

West Midlands

Weekly Economic Impact Monitor



Issue 39 Publication Date 18/12/20

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.

Welcome to the final monitor of the year, the monitor was established at the start of the pandemic to look at the impacts as they unfolded and to bring together any available information from across partners. We hadn't envisaged at the start that this would still be needed thirty nine weeks later. The WMREDI partners, hope you have found the monitor useful and that all our readers have a restful Christmas break, and that next year brings better economic conditions and stability.

This week, the vaccine has started to be rolled out across the region, but there are early signs that forecasters are cutting forecasts for 2020 and that the recovery will be slower in 2021.

- Although overall deaths have decreased in the region (1.340) those from covid have risen (381).
- The [Deloitte](#) weekly update highlights that a no-deal Brexit is looking increasingly likely, although the two sides are continuing to talk. But should this happen both sides will revert to World Trade Organization (WTO) rules. This will mean tariff barriers in both directions and some services suppliers will no longer be automatically eligible to trade cross-border
- The West Midlands Business Activity Index has decreased from 51.2 in October to 50.5 in November. Impacts from the second national lockdown are starting to be seen and December will be a challenging month for businesses across the UK. The overall UK Business Activity Index decreased from 52.1 in October to 49.0 in November.
- Out of the twelve UK regions, five recorded a rise in October and the West Midlands had the fifth lowest Business Activity Index.
- Companies in the West Midlands remain confident for a rise in output in the next 12 months with the Future Activity Index at 70.3 in November. News of vaccine developments boosted sentiment among West Midlands firms.
- Make UK has slashed its growth forecast ahead of the UK's withdrawal from the EU
 - Output and orders improve but still substantially below historic averages
 - Forward looking export picture declines ahead of EU exit, especially sharp for motor vehicles, while export margins also decline
 - Investment picture improves but now negative for three quarters
 - Employment data suggests redundancies have taken place
 - Manufacturing to contract by 12% this year and forecast for 2021 substantially downgraded
- EY have published their economic outlook this week which also predicts considerably lower performance this year, especially for the West Midlands, and the gap between north and south will continue to widen. With Towns suffering the hardest impacts.
- The region has the same proportion of businesses in the 'most affected by lockdown category' as the national average (19.4%) according to the ONS. But the region has a higher percentage of young employees (16-24-year-olds) and young female employees in at-risk jobs in these businesses. This is particularly the case for the Birmingham and Coventry-based businesses. This means that the lockdown events have a more significant impact on regional inequality.
- The COVID-19 pandemic and associated travel restrictions have led to a marked reduction in international travel and immigration to the UK. It has disrupted collection of statistics on international travel and immigration. Across various indicators there has been a reduction in immigration to the UK. Recession and the introduction of a new UK skills-based immigration system after the Brexit transition period, with equal treatment for EU and non-EU citizens, will impact on employers' recruitment options and the future volume and profile of international migration flows.

- NINO registrations to foreign nationals – distinguishing between EU nationals and non-EU nationals – from the year ending September 2011 to the year ending September 2020. In the year to September 2020 there was a 51% decrease in registrations to EU nationals and a 24% decrease in non-EU national registrations
- Around one in four respondents to the Opinion and Lifestyle Survey indicated that they planned to make a big change to their life. Of those planning to make a big change to their life, around one in five indicated that they planned to live somewhere else. Of those planning to live somewhere else, around one in six indicated that they planned to move to live outside the UK in the next 12 months
- There is **no general route for migrant workers to fill low-skilled jobs** (i.e. those requiring only short-term training) in the post-Brexit immigration system. The Government has cited the need to invest in staff retention, productivity and automation, rather than rely on new flows of migrant workers as had been possible under free movement. This means that to fill such jobs employers will be reliant on UK and Irish citizens, EU citizens who remain eligible to live and work in the UK and temporary, short-term visa schemes (such as the Youth Mobility Scheme). A seasonal workers scheme for agriculture remains in place.
- All regions and local areas have been impacted by international travel restrictions resulting in reduced international mobility and migration flows as a result of the COVID-19 pandemic. There have been disruptions to registration and survey processes which produce the data on which estimates of international migration are based. Looking forward the plan is for a greater reliance on administrative statistics but inevitably there will be a break in statistical series on international mobility and migration. The COVID-19 pandemic may be expected to impact on individuals' future international mobility behaviour intentions. Concerns about economic recession and Brexit will also influence individuals' future plans and behaviour. The end of the Brexit transition period and a new UK immigration system means a marked change in the regulatory framework for international mobility and migration. While the intention is to make the UK attractive for skilled migrants, it suggests a reduction in the labour pool of non-UK citizens to fill jobs at the lower end of the labour market where some sectors and occupations have had a strong reliance on EU labour. As and when the economic outlook improves, the West Midlands may see migration to London in response to wage rises that may occur as a result of reduced availability of EU labour. Currently uncertainty prevails.
- 7% of West Midlands' adults have in the past seven days isolated (matching the Great Britain proportion). 91% of West Midlands adults in the past seven days avoided contact with others when outside their home (89% overall Great Britain).
- In the West Midlands, 34% of adults think it will take between 7 to 12 months before their life returns to normal, the Great Britain total was 33%. 19% of adults in the West Midlands between the 11th and 29th November reported moderate to some form of anxiety likely, this was above the Great Britain average of 17%.
- In terms of the labour market, interventions such as furlough are maintaining the current levels:
 - For the three months ending in October 2020, the West Midlands Region employment rate (aged 16 – 64 years) was 75.0% which has increased by 0.6pp from the previous quarter, the only English region to experience. The UK employment rate was 75.2%, a decrease of 0.5pp from the previous quarter.
 - For the three months ending in October 2020, the West Midlands Region unemployment rate (aged 16 years and over) was 5.4%, which has increased by 0.8pp since the previous quarter. The UK unemployment rate was 4.9%, an increase of 0.7pp from the previous quarter
 - For the three months ending in October 2020, the West Midlands Region economic inactivity rate (aged 16 – 64 years) was 20.6% - a decrease of 1.3pp from previous quarter which is the largest decrease across all regions. The UK economic inactivity rate stood at 20.8%, remaining unchanged from the previous quarter.
 - There were **211,575 claimants aged 16 years and over in the WMCA** (3 LEP) area in November 2020, this is an increase of 3,800 people when compared to October 2020. This was a 1.8% increase compared to an overall UK increase of 2.6%. For the WMCA (3 LEP) area, when compared to March 2020 (117,590) the number of claimants has increased by 93,985 (+79.9% compared to +107.4% UK).
 - There were **42,850 youth claimants in the WMCA** (3 LEP) area in November 2020, this is an increase of 15 people when compared to October 2020. This equates to an increase of 0.04%, while the UK increased by 0.6%. For the WMCA (3 LEP) area, when compared to March 2020 (22,835) the number of claimants has increased by 20,015 (+87.7% compared to +112.9% for the UK).

Global, National and Regional Outlook

Ben Brittain, WMREDI

Global

Germany has entered a hard lockdown this week, with non-essential stores to close, employers urged to shut down workplaces and school children encouraged to stay at home. The country, which previously was lauded for its successfully handling of the first wave, has struggled in the second wave of the virus and is lagging many of its neighbours in keeping infection rates under control.

New York is stopping indoor dining on Monday, California has raised the red flag on rising Covid deaths, South Korea has said tighter restrictions may be "inevitable," and health workers in Sweden are quitting in record numbers.

The [number of infections has been increasing rapidly](#) in the United States, putting stress on the health care system. Although the number of infections per capita had started to abate in mid-November, it sharply increased in the weeks following the Thanksgiving holiday during which millions of Americans travelled to be with family. Perhaps of greater importance than the number of reported infections is the number of people hospitalized and the number who die. As for hospitalizations, COVID-19 patients often occupy beds in intensive care units (ICUs). In many parts of the country, there is a growing shortage of ICU beds, creating a potential public health crisis if non-COVID-19 patients cannot be properly treated. As for deaths, the [number of deaths per capita has increased](#) to the highest level since the crisis began. The good news is that survival rates for those infected have improved, likely due to medical professionals having learned a great deal about what works and doesn't work.

[China continues to outperform the world's major economies](#), this time with extraordinary growth of exports. Specifically, Chinese exports (evaluated in US dollars) increased 21.1% in November versus a year earlier, the fastest growth in nearly three years. This was up from 14.1% growth in October. Exports hit a record high level in November, fuelled in part by strong exports of personal protective equipment (more commonly known as PPE) and technology related to online interactions. Both categories have been in high demand throughout the pandemic.

U.S. regulators have gone ahead and voted [to approve](#) the Pfizer-BioNTech vaccine and advisers to the Centers for Disease Control and Prevention voted [to recommend](#) its use.

In Europe, the first vaccines are unlikely to be distributed before Christmas. Abu Dhabi is [opening back up](#) to foreign tourists on optimism about a treatment and Israel is likely [to accelerate](#) its vaccine schedule. With the Eurozone economy likely to contract in the current quarter due to the second wave of the virus, the European Central Bank (ECB) has chosen to provide the economy with [additional stimulus](#) through a further easing of monetary policy. The ECB increased its bond buying program, known as the Pandemic Emergency Purchase Program (PEPP), from 1.35 trillion euros to 1.84 trillion euros. It said that this program will be extended to March 2022 rather than the previously planned ending of June 2021.

Even with vaccine news, the yo-yoing to and from tighter restrictions is causing instability.

National

The [Deloitte](#) weekly update highlights that a no-deal Brexit is looking increasingly likely, although the two sides are continuing to talk. [What would a no-deal Brexit entail](#) - both sides will revert to World Trade Organization (WTO) rules. To keep global trade fair and as open as possible, all WTO members are bound by the most-favoured nation principle, which requires them to offer all trading partners the same tariffs without discrimination. Any advantage given to one country must be also made available to others. The exception to the rule is where a free trade agreement (FTA) has been put in place (as is the case currently). This will mean tariff barriers in both directions and some services suppliers will no longer be automatically eligible to trade cross-border. Britain will not be alone in facing negative economic consequences from a no-deal Brexit. Several countries in Northern Europe, especially Ireland, Germany, the Netherlands, Belgium, and the Nordic countries, are expected to be hit (as previous work by CityREDI has highlighted). The German automotive industry is very concerned, given that it will face a 10% British tariff on the importation of autos and automotive parts. Furthermore, often automotive parts move between the

United Kingdom and the EU multiple times in the course of manufacturing a finished vehicle, which would mean significant tariff costs arising. Aside from automotive, there are other important industries that will potentially face disruption. These include aerospace, air travel, pharmaceuticals, information technology, and financial services. Once the COVID-19 crisis ends and tourists resume travel, a cheaper pound might boost the British tourist industry. In contrast, British tourists could face higher costs in traveling to the continent.

The pound is likely to further decline in value, thus boosting the competitiveness of British exports, increasing the cost of imports into the United Kingdom, increasing the value of the vast amount of overseas assets held by Britons. The UK goods sold into the EU will be subject to the Common External Tariff, which on average is fairly low, although it can vary greatly on individual products. Goods originating in the EU sold into the United Kingdom would be subject to the UK Global Tariff, which has the effect of maintaining the EU's tariffs on some goods and reducing or eliminating them on others. There will be changes to the United Kingdom's immigration system which is explored later in the monitor.

There's a big deal on the horizon. Historic in fact. AstraZeneca, one of the companies at the forefront of the race for a Covid vaccine, the company funding development and manufacture of the Oxford vaccine, has struck its biggest ever deal with the [\\$39 billion purchase](#) of American Alexion Pharmaceuticals. The acquisition would give AstraZeneca more exposure to the lucrative business of treatments for rare diseases.

London has moved into the [highest level](#) of Covid-19 restrictions under the U.K.'s lockdown rules. London moved in to Tier 3 this week, on the back of an increase in cases, including many involving a new variant of the virus.

Regional

The first batch of vaccines have started rolling out to GP surgeries across the UK and the first delivery was in the West Midlands. A consignment of Pfizer/BioNTech vaccine arrived at Feldon Lane Surgery in Halesowen.

These are the [GP locations](#) that will be administering the vaccine:

Birmingham and Solihull Primary Care Networks to go live this week:

- Sutton Group and Alliance of Sutton Practices
- North Solihull North and North Solihull South
- GPS Healthcare and Solihull Healthcare Partnership
- Smartcare Central and Smartcare Kings Heath
- South Birmingham
- MMP Central
- Solihull Rural
- MMP North
- Community Care Hall Green
- Bournville and Northfield
- Quinton and Harborne
- Kingstanding, Erdington and Nechells

Black Country and West Birmingham PCNs to go live this week:

- Northway Medical Centre (Sedgley, Coseley, Gornal PCN) Dudley
- Feldon Lane Medical Practice (Halesowen PCN) Dudley
- Wood Road Surgery (Unity West PCN) Wolverhampton
- Enki Medical (Modality) Sandwell & West Birmingham

NatWest Purchasing Manager Index (PMI) Survey: West Midlands

BCCEIU

The following seasonally adjusted indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease.

In Summary:

- The West Midlands Business Activity Index has decreased from 51.2 in October to 50.5 in November. Impacts from the second national lockdown are starting to be seen and December will be a challenging month for businesses across the UK. The overall UK Business Activity Index decreased from 52.1 in October to 49.0 in November.
- Out of the twelve UK regions, five recorded a rise in October and the West Midlands had the fifth lowest Business Activity Index.
- Companies in the West Midlands remain confident for a rise in output in the next 12 months with the Future Activity Index at 70.3 in November. News of vaccine developments boosted sentiment among West Midlands firms.

In Detail:

Business Activity Index

The West Midlands Business Activity Index has decreased from 51.2 in October to 50.5 in November. Growth was reportedly restricted by the national lockdown, weak demand and travel restrictions. Companies that lifted output often mentioned efforts to increase safety stocks in preparation for a post-lockdown rebound in sales and Brexit. The overall UK Business Activity Index decreased from 52.1 in October to 49.0 in November.

The following graph show the West Midlands Business Activity Index trends:

West Midlands Business Activity Index

sa, >50 = growth since previous month



Source: IHS Market/NatWest, December 2020

Out of the twelve UK regions, five recorded a rise in November and the West Midlands had the fifth highest Business Activity Index.

The following chart shows the Business Activity Index across all UK regions in November 2020:

Business Activity Index

sa, >50 = growth since previous month, Nov '20



Source: IHS Market/NatWest, December 2020

Demand

Private sector companies in the West Midlands recorded a second consecutive monthly decline in new work intakes during November due to demand suppression from the second COVID-19 lockdown. The New Business Index decreased from 49.9 in October to 47.5 in November.

Exports¹

The West Midlands Export Climate Index fell from 52.9 in October to 51.9 in November, the weakest improvement in export opportunities facing local firms since the current sequence of growth started in July.

The West Midlands had an Output Index of 58.6 with the USA in November. **The following table shows the top export markets for the West Midlands:**

Top export markets, West Midlands

Rank	Market	Weight	Output Index, Nov'20
1	USA	19.9%	58.6
2	Germany	10.3%	51.7
3	China	9.4%	57.5
4	France	6.6%	40.6
5	Ireland	4.6%	47.7

Source: IHS Market/NatWest, December 2020

Capacity

The West Midlands Employment Index has decreased further from 40.2 in October to 39.4 November. The Employment Index has stayed below the 50 mark for the last nine months with companies citing due to COVID-19

¹ The West Midlands Export Climate Index is calculated by weighting together national PMI output data according to their importance to the manufacturing exports of the West Midlands. This produces an indicator for the economic health of the region's export markets.

there has been redundancies, drop in revenue and downsizing. Out of the 12 regions, for the third month in a row the West Midlands posted the worst employment trend.

The West Midlands Outstanding Business Index has increased from 45.3 in October to 48.5 in November. The fall in backlogs has been linked with subdued demand conditions and from the COVID-19 pandemic.

Prices

The West Midlands Input Prices Index increased from 57.4 in October to 58.3 in November. West Midlands companies reported an increase in operating expenses in November, citing supply shortages, unfavourable exchange rates and the purchasing of personal protective equipment had been behind the latest increase in cost burdens.

The West Midlands Prices Charged Index has been steadily increasing for the last six months and stood at 54.0 in November. Initial analysis suggests that selling prices and fees had been increased in response to ongoing cost increases in the West Midlands.

Outlook

Companies in the West Midlands remain confident for a rise in output in the next 12 months with the Future Activity Index at 70.3 in November, a four-month high, but still below the UK average. Optimism from businesses stems from news of a COVID-19 vaccine.

The following chart shows the Future Activity Index across all UK regions in November 2020:

Future Activity Index
>50 = growth expected over next 12 months, Nov '20



Source: IHS Market/NatWest, December 2020

Out of the twelve UK regions, the West Midlands had the sixth lowest Future Business Activity Index.

Regional Economic Impacts of National Lockdown and Tiers

Simon Collinson WMREDI

To note this is initial analysis and has caveats due to the availability of data and the interdependencies of impacts.

Events		Lockdown 1	Easing	Opening	Restrictions	Lockdown 2	to	Tiers
		From	to	to		From	Tiers start	assessed
Dates	Jan-20	23/03/2020	10/05/2020	15/06/2020	22/09/2020	05/11/2020	02/12/2020	15/12/2020
Length of events in Days			48	84	99		27	13

Over time, comparing Jan-April with Jan-Nov we can compare the impacts of two different levels of lockdown. This is only comparator we have to understand regional differences in Tiers (1-3) at this stage.

Large, but varied impacts were felt by different industry sectors in Lockdown 1, including a 91% GDP fall in Accommodation and Food services sectors Jan-April. Jan-Nov figures show a reduced drop in GDP by sector due to the effects of the opening up of the economy from May to Nov. But this also shows sector variations with Construction, Accommodation and Food, Education, Transportation, Manufacturing and Retailing benefitting the most – in that order and other sectors benefitting significantly less.

Percent falls in						
National		% reduction		% reduction		
GDP	Jan-April	-26	Jan-Nov	-15	Difference	% share of econ
					most = green	
Sectors	Accom & Food	-91		-68	-23	2.9
	other services	-50		-40	-10	3.7
	construction	-45		-14	-31	6.4
	transportation	-40		-22	-18	4
	education	-39		-19	-20	5.7
	wholesale, retail	-36		-19	-17	10.4
	admin & support	-36		-32	-4	5.3
	human health	-31		-24	-7	7.5
	manufacturing	-29		-11	-18	10.1
	prof & sci	-19		-14	-5	7.7
	Info. Comms	-11		-8	-3	6.6

West Midlands

In jobs and GVA terms, these industry sectors have different levels of importance to the regional economy relative to the national economy.

Manufacturing accounts for 11.3% of regional jobs compared to 8% nationally (3.3% difference). Retail accounts for 16.6% of regional jobs, compared to 15.3% nationally.

Sector-specific analysis

Amalgamating at-risk sectors into ‘Hospitality and Recreational’ activities (including accommodation and food service activities, restaurants, bars, hotels, etc. and arts, entertainment, museums, sporting events, etc.). City-REDI modelled the impacts, direct and indirect on the regional economy. For the whole UK, these sectors account for close to 6.6% of the total GVA and close to 3.3 million jobs (11% of the total employment). The West Midlands is an intermediate case, relative to other UK regions, with 5.9% of its total GVA depending on these activities. Out of the 41 UK regions, West Midlands would be in the 25th position of most exposed (NUTS2) regions.

Compared to Cornwall and Isles of Scilly (10.1%), Inner London West (8.9%) and East (8.0%), Cumbria (8.5%) and Highlands and Islands (8.1%), which all have a larger GVA directly and indirectly involved in these sectors. In terms of jobs, the region has a higher % of direct and indirect jobs dependent on these activities. Approximately 108,000 at-risk jobs from subsequent lockdowns, placing us 9 / 41 (NUTS2) regions. The equivalent for Inner London is over 270k jobs.

Employment-specific analysis

Additional regional factors, it could be argued, put the region in a more vulnerable position from the impact of lockdowns. The region has the same proportion of businesses in the ‘most affected by lockdown category’ as the national average (19.4%) according to the ONS. But the region has a higher percentage of young employees (16-24-year-olds) and young female employees in at-risk jobs in these businesses. This is particularly the case for the Birmingham and Coventry-based businesses.

	Share of 16-24 yr. olds	Female share of 16-24 yr. olds	% businesses most affected by lockdown
UK avg.	10.7	10.3	19.4
W Midlands	12.9	12.5	19.4
Birmingham	14.9	14.8	20
Coventry	16.6	15.8	18
Wolverhampton	10.7	10.2	19.9

This means that the lockdown events have a more significant impact on regional inequality.

Business-survival

For the West Midlands, as of the first week of December, 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.

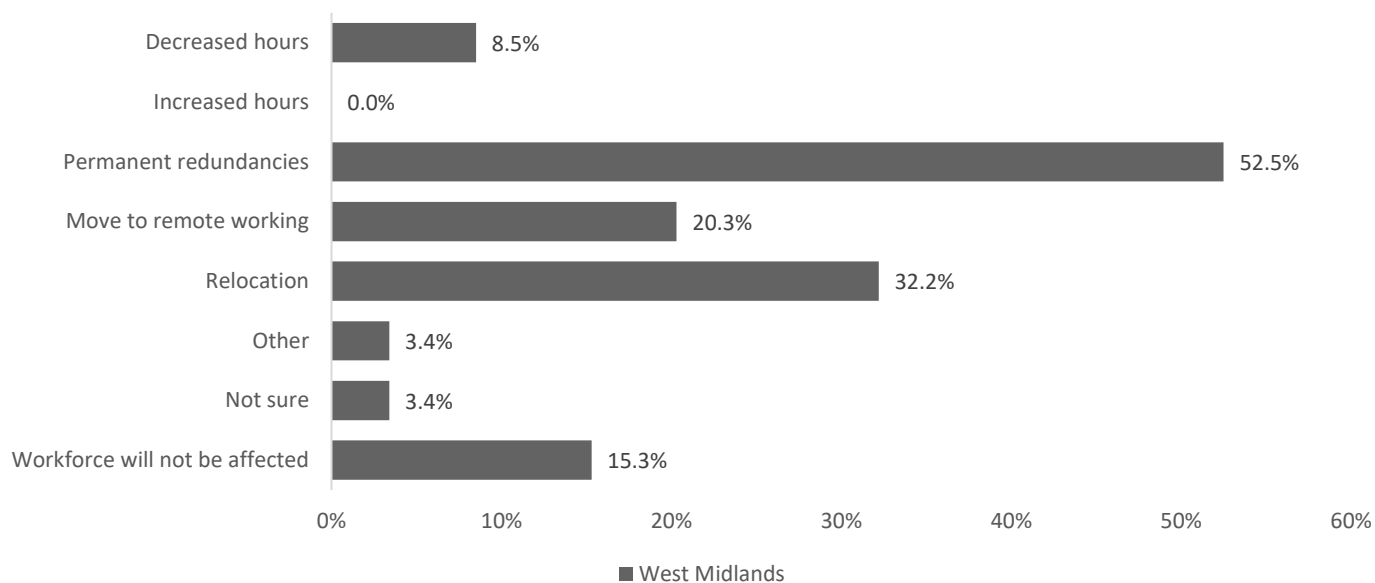
	% of firms			
	None	<1 month	<3 months	<6 months
Cash reserves				
West Midlands	3.1	2.9	20.6	15.4
<i>cumulative</i>	3.1	6	26.6	42
London	5.3	2.3	18.5	14.4
<i>cumulative</i>	5.3	7.6	26.1	40.5
North East	4.8	2.4	17	12.2
<i>cumulative</i>	4.8	7.2	24.2	36.4
North West	4	3.1	18.8	15.5
<i>cumulative</i>	4	7.1	25.9	41.4

Relative to other regions, the West Midlands has a lower % of firms that have no cash reserves or less than 1-month of reserves and a higher % with less than 3- or 6-months reserves (42% compared to 40.5% in London). A separate estimate suggests that 24% of firms have 'very low or no cash reserves' across the UK equating to 340,000 firms and as many as 4.9m jobs. This figure for the West Midlands would be 26,000 firms and 375,000 jobs.

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:



Infection Rates

Rebecca Riley WMREDI/WMCA

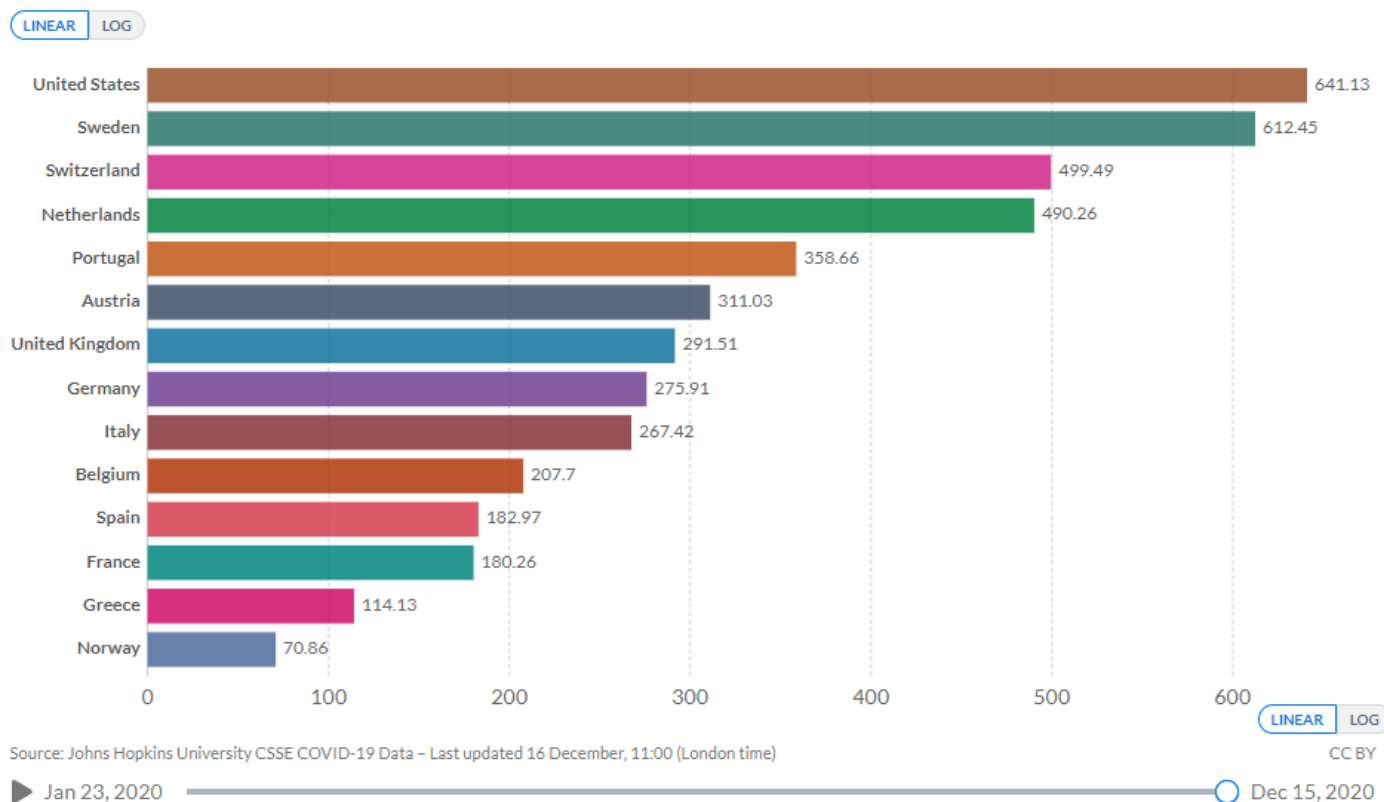
Europe has seen a [resurgence in infection rates](#) which is continuing (see graph below).

Since [31 December 2019 and as of 14 December 2020](#), 71 503 614 cases of COVID-19 (in accordance with the applied case definitions and testing strategies in the affected countries) have been reported, including 1 612 833 deaths. Europe: 21 400 012 cases; the five countries reporting most cases are Russia (2 653 928), France (2 376 852), United Kingdom (1 849 403), Italy (1 843 712) and Spain (1 730 575).

Daily new confirmed COVID-19 cases per million people, Dec 15, 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](#) (11th December) states:

- In the most recent week, the percentage of people testing positive for the coronavirus (COVID-19) in England has continued to decrease; during the most recent week (29 November to 5 December 2020), we estimate 481,500 people (95% credible interval: 450,800 to 513,600) within the community population in England had the coronavirus (COVID-19), equating to around 1 in 115 people (95% credible interval: 1 in 120 to 1 in 105).
- Over the most recent week, the percentage of people testing positive has increased in London and there are early signs that rates may have increased in the East of England; the percentage of people testing positive has decreased in all other regions.
- In the most recent week, the percentage of people testing positive has decreased in older teenagers and young adults, those aged 25 to 34 years and 50 to 69 years; rates continue to be highest among secondary school-age children.
- The percentage of those testing positive has increased in recent weeks in Wales; during the most recent week (29 November to 5 December 2020), we estimate that 25,600 people in Wales had COVID-19 (95% credible interval: 17,300 to 35,600), equating to 1 in 120 people (95% credible interval: 1 in 175 to 1 in 85).
- The percentage testing positive in Northern Ireland continues to decrease; during the most recent week (29 November to 5 December 2020), we estimate that 7,800 people in Northern Ireland had COVID-19 (95% credible interval: 4,400 to 12,100), equating to 1 in 235 people (95% credible interval: 1 in 415 to 1 in 150).
- The percentage testing positive in Scotland has remained relatively stable in recent weeks; during the most recent week (29 November to 5 December 2020), we estimate that 43,300 people in Scotland had COVID-19 (95% credible interval: 32,100 to 56,000), equating to 1 in 120 people (95% credible interval: 1 in 165 to 1 in 95).

Quarter 4 Manufacturing Outlook

Make UK / BDO Survey

Make UK has slashed its growth forecast ahead of the UK's withdrawal from the EU

Key findings

- **Output and orders improve but still substantially below historic averages**
- **Forward looking export picture declines ahead of EU exit, especially sharp for motor vehicles, while export margins also decline**
- **Investment picture improves but now negative for three quarters**
- **Employment data suggests redundancies have taken place**
- **Manufacturing to contract by 12% this year and forecast for 2021 substantially downgraded**

Britain's manufacturers have slashed their forecast for growth next year with a worsening picture for exports ahead of the departure from the EU, according to a major survey published today by Make UK and business advisory firm BDO. The survey also shows the brutal impact of the pandemic with the sector forecast to see a 12% drop in output this year, with Make UK substantially downgrading its growth forecasts for 2021 to just 2.7%, down from 5.1% last quarter.

Make UK warned that should the UK leave the EU with no trade agreement in place then this forecast may be revised further given the potential for significant damage to manufacturing, with the motor vehicles sector in particular especially fearful of the potential impact of any tariffs. In addition to the darkening picture for exports, the survey shows investment intentions have now been substantially negative for three quarters in a row, a trend which Make UK believes is likely to worsen in the event of the further political turmoil that 'no deal' will create.

According to the survey the balance on output improved to -5% which, to give some perspective, compares to -36% and -56% in the previous two quarters, the latter being the lowest balance recorded in the survey's 30 year history. While the output balance for the next quarter is forecast to improve slightly to -3%, it remains negative highlighting an anaemic picture ahead for the sector and, the highly unlikely prospect of a v-shaped recovery as far as manufacturers are concerned.

The survey also shows a similar pattern for total orders with the balance improving to -3% from -40% and -53% respectively in the previous two quarters. However, looking forward, the export order balance is forecast to drop sharply to -14%, highlighting the concerns manufacturers have about the impact on exports as the UK finally leaves the EU.

Whilst the balance on investment intentions also improved to -11% from -32% and -26% respectively in the previous two quarters it has now been negative for three quarters in succession. While this may reflect the combination of the impact of the pandemic, political uncertainty and the debt many companies will have accumulated to stay afloat, to give some perspective of the extent of cutbacks the balance in the first quarter was +20% as the result of the election a year ago unleashed a short lived investment boom.

The cuts to investment follow the latest OBR forecasts that cumulative business investment by 2025 will be 10% lower than forecast in March.

The balance for recruitment also improved to -14% from -29% and -22% in the previous two quarters and is forecast to improve to just -1% in the next quarter. Make UK believes, however, that rather than an indicator of companies preparing to recruit, it is a sign that the sharp cutbacks in employment and redundancies have already taken place as well as the helpful impact of the extension of the Job Retention Scheme.

Weekly Deaths Registered 4th December 2020

BCCEIU

The following analysis compares the latest available time period (week of the 4th December 2020) to the previous week period (week of the 27th 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 12,456 in the week of the 27th November to 12,303 in the week of 4th December. The number of deaths registered that state Coronavirus on the death certificate experienced a decrease from 3,040 people to 2,835 people over the same period.

Regional level analysis shows that the West Midlands overall registered death figure has decreased from 1,358 people in the week 27th November to 1,340 in the week of 4th December. The number of registered deaths related to Coronavirus has increased from 361 people to 381 over the same period.

There was a total of 915 deaths registered across the WMCA (3 LEP) area in the week of the 4th December. There were 255 deaths registered that were related to Coronavirus over the same period – this accounts for 27.9% of total deaths. The WMCA (3 LEP) area accounts for 66.9% of the 381 Coronavirus related deaths registered in the West Midlands Region.

In comparison to the week of the 27th November, the overall registered death figures in the WMCA (3 LEP) area decreased by 16, while the number of deaths related to Coronavirus increased by 7 people.

At a local authority level, Birmingham accounts for 25.1% (64) of deaths related to Coronavirus in the WMCA (3 LEP), this is followed by Sandwell at 9.8% (25 deaths) and Dudley at 9.4% (24 deaths).

Of deaths involving Coronavirus registered in the week of the 4th December, 81.6% (208) occurred in a hospital, 12.2% (31) occurred in a care home, 5.5% (14) occurred at home and 0.8% (2) occurred in a hospice.

Place and number of deaths registered that are related to Coronavirus in the week of 4th December:

Area name	Care home	Elsewhere	Home	Hospice	Hospital	Other communal establishment	Total
Cannock Chase	2	0	0	0	9	0	11
East Staffordshire	1	0	1	0	8	0	10
Lichfield	0	0	0	0	6	0	6
Tamworth	0	0	0	0	9	0	9
North Warwickshire	3	0	0	0	7	0	10
Nuneaton and Bedworth	3	0	1	0	10	0	14
Rugby	1	0	0	0	4	0	5
Stratford-on-Avon	0	0	1	0	2	0	3
Warwick	1	0	0	0	3	0	4
Bromsgrove	0	0	0	0	4	0	4
Redditch	4	0	0	0	3	0	7
Wyre Forest	1	0	0	1	8	0	10
Birmingham	4	0	5	1	54	0	64
Coventry	0	0	1	0	3	0	4
Dudley	2	0	2	0	20	0	24
Sandwell	2	0	2	0	21	0	25
Solihull	1	0	0	0	12	0	13
Walsall	1	0	1	0	17	0	19
Wolverhampton	5	0	0	0	8	0	13
WM 7 Met.	15	0	11	1	135	0	162
Black Country LEP	10	0	5	0	66	0	81
Coventry & Warwickshire LEP	8	0	3	0	29	0	40
Greater Birmingham & Solihull LEP	13	0	6	2	113	0	134
WMCA (3 LEP)	31	0	14	2	208	0	255

Source: ONS, Death registrations and occurrences by local authority and health board, 15th December 2020

Regional Economic Forecast

EY

The GVA outlook for the West Midlands is among the weakest across the UK, according to a [report compiled by EY](#). The Labour Force Survey also supports this story of weak regional performance, with a contraction of 1.4% in the quarter to September 2020 compared with a year earlier. EY expect a 0.3% contraction between 2020 and 2023. They highlight a return to growth in 2021 but the long term shocks will remain for some time, and the gap between the north and south is likely to widen over the next 3 years and that cities will pull away from towns. The unprecedented economic shock has hit the North and Midlands towns harder than its cities.

With the current policy outlook, we expect the development of the economy in the next three years to continue the trends evident since the late 1990s. The largest cities will outperform their regions in economic and employment growth terms across England, and cities will outpace towns everywhere. In no region will towns grow faster in aggregate than their region. With a faster recovery, more places would have positive GVA growth but there would be little change in the geographic balance.

Alongside the human and economic costs, the forced lockdown showed there are choices as to how we organise and balance work, education and home life. Many of the resulting shifts were positive for geographic levelling up, creating opportunities to rebalance towards a transformed economy.

For policy, these changes may outlast lockdown – and their surveys of business leaders and individuals suggest the appetite for change is widespread. EY's Future Consumer Index found that people expect to modify their lifestyles in future, with 41% expecting to socialise differently and more than fifth to change how they work.

The first is manufacturing, a sector with 86% of its activity located outside the UK's major cities. Seeking to move closer to customers and build resilience, manufacturers are working to reshape their supply chains, with 32% expecting to reshore activity to the UK.

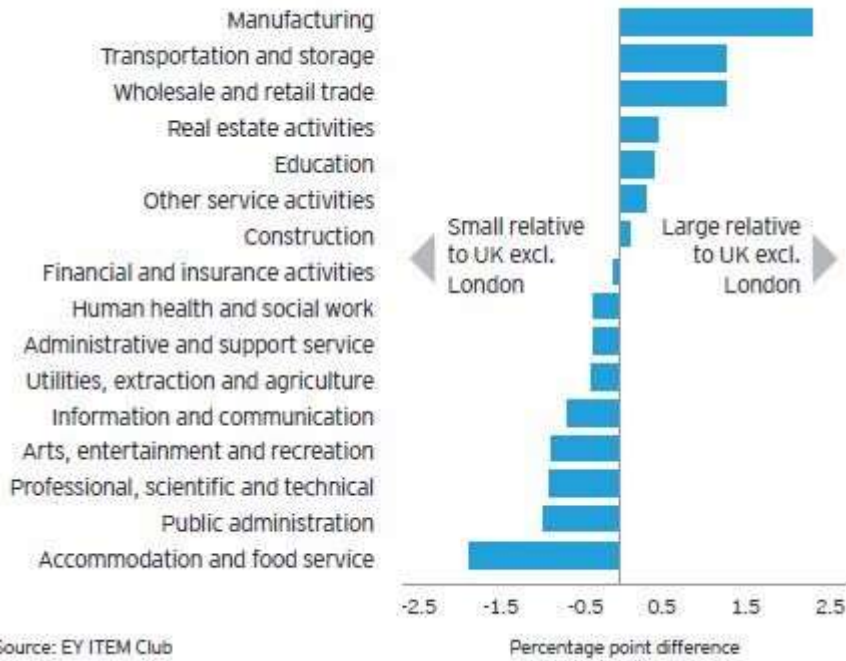
EY have come to its conclusion of weak regional growth based on three factors:

- National outlooks.
- Historical trends in an area augmented by local knowledge and understanding of patterns of economic development, built up over decades of expertise.
- Fundamental economic relationships which interlink the various elements of the outlook.

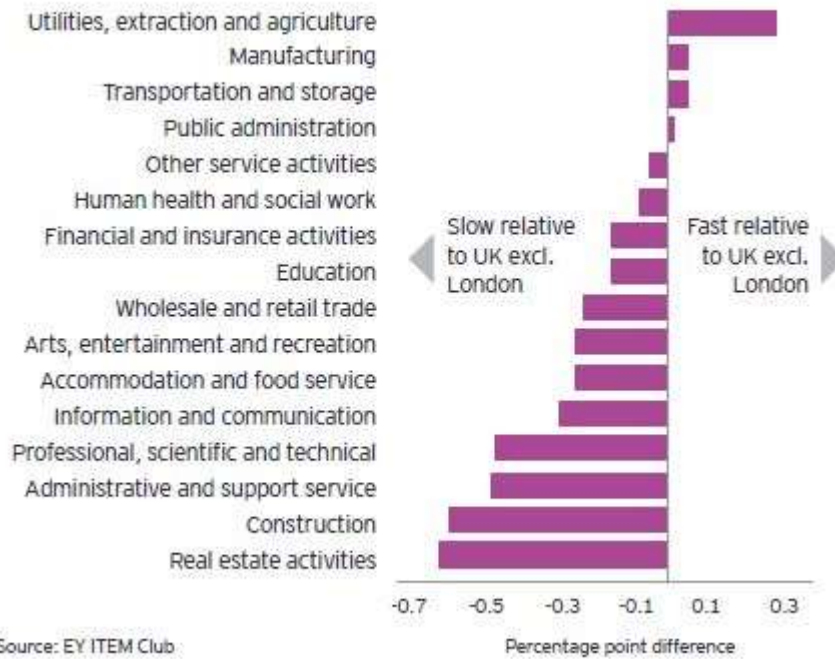
They highlight that Covid-19 has made 'levelling up' harder and initial investments by government are positive but there is more to do.

The forecasts are demand-based, and assume no supply-side constants. They also assume the continuation of existing government policies, and those currently announced. The relaxation of current restrictions in the Easter are thus likely to change the forecast.

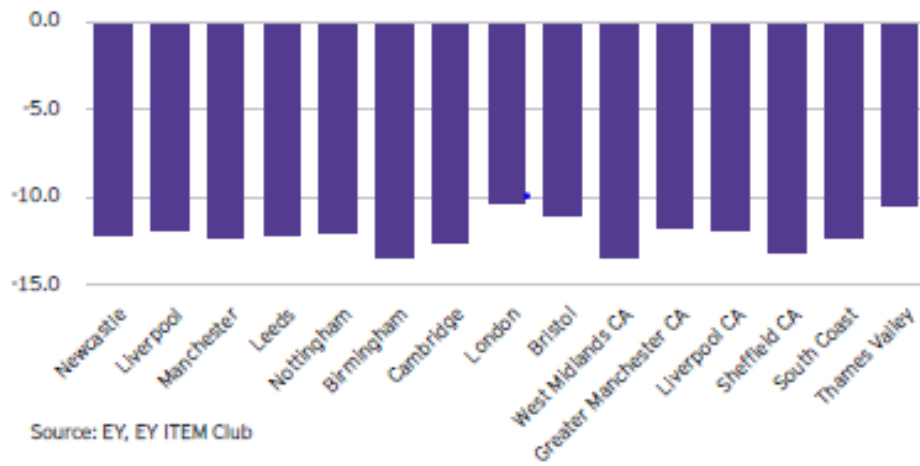
Employment structure: West Midlands vs UK (excl. London), 2019



GVA growth: West Midlands vs UK (excl. London), 2020-23

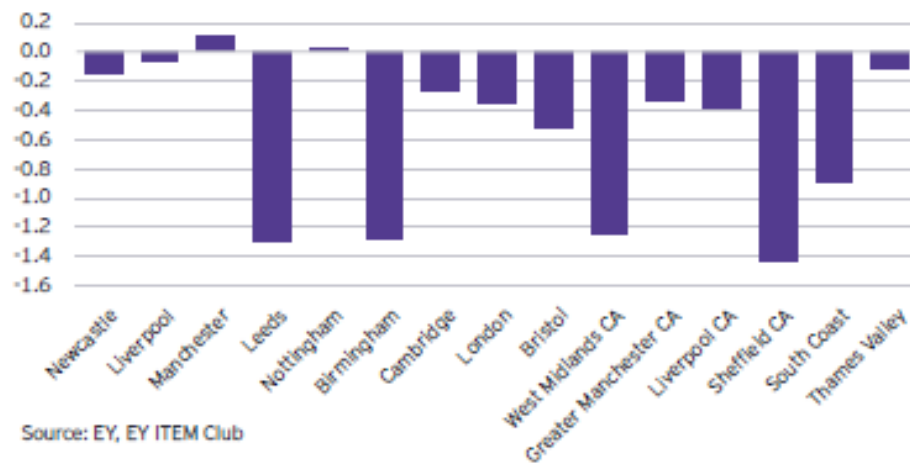


England's cities: change in GVA 2020 (%)



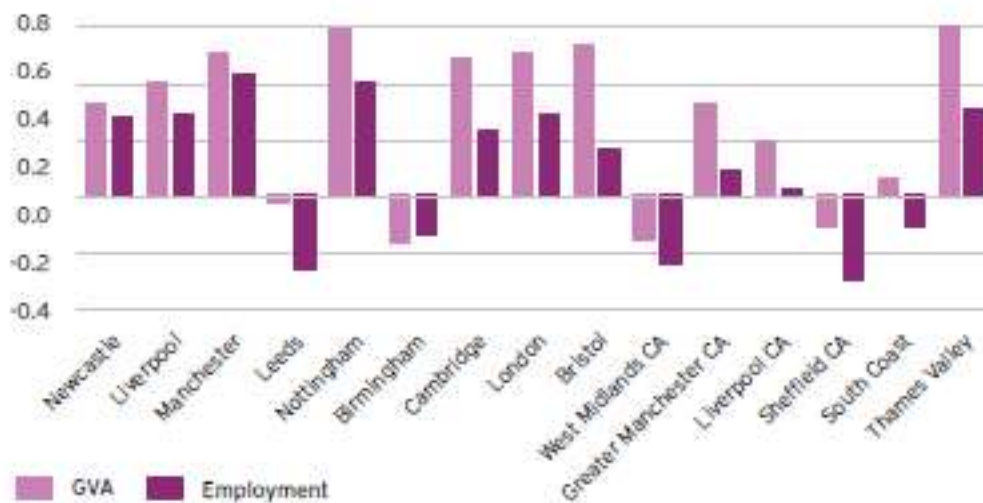
Source: EY, EY ITEM Club

England's cities: change in employment 2020 (%)



Source: EY, EY ITEM Club

England's cities: forecast GVA and employment change 2019-23 (annual %)



Legend: GVA (light purple), Employment (dark purple)

Source: EY, EY ITEM Club

International mobility, migration and UK immigration system changes.

Anne Green, WMREDI

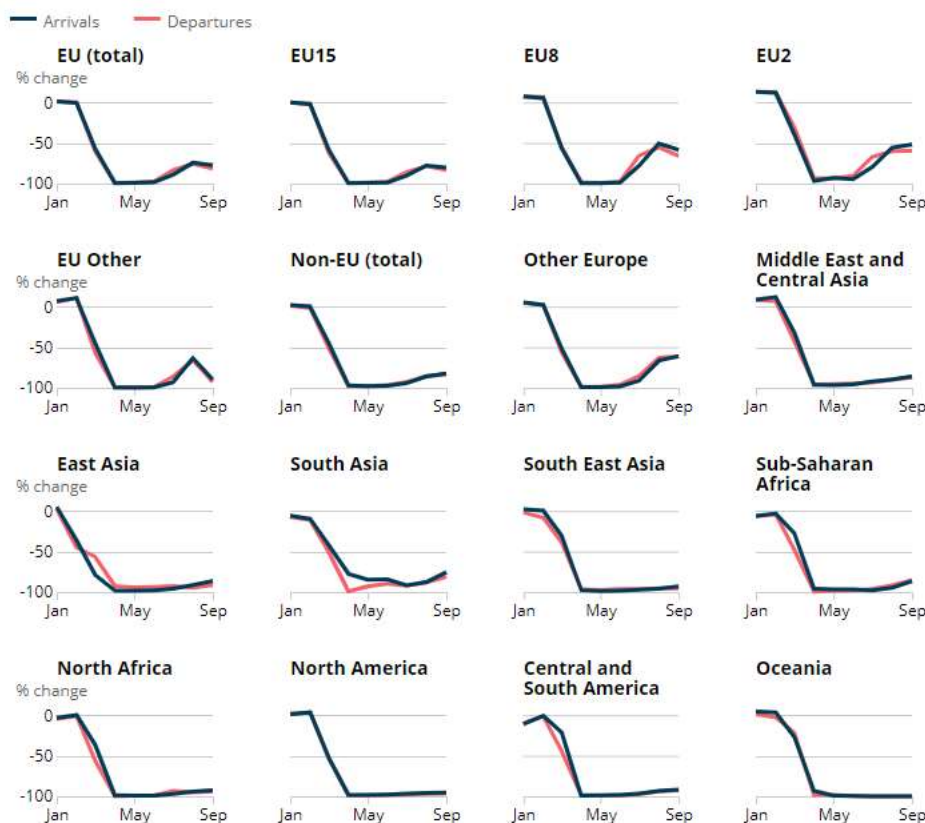
Summary

The COVID-19 pandemic and associated travel restrictions have led to a marked reduction in international travel and immigration to the UK. It has disrupted collection of statistics on international travel and immigration. Across various indicators there has been a reduction in immigration to the UK. Recession and the introduction of a new UK skills-based immigration system after the Brexit transition period, with equal treatment for EU and non-EU citizens, will impact on employers' recruitment options and the future volume and profile of international migration flows.

COVID-19 impacts on international travel

The COVID-19 pandemic has impacted on travel worldwide. Restrictions to travel and other economic and social factors have influenced individuals' travel and migration plans to and from the UK.

Data from the Civil Aviation Authority showed reductions of more than 95% for UK travel to and from most world regions between April and June 2020 compared with the same months in 2019. This has had an impact on the visitor economy in areas with high levels of international tourists (including destinations like Stratford-upon-Avon in the West Midlands) as well as on international migration for work and study. The diagram based on [ONS analysis of Civil Aviation Authority data](#) for the period from January to September 2020 shows **percentage change in arrivals and departures compared with the position a year ago in monthly air passenger volume between airports in the UK and airports in other world regions.**

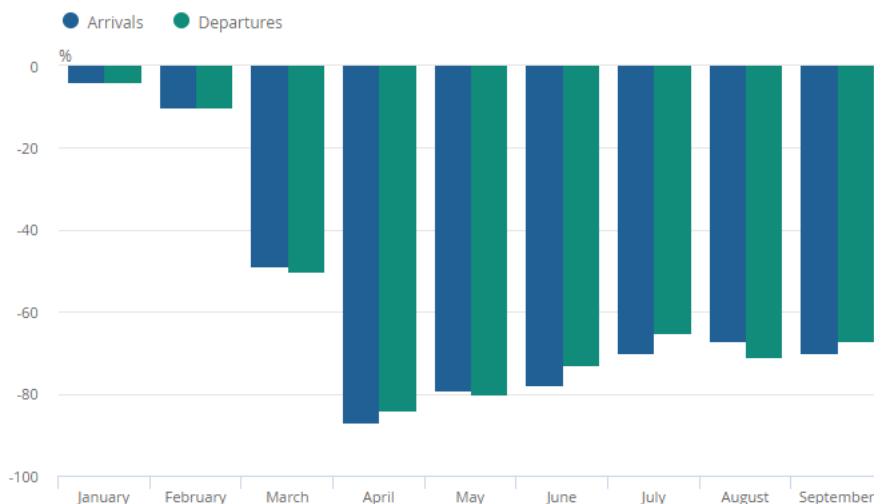


There was an upturn in passenger volumes on short haul routes in the summer months (travel restrictions were eased selectively from July), but in instances where the upturn in volumes was most marked – notably in the EU8 (the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia) and EU2 (Bulgaria and Romania)– this upturn had stalled by September. At the highest point volumes were 50% of those a year earlier.

Advance Passenger Information data shows that there were around 1.7 million passenger arrivals to the UK by air routes in the month of October 2020. In April to June there were fewer than 200,000 air arrivals per month. The 1.7

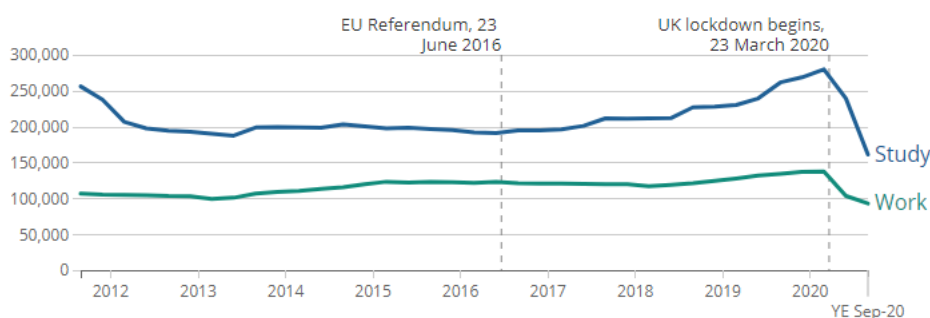
million passenger arrivals in October 2020 is 82% lower than the 9.8 million arrivals in October 2019. During the second national lockdown in England from 5 November to 2 December 2020 travel abroad was restricted to work, education and other legally permitted reasons. Border and Immigration Transaction data shows that passengers arriving by air accounted for 87% of all passenger arrivals to the UK in March 2020. In October 2020 the proportion arriving by air was 80%, having fallen to 38% in May 2020.

Office for National Statistics analysis of Department for Transport Sea Passenger Statistics shows a substantial decrease in UK arrivals and departures via short international ferry routes (to Ireland and other European countries). The diagram below shows the **monthly trend in such arrivals and departures from January to September 2020**. In September 2020 arrivals and departures had declined by around two-thirds in comparison with September 2019.



Work-related international mobility

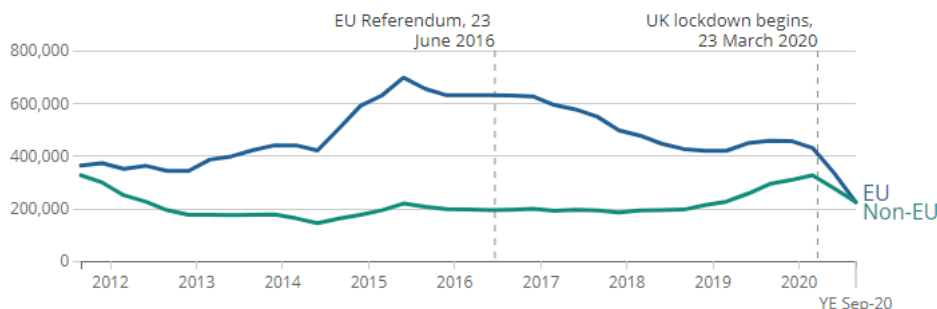
Another indicator of the reduction in international mobility is the [decrease in the number of visa applications issued for work and study to non-EU nationals](#); (note that free movement for EU nationals continues to apply during the Brexit transition period). In part this reflects the closure of visa application centres by the end of March 2020 (although they have since reopened) and COVID-19 related restrictions. The chart below shows the trend in Home Office **entry clearance visas issued to non-EU nationals for work and study** between September 2011 and September 2020.



The marked decrease in entry clearance visas from March 2020 reflects a mix of restrictions on migrant movements to and from the UK, operational constraints relating to processing of visas due to lockdown restrictions (with visa centres closing in March 2020 in the first national local lockdown and gradually reopening from June 2020) and changes in migration behaviour during the pandemic. Compared with the period July to September 2019, there was a 29% decrease in work visas and a 41% decrease in study visas granted in July and September 2020.

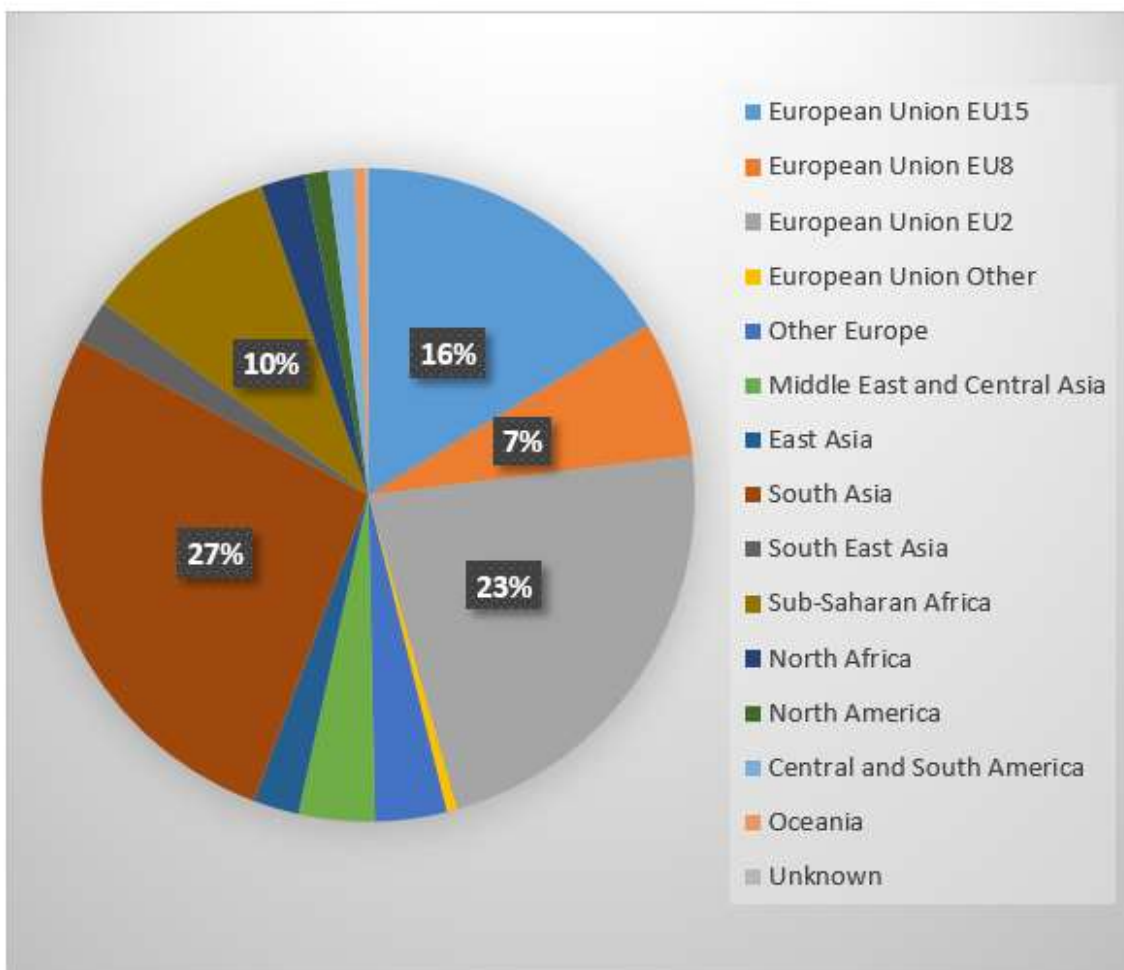
Although not directly measuring international migration, there also been a **reduction in the number of national insurance numbers (NINOs) allocated by the Department for Work and Pensions to foreign nationals**. Again, the allocation process was disrupted because of the pandemic between March and June 2020. A NINo is generally required by any adult overseas national looking to work or claim benefits or tax credits in the UK for the first time.

NINo registrations include short-term migrants and people who may have been in the country for a while before registering. The chart below shows **NINo registrations to foreign nationals – distinguishing between EU nationals and non-EU nationals – from the year ending September 2011 to the year ending September 2020**. In the year to September 2020 there was a 51% decrease in registrations to EU nationals and a 24% decrease in non-EU national registrations. [EU registrations are very slightly lower than non-EU registrations](#) for the first time in a decade.



Almost half of all known UK registrations are in London or the South East. In the year to September 2020 London recorded 167 registrations while for the South East recorded 50,000 registrations. The reliance of London on non-UK labour reflects both its demographic profile and its role in the UK migration system.

In the West Midlands there were nearly 34,000 registrations. The chart below shows **the origin by world region of foreign national NINo registrations in the West Midlands (NUTS 1 region) in the year ending September 2020**. The largest shares are accounted for by South Asia (27%), the EU2 (23%) and the EU15 (16%). Birmingham had 10.9 thousand registrations in the year to September 2020 (accounting for around a third of the West Midlands region total). The next highest volumes of registrations in the Midlands were Coventry (5.7 thousand), Sandwell (3 thousand), and Wolverhampton (2.6 thousand).



Data from the **Labour Force Survey** indicates that there were 1.87 million EU nationals working in the UK in July to September 2020. This is 364,000 fewer than the previous year (16% lower). There were 1.29 million non-EU nationals working in the UK in July to September 2020. This is 65,000 fewer than the previous year (5%) lower. There were an estimated 29.35 million British nationals in employment in July to September 2020. This number has remained relatively stable.

Impact of COVID-19 on statistics on international mobility and migration

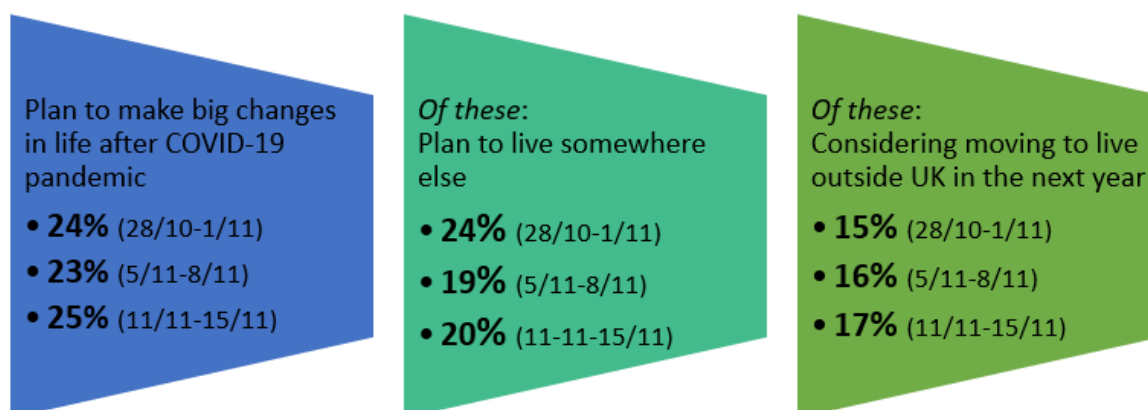
The COVID-19 pandemic has had a substantial impact on statistics on international mobility and migration. These include:

- The suspension in March 2020 of the International Passenger Survey due to the reduction in air travel and cessation of face-to-face interviews. Previously this was the main source of international migration data for the UK.
- Suspension of various population registration processes in the first national lockdown, followed by gradual resumption from June 2020.
- In March 2020 all face-to-face interviewing for the LFS was suspended and replaced with telephone interviewing. This change from face-to-face to phone for first interviews has changed the non-response bias of the survey, affecting interviews from March 2020 onwards.

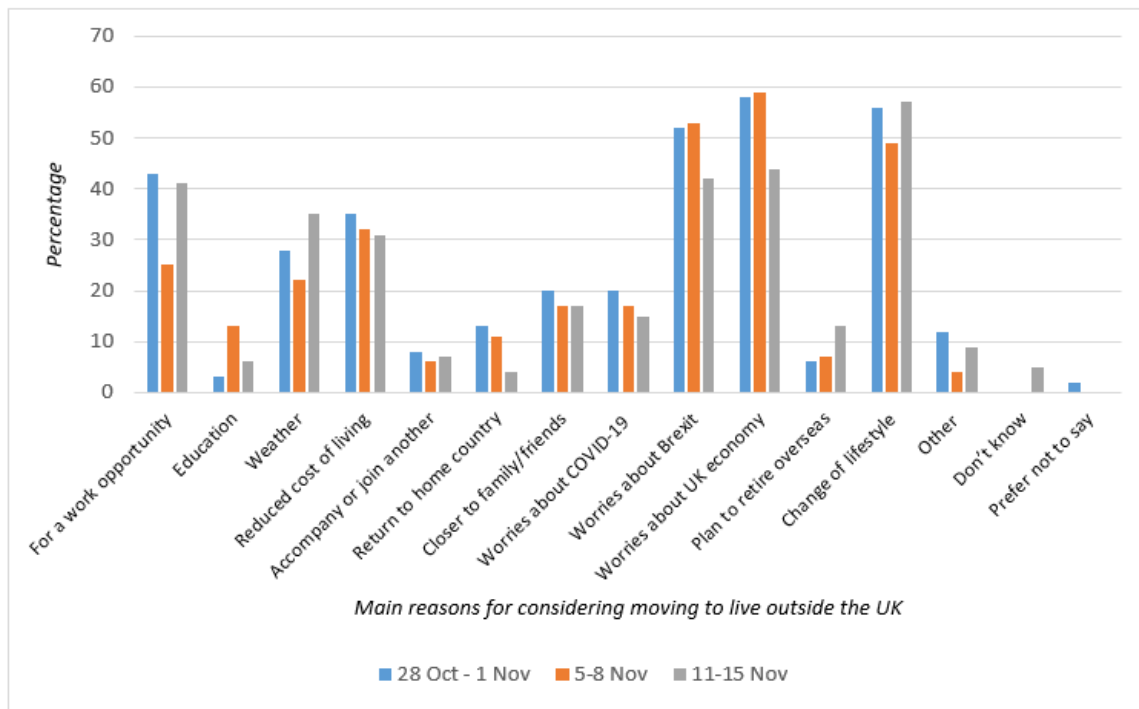
The Office for National Statistics is working on a [transformation programme](#) for population and migration statistics based on making greater use of administrative statistics, especially the Department for Work and Pensions [Registration and Population Interaction Database \(RAPID\)](#) and Home Office Exit Checks data for measuring international migration. The COVID-19 pandemic has accelerated the transition process.

Plans to migrate

The Office for National Statistics has also introduced new data sources on migration. The **Opinions and Lifestyle Survey** measuring the impact of the COVID-19 pandemic on people, households and communities in Great Britain asked respondents included questions in the period from late October to mid-November about their plans for the future after recovery from the COVID-19 pandemic. Around one in four respondents indicated that they planned to make a big change to their life. Of those planning to make a big change to their life, around one in five indicated that they planned to live somewhere else. Of those planning to live somewhere else, around one in six indicated that they planned to move to live outside the UK in the next 12 months (see diagram below).



The three **main reasons given for considering moving to live outside the UK by those who were considering such a move** were worries about Brexit, worries about the UK and a change in lifestyle (see chart below). These were mentioned by around one in two respondents considering moving to live outside the UK. The next most frequently mentioned reasons were moving for a work opportunity and to reduce costs of living. Hence there are both economic and social reasons underlying reasons for considering moving, with economic concerns playing an important role.



Why do employers employ migrant workers from outside the UK?

Until the end of 2019 the UK and West Midlands labour markets were relatively tight. Employment of workers from outside the UK was one of a number of possible strategic and tactical responses to address labour and skills shortages - as outlined in the Table below from a review commissioned by the Migration Advisory Committee on [Employer decision-making around skill shortages, employee shortages and migration](#).

Strategy	Measure
Adjusting rewards to workers	Raising wages
	Raising/ adjusting fringe benefits
	Altering working conditions
Numerical adjustments to labour supply	Recruiting young people
	Delaying retirement of older workers
	Facilitating re-entry to the labour force
	Recruiting immigrants
	Use of non-standard employment practices – e.g. sub-contracting, temporary help
Increasing output from existing workers	Increasing hours of work
	Increasing intensity of work/ discretionary effort of existing personnel
Improving quality of existing labour supply	Education and training (to enhance human capital)
	Importing skills
Adopting alternative work organisation	Problem-solving teams, self-directed work groups
Automation	Substituting capital for labour

Challenges in accessing suitable domestic labour have meant that employers look to migrant workers to address labour and skill shortages. Recruitment of migrant labour may reflect the labour pool of applicants for vacancies. Where there is a lack of applicants, an employer may have little choice but to rely on recruitment of foreign workers – especially if there is an economy-wide shortage or (in some instances) a regional/local shortage. Moreover, migrants can be attractive to employers from an innovation perspective, in that they can bring new skills, capabilities and ideas to the organisations.

The relative ease of employing migrants can be a factor in their employment. If recruitment of migrant labour is relatively easy (as a result of the nature of the immigration system) an employer might be less inclined to consider (re)training domestic labour. Network recruitment of migrant labour tends to accentuate existing patterns of workforce composition leading to concentration of migrant workers in particular sectors and occupations.

Free movement eases employment of migrant workers from an employer perspective. In the West Midlands sectors which have become particularly reliant on free movement, as indicated by the [share of the workforce accounted for by workers born in the European Economic Area](#) (EEA) outside the UK are:

- Manufacture of food and beverages
- Warehousing
- Accommodation and hospitality
- Other manufacturing
- Transport

In the first two sectors workers born in the UK accounted for approximately one in four workers according to analysis of Annual Population Survey data for 2014-2016.

There is limited information available about recruitment and employment of migrant workers since the COVID-19 pandemic. In [Wave 17 \(covering 19 October to 1 November\) of the Business Impact of Coronavirus Survey](#) businesses that had not permanently stopped trading were asked how the number of workers from within and outside the EU at their business had changed since the start of the COVID-19 pandemic. Across all industries, 2% of businesses had an increased number of workers from within the EU and 8% had a decreased number, since the start of the pandemic. The accommodation and food service activities industry, and the administrative and support service activities industry had the highest percentages of businesses with a decreased number of workers from within the EU, at 19% and 12% respectively. Across all industries, less than 1% of businesses had an increased number of workers from outside the EU and 3% had a decreased number, since the start of the pandemic. The accommodation and food service activities industry and the administrative and support service activities industry had the highest percentages of businesses with a decreased number of workers from outside the EU, at 10% and 6% respectively.

Pre and post Brexit UK immigration system

In the (current) **UK immigration system operational until the end of the Brexit transition period** there is an important distinction between EU and non-EU labour. The key features of current UK labour immigration policy are:

- EU citizens coming to work in the UK are eligible to take up employment in any job - as a member of the EU the UK is not able to use any kind of Visa system to control migration from other EU member states
- Citizens of countries outside the EU are subject to immigration control (they do not have the right to enter the UK to live, work or study unless they are granted a visa).

Hence there is an important **distinction between EU and non-EU labour**. There is an underlying assumption in current immigration policy that migrant workers from the EU can help in addressing skill shortages in the UK and for low-skilled jobs can play a role in addressing labour shortages/ providing flexible labour where there is an inadequate supply of UK labour.

At 23.00 hours on 31 December 2020 freedom of movement between the UK and the EU is due to end (unless there is a change to the timing of the end of the transition period). The **post Brexit immigration system** marks the end of free movement and equal treatment of EU and non-EU citizens in a single **skills-based points-based system** (PBS). This marks a fundamental change in the UK immigration regime.

The key characteristics that each applicant has to meet (i.e. non-tradeable characteristics) in the PBS Skilled Worker route are a job offer from an approved sponsor (i.e. employer) at the required skill level (i.e. RQF (Regulated Qualifications Framework Level 3: A level or equivalent) and the ability to speak English. The job must be paid at least a general salary threshold of £25,600 or the going rate for your job, whichever is higher. Individuals earning between £20,480 and £25,599 may qualify under the PBS by 'trading' points on specific characteristics against salary (e.g. holding a PhD relevant to the job).

While the main emphasis is on the Skilled Worker route, there are *other routes in the post-Brexit immigration system available for the highly skilled*. These include:

- The *Graduate route*: to be launched in summer 2021. This is an unsponsored route (i.e. no employer sponsorship is required) providing international students with the opportunity to stay in the UK to work or to look for work after they graduate for up to 2 years (3 years for PhD holders).
- The *Global Talent route*: introduced in February 2020 is for talented and promising individuals in specific sectors wishing to work in the UK. These individuals neither need a sponsor nor to pass entry requirements (such as language tests and minimum salary thresholds).
- The *Office for Talent*: is a new cross-departmental body. Its role is to ensure that the UK's talent offer is as strong as possible – for students and for established world leaders. Its role is to improve the effectiveness of the current immigration system.

There is **no general route for migrant workers to fill low-skilled jobs** (i.e. those requiring only short-term training) in the post-Brexit immigration system. The Government has cited the need to invest in staff retention, productivity and automation, rather than rely on new flows of migrant workers as had been possible under free movement. This means that to fill such jobs employers will be reliant on UK and Irish citizens, EU citizens who remain eligible to live and work in the UK and temporary, short-term visa schemes (such as the Youth Mobility Scheme). A seasonal workers scheme for agriculture remains in place.

EU, EEA or Swiss citizens living in the UK before 31 December 2020 and their families have until 30 June 2021 to make an application to the **EU Settlement Scheme (EUSS)** in order to secure their post-Brexit residence rights to continue living in the UK after that date. The EUSS makes a distinction between settled and pre-settled status. EU or EEA citizens who have lived in the UK for at least five years are eligible for 'settled status', which entitles them to live permanently in the UK and later apply for UK citizenship if they choose to. People living in the UK for less than five years are eligible for 'pre-settled status' and can apply for settled status once they reach five years of residence. Pre-settled status allows people to live, work and study in the UK although access to some benefits for economically inactive people is restricted. The default policy position is that EU or EEA citizens who do not secure their status through EUSS will lose their legal status in the UK.

Irish citizens are not required to apply to the EUSS: there is no plan to change current arrangements for Irish citizens to freely enter, live and work in the UK without requiring permission. There are no plans for immigration controls within the Common Travel Area covering the UK and Ireland, including on the Northern Ireland-Ireland land border.

Conclusion

All regions and local areas have been impacted by international travel restrictions resulting in reduced international mobility and migration flows as a result of the COVID-19 pandemic. There have been disruptions to registration and survey processes which produce the data on which estimates of international migration are based. Looking forward the plan is for a greater reliance on administrative statistics but inevitably there will be a break in statistical series on international mobility and migration. The COVID-19 pandemic may be expected to impact on individuals' future international mobility behaviour intentions. Concerns about economic recession and Brexit will also influence individuals' future plans and behaviour. The end of the Brexit transition period and a new UK immigration system means a marked change in the regulatory framework for international mobility and migration. While the intention is to make the UK attractive for skilled migrants, it suggests a reduction in the labour pool of non-UK citizens to fill jobs at the lower end of the labour market where some sectors and occupations have had a strong reliance on EU labour. As and when the economic outlook improves, the West Midlands may see migration to London in response to wage rises that may occur as a result of reduced availability of EU labour. Currently uncertainty prevails.

ONS Weekly Release Indicators

BCCEIU

On the 10th December 2020 the ONS released the weekly publication containing data about the condition of the UK society and economy from the COVID-19 pandemic.

The statistics are experimental and have been devised to provide timely information. The following summary contains footfall data, initial results from Wave 19 of the Business Impact of Coronavirus Survey (BICS), VAT returns, national company incorporations and voluntary dissolution applications, experimental online job advert indices and results from Wave 36 of the Opinions and Lifestyle Survey (OPN).

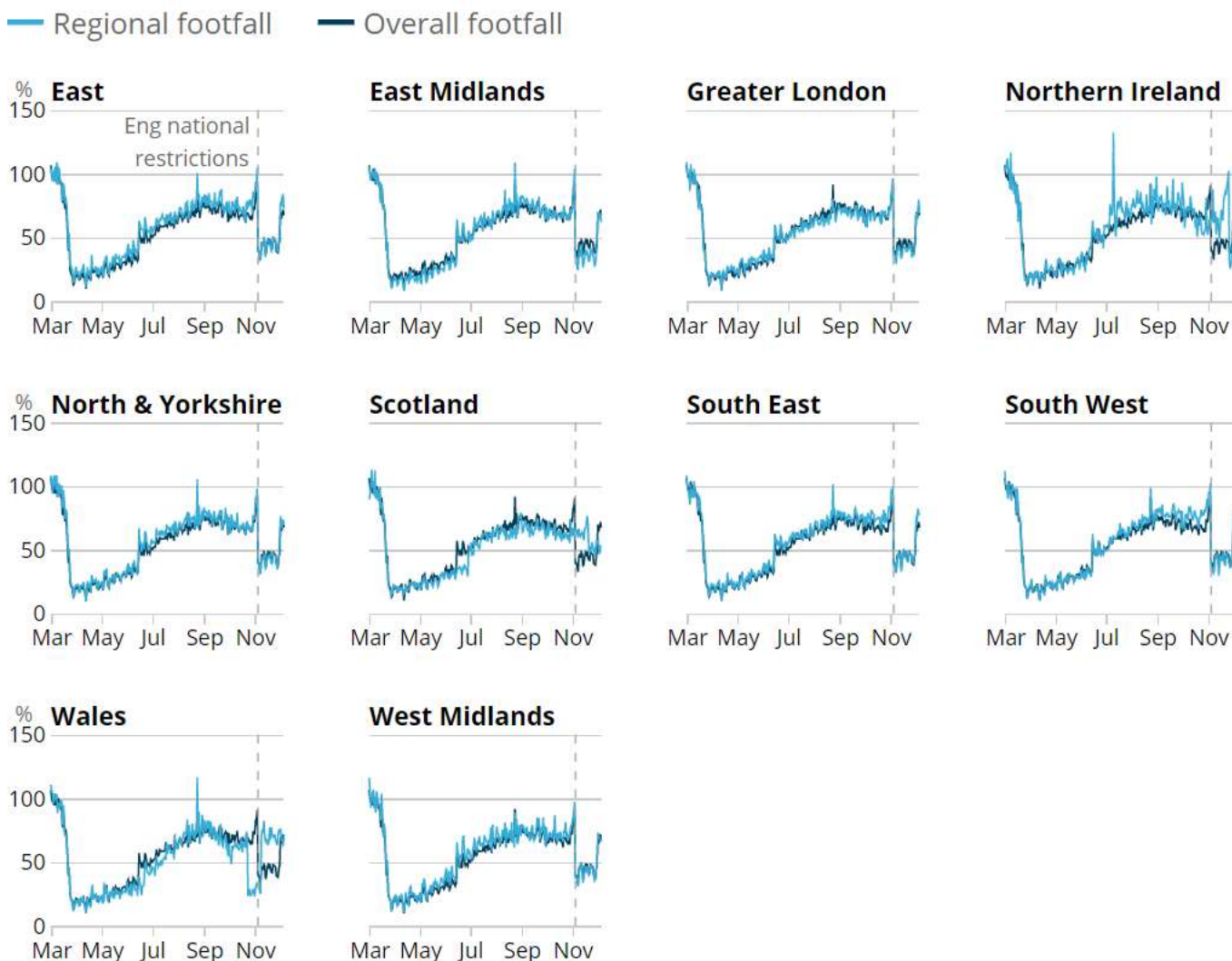
National Footfall

Customer activity figures are provided by Springboard. The volume of footfall has been compared to the same day the previous year (i.e. Sunday 6th December 2020 will be compared to Sunday 1st December 2019).

Overall footfall has increased by 19 percentage points from the previous week meaning for the week ending 6th December 2020 footfall was at 62% of its 2019 level for the same period. Compared to the previous week, footfall in shopping centres increased by 25 percentage point to 59% of the level seen in same week in 2019. Footfall in retail parks increased by 18 percentage points to 87% of the level seen in the same week in 2019 and high streets increased by 16 percentage points to 52%.

Footfall in Northern Ireland decreased by 28 percentage points from the previous week to 36% of the 2019 level in the week ending 6th December. Over the same period, excluding Northern Ireland, all other regions experienced an increase in footfall with the East of England and the South East increasing by 25 percentage points to reach 70% and 69% respectively of levels seen in the same week in 2019. Scotland and Wales both increased by 2 percentage points to 53% and 70% respectively.

The following graph shows the volume of daily footfall for UK regions between 1st March to 6th December 2020, year on year percentage change between footfall on the same day:



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

National Company Incorporations and Voluntary Dissolution

There were 14,888 company incorporations in the week ending 4th December 2020, this was above the incorporations recorded in the same week as 2019 which was 12,119.

Also, for the week ending 6th December, there were 5,809 voluntary dissolution applications. This was lower than the same week as the previous year at 6,048.

Business Impact of the Coronavirus

The initial results from Wave 19 of the Business Impact of Coronavirus Survey (BICS) show that of the 39,000 businesses surveyed across the UK, 22% had responded by 8th December. Unless stated, the following data is based on the period between 16th to 29th November and is based on weighted estimates.

Trading Status

Weighted by count of UK businesses, 76% of responding businesses across the UK have been trading for more than the last 2 weeks. 1% of responding businesses who had temporarily paused trading reported to have started trading in the last 2 weeks. 9% of businesses that have temporarily paused trading but intend to restart trading in the next two weeks. While 9% of businesses that have temporarily paused trading that do not intend to restart trading in the next two weeks, this is a decrease from 13% reported in Wave 18 and 4% of businesses have permanently ceased trading, which is an increase from 2% reported in Wave 18.

Financial Performance

Weighted by turnover, around 8% of businesses that have continued trading reported turnover had increased by at least 20%. While 38% reported that turnover had not been affected. However, 44% of businesses reported turnover had decreased by at least 20% and 9% of businesses were not sure.

Value Added Tax (VAT) Returns

Turnover diffusion indices track the proportion of firms reporting an increase or decrease in their turnover in their Value Added Tax (VAT) returns.

When comparing the all-industry turnover estimate between September 2020 and October, the all-industry turnover was 0.4 standard deviations above the historical mean from 2008 to 2019, with a diffusion index of 0.01. Out of 36,570 firms, approximately 400 more firms saw their turnover increase than firms who saw their turnover decrease. However, when comparing the all-industry turnover estimate to the previous year (October 2019), it was negative 1.0 standard deviations below its historical average, with a diffusion index of 0.04, which means more businesses are seeing a decrease in turnover when compared to the same month in 2019.

The new reporters index measures the number of firms sending VAT returns for the first time (relates to number of firm births). In November 2020, the number of new VAT reporters was 22,840 this is below the level that was seen in November 2019 (23,880), but above the 2015 to 2019 average of 20,908.

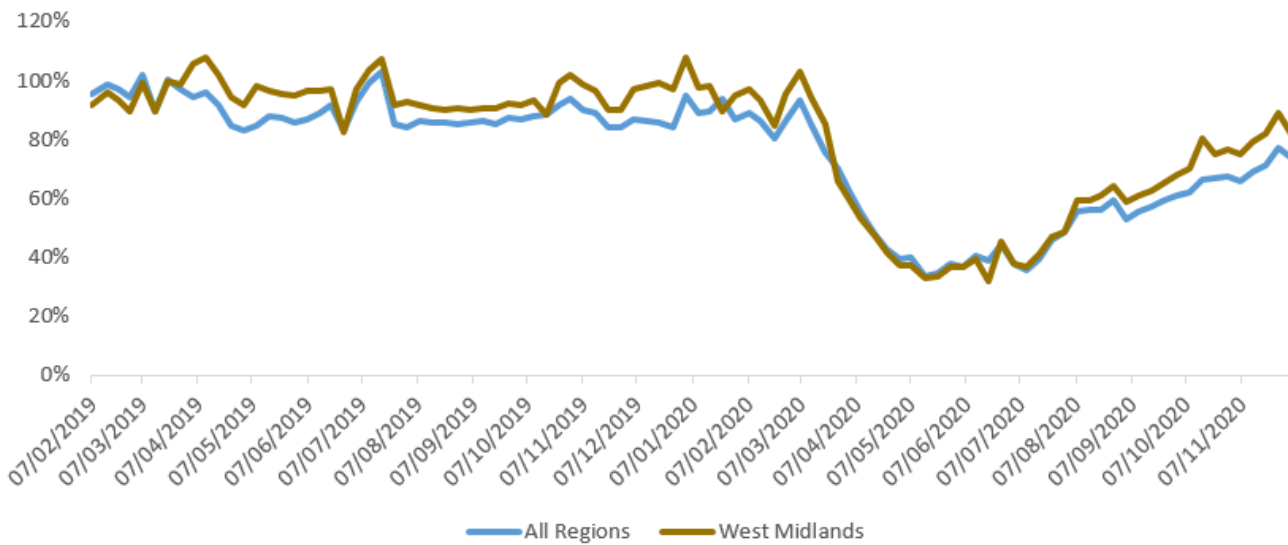
Online Jobs Adverts

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 not comparable with the ONS Vacancy Survey.

Nationally, between the 27th November and the 4th December total online job adverts decreased by 3.4 percentage points to 73.9% of the level seen in the same week as 2019. Out of the 28 categories (excluding unknown) 20 decreased from the previous week, with the highest decrease in domestic help by 20.3 percentage points but still at 103.9% of the level seen in the same week in 2019. The largest increase out of the 8 categories was in wholesale and retail, increasing by 4.5 percentage points to 62.3% of level seen in the same week in 2019.

Between the 27th November and the 4th December, for the West Midlands, the total online jobs adverts decreased by 6.8 percentage points to 82.1% of the levels seen in the same week in 2019. All the UK regions experienced a decrease between the 27th November and the 4th November with Northern Ireland the highest decrease by 22.6 percentage points to 100.8% for the same period in 2019, and the smallest decrease by 2.4 percentage points in Yorkshire and The Humber to 80.6% of levels seen in the same week in 2019.

The following chart shows the total weekly job adverts on Adzuna, for all regions and the West Midlands, 7th February 2019 to 4th December 2020: percentage change from the same week in the previous year



Source: Adzuna

Social Impacts of the Coronavirus

This release covers between 2nd to the 6th December 2020.

Avoiding Contact and Self-Isolating

7% of West Midlands adults have in the past seven days isolated (matching the Great Britain proportion). 91% of West Midlands adults in the past seven days avoided contact with others when outside their home (89% overall Great Britain). 89% 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 (matching Great Britain proportion).

Social Distancing when Socialising

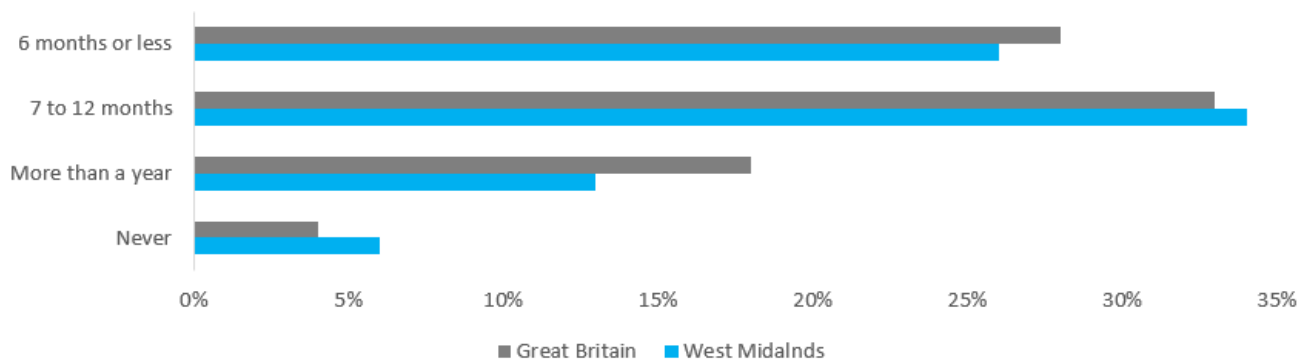
85% of West Midlands adults who have met up with people to socialise outside of their support bubble in the past seven days reported to always or often maintaining social distancing (Great Britain 86%).

85% 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 (matching Great Britain total).

Life Returning to Normal

In the West Midlands, 34% of adults think it will take between 7 to 12 months before their life returns to normal, the Great Britain total was 33%.

The following chart shows how long adults think it will be until life returns to normal in the West Midlands and Great Britain overall:



Source: Opinions and Lifestyle Survey (COVID-19 module), 2 to 6 December

Depressive Symptoms and Anxiety

81% of adults in the West Midlands between the 11th and 29th November reported no or mild depressive symptoms, this matches the Great Britain average. East of England, London and the South East reported the highest proportions at 83%, while the North East had the lowest rates at 78%.

19% of adults in the West Midlands between the 11th and 29th November reported moderate or severe depressive symptoms, this matches the Great Britain average. East of England, London and the South East reported the lowest proportions at 83%, while the North East had the highest rates at 22%.

81% of adults in the West Midlands between the 11th and 29th November reported it was unlikely to have some form of anxiety, below the Great Britain average of 83%. East of England, South East and the South West reported the highest proportions at 84%, while London had the lowest rates at 80%.

19% of adults in the West Midlands between the 11th and 29th November reported moderate that some form of anxiety likely, this was above the Great Britain average of 17%. East of England, South West and the South East reported the lowest proportions at 16%, while London had the highest rates at 20%.

Main indicators – Great Britain Summary

This week refers to 2nd to 6th December and last week refers to 25th to 29th November.

Compliance with most measures remained high at 89% reporting always or often handwashing after returning home, 97% (same as last week) using a face covering, and 89% (decrease from 90% last week) avoiding physical contact when outside their home; 85% (decrease from 88% last week) of adults reported always or often maintaining social distance when outside their support bubble this week.

The following summary shows the main indicators for Great Britain, 25th November to 6th December 2020:

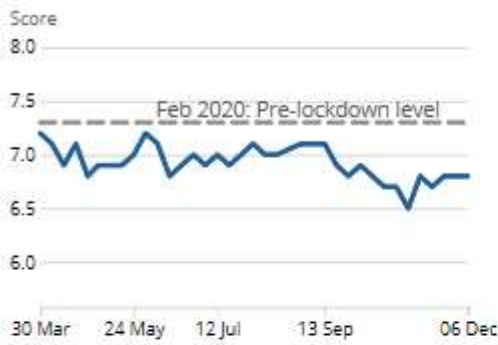
Indicator	This week(%)	Last week (%)
 Percentage of adults always/often handwashing with soap and water after returning home from a public place	89	89
 Percentage of adults that have used a face covering when outside their home in the past seven days	97	97
 Percentage of adults always/often maintaining social distancing when meeting up with people outside their support bubble	85	88
 Percentage of adults avoiding physical contact when outside their home in the past seven days	89	90
 Percentage of adults that 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	40	39
 Percentage of working adults travelling to work (exclusively and in combination with working from home)	54	54
 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	38	40
 Percentage of adults very or somewhat worried about the effect of COVID-19 on their life right now	67	70

Source: ONS – Opinions and Lifestyle Survey

This week in Great Britain, average personal well-being scores for life satisfaction was 6.8, feeling that things done in life are worthwhile was 7.3, and happiness was 6.8 which has remained the same as last week, while there was a slight decrease in the anxiety score to 4.1.

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

Overall, how **satisfied** are you with your life nowadays?



Overall, to what extent do you feel that the things you do in your life are **worthwhile**?



Overall, how **happy** did you feel yesterday?



Overall, how **anxious** did you feel yesterday?



Source: ONS – Opinions and Lifestyle Survey

Claimant Count and Labour Market Statistics: December 2020

BCCEIU

UK Summary²

- Early estimates for November 2020 indicate that there were 28.2 million payrolled employees, a fall of 2.7% (-781,000 employees). Compared with the previous month, the number of payrolled employees decreased by 0.1% in November 2020 – equivalent to 28,000 people and since February 2020, 819,000 fewer people were in payrolled employment.
- Prior to the coronavirus pandemic there was on average 2 to 2.5 million people temporarily away from work. Experimental estimates based on returns for individual weeks show that the number of people temporarily away from work rose to approximately 7.9 million people in April 2020 but has fallen to approximately 3.7 million people in October 2020. There were also approximately 211,000 people away from work because of the pandemic and receiving no pay in October 2020; this has fallen from approximately 658,000 in April 2020.
- There were an estimated 547,000 vacancies in the UK in September to November 2020; this is 251,000 fewer than a year ago and 110,000 more than the previous quarter.
- Redundancies in the UK reached a record high of 370,000 in the three months to October 2020, an increase of a record 217,000 on the quarter, although the number of redundancies fell slightly in October 2020.
- Between May to July 2020 and August to October 2020, total actual weekly hours worked in the UK saw a record increase of 104.9 million, or 12.3%, to 960.0 million hours. Average actual weekly hours worked saw a record increase of 3.3 hours on the quarter to 29.5 hours.

Regional Labour Market³

- **For the three months ending in October 2020, the West Midlands Region employment rate** (aged 16 – 64 years) was **75.0%** which has increased by 0.6pp from the previous quarter, the only English region to experience. The UK employment rate was 75.2%, a decrease of 0.5pp from the previous quarter.
- **For the three months ending in October 2020, the West Midlands Region unemployment rate** (aged 16 years and over) was **5.4%**, which has increased by **0.8pp** since the previous quarter. The UK unemployment rate was 4.9%, an increase of 0.7pp from the previous quarter.
- **For the three months ending in October 2020, the West Midlands Region economic inactivity rate** (aged 16 – 64 years) was **20.6%** - a decrease of **1.3pp** from previous quarter which is the largest decrease across all regions. The UK economic inactivity rate stood at 20.8%, remaining unchanged from the previous quarter.

² Source: ONS, Labour Market Overview; UK: December 2020

³ Source: ONS, Labour Market in the Regions of the UK: December 2020

WMCA 3 LEP Summary

- There were **211,575 claimants aged 16 years and over in the WMCA (3 LEP)** area in November 2020, this is an increase of 3,800 people when compared to October 2020. This was a 1.8% increase compared to an overall UK increase of 2.6%. For the WMCA (3 LEP) area, when compared to March 2020 (117,590) the number of claimants has increased by 93,985 (+79.9% compared to +107.4% UK).
- There were **42,850 youth claimants in the WMCA (3 LEP)** area in November 2020, this is an increase of 15 people when compared to October 2020. This equates to an increase of 0.04%, while the UK increased by 0.6%. For the WMCA (3 LEP) area, when compared to March 2020 (22,835) the number of claimants has increased by 20,015 (+87.7% compared to +112.9% for the UK).

Claimant Count

Claimant count for people aged 16+⁴:

- There were **211,575 claimants aged 16 years and over in the WMCA (3 LEP)** area in November 2020, this is an increase of 3,800 people when compared to October 2020. This was a 1.8% increase compared to an overall UK increase of 2.6%. For the WMCA (3 LEP) area, when compared to March 2020 (117,590) the number of claimants has increased by 93,985 (+79.9% compared to +107.4% UK). When compared to November 2019 (111,915), the number of claimants has increased by 99,660 (+89.0% compared to 119.9% UK).
- Within the WMCA (3 LEP), the **Black Country LEP had 65,980 claimants** aged 16 years and over in November 2020, this is an increase of 1,545 (+2.4%) claimants from the previous month. When compared to March 2020 (38,275) the number of claimants has increased by 27,705 (+72.4%). Also, when compared to November 2019 (36,140), the number of claimants has increased by 29,840 (+82.6%).
- **In Coventry and Warwickshire LEP, there were 33,505 claimants aged 16 years and over in November 2020**, this is an increase of 230 (+0.7%) claimants since October 2020. For the Coventry and Warwickshire LEP area, when compared to March 2020 (15,825) the number of claimants has increased by 17,680 (+111.7%). When compared to November 2019 (14,820), the number of claimants has increased by 18,685 (+126.1%).
- **In Greater Birmingham and Solihull LEP, there were 112,090 claimants aged 16 years and over in November 2020**, this is an increase of 2,025 (+1.8%) claimants since October 2020. In the Greater Birmingham and Solihull LEP area, when compared to March 2020 (63,490) the number of claimants has increased by 48,600 (+76.5%). Also, compared to November 2019 (60,955), the number of claimants has increased by 51,135 (+83.9%).

⁴ All Claimant data sources: ONS/DWP, Claimant count, December 2020. Please note, figures for previous months have been revised.

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

	Nov. 2019	Mar. 2020	Oct. 2020	Nov. 2020	Oct. 2020 (Claimants as proportion aged 16-64) Rates	% Change (Oct. 20 – Nov. 20)	% Change (Mar. 20 – Nov. 20)	% Change (Nov. 19 – Nov. 20)
Birmingham	47,705	49,370	80,715	81,925	11.2%	1.5%	65.9%	71.7%
Bromsgrove	1,145	1,165	2,610	2,730	4.6%	4.6%	134.3%	138.4%
Cannock Chase	1,450	1,655	3,485	3,495	5.5%	0.3%	111.2%	141.0%
Coventry	7,365	8,000	16,475	16,600	6.7%	0.8%	107.5%	125.4%
Dudley	8,350	8,515	14,050	14,460	7.5%	2.9%	69.8%	73.2%
East Staffordshire	1,515	1,720	3,705	3,685	5.0%	-0.5%	114.2%	143.2%
Lichfield	1,170	1,320	2,750	2,795	4.5%	1.6%	111.7%	138.9%
North Warwickshire	800	845	1,960	1,980	5.0%	1.0%	134.3%	147.5%
Nuneaton and Bedworth	2,665	2,830	5,305	5,235	6.6%	-1.3%	85.0%	96.4%
Redditch	1,450	1,535	3,165	3,340	6.4%	5.5%	117.6%	130.3%
Rugby	1,520	1,535	3,060	3,080	4.7%	0.7%	100.7%	102.6%
Sandwell	10,010	10,780	18,965	19,565	9.6%	3.2%	81.5%	95.5%
Solihull	3,645	3,650	7,395	7,700	6.0%	4.1%	111.0%	111.2%
Stratford-on-Avon	990	1,050	2,885	2,965	3.9%	2.8%	182.4%	199.5%
Tamworth	1,325	1,490	2,810	2,895	6.1%	3.0%	94.3%	118.5%
Walsall	8,020	8,605	14,735	14,965	8.6%	1.6%	73.9%	86.6%
Warwick	1,480	1,570	3,590	3,650	4.0%	1.7%	132.5%	146.6%
Wolverhampton	9,765	10,380	16,685	16,990	10.4%	1.8%	63.7%	74.0%
Wyre Forest	1,555	1,580	3,430	3,535	6.0%	3.1%	123.7%	127.3%
WM 7 Met.	94,855	99,300	169,015	172,200	9.3%	1.9%	73.4%	81.5%
Black Country LEP	36,140	38,275	64,435	65,980	9.0%	2.4%	72.4%	82.6%
Coventry and Warwickshire LEP	14,820	15,825	33,275	33,505	5.6%	0.7%	111.7%	126.1%
Greater Birmingham and Solihull LEP	60,955	63,490	110,065	112,090	8.8%	1.8%	76.5%	83.9%
WMCA (3 LEP)	111,915	117,590	207,775	211,575	8.1%	1.8%	79.9%	89.0%
United Kingdom	1,196,765	1,268,620	2,565,320	2,631,280	6.3%	2.6%	107.4%	119.9%

- Overall, for the WMCA (3 LEP) area the number of claimants as a proportion of residents aged 16 -64 years old is 8.1% in November 2020 compared to 6.3% for the UK⁵.

⁵ SED Board Dashboard reports the number of claimants as a proportion of population aged 16 years and over – WMCA 3 LEP was 6.3% and the UK was 4.9% in November 2020.

- Within the WMCA (3 LEP) the number of claimants as a proportion of residents aged 16 to 64 years old varies across the 3 LEPs with the Black Country at the highest with 9.0%, followed by Greater Birmingham and Solihull LEP with 8.8% and then Coventry and Warwickshire LEP with 5.6%⁶.

Youth Claimants (Aged 16-24)

- There were **42,850 youth claimants in the WMCA (3 LEP)** area in November 2020, this is an increase of 15 people when compared to October 2020. This equates to an increase of 0.04%, while the UK increased by 0.6%. For the WMCA (3 LEP) area, when compared to March 2020 (22,835) the number of claimants has increased by 20,015 (+87.7% compared to +112.9% for the UK). When compared to November 2019 (21,855), the number of claimants has increased by 20,995 (+96.1% compared to 125.2% for UK).
- Within the WMCA (3 LEP), the **Black Country LEP had 13,725 youth claimants** in November 2020, this is an increase of 75 (+0.5%) claimants from the previous month. When compared to March 2020 (7,750) the number of claimants has increased by 5,975 (+77.1%). When compared to November 2019 (7,440), the number of claimants has increased by 6,285 (+84.5%).
- **In Coventry and Warwickshire LEP, there were 6,585 youth claimants in November 2020**, this is a decrease of 145 (-2.2%) claimants since October 2020. However, across the Coventry and Warwickshire LEP area, when compared to March 2020 (2,920) the number of claimants has increased by 3,665 (+125.5%). When compared to November 2019 (2,775), the number of claimants has increased by 3,810 (+137.3%).
- **In Greater Birmingham and Solihull LEP, there were 22,540 youth claimants in November 2020**, this is an increase of 85 (+0.4%) claimants since October 2020. In the Greater Birmingham and Solihull LEP area, when compared to March 2020 (12,165) the number of claimants has increased by 10,375 (+85.3%). When compared to November 2019 (11,640), the number of claimants has increased by 10,900 (+96.1%).

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

	Nov. 2019	Mar. 2020	Oct. 2020	Nov. 2020	Oct. 2020 (Claimants as proportion aged 16-64) Rates	% Change (Oct. 20 – Nov. 20)	% Change (Mar. 20 – Nov. 20)	% Change (Nov. 19 – Nov. 20)
Birmingham	8,825	9,220	16,255	16,250	9.6%	-0.03%	76.2%	84.1%
Bromsgrove	220	220	520	535	6.5%	2.9%	143.2%	143.2%
Cannock Chase	320	370	780	770	8.2%	-1.3%	108.1%	140.6%
Coventry	1,450	1,550	3,430	3,355	5.5%	-2.2%	116.5%	131.4%
Dudley	1,755	1,755	3,095	3,120	10.0%	0.8%	77.8%	77.8%
East Staffordshire	255	320	695	675	6.0%	-2.9%	110.9%	164.7%
Lichfield	255	275	525	535	5.8%	1.9%	94.5%	109.8%
North Warwickshire	175	165	415	400	6.9%	-3.6%	142.4%	128.6%
Nuneaton and Bedworth	515	570	1,100	1,075	8.8%	-2.3%	88.6%	108.7%
Redditch	320	310	595	625	8.0%	5.0%	101.6%	95.3%
Rugby	265	245	565	570	5.8%	0.9%	132.7%	115.1%
Sandwell	1,990	2,130	3,950	4,025	11.7%	1.9%	89.0%	102.3%
Solihull	845	830	1,760	1,805	8.9%	2.6%	117.5%	113.6%
Stratford-on-Avon	140	160	525	515	4.8%	-1.9%	221.9%	267.9%
Tamworth	275	305	630	645	8.7%	2.4%	111.5%	134.5%
Walsall	1,820	1,940	3,280	3,225	10.8%	-1.7%	66.2%	77.2%
Warwick	230	230	700	675	3.5%	-3.6%	193.5%	193.5%
Wolverhampton	1,875	1,925	3,325	3,355	12.4%	0.9%	74.3%	78.9%
Wyre Forest	320	315	695	700	8.2%	0.7%	122.2%	118.8%

⁶ SED Board Dashboard reports the number of claimants as a proportion of population aged 16 years and over – BCLEP was 7.0%, CWLEP was 4.3% and GBSLEP was 6.9% in November 2020.

	Nov. 2019	Mar. 2020	Oct. 2020	Nov. 2020	Oct. 2020 (Claimants as proportion aged 16-64) Rates	% Change (Oct. 20 – Nov. 20)	% Change (Mar. 20 – Nov. 20)	% Change (Nov. 19 – Nov. 20)
WM 7 Met.	18,560	19,345	35,095	35,130	9.4%	0.1%	81.6%	89.3%
Black Country LEP	7,440	7,750	13,650	13,725	11.2%	0.5%	77.1%	84.5%
Coventry and Warwickshire LEP	2,775	2,920	6,730	6,585	5.6%	-2.2%	125.5%	137.3%
Greater Birmingham and Solihull LEP	11,640	12,165	22,455	22,540	9.0%	0.4%	85.3%	93.6%
WMCA (3 LEP)	21,855	22,835	42,835	42,850	8.7%	0.04%	87.7%	96.1%
United Kingdom	228,545	241,760	511,535	514,605	7.3%	0.6%	112.9%	125.2%

- Overall, for the WMCA (3 LEP) area the number of claimants as percentage of residents aged 16 to 24 years old was 8.7% in November 2020 compared to 7.3% for the UK.
- Within the WMCA (3 LEP) the number of claimants as a percentage of residents aged 16 to 24 years old varies across the 3 LEPs with the Black Country at the highest with 11.2%, followed by Greater Birmingham and Solihull LEP with 9.0% and then Coventry and Warwickshire LEP with 5.6%.
- At local authority level, the number of claimants as a percentage of residents aged 16 to 24 years old varies from 3.8% in Warwick to 12.4% in Wolverhampton.

Claimant Count by Age and Gender

- There was a reduction in the number of female claimants aged 16-24 years old in the WMCA (3 LEP) area since October 2020. There was a reduction of approximately 35 females' claimants to 16,890 in November 2020⁷. Over the same period male claimants aged 16-24 years old increased by approximately 45 claimants.

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

		Nov. 2019	Mar. 2020	Oct. 2020	Nov. 2020	Num. Change (Oct. 20 – Nov. 20)	Num. Change (Mar. 20 – Nov. 20)	Num. Change (Nov. 19 – Nov. 20)
Total	Age 16+	111,915	117,590	207,775	211,575	3,800	93,985	99,660
	Aged 16-24	21,855	22,835	42,835	42,850	15	20,015	20,995
	Aged 16-17	265	250	380	390	10	140	125
	Aged 18-24	21,590	22,580	42,460	42,465	5	19,885	20,875
	Aged 25-49	63,005	67,130	118,060	120,255	2,195	53,125	57,250
	Aged 25-29	14,670	15,945	28,510	28,655	145	12,710	13,985
	Aged 30-34	14,470	15,635	27,530	28,090	560	12,455	13,620
	Aged 35-39	12,950	13,715	23,930	24,500	570	10,785	11,550
	Aged 40-44	10,560	11,230	19,755	20,375	620	9,145	9,815
	Aged 45-49	10,365	10,605	18,335	18,640	305	8,035	8,275
	Aged 50+	27,055	27,635	46,870	48,465	1,595	20,830	21,410
	Aged 50-54	9,775	9,960	17,470	17,895	425	7,935	8,120
	Aged 55-59	8,860	8,985	15,165	15,645	480	6,660	6,785
Aged 60-64	7,580	7,675	12,180	12,755	575	5,080	5,175	
Aged 65+	850	1,020	2,045	2,170	125	1,150	1,320	
Male	Age 16+	65,105	69,420	124,075	126,070	1,995	56,650	60,965

⁷ Due to rounding figures may not sum.

		Nov. 2019	Mar. 2020	Oct. 2020	Nov. 2020	Num. Change (Oct. 20 – Nov. 20)	Num. Change (Mar. 20 – Nov. 20)	Num. Change (Nov. 19 – Nov. 20)
	Aged 16-24	13,190	14,100	26,025	26,070	45	11,970	12,880
	Aged 16-17	115	115	175	190	15	75	75
	Aged 18-24	13,070	13,980	25,850	25,880	30	11,900	12,810
	Aged 25-49	36,140	38,965	70,650	71,715	1,065	32,750	35,575
	Aged 25-29	8,745	9,610	17,715	17,720	5	8,110	8,975
	Aged 30-34	8,310	9,095	16,620	16,850	230	7,755	8,540
	Aged 35-39	7,295	7,730	14,155	14,430	275	6,700	7,135
	Aged 40-44	6,000	6,440	11,550	11,920	370	5,480	5,920
	Aged 45-49	5,790	6,080	10,615	10,790	175	4,710	5,000
	Aged 50+	15,780	16,355	27,390	28,285	895	11,930	12,505
	Aged 50-54	5,615	5,820	10,130	10,405	275	4,585	4,790
	Aged 55-59	5,195	5,295	8,845	9,145	300	3,850	3,950
	Aged 60-64	4,430	4,575	7,190	7,435	245	2,860	3,005
Aged 65+	540	655	1,220	1,290	70	635	750	
Female	Age 16+	46,810	48,175	83,695	85,505	1,810	37,330	38,695
	Aged 16-24	8,670	8,730	16,815	16,780	-35	8,050	8,110
	Aged 16-17	145	135	200	200	0	65	55
	Aged 18-24	8,515	8,595	16,615	16,585	-30	7,990	8,070
	Aged 25-49	26,870	28,165	47,410	48,550	1,140	20,385	21,680
	Aged 25-29	5,925	6,340	10,795	10,935	140	4,595	5,010
	Aged 30-34	6,155	6,530	10,910	11,240	330	4,710	5,085
	Aged 35-39	5,655	5,985	9,780	10,065	285	4,080	4,410
	Aged 40-44	4,560	4,790	8,210	8,460	250	3,670	3,900
	Aged 45-49	4,575	4,525	7,710	7,850	140	3,325	3,275
	Aged 50+	11,270	11,280	19,480	20,180	700	8,900	8,910
	Aged 50-54	4,160	4,135	7,340	7,495	155	3,360	3,335
	Aged 55-59	3,655	3,690	6,315	6,500	185	2,810	2,845
Aged 60-64	3,145	3,100	4,995	5,315	320	2,215	2,170	
Aged 65+	310	360	825	875	50	515	565	

Labour Market Statistics ⁸

Please note data is only available at a regional level

- **For the three months ending in October 2020, the West Midlands Region employment rate** (aged 16 – 64 years) **was 75.0%** which has increased by 0.6pp from the previous quarter, the only English region to experience an increase.
- The UK employment rate was 75.2%, a decrease of 0.5pp from the previous quarter. For the three months ending in October 2020 the highest **employment rate** within the UK was in the South East (78.6%) and the lowest was in Northern Ireland (70.6%).
- **For the three months ending in October 2020, the West Midlands Region unemployment rate** (aged 16 years and over) **was 5.4%, which has increased by 0.8pp since the previous quarter.** The UK unemployment rate was 4.9%, an increase of 0.7pp from the previous quarter.
- The highest unemployment rate in the UK for the three months ending October 2020 was in the North East at 6.6%, with the lowest unemployment rates in Northern Ireland and the South East, both at 3.9%.
- **For the three months ending in October 2020, the West Midlands Region economic inactivity rate** (aged 16 – 64 years) **was 20.6% - a decrease of 1.3pp** from previous quarter which is the largest decrease across all regions. The UK economic inactivity rate stood at 20.8%, remaining unchanged from the previous quarter.

⁸ Source: Labour market in the regions of the UK, November 2020

- The highest **economic inactivity** rate in the UK for the three months ending October 2020 was in Northern Ireland (26.4%), with the lowest in the South East (18.0%).

A summary of the latest headline estimates for Regions of the UK, seasonally adjusted, August to October 2020

	Employment rate – Aug to Oct. 2020 (aged 16 to 64 years)	Change on May to Jul 2020	Unemployment rate- Aug to Oct 2020 (16 years +)	Change on May to Jul 2020	Inactivity rate – Aug to Oct 2020 (aged 16 to 64 years)	Change on May to Jul 2020
UK	75.2%	-0.5pp	4.9%	0.7pp	20.8%	0pp
Great Britain	75.4%	-0.6pp	5.0%	0.7pp	20.6%	0pp
England	75.6%	-0.7pp	5.1%	0.8pp	20.3%	0.1pp
North East	71.2%	-2.1pp	6.6%	1.1pp	23.5%	1.0pp
North West	73.9%	-1.4pp	4.7%	1.0pp	22.3%	0.6pp
Yorkshire and The Humber	73.8%	-0.3pp	5.2%	1.1pp	22.2%	-0.5pp
East Midlands	75.0%	-1.0pp	5.3%	0.7pp	20.6%	0.4pp
West Midlands	75.0%	0.6pp	5.4%	0.8pp	20.6%	-1.3pp
East	77.2%	-0.4pp	4.7%	0.7pp	18.9%	-0.2pp
London	75.2%	-1.4pp	6.3%	1.2pp	19.8%	0.6pp
South East	78.6%	-0.5pp	3.9%	0.3pp	18.0%	0.3pp
South West	76.8%	-0.2pp	4.4%	0.4pp	19.5%	-0.1pp
Wales	72.4%	-1.4pp	4.6%	1.4pp	24.0%	0.4pp
Scotland	74.8%	1.4pp	4.2%	-0.6pp	21.8%	-0.9pp
Northern Ireland	70.6%	0.2pp	3.9%	0.9pp	26.4%	-0.9pp

Source: ONS – Labour Force Survey

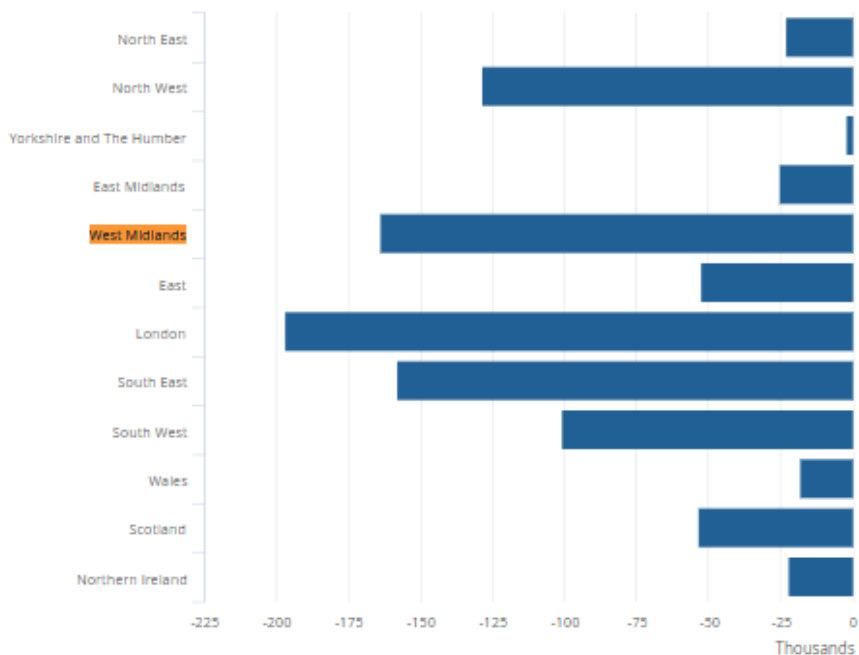
Workforce Jobs (first published 15th December)⁹

Please note, On 13 October 2020, data from the Labour Force Survey (LFS) were reweighted. The Workforce job estimates have been revised to incorporate this reweighting as well as other revisions.

- For the UK there was an estimated 34.69 million workforce jobs in September 2020, which is 942,000 less than in September 2019 and 475,000 less than last quarter (June 2020).
- The West Midlands region had 2.8m workforce jobs in September 2020, following the trend across all the UK regions when compared to September 2019, the West Midlands decreased by 163,762 workforce jobs. The West Midlands region had 92,502 less workforce jobs when compared to the last quarter.

⁹ Workforce jobs measures the number of filled jobs in the economy. The estimates are mainly sourced from employer surveys such as the Short-Term Employment Surveys (STES) and the Quarterly Public Sector Employment Survey (QPSES). Workforce jobs is a different concept from employment, which is sourced from the LFS, as employment is an estimate of people and some people have more than one job. During the coronavirus (COVID-19) pandemic, the LFS and WFJ series may have additional differences because a person's perception of their attachment to a job may differ from the business's perception of that job. It is also important to note that the LFS is based on interviews throughout the coverage period, whereas the WFJ series relate to a specific date. This difference can be significant in a labour market that is experiencing rapid changes.

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

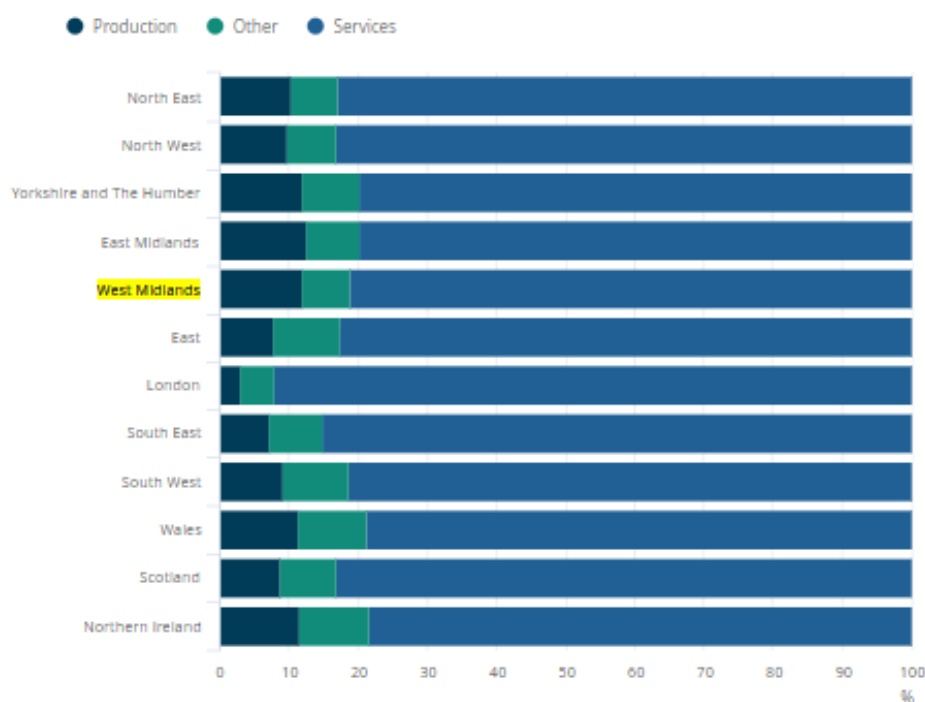


Source: ONS – Workforce Jobs

Workforce Jobs by Broad Industry Group

- 81.1% of the West Midlands Region’s workforce jobs are in the services sector as of September 2020. This is followed by 11.8% in the production sector and 7.1% in other.

Proportion of workforce jobs by broad industry group, by UK Region, September 2020



UK Labour Market Stastics - Vacancies¹⁰

- Vacancies have continued to recover in September to November 2020, with an estimated quarterly increase of 110,000 vacancies to 547,000, but still remain below the pre-coronavirus pandemic levels and are 251,000 (31.5%) less than a year ago.
- The smallest businesses, with one to nine employees, have only 7,000 (5.9%) fewer vacancies than a year ago; compared to the largest businesses, with 2,500 or more employees, who have 114,000 (39.4%) fewer vacancies than a year ago.
- There were quarterly increases in estimated vacancies for all sectors in September to November 2020; although "Construction", "Electricity, gas, steam and air conditioning supply" and "Real estate activities" are the only sectors with an estimated annual increase.

The following table shows the total number of vacancies by sector for the UK, July to September 2020, August to October 2020 and September to November 2020

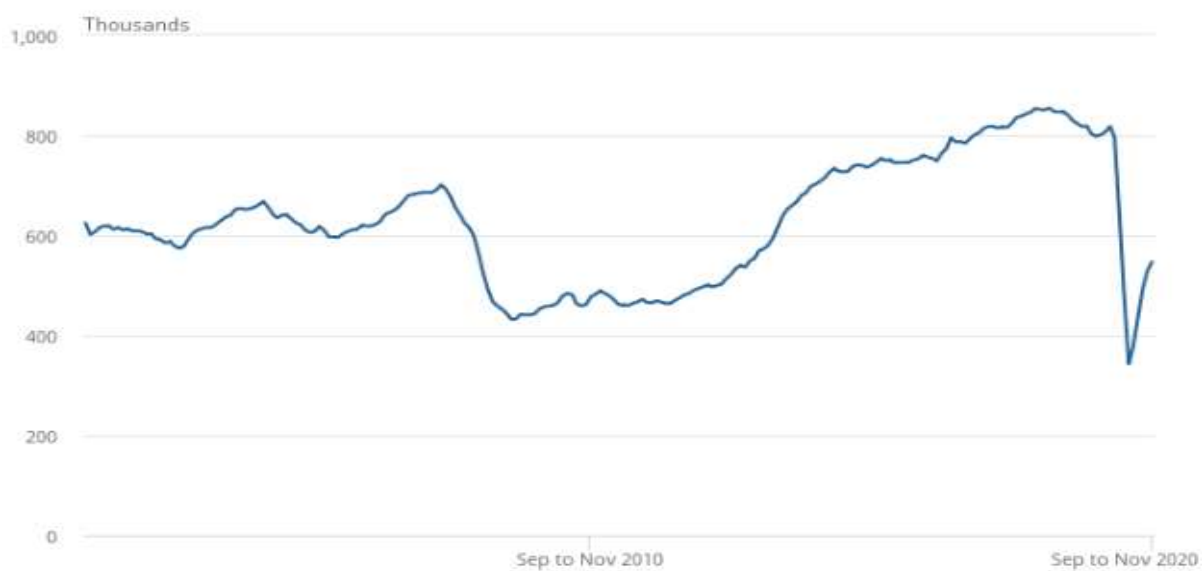
	Total Figures in Thousands		
	Jul - Sep 2020 ¹¹	Aug - Oct 2020 ¹⁰	Sep - Nov 2020
All vacancies	494	529	547
Mining & quarrying	0	1	1
Manufacturing	36	41	40
Electricity, gas, steam & air conditioning supply	3	3	4
Water supply, sewerage, waste & remediation activities	3	4	3
Construction	22	26	26
Wholesale & retail trade; repair of motor vehicles and motor cycles	60	61	64
Motor Trades	6	6	7
Wholesale	14	15	16
Retail	40	40	42
Transport & storage	24	29	30
Accommodation & food service activities	33	32	32
Information & communication	23	25	29
Financial & insurance activities	19	18	19
Real estate activities	7	10	11
Professional scientific & technical activities	47	49	51
Administrative & support service activities	36	35	37

¹⁰ Source: UK labour market: December 2020

¹¹ Revised figures

Public admin & defence; compulsory social security	19	19	22
Education	34	39	39
Human health & social work activities	115	119	121
Arts, entertainment & recreation	5	8	10
Other service activities	8	11	10

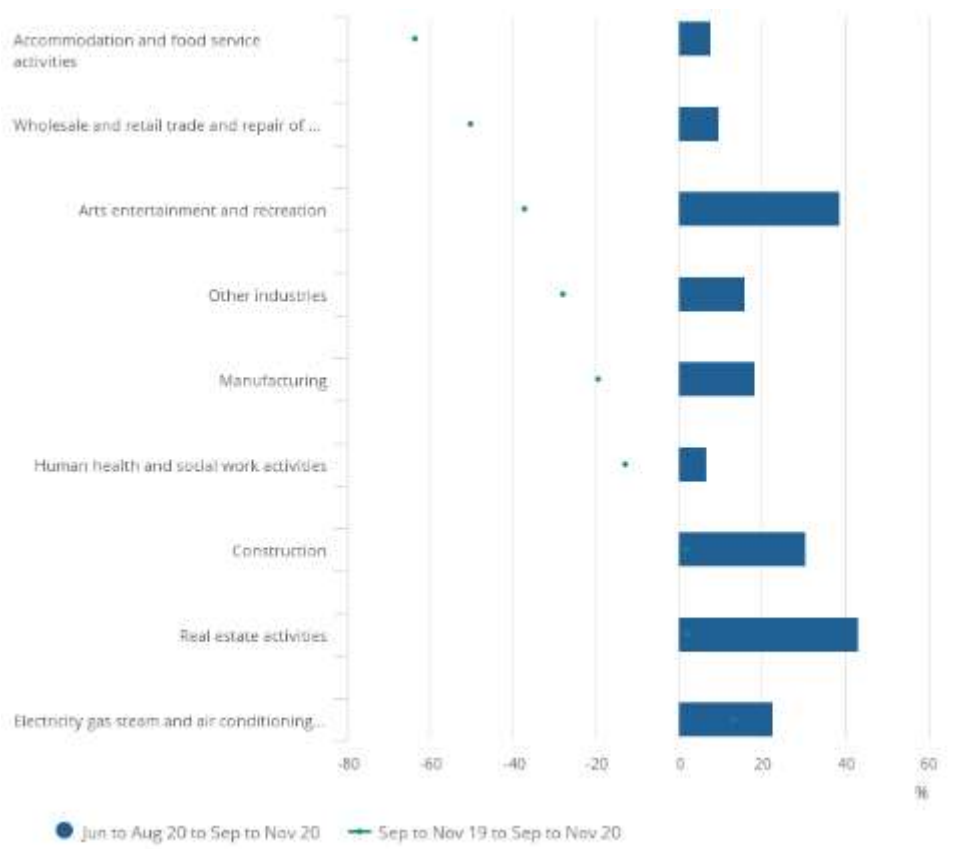
Number of Vacancies in the UK, seasonally adjusted between September to November 2001 and September to November 2020



Source: ONS – Vacancy Survey

- The experimental single-month vacancy series indicate that estimated vacancies in November 2020 are still around 30% lower than a year ago.

The following chart shows the three-month average vacancies in the UK, seasonally adjusted, between June to August 2020 and September to November 2020; index September to November 2019=100, difference in percentage points compared to September to November 2019:



Source: ONS – Vacancy Survey

- The sectors with an estimated annual increase in vacancies are "Real estate", "Construction" and "Electricity, gas, steam and air conditioning supply". These sectors saw large increases in vacancies between June to August 2020 and September to November.
- "Human health and social work activities" had a relatively small increase in vacancies in the latest quarter (6.5%), when compared with other sectors. However, estimated vacancies are only 13.2% lower in the latest quarter compared to a year ago, compared to 31.5% lower for all vacancies, as the sector experienced lower falls in vacancies at the start of the pandemic.
- The "Arts, entertainment and recreation" sector has seen one of the strongest recoveries in the latest quarter, but estimated vacancies are still 37.4% lower compared with a year ago.
- For "Accommodation and food services" and "Wholesale and retail trade; repair of motor vehicles and motor cycles" the recovery in these sectors in the latest quarter has been limited. Estimated vacancies are 64.0% and 50.7% lower than a year ago.

EMSI Job Postings WMCA 3 LEP Geography November 2020¹²

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

¹² Source: EMSI, December 2020

- There were 119,189 unique job postings across the WMCA 3 LEP geography in November 2020, 3.6% higher than in October.
- This is the eighth consecutive month job postings have increased in the region.
- At a more granular level, the picture was more mixed with 13 LA areas recording a positive increase, two with no change and four falling back into negative territory.
- Bromsgrove and Warwick recorded the highest month-on-month increase – both 7% while the largest reduction was in Stratford-on-Avon.
- Posting intensity, i.e. the effort towards hiring for particular positions was highest in Birmingham, Coventry, Redditch, Rugby and Tamworth.

The following table shows the unique job postings in the WMCA area in November 2020 and percentage change when compared with the previous month:

Local Authority Name	Nov 2020 Unique Postings	% Change (Oct 2020 - Nov 2020)
Birmingham	49,292	6%
Bromsgrove	1,641	7%
Cannock Chase	2,310	4%
Coventry	10,998	1%
Dudley	5,509	2%
East Staffordshire	3,546	3%
Lichfield	2,255	3%
North Warwickshire	1,986	1%
Nuneaton and Bedworth	2,478	2%
Redditch	1,967	4%
Rugby	2,960	-1%
Sandwell	5,962	0%
Solihull	4,775	2%
Stratford-on-Avon	3,427	-3%
Tamworth	2,103	-1%
Walsall	4,370	-2%
Warwick	6,195	7%
Wolverhampton	5,609	0%
Wyre Forest	1,806	3%

Adhoc Summaries- Potential Issues:

Obesity – Improving Inclusion and Productivity¹³

The issue of obesity prevalence in the UK is a priority for both policymakers and healthcare professionals. The consequences of obesity for both individual health and the economy have been estimated to be up to 20 percent of total healthcare spending. During the Covid-19 pandemic it has also been observed that those living with severe obesity are more vulnerable to the infection, often requiring more advanced treatment and, sadly, experiencing higher death rates.

¹³ Source: PURPOSE programme (Promoting Understanding and Research into Productivity, Obesity Stigma and Employment) funded by Novo Nordisk

The first output of the PURPOSE programme (Promoting Understanding and Research into Productivity, Obesity Stigma and Employment) funded by Novo Nordisk, focusses on improving national productivity levels via better employment and labour market outcomes for those living with obesity.

Older Workers¹⁴

As a result of Covid-19 there is, correctly, a focus on young people, who are at risk. However, evidence shows that older workers are being just as affected as young, and there is a persuasive argument that they should be treated with parity as they are susceptible, particularly because of age discrimination and caring responsibilities. As such, Covid-19 risks reversing the positive employment trends we've seen over recent years and intensifying the barriers to employment for 50+ which are likely to result in long term unemployment. In addition, historical evidence of older workers in recessions indicates a prevalence of becoming inactive in the labour market.

¹⁴ Source: ONS

LEP Level Intelligence

HEADLINES

SECTOR	KEY CONCERNS
Cross Sector	<p>Schemes</p> <ul style="list-style-type: none"> 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. <p>Access to Finance & Cashflow</p> <ul style="list-style-type: none"> 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. <p>EU Exit</p> <ul style="list-style-type: none"> 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	<p>Investment Projects</p> <ul style="list-style-type: none"> 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. <p>EU Exit</p> <ul style="list-style-type: none"> 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	<p>Restrictions</p> <ul style="list-style-type: none"> Retail continues to struggle after Lockdown 2 and the, now harsher, Tier 3 restrictions.
Visitor Economy	<p>Access to Finance</p> <ul style="list-style-type: none"> 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
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 five-year lease on

COMPANY	LOCATION	SECTOR	DETAIL & SOURCE
			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	<p>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.</p> <p>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.</p> <p>t</p>

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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