West Midlands
Weekly Economic Impact Monitor

Issue 27 Publication Date 25/09/20

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

This week rising infection rates have led to increased restrictions across the UK, bringing most places into line and increase some restrictions in locked down areas. The Prime Minister hinted at this being a medium term (6 months) approach to bring the virus under control.

Key issues

- Regional representative organisations say there are still lots of issues being raised by businesses about lockdowns and support. Kickstart is mixed picture, especially SME participation due to the minimum numbers of 30. There are increased asks for targeted support for furlough especially now further restrictions are in place. New restrictions in Birmingham, Solihull and Sandwell were already affecting consumer spend, and small retailers now seeing a drop again with increased risk of infection. As it's the end of furlough, the "light at end of tunnel has gone out". Extending support is therefore key, many businesses had no support and are looking at another 6 months without support. The closed sectors are still being hit hardest.
- There is now a rise in redundancies being notified, especially accommodation, food, transport nationally and particularly manufacturing in the West Midlands. With Brexit on the horizon, current constraints are leaving businesses unable to prepare, but Brexit is now getting back on business the agenda, but businesses don't know what to prepare for.
- They can't stockpile this time round as there is no cash available. The issue is that the one size fits all doesn't work as very different issues emerge across businesses and there is a lack of capacity to support. For example there are huge impacts on trading standards and environmental health in terms of Brexit, including the recruitment of people to do assessments.
- The latest results from Make UK indicate that manufacturers are still faring poorly in the current economic climate, but that performance in comparison to last quarter is greatly improved. Still, the numbers on output, orders, employment and investment remain amongst the worst results observed on record.
- As the UK enters a period of recovery, the latest survey reported a better than predicted output balance of -36%. Promisingly, UK manufacturers forecast the trend towards growth to continue over the next quarter. UK orders have been negative since the aftermath of uncertainty from multiple EU exit deadlines
- The investment intentions balance also worsened to -32%. As the UK endeavours to reinvigorate itself on the global stage it is concerning that manufacturers either fear, or are unable to invest in new technologies.
- There were 173,200 of the population eligible for the Self-Employment Income Support Scheme (SEISS). There were 107,500 claims made to the 31st August 2020, which equates to a value of £257,400,000 or on average £2,500 per claim. The take-up rate for the WMCA (3 LEP) was 62%. At a West Midlands regional level, overall, there were around 261,000 of the population eligible for the SEISS, which is a take up rate of 60%
- In the year ending Q2 2020, the West Midlands regional export value was worth nearly £27.5bn, a decrease of 14.4% (-£4.6bn) when compared to the year ending Q2 2019. The UK decreased by 9.0% to reach £314.2bn.
- In the year ending Q2 2020, the West Midlands imported nearly £31.3bn worth of goods, this has decreased by 18.0% (-£6.9bn). While the UK decreased by 12.0% to reach £433.7bn. The West Midlands has a trade deficit of £3.8bn.
- Nationally footfall for the week starting 7th September 2020 was around 72% of the 2019 level. This is a decrease from 75% that was recorded two weeks ago. High streets, shopping centres and retail parks all experienced a decrease varying between one and three percentage points
- In this week's ONS data 97% of responding businesses were currently trading with 10% of the workforce on furlough leave. 40% of businesses are providing pay top-ups to the Coronavirus Job Retention Scheme and 71% of the workforce are receiving top-ups to the Coronavirus Retention Scheme. 3% of businesses have temporarily paused or closed trading with 68% of the workforce on furlough leave.

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

- Over 6 in 10 (62%) working adults reported they had travelled to work (either exclusively or in combination with working from home) in the past seven days, while 20% had worked exclusively at home.

Looking across sectoral risk factors together this highlights:

- Highest GVA sectors are the most exposed in terms of jobs and Brexit: Business, Professional and Financial Services Sector, Advanced Manufacturing and Retail.
- However each factor can impact differently, furlough risk is the current potential expose to high numbers of redundancies or business risk. Some sectors are already finding the current conditions extremely difficult and the estimated impact of a no deal Brexit will compound this.
- Culture and Sport 76% all jobs are exposed to potential losses, making the potential losses nearly as significant as the larger sectors.
- The impact of coronavirus could be relatively short-lived, with a rebound, however Brexit is a long term structural change which sectors may not recover from and for our three largest sectors face significant effects
- Other issues which may cause exposure: the levels of self-employed/single employee ltd company where support has been limited and skills exposure, where Brexit impacts on labour markets and capacity.

ICAEW Scorecard by Oxford Economics

- GVA and employment may fall by more than the UK average in 2020. That may be followed by a slightly faster than average recovery in 2021, but after that the region will probably underperform the UK slightly.
- Employment in 2021 is likely to be lower than it was pre-virus, at 2.87m compared with 2.95m in 2019.
- The region is more manufacturing intensive than the UK average but has a smaller than average hospitality sector. Digital connectivity is, however, slightly better than average.

Wave 2 Covid-19 transport impact survey

- Travel in the last 7 days was largely for shopping and work, a significant minority had not made a trip. As lockdown restriction eased there was an increase in social and leisure trips.
- Car was the main way to travel for all journeys, the exception to this was amongst non car owners, where bus and walking was most common.
- Compared to travel before lockdown, there was a decrease in public transport use amongst all groups of respondents, the decline was even noticeable amongst non car owners, albeit to a lesser extent.
- Concerns about using public transport post lockdown remain. However, the proportion feeling extremely concerned declined in comparison to Wave 1. Younger people had fewer concerns about using public transport, as did those who were currently making use of it. Amongst those who had previously travelled by public transport most would only resume its use if their employer makes them go back to work or when the advice is that it is safe to use.

Global Outlook

Ben Brittain WMREDI

Autumn has begun and with it the virus is resurgent in much of Europe, with the World Health Organization saying the latest data should serve as a "wakeup call for all of us." The virus has started spreading in older populations, though, whilst the news appears grim, there are bits of positivity; such as U.S. researchers saying advances in medical care are improving the chances of survival. On news of increasing cases and renewed anxiety over new government restriction, at the beginning of the week European stocks fell substantial. The region's equities had their worst sell off since June on Monday. By the mid-week European stock futures are edged higher , but they still have a long way to go to recover from Monday's sharp fall. Commodity-traders are on track for their highest earnings in a decade.
The 1.35 trillion euro-program (initially aimed at calming markets and supporting the economy as coronavirus lockdowns hit), could be extended beyond its initial reach. The European Central Bank has launched a review of its program to consider how long it should continue and whether it's exceptional flexibility should be extended to older programs.
The U.S. currency is higher after Chicago Fed President Charles Evans suggested the Federal Reserve's plan allows a hike before inflation averages 2%, encouraging greater confidence in US investors. U.S., Federal Reserve Chairman Jerome Powell and Treasury Secretary Steven Mnuchin have testified on financial pandemic relief, and Powell warned that "the path ahead continues to be highly uncertain." Nike, the world's largest sportswear company, posted late trading profit and far better revenue than many analysts had predicted, a possible indication that it is speedily and successfully bouncing back from the pandemic contraction. Important to note that whilst sales didn't grow, Wall Street was reportedly bracing for far worse. Elsewhere, Hong Kong has confirmed that it will extend social distancing measures for another week. Deaths in America from Covid-19 reached the grim 200,000 milestone. The cavalry may indeed be coming, soon, as the $18 billion initiative to deploy future Covid-19 vaccines moves into the next phase.

National Outlook

The UK Prime Minister has announced a new package of interventions aimed at supressing community transmission of Covid-19. Hospitality venues across England will have to close by 10 p.m. The new measures in England are: Office workers are being told to work from home again if possible Penalties for not wearing a mask or gathering in groups of more than six will increase to £200 on the first offence
From Thursday 24 September, all pubs, bars and restaurants will be restricted to table service only.
Also from Thursday, hospitality venues must close at 10pm. Face coverings must be worn by taxi drivers and passengers from Wednesday. Retail staff and customers in indoor hospitality venues will also have to wear masks from Thursday, except when seated at a table to eat or drink. From Monday 28 September, only 15 people will be able to attend weddings and civil partnerships, in groups of six. Funerals can still take place with up to 30 people. Also from 28 September, you can only play indoor adult sports in groups of less than six
The Governor of the Bank of England has said the negative interest rates are not imminent, despite speculation. Speaking with the British Chamber of Commerce, Andrew Bailey said markets had read too much in to comments he'd made before, as he identified that a second wave of Covid-19 threatens the economic recovery. The CBI has said that the new Covid rules are 'fatal' for UK businesses. The institute has said firms will need another round of emergency state support to get through new restrictions.

Regional Outlook – Qualitative information from regional partners

Bec Riley WMCA

There is now a rise in redundancies being notified, especially accommodation, food, transport and particularly manufacturing in WM. There are still lots of issues being raised by businesses with lockdowns and support. Kickstart is mixed picture, especially SME participation due to the minimum numbers of 30. There are increased asks for targeted support for furlough especially now further restrictions are in place. New restrictions in Birmingham and Solihull were already affecting consumer spend, and small retailers now seeing a drop again and as it's the end of furlough, the "light at end of tunnel gone out". Extending support is therefore key, many businesses had no support and are looking at another 6 months without support. The closed sectors are still being hit hardest.
With brexit current constraints are leaving businesses unable to prepare, but Brexit now getting back on the agenda. Businesses are happy to prepare but what are they preparing for? At the moment it feels like a cliff edge for them. They can't stockpile this time round as there is no cash available. For example in automotive, to prepare they would need to move from just in time of 1 days stock to 28 days. The issue is that the one size fits all doesn't work as very different issues across businesses and a lack of capacity to support. For example huge impacts on trading standards and environmental health in terms of Brexit, including the recruitment of people to do assessments.

Infection rates

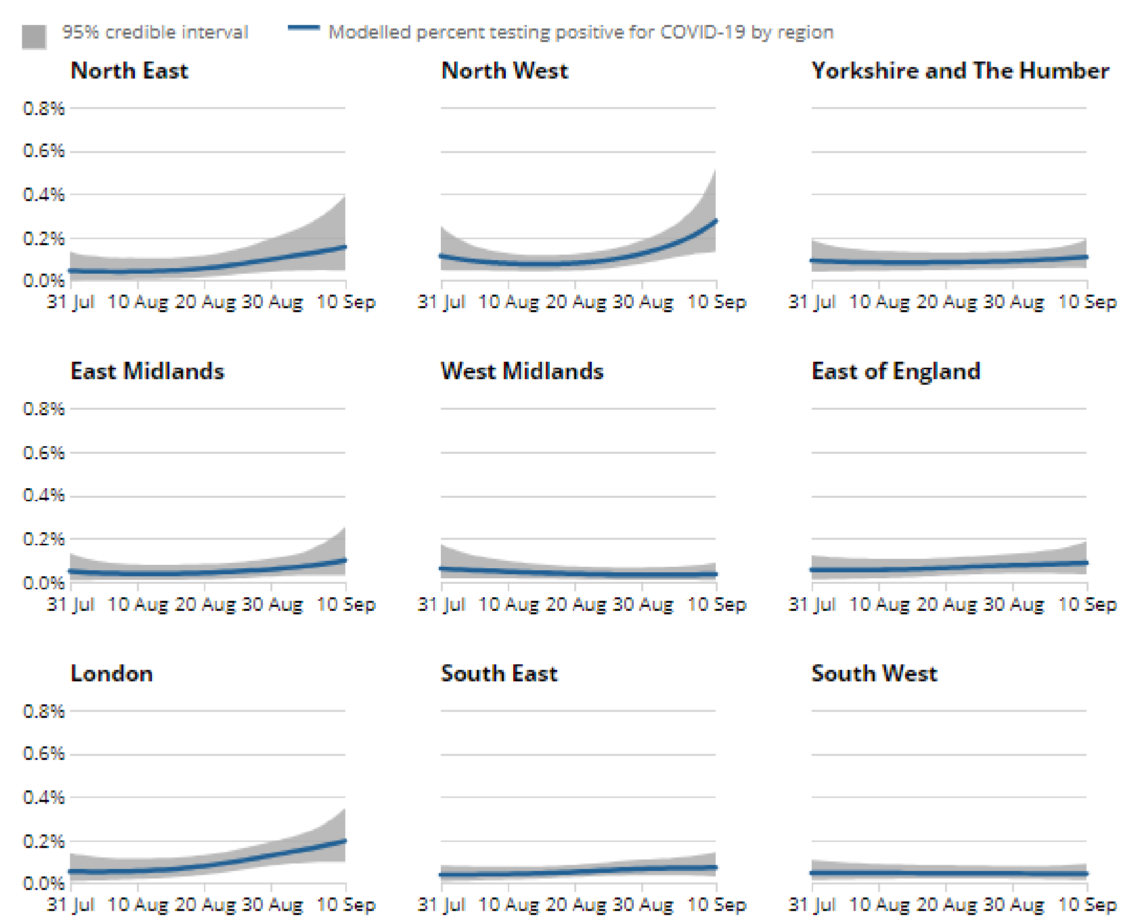
Rebecca Riley WMREDI/WMCA

Europe has seen a [resurgence in infection rates] which is continuing (see graph below). Since 31 December 2019 and as of 23rd [September 2020], **31 658 573** cases of COVID-19 (in accordance with the applied case definitions and testing strategies in the affected countries) have been reported, including **971 869** deaths. In Europe: 4 645 783 cases; the five countries reporting most cases are Russia (1 115 810), Spain (682 267), France (468 069), United Kingdom (403 551) and Italy (300 897). The distributions of global infections and deaths are below.

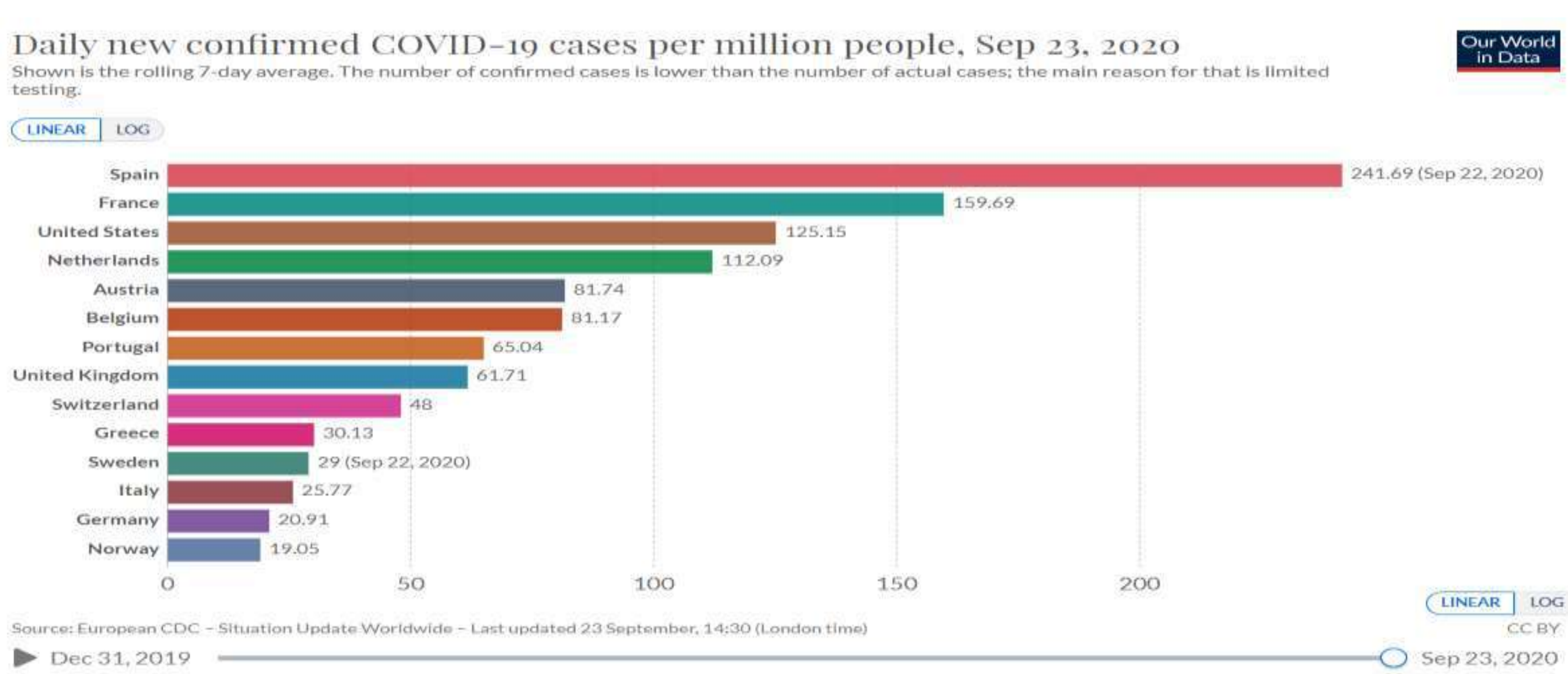
[Latest ONS data] (18th September) An estimated 59,800 people (95% credible interval: 46,900 to 75,200) within the community population in England had the coronavirus (COVID-19) during the most recent week, from 4 to 10 September 2020, equating to around 1 in 900 people (95% credible interval: 1 in 1,200 to 1 in 700)

- The estimate shows the number of infections has increased in recent weeks.
- In recent weeks, there has been clear evidence of an increase in the number of people testing positive for COVID-19 aged 2 to 11 years, 17 to 24 years and 25 to 34 years.
- There is evidence of higher infection rates in the North West and London.
- During the most recent week (4 to 10 September 2020), ONS estimate there were around 1.10 (95% credible interval: 0.77 to 1.51) new COVID-19 infections for every 10,000 people per day in the community population in England, equating to around 6,000 new cases per day (95% credible interval: 4,200 to 8,300).
- The estimates show that the incidence rate for England has increased in recent weeks.
- During the most recent week (4 to 10 September 2020), we estimate that 1,500 people in Wales had COVID-19 (95% credible interval: 400 to 3,900), which is around 1 in 2,000 people (95% credible interval: 1 in 8,200 to 1 in 800).
- Looking at trends over time, from this survey there is evidence that the COVID-19 infection rates have increased in most regions, particularly the North West and London. It is likely that infection rates in all other regions have also increased except the South West and West Midlands. The percentage of people testing positive by region was calculated using a similar modelling approach to the national daily estimates
- There is evidence that infection rates have increased in most regions, particularly the North West and London in recent weeks (see below)

Estimated percentage of the population testing positive for the coronavirus (COVID-19) on nose and throat swabs, daily, by region since 31 July 2020, England



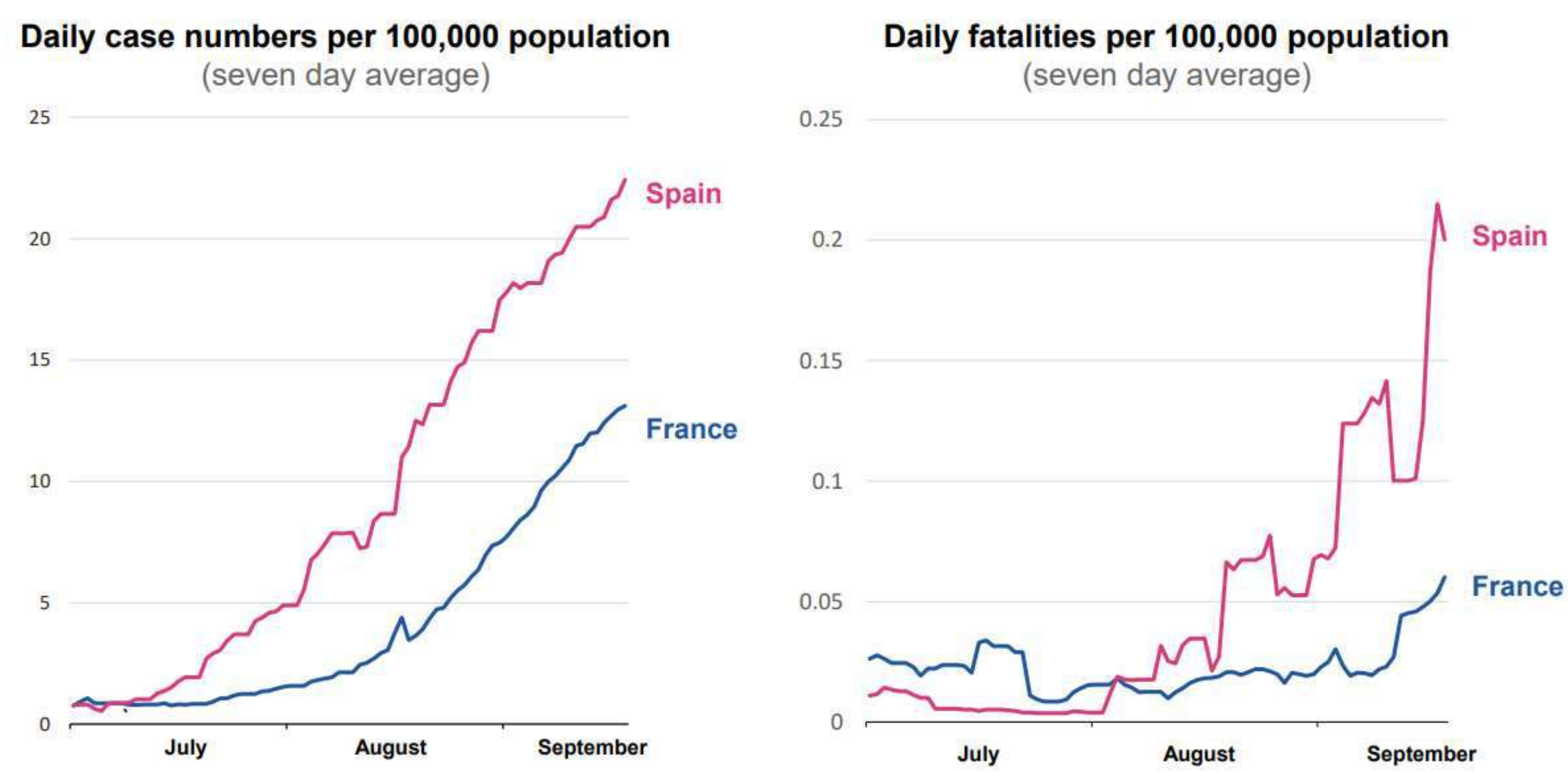
Source: Office for National Statistics – COVID-19 Infection Survey



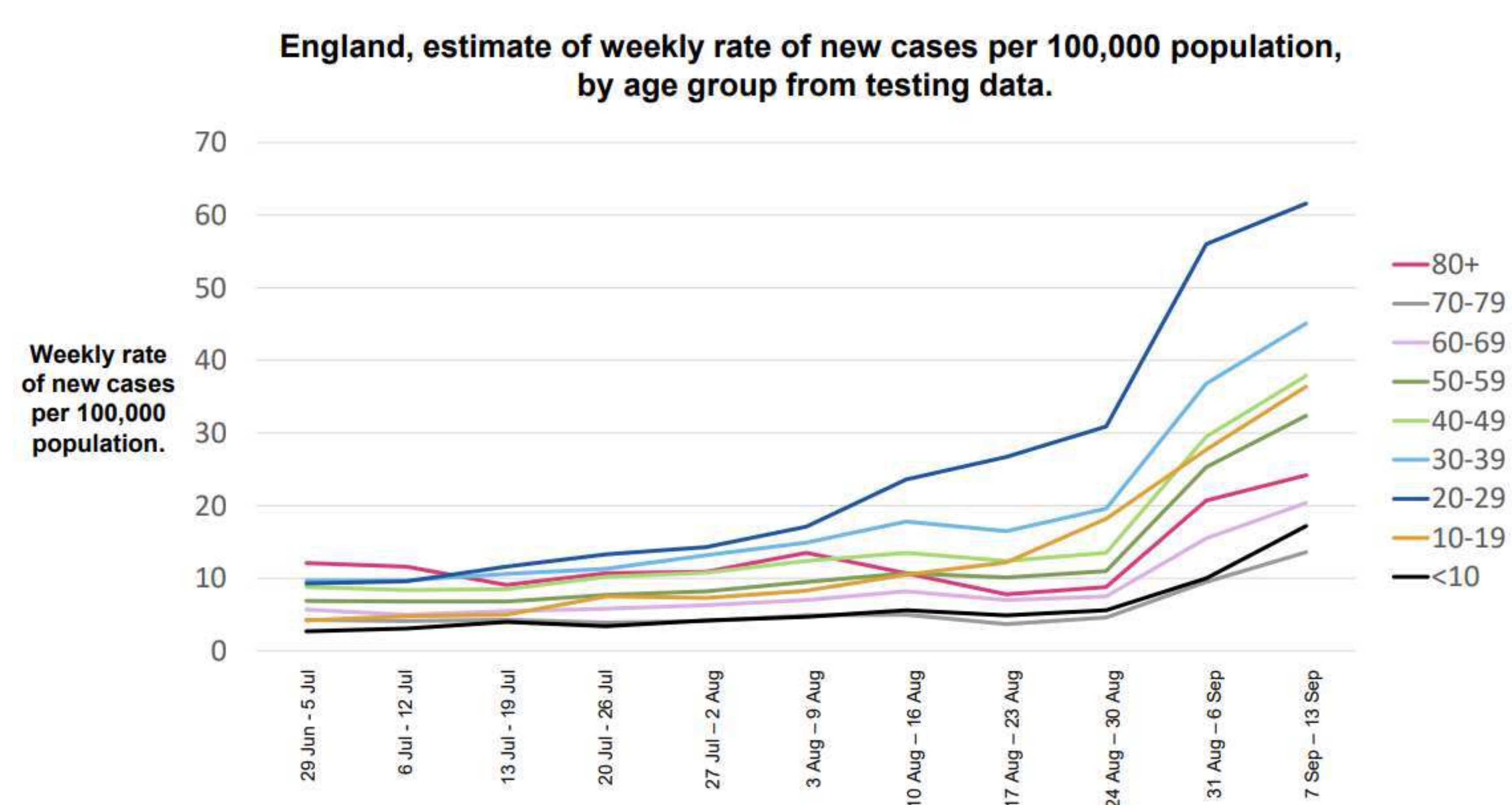
Press Conference 21st September

This week the Chief medical office and Chief Scientific Office gave a presentation on the current health situation. The slides below are from that presentation setting out the current infection rates in the UK.
Key issues:

- The rising rate is nothing to do with increased testing as it is reflected in other sources (such as ONS approach above)
- Rates are increasing across the board but largest increases in younger age groups, who have returned to work and more likely to be in roles with greater exposure
- If current rates continue there will could nearly 50,000 infections by mid October
- Hospitalisations are also increasing with a lag on infections and it is expected that deaths will also increase

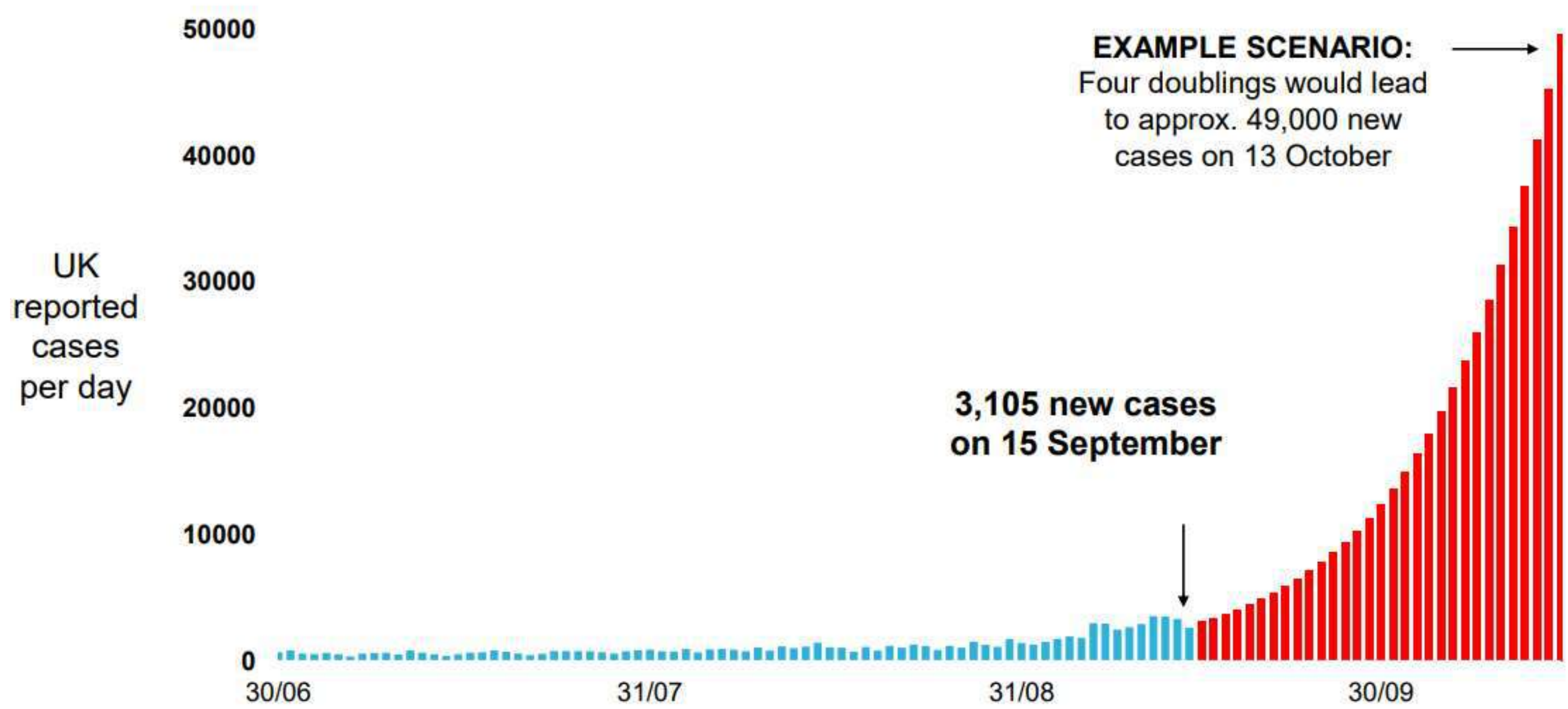


Data from European Centre for Disease Prevention and Control, 18 Sep 2020



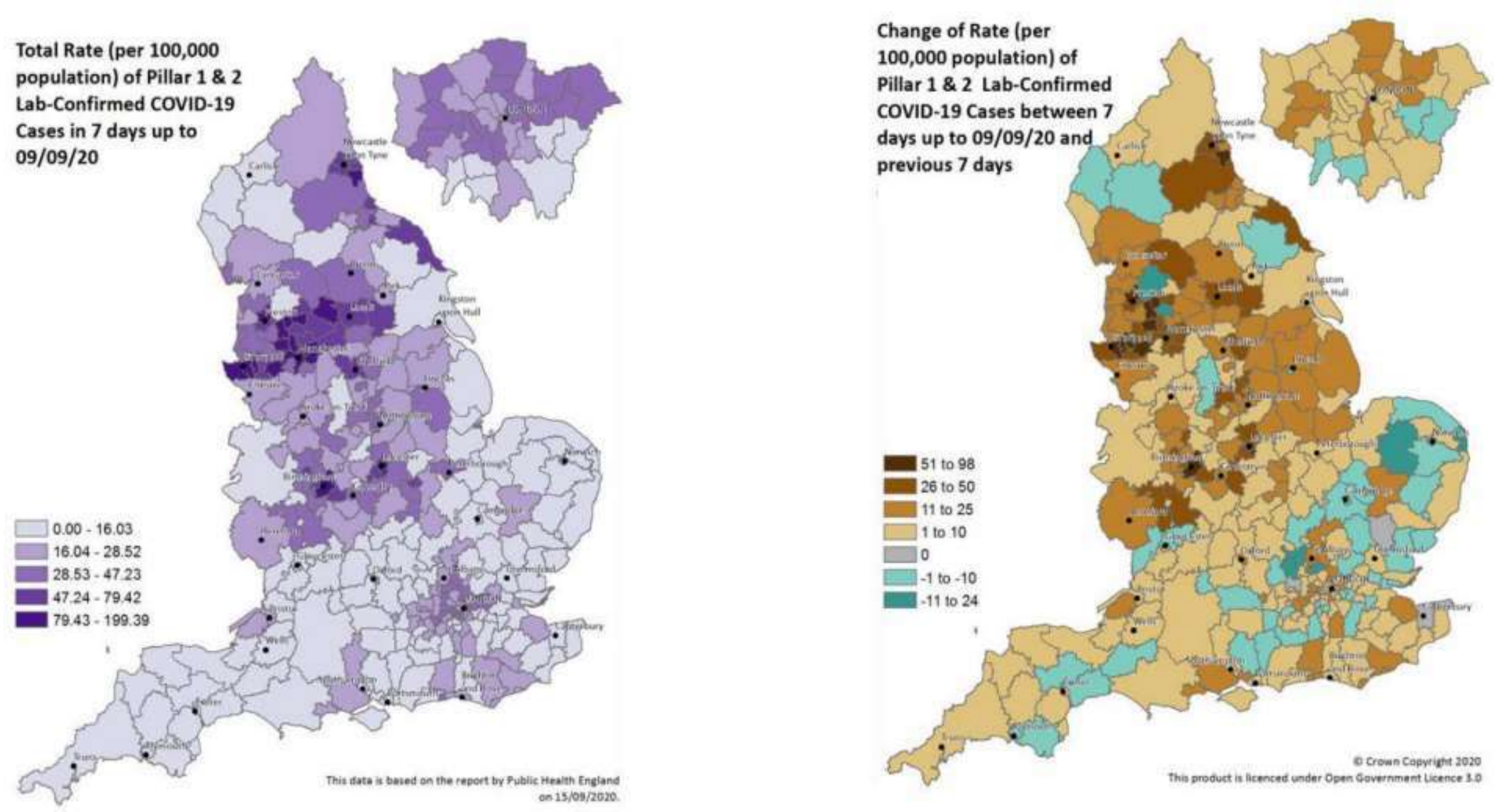
Data from Public Health England, Pillar 1 and 2 data, 18 September. Contains National Statistics data including 2018 population, Crown Copyright and Database Copyright 2020. Note that these numbers are based on testing. The ONS survey data support that prevalence and incidence has increased

If **doubling occurred every seven days what would it look like?**



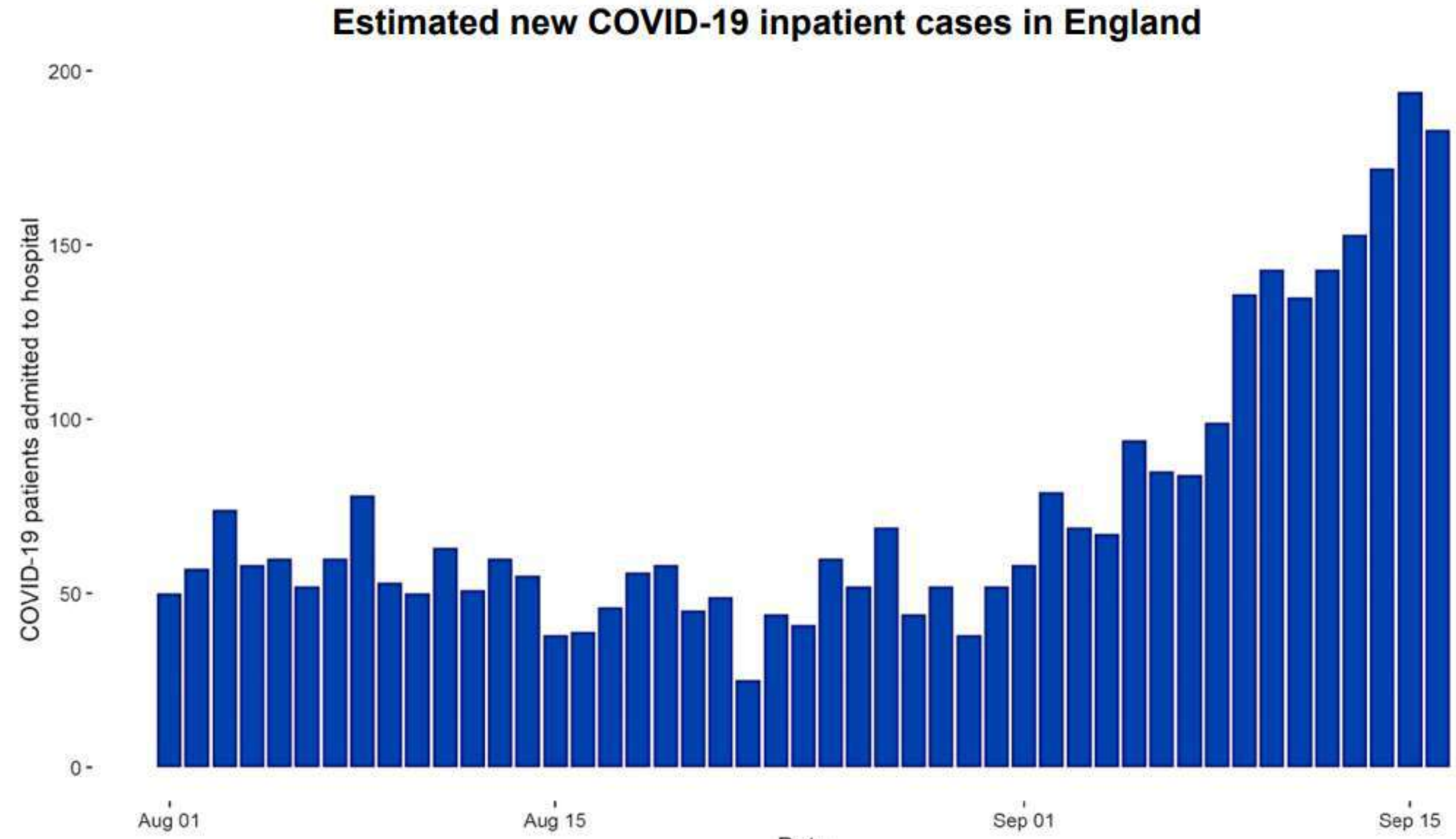
Data before 15 September represents reported cases from UK by reporting date (Public Health England).

Geographical spread of COVID-19 in England



Data from Public Health England Epicell, JBC analysis, 15th September 2020

Estimated new COVID-19 inpatient cases in England



Data from NHS England, 16 September

Sector Impact
BCCEIU/Rebecca Riley WMCA

Reviewing sectoral impacts, the table below shows that 1. the size of the sector in £bns and the % of the whole economy; 2 the estimated proportion of the sector furloughed in the region; 3. The estimated decrease in turnover; 4. the % of sectoral GDP exposed should a no deal brexit happen; 5 overall risk rating based on these factors. As reported elsewhere in the monitor risks with brexit and current restrictions can also vary greatly within sector. This table is to illustrate overall potential risk

Looking across these particular factors together this highlights:

- The most exposed sectors, on balance, are Advanced Manufacturing, Business, Professional and Financial services, Retail and Cultural/Sport economy
- However each factor can impact differently, furlough risk is the current potential expose to high numbers of redundancies or business risk. Some sectors are already finding the current conditions extremely difficult and the estimated impact of a no deal Brexit will compound this.
- Within Advanced manufacturing there is significant variation in Brexit impact due to varying exposure to European markets.

Risk type	1. Size in the economy – impact risk	2. Furlough exposure	3. Decrease in turnover	4. Brexit risk – Midlands is High risk region – 12.2% GDP	5. Overall
Advanced Manufacturing & Engineering	£16.4bn (15.6%)	51.3%	6.5%	Textiles and leather: 41.5% Coke, petroleum, fuels and chemicals: 102.2% Other manufacturing: 24.1% Electric machinery and optical equipment and transport equipment: 50.5% Food beverages and tobacco: 41.5%	High Risk
Construction (Building Technologies)	£7.2bn (6.9%)	58.2%	7.7%	Construction: 4.0%	Medium Risk
Business, Professional & Financial Services	£30.1bn (28.6%)	32.6%	Real estate activities: 3.1% Professional, scientific & technical activities: 5.8% Administrative and support service activities: 17.4%	Financial intermediation: 16.6% Real estate, renting and business activity: 13.4%	High Risk
Digital & Creative	£4.9bn (4.7%)	22.4%	6.5%	Textiles and leather: 41.5%	Medium Risk
Life Sciences & Healthcare	£8.5bn (8.1%)	10.1%	3.7%	Non market services: 2.0%	Low Risk
Logistics & Transport Technologies	£5.0bn (4.8%)	31.8%	18.1%	Distribution: 8.6%	Medium Risk
Low Carbon & Environmental	£4.5bn (4.3%)	21.4%	3.6%	Agriculture: 53.4% Mining, quarrying and energy supply: 24.7%	Medium Risk
Public Sector inc. Education	£11.3bn (10.8%)	7.7%	11.3%	Non market services: 2.0%	Low Risk
Retail	£12.8bn (12.2%)	43.8%	5.7%	Food beverages and tobacco: 32.1%	High Risk
Cultural Economy inc. Sports	£4.3bn (4.1%)	76.4%	Arts, entertainment and recreation: 41.2% Accommodation and Food Service Activities: 26.6%	Hotels and restaurants: 1.7%	High Risk

Sources and explanation:
GVA - ONS, Nominal and real regional gross value added (balanced) by industry, December 2019 release.
Jobs - Business Register and Employment Survey – employees, September 2019 release.
Enterprises - Nomis: UK Business Counts - enterprises by industry and employment size band, October 2019 release.
Furlough - HM Revenue & Customs Coronavirus Job Retention Scheme (CJRS) Statistics: August 2020. Please note data has been proportioned to WMCA (3 LEP) level using the West Midlands region proportions per sector.
Turnover - ONS Business Impacts of Coronavirus (COVID-19) Survey data, 27 August 2020 (data relate to the period 27 July to 9 August 2020)
Brexit exposure - Interregional trade and Exposure to Brexit: Results for the Midlands Engine Economic Observatory (MEEO) , for the full methodology see Chen et al. (2018) . To note Adv Man varies from 24% to 102% at risk. GVA used as a proxy for GDP to represent the % of the total sector economy exposed

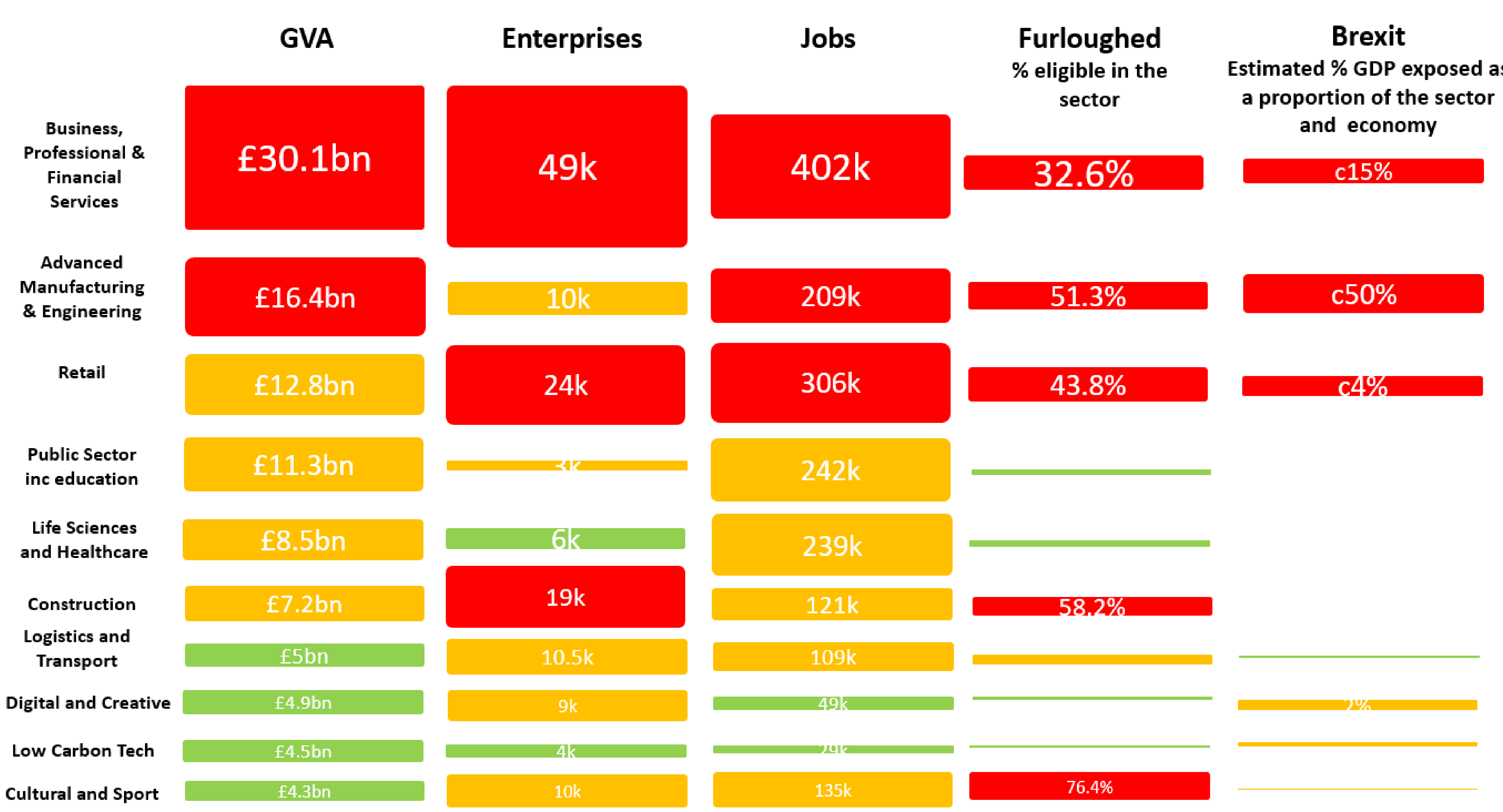
The image below presents the data above visually, comparing the size and impacts across sectors, by factor in order to demonstrate the relative magnitude of impact.

GVA, Enterprise and Jobs columns illustrate the size of the sector as a % of the whole economy, this allows us to see the comparative size of each sector in the region. A red rating in this instance illustrates the relative risk the region faces if that sector suffers a shock.

The furlough column shows the size of the impact relative to the number of the jobs in the sector e.g. 43.8% of jobs in retail sector which overall is the largest at risk sector for jobs in the economy. The Brexit column highlights the relative size of the sectoral exposure to the whole economy e.g. 50% of Advance Manufacturing economy is exposed, which is also a large part of the whole economy, where as only 32% of BPFS and 44% of retail (but they are in fact larger in absolute terms)

Key issues:

- Highest GVA sectors are the most exposed in terms of jobs and brexit, Business, Professional and Financial Services Sector, Advanced Manufacturing and Retail. The first two of these sectors have high GVA than jobs, also making them higher productivity sectors. Manufacturing also has a smaller number of enterprises which increases the overall risk should any fail.
- More resilient sectors are the public sector, life sciences/health and the much smaller high tech sectors of digital and low carbon.
- Culture and Sport 76% all jobs are exposed to potential losses, making the potential losses nearly as significant as the larger sectors.
- Impact of coronavirus could be short-lived, with a rebound, however Brexit is long term structural change which sectors may not recover from and for our 3 largest sectors both have significant effects
- Other issues which may cause exposure, the levels of self employed/single employee ltd company where support has been limited and skills exposure, where brexit impacts on labour markets and capacity. The construction sector is particularly at risk in these 2 factors.



Centre for Brexit Studies Conference-
Global Birmingham
Alex de Ruyter BCU

This week the third annual CBS conference,. Titled ‘Global Birmingham – Beyond Brexit’. The conference will focus on Birmingham and the wider West Midlands beyond Brexit, looking at topics such as the Commonwealth Games, HS2, Manufacturing and the future of the city and region in a post-Brexit (and Covid19) landscape.
As “negotiations” with the EU appear to be going nowhere, the most likely outcome appears to be No Deal (or to use Whitehall parlance, a “non-negotiated agreement”). At present, negotiations appear to be stumbling on the issues of fishing and regulatory alignment. State aid appears to be a particularly acute point of contention, with the EU wanting to avoid the risk of being undercut by state-assisted companies and the UK wanting to maintain very substantial control over its ability to subsidise companies.
Ultimately, the remarkable admission by the UK government that it is prepared to break international law and effectively ignore parts of the Withdrawal Agreement negotiated less than a year ago has eroded trust and risks poisoning relations yet further. In this context, the prospect of a prolonged period of economic and political chaos lies ahead.
For Birmingham, a city once described as the Workshop of the World, the likely impact of a hard Brexit will be particularly pronounced, given our dependence on key manufacturing sectors, notably the automotive industry clustered in the city and surrounds. That key firms such as Jaguar Land Rover have been unable to access UK Government financial assistance under the much-hyped ‘Project Birch’ in the face of Treasury orthodoxy threatens to undermine a key national strategic asset and belies a genuine commitment to “levelling up”.
It was noted in *the Guardian* that “JLR had raised £560m from five Chinese banks in June, in a signal to the Treasury that it had opportunities for securing funds”. However, the “carmarker had been excluded from a Bank of England support scheme because its debt was not rated as investment-grade before the crisis began, meaning it was seen as too risky.”[1] As such, the need for a clear-cut regional manufacturing strategy has never been more acute.
Suffice to say, these prospects pose a major challenge to conventional narratives that posit the city-region (e.g., the “post-industrial city”) as the pre-eminent unit in the world economy, and downplay the nation-state. With a focus on the 2022 Commonwealth Games, we explore these issues in our new article, “Brexit, Birmingham and the 2022 Commonwealth Games: an opportunity for regeneration and rejuvenation?” just published on-line in *Managing Sport and Leisure*.[2]
We also highlight the tensions brought about by the dis-junction between the economic necessity for cities to continue to be operators in a global economy, as opposed to political imperatives that inadvertently re-impose borders, or substitute one set of international economic relationships with another.
Regional stakeholders experience particular challenges having to operate between competing national agendas on the one hand and differences of opinion amongst their own constituencies on the other. Brexit in the UK has thrown these tensions into sharp focus, placing a particular set of pressures upon conventional approaches to place leadership, with our Chambers of Commerce, Local Authorities and the Combined Authority, and Higher Education Providers all seeking to fulfil their core missions amidst conflicting views amongst their own members and constituents.
To this has been added the challenge of responding to Covid19, which has severely impacted on social consumption sectors such as pubs, restaurants and cafes as social distancing measures have taken effect and white-collar professionals continue to work from home. With the prospects that the shifts induced by Covid19 will lead to longer-term reconfigurations of the way we live and work, particular challenges emerge for city centres as traditional “agglomeration economies” in terms of urban design, public transport, high-density living, and retail and recreational spaces.
As such, the event will bring together a wide range of speakers from across the West Midlands and the UK to discuss the post-Brexit environment, with keynote speeches and panel discussions.
The keynote speakers included Sir Vince Cable, former leader of the Liberal Democrats and Visiting Professor at CBS; Anand Menon, Professor of European Politics and Foreign Affairs at King’s College London and Director of UK in a Changing Europe, and; Fiona Allan, Artistic Director and Chief Executive of Birmingham Hippodrome, President of UK Theatre and board member of Midlands Arts Council and West Midlands Growth Company.
These keynote speeches will be complemented by Panel discussions on the following themes: Sport and Regeneration post-Brexit – The Commonwealth Games; Manufacturing – The Impact on the Region; HS2; and the Future of the West Midlands. With the 2022 Commonwealth Games being staged in Birmingham the conference will provide critical insights as to whether the games will promote significant economic development opportunities and business links with Commonwealth countries.
A detailed summary of the event will be included in next weeks monitor

[Regional Scorecard ICAEW]
Oxford Economics

KEY POINTS

• GVA and employment may fall by more than the UK average in 2020. That may be followed by a slightly faster than average recovery in 2021, but after that the region will probably underperform the UK slightly.

• Employment in 2021 is likely to be lower than it was pre-virus, at 2.87m compared with 2.95m in 2019.

• The region is more manufacturing intensive than the UK average but has a smaller than average hospitality sector. Digital connectivity is, however, slightly better than average.

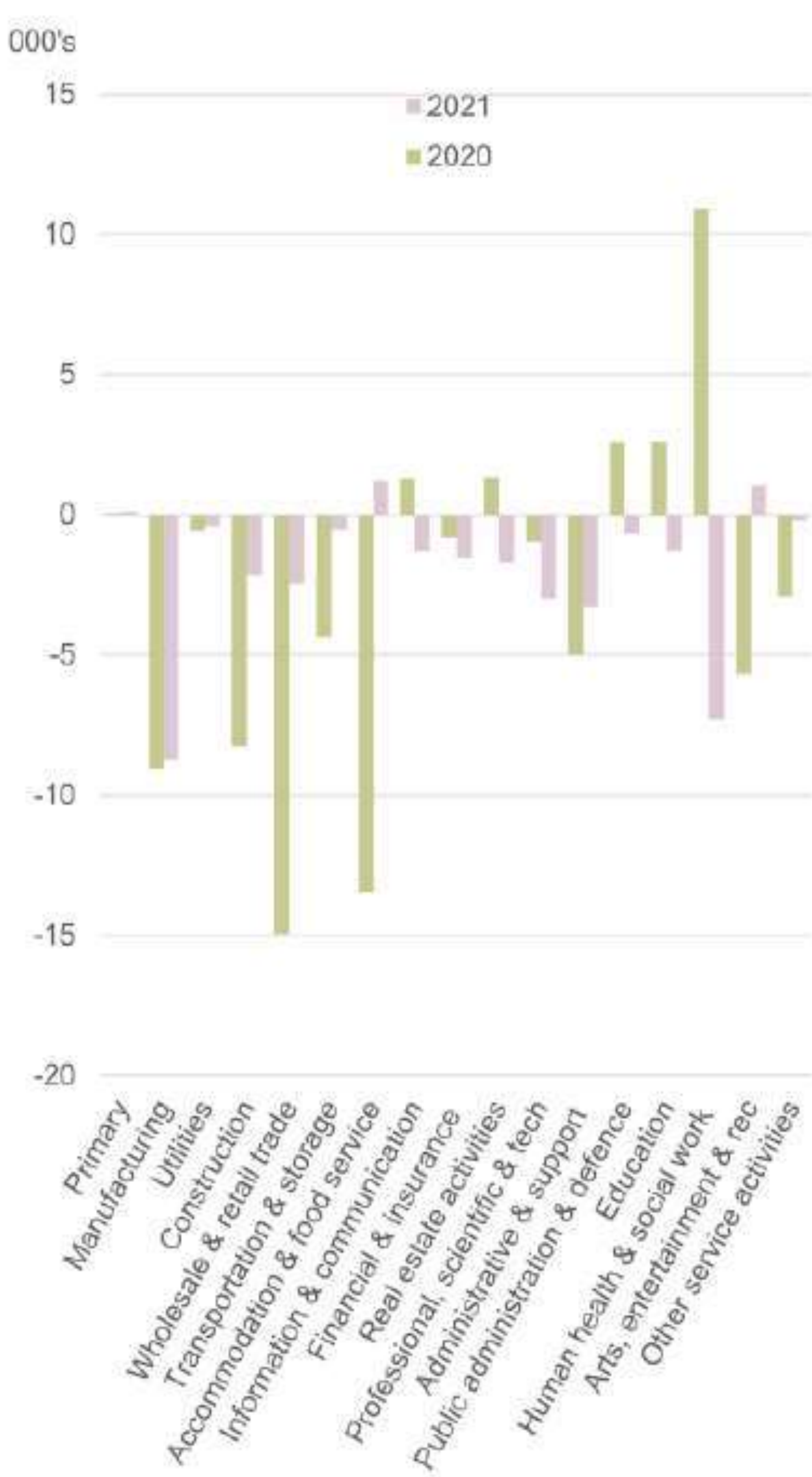
Oxford Economics Structural Vulnerability Scorecard

West Midlands	(UK=0)
Trade	0.3
Pop 65+	0.1
Hospitality	-0.7
Retail	1.0
Manufacturing	1.4
Self-employed	-0.4
Work from home	0.5
Small firms	-0.5
Internet	-0.9
Hospital beds	0.0
Pop density	0.1

Greater than 0 is more exposed than UK average

Source: Oxford Economics

Employment, change, 2020-21

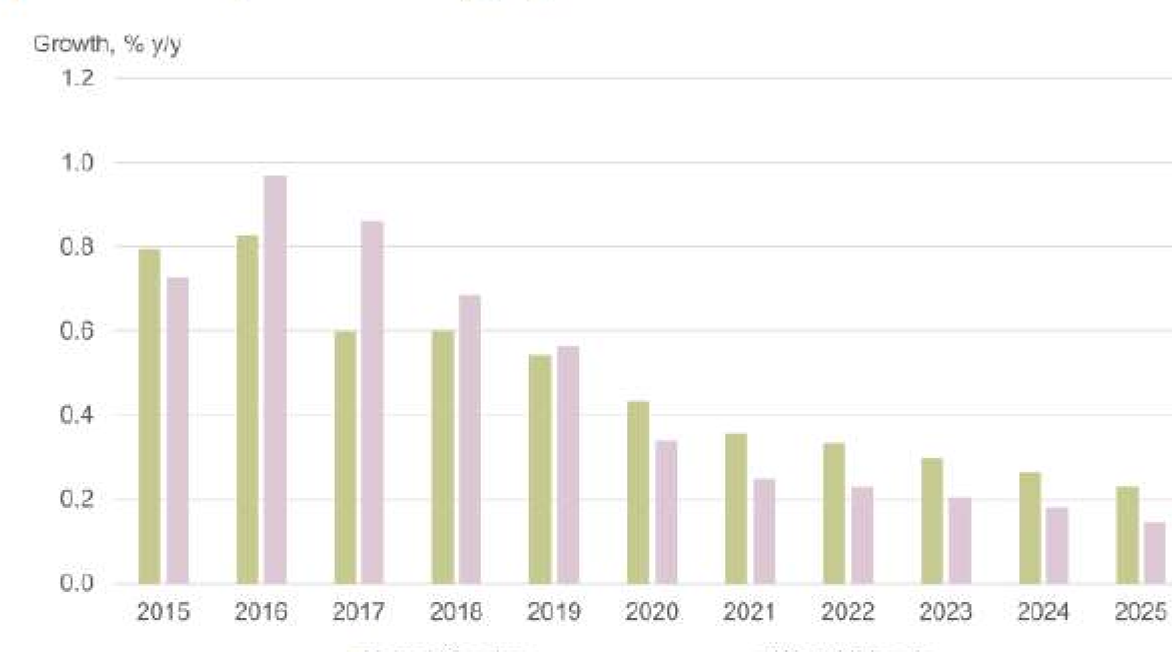


Source: ONS, Oxford Economics

GVA, % change, 2015-25

Source: ONS, Oxford Economics

Population, % change, 2015-25



Source: ONS, Oxford Economics

Make UK Q3 Outlook 2020

HEADLINES

Make UK's Q3 2020 *Manufacturing Outlook* report, in partnership with BDO, contains the follow-up to some of the worst results ever witnessed within the survey since 1998, courtesy of COVID-19.

The latest results indicate that manufacturers are still faring poorly in the current economic climate, but that performance in comparison to last quarter is greatly improved. Still, the numbers on output, orders, employment and investment remain amongst the worst results observed on record.

As the UK enters a period of recovery, the latest survey reported a better than predicted output balance of -36%. Promisingly, UK manufacturers forecast the trend towards growth to continue over the next quarter.

The investment intentions balance also worsened to -32%. As the UK endeavours to reinvigorate itself on the global stage it is concerning that manufacturers either fear, or are unable to invest in new technologies. Manufacturers are aware that the next critical step in the sector's evolution is to promote the adoption of new technologies, coupled with a skills revolution.

UK prices improved, whilst domestic margins moved in the opposite direction. Export prices and margins reported the reverse results, indicating that manufacturers are reducing prices to increase sales overseas due to a lack of domestic demand.

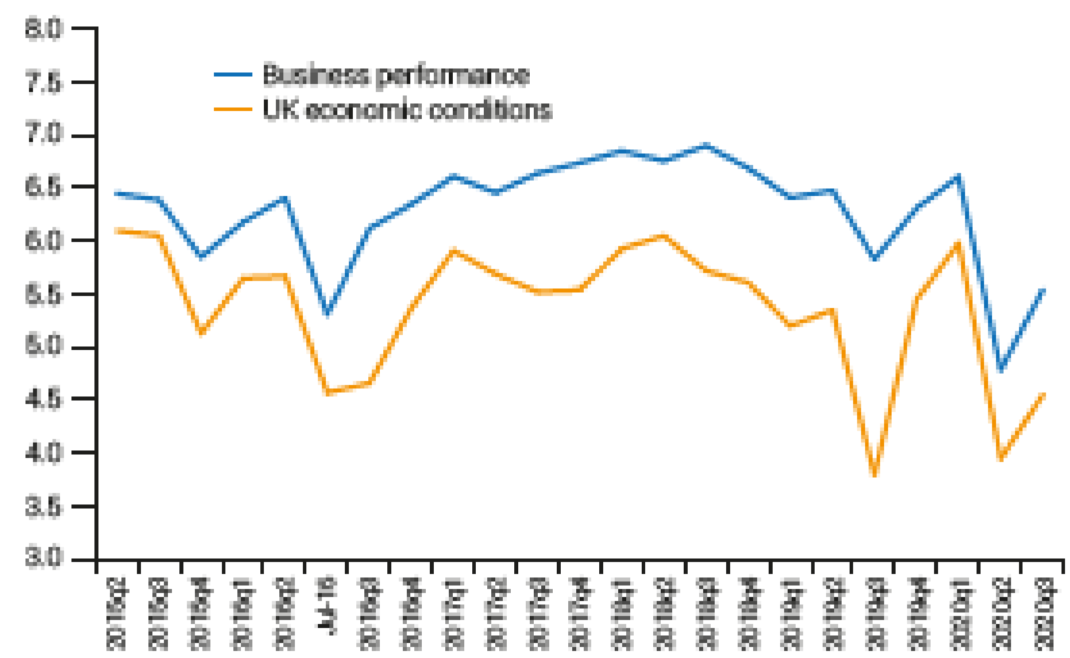
Confidence has become more positive since Q2 with improvements experienced across all regions.

UK orders have been negative since the aftermath of uncertainty from multiple EU exit deadlines. Following the abysmal results of last quarter, the UK order balance improved in line with the output balance to -36%. The export order balance followed suit to -34%. Although these figures indicate an overall contraction in the industry, they are more positive than last quarter meaning that a larger proportion of the industry's performance either improved or did not worsen. Encouragingly, that trend is expected to continue going forward and this is also reflected in the latest results for business confidence too. However, the data evidences against a quick V-shape recovery for manufacturing.

The employment balance reported a worse -29%, in line with redundancy expectations revealed in other Make UK surveys. Interestingly, as output and order levels improve, UK manufacturers are still cutting back on staff. Whether this is a sign that firms are adapting to the new trading environment by increasing productivity with a smaller workforce remains to be seen.

Confidence picking up following Q2 crash

Confidence in the next 12 months 1 = substantially worse, 10 = substantially better



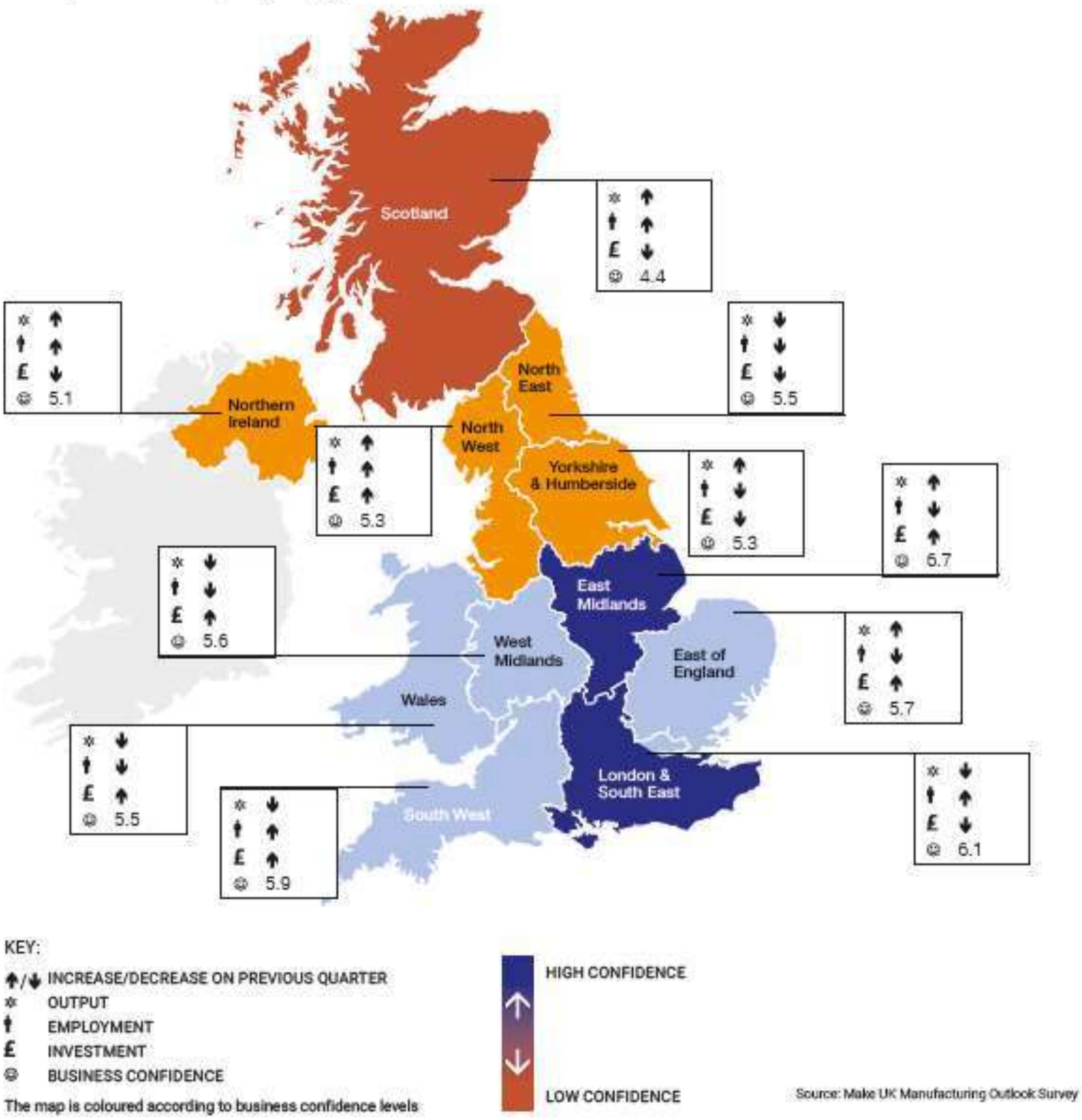
Source: Make UK Manufacturing Outlook Survey

INDICATOR	BALANCE	CHANGE	
Confidence	5.54	↑	Business confidence increased across all regions
Output	-36%	↑	Output balance improved but remains very negative
UK orders	-36%	↑	UK orders improved but remains very negative
Export orders	-34%	↑	Export orders improved but remains very negative
Employment	-29%	↓	Firms continue to cut jobs despite the furlough scheme
Investment	-32%	↓	Investment intentions declines further

Source: Make UK Manufacturing Outlook Survey

NATIONAL & REGIONAL

All regions and nations, barring Scotland, have reported positive, albeit marginal, business confidence this quarter. This tempered positivity reflects the UK's exit from the strictest of the lockdown measures which created a very difficult operating environment for manufacturers in the UK. In this quarter's research, the grouping of these confidence values is tight, telling of the homogeneity of some of the operational challenges businesses face throughout the country. Barring another UK-wide lockdown, confidence would be expected to creep upwards in a similar vein to that of orders and output.

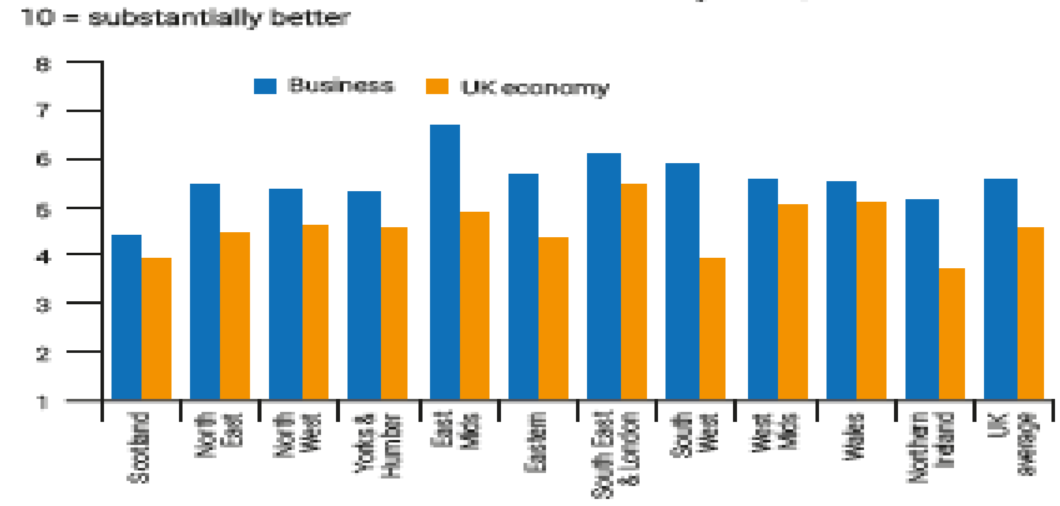


Source: Make UK Manufacturing Outlook Survey

The highest confidence levels were reported in the East Midlands and the South East & London regions, with levels reported at 6.66 and 6.11 respectively ('5' being the inflexion point between negativity and positivity). Out of all other regions and nations in the UK, these were the only two to report a value of 6 and above. While it is typical that the South East & London see higher than average confidence, the East Midlands will have seen such a rise as the very large manufacturing base located in that region getting back to business has had positive network effects on manufacturers' business outlooks.

Firm-level confidence returns to marginal positivity, although UK economy confidence remains negative

Confidence in the next 12 months 1 = substantially worse, 10 = substantially better

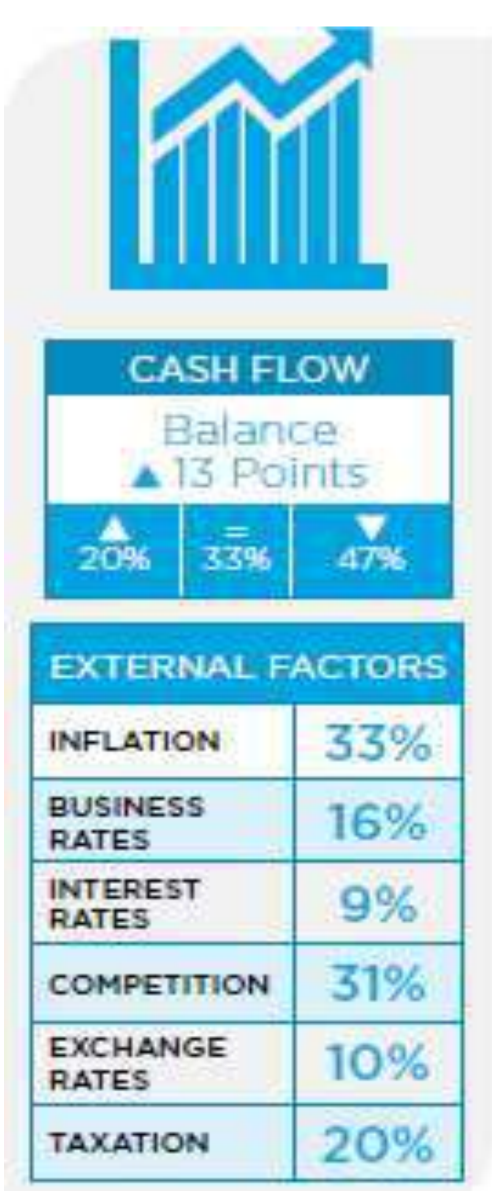


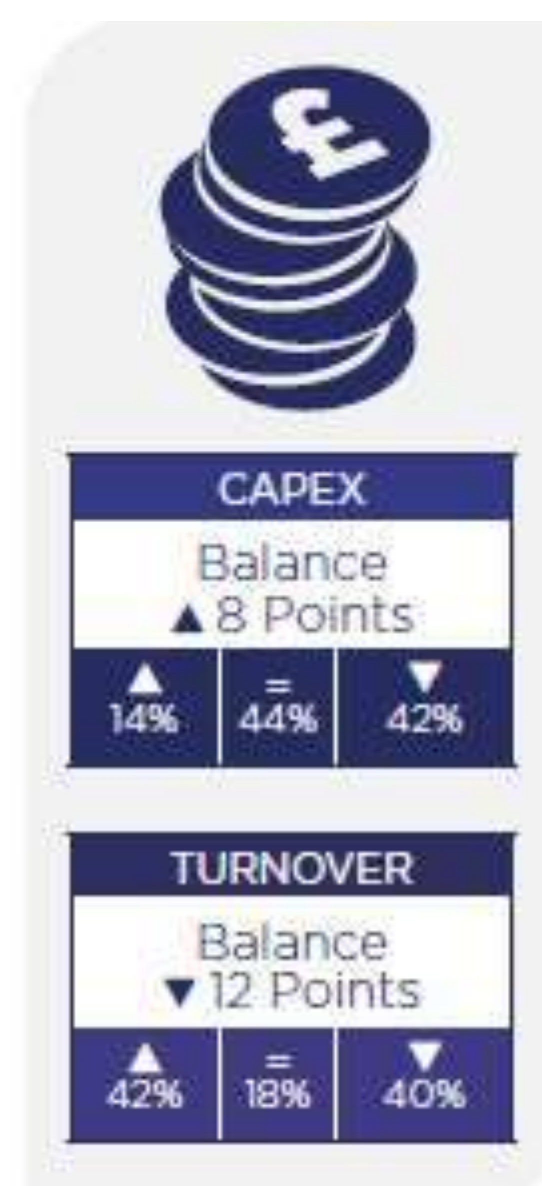
Source: Make UK Manufacturing Outlook Survey.

Greater Birmingham Chambers QBR Q3 2020

Raj Kandola

Amongst the uncertainty created from the fallout of Covid-19, the spectre of Brexit looms large over the local business community. As the United Kingdom approaches the end of its negotiation period with the European Union, the GBCC included a set of additional questions in the current survey which aimed to assess the extent to which firms felt prepared ahead of the end of the Brexit Transition period. In total, 67% suggested they felt sufficiently prepared" ahead of the 31st December deadline (of which, 18% indicated they were "very repared" and 49% "somewhat prepared"). By contrast, just under a quarter of businesses intimated a lack of preparedness (with 5% suggesting they were "very unprepared") as we approach the end of the year.
Businesses were also asked the extent to which Covid-19 and the associated economic conditions had impacted on their capacity to prepare for the end of the transition period.
49% reported the fall out from Coronavirus had not impacted their plans whereas 32% revealed that the unique circumstances created by the advent of Covid-19 had reduced their capacity to effectively prepare for the significant changes that Brexit is likely to bring. As our data shows, the extent to which the Government can effectively quell the spread of the virus will have a tacit impact on their ability to effectively secure a trade deal with the European Union which offers the business community the certainty and clarity they so desperately crave – put simply, sleepwalking into a disorderly no deal scenario would have profound ramifications for firms in our region and beyond. Our advice for businesses remain simple – prepare for what you can control and the GBCC is running a number of online Brexit webinars to support local firms through the process – full details can be found on the GBCC website.





Self-Employment Income Support Scheme (SEISS) – Claims Received up to 31st August
BCCEIU

Summary

Across the WMCA (3 LEP) area, there were 173,200 of the population eligible for the Self-Employment Income Support Scheme (SEISS). There were 107,500 claims made to the 31st August 2020, which equates to a value of £257,400,000 or on average £2,500 per claim. The take-up rate for the WMCA (3 LEP) was 62%.
At a West Midlands regional level, overall, there were around 261,000 of the population eligible for the SEISS, which is a take up rate of 60% based on the total number of claims of 157,000. This can be split further by gender and there was a total potentially eligible male population of 186,400 for the SEISS, which equates to a take-up rate of 62% at the end of August which is based on the total number of claims of 116,000. There were 74,600 eligible female population for the West Midlands region with a take-up rate of 55% based on the total number of claims of 40,800.
Applying broad sectors to the WMCA 10 sectors shows in the West Midlands region, the sector with the highest eligible population for the SEISS is in construction at 81,200 and also had the highest number of claims with 53,600 and a total value of £163,900,000. Although, transport technologies had the highest take-up rate at 74%.

In Depth - WMCA (3 LEP)

Across the WMCA (3 LEP) area, there were 173,200 of the population eligible for the Self-Employment Income Support Scheme (SEISS). There were 107,500 claims made to the 31st August 2020, which equates to a value of £257,400,000 or on average £2,500 per claim. The take-up rate for the WMCA (3 LEP) was 62%.
Compared to July 2020, across the WMCA (3 LEP) area the total eligible population has decreased by 1,800, the number of claims decreased by 28,200 with the value dropping by £115,500,000. The average value decreased by £400 and the take-up rate reduced by 16 percentage points.
The following table shows a breakdown by parliamentary constituency for eligible population, claims and take-up rate for the SEISS up to 31st August 2020. Eligible population varies from 3,200 in Wolverhampton North East to 6,400 in Birmingham, Hodge Hill. Total number of claims vary from 1,900 in Wolverhampton North East to 4,400 in Birmingham, Hodge Hill. The total value of clams varies from £4,800,000 in Birmingham, Edgbaston and Wolverhampton North East to £9,000,000 in Cannock Chase. The take-up rate varies from 53% to 68%.
Take-up is based on total number of claims to date (excludes error and rejected cases) over total potentially eligible population (includes error and rejected cases).
The following table shows a breakdown by local authority across the WMCA (3 LEP) area for eligible population, claims and take-up rate for the SEISS up to 31st August 2020. The take-up rate varies from 54% in Rugby and Stratford-on-Avon to 66% in Cannock Chase.

	Total potentially eligible pop.	Total no. of claims made to 31/8/20	Total value of claims made to 31/8/20	Average value of claims made to 31/8/20	Take-Up Rate
Cannock Chase	5,000	3,300	£9,000,000	£2,700	66%
East Staffordshire	5,200	3,000	£7,100,000	£2,300	58%
Lichfield	4,800	2,900	£7,900,000	£2,700	61%
Tamworth	3,000	1,900	£4,700,000	£2,500	63%
North Warwickshire	3,200	1,900	£5,100,000	£2,600	61%
Nuneaton and Bedworth	4,900	3,000	£7,500,000	£2,500	62%
Rugby	4,400	2,400	£6,200,000	£2,600	54%
Stratford-on-Avon	7,500	4,100	£11,100,000	£2,700	54%
Warwick	5,600	3,200	£8,200,000	£2,600	57%
Birmingham	46,100	29,400	£63,900,000	£2,200	64%
Coventry	12,900	8,100	£18,900,000	£2,300	63%
Dudley	14,400	9,300	£22,800,000	£2,500	64%
Sandwell	13,000	8,300	£18,300,000	£2,200	63%
Solihull	7,900	4,900	£13,500,000	£2,800	61%
Walsall	11,900	7,700	£18,800,000	£2,400	65%
Wolverhampton	9,800	5,900	£13,700,000	£2,300	60%
Bromsgrove	4,600	2,700	£7,300,000	£2,700	60%
Redditch	3,800	2,400	£6,100,000	£2,500	63%
Wyre Forest	5,200	3,100	£7,300,000	£2,400	59%
WM 7 Met.	**116,100**	**73,600**	**£169,900,000**	**£2,300**	**63%**
BCLEP	49,100	31,200	£73,600,000	£2,400	64%
CWLEP	38,500	22,700	£57,000,000	£2,600	59%
GBSLEP	85,600	53,600	£126,800,000	£2,500	63%
WMCA (3 LEP)	**173,200**	**107,500**	**£257,400,000**	**£2,500**	**62%**
West Midlands	261,000	157,000	£382,000,000	£2,400	60%
United Kingdom	3,390,000	2,019,000	£5,109,000,000	£2,500	60%

West Midlands: Claims by Age and Gender

At a West Midlands regional level, overall, there were around 261,000 of the population eligible for the SEISS, which is a take up rate of 60% based on the total number of claims of 157,000. This can be split further by gender and there was a total potentially eligible male population of 186,400 for the SEISS, which equates to a take-up rate of 62% at the end of August which is based on the total number of claims of 116,000. There were 74,600 eligible female population for the West Midlands region with a take-up rate of 55% based on the total number of claims of 40,800.

The highest take-up rate in the West Midlands for males were those aged 25 – 34 years old and 35- 44 years old at 67%, with the lowest take-up rate for those aged 65 years and over at 44%. While for females, the highest take-up rate was those aged 25-34 years old at 59%, with the lowest take up rate for those aged 65 years and over at 36%.

Please note, due to rounding the total figure may not equal the gender split.

West Midlands Region: Claims by Sector

Applying broad sectors to the WMCA 10 sectors shows in the West Midlands region, the sector with the highest eligible population for the SEISS is in construction at 81,200 and also had the highest number of claims with 53,600 and a total value of £163,900,000. Although, transport technologies had the highest take-up rate at 74%.

The following table shows a breakdown by sector for the West Midlands region:

	Total potentially eligible population	Total no. of claims made to 31/8/20	Total value of claims made to 31/8/20	Average value of claims made to date	Take-Up Rate
Advanced Manufacturing	7,000	4,000	£10,300,000	£2,600	57%
Business, Professional & Financial Services	51,900	29,800	£63,200,000	£2,600	57%
Construction	81,200	53,600	£163,900,000	£3,100	66%
Cultural Economy inc. Sports	11,900	6,800	£14,800,000	£2,200	57%
Digital & Creative	2,400	1,200	£3,200,000	£2,700	50%
Environmental Technologies	8,700	2,400	£6,500,000	£2,700	28%
Health	11,500	5,600	£14,200,000	£2,500	49%
Public Sector inc. Education	9,400	6,300	£12,500,000	£2,100	67%
Retail	17,900	9,400	£21,500,000	£2,300	53%
Transport Technologies	23,900	17,700	£29,800,000	£1,700	74%
Unknown	35,300	19,800	£41,700,000	£2,100	56%
Total	**261,100**	**156,600**	**£381,600,000**	**£2,400**	**60%**

Source: HMRC, Self-Employment Income Support Scheme (SEISS) Statistics: September 2020

UK Regional Trade in Goods Statistics: Year Ending Q2 2020
BCCEIU

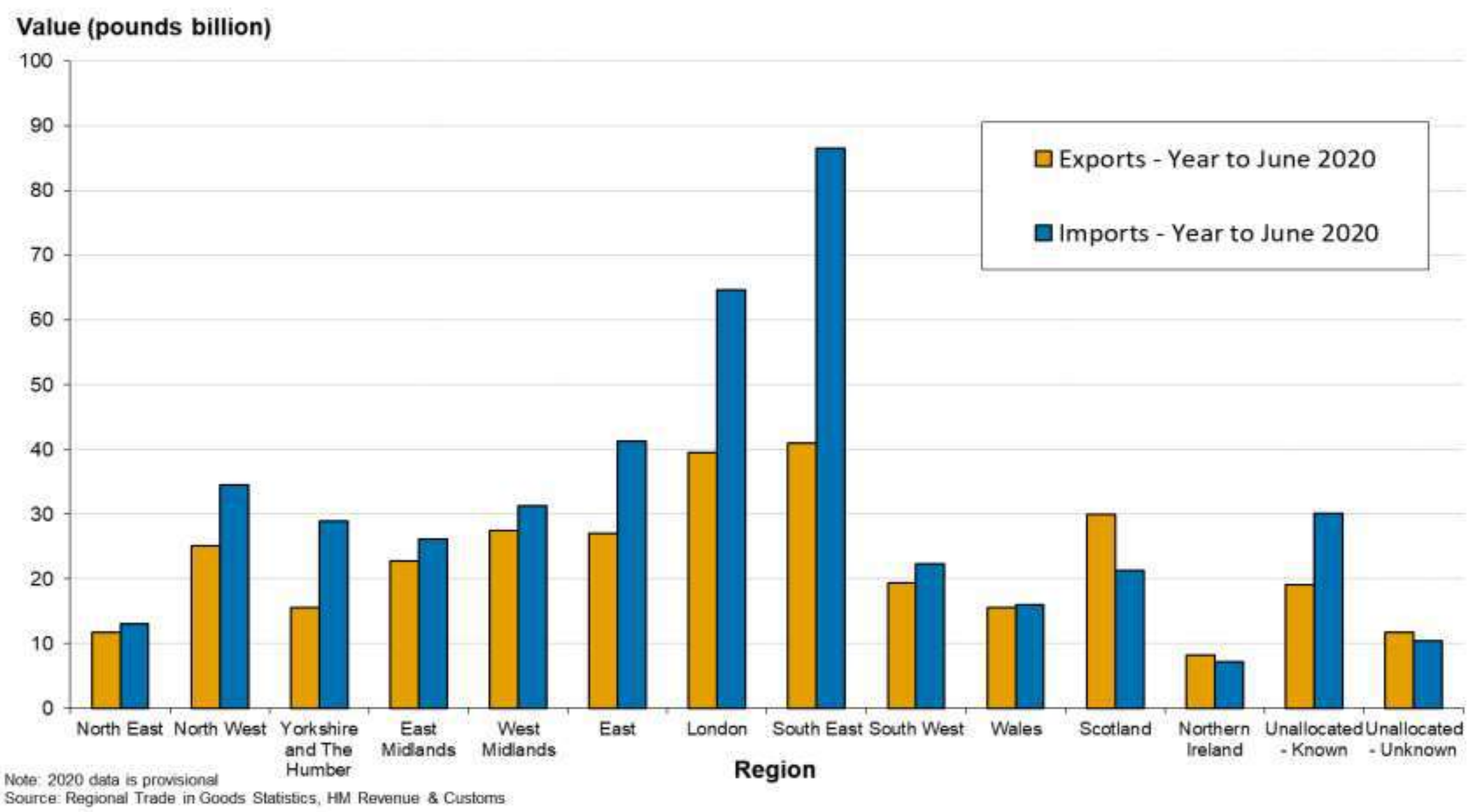
Key Points:
In the year ending Q2 2020, the West Midlands regional export value was worth nearly £27.5bn, a decrease of 14.4% (-£4.6bn) when compared to the year ending Q2 2019. The UK decreased by 9.0% to reach £314.2bn.

In the year ending Q2 2020, the West Midlands imported nearly £31.3bn worth of goods, this has decreased by 18.0% (-£6.9bn). While the UK decreased by 12.0% to reach £433.7bn.

The West Midlands has a trade deficit of £3.8bn.

The largest export section in the West Midlands was machinery and transport at £18.9bn – 68.7% of the total. Compared to year ending Q2 2019, this has decreased by 14.8% (-£3.3bn).

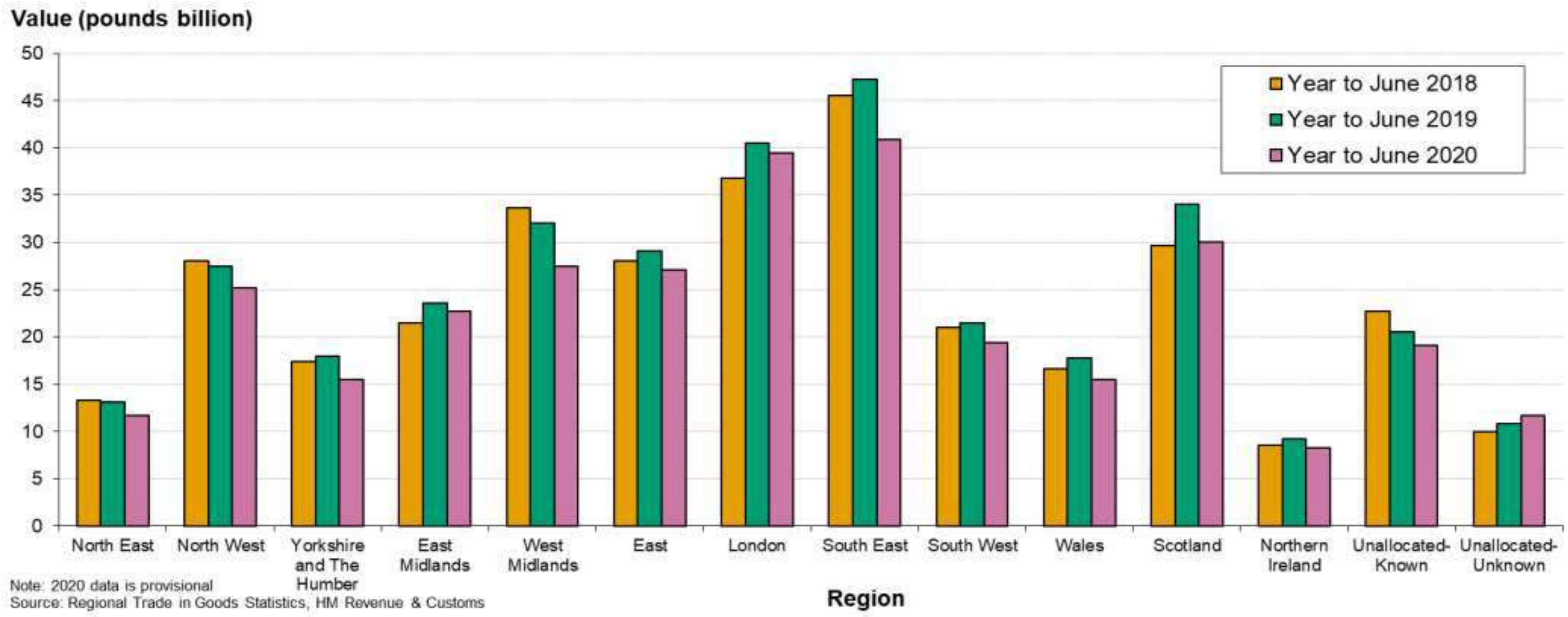
In Detail:
The following figure shows the value of imports and exports by region. The West Midlands exported £27.5bn and imported £31.3bn, leading to a trade deficit of £3.8bn which is a smaller gap when compared to the year ending Q2 2019 (£32.1bn exported and £38.2bn imported) when the trade deficit was £6.1bn.



Exports
In the year ending Q2 2020, all the UK regions experienced a decrease in export values compared to the year ending Q2 2019. The highest value decrease in exports was in the South East by £6.3bn (-13.4%) to £41bn. This was followed by the West Midlands by £4.6bn (-14.4%) to £27.5bn and Scotland by £4bn to £30bn. While the UK exports decreased by 9.0%.

The West Midlands region exports account for 8.7% of all UK exports. This is the fourth highest UK region with the South East the highest at 13.0% followed by London (12.6%) and Scotland (9.6%).

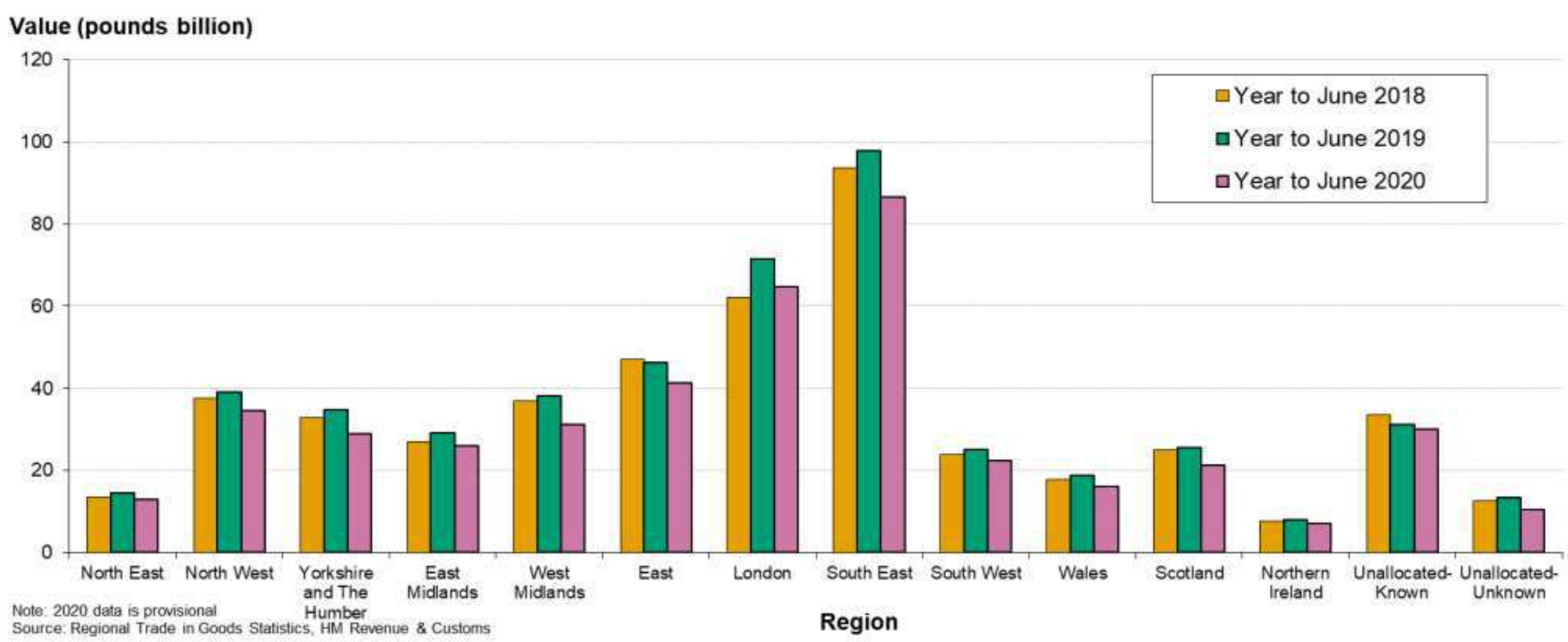
Value of Exports



Imports

The value of the West Midlands region imports decreased by 18.0% (-£6.9bn) to £31.3bn in the year ending Q2 2020 compared with Q2 2019. The UK decreased by 12.0% to £433.7bn over the same period.

Value of Imports



Sectors

The largest export SITC section in the West Midlands is machinery and transport at £18.9bn – 68.7% of the total. Compared to year ending Q2 2019, this has decreased by 14.8% (-£3.3bn).

10.4% (£2.9bn) of goods exported from the West Midlands comes from manufactured goods, followed by 10.0% (£2.7bn) for miscellaneous manufactures.

Imports across all SITC sections decreased between the year ending Q2 2019 and Q2 2020.

The SITC sector with the largest value imported was machinery and transport at £13.9bn, which is 44.4% of total imports. This has decreased since Q2 2019 by 17.6% (-£3bn).

19.8% (£6.2bn) of imports are from manufactured goods, followed by 16.3% (£5.1bn) in miscellaneous manufactures.

Destinations

The highest value of exports was to the European Union at £12.3bn, accounting for 44.8% of the total. However, there was a decrease of 18.0% (-£2.7bn) from the year ending Q2 2019. This is followed by North America at £7bn, accounting for 25.6%, this has decreased by 5.5% (-£409m) since year ending Q2 2019.

The highest value of imports was from the European Union at £18.8bn, accounting for 60.0% – a 20.7% decrease (-£4.9bn) from year ending Q2 2019. This is followed by Asia and Oceania at £7.7bn (24.5%), with a decrease of 10.4% (-£893m).

The following tables shows a breakdown of exports and imports by SITC Section and Country Group and the change between year ending Q2 2019 and Q2 2020.

	West Midlands			UK		
Figures in £ million	Year Ending Q2 2019	Year Ending Q2 2020	% Change on Year	Year Ending Q2 2019	Year Ending Q2 2020	% Change on Year
Exports by SITC Section						
0 Food and Live Animals	£703	£629	-10.5%	£15,134	£15,107	-0.2%
1 Beverages and Tobacco	£77	£80	3.9%	£8,005	£6,940	-13.3%
2 Crude Materials	£799	£689	-13.8%	£7,324	£6,044	-17.5%
3 Mineral Fuels	£355	£167	-53.0%	£35,751	£25,952	-27.4%
4 Animal and Vegetable Oils	£36	£26	-27.8%	£545	£532	-2.4%
5 Chemicals	£1,637	£1,347	-17.7%	£53,842	£52,659	-2.2%
6 Manufactured Goods	£3,340	£2,870	-14.1%	£31,683	£31,153	-1.7%
7 Machinery and Transport	£22,162	£18,879	-14.8%	£134,770	£119,374	-11.4%
8 Miscellaneous Manufactures	£2,902	£2,735	-5.8%	£49,706	£47,623	-4.2%
9 Other commodities nes	£73	£54	-26.0%	£8,328	£8,809	5.8%
Total Exports	£32,086	£27,475	-14.4%	£345,091	£314,190	-9.0%
Imports by SITC Section	Year Ending Q2 2019	Year Ending Q2 2020	% Change on Year	Year Ending Q2 2019	Year Ending Q2 2020	% Change on Year
0 Food and Live Animals	£2,761	£2,580	-6.6%	£40,873	£40,052	-2.0%
1 Beverages and Tobacco	£277	£244	-11.9%	£6,802	£6,144	-9.7%
2 Crude Materials	£571	£523	-8.4%	£11,071	£10,672	-3.6%
3 Mineral Fuels	£965	£517	-46.4%	£48,964	£35,138	-28.2%
4 Animal and Vegetable Oils	£111	£108	-2.7%	£1,383	£1,384	0.1%
5 Chemicals	£2,501	£2,154	-13.9%	£59,241	£52,553	-11.3%
6 Manufactured Goods	£7,924	£6,177	-22.0%	£57,432	£50,996	-11.2%
7 Machinery and Transport	£16,849	£13,876	-17.6%	£182,470	£160,832	-11.9%
8 Miscellaneous Manufactures	£6,191	£5,086	-17.8%	£77,778	£69,475	-10.7%
9 Other commodities nes	£14	£9	-35.7%	£6,942	£6,425	-7.4%
Total Imports	£38,163	£31,275	-18.0%	£492,953	£433,671	-12.0%

Source: Regional Trade in Goods Statistics, HM Revenue & Customs

Source: HM Revenue & Customs, UK Regional Trade in Goods Statistics Quarter 2 2020 – Released 17th September 2020

Transport Data – Travel Survey

The Wave 2 Covid-19 impact survey was an online survey promoted via WMCA social media channels and emailed directly to members of WMCA/TfWM databases. Results are compared where relevant to Wave 1.
Wave 1 took place at the height of lockdown from 30th April to 11th May 2020. Some lockdown restrictions started to be eased on the 10th May.
Wave 2 took place from 11th June to 1st July 2020 following the easing of restrictions around groups being able to meet outdoors and some limited opening of schools. During the survey period non essential shops and public facing businesses started to re-open. The wearing of face coverings became mandatory on public transport on June 15th. 3397 responses were received in total.

Key Findings (1):
Travel in the last 7 days was largely for shopping and work, a significant minority had not made a trip. As lockdown restriction eased there was an increase in social and leisure trips.
• Car was the main way to travel for all journeys, the exception to this was amongst non car owners, where bus and walking was most common.
• Non car owners were more likely to have travelled for work than car owners, in comparison car owners were more likely to have made trips for shopping or social/leisure reasons.
• Compared to travel before lockdown, there was a decrease in public transport use amongst all groups of respondents, the decline was even noticeable amongst non car owners, albeit to a lesser extent.
• Amongst those making commuting trips there was an increase in car use, especially amongst those who prior to lockdown had commuted by rail or Metro. Significant numbers of workers are still not travelling due to working from home/furlough. This patterns looks set to continue to some extent with the majority of homeworkers saying that they and their employers were happy with continued home working.
• Concerns about using public transport post lockdown remain. However, the proportion feeling extremely concerned declined in comparison to Wave 1. Younger people had fewer concerns about using public transport, as did those who were currently making use of it. Amongst those who had previously travelled by public transport most would only resume its use if their employer makes them go back to work or when the advice is that it is safe to use.
• Current public transport users tended to be satisfied with how the operators had handled the pandemic and with the clear social distancing measures in place, they were much less satisfied with the behaviour of their fellow passengers. This sentiment intensified following announcement that wearing of face coverings was mandatory on public transport.
• In terms of improving safety, the provision of hand sanitiser and the wearing of face coverings seemed to offer most reassurance.
• A significant minority thought any decision to end cash payments on transport would have an impact on them as they preferred to pay cash for budgeting reasons or didn’t have access to contactless payments.
• In terms of new ways of paying. mobile apps seemed most popular followed by bundles of day tickets. Younger respondents were most receptive to new ways of paying.

Key findings (2):
• As lockdown eases fewer respondents thought they were walking or exercising more compared to wave 1, indeed more people though they were exercising less in comparison to levels prior to lockdown. More positively compared to wave 1 there was an increase in the proportion thinking they were cycling more.
• Pop up cycle lanes and bus/cycle only lanes were most likely to encourage cycling and were some of the most popular changes to street design, along with cordoning off space outside shops/wider pavements to make social distancing easier. Respondents were least supportive of closing side streets to through traffic to create low traffic neighbourhoods.
• Concerns about the pandemic remain high, with only a slight reduction in concerns levels compared to Wave 1. Younger respondents continued to be least concerned.
• Respondents felt the pandemic has had a positive effect on the environment and the community, but that it has had a negative effect on education, jobs, health and transport.
• Because of this it is perhaps unsurprisingly to find that the top priorities for recovery were jobs, health and education.
• Optimism for the future was largely outweighed by more pessimistic views. Respondents were most optimistic about the ability of the community to become more united. Views were more polarised on the ability of the economy to recover locally and nationally and least optimistic about the ability to protect the environment.

ONS Weekly Release Indicators

BCC EIU

On the 17th September 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, initial results from Wave 13 of the Business Impact of Coronavirus Survey (BICS), experimental online job advert indices and data on the social impacts of coronavirus on Great Britain.

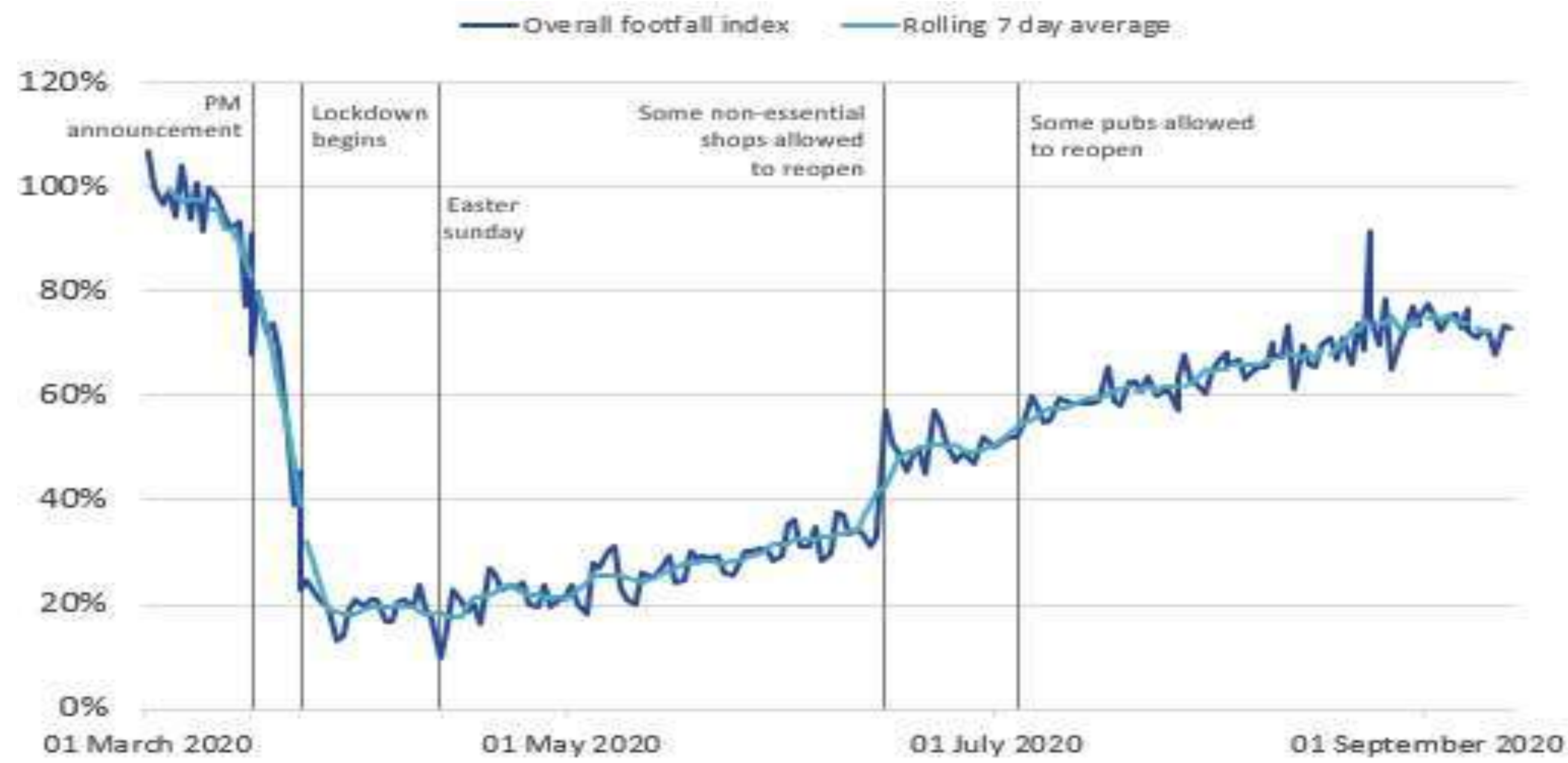
The Opinions and Lifestyle Survey (OPN) has not been released for this edition but will return in the next publication.

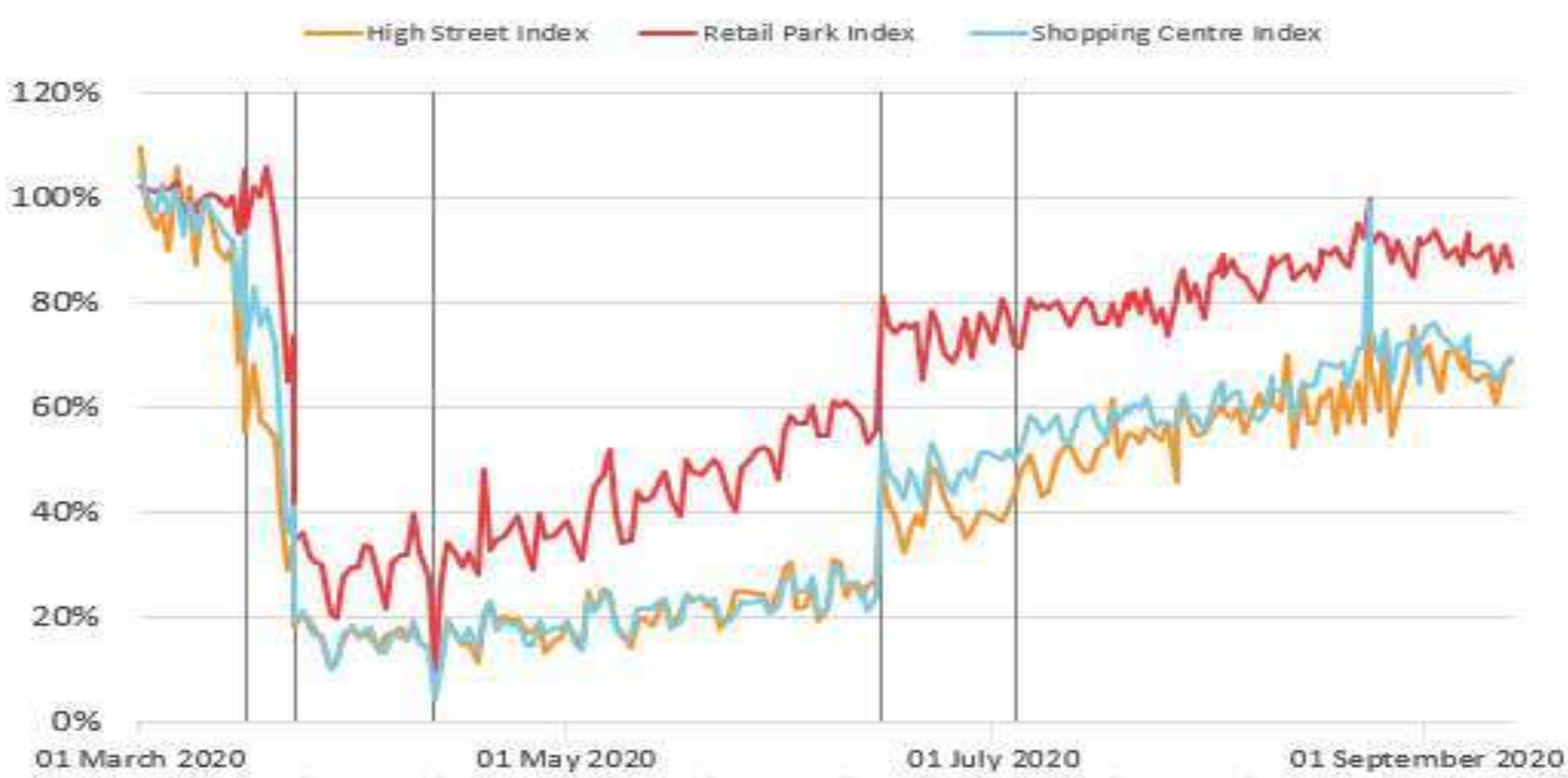
National Footfall

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 for the week starting 7th September 2020 was around 72% of the 2019 level. This is a decrease from 75% that was recorded two weeks ago. High streets, shopping centres and retail parks all experienced a decrease varying between one and three percentage points.

The following graph shows the volume of footfall for the UK between 1st March to 13th 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 3,083 incorporations per working day in the week starting 5th September. This is a decrease from 3,836 per working day from the previous week (29th August), however this is above the Quarter 3 2019 average of 2,612.

Also, for the week starting 5th September, on average per day there were 1,004 voluntary dissolution applications. This is a decrease from 1,071 for the week starting 29th August and is similar to the quarter 3 2019 average of 1,008 per day.

Business Impact of the Coronavirus

The initial results from the thirteenth round of the Business Impact of Coronavirus Survey (BICS) show that of the 23,900 businesses surveyed across the UK, 21% had responded. Unless stated, the following data is based on the period between 24th August to 6th September 2020 and regional breakdown is not available.

Headline Indicators

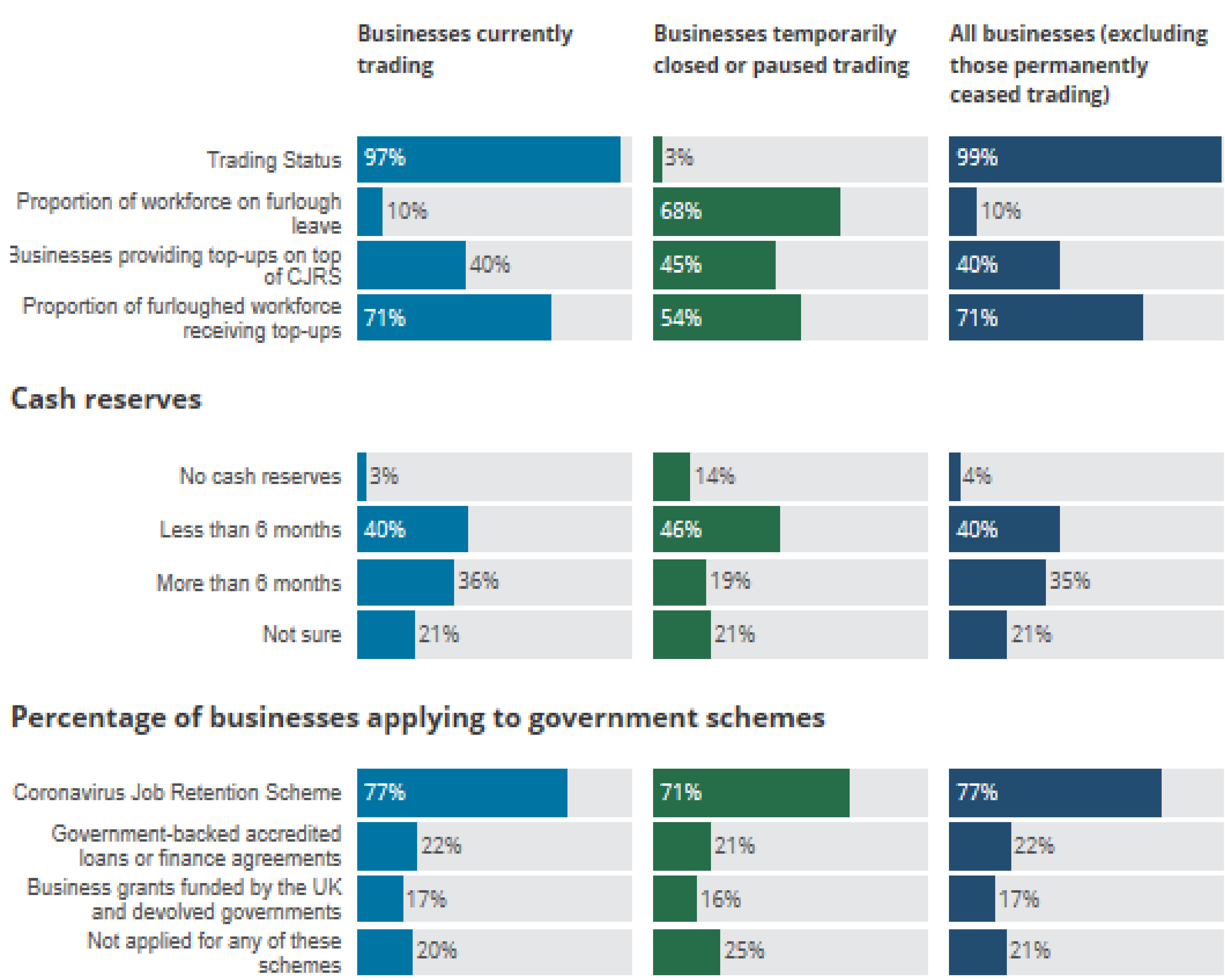
Please note - The proportion of the furloughed workforce receiving top-ups to their pay in this period will be affected by the change to the furlough scheme; from 1 September, all employers must contribute 10% on top of the government's 70% contribution. However, businesses may have referred to the reference period of the previous two weeks, which included eight days in August. Across the UK between 24th August to 6th September, 97% of responding businesses were currently trading with 10% of the workforce on furlough leave. 40% of businesses are providing pay top-ups to the Coronavirus Job Retention Scheme and 71% of the workforce are receiving top-ups to the Coronavirus Retention Scheme.

3% of businesses have temporarily paused or closed trading with 68% of the workforce on furlough leave. 45% of businesses are providing pay top-ups to the Coronavirus Job Retention Scheme and 54% of the workforce are receiving top-ups to the Coronavirus Retention Scheme.

3% of businesses that are currently trading have no cash reserves, this rises to 14% for businesses that have temporarily paused or closed. 40% of businesses currently trading has less than 6 months of cash reserves, this rises to 46% for businesses that have temporarily paused or closed.

The Coronavirus Job Retention Scheme still remains the favoured government support scheme with 77% of businesses that are currently trading have applied for this scheme, decreasing to 71% for businesses that have temporarily paused or closed.

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



Source: ONS - BICs

95% of responding businesses have been trading for more than the last 2 weeks. 1% of responding businesses who had temporarily paused trading reported to have started trading in the last 2 weeks. Less than 1% of businesses that have temporarily paused trading but intend to restart trading in the next two weeks and 2% of businesses that have temporarily paused trading that do not intend to restart trading in the next two weeks.
47% of businesses were deferring VAT payments and 22% of businesses were using business rates holidays. While 13% were using HMRC's Time to Pay Scheme.

Financial Performance

Just under 12% of businesses that have continued trading reported turnover had increased by at least 20%. While 35% reported that turnover had not been affected. However, 46% of businesses reported turnover had decreased by at least 20%.

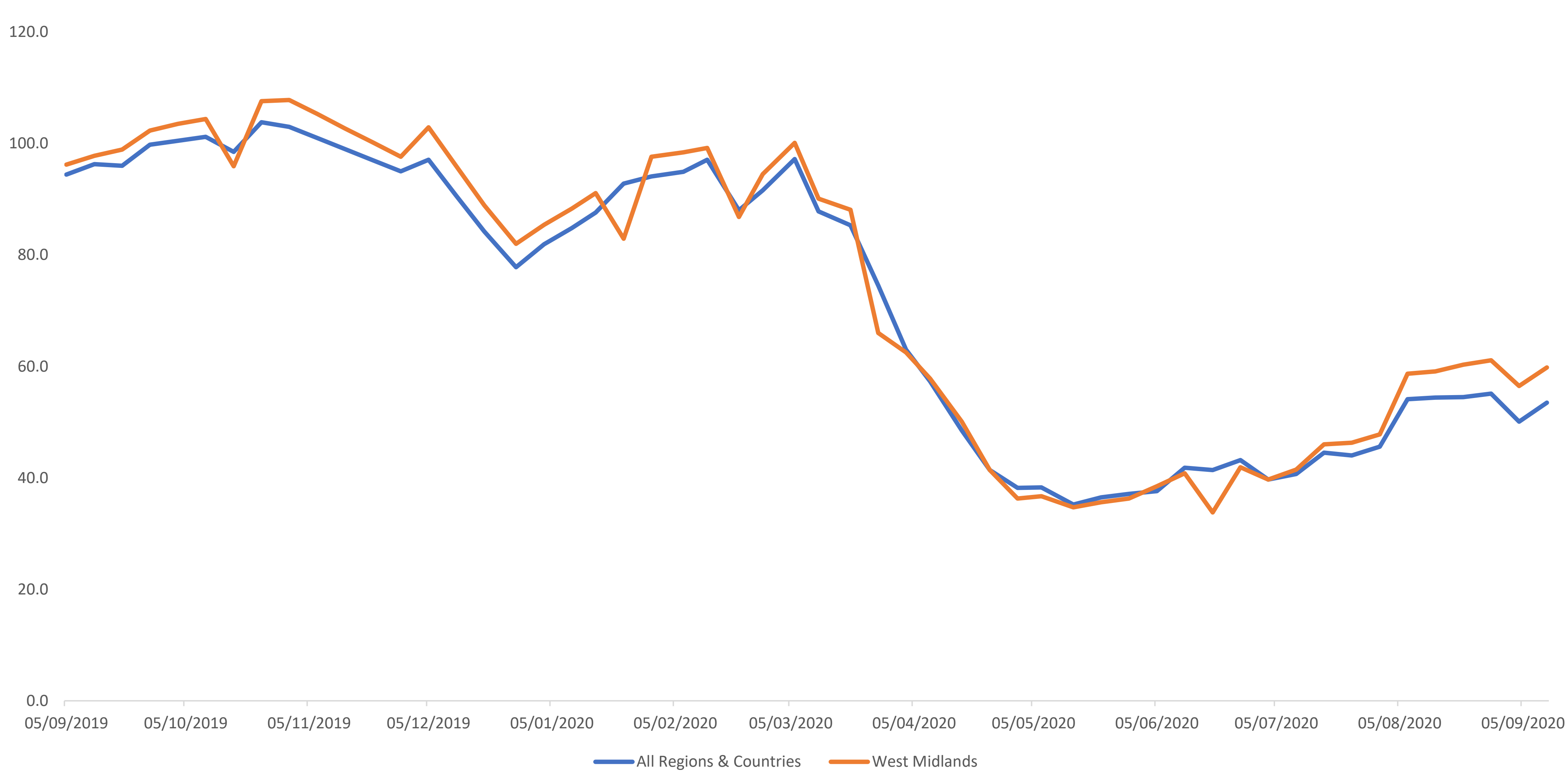
Insolvency

2% of UK businesses reported to be at severe risk of insolvency and 9% were at moderate risk of insolvency. While 48% were at low risk and 30% were at no risk to insolvency.

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 have increased from 50.1% (of the 2019 average) in the week of the 4th September to 53.5% (of the 2019 average) in the week of the 11th September 2020. Out of the 29 categories, 26 had increased from the previous week with the part-time / weekend category increasing the highest at 31 percentage points (pp) to 105.9% of its 2019 average. While, in contrast, the largest decrease was for graduate by 2 pp but still to 40.6% of its 2019 average.
For the West Midlands, the total online jobs adverts have increased from 56.5% (4th September) to 59.8% (11th September) of its 2019 average. Yorkshire and The Humber were the only region of the UK that had a decrease in the number of adverts when compared to the 4th September (-1.4pp). The West Midlands had the fifth highest increase of all countries and regions in the UK, where Northern Ireland had the highest increase of 6.0pp, followed by Wales with 4.2pp and the South West with 3.9pp.

The following chart shows the total weekly job adverts on Adzuna, for all regions and the West Midlands, 5th September 2019 to 11th September 2020: index 2019 average = 100, percentage points:



Source: Adzuna

Social Impacts of the Coronavirus

Indicators from the Opinions and Lifestyle Survey (OPN) is to help understand the impacts of the COVID-19 pandemic on people, households and communities in Great Britain. The data relates to the final results for Wave 24, covering the period 9th – 13th September 2020. In this wave there were 1,694 (68%) responding adults. Please note this week refers to 9th – 13th September and two weeks ago refers to 26th to 30th August (wave 23) as there was a week gap in publications.

Meeting other people and households

For the period of 9th to 13th September, over 6 in 10 (61%) adults said they had socialised indoors with at least one household other than the household in their support bubble. A similar proportion (56%) said they had socialised outdoors with at least one household, excluding their support bubble.

Just under 3 in 10 (29%) adults said they had not socialised with anyone outside their household in the past seven days, similar to two weeks ago (28%). Nearly 6 in 10 (57%) adults said they had socialised with between one and five other people at the same time, and a further 13% said they had socialised with a group of six or more other people. Again, this is similar to two weeks ago, at 60% and 12% respectively.

Face Coverings

More than 9 in 10 (95%) adults who had left their homes said they had worn a face covering to slow the spread of the coronavirus (COVID-19) at least once in the past seven days – this has been at a similar level since the end of July.

Over 9 in 10 (94%) adults with children or young people in their household that were due to start or return to school or college this autumn term said they had all attended. For those adults with children or young people attending school, just under 4 in 10 (38%) said that all or some of their children had worn a face covering to prevent the spread of COVID-19 in school. Of those whose children had worn a face covering, 63% said it was mandatory and 25% said it was voluntary.

Test and Trace

Across Great Britain, for adults who visited public indoor places such as restaurants or hairdressers this week, over 3 in 10 (31%) said they were always asked to provide their personal details for the test and trace service.

A further 15% said they were asked very often to provide their personal details, but 26% said they were never asked.

Of those who were asked to provide their details, nearly 7 in 10 (69%) said they did so every time.

Work

50% of working adults reported that the pandemic was affecting their work, an increase of 3pp compared to two weeks ago.

Over 6 in 10 (62%) working adults reported they had travelled to work (either exclusively or in combination with working from home) in the past seven days, while 20% had worked exclusively at home.

Weekly Deaths Registered: 11th September 2020 BCCEIU

The following analysis compares the latest time period (week of the 11th September 2020) to the previous week period (week of the 4th September 2020) for the number of deaths registered and the number of deaths related to the Coronavirus.

Across England and Wales, the overall registered death figure increased from 7,739 in the week of 4th September to 9,811 in the week of 11th September. The number of deaths registered that state Coronavirus on the death certificate increased from 78 people to 99 people over the same period.

Regional level analysis shows that the West Midlands the overall registered death figure increased from 770 in the week of 4th September to 1,021 in the week of 11th September. The number of registered deaths related to Coronavirus decreased from 9 to 7 over the same period. There was a total of 682 deaths registered across the WMCA (3 LEP) area in the week of the 11th September.

There were 7 deaths registered that were related to Coronavirus over the same period – this accounts for 1.0% of total deaths. The WMCA (3 LEP) area accounts for all of the Coronavirus related deaths registered in the West Midlands Region.
In comparison to the week of the 4th September, the overall registered death figures across the WMCA (3 LEP) increased by 176 people and the number of registered Coronavirus deaths decreased by 1.

At local authority level, there were five that recorded a Coronavirus related death. Two Coronavirus related deaths were in both East Staffordshire and Birmingham and one in each of the following local authorities; Coventry, Sandwell and Wolverhampton.

Across the WMCA (3 LEP) area, of the deaths involving Coronavirus registered in the week of 11th August, 6 were in a hospital and 1 was in a care home.

Source: ONS, Deaths registrations and occurrences by local authority and health board, 22nd September 2020

HEADLINES	
SECTOR	**KEY CONCERNS**
Cross Sector	EU Exit • Local business are reporting that the uncertainty over whether a free trade deal can be agreed or not is challenging, as they try to rebuild after the lockdown and adapt to the current economic situation. • They are concerned about potential disruption, loss of confidence and the increases in both tariff and non-tariff barriers they will face in the event of a no-deal and how this will materially damage their competitiveness. Jobs & Furlough • As the end of CJRS and the Furlough scheme nears, there has been increased concern from businesses regarding the, now stark, reality of redundancies as workload is not sufficient for current staffing levels. • Some have been proactively preparing for redundancies and understanding the costs and responsibilities surrounding the process while others have not. • Feeling across businesses in all sectors is that likely more redundancies in next 3 months Diversification • Companies continuing to diversify to meet shortfalls created by the lack of workload from traditional core activity. Examples of online activity and a transition to working on or creating apps to conduct business has become more common place. Online training delivery and networking webinars are obvious examples of this. Recruitment & Kickstart • Positive feedback around plans to recruit as recovery strategies continue to be rolled out. • The Kickstart scheme has been welcomed by business leaders, although there is frustration around the process for those with less than 30 placements as they will need to work with other businesses to form a group of the required size and submit an application via a Kickstart Representative. Concerns that this may dilute the appetite or enthusiasm of some businesses as they may not have the time to invest in the administration of the project. Access to Finance & Cashflow • Cashflow issues are impacting businesses ability to make quarterly rental payments on commercial properties. • Feedback from local business shows an increasing concern about uncertainty and the extra costs and administration that small businesses will incur at the end of the Transition period.
Visitor Economy	Access to Finance & Cashflow • A large interest in grants from businesses in this sector in particular. • Cashflow remains an issue for many businesses in this sector. Potential Lockdown • Another lockdown would further harm already fragile businesses in the visitor economy. Jobs & Furlough • Events industry in particular are in urgent need for support to protect jobs & the business in general so they survive until they can reopen.
Advanced Manufacturing	Cross Theme • Manufacturing is forecast to contract by 10% this year as companies continue to struggle with the impact of the virus crisis. Jobs & Furlough • Make UK are calling for Government to extend UK furlough or risk job cuts and loss of key skills. EU Exit • Small manufacturing businesses will suffer if they are required to pay VAT on exports to the EU.

Black Country Consortium
Economic Intelligence Unit

NEW ECONOMIC SHOCKS			
COMPANY	**LOCATION**	**SECTOR**	**SOURCE/DETAIL**
Waitrose	Wolverhampton	Retail	Bosses have said the shop is closing as trading has been "challenging".
John Lewis	Nationwide	Retail	The John Lewis Partnership confirmed that staff members will not receive a bonus for the first time since 1953 after being hit by enforced store closures.
Jigsaw	Birmingham	Retail	Jigsaw will reportedly shut a number of stores and switch to turnover-linked rent after its CVA proposals were approved by its creditors.
Glenn *Howells Architects*	Birmingham office	construction	More job losses announced by leading architects.
Premier Sheet Metal	Bedworth	Manufacturin g	The Warwickshire firm which made the 2012 Olympic torch has ceased trading. Premier Sheet Metal, which made parts for the automotive industry, blamed the downturn in the sector for its downfall. The firm made the 8,000 Olympic torches used in the relay that signalled the opening of the 2012 Games.
TrakM8	Coleshill	Electronics	Half-year revenue at telematics and data supplier Trakm8, which is headquartered in Coleshill, is expected to be 18 per cent lower than in 2019, the listed company has said. Its pre-tax profits are also set to more than halve. In a trading update ahead of its AGM today, the business added that its gross margin percentage is set to be eight points higher than last year and overheads 30 per cent lower.
Filta Group Holding	Rugby	Hospitality	A Rugby-based company which provides cooking oil filtration and fryer management services to restaurants has reported a pre-tax loss for the first six months of its financial year, with its results hit by the Covid-19 pandemic. Filta Group Holdings, which is listed on AIM, has posted a loss of £782,373 for the period to 30 June 2020 compared to a profit of £473,593 it achieved during the corresponding months in 2019.

NEW INVESTMENT, DEALS AND OPPORTUNITIES			
COMPANY	**LOCATION**	**SECTOR**	**DETAIL & SOURCE**
Domino's Pizza	Black country and wider regions	Hospitality	Domino's Pizza has said it is creating 5,000 jobs as it continues to benefit from the Covid-19 pandemic and households turn to its deliveries in droves
Historic England	Wednesbury and Brierley Hill	LA	Wednesbury and Brierley Hill will each receive £1.8m as part of the High Street Heritage Action Zone, a project by Historic England.
Intu Merry Hill	Brierley Hill	Retail	About 200 jobs have been secured after a new operator was found for Merry Hill Shopping Centre.
Saleem Foundation	Black Country	Community group	Cash has been set aside by The Saleem Foundation, which is based in Dudley, to aid community groups with small grants of up to £250 per applicant.
Blackswan Property	Birmingham	Real Estate	Acquisition of Blackswan by Hungarian investment company Futureal
Baker and Finnemore and Cirteq	Birmingham Jewellery Quarter	Advanced manufacturing	Two expanding engineering firms have moved into a huge warehouse with offices in central Birmingham.
Clearwater Corporate Finance	Birmingham	Finance	Corporate finance advisory firm Clearwater International, which has an office in Birmingham, has merged with Sweden-based Valentum.
PET-XI Training	Coventry	Education & Training	A training and education company in Coventry is set to create placement opportunities for young people as it champions a new Government scheme. PET-Xi has applied to create 30 new roles within the business through the government's Kickstart scheme, which will create six-month work placements for those aged 16 to 24 who are at risk of long-term unemployment.
Red Marlin	Leamington Spa	Automotive communications specialist	Automotive communications specialist Red Marlin has been appointed by Huntfordrive.com, a new motoring competition platform which offers 'once-in-a-lifetime' luxury motoring experience prizes. It is the latest in a series of client wins for the Leamington Spa based agency and will see Red Marlin help launch the brand and create excitement and awareness around the new concept.
GME Springs	Coventry	Manufacturing	A Coventry manufacturer has a spring in its step ahead of its 50th anniversary in 2021 after creating a new product which is already securing orders. GME Springs, which is based in Boston Place, Foleshill, designs and manufactures suspension springs for cars and commercial vehicles including buses, light commercial vehicles and 4×4 vehicles.
Coventry University	Coventry	Education	A 'pandemic-proof' car has been designed by Coventry University. The university has said the car could be summoned by phone, passengers could create their own personal space inside and check its cleanliness via a special display panel before entering. The doors would be touch free and open automatically for the passenger to take a seat in the clean interior and inside it would be kept clean through regular UV light treatment between journeys.
Paramex	Coventry	Professional Services	A design and engineering consultancy is expanding into new offices and appointed a new chief design officer. Wayne Burgess has taken on the role at Paramex, which was established 21 years ago and is taking a larger office at its current headquarters at the University of Warwick Science Park's Business Innovation Centre in Binley, Coventry.
Telent	Warwick	Digital & IT	Warwick-headquartered technology giant Telent has been awarded new work from Openreach to support the UK's biggest ultrafast broadband build. The company will help to build ultra-reliable 'Full Fibre' broadband to thousands of homes and businesses.

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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