

# West of England Weekly briefing on covid-19 business impacts

29 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](https://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:

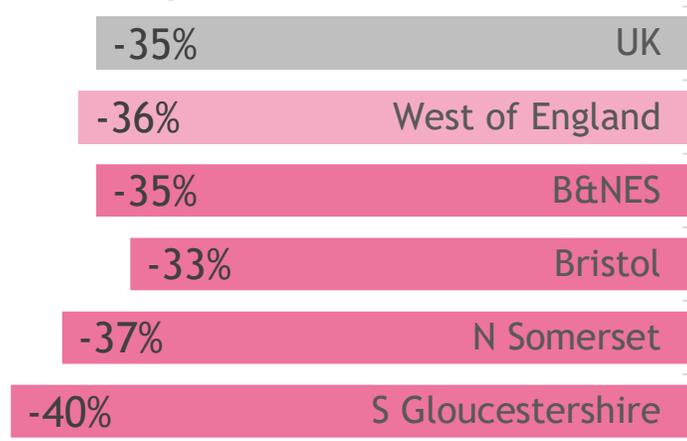
Section	Updates	Pages
A	<ul style="list-style-type: none"><li>• <b>Business Impact:</b> To date, business liquidations have not spiked: as of 27 May, 111 West of England businesses have appointed liquidators since 16 March. This is a similar amount to the same time period in 2019.</li><li>• <b>Labour Market:</b> Across all industries nationally 31% of staff are now on furlough. This is most common among accommodation and food services businesses and arts entertainment and recreation.</li><li>• Local authorities in the region are distributing grants to support businesses. As of 26 May, 15,004 grants have been distributed, amounting to £188.2 million in the West of England</li><li>• The number of calls for business support is decreasing each week, with the majority of enquiries now concerning eligibility and application details for the Top-Up Grant Scheme.</li></ul>	4-12
B	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.	13-14
C	<ul style="list-style-type: none"><li>• The web portal for the Statutory Sick Pay compensation scheme went live on 26 May</li><li>• The Government has launched a new £50 million Reopening High Streets Safely Fund for councils across England to prepare for the safe reopening of high streets and other retail spaces.</li><li>• The Department for Transport has announced funding of around £283 million to increase the frequency and capacity of public transport systems across England, helping people to travel safely. This includes £254 million for bus services and £29 million for trams and light rail.</li></ul>	15
D	<ul style="list-style-type: none"><li>• On Sunday 24 May, the Government confirmed its intention that early years and childcare settings would reopen on Monday 1<sup>st</sup> June and published guidance on how these organisations are to prepare for re-opening.</li><li>• The Government has also issued an updated roadmap for the re-opening of non-essential retail operations and confirmed outdoor markets and car showrooms will be able to reopen from 1 June.</li><li>• From 15 June, all other non-essential retail outlets (e.g. shops selling clothes, shoes, toys, furniture, books, and electronics, plus tailors, auction houses, photography studios, and indoor markets) are expected to be able to reopen</li></ul>	16-18

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

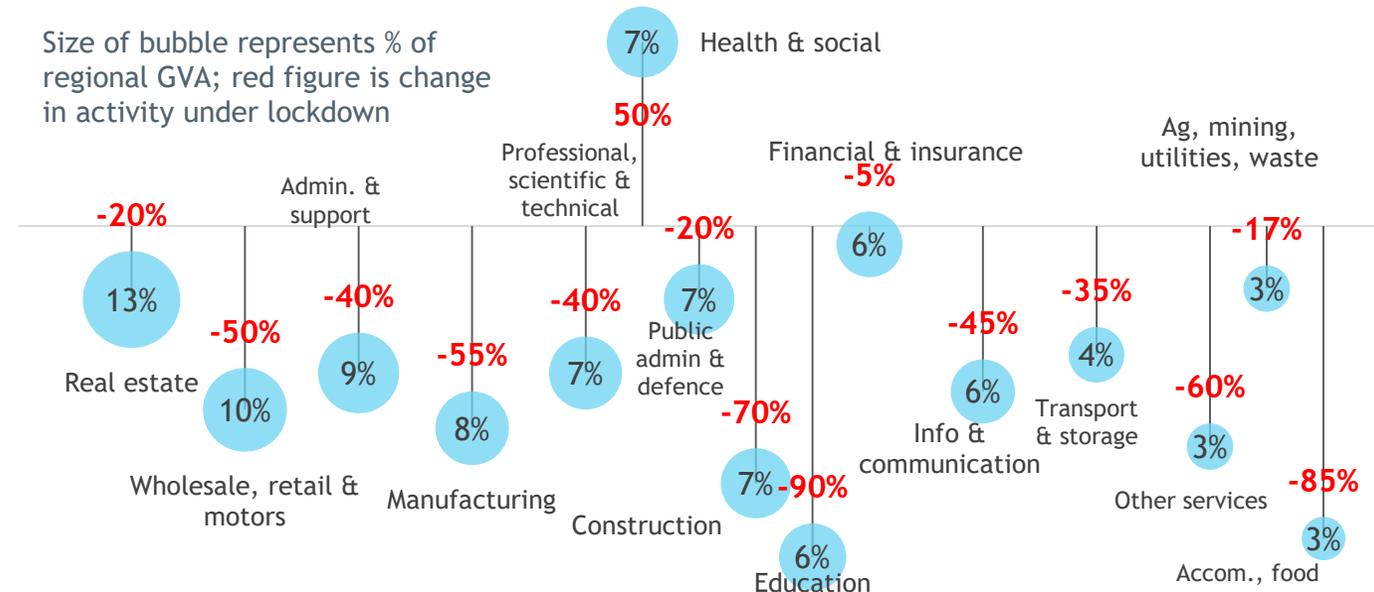
The pandemic will have a significant impact on economic output, particularly in the short term:

- National [GDP fell 2% in Quarter 1 2020 \(Jan-Mar\)](#), signalling the first direct impacts of the virus on the 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 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:
- Different sectors face different impacts, based on ability to work from home, key workers, sickness, and changes in demand:

Q2 change in GVA: scenario



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



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

# A. Business activity and finance impacts are significant

One in five businesses are closed nationally and three-fifths face falling revenue, but some businesses are beginning to reopen.

## Trading Status:

- The latest [ONS Business Impact Survey](#) (21 May) reports that 20% of businesses across the UK were temporarily closed or had paused trading in the period 20 April to 3 May, compared to 23% in the period 6 April 2020 to 19 April 2020.
  - The sectors reporting the largest percentages of closures were arts, entertainment and recreation; and accommodation and food, both reporting around 80%.
  - Of those businesses trading between 20 April and 3 May, 6% had restarted trading in the last two weeks. The sectors reporting the largest percentages of businesses reopening were accommodation and food services, where 19% of surveyed businesses had restarted trading in the last two weeks, and construction (15%) and manufacturing (12%).

## Financial performance:

- Of businesses continuing to trade, 61% reported their turnover had decreased outside of normal range between 20 April and 3 May; 31% said financial performance had not been affected; and 4% reported an increase in turnover.
  - The main sectors who reported their turnover decreased were accommodation and food services (61% of businesses), and arts, entertainment and recreation (43%); and construction (43%).
  - Sectors reporting increased turnover were wholesale and retail (10% of businesses) and manufacturing (5%).

## Business Resilience:

- All businesses were asked about their cash reserves. 43% reported they have cash reserves to last between zero and six months; 28% had reserves to last more than six months; 4% had no cash reserves; and the remainder were unsure.
  - The accommodation and food service sector reported the largest proportion of businesses with no cash reserves, at 9% of businesses.
  - The industries reporting the highest proportion of businesses with cash reserves to last zero to six months were accommodation and food services (60%); and arts, entertainment and recreation (75%).

## Exporting Effects

- Of businesses who exported and imported good or services in the past 12 months and whose financial performance was outside of normal expectations, 78% reported exporting during the pandemic; and 79% importing. Among businesses who continue to export and import through the pandemic, the majority say they are exporting and importing less than normal.

## 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.

### Administration

- As of 27 May, 9 businesses based in the West of England have appointed administrators since 16 March<sup>1</sup>. 20 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 to 27 May 2019	2020 16 Mar to 27 May
Bath and North East Somerset	1	1
Bristol City	16	8
North Somerset	2	0
South Gloucestershire	1	0
<b>West of England Total</b>	<b>20</b>	<b>9</b>

### Liquidations

- As of 27 May, 111 businesses based in the West of England have appointed liquidators since 16 March<sup>1</sup>, including 5 in the last week. 123 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 few months 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 to 27 May 2019	2020 16 Mar to 27 May
Bath and North East Somerset	21	18
Bristol City	75	58
North Somerset	16	22
South Gloucestershire	11	13
<b>West of England Total</b>	<b>123</b>	<b>111</b>

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

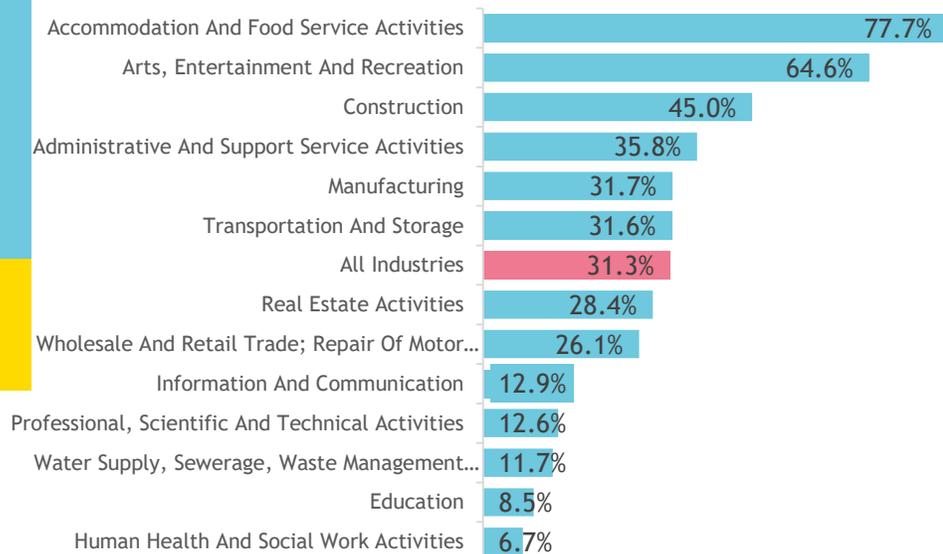
Sources: [London Gazette](#)

# A. Labour market: One in three workers are on furlough and almost half are working from home

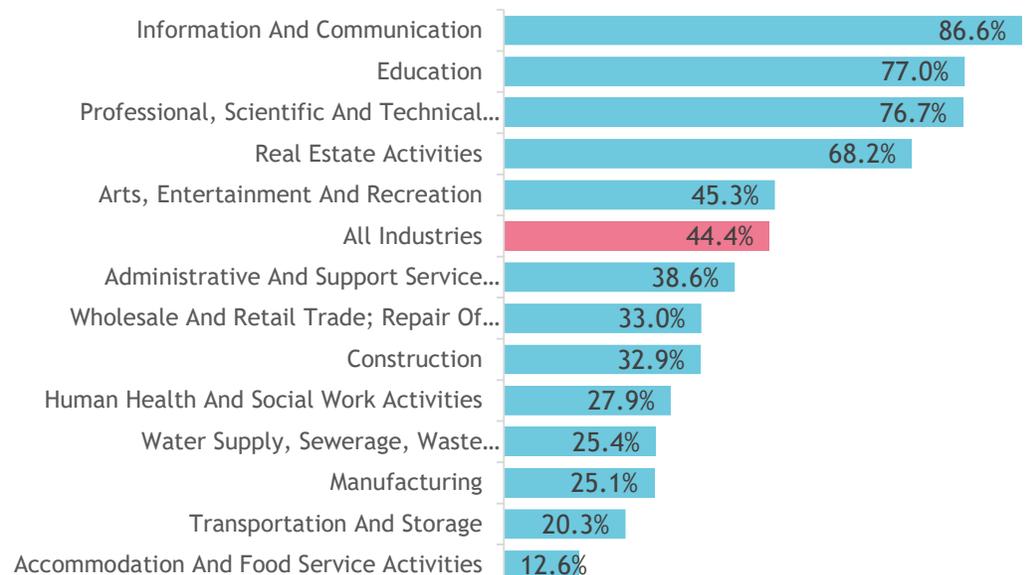
- The [ONS report](#) that 31% of the national workforce had been furloughed under the Job Retention Scheme in the period 20 April to 3 May, compared to 28% from 6 April to 19 April. This includes both business who continue to trade and those who have temporarily closed or paused trading.
- Furlough levels are highest among the accommodation and food sector (78% of the workforce); and arts, entertainment and recreation (65%).
- Less than 1% of the workforce were made redundant for the period 20 April to 3 May
- As of 19 May, [the Government report](#) a total of 8m jobs had been temporarily laid off with claims amounting to £11 billion.

- [The ONS survey](#) found that where businesses continue to trade, 44% of the national workforce were working from home across all industries; and 35% working at their usual workplace.
- 21% 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 period 20 April to 3 May.
- 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 (20 April to 3 May)**

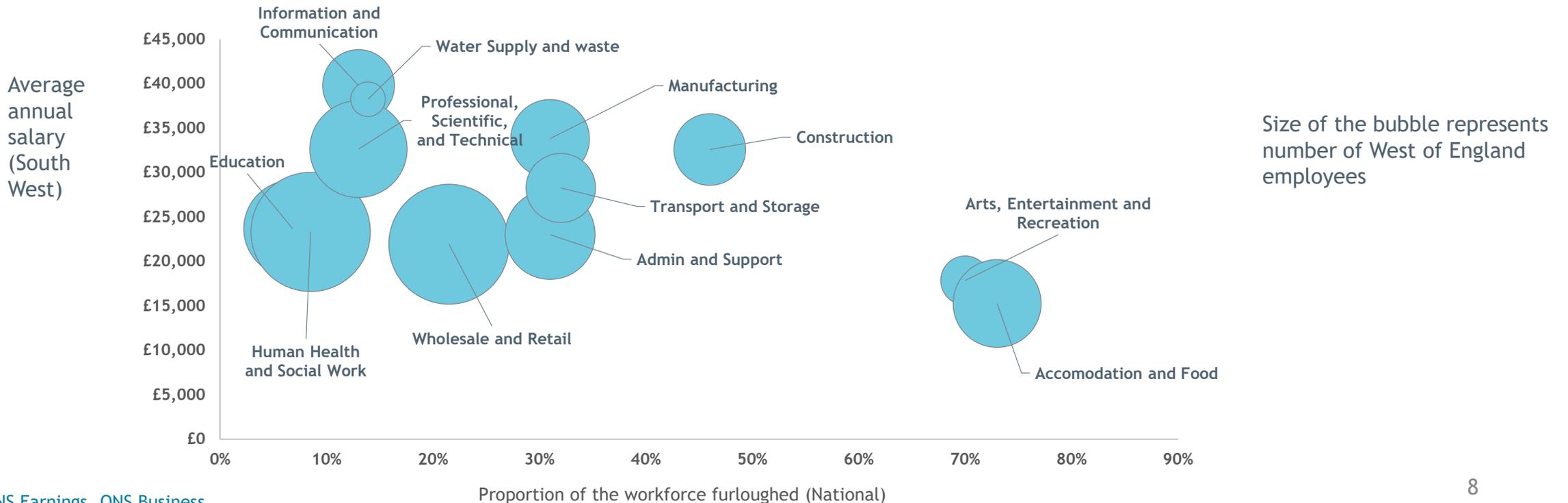


**% staff working from home by industry (20 April to 3 May)**



# A. Labour Market: many on furlough had lower incomes previously

- Those with lower average annual earnings may be most impacted - nationally 78% of the accommodation and food services workforce, and 65% 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.
- The average South West annual salary across all industries is £26,700.
- Conversely the information and communication sector, and professional, scientific and technical sectors have each furloughed 13% of their workforces. Average annual South West earnings for these sectors are £39,800 and £32,600 respectively.



# A. Labour market: unemployment started to rise in April 2020

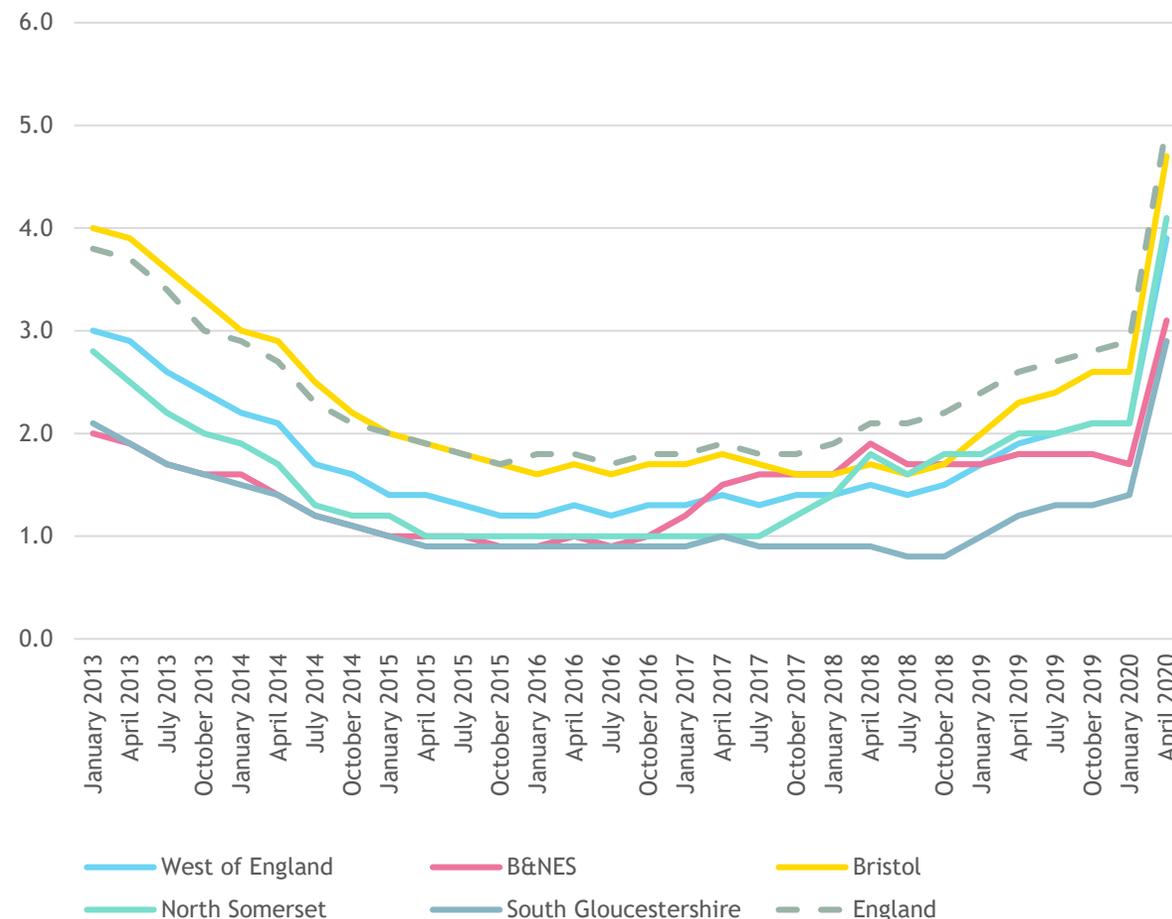
- Table 1 shows the number of people claiming out of work benefits. For the West of England this rose by 86% in April 2020 compared to the previous month. Around 4% of the region's workforce claimed out of work benefits in April 2020, compared to 2% a month earlier.

Table 1: Claimant Count

	Mar 2020		Apr 2020	
	Number	% workforce	Number	% workforce
Bath and North East Somerset	2,145	1.7	3,840	3.1
Bristol City	8,450	2.7	14,990	4.7
North Somerset	2,610	2.1	5,100	4.1
South Gloucestershire	2,525	1.4	5,210	2.9
<b>West of England Total</b>	<b>15,815</b>	<b>2.1</b>	<b>29,140</b>	<b>3.9</b>

- The [UK unemployment rate](#) for January to March 2020 was estimated at 3.9%, 0.1 percentage points higher than a year earlier and 0.1 percentage points higher than the previous quarter. For January to March 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 2.1 million in April](#), a 69% rise from the previous month.
- There may be a digital divide in accessing benefits and support: certain groups who do not have access to the internet are becoming isolated

Percentage of Working Age Residents Claiming Unemployment Related Benefits



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

- There were 6,391 jobs advertised in April 2020, down 50% from 13,746 in March 2020, and down 36% from April 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 distances became visible in April, with significantly fewer jobs advertised.
- 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.
- [This is trend is echoed nationally](#), with an estimated 637,000 vacancies in the UK in February to April 2020 - down 21% from the previous quarter and 25% from the same time last year.



- ### Top Occupations in April 2020 (WoE)
- Software developer/engineer (423)
  - Nurse (393)
  - Caregiver/personal care aide (272)
  - Care assistant (156)
  - Lawyer (155)

# A. Infrastructure and Mobility: Regional mobility has remained low in recent weeks, contributing to a decrease in air pollution and shift in energy use

- **People’s mobility 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 hardest and public transport usage declined sharply and remains low. Workplace activity remains well below the baseline.
  - The first phase of lockdown easing does not yet appear to have had a significant impact on mobility. We will continue to monitor this as lockdown restrictions are eased.
- **The effect of this reduction in mobility is reflected in recent air quality data:** [Air pollution in Bristol](#) has fallen by more than half compared with last year.
  - [Effects have been seen globally](#), with global carbon emissions per day in April 17 percent lower than the average daily emissions in 2019.
  - Analysis suggests 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%.
- **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

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](#), 21 May

Retail & recreation

-74% compared to baseline



Grocery & pharmacy

-22% compared to baseline



Transit stations

-73% compared to baseline



Workplaces

-67% compared to baseline



# 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 26 May, 15,004 grants have been distributed, amounting to £188.2 million in the West of England. Local authorities estimate that 18,270 businesses in the region are eligible for these grants.

- Nationally £14.2bn has been lent in Bounce Back loans of up to £50,000 each; £7.3bn to SMEs under the Coronavirus Business Interruption Loan Scheme; and £590m in loans to larger companies.
- The ONS Business Impact Survey found that nationally, 29% of businesses have applied for a business rates holiday; 59% have deferred VAT payments; and 9% applied for a Government loan or grant scheme. The sectors most commonly applying for a grant or loan were accommodation and food services, and real estate activities (both 20% of all businesses).

**The number of calls for business support is decreasing each week but businesses remain concerned about these key issues:**

- Top-up Grant Scheme: The majority of interactions now concern businesses seeking clarity on the eligibility of the top-up grant scheme, and details of how and when to apply. Several businesses who operate out of homes and may fall through the funding gaps again are concerned their cashflow issues mean they will not survive without support, and are asking for the grant to be extended to cover them.
- Bounce-Back loans: Many businesses are accessing the Bounce-Back loan, but several companies that rely on cash in hand payments are struggling to open business bank accounts, and therefore to access the loan.
- Adapting operations: Businesses continue to seek pivot options to enable them to operate in the “new normal” as lockdown measures begin to ease. Businesses are seeking ways to adapt their operations to meet current and future needs and ensure business survival.
  - Some businesses are looking to adapt their ways of working, saving overhead costs by working from home.
  - Intelligence from local property agents corroborates this, with some agents seeing tenants preferring to work from home or seek a flexible work spaces rather than renew existing leases.

## 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 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.
  - National [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.
  - [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 is not yet clear how these cuts will be distributed, and to what extent its base in Filton, Bristol will be affected.
  - 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%.

## B. 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 Bighthouse. 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 [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.
  - A recent [‘AM COVID-19 car retail recovery survey’](#) found car retail group operators fear that over 30% of the sector’s workforce could fall foul of the slump in trade and changes to operational practices enforced by the pandemic.
- **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.
  - **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.
  - 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
  - National GDP figures for Jan to March 2020 show that the transport and storage sector shrank by 5% in this period.

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

- The web portal for the Statutory Sick Pay compensation scheme went live on 26 May. Businesses can check if they are eligible to be reimbursed for sick pay paid out due to coronavirus.
- The government has launched a new £50 million Reopening High Streets Safely Fund for councils across England to prepare for the safe reopening of high streets and other retail spaces. This new money will support practical measures so businesses can re-open quickly when they are allowed to, staff can get back to work and customers can return to shops confident it is safe.
- The Department for Transport has announced funding of around £283 million to increase the frequency and capacity of public transport systems across England, helping people to travel safely. This includes £254 million for bus services and £29 million for trams and light rail.
- Citizens Advice and Citizens Advice Scotland are to receive £15 million of additional funding to help them deal with the increased demand for their services that they are experiencing during the coronavirus pandemic
- The Department for Digital, Media, Culture and Sport has released £750 million of financial support for voluntary, community and social enterprise (VCSE) organisations help them support HMG's operational response to key challenges during the coronavirus pandemic, such as helping the shielding population and the Non-shielding Vulnerable to access food, and other activities that are delivering charitable purposes.

# D. Further details of the Government's lockdown exit strategy have been published

- On Sunday 10<sup>th</sup> 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](#) and 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 five tests. On 24 May the Government announced plans for the reopening of retail and schools to reopen - details on the next page.

- 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.

- On Wednesday 13<sup>th</sup> May, England entered 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.
- Schools:** At present, infection rates are still too high for schools to reopen. 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

# D. Based on current modelling, the government anticipates that we will enter Step 2 of the exit strategy on Monday 1<sup>st</sup> June

## Step 2:

### 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 1<sup>st</sup> 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.

## Updates

### Schools

- On Sunday 24 May, the government confirmed its intention that early years and childcare settings would reopen on Monday 1<sup>st</sup> June
- Guidance [has been published](#) for all early years providers, local-authority-maintained schools, non-maintained schools, independent schools, providers on the early years register and providers registered with an early years childminder agency. The guidance outlines how these organisations are to prepare for re-opening, as well as how to maintain social distancing and optimal hygiene practises

### Retail:

- On Sunday 24 May, the government issued an updated roadmap for the re-opening of non-essential retail operations
- Outdoor markets and car showrooms will be able to reopen from 1 June, once they are able to demonstrate they can comply the COVID-19 secure guidelines to protect shoppers and workers
- From 15 June, all other non-essential retail outlets (e.g. shops selling clothes, shoes, toys, furniture, books, and electronics, plus tailors, auction houses, photography studios, and indoor markets) will be expected to be able to reopen. However, this is dependent on the Government’s five tests being met, and on whether individual stores are able to follow the COVID-19 secure guidelines

- **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.**

## D. Based on current modelling, the government anticipates that we will enter Step 3 by Saturday 4<sup>th</sup> July

### Step 3:

#### 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.

# Contact us

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For further information on support available to businesses, visit the West of England Growth Hub: [wearegrowth.co.uk](http://wearegrowth.co.uk)