West Midlands
Weekly Economic Impact Monitor

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

This week the UK has seen a resurgence in infection rates, and the daily new cases confirmed in the UK are now the highest out of the selected European countries. This comes as vaccination rates per day in the UK fall and social distancing rules are relaxed, including the re-opening of pubs; which are seeing increasing numbers of visitors. Latest announcements are that we can expect restrictions to be lifted on the 19th with a definite announcement next week. However, the region's strong business perceptions continue to grow.

- The Midlands has successfully vaccinated **6,930,612** people with the first dose and **5,251,535** of these individuals have received the second dose as well. This is the most jabs of any region.
- Based on current prices, across all industries in 2019, output per hour worked in the WM region was £31.80 an increase of 2.0% (+£0.61) since 2018. Out of the 17 broad sectors, there was a decrease in eight sectors for the West MM region between 2018 and 2019. The highest value decrease was in arts, entertainment and recreation by £6,065 (-15.8% compared to an increase UK-wide at 1.6%) to £32,220. The broad sector with the highest value increase between 2018 and 2019 for the West Midlands was information and communication, with £11,484 (+13.9%, UK increased by 8.9%) to £94,336.
- The mid-year 2020 population estimates show there were over 4.2m residents in the WMCA (3 LEP) area. The population has increased by 0.5% (+20,971 people); in comparison the UK increased by 0.4%.
- Across all the combined authorities, the WMCA (3 LEP), Greater Manchester and West Yorkshire had the highest proportions of the population aged 0-15 years old at 20.5%. The proportion of 16-64 years old in the WMCA (3 LEP) relative to other Combined authorities was fourth lowest 62.4% and aged 65 years or over was fourth lowest at 17.1%.
- In mid-2020 there were 1,011 people per sq.km in the WMCA (3 LEP) area, above the UK average of 276. Coventry saw the largest population growth, with an additional 80 people per square km.
- Work by CityREDI and Nottingham Trent University has underscored the need for greater coordination and collaboration at the sub-national and particularly sub-regional scale; the often-inadequate institutional capacities and resources available to develop evidence-based strategies and programmes to develop local economies; and the need for economic development bodies to be placed on a consistent statutory footing – with commensurate remits, powers and resources. The work highlights the following propositions: level up institutional capacity; a patchwork of bodies has failed to date to deliver; moving away from centralised challenge funds and towards formula based long term funding for places.
- Work by CityREDI highlights that the West Midlands attracts a significant amount of private sector R&D investment, about £398 per capita, well above the UK average. But it only receives £83 per head in public R&D funding as one of the regions with the largest shortfall.
- A WMREDI/PEC event held virtually at the end of April looking at Createch in the West Midlands highlighted findings suggesting that for every job in the broad creative industries, local economies can generate an extra two jobs in local services. These significant multiplier effects seem to be related to the creative services part of the broad sector such as film production and IT where Createch would be expected to be heavily represented.
- The Future Business District Study highlights hybrid working here to stay, in some form. Whilst exactly how to coordinate and manage some people working part from home and part from the office is less clear in practice, the intention is certainly there. The demand for good quality meeting rooms, collaboration spaces and breakout rooms is likely to increase. The considerations for energy efficiency, carbon zero building materials, sustainable transport infrastructure and parking are also on the increase.

Covid Impacts and recovery

- Strong international performance is reflected in data from KPMG that revealed that whilst the West Midlands was the hardest hit by the initial shocks of the pandemic, the local economy is set to retun strongest in 2021, with growth predictions of 9.5%: the highest rate of any region area including London and the South East.
- The Bank of England has released their Agents' summary of business conditions - 2021 Q2. The report found that since the lifting of social distancing restrictions there has been a rise in consumer spending on both goods and services. The boosts in sales comes as non-essential stores and hospitality venues re-open around the UK, including pubs. Businesses reported that

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whilst recruitment was easier than normal, an increasing proportion reported having difficulties in recruiting staff – especially in hospitality, freight and logistics, IT, engineering, construction, professional services, nursing, agriculture and food production.

- Greater Birmingham Chambers of Commerce have released their Q2 report for this year. It was found that the continued roll-out of the vaccination schemes and the easing of lockdown and social distancing restrictions over the last three months, is leading to an increase in business confidence across Greater Birmingham. Domestic demand has soared in the last quarter by 21 points to 68, the region's highest score since Q4 2018. Alongside this the export sales balance emerged from negative territory for the first time since the start of the pandemic.
- According to ONS, in the West Midlands 70.9% of responding businesses had high confidence in surviving over the next three months. 21.1% had moderate confidence of survival, 1.9% had low confidence and 5.7% were not sure.
- The London School of Economics has shown that the broad pattern of urbanisation is likely to be unchanged. However, there may be significant intra-metropolitan, neighbourhood-level and daily life changes to cities. The normalisation of working of remote working will lead to long-term shifts, with fewer people commuting to city centres five days a week. Whilst it is unlikely that the pre-eminence of cities will be affected, their function/s could change. Cities will likely become cultural and civic gathering places, rather than shopping destinations or office hubs. It is likely that the winner-takes-all economic geography of cities will persist.
- A report by Autonomy, shows that the large-scale trial of reduced working weeks in Iceland has been a huge success. Many companies such as Google, Microsoft and Unilever are all trialling as well. The success of this trial should be unsurprising given that the world's most productive countries, like Norway, Denmark, Germany and the Netherlands, on average only work 27 hours a week.
- The UN's World Economic Situation And Prospects: July 2021, has found that global economic recovery threatens to leave behind many developing countries. Whilst the global economy is strengthening, recovery will be highly uneven. This is supported by the PWC's Global economy watch: Predictions for 2021. This study found that despite growth being expected to return this year, it will be uneven and contingent on a successful and speedy deployment of vaccines.
- The Living Standards Audit 2021 found that despite strong income growth in 2019-20, the big picture for incomes in the 2010s was one of very weak growth and rising child poverty to 31%. However, the Resolution Foundation estimates that median incomes grew by 1.5 per cent in 2020-21, reflecting higher earnings and a better recovery than previously expected. Older workers who were furloughed (55+) were more likely to remain on furlough than their younger colleagues. As the overall furlough numbers fall, the majority (62%) of those still fully furloughed have been without work for at least six months.
- Online job adverts increased by 0.5 percentage points. On 25th June 2021 total online job adverts were at 129.4% of their average level in February 2020.
- Latest footfall remained broadly unchanged compared with the previous week.
- 31.7% of trading businesses in the West Midlands reported their turnover had decreased by at least 20%. However, 42.8% of trading businesses in the West Midlands reported that their turnover was unaffected and approximately 13.8% reported their turnover had increased by at least 20%.
- Latest business shocks include Gap, Homebase and Lloyds/Halifax bank announcing closures, and GKN potentially axing 500 jobs.
- Latest investments: JCB recruiting 500 staff, Avara Foods recruiting 130 staff, Amazon recruiting 60 staff, Royal Mail recruiting 1,000 level 2 apprenticeships, 250 jobs saved at JLR, and Quanta Dialysis Technologies raised £176m in private funding.
- In total, the WMCA (3 LEP) area had 144,200 employments furloughed on the 31st May 2021. There was a higher percentage of males furloughed at 9.0% (77,600), compared to females at 7.9% (66,600). The sector with the highest number was accommodation and food services at 32,270. This was followed by wholesale and retail repair of motor vehicles at 20,710 and then manufacturing at 20,300. The largest reductions have been for younger employees in the 18 to 24 and 25 to 34 age bands. Employers with 250 or more employees have seen a 67% reduction since the peak in January, in comparison with a 28% reduction amongst employers with one employee. This reflects the varying impact on businesses of differing sizes.
- Across the WMCA (3 LEP) area, 171,800 people were eligible for the fourth grant of SEISS. There were 103,900 claims made to 6th June 2021 with a total value of nearly £276m with an average claim value of £2,700. The take-up rate for WM was 60%, above the UK average of 58%. The industries with the highest take-up rates were other service activities at 77% (18,200 eligible, 14,100 claims), followed by transportation and storage at 76% (24,200 eligible, 18,400 claims) and then education at 70% (8,900 eligible, 6,200 claims).

Trade and FDI

- Invest in the West Midlands reports that even through global economic uncertainties posed by the pandemic, the West Midlands has remained the UK's leading hotspot for foreign investment outside of London and the South East. The West Midlands holds the third largest share of all UK regions after of London and the South east, and is responsible for 9.4% of

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the UK's total FDI landscape. India, along with the US and Germany, are ranked as the West Midlands' leading sources of FDI throughout 2020.

- In the year to Q1 2021, the West Midlands region's export value was worth nearly £23.8bn, a decrease of nearly £7.3bn (-23.4%) when compared to the year ending Q1 2020. The UK export value decreased by 14.9% to £287.9bn worth of exports in year ending Q1 2021.
- In the year ending Q1 2021 the West Midlands imported nearly £29.9bn worth of goods. This has decreased by nearly £4.9bn (-14%). While the value of all UK imports decreased by 11.9% to £412.3bn.
- 24.4% of responding West Midlands businesses reported extra costs due to additional transportation costs, although 37.5% reported no extra costs.
- Where applicable, 3.4% of responding West Midlands business reported they had not been able to get the materials, goods or services from the EU in the last two weeks.

Green

- The Climate Change Committee has found that the UK is failing on the Climate Change promises it made last year towards a green recovery and a net-zero future. The Committee provide recommendations including a Net Zero Test would ensure that all Government policy, including planning decisions, is compatible with UK climate targets.
- The environment and sustainability will be an important focus for 2021 according to PWC. They are already being positioned as an opportunity for accelerating the business and policy transition to net zero.
- The West Midlands Combined Authority reported that low-carbon manufacturing and goods is now the West Midlands' fastest growing sector, boosting the region's ambition to lead a new, green industrial revolution. Figures show that the region's low-carbon sector grew by more than 7% in 2020, despite a 9% downturn in the wider West Midlands economy as a result of the pandemic. The sector now employs around 100,000 people across the region
- InvestWM found that the E-scooters scheme which was rolled out in September of last year in Birmingham, led to a reduction in CO_2 production as a third of the 450,000 e-scooter trips replaced car journeys. This means that there has been an estimated reduction of 66 tonnes of CO_2 in the Birmingham city centre.
- In 2019 the WMCA (3 LEP) area produced a total of 19,614 Kt CO_2 emissions. This equates to 4.7 tonnes per capita or 4.7 kt per km^2; which is below the England average of 4.9 tonnes per capita but above the England average of 2.1 kt per km^2.
- Since 2018 carbon dioxide emissions have decreased by 4.4% (-898) in the WMCA (3 LEP) area compared to a decrease of 3.8% nationally.
- In 2019 transport accounted for the highest proportion of carbon dioxide emissions in the WMCA (3 LEP) area at 40.3% (7,908 Kt CO_2) of total emissions – slightly above the England proportion of 37.7%.

Global, National and Regional Outlook

Alice Pugh, WMREDI; Rebecca Riley WMCA/WMREDI

Global

Research by the London School of Economics has shown that the broad macrogeographical pattern of urbanisation is likely to be unchanged post Covid. However, there may be significant intra-metropolitan, neighbourhood-level and daily life changes to cities. The research concluded:

- There will be long-term transformations of work and shopping patterns. The normalisation of working of remote working will lead to long-term shifts, with fewer people commuting to city centres 5 days a week. The acceleration of online shopping is impacting high streets globally and without government interventions the survival of these high streets is threatened. Employment opportunities for mid-skill workers will be negatively affected, accelerating the balkanisation of the workforce into highly paid knowledge workers and poorly paid delivery and service workers. Additionally, there are likely to be consequences for urban real estate, with a long-term decline in commercial real-estate values, as businesses downsize their office spaces and many retail stores permanently close their physical stores and open online. This may lead to a change from commercial use real estate to residential real estate in large cities.
- Whilst it is unlikely that the pre-eminence of cities will be affected, their function(s) could change. Cities will likely become cultural and civic gathering places, rather than shopping destinations or office hubs. There will also be more outdoor events, as cities are transformed into pedestrian and bike havens; in an effort to further sustainable living. However, it is likely that there will be a rise in inequality as both disease and its economic fall out have hit the least advantaged hardest across the globe.
- Furthermore, it is likely that the winner-takes-all economic geography of cities will persist. As the world recovers from the pandemic New York and London will still remain the world's greatest financial centres; Los Angeles will still remain the centre for entertainment and film and Shanghai, Paris and Toronto will remain global cities. Even if these cities may have lost some activity to their surrounding suburbs and small towns, the 'winner-take-all' nature of cities will continue. Many medium-sized cities and rural areas risk being the real losers in the long run, especially those far from large cities that do not experience the spill-over large cities may provide to the surrounding areas.

Furthermore, in relation to the changes in the future of working patterns and conditions a report has been released by Autonomy, which shows that the large-scale trial of reduced working weeks in Iceland has been a huge success. Between 2015-19, Iceland ran two large-scale trials of a reduced working week of 35-36 hours from 40 hours a week with no reduction in pay. Analysis of the results which included 2,500 public sector workers or over 1% of Iceland's entire workforce, showed that productivity either remained the same or in the majority of workplaces improved. Worker wellbeing dramatically improved across a range of indicators, from perceived stress and burnout, to health and work-life balance. As a result of the success of these trails, 86% of the country's workforce are now working shorter hours or have gained the right to shorten their hours. Iceland is not the only country to see the benefit of the 4 day working week. Spain is also trialling a 4 day week. Many companies - such as Google, Microsoft and Unilever - are trialling it as well. The success of this trial should be unsurprising given that the world's most productive countries, like Norway, Denmark, Germany and the Netherlands, on average only work 27 hours a week. Covid-19 has also led to a rise in the number of businesses experimenting with the 4-day work week.

The UN's World Economic Situation And Prospects: July 2021, has found that global economic recovery threatens to leave behind many developing countries. Whilst the global economy is strengthening, recovery will be highly uneven. Growth prospects will likely vary greatly due to disparities in vaccination progress, in the size and effectiveness of policy stimulus and in economic structures. Many developing countries, especially in Sub-Saharan Africa and Latin America and the Caribbean, are not projected to recover to pre-pandemic output levels until 2023. On average poorer countries will see larger output losses from the crisis than richer countries. Stronger international cooperation will be critical for more balanced inclusive growth during recovery.

This is supported by the PWC's Global economy watch: Predictions for 2021. The study found that despite growth being expected to return this year it will be uneven and contingent on a successful and speedy deployment of vaccines and continued accommodative fiscal, monetary and financial conditions in the larger economies of the world. PWC predicts caution over the next three-to-six months as they will be challenging, especially for the northern hemisphere as they enter the winter months and could be forced into further localised or full economy-wide lockdowns. In economies such as the UK, France, Spain and Germany, growing but lower levels of output are projected to push up unemployment rates, with most jobs affected likely to be at the bottom end of the earnings distribution, exacerbating income inequalities.

The environment and sustainability will be an important focus for 2021 according to PWC and are already being positioned as an opportunity for accelerating the business and policy transition to net zero, with significant investment being expected from US, EU and China. Green bonds, which are used to directly finance environmental projects, currently make up less than 5% of the global fixed income market. However, PWC predicts that in 2021 total green bond issuance will increase by over 40% to top half a trillion US dollars for the first time. Additionally, PWC expects that a growing investor appetite for Environmental, Social and Governance (ESG) funds will continue to increase and could account for up to 57% of total European mutual funds by 2025.

Moreover, analysis by PWC of electricity production from renewables continues to gather momentum, with solar photovoltaic (PV) capacity likely to grow at rapid rates on the back of growing capacity in the EU, India and China. If current trends continue, PWC predicts that solar PV capacity is on course to surpass natural gas in 2023 and coal in 2024 in the global electricity sector.

National

The Bank of England has released their Agents' summary of business conditions - 2021 Q2. The report found that since the lifting of social distancing restrictions there has been a rise in consumer spending on both goods and services. The boosts in sales come as non-essential stores and hospitality venues. Including pubs, re-open around the UK. In line with this, as people are beginning to go out more following the lifting of restrictions, there have been rises in both clothing sales and sales at car dealerships. Beauty and hairdressing salons/barbers report increased opening hours in order to meet pent-up demand. However, there have been delays in some industries as Brexit continues to cause supply chain issues, especially regarding the transportation of food and drink. It is also expected that consumer demand may begin to normalise in the coming months, as the Coronavirus Job Retention Scheme (CJRS) ends later this year and it is expected that a small proportion will not return to work and will likely be made redundant.

Employment intentions turned positive this quarter as the economy continues to recover according to the report, although there have been reports that some sectors are facing recruitment difficulties and labour shortages. Businesses reported that whilst recruitment was easier than normal, an increasing proportion reported having difficulties in recruiting staff – especially in hospitality, freight and logistics, IT, engineering, construction, professional services, nursing, agriculture and food production. It is unsurprising that hospitality and nursing are facing shortages, as the pandemic has impacted both these professions immensely, as hospitality closed for a year and its future it still uncertain for the rest of the year. Everyone has witnessed the impact that the pandemic has had on the NHS this year. Freight Logistics, construction and agriculture and food production have also been significantly impacted by Brexit over the last year, as there was high immigrant labour employed from the EU in these industries. In the wake of Brexit and Covid many immigrants have returned to home countries; with little intension of returning now that the free movement of labour has gone.

The Resolution Foundation has released The Living Standards Audit 2021. The report found that despite strong income growth in 2019-20, the big picture for incomes in the 2010s is one of very weak growth and rising child poverty to 31%. However, the Resolution Foundation estimates that median incomes grew by 1.5 per cent in 2020-21, reflecting higher earnings and a better recovery than previously expected. The Resolution Foundation estimates that the number of people furloughed is now below 2 million, and for the first time in the crisis. 78% of those furloughed that were surveyed in the February of this year, stated by May that they were doing some form of work.

However, older workers that were furloughed (55+) were more likely to remain on furlough than their younger colleagues. As the overall furlough numbers fall, the majority (62%) of those still fully furloughed have been without work for at least six months. Furthermore, despite household incomes rising in certain months, income and spending pressures throughout the pandemic have led to increasing levels of debt for 13% of individuals – rising to 21% for those in the second lowest income quintile.

A report from the Climate Change Committee has found that the UK is failing on the Climate Change promises it made last year towards a green recovery and a net-zero future. It found that the defining year for the UK's climate credentials has been marred by uncertainty and delay to a host of new climate change strategies, with those that have emerged often missing the mark. With every month of inaction on the Governments part the UK slips further and struggles more to stay on track.

The report set out a number of recommendations to support sustained reduction in CO_2 following the record decrease in 2020 of 13%:

- A Net Zero Test would ensure that all Government policy, including planning decisions, is compatible with UK climate targets.
- An ambitious Heat and Buildings Strategy, that works for consumers, is urgently needed.
- Delayed plans on surface transport, aviation, hydrogen, biomass and food must be delivered.
- Plans for the power sector, industrial decarbonisation, the North Sea, peat and energy from waste must be strengthened.
- The big cross-cutting challenges of public engagement, fair funding and local delivery must be tackled.

In terms of progress in England alone, only 5 of 34 sectors assessed have shown notable progress in the past two years towards net-zero, and no sector is yet scoring highly in lowering its levels of risk. The report provides 50 recommendations, including:

- Restore 100% of upland peat by 2045, including through a ban on rotational burning.
- Bring forward proposed plans to address overheating risk in homes through Building Regulations.
- Make the Government's next round of Adaptation Reporting mandatory for all infrastructure sectors.
- Build a strong emergency resilience capability for the UK against climate shocks, learning from the COVID-19 response.
- Implement a public engagement programme on climate change adaptation.

Regional

The Greater Birmingham Chambers of Commerce has released their Q2 report for 2021. It found that the continued roll-out of the vaccination schemes and the easing of lockdown and social distancing restrictions over the last three months is leading to an increase in business confidence across Greater Birmingham. Domestic demand has soared in the last quarter by 21 points to 68, the region's highest score since Q4 2018. Alongside this the export sales balance emerged from negative territory for the first time since the start of the pandemic. Furthermore, as the economy is beginning to recover the workforce balance has continued its upwards trajectory for the second consecutive quarter, but recruitment difficulties have become more pronounced for businesses across the region. Additionally, much like other regions in the UK, the price index in Greater Birmingham remains worryingly high and concerned are growing that inflation will rise.

Even through global economic uncertainties posed by the pandemic the West Midlands has remained the UK's leading hotspot for foreign investment outside of London and the South East. Invest in the West Midlands (InvestWM), a part of the West Midlands Growth Company (WMGC) reported this based on the Department for International Trade data. In 2020/21 145 FDI projects were conducted in the region. Attracting more projects than Scotland and Northern Ireland combined, the West Midlands holds the third largest share of all UK regions after London and the South East, and is responsible for 9.4% of the UK's total FDI landscape. Additionally, jobs created by overseas investors during the same time period in the West Midlands totalled 4,443, deviating from the national trend to mark a 145 increase in employment from the previous year.

Automotive and software services were among some of the region's best performing sectors, alongside food and drink, life sciences and business and professional services. There have been notable investments from a number of foreign owned businesses over the last 12 months such as, a new specialist HQ in Sandwell for German-owned sustainable engineering firm Thyssenkrupp (an aerospace engineering company); the arrival of Lotus Cars to Warwickshire; and a state-of-the-art logistics and cold storage facility from US healthcare supply chain firm UPS Polar Speed.

A three-year long programme led by WMGC has been designed to maximise the economic benefits of significant upcoming milestones, such as the Birmingham 2022 Commonwealth Games and the Coventry as the City of Culture 2021, to establish the region's position in Commonwealth and overseas markets.

India, alongside the US and Germany, ranked as the WM's leading sources of FDI throughout 2020. This strong international performance reflects data from KPMG revealing that whilst the West Midlands was the hardest hit by the initial shocks of the pandemic, the local economy is set to return strongest in 2021, with growth predictions of 9.5%: the highest rate of any region area including London and the South East.

Additionally, the West Midlands Combined Authority reported that Low-carbon manufacturing and goods are now the West Midlands' fastest growing sector, boosting the regions ambition to lead a new, green industrial revolution. Figures show that the region's low-carbon sector grew by more than 7% in 2020, despite a 9% downturn in the wider West Midlands economy as a result of the pandemic. Currently, the sector employs around 100,000 people across the region, which is a far greater concentration of workers in the industry than majority of areas in the UK. Coventry and Warwickshire alone employ 28 times the UK average in electricity transmission jobs, the Black Country five times the average in securing recycled materials, and Birmingham and Solihull five times the average in building management systems and activities. Further research by the WMCA predicts a further 21,000 new jobs will be created over the next 5 years and 92,000 more by 2041, mostly in new carbon-cutting green industries and technologies.

Alongside this, InvestWM found that the E-scooters scheme which was rolled out in September of last year in Birmingham, led to a reduction in CO_2 production as a third of the 450,000 e-scooter trips replaced car journeys. This means that there has been an estimated reduction of 66 tonnes of CO_2 in the Birmingham city centre. According to an e-scooter rider survey, 31% of respondents say they would have otherwise used a car to complete their journey, equating to 140,000 car journeys at the time of the survey. The trial was launched to see if e-scooters could provide a green alternative to travel for shorter journeys and support action on climate change. The trial has also been set up to support key workers and those on lower incomes, as NHS and Emergency Service workers have been offered free use of the e-scooters, with these workers having taken 54,000 free rides so far. The operator Voi, also offers a variety of other discounts, including travel to and from vaccination centres, rides for students and users from lower-income groups.

Four propositions for the Much-Anticipated Levelling Up White Paper

Will Rossiter, Nottingham Trent University, Prof. Anne Green and Rebecca Riley, City-REDI

Recent research from City-REDI/WMREDI at the University of Birmingham and Nottingham Business School at Nottingham Trent University on the geography and functioning of places and the institutions, practice and policies associated with local and regional economic development in the English Midlands has identified a number of challenges for the much-anticipated Devolution White Paper which has subsequently been replaced by the promise of a Levelling Up White Paper. It is imperative that these challenges are addressed if it is to turn the recent rhetoric of 'levelling up' and 'building back better' into meaningful action to develop the local economies of the English regions in the wake of Covid-19.

These challenges relate to:

1. The need for greater coordination and collaboration at the sub-national and particularly sub-regional scale;
2. The often-inadequate institutional capacities and resources available to develop evidence-based strategies and programmes to develop local economies; and
3. The need for economic development bodies to be placed on a consistent statutory footing – with commensurate remits, powers and resources.

This research suggests that the geographically uneven and complex nature of layers of local and sub-regional governance with a mix of statutory and non-statutory organisations and responsibilities, that have developed in a relatively *ad hoc* way, pose difficulties for gaining a clear line of sight between sub-national and national policies. *Ad hoc* challenge funding pots can compound problems of longer-term planning and coordination across geographical scales. They also have a homogenising influence on the content of local strategies and programmes that constrain local actors in their efforts to respond to the circumstances of particular places.

While not all local/sub-regional strategies need to be the same, there is a case for greater consistency, such that they share some common characteristics, including a targetry framework and a set of indicators to monitor progress. This requires institutional capacity to be more evenly spread at the sub-national scale.

In some areas, responses to the Covid-19 pandemic have led to new partnerships and a revitalisation of existing partnerships. Recovery frameworks include a broadening of economic development strategies and visions to cover health, well-being and inclusive growth and greater emphasis on digital infrastructure and green issues alongside traditional concerns of skills, innovation and enterprise.

The Levelling Up White Paper has an opportunity to build on this evolving practice, but it will only succeed if it adopts these four propositions:

1. **For levelling-up to be meaningful, it must extend to levelling-up institutional capacity to deliver economic development, and now recovery, in the wake of Covid-19.**
2. **By and large, reliance on an uneven patchwork of non-statutory bodies to coordinate and deliver local economic development has failed to date. There are exceptions but, in many cases, these bodies lack the capacity and resources needed to develop and implement a strategic approach to local economic development.**
3. **Moving away from a strong reliance on centralised 'challenge funds' framed in Whitehall which promote competition rather than coordination and collaboration at the sub-national scale and also lead to a homogenising effect on local intervention.**
4. **There is a strong case for a return to a formula based long-term regional funding allocations based on need – with devolved responsibility for the management of these funds to appropriate statutory bodies.**

Note: Some of the research reported here was funded by the Midlands Engine, but the views expressed are those of the authors.

R&D Investment in our City-Region: Local Potential for Future Inclusive Growth

Professor Simon Collinson, Deputy Pro-Vice-Chancellor (DPVC) leading on Regional Engagement

Local investment in research and development (R&D) does not just create jobs for scientists and engineers, it boosts employment across manufacturing and services sectors, attracts other kinds of inward investment and can create innovation clusters that improve regional economic growth.

The West Midlands attracts a significant amount of private sector R&D investment, about £398 per capita according to one study (Jones and Forth, 2020), well above the UK average. But it only receives £83 per head in public R&D funding as one of the regions with the largest shortfall. Londoners receive around £300 per capita in public R&D funding and the 'golden triangle' encompassing London, Oxford and Cambridge accounts for 46% of all public and charitable spending on R&D, 31% of business R&D and 21% of the population.

Increasing the region's share of R&D investment, from public and private sources, depends more on the collective action of local stakeholders and our ability to showcase the region's excellent growth potential. Universities are central, because they receive a large slice of public funding to conduct R&D, some of which supports collaborations and co-investments with local firms to bring new ideas and technologies to market. But universities are also a source of skilled graduates, a key component of innovation and economic growth.

A recent study conducted by City-REDI with the West Midlands Combined Authority (WMCA) maps the inflows of various kinds of public R&D investment into the region, focusing on the UKRI as the main national funding agency for university research.

The analysis found that, although overall public funding was low compared to other regions, the West Midlands does relatively better at securing some kinds of funding, notably Innovate UK and Catapult finance, than other regions (11% of the national pot over 5 years to 2020). Perhaps more significantly, the region tends to attract funding in a relatively narrow range of areas, notably 'manufacturing, materials and mobility'. The Manufacturing Technology Centre (MTC) at Ansty, Warwick Manufacturing Group (WMG) and similar large-scale facilities partly account for this.

This pattern of funding is both a cause and effect of the strong regional legacy as a manufacturing powerhouse. Assets, capabilities and expertise in local firms, large and small, and in universities, underpin this strength. But there is a danger that the region's strong reputation in this relatively narrow specialism, underlying the West Midlands' 'identity' nationally and internationally, hides other R&D strengths which also have the potential to boost growth in recovery. We have seen a jump in funding for 'clean growth and infrastructure' in the past two years and the region has a strong track record for sustainable energy innovation and some aspects of AI and data analytics, creative industries and the life sciences. We have clusters of innovative assets and expertise which could be the source of new areas of growth, attracting new investment and broadening the industrial demography of the regional economy. But we need to showcase these additional strengths and provide a coherent vision about the region as a prime location for these new areas of growth, alongside historical strengths.

Finally, as well as improving competitiveness and productivity, growth has to be more sustainable and inclusive. R&D funding in and with universities can also target these outcomes. Reduced C02 emissions in line with net-zero targets, can be achieved through new sustainable materials and housing insulation, recycling and energy conservation innovations. Improved healthcare, which reduces NHS costs but also improves the quality of life for those with long-term illnesses, through new technologies, procedures and processes, is also driven by innovation underpinned by R&D funding. Dedicating R&D funding to these kinds of outcomes and matching investments in new technologies with the development of skills and expertise amongst lower-income communities will create a more even distribution of the benefits of growth across society, less inequality and more opportunities for all.

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

Harnessing the Potential of Createch in the West Midlands

Dr Tasos Kitsos, WM REDI

Here Tasos Kitsos summarises the WMREDI/PEC event held virtually at the end of April. A recording of the event is available here.

In recent years, countries, regions and cities have become increasingly aware of the significant short and long-term challenges they face if they want to improve the lives of their residents. This is at the core of research at City-REDI/WMREDI. Creative industries have significant transformational capabilities that can help towards this direction both via their amenity value and through their impact on local economies. In particular, they can be a catalyst of innovation across all sectors, enabling transformative new products and services which can drive regional economic growth, wellbeing and quality of life.

The integration of technology and creative industries ('Createch') can satisfy consumer demands and solve societal challenges. Perhaps harnessing virtual production, VR or AR and theatre practice to areas as diverse as mental health training, dementia support and pain control.

Given the potential of this emerging creative sector, the West Midlands is keen to be a thought leader and early adopter of Createch to maximise the economic and social value it can bring to the region's people and its perception on the national and world stage. It is only natural then that our event focused on a simple yet complex question:

How can the West Midlands harness the potential of Createch in order to benefit its economy, the wellbeing of its citizens and the region's perception on the world stage?

The event was introduced by Professor Simon Collinson, the Director of City-REDI/WMREDI and Deputy Pro-Vice-Chancellor for Regional Engagement at the University of Birmingham. Simon stressed the importance of looking at the detail, mechanisms and implications of global innovation trends and the role of Createch for regions and places. To do this, Simon highlighted the need for inter-disciplinary and stakeholder engagement which lies at the heart of WMREDI's mission statement.

Following this, David Furmage, the Creative & Cultural Senior Policy Lead at Greater Birmingham & Solihull Local Enterprise Partnership (GBSLEP) and the West Midlands Regional lead for the creative sector, presented the state of play and current issues for Createch in the West Midlands. Starting from defining Createch and discussing the 100 to watch campaign to raise awareness of Createch, David proceeded to discuss the sector's relevance to the region and the challenges to the West Midlands becoming a world class centre for Createch.

Professor Lisa de Propris from the Birmingham Business School in turn focused on the role of Createch in what is termed the 4th Industrial Revolution and Industry 4.0. Lisa also stressed that we should not miss this opportunity to change the nature of production by only focussing on innovation and miss tackling the big challenges of our times around greening the economy and creating inclusive economies through re-skilling. Overall, Lisa argued that there is an abundance of opportunities, but we need fresh, joined-up thinking outside the current norms and processes.

I was up next presenting research with Dr. Diana Gutierrez-Posada, Dr. Max Nathan and Dr. Massimiliano Nuccio on the impact we can expect from creative industries in local economies. In particular, **our findings suggest that for every job in the broad creative industries, local economies can generate an extra two jobs in local services.** These significant multiplier effects seem to be related to the creative services part of the broad sector such as film production and IT where Createch would be expected to be heavily represented.

Dr George Windsor, the Head of Insights at Tech Nation followed on, building on findings from Tech Nation's Createch Report. George focused on three points: 1) the strength of the UK as a leader in global tech, the need to remain at the forefront of emerging technologies and the role of Createch; 2) our emerging and evolving understanding of Createch, its limits and capabilities; 3) the fundamental opportunity afforded by Createch for broad based growth beyond creative industries and innovation.

Jessica Driscoll, the Head of Immersive Technologies at the Digital Catapult rounded off the presentations by offering valuable insights on three aspects. Firstly, she introduced the work of Digital Catapult on Createch drawing on specific examples. Secondly she discussed trends in Createch and the emerging support for it. Thirdly, Jessica discussed what she believes are the next steps for supporting Createch around the country.

The event continued with a stimulating Q&A session with questions ranging from the macro to micro topics for Createch before Simon's closing remarks and thanks to the speakers. For more information on the event, please contact Tasos Kitsos at a.kitsos@bham.ac.uk.

Looking ahead: The Future Business District Study and the Future of the Office

Hannes Read, WM REDI/ City-REDI

The Future Business District Study

Since the Covid-19 pandemic, many people and businesses have been required to work from home rather than the office. The sudden shift away from working in the office has significantly impacted the Business, Professional & Financial Services (BPFS) sector.

As the UK looks to emerge out the other side of the pandemic, City-REDI at the University of Birmingham have been working alongside Colmore Business Improvement District (BID) in Birmingham city centre in a unique study on ***The Future Business District.*** The aims of the project are to inform the response to long term recovery from the Covid-19 pandemic and to offer policy directions on best practice for BIDs to adapt to the changes in future.

The Accelerating Trend in Hybrid Working

The director of policy and research at the Centre for Cities, Paul Swinney, has recently appeared on the ***Wake up to Money*** programme on ***BBC Radio 5 Live*** claiming that, in the long term, we will see a return to the office five days a week. Yet, even prior to the pandemic, many people in the BPFS sector were not working full time in the office. The 'flexible' or 'hybrid' working that many people have become accustomed to recently was already underway; what the Covid-19 pandemic has done is accelerate those existing trends. So, the wheels were already in motion to move away from a five-day office week. A move back to pre-pandemic trends would still include a growing portion of remote working.

This is not to say that the office will become redundant, however. As identified by Paul Swinney, there are many benefits to being in the office, which are likely to persist and remain important. The networking, collaborations and ideas sparked by face-to-face interactions cannot be easily replicated virtually. Younger people, in particular, can have plenty to gain from meeting in person in the office.

There are opportunities for younger people to learn good practice and building connections from meeting face-to-face. Exactly how the office space is used is more open for discussion. Yet our research has found it is likely to evolve to better capture the benefits of office-working, with more break-out rooms, areas for collaboration spaces and a greater emphasis on leisure.

The Journey to the Future Business District

Almost all the businesses, developers, and organisations we spoke to as part of the ***Future Business District*** study considered hybrid working to be here to stay, in some form. Whilst exactly how to coordinate and manage some people working part from home and part from the office is less clear in practice, the intention is certainly there. Still, teething problems may need to be worked out. For example, if the decision was left to employees to choose when they may come into the office, there could be a larger number of younger people going in the office on a Friday in anticipation of post-work drinks at the end of the week. And by the same token, there may be few people coming in on a Monday to ease themselves into the week. The uneven demand for office working can be at odds with some businesses acting to reduce the supply of office space.

Still there is evidence from the ***Future Business District*** study that, in Birmingham, there is demand from both businesses and employers for a high-quality office space.

"[The future office is] much more about shared knowledge, inspiration, and breakout spaces and also quiet areas as well … They created a quality environment … The big point is the flight to quality." (Interview participant, 2021)

The demand for good quality meeting rooms, collaboration spaces and breakout rooms is likely to increase. The considerations for energy efficiency, carbon zero building materials, sustainable transport infrastructure and parking, are also on the increase. Developers and businesses have planned for these trends already and the demand for high quality office facilities is likely to continue to increase in the aftermath of the pandemic. Likening the office to a 'destination' is one way to encourage people to come into the office space and facilitate collaborations between people.

Role of Business Improvement Districts (BIDs) in the Future Business District

There are implications facing the wider business district as a result of the shift to hybrid working and increase in demand for high quality office space. The findings from the ***Future Business District*** study shows that the way in which businesses and people will work and interact in the office are likely to change. Yet office working is unlikely to return quickly to something more akin to 2019. Hybrid working, where people work from home part of the week and from the office the rest of the time, is likely to continue to be the norm. The shifting office use towards a high-quality destination with greater collaboration and networking space is an opportunity to adapt to the changes. BIDs and other place-focused organisations have a significant role to play in facilitating a smooth and practical transition in the way hybrid working and new office uses. It cannot be ignored that many lower grade offices may become less attractive too in future. But plans for how they can be used in future, such as public indoor spaces, or education spaces could help bring an attraction to those areas. Encouraging the office and the wider city centre to become a destination where people can come in has wider benefits for the broader city centre ecosystem.

The changing business district can be seen as a journey. It is unlikely there will be a point where we 'arrive' at the trends facing the future city centre. But there can be a series of iterations and learning about what works well for businesses and the work-life balance of employees. Leadership organisations such as BIDs and local authorities from across the city centre are vital in working with businesses and organisations to adapt to the changes for the future business district.

Carbon Dioxide Emissions for 2019[1]

Black Country Consortium Economic Intelligence Unit

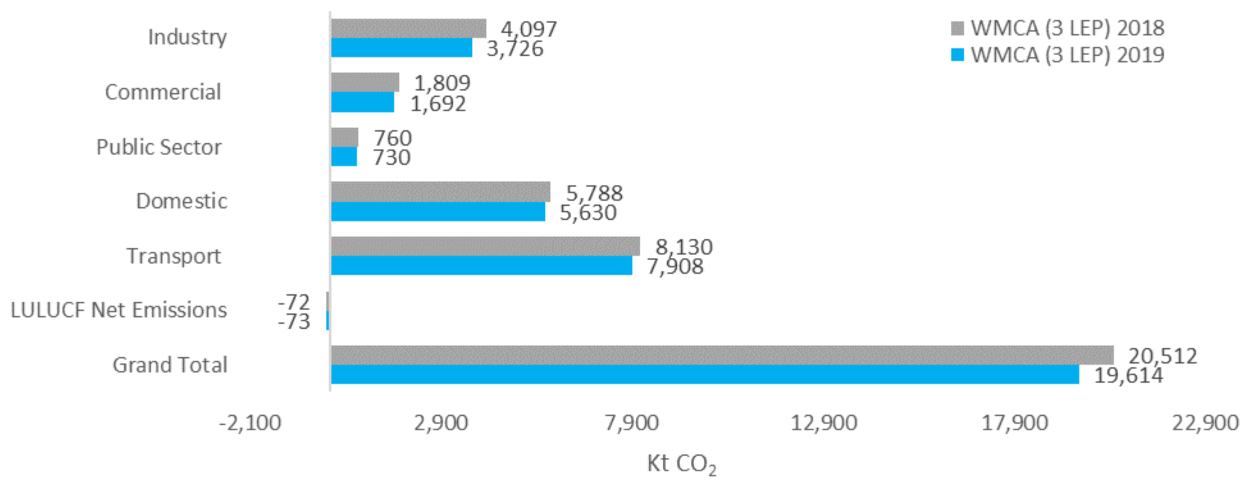
Summary

- In 2019, the WMCA (3 LEP) area produced a total of 19,614 Kt CO_2 emissions. This equates to 4.7 tonnes per capita or 4.7 kt per km^2; which is below the England average of 4.9 tonnes per capita but above the England average of 2.1 kt per km^2.
- Since 2018, carbon dioxide emissions decreased by 4.4% (-898) in the WMCA (3 LEP) area compared to a decrease of 3.8% nationally.
- In 2019, transport accounted for the highest proportion of carbon dioxide emissions in the WMCA (3 LEP) area at 40.3% (7,908 Kt CO_2) of total emissions – slightly above the England proportion of 37.7%.

Full Briefing

- In 2019, the WMCA (3 LEP) area produced a total of 19,614 Kt CO_2 emissions, a decrease of 4.4% (-898 Kt CO_2) compared to a decrease of 3.8% nationally since 2018. Carbon dioxide emissions for the WMCA (3 LEP) area equated to 4.7 tonnes per capita, below the England average of 4.9 in 2019. Emissions were 4.7 kt per km^2 for the WMCA (3 LEP) area compared to 2.1 kt per km^2 for England in 2019.
- Emissions are broken into six main categories, as seen in the following chart. In 2019, transport accounted for the highest proportion of carbon dioxide emissions in the WMCA (3 LEP) area at 40.3% (7,908 Kt CO_2) of total emissions – slightly above the England proportion of 37.7%. This was followed by domestic emissions at 28.7% (England 28.1% of total), industry at 19.0% (England 21.1%), commercial at 8.6% (England 9.6%) and the public sector with 3.7% of the total (matching England). In contrast, the Land Use, Land Use Change and Forestry (LULUCF) net emissions reduced the total by -0.4% (England -0.3% of total).

WMCA (3 LEP) Carbon Dioxide Emissions Summary:



- In 2019, the WM 7 Met. area produced a total of 11,109 Kt CO_2 emissions, a decrease of 4.5% (-526 Kt CO_2) since 2018. Carbon dioxide emissions for the WM 7 Met. area equated to 3.8 tonnes per capita or 12.3 kt per km^2 in 2019.

[1] Source: Department for Business, Energy & Industrial Strategy, UK local authority carbon dioxide emissions estimates 2019, released June 2021

- In 2019, the Black Country LEP area produced a total of 4,495 Kt CO_2 emissions, a decrease of 5.1% (-243 Kt CO_2) since 2018. Carbon dioxide emissions for the Black Country LEP area equated to 3.7 tonnes per capita or 12.6 kt per km^2 in 2019.
- In 2019, Coventry and Warwickshire LEP area produced a total of 6,403 Kt CO_2 emissions, a decrease of 4.3% (-291 Kt CO_2) since 2018. Carbon dioxide emissions for the Coventry and Warwickshire LEP area equated to 6.7 tonnes per capita or 3.1 kt per km^2 in 2019.
- In 2019, Greater Birmingham and Solihull LEP area produced a total of 8,715 Kt CO_2 emissions, a decrease of 4.0% (-364 Kt CO_2) since 2018. Carbon dioxide emissions for the Greater Birmingham and Solihull LEP area equated to 4.3 tonnes per capita or 5.0 kt per km^2 in 2019.
- Within the WMCA (3 LEP), Rugby had the highest tonnes per capita emissions in 2019 at 16.4, this was followed by North Warwickshire at 13.8. Tamworth and Coventry had the lowest tonnes per capita at 3.3 and 3.4 respectively. Sandwell had the highest emissions per km^2 at 16.3, this was followed by Birmingham with 15.2. The lowest emissions per km^2 was in Stratford-on-Avon at 1.1 and in East Staffordshire at 1.8.

Total Emissions by category (measured in Kt CO_2), per capita and per kilometre for the WMCA, West Midlands region and England in 2019:

	Industry	**Commercial**	**Public Sector**	**Domestic**	**Transport**	**LULUCF Net Emissions**	**Grand Total**	**Per Capita Emissions (t)**	**Emissions per km^2 (kt)**
Birmingham	550	434	272	1,409	1,426	-8	4,083	3.6	15.2
Bromsgrove	35	34	9	156	441	-5	669	6.7	3.1
Cannock Chase	58	39	8	151	109	-4	361	3.6	4.6
Coventry	197	113	86	424	449	-3	1,265	3.4	12.8
Dudley	157	83	41	450	400	-4	1,127	3.5	11.5
East Staffordshire	190	78	22	176	239	-13	692	5.8	1.8
Lichfield	78	39	13	168	356	27	682	6.5	2.1
North Warwickshire	126	61	8	99	617	-10	901	13.8	3.2
Nuneaton and Bedworth	51	36	18	187	188	-3	477	3.7	6.0
Redditch	77	33	10	112	95	-1	326	3.8	6.0
Rugby	1,094	84	19	157	443	-6	1,791	16.4	5.1
Sandwell	247	134	49	413	554	-3	1,394	4.2	16.3
Solihull	116	165	34	325	631	-5	1,266	5.9	7.1
Stratford-on-Avon	274	68	11	213	556	-16	1,106	8.5	1.1
Tamworth	45	19	4	105	78	-1	249	3.3	8.1
Walsall	160	74	40	377	396	2	1,048	3.7	10.1
Warwick	75	70	21	210	495	-7	864	6.0	3.1
Wolverhampton	135	92	50	354	297	-3	925	3.5	13.3
Wyre Forest	61	37	14	145	139	-10	386	3.8	2.0
WM 7 Met.	1,562	1,095	572	3,751	4,152	-24	11,109	3.8	12.3
Black Country LEP	699	382	181	1,594	1,646	-7	4,495	3.7	12.6
Coventry & Warwickshire LEP	1,817	431	164	1,290	2,748	-45	6,404	6.7	3.1
Greater Birmingham & Solihull LEP	1,210	879	386	2,747	3,514	-21	8,715	4.3	5.0
WMCA (3 LEP)	**3,726**	**1,692**	**730**	**5,630**	**7,908**	**-73**	**19,614**	**4.7**	**4.7**
West Midlands Region	6,280	2,525	1,095	8,218	12,106	-246	29,979	5.1	2.3
England	58,186	26,523	10,271	77,628	104,187	-705	276,090	4.9	2.1

Regional Labour Productivity, 2019

Black Country Consortium Economic Intelligence Unit

Labour productivity is calculated by dividing output (gross value added, GVA) by a measure of labour input (total hours worked or jobs).

Key Points

- Based on current prices, across all industries in 2019, output per hour worked in the West Midlands region was £31.80 – an increase of 2.0% (+£0.61) since 2018. UK-wide, output per hour worked in 2019 was £36.11, an increase of 2.1% (+£0.76) since 2018.
- Across industries in 2019 output per hour varied in the West Midlands from £18.66 (UK £23.50) in administrative and support service activities to £242.14 (UK £299.39) in real estate activities.
- Out of the 17 broad sectors there was a decrease in five for the West Midlands region between 2018 and 2019. The highest value decrease was in arts, entertainment and recreation by £5.75 (-20.0% compared to an increase UK-wide at 1.6%). The broad sector with the highest value increase between 2018 and 2019 for the West Midlands was in information and communication by £7.04 (+15.6%, UK increased by 8.0%) to £52.16.
- Based on current prices, across all industries in 2019 output per job in the West Midlands region was £50,774 – an increase of 1.7% (+£863) since 2018. UK-wide, output per job in 2019 was £58,261, an increase of 2.4% (+£1,351) since 2018.
- Across industries in 2019 output per job varied in the West Midlands from £25,028 (UK £24,801) in accommodation and service activities to £351,831 (UK £457,048) in real estate activities.
- Out of the 17 broad sectors there was a decrease in eight for the West Midlands region between 2018 and 2019. The highest value decrease was in arts, entertainment and recreation by £6,065 (-15.8% compared to an increase UK-wide at 1.6%) to £32,220. The broad sector with the highest value increase between 2018 and 2019 for the West Midlands was in information and communication by £11,484 (+13.9%, UK increased by 8.9%) to £94,336.
- Relative levels of output per hour for each region in 2019 shows that the West Midlands region was at the median level.
- Relative levels of output per hour for each region in 2019 shows that the West Midlands was 0.8% higher.

Full Briefing:

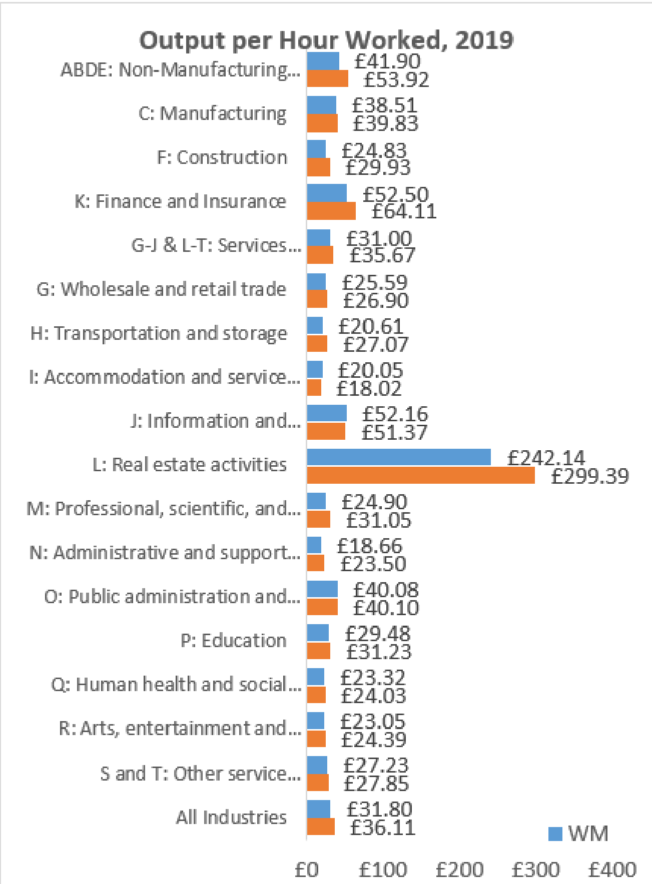
Output per Hour Worked and Output per Job – Value

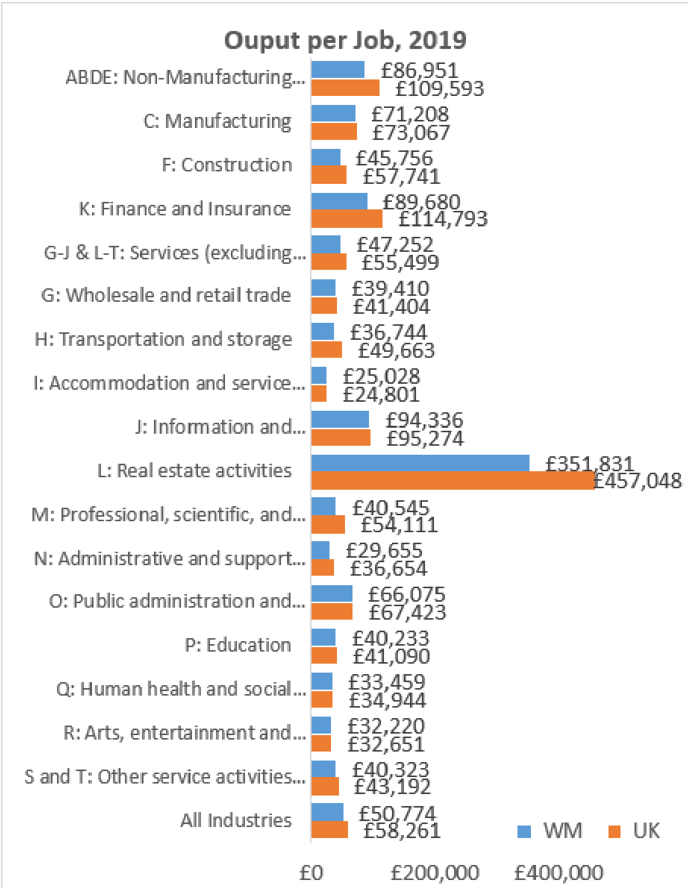
- Based on current prices, across all industries in 2019, output per hour worked in the West Midlands region was £31.80 – an increase of 2.0% (+£0.61) since 2018. UK-wide, output per hour worked increased by 2.1% since 2018. There was an output per hour worked gap of £4.31 to reach UK-wide level.
- Across industries in 2019, output per hour varied in the West Midlands from £18.66 (UK £23.50) in administrative and support service activities and £20.05 (UK £18.02) in accommodation and service activities up to £52.50 (UK £64.11) in finance and insurance and £242.14 (UK £299.39) in real estate activities.
- Out of the 17 broad sectors, there was a decrease in five for the West Midlands region between 2018 and 2019. The highest value decrease was in arts, entertainment and recreation by £5.75 (-20.0% compared to an increase UK-wide at 1.6%) to £23.05. The other four sectors include; finance and insurance (-£1.64 to £52.50), transportation and storage (-£1.41 to £20.61), manufacturing (-£1.10 to £38.51) and accommodation and service activities (-£0.21 to £20.05).
- The broad sector with the highest value increase between 2018 and 2019 for the West Midlands was in information and communication by £7.04 (+15.6%, UK increased by 8.0%) to £52.16.

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

- Based on current prices, across all industries in 2019, output per job in the West Midlands region was £50,774 – an increase of 1.7% (+£863) since 2018. UK-wide, output per job in 2019 increased by 2.4% since 2018. There was an output per job gap of £7,487 to reach UK-wide level.
- Across industries in 2019, output per job varied in the West Midlands from £25,028 (UK £24,801) in accommodation and service activities and £29,655 (UK £36,654) in administrative and support service activities up to £94,336 (UK £95.274) in information and communication and £351,831 (UK £457,048) in real estate activities.
- Out of the 17 broad sectors, there was a decrease in eight for the West Midlands region between 2018 and 2019. The highest value decrease was in arts, entertainment and recreation by £6,065 (-15.8% compared to an increase UK-wide at 1.6%) to £32,220.
- The broad sector with the highest value increase between 2018 and 2019 for the West Midlands was information and communication by £11,484 (+13.9%, UK increased by 8.9%) to £94,336.

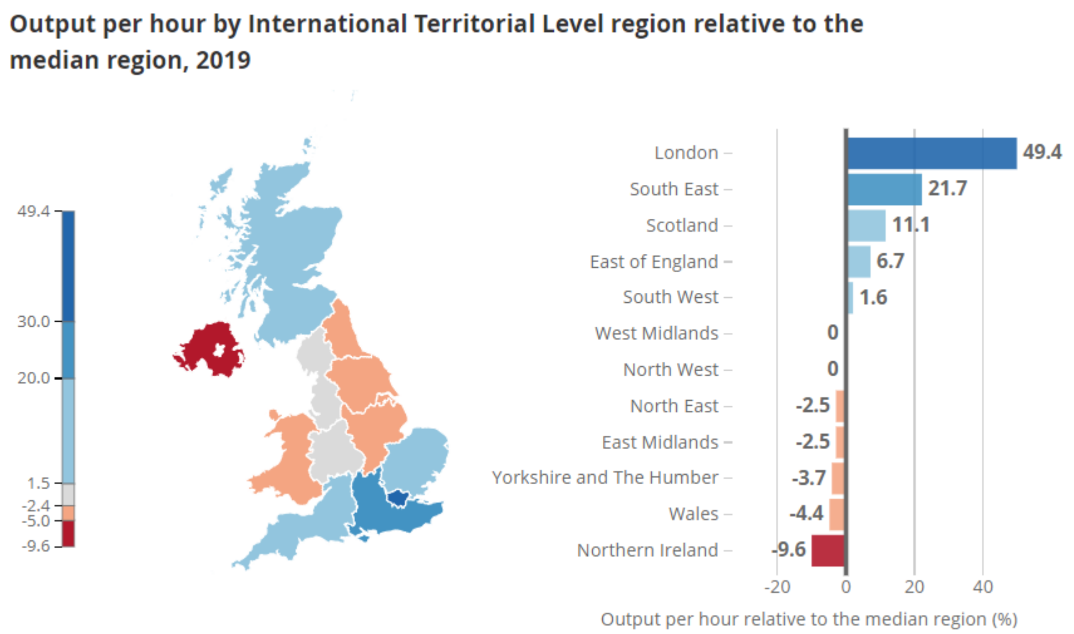
The following charts show across all industries for output per hour and per job for the West Midlands region and UK-wide in 2019:





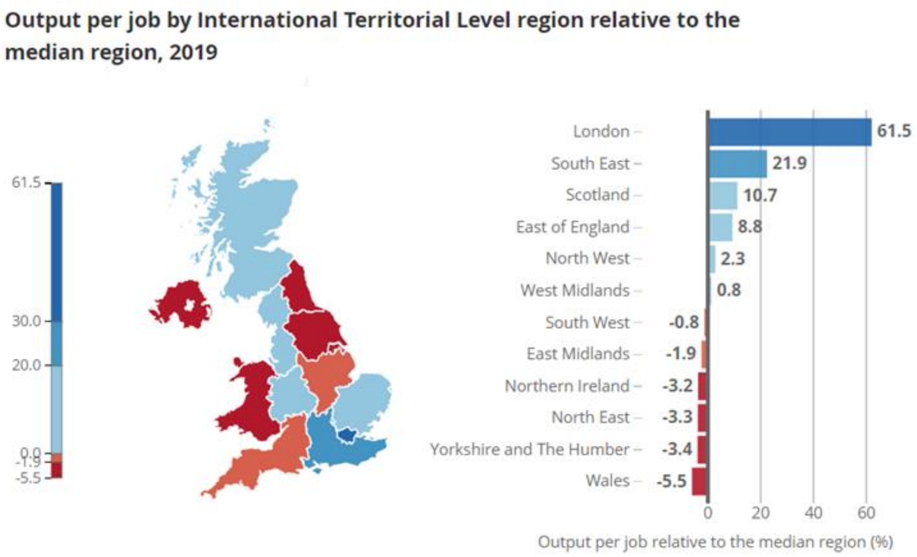
Output per Hour Worked and Output per Job – Relative

As seen in the following maps, relative levels of output per hour for each region in 2019 varies from London with nearly 50% higher than the median region, down to Northern Ireland at -9.6%. The West Midlands was at the median level.



Source: Office for National Statistics

Relative levels of output per job for each region in 2019 varies from London with 61.5% higher than the median region, down to Wales at 5.5% lower. The West Midlands was 0.8% higher.



Source: Office for National Statistics (ONS): Regional labour productivity, including industry by region, UK: 2019 – released July 2021

UK Regional Trade in Goods Statistics: Year Ending Q1 2021[2]

Black Country Consortium Economic Intelligence Unit

Introduction

From 31st December 2020 the free movement of people and goods and services between the UK and the EU ended. This means the way HMRC collects trade in goods statistics has changed, and the statistics published from March 2021 onwards reflect those changes. As a result of the change in data sources and collection methods:

- EU and total UK business counts will no longer be available. However, business counts will continue to be available for trade with non-EU countries.
- Customs export declarations to the EU that fall under the statistical value threshold of £873 (in value) or 1,000kg (in net mass), cannot be assigned to a UK region and therefore will be reported under “Unallocated-unknown” category.

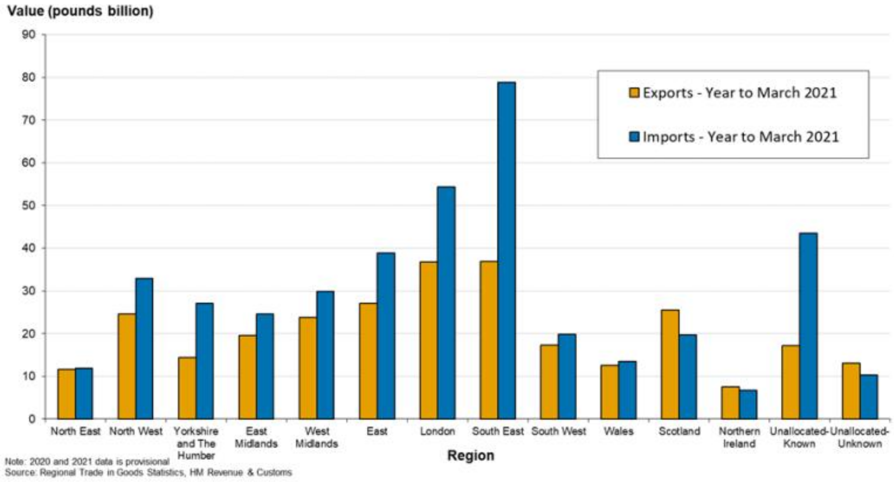
Key Points:

- In the year to Q1 2021, the West Midlands region’s export value was worth nearly £23.8bn, a decrease of nearly £7.3bn (-23.4%) when compared to the year ending Q1 2020. The UK decreased by 14.9% to £287.9bn worth of exports in year ending Q1 2021.
- In the year ending Q1 2021, the West Midlands imported nearly £29.9bn worth of goods. This has decreased by nearly £4.9bn (-14%). While the value of all UK imports decreased by 11.9% to £412.3bn.
- The West Midlands had a trade deficit of £6.1bn in the year ending Q1 2021.
- In the year ending Q1 2021, the largest export SITC section in the West Midlands was machinery and transport at just over £15.7bn – 66.2% of the total. Compared to year ending Q1 2020, the value of these exports has decreased by nearly £6.2bn (-28.1%).
- The highest value of exports was to the European Union at nearly £10.9bn, accounting for 45.6% of the total. Exports to the EU from the West Midlands decreased by £3bn (-21.6%) in year ending Q1 2021.

In Detail:

- For the year ending Q1 2021, the West Midlands region exported nearly £23.8bn and imported more than £29.9bn, leading to a trade deficit of £6.1bn. This reflects a larger deficit when compared to the year ending Q1 2020 when the trade deficit was £3.7bn.

The following chart shows the value of imports and exports by region in the year ending Q1 2021:

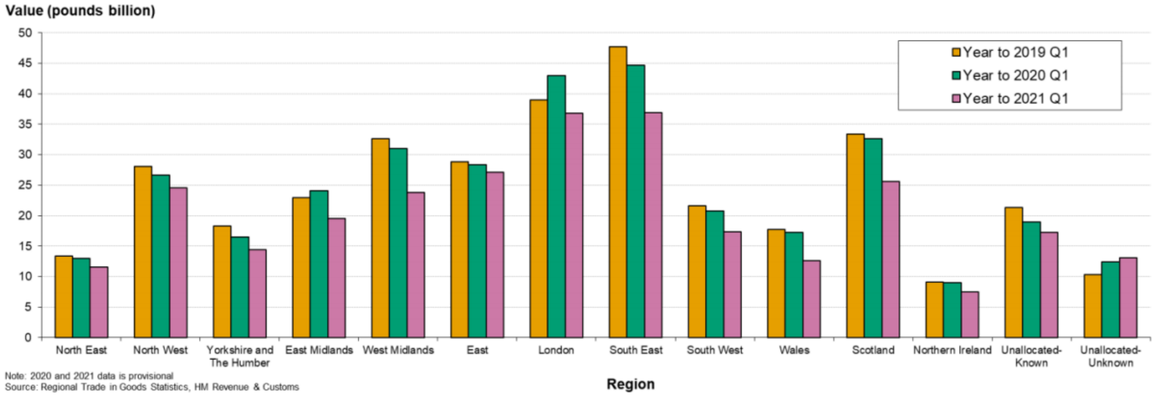


[2] Source: HM Revenue & Customs, UK Regional Trade in Goods Statistics Quarter 1 2021 – Released July 2021
Please note, year ending Q1 refers to the year ending March

Exports

- In the year to Q1 2021, the overall value of UK trade in goods exports decreased by 14.9% (to £287.9bn) compared with the same period from the previous year. All UK countries and regions saw a decrease in annual export value.
- The West Midlands had the second largest monetary fall in exports of all UK regions - a decrease of nearly £7.3bn (-23.4%) to £23.8bn when compared to the year ending Q1 2020 (£31bn). The South East had the highest monetary fall over the period by -£7.8bn to £36.9bn; down to the smallest monetary fall in exports in the East at -£1.3bn to £27.1bn.
- The West Midlands region accounted for 8.3% of UK exports in the year ending Q1 2021.

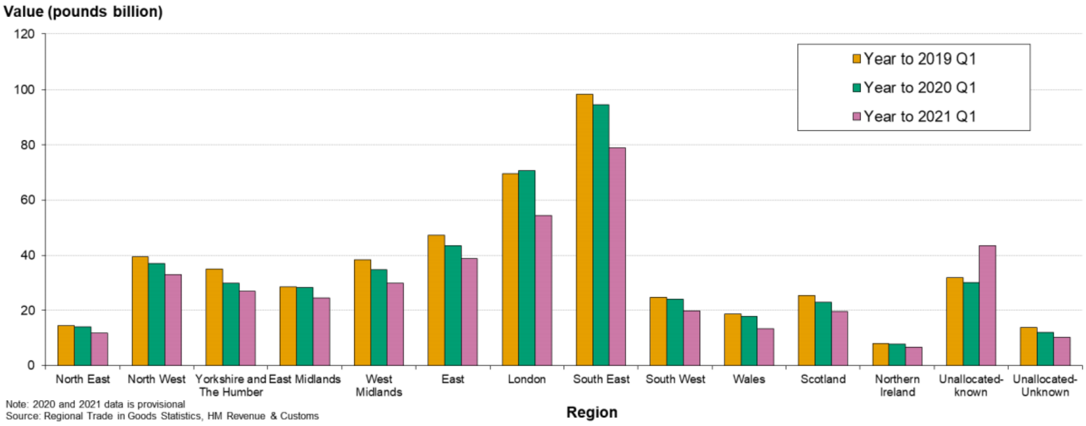
The following chart shows UK exports by region, years to Q1 2019, Q1 2020 and Q1 2021:



Imports

- The value of the West Midlands region's imports decreased by nearly £4.9bn (-14%) to nearly £29.9bn in the year ending Q1 2021 compared with the year ending Q1 2020. All UK regions saw a decrease in the value of imports, UK-wide decreased by 11.9% to £412.3bn over the same period.

The following charts shows UK imports by region, years to Q1 2019, Q1 2020 and Q1 2021:



Standard International Trade Classification (SITC)

- West Midlands exports across all but one SITC sections (Beverages and Tobacco) decreased between the year ending Q1 2020 and Q1 2021.
- In the year ending Q1 2021, the largest export SITC section in the West Midlands was machinery and transport at just over £15.7bn – 66.2% of the total. Compared to year ending Q1 2020, the value of these exports has decreased by nearly £6.2bn (-28.1%).
- West Midlands imports from three of nine SITC sections increased from year ending Q1 2020 to Q1 2021, these include; Crude materials (+12.7% to £605m), animal and vegetable oils (+5.7% to £111m) and other commodities nes (+10% to £11m).

- The SITC section with the largest value of imports in year ending Q1 2021 was machinery and transport at £13.4bn, reflecting 44.7% of total imports. This has decreased since year ending Q1 2020 by £2.4bn (-15%).

The following table shows a breakdown of exports and imports by SITC section and the percentage change between year ending Q1 2020 and Q1 2021:

	West Midlands Region			UK		
	Year Ending Q1 2020	Year Ending Q1 2021	% Change	Year Ending Q1 2020	Year Ending Q1 2021	% Change
Exports by SITC Section	£ millions			£ millions		
0 Food and Live Animals	£662	£639	-3.5%	£15,375	£14,039	-8.7%
1 Beverages and Tobacco	£71	£77	8.5%	£7,654	£6,309	-17.6%
2 Crude Materials	£767	£731	-4.7%	£6,671	£6,957	4.3%
3 Mineral Fuels	£182	£128	-29.7%	£30,418	£19,164	-37.0%
4 Animal and Vegetable Oils	£29	£28	-3.4%	£528	£499	-5.5%
5 Chemicals	£1,377	£1,352	-1.8%	£52,319	£51,142	-2.2%
6 Manufactured Goods	£3,092	£2,554	-17.4%	£31,985	£33,637	5.2%
7 Machinery and Transport	£21,906	£15,748	-28.1%	£131,552	£104,089	-20.9%
8 Miscellaneous Manufactures	£2,895	£2,475	-14.5%	£52,929	£40,898	-22.7%
9 Other commodities nes	£57	£47	-17.5%	£8,998	£11,208	24.6%
Total Exports	£31,039	£23,777	-23.4%	£338,429	£287,945	-14.9%
Imports by SITC Section	£ millions			£ millions		
0 Food and Live Animals	£2,600	£2,534	-2.5%	£40,158	£39,353	-2.0%
1 Beverages and Tobacco	£250	£242	-3.2%	£6,181	£6,479	4.8%
2 Crude Materials	£537	£605	12.7%	£10,931	£12,053	10.3%
3 Mineral Fuels	£643	£344	-46.5%	£41,813	£24,499	-41.4%
4 Animal and Vegetable Oils	£105	£111	5.7%	£1,381	£1,478	7.0%
5 Chemicals	£2,245	£2,117	-5.7%	£52,855	£53,858	1.9%
6 Manufactured Goods	£6,958	£5,894	-15.3%	£54,617	£54,092	-1.0%
7 Machinery and Transport	£15,716	£13,359	-15.0%	£176,668	£145,301	-17.8%
8 Miscellaneous Manufactures	£5,679	£4,656	-18.0%	£76,251	£69,014	-9.5%
9 Other commodities nes	£10	£11	10.0%	£6,901	£6,139	-11.0%
Total Imports	£34,740	£29,872	-14.0%	£467,754	£412,266	-11.9%

Country Group

- West Midlands exports decreased in all country groups between year ending Q1 2020 and year ending Q1 2021.
- The highest value of exports was to the European Union at nearly £10.9bn, accounting for 45.6% of the total. Exports to the EU from the West Midlands decreased by £3bn (-21.6%) in year ending Q1 2021.
- Excluding Latin America and Caribbean, where imports increased from £418m in year ending Q1 2020 to £448m in year ending Q1 2021, imports from all other country groups decreased.
- The highest value of imports was from the European Union at £17.6bn, accounting for 58.9% of total West Midlands imports. This reflects a £3.7bn decrease in value (-17.6%) from year ending Q1 2020.

The following table shows a breakdown of exports and imports by country group and the percentage change between year ending Q1 2020 and Q1 2021:

	West Midlands Region			UK		
	Year Ending Q1 2020	Year Ending Q1 2021	% Change	Year Ending Q1 2020	Year Ending Q1 2021	% Change
Exports by Country Group	£ millions			£ millions		
Asia & Oceania	£5,210	£4,542	-12.8%	£58,126	£50,562	-13.0%
Eastern Europe (excl EU)	£682	£586	-14.1%	£5,488	£4,894	-10.8%
European Union	£13,839	£10,854	-21.6%	£160,522	£137,454	-14.4%
Latin America and Caribbean	£386	£281	-27.2%	£4,895	£4,063	-17.0%
Middle East and North Africa (ex	£1,489	£1,009	-32.2%	£18,181	£14,422	-20.7%
North America	£7,989	£5,368	-32.8%	£61,725	£48,343	-21.7%
Sub-Saharan Africa	£357	£295	-17.4%	£5,822	£4,368	-25.0%
Western Europe (excl. EU)	£1,086	£843	-22.4%	£16,144	£14,987	-7.2%
Undefined Country Group	£2	£1	-50.0%	£7,526	£8,851	17.6%
Total Exports	£31,039	£23,777	-23.4%	£338,429	£287,945	-14.9%
Imports by Country Group	£ millions			£ millions		
Asia & Oceania	£8,090	£7,946	-1.8%	£97,889	£104,395	6.6%
Eastern Europe (excl EU)	£427	£256	-40.0%	£8,750	£7,305	-16.5%
European Union	£21,342	£17,594	-17.6%	£252,073	£214,127	-15.1%
Latin America and Caribbean	£418	£448	7.2%	£5,758	£5,141	-10.7%
Middle East and North Africa (ex	£763	£586	-23.2%	£13,395	£7,876	-41.2%
North America	£2,283	£1,807	-20.8%	£47,443	£36,158	-23.8%
Sub-Saharan Africa	£298	£266	-10.7%	£7,226	£5,999	-17.0%
Western Europe (excl. EU)	£1,119	£972	-13.1%	£29,478	£26,258	-10.9%
Undefined Country Group				£5,741	£5,006	-12.8%
Total Imports	£34,740	£29,872	-14.0%	£467,754	£412,266	-11.9%

WMCA Mid-Year 2020 Population Estimates[3]

Black Country Consortium Economic Intelligence Unit

Summary:

- The mid-year 2020 population estimates show there were over 4.2m residents in the WMCA (3 LEP) area. Since the mid 2019 estimates, the population in the WMCA (3 LEP) area increased by 0.5% (+20,971 people); the UK increased by 0.4%.
- Across all the combined authorities, the WMCA (3 LEP), Greater Manchester and West Yorkshire had the highest proportions for population aged 0-15 years old at 20.5%. The proportion of 16-64 years old in the WMCA (3 LEP) was forth lowest of all combined authorities at 62.4%. The proportion of people in the WMCA (3 LEP) aged 65 years an over was forth lowest at 17.1%.
- At the LEP level, the Black Country LEP was the 3rd highest across all the LEPs for the percentage of people aged 0 – 15 years old at 21.3%, this was followed by Greater Birmingham and Solihull LEP 4th highest at 20.9% and then Coventry and Warwickshire LEP 20th highest at 18.7%. The Black Country LEP and Greater Birmingham Solihull LEP are above the UK average of 19.0%.
- In mid-2020 there were 1,011 people per sq.km in the WMCA (3 LEP) area, above the UK average of 276.

Full Briefing

- The mid-year 2020 population estimates show there were over 4.2m residents in the WMCA (3 LEP) area. Since the mid 2019 estimates, the population in the WMCA (3 LEP) area increased by 0.5% (+20,971 people); the UK increased by 0.4% to reach a total of nearly 67.1m residents.
- In mid-2020 there were nearly 2.1m male WMCA (3 LEP) residents (49.6% of total population compared to 49.4% for UK-wide), an increase of 0.6% (+12,510 males) while UK-wide there was an increase of 0.5% since the mid-2019 population estimates. There were over 2.1m female WMCA (3 LEP) residents (50.4% of total population compared to 50.6% for UK-wide), an increase of 0.4% (+8,461 females) while nationally there was an increase of 0.3% since the mid-2019 population estimates.
- Between mid-2019 and mid-2020, within the WMCA (3 LEP) area, Birmingham experienced a decrease in population estimates by 1,291 people to 1.14m. Wyre Forest also decreased in population figure over this period by 152 people to 101,139 residents.

Total population and the change between mid-2019 and mid-2020:

	Mid-2019	Mid-2020	Change	% Change
Birmingham	1,141,816	1,140,525	-1,291	-0.1%
Bromsgrove	99,881	100,569	688	0.7%
Cannock Chase	100,762	101,484	722	0.7%
Coventry	371,521	379,387	7,866	2.1%
Dudley	321,596	322,363	767	0.2%
East Staffordshire	119,754	120,923	1,169	1.0%
Lichfield	104,756	105,637	881	0.8%
North Warwickshire	65,264	65,452	188	0.3%
Nuneaton and Bedworth	129,883	130,373	490	0.4%
Redditch	85,261	85,568	307	0.4%
Rugby	108,935	110,650	1,715	1.6%
Sandwell	328,450	329,042	592	0.2%
Solihull	216,374	217,487	1,113	0.5%
Stratford-on-Avon	130,098	132,402	2,304	1.8%

[3] Source: ONS, Population estimates for the UK, England and Wales, Scotland and Northern Ireland: Mid-2020, June 2021.
The estimates presented cover the period up to 30 June 2020 and so only describe some of the impacts of the early part of the pandemic on the UK population. All population estimates are subject to statistical uncertainty.

	Mid-2019	Mid-2020	Change	% Change
Tamworth	76,696	76,864	168	0.2%
Walsall	285,478	286,716	1,238	0.4%
Warwick	143,753	144,909	1,156	0.8%
Wolverhampton	263,357	264,407	1,050	0.4%
Wyre Forest	101,291	101,139	-152	-0.2%
WM 7 Met.	**2,928,592**	**2,939,927**	**11,335**	**0.4%**
Black Country LEP	1,198,881	1,202,528	3,647	0.3%
Coventry & Warwickshire LEP	949,454	963,173	13,719	1.4%
Greater Birmingham & Solihull LEP	2,046,591	2,050,196	3,605	0.2%
WMCA (3 LEP)	**4,194,926**	**4,215,897**	**20,971**	**0.5%**
United Kingdom	66,796,807	67,081,234	284,427	0.4%

Components of population change between mid-2019 and mid-2020, (as seen in the following table) shows for the WMCA (3 LEP) area that there were 6,398 more births than deaths, net international migration of 23,829 people and an additional 323 people classed as other. Over this time period there was a net decrease of 9,579 people from internal migration.

Components of Population Change:

	Estimated Population mid-2019	Births	Deaths	Births minus Deaths	Internal Migration Inflow	Internal Migration Outflow	Internal Migration Net	International Migration Inflow	International Migration Outflow	International Migration Net	Other	Estimated Population mid-2020
WM 7 Met.	**2,928,592**	**36,109**	**28,588**	**7,521**	**121,204**	**139,249**	**-18,045**	**37,682**	**16,075**	**21,607**	**252**	**2,939,927**
Black Country LEP	1,198,881	14,625	13,164	1,461	44,136	46,937	-2,801	6,974	2,225	4,749	238	1,202,528
Coventry & Warwickshire LEP	949,454	9,926	9,456	470	53,759	51,466	2,293	15,669	4,862	10,807	149	963,173
Greater Birmingham & Solihull LEP	2,046,591	24,331	19,864	4,467	85,498	94,569	-9,071	19,989	11,716	8,273	-64	2,050,196
WMCA (3 LEP)	**4,194,926**	**48,882**	**42,484**	**6,398**	**183,393**	**192,972**	**-9,579**	**42,632**	**18,803**	**23,829**	**323**	**4,215,897**
United Kingdom	66,796,807	700,691	669,201	31,490	No data	No data	49	622,141	374,932	247,209	5,679	67,081,234

Population by age breakdown

- Across all the combined authorities, the WMCA (3 LEP), Greater Manchester and West Yorkshire had the highest proportions for population aged 0-15 years old at 20.5%. The proportion of 16-64 years old in the WMCA (3 LEP) was forth lowest of all combined authorities at 62.4%. The proportion of people in the WMCA (3 LEP) aged 65 years an over was forth lowest at 17.1%.
- At the LEP level, the Black Country LEP was the 3rd highest across all the LEPs for the percentage of people aged 0 – 15 years old at 21.3%, this was followed by Greater Birmingham and Solihull LEP 4th highest at 20.9% and then Coventry and Warwickshire LEP 20th highest at 18.7%. The Black Country LEP and Greater Birmingham Solihull LEP are above the UK average of 19.0%.
- Across all LEPs, Greater Birmingham and Solihull LEP was the 4th lowest for the percentage of people aged 65 years and over at 16.7%, Black Country LEP was the 8th lowest at 17.4% and Coventry and Warwickshire LEP were 10th lowest at 17.8%. All the WMCA 3 LEPs were below the UK average of 18.6%.
- Coventry and Warwickshire LEP were the 4th highest for the percentage of people aged 16 – 64 years old at 63.5%, Greater Birmingham and Solihull LEP was 12th highest at 62.4% and Black Country LEP when ranked highest to lowest was the 19th at 61.3%. Coventry and Warwickshire LEP were above the UK average of 62.4% and Greater Birmingham and Solihull matched the proportion.

Population by age (mid-2020):

	All Ages	Aged 0 to 15	% Aged 0 – 15	Aged 16 - 64	% Aged 16 - 64	Aged 65+	% Aged 65+
Birmingham	1,140,525	257,118	22.5%	733,995	64.4%	149,412	13.1%
Bromsgrove	100,569	18,635	18.5%	59,086	58.8%	22,848	22.7%
Cannock Chase	101,484	18,144	17.9%	63,714	62.8%	19,626	19.3%
Coventry	379,387	72,983	19.2%	255,941	67.5%	50,463	13.3%
Dudley	322,363	62,242	19.3%	194,465	60.3%	65,656	20.4%

	All Ages	Aged 0 to 15	% Aged 0 – 15	Aged 16 - 64	% Aged 16 - 64	Aged 65+	% Aged 65+
East Staffordshire	120,923	23,608	19.5%	73,912	61.1%	23,403	19.4%
Lichfield	105,637	18,014	17.1%	62,261	58.9%	25,362	24.0%
North Warwickshire	65,452	11,428	17.5%	39,738	60.7%	14,286	21.8%
Nuneaton and Bedworth	130,373	25,737	19.7%	79,466	61.0%	25,170	19.3%
Redditch	85,568	17,235	20.1%	52,327	61.2%	16,006	18.7%
Rugby	110,650	22,463	20.3%	67,303	60.8%	20,884	18.9%
Sandwell	329,042	74,862	22.8%	204,882	62.3%	49,298	15.0%
Solihull	217,487	42,775	19.7%	129,091	59.4%	45,621	21.0%
Stratford-on-Avon	132,402	22,150	16.7%	76,632	57.9%	33,620	25.4%
Tamworth	76,864	14,858	19.3%	47,163	61.4%	14,843	19.3%
Walsall	286,716	62,319	21.7%	174,344	60.8%	50,053	17.5%
Warwick	144,909	24,926	17.2%	92,708	64.0%	27,275	18.8%
Wolverhampton	264,407	57,060	21.6%	163,541	61.9%	43,806	16.6%
Wyre Forest	101,139	17,390	17.2%	58,499	57.8%	25,250	25.0%
WM 7 Met.	**2,939,927**	**629,359**	**21.4%**	**1,856,259**	**63.1%**	**454,309**	**15.5%**
Black Country LEP	1,202,528	256,483	21.3%	737,232	61.3%	208,813	17.4%
Coventry & Warwickshire LEP	963,173	179,687	18.7%	611,788	63.5%	171,698	17.8%
Greater Birmingham & Solihull LEP	2,050,196	427,777	20.9%	1,280,048	62.4%	342,371	16.7%
WMCA (3 LEP)	**4,215,897**	**863,947**	**20.5%**	**2,629,068**	**62.4%**	**722,882**	**17.1%**
United Kingdom	67,081,234	12,727,569	19.0%	41,845,027	62.4%	12,508,638	18.6%

Population density

- In mid-2020 there were 1,011 people per sq.km in the WMCA (3 LEP) area, above the UK average of 276. Across the 3 LEPs, the people per sq. km varies from 464 in Coventry and Warwickshire LEP, 1,178 in Greater Birmingham and Solihull LEP to 3,369 in the Black Country LEP.

Population density mid-2019 to mid-2020:

	2019 people per sq. km	2020 people per sq. km	Change
Birmingham	4,264	4,259	-5
Bromsgrove	460	464	4
Cannock Chase	1,277	1,287	10
Coventry	3,766	3,846	80
Dudley	3,283	3,291	8
East Staffordshire	309	312	3
Lichfield	316	319	3
North Warwickshire	230	230	0
Nuneaton and Bedworth	1,645	1,651	6
Redditch	1,572	1,577	5
Rugby	310	315	5
Sandwell	3,839	3,846	7
Solihull	1,214	1,220	6
Stratford-on-Avon	133	135	2
Tamworth	2,486	2,491	5
Walsall	2,746	2,758	12
Warwick	508	512	4
Wolverhampton	3,793	3,808	15
Wyre Forest	518	518	0
WM 7 Met.	**3,248**	**3,261**	13
Black Country LEP	3,359	3,369	10
Coventry & Warwickshire LEP	458	464	6
Greater Birmingham & Solihull LEP	1,176	1,178	2
WMCA (3 LEP)	**1,006**	**1,011**	5
United Kingdom	275	276	1

WMCA Coronavirus Job Retention Scheme (CJRS) Statistics: Released July 2021[4]

Black Country Consortium Economic Intelligence Unit

Summary

- In total, the WMCA (3 LEP) area had 144,200 employments furloughed on the 31st May 2021. This reflects an 8.5% take-up of eligible employments for the scheme, compared to UK-wide of 8.2%.
- As of 31st May 2021, there was a higher percentage of males furloughed at 9.0% (77,600), compared to females at 7.9% (66,600). Whereas the UK had a take up rate of 8.5% for males and 7.8% for females.
- Across the WMCA (3 LEP) area, on the 31st May 2021, the sector with the highest number of employments furloughed was accommodation and food services at 32,270. This was followed by wholesale and retail repair of motor vehicles at 20,710 and then manufacturing at 20,300 employments furloughed.
- For the UK, the number of employments on furlough has fallen since January and provisional figures show on the 31st May there was just over 2.36m furloughed.
- For all age bands the number of employments on furlough decreased across February to May 2021. The largest reductions in the number of employments on furlough in May have been for younger employees in the 18 to 24 and 25 to 34 age bands. The biggest proportionate reduction was for the under 18 age band.
- Since January, the number of employments on furlough has decreased by a larger proportion amongst large employers. Employers with 250 or more employees have seen a 67% reduction in employments on furlough since the peak in January, in comparison with a 28% reduction amongst employers with one employee. This may reflect the varying impact of the pandemic on businesses of differing sizes.

Full Briefing

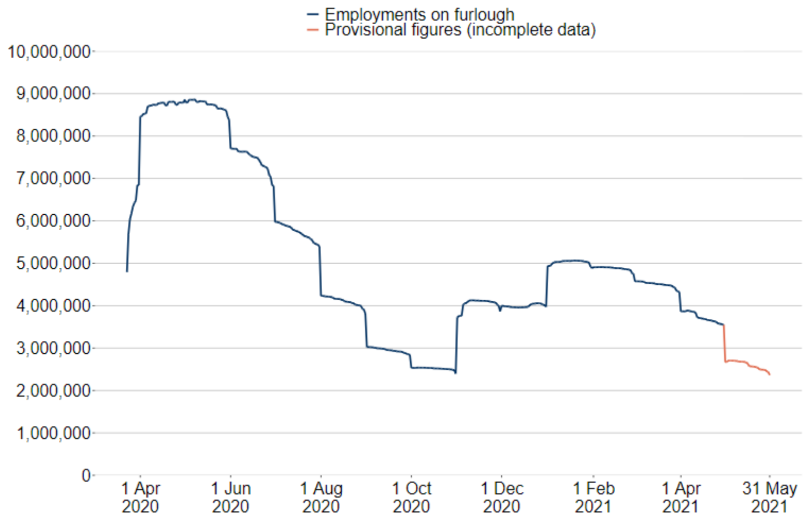
- This briefing reports on the thirteenth release of Official Statistics on the Coronavirus Job Retention Scheme (CJRS), commonly known as furlough. This briefing provides analysis of claims for periods up to 31st May 2021. The data used includes claims submitted to HMRC by 14th June 2021.

Furloughed Employments Over Time – UK & West Midlands Region

- For the UK, the number of employments on furlough peaked at 8.9 million on 8th May 2020. This fell to 2.4 million at 31st October, rose again to 4.9 million employments on furlough at 31st January 2021. However, the number of employments on furlough has fallen since January and provisional figures show on the 31st May there was just over 2.36m furloughed.

The following chart shows the total number of employments furloughed in the UK between 23rd March 2020 to 31st May 2021:

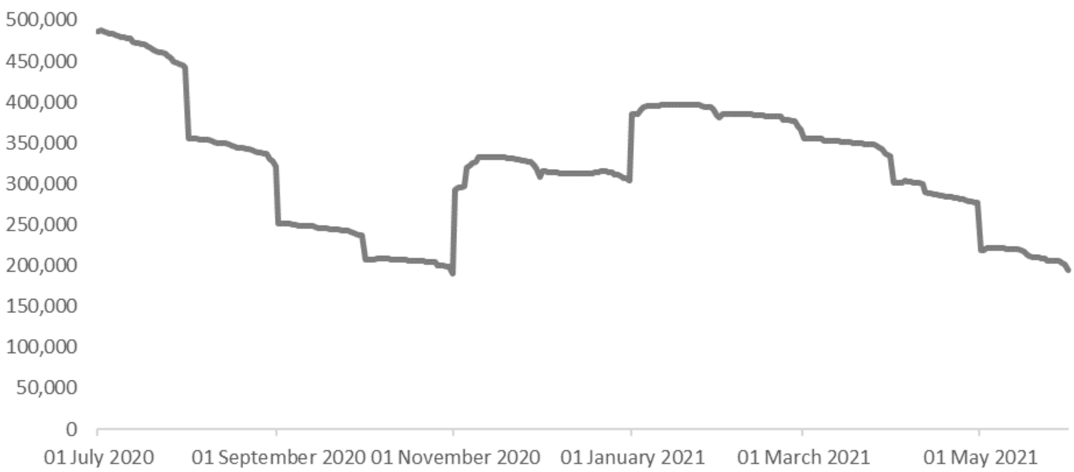
[4] Source: HMRC, Coronavirus Job Retention Scheme statistics: July 2021. Please note, the data for May 2021 is not yet fully complete as while claims relating to May 2021 should have been filed by 14 June 2021, employers could file claims later with the agreement of HMRC if they had a reasonable excuse. Claims for April 2021 could also be amended until 28 June 2021. Together these factors are likely to have a small effect on the statistics. Based on figures for April, which have been revised since the previous release, it is estimated that the number of employments on furlough reported for May 2021 could increase by around 3%. The May 2021 figures should therefore be considered as provisional and will be revised in a future release.



Source: HMRC CJRS data

- The latest provisional figures show for the West Midlands region there has been an overall decrease in levels of furlough between April and May 2021, with 194,000 employments furloughed on the 31st May 2021, down from 276,500 on 30th April 2021 (-29.5% compared to -33.3% for the UK).

The following chart shows for the West Midlands region the number of employments furloughed between per day between 1st July 2020 to 31st May 2021:



Source: HMRC CJRS data

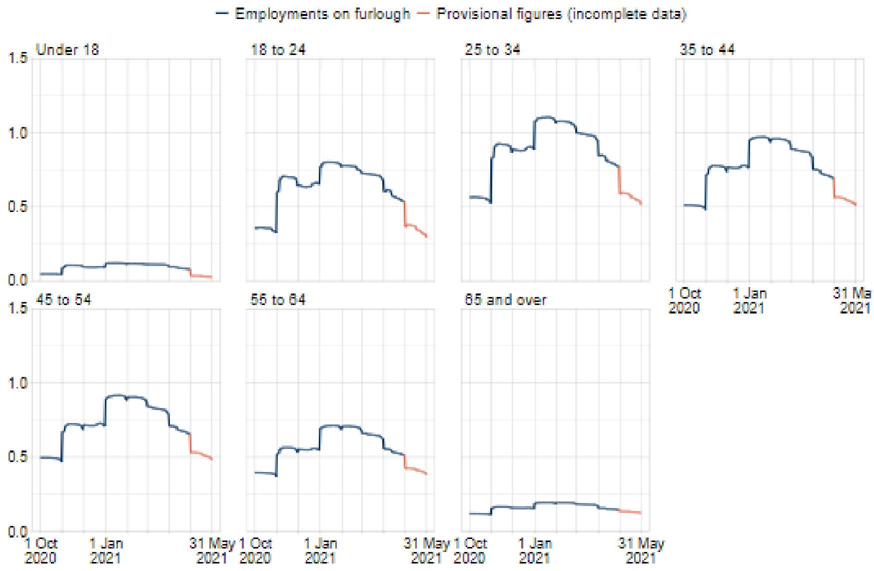
- Of the 194,800 employments furloughed in the West Midlands region on the 31st May 2021, 99,900 were fully furloughed and 94,900 were partially furloughed.

Employments Furloughed Over Time by Age – UK

- For all age bands the number of employments on furlough decreased across February to May 2021.The largest reductions in the number of employments on furlough in May have been for younger employees in the 18 to 24 and 25 to 34 age bands. The biggest proportionate reduction was for the under 18 age band.
- The number of employments on furlough with employees in the 18 to 24 age band was 534,000 at 30th April 2021. At 31st May 2021, provisional figures show that this had reduced to 295,900 employments on furlough in the 18 to 24 age band.
- For employments where the employee was aged 25 to 34, the number of employments on furlough was 769,700 at 30th April 2021. Provisional figures show that this figure dropped to 515,900 at 31st May 2021.

- Where the employee was 65 or over, the number of employments on furlough was 145,500 at 30th April 2021. Provisional estimates show that the number of employments on furlough decreased in May to 122,200 at 31st May 2021.

The following chart shows the number employments furloughed (in millions) for the UK by the age of the employee:



Source: HMRC CJRS and PAYE Real Time Information data

Furlough by Employer Size – UK

- For all employer sizes, the number of employments on furlough decreased across February, March, April and May 2021. The largest reduction is for employers with 250 or more employees where the number of employments on furlough decreased by 532,100 from 1.1m employments at 30th April 2021 to a provisional estimate of 535,800 at 31st May 2021.
- Employers with one employment had 161,100 employments on furlough at 30th April 2021. Provisional figures show that this decreased in May to 148,200 employments on furlough at 31st May 2021.
- Since January, the number of employments on furlough has decreased by a larger proportion amongst large employers. Employers with 250 or more employees have seen a 67% reduction in employments on furlough since the peak in January, in comparison with a 28% reduction amongst employers with one employee. This may reflect the varying impact of the pandemic on businesses of differing sizes.

Employments Furloughed by Gender – WMCA (3 LEP)[5]

- In total, the WMCA (3 LEP) area had 144,200 employments furloughed on the 31st May 2021. This reflects an 8.5% take-up of eligible employments for the scheme, compared to UK-wide of 8.2%.
- As of 31st May 2021, there was a higher percentage of males furloughed at 9.0% (77,600), compared to females at 7.9% (66,600). Whereas the UK had a take up rate of 8.5% for males and 7.8% for females.
- As of the 31st May 2021, the local authority with the highest percentage of employments furloughed was Birmingham at 9.8% (40,300 furloughed of the 413,000 eligible). The local authority with the highest percentage of males furloughed was Birmingham at 11.1% (23,400 furloughed of the 211,500 eligible). The local authority with the highest percentage of female employments furloughed was Stratford-on-Avon at 9.6% (2,800 furloughed of 29,300 eligible).

[5] Revised April figures have not been released at local authority meaning a change in the number of employments furloughed from the previous may has not been included on this occasion.

The following table shows employments furloughed, eligible employments and the take-up rate for the WMCA (3 LEP) area by gender as of 31st May 2021[6]:

	Female			Male			Total		
	Female Employments Furloughed	**Female Eligible Employments**	**Take Up-Rate**	**Male Employments Furloughed**	**Male Eligible Employments**	**Take Up-Rate**	**Total Employments Furloughed**	**Total Eligible Employments**	**Take Up-Rate**
Birmingham	16,900	201,500	8.4%	23,400	211,500	11.1%	40,300	413,000	9.8%
Bromsgrove	1,700	22,100	7.7%	1,700	20,700	8.2%	3,400	42,800	7.9%
Cannock Chase	1,700	22,300	7.6%	1,700	22,100	7.7%	3,500	44,400	7.9%
Coventry	5,300	71,000	7.5%	6,400	73,900	8.7%	11,700	144,800	8.1%
Dudley	4,600	66,200	6.9%	5,500	65,600	8.4%	10,100	131,800	7.7%
East Staffordshire	2,000	26,900	7.4%	2,000	28,400	7.0%	4,000	55,300	7.2%
Lichfield	1,900	22,800	8.3%	1,900	22,500	8.4%	3,800	45,300	8.4%
North Warwickshire	1,200	14,700	8.2%	1,100	14,400	7.6%	2,300	29,200	7.9%
Nuneaton and Bedworth	2,100	30,000	7.0%	2,300	30,000	7.7%	4,400	60,000	7.3%
Redditch	1,600	20,100	8.0%	1,800	19,700	9.1%	3,300	39,800	8.3%
Rugby	1,900	26,100	7.3%	1,900	27,700	6.9%	3,700	53,800	6.9%
Sandwell	5,100	65,900	7.7%	6,400	67,000	9.6%	11,500	132,900	8.7%
Solihull	4,300	46,200	9.3%	4,100	45,600	9.0%	8,400	91,800	9.2%
Stratford-on-Avon	2,800	29,300	9.6%	2,500	28,800	8.7%	5,300	58,100	9.1%
Tamworth	1,300	17,800	7.3%	1,400	18,200	7.7%	2,700	36,100	7.5%
Walsall	4,200	54,800	7.7%	5,000	55,800	9.0%	9,200	110,600	8.3%
Warwick	2,700	32,300	8.4%	2,600	33,700	7.7%	5,300	66,000	8.0%
Wolverhampton	3,700	53,800	6.9%	4,300	53,300	8.1%	8,100	107,000	7.6%
Wyre Forest	1,600	21,000	7.6%	1,600	20,100	8.0%	3,200	41,100	7.8%
WM 7 Met.	**44,100**	**559,300**	**7.9%**	**55,100**	**572,700**	**9.6%**	**99,300**	**1,132,000**	**8.8%**
Black Country LEP	17,600	240,700	7.3%	21,200	241,700	8.8%	38,900	482,300	8.1%
Coventry & Warwickshire LEP	16,000	203,400	7.9%	16,800	208,500	8.1%	32,700	411,900	7.9%
Greater Birmingham & Solihull SLEP	33,000	400,700	8.2%	39,600	408,800	9.7%	72,600	809,600	9.0%
WMCA (3 LEP)	**66,600**	**844,800**	**7.9%**	**77,600**	**859,000**	**9.0%**	**144,200**	**1,703,800**	**8.5%**
West Midlands region	93,000	1,208,800	7.7%	101,800	1,215,600	8.4%	194,800	2,424,300	8.0%
United Kingdom	1,130,800	14,452,600	7.8%	1,203,900	14,239,600	8.5%	2,364,100	28,692,200	8.2%

- The parliamentary constituency in the WMCA (3 LEP) area with the highest take-up rate on 31st May 2021 was Birmingham, Ladywood at 11.6% (5,700 furloughed of the 49,000 eligible). Birmingham, Hall Green was the parliamentary constituency with the highest male take-up rate with 13.3% (3,000 furloughed of 22,600 eligible). The parliamentary constituency with the highest female take-up rate with 10.0% (2,100 furloughed of the 20,900 eligible) was Stratford-on-Avon.

The following table shows by parliamentary constituencies within the WMCA (3 LEP) area the employments furloughed, eligible employments and take-up rate on the 31st May 2021:

	Female			Male			Total		
	Female Employments Furloughed	**Female Eligible Employments**	**Take Up-Rate**	**Male Employments Furloughed**	**Male Eligible Employments**	**Take Up-Rate**	**Total Employments Furloughed**	**Total Eligible Employments**	**Take Up-Rate**
Aldridge-Brownhills	1,400	16,700	8.4%	1,400	16,000	8.8%	2,800	32,800	8.5%
Birmingham, Edgbaston	1,500	18,400	8.2%	1,800	18,100	9.9%	3,300	36,500	9.0%
Birmingham, Erdington	1,600	20,500	7.8%	2,000	20,000	10.0%	3,700	40,600	9.1%
Birmingham, Hall Green	1,700	18,400	9.2%	3,000	22,600	13.3%	4,700	41,000	11.5%
Birmingham, Hodge Hill	1,600	17,600	9.1%	2,900	21,900	13.2%	4,500	39,500	11.4%
Birmingham, Ladywood	2,200	22,300	9.9%	3,500	26,700	13.1%	5,700	49,000	11.6%
Birmingham, Northfield	1,300	22,000	5.9%	1,800	19,800	9.1%	3,100	41,800	7.4%
Birmingham, Perry Barr	1,800	20,400	8.8%	2,300	21,300	10.8%	4,100	41,700	9.8%
Birmingham, Selly Oak	1,400	19,900	7.0%	1,700	18,700	9.1%	3,100	38,500	8.1%
Birmingham, Yardley	1,900	20,500	9.3%	2,600	21,800	11.9%	4,500	42,300	10.6%
Bromsgrove	1,700	22,100	7.7%	1,700	20,700	8.2%	3,400	42,800	7.9%

[6] Please note 'unknown' has been excluded from the table, the total UK figure will not sum.

	Female			Male			Total		
	Female Employments Furloughed	Female Eligible Employments	Take Up-Rate	Male Employments Furloughed	Male Eligible Employments	Take Up-Rate	Total Employments Furloughed	Total Eligible Employments	Take Up-Rate
Burton	1,800	24,500	7.3%	1,800	26,000	6.9%	3,600	50,500	7.1%
Cannock Chase	1,700	22,300	7.6%	1,700	22,100	7.7%	3,500	44,400	7.9%
Coventry North East	1,900	26,700	7.1%	2,500	27,800	9.0%	4,400	54,500	8.1%
Coventry North West	1,800	23,600	7.6%	2,100	23,700	8.9%	3,900	47,300	8.2%
Coventry South	1,600	20,700	7.7%	1,900	22,400	8.5%	3,500	43,000	8.1%
Dudley North	1,100	17,300	6.4%	1,400	17,100	8.2%	2,500	34,400	7.3%
Dudley South	1,200	16,800	7.1%	1,400	16,700	8.4%	2,600	33,600	7.7%
Halesowen & Rowley Regis	1,400	18,900	7.4%	1,600	18,700	8.6%	2,900	37,600	7.7%
Kenilworth and Southam	1,700	19,400	8.8%	1,500	19,500	7.7%	3,200	39,000	8.2%
Lichfield	1,700	21,300	8.0%	1,700	20,900	8.1%	3,400	42,200	8.1%
Meriden	2,300	24,200	9.5%	2,200	23,600	9.3%	4,500	47,800	9.4%
North Warwickshire	1,700	21,100	8.1%	1,700	20,800	8.2%	3,400	41,900	8.1%
Nuneaton	1,500	22,500	6.7%	1,600	22,500	7.1%	3,100	44,900	6.9%
Redditch	1,700	21,300	8.0%	1,900	21,000	9.0%	3,600	42,300	8.5%
Rugby	1,700	24,900	6.8%	1,800	26,400	6.8%	3,500	51,300	6.8%
Solihull	1,900	22,100	8.6%	1,900	22,000	8.6%	3,800	44,000	8.6%
Stourbridge	1,400	18,400	7.6%	1,600	18,500	8.6%	3,000	37,000	8.1%
Stratford-on-Avon	2,100	20,900	10%	1,900	20,400	9.3%	4,000	41,300	9.7%
Sutton Coldfield	1,800	21,500	8.4%	1,700	20,600	8.3%	3,600	42,200	8.5%
Tamworth	1,800	21,800	8.3%	1,800	22,200	8.1%	3,600	44,000	8.2%
Walsall North	1,400	19,000	7.4%	1,600	19,200	8.3%	2,900	38,200	7.6%
Walsall South	1,500	19,000	7.9%	2,000	20,600	9.7%	3,500	39,600	8.8%
Warley	1,700	19,700	8.6%	2,200	20,400	10.8%	3,800	40,100	9.5%
Warwick and Leamington	1,900	23,700	8.0%	1,900	24,900	7.6%	3,800	48,600	7.8%
West Bromwich East	1,400	18,700	7.5%	1,800	18,800	9.6%	3,300	37,500	8.8%
West Bromwich West	1,400	19,600	7.1%	1,800	19,800	9.1%	3,200	39,400	8.1%
Wolverhampton NE	1,300	19,500	6.7%	1,400	18,500	7.6%	2,700	38,000	7.1%
Wolverhampton SE	1,300	18,800	6.9%	1,600	19,400	8.2%	3,000	38,200	7.9%
Wolverhampton SE	1,300	18,000	7.2%	1,500	18,000	8.3%	2,800	36,100	7.8%
Wyre Forest	1,600	21,000	7.6%	1,600	20,100	8.0%	3,200	41,100	7.8%
WMCA (3 LEP)	**66,600**	**844,800**	**7.9%**	**77,600**	**859,000**	**9.0%**	**144,200**	**1,703,800**	**8.5%**
United Kingdom	1,130,800	14,452,600	7.8%	1,203,900	14,239,600	8.5%	2,364,100	28,692,200	8.2%

Employments Furloughed by Broad Sector – WMCA (3 LEP) Overall

- Across the WMCA (3 LEP) area, on the 31st May 2021, the sector with the highest number of employments furloughed was accommodation and food services at 32,270. This was followed by wholesale and retail repair of motor vehicles at 20,710 and then manufacturing at 20,300 employments furloughed.
- In the WMCA (3 LEP) area, public administration and defence; social security, households and other had the lowest employments furloughed on the 31st May 2021 at 940, this was followed by agriculture, forestry and fishing, mining and quarrying, energy production and supply and water supply, sewerage and waste at 960.

The following table shows the total employments furloughed by broad sector for the WMCA (3 LEP) as of 31st May:

	As on 31st May 2021
Agriculture, forestry, fishing, Mining, quarrying, Energy production and supply & Water supply, sewerage and waste	960
Manufacturing	20,300
Construction	7,200
Wholesale and retail; repair of motor vehicles	20,710
Transportation and storage	8,270
Accommodation and food services	32,270
Information and communication, Financial and insurance & Real estate	7,280
Professional, scientific and technical	10,290
Administrative and support services	13,560
Education	4,330
Health and social work	5,180
Arts, entertainment and recreation	7,280
Other service activities	5,760
Public administration and defence; social security, Households & Other	940
Total	144,200

WMCA: Self-Employment Income Support Scheme (SEISS) – Released 1st July 2021

Black Country Consortium Economic Intelligence Unit

Introduction

The main figures are based on claims submitted for the fourth grant of SEISS to 6th June 2021.

Summary

- Across the WMCA (3 LEP) area, 171,800 people were eligible for the fourth grant of SEISS. There were 103,900 claims made to 6th June 2021 with a total value of nearly £276m with an average claim value of £2,700. The take-up rate for was 60%, above the UK average of 58%.
- At a West Midlands regional level, there were approximately 260,000 of the population eligible for the fourth grant of the SEISS, which is a take up rate of 58% based on the total number of claims of 150,000.
- Overall, for the West Midlands region the highest take-up rate was for those aged 35-44 years old at 63% (59,500 eligible, 37,500 claims).
- The industries with the highest take-up rates were other service activities at 77% (18,200 eligible, 14,100 claims), followed by transportation and storage at 76% (24,200 eligible, 18,400 claims) and then education at 70% (8,900 eligible, 6,200 claims).

In Depth

WMCA (3 LEP)

Across the WMCA (3 LEP) area, 171,800 people were eligible for the fourth grant of SEISS. There were 103,900 claims made to 6th June 2021 with a total value of nearly £276m with an average claim value of £2,700. The take-up rate for was 60%, above the UK average of 58%.

For the fourth grant of SEISS up to 6th June 2021, the WMCA (3 LEP) area, there were 125,600 of the male population eligible. There were 78,700 claims with a total value of just over £222m with an average claim at £3,000. The male take-up rate was 63% (UK take-up rate of 60%). For the female population in the WMCA (3 LEP) area there were 46,000 eligible population. There were 25,600 claims, the total value of nearly £54m with an average claim at £2,100. The female take-up rate was 56% (UK take-up rate of 54%).

Across local authority areas, the overall take-up rate varies from 49% in Stratford-on-Avon to 65% in Birmingham. **The following table shows the overall breakdown of the fourth grant for SEISS by local authority for eligible population, claims and take-up rate for the SEISS up to 6th June 2021:**

County and district / unitary authority	Total potentially eligible population	Total no. of claims made to 06/06/21	Total value of claims made to 06/06/21	Average value of claims made to 06/06/21	Total Take-Up Rate
Cannock Chase	5,100	3,000	£9,100,000	£3,000	60%
East Staffordshire	5,300	2,900	£7,500,000	£2,600	55%
Lichfield	4,800	2,700	£8,100,000	£3,000	56%
Tamworth	3,000	1,800	£5,000,000	£2,800	60%
North Warwickshire	3,200	1,800	£5,100,000	£2,900	56%
Nuneaton and Bedworth	5,000	2,900	£8,000,000	£2,800	59%
Rugby	4,400	2,300	£6,600,000	£2,800	53%
Stratford-on-Avon	7,600	3,800	£11,400,000	£3,000	49%
Warwick	5,500	2,900	£8,400,000	£2,900	53%
Birmingham	45,000	29,400	£70,500,000	£2,400	65%
Coventry	12,500	7,800	£20,300,000	£2,600	63%
Dudley	14,400	8,800	£23,900,000	£2,700	61%
Sandwell	13,000	8,300	£21,000,000	£2,500	64%
Solihull	7,800	4,600	£14,000,000	£3,000	59%
Walsall	11,800	7,400	£20,000,000	£2,700	63%
Wolverhampton	9,800	5,900	£15,200,000	£2,600	60%
Bromsgrove	4,600	2,500	£7,500,000	£3,000	55%
Redditch	3,900	2,300	£6,600,000	£2,800	61%
Wyre Forest	5,100	2,800	£7,500,000	£2,700	56%
WM 7 Met.	**114,300**	**72,300**	**£184,900,000**	**£2,600**	**63%**
Black Country LEP	49,000	30,400	£80,100,000	£2,600	62%
Coventry & Warwickshire LEP	38,200	21,500	£59,800,000	£2,800	56%
Greater Birmingham & Solihull LEP	84,600	52,000	£135,800,000	£2,800	61%
WMCA (3 LEP)	**171,800**	**103,900**	**£275,700,000**	**£2,700**	**60%**
West Midlands Region	260,000	150,000	£403,000,000	£2,700	58%
United Kingdom	3,369,000	1,954,000	£5,507,000,000	£2,800	58%

Across the region's parliamentary constituencies, the overall take up rate varies from 49% in Kenilworth and Southam to 72% in Birmingham, Hodge Hill.

The following table shows an overall breakdown of the fourth grant for SEISS by parliamentary constituencies for eligible population, claims and take-up rate up to 6th June 2021:

Parliamentary Constituency	Total potentially eligible population	Total no. of claims made to 06/06/21	Total value of claims made to 06/06/21	Average value of claims made to 06/06/21	Total Take-Up Rate
Aldridge-Brownhills	3,500	2,100	£6,400,000	£3,000	59%
Birmingham, Edgbaston	3,300	2,000	£5,400,000	£2,700	60%
Birmingham, Erdington	4,000	2,600	£6,800,000	£2,600	65%
Birmingham, Hall Green	5,500	3,700	£8,000,000	£2,200	66%
Birmingham, Hodge Hill	6,000	4,400	£8,400,000	£1,900	72%
Birmingham, Ladywood	4,800	3,300	£6,600,000	£2,000	68%
Birmingham, Northfield	3,700	2,300	£6,500,000	£2,800	62%
Birmingham, Perry Barr	4,800	3,200	£7,200,000	£2,300	66%
Birmingham, Selly Oak	3,900	2,400	£6,600,000	£2,800	61%
Birmingham, Yardley	5,100	3,500	£8,500,000	£2,500	68%
Bromsgrove	4,600	2,500	£7,500,000	£3,000	55%
Burton	4,700	2,600	£6,700,000	£2,500	57%
Cannock Chase	5,100	3,000	£9,100,000	£3,000	60%
Coventry North East	4,800	3,100	£8,000,000	£2,500	65%
Coventry North West	4,300	2,600	£7,000,000	£2,700	61%
Coventry South	3,400	2,100	£5,300,000	£2,600	60%
Dudley North	3,800	2,400	£6,500,000	£2,700	63%
Dudley South	3,400	2,100	£5,600,000	£2,700	60%
Halesowen and Rowley Regis	3,900	2,400	£6,400,000	£2,700	62%
Kenilworth and Southam	4,300	2,100	£6,300,000	£3,000	49%
Lichfield	4,500	2,400	£7,300,000	£3,000	54%
Meriden	4,100	2,400	£7,200,000	£3,000	59%
North Warwickshire	4,200	2,400	£6,900,000	£2,900	58%
Nuneaton	3,700	2,100	£5,700,000	£2,700	57%
Redditch	4,300	2,600	£7,300,000	£2,800	59%
Rugby	4,100	2,200	£6,200,000	£2,800	54%
Solihull	3,800	2,200	£6,800,000	£3,100	59%
Stourbridge	4,400	2,600	£7,000,000	£2,700	60%
Stratford-on-Avon	5,700	2,900	£8,700,000	£3,000	51%
Sutton Coldfield	3,700	2,100	£6,400,000	£3,100	57%
Tamworth	3,900	2,300	£6,600,000	£2,900	59%
Walsall North	4,100	2,600	£7,100,000	£2,700	64%
Walsall South	4,200	2,700	£6,500,000	£2,400	65%
Warley	4,000	2,600	£6,300,000	£2,400	66%
Warwick and Leamington	3,800	2,100	£5,800,000	£2,800	54%
West Bromwich East	3,600	2,200	£5,800,000	£2,600	62%
West Bromwich West	3,700	2,400	£6,100,000	£2,500	65%
Wolverhampton North East	3,300	1,900	£5,200,000	£2,700	59%
Wolverhampton South East	3,600	2,200	£5,700,000	£2,600	62%
Wolverhampton South West	3,600	2,200	£5,400,000	£2,500	60%
Wyre Forest	5,100	2,800	£7,500,000	£2,700	56%
WMCA (3 LEP)	**171,800**	**103,900**	**£275,700,000**	**£2,700**	**60%**
United Kingdom	3,369,000	1,954,000	£5,507,000,000	£2,800	58%

Regional Analysis

West Midlands Region: Claims by Age and Gender

At a West Midlands regional level, there were approximately 260,000 of the population eligible for the fourth grant of the SEISS, which is a take up rate of 58% based on the total number of claims of 150,000. This can be split further by gender and there was a total potentially eligible male population of 185,400 for the fourth grant of the SEISS, which equates to a take-up rate of 59%, which is based on the total number of claims of 110,200. There were 74,300 eligible female population for the West Midlands region with a take-up rate of 54% based on the total number of claims of 40,100.

Overall, for the West Midlands region the highest take-up rate was for those aged 35-44 years old at 63% (59,500 eligible, 37,500 claims). The highest take-up rate in the West Midlands region for females were those aged 25-34 years old at 58% (12,300 eligible and 7,200 claims). For males in the West Midlands region, the highest take-up rate was those aged 35-44 years old at 66% (42,100 eligible, 27,700 claims).

The following table shows a breakdown by age and gender across the West Midlands Region for the fourth grant of SEISS, up to 6th June 2021:

Gender	Age bands	Total potentially eligible population	Total no. of claims made to 06/06/21	Total value of claims made to 06/06/21	Average value of claims made to date	Take-Up Rate
Male	16-24	7,200	3,700	£8,000,000	£2,200	51%
	25-34	34,200	20,700	£61,100,000	£3,000	61%
	35-44	42,100	27,700	£79,800,000	£2,900	66%
	45-54	46,500	28,700	£82,500,000	£2,900	62%
	55-64	40,400	22,500	£65,200,000	£2,900	56%
	65+	13,200	5,800	£18,400,000	£3,200	44%
	Missing	1,800	1,100	£2,800,000	£2,500	60%
	All	185,400	110,200	£317,800,000	£2,900	59%
Female	16-24	2,000	900	£1,600,000	£1,700	46%
	25-34	12,300	7,200	£14,600,000	£2,000	58%
	35-44	17,400	9,800	£19,900,000	£2,000	57%
	45-54	19,900	11,200	£24,000,000	£2,100	56%
	55-64	16,600	8,600	£19,000,000	£2,200	52%
	65+	5,400	2,000	£5,300,000	£2,700	36%
	Missing	700	400	£900,000	£2,400	55%
	All	74,300	40,100	£85,300,000	£2,100	54%
All	16-24	9,200	4,600	£9,600,000	£2,100	50%
	25-34	46,500	27,800	£75,700,000	£2,700	60%
	35-44	59,500	37,500	£99,700,000	£2,700	63%
	45-54	66,400	39,900	£106,500,000	£2,700	60%
	55-64	57,000	31,200	£84,300,000	£2,700	55%
	65+	18,600	7,700	£23,700,000	£3,100	42%
	Missing	2,500	1,500	£3,600,000	£2,500	59%
	All	260,000	150,000	£403,000,000	£2,700	58%

West Midlands Region: Claims by Broad Industry

The industries with the highest take-up rates were other service activities at 77% (18,200 eligible, 14,100 claims), followed by transportation and storage at 76% (24,200 eligible, 18,400 claims) and then education at 70% (8,900 eligible, 6,200 claims).

The following table shows a breakdown by broad industry for the West Midlands Region for the fourth grant of SEISS, up to 6th June 2021:

Sector	Total potentially eligible pop.	Total no. of claims made to 06/06/21	Total value of claims made to 06/06/21	Average value of claims made to date	Take-Up Rate
Accommodation and food service activities	6,100	3,500	£9,000,000	£2,600	57%
Administrative and support service activities	18,800	8,800	£17,600,000	£2,000	47%
Agriculture, forestry and fishing	8,500	1,800	£5,100,000	£2,900	21%
Arts, entertainment and recreation	5,200	3,300	£8,100,000	£2,500	63%
Construction	79,800	48,000	£163,300,000	£3,400	60%
Education	8,900	6,200	£14,500,000	£2,300	70%
Financial and insurance activities	1,500	700	£2,700,000	£3,800	46%
Human health and social work activities	11,500	4,500	£12,500,000	£2,800	39%
Information and communication	2,300	1,100	£3,200,000	£3,000	46%
Manufacturing	6,700	3,900	£11,100,000	£2,900	57%
Other service activities	18,200	14,100	£30,300,000	£2,200	77%
Professional, scientific and technical activities	11,700	5,400	£17,100,000	£3,200	47%
Public administration and defence; compulsory social security	500	200	£700,000	£2,700	53%
Real estate activities	1,200	500	£1,500,000	£3,000	43%
Transportation and storage	24,200	18,400	£34,900,000	£1,900	76%
Wholesale and retail trade; repair of motor vehicles and motorcycles	17,000	9,200	£23,400,000	£2,500	54%
Unknown and other	37,600	20,600	£48,100,000	£2,300	55%
All	260,000	150,000	£403,000,000	£2,700	58%

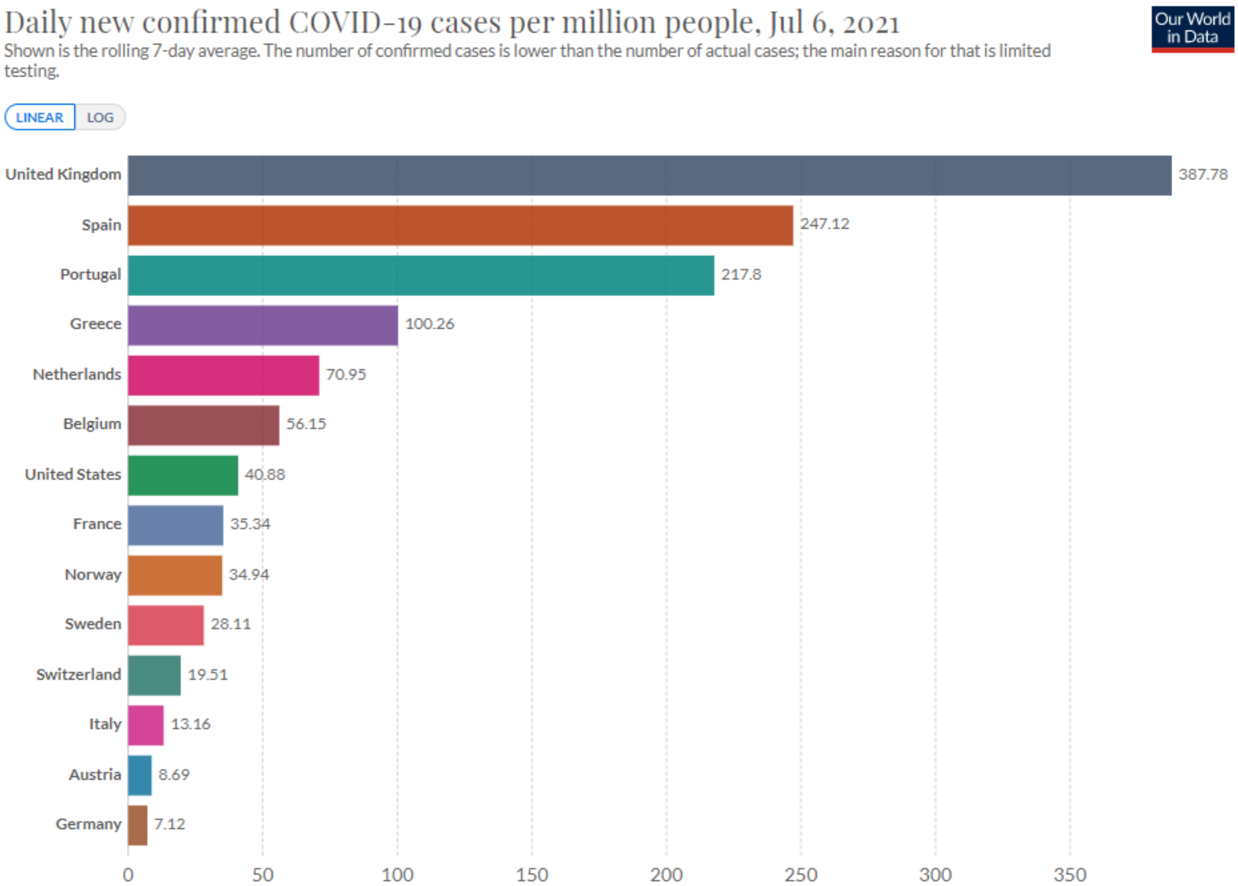
Source: HMRC, Self-Employment Income Support Scheme (SEISS) Statistics: July 2021

Infection Rates and Vaccine Update

Alice Pugh WMREDI/WMCA

The UK has seen a resurgence in infection rates, and the daily new cases confirmed in the UK is now the highest out of the selected European countries in the graph below. This comes as vaccination rates in the UK fall and social distancing rules are relaxed, including the re-opening of pubs; which are seeing increasing numbers of visitors, especially as the England football team continues to do well in the Euros.

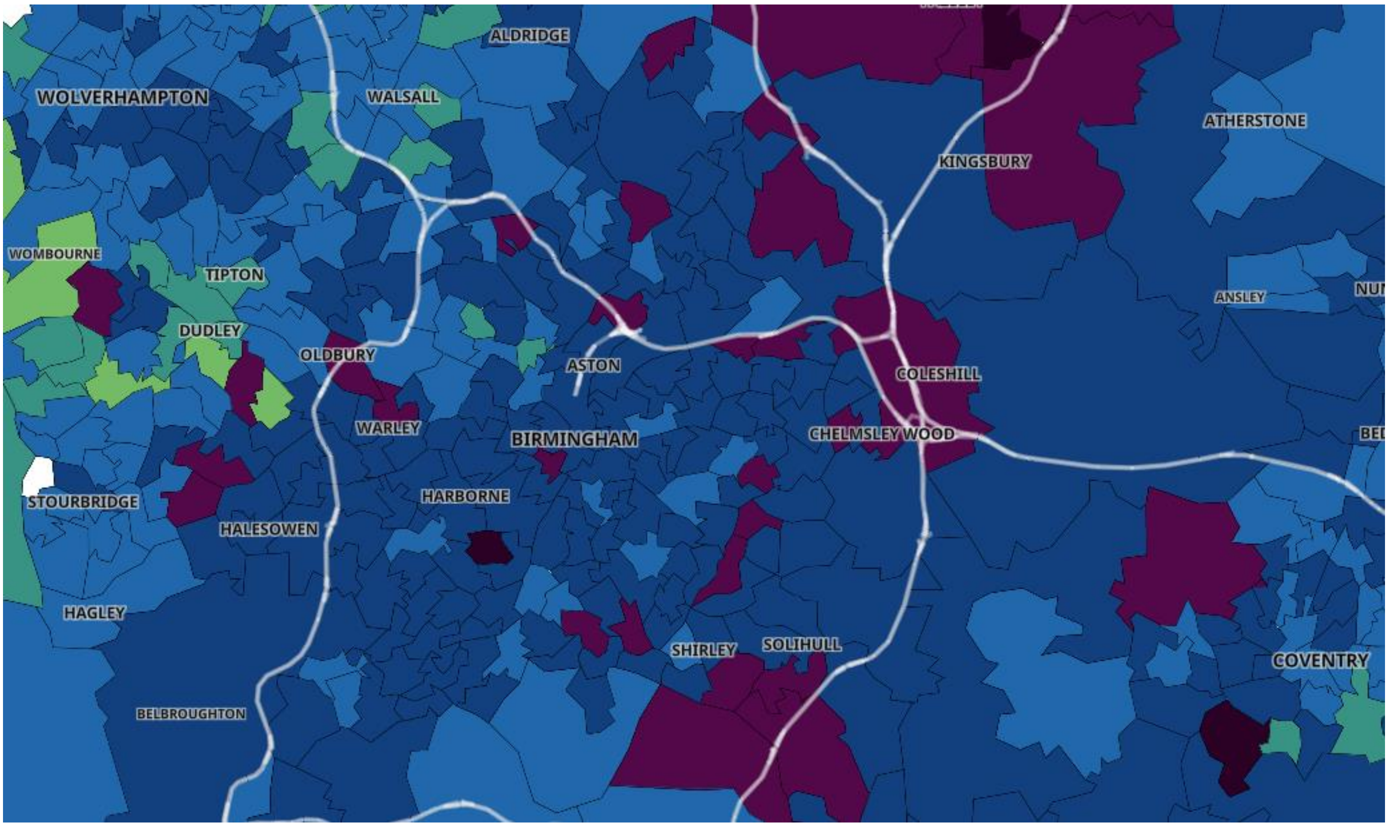
Since 31 December 2019 and as of week 2021-25, **181 715 917 cases** of COVID-19 (in accordance with the applied case definitions and testing strategies in the affected countries) have been reported, including **3 933 152 deaths**.



Latest ONS infection survey data (2nd July next release 9th July 2021) states:

- In England, the percentage of people testing positive for coronavirus (COVID-19) continued to increase in the week ending 26 June 2021; we estimate that 211,100 people within the community population in England had COVID-19 (95% credible interval: 185,200 to 239,300), equating to around 1 in 260 people.
- In Wales, the percentage of people testing positive increased in the week ending 26 June 2021; we estimate that 6,800 people in Wales had COVID-19 (95% credible interval: 3,700 to 11,000), equating to around 1 in 450 people.
- In Northern Ireland, the trend in the percentage of people testing positive remains uncertain in the week ending 26 June 2021; we estimate that 2,800 people in Northern Ireland had COVID-19 (95% credible interval: 1,000 to 5,500), equating to around 1 in 670 people.
- In Scotland, the percentage of people testing positive continued to increase in the week ending 26 June 2021; we estimate that 35,900 people in Scotland had COVID-19 (95% credible interval: 26,500 to 47,200) equating to around 1 in 150 people.
- In the week ending 26 June 2021, cases that are compatible with the Delta variant B.1.617.2 have continued to increase in England, Wales and Scotland, and this continues to be the most common variant group in these countries.

The map below displays weekly data, which are updated every day here. Seven–day rolling rate of new cases by specimen date ending on 1st July 2021.

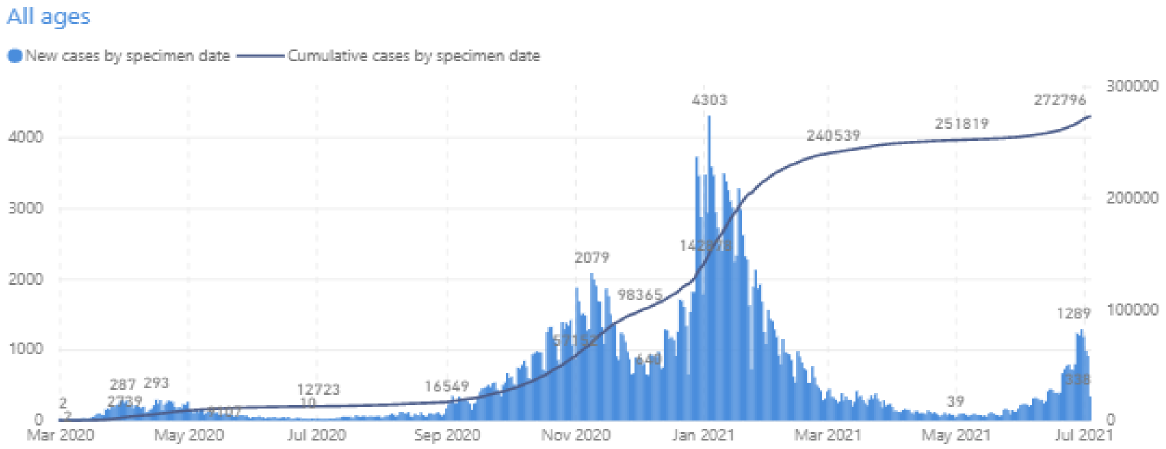


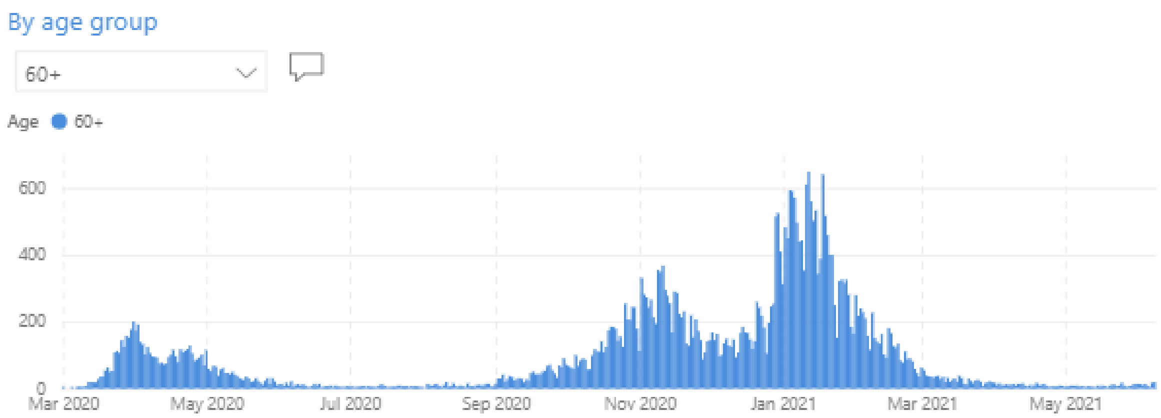
Regional Data

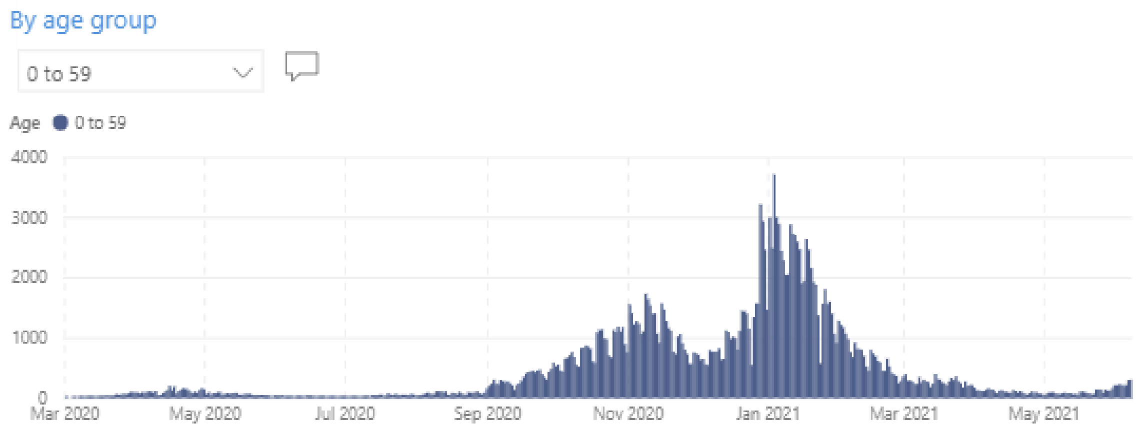
The Coventry, Solihull and Warwickshire Epidemiology and Intelligence Cell have created a dashboard which looks at covid data on a regional level. Data below:

Date	New cases by specimen date	New cases by publish date	Cumulative cases by specimen date	Cases in the last 7 days	Rate per 100,000 in the last 7 days
02 July 2021	974	1187	271551	2	0.07
01 July 2021	1179	1253	270577	7107	242.68
30 June 2021	1289	1005	269398	6710	229.12
29 June 2021	1197	947	268109	6195	211.54
28 June 2021	1228	829	266912	5723	195.42
27 June 2021	793	677	265684	5162	176.26
26 June 2021	710	796	264891	4759	162.50
25 June 2021	711	712	264181	4423	151.03
24 June 2021	782	713	263470	4100	140.00
23 June 2021	774	629	262688	3702	126.41
22 June 2021	725	487	261914	3356	114.59

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







Covid 19 Hospital Activity

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

Total reported admissions to hospital and diagnoses in hospital

The table below shows the latest daily rates

Name	22-Jun-21	23-Jun-21	24-Jun-21	25-Jun-21	26-Jun-21	27-Jun-21	28-Jun-21	29-Jun-21	30-Jun-21	01-Jul-21	02-Jul-21	03-Jul-21	04-Jul-21
ENGLAND	**182**	**214**	**194**	**206**	**223**	**226**	**244**	**283**	**331**	**295**	**307**	**323**	**390**
East of England	13	11	9	14	12	9	12	7	13	22	17	12	18
London	26	29	22	26	35	38	31	51	51	30	32	42	54
Midlands	27	38	41	44	35	36	44	41	59	72	73	50	81
North East and Yorkshire	40	42	38	36	56	48	40	70	64	53	55	82	102
North West	42	60	57	61	65	62	75	71	81	76	83	80	80
South East	18	13	14	11	8	16	22	27	35	23	22	28	35
South West	16	21	13	14	12	17	20	16	28	19	25	29	20

Mechanical Ventilation beds - occupied by confirmed COVID-19 patients

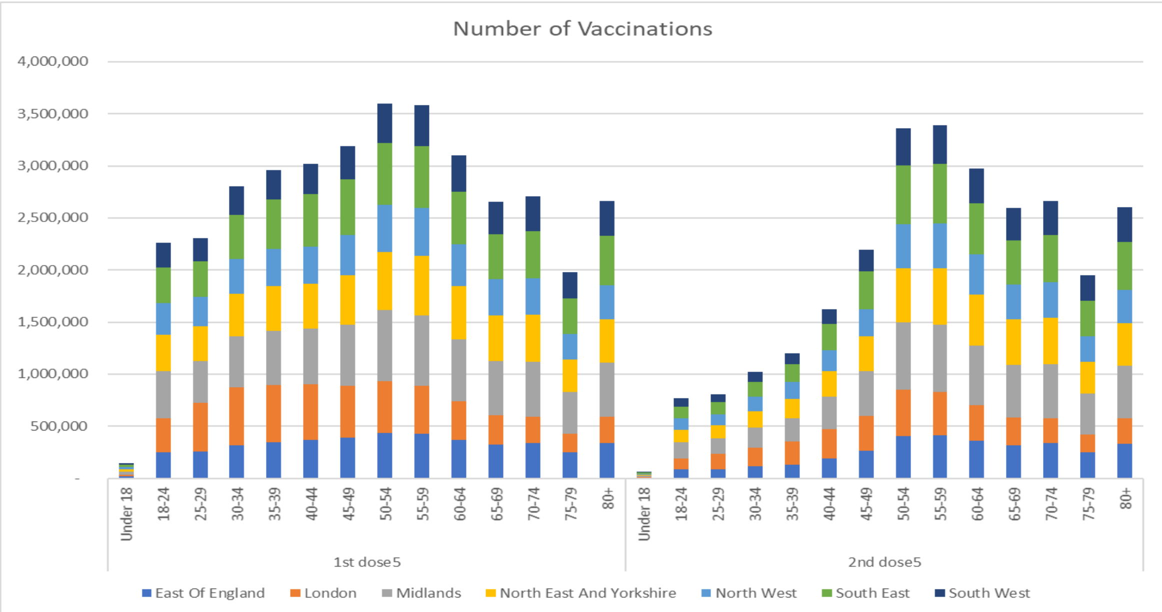
Name	24-Jun-21	25-Jun-21	26-Jun-21	27-Jun-21	28-Jun-21	29-Jun-21	30-Jun-21	01-Jul-21	02-Jul-21	03-Jul-21	04-Jul-21	05-Jul-21	06-Jul-21
ENGLAND	**240**	**238**	**236**	**244**	**272**	**259**	**264**	**279**	**297**	**296**	**305**	**330**	**353**
East of England	9	10	10	11	12	11	14	16	15	16	16	18	19
London	67	62	59	53	66	68	71	74	70	72	73	76	74
Midlands	40	40	38	41	45	42	39	41	45	44	50	55	58
North East and Yorkshire	25	26	25	24	29	30	29	34	39	47	46	49	55
North West	89	87	89	95	101	92	91	91	104	94	96	108	117
South East	5	5	8	10	12	9	12	15	13	12	11	11	16
South West	5	8	7	10	7	7	8	8	11	11	13	13	14

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

Name	24-Jun-21	25-Jun-21	26-Jun-21	27-Jun-21	28-Jun-21	29-Jun-21	30-Jun-21	01-Jul-21	02-Jul-21	03-Jul-21	04-Jul-21	05-Jul-21	06-Jul-21
ENGLAND	**1,274**	**1,284**	**1,276**	**1,331**	**1,465**	**1,445**	**1,500**	**1,560**	**1,611**	**1,636**	**1,744**	**1,888**	**1,998**
East of England	65	69	75	77	82	86	83	79	82	86	86	101	98
London	286	286	266	243	302	301	314	329	323	318	331	364	381
Midlands	184	189	199	219	229	220	226	229	254	273	304	319	334
North East and Yorkshire	182	183	185	196	217	215	222	254	252	262	286	322	376
North West	444	429	442	466	498	479	489	498	514	506	524	561	570
South East	60	66	65	69	67	68	85	88	97	103	114	113	139
South West	53	62	44	61	70	76	81	83	89	88	99	108	100

Vaccine Update

Between the 8th December 2020 and the 27th June 2021, the Midlands has successfully vaccinated **6,930,612** people with the first dose and **5,251,535** of these individuals have received the second dose as well. Meaning the Midlands has successfully provided the most jabs out of any region including London.



NHS Region of Residence Name	% who have had at least 1 dose (using ONS denominators)													% who have had both doses (using ONS denominators)								
	18-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70-74	75-79	80+	40-44	45-49	50-54	55-59	60-64	65-69	70-74	75-79	80+
Total	47.9%	60.9%	73.9%	79.6%	88.7%	86.0%	92.2%	97.7%	99.9%	95.2%	97.6%	100%*	94.1%	47.7%	59.2%	86.1%	92.6%	95.9%	92.9%	96.0%	100%*	91.9%
East Of England	52.2%	65.6%	75.8%	80.9%	90.0%	88.0%	93.2%	99.0%	100%*	95.1%	97.6%	100%*	94.4%	46.2%	59.9%	87.9%	94.7%	96.7%	93.2%	96.2%	100%*	92.8%
London	43.6%	61.0%	66.6%	70.4%	81.2%	83.7%	87.6%	92.1%	94.3%	90.6%	92.2%	92.0%	84.5%	42.7%	56.4%	78.4%	84.0%	88.0%	86.4%	89.1%	89.1%	81.1%
Midlands	47.0%	56.1%	72.5%	79.5%	89.0%	85.1%	92.8%	97.8%	100%*	94.9%	97.8%	100%*	95.4%	51.9%	62.1%	87.1%	92.9%	96.6%	92.9%	96.4%	100%*	93.4%
North East And Yorkshire	45.6%	58.2%	74.1%	81.5%	90.0%	84.9%	92.8%	97.7%	100%*	96.4%	99.2%	100%*	94.6%	51.4%	59.3%	86.8%	93.1%	96.5%	94.5%	98.0%	100%*	92.5%
North West	49.2%	57.0%	71.4%	80.2%	89.1%	84.5%	92.1%	97.8%	100%*	95.6%	98.5%	100%*	94.3%	49.3%	56.9%	85.0%	92.1%	96.5%	93.1%	96.7%	98.9%	91.6%
South East	48.1%	64.6%	80.8%	83.8%	91.3%	88.1%	92.7%	99.0%	100%*	96.2%	96.9%	100%*	94.7%	46.1%	59.8%	87.9%	94.8%	97.2%	94.3%	95.5%	100%*	92.6%
South West	51.5%	66.6%	81.1%	85.3%	92.8%	87.3%	93.2%	99.5%	100%*	95.1%	98.1%	100%*	97.2%	46.3%	58.2%	88.7%	95.4%	97.5%	93.4%	96.9%	100%*	95.5%

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

Weekly Deaths Registered: 25th June 2021

Black Country Consortium Economic Intelligence Unit

The following analysis compares the latest available time period (the week of the 25th June 2021) to the previous week period (the week of the 18th June 2021) for the number of deaths registered and the number of deaths related to the Coronavirus[7].

Across England and Wales, the overall registered death figures decreased from 9,459 in the week of the 18th June 2021 to 8,690 in the week of 25th June 2021. The number of deaths registered that state Coronavirus on the death certificate decreased from 102 people to 99 people over the same period.

Regional level analysis shows that the West Midlands' overall registered death figure decreased from 928 people in the week of 18th June 2021 to 869 in the week of 25th June 2021. The number of registered deaths related to Coronavirus has increased from 8 people to 11 over the same period.

There was a total of 597 deaths registered across the WMCA (3 LEP) area in the week of the 25th June 2021. There were 8 deaths registered that were related to Coronavirus over the same period. In comparison to the week of the 18th June 2021, the overall registered death figures in the WMCA (3 LEP) area decreased by 53, with the number of deaths related to Coronavirus increasing by 3 people.

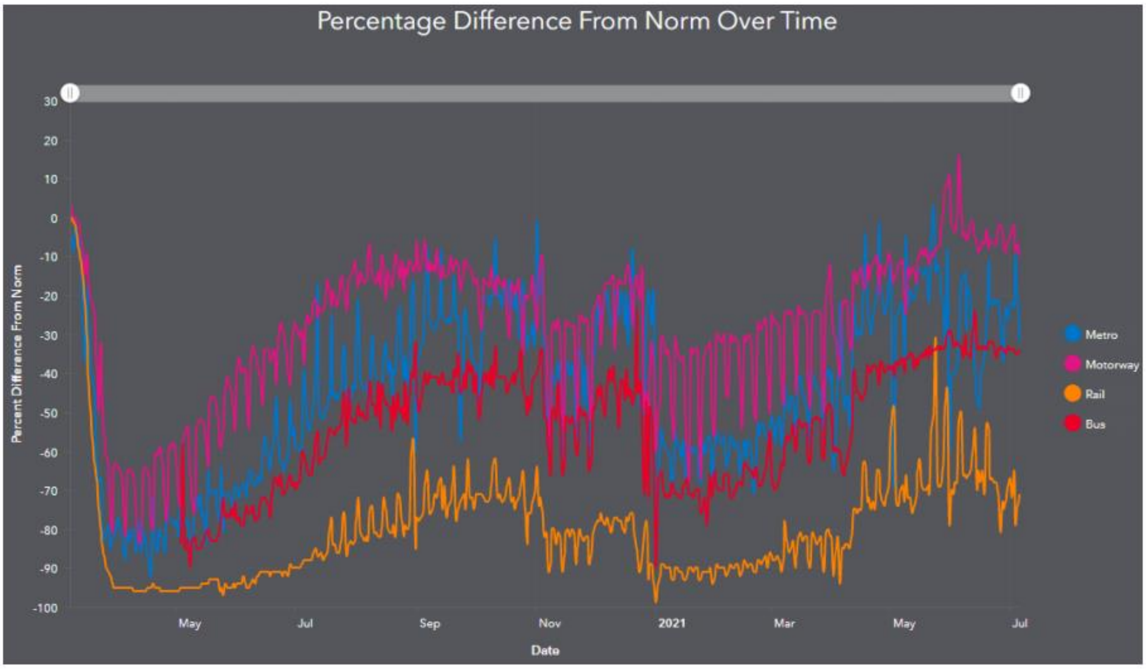
At local authority level in the week of the 25th June 2021, there were six local authorities in the WMCA (3 LEP) area that registered deaths related to the Coronavirus, these were; Birmingham (2 deaths), Walsall (2 deaths) , Cannock Chase (1 death), Sandwell (1 death), Solihull (1 death) and Wolverhampton (1 death).

Of the registered deaths in the WMCA (3 LEP) involving Coronavirus in the week of the 25th June 2021, 6 were in registered in a hospital and 2 deaths were registered at a care home.

[7] Please note that up-to-date counts of the total numbers of deaths involving COVID-19 are published by Public Health England (PHE) -ONS figures differ from the PHE counts as the latter include deaths which have not yet been registered.
Source: ONS, Death registrations and occurrences by local authority and health board, 6th July 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 (6th July) and the week before (29th June).

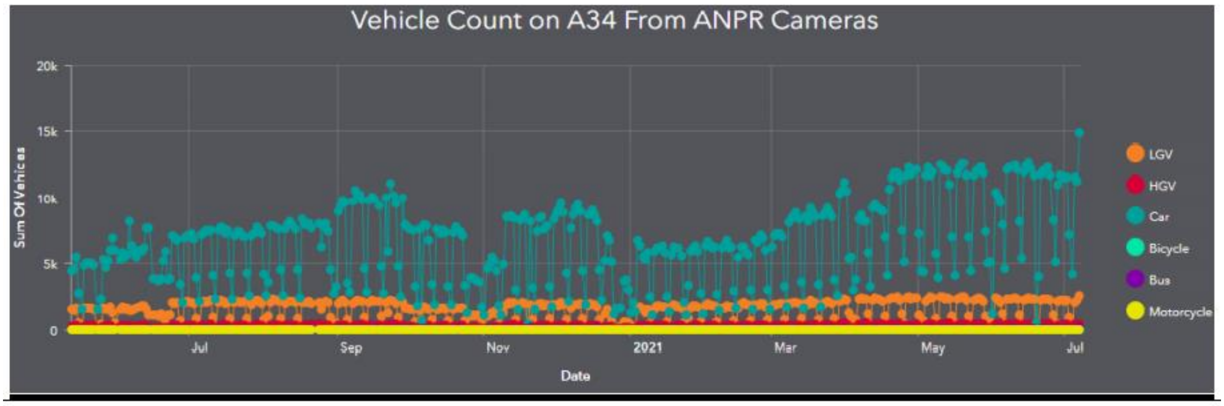
	% levels pre-Covid	% change from day before	% change from week before
Bus	66	+1	+1
Train	29	+3	+2
Tram	68	-11	-9
Roads (HE SRN)	90	-3	-1

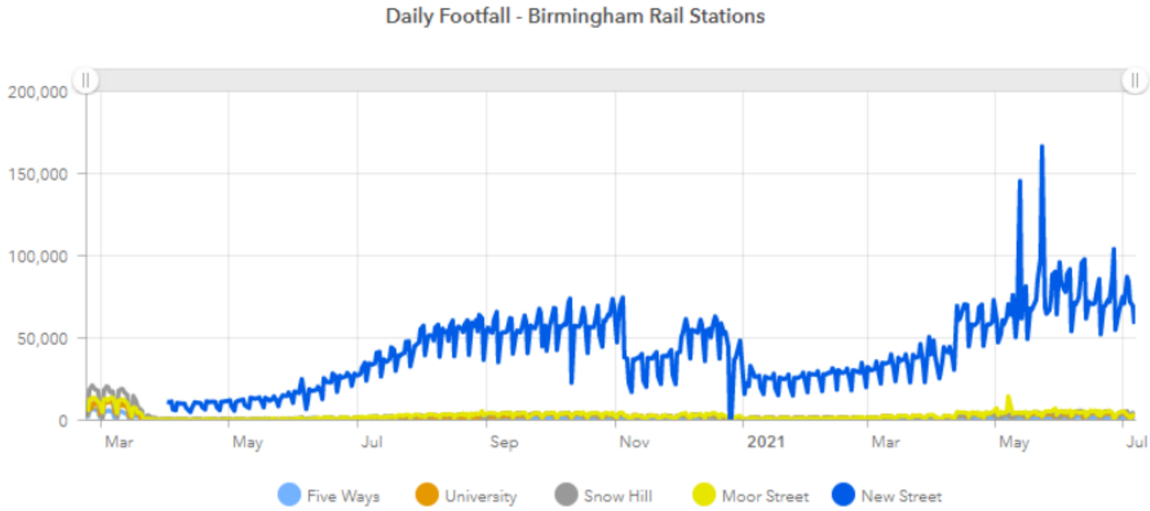
* Data is only currently available up to 4th January, this is pre-national lockdown and it is anticipated patronage levels will drop further when the data is available.

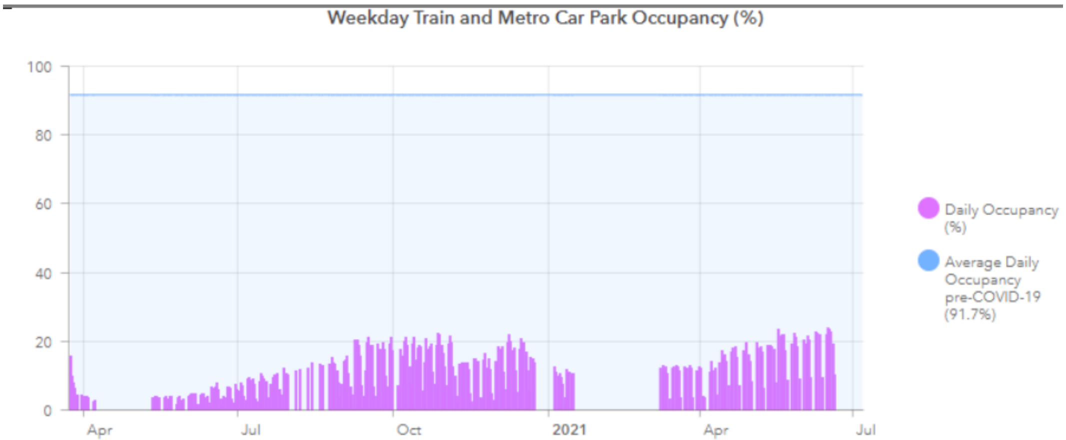
Following the introduction of further Covid measures, transport services remain at their current levels with social distancing measures in place.

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.

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







Not recorded between 8 April and 10 May

ONS Weekly Release Indicators

Black Country Consortium Economic Intelligence Unit

As from the 13th May 2021, ONS superseded the weekly publication of "Coronavirus and the latest indicators for the UK economy and society" with "Economic activity and social change in the UK, real-time indicators". The statistics are experimental and have been devised to provide timely information. The following information contains footfall data, online job adverts, final results from Wave 33 of the Business Insights and Conditions Survey (BICS), national company incorporations and voluntary dissolutions and results from Wave 64 of the Opinions and Lifestyle Survey (OPN).

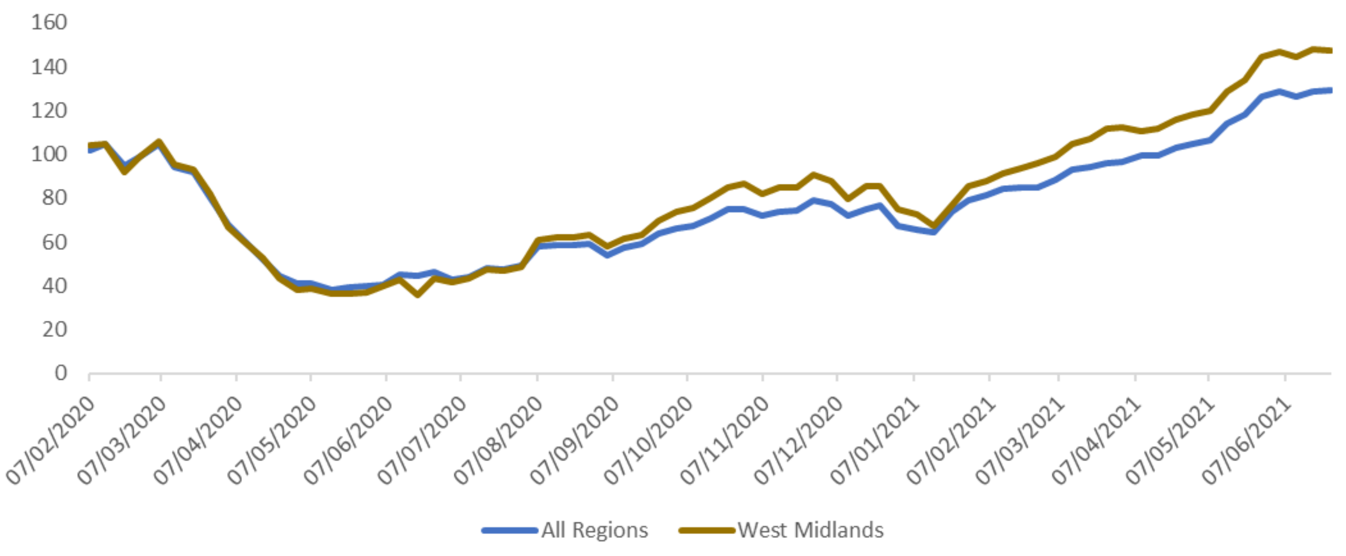
Online Job Adverts

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

Nationally, between the 18th and 25th June 2021 total online job adverts increased by 0.5 percentage points. On the 25th June 2021, total online job adverts were at 129.4% of their average level in February 2020. Out of the 28 categories (excluding unknown) 18 increased from the previous week, with the highest increase by 13.6 percentage points in other/general (to 118.6%). Out of the industries that decreased, the highest was in travel/tourism by 15.5 percentage points (down to 106.2%).

Between the 18th and 25th June 2021, the West Midlands region online job adverts decreased by 0.1 percentage points. On the 25th June 2021, total online job adverts for the West Midlands were at 147.6% of their average level in February 2020.

The following chart shows the index of job adverts on Adzuna by category, 100 = average job adverts in February 2020, Overall all regions and the West Midlands Region, 7th February 2020 to 25th June 2021:



Footfall

According to Springboard, overall retail footfall in the week to 26th June 2021 remained broadly unchanged compared with the previous week (week to 19th June 2021).

Comparing retail locations, in the same week to 26th June 2021, retail park footfall was at 95% of its equivalent week in 2019, whereas the corresponding figures for shopping centres was 70% and high streets was 68%. Compared with the previous week, footfall at retail parks saw a week-on-week decrease of 2%, whereas footfall on high streets and at shopping centres was broadly unchanged.

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

In the week to 26th June 2021, retail footfall when compared with levels seen in the equivalent week of 2019 was strongest in South West England (80%), Wales (79%) and the West Midlands (78%).

National Company Incorporations and Voluntary Dissolution

Companies House data shows for the UK, there were 13,380 incorporations in the week to 25th June 2021. This is slightly down from 13,658 recorded in the previous week and lower when compared to the same week in 2020 (16,955) but higher than the same week in 2019 (12,203).

Also, for the week to 25th June 2021, there were 5,830 voluntary dissolution applications, a decrease from 6,494 recorded in the previous week. The number of voluntary dissolution applications were higher than levels seen in the same week of 2020 (4,521) and the same week in 2019 (4,441).

Business Insights and Conditions Survey

The final results from Wave 33 of the Business Insights and Conditions Survey (BICS) based off the 5,117 businesses surveyed across the West Midlands that businesses have a presence in with a response rate of 25.1% (1,286) and to 2,996 businesses that are head quartered in the West Midlands, with a response rate of 24.4% (730). Please note, businesses were asked for their experiences for the reference period 31st May to 13th June 2021. However, for questions regarding the last two weeks, businesses may respond from the point of completion of the questionnaire (14th to 27th June 2021). Also, the data used is unweighted for regions and response levels can be low so the following results should be treated with caution when evaluating the impact of COVID-19. Due to weighted data being available for the UK a comparison has not been included.

Trading and Financial Performance

97.7% of responding West Midlands businesses were trading over the reference period. 1.5% of businesses temporarily closed or temporarily paused trading and less than 1% of businesses had permanently ceased trading.

Businesses were asked how their turnover for the last two weeks compared to normal expectations for the time of year. Excluding “not sure” responses, 31.7% of trading businesses in the West Midlands reported their turnover had decreased by at least 20%. However, 42.8% of trading businesses in the West Midlands reported that their turnover was unaffected and approximately 13.8% reported their turnover had increased by at least 20%.

Excluding “other” and “not sure” responses, 66.3% of responding West Midlands businesses reported the main reason for the change in the business turnover in the last two weeks was due to COVID-19, 1.2% reported the main reason as the end of the EU transition period and 10.0% reported that it was due to COVID-19 and the end of the EU transition period.

Profits

Businesses were asked in the last two weeks how profits compared with normal expectations for the time of year. Excluding “not sure” and “not applicable” responses, 32.7% of trading businesses in the West Midlands reported profits had decreased by at least 20%. However, 41.4% of trading businesses in the West Midlands reported that profits had stayed the same and approximately 11% reported their profits had increased by at least 20%.

International Trading

Businesses were asked in the last two weeks, had their businesses exporting or importing of goods or services been affected when compared to normal expectations for the time of year. Excluding “not sure” responses, 26.7% of exporting businesses in the West Midlands reported their businesses were still exporting but less than normal. Of those businesses who continued to trade and import, 19.2% in the West Midlands were importing less than normal.

57.4% of West Midlands businesses who were exporting reported that they had not been affected and 62.5% reported that importing had not been affected.

3.0% of businesses in the West Midlands are exporting more than normal and 4.0% are importing more than normal.

2.3% of businesses in the West Midlands have not been able to export in the last two weeks and 2.2% of West Midlands businesses have not been able to import in the last two weeks.

Supply Chains

Businesses were asked if they had made changes to supply chains due to the end of the EU transition period. 6.8% of responding West Midlands businesses reported they had. Where businesses stated they had made changes, the highest response at 52.9% of responding West Midlands businesses reported they were using more UK suppliers.

24.4% of responding West Midlands businesses reported extra costs due to additional transportation costs. Although, 37.5% reported no extra costs.

Where applicable, 3.4% of responding West Midlands business reported they had not been able to get the materials, goods or services from the EU in the last two weeks.

Stock Levels and Stockpiling

Businesses were asked how stock levels for the last two weeks compared to normal expectations for the time of year. Excluding "not sure" and "not applicable", 14.8% of West Midlands businesses reported stock levels are lower than normal. 42.6% of West Midlands businesses reported stock levels had not changed and 9.0% reported stock levels are higher than normal. Coronavirus was still the main reason as to why stock levels had been impacted in the West Midlands at 44.7%.

6.2% of responding West Midlands businesses reported they were stockpiling goods or materials. 61.7% of West Midlands businesses were sourcing the stockpiled goods or materials from UK suppliers. 43.0% of responding West Midlands businesses reported they were stockpiling metals and materials.

Capital Expenditure

Excluding "not sure" and "not applicable" responses, 5.0% of responding West Midlansd businesses reported capital expenditure was higher than normal and 48.5% of responding West Midlands businesses reported capital expenditure had not been affected. Although, 16.0% reported capital expenditure was lower than normal and 7.2% reported capital expenditure had stopped.

Grants Applied, Received, Finance Agreements and Further Schemes

15.0% of West Midlands businesses had applied for Local Restrictions Support Grant – England (95.3% have received). 1.6% of West Midlands businesses had applied for a grant from the Lockdown Business Fund – Wales (8.9% have received). 1.4% of West Midlands businesses have applied for a grant from the Strategic Framework Business Fund Scotland (7.9% have received) and 3.7% had received a grant from Local Restrictions Support - Northern Ireland. While 73.2% of West Midlands businesses have not applied for any of these grants.

7.9% of responding West Midlands businesses have received small business grant, 7.1% have received a sector-specific grant and 5.5% have received an additional Restriction Grant.

28.8% of West Midlands businesses have received government-backed loans or finance agreements during COVID-19.

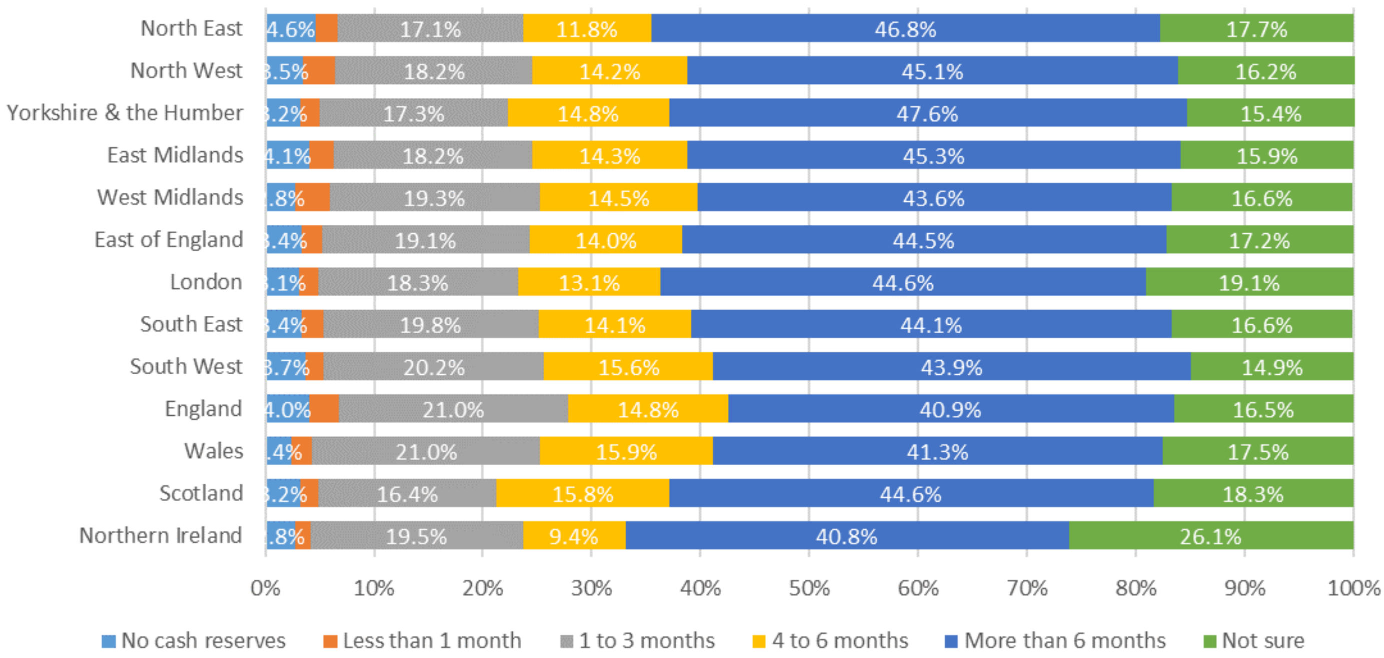
8.0% of West Midlands businesses are using or intend to use Kickstart Job Scheme for young people. 58.1% are using or intend to use the Coronavirus Job Retention Scheme and 4.1% of West Midlands businesses are using or intend to use Recovery Loan Scheme. While 31.7% of West Midlands businesses are not using or intend to use either of these schemes.

65.5% of responding West Midlands businesses reported that the support received from the initiatives or schemes allowed the business to continue trading.

Cash Reserves

2.8% of responding West Midlands businesses that have not permanently stopped trading have no cash reserves.

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



Business Confidence, Debts and Insolvency

In the West Midlands, 70.9% of responding businesses had high confidence in surviving over the next three months. 21.1% had moderate confidence of survival, 1.9% had low confidence and 5.7% were not sure.

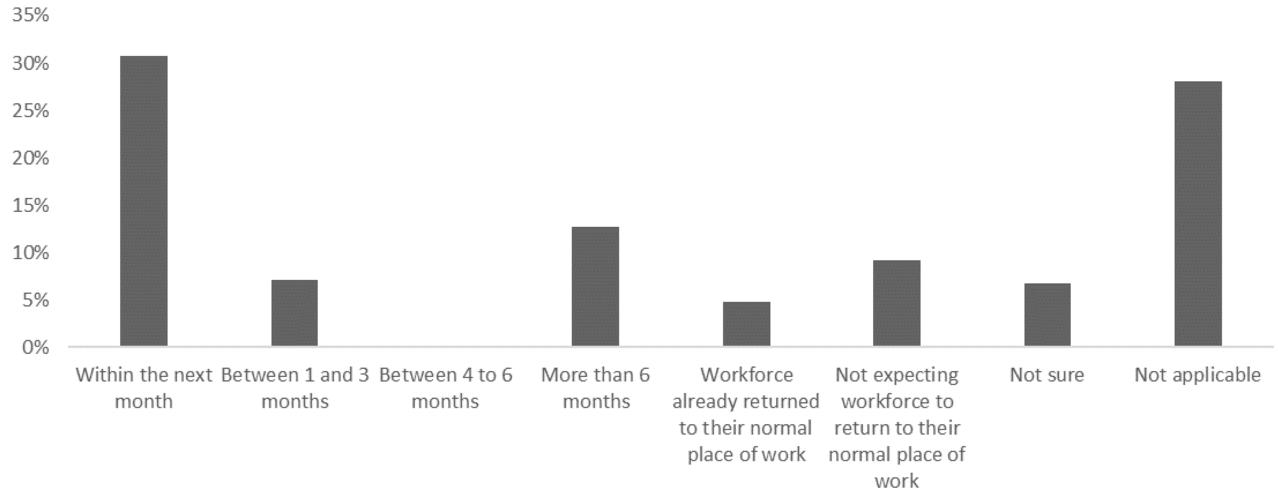
Businesses were asked over the last month how the businesses debt repayment compared with turnover, excluding "not sure" responses, less than 1% of West Midlands businesses reported repayments were more than 100% of turnover with 2.2% reporting repayment was between 50% and 100% of turnover. 3.8% of West Midlands businesses reported repayments were between 20% and 50% of turnover and 21.2% reported repayments were up to 20% of turnover. 40.7% of responding West Midlands businesses reported no repayments.

Less than 1% of responding West Midlands businesses reported they were at severe risk from insolvency and 9.1% of West Midlands businesses reported they were at moderate risk. 51.0% of West Midlands businesses reported a low risk of insolvency and 30.2% reported no risk.

Return to Workplace

30.7% of responding West Midlands businesses expect the workforce to return to their normal place of work within the next month.

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



Expected Redundancies

5.7% of responding West Midlands businesses expect to make redundancies in the next three months. Although, 67% of West Midlands businesses reported they did not expect redundancies over the next three months.

Net Zero

39.5% of responding West Midlands businesses have switched to LED bulbs to reduce their emissions. With a further 15.9% reported they plan to switch to LED bulbs in the next 12 months to reduce emissions.

The following table shows for West Midlands businesses what actions they have taken to reduce emissions and also plans for next 12 months to reduce emissions:

	WM Businesses- Actions taken to reduce business emissions	WM Businesses- Actions intend to take in the next 12 months to reduce business emissions
Adjusting heating and cooling systems	29.1%	14.2%
Electrifying your vehicle fleet	16.8%	13.2%
Installing a smart meter	15.0%	7.9%
Installing charging points	18.2%	10.8%
Installing your own renewable electricity or heating	7.9%	3.7%
Insulating your buildings	8.2%	4.4%
Introducing a cycle to work scheme	19.5%	5.1%
Switching to LED bulbs	39.5%	15.9%
Other	3.8%	2.1%
Not sure	24.1%	47.4%
No actions have been taken/ not intending to reduce emissions	16.0%	15.9%

Social Impacts of the Coronavirus

The following refers to the period of 23rd to 27th June 2021.

Well-Being, Loneliness and Perceptions of the Future

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

9% of adults in the West Midlands reported low levels of life satisfaction (matching GB). 10% of West Midlands adults reported low level of feeling worthwhile (8% GB). 12% of responding West Midlands adults reported low level of happiness (matching GB) and 28% reported high levels of anxiety (32% GB).

25% of adults in the West Midlands reported to often/always or some of the time to feeling lonely (24% GB). While 50% reported hardly ever or never feeling lonely in the West Midlands (matching GB).

22% of West Midlands adults believe it will take 6 months or less before life returns to normal (19% GB). While 23% of West Midlands adults believed it will take 7 to 12 months (19% GB). 29% of West Midlands adults think it could more than a year to return back to normal (matching GB) and 8% for the West Midlands adults thought it would never go back to normal (matching GB).

Impact on People's Life Overall

In the West Midlands, 47% of adults reported they were very or somewhat worried about the effect COVID-19 was having on their life (51% GB). 24% of responding West Midlands adults reported that they were somewhat unworried or not at all worried (20% GB).

52% of responding West Midlands adults reported they felt a lack of freedom and independence due to COVID-19 (51% GB).

29% of working adults in the West Midlands reported their work had been affected due to COVID-19 (35% GB).

LEP Level Intelligence

WMCA

WMCA Growth Hub Intel for WM Weekly Economic Monitor– 6th July 2021

HEADLINES

SECTOR	KEY FINDINGS
Cross Sector	**Covid-19 Outlook** West Midlands businesses are continuing to get back to **'business as usual',** with many thinking about their growth, strategy and seeking investment/funding. This is reflected in local and national business surveys, such as the Greater Birmingham Chambers of Commerce Quarterly Business Review for Quarter 2. This showed a: • **Surge in business optimism** as national restrictions ease • **Increases in domestic demand** • Steady **climbs in international sales** • **Upturn in recruitment** levels However, businesses in the events, travel and hospitality sectors remain under huge pressure as a result of Covid as they start their recovery strategies. One Golf Tour business in CWLEP has a full order book from September although given ongoing uncertainty, recent changes to the government road map and European travel restrictions, are **lacking confidence that these tours will be allowed to go ahead**. Additionally, travel agents have expressed continued concern of on-going government travel restriction legislation stating that **they will not survive much longer if restrictions are not lifted. Urgent clarity is required for the travel industry.** Additional Covid-related issues include: • Challenges for junior staff and apprentices **starting positions online** • **Capital expenditure on hold** due to uncertainty • Issues with recruitment and retention of staff The further easing of restrictions on July 19th, including an end to social distancing, will provide a major boost to all sectors – especially those most hard hit as above. But as cases continue to rise, **businesses will continue to be concerned about the reintroduction of restrictions and the loss of staff due to positive Covid cases**. Businesses are reporting a higher level of **temporarily losing key operational staff due to them having to self-isolate.** Impact is really felt on business operations, particularly as many of those employees traced, have tested negative. Concern as cases in some areas rising, added to the increase in the number of people vaccinated, **bringing in to question the effectiveness of the Track and Trace system.** Overall, Growth Hub support in the region is **trending away from Covid-based advice**. The 2015-2020 Growth Hubs Evaluation has been released and shows the uptake of Growth Hub support has increased on the last 3 years, primarily in the form of light touch engagements. This report has shown also that **Covid-19 has raised the visibility and profiles of Growth Hubs and encouraged wider engagement from new businesses who had previously not engaged with any Growth Hubs.** **EU Exit** Similar issues with UK-EU trade continue to arise and companies are seeking support from Growth Hubs as a result: • Impact of **increased costs of raw materials** throughout supply chains • **Documentation problems and delivery delays** continue • Requests for **import duties** to be reduced • Difficulty obtaining correct information • **Shortage in supply of materials** • Delays still **problematic at customs.** **Enquiries**

SECTOR	KEY FINDINGS
	More companies are now seeking **business as usual and growth support**. In particular, these enquiries are commonly related to: • **Capital Investment Grants** – Growth Hub advisors are currently dealing with multiple capital investment grants that are supporting growth and COVID recovery strategies. Projects include refurbishment of premises, building works and purchase of machinery. • **Green** - A number of Green/Sustainable projects are seeking support. These include new start-ups, one example includes a business looking to develop sustainable microbiology equipment made from sustainable Agar seaweed. Another developing a new app to reward carbon neutral activities with incentives for the user to live more sustainably. • **Flexible Working** – Employees driving a desire to retain a flexible approach to working hours post-COVID with a number of businesses not planning full returns to office life. Benefits are widespread with increased productivity and improved wellbeing of the workforce. • **Digital** – A number of digital and technical innovation projects seeking support from Growth Hub advisors. IT Infrastructure and referrals into the Digital programme for cloud based projects. • **Employment** – Feedback from businesses that there are a large number of career opportunities and available jobs although it is a candidate driven market. Jobseekers with multiple job offers are able to cherry pick the best roles with flexibility regarding "place of work" a key decision maker. Companies that adopt a more traditional, rigid, approach to terms of employment having to rethink their expectations as home working during COVID has highlighted the benefits on wellbeing, job satisfaction, staff retention and productivity. • **Grants (Non-COVID)** – a number of ongoing grant projects across a wide range of businesses across various industries. These are fed into partner programmes, with projects including machinery purchases, property renovations, green initiatives and product development. • **Kickstart & Apprentices** – Businesses looking for apprentices are exploring support options via existing programmes. Others looking at the national Kickstart scheme have faced lead times of up to 4 months before applications are processed, causing much frustration. **Programmes and Support** **Made Smarter** has launched a £1.9 million digital adoption push to drive growth in West Midlands manufacturing and engineering SMEs and help them boost productivity. Digital experts will provide advice to businesses on how to **switch to advanced and automated technologies** as well as working to improve employees' overall digital skills.
Logistics & Transport	• For a number of years the lack of labour supply for logistics & transport has been helped by EU immigrant workers coming to the UK, happy to work on the low industry wages, in the pursuit of a better quality of life. **Brexit stopped freedom of movement for these workers, which led to many returning to their home countries.** • This was accelerated by the pandemic which gave many EU immigrants an incentive to return home, especially as borders were being closed. Brexit has also spurred the **fall in HGV drivers as many European drivers left the industry**, with the freedom of moment now gone and the increase in haulage times, as a result of increased border checks and paperwork. Few people want to join the industry and it has caused many to leave. • The worry is that food shortages are set to get progressively worse over the summer. The fresh produce industry usually struggles during summer due to increased demand and shortfalls in labour as staff go on annual leave.
Manufacturing	• The Government has announced that Britain will introduce new regulations to help defend its steel industry after accepting a recommendation from its newly established Trade Remedies Authority to scrap some quotas on imports.

SECTOR	KEY FINDINGS
	• The removal of 9 product categories, as recommended by the TRA would have left half of steel products exposed to uncontrolled surges in imports. • The measures were introduced to limit further increases in imports because of a dysfunctional global trading environment for steel namely: global overcapacity of steel, trade diversions resulting from US introduction of steel tariffs, and increased use of trade defence measures globally.
Property	• Midlands property group Real Estate Investors (REI) is seeing "early signs of market normalisation" with deal activity, rent collections and occupancy rates all providing cause for optimism.

NEW ECONOMIC SHOCKS

COMPANY	LOCATION	SECTOR	SOURCE/DETAIL
Gap	Nationwide	Retail	High street retail giant Gap has announced it will be closing all stores in the UK. The firm said it would close all its stores "in a phased manner" between the end of August and the end of September.
GKN	Birmingham	Automotive	Workers at a GKN Automotive plant in Birmingham (Erdington) could take strike action later this summer over the company's proposals to shut the site, potentially axing more than 500 jobs.
Homebase	Coventry	Retail	Coventry's only Homebase store will close this summer. The home improvement giant has announced the store on Sir Henry Parkes Road, Canley will shut for good in August.
Lloyds Banking Group	Regional Branches	Accounting and Financial Activities	The closure of 44 Lloyds Bank and Halifax branches across England and Wales has been confirmed, bringing the group's total for 2021 to 100. Lloyds Banking Group has announced that 29 Lloyds Bank branches and 15 Halifax branches will shut their doors, with no compulsory redundancies.

NEW INVESTMENT, DEALS AND OPPORTUNITIES

COMPANY	LOCATION	SECTOR	DETAIL & SOURCE
JCB	Wider Region	Manufacturing	JCB has started a fresh recruitment drive for 500 new shop floor employees as demand for its machinery continues to soar.
Job Centre	Dudley	DWP	A new job centre is set to open in Dudley town centre under plans to help the town bounce back from the Covid pandemic. It forms part of a government initiative aimed at improving job opportunities in areas of the UK that have been worst hit by coronavirus.
Avara Foods	Brierley Hill	Manufacturing	Avara Foods, a food company that supplies supermarkets and restaurant chains, is recruiting 130 full time staff in the Black Country. The company has positions open across all operations at its site in Brierley Hill, including production, technical, engineering, planning and stores.
Zero Point Eight	Dudley	Manufacturing	A furniture manufacturer, Zero Point Eight, has secured new £120,000 funding to kickstart its recovery plans and

COMPANY	LOCATION	SECTOR	DETAIL & SOURCE
			expand its interior fit-out division. The loan was secured through the Midlands Engine Investment Fund.
Royal Mail	Black Country and Wider Region	Postal delivery	Royal Mail has announced the launch of a postal apprenticeship scheme aimed at would-be postmen and postwomen. The scheme will offer up to 1,000 Level 2 apprenticeships based at various locations across the UK, including 32 for the West Midlands.
Crown Workspace	Wolverhampton	Construction	A workspace solutions firm is targeting regional growth after opening a new site in Wolverhampton. Crown Workspace - which specialises in services such as commercial relocations and refurbishment, interior fit-out and design and office furniture, storage and IT re-sale - has moved into a 30,000 sq ft warehouse at the Pantheon Park development.
AYBL	Redditch	Leisurewear	Gymwear brand AYBL has expanded with new packing and distribution facilities in Redditch near to its HQ. The 23,000 sq ft space is located on a former tyre recycling facility
Amazon	Birmingham	Retail distribution	Amazon is set to create 60 permanent roles plus hundreds more opportunities for drivers with the opening of a new delivery station in Birmingham. Amazon Logistics has announced that it will be opening a new delivery station in Tyseley. The 8,000 square metre building is expected to be fully operational this summer and will serve customers based in the Birmingham area.
Liberty Aluminium Technologies	Regional – has a base in Coventry	Manufacturing	250 jobs saved at JLR supplier as owner repays £10m loan. Sanjeev Gupta's GFG Alliance has repaid a £10m loan owed by its subsidiary Liberty Aluminium Technologies (LAT) to Close Brothers, according to reports from Sky News.
Complex Development Projects/Warwick District Council	Leamington	Construction	Plans to turn Leamington's Spencer Yard into a hub for creative businesses have been approved. Complex Development Projects put forward the proposals to Warwick District Council to restore and convert three largely unused buildings to provide workspace for the digital creative sector.
Greggs	Regional Branches	Retail/Food Services	Greggs says its sales have been stronger than anticipated in the weeks since lockdown measures were eased. The bakery chain saw a "strong recovery" during May after non-essential shops reopened, and although pent-up demand has tailed off, sales remain ahead of pre-pandemic levels.
Feldon Dunsmore	Coventry / Warwick	Legal	A commercial property law firm is moving to a new site after a thriving property market during lockdown led to record double-digit growth. Feldon Dunsmore is moving from Coventry to a rural location on the edge of Warwick after a successful year bolstered by a property market

COMPANY	LOCATION	SECTOR	DETAIL & SOURCE
			that it says is "stronger and more vibrant than before the pandemic."
Quanta Dialysis Technologies	Alcester	Human Health and social work activities	An Alcester company which specialises in dialysis care has raised over £176m in a private funding round – the largest of its kind for a dialysis device company in history. Quanta will use the cash to scale up its global operations – particularly in the US.
Mercia Asset Management	Regional	Finance	Regional investor Mercia Asset Management has recorded record results after accelerating its progress last year. The asset manager has completed two of the three pillars of its three-year plan with a year to spare and has set out its next three-year plan.

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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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