

MIDLANDS ENGINE

ECONOMIC IMPACT OF COVID-19

Edition 8: 31st July 2020



Introduction

Welcome to the eighth edition of the Midlands Engine Economic Impact of COVID 19. **This report is produced by the Midlands Engine Economic Observatory which is a partnership commissioned by the Midlands Engine including Black Country Consortium's Economic Intelligence Unit, Nottingham Trent University and WM REDI.**

This monitor pulls together information across regional partners to understand the impacts of Covid-19 on the economy – at a sub national level, across the Midlands Engine geography. 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. **The information is drawn from a wide range of sources including the Midlands Engine Business Forum Members, Growth Hubs, Chambers, LEP's, ONS and others. The Midlands Engine gratefully acknowledges the input of many partners who have directly contributed data to inform this report.**

The report brings together data at the level of the Midlands economy, and allows the interpretation of macro issues and trends, which over time will help shape recovery interventions as well as support short term decision making. Over time the report will evolve to include LEP level interpretation and sector specific analysis.

Moving forward, the possible policy issues emerging will feature proportionately more, as the data sets grow and there is a more robust body of evidence from which to draw.

We welcome any feedback on the content to ensure this report meets the needs of partners and welcome any additional intelligence. Please forward any feedback and intelligence to info@midlandsengine.org.

Contents	Number
Executive Summary	3
Emerging Policy Considerations	4
Global and National Outlook	5
PwC Economic Update	6
Employment Forecasts	7-9
ONS Business Impact	10-11
The Future of Towns and Cities	12
Local Business Intelligence	13-17
Appendix	19-21

Executive Summary

- **The Nasdaq 100 index had its best gain in three months to close at a record high in July.** The lockdown and stay-at-home order drove a rise in the FAANG group of megacap technology companies (Facebook, Amazon, Alphabet, Apple and Netflix) while Zoom Video Communications Inc. also gained. The main beneficiaries of the lockdown have been technology companies, evident in the recent gains made by such tech companies on the stock markets.
- Andy Haldane, the Bank of England's chief economist has said that the **economy has recovered half the output lost during lockdown.** He told the Treasury Select Committee this week that the economy had experienced a bounce-back in activity, with almost half the quarter's plunge in output experienced during March and April clawed back. He maintained that the recovery is following a V shape.
- Following the responses to the Bank of England's Decision Maker Panel (DMP) survey, analysis indicates that the **Midlands could lose around 517,000 private sector employees by 2020 Q4** – the trough of the expected employment effect. The biggest impact in absolute terms is forecast in the wholesale & retail sector, followed by accommodation & food and admin & support. The analysis also predicts that by 2020 Q4, there could be a **reduction in employment of 10.4% on average across all Midlands LEP areas**, with little variance. This reduction is expected to be greater in certain local authorities within the LEPs including East Lindsey and Derbyshire Dales showing the largest percent decline in employment of 12.3% and 11.7% respectively.
- Regional analysis from the Business Impact of Coronavirus shows that between 29th June - 12th July 2020, **90.3% of responding West Midlands and East Midlands businesses are currently trading and have been for more than the last two weeks (UK 85.1%).** 2.4% of West Midlands businesses and 2.9% of East Midlands businesses started trading within the last two weeks after a pause in trading (UK 3.8%). 3.1% of responding West Midlands businesses and 2.4% of East Midlands businesses have paused trading but intend to restart in the next two weeks (UK 4.3%). Although, 3.6% of responding West Midlands businesses and 4.0% of East Midlands businesses have paused trading and do not intend to restart in the next two weeks (UK 6.3%).
- Across the Midlands Engine there are over 1.4 million workers currently furloughed - 31.8 % of the workforce. An economic update from PwC shows that nationally around 17% of furloughed workers are at risk of redundancy. **The sector with the highest proportion of furloughed workers at risk of redundancy is accommodation & food services with 32%.**
- **Make UK's** latest manufacturing monitor indicates furlough activity has largely remained consistent with minimal changes since the previous report. Approximately 77% of manufacturers have furloughed anywhere between 1% and 50% of staff, with the majority of firms within the 26-50% category.
- Reviewing recent research on the **revival of towns** pre-pandemic and the impact of Covid-19 on places sets out the following broad recommendations for future directions to deal with the economic, physical and mental health of residents and businesses:
 - Creative and innovative leadership
 - Meaningful community engagement
 - Understanding places' unique selling points
 - Competitive, safe socialising and experience
 - Let there be light, blue and green infrastructure
 - Investment in modern age markets and an environment for independents to thrive
 - Reshape ownership and taxation models
 - Connectivity which enables high quality interactions
 - Create a place for caring and community

Emerging Policy Considerations

THEME	KEY CONCERNS
Access to Finance & Cashflow	<ul style="list-style-type: none"> • Concerns remain about the operation and coverage of Government business support initiatives and particularly the situation of those businesses and individuals who, for a variety of reasons, appear to be ‘falling through the cracks’; • Business leaders are forecasting two cliff edges for businesses – the first at the end of October when the furlough scheme ends, then in January when the deferred VAT and business rates must start to be paid back. • Policy suggestions coming from the business community include for instance: <ul style="list-style-type: none"> • Extend grant support schemes for SMEs via local authorities to help local businesses survive. • Extend Business Rates relief to mid-sized businesses in all sectors for the next 3 months to help supply chains recover. • Defer VAT payments for businesses to support cashflow and investment. • Extend the deadline for the Coronavirus Business Interruption Loan Scheme beyond August for a further 3 months. • Accelerate local infrastructure upgrades in 2020/21 by increasing funding for local authorities. • There area also pleas from businesses for the Government to extend its support to businesses, specifically an extension of the furlough scheme and for the Government to support those industries that cannot turn their revenues back on within days or weeks of reopening, such as hospitality and the events industry. • Requests from businesses for introduction of a reduction in corporation tax for small businesses. • Cash flow continues to pose a significant threat to businesses.
Redundancies & Furlough	<ul style="list-style-type: none"> • General view from Recruitment Agencies, that some signs market picking up, but most agency staff still furloughed at least for another couple of months, and likely September at earliest. • Feeling across businesses in all sectors is that there will likely be more redundancies in next 6 months, especially once furlough scheme ends and would welcome any assistance from a central point, rather than them searching across different partners.
Diversification	<ul style="list-style-type: none"> • There has been a continued interest in companies looking for digital support to adapt processes as more and more services move online or require changes in the way SMEs work. • Certain SMEs want support and advice where they are developing new products or entering new markets.
Jobs & Recruitment	<ul style="list-style-type: none"> • Starting to see some companies starting to consider recruitment campaigns & planning to employ staff from potentially September, but still concerns about future. Companies considering part time hours when they start recruiting. • Evidence is growing of the need for both sectorally and spatially targeted interventions in support of business and employment across the Midlands.
Business Start-Ups	<ul style="list-style-type: none"> • Signs of recovery are slowly emerging and enquiries about business start-up and self-employment opportunities have continued to increase as people consider their future employment opportunities.
Future of Office Space	<ul style="list-style-type: none"> • Continued downsizing of office space and an offloading of premises continues and will affect the commercial and professional rental market. However, those looking to expand to bigger premises are hopeful of favourable rental terms or more appealing options to purchase.
Social Distancing	<ul style="list-style-type: none"> • The long-term future of tourism, entertainment and other sectors characterised by ‘social consumption’ in a ‘socially distanced’ world remains a focus of concern – it remains to be seen if operation under social distancing will allow firms in this sector to rebuild their finances to the extent that they will survive the winter.

Global and National Outlook

Global Outlook

Leaders of the 27 European Union nations reached a decision to allocate 750 billion euros to its coronavirus recovery fund. The mammoth several day EU summit was fixed on the amount that should be grants or loans. Following disagreement from the 'Frugal Four', headed up by the Netherlands, the agreement is divided in to grants worth 390 billion euros and low-interest loans worth 360 billion euros. Nearly a third of the funds are earmarked for fighting climate change.

The Nasdaq 100 index had its best gain in three months to close at a record high In July. The lockdown and stay-at-home order drove a rise in the FAANG (Facebook, Amazon, Alphabet, Apple and Netflix) group of megacap technology companies while Zoom Video Communications Inc. also gained. The main beneficiaries of the lockdown have been technology companies, evident in the recent gains made by such tech companies on the stock markets.

In the US California's hospitalization growth continued its daily reduction and daily case growth in other hot spots like Florida and Arizona are beginning to slow too.

In Asia, Japanese Prime Minister Shinzo Abe told parliamentarians of his Liberal Democratic Party that the rise in cases, clustered mostly in Tokyo, do not require a second state of emergency. Carrie Lam, Hong Kong's leader, said that coronavirus cases were spinning out of control in the city, as she tightened social distancing measures. In the past two weeks infections have risen once more.

In Australia, Melbourne authorities will are set to make it compulsory to wear a mask in public, as the city stepped up efforts to bring a their local cluster under control.

The state of Victoria has nearly 3,000 active cases of Covid-19 after a further 363 infections were reported on the 19th July.

In China, a cinema in the eastern city of Hangzhou was the first in China to reopen after 178 days of lockdown restrictions. The cinema, operating under social distancing measures was only able to welcome 32 customers.

National Outlook

The UK's Oxford COVID19 vaccine is safe and induces an immune reaction, according to preliminary phase one results. The results from phase one/two trial involving 1,077 healthy adults found that vaccine induced strong antibody & T cell immune responses up to day 56 of the ongoing trial. These responses may be even greater after a second dose, according to a sub-group study of 10 participants.

Fatigue and headache were the most commonly reported reactions / side effects (70% [340/487] of all participants given #COVID19 vaccine only, which reduced in those given paracetamol.

The latest round of talks on the UK's post-Brexit relationship with the EU has started. No progress has been made in informal meetings since last month. The EU has briefed that their compromises on fishing and level-playing field arrangements haven't been reciprocated, while their U.K. counterparts retort that the bloc's concessions haven't gone far enough.

Andy Haldane, the Bank of England's chief economist has said that the economy has recovered half the output lost during lockdown. He told the Treasury select committee this week that the economy had experienced a bounce-back in activity, with almost half the quarter plunge in output experienced during March and April clawed back. He maintained that the recovery is following a V shape.

Analysis from Kanta has shown how the cost of working from home is starting to add up. People spent an additional £24 million on tea and coffee in the past 4 weeks, and £19 million on biscuits. There is evidence to suggest that people are shopping more locally too, with independent convenience stores, (including Spar, Nisa and Premier) seeing sales surge by 59.5% over last 12 weeks vs last year. This compares to 16.9% growth in overall food and drink retail sales.

PwC Economic Update

Covid-19 PwC UK Economic Update

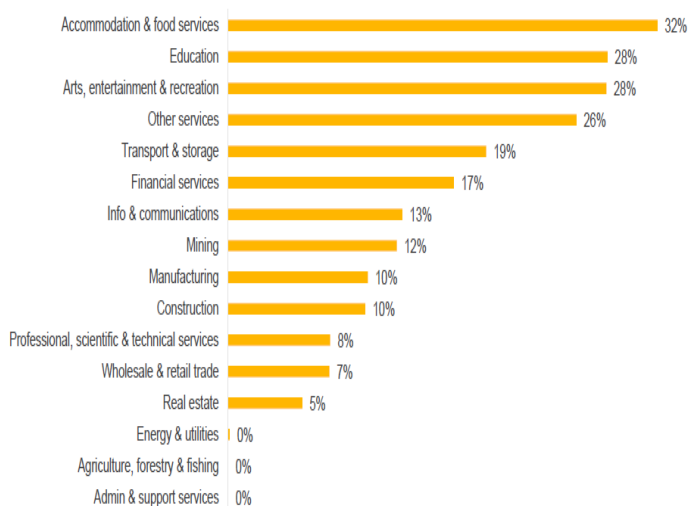
The labour market remains under pressure, but there are early signs of decline slowing.

- In June there were 649,000 fewer people on the payroll compared to March 2020.
- However, monthly data suggest the decline in job markets is slowing as economic activity picked up in May, with average weekly hours increasing for both employees and the self-employed, and a decline in the number of people temporarily away from paid work in May, after an initial sharp rise in March and April.

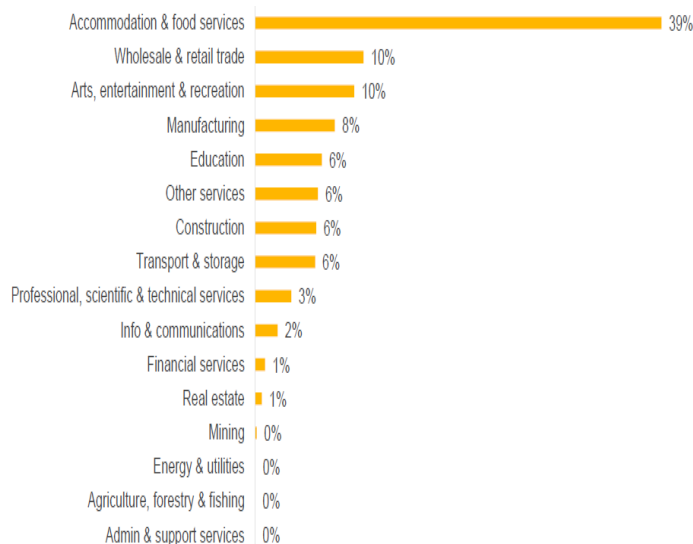
Prospects for Labour Market Recovery

- Around 17% of furloughed workers are at risk of redundancy. The sectors with the highest percentage of furloughed workers at risk are accommodation & food services with 32%, education with 28% and arts, entertainment & recreation also with 28%.
- The accommodation & food services sector also makes up 39% of the workers at risk of redundancy by the end of 2020 Q2.
- In general, PwC estimate that most of the expected job losses will be concentrated in sectors that will take a longer time to recover or adjust to the need to socially distance.
- Most job losses are expected to be concentrated in the hotels and restaurants sector.

Proportion of furloughed workers at risk of redundancy by the end of 2020 Q2



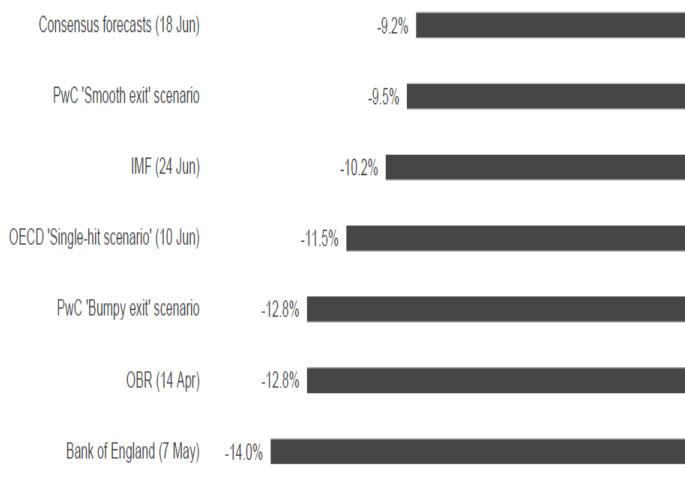
Sector share of furloughed workers at risk of redundancy by the end of 2020 Q2



Economic Growth Scenarios

- PwC have 2 scenarios, a smooth exit and a bumpy exit.
- The smooth exit scenario assumes that the gradual lifting of NPIs (non-pharmaceutical interventions) does not result in a significant further rise of cases, and predicts a 9.5% decline in GDP for 2020.
- The bumpy exit scenario assumes that the lifting of NPIs results in a subsequent rise in cases, requiring NPIs to be reintroduced to bring cases back to a lower level, and predicts a 12.8% decline in GDP for 2020. This prediction is in line with OBR.

Comparison of 2020 GDP projections and scenarios



*HMT comparison of independent forecasts (June 2020) – average of new forecasts made in last month
Source: PwC, OBR, IMF, HMT, BoE

Employment Forecasts

Potential impacts of the Pandemic on private sector employment, investment and sales revenue: A DMP-based scenario.

Overview

The Bank of England Decision Maker Panel (DMP) is a survey of Chief Financial Officers from small, medium and large UK businesses. It is used to monitor developments in the economy and to track businesses' views. So far over 8,000 executives from small, medium and large UK companies and operating in a broad range of industries have agreed to participate. The panel is designed to be representative of the UK business population, excluding a small number of sectors. The survey explores questions on current policy issues and provides valuable insights into companies' perceptions of challenges and opportunities facing the UK economy.

The DMP survey includes questions on employers' expectations of future employment levels in their businesses. This section uses these responses to estimate the potential scale of impact on private sector employment across the Midlands Engine and its constituent LEPs. This analysis is intended to enable local policy makers and planners to better understand the broad scale, nature and spatial distribution of the potential employment impacts that may arise from the present pandemic. Readers are cautioned against treating the scenario presented in this section as a 'forecast'.

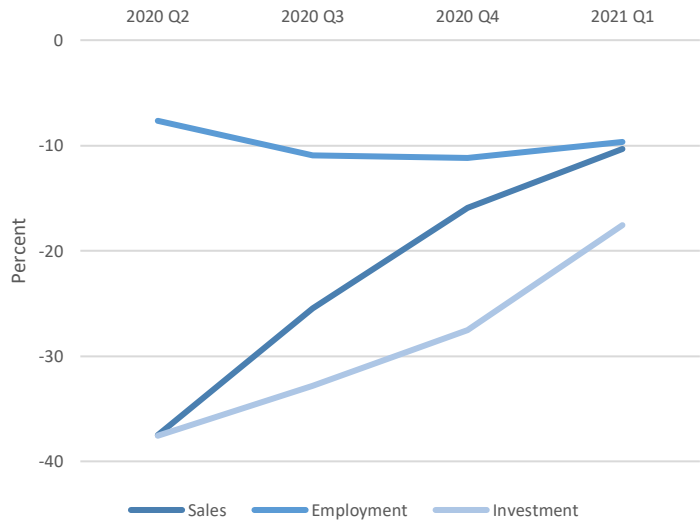
National summary

The June DMP survey indicates a slightly better outlook in the short-term with respect to investment and sales but a worse outlook in terms of employment compared with May. Businesses expect their sales in 2020 Q2 to be 37.5% lower than they would otherwise have been, employment to be 7.7% lower and investment to be 37.5% lower. The Q2 sales and investment impacts were similar to the April and May surveys, but the employment impact is higher than the 6% expected from the May survey.

Business expectations for the next few quarters are presented in the following chart which show an immediate impact on sales and investment that gradually improves. Both these measures are expected to remain below potential levels in the given time frame.

There is a delayed impact on employment that reaches its lowest point in 2020 Q4 at -11.2%. Employment is a lagging indicator compared to other measures such as investment and sales. Firms may experience a decline in sales and reduce their investment in response to uncertainty about future demand, but may hesitate to lay off workers, which may incur redundancy costs and loss of skilled workers. These effects may have been further dampened by the CJRS furlough measures, which allow firms to claim 80% of labour costs from the government until August.

DMP survey data - Expected impact of C19 on sales, employment and investment (June 2020)



DMP, Bank of England (2020)

Employment is expected to remain below its 2020 Q2 level until the first quarter of 2021 at least. On average, employment is expected to be 1.6 percentage points lower at every quarter compared with May's survey. Business investment and sales show a similar picture to the last survey. However, investment is expected to recover less within the current calendar year and more within the next compared with May's survey.

Expectations by sector

DMP survey responses are available at a sectoral level and thus provide further insights into the expected effects of the lockdown. The following table shows expectations for sales and investment for the next few quarters broken down by sector.

The sectoral breakdown disaggregates all broad industrial groups with the exception Arts, Entertainment, Recreation & Other services (R,S,T and U), UK SIC (2007).

Employment Forecasts

Expected impact of Covid-19 on sales/investment, average percentage impacts (May 2020)

Sector	Sales				Investment			
	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1
Manufacturing	-33.5	-23.1	-14.2	-9.1	-37.0	-32.5	-23.2	-15.5
Other Production	-11.9	-8.6	-4.9	-2.1	-23.6	-14.1	-10.8	3.8
Construction	-44.6	-25.3	-13.1	-8.7	-33.9	-46.9	-45.8	-28.5
Wholesale & Retail	-36.5	-17.9	-11.2	-9.1	-47.0	-40.2	-33.3	-20.8
Transport & Storage	-33.0	-23.5	-14.5	-6.4	-55.9	-41.0	-49.8	-46.2
Accommodation & Food	-77.3	-53.6	-31.3	-18.0	-59.8	-69.0	-63.0	-49.1
Info & Comms	-20.4	-16.3	-10.0	-5.9	-24.2	-19.9	-15.0	-11.4
Finance & Insurance	-28.1	-21.4	-14.1	-8.4	-17.2	0.2	4.3	-5.2
Real Estate	-24.9	-25.4	-17.1	-11.5	-36.2	-29.4	-12.3	-18.4
Prof & Scientific	-25.2	-20.1	-13.2	-7.5	-33.7	-32.9	-21.7	-9.9
Admin & Support	-42.0	-31.1	-20.5	-12.6	-18.7	-8.0	-10.8	4.0
Human Health	-22.2	-19.5	-12.2	-10.7	-35.7	-24.4	-11.0	-5.4
Other services	-45.7	-36.1	-26.4	-18.7	-31.9	-40.6	-34.4	-16.1

DMP, Bank of England (2020)

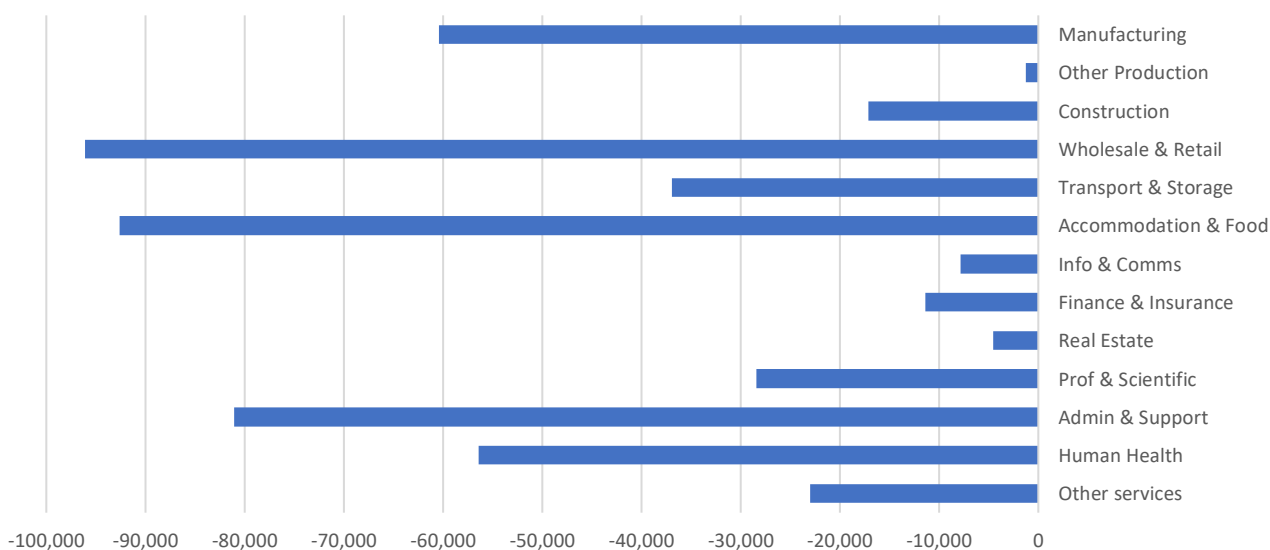
The worst outlook in terms of sales is in other services and accommodation & food, which are expected to remain well below their potential. In terms of investment, transport & storage and accommodation & food show the worst outlook at almost half their potential value. Whereas, Other Production and Admin & Support services are expected to reach positive values by end the beginning of 2021.

Midlands Engine Employment

The sectoral DMP survey responses are used here to estimate the potential impact of the Pandemic on employment at a regional scale. This methodology does not use regional data from the DMP and assumes that each business has the same expectations as the average business in that sector in the economy as a whole. Regional and local variations therefore reflect differences in industrial composition.

The following chart shows the expected impact of the pandemic on private sector employment in the Midlands Engine by sector, following the responses to the DMP survey. This analysis indicates that the Midlands could lose around 517,000 private sector employees by 2020 Q4 – the trough of the expected employment effect. The biggest impact in absolute terms is in wholesale & retail, followed by accommodation & food and admin & support.

Implied impact on Midlands employment by sector – 2020 Q4



Authors' calculations using DMP survey data, Bank of England (2020)

Employment Forecasts

The following table provides a breakdown of the expected employment effects by LEP. **By 2020 Q4, there could be a reduction in employment of 10.4% on average across all LEP areas, with little variance. This reduction is expected to be greater in certain local authorities within the LEPs with East Lindsey and Derbyshire Dales showing the largest percent decline in employment of 12.3% and 11.7% respectively.**

It is important to note that the values in this section of the analysis refer to declines in employment and do not reflect unemployment rates. Therefore, a 10.4% decline in private sector employees does not imply an unemployment rate of 10.4% nor does it necessarily indicate an equal increase in the unemployment rate.

Potential employment impact by LEP

	No. employed (2018)	Estimated no. employed (2020 Q2)	% change by 2020 Q2	Estimated no. employed (2020 Q3)	% change by 2020 Q3	Estimated no. employed (2020 Q4)	% change by 2020 Q4	Estimated no. employed (2021 Q1)	% change by 2021 Q1
Great Britain	25,861,000	23,987,218	-7.2%	23,247,157	-10.1%	23,124,239	-10.6%	23,492,747	-9.2%
East Midlands	1,805,000	1,679,437	-7.0%	1,626,886	-9.9%	1,614,987	-10.5%	1,639,209	-9.2%
West Midlands	2,227,000	2,075,872	-6.8%	2,013,521	-9.6%	1,997,723	-10.3%	2,026,339	-9.0%
Black Country	394,200	368,474	-6.5%	357,730	-9.3%	354,239	-10.1%	359,006	-8.9%
Coventry and Warwickshire	403,000	375,890	-6.7%	364,035	-9.7%	361,374	-10.3%	366,571	-9.0%
D2N2	805,500	748,692	-7.1%	726,633	-9.8%	721,220	-10.5%	731,908	-9.1%
Greater Birmingham and Solihull	812,250	755,545	-7.0%	731,519	-9.9%	726,523	-10.6%	737,550	-9.2%
Greater Lincolnshire	382,000	355,253	-7.0%	343,961	-10.0%	341,472	-10.6%	346,618	-9.3%
Leicester and Leicestershire	407,500	379,760	-6.8%	367,965	-9.7%	365,219	-10.4%	370,494	-9.1%
The Marches	253,000	235,800	-6.8%	229,540	-9.3%	227,865	-9.9%	230,937	-8.7%
South East Midlands	851,500	793,720	-6.8%	765,277	-10.1%	760,247	-10.7%	772,115	-9.3%
Stoke-on-Trent and Staffordshire	419,000	390,966	-6.7%	378,924	-9.6%	375,815	-10.3%	381,246	-9.0%
Worcestershire	224,750	209,113	-7.0%	202,994	-9.7%	201,530	-10.3%	204,430	-9.0%

Source: Authors' calculations using DMP survey data, Bank of England (2020)

Please note: Only private sector employees are included in the DMP data. Public sector employees are not included in the analysis. Totals may differ due to rounding, safeguarded access and sectoral decomposition of employee figures. Due to the focus of DMP surveys on companies, figures represent number of employees and not total employment.

Although the information presented in this report is taken to the LEP level, the data can be broken down further to the level of cities, counties and local authorities. For further information contact william.rossiter@ntu.ac.uk.

ONS - Business Impact of the Coronavirus

The final results from the eighth round of the Business Impact of Coronavirus (COVID-19) Survey (BICS) show that of the 24,496 businesses surveyed across the UK there was a response rate of 22.6% (5,527).

Of the 2,738 businesses surveyed across the West Midlands, there was a response rate of 25.3% (944). For the East Midlands, of the 3,215 business surveyed there was a response rate of 24.8% (797). Unless stated, the following data is based on the period between 15th to 28th June 2020.

Trading and Financial Performance

The trading status of businesses refer to the period of 29th June - 12th July 2020 and the turnover analysis is between 15th – 28th June.

Less than 1% of UK businesses reported they have permanently ceased trading with 10.6% temporarily closed or paused trading and 88.9% continuing to trade. The figures for the East Midlands and West Midlands show that also less than 1% of businesses have permanently ceased trading. While 92.7% of West Midlands businesses and 93.2% of East Midlands businesses have continued to trade and 6.7% of West Midlands businesses and 6.4% of East Midlands businesses have temporarily closed or paused trading.

90.3% of responding West Midlands and East Midlands businesses are currently trading and have been for more than the last two weeks (UK 85.1%). 2.4% of West Midlands businesses and 2.9% of East Midlands businesses started trading within the last two weeks after a pause in trading (UK 3.8%). 3.1% of responding West Midlands businesses and 2.4% of East Midlands businesses have paused trading but intend to restart in the next two weeks (UK 4.3%). Although, 3.6% of responding West Midlands businesses and 4.0% of East Midlands businesses have paused trading and do not intend to restart in the next two weeks (UK 6.3%).

60.9% of trading businesses in the West Midlands and 59.3% of East Midlands businesses reported their turnover had decreased by at least 20% (UK 57.6%). However, 20.1% of trading businesses in the West Midlands and 19.2% for the East Midlands reported that their turnover was unaffected (25.2% for the UK) and 11.8% reported their turnover had increased by at least 20% in the West Midlands, whilst the figure was 15.5% for the East Midlands (UK 11.7%).

Logistics Services

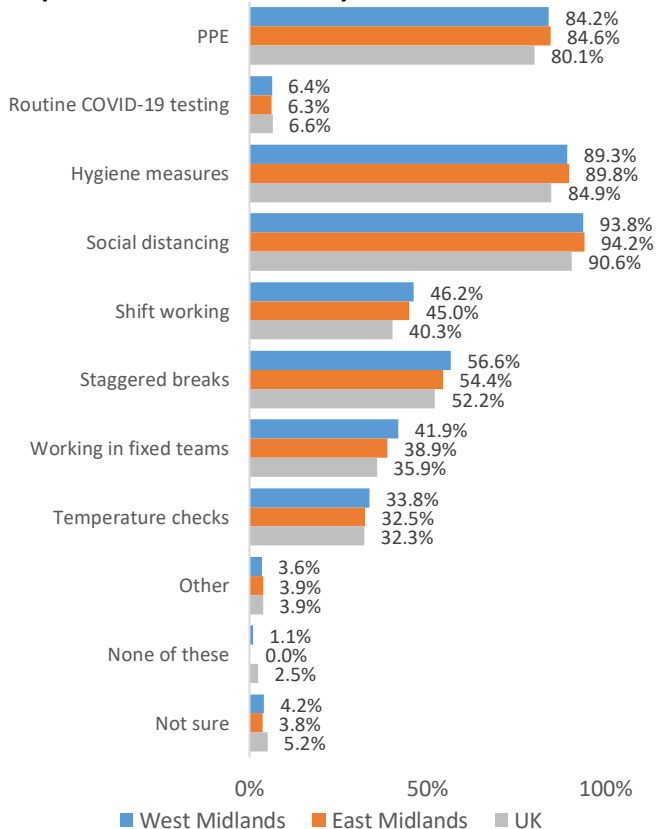
88.3% of West Midlands businesses and 88.5% of East Midlands businesses that have used logistics services in the last two weeks reported all their distribution demands were met (UK 88.8%). While 7.3% of West Midlands businesses and 8.3% of East Midlands businesses reported only some distribution were met (UK 7.8%).

Safety Measures

93.8% of businesses in the West Midlands and 92.9% of businesses in the East Midlands who have not permanently stopped trading intend to or have implemented social distancing, compared to 90.6% across all UK businesses.

Examples of other safety measures intended to or that have implemented include 89.3% of West Midlands businesses and 87.4% of East Midlands businesses will use hygiene measures (UK 84.9%) and 84.2% of West Midlands businesses and 82.1% of East Midlands businesses will use Personal Protective Equipment (PPE) (UK 80.1%).

The following graph shows the percentages of businesses who have intended to or have implemented various safety measures:



ONS - Business Impact of the Coronavirus

International Trading

For businesses in the West Midlands continuing to export and import found that within the last two weeks, 1.7% of businesses stopped exporting and for East Midlands 1.3% had stopped exporting in the last two weeks (UK 1.5%). While less than 1% of business in the East Midlands and West Midlands had stopped importing within the last two weeks – matching the UK trend.

51.5% of exporting businesses in the West Midlands, and 46.0% for the East Midlands reported their businesses were still exporting but less than normal (UK 46.1%). Of those businesses who continued to trade and import, 43.8% in the West Midlands and 39.3% in the East Midlands were importing less than normal (UK 38.4%).

35.1% of West Midlands businesses and 40.2% of East Midlands businesses who were exporting reported that they had not been affected (UK 43.0%) and 45.8% of West Midlands importers and 44.6% of East Midlands importers said that importing had not been affected (UK 50.5%).

2.3% of businesses in the West Midlands and 2.2% for the East Midlands are exporting more than normal (UK 2.9%). The figures for importing more than usual are 3.6% for the West Midlands and 5.9% for the East Midlands (UK 4.4%).

Government Schemes and Initiatives

84.3% of businesses in the West Midlands and 83.6% of East Midlands businesses who have not permanently stopped trading have applied for the Coronavirus Job Retention Scheme (UK 79.6%).

15.0% of West Midlands and 15.6% of East Midlands businesses have applied for business grants funded by the UK and devolved government (UK 18.8%). 16.1% of West Midlands and 15.6% of East Midlands businesses have applied for government backed accredited loans or finance agreement (UK 19.6%). 14.1% of West Midlands businesses and 15.4% of East Midlands businesses have not applied for any of these schemes (UK 17.7%).

67.9% of West Midlands Businesses and 63.5% of East Midlands businesses are using the Deferring VAT payments initiative (UK 54.0%).

29.4% of West Midlands businesses and 32.6% of East Midlands businesses are using business rates holiday initiatives (UK 24.6%). 17.5% of West Midlands Businesses and 17.5% of East Midlands businesses are using HMRC Time to Pay Scheme (UK 15.8%). While, 26.1% of West Midlands businesses and 28.6% of East Midlands are not using these initiatives (UK 37.6%).

70.7% of West Midlands businesses and 70.1% of East Midlands businesses who received support from schemes or initiatives reported that it helped them to continue trading, while 21.3% for the West Midlands and 22.6% for the East Midlands reported that it did not impact their ability to continue trading.

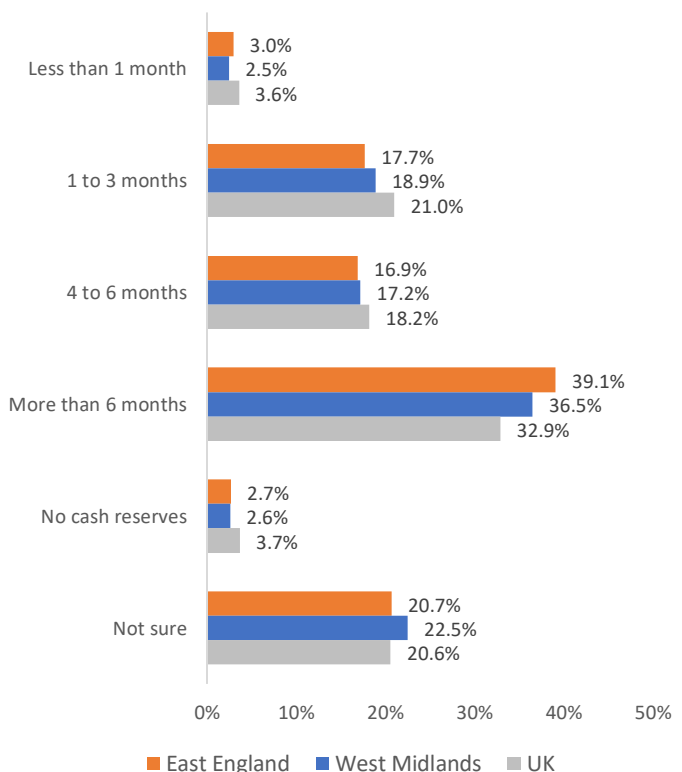
Financial Assistance

10.4% of businesses in the West Midlands and 9.8% of East Midlands businesses have received financial assistance from banks or building societies. Of these businesses, 78.2% for the West Midlands and 78.6% for the East Midlands reported this assistance helped them to continue trading.

Cash Flow

2.6% of West Midlands businesses and 3.1% of East Midlands businesses have no cash reserves (UK 3.7%).

The following graph shows for businesses how long their cash reserves would last:



The Future of Town and Cities

The following section is a summary from various research papers with sources identified in the appendix.

Post the general election, the policy focus shifted from cities to towns. The seismic shift in the political landscape and the notion of the '[red wall turning blue](#)' driven by local dissatisfaction in towns across the north and the midlands shifted government thinking. The impact of Covid-19 has seen further unthinkable shifts in the towns and cities. Cities have become the epicentre of outbreaks and [proximity has become a friction](#).

Lockdown has emptied out cities and urban environments and may lead to greater deurbanisation as people seek green space and better home environments. However big tech and personal based service hubs have increased their share of employment in the past and growth generated from intense agglomeration still remains important to these businesses in terms of staff, idea exchange and innovation.

Reviewing the evidence for towns and cities, some themes emerge on the challenges [facing places](#). Reviewing these themes against Covid-19 impacts, lessons can be learnt from the trends already developing and how successful places have adapted and changed to revive high streets.

Institutional failures - places fail to set a clear vision or agreed goals, and places lack a positive narrative on which to build, so citizens have a lack of engagement and pride in their local areas.

Democratic or information failures - communities are not engaged in decision making. Post pandemic this is particularly important as people need to deal with feelings of powerlessness and mental health impacts. These may be caused by a lack of knowledge on how to engage, lack of routes for engagement, or because it is difficult to get communities engaged and interested in the place because of feelings of disempowerment.

Accelerating **technological adoption** with democracy platforms that engage directly with citizens on key issues; training councillors on engagement and proactively seeking views; reviewing the evidence for technology driven solutions and how they sit alongside face to face engagement.

It is vital that there is an understanding of the past, present and potential futures of place.

Evidence suggests the [smart specialisation](#) approach is poorly adopted in the UK which means places fail to really understand their [unique asset base](#) and capitalise on it.

Understanding the assets base - technological, people, cultural, environmental, innovative and business and use it to differentiate. If there are science and innovation assets built into the thinking around the specialisation of place, these present business growth opportunities and prospects and investment can then be tailored to meet local needs. This will ensure innovation supports jobs growth around the assets and opportunities.

Understanding the local demand for socialising, the retail, entertainment and liveability offer and what local residents demand and want, alongside attracting those from outside. Post Covid-19 this is now a difficult balancing act, between keeping people safe and ensuring people can return to the shops, cafes and entertainment offer is essential not just for the economy but for wellbeing.

Research into the success of towns was already pointing to a lack of good spaces for interaction with place, open green infrastructure was already seen as a disadvantage. Covid-19 has exposed this as a major issue affecting health and wellbeing in a lockdown scenario Underinvestment in green and clean infrastructure and brownfield derelict land now makes the costs of investment much higher. **Green infrastructure** is lacking in post-industrial towns and dense urban cities, parks, waterways and access to clean air and light are at a premium but post pandemic are now seen a core basic needs.

Cities will be faced with a potential future where properties lie empty if demand changes; the boom in city living may shift as it has in the past. There is the need to reshape the ownership and taxation surrounding place, with a need to reduce empty properties.

Research on successful towns and cities has already highlighted that places which build a sense of community, and invest in the social fabric were more successful. Encouraging the local population to invest, spend time and money on local businesses creates a more resilient local ecosystem, and the points above all add to this. Central to that is create **a sense of community**.

Local Business Intelligence

The following table summarises a range of local business intelligence provided by the 9 Midlands Engine LEPs and growth hubs. In the appendix, there is further information on specific firm level activity with regard to new economic shocks and new investments.

HEADLINES	
SECTOR	KEY CONCERNS
Cross Sector	<p>Access to Finance & Cash Flow</p> <ul style="list-style-type: none"> • Government support measures have helped many businesses during the pandemic. • However, business leaders are forecasting two cliff edges for businesses – the first at the end of October when the furlough scheme ends, then in January when the deferred VAT and business rates must start to be paid back. • There are pleas for Government to extend its support to business, specifically an extension of the furlough scheme and for the Government to support those industries that cannot turn their revenues back on within days or weeks of reopening, such as hospitality and the events industry. • Requests for introduction of a reduction in corporation tax for small businesses. • Cash flow continues to pose a significant threat to businesses.
	<p>New Business Models Inc. Diversification</p> <ul style="list-style-type: none"> • There has been a continued interest in companies looking for digital support to adapt processes as more and more services move online or require changes in the way SMEs work. • Continued downsizing of office space and an offloading of premises continues and will affect the commercial and professional rental market. However, those looking to expand to bigger premises are hopeful of favourable rental terms or more appealing options to purchase. • SMEs are contacting the Growth Hub for support and advice where they are developing new products or entering new markets.
	<p>Jobs & Recruitment</p> <ul style="list-style-type: none"> • Starting to see some companies starting to consider recruitment campaigns & planning to employ staff from potentially September, but still concerns about future. Companies considering part time hours when they start recruiting.
	<p>Redundancies & Furlough</p> <ul style="list-style-type: none"> • General view from Recruitment Agencies, that some signs market picking up, but most agency staff still furloughed at least for another couple of months, and likely September at earliest. • Feeling across businesses in all sectors is that likely more redundancies in next 6 months, especially once furlough scheme ends and would welcome any assistance from a central point, rather than them searching across different partners.
	<p>Business Start-Ups</p> <ul style="list-style-type: none"> • Signs of recovery are slowly emerging and enquiries about business start-up and self-employment opportunities have continued to increase as people consider their future employment opportunities.
Logistics & Transport	<p>Jobs & Labour Supply</p> <ul style="list-style-type: none"> • Logistics companies DPD and Hermes have made significant investments in order to meet the demands of home shopping deliveries, providing a major increase in local job opportunities.

Local Business Intelligence

HEADLINES	
SECTOR	KEY CONCERNS
Visitor Economy	<p>Closures</p> <ul style="list-style-type: none"> • There are further closures in the Hospitality industry as it deems challenging for some outlets to meet the comeback given the Covid restrictions that remain in place. <p>Access to Finance</p> <ul style="list-style-type: none"> • Businesses in this sector cannot turn their revenues back on within days or weeks of reopening – so need more government support to help survive. • Interest from businesses in this sector with regards to new ERDF grants. <p>New Business Models</p> <ul style="list-style-type: none"> • Some businesses are looking to invest in new ideas/services to help them overcome the challenges ahead. <p>Consumer Behaviour</p> <ul style="list-style-type: none"> • Customer confidence in coach travel is at an all-time low. National companies have gone into administration.
Construction	<p>Demand</p> <ul style="list-style-type: none"> • Businesses reporting a lower demand than usual due to Covid-19. <p>Access to Finance</p> <ul style="list-style-type: none"> • Businesses looking for support to help loss of income over the pandemic. <p>Safety</p> <ul style="list-style-type: none"> • Businesses reporting that they are struggling to ensure safety of all workers in line with restrictions and limitations.
Cultural	<p>Reopening</p> <ul style="list-style-type: none"> • Many theatres and museums will not survive the pandemic unless measures are put in place to protect the industry.
Retail	<p>Diversification</p> <ul style="list-style-type: none"> • With a significant and immediate decline in footfall, more retail businesses are creating or enhancing an online eCommerce presence to improve their offering and find alternatives to relying solely on a physical presence with a retail outlet. Retail businesses reporting that social distancing measures and the reluctance of shoppers to visit town centres is slowing the speed of a recovery.
Business & Professional Services	<p>General Performance</p> <ul style="list-style-type: none"> • Businesses related to activity in HR, Legal and Health & Safety are performing well and have seen a positive upturn in business since, and partly due to, the Covid-19 pandemic. • Increases in sales have been related to dealing with common issues such as furlough (CJRS) and redundancies as well as other adhoc issues. • More growth hub enquiries from these businesses recently which may well be down to their customers become more operational following lock down.
Manufacturing	<p>Sales</p> <ul style="list-style-type: none"> • Some manufacturing firms reporting busy periods of work. • Generally, those reporting increases in sales are the organisations that have been able to adapt production and business models.

This section draws on contributions from the East Midlands Chamber, Make UK, the NFU, CBI, FSB, Growth Hubs and Universities across the region (sourced from Midlands Innovation and Midlands Enterprise Universities networks).

Overview of EM Business Intelligence (EM Chamber)

Despite the Government giving businesses more discretion over bringing staff back into offices, not many companies appear to be in a rush to return. This appears to be the same for many employees, with attitudes varying according to age groups – younger people being more reluctant to return than their older colleagues in some cases.

The general uptake in staff voluntarily choosing to go back to the office has been slow but there are some signs of getting back to an element of normality, with more people expected to return in the autumn. There is a feeling that junior staff who require more supervision in certain sectors, such as professional services, will particularly benefit from being in an office.

There are positive signs in recruitment, which is now reaching its busiest period since lockdown began. But despite the Government's push for apprenticeships, there is hesitancy to hire young people among some companies that are still expecting to have to lay off staff in the coming months.

Brexit is rising up the agenda again, but there are fears among businesses that preparation isn't happening anywhere near fast enough and the country will not be ready for the end of the transition period in just over five months' time. Many businesses have said they want to begin stockpiling again but their cashflow is nowhere near the level required to do so. There are particular concerns around how manufacturing standards might be affected once they can no longer apply CE labels.

New legislation that requires face coverings to be worn in shops has been welcomed by public transport providers in the region because it brings shops into line with the public transport to offer consistency across sectors. Compliance to date on one bus provider has been over 90%. There remains concern that at predicted future levels of patronage commercial bus services would need to be reduced. The current Government subsidy has been welcomed and is thought to be continuing until at least the end of the year.

Business feedback on the Leicester Lockdown

As part of the review outcomes announced by the Secretary of State on 16 July the Government identified areas of the county that had experienced a less severe outbreak and removed them from the lockdown area. Businesses locally have argued that there is no reason why this same logic can't be applied to those wards in the city of Leicester where infection rates are also at, or below, the national average. Further easing of the local lockdown announced on 30th July is welcome – although some concern has been expressed about the consistency of Government guidance. Some 'non-essential' shops had been allowed to open from Friday 24 July at a time when advice to residents remained 'avoid all non-essential travel'.

The Chamber wrote again to BEIS on 21 July to highlight the devastating impact the extended lockdown is having on businesses, many of who are already facing considerable cashflow issues. They argue that it risks a two-tier recovery in the region and, unfortunately, a greater level of business failures amongst organisations who would otherwise be fundamentally sound in their business models. Speaking to business owners, regardless of whether they think they may be able to 'catch-up' once the economy reopens, several have suggested they may not have the appetite to do so following so many setbacks.

Businesses affected by the prolonged lockdown need access to additional funding, in the form of grants and not further debt, to be made available as quickly as possible.

The Chamber has suggested creating a national Localised Lockdown Support pot from a proportion of the underspend that exists in local authorities across the country from the original grant money made available. Any authority impacted now or in the future could be allowed to access this pot for further grants to be made available to local businesses on an application basis to cover additional costs incurred. In addition to giving local authorities the power to implement future hyper-localised lockdowns, Government might also explore the option of tailoring forthcoming changes to some of the other support schemes, such as the Job Retention scheme.

Manufacturing – Make UK

Make UK's latest manufacturing monitor indicates furlough activity has largely remained consistent with minimal changes since the previous report. Approximately 77% of manufacturers have furloughed anywhere between 1% and 50% of staff, with the majority of firms within the 26-50% category. For the moment, the expectation that manufacturers will, slowly, bring workers back on a part-time or full-time basis remains and more so given the recent introduction of 'flexible furlough.' Yet, it is the rising certainty amongst those that are looking to make workers redundant in the next six months that is increasingly concerning. Nevertheless, very few firms have indicated redundancy will be applied to large proportions of their entire workforce – whether this is a positive result is debatable.

The results for sales and orders continue to be poor, however, the survey's trajectory indicate signs of life returning as the share of those firms seeing an increase in activity are rising steadily. As of now, almost 99% of firms are open for business since lockdown restrictions were eased, as a result a number of manufacturers have encouragingly increased their operating activity nearer to their pre- Covid-19 levels. Although, a large gap still exists. Additionally, the latest survey indicates that both logistic costs and travel times have increased for the majority of manufacturers since the start of the pandemic. What the latest crisis has made clear is the current logistics infrastructure is highly malleable to significant supply-side shocks. As such a major overhaul of the network may be required in order to build in resilience into the system.

Four months since the start of the pandemic, the prospects of a quick V-shape recovery is thought bleak.

Visitor Economy

After an initial sense of isolation for businesses in the visitor economy at the beginning of lockdown, sole traders and small businesses are now showing determination to get up and running as soon as possible. One tourist attraction in Matlock Bath reopened on Saturday 18 July to ticket holders only, operating at 20% capacity initially and with 98% of staff returning from furlough. It could potentially grow to 40% capacity eventually but not much beyond this without a major shift in social distancing policies.

There has also been a significant growth in advanced, online bookings and fewer walk-up bookings. This has resulted in the operator shifting investment into its online promotion and booking processes.

The FSB are awaiting feedback from members on the impact of "staycations" in tourist spots such as the Peak District and Lincolnshire will help towards their survival. However, they have heard many reports of the public expecting a 15% reduction in the cost of accommodation and attractions due to the VAT reduction, which these establishments not in the position to offer such a deal.

Plans are underway to launch a new 'staycation' campaign within Derbyshire to encourage breaks throughout the Autumn and Winter.

Small Business (FSB)

FSB has issued its latest national quarterly confidence survey. Over a fifth (23%) of the 1,400 business owners surveyed for the study expect their performance to be "much worse" over the coming quarter compared to the last three months.

Those in the construction and accommodation & food service sectors are among the most confident about a relative uplift in performance next quarter, with 29% and 26% expecting a significant improvement respectively. Among the least confident are those in the wholesale & retail and arts & entertainment sectors, where only 13% and 2% think likewise.

There has been feedback that the introduction of street licensing is seen as another 'another layer of bureaucracy' and alternative simpler temporary solution should have been devised.

We continue to represent our members in the lockdown zone in Leicestershire with 500 businesses within the current boundaries signed up to the FSB. We have called for the Government to offer clear and swift communications, with the lockdown regularly reviewed and extra financial help for the area. There is huge concern that Leicester businesses will be left lagging behind with customers going elsewhere now businesses have reopened elsewhere and nearby.

There continues to be big concerns over the future of young people in the job market and apprenticeships and learning and development in general. Many businesses have trimmed back on this support and the FSB has written to all MPs in the West Midlands asking them to back apprenticeships that are fit for modern industry and making it easier for small businesses to offer opportunities to young people leaving education.

Furthermore, our members report younger staff and apprentices put more value on the social and mentoring aspects of working in a physical environment which could become less frequent as we find new ways of working post-Covid 19.

Nevertheless, the Summer Statement was generally welcomed by leisure, tourism and hospitality businesses and many are pleased with the Job Retention Scheme bonus scheme. However, others have fed back that they feel that money could be better used to support businesses who have not received any other assistance like directors who took their pay through dividends.

Farming – NFU

The reopening of the food services sector does now seem to have fed through into rising demand for farm produce. There are signs that commodity prices for products such as lamb have recovered somewhat as a result.

The main harvest season is now well underway. Although there are some reports that flooding early in the year has resulted in reduced yields for some crops in affected areas of the Country.

It is too early to know whether the Government's 'eat out to help out' initiative will feed through into stronger demand for farm produce.

Farms that have diversified into the visitor economy are hoping now to see benefits as a result of increasing interest in 'staycations'. Nevertheless, they have lost this income over a four-month period since lockdown was first introduced. A month of the remaining holiday summer peak season is unlikely to be sufficient to repair this financial damage.

Some rural coastal areas are reported to have been particularly hard hit in consequence of their high reliance on relatively casualised employment in locked down sectors.

More positively, there are hopes that the apparent resurgence of local shopping during lockdown may have re-connected consumers to their local food producers in ways that may benefit the sector in the long term.

University engagement with business

Demand for innovation support for SMEs is growing, with universities reporting a significant growth in demand for knowledge transfer partnerships (KTPs), among other initiatives, which are increasingly becoming significantly more competitive and may provide opportunities for future business funding.

Appendix

The Future of Towns and Cities Sources:

High streets Expert Panel, The high street report, Ministry of Housing, Communities and Local Government 2018
 Petrie, Issy; Coutts, Pippa; Ormston, Hannah; Turnaround towns UKR, Carnegie UK Trust 2019. Brett, Will; Alakeson, Vidhya; Take back the high street: putting communities in charge of their own town centres Poerto Change Research Institute 2019. Wicks, Simon Recovery plan (urban design post-COVID-19), Jun 2020. Welch, Alastair; Turning of the tide (reviving coastal towns), Nov 2019. McCann, P. and Ortega-Argiles, R. (2019) Perspectives on Smart Specialisation Policies in Lagging Regions, p.17-28 in: Barzotto, M., Corradini, C., Fai, F.M., Labory, S., and Tomlinson, P.R., (eds.) *Revitalising Lagging Regions: Smart Specialisation and Industry 4.0*, Regional Studies Policy Impact Books, Routledge, Taylor and Francis Group, New York and London. Szerb, L.; Ortega-Argiles, R; Acs, Z and Komlosi, E. (2020) "Optimizing entrepreneurial development processes for smart specialization in the European Union", early view in *Papers in Regional Science*, Davenport, Alex et al The geography of the COVID-19 crisis in England, Institute for Fiscal Studies. Health on the high street: running on empty; Royal Society for Public Health 2018. Swinney, Paul; McDonald, Rebecca; Ramuni, Lahari; Talk of the town: the economic links between cities and towns 2018. Local Government Association; Revitalising town centres: a handbook for council leadership 2018. Wallace, Jen; Menzies, Rebekah; The ingredients for a successful turnaround town, IN Town and Country Planning, Vol 87 No 2 Feb 2018. Ntounis, Nikos; Kavartzis, Mihalis; Re-branding the High street: the place branding process and reflections from three UK towns, IN Journal of Place Management and Development, Vol 10 No 4 2017. Lichfields; Exploring the local economic implications of Covid-19 (Lichfields Insight April 2020). Pardoe, Linus; Recreating parks: securing the future of our urban green spaces. Social Market Foundation (SMF) 2020

NEW ECONOMIC SHOCKS			
COMPANY	LOCATION	SECTOR	SOURCE/DETAIL
Grand Theatre	Black Country	Leisure/ Arts	Theatres across our region including the Grant Theatre in Wolverhampton are set to lose £10mil through cancelled pantomimes. https://www.expressandstar.com/entertainment/theatre-and-comedy/2020/07/25/theatres-across-region-face-10-million-panto-loss/
Island Bar	Birmingham	Hospitality	Island Bar closes for good as coronavirus 'destroys' business. The Suffolk Street Queensway venue was among Birmingham's first independents, opening in 2006. https://www.birminghammail.co.uk/whats-on/food-drink-news/island-bar-closes-good-coronavirus-18656772
Birmingham Museums Trust	Birmingham	Cultural	Almost half of staff at Birmingham Museums Trust facing redundancy. The trust runs nine museum sites across Birmingham – including the Birmingham Museum and Art Gallery and the Thinktank. https://bit.ly/331HK1l
Britishvolt	Coventry	Manufacturing , Automotive	Coventry looks to have missed out on over 3,500 jobs after Britishvolt signed a memorandum of understanding for a huge electric car battery factory with the Welsh Government. https://www.thebusinessdesk.com/westmidlands/news/2042508-coventry-misses-out-of-huge-electric-car-battery-plant
Freeths	Nottingham, Derby and others	legal	National law firm Freeths has outlined plans to cut about 80 jobs from across its 13 offices. https://www.insidermedia.com/news/national/freeths-announce-plans-to-cut-80-jobs
BBC	Birmingham	Entertainment	BBC accused of abandoning West Midlands as plans to axe 52 jobs announced. https://bit.ly/2WPWjBq

Appendix

NEW ECONOMIC SHOCKS

COMPANY	LOCATION	SECTOR	SOURCE/DETAIL
Lincoln Cathedral	Lincoln	Visitor Economy	Lincoln Cathedral is seeking voluntary redundancies or a reduction in hours amongst its 120 workers. A drop in visitor numbers and the cancellation of events due to Covid 19 restrictions had seen its income fall substantially. There is no figure for the number of job cuts and the cathedral said it hoped to avoid compulsory redundancies. https://www.bbc.co.uk/news/uk-england-lincolnshire-53525770
CH&Co Catering Group	Lincoln, Boston, Grantham	Hospitality	Trade has all but reduced to zero during the coronavirus lockdown and a consultation process is now ongoing. Some staff were furloughed in April but could now face losing their jobs completely. The number of redundancies is not yet known and ULHT said any employment issues are a matter for the commercial company. https://thelincolnite.co.uk/2020/07/redundancies-loom-for-catering-staff-at-lincolnshire-hospitals/
Oldrids	Boston	Retail	The management of Oldrids, based on Strait Bargate, Boston confirmed the permanent closure of the store. The company said the store had been unprofitable for several years and the coronavirus pandemic was one of the reasons for the closure. An employee consultation has begun but it is not yet known how many jobs are at risk. A rise in employment costs and the closure of the nearby Marks and Spencer store leading to a drop in footfall were also cited as reasons for the store's closure. https://www.bbc.co.uk/news/uk-england-lincolnshire-53500111
Rileys	Black Country	Hospitality	As Rileys sports bar sets to close its' Wolverhampton club, 200 jobs are at risk. https://www.birminghammail.co.uk/black-country/200-job-risk-rileys-sports-18617812
Howdens	Black Country and wider areas	Retail	Company sees a 29% decrease in revenue at half year point, leading to a £14mil loss. https://www.expressandstar.com/news/business/2020/07/23/howden-slips-to-a-half-year-loss/
Marks & Spencer	UK Wide	Retail	M&S propose up to 950 job losses across store management and property. It has not yet been announced exact areas to be hit. https://www.dailymail.co.uk/news/article-8540029/Marks-Spencer-announce-hundreds-job-cuts-days.html

NEW INVESTMENT, DEALS AND OPPORTUNITIES

COMPANY	LOCATION	SECTOR	DETAIL & SOURCE
Hermes	UK Wide	Logistics	Hermes set to recruit 10,000 new staff in a £100mil investment to meet demand for new stay at home shoppers. https://news.sky.com/story/coronavirus-hermes-delivers-10-500-jobs-to-meet-stay-at-home-shopping-demand-12032689
Yamazaki Mazak	Worcester, Worcestershire	Manufacturing	Yamazaki Mazak has made investments in people and performance as its UK operations continue to regather momentum. https://bit.ly/2BsvKuy
Bombardier	Derby	Advanced manufacturing	Up to 400 new jobs later in 2020 https://www.business-live.co.uk/manufacturing/derbys-bombardier-resumes-recruitment-push-18612015

Appendix

NEW INVESTMENT, DEALS AND OPPORTUNITIES			
COMPANY	LOCATION	SECTOR	DETAIL & SOURCE
Knights	Paradise, Birmingham	Legal	Taking 18,000 sq. ft of Two Chamberlain Square. Its fifth-floor space will have room for up to 160 staff. https://bit.ly/3jw9FMR
Martin Sprocket & Gear	Leamington Spa	Manufacturing	A leading manufacturer and supplier of power transmission products, material handling components and systems has opened its first European operations at a multi-million pound business park in Leamington Spa. https://www.thebusinessdesk.com/westmidlands/news/2042533-business-park-signs-us-industrial-firm-for-its-first-european-operations
Exasoft	Coventry	Digital and Creative	A software and digital solutions company has won the contract to create the new Coventry UK City of Culture website. The website, to be created by Coventry-based Exasoft Group, will give people a taste of what to expect for the city's year as UK City of Culture. https://www.thebusinessdesk.com/westmidlands/news/2042615-tech-company-scoops-city-of-culture-contract
Portway Scaffolding	Redditch	Construction	A Redditch-based scaffolding contractor has secured a funding boost to support its cash flow after building sites across the UK closed due to the coronavirus. https://www.thebusinessdesk.com/westmidlands/news/2042713-funding-safeguards-jobs-at-scaffolding-firm
HealthCorm	Tamworth in Arden	Human Health and Social Care	A Warwickshire businessman has received support to help set up a social enterprise supplying PPE equipment, motivated after his brother contracted Covid-19 at the start of the pandemic. https://www.thebusinessdesk.com/westmidlands/news/2042657-ppe-firm-set-up-by-businessman-inspired-by-brother%e2%80%99s-covid-19-sees-rapid-growth
Lotus	Wellesbourne	Automotive, Technology, Engineering	Sports car manufacturer Lotus is to set up an advanced technology centre at the University of Warwick's Wellesbourne campus, which will also be a new headquarters for the company's engineering consultancy. https://www.thebusinessdesk.com/westmidlands/news/2042651-lotus-drives-ahead-with-new-advanced-technology-centre-at-university-of-warwick
Associated Beauty Therapists	Bidford on Avon	Health & Beauty, Retail	All jobs at a Warwickshire-based specialist membership and insurance company for the health and beauty sectors have been secured after the business received a Coronavirus Business Interruption Loan (CBIL) from Lloyds Bank. https://www.insidermedia.com/news/midlands/jobs-safeguarded-as-firm-receives-pandemic-funding-boost
Eatron	Warwick	Digital and Technology	A Warwick-based technology start-up has secured an investment worth more than €1m. Eatron, a developer of AI-powered software products for autonomy and e-mobility, has received the backing from Hirschvogel Ventures – the strategic investment arm of the Hirschvogel Automotive Group. https://www.insidermedia.com/news/midlands/tech-start-up-secures-1m-investment
AWI	Black Country	Manufacturing	Company invests £1mil investment in material to meet demand. https://www.pesmedia.com/alloy-wire-international-materials-investment-23072020/

Appendix

NEW INVESTMENT, DEALS AND OPPORTUNITIES			
COMPANY	LOCATION	SECTOR	DETAIL & SOURCE
JLR/Uni of Cambridge	National	Digital and Technology	Jaguar Land Rover and the University of Cambridge have developed new contactless touchscreen technology designed to help keep drivers' eyes on the road and reduce the spread of bacteria and viruses in a post Covid-19 world. https://www.insidermedia.com/news/midlands/contactless-tech-developed-by-jlr-and-university-of-cambridge
Lambs, The Opposition, The Vintner	Stratford-upon-Avon	Hospitality & Catering	Three Stratford restaurants have reopened their doors after enlisting the help of a national hygiene company headquartered in the town to deep clean their premises and ensure they stay in tip-top condition. Lambs, The Opposition and The Vintner have teamed up with Stratford based Filta Group to thoroughly sanitise their premises as lockdown continues to ease and businesses and public spaces reopen in the town. https://www.cwgrowthhub.co.uk/news/stratford-restaurants-are-ready-re-open-thanks-deep-clean
Underwood Wines	Stratford-upon-Avon	Retail	Although parts of the business have suffered during lockdown, including the supply to pubs and events, Underwood Wines almost quadrupled their sales of drinks to private customers during lockdown. A boom in private customers has enabled a Stratford-based wine merchants to stay afloat during the coronavirus pandemic. https://www.cwgrowthhub.co.uk/news/demand-lockdown-drinks-keeps-stratford-wine-merchants-afloat
Henley Ice-Cream	Henley-in-Arden	Hospitality & Catering	A family-run Henley business has defied the Coronavirus economic odds and actually taken on new employees – thanks to the honesty of local people. Henley Ice Cream was facing a bleak spring and summer when, like many other businesses, it had to close its doors and furlough staff with no positive business signs ahead. https://www.cwgrowthhub.co.uk/news/henley-ice-cream-defied-coronavirus-economic-odds-and-has-actually-taken-new-employees
Stadium TM and Flood Engineering	Coventry	Manufacturing, Engineering	Stadium, which specialises in security, safety and traffic management, has teamed up with Flood Engineering to design and produce a queuing system Q-Smart which will keep shoppers socially distanced as well dry, and allow retailers to double the number of people they have waiting to enter their stores. https://www.cwgrowthhub.co.uk/news/midlands-firms-invent-coronavirus-queuing-system
Worcestershire Local Enterprise Partnership	Worcestershire	Public sector	Worcestershire 5G Testbed (W5G) has announced it is to work with BT as lead technology partner to accelerate its ambition to drive smart manufacturing through the UK's first live 5G factory installation. https://bit.ly/2EfFI3z
Aldi	Black Country	Retail	New Aldi store to open in Walsall providing 50 new jobs. https://www.expressandstar.com/news/business/2020/07/21/plans-for-new-aldi-in-pelsall/

DISCLAIMER OF LIABILITY

Every effort is made to provide accurate and complete information however we make no claims, promises or guarantees and expressly disclaim any liability for errors, omissions or actions taken by others on the basis of information provided.

For any queries please contact the lead authors:

Professor Delma Dwight/ Rebecca Riley/ William Rossiter

Delma_Dwight@blackcountryconsortium.co.uk

R.L.Riley@bham.ac.uk

William.Rossiter@ntu.ac.uk



Produced by:



In Partnership:



UNIVERSITY OF BIRMINGHAM

BIRMINGHAM BUSINESS SCHOOL

