

West Midlands

Weekly Economic Impact Monitor



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This monitor aims to pull together information across regional partners to understand the impacts of Covid-19 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 the Chancellor announced the Spending Review, the OBR published its latest forecast and the Treasury has launched the new Green Book. The UK economy is expected to shrink by 11.3% this year – the largest fall in output for 300 years. Covid-19 will leave “long-term scarring” and the economy won’t return to pre-pandemic levels until Q4 of 2022. By 2025, the economy is expected to be 5% smaller than first thought in the Spring Budget earlier this year. Government borrowing will reach almost £400bn this year 19% of GDP, the largest level of borrowing in peacetime.

- There were 200 deaths registered that were related to Coronavirus over the week ending 13th November– this accounts for 22.8% of total deaths.
- The UK economy is expected to shrink by 11.3% in 2020 and not return to its pre-crisis size until the end of 2022.
- Government borrowing will rise to its highest outside of wartime to deal with the economic impact.
- The government's independent forecaster, the Office for Budget Responsibility (OBR) expects the number of unemployed people to surge to 2.6 million by the middle of next year.
- It means the unemployment rate will hit 7.5%, its highest level since the financial crisis in 2009; however this has already been revised down from 10% and could be revised down further.
- The combined impact of the virus on the economy and the Government’s fiscal policy response pushes the deficit this year to £394 billion (19 per cent of GDP), its highest level since 1944-45, and debt to 105 per cent of GDP, its highest level since 1959-60.
- These favourable financing conditions suggest that the sharp rise in debt to absorb the cost of the pandemic has not undermined the sustainability of the public finances. Indeed, it is more likely that sustainability would have been damaged if the Government had not stepped in to support the private sector.
- Many public workers will see their pay frozen in 2021-2, except the lowest paid and NHS staff, meaning a million NHS workers and those earning less than £24,000 will still get an increase.
- The Overseas Aid budget is to be cut by about £4bn.
- A new £4bn "levelling up" fund will pay for upgrading local infrastructure across UK.
- Business confidence in the region has fallen since the introduction of national restrictions, according to the ICAEW.
 - The region’s large manufacturing sector is especially exposed to Brexit uncertainty.
 - Exports are down sharply and the percentage of businesses operating below capacity is now the highest of any UK region.
 - Customer demand and late payments are by far the most widespread growing challenges.
 - Companies are cutting investment spending, with subdued plans for the year ahead.
 - However, businesses do expect sales performance to improve next year.
- **The Green Book [has changed](#).** From now on policies must be developed and rigorously assessed against how well they deliver on the Government’s policy aims such as levelling-up. In addition proposals can no longer be developed without assessing the different impacts on places across the UK. These changes to the Green Book are one part of the Government’s wider levelling-up agenda to spread opportunity across the United Kingdom. Changes include: A stronger requirement to establish clear objectives from the outset. Stronger and clearer advice on what constitutes value for money. New guidance on how to assess local impacts. New guidance on the appraisal of transformational changes. Measures to improve analysis on differential impacts
- Treasury have established a **new Green Book User Network**, which is aimed at public sector users of the Green Book and the Business Case Guidance. This will promote the sharing of experience and expertise and run regular events focusing on particular themes or case studies. Rebecca Riley WMCA, is the Chair of the steering group.

- The latest Make UK report recommends that giving powers to regions will help to tackle regional economic challenges and support the wider recovery:
 - 42% of manufacturers are dissatisfied with Government's current levelling up agenda
 - Metro Mayors, LEPs and Local Authorities should work more closely with manufacturers as they develop new regional industrial strategies and push for real change in key issues in their regions
 - Four in ten manufacturers want greater emphasis on local infrastructure projects over national ones to boost regional productivity
 - 42% of manufacturers want to see improvements to local road, rail and bus services through refreshed regional industrial strategies
 - But there is a national consensus on infrastructure - digital connectivity is the number one priority for 41% of manufacturers
- There are substantial differences in positivity rates by region. The national positivity rate in England is similar to last week; during the most recent week (8 November to 14 November 2020), it is estimated that 664,700 people (95% credible interval: 628,300 to 701,200) within the community population in England had the coronavirus (COVID-19), equating to around 1 in 80 people (95% credible interval: 1 in 85 to 1 in 80).
- Over the last week, positivity rates have continued to increase in London, the East of England and the South East, however rates now appear to be decreasing in the North West and the East Midlands; the highest COVID-19 positivity rates remain in the North West and Yorkshire and The Humber.
- The highest positivity rates are seen among secondary school-aged children and older teenagers and young adults, although trends vary between these groups; rates continue to increase in primary school-aged children and positivity rates appear to be levelling off in people aged 25 years and over.
- The modelling by WMREDI reveals the exposure of the West Midlands to European supply chains and the potential impact of a no-deal Brexit on the region's economy. The methodological assumption takes the cessation of trade between the UK and the EU as barometer of potential risks to regional sectors.
- According to the model, 12.2% of West Midlands GDP is at risk because of negative trade-related consequences; in the wider region, the exposure of Shropshire and Staffordshire is 13.9% of local GDP and the exposure of Herefordshire, Worcestershire and Warwickshire is 14.3%.
- Under the modelling scenario 32.3% of the GDP of the manufacturing sector is at risk owing to its dependence on frictionless trade and just-in-time supply chains. Disruptions to logistics and distribution networks will have a huge impact on manufacturing, but other sectors also demonstrate a high degree of exposure. For example, 25.5% of GDP in the primary industries (extraction such as mining, agriculture and forestry) and 12.2% of GDP in the services sector would also be at risk in the event of the UK leaving without a deal on 31 October 2019.
- The UK's economically weaker regions in general face more adverse competitiveness impacts than the UK's more prosperous regions. As such, these findings imply that Brexit will directly work against any 'Levelling Up' agenda because the trade and competitiveness implications of Brexit will almost certainly widen UK inter-regional inequalities.
- For the week ending the 15th November 2020, overall footfall decreased to 44% of the 2019 level. However, this level of footfall is above the spring lockdown low point (week ending 12th April). High streets and shopping centres were at 36% of the 2019 level. Retail parks were at 68% of the 2019 level.
- For West Midlands businesses that indicated they had sites that had paused or ceased trading, 21.9% stated that it was not financially viable to keep open, 68.8% were required to temporarily close due to lockdown regulations and 13.0% reported insufficient footfall or customer interest. While 9.3% reported the reason as other and 2.0% were unsure. 47.0% of trading businesses in the West Midlands reported profits had decreased by at least 20%.

Global, National and Regional Outlook

Ben Brittain, WMREDI

Global

Stock markets have been encouraged by the positive [triple-hitter](#) of encouraging and hopeful vaccine news, stronger performing U.S. economic data than expected and Janet Yellen's selection as President-elect Joe Biden's Treasury Secretary nominee. The Dow Jones Industrial Average topped 30,000 points for the first time.

[The dollar has dropped](#) to a two-and-a-half year low. Emergency plans to roll out a Covid-19 vaccine in the U.S. has stimulated investor appetite for assets. An index tracking the currency slipped 0.2% after U.S. officials said vaccinations may start in less than three weeks.

Across Europe infection rates are starting to stabilise or fall, such as those in France. French President Emmanuel Macron has announced a [slow easing of its national lockdown](#), though the country's restaurants will remain closed over the key festive period, contrasting with the UK where they will be open in Tier 2 regions.

Contrasting with Macron's announcement is German Chancellor Angela Merkel's proposal to toughen restrictions, which is conflicting with calls from regional leaders for a more measured approach.

National

The UK's Chancellor of the Exchequer delivered his [spending review](#) this week amidst official forecasts of the severity of the economic crisis. Official forecasts now predict the biggest economic decline in 300 years.

- The UK economy is expected to shrink by 11.3% in 2020 and not return to its pre-crisis size until the end of 2022.
- Government borrowing will rise to its highest outside of wartime to deal with the economic impact.
- The government's independent forecaster, the Office for Budget Responsibility (OBR) expects the number of unemployed people to surge to 2.6 million by the middle of next year.
- It means the unemployment rate will hit 7.5%, its highest level since the financial crisis in 2009, however this has already been revised down from 10% and could be revised down further.

The main measures announced in the Spending Review are:

- Many public workers will see their pay frozen in 2021-2, except the lowest paid and NHS staff, meaning a million NHS workers and those earning less than £24,000 will still get an increase
- Overseas Aid budget is to be cut by about £4bn
- A new £4bn "levelling up" fund will pay for upgrading local infrastructure across UK

Regional

Business confidence in the region has fallen since the introduction of national restrictions, according to the ICAEW. The *ICAEW Business Confidence Monitor* is one of the largest and most comprehensive quarterly surveys of UK business confidence, based on 1,000 interviews of ICAEW Chartered Accountants.

It notes:

Business confidence is in firmly negative territory (-14.6, compared to -19 for the UK).

- The region's large manufacturing sector is especially exposed to Brexit uncertainty.
- Exports are down sharply and the percentage of businesses operating below capacity is now the highest of any UK region.
- Customer demand and late payments are by far the most widespread growing challenges.
- Companies are cutting investment spending, with subdued plans for the year ahead.
- However, businesses do expect sales performance to improve next year.

Business confidence in the West Midlands, versus the UK



* = data unavailable for Q3 2020

Office for Budget Responsibility Forecasts

(Excerpt from the OBR Forecast 2020)

The UK economy will shrink by 11.3% this year – the largest fall in output for 300 years – [Chancellor Rishi Sunak said](#) on Wednesday afternoon in his Spending Review. The Chancellor said the Covid-19 will leave “long-term scarring” and that the economy won’t return to pre-pandemic levels until Q4 of 2022. By 2025, the economy will be 5% smaller than first thought in the Spring Budget earlier this year. Government borrowing will reach almost £400bn this year 19% of GDP, the largest level of borrowing in peacetime. Sunak said that a new “infrastructure bank” will be set up and headquartered in the north of England. It will finance major projects starting from next spring.

OBR Outlook

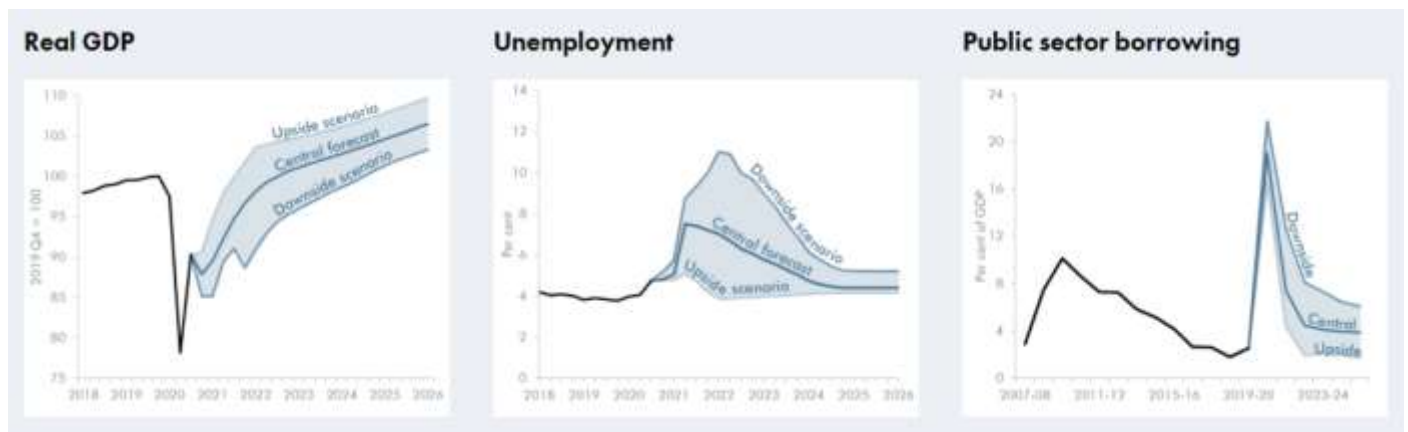
The [Office for Budget Responsibility](#) has released their latest outlook. The coronavirus has caused our economy to shrink 11 per cent this year – the largest drop in over 300 years. But they estimate that the economy recovers its pre-virus level by the end of 2022. Support for public services, households and businesses costs £280 billion this year, pushing the deficit to £394 billion (19 per cent of GDP, the highest since 1944), and debt above 100 per cent of GDP (for the first time since 1960). Their central forecast shows £20-30 billion in spending cuts or tax rises would be required to balance revenues and day-to-day spending and stop debt from rising by the end of this Parliament.

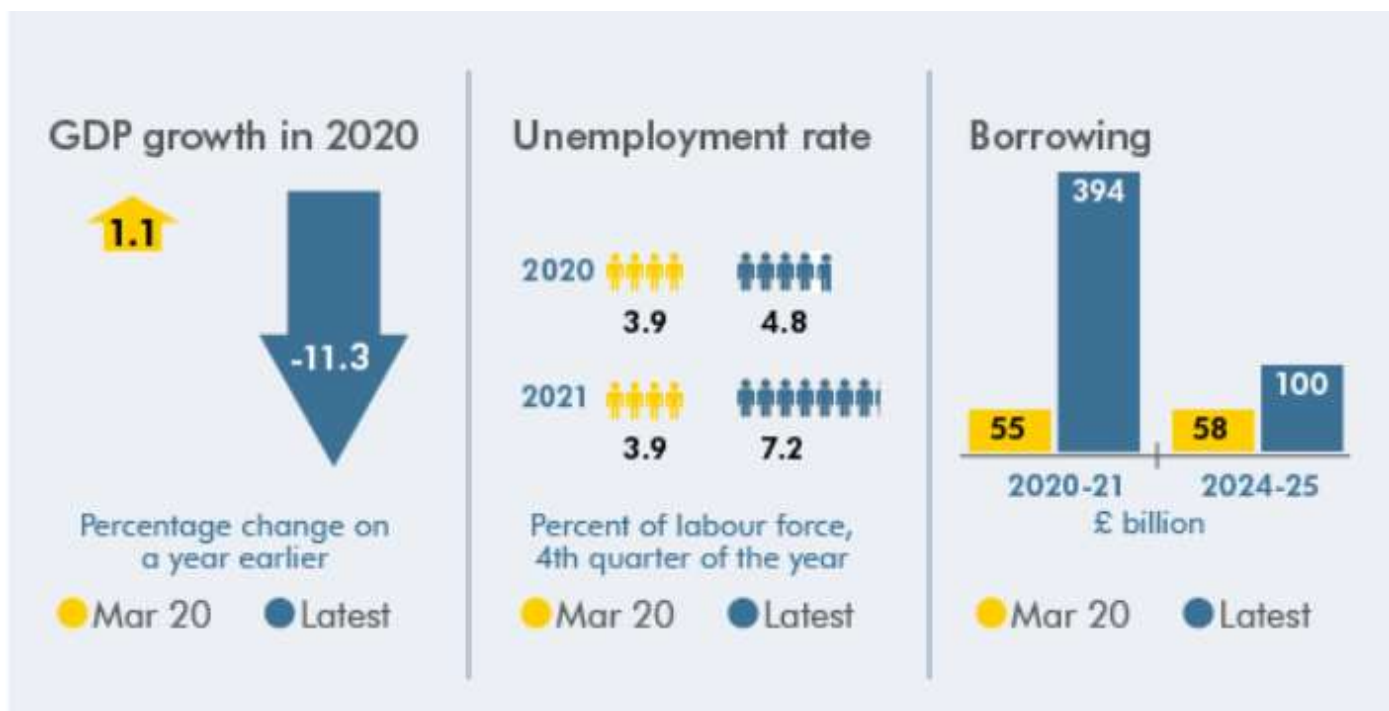
The virus has also exacted a heavy and mounting toll on the public finances. In the OBR central forecast, receipts this year are set to be £57 billion lower, and spending £281 billion higher, than last year. The Government has committed huge sums to treat the infected, control the spread of the virus, and cushion its financial impact on households and businesses. As support has been expanded and extended, including in the wake of the second wave of infections, its total cost this year has risen from £181 billion at the time of the Summer Economic Update, to £218 billion at the time of the Winter Economy Plan, to £280 billion in this forecast.

During the first wave of infections, the UK locked down later and for longer than some of its European neighbours and experienced a deeper fall and slower recovery in economic activity. A resurgence of infections is now in progress across Europe and North America, prompting the tightening of public health restrictions and re-imposition of national lockdowns and taking the wind out of an already flagging recovery. That includes the UK, where GDP is set to fall by 11 per cent this year – the largest drop in annual output since the Great Frost of 1709.

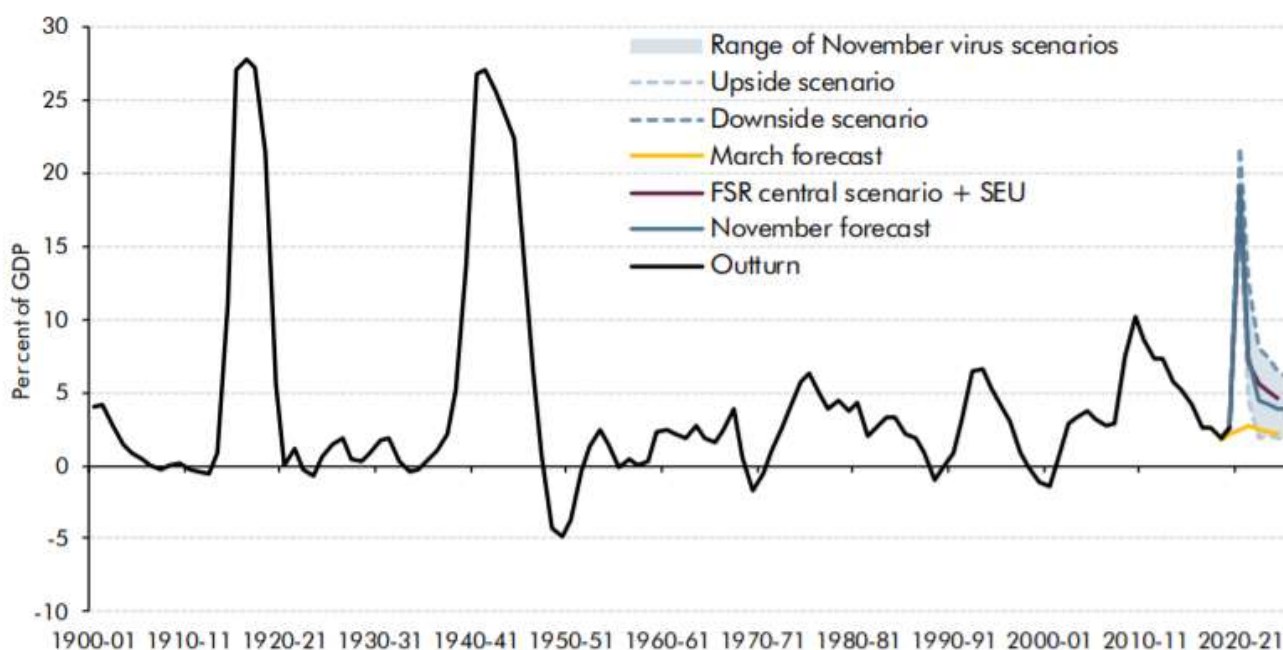
The combined impact of the virus on the economy and the Government’s fiscal policy response pushes the deficit this year to £394 billion (19 per cent of GDP), its highest level since 1944-45, and debt to 105 per cent of GDP, its highest level since 1959-60. Borrowing falls back to around £102 billion (3.9 per cent of GDP) by 2025-26, but even on the loosest conventional definition of balancing the books, a fiscal adjustment of £27 billion (1 per cent of GDP) would be required to match day-to-day spending to receipts by the end of the five-year forecast period.

OBR when going to print said that Treasury did not provide specific estimates of the economic implications of particular public health restrictions or impact of local tiers. Treasury however facilitated discussions with the epidemiological and public health experts and those discussions informed the forecast. In terms of Brexit, OBR asked for information on policies across a wide range of transition issues. They made their own assumptions on some policy areas in the absence of specific detail. Treasury couldn’t provide clarity on the ultimate outcome of the negotiations and the OBR continues to forecast on the basis of a deal.





Public sector Net Borrowing: Central forecast and scenarios



Source: ONS, OBR

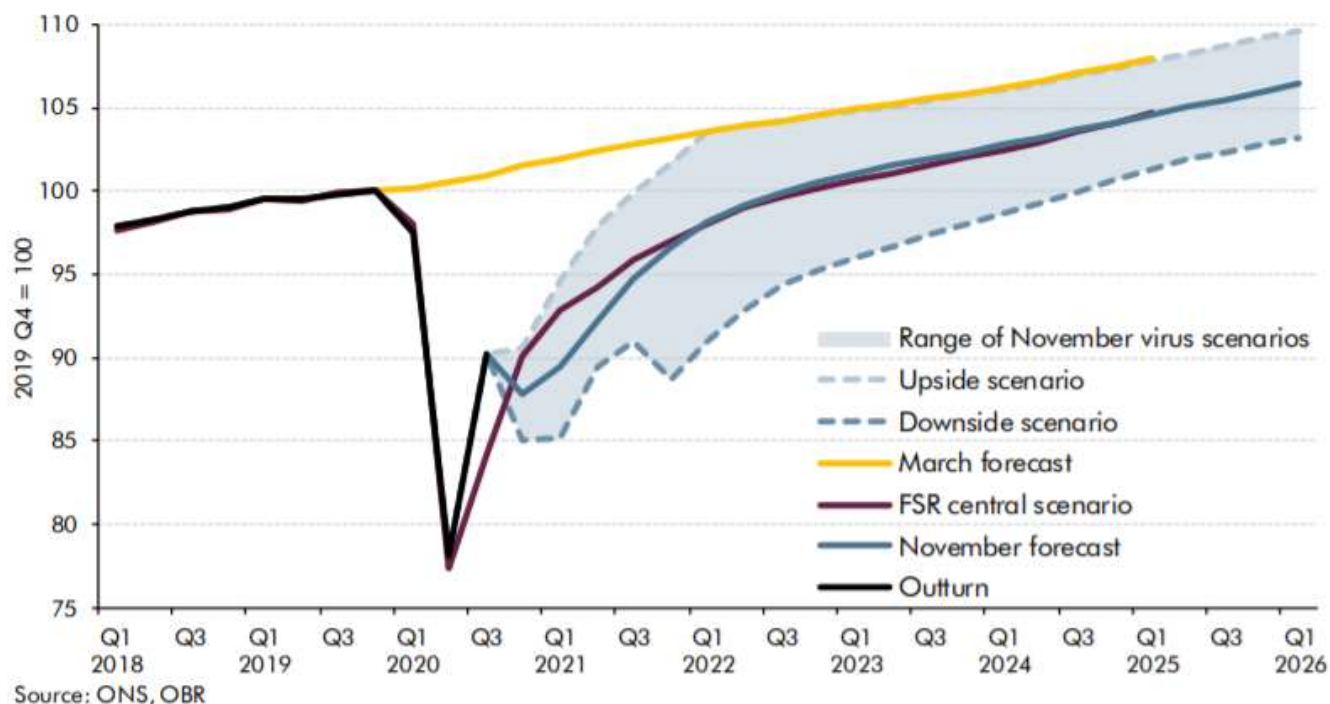
The support provided to households and businesses has prevented an even more dramatic fall in output and attenuated the likely longer-term adverse effects of the pandemic on the economy's supply capacity. And the Government's furlough scheme has prevented a larger rise in unemployment. Grants, loans, and tax holidays and reliefs to businesses have helped them to hold onto workers, keep up to date with their taxes, and avoid insolvencies. Nonetheless, OBR anticipate a significant rise in unemployment – **to 7.5 per cent** in our central forecast – as this support is withdrawn in the spring.

Scenarios

OBR therefore present three scenarios for the virus: an upside scenario, in which lockdown succeeds in bringing the second wave of infections under control and the rapid rollout of effective vaccines enables output to return to its pre-virus level late next year; a central one, in which restrictive public health measures need to be kept in place until

the spring and vaccines are rolled out more slowly, leading to a slower return to pre-virus levels of activity at the end of 2022; and a downside one, in which lockdown has to be extended, vaccines prove ineffective in keeping the virus in check, and a more substantial and lasting economic adjustment is required with economic activity only recovering to its pre-virus level at the end of 2024. In the upside scenario, output eventually returns to its pre-virus trajectory, but output is left permanently scarred by the pandemic in the other two scenarios, by 3 and 6 per cent respectively. All three assume a smooth transition to a free-trade agreement with the EU in the New Year. But we also describe an alternative scenario in which the Brexit negotiations end without a deal. This would further reduce output by 2 per cent initially and by 1½ per cent at the forecast horizon.

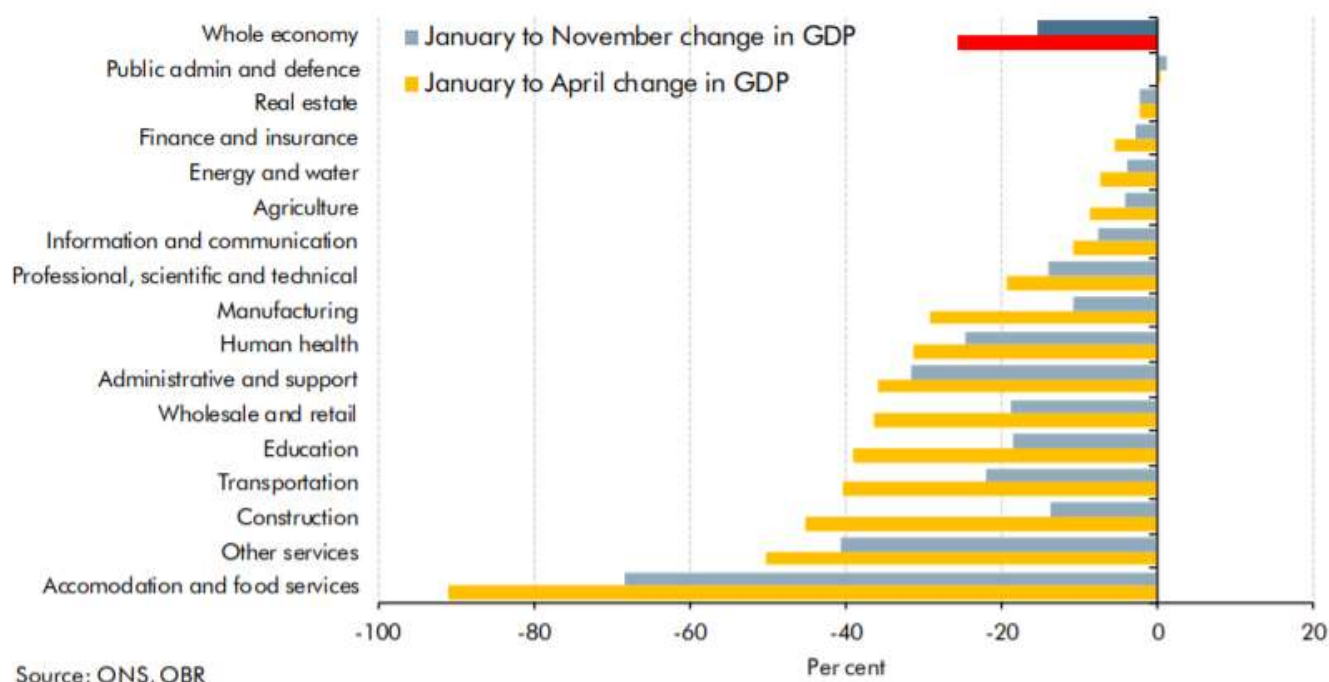
Real GDP: Central forecast and alternative scenarios



Under the OBR central forecast, the pandemic leaves the public finances in a weaker position in the medium term and significantly adrift from any definition of balance contained in previous fiscal frameworks. Headline borrowing remains close to 4 per cent of GDP and the current budget remains in deficit by 1 per cent of GDP by the end of the forecast, missing the Government's Budget 2020 target to balance it by 2023-24. The Government meets the other two targets included in its manifesto: net investment remains below 3 per cent of GDP on average and the ratio of debt interest spending to revenue reaches a new historical low of 1.7 per cent on the back of further falls in interest rates. The latter reflects investors' continuing trust in the safety of UK government debt, as well as the support provided by the Bank of England's gilt purchases in pursuit of its inflation target. But that trust rests on investors' confidence that responsible fiscal and monetary policies will be maintained. So long as these conditions hold, a debt-to-GDP ratio over 100 per cent should not prove particularly onerous by historical standards.

The shock to the economy has been unusual not only in its speed and severity but also in its differential impact across sectors. Sectors most reliant on face-to-face interactions, such as hospitality, transport, and entertainment, saw the biggest falls in activity as they were most directly affected by public health restrictions and the difficulties in implementing social distancing. By contrast, sectors that were largely able to continue to operate while adhering to social distancing rules, such as financial services, energy, and agriculture, have been spared the worst economic consequences of the pandemic.

Peak to trough falls in sectoral output



The renewed lockdown is certain to dent activity in November and after, depending on the stringency of the health measures and voluntary social distancing that follow. But the impact is likely to be less pronounced than during the first wave of infections in the spring – with the fall in output expected to be three-fifths that seen during the first lockdown. This time around, schools have remained open and businesses have been encouraged to continue operating where they can. Moreover, businesses in some sectors, like financial services, have adapted to having staff working from home, while those in others – such as manufacturing and construction – have reorganised to accommodate the social distancing of their employees. But sectors involving close public interaction, such as hospitality, transport, and entertainment, are likely to suffer another severe drop in output.

Upside Scenario

Our upside scenario assumes that the national lockdown now in place substantially reduces the infection rate by 2 December. Thereafter, an effective test, trace, and isolate (TTI) programme keeps outbreaks in check together with a return to a tiered system of local public health restrictions similar to that in place prior to the lockdown. While these may vary in intensity both regionally and temporally, they are broadly the same as remaining at the equivalent of England's pre-lockdown Tier 2 until the spring. An effective vaccine becomes widely available in the spring of 2021, permitting a further easing of health restrictions and a gradual return to normality as the year progresses. The medium-term economic impact of the pandemic is negligible in this scenario.

Central Forecast

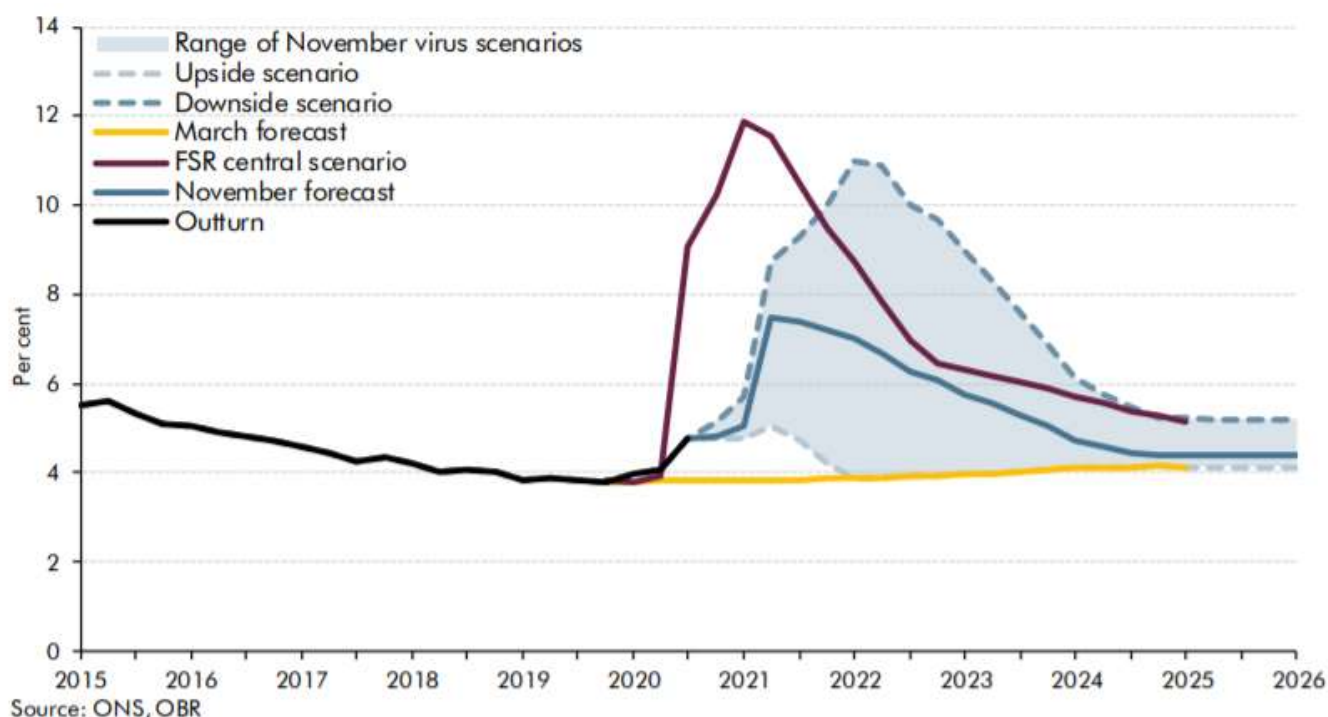
In our central forecast, a higher infection rate at the end of the lockdown and a less effective TTI system necessitate keeping a more stringent set of public health restrictions in place over the winter. These may vary regionally and temporally but are broadly the same as remaining at the equivalent of England's pre-lockdown Tier 3 until the spring. The arrival of warmer weather then allows an easing of the restrictions. An effective vaccine becomes widely available in the latter half of the year, permitting a gradual return to more normal life, though at a slower pace than in our upside scenario. In this scenario there is also a lasting adverse impact of the pandemic on the economy.

Downside Scenario

In our downside scenario, continued high infection rates after the current lockdown ends on 2 December mean that a less effective TTI system must be augmented by even more stringent public health restrictions than in our central forecast to be kept in place throughout the winter. These may vary regionally and temporally but are broadly equivalent to somewhere between England's pre-lockdown Tier 3 and the November lockdown. The arrival of spring

again permits some easing of the restrictions but, unlike in our central forecast, a sufficiently effective vaccine does not become available. Subsequent waves of infection necessitate the periodic re-imposition of health restrictions, while the continued risk of infection induces more lasting changes in economic and social life. In this scenario, we include a third wave of infections next winter whose impact is roughly half that of the present wave. In this scenario, the longer-term economic impact of the pandemic is significantly greater than in our central forecast.

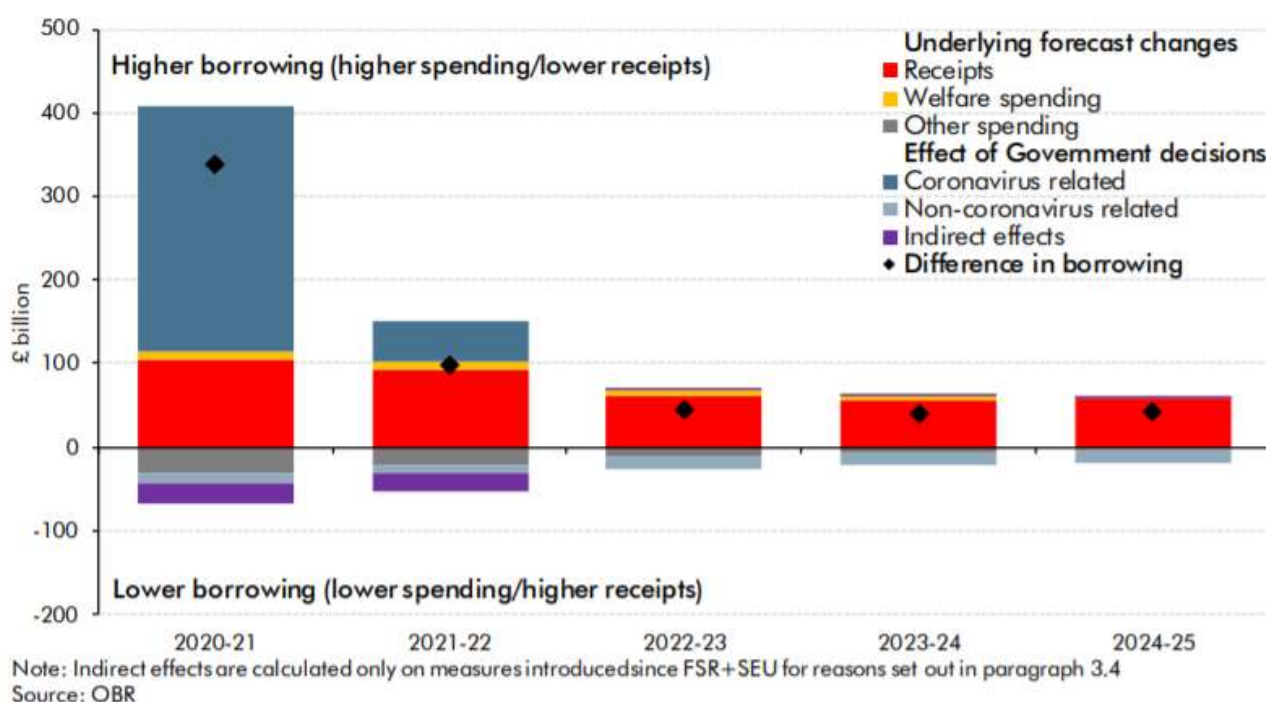
Range in Employment Forecast Scenarios



As well as preventing job losses, the CJRS has also helped to support earnings by subsidising the pay of employees who are producing little or no output. That means average earnings continue to rise this year in our upside and central scenarios, despite the pandemic. In the medium term, earnings growth picks up steadily as labour market slack declines, reaching 3.5 per cent by 2025.

Public Spending

Changes in public sector net borrowing since March forecast



Headline public sector net debt (PSND) rises by £473 billion in 2020-21, taking it above 100 per cent of GDP for the first time since 1960-61. Thereafter it rises steadily until 2024-25, after which the repayment of loans under the Bank of England's Term Funding Scheme reduces headline PSND. Excluding the Bank of England schemes, net debt is lower but still rises to 91.9 per cent of GDP this year and increases steadily in every year of the forecast period to reach 97.5 per cent in 2025-26.

Despite sharply higher debt, further falls in interest rates and further gilt purchases by the Bank of England under quantitative easing mean that the cost of servicing that debt is actually lower than we forecast in March. So while debt reaches its highest level as a share of GDP since 1958-59, the debt interest-to-revenue ratio falls from 3.5 per cent in 2019-20 to a new post-war low of 1.7 per cent in 2021-22 before rising back to 2.2 per cent by 2025-26.

These favourable financing conditions suggest that the sharp rise in debt to absorb the cost of the pandemic has not undermined the sustainability of the public finances. Indeed, it is more likely that sustainability would have been damaged if the Government had not stepped in to support the private sector. But the higher stock of public debt and the significant shortening in the effective maturity of that debt this year, through both a reduction in the average maturity of primary issues and the purchases of longer-dated gilts on the secondary market by the Bank of England, has increased the vulnerability of the public finances to future economic shocks, in particular to a sharp increase in short-term interest rates. Since March, the sensitivity of debt interest to a 1 percentage point rise in short rates has doubled from £6 billion (0.2 per cent of GDP) to £12 billion (0.5 per cent of GDP).

The fiscal outlook depends upon the path of the pandemic and associated public health restrictions. This is especially true given that in some cases the Government has linked particular levels of financial support to particular levels of public health restrictions. In the scenarios either side of their central forecast, they therefore assume that the level of fiscal support varies with the severity of the virus and stringency of public health restrictions.

In the upside scenario they assume no differences in policy measures, but their cost is lower due to the more favourable path for the virus and public health measures. Employment support and guaranteed loan schemes cost £16 billion less than in the central forecast, with lower spending and stronger receipts leading borrowing to peak at £353 billion in 2020-21 (17 per cent of GDP), and to fall back to £47 billion (1.7 per cent of GDP) by 2025-26. Medium-term borrowing is actually a little lower than predicted in the March forecast thanks to the combined effect of lower debt interest spending and the lower medium-term path of departmental resource spending set out in the Spending Review. Debt stands at 90 per cent of GDP in 2025-26.

In the downside scenario employment support and guaranteed loan schemes cost £19 billion more in 2020-21, and the third wave next year is assumed to prompt a further £30 billion of spending in support of public services, households and businesses. Borrowing peaks at £440 billion in 2020-21 (22 per cent of GDP), remains at £265 billion (13 per cent of GDP) in 2021-22, and then falls back to £156 billion (6 per cent of GDP) by 2025-26. Headline debt rises to 123 per cent of GDP in 2025-26.

Spending Review

Mike Lewis WMCA

Headlines

Chancellor of the Exchequer Rishi Sunak gave his Spending Review Statement on 25 November 2020. SR 2020 is a one year package of announcements that seek to support COVID-19 recovery, strengthen public services and fund infrastructure projects. The Chancellor announced that the Government would commit £55bn towards combatting COVID-19 in the next financial year and a £14.8bn growth in core day-to-day departmental spending in cash terms. This comes at a time when the economy is expected to contract by 11.3%.

Key announcements relevant to the WMCA include:

- A £4bn “levelling up fund”.
- Over £321.5m in the West Midlands Combined Authority to improve local transport through the Transforming Cities Fund (*reconfirming from previous Budget settlements*).
- The creation of a National Infrastructure Bank.
- £118.5m one-year Birmingham Commonwealth Games funding to support the games in 2022.
- Funding from the Cultural Investment Fund for Coventry’s UK City of Culture 2021 programme.
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The remainder of this briefing note charts SR 2020 announcements across the four priority areas outlined in the West Midlands CSR submission, these are: **infrastructure, economy and skills, improving outcomes in public services and financial stability.**

Infrastructure

The region’s CSR submission included three infrastructure projects and called for the collaborative development a rolling five-year infrastructure programme supported with the necessary coherent and consistent funding.

The key SR 2020 infrastructure announcement are:

- A new £4bn Levelling Up Fund that will invest in local infrastructure - £600m in 2020/21.
- New National Infrastructure Strategy outlining the government’s long-term vision for infrastructure investment.
- A new UK infrastructure bank - headquartered in the north of England
- Over £260 million to continue the transformative digital infrastructure programmes, including the 5G Diversification and Testbeds and Trials Programmes

Housing

- Nearly £20bn of investment underpinning the government’s long-term housing strategy, including £7.1bn for a National Home Building Fund.
- £12 billion for the Affordable Homes Programme.
- £254m of resource funding is being provided to support rough sleepers and those at risk of homelessness, including £103m already announced for accommodation and substance misuse.

Transport

- £1.9bn to support the transition to low-emission vehicles, including £950m for the rapid rollout of electric vehicle charging hubs at every service station on English motorways and major A roads.
- Over £2.5bn confirmed for eight city regions across England from 2022/23, maintaining the government’s commitment of £4.2 billion for five-year, consolidated intracity transport settlements, subject to appropriate governance being in place. £50m of resource funding will be provided in 2021-22 to support the relevant Mayoral Combined Authorities with preparations for these settlements.
- £275m to install charge points at homes, workplaces and on-street, and £90m for local charging infrastructure.
- £257m is being provided for walking and cycling in 2021/22.
- £300m to drive transformation of bus services, including £120m for zero-emission buses in 2020/21.
- c£19bn of transport investment including £1.7bn for local roads maintenance and upgrades
- £81m in R&D funding into low and zero emission transport technologies.
- £500m will be spent to develop and produce electric vehicle batteries and their supply chain on a mass scale in the next four years.

Environment

- Over £90m is allocated to the Nature for Climate Fund for tree-planting and peat restoration.
- The Green Recovery Challenge Fund is doubled with a further £40m to fund a second round of natural capital projects next year
- More than £90m for the Nature for Climate Fund – to increase tree planting and peatland restoration in England.
- The government is also funding the implementation of key Environment Bill measures including Local Nature Recovery Strategies.

Energy

- £12bn will help give industry the certainty to invest, support up to 250,000 green jobs and save 180 megatonnes of CO2 equivalent.
- £1bn is being provided for a Carbon Capture and Storage Infrastructure Fund to establish four CCS clusters by 2030.
- New National Infrastructure Strategy sets out how the greener infrastructure will be delivered.
- £240m is being allocated to a Net Zero Hydrogen Fund and £81m to hydrogen heating trials.
- £160m is being invested into modern ports and manufacturing infrastructure for offshore wind.
- Over £125m for nuclear technologies in 2021/22.
- £200m is given to the Net Zero Innovation Portfolio to accelerate near to-market low-carbon energy innovations.
- £475m is allocated to make public buildings greener, £150m to make poorer homes more energy efficient and cheaper to heat with low carbon energy, and £60m to retrofit social housing.
- The Green Homes Grant voucher scheme is extended with £320m of funding in 2021/22.
- The allocation of the £3bn for building decarbonisation will be reviewed in the spring. £122m will be invested to support clean heat network creation in 2021/22.

Economy and Skills

The WMCA and partners submitted three projects in the CSR submission aimed at boosting resilience, strengthening the skills ecosystem and taking advantage of our cultural assets.

The Chancellor announced a package of economic support measures in the Winter Economy Plan and other announcements. The bulk of SR 2020 economy and skills announcement were related to education and employment support:

Economic challenges

- Unemployment is set to hit 2.6m in 2021.
- Government expects to borrow 394bn this year – the most in peacetime history.

Economy

- Ten Freeports will be established across the UK, with at least one in each nation, aiming to create jobs and attract investment to deprived communities.

Employment support

- £1.4bn to increase Job Centre Plus capacity and double work coach numbers.
- £2.9bn Restart scheme to help more than one million unemployed people find work.

Education

- Investment of £1.8bn in 2021-22 will maintain and improve the condition of school buildings.
- £1.5bn will be provided over six years to deliver the Government's commitment to bring all Further Education college estates in England up to a 'good' condition.
- An additional £260m will go into Health Education England in 2021/22.
- The Government will provide £291m for Further Education in 2021/22, to ensure that core funding for 16 to 19-year-olds is maintained in real terms per learner.
- £375m from the National Skills Fund in 2021/22.
- £2.5bn of funding for apprenticeships.
- £83m in 2021/22 to ensure that post-16 providers can accommodate the expected demographic increase in 16 to 19-year-olds
- £162m in 2021/22 to support the rollout of T Levels wave 2 and 3.
- £72m in 2021/22 to support the commitment to build 20 Institutes of Technology.

Improving outcomes in public services

- A £6.3bn cash increase in NHS spending in 2021/22, compared to 2020/21.
- £325 million for the NHS to invest in new diagnostics equipment.
- £260m for Health Education England in 2021/22, to support the training and retention of our vital NHS workforce.
- multi-year funding to build 40 new hospitals and upgrade 70 more by 2030
- £4.2bn for hospitals to refurbish and maintain their infrastructure
- £559m to support the modernisation of technology across the health and care system
- £165m for the eradication of mental health dormitories.
- A £2.2bn uplift for the core schools' budget in 2021/22 compared to 2020/21 levels of funding.
- £400m to help recruit 20,000 additional police officers by 2023, with 6,000 new officers in 2021/22
- Increasing core spending power for local authorities by an estimated 4.5% in cash terms, along with over £3bn of additional COVID-19 support.
- Wages:
- pay rises in the public sector will be restrained and targeted in 2021/22 with only the lowest paid 2.1m public sector workers earning less than £24,000 receiving a minimum £250 increase.
- increase the National Living Wage for individuals aged 23 and over by 2.2% from £8.72 to £8.91.

Financial stability

The region's CSR submission called longer term settlements for LEPs, LAs and the WMCA, in addition flexibilities that include council tax reform. SR 2020 related to finance include:

- 14.8bn uplift in spending on core public services for government departments
- Increase in core spending power for local authorities by an estimated 4.5% in cash terms.
- A further £50m of resource funding to support the relevant Mayoral Combined Authorities with preparations for intra-city transport settlements

Initial reactions to the Spending Review

Rebecca Riley WMCA

IFS Director Paul Johnson says: “Rishi Sunak has been spending truly astonishing amounts of money this year and plans to continue to do so next year in response to Covid. Yet this was a spending review in which he *reduced* planned spending into the future, cutting more than £10 billion per year from departmental spending plans next year and for subsequent years. He has also allocated precisely nothing for Covid related spending after next year. And these plans assume that the temporary increase in Universal Credit will not continue beyond this year. Each of these assumptions is questionable. It seems more likely than not that spending will end up significantly higher than set out today, and so borrowing in 2024-25 will be considerably more than the £100 billion forecast by the OBR. Either that or we are in for a pretty austere few years once again, or for some significant tax rises.”

Ben Zaranko, a Research Economist at the IFS, said: “This is not the first time that governments have sought to keep a lid on public sector pay rises. But unlike in 2010, this will come on the back of a decade of pay caps and freezes. Relative to pay in the private sector, public sector pay prior to the pandemic was its lowest point in more than 25 years.”

Tom Waters, a Senior Research Economist at IFS, said, “The Chancellor hasn’t confirmed one way or the other whether the £20 per week increase in Universal Credit will be extended. Time is running out before he has to make this choice – and leaving it to the last minute could mean a nasty shock for the millions of households it affects. If he does want to get rid of the increase, he could choose to taper it away steadily over a number of months so the whole hit isn’t felt at once. Clearly the current environment – when many employers are struggling to even stay open – isn’t a suitable one for big increases in minimum wages, so raising the National Living Wage in line with average earnings seems sensible. But the government still wants to get the NLW to two-thirds of average pay by 2024. Treading water this year implies faster increases in the following three years if the target is to be met. At the same time, extending the NLW to 21 year olds will considerably expand its reach. No doubt this will help many younger workers, but since they tend to be lower paid it raises the risk that it might put some out of work.”

Isabel Stockton, a Research Economist at IFS, said “Today, the OBR forecast borrowing to reach almost £400 billion which would be nearly twice the share of national income seen at the height of the financial crisis. It will fall as the economy recovers. But crucially even in 2024-25, the forecasts imply it is still running at £100 billion, which is £42 billion above that forecast for the same year back in March.

There is a tremendous amount of uncertainty around this number. In the OBR's optimistic scenario, in which a rapid vaccine rollout allows for a faster and more complete recovery, borrowing returns to the level forecast in March. Unfortunately it is more likely that greater lasting damage is being done to the economy and that borrowing will turn out even higher than forecast. Under the OBR's pessimistic scenario borrowing in 2024-25 is £157 billion, which is almost £100 billion above that forecast in March.”

Torsten Bell, chief executive of the Resolution Foundation “This will hit household and public finances hard. The British state has never seen anything like this outside of World War Two.”

Rain Newton-Smith, chief economist of the CBI “Stark forecasts point to tough times ahead. The chancellor has made some bold autumn decisions to power a spring recovery. But ambition must be matched by action on the ground. The government’s commitment to build, build, build must be delivered now.”

Rebecca Newsom, head of politics at Greenpeace UK “The chancellor appears not to have pledged a single extra penny towards a green economic recovery today, while wasting tens of billions on polluting new roads. This would be a failure for jobs, the economy and the future of our planet.”

Jonathan Geldart, director general of the Institute of Directors “Business leaders will be relieved that the Treasury is resisting the temptation to hike taxes on enterprise for now, but will be concerned that Brexit didn’t merit a mention.”

Mike Clancy, Prospect union general secretary “By freezing the pay of many thousands of public servants [Sunak] is undermining the very people who are the foundation of our public sector. The comparison of public and private sector wage growth was insulting.”

Carys Roberts, IPPR Executive Director “Our estimates this week showed a fiscal stimulus of £164bn was needed to support the economy and prevent needless, permanent damage to businesses and incomes. The chancellor has acted too timidly, and in doing so has failed to live up to the scale of the challenge.”

Stephen Phipson, Chief Executive of Make UK “This was a realistic statement which lays bare the immense challenges the chancellor and the economy faces in the near term. In the face of these it is absolutely right that the priority must be to protect jobs. Industry will commend the chancellor for addressing this difficult balancing act with a package of measures designed to get boots and shovels on the ground.”

Changes to The Treasury Green Book

Rebecca Riley WMCA

The Green Book [has changed](#). From now on policies must be developed and rigorously assessed against how well they deliver on the Government's policy aims such as levelling-up. In addition proposals can no longer be developed without assessing the different impacts on places across the UK. These changes to the Green Book are one part of the Government's wider levelling-up agenda to spread opportunity across the United Kingdom.

HM Treasury published a [revised Green Book](#) and an accompanying [review report](#), which set out the revisions and the complementary action we are talking to drive culture change.

Treasury held significant discussion over summer and conversations with users provided invaluable insight and have led to considerable change.

- There will be a **virtual launch event on 3 December** from 2-3pm. This will feature a panel discussion on the critical role of appraisal, featuring an all-star cast!
- Treasury have established a **new Green Book user network**, which is aimed at public sector users of the Green Book and the Business Case Guidance. This will promote the sharing of experience and expertise and run regular events focusing on particular themes or case studies. If you would like to join the network, please email GreenBookNetwork@hmtreasury.gov.uk. Rebecca Riley WMCA, is the Chair of the steering group.

Green Book Review 2020

The Review has concluded that **current appraisal practice risks undermining the Government's ambition to "level up"** poorer regions and to achieve other strategic objectives. While the core methodology was not by itself found to skew outcomes, **significant changes are needed to both the Green Book and the way it is used** in appraisal to enable ministers and other decision makers to fully understand what investments they need to make to most effectively drive the delivery of the levelling up agenda and other policy priorities.

The updated Green Book contains:

- **A stronger requirement to establish clear objectives from the outset** that must be the drivers of the policy development, and to show a robust logic of change from inputs to outcomes. The Green Book will look for a more robust strategic case, with a requirement for clear objectives and theory of change.
- **Stronger and clearer advice on what constitutes value for money.** This will ensure that projects are being assessed first and foremost on how well they deliver policy objectives rather than focusing on a purely economic assessment that doesn't consider who benefits. Although the benefit cost ratio (BCR) will still be calculated, where and when it is calculated will change. Only proposals which meet strategic objectives should get shortlisted and a more rigorous assessment of the strategic case will test this. This will ensure that first and foremost the intervention will be tested on how well they delivery policy objectives rather than focussing on a purely economic assessment which doesn't consider who benefits.
- **New guidance on how to assess local impacts,** to capture different impacts on different places and local employment effects. Proposals without an assessment of place-based impacts will be challenged and business cases tested rigorously. Proposals can no longer be developed without assessing the different impacts on places across the UK. If a proposal is geographically targeted, the impacts in this area should be the primary frame of reference for the analysis. The Green Book also includes new guidance on how to calculate local employment impacts including how to use multipliers. Where proposals aren't targeted all businesses cases should consider whether impacts will vary in different places, on the basis of comply, or explain, which will give places greater transparency on decision making.
- **New guidance on the appraisal of transformational changes.**
- **Measures to improve analysis on differential impacts,** including under the legal duties under the Public Sector Equality Duty (PSED)

Treasury are taking steps to strengthen the approval and decision-making process more widely, as well as the culture around the development of proposals. This includes:

- **A new emphasis on the role of business case reviewers as critical gatekeepers, and more training and support.** HMT will set clear expectations and equip reviewers to apply sufficient scrutiny.
- **A new approach to the Spending Review process to reflect the findings of this review.** SR20 was informed by the early Green Book review findings. Capital investment proposals required a clear strategic case that set out objectives and

how these will be delivered, as well as any place-based impacts. This will also apply next year and proposals will be developed using the new Green Book.

- **Greater transparency with a new requirement to publish a summary business case after they receive final approval.** This will begin in April 2021 for all infrastructure projects and programmes on the Government's Major Projects Portfolio.
- **An ongoing commitment to auditing and reviewing business cases to ensure high quality is maintained.** This will allow lessons to be learned and help identify areas for future changes.
- **More extensive and flexible support for users of the Green Book.** There will be accessible online, bite size training and we have established a new network to link together those who use the Green Book so that we can share experience and expertise. The [gov.uk landing page](#) has been redesigned and there is also a [new site](#) to host additional content and the user network - this content will build over the coming months

Taken together, this means that ministers will be able to require that new proposals fit with their priorities to level up the UK, as well as to drive value for money from investment across the UK.

The 2020 Green Book and its supplementary guidance on valuing natural capital and climate effects continues to make significant and world-leading steps forward in appraising environmental policies. Treasury have also announced that **HMT will lead an expert external review on the application of the Green Book discount rate to environmental impacts**. This review will conclude next year and any changes to discount rates made in future updates of the Green Book.

Top 10 from around the Web

Keziah Watson, WMCA

- 1) [The Guardian](#) looks at the youth activists protesting the postponement of COP26 by creating Mock Cop 26, an online two week virtual conference organised by young people which will be attended by delegates from around the world, culminating with a statement to world leaders that will form the basis of a legal treaty nations can adopt. One hundred and forty-one countries will be represented at the event which has been scheduled to take account of time zones, school, and Diwali, with young people from the global south and indigenous people being given more time and a greater number of representatives.
- 2) [IFS](#) looks at why solo self-employment has been increasing in recent years, although wages and hours worked are often lower for the self-employed. People may become self-employed due to being workless, a lack of opportunity in traditional employer/employee jobs, or are looking for ways to improve their mental health and work-life balance.
- 3) [IPPR](#) find that an extensive retrofit of the north's homes would contribute to levelling up by providing 77,000 direct jobs by 2035 and help local government's reach their ambitious carbon neutral targets, as well as saving residents money. The scheme should include partnerships with colleges and other bodies to train the necessary workforce, as well as low carbon strategies for new homes and local authority heat plans, which would be beneficial for all authorities.
- 4) The Local Recovery and Devolution White Paper could ensure that "autonomy and self-empowerment are enabled as a matter of process", making local government increasingly facilitative as communities take responsibility and power over their assets and gain autonomy. [Localis](#) also recommends the assumed protection of all community assets, and the development of clear lines of communication and participation.
- 5) [UK Music](#) looks at the economic impact of the music industry in 2019, and therefore the losses the figures for 2020 might show. As well as finding that the sector was worth £5.8 billion in 2019 and bought in £2.9 as export, it uses case studies of artists and venues from across the UK to explore how this is very much under threat.
- 6) [CBI's new paper](#) on enabling local areas to thrive shows that cities in the West Midlands have both the highest percentage of the population unemployed, as well as the highest increase in unemployment during the pandemic. In order to solve this problem, among others, the paper recommend a local skills approach and long term funding for Combined and Local authorities to allow them to deliver their regional visions for growth.
- 7) With a vaccine for COVID-19 getting ever closer, the [Wellcome Trust](#) shows that most people think that the people who need it the most first across the world should be the priority. [The Boston Review](#) looks at the economic, fiscal, and governmental actions that would be required to make a vaccine truly accessible for all, and the reasons why this may currently not happen.

- 8) [The Independent Commission on the College of the Future](#) has recommended that the government's approach to post 16 education needs to properly recognise the status of colleges within the network, including by increasing the pay of instructors. The report also recommends lifelong learning in the wake of the pandemic to ensure that everyone can enter the job market, and that employers become an integral part of the network.
- 9) [LIPSIT](#), with partners across the UK including in the West Midlands, looks at the wicked problem of levelling up, and the fundamental changes that need to be made in order to facilitate this. The current system limits the efficiency of local governments and money spent by encouraging competition, and does not address the low skills equilibrium that is present in some areas of some regions.
- 10) [The Fawcett Society](#) looks at the turning point gender equality has reached in the UK as many women face discrimination in redundancies and furlough, pay and promotions, and the looming collapse of hundreds of child care providers. However, there is reason for hope as men have taken on more unpaid childcare during the pandemic, enforced working from home has shown the viability of truly flexible working practices

Make UK - Rebalancing & Revitalising Regional Economies through Manufacturing

[Survey shows manufacturers](#) have innovated during the pandemic:

1). *Digital Skills for a Digital Manufacturing Future*

The key findings are below, the [full press release and report can be found here](#).

- 91% of manufacturers have benefited from the adoption of new technology during recent pandemic crisis
- A quarter say it boosted their productivity and 12% said it increased the rate of production
- 8/10 manufacturers now plan to continue using the technologies they have adopted
- 87% of manufacturers who had undertaken digital training in the last 12 months say it put them at an advantage
- However, a third of companies have not invested in any digital training in the last year
- Two-thirds of manufacturers think education and training system is not keeping pace with the adoption of new digital technologies
- Investment in digital skills can be a great leveller, allowing more and more businesses to realise the potential of new technologies to boost productivity

2). *Rebalancing & Revitalising Regional Economies*

Today we have published the results of Make UK/RSM's analysis of what manufacturers would like to see from their region and local economy. The findings show that regional devolution is critical to refocus priorities towards local infrastructure projects and rebalance UK.

The new report recommends that giving powers to regions will help to tackle regional economic challenges and support the wider recovery

- 42% of manufacturers are dissatisfied with Government's current levelling up agenda
- Metro Mayors, LEPs and Local Authorities should work more closely with manufacturers as they develop new regional industrial strategies and push for real change in key issues in their regions
- Four in ten manufacturers want greater emphasis on local infrastructure projects over national ones to boost regional productivity
- 42% of manufacturers want to see improvements to local road, rail and bus services through refreshed regional industrial strategies
- But there is a national consensus on infrastructure - digital connectivity is the number one priority for 41% of manufacturers

Infection Rates

Rebecca Riley WMREDI/WMCA

Europe has seen a [resurgence in infection rates](#) which is continuing (see graph below).

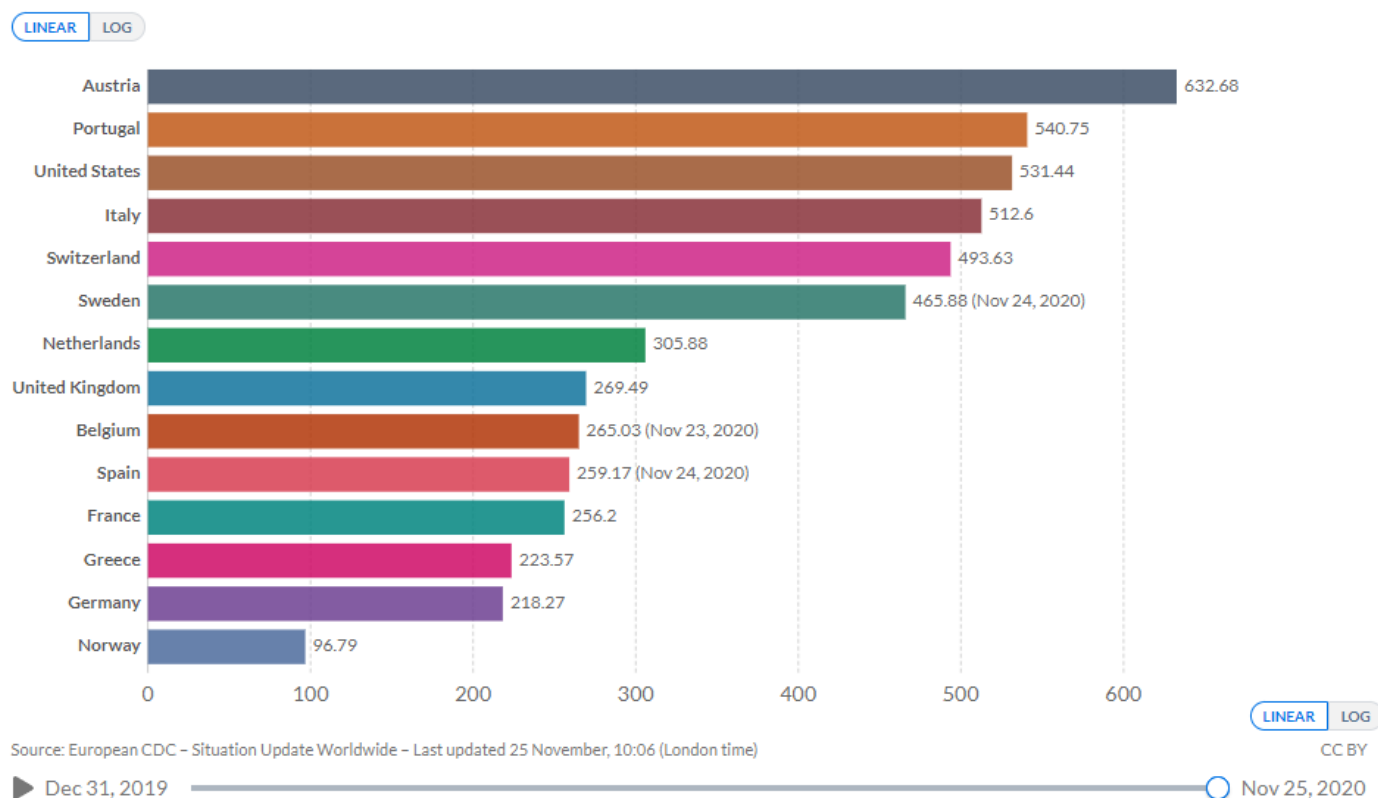
Since 31 December 2019 and as of 25 November 2020, 59 879 877 cases of COVID-19 (in accordance with the applied case definitions and testing strategies in the affected countries) have been reported, including 1 410 082 deaths.

Europe: 16 888 461 cases; the five countries reporting most cases are Russia (2 162 503), France (2 153 815), Spain (1 594 844), United Kingdom (1 538 794) and Italy (1 455 022).

Daily new confirmed COVID-19 cases per million people, Nov 25, 2020

Shown is the rolling 7-day average. The number of confirmed cases is lower than the number of actual cases; the main reason for that is limited testing.

Our World
in Data

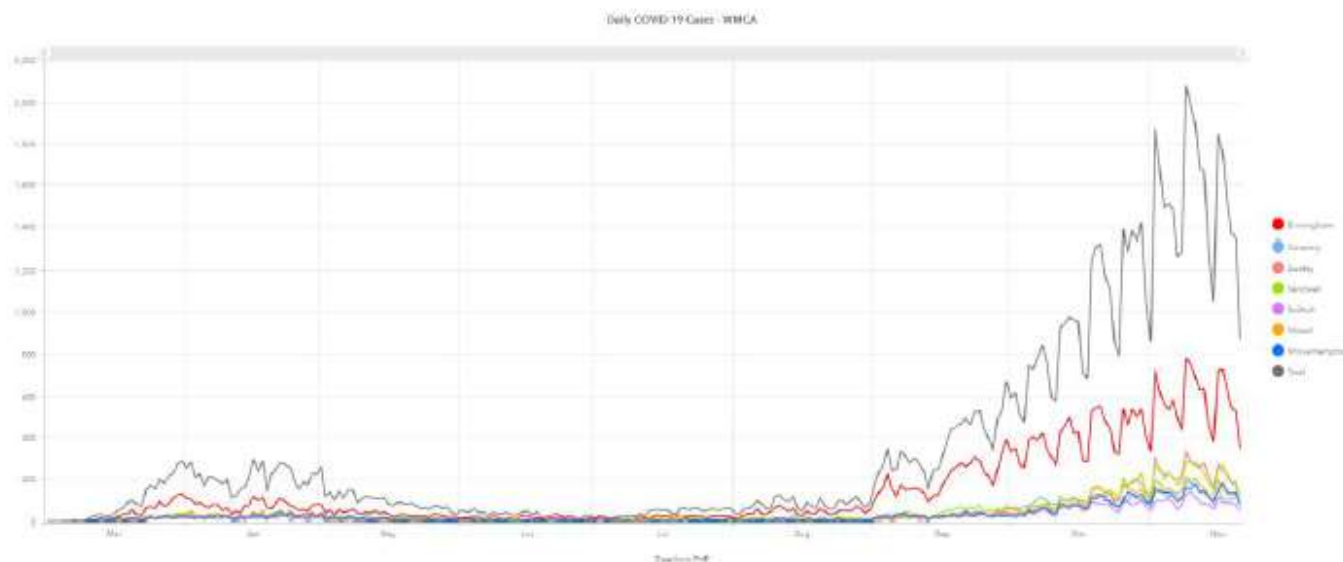


Latest [ONS infection survey data](#) (13th November) states:

- There are substantial differences in positivity rates by region leading to a national positivity rate in England, which is similar to last week; during the most recent week (8 November to 14 November 2020), we estimate 664,700 people (95% credible interval: 628,300 to 701,200) within the community population in England had the coronavirus (COVID-19), equating to around 1 in 80 people (95% credible interval: 1 in 85 to 1 in 80).
- Over the last week, positivity rates have continued to increase in London, the East of England and the South East, however rates now appear to be decreasing in the North West and the East Midlands; the highest COVID-19 positivity rates remain in the North West and Yorkshire and The Humber.
- The highest positivity rates are seen among secondary school-aged children and older teenagers and young adults, although trends vary between these groups; rates continue to increase in primary school-aged children and positivity rates appear to be levelling off in people aged 25 years and over.
- During the most recent week (8 November to 14 November 2020), we estimate there were 7.14 new COVID-19 infections for every 10,000 people per day (95% credible interval: 6.29 to 8.09) in the community population in England, equating to around 38,900 new cases per day (95% credible interval: 34,300 to 44,100); the incidence rate appears to have levelled off in recent weeks.
- Positivity rates in Wales seem to have peaked around the end of October, with rates decreasing over the past two weeks; during the most recent week (8 November to 14 November 2020), we estimate that 18,400 people in Wales

had COVID-19 (95% credible interval: 11,700 to 26,700), equating to 1 in 165 people (95% credible interval: 1 in 260 to 1 in 115).

- Positivity rates in Northern Ireland seem to have peaked around the middle of October, with rates decreasing over the most recent four weeks; during the most recent week (8 November to 14 November 2020), we estimate that 13,600 people in Northern Ireland had COVID-19 (95% credible interval: 8,800 to 19,700), equating to 1 in 135 people (95% credible interval: 1 in 210 to 1 in 95).
- Positivity rates in Scotland increased throughout most of October and now appear to have levelled off; during the most recent week (8 November to 14 November 2020), we estimate that 33,800 people in Scotland had COVID-19 (95% confidence interval: 23,600 to 45,300), equating to 1 in 155 people (95% confidence interval: 1 in 225 to 1 in 115).



Source: TFWM

Termination of the EU transition period: economic scenario modelling

Ben Brittain, WMREDI, University of Birmingham

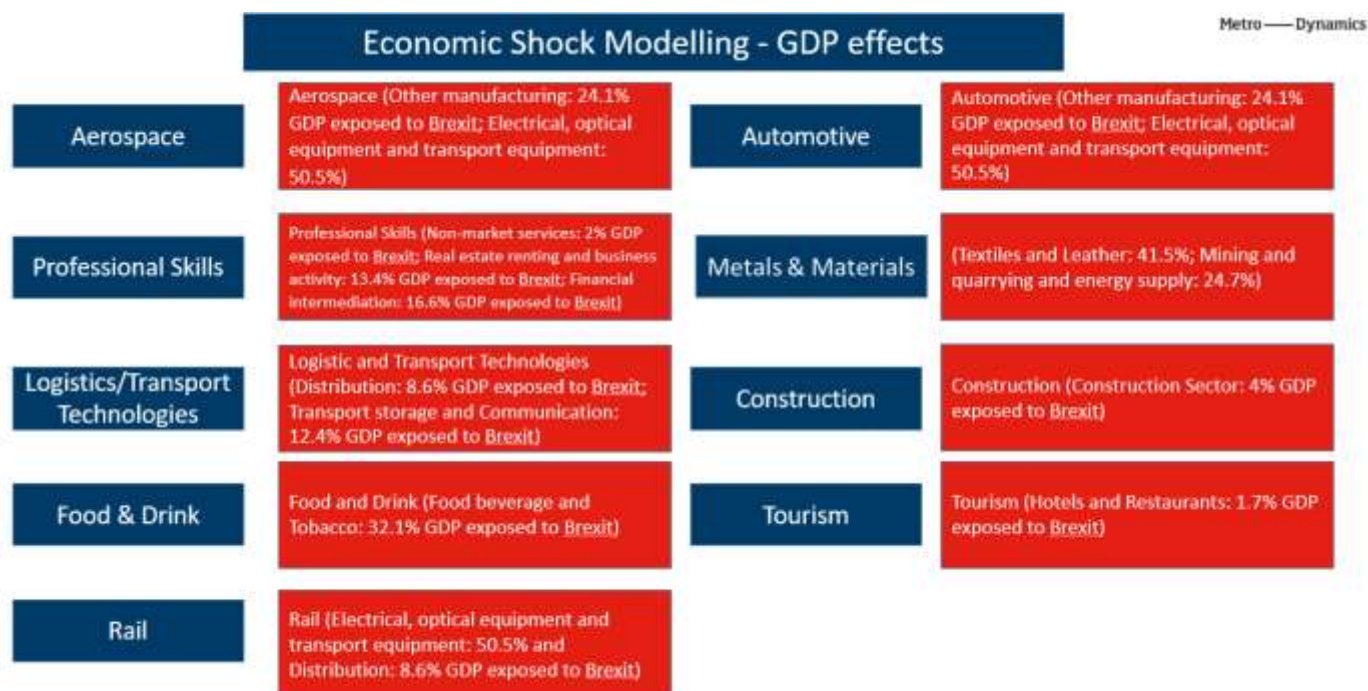
This report outlines the economic scenarios that could occur following the termination of the EU transition period on January 1st 2021. It provides additional sectoral analysis, detailing those sectors most at-risk as a result of trade disruption with the EU and thus underscores the vulnerability of the West Midlands economy to the cessation of trade between the UK and the EU. The disruption of trade is likely to pose a threat to the UK government's levelling up agenda, as a result of exacerbated intra-regional inequalities.

Economic Shock Modelling: sectors most exposed

The below modelling details those sectors of the West Midlands' Local Industrial Strategy (LIS) that are most exposed to trade disruption between the UK and the EU.

Figure 1 details the potential modelled GDP exposure risks¹ associated with the cessation of trade between the UK and the EU after the end of the transition period.

Figure 1:

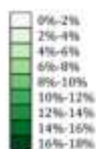


Notes: (1) Data sources: EUREGIO <http://papers.tinbergen.nl/18084.pdf>

(2) Results from ESRC- The economic impacts of Brexit on the UK, its regions, its cities and its sectors.

(3) Methodological detail see: Chen et al. (2018)

*Modelling based on the cessation of trade between the UK and the EU: a no-deal, cessation of trade scenario¹



The modelling by WMREDI reveals the exposure of the West Midlands to European supply chains and the potential impact of a no-deal Brexit on the region's economy. The methodological assumption takes the cessation of trade between the UK and the EU as barometer of potential risks to regional sectors.

According to the model, 12.2% of West Midlands GDP is at risk because of negative trade-related consequences; in the wider region, the exposure of Shropshire and Staffordshire is 13.9% of local GDP and the exposure of Herefordshire, Worcestershire and Warwickshire is 14.3%.

Under the modelling scenario 32.3% of the GDP of the manufacturing sector is at risk owing to its dependence on frictionless trade and just-in-time supply chains. Disruptions to logistics and distribution networks will have a huge impact on manufacturing, but other sectors also demonstrate a high degree of exposure. For example, 25.5% of GDP in the primary industries (extraction such as mining, agriculture and forestry) and 12.2% of GDP in the services sector would also be at risk in the event of the UK leaving without a deal on 31 October 2019.

Figure 2 demonstrates the percentage of regional GDP that is at risk from the cessation of trade across the whole of the European Union. Planning for the termination of negotiations and a WTO Brexit and thus adapting to changes to the UK's international trading relationships whilst adapting to the risks related to Covid poses a unique challenge to businesses.

Figure 3 and 4 outlines the drivers of sector-specific risks under the modelling scenario.

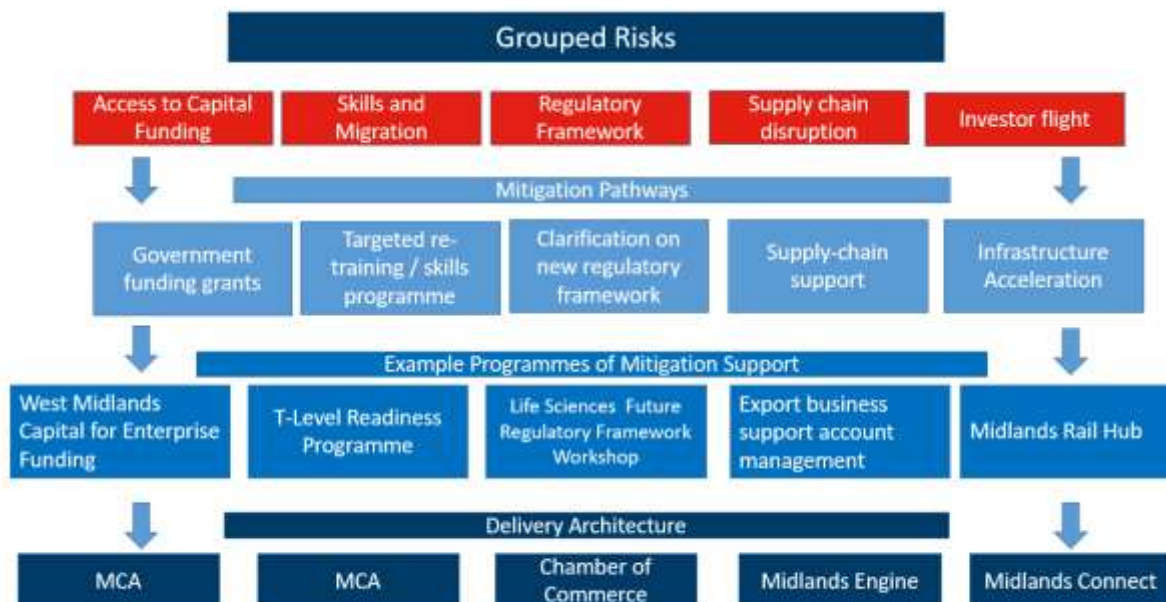
Figure 3:

Sector-specific risks			
Low Carbon Technology	European Investment Bank funding terminated / no replacement entity	Investment prioritised meaning renewable energy projects downgraded	Investors classing renewable energy projects in Britain as more high-risk
Life Sciences	Uncertainty surrounding IP rights	More expensive clinical trials	Slower legal authorisation of new medication and medical technologies
Creative	Uncertainty surrounding future immigration arrangements	Uncertainty around 'Creative Europe' as funding body	New framework for data-sharing
Aerospace	Skills shortage for high-skilled engineers and technicians	Withdrawal from EASA certifying authority	Uncertainty surrounding funding from EU institutions
Professional Skills	Job insecurity on EU workforce	Skills shortage for senior-management roles	Loss of market opportunities if contraction manufacturing
Food & Drink	New regulatory, packaging and labelling framework	Access to migrant labour work force	Exacerbated skills-gap
Logistics/Transport Technologies	Migrant work-force status and access	Transmission of data cross borders more difficult	All contracts would need revising if citing EU law / transporting goods across borders
Rail	UK rail operators unable to bid for EU franchises	technical standards and safety standards on rolling-stock manufacturers	Divergence on rail regulatory framework
Automotive	Disruption to just-in-time supply chain	Disruption to free-flow of automobile exports	Access to talent after the end of free-movement of people



The below details the grouped risks, mitigating factors and the delivery architecture for their implementation. As the West Midlands emerges from Covid-19 pandemic and the subsequent economic damage, mitigating measures that are both tailored to increasing growth and mitigating risks from Brexit are important.

Figure 5:



Levelling-up: the associated risks to the Government's Agenda

New research (Thissen et al. 2020) has examined the competitiveness implications of Brexit for 61 industries and 256 European NUTS2 regions, including 37 UK NUTS2 regions. The richness of the data has permitted the use of impact of Brexit on cross-region, cross-border value-chains, as well as the cost-chain structures. Using uniquely detailed interregional trade data on goods and services for the EU, the analysis applies a novel methodology that disentangles region-sector sensitivities (elasticities) of firms' competitive positions to tariff and non-tariff barriers from the implications of different post-Brexit UK–EU trade scenarios. This enables us to derive the economic geography of competitive opportunities and vulnerabilities of Brexit on firms, along with the degree of uncertainty that surrounds these effects, independently from scenarios.

The analysis finds that Brexit will have serious adverse consequences for the competitiveness of UK industries in many regions. The competitiveness of UK industries such as automotive, and manufacturing sectors such as rubber, plastics, metals, are very vulnerable to Brexit, whereas sectors such as retail and insurance face only relatively limited competitiveness effects.

The UK's economically weaker regions in general face more adverse competitiveness impacts than the UK's more prosperous regions. As such, these findings imply that Brexit will directly work against any 'Levelling Up' agenda because the trade and competitiveness implications of Brexit will almost certainly widen UK inter-regional inequalities. However, this new research finds that this is also the case at the intra-regional level because the weaker areas within broad regions generally face more severe competitiveness impacts than the more prosperous core areas within those same regions. As such, by widening both inter-regional and intra-regional inequalities, Brexit is likely to make the 'Levelling Up' agenda even more difficult.

Weekly Deaths Registered 13th November 2020

BCCEIU

The following analysis compares the latest available time period (week of the 13th November 2020) to the previous week period (week of the 6th November 2020) for the number of deaths registered and the number of deaths related to the Coronavirus.

Across England and Wales, the overall registered death figure has increased from 11,812 in the week of the 6th November to 12,254 in the week of 13th November. The number of deaths registered that state Coronavirus on the death certificate has also experienced an increase from 1,937 people to 2,466 people over the same period.

Regional level analysis shows that the West Midlands overall registered death figure has increased from 1,186 people in the week 6th November to 1,317 in the week of 13th November. The number of registered deaths related to Coronavirus has increased from 181 people to 284 over the same period.

There was a total of 877 deaths registered across the WMCA (3 LEP) area in the week of the 13th November. There were 200 deaths registered that were related to Coronavirus over the same period – this accounts for 22.8% of total deaths. The WMCA (3 LEP) area accounts for 70.4% of the 284 Coronavirus related deaths registered in the West Midlands Region.

In comparison to the week of the 6th November, the overall registered death figures in the WMCA (3 LEP) area increased by 60, with the number of deaths related to Coronavirus increased by 64 people.

At a local authority level, Birmingham accounts for 29.0% (58) of deaths related to Coronavirus in the WMCA (3 LEP), this is followed by Sandwell at 14.0% (28 deaths).

Of deaths involving Coronavirus registered in the week of the 13th November, 87.5% (175) occurred in a hospital, 7.0% (15) occurred in a care home, 3.0% (6) occurred at home and 2.0% (4) occurred in a hospice.

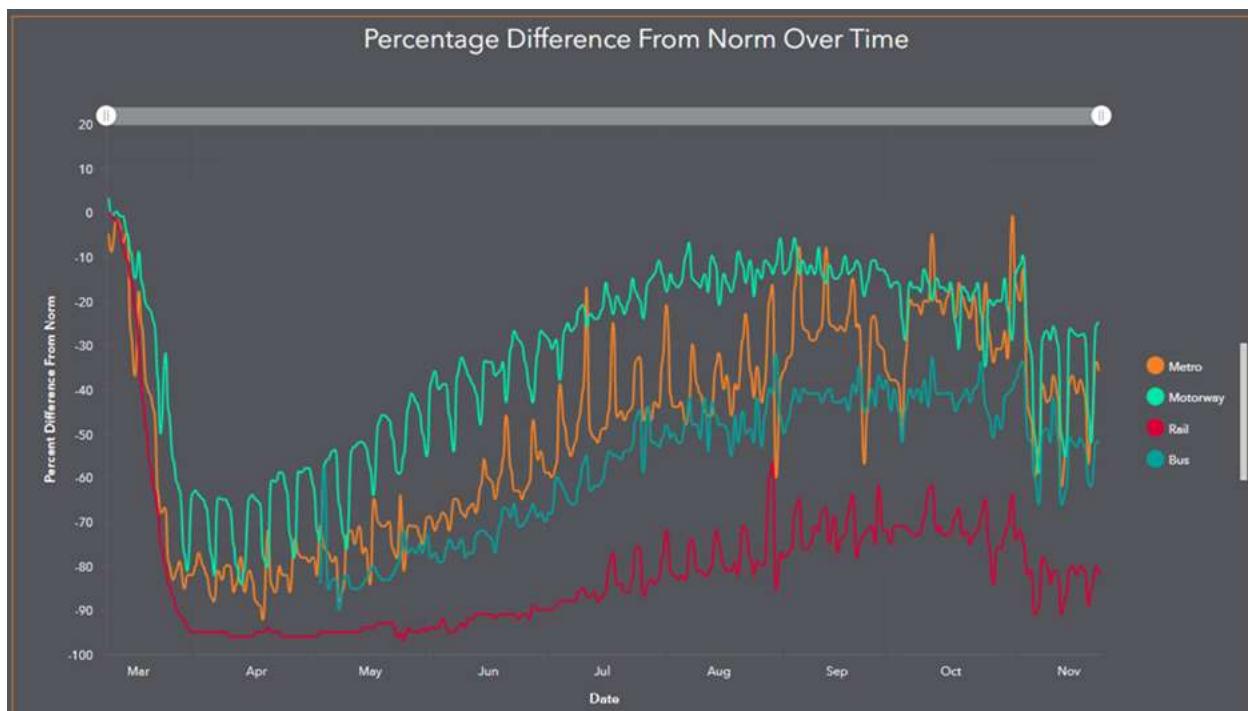
Place and number of deaths registered that are related to Coronavirus in the week of 13th November:

Area name	Care home	Elsewhere	Home	Hospice	Hospital	Other communal establishment	Total
Cannock Chase	1	0	0	0	7	0	8
East Staffordshire	1	0	0	0	4	0	5
Lichfield	1	0	1	0	3	0	5
Tamworth	0	0	0	0	3	0	3
North Warwickshire	1	0	0	0	2	0	3
Nuneaton and Bedworth	1	0	0	0	4	0	5
Rugby	0	0	0	0	1	0	1
Stratford-on-Avon	0	0	0	0	2	0	2
Warwick	0	0	0	0	2	0	2
Bromsgrove	0	0	0	0	0	0	0
Redditch	0	0	0	0	2	0	2
Wyre Forest	0	0	0	0	2	0	2
Birmingham	1	0	1	2	54	0	58
Coventry	1	0	0	0	7	0	8
Dudley	1	0	1	0	17	0	19
Sandwell	1	0	3	0	24	0	28
Solihull	0	0	0	1	11	0	12
Walsall	2	0	0	1	22	0	25
Wolverhampton	4	0	0	0	8	0	12
WM 7 Met.	10	0	5	4	143	0	162
Black Country LEP	8	0	4	1	71	0	84
Coventry & Warwickshire LEP	3	0	0	0	18	0	21
Greater Birmingham & Solihull LEP	4	0	2	3	86	0	95
WMCA (3 LEP)	15	0	6	4	175	0	200

Source: ONS, Death registrations and occurrences by local authority and health board, 24th November 2020

Transport Weekly Update

Anne Shaw TFWM



Demand remains reduced compared to pre lockdown.

Following announcements this week, preparations to manage the transport network are being confirmed for the relaxing of national restrictions on the 2nd December. All public transport modes will be running to pre covid levels but with continued social distancing measures in place with some exceptions to rail. Key messaging remains the same in that public transport is operating safely for those that NEED to use it with advice on how to keep safe whilst travelling.

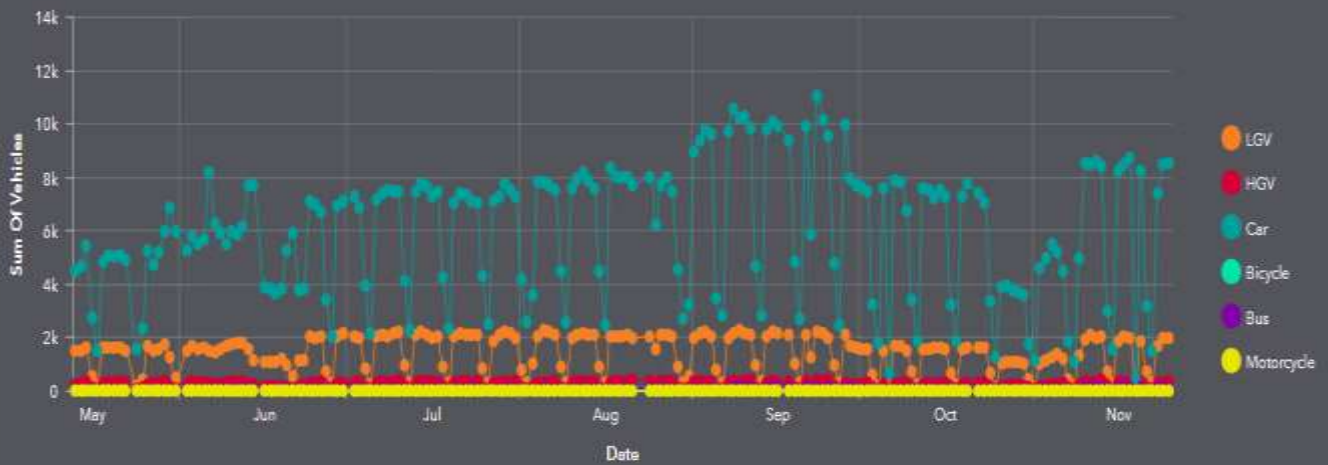
Levels of use – 24th November 2020 (data 1 day behind)

The graph above shows the level of use on all modes

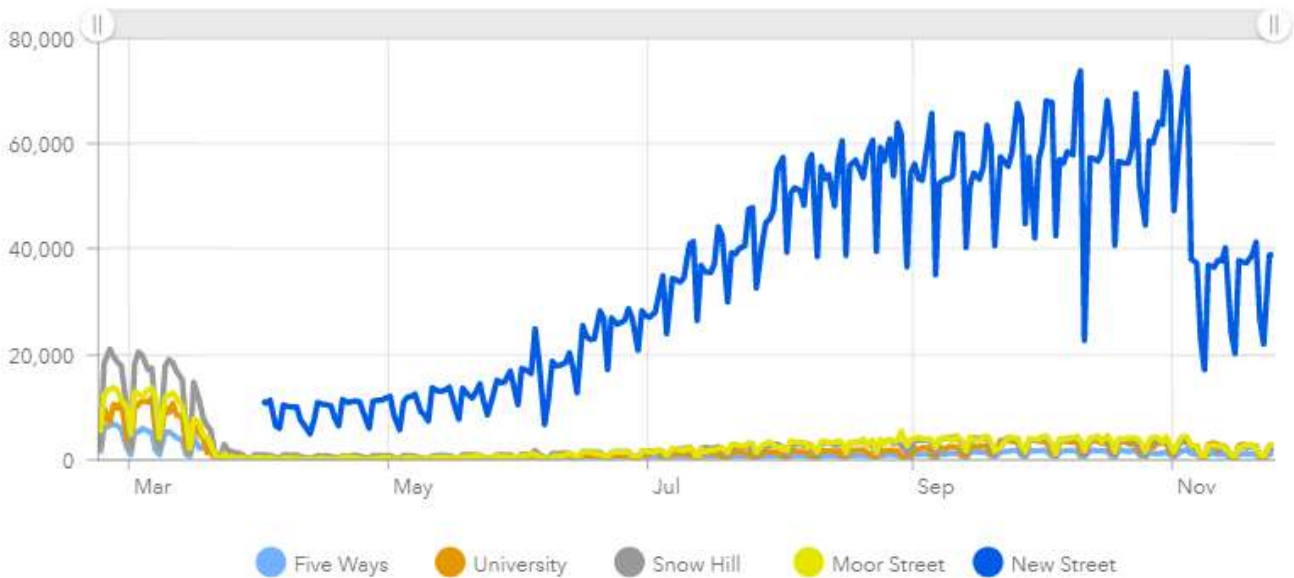
The table provides intel in terms of the levels of services and the use of the network per mode compared to this time last year, the day before and the week before for the 17th November.

	% levels pre covid	%change from day before	%change from Week before
Bus	-52	0	0
Train	-82	-2	-2
Tram	-36	-2	+1
Roads (SRN)	-25	+1	+2

Vehicle Count on A34 From ANPR Cameras



Daily Footfall - Birmingham Rail Stations



ONS Weekly Release Indicators

BCCEIU

On the 19th November 2020 the ONS released the weekly publication containing data about the condition of the UK society and economy and the impact of the COVID-19 pandemic.

The statistics are experimental and have been devised to provide timely information. The following information contains footfall data, final results from Wave 17 of the Business Impact of Coronavirus Survey (BICS), national company incorporations and voluntary dissolution, Wave 33 of the Opinions and Lifestyle Survey (OPN) and experimental online job advert indices.

Footfall

Customer activity figures are provided by Springboard. The volume of footfall has been compared to the same day the previous year (i.e. Sunday 15th November 2020 will be compared to Sunday 17th November 2019) for high streets, retail parks and shopping centres.

For the week ending the 15th November 2020, overall footfall decreased to 44% of the 2019 level. However, this level of footfall is above the spring lockdown low point (week ending 12th April). High streets and shopping centres were at 36% of the 2019 level. Although, retail parks were at 68% of the 2019 level.

The most recent week for regional level footfall shows across all English regions there was a decrease by 20 percentage points when compared to the previous week and it was around 60% of the 2019 level.

The following graph shows the volume of daily footfall for regions between 1st March to 15th November, 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

For the UK, there were 15,952 incorporations in the week ending 13th November 2020. This is above the incorporations recorded in the same week as 2019 which was 11,992.

Also, for the week ending 13th November, there were 5,028 voluntary dissolution applications. This is below the same week as the previous year at 8,400.

Business Impact of the Coronavirus

The final results from Wave 17 of the Business Impact of Coronavirus Survey (BICS) based off the 5,145 businesses surveyed across the West Midlands with a response rate of 28.2% (1,453). Unless stated, the following data is based on the period between 19th October to 1st November 2020 and only covers topics where there is a regional breakdown. Please note the data used is unweighted for regions and should be treated with caution when evaluating the impact of COVID-19. Due to weighted data being available for the UK a comparison has not been included.

Trading and Financial Performance

The trading status of businesses refer to the period of 19th October to 1st November and the turnover analysis and site closures is between 2nd to 15th November.

For the West Midlands, less than 1% of businesses have permanently ceased trading. While 94.2% of businesses have been trading and 5.2% of businesses have temporarily closed or paused trading.

In the West Midlands, 93.9% of responding businesses are currently trading and have been for more than the last two weeks. 4.6% of responding West Midlands businesses have started trading within the last two weeks after a pause in trading.

For West Midlands businesses that indicated they had sites that had paused or ceased trading, 21.9% stated they it was not financially viable to keep open, 68.8% were required to temporarily close due to lockdown regulations and 13.0% reported insufficient footfall of customer interest. While 9.3% reported the reason as other and 2.0% were unsure.

10.5% of responding West Midlands businesses were expecting to temporarily or permanently close sites in the next two weeks. 83.1% of West Midlands businesses are expecting to close sites in the next two weeks due to being required by lockdown regulations, 12.3% have insufficient customer interest or footfall and 15.4% reported it was not financially viable to keep open.

52.8% of trading businesses in the West Midlands reported their turnover had decreased by at least 20%. However, 26.0% of trading businesses in the West Midlands reported that their turnover was unaffected and around 11.2% reported their turnover had increased by at least 20%.

Profits

Businesses were asked in the last weeks if the Coronavirus had affected profits when compared with normal expectations for the time of year. Responses may cover to the point of completion of the questionnaire (2nd to 15th November).

47.0% of trading businesses in the West Midlands reported profits had decreased by at least 20%. However, 25.8% of trading businesses in the West Midlands reported that profits had stayed the same and 10.2% reported their profits had increased by at least 20%.

Demand, Prices Brought and Prices Sold

13.2% of West Midlands businesses reported an increase in demand for goods or services sold in the last two weeks (Responses may cover to the point of completion of the questionnaire - 2nd to 15th November).

Businesses were asked in the last two weeks how the prices of materials, goods or services brought by their business when compared with normal price fluctuations. Responses may cover to the point of completion of the questionnaire (2nd to 15th November).

Excluding those who responded not applicable or unsure, prices brought data shows 57.7% of West Midlands businesses reported prices did not change any more than normal, 10.7% reported prices increased more than normal and 9.9% of West Midlands businesses reported some prices increased and some prices decreased.

Businesses were also asked in the last two weeks how the prices of materials, goods or services sold by their business when compared with normal price fluctuations. Responses may cover to the point of completion of the questionnaire (2nd to 15th November).

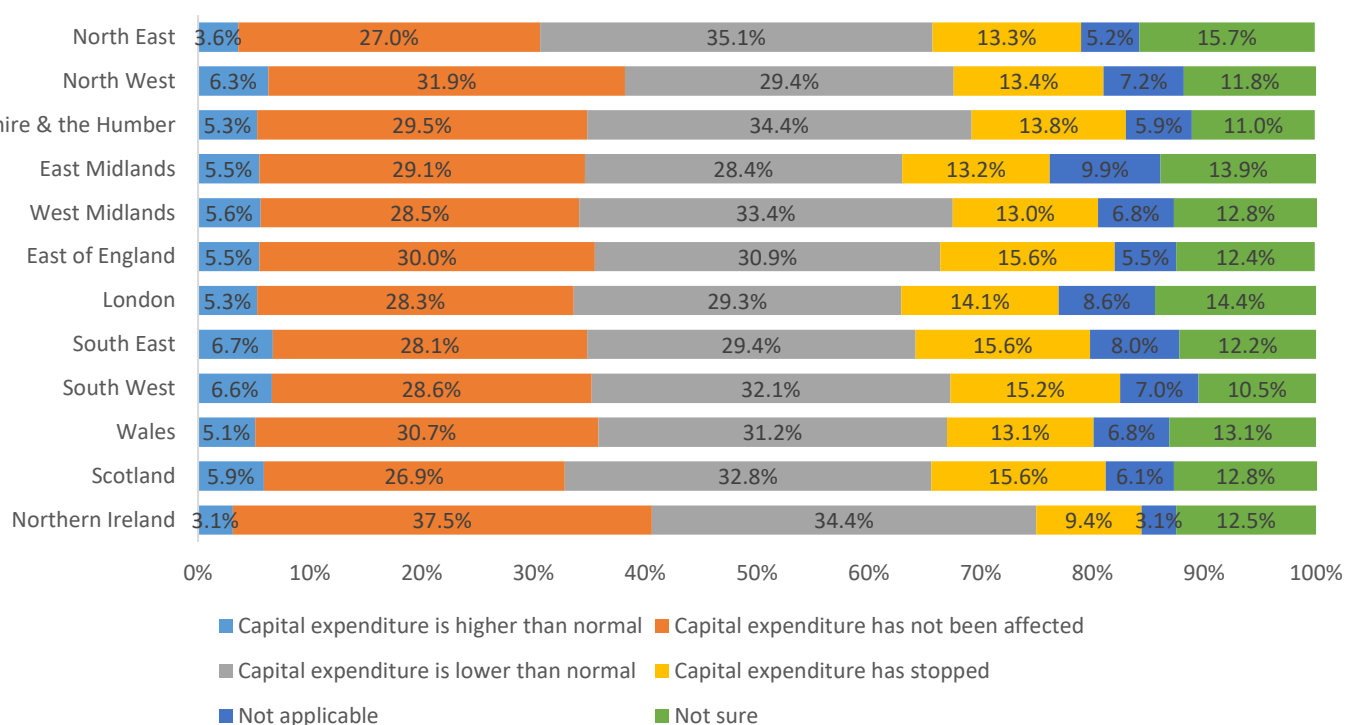
Excluding those who responded not applicable or unsure, prices sold data shows 3.7% of businesses in the West Midlands reported prices had decreased more than normal. 69.5% of West Midlands businesses reported prices did not change any more than normal, 4.5% reported prices increased more than normal and 4.1% of West Midlands businesses reported some prices increased and some prices decreased.

Capital Expenditure

Responses may cover to the point of completion of the questionnaire - 2nd to 15th November.

33.4% of West Midlands businesses reported capital expenditure is lower than normal.

The following chart shows across all the UK regions how COVID-19 has affected businesses capital expenditure:



Schemes, Grants, Finance Agreements and Initiatives

Responses may cover to the point of completion of the questionnaire - 2nd to 15th November.

6.1% of West Midlands businesses have applied for Local Restrictions Support Grant – England (56.6% have received). 1.4% applied for COVID-19 Restrictions Funds – Scotland (3.8% have received) and 1.0% have applied for Lockdown Business Fund – Wales (5.7% have received). While 80.6% of West Midlands businesses have not applied for any of these grants.

8.7% of West Midlands businesses have received small business grant and 5.3% have received a sector-specific grant.

22.7% of West Midlands businesses have received government-backed loans or finance agreements during COVID-19.

6.6% of West Midlands businesses are using or intend to use Kickstart Job Scheme for young people. 56.9% are using or intend to use the Job Retention Bonus. While 26.8% of West Midlands businesses are not using or intend to use either of these schemes.

Excluding other and not sure responses, 4.3% of businesses in the West Midlands are not intending to apply for the Job Retention Bonus due to furloughed employees being made redundant before the end of January 2021. A further 5.7% reported they were not applying due to furloughed employees not being eligible and 52.5% do not have any furloughed employees.

International Trading

Businesses were asked in the last weeks, had their businesses exporting or importing of goods or services been affected by the Coronavirus in the last two weeks. Responses may cover to the point of completion of the questionnaire (2nd to 15th November).

For businesses in the West Midlands continuing to trade who have exported and/or imported in the last 12 months and have exported and/or imported during Coronavirus, 43.7% of exporting businesses in the West Midlands reported their businesses were still exporting but less than normal. Of those businesses who continued to trade and import, 32.5% in the West Midlands were importing less than normal.

43.7% of West Midlands businesses who were exporting reported that they had not been affected and 51.5% reported that importing had not been affected.

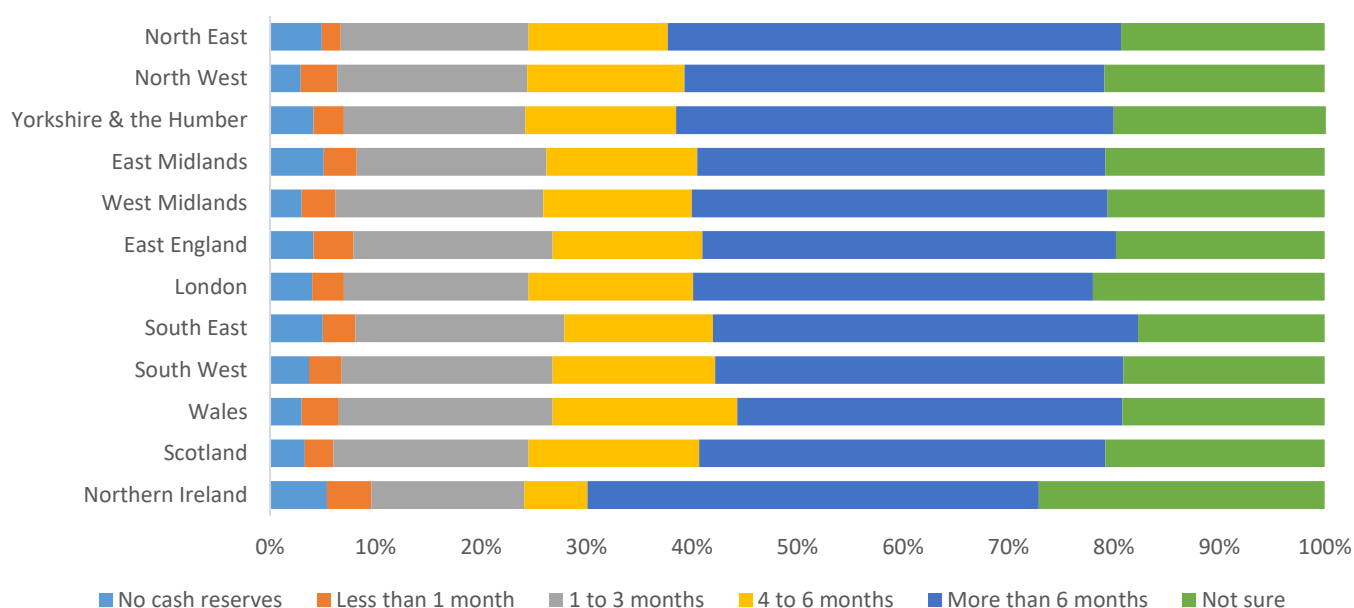
Less than 1% of businesses in the West Midlands are exporting more than normal and 6.0% are importing more than normal.

4.2% of businesses in the West Midlands have not been able to export in the last two weeks and 1.0% of West Midlands businesses have not been able to import in the last two weeks.

Cash Flow

3.0% of West Midlands businesses that have not permanently stopped trading have no cash reserves.

The following graph shows across the UK regions how long cash reserves will last:



Business Confidence

In the West Midlands, 61.8% of businesses had high confidence in surviving over the next three months, whilst 29.1% had moderate confidence of survival, and 3.5% had low confidence. The remaining 5.1% were not sure.

Social Impact 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 33, covering the period 11th to 15th November 2020. In this wave there were 4,400 (73%) responding adults.

Avoiding Contact and Self-Isolating

10% of West Midlands adults have in the past seven days isolated (above all persons total of 7%). 91% of West Midlands adults in the past seven days avoided contact with others when outside their home (90% for all persons total). 88% of West Midlands adults in the past seven days reported to always or often washing their hands with soap and water as soon as returning home (89% all persons total).

Social Distancing when Socialising

79% of West Midlands adults who have met up with people to socialise outside of their support bubble in the past seven days reported to always maintaining social distancing (all persons total 69%).

81% of West Midlands adults who met with people outside their support bubble or household in the past seven days reported to always maintaining social distancing (all persons total 70%).

Main indicators – Great Britain Summary

The percentage of working adults travelling to work decreased to 51% this week.

The following table shows a variety of indicators for this week and the previous week:

Indicators	This week (%)	Last week (%)
Percentage of adults always/often handwashing with soap and water after returning home from a public place	89	89
Percentage of adults that have used a face covering when outside their home in the past seven days	97	98
Percentage of adults always/often maintaining social distancing when meeting up with people outside their support bubble	88	85
Percentage of adults avoiding physical contact when outside their home in the past seven days	90	88
Percentage of adults self-isolated in the past seven days	7	7
Percentage of working adults that have worked from home at some point in the past 7 days	39	38
Percentage of working adults travelling to work (exclusively and in combination with working from home)	51	58
Percentage of adults who have either stayed at home or only left for work, exercise, essential shopping or medical needs in the past 7 days*	43	32
Percentage of adults very or somewhat worried about the effect of COVID-19 on their life right now	71	71

Source: ONS – Opinions and Lifestyle Survey

Online Jobs Adverts

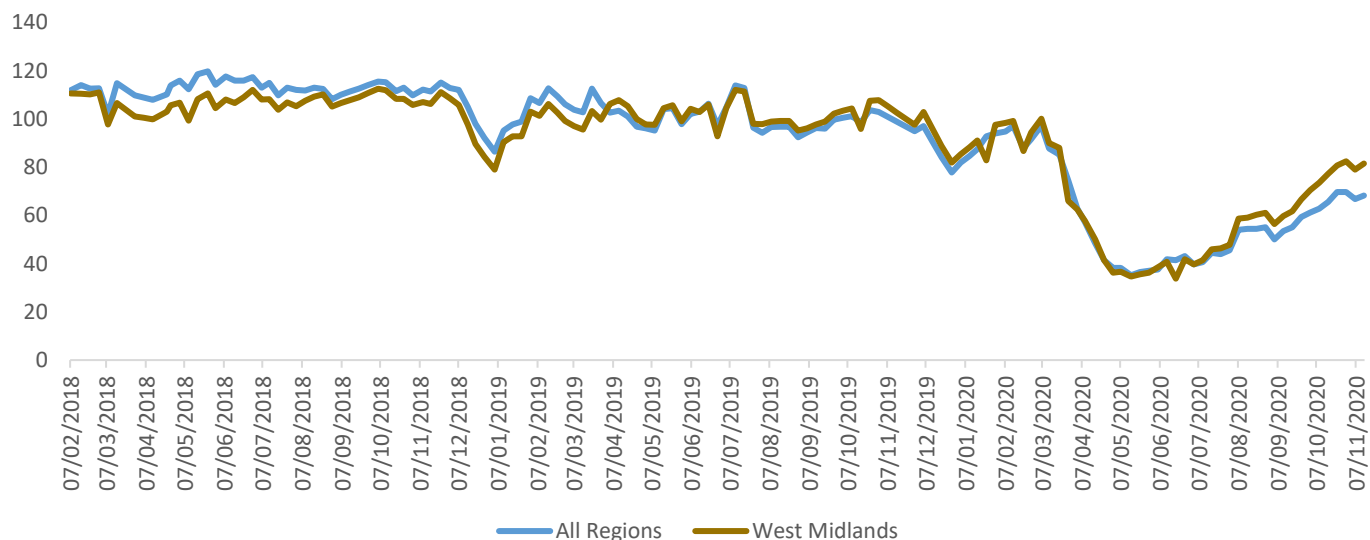
These estimates are experimental figures are taken from jobs adverts provided by Adzuna. Each value in the series measures the number of jobs adverts at a point in time, indexed for the average for 2019 (average = 100). The Adzuna categories do not correspond to SIC categories and therefore not comparable with the ONS Vacancy Survey.

Nationally, total online job adverts increased from 66.8% (of the 2019 average) in the week of the 6th November to at 68.3% (of the 2019 average) in the week of the 13th November. Out of the 28 categories (excluding unknown), 16 had increased from the 6th November with a 7.1 percentage point increase in domestic help to reach 101.1% of the 2019 level. In contrast, the largest drop was in scientific/QA by 2.8 percentage points to 68.7% of the 2019 level.

For the West Midlands region, the total online jobs adverts increased from 79.1% (6th November) to 81.6% (13th November) of its 2019 average. Across all 12 UK regions there was an increase from the previous week in online jobs

adverts with Wales the highest by 5.3 percentage points (to 82% of its 2019 level). The latest week data shows that the East Midlands was the closest to its 2019 average at 89.4%.

The following graph shows total weekly jobs adverts for all regions and the West Midlands, 7th February to 30th October 2020 (Index 2019 average =100):



Source: Adzuna

LEP Level Intelligence

HEADLINES

SECTOR	KEY CONCERNS
Cross Sector	<p>EU Exit</p> <ul style="list-style-type: none"> Concerns over the change scheduled in July 2021 from MOSS (Mini One-Stop-Shop) which is a way UK businesses can pay VAT on supplies of certain digital services to consumers in EU member states, to OSS (One-Stop-Shop), which aims to simplify submitting VAT returns for online retailers in the various member states where they trade. However, for supplies recorded in the existing MOSS the standard rate generally applies. The supplies to be recorded in the new OSS could be subject to a myriad of different rates. UK companies are concerned about if they will have to register for each country, they sell into in the EU for tax purposes. Fears the compliance level for small business will be so high that it will not be worthwhile selling to Europe any longer. <p>Trade</p> <ul style="list-style-type: none"> Decreased exports during Coronavirus. <p>Access to Finance</p> <ul style="list-style-type: none"> Many businesses enquiring about government grant support. <p>Restrictions</p> <ul style="list-style-type: none"> Concern over the long-term effect of not being able to meet clients face to face and limitations of video conferencing. Businesses need policy makers to share details as soon as possible on what measures will be imposed after the 2nd December. <p>Mental Health</p> <ul style="list-style-type: none"> Mental health issues caused by lockdown; lower staff productivity and concentration levels, increased staff errors, unexpected and uncommunicated absence. <p>Recovery</p> <ul style="list-style-type: none"> Some green shoots of recovery, with a reasonably good set of new enquiries around investment, diversification, new property, green and digital. Desire amongst some businesses to recruit apprentices as part of their recovery and growth strategies.
Advanced Manufacturing & Engineering	<p>Projects</p> <ul style="list-style-type: none"> Increasing enquiries around HS2 and other infrastructure projects.
Retail	<p>Restrictions</p> <ul style="list-style-type: none"> Heightened anger and frustrations from retailers forced to close under Lockdown 2 rules, again raising complaints of an unfair loophole that allows larger competitors to remain open, as a small percentage of their operation involves the sale of essential items.
Construction	<p>Supply Chain</p> <ul style="list-style-type: none"> Construction companies report supplier shortages, longer lead times and suppliers pushing to increase prices to catch up on losses.
Visitor Economy	<p>Restrictions</p> <ul style="list-style-type: none"> Before the second national lockdown government guidelines changes caused confusion, particularly for hospitality venues.
SECTOR	KEY CONCERNS
Cross Sector	<p>Jobs & Furlough</p> <ul style="list-style-type: none"> Business leaders this week have warned that the lockdown is likely to have a short, sharp shock on job figures, as new statistics indicate a rise in employment and unemployment in the West Midlands. The extension of the government's Job Retention Scheme until the end of March 2021 is welcome news. However, many businesses face high levels of debt and weak confidence. <p>Access to Finance & Cashflow</p> <ul style="list-style-type: none"> Companies are expressing concerns about the level of debt they have incurred due to COVID. The support has not been sufficient to cover the huge losses incurred by some companies and self-employed. <p>PPE</p> <ul style="list-style-type: none"> Concerns amongst businesses over cost of PPE equipment.

SECTOR	KEY CONCERNS
	<ul style="list-style-type: none"> A consortium of Midlands businesses has expressed concerns that the government is sourcing 'inadequate' PPE from abroad. <p>EU Exit</p> <ul style="list-style-type: none"> Many businesses are too busy dealing with Covid and are not able to think about long term impacts of the EU exit. Concerns about rising costs of products and massive increases in regulatory costs. <p>Recruitment</p> <ul style="list-style-type: none"> Kickstart enquiries increasing. <p>Start-Ups</p> <ul style="list-style-type: none"> The number of Start-Up enquiries continues to increase, partly due to COVID related job losses. There is a concern that some new entrepreneurs are not seeking Start Up support and do not understand their responsibilities and obligations in relation to starting a business. This highlights the importance of these schemes to ensure the survival of new businesses.
Advanced Manufacturing & Engineering	<p>Sales</p> <ul style="list-style-type: none"> The impact of the COVID 19 pandemic has been mainly reflected in the sales pipeline of manufacturing businesses. <p>Investment</p> <ul style="list-style-type: none"> The probabilities of receiving foreign investment have also decreased for some manufacturing businesses as a result of the pandemic.
Business, Professional & Financial Services	<p>Cross Theme</p> <ul style="list-style-type: none"> Difficult for some businesses to forecast future work beyond 4-6 weeks. <p>Business Costs</p> <ul style="list-style-type: none"> Some businesses experiencing a rise in direct costs.
Retail	<p>Lockdown</p> <ul style="list-style-type: none"> Non-essential retail businesses have been forced to shut under the new restrictions. Garden centres have been allowed to remain open during this time. <p>Trade</p> <ul style="list-style-type: none"> Businesses experiencing delays in shipping from overseas. <p>New Business Models</p> <ul style="list-style-type: none"> Some businesses who have increased their online platform during the pandemic have reported an increase in online sales during lockdown.
Visitor Economy	<p>Lockdown</p> <ul style="list-style-type: none"> Hospitality and leisure businesses have been forced to shut under the new restrictions. This is devastating news for businesses in the region, once again facing the uncertainty of not knowing whether they will be able to come out the other side after 2nd December.

NEW ECONOMIC SHOCKS

COMPANY	LOCATION	SECTOR	SOURCE/DETAIL
Peacocks and Jaeger	Black Country and Wider Region	Retail	Fashion chains Peacocks and Jaeger have fallen into administration, putting more than 4,700 jobs at risk.
E-on	Black Country and Wider Region	Energy	Energy giant E.on is planning to cut almost 700 jobs over the next two years, mainly in support and management roles, as part of the migration of customers to a new platform.
Toby Carvery and All bar one	Black Cuntry and wider region	Hospitality	The owner of All Bar One and Toby Carvery has announced site closures as the pandemic continues to affect the hospitality industry.
Aerospace industry	West Midlands	Aerospace	The pandemic has put the sector that employs 20,000 people in the West Midlands under pressure even though the UK has the fourth largest aerospace industry in the world.
Brose Group	Coventry	Automotive Supplier	A Queen's Award-winning Coventry-based automotive supplier is to make more than 70 redundancies because of the Covid-19 pandemic and forecast a continued drop in its turnover for 2020. The UK arm of automotive supplier Brose confirmed the 73 job cuts in newly filed documents to Companies House in which the company predicted that its turnover would fall lower than the £217.7m it reported for the 12 months to 31 December 2019. That total was also a drop from the £263.8m it posted in 2018 while its pre-tax profits went from £6.9m to £5.1m over the same period.
Edinburgh Woollen Mill (EWM).	National	Retail	More than 4,700 jobs are now at risk after retail brands Peacocks and Jaeger went into administration. They belong to Carlisle-based retail business Edinburgh Woollen Mill (EWM). Earlier this month more than 900 jobs were lost when the Edinburgh Woollen Mill and Ponden Home retail chains were put into administration, due to the impact of the coronavirus pandemic on the retail sector. Both brands have continued trading from a reduced estate while administrators try and find buyers.
Mitchells & Butlers	Regional	Retail, Food and Drink	Mitchells & Butlers is set to close up to 20 sites – putting more jobs at risk. The news comes just weeks after the firm said it was beginning a redundancy consultation to axe thousands of roles. Now, according to the Telegraph, the firm, which owns All Bar One, Harvester, Toby Carvery and Browns, is working with real estate advisory firm CBRE to identify under-performing sites and ultimately offload their leasehold if buyers can't be found. The company currently employs around 44,000 staff, but declined to comment on how many jobs would be affected.

NEW INVESTMENT, DEALS AND OPPORTUNITIES

COMPANY	LOCATION	SECTOR	DETAIL & SOURCE
Aulacast Ltd	Black Country	Manufacturing	Alucast, in Western Way, Darlaston, wants to expand its operation and create new office space at the existing facility to accommodate a new design team.
One Below	Black Country	Retail	One Below, which sells items for £1 and under, is opening up at New Square Shopping Centre.
The Ground , Cradley Then and Now	Black Country	Charity	A heritage group which promotes the history of a Dudley village has been awarded £10,000 funding.
Severn Trent	Black Country and wider Region	Utilities	Water and waste company Severn Trent is aiming to take on 500 new employees as part of the Government's new Kickstart Scheme over the next year.
WHS Plastics	Sutton Coldfield	Manufacturing	Sutton Coldfield-based WHS Plastics, a global manufacturer of plastic injection moulding products, has opened a new £3.5million, 75,000 sq feet national distribution centre. The investment will see 11 new jobs created at the facility with plans to employ more people in the future. WHS Plastics, which also has manufacturing operations in Runcorn, UK and Egypt, employs some 630 people, with 400 of those based in the West Midlands. The company, which currently has an annual revenue of £60m, recently manufactured 100,000 plastic visors with Jaguar Land Rover in response to the pandemic. The new £3.5million distribution centre, which will serve its UK and international markets, replaces three warehouses currently on the Minworth-based site.
Bowmer+Kirkland & Coventry City Council	Coventry	Construction	Work on a major office scheme which could help create 700 jobs in Coventry has started. Bowmer+Kirkland has begun on site of Two Friargate which is located next to Coventry Railway Station. It comes after funding worth £17m to support the development was signed off by Coventry City Council in August. That followed a £51.2m grant from the West Midlands Combined Authority.
International Automotive Components Group & JLR		Automotive, Engineering, Manufacturing	Turnover and pre-tax profits increased at the UK arm of a Jaguar Land Rover components maker during its most recent financial year, new documents have revealed. International Automotive Components Group has reported a turnover of £353.2m for the 12 months to 31 December 2019, up from £332.5m. Its pre-tax profits also went from £3.8m to £5.2m over the same period.
Stadium TM	Coventry	Manufacturing	A Coventry-based event management specialist has signed a six-figure deal with one of the world's largest purpose-built rugby stadiums. Stadium has landed a two-year contract with the Rugby Football Union to supply 100 specially-trained staff per match day to Twickenham.
Baxi Heating	Warwick	Heating and Plumbing Engineering	A pledge to become carbon neutral has been made by a Warwick-based Queen's Award-winning boiler and heating products manufacturer which was founded in 1866. Baxi Heating, which is part of BDR Thermea Group, has promised become carbon neutral in all of its operations by 2030, coinciding with the Prime Minister's ten-point plan for a Green Industrial Revolution.
Lawton Tubes	Coventry	Engineering	A family-run engineering company in Coventry has supplied more than 120 miles of medical gas copper pipes in six months as part of the fight against Covid-19. Lawton Tubes, which celebrated its 100th anniversary in 2018, switched the majority of its production to cater for unprecedented demand from the NHS and healthcare providers for its copper tubes that are the preferred natural, 100% recyclable, safe means of carrying medical gases from the plant room to the patient's bed. In the UK alone, the firm supplied enough product – laid side by side – to equal that of phase 1 of HS2, while also supporting the response of 30 countries across the world.
City-Redi , WMCA and GBSLEP	West Midlands	Local Authority Activities	The West Midlands has been chosen as the location of a new "space hub". Supported by the West Midlands Combined Authority (WMCA) it will use Government funding to bring together expertise and businesses to explore how to take maximum advantage of the commercial space race. The money will be used to assess current space capabilities and develop action plans for how to accelerate the growth of the hub.

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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