

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 it good to highlight the vaccine rollout continues at pace. The Midlands has successfully vaccinated 3,358,909 people with the first dose and a 95,203 of these individuals have received the second. The Midlands has successfully continued to provide the most doses of the first jab, and has remained the 3rd highest provider of the second dose out of the English regions.

- The Scottish Government has announced this week that [Scotland's train operator Scotrail is to be nationalised](#). From the end of March next year Dutch firm Abellio will stop running the ScotRail franchise
- The [Welsh government also nationalised its rail service](#) in February, following them taking over the rail service after falls in demand due to Covid-19. The aim of the nationalisation of these services is to create a greener, integrated public transport system which serves communities and not shareholders.
- The 'Everyone In Initiative', that was designed to house rough sleepers during the pandemic has exposed the scale of the rough sleeping issue. The [Public Accounts Committee](#) has praised the initiative, which took 37,000 people off the streets by January 2021. However, this number was nearly nine times the official estimates of rough sleepers.
- The Department for Transport (DFT) has announced the creation of a [second headquarters in Birmingham](#).
- [West Works](#) site in Longbridge, Birmingham is to be regenerated following a £6m investment package. The deal between the West Midlands Combined Authority and property developer St. Modwen, will see the construction of 350 homes and 900,000sqft of commercial floorspace, creating up to 5,000 jobs.
- [JCB](#) has launched a fresh recruitment drive to employ an additional 450 agency shop floor staff at its factories in Staffordshire, Derbyshire and Wrexham.
- A £1.9m development loan has been awarded by Wyre Forest District Council (WFDC) to support the regeneration of 4.5 acres of brownfield land in Kidderminster.
- Engine-maker Rolls-Royce has plummeted to a mammoth £4 billion annual loss after a "severe" hit from the pandemic as the crisis hammered the global aviation industry
- Lord Sainsbury of Turville's report has said that in order to 'level up' economically weaker performing cities need to become clusters of high-value activities. Effective and efficient institutions at the regional level should share three features: They should match the geography of the local economy and have accountable leadership, adequate powers and resources. If Mayors are to have a positive impact on local economic growth, they need to have the necessary powers and resources that allow for joining up transport and spatial planning, a skills system better aligned with business needs, and more resources for R&D.
- Latest Make UK research highlights: Output volumes are up and UK orders improve; Export orders decline, likely arising from business both in the UK and EU yet to settle into the new UK-EU trading arrangements; Employment and investment intentions remain negative though significantly better than last quarter, employment is expected to turn positive in Q2; Expectations for next quarter more positive across all indicators; Prices improve but margins decline; Manufacturing growth forecast upgraded in 2021 to 3.9% from 2.7%.

Latest Economic Indicators Dashboard:

- There has been an increase for the proportion of deaths related to COVID-19 since September 2020, reaching a peak at 39.8% of deaths in January 2021. The WMCA was the worst performing Combined Authority on this measure.
- There were 41,230 youth claimants in the WMCA (3 LEP) area in January 2021. When compared to March 2020 (22,835), the number of youth claimants has increased by 18,395. This increase has been maintained throughout the year.
- There were 207,645 claimants aged 16 years and over in the WMCA (3 LEP) area in January 2021. When compared to March 2020 (117,590) the number of claimants has increased by 90,055. WMCA – Highest CA on this measure.
- PMI dropped again at the beginning of the year and companies in the West Midlands reported the fall in activity was from COVID-19 restrictions and business closures that hindered output. The Future Activity Index registered at 77.5 in January 2021 with optimism stemming from the COVID-19 vaccine programme and the prediction of reductions in infections.
- The latest data shows there were 1,717 apprenticeship vacancies in January 2021. This is an increase of 25 apprenticeships vacancies since December 2020 but 187 lower than January 2020. WMCA – Highest CA.
- The latest data shows there were 131,929 unique jobs postings January 2021. This has decreased by 2,706 since December 2020 and by 2,005 since January 2020. WMCA – Highest CA

- 619,800 individuals in the WMCA 3 LEP area have been furloughed at some point. Provisional data shows that 261,300 workers were furloughed in the WMCA (3 LEP area) as of 31st January 2021. On 31st January, 14.5% of eligible employments were furloughed, compared to 15.6% for the UK.
- Percentage change quarter on quarter shows for the West Midlands region there was negative GDP growth of 4.7% in Q1 2020, this was followed by 21.0% negative growth in Q2 2020. The UK recorded negative growth of 2.8% in Q1 2020 followed by negative growth of 18.8% in Q2 2020. WM– Highest Negative Growth.

Covid Impacts

- The West Midlands saw 1,468 chain stores close permanently last year at retail locations. The West Midlands had 600 openings in 2020 meaning a net loss of 868 for the region. Fashion retailers were the hardest hit last year, with more than 1,100 disappearing, as names such as Laura Ashley, Warehouse, Oasis and Jaeger exited the high street
- Reg Flag Alert - which has been collecting and measuring the financial data of UK companies since 2004 - shows that 274,720 jobs could go when the Coronavirus Job Retention Scheme (CJRS) ends in September 2021.
- For the week ending the 6 March 2021, overall footfall was at 42% compared to the same week 2020.
- In the West Midlands 1.5% of businesses sites were temporarily or permanently closed, compared to a high of 6% in London and the South East. The accommodation and food service activities industry has less than 50% of businesses currently trading, at 43%.
- VAT returns diffusion indices for January 2021 compared with January 2020 have shown a decrease, at 1.4 (pink) standard deviations below its historical average with a diffusion index of negative 0.07. This implies that, in January 2021, a net 7% of 32,380 firms reported a fall in turnover compared with January 2020.
- 7% of all businesses currently trading were providing regular testing to their employees, and of those businesses providing testing ,11% of the workforce were being tested.
- The EU has announced plans to roll out a travel certificate before summer 2021, which will enable anyone vaccinated against Covid-19, or who has tested negative or recently recovered from the virus, to travel within the EU.
- The National Audit Office reports that the Department for Education supported schools and pupils, including ensuring that schools could remain open for vulnerable children and funding on-line resources for those learning at home. However, the Department was slow to respond and had they acted more quickly, the support that they implemented would have been more effective in mitigating the learning pupils lost as a result of the disruption.
- [Thorntons](#) announced this week, that it would be closing all of its remaining 61 high street outlets; all stores will now remain closed following the easing of restrictions.

Covid risks

- Skills & Labour: Requirement for financial support for employment. The percentage of the West Midlands region furloughed by industry is used as a quantitative indicator for this RAG rating.
- Access to Finance: Requirement for financial support for cash flow / survival. Access to CBILS and BBLS data is used as a quantitative indicator for this RAG rating – specifically the difference between the percentage of all loans offered and each sector's size in the economy.
- Transition to New Business Models: Ability to adapt to new business models and consumer behaviour – for example a reduction in air travel.
- Digital / Home Working: Exposure to the shift towards home working and through digital means.
- Loss of EUSIF Funding: Reflecting the estimated sector risk of ERDF and ESF funding and programmes tapering off. The value shown is the value of West Midlands' projects that were specific to this sector for the 2014-2020 EUSIF funding round.
- Exposure to lockdown restrictions; Future order book values expected, Exposure to business debt and insolvency, Exposure to continuing social distancing rules, Exposure to workforce absence due to Covid isolation and testing requirements; Flexibility in managing risks associated with the pandemic.
- Sectors most at risk - Advanced Manufacturing & Engineering, Retail, Cultural and hospitality, Transport and Logistics
- Medium risk – Construction, Energy and low carbon, Creative industries
- Lowest risk - Business, Professional and Financial Services and Public sector, Health care and life sciences

EU Exit risks

- Business risks: Exposure to changes in the VAT regime when trading with the EU; Exposure to uncertainty relating to the lack of agreement on financial equivalence between the UK and EU; Exposure to new rules on business travel for working in the EU; Exposure to additional customs checks and paperwork required when trading with the EU; Exposure to the application of Rules of Origin on products being traded between the UK and EU; Exposure to certain changes in standards and regulation of products and services; Exposure to the lack of agreement on cross-border data exchange.
- Skills Shortages: Exposure to skills shortages due to immigration / freedom of movement changes and the UK's new points-based system; Exposure to the lack of mutual recognition on professional qualifications between the UK and EU.
- Sectors most at risk Advanced Manufacturing & Engineering, Retail, Business, Professional and Financial Services, Transport and Logistics.
- Medium risk – Cultural and creative industries, Construction, Health care and life sciences
- Lowest risk - Energy and low carbon and Public sector

Global, National and Regional Outlook

Alice Pugh, WMREDI; Rebecca Riley WMCA/WMREDI

Global

The EU has announced plans to roll out a [travel certificate](#) before summer 2021, which will enable anyone vaccinated against Covid-19, or who has tested negative or recently recovered from the virus, to travel within the EU. The EU 27-member states still have to decide how to use the new digital certificate. However, vaccine passports have faced opposition from some EU members as there are concerns that they might be discriminatory. Some argue that they will enable a minority to travel without restrictions while others, such as young people who are less of a priority for inoculations, will still continue to face measures such as quarantine.

The second issue has been the efficacy of data of vaccines in preventing a person from carrying or passing on the virus is incomplete. The [BBC reported that](#), ahead of the EU's announcement on certificates, the World Health Organization (WHO) said that it was working to "create an international trusted framework" for safe travel, but that vaccinations should not be a condition. The measure has been proposed as a digital screen certificate that would be for all EU citizens, their families either when leaving the EU or living abroad; and will include the European Economic Area (EEA). The European Commission proposal sets out that any EU member state permitting vaccinated travellers to bypass restrictions such as quarantine must accept certificates from other states within the bloc under the same conditions. Currently, the UK Business Secretary has said that the government is considering the idea of vaccine passports.

It appears that the relationship between [China and the US continues to worsen](#), as Biden administration officials and their Chinese counterparts met for their first face-to-face meeting. Ahead of the meeting the [BBC reported](#) that US officials stated that this meeting was 'not to create a strategic dialogue', and that there was 'no intent at this point to begin a series of follow-on engagements'. As the Biden Administration's interim foreign policy strategy released earlier this month notes, a more "assertive" China "is the only competitor potentially capable of combining its economic, diplomatic, military and technological power to mount a sustained challenge to a stable and open international system". 'Challenge China whenever necessary and cooperate where possible' is the mantra in the Biden White House.

China has taken the same stance, signalling a desire for a constructive relationship, whilst continuing to double-down on its own interests which the US disagrees with - such as the anti-democratic clamp down in Hong Kong on protesters, and the unashamed mistreatment and imprisonment of its Muslim Uighur minority; with some US official stating that they are committing genocide against their own people. There is a worry that if dialogue continues to fail we may enter into a new Cold War unlike the previous, where weapons will be AI and cyber warfare, as China seeks to impose its own view on the world much like its Western counterparts; the worry is that China is far more conservative in its ethics and certainly less democratic than its western counterparts. China, though, is not the Soviet Union of the previous cold war: it is significantly more powerful. At its peak the Soviet GDP was some 40% of that of the US. China will have the same GDP as the United States within the decade. China is a more powerful competitor than any that the US has faced since the 19th Century. It is a relationship that is going to have to be managed for perhaps decades to come.

China has many strengths and vulnerabilities, but so does the US. However, the US has a remarkable dynamism and capacity to re-invent itself. The pandemic however, has highlighted that what happens in China does not stay in China. It is now the second largest economy in the world.

National

A report was released as this week looking into the '[Support for children's education during the early stages of the Covid-19 pandemic](#)'. The report found that the Covid-19 pandemic presented the Department for Education (DFE) with an unprecedented challenge in the form of wholesale disruption to schooling across the country. As there was no pre-established plan for dealing with such large-scale disruption, DFE's approach was largely reactive. In the early

stage of the pandemic, DFE allowed schools considerable discretion in how they supported in-school and remote learning. Whilst this did help to reduce pressure on schools at a very difficult time, it also contributed to wide variations in the level and quality of education and support that children received.

DFE supported schools and pupils, including ensuring that schools could remain open for vulnerable children and funding on-line resources for those learning at home. However, on certain aspects the Department was slow to respond and had they acted more quickly the support that they implemented would have been more effective in mitigating the learning pupils lost as a result of the disruption. For instance, the Department could have set clear expectations for in-school and remote learning earlier, and addressing the barriers that disadvantaged children faced more effectively. It is crucial that as the Department moves forward it takes swift and effective action, ensuring provision of an effective catch-up learning programme which reaches the children that have been disproportionately affected by the pandemic - such as those who are vulnerable and disadvantaged.

The Scottish Government has announced this week that [Scotland's train operator Scotrail is to be nationalised](#). From the end of March next year Dutch firm Abellio will stop running the ScotRail franchise and an arms-length Scottish government company will take over the running of services. The arrangement is being made under powers which allow the Scottish Government to take over the rail franchise without a bidding process. This follows the Scottish Government already temporarily nationalising the service in March 2020 to help the service cope with the impact of Covid-19. The [Welsh Government also nationalised its rail service](#) in February 2021, following taking over the rail service after falls in demand due to Covid-19. The aim of the nationalisation of these services is to create a greener, integrated public transport system which serves communities and not shareholders.

It has been reported that the 'Everyone In Initiative', that was designed to house rough sleepers during the pandemic has exposed the scale of the rough sleeping issue. The [Public Accounts Committee](#) has praised the initiative, which has taken 37,000 people off the streets by January 2021. However, this number was nearly nine times the official estimates of rough sleepers, showing a much larger problem than had been acknowledged by the government. The Public Accounts Committee is also concerned that the Ministry of Housing, Communities and Local Government still does not have a plan to achieve its ambitious commitment of ending rough sleeping.

In light of the figures from the Everyone In initiative the National Audit Office has called on the government to review its Rough Sleeping Strategy, stating that the government is '[out of step](#)' with the problem. The latest government estimates of the number of rough sleepers was 2,688, down from 4,266 in autumn 2019. But this figure is based on estimates from councils or local agencies, often charities. The number fails to include people in night shelters or assessment centres and often misses those that are hidden from view. The estimate was far outstripped by the number of homeless housed in the Everyone In scheme over the course of the crisis: 37,430 in January 2021.

The Public Accounts Committee has also questioned the government's commitment to the target to provide 3,000 homes for people sleeping rough by the end of March 2021, accusing the government of being disappointingly evasive around the plan. As well as raising concerns over the long-term funding of local authorities, especially allowing them permission to help individuals with no recourse to public finances - this is a term often used for some immigrants who are not entitled to certain government benefits. The Committee is worried that the government will fail to capitalise on the success of the Everyone In scheme and there will simply be a return to previous issues once the scheme ends.

Regional

It was announced this week that the Department for Transport (DFT) has announced the creation of a [second headquarters in Birmingham](#) and a northern hub in Leeds as part of plans to create 650 jobs in the cities. This is the latest step in the government plan to move 22,000 civil service roles from the centre of London and into other cities across the UK by 2030. The Birmingham headquarters is also expected to hold ministerial offices, with ministers being expected to spend a significant amount of time there. The hope is that this will provide an economic boost to the cities. This also shows a move away from Whitehall in order to gain a wide breadth of experience and knowledge. DFT has already begun to recruit in Birmingham, with 100 roles created, including senior civil servant positions which would have otherwise been in London.

It was reported this week that the once iconic, but now derelict [West Works](#) site in Longbridge, Birmingham is to finally be regenerated following a £6m investment package. The investment deal between the West Midlands

Combined Authority and property developer St. Modwen, will see the construction of 350 homes and 900,000sqft of commercial floorspace, creating up to 5,000 jobs. Once finished, the £1bn transformation of the entire former car plant is expected to have created up to 4,000 homes, 2m sq ft of commercial development and 10,000 jobs. The deal follows the award, in December 2020 of more than £51m of Government funding for the WMCA to continue driving forward new homes and jobs for local people on brownfield land, such as the former MG Rover site.

[Thorntons](#) announced this week, that it would be closing all of its remaining 61 high street outlets; all stores will now remain closed following the easing of restrictions. Thorntons was acquired by Italian confectionary giant Ferrero in 2015 and since then has had a change of strategy, closing poor performing stores and making more of its product available through supermarkets and other retailers. This change resulted in its retail estate shrinking from 252 stores to the 61 which will now not reopen following lockdown. Thorntons has stated that whilst it may be closing its outlets, it will continue to provide its confectionary through supermarkets and their on-line store. Therefore, it is remains highly committed to keeping its Derbyshire factory in Alfreton open.

[JCB](#) has launched a fresh recruitment drive to employ and additional 450 agency shop floor staff at its factories in Staffordshire, Derbyshire and Wrexham. Later this year JCB also plans to give an additional 400 agency shop floor employees with more than one year's service permanent JCB contracts. These will include assemblers, welders, fabricators and CNC machinists. The reason for this has been high demand over the last few months, after the market for construction equipment rebounded sharply. The company is also forecasting that it expects demand in mainland Europe and North America to remain strong.

It was reported by [The Business Desk](#) this week that, a £1.9m development loan has been awarded by Wyre Forest District Council (WFDC) to support the regeneration of 4.5 acres of brownfield land in Kidderminster. The scheme, led by Suma Developments, will deliver 17,000 sq ft of light industrial units and also a drive-through Costa Coffee as part of a larger employment scheme. The development funding has been provided from the WFDC's Development Loan Fund, a £10m fund backing development schemes which support the council's priority for regeneration and economic growth. Phase one will create 42 new jobs and attract around £80,000 of new business rate to the area. Phase two will see the construction of 24,000 sq ft of trade counter units. This was the first successful award under the Council's Development Loan Scheme and they hope that this will encourage other to come forward with potential projects.

Top Five From Around the Web

Keziah Watson WMCA

- Pubs are essential to the UK economy and social fabric, according to a report by [Localis](#) that calls for extra support for pubs as lockdown slowly eases. Pubs act as community hubs, provide employment, and contribute to the economy and as such deserve diversification grants and an extension on the VAT cut.
- Local government finances have been adversely affected by the COVID pandemic, with costs rising and incomes falling, as the [National Audit Office](#) shows. Almost half of district councils will have a funding gap equivalent to 5% or more of their 2019/2020 expenditure, with one chief finance officer of a local authority already having issued a section 114 notice for 2020/2021 that indicates they do not feel confident of being able to balance the budget.
- Most people believe that the pandemic has made inequalities in the UK worse, according to a new survey as part of [The Social Mobility Barometer](#). Respondents felt that local and national government and employers had responsibility to improve social mobility, and the majority felt that those who were just about coping were not getting enough support.
- [The UN Environment Programme](#) has found that only 18% of COVID recovery spending has been allocated to projects that can be expected to enhance sustainability. Despite the increasing need for serious action to manage the climate crisis, the opportunities to take a different approach presented by the pandemic risk being ignored
- [Demos](#) has released the results of their People's Commission on what the public want the world to look like as the pandemic slowly begins to recede. There is an emphasis on making the most of the opportunities for change, a desire to continue to have flexible working, a fear of greater inequality, and the need for substantial changes around ensuring equal access to the internet and green spaces.

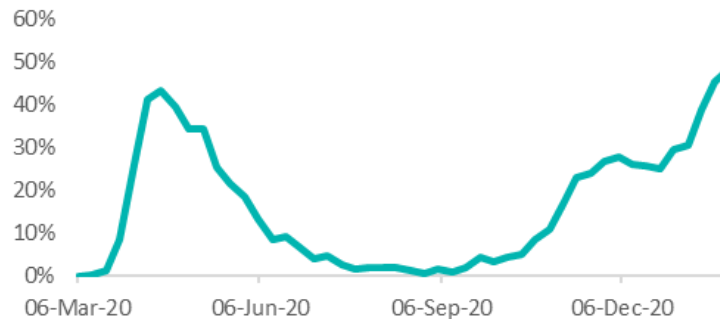
SED Board Economic Dashboard

BCCEIU

The latest Economic Indicators dashboard was produced for the Strategic Economic Development Board last week:

Percentage of Registered Deaths That Are COVID-19 Related

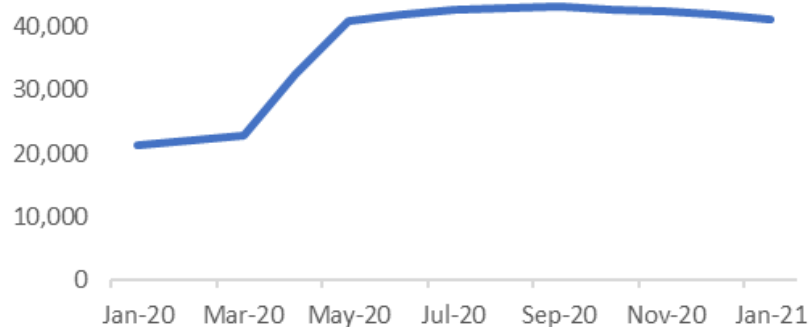
Trend:



Monthly analysis shows there has been an increase for the proportion of deaths related to COVID-19 since September 2020, reaching a peak at 39.8% of deaths in January 2021. The WMCA was the worst performing Combined Authority. England & Wales peak was 40.1% Cambridge & Peterborough CA at 35.7% (2nd) and West Yorkshire: 25.5% (10th).

Youth Claimants (Aged 16-24)

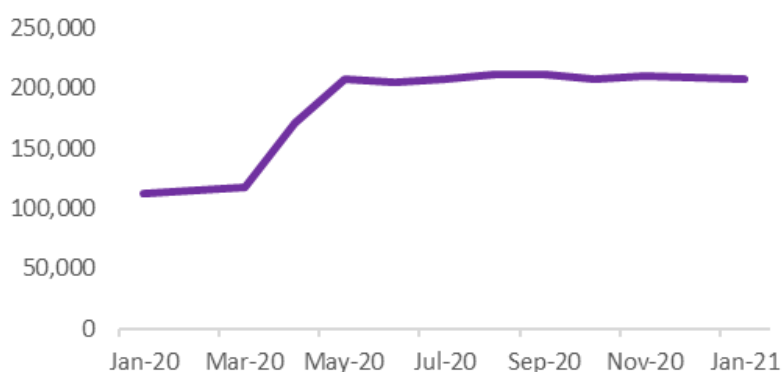
Trend:



There were 41,230 youth claimants in the WMCA (3 LEP) area in January 2021. When compared to March 2020 (22,835), the number of youth claimants has increased by 18,395. This increase has been maintained throughout the year. WMCA – Joint 4th Highest CA UK: 7.0% Tees Valley: 10% (1st) West of England: 4.4% (10th).

Claimants (Aged 16+)

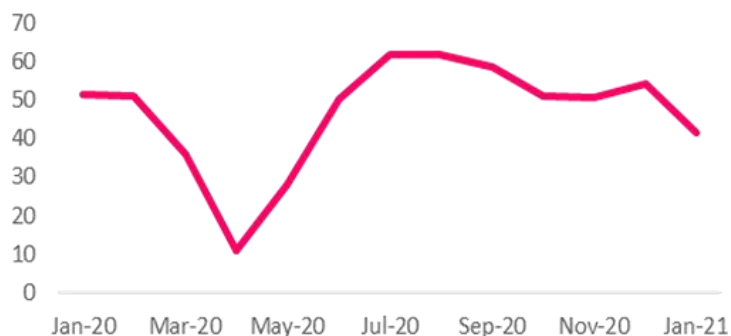
Trend:



There were 207,645 claimants aged 16 years and over in the WMCA (3 LEP) area in January 2021. When compared to March 2020 (117,590) the number of claimants has increased by 90,055. WMCA – Highest CA UK: 4.8% GMCA: 6.1% (2rd), Cambridge & Peterborough CA: 3.7% (10th).

Business Activity Index

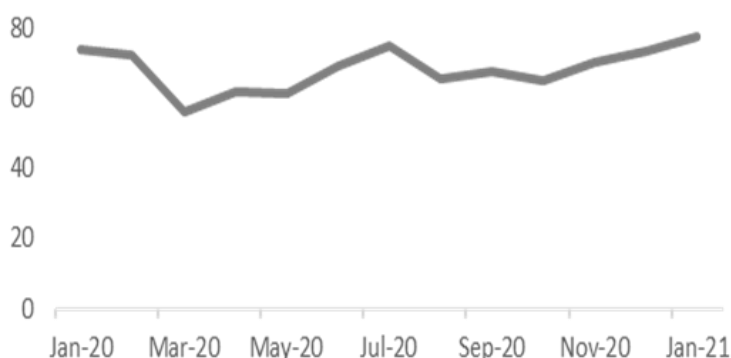
Trend:



The headline NatWest West Midlands Business Activity Index – seasonally adjusted index, measures the month-on-month change in the combined output of the region's manufacturing and service sectors – posted 41.5 in January. Companies in the West Midlands reported the fall in activity was from COVID-19 restrictions and business closures that hindered output.

Future Business Activity Index

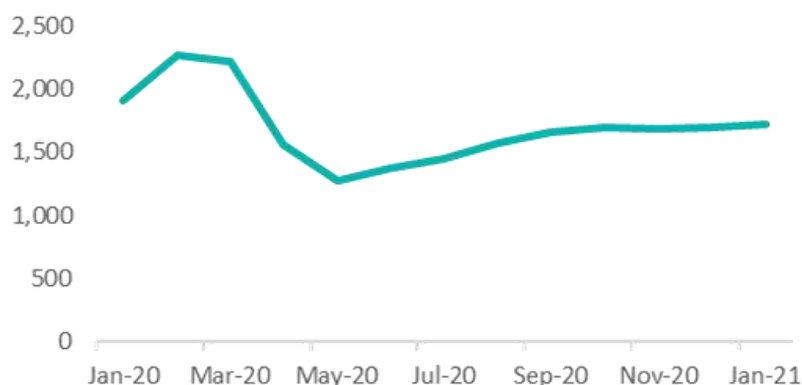
Trend:



Close to 68% of survey participants foresee output growth in the year ahead, compared with 13% that expect a reduction. The Future Activity Index registered at 77.5 in January with optimism stemming from the COVID-19 vaccine programme and the prediction of reductions in infections. WM: 3rd Highest Region, Yorkshire & The Humber 79.9 (1st), Northern Ireland: 50.4 (12th).

Apprenticeship Vacancies

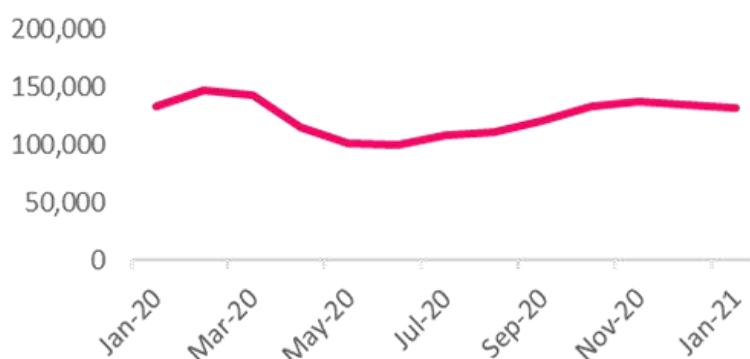
Trends:



The latest data shows there were 1,717 apprenticeship vacancies in January 2021. This is an increase of 25 apprenticeships vacancies since December 2020 but 187 lower than January 2020. WMCA – Highest CA; GMCA: 1,151 (2nd) North of Tyne: 270 (10th).

Unique Job Postings

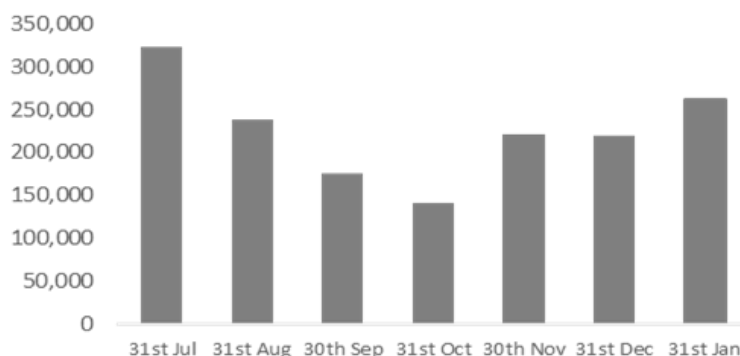
Trends:



The latest data shows there were 131,929 unique jobs postings January 2021. This has decreased by 2,706 since December 2020 and by 2,005 since January 2020. WMCA – Highest CA, GMCA: 104, 763 (2nd), Tees Valley: 12,585 (10th).

Total Number of Staff Furloughed

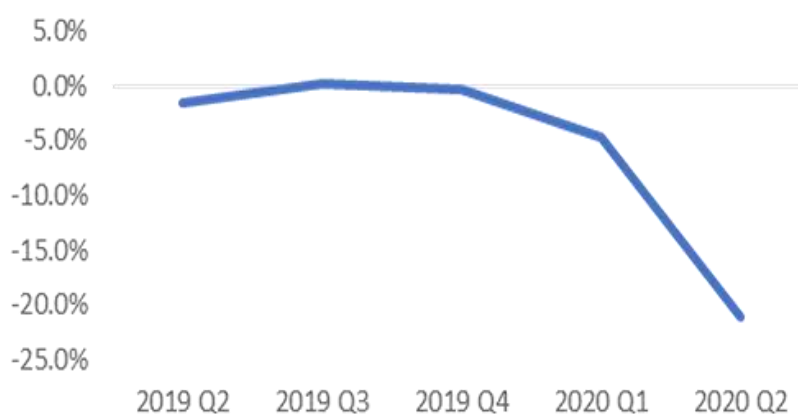
Trends:



619,800 individuals in the WMCA 3 LEP area have been furloughed at some point. Provisional data shows that 261,300 workers were furloughed in the WMCA (3 LEP area) as of 31st January 2021. On 31st January, 14.5% of eligible employments for the scheme were furloughed, compared to 15.6% for the UK.

Quarterly Regional GDP

Trends:

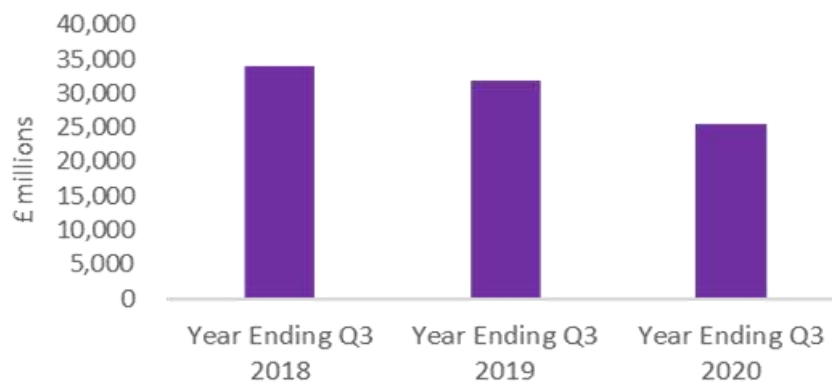


Percentage change quarter on quarter shows for the West Midlands region shows there was negative GDP growth of 4.7% in Q1 2020. This was followed by 21.0% negative growth in Q2 2020. The UK recorded negative growth of 2.8%

in Q1 2020 followed by negative growth of 18.8% in Q2 2020. WM– Highest Negative Growth, UK: -18.8% East of England: -20.9% (2nd) Northern Ireland: -13.6% (12th).

Quarterly Regional Exports

Trends:



West Midlands regional exports fell by nearly £6.5bn (-20.3%) since the year ending Q3 2019 to £25.5bn in the year ending Q3 2020 - the UK decreased by 13.8%. The West Midlands regional imports decreased by £8.1bn to £29.6bn - leading to a trade deficit of £4.1bn. WM – 5h Highest Region, South East & London: 12.8% (1st), Northern Ireland: 2.7% (12th).

WMCA Sector Risk Analysis (March 2021)

BCCEIU

Building on earlier risk assessments featured in the monitor, and in order to more easily identify Covid and EU Exit associated risks across sectors, West Midlands Local Enterprise Partnerships (LEPs) and partners have developed two risk matrices. They are intended to support more targeted local policy and decision making.

A set of potential local actions are outlined as a result of the analysis, suggesting key priorities for the West Midlands Combined Authority (WMCA), LEPs and other regional partners. These reflect ideas of realistic activity that local policy-makers can influence that would support businesses in the West Midlands, either uniquely or disproportionately. This reinforces that the analysis, while evolving, is inherently focused on highlighting the most important issues to business sectors in the West Midlands, rather than in the UK generally.

The matrices' findings are based on a mix of quantitative data and qualitative insight from businesses across the region, taking advantage of the industry links via the evolving WMCA Sector Action Plans and relationships with local trade bodies and business groups.¹ The analysis is intended to be high-level to provide a good picture across all sectors, but behind the matrices there is a wealth of intelligence at a more granular level, taking into account differences *within* sectors and describing specific Covid and EU Exit issues that businesses are facing.

More detailed description and analysis of the two matrices is provided below, but they both follow the same general setup. The matrices' findings are based on a mix of quantitative data and qualitative insight from businesses across the region (columns). The final column provides an overall risk to each sector in both matrices. The RAG rating does not represent the fortunes or risks of all businesses in all sub-sectors where indicated, but rather provides a general overview of how much of a risk certain features are across sectors. Likewise, a green rating doesn't mean there is no risk at all, but relatively low compared to other sectors.

Currently the analysis covers risk, though the opportunities of both EU Exit and a post-Covid world will also be considered moving forward. Also, the analysis will be built on to better reflect the differences *within* sectors by providing insight across a more granular set of sub-sectors.

EU Sector Risks

Background and Definitions

The first matrix assesses the current risks and challenges associated with EU Exit across sectors. It reflects the live and expected experience of West Midlands sectors following the EU trade deal, distinguishing between potential "teething problems" (shorter-term issues that might be expected to wane over time) and "long-term structural change" (areas that are expected to be known long-term changes). There are some overlaps and difficulties in categorising; for example when agreements are still to be made (e.g. financial equivalence) – in this case it is described as short-term but if no agreement is made in the near future then this would be classed as long-term. The specific EU Exit issues have been identified by reviewing risks captured through ongoing intelligence regionally. Their description and risk exposure are defined as:

- **VAT:** Exposure to changes in the VAT regime when trading with the EU.
- **Financial equivalence:** Exposure to uncertainty relating to the lack of agreement on financial equivalence between the UK and EU.
- **Travel:** Exposure to new rules on business travel for working in the EU.
- **Customs Paperwork:** Exposure to additional customs checks and paperwork required when trading with the EU.
- **Professional Qualifications:** Exposure to the lack of mutual recognition on professional qualifications between the UK and EU.
- **Rules of Origin:** Exposure to the application of Rules of Origin on products being traded between the UK and EU.

¹ Findings of the matrices are estimates based on assessment carried out on in March 2021.

- **Standards / Regulation:** Exposure to certain changes in standards and regulation of products and services.
- **Data Sharing:** Exposure to the lack of agreement on cross-border data exchange.
- **Skills Shortages:** Exposure to skills shortages due to immigration / freedom of movement changes and the UK's new points-based system.
- **Overall Risk of Reduced Competitiveness:** Overall sector risk, based on RAG rating of all issues (not simply the quantity of colours but the level of risk reported).

Key Findings

The findings of the EU Exit sector risk matrix are reflective of considerable intelligence gathering across industries. This has included ongoing reports from business groups, sector bodies and businesses themselves through multiple regional forums. These include intelligence summaries from all Growth Hubs, updates from Chambers of Commerce, FSB and MakeUK amongst other groups, and engagement with local industry through Local Industrial Strategy sector plans.

The high-level matrix results are backed up by the results of this engagement through an extensive West Midlands EU Exit Sector Risk register spreadsheet that goes into further detail on risks across all sectors. For each risk, a high, medium or low impact level is provided, as well as a high, medium or low likelihood. The sector risk matrix is also being integrated with wider intelligence collation on an ongoing basis. This aims to ensure that the right intelligence informs the right forum of local strategy / policymaking.

Figure 1: EU Exit Headline Sector Risk Assessment – West Midlands

Economic Intelligence Unit	CURRENT, OR POTENTIAL "TEETHING PROBLEM"						LONG-TERM STRUCTURAL CHANGE				
	VAT	Financial Equivalence	Travel	Customs Paperwork	Prof. Quals.	R. of Origin	Standards / Regulation	Data Sharing	Skills Shortages	Loss of EUSIF Funding	Overall risk of reduced Competitiveness
Advanced Manufacturing & Engineering										£30m	HIGH
Construction										£4m	MEDIUM
Retail											HIGH
Cultural Economy											MEDIUM
Business, Professional and Financial Services										£6m	HIGH
Energy and Low Carbon Technologies										£36m	LOW
Creative Industries											MEDIUM
Healthcare & Life Sciences										£2m	MEDIUM
Transport and Logistics											HIGH
Hospitality											MEDIUM
Public Sector										£2m	LOW

The initial findings of the risk register, as per the matrix presented, are as follows:

Four West Midlands sectors are considered as having a particularly **high risk** to challenges around EU Exit.

- **Advanced Manufacturing & Engineering**, due to trade barriers surfacing despite the UK-EU trade deal: impacts of Rules of Origin, VAT and additional customs paperwork in particular. This is especially relevant to the West Midlands economy given the size of our manufacturing sector and its reliance on EU trade, particularly key sub-sectors like automotive and metals/materials – which are also being affected by price rises. Other challenges also

affect the sector to a lesser extent, including skills shortages and changes to rules on travel and data sharing. Manufacturing has also done well from EUSIF programmes in recent years.

- **Retail**, again largely due to non-tariff barriers experienced since January 1st 2021. Rules of Origin are particularly problematic for some suppliers, as reported nationally, and is leading to some businesses considering setting up entities in the EU. Long-term skills shortages are also a key risk for retailers, a key employer locally.
- **Business, Professional and Financial Services (BPFS)**, due to uncertainty around agreements with the EU on financial equivalence and data sharing, reflecting that services were generally left out of the trade deal. Travel restrictions and a lack of mutual recognition on professional services will also disproportionately impact on higher-level services. While impacts on BPFS will affect London mostly, it is a large and diverse employer in the West Midlands in which reduced competitiveness would have knock-on effects to other sectors.
- **Transport & Logistics**, for a mix of both short-term and long-term reasons. Currently the sector is challenged by the new UK-EU trading rules on customs and paperwork, causing delays crossing borders and fulfilling orders effectively. Longer-term, the sector locally has already expressed concern about the impact of reduced access to labour from the EU in an industry that already has skills shortages.

Other sectors are significantly challenged by EU Exit changes, potentially impacting on West Midlands businesses and their competitiveness. For example, the **Cultural Economy and Creative Industries are assessed as having a medium risk**, partly due to the damaging effect of additional travelling for work restrictions and its impact on cultural and entertainment tours and events in Europe.

Construction is assessed as having medium risk to EU Exit challenges. It is not immune to trade changes (and is impacted by supply and price rises of materials), while being more severely at risk to VAT and tax reform in the UK. Also, there is the potential of exacerbated skills shortages due to the new immigration system and lack of mutual recognition on professional qualifications (including architects, surveyors etc).

For differing reasons, the other sectors with a medium risk include **Healthcare & Life Sciences** and **Hospitality**. The latter is exposed to reduced access to EU labour and restricted freedom of movement, while healthcare and life sciences has risks associated with UK-EU trade and is generally the sector most at risk to changes to standards and regulations.

Energy and Low Carbon Technologies and the Public Sector are perceived at lowest risk of EU exit changes, but, as above, this does not represent their being no Brexit-related challenges across these sectors. For example, there has been a considerable amount of EUSIF funding into energy and low carbon projects locally.

To re-iterate, the RAG rating and analysis above does not represent the fortunes or risks of all businesses in all sub-sectors where indicated, but rather provides a general overview of how much of a risk certain features are across sectors. More detail has been explored through the risk register.

COVID-19 Sector Risks

Background and Definitions

The second matrix refers to the sector risks associated with the ongoing Covid-19 pandemic. Again, this aims to relate as much as possible to issues specific and most important to West Midlands businesses across sectors, and is the result of extensive consultation throughout the pandemic. The Covid-19 risk matrix also makes use of quantitative data published by various sources. Key Covid-related issues have been identified and assessed on a RAG rating across broad sectors, based on the intelligence received and data / insight reported. Their description and risk exposure are defined as:

- **Skills & Labour:** Requirement for financial support for employment. The percentage of the West Midlands region furloughed by industry is used as a quantitative indicator for this RAG rating.²

² HMRC Coronavirus Job Retention Scheme (CJRS) Statistics: January 2021

- **Access to Finance:** Requirement for financial support for cash flow / survival. Access to CBILS and BBLs data is used as a quantitative indicator for this RAG rating – specifically the difference between the % of all loans offered and each sector's size in the economy.³
- **Lockdown:** Exposure to lockdown restrictions.
- **Order Books:** Future order book values expected.
- **Insolvency & Debt:** Exposure to business debt and insolvency.
- **Social Distancing:** Exposure to continuing social distancing rules.
- **Transition to New Business Models:** Ability to adapt to new business models and consumer behaviour – for example a reduction in air travel.
- **Testing & Labour Supply:** Exposure to workforce absence due to Covid isolation and testing requirements.
- **Digital / Home Working:** Exposure to the shift towards home working and through digital means.
- **Risk Management Capability:** Flexibility in managing risks associated with the pandemic.
- **Loss of EUSIF Funding:** Reflecting the estimated sector risk of ERDF and ESF funding and programmes tapering off. The value shown is the value of West Midlands projects that were specific to this sector for the 2014-2020 EUSIF funding round.⁴
- **Overall Risk to Future Growth:** Overall sector risk, based on RAG rating of all issues (not simply the quantity of colours but the level of risk reported). Additionally, EY's sector forecasts have also been taken into account.⁵

Key Findings

The findings of the Covid sector risk matrix are also reflective of considerable intelligence gathering across industries in the region. Like the EU Exit insight, this has included ongoing reports from business groups, sector bodies and businesses themselves through multiple forums. These include intelligence summaries from all Growth Hubs, updates from Chambers of Commerce, FSB and MakeUK amongst other groups, and engagement with local industry through Local Industrial Strategy sector plans that LEPs are leading on.

The matrices build on previous sector risk analyses regarding Covid, previously reported in the West Midlands Monitor and at various policy groups. The level of evolving evidence, both qualitative and quantitative, provides a live understanding of risks and challenges faced by sectors.

³ British Business Bank (January 2021). National data only available for lending by sector; therefore this is used as baseline for businesses by sector proportions.

⁴ Many programmes and projects cannot be aligned to a sector in particular as they are cross-sectoral. Of all EUSIF funding, 20% has been identified as being relevant to 1 specific sector, so this analysis should be taken with caution.

⁵ EY (December 2020), "Moving to the Next Level": UK Regional Economic Forecast – England's regions, cities and towns.

Figure 2: Covid-19 Headline Sector Risk Assessment – West Midlands

Black Country Consortium Economic Intelligence Unit	Skills & Labour - % furlough in WM)	A2F – diff. between % of loans & economy proportion	Lockdown	Order Books	Insolvency & Debt	Social Distancing	Transition to New Business Models	Testing & Labour Supply	Digital / Home Working	Risk Management Capability	Overall Risk to Future Growth (inc. via EY forecasts)
Advanced Manufacturing & Engineering	12%	-1.3%									HIGH
Construction	15%	0.1%									MEDIUM
Retail	13%	-6.0%									HIGH
Cultural Economy	62%	2.6%									HIGH
BPFS	12%	1.4%									LOW
Energy and Low Carbon	6%	-0.1%									MEDIUM
Creative Industries	10%	1.8%									MEDIUM
Healthcare & Life Sciences	3%	2.3%									LOW
Transport and Logistics	8%	0.4%									HIGH
Hospitality	45%	-4.1%									HIGH
Public Sector	2%	3.3%									LOW

The initial findings of the Covid risk matrix are as follows:

Five West Midlands sectors are considered as having a particularly **high risk** to ongoing challenges around the Covid pandemic:

- **Advanced Manufacturing & Engineering**, because, while many businesses are still operational, many factors are damaging and mean manufacturers are not operating as normal. Manufacturers have received a high proportion of access to finance loans as a proportion of their size in the economy, while the sector is adversely affected by shifts towards home working, testing requirements and being in control of managing risks.
- **Retail**, unsurprisingly, due to the effect of lockdown on the ability for shops to open. The inability to operate as normal has resulted in a high number of access to finance requirements in the sector, putting pressure on insolvency and debt. Additionally, the decline of physical shops is being accelerated by Covid, with the inability for home working across much of the sector's frontline staff.
- **Cultural Economy** and **Hospitality**, again largely due to the effects of lockdown on entertainment, leisure and travel activities. Like retail, this is putting major pressure on the cashflow of businesses in this sector locally, forcing them to access financial support in the form of grants / loans and very high levels of furloughing. There are differences within these sectors: some businesses such as theatres and wet-pubs are being very badly affected, while others are able to survive and offer alternative services.
- **Transport & Logistics**, given its importance to the West Midlands economy, and linkages with other high-risk sectors (retail and manufacturing). Also, according to EY, this sector (along with the above other sectors) is projected to decline in terms of GVA and employment up to 2023. In the matrix the sector is underpinned by consistently high and medium risk across indicators, reflecting its lack of operational "normal" at current and high risk of future exposure.
- **Construction** is assessed as having **medium risk**, though the sector is at a high risk in a number of specific areas. These include social distancing and home working, which are difficult to manage and increase costs, as well as insolvency & debt issues. As the sector remains largely operational and EY's forecast is positive, the overall RAG rating is medium.
- **Energy and Low Carbon** and the **Creative Industries** are also assessed as having medium risk to Covid impacts, for contrasting reasons. While some of the creative industries are suffering through lockdown closures and consequent cashflow pressures, other parts of the industry are able to thrive – particularly elements that are

digitally-enabled. As for energy and low carbon, this is reported to be relatively operational but will be affected by effects on home working, social distancing and a lack of risk management control – similar to construction and manufacturing.

- Three sectors – **Business, Professional and Financial Services, Healthcare & Life Sciences and the Public Sector** – are deemed to be of relatively low risk to Covid impacts. However, this does not mean they are immune – many local companies in these sectors will be struggling through lockdown and the economic downturn. Generally, though, they are better placed to deal with home working and being operational with decent order book prospects.

As with the EU Exit matrix, the Covid RAG rating and analysis above does not represent the fortunes or risks of all West Midlands businesses in all sub-sectors where indicated, but rather a high-level overview.

Next Steps

The risk matrices aim to support the policy-making process regionally by providing up to date, evidence-led intelligence on the key issues affecting business sectors. They allow for the identification of issues relating to the key tenets of EU Exit and Covid across sectors, paving the way for a tangible response in the region. Some potential action areas have already been identified (see Figure 6 below).

These serve as potential action ideas, supporting some sectors more than others given their relative exposure – identified by the matrices.⁶

The risk matrices and responding actions are an evolving process regionally and will continue to be updated as the status and challenges of EU Exit and Covid change. They will be used where necessary to help inform strategic and policy change to benefit local sectors.

Currently the analysis covers risk, though the opportunities of both EU Exit and a post-Covid world will also be considered moving forward. Also, the analysis will be built on to better reflect the differences *within* sectors by providing insight across a more granular set of sub-sectors.

Figure 3: Potential West Midlands Action to Reduce Key Issues Across Sectors

Issue	Live Business Concerns	Sectors Most Exposed	Potential Actions for WMCA & Partners
1) Trade Disruption	<ul style="list-style-type: none"> Additional paperwork, rules of origin (ROO), customs checks. "Container crisis" causing materials supply difficulties from east Asia, increasing costs when freight is possible, or move to air freight. Previous sickness is now peppered with risk. Domestic policy – e.g. IR35, VAT reverse charging, testing regimes are adding to liquidity pressures. 	<ul style="list-style-type: none"> Manufacturing Retail Transport & Logistics Healthcare & Life Sciences Construction 	<ul style="list-style-type: none"> Bring together logistics & manufacturing/retail sectors to find solutions to trade issues (MakeUK) Signpost businesses to existing support functions for internationalisation & lobby for more targeted sector support. Integrate findings of the Retail Task and Finish Group. Lobby government for additional easements & action on VAT. Harness sector/business bodies for live intel on issues.
2) Gaps in Alignment with EU	<ul style="list-style-type: none"> Financial firms no longer have passporting rights to serve EU clients, and no agreement on equivalence Lack of mutual recognition on professional qualifications and no agreement on data sharing. Movement of people issues via new Visa rules. 	<ul style="list-style-type: none"> BPFS Creative Public Sector Manufacturing 	<ul style="list-style-type: none"> Lobby government, in line with industry (TheCityUK) for: Clarity on equivalence MoU Clarity on data adequacy Mutual recognition of professional qualifications Guidance on workforce mobility <p>Disseminate knowledge through business support functions</p>
3) Lockdown Support	<ul style="list-style-type: none"> Ongoing lockdown restrictions require ongoing support for affected businesses. Emerging insolvency and redundancy concerns as government support schemes approach end Debt and debt management issues 	<ul style="list-style-type: none"> Retail Cultural Economy Hospitality Creative 	<ul style="list-style-type: none"> Continue lobby for a ongoing support package reflective of change: Simplified and extended financial support, filling gaps Cashflow support funding and longer-term SME restart Regional debt and insolvency roundtable
4) Building Skills for the Future	<ul style="list-style-type: none"> Structural skills and employment problems exacerbated by Brexit Opportunity post-Covid for new levels of upskilling the next generation Digital skills divide Skills to enable green growth 	<ul style="list-style-type: none"> Construction Manufacturing Healthcare Energy Transport & Logistics Creative 	<ul style="list-style-type: none"> Roll out Kickstart across the region Maximise opportunities from the Skills White Paper Extend the scale and timeline of Plan for Jobs activities that keep people in employment. Push forward with Made Smarter & Productivity Factory Drive long-term upskilling via sector plan actions Maximise inclusivity and diversity in jobs and skills
5) Accessing Future Funding	<ul style="list-style-type: none"> Ending of Local Growth Fund and tapering off of EUSIF. Business and people across many sectors in the region have relied on these programmes. Some future funding detail was provided at the Budget – Levelling-Up Fund and Community Renewal Fund – but further guidance needed. 	<ul style="list-style-type: none"> Manufacturing Energy / Low Carbon Public Sector delivery 	<ul style="list-style-type: none"> Understand in more detail the EUSIF funding "cliff-edges" and push government departments to further approve relevant projects / provide more guidance on future funding. Work collaboratively across the region to prioritise, work up and agree proposals for new regional funds that meet the needs of local people and businesses.

⁶ Actions suggested do not necessarily represent policy positions of LEP areas or all three as a collective through the WMCA.

Levelling up the UK's regional economies

Centre for Cities - Lord Sainsbury of Turville

[This report](#) outlines how Mayors provide the Government with the opportunity to develop a new effective set of regional economic development policies to level up across the country and contribute to increasing the UK's rate of economic growth.

The report from Lord Sainsbury of Turville builds on the work of Centre for Cities and proposes that to increase productivity around the country support must be given to the growth of existing potential clusters of high value-added businesses. Notably, this support should be co-ordinated at a city region level by Mayoral Combined Authorities and not by the central government.

The report finds that:

There are very substantial regional differences in economic performance in the UK

The differences between the economic performance of regions within the UK are significant and the task of levelling up these inequalities has been made even more challenging due to Covid-19.

To 'level up', economically weaker performing cities need to become clusters of high-value activities

To reduce regional inequalities across the country, the Government must support places to develop clusters of high-value activity.

To support the growth of clusters, the UK's local government structure must change

Effective and efficient institutions at the regional level should share three features:

1. They should match the geography of the local economy
2. They should have accountable leadership
3. They should have adequate powers and resources to help create the high value-added per capita jobs and clusters that are needed

If Mayors are to have a positive impact on local economic growth, they need to have the necessary powers and resources that allow for:

1. Joining up transport and spatial planning
2. A skills system better aligned with business needs
3. More resources for R&D

In order for the policies set out in this report to be successful, the Department for Business, Energy and Industrial Strategy (BEIS) should become the lead department for levelling up

This will allow government to co-ordinate its own actions more effectively and successfully deliver on levelling up the prosperity of the regions. The report also proposes a new National Council of Innovation to guide Ministers in their actions.

Industry begins to move through the gears as recovery takes hold

Make UK/BDO survey

Export orders fall in response to trade difficulties with the EU

Report can be found [here](#).

Key findings:

- Output volumes are up and UK orders improve
- Export orders decline, likely arising from business both in the UK and EU yet to settle into the new UK-EU trading arrangements
- Employment and investment intentions remain negative though significantly better than last quarter, employment expected to turn positive in Q2
- Expectations for next quarter more positive across all indicators
- Prices improve but margins decline
- Manufacturing growth forecast upgraded in 2021 to 3.9% from 2.7%

Britain's manufacturers are beginning to move through the gears as growth prospects become more positive for the rest of the year, according to a major survey published today by Make UK and business advisory firm BDO. The survey shows the brutal impact of the pandemic with the sector having seen a 10% fall in output in 2020. In contrast, as the vaccine programme gathers pace and major markets recover Make UK has upgraded its growth forecast for 2021 from 2.7% to 3.9%, though this shows that it will take some time to recover the 10% fall in output seen last year. The survey also highlights that while UK orders have risen, export orders have remained negative despite a significant pick up in manufacturing in the EU. This would suggest that both UK and EU companies have yet to come to terms with the new trading arrangements with Make UK believing that there are impacts on trade which go beyond 'teething problems'. Last week Make UK published figures showing three-quarters of companies were facing delays at ports. While investment intentions are also still negative, they are significantly improved on the last few quarters, and Make UK hopes that the Budget announcement of a 'super-deduction' tax will provide a boost. Make UK added, however, that the UK has faced a structural problem with longstanding, relatively low levels of investment and that, given the incentive only lasts for two years, more longer-term measures will be required to make a real step change.

Stephen Phipson, Chief Executive at Make UK, said:

"After the seismic shock to the sector last year, manufacturers are now beginning to move through the gears and accelerate into recovery as demand at home increases and major markets also begin to pick up.

"Looking forward, we are now at an economic crossroads. We have a major opportunity for Government and Industry to work together on a long-term vision which ensures we take advantage of the acceleration in technologies, our capacity for innovation and world class academic and science base. Future generations will not look back kindly if we do not grasp it."

Richard Austin, Head of Manufacturing at BDO added:

"With investment intentions remaining in negative territory, the Chancellor's recently announced super-deduction tax incentive presents a real opportunity for those manufacturing firms with access to finance to bring forward investment plans into the qualifying period and boost their productivity. However, the proposed two year window is arguably too short. What manufacturers really need is certainty over the longer term to allow the sector to confidently invest over a 10-15 year horizon.

"While the results of this quarter's survey are encouraging, the next 6-9 months will nevertheless be critical for those manufacturers facing financial distress. Many will have deferred tax payments and taken on additional loans to help them through the crisis. The recently announced extension of the furlough scheme

and other support measures will help in the short term, however, many will need to use this time to plan and implement turnaround strategies - and in certain cases take some tough decisions.”

According to the survey the balance on output improved to +9% which, to give some perspective, compares to -5% -36% and -56% in the previous three quarters, the latter in Q2 last year being the lowest balance recorded in the survey's 30 year history. Looking forward output is expected to continue to improve with a forecast balance of +15% in Q2, back to average historic levels. Total orders also improved to +9%, which compares to -3%, -40% and -53% respectively in the previous three quarters since the pandemic struck. However, there is a clear divergence between UK orders which improved to +6% and export orders at -8% (a small decline from -5% last quarter). This is the first time that domestic orders have been positive since Q3 2019 which may reflect sourcing more locally given the increased bureaucracy and cost of importing components. Recent Make UK research showed that one in three companies reported they had no experience of Rules of Origin forms. Whilst the balance on investment intentions also improved to -6% from -11% it has now been negative for four quarters in succession. While this may reflect the combination of the impact of the pandemic, political uncertainty and the debt many companies will have accumulated to stay afloat, to give some perspective of the extent of cutbacks in the last year the balance in the first quarter of last year was +20% as the December 2019 election unleashed a short lived investment boom. The balance for recruitment also improved to -6% from -14% last quarter. Looking forward however, the picture for recruitment is expected to turn positive at +13% as companies begin hiring again. However, the picture for investment remains negative at -6% although given the survey was done before the Budget the next two quarters will give an indication of any impact from the incentive to invest announced in the Statement. In addition to upgrading its forecast for manufacturing, Make UK has slightly upgraded its forecast for GDP for 2021 to 5.5% from 5.4%.

Infection Rates and Vaccine Update

Alice Pugh WMREDI

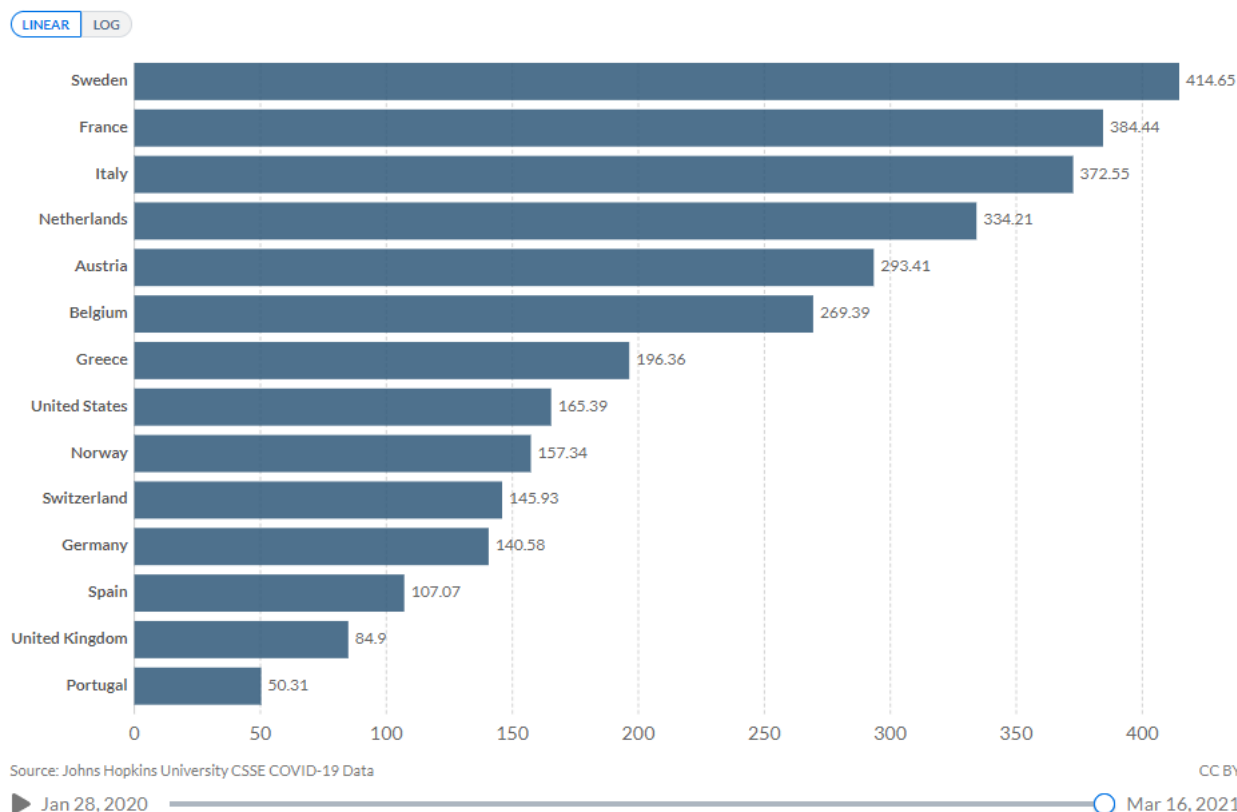
Europe has seen a [resurgence in infection rates](#) which is continuing (see graph below).

Since 31 December 2019 and as of week 2021-9, **117 160 237 cases** of COVID-19 (in accordance with the applied case definitions and testing strategies in the affected countries) have been reported, including **2 598 892 deaths**.

Daily new confirmed COVID-19 cases per million people, Mar 16, 2021

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

Our World
in Data



Latest [ONS infection survey data](#) (12th Mar next release 19th Mar 2021) states:

- In England, the percentage of people testing positive for the coronavirus (COVID-19) has continued to decrease in the week ending 6 March 2021; we estimate that 200,600 people within the community population in England had COVID-19 (95% credible interval: 180,200 to 222,900), equating to around 1 in 270 people.
- In Wales, the percentage of people testing positive has continued to decrease in the week ending 6 March 2021; we estimate that 8,300 people in Wales had COVID-19 (95% credible interval: 5,400 to 11,800), equating to around 1 in 365 people.
- In Northern Ireland, the percentage of people testing positive appears to have levelled off in the week ending 6 March 2021; we estimate that 5,900 people in Northern Ireland had COVID-19 (95% credible interval: 3,400 to 9,200), equating to around 1 in 310 people.
- In Scotland, the percentage of people testing positive appears to have levelled off in the week ending 6 March 2021; we estimate that 16,600 people in Scotland had COVID-19 (95% credible interval: 11,700 to 22,400) equating to around 1 in 320 people.

The map below displays weekly data, which are updated every day [here](#). Seven-day rolling rate of new cases by specimen date ending on 4th March 2021.

All ages



By age group

60+ ▼



Age ● 60+

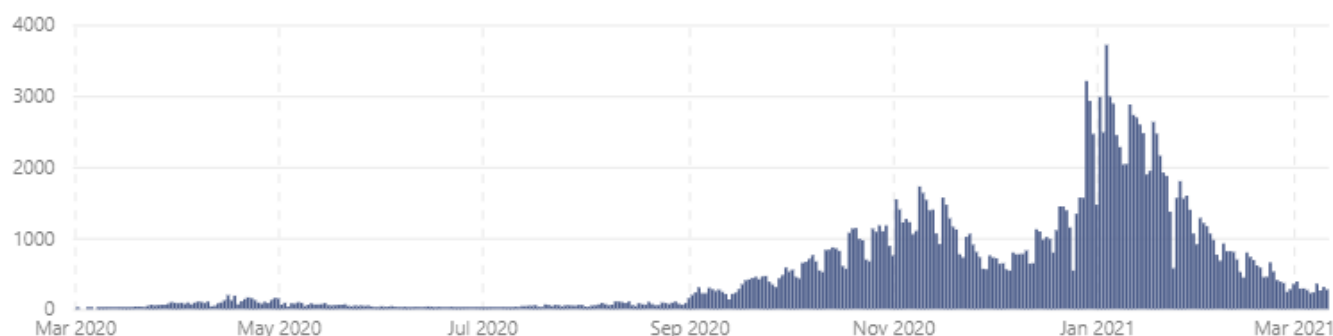


By age group

0 to 59 ▼



Age ● 0 to 59



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	05-Mar-21	06-Mar-21	07-Mar-21	08-Mar-21	09-Mar-21	10-Mar-21	11-Mar-21	12-Mar-21	13-Mar-21	14-Mar-21
ENGLAND	487	528	461	501	483	494	449	386	385	357
East of England	44	67	44	52	46	38	57	47	28	40
London	62	49	58	56	67	52	47	39	48	41
Midlands	104	107	96	112	101	113	105	93	87	74
North East and Yorkshire	96	108	93	101	103	102	91	84	82	69
North West	79	92	74	95	75	85	55	54	79	63
South East	69	71	65	58	59	67	55	46	38	47
South West	33	34	31	27	32	37	39	23	23	23

Mechanical Ventilation beds - occupied by confirmed COVID-19 patients

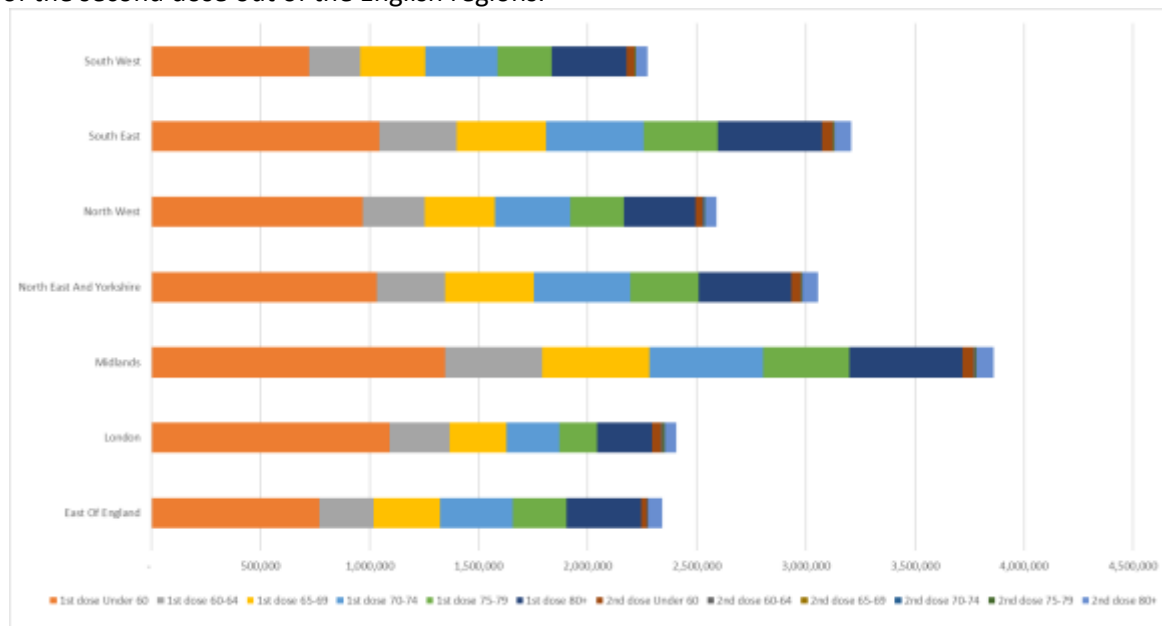
Name	07-Mar-21	08-Mar-21	09-Mar-21	10-Mar-21	11-Mar-21	12-Mar-21	13-Mar-21	14-Mar-21	15-Mar-21	16-Mar-21
ENGLAND	1,273	1,236	1,187	1,137	1,101	1,023	1,000	963	930	882
East of England	107	108	107	108	102	93	94	91	90	84
London	393	379	358	339	336	310	308	308	298	287
Midlands	277	266	257	251	242	229	221	210	207	196
North East and Yorkshire	176	169	165	145	143	131	131	122	115	112
North West	149	145	141	138	136	128	125	119	115	106
South East	129	127	118	115	105	97	88	83	75	68
South West	42	42	41	41	37	35	33	30	30	29

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

Name	07-Mar-21	08-Mar-21	09-Mar-21	10-Mar-21	11-Mar-21	12-Mar-21	13-Mar-21	14-Mar-21	15-Mar-21	16-Mar-21
ENGLAND	7,812	7,847	7,451	6,975	6,687	6,391	6,072	6,039	5,976	5,664
East of England	756	781	709	669	607	588	575	562	566	532
London	1,562	1,551	1,481	1,400	1,335	1,273	1,190	1,181	1,185	1,138
Midlands	1,766	1,736	1,653	1,565	1,483	1,401	1,356	1,324	1,303	1,249
North East and Yorkshire	1,248	1,265	1,221	1,082	1,077	1,049	1,003	993	985	910
North West	1,211	1,218	1,167	1,118	1,080	1,040	986	1,002	992	952
South East	972	983	937	883	846	798	733	742	713	676
South West	297	313	283	258	259	242	229	235	232	207

Vaccine Update

Between the 8th December 2020 and the [28th February 2021](#), the Midlands has successfully vaccinated **3,358,909** people with the first dose and a **95,203** of these individuals have received the second dose as well. Meaning the Midlands has successfully continued to provide the most doses of the first jab, and has remained the 3rd highest provider of the second dose out of the English regions.



Region of Residence	1st dose						Cumulative Total 1st Doses to Date	2nd dose						Cumulative Total of all Doses to Date
	Under 60	Under 65	65-69	70-74	75-79	80+		Under 60	60-64	65-69	70-74	75-79	80+	
Total	6,886,086	2,160,389	2,494,520	2,666,290	1,965,161	2,688,926	18,362,382	285,037	36,008	17,368	14,004	18,521	445,614	18,758,944
East of England	769,905	249,440	302,320	334,968	247,482	341,093	2,244,673	25,657	3,437	1,701	1,886	1,386	61,622	2,341,081
London	1,082,318	274,825	261,033	242,890	172,596	352,081	2,296,644	39,633	4,677	3,882	4,271	4,627	52,677	2,404,621
Midlands	1,345,935	444,646	492,186	520,788	384,950	516,889	2,718,114	49,450	6,670	2,946	2,131	4,101	77,117	2,860,237
North East and Yorkshire	1,033,517	311,848	406,841	442,403	312,720	426,254	2,933,583	39,788	6,258	2,776	1,985	2,488	68,447	3,055,256
North West	967,309	285,635	322,659	341,294	246,170	328,573	2,494,340	31,585	4,908	2,385	1,867	2,255	54,429	2,591,121
South East	1,044,106	355,414	407,579	449,863	338,954	477,214	3,073,519	45,985	6,038	2,788	1,743	2,574	74,016	3,206,635
South West	721,866	236,287	298,867	330,064	248,779	342,596	2,176,679	33,287	4,363	1,758	1,004	1,073	55,024	2,275,031

Weekly Deaths Registered 26th February 2021

BCCEIU

The following analysis compares the latest available time period (the week of the 5th March) to the previous week period (the week of the 26th February) for the number of deaths registered and the number of deaths related to the Coronavirus.

Across England and Wales, the overall registered death figures decreased from 12,614 in the week of the 26th February to 11,592 in the week of 5th March. The number of deaths registered that state Coronavirus on the death certificate experienced a decrease from 2,914 people to 2,105 people over the same period.

Regional level analysis shows that the West Midlands' overall registered death figure decreased from 1,401 people in the week 26th February to 1,250 in the week 5th March. The number of registered deaths related to Coronavirus has decreased from 391 people to 245 over the same period.

There was a total of 888 deaths registered across the WMCA (3 LEP) area in the week of the 5th March. There were 184 deaths registered that were related to Coronavirus over the same period – accounting for 21% of total deaths. The WMCA (3 LEP) area accounted for 77% of the 245 Coronavirus related deaths registered in the West Midlands Region. In comparison to the week of the 26th February, the overall registered death figures in the WMCA (3 LEP) area decreased by 100, while the number of deaths related to Coronavirus decreased by 116 people.

At a local authority level, Birmingham accounted for 24% (45) of deaths related to Coronavirus in the WMCA (3 LEP), this is followed by Sandwell at 13% (24 deaths).

Of deaths involving Coronavirus registered in the week of the 5th March, 75% (138) were in registered in a hospital, 13% (23) were in a care home, 10% (18) were registered as at home, 3% (5) of deaths were registered in a hospice, 0% (0) deaths were registered at other communal establishment and also 0% (0) deaths registered were classed as elsewhere.

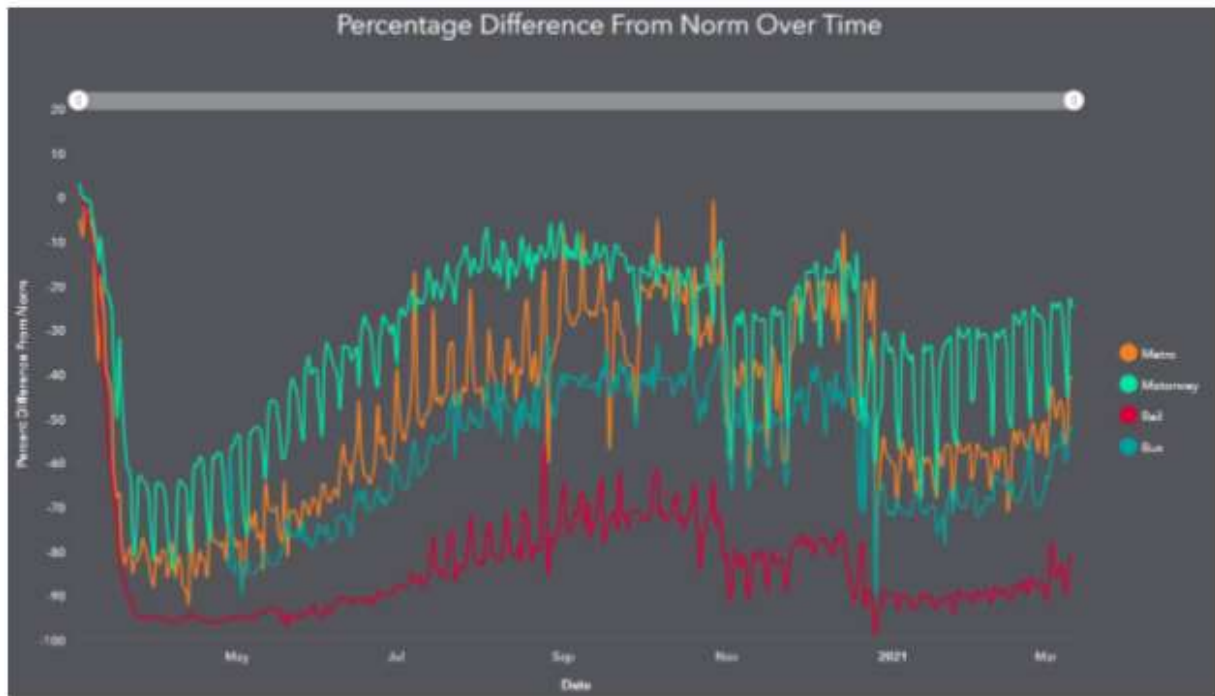
Place and number of deaths registered that are related to Coronavirus in the week of 5th March 2021:

	Care home	Elsewhere	Home	Hospice	Hospital	Other communal establishment	Total
Cannock Chase	0	0	0	0	2	0	2
East Staffordshire	2	0	0	0	8	0	10
Lichfield	1	0	0	0	5	0	6
Tamworth	1	0	1	0	2	0	4
North Warwickshire	0	0	0	0	4	0	4
Nuneaton and Bedworth	1	0	0	0	2	0	3
Rugby	1	0	0	0	1	0	2
Stratford-on-Avon	0	0	2	0	1	0	3
Warwick	0	0	0	0	3	0	3
Bromsgrove	1	0	0	0	1	0	2
Redditch	0	0	0	0	3	0	3
Wyre Forest	0	0	2	0	5	0	7
Birmingham	3	0	6	3	33	0	45
Coventry	3	0	0	0	7	0	10
Dudley	2	0	1	1	10	0	14
Sandwell	0	0	1	0	23	0	24
Solihull	0	0	2	0	7	0	9
Walsall	2	0	1	0	13	0	16
Wolverhampton	6	0	2	1	8	0	17
WM 7 Met.	16	0	13	5	101	0	135
Black Country LEP	10	0	5	2	54	0	71
Coventry & Warwickshire LEP	5	0	2	0	18	0	25
Greater Birmingham & Solihull LEP	8	0	11	3	66	0	88
WMCA (3 LEP)	23	0	18	5	138	0	184

Source: ONS, Death registrations and occurrences by local authority and health board, 16th March 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 2nd march.

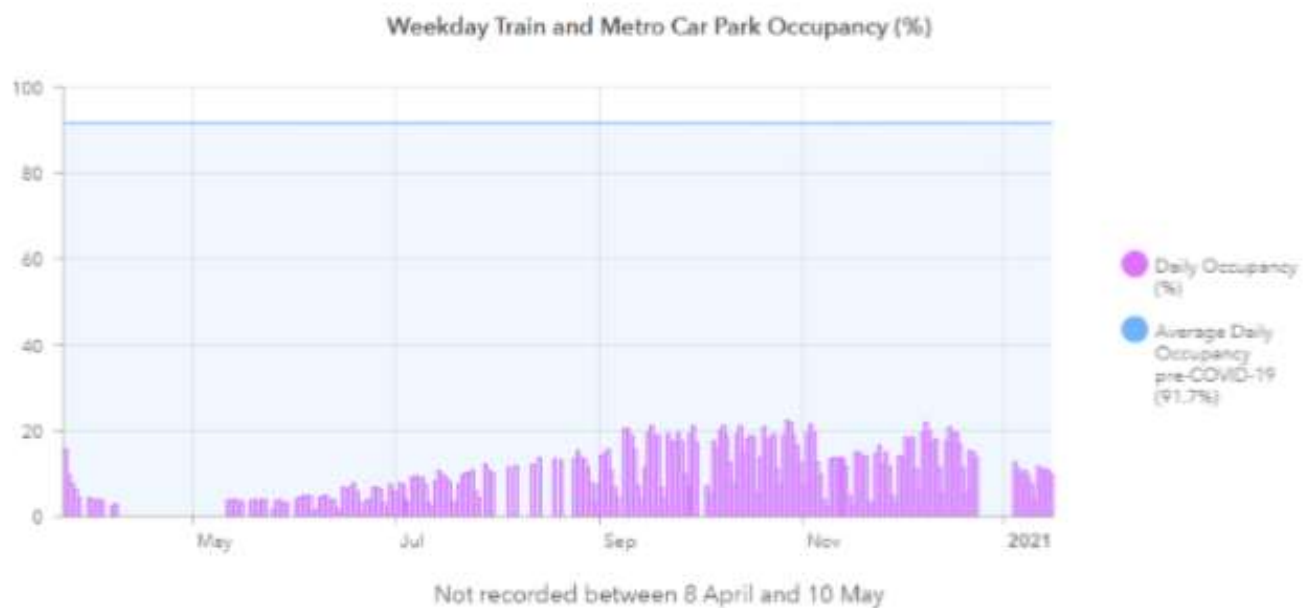
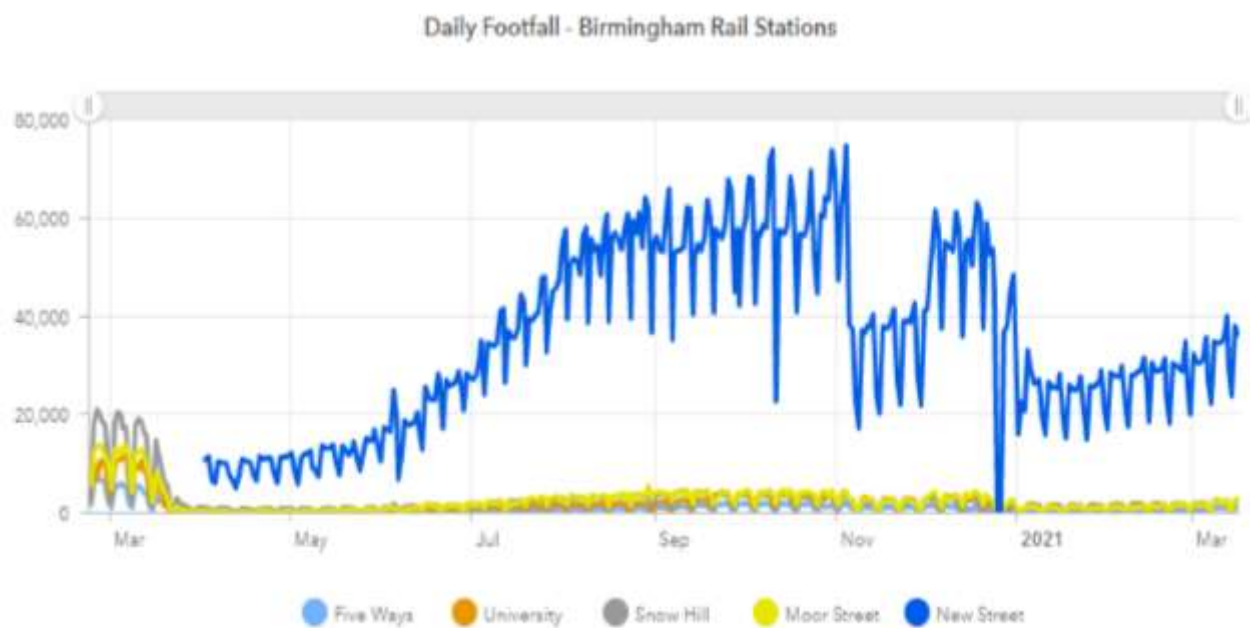
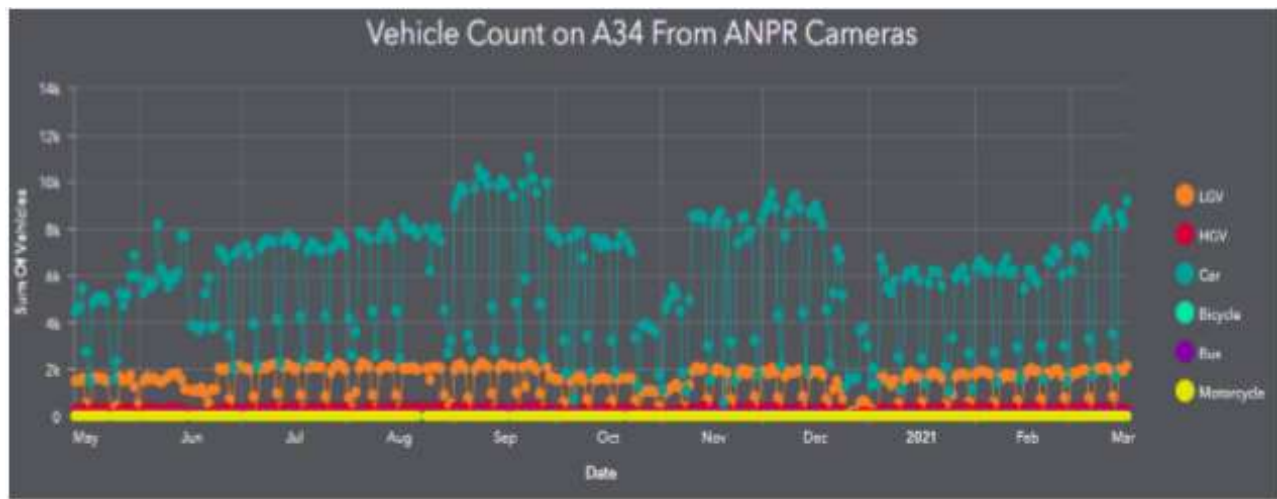
	% levels pre covid	% change from day before	% change from Week before
Bus	47	-1	+3
Train	19	+1	+2
Tram	59	0	+3
Roads (HE SRN)	75	-1	-1

* 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.



ONS Weekly Release Indicators

BCCEIU

On the 12th March 2021 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, national company incorporations and voluntary dissolution, VAT returns, final results from Wave 25 of the Business Impact of Coronavirus Survey (BICS), shipping data, roads and traffic camera data, UK spending on debit and credit cards, Wave 44 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, footfall in Week 10 of 2021 is compared with its level in Week 10 of 2020 or to the previous week (week 9 of 2021).

For the week ending the 6 March 2021, overall footfall was at 42% when compared to the same week in 2020. Footfall in retail parks increased by 3 percentage points compared to the previous week to 69% of the level in the same week of 2020. Footfall in high streets fell by 3 percentage points compared to the previous week to 35% of the level in the same week of 2020 and shopping centres remained unchanged at 31% when compared to the same week in the previous year.

Footfall was stronger in the South West, South East, and the North and Yorkshire in the week ending 6 March 2021, however across all UK regions levels are still significantly lower than level seen for the same period in 2020.

The following chart shows the volume of footfall, percentage change from the same day the previous year for UK regions between 1 March 2020 to 6 March 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 19,104 incorporations in the week ending 5th March 2021. This is up from 17,096 recorded in the previous week and higher when compared to the same week in 2020 (13,268) and 2019 (15,747).

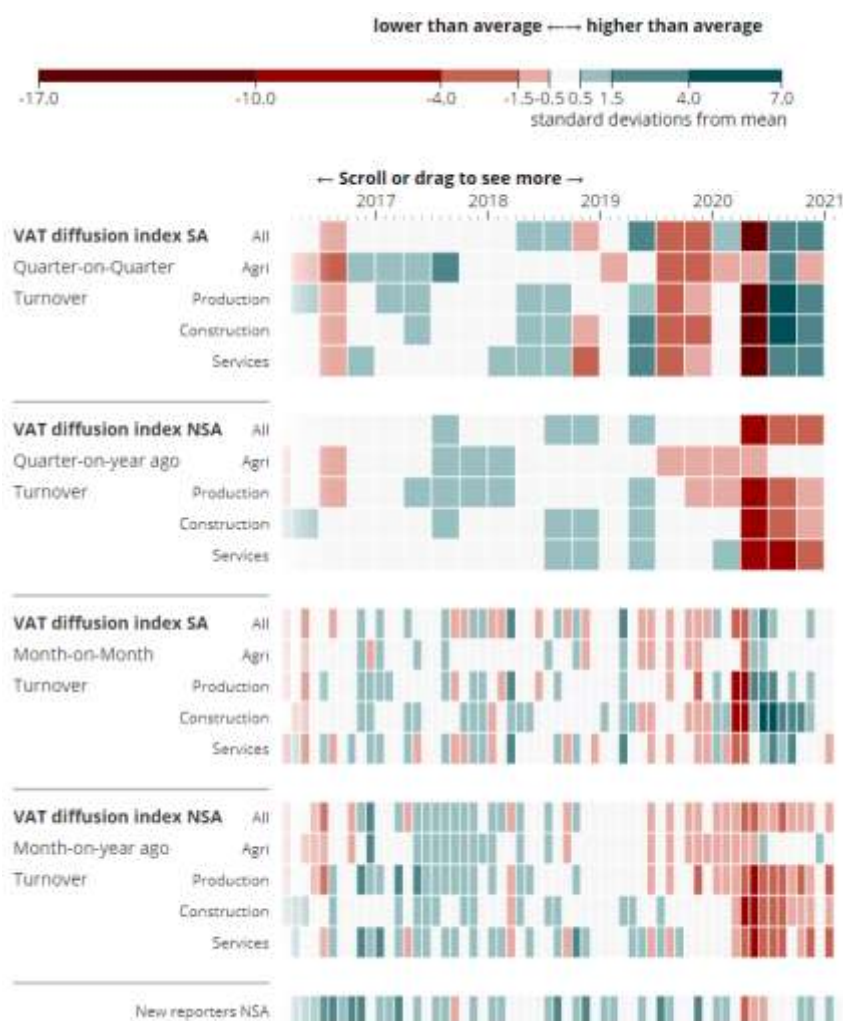
Also, for the week ending 5th March 2021, there were 6,806 voluntary dissolution applications, a small increase from 4,667 recorded in the previous week. The number of voluntary dissolution applications was lower than levels seen in the same week of 2020 (5,411), and they were higher than the same week in 2019 (5,145).

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.

The month-on-year ago all-industry turnover estimate for January 2021 compared with January 2020 has shown a decrease, at 1.4 (pink) standard deviations below its historical average with a diffusion index of negative 0.07. This implies that, in January 2021, a net 7% of 32,380 firms reported a fall in turnover compared with January 2020. Across all major industries (services, production, construction, agriculture), turnover estimates decreased over this period. Production and services each saw a decrease to 2.3 standard deviations below their historical averages with a diffusion index of negative 0.20 and 0.11, respectively. Construction saw a decrease of 1.3 standard deviations with a diffusion index of negative 0.11. Agriculture saw a slight decrease to 0.3 standard deviations below its historical average with a diffusion index of 0.00.

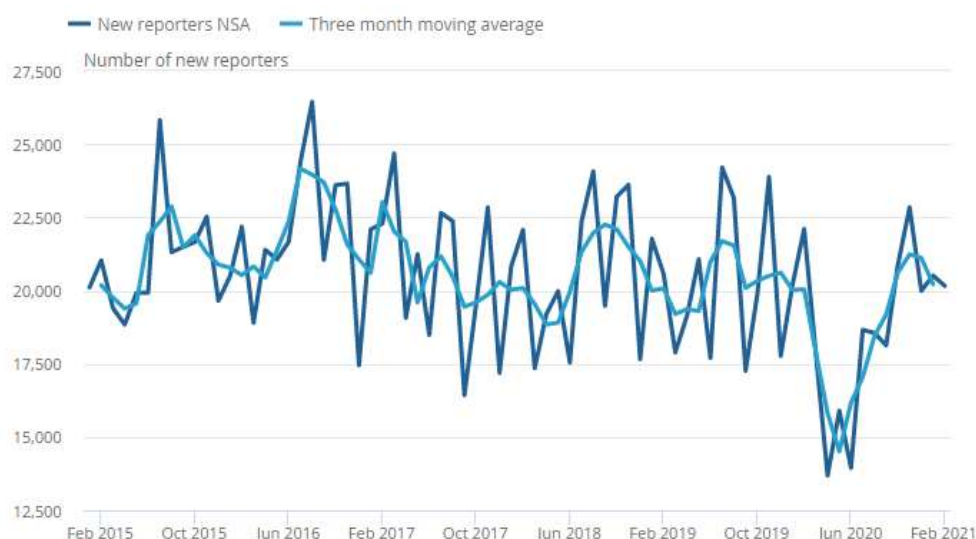
Heatmap of business turnover estimates, UK, diffusion index standard deviation from the mean, up to Quarter 4 (Oct to Dec) 2020 and January 2021. New reporters, UK, up to February 2021



Source: Her Majesty's Revenue and Customs (HMRC)

The new reporters index measures the number of firms sending VAT returns for the first time (relates to number of firm births). In February 2021, the number of new VAT reporters was 20,160 this was below the level that was seen in February 2020 (22,100), but remains below the 2015 to 2019 average of 20,908.

The number of new firm reporters, January 2015 to February 2021, non-seasonally adjusted, UK



Source: Her Majesty's Revenue and Customs (HMRC)

Business Impact of the Coronavirus

Final results from Wave 25 of the Business Insights and Conditions Survey (BICS) cover the reference period 8 to 21 February 2021, with a response rate of 25.4% (9,905 responses). The survey was live for the period 22 February to 7 March 2021.

Trading and Financial Performance

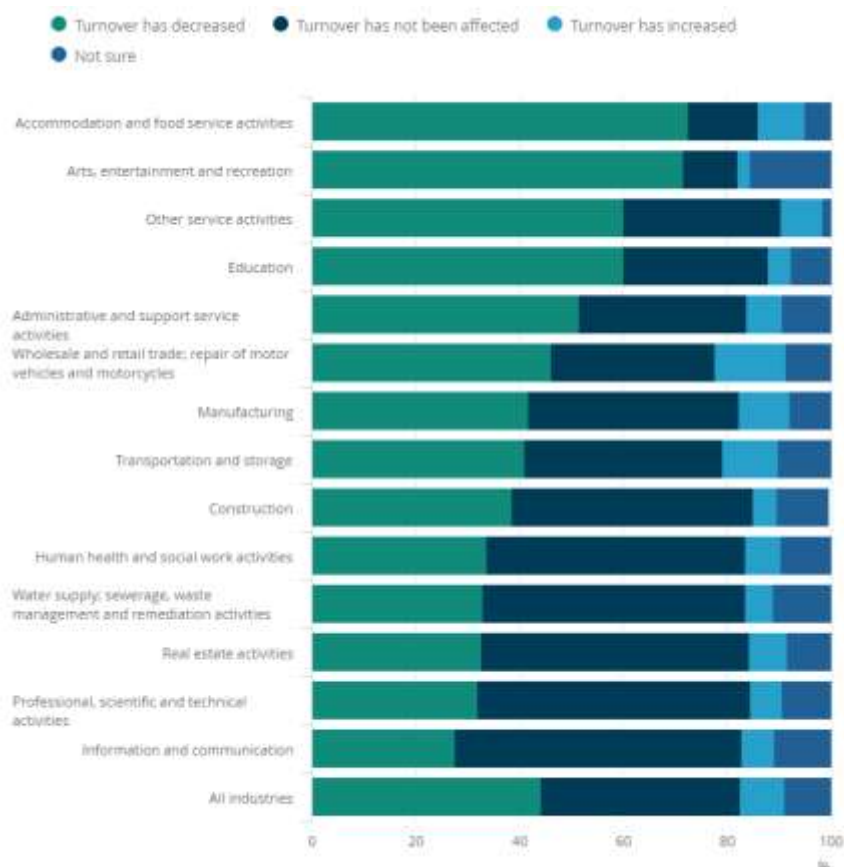
72% of businesses had been trading for more than the last two weeks (an increase from 70% in Wave 24). 2% of businesses had started trading within the last two weeks after a pause in trading (unchanged from Wave 24). 3% of businesses had paused trading but intend to restart in the next two weeks (unchanged from Wave 24). 21% of businesses had paused trading and do not intend to restart in the next two weeks (broadly unchanged from 22% in Wave 24). 2% of businesses had permanently ceased trading (broadly unchanged from Wave 24).

In the West Midlands, 1.5% of businesses sites temporarily or permanently closed, compared to a high of 6% in London and the South East.

More than half of businesses in the other service activities industry (which includes hairdressing and other beauty treatment activities), and the accommodation and food service activities industry (56% and 51%, respectively) have been reporting three months' or less cash reserves since mid-December. The proportion of businesses in all industries with three months or less cash reserves has remained stable since June 2020 when comparable estimates began, despite significant changes in coronavirus (COVID-19) lockdown restrictions.

Five industries had more than 50% of businesses experiencing a decrease in turnover in mid-February 2021, compared with what is expected for this time of year. The accommodation and food service activities industry had the highest percentage of businesses experiencing a decrease in turnover compared with normal expectations, at 73%.

Impact on turnover, businesses currently trading, broken down by industry, weighted by turnover, UK, 8 to 21 February 2021



Source: Office for National Statistics – Business Insights and Conditions Survey

Business resilience

The percentage of businesses with three months' cash reserves or less (including no cash reserves) has remained stable from January 2021 to early March, at 31%. Businesses with fewer than 50 employees are more likely to have 3 months' cash reserves or less compared with larger businesses.

Workforce

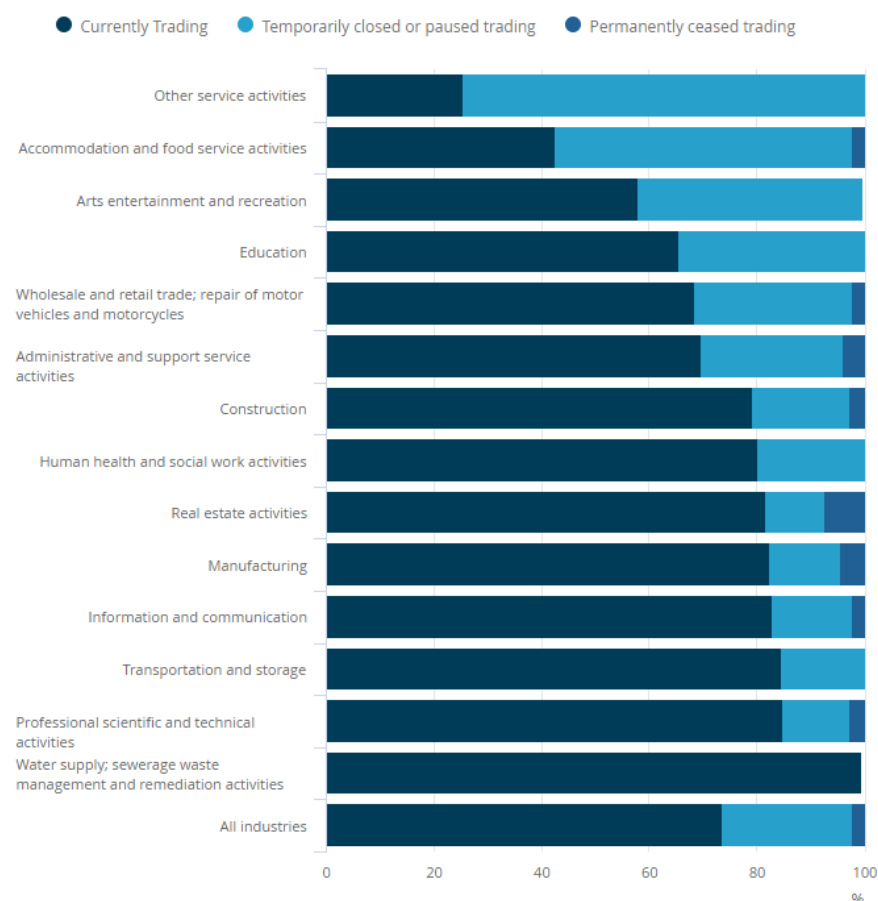
The proportion of businesses' workforce on furlough leave increased from 11% in early December 2020 to 19% in mid-February 2021. This level was last seen in late July 2020, when coronavirus restrictions were also widespread. More than 60% of the workforce in the arts, entertainment and recreation industry was on furlough leave in mid-February 2021. This was followed by the accommodation and food service activities industry, at 50%.

The information and communication industry had the highest proportion of its workforce working remotely instead of at their normal place of work, at 80%. This was followed by the professional, scientific and technical activities industry, at 71% and the education industry (private sector and higher education businesses only), at 69%.

Trading status

Three-quarters of businesses in the other service activities industry were temporarily closed or paused trading in early March 2021. The other service activities industry had the lowest percentage of businesses currently trading, at 26%. This was driven by businesses in hairdressing and other beauty treatments activities, where our estimates suggest that 96% were temporarily closed or paused trading. The accommodation and food service activities industry was the other industry where less than 50% of businesses were currently trading, at 43%.

Current trading status, all businesses, broken down by industry, weighted by count, UK, 22 February to 7 March 2021



Source: Office for National Statistics – Business Insights and Conditions Survey

Regular coronavirus (COVID-19) testing in the workplace

Businesses not permanently ceased trading were asked if their business was providing regular coronavirus (COVID-19) testing for their workforce, and of the businesses who were providing testing, what proportion of their staff were being tested. 7% of all businesses currently trading were providing regular testing to their employees, and of those businesses providing testing 11% of the workforce were being tested.

Exporting and importing challenges

Of currently trading businesses, 12% had exported in the last 12 months and reported how their exporting compared with normal expectations for this time of year, and 13% had imported in the last 12 months and reported how their importing compared with normal. These businesses were then asked about the challenges they had experienced with exporting or importing in the last two weeks. The main challenge reported by currently trading businesses for exporting was additional paperwork, at 40%, but was a change in transportation costs, at 42%, for importing

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.

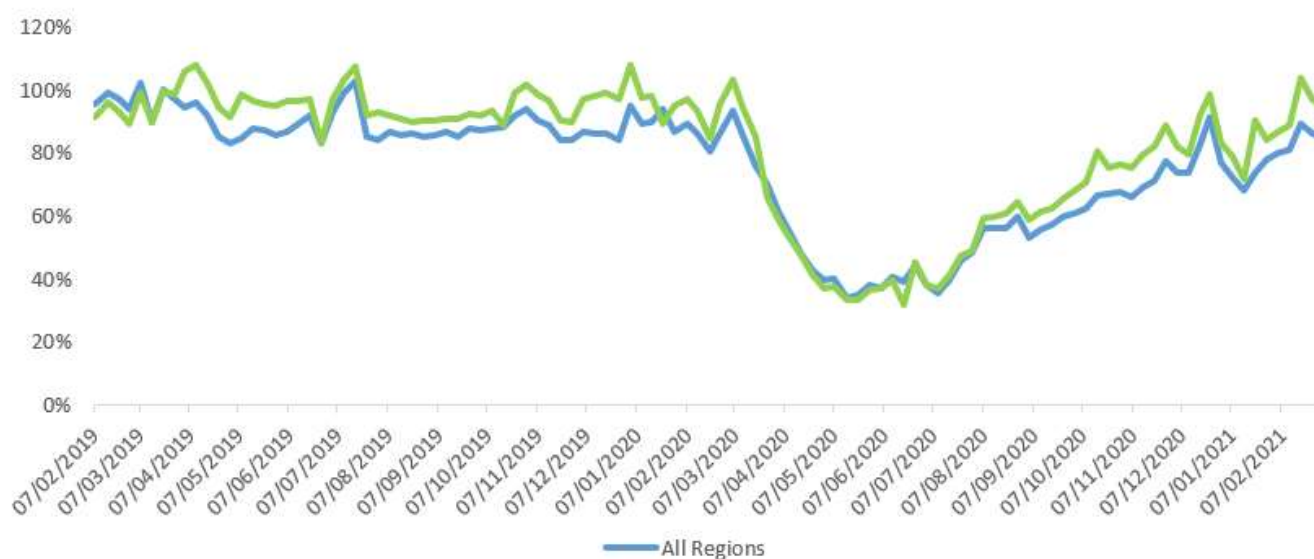
Nationally, between the 26th February and the 5th March total online job adverts increased by 3.5 percentage points. On the 5th March, total online job adverts were at 85% of the levels seen in the same week as the previous year. Out of the 28 categories (excluding unknown) 17 decreased from the previous week (26th February), with the highest

increase in level by 12 percentage points in IT / Computing / Software. Although for the week of the 5th March 2021, the IT / Computing / Software category was at 109% of the level seen in the same week in the previous year. The largest decrease from the previous week was manufacturing by 19 percentage points. Manufacturing was at 130% of the level seen in the same week of the previous year.

Between the 26th February and 5th March, for the West Midlands, the total online jobs adverts increased by 2.5 percentage points. Two of the UK regions experienced an increase over this period with the North East the highest increase by 1.2 percentage points. The largest decrease was in Northern Ireland by 13.0 percentage points.

On the 5th March, total online job adverts for the West Midlands were at 95% of the levels seen in the same week as the previous year. Northern Ireland was at 112% of levels seen in the same week as the previous year, with London the lowest region at 71% of the level seen in 2020.

The following chart shows the total weekly job adverts on Adzuna, for all regions and the West Midlands, 7th February 2019 to 5th March 2021: percentage change from the same week in the previous year (West Midlands In Green):



Source: Adzuna

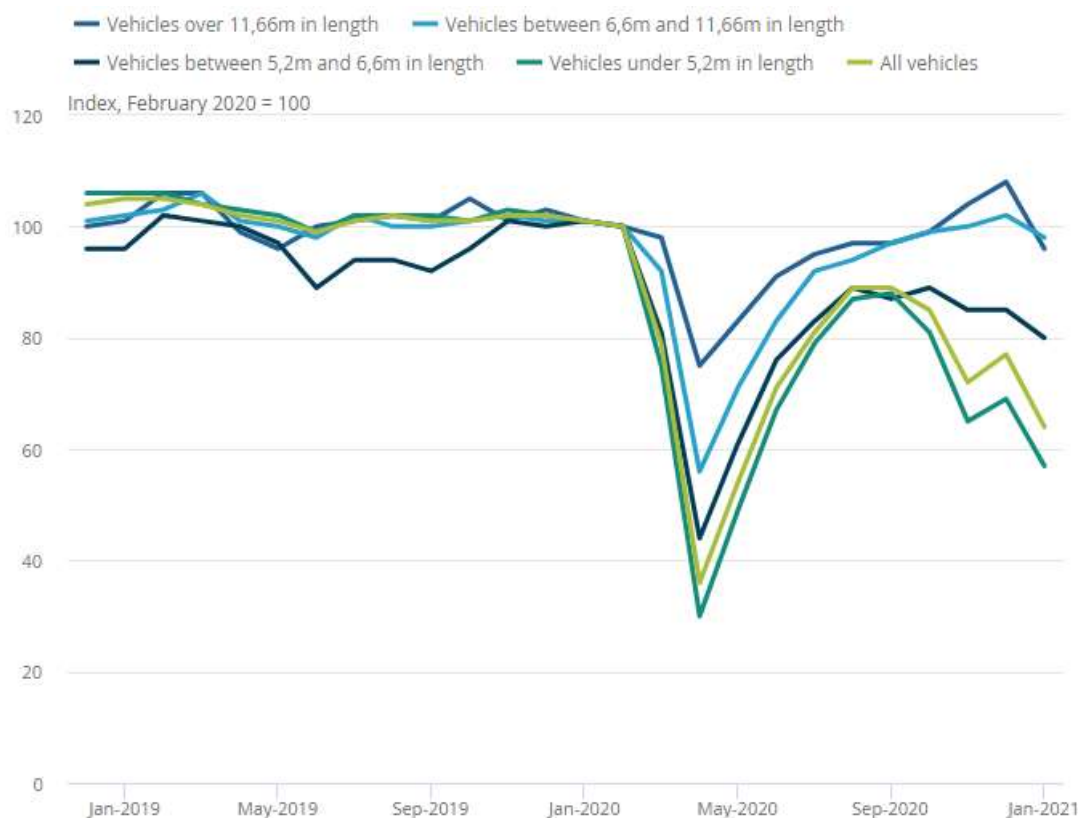
Shipping

There was an average of 350 daily ship visits in the week ending 7 March 2021, a 2% increase from the previous week but 15% lower than the same period a year ago. The rise from the previous week can be attributed to activity in three major UK ports: Holyhead, Liverpool and Southampton.

Vehicle flows around ports

Coinciding with the introduction of the lockdown in England in November 2020, average counts of vehicles under 5.2 metres in length fell by 16 percentage points from October to November 2020. They showed a modest recovery in December 2020, increasing by 4 percentage points, but subsequently fell by 13 percentage points in January 2021 to 57% of the level in February 2020. Average counts of vehicles over 11.66m in length fell by 12 percentage points in January 2021 after an increase in December 2020.

Average sensor count per 15 minute observation, roads on the SRN around ports in England, December 2018 to January 2021, seasonally adjusted

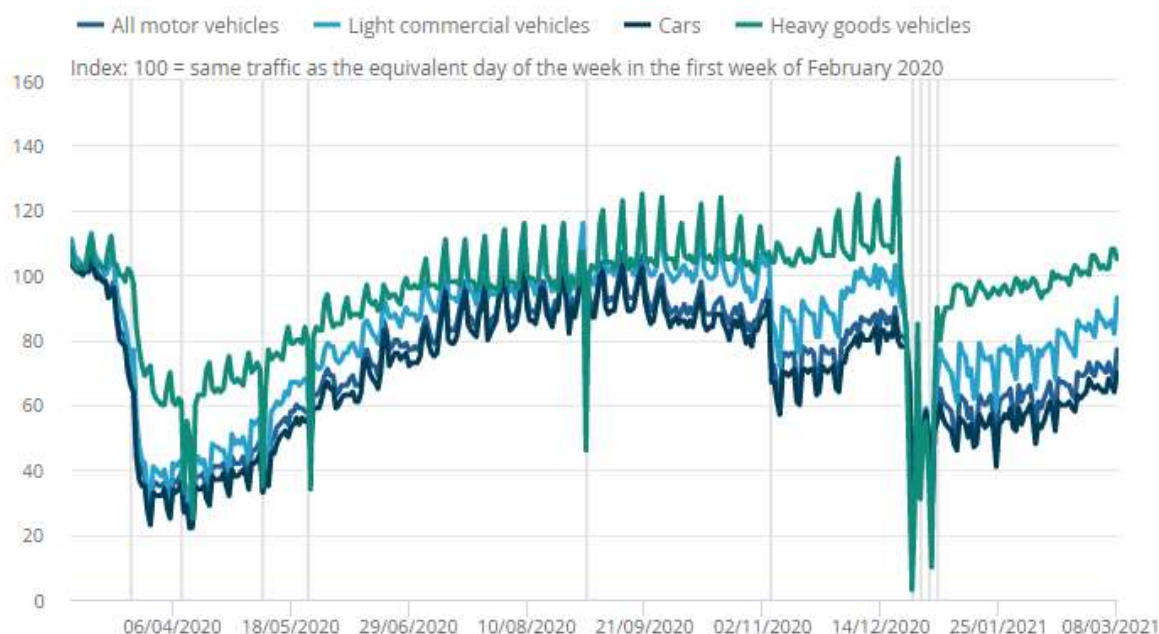


Source: Highways England webTRIS data

Roads and traffic camera data

The volume of all motor vehicle traffic as of Monday 8 March 2021 saw a weekly increase of 4 percentage points to 77% of the level seen on the first week in February 2020. This is a continuation of the recent upward trend but is still below pre-Christmas levels and 23% below the level seen in the first week of February 2020. All categories of road traffic showed increases on the previous week's figures. Light commercial vehicles and cars both increased by 4 percentage points to 93% and 70% of the level seen on the same day of the first week in February 2020, respectively. Heavy goods vehicles (HGVs) increased by 1 percentage point compared with the previous week, to 105% of the level seen on the same day of the first week in February 2020.

Daily road traffic index: 100 = same traffic as the equivalent day of the week in the first week of February 2020, 1 March 2020 to 8 March 2021, non-seasonally adjusted



The vertical lines indicate key events. In order, these events are: First National lockdowns imposed; Good Friday; Easter Monday; Bank holiday; Bank holiday; National restrictions begin in England; Christmas Day; Boxing Day; New Year's Day; Lockdowns announced in England and Scotland.

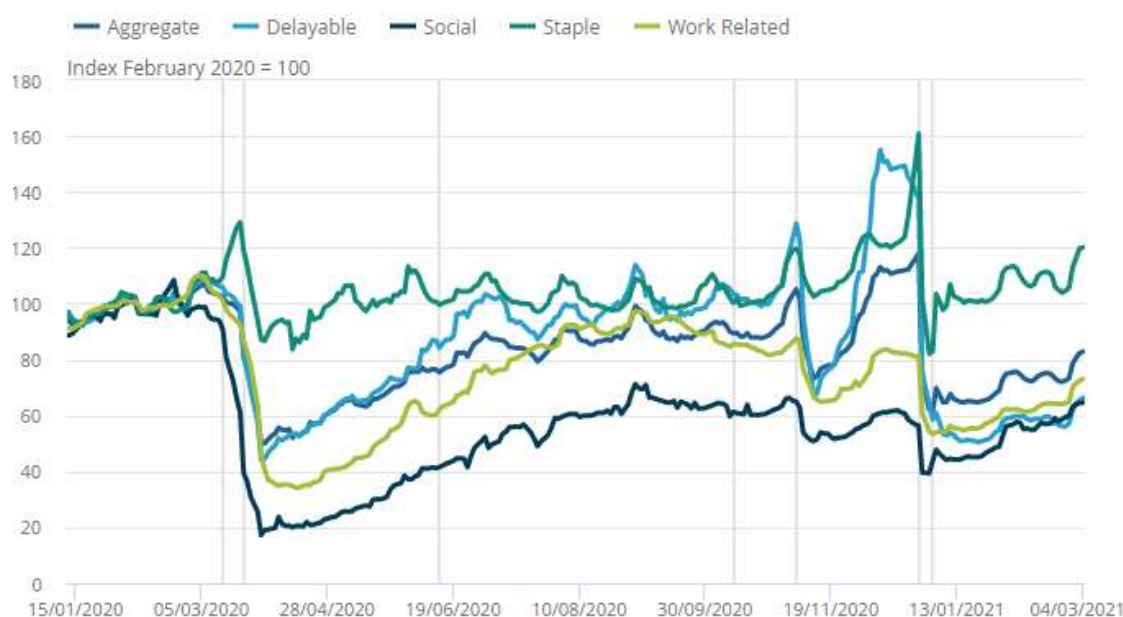
Source: Department for Transport – road traffic statistics: management information

UK spending on debit and credit cards

In the week to 4 March 2021, the CHAPS-based indicator of credit and debit card purchases in aggregate increased 10 percentage points from the previous week to 83% of its February 2020 average. This was primarily driven by an increase in card spending on “staples” and “delayables”, which grew by 15 and 10 percentage points respectively from the previous week. Spending on “staples” normally rises around the turn of the month. “Social” and “work-related” spending also saw increases from the previous week. In the latest week, card spending on “staples” was at 120% of its February 2020 average. On the other hand, “delayable”, “social” and “work-related” purchases were 66%, 65% and 73% of their levels in February 2020, respectively.

"Staples" refers to companies that sell essential goods that households need to purchase, such as food and utilities. "Work-related" refers to companies providing public transport or selling petrol. "Delayable" refers to companies selling goods whose purchase could be delayed, such as clothing or furnishings. "Social" refers to spending on travel and eating out.

Value of CHAPS payments received by large UK corporates from their credit and debit card processors



Source: ONS and Bank of England calculations

Social Impacts of the Coronavirus

The following refers to the period of 3rd to 7th March 2021 unless stated otherwise.

Reasons for leaving home

Around 9 in 10 (94%) adults in Great Britain reported leaving home this week (93% last week). This proportion appears to have been gradually increasing since mid-January (89% in the period 13 to 17 January). Around half (48%) of adults reported not leaving home or only leaving for work, exercise, essential shopping or medical needs this week (54% last week). This proportion appears to have been gradually decreasing since mid-January (65% in the period 13 to 17 January). At least 12% of adults have met up indoors with someone outside their household or support bubble (excluding work or education); this was slightly more than last week (10%). At least 20% of adults have met up with someone outside their household or support bubble outdoors (excluding work or education); this was slightly more than last week (18%). When looking at those who had met up with others outside their household or support bubble (either indoors or outdoors), 88% (86% last week) of adults reported always or often maintaining social distance when meeting up with people outside their support bubble this week.

Leaving home for work

This week, 48% of working adults reported leaving home for work in the past seven days. The proportion of working adults reporting working from home exclusively in the past seven days increased slightly to 36% this week compared with 32% last week. 10% of working adults reported both working from home and travelling to work this week.

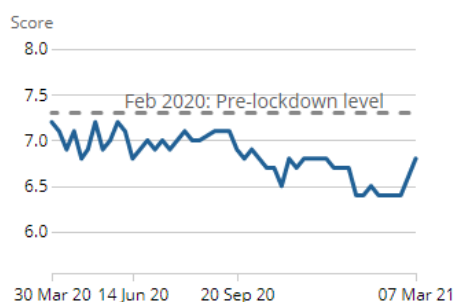
Personal well-being

In the West Midlands, the level of happiness was 6.4, compared to 6.8 across Great Britain. The level of anxiety (4.3 this week) also appears to be higher than levels seen across Great Britain at 3.9. Levels of life satisfaction (6.6 this week) are also lower in the West Midlands compared to across Great Britain at 6.8, and feeling that the things done in life are worthwhile (7.0 this week) are lower than levels across GB at 7.2.

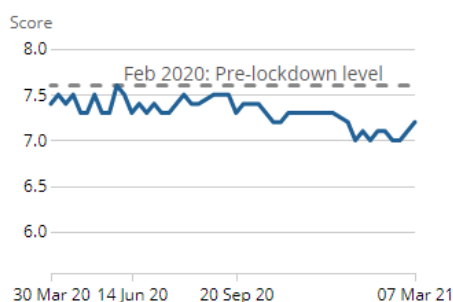
In the West Midlands, 68% of adults who were worried (very or somewhat) about the impact of the coronavirus (COVID-19) on their life right now was similar to last week, compared to 65% in Great Britain.

All four measures of well-being in Great Britain adults

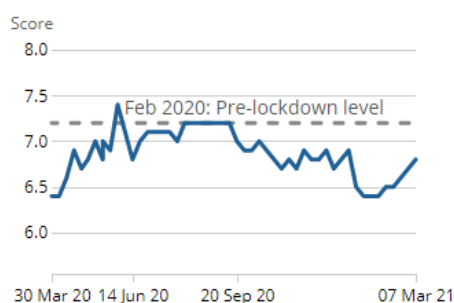
Overall, how **satisfied** are you with your life nowadays?



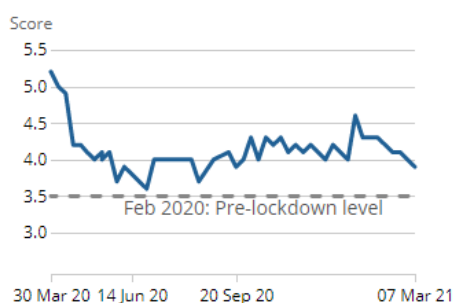
Overall, to what extent do you feel that the things you do in your life are **worthwhile**?



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



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

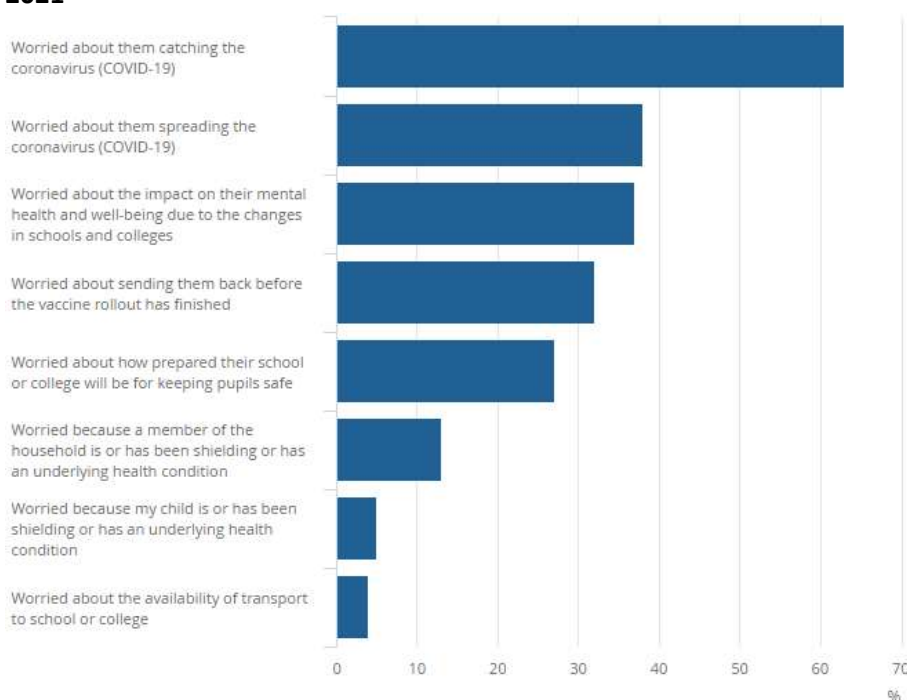


Source: Office for National Statistics – Opinions and Lifestyle Survey

Worry about return to school or college

Almost half (47%) of adults with dependent children were worried (very or somewhat) about their children returning to school or college. Around 4 in 10 (38%) were somewhat unworried or not at all worried and 15% were neither worried nor unworried. Adults with dependent children were most worried about them catching COVID-19 upon returning to school.

Adults with dependent children (excluding those who said they were not at all worried), Great Britain, 3 to 7 March 2021



Source: Office for National Statistics – Opinions and Lifestyle Survey

Perceptions of the future

This week, 3 in 10 (30%) adults in Great Britain felt that life will return to normal in six months or less (32% last week). 2 in 10 adults (20%) felt that it will take more than a year for life to return to normal, the same as last week.

Attitudes to COVID-19 vaccination

In the West Midlands 47% of adults reported they had now received at least one dose of a coronavirus (COVID-19) vaccine, compared to 41% across GB, and 87% would be likely (very or fairly likely) to have a vaccine if offered; this is lower than levels across Great Britain at 90%. Across adults in Great Britain, positive vaccine sentiment appeared to increase with age, with the majority (99%) of adults aged 70 years and over reporting they had received at least one dose of a COVID-19 vaccine, were awaiting one, or would be likely to accept one if offered. This is compared with 89% of adults aged 16 to 29 years, 90% of adults aged 30 to 49 years, and 97% aged 50 to 69 years.

Of all adults who said they would be unlikely to have a COVID-19 vaccine if offered, or had decided not to have a vaccine when offered, the most commonly reported reasons why not were: feeling worried about the long-term effects on their health (36%), feeling worried about the side effects (34%), wanting to wait to see how well the vaccine works (28%).

HEADLINES

SECTOR	KEY CONCERNS
Cross Sector	<p>COVID-19</p> <p>Issues reported this week include:</p> <ul style="list-style-type: none"> Companies continue to seek advice and guidance regarding the latest support measures and how they may help them. Some businesses frustrated at the length of time to appraise applications. Increased costs – due to PPE, payroll etc. Communication challenges for staff and clients. Negative impact on manufacturers in aerospace supply chain. Delays in getting paid. Impact on mental health. While some companies report dwindling efficiency of teams working from home, others have found it an opportunity to focus on the business purpose; build team working, communication and soft-skills training. Delays and lack of communication about receiving lateral flow testing kits after registering for them. <p>EU Exit</p> <p>The continuing difficulties businesses are facing include increased administration, costs, delays, and confusion about what rules to follow. Specific issues reported to Growth Hubs this week are:</p> <ul style="list-style-type: none"> Increased time involved for increased paperwork and delays. Lack of advice and guidance for trading services with EU and EU compliance. The different rules in each of the EU countries needs to be highlighted. The cost of trying to find established agents in multiple locations. Confusion over XI EORI number vs EU EORI number if trading with Ireland and other EU countries. Lack of understanding of differences between EU countries for UK companies setting up a presence in the EU. EU customers unhappy with incoterms and extra costs. <p>Data from EU Exit Support Form Returns to Growth Hubs include:</p> <ol style="list-style-type: none"> 1) The number of forms marked as 'Urgent' has decreased marginally. 2) VAT/Tariffs/Tax' and 'International Trading' remain the most common areas for support. <p>Enquiries</p> <ul style="list-style-type: none"> Capital and Green and Innovation Investment Projects – Increasing numbers of new, and resurrected, investment projects. Some looking to take advantage of the government 130% super deduction and therefore accelerating plans. A significant proportion of companies that have sought advice have been unwilling to follow up referral suggestions, invest the time in programmes or complete the paperwork/research involved. Kickstart – Continued interest in the kickstart scheme although dissatisfaction around the length of time to process applications with some being rejected after a three month wait, significantly impacting the reputation of the scheme. Digital Support – Companies continue to review their strategies regarding a return to pre-covid working patterns adopting new digital capability projects to continue to allow workers to operate from home. Other businesses continuing to diversify and adapt on online methods rather than return to traditional delivery methods, i.e. Training. VR, AI tech and 3D printing investments being considered to progress with new ways of offering services. Futureproofing – Some family run businesses looking at futureproofing their operations by looking at succession planning as well as investing in the skills of their staff.

SECTOR	KEY CONCERNS
Retail	<ul style="list-style-type: none"> The West Midlands saw 1,468 chain stores close permanently last year at retail locations. The West Midlands had 600 openings in 2020 meaning a net loss of 868 for the region Nationally more than 17,500 shops closed in 2020 with a net loss of 9,877 with new openings at 7,655, according to research for professional services network PricewaterhouseCoopers.
Manufacturing	<p>Manufacturers are still struggling to cope with crippling delays moving goods in and out of EU according to Make UK research:</p> <ul style="list-style-type: none"> Almost three-quarters (74%) of companies have experienced or are experiencing delays in the past 3 months 1 in 3 (28%) are experiencing delays of between 1 to 2 weeks Over half (51%) say this has led to increased costs Over a third (35%) have lost revenue with one in five losing potential business Manufacturers have cited various Government interventions that would help mitigate the impacts – from assistance with export documentation, better trained customs staff and clearer guidance on import/export paperwork. <p>Britain's manufacturers are calling on the Government to help them iron out delays and problems at ports in and out of the EU which is leading to lost business, increased costs and losing out on future orders. Make UK research showed that one in three companies are experiencing delays of between one to two weeks, with goods stuck in transit and increasing delays on shipments. Many container ships will not stop in the UK at present, due to delays at British ports. This is resulting in goods bound for the UK being offloaded in EU ports, impacting heavily on production schedules and lead times with companies forced to make alternative and costly arrangements to have their orders delivered.</p> <p>Businesses are also reporting that rules for movement of goods is being interpreted locally within the EU and also at UK ports, adding to already costly delays. Over half of all companies surveyed (51%) said the delays are leading to increased costs, with almost three quarters have experienced or are still experiencing delays since the transition period ended on January 1st this year. Over a third have lost revenue with one in five reporting they are losing out on future orders.</p> <p>Otherwise, MakeUK's latest quarterly survey suggests that Britain's manufacturers are beginning to move through the gears as growth prospects become more positive for the rest of the year.</p>
Services	<ul style="list-style-type: none"> The continued success of the UK's vaccination rollout programme led to a significant rise in services sector confidence in February. That's according to the latest Business Trends report from accountancy and business advisory firm BDO LLP. The BDO Services Optimism Index surged from 86.60 in January to 94.13 in February – a 12 month high - as the proportion of the population that has received the coronavirus vaccine continued to rise. The growth of the Index, which encompasses a range of industries from retail and hospitality to professional services, suggests that many businesses had anticipated a significant return to normality even before the Government set out its lockdown roadmap at the end of February.
Aviation	<ul style="list-style-type: none"> A government-led review into air passenger duty on domestic flights is "long overdue", in light of how the aviation industry has been hampered by the pandemic, Greater Birmingham Chambers of Commerce has said. The review into Air Passenger Duty is long overdue and has becoming even more pressing in light of the devastating impact of Covid-19 on the aviation industry and the associated sectors.

NEW ECONOMIC SHOCKS

COMPANY	LOCATION	SECTOR	SOURCE/DETAIL
Economy-wide	Regional and Nationwide	Economy-wide	The West Midlands saw 1,468 chain stores close permanently last year at retail locations. The West Midlands had 600 openings in 2020 meaning a net loss of 868 for the region. Fashion retailers were the hardest hit last year, with more than 1,100 disappearing, as names such as Laura Ashley, Warehouse, Oasis and Jaeger exited the high street.
Rolls-Royce	Wider Midlands	Aerospace & Supply Chains	Engine-maker Rolls-Royce has plummeted to a mammoth £4 billion annual loss after a “severe” hit from the pandemic as the crisis hammered the global aviation industry.
Hammerson	Birmingham	Retail /Property	Shopping centre operator Hammerson, which operates the Bullring and Grand Central, saw losses more than double in 2020 after it was hit hard by the coronavirus pandemic.
Thorntons	Nationwide	Retail	Chocolate shop chain Thorntons is to shut all its 61 stores, putting 603 jobs at risk.
Red Flag	Nationwide	Economy-wide	New analysis from Reg Flag Alert - which has been collecting and measuring the financial data of UK companies since 2004 - shows that 274,720 jobs could go when the Coronavirus Job Retention Scheme (CJRS) ends in September 2021.
John Lewis Partnership	Black Country and Wider Region	Retail	The retail giant said it does not expect all its John Lewis shops to reopen at the end of lockdown.
Morrisons	Black Country and Wider Region	Retail	Morrisons has revealed that profits were cut by more than half over the past year after it was hit by £290 million in pandemic-related costs.

NEW INVESTMENT, DEALS AND OPPORTUNITIES

COMPANY	LOCATION	SECTOR	DETAIL & SOURCE
NDE Clarke Pitchline	Coventry	Engineering, Manufacturing	A six-figure investment in new machinery has led to a Coventry business expanding its overseas trade to 62 countries and recruiting extra staff. NDE Clarke Pitchline, which is based at the historic former Riley Motor Company Works on Aldbourne Road, specialises in the design, engineering and manufacture of a range of mechanical power transmission components used in traditional industries ranging from steel, mining, paper and also electric vehicles, wind energy, marine and defence.
LEVC	Coventry/Rugby	Automotive, Engineering, Manufacturing	London Electric Vehicle Company (LEVC), the manufacturer and retailer of electric commercial vehicles, has signed up to premises at Prologis Park Ryton in Coventry. The manufacturer, famous for its black London taxi cabs, has taken a 170,000 sq ft facility on the park and will use the facility as a central logistics hub.
Savcon Engineering	Stratford-upon-Avon	Manufacturing	Savcon Engineering has secured CBILS backing to fund the acquisition of a new laser processing machine. Based in Stratford-upon-Avon, Savcon Engineering manufactures CNC machining and turning, presswork and large-scale fabrication, including various components for the agricultural industry, vehicle suspension parts, and high-precision components for the electronic industry, among other items.
Plus 8 Industries (Hiplok)	Leamington Spa	Retail	A majority shareholding has been acquired in Leamington Spa-headquartered Plus 8 Industries, which trades under the name Hiplok, by a German sports group. Hiplok was founded in 2011 when co-founders and product designers Ben Smith and John Abrahams launched a wearable bike lock. The pair have continued to develop a range of products each year, expanding the brand's security and storage line up.
REPL Group / Accenture	Henley in Arden	Digital Technologies	A Warwickshire-based systems integrator has been snapped up by acquisitive company Accenture. REPL Group specialises in Blue Yonder software, which principally supports blue chip customers in the retail, convenience and logistic sectors on their digital transformation. The company employs more than 400 people.
Hotel Indigo	Coventry	Leisure, Hospitality	A loan facility agreement has been approved to support the development of a new Hotel Indigo in Coventry. Work on the hotel is expected to commence by summer 2021 with practical completion expected, and the hotel being fully operational, by early 2023.
Silmid	Coleshill	Specialist Distribution	Coleshill-headquartered Silmid has been snapped up by a US aerospace-focused specialty chemicals distribution giant. Headquartered in Arlington, Texas, GracoRoberts supplies complex engineered materials for aerospace OEM and MRO segments, composites, electronics, and other advanced manufacturing industries. The company caters to thousands of customers from more than 65 countries and all seven continents around the globe. Silmid has a turnover of £20m.
Quartzinvest (Quartzelec)	Rugby	Electrical Engineering	A Warwickshire-headquartered electrical engineering company, which numbers the Royal Navy among its

			customers, has reported an increase in pre-tax profit, according to new documents. Quartzinvest, the parent company of Quartzelec, has reported a pre-tax profit of £4.1m for the year to 30 September 2020, up from £2.8m in 2019.
Maven	Midlands-wide	All	Maven has now passed the 100th loan milestone as part of its work providing finance through the Midlands Engine Investment Fund (MEIF). There are two debt funds that are managed by Maven on behalf of the MEIF across the West and East Midlands, with the firm having now provided £43m of financing to firms in the region. Recent deals include the backing of You.Smart.Thing, a travel management platform provider based in the West Midlands.
Adventure Bar Group	Birmingham	Entertainment	London-based Adventure Bar Group has created its first fully outdoor venue with Luna Springs in the former Digbeth Arena site at Lower Trinity Street, Deritend, Birmingham.
The Fuel Store	Birmingham	Fuel Management	Fuel management firm reveals plans to create 50 jobs. Birmingham-based The Fuel Store, which operates in the fuel card industry, wants to create 50 jobs over the next five years, it has revealed.
Fast Line Steel Services/ Corbetts Galvanizers	Black Country and Wider Region	Manufacturing	Willenhall-based Fastline Steel Services has signed a multi-million integrated manufacturing agreement with Corbetts the Galvanizers. The decision, which creates up to 40 new jobs and safeguards a further 80 more across the two firms, marks a switch from dual sourcing to a more strategic partnership that will deliver increased capacity and reduced lead times.
Company Shop	Dudley	Retail	The Mayor of Dudley opened a new food store, The Company Shop, which has created 47 new jobs in the borough. The store will offer top brand food and goods at discounted prices.
Littleton Lodge	Cannock Chase	Health/ Care	Up to 50 jobs are available at a new 66-bed care home ahead of its grand opening next month. Littleton Lodge, in Bishop Street, Hednesford, will be a residential and dementia care home when it opens its doors next month.
Woodbourne Group	Birmingham	Regeneration	Plans unveiled for £360m mixed-use Birmingham project. Curzon Wharf would contain the city's tallest building if built as planned and have almost one million sq ft of commercial space alongside residential accommodation.
WMCA	Region-Wide	Public Sector	The latest round of skills boot camps for people looking to get back into employment has been launched by the WMCA.
City of Wolverhampton Council	Wolverhampton	Public Sector	City of Wolverhampton Council has joined forces with key partners to put together a Response to Redundancy support package for Wolverhampton residents.

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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