West Midlands
Weekly Economic Impact Monitor

Issue 38 Publication Date 11/12/20

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

This week, the first Covid-19 vaccination in the world was carried out in the West Midlands. Although there are signs of optimism following this, longer-term uncertainty over the Brexit deal continues.

- European equity futures have risen following stocks rising in much of Asia and the U.S. S&P 500 closed at an all-time high.
- In Washington, Treasury Secretary Steven Mnuchin has presented a new $916 billion Covid-19 relief proposal to House Speaker Nancy Pelosi, which is a breakthrough in the long standoff between the Trump administration and the House of Representatives on a Covid relief package.
- Industrial production in Germany, Europe's biggest economy, has risen by 3.2% in October.
- The sixth consecutive monthly rise in production is attributable to a large increase in the important auto sector. It followed gains of 0.5% in August and 2.3% in September. Economists had expected a 1.6% gain.
- Brexit negotiations continue to falter with both sides saying gaps remain, current reporting is suggesting a making a deal less likely. This is making investment markets volatile and spooked with the pound dropping as much as 1.6% in the day. Leading retailers have highlighted that food costs will rise in the event of a no deal
- Data has showed that that factory orders rose 2.9% in October, nearly double what economists had predicted.
- Mike Ashley is reportedly in talks about a takeover deal that could see Ashley's Frasers Group operate Debenhams' 124 stores under 12-month licenses and potentially save up to 12,000 jobs. Frasers confirmed rumours about a takeover deal, saying the aim is "save as many jobs as possible."
- In more uplifting and hopeful news, the UK has begun administering doses of the Covid-19 vaccine from Pfizer and BioNTech on Tuesday, making it the first Western country to do so. The inoculation effort is well underway at about 50 hospitals and marks the National Health Service's biggest immunization campaign in its history. The first person in the world to receive the vaccine outside of trials, was Margaret Keenan from Coventry.
- Make UK has published a report that sets out manufacturers' opinions on levelling up and the effect of current infrastructure projects on their regions, with 52% being neither satisfied or dissatisfied with the work in their region, suggesting that they saw no tangible difference. Calling on the government to focus on local projects, particularly east-west connectivity and broadband, the paper argues that the regional differences create a strength in the UK manufacturing sector.
- The Health Foundation looks at how the NHS and social care need proper funding in order to meet the demands of the long-terms effects of COVID-19 and to meet the NHS long term plan.
- Localis provides analysis on the Government's Ten Point Green Plan, praising the commitment to net zero by 2050 and the funding and job creation it promises, but is concerned that some of the funding is recycled, with less new money than it may seems.
- The Higher Education Policy Institute analyses the results of students and their experiences at university during the pandemic so far. Whilst 59% are satisfied or very satisfied with the teaching they are receiving, 58% feel that their mental health is worse since the beginning of the pandemic, putting increasing pressure on universities to provide adequate mental health support.
- The Resolution Foundation looks that the economic outlook for the UK following COVID and Brexit, both of which are predicted to shrink the economy by 3% and 1.5% respectively. Real per capita funding for some public services will remain curtailed, including transport and justice, and the report does not expect a highly centralised approach to addressing regional inequalities to be effective.
- Initial work on city centres shows that:

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- They hold 3-5% of all WMCA residents, and they have grown over the last decade
  - The centres are younger and more ethnically diverse than the local authorities overall.
  - They contain higher levels of deprivation, especially on the fringes.
  - In terms of footfall in the cities there was a large drop off at the start of the pandemic, a slow recovery over the summer, and a drop off under the second lockdown. Footfall from outside of the city has dropped off considerably and most activity is driven by within city movement. ONS footfall shows that nationally footfall decreased by 43% and we would expect this pattern to be reflected in future data on the dashboard. This level is still not as low as the first lockdown.
  - The city centres contain the highest levels of jobs, and sectorally they have high concentrations of business and professional services, retail, culture/hospitality - all of these are sectors hit hard by furlough, closure or working from home
  - The public sector does not account for a particularly high proportion of jobs in Birmingham, but when health is added there is a significant presence in the city centre. Health therefore is potentially driving the residual traffic in the city centres.
- There has been a further drop in permanent placements, which has been counterbalanced by a sustained upturn in temp billings in November. This is according to KPMG / Markit report on UK labour market. Job vacancies have fallen at a quicker rate, driven by a steep decline in permanent vacancies. Candidate numbers have continued to rise steadily, with the ready availability of permanent and temporary staff rising at historically high rates, driven by redundancies. Starting pay of permanent staff continues on its downward trend, whilst temp staff pay has declined at a more modest rate.
- Incorporations are up on last year and dissolutions are below the same week last year.
- For West Midlands businesses that indicated they had sites that had paused or ceased trading, 22.7% stated they it was not financially viable to keep open, 69.7% were required to temporarily close due to lockdown regulations and 13.8% reported insufficient footfall of customer interest. While 6.9% reported the reason as other and 3.3% were unsure.
- 40.5% of trading businesses in the West Midlands reported profits had decreased by at least 20%. However, 34.3% of trading businesses in the West Midlands reported that profits had stayed the same and just over 8.4% reported their profits had increased by at least 20%.
- 7.2% of West Midlands businesses reported that they were intending to make changes to supply chains in preparation for the end of the EU transition period, while 51.7% of West Midlands businesses reported they were not. 24.7% were going to use more UK suppliers, 9.3% were going to use more EU suppliers and 7.2% were going to use more non-EU suppliers. 16.5% of West Midlands businesses were going to move the supply chain away from the short straits crossing. 21.6% of West Midlands businesses were going to increase the diversity in suppliers and 15.5% were going to expand to different modes of freight.
- 32.8% 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, 25.2% in the West Midlands were importing less than normal. 55.6% of West Midlands businesses who were exporting reported that they had not been affected and 57.8% reported that importing had not been affected.
- 73.8% of West Midlands businesses reported more staff were working from home as a result of COVID-19. 10.3% of West Midlands businesses reported that productivity had increased with the workforce working from home. 54.0% of West Midlands reported productivity had stayed the same. 23.9% of West Midlands businesses reported they intended to use increased homeworking as a permanent business model going forward. 40.9% of West Midlands businesses reported they would not have homeworking as a permanent business model with a further 35.3% unsure.
- The main reasons why West Midlands businesses intend to use homeworking as a permanent business model going forward include: 73.2% reported it improved staff wellbeing, 56.4% due to it reducing overheads, and 37.2% reported it allowed the ability to recruit from a wider geographical pool.

Global, National and Regional Outlook

Ben Brittain, WMREDI

Global

European equity futures have risen following a stocks rising in much of Asia and the U.S. S&P 500 closed at an all-time high.

Goldman Sachs has commented that U.S. equity positioning looks "extremely" stretched.

In Washington, Treasury Secretary Steven Mnuchin has presented a new $916 billion Covid-19 relief proposal to House Speaker Nancy Pelosi, which is a breakthrough in the long standoff between the Trump administration and the House of Representatives on a Covid relief package.

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The sixth consecutive monthly rise in production is attributable to a large increase in the important auto sector. It followed gains of 0.5% in August and 2.3% in September. Economists had expected a 1.6% gain.

Data has showed that that factory orders rose 2.9% in October, nearly double what economists had predicted.

France is considering "many options" related to the planned loosening of lockdown measures scheduled for December 15th as the number of Covid-19 cases remains high - above the 5,000 that was the threshold for the loosening of restrictions. Potential plans include introducing a new curfew or sticking to the current lockdown longer to observe developments. Switzerland's proposed new measures, meanwhile, include reducing opening hours for shops and restaurants.

Germany plans to vaccinate as many as 8 million people in the first quarter of 2021.

National

Mike Ashley is reportedly in talks about a takeover deal that could see Ashley's Frasers Group operate Debenhams' 124 stores under 12-month licenses and potentially save up to 12,000 jobs. Frasers confirmed rumours about a takeover deal, saying the aim is "save as many jobs as possible."

In more uplifting and hopeful news, the UK has begun administering doses of the Covid-19 vaccine from Pfizer and BioNTech on Tuesday, making it the first Western country to do so. The inoculation effort is well underway at about 50 hospitals and marks the National Health Service's biggest immunization campaign in its history.

Regional

The first person in the world to receive the Pfizer and BioNTech Cornavirus vaccine outside of trials, and the first ever type of cornavirus vacicne outside of trails, was Margaret Keenan, known to friends and family as Maggie, was given the life-saving jab without "feeling a thing" by nurse May Parsons.

Margaret, who is originally from Enniskillen in Northern Ireland and lives in Coventry, will be 91 next week and said: "I feel so privileged to be the first person vaccinated against Covid-19.

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Top Ten From Around the Web

Keziah Watson, WMCA

Two organisations weigh in on the National Data Strategy consultation: The Institute for Government highlights some of the difficulties that have been exacerbated by COVID, as well as the end of Verify and it's replacement by various systems across departments. The ODI has released the findings from a series of workshops as part of the consultancy process which look at the need for the government to create the basic infrastructure for data and sharing, increase the number of people with data skills through training, teacher training, and career advancement, and proper public engagement and ethical conversations and frameworks.

Make UK has published a report that sets out manufacturer's opinions on levelling up and the effect of current infrastructure projects on their regions, with 52% being neither satisfied or dissatisfied with the work in their region, suggesting that they saw no tangible difference. Calling on the government to focus on local projects, particularly east-west connectivity and broadband, the paper argues that the regional differences create a strength in the UK manufacturing sector.

The Health Foundation looks at how the NHS and social care need proper funding in order to meet the demands of the long terms effects of COVID-19 and to meet the NHS long term plan. Whilst the need for short term funding given the current uncertainty is understandable, long term funding is necessary to think ahead for social care and other services under pressure.

With many schools closed this year, teenagers have had their opportunity for socialising and interaction curtailed as they often don't feel safe in public spaces. As Bloomberg explores, teens are often not considered within the planning and design system for public spaces but there is a growing recognition of the importance of building with children and teenagers in mind.

Localis provides analysis on the Government's Ten Point Green Plan, praising the commitment to net zero by 2050 and the funding and job creation it promises, but is concerned that some of the funding is recycled, with less new money than it may seem.

The National Audit Office highlights current issues that include inconsistent tracking of the impacts of policies, not clearly defining the role of public bodies including local government, and uncertain costs, which may be alleviated by a systems approach.

The Mental Health Foundation urges the government to invest money in fundamental services to reduce the number of people getting to the position where they need mental health services. By investing more in health visitors, green spaces, and good housing, people's overall health and well being will increase, easing pressure on mental health.

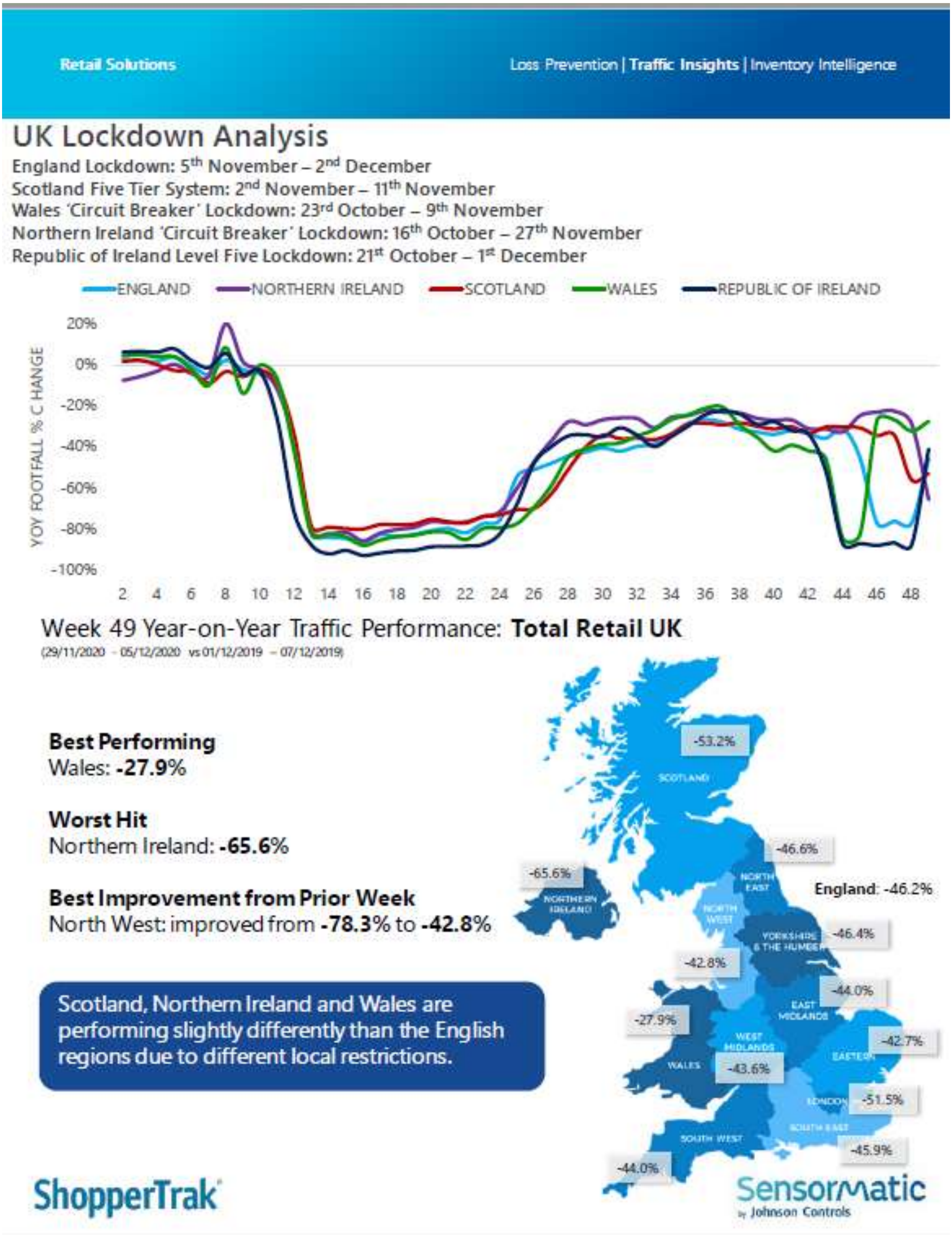
The Higher Education Policy Institute analyses the results of students and their experiences at university during the pandemic so far. Whilst 59% are satisfied or very satisfied with the teaching they are receiving, 58% feel that their mental health is worse since the beginning of the pandemic, putting increasing pressure on universities to provide adequate mental health support.

UK Onward analyses the many complex factors that created the December 2019 election win for the Conservatives, including the growth of support for the party among all social classes. These gains may be consolidated as many voters chose the party for social and economic reasons, and this looks set to continue.

The North has a key role to play in the national recovery after the pandemic, Atkins argues. The government needs to commit to retrofitting, co-designed and delivered transport infrastructure, and prioritise green jobs if this is to become a reality.

The Resolution Foundation looks that the economic outlook for the UK following COVID and Brexit, both of which are predicted to shrink the economy by 3% and 1.5% respectively. Real per capita funding for some public services will remain curtailed, including transport and justice, and the report does not expect a highly centralised approach to addressing regional inequalities to be effective.

Analysis by Shoppertrak looks at the impact of lockdowns on the economy:

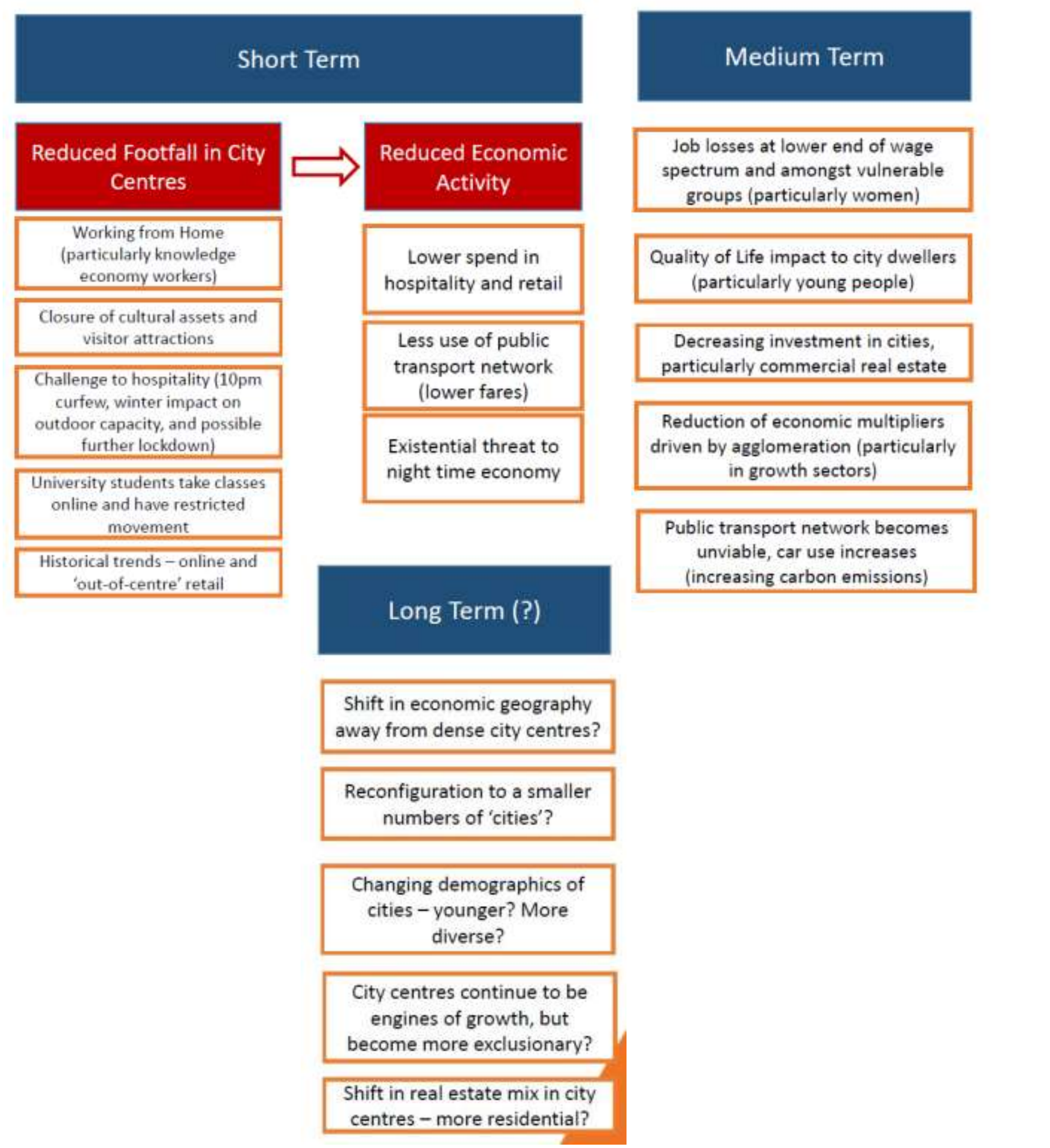


West Midlands ‘3 Cities’ City Centre Recovery
BCCEIU and WMCA

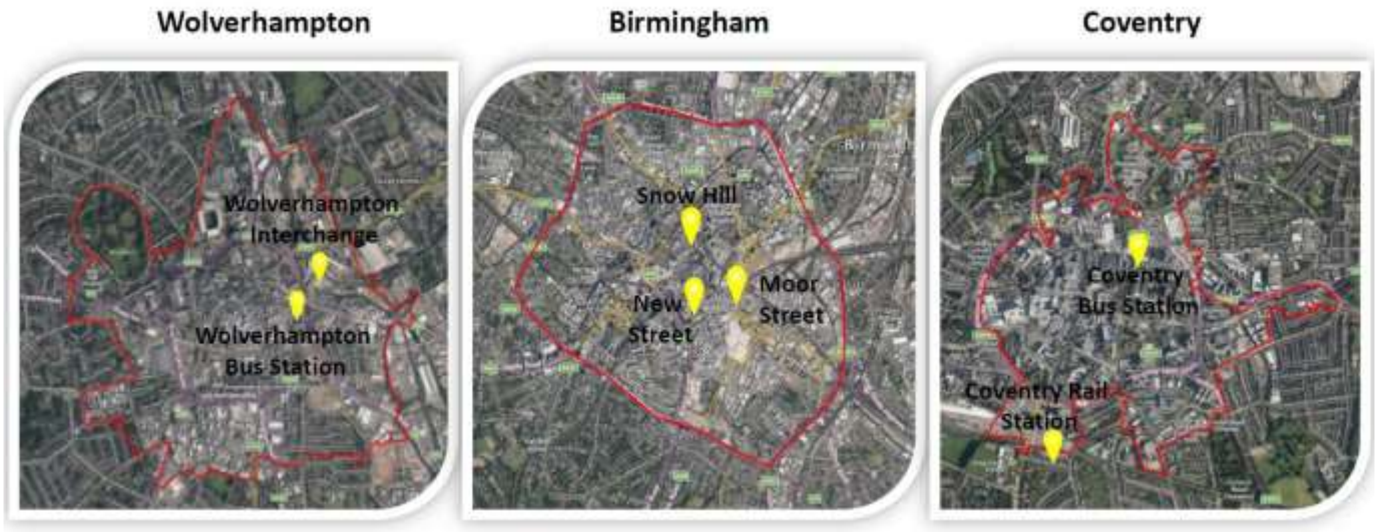
The graphic below provides an overview of the ‘3 city centre’ recovery work done by the BCCEIU in partnership with the WMCA. It details the unique challenges that each city centre - Birmingham, Wolverhampton and Coventry - faces.

This work is an initial review of the cities in light of the impact of the virus and the issues the region faces and has been led by Adam Hawksbee. Further work will be developed by WMREDI as UKRI Quality Research Funding has been secured.

Key Issues

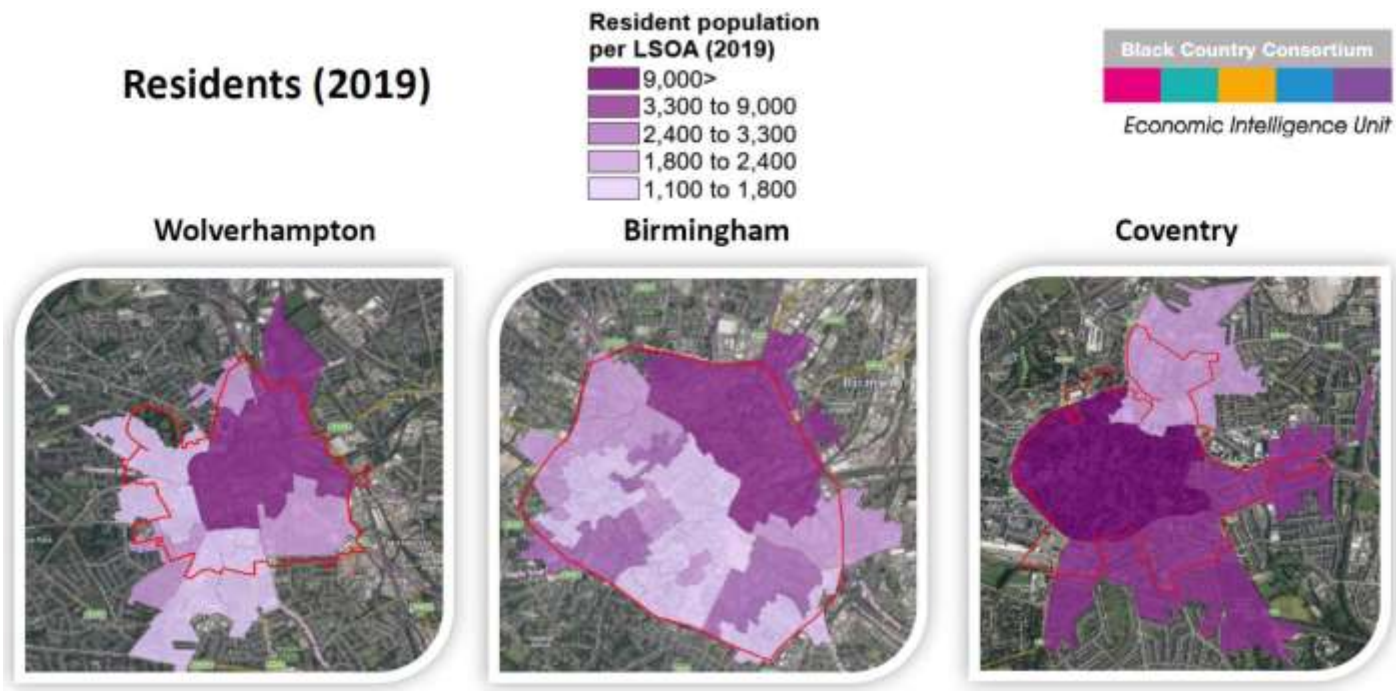


Initial work has been carried out mapping the cities and core statistics, see below:



Wolverhampton	Birmingham	Coventry
Boundary based on Area Action Plan	**Boundary based on Big City Plan**	**Boundary based on Area Action Plan**
Area: 3.1km2	**Area: 7.8 km2**	**Area: 1.6 km2**

City Centres contain 3-5% of residents



Wolverhampton	Birmingham	Coventry
City Centre Population: 16,387	**City Centre Population: 56,331**	**City Centre Population: 21,372**
LA Population: 263,357	**LA Population: 1,141,816**	**LA Population: 371,521**
% in city centre: 6.2%	**% in city centre: 4.9%**	**% in city centre: 5.8%**

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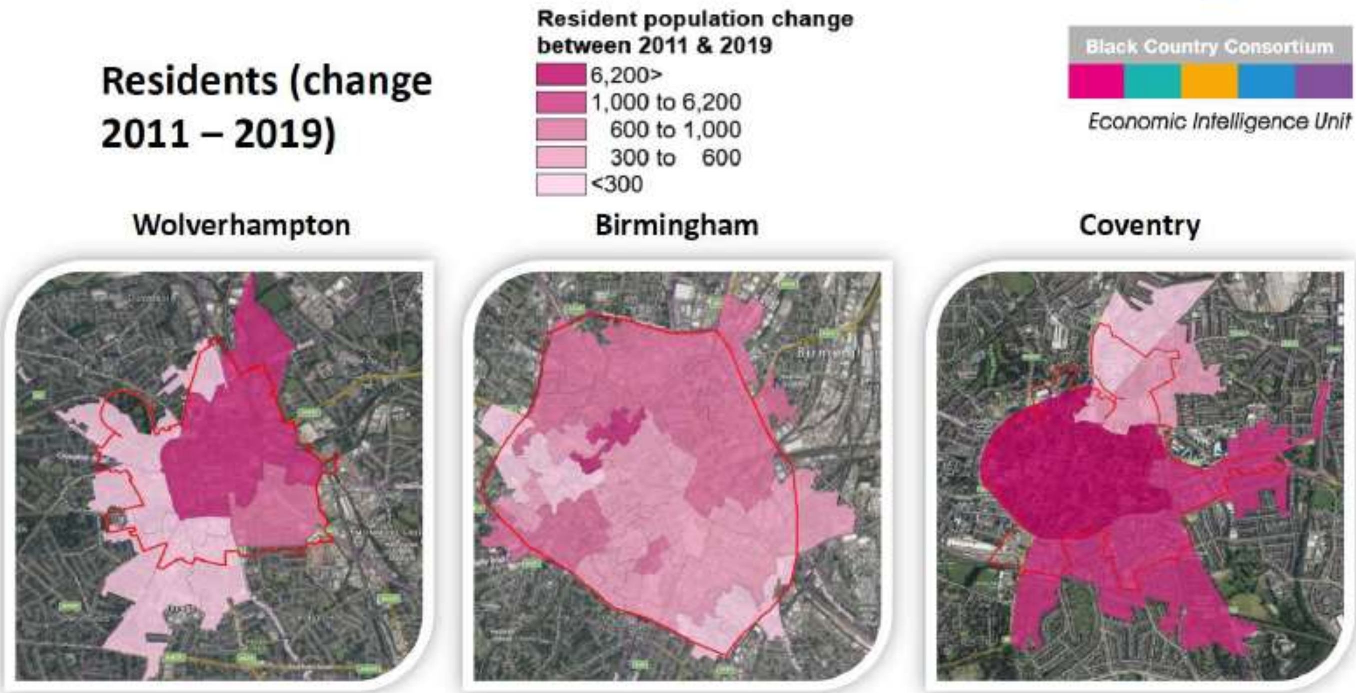
The cities have been growing over the past decade



City Centres are younger and more ethnically diverse than overall LAs

pp –percentage points	**Wolverhampton**	**Birmingham**	**Coventry**
% city centre pop. 16-24 -2019 (% LA pop. 16-24)	18% (10%)	29% (15%)	55% (16%)
Change city centre pop. 16-24, 2011-19 (change LA pop. 16-24)	6.3pp (2.3pp)	3.8pp (0)	13.6pp 0.5pp
% city centre population ethnic minority –2011 (% LA pop ethnic minority)	54% (32%)	56% (42%)	48% (26%)

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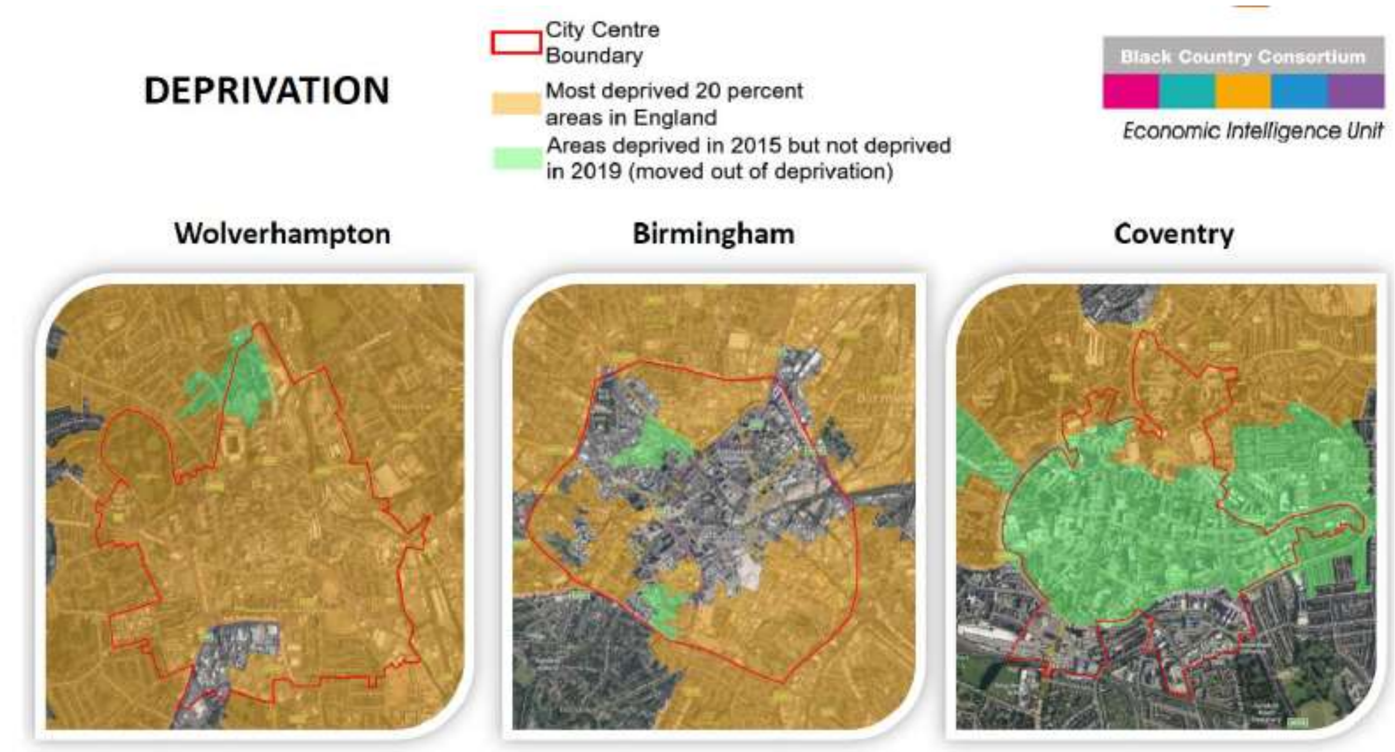
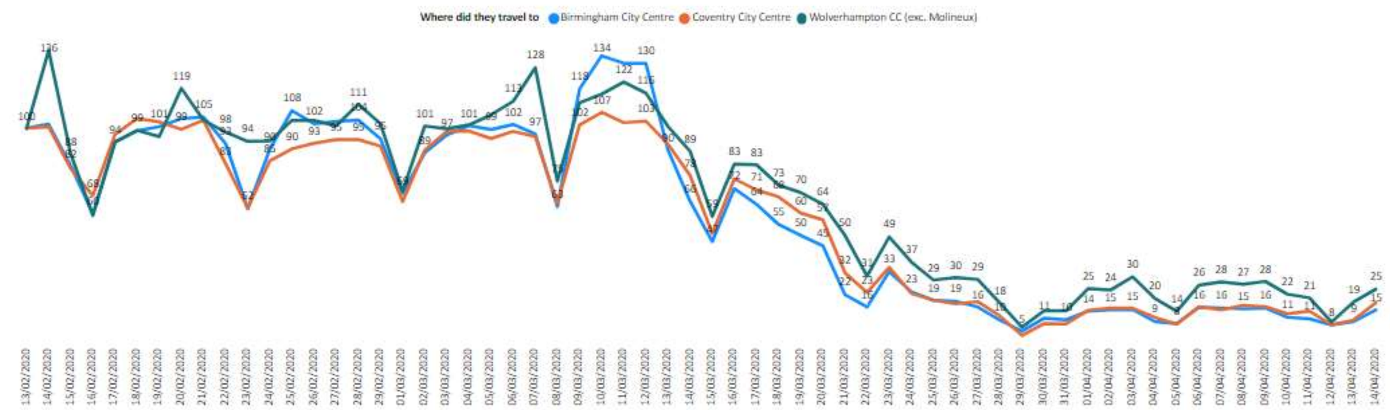
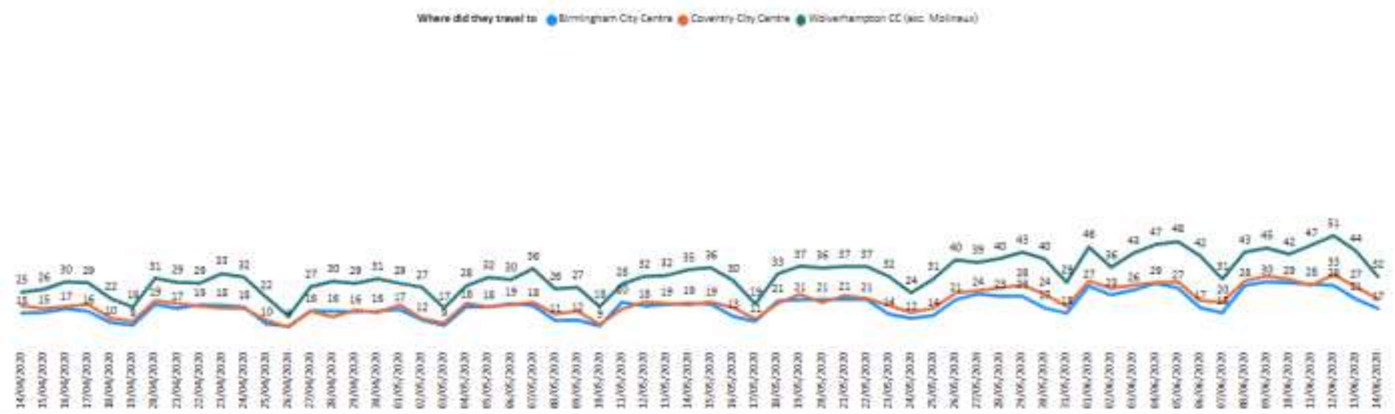
City Centres contain deprivation, particularly on the fringes



WMCA and BCCEIU have created a dashboard using Centre for Cities data and Locomiser (accessed [here)](here)

The data for the 3 cities over time shows the considerable drop in activity from the start of lockdown, with a gradual steady rise overtime (data not available up to latest lockdown):





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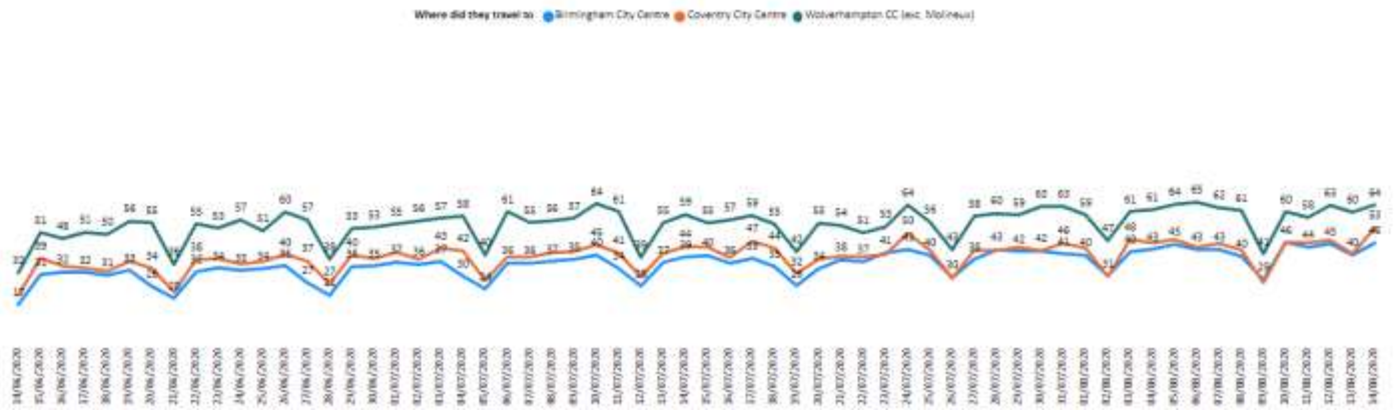

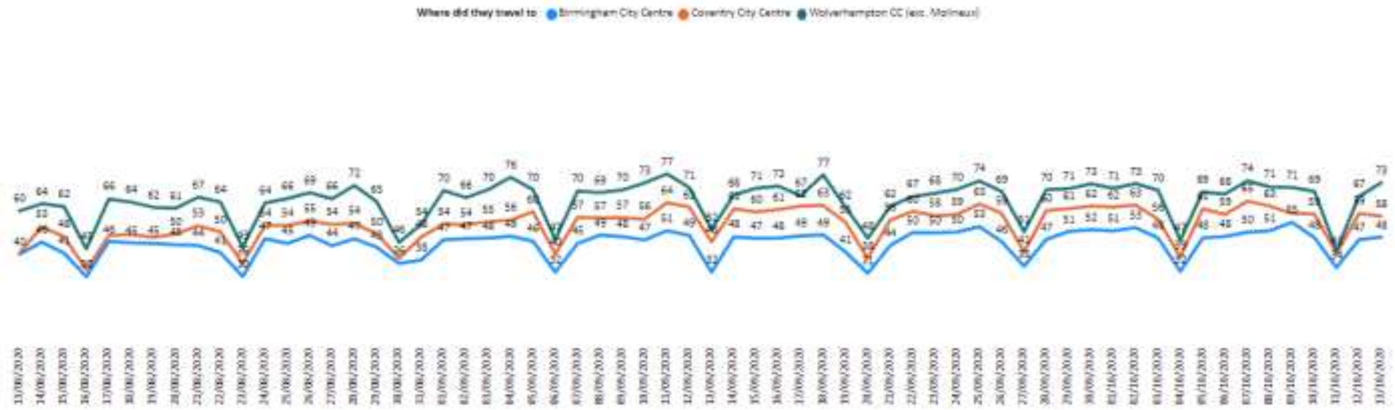

This pattern is driven largely by very local visitors with data for within the LA being highest and data for those visiting from outside the Local Authority lowest (although this has grown over time)

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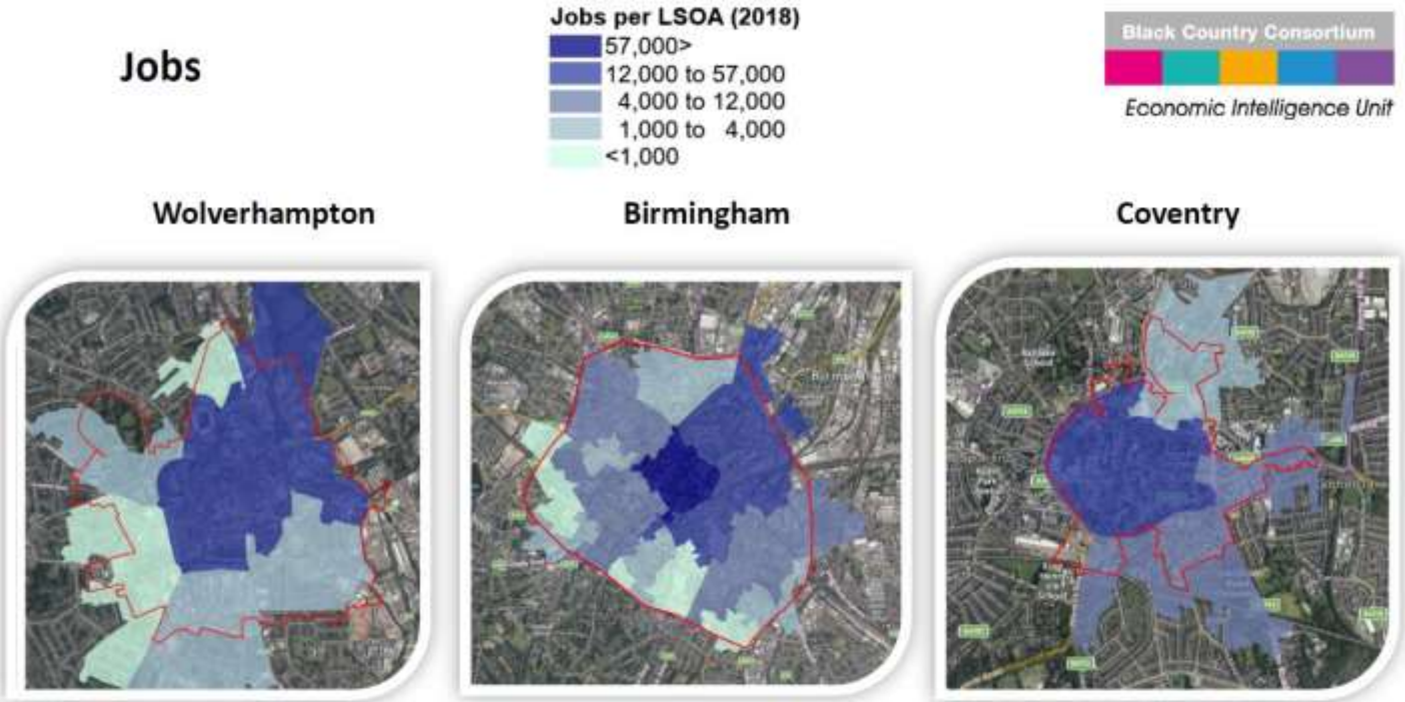
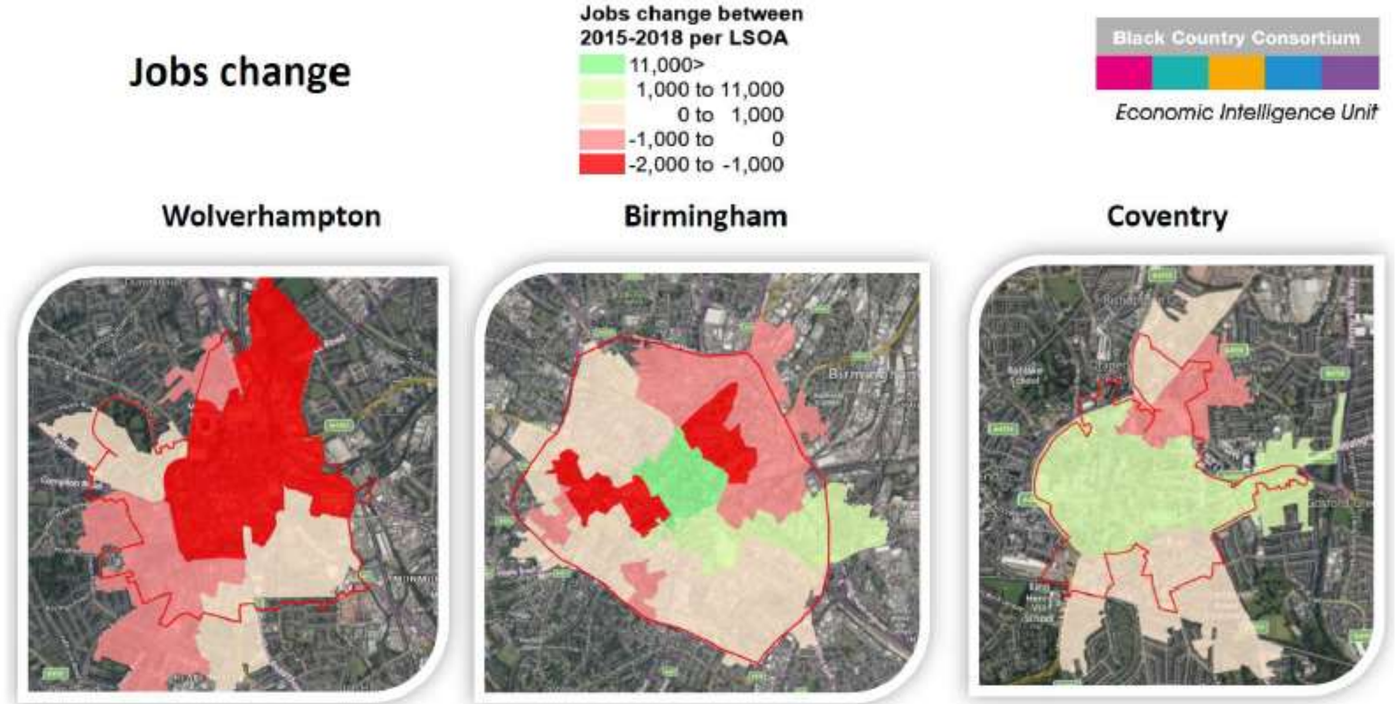
The city centres contain the highest concentration of jobs



Wolverhampton	Birmingham	Coventry
City Centre Jobs: 28,000	**City Centre Jobs: 163,000**	**City Centre Jobs: 35,000**
LA Jobs: 103,000	**LA Jobs: 512,000**	**LA Jobs: 162,000**
% in city centre: 27%	**% in city centre: 32%**	**% in city centre: 22%**

There are varying trends in job growth in the past few years:



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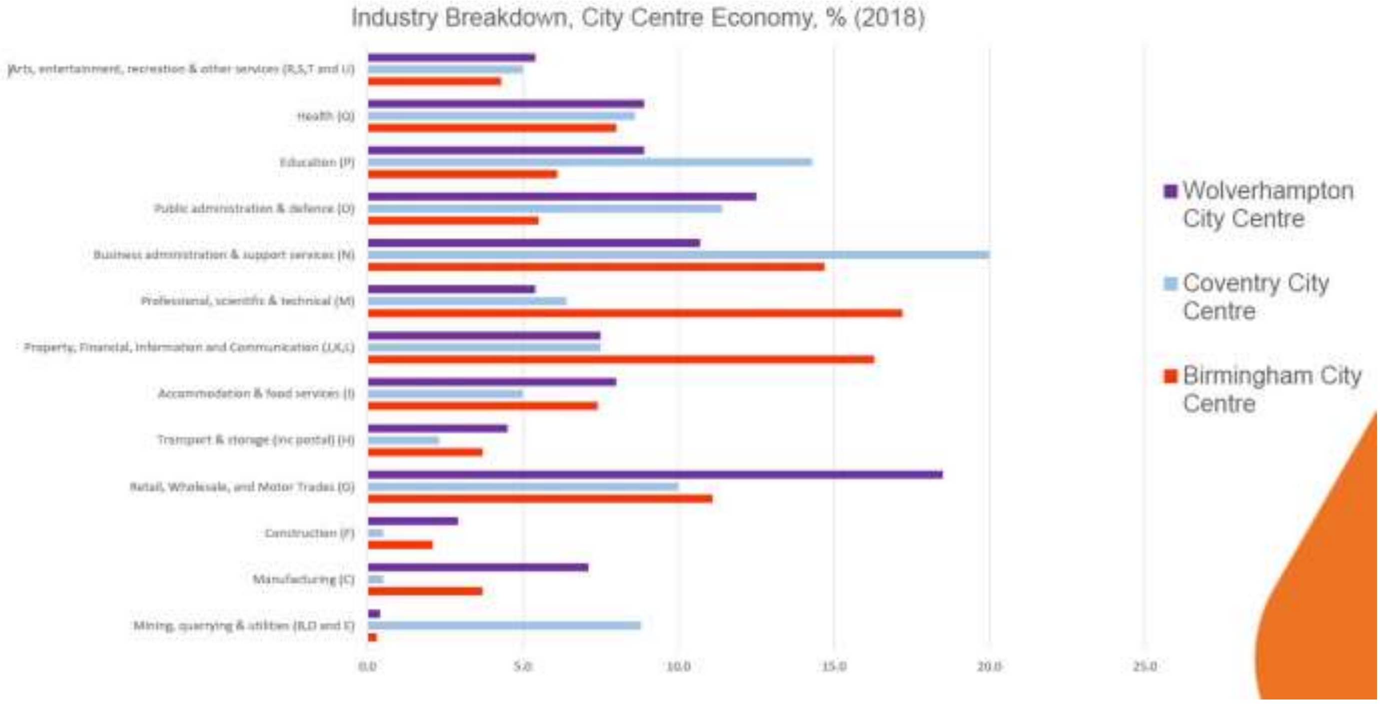
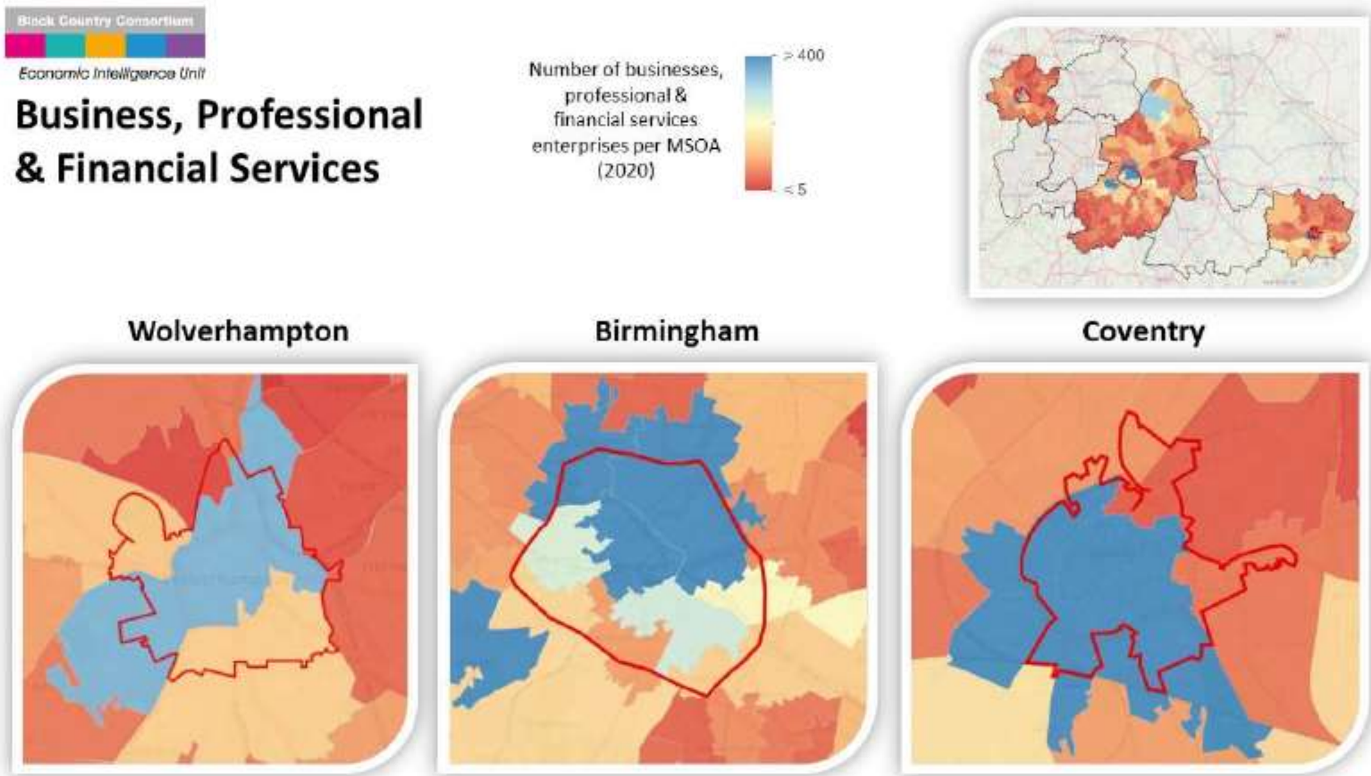
With different sectoral balances in each place:



The Business and Professional Services firms in the city centre are dispersed, but concentrated largely in the cities



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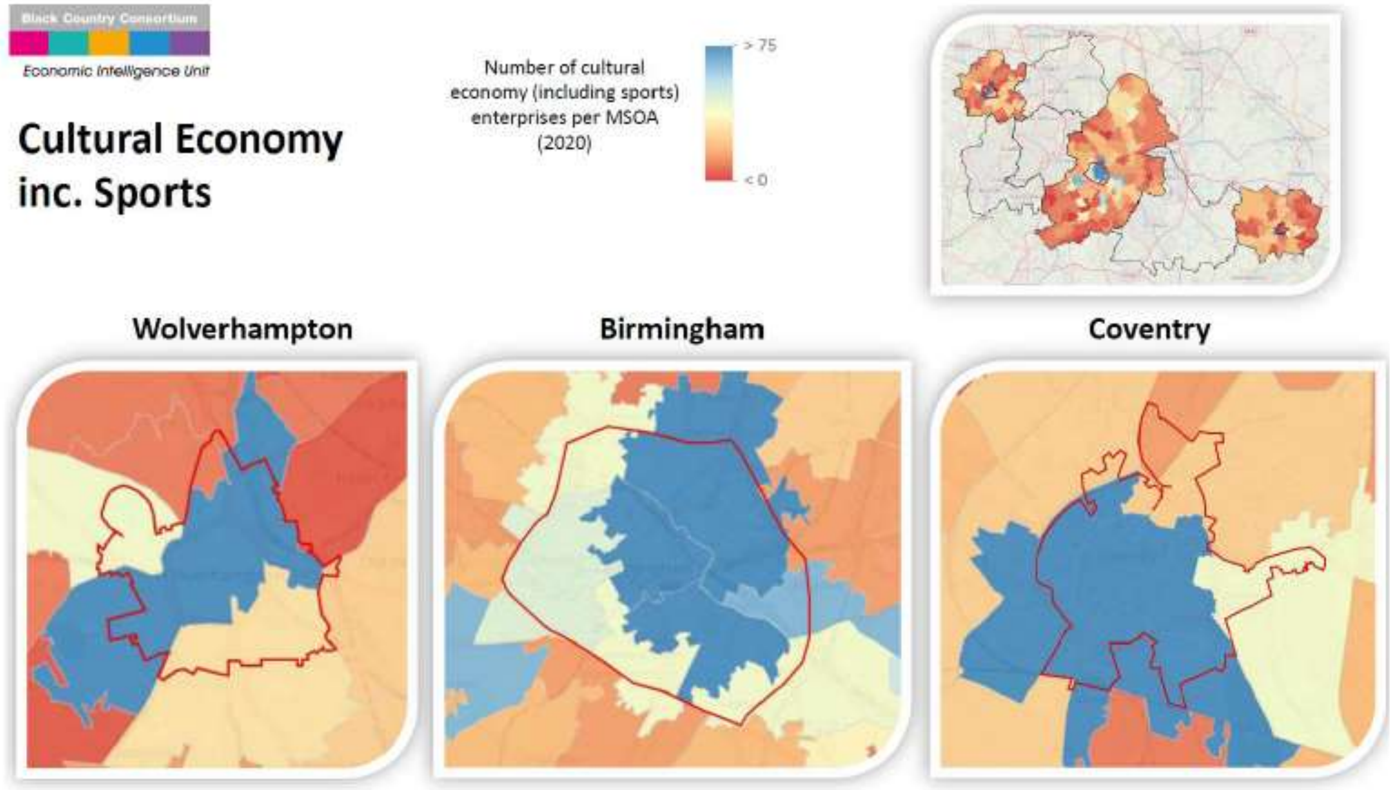
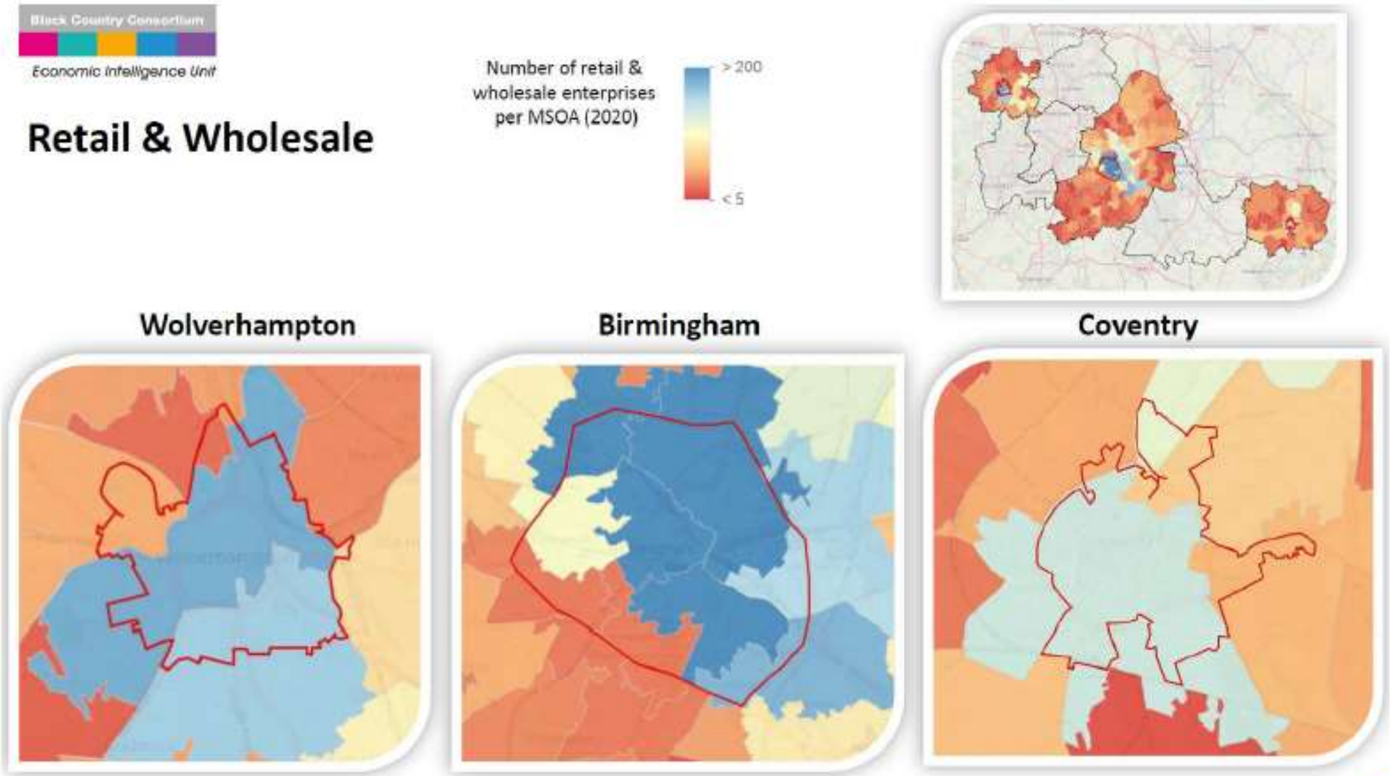
The cultural sector is also concentrated in the city centres:



And retail and wholesale



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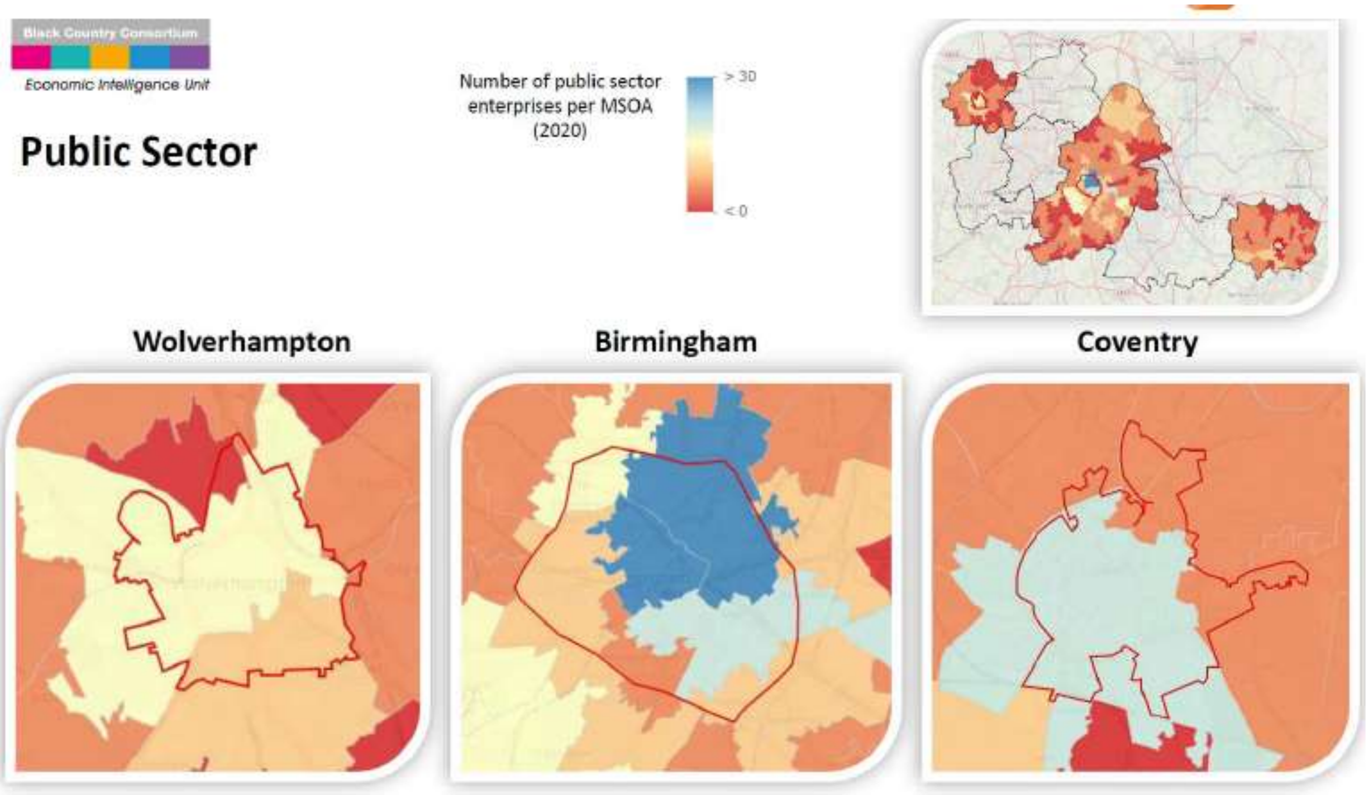
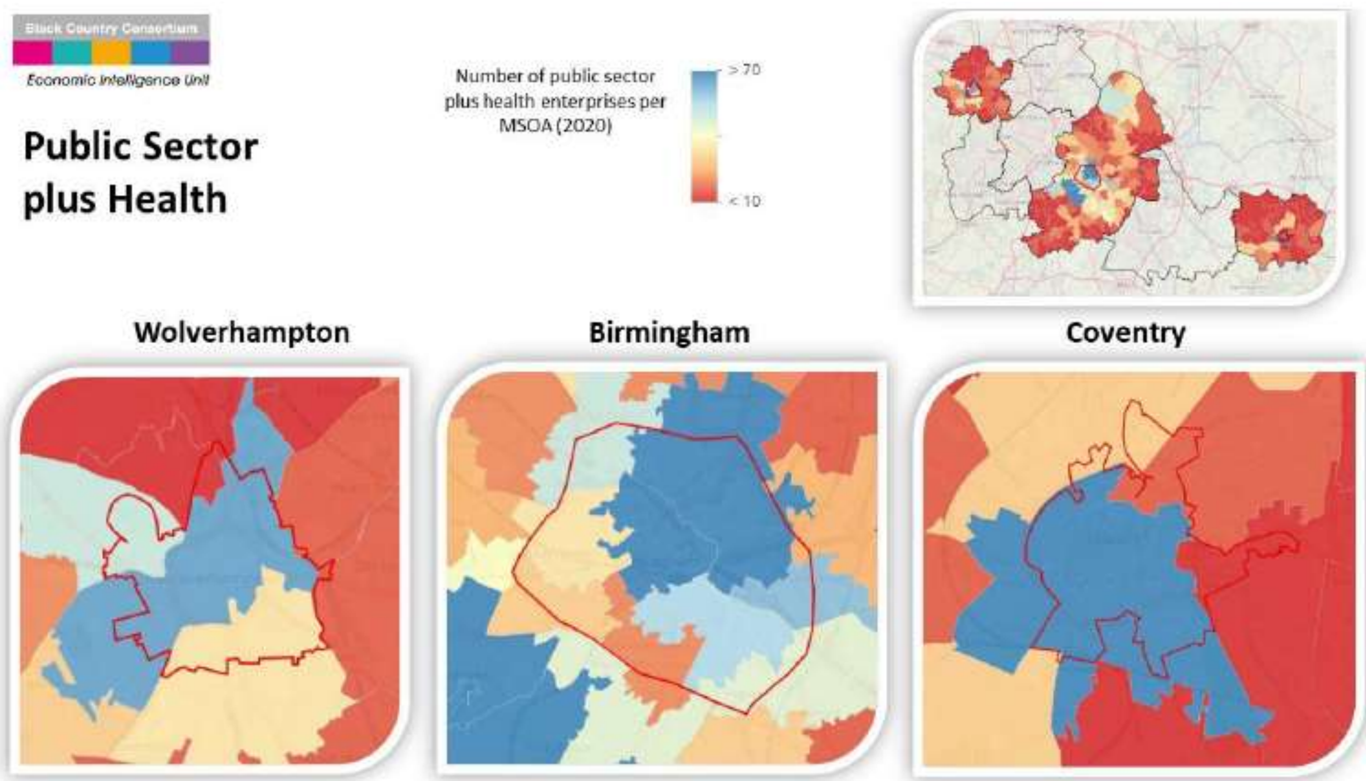
The public sector has a particular concentration in Birmingham



If health is included the concentration rises:



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Sector Summary

These maps illustrate how the city centres depend on a few key sectors:

- BPFS which is hit by furlough and high levels of home working
- Retail and cultural (hospitality) sectors which are largely closed or completely closed under higher tier lockdowns
- The public sector, which has remained resilient, however subject to high levels of home working apart from the health sector which continues its day to day patient facing activity.

This potentially means most city centre footfall activity is driven by health based services, and limited BPFS and wider public sector visitors.

In earlier monitors we have also highlighted the lower impact of furlough but higher employment in the healthcare sector, which is creating a residual resilience in the city.

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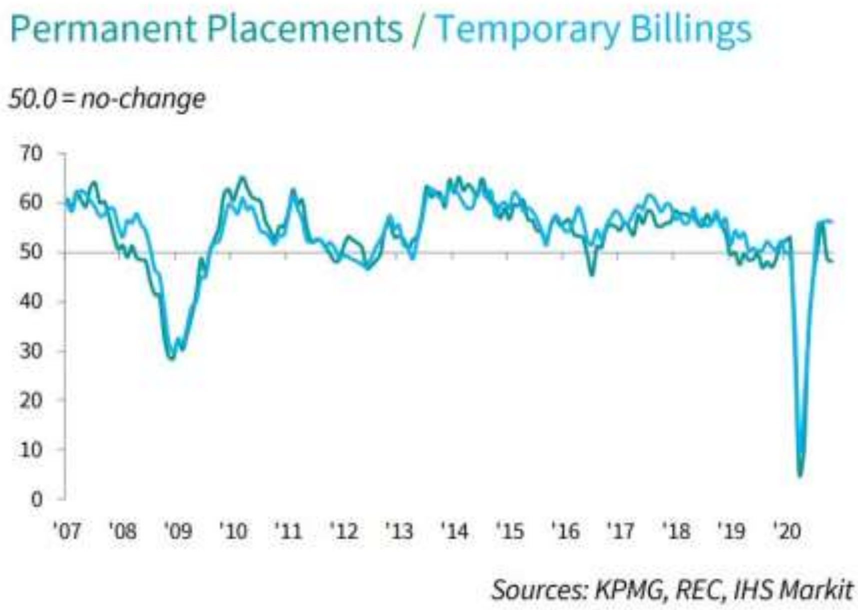
KPMG Labour Market Analysis

Ben Brittain, WMREDI



There has been a further drop in permanent placements, which has been counterbalanced by a sustained upturn in temp billings in November. This is according to KPMG / Markit report on UK labour market.

Those that reported to the Markit survey mentioned that staff hiring was dampened by uncertainty related to the pandemic as well as the renewed lockdown measures in November. This uncertainty has encouraged firms to pot for short-term workers to meet current business needs.

Across the UK overall demand for staff fell solidly, driven by a marked fall in permanent job vacancies. Redundancies related to the pandemic meanwhile led to greater availability of both permanent and temporary candidates. Higher staff supply and weak demand meant that downward pressure on starting pay persisted, with recruiters signalling lower starting salaries and temp wages.

In summary, the report finds:

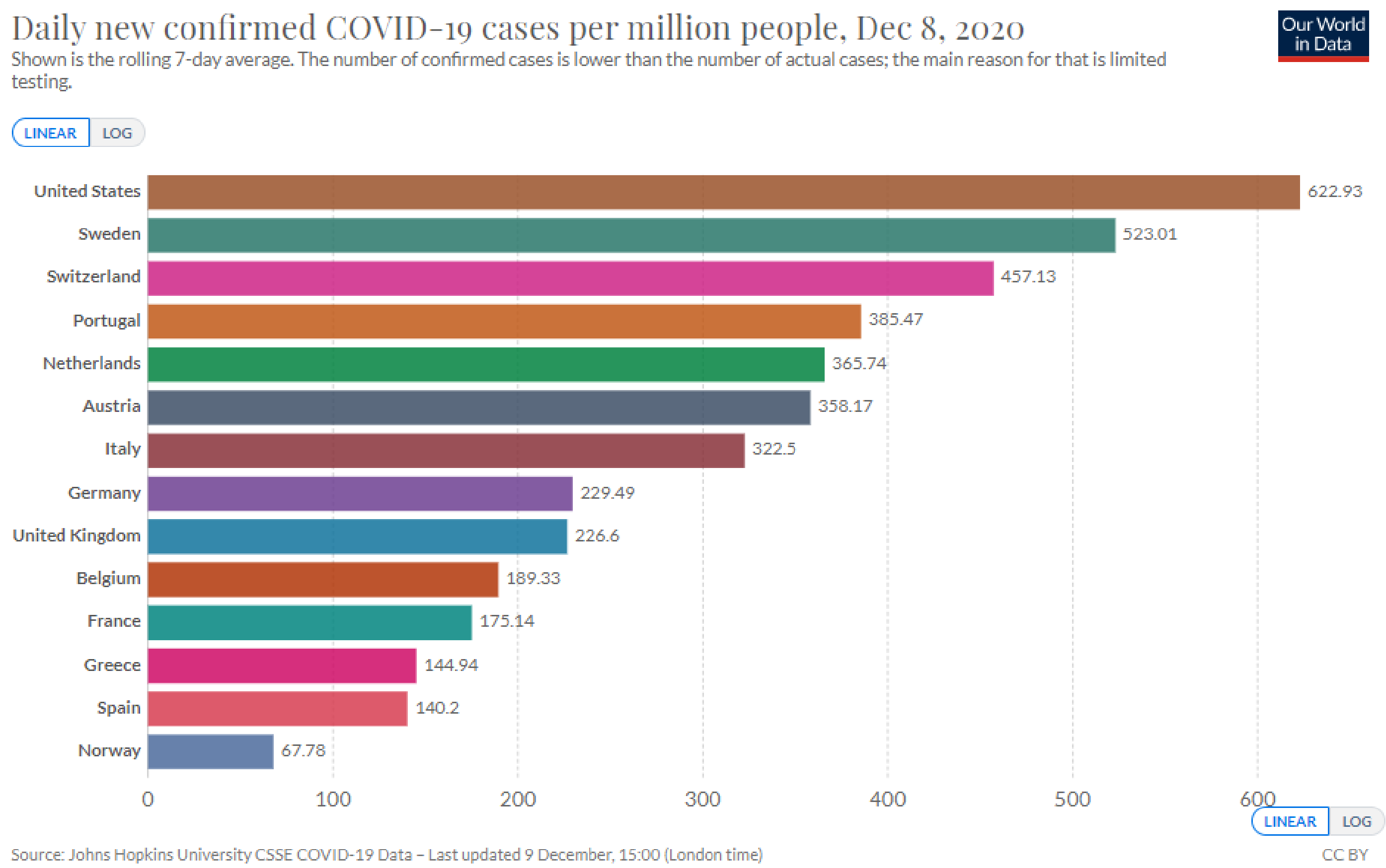
- Job vacancies have fallen at a quicker rate, drive by a steep decline in permanent vacancies.
- Candidate numbers have continued to rise steadily, with the ready availability of permanent and temporary staff rising at historically high rates, driven by redundancies.
- Starting pay of permanent staff continues on its downward trend, whilst temp staff pay has declined at a more modest rate.

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 09 December 2020, 67 965 261 cases of COVID-19 (in accordance with the applied case definitions and testing strategies in the affected countries) have been reported, including 1 557 616 deaths. Europe: 18 410 639 cases; the five countries reporting most cases are Russia (2 347 401), France (2 230 571), Spain (1 656 444), United Kingdom (1 643 086) and Italy (1 620 901).



Latest ONS infection survey data (26th November) states:

- In the most recent week, the positivity rate in England has decreased; during the most recent week (22 to 28 November 2020), we estimate 521,300 people (95% credible interval: 490,600 to 552,600) within the community population in England had the coronavirus (COVID-19), equating to around 1 in 105 people (95% credible interval: 1 in 110 to 1 in 100).
- Over the most recent week, the percentage of people testing positive has decreased in all regions, except the North East; rates are highest in the North East, the North West and Yorkshire and The Humber.
- Over the last week, there appears to be a decrease in positivity rates among all age groups; rates remain highest among secondary school-aged children.
- During the most recent week (22 to 28 November 2020), we estimate there were 4.71 new COVID-19 infections for every 10,000 people per day (95% credible interval: 4.09 to 5.40) in the community population in England, equating to around 25,700 new cases per day (95% credible interval: 22,300 to 29,400); the incidence rate has decreased in recent weeks.
- In the most recent week, the percentage of those testing positive is no longer decreasing in Wales; during the most recent week (22 to 28 November 2020), we estimate that 18,100 people in Wales had COVID-19 (95% credible interval: 12,100 to 25,500), equating to 1 in 170 people (95% credible interval: 1 in 250 to 1 in 120).
- Positivity rates in Northern Ireland seem to have peaked around the middle of October, with positivity continuing to decrease in the most recent week; during the most recent week (22 to 28 November 2020), we estimate that

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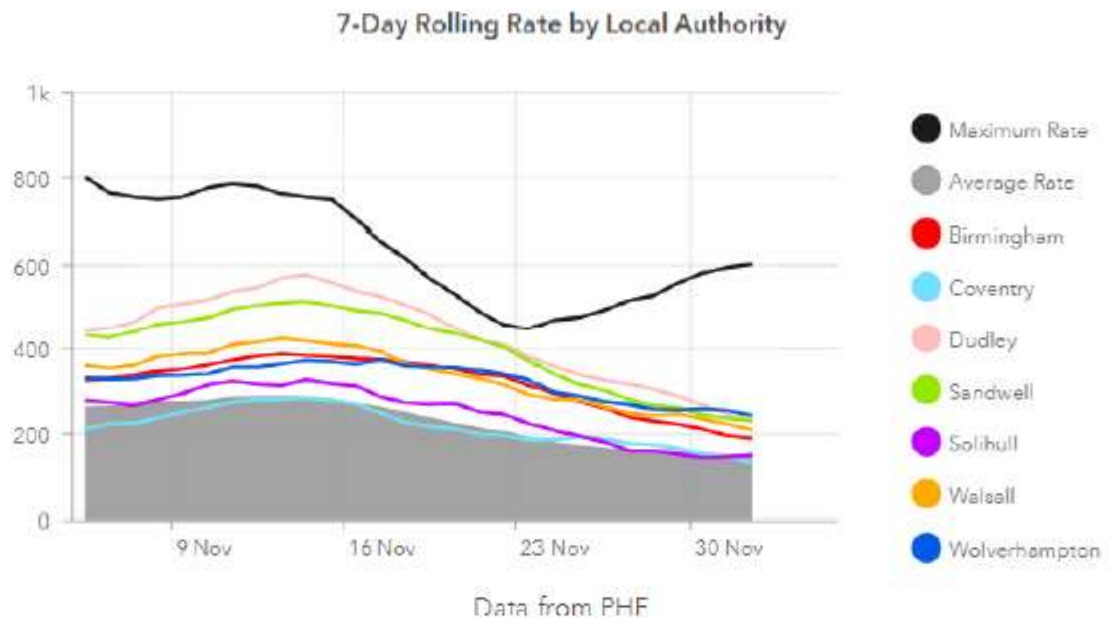
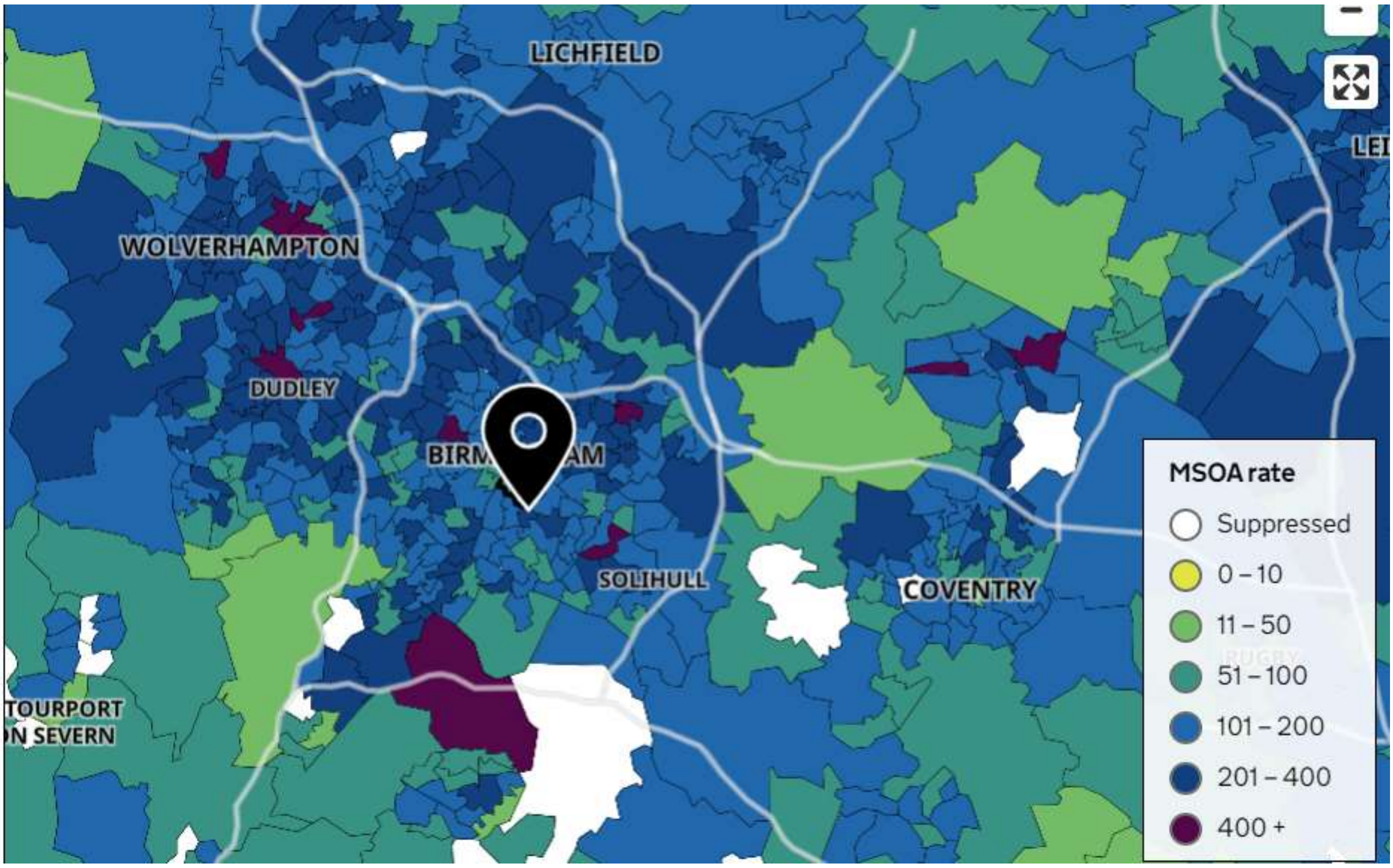
9,500 people in Northern Ireland had COVID-19 (95% credible interval: 6,000 to 14,100), equating to 1 in 190 people (95% credible interval: 1 in 305 to 1 in 130).
- There are early signs the positivity rate in Scotland has started to decrease in the most recent week; during the most recent week (22 to 28 November 2020), we estimate that 40,900 people in Scotland had COVID-19 (95% credible interval: 31,500 to 51,800), equating to 1 in 130 people (95% credible interval: 1 in 165 to 1 in 100).



Source: TFWM

The map below displays weekly data, which are updated every day [here.](here) This map is for 4th December



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Weekly Deaths Registered 27th November 2020

BCCEIU

The following analysis compares the latest available time period (week of the 27th November 2020) to the previous week period (week of the 20th 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 decreased from 12,535 in the week of the 20th November to 12,456 in the week of 27th November. The number of deaths registered that state Coronavirus on the death certificate increased from 2,697 people to 3,040 people over the same period.

Regional level analysis shows that the West Midlands overall registered death figure has decreased from 1,385 people in the week 20th November to 1,358 in the week of 27th November. The number of registered deaths related to Coronavirus has increased from 306 people to 361 over the same period.

There was a total of 931 deaths registered across the WMCA (3 LEP) area in the week of the 27th November. There were 248 deaths registered that were related to Coronavirus over the same period – this accounts for 26.6% of total deaths. The WMCA (3 LEP) area accounts for 68.7% of the 361 Coronavirus related deaths registered in the West Midlands Region.

In comparison to the week of the 20h November, the overall registered death figures in the WMCA (3 LEP) area decreased by 13, while the number of deaths related to Coronavirus increased by 22 people.

At a local authority level, Birmingham accounts for 23.4% (58) of deaths related to Coronavirus in the WMCA (3 LEP), this is followed by Sandwell at 11.7% (29 deaths) and Dudley at 10.9% (27 deaths).

Of deaths involving Coronavirus registered in the week of the 27th November, 82.7% (205) occurred in a hospital, 10.5% (26) occurred in a care home, 6.0% (15) occurred at home and 0.4% (1) occurred in a hospice.

Place and number of deaths registered that are related to Coronavirus in the week of 27th November:

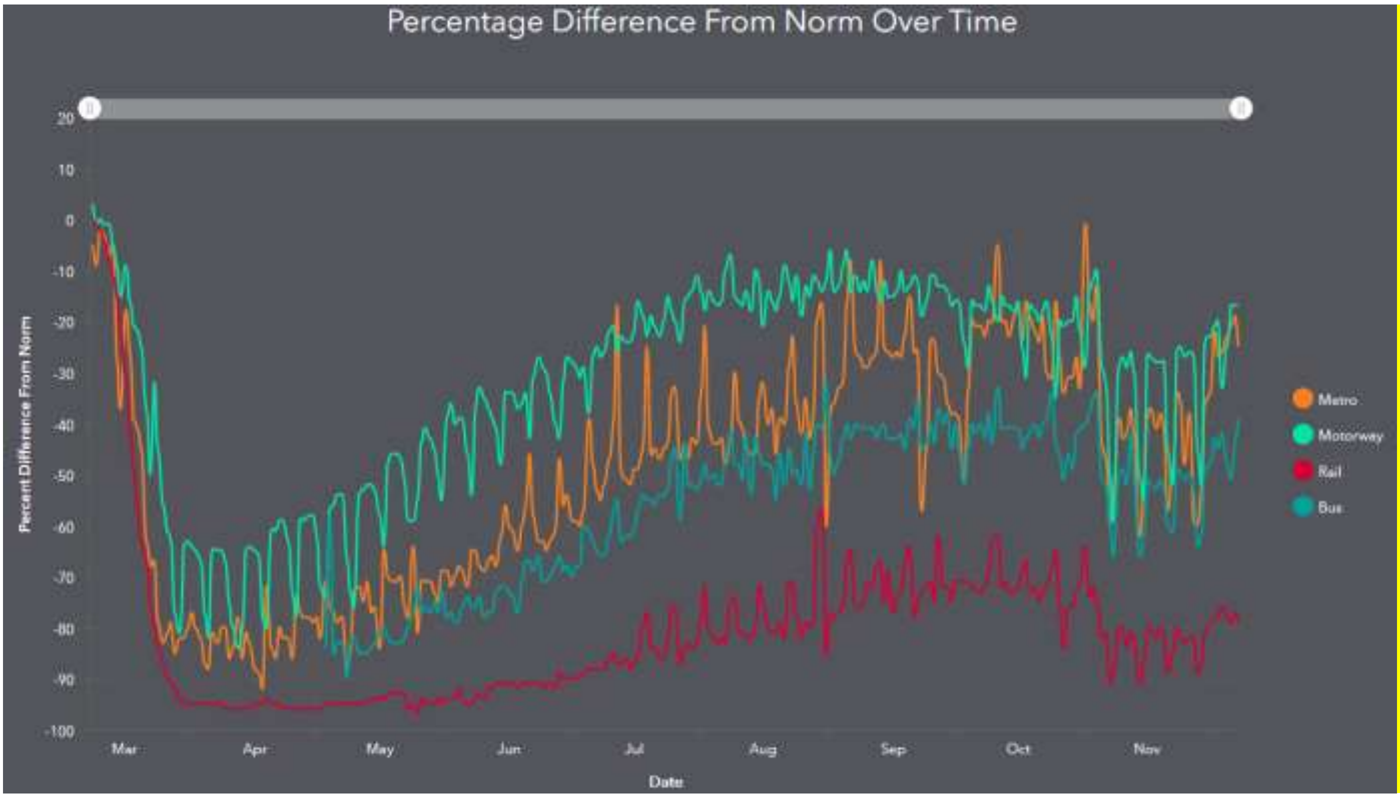
Area name	Care home	Elsewhere	Home	Hospice	Hospital	Other communal establishment	Total
Cannock Chase	3	0	1	0	5	0	9
East Staffordshire	1	0	0	0	7	0	8
Lichfield	2	0	0	0	8	0	10
Tamworth	2	0	1	0	7	0	10
North Warwickshire	1	0	0	0	1	0	2
Nuneaton and Bedworth	1	0	1	0	8	0	10
Rugby	1	0	0	0	2	0	3
Stratford-on-Avon	2	0	1	0	1	0	4
Warwick	0	0	0	0	1	0	1
Bromsgrove	0	0	0	0	0	0	0
Redditch	2	0	0	0	8	0	10
Wyre Forest	0	0	0	0	3	0	3
Birmingham	3	1	3	1	50	0	58
Coventry	0	0	0	0	8	0	8
Dudley	2	0	1	0	24	0	27
Sandwell	0	0	4	0	25	0	29
Solihull	2	0	1	0	12	0	15
Walsall	2	0	2	0	17	0	21
Wolverhampton	2	0	0	0	18	0	20
WM 7 Met.	**11**	**1**	**11**	**1**	**154**	**0**	**178**
Black Country LEP	6	0	7	0	84	0	97
Coventry & Warwickshire LEP	5	0	2	0	21	0	28
Greater Birmingham & Solihull LEP	15	1	6	1	100	0	123
WMCA (3 LEP)	**26**	**1**	**15**	**1**	**205**	**0**	**248**

Source: ONS, Death registrations and occurrences by local authority and health board, 8th December 2020

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

Transport Data

Anne Shaw TFWM



Levels of use – 8th December (data 1 day behind) and still during national restrictions. 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 1st December.

	% levels pre covid	%change from day before	%change from Week before
Bus	61	5	9
Train	21	-2	0
Tram	75	-6	9
Roads (SRN)	83	0	6

Following the introduction of further Covid measures, transport services remain at their current levels with social distancing measures in place.

We continue to monitor the network and carry out relevant actions to assist with managing capacity to ensure compliance with social distancing. In addition, we are also continuing to encourage and enforce on the network the wearing of face coverings.

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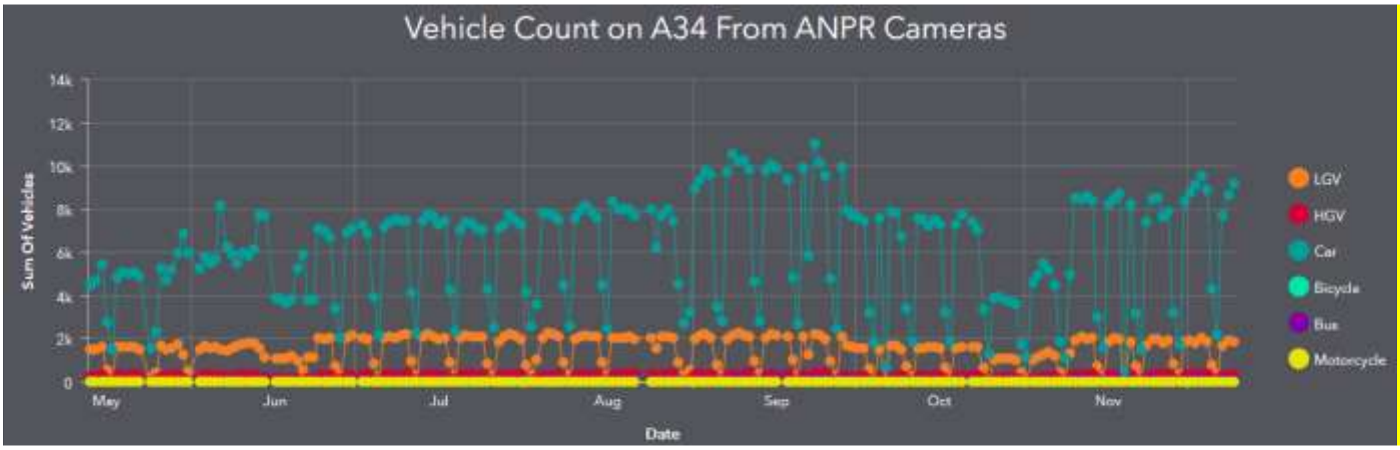

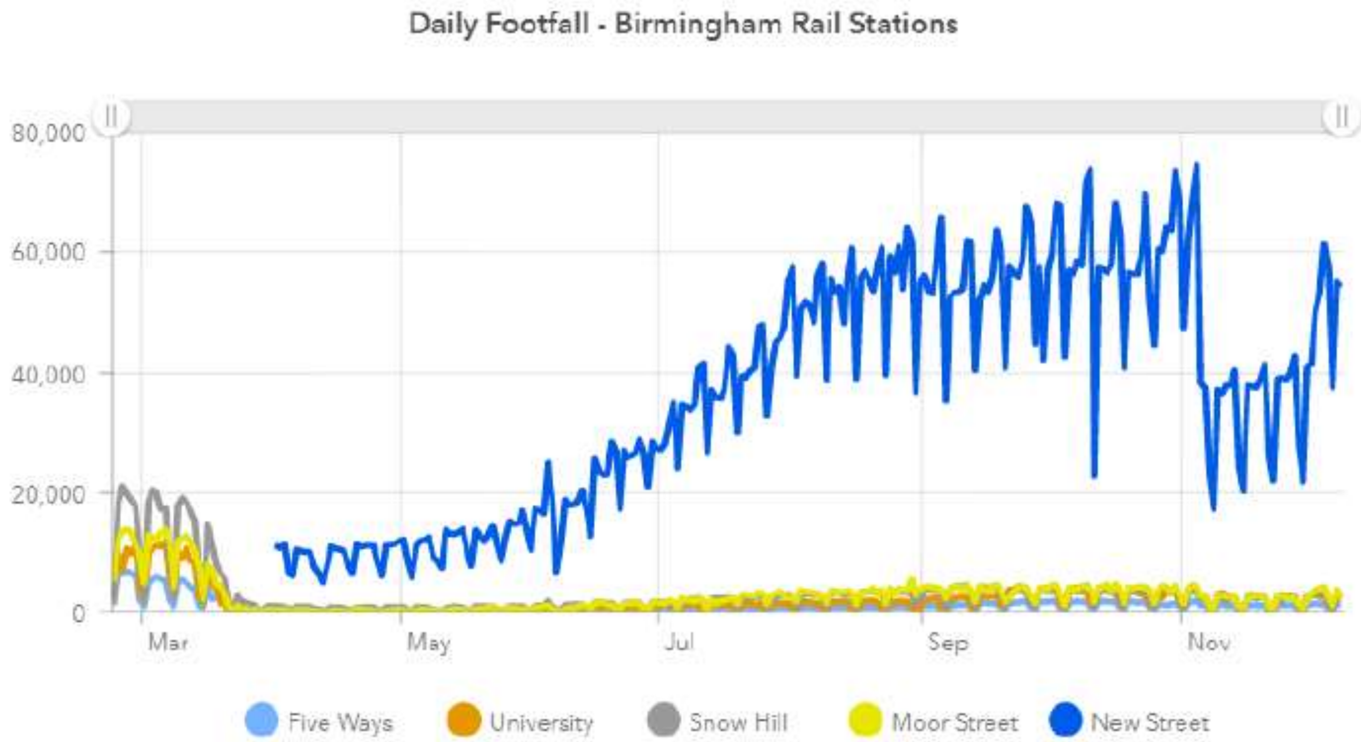

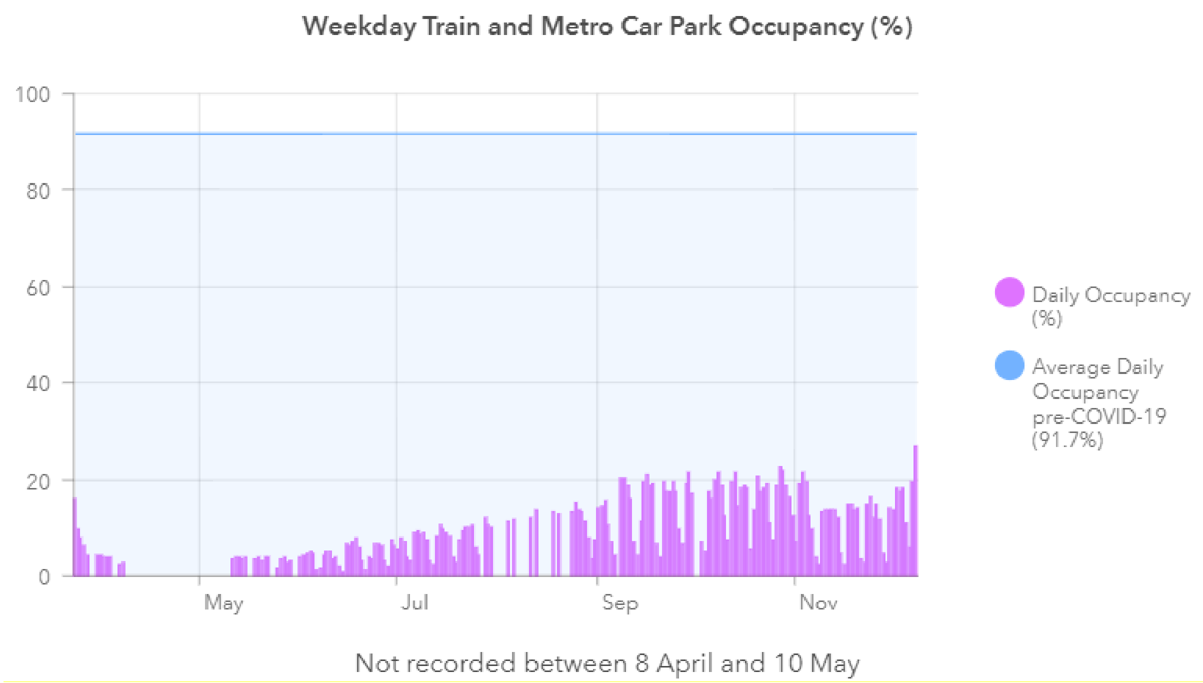

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ONS Weekly Release Indicators

BCCEIU

On the 3rd December 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 18 of the Business Impact of Coronavirus Survey (BICS), national company incorporations and voluntary dissolution, Wave 35 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 29th November 2020 will be compared to Sunday 1st December 2019) for high streets, retail parks and shopping centres.

For the week ending the 29th November 2020, overall footfall decreased to 43% of the level seen at the same time in 2019. However, this level of footfall is above the spring lockdown low point (week ending 12th April). Retail parks and shopping centres both fell by 3 percentage points from the previous week to 68% and 34% (respectively) of levels seen at the same time in 2019.

The most recent week for regional level footfall shows that Northern Ireland decreased to 28% of the footfall seen for the same time in 2019. The decrease coincides with the circuit breaker that came into place from the 27th November in Northern Ireland, notably the day before circuit breaker came into place the overall footfall had peaked to 102% of the levels seem for the same time in 2019. Footfall decreased in Scotland by 13 percentage points from the previous week to 50% of levels seen for the same time in 2019, this decrease coincides with 11 areas in West and Central Scotland being placed in the country’s highest Tier. The footfall in Wales remained at similar levels seen in the previous week. Excluding the East of England, footfall decreased slightly across all English regions.

The following graph shows the volume of daily footfall for regions between 1st March to 29th November 2020, percentage change from the same day the previous year:

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

National Company Incorporations and Voluntary Dissolution

For the UK, there were 14,160 incorporations in the week ending 27th November 2020. This is above the incorporations recorded in the same week as 2019 which was 12,520. Although, for the week ending 27th November company incorporations were the lowest recorded since May 2020.

Also, for the week ending 27th November, there were 4,823 voluntary dissolution applications. This is below the same week as the previous year at 6,403.

Business Impact of the Coronavirus

The final results from Wave 18 of the Business Impact of Coronavirus Survey (BICS) based on the 5,149 businesses surveyed across the West Midlands that businesses have a presence in with a response rate of 28.7% (1,476) and to 2,954 businesses that are head quartered in the West Midlands, with a response rate of 27.6% (815). Unless stated, the following data is based on the period between 2nd to 15th 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 2nd to 15th November and the turnover analysis refers to between 16th to 29th November.

For the West Midlands, less than 1% of businesses have permanently ceased trading. While 91.1% of businesses have been trading and 8.5% of businesses have temporarily closed or paused trading.

In the West Midlands, 90.7% of responding businesses are currently trading and have been for more than the last two weeks. 4.6% of responding West Midlands businesses have paused trading but intend to restart in the next two weeks. While 3.9% of West Midlands businesses have paused trading and do not intend to restart in the next two weeks.

For West Midlands businesses that indicated they had sites that had paused or ceased trading, 22.7% stated they it was not financially viable to keep open, 69.7% were required to temporarily close due to lockdown regulations and 13.8% reported insufficient footfall of customer interest. While 6.9% reported the reason as other and 3.3% were unsure.

4.8% of responding West Midlands businesses were expecting to temporarily or permanently close sites in the next two weeks. 74.6% of West Midlands businesses are expecting to close sites in the next two weeks due to being required to lockdown regulations, 16.4% have insufficient customer interest or footfall and 19.4% reported it was not financially viable to keep open.

46.0% of trading businesses in the West Midlands reported their turnover had decreased by at least 20%. However, 34.9% of trading businesses in the West Midlands reported that their turnover was unaffected and just over 10% reported their turnover had increased by at least 20%.

Profits

Businesses were asked in the last two 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 (16th to 29th November).

40.5% of trading businesses in the West Midlands reported profits had decreased by at least 20%. However, 34.3% of trading businesses in the West Midlands reported that profits had stayed the same and just over 8.4% reported their profits had increased by at least 20%.

Prices Brought and Prices Sold

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 (16th to 29th November).

Excluding those who responded not applicable or unsure, prices brought data shows 61.0% of West Midlands businesses reported prices did not change any more than normal, 9.3% reported prices increased more than normal and 8.3% 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 (16th to 29th November).

Excluding those who responded not applicable or unsure, prices sold data shows 2.1% of businesses in the West Midlands reported prices had decreased more than normal. 73.4% of West Midlands businesses reported prices did not change any more than normal, 2.6% reported prices increased more than normal and 4.4% of West Midlands businesses reported some prices increased and some prices decreased.

Stock Levels

Responses may cover to the point of completion of the questionnaire (16th to 29th November).

Excluding not sure of not applicable responses, 12.4% of West Midlands businesses reported that stock levels were higher than normal. 36.0% reported stock levels had not changed and 15.5% reported that stock levels were lower than normal.

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Excluding not sure responses, 57.2% of West Midlands businesses reported that the main reason for the difference in stock levels were due to COVID-19. 14.1% of West Midlands businesses reported the main reason to be COVID-19 and the end of the EU transition period. 9.3% of West Midlands businesses reported just the end of the EU transition period as the main reason and 16.5% of West Midlands businesses reported the main reason as other.

EU Transition

7.2% of West Midlands businesses that they were intending to make changes to supply chains in preparation for the end of the EU transition period, while 51.7% of West Midlands businesses reported they were not.

Excluding other and not sure, for the West Midlands businesses that responded they intended to make changes in preparation for the end of the EU transition period, changes included; 24.7% were going to use more UK suppliers, 9.3% were going to use more EU suppliers and 7.2% were going to use more non-EU suppliers. 16.5% of West Midlands businesses were going to move the supply chain away from the short straits crossing. 21.6% of West Midlands businesses were going to increase the diversity in suppliers and 15.5% were going to expand to different modes of freight.

Grants Applied and Received, Finance Agreements and Further Schemes

8.5% of West Midlands businesses have applied for Local Restrictions Support Grant – England (51.5% have received) and 1.0% have applied for Lockdown Business Fund – Wales (6.8% have received). Less than 1% of businesses have applied for Local Restrictions Support Grant Scotland (3.0% received from Business Closure Fund – Scotland). While 80.4% of West Midlands businesses have not applied for any of these grants.

8.3% of West Midlands businesses have received small business grant and 4.7% have received a sector-specific grant.

23.1% of West Midlands businesses have received government-backed loans or finance agreements during COVID-19.

5.8% of West Midlands businesses are using or intend to use Kickstart Job Scheme for young people. 61.6% are using or intend to use the Coronavirus Job Retention Scheme. While 27.0% of West Midlands businesses are not using or intend to use either of these schemes.

International Trading

Businesses were asked in the last two weeks whether 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 (16th to 29th 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, 32.8% 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, 25.2% in the West Midlands were importing less than normal.

55.6% of West Midlands businesses who were exporting reported that they had not been affected and 57.8% reported that importing had not been affected.

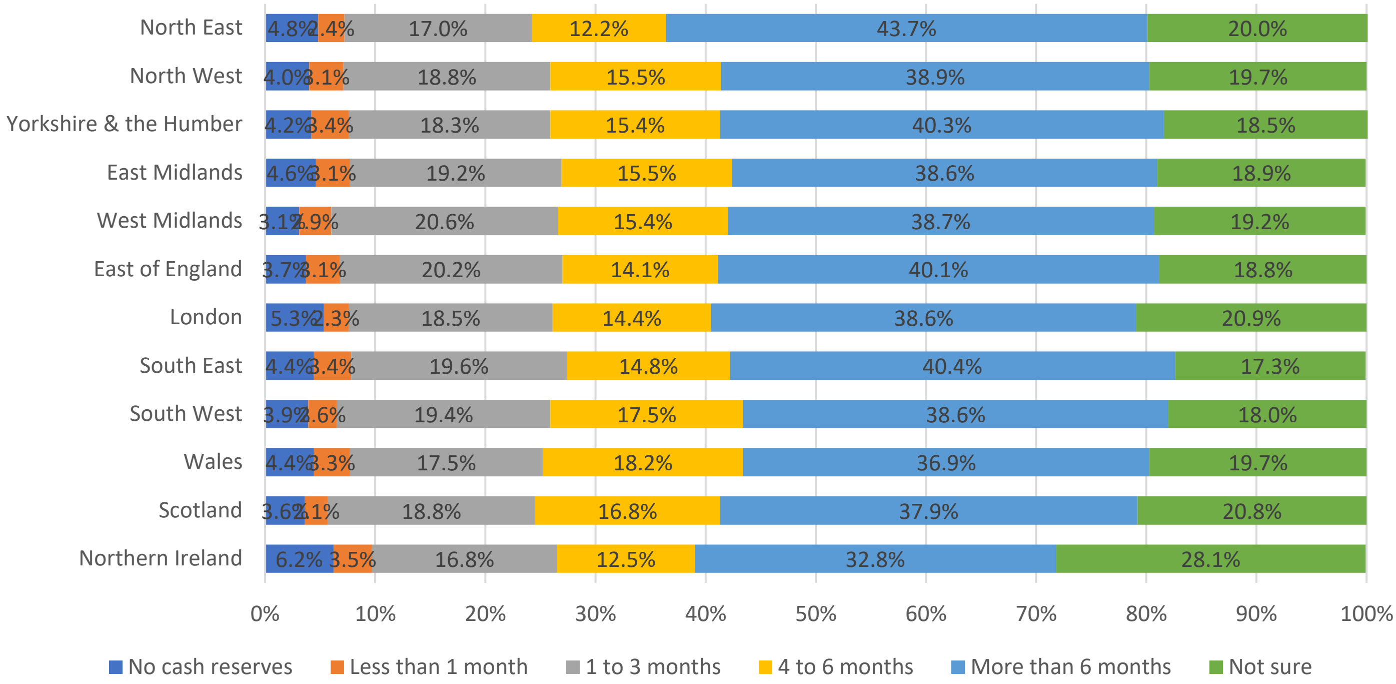
2.7% of businesses in the West Midlands are exporting more than normal and 5.0% are importing more than normal.

1.2% of businesses in the West Midlands have not been able to export in the last two weeks and 1.5% of West Midlands businesses have not been able to import in the last two weeks.

Cash Flow

3.1% 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 and Insolvency

In the West Midlands, 66.5% of businesses had high confidence in surviving over the next three months, whilst 25.5% had moderate confidence of survival, and 2.8% had low confidence. The remaining 4.8% were not sure.

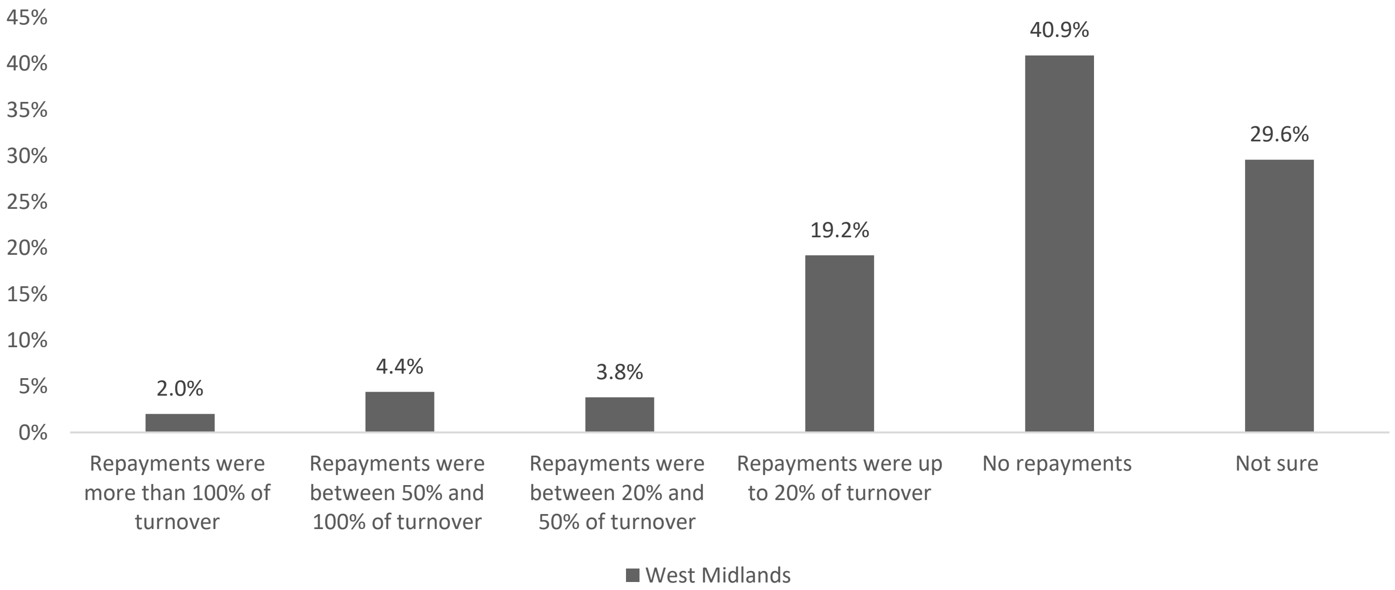
8.0% of West Midlands businesses reported they were at moderate risk from insolvency. 50.8% of West Midlands businesses reported a low risk of insolvency and 31.5% reported no risk.

38.6% of West Midlands businesses reported that the risk of insolvency had increased due to COVID-19. While, 50.1% of West Midlands businesses reported insolvency risk had stayed the same and 2.1% reported the risk had decreased.

Debt Repayments

2.0% of West Midlands businesses reported for the last month that debt repayments were more than 100% of the turnover.

The following graph shows for West Midlands businesses how debt repayments compare with turnover:



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Working from Home

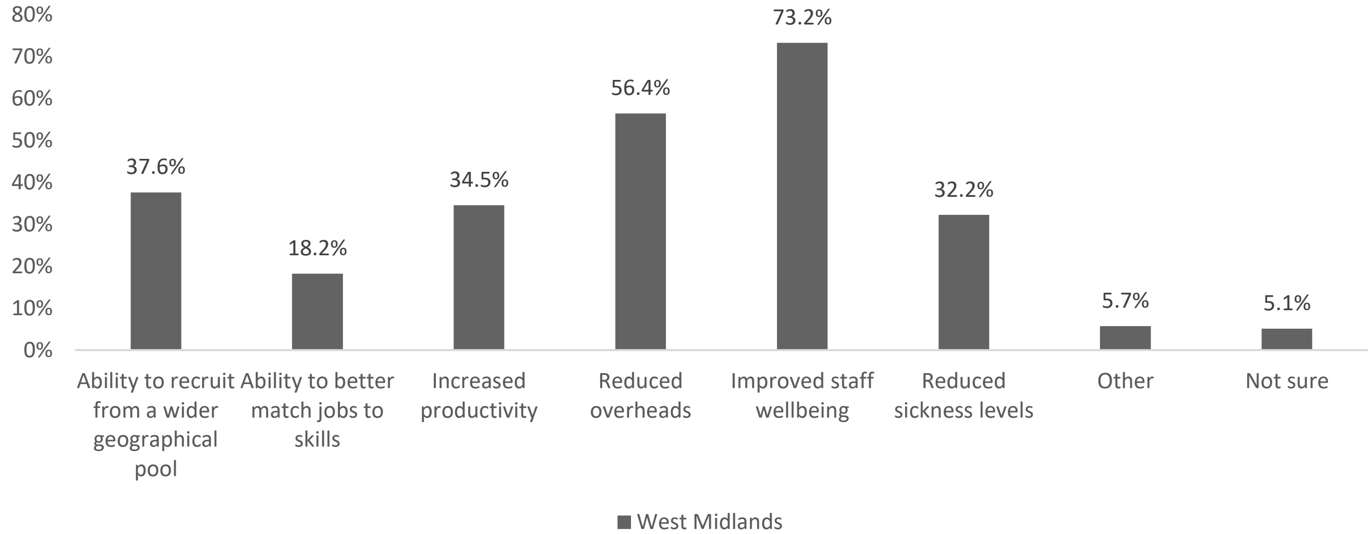
73.8% of West Midlands businesses reported more staff were working from home as a result of COVID-19, 24.0% reported that they had not had more staff working from home and the remaining 2.2% were unsure.

10.3% of West Midlands businesses reported that productivity had increased with the workforce working from home. 54.0% of West Midlands reported productivity had stayed the same. 18.1% of West Midlands businesses reported productivity had decreased with the workforces working from home and the remaining 17.6% were unsure.

23.9% of West Midlands businesses reported they intended to use increased homeworking as a permanent business model going forward. 40.9% of West Midlands businesses reported they would not have homeworking as a permanent business model with a further 35.3% unsure.

The main reasons to why West Midlands businesses intend to use homeworking as a permanent business model going forward include: 73.2% reported it improved staff wellbeing, 56.4% due to it reducing overheads and 37.2% reported it allowed the ability to recruit from a wider geographical pool.

The following graph shows why West Midlands businesses intend to use increased homeworking as a permanent business model going forward:

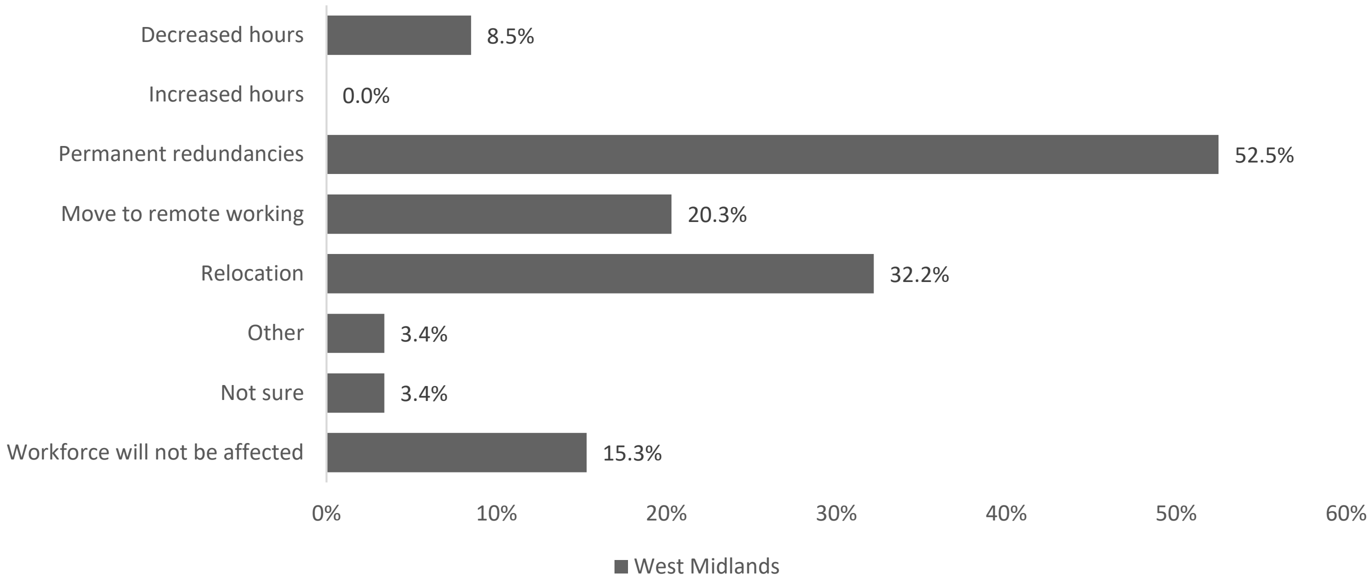


Expected Site Closures in the Next Three Months

4.0% of West Midlands businesses reported they were intending to permanently close business sites in the next three months, with a further 13.8% unsure. Meaning the remaining 82.2% of businesses were not intending to permanently close business sites in the next three months.

52.5% of West Midlands businesses reported that they expect closing the sites will cause permanent redundancies and 32.2% reported the workforce will relocate.

The following graph shows how closing sites in the next three months will affect the workforce in the West Midlands:



EU and Non-EU Workers

Businesses were asked since the start of COVID-19, how the number of workers within the EU or outside the EU has changed.

1.0% of West Midlands business reported the number of workers from within the EU had increased while less than 1% reported the number of workers outside the EU had increased. 58.8% of West Midlands businesses reported the number of workers within the EU had stayed the same and 60.0% of workers outside the EU had stayed the same. 8.2% of West Midlands businesses reported the number of EU workers had decreased and 4.3% of workers outside the EU had decreased. Overall, for the change in EU and non-EU workers 8.1% of West Midlands businesses preferred not to say and 58.9% were not sure.

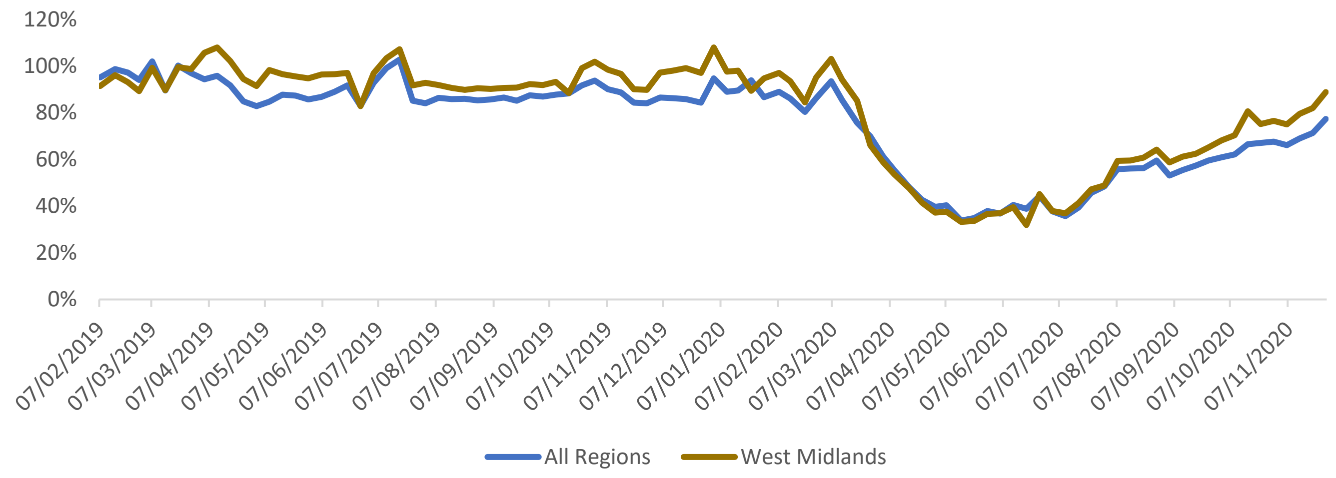
Online Jobs Adverts

These estimates are experimental figures are taken from jobs adverts provided by Adzuna. Previously the analysis compared the latest period with the whole of the 2019 average. This has now changed to show the percentage change from the same week in the previous year for each category. This will remove some of the seasonality that previous comparisons may have contained. The Adzuna categories do not correspond to SIC categories and therefore are not comparable with the ONS Vacancy Survey.

Nationally, between the 20th November and the 27th November total online job adverts increased by 6.0 percentage points to reach 77.3% of the levels seen in the same weeks as 2019. Out of the 28 categories (excluding unknown) 27 increased from the previous week, with the highest increase from domestic help by 32.3 percentage points to 124.2% of the level seen in the same week in 2019. The only decline was in the legal category, decreasing by 1.1 percentage points to 62.3% of level seen in the same week in 2019.

Between 20th November and 27th November, for the West Midlands, the total online jobs adverts increased by 6.9 percentage points to 88.9% of the levels seen in the same week in 2019. All the UK regions experienced an increase between the 20th November and the 27th November with Northern Ireland the highest increase by 21.2 percentage points to 123.4% for the same period in 2019.

The following chart shows the total weekly job adverts on Adzuna, for all regions and the West Midlands, 7th February 2019 to 27th November 2020: percentage change from the same week in the previous year



Source: Adzuna

Social Impacts of the Coronavirus

Avoiding Contact and Self-Isolating

6% of West Midlands adults have in the past seven days isolated (below all persons total of 7%). 88% 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 or often maintaining social distancing (all persons total 87%).

81% of West Midlands adults who met with people outside their support bubble or household in the past seven days reported to always or often maintaining social distancing (all persons total 88%).

Main indicators – Great Britain Summary

This week refers to 25th to 29th November and last week refers to 18th to 22nd November.

There were little changes between the lastest weeks for Great Britian. The percentage of adults that always/often maintaning social distancing increased from 86% last week to 88% this week. The percentage of working adults travelling to work has decreased from 56% last week to 54% this week.

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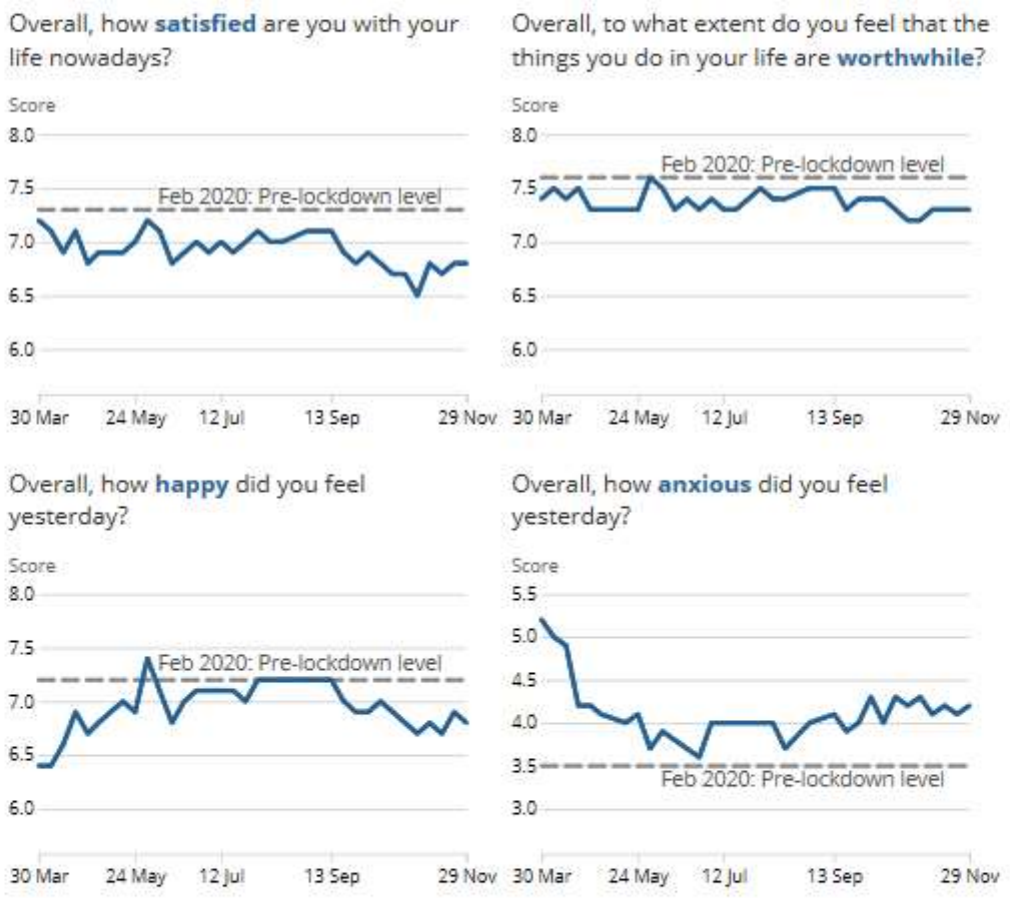
The following summary shows the main indicators for Great Britain, 18th to 29th November 2020:

Indicator	This week(%)	Last week (%)
Percentage of adults always/often handwashing with soap and water after returning home from a public place	89	88
Percentage of adults that have used a face covering when outside their home in the past seven days	97	97
Percentage of adults always/often maintaining social distancing when meeting up with people outside their support bubble	88	86
Percentage of adults avoiding physical contact when outside their home in the past seven days	90	91
Percentage of adults that self-isolated in the past seven days	7	8
Percentage of working adults that have worked from home at some point in the past 7 days	39	37
Percentage of working adults travelling to work (exclusively and in combination with working from home)	54	56
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	40	42
Percentage of adults very or somewhat worried about the effect of COVID-19 on their life right now	70	70

Source: ONS – Opinions and Lifestyle Survey

This week in Great Britain, average personal well-being scores for life satisfaction was 6.8 and feeling that things done in life are worthwhile at 7.3, which remained the same as last week, while happiness at 6.8 decreased slightly compared with last week, and there was a slight increase in the anxiety score to 4.2.

The following charts shows for Great Britain personal well-being scores between March to November 2020



Source: ONS – Opinions and Lifestyle Survey

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LEP Level Intelligence

HEADLINES

SECTOR	KEY CONCERNS
Cross Sector	Schemes • Continual interest in the Kickstart scheme, highlighting the desire from local businesses to engage with the scheme and strengthen the network of apprentices across all sectors. Some businesses are started to be frustrated due to how slow the application process is, which has resulted in the delay in new apprentices starting work, by up to a month. Businesses have reported to feel that this is damaging to the reputation of the scheme and that it should be fed back to government. Access to Finance & Cashflow • Business leaders are calling on the Government to ring-fence this returned funding for support for businesses hardest hit by the tiers system. Many of the most impacted businesses need a cash injection to get them through the winter. After 10 months of COVID-19 restrictions they are facing dwindled or non-existent reserves and the grants currently available do not come close to covering the overheads of many businesses. While the support put in place by the Government to date has been unprecedented, putting in COVID-19 secure practices, pivoting business models or adapting to digital, takeaway and delivery offers and, when the time comes, restocking and reopening; all cost and many businesses are running out of money. EU Exit • With the end of the UK transition period looming businesses are concerned they still have insufficient information in a number of critical areas. • The lack of information with which to plan and potential deadline fatigue presents further challenges to firms up and down the UK, who have already faced reduced demand, ongoing government restrictions and sustained cashflow challenges due to the Coronavirus crisis.
Construction	Investment Projects • Some businesses remain cautious regarding the implementation of investment projects and although they are continuing to move forward with plans, these are delayed, in some cases up to a year as a result of COVID-19 through 2020. EU Exit • Uncertainty around the EU Exit Transition having an impact on the number of construction projects being undertaking whilst delaying others. Increased workforce costs have been highlighted as a concern, as foreign workers return home and suitably skilled labour is in shorter supply. Added to this, construction businesses having to be selective about the clients they wish to work with, vetting them to ensure they have sufficient propensity to pay.
Retail	Restrictions • Retail continues to struggle after Lockdown 2 and the, now harsher, Tier 3 restrictions.
Visitor Economy	Access to Finance • Due to the high number of hospitality workers unable to work still due to Tier restrictions, businesses are calling for Government to transfer the money that was paid by big supermarkets in business relief to go start to the hospitality industry. Although, many restaurants are seeking a judicial review of the government's decision to close hospitality within the highest Tier 3 COVID-19 areas.

NEW ECONOMIC SHOCKS

COMPANY	LOCATION	SECTOR	SOURCE/DETAIL
Arcadia Group	Black Country, Birmingham and wider regions	Retail	Arcadia, the company which owns the likes of Top Shop, Burton and Miss Selfridge, has crashed into administration. In all, the group has 444 stores, and the collapse puts more than more than 13,000 jobs at risk - many of which are in Birmingham and the Black Country.
Debenhams	Black Country and wider regions	Retail	Debenhams is to start a liquidation process after JD Sports confirmed it had pulled out of a possible rescue deal, putting 12,000 workers at risk.
Bonmarche	Black Country and wider regions	Retail	Value women's clothing chain Bonmarche has collapsed into administration for the second time in just over a year, putting more than 1,500 jobs under threat.
I-Nexus Global	Coventry	Digital & Technology	Pre-tax losses were cut at a Coventry cloud-based software company during its latest financial year, new figures have revealed. i-nexus Global, which is listed on AIM, has reported losses of £2.38m for the 12 months to 30 September 2020, down from £4.33m from the previous year. Its group revenue went from £4.76m to £4.08m over the same period.

NEW INVESTMENT, DEALS AND OPPORTUNITIES

COMPANY	LOCATION	SECTOR	DETAIL & SOURCE
Prezzo	Black Country and wider regions	Hospitality	Italian restaurant chain Prezzo has been snapped up by private equity giant Cain International.
UK Government	Black Country and wider region	Hospitality	The Prime Minister pledged extra cash for pubs forced to close in England but the trade dismissed the move and he still faces vocal Tory opposition.
Wolverhampton city council	Wolverhampton	Housing	A housing estate in Wolverhampton is to get 53 new homes as part of the next phase in a major regeneration project costing £120 million.
Lee Summers Joinery	Coventry	Construction	Two bespoke joinery and furniture companies in Coventry which design and manufacture high-quality products have invested nearly £500,000 in cutting-edge technology, its factory and renovations. Summers Joinery and RHA Production have expanded into its neighbouring premises in Barlow Road on the Aldermans Green Industrial Estate to cope with a £1 million order book which has included working with customers in Dubai, Athens, China and Ibiza.
The Cakery	Leamington Spa	Food & Catering Services	A cake shop in Leamington has seen its sales rise perfectly despite the coronavirus pandemic — and it's thanks to an increase in online orders. Trade at The Cakery on Regent Grove in the town centre fell away significantly at the start of both lockdowns, but when the first set of restrictions hit in March owner Gemma Diper, who previously worked in TV, decided on a digital re-tune to help the business that's been in her family for 30 years survive.
UK Flooring Direct	Coventry	Manufacturing and Retail	The UK's leading online flooring retailer, which recently opened a base in Coventry, broke its daily sales record on Black Friday as part of its most successful ever week in its 15-year history. UK Flooring Direct took 1,400 orders on Black Friday alone, up 87 per cent on the same time last year, with orders up across the week by 81 per cent on the same period in 2019.
Syscomm	Coventry	IT & Digital Services	A Coventry IT firm which was able to attract new clients during the pandemic is now aiming to expand its team. Syscomm, based in Electric Wharf, was able to retain its key clients as the pandemic began to worsen, and acquired new clients who found their previous IT firms unable to cope with demand as the crisis deepened.
Contechs	Warwick	Engineering	An engineering group has added medical products to its portfolio to help supply the UK with PPE during the COVID-19 pandemic. Warwick-based Contechs has formed a dedicated division – Contechs Medical – which has the capability to provide a combined fast track end-to-end service from design, engineering, validation and testing.
Esquires Coffee	Leamington Spa	Retail, Food, Catering Services	A global coffee chain has revealed it is opening a cafe in Leamington town centre for the first time. Esquires Coffee has signed a ten-year lease at a ground floor 2,200 sq ft unit at 52-54 Warwick Street, which used to be home to the former Co-op store. The coffee chain is expected to open its doors by the end of the year – creating nine jobs.
Office Principles	Coleshill	Consultancy Services	Interior design consultancy Office Principles is celebrating 18 months of growth by investing in a new regional headquarters in the West Midlands. The firm has signed a

COMPANY	LOCATION	SECTOR	DETAIL & SOURCE
			five-year lease on a standalone building at Coleshill Manor. The company expects to move into the refurbished office facility in early 2021.
Mercia Asset Management	West Midlands	Professional Services	Regional investor Mercia Asset Management has hailed a "tremendous" set of results that saw its post-tax profits hit 99% of its revenues. The asset manager has declared its maiden dividend after coming through a half-year period with momentum and without recourse to Government support schemes or job cuts.
WMG	Coventry	Education, Manufacturing, Services	WMG, which is based at the University of Warwick, is part of a new project to create a circular end-of-life supply chain for the electric vehicle industry. The project, led by EMR, has won grant support from the UK Government's Advanced Propulsion Centre. RECOVAS is a partnership between WMG, EMR, Bentley Motors, BMW, Jaguar Land Rover, the Health and Safety Executive, the UK Battery Industrialisation Centre, Autocraft Solutions Group and Connected Energy. The project will start in January 2021 and will run for three years, by which time the partners expect the circular supply chain to be operating commercially.

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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