West Midlands
Weekly Economic Impact Monitor

WM REDI | CITY REDI

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

This week cases are rising and new regulations have been introduced to stop the spread of the virus, schools have returned but many are suffering temporary closures and universities are also opening. There has been significant disruption to testing nationally and the rise in cases has hampered the return to offices. Unemployment and claimant numbers are generally not as bad as predicted but still at levels not seen in a considerable time. There are significant risks on the horizon, not least the fact that business future confidence has dropped in the latest PMI.

Key issues

- In the U.K. coronavirus cases continue to hover above 3,000 for a third day. Government has tightened restrictions with the implementation of 'the rule of 6'. The messaging and rising cases has undermined the government's efforts to revive the economy by getting people back in to the office. In the new rules for Birmingham, Solihull and Sandwell, households are not permitted to mix with other households inside their home or in their garden. Households can meet in outside venues, such as in the hospitality sector as long as there are no more than 6 people
- In August inflation fell sharply to 0.2%. July's figure had been 1%. Contributing factors to the big drop in Consumer Prices Index (CPI) inflation is likely to be the cut in VAT from 20% to 5% in the hospitality sector.
- ONS released the prelim monthly estimate of GDP for the month of July. It is now expected that output will fall by just over 10% in the third quarter and by around 5% in the final quarter of the year. (All figures in comparison with prior year). For the year as a whole, this means output will have fallen by 10% in 2020 compared to the prior year (this fits many forecaster predications).
- When compared to June 2020, monthly GDP has risen by 6.6% in July 2020. However, GDP was 11.7% below the levels seen in February 2020. Even though there was a higher number of businesses that reopened across the UK during July 2020, the rate of recovery varies across industries. For example, due to the ongoing social distancing requirements alongside the closure of concert halls the creative, arts and entertainment industry have struggled to recover.
- The headline NatWest West Midlands Business Activity Index (PMI) registered at 61.9 in August, unchanged on July's substantial high. The latest reading suggests a strong increase in business activity midway through the third quarter and thus a significant third quarter recovery. In August Business expectations regarding the outlook for output over the next 12 months were less positive. The Future Business Activity Index dropped nearly 10 points to its lowest level for three months. This could indicate business uncertainty over the ending of furlough, Brexit and uncertainty surrounding a rise in cases and a further imposition of lockdown restrictions
- The Treasury Select Committee *Economic impact of coronavirus: the challenges of recovery* has made recommendations:
  - Consider whether additional measures are needed to stimulate consumption.
  - Set out how businesses are expected to manage the easing of the CJRS, and consider whether an extension of the CJRS is required to prevent unemployment.
  - Revise the Kickstart Scheme to make it more accessible for SMEs and charities to access.
  - Conduct an equality impact report, highlighting how the crisis has affected different groups unequally.
  - Conduct a review of whether changes to Universal Credit should remain, and whether statutory sick pay is appropriate to support workers isolating.
  - Evaluate the need for a new state body to ensure business resilience at times of crisis.
  - Publish a roadmap outlining how it intends to place National finances on a sustainable footing.
  - Publish a "levelling up" strategy, outlining clear objectives and indicators of what is considered "levelling up".
  - Review the remits of institutions such as the BoE and OBR, to promote the use of regional data.
  - Treat local government as a partner in future fiscal events, and outline additional support for local authorities in the case of local outbreaks.

The WM Weekly monitor is funded by the West Midlands Combined Authority and Research England

West Midlands Combined Authority | UKRI Research England

- The Institute for Employment Studies have published a briefing on the latest labour market release. The main points are:
  - Employment holding up and hours are starting to recover and overall the figures released this week were positive
  - There was a large fall in economic inactivity which has reversed the increases in lockdown; however this is characterised by those out of work stopping looking for jobs
  - Falling inactivity has fed through to unemployment with the rate at 4.1% (low in historic terms)
  - Furlough numbers appear to have been dropping, with a fall from 7.6m in July to 5.5m (however HMRC data is the most accurate representation). Pre-crisis around 2.5 m people where away from a job at any one point.
  - With more people returning to work, total hours worked and the average hours per worker both increased from the figures reported last month. However, the recovery in hours appears to have been a lot lower so far than the increase in the number of people back working
  - The youngest and oldest are hardest hit, but levels entering education have risen

- Mark Hart, as part of the GEM network, highlights evidence from previous crises pointing to the postponement of start-ups during a crisis. The first signals in the current crisis are pointing in the same direction. It is imperative that incumbent economic activity be fuelled with new ventures, trying out new ways of producing goods or delivering services. Therefore, especially in the face of an economic outlook that is hard to predict for the next few years, entrepreneurs need to be able to operate in a context that does not further increase uncertainty.
- Overall highways are seeing an increase on traffic on the motorway network matching pre covid levels with the peaks starting to re-appear. The Aston Expressway tidal flows are now in regular use. Bus patronage varies daily but is at approx. 60% of pre-covid levels. Metro – Patronage is operating at around 60% with variances at the weekend. Rail – Service changes on the 6th September have increased services to approx. 95% of pre covid levels.
- The eviction ban has been extended until 20 September 2020**.** On 21 August 2020 government extended the ban on private-rented evictions until 20 September meaning no renters will have been evicted for six months. Housing Secretary Robert Jenrick said the Government also intends to give tenants greater protection from eviction over the winter by requiring landlords to provide tenants with six months' notice of eviction. According to a survey by the Resolution Foundation, renters are more likely than homeowners to have fallen behind with their housing payments during the lockdown. They have been less likely to receive a payment holiday on their rent, as opposed to those with a mortgage. Between January to March 2020, 7,590 households were initially assessed for homelessness prevention and relief duty in West Midlands, an increase of 10% (+ 700 households)
- Overall footfall has remained around 75% of the 2019 level in the week commencing 31st August. This suggests after a steady increase since the reopening of non-essential shops mid-June that footfall might be flattening off.
- In the week commencing 31st August, retail parks had the strongest footfall at around 90% of its level a year ago, shopping centres and high streets were just below 75% of its level the same period a year ago.
- Work by a cross party group of MPS has found that the British people back an ambitious transformation of the UK into a greener, fairer more equal society post pandemic.

Global Outlook

Ben Brittain WMREDI

The geopolitics of procuring and developing a vaccine has heated up. A day after Pfizer Inc.'s CEOI told US citizens that a vaccine would likely be available to them before the end of the year, China's state-run Global Times tweeted that the country is likely to roll out a vaccine dose to ``ordinary Chinese'' as early as November. The University of Oxford and AstraZeneca Plc have resumed U.K. trials of an experimental Covid-19 vaccine after it was halted over concerns about a participant who fell ill. Trials of the Oxford vaccine are currently already underway in the U.S., Brazil, South Africa and India before being paused after the safety review.
Researchers are also studying whether two vaccines from the now resumed University of Oxford and ongoing Imperial College London can be inhaled, with the hope of enabling a more effective immune response.
European stocks have edged higher in early trading this week, upbeat on early signs of an economic recovery across the globe. The retail sector is rallying on better-than-expected results.
Specifc results have been: Stoxx Europe 600 SXXP, +0.70% rose 0.6%. The U.K. FTSE 100 UKX, +0.99% led the major national indexes with a 0.8% gain, while the pound GBPUSD, +0.16% despite parliamentary and negotiating wrangling between the EU and the UK on Brexit trade talks.
Israel's cabinet has voted to impose a second nationwide lockdown starting Friday with the aim of supressing a current national outbreak. Ministers voted to strictly limit movement, gatherings and economic activity for at least three weeks coinciding with a major Jewish holiday season.
Austria which had initially been successful in supressing its outbreak, recorded infections at levels last seen in March, suggesting that across Europe cases are trending upwards, except in Sweden, which has resumed visitation to elderly care homes.

National Outlook

In the U.K. coronavirus cases continue to hover above 3,000 for a third day. This has encouraged the government to tighten restrictions with the implementation of 'the rule of 6'. The messaging and rising cases has undermined the government's efforts to revive the economy by getting people back in to the office.
ONS has released data and the employment rate was up 0.1 percentage points in May to July and compared to the previous three months unemployment was up 0.2 percentage points.
In August inflation fell sharply to 0.2%. July's figure had been 1%. Contributing factors to the big drop in Consumer Prices Index (CPI) inflation is likely to be the cut in VAT from 20% to 5% in the hospitality sector.
ONS released the preliminary monthly estimate of GDP for the month of July. The economy continues to recover from the shock of shutdown. Businesses are returning to some semblance of normality. Compared to prior year, output fell by just over 20% in the second quarter. It is now expected that output will fall by just over 10% in the third quarter and by around 5% in the final quarter of the year. (All figures in comparison with prior year). For the year as a whole, this means output will have fallen by 10% in 2020 compared to prior year (this fits many forecaster predications).

Regional Outlook

West Midlands Markit PMI

The headline NatWest West Midlands Business Activity Index – a seasonally adjusted index that measures the month-on-month change in the combined output of the region's manufacturing and service sectors – registered at 61.9 in August, unchanged on July's substantial high.
The latest reading suggests a strong increase in business activity midway through the third quarter and thus a significant third quarter recovery.

New business inflows have also risen substantially in August.

Private sector firms in the West Midlands have registered through the Markit PMI survey a further increase in new business during August. The rate of growth of is significant, but has started to ease since historic highs in July.

The reopening of businesses in greater numbers remained a key factor driving higher sales. Growth in new business in the West Midlands was the second-fastest across the monitored 12 regions, surpassed only by the North East.

In August Business expectations regarding the outlook for output over the next 12 months were less positive. The Future Business Activity Index dropped nearly 10 points to its lowest level for three months. This could indicate business uncertainty over the ending of furlough and uncertainty surrounding a rise in cases and a further imposition of lockdown restrictions.

This might be particularly pronounced for Birmingham, which has had restrictions enforced on the mixing of households. In the new rules for Birmingham, Solihull and Sandwell, households are not permitted to mix with other households inside their home or in their garden. Households can meet in outside venues, such as in hospitality sector as long as it is not with more than 6 people.

Coronavirus and the Impact on Output in the UK Economy – July 2020 Summary
BCCEIU

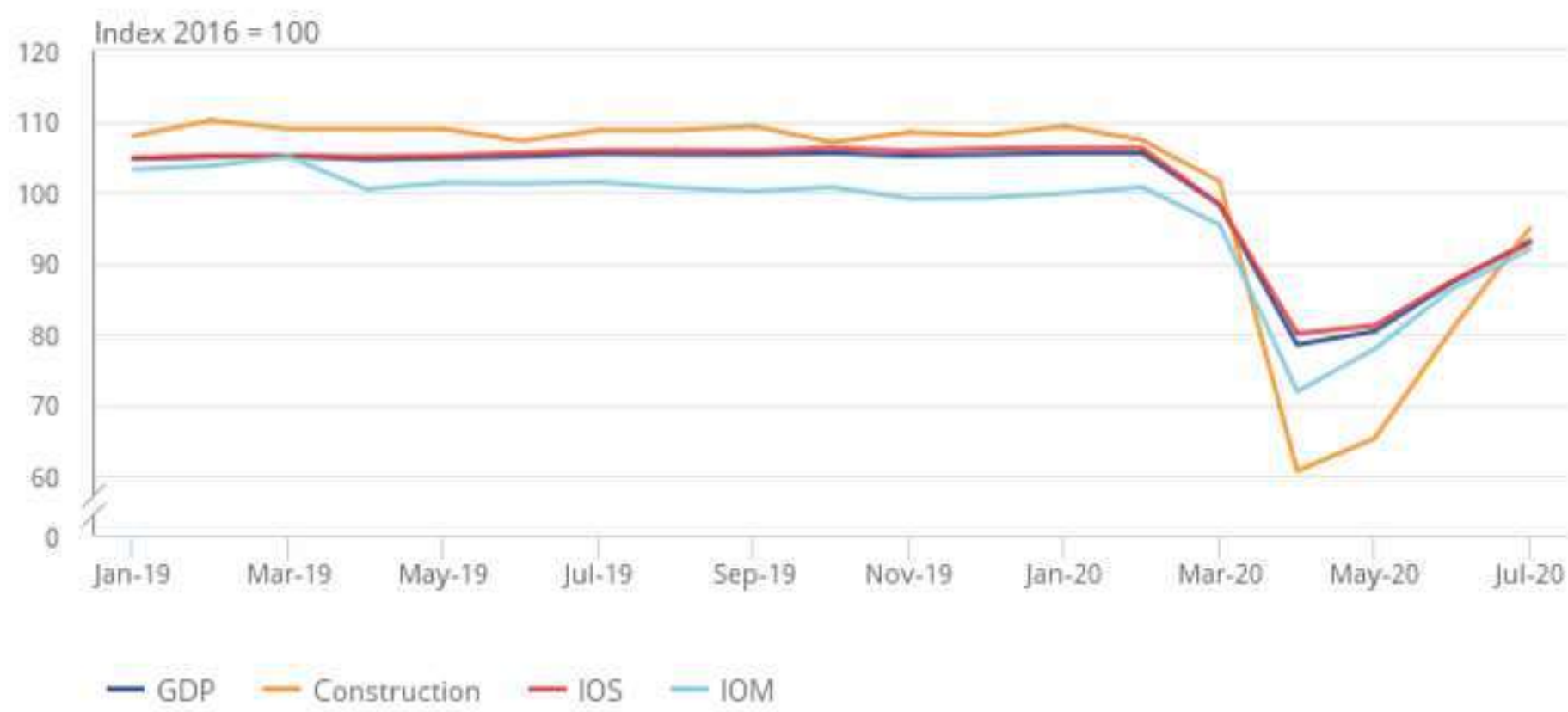
ONS released on the 11th September 2020 the impact of the Coronavirus pandemic on the output measure of GDP for the UK in July 2020. In Summary:

When compared to June 2020, monthly GDP had risen by 6.6% in July 2020. However, GDP was 11.7% below the levels seen in February 2020.
The Monthly Business Survey (MBS) returns and other external data (including comments from 9,500 businesses) shows that after the easing of social distancing and lockdown measures that businesses were reporting a continual increase in output due to an increase in demand.
The latest monthly data for July 2020 shows the output of service industries increased from June 2020 by 6.1%. However, output was still 12.6% lower when compared to February 2020.

The latest monthly data for July 2020 shows the production industries increased from June 2020 by 5.2%. However, output was still 7.0% lower when compared to February 2020.

Notably, the latest data for July 2020 in the construction industry saw a rise of 17.6% from the previous month. Although, output was still 11.6% below February 2020 levels.

The following charts shows the monthly GDP and components index for the UK, January 2019 to July 2020:



Please note, Index of Services has been shorted to IOS, Index of Manufacturing has been shorted to IOM in the chart and there is a break in the side axis. Source: ONS – Monthly GDP

Service Industries

Output for 48 of the 50 service industries increased between June 2020 to July 2020, leading to an overall increase of 6.1%. The two industries that declined were scientific research and development and information and service activities.

Output in July 2020 remains 12.6% lower than February 2020 levels as industries such as food and beverage services and hotels and accommodation still impacted from social distancing and also the transport sector which was heavily impacted due to homeworking with rail at 27.8% of the level in February 2020. Professional, scientific and technical activities was 15.9% below February 2020 levels. Travel agents in July 2020 were at 12.3% of the levels seen in February 2020.

Although, selected industries in July 2020 were above their February 2020 level, examples include; postal and courier activities (+11.0%) and wholesale and retail trade and repair of motor vehicles and motorcycles (+6.6). Education had a 1.5% growth in July 2020 when compared to June 2020 but was at 90% of the usual level and 10% of staff were still on furlough leave in July.

Production Industries

The main drive for the 5.2% output increase in the production industries between June 2020 and July 2020 was due to the manufacturing sector which contributed 4.6 percentage points (accounting for 75% of the production industries).

When compared to February 2020, 17 of the 55 manufacturing industries had higher output in July 2020, an example includes; manufacture of grain mill products starches and starch products at 14.1% growth.

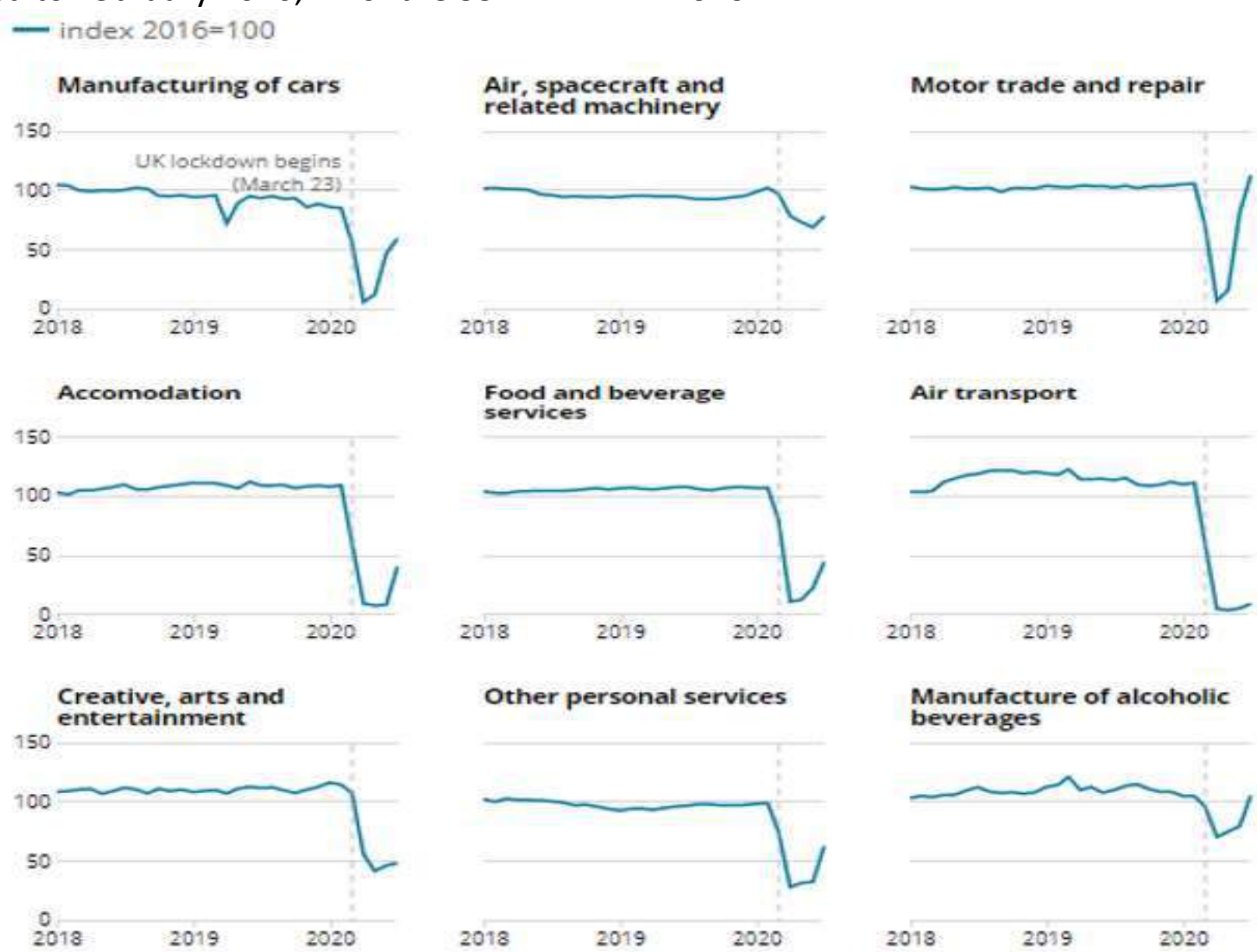
Within the production industries shows the following; there was a monthly growth of 1.0% in food product but was still 3.6% weaker than in February 2020. There was a 17.4% monthly growth in alcoholic beverages and soft drinks but again 3.9% weaker than February 2020. Despite a monthly increase of 18.5% in transport equipment the output was still 26.7% weaker than in February.

The waste and water sector saw an overall monthly rise of 2.4%, this was driven by waste collection rising by 6.7% which led to output being 1.0% above February 2020 in this industry. Other manufacturing had a monthly increase of 10.7% and output was above February 2020 levels.

Selected Services and Production Industries

As seen in the following charts, even though there was a higher number of businesses that reopened across the UK during July 2020, the rate of recovery varies across industries. For example, due to the ongoing social distancing requirements alongside the closure of concert halls the creative, arts and entertainment industry has struggled to recover.

The following charts show Index for various services and production industries for the UK, January 2018 to July 2020:



Source: Office for National Statistics – Index of Production and Index of Services

Economic impact of coronavirus: the challenges to recovery

Jordan Gerrard WMCA

This brief summarises the recent report published by the Treasury Select Committee *Economic impact of coronavirus: the challenges of recovery*, which focuses on the medium-term challenges that have emerged in our coronavirus recovery, and the increasingly critical longer terms issues, before recommending a series of steps the Government could take to encourage economic recovery in the UK, including:

- Consider whether additional measures are needed to stimulate consumption.
- Set out how businesses are expected to manage the easing of the CJRS, and consider whether an extension of the CJRS is required to prevent unemployment.
- Revise the Kickstart Scheme to make it more accessible for SMEs and charities to access.
- Conduct an equality impact report, highlighting how the crisis has affected different groups unequally.
- Conduct a review of whether changes to Universal Credit should remain, and whether statutory sick pay is appropriate to support workers isolating.
- Evaluate the need for a new state body to ensure business resilience at times of crisis.
- Publish a roadmap outlining how it intends to place National finances on a sustainable footing.
- Publish a "levelling up" strategy, outlining clear objectives and indicators of what is considered "levelling up".
- Review the remits of institutions such as the BoE and OBR, to promote the use of regional data.
- Treat local government as a partner in future fiscal events, and outline additional support for local authorities in the case of local outbreaks.

Impact of lockdown –
During the lockdown in Q2 of 2020, when non-essential retail, hospitality and leisure activities were compulsorily closed for public health reasons. As expected, this had a profound effect on the UK's economy. Research by the OBR and the BoE found that card and online payments fell by up to 50%, and all payments fell by up to 40% in April.

Unique to this crisis is that it is "inherently a sectoral crisis"; 75% of businesses in the arts, entertainment and recreation, and hospitality sectors had lower turnover than usual. Compared to 36% of firms in the IT sector, and 38% of those in BPFS.
Overall, the crisis has resulted in the largest recession on record, with ONS reporting that the economy shrank by 22.1% in the past year.

A V-Shaped recovery? –
Initial hopes for an economic recovery were for a so-called V-Shaped recovery, where output quickly recovers from the initial shock to reflect pre-crisis levels. Hopes for such a recovery were bolstered by the ONS's August update which reported an 8.7% rise in output in June due to the easing of lockdown restrictions.

A changing outlook? –
As the crisis has developed, hopes for a V-Shaped recovery have been less optimistic. In its July *Fiscal Sustainability Report 2020* the OBR predicted some scarring to the economy, and a less rapid recovery; assuming that output will reach peak recovery in Q4 of 2022, and GDP will be 3% lower in Q1 of 2025 than originally forecast. In early September BoE analysis assumed scarring of over 1.5% of GDP.
The sectoral impact seen in the lockdown's initial impact has been mirrored in the economy's recovery. Analysis by the BoE shows that spending that could be delayed during lockdown, such as clothing and furniture have recovered close to pre-COVID levels; meanwhile, spending on staples, such as food and energy, has remained above pre-COVID levels.
However, the bank notes that spending in hospitality and leisure has only recovered partially. This is likely due to anxieties surrounding the safety of many venues, an ONS survey carried out in July noted that 60% of adults feel uncomfortable returning to sectors such as cinemas and restaurants.
This is particularly concerning as the UK economy is more reliant than most on sectors that involve high levels of interaction. 13% of output comes from cinemas, restaurants and live events.

A Plan for Jobs (p.15) –
The Chancellor's *Plan for Jobs* contained three main measures aimed at encouraging consumption, the effectiveness of these measures is assessed in this report.
A temporary reduction of VAT by 5% in the hospitality sector - The cut to the rate of VAT has been estimated at £4.1bn. Reductions to VAT have traditionally been associated with an increase in consumption, and the targeting of individual sectors. Whilst this measure may not be as impactful as intended, due to the hesitancy of consumers to return to hospitality, Lord Macpherson (former Permanent Secretary HMT) described the cut as "quite a sensible measure".

Cut to Stamp Duty – The Committee heard that Stamp Duty is commonly seen as a "bad tax" as it taxes transactions, reducing purchases. Therefore, the OBR has reported that a reduction in Stamp Duty will result in around 100,00 additional transactions, at an estimated cost of £3.8bn.

Eat Out to Help Out (EOHO) – The Committee heard that the EOHO was initially considered to be "gimmicky". However, data released since the scheme's inception shows restaurant patronage has increased by 61% on Mondays to Wednesdays compared to last year. Now that the scheme has closed, many restaurants are extending the promotion themselves, and the FSB has called for an extension to further support small businesses. The EOHO Scheme has been estimated to cost £3.8bn.

Avoiding long term unemployment

One of the critical challenges facing the Government is the need to combat long-term mass unemployment. The OBR's central scenario predicts peak unemployment of 11.9% by Q4 2020. The Government's strategy to avoid long-term unemployment has consisted of the Coronavirus Job Retention Scheme to manage the initial shock of COVID to employers, and A Plan for Jobs to promote longer term employment.

Coronavirus Job Retention Scheme (Furlough) (p.19) – The CJRS subsidized worker's wages up to 80% and was cited by many of the Committee's witnesses as being successful in preventing a sharp rise in unemployment. Data shows that up to the end of June 9.4 million workers had been placed on furlough, costing around £26.5bn. Whilst the CJRS was seen as successful, the Committee heard that witnesses were concerned about the Scheme's longevity, with several witnesses predicting redundancies once the Scheme ends.

A Plan for Jobs –

A Plan for Jobs includes a number of measures aimed at mitigating the risk of unemployment:

The Job Retention Bonus offers payments of £1,000 to UK employers for every furloughed employee that remains in employment through the end of January 2021. The Committee heard that the scheme will have a limited impact as the bonus will be paid for employees that would be kept on anyway, and £1,000 is not enough of an incentive to keep people employed who would otherwise be made redundant.

The Kickstart Scheme consisting of a £2bn fund to create "high-quality" work placements for 16-24 year olds on Universal Credit. Whilst the scheme will be useful in gaining young workers experience, the Chair of the FSB reported that the scheme was not set up for small businesses, thus minimising its impact.

A range of additional funding to encourage employers to take on new apprentices, encourage in work training, and further support for those out of work.

Bringing forward £5.6bn of "shovel ready" schemes to promote work.

An unequal crisis -

The Committee also heard that the crisis will have varying effects on different demographics in society, including; those on low incomes, under 25s, mothers, ethnic minorities and private renters.

Corporate debt

A balance sheet recession? -

The Committee heard that there is an issue with the amount of debt which corporations have been required to take on to stay viable, risking a prolonged recession as businesses burdened by debt may be reluctant to employ people or invest further.

Whilst support schemes, such as CBILS or the Future Fund, were welcomed the committee heard that it is important to remember that the money loaned under these schemes is still debt on businesses accounts.

Potential solutions for smaller businesses –

There is a particular issue with debt accumulated by SMEs and their ability to repay loans. Whilst it has been suggested that Government could take equity stakes in larger companies, the Chancellor has stated that this would not be practical for SMEs.

Instead, the Committee heard from several witnesses that a sensible solution would be to restructure debt through a "UK Recovery Corporation". Under such a restructure SMEs would repay Government-backed debt through taxation, similarly to student loan repayments.

Equity stakes for larger businesses –

The Committee heard from several witnesses that a suitable solution to larger corporate debt would be for the Government to take equity stakes in businesses, in lieu of immediate payment. Lord O'Neil suggested that this could be achieved through the establishment of an arms-length body, in much the same way as Singapore. However, there was scepticism among witnesses as to the effectiveness of this approach. Professor Jagjit Chadha, National Institute of Economic and Social Research, argued that the Government is not best placed to allocate capital, and doing so would interrupt the operation of the free market. Ultimately, this was the position taken by the Chancellor who indicated that the UK Government would only bail out companies in "exceptional circumstances".

Longer term challenges

The Committee also focused on longer term issues in economic recovery including, Government debt sustainability and the international dimension of recovery. Of particular importance for the WMCA is the Committee's focus on recovery through "levelling-up".

"Levelling up" in the context of the coronavirus outbreak
In his first speech as Prime Minister, Boris Johnson pledged to "level up towns across Britain". This promise was extended in his post-election speech, and again in the March Budget.

"Levelling up" continues to be a key part of the Government agenda, having been stated as a priority of the upcoming Spending Review.
The Committee heard that, at this point it is difficult to understand how the crisis has effected regional imbalances, as sectoral imbalances can have unexpected consequences, and many more prosperous local authorities will have seen a larger loss of income through a reduction in the use of car parking and leisure facilities.

Defining "levelling up" –
Although Government has frequently referred to its intention to "level up" the UK economy, the Committee heard from Giles Wilkes (IfG) that in reality this is more of a slogan than a geographical statement.
Andy King (OBR) reported that there is a requirement from Government and Officials to decide what is meant by "levelling up" statistically, before it can be measured or reported on.

Overall approach

In the penultimate chapter the Committee explores the Treasury's overall approach to the crisis, emphasising the importance of the Chancellor continuing to refine and adapt economic policy as the crisis develops. The chapter explores the Spending Review (p.47), Support for local authorities (p.48), Transparency on trade-offs facing Government (p.49), The Treasury's forecasting capacity (p.50), Insurance (p.51), Manifesto commitments (p.53) and Recent intransigence (p.53).

Claimant Count and Labour Market Statistics

Review of Analysis

Rebecca Riley WMREDI

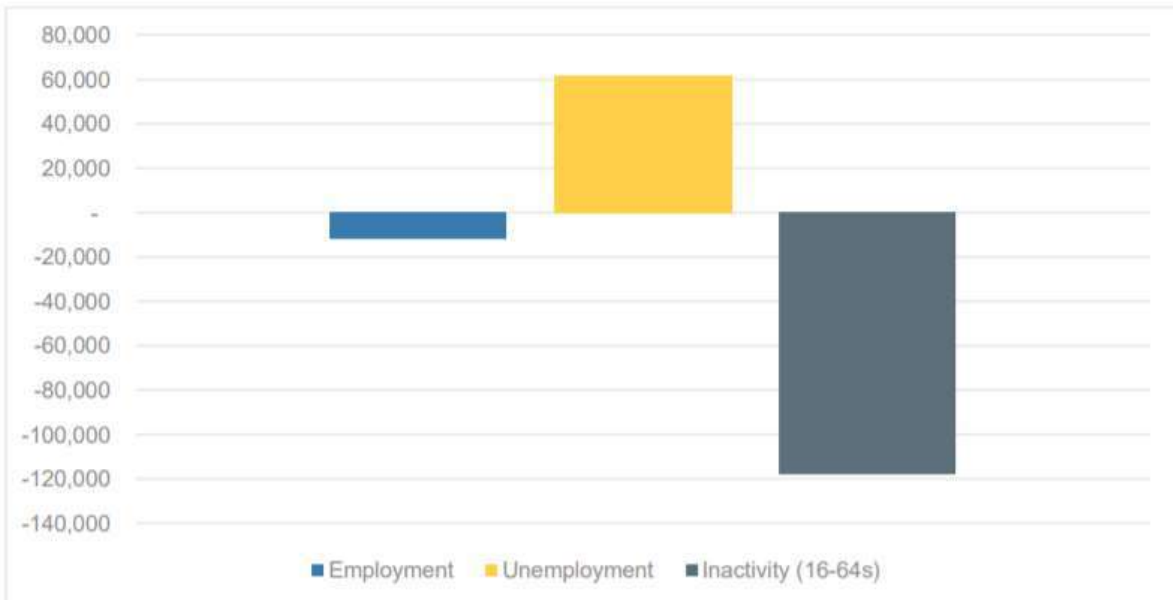
The Institute for Employment Studies has published a briefing on the latest labour market release. The main points are:

- Employment is holding up and hours starting to recover and overall the figures released this week were positive
- There was a large fall in economic inactivity which has reversed the increases in lockdown, however this is characterised by those out of work stopping looking for jobs
- Falling inactivity has fed through to unemployment with the rate at 4.1% (low in historic terms)
- Furlough numbers appear to have been dropping, with a fall from 7.6m in July to 5.5m (however HMRC data is the most accurate representation). Pre crisis around 2.5 m people where away from a job at any one point.
- With more people returning to work, total hours worked and the average hours per worker both increased from the figures reported last month. However, the recovery in hours appears to have been a lot lower so far than the increase in the number of people back working
- The figures also show a continued recovery in vacancies, as reported through the ONS Vacancy Survey. This reports an average of 435 thousand vacancies in the three months June to August, driven in particular by smaller firms and with just over half coming from a combination of health, transport and storage, retail and hospitality (although the latter two industries remain well below pre-crisis levels). While this recovery is welcome, it remains slow
- While the headline labour market data is showing that the impacts of lockdown could have been a lot worse, the figures nonetheless reiterate that the first phase of the crisis led to significant increases in the numbers not in paid work. This is most clearly illustrated in the claimant count, which measures all of those claiming benefits, out of work2 and being treated as unemployed. This month's figures (to 13 August) show the claimant count ticking up again following a slight fall earlier in the summer. At 2.74 million, the claimant count is at its highest level since January 1994 and has recorded the fastest annual rise since the creation of unemployment benefits in 1920

However there are a number of warning signs:

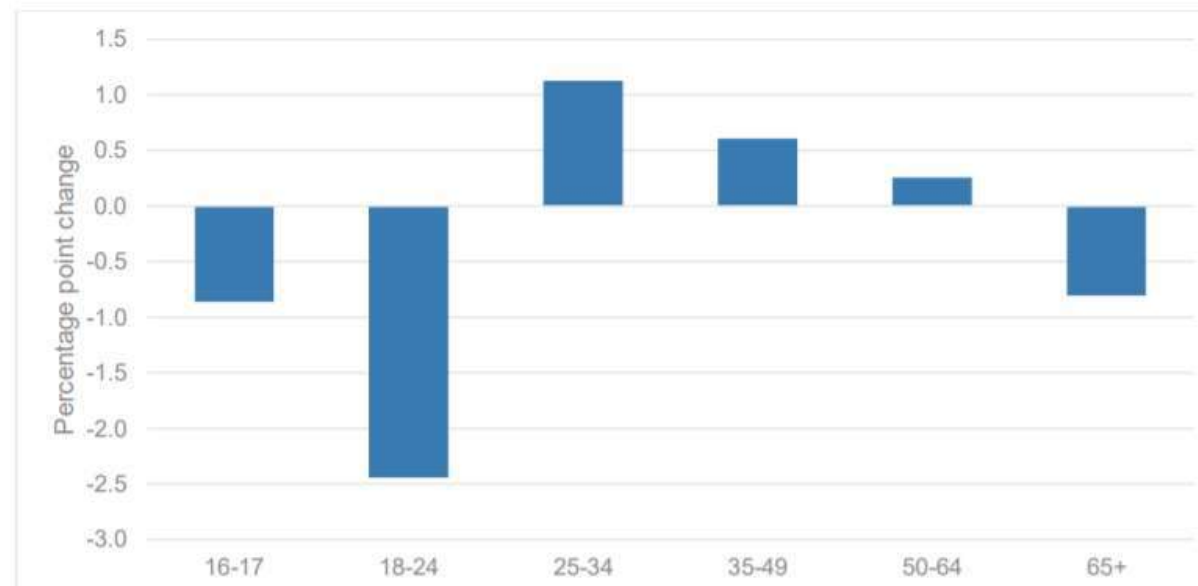
- 156k estimated redundancies between May and July: a rise of 46% on Feb to April. Redundancies are now at their highest since 2012. IES predict them rising to 450k per quarter at the end of the year.
- Young people are bearing the brunt with employment falling 2.5pp. Youth unemployment is at its lowest since 2013. The impacts of labour market crises tend to be felt by young people first, as they suffer most from slow-downs in hiring, are more likely to be out-competed for jobs by increased competition, and can be at greater risk of leaving work when firms downsize. It is likely that a combination of all of these things are now happening
- The very oldest have seen a fall in employment, likely due to less secure work
- 1 in 7 of all 18-24 year olds (14.0%) are on the claimant count, a rise of more than 125% on pre-crisis levels. However, rates have doubled in every age group, and in the last month these have ticked up for all groups. The large fall in employment however has been accompanied by an almost equal rise in full-time education.
- Per capita there have been similar rises everywhere for claimant counts. Rises in unemployment have generally been in areas that previously had lower unemployment rates so the gap is narrowing between regions.

Figure 1: Changes in employment, unemployment and economic inactivity, Feb-Apr 2020 to May-Jul 2020



Source: Labour Force Survey

Figure 7: Change in employment rates by age, Feb-Apr 2020 to May-July 2020



Source: IES analysis of Labour Force Survey

Table 1: Local authorities where at least one in eleven working age adults are on the claimant count

Local authority	Region	Proportion of 16-64 population			Change (percentage)
		March 2020	August 2020	Change (percentage point)	
Blackpool	North West	7.2	12.2	5.0	69%
Birmingham	West Mids	6.7	11.1	4.4	66%
Thanet	South East	5.7	10.8	5.1	89%
Haringey	London	3.8	10.7	6.9	182%
Wolverhampton	West Mids	6.4	10.6	4.2	66%
Middlesbrough	North East	6.2	10.4	4.2	68%
Barking and Dagenham	London	4.3	10.4	6.1	142%
Brent	London	3.6	10.1	6.5	181%
Newham	London	3.3	9.9	6.6	200%
Kingston upon Hull, City of	Yorks and Humber	5.9	9.8	3.9	66%
Waltham Forest	London	3.5	9.8	6.3	180%
South Tyneside	North East	6.2	9.6	3.4	55%
Oldham	North West	5.1	9.6	4.5	88%
Ealing	London	3.7	9.6	5.9	159%
Bradford	Yorks and Humber	5.2	9.5	4.3	83%
Sandwell	West Mids	5.3	9.5	4.2	79%
Hartlepool	North East	6.0	9.3	3.3	55%
Hackney	London	3.8	9.3	5.5	145%
Lewisham	London	3.9	9.3	5.4	138%
Croydon	London	4.4	9.3	4.9	111%
Manchester	North West	4.6	9.1	4.5	98%
Hastings	South East	4.9	9.1	4.2	86%
Burnley	North West	5.4	9.0	3.6	67%
Enfield	London	3.6	9.0	5.4	150%
Hounslow	London	3.7	9.0	5.3	143%
North Ayrshire	Scotland	5.5	9.0	3.5	64%

Source: IES analysis of NOMIS claimant count data

Looking at individual local authorities, as with last month those areas with the highest claimant count rates are now dominated by London boroughs, coastal towns, ex-industrial areas and some inner cities. Table 1 above illustrates this, showing areas where at least one in eleven working age adults (9%) are on the claimant count.

Their conclusions are:
The impact of the lockdown could have been a lot worse, and that at least two million workers have managed to return to work with virtually no impact so far on the overall level of employment. Vacancies have started to recover – albeit with a long way still to go – and employment is holding up in particular for those aged over 25. Nonetheless, the early stages of the crisis have led to a record rise in the numbers claiming benefits and being treated as unemployed, and this appears now to be feeding through into the headline unemployment figures. There are also further warning signs that the impacts of the recession are starting to appear and will likely get worse in the coming months. Redundancies have risen sharply and will almost certainly rise faster in the autumn; youth employment is falling as more young people shelter in education; and there appear to be indications that hours are recovering less quickly than employment. This pressure on employment levels, hours and earnings is only going to continue given ongoing weak demand and uncertainty, and the fact that around three million people were still to return to their jobs at the end of July. However, today's figures suggest that it is possible that we may see more of the labour market impact manifesting itself in lower working hours than in lower levels of employment (at least compared with what the data was suggesting a few months ago). Either way however, this will lead to lower household incomes and living standards.

Looking ahead, and with the government's Spending Review due in the autumn, IES suggests that there would be a strong case for further action to: Boost employment demand by reducing employer National Insurance; Support those out of work to find new work – in particular by quickly implementing the Plan for Jobs; Help those firms that are most disrupted by the crisis but otherwise viable to keep workers on, for example through a targeted wage subsidy; Invest in measures to support returns to work for disadvantaged groups – particularly older people, those with health conditions, and those living in poorer areas; and Support the incomes of low-income households – by keeping the £20 increase in Universal Credit, and ideally by further increasing housing and childcare support in the short term.

Claimant Count and Labour Market Statistics – Summary (full data at the end of the monitor)

BCCEIU

UK Summary

Early indicators for August 2020 suggest that the number of employees in the UK on payrolls was down around 695,000 (-2.4%) compared with March 2020.

Figures for May to July 2020 when compared to the previous quarter show an increase in the unemployment rate; despite this increase and an increase in the number of redundancies, the employment rate was up and the economic inactivity rate has fallen.

Over the quarter, there has been a large decrease in the number of young people in employment (-156,000 to 3.63m for those aged 16-24 years old, and a record decrease of 146,000 for those aged 18-24 years old).

The number of people who are estimated to be temporarily away from work (including furloughed workers) has fallen, but it was still more than 5m in July 2020, with over 2.5m of these being away for three months or more. There were also around 250,000 people away from work because of the pandemic and receiving no pay in July 2020.

While redundancies were still historically low, both the quarterly (+48,000) and annual (+58,000) changes are the largest seen since 2009.
Vacancies continued to show increases between June to August (+30% when compared to April to June 2020). This is driven by the small businesses.

West Midlands Region Summary

The employment rate for the West Midlands Region between May to July 2020 was 75.2%, while the UK was 76.5%. From the previous quarter the West Midlands employment rate increased by 0.7pp, while the UK increased by 0.1pp.

The unemployment rate for the West Midlands Region between May to July 2020 was 4.4% - a decrease of 0.4pp from the previous quarter. The average unemployment rate in the UK was 4.1% which has increased by 0.2pp from the previous quarter.

The West Midlands Region inactivity rate for May to July 2020 was 21.3%, while the UK was 20.2%. From the previous quarter the West Midlands decreased by 0.4pp, while the UK decreased by 0.3pp

WMCA 3 LEP Summary

There were 214,160 claimants aged 16 years and over across the WMCA (3 LEP) area in August 2020. The number of claimants has increased by 3.1% (+6,505) since July – below the UK average increase of 3.2%. However, compared to March 2020, there has been significant increases (+82.1% WMCA, 114.9% UK).

In August 2020, the number of claimants as a proportion of residents aged 16-64 was 8.2% in the WMCA, the UK was 6.5%.

There were 43,450 youth claimants across the WMCA (3 LEP) area in August 2020. The number of youth claimants has increased by 1.7% (+710) since July – above the UK average increase of 0.6%. However, compared to March 2020, there has been significant increases (+90.3% WMCA, 121.6% UK).

In August 2020, the number of claimants as a proportion of population aged 16-24 was 8.8% in the WMCA, the UK was 7.5%.

Global Entrepreneurship Monitor

Extract from The Global Entrepreneurship Monitor Network has published a report on 'Diagnosing Covid-19 impacts on Entrepreneurship – Exploring Policy Remedies for Recovery'. With contributions from Niels Bosma and Mark Hart (Aston University)

Policymakers need to create cohesive, holistic and conducive frameworks in order for entrepreneurs to flourish in a post COVID-19 world. This is among the key takeaways from the new Global Entrepreneurship Monitor (GEM) report entitled Diagnosing COVID-19 Impacts on Entrepreneurship - Exploring Policy Remedies for Recovery. The report is sponsored by Shopify, a leading global commerce company that powers over one million businesses in more than 175 countries.
In response to the pandemic, many national governments have focused on securing workplaces, assuring financial liquidity and incentivising business model modifications. Several broad themes emerged as principles policymakers should consider moving forward based on analysis provided by 54 GEM National Teams. These principles can best be summarised by the acronym CRISP:

Clear and concise communication of policies so as many entrepreneurs as possible can benefit from policies.
Resilience and responsibility in public policy that is conducive to creating new ventures and growth of existing companies. Resilience requires robustness in policymaking by adopting a holistic and multi-dimensional approach (such as GEM's Entrepreneurial Framework Conditions diagnostic tool explained below). Responsibility entails adopting long-term thinking about policies (not limited by election timelines), and taking actions that are based on thorough analysis and data related to the needs of entrepreneurs and gaps in the entrepreneurial ecosystem. This is extremely important because policy decisions – even if they produce economic payoffs – can sometimes have unintended social and environmental side effects that are harmful.
Innovating by deploying new processes, tools and practices that are used for policy design and development, which result in better problem solving of current and future issues facing society, and ultimately help entrepreneurs grasp opportunities.
Simplifying policies so particularly new entrants from the informal sector will be able to navigate the new, formal business context.
Preparation, as policymakers should spend time preparing for a potential – many say even likely – new wave of COVID-19.

The GEM model acknowledges that entrepreneurial activity does not take place in isolation. It is shaped by a set of social, cultural, political and economic contextual factors that are encapsulated in the nine pillars that go into the GEM Entrepreneurial Framework conditions. Every year, at least 36 experts from each GEM country assess whether these nine conditions are supporting new and growing businesses. In summary, these include:

1) Access to entrepreneurial finance
2) Government policy (including support, relevance, taxes and bureaucracy)
3) Government entrepreneurship programmes
4) Entrepreneurship education
5) Research and development transfers
6) Commercial and professional infrastructure
7) Ease of entry
8) Physical infrastructure
9) Social and cultural norms

Findings for the UK

Looking at the last recession, taking a closer look at the post-GFC period in the UK, we can see from the official administrative data that, in terms of head count, there was a collapse in business startups, a rise in business exits and a fall in the number of surviving firms that were growing. Two salient facts from these data are as follows:

• **Startups.** A dramatic collapse in startups after 2008, signalling the start of the GFC period; this lower level persisted for the next two years. However, the pattern of change in jobs per startup was considerably less volatile and flat over the GFC period.
• **Exits.** There was a surge in business deaths around the GFC period, although by 2011 they were back within their pre-GFC range.

However, during those three surge years, deaths were about 25% above the pre- and post-GFC average. Again, as with startups, the average size of exits seems to have been little affected by the GFC.In the post-2011 period, there was a steady rise in the number of business tartups, up until 2017 when they began to stabilize and exits began to rise. That could be related to the 2016 EU Referendum.

Overall, actual startups rose during the GFC mostly due to necessity entrepreneurship. In the 2010–19 period, early-stage entrepreneurial activity in the UK was significantly higher than in the previous decade.

In terms of the West Midlands

Innovation around business models will be crucial during the crisis and, more importantly, in the recovery phase as many hibernating small concerns seek to reboot their business. The Centre for Growth at Aston has been working with a number of small businesses that have been thriving in the current crisis. They have captured insights from their experiences in a series of podcasts. Common themes that emerge are developing new channels to customers and new product development.

There is an important group of small business leaders in the West Midlands who are determined not only to bounce back but to thrive in the current crisis, with innovation lying at the core of their strategy. For example, the Worcester based Little Soap Company, which specializes in organic and ethical soap products, has seen demand double in the last three months. The catering company Green Sisters has developed a full seven-day set of meal parcels for customers in isolation, as they ensure the demand for Indian snacks for people with dietary restrictions are met.

But it is not only innovation in its broadest sense that will be crucial for the survival and growth of the small business sector. It is also crucial to ensuring the mental health of staff, according to social entrepreneur Rose Ginday (CEO of Miss Macaroon). The importance of individual as well as business resilience cannot be overstated, something that is clearly at the core of Olu Orugboh's business ethos (Synergy Organisational Solutions — a specialist digital innovator) and the advice she gives to her clients.

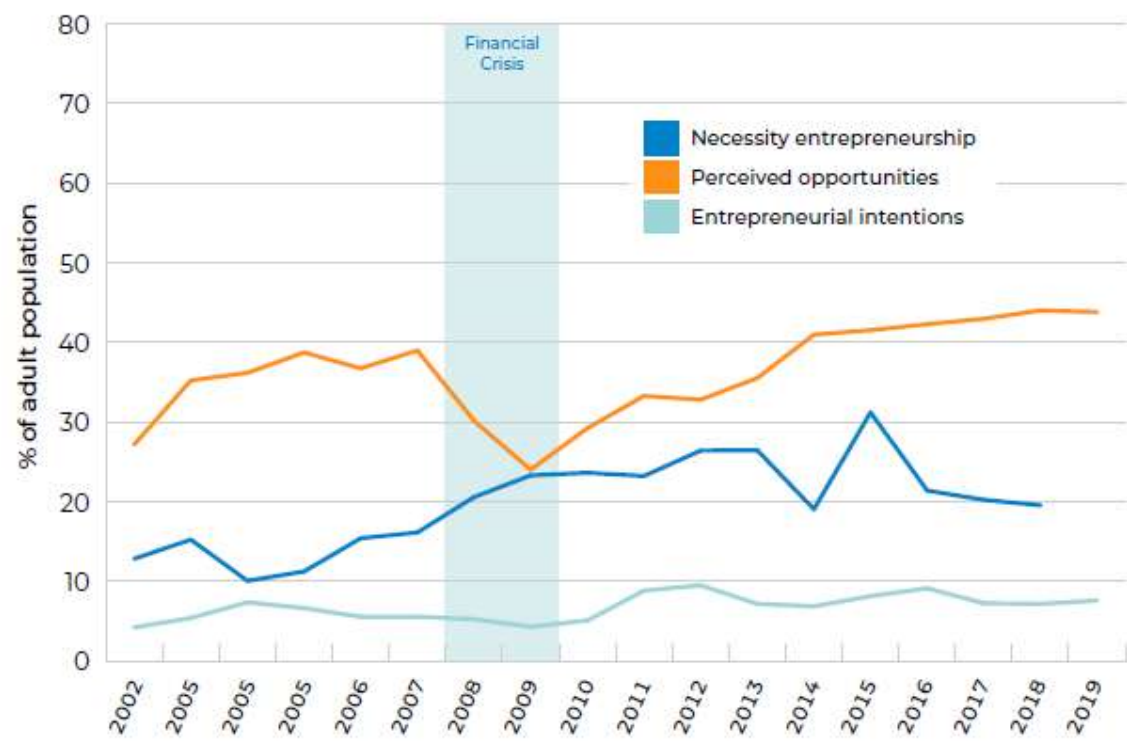
The economic outlook may be pretty dire at the moment, but the UK has an amazing set of entrepreneurs and business leaders who are stepping up to the challenge. These businesses have revisited their value proposition and identified opportunities for them to exploit and build their brand recognition.

Following the immediate problems faced by businesses resulting from the economic lockdowns witnessed in many countries, governments have come up with unprecedented relief programs aimed at job retention. Paired with additional support programs — for example, those aimed at self-employed and smaller companies — this has helped entrepreneurs, their businesses and employees. The UK is no exception with its Job Retention Scheme, but there is a major cliff edge approaching when this initiative ends in October 2020.

Evidence from previous crises points to the postponement of startups during a crisis. The first signals in the current crisis are pointing in the same direction. It is imperative that incumbent economic activity be fuelled with new ventures, trying out new ways of producing goods or delivering services.

Therefore, especially in the face of an economic outlook that is hard to predict for the next few years, entrepreneurs need to be able to operate in a context that does not further increase uncertainty. Hence, clarity and consistency in terms of regulations and incentives for entrepreneurs is needed more than ever. For the UK, this is of real importance as the ending of the transition period associated with its exit from the EU means another layer of uncertainty on top of that already created by the COVID-19 crisis.

Having assessed the challenges entrepreneurs are facing across the globe, their resilience and innovativeness are two entrepreneurial characteristics that surface during crises, including the one we are currently witnessing. In the next months and into 2021, we will see new or "pivoted" entrepreneurial initiatives that may benefit the economy directly via new job creation, or indirectly by means of innovations that benefit other organizations. It is up to national and local policymakers to create a fertile ground that invites entrepreneurs to innovate in such a way that current societal challenges can be addressed.



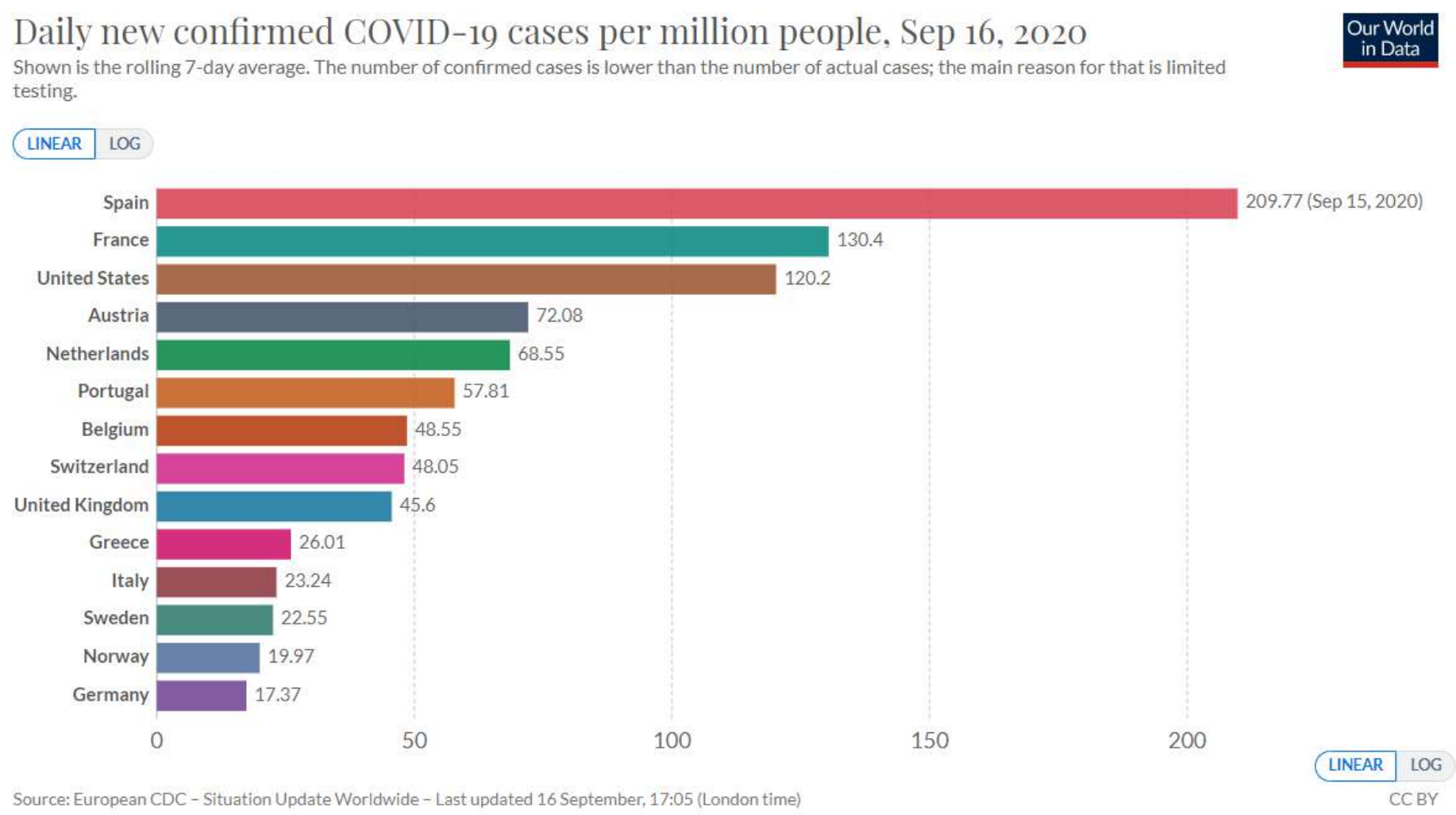
Infection rates

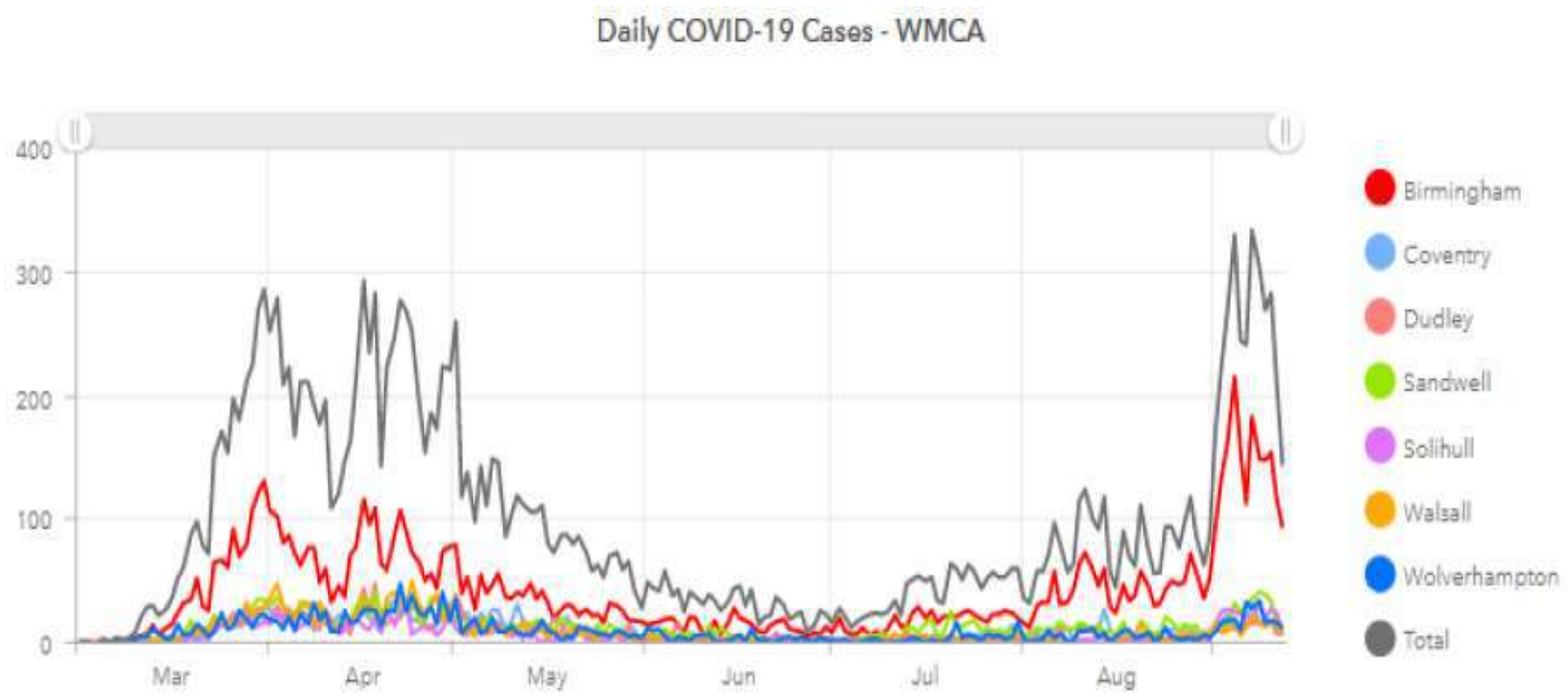
Rebecca Riley WMREDI/WMCA

Europe has seen a resurgence in infection rates which is continuing (see diagram next page). Since 31 December 2019 and as of 16th September 2020, **29 611 395** cases of COVID-19 (in accordance with the applied case definitions and testing strategies in the affected countries) have been reported, including **935 767** deaths. The distributions of global infections and deaths are below.

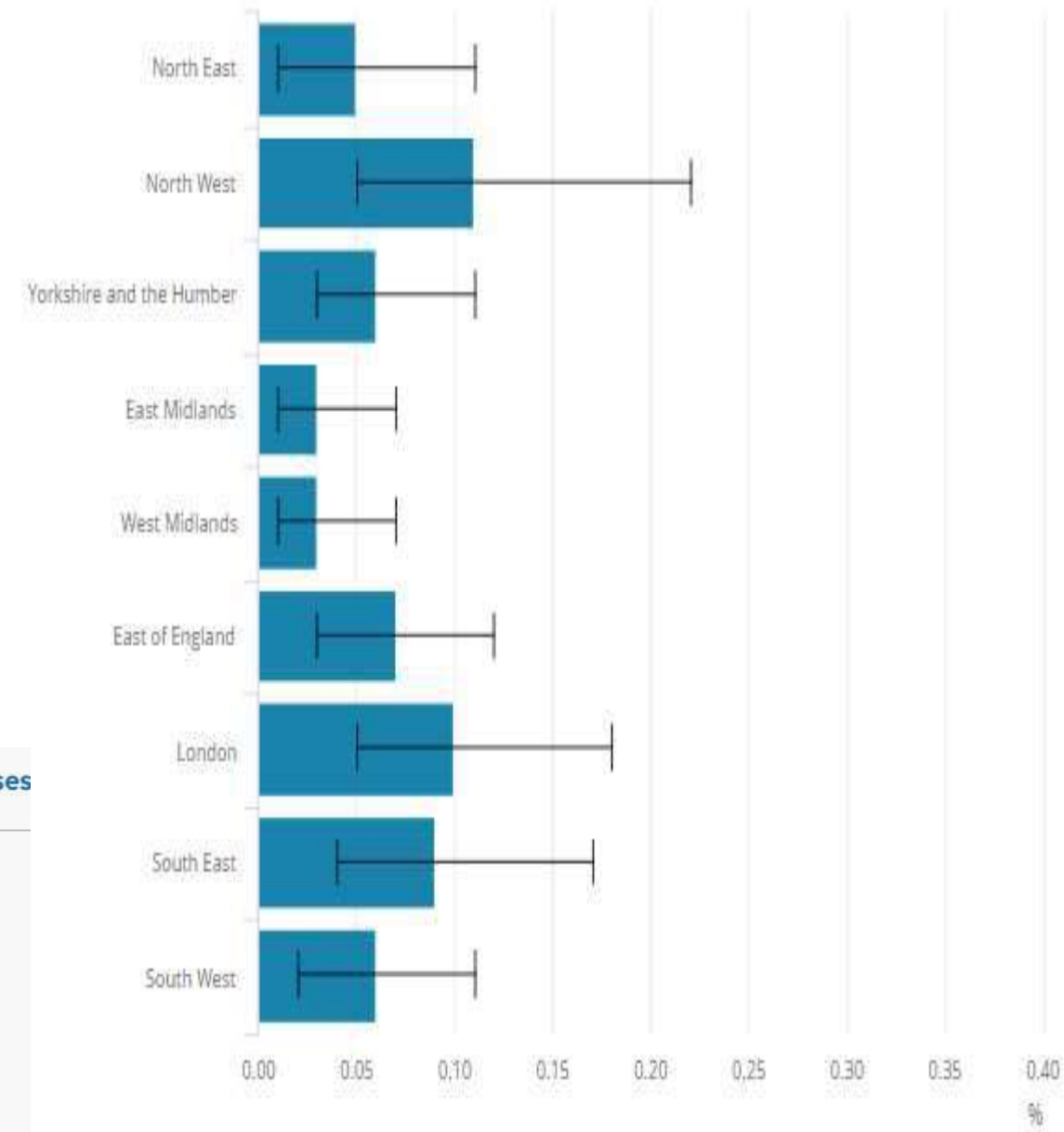
Latest ONS data (11th September) shows an estimated 39,700 people (95% credible interval: 29,300 to 52,700) within the community population in England had the coronavirus (COVID-19) during the most recent week, from 30 August to 5 September 2020, equating to around 1 in 1,400 people (95% credible interval: 1 in 1,900 to 1 in 1,000).

The most recent modelled estimate suggests the number of infections has increased in recent weeks.
There has been an increase in the number of people testing positive for COVID-19 aged 17 to 24 years and 25 to 34 years whereas the number of people testing positive for COVID-19 aged 50 years and over appears to be stable or declining.
During the most recent week (30 August to 5 September 2020), it is estimated that there were around 0.58 (95% credible interval: 0.38 to 0.84) new COVID-19 infections for every 10,000 people per day in the community population in England, equating to around 3,200 new cases per day (95% credible interval: 2,000 to 4,600).
Evidence suggests that the incidence rate for England has increased in recent weeks.
During the most recent week (30 August to 5 September 2020), the estimate is that 1,200 people in Wales had COVID-19 (95% credible interval: 300 to 2,800), which is around 1 in 2,600 people (95 % credible interval: 1 in 10,900 to 1 in 1,100).



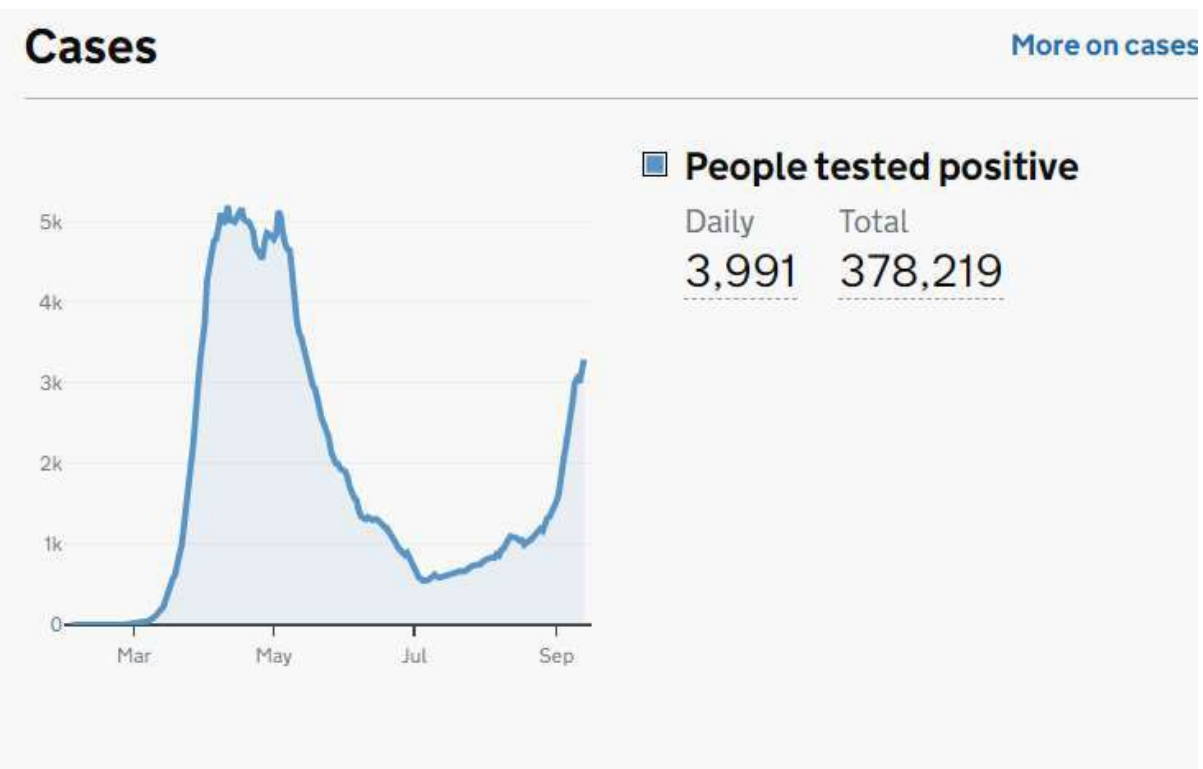


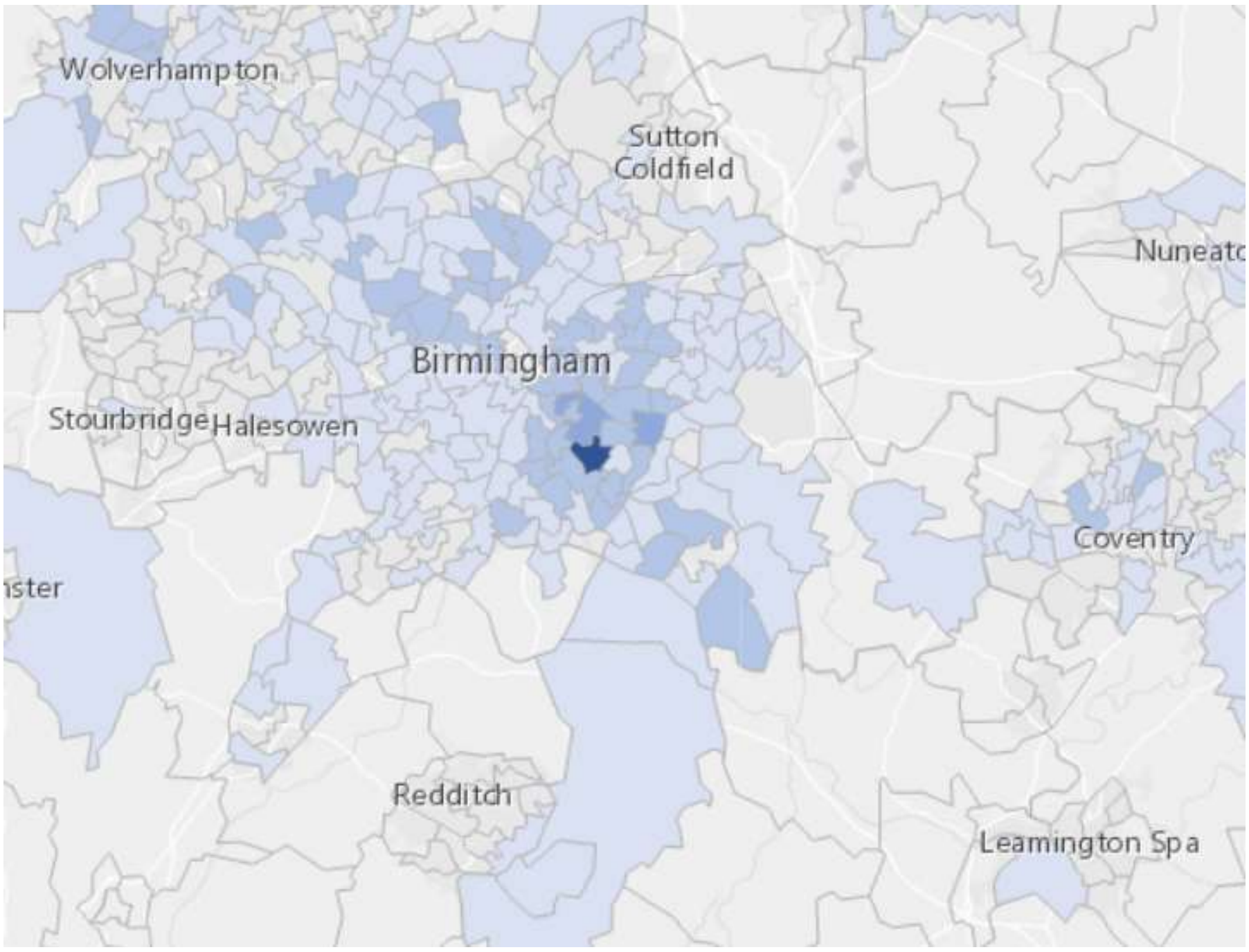
There is variation in regional infections rates. The chart to the right is the estimated percentage of the population testing positive for the coronavirus (COVID-19) on nose and throat swabs across regions, England, 2 September 2020 (reference point of the most recent week from modelling)



The map below shows where highest cases are by Middle Super output Areas between 6th Sept to 12th September (PHE data)

Cases are rising with the daily count for 16th September the highest since May. But deaths remain low.





Infection rates at MSOA Level 6-12th Septemeber

Transport Data

Anne Shaw TFWM

Levels of use – 15th September 2020
Overall highways are seeing an increase on traffic on the motorway network matching pre covid levels with the peaks starting to re-appear. The Aston Expressway tidal flows are now in regular use.

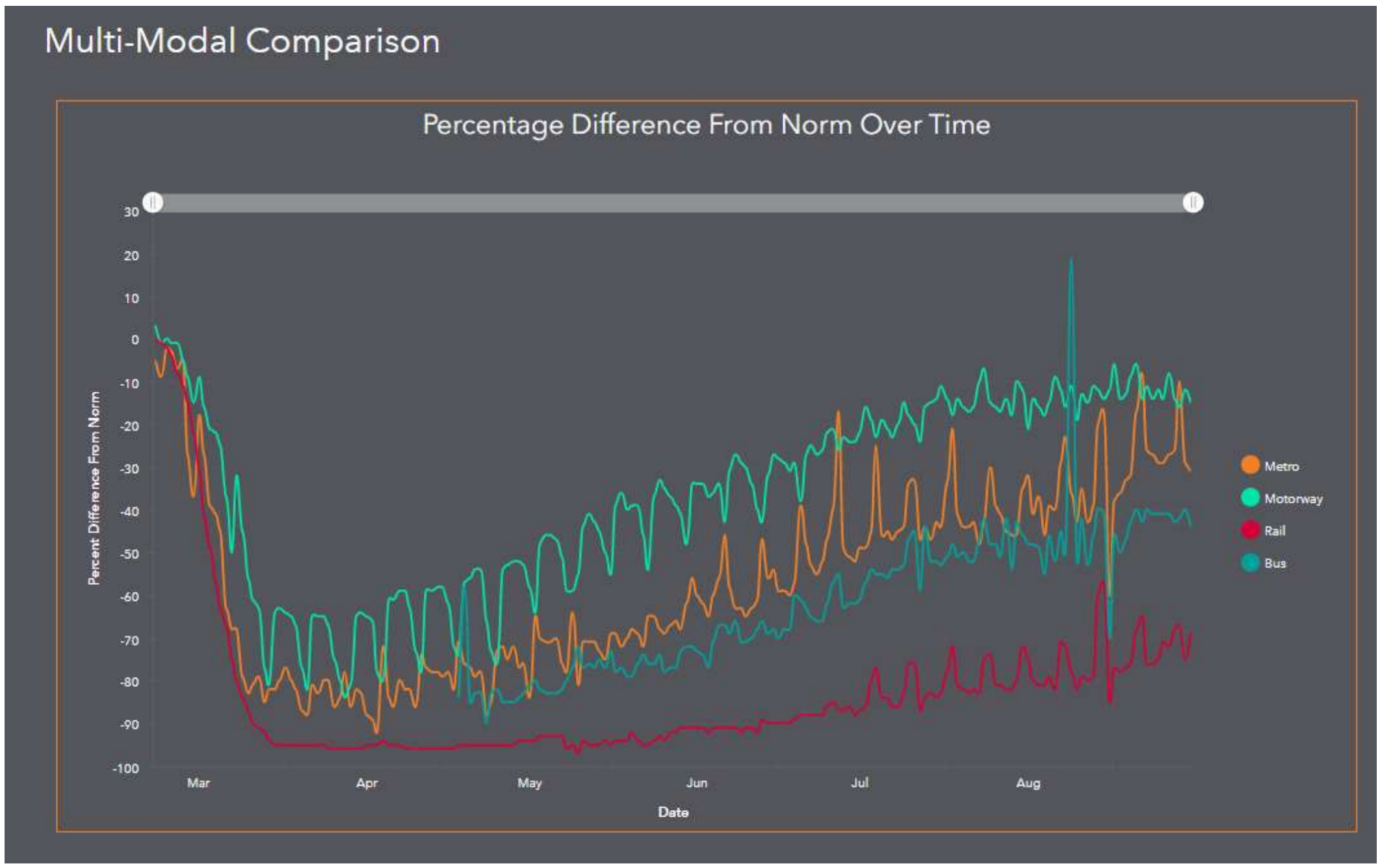
Localised congestion on the local road network, is specifically related to schools in some locations as well as continuing road works. The RTCC is monitoring the congestion points and supporting local authorities transport teams in managing these.

Bus patronage varies daily but is at approx. 60% of pre-covid levels. Buses out on the network are operating at over 100% service. Social distancing is generally being adhered to with approx. 3% of the services at risk of breaching social distancing measures. National Express are operating dynamic spares buses on affected routes to manage this. To manage social distancing

Metro – Patronage is operating at around 60% with variances at the weekend. To manage social distancing, the Metro have published a journey checker to identify when services are busy and to encourage travelling at different times.

Rail – Service changes on the 6th September have increased services to approx. 95% of pre covid levels. Timetables are different with longer trains operating.

School return
TfWM with partners has continued to evaluate and adapt the plan to ensure all public transport and closed bus services are available.
There has been mutual support regarding rail in some locations with rail replacement bus services introduced. Examples include a bus shuttle service to cover Stourbridge junction to Stourbridge town as well as promoted walking routes.
In addition to building public transport capacity, there has been active communications on face coverings and social distancing including an item on Midlands Today to demonstrate what TfWM and operators are doing to keep people safe and asking others to play their part.
Safer Travel continue to patrol the network and are educating particularly young people about the need to wear face coverings if they are required to (children 11 and over)
Focus has turned to University restart and a university travel toolkit is being delivered to contacts within the universities to distribute to returning students.



Homelessness

Maryna Ramcharan WMCA

COVID-19 impact on Homelessness

The eviction ban has been extended until 20 September 2020. On 21 August 2020 government extended the ban on private-rented evictions until 20 September meaning no renters will have been evicted for six months. Housing Secretary Robert Jenrick said the Government also intends to give tenants greater protection from eviction over the winter by requiring landlords to provide tenants with six months' notice of eviction, until at least the end of March. There will be exceptions for tenants involved in anti-social behaviour or domestic abuse. However, short-term and long-term impacts of these strategies remain unclear. There are also concerns about people in the private rented sector who may build up rent arrears over the coming months and still face eviction when the ban expires.

New cases of homelessness have been reported. The National Housing Federation reported that an increase in homelessness has already been identified and these newly homeless people will also need accommodation because of the crisis. Issues such as youth homelessness, increased incidences of domestic abuse, hospital discharges, and prison releases are likely to become more problematic.

Has COVID-19 nearly ended homelessness? COVID-19, and the policy response to it, undoubtedly caused a paradigm shift in the homelessness system. It has shown that where the political will exists, it is possible to eliminate rough sleeping. But we should be cautious about any claims that COVID-19 has solved the issue of homelessness, says Margery Infield, NPC.

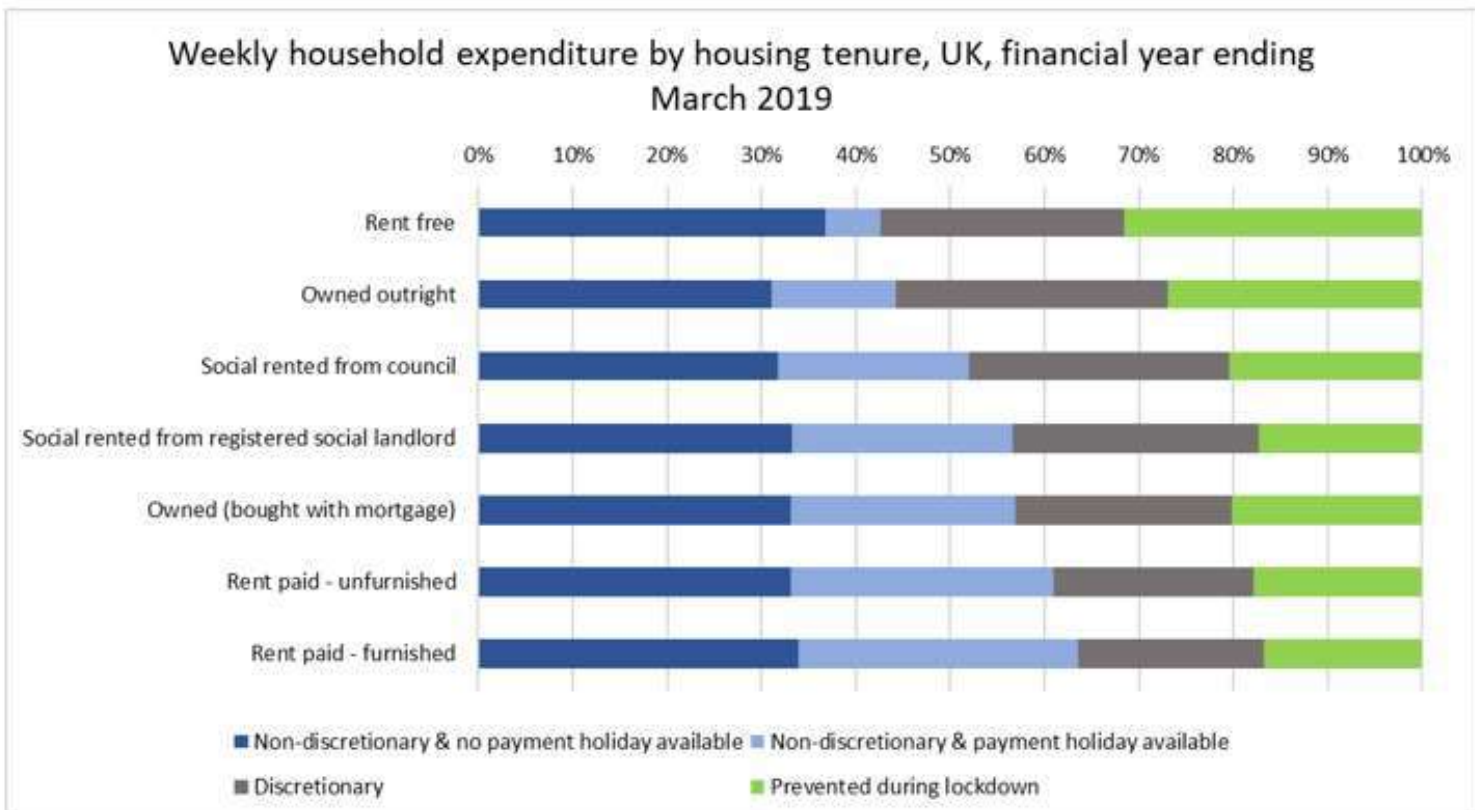
The majority of people who are homeless in the UK do not sleep rough. Last year, around 120,000 households became homeless in England, including nearly 50,000 children. Most of these people can be described as 'hidden homeless', living in temporary accommodation (such as council-provided B&Bs) or ad hoc shelter (such as sofa-surfing).

The best estimates suggest that people sleeping rough make up less than 5% of all people who are homeless. Therefore, merely providing shelter to those sleeping rough will have a limited impact on the wider issue of homelessness.

It is also crucial to prevent people become newly homeless as a result of COVID-19. PSE Research showed that poverty is the largest risk factor for homelessness which has been exacerbated by impacts of COVID- 19 – 64% of those in serious financial difficulties are renting, and 31% are homeowners. This suggests that coming recession will result in more people losing their permanent homes.

As recent ONS analysis shows, renting households spend 61% of their usual weekly budget on essentials, compared with 52% for households who own their home outright or with a mortgage. This is largely driven by housing costs, which account for 28% of budgets for renting households and 21% for homeowners (below).

According to a survey by the Resolution Foundation, renters are more likely than homeowners to have fallen behind with their housing payments during the lockdown. They have been less likely to receive a payment holiday on their rent, as opposed to those with a mortgage. Spending on activities including holidays and eating out is proportionally lower among renters, potentially limiting their ability to manage housing costs alongside a loss of income.



Weekly household expenditure by housing tenure, UK, financial year ending March 2019. Source: ONS, https://www.ons.gov.uk/peoplepopulationandcommunity

ONS Quarterly statistics on Statutory Homelessness

Maryna Ramcharan WMCA

On the 20th August 2020 the Ministry of Housing, Communities & Local Government released the quarterly statistics on statutory homelessness from January to March 2020. This data includes information on new prevention and relief duties owed. Prevention duties include any activities aimed at preventing a household - threatened with homelessness within 56 days - from becoming homeless. Relief duties are owed to households that are already homeless and require help to secure settled accommodation. "Initial assessments" data refers to the number of households assessed to be owed a duty and only includes households assessed post the introduction of the HRA. Rough sleeping data has not been updated since February 2019 and will not be included in this briefing.

West Midlands Statutory Homelessness, January to March 2020

Key Points:

• Between January to March 2020, 7,590 households were initially assessed for homelessness prevention and relief duty in West Midlands, an increase of 10% (+ 700 households) from the same quarter in the previous year. England saw an increase of 3.0% overall.

• There were 4,312 households that were initially assessed in the WM 7 Met. area in January to March 2020, this is an increase of 19% (+ 692 households).

• There were 4,152 were owed a prevention or relief under the new statutory homelessness duties in the WM 7 Met area, an increase of 17.8% (+627 households) from the previous year period. England saw an increase of 4.4% overall.

• There were 4,206 households in temporary accommodation between at the end of quarter in the WM 7 Met. Due to data gaps comparisons to previous periods is not included.

In Detail:

Households Owed Prevention and Relief Duties

In the WM 7 Met. area the reasons for loss of last settled home for the 4,152 households owed a prevention or relief duty include 147 households with rent arrears. 1,196 households were made homeless due to family or friends no longer willing or able to accommodate, 293 households due to non-violent relationship breakdown with partner, 494 households were due to domestic abuse, 93 households for other violence or harassment.

Reason for loss, or threat of loss, of last settled home, *number of households*:

	Family or friends no longer willing or able to accommodate	End of private rented tenancy - assured shorthold	Domestic abuse	Non-violent relationship breakdown with partner	End of social rented tenancy	Eviction from supported housing	Left institution with no accommodation available	End of private rented tenancy - not assured shorthold	Other violence or harrassment	Required to leave accommodation provided by Home Office as asylum support	Other reasons / not known
Birmingham	446	247	199	56	31	77	11	48	32	33	310
Coventry	173	115	50	56	29	18	26	13	17	12	184
Dudley	121	116	26	59	15	13	11	12	7	11	47
Sandwell	109	69	64	23	13	6	4	2	3	33	25
Solihull	99	31	42	14	5	5	3	2	14	1	36
Walsall	74	55	32	21	6	5	0	2	4	8	73
Wolverhampton	174	105	81	64	56	11	14	23	16	21	83
7 Met. area	1,196	738	494	293	155	135	69	102	93	119	758
West Midlands	1,930	1,310	830	630	330	220	130	180	150	140	1,360
England	19,780	15,130	6,850	5,900	3,940	2,750	1,690	1,680	1,500	1,330	14,570

In the WM 7 Met. area, accommodation at the time of application of households included the private rented sector (1,120 households), social rented sector (533 households), living with friends (372 households) and family (1,203 households), homeless on departure from institutions e.g. hospital, custody, psychiatric hospital (85 households).

Accommodation at time of application, *number of households*:

	Private rented sector	Living with family	No fixed abode	Social rented sector	Living with friends	Homeless on departure from institution	National Asylum Seeker Support (NASS) accommodation	Temporary accommodation	Owner-occupier / shared ownership	Refuge	Other / not known
Birmingham	449	463	45	221	113	18	45	5	12	9	103
Coventry	181	180	35	112	68	30	9	0	12	5	51
Dudley	153	119	1	61	43	9	10	0	16	1	24
Sandwell	92	120	14	18	32	3	32	0	8	17	15
Solihull	45	101	18	41	27	2	0	0	5	2	10
Walsall	84	77	35	17	29	5	10	6	4	5	4
Wolverhampton	116	143	144	63	60	18	18	4	6	19	26
7 Met. area	**1,120**	**1,203**	**292**	**533**	**372**	**85**	**124**	**15**	**63**	**58**	**233**
West Midlands	**1,810**	**1,960**	**720**	**890**	**660**	**190**	**150**	**40**	**120**	**90**	**460**
ENGLAND	**19,160**	**18,080**	**9,150**	**8,010**	**7,270**	**2,710**	**1,230**	**1,090**	**990**	**740**	**4,370**

The WM 7 Met. area had a total of 2,247 households with support needs between January and March 2020, up 4.1% (+88 households) from July to September 2018, over the same period England increased by 15.4%. In the WM 7 Met. area support needs include households with people with issues such as physical ill health and disability (276 households), mental health problems (492 households), at risk of/experienced domestic abuse (311 households), drug dependency (113 households), alcohol dependency (58 households) and old age (22 households).

Support needs of main applicant and/or household members, *number of households*:

	History of mental health problems	Physical ill health and disability	At risk of / has experienced domestic abuse	Offending history	History of repeat homelessness	Drug dependency needs	History of rough sleeping	Learning disability	Alcohol dependency needs	Young person aged 18-25 years requiring support to manage independently	Access to education, employment or training	At risk of / has experienced abuse (non-domestic abuse)	At risk of / has experienced sexual abuse / exploitation	Old age	Care leaver aged 21+ years	Former asylum seeker	Care leaver aged 18-20 years	Young person aged 16-17 years	Young parent requiring support to manage independently
Birmingham	70	36	94	10	10	1	4	17	2	39	111	8	5	3	2	6	4	7	6
Coventry	190	95	49	29	14	37	15	30	19	32	4	12	13	6	13	5	12	3	10
Dudley	49	36	15	16	1	12	0	9	9	28	43	1	2	2	0	4	5	2	2
Sandwell	19	13	54	4	2	6	9	2	2	13	13	2	4	1	0	17	1	4	5
Solihull	78	37	37	9	9	22	5	15	7	46	3	8	10	2	2	1	3	13	5
Walsall	34	15	19	5	5	12	3	5	3	30	5	1	6	4	6	3	7	13	14
Wolverhampton	52	44	43	21	21	23	25	12	16	10	1	15	5	4	0	2	2	4	4
7 Met. area	**492**	**276**	**311**	**94**	**62**	**113**	**61**	**90**	**58**	**198**	**180**	**47**	**45**	**22**	**23**	**38**	**34**	**46**	**46**
West Midlands	**1,130**	**700**	**570**	**250**	**170**	**250**	**190**	**190**	**160**	**340**	**220**	**110**	**80**	**70**	**60**	**50**	**90**	**100**	**90**
ENGLAND	**17,490**	**11,350**	**6,950**	**5,970**	**4,990**	**4,590**	**4,220**	**3,320**	**3,300**	**2,920**	**1,960**	**1,910**	**1,570**	**960**	**950**	**900**	**860**	**790**	**740**

Temporary accommodation

Due to gaps in data a comparison from July to September 2018 will not be included.
In the WM 7 Met. area there were 4,206 households in temporary accommodation between January and March 2020, this accounts for 4.5% of the England households. In the WM 7 Met. area, accommodation at the time of application of households included the private rented sector (1,120 households), social rented sector (533 households), living with friends (372 households) and family (1,203 households), homeless on departure from institutions e.g. hospital, custody, psychiatric hospital (85 households).

Households in temporary accommodation and type of temporary accommodation provided, *number of households*:

	Total number of households in TA	With children	Private sector accommodation leased by authority or by a registered provider	Nightly paid, privately managed accommodation, self-contained	Local authority or Housing association (LA/HA) stock	Bed and breakfast hotels (including shared annexes)	Hostels (including reception centres, emergency units and refuges)	Any other type of temporary accommodation (including private landlord and not known)[2]	In TA in another local authority district	Duty owed, no accommodation secured
Birmingham	3147	2895	867	1	1643	278	350	8	229	3244
Coventry	699	346	10	444	14	221	7	3	5	42
Dudley	10	8	0	0	7	1	2	0	2	18
Sandwell	71	64	0	18	21	32	0	0	0	0
Solihull	130	92	36	0	83	3	1	7	27	79
Walsall	99	56	0	2	78	10	6	3	10	2
Wolverhampton	50	41	0	0	48	2	0	0	0	77
7 Met. area	**4,206**	**3,502**	**913**	**465**	**1,894**	**547**	**366**	**21**	**273**	**3,462**
West Midlands	**5,110**	**3,800**	**1,000**	**480**	**2,290**	**860**	**400**	**70**	**350**	**3,590**
ENGLAND	**93,000**	**63,610**	**27,950**	**24,810**	**20,570**	**8,180**	**6,940**	**4,550**	**25,540**	**5,930**

Source: Ministry of Housing, Communities & Local Government, Statutory Homelessness, January to March 2020: England – Released 20 August 2020, https://www.gov.uk/government/statistics/statutory-homelessness

ONS Weekly Release Indicators

BCC EIU

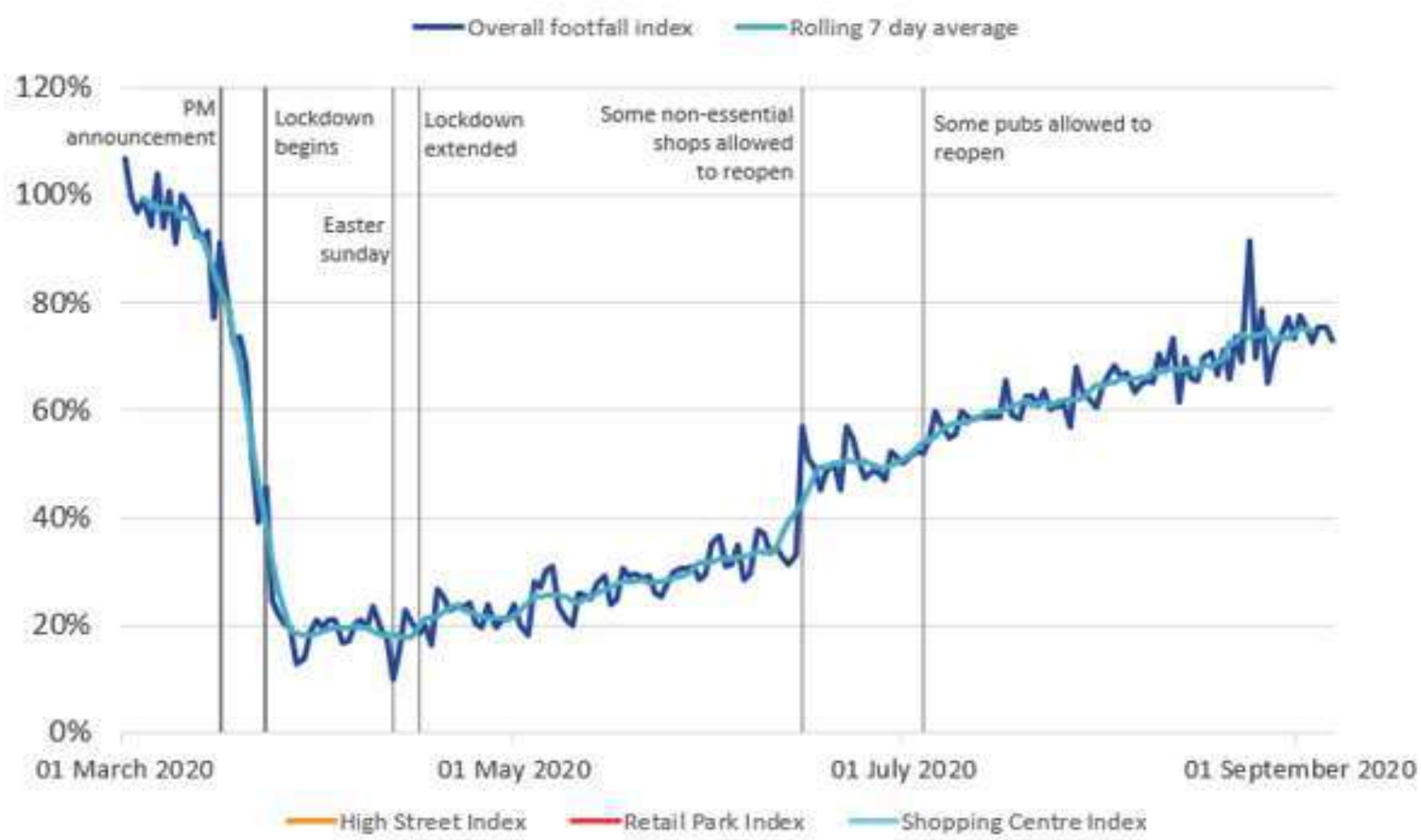
On the 10th August 2020 the ONS published the weekly publication containing data about the condition of the UK society and economy and the impact of the COVID-19 pandemic.
The statistics are experimental and have been devised to provide timely information. The following information contains national footfall data, final results from Wave 12 of the Business Impact of Coronavirus Survey (BICS), experimental online job advert indices and VAT returns. The Opinions and Lifestyle Survey (OPN) has not been released for this edition but will return in the next publication.

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.

Overall footfall has remained around 75% of the 2019 level in the week commencing 31st August. This suggests after a steady increase since the reopening of non-essential shops mid-June that footfall might be flattening off.
In the week commencing 31st August, retail parks had the strongest footfall at around 90% of its level a year ago, shopping centres and high streets were just below 75% of its level the same period a year ago.

The following graph shows the volume of footfall for the UK between 1st March to 6th September year on year percentage change between footfall on the same day:



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

National Company Incorporations and Voluntary Dissolution

On average, there were 3,836 incorporations per working day in the week starting 29th August, this is an increase from 3,066 per working day from the previous week (22nd August).

Also, for the week starting 29th August, on average per day there were 1,071 voluntary dissolution applications. This is an increase from 850 per working day in the week commencing 22nd August.

Business Impact of the Coronavirus

The final results from the twelfth round of the Business Impact of Coronavirus Survey (BICS) based off the 3,732 businesses surveyed across the West Midlands with a response rate of 22.7% (847). Unless stated, the following data is based on the period between 10th – 23rd August 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 24th August to 6th September and the turnover analysis is between 10th – 23rd August.

Less than 1% of UK businesses reported they have permanently ceased trading with 3.6% temporary closed or paused trading and 95.6% continuing to trade. The figures for the West Midlands show that also less than 1% of businesses have permanently ceased trading. While 97.8% of businesses have been trading and 1.7% of businesses have temporarily closed or paused trading. In the West Midlands, 97.2% of responding businesses were trading and have been for more than the last two weeks (UK 94.6%). Less than 1% of West Midlands businesses started trading within the last two weeks after a pause in trading (1.1% UK). However, 1.2% of responding West Midlands businesses have paused trading and do not intend to restart in the next two weeks (UK 2.5%).

48.1% of trading businesses in the West Midlands reported their turnover had decreased by at least 20%, compared to 46.8% of businesses in the UK. However, 28.7% of trading businesses in the West Midlands reported that their turnover was unaffected (33.6% for the UK) and 16.6% reported their turnover had increased by at least 20% in the West Midlands, above the UK average of 12.0%.

Turnover versus Operating Costs

13.8% of West Midlands businesses reported that operating costs exceeded turnover by at least 20% (UK 14.9%) and 9.9% reported that turnover was equal to operating costs (UK 12.0%). While 52.1% of West Midlands businesses reported turnover exceeded operating costs by at least 20% (UK 49.3%) and 24.3% of West Midlands businesses were unsure (UK 23.9%).

Paused or Ceased Trading Business Sites Location

The following table shows where businesses are located who have currently paused or ceased trading by region and industry between 24th August to 6th September. For the West Midlands, the highest industry was accommodation and food service activities at 3.6%.

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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	*	*	1.1%	*	*	*	*	*	1.5%	*	1.0%	*
Water Supply, Sewerage, Waste Management and Remediation Activities	0.0%	0.0%	0.0%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Construction	*	5.4%	3.2%	1.1%	*	2.5%	*	2.0%	1.6%	1.8%	*	*
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	*	3.2%	1.5%	1.4%	1.1%	2.7%	1.1%	1.5%	1.5%	*	1.0%	1.0%
Transportation and Storage	*	1.4%	1.4%	1.9%	1.0%	1.9%	1.0%	2.4%	2.9%	1.9%	1.4%	1.4%
Accommodation and Food Service Activities	2.9%	4.9%	3.8%	4.5%	4.7%	10.0%	3.3%	6.5%	5.1%	4.5%	3.6%	3.3%
Information and Communication	*	*	*	*	*	2.9%	*	*	2.6%	*	*	1.0%
Real Estate Activities	1.6%	0.0%	0.0%	1.6%	3.3%	1.6%	0.0%	0.0%	0.0%	1.6%	0.0%	0.0%
Professional, Scientific and Technical Activities	*	1.3%	1.1%	*	1.1%	1.9%	*	1.4%	2.7%	1.6%	*	*
Administrative and Support Service Activities	1.1%	3.9%	2.1%	1.9%	2.9%	7.9%	2.6%	3.7%	5.6%	3.4%	2.1%	3.1%
Education	1.0%	2.4%	1.9%	2.9%	*	2.9%	1.0%	2.9%	3.4%	1.0%	1.5%	2.9%
Human Health and Social Work Activities	0.0%	2.2%	0.0%	2.9%	*	2.2%	*	2.2%	1.4%	2.2%	2.2%	1.4%
Arts, Entertainment and Recreation	1.7%	9.4%	5.0%	4.4%	1.1%	6.6%	1.1%	5.0%	4.4%	3.9%	2.8%	3.9%
All Industries	*	2.8%	1.8%	1.6%	1.4%	3.5%	1.1%	2.2%	2.7%	1.7%	1.4%	1.5%

*Less than 1%

Business Interest
25.1% of West Midlands businesses reported in the last two weeks customer interest in their businesses good or services had decreased when compared to the normal expectations for the time of year (UK 24.3%). 12.7% of West Midlands businesses reported interest had increased (UK 11.9%) and 37.0% reported to interest staying the same (UK 38.7%).

Regional Footfall
23.8% of West Midlands businesses reported in the last two weeks that footfall had decreased when compared to normal expectations for the time of the year (UK 23.5%). Although 4.1% of West Midlands businesses reported footfall had increased (UK 4.1%) and 9.9% reported footfall has stayed the same (UK 11.6%).

Online Challenges
1.4% of West Midlands businesses reported they had challenges sharing data across different online platforms (UK 1.7%). Other challenges include 1.7% of West Midlands businesses reported high prices charged online (UK 2.9%), 1.1% for high prices for online advertising (UK 1.5%). Also 3.0% reported lack of IT capacity within the business (UK 3.2%) and 1.1% reported restrictions on using more than one platform (UK less than 1%). However, 61.7% of West Midlands businesses have not experienced any challenges for selling goods or services online (UK 62.4%).

Safety Measures
94.8% of businesses in the West Midlands who have not permanently stopped trading intend to or have implemented social distancing, compared to 91.9% across all UK businesses.
Examples of other safety measures intended to or have implemented across these West Midlands businesses include 89.5% will use hygiene measures (85.5% UK) and 82.7% will use PPE (80.4% 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, 41.9% of exporting businesses in the West Midlands, and 35.3% in the UK, reported their businesses were still exporting but less than normal. Of those businesses who continued to trade and import, 31.1% in the West Midlands were importing less than normal, compared to 27.8% across the UK. 44.8% of West Midlands businesses who were exporting reported that they had not been affected, compared to 51.7% across the UK, and 55.1% of West Midlands businesses said that importing had not been affected, compared to 57.7% across the UK. 2.6% of businesses in the West Midlands are exporting more than normal, compared to 2.7% across the UK. The figures for importing more than usual are 4.5% and 4.2% respectively.

Logistics
90.4% of West Midlands businesses reported when they have used logistics services that all distribution demands were met (UK 91.4%) and 5.3% reported some distribution demands were met (5.5%).

Choice of Suppliers
7.9% of West Midlands businesses reported that the choice of suppliers had decreased for sourcing materials, goods or services since the start of the pandemic (UK 8.3%). 6.8% reported the choice of supplier had increased (UK 5.6%). However, 68.4% of businesses in the West Midlands reported the choice of supplier had not changed (UK 72.3%).

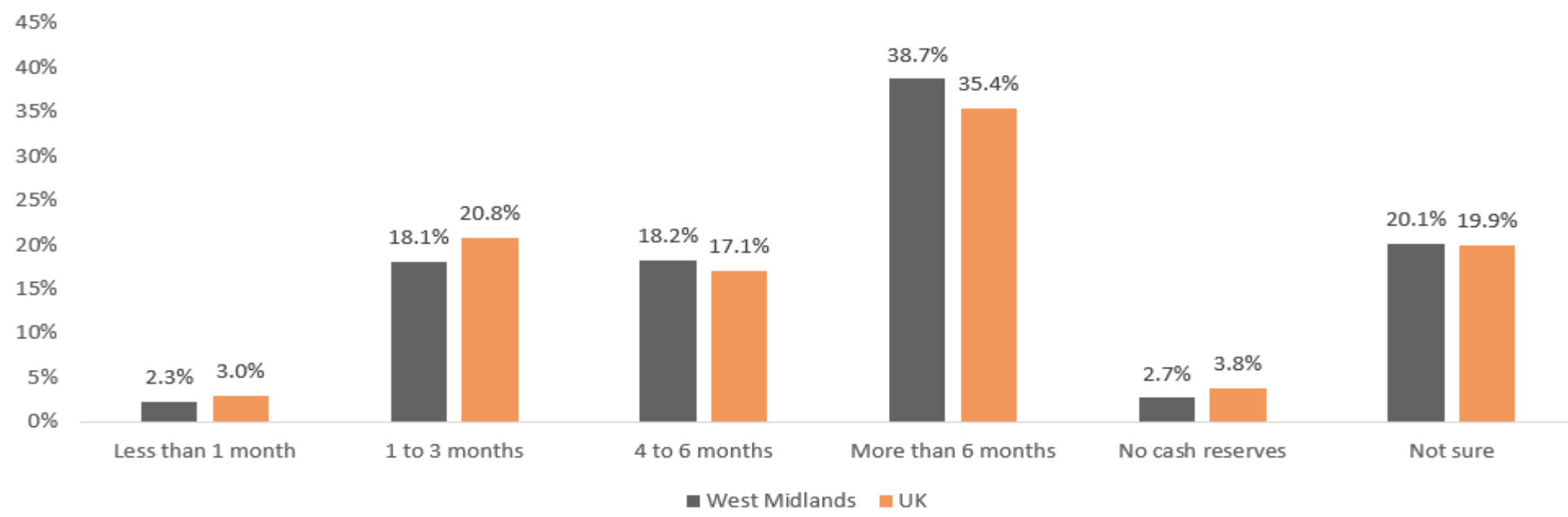
Similar Businesses
Since the start of the pandemic, 8.5% of businesses in the West Midlands reported the number of businesses selling similar goods had decreased (UK 8.4%) and 2.2% of businesses in the West Midlands reported the number had increased (UK 2.5%). However, 53.5% of West Midlands businesses reported the number had not changed (51.9%).

Government Schemes and Initiatives
83.7% of businesses in the West Midlands who have not permanently stopped trading have applied for the Coronavirus Job Retention Scheme (77.2% across the UK). 14.7% of West Midlands businesses have applied for business grants funded by the UK and devolved government (18.4% UK) and 16.2% for government backed accredited loans or finance agreement (22.6% UK). While 14.6% of West Midlands businesses have not applied for any of these schemes (19.8% UK).
98.3% of West Midlands businesses have received funds from the Coronavirus Job Retention Scheme (97.0% UK), 14.3% of businesses received funds from a Government backed accredited loans or finance agreements (23.9% UK). While 1.0% have not received any funds from these schemes (1.0% UK). 62.0% of West Midlands Businesses are using the Deferring VAT payments initiative (48.8% UK), 29.3% are using business rates holiday initiatives (22.8% UK) and 16.0% are using HMRC Time to Pay Scheme (13.5% UK). 31.0% of West Midlands businesses are not using any of these initiatives (42.6% UK). 70.9% of West Midlands businesses who received support from schemes or initiatives reported that it helped them to continue trading, while 20.9% reported that it did not impact their ability to continue trading.

Financial Assistance
10.3% of businesses in the West Midlands have received financial assistance from banks or building societies. Of these businesses, 84.9% reported this assistance helped them to continue trading, however 14.0% reported there was no impact on their ability to continue trading.

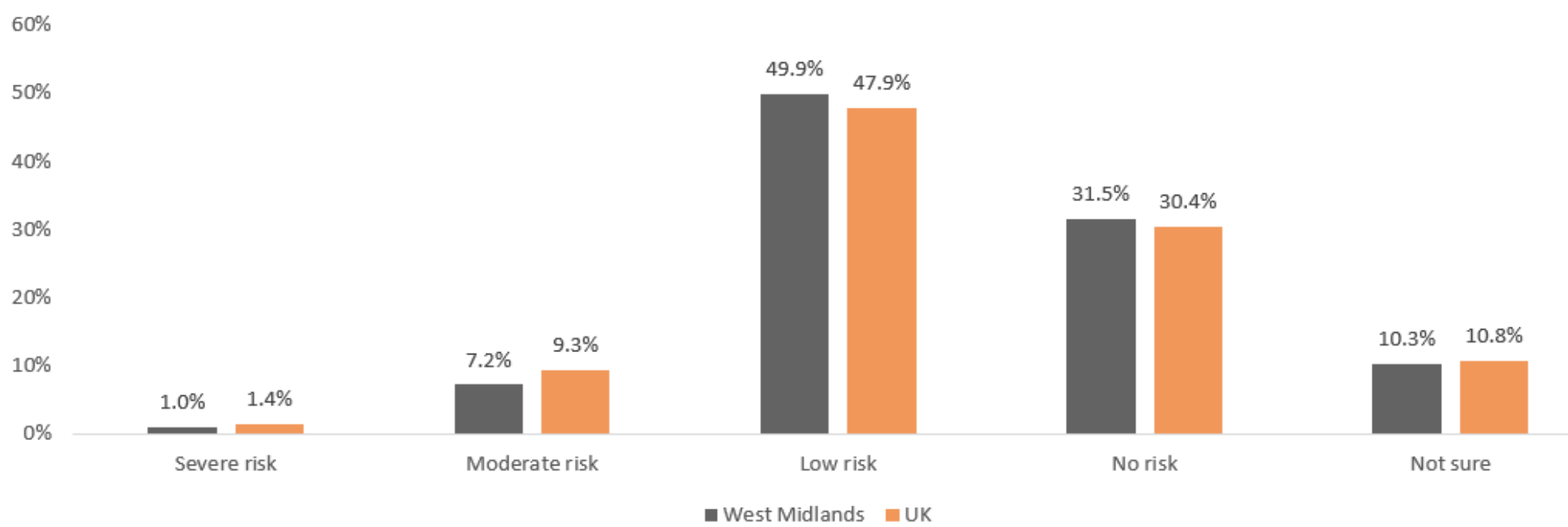
Cash Flow
2.7% of West Midlands businesses that have not permanently stopped trading have no cash reserves. For the UK, this figure is 3.8%.

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



Insolvency
1.0% of West Midlands businesses are at severe risk of insolvency. For the UK, the figure was 1.4%.
Due to the pandemic, in the West Midlands 2.4% of businesses reported the risk of insolvency had decreased, while 40.7% reported the risk had increased and 49.0% reported the risk had remained the same.

The following graph shows the risk of insolvency for businesses:



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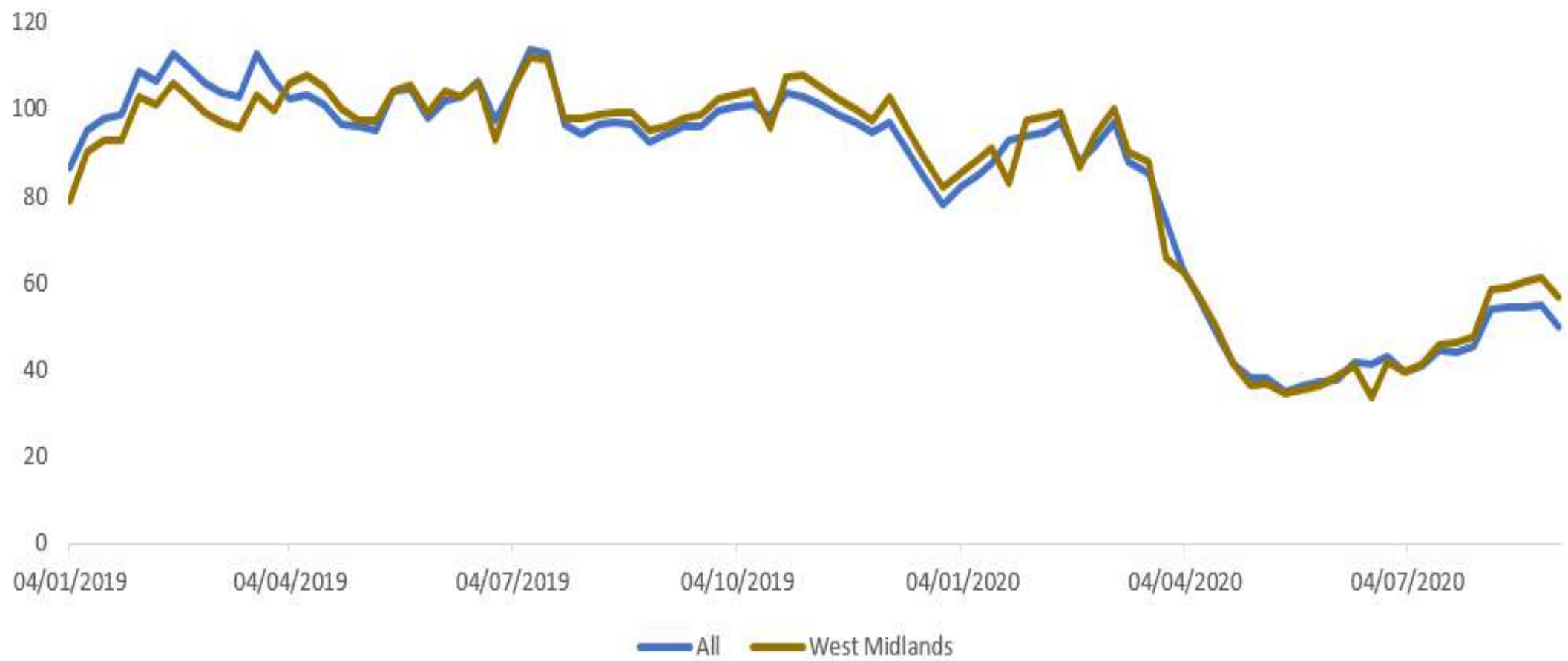
Online Jobs Adverts

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). Nationally, total online job adverts decreased from 55.1% in the week of the 28th August, to 50.1% of the 2019 average in the week of the 4th September 2020. Out of the 28 categories (excluding unknown), 26 had decreased from the previous week with healthcare and social care decreasing by 10pp which made this the lowest level for this industry in 2020 and was 84% of it 2019 average. The highest drop was in facilities/maintenance industry by 25.9pp but was still 154.4% of 2019 levels. The two categories that experienced an increase was legal by 0.7pp to 36.6% of the 2019 average and customer service/support by 1.0pp to 59.9% of 2019 levels.
For the West Midlands, the total online jobs adverts have decreased from 61.1% (28th August) to 56.5% (4th September) of its 2019 average. All regions across the UK experienced a decline in overall online job adverts with the highest weekly decrease in Northern Ireland by 10.7pp to 54.9% (4th September) of the 2019 level to a 3.5pp decrease in London to 42.2% of 2019 levels.

The following graph shows total weekly jobs adverts for all regions and the West Midlands, 4th January 2019 to 4th September 2020 (Index 2019 average =100):



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 July 2020 to June 2020, the all-industry index was 1.3 standard deviations above the historical mean from 2008 to 2019, with a diffusion index of 0.04. Out of 35,440 firms, approximately 1,400 more firms saw their turnover increase than firms who saw their turnover decrease.

The new reporters index measures the number of firms sending VAT returns for the first time (relates to number of firm births). In August 2020, the number of new VAT reporters was 18,550, which is a similar level to July 2020 (18,660) and below the 2015 to 2019 average of 20,908.

HEADLINES	
SECTOR	**KEY CONCERNS**
Cross Sector	New Business Models inc Diversification • Rise in businesses from a range of sectors interested in diversifying using digital means, this is likely due to the upcoming grant opportunities around IT equipment. • Many businesses looking at development of new home working technologies to support the increase of businesses adopting this way of working. Jobs & Furlough • The head of the Trades Union Congress (TUC) would like to see the furlough scheme extended. • UK firms are hiring temporary staff at the highest levels since 2018, as they need to recover from COVID-19 but fear the consequences of Brexit. • Feeling across businesses in all sectors is that likely more redundancies in next 3 months, especially once furlough scheme ends. Brexit • Businesses remain somewhat unprepared and feel there is not enough advice and guidance. However, support organisations find it difficult to give advice given the picture remains uncertain. • As business leaders warn that British companies are ill-equipped to cope with a no-deal departure from the transition period and a deal with the EU is essential, SMEs report that the continuing uncertainty is increasing pressure on their businesses. Access to Finance • This remains a key area where businesses across a variety of sectors require support. • It is mainly micro and small businesses who have been funded through CBILS, although a few medium size enterprises have been successful in obtaining a CBILS loan. • The Bounce Back Loans Scheme (BBL) has played an important role in the marketplace and businesses have utilised the scheme well.
Business, Professional & Financial Services	General Performance • Those who have been able to keep customers during the pandemic have been able to keep their business running. New Business Models inc Diversification • Businesses have made the most of working from home, and many are looking to continue this. • One negative of working from home has been difficulties in keeping up team spirit. Brexit • Businesses reporting that there is difficult in getting access to information about Brexit related changes.
Visitor Economy	Consumer Behaviour • Businesses in this sector worried about the future consumer behaviour, particularly after it was announced that Birmingham, Solihull and Sandwell would enter local lockdown. Jobs & Furlough • Pizza Hut and Pizza Express announced restaurant closures and jobs losses.
Advanced Manufacturing & Engineering	Jobs & Furlough • This is one of the sectors most at risk of not bringing workers back post furlough. Turnover • Businesses in automotive and aerospace sectors have experienced a drop in turnover. Brexit • Manufacturers' groups have warned that Brexit stockpiles have been depleted during the Covid lockdown amid widespread disruption to businesses, and that many firms are running out of cash and time to prepare for leaving the EU. New Business Models including Diversification • A number of businesses looking to diversify into new market sectors, and many of which are enquiring about potential funding support to help do so.

Black Country Consortium
Economic Intelligence Unit

NEW ECONOMIC SHOCKS			
COMPANY	**LOCATION**	**SECTOR**	**SOURCE/DETAIL**
TK Max	Walsall	Retail	TK max store in Wharf retail park to close as part of an ongoing property strategy.
Lloyds Bank	Nation Wide	Banking	Lloyds Bank plans to shed 860 jobs as it works to simplify the business after putting plans on hold for several months due to Covid-19.
Pizza Hut	Nation Wide	Hospitality	Pizza Hut has revealed plans to shut 29 of its 244 UK restaurants, in a restructuring move that will put about 450 jobs at risk.
Pizza Express	Nationwide	Hospitality	Pizza Express confirmed on Monday that it will shut 73 restaurants with 1,100 job losses after its own CVA deal was approved by creditors.
Midlands Arts Centre	Birmingham	Creative	MAC Birmingham to make 'mass redundancies' after closed all year announcement.
Imperial Cars	Various locations including Birmingham and Tamworth	Automotive	Imperial Cars has now made hundreds of employees redundant in a wide range of customer-facing roles, as the group announces it will ‘no longer be selling cars’.
Lichfield Cathedral	Lichfield	Tourism/ hospitality	Lichfield Cathedral staff lose their jobs as coronavirus hits visitor numbers.
Meggitt	Coventry	Aerospace Engineering	Revenue at engineering giant Meggitt fell by 14% to £917m in the first half of 2020, while the firm made a huge loss of £368m over the period. The firm said its performance reflects the “unprecedented impact” of COVID-19 on the civil aerospace sector. However, revenue was slightly ahead of guidance in July 2 trading update.
GEFCO UK	Coventry	Automotive, Logistics	The UK arm of an automotive logistics giant has blamed a decrease in its turnover on Brexit-related concerns. Coventry-headquartered GEFCO UK is part of a wider group which is a global provider of industrial supply chain services and automotive logistics. The arm, which was established in 1981, has more than 600 employees across 16 sites.

NEW INVESTMENT, DEALS AND OPPORTUNITIES			
COMPANY	**LOCATION**	**SECTOR**	**DETAIL & SOURCE**
WMC	Rowley Regis	Industrial	The West Midlands Combined Authority has now stepped in with a £3.6 million loan deal to help Solihull-based Warmflame Developments.
Compton Care (Hospice)	Wolverhampton	Health	The new building at Compton Care in Wolverhampton has been funded in part by a £1.6 million donation from members of the Transport & General Workers Union.
Tisski	Kenilworth	Digital & IT	A Warwickshire technology consultancy has secured a £7.6m contract with the Ministry of Defence (MoD). Tisski will help optimise and automate key business processes across the department during the two-year deal.
Warwick Manufacturing Group	Warwick	Manufacturing, Engineering	A £6m extension has been granted to a programme to help small manufacturing companies in the East and West Midlands. The SME Group at WMG, University of Warwick, has secured the funding from the European Regional Development Fund (ERDF) and the High Value Manufacturing Catapult at WMG.
Idverde	Coventry	Landscaping & Ground Management	Idverde, the green space management company, has opened a larger UK Support Centre and head office at Octavia House on Westwood Business Park, Coventry. idverde's previous UK head office was based at Rye Hill Office Park. The new office will house 60 staff.
Utility Stream	Warwick	Consultancy, Utilities	A Warwick-based energy consultancy has secured new investment as it looks to recruit and grow over the next few years. Utility Stream has obtained a significant boost from the Midlands Engine Investment Fund (MEIF) Equity Finance Fund.
Mpac Group	Coventry	Packaging & Distribution	A global packaging and automation business headquartered in Coventry has acquired a US-based counterpart in a deal which could be worth up to $15m. Mpac Group, which is listed on AIM, has snapped up Switchback Group for an initial consideration of £13m. A further earn-out consideration of up to £2m may become payable depending on performance.
I-Nexus	Coventry	Digital & IT	Shares in a Coventry cloud-based software company surged by almost 70 per cent after it updated the market on its recent trading and financial position. i-nexus Global, which is listed on AIM, experienced a 68.66 per cent bump on Tuesday 8 September after issuing the announcement in the morning before falling back to about 40 per cent.
UK Battery Industrialisation Centre	Coventry		Part of a £44m funding award will be used to complete the UK Battery Industrialisation Centre in Coventry which will create 100 jobs. Organisations across the automotive, rail and aerospace sectors will have access a unique battery production facility combining manufacturing, experimentation and innovation.
Lontra	Southam	Manufacturing	A Warwickshire-headquartered advanced engineering technologies company has signed a significant agreement with a Northumberland business. Lontra, which manufactures compressors in Northamptonshire, has announced the deal with Blyth-based Universal Wolf to produce new enclosures for its compressor design.
Filta Group Holdings	Rugby	Manufacturing, Hospitality	A new UK managing director has been hired by a Rugby-based company which provides cooking oil filtration and fryer management services to restaurants. Filta Group Holdings, which is listed on AIM, has confirmed that Brian Riordan will join the business from 5 October.

Claimant Count and Labour Market Statistics –Full Data

BCCEIU

All Claimant data sources: ONS/DWP, Claimant count, September 2020

Claimant count for people aged 16+:

There were **214,160 claimants aged 16 years and over in the WMCA** (3 LEP) area in August 2020, this is an increase of 6,505 people when compared to July 2020. This equates to an increase of 3.1%, which is slightly below the UK growth rate of 3.2%. However, across the WMCA (3 LEP) area, compared to March 2020 (117,590) the number of claimants has increased by 96,570 (+82.1% compared to +114.9% for the UK). Also, when compared to August 2019 (107,820), the number of claimants has increased by 106,340 (+98.6% compared to 134.2% for UK).

Within the WMCA (3 LEP), the **BCLEP had 66,820 claimants** aged 16 years and over in August 2020, this is an increase of 2,030 (+3.1%) claimants from the previous month. When compared to March 2020 (38,275) the number of claimants has increased by 28,545 (+74.6%). Also, when compared to August 2019 (34,730), the number of claimants has increased by 32,090 (+92.4%).

In CWLEP, there were 34,505 claimants aged 16 years and over in August 2020, this is an increase of 1,140 (+3.4%) claimants since July 2020. However, across the CWLEP area, when compared to March 2020 (15,825) the number of claimants has increased by 18,680 (+118.0%). Also, when compared to August 2019 (14,100), the number of claimants has increased by 20,405 (+144.7%).

In GBSLEP, there were 112,835 claimants aged 16 years and over in August 2020, this is an increase of 3,335 (+3.0%) claimants since July 2020. In the GBSLEP area, when compared to March 2020 (63,490) the number of claimants has increased by 49,345 (+77.7%). Also, compared to August 2019 (58,990), the number of claimants has increased by 53,845 (+91.3%).

The following table shows a breakdown of number of claimants aged 16+ and change by selected months across the WMCA and for the UK:

	Aug. 2019	Mar. 2020	Jul. 2020	Aug. 2020	% Change (Jul 20 – Aug 20)	% Change (Mar 20 – Aug 20	% Change (Aug 19 – Aug 20)
Birmingham	46,305	49,370	79,265	81,525	2.9%	65.1%	76.1%
Bromsgrove	1,090	1,165	2,670	2,770	3.7%	137.8%	154.1%
Cannock Chase	1,375	1,655	3,605	3,815	5.8%	130.5%	177.5%
Coventry	7,080	8,000	16,090	16,540	2.8%	106.8%	133.6%
Dudley	8,135	8,515	14,310	14,865	3.9%	74.6%	82.7%
East Staffordshire	1,410	1,720	3,865	3,930	1.7%	128.5%	178.7%
Lichfield	1,095	1,320	3,020	3,125	3.5%	136.7%	185.4%
North Warwickshire	710	845	2,030	2,130	4.9%	152.1%	200.0%
Nuneaton and Bedworth	2,580	2,830	5,300	5,515	4.1%	94.9%	113.8%
Redditch	1,500	1,535	3,220	3,355	4.2%	118.6%	123.7%
Rugby	1,495	1,535	3,205	3,275	2.2%	113.4%	119.1%
Sandwell	9,420	10,780	18,705	19,355	3.5%	79.5%	105.5%
Solihull	3,490	3,650	7,405	7,605	2.7%	108.4%	117.9%
Stratford-on-Avon	955	1,050	3,030	3,200	5.6%	204.8%	235.1%
Tamworth	1,250	1,490	2,900	3,000	3.4%	101.3%	140.0%
Walsall	7,595	8,605	14,970	15,320	2.3%	78.0%	101.7%
Warwick	1,275	1,570	3,705	3,840	3.6%	144.6%	201.2%
Wolverhampton	9,580	10,380	16,810	17,280	2.8%	66.5%	80.4%
Wyre Forest	1,470	1,580	3,550	3,715	4.6%	135.1%	152.7%
WM 7 Met.	**91,605**	**99,300**	**167,555**	**172,490**	**2.9%**	**73.7%**	**88.3%**
Black Country LEP	34,730	38,275	64,790	66,820	3.1%	74.6%	92.4%
Coventry and Warwickshire LEP	14,100	15,825	33,365	34,505	3.4%	118.0%	144.7%
Greater Birmingham and Solihull LEP	58,990	63,490	109,500	112,835	3.0%	77.7%	91.3%
WMCA (3 LEP)	**107,820**	**117,590**	**207,655**	**214,160**	**3.1%**	**82.1%**	**98.6%**
West Midlands Region	131,620	144,350	263,400	271,905	3.2%	88.4%	106.6%
United Kingdom	1,163,945	1,268,620	2,642,815	2,726,510	3.2%	114.9%	134.2%

Overall, for the WMCA (3 LEP) the number of claimants as proportion of residents aged 16 to 64 years old was 8.2% in August 2020 compared to 6.5% for the UK.

Within the WMCA (3 LEP) the number of claimants as a proportion of residents aged 16 to 64 years old varies across the 3 LEPs with the Black Country at the highest with 9.1%, followed by GBSLEP with 8.8% and then CWLEP with 5.7%.

At local authority level, the number of claimants as a proportion of residents aged 16 to 64 years old varies from 11.1% in Birmingham and 10.6% in Wolverhampton to 4.2% in Warwick and 4.3% in Stratford-on-Avon.

Youth Claimants (Aged 16-24)

There were **43,450 youth claimants in the WMCA** (3 LEP) area in August 2020, this is an increase of 710 people when compared to July 2020. This equates to an increase of 1.7%, which is above the UK growth rate of 0.6%. However, across the WMCA (3 LEP) area, compared to March 2020 (22,835) the number of claimants has increased by 20,615 (+90.3% compared to +121.6% for the UK). Also, when compared to August 2019 (21,085), the number of claimants has increased by 22,365 (+106.1% compared to 138.8% for UK).

Within the WMCA (3 LEP), the **BCLEP had 13,830 youth claimants** in August 2020, this is an increase of 250 (+1.8%) claimants from the previous month. When compared to March 2020 (7,105) the number of claimants has increased by 6,080 (+78.5%). Also, when compared to August 2019 (7,105), the number of claimants has increased by 6,725 (+94.7%).

In CWLEP, there were 6,760 youth claimants in August 2020, this is an increase of 65 (+1.0%) claimants since July 2020. However, across the CWLEP area, when compared to March 2020 (2,920) the number of claimants has increased by 3,840 (+131.5%). Also, when compared to August 2019 (2,630), the number of claimants has increased by 4,130 (+157.0%).

In GBSLEP, there were 22,860 youth claimants in August 2020, this is an increase of 395 (+1.8%) claimants since July 2020. In the GBSLEP area, when compared to March 2020 (12,165) the number of claimants has increased by 10,695 (+87.9%). Also, compared to August 2019 (11,350), the number of claimants has increased by 11,510 (+101.4%).

The following table shows a breakdown of number of youth claimants and change by selected months across the WMCA and for the UK:

	Aug. 2019	Mar. 2020	Jul. 2020	Aug. 2020	% Change (Jul 20 – Aug 20)	% Change (Mar 20 – Aug 20	% Change (Aug 19 – Aug 20)
Birmingham	8,665	9,220	16,055	16,385	2.1%	77.7%	89.1%
Bromsgrove	210	220	525	550	4.8%	150.0%	161.9%
Cannock Chase	310	370	810	820	1.2%	121.6%	164.5%
Coventry	1,400	1,550	3,275	3,295	0.6%	112.6%	135.4%
Dudley	1,705	1,755	3,115	3,180	2.1%	81.2%	86.5%
East Staffordshire	270	320	740	755	2.0%	135.9%	179.6%
Lichfield	220	275	620	620	0%	125.5%	181.8%
North Warwickshire	155	165	435	435	0%	163.6%	180.6%
Nuneaton and Bedworth	495	570	1,080	1,125	4.2%	97.4%	127.3%
Redditch	340	310	635	655	3.1%	111.3%	92.6%
Rugby	230	245	585	585	0.0%	138.8%	154.3%
Sandwell	1,820	2,130	3,830	3,885	1.4%	82.4%	113.5%
Solihull	785	830	1,690	1,705	0.9%	105.4%	117.2%
Stratford-on-Avon	135	160	565	565	0%	253.1%	318.5%
Tamworth	265	305	650	650	0%	113.1%	145.3%
Walsall	1,710	1,940	3,355	3,390	1.0%	74.7%	98.2%
Warwick	210	230	750	760	1.3%	230.4%	261.9%
Wolverhampton	1,870	1,925	3,285	3,375	2.7%	75.3%	80.5%
Wyre Forest	290	315	735	725	-1.4%	130.2%	150.0%
WM 7 Met.	**17,955**	**19,345**	**34,610**	**35,215**	**1.7%**	**82.0%**	**96.1%**
Black Country LEP	7,105	7,750	13,580	13,830	1.8%	78.5%	94.7%
Coventry and Warwickshire LEP	2,630	2,920	6,695	6,760	1.0%	131.5%	157.0%
Greater Birmingham and Solihull LEP	11,350	12,165	22,465	22,860	1.8%	87.9%	101.4%
WMCA (3 LEP)	**21,085**	**22,835**	**42,740**	**43,450**	**1.7%**	**90.3%**	**106.1%**
West Midlands Region	25,925	28,225	54,430	55,290	1.6%	95.9%	113.3%
United Kingdom	224,315	241,760	532,400	535,730	0.6%	121.6%	138.8%

Within the WMCA (3 LEP) the number of claimants as a percentage of residents aged 16 to 24 years old varies across the 3 LEPs with the Black Country at the highest with 11.3%, followed by GBSLEP with 9.1% and then CWLEP with 5.7%.

At local authority level, the number of claimants as a percentage of residents aged 16 to 24 years old varies from 12.5% in Wolverhampton and 11.4% in Walsall to 4.0% in Warwick and 5.2% in Stratford-on-Avon.

Claimant Count by Age and Gender

In August 2020, further breakdown by age shows those aged 18-24 years old had the highest number of claimants at 43,060, this was followed by those aged 25 – 29 years old at 29,710 claimants.

The only age bracket to see a decrease in the number of claimants in the WMCA (3 LEP area) were those aged 16-17 years old by 5.1% (-85 claimants which is split by -35 for males and -40 for females) between July 2020 and August 2020 - down to 390 claimants overall.

The highest number increase of claimants from March 2020 was those aged 18 – 24 years old with an additional 20,480 claimants (+12,420 males and +8,065 females).

The following table shows a breakdown by age brackets and gender for the WMCA (3 LEP) area over selected time periods:

		Aug. 2019	Mar. 2020	Jul. 2020	Aug. 2020	Num. Change (Jul 20 – Aug 20)	Num. Change (Mar 20 – Aug 20	Num. Change (Aug 19 – Aug 20)
Total	**Age 16+**	**107,820**	**117,590**	**207,655**	**214,160**	**6,505**	**96,570**	**106,340**
	Aged 16-24	**21,085**	**22,835**	**42,740**	**43,450**	**710**	**20,615**	**22,365**
	Aged 16-17	245	250	475	390	-85	140	145
	Aged 18-24	20,840	22,580	42,265	43,060	795	20,480	22,220
	Aged 25-49	**60,545**	**67,130**	**119,170**	**123,065**	**3,895**	**55,935**	**62,520**
	Aged 25-29	14,605	15,945	29,245	29,710	465	13,765	15,105
	Aged 30-34	13,925	15,635	27,880	28,880	1,000	13,245	14,955
	Aged 35-39	12,210	13,715	23,855	24,770	915	11,055	12,560
	Aged 40-44	9,990	11,230	19,660	20,455	795	9,225	10,465
	Aged 45-49	9,830	10,605	18,535	19,250	715	8,645	9,420
	Aged 50+	**26,180**	**27,635**	**45,745**	**47,640**	**1,895**	**20,005**	**21,460**
	Aged 50-54	9,615	9,960	17,415	18,215	800	8,255	8,600
	Aged 55-59	8,525	8,985	14,800	15,325	525	6,340	6,800
	Aged 60-64	7,365	7,675	11,730	12,145	415	4,470	4,780
	Aged 65+	675	1,020	1,795	1,950	155	930	1,275
Male	**Age 16+**	**63,375**	**69,420**	**125,860**	**129,350**	**3,490**	**59,930**	**65,975**
	Aged 16-24	**12,760**	**14,100**	**26,335**	**26,575**	**240**	**12,475**	**13,815**
	Aged 16-17	105	115	215	180	-35	65	75
	Aged 18-24	12,655	13,980	26,120	26,400	280	12,420	13,745
	Aged 25-49	**35,255**	**38,965**	**72,515**	**74,625**	**2,110**	**35,660**	**39,370**
	Aged 25-29	8,765	9,610	18,415	18,670	255	9,060	9,905
	Aged 30-34	8,090	9,095	17,165	17,685	520	8,590	9,595
	Aged 35-39	7,045	7,730	14,345	14,860	515	7,130	7,815
	Aged 40-44	5,730	6,440	11,670	12,130	460	5,690	6,400
	Aged 45-49	5,625	6,080	10,920	11,280	360	5,200	5,655
	Aged 50+	**15,360**	**16,355**	**27,005**	**28,145**	**1,140**	**11,790**	**12,785**
	Aged 50-54	5,515	5,820	10,255	10,715	460	4,895	5,200
	Aged 55-59	5,020	5,295	8,730	9,050	320	3,755	4,030
	Aged 60-64	4,390	4,575	6,920	7,180	260	2,605	2,790
	Aged 65+	440	655	1,095	1,200	105	545	760
Female	**Age 16+**	**44,445**	**48,175**	**81,805**	**84,815**	**3,010**	**36,640**	**40,370**
	Aged 16-24	**8,325**	**8,730**	**16,405**	**16,875**	**470**	**8,145**	**8,550**
	Aged 16-17	140	135	260	220	-40	85	80
	Aged 18-24	8,185	8,595	16,145	16,660	515	8,065	8,475
	Aged 25-49	**25,295**	**28,165**	**46,655**	**48,440**	**1,785**	**20,275**	**23,145**
	Aged 25-29	5,840	6,340	10,835	11,050	215	4,710	5,210
	Aged 30-34	5,840	6,530	10,710	11,200	490	4,670	5,360
	Aged 35-39	5,160	5,985	9,510	9,905	395	3,920	4,745
	Aged 40-44	4,255	4,790	7,990	8,325	335	3,535	4,070
	Aged 45-49	4,200	4,525	7,610	7,965	355	3,440	3,765
	Aged 50+	**10,820**	**11,280**	**18,740**	**19,495**	**755**	**8,215**	**8,675**
	Aged 50-54	4,100	4,135	7,160	7,500	340	3,365	3,400
	Aged 55-59	3,505	3,690	6,075	6,280	205	2,590	2,775
	Aged 60-64	2,980	3,100	4,805	4,970	165	1,870	1,990
	Aged 65+	235	360	705	755	50	395	520

Labour Market Statistics
Source: Labour market in the regions of the UK, September 2020

Please note data is only available at a regional level. For the three months ending in July 2020, the West Midlands Region employment rate (aged 16 – 64 years) was **75.2%.** Since the three months ending April 2020, the employment rate has increased by 0.7pp while the UK increased by 0.1pp. The overall, UK employment rate was 76.5% with the highest **employment rate** within the UK for the three months ending July 2020 in the South East (79.6%) and the lowest was in Northern Ireland (71.5%).

For the three months ending in July 2020, the West Midlands Region unemployment rate (aged 16 years and over) **was 4.4%, which has decreased by 0.4pp since the previous quarter.** The UK unemployment rate was 4.1%, an increase of 0.2pp from the previous quarter. The highest unemployment rate in the UK for the three months ending July 2020 was in the North East (5.2%), with the lowest unemployment rate in Northern Ireland at 2.9%.

For the three months ending in June 2020, the West Midlands Region economic inactivity rate (aged 16 – 64 years) **was 21.3% - a decrease of 0.4pp** from previous quarter. The UK economic inactivity rate stood at 20.2% decreasing by 0.3pp. The highest **economic inactivity** rate in the UK for the three months ending July 2020 was in Northern Ireland (26.3%), with the lowest in the South East (17.4%).

A summary of the latest headline estimates for Regions of the UK, seasonally adjusted, May to July 2020

	Employment rate - May to July 2020 (aged 16 to 64 years)	Change on February to April 2020	Unemployment rate- May to July 2020 (16 years +)	Change on February to April 2020	Inactivity rate – May to July 2020 (aged 16 to 64 years)	Change on February to April 2020
UK	76.5%	0.1pp	4.1%	0.2pp	20.2%	-0.3pp
Great Britain	76.7%	0.2pp	4.1%	0.2pp	20.0%	-0.3pp
England	77.0%	0.2pp	4.1%	0.2pp	19.6%	-0.3pp
North East	74.6%	0.7pp	5.2%	0.0pp	21.4%	-0.7pp
North West	76.1%	0.3pp	3.5%	-0.6pp	21.0%	0.2pp
Yorkshire and The Humber	74.8%	0.8pp	4.0%	0.1pp	22.0%	-0.9pp
East Midlands	77.0%	-1.2pp	4.4%	0.7pp	19.4%	0.6pp
West Midlands	**75.2%**	**0.7pp**	**4.4%**	**-0.4pp**	**21.3%**	**-0.4pp**
East	78.2%	0.2pp	3.7%	0.1pp	18.6%	-0.3pp
London	77.0%	0.7pp	5.0%	0.3pp	18.9%	-0.9pp
South East	79.6%	0.1pp	3.5%	0.5pp	17.4%	-0.5pp
South West	77.8%	-1.2pp	3.8%	0.8pp	19.0%	0.5pp
Wales	74.7%	0.3pp	3.1%	0.1pp	22.9%	-0.4pp
Scotland	74.3%	0.1pp	4.6%	0.1pp	22.0%	-0.1pp
Northern Ireland	71.5%	-0.1pp	2.9%	0.6pp	26.3%	-0.4pp

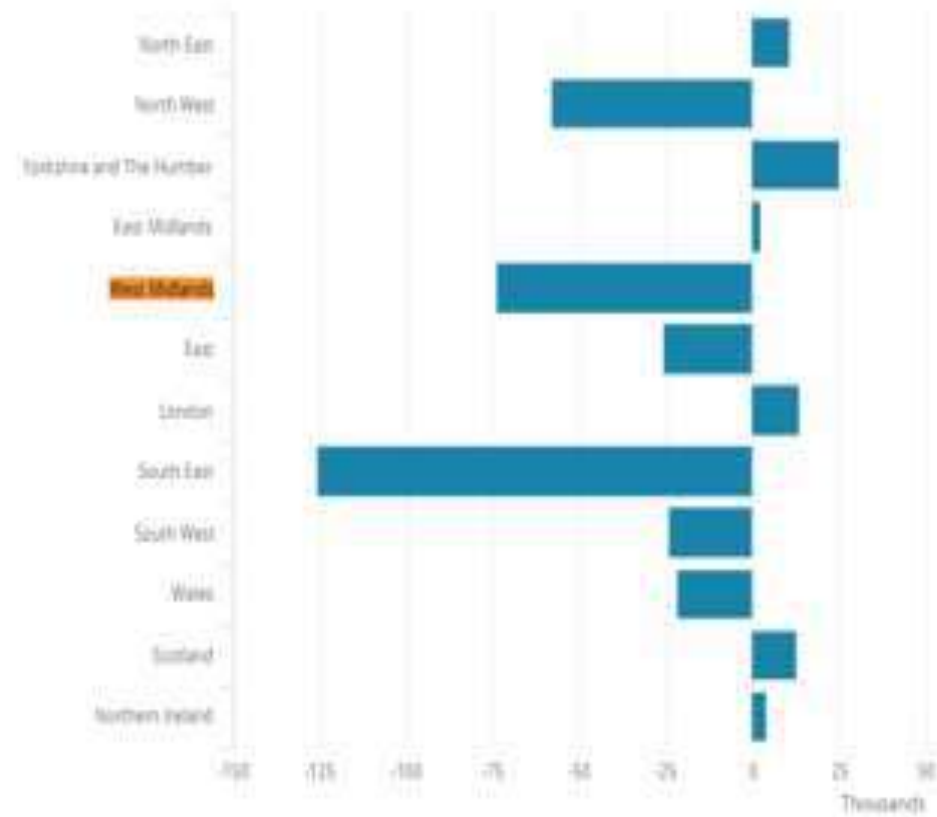
Source: ONS – Labour Force Survey

Workforce Jobs

For the UK there was an estimated 35.41m workforce jobs in June 2020, which is 264,000 less than in June 2019 and 354,000 less than last quarter (March 2020).

The West Midlands had 2.9m workforce jobs in June 2020, which is a decrease of nearly 74,033 from June 2019 and a decrease of 9,146 from March 2020.

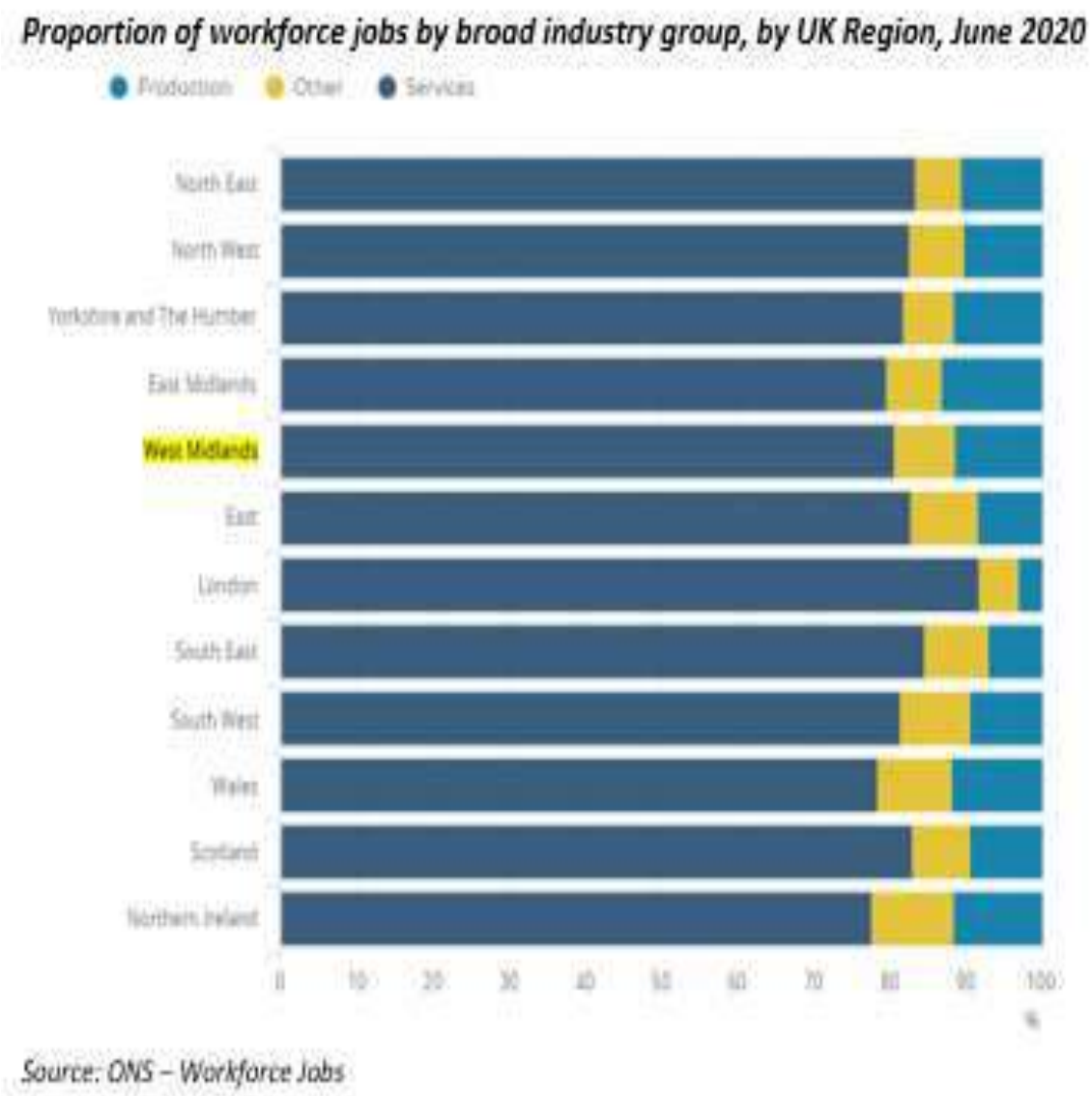
Change in workforce jobs, by UK Region, seasonally adjusted, June 2019 and June 2020.



Source: ONS – Workforce Jobs

Workforce Jobs by Broad Industry Group

80.7% of the West Midlands Region's workforce jobs are in the services sector as of June 2020. This is followed by 11.3% in the production sector and 8.0% in other.



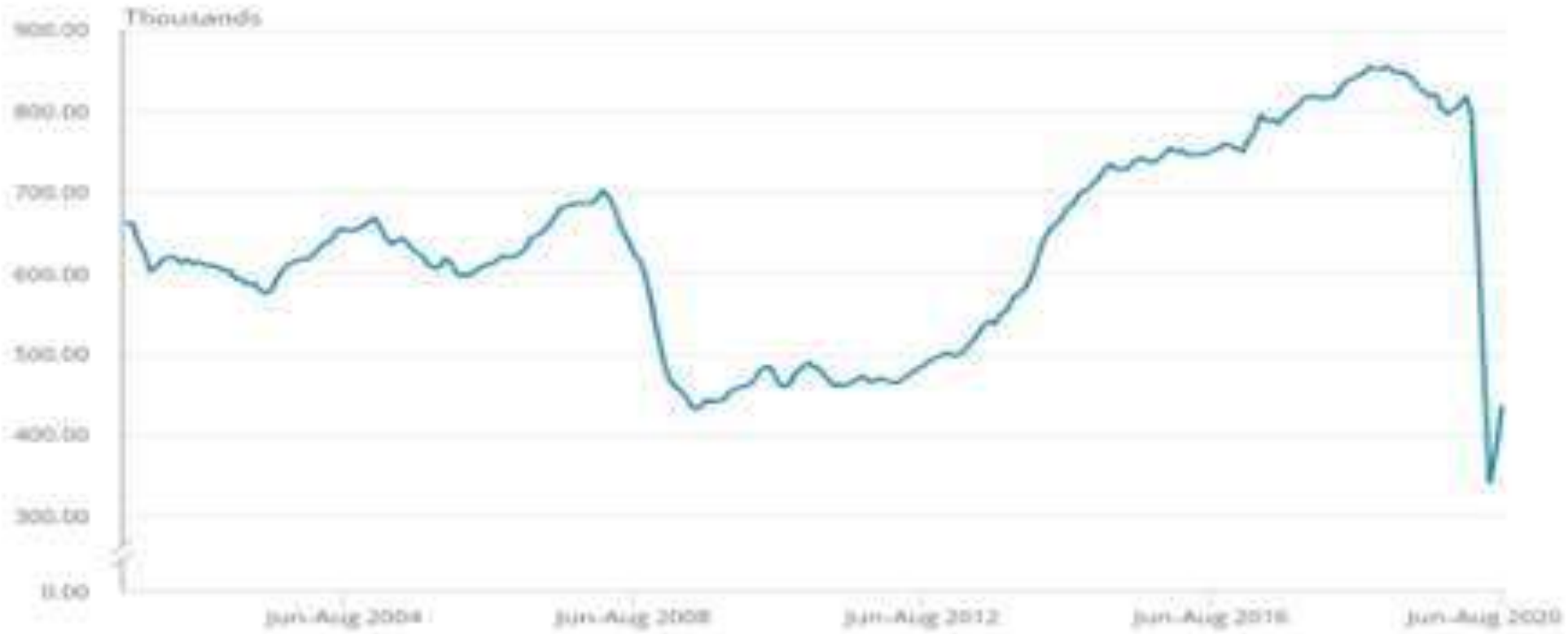
UK Labour Market Statistics - Vacancies

Vacancies in the UK in June to August 2020 were at an estimated 434,000- 30% higher than the record low in April to June 2020. Increases in the latest quarter is potentially driven by small businesses. However, when comparing June to August vacancy estimates to the previous quarter (March – May 2020), there were 48,000 fewer and then 383,000 fewer than a year earlier.
Source: UK labour market: September 2020

The following table shows the total number of vacancies by sector for the UK, June to August 2019, March to May 2020 and June to August 2020:

			Total Figures in Thousands
	Jun - Aug 2019	Mar - May 2020	Jun - Aug 2020
All vacancies	818	482	434
Mining & quarrying	2	1	0
Manufacturing	54	33	30
Electricity, gas, steam & air conditioning supply	3	2	3
Water supply, sewerage, waste & remediation activities	4	3	2
Construction	24	13	17
Wholesale & retail trade; repair of motor vehicles and motor cycles	128	66	51
Motor Trades	17	4	4
Wholesale	29	17	13
Retail	83	45	34
Transport & storage	35	19	22
Accommodation & food service activities	95	27	27
Information & communication	42	22	18
Financial & insurance activities	33	22	16
Real estate activities	11	9	7
Professional scientific & technical activities	80	45	41
Administrative & support service activities	52	39	30
Public admin & defence; compulsory social security	23	18	19
Education	51	31	30
Human health & social work activities	139	115	112
Arts, entertainment & recreation	23	10	4
Other service activities	19	9	8

Number of Vacancies in the UK, seasonally adjusted between June to August 2001 and June to August 2020



Source: ONS – Vacancy Survey

EMSI Job Postings WMCA 3 LEP Geography August 2020

Note: The data below identifies job postings, derived from the EMSI Analyst Tool, and not comparable to the official vacancy data.

There were 100,015 unique job postings across the WMCA 3 LEP geography in August 2020, 14.9% higher than in July.

This is the fifth consecutive month job postings have increased in the region.

The rolling 30-day near-term trend (to 13 September) also continues to point towards continued higher demand, with the number of job postings now 19.9% higher than at this same point last year.

All 19 local authority areas recorded a positive increase in the number of unique job postings, the first time since March 2020. The most prevalent areas were East Staffordshire (23%), North Warwickshire (23%) and Stratford-on-Avon (21%).

Posting intensity, i.e. the effort towards hiring for particular positions was highest in Birmingham (9:1), Coventry (8:1) and Rugby (8:1).
Source: EMSI, September 2020

Area	Aug 2020 Unique Postings	% Change (Jul 2020 - Aug 2020)
Birmingham	41,432	14%
Bromsgrove	1,297	18%
Cannock Chase	1,862	17%
Coventry	9,871	12%
Dudley	4,738	10%
East Staffordshire	2,691	23%
Lichfield	1,838	21%
North Warwickshire	1,333	23%
Nuneaton and Bedworth	2,168	17%
Redditch	1,707	18%
Rugby	2,646	18%
Sandwell	4,742	17%
Solihull	3,987	10%
Stratford-on-Avon	2,848	21%
Tamworth	1,782	15%
Walsall	3,627	18%
Warwick	5,023	19%
Wolverhampton	4,887	14%
Wyre Forest	1,536	14%
WMCA 3 LEP	**100,015**	**14.9%**

Adhoc Related Releases

Economic labour market status of individuals aged 34-49 years old and 50-64 years old

Between April- June, 2019-2020, the West Midlands Region had the second highest percentage point increase for employment rate of any region for those aged 35-49 years old at 3.1pp.

The West Midlands was the joint second highest region for employment rate for those aged 50-64 years old in April to June 2020 at 74.7%.
Source: Economic labour market status of individuals aged 50 and over, trends over time: September 2020

The following table shows the employment rate and number by region / country for individuals aged 30-49 and 50-64:

	35-49				50-64			
	2019		2020		2019		2020	
	%	thousands	%	thousands	%	thousands	%	thousands
United Kingdom	85.3	10,855	86.0	10,933	72.5	9,226	72.7	9,363
Great Britain	85.3	10,553	86.0	10,630	72.7	8,989	72.9	9,127
England	85.3	9,219	86.0	9,300	73.3	7,780	73.2	7,875
North East	81.5	381	86.2	394	66.3	357	68.8	377
North West	85.1	1,142	85.6	1,138	71.2	1,008	70.6	1,016
Yorkshire and the Humber	82.3	823	84.2	839	71.5	751	70.0	742
East Midlands	86.5	762	87.5	755	72.4	685	73.8	718
West Midlands	**81.8**	**886**	**84.9**	**908**	**74.3**	**815**	**74.7**	**838**
East	86.8	1,046	87.3	1,058	76.0	921	72.7	888
London	83.1	1,705	83.7	1,747	72.2	1,042	74.2	1,086
South East	88.5	1,578	88.1	1,577	75.9	1,358	76.0	1,372
South West	90.3	897	87.9	884	75.0	843	74.7	837
Wales	85.4	467	85.0	461	69.4	433	72.1	447
Scotland	85.3	866	86.0	868	72.5	776	72.7	805
Northern Ireland	84.9	303	85.5	303	70.9	237	69.3	236

Source: LFS

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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