

# West Midlands

## Weekly Economic Impact Monitor



Issue 33 Publication Date 06/11/20

**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 Britain looks on course to enter a double-dip recession this winter, as business surveys show economic growth almost halted last month even before the latest England-wide lockdown was announced, according to financial data company [IHS Markit](#). Business service activity rise is much softer than September, new orders have declined for first time since June and there is a sharp drop in employment again in October. Meanwhile the number of infection cases continues to increase with an ONS estimate of 568,100 people.

- The headlines last week said that, in the third quarter, the [US economy grew](#) at the fastest pace ever recorded masking the fact that the economy faces significant problems. Economic activity remains well below the pre-crisis level, growth likely decelerated during the third quarter, and the outlook for the fourth quarter is troubling. In the third quarter, real (inflation-adjusted) GDP increased at an annualized rate of 33.1%.
- Following a sharp decline in the first quarter, China's economy bounced back spectacularly and the virus has largely been suppressed. However, a new [study by the Peterson Institute](#) says that the recovery "comes with a price."
- [Deloitte](#) highlight that real GDP in Europe was up 12.7% but down 4.3% on last year. Following a pattern of the sharper the decline in the second quarter the faster the rebound in the third. However Europe is experiencing a surge in the virus.
- [ECB indicates](#) that a significant tightening of credit standards took place in the third quarter, and generally signals trouble ahead. It says that this change in bank lending standards was driven by banks' risk perceptions related to the virus
- The [IMF](#) predicted a muted recovery, the sharp summer rebound in activity faces strong headwinds from a second wave of Covid-19 infections, Brexit-related uncertainty, rising unemployment, and stress on corporate balance sheets. They predict a contraction by 10.4 percent (this is still consistent with other forecasters) in 2020 and to recover partially in 2021, with growth at 5.7 percent (this is a revision down on what forecasters were predicting early in the pandemic), in both cases downwardly revised from their latest WEO forecast.
- [British economic output per hour worked](#) dropped by 1.8% during the three months to June, when the coronavirus lockdown was at its height, a smaller decline than the 3.0% drop initially estimated in August, official figures showed on Wednesday. The Office for National Statistics said output per worker fell by 21.7%, similar to the initial estimate and close to the record 19.8% quarterly fall in GDP over the same period. "This reflects the impact of furlough schemes, which reduced hours worked but preserved workers' employment statuses," the ONS said.
- Britain's manufacturers are calling for Business Rates to be waived or reduced in tandem with a boost to investment allowances to help fire up an industrial recovery. The call by Make UK was made on the back of the latest Manufacturing Monitor tracker which shows that while the sector continues to stabilise, companies increasingly see a long road ahead to any kind of normal trading conditions with redundancy plans still in the pipeline.
- The impact of the second wave of the lockdown could be especially hard on the nations and regions of the UK. In the West Midlands, for instance, this would equate to around 26,000 firms and 375,000 jobs. This is in a region where the number of firms scaling or achieving high growth episodes and whose levels of innovation and productivity have historically lagged behind. Such an order of mass insolvencies and business failure will take years to recover from. It simply drives a coach and horses through any attempt to 'level up'
- [Business confidence in the West Midlands](#) has dropped as coronavirus cases in the area increased, with companies reporting lower confidence in their own business prospects while hiring intentions fell significantly. Business confidence fell nine points during October to -15%, according to the latest Business Barometer from Lloyds Bank Commercial Banking.
- Qualitative information from regional business representative organisations highlights that there is a degree of understanding for the reasoning for the lockdown, but dissatisfaction in the sharing of information and preparation opportunity for businesses.
- An NAO review of employment support schemes found that the Departments implemented the schemes quickly and ahead of schedule; the schemes have been largely successful in protecting jobs through the lockdown, with at least 12.2 million people benefitting from support; the schemes were relatively straightforward to apply for, and payments quickly reached applicants; there is evidence that significant levels of furlough fraud occurred, with limited controls over employers' arrangements with employees.

- Covid-19 has exacerbated longstanding inequalities affecting Black, Asian and minority ethnic (BAME) groups in the UK as mounting evidence suggests that BAME communities were disproportionately hit hardest by the pandemic. According to recent research by two leading think tanks - [IPPR](#) and the [Runnymede Trust](#). It is well documented that BAME groups face structural barriers and IPPR's research finds that underlying diseases and genetic factors explain only a fraction of what is a 'massive risk disparity'. An important concern here is the lack of NHS funding and how it should be allocated across regions so that those people at greatest risk get the greatest measure of intervention. Recent IPPR findings suggest that minority ethnic communities have been exposed to significant public health budget cuts in recent years
- EHRC [report](#) the economic impact of the pandemic has been unequal, entrenching existing inequalities and widening others; young people have experienced interruption to their education, and access to support for remote working has widened inequalities; and older people, ethnic minorities and some disabled people, particularly those in care homes, have been disproportionately impacted
- The Carnegie Trust has published a [report](#) that recommends a multi-year jobs plan, strengthening the labour market safety net, enabling learning and adapting continuously. They also present actions for a renewed focus and promoting and incentivising on good work, terms of employment, pay, skills and training, health, jobs design and work-life balance, voice and representation and building the movement for good work
- A [report](#) by CEP on "generation COVID" shows that they have experienced worse labour market outcomes in terms of job loss, not working and earnings losses during and after lockdown and concludes that there are stark and sustained inequalities in labour market and education outcomes for the under 25s
- CHASM have released an annual [report](#) looking at financial inclusion and living standards have been protected by equally unprecedented government intervention. But the future for both the economy as a whole and individual living standards looks very uncertain. Positive news in relation to financial inclusion with the number of people 'unbanked' reaching an all-time low in 2018/19. But there is growing concern about access to cash as bank branch closures escalate and free cash machines continue to disappear from local high streets. Household savings ratio has also seen a massive lockdown spike. Good news with increasing levels of occupational pension membership but, here again, there are concerns that contribution levels are too low to provide a sufficient level of income on retirement.
- The European Automobile Manufacturers' Association (ACEA) has called on the EU to adopt a less restrictive stance on UK auto firms' access to the EU market, pressing it to 'reconsider its position' on the rules of origin that will be used to decide whether goods will qualify for tariff-free trade.
- For the second week in a row, overall national footfall has remained at around two-thirds of the level of the previous year (in the week of the 25<sup>th</sup> October 2020).
- Still significant churn in starts and dissolutions in businesses nationally
- 39% of businesses across the UK have less than six months of cash reserves
- For the West Midlands, the total online jobs adverts have increased from 77.3% (16<sup>th</sup> October) to 80.8% (23<sup>rd</sup> October) of its 2019 average
- 37% of working adults in England have worked exclusively from home between 21<sup>st</sup> to 25<sup>th</sup> October, this increased to 42% for those in tier 3 and then to 46% for those in tier 2.

# Global, National and Regional Outlook

Rebecca Riley WMREDI/WMCA

## Global

At the time of writing the outcome of the US election was still not known. The global economic significance of the US makes the presidential election one of the most important recurring events, regardless of which country you are in. As the planet's largest economy, the United States presidential election has a far-reaching impact on financial markets. When it comes to the UK economy, the precise impact of the US election will depend largely on two main factors. The first is if there is a shift in power in the White House bringing in new leadership and strategies for the economy and international relations. The second is what, if any, subsequent policy changes and trade agendas are part of the next administration. The implications of a new administration could further complicate UK trade negotiations with the US, which would have a ripple effect across the entire UK economy. In 2018, the US was the UK's number one export market for goods and services, with a total trade flow of approximately [£190.5 billion pounds](#). The headlines last week said that, in the third quarter, the [US economy grew](#) at the fastest pace ever recorded masking the fact that the economy faces significant problems. Economic activity remains well below the pre-crisis level, growth likely decelerated during the third quarter, and the outlook for the fourth quarter is troubling. In the third quarter, real (inflation-adjusted) GDP increased at an annualized rate of 33.1%. [This followed](#) a 31.4% decline in the second quarter. As for details, consumer spending was up at a rate of 40.7%, including an 82.2% gain in spending on durable goods.

The rapid recovery of the Chinese economy has been one of the most hopeful aspects of an otherwise rough year. Following a sharp decline in the first quarter, China's economy bounced back spectacularly and the virus has largely been suppressed. However, a new [study by the Peterson Institute](#) says that the recovery "comes with a price." That price involves a significant increase in nonfinancial debt, a growing volume of nonperforming loans, and the survival of troubled companies (known as zombies) that threaten to undermine productivity growth and gobble up resources that might otherwise go to more productive and innovative enterprises.

## European

Europe's real GDP increased sharply in the third quarter. However, it remained significantly below the level from a year earlier. [Deloitte](#) highlight that real GDP was up 12.7% but down 4.3% on last year. Following a pattern of the sharper the decline in the second quarter the faster the rebound in the third. However Europe is experiencing a surge in the virus, with [evidence](#) that this new surge originated in Spain and a mutated virus. This suggests screening methods at transport venues were not adequate. This will be especially true given that [several governments](#) in Europe have just imposed severe restrictions on economic activity. This includes the United Kingdom, France, Germany, Belgium, Italy, and Spain, among others. [Eurostat](#) have announced that consumer prices have fallen again for the third consecutive month, with prices in October down 0.3% on last year. Europe is now seeing deflation despite extraordinarily aggressive monetary policy. This is causing concern for the ECB and they have called for more fiscal stimulus.

The latest survey of commercial banks conducted by the [ECB indicates](#) that a significant tightening of credit standards took place in the third quarter, and generally signals trouble ahead. It says that this change in bank lending standards was driven by banks' risk perceptions related to the virus. Survey data indicates that banks have lower risk tolerance than earlier. This is reflected regionally in the feedback from business representative organisations on membership experience with banks. Business investment remained weak. Second, borrowing for emergency liquidity needs, which had been strong early in the crisis, has abated as businesses have become comfortable with their cash positions and less worried about existential threats. Going forward, the ECB anticipates an increase in credit demand in the fourth quarter.

In addition, the ECB found a worsening of creditworthiness of households because of the crisis. As such, banks tightened lending standards for mortgages and consumer credit. Despite this, there was an increase in household credit demand in the third quarter following a sharp decline in the second quarter. Households with good credit took advantage of historically low borrowing costs. However, the ECB expects that demand will weaken in the fourth quarter as credit conditions become tighter and the job market potentially worsens. Yet there are limits to monetary policy. Along with the strong increase in money supply, household bank deposits increased at their fastest pace in 12 years, indicating caution on the part of consumers. Boosting the money supply does little if the money sits in the bank. The most impactful policy action would be more fiscal stimulus, something the ECB leadership and the International Monetary Fund and OECD have recommended. To some extent this is starting to happen. Several Eurozone governments have decided to extend their labour market subsidies beyond the end of this year. The United Kingdom is doing this as well. Moreover, the EU is borrowing 750 billion euros in order to provide investment funds to member states.

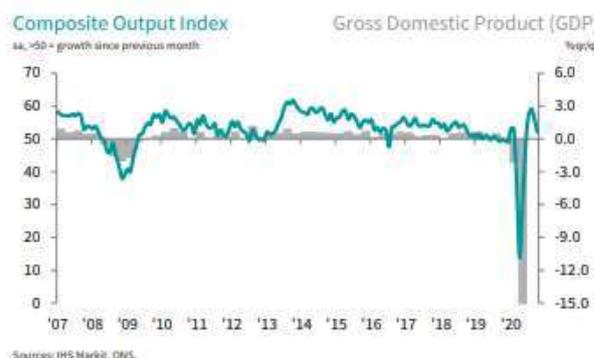
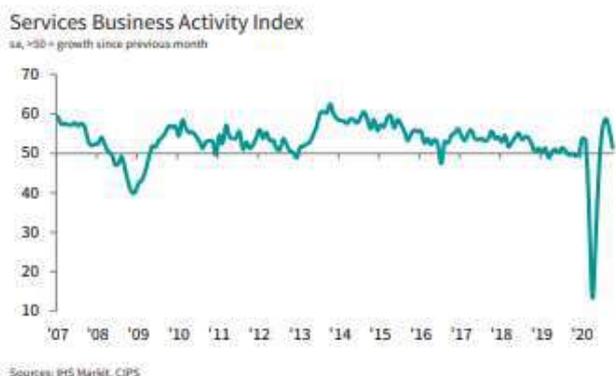
## National

The [IMF](#) predicted a muted recover, the sharp summer rebound in activity faces strong headwinds from a second wave of Covid-19 infections, Brexit-related uncertainty, rising unemployment, and stress on corporate balance sheets. They predict a contraction by 10.4 percent (this is still consistent with other forecasters) in 2020 and to recover partially in 2021, with growth at 5.7 percent (this is a revision down on what forecasters were predicting early in the pandemic), in both cases downwardly revised from their

latest WEO forecast. Reduced capital accumulation, persistent unemployment (as job losses in low skill sectors create skills mismatches), and lower productivity growth will hold GDP 3-6 percent below its pre-pandemic trend through the medium-term. Inflation is expected to climb to the 2 percent target only gradually, as compressed demand and rising unemployment muffle production cost increases. Projections are, however, subject to unusually high uncertainty, and downside risks related to a prolonged Covid-19 impact and a no-deal Brexit could bring more persistent unemployment and corporate balance sheet stress.

[British economic output per hour worked](#) dropped by 1.8% during the three months to June, when the coronavirus lockdown was at its height, a smaller decline than the 3.0% drop initially estimated in August, official figures showed on Wednesday. The Office for National Statistics said output per worker fell by 21.7%, similar to the initial estimate and close to the record 19.8% quarterly fall in GDP over the same period. "This reflects the impact of furlough schemes, which reduced hours worked but preserved workers' employment statuses," the ONS said.

Britain looks on course to enter a double-dip recession this winter, as business surveys show economic growth almost halted last month even before the latest England-wide lockdown was announced, financial data company [IHS Markit](#) said. Business service activity rise is much softer than September, new orders have declined for first time since June and there is a sharp drop in employment again in October.



Make UK released the [7<sup>th</sup> Edition of their Covid-19 Manufacturing Monitor](#):

Industry calls for Business Rates and Investment boost to free up cash for recovery. Survey shows manufacturers expect long haul back to normal trading

Key findings:

- Over a third of companies see normal trading more than a year away
- Just a quarter of companies at full operating capacity
- Half of companies have made redundancies with a fifth still expecting to do so in the next six months
- A fifth of companies say measures on business rates should be top priority for Government
- A quarter of companies stockpiling ahead of 'no deal'

Britain's manufacturers are calling for Business Rates to be waived or reduced in tandem with a boost to investment allowances to help fire up an industrial recovery. The call by Make UK was made on the back of the latest Manufacturing Monitor tracker which shows that while the sector continues to stabilise, companies increasingly see a long road ahead to any kind of normal trading conditions with redundancy plans still in the pipeline. According to Make UK the need for measures to aid investment now is especially important in the light of the decision to cancel the Comprehensive Spending Review and the absence of any revamped Industrial or Economic Strategy to boost growth. In response as well as continuing to protect jobs the survey shows a fifth of companies (20.4%) say that the top priority for Government should be to waive or reduce Business Rates while just under a fifth (18.4%) want a boost in the form of enhanced capital allowances.

## Regional Outlook

[Business confidence in the West Midlands](#) has dropped as coronavirus cases in the area increased, with companies reporting lower confidence in their own business prospects while hiring intentions fell significantly. Business confidence fell nine points during October to -15%, according to the latest Business Barometer from Lloyds Bank Commercial Banking.

Companies in the West Midlands reported lower confidence in their own business prospects month-on-month at -13%. When taken alongside their views of the economy overall, this gives a headline confidence reading of -15%. When it comes to businesses' hiring intentions, a net balance of 21% expect to reduce staff levels over the next year. This compares to a net balance of 1% that had expected to boost staff levels in September.

Qualitative information from regional business representative organisations highlights that there is a degree of understanding for the reasoning for the lockdown, but dissatisfaction in the sharing of information and preparation opportunity for businesses. Many

businesses have already bought their Christmas stock and they now cannot sell it. Issues around the lack of guidance for the Job support scheme not available on the 30<sup>th</sup> when it came into effect on the 1<sup>st</sup> left businesses unable to plan, this is now not an issue with the reintroduction of furlough and JRS but businesses need clarity as soon as possible in order to understand the decisions they need to make.

The news that minimum income limites have been lifted on sole traders has been well received, as has the reintroduction of furlough. Bounceback loans are great as businesses have access a second time, but every bank is saying 6 years to pay back not the 10 promised by the chancellor. Anecdotal evidence to disregard closing because they consider themselves safe (they have been spent hundreds of thousands on making them safe), ie professional services staying open for the mental health of staff especially for apprenticeships and young people.

However business rates grants are a quarter of that in previous rounds, first time £25k, £500 a week and they feel this is now poor given they are required to close by law. But some businesses relieved as they had a moral call with safety of staff and closure enables them to close without putting staff at risk.

## Implementing employment support schemes in response to the COVID-19 pandemic (HC 862 Session 2019–2021)

### National Audit Office

The NAO has [looked](#) at the implementation of the Coronavirus Job Retention Scheme (CJRS) and the Self-Employment Income Support Scheme (SEISS), employment support schemes set up in March in response to the coronavirus (COVID-19) pandemic. The report explains that the schemes were put in place initially to provide financial support to businesses and individuals as quickly as possible to protect jobs. They use an audit approach to analyse evidence collected between June and October 2020, and survey research. They consider how well HM Treasury and HMRC have managed risks, in particular whether they have: managed design and delivery risks effectively in implementing the schemes; understood whether the employment support schemes are reaching the people intended; and managed fraud and error risks affecting the support schemes effectively. They found that the Departments implemented the schemes quickly and ahead of schedule; the schemes have been largely successful in protecting jobs through the lockdown, with at least 12.2 million people benefitting from support; the schemes were relatively straightforward to apply for, and payments quickly reached applicants; there is evidence that significant levels of furlough fraud occurred, with limited controls over employers' arrangements with employees (of furloughed people responding to the survey, 9% admitted to working in lockdown at the request of their employer). The report highlights, value for money and suggests that the Departments should do more to protect employees and counter fraud and includes comparisons with schemes in other countries including Australia, Germany and the USA

Summary statistics:



- 9.6 million** total jobs furloughed with 1.2 million employers (61% of those eligible) making at least one CJRS claim\*
- 2 million** estimate of workforce (to nearest million) remaining furloughed based on employers surveyed, 7 to 20 September 2020
- 9%** proportion of furloughed employees in our survey telling us that they worked at their employer's request while furloughed
- 2.6 million** self-employed individuals made a first grant claim to the SEISS scheme (77% of those potentially eligible) to 31 July 2020
- 99.5%** CJRS claims paid within six working days
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- £278 million** amounts companies repaid voluntarily to HMRC for CJRS payments they did not need or took in error
- £275 million** overpayments HMRC estimates it could recover on 10,000 CJRS payments it believes are at high-risk of fraud

# Top Ten from around the Web

Keziah Watson WMCA

## Top Ten From Around the Web

- [Bloomberg](#) analyses the potential impact of the government's plans for tutors for some of the poorest children to help close the educational gap. However a three year scheme or a National Tutoring Service consisting of undergrads who would earn money off their tuition might be more effective.
- [The Huffington Post](#) has a long read about how the disagreement in the government over free school meals is indicative of the other challenges the government is facing. The lack of pastoral support to MPs and the lack of experience in the Cabinet contribute to the loss of popularity for the Conservatives expected in the former Red Wall.
- [Reuters Institute and University of Oxford](#) have produced a follow up to their earlier research on the public's knowledge of COVID precautions and their trust of the media. The number of people at risk of mis or disinformation has increased, as has the amount of people sceptical of government media, but the public are over cautious when it comes to precautions.
- [Resolution Foundation's](#) research shows that high levels of unemployment are in part due to lower levels of young people entering the job market, an not exclusively due to job losses. Younger employees were not only more likely to be put on furlough, but also to have not returned to work, and those in work are likely to have reduced hours and reduced pay.
- The US looks at how the proximity of other businesses and retail outlets effected the survival of small businesses, especially in rural areas. As [Brookings](#) argues, smaller businesses were also able to utilise local business support schemes where the national schemes fall short.
- [NatCen Social Research](#) looks at how public perception has changed regarding large social issues like benefits and immigration. More people are in favour of immigration than in 2011, and for the first time since 2001 there are the same number of people who think benefits are too high as think they are too low.
- The [IFS](#) looks at how spending has changed during COVID with no discernible differences in spending between local areas with high cases and low cases. Enforced saving, i.e. saving achieved through a reduction in spend in sectors that have been closed, is significantly higher in high income households, but the poorest households have seen a £170 per month decrease.
- [UK Music](#) has revealed their 2020 Diversity Survey, which shows that Black, Asian, and ethnic minority groups and women have made progress in the sector, but more needs to be done. They urge members to actively set aside financial aid and staff dedicated to encouraging diversity.
- [Local Trust](#) shows that 'left behind' areas lack community meeting spaces and want to have more say about how and where money gets spent. This supports the need for a Community Wealth Fund, 'which aims to invest in the structures and processes that support the formation of social and civic assets and social capital in the most 'left behind' places, making use of new dormant assets.'
- Dave Thompson, Chief Constable for the West Midlands Police, has written a paper for [Reform UK](#) on the need for reform of public services. Drawing on the region's success using data to tackle crime by providing regional insight, he argues for a decentralised approach and one that can help communities that need it most.

## Regional economic exposure of COVID-19 measures: hospitality and recreational activities

Andre Carrascal-Incera *WMREDI*

Regions in the England are facing again a national lockdown along with restrictions in other parts of the UK and, once again, in a situation similar to that at the end of March, some particular sectors are forced to close in order to avoid gatherings and social interaction. The most important sectors in that position are Accommodation and food service activities (restaurants, bars, hotels, etc.) and arts, entertainment and recreational activities (museums, sporting events, etc.).

To see the exposure of the different UK regions to shutting down these sectors, we use the SEIM-UK Input-Output framework and the Hypothetical Extraction Method<sup>1</sup>. The SEIM-UK model is a Multiregional Input-Output model for the UK with 2016 as the base year, developed at City-REDI, University of Birmingham (find out more [here](#)).

For the whole UK, these sectors account for close to 6.6% of the total GVA and close to 3.3 million jobs (11% of the total employment).

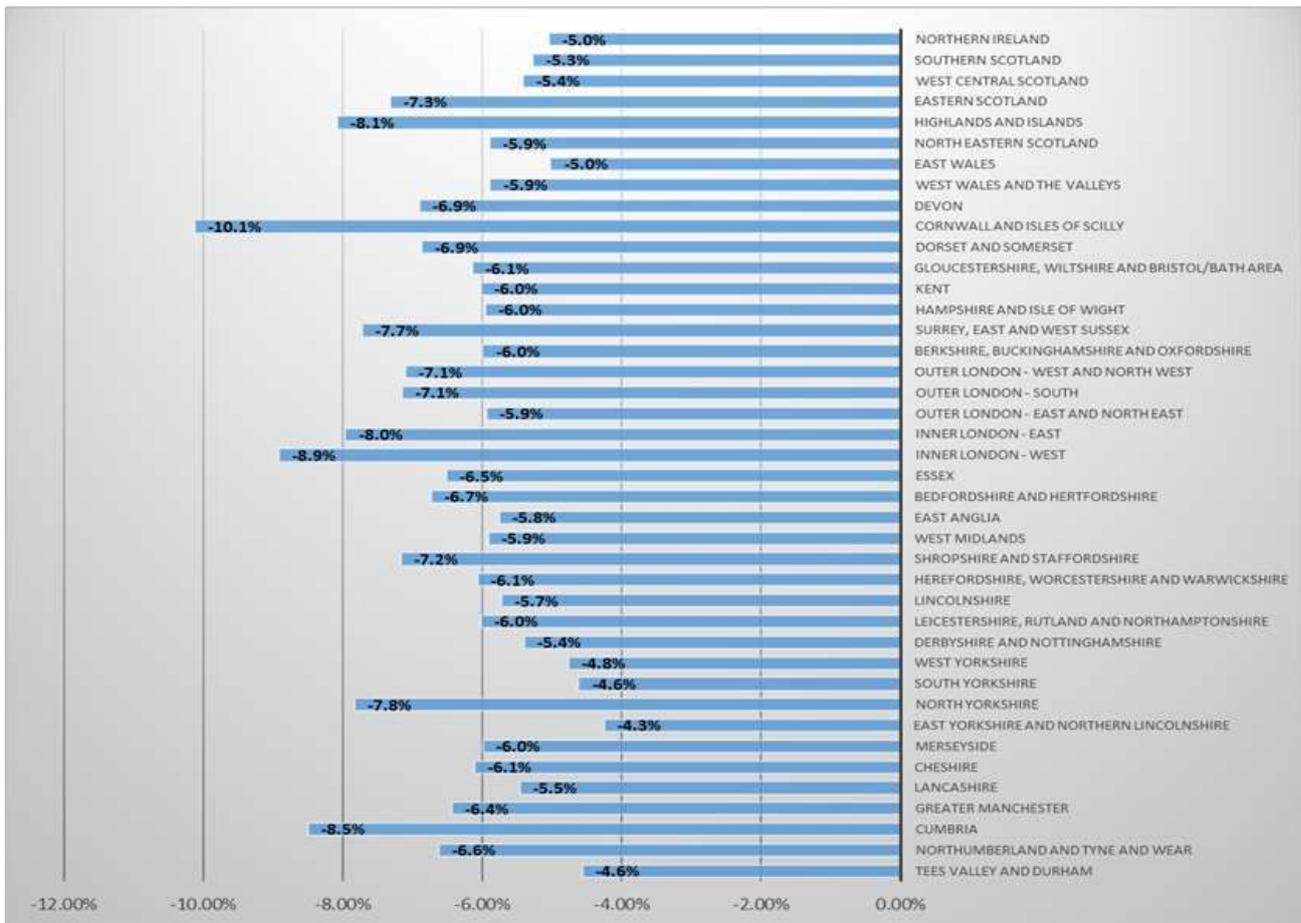
<sup>1</sup> See Dietzenbacher, E., Linden, J. A. V. D., & Steenge, A. E. (1993). The regional extraction method: EC input-output comparisons. *Economic Systems Research*, 5(2), 185-206. See also Dietzenbacher, E., van Burken, B., & Kondo, Y. (2019). Hypothetical extractions from a global perspective. *Economic Systems Research*, 31(4), 505-519.

**Hospitality and Recreational activities (Total)**

	Initial change (millions of £)	Total effect (millions of £)	% change over total
Final demand	-135262		-6.50%
Total gross output UK		-232954	-6.66%
Domestic production UK		-212547	-6.73%
Gross Value Added UK		-114855	-6.59%
Foreign imports UK		-20407	-6.04%
		<b>Jobs</b>	
Jobs UK		-3,306,997	-11.06%

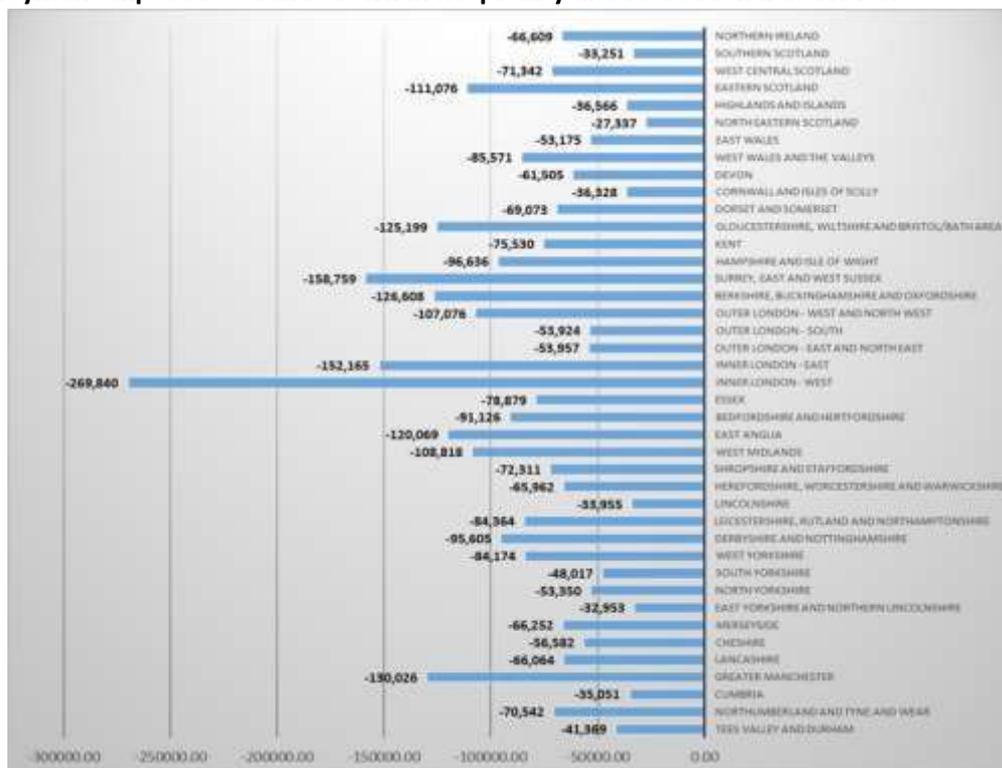
As can be seen in the Figure below showing regional GVA exposed to a shut down in hospitality and recreational activities, some regions (here measured using NUTS 2 regions) depend more on these two sectors than others do. Cornwall and Isles of Scilly (10.1%), Inner London West (8.9%) and East (8.0%), Cumbria (8.5%) and Highlands and Islands (8.1%) are the ones with a larger GVA directly and indirectly involved in these sectors. West Midlands appears in as an intermediate case with 5.9% of its total GVA depending on these activities. Out of the 41 UK regions, West Midlands would be in the 25<sup>th</sup> position of most exposed regions.

**Regional GVA exposed to a shut down in hospitality and recreational activities:**



The following Figure presents the number of jobs exposed to shutting down these sectors. The largest number of jobs affected are by far in Inner London West where both sectors directly and indirectly employ around 270 thousand people. In the case of the West Midlands, 108 thousand jobs are at risk with this lockdown measure. In these terms, it would rank 9<sup>th</sup> among the most exposed regions.

## Regional employment exposed to a shut down in hospitality and recreational activities:



Different types of occupations face different exposures to a shutdown in hospitality and recreational activities (as shown below). The ones most affected are Culture, Media and Sports related jobs (19.7%); Textiles, Printing and Other Skilled Trades (37.3%); Leisure, Travel and related (16.0%); Other managers and proprietors (24.6%); and the Elementary Administration and Service occupations (28.0%). But, as is shown below, all occupations are affected indirectly too (N.B. SOC code 54 includes workers in specialist skilled catering trades in food preparation driving the high number).

Code	Occupation	Exposure to H&R
11	Corporate Managers And Directors	-4.8%
12	Other Managers And Proprietors	-24.6%
21	Science, Engineering, Tech Professionals	-4.4%
22	Health Professionals	-1.1%
23	Teaching And Educational Professionals	-2.1%
24	Business, Media And Public Service Professionals	-5.1%
31	Science, Engineering ,Tech Associate Prof	-3.8%
32	Health And Social Care Associate Professionals	-2.5%
33	Protective Service Occupations	-1.4%
34	Culture, Media And Sports Occupations	-19.7%
35	Business, Public Service Associate Prof	-5.2%
41	Administrative Occupations	-5.6%
42	Secretarial And Related Occupations	-8.1%
51	Skilled Agricultural And Related Trades	-6.9%
52	Skilled Metal, Electrical, Electronic Trades	-3.2%
53	Skilled Construction And Building Trades	-4.1%
54	Textiles, Printing And Other Skilled Trades	-37.3%
61	Caring Personal Service Occupations	-1.9%
62	Leisure, Travel And Related Personal Services	-16.0%
71	Sales Occupations	-6.1%
72	Customer Service Occupations	-7.9%
81	Process, Plant And Machine Operatives	-3.6%
82	Transport And Drivers And Operatives	-4.3%
91	Elementary Trades And Related Occupations	-3.7%
92	Elementary Administration And Service Occupations	-28.0%
	<i>All wage earners</i>	<i>-7.15%</i>

In general, and this is something that it is very relevant, low skilled occupations are more exposed to a shut-down in these two sectors than the medium and high skilled occupations (as shown below). This leads to a more than likely increase in income inequality within regions in the UK.

Skill level	Total exposure to H&R
High skilled	-6.1%
Medium skilled	-7.6%
Low skilled	-11.6%

Find more about the UK regional economic exposure to COVID-19 [here](#) and [here](#)

## The second lockdown risks an insolvency tsunami

**Professor Mark Hart, Deputy Director**

Thousands of businesses across England will remain shuttered today as the new month-long coronavirus lockdown takes effect. Citing new scientific evidence showing an expected surge in cases nationwide over the coming weeks, the Government finally bowed to pressure and abandoned its previous regional tiering strategy last weekend.

Critics argue that a sharp ‘circuit breaker’ lockdown at an earlier stage – as pursued in Wales and Northern Ireland – may have prevented the need for such a draconian step. Now, firms in the hospitality, leisure, retail and other sectors face an enforced closure at what would normally be a critical time in the build-up to Christmas, depriving them of vital sales at the tail-end of a truly dreadful year.

The Chancellor has pledged to reinstate the full ‘furlough’ Job Retention Scheme (CJRS) at the 80%-of-wages seen in the spring for the period up until December 2, and raised grants to self-employed people under the Self Employment Income Support Scheme (SEISS) to a similar level. In addition, grants of up to £3,000 per month are available for firms forced to close due to lockdown.

Nevertheless, there is mounting evidence that many thousands of firms are facing death by a thousand cuts. For firms that qualified for financial support over the past nine months, it’s because this simply hasn’t been enough to make up for the dramatic collapse in demand that has hit sales hard and demolished their reserves. Meanwhile, around three million early-stage or part-time entrepreneurs, freelancers and limited company directors continue to be scandalously excluded from the packages on offer, as recently confirmed by the National Audit Office.

The big fear now is that the slow-bleed is about to turn into a haemorrhage of insolvencies.

Looking at the Wave 14 of the ONS Business Interruption Covid Survey (BICS) data covering the period up to October 4th, we can see that, in around 14% of firms, operating costs are exceeding turnover (with a further 25% worryingly ‘not sure’). This translates to around 200,000 firms across the UK based on the latest BEIS Business Population Estimates (BPE).

Even more businesses are worried their fast-depleting cash reserves will soon run dry. Across the UK as a whole, 24% of firms currently have no reserves or think they’ll run out by the end of 2020. Should that come to pass, we estimate that a staggering 340,000 firms and as many as 4.9m jobs nationally could be at risk across the private sector.

The impact could be especially hard on the nations and regions of the UK. In the West Midlands, for instance, this would equate to around 26,000 firms and 375,000 jobs. This is in a region where the number of firms scaling or achieving high growth episodes and whose levels of innovation and productivity have historically lagged behind. Such an order of mass insolvencies and business failure will take years to recover from. It simply drives a coach and horses through any attempt to ‘level up’.

As if these statistics weren’t depressing enough for the firms concerned and the immediate health of the UK economy, we should also be worried about future business dynamism. This depends on a whole host of factors, but it would be unsurprising if we see fewer entrepreneurs starting businesses in an environment of continued weak demand – and where government support for new starts is negligible.

Self-employment has fallen sharply although there is some evidence from incorporation data that start-ups in recent months are at a level higher than the comparable period in 2019. We know from GEM UK data from the Great Financial Crisis (GFC) of 2008-09 that the majority of these will be categorised as ‘necessity entrepreneurship’ and may be less durable in the marketplace. That feeds into the whole chain of firm growth and job creation, as we know from the period following the GFC that new firms were absolutely critical for creating jobs in the recovery period.

But there are other implications too. We know from recent ERC research that as many as two-thirds of Innovate UK grant recipients have scaled back or completely cut their research and development (R&D) budgets in the wake of Covid-19. There's a strong connection between innovation – the development of new products, services and processes – growth (often through exporting) and productivity increases.

So failure to provide adequate support for business in its hour of greatest need – or being highly selective about which parts of the business ecosystem you do support – is a false economy that ultimately leads to lower dynamism in the longer term.

With the end of the Brexit transition period fast approaching – and a 'deal', even if it materialises, that is likely to be a pale shadow of our current trading arrangements with the EU – now is the worst possible time to be short-changing the SMEs that form the bedrock of enterprise in communities across the land.

Instead of announcing short-term tweaks to the support available, the Government must now come back with a bolder vision that supports all of the entrepreneurs and firms that will be so vital to our recovery. One that finally recognises that this won't all be over by Christmas and gives us hope for future renewal.

## Infection rates

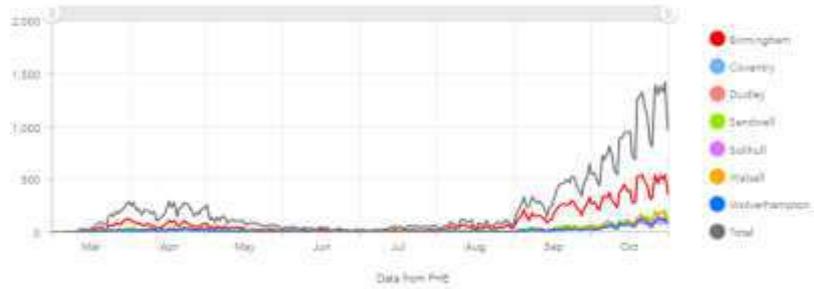
Rebecca Riley WMREDI/WMCA

Europe has seen a [resurgence in infection rates](#) which is continuing (see graph below). Since [31 December 2019](#) and as of 4th November 2020, **47 594 234** cases of COVID-19 (in accordance with the applied case definitions and testing strategies in the affected countries) have been reported, including **1 215 892** deaths. In Europe: 10 866 134 cases; the five countries reporting most cases are Russia (1 673 686), France (1 502 763), Spain (1 259 366), United Kingdom (1 073 882) and Italy (759 829). The distributions of global infections and deaths are in the chart below.

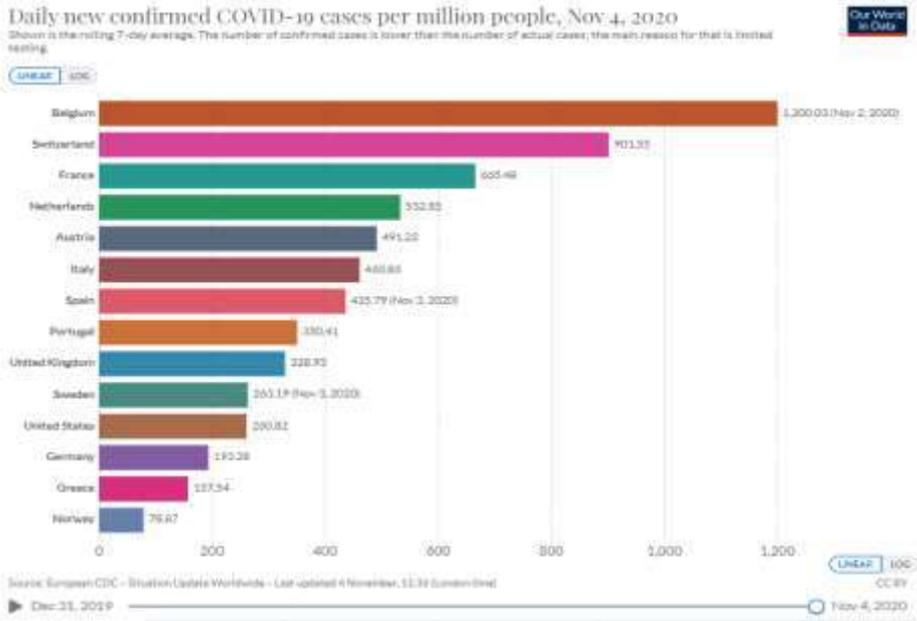
Latest [ONS infection survey data](#) (30th October) states:

- The number of infections continues to increase; an estimated 568,100 people (95% credible interval: 536,500 to 600,400) within the community population in England had the coronavirus (COVID-19) during the most recent week, from 17 to 23 October 2020, equating to around 1 in 100 people (95% credible interval: 1 in 100 to 1 in 90).
- There has been growth in all age groups over the past two weeks; older teenagers and young adults continue to have the highest current rates while rates appear to be steeply increasing among secondary school children.
- The highest COVID-19 infection rates continue to be seen in the North West, and Yorkshire and The Humber; rates also remain high for the North East but have now levelled off and there is now a larger gap with the other two northern regions.
- For England, the incidence rate continues to increase; during the most recent week (17 to 23 October 2020), we estimate there were around 9.52 new COVID-19 infections for every 10,000 people per day (95% credible interval: 7.06 to 14.53) in the community population in England, equating to around 51,900 new cases per day (95% credible interval: 38,500 to 79,200).
- Positivity rates in Wales have increased in recent weeks; during the most recent week (17 to 23 October 2020), we estimate that 26,100 people in Wales had COVID-19 (95% credible interval: 12,600 to 47,900), equating to 1 in 120 people (95% credible interval: 1 in 240 to 1 in 60).
- Positivity rates in Northern Ireland have increased in recent weeks; during the most recent week (17 to 23 October 2020), we estimate that 24,300 people in Northern Ireland had COVID-19 (95% credible interval: 12,600 to 43,700), equating to 1 in 80 people (95% credible interval: 1 in 150 to 1 in 40).
- During the most recent two weeks of the study (10 October to 23 October 2020) we estimate that the weighted positivity rate in Scotland was 0.71% (95% confidence interval: 0.48% to 1.01%); we estimate that an average of 37,400 people in Scotland had COVID-19 (95% credible interval: 25,300 to 53,300), this equates to around 1 in 140 people (95% confidence interval: 1 in 210 to 1 in 100).

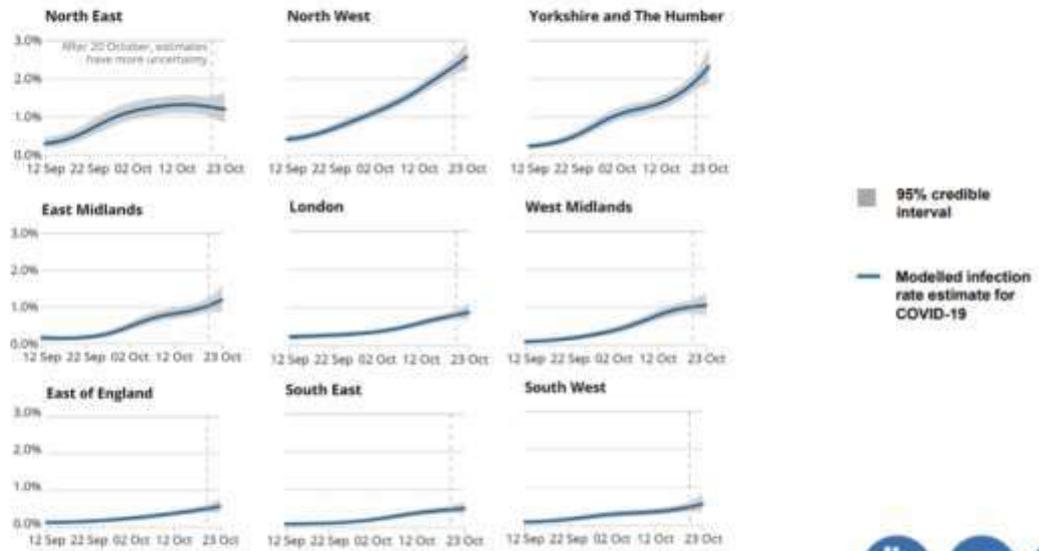
Daily COVID-19 Cases - WMCA



Source: TFWM

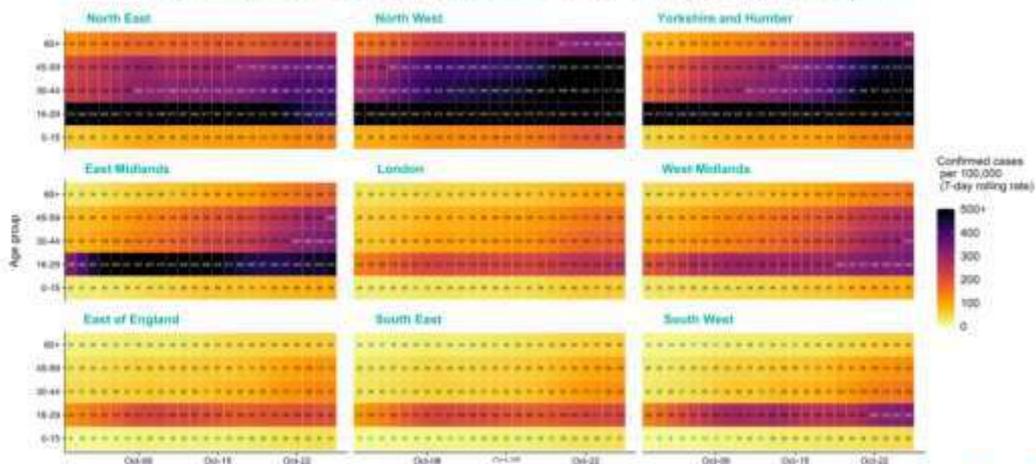


### ONS COVID-19 household infection survey estimates of infection rates in England by region



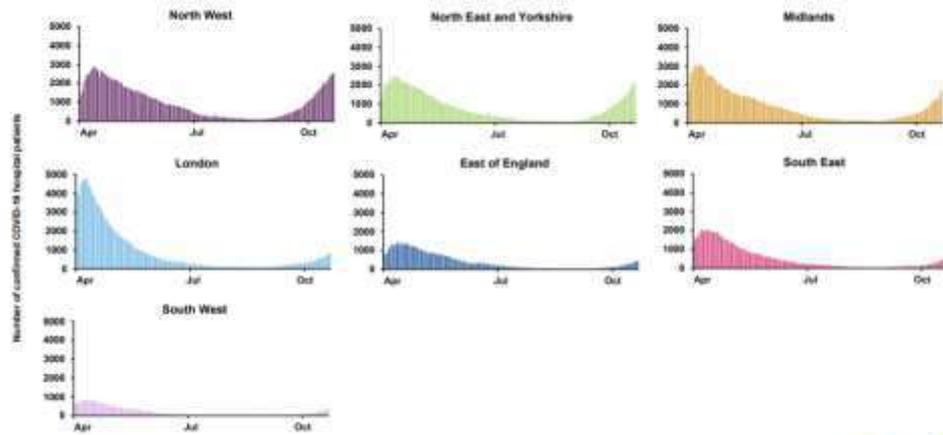
Source: Office for National Statistics – Coronavirus (COVID-19) Infection Survey

### COVID-19 positive case heat maps for England by age group and region



Source: Case data from SSISS. Produced by Outbreak Surveillance Team, PHE. Contains National Statistics data © Crown copyright and database right 2020.

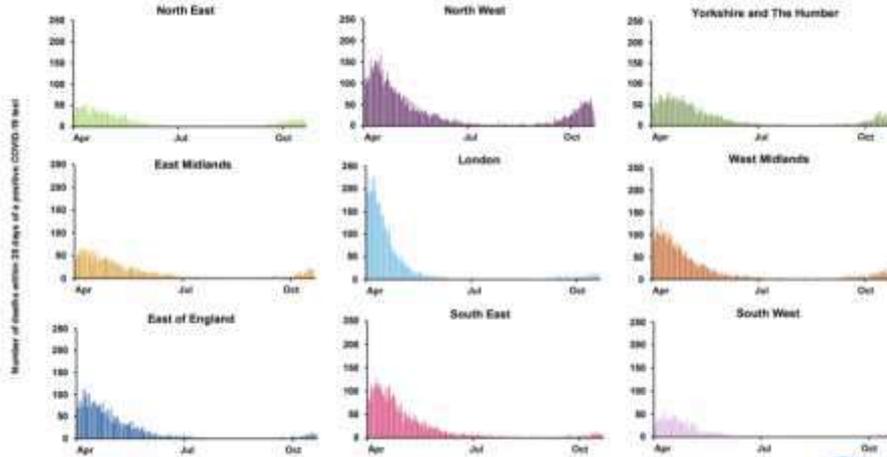
### Patients in hospital with COVID-19 in England by NHS region



Source: NHS England & Improvement COVID-19 Hospital Activity Data.



### Daily deaths within 28 days of a positive COVID-19 test by region



Source: PHE COVID-19 dashboard



# Weekly Deaths Registered 23<sup>rd</sup> October 2020

## BCCEIU

The following analysis compares the latest time period (week of the 23<sup>rd</sup> October 2020) to the previous week period (week of the 16<sup>th</sup> October 2020) for the number of deaths registered and the number of deaths related to the Coronavirus.

Across England and Wales, the overall registered death figures increased from 10,534 in the week of 16<sup>th</sup> October to 10,739 in the week of 23<sup>rd</sup> October. The number of deaths registered that state Coronavirus on the death certificate increased from 670 people to 978 people over the same period.

Regional level analysis shows that the West Midlands the overall registered death figures decreased from 1,154 in the week of 16<sup>th</sup> October to 1,124 in the week of 23<sup>rd</sup> October. The number of registered deaths related to Coronavirus increased from 49 to 80 over the same period.

There was a total of 788 deaths registered across the WMCA (3 LEP) area in the week of the 23<sup>rd</sup> October. There were 68 deaths registered that were related to Coronavirus over the same period – this accounts for 8.6% of total deaths. The WMCA (3 LEP) area accounts for 85.0% of the Coronavirus related deaths registered in the West Midlands Region.

In comparison to the week of the 16<sup>th</sup> October, the overall registered death figures across the WMCA (3 LEP) area decreased by 27 people and the number of registered Coronavirus related deaths increased by 27.

At local authority level, there were five that did not record any Coronavirus related deaths within the WMCA (3 LEP) area. Birmingham recorded the highest number of Coronavirus related deaths at 18, down to 1 being registered in three local authorities (Tamworth, Lichfield and Redditch).

Across the WMCA (3 LEP) area, of the deaths involving Coronavirus registered in the week of 23<sup>rd</sup> October, 54 of the deaths were in hospital.

The following table shows the place and number of deaths registered that are related to Coronavirus in the week 23<sup>rd</sup> October:

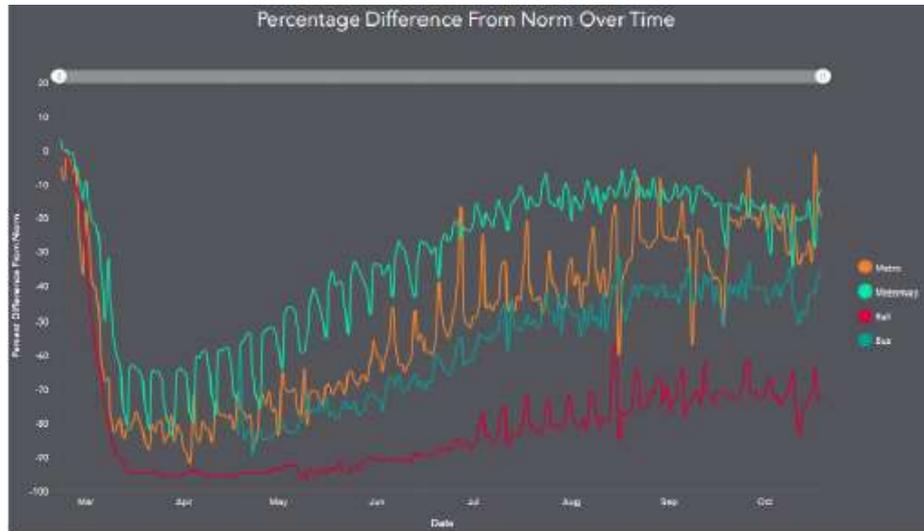
	Care home	Elsewhere	Home	Hospice	Hospital	Other communal establishment	Total
Cannock Chase	0	0	0	0	2	0	2
East Staffordshire	0	0	0	0	3	0	3
Lichfield	0	0	0	0	1	0	1
Tamworth	0	0	0	0	1	0	1
North Warwickshire	0	0	0	0	0	0	0
Nuneaton and Bedworth	0	0	0	0	0	0	0
Rugby	0	0	0	0	0	0	0
Stratford-on-Avon	4	0	0	0	0	0	4
Warwick	0	0	0	0	0	0	0
Bromsgrove	0	0	0	0	0	0	0
Redditch	0	0	0	0	1	0	1
Wyre Forest	2	0	0	0	0	0	2
Birmingham	0	0	2	1	15	0	18
Coventry	0	0	0	0	4	0	4
Dudley	1	0	0	1	4	0	6
Sandwell	0	0	0	0	5	0	5
Solihull	0	0	0	0	4	0	4
Walsall	0	0	1	0	9	0	10
Wolverhampton	2	0	0	0	5	0	7
WM 7 Met.	3	0	3	2	46	0	54
Black Country LEP	3	0	1	1	23	0	28
Coventry & Warwickshire LEP	4	0	0	0	4	0	8
Greater Birmingham & Solihull LEP	2	0	2	1	27	0	32
WMCA (3 LEP)	9	0	3	2	54	0	68

Source: ONS, Deaths registrations and occurrences by local authority and health board, 3<sup>rd</sup> November 2020

# Transport Weekly Update

Anne Shaw TFWM

English Lockdown - 5 November 2020 – From Thursday 5 November, everyone in England should stay at home as much as possible and not mix with other households to help prevent the spread of Covid-19. Travel to work, education and to do essential shopping is allowed and public transport will remain operating safely to support you. Bus, train and tram timetables will remain the same. Public transport will continue to operate as normal, and with extensive cleaning and safer travel guidelines in place, it remains an easy way to travel



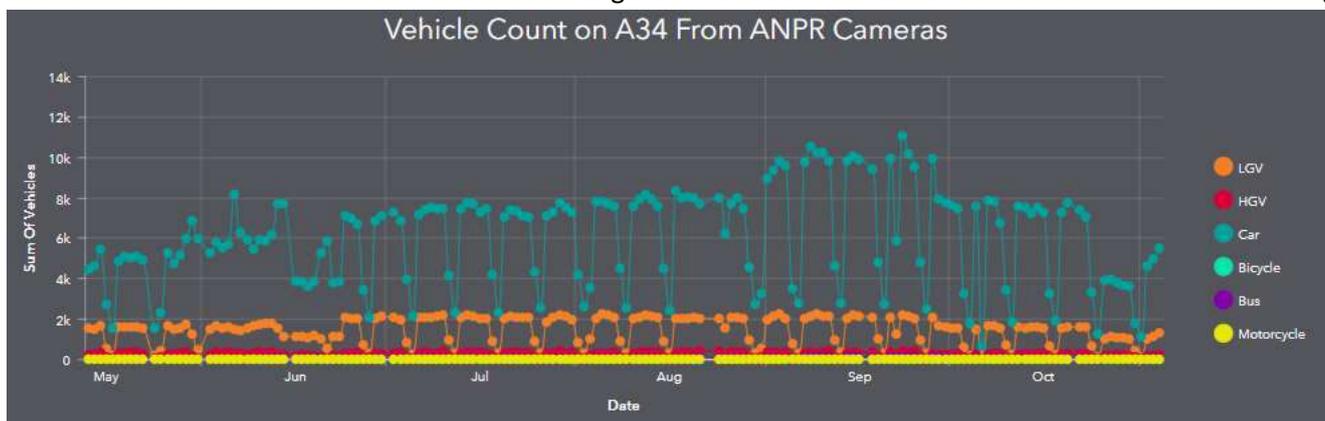
Levels of use – 3rd November 2020 (data 1 day behind)

The graph above shows the level of use on all modes

The table below provides intelligence in terms of the levels of services and the use of the network per mode compared to this time last year.

Mode	% service compared to this time last year	% patronage compared to this time last week (20th October 2020)
Roads	N/A	88% (up from last week by 9%)
Bus	>100%	65% (up from last week by 16%)
Train	95%	28% (up from last week by 12%)
Tram	>100%	80% (up from last week by 14%)

Figures above reflect the fact that last week was a half term week with children returning to educational establishments this week. It is also noted that since government’s announcement of lockdown measures coming into



place on 5th November an increase across all modes has been noted. The RTCC has reported retail areas and shops to be significantly busier than expected with new outlets also reporting this.

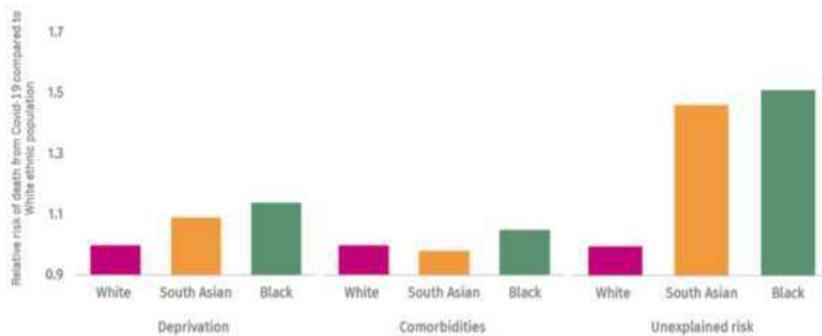
# Ethnic inequalities in Covid-: The disproportionate impact on ethnic minorities in the West Midlands

Deniz Sevinc WMREDI

Covid-19 has exacerbated longstanding inequalities affecting Black, Asian and minority ethnic (BAME) groups in the UK as mounting evidence suggests that BAME communities were disproportionately hit hardest by the pandemic. According to recent research by two leading think tanks - [IPPR](#) and the [Runnymede Trust](#) - almost **60,000 more coronavirus deaths** could have occurred in England and Wales if White people faced the same risk as BAME communities. Stripping out the effects of age and sex it is estimated that at least **2,500 Black and South Asian deaths could have been avoided** (IPPR, 2020).

Now that we are entering a second peak of the first wave we are beginning to see the recurrence of what happened first time around not only in the West Midlands and also across the UK. The figure below, presenting information on the relative risk of death from Covid-19 attributable to deprivation, comorbidities and that is unexplained, shows that a disproportionately large number of people from ethnic minorities are ending up in intensive care.

It is worth noting that non-White patients are often sicker when they arrive at A&E. In the UK, 55 percent of black patients and 35 percent of South Asian patients are more likely to need resuscitation or very urgent care than white patients according to IPPR's research.

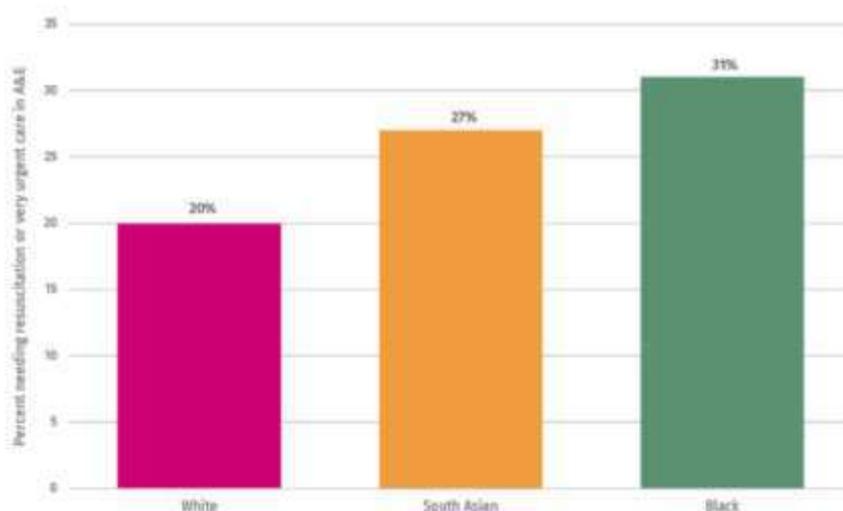


Source: IPPR, 2020.

[Public Health England](#) confirm that people from Black ethnic groups were most likely to be diagnosed with COVID in the hospital testing data and death rates from COVID-19 after their arrival at A&E were highest among people of Black and Asian ethnic groups in the West Midlands (Public Health England, 2020a). In addition, they show that Bangladeshi households had around twice the risk of death than people of White British households across the region, whereas Chinese, Indian, Pakistani, Other Asian, Caribbean and Other Black ethnicity households had

between 10 and 50 percent higher risk of death when compared to White British (Public Health England, 2020a). As shown in the figure below Black and south Asian patients with Covid-19 are more likely to need resuscitation or very urgent care on admission to A&E than white patients with Covid-19.

## Structural differences or social factors?



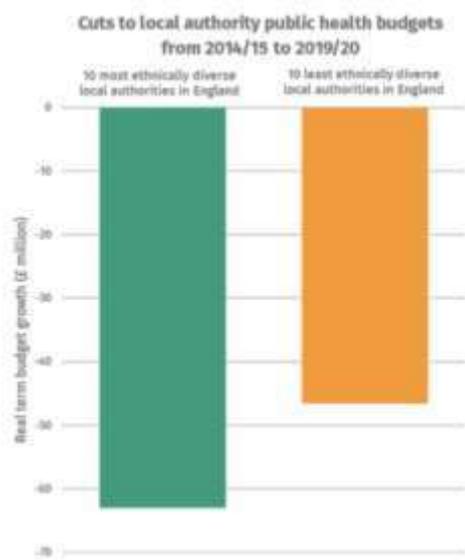
Source: IPPR, 2020.

It is well documented that BAME groups face structural barriers and IPPR's research finds that underlying diseases and genetic factors explain only a fraction of what is a 'massive risk disparity' (IPPR, 2020).

They suggest that although genetic factors play a significant part in explaining ethnic inequalities, structural differences are the main drivers of these inequalities such as differences in jobs they do, the area they live or the conditions they live in. Thus, in the rest of this narrative we explore these contributing social factors for the BAME community in the West Midlands region.

## Why ethnic inequalities in Covid-19 are playing out again in the West Midlands?

Cuts to local authority public health budgets and lack of sustainable NHS funding in ethnically diverse areas. An important concern here is the lack of NHS funding and how it should be allocated across regions so that those people at greatest risk get the greatest measure of intervention. Recent IPPR findings as shown in the Figure below suggest that minority ethnic communities have been exposed to significant public health budget cuts in recent years. Particularly, the Figure below shows cuts to local authority public health budgets in the ten most ethnically diverse local authorities in England and reveals that they have lost £15 million more in public health budget compared to the ten least ethnically diverse local authorities (IPPR, 2020).



Source: IPPR, 2020.

Local authority	Public health budgets (£ million)			COVID-19 deaths			Ethnicity
	2016/17	2020/21	% change	Number	Crude rate per 100,000 population (to 17 Jul)	Age-standardised rate per 100,000 (to 30 Jun)	
Birmingham	95.6	86.9	-9.1%	1216	106.5	146.9	42%
Wolverhampton	22.0	20.3	-8.0%	316	120.0	129.6	32%
Sandwell	29.8	25.2	-15.3%	369	112.3	140.2	30%
Coventry	23.8	23.8	+0.0%	284	76.4	105.2	26%
Walsall	19.0	18.2	-4.1%	387	135.6	145.3	21%
Solihull	11.8	11.6	-2.4%	277	128.0	108.3	11%
Dudley	23.5	22.3	-5.1%	311	96.7	93.0	10%
<b>West Mids totals</b>	<b>225.6</b>	<b>208.3</b>	<b>7.7%</b>	<b>3160</b>	<b>110.8</b>	<b>124.1</b>	<b>24.6%</b>

Source: House of Commons Library

These cuts are particularly pronounced for the West Midlands region. The statistics in the Table above reveal that **Sandwell, Wolverhampton and Birmingham** – the most ethnically diverse local authority areas in the region - have suffered [significant cuts to public health budgets over the last five years](#), of **15 percent, 8 percent and 9 percent respectively** (NHS BAME Network Taskforce, 2020). It is noteworthy to mention that these figures are well above the national average cuts to public health budgets of 5 percent.

### Ethnic inequalities in housing

Risks associated with Covid-19 mortality are significantly exacerbated by overcrowded housing, which is a challenge faced by BAME groups across the country. IPPR's research suggest that 24 percent of Bangladeshi households and 15 percent of Black African households are classified as overcrowded compared to only 2 percent of White households in the UK (IPPR, 2020).

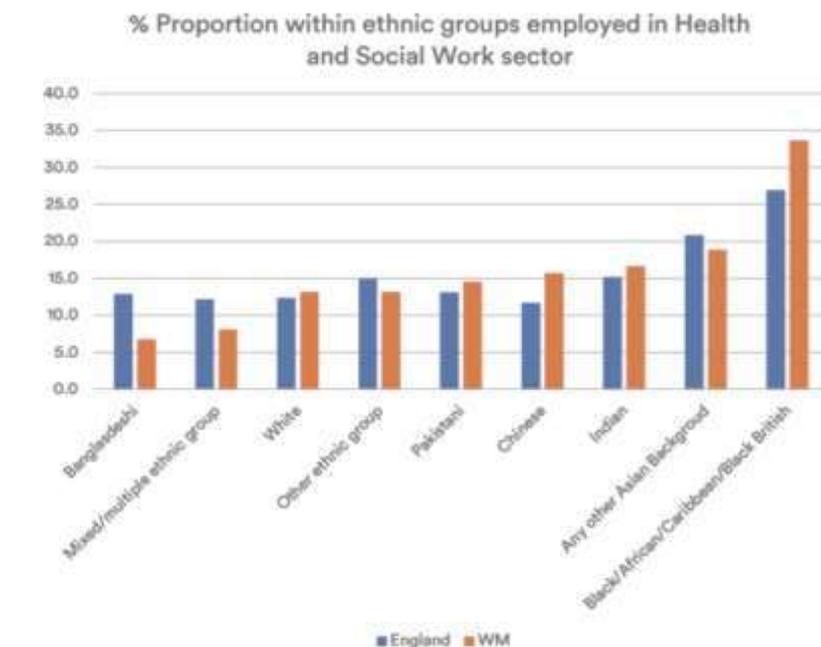
Overcrowded housing and income inequality are independently associated with COVID-19 mortality as households cannot often afford to move to a larger house and self-isolation rules are much more difficult to implement in overcrowded households. The West Midlands region has an aggregated 1.72 homeless households per 100,000 households that is relatively higher than the national average of 1.49. As far as temporary accommodation is concerned, 1.91 per 100,000 households live in temporary accommodation in the West Midlands region (WMCA, 2020). Birmingham has the highest rate of 6.7 per 100,000 households and 81.7 percent of these households are with children, followed by Coventry (4.01 per 100,000 households and 56.9 percent with children) (WMCA, 2020).

As far as housing conditions are concerned, in the West Midlands region overcrowding is four times higher in the ethnic minority community than the white British community and 2.8 percent live in overcrowded houses (which is similar to the national figure of 3 percent) (NHS BAME Network, 2020).

### Ethnic inequalities in the workforce

As far as occupational inequalities are concerned, a recent study by Public Health England that is highlighted by the [West Midlands Regional Health Impact of COVID-19 Task and Finish Group](#) find that certain occupations such as social care, nursing, taxi and bus drivers as well as security guards have the highest increased health risk due to Covid-19 exposure (Public Health England, 2020b).

In terms of disparities within the transport sector PHE's review shows that Bangladeshi ethnicity drivers face twice the risk of death than White drivers whereas Pakistani drivers face a range of 10-50 percent of higher risk of death in comparison with White British drivers. In our region, Pakistani ethnic group has the largest proportion within its population working within the transport and storage sector (17.2%) followed by Bangladeshi ethnic group (15.5%) and therefore have a greater risk as population groups of being exposed to the infection (WMCA, 2020).



Source: WMCA, 2020

As shown in the Figure above the health and social work sector in the West Midlands region comprises a significant proportion of workers from Black and other Asian background, respectively by 34 percent and 19 percent (WMCA, 2020).

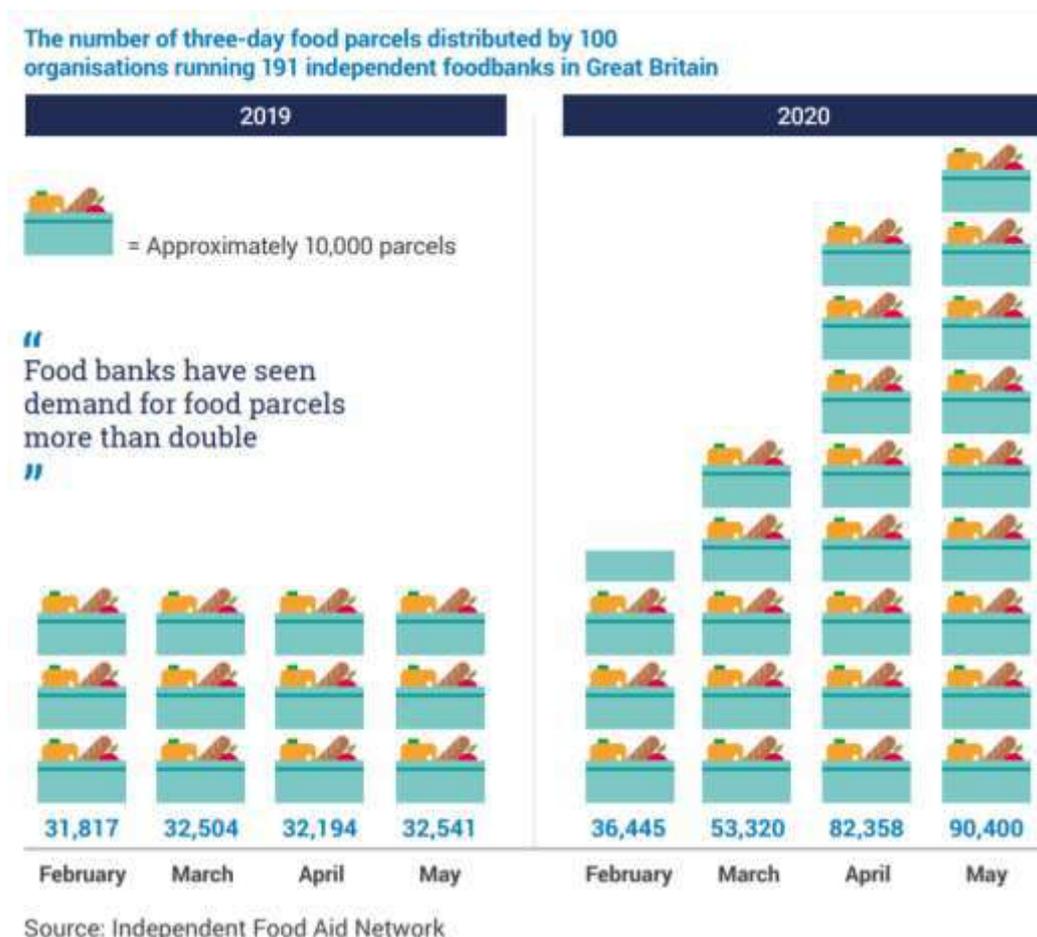
Evidence of systemic challenges faced by BAME staff in the NHS reveal that nationally 29 percent of BAME staff and 24.2 percent of white staff reported being harassed, bullied or abused by other staff during 2019. A valid concern here is that three Trusts in Birmingham and the Black Country were identified as being amongst the worst performing nationally (NHS BAME Network, 2020). Most recent findings by Public Health England confirm that racism and bullying at work were significantly correlated with BAME staff's reluctance to put themselves out when they faced PPE challenges (Public Health England, 2020b).

# How coronavirus has affected equality and human rights

Equality and Human Rights Commission Summary Rebecca Riley WMREDI/WMCA

This [report](#) investigates the effects of the coronavirus (COVID-19) pandemic on different groups in society in Britain. They have reviewed the evidence on equality and human rights impacts that have arisen from the health crisis, or as a consequence of the response e.g. social distancing and lockdown measures. The EHRC uses a Measurement Framework, which combines a range of evidence to examine trends in people’s ability to lead fulfilling lives in areas or ‘domains’, and breaks this down to show the outcomes for people with protected characteristics (e.g. disability, ethnicity) to understand the impact on equality and human rights for different groups. They have examined evidence of the impact of the pandemic on: work – employment, unemployment, redundancy and working hours; poverty and income; education – they look at the impact of school closures on attainment, the impact of remote learning on educational inequalities and the impact of changes to grading systems; social care – older people in residential care - older and disabled people at home, paid and unpaid care workers; and justice and personal security – access to justice, increasing domestic abuse and the impact on prisoners. The work finds that the economic impact of the pandemic has been unequal, entrenching existing inequalities and widening others; young people have experienced interruption to their education, and access to support for remote working has widened inequalities; and older people, ethnic minorities and some disabled people, particularly those in care homes, have been disproportionately impacted

The report presents a number of measures that look at the impacts:



## Increase in unpaid carers



Source: Carers Week, 2020

“ It has been estimated that there has been nearly a 50% increase in unpaid carers since the start of the pandemic ”



## Redundancy rates in the UK



The redundancy rate is the number of employees made redundant per 1,000 employees.

Source: Office for National Statistics

“ Redundancies have increased for both women and men. ”

\*The redundancy rate is defined as the number of employees made redundant per 1,000 employees.

# Good work for wellbeing in the coronavirus economy

Gail Irvine, Carnegie Trust Summary Rebecca Riley WMREDI/WMCA

This [report](#) looks at the impact of the coronavirus (COVID-19) pandemic on employment and the economy in the UK, and puts forward ideas to support a jobs recovery. It draws on information from a review of the literature, staff workshops, and interviews with stakeholders (businesses, academics etc). The report outlines a job quality framework which includes: job security and minimum hours; health, safety and wellbeing; support and cohesion; work-life balance; pay satisfaction; use of skills, opportunities for progression; and voice and representation.



The research looks at how the coronavirus crisis has impacted the labour market, highlighting unemployment levels and changes to working patterns and investigates which groups of workers have been most impacted by the health, employment and job quality impacts of the crisis. Describes the impact of the crisis on furloughed workers, the unemployed, and key workers. It highlights workers most affected e.g. low-paid workers, self-employed, women, young people, BAME workers, workers clinically vulnerable to coronavirus, disabled people. The work uses the job quality measurement framework to examine job quality changes due to the pandemic. This highlights concerns about job security, pay - particularly for social care workers - social security, sick pay and the influence of work on mental and physical health.

The recommendations in the report to support jobs and income include:

1. A multi-year jobs plan - The UK Government should build on what has already been achieved and commit to a multi-year focus on protecting jobs and improving job quality for people in work, recognising the long-term impact of the pandemic on the labour market. The government should adopt the Institute for Employment Studies' proposal to create a 'COBRA for jobs' to drive this multi-year strategy, bringing together national, devolved and local government departments and agencies, sector bodies, employer organisations and employee representatives. As a key part of this plan, particular attention and focus must be given to the groups of workers most likely to be disproportionately affected by the crisis. This includes low-paid workers, people in precarious employment; the self-employed; women; young people; people with low formal skills; Black, Asian and Minority Ethnic (BAME) workers; people who are clinically vulnerable to Coronavirus, and people with disabilities.
2. Strengthen the labour market safety net - The UK Government should undertake a rapid review to identify, develop and pilot a range of measures that it can deploy to strengthen the safety net for workers during a prolonged period of economic and labour market volatility over the next two years. In addition to the Winter Economy Plan, the government should consider specific interventions to support incomes in areas where there are local lockdowns, further sector-specific support schemes, and maintaining or introducing additional social security payments. Given the geographic and sectoral nature of these interventions, it is essential that this work is undertaken in close dialogue with the devolved governments and with local government.
3. Learn and adapt continuously - The current labour market situation is unprecedented and changes continually, with increasing local variation. Starting with the Winter Economy Plan and Job Support Scheme, the UK Government should closely track the impact of its interventions over the months ahead and pivot, adapt and strengthen these if they are not delivering the desired outcomes. Devolved and local governments must be closely engaged in this process.

4. A revised Industrial Strategy - We anticipate that the UK Government will be considering the future role of the Industrial Strategy in responding to the COVID-19 crisis and furthering the 'levelling up' agenda. A focus on the creation and sustainment of employment and good quality work should form a key part of any future industrial strategy policy.
5. Understand how good work supports productivity - Improving the UK's low workplace productivity will be more important than ever in the response to the COVID-19 crisis. The UK Government should build on previous work from the Carnegie UK Trust, RSA and Warwick Institute for Employment Research in this area; and the expertise amassed by the ProPEL Hub and the new Productivity Institute to further develop the evidence base on how good work supports improved productivity. The government should ensure this evidence base is disseminated widely through key employer organisations

They also present actions for a renewed focus and promoting and incentivising on good work, terms of employment, pay, skills and training, health, jobs design and work-life balance, voice and representation and building the movement for good work

## Generation Covid: Emerging work and education inequalities

Centre for Economic performance (CEP) Summary by Rebecca Riley WMCA/WMREDI

This [report](#) looks at work and education inequalities of what the author's term the COVID generation (age 16-25). The initial findings from the LSE-CEP Social Mobility Survey undertaken in September and October of 2020, and draws on Understanding Society national household panel data. This generation COVID has experienced worse labour market outcomes in terms of job loss, not working and earnings losses during and after lockdown. The work highlights that university students from the lowest income backgrounds lost 52 percent of their normal teaching hours as a result of lockdown, but those from the highest income groups suffered a smaller loss, while female students were more likely to report adverse effects for their wellbeing. This work establishes that during lockdown, nearly three quarters of private school pupils were benefitting from full school days - nearly twice the proportion of state school pupils – and a quarter of pupils had no schooling or tutoring during lockdown. The work found that just under four in ten pupils benefitted from full schooling during full school closures due to lockdown; by early October six in ten pupils were benefitting from full schooling. The research concludes that there are stark and sustained inequalities in labour market and education outcomes for the under 25's.

## Financial Inclusion Annual Monitoring Report 2020

**Stephen McKay Karen Rowlingson University of Birmingham**

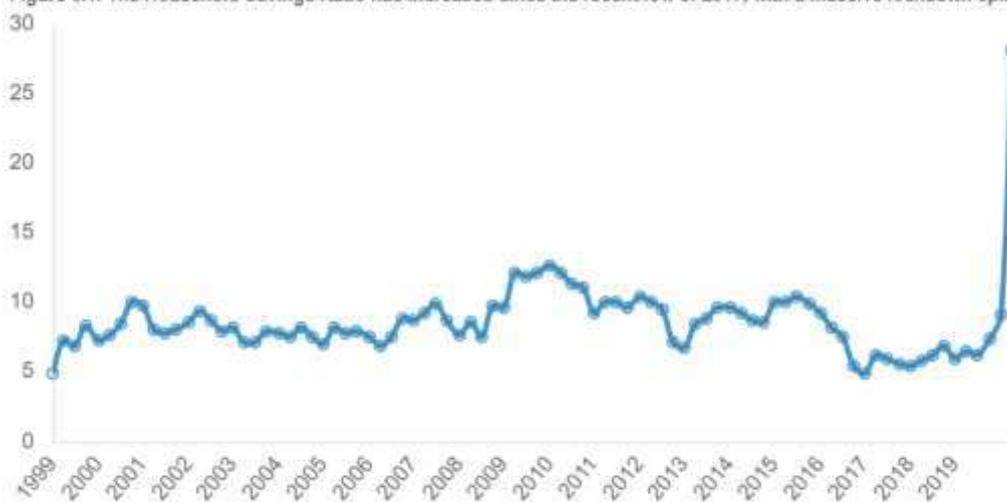
As a result of the COVID-19 pandemic, the British economy has suffered an unprecedented shock. To some extent, living standards have been protected by equally unprecedented government intervention. But the future for both the economy as a whole and individual living standards looks very uncertain. The latest report from CHASM (Centre on Household Assets and Savings Management) Highlights impacts and the full details can be found [here](#).

- COVID-19 has had, and will continue to have, a devastating impact on household finances in the UK and globally. But our report shows that household finances, and the UK's economy more generally, was already faltering in many ways, prior to the pandemic, possibly as a result of Brexit-related uncertainties during 2019.
- In the second quarter of 2019, economic growth was negative and in the fourth quarter of 2019 it was zero. Furthermore, unemployment, under-employment and zero hours contracts had all increased in 2019 while wages had started to fall in real terms towards the end of that year and into early 2020.
- Subjective financial wellbeing was also in decline prior to COVID-19 with an increase in the proportion of people saying they were 'just about getting by' or 'finding things difficult' in 2017/18 – the first time this figure had increased since 2009/10.
- So, there were clear signs of actual and potential strains on family budgets during 2019, prior to COVID-19. The impact of the pandemic on top of this situation looks set to be monumental. From just March to May 2020, between one quarter and one third of jobs were furloughed and from March to April that year there were 2 million

more claims for Universal Credit than there had been in the same period in 2019. By the end of May 2020, 28 per cent of the population said that COVID-19 had had a direct negative effect on their income.

- The Job Retention (furlough) Scheme and the boost to Universal Credit have been incredibly important interventions to support people's incomes. Those on 'legacy' benefits, however, are not seeing the same level of income protection, leading to a two-tier benefit system. And despite all this support, the Trussell Trust saw a doubling of emergency food parcels going to children in April 2020 compared with April 2019 and other charities report increasing levels of debt and fear of eviction among their clients.
- There is slightly more positive news in relation to financial inclusion with the number of people 'unbanked' reaching an all-time low in 2018/19. But there is growing concern about access to cash as bank branch closures escalate and free cash machines continue to disappear from local high streets.
- There is also some good news with increasing levels of occupational pension membership but, here again, there are concerns that contribution levels are too low to provide a sufficient level of income on retirement.
- These are extremely difficult times for the country and many within it. A significant minority of the population, however, are unaffected, financially, by COVID-19 or, indeed, are seeing their savings increase as their income remains the same and their spending has reduced. Thus, inequality is likely to rise further.
- After 2015, GDP started trending downwards and, indeed, was recorded as negative in the second quarter of 2019 and zero in the fourth quarter, even before the COVID-19 crisis. In the first two quarters of 2020, GDP was recorded as dropping by one-fifth, an unprecedented reduction.
- Inflation has been trending down in the last two years from a recent peak of 3.1 per cent in November 2017 to 0.5 per cent (CPIH) in August 2020. The most recent falls in prices were mainly due to the lower cost of motor fuels (due to a price war between Russia and Saudi Arabia) and to falls in the price of recreational and cultural goods in the wake of the COVID-19 crisis.
- In an attempt to support borrowing and demand, the Bank of England Base Interest Rate was reduced in March 2020 to the lowest it has ever been in the Bank of England's 325-year history: 0.1 per cent.

Figure 6.1. The Household Savings Ratio has increased since the recent low of 2017, with a massive lockdown spike



Source: [ONS](#). Last updated 30 September 2020

## Rules of Origin in the Auto-Industry under UK/EU Deal

David Bailey University of Birmingham

This blog was originally posted on [ukandeu](#) website

The European Automobile Manufacturers' Association (ACEA) has called on the EU to adopt a less restrictive stance on UK auto firms' access to the EU market, pressing it to 'reconsider its position' on the rules of origin that will be used to decide whether goods will qualify for tariff-free trade. As highlighted recently by the [Financial Times](#), ACEA's stance signals how some key EU industries are concerned about the possible impact of the EU's approach to the negotiations.

In particular, ACEA has requested that the EU reduces the percentage of components in a car that must be either European or British for the vehicle to qualify for the benefits of any EU-UK trade deal. Rules of origin are [critical](#) in industries like automotive where an assembled car might be made up from as many as 30,000 'bits'.

A Toyota Corolla assembled at Burnaston may have a Union Flag sticker in the window, but given that parts are imported from Germany, France, Italy and Japan (amongst others), what 'nationality' is the car?

That's where rules of origin come in – they're used to decide whether a product assembled in a country should be counted as a product from that country or as an imported product.

The UK asked for a 'cumulation' agreement that would allow auto firms to count all EU and UK content as local, as well as [lots of content from other countries](#) with which Britain and Brussels both had trade deals — like Japan. The EU is open to the former but is taking a more narrow approach on how much non-UK/EU content can be allowed in cars. Behind this is a long running concern in some European countries over the UK being a centre for assembling cars using components coming from the Far East.

In a draft annexe to the trade deal under discussion, Brussels has – as expected – stuck to its traditional line in trade deals that there should be 55% 'local' content (that is UK and EU content) to qualify for free trade status.

This limits content from outside the UK and EU to 45%; the UK wants this to be as high as 50% and ACEA supports this approach, arguing that the big changes coming in the UK industry – towards Autonomous, Connected and Electric (ACE) cars – means that firms will have to source key technologies globally. Another big issue for the auto industry raised by ACEA is on rules of origin for Battery Electric Vehicles (BEVs). The UK has requested special arrangements for BEVs whereby 70% of parts could come from non-UK and EU sources with only 30% 'local' content. This looks set to be rejected by the EU, with the latter sticking to its usual 55% local content figure.

Furthermore, the EU's proposals aim to completely end the use of batteries made outside the UK/EU from 2027 onwards if the end-product cars are to qualify for tariff-free trade between the UK and EU, with the draft annexe stating that 'a strong, stable and predictable battery supply is of strategic importance for the long term competitiveness of the EU automotive sector.' From 2024 the non-UK/EU content of battery packs and cells would fall under the EU proposals.

Sam Lowe has [raised](#) a number of issues on this, arguing that the 'EU wants to use the EU-UK trade deal to help on-shore an electric vehicle supply chain. But this heavy handed approach risks undermining its claim to be a world leader on climate change and green technologies'. He argues that BEVs will struggle because of the rules of origin requirement being 55% – his point being that this is too high a threshold for BEVs to clear, because the battery of an EV accounts for a big chunk of the car's final value. This is correct but is becoming much less of an issue as battery costs fall rapidly; the battery share of final BEV value has fallen in the last few years from over a half to around a third. Battery costs are likely to fall by around another third by 2024, according to recent projections. Lowe points to McKinsey estimates that in 2018 only one percent of EV batteries was supplied by European companies, with 97% being supplied by companies in China, Japan and South Korea. This was correct for 2018 but doesn't take into account the massive scale of investment now going into battery 'gigafactories' currently across the EU (in stark contrast with the UK position).

Gigafactory plants have been announced or are actually being built by the likes of Samsung SDI (Hungary), LG Chem (Poland) and Northvolt (Sweden) and Autovista (France).

As the Faraday Institution notes, based on current plans alone, battery manufacturing capacity in the major centres in continental Europe will reach 130 GWh per year in six years' time (hence the 2027 EU target).

And to push this along EU countries are doing much more in policy terms (all within the confines of EU state aid rules) than the UK to attract such investment. To support a pivot away from diesel technology Germany has a €1 billion federal support programme for EV battery production along, while in Poland and Hungary, special economic zones have been set up offering tax relief for EV production. Perhaps Rishi Sunak's much touted free trade zones might do something similar in the UK?

I'm not taking issue with Lowe's analysis of the suggested rules – he is right in noting that from 2027 the majority of the battery supply chain will need to be located within the EU or UK. And I would concur that the EU and UK should build in a review clause to assess whether the UK and EU auto industry can comply with any rule tightening.

Similarly, the EU should indeed review and update existing trade agreements to make sure BEVs are not put at a disadvantage. However, where I take a rather different view is on his assertion that the EU's industry is nowhere near

being close to deliver an entire domestic battery supply chain by 2027 and that the 'EU seems to want to move faster than its own industry can manage'.

Massive investment is in fact going into battery production in the EU which will be on stream by 2026. In addition the actual costs of batteries is falling dramatically as the industry scales up and learns-by-doing, so this becomes less of a critical issue in terms of meeting rules of origin. While there is a tentative proposal from BritishVolt to build a battery gigafactory in the UK, the [UK is lagging badly](#) behind the EU in this area. Without a major effort to reorientate the auto supply chain, UK car assembly will be increasingly dependent on imported components from the EU to meet rules of origin rules going forward.

# ONS Weekly Release Indicators

BCCEIU

On the 29<sup>th</sup> October 2020 the ONS released the weekly publication containing data about the condition of the UK society and economy from the COVID-19 pandemic.

The statistics are experimental and have been devised to provide timely information. The following summary contains footfall data, initial results from Wave 16 of the Business Impact of Coronavirus Survey (BICS), experimental online job advert indices and results from Wave 30 of the Opinions and Lifestyle Survey (OPN).

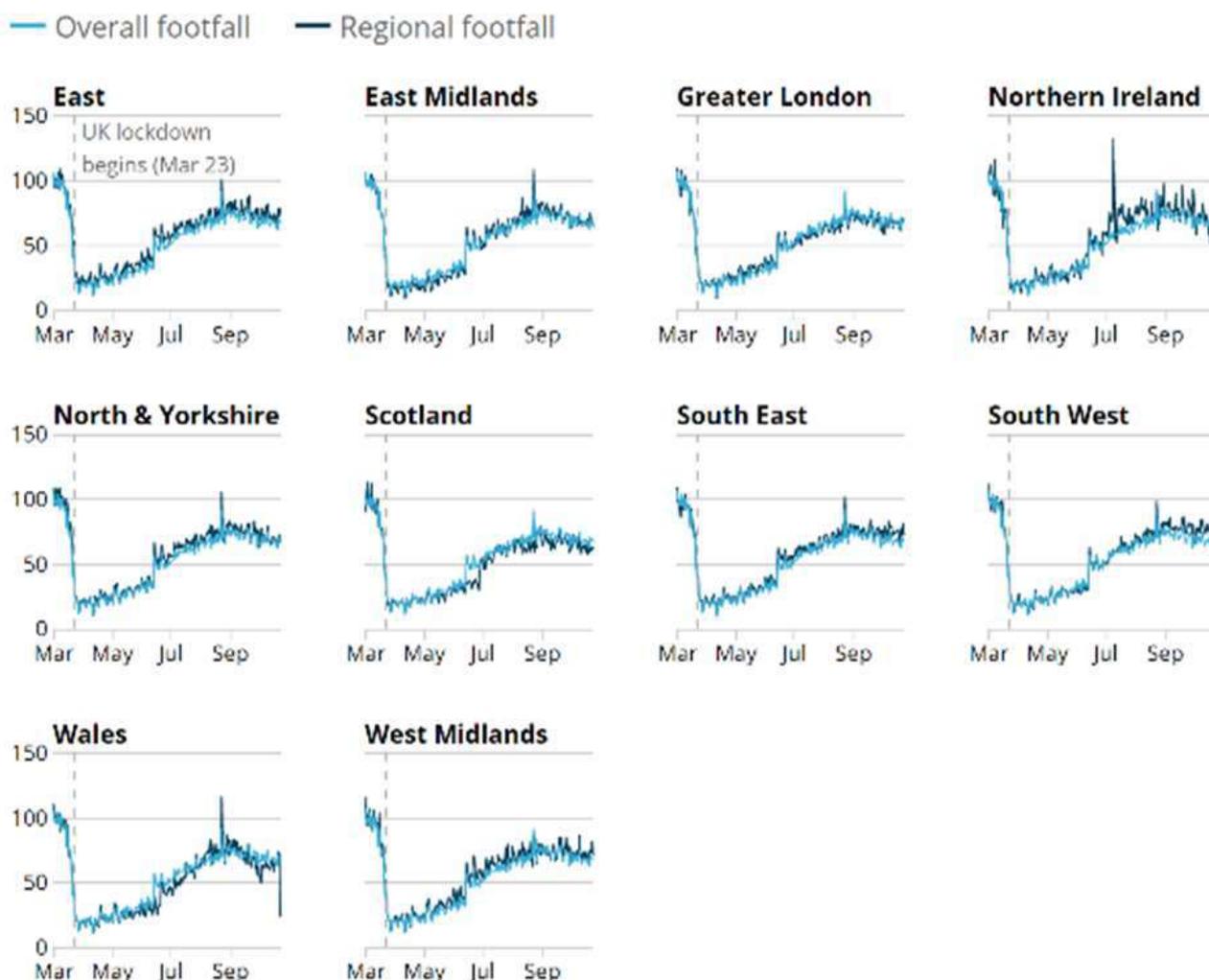
## National Footfall

Customer activity figures are provided by Springboard. The volume of footfall has been compared to the same day the previous year (i.e. Tuesday 14<sup>th</sup> July 2020 will be compared to Tuesday 16<sup>th</sup> July 2019).

For the second week in a row, overall national footfall has remained at around two-thirds of the level of the previous year (in the week of the 25<sup>th</sup> October 2020).

The weekly average footfall for the week ending 25 October shows that 6 of the 10 regions decreased. The largest decreases were in Northern Ireland (which introduced additional restrictions on 16 October) and Wales (which introduced a national lockdown on 23 October). Notably, on the weekend of the 24<sup>th</sup> October, footfall in Wales fell to a quarter of that seen a year ago. Average weekly footfall for the week ending 25<sup>th</sup> October shows there were small increases in for the West Midlands, East Midlands, and Greater London.

The following graph shows the volume of daily footfall for UK regions between 1<sup>st</sup> March to 25<sup>th</sup> October 2020, 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

There were 15,268 incorporations in the week ending 23<sup>rd</sup> October 2020, this is above the incorporations recorded in the same week as 2019 which was 12,487.

Also, for the week ending 23<sup>rd</sup> October, there were 4,528 voluntary dissolution applications. This is lower than the same week as the previous year at 5,045.

## Business Impact of the Coronavirus

The initial results from Wave 16 of the Business Impact of Coronavirus Survey (BICS) show that of the 24,315 businesses surveyed across the UK, 20% had responded by 27<sup>th</sup> October. Unless stated, the following data is based on the period between 5<sup>th</sup> to 18<sup>th</sup> October 2020 and is based on weighted estimates.

## Trading Status

Weighted by count of UK businesses, 82% of responding businesses across the UK have been trading for more than the last 2 weeks. 2% of responding businesses who had temporarily paused trading reported to have started trading in the last 2 weeks. 4% of businesses that have temporarily paused trading but intend to restart trading in the next two weeks. While 9% of businesses that have temporarily paused trading that do not intend to restart trading in the next two weeks and 4% of businesses have permanently ceased trading.

Of businesses that have not permanently stopped trading across the UK, 8% of their workforce were on partial or full furlough leave, 29% were working remotely, and 60% were working at their normal place of work.

## Cash Reserves

4% of businesses that have not permanently stopped trading have no cash reserves. 39% of businesses across the UK have less than six months of cash reserves. 35% of businesses have more than six months of cash reserves and 22% said that they were not sure how long their cash reserves would last.

## Financial Performance

Weighted by turnover, under 10% of businesses that have continued trading reported turnover had increased by at least 20%. While 35% reported that turnover had not been affected. However, 47% of businesses reported turnover had decreased by at least 20% and 8% of businesses were not sure.

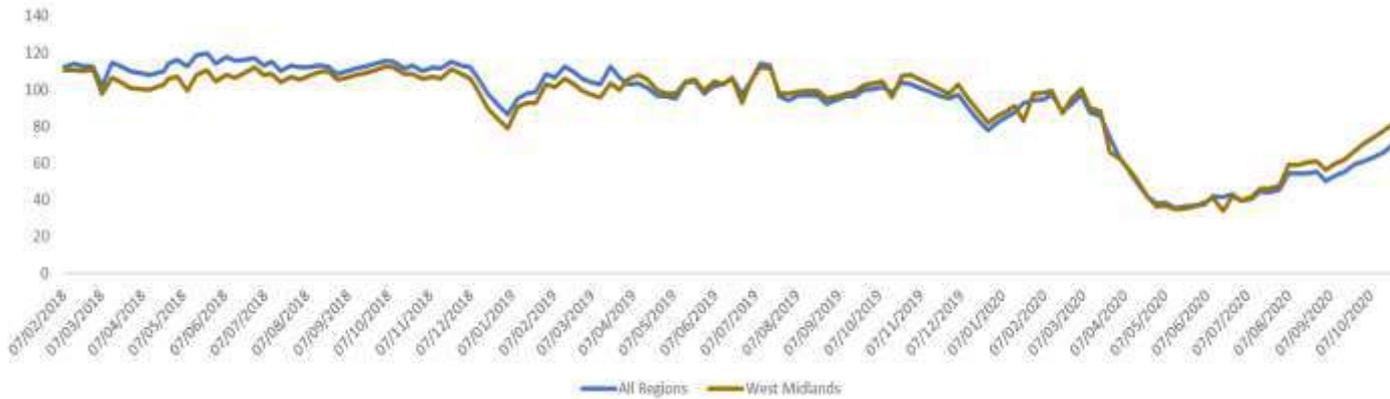
## Online Jobs Adverts

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). The Adzuna categories do not correspond to SIC categories and therefore not comparable with the ONS Vacancy Survey.

Nationally, total online job adverts have increased from 65.6% (of the 2019 average) in the week of the 16<sup>th</sup> October to 69.7% (of the 2019 average) in the week of the 23<sup>rd</sup> October 2020. Out of the 28 categories (excluding unknown) 22 increased from the previous week with the sales category increasing the highest at 12.6 percentage points (pp) to 76.8% of its 2019 average. The largest decrease was in the transport/logistics/warehouse category, decreasing by 18.8pp to 156.4% of its 2019 level.

For the West Midlands, the total online jobs adverts have increased from 77.3% (16<sup>th</sup> October) to 80.8% (23<sup>rd</sup> October) of its 2019 average. All the UK regions experienced an increase between the 16<sup>th</sup> October and the 23<sup>rd</sup> October with Northern Ireland the highest at 8.2pp to 70.8% and 79.0% of its 2019 level. The smallest increase was in the East Midlands by 2.6pp over the same period to 89.2% of the 2019 level

The following chart shows the total weekly job adverts on Adzuna, for all regions and the West Midlands, 4<sup>th</sup> January 2019 to 23<sup>rd</sup> October 2020: index 2019 average = 100, percentage points:



### 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 30, covering the period 21<sup>st</sup> - 25<sup>th</sup> October 2020. In this wave there were 4,226 (68%) responding adults. This publication is based on a much larger sample, approximately three times the size of the previous week.

### Local COVID-19 Alert Levels

Between 21<sup>st</sup> to 25<sup>th</sup> October, 48% of responding adults reported they were in tier 1, 37% reported they were in tier 2 and 10% reported they were in tier 3. 5% of responding adults were unsure or did not know which tier they were in.

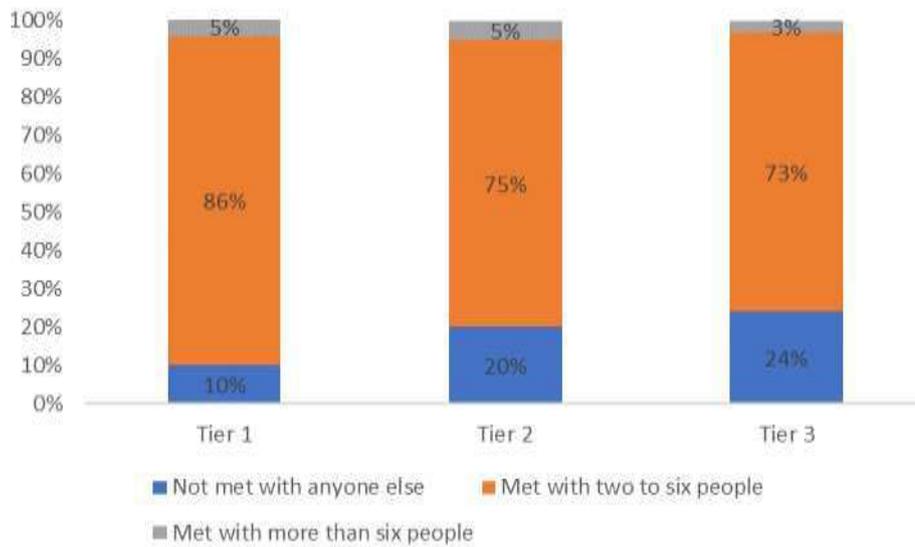
The top three sources for adults looking for information on restrictions for their area were; 57% of adults referred to television, 36% used the NHS COVID-19 app and 35% would refer to print or online news articles.

### Socialising, Meeting up and Social Distancing

People were asked to think of the largest group they had met up with indoors in the past seven days, including themselves. It is important to note that this group size could include people (partially or solely) from within an individual's household and or support bubble. Therefore, it should not be considered a precise measure of compliance with government guidance.

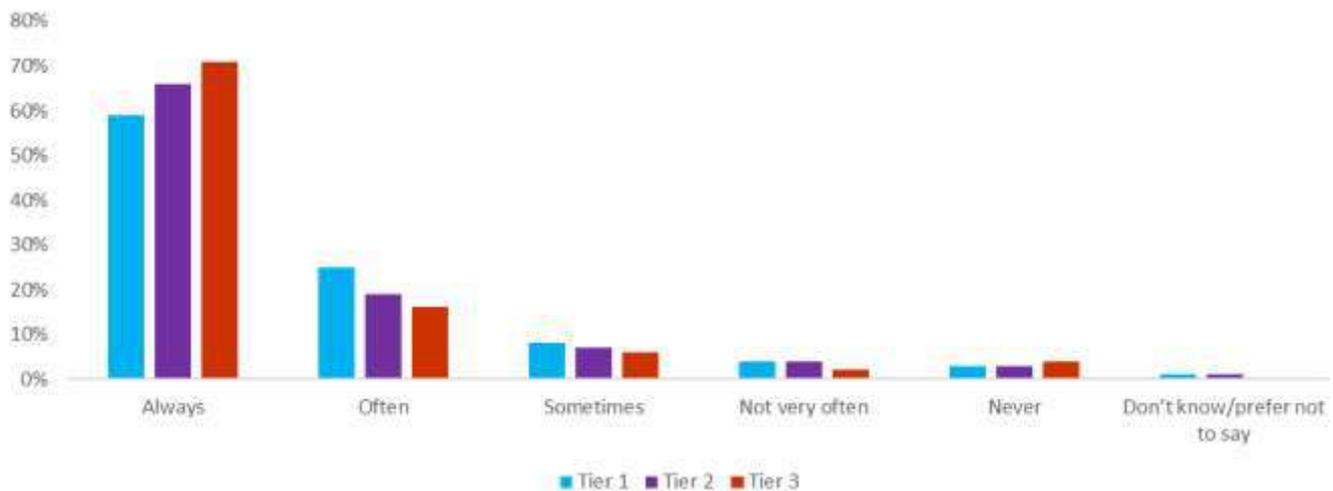
As seen in the following chart, tier 1 had the lowest percentage across all three of the tiers for not meeting with anyone else indoors at 10%, up to 24% for tier 3. While tier 1 was the highest tier for meeting between two to six people at 86% down to 75% for tier 2 and then 73% for tier 2. For tier 1 and tier 2, 5% had met with more than 6 people, down to 3% for tier 3.

The following chart shows the levels of socialising indoors across tiers:



Tier 3 had the highest percentage of people who had met up with people outside of their social bubble and always maintained social distancing at 71%, however this tier was also the highest for never social distancing at 4%.

The following chart shows how social distancing varies across tiers:

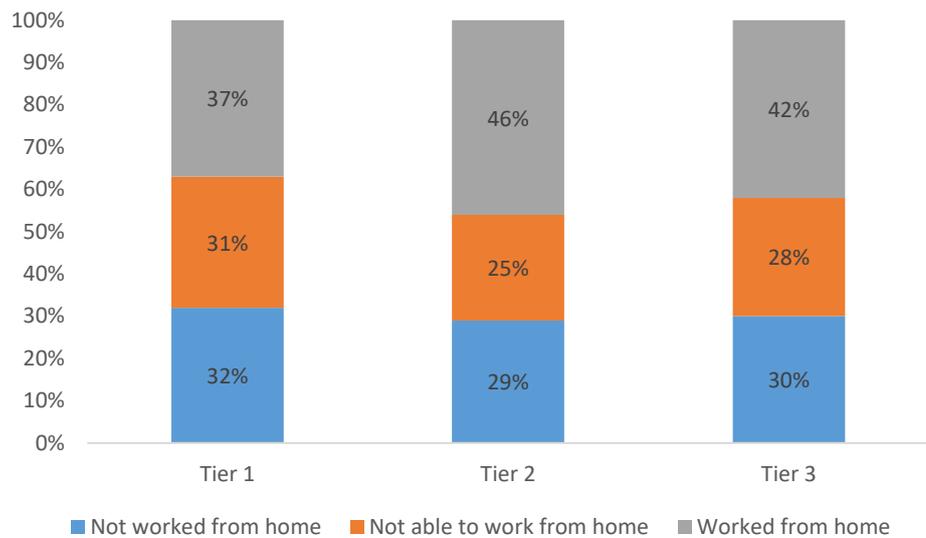


74% of adults in tier 1 restrictions said they had avoided contact with older people or other vulnerable people, compared to 81% adults who were living in tier 2, and 85% for adults living in tier 3.

## Work

37% of working adults in England have worked exclusively from home between 21<sup>st</sup> to 25<sup>th</sup> October, this increased to 42% for those in tier 3 and then to 46% for those in tier 2.

The following chart shows Working patterns by COVID-19 alert level in England:



HEADLINES	
SECTOR	KEY CONCERNS
<b>Cross Sector</b>	<p>Lockdown</p> <ul style="list-style-type: none"> <li>Businesses have expressed concern regarding the circuit breaker lockdown, with fears of government support being inadequate to support their needs.</li> </ul> <p>Access to Finance and Cashflow</p> <ul style="list-style-type: none"> <li>The full financial support package for businesses facing hardship, whether through loss of demand or closure, needs to be clarified and communicated.</li> <li>Sustained help must be available to employers, to the self-employed and to the businesses and individuals that have not been able to access any of the government's schemes to date.</li> </ul> <p>Jobs &amp; Furlough</p> <ul style="list-style-type: none"> <li>The temporary extension of the furlough scheme will bring short-term relief to many firms, but business leaders say it will not be enough.</li> </ul> <p>Skills &amp; Training</p> <ul style="list-style-type: none"> <li>The inability to mentor and train apprentices whilst working remotely is a challenge. This could be a tremendous barrier to recovery in employment for young people - even with the Kick Start scheme, as it is difficult for firms to take on a young untrained person whilst working remotely.</li> </ul> <p>Landlords</p> <ul style="list-style-type: none"> <li>Landlords demanding full rent continues to be an issue for struggling SMEs. Some tenants are transferring their assets to a new business and liquidating their companies in order to get out of leases. There are concerns that at some point in the next year or two there will be a huge glut of offices available and the property companies will be in trouble.</li> </ul> <p>Investment</p> <ul style="list-style-type: none"> <li>Good level of enquiries from businesses looking to invest in their recovery, including investment, international trade, skills and digital enquiries.</li> </ul> <p>EU Exit Concerns</p> <ul style="list-style-type: none"> <li>People and skills (in particular future supply of people with appropriate skills from EU).</li> <li>Services trading implications.</li> <li>Data transfers to/from EU.</li> <li>Accessing UK and EU public procurement opportunities.</li> <li>The impact in the long term with the loss of EU monies leading to a reduction in tendering opportunities.</li> <li>Lack of understanding and clarity continue to be reported, specifically about: <ul style="list-style-type: none"> <li>VAT deferment accounts.</li> <li>The implication of sending a team to complete a project abroad post December 2020.</li> <li>Tariffs.</li> <li>Quality Standards and whether we will align with EU and IS Standards</li> </ul> </li> <li>Companies are struggling to understand how to find someone who can take on the authorised representative status for them in the EU and report a lack of detailed government guidance and practical advice about how to go about this.</li> </ul>
<b>Advanced Manufacturing &amp; Engineering</b>	<p>New Business Models inc Diversification</p> <ul style="list-style-type: none"> <li>Some businesses are investing in their online profile.</li> </ul> <p>EU Exit</p> <ul style="list-style-type: none"> <li>Implications are still confusing to those in this sector.</li> <li>Businesses are not sure what are the implication of sending a team to complete a project abroad post-Brexit.</li> </ul>
<b>Construction</b>	<p>Cross Theme</p> <ul style="list-style-type: none"> <li>Need to adapt to remote working.</li> <li>Project delays.</li> <li>Changing working practices.</li> <li>Project cancellations or deferrals.</li> <li>Staff absences.</li> <li>Reduction in enquiries.</li> <li>Removal of communal offices on site.</li> </ul>
<b>Visitor Economy</b>	<p>Access to Finance and Cashflow</p> <ul style="list-style-type: none"> <li>Entertainment groups have warned of a "huge void in financial support" after the Government announced the closure of venues as part of the month-long lockdown.</li> </ul> <p>Lockdown</p> <ul style="list-style-type: none"> <li>Expected to be particularly damaging to the hospitality industry.</li> </ul>

NEW ECONOMIC SHOCKS			
COMPANY	LOCATION	SECTOR	SOURCE/DETAIL
<a href="#">Compton</a> Care	Wolverhampton	Health	Compton Care, which provides full-time inpatient care at its base on the outskirts of Wolverhampton, today launched a new fundraising drive in an effort to fight back and gap the £2.4 million shortfall.
The <a href="#">Rose</a> , The Crown , The Fellows	Black Country and Wider Region	Hospitality	Three Dudley pubs have temporarily closed due to staff testing positive for coronavirus or having to self-isolate.
<a href="#">Walsall</a> council	Walsall	Public sector	Walsall Council's "dire financial situation" is set to get even bleaker as finance bosses look to cut more than £36 million to balance the books.
<a href="#">Mountain</a> Warehouse	Dudley	Retail	Mountain Warehouse will close its doors at the Brierley Hill-based shopping centre in January, the site's operator intu announced this week.
<a href="#">Pizza</a> Express	Black Country and wider region	Hospitality	Pizza Express has said it is cutting around 1,300 more jobs across its 370 UK restaurants after recent trading worsened in the face of tightened restrictions.
<a href="#">Birmingham</a> airport	Birmingham	Aviation	A further 120 jobs are to go at Birmingham Airport which has seen a dramatic drop in passenger numbers this year due to the coronavirus crisis.

NEW INVESTMENT, DEALS AND OPPORTUNITIES			
COMP-ANY	LOCATION	SECTOR	DETAIL & SOURCE
<a href="#">Dulux</a> paint	Wolverhampton	Retail	Acorns Children's Hospice and Compton Care were each given £500 to spend on items of their choice at the Dulux store on Bilston Road, Wolverhampton.
The <a href="#">Hanger</a>	Wolverhampton	Entertainment	The Hangar, based in Pearson Street in Wolverhampton, received a total of £323,000 as part of the Government's £1.57 billion Culture Recovery Fund.
<a href="#">Ramfoam</a>	Dudley	Manufacturing	Fifty extra jobs will be delivered after visor maker Ramfoam opened a factory.
<a href="#">Liquid</a>	Birmingham	PR	PR firm Liquid has made 10 new appointments at its Birmingham office.
<a href="#">AtmosVR</a>	Birmingham	ITEC	VR company setting up base in Digbeth for commercial and leisure uses of Virtual Reality
<a href="#">CKD</a> Shop	Southam	Manufacturing	A Warwickshire manufacturing business specialising in the production of niche vehicle panels has purchased new premises. CKD Shop, which was established in 2015 in Queensland, Australia, has purchased the 8,000 sq ft site at Holywell Business Park in Southam.
<a href="#">Stadium</a> TM	Coventry	Manufacturing	An event management specialist has clinched a major deal with one of the world's iconic sport and music venues. Stadium, based on Bodmin Road in Coventry, has signed a four-year deal with The FA at Wembley Stadium to support the venue operators with crowd management at future events such as England football internationals, Euro 2021 matches, NFL matches, elite boxing, and music concerts.
SLJ <a href="#">Accountancy</a>	Stratford-upon-Avon	Professional Services	A firm offering tax advisory and compliance services to businesses and individuals has been launched in Stratford upon Avon by chartered tax adviser and accountant Simon Littlejohns. Littlejohns has more than 30 years experience working in a range of firms, from the 'big four' national and international accountancy and business advisers, to local independent and boutique tax practices.

## NEW INVESTMENT, DEALS AND OPPORTUNITIES

COMP-ANY	LOCATION	SECTOR	DETAIL & SOURCE
<a href="#">Safetyflex Barriers</a>	Coventry	Manufacturing	Safetyflex Barriers based in Coventry has become the biggest supplier of anti-terrorism bollards in Australia, with Sydney the latest city in the country to be further secured with its shields from hostile vehicle attacks. The manufacturer of anti-terrorism bollards and barriers has protected high-profile locations in Brisbane, Melbourne and Sydney from the threat of vehicle-ramming attacks.
<a href="#">Aeristech</a>	Warwick	Engineering, Manufacturing	Electric motor specialist Aeristech, based in Warwick, has secured a £2m investment loan to drive its cleantech growth plans through a Government-backed fund for high tech manufacturing businesses.
<a href="#">Ricor Global</a>	Studley	Automotive	Warwickshire -based international automotive supplier Ricor Global has acquired the assets of Arlington Automotive North East division which was placed into administration earlier this year. With manufacturing facilities in the UK, Poland and Slovakia and headquartered in Studley, Warwickshire, and with a tooling facility in China, Ricor employs more than 800 people, specialising in metal stampings and complex assemblies, primarily for the automotive industry.
<a href="#">JLR</a>	West Midlands/National	Automotive, Engineering, Manufacturing	Luxury car maker Jaguar Land Rover has returned to profit, it revealed today. The manufacturer, which builds cars at sites in Halewood, Merseyside, and Castle Bromwich and Solihull in the West Midlands, announced second quarter results for the three months ended September 30, revealing a return to profit and significant positive cash flow. Sales and revenues recovered from the impact of COVID-19 in the first quarter, but still remain below pre-pandemic levels a year ago, JLR said.
<a href="#">Opus International Products</a>	Warwick	Automotive	A Warwick-based automotive business has invested a six-figure sum in state-of-the-art machinery and is set to create jobs on the back of the investment. Opus International Products in Hiron Way on the Budbrooke Industrial Estate, which is an automotive component manufacturer for premium car manufacturers, was looking to invest £340,000 in additional machinery.
<a href="#">Park Sheet Metal</a>	Bedworth	Manufacturing	A luxury car parts manufacturer has been held up as a prime example of West Midlands manufacturing innovation after working with Dyson to play a key role in the nation's battle against coronavirus. Coventry-based Park Sheet Metal, which normally makes components for the likes of Aston Martin, Bentley and Jaguar Land Rover, was called on to use its expertise to help manufacture up to 10,000 ventilators to treat critically ill Covid-19 patients.

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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This programme of briefings is funded by the West Midlands Combined Authority, Research England and UKRI (Research England Development Fund)



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

