West Midlands
Weekly Economic Impact Monitor

WM REDI CITY REDI

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

This week we have seen infections from the Omicron variant rise to new highs. Plan B restrictions remain in place and the NHS and other front-line services are under strain. The hospitality and live events sectors have lost crucial income over the Christmas and New Year trading period. Concerns about inflation continue, including as a result of supply chain bottlenecks. Further rises in interest rates are expected in the coming months. From 1st January 2022 full customs controls have been introduced for goods moving between Great Britain and the EU.

- The European Central Bank has predicted that the new Omicron variant, and resulting social distancing restrictions, will likely undermine some of the economic progress that was being made and will bring great uncertainty, undermining previous forecasts for growth.
- The Chancellor has announced a £1bn fund to support businesses. Hospitality businesses and employees will be able to apply for cash grants of up to £6,000 per premises.
- The Statutory Sick Pay Rebate Scheme means businesses with fewer than 250 employees will be reimbursed Statutory Sick Pay (SSP) for Covid-related absences for up to two weeks per employee.
- According to latest ONS infection survey data (31st December 2021), it is estimated that 2,024,700 people in England had Covid-19 (95% credible interval: 1,951,200 to 2,096,300), equating to around 1 in 25 people.
- From 1st January 2022 full customs controls have been introduced for goods moving between Great Britain and the EU, and for goods exported from Great Britain to Ireland.
- The UK currently imports five times the amount of food it exports to the EU. It is expected that there will likely be delays when importing goods from the EU as businesses adjust and streamline their business models to meet the new rules.
- According to new figures from the Greater Birmingham and Coventry and Warwickshire Chambers of Commerce, around two thirds of West Midlands firms are taking measures to reduce their environmental impact.
- The West Midlands Combined Authority (WMCA) has also awarded £9m in funding for job training packages, aimed at getting unemployed residents back into work quickly to support the region's economic recovery. The funding is set to be delivered through the Sector Based Work Academy Program (SWAP).
- Many regional businesses are continually concerned by rising prices and the impact that persistent Plan B measures will have on economic activity. Plan B restrictions have led to some hospitality businesses requesting tax cuts and furlough being brought back. Midlands landlords have warned that some pubs and clubs, crippled by Covid, will not survive January.
- Regional business leaders are calling for the Government to set out their plan for proportionate support for impacted businesses in the short term and in the event that restrictions continue or tighten in 2022. A suite of tailored support measures required by businesses in light of the Government's Plan B measures were set out in a document released on 14th December 2021 by the Greater Birmingham Chambers of Commerce: Plan B: A Blueprint for Business Support.
- The latest Business Barometer from Lloyds Bank Commercial Banking notes that Midlands businesses remain upbeat despite an overall drop in confidence. But there remains uncertainty about the impact of Omicron on economic recovery.
- UK car production saw the worst November performance since 1984 despite a surge in demand for battery electric vehicles. The Society of Motor Manufacturers and Traders (SMMT) said November UK car production was the fifth consecutive month of decline, dropping 28.7% to 75,756 units, as a worldwide shortage of semiconductors continues.
- Businesses are continuing to have difficulty finding people with the right skills. Low candidate numbers and efforts to attract and secure workers is driving further steep increases in pay for both permanent and temporary staff.
- All regions saw a reduction in online job adverts between the 10th and 17th December 2021. The West Midlands online job adverts decreased by 7.7 percentage points.
- Overall retail footfall in the UK for the week to 18th December 2021 was below "normal" expectations at 81% of the level seen in the equivalent week of 2019. Shopping centre retail footfall was at 73% of the level seen in the equivalent week of 2019; this is the lowest relative level since the week of 25th July 2021.
- In final results from Wave 45 of the Business Insights and Conditions Survey 25.1% of responding businesses in the West Midlands reported that turnover over the last month had decreased when compared to normal expectations for the time of year. 49.5% of businesses reported turnover had not been affected and 15.7% reported turnover had increased.
- According to the Social Impacts of Coronavirus for 1st-12th December, in the West Midlands 48% of adults reported they were very or somewhat worried about the effect Covid-19 was having on their life (56% GB). 44% of West Midlands adults reported that Covid-19 was affecting their life due to access to healthcare and treatment for non- Covid-19 related issues (43% GB).

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West Midlands Combined Authority UKRI Research England

Feature articles

- Agile responses to the health and economic impacts of Covid-19 have been seen partly to depend on targeted interventions at the local and regional level, but the crisis has revealed a number of weaknesses in the existing sub-national governance structure to respond.
- In the context of 'levelling up', there has also never been a better time for the region to lobby the government for more regional powers, having demonstrated its competency to work together to deliver effective regional interventions quickly in response to the pandemic. But there needs to be a strong, collective vision of what levelling up means for this region.
- R&D and innovation (RDI) has strong potential in levelling up to drive inclusive growth in UK regions.
- Private R&D investment per head in the West Midlands region (about £400) is 4-5 times greater than public R&D funding (£83) and the region could gain from increased public investment in R&D.
- Life sciences is one key area of strength that could be expanded with targeted investment, building on the region's already labour pool and wide healthcare market. Well-targeted public R&D investment has the potential to catalyse new growth and further private sector investment in the narrower area of R&D-intensive life sciences. These jobs create significantly higher GVA (gross value added) per head than other sectors and strong local multiplier effects.
- New workers with higher education qualifications can improve and level up a region's skills base and contribute significantly to regional economic and productivity growth. WMREDI analyses of Higher Education Statistics Agency data for the academic years 2015/16, 2016/17 and 2018/19 show remarkable regional differences in terms of both student attraction and graduate employment, with a clear North-South divide evident. Of the total 2018/19 university graduates who moved to a different region for work, 65.3% moved to London, the East of England, the South East and the South West.
- Graduates with a qualification in Arts, Humanities, and Education are far more likely than STEM and LEM (Law, Economics and Management) graduates to stay in the same region of study for work, while there is a converse picture among STEM graduates. The West Midlands displays one of the lowest retention rates of STEM graduates (42%) after the East Midlands (33.8%). The development of sectors with considerable potential for economic growth (such as the life sciences, low carbon, and digital industries) provides opportunities to improve graduate retention through creating high-quality jobs.
- 2021 saw continued changes in the provision of publicly funded business support, both nationally and regionally, to respond to the challenges faced by businesses because of the pandemic, and the UK leaving the EU.
- Demand for business support has increased since the start of the pandemic: across the GBSLEP area there has been a 322% increase in the number of businesses supported by the Growth Hub. The Pivot and Prosper grant scheme is an example of a scheme to support businesses by focusing on pivoting their business model and innovating to seize new opportunities.
- A business support review undertaken by Metro Dynamics sets out how a more joined-up business support ecosystem might be created within the region by following four principles: (1) future-facing and focussed around a genuine, integrated customer journey; (2) a universal offer with a visible across the WMCA area; (3) the development of targeted premium products; and (4) a multi-level marketing campaign to drive uptake of the use of professional business support and advice.
- A detailed analysis of GBSLEP Growth Hub referrals to regional universities shows that between October 2019 and July 2021, 396 businesses were referred to university partners.
- Coventry University helped 115 of these businesses through Coventry University Services Ltd (CUS Ltd), a subsidiary company of Coventry University. CUS Ltd offers SME support, knowledge transfer partnerships and continuing professional development courses. Most of the support programmes provided by CUS Ltd are externally funded. It is hoped that future funding to continue this activity financed by the ERDF will be accessed from the Government's Shared Prosperity Fund.
- Reflections on addressing the Covid-19 pandemic in Birmingham highlight the importance of direct engagement with different communities using trusted, authentic and knowledgeable technical experts. Engagement through the media and social media in multiple formats enabled two-way conversations, bringing together senior staff with citizens and their experiences to co-produce solutions.
- 'NFT' was Collins Dictionary's Word of the Year in 2021. Non-fungible tokens (NFTs) are unique, virtual items that can be bought and sold on the blockchain. Each item is paired with a smart contract that is written in code, which outlines the item's rules of ownership and contains a certificate of authenticity.
- NFTs can provide a more secure record of an item's ownership and authenticity, so benefitting artists by addressing long-standing issues of provenance in the art world. Artists are able to establish and receive royalties every time their art changes hands. Hence NFTs are viewed as a way of rebalancing the power dynamics present within the dealership of art.
- NFTs hold significant environment costs, however, due to the computer-intensive operations of blockchain networks, on which they are traded. These networks require huge amounts of computer power and energy.
- Debates on NFTs fit into broader discussions on 'dirty data'. Use of the internet comes with its own carbon costs: cloud storage systems require large amounts of computer power and cooling units. 'Dirty data' habits (e.g. not deleting duplicate photos, passive streaming) potentially contributing as much in environmental impact as global international air travel, according to IET. Small changes to internet usage could dramatically reduce energy consumption. Investment in renewable, carbon free technologies could reduce the carbon impact of our online usage.

Global, National and Regional Outlook

Alice Pugh, WMREDI

Global

With the hit of the new Omicron variant many forecasters have reduced their global growth forecasts for 2022. Fortunately, the Omicron variant has a lower hospitalisation rate than other variants, as a result, many countries have opted for a more relaxed approach to restrictions in comparison with previous new variant waves. However, whilst hospitalisation rate may be low, the rate of transmissibility has been much higher comparative to other variants; as a result it is likely that hospitals globally will be overwhelmed. The sheer volume of people catching this variant will lead to very high numbers of people entering hospitals, even though the rate of hospitalisation is lower comparative to the other variants. The European Central Bank has predicted that the new variant and resulting social distancing restrictions, will likely undermine some of the progress that was being made and will bring great uncertainty, undermining the forecasts for growth that were previously made.

While vaccines were originally hailed as a miracle that would allow us all to get back to normal, there has been sluggish uptake of the vaccine in some countries which has impacted on infection rates. As a result of slow uptake in Western Countries, there remain high staff absences and the greater potential for the mutation of new variants in the future, which brings uncertainty. However, as things currently stand the Centre for Economics and Business Research (CEBR) forecast for 2022 predicts 4% growth with the world economy hitting a new all-time high of US$100 trillion (£74 trillion).

Going forward inflation is likely to continue to have an impact globally, especially, as the new variant of Covid hits countries with lower vaccination rates. This will likely again impact global supply chains and could further the inflationary pressure that bottlenecks have had on global prices. Globally banks are being placed under pressure to ensure that inflation does not begin to spiral. The European Central Bank also predicts that global supply chain bottlenecks and higher transportation costs are set to continue at least through Q2, and will led to sustained inflation in 2022.

Currently, the European Central Bank, Federal Reserve and Bank of Japan have all abstained from the raising of interest rates from their low levels. On the other hand, the Bank of England did follow the IMF's advice, with a rise in interest rates from 0.1% to 0.25% in December 2021. However, this is unlikely to curb inflation, but will likely increase the cost of borrowing and raise mortgage payments. The expectation of the markets, however, is that more rises are set to follow in the UK and that the FED will also start raising rates this spring.

Additionally, it looks like trade wars between China and many western countries are set to continue. China is currently accused of a number of human rights violations and nations are now starting to impose sanctions on China as a result. China also failed to meet its "phase 1" trade deal obligations with the US as it was supposed to increase the purchase of certain US goods, but missed the target by around 40%. As a result, there is a question as to whether there will be a phase two deal.

Tensions are also rising in Europe, over the Russia-Ukraine situation; as a result economic sanctions may be placed on Russia. This may have severe economic consequences for the global economy, especially as it has become apparent that the majority of Europe is highly reliant on Russian gas, and Russia could counter by refusing to supply Europe with energy, again fuelling the energy crisis.

National

Following the rise in Covid cases across the country, largely due to the new Omicron variant, the Chancellor has announced a £1bn fund to support businesses. This support comes just in time as the number of new infections exceeded 200,000 for the first time, as the Omicron variant has spread rapidly within the population. Hospitality businesses and employees will be able to apply for cash grants of up to £6,000 per premises. There has also been an extra £30m set aside to help theatres and museums. The help has come as the rise of the Omicron variant has led to many hospitality and leisure businesses facing reduced footfall and booking cancellations.

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

Alongside this, the government has set up support for small and medium sized firms. Small and medium sized businesses will be able to claim money from government to cover statutory sick pay that is paid to employees affected by Covid. The cost of sick pay is one of the key concerns for businesses as they face a wave of absences caused by the Omicron variant of Covid. The Statutory Sick Pay Rebate Scheme means businesses with fewer than 250 employees will be reimbursed Statutory Sick Pay (SSP) for Covid-related absences for up to two weeks per employee. Businesses will be able to pay and reclaim up to £96.35 per week. Firms should now be able to claim and will be able to claim retrospectively from mid-January.

As of the 1st January 2022, full customs controls have been introduced for goods moving between Great Britain and the EU, and for goods exported from Great Britain to Ireland. The new changes which have be implemented are:

1. Full customs import declarations will be required at the point of entry alongside payment of the relevant tariffs
2. Customs controls at all ports and other border locations
3. Requirement for proof of origin must be met for those trading with zero tariffs
4. UK commodity codes changing
5. Goods Vehicle Movement Service will become operational for EU-GB goods movements
6. Pre-notification required for imported animal products, and high-risk food and feed not of animal origin

Prior to this HM Revenue and Customs allowed for a 175-day delay on companies submitting customs declarations. Now all checks and forms must be filled and filed at least four hours before goods can arrive here, or they risk being turned back at the border. However, checks are set to be phased in and will be relatively minimal until summer 2022, when these checks are set to be more extensive. From July 2022, all goods will undergo stricter checks, similar to those taking place on food being shipped from Britain to the EU. An electronic document check before the product starts its journey, an identification check on the seal applied to the consignment prior to departure, and a third physical check when it arrives must all take place, with country of origin certificates, including from suppliers, if required.

The UK currently imports five times the amount of food it exports to the EU, as a result it is expected that there will likely be delays when importing goods from the EU, especially in the short-term as businesses adjust and streamline their business models to meet the new rules. The British Food Federation has warned that there will likely be delays at ports, stating that they do not feel that enough planning has been done to ensure the new requirements are understood by businesses within the food supply chain.

The Manufacturing Outlook Survey, produced by Make UK in partnership with BDO, has reported that a record numbers of manufacturers are, or are planning, to raise prices in the face of strong inflationary pressures which show little, if any, sign of abating. According to the survey results, UK prices rose to their highest ever balance, +52%, in the survey's 30-year history, this being the third consecutive quarter of record-breaking figures. As an indication of the sharpness of the rise in inflation, and how manufacturers have responded, the equivalent balance in Q4 2019, pre-pandemic and pre-leaving the EU, was just +5%.

Regional

According to new figures from the Greater Birmingham and Coventry and Warwickshire Chambers of Commerce, around two thirds of West Midlands firms are taking measures to reduce their environmental impact. The new report covers how businesses are managing net zero and environmental sustainability, as well as the drivers for change, the measures being taken, future intentions and barriers to taking greater action. Of the businesses surveyed 65% have taken measures to reduce their environmental impact, whilst 68% plan to introduce further measures. Those firms which have not yet started reducing their environmental impact cite knowledge, skills and information as the main barrier. Finance and cost also posed a significant barrier.

However, GBSLEP has announced a new fund to support SMEs adapt to a sustainable, low carbon future. As part of its £1.2m Clean Growth Programme, the GBSLEP has opened applications for it's new 'Green Innovation Pivot Reports' offering. Up to £4,000 is available per grant to help businesses with funding expert advice or consultancy support to:

- Pivot their business strategy
- Innovate product development
- Improve energy efficiency of operations

The fund will allow businesses to seek the expert advice that they have previously been unable to access, due to finance or cost barriers, whilst allowing the firms to maximise the opportunities that net zero will bring. SMEs will be able to leverage new commercial opportunities in the growing Clean energy sector. GBSLEP will cover up to 80% of the projects total cost, with the rest (20%) expected to be matched funding provided by the business. Application for this scheme close 11th February 2022.

The latest quarterly manufacturing Outlook Survey from Make UK and BDO show manufacturers within the West Midlands have seen a strong performance at the end of the year. According to the survey, output within the region recovered from the last quarter to +35% which was among the best performance of any UK region and a strong figure by historical standards. The figure was maintained by strong domestic and overseas orders (+41% and +43%), which were both significantly above the national average and a reflection of world markets, which have rebounded strongly throughout the course of the year.

As a result of this strong performance, the outlook for jobs across the West Midlands has significantly improved as companies hire to meet demand. The employment balance in the region was +35% while investment intentions also increased to a balance of +50%, the best performing of any UK region. The big challenges for businesses, both regionally and nationally, lie in attracting and retaining talent, remains the escalating inflationary pressures, which are forcing businesses to raise prices.

The West Midlands Combined Authority (WMCA) has also awarded £9m in funding for job training packages, aimed at getting unemployed residents back into work quickly to support the region's economic recovery. The funding is set to be delivered through the Sector Based Work Academy Program (SWAP) and is designed to quickly upskill people with the skills needed by employers in sectors such as care, construction and logistics. The training will also include work experience and a guaranteed job interview. SWAP will be run in partnership with the DWP and businesses of any size who are looking to fill vacancies are encouraged to consider SWAP. Anyone 19 or over who receives unemployment benefits will be eligible to join the programme and will not lose their benefits during the placement. There are no direct costs to employers as training and administration costs are covered by government funding.

Devolution and Levelling Up: Boon or Bane for the Region?

Dr Charlotte Hoole, WM REDI

Charlotte Hoole discusses the levelling up agenda, what it means for devolution, and what opportunities it presents for the West Midlands.

This blog post was produced for inclusion in the Birmingham Economic Review for 2021.

The annual Birmingham Economic Review is produced by City-REDI, University of Birmingham and the Greater Birmingham Chambers of Commerce. It is an in-depth exploration of the economy of England's second city and a high-quality resource for informing research, policy and investment decisions.

This post is featured in Chapter 1 of the Birmingham Economic Review for 2021, on Birmingham's economic recovery and resilience following the coronavirus crisis.

Click here to read the Review.

The Levelling Up Agenda

Since their election in 2019, the promise to 'level up' the country has been at the centre of the current UK government's political agenda. The idea of levelling up is to reduce the rising place-based economic and social inequalities in the UK, without compromising growth in already successful places. The recent Covid-19 pandemic has intensified these inequalities, with agile responses to its health and economic impacts seen partly to depend on targeted interventions at the local and regional level. However, the crisis has revealed a number of weaknesses in the existing sub-national governance structure to respond. These should provide important lessons for the UK government as they turn their attention to levelling up, with major economic transformations in 'left behind' places relying heavily on the capacity and capability of sub-national delivery mechanisms to implement these.

An Ambiguous Idea

Despite its widespread use, levelling up remains a largely ambiguous phrase with no clear objectives. There are, however, some things that we do know about levelling up. Firstly, the focus is on place and tackling inequality at the sub-regional level. Secondly, outcome measures are likely to go beyond the commonly used abstract measure of productivity to include also measures relating to, for example, education, health and crime. However, it is still unclear what is meant by 'place' and, therefore, where sub-regional boundaries will be drawn, as well as what more precise measures will be used across a wide range of policy areas. Furthermore, central government is yet to reveal whether levelling up is to be delivered from the centre or via more sub-national powers and resources. This is a key point that needs addressing since without more control over policy and local budgets, the potential of local and regional institutions and leaders to build on regional strengths and deliver targeted interventions in areas such as skills provision, housing, transport and the delivery of public goods and services will continue to be restricted. While the recent call from the Prime Minister for greater devolution across England during his flagship levelling up speech in Coventry could be an indication of better things to come, this was scant of new policy or signs of any major reform to the existing governance structures and processes that research shows will hinder the UK's chances of levelling up.

Subnational Government

Research carried out by the LIPSIT project finds that the current system of subnational governance is unsuited to the task of levelling up, revealing a highly ineffective arrangement. A core challenge links to the way places are funded, with the heavy use of funding competitions found to be an extremely inefficient mechanism to deliver place-based interventions. This is because the short-term, fragmented and overly specified nature of competitive funding streams leads to wasteful processes, money not being spent on what places need, an inability to plan long-term, and strategy not being implemented. Other system problems were also identified in relation to a complex institutional architecture leading to unclear organisational roles and responsibilities, as well as a lack of local visibility and accountability. Together, these significantly reduce the collective capacity and capability of subnational institutions and hugely undermine the delivery of the UK's levelling up agenda built on place-based interventions. The aim of

strengthening subnational institutions with a commitment to transform central-local relations must therefore be placed at the forefront of the government's plan.

Opportunities for the West Midlands

Despite these challenges, levelling up presents a number of key opportunities for the West Midlands. Given its leading role in the English devolution journey so far and as the region emerges from the pandemic a stronger and more united force, the West Midlands is uniquely positioned to present a powerful voice to the government for facilitating a discussion on the structural changes needed. There has also never been a better time for the region to lobby the government for more regional powers, having demonstrated its competency to work together to deliver effective regional interventions quickly in response to the pandemic. While much of this will, of course, depend on the form that levelling up will take and the UK government's appetite to deliver this via more devolution to English regions, it is important that the region also focuses on what can be achieved irrespective of the system. The region must ensure they continue building on their existing infrastructure, relationships and good practice for working together closely and remaining ambitious in their plans for improving the lives and livelihoods of all residents across the West Midlands over the medium- to long term. Businesses in the West Midlands will also benefit from the increased prosperity this will bring to the region and can help by setting out their own plans to support these wider ambitions, for example, by providing more training opportunities to low skilled employees and capping the top to bottom wage ratio. All of this must be supported by a strong, collective vision of what levelling up means for this region.

Levelling Up Through Innovation

Professor Simon Collinson, WM REDI

On 25th November 2021, Professor Simon Collinson took part in a House of Commons Select Committee to explore the role of technology, research and innovation in the UK's recovery from Covid-19. In this blog, Simon discusses some of the key points to come out of the committee.

What are the opportunities and challenges for R&D and innovation (RDI) to drive inclusive growth in UK regions?
A recent Science and Technology Select Committee evidence session held at the Manufacturing Technology Centre (MTC) in Coventry, chaired by the RT Hon Greg Clark (MP), addressed this question and those below by examining the potential and prospects for one region, the West Midlands.

1. What role is RDI playing in recovery for the region? Are there future Covid-related opportunities for science and technology investments and economic growth generally?
2. Private R&D investment per head in the region (about £400) is 4-5 times greater than public R&D funding (£83) (Jones and Forth, 2020). Why? And what positive benefits might come from increased public R&D investment?
3. Should R&D spending decisions be devolved to the region and what additional benefits might this bring?
4. How can we optimise the benefits of R&D in regions for balanced growth or levelling-up and what evidence exists to demonstrate the positive impacts?

The impact of Covid on the West Midlands
The panel discussed the distribution of public R&D investment across regions and into the West Midlands, the impact of Covid on the region and the potential role of R&D in recovery. As a panellist, Mayor Andy Street highlighted how hard the region had been impacted by the economic shock triggered by the pandemic. But he also emphasised how well it had responded and the potential benefits to the West Midlands region from increased public investment in R&D.

Commercialising university-based R&D into firm-level innovation
With CEO of the Manufacturing Technology Centre (MTC), Clive Hickman also on the panel, there was a strong emphasis on the importance of intermediary 'bridges' to translate and commercialise university-based R&D into firm-level innovation. By transferring new technologies, processes, products and services, alongside upskilling programmes, the MTC and similar organisations enhance local absorptive capacity and improve productivity and competitiveness. If this work supports local supply chains and lower-skilled, lower-income workers in the region it can also contribute significantly to reducing inequality.

Life Sciences and other regional strengths
The panel also cited the importance of life sciences as a key area of strength that could be expanded with targeted investment. The region currently has a larger labour pool and wider healthcare market than any other city-region outside London. Moreover, it is already a larger sector than advanced manufacturing in terms of local employment. Well-targeted public R&D investment has the potential to catalyse new growth and further private sector investment in the narrower area of R&D-intensive life sciences. These jobs create significantly higher GVA (gross value added) per head than other sectors and strong local multiplier effects. The Birmingham Health Innovation Campus (BHIC) for example is expected to generate a significant number of new, high-income jobs and propel the regional life sciences cluster over the next decade. It is a designated Life Science Opportunity Zone and has also been identified by the Department for International Trade as a High Potential Opportunity for Data-Driven Healthcare.

Alongside economic growth, many of the Medtech firms, universities, hospital trusts and other organisations in the region's healthcare ecosystem were able to pivot to focus facilities, resources, and expertise to respond quickly to the pandemic. This sector is also able to target diagnostic innovations, precision medicine and preventative healthcare interventions at more deprived, less healthy communities with lower life expectancy. But to fuel this

potential growth requires a stronger supply of specialist skills in STEM and health services including, medicine, dentistry, biology, physics, chemistry, and engineering.

Other regional strengths put forward by the panel include the emergent space industry, green and clean technologies, advanced manufacturing, and materials, alongside the business and professional services sector which is the largest economic contributor in the West Midlands.

R&D Devolution

Finally, the question of whether R&D spending decisions should be devolved to this and other UK regions was put to the panel. The answer was unequivocally and collectively 'yes'. But a specific set of advantages for devolving particular kinds of decisions to the local level were put to the panel.

The plenary panel of expert witnesses questioned by the Science and Technology Select Committee were Mayor Andy Street, Professor Simon Collinson (University of Birmingham) and Dr Clive Hickman (Chief Executive of the MTC).

Their responses have been captured on Parliament TV and selected clips are available here.

Regional Brain Drain and Gain in the UK: Regional Patterns of Graduate Retention and Attraction

Dr Kostas Kollydas, WM REDI

In this blog, Dr Kostas Kollydas discusses his recent WMREDI report co-authored with Dr André Carrascal-Incera, Professor Anne Green, Alex Smith and Dr Abigail Taylor on "Regional brain drain and gain in the UK: Regional patterns of graduate retention and attraction".

View and download the report

Report objectives

New workers with higher education qualifications can improve and level up a region's skills base and contribute significantly to regional economic and productivity growth. This new WMREDI report draws on Higher Education Statistics Agency (HESA) data for the academic years 2015/16, 2016/17 and 2018/19 to explore graduate mobility patterns across the UK regions. The key objectives are to:

- Calculate the student and graduate retention and attraction rates for the nine English regions, Wales, Scotland and Northern Ireland and offer some possible explanations for the observed differences across regions.
- Provide a typology of UK regions based on the inflows and outflows of students and new graduate workers.
- Examine differences in retention and attraction rates of new graduates according to their gender, level of study and main area of the subject studied.
- Discuss the policy implications of this analysis and identify opportunities related to attracting skilled workers to sectors with significant growth potential and retaining graduates in regions outside of London.

Findings

Inter-regional mobility is higher for students than for new graduate workers (i.e., those in employment fifteen months after graduation), as regions retain, on average, more new graduate workers after their studies (61.1%) than residents making the transition to becoming university students (56.3%, based on the 2015/16 cohort of graduates). However, there are **remarkable regional differences** in terms of both student attraction and graduate employment. For instance, there is **a clear North-South divide in the graduate attraction** figures. In particular, of the total 2018/19 university graduates who moved to a different region for work, 65.3% moved to London, the East of England, the South East and the South West, whereas only 15.9% migrated to the northern English regions. The East of England attracts the highest percentage of new graduate workers, partially reflecting the job opportunities in Cambridge. London performs more strongly in terms of attracting new graduate workers than students. This may be because whilst some people are put off from studying in London due to the high living costs, they might feel that increased graduate opportunities on offer in the capital compared to the rest of the UK make the move more viable once they enter the labour market.

Regional attraction and retention of students and new graduate workers

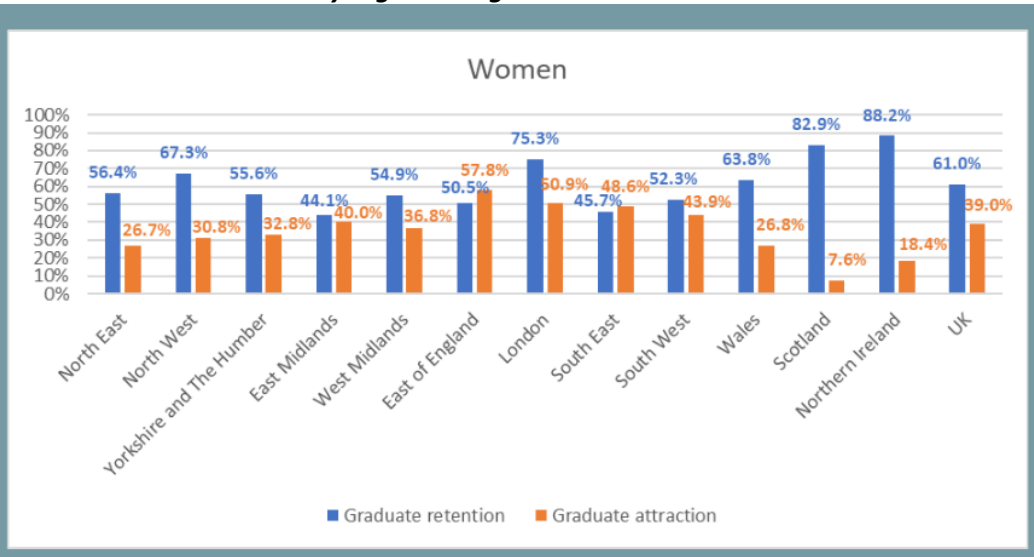
		Students			New graduate worker employment		
Region	Total (Thousands)	Retention	Attraction	Total (Thousands)	Retention	Attraction	Total (Thousands)
North East (NE)	*10*	**60.0%**	**53.8%**	*13*	61.5%	20.0%	*10*
North West (NW)	*29*	**65.5%**	38.7%	*31*	**67.7%**	26.7%	*30*
Yorkshire & the Humber (Y&H)	*20*	**60.0%**	**52.0%**	*25*	56.0%	30.0%	*20*
East Midlands (EM)	*18*	44.4%	**60.0%**	*20*	45.0%	37.5%	*16*
West Midlands (WM)	*25*	56.0%	44.0%	*25*	56.0%	36.4%	*22*
East of England (EE)	*24*	33.3%	46.7%	*15*	53.3%	**57.9%**	*19*
London (LD)	*40*	55.0%	42.1%	*38*	**73.7%**	**51.7%**	*58*
South East (SE)	*37*	45.9%	**55.3%**	*38*	44.7%	**47.1%**	*34*
South West (SW)	*21*	47.6%	**52.4%**	*21*	52.4%	**45.0%**	*20*
Wales	*14*	**64.3%**	35.7%	*14*	64.3%	25.0%	*12*
Scotland (ST)	*22*	**90.9%**	13.0%	*23*	**82.6%**	9.5%	*21*
Northern Ireland (NI)	*10*	**70.0%**	0.0%	*7*	**100.0%**	12.5%	*8*
UK	270	56.3% (152)	43.7% (118)	270	61.1% (165)	38.9% (105)	270

Source: Own elaboration using data from HESA (Higher Education Statistics Agency), 2018

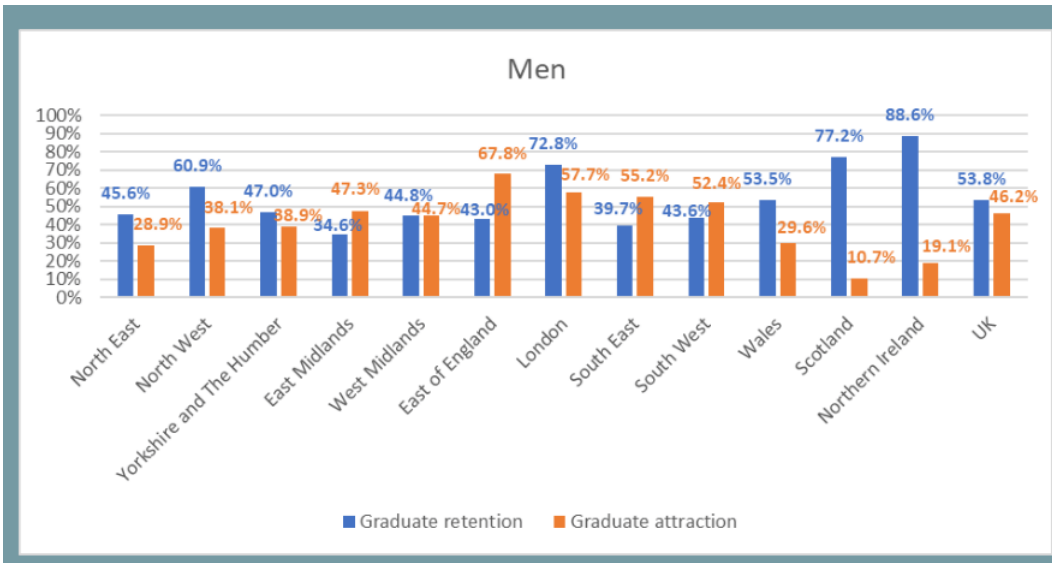
The WM Weekly monitor is funded by the West Midlands Combined Authority, Research England/UKRI

Graduate **retention rates are higher for women** than for men (as shown in the Figure below). Interestingly, the difference in the retention rates between genders is more pronounced in the North East, Wales and the West Midlands (standing at 10.9, 10.3, and 10.1 percentage points, respectively). The observed effect of gender on the probability of remaining locally for work after graduation could be associated with better occupation opportunities and the quality of jobs offered to men compared to women, particularly in the early stages of their careers, thus representing another reflection of gender inequality. A second interpretation may relate to disparities in the willingness to move and differing attitudes towards transregional job offers between genders, as women might find less attractive such offers in terms of wages and career prospects. Moreover, a higher percentage of women than men enter jobs in the public sector and such opportunities are more geographically evenly spread than private sector jobs.

Graduate attraction and retention rates by region and gender

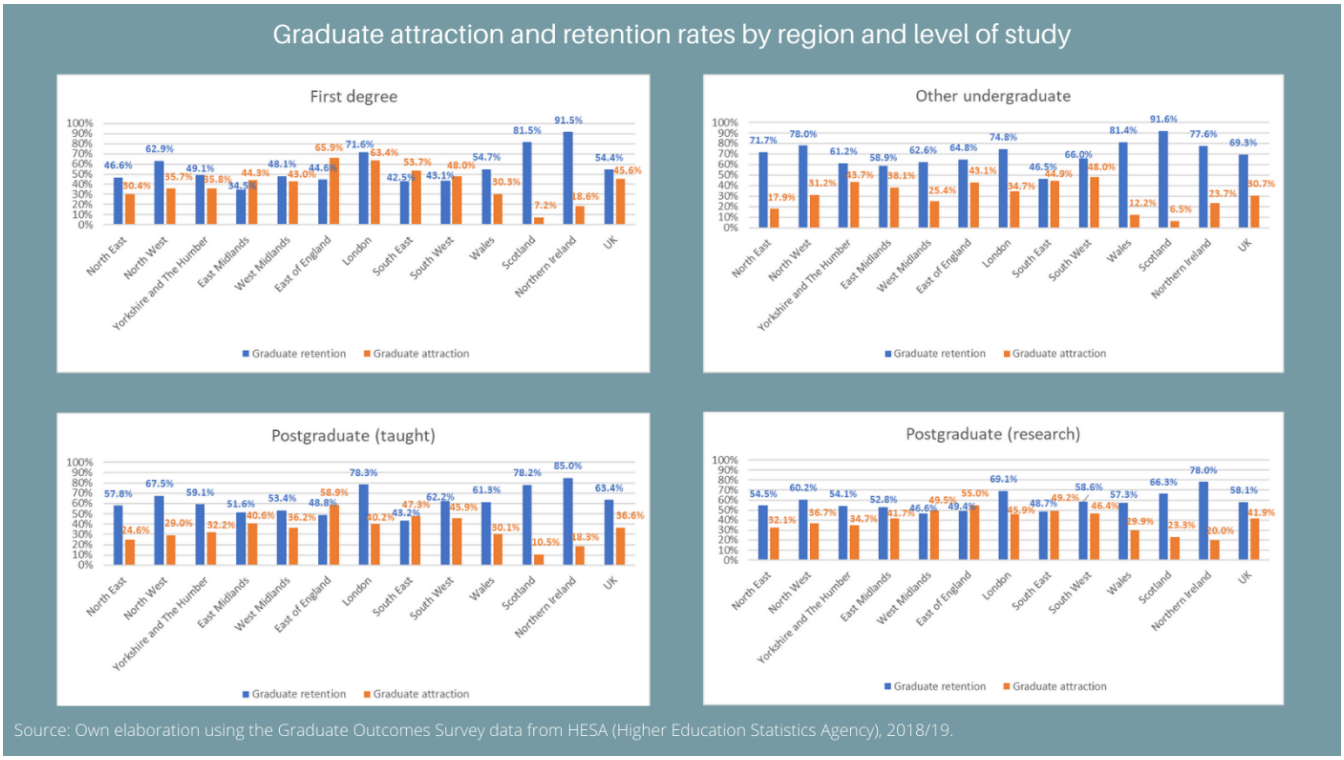


Source: Own elaboration using the Graduate Outcomes Survey data from HESA, 2018/19.

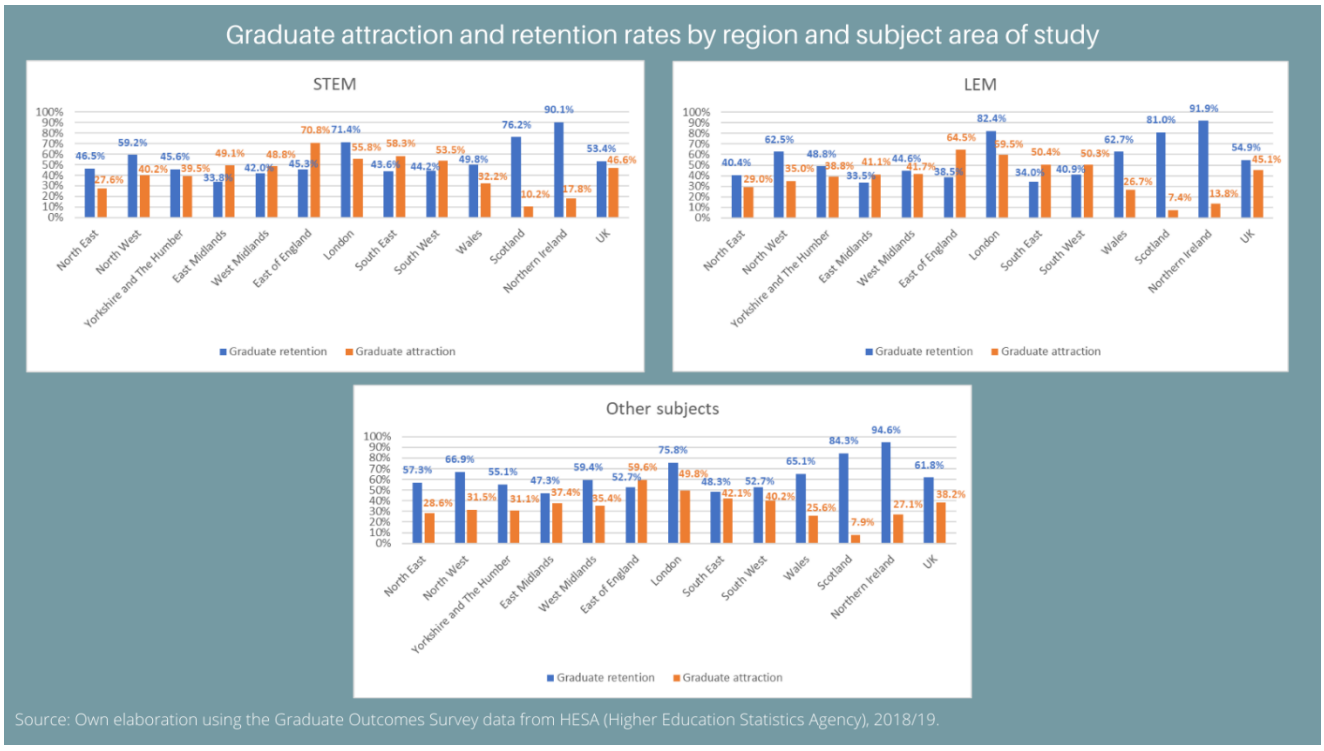


Source: Own elaboration using the Graduate Outcomes Survey data from HESA, 2018/19.

Similarly, the **likelihood of staying local is higher** for new graduate workers who attended a **postgraduate taught course** (standing at 63.4% on average in the UK) than those who hold only a first degree (54.4%), whereas the attraction rates are higher among the first-degree graduates (45.6%). These figures likely suggest that students make rational decisions regarding the region of their postgraduate studies, which, in many cases, is inextricably linked with their subsequent employment destination and career goals. In addition, the pattern described above could also imply that the postgraduate programmes of universities have placed a strong focus on establishing collaborations and developing networks with local businesses and have taken relevant initiatives that enhance the labour market prospects of their graduates within the region.



Finally, graduates with a qualification in Arts, Humanities, and Education are far more likely than STEM (Science, Technology, Engineering and Mathematics) and LEM (Law, Economics and Management) graduates to stay in the same region of study for work. Conversely, regional **attraction rates are generally higher among STEM graduates** (standing at 46.6% on average in the UK) than those with higher education qualifications in other subject areas. This picture likely mirrors the increasing demand for particular high-level skills across regions. Most notably, the East Midlands (33.8%) sees the lowest retention rate among STEM graduates in the UK, followed by the West Midlands (42.0%) and the South East (43.6%). The low retention rates observed in these regions do not necessarily imply that recent graduates relocate for work. These figures could also reflect that a significant proportion of new graduate workers might still reside in their home/study region and commute to work in London because of good transport links. This should be particularly relevant in the context of the Covid-19 pandemic, which has resulted in a significant amount of the labour force working primarily from home.



Policy implications and future work

The development of some key sectors with considerable potential for economic growth (such as the life sciences, low carbon, and digital industries) provides opportunities to improve graduate retention in the UK regions through creating high-quality jobs. For example, the technology sector has the potential to generate 52,000 new jobs by 2025 in the West Midlands, thus contributing to the UK economy by £2.7 billion. Therefore, it is crucial to align universities' knowledge offer with existing skills needs and to identify impediments to graduate retention, especially in regions with many skills' shortage vacancies. This becomes particularly challenging in light of the existing skills mismatch issue at the national level. Universities have an important role to play in contributing to skills initiatives, regional economic strategies and recovery. This report suggests they could capitalise on opportunities in the emerging sectors through the greater provision of flexible learning and novel degree structures.

Given that the probability of choosing a specific location for work depends on various social, spatial and professional factors, it is essential to shed more light on some of these determinants that influence graduates' decisions. Therefore, WMREDI will shortly publish an additional report on "Graduate pathways: Identifying patterns of regional retention and attraction". This will explore how regional graduate retention and attraction rates differ by individual characteristics (such as ethnicity and academic ability), type of university attended (e.g., Russell Group, Post-1992 institutions), industry sector and level of skilled employment. It will be based on an analysis of the Graduate Outcomes Survey for the academic year 2018/19.

Financial Support for Businesses in the West Midlands During Covid-19

George Bramley, WM REDI

George Bramley discusses the various national and regional financial support schemes that were set up to support businesses in the West Midlands during the pandemic. This blog post was produced for inclusion in the Birmingham Economic Review for 2021. The annual Birmingham Economic Review is produced by City-REDI, University of Birmingham and the Greater Birmingham Chambers of Commerce. It is an in-depth exploration of the economy of England's second city and a high-quality resource for informing research, policy and investment decisions. This post is featured in Chapter 2 of the Birmingham Economic Review for 2021, on Industry and Innovation: Pathways to Prosperity.

Click here to read the Review.

Public Funded Business Support

In 2021 we have continued to see changes in the provision of publicly funded business support both nationally and regionally. Most of this has been driven by the need to respond to the challenges faced by businesses because of the pandemic, and the United Kingdom leaving the European Union. However, change has been a constant since I first started working in SME policy in 1997 in the then Department of Trade and Industry Business Link Directorate. This has always been the case in terms of more placed based approaches that have provided more specialised targeted support or are sometimes referred to as premium service because of the short-term project-based nature of funding. WMREDI under theme 2 has a project looking at business support in the region with a particular focus on the evolving role of universities in providing premium services. This project had already identified changes in provision that would have happened in the absence of the pandemic having identified several services funded by ERDF and other sources whose funding came to end. Historically, locally designed place-based services have been funded on a competitive basis including programmes such as the Local Competitiveness Challenge in the late 1990s and this has continued in the form of the more recent Community Renewal Fund. Evidence on the effectiveness of locally designed business support services is less well developed than nationally designed programmes, as there have not always been the economies of scale and scope for designing sufficiently robust evaluations to capture learning and develop estimates of economic impacts.

Government backed loans

Necessity has clearly been a driver of demand for public support for businesses including the provision of government backed loans. Demand for business support has increased since the start of the pandemic. Across the Greater Birmingham and Solihull LSP (GBSLEP) area, there has been a 322% increase in the number of businesses supported by the Growth Hub. There has been a historically greater focus on the provision of financial support through loans and grants to assist with cash flow, whereas previously best value for the public purse was considered to be achieved by targeted support for innovation and the provision of advice, information and training. Within the wider West Midlands region 124,011 Bounce Back Loan Scheme (BBLS) were offered with a value of £3,796,501,647 to businesses representing 8 per cent of lending on this facility. In addition, 8,413 Coronavirus Business Interruption Loan Scheme (CBILS) facilities were offered to the region's businesses (British Business Bank, Coronavirus loan schemes continue to support businesses evenly across the UK, new analysis shows).

Furlough Scheme

Business support over the past 18 months can be characterised as the provision of national and locally designed 'short-term grant-based schemes' to support businesses through the pandemic. The success of the furlough scheme, which was a novel intervention to the United Kingdom but has been piloted in continental Europe, needs to be measured in terms of how it has allowed businesses to retain skilled staff and redeploy them once restrictions lifted and business conditions improved and not just prevented unemployment.

Grant Schemes

Helpfully, BEIS has commissioned a study into the effectiveness of the grants schemes developed to assist businesses with the pandemic including Small Business Grant Fund (SBGF), Retail, Hospitality and Leisure Grant Fund (RHLGF), Discretionary Grant Fund, Local Restrictions Support Grant, Additional Restrictions Grant (ARG), Closed Businesses Lockdown Payment (CBPL) and Restart Grant scheme. Hopefully, we will have a similar evaluation of the SME Brexit

Fund which was launched in February and closed in July to provide assistance with coping with the regulatory burden for businesses that predominately trade with the European Union in the form of a grant of up to £2,000 to help with training or professional advice.

The introduction of the above interventions represents a temporary shift in the focus of publicly funded business support from a previous focus on start-ups, businesses with growth potential and delivery of wider objectives around socially inclusive growth and supporting transitions such as Brexit and a greener economy. Therefore, the Recovery Taskforce and the Greater Birmingham and Solihull LEP should be given credit for the schemes they have designed and delivered locally. In particular, the Pivot and Prosper grant scheme which I was involved in evaluating (Bramley, Pugh & Schwartz, 2021, Evaluation of the Pivot & Prosper Grant Fund Programme). The scheme was elegant in design and timely in that it was launched in June 2020 just as businesses were emerging from the initial shocks of the pandemic, and needed to focus on how they might pivot their business model and innovate to seize new opportunities. The scheme exhibited several features present in the OECD guidelines (An in-depth analysis of one year of SME and entrepreneurship policy responses to COVID-19) on good practices in designing business support programmes in response to the pandemic including:

- Ensuring rapid delivery by simplifying access while safeguarding accountability and effectiveness.
- Focusing on existing viable businesses with viable business propositions that could be supported. The scheme supported the development and delivery of new business models, products and services.
- Provision of non-debt finance through a grant thereby avoiding over indebtedness. Assisted businesses were only required to provide a 25 per cent match.
- Supporting businesses with digitalisation.

To date, Pivot & Prosper has safeguarded 397 jobs and resulted in 108 new jobs which equate to retained £19.5m GVA. In the absence of being unable to undertake rigorous econometric modelling, due to the absence of a meaningful comparison group, our estimates for cost per job are £3,552 and BCR of 10.9.

UK Innovation Strategy

In July, the Government published UK Innovation Strategy: Leading the future by creating it which has shifted the focus back to potentially high growth business in emerging business sectors. Amongst the announcements in the strategy were the introduction of the Help to Grow: Management and Help to Grow: Digital programmes and funding to extend Made Smarter Adoption pilot to the West Midlands and North East.

Business Support Review

Finally, to help businesses to recover from recent shocks, the three Local Enterprise Partnerships, the WMCA, along with their main partners, commissioned a review of business support in the region. The review was undertaken by Metro Dynamics and sets out how a more joined-up business support ecosystem might be created within the region by following four principles, or pillars:

- Future-facing and focussed around a genuine, integrated customer journey.
- A universal offer with a visible brand accessible located in the three LEP areas making up West Midlands Combined Authority.
- The development of targeted premium products that have been identified by a sophisticated local insight and evaluation programme and run region-wide.
- A multi-level marketing campaign to drive uptake of the use of professional business support and advice.

The key difference between the review findings and the Government Action Plan for Small Business published when I was working for UK Small Business Service in 2004 is the greater focus on the business support ecosystem. In the intervening years, the Greater Birmingham region has developed a very sophisticated Professional and Business Financial Service sector (BEIS 2020) that can be drawn upon in delivering programmes to support inclusive growth in the region.

COVID-19 Recovery: Birmingham Cannot Miss the Opportunity for a Restart

Dr Tasos Kitsos and Professor Raquel Ortega-Argiles

This blog post was produced for inclusion in the Birmingham Economic Review for 2021. The annual Birmingham Economic Review is produced by the University of Birmingham's City-REDI and the Greater Birmingham Chambers of Commerce. It is an in-depth exploration of the economy of England's second city and a high-quality resource for informing research, policy and investment decisions. This post is featured in Chapter 1 of the Birmingham Economic Review for 2021, on Birmingham's economic recovery and resilience following the coronavirus crisis. Click here to read the Review.

During these times, it is impossible to discuss recovery without starting with a disclaimer. At the point of writing, there is widespread optimism regarding the economic fortunes of the country and the city more specifically. The city's limits have been tested with strong declines in both manufacturing and services and loss of income due to decreases in consumption. As an illustration, we have recently calculated that for every four students that did not come to study in the region, a job was put at risk. However, with hospitality and retail open, confidence and consumption on upward trends and the strength we all found these past 18 months, Birmingham looks set to get back on its pre-COVID booming trajectory.

Responses to an economic crisis

The economic crisis of the pandemic is very different but similar (if possible) to the 2008 crisis. The nature of the crisis is different, as is (to date) the government response to it. The similarities are in the opportunities that both shocks generated to reshape the way we do things, the realisation that the action we take shapes local resilience, and the need to respond to the bigger challenges (Brexit and the Climate Emergency) up ahead. It is vital in our rush to go back to ***business as usual*** to remember that ***business as usual*** is not sustainable anymore.

Brexit

The first challenge is Brexit and the consequences of Britain's exit from the European Union for the city and the region, including access to funding, skills and talent, knowledge and innovation, and maintaining competitive business and trading conditions. As an example of the impact of Brexit on the regional industrial tissue, evidence shows that the region's most important industrial assets, automotive, rail and aerospace supply chains, are in a weak position, given their exposure to logistics dependency on the Channel Tunnel and ports in the south-east of the UK. The region's transport manufacturing firms and their suppliers are heavily reliant on the operations of the dominant regional players such as Jaguar Land Rover (JLR) and Honda. Regarding access to skills and talents, regional automotive, rail and aerospace firms have a high dependency on EU workers, representing around 70% of their labour force. The exposure of the regional supply chain to JLR is critical, given that in contrast to other UK-based manufacturers, it conducts substantial R&D operations and value-added activities in the UK. In terms of the effect of Brexit on the UK regional competitiveness, the evidence shows that the largest impacted industry in the UK is the motor vehicle industry with major competitive vulnerabilities in the regions of the West Midlands, Merseyside, and East Riding. Combined with a small sensitivity to different Brexit scenarios, this implies that the automotive industries in these regions will be severely impacted, irrespective of the nature of the final Brexit deal. In particular, our estimates show that the Birmingham automotive industry faces a 15.8 per cent cost increase due to Brexit-related consequences.

A Climate Emergency

The second challenge is the climate emergency that creates a new reality for societies around the world. In the short term, a lot of the focus needs to be on mitigating adverse weather events whilst medium to long-term adaptation will be needed to decelerate our negative impact on the planet. It is unlikely that fossil fuel dependency and current consumption patterns can be sustained in perpetuity. Cities (as socio-economic systems of individuals, businesses and communities) that will spearhead the efforts to NetZero or similar targets are likely to gain a welfare advantage. Birmingham has a lot of ground to cover on this front and has advantages it can capitalise on.

Regional Tools for Recovery

Firstly, its unique concentration of higher and further education institutes that produce high-quality graduates and research. Teaching activities ensure a large pool of talent that is renewed with every new intake and graduation. World-class research also warrants that the city is at the forefront of innovation and part of the global avenues of

knowledge flows. Secondly, the region's diverse economic base means an abundance of opportunities for cross-sectoral collaborations that are most likely to generate the radical innovations needed to counter climate change, from creative industries to the space sector, healthcare, automotive and business and financial services. Thirdly, Birmingham has a strong institutional setup that can assist the transition to a greener and more competitive economy. From devolved governance to business support organisations and civil society, the city benefits from an institutional ecosystem that works well together. Increasing the tools at the disposal of this system (devolution of power and funding) can only benefit the city and the region.

A Fresh Start

Overall, there is an unmissable opportunity for a restart and a rethink of how we do things in the post-COVID era. The challenges ahead find Birmingham in an undesirable position but with all the tools to turn things around. Its unique combination of strong research and governance institutions coupled with its diverse business base allows for optimism that the city and the region can harness the benefits of green innovation and diversification expected to lead the economy in the second half of the century.

Growth Hubs as an Intermediary of University Business Support: The Case of Coventry University Services Ltd

Freya Williams, WM REDI

Freya Williams examines the role of growth hubs in helping businesses to access support from universities.

The Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) Growth Hub supports local businesses. Support is provided either within the Growth Hub, GBSLEP or external partners. One aspect of this provision is serving as an intermediary between businesses seeking support and local and regional anchor institutions such as universities and further education colleges. A detailed analysis of GBSLEP Growth Hub referrals to regional universities shows that between October 2019 and July 2021, 396 businesses were referred to university partners. Coventry University helped 115 of these businesses through Coventry University Services Ltd (CUS Ltd), a subsidiary company of Coventry University. This blog outlines the types of support provided by CUS Ltd.

About Coventry University Services Ltd

CUS Ltd offers Small and Medium Enterprise (SME) support, knowledge transfer partnerships and continuing professional development courses. Although CUS Ltd is separate from the university's day to day business of teaching and research, some SME support programmes offer collaboration opportunities with academics. An example of this is the Research and Development Collaborations which draw on academics from Coventry University to support SMEs to develop innovative products or processes in the Digital Construction sector.

Around 10,000 companies per year contact CUS Ltd's business support team and a tenth require in-depth support including tailored one-to-one support and funding opportunities for product or process development depending on the LEP the business operates in.

For businesses located in the GBSLEP area, CUS Ltd offers three ERDF funded programmes:

- Focus Digital
- Innovation Networks
- Proof of Concept

Focus Digital

Focus Digital has been running for five years with a target of providing intense support to 400 businesses, with GBSLEP businesses making up a third of this target. The programme supports businesses to take a step up the digital ladder by offering workshops on topics like YouTube, branding and website development. Grants for bespoke consultancy and support of up to £5,000 are available to SMEs to acquire new digital products or develop new processes. Typically, the businesses that are supported are small businesses with 15-16 employees and an average turnover of £1.2-1.3 million a year. Between October 2019 and July 2021 Focus Digital was the most referred to scheme offered by the GBSLEP Growth Hub. The size of businesses referred ranged from sole traders to 73 employees.

Innovation Networks and Proof of Concept

CUS Ltd offers two grant schemes accessible to SMEs based in the GBSLEP. These are the Innovation Networks and Proof of Concept programmes and offer funding opportunities of up to £10,000 to cover external costs incurred in the process of developing innovative new products, processes, or services. Recipients of grants are required to provide matched funding and receive payment on the submission of invoices. These schemes serve a slightly wider business demographic to the Focus Digital Programme as their support is also appropriate for micro (fewer than 10 employees) or very small companies. Unlike Focus Digital, businesses seeking a Proof of Concept grant do not need a trading history.

Relationships with local partners

The way support is provided is that businesses initially approach the Growth Hub. The Growth Hub undertakes a needs analysis to determine the most appropriate method of support required including whether to address the enquiry within the Growth Hub or to pass the business on to external partners. If a CUS Ltd scheme is deemed appropriate, the Growth Hub will contact CUS Ltd and enquire if they can help. CUS Ltd then reaches out to the

company to carry out eligibility checks and match their services with the needs of the business. On occasions where CUS Ltd services are considered unsuitable the business is referred back to the Growth Hub.

CUS Ltd places great importance on keeping in contact with other local partners including the Black Country and Coventry and Warwickshire LEPs and their respective Growth Hubs as well as the GBSLEP Growth Hub. CUS Ltd aims to keep the Growth Hubs updated with how individual businesses progress.

CUS Ltd has formal and informal relationships with the Chambers of Commerce and support programmes of other regional universities to ensure their activities complement other business support programmes in the region rather than compete with other providers. They are, for example, in close contact with iCentrum, a digital innovation centre located in Birmingham, and STEAMhouse an incubator space for STEAM (science, technology, art, engineering & maths) businesses run by Birmingham City University. CUS Ltd understands the important role of the Growth Hubs and tries to keep them central to a business' support journey.

Funding and Impact of Brexit

Most of the support programmes provided by CUS Ltd are externally funded. Innovate UK funds the Innovate UK EDGE programme, a national initiative which is delivered across the East and West Midlands through CUS Ltd. Business support offered to GBSLEP businesses by CUS Ltd has been predominately funded by the European Regional Development Fund (ERDF). This means that with UK's departure from the European Union, CUS Ltd's current funding ends between September 2022 and March 2023, it is hoped that future funding to continue this activity will be accessed from the Government's Shared Prosperity Fund. It is not clear when this will be available and there is some concern regarding the continuity of some programmes once ERDF funding ceases.

The Effects of COVID-19

The pandemic impacted CUS Ltd's business support schemes initially in terms of operations (with the move of face-to-face to online workshops) but also in their level of business engagement. At the beginning of lockdown, there was a massive reduction in claims for their grant schemes. This might have been caused by economic uncertainty. Businesses became reluctant to spend resources on innovation. After a few months into lockdown, however, the amount of claims increases – but not to previous levels. According to CUS Ltd, historically grant activity tends to follow cyclical changes, so considering the effects of COVID-19 on the economy, the reduction in grant activity is unsurprising.

Focus Digital on the other hand has thrived during the pandemic. Services saw an increase in demand with the move of workshops to online. With social restrictions in place, businesses were also keen to access help in selling their products online. The initial demand has levelled out and 'things have now returned to normal'. CUS Ltd's enquiry numbers are now similar to pre-pandemic levels.

Special thanks to Martin Lucy, Operations & Development Manager at CUS Ltd and John Otter, Business Delivery Manager at CUS Ltd.

Tackling Covid-19 in Birmingham

Dr Justin Varney, Director of Public Health, Birmingham City Council.

This blog post was produced for inclusion in the Birmingham Economic Review for 2021.

The annual Birmingham Economic Review is produced by City-REDI, University of Birmingham and the Greater Birmingham Chambers of Commerce. It is an in-depth exploration of the economy of England's second city and a high-quality resource for informing research, policy and investment decisions.

This post is featured in Chapter 1 of the Birmingham Economic Review for 2021, on Birmingham's economic recovery and resilience following the coronavirus crisis.

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The last 18 months have been perhaps some of the most turbulent and challenging for Birmingham, and the wider region, since the devastation of the 2nd World War. The region has been hit hard throughout the pandemic in an array of areas, but the new year also brought hope. Throughout 2020, the rollout of a vaccine seemed a long way away but as the year turned there were multiple vaccines that were both safe and effective at protecting against death and severe disease, especially numerous vaccines that work as efficiently as they do.

Communication and Engagement

We often say that communication and engagement are key and, although it is often part of emergency plans and outbreak response plans, it is rarely something that is thought through until the time comes and the emergency is upon us. It is a gap that all of us have had to fill at pace during the last year.

In the rapidly changing world of the Covid pandemic, the science of a new disease evolved almost daily alongside the learning and politics of the interventions and treatments that worked to fight against it. National government departments battled valiantly to keep pace, but material was rarely in easy read or translated versions and lack the nuance needed to make it real for communities in their day to day lives.

Direct Community Engagement in Birmingham

The approach we took in Birmingham was heavily rooted in direct engagement using trusted, authentic and knowledgeable technical experts. As each wave moved through the City our approach evolved, in the first wave we relied heavily on existing partnerships and those that were fledgling in the early days such as the weekly Masjid meeting became a bedrock of communication and engagement. The conversations in these early days were essential to the City's response as we navigated the response, ranging from the gaps in guidelines for taxi drivers to the important considerations for funeral and burial advice for different faiths. The partnership of these early days bore fruit as the vaccination programme started and the Al-Abbas Islamic Centre in Balsall Heath was the first mosque in the UK to offer the COVID-19 vaccine, followed by many other faith centres that have opened their doors to offer vaccination sites.

In the Summer of 2020, we built on this to commission a cohort of community engagement partners to build relationships and trust with targeted communities within Birmingham such as our LGBT community, our deaf community and our African and Caribbean communities. Later in the summer, we built on learning from Newham we launched the Covid Community Champions to strengthen further this direct connection with citizens lives and experience. As we come towards Summer 2021 this network now has over 800 community champions, 35 Covid youth champions, a new cohort of business Covid champions and 19 community engagement providers working with over 31 different communities of identity and interest. At one level the value of these networks has been information dissemination through trusted social and professional networks which cascade through WhatsApp groups, Facebook messages and telephone calls. But the deeper value has been in the two-way nature of the conversations, bringing together the senior staff, including myself, with citizens and their experiences and co-producing solutions.

Engagement through the media and social media

Alongside this engagement we have utilised media and social media in multiple different formats, ranging from Twitter to Tik Tok. I had a crash course on live Instagram Q&A sessions to engage with young people, trying to read and respond to a vertical stream of questions, hearts and thumbs-up emojis! Where we explored new platforms like Tik Tok we did this with partners like BeatFreaks who know them better than the Council and could land campaigns effectively in a style and approach that resonated and achieved reach.

Our local and regional media have also supported us throughout and the commitment to a weekly Tuesday morning live Q&A on BBC West Midlands was supplemented by regular Facebook live sessions with Birmingham Live and ethnic and language channels like Sikh TV. These sessions helped reach different audiences and the multi-lingual channels really helped us reach, and hear from, different communities of language across the City.

A city-wide response to the pandemic

Responding to the pandemic has been a city-wide partnership, although we had some engagement before Covid, it is through the adversity that this partnership has blossomed and grown. Coming into 2020 the city was predicted that the city would lose over 9,000 lives through the year, and although the burden has been high with over 3,000 deaths it is down to the strength of the engagement and partnership that this number was not higher.

As we move forward, it is important to not think COVID-19 has gone away, nor that it will not continue to impact our lives over the coming decades. The pandemic has shone a cruel and harsh light on the many inequalities across the City, from poverty to obesity, and exacerbating many of them. Responding to these will rely on this engagement and communication being maintained and invested in, as we cannot close the gap without communities and citizens working in partnership with the public and private sector to co-create solutions and break the cycles that have undermined lives for far too long.

NFTs and Art: Balancing Artists Rights and Environmental Costs

Gina Coe, WM REDI

This blog discusses non-fungible tokens *(NFTs) in relation to the exhibition and dealership of artwork. The blog explores the aspects of inclusivity and artist rights that NFTs can foster, whilst highlighting the damaging environmental costs they can incur. It questions the sustainability of NFTs as a future pathway for artwork.*

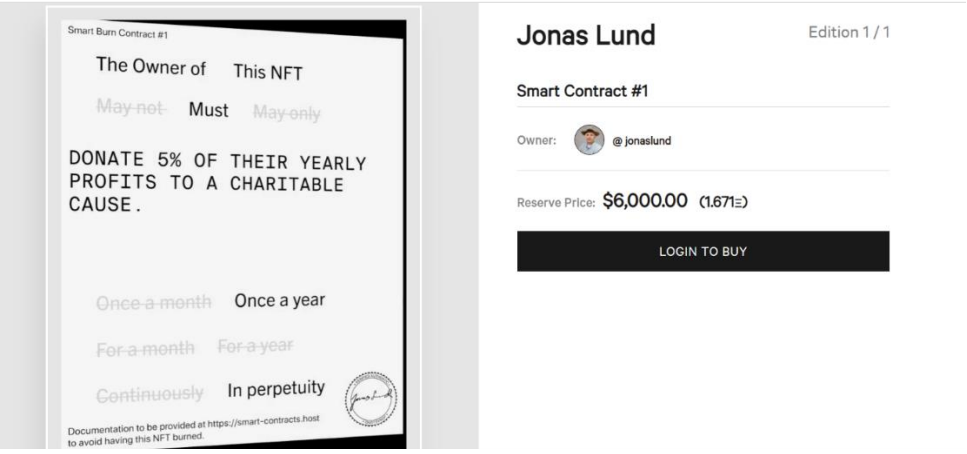
What are NFTs?

This video found here, produced by Institut, an NFT marketplace, helps to explain what NFTs are and outlines their vast potential.

Non-fungible tokens (NFTs) are unique, virtual items that can be bought and sold on the blockchain. The blockchain can be thought of as a distributed database, best known for upholding cryptocurrency systems such as Bitcoin. NFTs, traded on this blockchain, can be entirely digital or paired with real-world assets, such as paintings or sculptures. They also exist outside of the art world, taking the form of digital collectibles or even memes.

Each item is paired with a smart contract that is written in code, which outlines the item's rules of ownership and contains a certificate of authenticity. The ownership records of NFTs are stored on a shared public ledger, which is maintained by thousands of computers and visible to all. This ledger cannot be forged and allows for the exclusive ownership of digital art, something that was previously impossible.

Figure 1, An NFT Listed on Institut, an NFT Marketplace (Source: Institut, 2021).



NFTs are traded on a secondary market based on their perceived market value, which can fluctuate according to their demand. The unique qualities of NFTs that drive this demand mean they are non-fungible, i.e., they cannot be directly traded or interchanged.

How are NFTs changing the Dealership and Exhibition of Art?

NFTs are becoming increasingly popular in the art world, with sales of Cryptoart rising from over $416,00 in June 2020 to $616 million in June 2021. Khalil (2021) highlights the March 2021 sale of Beeple's 'Everydays: The First 5000 Days' for over $69,000,000 at Christie's as the first headline-grabbing sale of digital artwork by a major auction house, . This sale, notably its huge value and the involvement of a prominent auction house, could indicate the ever-increasing role of NFTs in the sale of art and the ever-changing landscape of art dealing.

The art world is also experiencing a rise of NFT platforms, which exhibit and deal digital artworks. One such platform is Institut and its exhibition of NFTism: No Fear of Trying, which is paired with a physical exhibition at Unit London in Covent Garden. This physical exhibition is designed to offer a bridge between the physical and digital experiences of art through augmented reality, VR headsets, and holograms. The exhibition is also noted as a physical entrance to the world of NFTs for traditional art collectors, which may indicate a movement towards innovative methods of art exhibition. The exhibition's Creator, Kenny Schachter (2021) explains that:

"NFTs are just such a transformative phenomenon, a potential revolution in the history of art and its dissemination into the stream of consciousness, and commerce!".

Figure 2, NFTism Exhibition (Source: Unit London, 2021).

What Benefits do NFTs have for Artists?

NFTs can provide a more secure record of an item's ownership and authenticity. This can aid in addressing long-standing issues of provenance in the art world and offer a way in which original artworks can be easily identified.

NFTs can also provide benefits to their artists. Artists are able to establish and receive royalties every time their art changes hands, which isn't possible in the physical world's secondary market. These royalties are typically set at 10% and offer a significant financial incentive for artists, in the sale of their art as NFTs. Furthermore, NFTs can allow artists to retain their intellectual and creative rights over a piece. These rights allow artists to reproduce an image at their will. As such, NFTs are viewed as a way of rebalancing the power dynamics present within the dealership of art and can be seen as forms of empowerment for artists through the promotion and retention of their financial, intellectual, and creative rights.

What Environmental Costs do NFTs hold?

NFTs hold significant environment costs, however, due to the computer-intensive operations of blockchain networks, on which they are traded. These networks require huge amounts of computer power and energy to solve complex puzzles, a process known as mining. These puzzles become more difficult as the price of cryptocurrency inflates and more computers work to solve them, this creates a cycle of increased computer power and cooling units. Although this cycle allows for a competitive market and prevents security threats, it also generates substantial emissions.

Figure 3, Cryptocurrency Mining (Source: Crane, 2020).

Ethereum, a popular blockchain that hosts NFTs, is estimated to consume around 44.94 terawatt-hours of electrical energy, which is comparable to the yearly power consumption of Hungary. Ethereum is also responsible for around 21.35 metrics tons of carbon dioxide released each year, which equates to nearly the carbon footprint of Sudan. Researchers have found that Bitcoin emissions alone could push global warming above 2 degrees within less than three decades. As such, blockchain networks offer significant cause for concern.

However, Calma (2021) notes that the culpability of NFTs in the production of these emissions is rather murky, arguing that whether NFTs are actually increasing emissions or just taking on the responsibility for emissions that would have been generated through mining anyway is still up for debate, given the recency of the topic and limited studies on it.

What is the Future of NFTs in the Art World?

Artists are increasingly divided on the role that NFTs can play in the ever-changing art world, with some seeking solutions to its environmental pitfalls and others highlighting the foundational weaknesses of NFTs that cannot be addressed.

Digital artists are pushing for more sustainable forms of NFTs through the promotion of more eco-friendly alternatives to proof-of-work blockchains, such as Ethereum, and the offsetting of their artworks carbon footprints, through investments in renewable energy and conservation projects. Notably, the contemporary artist, Damien Hirst recently launched a collection of NFTs on the Palm Sidechain, which claims to be 99% more efficient than proof of work systems.

Figure 4, Carbon Offsetting (Source: Hinde, 2019).

These actions, largely pushed by artists themselves, could mitigate against the hefty environmental costs associated with traditional blockchain networks and may aid in carving out a future role for NFTs in the ever-changing art world. However, the complete elimination of the environmental impacts of NFTs is regarded as far-fetched and may never be solved.

The sweeping judgement of NFTs in the art world as a punk revolution or environmental disaster can obscure and oversimplify the benefits, costs, and ongoing efforts behind this movement. This blog does not aim to provide an answer or judgement on NFTs, and I am unsure I could even give one, but rather aims to spark a conversation regarding the potential role and influence of NFTs in the art world and beyond.

A Broader Discussion on Dirty Data

This blog feeds into a broader conversation on dirty data, data that pollutes a database, and its staggering environmental impacts. A recent study by the Institution of Engineering and Technology explored Britain's dirty data

habits which include a failure to delete duplicated photographs from our phones, the use of multiple devices at once, and retaining old text messages. These habits are found to result in significant carbon emissions, as cloud storage systems require large amounts of computer power and cooling units. It was found that Britain's unwanted pictures contribute over 355,000 tonnes of carbon dioxide every year, which is equivalent to flying the population of Chelmsford to Australia.

These staggering figures highlight the need to further explore our digital habits, their computer intensive systems, and hidden environmental costs. This comes at a time when our lives are becoming increasingly intertwined with technology and environmental action is ever-pressing as we continue to observe the damaging impacts of anthropogenic climate change.

Our Dirty Internet Habits

Alice Pugh, WM REDI

This blog discusses the impact that our internet habits have on the generation of carbon emissions. It highlights how using of the internet comes with its own carbon costs and small changes to our internet usage could dramatically reduce energy consumption. It emphasises the importance of investment in renewable, carbon free technologies to reduce the carbon impact of our online usage. This blog is part of a series looking into the impact of the growing need to become environmentally sustainable on global, national and regional economies.

How does the internet generate Emissions?

It may be difficult to understand the complexities of how a simple Google search could emit carbon. After all we tend to think of the internet as existing in a "cloud", and not part of the physical world. However, the use of the internet in any form does generate its own CO_2 emissions.

Firstly, and most obviously, there is the manufacturing of the devices used to access the internet. How many devices do you have that are connected to the internet right now? Your Phone, laptop, TV, your watch, your smart speaker, your tablet, your game console. Per household on average in the UK there are 10.3 internet enabled devices. All of these devices have high levels of plastics and metals, which have notoriously high emissions generation. Plus, once all the parts have been transported across the globe to finally sit in front of you, you are definitely going to need an energy supply to power it.

Secondly, behind the internet, vast storage and infrastructure is needed to store our information and keep us connected. Satellites, cables, and data centres that make up the internet (plus the power to keep them going 24/7), all have a footprint of their own.

The carbon footprint of each individual action we take online is small. However, around half the world's population (4.1 billion people) are now internet users – and this is predicted to rise to 60% by ITU by the end of 2021 – so the overall effect is significant. The exact amount of carbon that is emitted however, will depend on factors such as the device you are using, the data centre that is being accessed and most importantly, where the electricity for both is coming from.

What is the impact of our internet habits?

Video Streaming

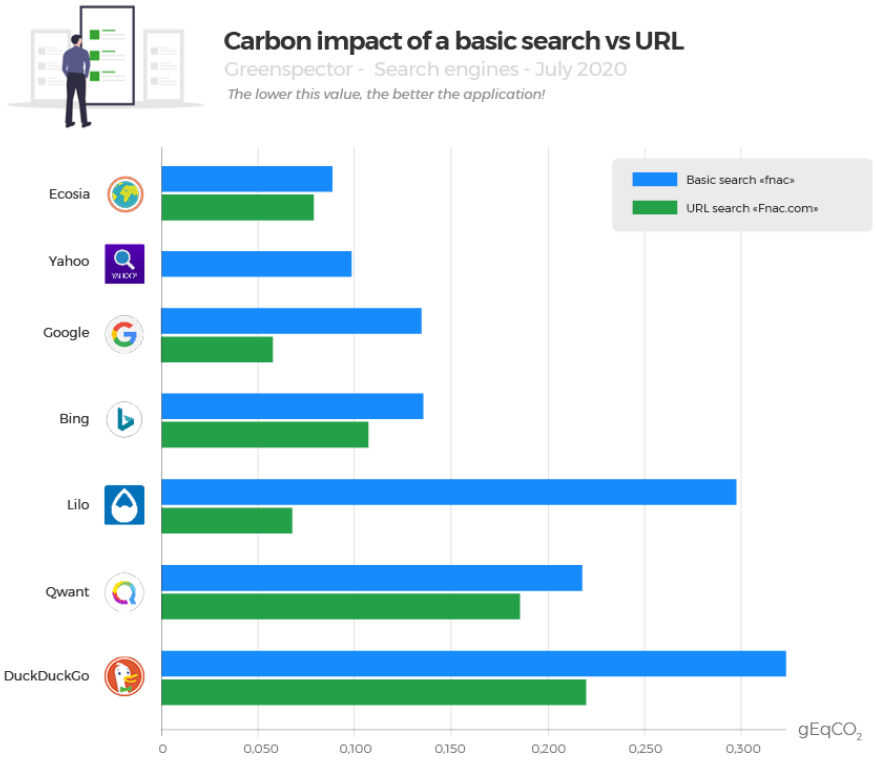
In Europe, research by the Carbon Trust has found that video streaming per hour generates 55gCO_2e, equivalent to boiling an electric kettle three times. In the UK, an average person streams videos for 5hrs and 40 minutes per day or 1,965.6 hours per year. This means the average person is generating 108.1kgCO_2e, streaming videos per year, this equates to driving around 290 miles, equivalent to driving from Portsmouth to Birmingham and back. Plus, how many of us passively watch a streaming service whilst sat on our phones, tablets or laptops?

Emailing

Research by Berners-Lee found, sending or receiving a small email such as a spam email will generate 0.3gCO_2e, a 'proper' email would be 4gCO_2e and an email with an attachment, such as a pdf or photo, will generate 50gCO_2e. On average, a typical office worker processes 140 emails per day on a working day or 34,300 per year in the UK. The impact of an annual office worker's email in the UK, would be about the same as if you used 16,800 plastic carrier bags, or drink 2,100 disposable cups of tea or coffee with a serving of milk, or drive 237 miles in an average car (same as driving from London to Brussels). It should be noted however, that working from home rather than going into the office can save a significant amount of emissions, as comparatively transport still produces far more emissions, than internet usage.

I'll just google it

Around 93% of all internet traffic comes from search engines. It is estimated that Google receives 80,000 requests per second or 6.9 billion requests per day. The graph below shows the carbon equivalent impact of using various search engines. Greenspector tested two scenarios using the URL, then using a search engine to navigate internet searches. Unsurprisingly, searching by URL consumes around 35% less carbon than by using that basic search bar, however you can only really do this if you know the website name.



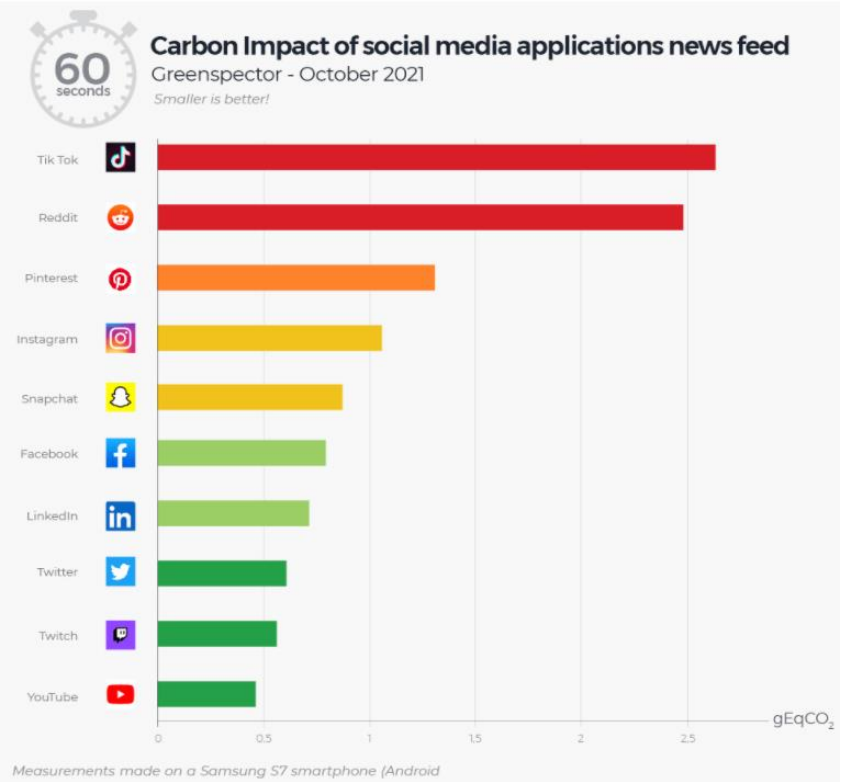
Source: Greenspector, 2021

Greenspector also found, the search engine which is the most efficient, is Ecosia at 0.167 $gEqCO_2$ per search, this isn't a surprise given that Ecosia plants a tree for very search taken on their site. The worst offender was DuckDuckGo generating 0.5433 $gEqCO_2$. Google however, which takes up around 91% of the market share, is in second place at 0.192 $gEqCO_2$, consuming 13% more than Ecosia.

It was also found that searching for images or search engines that loaded maps, would take more energy and thus more carbon to generate. As well as this, the carbon impact of searching through a browser is greater, than using an app.

Social media

According to the Greenspector, social media has its own carbon footprint however this varies dependant on the platform being used. For instance, TikTok consumes 2.63$gEqCO_2$/min whereas, YouTube uses 0.46$gEqCO_2$/min, when scrolling on your news feed.



Source: Greenspector, 2021

There are several reasons why there is such a variance in the different social media outlets. Historically tweeting used to generate an average of $2gEqCO_2$, however in recent years Twitter has actively pursued reducing carbon emissions. For instance, Twitter is currently actively decarbonising worldwide and has committed to having "100% carbon-neutral power sourcing in current data centres by the end of 2022". Therefore, the carbon footprint we generate on social media is largely dependent on three things: the infrastructure that stores the data, the energy used to supply it and the amount of time which is spent on it. Whilst social media may not generate that much CO_2, how many of us will spend more than an hour a day (at least) scrolling through it?

Our picture-perfect life

Us Brits' have a dirty secret habit, we are a nation of trigger-happy social snappers. Currently, the UK is contributing over 355,000 tonnes of CO_2 every year through unwanted pics alone: or the equivalent to the entire population of Chelmsford jumping on a plane and flying to Australia and back. This is because on average of Brits' take five photos for each one that they post online - with 10% taking 10 or more- showing our best life online has become a competition and only the best photos will do.

Anew study by the Institution for Engineering and Technology (IET), found in a survey that less than a quarter of respondents delete additional shots that are taken, leaving millions of identical images to mount up on servers every week. With only 16% of respondents (or less than one in six), deleting excess photos due to environmental reasons.

Conclusion

Nearly 80% of us fail to consider the environmental impact of our data use online, but these 'dirty data' habits are likely silently building up in the background, potentially contributing as much as global international air travel, according to IET.

Some of the dirtiest data habits that Briton's were found to have by IET were:

- **Failing to delete duplicated pictures** from our phone (69%)
- Using **two or more devices at once** (almost 60%)
- **Passive streaming**- focussing on another device whilst streaming TV or video content (52%)

- **Failing to clear archives from messaging services**, such as WhatsApp or Facebook Messenger (63%)
- **Holding onto old text messages** (56%)

The IET's top tips to lower your data carbon footprint and be more sustainable online:

- **Delete the duplicates**: Once you have chosen your perfect shot for social media, simply delete the unwanted duplicates and this will make a huge difference, not only for your carbon footprint, but also to your phone storage.
- **Clean out your cloud**: this will again not only reduce your carbon footprint, but also free up some storage space.
- **Wipe WhatsApp**: Let's be honest do you still need to hold onto that group chat about Love Island from 2015? Probably not, so IET suggests a spring clean and getting yourself into the habit of deleting old groups and chats that you don't use anymore.
- **Unsubscribe**: never wanted to have to sign up to a newsletter but had to, to make a purchase? Well maybe it is time to unsubscribe from those mailing lists you never read.
- **You are beautiful, but do you need to be seen**? Whilst you may be a stunner, is it necessary to always have your camera on in meetings? For instance, if you are in a large group meeting, but are not presenting only observing, do you need to have your camera on? Or can your meeting be quickly done over the phone, rather than over Zoom or Teams? Remember turning your camera off will reduce your carbon footprint by around 96%, according to new research.
- **Put the phone down**: try and reduce the time you spend passively watching tv, by putting down the phone.
- **Switch that Auto play off**: We all know how dangerous that auto play button can be, and I am sure many of us have fallen asleep, with the TV, video streaming or music still running, only for it to keep playing, as a result of Auto play. But I am pretty sure, your cat doesn't need to be left the only one watching 8 hours of Tiger King or Bridgerton.

Overall, on an individual level, consideration of online data usage is important. In order, to reduce the energy consumption of large energy hungry data servers, we must make sure that we are keeping the amount we store online under control. A key issue with data servers is the rate at which they are having to be built, due to rapidly increasing demand. Therefore, in order to reduce pressure on these facilities and free up capacity, the best thing we can do is ensure that we are deleting any of our online data which is no longer needed or sparks joy.

Additionally, consumer pressure needs to be placed on large tech companies, in order incentivise them to invest in the greater use of carbon free renewable energies. In recent years, as a result of global consumer pressures, many tech companies have made significant investments in renewable technologies, with many setting targets to be carbon neutral or net zero within the next 10 years.

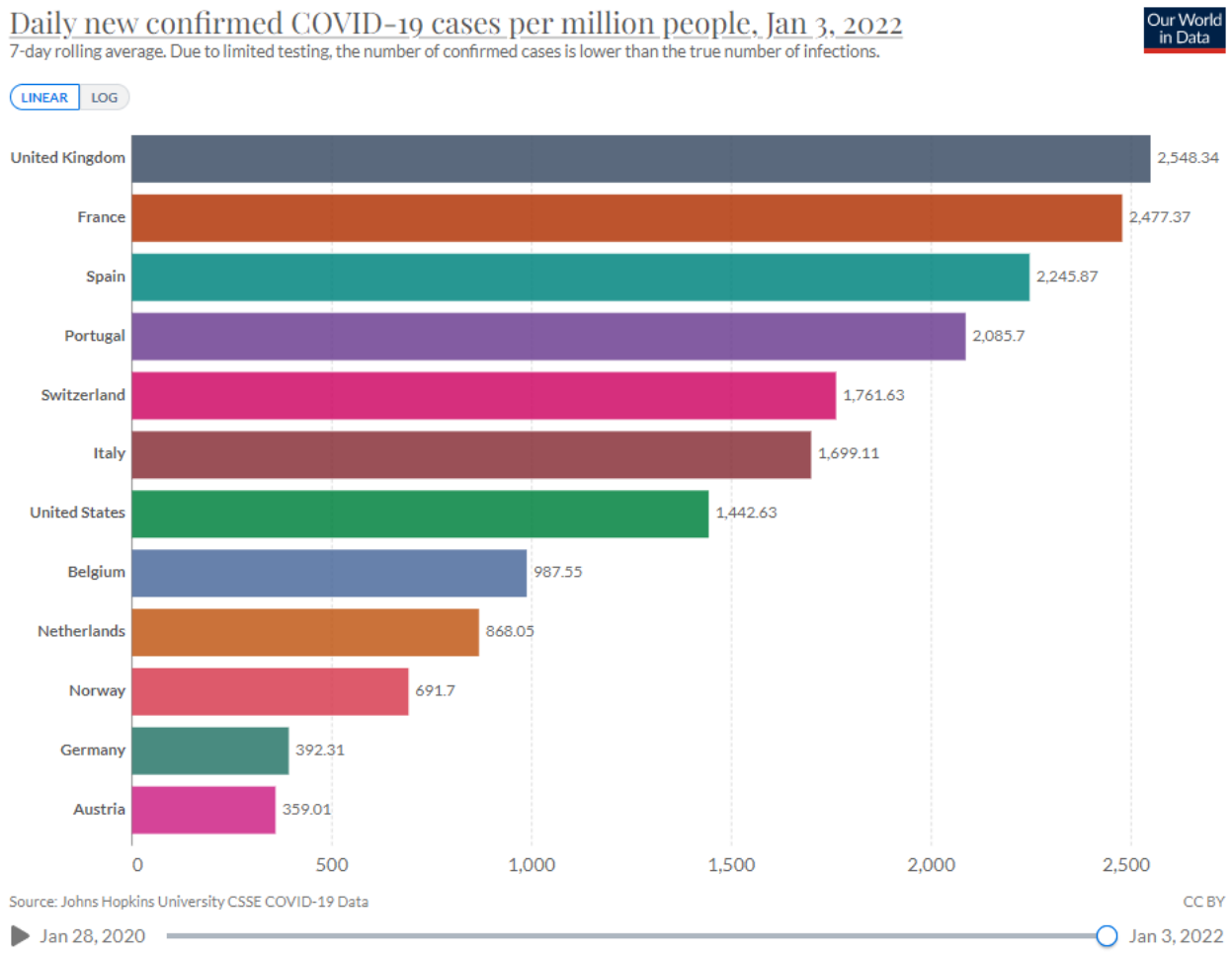
However, in order for many companies to access renewable energies there needs to be significant government investment. Many companies, even large technology companies, do not have the available capital to create and generate their own renewable energy alone, many businesses rely on the infrastructure already in place. An important issue for the government is how to make significant investments in renewable energy technologies, as well as encourage investment from the private sector through policies and regulation. Reducing the energy intensification of technology is also crucial.

Infection Rates and Vaccine Update

Alice Pugh WMREDI/WMCA

Across Europe there has been a resurgence in infection rates, as in the graph below. In recent weeks Covid cases have been rapidly increasing, and as winter nears the NHS is beginning to feel the pressure of rising Covid cases, alongside other illnesses associated with winter. Many other countries have added in additional measures to prevent against the transition of the Omicron variant, however in England few restrictions were brought in and as a result the UK now has one of the highest rates new daily confirmed cases.

Since 31 December 2019 and as of week 2021-50, **274 823 095 cases** of COVID-19 (in accordance with the applied case definitions and testing strategies in the affected countries) have been reported, including **5 362 986 deaths.**



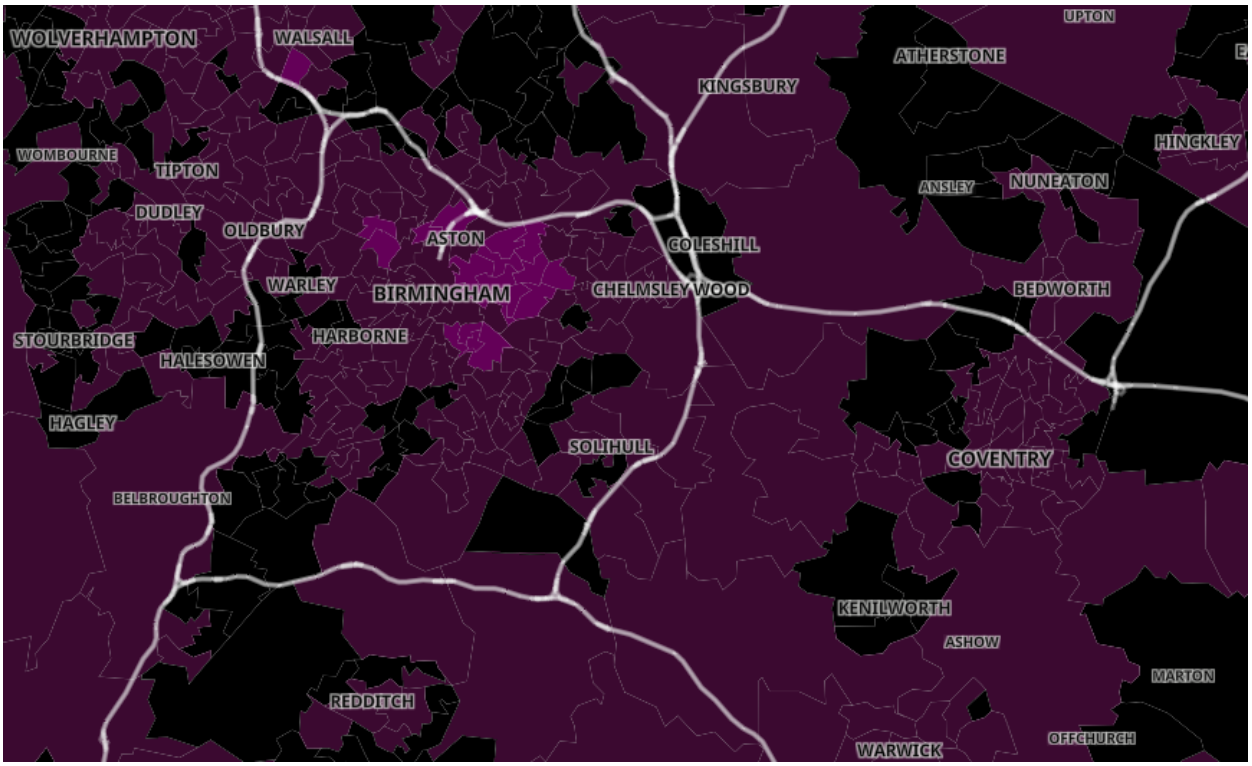
Latest ONS infection survey data (31st December 2021 next release to be announced) states:

- In England, the percentage of people testing positive continued to increase; we estimate that 2,024,700 people in England had coronavirus (COVID-19) (95% credible interval: 1,951,200 to 2,096,300), equating to around 1 in 25 people.
- In Wales, the percentage of people testing positive continued to increase; we estimate that 76,500 people in Wales had COVID-19 (95% credible interval: 65,100 to 89,200), equating to around 1 in 40 people.
- In Northern Ireland, the percentage of people testing positive increased; we estimate that 47,500 people in Northern Ireland had COVID-19 (95% credible interval: 37,800 to 58,600), equating to around 1 in 40 people.
- In Scotland, the percentage of people testing positive continued to increase; we estimate that 135,400 people in Scotland had COVID-19 (95% credible interval: 117,400 to 154,800), equating to around 1 in 40 people.
- In England, COVID-19 infections increased across all age groups and were highest among those aged two years to school Year 6 and those aged 25 to 34 years; the high infections for those aged two years to school

Year 6 are more likely to be compatible with the Delta variant, whereas the high infections for those aged 25 to 34 years are more likely to be compatible with the Omicron variant, as shown by separate analysis.

- COVID-19 infections increased across all regions of England, with the highest infection levels seen in London (1 in 15) and the lowest in the North East of England (1 in 45).
- COVID-19 infections compatible with the Omicron variant continued to increase rapidly across England, Wales, Northern Ireland and Scotland, and Omicron is now the most common variant in England and Scotland.

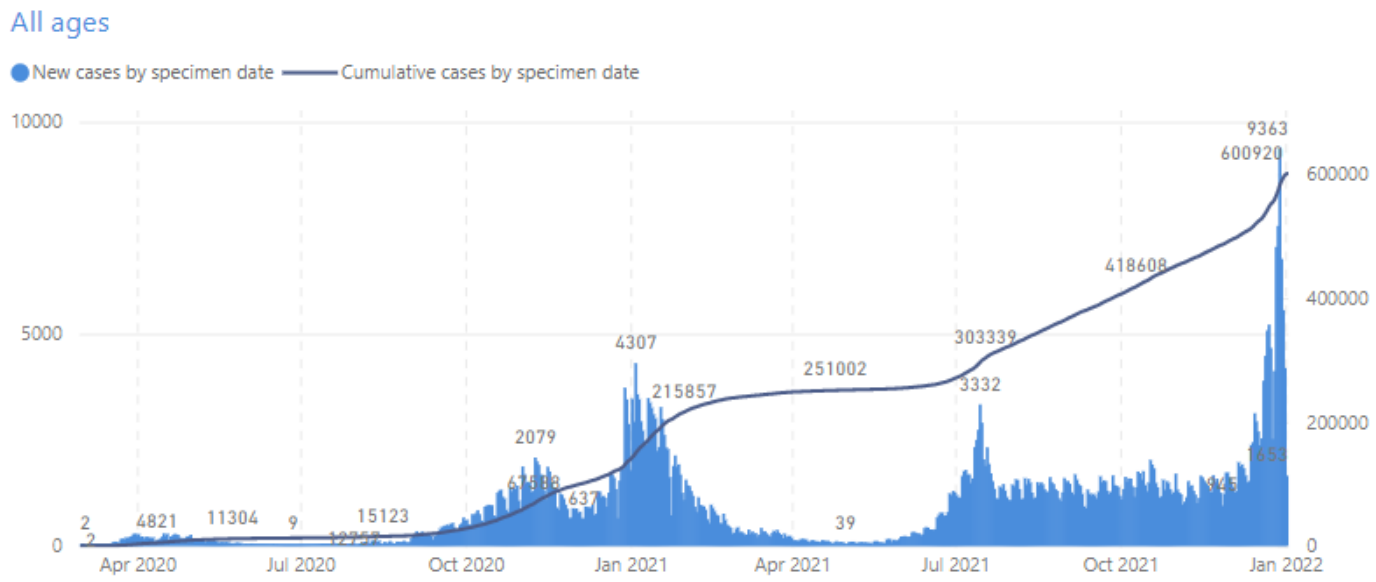
The map below displays weekly data, which are updated every day here. Seven–day rolling rate of new cases by specimen date ending on 29th December 2021.



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
28 December 2021	7543	5814	573384	36176	1235.27
27 December 2021	7048	3696	565841	33113	1130.68
26 December 2021	4120	4441	558793	29955	1022.85
25 December 2021	2515	4816	554673	28367	968.62
24 December 2021	4663	3483	552158	28223	963.71
23 December 2021	5211	4819	547495	26250	896.34
22 December 2021	5076	3308	542284	23966	818.35
21 December 2021	4480	3067	537208	22015	751.73
20 December 2021	3890	2111	532728	19975	682.07
19 December 2021	2532	2319	528838	18461	630.37
18 December 2021	2371	2632	526306	17455	596.02
17 December 2021	2690	2668	523935	16579	566.11



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	17-Dec-21	18-Dec-21	19-Dec-21	20-Dec-21	21-Dec-21	22-Dec-21	23-Dec-21	24-Dec-21	25-Dec-21	26-Dec-21	27-Dec-21	28-Dec-21	29-Dec-21	30-Dec-21	31-Dec-21	01-Jan-22
ENGLAND	**743**	**735**	**926**	**1,061**	**1,098**	**1,246**	**1,252**	**1,020**	**1,281**	**1,374**	**1,751**	**2,082**	**2,370**	**2,114**	**1,781**	**1,819**
East of England	64	76	94	87	111	134	112	96	135	124	153	170	179	193	142	185
London	220	210	245	301	307	386	390	278	364	374	437	456	511	450	319	314
Midlands	115	115	163	186	172	201	206	173	219	251	309	367	503	395	359	340
North East and Yorkshire	80	84	109	138	114	129	160	144	146	157	244	384	363	309	336	289
North West	97	98	125	145	186	173	173	151	186	213	260	305	404	393	326	353
South East	85	93	123	117	122	145	121	105	150	164	216	227	250	231	190	232
South West	82	59	67	87	86	78	90	73	81	91	132	173	160	143	109	106

Mechanical Ventilation beds - occupied by confirmed COVID-19 patients

Name	19-Dec-21	20-Dec-21	21-Dec-21	22-Dec-21	23-Dec-21	24-Dec-21	25-Dec-21	26-Dec-21	27-Dec-21	28-Dec-21	29-Dec-21	30-Dec-21	31-Dec-21	01-Jan-22	02-Jan-22	03-Jan-22
ENGLAND	**767**	**768**	**757**	**745**	**747**	**742**	**745**	**758**	**776**	**758**	**771**	**782**	**789**	**765**	**769**	**777**
East of England	83	88	88	81	92	82	85	84	101	91	92	95	96	73	86	83
London	210	206	201	198	196	207	213	224	232	216	229	232	238	229	230	238
Midlands	134	142	140	132	127	121	119	127	125	127	126	126	129	135	139	129
North East and Yorkshire	100	100	97	103	94	87	91	88	75	79	73	81	84	84	87	83
North West	95	89	86	86	88	94	74	77	91	88	91	97	89	95	81	95
South East	92	91	93	93	99	100	108	99	93	99	104	95	95	94	93	85
South West	53	52	52	52	51	51	55	59	59	58	56	56	58	55	53	64

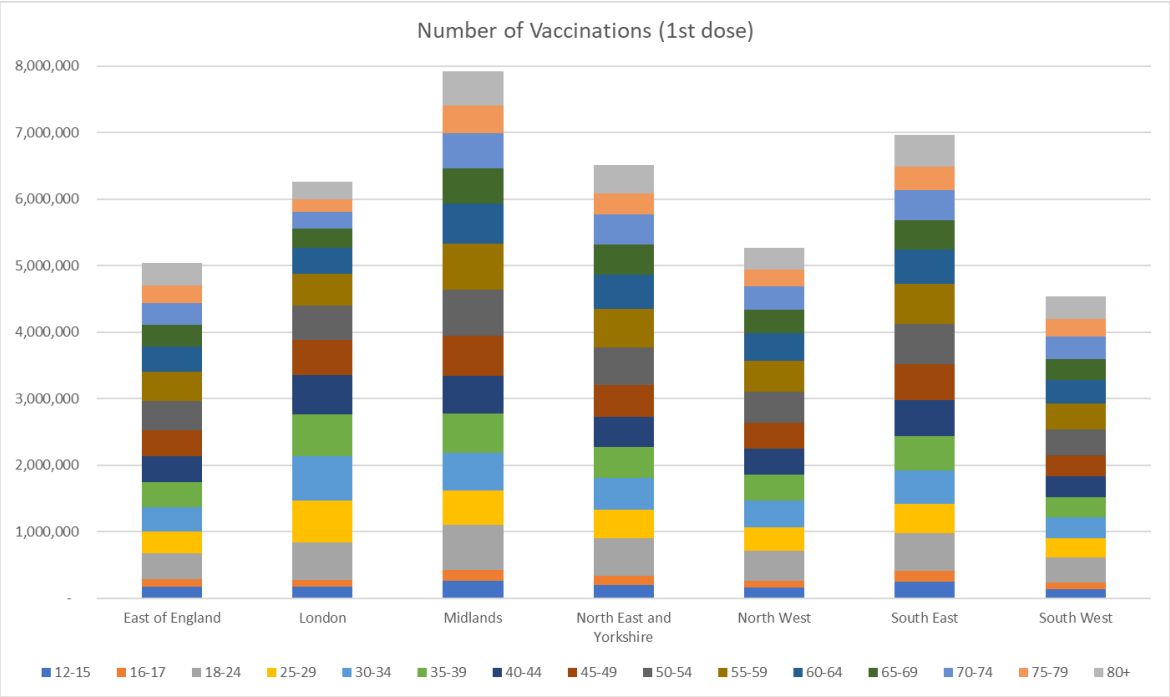
Total beds - occupied by confirmed COVID-19 patients (as at 08:00)

Name	19-Dec-21	20-Dec-21	21-Dec-21	22-Dec-21	23-Dec-21	24-Dec-21	25-Dec-21	26-Dec-21	27-Dec-21	28-Dec-21	29-Dec-21	30-Dec-21	31-Dec-21	01-Jan-22	02-Jan-22	03-Jan-22
ENGLAND	**6,434**	**6,688**	**6,902**	**7,080**	**7,114**	**7,366**	**7,166**	**7,536**	**8,474**	**9,546**	**10,462**	**11,452**	**12,395**	**12,615**	**13,151**	**14,210**
East of England	586	607	630	630	658	672	645	681	809	878	925	1,030	1,083	969	1,199	1,250
London	1,666	1,819	1,904	2,036	2,097	2,260	2,295	2,425	2,640	3,024	3,310	3,477	3,636	3,666	3,744	3,848
Midlands	1,147	1,177	1,247	1,256	1,247	1,268	1,271	1,345	1,443	1,571	1,687	1,866	2,122	2,189	2,356	2,518
North East and Yorkshire	825	847	844	854	814	853	796	847	889	1,077	1,226	1,460	1,644	1,693	1,854	1,975
North West	878	891	909	983	992	1,008	901	945	1,226	1,392	1,530	1,708	1,942	2,084	1,965	2,384
South East	818	828	857	830	822	819	794	803	926	1,042	1,176	1,238	1,269	1,311	1,362	1,463
South West	514	519	511	491	484	486	464	490	541	562	608	673	699	703	671	772

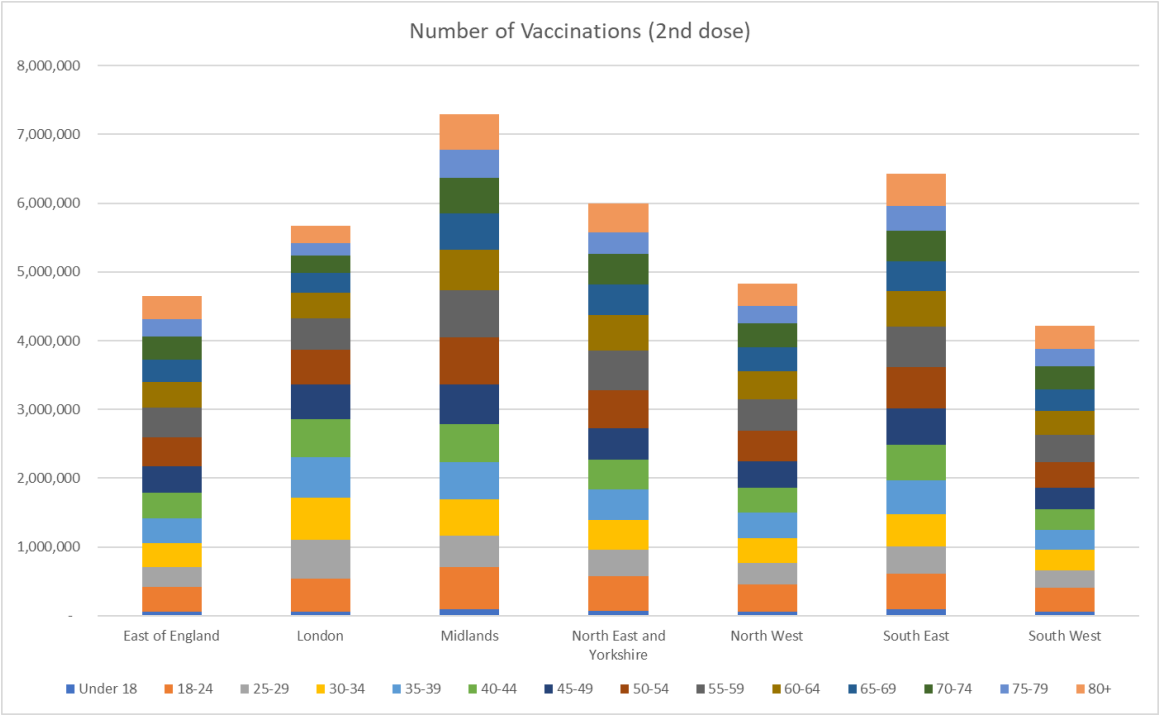
The WM Weekly monitor is funded by the West Midlands Combined Authority, Research England/UKRI

Vaccine Update

Between the 8th December 2020 and the 23rd December 2021 the Midlands has successfully vaccinated **7,929,348** people with the first dose and **7,292,085** of these individuals have received the second dose as well. A further **4,682,814** have received their booster. Meaning the Midlands has successfully provided the most jabs out of any region including London.

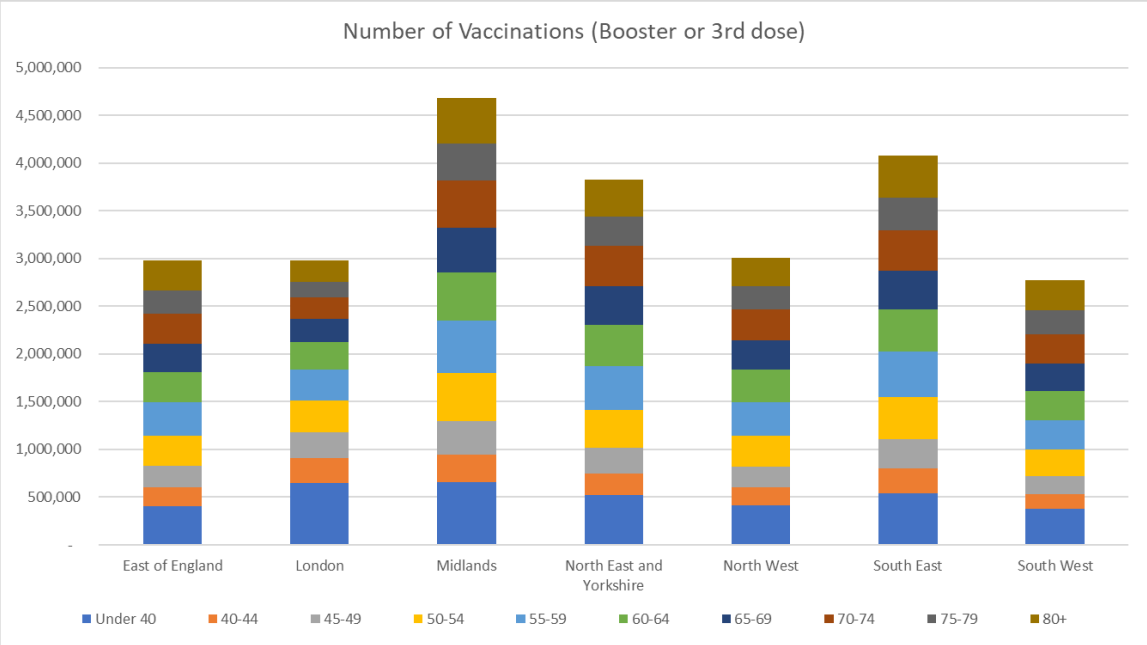


NHS Region of residence name	% of cohort who have had at least 1 dose (using ONS denominators)														
	12-15	16-17	18-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70-74	75-79	80+
Total	50%	69%	78%	80%	86%	89%	93%	90%	95%	98%	100%	97%	96%	100%*	94%
East of England	55%	74%	83%	84%	88%	89%	94%	91%	95%	98%	100%	97%	96%	100%*	94%
London	40%	55%	77%	83%	81%	80%	87%	89%	91%	94%	94%	92%	91%	95%	85%
Midlands	50%	69%	73%	72%	83%	88%	93%	89%	95%	97%	100%*	97%	97%	100%*	95%
North East and Yorkshire	50%	68%	75%	74%	84%	89%	94%	89%	95%	97%	99%	98%	97%	100%*	94%
North West	47%	66%	74%	73%	83%	88%	94%	89%	95%	98%	100%*	98%	97%	100%*	94%
South East	58%	76%	81%	84%	94%	93%	96%	91%	95%	98%	100%*	98%	95%	100%*	94%
South West	54%	77%	84%	86%	93%	94%	97%	91%	96%	99%	100%*	97%	97%	100%*	97%



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

NHS Region of residence name	% of cohort who have had 2 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+
Total	69%	72%	80%	83%	89%	87%	93%	96%	98%	96%	95%	100%*	93%
East of England	74%	77%	82%	84%	90%	89%	93%	97%	99%	96%	95%	100%*	93%
London	65%	75%	75%	75%	82%	85%	87%	91%	92%	90%	89%	93%	83%
Midlands	64%	65%	76%	83%	89%	86%	93%	95%	99%	96%	96%	100%*	95%
North East and Yorkshire	66%	67%	77%	83%	89%	86%	93%	96%	98%	97%	97%	100%*	94%
North West	64%	66%	75%	82%	89%	86%	92%	95%	99%	97%	96%	100%*	94%
South East	72%	77%	88%	89%	92%	89%	94%	97%	99%	97%	95%	100%*	94%
South West	76%	79%	87%	89%	94%	89%	94%	98%	99%	96%	96%	100%*	96%



NHS Region of residence name	% of cohort (not just those eligible) who have had a booster or 3rd dose (using ONS denominators)								
	40-44	45-49	50-54	55-59	60-64	65-69	70-74	75-79	80+
Total	45%	50%	67%	75%	83%	87%	89%	96%	86%
East of England	47%	52%	70%	77%	85%	88%	90%	99%	87%
London	39%	45%	57%	65%	71%	76%	79%	84%	73%
Midlands	46%	52%	69%	76%	84%	87%	90%	96%	88%
North East and Yorkshire	46%	50%	68%	76%	83%	88%	91%	97%	88%
North West	44%	49%	66%	74%	83%	87%	90%	95%	86%
South East	47%	52%	70%	77%	85%	89%	90%	99%	88%
South West	49%	53%	70%	78%	85%	88%	91%	99%	90%

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

Weekly Deaths Registered: 24th December 2021

Black Country Consortium Economic Intelligence Unit

The following analysis compares the latest available time period (the week of the 24th December 2021) to the previous week period (the week of the 17th December 2021) for the number of deaths registered and the number of deaths registered related to the Coronavirus[1].

Across England and Wales, the overall registered death figures increased from 12,400 in the week of the 17th December 2021 to 13,010 in the week of 24th December 2021. The number of deaths registered that state Coronavirus on the death certificate decreased from 755 to 591 people over the same period.

Regional level analysis shows that the West Midlands' overall registered death figures increased from 1,333 people in the week of 17th December 2021 to 1,364 in the week of 24th December 2021. The number of registered deaths related to Coronavirus decreased from 73 people to 57 people over the same period.

There was a total of 927 deaths registered across the WMCA (3 LEP) area in the week of the 24th December 2021. There were 39 deaths registered that were related to Coronavirus over the same period. In comparison to the week of the 17th December 2021, the overall registered death figures in the WMCA (3 LEP) area increased by 48, with the number of registered deaths related to Coronavirus decreasing by 10 people.

At local authority level in the week of the 24th December 2021, there were 5 local authorities in the WMCA (3 LEP) area that had no registered deaths related to the Coronavirus, these were; Cannock Chase, North Warwickshire, Rugby, Stratford-on-Avon and Wyre Forest. Of the 39 registered Coronavirus related deaths; Birmingham accounted for 12 deaths, Dudley accounted for 4 deaths and East Staffordshire, Sandwell, Solihull and Wolverhampton each accounted for 3 deaths.

Of the 39 registered Coronavirus deaths in the WMCA (3 LEP) involving Coronavirus in the week of the 24th December 2021, 33 were registered in a hospital, 5 deaths were registered at home and 1 death was registered at a hospice.

Place and number of deaths registered that are related to Coronavirus in the week of 24th December 2021:

Area name	Care home	Elsewhere	Home	Hospice	Hospital	Other communal establishment	Total
Cannock Chase	0	0	0	0	0	0	0
East Staffordshire	0	0	0	0	3	0	3
Lichfield	0	0	0	0	2	0	2
Tamworth	0	0	1	0	1	0	2
North Warwickshire	0	0	0	0	0	0	0
Nuneaton and Bedworth	0	0	0	0	1	0	1
Rugby	0	0	0	0	0	0	0
Stratford-on-Avon	0	0	0	0	0	0	0
Warwick	0	0	0	0	1	0	1
Bromsgrove	0	0	1	0	0	0	1
Redditch	0	0	0	0	1	0	1
Wyre Forest	0	0	0	0	0	0	0
Birmingham	0	0	0	0	12	0	12
Coventry	0	0	1	0	1	0	2
Dudley	0	0	0	0	4	0	4
Sandwell	0	0	0	0	3	0	3
Solihull	0	0	0	0	3	0	3
Walsall	0	0	1	0	0	0	1
Wolverhampton	0	0	1	1	1	0	3
WM 7 Met.	**0**	**0**	**3**	**1**	**24**	**0**	**28**
Black Country LEP	0	0	2	1	8	0	11
Coventry & Warwickshire LEP	0	0	1	0	3	0	4
Greater Birmingham & Solihull LEP	0	0	2	0	22	0	24
WMCA (3 LEP)	**0**	**0**	**5**	**1**	**33**	**0**	**39**

[1] 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, 5th January 2022

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

ONS Weekly Release Indicators

Black Country Consortium Economic Intelligence Unit

On the 23rd December 2021, Office for National Statistics (ONS) released 'economic activity and social change in the UK, real-time indicators. These statistics are experimental and have been devised to provide timely information. The following information covers: footfall data, online job adverts, final results from Wave 45 of the Business Insights and Conditions Survey (BICS), national company incorporations and voluntary dissolutions and results from Wave 80 of the Opinions and Lifestyle Survey (OPN).

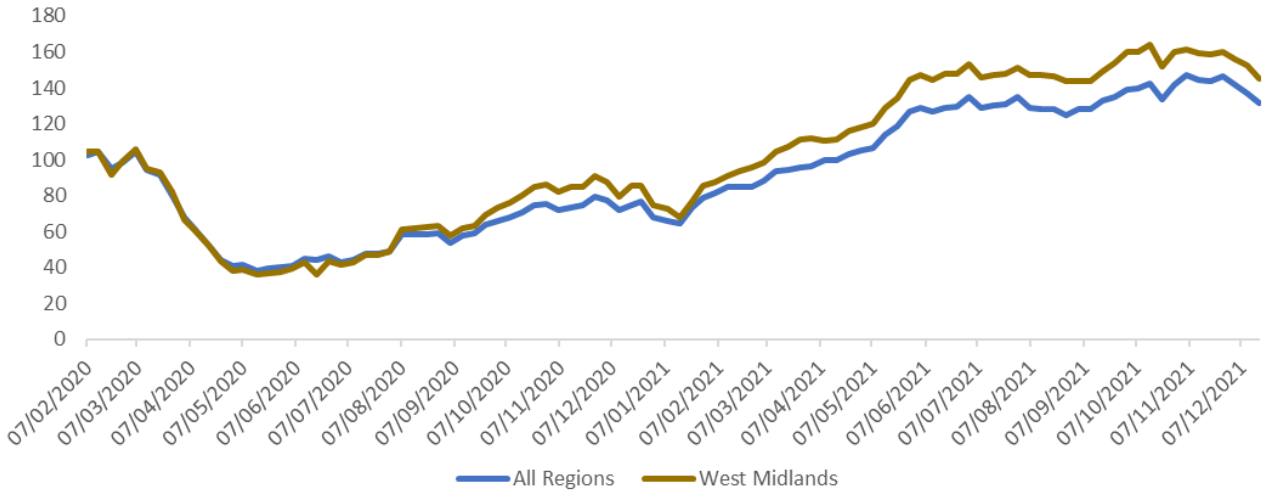
Online Job Adverts

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 10th and 17th December 2021, total online job adverts decreased by 5.7 percentage points. On the 17th December 2021, total online job adverts were at 131.3% of their average level in February 2020. Out of the 28 categories (excluding unknown) 24 decreased from the previous week. The largest weekly decrease was in "transport/logistics/warehouse", which fell by 30.7 percentage points, although was still at 293.8% of the February 2020 level. "Legal" and "energy/oil & gas" were the only categories below the February 2020 average level at 76.0% and 85.2% respectively. The largest week-on-week increase was in "education" which increased by 6.6 percentage points.

All 12 regions decreased between the 10th and 17th December 2021, varying from a 0.6 percentage point decrease in Scotland to a 15.8 percentage point decrease in Northern Ireland. The West Midlands online job adverts decreased by 7.7 percentage points and on the 17th December 2021 total online job adverts were at 144.9% of their average level in February 2020. On the 17th December, all 12 regions were above their February 2020 levels, varying from; 112.9% in London to 163.1% in Northern Ireland.

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 17th December 2021:



Footfall

According to Springboard, overall retail footfall in the UK for the week to 18th December 2021 was below "normal" expectations at 81% of the level seen in the equivalent week of 2019. When compared to the week of 11th December, there was a 6 percentage points increase in footfall. Although, footfall was at the lowest level seen since the week

beginning 26th September 2021. In the week to 18th December 2021, shopping centre retail footfall was at 73% of the level seen in the equivalent week of 2019; this is the lowest relative level since the week of 25th July 2021.

National Company Incorporations and Voluntary Dissolutions

Companies House data shows for the UK, there were 12,809 company incorporations in the week to 17th December 2021. This is down from 13,757 recorded in the previous week, lower when compared to the same week in 2020 (13,257) but higher than the same week in 2019 (11,503).

Also, for the week to 17th December 2021, there were 5,484 voluntary dissolution applications, an increase from 5,348 recorded in the previous week. The number of voluntary dissolution applications was higher than levels seen in the same week of 2020 (4,893) but lower than the same week in 2019 (6,217).

Business Insights and Conditions Survey

The release of the Business Insights and Conditions Survey was postponed due to Christmas. Initial results for Wave 46, with a reference period of 29th November to 12th December 2021 (live period of 13th December to 21st December 2021) shows for the UK that 14% of businesses reported their workforce were working from home in the last two weeks; up 12% from Wave 44 (15th November - 7th December 2021).

The following section looks at final results for Wave 45 of BICS as regional breakdown is available which was released on the 16th December 2021. The final results from Wave 45 of the BICS based off the 5,045 businesses surveyed across the West Midlands that businesses have a presence in with a response rate of 22.5% (1,135) and 2,970 businesses that are head quartered in the West Midlands, with a response rate of 21.3% (633). Please note, businesses were asked for their experiences for the reference period 15th November to 12th December 2021. However, for questions regarding the last two weeks, businesses may respond from the point of completion of the questionnaire (29th November to 12th December 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 Status and Financial Performance
98.9% of responding West Midlands businesses were trading over the reference period.

Excluding “not sure” responses, 25.1% of responding West Midlands business reported that turnover over the last month when compared to normal expectations for the time of year had decreased. While 49.5% of West Midlands businesses reported turnover had not been affected and approximately 15.7% reported turnover had increased.

Excluding “not sure” responses, 39.2% of responding West Midlands businesses reported that COVID-19 was the main reason for the change in the business turnover, 14.7% reported that the end of the EU transition period was the main reason. While 17.9% reported “other” as the main reason and 1.7% of West Midlands businesses reported COVID-19 and the end of the EU transition period.

International Trading
Excluding “not sure” responses, 63.6% of responding West Midlands businesses reported “exporting as normal” over the last month when compared with normal expectations for the time of year. 23.6% of West Midlands businesses reported “exporting, but less than normal”. 2.8% reported “exporting more than normal” and less than 1% reported they “had not been able to export in the last two weeks”.

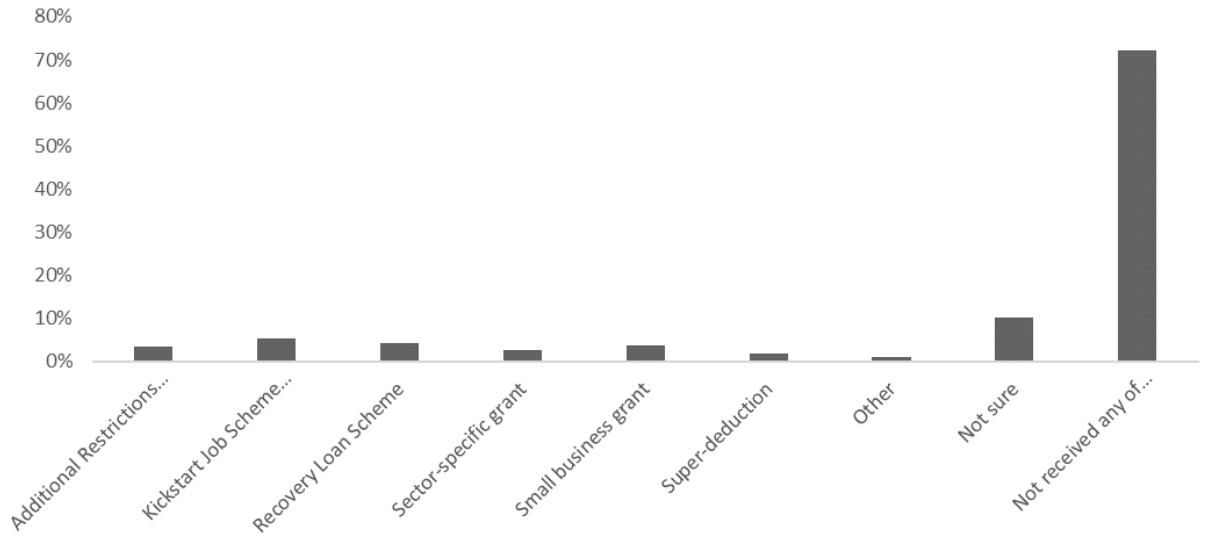
Excluding “not sure” responses, 67.9% of responding West Midlands businesses reported “importing as normal over” the last month when compared with normal expectations for the time of year. 15.4% of West Midlands businesses reported “importing, but less than normal”. 6.1% reported “importing more than normal” and less than 1% reported they “had not been able to import in the last two weeks”.

Finance Agreements and Grant Payment

31.4% of responding West Midlands businesses reported they had received a government-backed loan or finance agreement during the COVID-19 pandemic.

5.4% of West Midlands businesses reported they had received payment from Kickstart Job Scheme for young people in the last month.

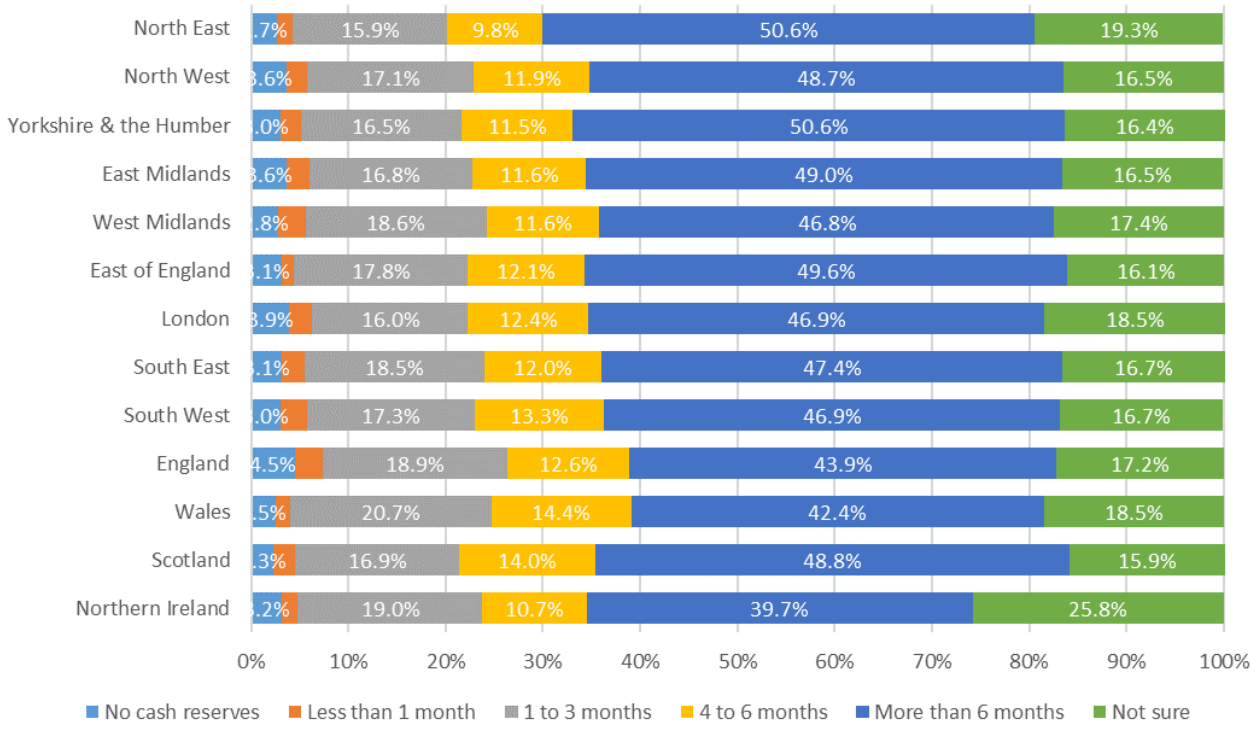
The following chart shows for the West Midlands region what payments businesses have received from any grants or schemes in the last month:



Cash Reserves

2.8% of West Midlands businesses reported having no cash reserves.

The following chart shows how long business cash reserves will last across all regions:



Business Confidence and Insolvency

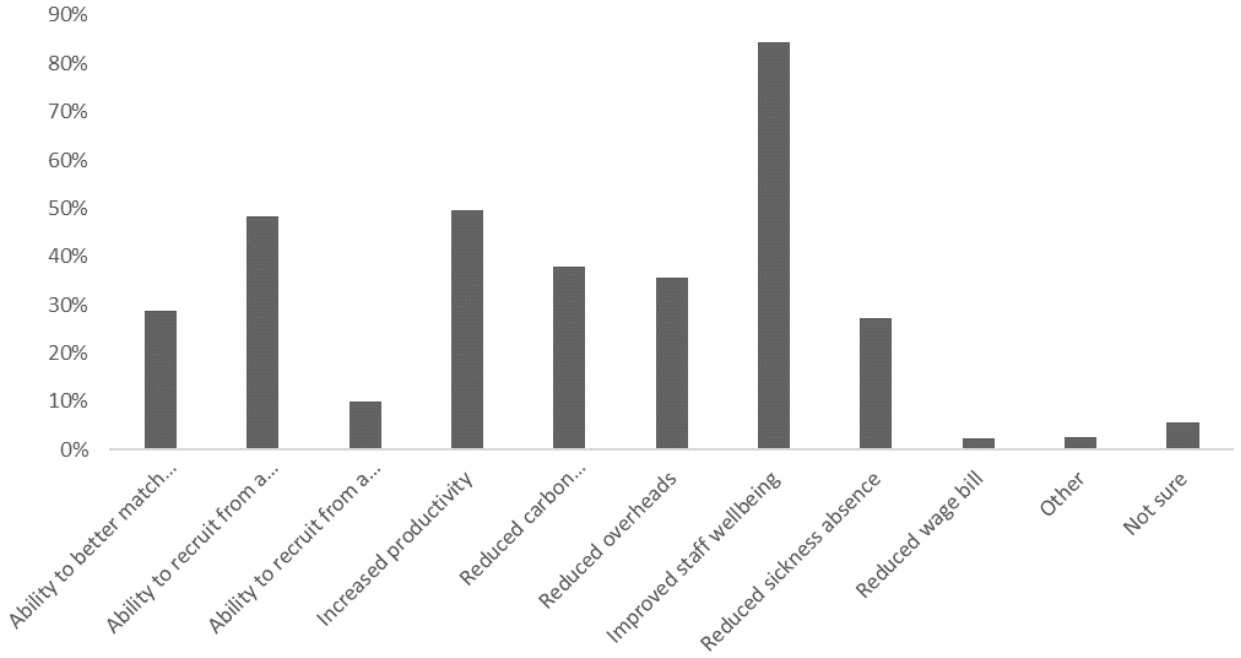
75.2% of West Midlands businesses reported they had high confidence that the business will survive the next three months.

Less than 1% of West Midlands businesses reported to being at "severe risk" of insolvency. With 6.5% reporting a" moderate risk", 49.6% reporting "low risk" and 34.7% of West Midlands businesses reporting "no risk".

Homeworking

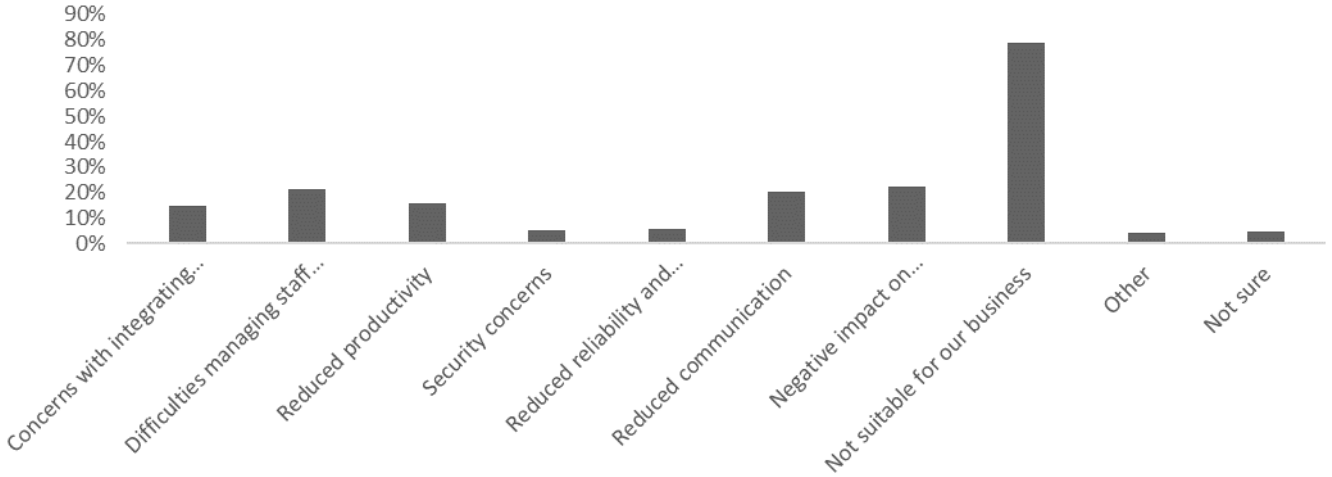
29.5% of West Midlands businesses reported there were using or intending to use increased homeworking as a permanent business model going forward. Of these businesses, the highest response as to why they were using or intending to increase homeworking at 84.4% was due to improved wellbeing.

The following chart shows for the West Midlands region, why the business is using or intending to use increased homeworking as a permanent business model going forward:



Although, 40.7% of West Midlands businesses reported they are not using or do not intend to use increased homeworking as a permanent business model going forward. Of these businesses, the highest response as to why they were not using or not intending to use increase homeworking at 78.9% was due to it not being suitable for the business.

The following chart shows for the West Midlands region, why the business is not using or not intending to use increased homeworking as a permanent business model going forward:



Return to the Workplace

Excluding "not sure" or not applicable" responses, 52.1% of West Midlands businesses reported that the workforce has already returned to their normal place of work, with 12.4% expected to return in the next six months and 2.1% to

return after 6 months. 9.2% of West Midlands businesses reported that they were not expecting the workforce to return to their normal place of work.

Wages
Excluding "not sure" or not applicable" responses, 58.7% of responding West Midlands businesses reported existing employees' hourly wages over the last month when compared with normal expectations or the time of year had not been affected. 21.8% reported that wages were higher and 1.2% of West Midlands businesses reported wages were lower.

Excluding "not sure" or not applicable" responses, 46.9% of responding West Midlands businesses reported new employees' hourly wages over the last month when compared with normal expectations or the time of year had not been affected. 27.5% reported that wages were higher and less than 1% of West Midlands businesses reported wages were lower.

Net Zero
41.2% of responding West Midlands businesses have switched to LED bulbs to reduce carbon emissions.

The following table shows for West Midlands businesses what actions they have taken to reduce emissions and what actions the businesses intend to take in the next twelve months (if any):

	WM Businesses- Actions taken to reduce carbon emissions	WM Businesses- Actions intended to be taken in the next twelve months to reduce carbon emissions
Adjusting heating and cooling systems	29.1%	13.9%
Electrifying your vehicle fleet	18.8%	16.1%
Installing a smart meter	15.3%	6.2%
Installing charging points	20.9%	14.2%
Installing your own renewable electricity or heating	8.1%	5.3%
Insulating your buildings	9.3%	6.6%
Introducing a cycle to work scheme	18.7%	4.3%
Switching to LED bulbs	41.2%	14.6%
Other	3.7%	2.9%
No actions have been taken to reduce emissions / Not intending to reduce emissions in the next 12 months	14.3%	12.0%
Not sure	24.1%	49.8%

Social Impacts of the Coronavirus

Due to the Christmas break, the following refers to the period of 1st to 12th December 2021. Please note, only a selection of indicators at a regional level are included in this section.

Well-Being, Loneliness and Perceptions of the Future
Mean personal well-being scores for life satisfaction was 7.3 in the West Midlands (7.0 GB), worthwhile was 7.6 in the West Midlands (7.3 GB), happiness was 7.1 for West Midlands adults (7.0 GB) and anxious was recorded at 3.7 for West Midlands adults (4.0 GB)[2].

[2] Each of these questions are answered on a scale of 0 to 10, where 0 is "not at all" and 10 is "completely".

5% of adults in the West Midlands reported low levels of life satisfaction (8% GB). 4% of West Midlands adults reported low level of feeling worthwhile (7% GB). 11% of responding West Midlands adults reported low level of happiness (13% GB) and 31% reported high levels of anxiety (33% GB)[3].

22% of adults in the West Midlands reported to often/always or some of the time to feeling lonely (24% GB). While 53% reported hardly ever or never feeling lonely in the West Midlands (50% GB).

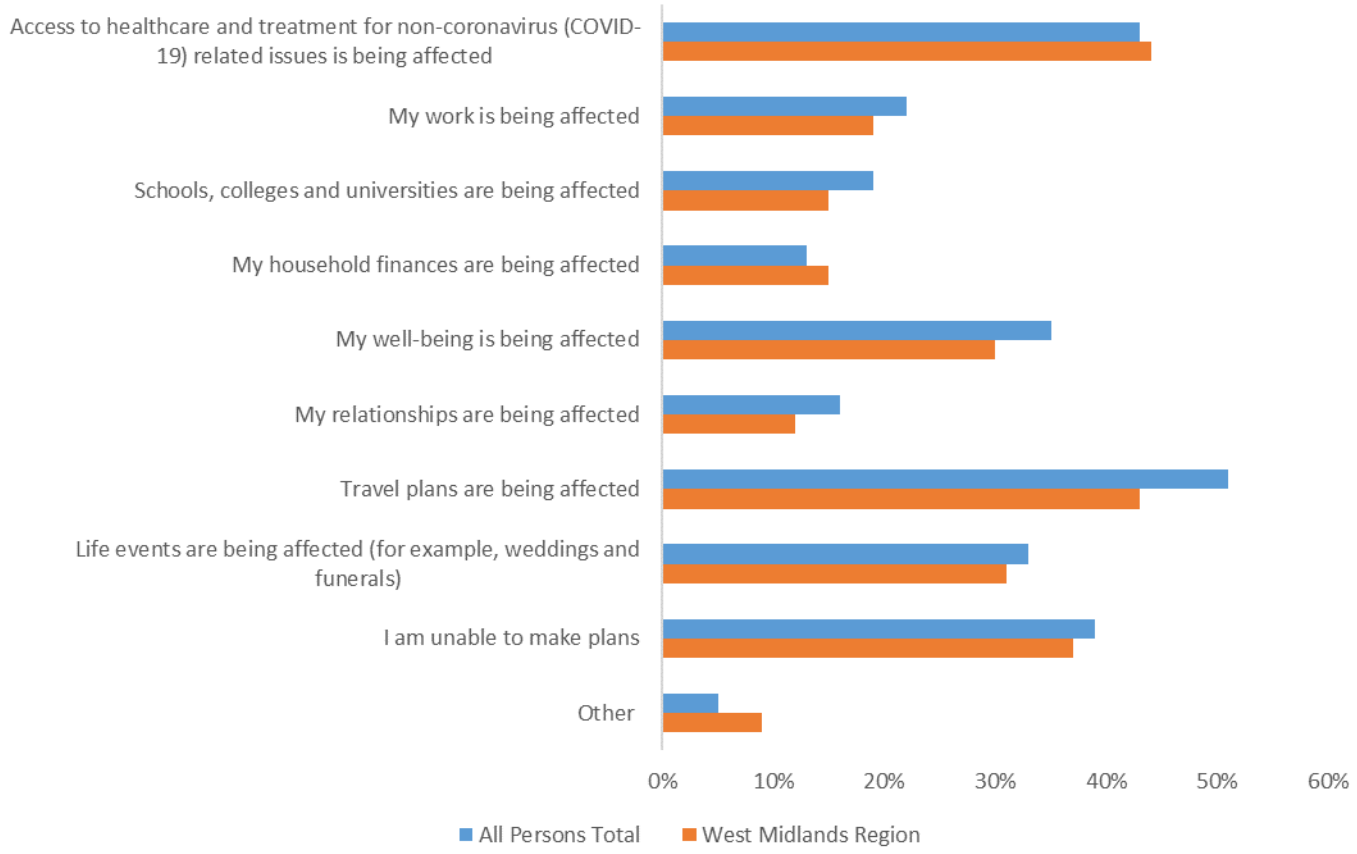
5% of West Midlands adults believe it will take 6 months or less before life returns to normal (7% GB). While 6% of West Midlands adults believed it will take 7 to 12 months (8% GB). 40% of West Midlands adults think it could more than a year to return back to normal (39% GB) and 16% of the West Midlands adults thought it would never go back to normal (14% GB).

Impact on People's Life Overall

In the West Midlands, 48% of adults reported they were very or somewhat worried about the effect COVID-19 was having on their life (56% GB). 17% of responding West Midlands adults reported that they were somewhat unworried or not at all worried (16% GB).

44% of West Midlands adults reported that COVID-19 was affecting their life due to access to healthcare and treatment for non-COVID-19 related issues (43% GB).

The following chart shows for the West Midlands region and for all person total the ways COVID-19 is affecting life:



[3] Low levels of life satisfaction, feeling worthwhile and happiness are defined as a score of 4 or below for their respective questions. High anxiety is defined as a score of 6-10 for the question "How anxious did you feel yesterday?".

LEP Level Intelligence

WMCA

WMCA Growth Hub Intel for WM Weekly Economic Monitor– 5th January 2022

HEADLINES

SECTOR	KEY INSIGHTS
Cross Sector	**Outlook** Many local businesses are continually concerned **by rising prices and the impact that persistent Plan B measures** will have on economic activity, and are looking to policymakers for a much-needed lifeline during this challenging time. Plan B restrictions have already led to some hospitality businesses, namely public houses, **requesting tax cuts and furlough being brought back.** Businesses want to play their part to help protect the NHS and save lives. But this cannot be at the **unnecessary expense of jobs and livelihoods.** The hospitality, live events and tourism sectors – and the people within them - have had to endure incredibly challenging conditions over the last 21 months and have now **lost crucial income from the recent Christmas and New Year trading period.** Regional business leaders are calling for the Government to set out their plan for proportionate support for impacted businesses in the **short term and in the event that restrictions continue or tighten in 2022.** A host of tailored support measures required by businesses in light of the Government's Plan B measures were set out in a document released on 14th December by Greater Birmingham Chambers of Commerce entitled **'Plan B: A Blueprint for Business Support'.** The Chamber calls on Government to: • **Consistently review the need for additional financial support** for businesses that are likely to suffer a drop in demand as a result of the latest measures • Offer **clear and practical advice for businesses** that are expected to implement NHS Covid Pass entry into indoor and outdoor gatherings. • Roll out the **Business Rates Relief Fund** so local authorities can help impacted businesses as soon as possible. • Maintain a **longer-term reduction of VAT** in place beyond March to help those hospitality and non-essential retailers likely to suffer due to lower footfall in city centres. • **Reduce the cost of PCR testing for international travellers** in a bid to maintain demand in the aviation and travel industry. • **Reintroduce free testing kits for businesses** as more individuals are expected to take daily tests. • Explore options for utilising **existing resources for supporting the most impacted businesses** in the short-term. • Provide **flexibility of the repayment of CBILs** to those businesses suffering significant financial hardship but not classed as in distress. More broadly, The CBI urged the Government to **provide support "in lockstep with future restrictions".** The government support package announced by the Chancellor pre-Christmas was welcomed by business groups; but it came with a warning that **more help will be needed if restrictions are tightened further or maintained** for a long period. However, the latest Business Barometer from Lloyds Bank Commercial Banking has said **Midlands businesses remain upbeat despite an overall drop in confidence**. While a **record**

SECTOR	KEY INSIGHTS

low number of UK firms are set to have fallen into administration in 2021 despite the heavy toll of the pandemic, according to industry experts.

But there remains uncertainty and some apprehension about the impact of the Omicron variant on economic recovery in 2022; suggesting it **could dampen growth and business confidence**. One symptom of this is the reversal of workers returning to office and supporting town and city economies. Figures from Google, which uses location data from phones and other devices to track trends in people's movements, **show a decline in travelling to work activity in the run up to Christmas.**

Trading Conditions

Businesses are continuing to have **difficulty finding people with the right skills. Low** candidate numbers and efforts to attract and secure workers is driving further **steep increases in pay for both permanent and temporary staff;** and this has reportedly led to a lack of employee loyalty as employers are being "messed around". Some examples of employees holding businesses to ransom and others leaving with short notice and some leaving roles only days after starting. This is leaving employers frustrated particularly when they have invested time, money and energy in recruitment campaigns.

Additionally, there are reportedly hundreds of apprenticeship opportunities in the region, with **firms are struggling to fill these vacancies**. One reason attributed to this is that school leavers affected by Covid **lack the basic skills required for the jobs market**.

The **impact of EU Exit** is also being brought into focus again, not least its impact on labour / skills shortages and the ability for some businesses to trade effectively abroad. New data from a survey carried out by the British Chambers of Commerce show **rises in the proportion of firms reporting difficulties with the various changes brought about to UK-EU trade** compared to when BCC last asked the same questions in January.

When asked "how easy or difficult has it been for your business or supply chain to adapt to changes flowing from the UK-EU TCA areas across the following areas", the responses from November 2021 were as follows:

	Very/Relatively Easy	Very/Relatively Difficult	Too Early to Say	N/A
Buying or selling goods	15%	45%	9%	32%
Buying or selling services	14%	23%	9%	54%
Moving people	8%	20%	7%	64%
Transferring data	17%	9%	12%	62%

These figures showed **increases in the proportion reporting difficulties in each area than when the BCC last asked the same question in a survey in January 2021,** reflecting that – one year on – the economic impact of Brexit is starting to show.

In particular, West Midlands businesses in the manufacturing sector have continued to report issues when trading with the EU. Several have highlighted that they are experiencing **delays when attempting to import to countries such as France and Spain**, despite products meeting regulatory requirements and all necessary customs steps being followed. A number have also reported that they continue to be **confused by new and incoming customs requirements and would welcome further clarity and messaging from Government**. New imports rules being implemented in the first half of 2022 (especially on food and agricultural goods) threaten to add more friction.

SECTOR	KEY INSIGHTS
Retail	• Demand for property outside traditional retail and pragmatic landlords have given **"renewed optimism" for some high streets and shopping districts** despite the toll of the pandemic, according to industry experts. • The pressure from lockdown measures, after a steady decline in recent years, saw **vacancy rates across shopping destinations hit record levels in the second quarter of 2021.** The tide has not completely turned but rates levelled out in the third quarter as industry experts highlighted recovering demand. • Additionally, **consumer spending shot higher against pre-pandemic levels in 2021** as the **boom in online shopping** continued, according to figures. Barclaycard said consumer credit card spending rose by 5.9% in 2021 compared with 2019, despite the closure of shops, hospitality and leisure firms for significant parts of the year.
Hospitality	• New data from UKHospitality found city centres were particularly hard hit as Christmas parties were cancelled and people returned to home-working. **Pubs, bars and restaurants lost £10,335 on average in the week leading up to Christmas**, according to new data. On Christmas Day **takings were down 60% compared with 2019**, new figures from industry body UKHospitality found. • Midlands landlords have warned that **some pubs and clubs, crippled by Covid, will not survive January.**
Manufacturing	• **UK car production saw the worst November performance since 1984** last month despite a surge in demand for battery electric vehicles. • The Society of Motor Manufacturers and Traders (SMMT) said November UK car production was the fifth consecutive month of decline, **dropping 28.7% to 75,756 units, the worst figure seen in 37 years,** as car makers continue to battle with a worldwide shortage of semiconductors. • A programme which helps West Midlands manufacturing and engineering firms adopt cutting-edge digital technology has now seen companies with a **combined turnover of £1 billion sign up for support**. And **Made Smarter** – a £1.9 million scheme helping manufacturing and engineering SMEs in the West Midlands utilise new digital – has reached this milestone far more quickly than it expected.

NEW ECONOMIC SHOCKS

NEW ECONOMIC SHOCKS			
COMPANY	**LOCATION**	**SECTOR**	**SOURCE/DETAIL**
Somers Forge	Halesowen	Metals Manufacturing	Workers at Halesowen's Somers Forge factory will be continuing their industrial action into the New Year. The GMB has announced strikes on January 5, 12, 21 and 24 after manning the picket lines on December 17 and 21. The company, which supplies bespoke metal work to navies across the world and the nuclear industry, is in a dispute with the union over wages.
Ikea	Wednesbury	Retail	Flatpack furniture specialist Ikea has confirmed it has increased the average price of products in its UK stores by 10 per cent due to rising supply chain costs. The retailer said it has been forced to increase prices in the UK by more than the global 9 per cent average due to "local market conditions", including increased HGV and logistics costs.
Industrial Coating Services	Rugeley	Manufacturing	Industrial Coating Services (ICS) has ceased trading after a buyer for the firm was unable to be found. Some 52 people at the Rugeley firm have lost their jobs as a result. ICS is thought to have failed because of the impact of a series of loss-making contracts.

NEW INVESTMENT, DEALS AND OPPORTUNITIES

NEW INVESTMENT, DEALS AND OPPORTUNITIES			
COMPANY	**LOCATION**	**SECTOR**	**DETAIL & SOURCE**
Aldi	Sedgley	Retail	German discount supermarket chain Aldi wants to build £5 million new store in Sedgley. Aldi has submitted a planning application for a 1,254sqm new store on Bilston Street which will create 45 new jobs.
Euro Foods	Darlaston	Food Manufacturing	A planning application is set to be approved for a warehouse extension, which will bring 25 new jobs. The proposed warehouse extension for Euro Foods on Heath Road in Darlaston is set to be given the green light provided it can resolve issues around fire safety.
Oxenwood Real Estate	Wolverhampton	Logistics	A logistics facility in Wolverhampton has been acquired by Oxenwood Real Estate for more than £12m. The facility, which totals 143,279 sq ft, is located on the established Hilton Cross Business Park at Featherstone by junction 1 of the M54 and close to junction 10a of the M6. It has been acquired from the occupier, MANN+HUMMEL, a global filtration technology company, by Oxenwood for Oxenwood Catalina.
SLC Operations Limited	Birmingham	Rail	SLC Operations Limited received £500,000 from Midlands Engine Investment Fund's (MEIF) West Midlands Debt Fund, managed by Maven Debt Finance, £250,000 from an existing investor, and backed by the Recovery Loan Scheme The Birmingham-based licensed train operating and driver training company has secured a £750,000 funding package to create new jobs roles, develop new products and bolster marketing strategy.
Central England Co-Op	Lichfield	Retail	Central England Co-op is to continue investing in improving its stores in 2022. The Lichfield-based co-operative society invested more than £8 million in new stores and refits during 2021 – over £600,000 of which was in Staffordshire and the wider West Midlands. An ambitious new store and regeneration programme in the society's food business is planned for 2022 with further investment also planned for the funeral business over the coming 12 months.
Asos	Lichfield	Distribution	A giant new state-of-the-art 437,000 sq ft fulfilment centre built for leading online retailer ASOS has opened at a site at Fradley Park in Lichfield. More than 700 people have already been recruited at the facility, with that number rising to 2,000 over the next three years in order to serve customers in the UK and 150 other countries worldwide.
Sertec	Coleshill	Automotive	Automotive component manufacturer Sertec is set to create new jobs in the city region after securing a deal to localise the manufacture of battery housings. The newly commissioned work has come from Envision AESC UK's existing production site in Sunderland where it makes lithium-ion batteries for the Nissan Leaf electric vehicle. Sertec, which is based near Coleshill, will carry out the manufacture and assembly of the battery housings which will create new roles at its plant and new training and development opportunities within the business.
Lexon	Redditch	Life Sciences	An independent pharmacy supplier has landed a multi-million-pound refinancing deal from HSBC. Redditch-based Lexon which also has distribution centres in Leeds, Durham

NEW INVESTMENT, DEALS AND OPPORTUNITIES			
COMPANY	**LOCATION**	**SECTOR**	**DETAIL & SOURCE**
			and Dublin, has received £60m to support its growth strategy and add new tech and facilities to drive business development.
AC Lloyd Commercial	Warwickshire	Business Centre	Plans to create an 'ultra-low' carbon business centre in Warwickshire have gained planning permission. Four single-storey blocks on vacant land adjacent to AC Lloyd Commercial's Tachbrook Park headquarters will create 61 units. The units will range in size from 200 sq ft to 750 sq ft for industrial, storage, distribution, commercial, business and service uses with car-parking, an access road and a perimeter fence.
Goodflex Rubber	Alcester	Manufacturing	A rubber hose manufacturer has relocated to a larger facility in Warwickshire after receiving support from the Coventry and Warwickshire Local Enterprise Partnership (CWLEP) Growth Hub. Goodflex Rubber, which manufactures and supplies rubber hoses, mouldings and assemblies, has moved its 38 employees from a 8,000 sq ft site in Honeybourne to a 32,000 sq ft facility in Alcester.

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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