

West of England Economic Briefing on Covid-19 Business Impacts

25 June 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 Insight 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 as intelligence and analysis develops. Comments are sought on what should be expanded.

- A. State of the economy (emerging data)
- B. Impact on the region's sectors
- C. Government Support
- D. Details of the government's lockdown exit strategy

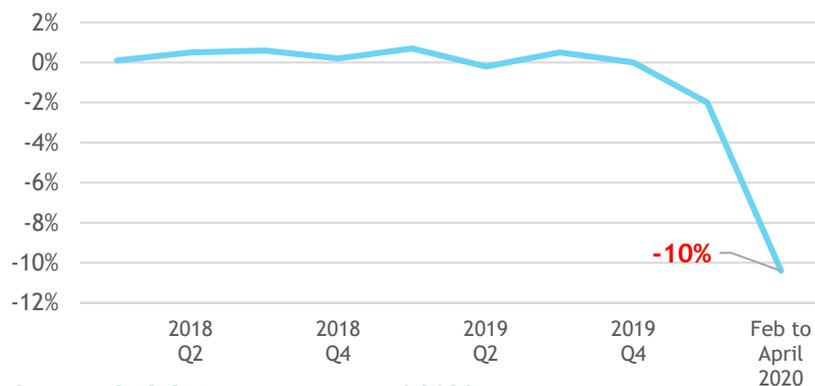
Updates this week

Intelligence from businesses and available data are developing each week. For ease of reference, this brief collates material from over the past few months (while it remains current). The key updates this week are:

Section	Updates	Pages
A	<ul style="list-style-type: none"> • Business Impacts: UK GDP fell by 10% in the three months to April 2020, as government restrictions on movement dramatically reduced economic activity. • To date, business liquidations have not spiked: as of 22 June, 146 West of England businesses have appointed liquidators since 16 March. This is a similar amount to the same time period in 2019. • Labour Market: Around 5% of the region's workforce claimed out of work benefits in May 2020, compared to 4% a month earlier and 2% in Feb 2020 before the pandemic hit. • Local authorities in the region are distributing grants to support businesses. As of 14 June, 15,983 grants have been distributed, amounting to £200.3 million in the West of England. • A small number of calls for business support are still being taken- most enquiries are from businesses who are struggling financially and have been ineligible for government support schemes, including the Top-Up Grant Scheme. 	4-14
B	We are developing our understanding of the impact on key sectors of the region's economy. We have included baseline data early indicators of the impact on activity, revenue and staffing, from national and local surveys.	15-16
C	<ul style="list-style-type: none"> • The £1bn Schools "Catch-Up" fund was launched, to help pupils catch up with their education before September after spending months out of school during the coronavirus lockdown. • A further £105m has been pledged to keep rough sleepers safe and off the streets during coronavirus pandemic. • Clarification has been issued around the eligibility of government support schemes for military reservists. 	17
D	<ul style="list-style-type: none"> • The Government has confirmed England will enter step 3 of the lockdown exit strategy on Saturday 4 July, with Pubs & Bars, Hair Salons, Restaurants, Cinemas, Museums & Galleries, Libraries, Hotels, Outdoor Gyms and Community spaces opening. Places of worship can reopen for group ceremonies (eg weddings) for gatherings of no more than 30 people • The Government confirmed its intention to fully reopen schools in September, with social distancing measures in place • Two-meter social distancing measures can be relaxed in areas where maintaining 2-metres is not possible. The new "one-metre plus" guidelines means staying one metre apart, plus mitigations which reduce the risk of transmission (e.g. Perspex screens or wearing face coverings) 	18

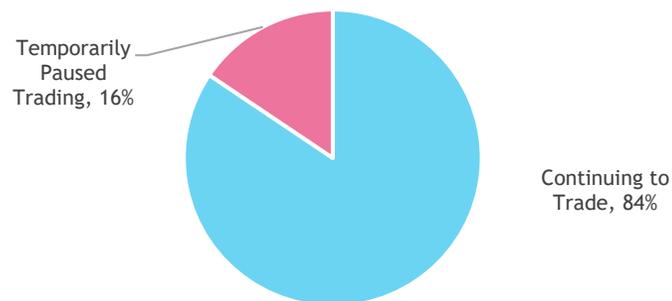
Business impacts are significant: GDP has fallen dramatically, and many businesses are closed and facing financial pressures

UK GDP fell by 10.4% in the three months to April 2020



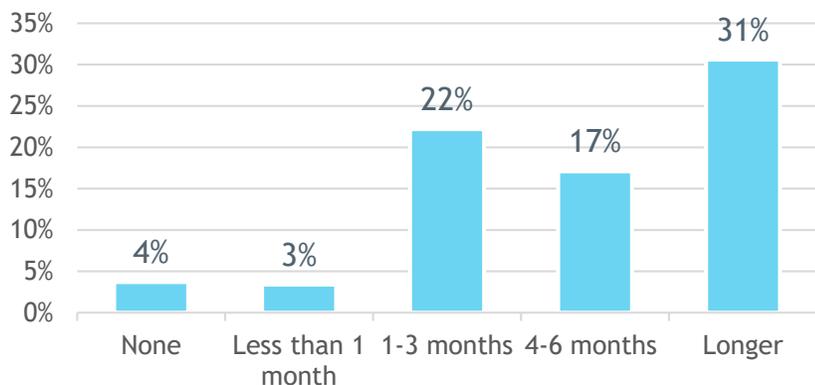
Source: [ONS GDP estimates, April 2020](#)

16% of UK businesses have temporarily paused trading



Source: [ONS Business Impact Survey, 18-31 May 2020](#)

29% of UK businesses have cash reserves to last three months or less



Source: [ONS Business Impact Survey, 18-31 May 2020](#)

Bankruptcies have not yet spiked: 146 West of England businesses have appointed liquidators since lockdown - this appears fairly stable



Source: [London Gazette, Insolvency Notices](#)

As of 21 June:

15,983 grants, totalling £200.3 million distributed by West of England local authorities

£28 billion lent across the UK in Bounce-Back loans

£10.5 bn lent to UK SMEs in Business Interruption Loans

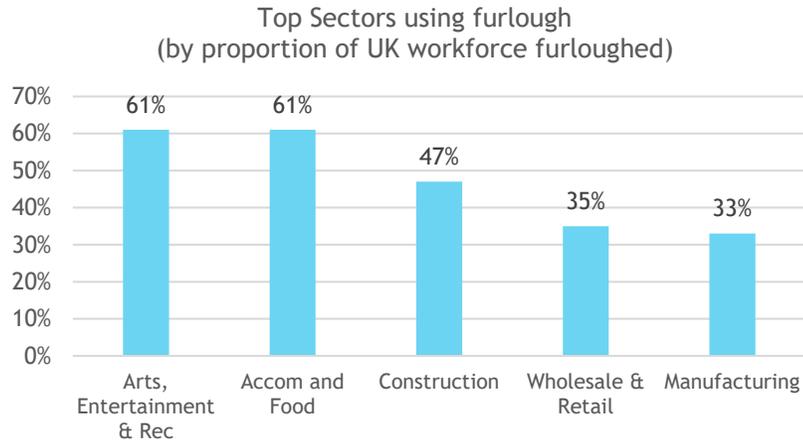
9.2 million UK workers furloughed by 1.1 million employers - costing £22.9 bn

2.6 million claims for Self-Employment Income Support, totalling £7.6 bn

Source: [HMRC Coronavirus Support Statistics](#)

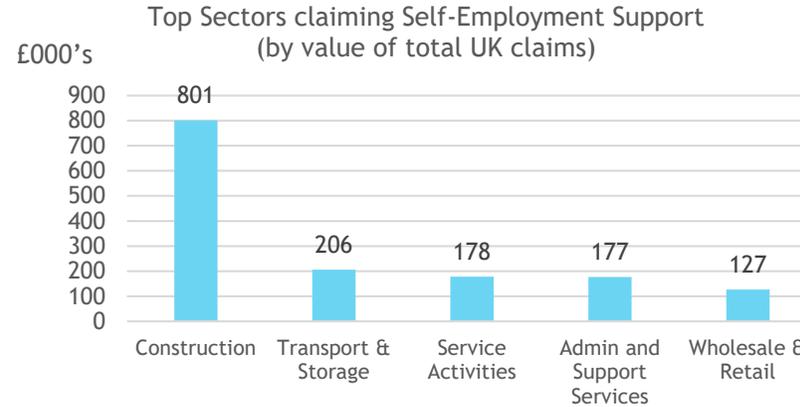
The labour market is severely affected: 22% of the region's workforce are furloughed; unemployment benefit claims are rising; and vacancies falling sharply

132,600 West of England employees have been furloughed (22% of the workforce)



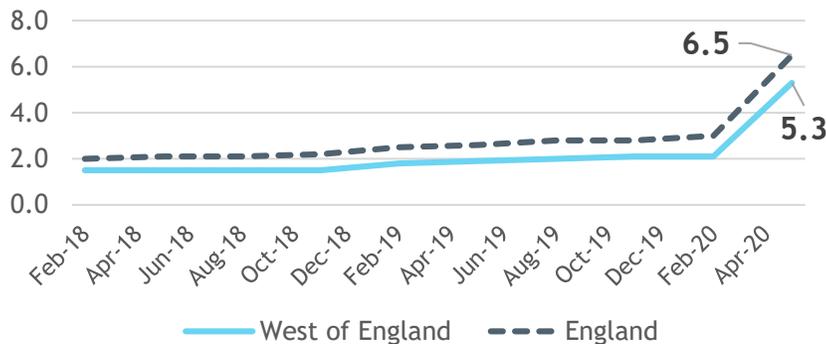
Source: [HMRC Coronavirus Job Retention Scheme Statistics](#)

41,500 West of England residents have claimed Self-Employment Income Support, with claims amount to £126m



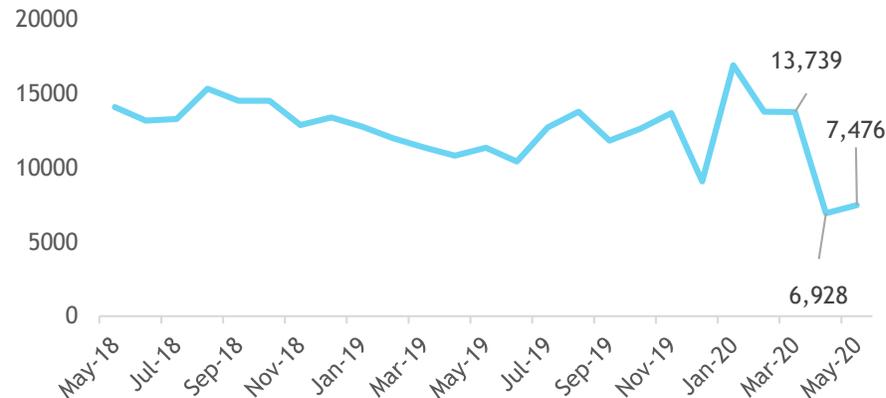
Source: [HMRC Coronavirus Job Retention Scheme Statistics](#)

5% of the West of England's working age population claimed unemployment benefits in May 2020



Source: [Nomis Labour Market Profile](#)

Vacancies in the WoE fell sharply in April 2020, rising slightly in May, but remain below pre-pandemic levels



Source: Labour Insight

As of 14 June, at a UK level:

48% of people said their well-being was being affected by the pandemic - through stress, anxiety, boredom and loneliness

27% of people expect their financial position to get worse in the next 12 months

41% of people say their work is affected by the pandemic with furlough; changes in working hours; and remote working

33% of people who were asked to send their child back to school chose not to. The majority say they are worried about their child catching Covid-19

Source: [ONS Opinions and Lifestyle Survey \(11-14 June\)](#) 5

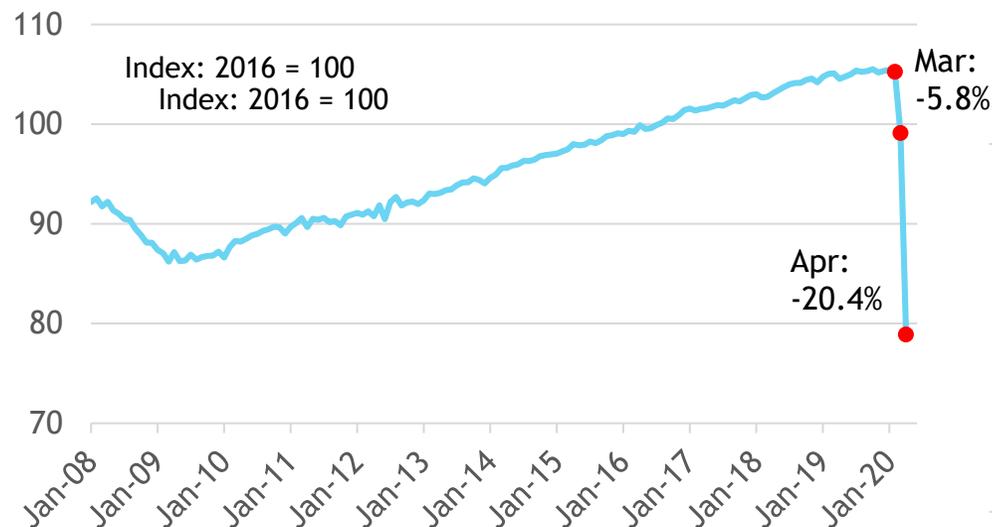
A. Overview: a severe recession with varied effects on different sectors

The pandemic will have a significant impact on economic output, particularly in the short term:

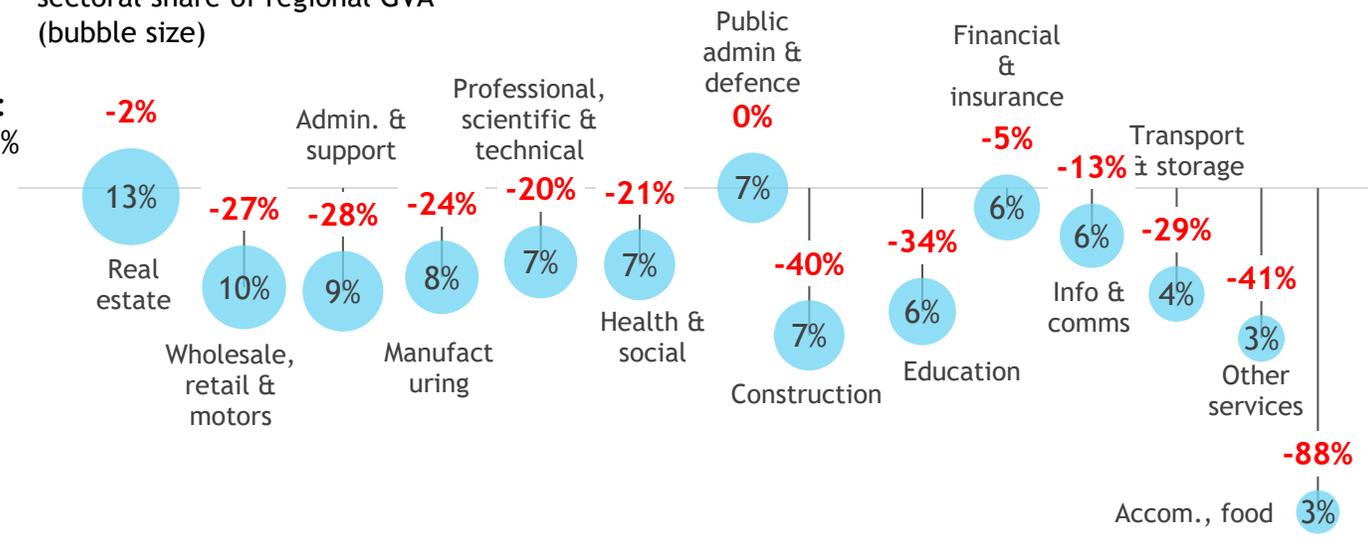
- **UK GDP fell by 10% in the three months to April 2020**, as government restrictions on movement dramatically reduced economic activity. The services sector fell by 9.9%, production by 9.5% and construction by 18.2%. **Monthly GDP fell by 20% in April 2020**, the biggest monthly fall since the series began in 1997.
- 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.”
- The OBR scenario might see a 36% fall in GDP in the West of England in Q2, on the basis of the regional sectoral mix.

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

UK monthly GDP fell sharply in April:



National growth in April 2020 and sectoral share of regional GVA (bubble size)



A. Business activity and finance impacts are significant, but some businesses are starting to trade again

16% of businesses are closed nationally and almost two thirds face falling revenue, but some businesses are beginning to reopen

Trading Status:

- The latest [ONS Business Impact Survey](#) (data from 18 to 31 May) reports that **16% of businesses across the UK were temporarily closed or had paused trading in the period 18 to 31 May, compared to 17% in the period 4 to 18 May.** The sectors reporting the largest percentages of closures were arts, entertainment and recreation; and accommodation and food, reporting 70% and 65% respectively.
 - **5% of businesses have started trading within the last two weeks, after having a pause in trading.** This was most common in construction, where 13% of respondents from that sector reported reopening within the last two weeks; and accommodation and food services (11%)
 - Across all industries a **further 5% of businesses intend to reopen in the next two weeks** - as above, this is most common in construction (12% of businesses from that sector) and accommodation and food services (16%)
 - **The remaining 11% of businesses did not intend to restart trading in the next two weeks.** The vast majority of these businesses belong to the arts, entertainment and recreation, or accommodation and food services, industries.

Financial performance:

- Of businesses continuing to trade between 18 and 31 May, **65% reported their turnover had decreased outside of normal range in this period;** 22% said financial performance had not been affected; and 9% reported an increase in turnover.
 - Sectors appearing to be worst hit are arts, entertainment and recreation (85% of businesses report decreased turnover); construction (78%); and accommodation and food services (78%)
 - The main sectors reporting increased turnover were wholesale and retail (17% of businesses); and transport and storage (10%).

Business Resilience and Confidence:

- All businesses were asked about their cash reserves. **3% reported their cash reserves will last less than 1 month;** 22% will last between 1 and 3 months; 17% between 4 and 6 months; and 31% more than 6 months.
- **4% of businesses have no cash reserves;** and **23% are unsure of their financial position.** The accommodation and food service sector reported the largest proportion of businesses with no cash reserves, with 9% of businesses in the sector reporting this.
- [Lloyds Bank Business Barometer](#) revealed that as of 29 May, **business confidence in the South West fell by 16 points to minus 51%,** down from positive 16% two months earlier, making the South West the UK's least confident region.

A. Business activity: bankruptcies have not risen to date

Some businesses have entered administration or liquidation but so far this appears no higher than the same time period in 2019. The small numbers of businesses in these categories makes it difficult to draw conclusions, but it is possible that the combination of government support schemes and bans on evictions and winding-up petitions are temporarily protecting firms.

Administration

- As of 12 June, 10 businesses based in the West of England have appointed administrators since 16 March¹, including 2 in June. 21 businesses appointed administrators in the same time period last year.

Liquidations

- As of 22 June, 146 businesses based in the West of England have appointed liquidators since 16 March¹, including 29 in June. 158 businesses appointed liquidators in the same time period last year.

Table 1: Businesses entering administration in recent months compared to 2019

Unitary Authority	March		April		May		June (to 22nd)	
	'19	'20	'19	'20	'19	'20	'19	'20
Bath and North East Somerset	0	1	0	0	1	0	0	0
Bristol City	5	3	7	3	4	3	1	2
North Somerset	0	0	1	0	1	0	0	0
South Gloucestershire	0	0	1	0	0	0	0	0
West of England Total	5	4	9	3	6	3	1	2

Table 2: Businesses entering liquidation in recent months compared to 2019

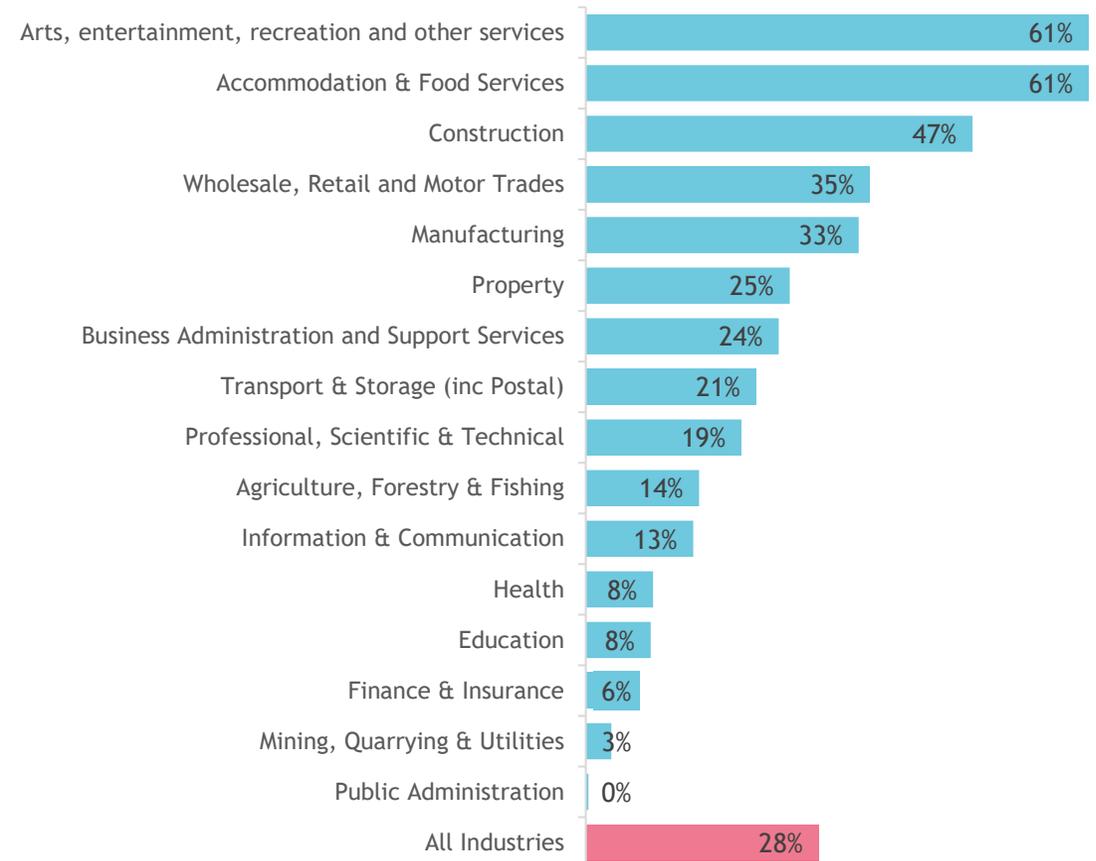
Unitary Authority	March		April		May		June (to 22nd)	
	'19	'20	'19	'20	'19	'20	'19	'20
Bath and North East Somerset	3	9	14	4	6	6	6	4
Bristol City	14	25	41	17	26	19	12	14
North Somerset	4	9	3	7	9	6	6	5
South Gloucestershire	3	7	2	5	6	3	3	5
West of England Total	24	50	60	33	47	34	27	29

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

A. Labour market: 22% of the West of England workforce has been furloughed, and 28% of the UK workforce

- [HMRC Official Statistics](#) reveal as of 31 May 2020, 8.9 million people in the UK have been furloughed, by 1 million employers, with claims amounting to £17.5 billion.
- 132,600 West of England employees have been furloughed, representing around 22% of the workforce.
- Nationally furlough levels are highest among the accommodation and food sector (61% of the workforce); arts, entertainment and recreation (also 61%); and construction (47%).
- **Return from furlough:**
 - [The ONS Business Impact Survey](#) (18 to 31 May 2020) found that among the 84% of UK businesses which continue to trade, 6% of their workforce has returned from furlough in the last two weeks.
 - Among the 5% of businesses intending to restart trading in the next two weeks, 33% of their workforce are expected to return from furlough.
- **Home working:**
 - Of the 84% of businesses of UK businesses continuing to trade from 18 to 31 May, 42% of the workforce are working remotely.
 - Homeworking is most common in the information and communication sector (82% of the workforce); and education (78%).
 - It is least common in accommodation and food services (9%); and transportation and storage (16%).

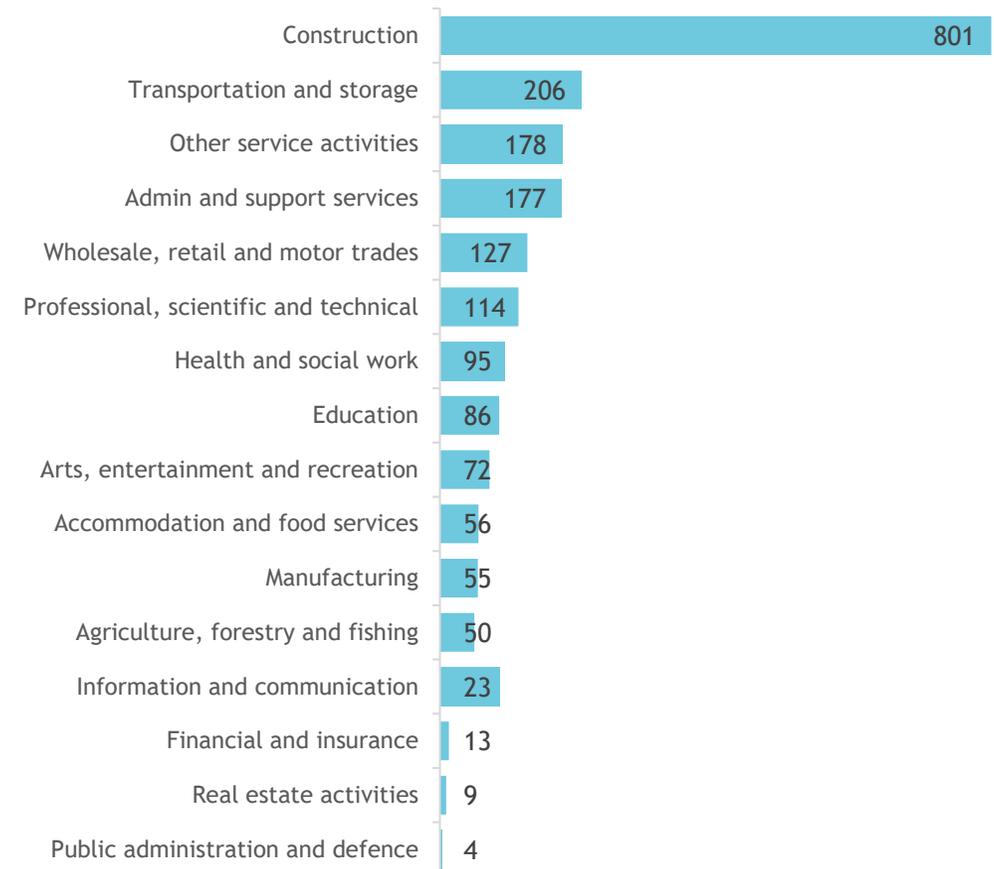
% national workforce furloughed by industry (31 May)



Labour Market Overview: 70% of West of England residents eligible for the Self-Employment Income Support Scheme have accessed support

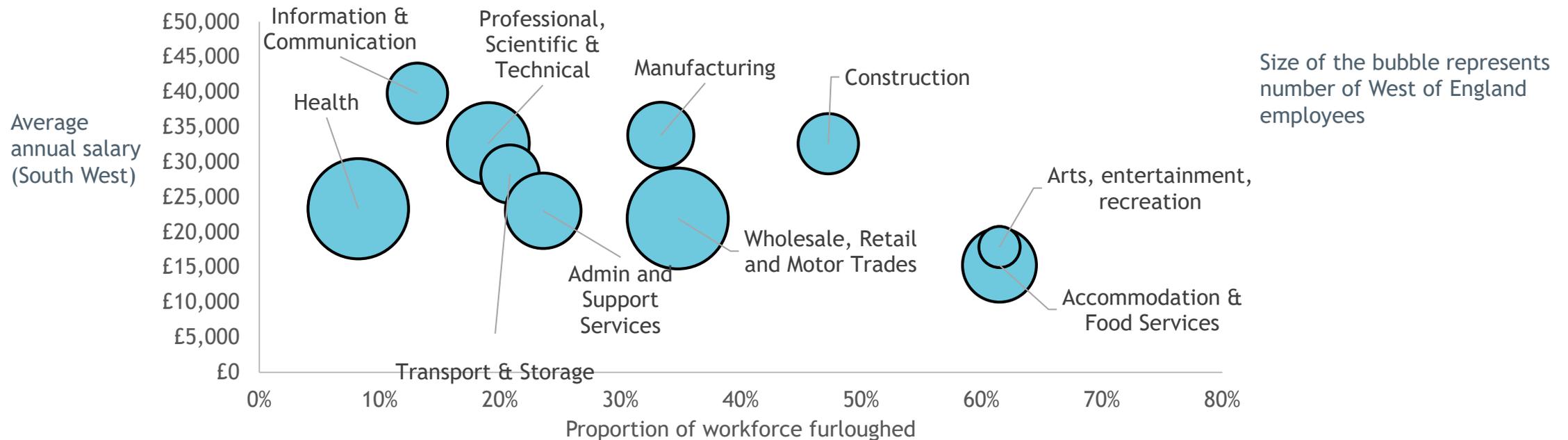
- As of 31 May 2020, 41,500 claims have been made on the Self-employment Income Support scheme by West of England residents, amounting to £126 million.
- This represents 70% of people in the region eligible for the support and is in line with the national average.
- Nationally the industries with most claims are construction (801,000); transportation and storage (206,000); service activities (178,000); and administrative and support services (177,000). This data is not yet available at a regional level.
- Note that not all self-employed people were eligible for this support. Notable exceptions include new businesses, freelancers, and those set up as 1-person limited companies. These figures may therefore underestimate the true impact of the pandemic on the self-employed, and sectors with a high concentration of freelancers.

Total number of claims made by industry as of 31 May
UK figures (£ thousands)



A. Labour Market: Distribution of impacts is critical. Many on furlough are likely to be lower-earners

- Those with lower average annual earnings may be most impacted - nationally 61% of the accommodation and food services workforce, and 61% of the arts, entertainment and recreation workforce have been furloughed. In the South West, average annual earnings for these workers in these workers is £15,300 and £17,900 respectively, compared to an average salary of £26,700 across all industries.
- Conversely the information and communication sector, and professional, scientific and technical sectors have each furloughed 13% and 19% of their workforces respectively. Average annual South West earnings for these sectors are £39,800 and £32,600 respectively.
- Some industries may be disproportionately affected by the ongoing limited capacity of nurseries and schools. There are 675,000 households in the South West where all parents in the household are working, of which 620,000 are couple households and 55,000 are lone-parent households.
- The top 5 industries in which working parents with dependent children aged under 16 are employed are: education; health and social work; wholesale and retail; manufacturing; and professional, scientific and technical activities.



A. Labour market: unemployment rose sharply in May 2020

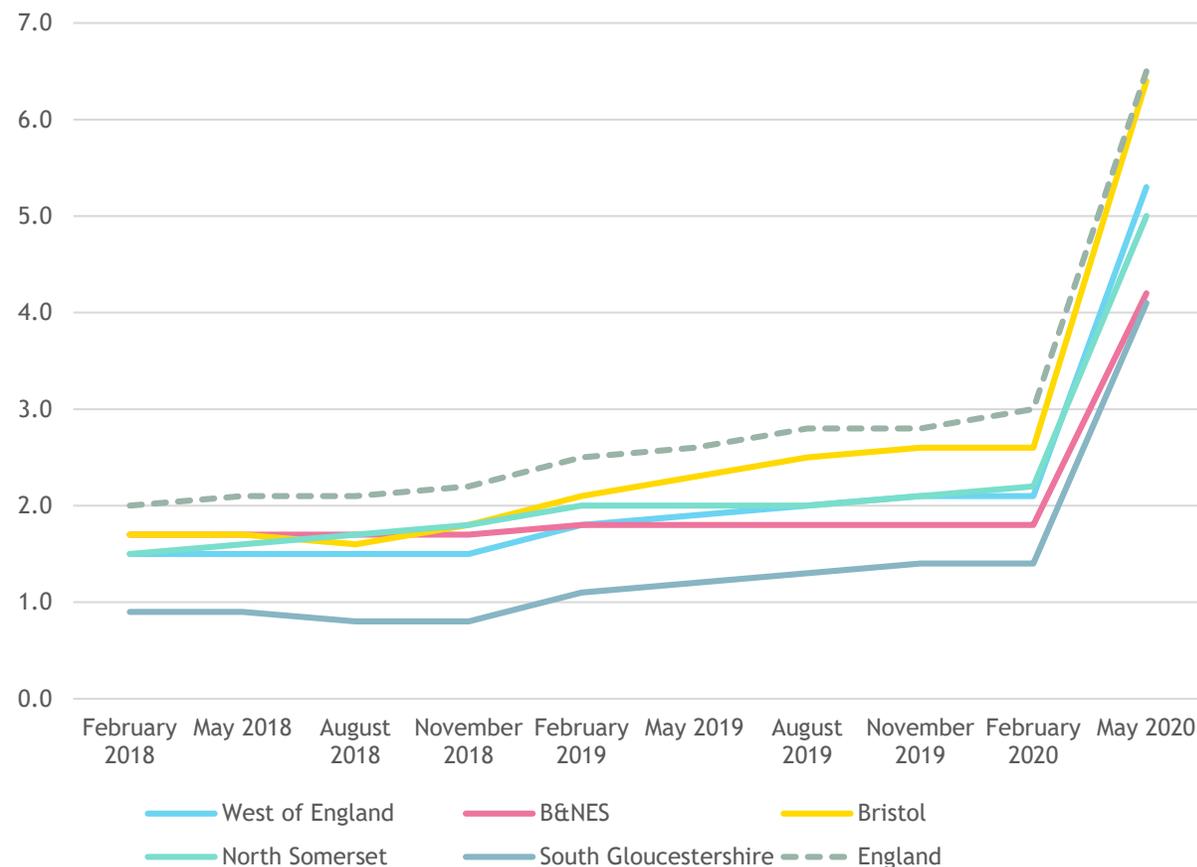
- Table 3 shows the number of people claiming out of work benefits. Around 5% of the region's workforce claimed out of work benefits in May 2020, compared to 4% a month earlier and 2% in Feb 2020 before the pandemic hit.

Table 3: Claimant Count

	Apr 2020		May 2020	
	Number	% workforce	Number	% workforce
Bath and North East Somerset	3,840	3.1	5,260	4.2
Bristol City	14,990	4.7	20,285	6.4
North Somerset	5,100	4.1	6,240	5
South Gloucestershire	5,210	2.9	7,260	4.1
West of England Total	29,140	3.9	39,045	5.3

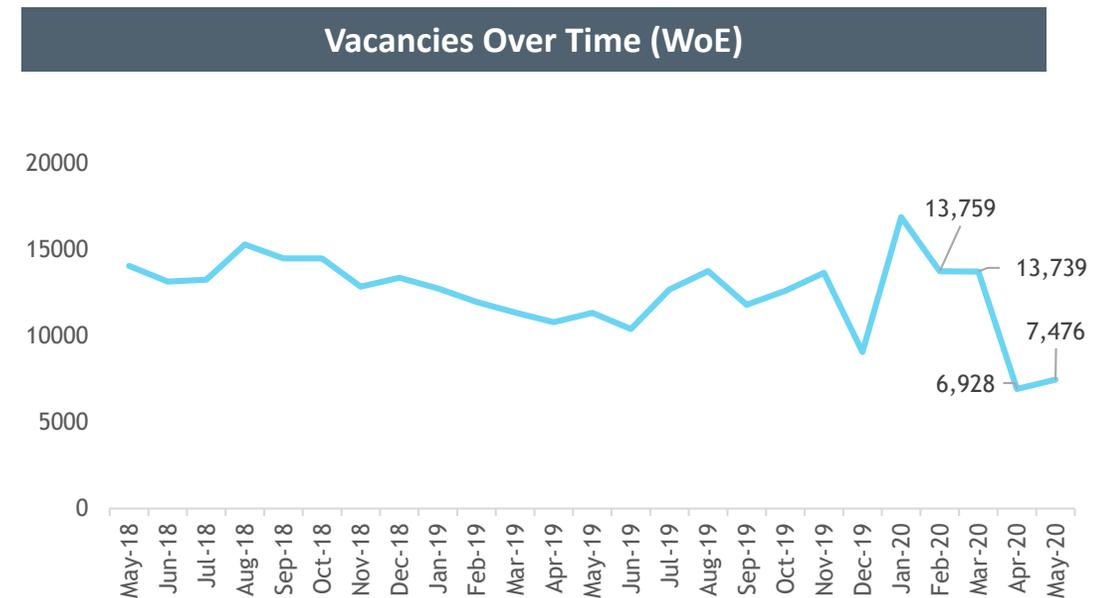
- The [UK unemployment rate](#) for February to April 2020 was estimated at 3.9%, 0.1 percentage points higher than a year earlier but unchanged from the previous quarter. For February to April 2020 an estimated 1.35 million people in the UK were unemployed - 50,000 more than a year earlier.
- The number of people claiming benefits in the UK [rose to 2.8 million in May](#) - an increase of 23% from April 2020, and 126%, or 1.6 million people, since March 2020.

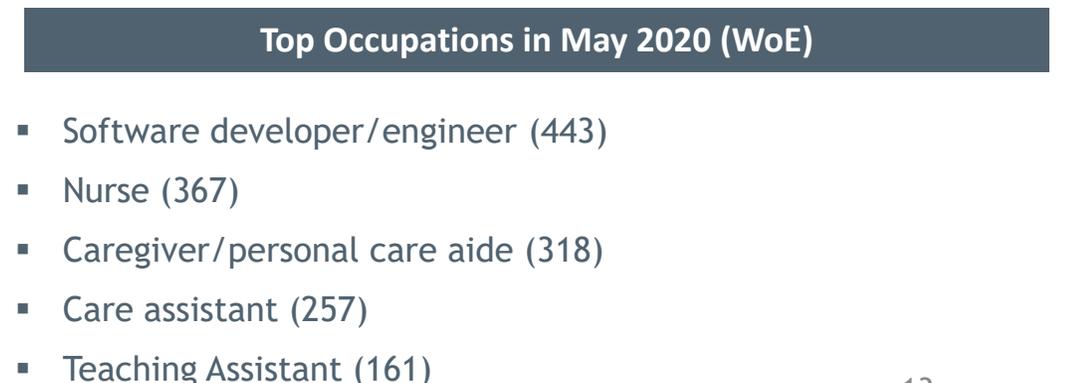
Percentage of Working Age Residents Claiming Unemployment Related Benefits



A. Labour market: the number of jobs advertised has declined

- There were 7,476 jobs advertised in the West of England in May 2020, up 8% on the dramatic decline of April 2020. This is however 34% lower than the level of jobs advertised in May 2019.
- The number of regional 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 distancing became visible in April, with significantly fewer jobs advertised.
- Comparing the type of jobs advertised by industry:
 - Although the total number of jobs advertised remains relatively low, some industries saw a rise in demand in May 2020, with advertisements significantly increasing in public administration; and electricity and gas.
- Comparing the occupations in demand:
 - Demand for most occupations fell from March to April and has remained low in May, although there has been an increase in demand for teaching and education professionals; childcare; and cleaning occupations.

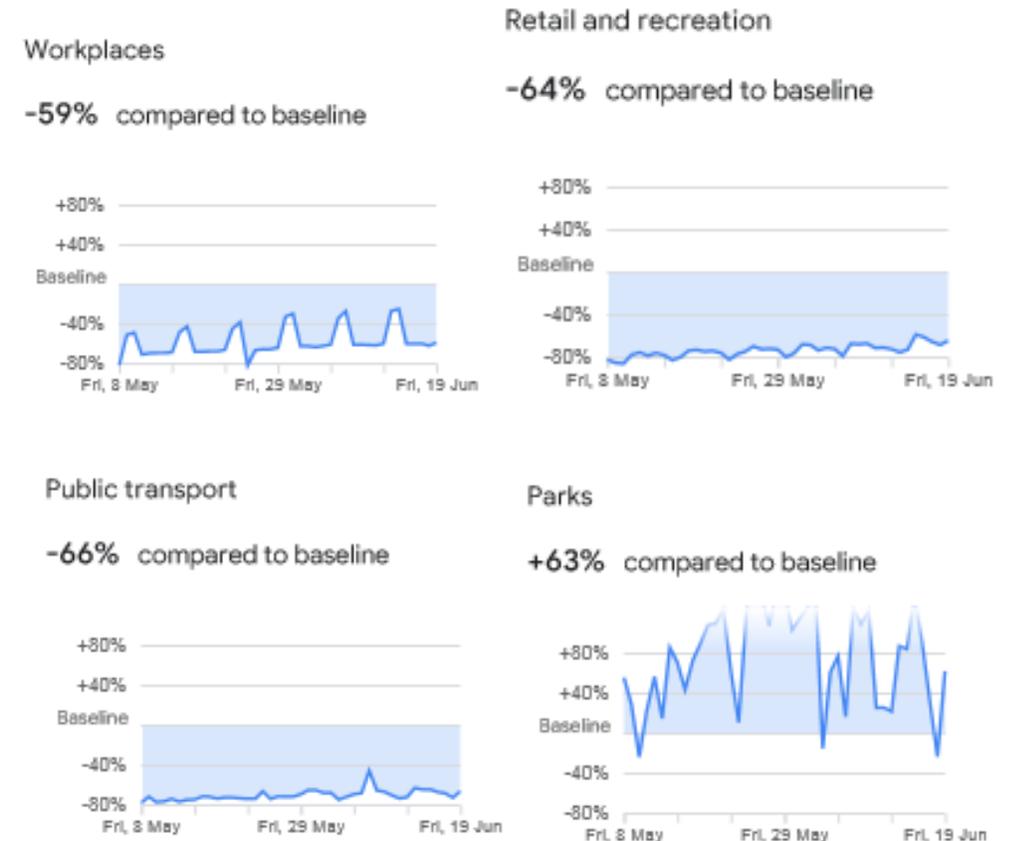


- 
- | Occupation | Number of Advertisements |
|------------------------------|--------------------------|
| Software developer/engineer | 443 |
| Nurse | 367 |
| Caregiver/personal care aide | 318 |
| Care assistant | 257 |
| Teaching Assistant | 161 |

A. Social Impacts: Regional mobility has remained low in recent weeks, but is rising significantly in parks

- **People’s mobility has reduced dramatically and remained low in recent weeks** (see charts for Bristol - trends in other West of England LAs are similar).
 - As lockdown restrictions ease, workplace activity gradually begins to increase but remains well below the baseline.
 - Retail and leisure facilities have been hit the hardest but we expect to see a rise in activity following the reopening of non-essential retail in mid-June and leisure in early July, and will continue to monitor this.
- **Public transport usage declined sharply and has remained low.** The latest [ONS Opinions and Lifestyle Survey](#) (conducted 11 to 14 June 2020) reported that in the last 7 days 71% of people who left their homes for any reason had used a private car; 56% travelled on foot; 14% by bicycle; 4% by bus; and 1% by train.
- **Visits to parks have risen significantly** in recent weeks, likely due to unusually warm weather; bank holidays and school holidays; and parks being one of the few places the public have been able to access in recent weeks. It should also be noted that the baseline data is taken from January 2020, when people are less likely to visit parks.
 - **ONS analysis** has found one in eight British households has no garden, which highlights the importance of parks as a space for exercise and meeting others. 23% of people in the South West are estimated to live within a five-minute walk of a public park; rising to 48% when including playing fields

Visits and length of stay at retail and leisure facilities; workplaces; and transit stations remains low. Activity at parks has increased sharply. (Bristol, in line with other regional UAs)
Source: [Google Community Mobility Reports](#), 19 June



A. Infrastructure: The reduction in mobility is contributing to a decrease in air pollution and shift in energy use

- The effect of this reduction in mobility is reflected in air quality data for the period immediately after lockdown:
 - [Air pollution in Bristol](#) initially fell by more than half compared with last year and [effects were seen globally](#), with global carbon emissions per day in April 17 percent lower than the average daily emissions in 2019.
 - One analysis suggested the [UK's total daily carbon emissions have decreased 36% since lockdown began](#), with a 60% drop in emissions from road transport. Emissions from residential addresses have however risen by 20%.
- However, as lockdown restrictions ease around the world this effect is being diminished. [Daily carbon emissions are still down on 2019, but only by 5% on average globally](#).
- Energy use is shifting as workplace activity reduces:
 - National Grid forecasted a 20% drop in electricity demand, as use shifts from commercial property to homes.
 - [Data from the International Energy Agency](#) (IEA) shows global electricity demand decreased by 2.5% in Q1 2020. Full lockdown measures introduced in March 2020 reduced electricity demand by at least 15% in the UK, France, Italy and Spain.
 - The IEA predicts global electricity demand will fall by 5% in 2020
- Internet usage has risen during lockdown [according to Ofcom](#):
 - Adults spent an average of four hours a day online, up from three and a half in September 2019, as people seek new ways to keep connected, informed and entertained. Younger adults (18 to 24 years) spend an average of 5 hours online each day.
 - 70% of adults made video calls at least once a week in April 2020, compared to 35% in February. Consumption of news sites; communications tools such as WhatsApp; video platforms; and online games have all risen.
 - This highlights the importance of digital access for all

A. Businesses are taking up available Government support, but some gaps remain

Local authorities in the region are distributing grants to support businesses. As of 21 June, 15,983 grants have been distributed, amounting to £200.3 million in the West of England. Local authorities estimate that 18,270 businesses in the region are eligible for these grants.

- As of 14 June: nationally £26.4bn has been lent in Bounce Back loans of up to £50,000 each; £10.1bn to SMEs under the Coronavirus Business Interruption Loan Scheme; and £1.8bn in loans to larger companies.
- As of 14 June, nationally 2.6 million people have claimed Self-Employment Income Support, with claims amounting to £7.6 billion; and 9.1 million people have been furloughed by 1.1 million employers, at a cost of £20.9 billion.
- The ONS Business Impact Survey found that **nationally, 16% of businesses have applied for a Government backed loan or finance agreement; and 17% applied for a Government grant.** Sectors most commonly accessing this support are accommodation and food services (63% of businesses); arts, entertainment and recreation (54%); and admin and support services (43%).

Growth Hub and Unitary Authorities are taking a low number of calls for business support from businesses who remain concerned about these key issues:

- Ongoing financial support: The majority of calls continue to be from businesses who are struggling financially and have been ineligible for government support schemes, including the Top-Up Grant Scheme. These are predominantly home workers, freelancers and consultants. Numerous businesses in the tourism and festival industry are in desperate need of assistance.
- Workforce: With guidance and timelines for the alternation and closure of the Job Retention Scheme now published, there is growing uncertainty around redundancies in the coming months. This is particularly acute for the tourism and travel sectors, which are likely to be the last sectors able to operate again.

B. 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
 - National [GDP figures](#) for February to April 2020 reveal that the information and communication sector activity fell by 6.1% 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.
 - National [GDP figures](#) for February to April 2020 reveal the manufacturing sector provided a negative contribution to the economy in this period, falling by 10.5%. The most notable contributor was the manufacture of transport equipment, which fell by 28%
 - 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.
 - [Rolls Royce has announced its intention](#) to cut 9,000 jobs globally part of a “major reorganisation” of the business to adapt to a fall in demand. It has confirmed 50 of these cuts will be from the Filton site.
 - 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.
- **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 Feb to April 2020 show financial and insurance activity fell by 1.5%; administrative and support activities fell by 15.7%; and professional, scientific and technical activity fell by 6.8%.

B. There are significant challenges for many sectors, including businesses in retail and tourism

- **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; Brighthouse; and Go Outdoors. Primark, which has no online provision reported sales of zero in the month following lockdown, down from an average of £650 million per month.
 - National [GDP figures](#) for February to April 2020 reveal that the wholesale, retail and motor trade sector contributed negatively to the economy, falling by 14.5%.
 - National [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 non-essential retail stores re-opening on 15 June, a [Redfield & Wilton Strategies poll for The Daily Mail](#) found 80% of respondents said they had not visited a non-essential store in the first week of them reopening, and 2/3 said they had no intention of doing so within the next month. The same poll found 57% supported the continuation of the 2-metre social distancing rule in pubs and restaurants, when they were finally allowed to re-open.
- **Tourism:** The tourism sector, including hospitality and cultural destinations, has seen similar issues with enforced closures.
 - Accommodation and food services have been hit hard, with GDP figures for February to April 2020 revealing a 41% drop in sector growth
 - **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.
 - **Hotels:** Specialist Leisure Group, which operated several businesses providing coach holidays across the UK, including Shearing's and National Holidays, [has entered administration](#), resulting in 2,500 job losses. The group owned hotels in Weston-Super-Mare (The Grand Atlantic) and Bath (Country Living Lansdowne Grove), which will not reopen, and enabled significant tourism in the region through its low-budget holidays.

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

- The Schools "Catch-Up" fund was launched, to help pupils catch up with their education before September after spending months out of school during the coronavirus lockdown. The £1bn scheme will see the most disadvantaged children in England given access to funds to pay for personal tutors, while the majority of the funding will allow schools to step in to cover lost teaching time.
- A further £105m has been pledged to keep rough sleepers safe and off the streets during coronavirus pandemic. The money will be used to help rough sleepers secure their own tenancies as well as provide short-term housing while delivery of long-term homes continue
- Clarification has been issued around the eligibility of government support schemes for military reservists. Military reservists who come back to their day job after completing a period of active duty will be able to be furloughed by their employer under the recently extended Coronavirus Job Retention Scheme. Self-employed army, navy and airforce reservists who are currently ineligible for the Self Employment Income Support Scheme as a result of their service in 2018-19 will be able to make a claim for both the first and second SEISS grants. Further information on how to do this will be published shortly.

D. The Government is continuing with its lockdown exit strategy

On Sunday 10th May, the Prime Minister announced the Government’s official lockdown exit strategy in a command paper [Our Plan To Rebuild: The UK Government’s COVID-19 recovery strategy](#) and set out the staggered relaxation of lockdown measures over three stages. The Government confirmed on 23 June that England will enter Step 3 of the lockdown on Saturday 4 July. Updated guidance is highlighted in bold in the table below. 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.

Sector	Step One - <i>Initiated 10 May</i>	Step Two - <i>Initiated 1 June</i>	Step Three - <i>To be initiated on 4 July</i>
Employment	<ul style="list-style-type: none"> People who were able to work from home were advised to continue to do. Those who are unable to work from home could return to work, provided their workspace is open. This included construction; manufacturing; food production and logistics. 	<ul style="list-style-type: none"> Work spaces were permitted to open provided they are able to adhere to new “Covid-19 Secure” guidelines 	<ul style="list-style-type: none"> Two-meter social distancing measures can be relaxed in areas where maintaining 2-metres is not possible. The new “one-metre plus” guidelines means staying one metre apart, plus mitigations which reduce the risk of transmission (e.g. Perspex screens or wearing face coverings)
Retail & Leisure	<ul style="list-style-type: none"> Essential retail operations, such as food, continued to remain open, while implementing social distancing measures All non-essential retail outlets, leisure & hospitality, culture & tourism services were to remain closed 	<ul style="list-style-type: none"> Sports and other cultural events began to take place behind closed doors for the purpose of broadcasting; audiences are not permitted at this stage, due to the possibility of further infections Outdoor markets and car showrooms that are able to demonstrate they can comply the COVID-19 secure guidelines to protect shoppers and workers can re-open on Monday 1 July Non-essential retail outlets reopened to the public on 15 June. Places of Worship reopened for individual prayer on 15 June 	<ul style="list-style-type: none"> Pubs & Bars, Hair Salons, Restaurants, Cinemas, Museums & Galleries, Libraries, Outdoor Gyms and Community spaces will all reopen on 4 July Zoos, Theme Parks, Farms, Wildlife Centres and National Trust sites will reopen on 4 July Hotels and other accommodation will reopen with regular cleaning Places of worship can reopen for group ceremonies (eg weddings) for gatherings of no more than 30 people Indoor gyms, tattoo parlours, nail bars, beauty salons, indoor play centres, bowling alleys, swimming pools and spas are to remain closed
Transport	<ul style="list-style-type: none"> The government announced it would work with transport operators to bring back transport services However, the public were advised to avoid public transport if possible On 9 May, £2bn of funding was made available to help local authorities pedestrianise city centres, build pop-up cycle paths and promote green travel options such as e-scooters 	<ul style="list-style-type: none"> The government continued to re-open local public transport in urban areas The wearing of face masks on all public transport services became compulsory from 15 June 	-
Education & Childcare	<ul style="list-style-type: none"> Schools remained closed for all but the children of key workers, and those deemed vulnerable by social services 	<ul style="list-style-type: none"> Early Years, Reception, Year One and Year Six classes in Primary Schools returned on 1 June, with reduced class sizes and social distancing measures in place From 1 June, Secondary School and Further Education schools offered face-to-face time with Year 10 and Year 12 pupils who have key exams next year On 9 June, the government announced it would not be possible to re-open Primary Schools to all years “before the Summer Holidays” as previously envisioned. This is due to difficulties of doing so in a way that would respect social distancing measures 	<ul style="list-style-type: none"> The government has confirmed its intention to fully reopen schools in September, with social distancing measures in place

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