West Midlands
Weekly Economic Impact Monitor

WM REDI CITY REDI

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This monitor aims to pull together information across regional partners to understand the impacts of Covid-19 on the economy. Where possible it will utilise all forms of quantitative and qualitative intelligence. However, we urge caution in the use of the contents as this is an emerging situation.

Economic news this week has been dominated by the Budget and Spending Review in the UK. Preparations are ongoing for COP 26 in Glasgow, and the increased profile of the climate emergency is causing businesses to consider their carbon footprint, and take steps mitigate its growth. Businesses remain concerned about rising cost pressures and labour shortages, with the latter exacerbated by a rise in illness with increased Covid-19 infections and workers with cold and flu symptoms. Recruitment is a major problem for many businesses and skill shortages are an increasing challenge internationally as more workers reassess what they want and value in a job. Markets remain disrupted, as a result of a cocktail of temporary and structural challenges in labour markets and supply chains, with delayed deliveries and increased prices.

- In England, the percentage of people testing positive for coronavirus continued to increase in the week ending 16 October 2021. An estimate that 977,900 people had Covid-19, equating to around 1 in 55 people.
- As the United Nations COP26 climate change conference draws closer, nations across the world have been pledging commitments to significantly reduce carbon emissions by 2030. Scientists agree that cutting emissions by 45% by 2030 and achieving net zero by 2050 is a significant step in halting the worst effects of climate change. The USA has pledged to halve its emissions by 2030 compared to 2005 levels, the UK has announced that all its electricity will come from renewable sources by 2035, while Australia has been criticised for its lack of ambition in setting targets for reducing emissions by 2050 rather than 2030.
- Geopolitical tensions regarding energy have mounted as the contract supplying gas from Russia to Moldova expired at the end of September 2021. No agreement has been made on a new contract partly due to the near 40% increase in global natural gas prices since September 2021.
- The Budget and Spending Review 2021 took place on Wednesday 27th October. Amongst the positive news, UK GDP is set to reach its pre-pandemic peak by 2022, slightly earlier than expected. Inflation hit 3.1% in September 2021 and is set to top 4% over the coming 12 months. Unemployment is set to rise to 5.2%; this is lower than predicted in previous forecasts (which suggested a peak of close to 12%). The minimum wage for people aged 23 and over will increase from £8.91 to £9.50 per hour in April 2022. This is a rise of 6.6%.
- There was an announcement to end the public sector pay freeze. Pay for most frontline workers will be set by independent pay review bodies.
- Employees and the self-employed will have to pay an extra 1.25p in the pound in National Insurance Contributions from April 2022 – to fund investments in the NHS and social care.
- The Universal Credit taper rate will reduce from 63% to 55%. This means people will get to keep an additional 8p per £1 they earn. This will increase the incentives for families to have someone in work. It will not help households on Universal Credit were no one is in work.
- There has been a rise in the number of low-income households in debt arrears. A survey from the Joseph Rowntree Foundation estimates that 3.8 million households are in arrears on rent, council tax, electricity and gas.
- Corporation tax has been re-confirmed in the Budget, with an increase in corporation taxes from 19% to 25% from April 2023 for businesses with over £250,000.
- The Chancellor has stated businesses rates will not be abolished but instead he has announced plans to cut them by £7bn. The also budget introduced reforms to business rates, including more frequent revaluations every three years from 2023.
- Given the rise in fuel prices and inflation that is expected in coming months, the increase in fuel duty has been cancelled.
- In order to help the creative and culture sector which has been so heavily impacted by the pandemic, the government is extending the tax relief for museums and galleries for the next two years.
- Overall, the tax increases in the Budget are set to increase the tax burden to its highest since the early 1950s, according to the OBR.
- NHS England is set to receive £5.9bn to tackle the backlog of people waiting for tests and scans.
- The Levelling Up Fund will mean £1.7bn will be invested in local areas across the UK.
- There is also funding for family hubs.
- £2.6bn will be spent on creating 30,000 new school places for children with special educational needs and disabilities, including improving school buildings' accessibility.

The WM Weekly monitor is funded by the West Midlands Combined Authority, Research England/UKRI

West Midlands Combined Authority

Research England

- The budget includes £1.6bn over three years to roll out new T-levels for 16 to 19-year-olds, plus [£550m for adult skills] in England. Additionally, [£170m] has been announced for apprenticeships and training. The West Midlands will be a recipient of a new £560m fund called 'Multiply', to increase numeracy and basic maths for adults.
- [Grants worth £1.4bn] will be given to "internationally mobile" companies to invest in UK infrastructure. This will include £345m aimed at increasing resilience against future pandemics and £800m for the production of electric vehicles in the north-east of England and the [Midlands].
- The investment push from the budget also included more than [£1.6bn for the British Business Bank's regional funds], which provides debt and equity finance to small and medium enterprises. There was also additional spending of £150m for the Regional Angels Programme, which aim to reduce imbalances in access to early-stage equity finance in the UK.
- The government has also announced that [green investment relief] will be introduced to encourage businesses to adopt green policies, such as solar panels.
- [£1bn of funding was announced for West Midlands transport] including the metro and buses. The funding will pay for projects including completing the 11km Wednesbury to Brierley Hill Metro extension; providing bus lanes for new "Sprint" services between Walsall, Birmingham city centre and Solihull, and creating ten electric vehicle "transit stations", where cars can be charged up quickly.
- £817m over the spending review period has been announced for the [electrification of UK vehicles] and their supply chains, alongside an additional £620m of new investment over the next three years to support the transition to electric vehicles and to encourage more active travel.
- Flights between airports in the UK nations will be subject to a new [lower rate of air passenger duty from April 2023].
- The Treasury has earmarked [£24bn for housing], this will include £11.5bn to build up to 180,000 affordable homes, with brownfield sites targeted for development.
- The Government has announced an extra £9m to go towards allowing councils to turn neglected urban spaces into "[pocket parks]".

- The ONS published statistics from the Survey of Annual Hours and Earnings (ASHE) this week, with the latest data referring to April 2021. Statistics for 2020 and 2021 are impacted by the Covid-19 pandemic, in terms of wages and hours worked in the economy, and also disruption to the collection of data from businesses
- Average full-time annual earnings for WMCA (3 LEP) residents have risen by £393 (+1.3%) since April 2020 to reach £30,651 in April 2021; those in the UK decreased by 0.6%. The WMCA (3 LEP) resident earnings are at 98% of the UK average, with the average resident earning £634 less than the UK average of £31,285.
- Average full-time workplace annual earnings for the WMCA (3 LEP) rose by £546 (+1.9%) since April 2020 to reach £29,737 in April 2021, the UK decreased by 0.6%. The WMCA (3 LEP) workplace earnings are at 95.1% of the UK average, with the average workplace earning £1,548 less than the UK average of £31,285.
- Average full-time resident annual earnings for the WM 7 Met. area were £29,245 in April 2021, an increase of 1.2% (+£352) from April 2020. The WM 7 Met. area full-time resident earnings stand at 93.5% of the UK average, with the average resident earning £1,406 less than the UK.
- Average full-time workplace annual earnings for the WM 7 Met. area were £30,972 in April 2021, an increase of 0.9% (+£290) from April 2020. The WM 7 Met. area full-time resident earnings stand at 99% of the UK average, with the average resident earning £313 less than the UK.
- In April 2021, for the West Midlands region, there were approximately 99,000 employee jobs with employees aged 16 years and over who were paid below the National Minimum Wage (NMW) or National Living Wage (NLW). This accounts for 4.3% of employee jobs in the West Midlands compared to the UK with 3.8% of employee jobs.

- The ONS has published regional Gross Disposable Household Income (GDHI) statistics for 2019 – i.e. showing the situation before the onset of the Covid-19 pandemic. GDHI is the amount of money that all of the individuals in the household sector have available for spending or saving after they have paid direct and indirect taxes and received any direct benefits. GDHI is a concept that is seen to reflect the "material welfare" of the household sector.
- The WMCA (3 LEP) total GDHI increased from £72.9bn in 2018 to £75bn in 2019. This equates to a 2.8% (+£2.1bn) annual increase, below UK-wide growth of 3.1%.
- The WM 7 Met. area total GDHI increased from £45.9bn in 2018 to £47.1bn in 2019. This represents a growth rate of 2.6%.
- Total GDHI increased across all 3 WMCA LEPs, with the Black Country increasing by 2.7% (+£489m) to £18.7bn, Coventry and Warwickshire by 3.0% (+£563m) to £19.5bn and Greater Birmingham and Solihull increasing by 2.9% (+£1bn) to £36.8bn.
- Within the WMCA (3 LEP) all local authorities experienced an increase in total GDHI between 2018 and 2019. Warwick had the highest percentage GDHI increase, reporting 8.0% growth (+£299m) to £4bn. Above UK-wide GDHI growth between 2018 and 2019 was also been experienced in Tamworth, Lichfield, East Staffordshire and Redditch.

- Between the 8th and 15th October 2021, West Midlands region online job adverts increased by 3.9 percentage points (the second highest regional increase) to 169.1% of the average level in February 2020. On the 15th October 2021, total online job adverts for the West Midlands were at 163.8% of their average level in February 2020.

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- According to Springboard, overall retail footfall in the UK fell slightly by 1% in the week to 16th October 2021, and was 86% of the level seen in the equivalent week of 2019.
- The Business Insights and Conditions Survey showed that for the reference period 20th September to 3rd October 2021, 98.8% of responding West Midlands businesses were trading. Excluding 'not sure' responses, 25.8% of trading businesses in the West Midlands reported their turnover had decreased by at least 20%. However, 46.8% of trading businesses in the West Midlands reported that their turnover was unaffected and approximately 16.2% reported their turnover had increased by at least 20%.
- Excluding 'not sure' responses, 23.4% of exporting businesses in the West Midlands reported their businesses were still exporting but less than normal. Of those businesses who continued to trade and import, 18.7% in the West Midlands were importing less than normal.
- In the West Midlands, 73.7% of responding businesses had high confidence in surviving over the next three months. 18.9% had moderate confidence of survival, less than 1% had low confidence or no confidence and 5.9% were not sure.
- 49.8% of responding West Midlands businesses reported the workforce had already returned to their normal place of work, with a further 7.5% expecting the workforce to return within the next month.

- Skill shortages and high vacancy rates are a continuing issue for business – regionally, nationally and internationally. A phenomenon which economists are calling the 'Great Resignation' has taken hold globally. The Covid-19 pandemic has caused many workers to stop and consider what they want from their job. According to a recent UK survey, 48% of men and 45% of women intend to quit in the next year; pre-pandemic this was 27.5%. Reasons for resigning were a desire for flexibility, and higher salaries for both men and women. Other reasons included better work culture, not wanting to work for their manager and seeking a better job title.
- Globally there is also a 'Great Reset' of working practices due to flexible and hybrid working; families are working at home, creating a new vision of what work-life balance means. Workers are voting with their feet.
- Alongside this is the 'Great Reshuffle': companies are changing their business models, and where they are based as the geography of activity is rapidly reshaping. E-commerce is having considerable effects on where goods, services and skills are bought.
- The 'Great Retention' is now the new fight for bosses and a strategic imperative is supporting staff and making them feel valued is the biggest factor in keeping good staff in an employee led market.
- Some of these themes about attractiveness to talent and working with employees' values have been picked up in work in Birmingham on The Future Business District by City-REDI and Colmore BID., while issues of addressing skill shortages were prominent at the launch of the Birmingham Economic Review on 21st October 2021.

Global, National and Regional Outlook

Hannes Reed, WMREDI

Global

The export of natural gas from Russia to Moldova has reached a stand-off in recent days. The contract supplying gas from Russia to Moldova expired at the end of September 2021. No agreement has been made on a new contract partly due to the near 40% increase in global natural gas prices since September 2021. Russian gas company Gazprom has retaliated to the Moldovan rejection of an expensive new contract with the demand of a repayment of debt worth around £500m and the threat of turning off the gas taps to Moldova. Up until now, 100% of gas used in Moldova has come from Russia. A 30-day state of emergency has been declared in Moldova as officials continue negotiations. Moldova has this week secured an import of one million cubic metres of gas from Poland, a historic first where gas was supplied from a source that is not Russia's Gazprom. However, this does not get close to securing the long-term future of Moldova's gas supply. The geopolitical fallouts from the gas negotiations between Russia and Moldova could grow - particularly as Moldova has recently been leaning more towards Europe and the gas dispute is seen by some as a way of keeping Russian political influence over Moldova. With European countries also importing a large proportion of its gas from Russia, the economic and social impacts that are hitting Moldovan people right now could be felt in other countries in the future too.

As the United Nations COP26 climate change conference draws closer, nations across the world have been pledging commitments to significantly reduce carbon emissions by 2030. Scientists agree that cutting emissions by 45% by 2030 and achieving net zero by 2050 is a significant step in halting the worst effects of climate change. The United States has pledged to halve its emissions by 2030 compared to 2005 levels, and the UK has announced that all its electricity will come from renewable sources by 2035. The UK has also released its strategy for Net Zero. Australia, however, has been criticised for its lack of ambition in setting targets for reducing emissions by 2050 rather than 2030. Australia is a leading supplier of coal and gas in the global market, as well as being a major exporter of mining other natural commodities. Whilst over 100 nations have committed to becoming carbon neutral, the lack of ambitious targets in Australia demonstrate a lack of detail about how net zero will be achieved.

The US has ordered a "legal investigation" into whether the crimes committed by the Ethiopian government against Tigray, people from a mountainous region in Ethiopia, amount to genocide. Geopolitical relations between the Ethiopian government, the US and the EU have significantly declined since the start of the war between the Tigray people and Ethiopian government. The humanitarian crisis following the war has led to heavy numbers of casualties on both sides. The UN has compared the crisis to the civil war that led to the break-up of Yugoslavia. The shift of the Ethiopian government away from the West has played a part in the EU and US threatening sanctions against Ethiopia. However, this may not deter the Ethiopian government since there are credible reports that the government has weapons, financial loans, and political protection from states such as Iran, Turkey, Saudi Arabia, China, and Russia. Trapped amongst this war is a humanitarian crisis and fears that if the conflict is not resolved soon then there could be long-term instability across the Horn of Africa.

National

The Budget and Spending Review 2021 took place on Wednesday 27th October. Amongst the positive news, UK GDP is set to reach its pre-pandemic peak by 2022, slightly earlier than expected. Annual growth of the economy is forecast to reach 6.5% in 2021 and 2022, before returning to a lower growth state of just over 1% in the medium term in 2024 and 2025. Real wages also increased by 3.4% compared to 2020, but these figures have been skewed by a significant dip in wages during the pandemic. However, inflation hit 3.1% in September 2021 and is set to top 4% over the coming 12 months. Unemployment is set to rise to 5.2% but this is lower than predicted in previous forecasts. Foreign aid spending is set to return to 0.7% of GDP by 2024/25, which is the level it was set before the pandemic.

The easing of restrictions in response to the coronavirus pandemic has been noted as part of the reason for the better-than-expected economic performance. Restrictions such as physical and social distancing, as well as mask wearing, are still seen as important for eight in ten adults, according to ONS research. However, only four in ten adults actually adhere to those measures. This disconnect could have implications for case rates as the UK moves from autumn and into winter, and whether restrictions could be reintroduced should cases and hospitalisations continue to rise.

Prior to the Budget speech on 27th October, announcements on the wages for people in the public sector and on the national minimum wage were made. The minimum wage for people aged 23 and over will increase from £8.91 to £9.50 per hour on 1st April 2022. This is branded as the National Living Wage by the government. However, this is separate to the Real Living Wage, an independently calculated wage rate based on the cost of living. Still, the gap between the government's National Living Wage and the Real Living Wage is closing, meaning that people working on the lowest paid jobs are getting closer to the wages that can sustain a reasonable quality of life.

The minimum wage increase may do little in the short-term to address problems in the rising number of low-income households currently in debt arrears. A survey from the Joseph Rowntree Foundation estimates that 3.8 million households are in arrears on rent, council tax, electricity and gas. Four in 10 of those who fell into arrears during the pandemic are of working age. A welcome rise in the minimum wage announced by the government may help support those people in the future but is not necessarily able to offer support over the winter. A growing number of people are also in 'exempt' accommodation which offers housing to people who have recently become homeless, fled domestic abuse, or are dealing with addiction. National homelessness charity Crisis estimates that over 150,000 households are in this 'exempt' accommodation, an increase of 62% from 2016. Not only does this number show the scale of people who are at significant risk of homelessness, but Crisis also states that this sector is underregulated with providers allowed to charge higher rents in poorly managed, and dangerous accommodation.

Regional

£1bn of funding being was announced in the Budget for West Midlands transport including the metro and buses. The funding will pay for projects including completing the 11km Wednesbury to Brierley Hill Metro extension; providing bus lanes for new "Sprint" services between Walsall, Birmingham city centre and Solihull, and creating ten electric vehicle "transit stations", where cars can be charged up quickly. The funding is part of a wider £5.7bn budget for regional transport schemes across the six other combined authority areas in England. A further announcement on HS2 and inter-regional high-speed rail remains forthcoming.

Whilst the Budget did not dig up any surprises regarding HS2, artefacts have been found during the construction of the HS2 line which date from the medieval period all the way to the Bronze Age. Exhibition panels outlining the ancient history unearthed by the HS2 archaeologists have gone on display at Coleshill Town Hall to help people visualise how the past may have looked like in present-day Warwickshire.

Sustainable transport has been given a boost on the Binley Cycleway in Coventry after the West Midlands Combined Authority board approved £8.6m of funding for the 6km safe cycle route. The segregated cycle route will allow people to safely travel by bike from the city centre to University Hospital Coventry and Warwickshire via the Binley Business Park on Harry Weston Road. The route is part of a wider 10km strategic East-West connection, linking with the Coundon Cycleway which is currently under construction.

The move to hybrid working, where people work can split their working time between home and the office, has been a significant shift for many people and businesses. Solihull Moors Football Club has been thinking outside the box to help ensure start-up businesses are not caught offside regarding this long-range mode of working. The National League side which plays at the SportNation.bet Stadium on Damson Parkway, Solihull, has appointed commercial property consultants Siddall Jones to help let their corporate hospitality boxes to businesses on weekdays. Ed Siddall-Jones, managing director of Siddall Jones, said: "*The idea is to create a business community and allow smaller businesses and start-ups to take advantage of a well-positioned office with car parking. The self-contained carpeted office space includes furniture and WiFi, and electric heating. And, unusually for office space, comes with its own external balcony with seating overlooking the pitch*."

Participatory planning has been taken to a new level in Lichfield, where Lichfield District Council has launched a competition to encourage young people in local schools to play a part in shaping the future vision of Lichfield city centre as part of its Lichfield City Master Plan development. The programme goes beyond the statutory consultation requirements of developing a masterplan and is backed by Councillor Doug Pullen, leader of Lichfield District Council to "*encourage young people cross Lichfield District to put together their creative ideas for a vision of a new Lichfield city centre that includes space for people to live, for people to work, and for people to have fun*."

Budget and Spending Review: Autumn 2021

Alice Pugh, WMREDI

Economy and Public Finances

The OBR has predicted that the economy will grow by 6.5% in 2021, which is a 2.4% increase from their predictions in March. However, the spectre of inflation is looming. The strength of the rebound in demand in the UK and globally has led to a bump up against supply constraints in several markets. In the UK, these supply chain bottlenecks have been exacerbated by changes in migration and trading regimes following Brexit. Energy prices have soared, labour shortages have emerged in some occupations, and there have been blockages in some supply chains. These factors are all expected to hold back growth in coming quarters, while prices rise put pressure on wages. As a result the OBR has predicted inflation will rise to 4.4% next year, with potential for it to reach 5% at its peak next year.

Additionally, in July 2020 the OBR forecast that unemployment would peak close to 12% by the end of the year as a result of the end of furlough. However, as the scheme was extended till September 2021 unemployment only rose to 5.2%

Main Announcements

- National Insurance contributions will increase by 1.25% from April 2022
- The Public Sector pay freeze has been cancelled, but the government has not announced whether wages will rise in real terms.
- Increase in the National Living wage from £8.91 per hour to £9.50
- Reduction in the Universal Credit Taper rate from 63p to 55p
- NHS England is set to receive £5.9bn to tackle the backlog of people waiting for tests and scans
- Rise in Fuel Duty has been cancelled
- An additional £1.5bn in transport spending
- Reconfirmation that corporate tax will increase to 25% in April 2023
- £11.5bn to build up to 180,000 affordable homes, with brownfield sites targeted for development
- Business rates to be cut by £7bn

Wages on the up

The Chancellor has announced a rise to the National Living Wage from £8.91 per hour to £9.50, to come into effect from April next year. This is a rise of 6.6% in the minimum wage for all those over the age of 23 and over, more than twice the current 3.1% rise in the cost of living. Assuming a 40-hour week, the new minimum wage amounts to a salary of £1,646 per month or £19,760 per year, before tax. This comes following recommendations by the Low Pay Commission, an independent advisor board. State Pensions are also set to rise by 3.1% in 2022/23.

However, inflation of 4 to 5% is set to dramatically eat into this and the IFS is predicting that in real terms the increase in wages will only be around 3.2%. After, the increases in taxes are applied the real increase in take home pay will be 1.2% for a full-time minimum wage worker.

Additionally, given the criticism following the announcement of the public sector pay freeze, one of the pre-announced policies was to end the pay freeze. However, the government has not announced whether there will be a rise in real terms, higher than inflation. Instead the government has said the pay for most frontline workers will be set by independent pay review bodies and Number 10 could not 'prejudge' this process.

Taxes

It was announced last month that employees and self -employed will have to pay an extra 1.25p in the pound in National Insurance Contributions from April next year to fund investments in the NHS and social care. This move has been highly criticised as being a regressive taxation that will dampen the effects of wage rises, especially as inflation is expect to rise to 4% next year as well.

Corporation tax has been re-confirmed, with an increase in corporation taxes from 19% to 25% from April 2023 for businesses with over £250,000. This tax has been welcomed by many.

The Chancellor has stated businesses rates will not be abolished but instead he has announced plans to cut them by £7bn. The budget introduced reforms to business rates, including more frequent revaluations every three years from 2023, relief for those adopting solar panels and a 12-month rate holiday on property improvements.

Given the rise in fuel prices and inflation that is expected in coming months, the increase in fuel duty has been cancelled.

In order to fund the removal of unsafe cladding the government has announced a 4% levy to be placed on property developers with profits over £25 million.

In order to help the creative and culture sector which has been so heavily impacted by the pandemic, the government is extending the tax relief for museums and galleries for the next two years.

Overall, the tax increases in this budget are set to increase the tax burden to its highest since the early 1950s, according to the OBR. According to the watchdog, the 36.2% of the economy it will reach in 2026-27 is the highest level since late in Clement Attlee's post-war Labour government.

Levelling Up

The Levelling Up Fund will mean £1.7bn will be invested in local areas across the UK.

The government also announced 500m for 'family hubs' which will fund 75 new hubs; however this will not fill the void left by the closure of 1000 children's centres between 2009 and 2019. The Women's Budget Group has said "Between 2011 and 2017, the government cut the funding of Sure Start centres by two-thirds, that's £1.2 billion. Their pledge of £500m to support young families in the budget still represents a loss of £700 million against what they have cut." It also stated that the government has failed with this budget to "make the connection between childcare, levelling-up and economic growth."

Health

NHS England is set to receive £5.9bn to tackle the backlog of people waiting for tests and scans. This includes £2.3bn for diagnostic tests as well as clinics in shopping centres for scans; £1.5bn on beds equipment and new "surgical hubs"; and £2.1bn to improve IT. However, whilst the health service has welcomed the money, they have warned that this is unlikely to solve the significant staff-shortages. Vacancies in the NHS rose 23% between March and June 2021.

Welfare

The government has decided that it will not be increasing Universal Credit (UC). However, the taper rate will be changed. The UC taper rate will reduce from 63% to 55%. The taper rate is the calculation of how much claimants lose in benefits as they earn more money. For every £1 earned, UC payments are reduced by the taper amount, meaning people get to keep an additional 8p per £1 they earn. This will also increase the incentives for families to have someone in work.

Although these changes are welcome the measures will not be sufficient to replace the income lost from the UC uplift. Only a quarter of families on UC have someone who will benefit from the higher national living wage, and those that do will see most of the gain lost to a combination of higher taxes and withdrawn benefits.

Education and skills

£2.6bn will be spent on creating 30,000 new school places for children with special educational needs and disabilities, including improving school buildings' accessibility. The budget also includes £1.6bn over three years to roll out new T-levels for 16 to 19-year-olds, plus £550m for adult skills in England. Currently, there are 6,000 T-level courses in the UK but the government is looking to ramp up these numbers. Additionally, £170m has been announced for apprenticeships and training.

Also, the Chancellor has announced a new £560m fund called 'Multiply', to increase numeracy and basic maths for adults in the UK. The West Midlands will be a recipient of the funding. However, The Work Foundation has criticised the that as being unambitious as the fund will only aim to support up to 500,000 people, and will do little to tackle the scale of England's numeracy problem. Additionally, the budget does little to help tackle the barriers to joining subsidised courses such as transport and child care costs.

However, the increased funding to education will see the funding for each pupil return to 2010 levels, an increase worth £1,500 per pupil. This comes after the last year saw students' education dramatically suffer, due to lockdowns removing them from their learning environments.

In total the support for catch-up funding because of the pandemic will be almost £5bn. Over the parliament the Chancellor has announced that there will be a rise of 42% in education and skills spending or £3.8bn over this period. Whilst teachers welcome any increase in resources, the increase in spending has fallen very much short of the £10-15bn experts have estimated is needed for catch up for children who have fallen behind by an average 3.5 months in maths and 2.2 months in reading during the pandemic.

Research and business

Grants worth £1.4bn will be given to "internationally mobile" companies to invest in UK infrastructure. This will include £345m aimed at increasing resilience against future pandemics and £800m for the production of electric vehicles in the north-east of England and the Midlands.

The investment push from the budget also included more than £1.6bn for the British Business Bank's regional funds, which provides debt and equity finance to small and medium enterprises. There was also additional spending of £150m for the Regional Angels Programme, which aim to reduce imbalances in access to early-stage equity finance in the UK.

The Chancellor has also pledged a cash increase of 50% to annual R&D spending by the end of the current parliament, to reach the government target to increase R&D spending to £22bn by 2026/27.

Housing

The Treasury has earmarked £24bn for housing, this will include £11.5bn to build up to 180,000 affordable homes, with brownfield sites targeted for development. The government has also guaranteed £5bn for the removal of unsafe cladding for the highest risk buildings.

Transport

The Government has announced that England's city regions will receive £6.9bn to spend on train, tram, bus and cycle projects. This includes £1.05bn for the West Midlands. However, the figure of £6.9bn only includes £1.5bn additional spending because government is including the £4.2bn promised in 2019 alongside funding for buses announced by the Prime Minister last year.

Net Zero Green policies

There was an announcement of £817m over the spending review period for the electrification of UK vehicles and their supply chains. An additional £620m of new investment was announced over the next three years to support the transition to electric vehicles and to encourage more active travel. However, there is a question as to whether this investment is significant enough, especially as the sale of new fossil-fuelled cars are expected to be banned in 2030.

There is set to be a £1.5bn investment in net zero innovation, including nuclear technologies and offshore wind, with over £380m for the UK's offshore wind sector, and £1.7bn to facilitate a final investment decision on a large nuclear project.

The Government has announced an extra £9m to go towards allowing councils to turn neglected urban spaces into "pocket parks" roughly the size of a tennis court. One of the best ways to reduce carbon emissions is to increase the carbon being sequestered from the atmosphere. The simplest way to do this is by increasing the amount of green space, as usually carbon stores, meaning they have the ability to sequester large amounts of carbon from the atmosphere.

The government has also announced that green investment relief will be introduced to encourage businesses to adopt green policies, such as solar panels.

Ironically in the week before the UK hosts the COP 26, flights between airports in the UK nations will be subject to a new lower rate of air passenger duty from April 2023. The move that was condemned by many on the opposing bench on Wednesday.

Alcohol

The government has also announced a major overhaul of alcohol taxes. Rates will be frozen until February 2023, after which all types of alcohol will be taxed based on their alcohol content. The biggest changes will be for wine, with sparkling and low-strength wine seeing a tax cut while stronger wine sees an increase. However, proposed rates for cider are still much lower than those on beer, wine and spirits.

The Great Resignation, The Great Reset, The Great Reshuffle and The Great Retention

Rebecca Riley, WMCA/WMREDI

For a number of editions of the monitor we have been reporting that many sectors are experiencing high levels of vacancies; whilst labour market data shows that unemployment has stayed relatively low as government interventions such as furlough have kept people in employment. We also reported that the number of Universal Credit (UC) claimants has gone up, and this could be masking people in-work in the claimant counts as shift work, overtime and reduced hours have impacted on earnings, dropping people below the UC level despite being in employment. This would suggest that a traditional model of bringing the unemployed into employment to fill vacancies is potentially not the whole story or the complete answer to the high levels of vacancies and skills shortages.

A phenomenon which economists are calling the 'great resignation' has taken hold globally. Initially countries followed the normal pattern when in high unemployment risk quit rates are reduced as people seek security. But as the economy has opened up this has reversed. A year and a half of stress, anxiety, soul searching and burn out means people have taken a step back and reassessed their lives. Reflecting on roles, whether they are valued and whether their skills are put to good use, people have emerged with a stronger sense of what they want from work and are willing to accept.

In April 2021, the number of workers who quit their job in a single month broke an all-time U.S. record, and has continued to break that record every month since. This is happening across all industries, but in some sectors such as leisure and hospitality it is particularly acute, where 1 in 14 people quit in one month. In the US, four million people quit their jobs in April – a 20-year high – followed by a record ten million jobs being available by the end of June. In the UK job vacancies soared to over 1 million for the first time in July.

According to a recent UK survey, 48% of men and 45% of women intend to quit in the next year; pre-pandemic this was 27.5%. Reasons for resigning were a desire for flexibility, and higher salaries for both men and women. Other reasons included better work culture, not wanting to work for their manager and seeking a better job title. Two thirds stated they had experienced burnout during their careers and 80% had experienced this in the last 12 months. Working parents are more likely to quit (52%) and over a third said this was due to flexibility. A further study shows that a large number of workers globally (53%) want a hybrid working model where more than half of their work time is remote. Productivity has not suffered with remote work, with 82% saying they feel as productive as or more productive than before. Wellbeing has taken a hit, however, with more than half of young leaders (54%) reporting they have suffered burnout and three in 10 stating their mental and physical health has declined in the last 12 months. Workers want to reduce their hours and be measured based on results. Despite 50% of workers in the UK logging more than 40 hours a week over the past year, only two thirds of those polled believed that such hours are necessary to get the job done. Meanwhile, 73% of workers globally are calling to be measured by outcomes rather than hours.

63% of UK respondents said that they are motivated at work, and half said they had generally been happier at work since the pandemic started (52%). However, that does not mean the picture is entirely rosy in the UK, which ranked worse against the global average in several troubling trends. For example, only half of respondents (51%) in the UK were satisfied with the performance of senior leaders (below the global average) and only 42% were satisfied with their career prospects.

The study found that the UK is the only country polled which reported higher levels of anxiety about going back into the office (52%) than excitement at seeing colleagues (48%). To compound this, over half of UK managers have not found it easy to manage the workforce on issues of burnout (58%) and mental wellbeing (60%). And, more concerning, 35% of UK respondents said their mental health got worse during the pandemic, which was above the global average, and 37% admitted to suffering from burnout. Only 13% believe their employers will provide coaching to help them deal with mental stress and burnout, the third lowest score of all countries surveyed.

In the UK pre-pandemic more than five million workers averaged an extra 7.6 hours a week, contributing to £35bn in unpaid overtime. Now, according to global figures from the ADP Research Institute, one in 10 people say they work at least 20 hours a week for free. On average, workers are posting 9.2 hours of unpaid overtime every week. Across the world, overwork figures have sharply risen in the wake of Covid-19 – with free hours more than doubling in North America, particularly.

In many ways the international response to stem the employment effects of the pandemic have given people the chance to rethink and consider how they can do better: the 'great resignation' is a statement of optimism post crisis. Rent and eviction moratoriums, furlough and benefit support, and loan and mortgage deferments have given people (especially the young) the ability to quit their current jobs and look for other opportunities.

As highlighted by the Prime Minister, wages are also growing, especially for low income groups, and in the UK there is a very tight labour market due to pinch points in particular sectors and occupations, are driving up wages (HGV drivers and agriculture). However, this creates significant issues for business as costs increase and many positions are left vacant for a considerable time. Britain's employers are struggling to hire staff as lockdown lifts amid an exodus of overseas workers caused by the Covid pandemic and Brexit.

Globally there is also a 'great reset' of working practices due to flexible and hybrid working; families are working at home, creating a new vision of what work-life balance means. The demands of employees have changed dramatically and there is greater recognition of family and care responsibilities and the need for more balanced lives. As the economy reopens following Covid, demand for talent is far outstripping supply and it's an employee's market. A Microsoft study has found that 41 per cent of the global workforce is considering leaving their employer this year. This is a marked difference to last year where there was an unprecedented slow down. And the rebound is not just affecting the sectors which were closed, such as hospitality and entertainment; the intense growth and flexibility is creating greater opportunity across 'white-collar' workers who now have more choice and about where they deliver their work and how. Women are also leading this change as work life balance and care responsibilities disproportionately affect them. Bad leadership, poor employee support and stagnant growth opportunities during the pandemic are driving enormous employee churn in the UK workplace. Resignations are highest in mid-career with an average increase of more than 20% between 2021 and 2021, but turnover is highest among younger employees (in line with traditional patterns). Mid-career change could be being driven by employers feeling they need more experienced people, especially when they do not have access to training and guidance, which creates greater demand. This could also be driven by these workers delaying natural transition, so creating and exodus of pent up resignations. Those in mid-career have suffered due to high workloads, hiring freezes and wider life pressures. Resignations are highest in tech and healthcare and resignation rates are highest in sectors which have suffered the most under pandemic conditions.

Many workers had given up on looking for hospitality and retail jobs in favour of more secure work after three lockdowns in the past year. "There are also far fewer foreign workers seeking employment in the UK with overseas interest in UK jobs more than halving from before the pandemic, hitting these industries hard", Andrew Hunter, a co-founder of Adzuna, said. Adzuna said 250,000 fewer job-seekers from Western Europe and North America applied for work in the UK per month between February and April 2021 than before pre-pandemic: "UK employers can no longer rely on overseas workers to plug employment gaps". A combination of Brexit and the coronavirus pandemic are believed to have cut the number of foreign workers in Britain.

ONS estimates the number of non-UK nationals employed in the country in the last three months of 2020 fell by 4% from the same period of 2019 to 4.22 million, based on tax data, compared with a 2.6% fall for UK nationals to 24 million.

Alongside this is the 'great reshuffle': companies are changing their business models, and where they are based as the geography of activity is rapidly reshaping. E-commerce is having considerable effects on where we buy goods and service but also where we buy skills from. We have proven that you do not need to always live near to work to do a job and this means labour markets are wider than ever before and competition for skills suddenly got much harder.

Businesses which do not offer flexible working are finding it harder to recruit, as employees what jobs that suit their lives. It is very hard to take away something they have already offered as employers. There is also a backlog of change and demand, supressed for 18 months, is now surging and the labour supply cannot meet demand.

The WM Weekly monitor is funded by the West Midlands Combined Authority, Research England/UKRI

The 'Great Retention' is now the new fight for bosses and need to be the strategic imperative, supporting staff and making them feel valued is the biggest factor in keeping good staff in an employee led market. If companies don't do this you are no longer competing with local markets you are competing with every company in the world. Pre-pandemic approaches will not work now; the office environment still has importance and the draw of face to face working will be ever present - as our recent work on the Business Districts has shown.

But a new kind of employer/employee relationship needs to emerge, wages need to keep pace but more importantly emotional connection, recognition, value and reward for contributions, effective managers and communication are vital to create a successful retention culture that is front and centre in employee decision making processes. There needs to be a relationship where burnout at all levels is taken seriously. Ensuring existing employees are engaged and satisfied at work will be critical in protecting against a staff exodus for most organisations; talent is a critical asset – but, unfortunately, potentially the biggest risk factor too. The more awareness employers can have about what drives and motivates their team, the better and this crisis can be an opportunity to rethink and plan for the long term. Critical to the workplace experience is an individual's relationship with their line manager and how they feel they are valued by them. Regular constructive conversations are required to cement this relationship – and a tailored coaching-based approach is the best way to make these conversations feel personal and ensure better retention as the labour force continues to contract and reshape. Organisations that take time to learn why and act on resignations will have a leading edge on attracting and retaining talent.

Source: McKinsey and Company, 2021.

Covid-19 and the Future Business District

Professor Anne Green, Rebecca Riley, Alex Smith, Ben Brittain and Hannes Read, WMREDI

This piece examines the long-term impact of Covid-19 on business districts. How can they continue to be successful places attracting business and people and contributing to vibrant city centres?

This pieces summaries the Future Business District Report - [visit the project page](#).

On the 17th of November, we will be holding an event to discuss the findings of the Future Business District Report – [Find out more and book a place](#).

[Pandemics in history](#)have had social, economic and political impacts and have spurred developments in medicine. Cities have survived and re-emerged in a relatively strong position in the wake of these pandemics. Contemporary economic geographers argue that the '[agglomeration advantages](#)' of cities are likely to remain even given the existence of alternatives to face-to-face working for many office workers because of the importance of proximity in collaborative knowledge creation (especially in finance and business services, high tech and media clusters) and due to shortcomings in the extent to which video-conferencing can replicate for in-person interaction. The dense urban labour markets of large cities, and their associated friendship networks and other amenities, are attractive to many highly educated young people.

[The longer the disruption of the Covid-19 pandemic lasts](#), the greater the likelihood that some shifts in activity associated with the initial response to lockdown result in more radical, permanent shifts.

Birmingham and the lockdown

Prior to the onset of the Covid-19 pandemic, [Birmingham enjoyed a period of sustained economic growth](#). Birmingham city centre was transformed physically and economically, with a thriving business, professional and financial services (BPFS) sector driving high levels of business tourism, alongside vibrant hospitality and retail sectors.

In March 2020 the instruction to work from home and the shutdown of hospitality and retail in the first national lockdown brought rapid and radical change to city centre business districts. Since then the economy and [society has seen phases of opening up, closing down and opening up once again](#). Individuals and firms have had to respond in real-time to a developing health and economic situation. Cities have overcome pandemics and shocks before, but the recent period has no recent precedent.

The Future Business District Study

As part of its response to the radical changes being experienced, the Colmore Business District (Colmore BID) established the Future Business District Study ***to inform long-term recovery from the Covid-19 pandemic and offer policy directions on best practice for central business districts across the UK.*** It commissioned a team from City-REDI (University of Birmingham) and the West Midlands Combined Authority to deliver a research programme, supported by an independent Advisory Panel and a range of partners.

The project focused on prospects for Birmingham's city centre business district in the medium- and longer-term, addressing two questions:

1. **What is the likely long-term impact of the Covid-19 pandemic on city centre business districts?**
2. **How can we ensure they remain successful as places to attract businesses and people and contribute to vibrant city centres?**

So what did the study reveal?

Trends shaping the future business districts

From the research and engagement phases the following key trends were apparent:

1. ***Digital transformation*** of the workplace and ***tech disruption*** will continue to impact business models and where and how work is done.

2. ***Hybrid working is here to stay* for many** (not all) – two-three days working in the office and three-two days working from home (or elsewhere), especially in sectors such as business, professional and financial services, driven by broader 'life' considerations as well as 'work' ones.
3. ***Access to talent*** is ever more critical and there is an increased demand for skills and jobs that emphasise human interaction – networking, problem solving, collaboration, selling, creating and innovating.
4. Future business districts will need to be even more focused around ***connections and culture*** – a place to connect, interact and collaborate and to enjoy urban experiences.
5. ***Safety*** – on transport, in public spaces and at offices – has risen up the agenda considerably. Meanwhile, encouraging commuters back onto public transport systems – that feel safe and meet the needs of new working patterns – is a major challenge.
6. Demand for recognising ***social value, climate change and inclusivity*** among consumers and employees will continue to rise.

Future Scenarios

Four scenarios were developed that analysed possible outcomes based on changes in employment in the city centre and in footfall associated with culture, hospitality and retail.

The preferred vision Is one which sees increasing employment in the city centre and increasing culture, hospitality and retail footfall. It would avoid the business district becoming a ghost town or being solely focussed on work. This would encourage workers in the BPFS sector to return to the city centre not solely for work but for the wider benefits of city life. This requires a diverse offer to meet the needs of office workers operating on a hybrid working model, alongside the needs of consumers of cultural, retail, entertainment and leisure activities. It also requires action to positively address inequalities and lack of inclusion and mitigate against spatial and economic overheating.

Themes for Action

The key findings from the interviews, and reflections on them, were distilled into one overarching theme and six further themes around which policy-makers, researchers, central and local government, as well as wider business partners and other stakeholders, can join together.

The Space Between – This overarching theme highlights how a high-quality public realm, plus hospitality and retail venues, together with green and open spaces, make the city centre attractive to businesses and individuals, and support well-being. The 'space between' is the hidden, unrecognised space utilised on an ongoing basis – including transport, public realm, green space, cultural/ entertainment space – which is essential to the growth, performance and activity of the 'space within' businesses. It provides opportunities for workers, residents and visitors to relax, connect and recharge.

1. ***Connections and Culture*** – A place to meet remains the big idea behind successful cities and their central business districts; office workers and consumers are likely to be driven back into city centres by the need to connect with others via networking and socialising. More collaboration and meeting spaces and leisure/cultural experiences will be needed to keep people returning to the city to connect and exchange.
2. ***Agile and Flexible*** – There is a considerable appetite amongst office workers for more flexible and hybrid working. Workspaces and employees are becoming more agile, so the business environment needs to support this trend
3. ***Colmore Collaborates*** – The prominence of hybrid working in the short- to- medium-term is likely to have a significant impact on how floor space demands will evolve and how workers interact with the office as a social space, calling for different types of space and placing prominence on the 'office as a destination' and on exploiting opportunities for growing collaborative workspaces to be utilised by more users.
4. ***On the Move*** – There is an opportunity to re-shape an integrated transport system, with greater reliance on active travel modes and the evolution of public transport to accommodate the changing needs of the day-time and night-time economies.
5. ***Safe and Sound*** – The priority people attach to safety on transport, in offices and in public places has grown, the future business district will need to meet rising expectations.
6. ***Open to All*** – The emphasis is on opening and enhancing the city centre business district to more businesses and more people, and to harness green and open spaces, so resonating with concerns about climate issues, inclusivity and well-being.

Recommendations

Businesses need to:

- Understand the impact their business decisions have on place and how their offices interact with the space they are in and make this an active part of business case development and corporate social responsibility activities.
- Work with local businesses to help stimulate demand for their services, ideally through a focus on employee benefits, career development, networking and training.
- Lobby and invest in better transport, safety and external space development in order to create an environment workers and visitors want to come back to – or visit for the first time.

The ***public sector*** needs to:

- Encourage the development of a city with green space, open places and a high-quality public realm that promotes well-being through providing safe spaces for people to come together, as well as venues to enjoy leisure and participate in culture***.***
- Rethink transport in light of the Covid-19 pandemic and work with transport operators and businesses to design systems that promote worker return and engagement with the city.
- Promote the city, dispel negative images and attract new investments, visitors and workers which complement and fit with the focus of the city centre BIDs.

There is a greater need than was formerly the case for a ***flexible BID model*** that can be a city curator that promotes and accelerates:

- ***Being the place for hybrid working***: Supporting businesses to adapt to a hybrid working model and its implications. This entails backing both core BPFS businesses in the district but also taking account of the spillover effects on retail, hospitality and accommodation services***.***
- ***Being the centre of experience for employees***: Developing the experience portfolio of the city centre business district – attract former city centre workers back and engaging a new diverse workforce with the enjoyment of interaction and experience of place and activities.

Being the place to network and grow: Developing networks and communities – with a focus on recruitment, training, career development and opportunities for innovation for a diverse workforce in a hybrid world.

Covid-19 Recovery Planning, Partnership Working and the Role of Universities in City-Regions

Dr Abigail Taylor, WMREDI

WMREDI have published a report presenting findings from a project examining how partnership working has developed during the pandemic and the role of universities in recovery planning. View the project page and report.

Research questions

- What has worked well?
- What has worked less well?
- What is the role of universities in city-regional recovery planning?
- What can be learned from Covid-19 regional recovery planning for informing existing and future partnerships focused on economic and social recovery from the pandemic?

Based on interviews conducted **in summer and autumn 2021** with stakeholders with a high-level of engagement in Covid-19 recovery planning and broader local and regional policy and governance activities, the report contrasts experiences in two English regions: **the West Midlands and the North East.**[1] Focusing on the West Midlands and the North East is interesting because of the regions' **complex contrasting governance structures.**

Key findings

- Covid-19 has been "***catalytic***" for increased partnership working, facilitating collaborative working across different spatial levels and sectoral boundaries in both the West Midlands and the North East.
- Partnerships in both regions have become more "***inclusive***" as the nature of the pandemic required great inter and intra-organisational collaboration. Our interviews emphasised how partners from public health are now recognised as key members of regional strategy partnerships, so enabling more holistic work within place.
- Interviewees stressed how the urgent and practical nature of the immediate crisis and the design of emergency funding schemes at the local level helped galvanise partners around a shared goal and common sense of purpose to build on existing collaborations.
- Responding to the pandemic has encouraged more openness and willingness to share data and intelligence. But some aspects of Covid-19 response partnership working, particularly early on, were hindered by challenges relating to sharing data between partner organisations.
- The mismatch between political geographies and economic geographies in both regions was suggested to have made collaboration more difficult in some instances.
- While relationships strengthened between those who participated in recovery groups, some interviewees pointed to "***frustration***" among those who were not included.
- Some recovery partnerships have encountered challenges balancing and moving between short-term emergency response and medium- to long-term recovery planning, in the context of earlier reductions in local government capacity. Funding constraints and human resource capacity constraints have played a role here.
- Universities were considered an important intellectual resource in both areas, with a key role to play in supporting regional strategy development. Moving forward, there is a need for universities to focus and identify key activities which will be mutually beneficial to themselves and their partners. Exemplar key activities relate to supporting future sustainable and inclusive economic growth through connecting research and innovation and creating the highly skilled workforce to support this. Developing new delivery models and recognising the role universities can play in addressing skills and labour market issues in partnership is important. Universities have a vital role to play in supporting innovation across the business base.

"… immediate Covid response is, is a very, very fast way of binding together people around a shared goal, which often is a very practical one." NE (LA/CA)

"… it feels less competitive, it feels more collaborated with the wider stakeholders." WM (Other)

I think certainly the emergency response to Covid-19 and now that we start to engage in recovery planning has presented an opportunity to reunify the region and perhaps repair what has been a fragmented governance landscape […]." NE (LA/CA)

"We can't do everything and actually as universities, nor should we, you know, so the question is around kind of where we can add most value." NE (HE)

"… we haven't reacted in my mind quickly enough to the fact that we're not in lockdown anymore… I think we've probably got stuck in a bit of a Covid rut, rather than kind of addressing the new challenges that we're now facing." WM (Other)

The diagram above presents key quotes from the interviews. The abbreviations in brackets after the quote indicate the location and job role of the interviewee.[2]

Recommendations

Given the wide-ranging challenges and opportunities that businesses and the economy face going forward, partnership working appears more important than ever if a sustained and accelerated economic recovery is to be delivered in the West Midlands and the North East.

The research identifies six priorities for the shape of future partnership working:

1. Maintain the partnership groups established during the crisis to provide regular forums for participation and debate.
2. Provider greater clarity on roles and remits of different groups and member organisations is vital.
3. Ensure partnerships continue to be open and inclusive. Universities should continue to be included in, and take an active role in, future partnership working (alongside other partners such as combined and local authorities, blue light services, public health, the third sector and business representative organisations) in order to support economic development, health, and wellbeing.
4. Partners, including regional mayors, need to press government and national funding bodies to develop a funding system that better recognises and rewards universities' contributions to place.
5. Organisations should be encouraged to focus on how to embed partnerships into their structures. Rather than just relying on personal relationships (which can be lost as individuals in key roles move on), there may be merit in organisations formalising commitments to partnership working within their organisations.
6. Developing routes to enable members of partnerships to feedback both internally within their organisations and externally to other partner organisations (who are not part of the group) to ensure lessons are transferred across.

The research identifies five priorities for the focus of future partnership working:

1. Responding to crises going forward requires a holistic approach, bringing together economic development, housing, social care, public health, education, environment, and employers.
2. Nonetheless, there is a danger that if recovery is defined too broadly there will be a lack of focus. Coherent strategies are required.
3. Understanding new funding streams and working together to draw down funds from central government could help regions to respond to challenges more quickly and effectively.
4. Continue efforts to support regional data and intelligence gathering and analysis and to influence effective policy design at the national, regional, and local levels.
5. Engage with the government to champion greater devolution but at the same time, seek to overcome barriers in existing structures to develop a strong regional narrative, which partners can get on board with. There is a need to balance developing a long-term strategy and seeking to change systems to make them perfect.

Find out more about the findings by reading the research report:
[Covid-19 recovery planning, partnership working and the role of universities in city-regions]

The WM Weekly monitor is funded by the West Midlands Combined Authority, Research England/UKRI

Birmingham Economic Review

Alice Pugh, WMREDI

The Birmingham Economic Review (BER) is a deep-dive into the economy of the England's second largest city and robust high-quality resource for informing the development of research, policy and investment opportunities.

The event on 21st October 2021, held at the University of Birmingham's new Exchange building, opened with a welcoming from Professor Sir David Eastwood, Vice-Chancellor of the University of Birmingham.

Delegates then heard from City-REDI / WM REDI Director, Professor Simon Collinson who provided an overview of the BER, which looks at the impact of the pandemic and opportunities for sustainable and equal economic recovery. As he highlighted "We are not post-pandemic. There are still huge economic and health risks and massive challenges… but there is hope for a new future".

13% decrease in Productivity (2020)

46,000 in Job losses (Sep-Nov 2020)

46% decrease in city centre footfall (June 2020 - 2021)

Lower levels of mental health and well-being

But inward investment and local business optimism remained strong.

Over the last 18 months, Birmingham has been one of the worst hit cities by the pandemic but, businesses have remained resilient and adapted to challenges presented by the pandemic. Going forwarded businesses will have to consider the long-term structural changes that have occurred under the pandemic, as well as short- and medium-term challenges presented by Brexit.

However, Birmingham is facing some unique structural challenges going forward. One of the most significant will be skills shortages. As Professor Collinson noted "We need new skills, different skills, better skills for the region". In order to tackle this Education providers will need to work closely with businesses to better understand their needs for the labour market. Especially, as we are set to see significant changes to large sectors, such as a '40%' decrease in the manufacturing sector in Birmingham by 2040, as predicted by the Oxford Economics Model.

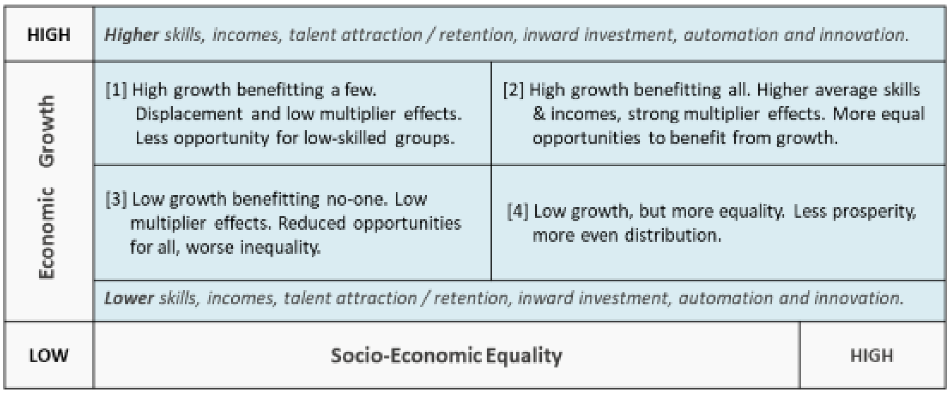
However, there are a number of opportunities going forward. HS2 and the Commonwealth Games bring the potential for high inward investment and long-term economic gains. There are also so a number of sectors which have been rapidly growing in the region, even throughout the pandemic, with growing clusters of innovation in sectors such as; life sciences, low carbon transport and the Digital Economy.

Those most vulnerable were hit the worst by the pandemic with inequalities worsening across the UK, it is important that any post-pandemic growth scenarios going forward are equal. Key to this will be;

- Improving skills to meet the needs of businesses
- Increasing incomes to help retain skills and talent
- Continuing to support the strong inward investment that Birmingham has seen in recent years
- Innovation and automation will also be key to Birmingham's rapidly growing sectors

The WM Weekly monitor is funded by the West Midlands Combined Authority, Research England/UKRI

Post-Pandemic Growth Scenarios



Professor Collinson then passed over to Steven Allen, Chair of the event and President of the Greater Birmingham Chambers of Commerce, who introduced the other members of the Board:

- Deborah Cadman OBE - Chief Executive, Birmingham City Council
- Suren Thiru – Head of Economics, British Chambers of Commerce
- Abigaile Bromfield – Director of Economics and Planning, Arup

Deborah Cadman also noted that young people had been particularly impacted by the pandemic last year, with a survey conducted having found that 77% of 2,000 young people surveyed felt uncertainty about future job prospects. Saying that going forward Birmingham City Council will be “working very closely with young people, education and employers to ensure that young people can access opportunities in Birmingham’. She also emphasised the “golden opportunity associated with HS2”.

During the panel discussion a number of questions were asked surrounding levelling up and what this would mean for Birmingham. It was discussed by the panel that as recovery progresses it will be important to ensure that part of levelling up within Birmingham, those most vulnerable and those most heavily impacted by the pandemic are supported into higher skilled, higher wage employment.

The full event and report can be viewed here online.

The WM Weekly monitor is funded by the West Midlands Combined Authority, Research England/UKRI

Annual Survey of Hours and Earnings (ASHE) 2021[1]

Black Country Consortium Economic Intelligence Unit

Please note, the Office for National Statistics (ONS) have reported that interpreting average earnings data is difficult at the moment; in July ONS published a blog: How COVID-19 has impacted the Average Weekly Earnings data, which explains the complexities of interpreting earnings data in the current climate; compositional and base effects are likely to affect the growth rates, as the data for April 2020 was affected by both the coronavirus pandemic, in terms of wages and hours worked in the economy, and also disruption to the collection of data from businesses; this means **that comparisons with 2020 need to be treated with caution,** and we would encourage users to focus on long-term trends rather than year on year changes.

Resident and workplace figures for the WMCA (3 LEP) are based on an average of the local authorities' earnings within the set geography.

In Summary:

- Average full-time annual earnings for WMCA (3 LEP) residents have risen by £393 (+1.3%) since April 2020 to reach £30,651 in April 2021; those in the UK decreased by 0.6%. The WMCA (3 LEP) resident earnings are at 98% of the UK average, with the average resident earning £634 less than the UK average of £31,285.
- Average full-time workplace annual earnings for the WMCA (3 LEP) rose by £546 (+1.9%) since April 2020 to reach £29,737 in April 2021, the UK decreased by 0.6%. The WMCA (3 LEP) workplace earnings are at 95.1% of the UK average, with the average workplace earning £1,548 less than the UK average of £31,285.

- Average full-time resident annual earnings for the WM 7 Met. area were £29,245 in April 2021, an increase of 1.2% (+£352) from April 2020. The WM 7 Met. area full-time resident earnings stand at 93.5% of the UK average, with the average resident earning £1,406 less than the UK.
- Average full-time workplace annual earnings for the WM 7 Met. area were £30,972 in April 2021, an increase of 0.9% (+£290) from April 2020. The WM 7 Met. area full-time resident earnings stand at 99% of the UK average, with the average resident earning £313 less than the UK.
- Gender pay gap is defined as the difference between men's and women's hourly earnings as a percentage of men's earnings. In 2021, for the WM 7 Met. area there was a higher median gender pay gap for work-based pay at 17.4% compared to 13.8% for home-based.

- In April 2021, for the West Midlands region, there were approximately 99,000 employee jobs with employees aged 16 years and over who were paid below the National Minimum Wage (NMW) or National Living Wage (NLW). This accounts for 4.3% of employee jobs in the West Midlands compared to the UK with 3.8% of employee jobs.

Full Brief:

Resident Based

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- Average full-time resident annual earnings for the WM 7 Met. area were £29,245 in April 2021, an increase of 1.2% (+£352) from April 2020. The WM 7 Met. area full-time resident earnings stand at 93.5% of the UK average, with the average resident earning £1,406 less than the UK.

[1] Sources: Office for National Statistics - Annual Survey of Hours and Earnings- Employee earnings in the UK: 2021, low and high pay in the UK: 2021 and gender pay gap in the UK: 2021; released October 2021

- Within the WMCA (3 LEP), the Black Country LEP resident annual full-time earnings increased by 1.5% (+£405) to reach £28,169. Coventry and Warwickshire LEP increased by 2.6% (+£820) to reach £32,189 and Greater Birmingham and Solihull LEP increased by 0.9% (+£263) to reach £30,244.

- At local authority level within the WMCA (3 LEP), resident full-time earnings vary from £25,960 in Redditch to £36,862 in Warwick in April 2021. Tamworth had the highest increase from April 2020 by 8.9% which equates to £2,275 to reach £27,879 in April 2021. Cannock Chase and Wolverhampton also experienced large increases. There were seven local authorities which experienced a decrease compared to April 2020, examples include; North Warwickshire by 0.2% (-£56 to £31,332), Birmingham by -1.2% (-£343 to £28,998), Lichfield by -1.9% (-£682 to £35,714) and Dudley by -5.3% (-£1,653 to £29,438).

- There were eight local authorities within the WMCA (3 LEP) that were above the UK figure which can be seen in the following table.

The following table shows resident earnings, 2020-2021:

	2020	2021	Percentage Change	Number Change
Birmingham	£29,341	£28,998	-1.2%	-£343
Bromsgrove	£34,047	£34,490	1.3%	£443
Cannock Chase	£27,352	£29,308	7.2%	£1,956
Coventry	£29,589	£30,763	4.0%	£1,174
Dudley	£31,091	£29,438	-5.3%	-£1,653
East Staffordshire	£29,485	£28,232	-4.2%	-£1,253
Lichfield	£36,396	£35,714	-1.9%	-£682
North Warwickshire	£31,388	£31,332	-0.2%	-£56
Nuneaton and Bedworth	£28,734	£28,928	0.7%	£194
Redditch	£26,202	£25,960	-0.9%	-£242
Rugby	£32,429	£33,364	2.9%	£935
Sandwell	£25,938	£26,630	2.7%	£692
Solihull	£34,671	£35,516	2.4%	£845
Stratford-on-Avon	£33,371	£33,923	1.7%	£552
Tamworth	£25,604	£27,879	8.9%	£2,275
Walsall	£27,755	£28,515	2.7%	£760
Warwick	£35,675	£36,862	3.3%	£1,187
Wolverhampton	£25,609	£27,503	7.4%	£1,894
Wyre Forest	£30,212	£29,010	-4.0%	-£1,202
WM 7 Met.	**£28,893**	**£29,245**	**1.2%**	**£352**
Black Country LEP	£27,764	£28,169	1.5%	£405
Coventry and Warwickshire LEP	£31,369	£32,189	2.6%	£820
Greater Birmingham and Solihull LEP	£29,981	£30,244	0.9%	£263
WMCA (3 LEP)	**£30,257**	**£30,651**	**1.3%**	**£393**
United Kingdom	£31,487	£31,285	-0.6%	-£202

- Due to data availability, WMCA (3 LEP) has been excluded from analysis for resident part-time annual earnings analysis. The WM 7 Met. area part-time annual earnings were £11,334 in April 2021, this has decreased by 0.7% (-£82) since 2020. The UK increased by 0.6% (+£70) over this period to reach £11,310, meaning the WM 7 Met. area had higher part time earnings by £24.

- The Black Country LEP resident part time earnings decreased by 5.2% (-£612) to £11,142. Coventry and Warwickshire LEP increased by 3.8% (+£451) to reach £12,174 and Greater Birmingham and Solihull LEP increased by 0.4% (+£44) to reach £11,334.

Workplace Based

- Average full-time workplace annual earnings for WMCA (3 LEP) have risen by £546 (+1.9%) since April 2020 to reach £29,737 in April 2021, the UK decreased by 0.6%. The WMCA (3 LEP) workplace earnings are at 95.1% of the UK average, with the average workplace earning £1,548 less than the UK average of £31,285.

- Average full-time workplace annual earnings for the WM 7 Met. area were £30,972 in April 2021, an increase of 0.9% (+£290) from April 2020. The WM 7 Met. area full-time resident earnings stand at 99% of the UK average, with the average resident earning £313 less than the UK.

- Within the WMCA (3 LEP), the Black Country LEP workplace annual full-time earnings increased by 1.7% (+£470) to reach £28,887. Coventry and Warwickshire LEP increased by 0.8% (+£259) to reach £32,086 and Greater Birmingham and Solihull LEP increased by 2.0% (+£612) to reach £30,638.

- At local authority level within the WMCA (3 LEP), workplace full-time earnings vary from £25,372 in Nuneaton and Bedworth to £35,732 in Rugby in April 2021. Redditch had the highest increase from April 2020 by 17.5% which equates to £4,709 to reach £31,693 in April 2021. Solihull also reported high earnings growth between 2020 and 2021, rising by 14.3%. There were seven local authorities which experienced a decrease compared to April 2020, examples include; Sandwell by 0.4% (-£98 to £27,547), North Warwickshire by 2.0% (-£576 to £28,863), and Warwick by 9.5% (-£3,237 to £30,755).

- There were six local authorities within the WMCA (3 LEP) that were above the UK figure which can be seen in the following table.

The following table shows workplace earnings, 2020-2021:

	2020	2021	Percentage Change	Number Change
Birmingham	£33,023	£31,909	-3.4%	-£1,114
Bromsgrove	£28,625	£28,103	-1.8%	-£522
Cannock Chase	£26,197	£28,095	7.2%	£1,898
Coventry	£32,524	£33,566	3.2%	£1,042
Dudley	£29,083	£30,000	3.2%	£917
East Staffordshire	£29,367	£28,153	-4.1%	-£1,214
Lichfield	£27,329	£26,406	-3.4%	-£923
North Warwickshire	£29,439	£28,863	-2.0%	-£576
Nuneaton and Bedworth	£24,951	£25,372	1.7%	£421
Redditch	£26,984	£31,693	17.5%	£4,709
Rugby	£34,048	£35,732	4.9%	£1,684
Sandwell	£27,645	£27,547	-0.4%	-£98
Solihull	£31,065	£35,500	14.3%	£4,435
Stratford-on-Avon	£32,069	£32,483	1.3%	£414
Tamworth	£24,926	£25,614	2.8%	£688
Walsall	£28,559	£29,152	2.1%	£593
Warwick	£33,992	£30,755	-9.5%	-£3,237
Wolverhampton	£28,042	£28,408	1.3%	£366
Wyre Forest	£26,756	£27,646	3.3%	£890
WM 7 Met.	**£30,682**	**£30,972**	**0.9%**	**£290**
Black Country LEP	£28,417	£28,887	1.7%	£470
Coventry and Warwickshire LEP	£31,827	£32,086	0.8%	£259
Greater Birmingham and Solihull LEP	£30,026	£30,638	2.0%	£612
WMCA (3 LEP)	**£29,191**	**£29,737**	**1.9%**	**£546**
United Kingdom	£31,487	£31,285	-0.6%	-£202

- Due to data availability, WMCA (3 LEP) has been excluded from analysis for workplace part-time annual earnings analysis. The WM 7 Met. area part-time annual earnings were £11,641 in April 2021, this has decreased by 1.8% (-£209). The UK increased by 0.6% (+£70) over this period to reach £11,310, meaning the WM 7 Met. area had higher part time earnings by £331.

- The Black Country LEP resident part time earnings decreased by 7.0% (-£842) to £11,121. Coventry and Warwickshire LEP increased by 4.3% (+£511) to reach £12,269 and Greater Birmingham and Solihull LEP increased by 3.0% (+£325) to reach £11,242.

Regional National Minimum Wage and National Living Wage

- In April 2021, for the West Midlands region, there were approximately 99,000 employee jobs with employees aged 16 years and over who were paid below the National Minimum Wage (NMW) or National Living Wage (NLW). This accounts for 4.3% of employee jobs in the West Midlands, which is joint fourth highest rate with the East Midlands across all regions with Northern Ireland highest at 5.8% down to the lowest of 2.7% in London. The UK rate was 3.8% of employee jobs.

- For context in the West Midlands region, this compares with 188,000 (8.3% of employee jobs) in 2020 and 38,000 (1.6% of employee jobs) in 2019, reflecting the decrease in furloughed employees with reduced pay between 2020 and 2021 and approximately the 290,000 employees furloughed in April 2021.

Gender pay gap

Gender pay gap is defined as the difference between men's and women's hourly earnings as a percentage of men's earnings.

- In 2021, for the WM 7 Met. area, there was a higher median gender pay gap for work-based pay at 17.4% compared to 13.8% for home-based. Similar patterns can be seen for the Black Country LEP (13.3% vs 12.4%) and Greater Birmingham and Solihull LEP (19.1% vs 14.2%). While the Coventry and Warwickshire LEP had a higher median gender pay gap for home-based at 25.2% compared to 23.8% for work-based.

- Notably at local authority level within the WMCA, Tamworth had a negative work based median gender pay gap at -9.1% (women being paid higher than men on average) while for home based it was a positive 6.8% (men being paid higher than women on average).

The following table shows the gender pay gap for all employee jobs, 2021:

	Gender Pay Gap Median – Home Based	**Gender Pay Gap Median –Work Based**
Cannock Chase	14.1%	13.7%
East Staffordshire	21.3%	19.3%
Lichfield	9.3%	16.2%
Tamworth	6.8%	-9.1%
North Warwickshire	21.6%	12.1%
Nuneaton and Bedworth	18.7%	13.8%
Rugby	24.6%	34.6%
Stratford-on-Avon	30.8%	22.9%
Warwick	30.7%	16.6%
Birmingham	11.2%	20.0%
Coventry	28.4%	25.8%
Dudley	11.1%	18.3%
Sandwell	6.9%	0.7%
Solihull	25.0%	29.9%
Walsall	17.1%	15.4%
Wolverhampton	17.7%	13.4%
Bromsgrove	22.4%	16.5%
Redditch	13.6%	36.8%
Wyre Forest	12.9%	16.3%
West Midlands Met County	**13.8%**	**17.4%**
Black Country LEP	12.4%	13.3%

	Gender Pay Gap Median – Home Based	Gender Pay Gap Median –Work Based
Coventry and Warwickshire LEP	25.2%	23.8%
Greater Birmingham and Solihull LEP	14.2%	19.1%
West Midlands Region	15.4%	15.9%
United Kingdom	15.4%	15.4%

Gross Disposable Household Income, 2019 – Released October 2021[2]

Black Country Consortium Economic Intelligence Unit

Introduction

Gross Disposable Household Income (GDHI) is the amount of money that all of the individuals in the household sector have available for spending or saving after they have paid direct and indirect taxes and received any direct benefits. GDHI is a concept that is seen to reflect the "material welfare" of the household sector. GDHI estimates are produced in current prices.

It should be noted that these estimates relate to totals for all individuals within the household sector for a region rather than to an average household or family unit. GDHI per head are estimates of values for each person, not each household.

Key Points:

- The WMCA (3 LEP) total GDHI has increased from £72.9bn in 2018 to £75bn in 2019. This equates to a 2.8% (+£2.1bn) annual increase, below UK-wide growth of 3.1%.
- The WMCA (3 LEP) GDHI per head has increased from £17,483 in 2018 to £17,879 in 2019. This equates to a 2.3% (+£397) increase, slightly below the UK-wide growth of 2.5%. There is a shortfall of £3,554 to the UK figure (£21,433).
- The WM 7 Met. area total GDHI increased from £45.9bn in 2018 to £47.1bn in 2019. This represents a growth rate of 2.6%.
- The WM 7 Met. area GDHI per head increased from £15,738 in 2018 to £16,074 in 2019, representing 2.1% (+£336) growth. There is a shortfall of £5,359 compared to the UK.

Full Brief:

Total Gross Disposable Household Income (GDHI)

- The WMCA (3 LEP) total GDHI has increased from £72.9bn in 2018 to £75bn in 2019. This equates to a 2.8% (+£2.1bn) annual increase, below UK-wide growth of 3.1%.
- The WM 7 Met. area total GDHI increased from £45.9bn in 2018 to £47.1bn in 2019. This represents a growth rate of 2.6%. Compared to the other city regions, London had the highest percentage increase of 4.0%, followed by West of England combined authority with 3.9%. In contrast, North East combined authority increased by 2.3% and Sheffield City Region increased by 2.4%.
- Total GDHI increased across all 3 WMCA LEPs, with the Black Country increasing by 2.7% (+£489m) to £18.7bn, Coventry and Warwickshire by 3.0% (+£563m) to £19.5bn and Greater Birmingham and Solihull increasing by 2.9% (+£1bn) to £36.8bn.
- Within the WMCA (3 LEP) all local authorities experienced an increase in total GDHI between 2018 and 2019. Warwick had the highest percentage GDHI increase, reporting 8.0% growth (+£299m) to £4bn. Above UK-wide GDHI growth between 2018 and 2019 was also been experienced in Tamworth (+3.6%), Lichfield (+4.1%), East Staffordshire (+4.7%) and Redditch (+5.2%).

The following table shows total GDHI in the WMCA, 2018-2019 (figures are in millions):

	2018	2019	Change	Percentage Change
Bromsgrove	£2,372	£2,388	£16	0.7%
Redditch	£1,717	£1,806	£89	5.2%
Wyre Forest	£1,884	£1,928	£44	2.3%
North Warwickshire	£1,300	£1,312	£12	0.9%
Nuneaton and Bedworth	£2,355	£2,420	£65	2.8%
Rugby	£2,378	£2,404	£26	1.1%
Stratford-on-Avon	£3,593	£3,634	£41	1.1%
Warwick	£3,723	£4,022	£299	8.0%

[2] Source: Office for National Statistics (ONS): Regional Gross Disposable Household Income, UK: 1997 to 2019 – released October 2021

Cannock Chase	£1,769	£1,823	£54	3.1%
East Staffordshire	£2,260	£2,367	£107	4.7%
Lichfield	£2,312	£2,407	£95	4.1%
Tamworth	£1,366	£1,415	£49	3.6%
Birmingham	£17,097	£17,547	£450	2.6%
Solihull	£5,016	£5,133	£117	2.3%
Coventry	£5,584	£5,703	£119	2.1%
Dudley	£5,266	£5,382	£116	2.2%
Sandwell	£4,605	£4,748	£143	3.1%
Walsall	£4,372	£4,480	£108	2.5%
Wolverhampton	£3,960	£4,082	£122	3.1%
WM 7 Met.	**£45,900**	**£47,074**	**£1,174**	**2.6%**
Black Country	£18,203	£18,692	£489	2.7%
Coventry and Warwickshire	£18,933	£19,496	£563	3.0%
Greater Birmingham and Solihull	£35,793	£36,814	£1,021	2.9%
WMCA (3 LEP)	**£72,929**	**£75,002**	**£2,073**	**2.8%**
West Midlands Region	£105,915	£108,891	£2,976	2.8%
UK	£1,389,040	£1,431,678	£42,638	3.1%

Components of Total GDHI

In 2019, the WMCA (3 LEP) balance of primary incomes[3] totalled £82.8bn, the balance of secondary incomes[4] totalled -£7.8bn, leading to total GDHI of £75bn.

The following table shows a breakdown of GDHI components for 2019 across the WMCA (figures are in millions):

Transaction	WM 7 Met.	Black Country LEP	Coventry & Warwickshire LEP	Greater Birmingham & Solihull LEP	WMCA (3 LEP)
Operating surplus	£4,811	£1,793	£2,343	£4,016	£8,152
Mixed income	£3,885	£1,587	£1,511	£3,209	£6,307
Compensation of employees	£37,440	£14,893	£15,259	£28,442	£58,594
Property income, received	£6,127	£2,228	£3,595	£5,320	£11,143
Primary resources total	**£52,263**	**£20,500**	**£22,708**	**£40,988**	**£84,196**
Property income, paid	£839	£312	£408	£706	£1,426
Primary uses total	**£839**	**£312**	**£408**	**£706**	**£1,426**
Balance of primary incomes	**£51,424**	**£20,188**	**£22,300**	**£40,282**	**£82,770**
Imputed social contributions/Social benefits received	£14,586	£5,924	£5,066	£11,188	£22,178
Other current transfers, received	£1,625	£684	£616	£1,213	£2,513
Secondary resources total	**£16,211**	**£6,608**	**£5,682**	**£12,401**	**£24,691**
Current taxes on income, wealth etc	£6,803	£2,543	£3,274	£5,665	£11,482
Social contributions/Social benefits paid	£11,647	£4,677	£4,426	£8,643	£17,746
Other current transfers, paid	£2,111	£884	£785	£1,560	£3,229

[3] The allocation of primary income account for the household sector reflects incomes and outgoings arising as part of the production process or through the ownership of assets required for production. Balance of primary income = primary resources less primary uses.
[4] The secondary distribution of income account reflects money transferred to, or from, households unrelated to a productive activity. This includes government redistribution of primary income and traces the various transfers that occur subsequent to the allocation of primary income. Balance of secondary income = secondary resources less secondary uses.

Secondary uses total	**£20,561**	**£8,104**	**£8,486**	**£15,869**	**£32,459**
Balance of secondary income	**-£4,350**	**-£1,496**	**-£2,803**	**-£3,468**	**-£7,767**
Gross Disposable Income	**£47,074**	**£18,692**	**£19,496**	**£36,814**	**£75,002**

GDHI per Head

- The WMCA (3 LEP) GDHI per head has increased from £17,483 in 2018 to £17,879 in 2019. This equates to a 2.3% (+£397) increase, slightly below the UK-wide growth of 2.5%. There is a shortfall of £3,554 to the UK figure (£21,433).

- The WM 7 Met. area GDHI per head increased from £15,738 in 2018 to £16,074 in 2019, representing 2.1% (+£336) growth. There is a shortfall of £5,359 compared to the UK.

- Total GDHI per person increased across all 3 WMCA LEPs, with the Black Country increasing by 2.2% (+£338) to £15,591, Coventry and Warwickshire by 1.7% (+£345) to £20,534 and Greater Birmingham and Solihull increasing by 2.5% (+£445) to £17,988.

- Within the WMCA (3 LEP), Warwick had the highest percentage GDHI per person increase, reporting 7.1% growth (+£1,848) to £27,980, which is £6,547 above the UK. In contrast, GDHI per person decreased in three local authorities: Stratford-on-Avon (-0.8%), Bromsgrove (-0.5%) and Rugby (-0.5%). Although all three local authorities GDHI per head remains above the UK-wide figure in 2019. While Sandwell had the third lowest GDHI per head across all ITL3 areas in the UK in 2019.

The following table shows total GDHI per head and gap to the UK in the WMCA, 2018-2019:

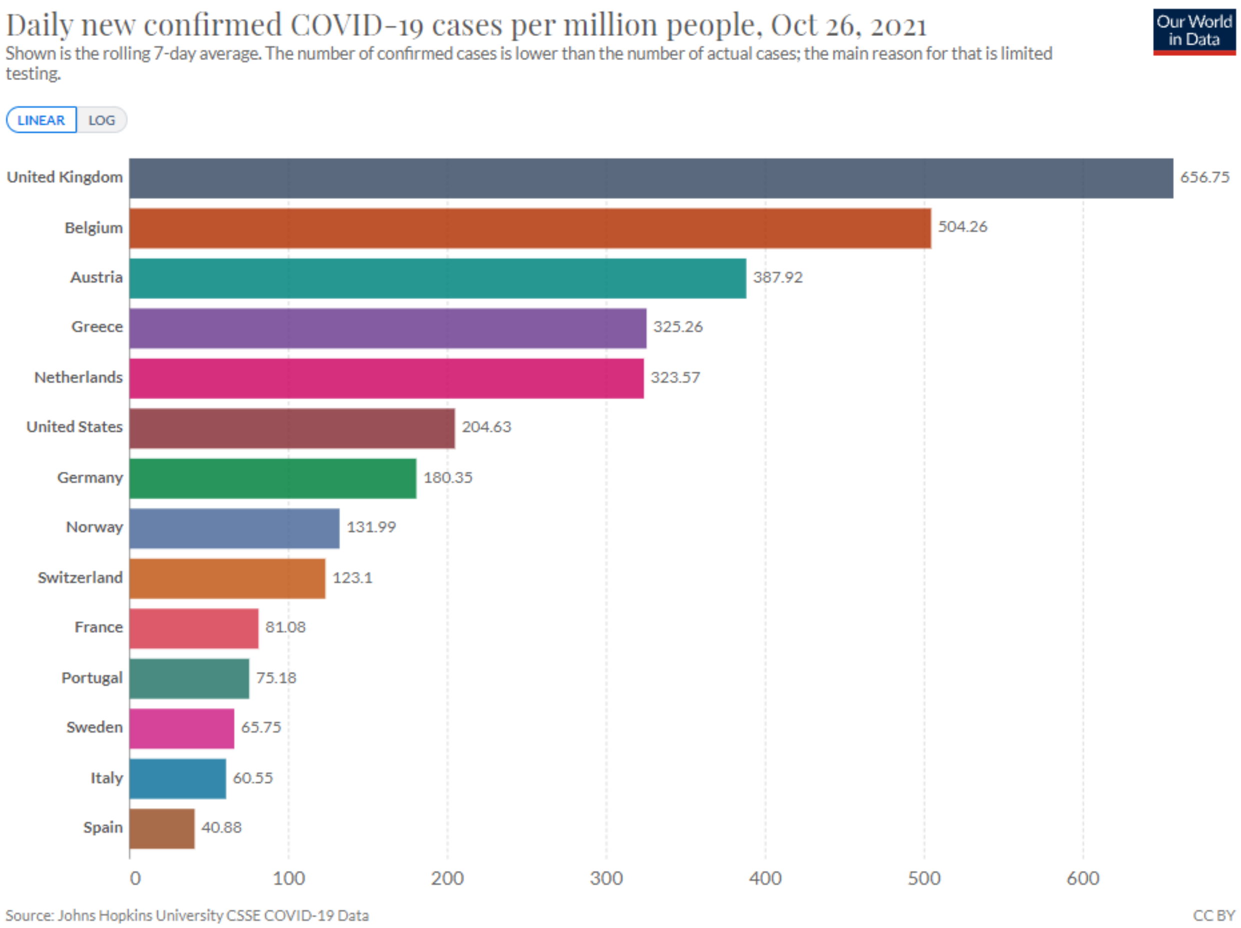
	2018	2019	Change	Percentage Change	2019 Gap to UK
Bromsgrove	£24,041	£23,909	-£132	-0.5%	£2,476
Redditch	£20,202	£21,187	£985	4.9%	-£246
Wyre Forest	£18,644	£19,037	£393	2.1%	-£2,396
North Warwickshire	£20,046	£20,109	£63	0.3%	-£1,324
Nuneaton and Bedworth	£18,268	£18,636	£368	2.0%	-£2,797
Rugby	£22,180	£22,071	-£109	-0.5%	£638
Stratford-on-Avon	£28,161	£27,934	-£227	-0.8%	£6,501
Warwick	£26,132	£27,980	£1,848	7.1%	£6,547
Cannock Chase	£17,670	£18,096	£426	2.4%	-£3,337
East Staffordshire	£19,059	£19,763	£704	3.7%	-£1,670
Lichfield	£22,236	£22,974	£738	3.3%	£1,541
Tamworth	£17,821	£18,446	£625	3.5%	-£2,987
Birmingham	£14,979	£15,368	£389	2.6%	-£6,065
Solihull	£23,342	£23,722	£380	1.6%	£2,289
Coventry	£15,225	£15,350	£125	0.8%	-£6,083
Dudley	£16,424	£16,735	£311	1.9%	-£4,698
Sandwell	£14,066	£14,454	£388	2.8%	-£6,979
Walsall	£15,428	£15,694	£266	1.7%	-£5,739
Wolverhampton	£15,113	£15,500	£387	2.6%	-£5,933
WM 7 Met.	**£15,738**	**£16,074**	**£336**	**2.1%**	**-£5,359**
Black Country LEP	£15,253	£15,591	£338	2.2%	-£5,842
Coventry & Warwickshire LEP	£20,189	£20,534	£345	1.7%	-£899
Greater Birmingham & Solihull LEP	£17,543	£17,988	£445	2.5%	-£3,445
WMCA (3 LEP)	**£17,483**	**£17,879**	**£397**	**2.3%**	**-£3,554**
West Midlands Region	£17,949	£18,350	£401	2.2%	-£3,083
UK	£20,908	£21,433	£525	2.5%	

Infection Rates and Vaccine Update

Alice Pugh WMREDI/WMCA

The UK has seen a resurgence in infection rates, and the daily new cases confirmed in the UK is now the highest out of the selected European countries in the graph below. In recent weeks Covid cases have been rapidly increasing, and as winter nears the NHS is beginning to feel the pressure of rising Covid cases, alongside other illnesses associated with winter.

Since 31 December 2019 and as of week 2021-41, **241 366 720 cases** of COVID-19 (in accordance with the applied case definitions and testing strategies in the affected countries) have been reported, including **4 903 963 deaths**.

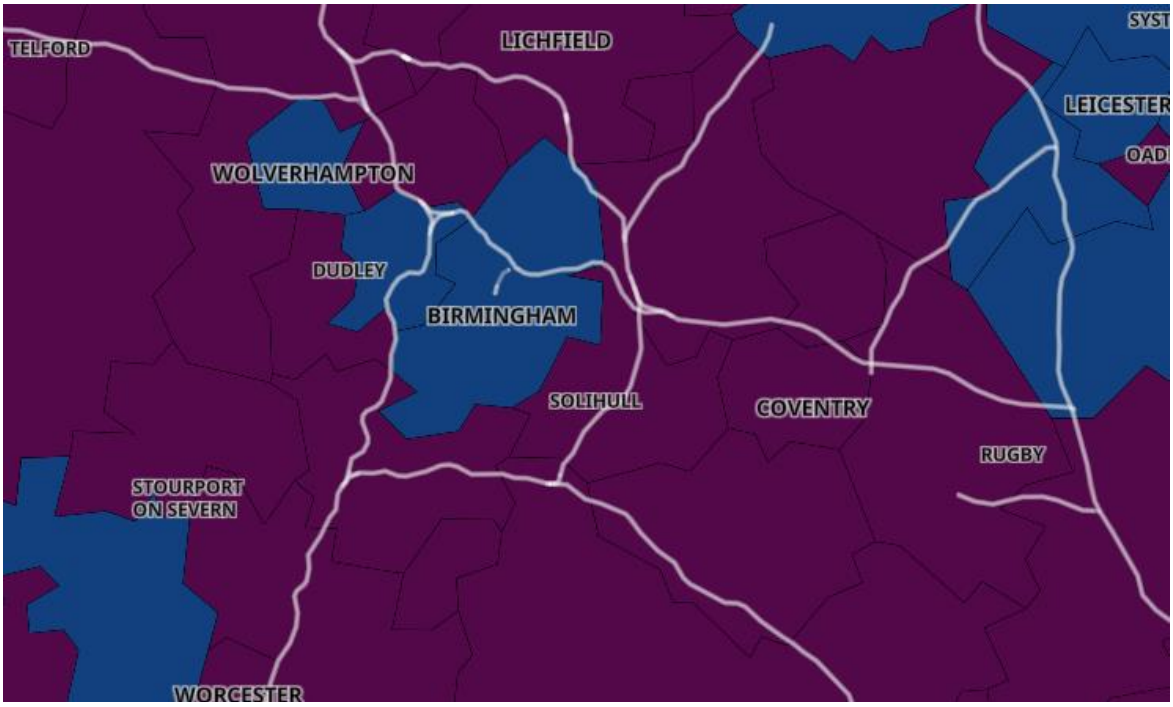


Latest ONS infection survey data (22nd October 2021 next release 29th October 2021) states:

- In England, the percentage of people testing positive for coronavirus (COVID-19) continued to increase in the week ending 16 October 2021; we estimate that 977,900 people in England had COVID-19 (95% credible interval: 926,600 to 1,028,800), equating to around 1 in 55 people.
- In Wales, the percentage of people testing positive for COVID-19 increased in the two weeks up to 16 October 2021, but the trend was uncertain in the week ending 16 October 2021; we estimate that 70,300 people in Wales had COVID-19 (95% credible interval: 57,800 to 84,400), equating to around 1 in 45 people.
- In Northern Ireland, the percentage of people testing positive for COVID-19 decreased in the two weeks up to 16 October 2021, but the trend was uncertain in the week ending 16 October 2021; we estimate that 13,900 people in Northern Ireland had COVID-19 (95% credible interval: 9,100 to 19,600), equating to around 1 in 130 people.
- In Scotland, the percentage of people testing positive for COVID-19 continued to decrease in the week ending 16 October 2021; we estimate that 60,100 people in Scotland had COVID-19, (95% credible interval: 47,600 to 74,300) equating to around 1 in 90 people.

The WM Weekly monitor is funded by the West Midlands Combined Authority, Research England/UKRI

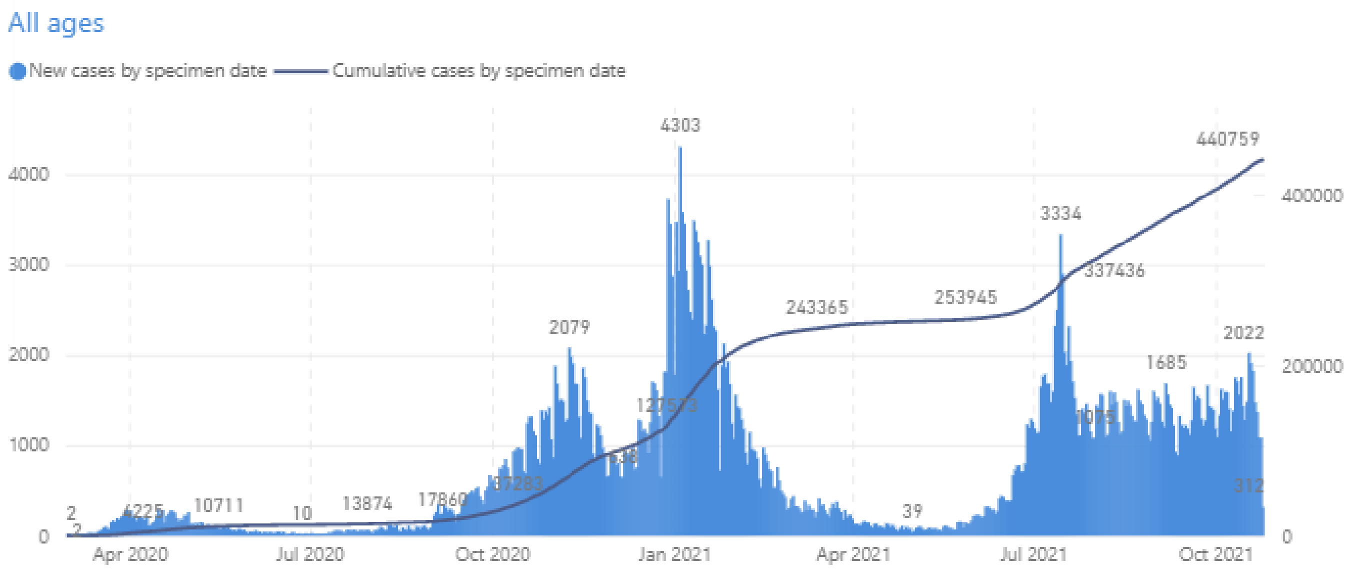
The map below displays weekly data, which are updated every day [here.](#) Seven–day rolling rate of new cases by specimen date ending on 23rd September 2021.



Regional Data

[The Coventry, Solihull and Warwickshire Epidemiology and Intelligence Cell](#) have created a dashboard which looks at covid data on a regional level. Data below:

Date	New cases by specimen date	New cases by publish date	Cumulative cases by specimen date	Cases in the last 7 days	Rate per 100,000 in the last 7 days
25 October 2021	312	1428	440759	2	0.07
24 October 2021	1078	1133	440447	2	0.07
23 October 2021	1083	1479	439369	2	0.07
22 October 2021	1368	1845	438286	11354	387.69
21 October 2021	1471	2015	436918	11420	389.95
20 October 2021	1824	1714	435447	11706	399.71
19 October 2021	1906	1472	433623	11441	390.67
18 October 2021	2022	1667	431717	11245	383.97
17 October 2021	1483	1571	429695	10975	374.75
16 October 2021	1280	1945	428212	10873	371.27
15 October 2021	1434	1543	426932	10744	366.87



As can be seen from the charts below in the first lockdown infections were higher in the older age groups, whereas now younger people are being infected (nb there will be some effect from higher testing but symptomatic cases presenting for testing are also more prevalent now).

Covid 19 Hospital Activity

A number of data collections have been implemented to support incident management. The collections were activated at short notice and the content of the collections has evolved as the incident has developed. The data collected is classified as management information. It has been collected on a daily basis with a tight turn round time. No revisions have been made to the dataset. Any analysis of the data should be undertaken with this in mind.

Total reported admissions to hospital and diagnoses in hospital

The table below shows the latest daily rates

Name	10-Oct-21	11-Oct-21	12-Oct-21	13-Oct-21	14-Oct-21	15-Oct-21	16-Oct-21	17-Oct-21	18-Oct-21	19-Oct-21	20-Oct-21	21-Oct-21	22-Oct-21	23-Oct-21	24-Oct-21
ENGLAND	**606**	**685**	**760**	**752**	**730**	**752**	**743**	**828**	**896**	**894**	**903**	**799**	**760**	**756**	**829**
East of England	72	71	53	58	68	58	84	95	79	91	83	73	69	97	98
London	58	75	93	97	105	99	100	106	94	105	101	71	109	93	96
Midlands	116	154	149	138	142	163	159	137	148	188	170	173	149	129	131
North East and Yorkshire	130	131	166	175	160	143	151	161	223	166	194	180	137	154	173
North West	85	102	116	106	109	132	90	126	132	121	158	121	149	100	119
South East	74	77	94	81	75	89	81	98	102	123	100	83	82	87	119
South West	71	75	89	97	71	68	78	105	118	100	97	98	65	96	93

Mechanical Ventilation beds - occupied by confirmed COVID-19 patients

Name	13-Oct-21	14-Oct-21	15-Oct-21	16-Oct-21	17-Oct-21	18-Oct-21	19-Oct-21	20-Oct-21	21-Oct-21	22-Oct-21	23-Oct-21	24-Oct-21	25-Oct-21	26-Oct-21
ENGLAND	**657**	**655**	**673**	**681**	**695**	**703**	**733**	**746**	**750**	**746**	**728**	**745**	**776**	**803**
East of England	60	61	66	58	61	72	83	86	87	82	68	75	84	85
London	143	137	149	155	155	154	160	154	157	153	154	157	156	161
Midlands	131	133	129	136	143	139	139	140	148	153	161	162	162	165
North East and Yorkshire	123	128	124	125	119	118	133	130	127	129	138	140	145	150
North West	98	93	98	95	100	98	91	103	102	95	85	90	99	110
South East	51	51	59	61	63	62	67	68	68	72	68	68	72	72
South West	51	52	48	51	54	60	60	65	61	62	54	53	58	60

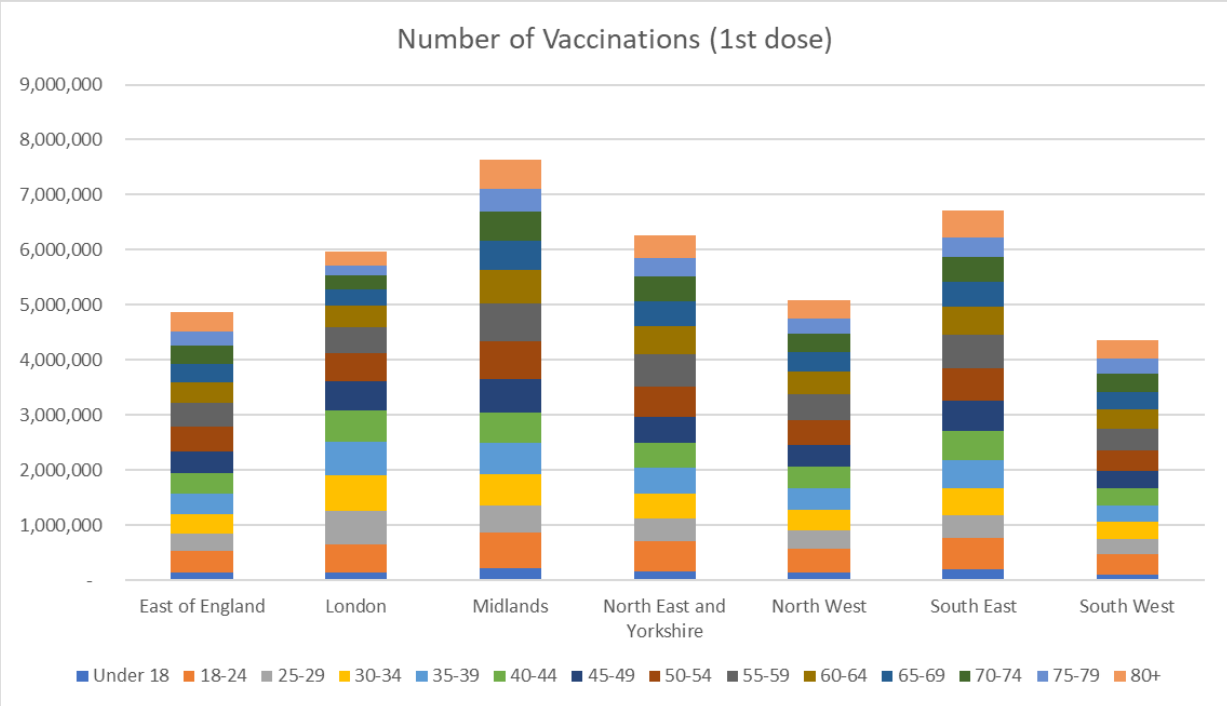
Total beds - occupied by confirmed COVID-19 patients (as at 08:00)

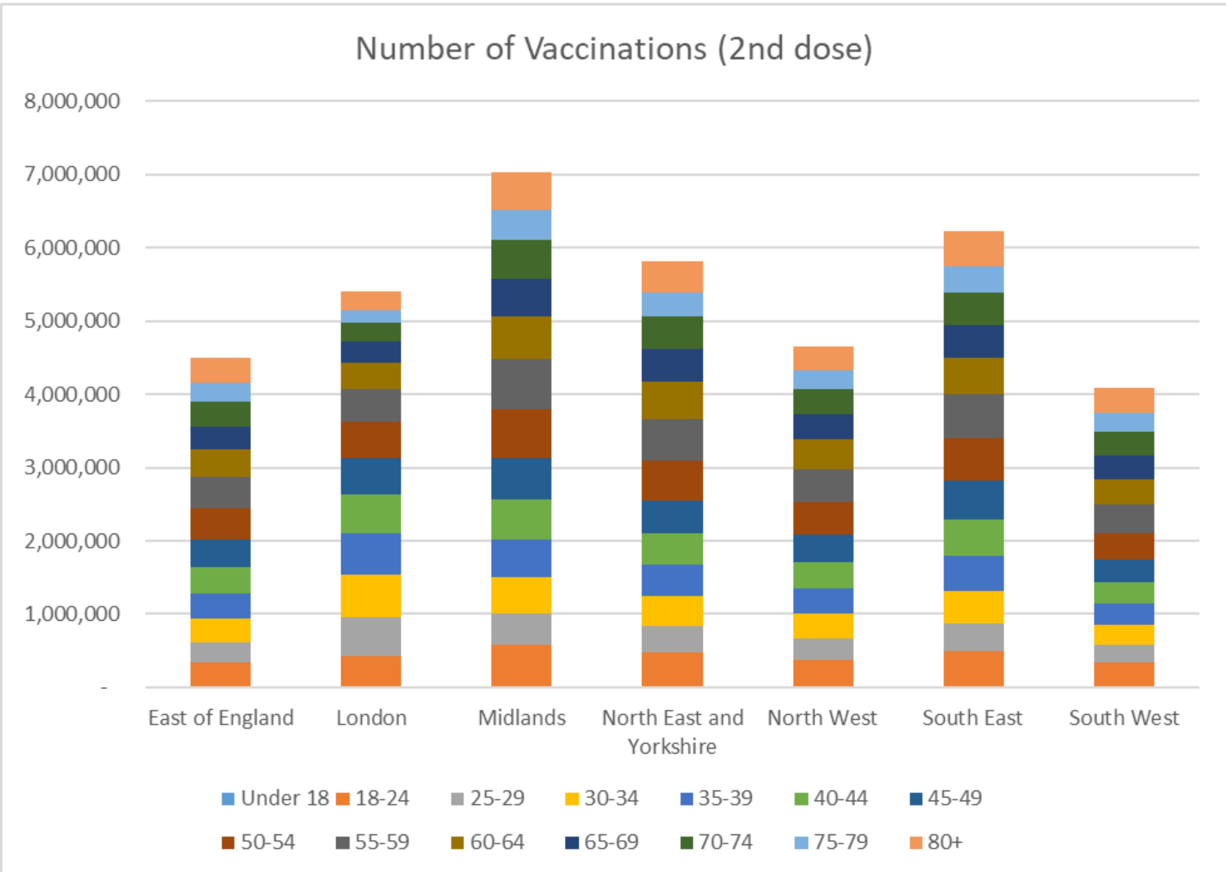
Name	13-Oct-21	14-Oct-21	15-Oct-21	16-Oct-21	17-Oct-21	18-Oct-21	19-Oct-21	20-Oct-21	21-Oct-21	22-Oct-21	23-Oct-21	24-Oct-21	25-Oct-21	26-Oct-21
ENGLAND	**5,246**	**5,289**	**5,363**	**5,385**	**5,623**	**5,938**	**6,099**	**6,299**	**6,366**	**6,405**	**6,386**	**6,515**	**6,801**	**6,883**
East of England	442	446	461	455	476	546	567	584	615	612	570	626	684	685
London	849	864	879	882	896	918	965	959	979	969	993	1,003	1,044	1,046
Midlands	1,086	1,075	1,099	1,119	1,161	1,198	1,219	1,263	1,253	1,289	1,291	1,308	1,331	1,331
North East and Yorkshire	1,141	1,153	1,156	1,156	1,188	1,259	1,275	1,312	1,302	1,318	1,313	1,293	1,340	1,381
North West	827	830	825	834	891	919	913	958	977	990	993	1,012	1,044	1,048
South East	468	477	497	487	542	578	611	652	675	669	678	717	761	792
South West	433	444	446	452	469	520	549	571	565	558	548	556	597	600

The WM Weekly monitor is funded by the West Midlands Combined Authority, Research England/UKRI

Vaccine Update

Between the 8th December 2020 and the [7th October 2021](), the Midlands has successfully vaccinated **7,380,915** people with the first dose and **6,491,598** of these individuals have received the second dose as well. Meaning the Midlands has successfully provided the most jabs out of any region including London.





	% who have had both doses (using ONS denominators)[6,9]												
	18-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70-74	75-79	80+
Total	62.3%	66.9%	75.3%	79.9%	86.8%	85.7%	91.5%	94.4%	96.9%	95.4%	95.1%	100%*	94.3%
East of England	67.9%	71.4%	77.1%	81.0%	88.1%	87.3%	92.4%	95.7%	97.5%	95.3%	95.0%	100%*	94.6%
London	56.8%	70.4%	70.4%	71.5%	79.3%	82.9%	85.6%	88.7%	90.3%	89.3%	88.7%	92.7%	83.7%
Midlands	58.8%	60.0%	72.1%	79.2%	86.5%	84.7%	92.2%	94.1%	97.7%	95.4%	96.0%	100%*	95.9%
North East and Yorkshire	59.7%	62.2%	73.3%	80.4%	87.3%	84.6%	92.2%	94.9%	97.1%	96.6%	96.8%	100%*	95.0%
North West	58.1%	60.6%	70.7%	78.6%	86.2%	84.0%	91.1%	94.2%	97.6%	96.2%	95.8%	100%*	94.6%
South East	66.8%	72.2%	82.9%	85.4%	90.3%	87.8%	92.7%	95.6%	97.9%	96.3%	94.6%	100%*	94.8%
South West	70.1%	74.0%	82.6%	86.3%	91.7%	87.6%	93.0%	96.3%	97.8%	95.6%	95.8%	100%*	97.3%

Weekly Deaths Registered: 15th October 2021
Black Country Consortium Economic Intelligence Unit

The following analysis compares the latest available time period (the week of the 15th October 2021) to the previous week period (the week of the 8th October 2021) for the number of deaths registered and the number of deaths registered related to the Coronavirus[5].
Across England and Wales, the overall registered death figures increased from 10,807 in the week of the 8th October 2021 to 11,177 in the week of 15th October 2021. The number of deaths registered that state Coronavirus on the death certificate increased from 666 people to 713 people over the same period.

Regional level analysis shows that the West Midlands' overall registered death figures increased from 1,171 people in the week of 8th October 2021 to 1,196 in the week of 15th October 2021. The number of registered deaths related to Coronavirus increased from 60 people to 83 people over the same period.

There was a total of 784 deaths registered across the WMCA (3 LEP) area in the week of the 15th October 2021. There were 58 deaths registered that were related to Coronavirus over the same period. In comparison to the week of the 8th October 2021, the overall registered death figures in the WMCA (3 LEP) area increased by 11, with the number of registered deaths related to Coronavirus increasing by 21 people.

At local authority level in the week of the 15th October 2021, there was only one in the WMCA (3 LEP) area that had no registered deaths related to the Coronavirus, this was North Warwickshire. Of the 58 registered Coronavirus related deaths; Birmingham accounted for 17 deaths, Coventry accounted for 6 deaths and Sandwell accounted for 6 of the registered deaths.

Of the 58 registered Coronavirus deaths in the WMCA (3 LEP) involving Coronavirus in the week of the 15th October 2021, 52 were in registered in a hospital, 4 deaths were registered at home and 2 deaths were registered at a care home.

Place and number of deaths registered that are related to Coronavirus in the week of 15th October 2021:

	Care home	Elsewhere	Home	Hospice	Hospital	Other communal establishment	Total
Cannock Chase	0	0	0	0	1	0	1
East Staffordshire	0	0	0	0	1	0	1
Lichfield	0	0	0	0	3	0	3
Tamworth	0	0	1	0	0	0	1
North Warwickshire	0	0	0	0	0	0	0
Nuneaton and Bedworth	0	0	0	0	2	0	2
Rugby	0	0	0	0	2	0	2
Stratford-on-Avon	0	0	0	0	1	0	1
Warwick	0	0	0	0	2	0	2
Bromsgrove	0	0	0	0	2	0	2
Redditch	1	0	0	0	0	0	1
Wyre Forest	0	0	0	0	1	0	1
Birmingham	0	0	2	0	15	0	17
Coventry	0	0	0	0	6	0	6
Dudley	0	0	0	0	3	0	3
Sandwell	0	0	1	0	4	0	5
Solihull	1	0	0	0	3	0	4
Walsall	0	0	0	0	3	0	3
Wolverhampton	0	0	0	0	3	0	3
WM 7 Met.	**1**	**0**	**3**	**0**	**37**	**0**	**41**
Black Country LEP	0	0	1	0	13	0	14
Coventry & Warwickshire LEP	0	0	0	0	13	0	13
Greater Birmingham & Solihull LEP	2	0	3	0	26	0	31
WMCA (3 LEP)	**2**	**0**	**4**	**0**	**52**	**0**	**58**

[5] Please note that up-to-date counts of the total numbers of deaths involving COVID-19 are published by Public Health England (PHE) -ONS figures differ from the PHE counts as the latter include deaths which have not yet been registered.
Source: ONS, Death registrations and occurrences by local authority and health board, 26th October 2021

The WM Weekly monitor is funded by the West Midlands Combined Authority, Research England/UKRI

ONS Weekly Release Indicators

Black Country Consortium Economic Intelligence Unit

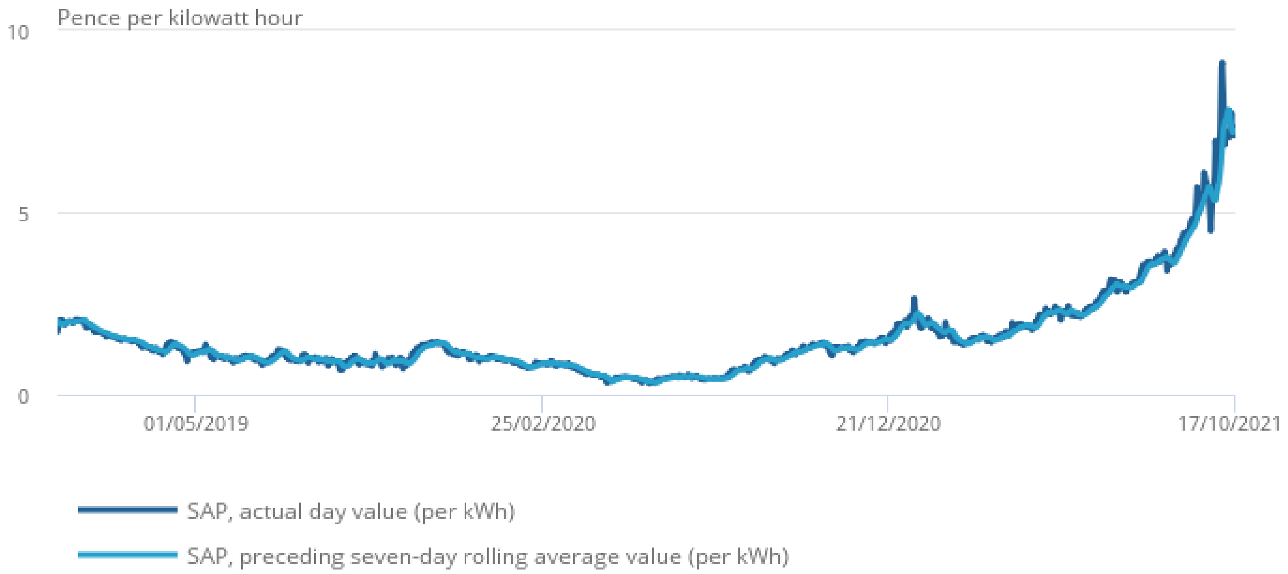
On the 21st October 2021, Office for National Statistics (ONS) released 'economic activity and social change in the UK, real-time indicators'. These statistics are experimental and have been devised to provide timely information. The following information contains System Average Price (SAP) of gas, online job adverts, footfall data, final results from Wave 41 of the Business Insights and Conditions Survey (BICS), national company incorporations, voluntary and compulsory dissolutions and results from Wave 76 of the Opinions and Lifestyle Survey (OPN).

System Average Price (SAP) of Gas

System Average Price (SAP) of gas is the average price of all gas traded through the balancing market. Market participants post bids or offers for volumes of gas as day-ahead and within-day trades. The SAP aggregates the trades conducted on the On-the-Day Commodity Market (OCM). This is the market that National Grid use in their role as residual balancer. Other markets exist for wholesale gas trading in Great Britain. The data can be used to understand the general trend of gas prices within the UK, however, should be treated with caution as these can be subject to extreme within-day trading prices and may skew actual traded prices. It must also be noted that while these prices reflect spot prices on the day, traders can opt for futures contracts where the buyer and the seller agree the market-determined price for gas for a future date. The daily SAP is used to determine the futures price and is therefore a useful indicator of supply constraints and demand pressures.

Since the start of 2021, the seven-day rolling average SAP has been steadily increasing. The price has almost tripled since the start of the year, with an increase of 293% since 1st January 2021, and it has increased by 115% since 1st August 2021. However, in the latest week the SAP preceding seven-day average decreased by 6% to 7.262 pence per kilowatt hour. This is the largest weekly fall since 28th February 2021 but follows 13 consecutive weeks of price increases.

The following chart shows System average price, pence per kilowatt hour, 1st January 2019 to 17th October 2021, UK (non-seasonally adjusted):



Source: National Grid

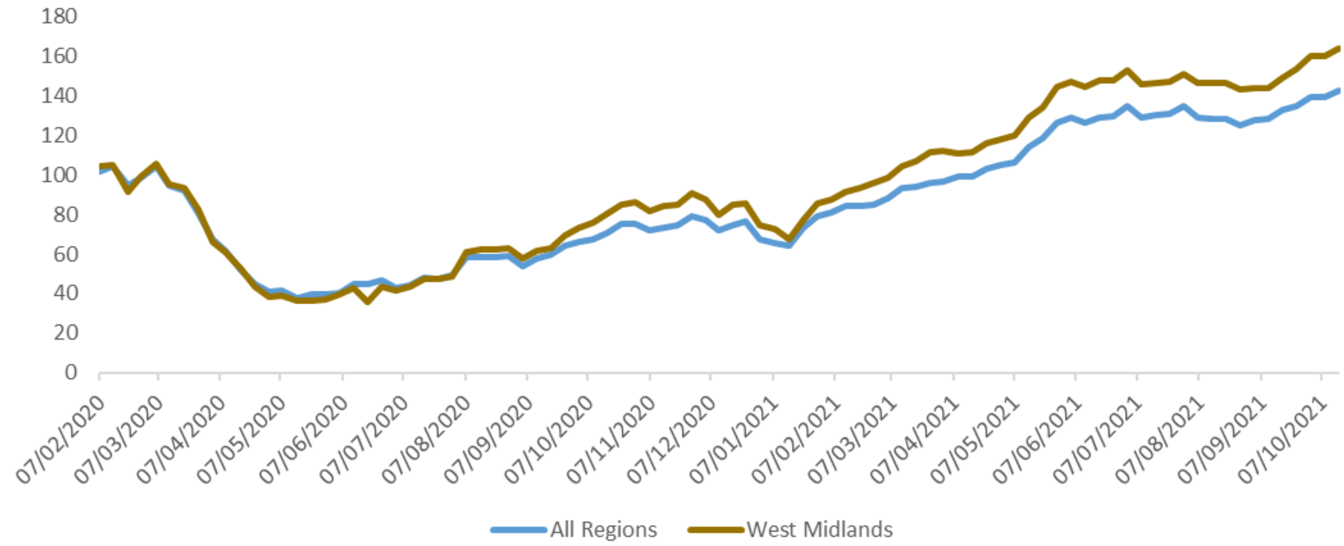
Online Job Adverts

These experimental figures are taken from online jobs adverts provided by Adzuna. The Adzuna categories do not correspond to SIC categories and therefore not comparable with the ONS Vacancy Survey. Please note, Index of job adverts on Adzuna by category, 100 = average job adverts in February 2020.

Nationally, between the 8th and 15th October 2021, total online job adverts increased by 3.1 percentage points. On the 15th October 2021, total online job adverts were at 142.6% of their average level in February 2020. Out of the 28 categories (excluding unknown) 8 decreased from the previous week, the highest decrease was 'domestic help' by 29.3 percentage points (to 216.5%). While at the other end of the scale, the highest increase by 38.0 percentage points was in 'sales' (to 149.6%). Of the 28 categories, there were two categories that were below their February 2020 levels these were; 'energy/ oil and gas' (86.6%) and 'legal' (97.1%), notably in contrast, 'transport/logistics/warehouse was at 401.8% of their average level in February 2020 on the 15th October 2021.

Out of the 12 regions, 7 increased between 8th and the 15th October 2021. From the previous week, the West Midlands region online job adverts increased by 3.9 percentage points, which was the second highest increased (behind East Midlands at 4.7 percentage point increase to 169.1% of the average level in February 2020). On the 15th October 2021, total online job adverts for the West Midlands were at 163.8% of their average level in February 2020. All 12 regions were above their February 2020 levels, varying from; 124.6% in London to 191.5% in the North East.

The following chart shows the index of job adverts on Adzuna by category, 100 = average job adverts in February 2020, overall all regions and the West Midlands region, 7th February 2020 to 15th October 2021:



Footfall

According to Springboard, Overall retail footfall in the UK fell slightly by 1% in the week to 16th October 2021, and was 86% of the level seen in the equivalent week of 2019. For high streets footfall remained unchanged from the previous week and was 85% of the level seen in the equivalent week of 2019. Retail parks fell slightly by 1% from the previous week and was 97% of the level seen in the equivalent week of 2019 and shopping centres decreased by 2% from the previous week and was 79% of the level seen in the equivalent week of 2019.

In the week to 16th October 2021, retail footfall saw a week-on-week fall in 7 out of the 10 UK countries and English regions, the largest occurring in the East, the East Midlands and the South East, which all fell by 2%, when compared with the previous week. The largest week-on-week increase was in Scotland where footfall rose by 4%, partially driven by a 7% increase in high street footfall.

In the same week, relative to the levels seen in the equivalent week of 2019, retail footfall was strongest in the South West at 93% followed by the South East at 90%. In contrast, retail footfall was weakest in Northern Ireland (81%), the East Midlands (82%) and Scotland (82%).

National Company Incorporations, Voluntary and Compulsory Dissolutions

Companies House data shows for the UK, there were 14,144 company incorporations in the week to 15th October 2021. This is up from 13,567 recorded in the previous week, lower when compared to the same week in 2020 (16,821) but slightly higher than the same week in 2019 (14,107).

For the week to 15th October 2021, there were 6,678 voluntary dissolution applications, an increase from 5,464 recorded in the previous week. The number of voluntary dissolution applications was also higher than levels seen in the same week of 2020 (4,974) and the same week in 2019 (5,898).

There were 11,568 compulsory dissolution first gazettes (a notice issued by Companies House indicating their intention to remove a company from the register) in the week to 12th October 2021.

Business Insights and Conditions Survey

The final results from Wave 41 of the Business Insights and Conditions Survey (BICS) based off the 5,054 businesses surveyed across the West Midlands that businesses have a presence in with a response rate of 24.0% (1,214) and 2.989 businesses that are head quartered in the West Midlands, with a response rate of 22.4% (670). Please note, businesses were asked for their experiences for the reference period 20th September to 3rd October 2021. However, for questions regarding the last two weeks, businesses may respond from the point of completion of the questionnaire (4th to 17th October 2021). Also, the data used is unweighted for regions and response levels can be low so the following results should be treated with caution when evaluating the impact of COVID-19. Due to weighted data being available for the UK a comparison has not been included.

Trading and Financial Performance

98.8% of responding West Midlands businesses were trading over the reference period.

Businesses were asked how their turnover for the last two weeks compared to normal expectations for the time of year. Excluding 'not sure' responses, 25.8% of trading businesses in the West Midlands reported their turnover had decreased by at least 20%. However, 46.8% of trading businesses in the West Midlands reported that their turnover was unaffected and approximately 16.2% reported their turnover had increased by at least 20%.

Excluding 'not sure' responses, 42.2% of responding West Midlands businesses reported the main reason for the change in the business turnover in the last two weeks was due to COVID-19. While 2.1% reported the main reason as the end of the EU transition period, 15.0% reported that it was due to COVID-19 and the end of the EU transition period and 24.0% reported the reason as other.

International Trading

Businesses were asked in the last two weeks, had their businesses exporting or importing of goods or services been affected when compared to normal expectations for the time of year. Excluding 'not sure' responses, 23.4% of exporting businesses in the West Midlands reported their businesses were still exporting but less than normal. Of those businesses who continued to trade and import, 18.7% in the West Midlands were importing less than normal.

60.4% of West Midlands businesses who were exporting reported that they had not been affected and 65.3% reported that importing had not been affected.

2.3% of businesses in the West Midlands are exporting more than normal and 3.6% are importing more than normal.

2.3% of businesses in the West Midlands have not been able to export in the last two weeks and less than 1% of West Midlands businesses have not been able to import in the last two weeks.

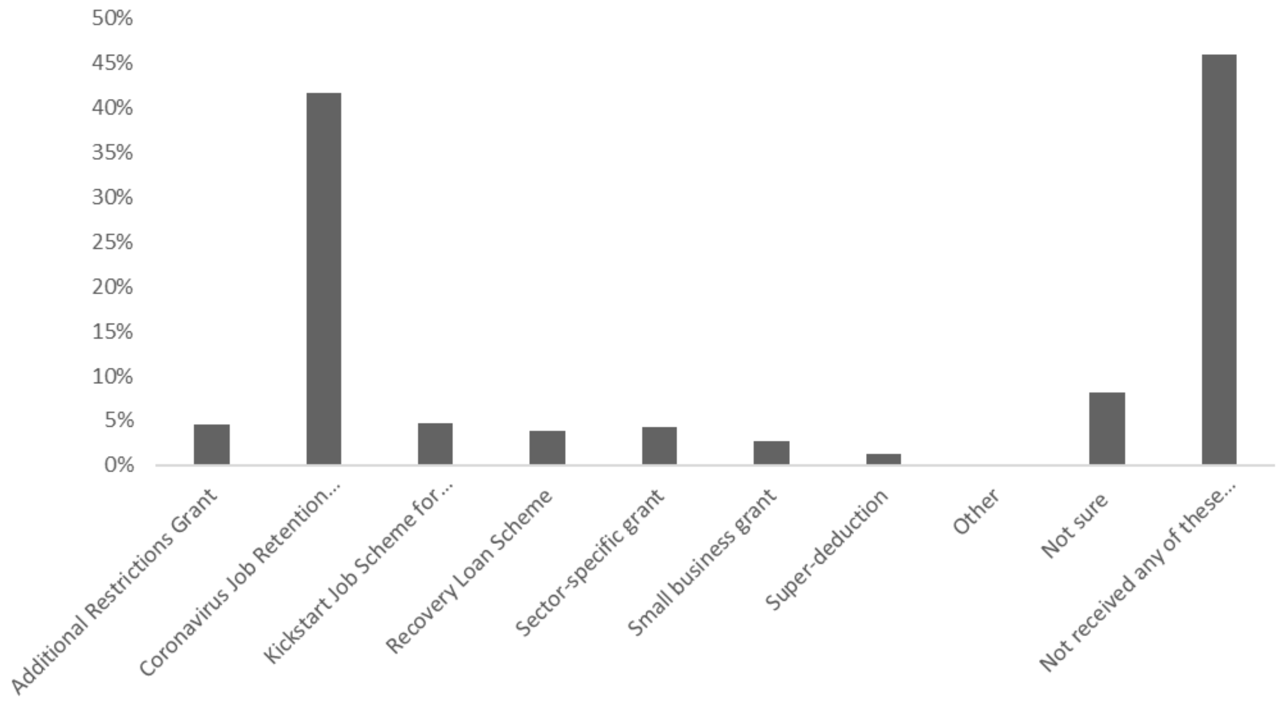
GB Landbridge

Businesses were asked what best described the business's use of the GB landbridge over the past 12 months, excluding 'not sure' or 'not applicable' responses, 34.2% of West Midlands businesses reported they had never used the GB landbridge. Less than 1% of responding West Midlands businesses reported they had stopped using it and 2.2% reported to currently using the GB landbridge.

Finance Agreements and Grant Payments

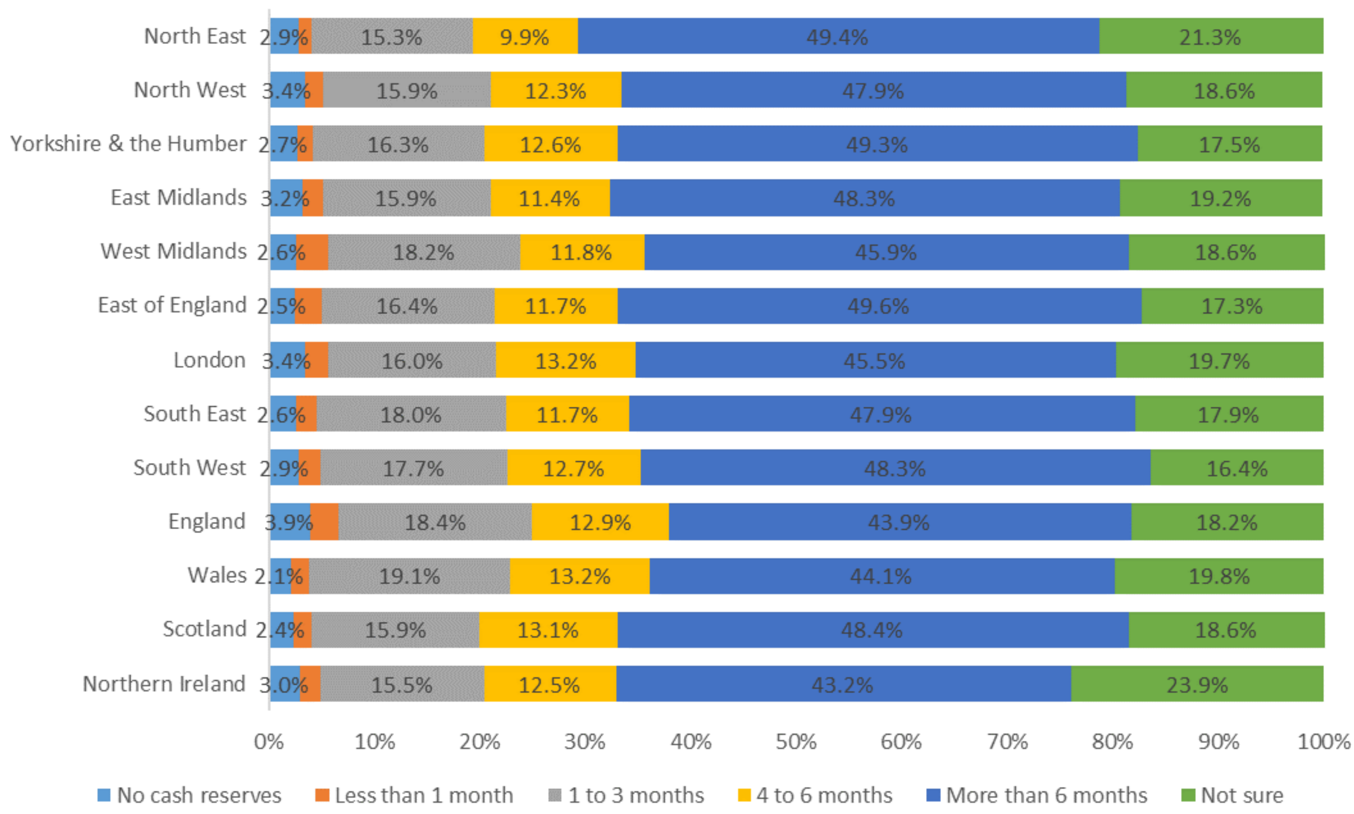
31.8% of West Midlands businesses have received government-backed loans or finance agreements during COVID-19. In the last month, 41.6% of responding West Midlands businesses have received payment from the Coronavirus Job Retention Scheme.

The following graph shows (if known or applicable) what grant or scheme West Midlands businesses have received payment from in the last month:



Cash Reserves
2.6% of responding West Midlands businesses that have not permanently stopped trading have no cash reserves.

The following graph shows across the UK regions how long cash reserves will last:



Business Confidence, Debts and Insolvency
In the West Midlands, 73.7% of responding businesses had high confidence in surviving over the next three months. 18.9% had moderate confidence of survival, less than 1% had low confidence or no confidence and 5.9% were not sure.

Businesses were asked over the last month how the businesses debt repayment compared with turnover, excluding 'not sure' responses, less than 1% of West Midlands businesses reported repayments were more than 100% of turnover with 2.4% reporting repayment was between 50% and 100% of turnover. 3.5% of West Midlands businesses reported repayments were between 20% and 50% of turnover and 23.5% reported repayments were up to 20% of turnover. 39.2% of responding West Midlands businesses reported no repayments.

Excluding 'not sure' or do not have any debt obligations' responses, 52.7% of West Midlands businesses have high confidence that the business will meet its debt obligation and 17.0% have moderate confidence. While 1.0% of responding West Midlands have low confidence to meeting the debt obligations and less than 1% have no confidence.

Excluding 'not sure' responses, less than 1% of responding West Midlands businesses reported they were at severe risk from insolvency and 5.6% of West Midlands businesses reported they were at moderate risk. 50.3% of West Midlands businesses reported a low risk of insolvency and 33.8% reported no risk.

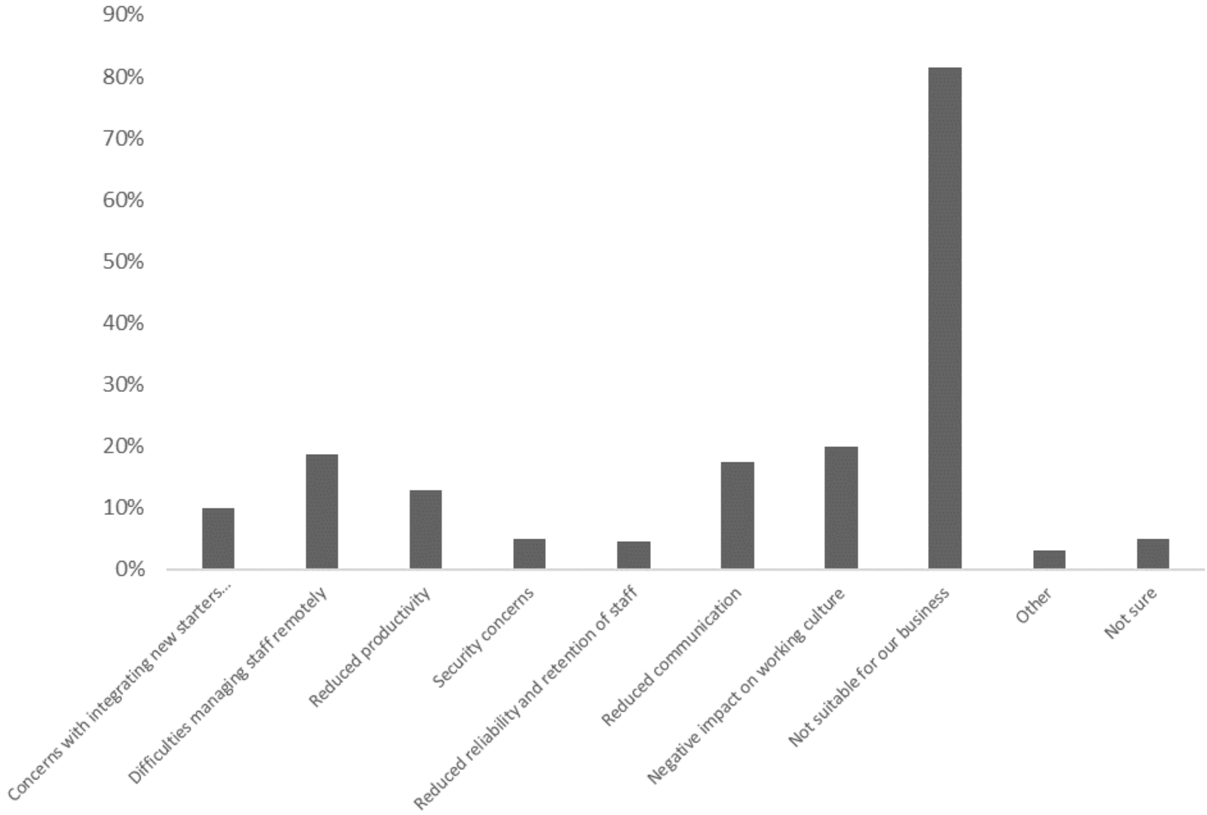
Homeworking

Where applicable, 33.2% of responding West Midlands businesses reported they intended to use increased homeworking as a permanent business model going forward. 38.9% of West Midlands businesses reported they did not intend to use this business model with a further 22.8% unsure.

The favoured reasons that West Midlands businesses reported as to why they intend to use increased homeworking as a permanent business model was; 84.2% for improved staff wellbeing, 52.5% for increased productivity and 43.2% for the ability to recruit from a wider geographical pool in the UK.

Of the 38.9% of responding West Midlands businesses where it was reported they did not intend to use increased homeworking as a permanent business model going forward, the main reason reported at 81.4% was that it was not suitable for the business.

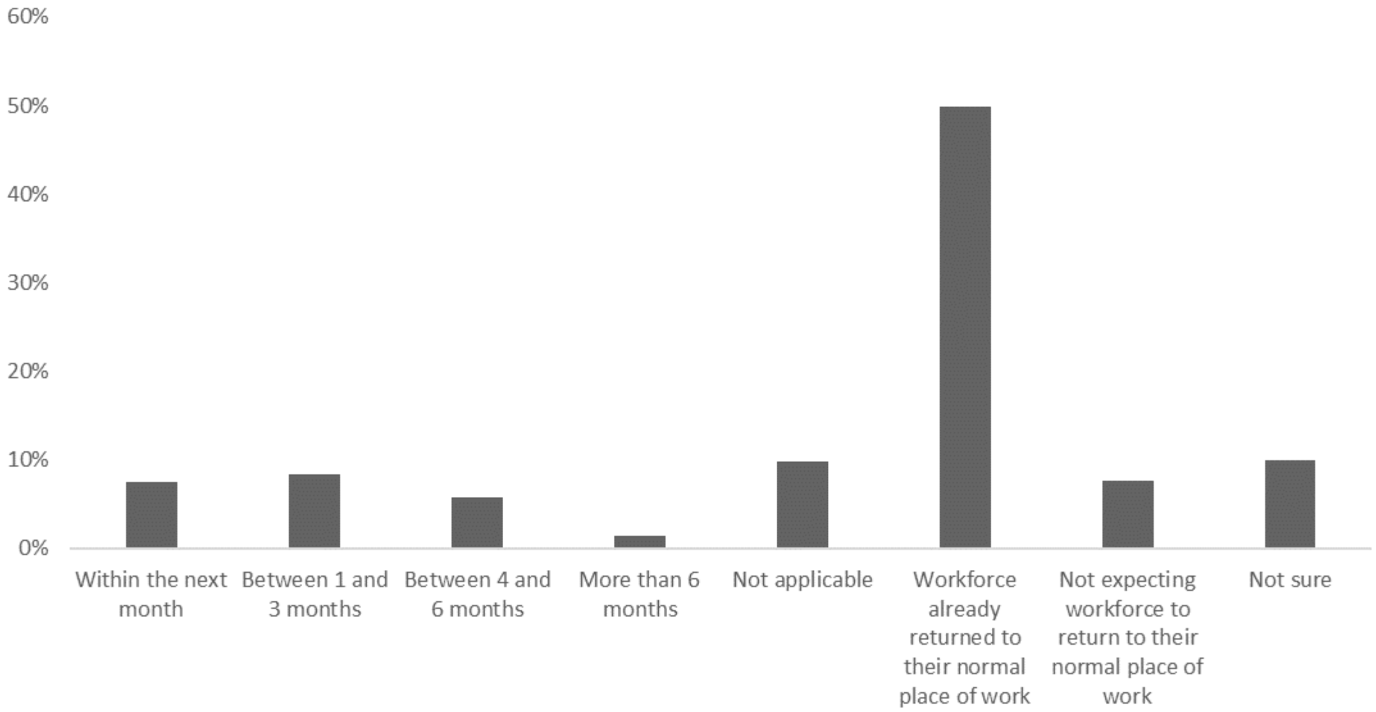
The following graph shows for West Midlands businesses why they do not intend to use increased homeworking as a permanent business model going forward:



Return to Workplace

49.8% of responding West Midlands businesses reported the workforce had already returned to their normal place of work, with a further 7.5% expecting the workforce to return within the next month.

The following chart shows for the West Midlands region when/if they expect the workforce to return to the normal place of work:



Carbon Emissions

40.2% of responding West Midlands businesses have switched to LED bulbs to reduce carbon emissions.

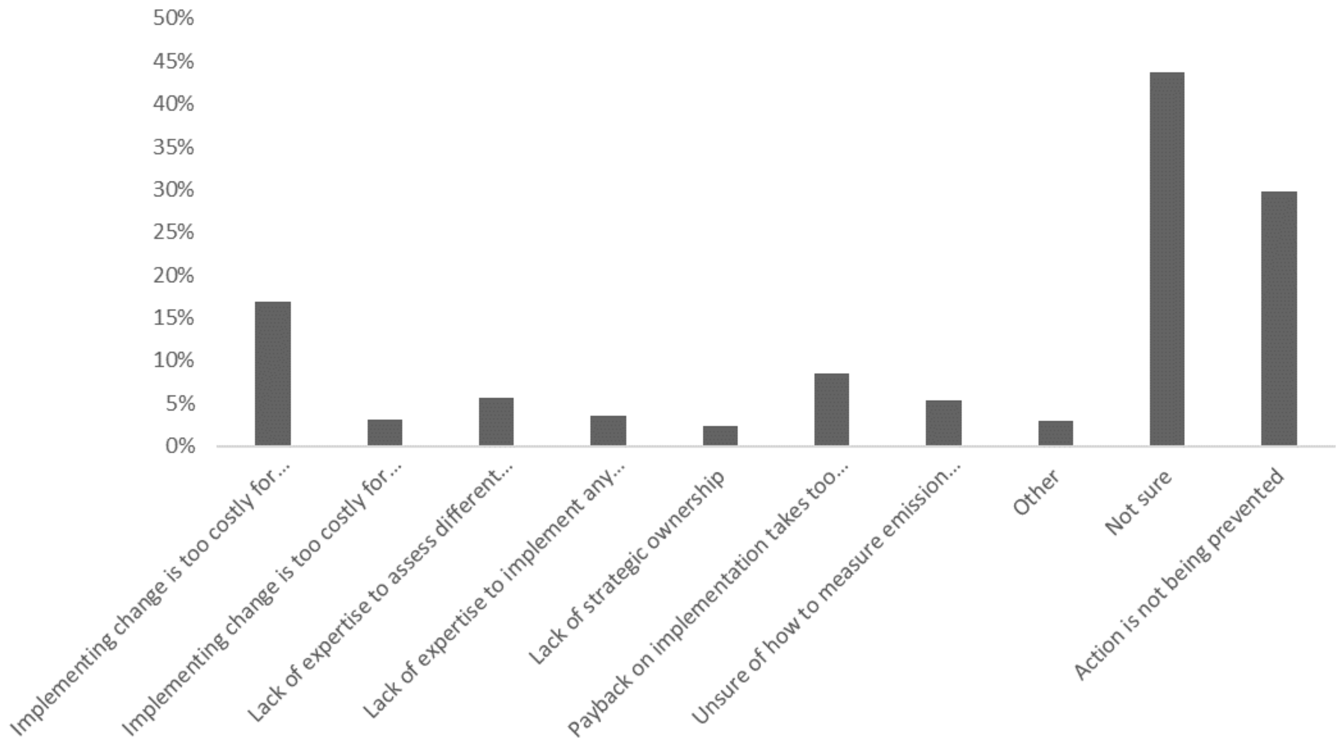
The following table shows for West Midlands businesses what actions they have taken to reduce emissions:

	WM Businesses- Actions taken to reduce business emissions
Adjusting heating and cooling systems	29.4%
Electrifying your vehicle fleet	19.1%
Installing a smart meter	15.5%
Installing charging points	20.6%
Installing your own renewable electricity or heating	7.4%
Insulating your buildings	9.0%
Introducing a cycle to work scheme	19.8%
Switching to LED bulbs	40.2%
Other	2.7%
Not sure	25.3%
No actions have been taken/ not intending to reduce emissions	10.8%
Do not have any emissions	3.3%

16.8% of responding West Midlands businesses reported that implementing change to reduce carbon emissions is too costly for the business.

The following chart shows for West Midlands businesses what prevents action being taken to reduce carbon emissions:

The WM Weekly monitor is funded by the West Midlands Combined Authority, Research England/UKRI



Social Impacts of the Coronavirus

The following refers to the period of 6th to 17th October 2021. Please note, only a selection of indicators at a regional level have been included.

Well-Being, Loneliness and Perceptions of the Future[6]

Mean personal well-being scores for life satisfaction was 7.0 in the West Midlands (7.1 GB), worthwhile was 7.4 in the West Midlands (7.3 GB), happiness was 7.0 for West Midlands adults (matching GB) and anxious was recorded at 3.8 for West Midlands adults (4 GB).

8% of adults in the West Midlands reported low levels of life satisfaction (matching GB). 7% of West Midlands adults reported low level of feeling worthwhile (8% GB). 11% of responding West Midlands adults reported low level of happiness (12% GB) and 32% reported high levels of anxiety (33% GB).

22% of adults in the West Midlands reported to often/always or some of the time to feeling lonely (25% GB). While 50% reported hardly ever or never feeling lonely in the West Midlands (49% GB).

12% of West Midlands adults believe it will take 6 months or less before life returns to normal (14% GB). While 12% of West Midlands adults believed it will take 7 to 12 months (14% GB). 27% of West Midlands adults think it could more than a year to return back to normal (30% GB) and 13% for the West Midlands adults thought it would never go back to normal (12% GB).

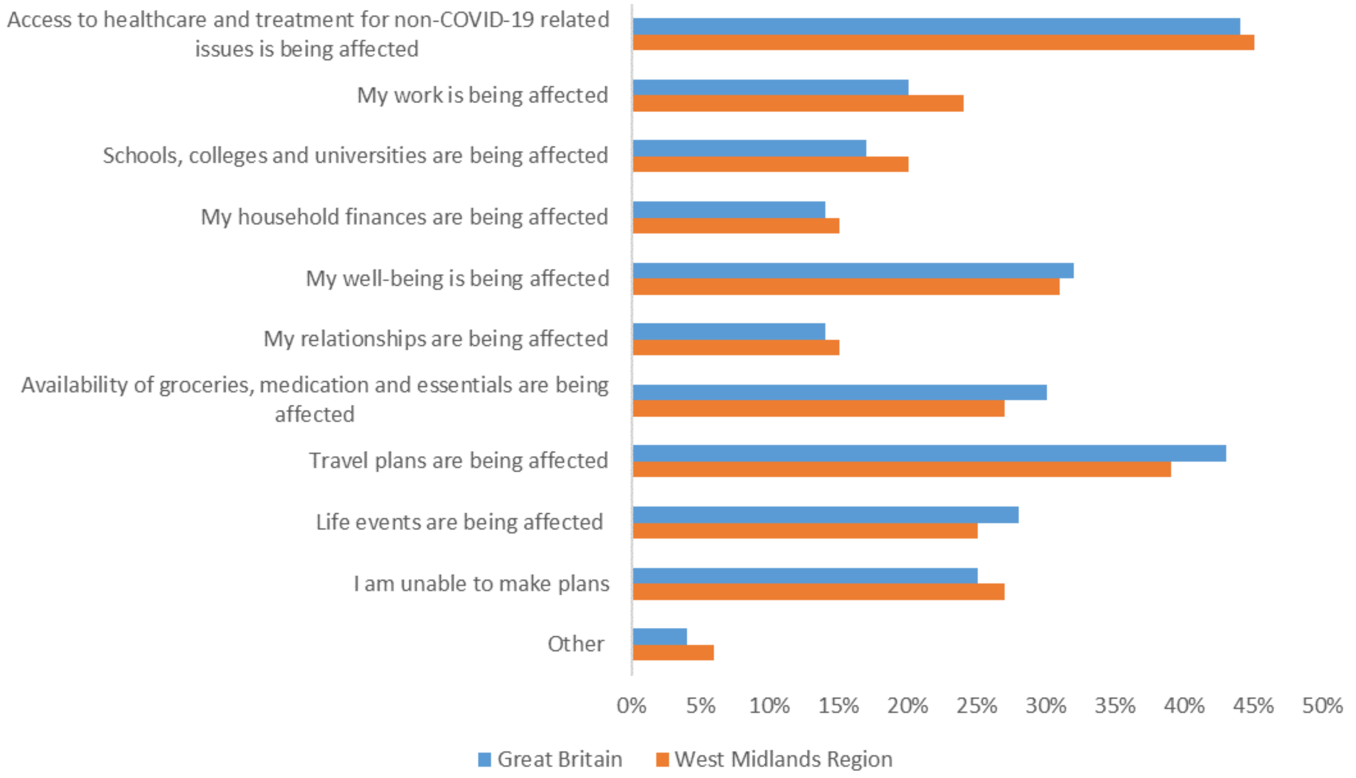
Impact on People's Life Overall

In the West Midlands, 43% of adults reported they were very or somewhat worried about the effect COVID-19 was having on their life (42% GB). 22% of responding West Midlands adults reported that they were somewhat unworried or not at all worried (25% GB).

45% of responding West Midlands adults reported access to healthcare and treatment for non-COVID-19 related issues is being affected (44% GB).

[6] Please note for this section: each of these questions are answered on a scale of 0 to 10, where 0 is "not at all" and 10 is "completely". High anxiety is defined as a score of 6-10 for the question "How anxious did you feel yesterday?". Low levels of life satisfaction, feeling worthwhile and happiness are defined as a score of 4 or below for their respective questions.

The following chart shows for the West Midlands region and Great Britain-wide how COVID-19 were affecting adults between 6th and 17th October 2021:



The WM Weekly monitor is funded by the West Midlands Combined Authority, Research England/UKRI

LEP Level Intelligence
WMCA

WMCA Growth Hub Intel for WM Weekly Economic Monitor– 27th October 2021

HEADLINES

SECTOR	KEY INSIGHTS
Cross Sector	**Outlook** The UK economy is edging **closer to its pre-pandemic growth levels**, according to new figures released by the Office for National Statistics (ONS). However, regional business leaders say the **government must set out a plan to address the rising cost pressures and labour shortages** that are facing firms, while providing confidence to West Midlands businesses on Covid-19 planning in the face of **rising Covid cases**. As winter approaches, businesses are expressing concerns of **exacerbated staffing shortages** given the rise of illness – including Covid, but also cold and flu symptoms forcing staff to stay at home. Contingency plans are being looked at across most sectors. This is at a time of a **very vulnerable labour market**, with businesses hit by skills gaps and labour shortages as a legacy of Covid-19 and Brexit. In addition, **labour disputes** – specifically at DHL / Jaguar Land Rover and within General Practice – could lead to strikes in the region. Markets are highly disrupted, affecting the certainty and confidence businesses need. This reflects a **perfect storm** of temporary and structural challenges in labour markets and supply chains. On the latter, **severe supply chain disruption continues to result in delayed deliveries and increased prices**. One in five mid-sized businesses surveyed by Grant Thornton nationally said they are **finding it harder to move products around the UK** and across the world because of the ongoing issues. A combination of the above crises and the tapering off of emergency government support provides a difficult environment for business. And this is showing in the most recent insolvency data, with **business closures now at their highest total since March 2020 across the UK.** Additionally, the number of profit warnings issued by UK listed businesses based in the Midlands **rose by one to six in the third quarter of the year**, according to new research. In more positive news, there have been reports of **promising opportunities and investments** for the ongoing recovery phase across the region. For example, progress in Coventry around the former Daimler Car Factory and emerging Gigafactory site, industrial investment commitments in the Black Country, and a positive future presented through the Birmingham Economic Review 2021. **Labour Market** Businesses in the region have continued to report that the **main challenge they face is recruitment**. Finding the right candidate who is the ideal fit and remains in the job is proving time consuming and often appointments do not work out early on, causing a financial burden and time burden for companies. The current **record vacancy levels** are an indication of the current talent shortage facing firms. In addition to issues reported in recent weeks, Growth Hubs in the region have heard problems from businesses related to: • **Demand for Staff** – Demand for workers continued to grow in the last few weeks, while staff availability fell at a near record pace. Competition for staff has led to rapid growth in starting salaries, not limited to any particular sector. Logistics and food processing along with white collar professions identified in particular recently.

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	Temporary Staff – Further reduction in temporary staff which is affecting both retail and also hospitality sectors, with some restaurants looking at reducing opening times as a result of this lack of availability. - Several businesses have reported that they are **struggling to recruit staff even after offering higher pay packets.** Business that requires warehouse operatives, hospitality workers and Welding specialist(manufacturing) are all having difficulties recruiting. This reflects that all sectors are impacted and have differing workforce pressures. Some are clearly affected more than others though; specific to Birmingham five sectors are identified as hardest hit: - Call centres - Hospitality and catering - Haulage - Warehouse - Recruitment Separately, there has been further **positive feedback** from a number of regional businesses that have **advocated the national Kickstart apprentice scheme**. These businesses are grateful that the scheme has identified and facilitated the recruitment of apprentices that are now being considered for permanent positions. **Product Shortages and Price Rises** Over the last few months, the UK has been facing severe supply chain disruption resulting in **delayed deliveries and increased prices.** This disproportionately affects the West Midlands, given our reliance on industry and logistics – as reported in previous versions of this monitor. Grant Thornton UK LLP's latest Business Outlook Tracker finds that a perfect storm of temporary and structural supply chain challenges, from changing Brexit regulations to production delays, are **threatening to create a winter of discontent for UK businesses and consumers alike**. The research finds that there are a range of problems contributing to the disruption, but the main issues cited by respondents who said they have been negatively affected were found to be: **Delays from source production facilities (23%)** **Changing rules and regulations from Brexit (21%) and** **International delays in shipping (21%).** New, specific supply chain related intelligence reported to Growth Hubs in the last couple of weeks includes: - Delays with supplies continue leading to some businesses expecting delivery of orders placed in the summer to arrive by the Autumn, now being told that these are **unlikely to arrive until the New Year.** **Import/Export** – Further complaints regarding delays with exports, particularly to Germany, where although it is reported timescales have improved although what used to be possible in 24hrs, can take between 2 and 4 weeks. **Shortage of Engine Parts –** A shortage of engine parts at major OEM manufacturers leading to the slowing of outputs and completed engines and vehicles. The chain reaction through the network of suppliers, contributing and compounding the problem. - Plans released by the European Union for a reduction of post-Brexit checks on goods and medicines arriving into Northern Ireland from the rest of the UK have been **welcomed by business leaders.** While it remains difficult to confidently detach Covid and Brexit impacts on international trade,

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	latest data from the ONS shows a second consecutive monthly fall in trade, with the effects of Brexit and the global pandemic resulting in the total UK exports of goods, excluding precious metals, falling by £1.3 billion (4.6 per cent) in August 2021. This was in part due to a £0.6 billion (4.3 per cent) fall in exports to the EU. The fall in trade between the UK and EU shows **UK small and medium sized enterprises are increasingly shunning EU exports.** **Enquiries** Particularly **frequent enquiries of late for the region's Growth Hubs** include: • **Grants** – Growth Hub advisors in some parts of the region have seen unprecedented demand for grant funding, from all sources, by businesses looking to support start up, growth and scale up and low carbon projects. • Businesses in the region are also seeking support **upgrading IT systems**, however, with no available support within the region away from consultancy support businesses are reluctant to reasonable long-term changes. • Further examples of **property purchase, expansion and renovation/refit, project**s related to new and existing COVID recovery strategies, capital purchases of industrial CNC machinery and tooling, have all featured recently. • Businesses in the region have suggested **search for sites of significant size and affordability is a real issue for businesses** looking to grow and expand operations. • **Finance & Investment** – As well as the demand for smaller grant funding, there is also a number of requests for support with larger strategic investment. Some larger SME's, some with a global presence, with ambitious growth plans investing heavily in the region. • **Net Zero** – A healthy increase in the number of enquiries from businesses looking to adopt wider green business strategies. Not only are businesses seeking grants, some are looking to undertake strategic reviews and implementing longer term plans to be more energy efficient. **Access to Funding and Support** • Sole traders in the region are **finding it difficult to secure funding from loan providers** due to not being able to show profitability over the past two years of trading due to covid. • **Business Rates charges and arrears continue to be a massive concern for local businesses.** With many businesses suggesting they are working with Local Authorities to get an extension on their business rates break beyond the current deadline of 31st March 2022. • Hundreds of thousands of businesses promised business rates reliefs through the £1.5 billion Government Business Rates Relief Fund are being **left in the dark,** according to a business rates expert, John Webber, head of business rates at real estate firm Colliers. **Businesses have still not received a penny from the fund,** despite promises made by the Government last Spring.
Retail	• Hammerson, the owner of the Birmingham Bullring and Grand Central says it has seen a **distinct improvement since lockdown measures were relaxed.** • But the number of people visiting the centres is **between 15 and 20 per cent below those enjoyed when times were normal.** • UK sales are now in line with August and September 2019 but these were dragged down by business in France, with sales down four per cent.
Manufacturing	• Manufacturers are concerned with the winter periods and the **staffing shortages** they may face due to staff being advised to stay at home for cold and flu like symptoms- this will have an impact on productivity and cost due to over time. • Regarding the energy crisis, some current suppliers have now gone out of business and manufacturing organisations are having to look at other energy saving

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	opportunities that are on offer. Due to the size and complexity of some of these buildings, **solutions for heating etc could be extremely costly.** • Companies report ongoing issues with **steel quotas,** short deliveries, long lead times for raw materials, cashflow as terms extended and suppliers terms shortened, cash tied up in stock, difficulties in recruiting, difficulties in retention with additional costs. **Particular shortage of welders and train drivers.** • SMMT**:** September was a desperately disappointing month for the automotive sector with registrations of **new cars and vans decreasing by -34.4% and -39.5% respectively**. Despite strong demand for new vehicles over recent months, these markets have been stalled by the reduced global availability of semiconductors. • This is not just a UK issue, with **September registrations in Germany, France and Spain also falling by double digits.** The root cause of this shortage is, of course, Covid with rising infections in some of the major chip-building markets causing factory stoppages, exacerbating an already difficult supply situation. • Power blackouts in more than 10 provinces across China have **forced global suppliers to suspend operations at some of their factories.** As a result, TyTek are urging customers whose product is manufactured in China to place orders for medical supplies with a view to ensuring inventory for the next six months
Hospitality	• With Covid cases on the rise, **nightclub owners in the region are concerned about potential closures during the Christmas and New Year periods** stating that they may not survive another extended closure period. • Several hospitality business engaged with are expressing concern over the rising cases, and the possible reintroduction of certain restrictions. For those **operating pubs, winter can often be the best time of the year and reports of declining attendance have already started coming through.** Those who managed to stay afloat during the pandemic and reopened on the 17th May 21 cannot afford to take any further knocks and are counting on the winter period to carry them through. • The sector's grave staff shortages issue continues also, with **bouncers / security staff the latest role to be identified** as an area with large gaps in employees.
Low Carbon	• The narrative around the **climate emergency is beginning to reach businesses** that have not previously engaged with sustainability and net zero. However, there is concern that a lack of in-depth knowledge in the sector may cause them to be accused of "greenwashing". **Improved education is part of the solution as well as outreach to businesses to provide support and encouragement with their net zero journey.** • **Energy prices** ahead of winter are becoming a concern for businesses that have a high usage. A combination of variables have caused energy, particularly wholesale gas prices, to rise, and for businesses operating on a tight profit margin, this could be a significant threat. • Startups launching in the climate/clean energy space are experiencing interest from financiers, but it many situations this is **yet to translate to actual investment.** • The continued narrative around **COP26** in November is causing businesses to consider their carbon footprint, and take steps to quantify and mitigate its growth. There is **concern that the narrative will drop after COP passes.** • Businesses are being instructed to **stress test their business models to reflect increased energy prices.** The same can be said for business insurance, the cost of which will steadily rise due to the negative impacts of climate change. • Businesses are also exploring **new business models** that will adapt to a changing climate.
Tourism	• **A team of ministers, tourism chiefs, athletes, entrepreneurs and artists from across the West Midlands addressed more than 80 hospitality delegates and business leaders at Birmingham Airport. They outlined plans to support tourism recovery in the wake of Covid, and ahead of the Birmingham 2022 Commonwealth Games.**

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	• A clear message was that the region will **leverage the profile generated by the Birmingham 2022 Commonwealth Games** to drive successful recovery.

NEW ECONOMIC SHOCKS

COMPANY	LOCATION	SECTOR	SOURCE/DETAIL
Jaguar Land Rover	HQ in Coventry	Manufacturing	Luxury car maker Jaguar Land Rover (JLR) revealed that retail sales for the three-month period to September 30, 2021, continued to be hampered by the impact of the global semiconductor shortage on production, with wholesales for the period in line with July guidance.
Economy-Wide	Region-Wide	All	The number of profit warnings issued by UK listed businesses based in the Midlands rose by one to six in the third quarter of the year, according to new research. EY-Parthenon's latest Profit Warnings report found that warnings nationally rose to 51 in the third quarter of the year, up 19 from Q2 2021, as threats to growth and profitability increased.
JLR / DHL	Solihull	Automotive	DHL staff at Jaguar Land Rover plants edge closer to strike action after 'overwhelming' backing.

NEW INVESTMENT, DEALS AND OPPORTUNITIES

COMPANY	LOCATION	SECTOR	DETAIL & SOURCE
Co-op	National – Branches across the region	Retail and Wholesale	More than 300 LGV driver apprenticeships are being created by the Co-op in response to the current crisis. The programme will run for 12-15 months across the UK, with drivers becoming fully operational after three months.
L&Q Estates	Warwick	Land Development	One of the largest strategic land developers in the UK is moving to a new location in Warwick. L&Q Estates is leaving Gallagher Way, Heathcote, to occupy refurbished premises in Pegasus Court at Tachbrook Park. The freehold of Hyperion House, which will be the home for its 45-staff, has been bought by L&Q Estates from Warwick-based property development company AC Lloyd Commercial.
The UK Battery Industrialisation Centre (UKBIS)	Coventry	Manufacturing	Thirty new jobs are being created at a pioneering facility in Coventry which is helping the automotive industry create the electric cars of the future. The UK Battery Industrialisation Centre (UKBIC) is set to add 30 new battery roles to
BDR Group	Stratford-Upon-Avon	Information technology	An ICT business based in Stratford-upon-Avon has secured multimillion-pound funding to support its acquisition strategy. The eight-figure funding package is designed to support BDR Group's plan to acquire several more companies over the next two years.
PP Control & Automation	Walsall	Manufacturing	PP Control & Automation has increased its green credentials after investing more than £150,000 into a new energy solution. The installation of 450 sq. metres of solar panels on the roof should provide enough power to reduce the factories electricity consumption by 40% and will save more than 35 tonnes of CO2 every year.

Avara Foods	Wednesbury	Food & Drink Manufacturing	Avara Foods, one of the UK's leading food companies, continues to grow and has committed around £4.7 million to a new factory in Wednesbury which will eventually bring more than 150 additional jobs to the area. The investment includes a full refurbishment of the former site SV Cuisine cooked meat process site in Black Country New Road, inside and out, as well as new food processing machinery.
Hague Fasteners	Black Country	Manufacturing	Willenhall-based Hague Fasteners, which produces non-standard fasteners and bespoke bolts, turned 50 recently and marked the big anniversary by investing more than £100,000 into a new three-axis CNC lathe to help it deliver more complex parts and increased capacity.
Drywall Steel Sections	Black Country	Manufacturing	More than 100 new jobs will be created if a proposed multi-million-pound redevelopment of a former Rolls Royce site in Wolverhampton goes ahead.
RLF	Birmingham	Property and construction consultancy	RLF in Birmingham which has a strong presence in Birmingham with clients including University of Birmingham and Bruntwood SciTech has been acquired by Washington DC construction management company MGAC. RLF has 100 staff across four UK offices in London, Birmingham, Brighton, and Glasgow.
Eurofins Digital Testing	Birmingham	Cybersecurity	Eurofins Digital Testing (Luxembourg) have opened a new cybersecurity and digital testing facility in central Birmingham creating 11 jobs
MERKUR Slots	Birmingham	Gaming and Entertainment	MERKUR Slots has opened a £200,000 entertainment centre in Acocks Green creating 10 jobs.
Klanza/MPharm	Birmingham	Pharmaceuticals	A warehouse in Birmingham has been let to a pharmaceutical firm. The 16,500 sq ft Unit 4 on Hockley Industrial Estate has been taken on a ten-year lease by Klanza/MPharm with a five-year break clause.
AEW / Harris Lamb	Dudley	Industrial	Building consultants at Harris Lamb have been charged with overseeing the construction of a £7.7million industrial scheme in Dudley. The business has been tasked by AEW with project managing the build process of a speculative development comprising of three distribution/industrial units and two terraces of trade/industrial units at Grazebrook Park on Peartree Lane.
St. Modwen	Longbridge	Construction	The latest phase of regeneration work in Longbridge could see 695 new houses created alongside commercial space capable of creating 1,300 new jobs. New plans have been lodged by St Modwen with Birmingham City Council to develop 60 acres of land, with work expected to start by late 2022 subject to consent.
The Wigley Group	Coventry	Development	Plans for the major regeneration of the site of Coventry's world-famous Daimler car factory have taken a significant step forward. Property and development company The Wigley Group has submitted an outline planning application to Coventry City Council for the mixed-use development on Sandy Lane in the Radford area of the city. The seven-acre brownfield site sits on the side of the Coventry Canal and is currently a business park and industrial estate. It is designated for housing by Coventry City Council.

Disclaimer: The contents of this document are based on the latest data available and the contribution of regional partners in a fast paced environment, therefore we urge caution in its use and application
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