

Recovering from COVID-19

Week beginning 20 July 2020

Last updated 25 August 2020



Global and national economy



GLOBAL ECONOMY

IMF forecasts bigger global recession in 2020, particularly in advanced economies

- IMF forecasts that the global economy will contract by 4.9 per cent this year.
- The advanced economies of the US and Europe will experience a contraction of 8.0% in 2020, with the contraction particularly high in Italy (-12.8%), Spain (-12.5%) and France (-12.5%).
- Projects that the UK will experience a 10.2% contraction in 2020 and growth of 6.3% in 2021.
- Forecasts that emerging economies will contract by 3.0 per cent this year, and grow by 5.9% in 2021.
- Global factory production fell for the fourth straight month, but PMI data showed there was a softer contraction in output in May compared to a month earlier (42.4 in May, up from 39.6 in April)
- China was the only country to report any increase in output in May

Latest PMIs show advanced economies recovering with some returning to growth

- The eurozone's economy shrank again in June - but at the slowest rate since the pandemic started. Eurozone Composite PMI rose to 48.5 in June from 31.9 in May (50 = no change, greater than 50 = growth).
- France's composite PMI signalled a return to growth in manufacturing and services.
- Germany's PMI results signalled a much smaller rate of contraction, as did the Eurozone.

The European Commission has slashed its economic forecasts, warning that eurozone will suffer an even deeper recession than previously thought

- New forecasts from EC warn that GDP will decline by 8.7% in 2020, down from a previous forecast of -7.7%. It has also reduced its forecast for 2021, from 6.3% growth in output to just 6.1%.

UK ECONOMY

V-shaped recovery now unlikely as latest estimates reveal that UK economy experienced only 1.8% growth in May

- Latest GDP estimates from ONS show 1.8% GDP growth in May, compared to June – lower than an expected bounce back from the 20.3% contraction in GDP in April.
- The largest positive contributor to May's GDP increase was the retail industry which grew 12.0%.
- Manufacturing grew by 8.4%, Construction +8.2 per cent. Despite the monthly increases, construction output was still 39 per cent below February's level, while manufacturing production was 22 per cent smaller. The services sector grew by 0.9% in May.
- The latest HM Treasury average of independent forecasts (July) suggest that there will be an 9.1% economic contraction in 2020 followed by 6.6% growth in 2021. Also predicts that the ILO unemployment rate will reach 8.0% in 2020, reducing to 6.5% in 2021.
- OBR forecasts suggest UK economy growth rate will not recover to pre-covid levels until 2024 at earliest, and that lost growth will still not be recovered, with unemployment reaching 12-15%.
- British companies cut payouts to shareholder by £22bn in the last quarter (Q2) as they shore up their finances in the face of the recession caused by the pandemic. It is the lowest quarterly dividend figure since 2010 and a 57 per cent drop compared to the second quarter 2019.

The pace of decline in the UK's service sector has levelled off as shops reopen - but the economy still remains very subdued

- The UK Service sector PMI has risen to 47.1 in June, better than May's low of 29.0.
- However, this continues to signal a contraction (as the PMI is below 50), with many firms reporting that that conditions are very tough.
- One-third of companies reported that activity contracted in June, an improvement on the 54% in May and 79% in April.

UK economy likely to suffer worst covid-19 damage, according to latest OECD forecasts.

- The OECD forecasts a UK economic contraction of 11.5% in 2020, worsening to 14% if the virus returns later in the year. This is a worse fall in economic output than forecast for France, Italy, Spain, Germany, and the US
- Germany's decline in national income (GDP) is forecast to be 6.6% this year while Spain's GDP will fall by 11.1%, Italy's by 11.3 and France's by 11.4%
- The US, the world's largest economy, is expected to take a hit of 7.3%
- Important factor for UK = the importance of the service sector. Trade, tourism, real estate and hospitality make up a sizeable chunk of UK GDP and all have been hard hit by the lockdown

UK has lost 650,000 jobs since March

- Payrolls fell by 2.3% between March and June. Labour market conditions have weakened the most for those aged 65+ (who have withdrawn from the labour market due to Covid-19 risks) and those aged 18-24 (job loss and unemployment). Employment has also fallen among self-employed and part-time workers.

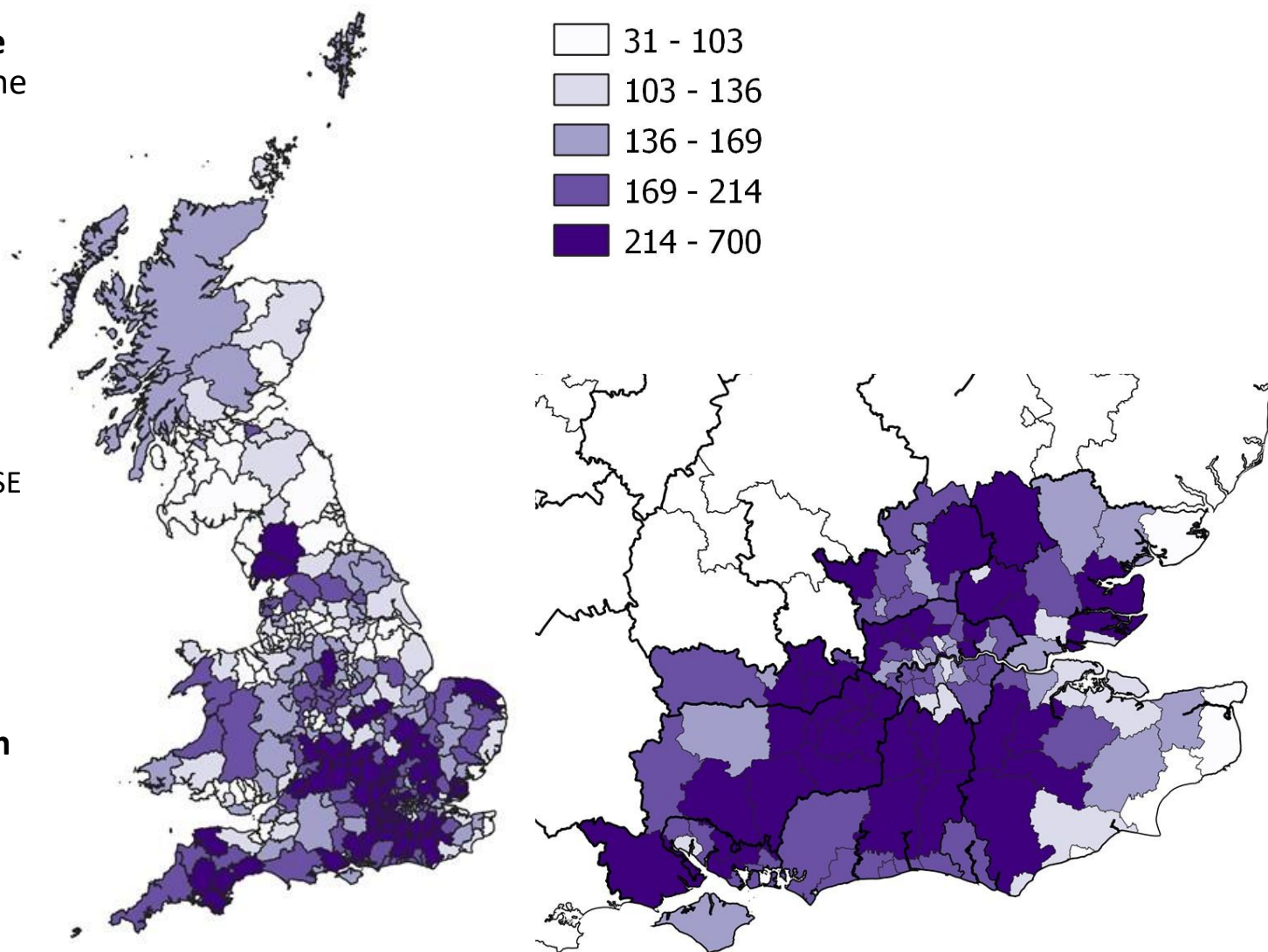
The latest ONS Coronavirus Business Impact Survey (29 Jun – 12 July) reported that more businesses were trading

- 92% trading (compared to 86% in preceding 2 weeks)
- Of businesses continuing to trade, 41% reported that they had less than six months of cash reserves and 4% reported they had no cash reserves
- 17% reported there had been more innovation during the coronavirus pandemic, while 6% reported there had been less
- 6% reported that their capital expenditure had increased, 23% said that it had decreased and 15% said that capital expenditure had stopped
- 12% had diversified to provide new goods or services as a result of the coronavirus pandemic

SOUTH EAST ENGLAND ECONOMY

- GSE is slightly less affected by shutdown in its sector mix
- Higher share of residents in the Greater South East are capable of working from home (28.6%) compared to the UK average (26.6%).
- Lower rate of furloughing: 2.4 million employments furloughed in Southern LEPs, 29% of eligible employments – below UK average of 31%
- Aviation & Aerospace – GSE handles 61% of UK PAX
- Industries likely to be more resilient / recover quickly more prevalent in Southern LEP areas:
 - ICT& Digital: employs 290,000 in Southern LEPs – 6.2% of GSE total – 1.6x more important than nationally (GB=3.8%)
 - Life Sciences: Employs 70,400 in Southern LEPs– 1.4% of total, 1.6x more important than nationally (GB=0.9%)
 - Business & professional services: employs 1.3 million in Southern LEPs – 26.7% of total (GB=24.5%)
- Unemployment – although rates tend to be lower than UK average rate, total claimants have increased significantly in Southern LEP areas, London and the Greater South East

% INCREASE IN TOTAL UNEMPLOYMENT BENEFIT CLAIMANTS JUNE 2019 TO JUNE 2020



Coronavirus & recession: Implications for Thames Valley Berkshire



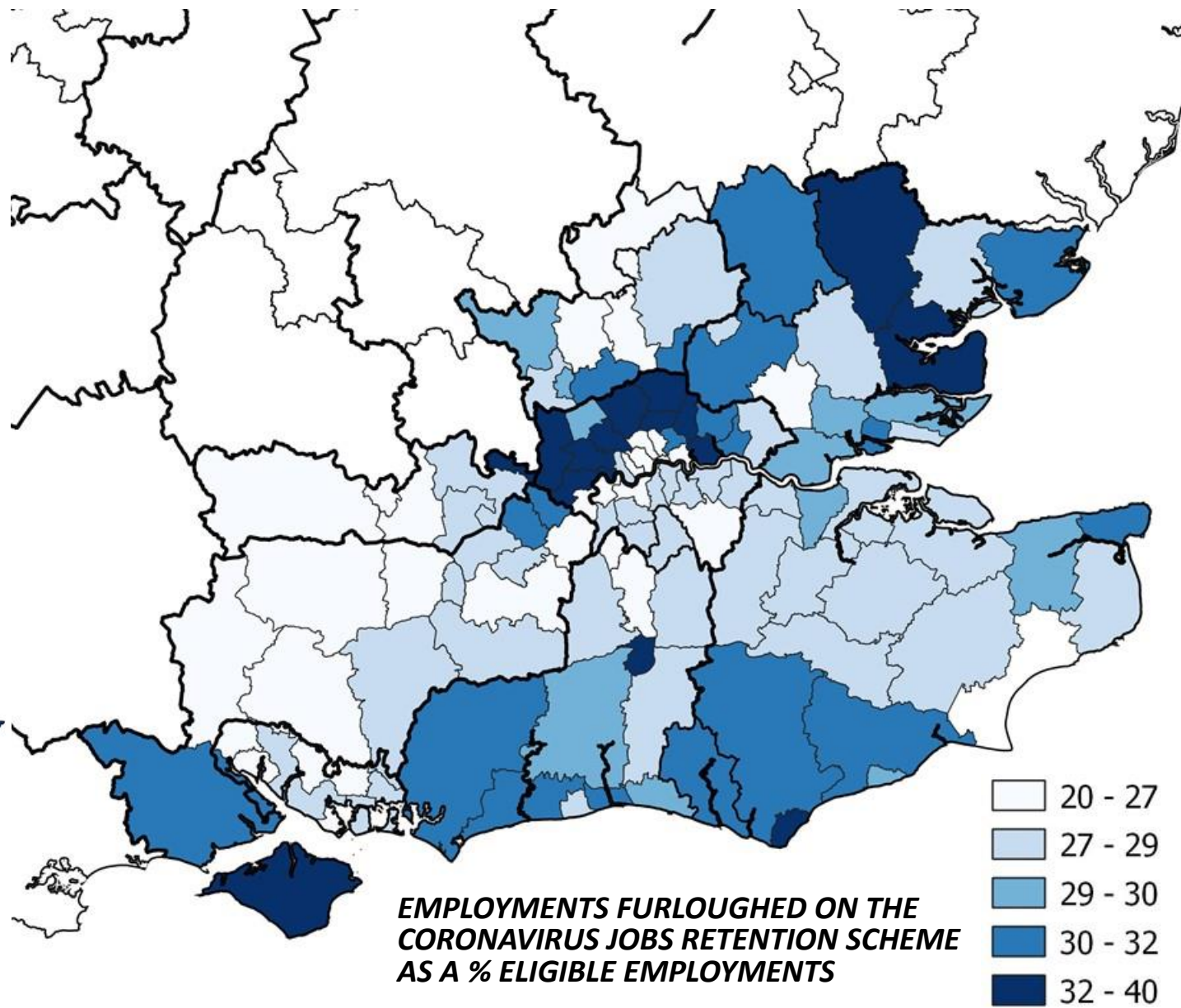
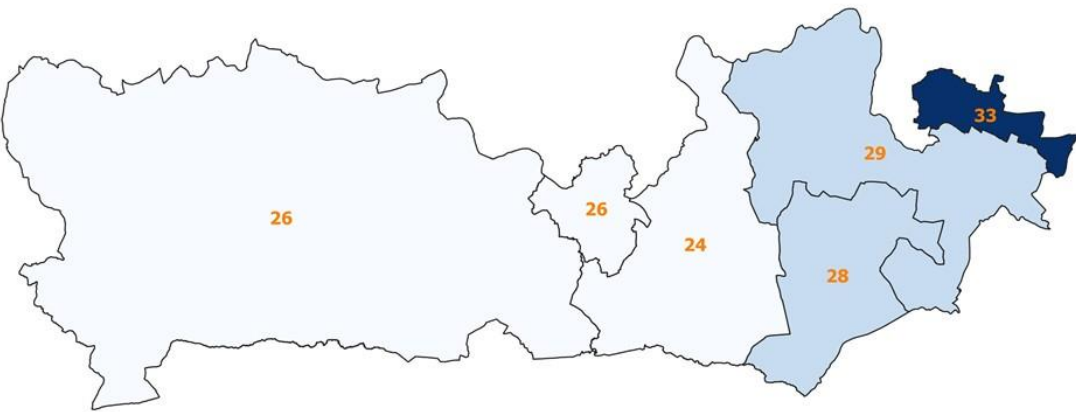
FURLOUGHING (TO 30 JUNE)

Lower rate of furloughing than nationally

Total of 129,300 employments furloughed in Berkshire – 27% of eligible employments

Lower than the UK average of 31% of furloughed employments as % of workforce jobs

As at 30 June in the UK, there had been 9.4 million employments furloughed made by 1.14 million employers, with a total value of claims of £26.5 billion



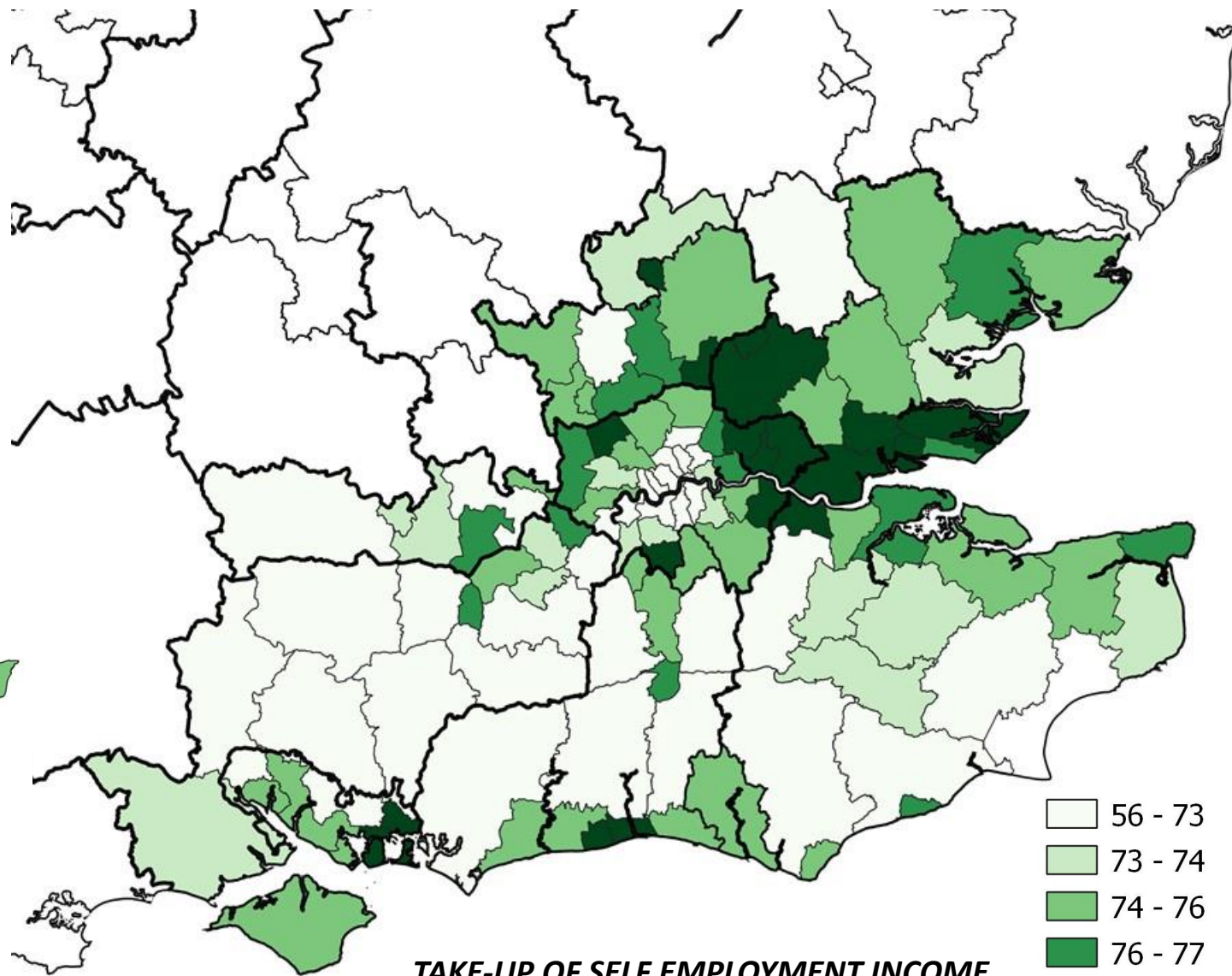
EMPLOYMENTS FURLOUGHED ON THE CORONAVIRUS JOBS RETENTION SCHEME AS A % ELIGIBLE EMPLOYMENTS

SELF EMPLOYMENT INCOME SUPPORT SCHEME (TO 30 JUNE)

In TVB: total of 35,000 claims from the Self Employment Income Support Scheme – representing 74% of eligible claims

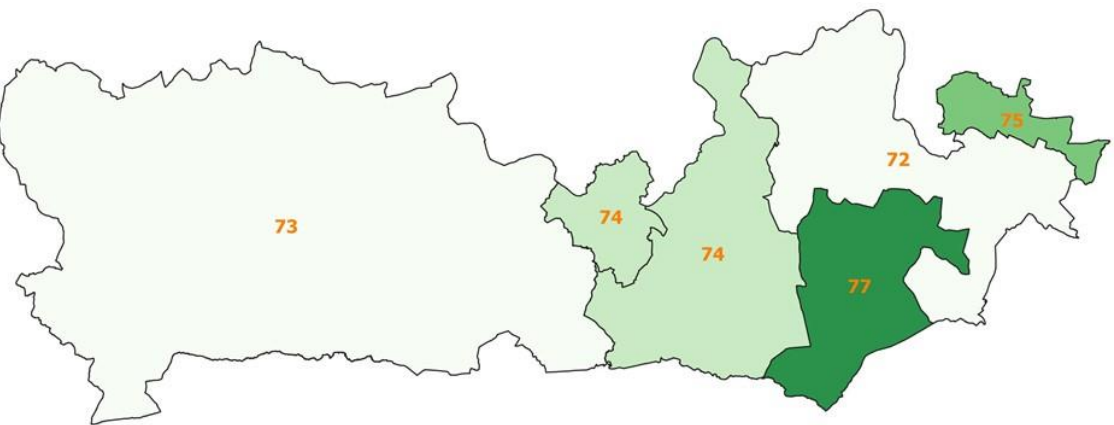
Average value of £3,100 per claim in TVB area (UK=£2,900).

As at 30 June in the UK, there had been 2.6 million claims, with a total value of claims of £7.4 billion, representing 75% of eligible individuals



TAKE-UP OF SELF EMPLOYMENT INCOME SUPPORT SCHEME AS % OF ELIGIBLE

- 56 - 73
- 73 - 74
- 74 - 76
- 76 - 77
- 77 - 86



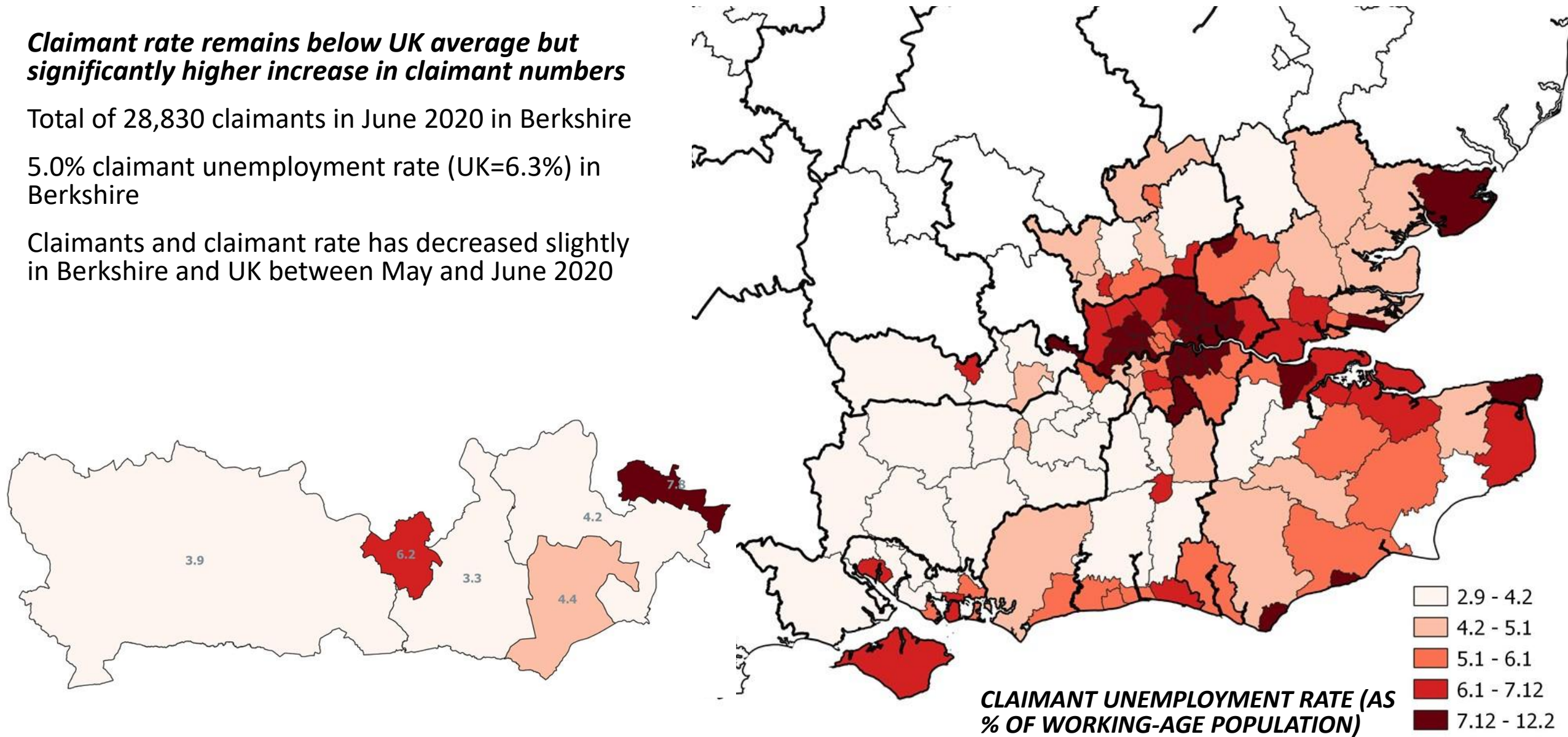
CLAIMANT UNEMPLOYMENT RATE (JUNE 2020)

Claimant rate remains below UK average but significantly higher increase in claimant numbers

Total of 28,830 claimants in June 2020 in Berkshire

5.0% claimant unemployment rate (UK=6.3%) in Berkshire

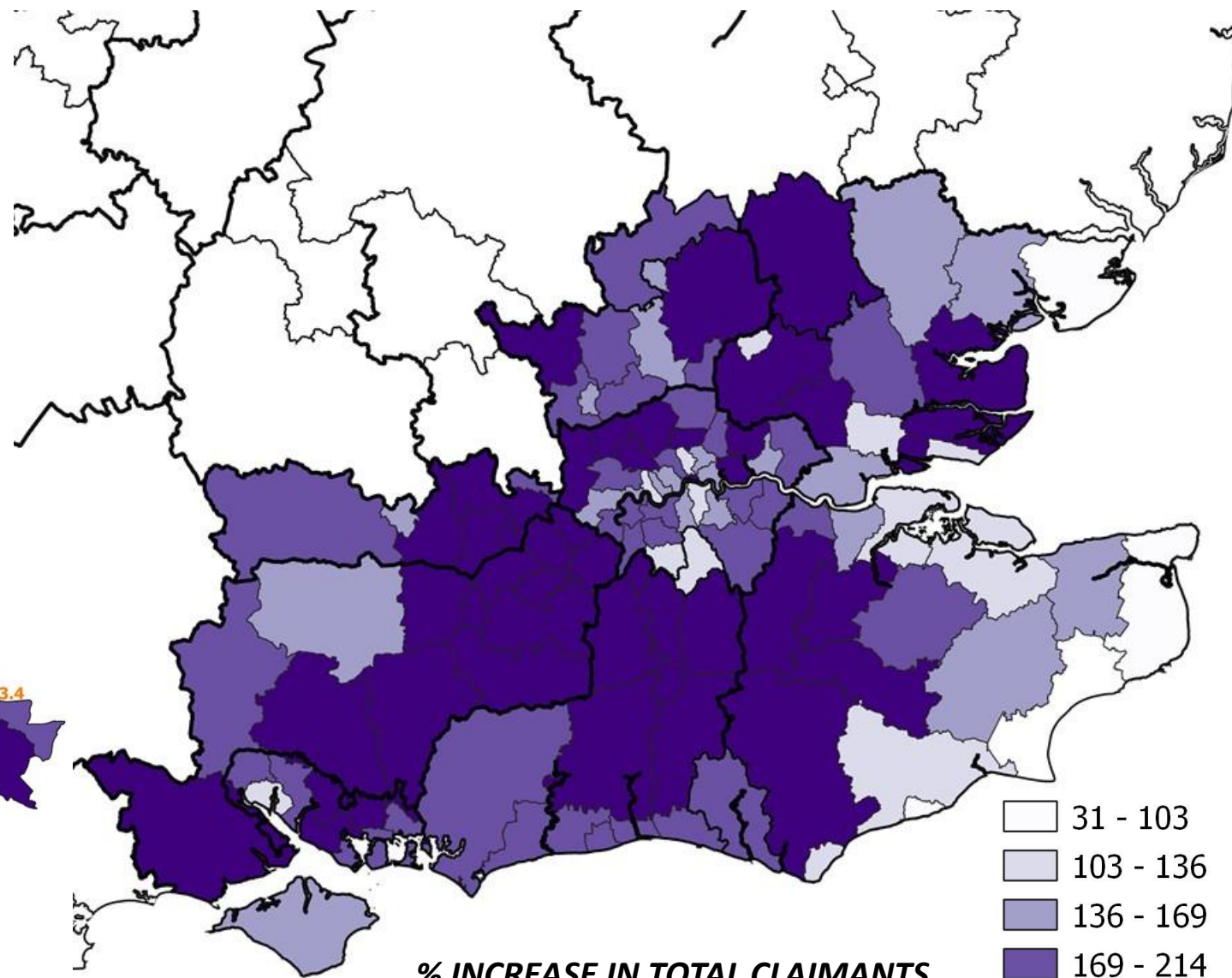
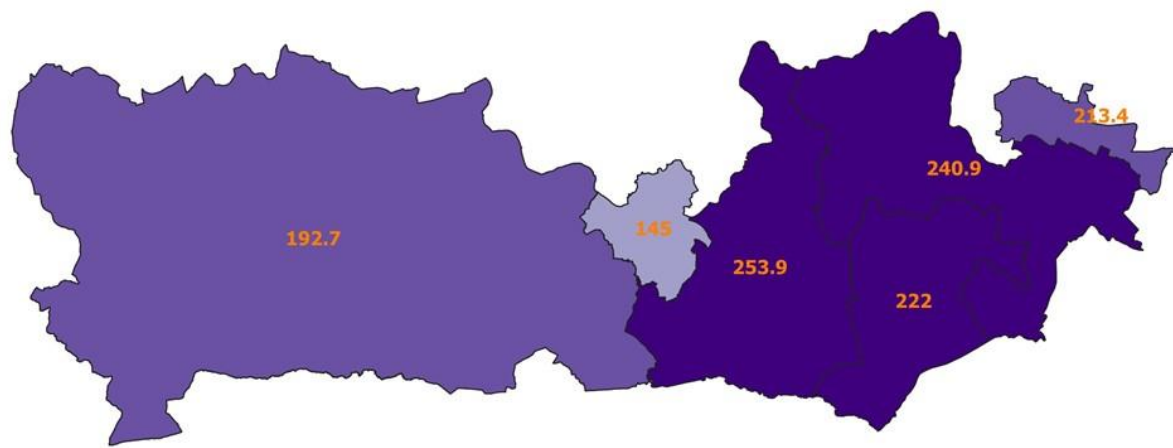
Claimants and claimant rate has decreased slightly in Berkshire and UK between May and June 2020



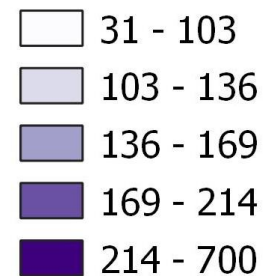
INCREASE IN TOTAL CLAIMANTS (JUNE 2019 TO JUNE 2020)

Significant increase in claimant unemployed

Claimant unemployed has increased by 199% in Berkshire compared to June 2019, when there were 9,630 claimants (UK=131%)



**% INCREASE IN TOTAL CLAIMANTS
MAY 2019 TO MAY 2020**



STRATEGIC ISSUES: AVIATION, FOREIGN-OWNED COMPANIES

Heathrow Airport

- Passengers down by 97% in May 2020 compared to May 2019
- 76,000 employed across 400 different companies at Heathrow - likely to include 18-20,000 workers resident within Thames Valley Berkshire
- 4% TVB businesses (2013) main customer at Heathrow / 37% supplied Heathrow
- Restructuring and voluntary redundancy scheme underway
- 77% of FOCs surveyed within the Western Wedge said that Heathrow was important (29%) or very important (48%) to their operations. This rose to 89% amongst joint UK/FOC.

Aviation sector hard-hit

- The UK airport industry has estimated that up to 20,000 jobs are at risk across the UK, as operators struggle to restart after the lockdown.
- More large-scale job cuts and redundancies announced: British Airways (12,000), Ryanair (3,000), Swissport (4,500)
- Value chain at risk: Airbus puts 3,200 staff on furlough (N Wales site) and cuts production by one-third; Safran Seats GB places 399 at risk of redundancy; Boeing announces 10% job cuts worldwide, affecting 16,000 jobs (28 April)

Gatwick airport

- All BA short haul flights relocated to Heathrow
- Gatwick Diamond study – warns 13-16% reduction in local economic output in the area

High concentration of Foreign-Owned Companies (FOCs)

- In 2019, FOCs represented 3% of enterprises, generated 30% of employment and accounted for 53% of Berkshire's turnover (compared to 15% and 40%, respectively, across the UK).

FOCS make a significant contribution to Apprenticeship and Talent training programmes

- Within Mercer's global survey, 14% of businesses have cancelled the entire 2020 apprenticeship intake, 3% have rescinded some offers whilst 12% are staggering/delaying starts. 25% of businesses have cancelled their summer internship programme, whilst 10% have reduced numbers and 10% are staggering/delaying starts. Amongst those making new graduate hires, 4% have rescinded some or all offers and 19% are staggering/delaying start dates.

Covid-19 and Brexit are impacting the attractiveness of the area as a business location for inward investors

- Following a recent submission to a DIT/FDI consultation looking for sites for a Biologics company, none of the 5 UK shortlisted sites (including 2 within Reading) made the global shortlist.
- Within the feedback it was noted that "the current uncertainty created by Brexit and the potential impact on UK taxes and incentives was a concern, though not a key decision factor."

Demand & supply conditions: businesses, hiring, restructuring, investment, labour and skills supply



HOUSEHOLD AND BUSINESS DEMAND CONDITIONS

HOUSEHOLD / CONSUMER DEMAND

Retail spending bounces back, but significantly reduced over the year to date

- Retail sales rose 12.0% between April and May - improvement on the 18% contraction in April
- Retail sales in May 2020 were still 13.1% in lower compared to May 2019
- The proportion of retail spending being made online hit a record 33.4% in May - higher than the first full month of lockdown in April (30.8%)
- Job losses and company administrations continue to be announced – e.g. latest: Marks & Spencer (950), SSP Group (5,000), Harrods (700), Arcadia Group (500)
- Food retail sales increasing – e.g. Tesco (+8.7% sales in three months to 30 May), but not translating into profits as Coronavirus has introduced additional costs
- Median real disposable incomes fell by 4.5% between March and May 2020
- In the UK, Households consumption spending decreased by £9.5 billion (falling 2.7%) in Quarter 1 2020, the largest quarterly fall in nominal household spending of this type ever recorded. Large falls in expenditure on motor vehicles, restaurants and hotels, and clothing and footwear.
- Households continue to pay off consumer credit debt – people repaid a net of £4.6 billion of consumer credit in May following repayments of £7.4 billion in April and £3.8 billion in March

The UK housing market – stamp duty threshold changes stimulate enquiries and sales

- Signs of ‘mini boom’ with Chancellor’s extension of stamp duty threshold to £500,000
- Nationwide: average asking price of property coming to market in July up 2.4% compared to March before lockdown
- Year-on-year buyer enquiries were up 75 per cent since the beginning of June

BUSINESS DEMAND

Early indications from our COVID Recovery Survey show that Berkshire-based businesses anticipate a slow recovery (TVB COVID insights survey)

- Only 14% of Berkshire-based businesses have either not been impacted (10%) or have already experienced growth (4%).
- 43% believe that it will take them up to a year for business to be restored for former levels.
- A quarter (25%) believe that it will take between 1-2 years (19%) or more (3+ years / 6%) for them to recover and 18% just don't know how long recovery will take.

Nationally, businesses have cut investment and plan to cut employment (UK – Bank of England Decision Makers Survey)

- Business report that have cut investment spending by half; and expect 11% decrease in employment by the end of 2020

But some success in local equity and investment deals

- Cloud Factory secured £1.96 million fundraising for a 2% equity stake (July)
- Carbin Clean Solutions secured £17.6 million from investors including Equinor Energy Ventures (formerly Statoil) and Chevron (July)

Commercial property investment was stalling before the pandemic

- Property market in London and GSE was stalling in 2019 due to past expansion and construction activity and threat of Brexit dampening demand
- Private financial investment in property – was withdrawing in 2019, now completely withdrawn
- As yet, little evidence to suggest property market weakening in Berkshire

INDUSTRIES AT RISK

MANUFACTURING

- Employs 25,000 in TVB – 4.8% of TVB total (GB=8.1%)
- Manufacturing output significantly weaker than a year ago; modest improvement in recent weeks as more companies reopen
- Expecting output to be one-fifth below normal levels in 2020 (Bank of England Agents' report into business conditions, June)
- 53% of manufacturing firms expect to make redundancies in next 6 months (Make UK survey, July)

CONSTRUCTION

- Employs 25,000 in TVB – 4.8% of TVB total (GB=8.1%)
- Construction has experienced the largest reduction in turnover according to VAT records – the most negative value since the VAT diffusion index started in January 2008, including during the financial crisis (July)
- Beyond completion of current sites, concern about the outlook for commercial work over the next two years as enquiries and orders have collapsed, although public sector projects are holding up, and housebuilding activity resuming slowly (Bank of England Agents' report into business conditions, June)

ARTS, ENTERTAINMENT & RECREATION

- Employs 13,000 in TVB – 2.5% of TVB total (GB=2.5%)
- Theatre closers could result in 3,000 job losses; £1.5bn government intervention announced

ADMINISTRATION & SUPPORT

- Employs 35,300 in TVB – 6.8% of TVB total (GB=5.6%)
- Demand for marketing, advertising and recruitment services has weakened significantly

COMMERCIAL REAL ESTATE

- Outlook for reduced development and rental growth, private sector withdrawn from new investment; Signs of activity picking up for distribution, industrial sites and data centres

HOSPITALITY & TOURISM

- Employs 29,600 in TVB – 5.7% of TVB total (GB=6.5%)
- Sales across the hospitality sector expected to be 56% lower than 2019; UK Domestic Tourism Trips down by one-fifth compared to 2019 due to Covid-19 (GlobaData)
- The volume of online job adverts (Adzuna) in catering and hospitality has declined further to a record low of 18.1% of its 2019 level
- Significant disruption, job loss, closures in restaurant chain sector
- Business events industry – Events Industry Alliance warns 30,000 jobs at risk as resumption of business events yet to be scheduled

NON-FOOD RETAIL & WHOLESALE

- Employs 13,000 in TVB – 2.5% of TVB total (GB=2.5%)
- On 17 July, **overall footfall** rose to two-thirds of its level the same day a year ago, the highest since lockdown began. UK Retail Sales grew sharply in May (+12.0% since April) but are down 13.1% on the year since May 2019.
- DIY stores experience increase in sales – Kingfisher group reports year on year sales 21.6% higher than June 2019
- Clothing retailers cancelling or reducing orders of stock, in some cases by as much as one-third (Bank of England Agents' report into business conditions, June)
- British Fashion Council has warned that as many as 240,000 jobs are expected to be lost in the UK fashion industry because of coronavirus over the next 18 months — about 27 per cent of its workforce.
- Outlook – significant redundancies ahead: M&S (950), John Lewis (1,300), Boots (4,000)

BANKING, INSURANCE, FINANCIAL SERVICES

- Banking & financial services employs 6,300 in TVB – 1.2% of TVB total (GB=2.4%); Insurance employs 3,900 in TVB – 1.2% of TVB total (GB=1.0%)
- Latest CBI/PwC Financial Services Survey: sales volumes 12% below 'normal' conditions; profitability has slumped in all subsectors apart from general insurance; spending on training fell at the fastest pace on record. Sharp fall in transactional business, such as mergers and acquisitions and property-related services
- The pace of decline in the UK services sector has eased, but is still contracting. The UK Service sector PMI has risen to 47.1 in June, better than 29.0 in May. However, services remain contracting (as the PMI is below 50), with many firms saying that conditions are very tough. Roughly one-third of companies reported that activity shrank in June, an improvement on the 54% in May and 79% in April.

INDUSTRIES MORE LIKELY TO BE RESILIENT / GROW

ICT & DIGITAL

- Employs 74,300 in TVB – 14.3% of TVB total – 2.2x more important than nationally (GB=3.8%)
- Demand increasing in SaaS / Cloud transition, remote working, B2C logistics technology, medtech, gaming
- Most risks – where exposed to SME market or most challenges industries (oil & gas, hospitality, travel)
- Corporate restructuring expected as start-ups and smaller tech businesses struggle to survive, opportunistic acquisitions take place and buy-and-build strategies are accelerated
- More negatively – customers putting off renewing software licenses or updating software – e.g. Micro Focus (Newbury) took \$922m impairment charge due to loss of sales during pandemic
- Demand for cloud computing, home working and online gaming pushed Microsoft revenues ahead of expectations, with company value increasing by 32% since January to \$1.6 tn
- High demand – also reflected in NASDAQ market capitalisation, which has continued to increase

BUSINESS SERVICES

- Employs 177,500 in TVB – 34.2% of TVB total (GB=24.5%)
- While some subsectors have been more resilient during the crisis (e.g. BPO / tech driven services, legal services, B2B logistics), others have been severely impacted in the short term (e.g. staffing & recruitment, / FM / flexible workspace, aviation logistics)
- Likely that expenditure on outsourced business services reduced as businesses cut costs
- Significant opportunities in business services that apply digitalisation and new technologies
- Business services such as recruitment adversely affected by fall in labour demand – e.g. Hays has cut 1,000 jobs and warned profits could halve in 2020

LIFE SCIENCES

- Employs 16,000 in TVB – 3.1% of TVB total, 3.4x more important than nationally (0.9%)
- Pharma and PPE companies seeing increased demand; Medical devices reporting delayed product launches; Risks to supply chain for active ingredients for pharmaceuticals
- Potential market restructuring as national health systems adjust and adapt

LABOUR DEMAND

One month into lockdown, recruitment was being curtailed and pay cuts were being implemented

- Payroll services provides report that building firms are asking tradespeople to take pay cuts of 10-30% as sites restart
- BAM Construction cut staff salaries by 20% for 3 months
- Murphy - 10% pay cut for all staff for 3 months and reduced holiday entitlement to 21 days
- BDO, KPMG, AON, HPE (all with a substantial presence in TVB) have cut pay and earnings, freeze on pay increases

Recruitment and entry-level positions are being cut (Mercer's global survey)

- 14% of businesses have cancelled the entire 2020 apprenticeship intake, 3% have rescinded some offers whilst 12% are staggering/delaying starts
- 25% of businesses have cancelled their summer internship programme, whilst 10% have reduced numbers and 10% are staggering/delaying starts
- Amongst those making new graduate hires, 4% have rescinded some or all offers and 19% are staggering/delaying start dates

Online job adverts recovered slightly in recent weeks, but continue to decline in catering and hospitality

- Between 29 May and 5 June 2020, total online job adverts (Adzuna) increased from 45.1% to 45.6% of their 2019 average
- The third consecutive week of a small but continued increase from mid-May
- Job adverts in catering and hospitality has declined further to 18.1% of its 2019 level, education adverts also declined

TVB part of wider London and SE labour market

- 11.9% (43,000) of TVB jobs filled by in-commuters from London
- 36.1% (130,000) of TVB jobs filled by in-commuters from rest of SE
- 6.6% (24,000) of TVB residents in work commute to London
- 19.2% (71,000) of TVB residents in work commute to rest of SE

SUPPLY OF LABOUR AND SKILLS

Risk of high unemployment

- NIESR: if CJRS (furlough scheme) is not maintained or extended, unemployment could exceed 10% by the end of 2020 - highest unemployment rate since 1993
- OECD has warned that if a second wave of coronavirus, unemployment could increase to 14.8%
- Large job losses in hospitality, arts, travel, non-food retail

TVB has lower provision of apprenticeships than the national average (Q2 from August 2019 to January 2020)

- 2,820 apprenticeship starts in 2019; 700 achievements
- TVB – 490 apprenticeship starts per 100,000 working-age residents: lower than England rate of 567

Local training rates similar to UK average

- 10.9% of residents in work in 2019 received job related training (UK=10.0)

Number of local + national training providers in difficulty

- Local intelligence – IT/Business trainer has gone into liquidation; national Apprenticeships training provider (based in Slough) considering large-scale redundancies

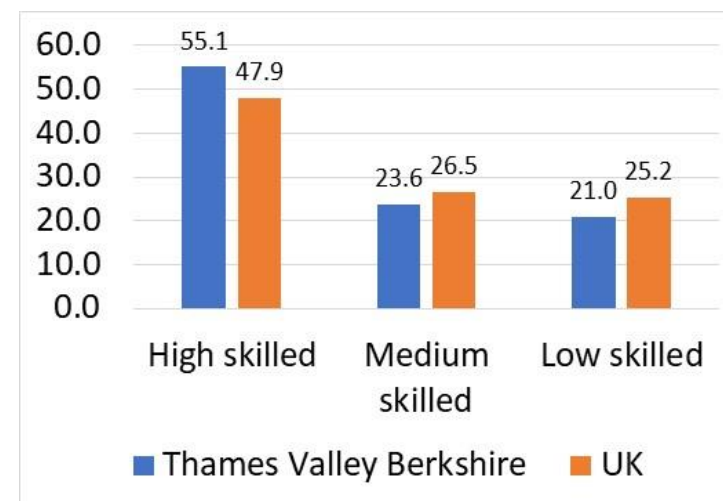
Women, low-paid, low skilled jobs and younger workers hit hardest by Covid-19 pandemic and lockdown (Resolution Foundation)

TVB has a younger labour market compared to UK average

- 16-25 year-olds make up a larger share of the TVB population (11.2%) and workforce (16.4%) compared to the UK average (pop 9.9%, WF 15.8%)
- 67,000 young people aged 13-18 in Thames Valley Berkshire who will enter the labour market over the next 5 years: represents 7.4% of population, or equivalent to 11.7% of the working-age population – higher than UK average

A lower share of residents are in low-skilled jobs

- 21.0% of working residents are in low skilled jobs (UK=25.2%)
- Nonetheless – 100,600 residents work in low-skilled jobs



Share of residents' jobs by skill level in 2019

Local profiles





Bracknell Forest

Impact of Covid-19 to date

Covid-19 cases (to 21 July)

- 384 cases in Bracknell Forest
- 32 cases per 10,000 residents in Bracknell Forest – lower than Berkshire (36) and UK average (44)

GVA impact

Estimates suggest that Covid-19 will cause a greater fall in on Bracknell Forest's economic output (GVA) than the national average

- Bracknell Forest GVA has been projected to decline by 41% in Q2 2020, higher than UK rate of 35% decline and 94th highest (out of 382) local authorities (Centre for Progressive Policy, modelled on sector GVA from OBR)

Claimant unemployment

Bracknell Forest's claimant rate is below the UK average, but claimant unemployment has grown at a significantly higher rate

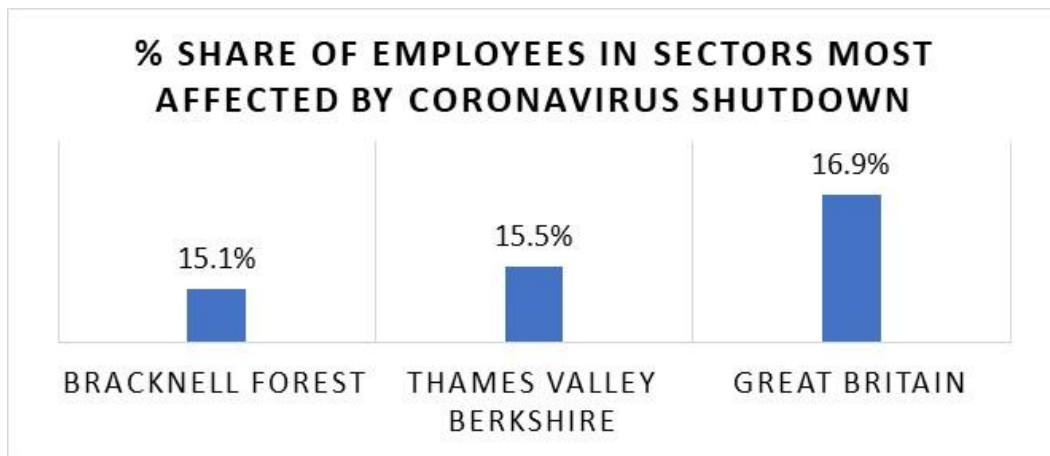
- 3,445 claimants in June 2020, a claimant rate of 4.4% (UK=6.3%)
- Claimant unemployment has risen from 1,220 in March 2020 – by 182% (UK=107%)
- Compared to June 2019 – total claimant unemployment has increased by 222% (UK=131%)

Notable business news

- (Early July) Lexicon shopping mall footfall at 50% compared to last year
- Hospitality sector reopening has gone smoothly so far. There has been quite a slow uptake as businesses look at ensuring they are safe and whether it is cost effective to reopen (July)

Source: LEP weekly business intelligence

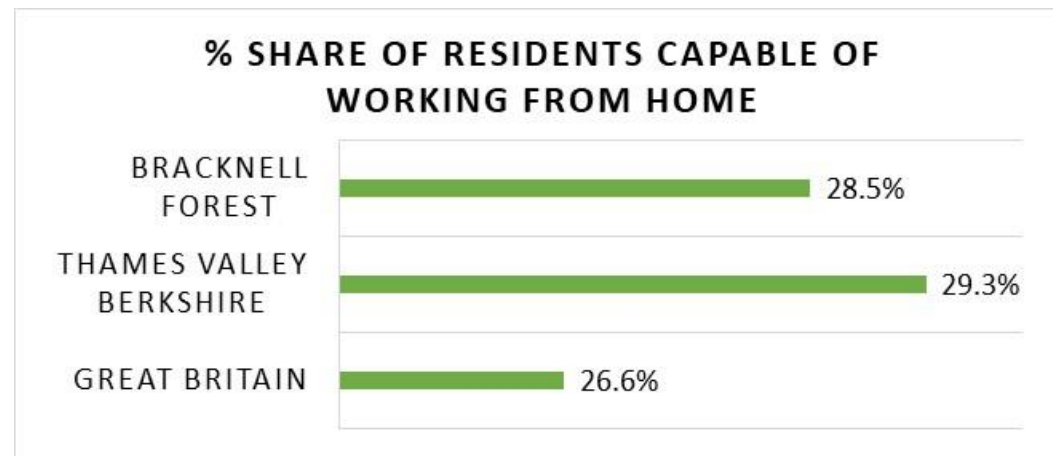
Industries hardest hit by shutdown



Shutdown has not hit Bracknell Forest quite as hard as the rest of the UK

- 9,200 employees (15.1% of total) working in Bracknell Forest are in industries hardest hit by shutdown
- Higher share of employment than national average in: Other retail (4.1%), Bars & restaurants (6.0%), Air transport (0.5%)

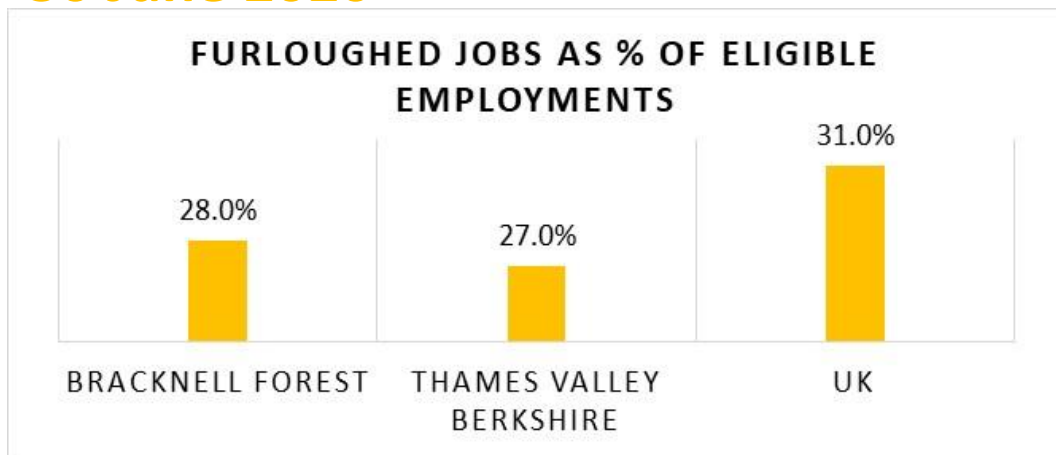
Home working



Residents in Bracknell Forest are slightly more able to work from home compared to nationally due to the occupational mix of residents' jobs

- 18,800, or 28.5% of working Bracknell residents capable of working from home (based on ONS analysis for UK)
- Higher share of residents in professional and associate professional occupations
- Lower share of residents working in skilled trades, caring leisure and other services occupations

Furloughed jobs (CJRS), claims up to 30 June 2020



Slightly lower rate of furloughing in Bracknell Forest compared to the UK average

- 17,900 furloughed jobs in Bracknell Forest up to 30 June 2020
- 28% of eligible employments
- Higher rate of furloughing than TVB (27%), lower than UK average (31%)

Self-employed support (SEISS) , claims up to 30 June 2020



There has been a greater take up of SEISS in Bracknell Forest

- 4,900 claims in Bracknell Forest for the Self-Employment Income Support Scheme (SEISS) up to 30 June 2020
- 77% of eligible individuals (6,400) claimed on the scheme. Average £3,400 claim per individual (UK=£2,900)
- 4,670 businesses in Bracknell Forest, with microbusinesses employing 0-9 making up 89.8% (UK=89.5%) of the total, and small businesses making up 7.6% (UK=8.6%). There is a larger share of large firms compared to the UK average.

Property (sourced from Costar)

Offices (21 July)

Vacancy rates have increased

- Vacancy rate 7.4% (Q1: 6.7%)
- Vacant floor space: 387 SF (Q1: 354k SF)
- Market rent: £23.08 SF (Q1: £22.03)
- 12-month construction starts: 0

Retail (21 July)

No notable trends in daily asking rents over recent months

- Vacancy rate 1.7% (Q1: 0.5%)
- Vacant floor space: 49 SF (Q1: 16k SF)
- Market rent: £25.25 SF (Q1: £23.54)
- 12-month construction starts: 51k SF

Industrial (21 July)

Few apparent signs of downturn currently

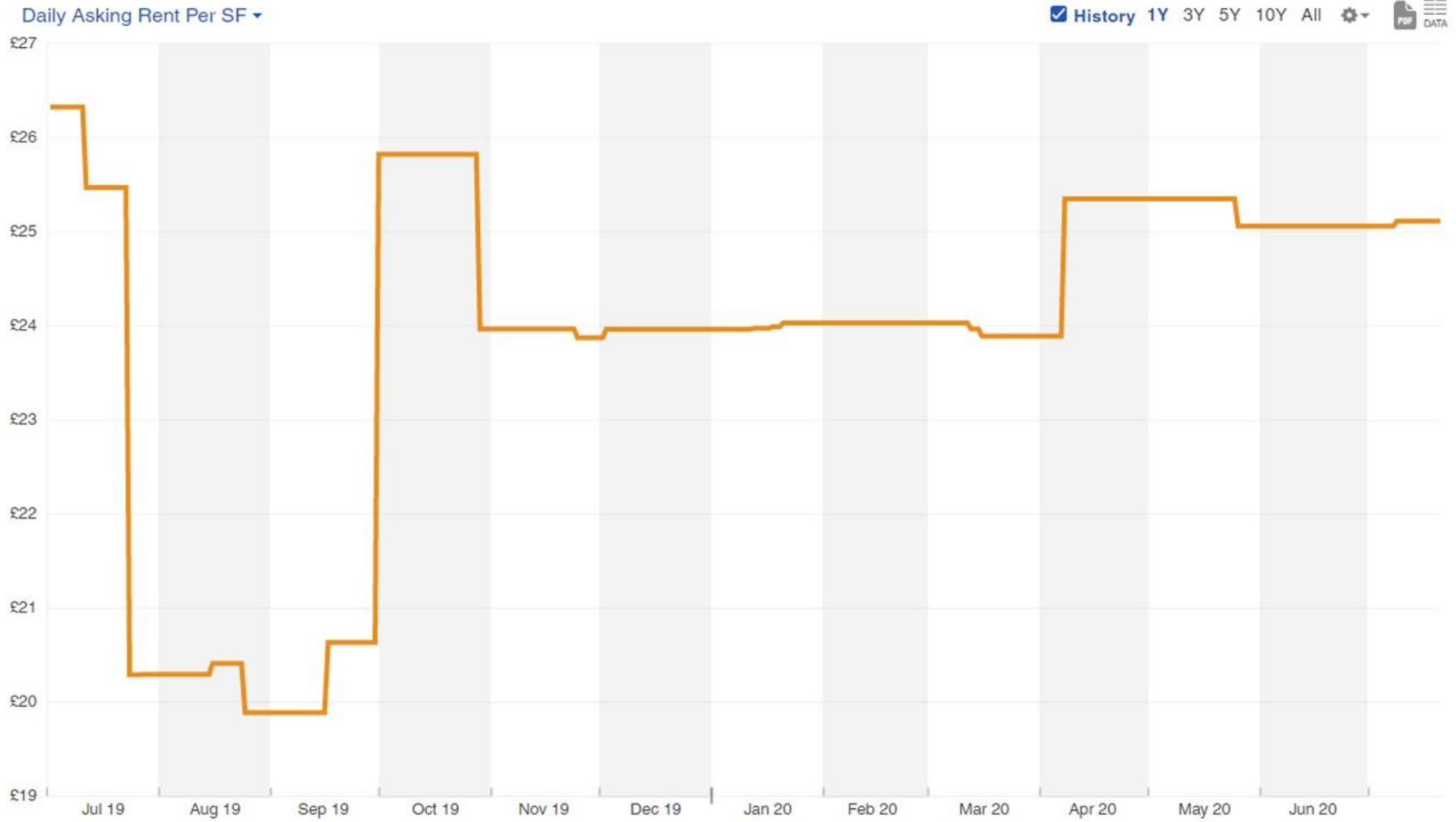
- Vacancy rate 7.1% (Q1: 7.4%)
- Vacant floor space: 273 SF (Q1: 264k SF)
- Market rent: £12.16 SF (Q1: £11.63)
- 12-month construction starts: 92k SF

Housing market

Lack of recent housing data to provide insights on impacts of Covid-19

- There were 650 dwellings started in Q4 2019 – higher than the 140 started in Q4 2018
- There were 520 houses completed in Q4 2019, compared to 130 completions in Q4 2018

Retail: daily asking rents (sourced from Costar)



Industry risks & opportunities (employment: 2018)

Critical industries

- Food and drink retail: employs 3,200, 5.3% of the total (GB=5.3%)
- Energy/utilities: employs 200, 0.4% of the total (GB=1.2%)
- Health and social care: employs 6,000, 9.9% of the total (GB=13.1%)
- Freight / logistics: employs 500, 0.8% of the total (GB=2.8%)
- Insurance: employs 200, 0.3% of the total (GB=1.0%)
- Banking & financial services: employs 1,200, 2.0% of the total (GB=2.4%)

Knowledge-based sectors likely to be more resilient and recover faster

- ICT & Digital: employs 12,600, 20.5% of the total (GB=3.8%) – 5.4x more important than nationally
- Advanced Manufacturing: employs 2,600, 4.1% of the total (GB=3.2%) – 1.3x more important than nationally
- Life Sciences (does not include health care): employs 2,400, 3.9% of the total (GB=0.9%) – 4.2x more important than nationally
- Business services: employs 24,000, 38.9% of the total (GB=25.4%) – 1.5x more important than nationally

Sectors most impacted

- Hospitality & tourism: employs 2,900, 4.8% of the total (GB=6.5%)
- Arts, entertainment & recreation: employs 1,300, 2.2% of the total (GB=2.5%)
- Admin & support: employs 2,800, 4.6% of the total (GB=5.6%)
- Aviation: employs 100, 0.1% of the total (GB=0.6%)
- Non-food retail & wholesale: employs 8,500, 14.0% of the total (GB=8.1%) – 1.7x more important than nationally
- Manufacturing : employs 1,400, 2.3% of the total (GB=8.1%)
- Construction : employs 1,600, 2.7% of the total (GB=4.7%)



Reading

Impact of Covid-19 to date

Covid-19 cases (to 21 July)

- 785 cases in Reading
- 48 cases per 10,000 residents in Reading – higher than Berkshire (36) and UK average (44)

GVA impact

Estimates suggest that Covid-19 will cause a slightly lower fall in on Reading's economic output (GVA) compared to the national average

- Reading's GVA has been projected to decline by 34% in Q2 2020, slightly lower than UK rate of 35% decline and 287th highest (out of 382) local authorities (Centre for Progressive Policy, modelled on sector GVA from OBR)

Claimant unemployment

Reading's claimant rate is only slightly below the UK average, but claimant unemployment has grown at a higher rate

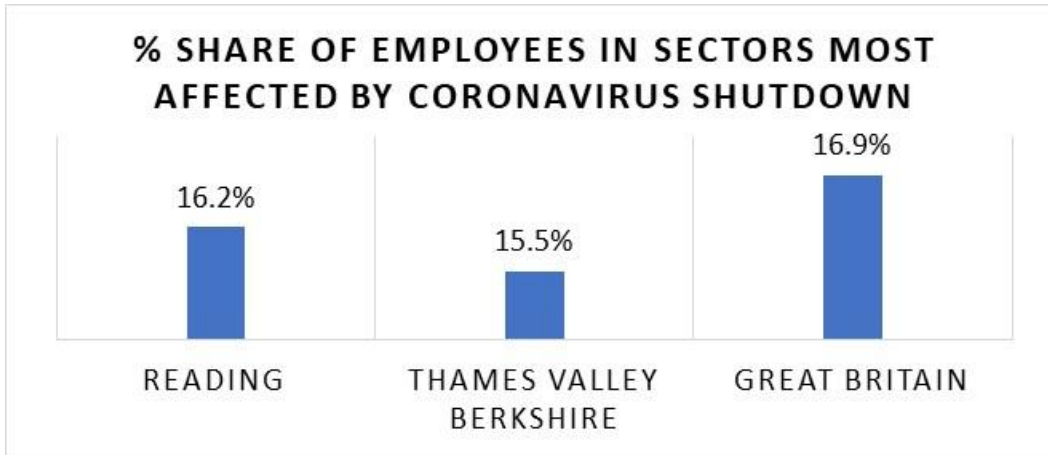
- 6,775 claimants in June 2020, a claimant rate of 6.2% (UK=6.3%), second highest amongst Berkshire UAs
- Claimant unemployment has risen from 3,050 in March 2020 – by 122% (UK=107%)
- Compared to June 2019 – total claimant unemployment has increased by 145% (UK=131%)

Notable business news

- Cloud Factory secured £1.96 million fundraising for a 2% equity stake (July)
- Carbin Clean Solutions secured £17.6 million from investors including Equinor Energy Ventures (formerly Statoil) and Chevron (July)
- The sale of the 400,000 sq ft landmark property - Reading International Business Park –to DWS Group (Germany) concluded, at a purchase price of £120m (July)
- Retail and leisure businesses have reopened at a mixed rate, with some businesses focusing on immediate challenges of preparing to reopen with social distancing and hygiene measures (July)
- Footfall in shopping centres is at 40-60% the rate normally expected at this time of year (July)
- Reading based Technology Transformation company is looking to recruit experienced staff and apprentices to support business growth (July)

Source: LEP weekly business intelligence

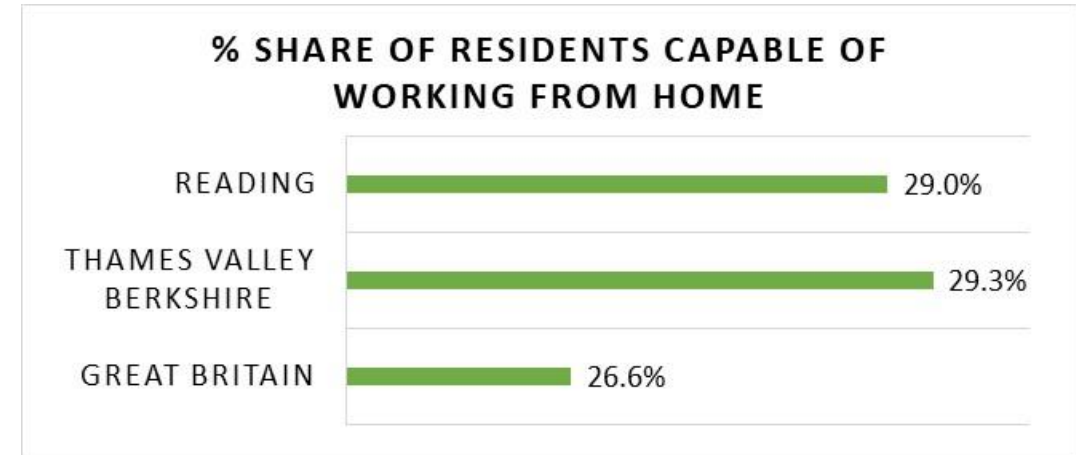
Industries hardest hit by shutdown



Shutdown has not hit Reading quite as hard as the rest of the UK

- 17,000 employees (16.2% of total) working in Reading are in industries hardest hit by shutdown
- Higher share of employment than national average in: Other retail (5.6%)

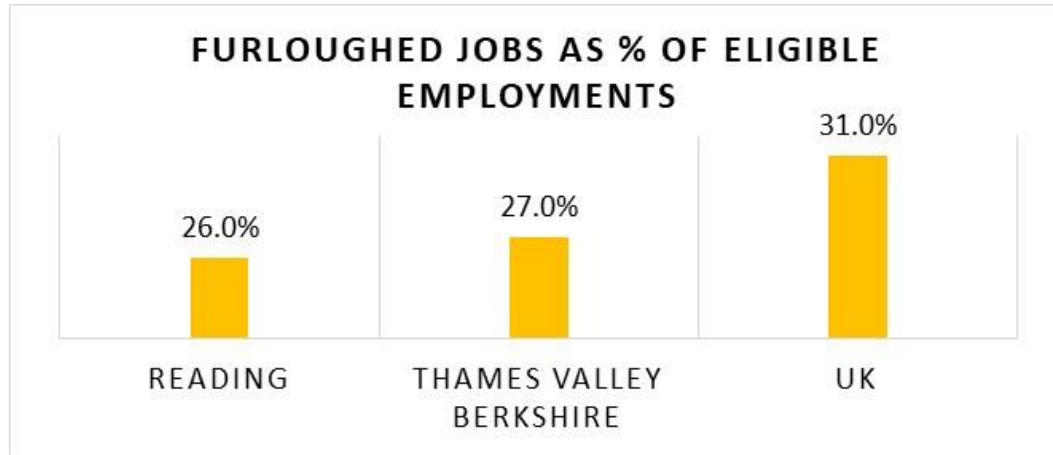
Home working



Residents in Reading are slightly more able to work from home compared to nationally due to the occupational mix of residents' jobs

- 27,600, or 29.0% of working Reading residents capable of working from home (based on ONS analysis for UK)
- Higher share of residents in professional and associate professional occupations
- Lower share of residents working in skilled trades, caring leisure and other services occupations, sales and customer service occupations

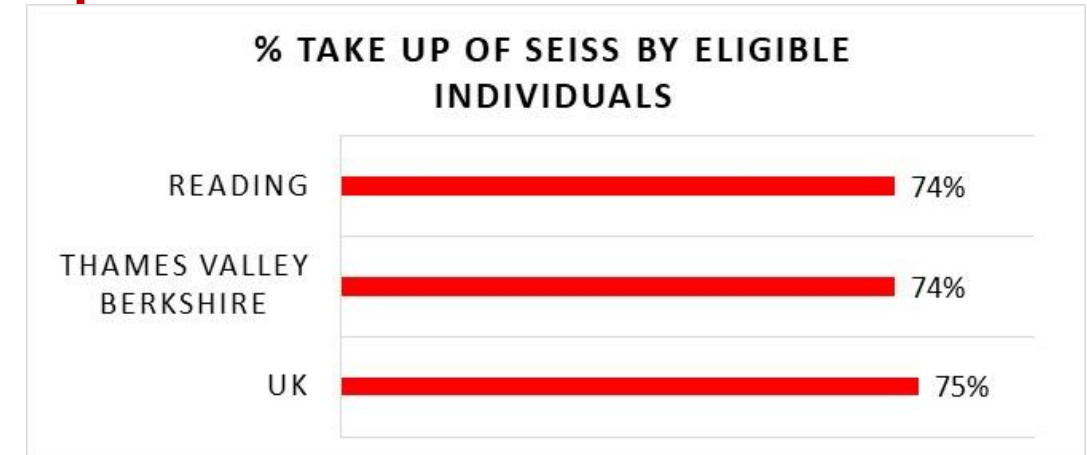
Furloughed jobs (CJRS), claims up to 30 June 2020



Much lower rate of furloughing in Reading compared to the UK average

- 24,200 furloughed jobs in Reading up to 30 June 2020
- 26% of eligible employments
- Lower rate of furloughing than TVB (27%), lower than UK average (31%)

Self-employed support (SEISS) , claims up to 30 June 2020



There has been a similar take up of SEISS in Reading to the UK average

- 5,700 claims in Reading for the Self-Employment Income Support Scheme (SEISS) up to 30 June 2020
- 74% of eligible individuals (7,700) claimed on the scheme. Average £3,100 claim per individual (UK=£2,900)
- 7,045 businesses in Reading, with microbusinesses employing 0-9 making up 88.9% (UK=89.5%) of the total, and small businesses making up 8.4% (UK=8.6%). There is a larger share of large firms compared to the UK average.

Property (sourced from Costar)

Offices (21 July)

Reading Central market area

- Vacancy rate 11.0% (Q1: 11.3%)
- Vacant floor space: 568 SF (Q1: 564k SF)
- Market rent: £27.83 SF (Q1: £26.90)
- 12-month construction starts: 0

Retail (21 July)

Reading Central market area

- Vacancy rate 1.8% (Q1: 1.5%)
- Vacant floor space: 82 SF (Q1: 64k SF)
- Market rent: £44.44 SF (Q1: £42.06)
- 12-month construction starts: 0
- Daily asking rents increased slightly April to June

Industrial (21 July)

Reading Fringe market area

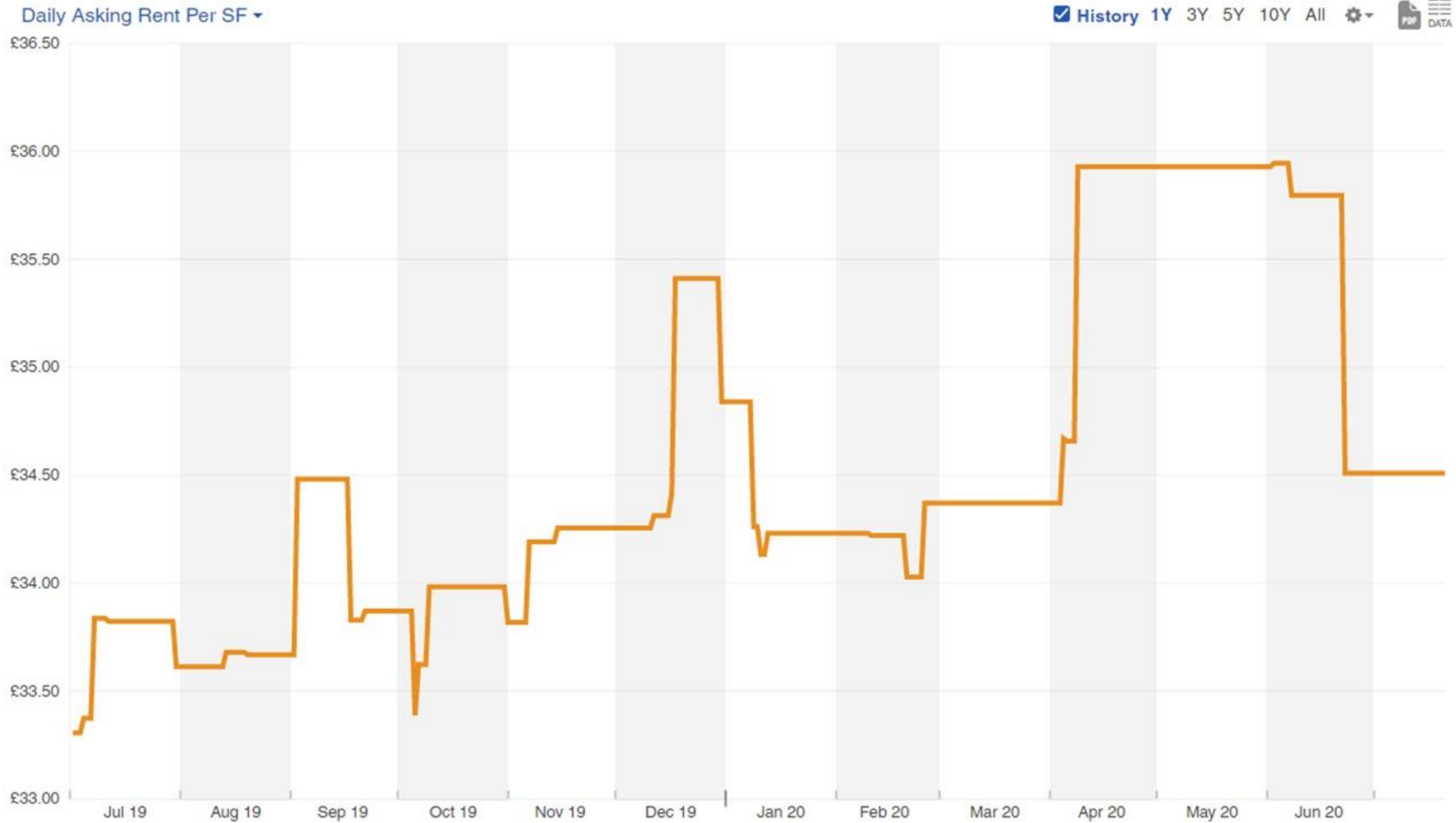
- Vacancy rate 5.2% (Q1: 6.3%)
- Vacant floor space: 406k SF (Q1: 363k SF)
- Market rent: £10.53 / SF (Q1: £9.92)
- 12-month construction starts: 0 SF

Housing market

Lack of recent housing data to provide insights on impacts of Covid-19

- There were 230 dwellings started in Q4 2019 – higher than the 110 started in Q4 2018
- There were 40 houses completed in Q4 2019, compared to 90 completions in Q4 2018

Retail: daily asking rents (sourced from Costar)



Industry risks & opportunities (employment: 2018)

Critical industries

- Food and drink retail: employs 5,600, 5.3% of the total (GB=5.3%)
- Energy/utilities: employs 3,300, 3.1% of the total (GB=1.2%) – 2.6x more important than nationally
- Health and social care: employs 1,600, 1.5% of the total (GB=13.1%)
- Freight / logistics: employs 1,600, 5.6% of the total (GB=2.8%)
- Insurance: employs 2,300, 2.2% of the total (GB=1.0%) – 2.1x more important than nationally
- Banking & financial services: employs 1,800, 1.7% of the total (GB=2.4%)

Knowledge-based sectors likely to be more resilient and recover faster

- ICT & Digital: employs 15,800, 15.1% of the total (GB=3.8%) – 4.0x more important than nationally
- Advanced Manufacturing: employs 3,400, 3.2% of the total (GB=3.2%)
- Life Sciences (does not include health care): employs 2,100, 2.0% of the total (GB=0.9%) – 2.2x more important than nationally
- Business services: employs 39,000, 37.2% of the total (GB=25.4%) – 1.5x more important than nationally

Sectors most impacted

- Hospitality & tourism: employs 5,500, 5.2% of the total (GB=6.5%)
- Arts, entertainment & recreation: employs 1,900, 1.8% of the total (GB=2.5%)
- Admin & support: employs 8,400, 8.1% of the total (GB=5.6%) – 1.4x more important than nationally
- Aviation: employs 100, 0.1% of the total (GB=0.6%)
- Non-food retail & wholesale: employs 9,600, 9.2% of the total (GB=8.1%)
- Manufacturing : employs 2,000, 1.9% of the total (GB=8.1%)
- Construction : employs 2,300, 2.2% of the total (GB=4.7%)



Slough

Impact of Covid-19 to date

Covid-19 cases (to 21 July)

- 652 cases in Slough
- 44 cases per 10,000 residents in Slough – higher than Berkshire (36) and UK average (44)

GVA impact

Estimates suggest that Covid-19 will cause a slightly high fall in Slough's economic output (GVA) compared to the national average

- Slough's GVA has been projected to decline by 38% in Q2 2020, higher than UK rate of 35% decline and 169th highest (out of 382) local authorities (Centre for Progressive Policy, modelled on sector GVA from OBR)

Claimant unemployment

Slough's claimant rate is higher than the UK average and the highest rate in Berkshire, and claimant unemployment has grown significantly

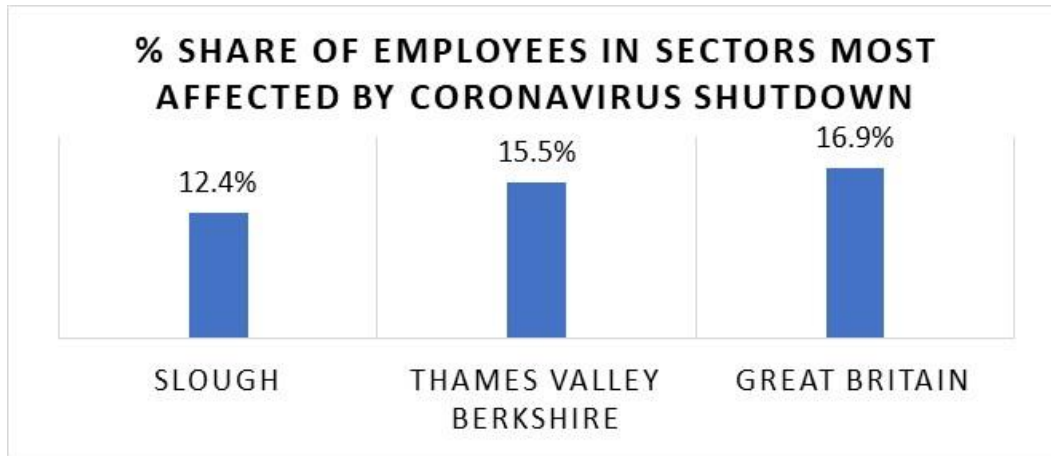
- 7,460 claimants in June 2020, a claimant rate of 7.8% (UK=6.3%), highest amongst Berkshire UAs
- Claimant unemployment has risen from 2,820 in March 2020 – by 165% (UK=107%)
- Compared to June 2019 – total claimant unemployment has increased by 213% (UK=131%)

Notable business news

- Slough based apprentice & training provider hopes to double turnover in 2020/21 from £4.2m to £8.0m and increase headcount by 100 through the creation of a nursing academy launching in August (July)

Source: LEP weekly business intelligence

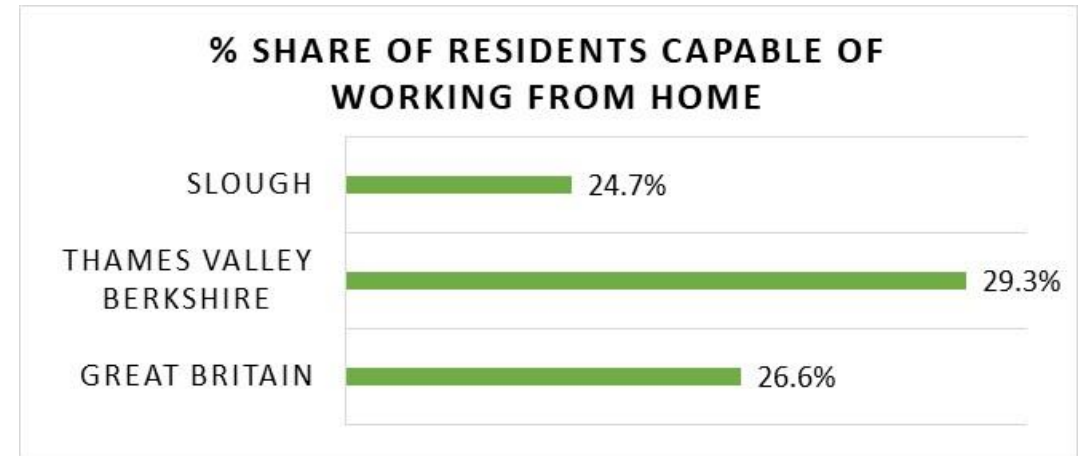
Industries hardest hit by shutdown



A smaller proportion of industries and jobs in Slough were affected by shutdown compared to the UK average

- 10,400 employees (12.4% of total) working in Slough are in industries hardest hit by shutdown
- Higher share of employment than national average in: Food wholesale & retail (3.6%); lower share in Bars and restaurants (3.2%)

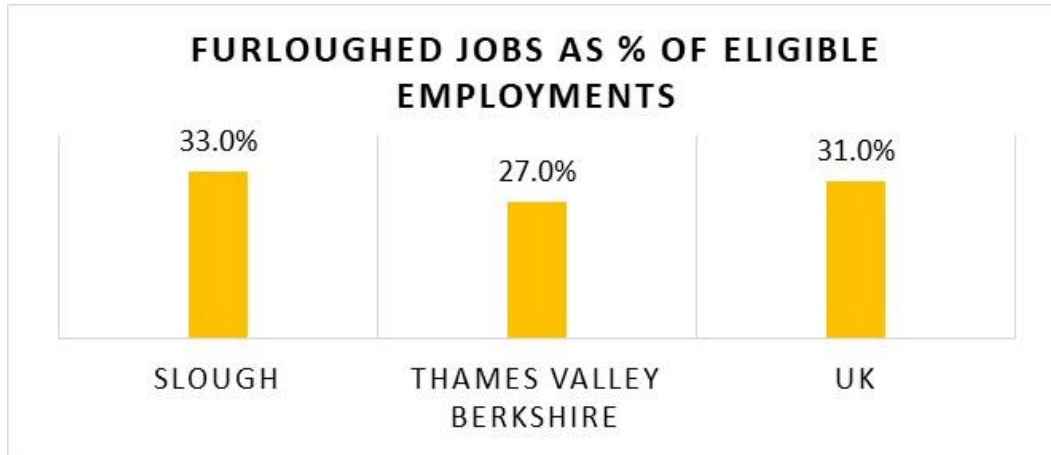
Home working



Residents in Slough are slightly less able to work from home compared to nationally due to the occupational mix of residents' jobs

- 18,300, or 24.7% of working Slough residents capable of working from home (based on ONS analysis for UK)
- Slightly lower share of residents in management, professional and associate professional occupations
- Higher share of residents working in caring leisure and other services occupations, and process, plant and machinery operators

Furloughed jobs (CJRS), claims up to 30 June 2020



Lower rate of furloughing in Slough compared to the UK average

- 24,900 furloughed jobs in Slough up to 30 June 2020
- 33% of eligible employments
- Higher rate of furloughing than TVB (27%), higher than UK average (31%)

Self-employed support (SEISS), claims up to 30 June 2020



There has been a lower take up of SEISS in Slough compared to the UK average

- 7,700 claims in Slough for the Self-Employment Income Support Scheme (SEISS) up to 30 June 2020
- 75% of eligible individuals (10,200) claimed on the scheme. Average £2,600 claim per individual (UK=£2,900)
- 6,380 businesses (registered for VAT, Corporation Tax or NI) in Slough, with microbusinesses employing 0-9 making up 89.9% (UK=89.5%) of the total, and small businesses making up 7.1% (UK=8.6%). There is a larger share of large firms compared to the UK average.

Property (sourced from Costar)

Offices (21 July)

- Vacancy rate 10.1% (Q1: 12.2%)
- Vacant floor space: 484k SF (Q1: 482k SF)
- Market rent: £24.90 SF (Q1: £23.88)
- 12-month construction starts: 0

Retail (21 July)

- Vacancy rate 2.4% (Q1: 0.4%)
- Vacant floor space: 91k SF (Q1: 90k SF)
- Market rent: £24.71 SF (Q1: £23.26)
- 12-month construction starts: 0
- No definite trend in daily asking rents

Industrial (21 July)

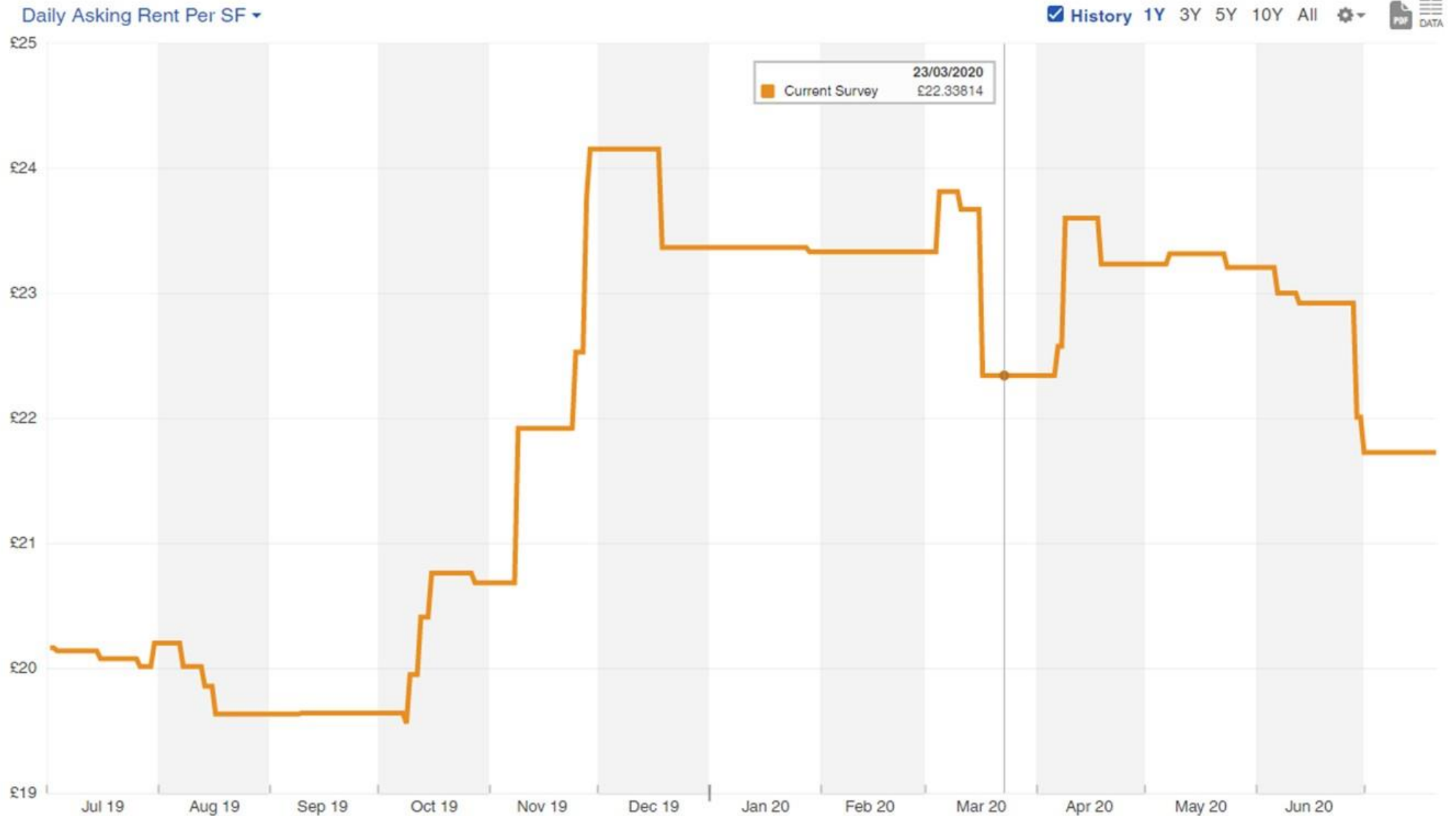
- Vacancy rate 1.7% (Q1: 2.2%)
- Vacant floor space: 230k SF (Q1: 202k SF)
- Market rent: £13.95 SF (Q1: £13.17)
- 12-month construction starts: 0

Housing market

Lack of recent housing data to provide insights on impacts of Covid-19

- There were 230 dwellings started in Q4 2019 – compared to 110 started in Q4 2018
- There were 40 houses completed in Q4 2019, compared to 90 completions in Q4 2018

Retail: daily asking rents (sourced from Costar)



Industry risks & opportunities (employment: 2018)

Critical industries

- Food and drink retail: employs 6,400, 7.7% of the total (GB=5.3%) – 1.4x more important than nationally
- Energy/utilities: employs 2,900, 3.4% of the total (GB=1.2%) – 2.9x more important than nationally
- Health and social care: employs 7,500, 8.9% of the total (GB=13.1%)
- Freight / logistics: employs 4,700, 5.6% of the total (GB=2.8%) – 2x more important than nationally
- Insurance: employs 100, 0.2% of the total (GB=1.0%)
- Banking & financial services: employs 800, 1.0% of the total (GB=2.4%)

Knowledge-based sectors likely to be more resilient and recover faster

- ICT & Digital: employs 6,600, 7.8% of the total (GB=3.8%) – 2.1x more important than nationally
- Advanced Manufacturing: employs 2,800, 3.3% of the total (GB=3.2%)
- Life Sciences (does not include health care): employs 2,800, 3.3% of the total (GB=0.9%) – 3.6x more important than nationally
- Business services: employs 25,000, 30.1% of the total (GB=25.4%) – 1.2x more important than nationally

Sectors most impacted

- Hospitality & tourism: employs 3,400, 4.1% of the total (GB=6.5%)
- Arts, entertainment & recreation: employs 600, 0.7% of the total (GB=2.5%)
- Admin & support: employs 8,900, 10.6% of the total (GB=5.6%) – 1.9x more important than nationally
- Aviation: employs 300, 0.3% of the total (GB=0.6%) – although note that Freight & Logistics : employs 4,700, 5.6% of the total (GB=2.8%) – 2x more important than nationally
- Non-food retail & wholesale: employs 6,600, 7.9% of the total (GB=8.1%)
- Manufacturing : employs 4,800, 5.6% of the total (GB=8.1%)
- Construction : employs 2,800, 3.3% of the total (GB=4.7%)



West Berkshire

Impact of Covid-19 to date

Covid-19 cases (to 21 July)

- 479 cases in West Berkshire
- 30 cases per 10,000 residents in West Berkshire – lower than Berkshire (36) and UK average (44)

GVA impact

Estimates suggest that Covid-19 will cause a higher fall in on West Berkshire's economic output (GVA) compared to the national average

- West Berkshire's GVA has been projected to decline by 42% in Q2 2020, higher than UK rate of 35% decline and 52nd highest (out of 382) local authorities (Centre for Progressive Policy, modelled on sector GVA from OBR)

Claimant unemployment

West Berkshire's claimant rate remains below the UK average, but claimant unemployment has grown at a significantly higher rate

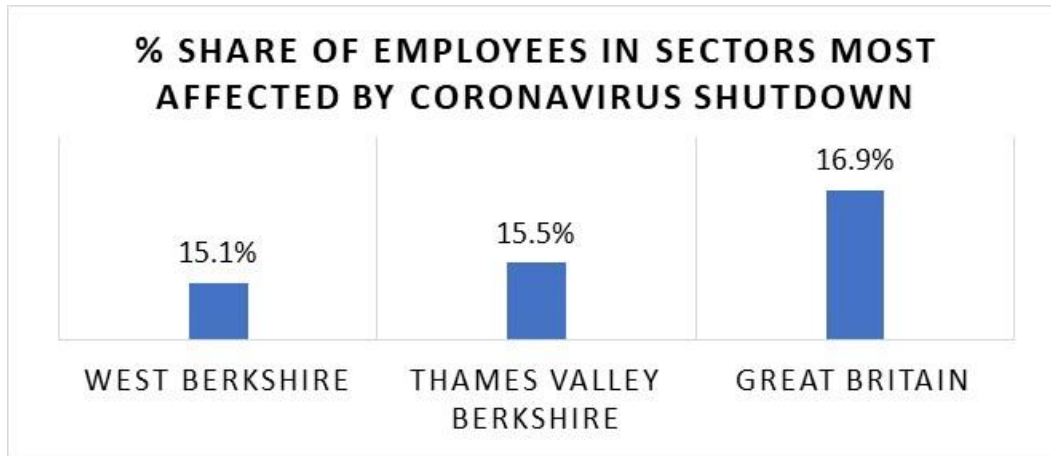
- 3,820 claimants in June 2020, a claimant rate of 3.9% (UK=6.3%)
- Claimant unemployment has risen from 1,525 in March 2020 – by 150% (UK=107%)
- Compared to June 2019 – total claimant unemployment has increased by 192% (UK=131%)

Notable business news

- Company looking to relocate from Scotland to West Berkshire, 120 employees (July)

Source: LEP weekly business intelligence

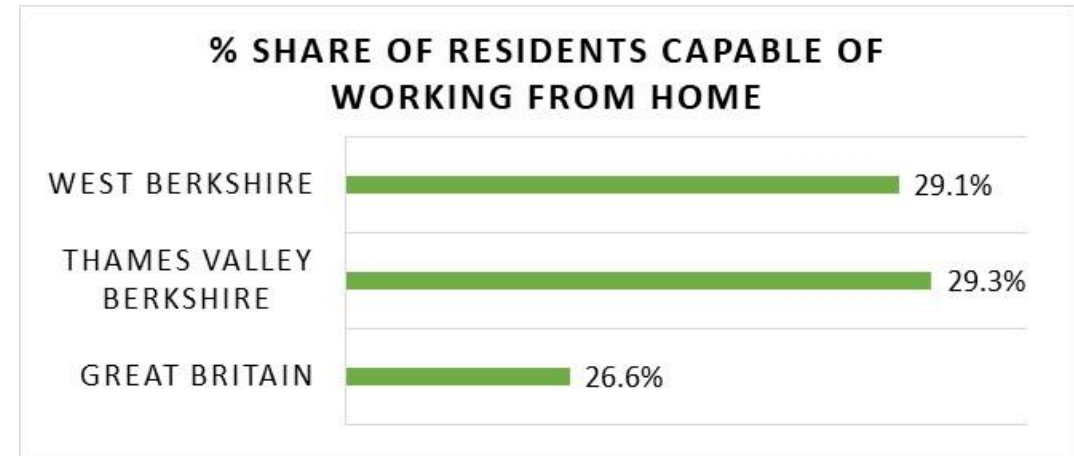
Industries hardest hit by shutdown



Shutdown has not hit West Berkshire quite as hard as the rest of the UK

- 14,600 employees (15.1% of total) working in West Berkshire are in industries hardest hit by shutdown

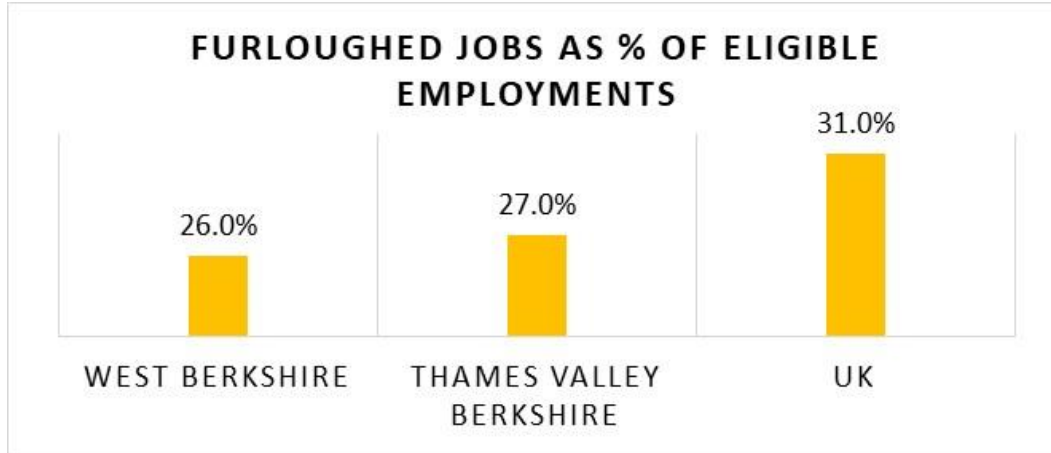
Home working



Residents in West Berkshire are slightly more able to work from home compared to nationally due to the occupational mix of residents' jobs

- 24,800, or 29.1% of working West Berkshire residents capable of working from home (based on ONS analysis for UK)
- Higher share of residents in managers, directors and senior officials, professional and associate professional occupations
- Lower share of residents working in skilled trades, caring leisure and other services occupations, sales and customer service occupations

Furloughed jobs (CJRS), claims up to 30 June 2020



Much lower rate of furloughing in West Berkshire compared to the UK average

- 21,200 furloughed jobs in West Berkshire up to 30 June 2020
- Equivalent of 26% of workforce jobs
- Lower rate of furloughing than TVB (27%), lower than UK average (31%)

Self-employed support (SEISS), claims up to 30 June 2020



There has been a similar take up of SEISS in West Berkshire compared to the UK average

- 5,700 claims in West Berkshire for the Self-Employment Income Support Scheme (SEISS) up to 30 June 2020
- 73% of eligible individuals (7,900) claimed on the scheme. Average £3,400 claim per individual (UK=£2,900)
- 8,875 businesses in West Berkshire, with microbusinesses employing 0-9 making up 89.6% (UK=89.5%) of the total, and small businesses making up 8.3% (UK=8.6%).

Property (sourced from Costar)

Offices (21 July)

- Vacancy rate 3.8% (Q1: 6.1%)
- Vacant floor space: 178k SF (Q1: 176k SF)
- Market rent: £18.52 SF (Q1: £17.84)
- 12-month construction starts: 18.3k

Retail (21 July)

- Vacancy rate 0.5% (Q1: 0.9%)
- Vacant floor space: 17k SF (Q1: 19k SF)
- Market rent: £23.97 SF (Q1: £23.48)
- 12-month construction starts: 0
- No effect of covid-19 on daily asking retail rents to date

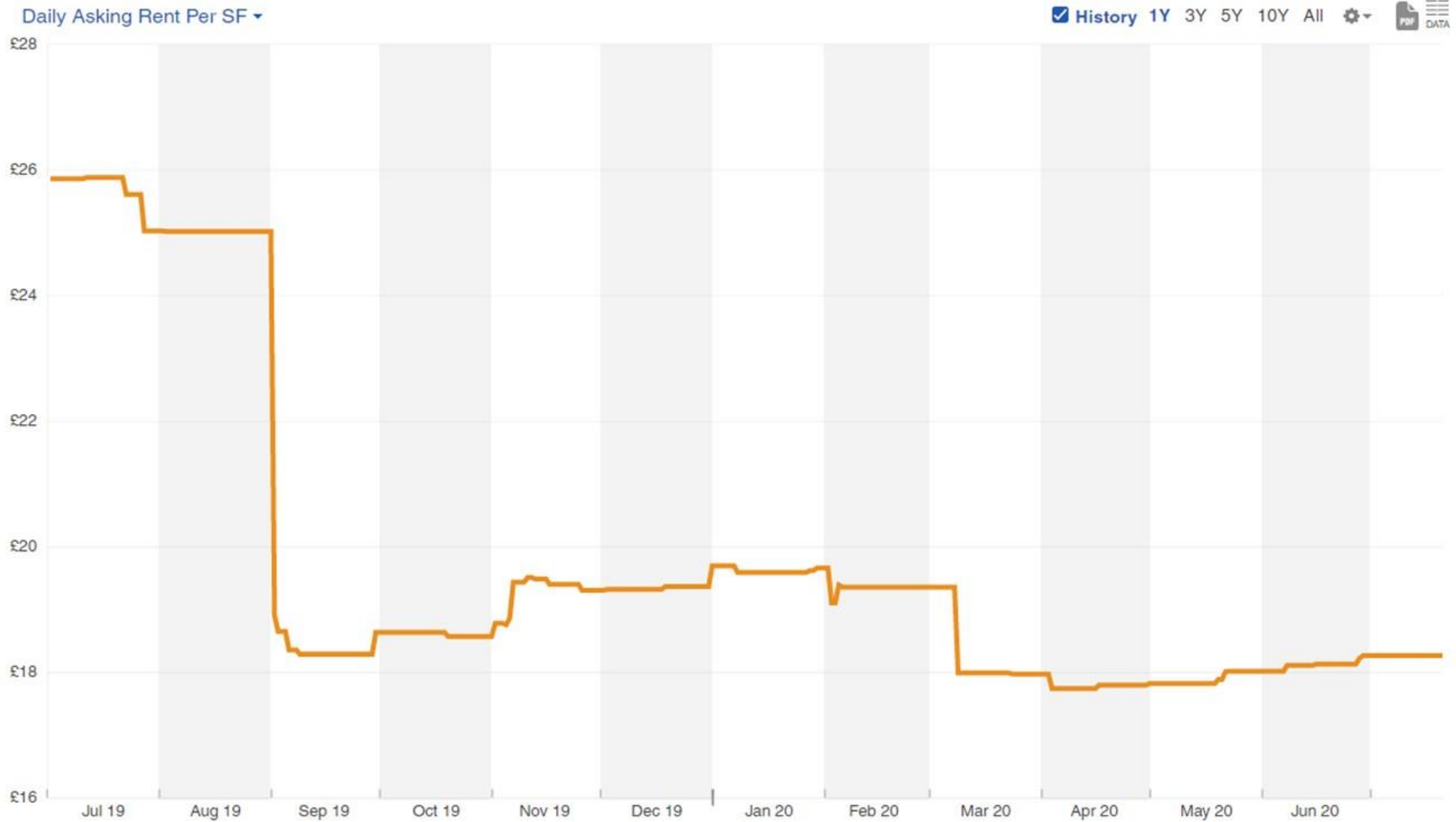
Industrial (21 July)

- Vacancy rate 3.6% (Q1: 6.3%)
- Vacant floor space: 309k SF (Q1: 363k SF)
- Market rent: £9.13 SF (Q1: £9.92)
- 12-month construction starts: 72.4k SF

Housing market

- There were 220 dwellings started in Q4 2019 – compared to 70 started in Q4 2018
- There were 110 houses completed in Q4 2019, compared to 80 completions in Q4 2018

Retail: daily asking rents (sourced from Costar)



Industry risks & opportunities (employment: 2018)

Critical industries

- Food and drink retail: employs 4,300, 4.5% of the total (GB=5.3%)
- Energy/utilities: employs 1,500, 1.5% of the total (GB=1.2%)
- Health and social care: employs 6,500, 6.7% of the total (GB=13.1%)
- Freight / logistics: employs 1,500, 1.5% of the total (GB=2.8%)
- Insurance: employs 300, 0.3% of the total (GB=1.0%)
- Banking & financial services: employs 700, 0.7% of the total (GB=2.4%)

Knowledge-based sectors likely to be more resilient and recover faster

- ICT & Digital: employs 15,200, 15.6% of the total (GB=3.8%) – 4.2x more important than nationally
- Advanced Manufacturing: employs 7,100, 7.3% of the total (GB=3.2%) – 2.3x more important than nationally
- Life Sciences (does not include health care): employs 1,300, 1.4% of the total (GB=0.9%) – 1.5x more important than nationally
- Business services: employs 25,600, 26.2% of the total (GB=25.4%)

Sectors most impacted

- Hospitality & tourism: employs 4,800, 4.9% of the total (GB=6.5%)
- Arts, entertainment & recreation: employs 2,500, 2.6% of the total (GB=2.5%)
- Admin & support: employs 4,400, 4.6% of the total (GB=5.6%)
- Aviation: employs 100, 0.1% of the total (GB=0.6%)
- Non-food retail & wholesale: employs 8,300, 8.5% of the total (GB=8.1%)
- Manufacturing : employs 11,000, 11.4% of the total (GB=8.1%) – 1.4x more important than nationally
- Construction : employs 4,500, 4.7% of the total (GB=4.7%)



Windsor & Maidenhead

Impact of Covid-19 to date

Covid-19 cases (to 21 July)

- 411 cases in Windsor & Maidenhead
- 27 cases per 10,000 residents in Windsor & Maidenhead– lower than Berkshire (36) and UK average (44)

GVA impact

Estimates suggest that Covid-19 will cause a higher fall in on Windsor & Maidenhead's economic output (GVA) compared to the national average

- Windsor & Maidenhead's GVA has been projected to decline by 41% in Q2 2020, higher than UK rate of 35% decline and 89th highest (out of 382) local authorities (Centre for Progressive Policy, modelled on sector GVA from OBR)

Claimant unemployment

Windsor & Maidenhead's claimant rate remains below the UK average, but claimant unemployment has grown at a significantly higher rate

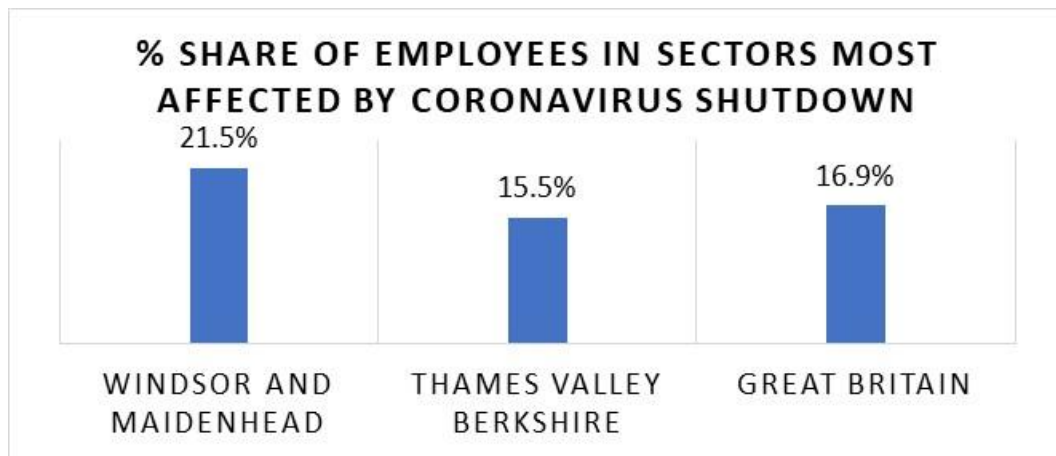
- 3,920 claimants in June 2020, a claimant rate of 4.2% (UK=6.3%)
- Claimant unemployment has risen from 1,300 in March 2020 – by 202% (UK=107%)
- Compared to June 2019 – total claimant unemployment has increased by 241% (UK=131%)

Notable business news

- In week beginning 22/06, a food & drink (beer) business exceeded its £750k crowdfunding target to invest in its next stage of development (June)
- Bicycle designer and manufacturer with design and development in Ascot and manufacturing facilities in South Wales reports massive demand for their products with growth of > 20% YoY (June)
- Centrica announces restructuring and job losses – unions are in discussion concerning revised pay and conditions for remaining workers (July)
- New & Lingard secured a £2.78m investment for 21% stake in the business (June)

Source: LEP weekly business intelligence

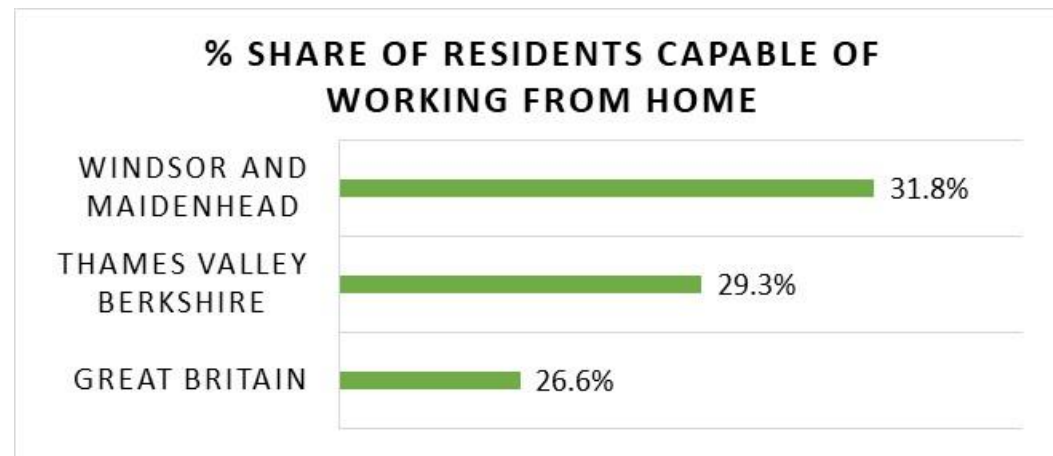
Industries hardest hit by shutdown



Shutdown has hit Windsor & Maidenhead harder than the rest of the UK

- 18,100 employees (21.5% of total) working in Windsor & Maidenhead are in industries hardest hit by shutdown

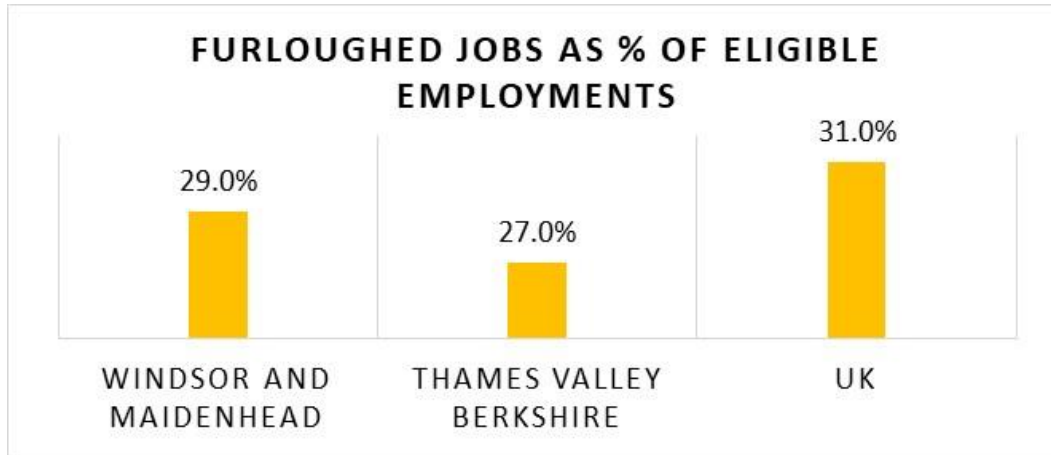
Home working



Residents in Windsor & Maidenhead are slightly more able to work from home compared to nationally due to the occupational mix of residents' jobs

- 24,800, or 31.8% of working Windsor & Maidenhead residents capable of working from home (based on ONS analysis for UK)
- Higher share of residents in managers, directors and senior officials, professional and associate professional occupations
- Lower share of residents working in skilled trades, caring leisure and other services occupations, sales and customer service occupations

Furloughed jobs (CJRS), claims up to 30 June 2020



Much lower rate of furloughing in Windsor & Maidenhead compared to the UK average

- 20,800 furloughed jobs in Windsor & Maidenhead up to 30 June 2020
- 29% of eligible employments
- Higher rate of furloughing than TVB (27%), lower than UK average (31%)

Self-employed support (SEISS) , claims up to 30 June 2020



There has been a slightly lower take up of SEISS in Windsor & Maidenhead compared to the UK average

- 5,300 claims in Windsor & Maidenhead for the Self-Employment Income Support Scheme (SEISS) up to 30 June 2020
- 72% of eligible individuals (7,400) claimed on the scheme. Average £3,200 claim per individual (UK=£2,900)
- 9,575 businesses (registered and active for VAT, NI or Corporation Tax) in Windsor & Maidenhead, with microbusinesses employing 0-9 making up 90.8% (UK=89.5%) of the total, and small businesses making up 7.3% (UK=8.6%).

Property (sourced from Costar)

Offices (21 July)

- Vacancy rate 11.0% (Q1: 7.5%)
- Vacant floor space: 592k SF (Q1: 553k SF)
- Market rent: £29.17 SF (Q1: £28.24)
- 12-month construction starts: 0

Retail (21 July)

- Vacancy rate 0.9% (Q1: 1.0%)
- Vacant floor space: 27k SF (Q1: 27k SF)
- Market rent: £36.66 SF (Q1: £37.92)
- 12-month construction starts: 0
- Daily asking rents have gone up in June

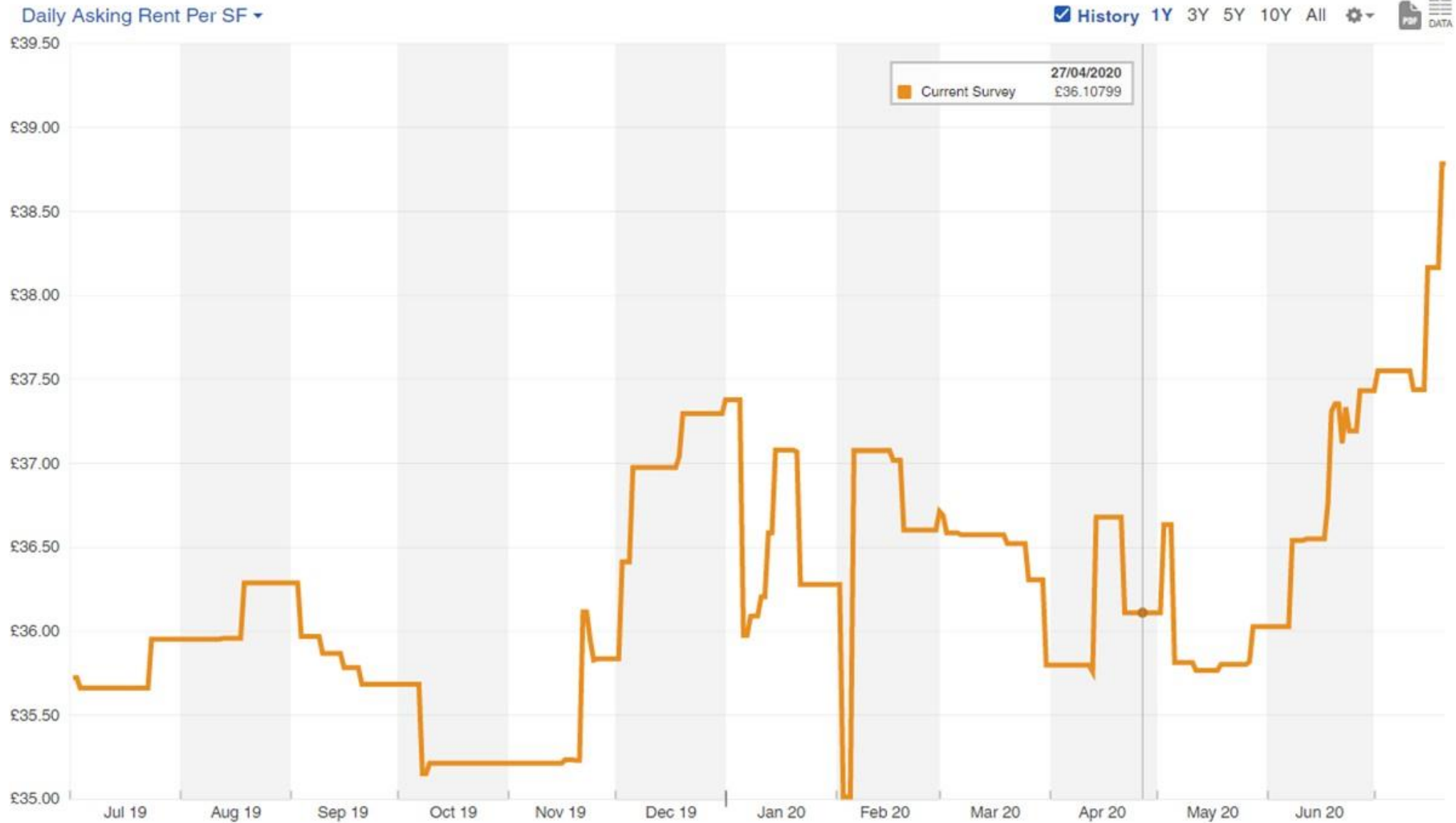
Industrial (21 July)

- Vacancy rate 1.6% (Q1: 0.1%)
- Vacant floor space: 43k SF (Q1: 41k SF)
- Market rent: £11.91 SF (Q1: £11.37)
- 12-month construction starts: 0 SF

Housing market

- There were 20 dwellings started in Q4 2019 – compared to 280 started in Q4 2018
- There were 40 houses completed in Q4 2019, compared to 120 completions in Q4 2018

Retail: daily asking rents (sourced from Costar)



Industry risks & opportunities (employment: 2018)

Critical industries

- Food and drink retail: employs 3,500, 4.2% of the total (GB=5.3%)
- Energy/utilities: employs 1,000, 1.1% of the total (GB=1.2%)
- Health and social care: employs 7,500, 9.0% of the total (GB=13.1%)
- Freight / logistics: employs 700, 0.8% of the total (GB=2.8%)
- Insurance: employs 500, 0.6% of the total (GB=1.0%)
- Banking & financial services: employs 1,200, 1.5% of the total (GB=2.4%)

Knowledge-based sectors likely to be more resilient and recover faster

- ICT & Digital: employs 9,000, 10.7% of the total (GB=3.8%) – 2.8x more important than nationally
- Advanced Manufacturing: employs 2,800, 3.4% of the total (GB=3.2%) – 1.1x more important than nationally
- Life Sciences (does not include health care): employs 3,700, 4.3% of the total (GB=0.9%) – 4.7x more important than nationally
- Business services: employs 26,500, 31.6% of the total (GB=25.4%) – 1.2x more important than nationally

Sectors most impacted

- Hospitality & tourism: employs 8,000, 9.6% of the total (GB=6.5%), 1.5x more important than nationally
- Arts, entertainment & recreation: employs 4,800, 5.8% of the total (GB=2.5%), 2.3x more important than nationally
- Admin & support: employs 4,100, 4.9% of the total (GB=5.6%)
- Aviation: employs 300, 0.4% of the total (GB=0.6%)
- Non-food retail & wholesale: employs 8,200, 9.9% of the total (GB=8.1%)
- Manufacturing : employs 2,500, 3.0% of the total (GB=8.1%)
- Construction : employs 5,500, 6.6% of the total (GB=4.7%), 1.4x more important than nationally



Wokingham

Impact of Covid-19 to date

Covid-19 cases (to 21 July)

- 601 cases in Wokingham
- 36 cases per 10,000 residents in West Berkshire – same as Berkshire (36) and UK average (44)

GVA impact

Estimates suggest that Covid-19 will cause a higher fall in on Wokingham's economic output (GVA) compared to the national average

- Wokingham's GVA has been projected to decline by 41% in Q2 2020, higher than UK rate of 35% decline and 79th highest (out of 382) local authorities (Centre for Progressive Policy, modelled on sector GVA from OBR)

Claimant unemployment

Wokingham's claimant rate remains below the UK average, but claimant unemployment has grown at a significantly higher rate

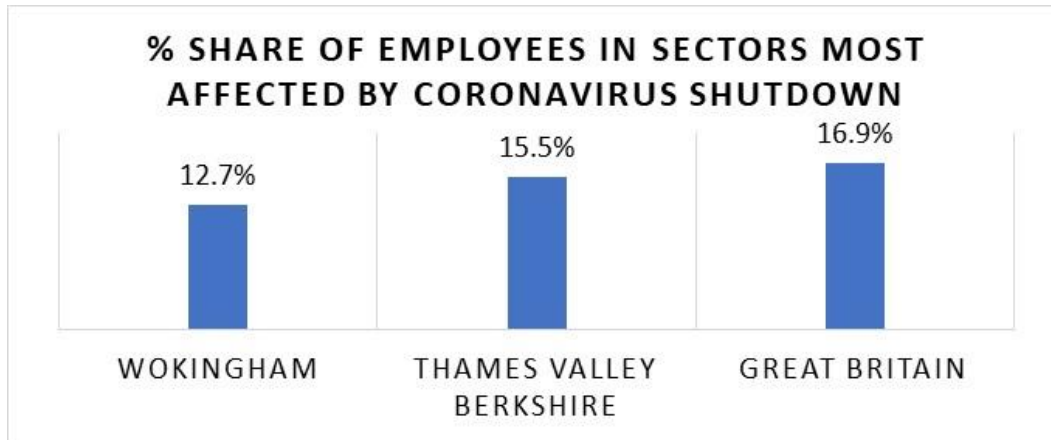
- 3,415 claimants in June 2020, a claimant rate of 3.3% (UK=6.3%)
- Claimant unemployment has risen from 1,140 in March 2020 – by 200% (UK=107%)
- Compared to June 2019 – total claimant unemployment has increased by 254% (UK=131%)

Notable business news

- Fraser Property UK announced Six lettings signed at Winnersh Triangle, including HPE (relocating from its regional HQ in Bracknell, but secured within TVB), Jacobs UK and Hollister (US healthcare co). The lettings will create £3.77m of recurring annual rents with an average lease length of 10.4 years (June)

Source: LEP weekly business intelligence

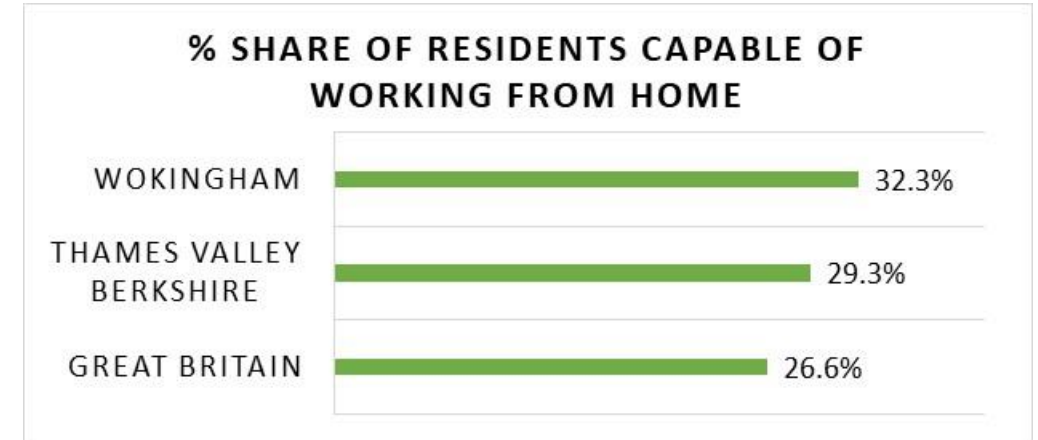
Industries hardest hit by shutdown



Shutdown has not hit Wokingham quite as hard as the rest of the UK

- 11,000 employees (12.7% of total) working in Wokingham are in industries hardest hit by shutdown

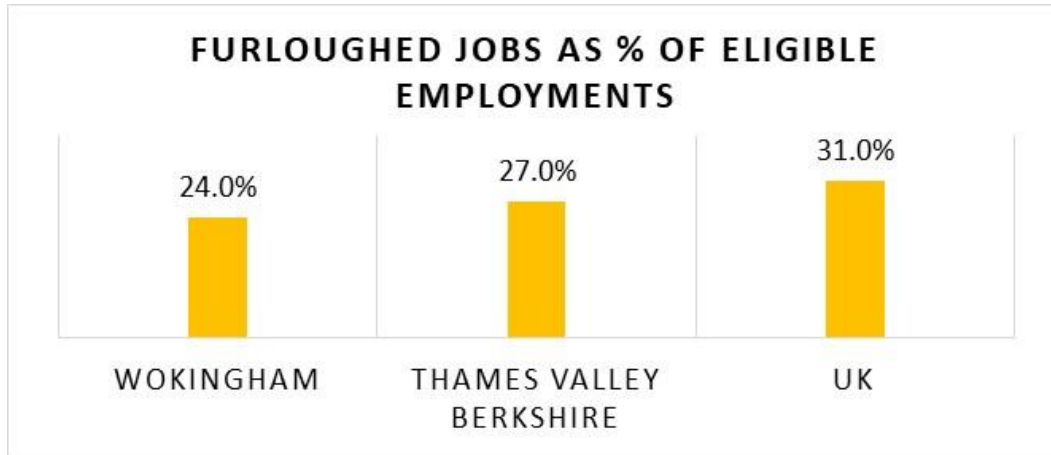
Home working



Residents in Wokingham are slightly more able to work from home compared to nationally due to the occupational mix of residents' jobs

- 27,200, or 32.3% of working Wokingham residents capable of working from home (based on ONS analysis for UK)
- Higher share of residents in managers, directors and senior officials, professional and associate professional occupations
- Lower share of residents working in skilled trades, caring leisure and other services occupations, sales and customer service occupations

Furloughed jobs (CJRS), claims up to 30 June 2020



Much lower rate of furloughing in Wokingham compared to the UK average

- 20,300 furloughed jobs in Wokingham up to 30 June 2020
- 24% of eligible employments
- Lower rate of furloughing than TVB (27%), lower than UK average (31%)

Self-employed support (SEISS), claims up to 30 June 2020



There has been a similar take up of SEISS in Wokingham compared to the UK average

- 5,700 claims in Wokingham for the Self-Employment Income Support Scheme (SEISS) up to 30 June 2020
- 74% of eligible individuals (7,700) claimed on the scheme. Average £3,400 claim per individual (UK=£2,900)
- 8,875 businesses in Wokingham, with microbusinesses employing 0-9 making up 91.0% (UK=89.5%) of the total, and small businesses making up 7.0% (UK=8.6%).

Property (sourced from Costar)

Offices (21 July)

- Vacancy rate 6.5% (Q1: 7.6%)
- Vacant floor space: 205k SF (Q1: 182k SF)
- Market rent: £23.34 SF (Q1: £22.37)
- 12-month construction starts: 42k SF

Retail (21 July)

- Vacancy rate 1.2% (Q1: 2.2%)
- Vacant floor space: 25k SF (Q1: 35k SF)
- Market rent: £22.71 SF (Q1: £21.92)
- 12-month construction starts: 0
- Daily asking rates have held up over past 3 months

Industrial (21 July)

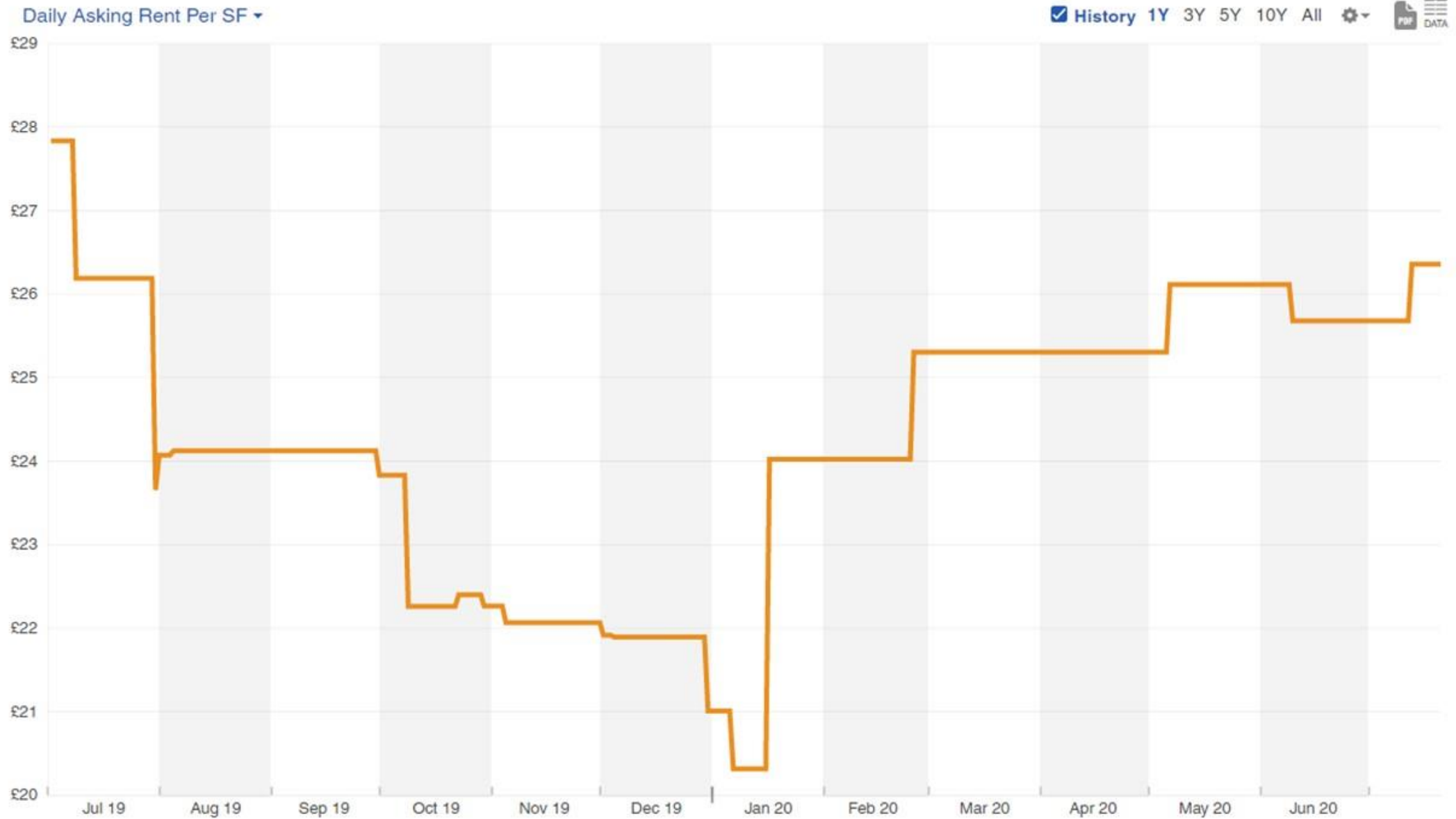
- Vacancy rate 4.6% (Q1: 4.4%)
- Vacant floor space: 166k SF (Q1: 143k SF)
- Market rent: £11.56 SF (Q1: £11.15)
- 12-month construction starts: 0 SF

Housing market

Lack of recent housing data to provide insights on impacts of Covid-19

- There were 140 dwellings started in Q4 2019 –lower than the 280 started in Q4 2018
- There were 660 houses completed in Q4 2019, compared to 440 completions in Q4 2018

Retail: daily asking rents (sourced from Costar)



Industry risks & opportunities (employment: 2018)

Critical industries

- Food and drink retail: employs 3,800, 4.3% of the total (GB=5.3%)
- Energy/utilities: employs 1,500, 1.7% of the total (GB=1.2%), 1.4x more important than nationally
- Health and social care: employs 7,000, 8.0% of the total (GB=13.1%)
- Freight / logistics: employs 800, 0.9% of the total (GB=2.8%)
- Insurance: employs 500, 0.5% of the total (GB=1.0%)
- Banking & financial services: employs 400, 0.5% of the total (GB=2.4%)

Knowledge-based sectors likely to be more resilient and recover faster

- ICT & Digital: employs 15,200, 17.4% of the total (GB=3.8%) – 4.6x more important than nationally
- Advanced Manufacturing: employs 4,900, 5.6% of the total (GB=3.2%) – 1.8x more important than nationally
- Life Sciences (does not include health care): employs 4,200, 4.8% of the total (GB=0.9%) – 5.2x more important than nationally
- Business services: employs 37,400, 43.0% of the total (GB=25.4%) – 1.7x more important than nationally

Sectors most impacted

- Hospitality & tourism: employs 4,500, 5.2% of the total (GB=6.5%)
- Arts, entertainment & recreation: employs 2,000, 2.3% of the total (GB=2.5%)
- Admin & support: employs 6,400, 7.3% of the total (GB=5.6%)
- Aviation: employs 100, 0.1% of the total (GB=0.6%)
- Non-food retail & wholesale: employs 6,400, 7.3% of the total (GB=8.1%)
- Manufacturing : employs 3,500, 2.3% of the total (GB=4.0%)
- Construction : employs 3,000, 2.7% of the total (GB=3.4%)