West Midlands
Weekly Economic Impact Monitor

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This monitor aims to pull together information across regional partners to understand the impacts of Covid-19 on the economy. Where possible it will utilise all forms of quantitative and qualitative intelligence. However, we urge caution in the use of the contents as this is an emerging situation.

This week we have seen continuing unrest in the USA as the administration changes, increasing infection rates globally and turmoil as Brexit impacts continue to unfold in the short-term. Below is a summary of the key issues this week which influence and shape the policy issues in the region.

- In the USA thousands of Trump supporters organised and rallied at Capitol Hill; many were visibly armed. These protesters aimed to prevent the confirmation of Joe Biden being democratically elected to the presidential office. Donald Trump became the first President to be impeached a second time.
- Deaths continue to rise globally, nationally and regionally, with Covid19 deaths accounting for about a third of deaths in the region. Hospitalisations continue to accelerate, along with patients on ventilators. 13th March recorded the highest covid deaths so far at 1,564.
- While the economic fallout will not be as severe as it was with the first lockdowns, the surge in virus cases will weigh on activity in 2021 Q1 according to Capital Economics. Vaccine rollouts should provide a boost to the global recovery, but not until the second half of the year. Output & activity indicators suggest that the world economy lost momentum throughout 2020 Q4. Consumer spending weakened in 2020 Q4 in most economies, with euro-zone retail faring especially badly
- As the UK has now left the EU, the VAT threshold for the UK has gone this has implications for the tax burden on British buyers. Due to the new frictions with regards to VAT, numerous companies announced that they would be ceasing trade within the UK in the short-term.
- Make UK/ PwC suggests:
    - One third of companies believe investment prospects for the UK will decrease outside EU
    - The ability of UK to attract international talent may fall
    - Customs delays and increased costs of regulation are amongst biggest risks to supply chains
    - Fears of national and local lockdowns are seen as the second biggest risk
    - A quarter of companies are looking to re-shore overseas activities
    - Investment in new products, digital technologies and training builds resilience
    - Productivity and recruitment are likely to pick up
- Andy Street Mayor of the West Midlands, wrote to business leaders to help them access information and support that is available. This site has been designed to act as one central resource where businesses will be able to access tailored support, advice and upcoming events.
- The West Midlands Business Activity Index has increased from 50.5 in November 2020 to 54.2 in December 2020. The increase in business activity was linked to the reopening of more companies following the second lockdown ending and clients stockpiling in preparation for Brexit. The overall UK Business Activity Index increased from 49.0 in November 2020 to 50.4 in December 2020. Out of the twelve UK regions, the West Midlands had the highest Business Activity Index in December 2020.
- Companies in the West Midlands remain confident about a rise in output in the next 12 months with the Future Activity Index at 73.6 in December 2020; this five-month high in optimism from businesses stems from news of an approved COVID-19 vaccine and also predictions of new contract wins.
- For West Midlands businesses that indicated they had sites that had paused or ceased trading, 36.0% stated they it was not financially viable to keep open, 57.5% were required to temporarily close due to lockdown regulations and 19.0% reported insufficient footfall or customer interest. 41.2% of trading businesses in the West Midlands reported profits had decreased by at least 20%. In the West Midlands, 66.9% of businesses had high confidence in surviving over the next three months, whilst 23.2% had moderate confidence of survival, and 3.3% had low confidence. The remaining 5.8% were not sure. Regionally footfall continues to decrease and has decreased 10pp on last week.

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Policy Implications of Brexit:
Weakened supply chains; trade with N Ireland, ongoing trickle of impacts businesses not prepared for; labour market constraints

- 8.0% of West Midlands businesses indicated that they were intending to make changes to supply chains in preparation for the end of the EU transition period, while 50.3% of West Midlands businesses reported they were not.
- Northern Ireland trading is at risk both as a through route for trade and also companies maintaining markets. Rules of origin are still a problem and some companies are suspending EU sales to avoid import tariff after finishing of products in EU.
- Companies who were prepared and brought in additional support over Christmas are coping okay. This may imply that over time companies will adapt. But could be a slow puncture as orders slowly decline.
- Red tape on the EU side of the deal is impacting on demand, with EU customers not prepared to take on the additional cost of regulation on their side. Logistics companies are cancelling or charging 2.5 times the original cost; there is a sense of UK voted for it therefore UK has to deal with it.
- Alignment of the qualifications is still an issue, particularly in health and social care, and there is now an impact on visa applications.
- It is estimated 20,000 people (non-Irish EU nationals) are still to apply for settlement in Birmingham alone.
- A Nuffield Trust looks report on **"**Understanding the impact of Brexit on health in the UK" concludes that the UK's changing international relations will mean that protecting and improving health will remain an unpredictable task.
- A Work Foundation report highlights three main groups of immigrants affected by immigration changes: those in low-skilled work earning below the required salary threshold; those in low-skilled work, but with higher salaries; and those in high-skilled work, but with low incomes. The Resolution Foundation highlights sectors that are most reliant on migrant labour may need to consider significant adjustments to their size and how they operate in the years ahead.

Policy Implications of Covid:
Impending redundancy decisions; business sentiment very low; demand for help for self-employed, emergency loans extension, Directors Income Support Scheme; help for recently self-employed, and emergency loans extension; use of alternative funding such as pension fund investment; what's the plan B for Covid?

- Inconsistencies in school approaches regarding which pupils can attend is having an inconsistent impact on employees and businesses.
- Signals from business is that they will be making large scale redundancy decisions, and business sentiment is now very low. The ONS reports that 14.0% of responding West Midlands businesses expect redundancies to happen within the next two weeks. 21.1% of West Midlands businesses expect redundancies to occur between two weeks and one month and 62.3% expect redundancies to occur in the next one to three months. 71.2% of West Midlands businesses reported that they expect closing the sites will cause permanent redundancies and 26.9% reported the workforce will relocate
- Businesses are asking 'What is Plan B on Covid?' 'What does it look like?' and 'Can we have a more stable longer term 12-month plan?' This will help them plan for recovery and in the long term adapting to Covid conditions.
- The Federation of Small Businesses (FSB) Quarterly Small Business Index (SBI) shows confidence at second lowest ebb in report's ten-year history. At least 20,000 West Midland small businesses are set to fold without further help. One in five firms reduced headcounts in the three months to December 2020.
- FSB have asked for a number of policy actions including help for self-employed, emergency loans extension, Directors Income Support Scheme; help for recently self-employed, and emergency loans extension.
- Crisis estimates that there will be 270,800 homeless by 2040 if the current trajectory is allowed to play out unchecked. With a comprehensive package of policies, the charity argues, including the further roll out and support form Housing First and more council homes, homelessness can be radically reduced and even eliminated.
- UK Music have released a report calling on the government to give greater reassurance and support for live music to restart when it is safe to do so, with recommendations that could be rolled out across the entire performing arts sector. The request that the government validates ways for venues to make themselves safe including cleaning, ventilation, and testing, and an extension of VAT relief on tickets.

- Citizens Advice warns that when the current ban on evictions expires on Monday 11, there could be a swathe of private renters evicted from their homes due to growing arrears
- PwC has shown that for the first time in the 21st century, the population of London could decline this year as fewer graduates move to the city thanks to the growth in remote opportunities and people seek more living space. The Centre for Progressive Policy calls for governments to work with pension funds and insurers to develop a pipeline of investable infrastructure projects.
- 73% of adults reported they were very or somewhat worried about the effect COVID-19 was having on their life, matching the Great Britain average. Life satisfaction was 6.9 (score out of 10) in the West Midlands (6.7 GB), worthwhile was 7.4 in the West Midlands (7.2 GB), happiness was 7.3 for West Midlands adults (6.9 GB) and anxious was recorded at 4.0 for West Midlands adults (matching the GB Average). 22% of West Midlands adults think it could more than a year to return back to normal (20% GB)

Policy implications of Inequality impacts

Increasing inequality; young and minority groups more affected; higher skilled more resilient

- Regional inequality is not increasing for incomes, but is increasing for wealth. Local inequalities are significant; and former industrial areas in the Midlands and North and coastal towns have not been falling behind but have become poorer.
- The West Midlands has a higher share of the population in school (and pre-school) age groups than across England as a whole so lockdown changes have a large impact. The West Midlands – and especially Birmingham – has more pupils on free school meals than the national average and these pupils are affected more by lockdown. In the first lockdown in 2020 time spent on educational activities amongst primary school children fell by a quarter. The decrease in time spent on such activities when schools were closed was most pronounced for those from the poorest families.
- The Covid-19 crisis has exacerbated labour market inequalities between graduates and non-graduates – and despite progress in raising qualification levels, with a less qualified workforce than nationally, the West Midlands has a larger share of non-graduates. Prior to the Covid-19 crisis, 71% of employees without a degree either worked in a sector that was locked down or had a job that could not easily be done remotely.
- Minority ethnic groups have suffered disproportionately from disruption to earnings because of their relative concentration in sectors suffering lockdown and/or being amongst the self-employed, which have been at particular risk of losing hours and earnings during the Covid-19 crisis.
- Deaths from Covid-19 are even more socially graded than non Covid-19 deaths, so exacerbating existing inequalities in deaths by local area deprivation.
- Several local authorities in the West Midlands emerge as vulnerable on ‘Health’ and ‘Families’ dimensions. Walsall is in the fifth (i.e. most vulnerable) quartile of local areas on both the Health Index, while Birmingham, Sandwell and Wolverhampton are in the fifth quartile on one index and the fourth quartile on the other.
- Before the Covid-19 crisis pensioners were becoming relatively better off. During 2020 the majority of retired people reported no financial impact from the Covid-19 crisis and recession, while a fifth of them reported that their financial situation improved. Over the longer-term this generation has also seen the benefit of defined benefit pension schemes (which are now much less prevalent) and from real house price rises - and the recent movement in the housing market has been concentrated disproportionately amongst higher value properties.
- Young people have suffered the brunt of job and income loss. Analyses show that by September/October 2020 young people aged 16–25 years were more than twice as likely as older employees to have suffered job loss during the Covid-19 crisis. A majority of the group had seen their earnings fall. These disproportionate negative impacts occurred in the context of average earnings among employees currently in their 30s (who were largely in their 20s when the 2008 recession hit) being 7% lower in real terms in 2019 than they had been for their predecessors at the same age in 2008. The generational divide is of particular significance in the West Midlands, given the youthful age structure of its population.

Global, National and Regional Outlook

Alice Pugh, WMREDI

Global

Last week a violent riot took place at Capitol Hill the heart of US democracy. Thousands of Trump supporters organised and rallied at Capitol Hill; many were visibly armed. These protesters aimed to prevent the confirmation of Joe Biden being democratically elected to the presidential office. The policing of the event was also noticeably different to the scale of the policing at the Black Lives Matter protests. A number of people were hurt in the violence that occurred at the riot and whilst the incumbent President may not wish to convict the rioters, his successor and law enforcement will react with the full force of the law, as they see this as insurrection. These riots have shone a light on the fragility of American democracy, as one if not the most divided industrialised democracies.

However, Mr Biden has promised to mend the democracy as well as the political rifts that are plaguing the country. This is important as whilst tensions are heightened businesses may be finding it risky to invest; confidence will only increase again when the US is back on a different and consistent track. Mr Biden is in a difficult position, especially as President Trump has upset a lot of allies during his presidency, which could hinder future trade agreements. The hope is that Mr Biden will be able to restore confidence in US democracy and by doing so will bring stability back to an economy that is being shaken by this riot and the presidency of Trump.

While the economic fallout will not be as severe as it was with the first lockdowns, the surge in virus cases will weigh on activity in 2021 Q1 according to Capital Economics. Vaccine rollouts should provide a boost to the global recovery, but not until the second half of the year. Headlines have (rightly) concentrated on vaccine developments. But one issue that has slipped under the radar is that headline inflation rates are set to surge in the next few months. Indeed, the contribution of energy price inflation to headline rates will spike in April as the fall in oil prices that occurred during the early stages of the pandemic drops out of the year-on-year comparison. Capital Economics highlight that globally:

- Coronavirus infections have rebounded again, and daily deaths are high or rising in most countries.
- Output & activity indicators suggest that the world economy lost momentum throughout 2020 Q4.
- Business surveys softened further in December, but still point to industry outperforming expectation.
- Consumer spending weakened in 2020 Q4 in most economies, with euro-zone retail faring especially badly.
- External trade is on track to have recovered to its pre-virus level by the end of 2020 at the global level.
- Labour markets are still much weaker than unemployment rates suggest.
- Inflation generally remained low and stable in November 2020, though base effects will push it up soon.
- Monetary data show that lending growth has slowed markedly in the US, but they are not worried by it.
- Commodity prices have benefitted from dollar weakness and a surprise oil output cut by Saudi Arabia.
- Financial markets have seen continued rises in risky asset prices and a rise in government bond yields.

National

As the UK has now left the EU, the VAT threshold for the UK is gone. This means, for instance, that any Irish company selling into the UK has to register with British Tax Revenue for VAT purposes, no matter the volume of sales. Also under UK rules, if the value of the consignment is over €150 (£135) then "import VAT" applies, and it must be paid by the buyer at the UK post office when picking up purchased goods.

Due to the new frictions with regards to VAT, numerous companies announced that they would be ceasing trade within the UK in the short term. Some left to VAT complication, others because the UK was now outside the EU's food safety sphere. Additionally, any food products from one EU member state that went to a UK distribution hub and then back to the EU would lose their EU origin status and be subject to full EU tariffs upon arriving in EU ports. This would particularly effect Ireland, as Ireland and the UK are often treated as one market due to similar tastes and packaging preferences.

Whilst food should effectively be VAT free under the new agreement if it is repackaged in the UK then from then on it will be subject to tariffs and VAT. It is likely therefore, that in the future businesses may move distribution hubs out of the UK or shipping goods across the UK in sealed containers bypassing any distribution hubs. The latter is the more likely option as risk of moving distribution warehouses is high: firstly it's costly and businesses risk price hikes in goods due to punitive tariffs. Brexit has completely changed the relationship of not only the UK's with the EU but also the Republic of Ireland's, and it is likely that at least in the short-term changes to rules and regulations will cause delays as businesses become accustomed to these new operations and relationships.

Make UK/ PwC recently conducted a survey looking at the fears over new relationships with EU. It found that firms are focusing on new products, building resilience and agility to counter risks.

Key findings:

- One third of companies believe investment prospects for the UK will decrease outside EU
- The ability of UK to attract international talent may fall
- Customs delays and increased costs of regulation are amongst biggest risks to supply chains
- Fears of national and local lockdowns are seen as the second biggest risk
- A quarter of companies are looking to re-shore overseas activities
- Investment in new products, digital technologies and training builds resilience
- Productivity and recruitment are likely to pick up

Fears surround the impact if the new UK-EU trading relationship and the attractiveness of the UK for both investment and talent. This is clouding the outlook for manufacturers as they enter 2021. Despite this, companies are positive that the opportunities outweigh the risks for their businesses given significant investments in boosting productivity and agility, while manufacturers are more confident about their own companies than for others either globally or UK based.

The survey also shows that a third of companies believe investment prospects within the UK for businesses will decrease with the UK having left the EU with only 18% saying they will increase. Additionally, just over a quarter of companies (26%) believe exports to the EU will fall with only 16% believing they will increase.

A third also believe that the UK's ability to attract international talent will diminish, with just 11% believing the UK will be a more attractive destination outside of the EU. According to Make UK this potentially risks the ambition of the new immigration system, designed to encourage the best talent to the UK.

The survey also shows that companies regard customs delays as the biggest risk (47%) while concerns over national and local lockdowns were the second biggest (46%). Furthermore, increased costs of regulation are a large concern with 39% say that they are concerned, while over one in ten companies (14%) believe relocation of a major customer out of the UK is their biggest risk.

Onward have released the first report in a series, looking at how the UK can progress to net zero emissions in under three decades. Whilst good progress has been made so far, as the UK is decarbonising faster than any other country within the G7, there are significant challenges with most high emission industries lying in political battle grounds and the least wealthy constituencies, including the West Midlands.

PwC has recently shown that for the first time in the 21st century, the population of London could decline this year as fewer graduates move to the city thanks to the growth in remote opportunities and people seek more living space.

The new Business Secretary Kwasi Kwarteng has written an open letter to the construction outlining that it is safe to carry on working and spelling out why sites are continuing to stay open. However, the sector has responded to say that they are struggling with school closures, illness and care responsibilities affecting employees. The industry is asking for key worker status.

Regional

In January 2021, with the UK exiting the EU, in order to help businesses within the West Midlands adjust, Andy Street Mayor of the West Midlands wrote to business leaders to help them access information and support that is available. It is well understood that the last 12 months have been extremely frustrating for businesses across the UK:

not only have businesses been uncertain as to how to prepare for Brexit due to the length of trade negotiations, but they have had to deal with the Covid-19 pandemic.

However, now that the future trading relationship between the UK and EU is known, businesses can explore how they are exposed to Brexit-related risks and, where possible, take steps to mitigate their exposure to those risks. Many businesses across all regions of the UK are like to see changes: in the workforce (such as EU nationals leaving the workforce), trading relationships (changes in direct imports or exports of goods or services from or to the EU) and legal protections and regulations (such as safeguarding intellectual property or product labelling requirements). To understand the impacts and available help from the UK government check the Brexit Checker.

Within the West Midlands, the West Midlands Combined Authority has been working with the region's business guidance organisations to deliver a range of free support and resources. Having received additional funding from the Government to help businesses prepare, the West Midlands' Growth Hubs have joined forces to establish a single point of information about the help available from the hubs, as well as other local business organisations. This site has been designed to act as one central resource where businesses will be able to access tailored support, advice and upcoming events. There is also the opportunity to access 1-2-1 guidance from local experts. The West Midlands Combined Authority is also working with the three local Chambers of Commerce to scale up existing support for businesses to help them adapt and prepare for the new trading relationships. The Mayor's hope is that the support and guidance offered by the schemes will prove useful to businesses as they adapt to new trading relationships.

Qualitative Intelligence

Rebecca Riley, WMREDI/WMCA

This information is collated from regional intermediary bodies and the main issues.

Businesses have welcomed the continued support from government but there are concerns about the start of debt payments which is a worry for businesses.

Key regional EU exit issues are:

- Northern Ireland trading is at risk both as a through route for trade and also companies maintaining markets.
- Rules of origin are still a problem and some companies are suspending EU sales to avoid import tariff after finishing of products in the EU.
- Companies who were prepared and brought in additional support over Christmas are coping okay. This may imply that over time companies will adapt. But there could be a slow puncture as orders slowly decline.
- Red tape on the EU side of the deal is impacting on the demand, with EU customers not prepared to take on the additional cost of regulation on their side. Logistics companies are cancelling or charging 2.5 times the original cost; there is a sense of UK voted for it therefore UK has to deal with it.
- Issues are still evolving around the Brexit supply chain, with years of established relationships now unable to continue.
- The issue has been raised that Gov.uk guidance is not pitched at the appropriate level, is not easy to access, is too detailed without an overview and is not operationally relevant. This makes it hard for businesses to navigate the impacts or understand the requirements.
- Waste exports are an issue in terms of paperwork and processes not in place.
- In relation to battery supply, there are no suppliers in UK and most Chinese imports won't supply to small businesses.
- Alignment of qualifications is still an issue, particularly in health and social care, and there is now an impact on visa applications.
- EU citizens' rights are a problem in terms of accessing benefits, housing etc and the settlement process for non-Irish EU citizens is ongoing until June. A lot of local authorities have suspended the settlement process because of Covid-19. Local authorities provide the ID verification and help with scanning documents and there are now issues with supply of the technology to do this. It is estimated 20,000 people are still to apply for settlement in Birmingham alone.

Covid-19 impacts:

- There are inconsistencies in school approaches regarding which pupils can attend and this is having an impact on employees and businesses.
- There is some evidence of discouragement of using the App in the workplace, with businesses advising against it. This will impact on the capacity to reduce the infection rates.
- Signals from business are that they will be making large scale redundancy decisions, and business sentiment is now very low.
- R&D rebates are delayed which is putting additional strain on the businesses
- Businesses are asking 'What is Plan B on Covid?' 'What does it look like?' and 'Can we have a more stable longer term 12-month plan?' This will help them plan for recovery and in the long term adapting to Covid conditions.

Federation of Small Business summary:

- The Federation of Small Businesses (FSB) Quarterly Small Business Index (SBI) shows confidence at the second lowest ebb in report's ten-year history.
  - The UK SBI confidence measure stands at -49.3, down 27 points year-on-year.
  - The reading is the second-lowest in SBI history, second only to that recorded in March 2020.
  - The West Midlands Small Business Index stands at -36.
- At least 20,000 West Midlands small businesses are set to fold without further help

    - The proportion is at an all-time high for the SBI, which launched in the wake of the financial crash, and is more than double that recorded at the same point 12 months ago.
- One in five firms reduced headcounts in the three months to December 2020.
    - One in seven expect to do so this quarter.
- The vast majority of those surveyed (80%) do not expect their performance to improve over the next three months.
- The proportion of small businesses forecasting a reduction in profitability for the coming quarter has spiralled over the past year, rising from 38% to 58%. The figure is at an all-time high.
- Almost half (49%) of exporters expect international sales to drop this quarter, up from 33% at this time last year.

FSB Asks:

- Small Business Cash Grants – a second round of one-off grants of £10,000 through the Small Business Grant Fund (SBGF), plus targeted grants of up to £25,000 for small firms in the retail, hospitality and leisure sectors and new help for the supply chain, administered through the business rates system in England. Current grant around a third of FSB ask and not available to supply chains

- Revenue Loss Scheme– a German-style scheme to reimburse small businesses for the financial impact of a significant loss in custom, whereby the government would cover a percentage of lost revenue compared to the same time last year.

- Directors Income Support Scheme – a taxable grant for directors of limited companies calculated at 80% of three months average monthly trading profits, paid out in a single instalment and capped at £7,500. This would mirror the existing framework offered by the Self-Employed Income Support Scheme (SEISS), avoiding the issues around dividends.
    - The chancellor acknowledged the FSB & ACCA Director Income Support Scheme in parliament this week.
    - Self-employed individuals have now received a max of £24,000
    - Directors - £0 or £6,000 in JRS if they closed

- Help for more recently self-employed – an extension of the Self-Employed Income Support Scheme at the end of January 2021 after the final date for self-assessment tax returns, to include the use of a 2019/20 tax return in time to qualify for the SEISS fourth Grant. This would help around 300,000 newer self-employed people who were left out of previous SEISS rounds.
    - Government still basing eligibility on whether you were trading in March 2019
    - To get a full grant you will have had to be trading in April 2018
    - So any self-employed for less than 3 years get reduced amounts
    - Any under 2 years get £0

- Emergency loans extension – greater financing ability for those who have used their allocations through Bounce Bank Loans, extending the period before repayments begin, and a student loans approach for debt repayment which means that loans are only paid when the company is profitable and can afford to do so.
    - 10-year repayment is non-existent but would give better security to business
    - Great that we can "double dip" BBL and CBILS - but still capped at 25% of 2019 turnover and payments still start 12 months after first drawdown – i.e. April/May
    - Small businesses struggling to get extra finance
        - Interest rates are hitting 15-20% for most now
        - Many are turning to generosity through crowdfunding etc
        - The lack of support is effectively forcing businesses to beg for help

Top Ten From Around the Web

Keziah Watson WMCA

- The Institute for Government have looked at the way the government has used scientific advice during COVID and how this could be improved, citing a need for greater clarity in the role of SAGE and clear lines of communication to the public. The report also suggests a greater scientific understanding among the civil service and stronger working relationships with scientific advisors.
- The final report of the Women's and Equalities Committee on the impact of COVID on people with disabilities highlights government failings in providing access to food by using too narrow a definition of disabled and poor communication with people with disabilities, including a lack of British Sign Language interpreters alongside press conferences. They recommend a future independent inquiry into the matter which would also encompass children with special educational needs and potentially discriminatory do not attempt resuscitation notices.
- Crisis estimates that there will be 270,800 homeless by 2040 if the current trajectory is allowed to play out unchecked. With a comprehensive package of policies, the charity argues, including the further roll out and support form Housing First and more council homes, homelessness can be radically reduced and even eliminated.
- UK Music have released a report calling on the government to give greater reassurance and support for live music to restart when it is safe to do so, with recommendations that could be rolled out across the entire performing arts sector. The request that the government validates ways for venues to make themselves safe including cleaning, ventilation, and testing, an extension of VAT relief on tickets, and these discussions beginning now so that the sector can reopen as soon as possible.
- Onward has released the first report in a series by a select team looking at how the UK can get to net zero emissions in under three decades. Whilst good progress has been made so far with the UK decarbonising faster than any other country in the G7, there are significant challenges with most of the high emission industries lying in political battle grounds and the least wealthy constituencies, including in the West Midlands.
- Citizens Advice warns that when the current ban on evictions expires on Monday 11, there could be a swathe of private renters evicted from their homes due to growing arrears. Half a million renters are behind on payments. with 58% of those on top of their payments in February 2020 but now on average owe £730.
- The Child Poverty Action Group has found that 64% of Universal Credit claimants due to COVID are making repayments out of their assessed need payments due to historic overpayments or repaying the advanced payment taken during the five-week wait. This takes away money that they can ill afford to loose, increases the poverty gap, and has caused the Group to call for changes to the system.
- The AI Council has produced an AI Roadmap that outlines how they believe AI can best be integrated and supported within the UK to drive the economy and resilience. Their 16 recommendations include empowering government and the NHS to invest in AI capability, building trust among the UK population, as well as diversifying the skill pool among diverse populations and among the general public.
- The House of Commons Public Accounts Committee has released a paper on the roll out of gigabyte broadband in the UK which is critical of the government's handling of the project, citing a lack of deliverables and the high chances of rural properties and other hard to reach areas being the last to be connected. Whilst DCMS argue that these criticism are inaccurate, as reported by the BBC, it is true that the government has back-tracked on it's commitment to 100% of connections being 1Gbps by 2025, to 85%.
- PwC has shown that for the first time in the 21st century, the population of London could decline this year as fewer graduates move to the city thanks to the growth in remote opportunities and people seek more living space. The report also covers a predicted drop in women's wages and birth rates, but an increase in electric or hybrid cars in 2021.

New research releases

Rebecca Riley, WMREDI/WMCA

Mark Dayan heads up a report from Nuffield Trust which looks at "Understanding the impact of Brexit on health in the UK". The report examines the health areas that will be affected by the UK exiting the EU, laying out possible impacts, and describing how they could be tracked over time. It assesses existing and potential health impacts in nine areas: health systems delivery; health systems workforce; health systems financing; information systems; medical supplies; leadership and governance; communicable diseases; non-communicable diseases; and public health capacity and governance. The work focuses on the direct impacts of exiting the EU, and sets out a structure for a future project looking further into the changes to come. The research examines how domestic policy parameters might change as powers are added to or subtracted from the UK, such as the ability to limit migration after the end of the transition period, or any conflict between Westminster and the devolved administrations over the allocation of returning powers.
It sets a baseline to examine the potential and actual impact of the trade, migration, scientific and regulatory agreements that the UK now intends to seek with states including the United States, India and the Trans-Pacific Partnership countries. Considers economic and social changes brought about by changing international agreements.

The report concludes that the UK's changing international relations will mean that protecting and improving health will remain an unpredictable task and highlights three issues:

- The first is our lack of understanding in the UK not just of the risks ahead, but even of the reality we began with inside the single market. The data on supply chains, workforce and life sciences are very far from giving us a full understanding of exactly how health in the UK has been dependent on and integrated with the rest of the EU. The task for future work will be to actually monitor the readings from this dramatic national experiment, so that decisions in future are based on a better appreciation of how international relations affect health and the NHS.
- Second, partly as a consequence of the lack of understanding, there is a lack of preparedness. Extensive national plans to tackle immediate disruption do exist but their assumptions and performance are difficult to ascertain. At a strategic level, there is no clear policy for what the UK intends to do with returning powers over medicines, products or environmental regulation; there is no workforce strategy that addresses the changing picture of migration; and there is no clear agenda for health in trade deals beyond the EU, even as they are being signed.
- Third, many of the people spoken to felt a sense of perilous uncertainty as a result of the limited picture of either what is happening or what is supposed to be happening. Policy-makers in Scotland and Wales are unclear what changes through the Internal Market Bill will actually mean for their powers over public health. The pharmaceutical and medical devices industries, hoping for a deal at the very last moment, do not know what will constitute a legal supply chain. Scientists do not know whether they will be eligible to bid for funding.

There are no reliable answers, in part because this process of legal secession has no real parallel among developed, interdependent countries. Changing international relations will mean that protecting and improving health in the UK remains an unpredictable task long after the Covid-19 pandemic fades

Heather Taylor et al have published a Work Foundation report which looks at "**Post-Brexit labour supply and workforce planning: key questions for policy makers".** The work explores how Brexit, and the end of free movement, will affect the flow of workers into the UK, focusing especially on the social care and hospitality sectors which face particular challenges. It outlines that under the new points-based immigration system they estimate that up to 160,000 EU migrants currently living and working in the UK wouldn't qualify to move to the country under the new immigration rules.

The research highlights the three main groups of immigrants affected: those in low-skilled work earning below the required salary threshold; those in low-skilled work, but with high salaries; and those in high-skilled work, but with low incomes.
It also considers the specific issues faced by the social care and hospitality sectors in detail and finds that there is a substantial risk to the social care sector due to increasing demand and longstanding challenges with recruitment and retention of workers. The researchers suggest that early monitoring and engagement with the social care sector should be prioritised following the introduction of the new immigration system. Due to the pandemic, there may not

be immediate labour shortages in hospitality, but that in the longer-term the make-up of employment within the sector is likely to change significantly

Kathleen Henehan leads a report on **Home and away: the UK labour market in a post Brexit world** from the Resolution Foundation which explores the potential impacts on the UK labour market of moving to a stricter post-Brexit immigration regime in January 2021. The work indicates that, over recent decades, foreign-born workers have played an outsized role in the UK's employment growth and also looks at the variations in pay of EU migrants within and between different EU countries. Net migration to the UK has slowed in recent years, and that the number of migrants has fallen since the coronavirus (COVID-19) pandemic. It suggests that the introduction of a skills-based migration system following Brexit will put further downward pressure on the supply of foreign-born workers, and that COVID-19 might have delayed but not changed the impact on firms' ability to fill vacancies. The report considers the sectoral impacts, including the potential employment of irregular migrants, which will present challenges to the UK's labour market enforcement system. The findings in this report show that significant labour market changes and new policy challenges for Government are likely to follow from the move to a tighter immigration in January 2021. The UK labour force, and certain sectors in particular, have grown in recent decades on the back of significant arrivals of workers born elsewhere. While both opponents and proponents of the government's changes tend to overstate the economic impact of this change in immigration regime, sectors that are most reliant on migrant labour may need to consider significant adjustments to their size and how they operate in the years ahead. Government policy should support that transition to ensure it is as beneficial as possible, for firms, for UK-born workers and for migrant workers alike.

Neil McInroy and Tom Lloyd Goodwin look at "**What will it really take to level up?"** For the Centre for Labour and Social Studies. They look at how to solve regional inequalities, in the context of the government's levelling-up agenda. The paper discusses the history of regional inequalities in England and past attempts to address them, taking a critical approach. They note the recent focus on city regions and devolution deal making between central government and city region actors and suggest that this sits within austerity and a dominant market-liberal economic model, with financial investment skewed to existing winners. The paper examines the agglomeration economic model, which, it is argued, underpins this approach; explains that agglomeration is the process by which economic success is seen as accruing through concentrated networks of policymakers, companies, consumers and workers. The paper proposes an alternative approach to transfer power to people, communities, and local democratic bodies, recommending actions for central and local actors. The report concludes that these proposals would devolve power with a demonstrable impact on the real economic and social lives of communities by focusing on a deep reform and reset approach.

Rachelle Earwaker et al has produced a briefing for the Joseph Rowntree Foundation **"Briefing: Strengthen social security for a stronger economy"** which explores how the UK economy can recover from the recession caused by the coronavirus (COVID-19) pandemic. The paper argues that government intervention is essential in the recovery process and makes the case for strengthening social security. They review how the government increased Universal Credit (UC) and Working Tax Credit by £20 a week at the outset of the pandemic and calls for this to continue in order to support families and boost consumer spending. They contend that cutting this lifeline would cause serious harm for millions of people and weaken the economy. They therefore recommend that the government retains the £20 per week increase on a permanent basis and extends it to legacy benefits.

The Centre for Progressive Policy has published a report looking at **"Mobilising private pension wealth for economic renewal: why this time will be different"** The report looks at the role of private pension capital in economic and social renewal. They argue that the coronavirus (COVID-19) pandemic presents an opportunity to invest in a new economic model that results in greater economic and social equality. They highlight that economic and social renewal can be secured by finding solutions to the challenges of climate change, health inequalities, obsolete or low-level skills and poor quality, insufficient housing. They suggest that in the wake of Covid, there is a need to rebuild social and economic infrastructure with a similar ambition to the post-war recovery. They highlight opportunities for improving fairness by closing gaps in economic infrastructure, education, health, gender and innovation. The work looks at the role pension scheme members can play in this renewal. They argue that by becoming new activist citizen investors, pension fund members can put institutional investors under increasing pressure to demonstrate responsible investment practices while delivering a financial return. The report calls for governments to work with pension funds and insurers to develop a pipeline of investable infrastructure projects.

Inequalities

Anne Green, WMREDI

Introduction

In 2019 the Nuffield Foundation funded a major study, chaired by Sir Angus Deaton, to assemble the evidence on the causes and consequences of different forms of inequalities, and the ways that they can best be reduced or mitigated. An Introduction to the IFS Deaton Review of Inequalities, published in May 2019, contended that concerns about inequality should not just cover income, but should encompass themes such as health, wealth, political participation, and also opportunity, by gender, ethnicity, geography, age and education, and how key forms of inequality relate to each other. Through a series of thematic analyses, the Review has set out to examine the big forces that drive inequalities – from technological change, globalisation, labour markets and corporate behaviour to family structures and education systems.

A study on geographical inequalities in the UK, entitled Catching up or falling behind? Geographical inequalities in the UK and how they have changed in recent years, highlighted that:

- Regional inequality is not increasing for incomes, but it is for wealth
- Local inequalities are significant
- Former industrial areas in the Midlands and North and coastal towns have not been falling behind but have become poorer

In 2020 the Covid-19 crisis brought inequalities to the forefront of popular and policy attention. As summed up in a New Year's Message from the Deaton Review of Inequalities (pages 10-11) published in the first week of January 2021:

"*This has been a year in which many inequalities have been exacerbated. Poor children have been hit worse than their better-off peers. Higher earners and graduates have had their work disrupted much less than lower earners and the less highly educated. The poor, and ethnic minorities, have borne the brunt of the health crisis. And the young have suffered a much bigger economic hit than the middle-aged, while the old – who, of course, have been most at risk from the virus – have been largely insulated from the awful economic shock*."

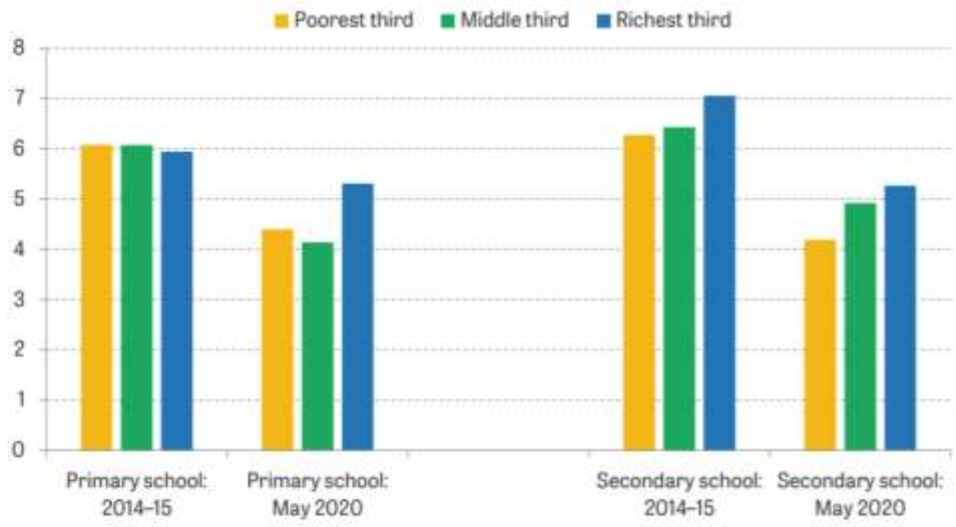
Selected key issues from analyses regarding education, work, health, ethnic and generational inequalities are outlined below, with key implications for the West Midlands identified.

Education

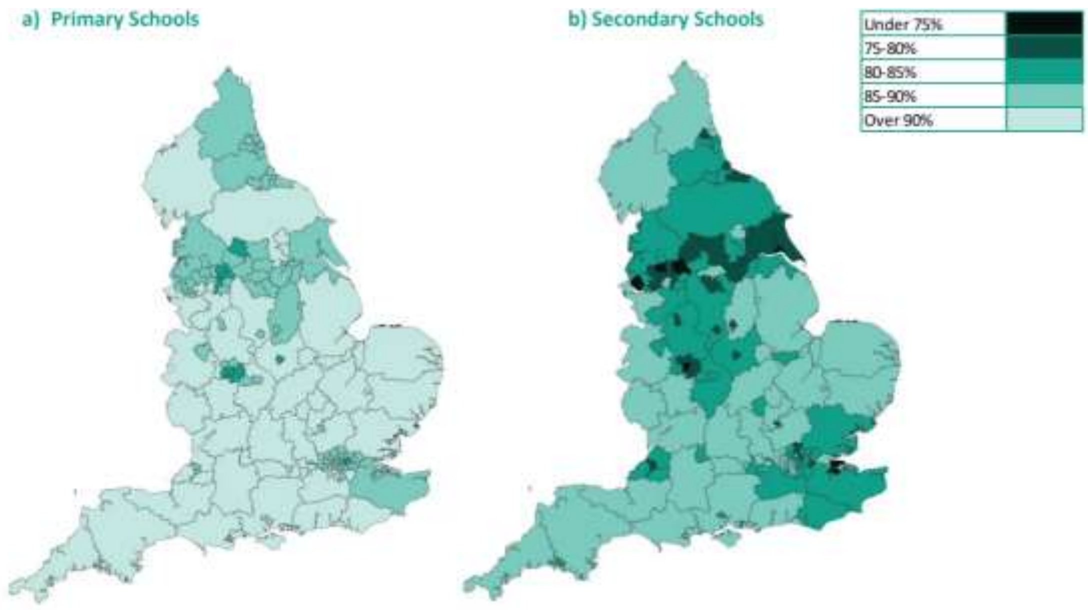
It is timely to examine educational inequalities given the closure of schools in the first week of January 2021 and so these are examined in most depth. The West Midlands metropolitan area has a higher share of the population in school (and pre-school) age groups than across England as a whole.

There were marked educational inequalities before the Covid-19 crisis. For example, about 40% of pupils on free school meals getting good GCSEs in English and maths compared with around 70% of other pupils. The West Midlands – and especially Birmingham – has more pupils on free school meals than the national average.

Evidence to date suggests that the Covid-19 crisis is exacerbating educational inequalities. Statistics from early May 2020 show that time spent on educational activities amongst primary school children fell by a quarter, to 4.5 hours a day, from around 6 hours per day before lockdown. However, whereas before lockdown the time spent learning varied little by family income, the Figure below, reproduced from an analysis of time spent on educational activities during a typical weekday, shows that the reduction in time spent learning fell least amongst students from the richest third of families (based on pre-Covid-19 income). Amongst secondary school students there is a clearer gradation by family income in time spent on educational activities prior to the pandemic, with those in the richest third of families spending most time on educational activities. The decrease in time spent on such activities when schools were closed was most pronounced for those from the poorest families.



When schools re-opened from June 2020 provision for pupils varied and some pupils in secondary schools were limited to partial attendance. Schools fully re-opened to all pupils in September 2020. Analyses of [school attendance and lost schooling across England]() from September to December 2020 show that pupils in areas with lower GCSE attainment and higher levels of disadvantage have missed more days of school than others; they also had fewer resources at home and from their school to learn effectively. The Figure below shows average attendance rates over autumn term by local authority – with the West Midlands displaying some of the lower attendance rates (notably in Sandwell and Birmingham).



The Figure shows lower attendance levels in secondary schools than in primary schools and also greater local variation. In Sandwell the attendance was 72% (one of the lowest rates in England), and in the metropolitan West Midlands attendance rates were lower than average. However, these figures do not show what could have been significant variations across and within schools by local area; pupils in some year groups could have missed many more days of schooling than others.

The overall picture is one of exacerbated inequalities, with pupils more disadvantaged areas and with lower prior GCSE results losing most days of schooling relative to pre-pandemic levels.

Work

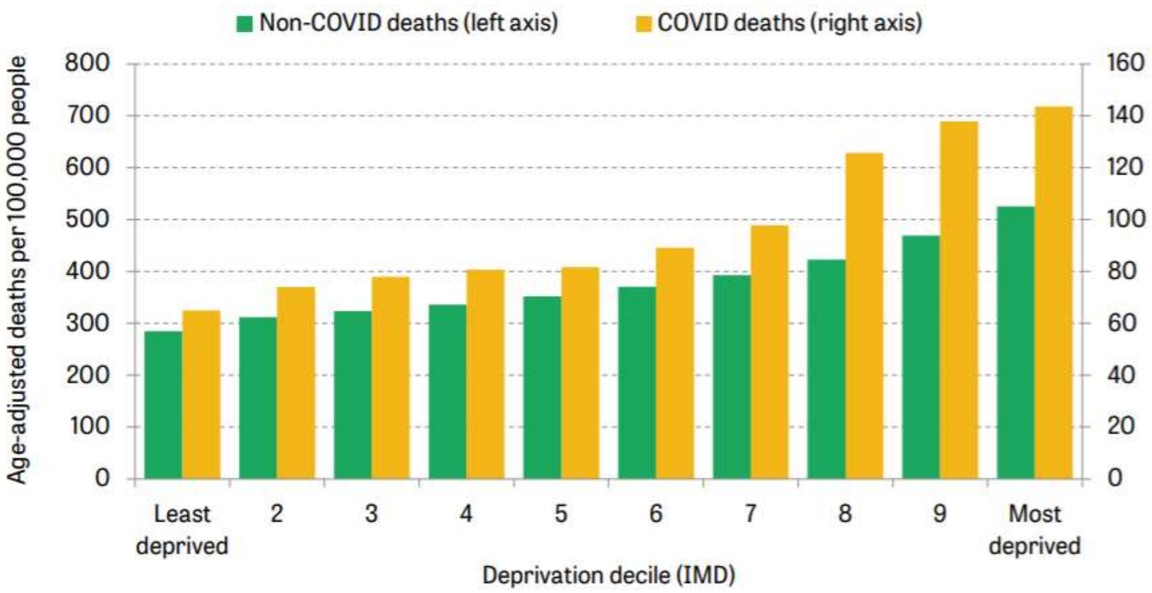
Typically graduates earn more than non-graduates, have better opportunities for training and progression in work and have better working conditions. The Covid-19 crisis has exacerbated labour market inequalities between graduates and non-graduates – and despite progress in raising qualification levels, with a less qualified workforce than nationally, the West Midlands has a larger share of non-graduates.

Prior to the Covid-19 crisis, 71% of employees without a degree either worked in a sector that was locked down or had a job that could not easily be done remotely. For employees with a degree, that figure was just 45%. The fact that more graduates than non-graduates have been able to work from home means that the former have avoided mixing in the workplace. They have also been more likely to preserve their income from work. Compared with proportions prior to the pandemic, there was a 7% reduction in the number of graduates doing any hours of paid work in a given week, compared with a 17% reduction for non-graduates.

Some ethnic groups have suffered disproportionately from disruption to earnings because of their relative concentration in sectors suffering lockdown and/or being amongst the self-employed, who have been at particular risk of losing hours and earnings during the Covid-19 crisis. Pakistani and Bangladeshi men, in particular, have been economically vulnerable in this regard. Bangladeshi men are four times as likely as white British men to have jobs in shut-down industries, due in large part to their concentration in the restaurant sector, and Pakistani men are nearly three times as likely, partly due to their concentration in taxi driving. Pakistani men are over 70% more likely to be self-employed than the white British majority. Research shows that minority groups in hard-hit labour market sectors (and in vulnerable self-employment) are more likely to have other adults and children financially dependent on them. For example, 29% of Bangladeshi working-age men work in a shut-down sector *and* have a partner who is not in paid work, compared with only 1% of white British men. Hence in these single-earner households there is more risk of poverty than in a dual-earner household. This means that not only are existing inequalities exacerbated but they there is also a risk of them being entrenched for the next generation. This risk is especially pertinent in the West Midlands given its ethnic and demographic composition.

Health

In 'normal' times there are disparities in deaths by deprivation. The figure below, showing deaths by local area deprivation for the period March–July 2020, indicates that deaths from Covid-19 are even more socially graded, so exacerbating existing inequalities in deaths by local area deprivation. Mortality rates were twice as high in the most deprived as in the least deprived areas between March and July.



Age-adjusted mortality rates were highest among black African men, at 2.7 times the rate for white men, and among black Caribbean women, at twice the rate of white women. South Asian groups have also been at heightened risk. Overlapping risk factors of geography, deprivation, housing and overcrowding, alongside differences in pre-existing health conditions, explain part of the ethnic group differences in mortality. Moreover, ethnic minorities are over-represented in jobs displaying higher risks of COVID-19 infection and mortality – including care workers, transport workers and security guards.

A study on The Geography of the Covid-19 crisis in England presented a 'Health Index' showing health-related vulnerability at local authority area level. This measure captures the prevalence of risk factors for experiencing severe symptoms from COVID-19: and the share of people aged 50 or older, and the shares with certain pre-existing health conditions (coronary disease, hypertension and diabetes). The figure below indicates the position of local authorities in the West Midlands by quintile group in England, with a score of '5' indicating that a local area is positioned amongst the 20% most vulnerable in England.

	Health index	Families index
Birmingham	5	4
Coventry	2	4
Dudley	3	4
Herefordshire	5	1
Sandwell	4	5
Shropshire	5	2
Solihull	5	3
Staffordshire	4	2
Stoke-on-Trent	2	5
Telford and Wrekin	4	4
Walsall	5	5
Warwickshire	3	2
Wolverhampton	5	4
Worcestershire	4	2

A 'Families Index', measuring family vulnerability in the context of Covid-19, is presented above also. This is constructed using local area information on the number of children entitled to free school meals, the rate of referrals to children's services, and the number of children on child protection plans.

Here several local authorities in the West Midlands emerge as vulnerable on 'Health' and 'Families' dimensions. Walsall is in the fifth (i.e. most vulnerable) quartile of local areas in England on both the Health Index, while Birmingham, Sandwell and Wolverhampton are in the fifth quartile on one index and the fourth quartile on the other.

Generations

Before the Covid-19 crisis pensioners were becoming relatively better off. Between 2002/3 and 2018/9, the real incomes of the over-60s rose by 28% while the incomes of the under-60s rose by 7%. During 2020 the majority of retired people report no financial impact from the Covid-19 crisis and recession, while a fifth of them report that their financial situation improved. Over the longer-term this generation has also seen the benefit of defined benefit pension schemes (which are now much less prevalent) and from real house price rises – and it is salient to note here that recent movement in the housing market has been concentrated disproportionately amongst higher value properties.

Conversely, young people have suffered the brunt of job and income loss. Analyses show that by September/October 2020 young people aged 16–25 years were more than twice as likely as older employees to have suffered job loss during the Covid-19. A majority of the group had seen their earnings fall. These disproportionate negative impacts occurred in the context of average earnings among employees currently in their 30s (who were largely in their 20s when the 2008 recession hit) being 7% lower in real terms in 2019 than they had been for their predecessors at the same age in 2008. Hence the Covid-19 crisis exacerbated a longer-standing picture of a difficult labour market for young people.

The generational divide is of particular significance in the West Midlands, given the youthful age structure of its population.

However, within this broad picture of inter-generational inequalities in experience it is important to remember that there are important intra-generational inequalities too, reflecting the way in which different forms of inequality – by education, employment, health, wealth, location, gender, ethnic group, geography, etc. - intersect.

Looking ahead

As the Covid-19 crisis continues to evolve it is important to monitor and assess whether and how current patterns of inequalities change too and how they might be tackled. The review to date has revealed that largely the Covid-19 crisis has exacerbated existing inequalities but that detailed analysis is needed to show the full picture of variation across sub-groups and geographies. The work of the IFS Deaton Review of Inequalities is continuing yielding new insights in the coming years.

The Joseph Rowntree Foundation is also continuing its work on poverty in the UK. In its report on UK Poverty 2020/21 (published on 13th January 2021). An initial assessment suggests that in the early stages of the Covid-19 crisis relative poverty may have fallen, due to two complementary forces. The relative poverty line would have fallen, as average incomes fell due to the labour market effects. At the same time, the income provided for some by the benefits system will have risen, with people benefitting from temporary increases in benefits, albeit counterbalanced by people being pulled into poverty by losing their income from employment. But with much support currently planned to be withdrawn by April 2021, relative poverty is likely to be higher than before the coronavirus outbreak - with increases in poverty likely to be mainly among working-age families affected by the negative labour market change.

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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 increased from 50.5 in November to 54.2 in December 2020. The increase in business activity was linked to the reopening of more companies following the second lockdown ending and clients stockpiling in preparation for Brexit. The overall UK Business Activity Index increased from 49.0 in November to 50.4 in December.
- Out of the twelve UK regions, the West Midlands had the highest Business Activity Index in December 2020.
- Companies in the West Midlands remain confident for a rise in output in the next 12 months with the Future Activity Index at 73.6 in December, a five-month Optimism from businesses stems from news of an approved COVID-19 vaccine and also predictions of new contract wins.

In Detail:

Business Activity Index

The West Midlands Business Activity Index increased from 50.5 in November to 54.2 in December. This has been the quickest rate of expansion since September. The increase in business activity was linked to the reopening of more companies following the second lockdown ending and clients stockpiling in preparation for Brexit.

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

Source: IHS Market/NatWest, January 2021

Out of the twelve UK regions, the West Midlands had the highest Business Activity Index in December 2020.

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

Source: IHS Market/NatWest, January 2021

Demand

Private sector companies in the West Midlands had a renewed upturn in new work intakes in December 2020, again due to reopening of companies and in preparation for Brexit. Although the rate of expansion in sales was only moderate. The New Business Index increased from 47.5 in November 2020 to 52.3 in December 2020.

Exports

The West Midlands Export Climate Index increased from 51.9 in November 2020 to 52.6 in December 2020, indicating that export opportunities have remained co-operative.

For the top five destinations for the West Midlands, only France is below the 50 mark at 49.5. **The following table shows the top export markets for the West Midlands in December:**

Rank	Market	Weight	Output Index, Dec'20
1	USA	19.9%	55.3
2	Germany	10.3%	52.0
3	China	9.4%	55.8
4	France	6.6%	49.5
5	Ireland	4.6%	53.4

Source: IHS Market/NatWest, January 2021

Capacity

The West Midlands Employment Index remains below 50 but has improved from 39.4 in November 2020 to 48.8 in December 2020. The Employment Index has stayed below the 50 mark for the last eleven months but job shedding eased at the end of 2020.

The West Midlands Outstanding Business Index has increased from 48.5 in November 2020 to 51.1 in December 2020. There has been growing pressure in the capacities of West Midlands companies as outstanding business increased, potentially due to staff shortages, lack of available materials and new business growth.

Prices

The West Midlands Input Prices Index increased further from 58.3 in November 2020 to 67.1 in December 2020. West Midlands companies reported a further increase in expenses in December with the overall rate of cost inflation increasing to the fastest in two and a half years.

The West Midlands Prices Charged Index has been steadily increasing for the last six months and stood at 54.2 in December.

Outlook

Companies in the West Midlands remain confident for a rise in output in the next 12 months with the Future Activity Index at 73.6 in December, a five-month Optimism from businesses stems from news of an approved COVID-19 vaccine and also predictions of new contract wins.

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

Source: IHS Market/NatWest, January 2021

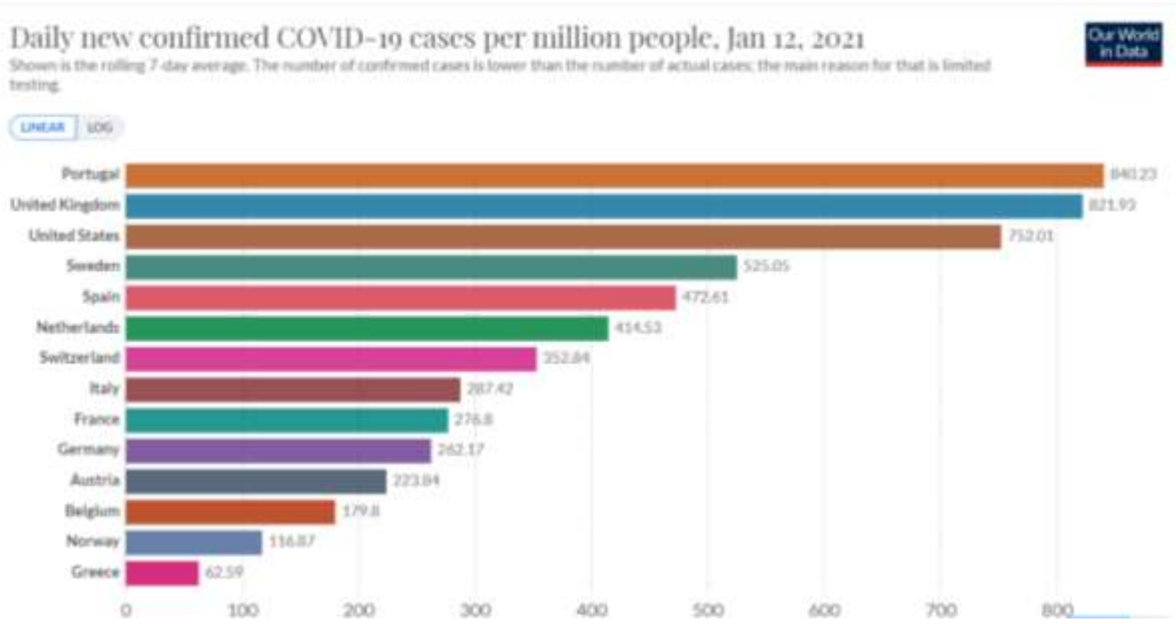
Out of the twelve UK regions, the West Midlands had the fifth highest Future Business Activity Index.

Infection Rates

Alice Pugh WMREDI

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

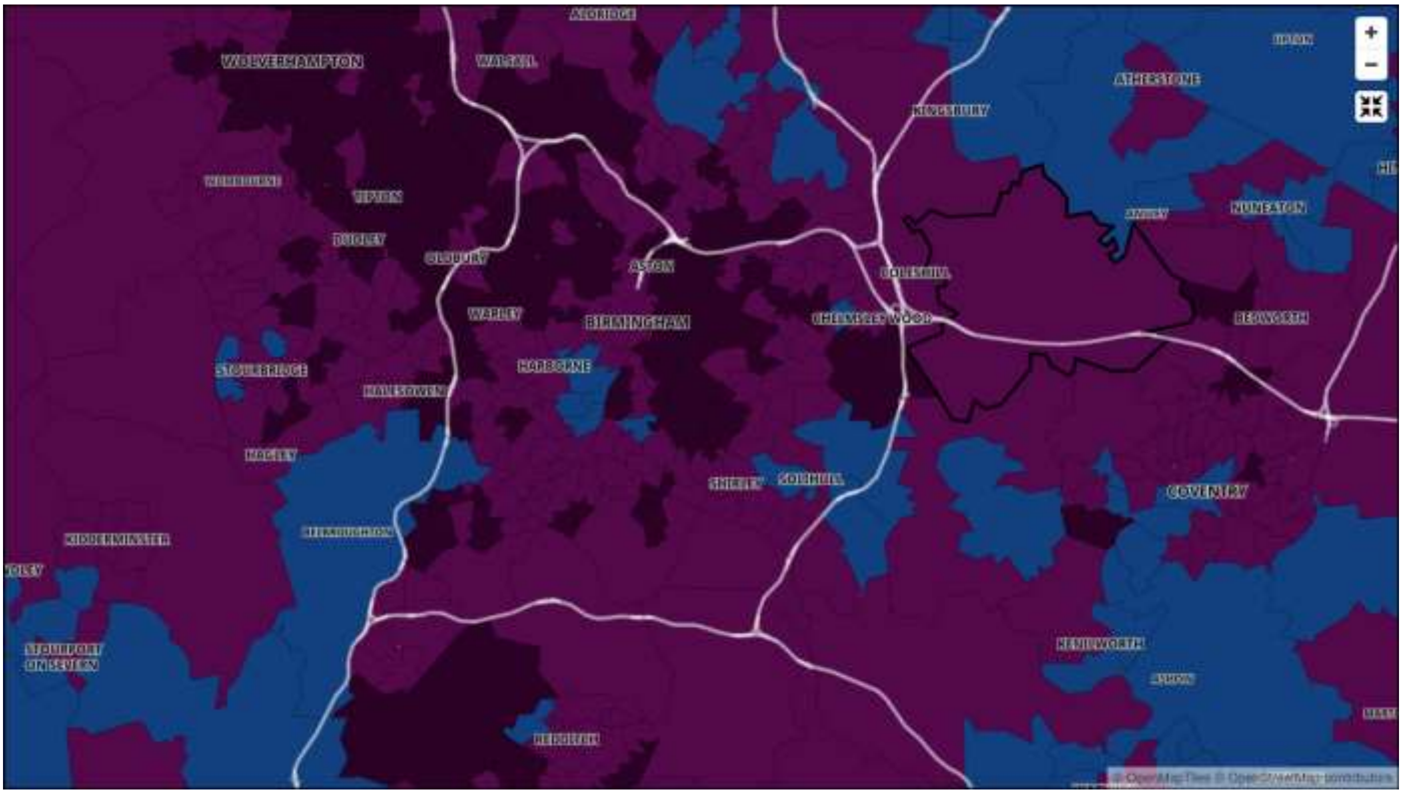
Since 31 December 2019 and as of week 2020-53, **84 532 824 cases** of COVID-19 (in accordance with the applied case definitions and testing strategies in the affected countries) have been reported, including **1 845 597 deaths**.



Latest ONS infection survey data (8th January – next release 15th Jan) states:

- In the most recent week, the percentage of people testing positive for the coronavirus (COVID-19) in England has continued to increase; during the most recent week (27 December 2020 to 2 January 2021), we estimate 1,122,000 people (95% credible interval: 1,070,600 to 1,175,700) within the community population in England had the coronavirus (COVID-19), equating to around 1 in 50 people (95% credible interval: 1 in 50 to 1 in 45).
- During the most recent week of the study (27 December 2020 to 2 January 2021), London had the highest proportion testing positive; we estimate that 3.56% of people in London had COVID-19 (95% credible interval: 3.26% to 3.87%), equating to around 1 in 30 people (95% credible interval: 1 in 30 to 1 in 25).
- The percentage of those testing positive has recently decreased in Wales; during the most recent week (27 December 2020 to 2 January 2021), we estimate that 44,100 people in Wales had COVID-19 (95% credible interval: 33,700 to 56,300), equating to around 1 in 70 people (95% credible interval: 1 in 90 to 1 in 55).
- The percentage testing positive in Northern Ireland appears to no longer be decreasing in the most recent week; during the most recent week (27 December 2020 to 2 January 2021), we estimate that 9,100 people in Northern Ireland had COVID-19 (95% credible interval: 5,400 to 14,000), equating to around 1 in 200 people (95% credible interval: 1 in 340 to 1 in 130).
- The percentage testing positive in Scotland has increased over the most recent week; during the most recent week (25 to 31 December 2020), we estimate that 45,900 people in Scotland had COVID-19 (95% credible interval: 37,900 to 54,900), equating to around 1 in 115 people (95% credible interval: 1 in 140 to 1 in 95).
- In the most recent time period (28 December 2020 to 2 January 2021), London, the East of England and the South East have the highest percentage of positive cases that are compatible with the new variant of the virus.

The map below displays weekly data, which are updated every day here. This map is for 13th January 2021. It shows seven-day infection rates expressed per 100,000 population. The dark purple shading represents the highest values.



Regional Data

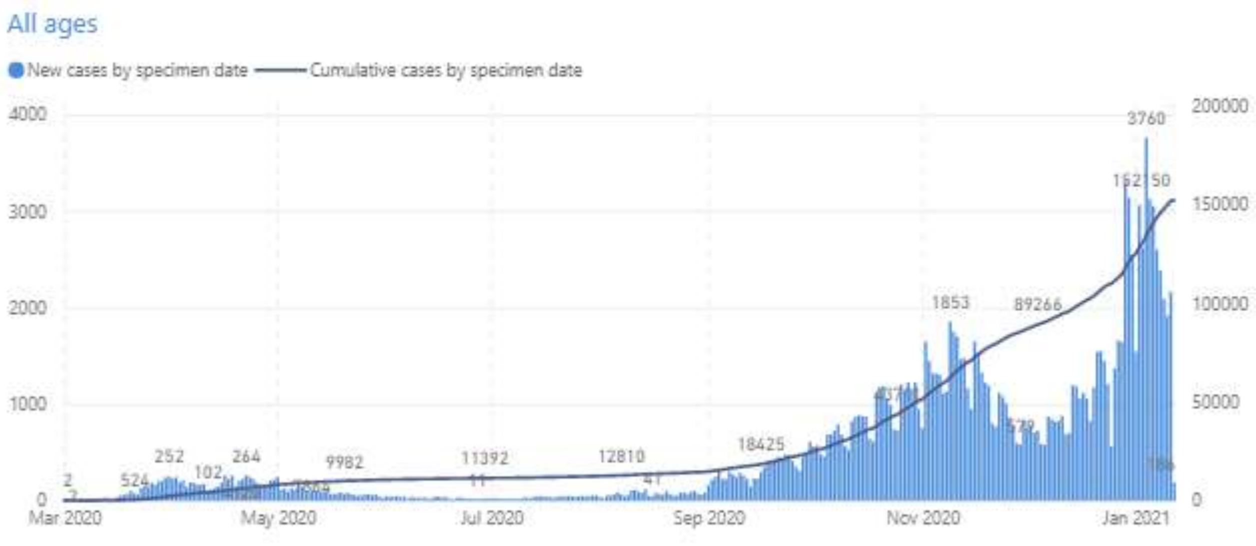
The Coventry, Solihull and Warwickshire Epidemiology and Intelligence Cell have created a dashboard which looks at covid data on a regional level.

Date	New cases by specimen date	New cases by publish date	Cumulative cases by specimen date	Cumulative cases per 100,000	Cases in the last 7 days	Rate per 100,000 in the last 7 days
12 January 2021	206	2921	170051	5,806.58	2	0.07
11 January 2021	2493	3576	169845	5,799.54	2	0.07
10 January 2021	2192	2803	167352	5,714.42	2	0.07
09 January 2021	2376	2920	165160	5,639.57	22201	758.08
08 January 2021	2672	3311	162784	5,558.44	23288	795.19
07 January 2021	2924	2924	160112	5,467.20	22393	764.63
06 January 2021	3446	3769	157188	5,367.36	22340	762.82
05 January 2021	3562	3106	153742	5,249.69	22344	762.96
04 January 2021	4294	4185	150180	5,128.06	22506	768.49
03 January 2021	2927	1631	145886	4,981.44	20025	683.78
02 January 2021	3463	4036	142959	4,881.49	18909	645.67

The data above represents the WMCA area.

As can be seen from the charts below (7Met) in the first lockdown infections were higher in the older age groups, whereas now younger people are being infected (N.B. there will be some effect from higher testing but symptomatic cases presenting for testing are also more prevalent now).

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



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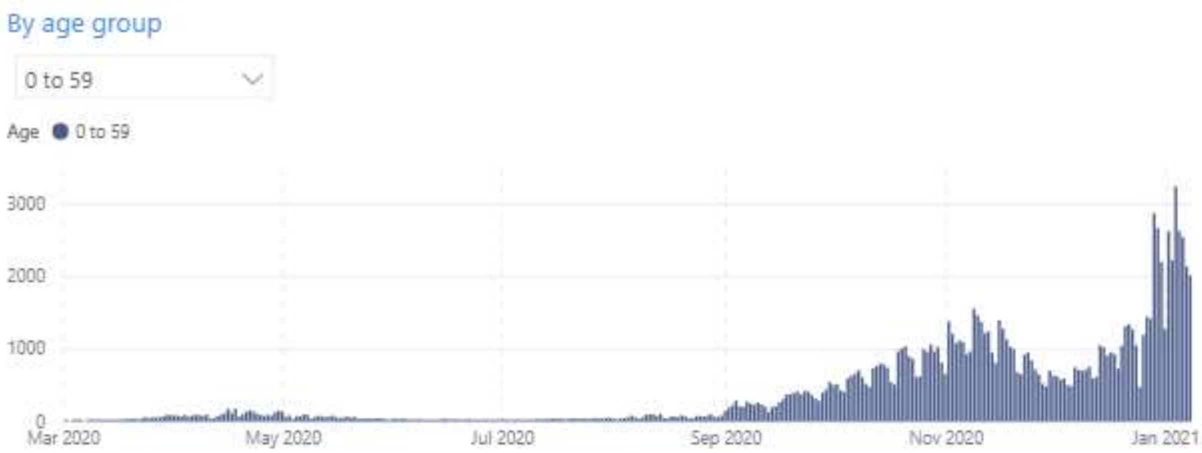

Covid 19 Hospital Activity

A number of data collections have been implemented to support incident management. The collections were activated at short notice and the content of the collections has evolved as the incident has developed. The data collected is classified as management information. It has been collected on a daily basis with a tight turn round time. No revisions have been made to the dataset. Any analysis of the data should be undertaken with this in mind.

Total reported admissions to hospital and diagnoses in hospital

The table below shows the latest daily rates

Name	01-Jan-21	02-Jan-21	03-Jan-21	04-Jan-21	05-Jan-21	06-Jan-21	07-Jan-21	08-Jan-21	09-Jan-21	10-Jan-21	11-Jan-21
ENGLAND	**3,010**	**3,145**	**3,351**	**3,587**	**3,697**	**3,967**	**3,849**	**3,549**	**3,718**	**3,571**	**3,894**
East of England	386	453	438	479	500	523	524	425	462	473	462
London	796	828	865	830	913	977	820	813	832	734	795
Midlands	469	546	543	608	655	660	727	666	638	660	824
North East and Yorkshire	338	312	335	388	378	399	453	370	407	446	466
North West	210	247	315	353	414	441	421	385	446	396	452
South East	638	591	665	657	637	716	661	641	656	583	607
South West	173	168	190	272	200	251	243	249	277	279	288

Mechanical Ventilation beds - occupied by confirmed COVID-19 patients

Name	01-Jan-21	02-Jan-21	03-Jan-21	04-Jan-21	05-Jan-21	06-Jan-21	07-Jan-21	08-Jan-21	09-Jan-21	10-Jan-21	11-Jan-21	12-Jan-21	13-Jan-21
ENGLAND	**1,940**	**2,017**	**2,181**	**2,310**	**2,378**	**2,550**	**2,654**	**2,814**	**2,860**	**2,963**	**3,055**	**3,175**	**3,307**
East of England	199	208	221	261	241	291	313	309	333	347	364	370	369
London	657	713	772	814	866	908	961	1,015	1,020	1,044	1,073	1,085	1,138
Midlands	312	324	359	367	377	399	383	439	453	466	477	504	521
North East and Yorkshire	179	177	189	192	190	204	208	221	208	236	246	258	272
North West	195	183	211	223	242	254	260	285	285	296	304	319	332
South East	324	333	346	356	364	394	417	421	432	430	433	474	492
South West	74	79	83	97	98	100	112	124	129	144	158	165	183

Total beds - occupied by confirmed COVID-19 patients (as at 08:00)

Name	01-Jan-21	02-Jan-21	03-Jan-21	04-Jan-21	05-Jan-21	06-Jan-21	07-Jan-21	08-Jan-21	09-Jan-21	10-Jan-21	11-Jan-21	12-Jan-21	13-Jan-21
ENGLAND	**22,534**	**23,557**	**24,957**	**26,626**	**26,467**	**27,727**	**28,246**	**29,346**	**29,462**	**30,758**	**32,070**	**32,202**	**32,689**
East of England	2,910	3,236	3,395	3,623	3,520	3,802	3,887	4,013	4,012	4,112	4,219	4,260	4,306
London	5,511	5,861	6,358	6,733	6,816	7,034	7,231	7,277	7,224	7,494	7,799	7,606	7,686
Midlands	3,808	3,959	4,065	4,499	4,553	4,629	4,521	4,934	5,136	5,294	5,524	5,630	5,741
North East and Yorkshire	2,532	2,624	2,710	2,828	2,860	2,865	2,923	3,217	2,917	3,228	3,392	3,429	3,476
North West	2,540	2,410	2,605	2,812	2,925	2,996	3,104	3,238	3,332	3,465	3,733	3,785	3,849
South East	4,034	4,231	4,501	4,730	4,379	4,902	5,023	5,074	5,161	5,373	5,467	5,546	5,577
South West	1,199	1,236	1,323	1,401	1,414	1,499	1,557	1,593	1,680	1,792	1,936	1,946	2,054

Total reported admissions to hospital and diagnoses in hospital

The latest daily admissions data is below (and data is available on a daily basis since August), the table highlights the top 15 hospitals with highest admissions. University Hospitals Birmingham NHS Foundation Trust has been in the top 5 throughout most of December 2020 and early January 2021, and Sandwell has also moved up the rankings.

NHS England Region	Name	28-Dec-20	29-Dec-20	30-Dec-20	31-Dec-20	01-Jan-21	02-Jan-21	03-Jan-21
	ENGLAND	2,795	2,886	2,861	2,536	3,010	3,145	3,351
	London	739	679	681	708	796	828	865
	South East	423	504	552	404	638	591	665
	Midlands	506	562	487	435	469	546	543
	East of England	393	373	332	340	386	453	438
	North East and Yorkshire	309	363	311	300	338	312	335
	North West	262	257	278	209	210	247	315
	South West	163	148	220	140	173	168	190
London	BARTS HEALTH NHS TRUST	108	98	90	85	106	109	99
London	KING'S COLLEGE HOSPITAL NHS FOUNDATION TRUST	30	30	41	50	65	69	98
Midlands	UNIVERSITY HOSPITALS BIRMINGHAM NHS FOUNDATION	64	78	69	55	61	73	74
London	LONDON NORTH WEST UNIVERSITY HEALTHCARE NHS TRU	66	43	35	52	64	80	71
South East	SURREY AND SUSSEX HEALTHCARE NHS TRUST	11	30	36	11	46	11	64
London	BARKING, HAVERING AND REDBRIDGE UNIVERSITY HOSPIT	39	23	45	60	78	58	63
South East	FRIMLEY HEALTH NHS FOUNDATION TRUST	54	54	80	64	70	44	62
South East	UNIVERSITY HOSPITAL SOUTHAMPTON NHS FOUNDATION	30	34	32	31	47	58	61
London	CHELSEA AND WESTMINSTER HOSPITAL NHS FOUNDATIO	36	46	33	18	46	45	60
Midlands	SANDWELL AND WEST BIRMINGHAM HOSPITALS NHS TRU	29	29	38	21	28	17	60
South East	MEDWAY NHS FOUNDATION TRUST	8	48	16	5	46	38	59
Midlands	UNIVERSITY HOSPITALS OF DERBY AND BURTON NHS FOU	44	56	53	51	55	67	58
London	ST GEORGE'S UNIVERSITY HOSPITALS NHS FOUNDATION T	38	31	45	38	41	43	55
South East	OXFORD UNIVERSITY HOSPITALS NHS FOUNDATION TRUS	44	72	61	49	71	58	55
South East	PORTSMOUTH HOSPITALS NHS TRUST	45	36	58	43	63	68	51

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

Weekly Deaths Registered 1st January 2021

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The following analysis compares the latest available time period (the week of the 1st January 2021) to the previous week period (the week of the 25th December 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 decreased from 11,520 in the week of the 25th December 2020 to 10,069 in the week of 1st January 2021. The number of deaths registered that state Coronavirus on the death certificate experienced an increase from 2,912 people to 3,144 people over the same period.

Regional level analysis shows that the West Midlands' overall registered death figure decreased from 1,217 people in the week 25th December 2020 to 1,024 in the week of 1st January 2021. The number of registered deaths related to Coronavirus has decreased from 316 people to 302 over the same period.

There was a total of 661 deaths registered across the WMCA (3 LEP) area in the week of the 1st January 2021. There were 194 deaths registered that were related to Coronavirus over the same period – accounting for 29.3% of total deaths. The WMCA (3 LEP) area accounted for 64.2% of the 302 Coronavirus related deaths registered in the West Midlands Region. In comparison to the week of the 18th December 2020, the overall registered death figures in the WMCA (3 LEP) area decreased by 161, while the number of deaths related to Coronavirus decreased by 13 people.

At a local authority level, Birmingham accounted for 20.6% (40) of deaths related to Coronavirus in the WMCA (3 LEP), this is followed by Sandwell at 9.8% (19 deaths) and then East Staffordshire at 7.7% (15 deaths).

Of deaths involving Coronavirus registered in the week of the 1st January 2021, 76.3% (148) were in registered in a hospital, 16.5% (32) were in a care home, 6.7% (13) were registered as at home and 0.5% (1) were in another communal establishment.

Place and number of deaths registered that are related to Coronavirus in the week of 1st January 2021

Area name	Care home	Elsewhere	Home	Hospice	Hospital	Other communal establishment	Total
Cannock Chase	4	0	0	0	5	0	9
East Staffordshire	1	0	0	0	14	0	15
Lichfield	1	0	0	0	4	0	5
Tamworth	0	0	0	0	0	0	0
North Warwickshire	0	0	0	0	3	0	3
Nuneaton and Bedworth	0	0	0	0	2	0	2
Rugby	2	0	0	0	4	0	6
Stratford-on-Avon	1	0	1	0	4	0	6
Warwick	4	0	1	0	7	0	12
Bromsgrove	0	0	1	0	6	0	7
Redditch	1	0	0	0	6	0	7
Wyre Forest	3	0	1	0	4	0	8
Birmingham	6	0	2	0	32	0	40
Coventry	0	0	3	0	5	0	8
Dudley	3	0	0	0	6	1	10
Sandwell	1	0	2	0	16	0	19
Solihull	3	0	1	0	10	0	14
Walsall	1	0	1	0	9	0	11
Wolverhampton	1	0	0	0	11	0	12
WM 7 Met.	**15**	**0**	**9**	**0**	**89**	**1**	**114**
Black Country LEP	6	0	3	0	42	0	51
Coventry & Warwickshire LEP	7	0	5	0	25	0	37
Greater Birmingham & Solihull LEP	19	0	5	0	81	0	105
WMCA (3 LEP)	**32**	**0**	**13**	**0**	**148**	**1**	**194**

Source: ONS, Death registrations and occurrences by local authority and health board, 21 January 2021

Transport Data

Anne Shaw TFWM

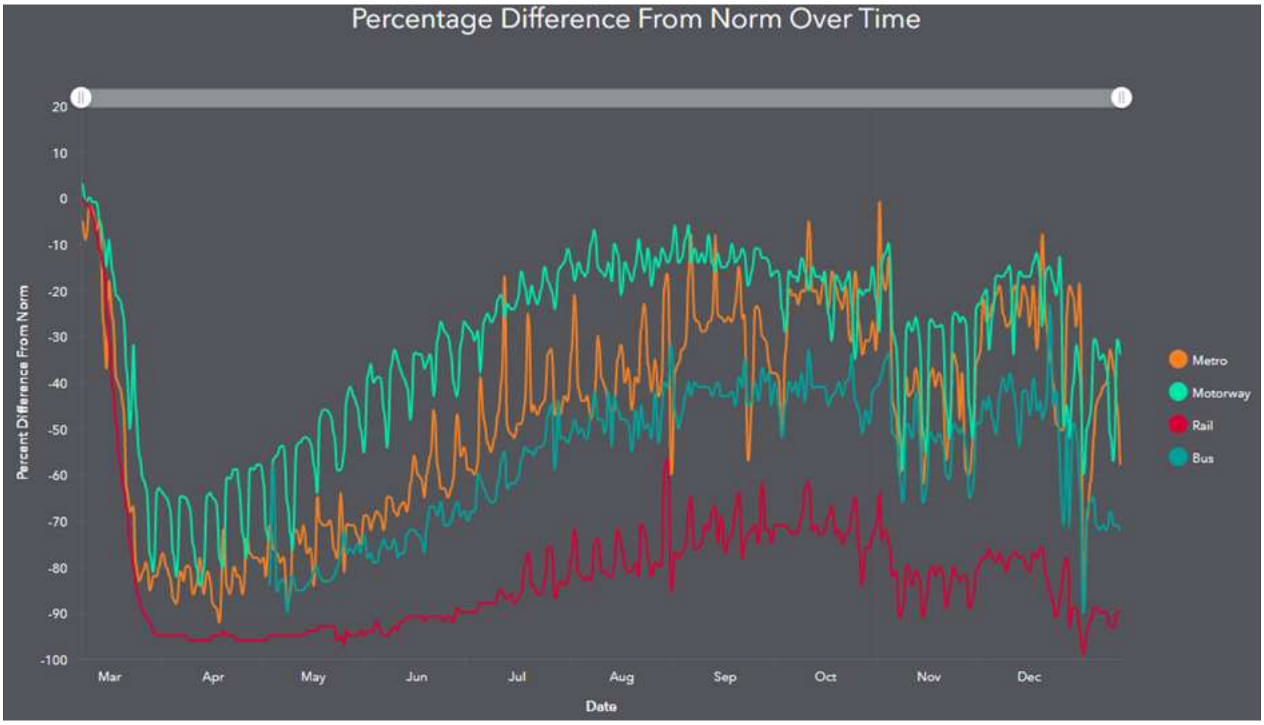
Following national lockdown coming into force last week, patronage has remained at a lower level than before the Christmas break.

To reflect the reduced demand on public transport, service levels are being reduced. Changes to bus services in Coventry were made on the 11th January and services across the Black Country Birmingham and Solihull will be altered on the 24Bus will see changes to services in Coventry on the 24th January. Service levels will be operating at approximately 90% of previous levels.

Rail services will also see some changes reducing services on Avanti on the 17th January and West Midlands Trains on the 18th. This will see services between Leamington Spa and Nuneaton via Coventry ceasing with some other reductions on the Snowhill lines.

Metro will remain running to their current timetable.

In terms of patronage the chart below shows the changes over time. Bus us currently running at approx. 30% to pre covid levels, Metro at 45% and Rail 10%



Levels of use –12th January (data 1 day behind). The graph above shows the level of use on all modes

The table provides intel in terms of the levels of services and the use of the network per mode compared to this time last year, the day before and the week before for the 22nd December.

	% levels pre covid	% change from day before	% change from Week before
Bus	28	-1	-1
Train	10	0	-1
Tram*	42	-13	-13
Roads (HE SRN)	66	-3	-3

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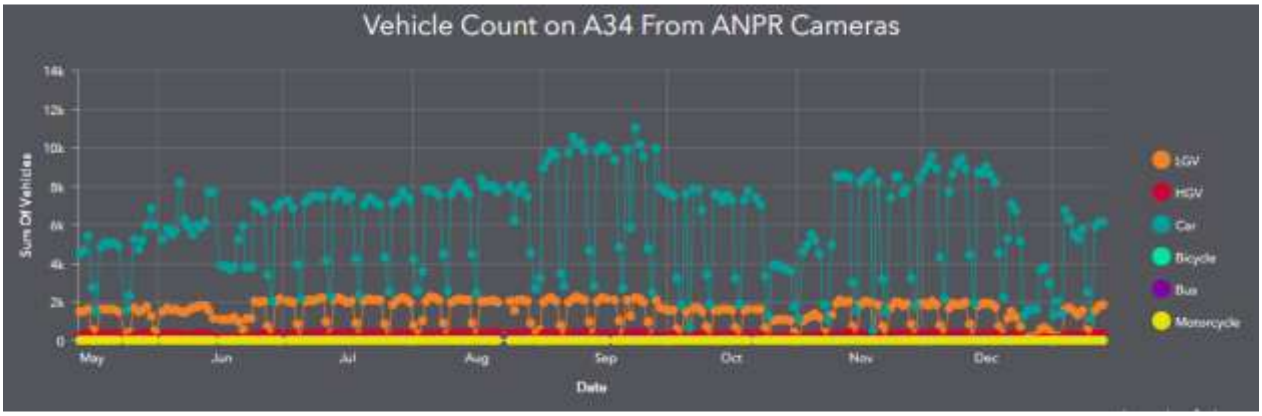
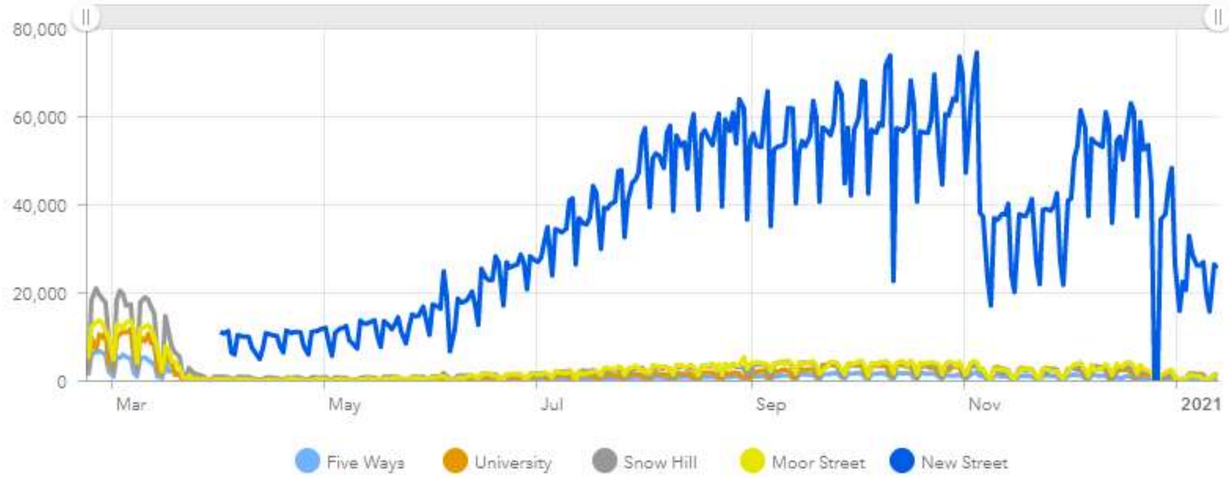
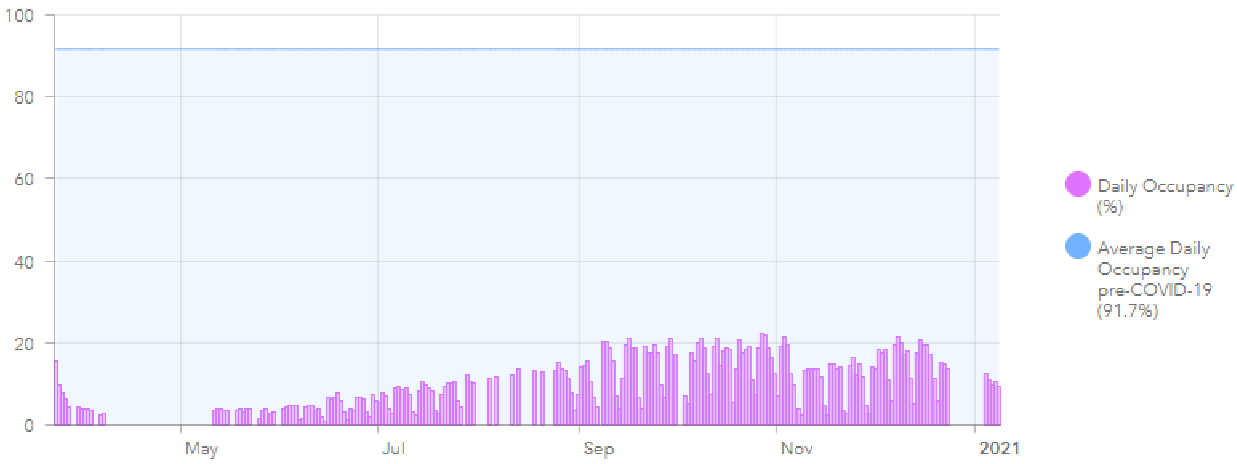


Daily Footfall - Birmingham Rail Stations



Weekday Train and Metro Car Park Occupancy (%)



Not recorded between 8 April and 10 May

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ONS Weekly Release Indicators

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ONS Weekly Release Indicators

On the 7th January 2021 the ONS released the weekly publication containing data about the condition of the UK society and economy and the impact of the COVID-19 pandemic.

The statistics are experimental and have been devised to provide timely information. The following information contains footfall data, final results from Wave 20 of the Business Impact of Coronavirus Survey (BICS), national company incorporations and voluntary dissolution, Wave 39 of the Opinions and Lifestyle Survey (OPN) and experimental online job advert indices.

Footfall

Please note, percentage changes are based on an average of the percentage change on each of the seven days, and are not weighted by footfall volume on each day.

For the week ending the 3rd January 2021, overall footfall decreased to 38% of the level seen at the same week in 2021. This has decreased by 10 percentage points when compared to the previous week.

In the week ending 3rd January 2021, footfall decreased by 18 percentage points for the West Midlands and East Midlands when compared to the previous week.

National Company Incorporations and Voluntary Dissolution

Companies House data shows for the UK, there were 8,248 incorporations in the week ending 1st January 2021. This is above the incorporations recorded in the same week as 2020 which was 7,366 and also the same week as 2019 at 5,876.

Also, for the week ending 1st January 2021, there were 2,955 voluntary dissolution applications. This is below the incorporations recorded in the same week as 2020 at 4,109 and also the same week as 2019 at 3,095.

Business Impact of the Coronavirus

The final results from Wave 20 of the Business Impact of Coronavirus Survey (BICS) based on the 5,178 businesses surveyed across the West Midlands that businesses have a presence in with a response rate of 25.2% (1,307) and to 2,986 businesses that are head quartered in the West Midlands, with a response rate of 23.9% (715). Please note, unless stated, the following data is based on the period between 14th to the 23rd December 2020 and only covers topics where there is a regional breakdown. Also, the data used is unweighted for regions and should be treated with caution when evaluating the impact of COVID-19. Due to weighted data being available for the UK a comparison has not been included.

Trading and Financial Performance

In the West Midlands, less than 1% of businesses have temporarily closed or temporarily paused trading. While 96.0% of businesses have been trading and 3.7% of businesses had permanently ceased trading.

In the West Midlands, 92.0% of responding businesses are currently trading and have been for more than the last two weeks. 4.1% of responding West Midlands businesses have started trading within the last two weeks after a pause in trading. While 3.1% of West Midlands businesses have paused trading and do not intend to restart in the next two weeks.

For West Midlands businesses that indicated they had sites that had paused or ceased trading, 36.0% stated they it was not financially viable to keep open, 57.5% were required to temporarily close due to lockdown regulations and

19.0% reported insufficient footfall or customer interest. While 6.5% reported the reason as other and 1.5% were unsure.

9.0% of responding West Midlands businesses were expecting to temporarily or permanently close sites in the next two weeks. 28.4% of West Midlands businesses are expecting to close sites in the next two weeks due to being required by lockdown regulations, 28.4% have insufficient customer interest or footfall and also 28.4% reported it was not financially viable to keep open.

43.7% of trading businesses in the West Midlands reported their turnover had decreased by at least 20%. However, 37.1% of trading businesses in the West Midlands reported that their turnover was unaffected and just over 10% reported their turnover had increased by at least 20%.

Profits

Businesses were asked in the last two weeks if the Coronavirus had affected profits when compared with normal expectations for the time of year.

41.2% of trading businesses in the West Midlands reported profits had decreased by at least 20%. However, 34.1% of trading businesses in the West Midlands reported that profits had stayed the same and approximately 9.0% reported their profits had increased by at least 20%.

Prices Brought and Prices Sold

Businesses were asked in the last two weeks how the prices of materials, goods or services brought by their business when compared with normal price fluctuations.

Excluding those who responded not applicable or unsure, prices brought data shows 60.2% of West Midlands businesses reported prices did not change any more than normal, 10.6% reported prices increased more than normal and 8.4% of West Midlands businesses reported some prices increased and some prices decreased.

Businesses were also asked in the last two weeks how the prices of materials, goods or services sold by their business when compared with normal price fluctuations. Responses may cover to the point of completion of the questionnaire (14th to 23rd December).

Excluding those who responded not applicable or unsure, prices sold data shows 2.2% of businesses in the West Midlands reported prices had decreased more than normal. 72.8% of West Midlands businesses reported prices did not change any more than normal, 3.2% reported prices increased more than normal and 5.2% of West Midlands businesses reported some prices increased and some prices decreased.

Stock Levels and Stockpiling

Businesses were asked how the pandemic had affected stock levels in the last two weeks.

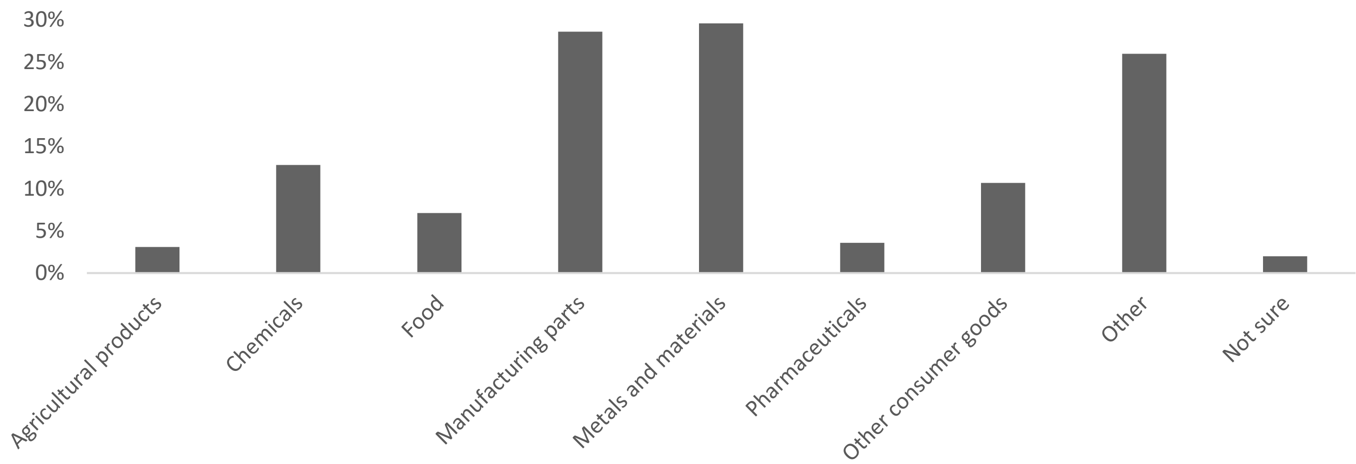
Excluding not sure of not applicable responses, 16.1% of West Midlands businesses reported that stock levels were higher than normal. 35.9% reported stock levels had not changed and 13.9% reported that stock levels were lower than normal.

Excluding not sure responses, 46.4% of West Midlands businesses reported that the main reason for the difference in stock levels were due to COVID-19. 21.8% of West Midlands businesses reported the main reason to be COVID-19 and the end of the EU transition period. 19.9% of West Midlands businesses reported just the end of the EU transition period as the main reason and 9.5% of West Midlands businesses reported the main reason as other.

6.1% of responding West Midlands businesses reported they were stockpiling goods or material from UK suppliers, 11.0% were stockpiling from EU Suppliers and 3.0% were stockpiling from non-EU suppliers. 73.8% of West Midlands businesses reported not stockpiling any goods or materials.

Where West Midlands businesses reported they were stockpiling goods or material the highest percentage were in metals and materials at 29.6%.

The following chart shows what goods or materials West Midlands businesses were stockpiling:



EU Transition

8.0% of West Midlands businesses reported that they were intending to make changes to supply chains in preparation for the end of the EU transition period, while 50.3% of West Midlands businesses reported they were not.

Excluding other and not sure, for the West Midlands businesses that responded they intended to make changes in preparation for the end of the EU transition period, changes included; 31.7% were going to use more UK suppliers, 10.9% were going to use more EU suppliers and 5.0% were going to use more non-EU suppliers. 15.8% of West Midlands businesses were going to move the supply chain away from the short straits crossing. 39.6% of West Midlands businesses were going to increase the diversity in suppliers and 13.9% were going to expand to different modes of freight.

Grants Applied and Received, Finance Agreements and Further Schemes

11.3% of West Midlands businesses have applied for Local Restrictions Support Grant – England (80.5% have received) and 1.2% have applied for Lockdown Business Fund – Wales (7.8% have received). 1.3% of businesses have applied for Local Restrictions Support Grant Scotland (3.2% received from Business Closure Fund – Scotland). While 77.8% of West Midlands businesses have not applied for any of these grants.

7.4% of West Midlands businesses have received small business grant and 5.2% have received a sector-specific grant.

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

5.7% of West Midlands businesses are using or intend to use Kickstart Job Scheme for young people. 62.2% are using or intend to use the Coronavirus Job Retention Scheme. While 28.5% of West Midlands businesses are not using or intend to use either of these schemes.

International Trading

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

For businesses in the West Midlands continuing to trade who have exported and/or imported in the last 12 months and have exported and/or imported during Coronavirus, 31.0% of exporting businesses in the West Midlands reported their businesses were still exporting but less than normal. Of those businesses who continued to trade and import, 25.9% in the West Midlands were importing less than normal.

55.0% of West Midlands businesses who were exporting reported that they had not been affected and 54.5% reported that importing had not been affected.

3.0% of businesses in the West Midlands are exporting more than normal and 8.4% are importing more than normal.

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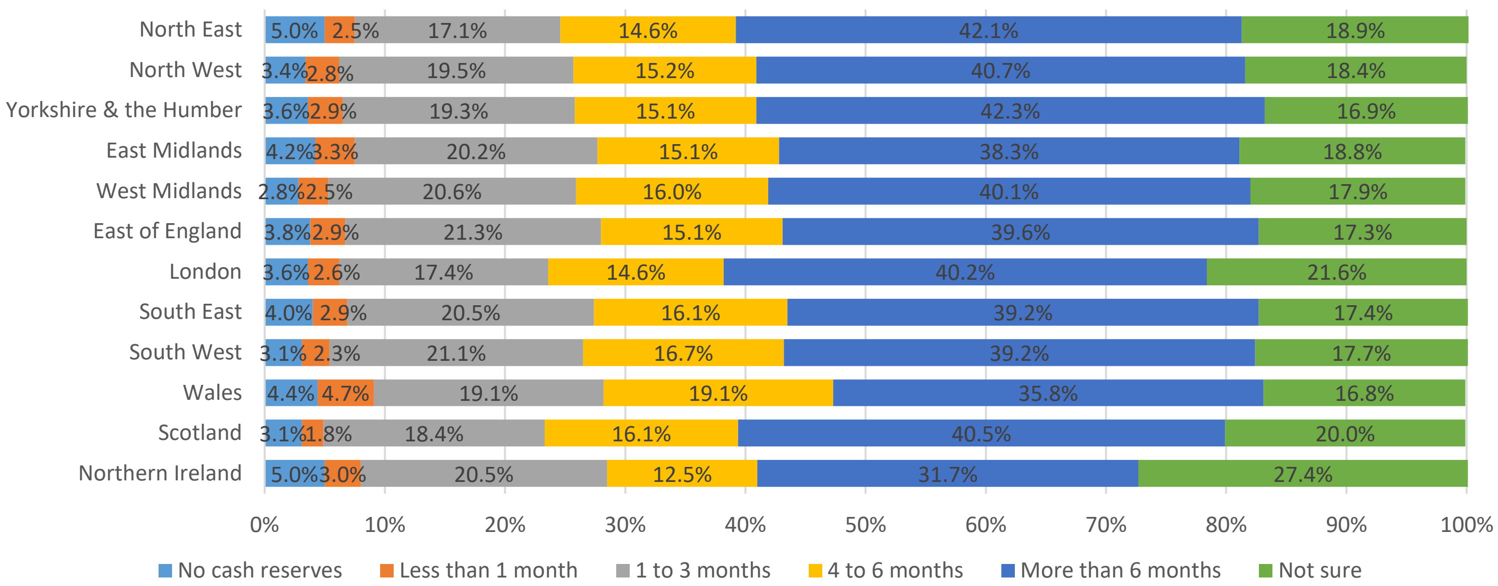
Less than 1.0% of businesses in the West Midlands have not been able to export in the last two weeks and 1.2% of West Midlands businesses have not been able to import in the last two weeks.

Cash Flow

2.8% of responding West Midlands businesses that have not permanently stopped trading have no cash reserves.

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



Business Confidence and Insolvency

In the West Midlands, 66.9% of businesses had high confidence in surviving over the next three months, whilst 23.2% had moderate confidence of survival, and 3.3% had low confidence. The remaining 5.8% were not sure.

1.6% of West Midlands businesses reported they were at severe risk from insolvency and 9.4% of West Midlands businesses reported they were at moderate risk. 50.3% of West Midlands businesses reported a low risk of insolvency and 28.7% reported no risk.

40.4% of West Midlands businesses reported that the risk of insolvency had increased due to COVID-19. While, 50.5% of West Midlands businesses reported insolvency risk had stayed the same and 2.5% reported the risk had decreased.

Debt Repayments

2.6% of West Midlands businesses reported for the last month that debt repayments were more than 100% of the turnover.

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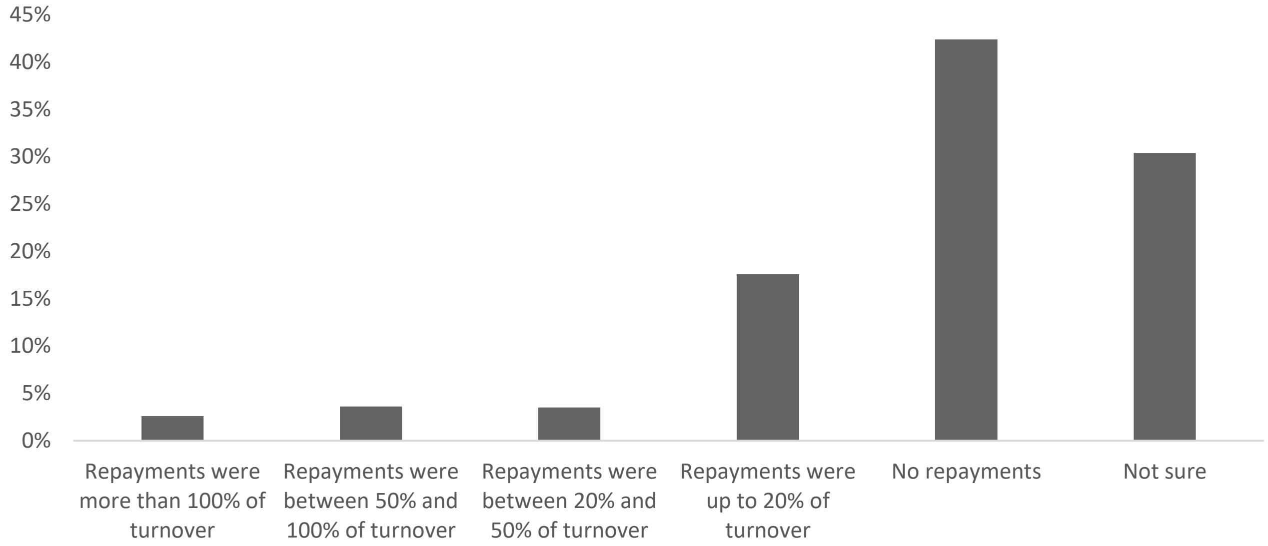
The following graph shows for West Midlands businesses how debt repayments compare with turnover:



Working from Home

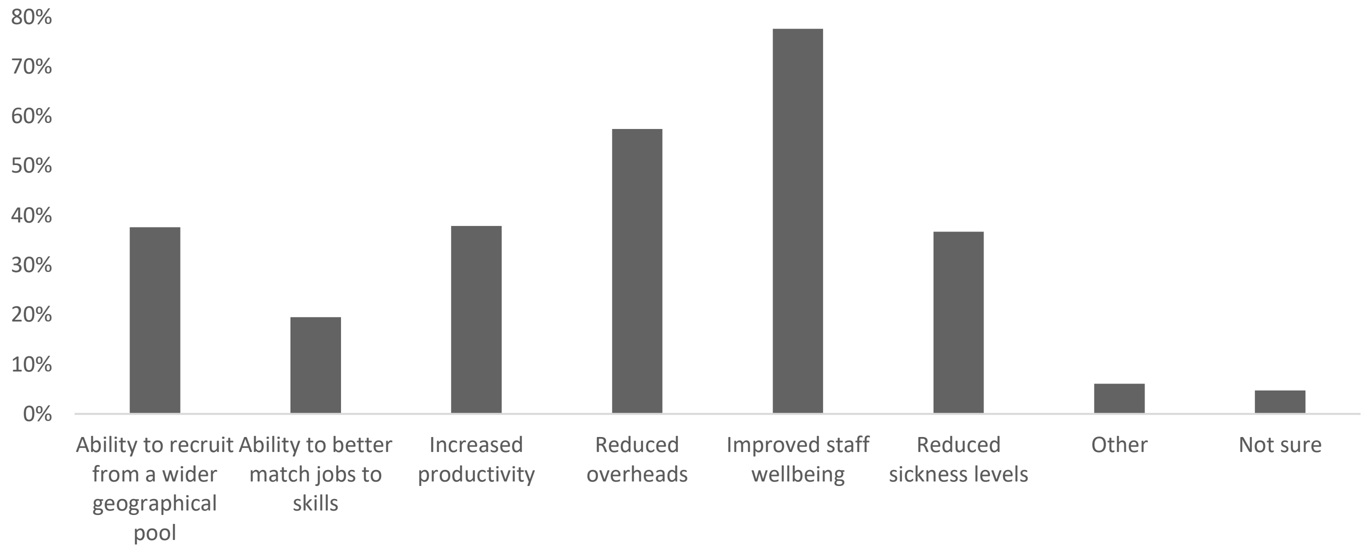
74.0% of responding West Midlands businesses reported more staff were working from home as a result of COVID-19, 24.0% reported that they had not had more staff working from home and the remaining 2.0% were unsure.

11.9% of West Midlands businesses reported that productivity had increased with the workforce working from home. 54.1% of West Midlands reported productivity had stayed the same. 17.9% of West Midlands businesses reported productivity had decreased with the workforces working from home and the remaining 16.1% were unsure.

26.3% of West Midlands businesses reported they intended to use increased homeworking as a permanent business model going forward. 39.5% of West Midlands businesses reported they would not have homeworking as a permanent business model with a further 34.2% unsure.

The main reasons to why West Midlands businesses intend to use homeworking as a permanent business model going forward includes; 77.6% reported it improved staff wellbeing, 57.4% due to it reducing overheads and 37.9% reported increased productivity.

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



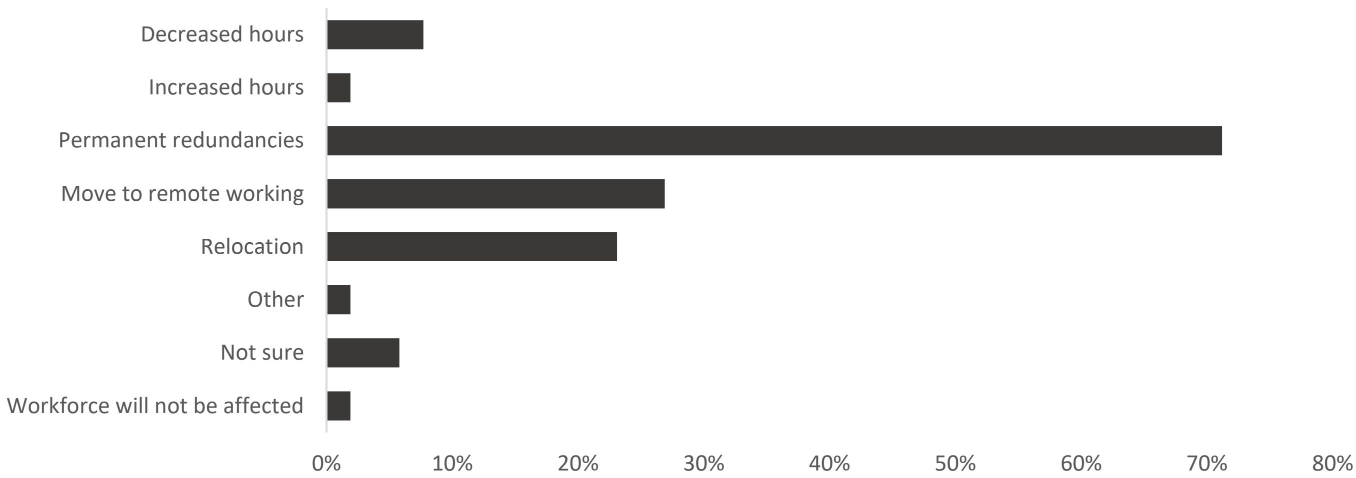
The WM Weekly monitor is funded by the West Midlands Combined Authority, Research England/UKRI

Expected Site Closures in the Next Three Months

4.0% of West Midlands businesses reported they were intending to permanently close business sites in the next three months, with a further 14.6% unsure. Meaning the remaining 81.6% of businesses were not intending to permanently close business sites in the next three months.

71.2% of West Midlands businesses reported that they expect closing the sites will cause permanent redundancies and 26.9% 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:



Expected Redundancies

14.0% of responding West Midlands businesses expect redundancies to happen within the next two weeks. 21.1% of West Midlands businesses expect redundancies to occur between two weeks and one month and 62.3% expect between one and three months. 7.9% of West Midlands businesses were unsure when redundancies would occur.

EU and Non-EU Workers

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

1.2% of West Midlands business reported the number of workers from with the EU had increased while less than 1% reported the number of workers outside the EU had increased. 60.1% of West Midlands businesses reported the number of workers within the EU had stayed the same and 62.4% of workers outside the EU had stayed the same. 8.1% of West Midlands businesses reported the number of EU workers had decreased and 4.4% of workers outside the EU had decreased. Overall, for the change in EU and non-EU workers 8.0% of West Midlands businesses preferred not to say and 55.1% were not sure.

Expected Recruitment and the Immigration System

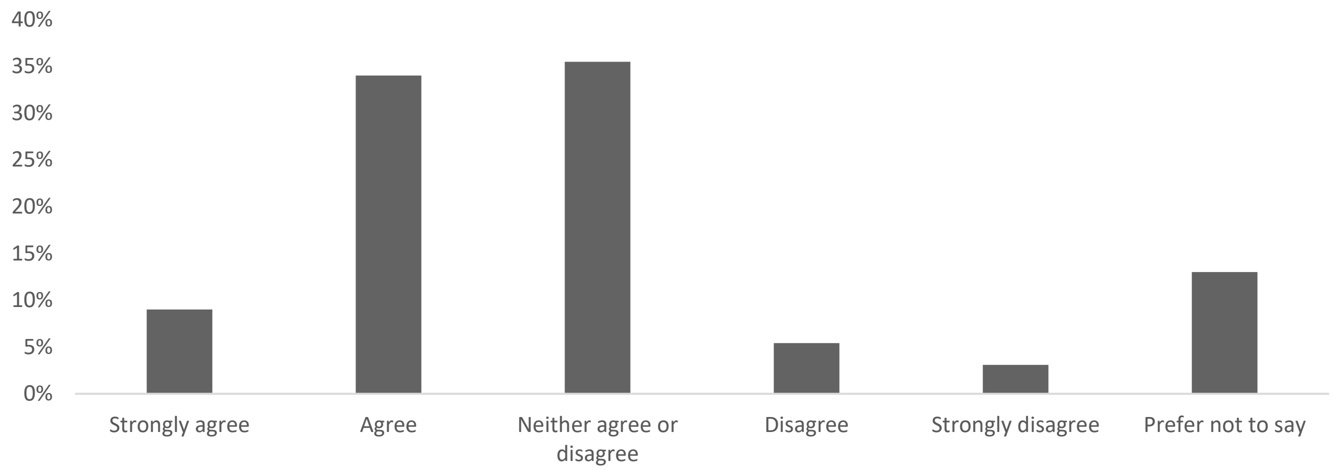
Businesses were asked if they expected to recruit new workers from countries in the EU or EEA in the next 12 months.

6.7% of responding businesses reported there were expecting to recruit from EU or EEA countries within the next 12 months, 43.4% reported they were not expecting. 2.4% of West Midlands businesses preferred not to say and 47.5% were unsure.

Businesses were asked to what extent did they agree or disagree with the following statement: "We understand what the new immigration system for recruiting EU or EEA citizens means for our business"

For West Midlands businesses, 43.0% either agreed or strongly agreed that they understood the new immigration system for recruiting EU or EEA citizens.

The following chart shows a breakdown of the extent West Midlands businesses agreed or disagreed with understanding the new immigration system for recruiting EU or EEA citizens:



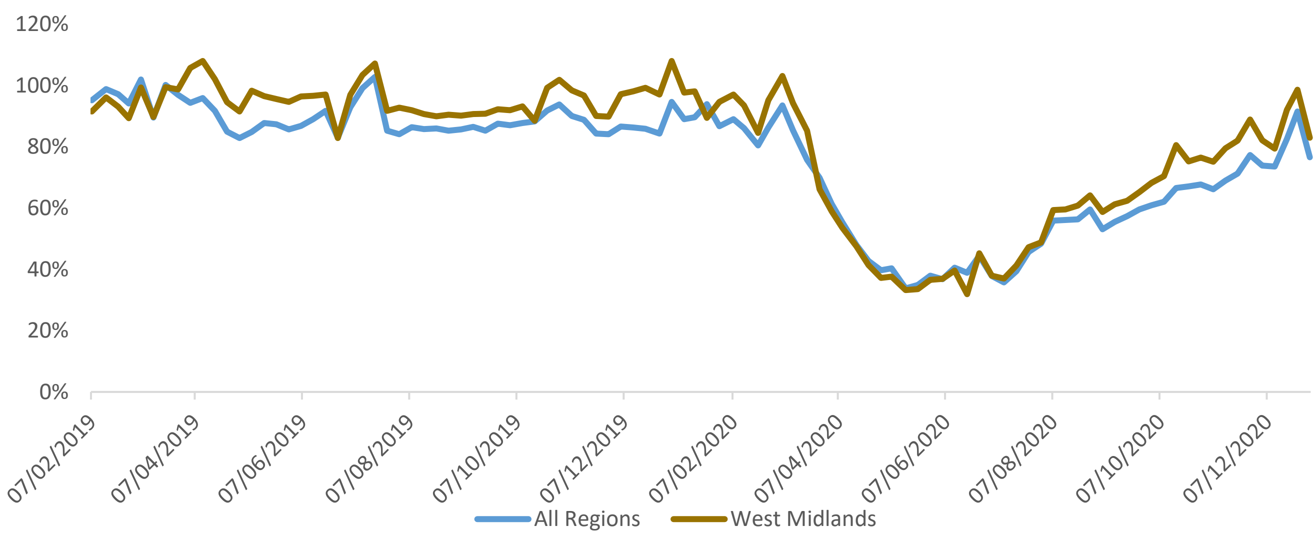
Online Jobs Adverts

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 previous year 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 24th December and the 31st December 2020 total online job adverts decreased by 14.9 percentage points to 76.6% of the levels seen in the same weeks as 2019. Out of the 28 categories (excluding unknown) 26 decreased from the previous week, with the highest decrease in manufacturing by 42.8 percentage points to 108.8% of the level seen in the same week in 2019. The two increases were in the domestic help (increasing by 22.6 percentage points to 134.8% of level seen in the same week in 2019) and in the other/general category (increasing by 1.6 percentage points to 69.8% of level seen in the same week in 2019).

Between the 24th December and the 31st December 2020, for the West Midlands, the total online jobs adverts decreased by 15.6 percentage points to 83.0% of the levels seen in the same week in 2019. All the UK regions experienced a decrease between the 24th December and the 31st December with Yorkshire and The Humber the highest decrease by 47.6 percentage points to 81.2% for the same period in 2019.

The following chart shows the total weekly job adverts on Adzuna, for all regions and the West Midlands, 7th February 2019 to 31st December 2020: percentage change from the same week in the previous year:



Source: Adzuna

Social Impacts of the Coronavirus

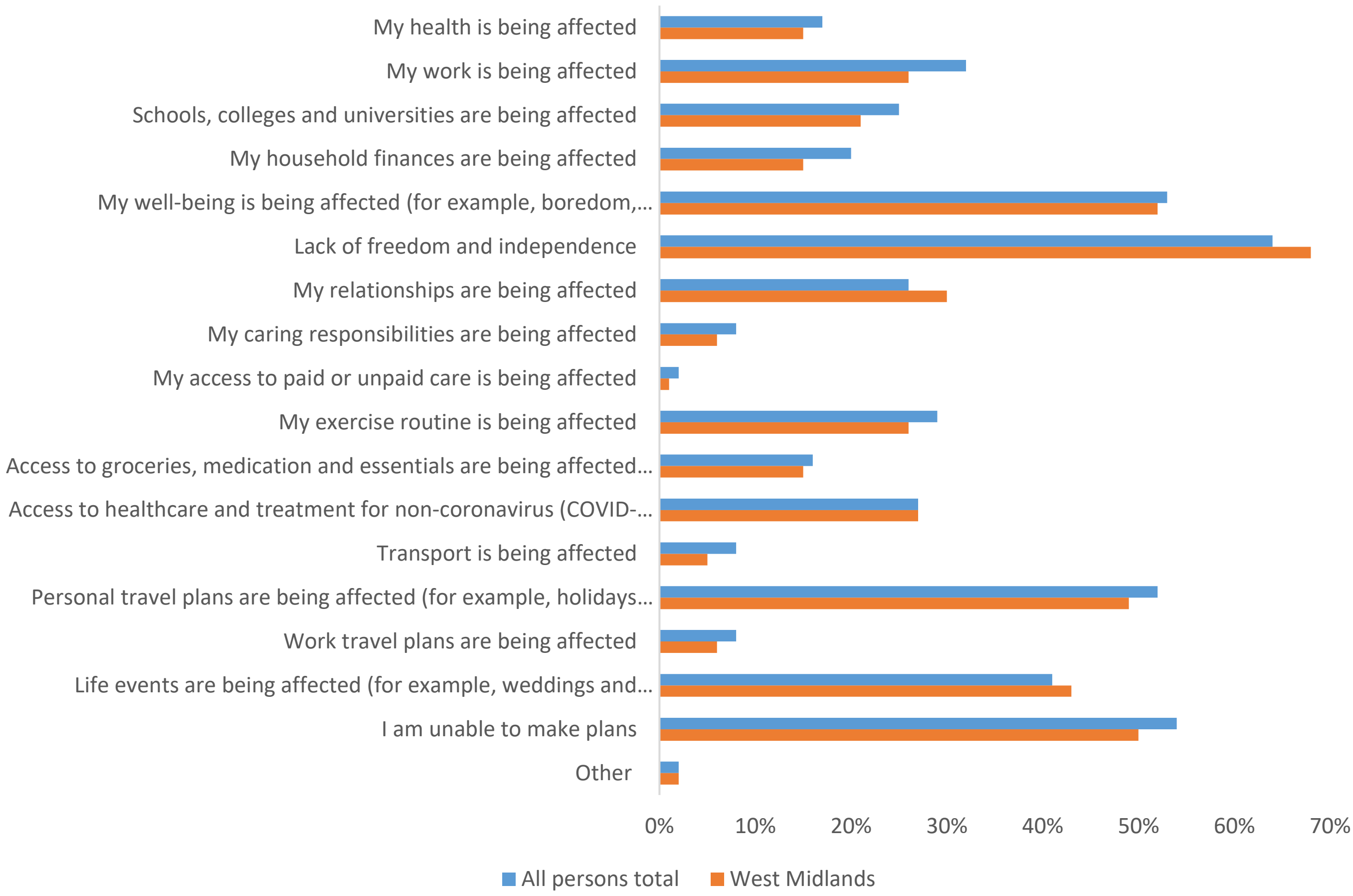
The following refers to the period of 22nd December 2020 to 3rd January 2021 unless stated otherwise.

Impact on People's Life Overall

In the West Midlands 73% of adults reported they were very or somewhat worried about the effect COVID-19 was having on their life, matching the Great Britain average. 11% of West Midlands adults reported that they were somewhat worried or not at all worried (10% GB).

The main way that COVID-19 is affecting West Midlands at 68% was the lack of freedom and independence.

The following chart shows how COVID-19 is affecting West Midland adults and also the overall all persons total:



Well-Being, Loneliness and Perceptions of the Future

Average personal well-being scores for life satisfaction was 6.9 in the West Midlands (6.7 GB), worthwhile was 7.4 in the West Midlands (7.2 GB), happiness was 7.3 for West Midlands adults (6.9 GB) and anxious was recorded at 4.0 for West Midlands adults (matching the GB Average).

34% of adults in the West Midlands reported high levels of anxiety (33% for GB).

33% of adults in the West Midlands reported to often/always or some of the time to feeling lonely (26% GB). While 46% reported hardly ever or never feeling lonely in the West Midlands (48% GB).

24% of West Midlands adults believe it will take 6 months or less before life returns to normal (25% GB). While 30% of West Midlands adults believed it will take 7 to 12 months (35% GB). 22% of West Midlands adults think it could more than a year to return back to normal (20% GB) and 6% for the West Midlands adults (3% GB) thought it would never go back to normal.

Mass Testing and Vaccines

In the West Midlands, 80% of adults strongly or tend to support mass testing (81% GB), while only 4% strongly or tend to oppose mass testing (3% GB).

70% of adults in the West Midlands were very or fairly likely to get a test for COVID-19 even if they did not have any symptoms (71% GB). While 17% were very or fairly unlikely to get a test without symptoms (14% GB).

83% of adults in the West Midlands were very or fairly likely to have the vaccine if it was offered to them (85% GB). While 7% of West Midlands adults were very or fairly unlikely (matching the GB average) to have the vaccine if offered.

Christmas Plans

The response period for this section was between 16th to the 20th December 2020.

55% of West Midlands adults report that they strongly or tend to support the government rules regarding travel and forming an exclusive Christmas bubble over the Christmas period (49% GB). While 31% of West Midlands adults strongly or tend to oppose the government rules for the Christmas period (35% GB).

55% of adults in the West Midlands reported it was very easy or easy to understand the rules for forming an exclusive Christmas bubble (54% GB). While 19% reported it was very difficult or difficult to understand the rules (25% GB).

49% of West Midlands adults reported they were planning to form an exclusive Christmas bubble (51% GB).

When adults reported they were planning to meet family and friends in their own home or someone else's home or in a holiday accommodation, 72% of West Midlands adults reported they would keep indoor spaces well ventilated (70% GB), 62% reported they would clean touch points regularly (62% GB). 55% of West Midlands adults reported they would avoid sharing a bedroom overnight with people outside the household (54% GB) and 49% would avoid sharing cutlery or crockery if possible (53% GB).

62% of West Midlands adults reported they would find it very easy or easy to follow the government rules over the Christmas period (63% GB). While 18% reported it would be very difficult or difficult to follow the rules (17% GB). For those who reported it would be difficult to follow the rules over the Christmas period, the three main reasons for West Midlands adults were the impact on wellbeing (50%), difficult to choose between friends and family (45%) and adults wanted to see family and friends on dates other than between 23rd and 27th December (44%).

LEP Level Intelligence

HEADLINES

HEADLINES	
SECTOR	**KEY CONCERNS**
Cross Sector	**COVID-19** Growth Hub enquiries across the region are still dominated by the current impact of lockdown restrictions on the worst affected sectors. Enhanced grant support for the most affected businesses is welcome, but businesses are calling for a comprehensive, organised package of support for 2021, rather than short term reactive measures aimed at surviving to the Spring. According to local business leaders, urgent support is needed so they can get through to the end of the crisis and help the UK restart, rebuild and renew as quickly as possible. While the support provided is accepted as unprecedented and extremely welcome, there are number of areas which still need action according to feedback from businesses on the ground: • Government is urged to ensure that local authorities are allocated sufficient discretionary grant funding to support non-business rates payers, as well as rates payers and also that supply chain businesses, who fall outside of these closed sectors but are critically impacted nonetheless, also get help. • Enhanced grant support for closed businesses with high overheads and other significantly impacted organisations - such as supply chain firms and charities - falling through the gaps in existing schemes. • Changes to the Coronavirus Job Retention Scheme and the Self-Employed Income Support Scheme to reduce overheads for closed businesses and widen support to those currently excluded. • Changes to the Coronavirus Business Interruption Loan and Bounce Back Loan Schemes to support business recovery and accessing finance for future growth • Extending business rates relief, VAT reliefs and bringing forward further VAT deferral scheme. • Removing NI and pension contributions from furlough for closed businesses Many business owners are calling to say their business may not survive due to lack of timely financial support. The priority for government should be announcing a new package of realistic support for businesses that addresses the serious cash flow issues so many are experiencing. Additional specific issues raised around COVID-19 include: • **Health & Safety Policies and Risk Assessments** – when considering re-opening, feel un-prepared in relation to health and safety policies and risk assessments. • **Housing Market** – reports from businesses linked to the housing market, suggesting problems may be brewing where house buyers, especially those involved in a chain, are at risk of redundancy, furlough and/or having mortgage offers expire or withdrawn. This may potentially lead to chains collapsing with more serious impact on the overall market. • Rent on retail units and client protection options to discuss with landlords. • Grants updates required from local authorities. • Clarification on 'key worker status' in aid of sending children to school. • Lack of clarity over business travel exemptions and quarantine. **Schemes** The Government must urgently reveal its business rates strategy for firms in the beleaguered retail and hospitality sectors, according to real estate firm Colliers International. John Webber, head of business rates at Colliers, says the current business rates holiday should, at the very least, be extended for another six months. Mr Webber warns that

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

<table>
<tr><th colspan="2">HEADLINES</th></tr>
<tr><th>SECTOR</th><th>KEY CONCERNS</th></tr>
<tr><td></td><td>unless the Government announces reliefs soon, billing authorities across the country will be getting bills ready to send. He says that, as businesses struggle with a third national lockdown with shops, restaurants and hotels remaining closed for another six weeks, “the last thing businesses need is for exorbitant business rates bills to be landing through their letterboxes in February and March.”

• Kickstarter Concerns – further concerns have been raised regarding the complex and lengthy process surrounding the Kickstarter programme which echo similar feedback before Christmas. Some businesses are deterred from applying as they are unable to commit sufficient time to understand the rules and application procedure. Businesses would welcome reassurance that the scheme is worthwhile and visibility of case studies. This would in turn improve its reputation.
Grants
• Businesses are seeking investment from a variety of sources: Kickstarter, industrial Strategy Challenge Funds, ERDF.
UK Transition
• Some signs of EU Exit related problems. The number of enquiries on UK transition is increasing, with very specific queries being asked that companies cannot find the answers to online. For example:
- How to claim preference for EU goods
- VAT queries from providers of both services and goods
- UK Certificate of Origin and EUR1s
- Temporary movement of goods and carnets
- Data sharing to a private Individual/ Business in the EU
- Details of tariffs for sales to ROI/NI
- If a carnet needs to be issued for engineers based in NI travelling to ROI
- VISA requirements when sending support engineers to the EU.
- Cost to provide a carnet for each visit.
- Documents required by EU customers.
- Documents for temporary movements of goods to Norway and EU.
- Declarations to make for smaller retail orders to EU
- Shipments to private customers in EU stuck as customs are requesting an EORI number.
- Lack of guidance for certifications and standards.
Start-Ups and New Business Models
• Among the negativity, there are positive stories, with many businesses continuing to adapt to the new ‘normal’, investing and looking beyond the current restrictions.
• There is also evidence of businesses who diversified to survive earlier months of the pandemic and who have struck on successful ideas, leading to the expansion of their business also removing the need to rely so heavily on government support such as the furlough scheme. One such success story has led to expansion and investment in new machinery that otherwise would not have taken place.
Other
• According to the latest KPMG and REC, UK Report on Jobs: Midlands, there was a sharp increase in hiring activity across the Midlands at the close of the fourth quarter of 2020. Both permanent placements and temp billings rose markedly, amid reports that companies were filling vacancies following pandemic related hiring freezes.
• Meanwhile, candidate availability continued to improve, although the rate of increase for both permanent and short-term staff eased on the month</td></tr>
<tr><td>Retail</td><td>COVID-19
• The British Independent Retailers Association (Bira) has raised concerns that the Treasury’s funding package will not be enough to sustain retailers. Bira is also calling on the Government to make shops selling baby goods ‘essential’.</td></tr>
</table>

HEADLINES	
SECTOR	**KEY CONCERNS**
	• Businesses desperate to access discretionary funding, particularly those in supply chain to retail/hospitality/exhibitions who have received no support.
Hospitality	**COVID-19** • Small number of initial enquiries from businesses looking for more information regarding the latest government grants for Retail, Hospitality & Leisure. • Questions, however, do surround the viability of some pubs and restaurants that may already have been destined to fail prior to the COVID pandemic and should the money be more carefully allocated to those that are more likely to succeed. • With government suggestion of new coronavirus restrictions ban alcohol from being sold with any other takeaway services offered by pubs and restaurants, a number of regional pubs have expressed concerned that this could lead to permanent closures. The Chairman of CAMRA said "the Chancellor's one-off grant support of up to £9,000 for hospitality businesses was "welcome" but added: "It is nowhere near enough to cover the haemorrhaging costs for pubs and breweries." • Businesses desperate to access discretionary funding, particularly those in supply chain to retail/hospitality/exhibitions who have received no support.
Manufacturing	**UK Transition** • As above, some signs of EU Exit related problems surfacing – that are likely to disproportionately affect manufacturing. For example: - How to claim preference for EU goods - VAT queries from providers of both services and goods - UK Certificate of Origin and EUR1s - Temporary movement of goods and carnets - Details of tariffs for sales to ROI/NI - VISA requirements when sending support engineers to the EU. - Documents required by EU customers. - Documents for temporary movements of goods to Norway and EU. - Shipments to private customers in EU stuck as customs are requesting an EORI number. - Lack of guidance for certifications and standards.

NEW ECONOMIC SHOCKS

NEW ECONOMIC SHOCKS			
COMPANY	**LOCATION**	**SECTOR**	**SOURCE/DETAIL**
Wider economy	Nationwide	All	Lockdown 3.0 set to plunge UK back into recession, warn experts
Wider economy	Nationwide	Automotive	Car sales have slumped as the automotive sector has been hit by Brexit and the pandemic. A big rise in sales of electric cars was a bright spot for car manufacturers amid a major fall in sales.
Poundland	Black Country and wider region	Retail	The discount stores chain is replicating the measures it took during the lockdowns of 2020, by closing 44 of its more than 800 stores on a temporary basis.
National Express	Black Country and wider region	Travel	National Express has announced it is suspending its entire national network of coach services due to the nationwide restrictions.
Paperchase	National (Leamington Spa, Solihull, Tamworth)	Retail	Some 1,500 jobs could be at risk after Paperchase revealed it is set to appoint PwC as administrator. The stationery chain, which has 127 stores and 45 concessions, was hit by a round of store closures at the end of 2020. Before that it had undergone a company voluntary arrangement (CVA) in early 2019.

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NEW INVESTMENT, DEALS AND OPPORTUNITIES

COMPANY	LOCATION	SECTOR	DETAIL & SOURCE
COMPANY	**LOCATION**	**SECTOR**	**DETAIL & SOURCE**
Pac Mecca	Black Country	Hospitality	Pak Mecca Limited is negotiating with the factory's owners, Pilgrim's Pride, to buy the land and existing buildings on George Henry Road to open an abattoir to supply meat products in a move it says will create 200 jobs.
UK Treasury	Nationwide	Retail, Hospitality and Leisure	Around 600,000 retail, hospitality and leisure sites will be able to claim a one-off grant of up to £9,000, the Government has announced. The payments are available to around 600,000 retail, hospitality and leisure sites on top of an extra £594m to councils and devolved administrations.
Taylor Wimpey	Bloxwich, Walsall	Housing	Taylor Wimpey will build 263 homes on the former Elkington Works and Cerro EMS site in Bloxwich after Walsall Council's planning committee approved the plan at a recent meeting.
Wolverhampton railway station	Wolverhampton	Transport	Work to renew the platform 1 lift at Wolverhampton railway station is starting. The £250,000 investment will improve the reliability of the passenger lift for years to come.
CrownCruiser	Wolverhampton	Transport	CrownCruiser has been awarded £139,970 to support development of the Rapture eBike as part of the dedicated Covid-19 innovation recovery fund.
Wolseley	Warwickshire	Plumbing & Heating Engineering	Warwick-based plumbing and heating products firm Wolseley has been sold by its owner to a global private equity firm in a deal worth £308m. Clayton, Dubilier & Rice has snapped up Wolseley in a deal that is expected to be completed by the end of January.
Dhillon's Brewery	Coventry	Retail, Food & Catering Services	A landmark Coventry building is being turned into a continental café bar in time for UK City of Culture after a deal was agreed with a local craft brewery. Dhillons Brewery has taken a 20-year-lease on Christchurch Spire in Coventry city centre and will be serving its own beers on tap as well as offering hot drinks and food from 9am to create a family friendly venue.
Pet-XI	Coventry	Education and Training	A national training provider based in the Midlands is set to expand its team after a successful 2020 despite the disruption caused by the pandemic. Coventry-based PET-Xi is boosting its workforce across the UK with eight new senior roles.
Local News/Press Release: The Business Desk WM	Coventry	Transport	Coventry is set to become one of the first cities in the UK that will have an entire fleet of electric buses. Coventry, along with Oxford, are developing business cases in an England-wide competition to switch an entire town or city's bus fleet to electric vehicles.
Coventry & Warwickshire Chamber of Commerce Start-up Team	Coventry & Warwickshire	All	The Coventry and Warwickshire Chamber of Commerce's start-up team helped more than 300 new start businesses since April 2020 and it is expecting another influx as 2021 begins. The Chamber also delivered more than 50 online workshops in that time, with around 550 individuals attending to get help and tips on what to do when starting a new venture. New businesses started during the pandemic included everything from an interiors business through to a company delivering nature boxes for children. Many were being started because of either redundancy or uncertainty around employment due to Covid-19

COMPANY	LOCATION	SECTOR	DETAIL & SOURCE
Pop-up Business School & Venture House in Stratford-upon-Avon	Stratford-upon-Avon	All	Stratford entrepreneurs of the future are being offered free places on an online workshop to turn their hobbies and dreams into a successful business. Stratford-on-Avon District Council's Venture House has partnered with the hugely popular PopUp Business School to help would-be start-ups across the District to get their ideas off the ground this February. Designed to inspire people and help them find the confidence to make their business ideas a reality, the PopUp Business School is aimed at everyone, from those with no cash and no business experience to fledgling start-ups that need guidance to keep on track.
Sertec Group	Coleshill	Automotive Component Manufacturing	Automotive components manufacturer Sertec Group has landed a £4m investment from growth capital investor BGF as the business looks ahead to European growth. Since BGF's initial investment in 2016, the business has expanded its customer base, invested in new technologies and established a strong European footprint through acquisitions and new hires.
Simon The Beekeeper	Nuneaton	Retail/Services	A buzzing online beekeeping business on target for £2m turnover has moved into new warehouse headquarters in Warwickshire. Simon The Beekeeper has taken on the lease of a 10,000 sq. ft unit on the Centrovell Trading Estate in Nuneaton from The Wigley Group and from there aims to build on a 37% growth achieved this year in its 10th anniversary.
Ascent Performance Group / Excel Collection and Enquiry Services (Excel)	Henley-in-Arden	Professional Services	Ascent Performance Group, the financial services outsourcing business and part of the Irwin Mitchell Group, has bought Henley-in-Arden-based financial services business Excel Collection and Enquiry Services (Excel).
Norton Motorcycle Company – Indian owned	Solihull	Transport	Relocation and retention project from East Midlands. Moving HQ to Solar Park, Solihull.
Biosite Systems – Sweden owned	Solihull	Biotechnology	Expansion of site in Solihull
Asos	Lichfield	Retail	ASOS has signed a deal with AEW for a 15-yr lease with on for a 437,000 sq. ft warehouse at Fradley Park, Lichfield.
St Modwen/WMCA	Longbridge	Property	A key scheme in the on-going regeneration of the former MG Rover car plant in Longbridge is being backed by a £780,000 funding deal from the West Midlands Combined Authority (WMCA)
Tamworth Borough Council	Tamworth	Town Centre Regeneration	Tamworth Borough Council has been awarded £21.65m from the Future High Streets Fund in order to complete the biggest transformation to Tamworth town centre in a generation.

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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