

West Midlands

Weekly Economic Impact Monitor



Issue 59 Publication Date 23/07/21

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

This week England has opened up, lifting most of the restrictions in place to date. This has been met with mixed reviews, especially as Covid-19 cases are rising. It remains to be seen what impact opening up has overall and how public perceptions and behaviour unfold over the coming weeks.

- The UK has seen a [resurgence in infection rates](#), and the daily new cases per million confirmed in the UK is now the highest out of comparator European countries. This comes as vaccination rates in England fall and social distancing rules are relaxed, including the re-opening of pubs; which are seeing increasing numbers of visitors. Infection rates are expected to increase further as England scraps legally mandated socially distancing measures. ONS estimates that 577,700 people within the community population in England had Covid-19, equating to around 1 in 95 people
- As England scraps nearly all of its non-pharmaceutical interventions, including legally mandated mask wearing, and social distancing measures, more than [half of a million people](#) in England have been 'pinged' by NHS test and trace in a week. This is the highest in figure recorded and is expected to get higher.
- The 'pingdemic' is causing substantial disruption in the West Midlands. [In Solihull](#), bin collections have been cancelled. [West Midlands Trains](#) has issued a warning that trains could be cancelled at short notice following the number of staff having to isolate 'quadrupling' in recent weeks.
- [Prof Alan McNally](#) from the University of Birmingham has highlighted the lifting of restrictions will put a strain on testing infrastructure and that it is not able to cope. In the most recent week, 63% of in-person tests were received within 24 hours, compared to nearly 77% (76.9%) in the previous week
- The response to opening up has been mixed. [Independent Sage](#) has called for a long-term strategy for pandemic control and evidence based information on how to protect the population, alongside keeping preventative measures such as masks, and giving local authorities the ability to extend test and trace. The [BMJ](#) has published a letter to the Lancet by a group of 122 scientists and doctors branding the opening up as dangerous and premature.
- Internationally there is substantial unlocking following successful vaccine rollout in many major economies. There has been substantial economic growth, but the success of the vaccines has not yet been able to stop the infection spread. This means investment strategists are considering a [new bearish scenario](#): that the global economy has already hits its peak in growth.
- Several major European countries are now experiencing a sharp rise in infections. Spain, Portugal, Greece, Cyprus, and the Netherlands are amongst those with the largest infection growth rated.

Economy

- [Analysis](#) from the IFS suggests an improvement in the near-term economic outlook is likely. Under Citi's latest forecast, they expect higher growth (and consequently higher tax revenues) to reduce borrowing this year (2021–22) by £30 billion, compared with the official forecast at the Budget in March 2021. Under Citi's forecast, the recovery is faster, but not more complete, due to permanent economic damage done by the pandemic. By the middle of the decade, the cash size of the economy is expected by Citi to be 3% smaller than official pre-COVID forecasts. In the medium term, this would leave no headroom against the Chancellor's stated target of current budget balance. The government's existing spending plans imply cuts to some departments, and make no allowance for additional virus-related spending.
- Discussions about tighter monetary policy to bring inflation under control, coupled with the growth of the Delta variant, is fuelling a growing sense of worry that financial markets have become too optimistic, which resulted in the S&P 500 falling the most since May on Monday.
- In London the FTSE 100 fell 163.70 points, or 2.3%, to a three-month low of 6,844.39. This was mainly fuelled by sharp declines in travel and leisure stocks, putting pressure on the UK's domestic stock market.
- The [BBC](#) highlights record government borrowing which was at £8.7bn in repaying interest on debt last month. This is linked to huge inflation on government index linked bonds.
- The Institute for Public Policy think tank has recently launched a [paper](#) on how to achieve the green transition through fairness and opportunity. The report is optimistic, with participating citizens' juries showing that people believe that if all parts of society work together, then not only can the climate and nature crises be tackled, but actions to address them could create jobs, improve people's everyday lives, and improve health and wellbeing.

- In 2019, the total number of flights from, to and within the UK ranged from approximately 5,000 per day in quieter months to over 6,500 per day in peak holiday season. After the FCO advised against all non-essential international travel from March 2020, the number of flights fell to a low of around 500 per day at the start of April, approximately 10% of what they were in the equivalent period of 2019. By July 2021, the seven-day average number of daily flights was 2,307. This is an increase of 9% on the previous week, when the equivalent figure was 2,126.

Business and trade

- British goods exports to the European Union rose to their highest since October 2019 in May 2021, [official data](#) showed, reversing a slump at the start of 2021 when Britain exited the bloc's single market and customs union. But overall trade with the EU has lagged behind growth in sales to the rest of the world, and business groups said they still faced extra red tape dealing with European customers and suppliers as a result of Brexit.
- [Container shipping rates](#) from Asia to the U.S. and Europe have continued their upward trajectory and reached record levels over the past week.
- Make UK has released a new report on 'Trade and Cooperation with the EU: Six months on': 96% of companies have faced challenges since the start of the year with the new trading environment. Nearly half (47%) had difficulty with customs processes initially. This has eased as companies' understanding of the new rules improved. However, over a third (36%) - mainly small and medium sized companies - are still struggling with the new customs procedures and paperwork; More than a quarter (29%) say demonstrating the origin of their products is a challenge. Business travel remains almost completely untested as international travel beings to reopen for business bringing with it critical risk for companies who still do not understand the business travel rules for the different EU member states. 86% of manufacturers want Government to work with the EU to ease the difficulties around export processes and customs formalities. Regulation key to manufacturers is now solely in the control of UK legislators. The UK Government must decide how this sovereignty is used to benefit manufacturers in the UK; the majority of manufacturers favour cooperation with the EU.
- 30.7% of trading businesses in the West Midlands reported profits had decreased by at least 20%. However, 42.9% of trading businesses reported that profits had stayed the same and approximately 11.5% reported their profits had increased by at least 20%.
- 82.0% of responding West Midlands businesses reported they were aware that most CE marked products need to be United Kingdom Conformity Assessed (UKCA) marked from 1st January 2022, although 5.5% were not aware.
- 24.9% of responding West Midlands businesses reported that prices increased, 42.6% reported that prices did not change any more than normal. 8.3% reported some prices increased and some prices decreased and less than 1% reported prices decreased more than normal.
- The West Midlands Business Activity Index decreased marginally from 65.5 in May to 64.0 in June, but highlighted the third-quickest rate of expansion since the series started in January 1997. Local companies linked growth to a pick-up in sales, strengthening demand conditions and businesses reopening. Out of the twelve UK regions, the West Midlands region was the fourth highest for the Business Activity Index.
- The West Midlands Future Activity Index registered at 77.1 as there was hope that the vaccination programme will control the spread of infections allowing restrictions to be uplifted and a recovery in demand.
- A new £8.5 million centre, designed to promote innovation in waste, energy, and low carbon vehicle systems has been officially opened at Tyseley Energy Park (TEP). The Birmingham Energy Innovation Centre (BEIC) is part of an overall programme of more than £20 million invested to deliver energy innovation activities.
- A £1 billion industrial scheme in the West Midlands has a new team leading the project following a land deal. Real estate investor and asset manager Oxford Properties and specialist developer Logistics Capital Partners have formed a new joint venture to acquire the 734-acre site west of junction 12 of the M6, near Four Ashes in Staffordshire (the planned 'West Midlands Exchange' scheme).
- Ellandi has revealed plans for a more than £50m programme of investment to transform Merry Hill shopping centre in Brierley Hill.
- A US-based printing specialist firm is set to open a new £2.6million site in Wolverhampton. Printful will create up to 150 jobs.

Covid 19 impacts

- Current issues reflect a still uncertain business environment, with a potential "perfect storm" of Covid-related difficulties hitting later this year: phasing out of government support; issues relating to the end of restrictions; and business and consumer confidence.
- A common issue recently is that skills and staffing seem to be key barriers to growth for businesses, with the candidate market of available people being scarce. This is particularly so within hospitality and transportation – where many employed EU nationals and have been furloughed and gone back home and to start working in their home countries whilst still getting their 80% wages. which has allowed them to start up again back home. In these circumstances it is expected that they are not coming back to the UK once their furlough payments end.
- [A report from the British Academy](#) outlines the evidence on societal impacts of Covid-19. These include: increased importance of local communities; low and unstable levels of trust in governance; widening geographic inequalities;

exacerbated structural inequalities; worsened health outcomes and growing health inequalities; greater awareness of the importance of mental health; pressure on revenue streams across the economy; rising unemployment and changing labour markets; and renewed awareness of education and skills.

- A [PWC report](#) has suggested that the switch to online shopping is likely to stay after the pandemic and concludes that the pandemic is resulting in a “historic and dramatic shift in consumer behaviour”.
- There were 195,715 claimants in the WMCA (3 LEP) area in June 2021. Since May 2021 there has been a -3.1% (-6,315) decrease smaller than the UK decrease of -5.6%. Compared to the same month in 2020, claimants decreased by -4.2% (-8,650) while the UK decreased by -10.2%. When compared to pre-pandemic figures (March 2020), the proportion of claimants increased by 66.4% (+78,125), with the UK increasing by 83.3% over the same period.
- There were 38,055 youth claimants in the WMCA (3 LEP) area in June 2021. Since May 2021, there was a decrease of -4.1% (-1,635), the UK decreased by -6.5%. Compared to the same month in 2020, youth claimants decreased by -9.3% (-3,880) while the UK decreased by -16.4%. When compared to pre-pandemic levels (March 2020), the number of youth claimants has increased by 66.7% (+15,220), with the UK increasing by 78.8% over the same period.
- Between the 2nd and 9th July 2021, the West Midlands region online job adverts decreased by 7.3 percentage points. Although, on the 9th July 2021, total online job adverts were at 145.9% of their average level in February 2020.
- According to Springboard, overall retail footfall in the week to 10th July 2021 was at 74% of its level in the equivalent week of 2019. In the same week, footfall at retail parks was at 96% of its level equivalent week in 2019, whereas it was 69% for shopping centres and 67% for high streets. Footfall was strongest in Northern Ireland (90%), the East of England (79%) and the West Midlands (78%).

Global, National and Regional Outlook

Ben Brittain, WMREDI; Rebecca Riley WMCA/WMREDI

Global

With substantial unlocking following successful vaccine rollout in many major economies, there has been marked economic growth, but the success of the vaccines has not yet been able to stop the infection spread. This means investment strategists are considering a [new bearish scenario](#): that the global economy has already hit its peak in growth.

Several major European countries are now experiencing a sharp rise in infections. Spain, Portugal, Greece, Cyprus, and the Netherlands are amongst those with the largest infection growth rate. Many others— such as Germany, France, Italy, and Belgium – have not yet seen an acceleration in infections. Spain and the Netherlands have the highest infection rates on the European continent. Germany and France have since urged citizens not to travel to Spain.

The risk from an increase in infections is that it changes people's behaviour and confidence in engaging in social interaction, thus suppressing consumer activity.

Discussions about tighter monetary policy to bring inflation under control and the growth of the Delta variant is fuelling a growing sense of worry that financial markets have become too optimistic, which resulted in the S&P 500 falling the most since May on Monday. It is of note, nevertheless, that the S&P 500 remains only 3% off its all-time high -- not even at the half-way point of a technical correction.

In London the FTSE 100 fell 163.70 points, or 2.3%, to a three-month low of 6,844.39. This was mainly fuelled by sharp declines in travel and leisure stocks, putting pressure on the UK's domestic stock market.

The sharp rise in inflation is fuelling speculation about a change in monetary policy. In [raw numbers](#), in June, consumer prices were up 5.4% from the previous year, the biggest increase since June 2008. When food and energy prices are excluded, core prices were up 4.5% from a year earlier, the biggest increase since November 1991, and core prices were up 0.9% from the previous month.

The gap between the headline number and the core inflation rate reflected a big increase in energy prices, which were up 24.5% from a year earlier and up 1.5% from the previous month. The category with the biggest price increase continued to be used cars, with prices up 45.2% from a year earlier and up a staggering 10.5% from the previous month.

The [BBC](#) highlights record government borrowing which was at £8.7bn in repaying interest on debt last month. This is linked to huge inflation on government index linked bonds. Overall borrowing - the difference between spending and tax income - was £22.8bn, which was £5.5bn lower than June last year. Ruth Gregory, senior UK economist at Capital Economics, said: "While debt servicing costs will stay higher than the [Office for Budget Responsibility] expects over the next few years, the public finances should reap the benefits of a fuller recovery in GDP than the OBR expects, meaning that the deficit will still fall faster."

[Container shipping rates](#) from Asia to the U.S. and Europe have continued their upward trajectory and reached record levels over the past week. This means that the spot rate for a 40-foot container from Shanghai to Rotterdam rose to an all-time-high \$12,954.

A [PWC report](#) has suggested that the switch to online shopping is likely to stay after the pandemic. It says:

- Consumer shift to digital channels will remain after the pandemic.
- Customer loyalty has plummeted, with buyers switching brands at unprecedented rates.
- The use of smartphones for online shopping has more than doubled since 2018.

It concludes that the pandemic is resulting in a “historic and dramatic shift in consumer behaviour”. The research was survey-based, with more than 8,600 people across 22 countries taking part. They were asked how often, in the past 12 months, they had bought goods from varying different shopping platforms.

National

As England scraps nearly all of its non-pharmaceutical interventions, including legally mandated mask wearing, and social distancing measures, more than [half of a million people](#) in England have been ‘pinged’ by NHS test and trace in a week. This is the highest in figure recorded and is expected to only get higher.

This ‘pingdemic’ is causing major shortages in staff for essential services, such as food distribution, healthcare and other critical industries. This has led to business groups demanding government to bring forward the date at which double vaccinated people no longer need to self-isolate — currently August 16th.

[Prof Alan McNally](#) from the University of Birmingham has highlighted the lifting of restrictions will put a strain on testing infrastructure and that it is not able to cope. In the most recent week, 63% of in-person tests were received within 24 hours, compared to nearly 77% (76.9%) in the previous week

The rules that have been rescinded are:

Social distancing

- No limits on [how many people can meet](#)
- 1m-plus guidance removed (except in some places like hospitals and passport control when entering the UK)
- [Face coverings no longer required by law](#), although the government still “expects and recommends” them in crowded and enclosed spaces
- Some [shops and transport operators will still require masks](#)

Events and gatherings

- Nightclubs can reopen
- [Pubs and restaurants](#) no longer table-service only
- No limits on guests at [weddings](#) and funerals
- No limits on people attending concerts, theatres or sports events
- No restrictions on communal worship

Travel

- Guidance [recommending against travel to amber list countries removed](#)
- Under-18s and fully vaccinated adults [no longer have to self-isolate](#) after visiting amber list countries - although those returning from [France to the UK must still quarantine for 10 days](#)

The response to opening up has been mixed. [Independent Sage](#) has called for a long-term strategy for pandemic control and evidence based information on how to protect the population, alongside keeping preventative measures such as masks, and giving local authorities the ability to extend test and trace. The [BMJ](#) has published a letter to the Lancet by a group of 122 scientists and doctors branding the opening up as dangerous and premature.

The [FT](#) highlights that from the start of the month passengers from the EU can use a digital Coovid19 pass to cross borders. But the UK traffic light system is complicated and subject to change, with Easyjet boss warning UK customers are being left behind.

The Institute for Public Policy think tank has recently launched a [paper](#) on how to achieve the green transition through fairness and opportunity. The report is optimistic, with participating citizens’ juries showing that people believe that if all parts of society work together, then not only can the climate and nature crises be tackled, but actions to address them could create jobs, improve people’s everyday lives, and improve health and wellbeing. The report includes a flagship recommendations to launch a £7.5 billion-a-year “GreenGo scheme” – a financial one-stop shop to help households switch to green alternatives on heating, home insulation and transport.

Liverpool has been [stripped of its world heritage status](#), following persistent developments on the waterfront. The UN’s heritage body concluded at a meeting in China on Wednesday that the “outstanding universal value” of Liverpool’s waterfront had been destroyed by new (and planned) buildings, including Everton football club’s new

£500m stadium. The newly elected city mayor, Labour's Joanne Anderson, has recently [commented](#) that the regeneration of the north docks "is not a project that we can pull". The regeneration project has often been cited as an example of the dilution of architectural quality that risks Liverpool's world heritage status.

Regional

The 'pingdemic' is causing substantial disruption in the West Midlands. [In Solihull](#), bin collections have been cancelled. [West Midlands Trains](#) has issued a warning that trains could be cancelled at short notice following the number of staff having to isolate 'quadrupling' in recent weeks.

The lack of lorry drivers is expected to cause food shortage across the West Midlands, Enginuity Group have claimed. They have stated that there are around 100,000 vacancies for HGV 1 & 2 and delivery drivers across the West Midlands and UK. A 'perfect storm' that has been brought about by a reduction in EU drivers, Covid testing, delays at UK and European ports and self-isolation. This is resulting in potential damage to food supplies and manufacturing supply chains.

Changing Economic Outlook

Carl Emmerson, Isabel Stockton and Ben Zaranko, IFS

[Analysis](#) from the IFS has indicated that several things are likely to occur following an improved economic outlook and its potential effects on the Spending Review. They find that:

- **An improvement in the near-term economic outlook is likely.** Under Citi's latest forecast, we expect higher growth (and consequently higher tax revenues) to reduce borrowing this year (2021–22) by £30 billion, compared with the official forecast at the Budget in March. Nevertheless, this would still leave borrowing at 9.3% of national income, a value which has only been exceeded twice since the Second World War – last year, and during the financial crisis in 2009–10.
- **While the short-term economic picture has improved, the medium-term outlook contains much less good news.** Under Citi's forecast, the recovery is faster, but not more complete, due to permanent economic damage done by the pandemic. **By the middle of the decade, the cash size of the economy is expected by Citi to be 3% smaller than official pre-COVID forecasts.**
- **In the medium term, this would leave no headroom against the Chancellor's stated target of current budget balance** – borrowing only to invest, not to fund day-to-day spending. Despite stronger near-term growth under the latest forecasts, in 2024–25 and 2025–26 we expect the current budget to be approximately in balance: essentially unchanged from the forecast in the March Budget. These forecasts are predicated on large income tax and corporation tax rises and a tight set of departmental spending plans.
- **The Chancellor could afford a sizeable short-term giveaway** while staying within the path for borrowing set out in the March Budget. **But his room for manoeuvre in the medium term is much more limited**, leaving little-to-no space for permanent giveaways.
- This sets the scene for a tricky Spending Review later this year. **The government's existing spending plans imply cuts to some departments, and make no allowance for additional virus-related spending:** some top-ups seem inevitable. But a permanent addition to those plans would – unless accompanied by another round of tax rises – on our forecasts mean higher levels of borrowing, and missing the Chancellor's fiscal targets.
- The economic and fiscal outlook is highly uncertain, and the Office for Budget Responsibility may take a more optimistic view. But **given the scale and range of calls for additional spending, any fiscal wiggle room granted by improvements in OBR forecasts will not be enough to meet the many demands on the Treasury purse.**

This analysis was funded by the Nuffield Foundation as an early output of the 2021 IFS Green Budget.

Trade and Cooperation with the EU Six Months On MakeUK

Following a recent meeting conducted by Make UK surrounding Brexit, Make UK has released a new report on **‘Trade and Cooperation with the EU: Six months on’**. The report explores the experiences of manufacturers in the first 6 months of this year and since the Trade and Cooperation Agreement was agreed at the end of last year.

At the beginning of 2021 manufacturers saw the greatest single change in how they trade and do business in the EU in more than four decades. While businesses had prepared for the change, the majority still experienced significant disruption.

The report does not look at the overall trade volumes but, rather examines the impact of the changes to the trade relationship; what has been challenging; what has improved and what obstacles remain for manufacturers. We have chosen not to look at trade volumes because of the overlapping impact with that of Covid-19 in order to provide a constructive review and insight for members.

Key findings include:

- 96% of companies have faced challenges since the start of the year with new trading environment
- Nearly half (47%) had difficulty with customs processes initially. This has eased as companies’ understanding of the new rules improved
- But over a third (36%) - mainly small and medium sized companies - are still struggling with the new customs procedures and paperwork
- More than a quarter (29%) say demonstrating the origin of their products is a challenge
- Business travel remains almost completely untested as international travel beings to reopen for business bringing with it critical risk for companies who still do not understand the business travel rules for the different EU member states
- 86% of manufacturers want Government to work with the EU to ease the difficulties around export processes and customs formalities
- Regulation key to manufacturers is now solely in the control of UK legislators. The UK Government must decide how this sovereignty is used to benefit manufacturers in the UK; the majority of manufacturers favour cooperation with the EU

The recommendations call on the Government to help ease continued difficulties and work with the EU to seek mutually beneficial improvements to the trading relationship. The new trading environment has ramped up cost, caused import and export delays, and is hampering smooth trade as companies struggle to recover from the COVID pandemic.

The full report can be found [here](#). Make UK also offers business support and guidance on Brexit [here](#).

MakeUK annual review of the manufacturing regions: [Regional Manufacturing Outlook 2021 | Make UK](#)

Key findings

- Industry accounts for almost over 15% of the West Midlands economy overall
- There are 292,000 manufacturing jobs in the West Midlands
- Manufacturing jobs account for 10% of the region’s total workforce
- The West Midlands accounts for 8% of UK total manufacturing exports
- The West Midlands dependence on the EU market has increased slightly

West Midlands Regional Advisory Board – 29 Senior Leaders

At what level is your business operating now at compared to pre-pandemic levels?

- 1-10%
- 11-25%
- 26-50% - 4%
- 51-75% - 13%
- 75-99% - 29%
- 100% fully operating - 33%
- Over 100% and growing - 21%

Which of the following are key priorities for your business? (Select up to three)

- Recruiting - 46%
- Training and Skills (e.g. the next generation) - 21%
- Covid-19 related disruption post-freedom day (e.g. isolation, ping, track and trace) - 46%
- Future order / demand levels - 63%
- Adapting to trade under the TCA with the EU (e.g. delays / regulation changes) - 8%
- International trade disruption (e.g. delays / material supply) - 33%
- Mental health & wellbeing of staff - 17%
- Investing in new products and/or digital technology - 29%
- Access to finance / funding / working capital - 17%
- Net Zero - 13%

Has your business removed the previous restrictions in your business since 'Freedom Day'? (select one)

- Yes, we have removed some of the restrictions - 25%
- Yes, we have removed all of the restrictions - 0
- No, we have not removed the restrictions, we will wait until 16 August - 17%
- No, we have not removed the restrictions, and we have not yet decided when we will remove them - 58%

What impact has the NHS track and trace had on your business? (select all that apply)

- Part of production stopped - 17%
- All production stopped - 0
- A small number of staff needing to self-isolate - 71%
- A large number of staff needing to self-isolate - 13%
- Additional requests from staff for annual leave - 8%
- Greater use of the JRS (furlough) scheme - 4%
- Loss of existing business - 8%
- Loss of potential business - 0
- Inability to fill existing orders - 0
- N/A - 4%

Are you passing on increased costs/input prices into your output price?

- Yes - 63%
- No - 38%

Are staff or skill shortages affecting your sub sector?

- Yes - 67%
- No - 33%

How prepared are you for industry's transition to low carbon?

- Very prepared - 0
- Slightly Prepared - 71%
- Very unprepared - 8%
- Slightly unprepared - 21%

Understanding the long-term societal impacts of COVID-19

The British Academy

The Government Office for Science recently asked the British Academy to compile an independent review on the long-term societal impacts of COVID-19. [The report](#) outlines the evidence across a range of areas, building upon a series of expert reviews, engagement, synthesis and analysis across the research community in the Social Sciences, Humanities and the Arts (SHAPE).

The Academy synthesised their evidence in to nine areas of societal impact. Those being:

1. Increased importance of local communities

Local communities have become more important than ever during the pandemic. Local and hyper-local charitable and voluntary organisations have been crucial to the response to COVID-19, but there are inequalities between communities based on the strength of community infrastructures. National capacity to respond to changing circumstances and challenges requires effort to sustain a strong web of communities and community engagement at local levels.

2. Low and unstable levels of trust in governance

Following a brief initial increase, trust in the UK Government and feelings of national unity are in decline. Trust in local government and feelings of local unity have been higher and steadier. Declining trust is a major challenge that needs to be addressed because it undermines the ability to mobilise public behaviour for wider social and health benefits.

3. Widening geographic inequalities

Geographic and spatial inequalities have widened. Health and wellbeing, local economic risk and resilience, poverty and deprivation, and response planning all have an important place dimension that has shaped the impact of the crisis. Attending to these inequalities is important because they expose ways in which the combination of geographical location, physical infrastructure and social conditions implies that different priorities may be needed in different places.

4. Exacerbated structural inequalities

COVID-19 and the government response to it have impacted different people in different ways, often amplifying existing structural inequalities in income and poverty, socioeconomic inequalities in education and skills, and intergenerational inequalities – with particular effects on children (including vulnerable children), families with children and young people. There are differential effects within these along dimensions of gender, race and ethnicity and social deprivation which have been both exposed and exacerbated, as well as effects related to social development, relationships and mental health which are all variably affected and interlinked. The evidence highlights that addressing the underlying interconnected propellants of inequality is a key challenge ahead.

5. Worsened health outcomes and growing health inequalities

Like structural inequalities, health outcomes for COVID-19 have followed patterns of existing health inequalities. There are ongoing health impacts from long COVID as well as from delays in care seeking and reprioritisation of resources. Deficiencies in home and community care infection prevention and control measures, and inequalities in the structure and funding of social care provision, have been laid bare. These are all areas that need significant attention to avoid critical gaps in the health system going forward.

6. Greater awareness of the importance of mental health

The pandemic and various measures taken to address it have resulted in differential mental health outcomes. Access to support for new cases and for those with pre-existing conditions has also been disrupted, in addition to services for children and young people. Both have the potential to result in long-term mental health impacts for particular groups if there is not a renewed focus on the causes and solutions for sustaining mental health across society, including by tackling the structural and root causes of inequality.

7. Pressure on revenue streams across the economy

Although detailed economic analyses were outside the scope of the report, there are likely to be additional pressures on government spending in the medium to long term, as a result of increasing levels of debt and possible falling tax revenues due to risks around unemployment, failing businesses, decreased consumption and significant shifts in the structure of the economy. It will be increasingly important to address the balance of revenue generation and weigh up expenditure against non-economic impacts, considering a diversity of mechanisms and actors to meet societal goals.

8. Rising unemployment and changing labour markets

Employment and household income levels have fallen and will likely worsen for the foreseeable future. This will lead to an increased dependency on social security, which the current system may be ill equipped to deal with effectively. This will matter not only for those who are (or will become) dependent on state social security support, but also because it may require significant adjustments to the social security system in order for it to keep pace with demand.

9. Renewed awareness of education and skills

The consequences of lost access to education at all levels, coupled with changes to assessments, will be felt for years to come, and wholly recovering lost education is unfeasible. This has exacerbated existing socioeconomic inequalities in attainment and highlighted digital inequality. Because a high-skill economy will be essential for future prosperity and for society to thrive, it will be vital to consider whether lifelong educational opportunities are sufficiently comprehensive, diverse and flexible.

NatWest Purchasing Manager Index (PMI) Survey, Released July 2021: West Midlands¹

Black Country Consortium Economic Intelligence Unit

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

In Summary:

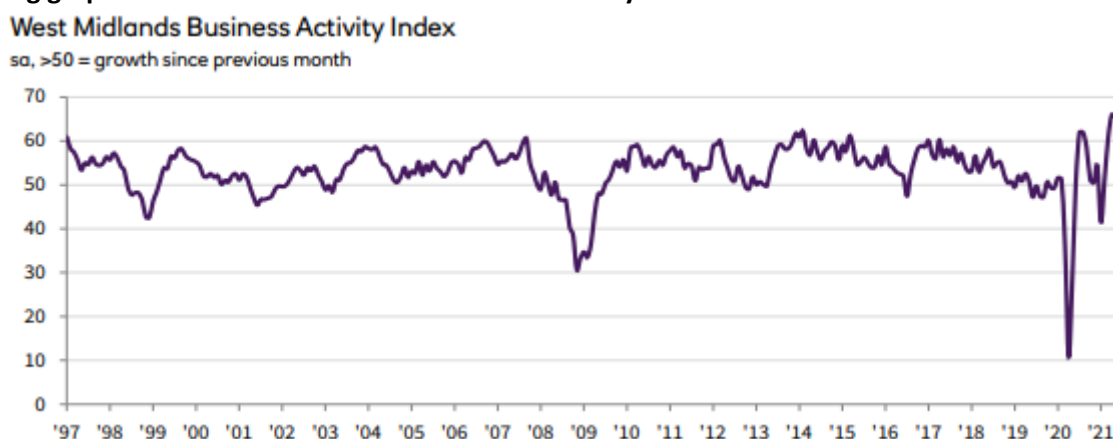
- The West Midlands Business Activity Index decreased marginally from 65.5 in May to 64.0 in June, but highlighted the third-quickest rate of expansion since the series started in January 1997. Local companies linked growth to a pick-up in sales, strengthening demand conditions and businesses reopening.
- Out of the twelve UK regions, the West Midlands region was the fourth highest for the Business Activity Index.
- The West Midlands Future Activity Index registered at 77.1 as there was hope that the vaccination programme will control the spread of infections allowing restrictions to be uplifted and a recovery in demand. Although the overall level of positive sentiment fell slightly since January's four-year high, it still remained elevated.

In Detail:

Business Activity Index

- The West Midlands Business Activity Index decreased marginally from 65.5 in May to 64.0 in June, but highlighted the third-quickest rate of expansion since the series started in January 1997. Local companies linked growth to a pick-up in sales, strengthening demand conditions and businesses reopening.

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

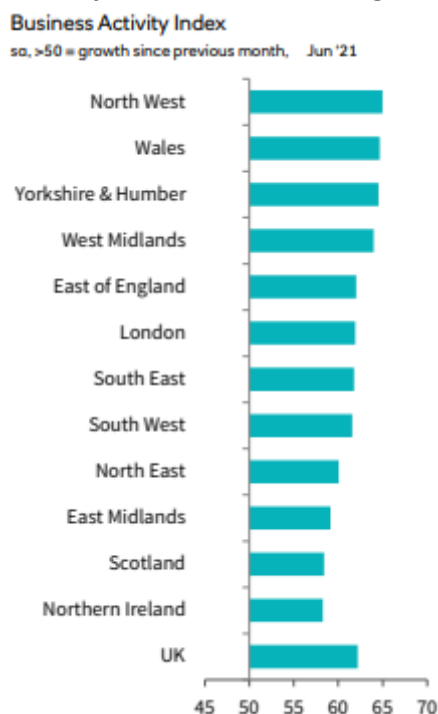


Source: IHS Market/NatWest, July 2021

Out of the twelve UK regions, the West Midlands region was the fourth highest for the Business Activity Index, with the North West the highest at 65.0 and Northern Ireland the lowest at 58.2 in June 2021.

¹ Source: IHS Markit/NatWest PMI, July 2021

The following chart shows the Business Activity Index across all UK regions in June 2021:



Source: IHS Market/NatWest, July 2021

Demand

The New Business Index remains over the 50-mark threshold; however, it has decreased from 67.8 in May to 62.2 in June. Firms reported substantial rise in new business, with sales increasing in line with looser COVID-19 restrictions, better demand conditions and improved market confidence.

Exports²

The West Midlands Export Climate Index decreased slightly from 59.9 in May to 58.6 in June, but still indicated the second-fastest upturn in export conditions since mid-2006.

Among the top five destinations for West Midlands goods exports, economic growth accelerated in France and Germany. Slower, but still substantial, increases in business activity were seen in the US and Ireland. Growth in China eased noticeably to a 14-month low.

The following table shows the top export markets for the West Midlands in June:

Rank	Market	Weight	Output Index, Jun'21
1	USA	21.2%	63.7
2	Germany	11.1%	60.1
3	China	8.7%	50.6
4	Ireland	6.2%	63.4
5	France	6.1%	57.4

Source: IHS Market/NatWest, July 2021

Business Capacity

The West Midlands Employment Index increased from 58.8 in May to 60.8 in June. Private sector companies in the West Midlands recorded a fourth consecutive monthly rise in employment during June. The upturn was associated with a pick-up in new business and associated capacity expansion efforts. The rise in payroll numbers was widespread across the manufacturing and service categories.

² The West Midlands Export Climate Index is calculated by weighting together national PMI output data according to their importance to the manufacturing exports of the West Midlands. This produces an indicator for the economic health of the region's export markets.

The West Midlands Outstanding Business Index has decreased slightly from 59.5 May to 59.2 in June. Firms in the West Midlands reported that capacities came under pressure due to substantial increases in new work, raw material shortages and lengthening supplier delivery times.

Prices

The West Midlands Input Prices Index increased from 74.4 in May to 79.6 in June, which is the twelfth consecutive month. The rate of inflation was steep and the third-fastest on record. Panellists linked the latest increase to limited freight supply and global shortages of raw materials.

For the thirteenth consecutive month, West Midlands private sector companies increased their selling prices. The West Midlands Prices Charged Index increased from 61.1 in May to 62.6 in June.

Outlook

The West Midlands Future Activity Index registered at 77.1 in June. The overall level of positive sentiment fell to a four-month low, but remained elevated by historical standards. Some companies were worried about cautious investment decisions and travel restrictions.

The following chart shows the Future Activity Index across all UK regions in June 2021:



Source: IHS Market/NatWest, July 2021

Out of the twelve UK regions, the West Midlands came in at seventh place for the Future Business Activity Index. Yorkshire & Humber had the highest (81.6), and Northern Ireland the lowest (60.6).

Infection Rates and Vaccine Update

Alice Pugh WMREDI/WMCA

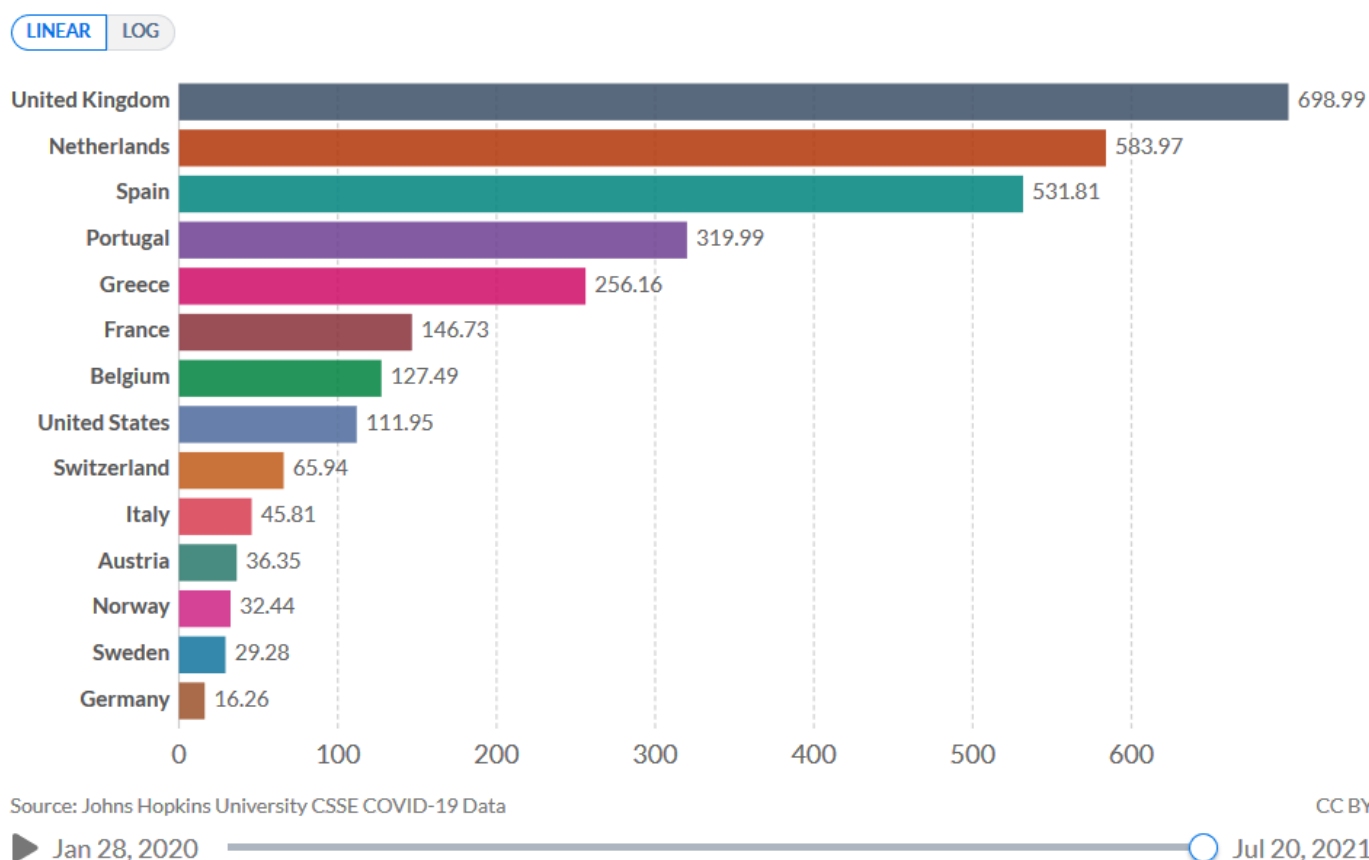
The UK has seen a [resurgence in infection rates](#), and the daily new cases confirmed in the UK is now the highest out of the selected European countries in the graph below. This comes as vaccination rates in the UK fall and social distancing rules are relaxed, including the re-opening of pubs; which are seeing increasing numbers of visitors, with rates expected to increase as England scraps legally mandated socially distancing measures.

[Since 31 December 2019](#) and as of week 2021-25, 187 509 874 cases of COVID-19 (in accordance with the applied case definitions and testing strategies in the affected countries) have been reported, including 4 043 003 deaths.

Daily new confirmed COVID-19 cases per million people, Jul 20, 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

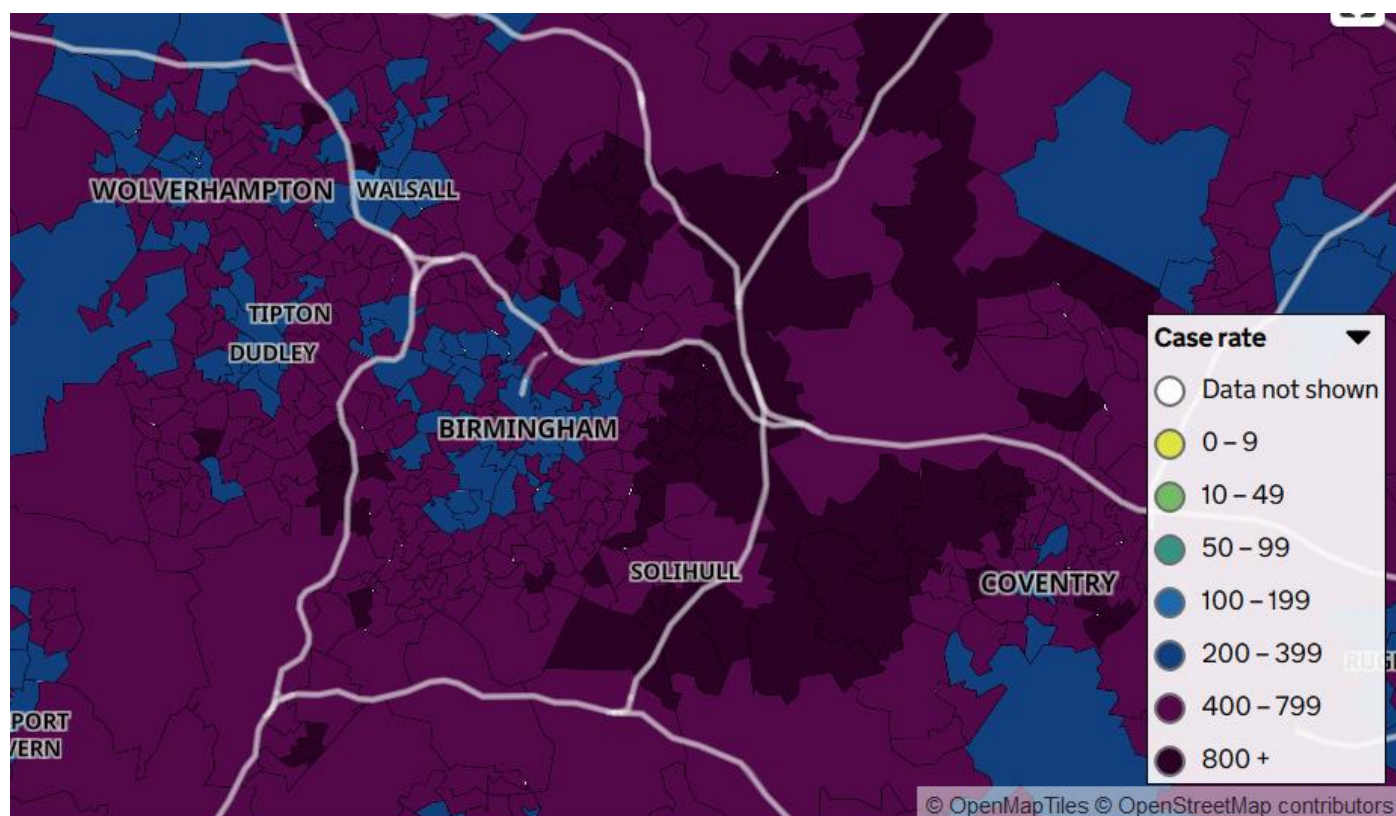


Latest [ONS infection survey data](#) (2nd July next release 9th July 2021) states:

- In England, the percentage of people testing positive for coronavirus (COVID-19) continued to increase in the week ending 10 July 2021; we estimate that 577,700 people within the community population in England had COVID-19 (95% credible interval: 532,700 to 625,300), equating to around 1 in 95 people.
- In Wales, the trend in the percentage of people testing positive is uncertain in the week ending 10 July 2021; we estimate that 8,400 people in Wales had COVID-19 (95% credible interval: 5,000 to 12,900), equating to around 1 in 360 people.
- In Northern Ireland, the percentage of people testing positive increased in the two weeks up to 10 July 2021, but the trend is uncertain in the week ending 10 July 2021; we estimate that 6,300 people in Northern Ireland had COVID-19 (95% credible interval: 3,100 to 10,700), equating to around 1 in 290 people.

- In Scotland, the percentage of people testing positive continued to increase in the week ending 10 July 2021; we estimate that 60,000 people in Scotland had COVID-19 (95% credible interval: 48,100 to 73,700) equating to around 1 in 90 people.
- In the week ending 10 July 2021, cases that are compatible with the Delta variant B.1.617.2 continued to increase in England and Scotland and increased in Northern Ireland. In Wales, the percentage increased in the two weeks up to 10 July 2021, but the trend is uncertain in the week ending 10 July 2021. The Delta variant is the most common variant across the UK.

The map below displays weekly data, which are updated every day [here](#). Seven-day rolling rate of new cases by specimen date ending on 16th July 2021.



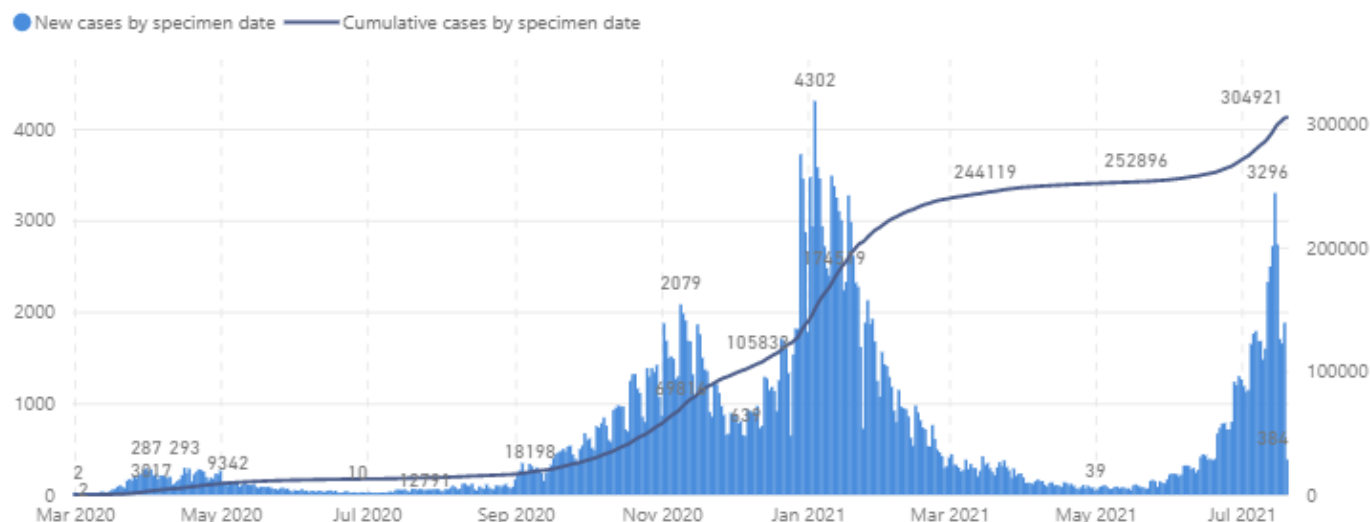
Regional Data

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

Date	New cases by specimen date	New cases by publish date	Cumulative cases by specimen date	Cases in the last 7 days	Rate per 100,000 in the last 7 days
20 July 2021	384	1973	304921	2	0.07
19 July 2021	1876	2058	304537	2	0.07
18 July 2021	1653	2452	302661	2	0.07
17 July 2021	1702	2944	301008	16860	575.70
16 July 2021	2734	2802	299306	16635	568.02
15 July 2021	3296	2746	296572	15581	532.03
14 July 2021	2717	1990	293276	13963	476.78
13 July 2021	2494	1891	290559	13033	445.03
12 July 2021	2321	1676	288065	12298	419.93
11 July 2021	1596	1519	285744	11621	396.81
10 July 2021	1477	1764	284148	11167	381.31
09 July 2021	1680	1745	282671	10812	369.19

As can be seen from the chart below cases are equalling the second wave in autumn.

All ages



Covid 19 Hospital Activity

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

Total reported admissions to hospital and diagnoses in hospital

The table below shows the latest daily rates

Name	01-Jul-21	02-Jul-21	03-Jul-21	04-Jul-21	05-Jul-21	06-Jul-21	07-Jul-21	08-Jul-21	09-Jul-21	10-Jul-21	11-Jul-21
ENGLAND	6	2	2	5	10	7	14	9	11	12	10
East of England	1	0	0	1	1	0	1	1	0	1	1
London	2	0	0	0	0	0	1	2	2	0	1
Midlands	0	1	0	1	1	2	4	2	1	0	1
North East and Yorkshire	2	0	2	1	3	1	3	3	5	2	5
North West	0	1	0	1	5	2	2	1	1	6	0
South East	0	0	0	1	0	1	1	0	1	0	1
South West	1	0	0	0	0	1	2	0	1	3	1

Mechanical Ventilation beds - occupied by confirmed COVID-19 patients

Name	06-Jul-21	07-Jul-21	08-Jul-21	09-Jul-21	10-Jul-21	11-Jul-21	12-Jul-21	13-Jul-21	14-Jul-21	15-Jul-21	16-Jul-21	17-Jul-21	18-Jul-21	19-Jul-21	20-Jul-21
ENGLAND	353	377	376	393	398	408	433	470	489	493	512	514	512	543	544
East of England	19	18	15	16	15	16	19	26	30	29	28	29	29	30	32
London	74	74	75	84	87	94	103	101	112	117	117	114	111	128	131
Midlands	58	64	70	69	70	73	76	84	90	92	106	99	97	98	102
North East and Yorkshire	55	66	64	65	72	75	74	84	85	82	91	97	98	102	99
North West	117	123	116	124	119	116	116	126	121	123	120	123	121	124	122
South East	16	19	18	20	19	18	28	30	32	32	29	31	31	32	30
South West	14	13	18	15	16	16	17	19	19	18	21	21	25	29	28

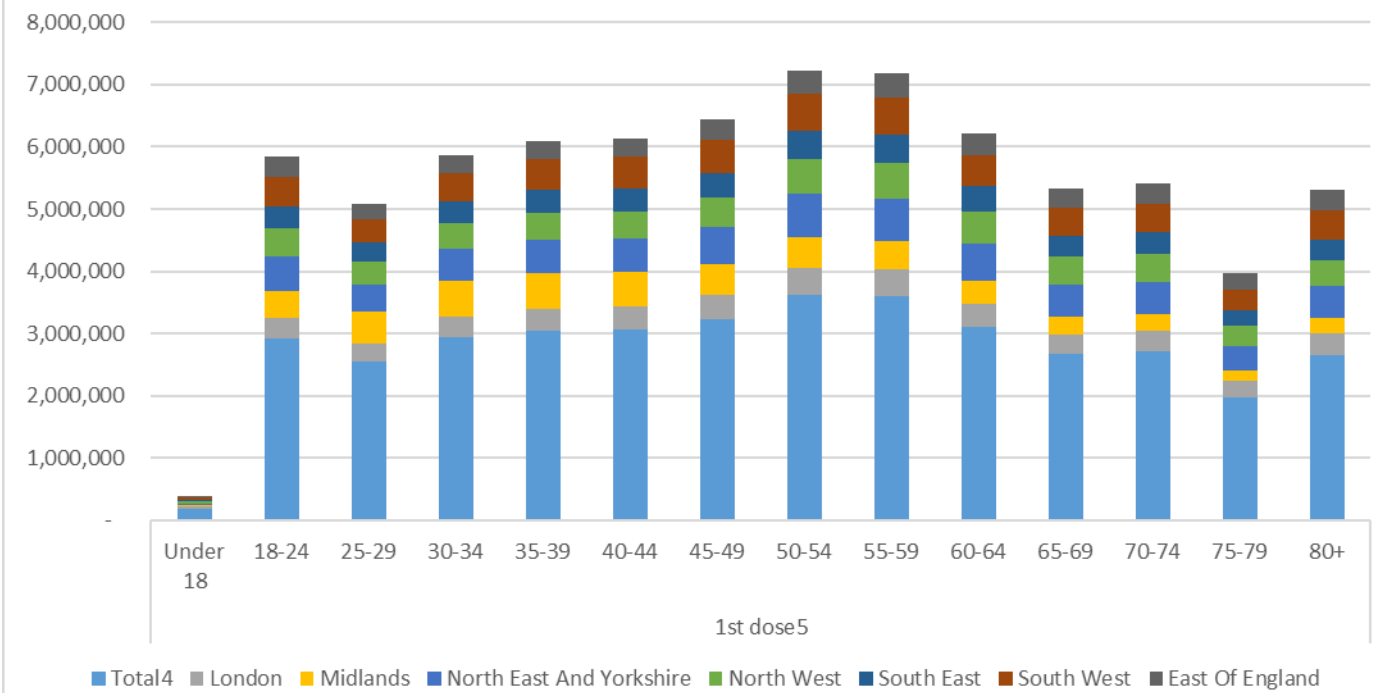
Total beds - occupied by confirmed COVID-19 patients (as at 08:00)

Name	06-Jul-21	07-Jul-21	08-Jul-21	09-Jul-21	10-Jul-21	11-Jul-21	12-Jul-21	13-Jul-21	14-Jul-21	15-Jul-21	16-Jul-21	17-Jul-21	18-Jul-21	19-Jul-21	20-Jul-21
ENGLAND	1,998	2,144	2,209	2,352	2,429	2,564	2,798	2,970	3,110	3,241	3,367	3,442	3,546	3,813	3,894
East of England	98	105	102	108	113	117	142	151	154	164	181	184	206	242	254
London	381	397	411	435	440	467	514	514	540	575	583	590	574	647	662
Midlands	334	375	389	419	441	456	499	525	601	602	634	667	669	730	749
North East and Yorkshire	376	420	442	473	511	543	592	643	657	704	732	771	815	850	884
North West	570	600	596	648	655	703	738	772	771	788	794	754	786	800	807
South East	139	143	170	164	156	158	180	206	227	238	261	272	286	316	315
South West	100	104	99	105	113	120	133	159	160	170	182	204	210	228	223

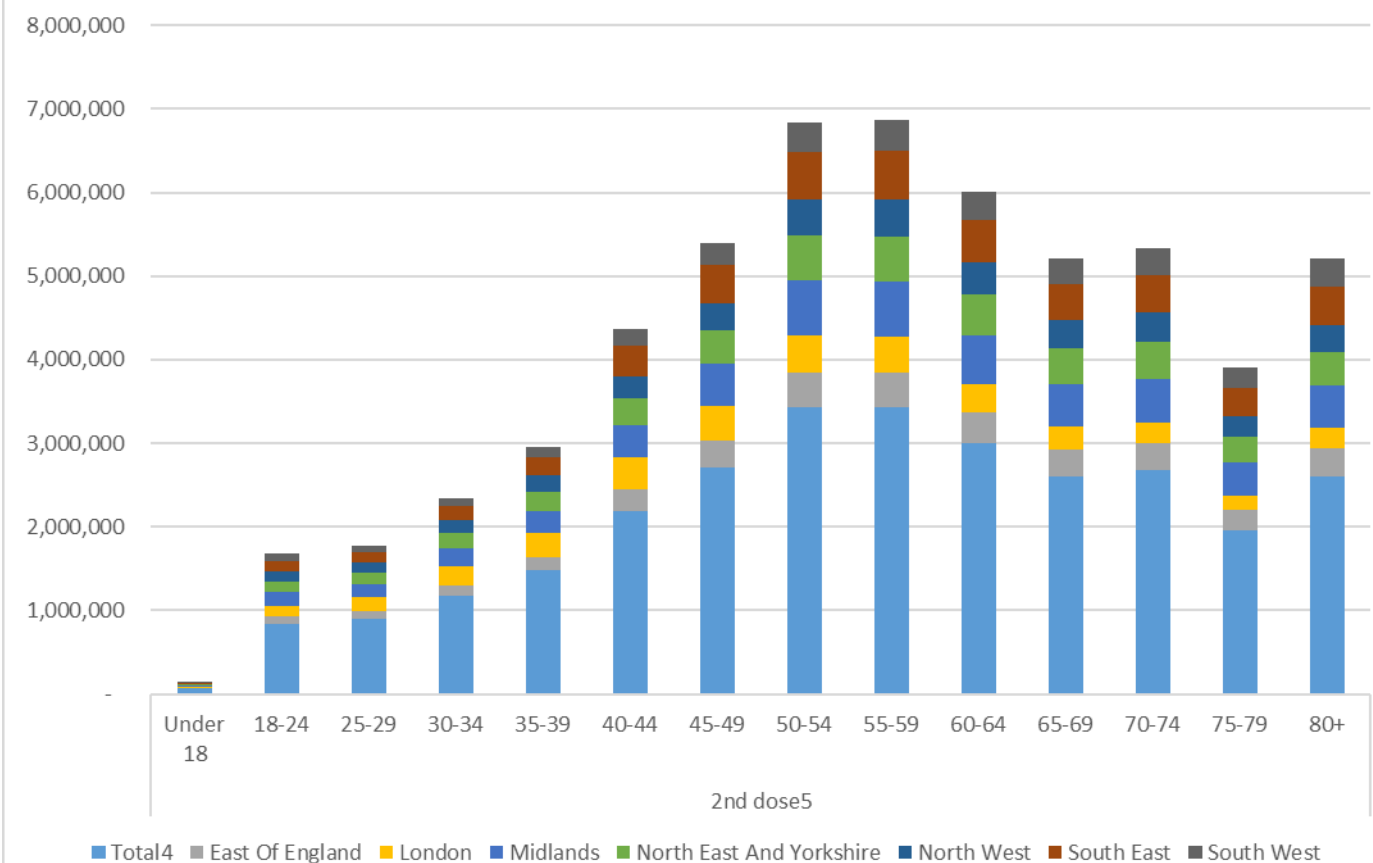
Vaccine Update

Between the 8th December 2020 and the [20th June 2021](#), the Midlands has successfully vaccinated **7,183,882** people with the first dose and **5,722,999** of these individuals have received the second dose as well. Meaning the Midlands has successfully provided the most jabs out of any region including London.

1st Doses by Region and Age



2nd Doses by Region and Age



NHS Region of Residence Name	1st dose ⁵													
	Under 18	18-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70-74	75-79	80+
	193,338	2,926,495	2,552,726	2,937,938	3,050,341	3,070,290	3,224,034	3,619,438	3,598,119	3,112,852	2,664,873	2,711,850	1,982,955	2,661,400
East Of England	21,660	329,237	279,002	328,351	353,461	369,111	389,736	433,846	429,442	370,321	321,637	339,489	249,186	336,831
London	25,844	421,447	525,317	584,952	567,314	546,515	506,012	500,609	459,122	369,971	284,326	252,341	177,944	254,362
Midlands	33,988	556,094	436,709	510,046	535,763	544,057	594,041	689,143	680,906	592,133	518,101	528,053	397,694	513,902
North East And Yorkshire	30,685	456,941	369,803	420,611	439,042	434,107	474,153	559,505	572,986	513,722	444,031	448,192	313,873	419,258
North West	29,488	359,126	299,127	347,951	367,712	362,861	390,966	455,489	463,035	403,621	343,835	349,166	249,087	325,242
South East	31,529	472,120	380,642	449,034	485,088	511,457	540,606	597,547	594,595	507,423	434,595	456,660	341,544	471,730
South West	19,779	315,258	246,162	280,706	288,970	292,350	320,250	375,044	389,913	349,000	313,570	333,662	250,794	336,415

NHS Region of Residence Name	2nd dose ⁵													
	Under 18	18-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70-74	75-79	80+
	68,690	839,584	892,700	1,176,374	1,479,154	2,186,447	2,701,688	3,424,789	3,437,790	3,004,401	2,608,455	2,672,072	1,955,732	2,603,677
East Of England	7,903	91,783	93,865	123,741	160,412	259,797	329,834	414,079	413,937	358,786	315,732	335,024	246,299	331,593
London	7,740	118,280	167,468	224,103	281,608	382,238	412,070	457,482	424,058	348,281	272,503	244,738	172,790	245,072
Midlands	12,181	164,420	162,138	212,954	268,246	392,223	506,685	654,513	651,422	573,270	508,196	521,058	392,549	503,968
North East And Yorkshire	11,684	134,525	136,910	183,198	228,291	320,569	404,206	532,141	552,215	498,731	436,502	443,266	310,494	410,504
North West	9,983	123,086	123,398	161,606	198,414	255,414	321,943	427,093	440,153	388,786	335,787	343,525	245,172	316,625
South East	11,174	121,922	124,318	163,373	212,674	366,135	455,201	572,560	573,257	492,718	427,039	450,701	337,567	461,975
South West	7,907	81,575	79,505	101,410	123,841	204,051	265,828	360,257	376,045	338,261	308,565	329,932	248,350	330,761

Weekly Deaths Registered: 9th July 2021

Black Country Consortium Economic Intelligence Unit

The following analysis compares the latest available time period (the week of the 9th July 2021) to the previous week period (the week of the 2nd July 2021) for the number of deaths registered and the number of deaths related to the Coronavirus³.

Across England and Wales, the overall registered death figures increased from 8,808 in the week of the 2nd July 2021 to 9,752 in the week of 9th July 2021. The number of deaths registered that state Coronavirus on the death certificate increased from 109 people to 183 people over the same period.

Regional level analysis shows that the West Midlands' overall registered death figure increased from 891 people in the week of 2nd July 2021 to 1,099 in the week of 9th July 2021. The number of registered deaths related to Coronavirus has increased from 9 people to 20 people over the same period.

There was a total of 716 deaths registered across the WMCA (3 LEP) area in the week of the 9th July 2021. There were 16 deaths registered that were related to Coronavirus over the same period. In comparison to the week of the 2nd July 2021, the overall registered death figures in the WMCA (3 LEP) area increased by 123, with the number of deaths related to Coronavirus increasing by 11 people.

At local authority level in the week of the 9th July 2021, there were nine local authorities in the WMCA (3 LEP) area that registered deaths related to the Coronavirus, these were; Birmingham (7 deaths), Sandwell (2 deaths), North Warwickshire (1 death), Nuneaton and Bedworth (1 death), Stratford-on-Avon (1 death), Bromsgrove (1 death), Coventry (1 death), Walsall (1 death) and Wolverhampton (1 death).

Of the registered deaths in the WMCA (3 LEP) involving Coronavirus in the week of the 9th July 2021, 12 were in registered in a hospital 3 deaths were registered at home and 1 death was registered at a care home.

³ Please note that up-to-date counts of the total numbers of deaths involving COVID-19 are published by Public Health England (PHE) -ONS figures differ from the PHE counts as the latter include deaths which have not yet been registered.
Source: ONS, Death registrations and occurrences by local authority and health board, 20th July 2021

WMCA Labour Claimant Count

Headlines Released 15th July 2021

Claimant Count Summary⁴

The following table shows a breakdown of number of claimants aged 16+ and change by selected months for WMCA (3 LEP) and UK:

Area	Mar-20	Jun-20	May-21	Jun-21	% Change Since March 20	% Change 1 year	% Change 1 month
WM 7 Met.	99,295	164,980	166,360	162,190	63.3%	-1.7%	-2.5%
Black Country	38,275	64,010	62,925	61,005	59.4%	-4.7%	-3.1%
Coventry and Warwickshire	15,825	32,640	31,460	30,110	90.3%	-7.8%	-4.3%
Greater Birmingham and Solihull	63,490	107,715	107,645	104,600	64.8%	-2.9%	-2.8%
WMCA	117,590	204,365	202,030	195,715	66.4%	-4.2%	-3.1%
UK	1,268,620	2,590,175	2,462,865	2,325,510	83.3%	-10.2%	-5.6%

- There were 195,715 claimants in the WMCA (3 LEP) area in June 2021. Since May 2021, there has been a -3.1% (-6,315) decrease in the number of claimants in the WMCA (3 LEP) area which was smaller than the UK decrease of -5.6%. Compared to the same month in 2020, the WMCA claimants decreased by -4.2% (-8,650) while the UK decreased by -10.2%. When compared to pre-pandemic figures (March 2020), the proportion of claimants increased by 66.4% (+78,125) in the WMCA (3 LEP) area, with the UK increasing by 83.3% over the same period.
- Overall, for the WMCA (3 LEP) the number of claimants as a proportion of residents aged 16-64 years old was 5.8% compared to 4.3% for the UK in June 2021.

Youth Claimant Summary

The following table shows a breakdown of number of claimants aged 16-24 years old and change by selected months for WMCA (3 LEP) and UK:

Area	March 2020	June 2020	May 2021	June 2021	% Change Since March 20	% Change 1 year	% Change 1 month
WM 7 Met.	19,350	33,920	32,955	31,750	64.1%	-6.4%	-3.7%
Black Country	7,750	13,405	12,760	12,210	57.5%	-8.9%	-4.3%
Coventry and Warwickshire	2,920	6,560	5,940	5,595	91.6%	-14.7%	-5.8%
Greater Birmingham and Solihull	12,165	21,970	20,990	20,250	66.5%	-7.8%	-3.5%
WMCA	22,835	41,935	39,690	38,055	66.7%	-9.3%	-4.1%
UK	241,760	517,345	462,240	432,325	78.8%	-16.4%	-6.5%

- There were 38,055 youth claimants in the WMCA (3 LEP) area in June 2021. Since May 2021, there was a decrease of -4.1% (-1,635) in the number of youth claimants in the WMCA (3 LEP) area, the UK decreased by -6.5%. Compared to the same month in 2020, the WMCA youth claimants decreased by -9.3% (-3,880) while the UK decreased by -16.4%. When compared to pre-pandemic levels (March 2020), the number of youth claimants has increased by 66.7% (+15,220) in the WMCA (3 LEP) area, with the UK increasing by 78.8% over the same period.
- Overall, for the WMCA (3 LEP) the number of youth claimants as percentage of residents aged 16-24 years old was 7.7% compared to 6.1% for the UK in June 2021.

⁴ Source: ONS/DWP, Claimant Count, July 2021. Please note, when new data is released, the previous month is also revised.

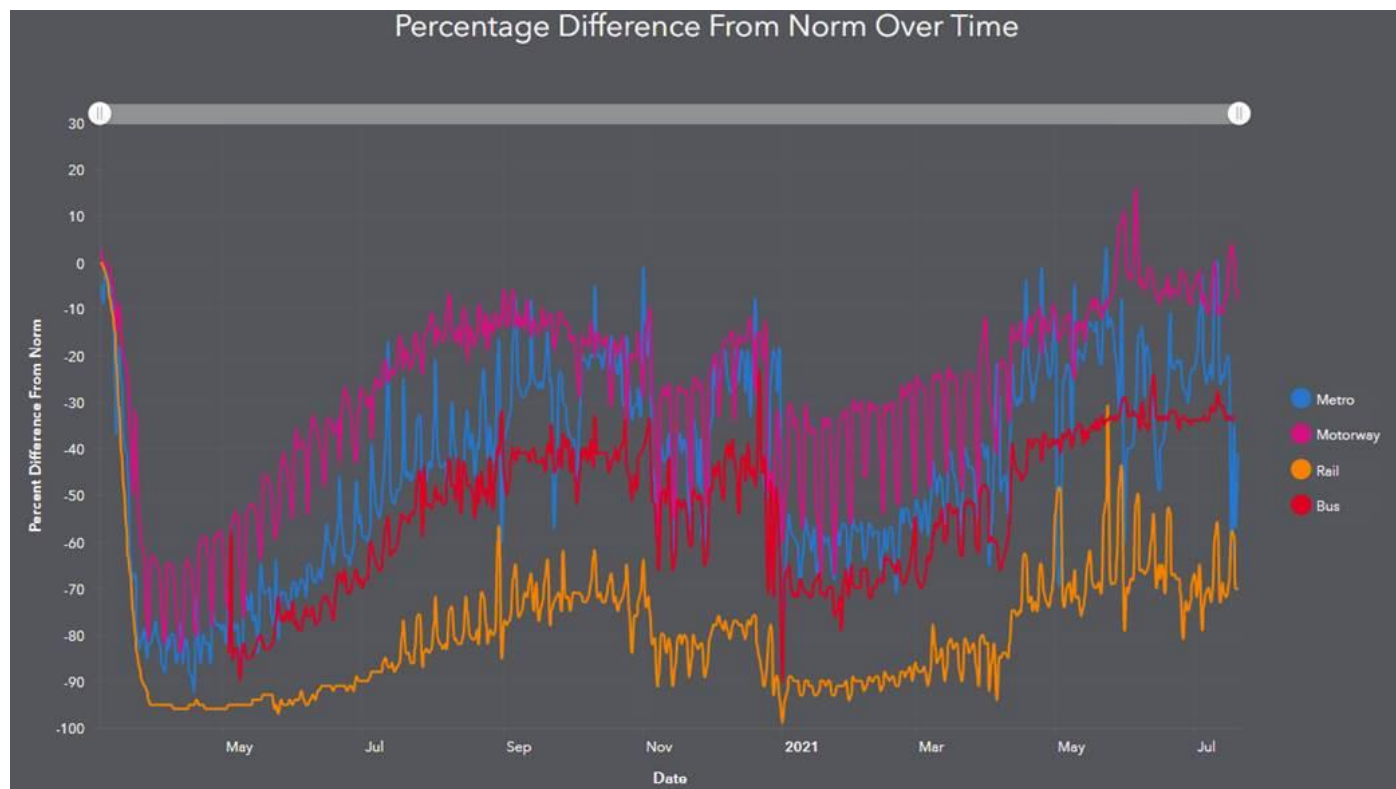
Transport Data

Data Insights Team TFWM

The 19th July saw the lifting of all restrictions.

Updated travel advice can be found on the West Midlands Network website [here](#)

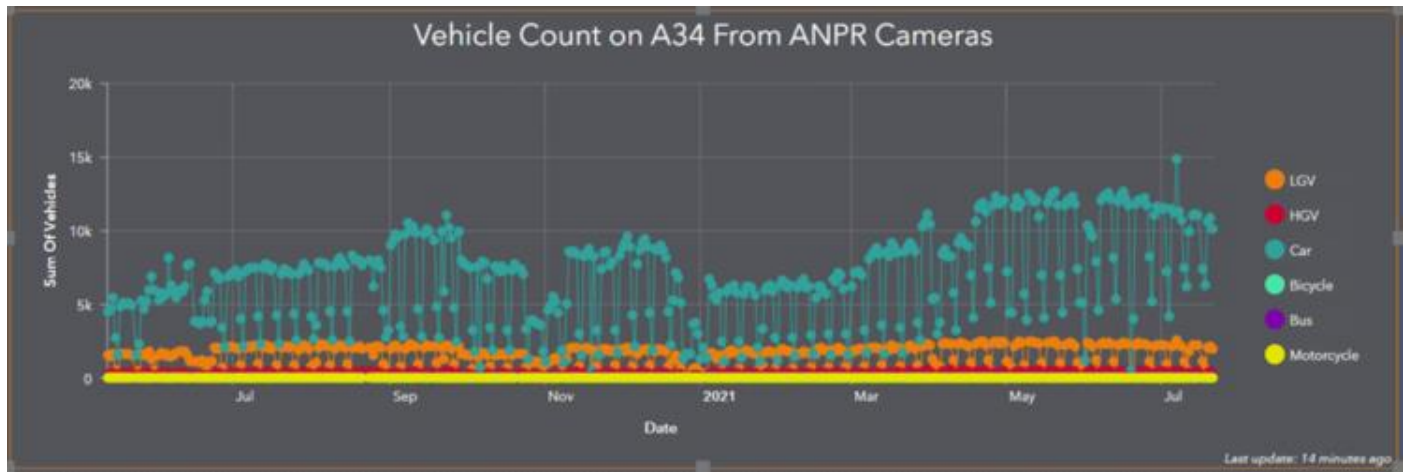
Face mask compliance varies through the day, ranging between 50-80% sometimes lower. The hot weather will be having an impact. TFWM has updated its communication to reflect the expectation that passengers will continue to wear face coverings in order to keep themselves and others safe. Operators have also issued similar advice.



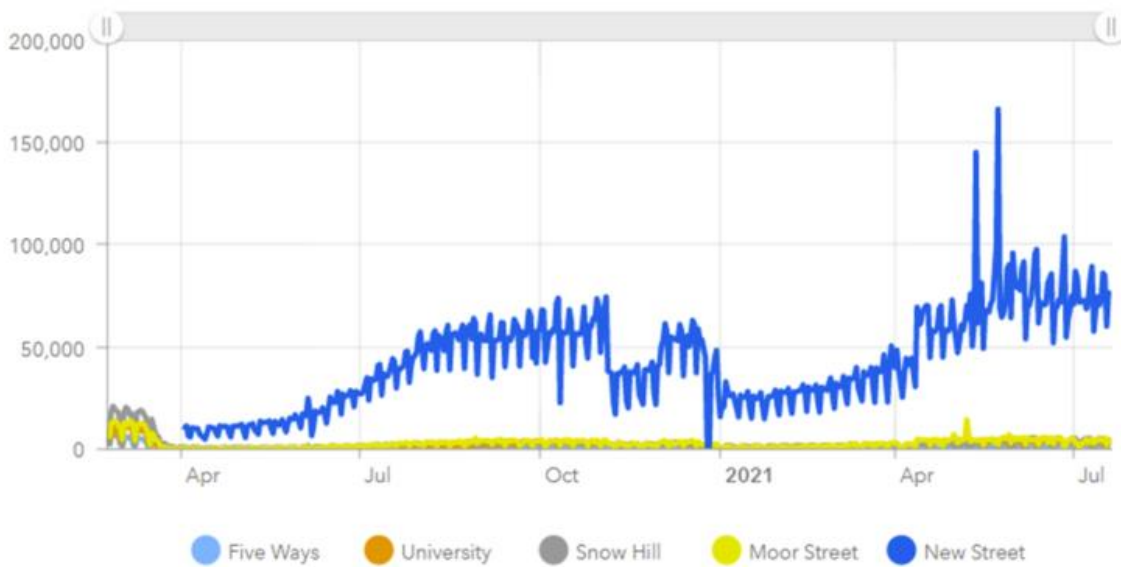
The table provides intel in terms of the levels of services and the use of the network per mode compared to this time last year, the day before (20th July) and the week before (13th July). Please note there has been problems on West Midlands Metro with no services running, reducing the patronage.

	% levels pre-Covid	% change from day before	% change from week before
Bus	67	+1	+2
Train	30	0	-1
Tram	59	+16	N/A (no date last week)
Roads (HE SRN)	92	-3	+3

Vehicle count on A34



Daily footfall Birmingham Station



ONS Weekly Release Indicators

Black Country Consortium Economic Intelligence Unit

On the 15th July 2021, Office for National Statistics (ONS) released Economic activity and social change in the UK, real-time indicators. These statistics are experimental and have been devised to provide timely information. The following information contains UK flight data, footfall data, online job adverts, final results from Wave 34 of the Business Insights and Conditions Survey (BICS), national company incorporations and voluntary dissolutions and results from Wave 66 of the Opinions and Lifestyle Survey (OPN).

UK Flight Data

Flight data includes international arrivals and departures to and from the UK (including Crown Dependencies) and domestic UK flights, but exclude overflights (flights that pass over UK territory). This includes commercial flights carrying passengers and cargo as well as non-commercial flights such as private and military flights. Data from EUROCONTROL does not include information on the volume of passengers or cargo carried on UK flights. Especially in the context of the COVID-19 pandemic, flights might not be operating at full capacity and therefore trends in passengers and cargo will differ from trends in flights presented here.

In 2019, the total number of flights from, to and within the UK ranged from approximately 5,000 per day in quieter months to over 6,500 per day in peak holiday season. After the Foreign and Commonwealth Office advised against all non-essential international travel on the 17th March 2020 and the UK first went into lockdown on the 23rd March 2020, the number of flights fell to a low of around 500 per day at the start of April 2020, approximately 10% of what they were in the equivalent period of 2019.

In the week ending 11th July 2021, the seven-day average number of daily flights was 2,307. This is an increase of 9% on the previous week, when the equivalent figure was 2,126. The average number of flights in the latest week is 69% higher than the corresponding figure for the equivalent week in 2020, but still only around a third of the level seen in the equivalent week of 2019.

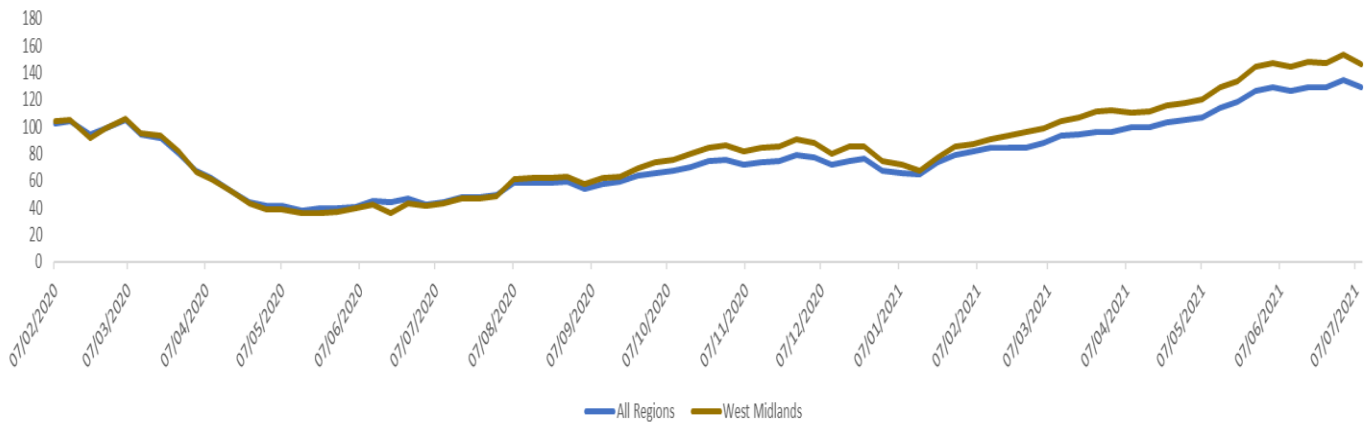
Online Job Adverts

Figures are taken from jobs adverts provided by Adzuna. The Adzuna categories do not correspond to SIC categories and therefore not comparable with the ONS Vacancy Survey. Please note, Index of job adverts on Adzuna by category, 100 = average job adverts in February 2020.

Nationally, between the 2nd and 9th July 2021 total online job adverts decreased by 5.7 percentage points. On the 9th July 2021, total online job adverts were at 129.1% of their average level in February 2020. Although, out of the 28 categories (excluding unknown) 25 decreased from the previous week, with the highest decrease by 14.4 percentage points in "part-time/weekend" (but still at 143.4%). Of the 28 categories, the only three that were below their pre-pandemic levels were "energy, oil and gas", "legal" and "graduate", at 84.6%, 94.1% and 97.2% of their February 2020 average levels respectively.

Between the 2nd and 9th July 2021, the West Midlands region online job adverts decreased by 7.3 percentage points. Although, on the 9th July 2021, total online job adverts for the West Midlands were at 145.9% of their average level in February 2020.

The following chart shows the index of job adverts on Adzuna by category, 100 = average job adverts in February 2020, Overall all regions and the West Midlands Region, 7th February 2020 to 9th July 2021:



Footfall

According to Springboard, overall retail footfall in the week to 10th July 2021 was at 74% of its level in the equivalent week of 2019. In the same week, footfall at retail parks was at 96% of its level equivalent week in 2019, whereas it was 69% for shopping centres and 67% for high streets.

In the week to 10th July 2021, retail footfall saw week-on-week percentage increases in three of the ten UK countries and English regions. The largest weekly percentage increase in retail footfall was in Greater London (+3%), while the West Midlands and South West both saw weekly increases of 2%. Scotland recorded a weekly fall in retail footfall of 3%; this was largely driven by a week-on-week fall of 6% in high street footfall in that country.

In the same week, retail footfall when compared with levels seen in the equivalent week of 2019 was strongest in Northern Ireland (90%), the East of England (79%) and the West Midlands (78%). In contrast, retail footfall was weakest in Greater London and the East Midlands; their retail footfall levels in the week to 10th July 2021 were both at 73% of the levels seen in the equivalent week of 2019.

National Company Incorporations and Voluntary Dissolution

Companies House data shows for the UK, there were 14,164 incorporations in the week to 9th July 2021. This is up from 13,221 recorded in the previous week, lower when compared to the same week in 2020 (18,661) but higher than the same week in 2019 (13,806).

Also, for the week to 9th July 2021, there were 6,608 voluntary dissolution applications, an increase from 6,359 recorded in the previous week. The number of voluntary dissolution applications was also higher than levels seen in the same week of 2020 (4,642) and the same week in 2019 (5,203).

Business Insights and Conditions Survey

The final results from Wave 34 of the Business Insights and Conditions Survey (BICS) based off the 5,105 businesses surveyed across the West Midlands that businesses have a presence in with a response rate of 23.9% (1,219) and to 2,986 businesses that are head quartered in the West Midlands, with a response rate of 23.2% (693). Please note, businesses were asked for their experiences for the reference period 14th to 27th June 2021. However, for questions regarding the last two weeks, businesses may respond from the point of completion of the questionnaire (28th June to 11th July 2021). Also, the data used is unweighted for regions and response levels can be low so the following results should be treated with caution when evaluating the impact of COVID-19. Due to weighted data being available for the UK a comparison has not been included.

Trading and Financial Performance

97.9% of responding West Midlands businesses were trading over the reference period. 1.4% of businesses temporarily closed or temporarily paused trading and 1.2% of businesses had permanently ceased trading.

Businesses were asked how their turnover for the last two weeks compared to normal expectations for the time of year. Excluding “not sure” responses, 30.7% of trading businesses in the West Midlands reported their turnover had decreased by at least 20%. However, 44.1% of trading businesses in the West Midlands reported that their turnover was unaffected and 15.8% reported their turnover had increased by at least 20%.

Excluding “other” and “not sure” responses, 64.0% of responding West Midlands businesses reported the main reason for the change in the business turnover in the last two weeks was due to COVID-19, 1.1% reported the main reason as the end of the EU transition period and 10.1% reported that it was due to COVID-19 and the end of the EU transition period.

Profits

Businesses were asked in the last two weeks how profits compared with normal expectations for the time of year. Excluding “not sure” and “not applicable” responses, 30.7% of trading businesses in the West Midlands reported profits had decreased by at least 20%. However, 42.9% of trading businesses in the West Midlands reported that profits had stayed the same and approximately 11.5% reported their profits had increased by at least 20%.

International Trading

Businesses were asked in the last two weeks, had their businesses exporting or importing of goods or services been affected when compared to normal expectations for the time of year. Excluding “not sure” responses, 25.3% of exporting businesses in the West Midlands reported their businesses were still exporting but less than normal. Of those businesses who continued to trade and import, 17.2% in the West Midlands were importing less than normal.

56.1% of West Midlands businesses who were exporting reported that they had not been affected and 63.8% reported that importing had not been affected.

3.2% of businesses in the West Midlands are exporting more than normal and 3.3% are importing more than normal.

3.2% of businesses in the West Midlands have not been able to export in the last two weeks and 2.4% of West Midlands businesses have not been able to import in the last two weeks.

UKCA Marking

Excluding “not sure” or “no” responses, 3.9% of responding West Midlands businesses manufacture products that need a CE or UKCA marking. 5.2% of West Midlands businesses import products with a CE or UKCA marking and 5.8% distribute products with CE or UKCA markings.

82.0% of responding West Midlands businesses reported they were aware that most CE marked products need to be UKCA marked from 1st January 2022, although 5.5% were not aware.

18.0% of responding West Midlands businesses are already using UKCA marking. 4.7% of West Midlands businesses are not aware of or do not know how to meet the requirements for the UKCA. 48.4% of West Midlands businesses are not using the UKCA marking but plan to by 1st January 2022. Less than 1.0% of West Midlands businesses will not use UKCA marking as it is not relevant to the business or products.

Prices

Businesses were asked how the prices of materials, goods or services brought by their businesses change in the last two weeks in comparison with normal price fluctuations. Excluding “not sure” or “not applicable” responses, 24.9% of responding West Midlands businesses reported that prices increased, 42.6% reported that prices did not change any more than normal. 8.3% of West Midlands businesses reported some prices increased and some prices decreased and less than 1% reported prices decreased more than normal.

Businesses were also asked how the prices of materials, goods or services sold by their businesses change in the last two weeks in comparison with normal price fluctuations. Excluding “not sure” or “not applicable” responses, 8.9% of responding West Midlands businesses reported that prices increased, 63.1% reported that prices did not change any

more than normal. 5.9% of West Midlands businesses reported some prices increased and some prices decreased and 1.2% reported prices decreased more than normal.

Great Britain to Northern Ireland

Businesses were asked in the last two weeks, had the volume of goods the business would normally send from Great Britain to Northern Ireland changed. Excluding “not sure”, “not applicable” and “stopped”, 5.5% of responding West Midlands businesses reported the volume has increased and 78.0% reported the volume has stayed the same. 9.2% of West Midlands businesses reported the volume had decreased.

Excluding “other”, “not sure” and “none of the options”, 60% of responding West Midlands businesses reported the reason for change in the volume of goods sent to Northern Ireland was due to increased costs, 40% reported due to decreased demand for goods and also 40% due to increased delays. 20% of West Midlands businesses reported due to COVID-19.

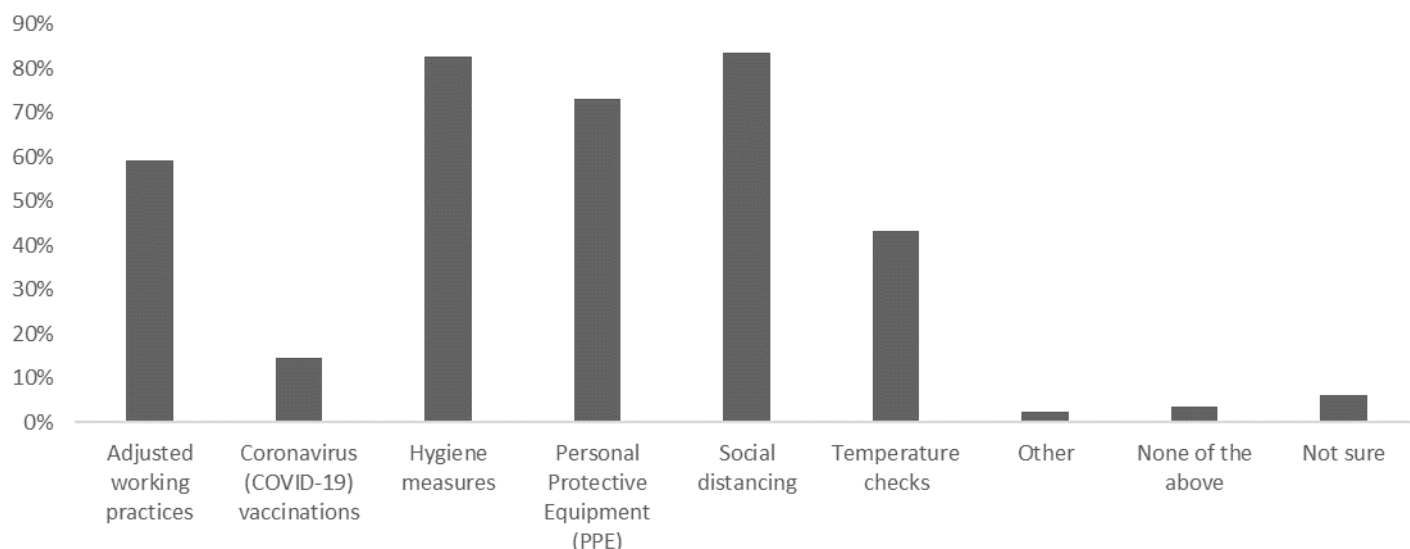
Insolvency

Excluding “not sure” responses, less than 1% of responding West Midlands businesses reported they were at severe risk from insolvency and 8.4% of West Midlands businesses reported they were at moderate risk. 52.3% of West Midlands businesses reported a low risk of insolvency and 30.9% reported no risk.

Safety Measures, COVID-19 Testing and Contact Tracing

83.5% of responding West Midlands businesses reported they were using, or intending to use social distancing as a safety measure in the workplace.

The following graph shows for the West Midlands area what businesses are using or intending to use for safety measures in the workplace:



58.4% of responding West Midlands businesses reported they were not providing regular COVID-19 testing for the workforce.

45.5% of responding West Midlands businesses were collecting, or intending to collect contact details for the purpose of contact tracing.

Expected Site Closures and Redundancies

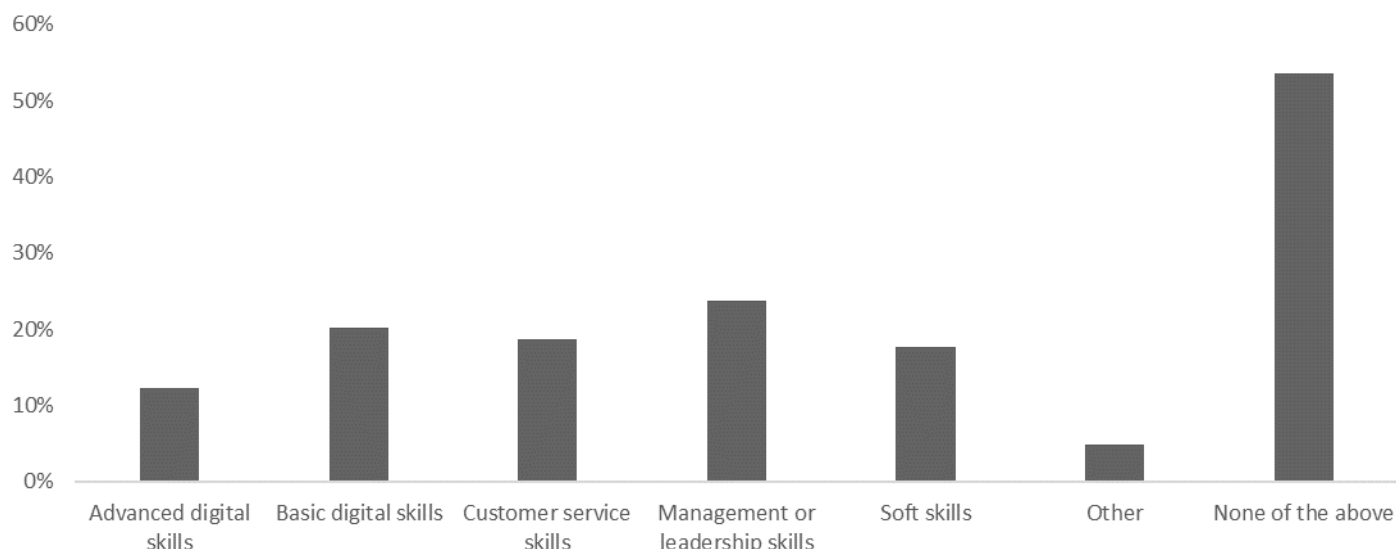
2.4% of responding West Midlands businesses intent to permanently close a business site in the next three months. Although, 85.8% of West Midlands businesses reported they did not expect to close any sites over the next three months.

5.1% of responding West Midlands businesses expect to make redundancies in the next three months. Although, 70% of West Midlands businesses reported they did not expect redundancies over the next three months.

Skill Demand and Support

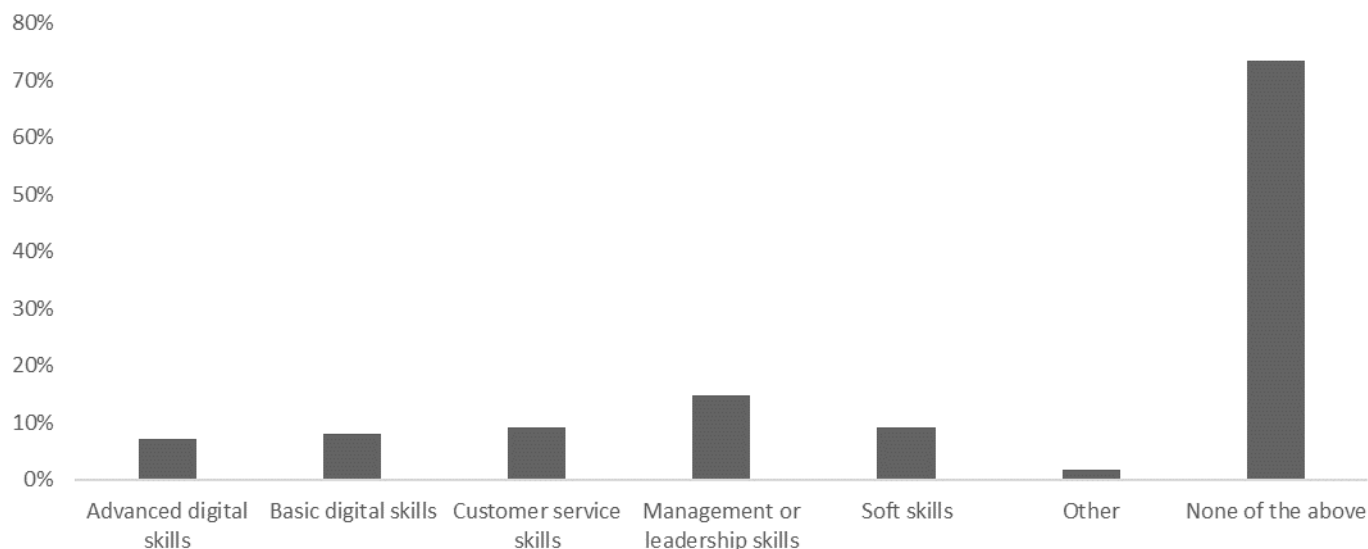
23.8% of responding West Midlands businesses reported they had experienced and increased in demand in the last 12 months in management or leadership skills.

The following chart shows which, if any, of the following skills West Midlands businesses have experienced an increase in demand for in the last 12 months:



14.8% of responding West Midlands businesses reported their workforce required extra support or training in management or leadership skills.

The following chart shows which, if any, of the following skills West Midlands businesses workforce requires extra support or training in:



Social Impacts of the Coronavirus

The following refers to the period of 7th to 11th July 2021.

Well-Being, Loneliness and Perceptions of the Future

Mean personal well-being scores for life satisfaction was 7.1 in the West Midlands (7.0 GB), worthwhile was 7.5 in the West Midlands (7.3 GB), happiness was 7.2 for West Midlands adults (7.1 GB) and anxious was recorded at 3.9 for West Midlands adults (4.0 GB).

10% of adults in the West Midlands reported low levels of life satisfaction (9% GB). 10% of West Midlands adults reported low level of feeling worthwhile (8% GB). 11% of responding West Midlands adults reported low level of happiness (matching GB) and 29% reported high levels of anxiety (33% GB).

27% of adults in the West Midlands reported to often/always or some of the time to feeling lonely (26% GB). While 52% reported hardly ever or never feeling lonely in the West Midlands (49% GB).

15% of West Midlands adults believe it will take 6 months or less before life returns to normal (20% GB). While 23% of West Midlands adults believed it will take 7 to 12 months (19% GB). 34% of West Midlands adults think it could more than a year to return back to normal (28% GB) and 6% for the West Midlands adults thought it would never go back to normal (7% GB).

Impact on People's Life Overall

In the West Midlands, 52% of adults reported they were very or somewhat worried about the effect COVID-19 was having on their life (53% GB). 16% of responding West Midlands adults reported that they were somewhat unworried or not at all worried (18% GB).

47% of responding West Midlands adults reported personal travel plans were being affected due to COVID-19 (50% GB).

30% of working adults in the West Midlands reported their work had been affected due to COVID-19 (37% GB).

SECTOR	KEY FINDINGS
Cross Sector	<p>Covid-19 Outlook</p> <p>Business leaders say that the lifting of restrictions from 19th July is being welcomed with cautious optimism. However, businesses need clarity around the practical steps of unlocking and meaningful guidance on how the lifting of remaining Covid-19 restrictions will work for businesses.</p> <p>Government guidance on the gradual return to work and on measures, such as the future of workplace testing beyond July, need to be published and delivered swiftly, in order for businesses to enact new processes and procedures immediately without delay or cost to their business.</p> <p>Additionally, businesses have highlighted the difficulties they are facing due to the rising Covid rates, which have increased the frequency with which employees are having to self-isolate as a result of notifications from the NHS Test & Trace app. Issues include staff numbers being too low to effectively operate and also customers using service industry businesses such as hairdressers and beauty salons are cancelling appointments even though they are having negative COVID tests. This is causing major disruption for businesses, with many having to close due to the lack of staffing.</p> <ul style="list-style-type: none"> • One large business in the Midlands has over 1,000 staff forced to isolate, and another with over 80% of its management team in isolation. <p>Adding to this, many have been disrupted by school self-isolation rules causing knock-on effects to both the small business workforce and the business owners themselves. These issues reflect a still uncertain business environment, with a potential “perfect storm” of Covid-related difficulties hitting later this year:</p> <ul style="list-style-type: none"> • Phasing out of Government support – with the phasing out of schemes such as CBILS, BBLS, Furlough, as well as the end to deferred HMRC payments, the issue of low working capital and high debt levels is now coming to the fore, and compounded with the issues highlighted above, business closures are increasing at a concerning rate. • Issues relating to end of restrictions – whilst strictly not an economic issue, many businesses are flagging concerns relating to the end of restrictions, including the shift in legal responsibility from Government rules in law, to the businesses themselves, for the health & wellbeing of their staff and customers. Consumer facing sectors such as retail and hospitality are raising concerns and issues relating to the wearing of masks, fall in consumer confidence, and footfall plateauing. • Business and consumer confidence – anecdotally there does seem a shift in confidence over recent weeks, from a great deal of optimism in May and June as the restrictions started to be eased and Covid cases were relatively low, to a great deal of concern expressed now as restrictions are fully relaxed at a time when cases are accelerating. This is resulting in a sense of instability and uncertainty, for example a shift in rhetoric from an ‘irreversible’ end of restrictions to the potential for future restrictions, even lockdowns. <p>EU Exit</p> <p>Many businesses are reporting ongoing major difficulties moving goods, both import and export. Contributing factors include post-EU processes, increased time delays and costs (some HR driven) that businesses now incur with the need to complete customs and VAT declarations post EU Exit, lack of availability and major price hikes in shipping containers (1500% has been quoted), and rumoured staff shortages at ports.</p>

SECTOR	KEY FINDINGS
	<p>In addition:</p> <ul style="list-style-type: none"> • There are ongoing concerns about delays, particularly for incoming goods, increased costs, time and bureaucracy. • There are calls for simplifying the movement of goods, to NI in particular. • Confusion around the complexity of tax laws • Confusion over Rules of Origin requirements. • A lack of clarity has been reported for exporting services digitally. • Further information is needed on the upcoming UK Shared Prosperity Fund. <p>However, British goods exports to the European Union rose to their highest since October 2019 in May 2021, official data showed, reversing a slump at the start of 2021 when Britain exited the bloc's single market and customs union. But overall trade with the EU has lagged behind growth in sales to the rest of the world, and business groups said they still faced extra red tape dealing with European customers and suppliers as a result of Brexit.</p> <p>Britain's Office for National Statistics said goods exports to the European Union, excluding precious metals, rose to 14.0 billion pounds in May on a seasonally adjusted basis, their highest since October 2019 and almost twice January's level. Total goods exports of 27.9 billion pounds, excluding precious metals, were the highest since January 2020, just before the coronavirus pandemic began to cause disruption.</p> <h3>Supply Chain Issues</h3> <p>A consequence of both Covid-19 and EU Exit, a wide range of product and raw material supply problems are being reported across multiple sectors, ranging from food shortages, fertiliser, construction materials, wood, steel and aluminium, through to semiconductors. At best this is resulting in supply delays, at worst significant price increases or even lack of supply resulting in halted production.</p> <h3>Enquiries</h3> <p>More companies continue to seek business as usual and growth support. In particular, these enquiries are commonly related to:</p> <ul style="list-style-type: none"> • Grants – Capital Investments and the completion of growth projects continues with a number of new and ongoing enquiries. Projects include CNC machine purchases to help with diversification and the expansion of product lines, property and equipment upgrades and renovations along with projects that are enabling processes to be brought in house. Businesses supported range from smaller retail businesses through to larger SME's. • Power Issues – Concerns amongst regional businesses regarding local power distribution with calls to enhance the network of power lines to businesses. Worry that an insufficient power supply will stunt growth and prevent businesses maximising opportunities. • Marketing Support – A number of businesses looking for general and digital marketing support. • Inward Investment – There is a healthy pipeline of projects as previously reported, with one company tripling the size of their business. Slight concern over labour shortages to support businesses, particularly in the hospitality sector. • Green – Green audits continue to be scheduled, and there is a general interest in businesses pursuing, and investing in green projects • International Trade– Referrals continue for exploring new International markets • Start-Ups

SECTOR	KEY FINDINGS
	<ul style="list-style-type: none"> Digital, Innovation and 5G <p>Labour Market & Skills A common issue recently is that skills and staffing seem to be key barriers to growth for businesses, with the candidate market of available people being scarce. Particularly within hospitality and transportation – majority employed EU nationals and have been those that have been furloughed go back home and start working in their home countries whilst still getting their 80% wages which has allowed them to start up again back home – therefore, not coming back to the UK once their furlough payments end.</p>
Agriculture	<ul style="list-style-type: none"> There is a shortage of fertiliser (a worldwide issue), which is pushing up prices, and with one key player controlling the market this is problematic for many, and could also result in food shortages, and price rises for consumers. The process starts when planting season begins, and as this is affected it could be a longer-term issue further down the line.
Retail	<p>The British Independent Retailers Association (Bira) is calling on the Government to provide more support for indie businesses forced to close if staff have to self-isolate. Bira is calling for the following measures:</p> <ul style="list-style-type: none"> Review the track and trace system and the need to self-isolate; even if those who've had two vaccinations may not be required to self-isolate – this still means that younger people will need to do so. Many retail staff will be in the yet-to-be-vaccinated age bracket Instruct local authorities to use money from the Restart Grants to support the businesses forced to close. New data shows local authorities have almost £1bn of Restart Grants to distribute. If this is truly excess money, it still needs using in a productive way to ensure the high street recovery continues If Restart Grants cannot be used, there need to be new funds made available for hard-hit business owners to claim; ten days closure with no income, will be hard to many fragile businesses to sustain.
Manufacturing	<p>MakeUK have released a report that examines the impact of changes to the UK's trade relationship with the EU – 6 months on. It finds that</p> <ul style="list-style-type: none"> 96% of manufacturers have reported challenges in dealing with the new trading environment. Being compliant with the new customs paperwork and procedures was the initial challenge, but this has eased as companies' understanding of the new processes has vastly improved. However, while this is true for almost half of firms (47%), over one third are still reporting on-going challenges with customs, primarily small and medium sized enterprises (SMEs). 6 months on, just 4% of manufacturers have experienced no challenges. <p>Low-carbon manufacturing and goods are now the West Midlands' fastest growing sector, latest research has shown, boosting the region's ambition to lead a new, green industrial revolution.</p> <p>Birmingham and Solihull employs five times the average in the UK in building management systems and activities. The WMCA's own research shows that a further 21,000 new jobs could be created over the next five years and 92,000 more by 2041, mostly in new carbon-cutting green industries and technologies.</p>
Construction	<ul style="list-style-type: none"> The construction sector in the Midlands should prepare for the possibility of sustained price pressures, according to Turner & Townsend's latest UK Market Intelligence Report. One building firm has expressed concerns of increase of price of material, with recent timber prices increasing by 60% compared to pre-EU exit rates which has resulted in loss of customers.

NEW ECONOMIC SHOCKS

COMPANY	LOCATION	SECTOR	SOURCE/DETAIL
John Lewis and Waitrose	Nationwide	Retail	Department store giant John Lewis and sister business Waitrose plan to cut around 1,000 jobs in stores, its parent company has confirmed. The John Lewis Partnership has told staff it is proposing around 1,000 redundancies across its department stores and Waitrose supermarkets.
Economy-wide	Nationwide	All	Up to a fifth of workers in companies are having to self-isolate after receiving a notification from the NHS Covid app, threatening cuts in production of goods. Business groups and unions told the PA news agency that the problem had escalated this week, leading to pleas for the Government to step in. There are calls to bring forward the August 16 date where the fully vaccinated will not have to self-isolate if they come into contact with someone with Covid-19.

NEW INVESTMENT, DEALS AND OPPORTUNITIES

COMPANY	LOCATION	SECTOR	DETAIL & SOURCE
Dynamo Motor Company	Coventry	Manufacturing	A Coventry-headquartered manufacturer of electric taxis is eyeing growth after launching a crowdfunding campaign with a £2m target. Dynamo Motor Company, which manufactures The Dynamo Taxi, has currently raised £1.5m from 192 investors on Seedrs, with 30 days remaining on the campaign.
Mercia Asset Management	Warwickshire	Financial Activities	Warwickshire-headquartered Mercia Asset Management has been buoyed by a strong performance. During the year to 31 March 2021, the company increased assets under management (AuM) from £800m to £940m. Revenue was also up from £12.8m to £23.4m, while the prior period's pre-tax loss of £17.6m improved to a profit of £34m.
Advanced Propulsion Centre	Coventry	Engineering	Inventors and innovators developing innovative zero-emission tailpipe technology for cars, buses and heavy-duty vehicles, have received a major boost after the Advanced Propulsion Centre (APC) confirmed 11 small to medium enterprises (SMEs) have been awarded a combined total of up to £1.48 million, provided by the Department for Business, Energy and Industrial Strategy
Mirus	Coventry	Manufacturing	Coventry cleaning and hygiene business rises to pandemic challenge. The Coventry developer and manufacturer of cleaning and hygiene products found itself at the centre of the UK's response to the pandemic. At the same time it also received a prestigious Queen's Award for Enterprise in International Trade.
Hranipex	Solihull	Manufacturing	Czech business Hranipex is moving in July from their site at Elmdon Trading Estate to a new larger 18,500 sq ft facility on Radial Park within Birmingham Business Park
Likewise Group	Solihull	Home Products	Likewise Group, the Bromsgrove-based floor covering distributor, is to create 20 jobs initially, with more to come later in the year, after announcing the launch of a new West Midlands distribution centre.

COMPANY	LOCATION	SECTOR	DETAIL & SOURCE
Tyseley Energy Park	Birmingham	Low Carbon	A new £8.5 million centre, designed to promote innovation in waste, energy, and low carbon vehicle systems has been officially opened at Tyseley Energy Park (TEP). The Birmingham Energy Innovation Centre (BEIC) is part of an overall programme of more than £20 million invested to deliver energy innovation activities at TEP.
Oxford Properties / Logistics Capital Partners	Region-Wide	Industrial	A £1 billion industrial scheme in the West Midlands has a new team leading the project following a land deal. Real estate investor and asset manager Oxford Properties and specialist developer Logistics Capital Partners have formed a new joint venture to acquire the 734-acre site west of junction 12 of the M6, near Four Ashes in Staffordshire (the planned 'West Midlands Exchange' scheme).
Manufacturing Assembly Network	Region-Wide	Manufacturing	The Midlands-based Manufacturing Assembly Network, which works together to win new contracts and share best practice, has secured a string of contracts across automotive, electronics, medical and renewables following the easing of lockdown. It is now expected 40 new jobs will be created, with plans in place to invest £2.5m on increasing 3D printing capability, robotics and high-speed presses.
Ikea	Wednesbury	Retail	Plans to expand Ikea's Wednesbury store to meet increasing demand by online customers and creating dozens of jobs have been given the go-ahead. Bosses said the development will create a total of 41 jobs and alleviate the existing problem of a lack of space at the store off Park Lane.
Printful	Wolverhampton	Print manufacturing	A US-based printing specialist firm is set to open a new £2.6million site in Wolverhampton. Printful will take over the sprawling Antar 2 unit next to Wolverhampton's Discovery Park, on Headway Road, in a move that will create up to 150 jobs.
Ellandi	Brierley Hill	Retail	Ellandi has revealed plans for a more than £50m programme of investment to transform Merry Hill shopping centre in Brierley Hill. Provided over five years and beginning with a first stage relaunch in September 2021, the investment will mean Merry Hill is the first former intu asset to undergo a major transformation, including a new placemaking masterplan for the two million sq ft centre and surrounding waterfront.
Thyssenkrupp Materials UK	Cradley Heath	Manufacturing	German-owned sustainable engineering firm Thyssenkrupp Materials UK could triple its workforce in Cradley Heath over the next three years. It invested £4 million in the new facility at Cradley Heath in July last year to house its fabrications services, which produce tailored aluminium and stainless steel products for customers across the construction, architecture and engineering industries. Additional investment is planned for the site, predominantly to install the latest cutting technologies – such as new saws and CNC machines.

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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