West Midlands
Weekly Economic Impact Monitor

WM REDI CITY REDI

Issue 43 Publication Date 29/01/21

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.

This week has seen the continued disruption and escalation of impacts as a result of the Brexit Deal at borders. And whilst many countries start to roll back some of their Covid19 restrictions and are seeing consumer spend bounce back, the UK is still under lockdown conditions.

- This week the UK reached a bleak milestone, with the total number of Covid-19 deaths reaching 100,000. This makes the UK the fifth country and first in Europe to pass 100,000 deaths, after the US, Brazil, India and Mexico.
- The number of hospital admissions, deaths and new infections remains worryingly high, though it is starting to decline. Disruptions caused by snow forced some Covid-19 testing sites to close across the region.
- The government has also announced this week that UK nationals and residents returning from 'red list' countries will have to quarantine in government provided accommodation such as hotels, for 10 days, without exception.
- Home/office life is also set to remain very difficult for parents across the country, as schools in England will not return until at the earliest 8th March.
- City-REDI is delivering work for the Colmore Business Improvement District (BID) which has launched a Call for Evidence in its The Future Business District study.
- Growth Hubs are still dealing with many positive stories from businesses that are surviving the pandemic along with those that have successfully diversified or pivoted, adapting services and production. New enquiries are resulting in referrals to relevant support partners and their programmes.
- The unemployment rate for the WMCA (3 LEP) was 5.5% (109,900 people) in the year ending September 2020, compared with 4.2% for the UK. For the WMCA (3 LEP) area this is an increase of 9,300 people unemployed.
- For the three months ending in November 2020, the West Midlands region employment rate (aged 16 – 64 years) was 73.8% which has decreased by 0.7pp from the previous quarter.
- There were 42,220 youth claimants in the WMCA (3 LEP) area in December 2020, this was a decrease of 285 people when compared with November 2020.
- The West Midlands region had 2.8m workforce jobs in September 2020. Following the trend across all the UK regions when compared with September 2019, the West Midlands decreased by 163,762 workforce jobs. The West Midlands region had 92,502 fewer workforce jobs when compared to the last quarter.
- The vacancies recovery has slowed in October to December 2020, with an estimated quarterly increase of 81,000 vacancies to 578,000; the quarterly increase is half of that from the previous quarter.

Levelling up

- The Industrial Strategy Council (ISC) and City-REDI have identified six foundations for levelling up: (1) Scale and longevity of investments; (2) Collaboration; (£) Being an attractive place to live; (4) Investment in universities and innovation; (5) Investment in transport and digital infrastructure; (6) Skills and future sectors. The report, drawing on international case studies, stresses the role of vision and strong leadership. This suggests that the elected Mayor in the West Midlands needs to be even more important over future years in setting policy direction and overseeing progress in levelling up. Collaboration at local and regional level is also shown to be crucial in enabling struggling places to develop. The report found that "socio-economic inequalities between residents in each place were more difficult to address than attracting new businesses and high-skilled workers". These challenges emphasise the need for regions to invest in affordable housing and targeted support for disadvantaged communities.
- Midlands Cities worst hit by COVID-19 are set to make a faster economic recovery but the UK needs to think local to level up, according to Demos-PwC Good Growth for Cities report. Good Growth for Cities report calls for the Midlands recovery to look beyond national GDP and double-down on efforts to address the individual socio-economic challenges facing towns and cities to level-up inequalities. West Midlands' hardest hit cities and towns are predicted to see some of the fastest growth rates in 2021 but need to embed lessons from the most resilient cities to achieve long term, sustainable growth. Wolverhampton & Walsall have seen their economies decrease by more than 11.7% in 2020, yet are among those with the strongest projected GVA growth rates for 2021. These cities are predicted to recover more effectively than others in 2021, with growth rates of 4.8% and higher. Coventry is predicted to grow by 4.3% GVA.
- The economic impact of Covid-19 on cities and large towns outside the Greater South East has made the task of levelling up at least four times harder according to the Cities Outlook 2021 report published by the Centre for Cities. Categorising cities

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

and large towns into four categories according to the relative severity of Covid-related and levelling up challenges, Birmingham, Solihull and the Black Country (grouped together in the analysis) are categorised in the most challenged category as in need of levelling up before Covid and having an export base further affected by Covid. Coventry is categorised as in need of levelling up pre-Covid but as having an export base more sheltered from Covid.

Ongoing Brexit implications:

- Three weeks after the end of the transition period following the UK's departure from the EU, hauliers are already bearing the costs of the new post-Brexit border rules.
- The FSB have released their West Midlands Small Business Index (WMSBI), which measures confidence amongst businesses. This shows signs of improvement in Q4 2020. It currently stands at -36% compared to Q3 2020, where it stood at -44%. Confidence in business performance over the next 3 months shows signs of improvement amongst small businesses in the West Midlands. Despite this, uncertainty due to COVID-19 remains, with small businesses in the area still holding a negative outlook.
- Small companies are bearing the brunt of the issues as they don't have the skilled people or access to funding for advice.
- Within supply chains there can be significant cost increases, with some companies experiences up to a three-fold increase. Although this is manageable in the short term for bigger businesses, smaller ones cannot carry that increase. Ultimately this will impact on supply chains, which larger companies rely on to survive.
- Freight forwarders are putting on extra charges, partly due to the level of demand management required, but there is also some evidence that charges are being added which are unjustified
- Orders are being held up because of confusion, and for some companies this is even when they are following the rules. Some companies are gaining from this confusion and increasing costs, but in many cases freight companies are doing their job in asking for all the information, because they legally have to, but government has the ability to stop this by changing the legal requirements or changing where data is collected.
- Movement of people becoming a key issue, with visa and lockdown issues. There is some confusion over the intricacies of the varying scenarios of what workers, particularly in the service sector, can or can't do – including the use of vehicles and equipment.
- Companies are often referred to the Gov.uk website which doesn't always provide the information and some find difficult to navigate. So regional organisations are working with the wider business and professional services sector to ensure access to advice. For example, advisors are working with accountants to provide support but there is a cost to providing this advice, which small firms can ill afford. There is a particular issue with supply of advisors in customs declarations to do the paperwork as this has not been a requirement before.
- There is evidence that EU companies are cancelling contracts as importing and exporting with the UK is becoming too expensive and ties up vehicles. EU companies are not looking for UK trade, and China is now seeing the UK as a special case and not looking for new business until the issues subside.
- Generally there is a strong business sentiment concerned with how long will these teething problems period last, and when will the issues be sorted.
- There are certain things government can do to simplify matters. For instance, re VAT: no one saw this coming and previously exemptions were in place but these are now scraped and so could consider potential exemptions again.
- There is a frustration that government is paying out business grants to help companies survive and now increased costs through Brexit are hitting them and absorbing loans and grants.
- Focusing on the automotive sector, what the Deal means for certain is that by 2027, there has to be 55% local content even for battery electric vehicles and that the batteries themselves will need to be assembled in the UK or EU for these to qualify for tariff free trade. This will pose a particular challenge for UK auto and industrial policy. The UK is lagging behind EU countries in attracting investment in battery making capacity and without a major effort to reorientate the auto supply chain (via inward investment from battery makers and EV suppliers), UK car assembly will be increasingly dependent on imported components.

Business Closure risk:

- The lack of government support for small limited company directors has been highlighted. They are struggling to keep their businesses afloat and are increasingly considering redundancies.
- There are significant concerns that many thousands of businesses are likely to cease trading over coming weeks and months due to continued lockdown, and deferred CBILS, tax payments etc now starting
- A major wave of bankruptcies for UK firms looms as many current business support programmes expire at the end of March and April. The most recent survey data from the Office for National Statistics (ONS) suggest that almost 15% – more than one in seven – UK businesses are at risk of failure by early April 2021. Micro enterprises with under ten employees are particularly vulnerable to closure.
- The potential increase in registered business deaths in the first quarter of 2021 would be unprecedented in recent history, and 356% higher compared with the first quarter of 2019.
- The current policy trajectory must be altered in order to provide protection now and to map a path for post-pandemic prosperity. Loan subsidies will need to stretch well into 2021, but should be tapered as the economy improves. We need to move to a system of debt restructuring in the recovery period. There are various options, but a form of swapping debt for equity should be considered.

Global, National and Regional Outlook

Alice Pugh, WMREDI; Rebecca Riley WMCA/WMREDI

Global

In recent months many countries have began rolling back their Covid-19 restrictions as their R rates fell, sparking a return in consumer confidence; with "revenge shopping" sweeping through sectors as pent-up demand is unleashed. That has been the experience of all previous economic downturns. However, services have been particularly hard hit this time. The bounce back therefore, will likely emphasise those businesses, particularly the ones that have a communal element, such as restaurants and entertainment venues. For instance, China was the first country to be hit by the pandemic, but also the first to emerge. On Singles Day, November 11 2020, the country's two largest online retailers racked up record sales. Australia has also seen customer spending returning. With the pandemic largely contained in Australia, household spending fuelled a faster-than-expected 3.3 percent growth rate in the third quarter of 2020, and spending on goods and services rose 7.9 percent. This suggests that as the vaccine is distributed around the UK and the public once again feels safe, confidence will return, in turn increasing spending across the economy.

National

This week the UK reached a bleak milestone, with the total number of Covid-19 deaths reaching 100,000. This makes the UK the fifth country and first in Europe to pass 100,000 deaths, after the US, Brazil, India and Mexico. This was partly driven by a surge in cases in recent weeks, after a new, fast-spreading virus began in the UK. However, the UK has seen a downward trend in the number of Covid-19 cases in recent days. This may be due to the current lockdown finally taking effect after the surge in cases following Christmas. The government has also announced this week that UK nationals and residents returning from 'red list' countries will have to quarantine in government provided accommodation such as hotels, for 10 days, without exception. This may add to the decline in business travel as company's may not be able to afford losing staff members to 10 days of quarantine, not just away from the business office but from home offices also, as returning UK residents have to remain in government approved accommodation for the duration of their quarantine.

Home/office life is also set to remain very difficult for parents across the country, as schools in England will not return till at the earliest 8th March 2021. This will put great pressure on many families who are struggling with home schooling, whether this be a lack of time for parents to help their children whilst working from home or lack of resources such as a laptop. This extension of school closures will further enhance the inequalities between socio-economic groups, as children from less affluent backgrounds have limited access to the technologies that help with home education, compared to their more affluent counterparts.

Three weeks after the end of the transition period following the UK's departure from the EU, hauliers are already bearing the costs of the new post-Brexit border rules. As the UK is now outside the EU's single market and customs union, truck queues, delays and supply chain disruptions are multiplying, concerning transport operators, shippers and businesses on both sides of the Channel. Freight volumes moving between the UK and the EU were down 38% in the third week of January compared with the same week a year ago. Waiting times at border crossings have increased dramatically, as traffic is picking up and approval for access to port areas is often delayed, due to a lack of staff and flaws in documentation and information being presented.

"The lack of customs agents in the UK is a critical fault line in the whole process. Traders cannot find an agent to do their paperwork because there simply are not enough – and the existing agents are deluged with work. This highlights the UK government's lack of preparation, despite our warnings that an estimated 50,000 agents would be required, currently there are only around 10% of that number,"

ROD MCKENZIE

Managing Director of Policy and Public Affairs at the UK's Road Haulage Association

Brexit has increased the costs of goods transport. Spot rates for last-minute shipments across the Channel were almost ten times higher at the end of 2020 than at the end of 2019. A European-wide fall in capacity was also recorded on routes to and from the UK, subsequently pushing up road freight rates. Due to challenges posed by the

paperwork, customs declarations and increased prices some roads goods and transport and logistics operators, including DPD, have decided to temporarily suspend services into the UK.

Regional

The number of hospital admissions, deaths and new infections remains worryingly high, though it is starting to decline. But the impact has still been significant, with 310 'situations' of infection breaking out across Birmingham alone, including rises in schools and care homes. With the Assistant Director of Public Health for the city, Elizabeth Griffiths, stating that they should be testing employees every three or four days to prevent infection clusters from growing across the city. However, unfortunately this week if you planned on having a test you may have been disappointed, as disruptions caused by snow forced some Covid-19 testing sites to close across the region. The snow also caused the closures of schools and roads, as travelling become too dangerous across the region. This may have had an adverse effect on the logistics of businesses across the region, when businesses are already facing delays and complications as a result of Brexit.

Qualitative intelligence from regional business organisations highlights a number of issues linked to the ongoing Brexit implications, including:

- Small companies are bearing the brunt of the issues as they don't have the skilled people or access to funding for advice.
- Increased VAT burden and of cost implications for consumers and businesses facing the same issues.
- Within supply chains there can be significant cost increases. Some companies are experiencing up to a three-fold increase. Although this is manageable in the short term for bigger businesses, smaller ones cannot carry that increase. Ultimately this will impact on supply chains, which larger companies rely on to survive
- Freight forwarders putting on extra charges, partly due to the level of demand management required but also some evidence that charges are being added which are unjustified.
- Orders are being held up because of confusion, and for some companies this is even when they are following the rules. Some companies are gaining from this confusion and increasing costs, but in many cases freight companies are doing their job in asking for all the information, because they legally have to, but government has the ability to stop this by changing the legal requirements or changing where data is collected.
- There also needs to be clearer guidance on movement of people as well as goods.
- Companies are often referred to the Gov.uk website which does not always provide the information required and for some is difficult to navigate. So regional organisations are working with the wider business and professional services sector to ensure access to advice. For example, advisors are working with accountants to provide support but there is a cost to providing this advice, which small firms can ill afford. There is a particular issue with supply of advisors in customs declarations to do the paperwork as this has not been a requirement before.
- There is evidence that EU companies are cancelling contracts as importing to UK is becoming too expensive and ties up vehicles. EU companies are not looking for UK trade, and China is now seeing the UK as a special case and not looking for new business until the issues subside.
- Generally there is a strong business sentiment concerned with how long will these teething problems period last, and when will the issues be sorted.
- There are certain things government can do to simplify matters. For instance, re VAT: no one saw this coming and previously exemptions were in place but these are now scraped and so could consider potential exemptions again.
- There is a frustration that government is paying out business grants to help companies survive and now increased costs through Brexit are hitting them and absorbing loans and grants.

The FSB have released their West Midlands Small Business Index (WMSBI), which measures confidence amongst businesses shows signs of improvement in Q4 2020. It currently stands at -36% compared to Q3 2020, where it stood at -44%. Confidence in business performance over the next 3 months shows signs of improvement amongst small businesses in the West Midlands. Despite this, uncertainty due to COVID-19 remains, with small businesses in the area still holding a negative outlook.

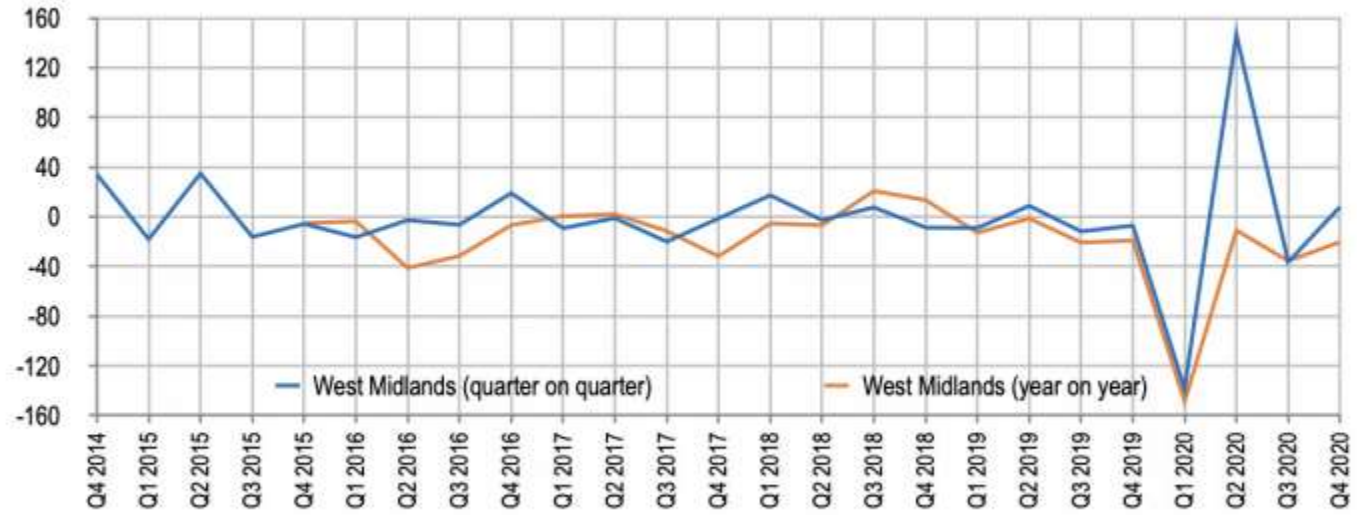
Overall sentiment towards profit is negative, with West Midlands the most impacted region in terms of profit in the last three months. In Q4 2020, over half (59%) of small businesses in the West Midlands reported a decrease in profit

over the last 3 months, as the nationwide lockdown had a considerable impact on spending opportunities for consumers. Some resilience was shown by West Midlands businesses, however, with 16% reporting an increase in profit levels over the period.

Accordingly, businesses in the area report a net balance figure of -43% for Q4 2020, which is worse than the UK average of -38% and is also the lowest when compared to other regions in the UK. London (-41%) and the North West (-40%) are the two other regions also reporting having had their profits most impacted.

Fig.1 FSB Small Business Index: regional variation in small business prospects/confidence over coming three months

Fig.2 FSB West Midlands Small Business Index: small business confidence levels



One in five small businesses (21%) in the West Midlands have lost staff over the last three months and a greater proportion of West Midlands small businesses have lost staff over the last three months compared with the proportion who have brought new employees in.

Around one in five (19%) small businesses in the West Midlands expect to increase the amount of capital investment in their business during the coming quarter. However, this is matched by a similar proportion (17%) expecting to decrease investment; leaving the net investment at 2%. In the West Midlands, the general economic conditions in the UK, consumer demand, and regulation are the greatest perceived barriers to growth over the coming twelve months. In the West Midlands, 15% of businesses have said they intend to contract the business in the next twelve months (to downsize, sell or close the business). This is similar to sentiment seen at Q3 2020 (16%).

A Major wave of UK Business closures by April 2021? The scale of the problem and what can be done

Peter Lambert, John Van Reenan CEP

The report shows that the liquidity crisis of 2020 will soon become the solvency crisis of 2021. And yet, for all its welcome focus on help through loans and the financing of the furlough, the government has said little - and done little - to offer struggling businesses the prospect of long-term survival. The report based on the most recent survey data from the Office for National Statistics (ONS) suggesting that unless remedial action is agreed, businesses are on a cliff edge and about to face a major collapse. The authors say that more than one in seven UK businesses, almost 15%, are at risk of failure in the next few months.

The scale of the problem is such that the 'at-risk' group comprises 390,000 registered businesses or 906,000 of all businesses - an alarming set of figures in themselves. And when we examine the fall out for employment, we see the true measure of the crisis. The registered businesses the report shows are at risk employ 1.9 million people and when we include all businesses 2.5m jobs are affected. The crisis is so extensive that between 8% and 9% of total employment in businesses is in the "at risk" category. Not surprisingly the figures show that micro enterprises with fewer than ten employees are particularly vulnerable to closure.

- A major wave of bankruptcies for UK firms looms as many current business support programmes expire at the end of March and April 2021.
- The most recent survey data from the Office for National Statistics (ONS) suggest that almost 15% – more than one in seven – UK businesses are at risk of failure by early April 2021.
- This 'at-risk' group represents 390,000 registered businesses (1.9 million people covering 8% of employment in registered firms), or 906,000 of all businesses (2.5 million people covering 9% of employment).
- Micro enterprises with under ten employees are particularly vulnerable to closure.
- The potential increase in registered business deaths in the first quarter of 2021 would be unprecedented in recent history, and 356% higher compared with the first quarter of 2019.
- The current policy trajectory must be altered in order to provide protection now and to map a path for post-pandemic prosperity.
- Loan subsidies will need to stretch well into 2021, but should be tapered as the economy improves.
- We need to move to a system of debt restructuring in the recovery period. There are various options, but a form of swapping debt for equity should be considered.

Table 1: Number of businesses and employment at risk of closure by the end of March (*all figures in thousands*)

	(1)	(2)	(3)
	Percentage at risk	Total numbers (businesses or employment)	Total number at risk (businesses or employment)
1. Registered businesses	14.7%	2,652	390
2. All businesses (includes unregistered)	15.1%	5,981	906
3. Registered businesses' employment	8.1%	24,100	1,946
4. All businesses' (includes unregistered) employment	9.0%	27,733	2,506

Although some reallocation of activity is part of a healthy market economy, such a huge wave of bankruptcies will include many viable businesses, and some that might have significant growth potential. Left to themselves, creditors will close down more businesses than would be optimal from the perspective of society as a whole. The authors call for an immediate extension of loan support schemes to address the urgent need for protection. They suggest that these should continue well into the recovery. They also outline a more coherent set of policies for debt restructuring, including debt-equity swaps. This will provide some flexibility for longer-term reallocation, to support post-pandemic prosperity.

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

International Evidence on Levelling Up

Abigail Taylor, WMREDI

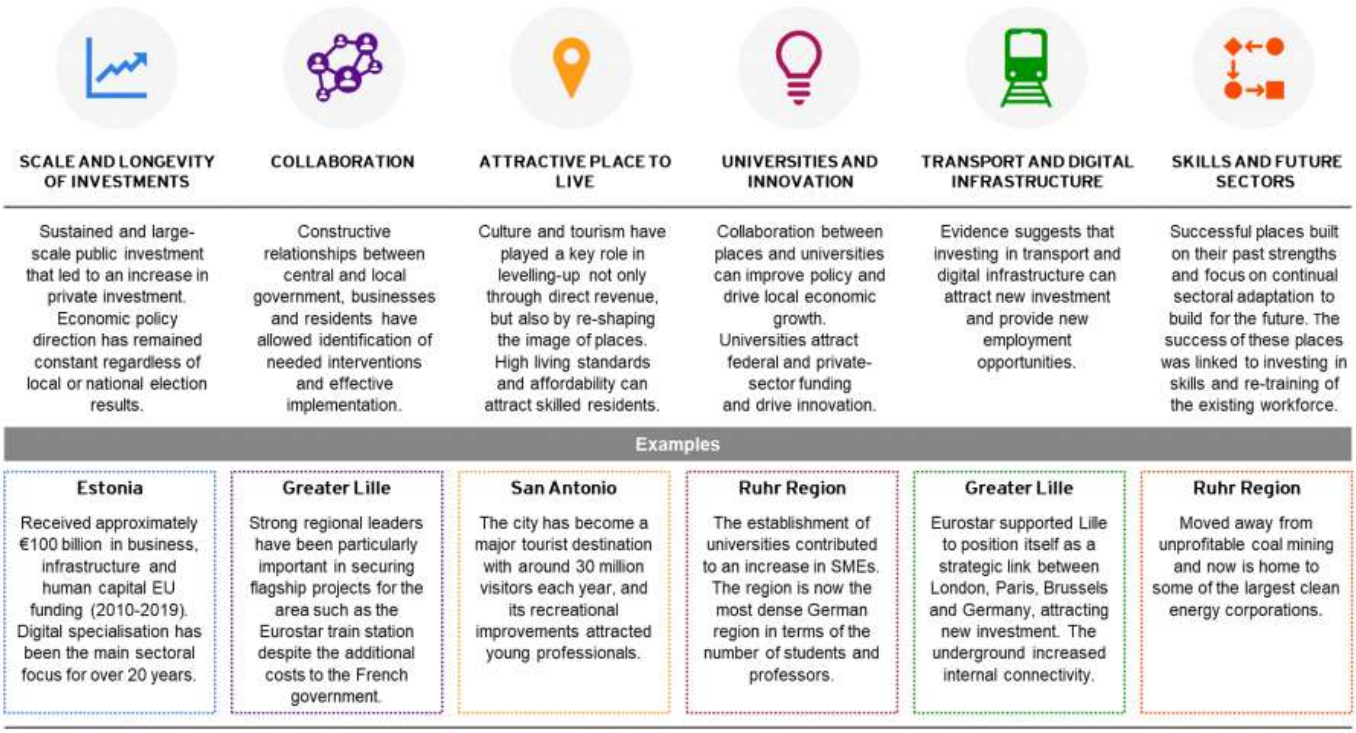
A new report co-authored by the Industrial Strategy Council (ISC) and City-REDI researcher, Abigail Taylor, was published this week examining international evidence on what it takes to "level up" places.

The report analyses experiences in four international case study areas (Estonia, San Antonio, Greater Lille, and the Ruhr region) that have achieved success in levelling up local economies and closing the gap with their national economy over previous decades. Based on an evidence review of the academic literature, policy documents and analysis of economic data, as well as interviews with relevant academic experts and policy officials, the research explores what can be learned from how each of these places design and implement place-based policies.

The report identifies six key foundations for levelling up:

1. Scale and longevity of investments
2. Collaboration
3. Being an attractive place to live
4. Investment in universities and innovation
5. Investment in transport and digital infrastructure
6. Skills and future sectors

More details on each foundation is provided in the diagram below:



Source: Taylor, A., Sampson, S, and Romaniuk, A. (2021*). What does it take to "level up" places? Evidence from international experience.* Industrial Strategy Council, p.7).

Insights from webinar discussions

On 26th January, the ISC and City-REDI hosted a webinar chaired by Dame Kate Barker (ISC, Places Steering Group) to launch the report. The event began with a presentation by Gavin Wallis (Head of Research at the ISC) summarising the key findings from the report. Gavin emphasised the importance of places developing strengths in all of these foundations to make real progress in levelling up (although some will be more imperative than others according to the place), the need for a clear industrial strategy to support structural change in the economy of a place, the value of place-specific investment and why scale and longevity matter. To give just one example, Gavin cited experiences in

San Antonio in relation to the value of place-specific investment. "*San Antonio capitalised on its cultural heritage, but it also invested in its natural infrastructure […]. For example, it created the National Park. And the attractiveness of San Antonio brings not only tourism but it also brings young professionals who want to move and live and work in San Antonio. […], I think the investment that you saw in San Antonio would unlikely be delivered by a central initiative, it kind of needs people in the area to know what are the kind of assets of that area that you need to invest it*."

This was followed by a panel discussion and Q&A session. The below paragraphs summarise key themes in the discussion.

The **quality of leadership in places can be crucial to addressing challenges associated with levelling up**. Professor Meelis Kitsing (Estonian Business School, Rector), described how leadership has been important in enabling Estonia to transform its economy and digitalise its services. In Estonia showing leadership in relation to new digital technology and "setting positive examples" (such as allowing individuals to declare taxes online) was particularly transformative. Professor Philip McCann (University of Sheffield, Chair in Urban and Regional Economics) argued that the report shows **coordination and consensus building are crucial to taking risks for the benefit of regions**: "*it's not just about enforcing rules it's also about taking risks but doing it in a way that people can come together to share the responsibility and take the risk*".

Professor Philip McCann stressed the **"very instructive" role of international comparative research** and emphasised the need for more evidence on what works for levelling up to shape policy going forward. "*All too often, when we're thinking about these things, we refer to a previous policy or a previous government, or a previous administration, what they did, rather than standing back and saying […] what's the bigger picture*". Bringing in the idea of the "Planning paradox", Dr Thomas Perrin (Reader in Regional Planning and Urbanism at the University of Lille) argued that policymakers **should learn from experiences elsewhere but build on local assets.** "*The idea is not to copy what has been done elsewhere, but the objective is to find the balance between benchmark inspiration other areas, but also based on the local assets, […] you have to combine both*".

Universities have a key role to play in supporting innovation and skills development. Dr Perrin provided insights from Lille where the three public universities merged in 2018 in order to be more competitive internationally and to unite better to support regional economic development. One example is the U-Link scheme which aims to provide a service to enterprise business stakeholders, fostering R&D innovative projects with the university. *"There is an agreement at the university providing research activity from its laboratories, research centres to provide […] services that are targeted to the needs of some companies of the territory*".

Implications for the West Midlands

The West Midlands has historically suffered from a number of weaknesses such as high numbers of residents with low qualifications levels, comparatively high unemployment and low/poor jobs growth. These challenges are being exacerbated by the Covid-19 pandemic (e.g. increasing unemployment and potential term scarring effects on young people) as well uncertainty over the new trade regulations following the UK-EU withdrawal agreement. Research by City-REDI Professor Ortega-Argilés, prior to the signing of the Withdrawal Agreement, showed how the competitiveness of key sectors (e.g. automotive and manufacturing of basic metals) in the West Midlands which are likely to be critical to technological progress within the region could be strongly negatively affected by Brexit. The research gives pointers for how policymakers could seek to optimise levelling up efforts within the context of these challenges.

The report stresses the role of **vision and strong leadership.** This suggests that the elected Mayor in the West Midlands needs to be even more important over future years in setting policy direction and overseeing progress in levelling up. **Collaboration at local and regional level** is also shown to be crucial in enabling struggling places to develop. Given the current challenges, it would seem to be even more important that the Mayor collaborates effectively with Local Authorities, the Local Enterprise Partnerships, universities and other stakeholders to make sure that policies are tied together and to make the case to central government for consistent, sustainable long-term investment and/or greater fiscal independence. The research reveals the **value of informal structures in facilitating collaboration across institutions.** In Lille, the *Comité Grand Lille* a large network of representatives from financial institutions, local businesses, the Chamber of Commerce, social partners, local civil servants, artists and elected politicians helped to

strengthen relationships between local actors and generate ideas for flagship projects such as the area's successful European City of Culture bid.

Policymakers in the West Midlands **should be encouraged by** experiences identified in the report as they demonstrate how levelling up of "left-behind" and struggling places can be achieved. **The West Midlands has some big advantages in relation to some of the Foundations identified in the report**. In terms of transport, the West Midlands is one of the most connected regions in the UK and is set to benefit the government's commitment to the Midlands Rail Hub, a £2 billion rail plan to improve east-west rail connectivity, and capitalise on HS2 which is due to open in 2026. The region is also home to a range of excellent hospitals and universities which mean it is well placed to continue to develop skills and investment policy to support growth in key sectors such as life sciences, digital and advanced manufacturing, new products and new processes.

Experiences in the case study areas indicate that levelling up of regions can though be achieved without necessarily achieving levelling up within regions. Indeed, the report found that "*socio-economic inequalities between residents in each place were more difficult to address than attracting new businesses and high-skilled workers*". These challenges emphasise **the need for regions to invest in, for example, affordable housing and targeted support for disadvantaged communities.** Given the pre-existing scale of inequalities in the West Midlands and the potential negative impacts of the pandemic, this must be a particular focus. The report suggests that central government does need to provide the resources and/or fiscal independence to enable regional stakeholders to implement such policies. This is particularly important in the context of Covid-19 as, going forward, the pandemic risks worsening inequalities due to the disproportionate impact of the pandemic on certain groups. As analysed in the West Midlands Combined Authority State of the Region 2020 Report, there is a risk the pandemic will widen health inequalities, and in turn, drive further economic inequality.

Despite all these challenges, the report clearly shows that **levelling up can be achieved.** The West Midlands has strong assets in relation to the Foundations for levelling up.

Nissan can live with the Brexit deal – for now

David Bailey, University of Birmingham

Having previously stressed the risks of a no trade deal for its entire European business model, Nissan has committed to assembling cars at its Sunderland plant – for now at least. That should mean that its new Qashqai model – delayed from last year amidst Brexit uncertainty – will now go ahead this year without facing tariffs when exported to the EU.

That's good news for around 6000 Nissan workers at Sunderland and many more in the wider supply chain. Nissan has also said that it will source batteries for its larger 62Kwh Leaf in the UK. These had previously come from North America. It needs to do that to meet Rules of Origin rules where 55% of a car's content needs to be 'local' (i.e. from the UK or EU) to qualify for tariff free status. This should safeguard jobs at Sunderland for now at least while the Leaf, Juke and new Qashqai models are built.

Sunderland is the UK's largest auto assembly plant and at full capacity was producing nearly 600,000 cars a year (more than the entire auto output of some European countries). In recent years that number has dwindled. The plant is now running at around 50% capacity. While the firm reversed its 2016 decision to build the XTrail model at Sunderland and pulled Infiniti brand production from the plant, it has invested some £400m there in preparing for Qashqai assembly. This was anyway likely to go ahead but had been delayed while the firm figured out what the implications of Deal or No Deal would be. Around three quarters of what is produced at Sunderland is exported and the most of that goes to the EU's Single Market.

Nissan Chief Operating Officer Ashwani Gupta said the Brexit deal had created a 'competitive environment' for Sunderland. Quite what that means isn't clear on first reading – I'm guessing he means that non-tariff barriers arising from the trade deal impact more on rivals. The mix of customs delays and form filling is expected to push up the cost of imported cars by 0.5%-2% in the UK. Nissan hopes to take market share as a result. Nissan was also ahead of the curve in the industry on EV development, and the2030 ban on petrol and diesel cars plays to its European strategy of focussing on crossover vehicles and electrification. The goods news came as Nissan (like Honda and JLR) paused production amidst parts shortages owing to a combination of Covid-19, delays at Felixstowe and a shortage of semi conductors.

Nissan's positive comments were in stark contrast to those by Carlos Tavares, boss of the newly formed Stellantis (made from the merger of PSA and Fiat Chrysler) who said earlier in the week that investment at Vauxhall's Ellesmere Port plant is still hanging in the balance and that support from the government was needed. Nissan pointedly didn't commit to new models at Sunderland, so there are no long term guarantees here (there never are really as car plants are ultimately footloose). Nor was there any sign that its partner Renault might assemble models off common platforms at Sunderland. Rather, Nissan dangled the prospect of new models, no doubt in an effort to win further government support. That could be on launch aid, training and building a stronger local supply chain, especially when it comes to battery supplies.

Indeed, while the Nissan news is welcome, what's clear is that batteries are going to be a big deal going forward. In particular the UK-EU Trade deal includes a six year phase-in of the requirement for electric cars (and hybrids?) to have a maximum of 45% content from outside Europe, reducing over time, from 60% to 55% to 45%. The UK had asked for 70%, so this is a compromise. As seen with Nissan, this is still tight for some manufacturers when it comes to batteries or high value hybrid systems from outside the EU. Toyota, for example, might also struggle to qualify some of their UK assembled hybrid models for tariff free export to the EU – although it does have time to increase local content. However, we don't actually have figures on local content as they were - of course - not needed when the UK was in the single market.

What the deal means for certain is that by 2027, there has to be 55% local content even for battery electric vehicles and that the batteries themselves will need to be assembled in the UK or EU for these to qualify for tariff free trade. This will pose a particular challenge for UK auto and industrial policy. The UK is lagging behind EU countries in attracting investment in battery making capacity and without a major effort to reorientate the auto supply chain (via inward investment from battery makers and EV suppliers), UK car assembly will be increasingly dependent on imported components from the EU to meet rules of origin rules going forward. Prominent industry figures such as Andy Palmer (chairman of electric bus maker Switch Mobility and ex-boss of Aston Martin) have called for an all-out UK effort to attract and develop a UK battery manufacturing supply chain, with the government using every lever at its disposal. While there is much that the UK can do to push this along through interventions like enhanced capital allowances, special enterprise zones and loan guarantees, given the acute political sensitivity over car industry jobs, the EU is going to scrutinise UK policy in this area very carefully going forward under the state aid and 'level playing field' provisions of the UK-EU trade deal.

Good Growth for Cities- West Midlands

PWC/Demos

Midlands Cities worst hit by COVID-19 set to make faster economic recovery but UK needs to think local to level up, according to Demos-PwC *Good Growth for Cities* report

- *Good Growth for Cities report calls for the Midlands recovery to look beyond national GDP and double-down on efforts to address the individual socio-economic challenges facing towns and cities to level-up inequalities.*
- *West Midlands hardest hit cities and towns are predicted to see some of the fastest growth rates in 2021 but need to embed lessons from the most resilient cities to achieve long term, sustainable growth.*
- *Analysis is based on the 'Gross Value Add' (GVA) of each local area, reflecting the make-up of local economies, prevalence of different industries, and the impact of the pandemic.*

New analysis in the latest PwC-Demos *Good Growth for Cities* report shows that the UK cities and towns hardest hit by the economic fallout from the pandemic are likely to make the fastest recovery, but are expected to be worse off than at the beginning of the pandemic compared to more resilient places.

Cities hit hard during the pandemic, such as Birmingham, Wolverhampton & Walsall have seen their economies decrease by more than 11.7% in 2020, yet are among those with the strongest projected GVA growth rates for 2021. These cities are predicted to recover more effectively than others in 2021, with growth rates of 4.8% and higher. With Coventry predicted to grow by 4.3% GVA.

As the business sectors most impacted by restrictions reopen, the cities most negatively affected due to their sectoral mix will see faster recoveries. However, a return to pre-pandemic conditions will not necessarily instigate a dramatic upturn in economic activity and these city economies will still be smaller in 2021 than they were in 2019.

The report highlights the deep seated challenges facing many of the worst hit towns and cities which in many cases are those traditionally vulnerable to volatile economic performance.

As the UK looks to 'build back better' from the pandemic, ensuring that the recovery lays the foundations for building resilience against future shocks will be vital. Learning and embedding lessons from cities, such as Oxford, Leicester, Leeds and Edinburgh, which have performed more strongly over the longer term pre-pandemic, in areas such as jobs, health and skills, is key to driving more balanced and sustainable economic growth across the UK.

The Good Growth for Cities report calls for a doubling-down on efforts to address structural issues - such as improving local skills, encouraging new business development and addressing local environmental challenges - whilst directing effort and resources to the towns and cities that need them to achieve longer-term sustainable growth. Creating employment opportunities and improving skills levels should be top priorities nationally and locally - particularly for younger people.

Other key findings show Birmingham has one of the highest rates of workers on the UK Coronavirus Job Retention scheme, with Birmingham, Solihull and Stratford-upon-Avon all placing 8.9% or more of its workforce on the scheme during 2020. Birmingham also has the highest take-up rate of Universal Credit, with 8.8% of its population aged 16 to 64 claiming benefits in November 2020 compared to 4.8% claiming benefits in January 2020. Oxford had the lowest percentage of Universal Credit claimants, at 3.8%.

Matthew Hammond, Midlands Region Leader & Birmingham Senior Partner, PwC, said:

"As a whole, cities in the Midlands have performed well on the environment, owner occupation and income distribution measures on the index. However, this positive performance is also coupled with lower scores in skills, jobs, income and work life balance, as well as the region suffering with high unemployment rates and a strong reliance by local businesses on the UK Coronavirus Job Retention scheme."
"Cities that have the highest proportion of younger people, such as Birmingham, Nottingham and Leicester are likely to face challenges in finding the right employment opportunities for young people. Young workers are therefore

entering the labour force in one of the toughest economic environments, which will exacerbate unemployment rates, make employment opportunities even more competitive and potentially undermine social mobility efforts."

"To counter this, local leaders must look to invest in the skills needs of the region to support the next generation into the workforce. Our technology degree apprenticeships with the University of Birmingham, which is now in its third year, is just one of many examples of how we are breaking down barriers to support diversity and social mobility in the people we recruit to build exciting technology based careers with us."

"I am pleased to say, despite so much instability for young people in the midst of COVID-19 restrictions we welcomed a record 275 new joiners to our Midlands offices, including graduates, technology degree apprentices, business placement students and school leavers in our autumn intake last year."

"The pandemic has also led to people living their life much closer to home and the likelihood is some of these lifestyle changes will stay for the medium-term. Citizens will value different things and those places that meet those needs will be the ones that bounce back quicker. This opens up opportunities for places that have advantages in terms of livebility and community, and where 'price of success' factors, such as housing affordability, are less of an issue."

"The report sets out a series of recommendations for leaders from across the region and local government, as well as the private and third sectors, as they plan their recovery strategies. Taking a broad approach to economic wellbeing and building resilience will be essential to create liveable vibrant places where people want to live, work and visit."

"The region's significant growth over the past five years and long-term growth ambitions and investments in HS2, Coventry City of Culture and the Birmingham 2022 Commonwealth Games will also encourage strong conditions for a recovery."

The Demos-PwC Good Growth for Cities Index ranks 42 of the UK's largest cities based on the public's assessment of 10 key economic wellbeing factors, including jobs, health, income and skills, as well as work-life balance, house affordability, travel-to-work times, income equality, environment and business start-ups. PwC's GVA analysis took into account a city's sectoral make-up, the impact of the use of the furlough scheme to protect jobs, and rates of Universal Credit claims, Covid infection and mobility rates to project GVA growth rates for 2020 and 2021.

Cities and towns with 'Good Growth' are more resilient

- Many of the cities that perform well in the Good Growth Index - including the Scottish cities of Edinburgh and Aberdeen, and cities in England such as Norwich, Swindon, Southampton and Oxford - have been relatively less economically impacted by the pandemic. Their sectoral mix and performance on broader economic and social indicators have to some extent provided resilience.
- Many poorer performing cities in the Good Growth Index - including Liverpool, Southend, Medway, Doncaster and Bradford - have been hit hard by the pandemic. These cities have been more exposed to the impacts of COVID-19 and have less resilience in terms of broader economic base and social wellbeing.
- An exception to this pattern is Leicester - whilst performing well in the Good Growth Index it will be one of the cities hardest hit economically by the fallout from COVID-19. Leicester was the first city to have stricter restrictions imposed following the relaxing of the initial national lockdown in June 2020. The decreased footfall in Leicester city during the summer period will have further reduced the performance of Leicester's retail sector.

New opportunities

With more people working from home, towns and cities have new opportunities to build virtual connections and play to their strengths in terms of livability, affordability and community. There is still much uncertainty over how these trends will play out in the long-term, however a move to hybrid home and office working does have the potential to level up certain areas of the country. PwC research shows that areas that could benefit from a shift to working from home include outer London and smaller cities like Wigan, Bradford and Blackpool.

Karen Finlayson, Regional lead for Government and Health Industries at PwC, said:

"The pandemic has made us more acutely aware of existing economic and social inequalities and why it is so important to 'level up' across the UK. It reinforces our view in *Good Growth for Cities* of the necessity to look beyond GDP and headlines about the North-South divide to focus efforts on tackling the issues that really matter to the public - and local economies - such as skills, sustainable income and health and wellbeing."

"A broad brush approach to levelling-up will not address the challenges facing the places that have been hardest hit. We need a precise approach which takes into account the strengths and needs of individual towns and cities to build more resilience and drive a fair recovery across the UK. Given continued uncertainties, particularly with the post EU trading environment and unknowns around pandemic recovery, action is required so that levelling up is a reality not an unattainable aspiration."

Cities Outlook 2021

Centre for Cities

On 25th January 2021 the Centre for Cities published its Cities Outlook 2021. The Outlook focuses on the impact of Covid-19 and the challenge of levelling up.

The report highlights that cities and large towns went into the pandemic with different economic strengths and weaknesses, different levels and types of employment and different industries. It points out that all of these factors have affected the nature of the economic damage from Covid-19 and will affect how places will begin to recover after the pandemic.

The analysis suggests that the economic impact of Covid-19 on cities and large towns outside the Greater South East has made the task of levelling up at least four times harder. It also suggests that there is a risk of levelling down in cities and large towns that were faring relatively well before the pandemic. This is particularly the case in areas such as Crawley and Slough that have been hard in the Covid-19 crisis with the decline in aviation.

The report distinguishes between the Covid-19 related impacts on:

- local services businesses such as retail and hospitality selling to local markers – suggesting that when pandemic-related restriction ease demand for these services should return;
- exporting businesses such as manufacturing, financial and professional services bring money into places from outside the local economy – highlighting that the impact of the pandemic on these sectors is affected by the degree to which they have been able to continue because employees can work from home.

It highlights that the levelling up challenge is greatest in those places where exporting businesses are less strong – including in much of the midlands and northern Britain.

The analysis groups cities (defined as primary urban areas [PUAs]) – with 'Birmingham' comprising Birmingham, Solihull, Dudley, Sandwell, Walsall and Wolverhampton) and 'Coventry' comprising Coventry alone) into four categories according to the relative scale of the Covid-19 and levelling up challenges. According to the categorisation Birmingham PUA faces both levelling up and Covid challenges, while Coventry PUA faces a levelling up challenge.

	Details of challenge	Cities and large towns
Levelling-up + Covid challenges	In need of levelling up pre-pandemic and export base further affected by Covid.	Basildon, Birmingham, Blackburn, Blackpool, Bradford, Burnley, Cardiff, Dundee, Glasgow, Huddersfield, Liverpool, Luton, Newport, Sheffield and Swansea.
Levelling-up challenge	In need of levelling up pre-pandemic but export base relatively sheltered from Covid.	Barnsley, Birkenhead, Chatham, Coventry, Derby, Doncaster, Hull, Ipswich, Leeds, Manchester, Mansfield, Middlesbrough, Newcastle, Nottingham, Peterborough, Plymouth, Stoke, Sunderland, Telford, Wakefield and Wigan.
Covid challenge	Strong economies hard hit by Covid.	Aberdeen, Bournemouth, Brighton, Crawley, Edinburgh, Leicester, London, Slough and Southend.
Strong economies	Strong economies who have only been marginally affected by Covid.	Aldershot, Bristol, Cambridge, Exeter, Gloucester, Milton Keynes, Northampton, Norwich, Oxford, Portsmouth, Preston, Reading, Southampton, Swindon, Warrington, Worthing and York.

Suggested policies to support places to bounce back from Covid include: (1) Boosting Universal Credit; (2) Supporting workers until social restrictions are lifted; (3) Supporting people who have lost their job to retrain; (4) Consider a 'Spend out to help out' voucher of £100 per adult to be used on the high street. The report argues that the Government should deliver on levelling up, by: (1) Investing in skills; (2) Creating jobs; (3) Improving city centres; (4)

Investing in transport; (5) Investing in innovation; (6) Pressing ahead with devolution - hand powers related to economic growth to local areas and giving them the opportunity to raise their own taxes.

Business District Seeks Evidence for Future Business District Study

Anne Green WMREDI and Colmore Business District

- **Colmore Business District launches *Call for Evidence* in its *The Future Business District* study**
- **Open Call requests evidence from anyone with knowledge, expertise or experience on central business districts**
- **Call asks how should those responsible for planning, investing in and developing, managing and using central business districts prepare for the future?**

Colmore Business District (Colmore BID) launched a **Call for Evidence** on 26th January 2021 as part of **The Future Business District**, a unique study to inform its response to long term recovery from the Covid-19 pandemic and to offer policy directions on best practice for central business districts across the UK.

The Call was announced on the same day that Birmingham City Council launched consultation on its '*Our Future City Plan: Central Birmingham 2040, Shaping our City Together.*' Colmore BID will feed the results of its Study into the local authority plan which is set to replace the Big City Plan, the current blueprint for Central Birmingham to 2031.

Evidence is sought from anyone with relevant knowledge, expertise or experience – including business owners, leaders and managers of all sizes, professionals, investors, property developers, business support and economic development organisations, trade and professional bodies, policy analysts, academics, residents and civil society organisations.

The Call for Evidence highlights five broad questions:

1. How have developments over the last twelve months (especially in relation to the Covid-19 pandemic) changed city centre business districts for the long term? How have businesses, professionals and other users responded in ways which will last beyond the restrictions of the pandemic?
2. What other developments will change city centre business districts and the way you, your organisation or sector accesses and utilises them over the next 5-10 years?
3. How do you expect things to change and why
   a) in the next 3 years?
   b) in the next 5-10 years?
4. In what ways should city centre business districts be different in 2031 compared with 2021, and how should they relate to and interact with the rest of the city centre?
5. How should those responsible for planning, investing in and developing, managing and using city centre business districts prepare for the future?

Respondents are asked to submit their evidence (as a Word or PDF document) to: info@futurebusinessdistrict.co.uk by **Monday 1st March 2021**.

Colmore BID director Mike Best, Senior Director at national planning consultancy Turley, who chairs the Study's Steering Group, commented: "Working from home, social distancing and enforced closure of businesses along with the increase in online retailing and video communications have dramatically reduced footfall in city centres. Other societal trends and policy decisions were already affecting how or where we work, but COVID-19 is surpercharging many of the factors which impact on our decisions about the future.

"Our Call for Evidence as part of **The Future Business District** provides a timely opportunity for everyone – from young professionals and independent retailers to senior partners and property developers – to share their data and views on the medium to long term future of central business districts.

"I would urge anyone with an interest in how Colmore Business District or other CBD's prepare to remain at the heart of business and commerce to respond to this Call."

Colmore BID is curating the study in partnership with Birmingham City Council and West Midlands Combined Authority. The Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) and neighbouring city centre BIDs – Westside, Retail, Jewellery Quarter and Southside – are also supporting the Study.

City-REDI at the University of Birmingham is leading the research alongside the Office of Data Analytics (ODA) at the West Midlands Combined Authority (WMCA). Support also comes from UK Research and Innovation and the Centre for Cities think tank.

City-REDI and WMCA's ODA are currently reviewing data and literature. Together with responses to the Call for Evidence, review findings will feed into a series of interviews and workshops during Spring 2021. It is expected the final report will be published in early Summer 2021.

The Study has been established to answer two key 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?**

Visit the website for the study.

Annual Population Survey: Employment Activity, October 2019 – September 2020

BCCIEU

Summary

- In the year ending September 2020, the employment rate in the WMCA (3 LEP) area was 72.7%, compared with 75.5% for the UK overall. This meant that for the WMCA (3 LEP) area there were 1,886,200 people employed in the year ending September 2020, this is an increase of 20,700 people compared to the previous year and a 0.4pp increase in the employment rate from 72.3%. The UK employment rate decreased by 0.04pp over the same time period.
- The unemployment rate for the WMCA (3 LEP) was 5.5% (109,900 people) in the year ending September 2020, compared to 4.2% for the UK. For the WMCA (3 LEP), this is an increase of 9,300 people unemployed from the previous year and the unemployment rate changing from 5.1% to 5.5%. Overall, the UK increased from 4.0% to 4.2% in year ending September 2020.
- The economic activity rate for the WMCA (3 LEP) area was 77.2% (2,000,500 people) in the year ending September 2020, compared to 78.9% for the UK. For the WMCA (3 LEP) area, there has been a 0.8pp increase in the economic activity rate compared to a 0.1pp increase for the UK since the year ending September 2019.
- For economic inactivity, the WMCA's (3 LEP) rate was 22.9% for the year ending September 2020 (592,600 people), compared to 21.1% in the UK overall. For the WMCA (3 LEP) area, this has decreased by 0.8pp compared to a 0.1pp decrease for the UK when compared to the year ending September 2019.

Full Briefing

Employment

- In the year ending September 2020, the employment rate in the WMCA (3 LEP) area was 72.7%, compared with 75.5% for the UK overall. This meant that for the WMCA (3 LEP) area there were 1,886,200 people employed in the year ending September 2020, this is an increase of 20,700 people compared to the previous year and a 0.4pp increase in the employment rate from 72.3%. The UK employment rate decreased by 0.1pp over the same time period.
- The employment rate for the WM 7 Met. area decreased from 68.4% in the year ending September 2019 to 69.4% in the year ending September 2020.
- Within the WMCA (3 LEP) area, the Black Country had the fastest growing employment rate in this period in terms of percentage point increase. The employment rate increased from 70.3% to 72.0%.
- Coventry and Warwickshire LEP's employment rate remains higher than the UK average at 77.1%. Whilst Greater Birmingham and Solihull experienced a percentage point decrease of 0.5pp to an employment rate of 71.1%.
- Within the WMCA (3 LEP), 12 local authority areas have employment rates that are above the UK average (75.5%). Cannock Chase recorded the highest rate – 84.9% (53,300 people) – and Birmingham the lowest – 66.0% (484,600 people).

WMCA Employment rate for the years ending September 2019 and September 2020

	Employment Year End September 19	*Employment Rate (%) Year End September 19*	*Employment Year End September 20*	*Employment Rate (%) Year End September 20*	*Number Change*	*pp Change*
Birmingham	477,700	65.5%	484,600	66.0%	6,900	0.6
Bromsgrove	46,400	81.3%	46,000	78.0%	-400	-3.3
Cannock Chase	49,400	79.9%	53,300	84.9%	3,900	4.9

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

	Employment Year End September 19	*Employment Rate (%) Year End September 19*	*Employment Year End September 20*	*Employment Rate (%) Year End September 20*	*Number Change*	*pp Change*
Coventry	175,100	71.6%	175,700	71.4%	600	-0.2
Dudley	136,900	71.5%	139,600	72.5%	2,700	1.1
East Staffordshire	61,300	87.0%	54,800	77.3%	-6,500	-9.7
Lichfield	46,400	77.9%	45,300	74.6%	-1,100	-3.2
North Warwickshire	30,700	79.7%	29,800	77.0%	-900	-2.7
Nuneaton and Bedworth	59,800	77.7%	62,000	81.3%	2,200	3.6
Redditch	42,300	82.1%	41,200	75.9%	-1,100	-6.3
Rugby	54,900	83.6%	52,600	80.8%	-2,300	-2.8
Sandwell	146,200	71.6%	145,200	70.2%	-1,000	-1.4
Solihull	99,700	78.1%	96,500	75.7%	-3,200	-2.4
Stratford-on-Avon	57,000	80.7%	59,500	82.0%	2,500	1.2
Tamworth	38,600	83.5%	37,700	81.3%	-900	-2.3
Walsall	120,200	70.0%	127,400	73.6%	7,200	3.6
Warwick	69,900	77.4%	72,200	82.6%	2,300	5.2
Wolverhampton	110,300	67.4%	117,600	72.2%	7,300	4.8
Wyre Forest	42,700	74.3%	45,200	80.9%	2,500	6.6
Black Country	513,600	70.3%	529,800	72.0%	16,200	1.8
Coventry and Warwickshire	447,400	76.3%	451,800	77.1%	4,400	0.8
Greater Birmingham and Solihull	904,500	71.7%	904,600	71.1%	100	-0.5
WM 7 Met.	1,166,400	68.4%	1,190,100	69.4%	23,700	1.0
WMCA (3 LEP)	**1,865,500**	**72.3%**	**1,886,200**	**72.7%**	**20,700**	**0.4**
United Kingdom	31,221,600	75.6%	31,276,900	75.5%	55,300	0.1

Please note, there is a negative percentage point change where the numerator has increased due to the denominator increasing at a faster rate.

Unemployment

- The unemployment rate for the WMCA (3 LEP) was 5.5% (109,900 people) in the year ending September 2020, compared to 4.2% for the UK. For the WMCA (3 LEP), this is an increase of 9,300 people unemployed from the previous year and the unemployment rate changing from 5.5% to 5.1%. Overall, the UK increased from 4.0% to 4.2% in year ending September 2020.
- The unemployment rate for the WM 7 Met. area over this period was 6.9% (87,700 people), an increase of unemployment by 5,200 people (or 0.3pp) from the year ending September 2019.
- Coventry & Warwickshire LEP has increased by 0.3pp to 3.9% (18,500 people) in the year ending September 2020. While the Black Country LEP remained at 5.4% (30,000 people) and Greater Birmingham and Solihull LEP increased by 0.9pp to 6.8% (65,800 people).
- Performance varies across the local authorities where data is available, from 2.0% unemployment rate in Warwick (1,500 people) to 8.5% in Birmingham (45,100 people).

Economic Activity

- The economic activity rate for the WMCA (3 LEP) area was 77.2% (2,000,500 people) in the year ending September 2020, compared to 78.9% for the UK. For the WMCA (3 LEP) area, there has been a 0.8pp increase in the economic activity rate compared to a 0.1pp increase for the UK since the year ending September 2019.
- The economic activity rate in the WM 7 Met. area for year ending September 2020 was 74.5% (1,277,600 people), an increase of 1.3pp from the year ending September 2019.
- The Black Country LEP experienced a 1.9pp increase from the year ending September 2019 to reach 76.1% (559,800 people) in the year ending September 2020 and Greater Birmingham and Solihull LEP increased by 0.1pp to 76.3% (970,400 people). While Coventry and Warwickshire LEP increased by 1.0pp to 80.2% (470,300 people).
- Economic activity varies from 89.0% (55,900 people) in Cannock Chase to 72.2% (529,600 people) in Birmingham.

Economic Inactivity

- For economic inactivity, the WMCA's (3 LEP) rate was 22.9% for the year ending September 2020 (592,600 people), compared to 21.1% in the UK overall. For the WMCA (3 LEP) area, this has decreased by 0.8pp compared to a 0.1pp decrease for the UK when compared to the year ending September 2019.
- Economic inactivity in the WM 7 Met. area for year ending September 2020 was 25.5% (437,900 people), a decrease of 1.2pp from year ending September 2019.
- The following figure provides a breakdown for economically inactive by reason for the WMCA (3 LEP) and the UK for the year ending September 2020. The WMCA (3 LEP) has on average for the year ending September 2020 a lower percentage of people that are inactive due to retirement (11.2% vs 13.4%), those classed as other (8.8% vs 12.5%) and sick (23.8% vs 26.0%).
- Within the WMCA (3 LEP) students accounts for 28.4% for those economically inactivate, which is above the UK average of 26.7%.

WMCA and UK Economic Inactivity by reason, year ending September 2020

	WMCA Economically Inactive No. Year End September 2020	**% of WMCA Total Economically Inactive Year End September 2020**	**UK Economically Inactive No. Year End September 2020**	**UK Economically Inactive % Year End September 2020**
% of economically inactive student	168,100	28.4%	2,336,800	26.7%
% of economically inactive looking after family/home	145,600	24.6%	1,818,900	20.8%
% of economically inactive sick	140,900	23.8%	2,277,100	26.0%
% of economically inactive retired	66,600	11.2%	1,169,500	13.4%
% of economically inactive other	51,900	8.8%	1,093,300	12.5%
Total economically inactive	592,600		8,743,400	

Employment by Occupation

- The following table shows employment by occupation across the WMCA (3 LEP) and the UK for the year ending September 2020.
- The WMCA (3 LEP) have a higher than average percentage of people employed in 3 of the 9 areas, these include: elementary occupations (12.3% vs 9.7%), process, plant and machine operatives (6.6% and 5.7%), and administrative and secretarial occupations (10.8% and 9.9%).

WMCA and UK employment by occupation, year ending September 2020

	WMCA (3 LEP) Numerator Year Ending September 2020	WMCA (3 LEP) Percentage Year Ending September 2020	UK Numerator Year Ending September 2020	UK Percentage Year Ending September 2020
% all in employment who are - 1: managers, directors and senior officials	198,700	10.3%	3,726,400	11.4%
% all in employment who are - 2: professional occupations	413,100	21.3%	7,267,200	22.3%
% all in employment who are - 3: associate prof & tech occupations	260,600	13.5%	4,920,600	15.1%
% all in employment who are - 4: administrative and secretarial occupations	208,500	10.8%	3,239,900	9.9%
% all in employment who are - 5: skilled trades occupations	184,300	9.5%	3,128,200	9.6%
% all in employment who are - 6: caring, leisure and other service occupations	173,400	9.0%	2,936,400	9.0%
% all in employment who are - 7: sales and customer service occupations	125,600	6.5%	2,258,400	6.9%
% all in employment who are - 8: process, plant and machine operatives	128,300	6.6%	1,844,900	5.7%
% all in employment who are - 9: elementary occupations	237,900	12.3%	3,145,700	9.7%

Source: ONS (Nomis): Annual Population Survey, January 2021

Claimant Count and Labour Market Statistics: January 2021

UK Summary

- Early estimates for December 2020 indicate that there were 28.2 million payrolled employees, a fall of 2.7% (-793,000 employees) when compared with the same period of the previous year. When compared with the previous month, the number of payrolled employees increased by 0.2% in December 2020 – equivalent to 52,000. Since February 2020, 828,000 fewer people were in payrolled employment.
- There were an estimated 578,000 vacancies in the UK in October to December 2020; this is 224,000 fewer than a year ago and 81,000 more than the previous quarter.
- Prior to the COVID-19 pandemic there were on average 2 to 2.5 million people temporarily away from work. Experimental estimates based on returns for individual weeks show that the number of people temporarily away from work rose to around 7.9 million people in April 2020 but has fallen to around 4.1 million people in November 2020. There were also around 278,000 people away from work because of the pandemic and receiving no pay in November 2020; this has fallen from around 658,000 in April 2020.
- The UK unemployment rate, in the three months to November 2020, was estimated at 5.0%, 1.2 percentage points (pp) higher than a year earlier and 0.6pp higher than the previous quarter.
- Between September and November, the number of people reporting redundancy hit a record high of 395,000. In the three months to November 2020, the redundancy rate reached a record high of 14.2 per thousand.

Regional Labour Markets

- **For the three months ending in November 2020, the West Midlands Region employment rate** (aged 16 – 64 years) was **73.8%** which has decreased by 0.7pp from the previous quarter. The UK employment rate was 75.2%, a decrease of 0.4pp from the previous quarter.
- **For the three months ending in November 2020, the West Midlands Region unemployment rate** (aged 16 years and over) **was 6.0%, which has increased by 1.4pp since the previous quarter.** The UK unemployment rate was 5.0%, an increase of 0.6pp from the previous quarter.
- **For the three months ending in November 2020, the West Midlands Region economic inactivity rate** (aged 16 – 64 years) **was 21.2% - a decrease of 0.6pp** from previous quarter. The UK economic inactivity rate stood at 20.7%, a decrease of 0.1pp from the previous quarter.

WMCA 3 LEP Summary

- There were **209,935 claimants aged 16 years and over in the WMCA** (3 LEP) area in December 2020, this is an increase of 20 people when compared to November 2020. This was a 0.01% increase compared to an overall UK increase of 0.2%. For the WMCA (3 LEP) area, when compared to March 2020 (117,590) the number of claimants has increased by 92.356 (+78.5% compared to +105.8% UK).
- There were **42,220 youth claimants in the WMCA** (3 LEP) area in December 2020, this was a decrease of 285 people when compared to November 2020. This equates to a decrease of 0.7%, while the UK decreased by 0.6%. For the WMCA (3 LEP) area, when compared to March 2020 (22,835) the number of claimants has increased by 19,385 (+84.9% compared to +109.0% for the UK).

Claimant Count

Claimant count for people aged 16+:

- There were **209,955 claimants aged 16 years and over in the WMCA** (3 LEP) area in December 2020, this is an increase of 20 people when compared to November 2020. This was a 0.01% increase compared to an overall UK increase of 0.2%. For the WMCA (3 LEP) area, when compared to March 2020 (117,590) the number of claimants has increased by 92,365 (+78.5% compared to +105.8% UK). When compared to December 2019 (111,950), the number of claimants has increased by 98,005 (+87.5% compared to 117.0% UK).
- Within the WMCA (3 LEP), the **Black Country LEP had 65,385 claimants** aged 16 years and over in December 2020, this is a decrease of 135 (-0.2%) claimants from the previous month. When compared to March 2020 (38,275) the number of claimants has increased by 27,110 (+70.8%). When compared to December 2019 (35,940), the number of claimants has increased by 29,445 (+81.9%).

- **In Coventry and Warwickshire LEP, there were 33,145 claimants aged 16 years and over in December 2020,** this is a decrease of 55 (-0.2%) claimants since November 2020. For the Coventry and Warwickshire LEP area, when compared to March 2020 (15,825) the number of claimants has increased by 17,320 (+109.4%). When compared to December 2019 (14,875), the number of claimants has increased by 18,270 (+122.8%).
- **In Greater Birmingham and Solihull LEP, there were 111,425 claimants aged 16 years and over in December 2020,** this is an increase of 210 (+0.2%) claimants since November 2020. In the Greater Birmingham and Solihull LEP area, when compared to March 2020 (63,490) the number of claimants has increased by 47,935 (+75.5%). When compared to December 2019 (61,135), the number of claimants has increased by 50,290 (+82.3%).

The following table shows a breakdown of number of claimants aged 16+ and change by selected months across the WMCA and for the UK:

	Dec. 2019	Mar. 2020	Nov. 2020	Dec. 2020	Dec. 2020 (Claimants as proportion aged 16-64) Rates[4]	% Change (Dec.19 – Dec.20)	% Change (Mar. 20 – Dec. 20)	% Change (Nov. 20 – Dec. 20)
Birmingham	47,865	49,370	81,265	81,705	11.1%	70.7%	65.5%	0.5%
Bromsgrove	1,095	1,165	2,690	2,685	4.6%	145.2 %	130.5 %	-0.2%
Cannock Chase	1,520	1,655	3,475	3,385	5.3%	122.7 %	104.5 %	-2.6%
Coventry	7,450	8,000	16,430	16,490	6.6%	121.3 %	106.1 %	0.4%
Dudley	8,215	8,515	14,390	14,280	7.4%	73.8%	67.7%	-0.8%
East Staffordshire	1,530	1,720	3,660	3,715	5.1%	142.8 %	116.0 %	1.5%
Lichfield	1,190	1,320	2,775	2,765	4.5%	132.4 %	109.5 %	-0.4%
North Warwickshire	775	845	1,970	1,995	5.05	157.4 %	136.1 %	1.3%
Nuneaton and Bedworth	2,690	2,830	5,190	5,115	6.5%	90.1%	80.7%	-1.4%
Redditch	1,455	1,535	3,295	3,195	6.1%	119.6 %	108.1 %	-3.0%
Rugby	1,495	1,535	3,060	3,000	4.5%	100.7 %	95.4%	-2.0%
Sandwell	10,065	10,780	19,410	19,525	9.5%	94.0%	81.1%	0.6%
Solihull	3,595	3,650	7,670	7,560	5.9%	110.3 %	107.1 %	-1.4%
Stratford-on-Avon	990	1,050	2,930	2,955	3.9%	198.5 %	181.4 %	0.9%
Tamworth	1,350	1,490	2,855	2,895	6.1%	114.4 %	94.3%	1.4%
Walsall	7,955	8,605	14,855	14,785	8.5%	85.9%	71.8%	-0.5%
Warwick	1,475	1,570	3,620	3,590	3.9%	143.4 %	128.7 %	-0.8%
Wolverhampton	9,705	10,380	16,865	16,795	10.3%	73.1%	61.8%	-0.4%
Wyre Forest	1,535	1,580	3,525	3,515	6.0%	129.0 %	122.5 %	-0.3%
WM 7 Met.	94,855	99,300	170,885	171,140	9.3%	80.4%	72.3%	0.1%
Black Country LEP	35,940	38,275	65,520	65,385	8.9%	81.9%	70.8%	-0.2%
Coventry and Warwickshire LEP	14,875	15,825	33,200	33,145	5.5%	122.8 %	109.4 %	-0.2%
Greater Birmingham and Solihull LEP	61,135	63,490	111,215	111,425	8.7%	82.3%	75.5%	0.2%
WMCA (3 LEP)	111,950	117,590	209,935	209,955	8.0%	87.5%	78.5%	0.01%

	Dec. 2019	Mar. 2020	Nov. 2020	Dec. 2020	Dec. 2020 (Claimants as proportion aged 16-64) Rates[4]	% Change (Dec.19 – Dec.20)	% Change (Mar. 20 – Dec. 20)	% Change (Nov. 20 – Dec. 20)
United Kingdom	1,202,795	1,268,620	2,604,825	2,610,290	6.3%	117.0%	105.8%	0.2%

- Overall, for the WMCA (3 LEP) area the number of claimants as a proportion of residents aged 16 -64 years old is 8.0% in December 2020 compared to 6.3% for the UK[1].
- Within the WMCA (3 LEP) the number of claimants as a proportion of residents aged 16 to 64 years old varies across the 3 LEPs with the Black Country at the highest with 8.9%, followed by Greater Birmingham and Solihull LEP with 8.7% and then Coventry and Warwickshire LEP with 5.5%[2].

Alternative Claimant Count[3]

- An experimental quarterly alternative claimant count was released that covers the yearly month of November 2015 to November 2020. These statistics measure the number of people claiming unemployment related benefits by modelling what the count would have been if Universal Credit had been fully rolled out since 2013 (when Universal Credit began).
- Trends over time for local areas can be considered using the Claimant Count prior to 2013, and the Alternative Claimant Count from 2013. However, the figures cannot be directly compared as they are defined differently.

All Ages

- The alternative claimant count data shows an increase between November 2019 to November 2020 for the WMCA (3 LEP) area at 83.7% (+98,343 people), which is below the UK increase of 109.6%

All Ages Alternative Claimant Count, November 2015 – November 2020

	November 2015	November 2016	November 2017	November 2018	November 2019	November 2020	Change since '19	% Change
WM 7 Met.	93,761	96,776	93,904	94,620	100,287	176,735	76,448	76.2%
Black Country	37,303	39,085	37,266	37,391	38,449	67,620	29,171	75.9%
Coventry & Warwickshire	14,342	14,253	13,627	13,826	15,324	33,589	18,265	119.2%
Greater Birmingham & Solihull	57,466	58,910	58,335	59,616	63,684	114,591	50,907	79.9%
WMCA (3 LEP)	**109,111**	**112,248**	**109,228**	**110,833**	**117,457**	**215,800**	**98,343**	**83.7%**
UK	1,323,730	1,276,906	1,233,925	1,232,029	1,271,926	2,665,353	1,393,427	109.6%

Source: Department for Work and Pensions, Alternative Claimant Statistics, January 2021

[1] SED Board Dashboard reports the number of claimants as a proportion of population aged 16 years and over – WMCA 3 LEP was 6.3% and the UK was 4.8% in December 2020.
[2] SED Board Dashboard reports the number of claimants as a proportion of population aged 16 years and over – BCLEP was 6.9%, CWLEP was 4.3% and GBSLEP was 6.9% in December 2020.
[3] Source: Department for Work and Pensions, Alternative claimant statistics, January 2021

Youth Claimants (Aged 16-24)

- There were **42,220 youth claimants in the WMCA** (3 LEP) area in December 2020, this is a decrease of 285 people when compared to November 2020. This equates to a decrease of 0.7%, while the UK decreased by 0.6%. For the WMCA (3 LEP) area, when compared to March 2020 (22,835) the number of claimants has increased by 19,385 (+84.9% compared to +109.0% for the UK). When compared to December 2019 (21,625), the number of claimants has increased by 20,595 (+95.2% compared to 121.6% for UK).
- Within the WMCA (3 LEP), the **Black Country LEP had 13,600 youth claimants** in December 2020, this was a decrease of 35 (-0.3%) claimants from the previous month. When compared to March 2020 (7,750) the number of claimants has increased by 5,850 (+75.5%). When compared to December 2019 (7,345), the number of claimants has increased by 6,255 (+85.2%).
- **In Coventry and Warwickshire LEP, there were 6,335 youth claimants in December 2020,** this was a decrease of 165 (-2.5%) claimants since November 2020. However, across the Coventry and Warwickshire LEP area, when compared to March 2020 (2,920) the number of claimants has increased by 3,415 (+117.0%). When compared to December 2019 (2,780), the number of claimants has increased by 3,555 (+127.9%).
- **In Greater Birmingham and Solihull LEP, there were 22,285 youth claimants in December 2020,** this is a decrease of 85 (-0.4%) claimants since November 2020. In the Greater Birmingham and Solihull LEP area, when compared to March 2020 (12,165) the number of claimants has increased by 10,120 (+83.2%). When compared to December 2019 (11,500), the number of claimants has increased by 10,785 (+93.8%).

The following table shows a breakdown of number of youth claimants and change by selected months across the WMCA and for the UK:

	Dec. 2019	Mar. 2020	Nov. 2020	Dec. 2020	Dec. 2020 (Claimants as proportion aged 16-24) Rates	% Change (Dec.19 – Dec.20)	% Change (Mar. 20 – Dec. 20)	% Change (Nov. 20 – Dec. 20)
Birmingham	8,740	9,220	16,115	16,110	9.5%	84.3%	74.7%	-0.03%
Bromsgrove	210	220	520	525	6.4%	150.0%	138.6%	1.0%
Cannock Chase	325	370	760	770	8.2%	136.9%	108.1%	1.3%
Coventry	1,445	1,550	3,320	3,255	5.4%	125.3%	110.0%	-2.0%
Dudley	1,720	1,755	3,105	3,090	9.9%	79.7%	76.1%	-0.5%
East Staffordshire	275	320	680	690	6.2%	150.9%	115.6%	1.5%
Lichfield	245	275	535	550	5.9%	124.5%	100.0%	2.8%
North Warwickshire	165	165	395	395	6.8%	139.4%	139.4%	0%
Nuneaton and Bedworth	540	570	1,055	995	8.1%	84.3%	74.6%	-5.7%
Redditch	310	310	625	580	7.4%	87.1%	87.1%	-7.2%
Rugby	250	245	565	525	5.4%	110.0%	114.3%	-7.1%
Sandwell	1,995	2,130	4,005	4,050	11.8%	103.0%	90.1%	1.1%
Solihull	820	830	1,795	1,730	8.6%	111.0%	108.4%	-3.6%
Stratford-on-Avon	150	160	500	500	4.6%	233.3%	212.5%	0%
Tamworth	275	305	640	640	8.6%	132.7%	109.8%	0%
Walsall	1,790	1,940	3,185	3,195	10.7%	78.5%	64.7%	0.3%
Warwick	235	230	665	660	3.4%	180.9%	187.0%	-0.8%
Wolverhampton	1,840	1,925	3,335	3,265	12.0%	77.4%	69.6%	-2.1%
Wyre Forest	310	315	700	690	8.0%	122.6%	119.0%	-1.4%
WM 7 Met.	**18,350**	**19,345**	**34,865**	**34,695**	**9.3%**	**89.1%**	**79.3%**	**-0.5%**
Black Country LEP	7,345	7,750	13,635	13,600	11.1%	85.2%	75.5%	-0.3%
Coventry and Warwickshire LEP	2,780	2,920	6,500	6,335	5.3%	127.9%	117.0%	-2.5%
Greater Birmingham and Solihull LEP	11,500	12,165	22,370	22,285	8.8%	93.8%	83.2%	-0.4%
WMCA (3 LEP)	**21,625**	**22,835**	**42,505**	**42,220**	**8.6%**	**95.2%**	**84.9%**	**-0.7%**
United Kingdom	227,990	241,760	508,200	505,190	7.1%	121.6%	109.0%	-0.6%

- Overall, for the WMCA (3 LEP) area the number of claimants as percentage of residents aged 16 to 24 years old was 8.6% in December 2020 compared to 7.1% for the UK.

- Within the WMCA (3 LEP) the number of claimants as a percentage of residents aged 16 to 24 years old varies across the 3 LEPs with the Black Country at the highest with 11.1%, followed by Greater Birmingham and Solihull LEP with 8.8% and then Coventry and Warwickshire LEP with 5.3%.
- At local authority level, the number of claimants as a percentage of residents aged 16 to 24 years old varies from 3.4% in Warwick to 12.0% in Wolverhampton.

Alternative Claimant Count - 16 – 24-years old

- The alternative claimant count data shows for those aged 16 – 24 years old an increase between November 2019 to November 2020 for the WMCA (3 LEP) area at 105.0% (+21,355 people), which is below the UK increase of 137.1%

16- 24 years old Alternative Claimant Count, November 2015 – November 2020

	November 2015	November 2016	November 2017	November 2018	November 2019	November 2020	Change since '19	% Change
WM 7 Met.	15,740	16,273	14,672	15,013	17,462	34,339	16,877	96.6%
Black Country	6,579	6,848	6,148	6,101	6,932	13,302	6,370	91.9%
Coventry & Warwickshire	1,968	2,046	1,861	1,900	2,455	6,314	3,859	157.2%
Greater Birmingham & Solihull	9,534	9,751	8,945	9,388	10,942	22,068	11,126	101.7%
WMCA (3 LEP)	**18,081**	**18,645**	**16,954**	**17,389**	**20,329**	**41,684**	**21,355**	**105.0%**
UK	217,836	205,424	187,236	187,800	209,316	496,319	287,003	137.1%

Source: Department for Work and Pensions, Alternative Claimant Statistics, January 2021

Claimant Count by Age and Gender (WMCA 3 LEP)

- Overall, there was a reduction of 285 claimants aged 16-24 years old In the WMCA (3 LEP) area since November 2020. There was a reduction of approximately 190 males aged 16-24 years old and approximately by 90 female claimants[4].
- There was an overall reduction of 60 claimants for those aged 25-49 years old since November. This can be split by those aged 25-29 years old reducing by 135 (-25 males and -110 females). For those aged 30-34 years old there was a reduction of 55 (-85 males and +25 females). For those aged 40-44 years old there was a reduction by 10.

The following table shows a breakdown by age brackets and gender for the WMCA (3 LEP) area over selected time periods:

		Dec. 2019	Mar. 2020	Nov. 2020	Dec. 2020	Num. Change (Dec. 19 – Dec. 20)	Num. Change (Mar. 20 – Dec. 20)	Num. Change (Nov. 20– Dec. 20)
Total	**Age 16+**	**111,950**	**117,590**	**209,935**	**209,955**	**98,005**	**92,365**	**20**
	Aged 16-24	**21,625**	**22,835**	**42,505**	**42,220**	**20,595**	**19,385**	**-285**
	Aged 16-17	255	250	385	385	130	135	0
	Aged 18-24	21,370	22,580	42,120	41,840	20,470	19,260	-280
	Aged 25-49	**63,340**	**67,130**	**119,245**	**119,185**	**55,845**	**52,055**	**-60**
	Aged 25-29	14,725	15,945	28,415	28,280	13,555	12,335	-135
	Aged 30-34	14,520	15,635	27,835	27,780	13,260	12,145	-55
	Aged 35-39	13,125	13,715	24,305	24,360	11,235	10,645	55
	Aged 40-44	10,620	11,230	20,195	20,185	9,565	8,955	-10

[4] Due to rounding, figures may not sum.

		Dec. 2019	Mar. 2020	Nov. 2020	Dec. 2020	Num. Change (Dec. 19 – Dec. 20)	Num. Change (Mar. 20 – Dec. 20)	Num. Change (Nov. 20– Dec. 20)
	Aged 45-49	10,355	10,605	18,490	18,575	8,220	7,970	85
	Aged 50+	**26,980**	**27,635**	**48,180**	**48,540**	**21,560**	**20,905**	**360**
	Aged 50-54	9,675	9,960	17,785	17,900	8,225	7,940	115
	Aged 55-59	8,860	8,985	15,545	15,615	6,755	6,630	70
	Aged 60-64	7,540	7,675	12,695	12,820	5,280	5,145	125
	Aged 65+	905	1,020	2,160	2,205	1,300	1,185	45
Male	**Age 16+**	**65,300**	**69,420**	**125,025**	**125,030**	**59,730**	**55,610**	**5**
	Aged 16-24	**13,040**	**14,100**	**25,870**	**25,680**	**12,640**	**11,580**	**-190**
	Aged 16-17	120	115	190	190	70	75	0
	Aged 18-24	12,925	13,980	25,685	25,500	12,575	11,520	-185
	Aged 25-49	**36,425**	**38,965**	**71,020**	**71,015**	**34,590**	**32,050**	**-5**
	Aged 25-29	8,790	9,610	17,535	17,510	8,720	7,900	-25
	Aged 30-34	8,345	9,095	16,670	16,585	8,240	7,490	-85
	Aged 35-39	7,410	7,730	14,300	14,340	6,930	6,610	40
	Aged 40-44	6,045	6,440	11,815	11,860	5,815	5,420	45
	Aged 45-49	5,835	6,080	10,690	10,720	4,885	4,640	30
	Aged 50+	**15,825**	**16,355**	**28,120**	**28,325**	**12,500**	**11,970**	**205**
	Aged 50-54	5,595	5,820	10,340	10,375	4,780	4,555	35
	Aged 55-59	5,220	5,295	9,085	9,115	3,895	3,820	30
	Aged 60-64	4,445	4,575	7,400	7,485	3,040	2,910	85
	Aged 65+	560	655	1,290	1,340	780	685	50
Female	**Age 16+**	**46,655**	**48,175**	**84,915**	**84,920**	**38,265**	**36,745**	**5**
	Aged 16-24	**8,585**	**8,730**	**16,630**	**16,540**	**7,955**	**7,810**	**-90**
	Aged 16-17	140	135	195	195	55	60	0
	Aged 18-24	8,450	8,595	16,435	16,345	7,895	7,750	-90
	Aged 25-49	**26,915**	**28,165**	**48,220**	**48,165**	**21,250**	**20,000**	**-55**
	Aged 25-29	5,935	6,340	10,880	10,770	4,835	4,430	-110
	Aged 30-34	6,170	6,530	11,165	11,190	5,020	4,660	25
	Aged 35-39	5,715	5,985	10,005	10,020	4,305	4,035	15
	Aged 40-44	4,575	4,790	8,380	8,335	3,760	3,545	-45
	Aged 45-49	4,520	4,525	7,795	7,855	3,335	3,330	60
	Aged 50+	**11,155**	**11,280**	**20,060**	**20,220**	**9,065**	**8,940**	**160**
	Aged 50-54	4,080	4,135	7,440	7,515	3,435	3,380	75
	Aged 55-59	3,635	3,690	6,460	6,505	2,870	2,815	45
	Aged 60-64	3,100	3,100	5,295	5,335	2,235	2,235	40
	Aged 65+	340	360	875	865	525	505	-10

Regional Labour Market Statistics

Please note for this section data is only available at a regional level

- **For the three months ending in November 2020, the West Midlands Region employment rate** (aged 16 – 64 years) was **73.8%.** Since the three months ending August 2020, the employment rate has decreased by 0.7pp while the UK decreased by 0.4pp. The overall, UK employment rate was 75.2% with the highest **employment rate** within the UK for the three months ending November 2020 in the South East (78.7%) and the lowest was in Northern Ireland (70.6%).
- **For the three months ending in November 2020, the West Midlands Region unemployment rate** (aged 16 years and over) **was 6.0%, which has increased by 1.4pp since the previous quarter.** The UK unemployment rate was 5.0%, an increase of 0.6pp from the previous quarter. The highest unemployment rate in the UK for the three months ending November 2020 was in London (6.9%), with the lowest unemployment rate in Northern Ireland at 3.2%.
- **For the three months ending in November 2020, the West Midlands Region economic inactivity rate** (aged 16 – 64 years) **was 21.2% - a decrease of 0.6pp** from previous quarter. The UK economic inactivity rate stood at

20.7%, a decrease of 0.1pp from the previous quarter. The highest **economic inactivity** rate in the UK for the three months ending November 2020 was in Northern Ireland (27.0%), with the lowest in the South East (18.2%).

A summary of the latest headline estimates for Regions of the UK, seasonally adjusted, September to November 2020:

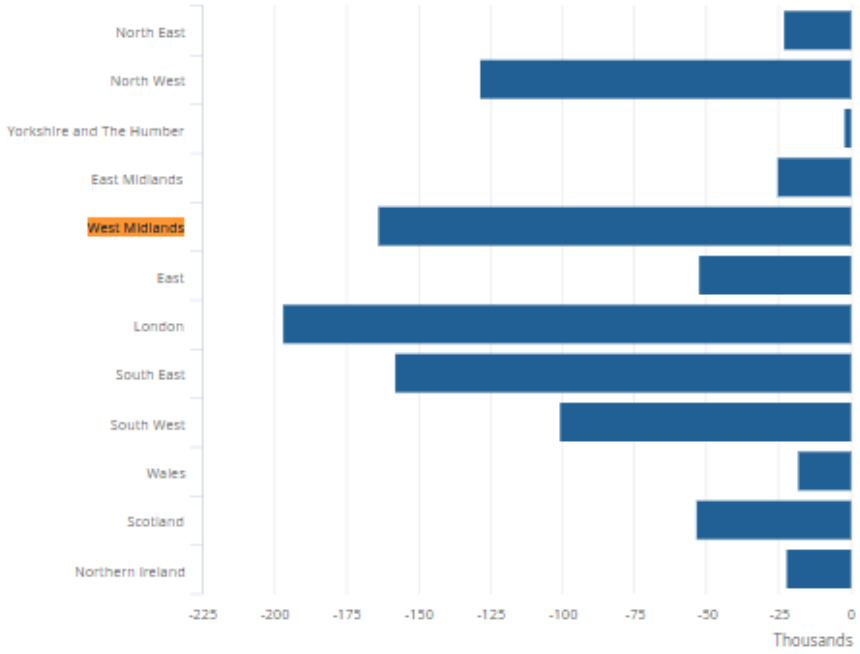
	Employment rate - Sept to Nov 2020 (aged 16- 64 years)	Change on Jun to Aug 2020	Unemployment rate- Sept to Nov 2020 (16 years +)	Change on Jun to Aug 2020	Inactivity rate – Sept to Nov 2020 (aged 16-64 years)	Change on Jun to Aug 2020
UK	75.2%	-0.4pp	5.0%	0.6pp	20.7%	-0.1pp
Great Britain	75.3%	-0.4pp	5.1%	0.6pp	20.5%	-0.1pp
England	75.6%	-0.5pp	5.2%	0.7pp	20.2%	0.0pp
North East	71.2%	-0.6pp	6.4%	-0.3pp	24.0%	1.0pp
North West	73.8%	-1.4pp	4.7%	0.4pp	22.5%	1.2pp
Yorkshire and The Humber	74.4%	0.4pp	5.1%	0.9pp	21.6%	-1.1pp
East Midlands	75.5%	0.1pp	5.6%	1.2pp	19.9%	-1.1pp
West Midlands	73.8%	-0.7pp	6.0%	1.4pp	21.2%	-0.6pp
East	76.9%	-0.5pp	4.6%	0.5pp	19.2%	0.1pp
London	75.1%	-1.0pp	6.9%	1.7pp	19.3%	-0.5pp
South East	78.7%	-0.4pp	3.7%	-0.4pp	18.2%	0.7pp
South West	77.2%	0.5pp	4.1%	0.0pp	19.3%	-0.4pp
Wales	72.4%	-0.2pp	4.6%	0.8pp	24.0%	-0.4pp
Scotland	74.4%	0.5pp	4.4%	-0.1pp	22.1%	-0.5pp
Northern Ireland	70.6%	-0.1pp	3.2%	-0.5pp	27.0%	0.4pp

Source: ONS – Labour Force Survey

Workforce Jobs (first published 15th December)

- For the UK there was an estimated 34.69 million workforce jobs in September 2020, which is 942,000 less than in September 2019 and 475,000 less than last quarter (June 2020).
- The West Midlands region had 2.8m workforce jobs in September 2020. Following the trend across all the UK regions when compared to September 2019, the West Midlands decreased by 163,762 workforce jobs. The West Midlands region had 92,502 less workforce jobs when compared to the last quarter.

Change in workforce jobs, by UK Region, seasonally adjusted, September 2019 and September 2020.

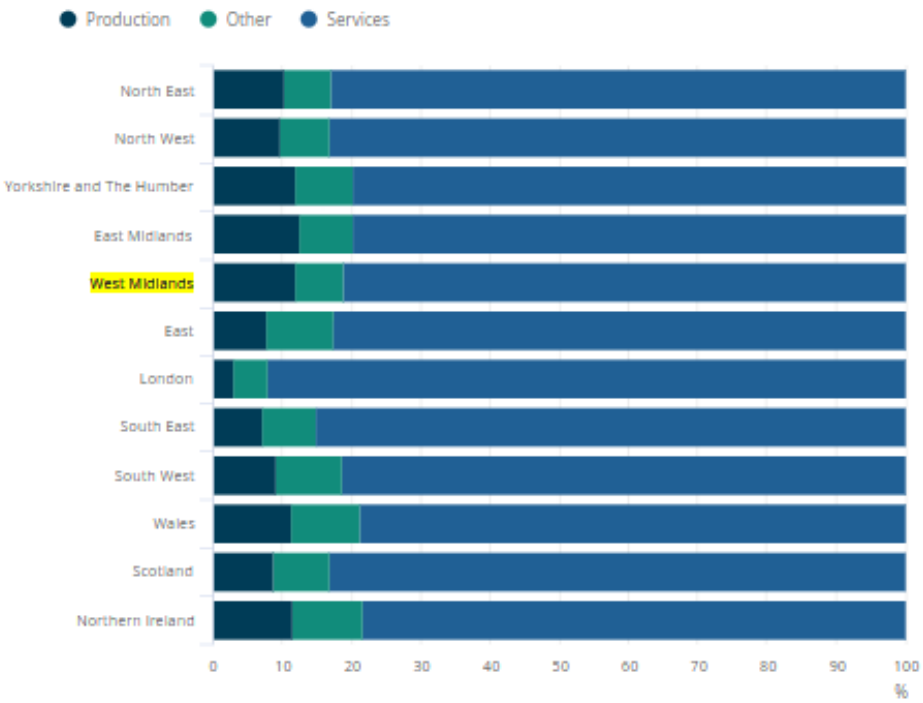


Source: ONS – [Workforce Jobs]

Workforce Jobs by Broad Industry Group

- 81.1% of the West Midlands Region's workforce jobs are in the services sector as of September 2020. This is followed by 11.8% in the production sector and 7.1% in other.

Proportion of workforce jobs by broad industry group, by UK Region, September 2020



Source: ONS – [Workforce Jobs]

UK Labour Market Stastics - Vacancies

- The vacancies recovery has slowed in October to December 2020, with an estimated quarterly increase of 81,000 vacancies to 578,000, the quarterly increase is half of that from the previous quarter.
- The smallest businesses, with one to nine employees, have only 1,000 (0.8%) fewer vacancies than a year ago; despite a quarterly increase of 35,000 (22.3%) vacancies for the largest businesses with 2,500 or more employees, estimated vacancies are still 95,000 (-33.0%) less than a year ago.
- Accommodation and food services has been impacted by the further lockdowns and restrictions across the UK at the end of 2020, with an estimated quarterly decrease of 7,000 vacancies and estimated vacancies -68.9% lower than a year.
- Public administration and defence; compulsory social security and construction are the only sectors with an estimated annual increase in vacancies.
- Human health and social work activities remains the largest sector in terms of both vacancy level (128,000) and ratio (3.1) and accounts for 22.2% of all vacancies.

The following table shows the total number of vacancies by sector for the UK, August to October 2020 and September to November 2020 and October to December 2020:

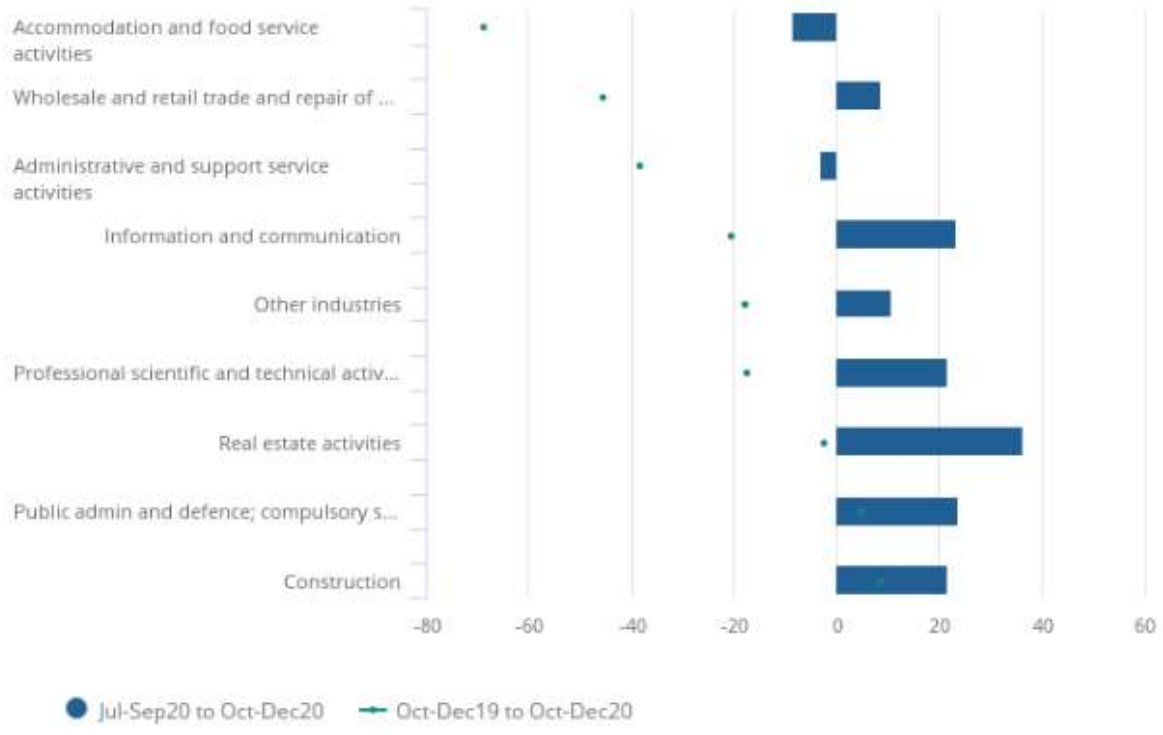
			Total Figures in Thousands
	Aug - Oct 2020	**Sep - Nov 2020**	**Oct-Dec 2020**
All vacancies	533	552	**578**
Mining & quarrying	1	1	**1**
Manufacturing	42	41	**42**
Electricity, gas, steam & air conditioning supply	3	3	**3**
Water supply, sewerage, waste & remediation activities	4	3	**3**
Construction	26	26	**28**
Wholesale & retail trade; repair of motor vehicles and motor cycles	62	65	**71**
Motor Trades	6	7	**9**
Wholesale	14	15	**18**
Retail	41	43	**44**
Transport & storage	29	30	**30**
Accommodation & food service activities	33	32	**27**
Information & communication	25	29	**32**
Financial & insurance activities	18	20	**20**
Real estate activities	10	11	**12**
Professional scientific & technical activities	49	51	**63**
Administrative & support service activities	35	38	**34**
Public admin & defence; compulsory social security	19	21	**25**
Education	39	39	**40**
Human health & social work activities	121	123	**128**
Arts, entertainment & recreation	9	10	**11**
Other service activities	12	11	**11**

Number of Vacancies in the UK, seasonally adjusted between October to December 2001 and October to December 2020

Source: ONS – [Vacancy Survey]

- The experimental single-month series indicate that estimated vacancies at the end of 2020 were impacted by second national lockdowns and further restrictions with a fall of around 10% from October to December.

The following chart shows the three-month average vacancies in the UK, seasonally adjusted, between July to September 2020 and October to December 2020; index October to December 2019=100, difference in percentage points compared to October to December 2019:



Source: ONS – [Vacancy Survey]

- Accommodation and food services has been impacted by the further lockdowns and restrictions across the UK at the end of 2020; it had the largest quarterly decrease across all sectors of -8.5% when indexed to October to December 2019 levels. Estimated vacancies are -68.9% lower than a year ago. The small quarterly decrease in administrative and support service activities was partly driven by recruitment drives at the end of the summer increasing the number of vacancies in the previous quarter.

- Whilst wholesale and retail trade; repair of motor vehicles and motor cycles had a quarterly increase in estimated vacancies in October to December 2020 it is still one of the sectors that has been impacted the most by the pandemic, with estimated vacancies -45.7% lower than a year ago. Within that sector, retail has been particularly impacted by the pandemic, with vacancies -48.3% less than a year ago.
- Real estate has seen the largest increase in vacancies across all sectors, mainly due to the stamp duty relief and built up demand during the first lockdown. Professional, scientific and technical activities has also seen a large increase in vacancies in the latest quarter, driven by an increase in consultancy and accountants in the build up to the end of the financial year.
- The sectors with an estimated annual increase in vacancies are public administration and defence; compulsory social security and construction. The increase in public administration and defence; compulsory social security is being driven by temporary recruitment for the 2021 Census. Construction was one of the sectors to see a large quarterly fall in vacancies at the start of the pandemic in April to June 2020, with a consistent recovery since the summer.

EMSI Job Postings WMCA 3 LEP Geography December 2020[5]

Note: The data below identifies job postings, derived from the EMSI Analyst Tool, and not comparable to the official vacancy data.

- There were 178,056 unique job postings across the WMCA 3 LEP geography in December 2020, 8.2% higher than in November.
- This is the ninth consecutive month job postings have increased in the region.
- All 19 LA areas recorded a positive increase.
- The highest month-on-month change was recorded in Warwick (10%) followed by Birmingham, East Staffordshire, Sandwell and Solihull – all 9%.
- Posting intensity, i.e. the effort towards hiring for particular positions was highest in Birmingham, Cannock Chase, Coventry, Redditch, Rugby and Tamworth.

The following table shows the unique job postings in the WMCA area in December 2020 and percentage change when compared with the previous month:

Local Authority Name	Dec 2020 Unique Postings	% Change (Nov 2020 - Dec 2020)
Birmingham	70,725	9%
Bromsgrove	2,405	8%
Cannock Chase	3,584	6%
Coventry	16,863	4%
Dudley	8,657	7%
East Staffordshire	5,253	9%
Lichfield	3,633	7%
North Warwickshire	2,662	4%
Nuneaton and Bedworth	3,842	8%
Redditch	3,188	7%
Rugby	4,806	7%
Sandwell	9,035	9%
Solihull	7,300	9%
Stratford-on-Avon	4,838	3%
Tamworth	3,461	7%
Walsall	6,776	7%
Warwick	9,645	10%
Wolverhampton	8,684	7%
Wyre Forest	2,699	5%

[5] Source: EMSI, January 2021

Adhoc Summaries- Potential Issues:

Older Workers[6]: As a result of Covid-19 there is, correctly, a focus on young people, who are at risk. However, evidence shows that older workers are being just as affected as young, and there is a persuasive argument that they should be treated with parity as they are susceptible, particularly because of age discrimination and caring responsibilities. As such, Covid-19 risks reversing the positive employment trends we have seen over recent years and intensifying the barriers to employment for 50+ which are likely to result in long term unemployment. In addition, historical evidence of older workers in recessions indicates a prevalence of becoming inactive in the labour market.

Carers[7]: Working carers are being particularly affected by the pandemic - carers often want to remain in employment, however many report feeling they have no option but to take on caring activities that, over time and without adequate support, become incompatible with paid work.

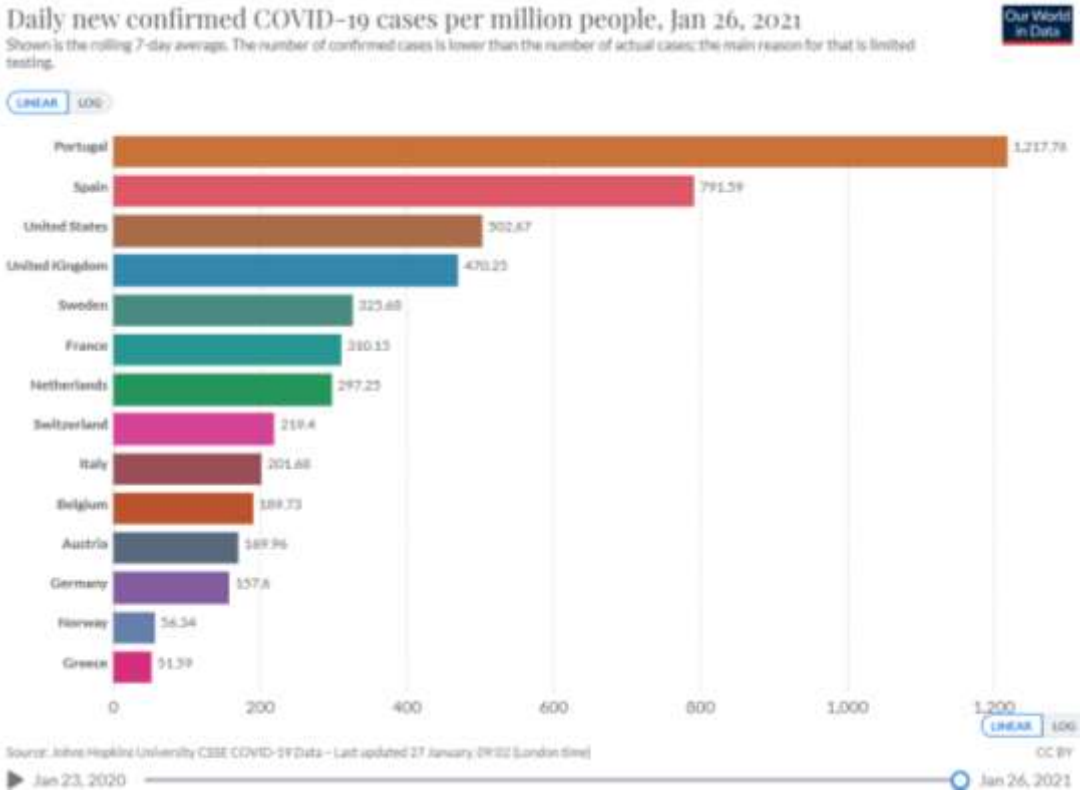
[6] Source: The Centre for Vocational Education Research
[7] Source: Carers UK

Infection Rates

Alice Pugh WMREDI

Europe has seen a resurgence in infection rates which is continuing (see graph below).

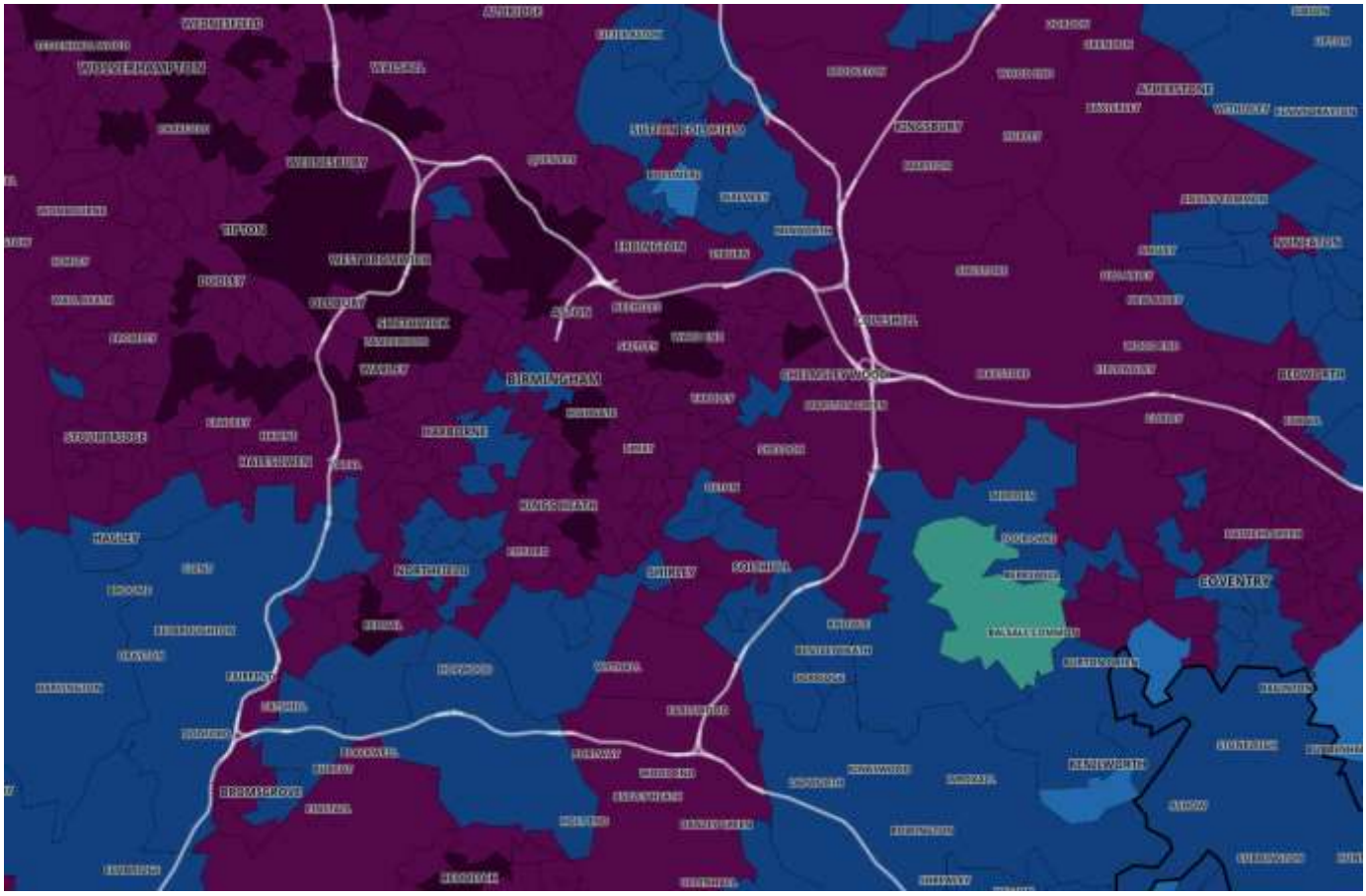
Since 31 December 2019 and as of week 2021-2, **94 582 873 cases** of COVID-19 (in accordance with the applied case definitions and testing strategies in the affected countries) have been reported, including **2 036 713 deaths**.



Latest ONS infection survey data (22nd Jan – next release 29th Jan) states:

- In England, the percentage of people testing positive for the coronavirus (COVID-19) remained high but decreased slightly in the week ending 16 January 2021; we estimate that 1,023,700 people (95% credible interval: 978,900 to 1,070,000) within the community population in England had COVID-19, equating to around 1 in 55 people (95% credible interval: 1 in 55 to 1 in 50).
- During the week ending 16 January 2021, London had the highest percentage of people testing positive; we estimate that 2.89% of people in London had COVID-19 (95% credible interval: 2.68% to 3.11%), equating to around 1 in 35 people (95% credible interval: 1 in 35 to 1 in 30).
- In Wales, the percentage of people testing positive levelled off over the week ending 16 January 2021; we estimate that 44,000 people in Wales had COVID-19 (95% credible interval: 36,000 to 52,800), equating to around 1 in 70 people (95% credible interval: 1 in 85 to 1 in 60).
- In Northern Ireland, the percentage of people testing positive increased in the week ending 16 January 2021; we estimate that 29,400 people in Northern Ireland had COVID-19 (95% credible interval: 23,000 to 36,500), equating to around 1 in 60 people (95% credible interval: 1 in 80 to 1 in 50).
- In Scotland, the percentage of people testing positive levelled off in the week ending 16 January 2021; we estimate that 52,200 people in Scotland had COVID-19 (95% credible interval: 44,400 to 60,800), equating to around 1 in 100 people (95% credible interval: 1 in 120 to 1 in 85).
- The percentage of people with new variant compatible positives has decreased in London, the South East and the East of England in the week ending 16 January 2021; in other regions, increases in new variant compatible positives have generally levelled off.

The map below displays weekly data, which are updated every day here. This map is for 21th January 2021

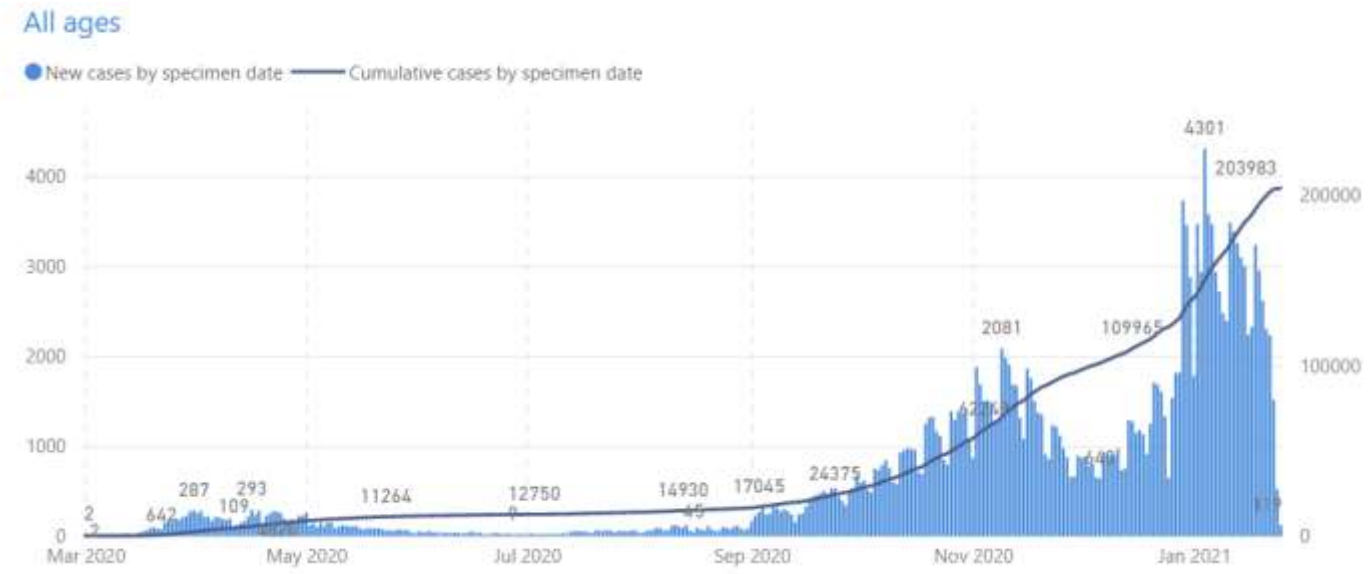


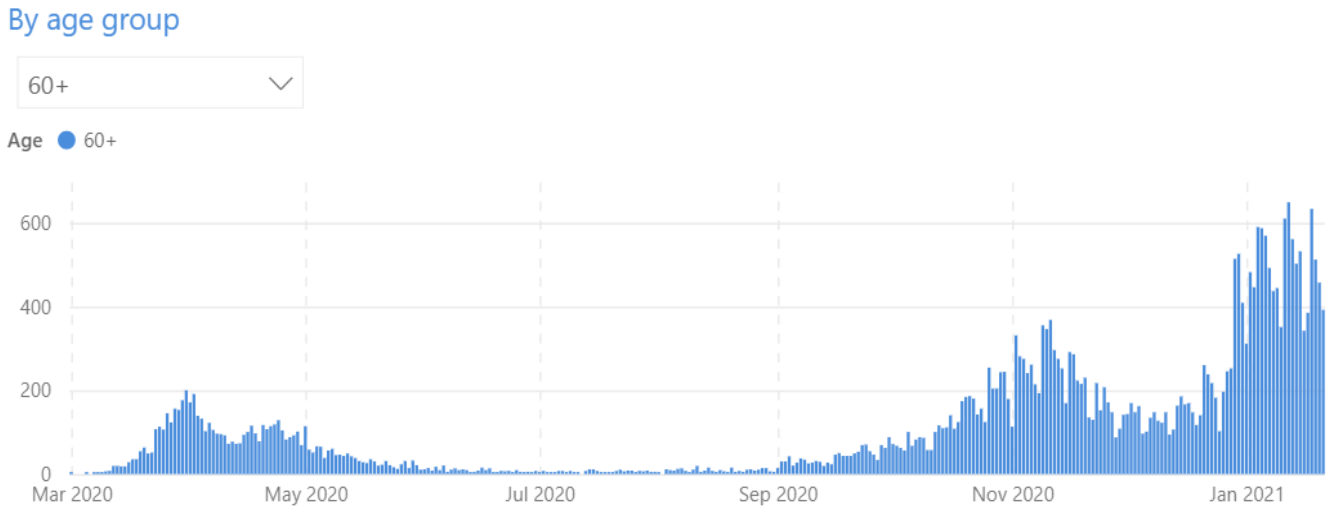
Regional Data

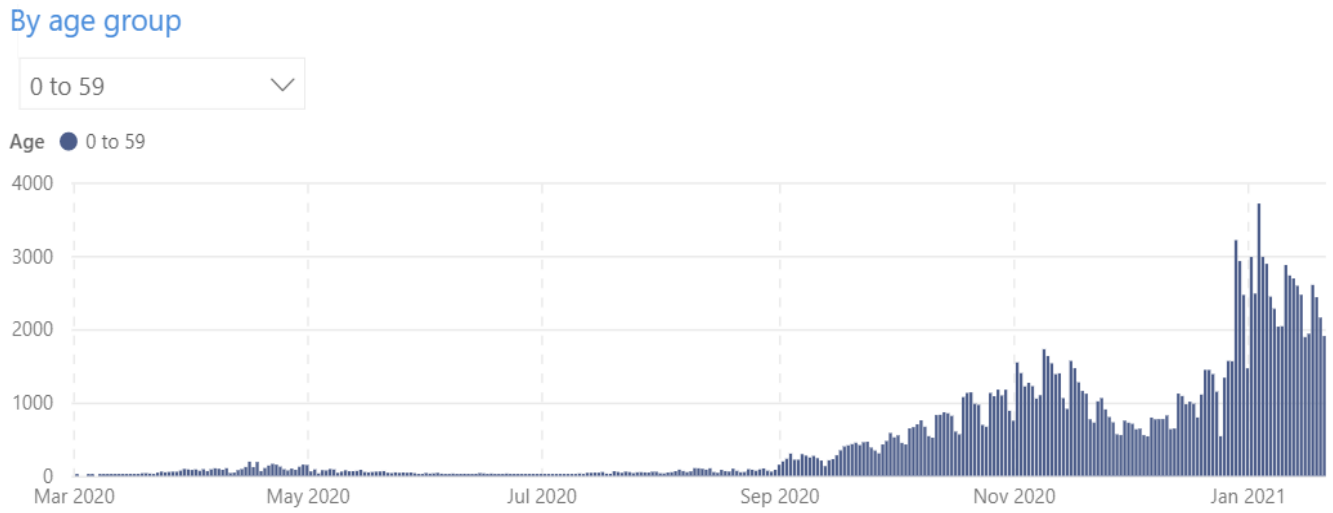
The Coventry, Solihull and Warwickshire Epidemiology and Intelligence Cell have created a dashboard which looks at covid data on a regional level. Data below:

Date	New cases by specimen date	New cases by publish date	Cumulative cases by specimen date	Cumulative cases per 100,000	Cases in the last 7 days	Rate per 100,000 in the last 7 days
25 January 2021	119	1570	203983	47,967.85	2	0.07
24 January 2021	515	2366	203864	47,933.74	2	0.07
23 January 2021	1511	2633	203349	47,800.85	2	0.07
22 January 2021	2227	2534	201838	47,431.64	17873	610.29
21 January 2021	2297	2948	199611	46,897.85	18645	636.65
20 January 2021	2613	2741	197314	46,349.74	19440	663.80
19 January 2021	2947	2610	194701	45,733.05	20078	685.59
18 January 2021	3235	3024	191754	45,023.27	20510	700.34
17 January 2021	2321	2172	188519	44,235.16	20758	708.80
16 January 2021	2233	3111	186198	43,676.10	20826	711.13
15 January 2021	2999	4450	183965	43,134.93	21070	719.46
14 January 2021	3092	2994	180966	42,402.98	20786	709.76

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 (N.B. 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	11-Jan-21	12-Jan-21	13-Jan-21	14-Jan-21	15-Jan-21	16-Jan-21	17-Jan-21	18-Jan-21	19-Jan-21	20-Jan-21	21-Jan-21	22-Jan-21	23-Jan-21	24-Jan-21
ENGLAND	3,894	4,134	3,840	3,678	3,295	3,569	3,424	3,711	3,768	3,679	3,237	3,016	2,780	2,824
East of England	462	518	456	442	360	418	402	461	404	446	392	407	359	328
London	795	875	804	763	670	758	652	704	742	660	598	580	520	544
Midlands	824	862	738	729	671	753	738	824	835	777	659	592	540	549
North East and Yorkshire	466	463	393	416	416	464	445	462	492	472	431	364	360	416
North West	452	467	480	420	434	439	386	438	472	485	417	405	355	390
South East	607	630	622	582	472	490	520	526	538	558	501	397	453	385
South West	288	319	347	326	272	247	281	296	285	281	239	271	193	212

Mechanical Ventilation beds - occupied by confirmed COVID-19 patients

Name	11-Jan-21	12-Jan-21	13-Jan-21	14-Jan-21	15-Jan-21	16-Jan-21	17-Jan-21	18-Jan-21	19-Jan-21	20-Jan-21	21-Jan-21	22-Jan-21	23-Jan-21	24-Jan-21	25-Jan-21	26-Jan-21
ENGLAND	3,055	3,175	3,307	3,351	3,464	3,525	3,533	3,570	3,603	3,603	3,607	3,727	3,731	3,736	3,694	3,634
East of England	364	370	366	374	381	372	371	357	355	334	354	368	365	378	378	372
London	1,073	1,085	1,138	1,163	1,184	1,206	1,203	1,220	1,207	1,208	1,217	1,219	1,217	1,220	1,200	1,158
Midlands	477	504	521	532	570	599	595	598	602	615	627	650	671	655	664	672
North East and Yorkshire	246	258	272	277	284	280	282	298	316	328	322	325	340	339	336	336
North West	304	319	332	343	363	363	383	384	381	387	402	417	405	400	379	388
South East	433	474	492	489	497	512	506	514	531	519	478	532	523	525	522	495
South West	158	165	183	173	185	193	193	199	211	212	207	216	210	219	215	213

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

Name	11-Jan-21	12-Jan-21	13-Jan-21	14-Jan-21	15-Jan-21	16-Jan-21	17-Jan-21	18-Jan-21	19-Jan-21	20-Jan-21	21-Jan-21	22-Jan-21	23-Jan-21	24-Jan-21	25-Jan-21	26-Jan-21
ENGLAND	32,070	32,202	32,689	32,925	33,362	32,923	33,352	34,336	34,015	33,886	33,235	33,412	32,614	32,907	32,938	32,337
East of England	4,219	4,260	4,306	4,303	4,266	4,121	4,177	4,244	3,996	4,068	4,078	4,055	3,921	4,009	4,044	3,924
London	7,799	7,606	7,686	7,840	7,811	7,571	7,707	7,917	7,711	7,588	7,332	7,298	7,044	7,030	7,014	6,785
Midlands	5,524	5,630	5,741	5,799	5,890	5,955	6,077	6,278	6,325	6,350	6,380	6,341	6,245	6,338	6,330	6,165
North East and Yorkshire	3,392	3,429	3,476	3,455	3,584	3,567	3,604	3,796	3,830	3,818	3,814	3,793	3,732	3,732	3,891	3,841
North West	3,733	3,785	3,849	3,912	4,039	4,021	4,151	4,242	4,307	4,318	4,287	4,315	4,254	4,338	4,122	4,346
South East	5,467	5,546	5,577	5,487	5,528	5,419	5,387	5,493	5,509	5,397	5,033	5,337	5,200	5,207	5,237	5,040
South West	1,936	1,946	2,054	2,129	2,244	2,269	2,249	2,366	2,337	2,347	2,311	2,273	2,218	2,253	2,300	2,236

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

Weekly Deaths Registered 15th January 2021

BCCEIU

The following analysis compares the latest available time period (the week of the 15th January) to the previous week period (the week of the 8th January) for the number of deaths registered and the number of deaths related to the Coronavirus.

Across England and Wales, the overall registered death figures increased from 17,751 in the week of the 8th January to 18,042 in the week of 15th January. The number of deaths registered that state Coronavirus on the death certificate experienced an increase from 6,057 people to 7,245 people over the same period.

Regional level analysis shows that the West Midlands' overall registered death figure increased from 1,785 people in the week 8th January to 1,820 in the week of 15th January. The number of registered deaths related to Coronavirus has increased from 550 people to 716 over the same period.

There was a total of 1,245 deaths registered across the WMCA (3 LEP) area in the week of the 15th January. There were 485 deaths registered that were related to Coronavirus over the same period – accounting for 39.0% of total deaths. The WMCA (3 LEP) area accounted for 66.7% of the 716 Coronavirus related deaths registered in the West Midlands Region. In comparison to the week of the 8th January, the overall registered death figures in the WMCA (3 LEP) area increased by 52, while the number of deaths related to Coronavirus increased by 120 people.

At a local authority level, Birmingham accounted for 25.4% (123) of deaths related to Coronavirus in the WMCA (3 LEP), this is followed by Wolverhampton at 10.1% (49 deaths).

Of deaths involving Coronavirus registered in the week of the 15th January, 79.8% (387) were in registered in a hospital, 13.6% (66) were in a care home, 6.2% (30) were registered as at home. 0.2% (1 in each) deaths were registered in an other communal establishment and also in a hospice.

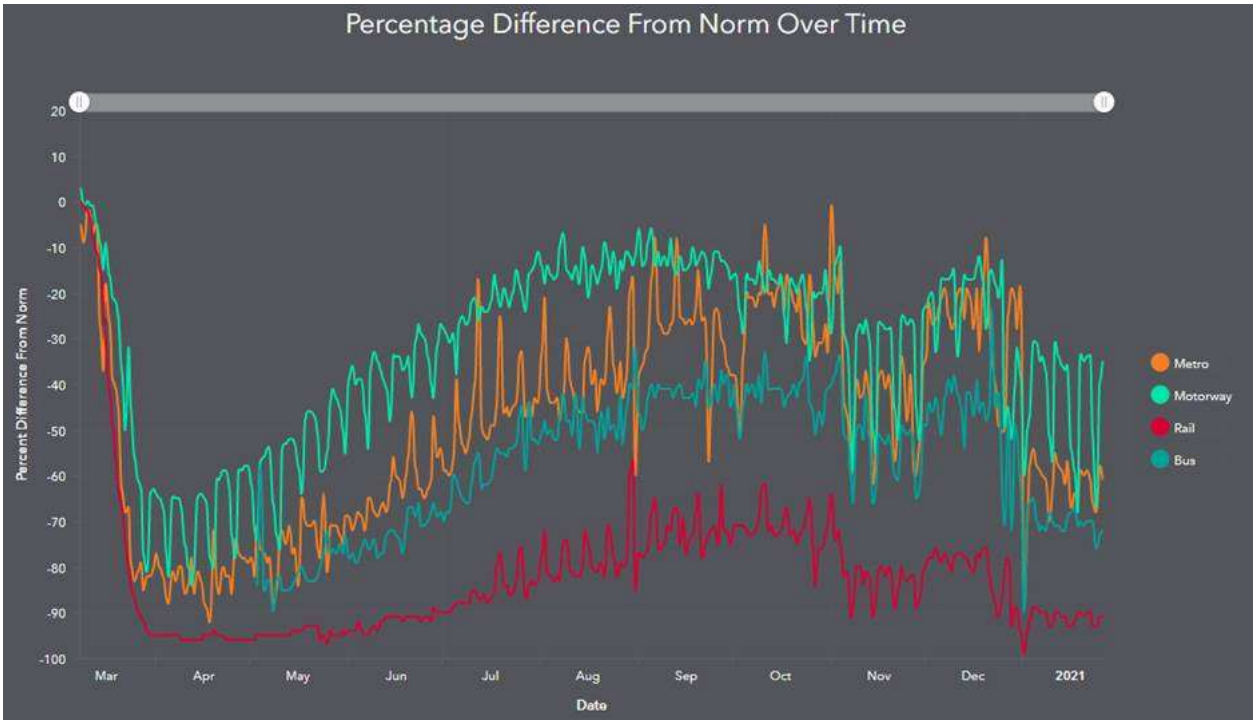
Place and number of deaths registered that are related to Coronavirus in the week of 8th January 2021:

Area name	Care home	Elsewhere	Home	Hospice	Hospital	Other communal establishment	Total
Cannock Chase	10	0	0	0	17	0	27
East Staffordshire	0	0	1	1	22	0	24
Lichfield	4	0	1	0	7	0	12
Tamworth	2	0	1	0	7	0	10
North Warwickshire	0	0	0	0	6	0	6
Nuneaton and Bedworth	0	0	0	0	15	0	15
Rugby	4	0	0	0	8	0	12
Stratford-on-Avon	8	0	0	0	10	0	18
Warwick	10	0	0	0	9	0	19
Bromsgrove	2	0	0	0	10	0	12
Redditch	0	0	0	0	5	0	5
Wyre Forest	3	0	0	0	7	0	10
Birmingham	6	0	15	0	102	0	123
Coventry	2	0	2	0	20	0	24
Dudley	1	0	0	0	23	1	25
Sandwell	1	0	5	0	28	0	34
Solihull	3	0	1	0	22	0	26
Walsall	2	0	2	0	30	0	34
Wolverhampton	8	0	2	0	39	0	49
WM 7 Met.	**23**	**0**	**27**	**0**	**264**	**1**	**315**
Black Country LEP	12	0	9	0	120	0	141
Coventry & Warwickshire LEP	24	0	2	0	68	0	94
Greater Birmingham & Solihull LEP	30	0	19	1	199	0	249
WMCA (3 LEP)	**66**	**0**	**30**	**1**	**387**	**1**	**485**

Source: ONS, Death registrations and occurrences by local authority and health board, 26th January 2021

Transport Data

Anne Shaw TFWM



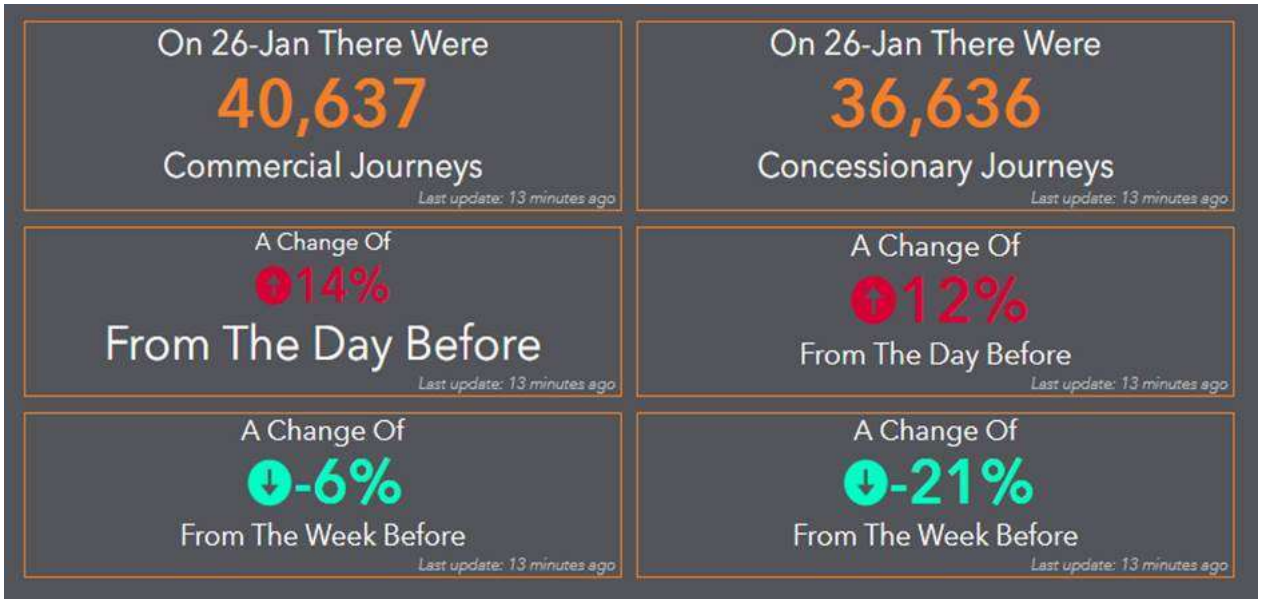
The table provides intel in terms of the levels of services and the use of the network per mode compared to this time last year, the day before and the week before for the 1st December 2020.

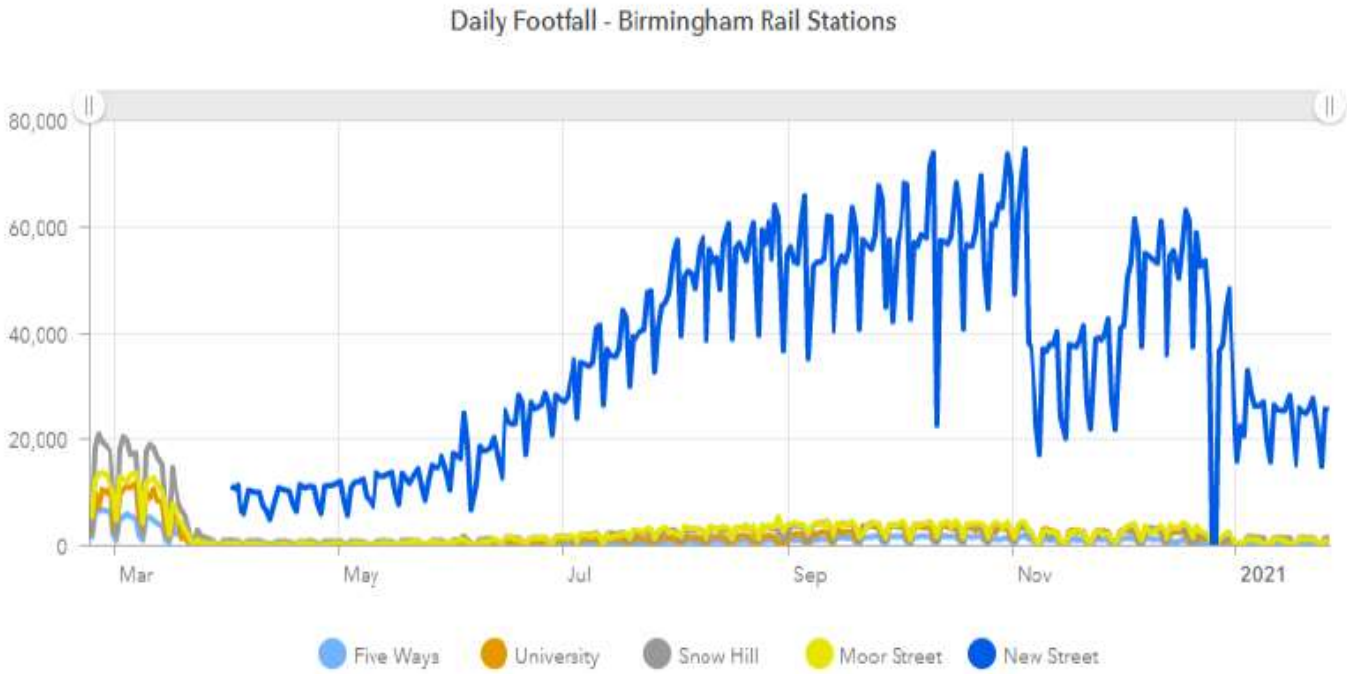
	% levels pre covid	% change from day before	% change from Week before
Bus	28	+1	-2
Train	9	No change	-1
Tram	39	-3	-2
Roads (HE SRN)	65	+5	-1

* Data is only currently available up to 4th January, this is pre national lockdown and it is anticipated patronage levels will drop further when the data is available.
** As last week was the festive period network usage figures will have been different when compared to the pre festive period. Next week's figures should show a truer reflection of network usage.

Transport services remain at their current levels with social distancing measures in place.

We continue to monitor the network and carry out relevant actions to assist with managing capacity to ensure compliance with social distancing. In addition, we are also continuing to encourage and enforce on the network the wearing of face coverings.


On 26-Jan There Were
40,637
Commercial Journeys
Last update: 13 minutes ago
On 26-Jan There Were
36,636
Concessionary Journeys
Last update: 13 minutes ago
A Change Of
14%
From The Day Before
Last update: 13 minutes ago
A Change Of
12%
From The Day Before
Last update: 13 minutes ago
A Change Of
-6%
From The Week Before
Last update: 13 minutes ago
A Change Of
-21%
From The Week Before
Last update: 13 minutes ago


Daily Footfall - Birmingham Rail Stations
80,000
60,000
40,000
20,000
0
Mar
May
Jul
Sep
Nov
2021
Five Ways
University
Snow Hill
Moor Street
New Street

ONS Weekly Release Indicators

BCCEIU

ONS Weekly Release Indicators

On the 21st January 2020 the ONS released the weekly publication containing data about the condition of the UK society and economy from the COVID-19 pandemic.

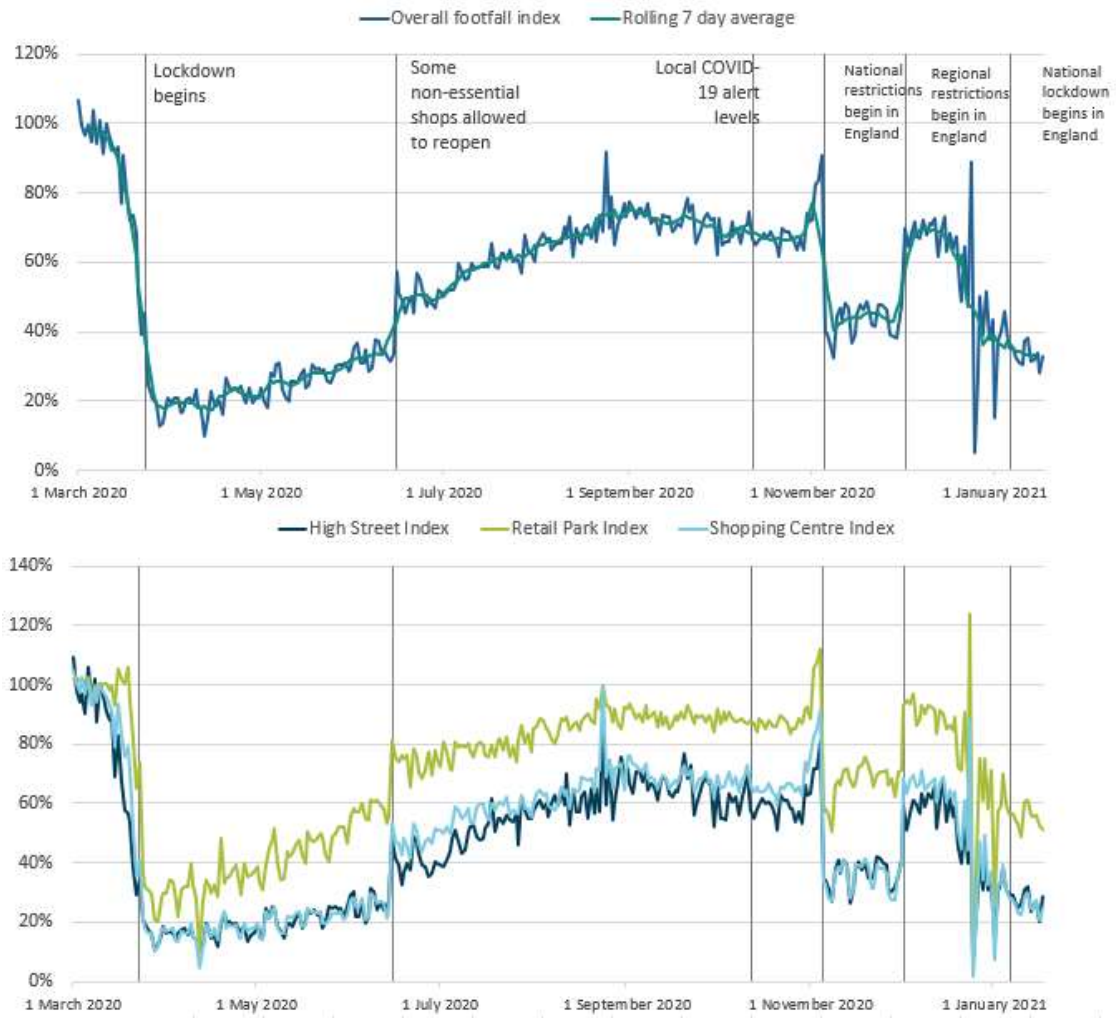
The statistics are experimental and have been devised to provide timely information. The following summary contains footfall data, initial results from Wave 22 of the Business Impact of Coronavirus Survey (BICS), national company incorporations and voluntary dissolution applications, experimental online job advert indices and results from Wave 41 of the Opinions and Lifestyle Survey (OPN).

National Footfall

Customer activity figures are provided by Springboard. The volume of footfall has been compared to the same day the previous year (i.e. Sunday 10th January 2021 will be compared to Sunday 12th January 2020).

Overall UK footfall has decreased by 2 percentage points from the previous week, meaning for the week ending 17th January 2021 footfall was at 33% of the level seen in the same week of the previous year. Compared to the previous week, footfall in high streets decreased by 3 percentage point to 25% of the level seen in same week a year ago. Footfall in shopping centres decreased by 2 percentage points to 26% of the level seen in the same week a year ago and retail parks decreased by 1 percentage points to 56%.

Volume of footfall, percentage change from the same day the previous year, UK, 1 March 2020 to 17 January 2021:



Source: Springboard and the Department for Business, Energy and Industrial Strategy

National Company Incorporations and Voluntary Dissolution

There were 15,326 company incorporations in the week ending 15th January 2021, this was below the incorporations recorded for the previous week which was 16,097.

Also, for the week ending 15th January, there were 4,629 voluntary dissolution applications. This was lower than the previous week at 5,233.

Business Impact of the Coronavirus

The initial results from Wave 22 of the Business Impact of Coronavirus Survey (BICS) show that of the 39,000 businesses surveyed across the UK, 23.4% had responded by 19th January. Unless stated, the following data is based on the period between 28th December to 10th January and is based on weighted estimates.

Trading Status

Weighted by count of UK businesses, 66% of responding businesses across the UK have been trading for more than the last 2 weeks. 4% of responding businesses who had temporarily paused trading reported to have started trading in the last 2 weeks. 4% of businesses that have temporarily paused trading but intend to restart trading in the next two weeks. While 23% of businesses that have temporarily paused trading that do not intend to restart trading in the next two weeks 18 and 3% of businesses have permanently ceased trading.

Financial Performance

Weighted by turnover, around 5% of businesses that have continued trading reported turnover had increased by at least 20%. While 39% reported that turnover had not been affected. However, 47% of businesses reported turnover had decreased by at least 20% and 9% of businesses were not sure.

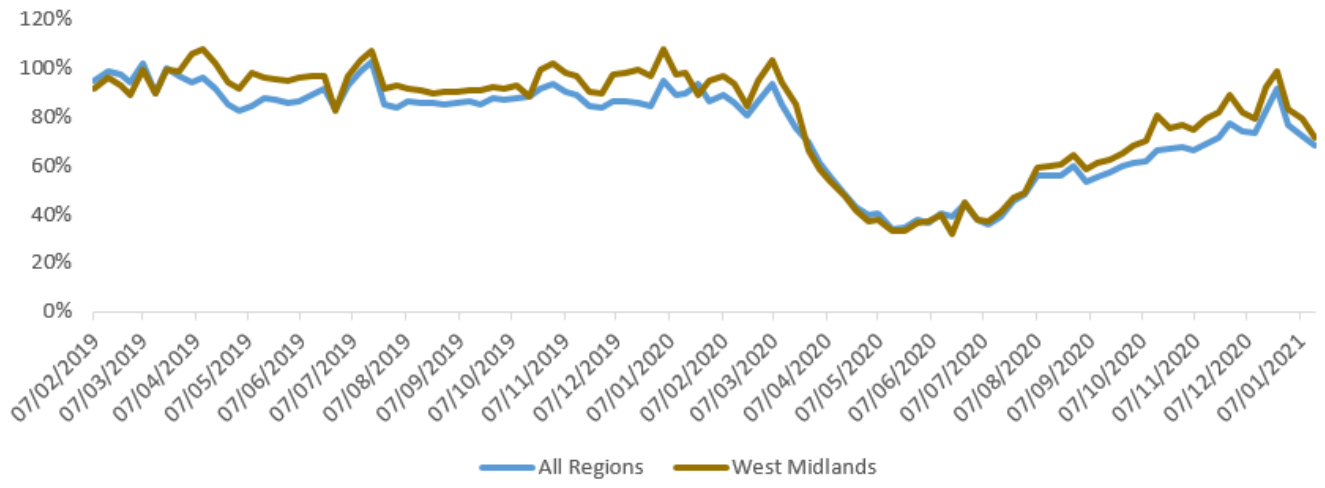
Online Jobs Adverts

These estimates are experimental figures are taken from jobs adverts provided by Adzuna. Previously the analysis compared the latest period with the whole of the previous year average. This has now changed to show the percentage change from the same week in the previous year for each category. This will remove some of the seasonality that previous comparisons may have contained. The Adzuna categories do not correspond to SIC categories and therefore not comparable with the ONS Vacancy Survey.

Nationally, between the 8th January and 15th January total online job adverts decreased by 3.9 percentage points to 68.2% of the levels seen in the same week as the previous year. Out of the 28 categories (excluding unknown) 26 decreased from the previous week, with the highest decrease in manufacturing by 15.2 percentage points to 88.5% of the level seen in the same week in the previous year. The two categories that increased was healthcare and social care (increasing by 6.9 percentage points to 98.1% of level seen in the same week in the previous year) and legal (increasing by 2.3 percentage points to 57.7% of level seen in the same week in the previous year).

Between the 8th January to the 15th January, for the West Midlands, the total online jobs adverts decreased by 7.5 percentage points to 71.6% of the levels seen in the same week in the previous year. All the UK regions experienced a decrease over this period with Scotland the highest decrease by 8.1 percentage points to 63.3% for the same period in the previous year.

The following chart shows the total weekly job adverts on Adzuna, for all regions and the West Midlands, 7th February 2019 to 15th January 2021: percentage change from the same week in the previous year



Source: Adzuna

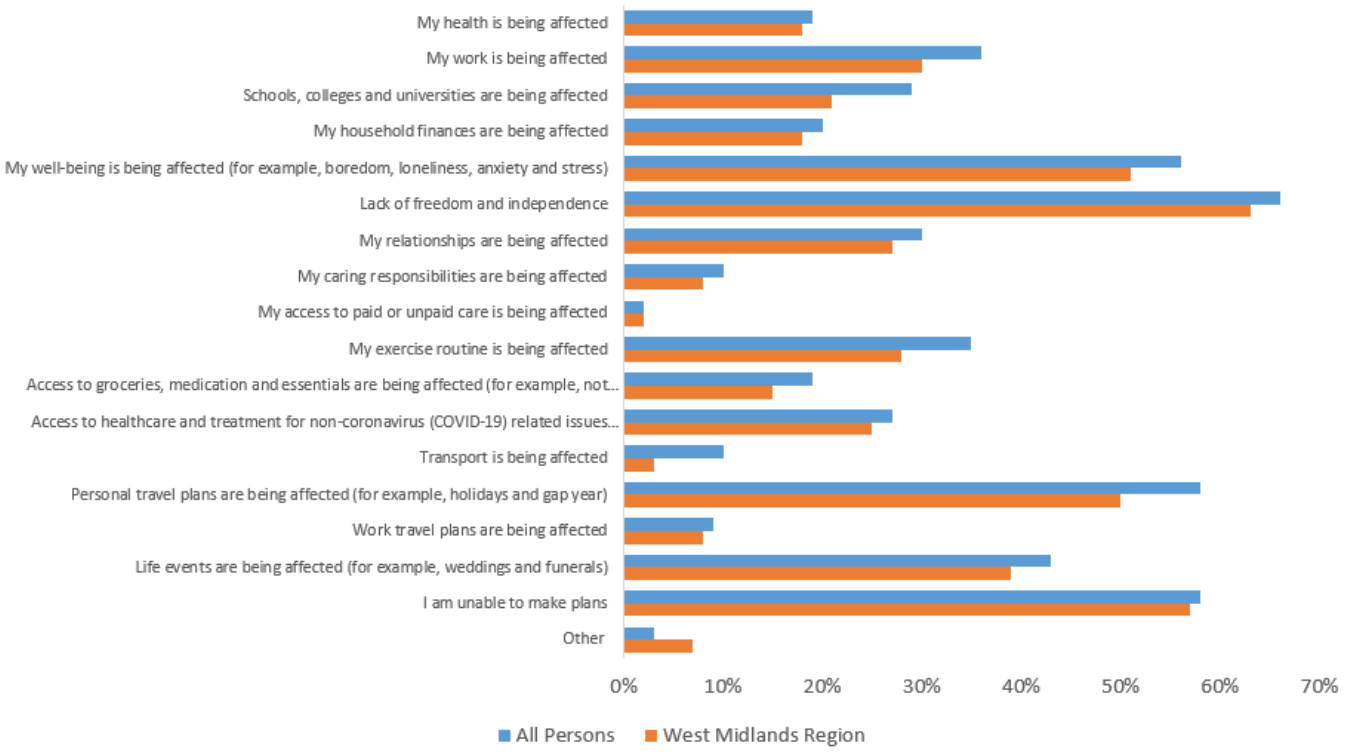
Social Impacts of the Coronavirus

The following refers to the period of 13th to 17th January 2021 unless stated otherwise.

Impact on People's Life Overall

In the West Midlands 74% of adults reported they were very or somewhat worried about the effect COVID-19 was having on their life, below the Great Britain average of 76%. Only 9% of responding West Midlands adults reported that they were somewhat worried or not at all worried (10% GB). The main concern that COVID-19 was affecting West Midlands adults at 63% was the lack of freedom and independence.

The following chart shows how COVID-19 is affecting West Midlands adults and also the overall all persons total:



42% of working adults reported work had been affected from the COVID-19 pandemic (54% GB).

Well-Being, Loneliness and Perceptions of the Future

Average personal well-being scores for life satisfaction was 6.6 in the West Midlands (6.4 GB), worthwhile was 7.4 in the West Midlands (7.1 GB), happiness was 6.8 for West Midlands adults (6.4 GB) and anxious was recorded at 4.2 for West Midlands adults (4.3 GB).

35% of adults in the West Midlands reported high levels of anxiety (38% for GB).

21% of adults in the West Midlands reported to often/always or some of the time to feeling lonely (28% GB). While 46% reported hardly ever or never feeling lonely in the West Midlands (45% GB).

22% of West Midlands adults believe it will take 6 months or less before life returns to normal (matching GB average). While 31% of West Midlands adults believed it will take 7 to 12 months (35% GB). 26% of West Midlands adults think it could more than a year to return back to normal (25% GB) and 2% for the West Midlands adults thought it would never go back to normal (3% GB).

Government Guidelines

56% of adults in the West Midlands felt they had enough information about government plans to manage COVID-19 (55% GB). 85% of adults in the West Midlands strongly or tend to support the current lockdown measures for where they live (86% GB). With 7% of West Midlands adults strongly or tend to oppose the lockdown measures (matching the GB average).

72% of adults in the West Midlands region reported it was very easy or easy to understand the current lockdown measures (70% GB). 13% of West Midlands adults found them difficult or very difficult to understand the measures (14% GB).

74% of adults in the West Midlands region reported it was very easy or easy to follow the current lockdown measures (76% GB). With 7% of West Midlands adults found them difficult or very difficult to follow the measures (9% GB).

Mass Testing and Vaccines

In the West Midlands, 73% of adults strongly or tend to support mass testing (78% GB). With 4% strongly or tend to oppose mass testing (3% GB).

59% of adults in the West Midlands were very or fairly likely to get a test for COVID-19 even if they did not have any symptoms (67% GB). While 19% were very or fairly unlikely to get a test without symptoms (17% GB).

7% of responding adults In the West Midlands region have received a vaccine (matching GB average) a further 7% have been offered a vaccine and waiting to be vaccinated (5% GB). Less than 1% of responding adults in the West Midlands region have been offered a vaccine and decided not to be vaccinated (1% GB) and 85% have not received or been offered the vaccine (87% GB).

88% of adults in the West Midlands were very or fairly likely to have a vaccine if it was offered to them (89% GB). While 4% of West Midlands adults were very or fairly unlikely (5% GB) to have the vaccine if offered.

LEP Level Intelligence

HEADLINES

SECTOR	KEY CONCERNS
Cross Sector	**COVID-19 and Related Support** • Ongoing call from businesses for **a comprehensive, organised package of support for 2021,** rather than short term reactive measures aimed at surviving to the Spring. Whilst the rollout of the vaccine programme is encouraging, clear that restrictions will continue and support will be needed for rest of the year, with Govt stating it will take until the autumn before all adults offered vaccine. • According to local business experts, many **companies are still falling through the cracks** of the Government's new grant scheme to help during the latest lockdown restrictions.

SECTOR	KEY CONCERNS
	• The **lack of government support for small limited company directors** has been highlighted. They are struggling to keep their businesses afloat and are increasingly considering redundancies. This has been outlined in a **Director Income Support Scheme (DISS) proposal** • There are significant concerns that many **thousands of businesses are likely to cease trading** over coming weeks and months due to continued lockdown, and **deferred CBILS, tax payments etc now starting** • **Access to Support** – The Discretionary Grants are being viewed as a postcode lottery. Some boroughs are processing grants at much greater speeds to others. Some local authorities are requesting differing levels of evidence to others and different boroughs are deciding which businesses to prioritise. However, there has also been many positive stories from those businesses that have been successful and praising the swift and effective processing of claims with others attributing their survival to the scheme. • There are continued calls to **extend business rates holiday beyond March 2021.** • Burdon within SMEs of **continued office rent obligations**, despite not being able to use the space. • **Health & Safety** – In addition to a number of businesses conducting self-financed COVID testing in order to protect workforces, agents are speaking to businesses conducting COVID risk assessments demonstrating many have a desire, and are preparing, to return to work. **UK Transition** EU Exit related issues are building with potentially serious supply chain issues emerging such as: • Protracted delays for suppliers from EU to major OEMs like Jaguar Land Rover. • Previous 12 weeks delivery turning into not being able to get confirmation of lead times, and price increases up to a third. • Continued confusion and concern in relation to VAT. • Additional costs associated with freight. Many businesses expected this and have chosen to employ the services of freight agencies and consultancies as they see specialists in this field as value for money to ensure the swift and timely importing and exporting of goods. Mixed reports with others reporting cost increases of up to four times. • Delays with containers, although the expectation from businesses is that these delays are temporary and that those delays are not as severe as they had initially expected. One quoting an increase from seven, to ten days. Another example, was that in order to avoid port delays, they transported three containers from Istanbul via road. Feedback was that these shipments arrived ahead of schedule with no cross-border delays. • Confusion and uncertainty regarding rules of origin (whether goods qualify for tariff free trade or not). • Who is responsible for paying VAT? • What is required on customs documentation? • How to continue delivering services in EU member states. • How to absorb increased freight costs. • The feeling that non-EU FTAs mean UK companies will potentially miss out. • Negative impact on small exporters now E-Commerce to the EU is more complicated. • Customers and suppliers asking for Incoterms / trading terms to be reviewed. In addition: • Movement of people becoming a key issue, with visa and lockdown issues. There is some confusion over the intricacies of the varying scenarios of what workers,

SECTOR	KEY CONCERNS
	particularly in the service sector, can or can't do – including the use of vehicles and equipment. • However there has been more positive experiences: one example of a company that had to apply for a highly skilled visa for a new starter from India, but was pleased that the process was straightforward for applying for a visa. • Data Protection issues are noticeably higher: questions around GDPR and how data is different in the UK vs Europe. • General feedback suggests that most businesses prepared well in the year between leaving the EU and agreeing a deal. This would most likely have been a very different story if an agreement had not been reached. The UK-EU transition and COVID impacts is proving to be a perfect storm for some companies. One manufacturer in the region reported that: *"Our freight costs both on import and export are now subject to a £4.50 surcharge as well as seeing an increase in actual rates on top of those seen due to the impact of Covid. Around 70% of our EU exports are on a €45 charge so this additional cost, along with the cost of staffing the increased paperwork burden equates to a minimum 10% increase in costs. A cost we are having to absorb rather than pass to our customers as they rightly do not accept price increases due purely to a UK change in policy."* **Start-Ups and New Business Models** • Growth Hubs are still dealing with many positive stories from businesses that are surviving the pandemic along with those that have successfully diversified or pivoted, adapting services and production. New enquiries resulting in referrals to relevant support partners and their programmes. These include: Manufacturing Growth, Marketing, Start-Up support, Creative, Finance and Loans, Proof of Concept, Capital Investment, Green Projects, DIT and in particular IT & Digital projects where clients are investing in enhancing online sales, in some cases using Virtual Reality. • Small businesses are bucking the economic downturn caused by the pandemic and driving demand for office space in Sutton Coldfield, according to property consultancy Burley Browne. • Jaguar Land Rover is continuing to support the fight against coronavirus by lending a fleet of New Defenders to GPs, piloting two NHS trials and introducing a rehabilitation programme to help employees suffering 'long Covid' return to work. • The vast research excellence and expertise from across the West Midlands that has helped in the fight against Covid-19, has been highlighted in a report published by Midlands Innovation: Mobilising Research Excellence in the Midlands to Tackle Covid-19. • The Black Country Living Museum is among 32 new vaccination sites opened this week: **Schemes and Grants** • Referrals into business support programmes continue as part of business as usual and growth plans: green investment, Skills/Training along with Sales & Marketing guidance all feature as businesses look to sustain operations and grow. • The green agenda is particularly more apparent as businesses chose to revise longer term strategies, considering sustainability and environmental issues when looking at product development and vehicle fleets. This has resulted in further referrals to relevant support partners with quick turnarounds and the awarding of grants. • Business leaders have said that the Government's stricter Prompt Payment Code (PPC) could be a lifeline to smaller firms struggling with cashflow. The PPC is

SECTOR	KEY CONCERNS
	designed to ensure that suppliers are paid on time – including slashing the time to pay an invoice to 30 days.
Retail	**UK Transition** • E-Commerce to the EU is now reportedly very difficult and this is having a serious impact on small exporters and digital retailers –To continue to sell in the EU we need VAT registrations in EU member states and some companies are now looking to transfer operations to the EU.
Business Services	• There was a dramatic drop in the volume and value of fraud cases coming to courts in the Midlands in 2020, as measures introduced in response to the COVID-19 pandemic led to the closure and postponement of many court operations.
Manufacturing	**UK Transition** • As above, there is continued signs of EU Exit related problems surfacing – that are likely to disproportionately affect manufacturing. For example: - Rules of origin (whether their goods qualify for tariff free trade or not) - VAT and who is responsible for paying it. - What is required on customs documentation and what businesses need to do to continue delivering services in EU member states. - GDPR and data protection implications. - Movement of people

NEW ECONOMIC SHOCKS

COMPANY	LOCATION	SECTOR	SOURCE/DETAIL
HSBC	Wider Regions	Banking	HSBC has announced plans to close its branch on Market Place, Wednesbury as it wields the axe on 82 branches nationwide. HSBC is to shut 82 branches this year citing a shift towards telephone and internet banking. The banking giant said it will "aim to redeploy all customer service colleagues who are impacted into suitable nearby locations", but declined to say how many jobs would be affected. The move will see the bank's branch total reduced to 511.
Paranoid Industries	Alcester	Manufacturing	A company which converts 4×4 vehicles for use in other industries has entered administration. Paranoid Industries, of Alcester, has appointed Poppleton & Appleby to look after the day-to-day running of the company.
PWC and Demos	Nationwide	All	New analysis in the latest revealed that locations such as Birmingham, Wolverhampton and Walsall saw their economies decrease by more than 11.7 per cent in 2020, yet they are predicted to recover more effectively that others in 2021 with growth rates of 4.8 per cent and higher. That said, a return to pre-pandemic conditions will not necessarily instigate a dramatic upturn in economic activity and these city economies will still be smaller in 2021 than they were in 2019.
Chambers of Commerce	West Midlands	All	West Midlands exports made a swift recovery during Q4 of 2020 – despite the backdrop of the pandemic and Brexit. The latest Quarterly Economic Snapshot (QES) by the region's three Chambers of Commerce reveals 17 per cent of firms reported an increase in international sales compared to 13 percent in the previous quarter. Meanwhile, the percentage of businesses expecting their international output to increase over the next three months also increased from 15 per cent to 19 per cent, at a time when UK businesses were still facing a potential 'no-deal' Brexit scenario.

NEW INVESTMENT, DEALS AND OPPORTUNITIES

COMPANY	LOCATION	SECTOR	DETAIL & SOURCE
Bridge Bearings	Lye, Black Country	Manufacturing	Lye-based manufacturer Bridge Bearings has expanded its premises following a string of new hires and contract wins. The expansion follows a record year of trading for Bridge Bearings, and it plans to create around 20 full and part-time jobs over the next few months.
Todd Engineering	Rugeley	Engineering	Todd Engineering has secured a £750,000 contract with major car retailer Inchcape to deliver and install spray booths and equipment. The new works will see Todd Engineering installing equipment in dealerships across the UK.
Dudley Council	Brierley Hill	Public	Council bosses have said that a £10million government grant signals the start of a brighter future for Brierley Hill. The bid, which was headed up by Dudley Council, was one of just 15 in the country to be approved in full. The investment – part of a £45million programme to redevelop the town centre – is in addition to £1.8m secured from the Government's Heritage Action Zone programme last year.
Induction Technology Group (ITG)	Coventry	Manufacturing	For 33 years, Induction Technology Group (ITG) Ltd has designed, developed and supplied high-performance lightweight air filters for both the motorsport and after-market tuning industry. The business was awarded an Innovation capital grant of £5,026 and revenue grant of £6,609 in April 2020 from Coventry & Warwickshire Innovation Test-Bed Programme, which is part funded by European Development Regional Fund (ERDF). The ERDF grant was given to ITG to expand their range by using new innovative materials - world first filter shapes. The investment has helped ITG to succeed in their quest to capture the American market's attention.
EBS	Warwick	Professional Services	EBS is taking a second office at the University of Warwick Science Park's site at Warwick Innovation Centre. This will enable the company to accommodate additional staff and create a state-of-the-art video conferencing suite to be able to hold virtual meetings with clients and also to take part in webinars with partners, such as the Department for International Trade (DIT). The business was founded in 1991 to help companies invest in or export to the UK. It currently employs 10 people –supporting overseas businesses with everything from establishing a UK entity, legal compliance, accounting and payroll through to understanding the relevant taxation policies after Brexit.
Sumo Group	Leamington Spa	Digital and Creative	Sumo Group, the Leamington Spa-based games developer, says that its revenue and adjusted EBITDA for the full year ended 31 December 2020 are expected to be ahead of market expectations of at least £16m. The higher-than-expected results reflect strong performances from Sumo Digital and its latest acquisition, Pipeworks, and higher than expected royalty income, during the year.
The Manufacturing Technology Centre (MTC)	Coventry	Engineering, Manufacturing, Training	A flexible industrial robot with the decision-making capability of a human operator has been developed by robotics experts at the Coventry-based Manufacturing Technology Centre. Using a combination of machine learning and visual recognition, the robot can be taught to make assembly decisions based on the components put in front of it in a breakthrough development

COMPANY	LOCATION	SECTOR	DETAIL & SOURCE
			which could save manufacturers the costs of expensive fixed tooling.
Autins	Rugby	Manufacturing	Autins, the manufacturer of acoustic and thermal insulation solutions, remains optimistic about is prospects despite the very noisy economic backdrop. Brexit, Covid-19 and the global supply issues with semi-conductors to the automotive market have all affected its performance over the last year. The Rugby-headquartered business is focused on automotive insulation and makes noise and heat management products for some of Europe's largest car companies, including Jaguar Land Rover and Aston Martin.
Showplace in Clifford Chambers	Stratford-upon-Avon	Events, Hospitality & Leisure	An events and exhibitions business near Stratford-upon-Avon has reinvented itself into providing visitor pods for care homes across the UK. Showplace in Clifford Chambers, which was established in 1987, has built a world wide reputation for providing modular stands, structures and trailers for exhibitions. When the Coronavirus pandemic struck in March, managing director Rob Goodman and his team took the big step of switching their skills to designing, manufacturing and installing modular visitor pods at care homes.
Aurrigo	Coventry	Engineering, Manufacturing,	A Coventry-based autonomous vehicle specialist has been chosen to play a key role in the £4m Milton Keynes MK 5G Create project. Aurrigo, which has already completed a successful driverless vehicle trial in the town, will join forces with Milton Keynes Council, MK Dons, BT and five other consortium partners to test out how 5G applications can create a world class visitor experience for users of the stadium and surrounding campus facilities.
CWLEP	Warwickshire	Public	Over £23 million could be invested in two Warwickshire towns to revitalise their town centres and protect jobs. Nuneaton and Leamington are among 57 towns and cities in the UK to receive the proposed offers from the Government's Ministry of Housing, Communities and Local Government (MHCLG), having been shortlisted last year and asked to present detailed business cases. The result is that Communities Secretary Robert Jenrick has announced Nuneaton could receive £13,362,736 and Leamington a total of £10,015,121 from the Future High Streets Fund.
Coombe Abbey	Warwickshire	Catering, Hospitality,	Catering outlets at a Midlands country park have beaten their annual turnover record despite the ongoing challenges of the Coronavirus pandemic. Coombe Abbey Country Park's three catering outlets generated more than £490,000 of income in 2020 compared to £400,000 in 2019, despite a two-and-a-half month closure as part of the national lockdown.

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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This programme of briefings is funded by the West Midlands Combined Authority, Research England and UKRI (Research England Development Fund)

The West Midlands Regional Economic Development Institute
and the
City-Region Economic Development Institute
Funded by UKRI