case for the highly-qualified in professional, associate professional and managerial occupations. Many of those working remotely have adapted to doing so and to date the experience has not had negative implications for productivity.

In the USA Professor Nicholas Bloom at Stanford expects that a more hybrid way of working will emerge, with people whose jobs enable them to do so – notably highly educated managers and professional workers in the service sector. As a result, he expects spending in city centre bars, restaurants and shops to reduce by more than half as economic activity shifts away from city centres to suburbs and rural areas. He suggests that city centres will no longer be as attractive as formerly as places to live for young, highly educated people.

The need for social distancing counters a reduction in office space requirements as a result of a decrease in numbers of people in offices at any one time. High-rise buildings in the centres of the largest cities face challenges of reliance on public transport for commuting and use of lifts in buildings. As a result, Nicholas Bloom suggests that demand for office space will shift to more suburban industrial parks and low-rise buildings.

Those able and choosing to work from home for some or most of their time are likely to want larger residential accommodation to facilitate remote working and are likely to be willing to substitute longer for less frequent commutes. This suggests a shift in residential preferences to areas with cheaper housing and/ or to well-connected high-amenity cities. Quality of life for the highly-paid is likely to become more important. Conversely, higher-paid jobs may continue to concentrate in major centres – such as London and Edinburgh – with commuters travelling more frequently to their jobs there. Such a trend might operate to the disadvantage of Birmingham and other major regional cities outside London. However, attractive suburban areas, towns, cities and rural areas in the West Midlands would likely be popular in residential terms.

There is not consensus amongst commentators about prospects for the larger high-cost cities, however. Reports from Bloomberg (see here and here) and the Brookings Institution (see here) in the USA suggests that increased remote working has the potential to spread economic opportunity, particularly in tech sectors, away from cities such as New York, San Francisco and Seattle. With a greater spread of activity away from high-cost areas disparities in wages might lessen, so reducing territorial polarisation.

However, not everyone can work from home efficiently. Some do not have the space at home and/ or access to quality broadband to enable them to do so. Some do not want the social isolation of lack of face-to-face contacts. Some jobs cannot be undertaken remotely.

This suggests that a trend towards greater hybrid working for some will lead to greater socio-economic inequalities.

A safe return to the classrooms and work post lockdown in the West Midlands

Magda Cepeda Zorrilla WMREDI

Getting young people back to school has been set as a priority by the Transport for West Midlands (TfWM) as well as the return to work from the people that worked from home. Public transport is essential for commuting to work and school. Figures from 2016-2017 show that over 260 million bus passenger journeys were made in the West Midlands and 7.2 million passenger journeys were made on Midland metro. With the coronavirus outbreak, there was a sharp drop in trips, but once the restrictions are lifted, returning to work and school can represent a big challenge for the transport authorities. In public transport, the spread of the virus depends on how crowded the transport is and how easy is to maintain social distance at the stops, the stations and onboard the transport. Besides, there are several touch points that passengers will be sharing. Research in other countries has concluded that in order operate public transport in a safe way it is required that transport operators reduce significantly the total capacity in the network, operating at most between 30 and 50% of total capacity.

To support the safe use of public transport the UK Government announced a support package of £40m for local transport authorities to help provide extra capacity for the transport system. In the West Midlands, it has been announced that there will be an increase in the frequency of buses and the majority of trains and trams; however, due to limitation in the capacity onboard there have to be other measures in place to reduce the demand, and to do this, the government urged people to change their travel behaviour too. Since last month, the TfWM have advised people returning to school or college to plan their commute journey and walk or cycle when possible to help to get young people back to schools in the safest manner.

The UK Government advice for public transport usage also states to try to travel at the off-peak time if possible; trying to take the less busy routes; reduce the number of changes; plan the trip and buy a ticket in advance where possible or try to pay using contactless payment. Also, the government is encouraging to keep at least 1m distance from people where possible, the use of face coverings masks and to try to wash hands for at least 20 seconds after completing a journey.

What else could help to reduce the risk of contagion and support people to feel safe when using public transport?

The UK government advice is to wash the hands at least 20 seconds after completing a journey. To help to achieve this, Transport for London (TfL) had installed 1,000 hands sanitiser points to all tube and rail stations; London Overground and DLR stations; all bus stations and Victoria Coach Station. A similar plan could be implemented in the West Midlands. For instance, installation of hand sanitiser in the most crowded bus stops and rail stations.

Based on recent research, other governmental measures could be taken. In particular **Governmental measures** such as testing people for coronavirus, carry out effective contact-tracing and request isolation of infected individuals. A study published in June tested different “scenarios for school reopening and broader relaxation of social distancing”. The researchers concluded that “increased levels of testing of people and effective contact-tracing and isolation for infected individuals” would help to reduce the risk of a second wave of coronavirus. The authors stated, “if UK schools reopen in phases from June 2020, prevention of a second wave would require testing 51% of symptomatic infections, tracing of 40% of their contacts, and isolation of symptomatic and diagnosed cases”.

Another way to help to reduce the spread of the virus and help people to travel safely is by monitoring air quality as a way to identify areas of the potential risk of increase of cases of coronavirus and this can inform policymakers and transport operators to identify areas where the operation of different public transport modes could be suspended or reduced. It can also help to identify where to implement stricter work-from-home instructions and a potential return to online education. For instance, a study carried out in London found a strong correlation between air pollution and an increase in the risk of COVID19 transmission within the London boroughs. The authors suggested using air pollution monitoring as a way to identify the city’s vulnerable points and therefore inform the decisions to suspend or reduce public transport in those points.

Finally, a strong and clear **communication strategy** about the measures taken to reduce peoples’ risk. Increasing people’s trust in the Public transport depends upon clear communication and research has shown that also can be done by “identifying in advance what people would want to know, where they would get information from, and how messages should be presented”. To do this, the government could work in partnership with the local organisations and the academia to gather information about people’s perception and opinion about public transport.

British Chambers of Commerce – COVID-19 Business Tracker: West Midlands Results (Week Twelve – 17th August to 21st August

Raj Kandola

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 98 firms across the West Midlands and cover the period from 17th August to 21st August.

95% of respondents employed less than 250 staff members and of those, 41% employed between 1 to 9 members of staff and 14% identified themselves as sole traders. 57% of businesses surveyed did not export their goods & services (and similarly, 52% did not engage in importing activities). Of those firms that were involved in exporting, 29% distributed their products and services to countries both inside and outside the European Union. 23% of businesses that took part in the survey operated in the professional services sector and 26% were listed as manufacturers.

Changes to Trading Conditions & Access to Finance

In comparison to the previous month, 42% of businesses witnessed a fall in UK revenue (with 18% citing a significant decrease) with 25% recording an increase in domestic revenue. 57% of firms saw a drop in international revenue (with 11% suggesting it was significant) and 23% reported an increase in revenue generated overseas. 53% had also seen a decline in cash reserves (with 18% noting an uplift compared to the previous month). 31% of businesses expected their cash reserves to cover their trading activity for one to three months, 8% for less than one month and 1% had no cash reserves at all.

In relation to the measures announced by the Chancellor on 8th July, 40% were unaware of the Kickstart Scheme, 3% were intending to use the scheme and 2% currently doing so. 16% intended on applying for the grant scheme which rewards employers for taking on new trainees and 21% were unaware of this particular programme. 19% of firms were also intending to apply for grants in return for hiring apprentices and 12% suggested they would like to make use of this scheme but were ineligible to do so. 4% of businesses had benefitted from the VAT cuts introduced for hotels, restaurants and attractions and 7% of businesses were utilising the 'Eat Out to Help Out' scheme.

Businesses were asked to provide their feedback on the Job Retention Bonus programme and the extent to which it would enable their firm to maintain and grow their workforce; 29% agreed to some extent and 27% felt the programme would do little to help them retain staff or add to their headcount. 26% of business suggested that the introduction of the Government's Track & Trace programme would help them to maintain their business operations and 14% strongly disagreed. 27% of firms had implemented their own track and trace system for employees; 42% of businesses had not introduced their own track and trace measures and had no intention to do so. Organisations were also asked to consider the potential barriers in introducing internal track and trace measures-

20% cited a lack of understanding of how the measures would work in practice and 18% were concerned about a negative reaction from their staff or customers (16% also referred to a lack of expertise in their business to introduce these measures).

Firms were also asked a serious of questions relating to business sustainability. 17% of businesses were unaware of the term 'net zero' and the potential implication it would have on their own firm, whereas 37% of firms were familiar with the term to varying degrees. 93% of businesses were not currently measuring their own greenhouse gas emissions and 81% of firms did not have any specific targets in place to reduce its carbon footprint. In terms of specific measures associated with reducing carbon footprint on an individual company level, 48% were either planning to use or increase the use of LED lights, 65% referred to recycling methods and 51% referred to a reduction in paper consumption. In terms of considering potential barriers to reducing an individual company's carbon footprint, 33% referred to the availability or cost of low carbon alternatives and 30% suggested it wasn't a current priority. Just over a quarter of respondents revealed that they had never heard of the United Nations Climate Change Conference (also referred to as COP 26) which is due to take place next year.

The survey also included specific questions related to the Brexit process. 55% of firms revealed that they had not undertaken a risk assessment on the potential impact that an alternation of trading terms with the European Union would bring from the start of 2021. Businesses were also asked questions relating to the steps they had taken to prepare for Britain's departure from the European Union (in line with the eight suggested steps the Government released in July of this year); 35% had registered for EORI number, 30% had assessed the potential impact that the changes would have on existing agreements with suppliers and customers and 27% had checked whether they would need customs declarations.

ONS Weekly Release Indicators
BCC EIU

On the 6th August 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 10 of the Business Impact of Coronavirus Survey, incorporations and voluntary dissolutions, national footfall, results from Wave 20 of the Opinions and Lifestyle (OPN) Survey, experimental online jobs advert indices and Energy Performance Certificates (EPCs).

Business Impact of the Coronavirus

The initial results from the tenth round of the Business Impact of Coronavirus Survey (BICS) show that of the 24,464 businesses surveyed across the UK, 19% had responded as of the 4th August 2020. Unless stated, the following data is based on the period between 13th June to the 26th July 2020 and regional breakdown is not available.

Headline Indicators

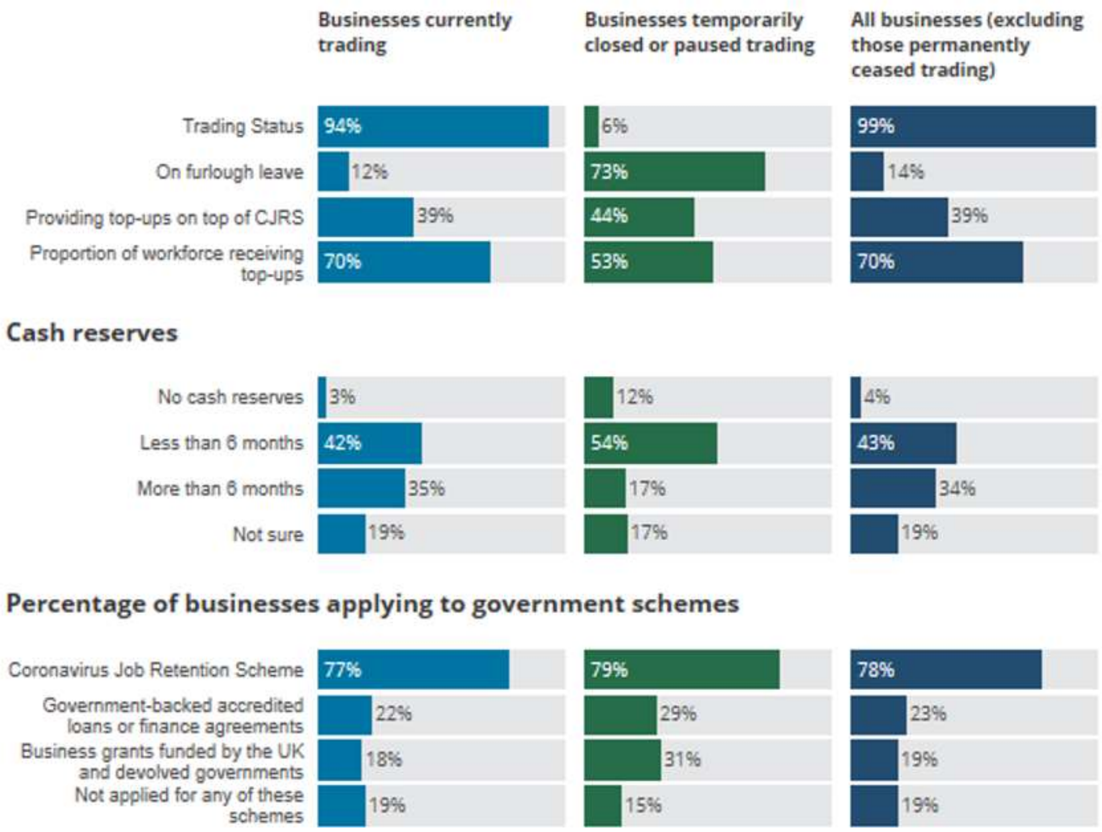
Across the UK between 13th – 26th July, 94% of responding businesses were currently trading with 12% of the workforce on furlough leave. 39% of businesses are providing pay top-ups to the Coronavirus Job Retention Scheme and 70% of the workforce are receiving top-ups to the Coronavirus Retention Scheme.

6% have temporary paused or closed trading with 73% of the workforce on furlough leave. 44% of businesses are providing pay top-ups to the Coronavirus Job Retention Scheme and 53% 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 12% for businesses that have temporary paused or closed. 42% of businesses currently trading has less than 6 months of cash reserves, this rises to 54% for businesses that have temporary paused or closed.

The Coronavirus Job Retention Scheme still remains the favoured government support scheme with 77% of businesses that are currently trading have applied for this scheme, rising to 79% for businesses that have temporary paused or closed.

Proportion of businesses by trading status, and proportions of workforce on furlough leave and receiving pay top-ups:



90% of responding businesses have been trading for more than the last 2 weeks. 3% of responding businesses who had temporary paused trading reported to have started trading in the last 2 weeks. 1% of businesses that have temporary paused trading but intend to restart trading in the next two weeks and 4% of businesses that have temporary paused trading that do not intend to restart trading in the next two weeks.

Of the businesses currently trading, 4% had returned to their normal workplace after remote working and 6% had returned from furlough in the last two weeks. Of the businesses that are currently trading or that intend to trade in the next two weeks, 4% are expecting to return to the work place after remote working and a 4% are expected to return after furlough leave.

Turnover and Operating Costs

Nearly 16% of responding businesses reported that operating costs exceeded turnover by at least 20%. Although, 13% reported turnover was equal to operating costs and nearly 34% reported that turnover exceed operating costs by at least 20%.

Financial Performance

11% of businesses that have continued trading reported turnover had increased by at least 20%. While 29% reported that turnover had not been affected. However, 54% of businesses reported turnover had decreased by at least 20%.

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

The average number of incorporations per working day for the UK was 2,887 in Quarter 2 (April to June) 2020, this is above the Quarter 2 2019 average of 2,786.

Voluntary Dissolutions

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.

The average number of voluntary dissolution applications received per working day at 942 between the 4th April to 25th July 2020. This is lower than Quarter 2 2019 at 1,091 and Quarter 3 2019 (July – September) at 1,008.

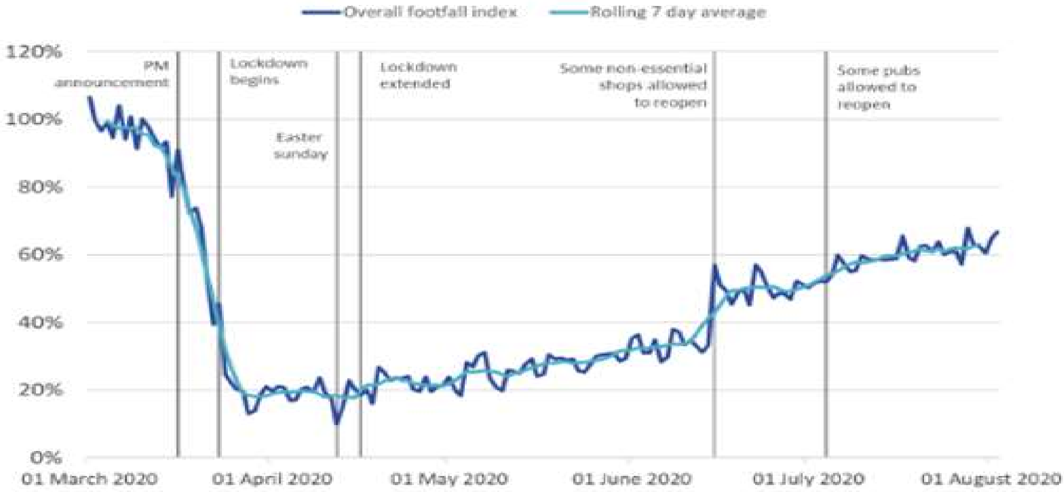
National Footfall

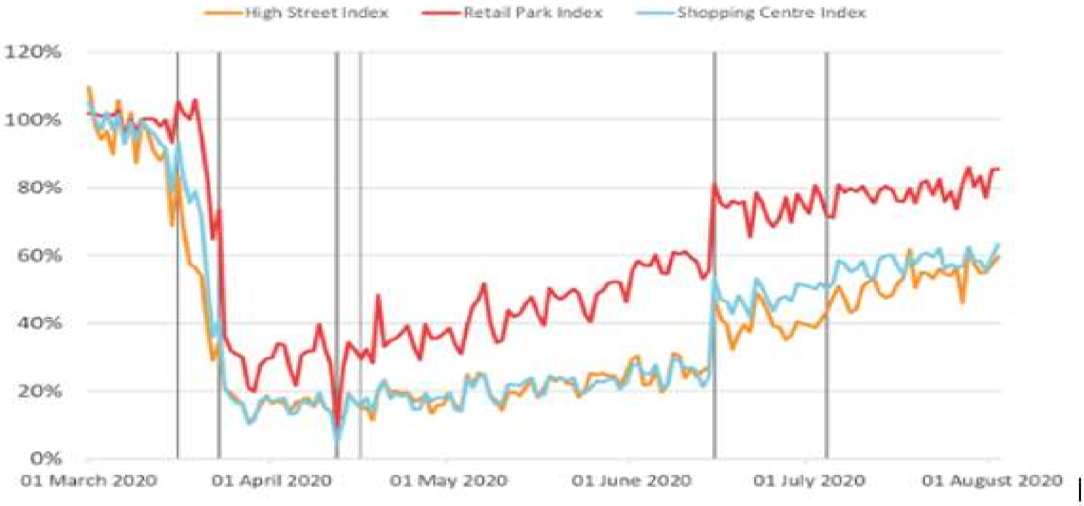
Customer activity figures are provided by Springboard. The volume of footfall has been compared to the same day the previous year (i.e. Tuesday 14th July 2020 will be compared to Tuesday 16th July 2019) for high streets, retail parks and shopping centres.

There has been a gradual increase in the overall footfall levels since the re-opening of non- essential shops on the 15th June and the overall footfall seven-day (27th July – 2nd August) average was over 60% of the same day a year ago.

Retail parks were around 85% of their level from the same period in the previous year with shopping centres at 60% and high streets at 55%.

The following graph shows the volume of footfall for the UK between 1st March to 2nd August, 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 20, covering the period 29th July – 2nd August 2020. In this wave there were 1,235 (49%) responding adults.

53% of adults reported they strongly supported the targeted lockdown measures for local areas affected by Coronavirus outbreaks.

Face Coverings

96% of adults have worn a face covering outside their home between 29th July to 2nd August. It was not mandatory in England to where a face covering while shopping at the time of survey, 70% reported to wearing one while shopping. However, the UK as a whole this increases to 95%.

62% of adults reported they strongly supported the mandatory wearing of face coverings while shopping.

85% of adults who had used public transport reported to wearing a face covering.

81% of responding adults reported that are either very or fairly likely to wear one in the next 7 days.

Work

14% of adults reported to feeling worried about potentially losing their job. 10% of adults were worried about returning to work.

76% of adults reported they had either worked at home or travelled to work, with 51% travelling to work and 25% working exclusively at home.

Socialising and Leisure

72% of adults met up with others to socialise and 45% of adults reported they had family of friends visit them at their own home between 29th July to 2nd August. However, 52% of adults always maintained social distancing, while 6% stated they rarely or never maintained social distancing.

53% of adults are seeing family members les than they did prior to start of the pandemic and 64% reported to seeing friends less.

37% reported they would be comfortable or very comfortable to eat indoors at a restaurant. 17% of adults said they would feel comfortable or very comfortable to visit the gym. 15% reported to feeling comfortable or very comfortable visiting a water park or an indoor swimming pool, which increased to 28% to visiting an outdoor swimming pool or water park.

Health and Well-being

66% of adults would feel comfortable or very comfortable to attend an online appointment with a healthcare professional, this rises to 69% to attend an appointment in person and rises further to 72% of adults would feel comfortable or very comfortable to seek medical advice from a healthcare professional over the phone.

Although, only 61% would feel comfortable or very comfortable attending a hospital appointment if asked by a doctor to and 55% feel this way if they had to attend A&E with an urgent health care concern.

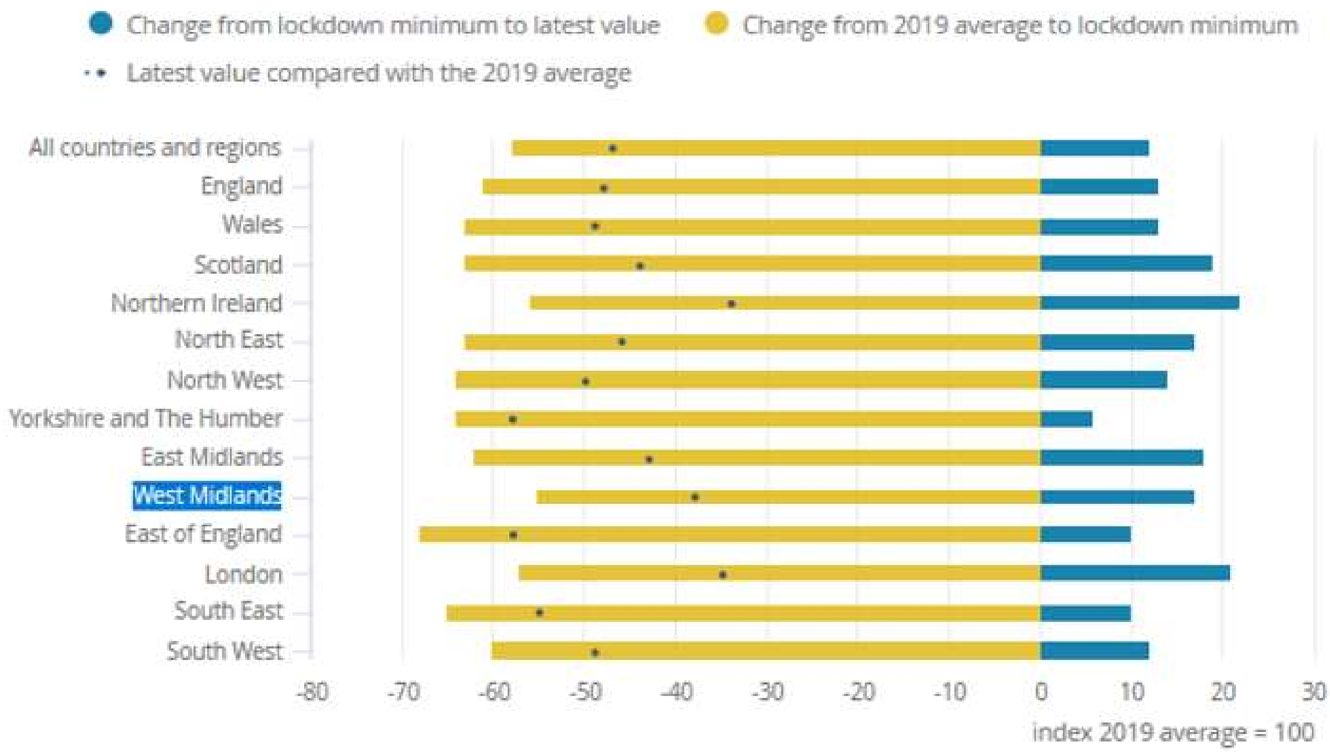
Online Jobs Adverts

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 between 24th – 31st July, increased from 52% to 53% of their 2019 average. Although, more then three quarters of categories increased when compared to the previous week. Notably, transport. Logistics and warehousing increased from 65.6% to 71% of it 2019 average.

For the West Midlands, the total online jobs adverts have increased from 60.5% to 61.9% of its 2019 average. With Northern Ireland the closest to their 2019 average at 65.9% to Yorkshire and The Humber and East of England the lowest at 41.8% on the 31st July.

The following image 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):

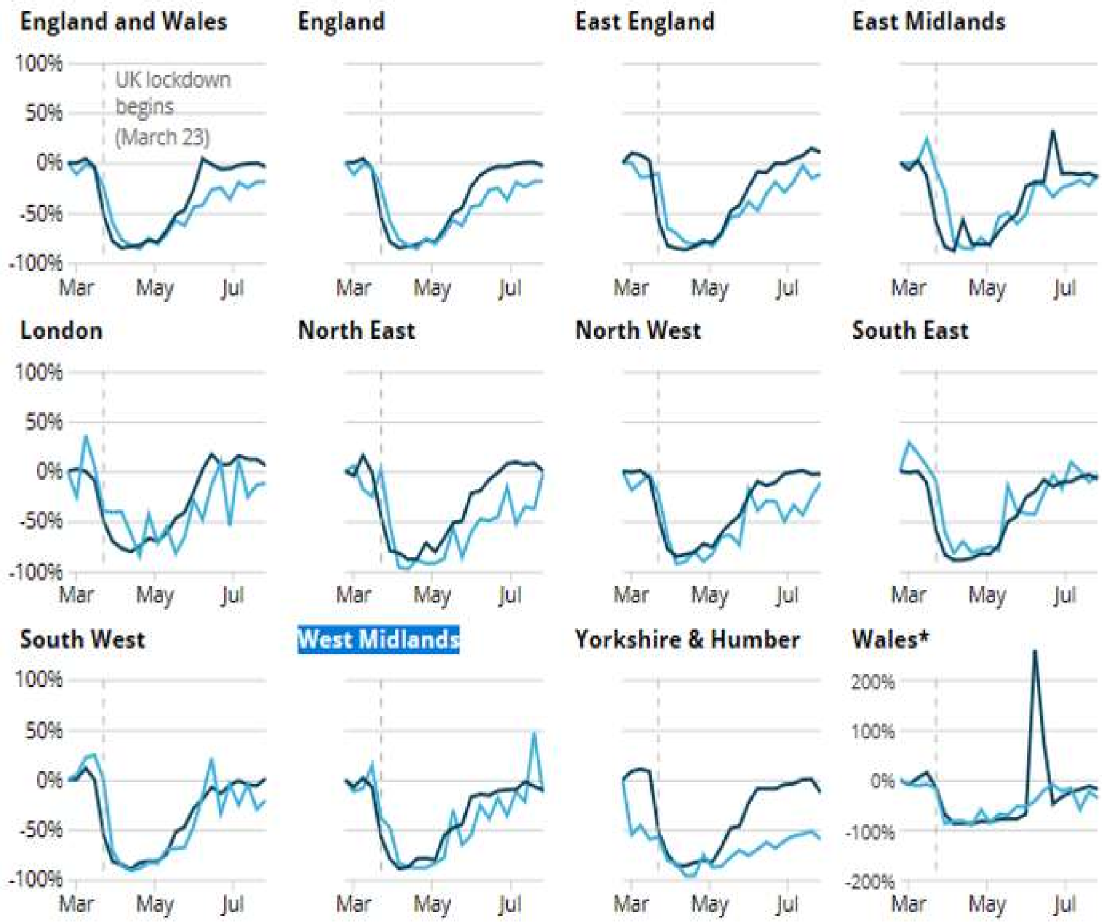


Energy Performance Certificates (EPCs)

An EPC contains information on the energy efficiency of a property and is a requirement when a property is built, sold or rented. New buildings or conversions of existing buildings require an EPC once construction has been completed.

In the week commencing 27th July, EPC lodgements for existing dwellings across all English regions (West Midlands 10% lower) returned to similar levels observed at the end of February. While EPC lodgements for new dwellings were 19% lower across England and Wales, for West Midlands region 14% lower.

Existing and new EPCs lodgements by region, percentage change since week commencing 24th February:



Source: Ministry of Housing, Communities and Local Government (MHCLG), Domestic Energy Performance Certificate Register.
Please note, the spike seen in Wales in the middle of June was due to local authorities in Wales reviewing their social housing stock.

HEADLINES	
SECTOR	**KEY CONCERNS**
Cross Sector	Jobs & Furlough • There are increasing concerns about the impact of winding down the coronavirus furlough scheme and the resulting job losses. • Need to monitor dynamics and interdependencies occurring in the economy and across sectors to inform recovery planning. New Business Models • Remote working to some degree now widely accepted as a permanent way of life for many businesses at some degree. • Some businesses looking for funding to upgrade the online aspect of their business.
Retail	Consumer Behaviour & Sales • Retail sales benefitted in July from a full month of non-essential retailers being allowed to open (having been allowed to open from mid-June after being closed from 23 March). • The opening up of the hospitality sector and other consumer service sectors may have diverted some consumer spending away from retail sales towards services as sales in August have fallen. Access to Finance • General feeling that there has not been sufficient support for B2C/Retail businesses to aid the recovery of businesses in this sector.
Events	Potential Reopening • Further reports of businesses in the events industry that simply cannot operate under current rules set out by government. Frustration continues that there is no clear plan that will allow businesses in this sector to return to profitable levels, let alone full operation
Business, Professional & Financial Services	Return to Work • Some larger tech/digital projects that involve larger local establishments, such as WMG, are also getting back under way. • Further businesses resuming projects shelved prior to covid-19. Jobs & Furlough • Businesses believe it is important that the furlough scheme continues to operate until things return to normal.
Visitor Economy	Consumer Behaviour & Sales • The eat out to help out scheme has generally been well met and the hospitality economy has been boosted by strong visitor numbers.

Black Country Consortium
Economic Intelligence Unit

NEW ECONOMIC SHOCKS			
COMPANY	**LOCATION**	**SECTOR**	**SOURCE/DETAIL**
BMW	Hams Hall	Automotive	BMW **is axing production roles and** blames the cuts on the coronavirus crisis causing a drop in demand for new cars, saying it only builds vehicles to meet new orders rather than them being mass produced.
Coleman Group	Birmingham	Construction	About 40 per cent of employees at the Birmingham-based company behind a demolition contractor are set to leave the business, it has been revealed.
Co Operative Bank	Black Country	Finance	The Co-operative Bank is set to axe 350 jobs and close 18 branches – including three in the West Midlands. The banks says the move comes as it tries to reduce costs and have "a right-sized" operating model in place.
Johnsons Coaches	Henley-in-Arden	Travel	Warwickshire firm, Johnsons Coaches, says it is looking to slash 78 roles after a similar fall in passenger numbers. The firm, which has been running for 110-years, has not operated a holiday since March, according to BBC report.
Travel de Courcey	Coventry	Travel	A Coventry transport company has been forced into administration after its business collapsed due to the Covid-19 pandemic. Travel de Courcey, based in Coventry, is the largest privately-owned bus and coach company in the Midlands and operates a network of services across the area including to hospitals, schools, the Ricoh Arena and the NEC.
MCL Create	National	Events and Leisure	The £10m-turnover company collapsed into administration as a result of the Covid-19 pandemic. MCLCreate was based in Birmingham and had depots in Manchester, Edinburgh and Glasgow. It had developed a blue-chip client list over the last 25 years that included Cadbury owner Mondelez, Royal Mail, Specsavers, Ricoh and Aston Villa.

NEW INVESTMENT, DEALS AND OPPORTUNITIES			
COMPANY	**LOCATION**	**SECTOR**	**DETAIL & SOURCE**
Kate Spade	Birmingham	Fashion retail	Kate Spade New York has opened a new store at Birmingham's Bullring shopping centre
Peloton	Birmingham	Fitness retail	Global interactive fitness brand Peloton is to launch a new store in Birmingham city centre later this month.
Haidilao	Birmingham	Food retail	Haidilao opening new restaurant in Birmingham, expected to launch in early 2021
Mac- group	Black Country	Construction	Construction company appointed to build 11 new industrial units in a £4.25mil deal.
Meggitt	Coventry	Aerospace, Engineering	Meggitt, the supplier of components and subsystems for the aerospace, defence and selected energy markets, has landed a contract with MODEC for the supply of printed circuit heat exchangers (PCHEs) to the Bacalhau Floating Production Storage and Offloading (FPSO) vessel.
Autins Group	Rugby	Manufacturing	A Warwickshire firm which designs, manufactures and supplies acoustic and thermal insulation has manufactured and supplied millions of PPE items, including nearly 200,000 face masks and millions of parts for visors to customers over the last four months after securing a £3.05m finance package.
Harvey UK	Henley-in-Arden	Other Services	Henley-in-Arden based commercial decoration company Harvey UK has responded to a call to arms for its three latest contracts – for the Imperial War Museum, the US Air Force and the Royal Air Force.
Opex Coventry	Coventry	Health and Leisure Activities	A new gym is set to launch in Coventry after signing a lease during lockdown. Opex Coventry, specialising in one-to-one fitness consultation, will open at 11 Longfellow Road after retail agents at Harris Lamb oversaw the letting.
AC Lloyd	Warwick	Real Estate Activities	A Warwick property development and investment company has set a new weekly record for house sales in its 72-year history after re-opening its sites due to Covid-19. AC Lloyd Homes, which was established in 1948, has had a surge in property sales since the government announced the stamp duty holiday in July.
National Express	National	Travel	National Express is set to take over more bus services in Coventry after their previous operator went into administration. The company will run services between Coventry and Rugby, previously run by Travel De Courcey which announced yesterday it was forced into administration after its business collapsed due to the Covid-19 pandemic.
The Works	Coleshill	Retail	TheWorks has delivered a "creditable performance" after a tough year that had seen the retail group start to cut costs before coronavirus. However the impact of Covid-19 on trading was estimated at £3m while its newly-published accounts include non-cash impairment charges of £19.5m caused by the consequences of coronavirus, which relate to goodwill and store assets.
Morgan Sindall	Rugby	Construction	Morgan Sindall Construction has been selected to complete a £4.8m programme of repairs and improvements to Swansgate multi-storey car park in Wellingborough.
Quadgas Hold Co	Coventry	Utilities	Revenue has topped £2bn at the business behind a Coventry-based company which was spun-out of the National Grid. Quadgas HoldCo, which is the parent of Cadent Gas, has posted a revenue of £2.1bn for the year ended 31 March 2020, up from £1.9bn in 2019. Its pre-tax profit also rose from £534m to £667m.

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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