

West Midlands

Weekly Economic Impact Monitor



Issue 42 Publication Date 22/01/21

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 significant changes in the USA with the inauguration of the 46th President; this could signal changing relationships which are yet to be understood. The uncertainty of the current lockdown is adding uncertainty to business planning and forecasting, and unfolding impacts as a result of the new EU trade deal are continuing to unfold, resulting in demonstrations by the UK's fishing industry. But the vaccine roll out by the NHS is continuing at pace bringing hope for many and the potential of a stabilisation in the situation.

- The [US economy has taken significant hits to its economy due to Covid-19](#). More than 380,000 people in the United States have died of COVID-19 during the pandemic, with 22.7 million infected during that time. [Consumer spending fell](#) in November 2020 and that [retail sales and employment fell](#) in December 2020. It is highly likely that these trends were due to the rising number of infections and their impact on consumer behaviour.
- According to [EY's most recent regional forecasts](#), COVID-19 has made levelling up even harder by weakening the sectors that towns in the North and Midlands are most dependent on. EY projects cities will grow faster than towns and the South will outpace the North over the next three years. This is reflected in the GVA outlook for the Midlands regions between 2020 and 2023: a 0.3% contraction is expected in the West Midlands while East Midlands GVA is expected to remain flat.

Bank of England Latest

- The Bank of England predicts similar patterns, with GDP falls in Q4 2020 and slower recovery in 2021 and through to 2023 before it reaches the previous forecast. However, there is continued uncertainty within this forecast. The uptick in the economy has been driven by household spend focussed on home improvements and the shift to online. As in last week's monitor inequality is being driven by those on higher salaries and with homes at the higher end of the market who have been more protected and are able to save.
- Unemployment is projected to peak at 7.75% in Q2 2021 according to the Bank of England. This aligns with previous predictions from analysts and work in earlier monitors. But again, these projections are based on uncertainty. Effective employment support actions could reduce this (and to a large extent we have seen the success of schemes in keeping the unemployment relatively low under the circumstances). But going forward continued uncertainty or mis-timed withdrawal of support could mean the higher end of the projection is possible.
- *"The MPC would continue to monitor the situation closely. If the outlook for inflation weakened, the Committee stood ready to take whatever additional action was necessary to achieve its remit. The Committee did not intend to tighten monetary policy at least until there was clear evidence that significant progress was being made in eliminating spare capacity and achieving the 2% inflation target sustainably."*

Brexit impacts

- As reported previously the UK is facing [food shortages](#) as confusion occurs at the borders surrounded the new trade rules, causing delays. The new trading rules following Brexit have been causing confusion and backlogs, [leaving British fishing companies](#) unable to sell their produce to their biggest consumer: Europe.
- 19.9% of West Midlands businesses reported that they were not fully prepared for the end of the EU transition period due to the Coronavirus pandemic. 50.2% of responding West Midlands businesses were not sure what they needed to do to be prepared and 11.0% reported that no preparation was needed as it was expected a deal would be reached
- 49.2% of West Midlands businesses who were exporting reported that they had not been affected and 54.1% reported that importing had not been affected. 4.7% of businesses in the West Midlands are exporting more than normal and 7.7% are importing more than normal.

COVID-19 impacts

- The number of deaths registered in England and Wales was affected by the Boxing Day and New Year's Day Bank Holidays; 17,751 deaths were registered in the week ending 8 January 2021 (Week 1), 7,682 more deaths than in the preceding week (Week 53); this sharp increase may be because of deaths in the previous weeks whose registrations were delayed, so the figures in this week's release should be interpreted with caution. There were 365 deaths in the West Midlands this week.

- In the week ending the 10th January an additional 1,212,716 people received an NHS vaccination for COVID-19 in England. This took the total number of people vaccinated since vaccinations began on 8th of December to 1,997,304 and the total vaccinations given to 2,371,407. The Midlands has achieved 447k cumulative vaccinations, (1st and 2nd doses for under and over 80s).
- Research by HBSC and Goldman Sachs presented in the [Economist](#) this week highlights that the British economy appears to be adjusting to lockdowns with the “the sensitivity of economic activity to covid-19 restrictions has diminished significantly since the first lockdown”.
- For the week ending the 10th January 2021, overall footfall was at 35% when compared to the same week in 2020. Overall footfall in the UK decreased by 2 percentage from the previous week.
- For West Midlands businesses that indicated they had sites that had paused or ceased trading, 66.1% were required to temporarily close due to lockdown regulations, 25.9% stated that it was not financially viable to keep open and 18.7% reported insufficient footfall or customer interest.
- 72.5% of West Midlands businesses reported prices did not change any more than normal, 2.6% reported prices increased more than normal and 3.8% of West Midlands businesses reported some prices increased and some prices decreased.
- 41.3% of trading businesses in the West Midlands reported profits had decreased by at least 20%. However, 35.2% of trading businesses in the West Midlands reported that profits had stayed the same and approximately 7.0% reported their profits had increased by at least 20%.
- 39.4% of West Midlands businesses reported that capital expenditure had not been affected due to the pandemic. 30.3% of responding West Midlands businesses reported capital expenditure is lower than normal. 9.9% of West Midlands businesses reported that capital expenditure had stopped and 4.9% reported capital expenditure was higher than normal.
- 62.0% of businesses had high confidence in surviving over the next three months. 26.5% had moderate confidence of survival, 4.5% had low confidence and 1.1% had no confidence
- In the West Midlands 80% of adults reported they were very or somewhat worried about the effect COVID-19 was having on their life, above the Great Britain average of 78%.
- [Demos and KPMG](#) have found that towns across the UK are split - half of the population are wary of newcomers, new houses, and new jobs, and the other half embrace these things. As towns face new challenges as the impacts of COVID continue, the research recommends meaningful conversations between local governments and residents to build support for more (affordable) homes, investment in the town, and the integration of newcomers with existing residents
- [The Joseph Rowntree Foundation](#) have released their 2020/21 report on poverty which begins to quantify the impact of COVID on poverty in the UK. The long-term impact of furlough and unemployment, and the inability of benefits to keep up with actual costs risks sending more people into poverty.
- [The National Audit Office](#) has released an analysis of the Everyone In programme which saw 33,000 people brought into accommodation and £3.2 million spent in order to achieve this. The report asks questions about what will be done about those who have no recourse to state benefits
- [The Federation of Small Businesses](#) worry that over a quarter of a million small businesses will cease trading altogether without further financial support from the government, whilst others have frozen activity taken on debt, and reduced employee numbers.

R&D recommendations from the Manufacturing Commission

- The Government must match public sector investment in the Midlands at the same levels it does for the rest of the UK.
- Address the fragmented support for manufacturing across the Midlands:
 - Have a unifying agenda and consistent, coordinated intervention
 - Have a balanced and enhanced package of support including capital allowances, R&D tax credits, access to growth capital and patient capital
- Create SME clusters in the region, adopting the principle of the Korean KICOX model to create supply chains for emerging markets and help SMEs pivot from markets that are in decline.
- The new internship programme for graduates into SMEs helps provide:
 - Bandwidth for SME leadership to be strategic as well as operational
 - Vital industrial experience for graduates at a time when employment opportunities are scarce
 - Supplementary industrial mentorship programme to support both the SME leader and the graduate
- Create a productivity growth fund to support SMEs to adopt and deploy advanced manufacturing technologies based on the Made Smarter initiative.

Global, National and Regional Outlook

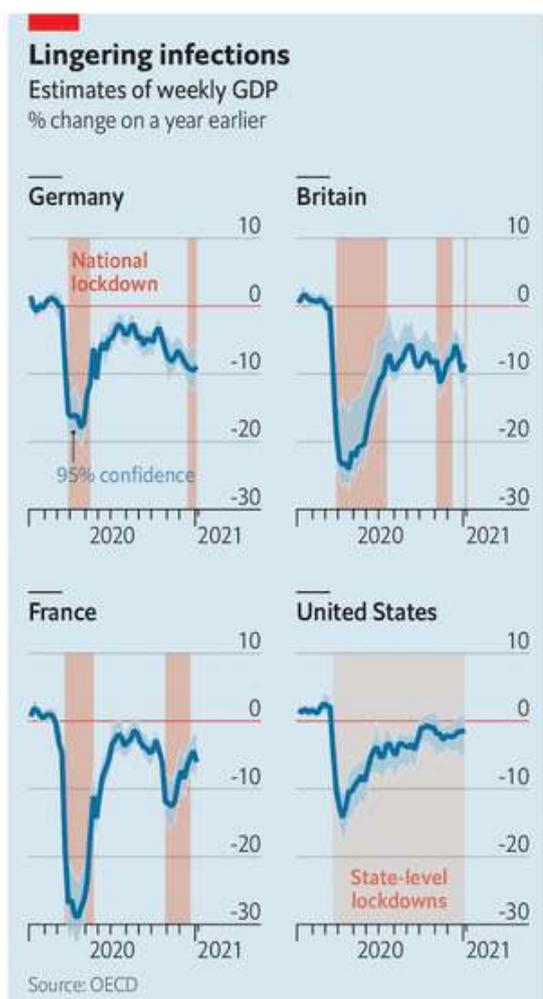
Alice Pugh, WMREDI

Global

Yesterday was Mr Trump's final day in office as President Biden has been finally inaugurated, alongside his running mate, the first ever female Vice-President Kamala Harris. [25,000 National Guardsmen were present](#), compared to the 8,000 that were on hand for Mr Trump's inauguration; this was due to the heightened fear around far-right extremist groups, following the recent events on Capitol Hill. The FBI also warned all 50 states that there would likely be [armed protesters](#), with rising numbers of militia groups in the build up to the inauguration. However, the event seemingly went well but wasn't without its drama as Donald Trump refused to attend the inauguration (something which an incumbent president has never done before in the USA). The new president did however, reiterate his devotion to mending the populist divides that had swept the nation, vowing to tackle the extremism that has taken hold in the US.

The current economic situation in the US is worsening and is likely to worsen further: [consumer spending fell](#) in November 2020 and that [retail sales and employment fell](#) in December 2020. It is highly likely that these trends were due to the rising number of infections and their impact on consumer behaviour.

The [US economy has taken significant hits to its economy due to Covid-19](#). More than 380,000 people in the United States have died of COVID-19 during the pandemic, with 22.7 million infected during that time. Pandemic-related shutdowns and restrictions have cost millions of U.S. jobs. President Biden has taken the issue of Covid-19 more seriously than his predecessor, and has announced a stimulus package proposal worth \$1.5 trillion. This includes a commitment for \$1,400 stimulus checks, according to a source familiar with the proposal, and President Biden is expected to commit to partner with private companies to increase the number of Americans getting vaccinated. The aim of this package is to jump-start the economy during the pandemic, and help minority communities. He also said there would be "billions of dollars" to speed up vaccine distribution, along with money to help reopen schools and for state and local governments to avoid laying off teachers, police officers and health workers.



Research by HBS and Goldman Sachs presented in the [Economist](#) this week highlights that the British economy appears to be adjusting to lockdowns with the "the sensitivity of economic activity to covid-19 restrictions has diminished significantly since the first lockdown". Consumer spending appears to be in better shape, the rich world is in better shape and more resilient to lockdowns. The OECD has estimated that in April companies were operating at 80% but now running at 90% as shown by the chart to the left. The main factors explaining the improvement are less public fear, better public policy and adaption by business

Analysis of a survey by YouGov suggests that in April more than 60% of respondents in rich countries were worried about catching the virus. Yet a better understanding of what they can do to avoid falling ill, and perhaps lockdown fatigue, mean that people may now be willing to go out and about more. Data from Google suggest that in many countries, people are moving around in public spaces more than they were at the start of the pandemic. That has led some public-health authorities to tear their hair out. The "current lockdown has not had nearly as much impact on mobility (and likely contacts) as...in March". The greater willingness to defy government orders probably worsens the spread of the virus, whatever its economic benefits.

But better public policy has less of a trade-off, internationally a number of actions which worked in the first wave have been adopted elsewhere, such as keeping schools and construction sites open, and keeping manufacturing going.

Business adaption has been starkest in the shift to homeworking, with many companies investing in making themselves more productive, through improving technology from March to October Britain imported £4.7bn-worth (\$6bn) of laptops, 20% more than in the same period in 2019. Consumer facing companies have done even more, changing business models, moving online, moving to take away. In general activity has adapted which may mean less need for government intervention, however this adaption will make the economy look very different, and there will be winners and losers.

National

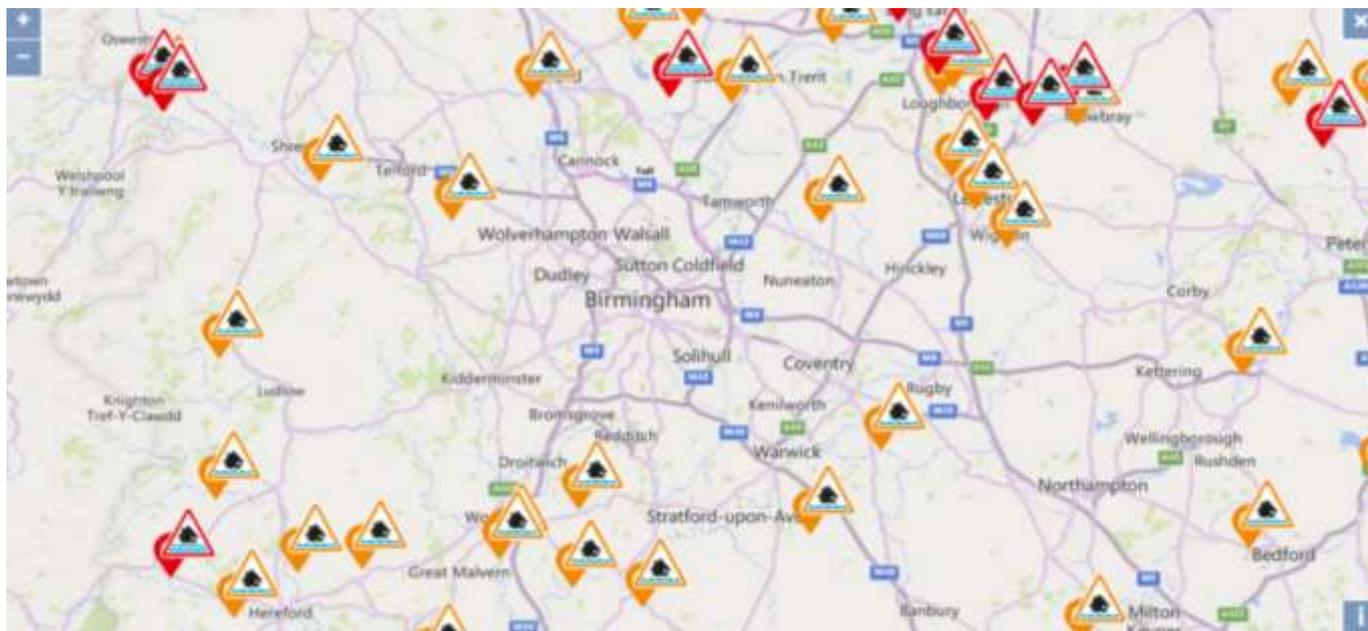
Covid-19 has distracted the UK from Brexit, however now the UK is facing [food shortages](#) as confusion occurs at the borders surrounded the new trade rules, causing delays. During the debate for Brexit the 'claiming back control of British waters for the fishing industry', was a major part of the debate; however, now the UK fishing industry is struggling, leading to demonstrations in London. The new trading rules following Brexit have been causing confusion and backlogs, [leaving British fishing companies](#) unable to sell their produce to their biggest consumer: Europe.

As of this week the [NHS has vaccinated a total of 4.06 million people](#) between 8 December 2020 and 17 January 2021, including more than half of those aged 80 and over and more than half of elderly care home residents. This is more than [double the number of vaccinations](#), per person per day, than any European country and is a significant step towards hitting the Prime Minister's target of offering vaccines to the top four priority groups by the middle of February. This group of around 15 million people accounts for 88% of COVID deaths, so vaccines will play a crucial role to saving lives and protecting the NHS. The hope is that the faster people are vaccinated the faster the restrictions the government has placed on the public and businesses can be removed. However, whilst the current lockdown restrictions are not expected to have as large an economic impact as last year, the surge in virus cases will weigh on activity in 2021 Q1. [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.

Regional

According to [EY's most recent regional forecasts](#), COVID-19 has made levelling up even harder by weakening the sectors that towns in the North and Midlands are most dependent on. EY project cities will grow faster than towns and the South will outpace the North over the next three years. This is reflected in the GVA outlook for the Midlands regions between 2020 and 2023: a 0.3% contraction is expected in the West Midlands while East Midlands GVA is expected to remain flat.

Storm Christoph this week has brought flooding and disruptions to the West Midlands and other parts of the UK as areas issue flood warnings. The image below shows the flood warnings that have been issued within the West Midlands (as of the 20th January), which is updated regularly on the [government's website](#).



The West Midlands faced an entire day of [continuous rain on Wednesday 20th](#), and a [yellow weather warning](#) for rain was issued covering Birmingham, the Black Country and Worcestershire; remaining in place through to midday Thursday. West Midlands Fire Service also urged people on essential journeys to take care when travelling. This flooding was concerning for many residents and businesses as many were [still recovering from the devastating floods](#) caused by Storms Ciara and Dennis in 2020. In order, to prevent any similar [damage flood defences have been set up along the River Severn](#).

Top Ten From Around the Web

Keziah Watson WMCA

- [Inspired](#) have undertaken research into children's participation in learning from May to July in order to get a better understanding of how and why the attainment gap is changing between the highest and lowest achieving pupils. Receipt of Free School Meals is the most consistent indicator of children's low engagement with materials and difficulty in completing the work, with 10% of secondary school pupils in receipt of Free School Meals reporting a lack of food was a hindrance to online learning.
- Where crises are foreseeable, such as the climate crisis, measures should be taken now to enact systemic change in order to minimise the economic and social impacts, as argued by research from the [New Economics Foundation](#). The recommendations attempt to reach the socioeconomic root cause, including internalising the climate costs in investment and risk planning, making environmental targets a key part of public institutions, a land value tax to encourage effective land use, and an environmental border tax on environmentally harmful goods.
- [Demos and KPMG](#) have found that towns across the UK are split - half of the population are wary of newcomers, new houses, and new jobs, and the other half embrace these things. As towns face new challenges as the impacts of COVID continue, the research recommends meaningful conversations between local governments and residents to build support for more (affordable) homes, investment in the town, and the integration of newcomers with existing residents.
- [Onward](#) has produced a set of recommendations to allow citizens within local areas to better take back the power and capital to improve their area beyond what any fiscal investment can achieve. By giving people the right to create a town or parish council, take time off to start or work for community ventures, and training young people through the Apprenticeship Levy, universities, and a 'Year to Serve' to encourage them to invest in the place they live, the social fabric of 'left behind' places can slowly be repaired.
- [Politico](#) explores the limitations of the Brexit deal between the UK and EU, including fishing and touring visas for artists and performers. Whilst the 1,246-page document that has been approved by both sides outlines some key agreements, many decisions including energy deals, data sharing and Gibraltar have been pushed down the road for later discussions.
- [The Joseph Rowntree Foundation](#) have released their 2020/21 report on poverty which begins to quantify the impact of COVID on poverty in the UK. Whilst the temporary uplift in Universal Credit is welcome for many, it's impending loss in April, the long-term impact of furlough and unemployment, and the inability of benefits to keep up with actual costs risks sending more people into poverty.
- [Global Government Fintech](#) looks at how cities and countries across the world have used technology to support people during the pandemic, including for the distribution of funding for food and other necessities. The pandemic has accelerated the pace of digital uptake among residents and businesses, which means government bodies have the opportunity to learn from corporations to use digital to reduce friction and improve services
- [The National Audit Office](#) has released an analysis of the Everyone In programme which saw 33,000 people brought into accommodation and £3.2 million spent in order to achieve this. The report asks questions about what will be done about those who have no recourse to state benefits and should be considered alongside the [LGA's](#) findings that 450 primary schools worth of children, or 127,240 children, are currently in temporary accommodation.
- [The Nuffield Foundation](#) argues for post attainment application for university places as part of measures to make sure there is equity of opportunity for students from lower socioeconomic backgrounds. They also recommend a number of measures to increase the measures university admissions take to give everyone equal opportunities and identify that universities need more resources to provide the support students from lower socioeconomic backgrounds may need to achieve their potential.
- [The Federation of Small Businesses](#) worry that over a quarter of a million small businesses will cease trading altogether without further financial support from the government, whilst others have frozen activity taken on debt, and reduced employee numbers. In numbers taken before the third lockdown was announced, the confidence measure among businesses is at its second lowest point, beaten only by March 2020.

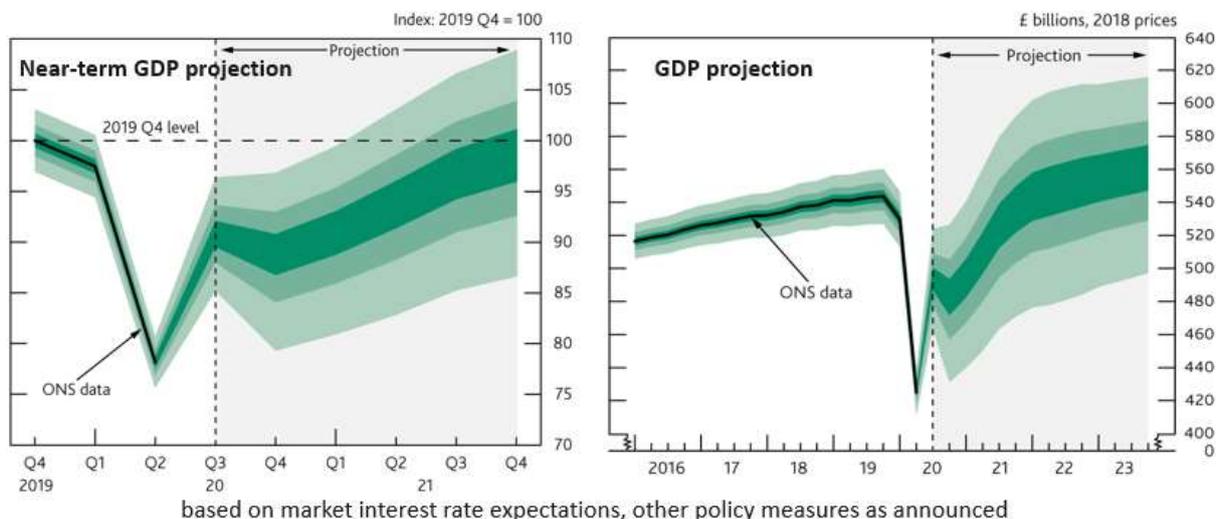
Midlands Engine Quarterly Economic Briefing

Rebecca Riley WMCA/WMREDI

This week the Midlands Engine Partnership held the Midlands Engine Inaugural Quarterly Economic Briefing, opened by Sir John Peace, Chairman of the Midlands Engine with sessions led by **Professor Andrew Leyshon**, Interim Academic Partner Coordinator & Emeritus Professor of Economic Geography, University of Nottingham. Presenters included:

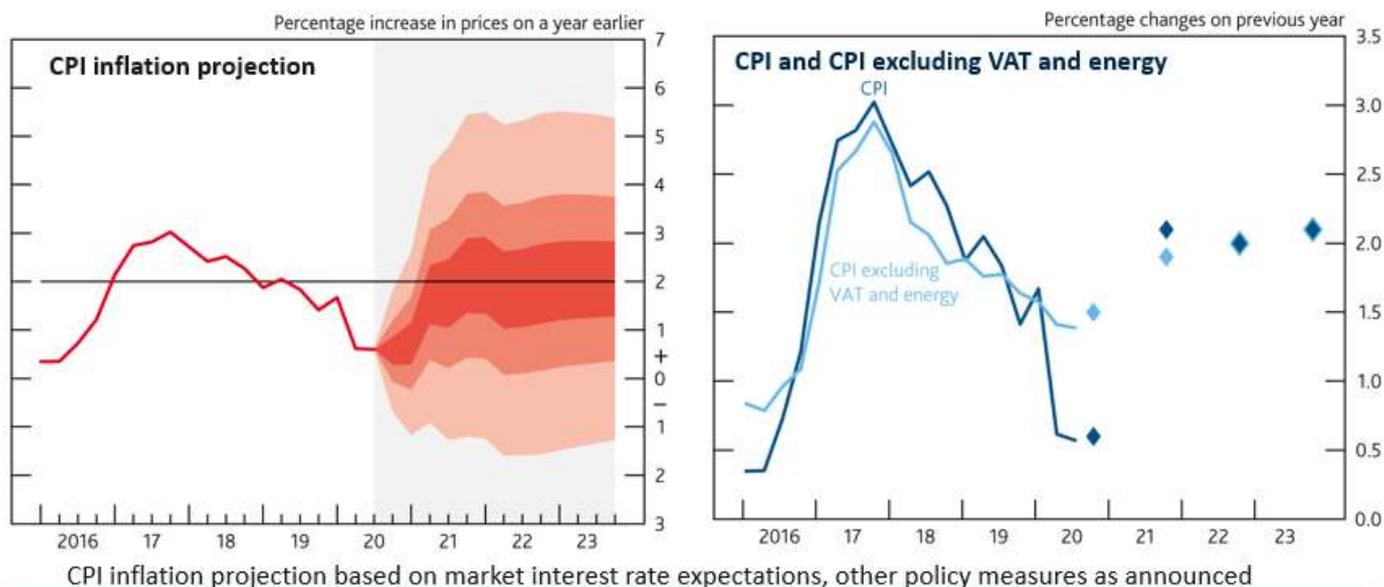
- **Glynn Jones**, Deputy Agent, Bank of England, Agency for the West Midlands & Oxfordshire;
- **Professor Delma Dwight**, Director of Black Country Consortium Economic Intelligence Unit and Midlands Engine Observatory;
- **Chris White** Director of Industrial Policy and Insight Centre Executive, Manufacturing Technology Centre (MTC);
- **Professor Nigel Driffield**, Professor of International Business, Warwick Business School, Deputy Pro Vice Chancellor for Regional Engagement
- **Charlotte Horobin**, Region Director, Midlands & East of England, Make UK The Manufacturers' Organisation
- **Rebecca Riley**, Business Development Director, WMREDI

The event opened with Glynn Jones painting a picture of the Bank of England's view of recovery, which is based on the OBR forecasts reported in earlier monitors, with GDP Falls in Q4 of 2020 and slower recovery into through 2021, through till 2023 before it reaches the previous forecast.



based on market interest rate expectations, other policy measures as announced

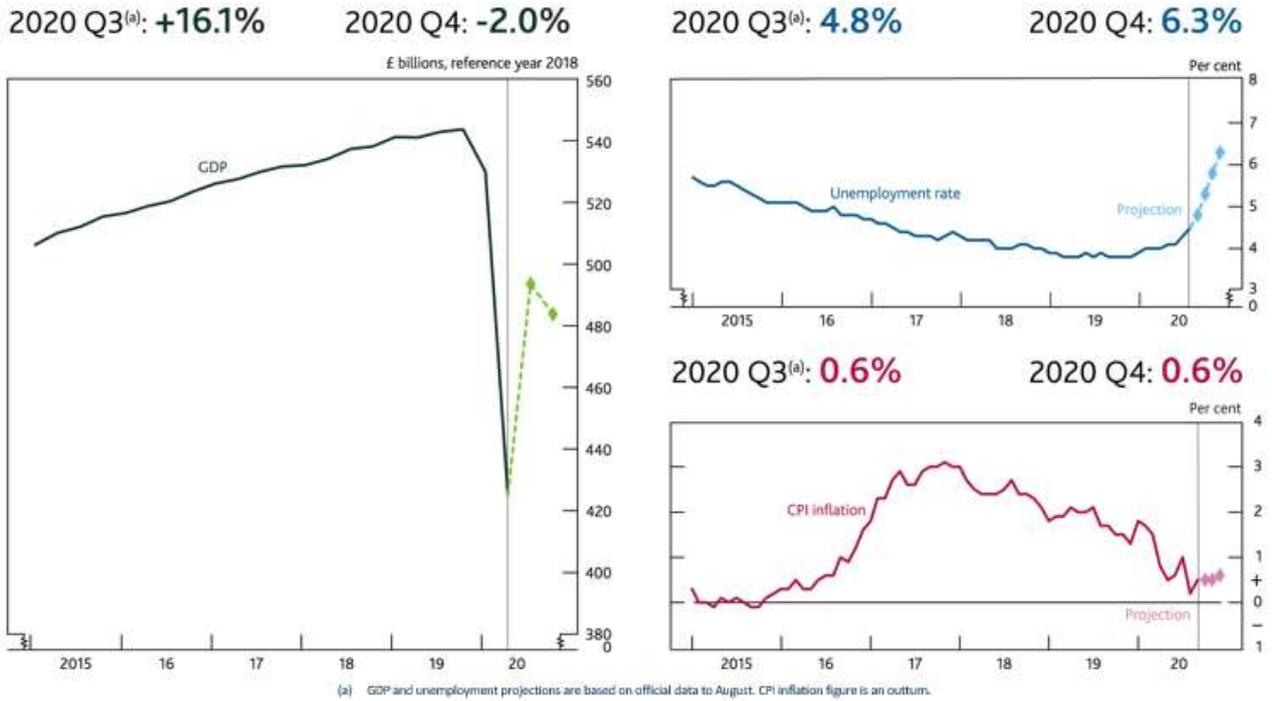
As can be seen from the diagram the project period has significant uncertainty represented in the very broad fan in the forecast, and although the expected out-turn is likely to be in the darker green area, impact of lockdowns, vaccine effectiveness and ongoing trade deal impacts will affect this forecast. The diagram below shows the CPI inflation which is projected to remain low but pick up sharply in H2-21.



CPI inflation projection based on market interest rate expectations, other policy measures as announced

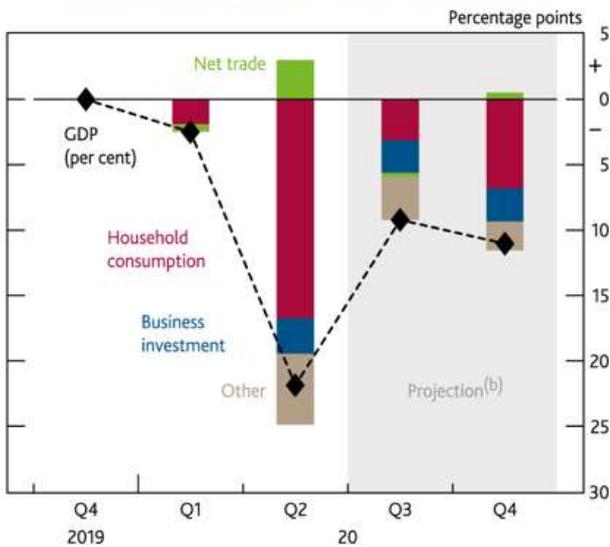
Near term projects still show a 'V' shape but with some potential of a dip in 2021.

Near-term projections

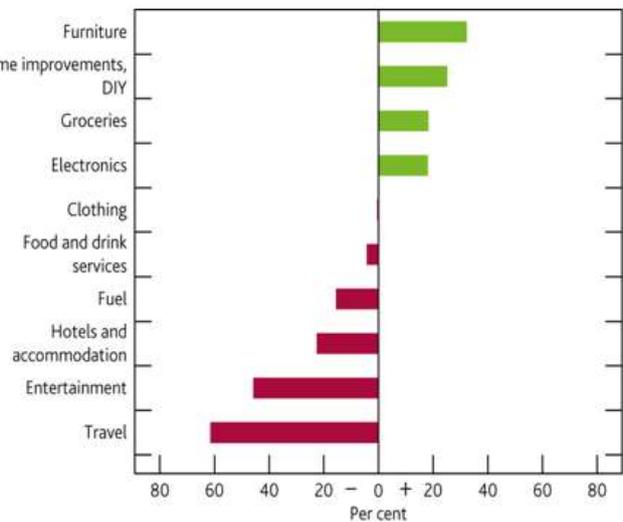


The recovery has been driven by a sharp pick up in household spend, but as can be seen below this has been in certain sectors, whilst other sectors are suffering. Consumer spend has focussed on the home, with a shift to online.

Contributions to change in GDP since 2019 Q4

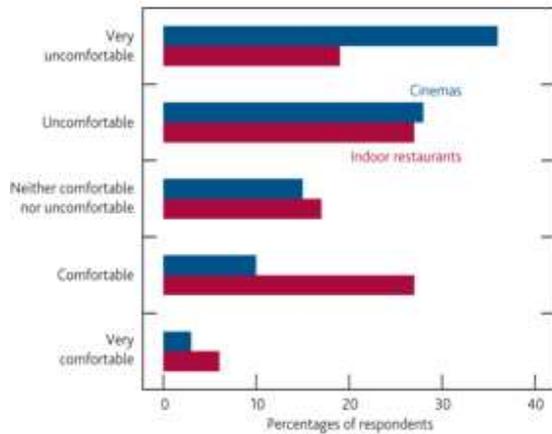


Annual spend growth in selected categories, 2020 Q3

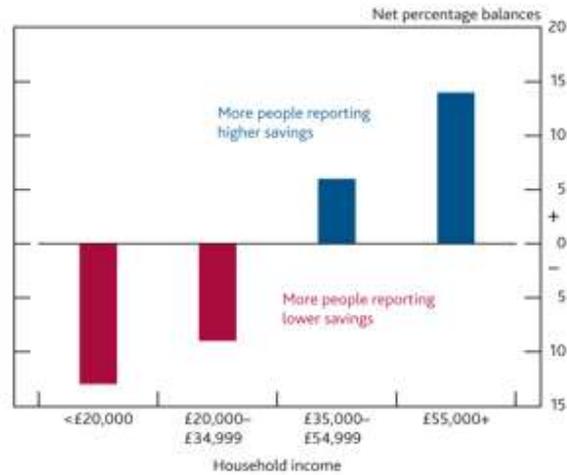


There is still considerable instability in consumer confidence as can be seen below, with particular types of consumer activity affected. As reported in last week's monitor there are greater inequalities emerging one of the factors being the more you earn, the more you are saving due to reduced spend on travel and changes in consumption patterns.

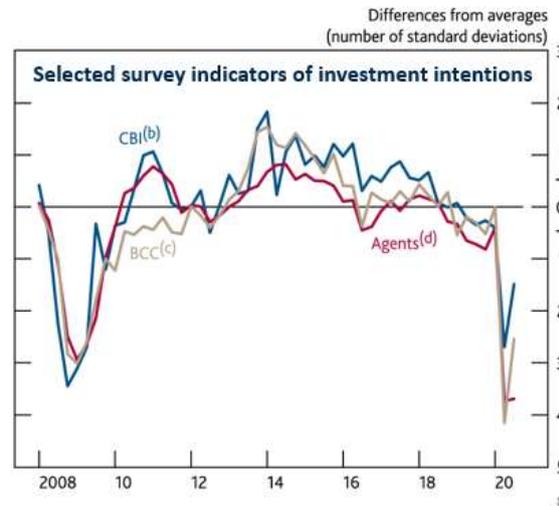
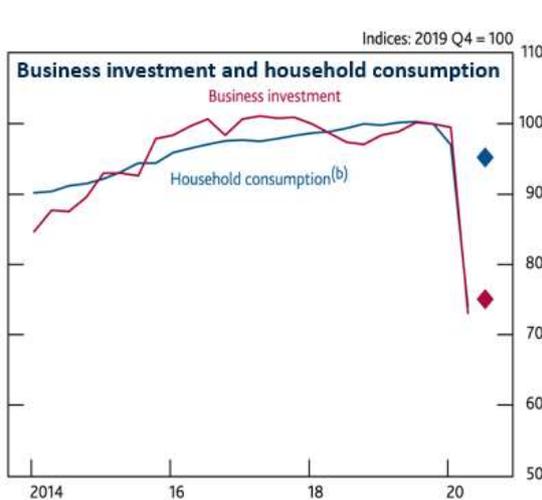
Confidence around social consumption



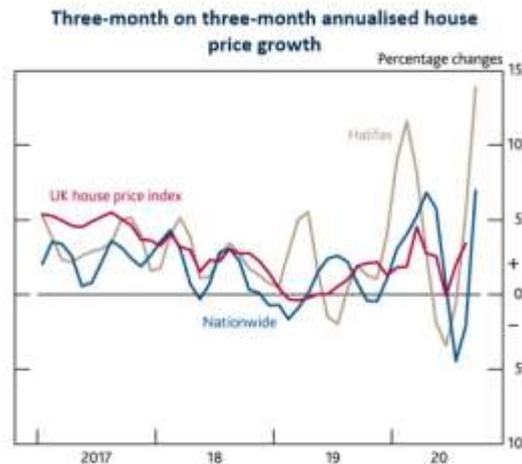
Household savings by income group



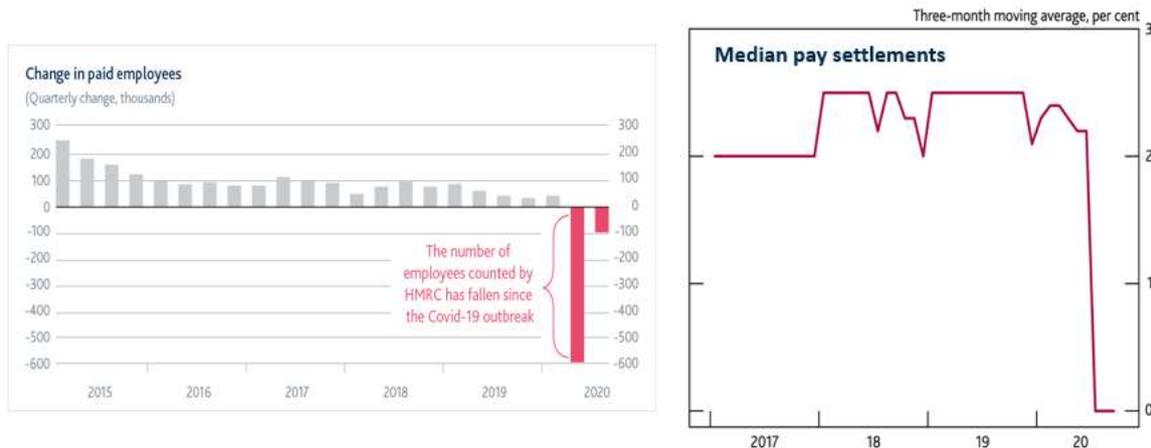
Business investment remains subdued as confidence is low and recovery is expected to be much weaker than for consumption. Brexit is expected to weigh hard on trade and activity in the first half of 2021 and have an impact on a range of businesses. However, the corporate credit conditions continue to be supported by government schemes and firms have raised more finance than in previous years.



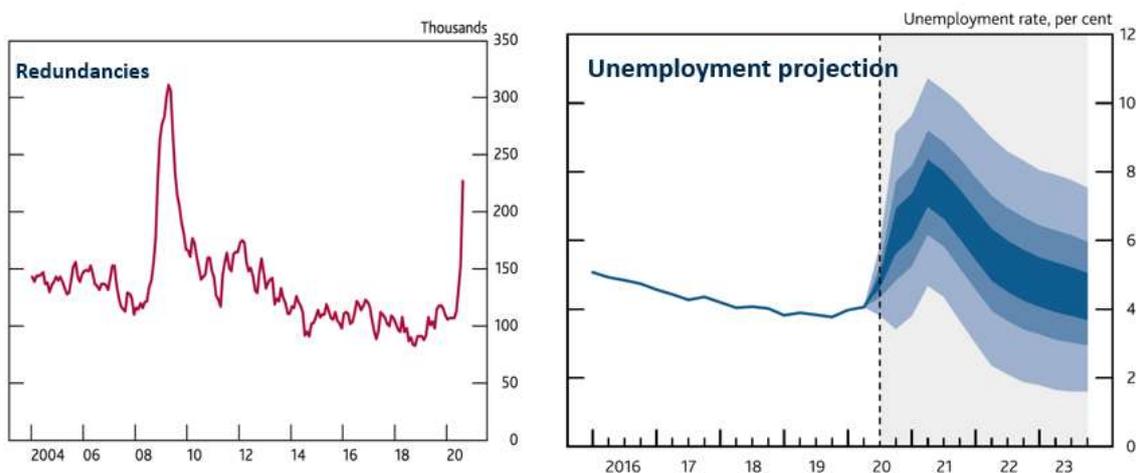
The housing market has recovered strongly since summer 2020, but as is previous monitors' analysis by WMCA this is driven by the higher end of the market (in line with the chart above on savings). Those at the higher end of the salary distribution are also benefiting from house price increase and demand.



In terms of employment, there is a marked change in paid employees in mid-2020 (similar to the highest furlough rates) and also pay settlements, which have continued through to the end of the year. Uncertainty is also expected to continue to constrain new hiring, with skills mismatches acting as a further break on employment growth.



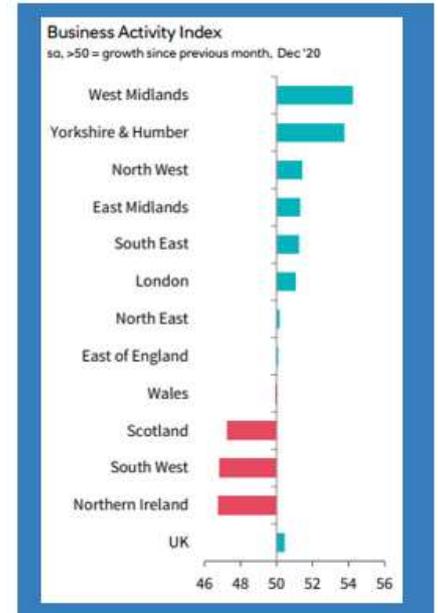
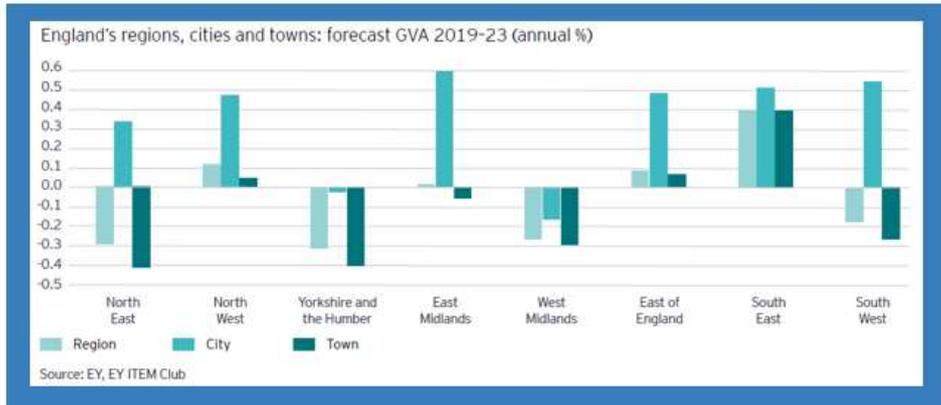
Unemployment is projected to peak at 7.75% in Q2 2021; this aligns with previous predictions from analysts and work in earlier monitors. But again, these projects are based on uncertainty; effective employment support actions could reduce this (and to a large extent we have seen the success of schemes in keeping the unemployment relatively low under the circumstances). But going forward continued uncertainty or mis-timed withdrawal of support could mean the higher end of the projection is possible.



The policy response to this is:

“The MPC would continue to monitor the situation closely. If the outlook for inflation weakened, the Committee stood ready to take whatever additional action was necessary to achieve its remit. The Committee did not intend to tighten monetary policy at least until there was clear evidence that significant progress was being made in eliminating spare capacity and achieving the 2% inflation target sustainably.”

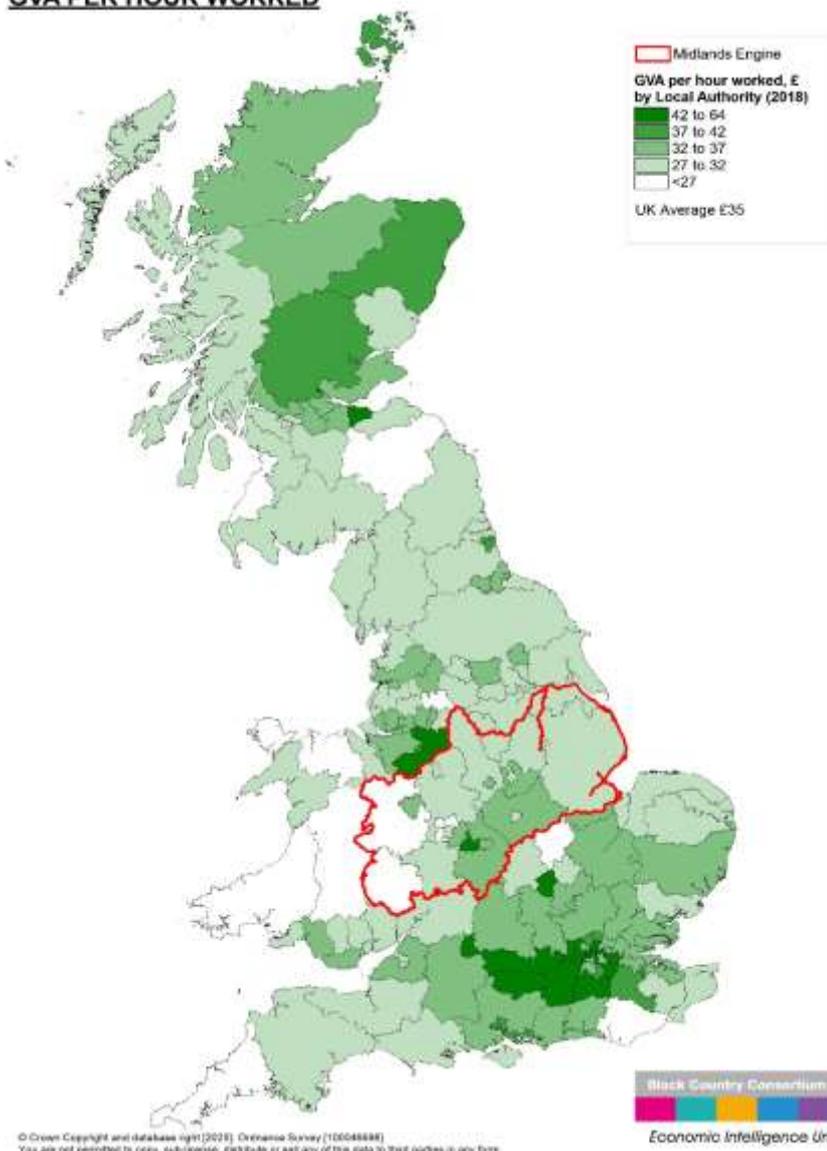
Delma Dwight presented on the Midlands economy, which follow the pattern above but with considerable place disparities, as presented in earlier monitors. The forecast for the region is concerning, with the West Midlands being one of the worst hit of all regions.



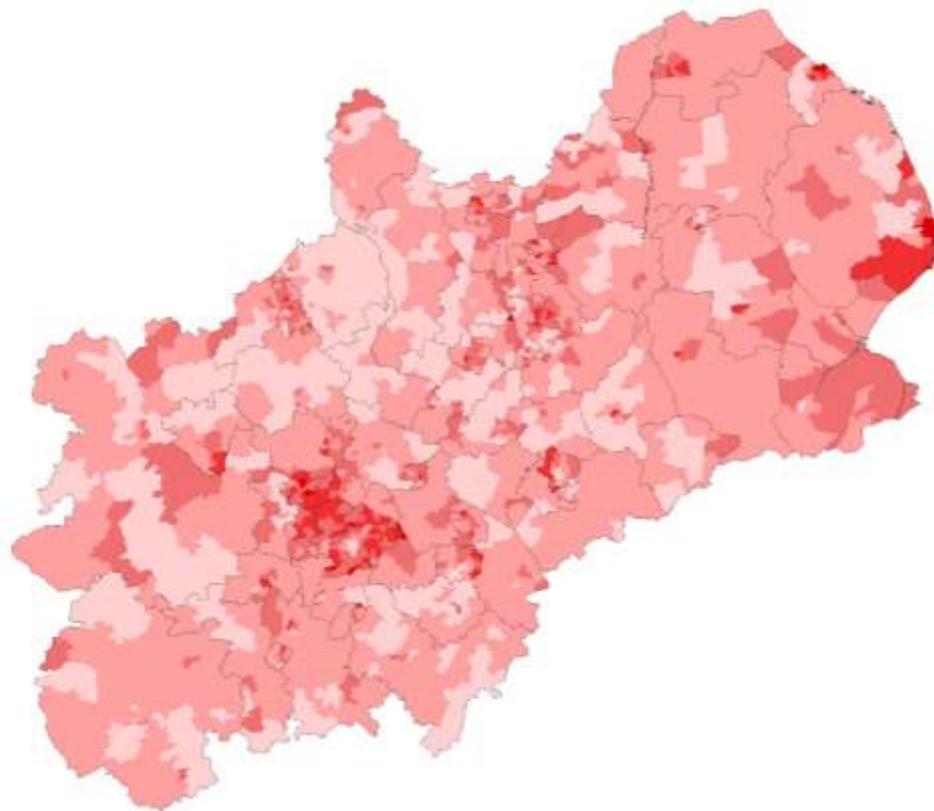
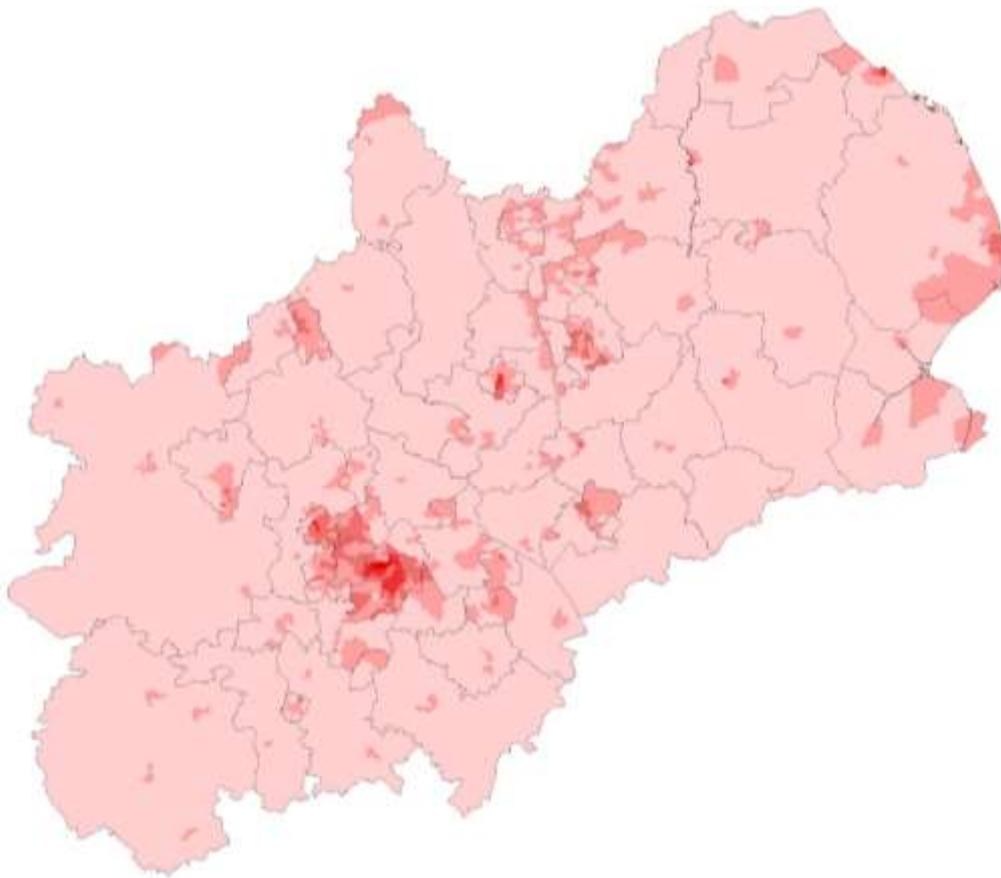
But the region does maintain strong business activity levels and future business confidence.

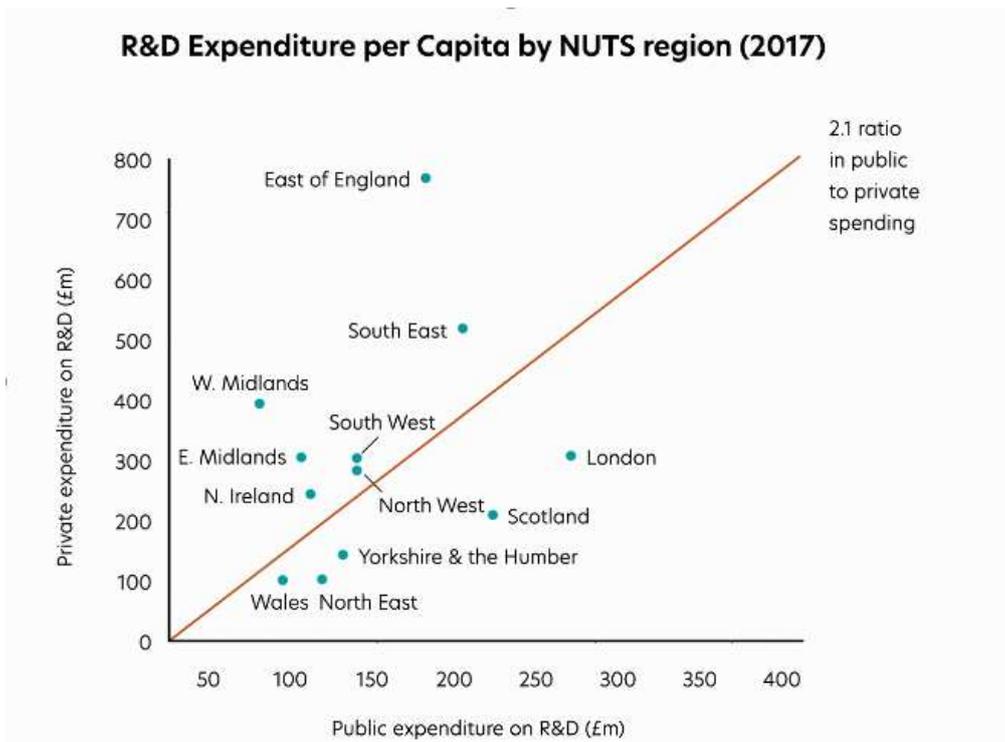
Again, the GVA per hour worked highlights the significant regional differences between high and low performing areas. This measure is a better measure of productivity than other measures and demonstrates the need for different solutions to tackle productivity issues at a place level.

GVA PER HOUR WORKED



The need for differentiated approaches is also reflected in the claimant count levels with hot spots dotted across the wider Midlands region.





This work highlighted some key issues and recommendations to tackle the R&D expenditure above:

Panel Discussion

The panel discussion highlighted a number of issues and reflections, centring on the need for differential intervention that takes account of local circumstances, with addressing issues around skills and investment being key to this. Treasury has started to address the levelling up challenge through the Green Book review with the main impact being the importance of place and the changes to the guidance on that and the emphasis on the ability to have a strategic case which can address economic, social and environmental wellbeing. This does have implications:

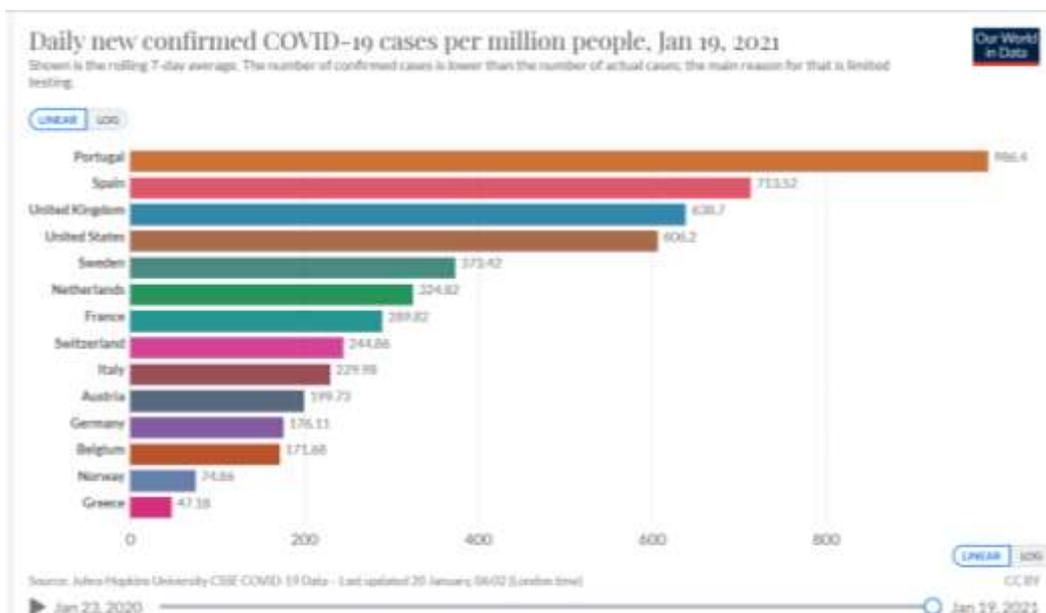
- The need for better knowledge and analysis leads to greater success in a competitive bidding situation – sharing understanding and interpretation across Midlands organisations is crucial for remaining competitive in case making.
- Understanding place impacts is now key. Policies and interventions will need to address place impacts directly and places need to be ready to support and challenge that process based on sound evidence.
- The Observatory and the State of the Region Report and the partnership supporting this are key to delivering on that, arming the region with the knowledge and expertise to develop better place-based interventions:
 - Understanding uneven distribution of impacts and structural issues
 - Understanding local assets and opportunities
 - Understanding and monitoring the issues presenters raised in the session such as confidence, business decision making, accessing skills, investment and employment.

Infection Rates

Rebecca Riley WMREDI/WMCA

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

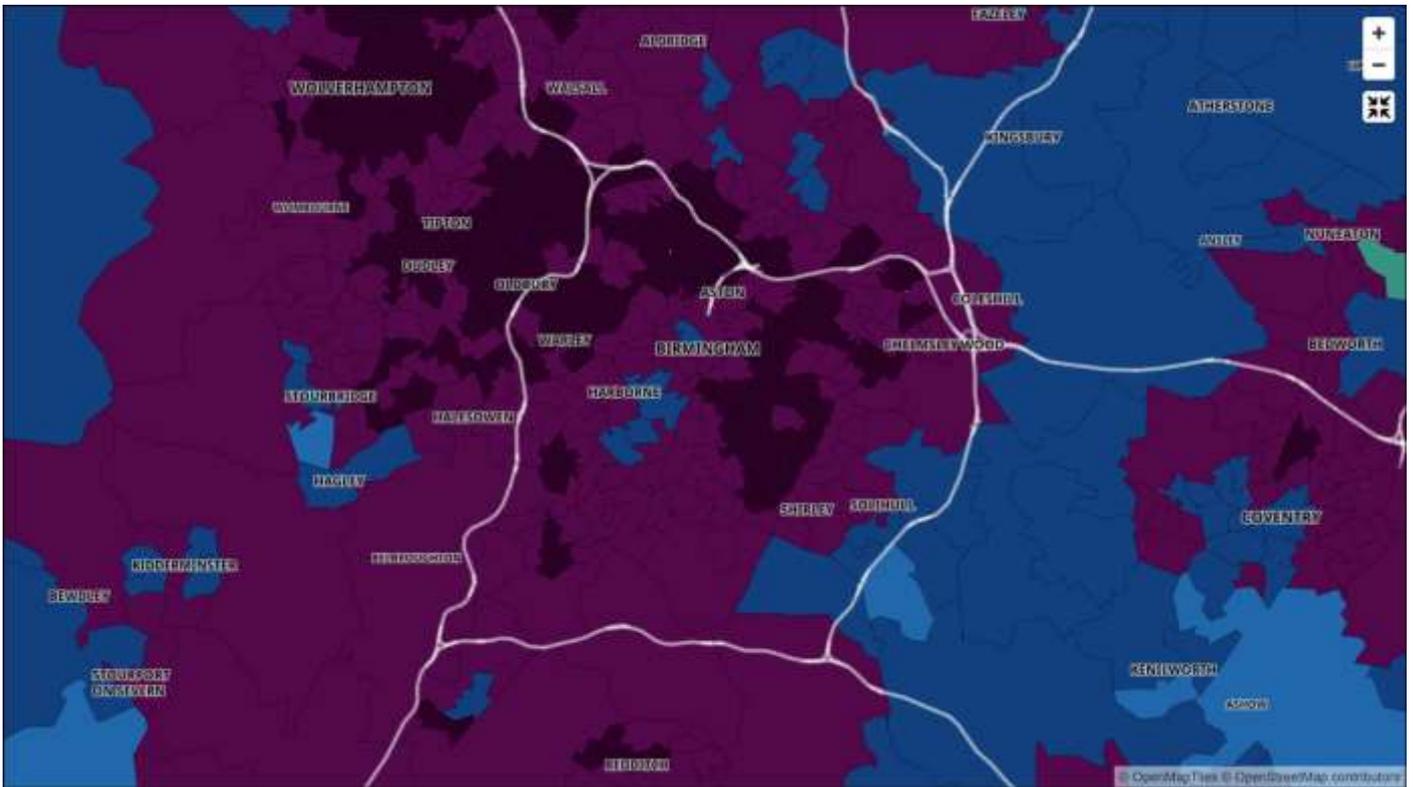
Since [31 December 2019](#) and as of week 2021-1, **89,802,096 cases** of COVID-19 (in accordance with the applied case definitions and testing strategies in the affected countries) have been reported, including **1,940,529 deaths**.



Latest [ONS infection survey data](#) (15th January – next release 22nd Jan) states:

- The number of deaths registered in England and Wales was affected by the Boxing Day and New Year's Day Bank Holidays; 17,751 deaths were registered in the week ending 8 January 2021 (Week 1), 7,682 more deaths than in the preceding week (Week 53); this sharp increase may be because of deaths in the previous weeks whose registrations were delayed, so the figures in this week's release should be interpreted with caution.
- We estimate that the number of deaths actually occurring (rather than registered) in Week 1 in England and Wales was between 14,008 and 17,728.
- In Week 1, the number of deaths registered was 45.8% above the five-year average (5,576 deaths higher) but this increase should be treated with caution because of potential registration delays from the Christmas period.
- Of the deaths registered in Week 1, 6,057 mentioned "novel coronavirus (COVID-19)", accounting for 34.1% of all deaths in England and Wales; in Week 1, deaths involving the coronavirus (COVID-19) increased compared with Week 53 (by 2,913 deaths).
- Of the 6,057 deaths involving COVID-19, 5,367 had this recorded as the underlying cause of death (88.6%).
- Of the 4,649 deaths that involved Influenza and Pneumonia, 380 had this recorded as the underlying cause of death (8.2%).
- In England, the total number of registered deaths increased from 9,325 (Week 53) to 16,527 (Week 1); all English regions had a higher number of deaths than the five-year average for the ninth week in a row.
- In Week 1, the number of deaths involving COVID-19 increased in all English regions compared with Week 53.
- In Wales, the number of deaths involving COVID-19 increased from 310 (Week 53) to 454 (Week 1) while the total number of deaths in Week 1 was 442 higher than the five-year average.
- The number of deaths registered in the UK in the week ending 8 January 2021 was 20,023, which was 6,170 higher than the five-year average; of deaths registered in the UK in Week 1, 6,586 deaths involved COVID-19, 3,162 higher than in Week 53.

The map below displays weekly data, which are updated every day [here](#). This map is for 20th January 2021



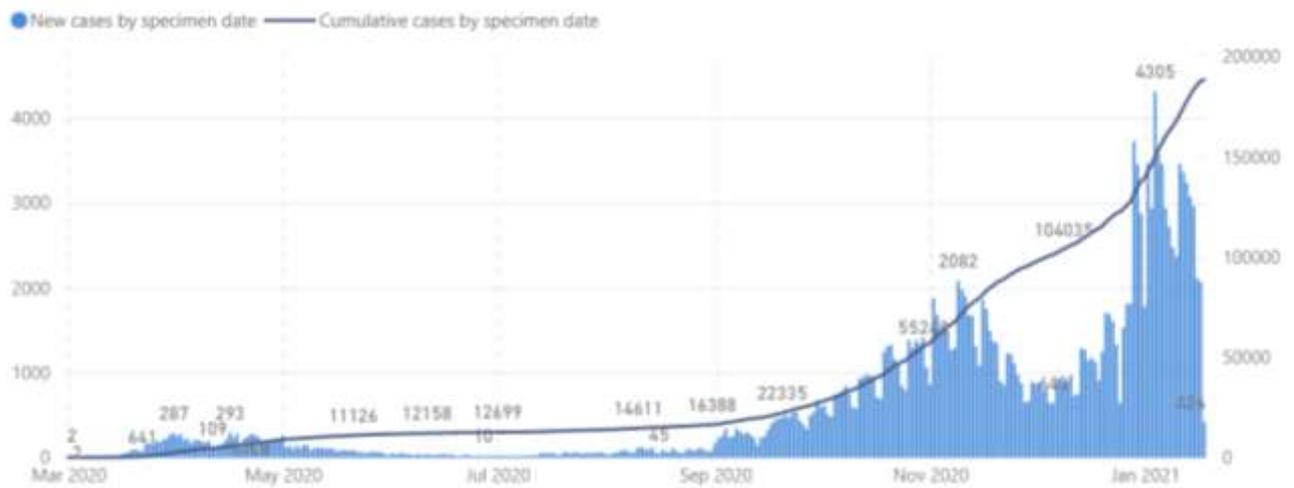
Regional Data

[The Coventry, Solihull and Warwickshire Epidemiology and Intelligence Cell](#) have created a dashboard which looks at covid data on a regional level. Data below:

| 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 |
|-----------------|----------------------------|---------------------------|-----------------------------------|------------------------------|--------------------------|-------------------------------------|
| 18 January 2021 | 424 | 3024 | 188412 | 6,433.54 | 2 | 0.07 |
| 17 January 2021 | 2068 | 2172 | 187988 | 6,419.06 | 2 | 0.07 |
| 16 January 2021 | 2109 | 3111 | 185920 | 6,348.44 | 2 | 0.07 |
| 15 January 2021 | 2959 | 4450 | 183811 | 6,276.43 | 20937 | 714.92 |
| 14 January 2021 | 3071 | 2994 | 180852 | 6,175.39 | 20692 | 706.55 |
| 13 January 2021 | 3239 | 2775 | 177781 | 6,070.53 | 20558 | 701.98 |
| 12 January 2021 | 3366 | 2921 | 174542 | 5,959.93 | 20771 | 709.25 |
| 11 January 2021 | 3457 | 3576 | 171176 | 5,844.99 | 20975 | 716.21 |
| 10 January 2021 | 2370 | 2803 | 167719 | 5,726.95 | 21823 | 745.17 |
| 09 January 2021 | 2475 | 2920 | 165349 | 5,646.02 | 22385 | 764.36 |
| 08 January 2021 | 2714 | 3311 | 162874 | 5,561.51 | 23375 | 798.17 |
| 07 January 2021 | 2027 | 2024 | 160150 | 5,469.84 | 23320 | 766.17 |

As can be seen from the charts below 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).

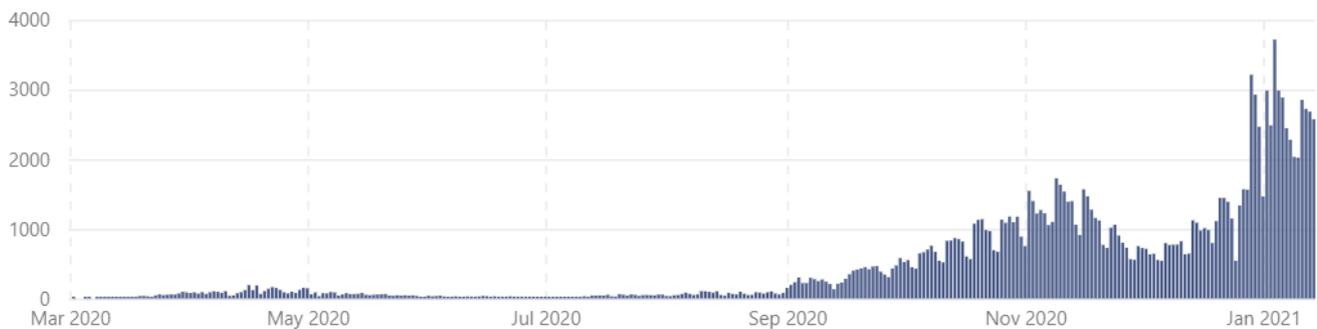
All ages



By age group

0 to 59

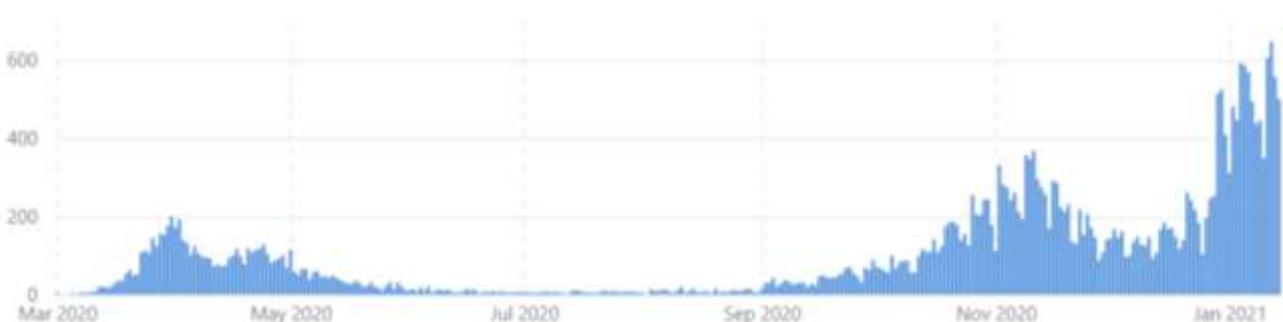
Age ● 0 to 59



By age group

60+

Age ● 60+



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 | 07-Jan-21 | 08-Jan-21 | 09-Jan-21 | 10-Jan-21 | 11-Jan-21 | 12-Jan-21 | 13-Jan-21 | 14-Jan-21 | 15-Jan-21 | 16-Jan-21 | 17-Jan-21 |
|--------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| ENGLAND | 3,849 | 3,549 | 3,718 | 3,571 | 3,894 | 4,134 | 3,840 | 3,678 | 3,295 | 3,569 | 3,424 |
| East of England | 524 | 425 | 462 | 473 | 462 | 518 | 456 | 442 | 360 | 418 | 402 |
| London | 820 | 813 | 832 | 734 | 795 | 875 | 804 | 763 | 670 | 758 | 652 |
| Midlands | 727 | 666 | 638 | 660 | 824 | 862 | 738 | 729 | 671 | 753 | 738 |
| North East and Yorkshire | 453 | 370 | 407 | 446 | 466 | 463 | 393 | 416 | 416 | 464 | 445 |
| North West | 421 | 385 | 446 | 396 | 452 | 467 | 480 | 420 | 434 | 439 | 386 |
| South East | 661 | 641 | 656 | 583 | 607 | 630 | 622 | 582 | 472 | 490 | 520 |
| South West | 243 | 249 | 277 | 279 | 280 | 319 | 347 | 326 | 272 | 247 | 281 |

Mechanical Ventilation beds - occupied by confirmed COVID-19 patients

| Name | 07-Jan-21 | 08-Jan-21 | 09-Jan-21 | 10-Jan-21 | 11-Jan-21 | 12-Jan-21 | 13-Jan-21 | 14-Jan-21 | 15-Jan-21 | 16-Jan-21 | 17-Jan-21 | 18-Jan-21 | 19-Jan-21 |
|--------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| ENGLAND | 2,654 | 2,814 | 2,800 | 2,963 | 3,055 | 3,175 | 3,307 | 3,351 | 3,464 | 3,525 | 3,533 | 3,570 | 3,603 |
| East of England | 313 | 309 | 333 | 347 | 364 | 370 | 369 | 374 | 381 | 372 | 371 | 357 | 355 |
| London | 961 | 1,015 | 1,020 | 1,044 | 1,073 | 1,085 | 1,138 | 1,163 | 1,184 | 1,206 | 1,203 | 1,220 | 1,207 |
| Midlands | 383 | 439 | 453 | 466 | 477 | 504 | 521 | 532 | 570 | 599 | 595 | 598 | 602 |
| North East and Yorkshire | 208 | 221 | 208 | 236 | 246 | 258 | 272 | 277 | 284 | 280 | 282 | 298 | 316 |
| North West | 260 | 285 | 285 | 296 | 304 | 319 | 332 | 343 | 363 | 363 | 383 | 384 | 381 |
| South East | 417 | 421 | 432 | 430 | 433 | 474 | 492 | 489 | 497 | 512 | 506 | 514 | 531 |
| South West | 112 | 124 | 129 | 144 | 158 | 165 | 183 | 173 | 185 | 193 | 193 | 199 | 211 |

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

| Name | 07-Jan-21 | 08-Jan-21 | 09-Jan-21 | 10-Jan-21 | 11-Jan-21 | 12-Jan-21 | 13-Jan-21 | 14-Jan-21 | 15-Jan-21 | 16-Jan-21 | 17-Jan-21 | 18-Jan-21 | 19-Jan-21 |
|--------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| ENGLAND | 28,246 | 29,346 | 29,462 | 30,758 | 32,070 | 32,292 | 32,689 | 32,925 | 33,362 | 33,923 | 33,352 | 34,336 | 34,015 |
| East of England | 3,887 | 4,013 | 4,012 | 4,112 | 4,219 | 4,260 | 4,306 | 4,303 | 4,266 | 4,121 | 4,177 | 4,244 | 3,996 |
| London | 7,231 | 7,277 | 7,224 | 7,494 | 7,799 | 7,606 | 7,686 | 7,840 | 7,811 | 7,571 | 7,707 | 7,917 | 7,711 |
| Midlands | 4,521 | 4,934 | 5,136 | 5,294 | 5,524 | 5,630 | 5,741 | 5,799 | 5,890 | 5,953 | 6,077 | 6,278 | 6,325 |
| North East and Yorkshire | 2,923 | 3,217 | 2,917 | 3,228 | 3,392 | 3,429 | 3,476 | 3,455 | 3,584 | 3,567 | 3,604 | 3,796 | 3,830 |
| North West | 3,104 | 3,238 | 3,332 | 3,465 | 3,733 | 3,785 | 3,849 | 3,912 | 4,039 | 4,021 | 4,151 | 4,242 | 4,307 |
| South East | 5,023 | 5,074 | 5,161 | 5,373 | 5,467 | 5,546 | 5,577 | 5,487 | 5,528 | 5,419 | 5,387 | 5,493 | 5,509 |
| South West | 1,557 | 1,593 | 1,600 | 1,792 | 1,936 | 1,946 | 2,054 | 2,129 | 2,244 | 2,269 | 2,249 | 2,366 | 2,337 |

Vaccination levels

Week ending Sunday 10th January 2021

In the week ending the 10th January an additional 1,212,716 people received an NHS vaccination for COVID-19 in England. This took the total number of people vaccinated since vaccinations began on 8th of December to 1,997,304 and the total vaccinations given to 2,371,407.

- Priority groups for vaccination in this initial phase were determined by Government following advice from the Joint Committee on Vaccination and Immunisation (JCVI) and included care home residents and their carers, people aged 80 years old and over and frontline health and social care workers.
- Of the vaccinations provided over this time, 1,329,480 were provided to people aged 80 years old or over, which is 56% of the total vaccinations given.
- Until 29th December 2020, all vaccinations received for COVID-19 were 1st vaccinations. Between the 29th December 2020 and 10th January 2021, 374,103 2nd vaccinations were given.
- All vaccinations during the week of the 7th to 13th December 202 were administered in NHS hospital hubs. Between the 14th December 2020 and 10th January 2021 vaccinations were also administered through local vaccination services such as GP practices. In total there were 207 hospital hubs and 788 local vaccination sites providing the vaccine over this time period.

Breakdown by region of residence and age group

| Region of residence | 1st dose | | 2nd dose | | Cumulative Total Doses to Date |
|--------------------------|----------------|------------------|---------------|----------------|--------------------------------|
| | Under 80 | 80+ | Under 80 | 80+ | |
| Total | 960,699 | 1,036,605 | 81,228 | 292,875 | 2,371,407 |
| East Of England | 81,604 | 104,687 | 6,891 | 42,841 | 236,023 |
| London | 107,588 | 92,398 | 9,198 | 28,340 | 237,524 |
| Midlands | 194,628 | 193,019 | 14,803 | 44,879 | 447,329 |
| North East And Yorkshire | 166,554 | 204,140 | 12,226 | 50,125 | 433,045 |
| North West | 135,178 | 131,407 | 14,146 | 37,714 | 318,445 |
| South East | 165,564 | 183,299 | 14,147 | 48,247 | 411,257 |
| South West | 108,212 | 126,896 | 9,655 | 40,569 | 285,332 |
| Other | 1,371 | 759 | 162 | 160 | 2,452 |

Weekly Deaths Registered 8th January 2021

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The following analysis compares the latest available time period (the week of the 8th January 2021) to the previous week period (the week of the 1st January) for the number of deaths registered and the number of deaths related to the Coronavirus.

Across England and Wales, the overall registered death figures increased from 10,069 in the week of the 1st January to 17,751 in the week of 8th January 2021. The number of deaths registered that state Coronavirus on the death certificate experienced an increase from 3,144 people to 6,057 people over the same period.

Regional level analysis shows that the West Midlands' overall registered death figure increased from 1,024 people in the week 1st January to 1,785 in the week of 8th January 2021. The number of registered deaths related to Coronavirus has increased from 302 people to 550 over the same period.

There was a total of 1,193 deaths registered across the WMCA (3 LEP) area in the week of the 8th January. There were 365 deaths registered that were related to Coronavirus over the same period – accounting for 30.6% of total deaths. The WMCA (3 LEP) area accounted for 66.4% of the 550 Coronavirus related deaths registered in the West Midlands Region. In comparison to the week of the 1st January, the overall registered death figures in the WMCA (3 LEP) area increased by 532, while the number of deaths related to Coronavirus increased by 171 people.

At a local authority level, Birmingham accounted for 26.8% (98) of deaths related to Coronavirus in the WMCA (3 LEP), this is followed by Sandwell at 8.2% (30 deaths) and then Walsall at 7.9% (29 deaths).

Of deaths involving Coronavirus registered in the week of the 8th January, 79.2% (289) were in registered in a hospital, 12.6% (46) were in a care home, 6.6% (24) were registered as at home. 0.8% (3) were registered as elsewhere, 0.5% (2) were in another communal establishment and 0.3% (1) were registered in a hospice.

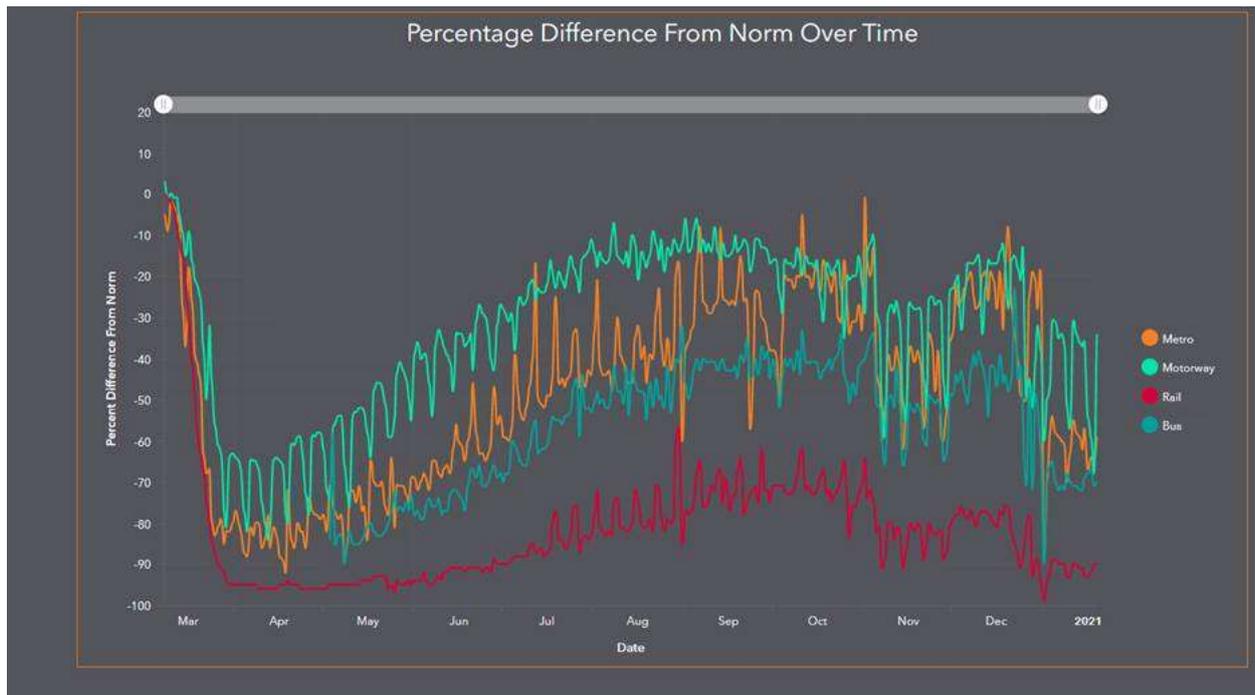
Place and number of deaths registered that are related to Coronavirus in the week of 8th January 2021:

| Area name | Care home | Elsewhere | Home | Hospice | Hospital | Other communal establishment | Total |
|-----------------------------------|-----------|-----------|-----------|----------|------------|------------------------------|------------|
| Cannock Chase | 5 | 0 | 0 | 0 | 12 | 0 | 17 |
| East Staffordshire | 0 | 0 | 2 | 0 | 16 | 0 | 18 |
| Lichfield | 0 | 0 | 0 | 0 | 11 | 0 | 11 |
| Tamworth | 1 | 0 | 0 | 0 | 8 | 0 | 9 |
| North Warwickshire | 1 | 0 | 0 | 0 | 2 | 0 | 3 |
| Nuneaton and Bedworth | 0 | 0 | 1 | 0 | 6 | 0 | 7 |
| Rugby | 3 | 0 | 0 | 0 | 7 | 0 | 10 |
| Stratford-on-Avon | 7 | 0 | 1 | 0 | 10 | 0 | 18 |
| Warwick | 12 | 0 | 0 | 0 | 4 | 0 | 16 |
| Bromsgrove | 0 | 0 | 0 | 0 | 10 | 1 | 11 |
| Redditch | 0 | 0 | 2 | 0 | 6 | 0 | 8 |
| Wyre Forest | 2 | 0 | 1 | 0 | 7 | 0 | 10 |
| Birmingham | 2 | 1 | 6 | 0 | 89 | 0 | 98 |
| Coventry | 1 | 0 | 1 | 0 | 17 | 0 | 19 |
| Dudley | 6 | 0 | 1 | 0 | 19 | 1 | 27 |
| Sandwell | 1 | 1 | 5 | 0 | 23 | 0 | 30 |
| Solihull | 2 | 0 | 1 | 0 | 9 | 0 | 12 |
| Walsall | 3 | 1 | 3 | 0 | 22 | 0 | 29 |
| Wolverhampton | 0 | 0 | 0 | 1 | 11 | 0 | 12 |
| WM 7 Met. | 15 | 3 | 17 | 1 | 190 | 1 | 227 |
| Black Country LEP | 10 | 2 | 9 | 1 | 75 | 0 | 97 |
| Coventry & Warwickshire LEP | 24 | 0 | 3 | 0 | 46 | 0 | 73 |
| Greater Birmingham & Solihull LEP | 12 | 1 | 12 | 0 | 168 | 1 | 194 |
| WMCA (3 LEP) | 46 | 3 | 24 | 1 | 289 | 2 | 365 |

Source: ONS, Death registrations and occurrences by local authority and health board, 19th January 2021

Transport Data

Anne Shaw TFWM

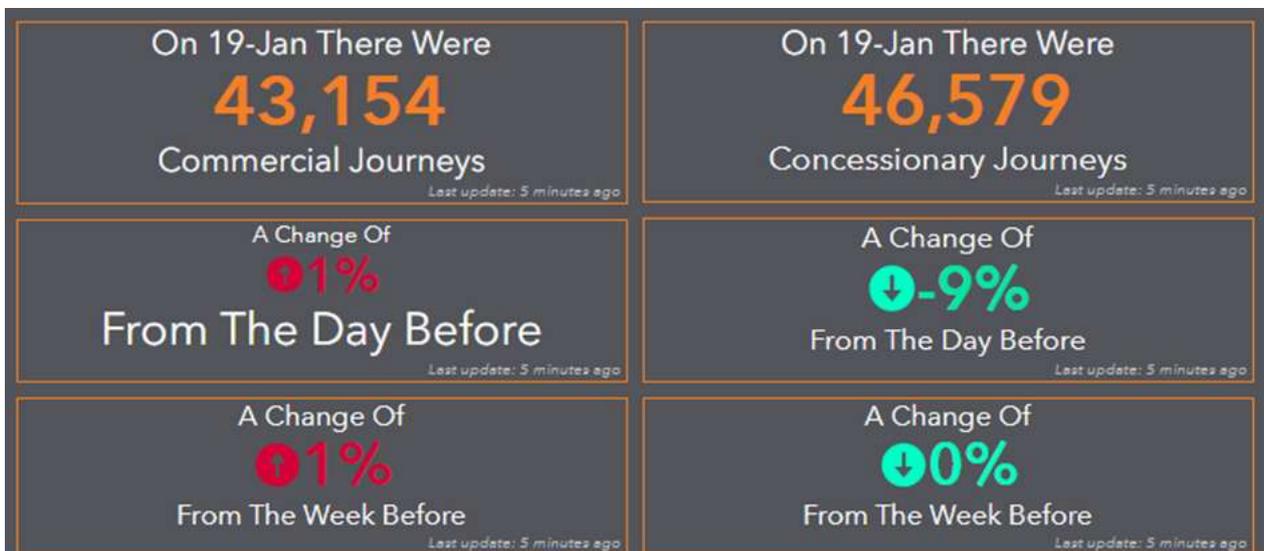


The table provides intel in terms of the levels of services and the use of the network per mode compared to this time last year, the day before and the week before for the 1st December 2020.

| | % levels pre covid | % change from day before | % change from Week before |
|----------------|--------------------|--------------------------|---------------------------|
| Bus | 30 | +1 | +1 |
| Train | 10 | No change | No change |
| Tram | 41 | +6 | -1 |
| Roads (HE SRN) | 66 | +34 | No change |

* Data is only currently available up to 4th January, this is pre national lockdown and it is anticipated patronage levels will drop further when the data is available.

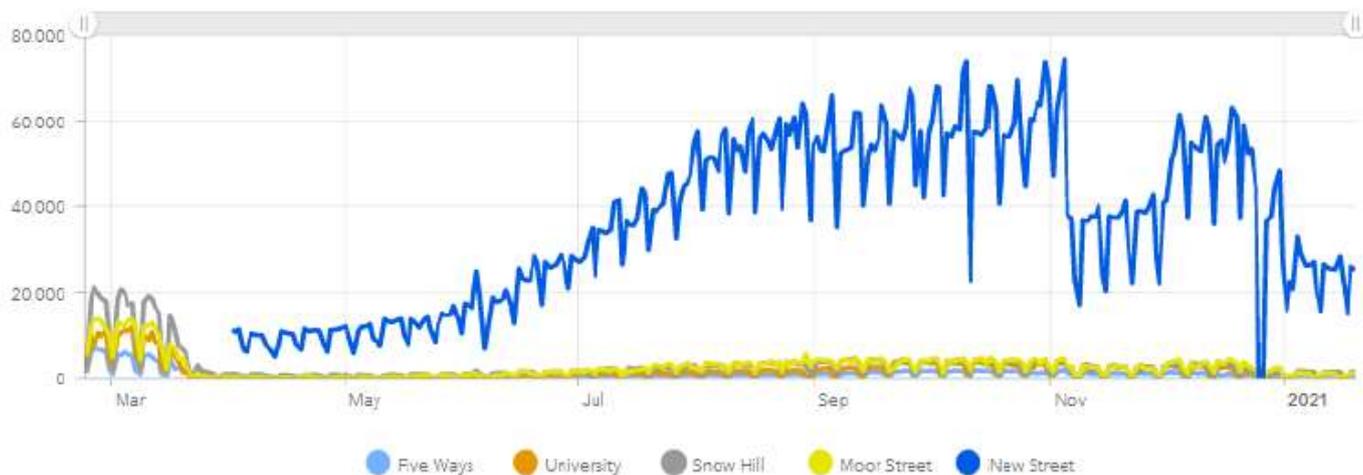
** As last week was the festive period network usage figures will have been different when compared to the pre festive period. Next week's figures should show a truer reflection of network usage.



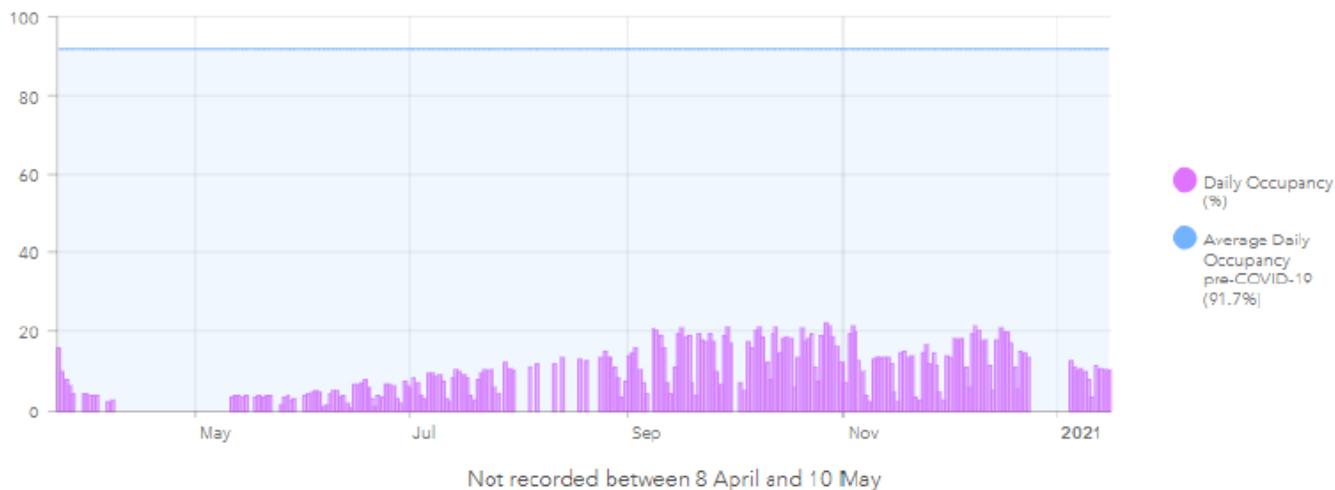
Following the introduction of further Covid measures, transport services remain at their current levels with social distancing measures in place.

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

Daily Footfall - Birmingham Rail Stations



Weekday Train and Metro Car Park Occupancy (%)



ONS Weekly Release Indicators

BCCEIU

ONS Weekly Release Indicators

On the 14th 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.

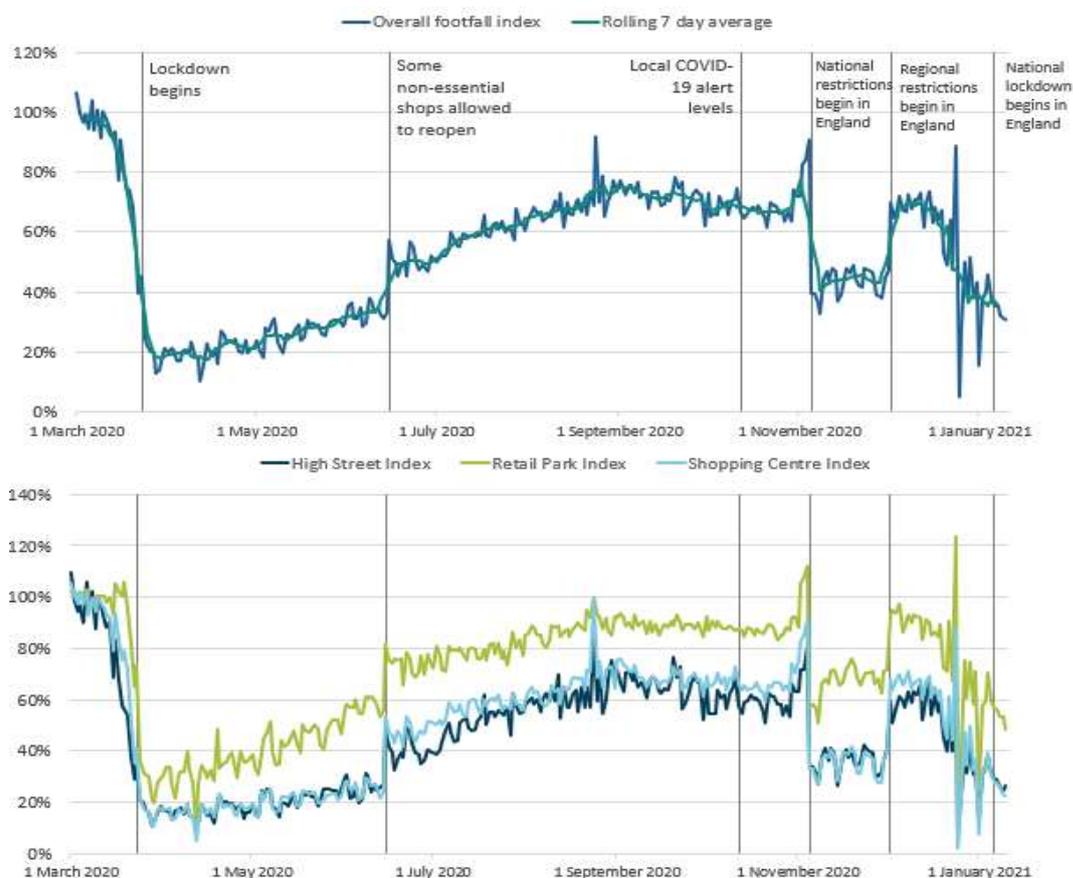
The statistics are experimental and have been devised to provide timely information. The following information contains footfall data, final results from Wave 21 of the Business Impact of Coronavirus Survey (BICS), Value Added Tax (VAT) returns, national company incorporations and voluntary dissolution, Wave 40 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 example, Sunday 10th January 2021 was compared with Sunday 12th January 2020.

For the week ending the 10th January 2021, overall footfall was at 35% when compared to the same week in 2020. Overall footfall in the UK decreased by 2 percentage from the previous week. Footfall decreased by almost 4 percentage points in shopping centres, by 2 percentage points on high streets and by 1 percentage point in retail parks.

The following chart shows the volume of footfall, percentage change from the same day the previous year for the UK between 1st March 2020 to 10th January 2021:



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

National Company Incorporations and Voluntary Dissolution

Companies House data shows for the UK, there were 16,097 incorporations in the week ending 8th January 2021, this is up substantially from 8,248 recorded in the previous week.

Also, for the week ending 8th January 2021, there were 5,233 voluntary dissolution applications, an increase from 2,995 recorded in the previous week.

Value Added Tax (VAT) Returns

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

When comparing the month-on-month all-industry turnover estimate between November and October, the all-industry turnover was 1.0 standard deviations above the historical mean, with a diffusion index of 0.03. Out of 37,290 firms, approximately 1,000 more firms saw their turnover increase than firms who saw their turnover decrease.

When comparing the Quarter 4 (Oct-Dec) all-industry turnover estimate to the previous Quarter (Jul-Sept), it was 3.3 standard deviations above its historical average, with a diffusion index of 0.08, which means around 22,000 businesses had an increase in turnover when compared to Quarter 3.

The new reporters index measures the number of firms sending VAT returns for the first time (relates to number of firm births). In December 2020, the number of new VAT reporters was 19,990 this was above the level that was seen in December 2019 (17,770), but remains below the 2015 to 2019 average of 20,908.

Business Impact of the Coronavirus

The final results from Wave 21 of the Business Impact of Coronavirus Survey (BICS) based off the 5,141 businesses surveyed across the West Midlands that businesses have a presence in with a response rate of 22.2% (1,140) and to 2,945 businesses that are head quartered in the West Midlands, with a response rate of 21.7% (640). Please note, unless stated, the following data is based on the period between 29th December 2020 to the 10th January 2021 and only covers topics where there is a regional breakdown. Also, the data used is unweighted for regions and response levels can be low so the following results 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

89.3% of responding West Midlands businesses were trading between 29th December 2020 to 10th January 2021. In the West Midlands, 10.2% of businesses had temporarily closed or temporarily paused trading and less than 1% of businesses had permanently ceased trading.

In the West Midlands, 87.2% of responding businesses were trading between the 29th January and the 10th January and had been for more than the last two weeks. 2.1% of responding West Midlands businesses had started trading within the last two weeks after a pause in trading. While 3.0% of West Midlands businesses had paused trading but intended to restart in the next two weeks. 7.2% of West Midlands businesses had 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, 66.1% were required to temporarily close due to lockdown regulations, 25.9% stated that it was not financially viable to keep open and 18.7% reported insufficient footfall or customer interest. While 12.4% reported the reason as other and 2.8% were unsure.

7.7% of responding West Midlands businesses were expecting to temporarily or permanently close sites in the next two weeks. 80.0% of West Midlands businesses were expecting to close sites in the next two weeks due to being required by lockdown regulations, 17.3% due to insufficient customer interest or footfall and also 16.0% reported it was not financially viable to keep open.

42.6% of trading businesses in the West Midlands reported their turnover had decreased by at least 20%. However, 39.2% of trading businesses in the West Midlands reported that their turnover was unaffected and around 9% reported their turnover had increased by at least 20%.

Profits

Businesses were asked for their experiences for the reference period 14th to 27th December 2020. However, for questions regarding the last two weeks, businesses may respond from the point of completion of the questionnaire (29th December 2020 to 10th January 2021).

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

41.3% of trading businesses in the West Midlands reported profits had decreased by at least 20%. However, 35.2% of trading businesses in the West Midlands reported that profits had stayed the same and approximately 7.0% reported their profits had increased by at least 20%.

Prices Brought and Prices Sold

Businesses were asked for their experiences for the reference period 14th to 27th December 2020. However, for questions regarding the last two weeks, businesses may respond from the point of completion of the questionnaire (29th December 2020 to 10th January 2021).

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 60.6% of West Midlands businesses reported prices did not change any more than normal, 10.6% reported prices increased more than normal and 7.7% 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. Excluding those who responded not applicable or unsure, prices sold data shows 1.9% of businesses in the West Midlands reported prices had decreased more than normal. 72.5% of West Midlands businesses reported prices did not change any more than normal, 2.6% reported prices increased more than normal and 3.8% of West Midlands businesses reported some prices increased and some prices decreased.

Stock Levels and Stockpiling

Businesses were asked for their experiences for the reference period 14th to 27th December 2020. However, for questions regarding the last two weeks, businesses may respond from the point of completion of the questionnaire (29th December 2020 to 10th January 2021).

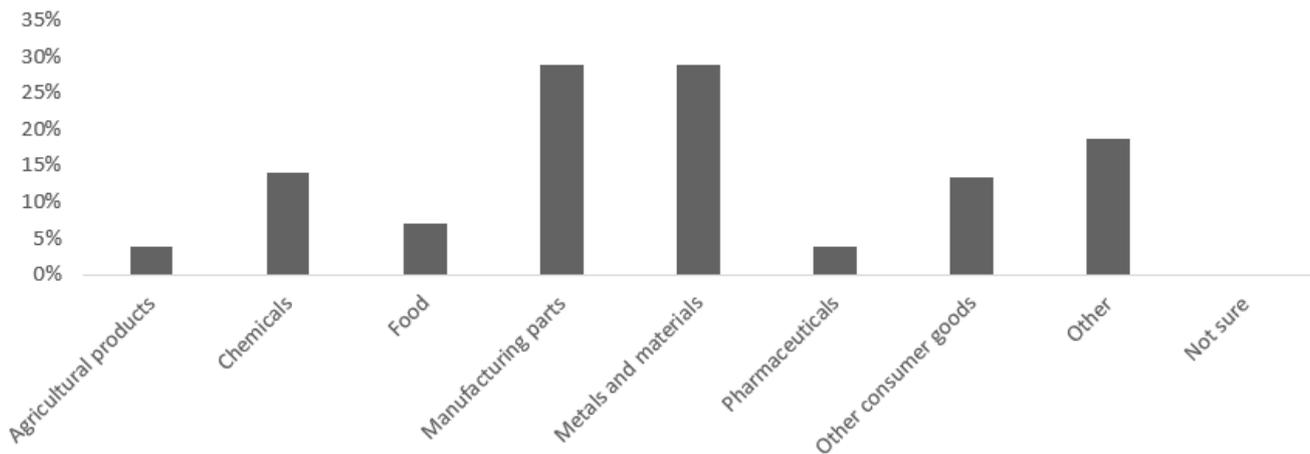
Businesses were asked how the pandemic had affected stock levels in the last two weeks. Excluding not sure of not applicable responses, 13.8% of West Midlands businesses reported that stock levels were higher than normal. 36.6% reported stock levels had not changed and 13.7% reported that stock levels were lower than normal.

Excluding not sure responses, 45.9% of West Midlands businesses reported that the main reason for the difference in stock levels were due to COVID-19. 21.5% of West Midlands businesses reported the main reason to be COVID-19 and the end of the EU transition period. 19.4% of West Midlands businesses reported just the end of the EU transition period as the main reason and 8.6% of West Midlands businesses reported the main reason as other.

4.2% of responding West Midlands businesses reported they were stockpiling goods or material from UK suppliers, 9.4% were stockpiling from EU Suppliers and 2.8% were stockpiling from non-EU suppliers. 79.2% of West Midlands businesses reported not stockpiling any goods or materials.

Of the West Midlands businesses that reported they had stockpiled goods or material the highest percentage were in metals and materials and also in manufacturing parts at 28.9%.

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



Capital Expenditure

39.4% of West Midlands businesses reported that capital expenditure had not been affected due to the pandemic. 30.3% of responding West Midlands businesses reported capital expenditure is lower than normal. 9.9% of West Midlands businesses reported that capital expenditure had stopped and 4.9% reported capital expenditure was higher than normal.

EU Transition

7.8% of West Midlands businesses reported that they were intending to make changes to supply chains in preparation for the end of the EU transition period, while 51.9% 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; 32.9% were going to use more UK suppliers, 5.1% were going to use more EU suppliers and 8.9% were going to use more non-EU suppliers. 12.7% of West Midlands businesses were going to move the supply chain away from the short straits crossing. 27.8% of West Midlands businesses were going to increase the diversity in suppliers and 6.3% were going to expand to different modes of freight.

Where relevant for the business, 20.9% of responding West Midlands businesses were fully prepared to ensure supply chain continuity for the end of the EU transition period. 36.5% were somewhat prepared and 1.7% of West Midlands businesses were not prepared.

Where relevant for the business, 22.5% of responding West Midlands businesses were fully prepared for the end of the EU transition period. 41.2% were somewhat prepared and 1.9% of West Midlands businesses were not prepared.

Excluding other and not sure responses, 19.9% of West Midlands businesses reported that they were not fully prepared for the end of the EU transition period due to the Coronavirus pandemic. 50.2% of responding West Midlands businesses were not sure what was needed to do to be prepared and 11.0% reported that no preparation was needed as it was expected a deal would be reached.

Grants Applied and Received, Finance Agreements and Further Schemes

11.6% of West Midlands businesses have applied for Local Restrictions Support Grant – England (86.5% have received). 4.5% have received a grant from the Lockdown Business Fund – Wales. 5.3% of West Midlands businesses have received a grant from the Strategic Framework Business Fund Scotland. While 11.3% of West Midlands businesses have not applied for any of these grants.

8.5% of West Midlands businesses have received small business grant, 6.3% have received a sector-specific grant and 1.4% have received an additional Restriction Grant.

26.0% of West Midlands businesses have received government-backed loans or finance agreements during COVID-19.

6.8% of West Midlands businesses are using or intend to use Kickstart Job Scheme for young people. 62.3% are using or intend to use the Coronavirus Job Retention Scheme. While 27.7% of West Midlands businesses are not using or intend to use either of these schemes.

International Trading

Businesses were asked for their experiences for the reference period 14th to 27th December 2020. However, for questions regarding the last two weeks, businesses may respond from the point of completion of the questionnaire (29th December 2020 to 10th January 2021).

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 when compared to normal expectations for the time of year. 27.8% of exporting businesses in the West Midlands reported their businesses were still exporting but less than normal. Of those businesses who continued to trade and import, 24.1% in the West Midlands were importing less than normal.

49.2% of West Midlands businesses who were exporting reported that they had not been affected and 54.1% reported that importing had not been affected.

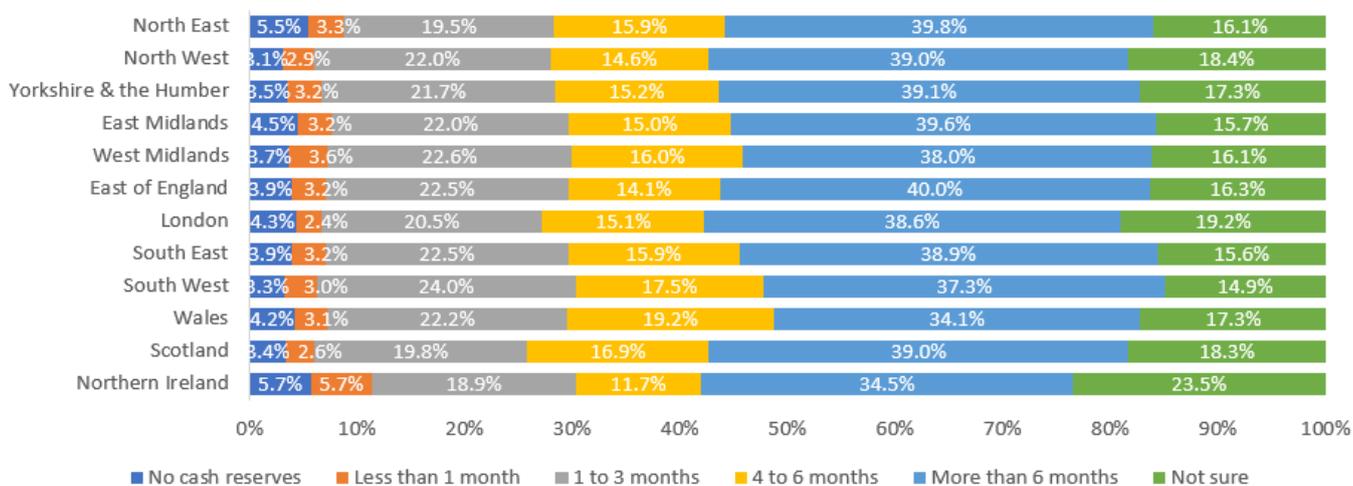
4.7% of businesses in the West Midlands are exporting more than normal and 7.7% are importing more than normal.

5.6% of businesses in the West Midlands have not been able to export in the last two weeks and 4.1% of West Midlands businesses have not been able to import in the last two weeks.

Cash Flow

3.7% 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, 62.0% of businesses had high confidence in surviving over the next three months. 26.5% had moderate confidence of survival, 4.5% had low confidence and 1.1% had no confidence. The remaining 5.8% were not sure.

1.9% of West Midlands businesses reported they were at severe risk from insolvency and 13.6% of West Midlands businesses reported they were at moderate risk. 49.7% of West Midlands businesses reported a low risk of insolvency and 25.2% reported no risk.

43.2% of West Midlands businesses reported that the risk of insolvency had increased due to COVID-19. While, 48.1% of West Midlands businesses reported insolvency risk had stayed the same and 2.4% reported the risk had decreased.

Expected Redundancies

5.3% of responding West Midlands businesses expected redundancies to happen within the next two weeks. 19.1% of West Midlands businesses expected redundancies to occur between two weeks and one month and 64.9% expected between one and three months. 13.8% 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.

Less than 1% of West Midlands business reported the number of workers from within the EU had increased and 1% reported the number of workers outside the EU had increased. 32.5% of West Midlands businesses reported the number of workers within the EU had stayed the same and 24.1% of workers outside the EU had stayed the same. 9.8% of West Midlands businesses reported the number of EU workers had decreased and 4.3% of workers outside the EU had decreased. Overall, for the change in EU and non-EU workers 8.3% of West Midlands businesses preferred not to say and 52.1% were not sure.

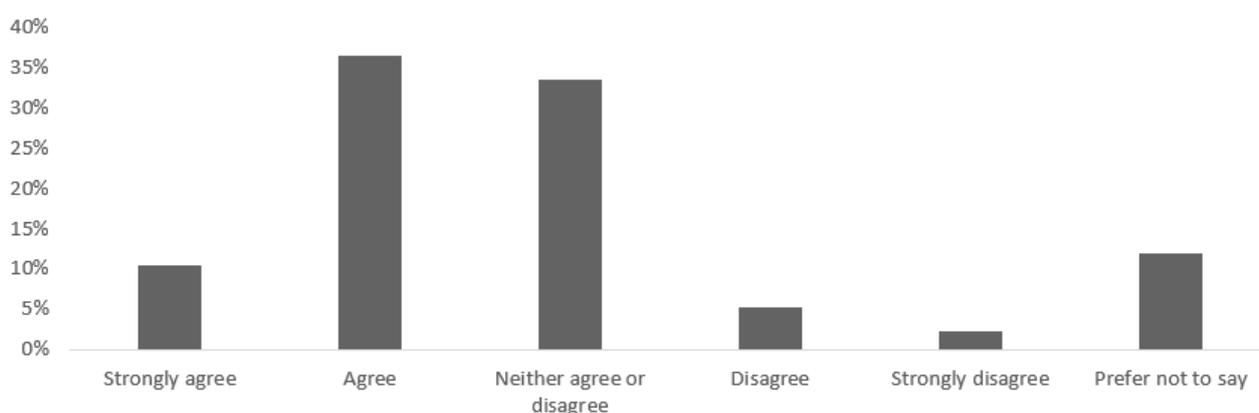
Expected Recruitment and the Immigration System

Businesses were asked if they expected to recruit new workers from countries in the EU or EEA in the next 12 months. 6.6% of responding businesses reported there were expecting to recruit from EU or EEA countries within the next 12 months, 46.1% reported they were not expecting to. 2.9% of West Midlands businesses preferred not to say and 44.2% 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, 47.0% 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:



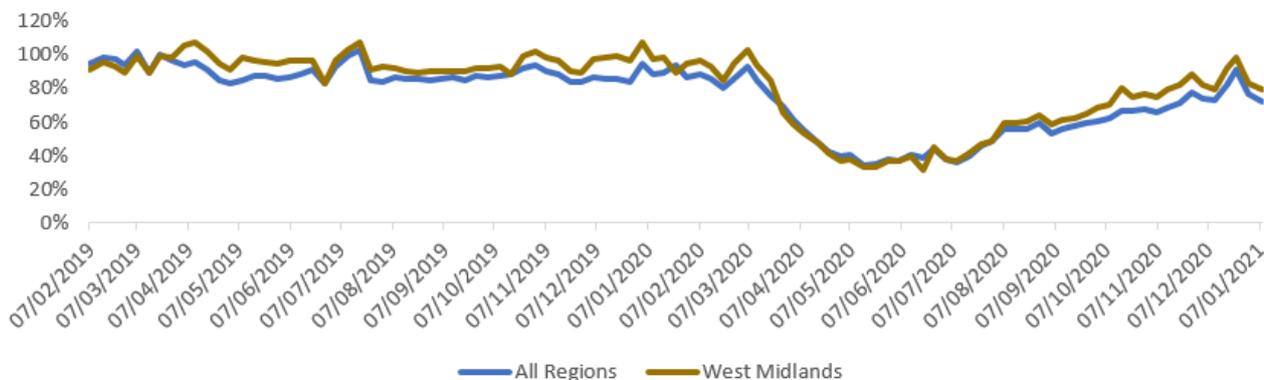
Online Jobs Adverts

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 are not comparable with the ONS Vacancy Survey.

Nationally, between the 31st December 2020 and 8th January 2021 total online job adverts decreased by 4.5 percentage points to 72.1% of the levels seen in the same week as the previous year. Out of the 28 categories (excluding unknown) 25 decreased from the previous week, with the highest decrease in domestic help by 32.2 percentage points to 102.6% of the level seen in the same week in the previous year. The highest increase was in the energy/oil & gas category (increasing by 4.3 percentage points to 62.0% of level seen in the same week in the previous year).

Between the 31st December 2020 and the 8th January 2021, for the West Midlands, the total online jobs adverts decreased by 3.9 percentage points to 79.1% of the levels seen in the same week in the previous year. All the UK regions experienced a decrease between the 31st December 2020 and the 8th January 2021 with Northern Ireland the highest decrease by 19.4 percentage points to 104.0% for the same period in the previous year.

The following chart shows the total weekly job adverts on Adzuna, for all regions and the West Midlands, 7th February 2019 to 8th January 2021: percentage change from the same week in the previous year:



Source: Adzuna

Social Impacts of the Coronavirus

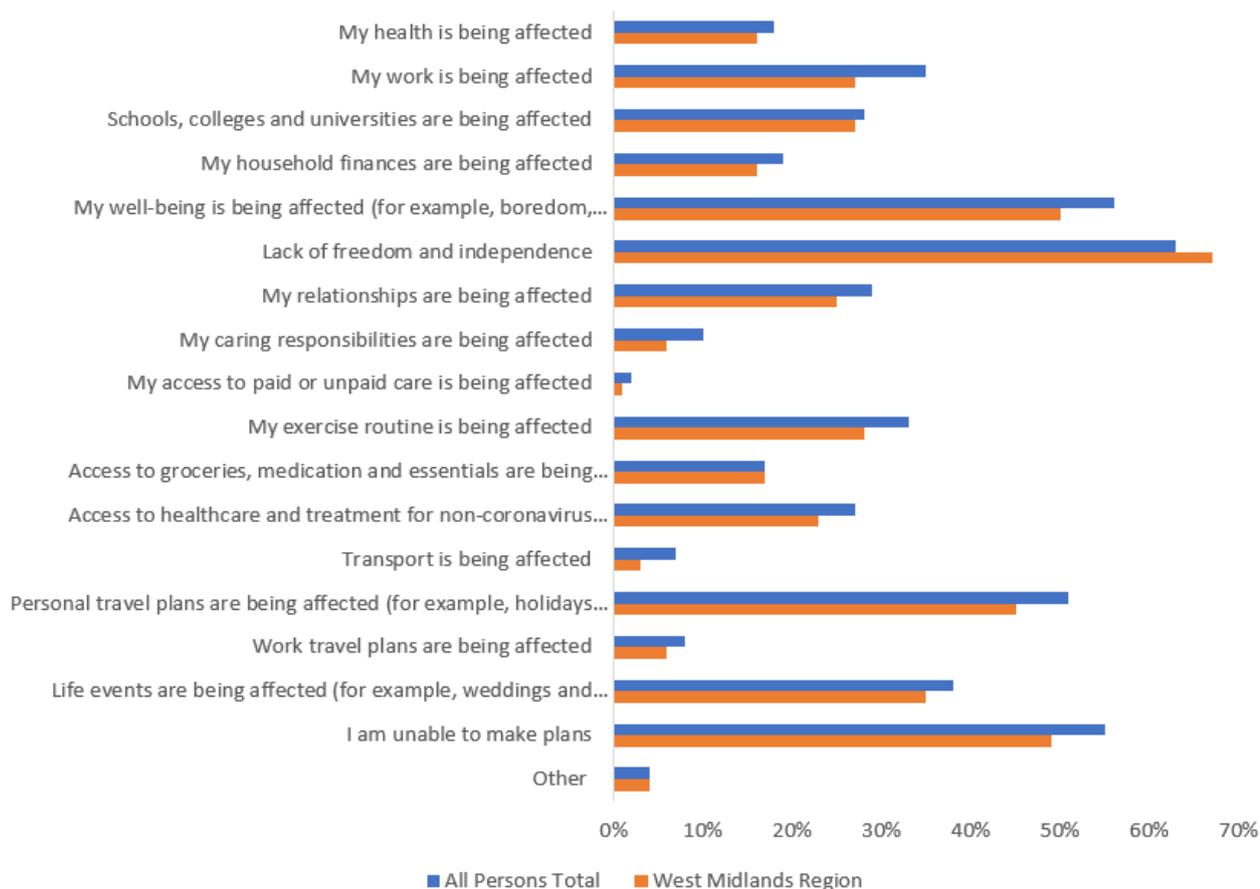
The following refers to the period of 7th to 10th January 2021 unless stated otherwise.

Impact on People’s Life Overall

In the West Midlands 80% of adults reported they were very or somewhat worried about the effect COVID-19 was having on their life, above the Great Britain average of 78%. Only 9% of responding West Midlands adults reported that they were somewhat worried or not at all worried (8% GB).

The main concern that COVID-19 was affecting West Midlands adults at 67% was the lack of freedom and independence.

The following chart shows how COVID-19 is affecting West Midlands 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 6.7 in the West Midlands (6.4 GB), worthwhile was 7.1 in the West Midlands (7.0 GB), happiness was 6.4 for West Midlands adults (6.5 GB) and anxious was recorded at 4.6 for West Midlands adults (matching the GB Average).

40% of adults in the West Midlands reported high levels of anxiety (42% for GB).

27% of adults in the West Midlands reported to often/always or some of the time to feeling lonely (matching GB average). While 47% reported hardly ever or never feeling lonely in the West Midlands (46% GB).

25% of West Midlands adults believe it will take 6 months or less before life returns to normal (24% GB). While 33% of West Midlands adults believed it will take 7 to 12 months (32% GB). 24% of West Midlands adults think it could more than a year to return back to normal (matching GB average) and 4% for the West Midlands adults thought it would never go back to normal (matching GB average).

Government Guidelines

58% of adults in the West Midlands felt they had enough information about government plans to manage COVID-19 (55% GB). 90% of adults in the West Midlands strongly or tend to support the current lockdown measures for where they live (88% GB). Only 4% of West Midlands adults strongly or tend to oppose the lockdown measures (matching the GB average).

80% of adults in the West Midlands region reported it was very easy or easy to understand the current lockdown measures (76% GB). 8% of West Midlands adults found them difficult or very difficult to understand the measures (10% GB).

80% of adults in the West Midlands region reported it was very easy or easy to follow the current lockdown measures (77% GB). 6% of West Midlands adults found them difficult or very difficult to follow the measures (9% GB).

Mass Testing and Vaccines

In the West Midlands, 80% of adults strongly or tend to support mass testing (80% GB), while only 1% strongly or tend to oppose mass testing (3% GB).

68% 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 14% were very or fairly unlikely to get a test without symptoms (15% GB).

87% of adults in the West Midlands were very or fairly likely to have the vaccine if it was offered to them (86% GB). While 4% of West Midlands adults were very or fairly unlikely (5% GB) to have the vaccine if offered.

| SECTOR | KEY CONCERNS |
|--|--|
| <p style="text-align: center;">Cross Sector</p> | <p>COVID-19 and Related Support</p> <p>Business leaders across the region have welcomed a £10,000 cash boost for West Midlands-based hospitality and leisure businesses which missed out on previous Government COVID support. The funding comes from a £22.8 million Additional Restrictions Grant (ARG) fund. The grants will be paid to eligible businesses with a rateable value of over £51,000. These include restaurants, pubs, clubs, bars, cafes, museums, art galleries, cinemas, theatres, bingo halls and amusement arcades.</p> <p>Whilst financial support for businesses through the grants system is welcomed, businesses are asking for some clarity going forward- both in terms of State Aid restrictions and business rates reliefs post March 2021, particularly for the struggling retail, hospitality and leisure sectors. This is part of the overarching call from businesses for a comprehensive, organised package of support for 2021, rather than short term reactive measures aimed at surviving to the Spring. Whilst the rollout of the vaccine programme is encouraging, clear that restrictions will continue and support will be needed for rest of the year, with Govt stating it will take until the autumn before all adults offered vaccine.</p> <p>Specific issues raised recently in relation to COVID recovery include:</p> <ul style="list-style-type: none"> • Furlough Scheme – more information is required around government plans at the end of the current CJRS scheme. Will it be extended further? Companies need to start planning now. There are also calls to include national insurance and pensions within furlough again. • Self-Assessment Dates – concern that businesses submitting self-assessment forms relating to the 2019/20 tax year which ended at the beginning of the COVID pandemic, will generate Income Tax bills based on a healthy year of trading, that people will not be able to afford, based on widely reduced trading ability in 2020 due to the pandemic. What support can be offered to these businesses? • VAT Deferral – for businesses that deferred VAT in 2020 due to COVID, there seems to be some confusion about opting in to the new payment scheme, which is not currently open. More information required nationally via mainstream methods. How will the government support businesses that do not have the means to meet minimum instalment payments? • Access to Support – There is increasing desperation from previously viable companies who have fallen through cracks and received no government support e.g., Limited Company Directors. More generally there has been reports of difficulty contacting local authorities for grant application queries. Additional queries from businesses range from understanding eligibility criteria, advice around submitting applications and dealing with complaints from unsuccessful applicants. There have also been reports from businesses sub-letting premises via a third party that are not receiving the business rates support they are entitled to, and where this money is being retained by the third party. • Testing – A number of companies (where working from home is not viable) have undertaken privately funded COVID testing to ensure the safety of their staff and maintain good levels of attendance and business continuity. This has been received well by employees. In contrast, other firms have reported challenges getting information on coronavirus testing for hauliers. <p>New data published by the British Business Bank on 18th January reveals the regional and local distribution of loans under the government’s two largest Covid-19 loan schemes: Coronavirus Business Interruption Loan Scheme (CBILS) and the Bounce Back Loan scheme (BBLs):</p> <ul style="list-style-type: none"> • Nearly 115,000 loans worth over £3.5bn have been offered in the West Midlands region under the BBLs. • Over 6,000 loans worth nearly £1.5bn have been offered in the West Midlands region under the CBILS. • Overall, over £62bn has been offered through CBILS and BBLs in the UK. • The data also provides analysis of loan uptake across sectors with construction and wholesale and retail receiving the highest proportion of total loans. <p>UK Transition</p> <p>Technical issues related to the new UK-EU Trade Deal are rising, with much confusion and uncertainty among businesses regarding new documentation and processes/regulations:</p> <ul style="list-style-type: none"> • Rules of origin (whether their goods qualify for tariff free trade or not) • VAT and who is responsible for paying it. • What is required on customs documentation and what businesses need to do to continue delivering services in EU member states. • Invoicing |

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| | <ul style="list-style-type: none"> • GDPR implications. • Access to export finance <p>Businesses are experiencing issues with:</p> <ul style="list-style-type: none"> • Delivering services in the EU. • Shipping to Ireland. • Orders from EU cancelled. • Problems with imports – Suppliers unable to send goods from EU as customs overwhelmed in EU countries meaning UK stocks running low. <p>Examples of queries from businesses this week include:</p> <ul style="list-style-type: none"> • If we re-export EU goods to the EU post Brexit, will we be charged duty? • Does the UK/EU free trade agreement mean that we can still use EUR1s to ship to South Africa? • Do I need a Certificate of Origin to ship to Northern Ireland or Republic of Ireland? • Will Russian goods, shipped from the EU to the UK be covered by the UK/EU trade deal? • Can we still apply for EUR1s? • What is the current situation regarding Turkey and ATRs? <p>Start-Ups and New Business Models</p> <ul style="list-style-type: none"> • There remains a steady stream of positive investment projects. For example, Britvolt, who are siting their global HQ in Coventry, are moving forward with plans to recruit 200 local jobs whilst they also look to establish a regional supply chain in the development of electrified vehicles. • Birmingham has been crowned the UK’s regional start-up capital for the seventh year running, defying challenges to business confidence posed by the Coronavirus pandemic. • New data shows that 18,394 new enterprises started life in the city throughout 2020, marking the highest volume of start-ups outside London. Overall, Birmingham saw a 26.8% uplift in business births from 2019. <p>Schemes and Grants</p> <ul style="list-style-type: none"> • Referrals into business support programmes continue as part of business as usual and growth plans: Kickstart, Skills/Training along with Sales & Marketing guidance all feature as businesses look to sustain operations and grow. |
| <p style="text-align: center;">Retail</p> | <p>COVID-19</p> <ul style="list-style-type: none"> • The British Independent Retailers Association (Bira), is calling for business rates to be abolished for another year following a damning report from the British Retail Consortium (BRC) revealing the true impact of Covid-19 on shopper footfall. <p>The BRC released its ShopperTrak Footfall Monitor for December 2020. Key findings include:</p> <ul style="list-style-type: none"> • Total year on year footfall for 2020 fell by 43.4 per cent. • Year on year UK Footfall decreased by 46.1 per cent in November, a 19.3 percentage point improvement from November when England was under lockdown. • Footfall on High Streets declined by 49.5 per cent year on year. This was the worst performing location type for the fifth consecutive month. • Northern Ireland saw the shallowest footfall decline of all regions at -47.2 per cent, followed by Scotland at -50.2 per cent. Wales saw a decline of -52.3.1 per cent. • The Golden quarter saw nearly half the footfall (a decline of 48.4%) compared to the same period in 2019. |
| <p style="text-align: center;">Hospitality</p> | <p>COVID-19</p> <ul style="list-style-type: none"> • Business leaders across the region have welcomed a £10,000 cash boost for West Midlands-based hospitality and leisure businesses which missed out on previous Government COVID support. These include restaurants, pubs, clubs, bars, cafes, museums, art galleries, cinemas, theatres, bingo halls and amusement arcades. • An extension to the VAT reduction on hospitality food and non-alcoholic beverages has been called for. |

| | |
|---|--|
| <p>Manufacturing</p> | <p>UK Transition</p> <ul style="list-style-type: none"> • As above, there is continued signs of EU Exit related problems surfacing – that are likely to disproportionately affect manufacturing. For example: <ul style="list-style-type: none"> - Rules of origin (whether their goods qualify for tariff free trade or not) - VAT and who is responsible for paying it. - What is required on customs documentation and what businesses need to do to continue delivering services in EU member states. - Invoicing - GDPR implications. - Access to export finance |
| <p>Logistics & Transport</p> | <ul style="list-style-type: none"> • Take-up of logistics space in the UK reached record breaking levels by the end of 2020, as e-commerce continued to be the undisputed driving force behind the sector’s growth. • Take-up volumes for the year reached 49.8 million sq. ft eclipsing the previous record of 40 million sq. ft achieved in 2008 and 2018, according to Cushman & Wakefield. • Take-up levels in the West Midlands during 2020 hit 6.4 million sq. ft, an increase of 70% on 2019, not including several short-term transactions to satisfy immediate pandemic related issues. |

NEW ECONOMIC SHOCKS

| COMPANY | LOCATION | SECTOR | SOURCE/DETAIL |
|--------------------------------------|---------------------------------|--|---|
| FSB | Nationwide | All | <p>Up to a quarter of a million small firms could go bust this year and even more will cut jobs, a leading business group says.</p> <p>The warning from the Federation of Small Businesses (FSB) comes after a survey of its members showed that almost 5% said they expected to close this year, while many more are at risk after having frozen their operations, reduced headcounts or taken on significant debt.</p> |
| Meggitt | Rugby | Aerospace | <p>Meggitt, the Ansty company specialising in high performance components and sub-systems for the aerospace, defence and energy markets, has warned that it could be some time before the vaccine roll-out feeds through to market activity. In a trading update this morning (January 15), the firm said that it expects profits for 2020 to be between the £180m-£200m mark, with revenues forecast to come in around the £1.7bn mark. These figures in 2019 were £370.3m and £2.27bn respectively.</p> |
| Covrad Heat Transfer | Coventry | Plumbing/ Heating/ Engineering/ Manufacturing | <p>Almost 30 jobs have been lost at a Coventry manufacturer after a fall in revenues plunged the firm into administration. Covrad Heat Transfer, which is part of the US-based API Heat Transfer Group, called in administrators from FRP Advisory earlier this month. API is unaffected by the move. Some 28 staff at Covrad that were furloughed have been made redundant while a further 38 have been retained to help with the administration process.</p> |
| Jaeger | Black Country and Wider regions | Retail | <p>Jaeger's 63 stores and concession will be permanently closed after they were not bought by M&S.</p> |
| JLR | Solihull | Automotive | <p>Jaguar Land Rover workers redeployed after surge in Covid cases sees 'hundreds' off sick. Production of the XE and XF at Castle Bromwich has allegedly been suspended and some staff temporarily transferred to Lode Lane</p> |

NEW INVESTMENT, DEALS AND OPPORTUNITIES

| COMPANY | LOCATION | SECTOR | DETAIL & SOURCE |
|--|---------------------------------|--|--|
| CeraCon UK | Leamington Spa | Technology/ Manufacturing | Foam sealing business CeraCon UK has completed a management buyout from its German parent company. The MBO has been led by managing director Robert Jones, who has run the business since its establishment in 2013. The business currently employs 18 staff. |
| EvTec Automotive | Coventry | Manufacturing/ Engineering | A deal to secure a multi-million-pound acquisition and working capital funding package for Evtec Automotive from BREAL Zeta Commercial Finance has been struck, saving 110 jobs and creating 50 new ones. |
| JLR | National | Manufacturing/ Engineering/ Automotive | Luxury car maker Jaguar Land Rover marked the end of 2020 with a second successive quarter-on-quarter recovery in sales, despite the continuing impact of COVID-19. The group, which builds cars at sites in Halewood, Merseyside, and Castle Bromwich and Solihull in the West Midlands, said retail sales for the quarter, ending December 31, 2020, were 128,469 vehicles, 13.1% higher than the 113,569 vehicles sold in the preceding quarter, but down nine per cent on the same period last year. |
| Napton Cidery | Warwickshire | Food/ Drink/ Catering Services | The owners of a family-run cidery in Warwickshire have launched a new crowdfunding campaign to help mount a post-pandemic recovery of their business. Jolyon and Charlotte Olivier are inviting supporters to apply for at least £40,000 in shares of Napton Cidery following the success of their first round of investment two years ago. |
| UK Flooring Direct | Warwickshire | Manufacturing | The UK's leading online flooring retailer has made a major new appointment as it has its sights firmly set on further growth in 2021. UK Flooring Direct has appointed Sean Lawe, the former Group Supply Chain Director at Specsavers, as Chief Operating Officer. |
| Feraru Dynamics | Coventry | Engineering | The business received a grant of £11,992 from the Coventry and Warwickshire Innovation Programme, which is part funded by the European Regional Development Fund. They have developed the wearable device after being in touch with the Coventry and Warwickshire Local Enterprise Partnership (CWLEP) Growth Hub and securing funding from Coventry City Council. |
| Edinburgh woollen mill | Black country and Wider regions | Retail | Administrators confirmed a deal that will see 246 Edinburgh Woollen Mill and Ponden Homes stores saved, protecting 1,453 jobs. |
| Citizen | Black Country and Wider region | Housing | A £1.75 million grant will help provide 25 houses for homeless people who were helped off the street during the coronavirus pandemic. |

| COMPANY | LOCATION | SECTOR | DETAIL & SOURCE |
|--------------------------------------|---------------------------------|------------|---|
| Pets at Home | Black Country and Wider regions | Retail | A decision on a £48 million scheme, to approve plans to construct a giant storage and distribution base for Pets at Home on land off the A34, that could deliver 1,200 new jobs is expected this week. |
| Mary Stevens Hospice | Black Country and Wider region | Health | More than £17,000 has been raised for Mary Stevens Hospice as part of their Treecycle weekend. |
| Dudley Council | Black Country | Public | Work starts on ERDF funded pavement widening schemes in Dudley and Stourbridge. |
| Sandwell Council | Black Country | Public | Work on town projects worth a total of £2.25 million are getting under way in Sandwell this month (January) following a successful bid for funding. |
| Exemplar Health Care | Birmingham | Healthcare | Exemplar Health Care, a provider of nursing care for adults living with complex needs, is set to create 150 jobs in Birmingham after announcing it will invest £20m to open five new homes across the UK. |

Disclaimer: The contents of this document are based on the latest data available and the contribution of regional partners in a fast paced environment, therefore we urge caution in its use and application
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This programme of briefings is funded by the West Midlands Combined Authority, Research England and UKRI (Research England Development Fund)



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

