

West of England Weekly briefing on covid-19 business impacts

11 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:

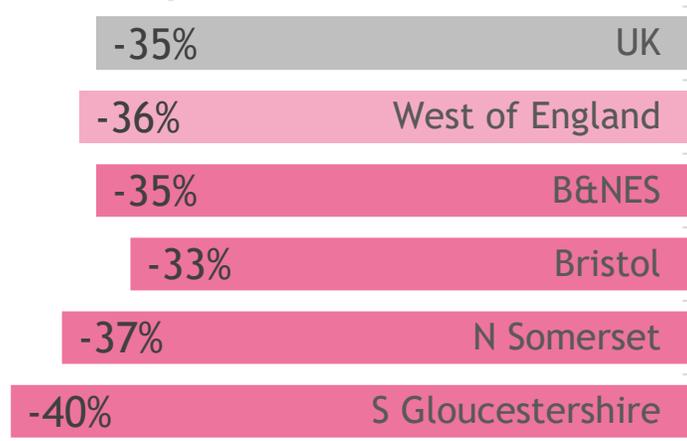
Section	Updates	Pages
A	<ul style="list-style-type: none">• Business Impact: To date, business liquidations have not spiked: as of 9 June, 125 West of England businesses have appointed liquidators since 16 March. This is a similar amount to the same time period in 2019.• Labour Market: There were 7,476 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.• 132,600 West of England employees have been furloughed, representing around 22% of the workforce.• Social Impacts: The ONS Opinions and Lifestyles survey found 26% of people feel unsafe outside their homes due to coronavirus and 38% feel unsafe visiting shops. When it comes to household finances, 29% expect their position to get worse in the next 12 months. These factor will influence how the public returns to businesses as lockdown eases.• Local authorities in the region are distributing grants to support businesses. As of 7 June, 15,527 grants have been distributed, amounting to £194.7 million in the West of England• The number of calls for business support is decreasing each week, with most enquiries now concerning eligibility and application details for 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 on the size of these sectors and early indicators of the impact on activity, revenue and staffing, from national surveys.	15-16
C	<ul style="list-style-type: none">• Local Authorities across England now have the authority to issue grants of £25,000, £10,000 or any amount under £10,000 as part of the Local Authority Discretionary Grants Fund. The fund is open to small and micro businesses with fixed property costs that are not eligible for the Small Business Grant Fund or the Retail, Hospitality and Leisure Grant Fund• Community projects supporting people with their mental health during the coronavirus pandemic will benefit from an additional £5 millions of funding	17
D	<ul style="list-style-type: none">• The Government is continuing with its lockdown exit strategy. As of 11 June, England is currently in Step 2 of the lockdown.• From 15 June, all non-essential retail outlets will be expected to be able to reopen; places of worship can open for individual prayer; and the wearing of face masks will be compulsory on all public transport services• The government aims to open all remaining businesses and premises that have been required to close, including personal care (hairdressers and beauty salons), hospitality and leisure facilities, by Monday 4th July at the earliest.	18

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

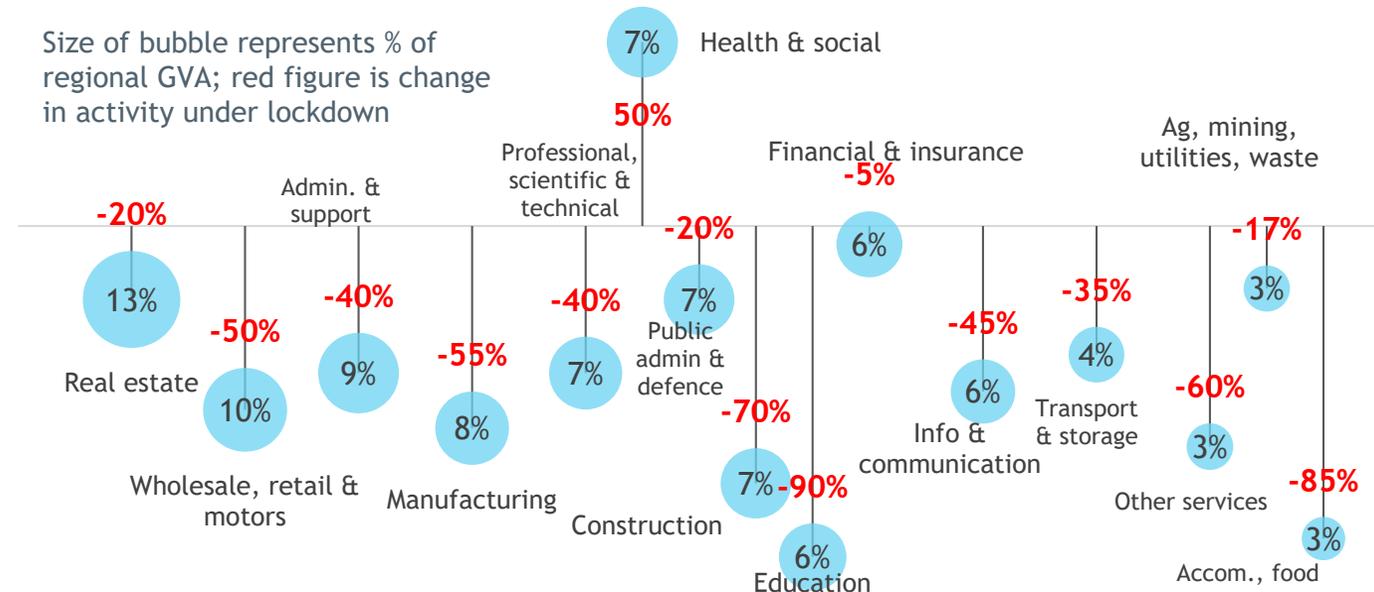
The pandemic will have a significant impact on economic output, particularly in the short term:

- 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, but some businesses are starting to trade again

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](#) (data from 4 May to 17 May 2020) reports that **17% of businesses across the UK were temporarily closed or had paused trading in the period 4 May to 17 May, compared to 20% in the period 20 April to 3 May**. The sectors reporting the largest percentages of closures were arts, entertainment and recreation; and accommodation and food, both reporting around 74%.
 - **Of those businesses trading between 4 May and 17 May, 8% had restarted trading in the last two weeks, and 6% in the two weeks prior to that.**
The majority of businesses reopening were accommodation and food services; arts and entertainment; construction; and manufacturing.
 - **Across all industries a further 16% of businesses intend to restart trading in the next two weeks; 9% in the next two to four; and 30% in more than 4 weeks.** The majority of those looking to restart in the next two weeks are manufacturing, construction and retail businesses.

Financial performance:

- Of businesses continuing to trade, **62% reported their turnover had decreased outside of normal range between 4 May and 17 May; 29% said financial performance had not been affected; and 3% reported an increase in turnover.**
 - The main sectors reporting decreased turnover were arts, entertainment and recreation (85% of businesses), accommodation and services (74%) and construction (77%). Sectors reporting increased turnover were wholesale and retail (7% of businesses) and transport (3%).

Business Resilience and Confidence:

- All businesses were asked about their cash reserves. **4% reported their cash reserves will last less than 1 month; 23% will last between 1 and 3 months; 16% between 4 and 6 months; and 30% more than 6 months. 4% of businesses have no cash reserves; and 24% are unsure of their financial position.** The accommodation and food service sector reported the largest proportion of businesses with no cash reserves, at 9% of businesses.
- [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.**

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, **80% reported that they continued to export and import through the pandemic. Of these, the majority (73%) reported exporting less than usual; 17% around the same; and 3% more than usual.**

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 9 June, 10 businesses based in the West of England have appointed administrators since 16 March¹. 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.

Liquidations

- As of 9 June, 125 businesses based in the West of England have appointed liquidators since 16 March¹, including 8 in early June. 138 businesses appointed liquidators in the same time period last year.
- It may be too early to assess the real impacts

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

Unitary Authority	March		April		May		June (to 9 th)	
	'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	0	0
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	0	0

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

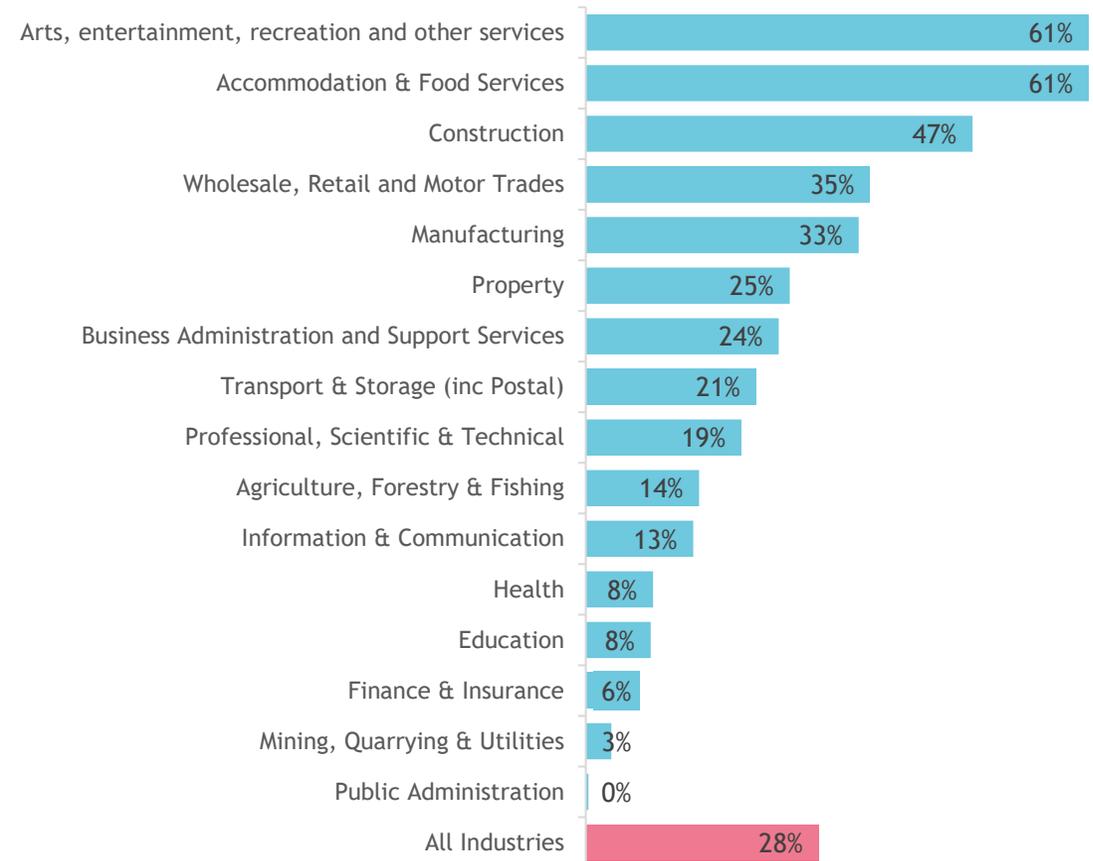
Unitary Authority	March		April		May		June (to 9 th)	
	'19	'20	'19	'20	'19	'20	'19	'20
Bath and North East Somerset	3	9	14	4	6	6	1	3
Bristol City	14	25	41	17	26	19	3	3
North Somerset	4	9	3	7	9	6	3	1
South Gloucestershire	3	7	2	5	6	3	0	1
West of England Total	24	50	60	33	47	34	7	8

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

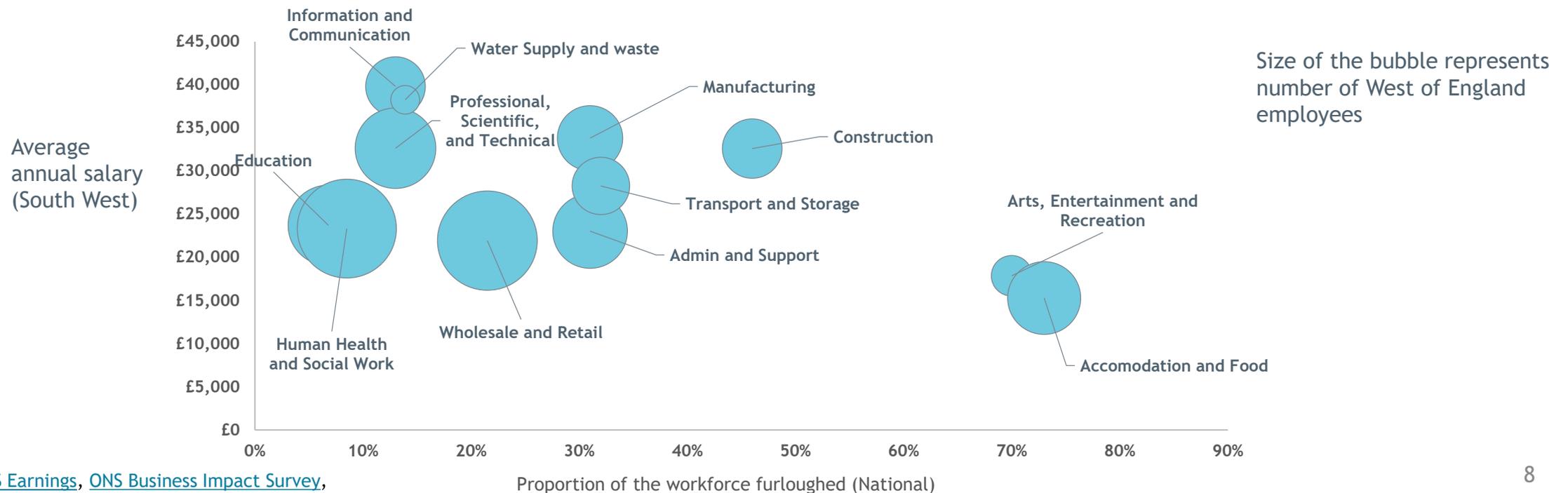
- [HMRC Official Statistics](#) reveal as of 31 May 2020, 8.9 million people in the UK have been furloughed, by 1 million employers, with claims amounting to £17.5 billion.
- **132,600 West of England employees have been furloughed, representing around 22% of the workforce.**
- Nationally furlough levels are highest among the accommodation and food sector (61% of the workforce); arts, entertainment and recreation (also 61%); and construction (47%).
- [The ONS Business Impact Survey](#) (4 May to 17 May) found of businesses intending to restart trading in the next two weeks, 33% of the workforce are expected to return from furlough, and 12% from remote working.
- **The ONS survey found that where businesses continue to trade, 44% of the national workforce were working from home across all industries; and 37% working at their usual workplace.**
- 22% of staff 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 4 May to 17 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.**

% national workforce furloughed by industry (31 May)



A. Labour Market: Distribution of impacts is critical. 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, 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% of their workforces. 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 started to rise in April 2020

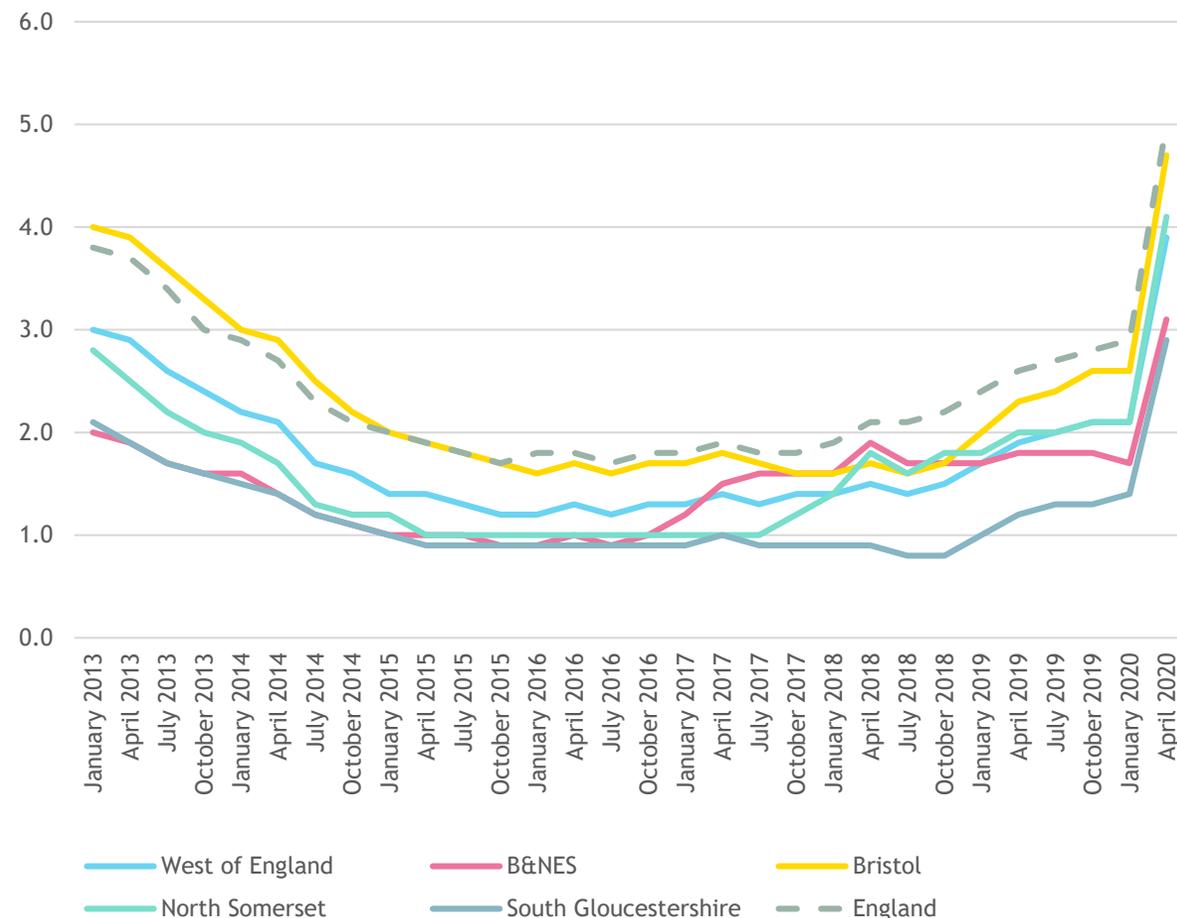
- Table 3 shows the number of people claiming out of work benefits. For the West of England this rose by 86% in April 2020 compared to the previous month. Around 4% of the region's workforce claimed out of work benefits in April 2020, compared to 2% a month earlier.

Table 3: 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
West of England Total	15,815	2.1	29,140	3.9

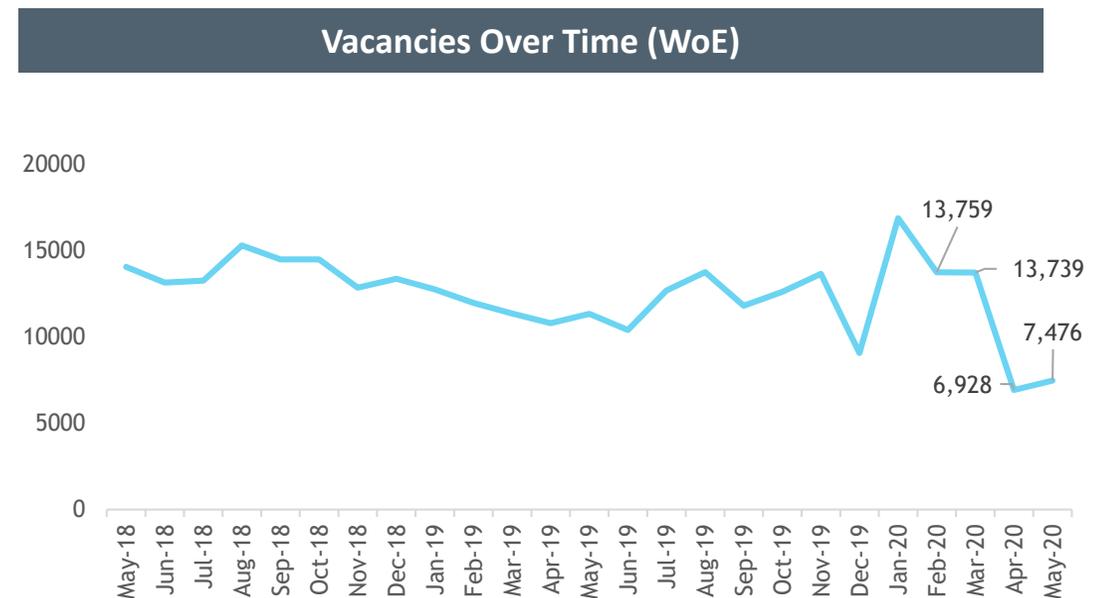
- The [UK unemployment rate](#) for January to March 2020 was estimated at 3.9%, 0.1 percentage points higher than a year earlier and 0.1 percentage points higher than the previous quarter. For January to March 2020 an estimated 1.35 million people in the UK were unemployed - 50,000 more than a year 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 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.**
- [Job advertisements have fallen across the UK](#), 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 May 2020 (WoE)
- 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 remained low in recent weeks** (see charts for Bristol - trends in other West of England LAs are similar). Retail and leisure facilities have been hit the hardest and workplace activity remains well below the baseline.
 - **The first phases of lockdown easing have resulted in some increase in workplace activity but had little impact on public transport and retail activity.**
- **Public transport usage declined sharply and has remained low.** We will monitor usage at more people return to work.
 - The latest [ONS Opinions and Lifestyle Survey](#) (conducted 21 May to 24 May 2020) reported that nationally, before the pandemic, the majority of people who travel to and from work do so by car (73%); 16% by public transport; and 20% on bicycle or foot.
- **Visits to parks have risen significantly in recent weeks.**
 - This is likely due to a number of factors including unusually warm recent 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 point. 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
- **The ONS Opinions and Lifestyle Survey** (conducted 21 to 24 May 2020) found **90% of those surveyed had left their home in the last 7 days.** 30% had travelled to and from work, up from 24% in the previous survey wave; 14% had met up with someone in a public place, up from 12%; and 70% had left for exercise, up from 68%.

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](#), 5 June

Retail and recreation

-72% compared to baseline



Parks

+78% compared to baseline



Workplaces

-61% compared to baseline



Public transport

-69% compared to baseline



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 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%.
- [The ONS Opinions and Lifestyle Survey](#) (conducted 21 to 24 May 2020) asked participants about climate change:
 - 25% of respondents said covid-19 had made them more concerned about climate change; 12% less concerned; and 60% “about the same”.
 - 92% agreed that the stay at home measures have positively affected the environment; and 90% agreed that where there had been positive changes to the environment due to the pandemic, society should try to keep doing them.
- 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

A. Social Impacts: People's perceptions of the future and personal safety may impact their return to work, businesses and society

- **Wellbeing:** Nationally, there have been significant impacts on people's wellbeing, with **44% of respondents to [the latest ONS Opinions and Lifestyle Survey](#) (surveys conducted 21 to 24 May 2020) reporting their well-being being affected.** Commonly reported concerns were feeling stressed or anxious; feeling bored; feeling worried about the future; and feeling lonely.
- **Personal Safety:** The survey reported that **26% of people feel unsafe outside their homes due to coronavirus**, compared to 29% in the previous survey wave two weeks ago. 41% of people now feel safe, compared to 33% previously; and 21% feel neither safe or unsafe, compared to 33% previously.
 - The effect is more pronounced in shops with **38% of people saying they felt unsafe visiting shops**; 40% safe; and 18% neither safe or unsafe. **This may have implications on how the public returns to businesses as the lockdown eases.**
- **Disposable Income:** When it comes to household finances, **29% expect their position to get worse in the next 12 months**; compared to 36% in the previous round 2 weeks ago. 53% expect it to stay the same; and 18% expect it to improve. **Those expecting their financial position to get worse may be reluctant to give their custom to sectors such as tourism and non-essential retail.**
- **Safety at Work:** 41% of those surveyed said their work was being affected by the pandemic. Of those, 14% reported they were worried about their health and safety in the workplace, down from 20% in the previous wave of the survey.
 - People were most worried that following social distancing advice is difficult in their role; there is limited protective clothing and equipment available; and social distancing is difficult when travelling to work.

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 7 June, 15,527 grants have been distributed, amounting to £194.7 million in the West of England. Local authorities estimate that 18,270 businesses in the region are eligible for these grants.

- As of 2 June, nationally £21.3bn has been lent in Bounce Back loans of up to £50,000 each; £8.9bn to SMEs under the Coronavirus Business Interruption Loan Scheme; and £1.1bn in loans to larger companies. 2.6 millions claim have been made under the self-employment income support scheme, totalling £7.5 billion.
- The ONS Business Impact Survey found that **nationally, 16% of businesses have applied for a Government backed loan or finance agreement; and a further 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%).

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 still concern queries over the eligibility and application process for the discretionary top-up grant scheme. Several businesses that fall through the funding gaps again, such as home workers, freelancers, and consultants, are concerned their cashflow issues mean they will not survive without support, and are asking for the grant to be extended to cover them.
- Ongoing financial support: Several businesses from sectors that are being forced to remain closed, and losing money whilst still having outgoings, are now asking whether there will be a second grant to mitigate cashflow
 - Some businesses will not be viable once they reopen, due to social distancing and reduced volumes, and need support.
 - Seasonal businesses unable to operate over the summer and losing their best time for business are especially concerned. Social distancing is difficult for many of these businesses. Additional grants would ease the cashflow worries of these businesses.
- Workforce - Businesses have welcomed the extensions for the Job Retention Scheme and Self Employment Income Support Scheme, but raised concerns that the required employer contributions will lead to redundancies in the coming months, particularly for businesses in the hospitality and tourism industries which will be forced to remain closed
- Business Rates: Businesses continue to report issues contacting the Valuation Office Agency to obtain and ratings assessment, which is potentially prohibiting them from accessing grant support.

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 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 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 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.
 - 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%.
- **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.

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

- Local Authorities across England now have the authority to issue grants of £25,000, £10,000 or any amount under £10,000 as part of the **Local Authority Discretionary Grants Fund**. The fund is open to small and micro businesses with fixed property costs that are not eligible for the Small Business Grant Fund or the Retail, Hospitality and Leisure Grant Fund
- Community projects supporting people with their mental health during the coronavirus pandemic will benefit from an additional £5 million of funding
- Over 130 charities are set to benefit from £6 million of government funding to allow them to continue their work supporting rough sleepers during the pandemic

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. As of 11 June, England is currently in **Step 2** of the lockdown. 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 - Initiated 10 May	Step Two - Initiated 1 June	Step Three - To be initiated by 4 July
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 	-
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 • From 15 June, all other non-essential retail outlets will be expected to be able to reopen. • Places of Worship will be able to open from 15 June for individual prayer 	<ul style="list-style-type: none"> • The government aims to open all remaining businesses and premises that have been required to close, including personal care (hairdressers and beauty salons), hospitality and leisure facilities
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 • As of 15 June, the wearing of face masks will be compulsory on all public transport services 	-
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 	-

Contact us

-  westofengland-ca.gov.uk
-  Strategy@WestOfEngland-CA.gov.uk
-  [WestofEnglandCA](https://twitter.com/WestofEnglandCA)
-  [West-of-England-Combined-Authority](https://www.linkedin.com/company/West-of-England-Combined-Authority)

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