

West of England Weekly briefing on covid-19 business impacts

15 May 2020

Monitoring the economic impact of coronavirus

The West of England Combined Authority is working with partners and bringing the region together to tackle some of the urgent issues caused by coronavirus. We are taking our businesses' concerns back to government and influencing national decisions. While in this difficult time, we are already planning for the future and adapting our work and looking for new ways to help the West of England recover - to benefit all our residents and businesses.

We have set up a new West of England Economic Recovery Board, a partnership between the West of England Combined Authority, the Local Enterprise Partnership, business, universities and the region's councils (westofengland-ca.gov.uk/support-for-business-through-coronavirus-covid-19)

We are building a regional picture of the specific industrial and labour market challenges we're facing:

- We're talking to businesses of all sizes, answering their queries and helping them to find the support they need;
- We have set up a Covid-19 Business Response Panel, chaired by West of England Mayor Tim Bowles and including regional leads from across the business support and banking sector;
- The Local Enterprise Partnership Board is providing further intelligence and strategic support.

This briefing summarises this business intelligence, and WECA's economic analysis so far of the pandemic. The intention is to update it weekly as intelligence and analysis develops. Comments are sought on what should be expanded.

- A. Key challenges for businesses and gaps in government support
- B. Scale of impacts (emerging data)
- C. Impact on the region's sectors
- D. Baseline information on employment and support schemes
- E. Details of the government's lockdown exit strategy

Updates this week

Intelligence from businesses and available data are developing each week. For ease of reference, this brief collates material from over the past month (while it remains current). **Business intelligence reported here primarily captures interactions up to the 8 May**, therefore this brief will not yet capture concerns businesses may have as a result of the Government's lockdown exit strategy published on 11th May. These will be reflected in next week's report. The key updates this week are:

Section	Updates	Pages
A	<ul style="list-style-type: none">Local authorities in the region are distributing grants to support businesses. As of 10 May, 13,714 grants have been distributed, amounting to £172.4 million in the West of England.Calls for business support are decreasing each week but businesses remain concerned about the timing of support; are seeking clarity over eligibility for the 'Top Up' grants for businesses ineligible for the Small Business Grant Scheme; and have expressed concerns about mental health support.	4-6
B	<ul style="list-style-type: none">UK GDP fell 2% in Quarter 1 2020 (Jan-Mar), signalling the first direct impacts of the virus on the economy.To date, business liquidations have not spiked: as of 13 May, 96 West of England businesses have appointed liquidators since 16 March. This is a similar amount to the same time period in 2019.Job advertisements in April 2020 were down 50% from March 2020, and 36% from April 2019.	7-13
C	<ul style="list-style-type: none">We are developing our understanding of the impact on key sectors of the region's economy. We have included baseline data on the size of these sectors and early indicators of the impact on activity, revenue and staffing, from national surveys.	14-15
D	<ul style="list-style-type: none">The Chancellor has confirmed that the furlough scheme will be extended to October. From August furloughed workers can return to work part-time with employers being asked to pay a percentage towards their salaries. £2bn of funding is being provided to encourage the uptake of cycling and walking as people return to work.	16-18
E	<ul style="list-style-type: none">Details of the Government's lockdown strategy have been announced, setting out the staggered relaxation of lockdown measures. As of Wednesday 13th May, England is officially entering Step One of the relaxation of measures.The Government is now encouraging people who cannot work from home to return to work, provided their workplace is open; and working with transport providers to facilitate this. Schools remain closed.The Government anticipate entering Step 2 (including phased returns of schools and opening non-essential retail) in early June, and Step 3 (potential reopening of personal care and hospitality sectors) in early July.	19-22

A. Critical challenges to supply and demand are driving cash flow difficulties

WECA has collated intelligence received through Growth Hub; from the unitary authorities' economic development teams; and from the LEP Board and Business Response Panel, chaired by the Mayor. The key challenges businesses are facing include:

- Cashflow and liquidity concerns - caused by loss or postponement of contracts and customers, and consequent inability to cover costs such as payroll and rents before external support is received. This is especially a concern for seasonal businesses who may lose their main operating season if lockdown is extended into summer;
- Managing staff - including staff wellbeing and safety, and ability to respond to current or future demand. Concerns around sickness, self-isolation and business continuity;
- Supply chain - issues with obtaining critical stock; disruption to companies along the supply chain; pressures on businesses that remain open;
- Potential risk to logistics capacity for deliveries - eg in recruiting staff and drivers, closure of restaurant premises;
- Capacity for organisations responding to increased demand - concerns that key support organisations such as banks, call centres, and Job Centre Plus, are not able to keep up with demand;
- Longer term planning - Businesses are looking for guidance on how to prepare and adapt to the “new normal” for their industry, in a way that allows them to not only survive but eventually thrive.
 - Some businesses are beginning to think about longer-term changes - including potentially moving to smaller premises due to increased homeworking; and streamlining operations.
 - Some businesses anticipate a slow return of demand, as the public may be unwilling to return to public places, which may lead to a longer-term impact on jobs

A. Urgent gaps in support remain, particularly for smallest businesses

Local authorities in the region are distributing grants to support businesses. As of 10 May, [13,714 grants have been distributed, amounting to £172.4 million](#) in the West of England. Local authorities estimate that 18,270 businesses in the region are eligible for these grants. The number of calls for business support is decreasing each week but businesses remain concerned about these key issues:

- Timing of support - Concerns remain that gaps in receiving support, grant payments and furlough support are too long for businesses and self-employed people facing immediate cash flow crises, covering rent, bills and wages.
 - Businesses continue to report issues dealing with the Valuation Office Agency to obtain a ratings assessment, therefore delaying access to grants.
- Loans - (both Bounce Back and Business Interruption Loan Scheme) are coming through but challenges remain:
 - Some businesses report issues dealing with banks and long delays due to the volume of enquiries;
 - Many report anxiety that their businesses will not be commercially viable due to lockdown, therefore impacting their ability to obtain a loan
 - Some small businesses are averse to/unfamiliar with taking on debt and may need support to help them manage new debt effectively.
 - As of 12 May, [the banking and finance industry](#) has provided almost £15 billion to over 304,000 businesses so far through the Bounce Back and Business Interruption Loan Schemes.
 - The fintech sector [have reported](#) that they are unable to compete with big banks offering government-backed loans, as the Bank of England is allowing banks to borrow funds, but excludes non-bank lenders.
- Clarity of support - Confirmation that the furlough scheme will be extended until October will be particularly welcome for businesses who had been considering redundancies but businesses are still seeking clarity over other support measures;
 - Many small businesses who operate out of larger units and shared spaces, and therefore are ineligible for the Small Business Grant Scheme, are now enquiring about their eligibility for the Top Up Grant Scheme - the discretionary fund announced last week. Local Authorities are still awaiting eligibility details so currently unable to assist businesses with this, so guidance is needed as soon as possible.
 - There is a lack of information about how and when HMRC will begin to contact people for some schemes

A. Gaps in support pose challenges for specific sectors and types of businesses

- Self-employment - Concerns over lack of support available for newly established businesses and contractors set up as a 1-person limited company; concerns over whether the self-employment scheme will be extended in line with the furlough extension.
- Apprenticeships - Support needed for training providers. Government is funding Further Education Providers but not apprenticeships. Concerns about missed opportunities for 16-18 year olds and the impact on their future earnings; and financial impact on the sector
- Mental health - A large number of businesses have been reporting concerns for mental health challenges experienced by themselves or their staff as a result of lockdown measures, including anxiety about going back to work, and struggles with homeworking.
- WECA and the four UAs have provided support and guidance to a wide range of businesses. The hospitality and leisure sector and the retail sector were one of the top 5 most supported sectors for all UAs. Food services was the common sector reported by Bristol City Council, with companies looking to switch to takeout provision and seeking clarity over eligibility for support.
 - Other sectors commonly seeking support include construction and manufacturing, facing supply chain issues; finance and professional services; transport and logistics, facing challenges with availability of HGV driver testing; and creative and digital.

B. Early indicators of economic impact reflect these challenges at a national level

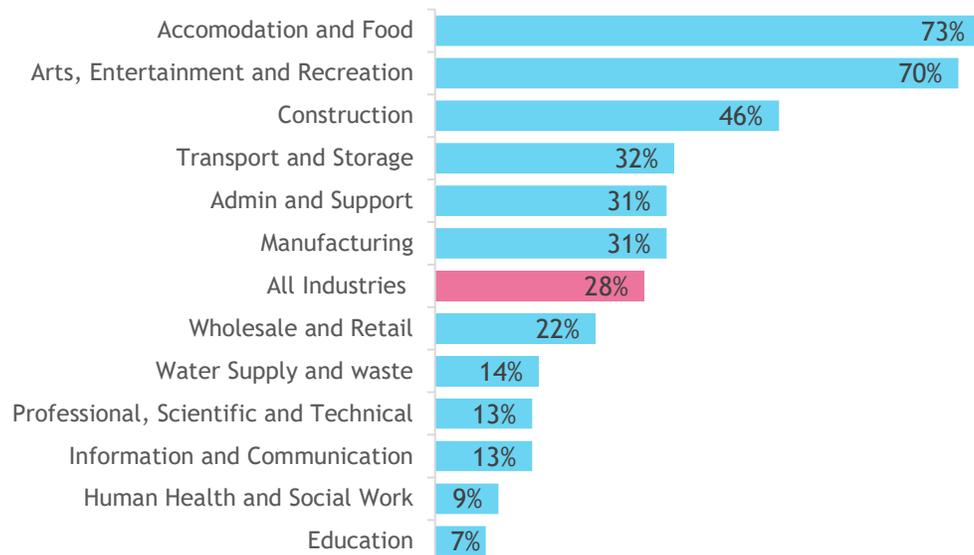
Emerging economic data provides a guide to how the UK economy is performing and the scale of the downturn currently taking place. [Latest indicators suggest:](#)

- **Trading Status:** The latest [ONS Business Impact Survey](#) (7 May) reports that 23% of businesses have temporarily closed or paused trading.
 - The sectors reporting the largest percentages of closures were arts, entertainment and recreation; and accommodation and food, both reporting approximately 80%. The largest proportion of businesses continuing to trade came from professional, scientific and technical activities (97%), information and communication (95%), health and social work activities (94%).
- **Financial performance:**
 - [GDP fell 2% in Quarter 1 2020 \(Jan-Mar\)](#), signalling the first direct impacts of the virus on the national economy. The services sector fell by 1.9%, production by 2.1% and construction by 2.6%. Monthly GDP fell by 5.8% in March, the biggest monthly fall since the series began in 1997.
 - [The ONS also reports](#) that 58% of UK businesses continuing to trade saw their turnover decreasing between 6 April and 19 April; 32% said turnover had not been affected; and 3% saw increased turnover. The main sectors who reported their turnover decreased were accommodation and food services (57% of businesses), and arts, entertainment and recreation (51%).
 - The information and communication, and human health and social work sectors reported the largest percentages of unaffected turnover. Sectors reporting increased turnover were retail, and food services - likely due to takeaway activity.
- **Business Confidence** - Of businesses continuing to trade, the majority (72%) felt confident they had the financial resources available to continue operating throughout the coronavirus period.; 6% did not feel confident; the remainder were unsure.
 - Among businesses with 250 employees or more, 77% felt confident, compared to 69% of businesses with fewer than 250 employees. The two main industries reporting they were not confident they would be able to continue operating through the pandemic were accommodation and food services (16% of businesses); and arts, entertainment and recreation (14%).
- **Benefit Claims** - [The Government has reported](#) it received 1.8m Universal Credit benefits claims (applications) between 16 March and the end of April - six times higher than the volume typically received. Note that these claims do not necessarily correlate to unemployment, due to the in-work element to Universal Credit.
- **Property** - Property site [Zoopla reported](#) a 70% decline in new property sales agreed since the outbreak. This week the Government confirmed real estate activity and house viewings can begin again.
- **Social Impacts** -80% of people say they are very worried about the effect of covid-19 on their lives. People are most worried about the inability to make plans; their well-being; and personal travel plans. 40% of adults say the virus is affecting their work; and 23% their household finances.

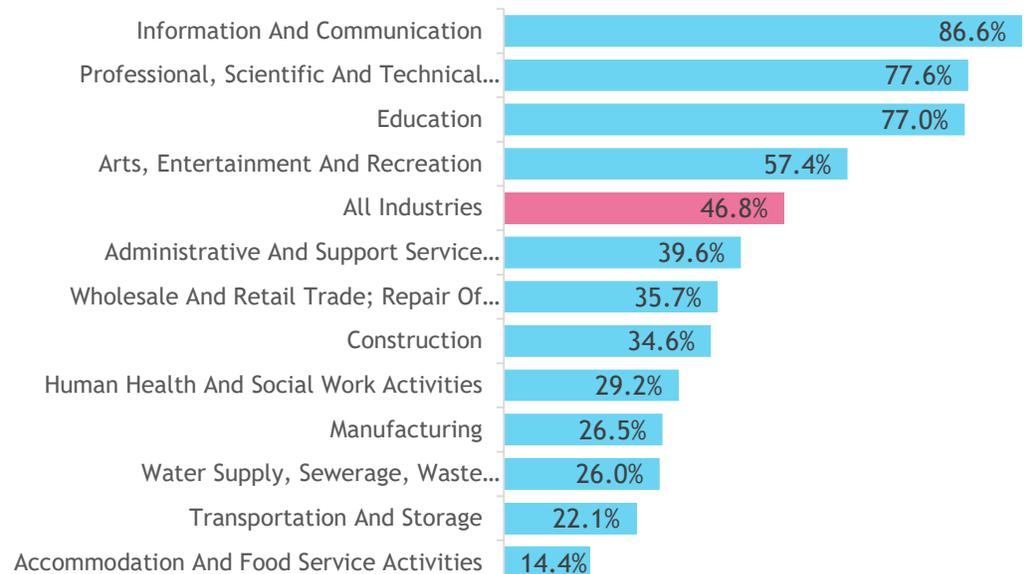
B. The workforce has been seriously impacted with high levels of staff on furlough and working from home

- The [ONS report](#) that 28% of the national workforce has been furloughed under the Job Retention Scheme.
- Furlough levels are highest among the accommodation and food sector (73% of the workforce); and arts, entertainment and recreation (70%).
- Less than 1% of the workforce were made redundant for the period 6 April to 19 April.
- As of 12 May, [the Government report](#) a total of 7.5m jobs had been temporarily laid off by 935,000 companies, with claims amounting to £10 billion.
- [The ONS survey](#) found that where businesses continue to trade, 47% of the national workforce were working from home across all industries; and 34% working at their usual workplace.
- 19% had neither worked from home nor travelled to work; the reason for this is not known but could be that the person was on leave, on sick leave, furloughed or off-shift during the reference seven days.
- Homeworking is most common in information and communication; professional, scientific and technical industries; and education. It is least common in accommodation and food services, and transport and logistics.

% workforce furloughed by industry (6 April to 19 April)



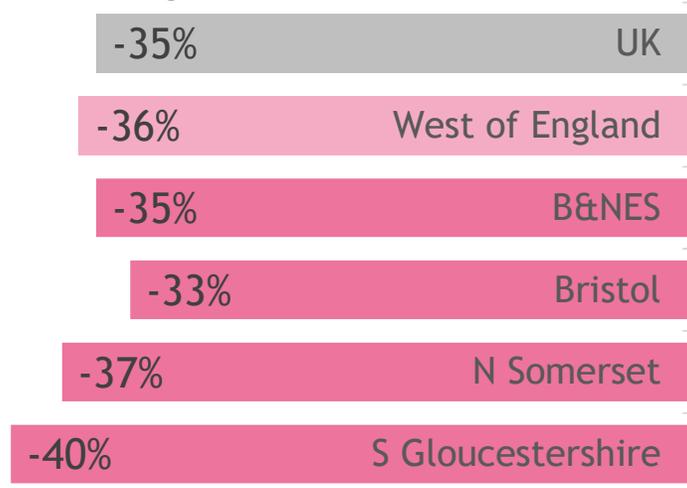
% staff working from home by industry (6 April to 19 April)



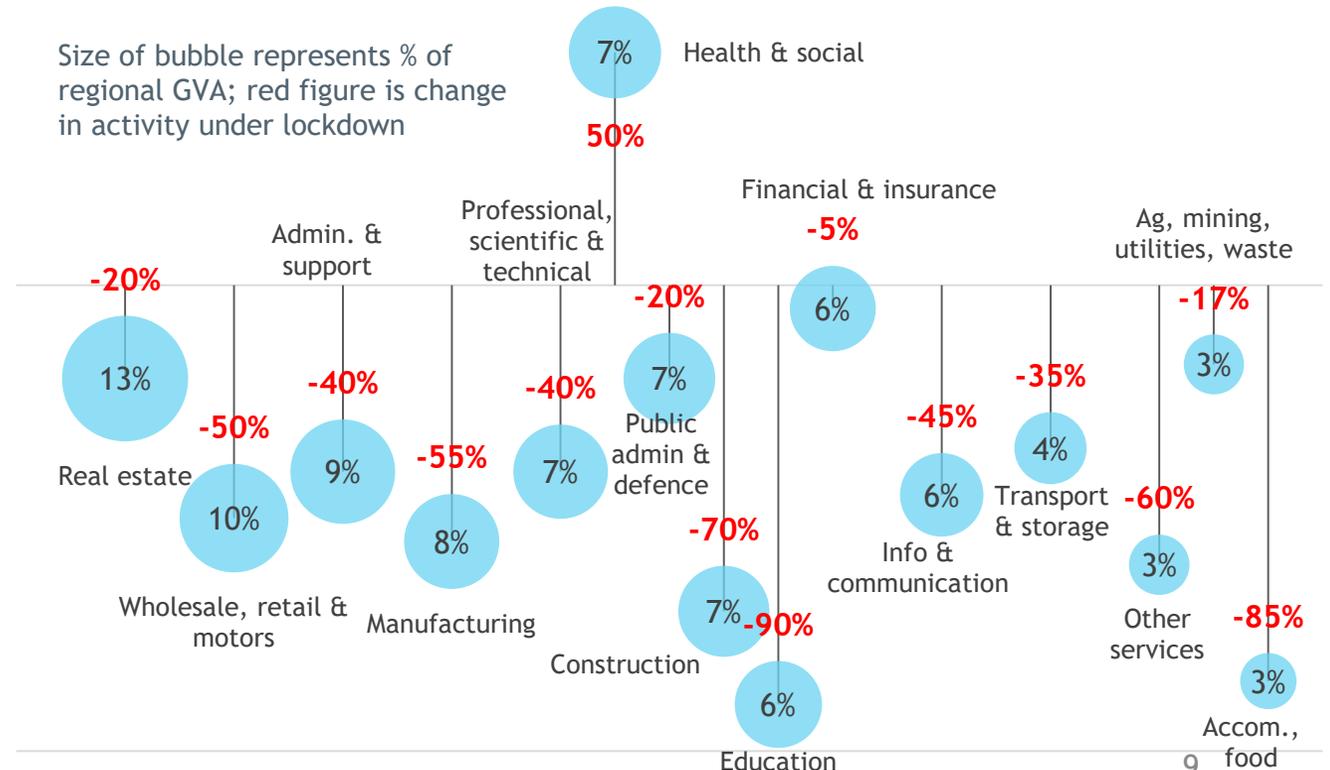
B. Scenario analysis shows the region may be affected in line with the national average

- The Office for Budget Responsibility has published a [reference scenario](#) (not a forecast) based on a three-month lockdown: “real GDP falls 35 per cent in the second quarter, but bounces back quickly. Unemployment rises by more than 2 million to 10 per cent in the second quarter, but then declines more slowly than GDP recovers.”
- Applying the OBR’s assumptions on sector impacts produces a scenario of a **fall in GVA of 36% in quarter 2 in the West of England**, before recovery in Q3.
- With different mixes of industries, the impact will vary for each UA:

Q2 change in GVA: scenario



- Different sectors face different impacts, based on ability to work from home, key workers, sickness, and changes in demand:



Source: [CPP analysis](#) and WECA calculations

Source: Office for Budget Responsibility, Coronavirus Reference Scenario; ONS; WECA analysis

B. Challenges are echoed at a regional level - results from a survey of over 450 Bristol businesses provide insight

Insights from Bristol City Council's business impact survey includes responses from 458 businesses. Respondents covered a wide range of sectors, including but not limited to: food and drink; leisure and entertainment; retail; and creative, media and arts. 47% of respondents employ less than ten people, and 32% were self-employed or freelancers.

- Activity:
 - A majority of respondents (67%) have temporarily closed their premises, with 4% closing permanently
 - Some businesses are adapting operations to remain able to operate, with 16% trading online and 6% offering deliveries or click and collect options. Just 4% of businesses are open to the public,
- Financial Impacts:
 - 58% of businesses report a drop of revenue of greater than 80%, and 16% report a decrease between 51%-80%. A small number (3%) of businesses reported a large increase in revenue however.
 - 43% of business reported that under current circumstances they can continue to operate for between 1 and 3 months; 21% for 3 to 6 months; and 23% for up to 4 weeks.
 - This is supported by a [recent Business West survey](#) which reported that only 16% of businesses believe they will be able to cope if coronavirus crisis lasts 6 months
- Workforce:
 - 49% of businesses have furloughed some staff. Many (41% of respondents) have furloughed between 76% and 100% of staff, but 30% have furloughed less than 10% of staff.
 - 21% of businesses have introduced new flexible methods of working; 13% have changed access arrangements for customers and/or suppliers.
- Government support:
 - 41% of businesses have accessed the Small Business Grant Scheme, and 17% the Retail, Leisure and Hospitality Grants. 8% have accessed the Business Interruption Loan Scheme.
 - 34% of businesses are delaying VAT and income tax payments.
 - 21% of respondents are accessing the self-employment support scheme; and 14% applying for Universal Credit.

B. Some businesses have entered administration or liquidation but so far this appears no higher than the same time period in 2019

Administration

- As of 13 May, 8 businesses based in the West of England have appointed administrators since 16 March¹. 17 businesses appointed administrators in the same time period last year.
- The small numbers of businesses in these categories makes it difficult to draw conclusions, and it may be too early to assess the real impacts.

Unitary Authority	2019 Baseline 16 Mar - 13 May 2019	2020 16 Mar to 13 May
Bath and North East Somerset	1	1
Bristol City	13	7
North Somerset	2	0
South Gloucestershire	1	0
West of England Total	17	8

Liquidations

- As of 13 May, 96 businesses based in the West of England have appointed liquidators since 16 March¹, including 12 in the last week. 106 businesses appointed liquidators in the same time period last year.
- This varies between unitary authority: Bath and North East Somerset and Bristol have seen fewer businesses enter liquidation over the last 8 weeks than in the same period of 2019. North Somerset and South Gloucestershire have seen slightly more entering liquidation than in 2019, albeit from a lower base.
- It may be too early to assess the real impacts

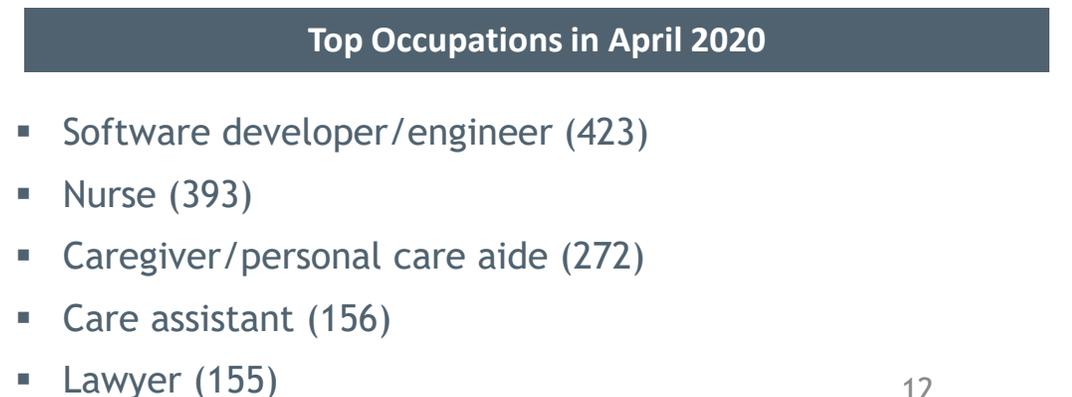
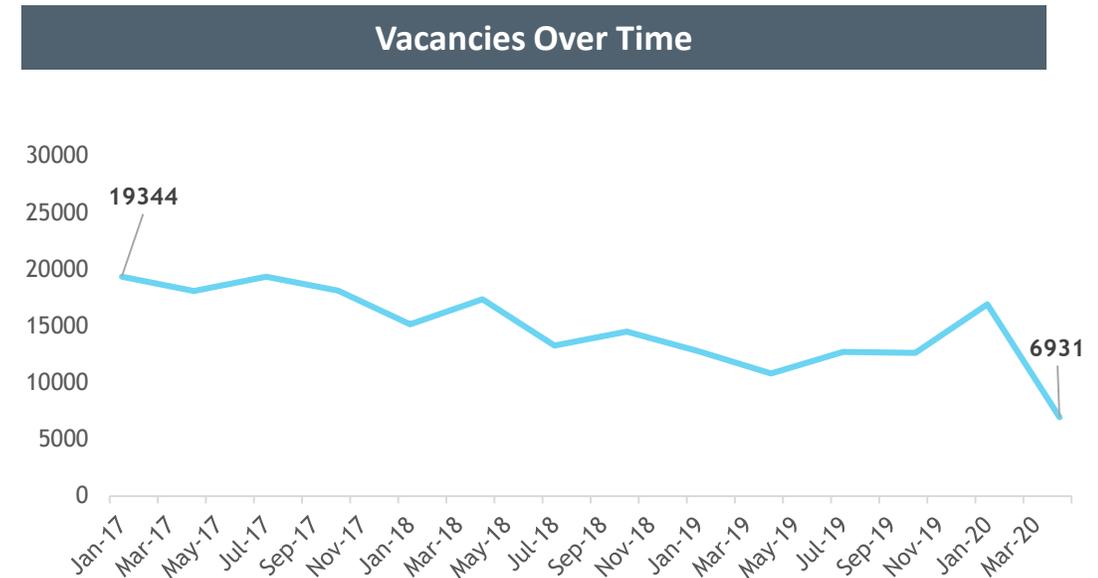
Unitary Authority	2019 Baseline 16 Mar - 13 May 2019	2020 16 Mar to 13 May
Bath and North East Somerset	21	15
Bristol City	64	49
North Somerset	13	19
South Gloucestershire	8	13
West of England Total	106	96

1) 16 March being the date the Government first advised people to work from home and avoid pubs, clubs, theatres and other social venues.

Sources: [London Gazette](#)

B. Effects are visible in the labour market: the number of jobs advertised has declined

- The number of vacancies has been gradually declining over the last few years, although employment has risen in this time. However, the impact of changes in demand as a result of lockdown measures and social distances became visible in April, with significant fewer jobs advertised.
- There were 6,391 jobs advertised in April 2020, down 50% from March 2020, and 36% from April 2019.
- Comparing the type of jobs advertised by industry:
 - From March to April, advertisements in health and social care fell by 21%, after seeing a significant increase in demand from February to March (29% increase in adverts). All other industries saw decrease in demand, including a 56% decrease in wholesale and retail advertisements, and a 75% decrease in accommodation and food services.
- Comparing the occupations in demand:
 - From March to April, demand for most occupations fell, with the exception of Elementary Security Occupations, and Metal Forming, Welding and Related Trades.



B. Distribution of impacts is also critical

- Among at-risk groups, there are approximately **146,600 people aged 70 and over** in the region (13% of the population) and **326,100 adults with health conditions or longer-term illnesses** (28% of population) (though these are not necessarily all risk factors for covid-19)
- There may be a digital divide in accessing benefits and support: **certain groups who do not have access to the internet are becoming isolated**
- One real-time indicator of impact is **people’s mobility, which has remained low in recent weeks** (see charts for Bristol - trends in other West of England LAs is similar). Retail and leisure facilities have been hit the hard and public transport usage has declined sharply. Workplace activity remains well below the baseline.
- **Energy use is shifting:** National Grid forecasts a 20% drop in electricity demand, as use shifts from commercial property to homes.
- **Air quality:** reflecting the decline in regional mobility, [air pollution in Bristol](#) has fallen by more than half compared with last year.

Visits and length of stay at retail and leisure facilities; workplaces; and transit stations remains low (Bristol, in line with other regional UAs)

Source: [Google Community Mobility Reports](#), 7 May

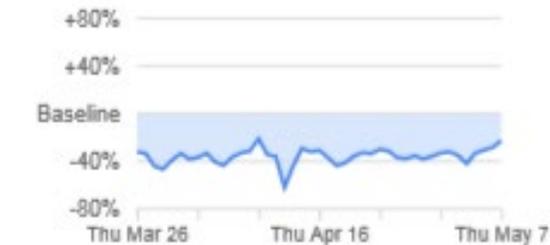
Retail & recreation

-77% compared to baseline



Grocery & pharmacy

-23% compared to baseline



Transit stations

-75% compared to baseline



Workplace

-71% compared to baseline



C. We will assess the impacts on key sectors of the region's economy, including creative and digital; professional services; and aerospace and engineering

We are seeking real-time indicators of economic conditions to assess the actual impacts on key sectors of our economy, but these are currently limited. We will develop our understanding of how sectors of our economy are affected by gathering business intelligence and identifying support needs through our Economic Recovery Taskforce.

Key sectors we are exploring include, but are not limited to:

- **Creative and Digital:** This sector is facing cashflow issues. A large number of businesses had been ineligible for grant support due to working out of co-working spaces and incubators, but should now be eligible under new government grants which went live on Wednesday 13th May
 - [GDP figures](#) for January to March 2020 reveal that the information and communication sector activity fell by 2.4% in that period
 - [A national survey by the Creative Industries Federation](#) reports that around 40% of creative organisations estimate their income has decreased by 100% since the outbreak
 - [A national survey of scaling tech companies](#) revealed that 77% expected cashflow to be impacted by recent events; 50% planned to furlough staff; and 35% planned to access the loan scheme.
 - [The national Tech Tracker Survey](#) found only 32% of tech start-ups are “confident” or “very confident” that their turnover will grow in the year ahead, marking a 44% drop since the last quarter and an annual drop of 47% from when the first *Tech Tracker* survey was conducted in March 2019; 54% said they were “very worried” about the impact of coronavirus on their business
- **The manufacturing sector**, which includes the region's aerospace and advanced engineering firms, has been seriously impacted, with less demand for orders and supply chain issues.
 - [GDP figures](#) for January to March 2020 reveal the manufacturing sector provided a negative contribution to the economy in this period, falling by 1.7%, with manufacture of transport equipment being the main contributor to the fall. This is largely attributed to the shutdown of car plants.
 - Airbus has [reported serious cashflow issues](#) in recent weeks and has furloughed over 3,000 staff at its north Wales site and [plans to furlough 1,500 at its site in Bristol](#). Roughly two-thirds of the company's engineering, engineering support, and support function employees in Bristol will be impacted by the decision according to Airbus.
 - Results from the [manufacturing barometer survey](#), organised by the South West Manufacturing Advisory Service reveal that 80% of businesses had seen a fall in production volumes since the lockdown began and 54% of firms believe they will need to cut job in the next six months.
 - A [poll of Building Design, Building Magazine and Housing Today readers](#) found 95% of architectural firms do not have a coronavirus recovery plan
- **The professional service industries** are more likely to be able to operate, with staff more likely to be working from home, but will face challenges with staff sickness and lower demand.
 - GDP figures for Jan to March 2020 show financial and insurance activity remained stable, rising by just 0.1%; administrative and support activities fell by 3.3%; and professional, scientific and technical activity fell by 0.1%.

C. There are significant challenges for many sectors, including businesses in retail; tourism; and transport and logistics.

- **Retail:** Nationally, retailers are facing issues due to store closures and social distancing. Several well-known chains with outlets in the West of England have appointed administrators, including Debenhams; Cath Kidston; Oasis and Warehouse; and Brighthouse. Primark, which has no online provision reported sales of zero in the month following lockdown, down from an average of £650 million per month.
 - Those working in these sectors will be unable to work from home and may be disproportionately affected. National data on weekly earnings by industry, made available by ONS, shows that those employed within ‘Wholesaling, Retailing, Hotels & Restaurants’ earn on average £366 per week; compared to an average of £544 per week for the economy as a whole - this is 33% less on average. Whilst the experiences within parts of ‘Wholesaling, Retailing, Hotels & Restaurants’ vary greatly, **this suggests that the lowest earners are at the greatest risk.**
 - [Retail sales in March fell by 5%.](#) Clothing stores saw a sharp fall compared to the previous month, at negative 35%. Food stores however saw a record growth of 10%. GDP figures for Jan to March 2020 reveal that the sector contributed negatively in this period, with a fall of 3%.
 - Despite the excess death rate being at a 20 year high, funeral services are being impacted as bereaved families opt for smaller, simpler funerals during lockdown. Analysis [from funeral provider Dignity](#) shows the percentage of customers requesting a “simple service” increasing from 20% in April 2019 to 60% in April 2020. This has led to an 11% drop in profit.
- **Tourism:** The tourism sector, including hospitality and cultural destinations, has seen similar issues with enforced closures.
 - **Events and Festivals:** The Bristol Culture Survey also reported that 42% of cultural organisations had cancelled events, and a further 26% had postponed, at a combined cost of £3m. 65% of respondents will not be covered by insurance. Staff in this sector are at risk - there are over 3,500 freelancers reported, in addition to core staff of 300. Many organisations will have to end all freelance contracts.
 - **Tour Operators:** Several airlines and holiday providers have reported serious issues, with [Tui reporting](#) 8,000 jobs are at risk; [Ryanair cutting 3,000 jobs](#); [British Airways anticipating](#) 12,000 redundancies; and [Virgin Atlantic](#) proposing 3,000 redundancies.
 - Destination Bristol’s Business Barometer for February 2020 reports an estimated 245, 053 visits to attractions in Bristol during February 2020, a decrease of 8.4% compared to 2019. This is partly attributed to the very wet weather, but the report highlights the beginnings of the effects of the pandemic, with school trips from Europe and China cancelled and early disruption in the schools market.
- **Transport and Logistics:** This sector faces challenges managing staff absence with [increased demand in some areas](#): Amazon and Royal Mail have been recruiting to manage an increase of parcel deliveries; the NHS have been recruiting for driving jobs; and food delivery drivers are in demand.
 - Some parts of the sector are managing public transport usage reducing as more people stay at home, and now balancing social distancing measures with the need for people to return to work
 - GDP figures for Jan to March 2020 show that the transport and storage sector shrank by 5% in this period.

D. We will monitor labour market indicators, including unemployment and benefit claims

- Prior to the lockdown and social distancing measures, the UK employment rate was at a record high but we know that many people have been made redundant or furloughed over recent weeks and we can expect to see an increase in unemployment and the number claiming Universal Credit. We will monitor the impact using the most recent data available as the baseline.

Baseline Data

- Unemployment Rate (All Persons): 3.7 % (Jan 2019 - Dec 2019)
- Workless Households: 36,200 (9.9%) (Jan 2018 - Dec 2018)
- Number of Children in Workless Households: 11,800 (5.9%) (Jan 2018 - Dec 2018)
- Starts on Universal Credit (Jobcentre Plus Locations in the West of England): 1,879 (Jan 2020)
- Table 1 shows the number of people claiming benefits principally for the reason of being unemployed - those claiming Jobseeker's Allowance plus those claiming Universal Credit who are required to seek work and be available for work. The proportion of the workforce claiming out of work benefits has remained stable for the past few months, highlighting that it is likely too early to see effects of the pandemic in the data.

**Table 1:
Claimant Count**

	Jan 2020		Feb 2020		Mar 2020	
	Number	% of workforce	Number	% of workforce	Number	% of workforce
Bath and North East Somerset	2,140	1.7	2,200	1.8	2,160	1.7
Bristol City	8,320	2.6	8,345	2.6	8,520	2.7
North Somerset	2,655	2.1	2,685	2.2	2,610	2.1
South Gloucestershire	2,430	1.4	2,545	1.4	2,525	1.4
West of England Total	15,550	2.1	15,775	2.1	15,815	2.1

D. This week, the Government has announced further support for businesses and workers

- [The Chancellor has confirmed](#) that the Job Retention scheme will be extended to the end of October. From the start of August, furloughed workers will be able to return to work part-time with employers being asked to pay a percentage towards the salaries of their furloughed staff.
- £2bn of funding is being provided to encourage the uptake of cycling and walking as people return to work. This will include schemes to widen pavements, produce pop-up cycling lanes, and close off roads to all vehicles apart from buses and emergency services
- HM Treasury has confirmed that the revaluation of business rates that was due to take place in 2021 will now be postponed, providing businesses with greater financial certainty during the coronavirus crisis
- Businesses with supply chains which rely on Trade Credit Insurance and who are experiencing difficulties maintaining cover due to Coronavirus have been advised that the government will temporarily guarantee business-to-business transactions currently supported by Trade Credit Insurance, ensuring the majority of insurance coverage will be maintained across the market.
- DEFRA has announced a support package for dairy farmers, who are seeing a loss in income as restaurants, hotels, pubs and bars remain closed during the lockdown. Eligible farmers will be entitled to apply for up to £10,000 to supplement lost earnings during April and May.
- Utilities provider Wessex Water has provided around £15,000 worth of grants to local community groups, organisations and charities throughout Bath and North East Somerset, Bristol, South Gloucestershire and North Somerset.

D. Large numbers of the region's businesses should be eligible for government support - LAs are releasing payments

We have made an initial assessment of numbers of businesses eligible for each government scheme:

	Scheme	Sector	Estimate of WofE businesses eligible (out of 45,680 businesses in total)
Wages	Job retention scheme (80% of wages)	All	37,500 employers
	Reclaim Statutory Sick Pay	All - SME	37,300 SME employers
	Self-employed employment support scheme (80% of profits)	All	All 93,200 self-employed people
Grants	1) Small Business Grant Scheme	All - Small	1) Firms receiving small business rate relief
	2) Cash grants - retail, hospitality, leisure	Retail, Hospitality, Leisure	2) Retail, hospitality and leisure businesses occupying property with value up to £52,000 An estimated 18,270 businesses are eligible for one of these two grants
Loans	Business Interruption Loan Scheme (British Business Bank)	All - SME	All 45,500 SMEs
	Corporate Financing Facility (Bank of England)	All - Large	190 large businesses
	Bounce Back Loans	All - SME	37,500 employers
Tax	Deferred VAT payments	All	27,600 VAT registered firms
	Deferred Income tax self-assessment	All	All 93,200 self-employed people
	Business Rates holidays - nurseries	Education	500 Ofsted registered providers occupying property
	Business Rates holidays - retail, hospitality, leisure	Retail, Hospitality, Leisure	14,100 retail, hospitality and leisure businesses occupying property
	Protection from eviction for commercial tenants	All	
	Frontline Death In-Service Life Assurance Scheme	Health & Social Care	83,000 people work in human health and social care activities - including hospital activities; GPs; dental; child day-care

E. Details of the Government's lockdown exit strategy have been published

- On Sunday 10th May, the Prime Minister announced the Government's official lockdown exit strategy. The strategy was published in a command paper [*Our Plan To Rebuild: The UK Government's COVID-19 recovery strategy*](#)
- The document set out the staggered relaxation of lockdown measures. Any relaxation, or tightening, of lockdown, will be based on infection rates, and how these impact on the following five criteria:

- 1 Protect the NHS's ability to cope. We must be confident that we are **able to provide sufficient critical care and specialist treatment** right across the UK.
- 2 See a **sustained and consistent fall in the daily death rates** from COVID-19 so we are confident that we have moved beyond the peak.
- 3 Reliable data from SAGE showing that **the rate of infection is decreasing to manageable levels** across the board.
- 4 Be confident that **the range of operational challenges, including testing capacity and PPE, are in hand**, with supply able to meet future demand.
- 5 Be confident that **any adjustments to the current measures will not risk a second peak of infections** that overwhelms the NHS.

E. As of Wednesday 13th May, England is officially entering Step One of the relaxation of measures.

- **Employment:** As the lockdown begins to relax, the government is supporting people and businesses to return to work
 - People who are able to work from home should continue to do
 - Those who are unable to work from home should return to work, provided their workspace is open. This includes construction; manufacturing; food production and logistics.
 - For now, sectors such as non-essential retail, leisure & hospitality, culture & tourism services and education settings are to remain closed.
 - All workplaces will be required to adhere to “Covid-19 Secure” guidelines, due to be published later this week. The guidelines have been written in consultation with business representatives and the Health & Safety Executive. HSE will be given powers to inspect workplaces and ensure compliance. Workers who display symptoms, however mild, or cohabitating with someone displaying symptoms, must leave the workplace and begin to self-isolate for 14 days
 - The Chancellor of the Exchequer has confirmed that the Coronavirus Job Retention Scheme will continue until October 2020. However, from August, furloughed staff should be expected to return to work on a part-time basis; with employers paying them a wage based on their part-time hours, and the government “topping up” their wages, so that no furloughed worker earns less than 80% of their salary during the lockdown
- **Schools and Childcare**
 - At present, infection rates are still too high for schools to reopen
 - Children deemed to be “at risk” - such as those in receipt of free school meals - and children of key workers should however continue to attend school
 - Paid childcare services such as nurseries and nannies, are to receive updated guidance to ensure they are able to operate in a way that adheres to updated public health principles. This should enable more parents to return to work.
- **Transport**
 - The government is working closely with transport operators to bring public transport service levels back to pre-lockdown levels of service as soon as possible.
 - However, people are being advised to avoid public transport wherever possible, instead using their own cars or - preferably - cycling or walking
 - Social distancing measures should be adhered to when on public transport. While not compulsory, the wearing of face masks is strongly advised.
 - To encourage cycling, the government will provide additional powers and funding to local authorities to widen pavements, install pop-up cycle lanes and close certain streets to all traffic except buses & emergency vehicles

E. Based on current modelling, the government anticipates that we will enter Step Two of the exit strategy on Monday 1st June

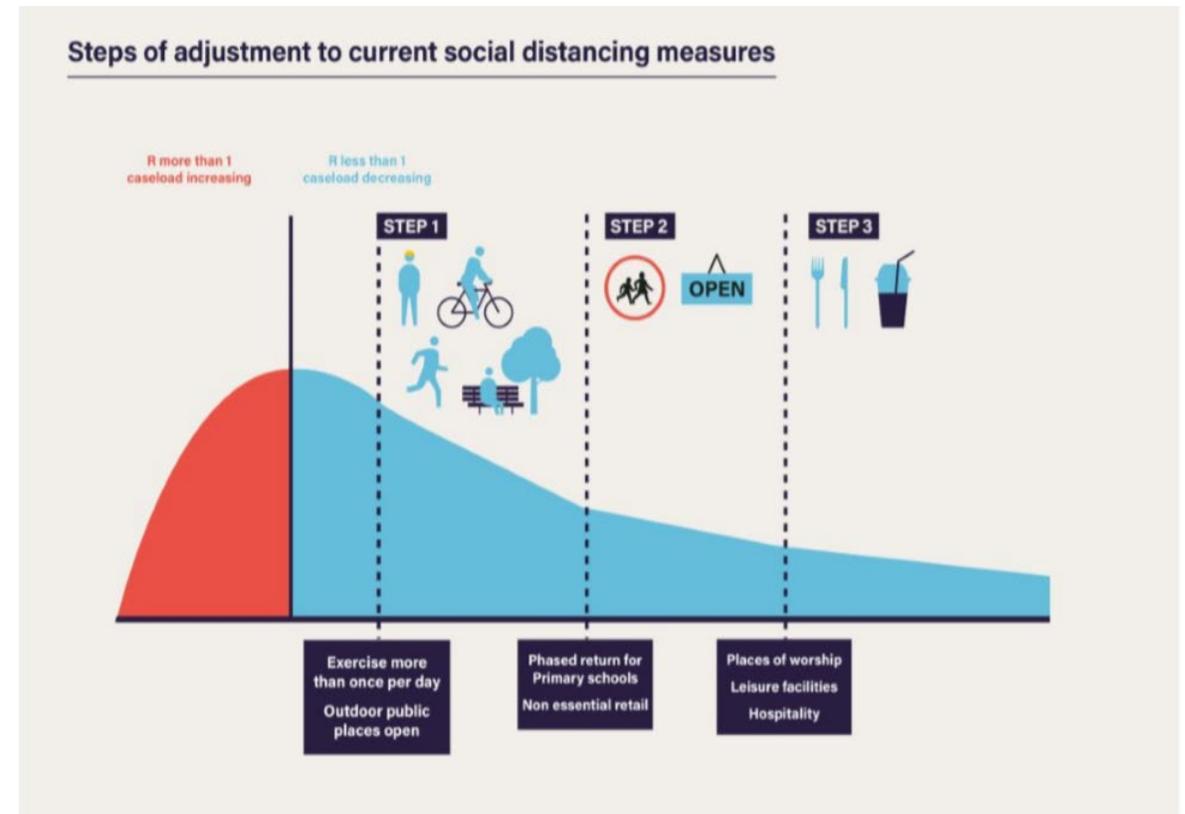
Employment:

- Non-essential retail spaces will be permitted to open provided they are able to adhere to new “Covid-19 Secure” guidelines. All other sectors that are currently closed, including hospitality and personal care, are not able to re-open at this point because the risk of transmission in these environments is higher.
- Sports and other cultural events will take place behind closed doors for the purpose of broadcasting; audiences will not be permitted at this stage, due to the possibility of further infections
- **Schools and Childcare**
 - The government will expect a phased return of schools from 1st June
 - Early Years, Reception, Year One and Year Six classes will return in Primary Schools, with reduced class sizes and social distancing measures in place
 - At the Secondary School and Further Education level, schools should prepare for face-to-face time with Year 10 and Year 12 pupils who have key exams next year, on top of their ongoing digital learning
 - The Government’s ambition is for all primary school children to return to school before the summer for a month if feasible, though this will be kept under review
- **Transport**
 - The government will re-open more local public transport in urban areas, subject to strict measures to limit as far as possible the risk of infection in these normally crowded spaces.

E. Based on current modelling, the government anticipates that we will enter Step Three of the exit strategy by Saturday 4th July

Employment:

- By this stage, the government aims to open the remaining businesses and premises that have been required to close. This will include personal care (hairdressers and beauty salons), hospitality, public places (like places of worship) and leisure facilities (such as cinemas), provided they are able to meet “COVID-19 Secure” guidelines
- The government acknowledges that some venues which are, by design, crowded and where it may prove difficult to enact distancing may still not be able to re-open safely at this point, or may be able to open safely only in part.
- **Other**
 - The government will establish a series of taskforces to work closely with stakeholders in these sectors to develop ways in which they can make these businesses and public places COVID-19 Secure.
- Any further relaxation of the lockdown measures will be based on infection rates. The government has stressed that measures will be relaxed or tightened depending on the data.



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For further information on support available to businesses, visit the West of England Growth Hub: wearegrowth.co.uk

Businesses can also access advice through [DWP Employer Help](#)