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.

In the last fortnight we have seen considerable world turmoil, war in Eastern Europe, sanctions on Russia, further weakening of supply chains and escalating prices which are putting considerable stress on people and businesses. Whilst Covid-19 is still also in our midst, upheaval and migration could create greater risks of infection growth.
However, it is worth reflecting on the Birmingham Future Business District work, which highlights Birmingham's offer remains powerful despite the turmoil – a well-connected location with a young and diverse population. Home to world-class businesses and universities, and a strong business, professional and financial services sector continues to be a driving force in the region's economic renaissance. Firms are continuing to demonstrate agility and flexibility in how they operate, optimising their building space in the city for collaboration, keeping employees safe, and taking advantage of the benefits of hybrid working. The rapid adoption of technology is one of the positives to emerge from this very challenging period.

Conflict in Ukraine

- According to the IMF, impacts of Russia's invasion of Ukraine will be felt across three key channels: (1) higher prices for commodities, such as food and energy, will push inflation up further, in turn eroding the value of incomes and weighing on demand; (2) neighbouring countries especially will face significant supply chain and trade disruptions, as well as facing a historic surge in refugee flows; (3) reduced business confidence and higher investor uncertainty will weigh on asset prices, this will tighten financial conditions and potentially spurring capital outflows.
- Commodity prices are set to be the impacted the most and are expected to remain high for the foreseeable future. Oil prices are expected to remain above US$100/b as long as the conflict continues. The Economist Intelligence Unit (EIU) has predicted that gas prices will rise by at least 50% this year, on top of a five-fold rise last year.
- Around 5-6% of UK gas imports come from Russia. However, with Russia withholding resources over the last two years, the UK has been exposed to volatile international gas markets. While our supply is unlikely to be affected, the price we pay for gas is, leading to rising energy bills this year.
- Ukraine and Russia are both major agricultural exporters. Any disruption to flows would quickly ripple through to buyers globally driving up costs for food and impacting on the food and drinks sector.
- Higher prices for non-energy commodities (such as industrial metals, foodstuffs and fertilisers) together with the potential for supply disruption, could exacerbate supply chain pressures in some sectors. Sectors at particular risk include automotive, technology and food & drink, given the prominent role of Russia and Ukraine in exports of key inputs/components.
- Key imports would include: pig iron, steel, nickel, aluminium, palladium, mineral products (clay and ceramics), neon, wheat, barley and fertilizers.
- UK exports to Russia are worth around £4.3bn per year, dominated by business services, cars, telecoms, pharmaceuticals and financial services. Imports are worth £11.6bn per year, dominated by energy and other commodities. UK exports to Ukraine are worth around £750m per year, with imports worth £1bn, dominated by foodstuffs and steel.
- The West Midlands (WM) region exports over £500m worth of goods exports to Russia and Ukraine a year. This represents 2% of all the region's goods exports, the highest proportion of all regions – suggesting the region is more reliant on Russia and Ukraine markets than other places in the UK. This is driven by the region's automotive strength.
- Beyond the humanitarian element, there is also higher risk of cyber-attacks emanating from Russia, to consider. There are wider concerns from business leaders about the Government's 'bandwidth' to deal with ongoing issues.

Economy

- Out of the twelve UK regions, the WM was fifth lowest for the Business Activity Index in February 2022, with Yorkshire & Humber the highest at 63.1 down to the North East the lowest at 51.9.
- The WM Future Activity Index decreased from 80.3 in January 2022 to 76.7 in February 2022. Despite the overall level of positive sentiment falling to a three-month low, firms in the WM remained upbeat towards growth prospects with a favourable demand environment expected to be sustained along with forecast of new client wins and a recovery in the automotive sector and productivity gains.
- Out of the 12 UK regions, the WM was the fourth highest for the Future Business Activity Index in February 2022, with London the highest at 81.0 and the North East the lowest at 62.6.
- 24.8% of WM businesses reported the main concern for business was "inflation of goods and services prices" over the next month.

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

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- The latest Business Barometer from Lloyds Bank Commercial Banking said that confidence in the WM rose by eight points during the February to 47 per cent. A net balance of 44 per cent of businesses in the region expect to increase staff levels over the next year, up 24 points on last month.
- WM smaller businesses are showing strong signs of recovery and a renewed appetite for growth, according to figures revealed by the British Business Bank's eighth annual Small Business Finance Market Report 2021/22. Equity investment in WM smaller businesses reached £277 million by the end of 2021's third quarter across 46 deals. This was an 18 per cent rise on the number of equity deals completed in the same period in 2020, however the region experienced a 25 per cent drop in investment value.
- In 2019, 35 per cent of all UK's automotive employment was in the WM. The automotive sector is export intensive, and the WM is the UK's leading region making 40 per cent of all cars exported from the UK. WMREDI revealed that 21 large manufacturing firms in the automotive sector are at high risk due to relatively poor liquidity ratios.
- The shock in the North sees some 28,321 jobs lost (FTE) throughout the UK, representing 0.09% of all FTE. The shock sees 61,211 jobs lost in the Midlands, representing 0.20% of all FTE. In output terms, the shock in the North sees output fall -£4.9 billion in the Midlands -£11 billion.
- Work by David Bailey highlights: Freeport in a poorer region will simply attract activities, such as assembly, that firms already tend to locate in such regions to take advantage of cheaper labour, lower rents, etc. Rather, a much more holistic industrial policy will be needed to help regions develop, which was a key argument in the recent Manufacturing after Brexit report.
- Freeports in the rest of the UK: Scottish 'greenports' can probably be a useful tool to attract investment to certain areas, and perhaps they can be used as part of a broader industrial strategy aimed at upgrading UK manufacturing. But, on their own they are unlikely to bring the sort of benefits that the Scottish or UK government are hoping for.
- Recent business enquiries to West Midlands Growth Hubs include a focus on: net zero, mentoring, grants and finance, technology and innovation
- A survey by Make UK and business advisory firm BDO showed that prices for the UK and exports increased for the fourth successive quarter.
- Jaguar Land Rover's sales continued to fall during the third quarter of its financial year because of the ongoing shortage of computer chips.
- Analysis of the gender pay gap reveals that Innovate UK funding benefits businesses with large gender pay gaps and few women amongst the 25% of highest earners in an organisation. Among Innovate UK funded businesses, median male earnings are on average 14% higher than median female earnings. These differences are likely the result of women occupying lower earning positions within organisations.
- The industry with the highest share of women at the top – 77% of top earners are women – is the manufacturing of wearing apparel, i.e. the fashion industry. This industry received only 0.002% of the overall funding made available by Innovate UK. Other industries in with a high share of women at the top are those that typically have a high share of women in the workforce, such as health care, education, creative industries, and retail.

Employment

- Greater Birmingham Chambers of Commerce West Midlands Quarterly Economic Snapshot reveals significant recruitment difficulties. Of all firms surveyed, 72% faced recruitment difficulties in 2021 Q4 2021 – an increase of 10% compared to Q3 2021. 77% of manufacturers in the region faced recruitment difficulties – an increase of 9% compared to Q3 2021 and the highest on record. 70% of service firms in the region faced recruitment difficulties – a 10% increase compared to Q3 2021.
- The difficult labour market is evident in the continuation of the high number of vacancies, low unemployment and economic inactivity continues – potentially driven by high numbers going into training, high numbers leaving the labour market/retiring and low immigration. Whilst numbers of claimants continue to drop as people return to labour market and wages/income picks up post furlough. High numbers of vacancies are being carried by businesses, lack of candidates, forced flexible working, lack of apprenticeships, lack of trainers and assessors.
- Job vacancies rose to a new record of 1,318,000 in the period from December 2021 to February 2022: an increase of 105,000 from the previous quarter with half of the industry sectors showing record highs.
- 39.6% of WM businesses reported currently experiencing a shortage of workers. Of those, 61.0% reported the worker shortage was causing "employees working increased hours".
- For the three months ending in January 2022, the West Midlands Region employment rate (aged 16 – 64 years) was 75.7% - a record high. Since the three months ending October 2021, the employment rate saw an increase of 1.1pp; while there is an increase of 2.7pp when compared to the same period in the previous year – with the latter the largest increase across all regions. The West Midlands employment rate was above the UK rate of 75.6%, an increase by 0.1pp when compared to the previous quarter and an increase of 0.9pp when compared to the previous year.
- For the three months ending in January 2022, the West Midlands Region unemployment rate (aged 16 years and over) was 4.9%, which has increased by 0.2pp since the previous quarter but a decrease of 1.3pp from the previous year. The UK unemployment rate was 3.9%, a decrease of 0.2pp from the previous quarter and a 1.2pp decrease when compared to the previous year.

- For the three months ending in January 2022, the West Midlands Region economic inactivity rate (aged 16 – 64 years) was a record low of 20.3% - a decrease of 1.3pp from previous quarter and a decrease of 1.6pp when compared to the previous year - both time comparisons were the largest decreases across all regions. The UK economic inactivity rate was 21.3%, an increase of 0.1pp from the previous quarter and no change from the previous year.
- There were 161,485 claimants in the WMCA (3 LEP) area in February 2022. Since January 2022, there has been an increase of 2.4% (+3,745) claimants in the WMCA (3 LEP) area, while the UK increased by 1.8%. When compared to February 2021, the number of claimants has decreased by 24.9% (-53,585) in the WMCA (3 LEP) area, with the UK decreasing by 32.4%. When compared to March 2020 (pre-pandemic figures), the number of claimants has increased by 37.3% (+43,895) in the WMCA (3 LEP) area, with the UK increasing by 42.6%.
- There were 27,000 youth claimants (aged 18-24 years old) in the WMCA (3 LEP) area in February 2022. Since January 2022, there was an increase of 3.3% (+865) youth claimants in the WMCA (3 LEP) area, above the UK increase of 2.6%. When compared to February 2021, the number of youth claimants has decreased by 35.7% (-14,980) in the WMCA (3 LEP) area, with the UK decreasing by 43.6%. When compared to March 2020 (pre pandemic figures), the number of youth claimants has increased by 19.6% (+4,420) in the WMCA (3 LEP) area, with the UK increasing by 19.5%.

Evaluation

- A review of Heritage and Cultural programme evaluations has been carried out which could usefully inform policy and strategy development for the sector including recruitment and training policies, as well as further funding applications. Long-term impacts of the programmes evaluated are still to be fully determined – particularly in relation to the economic effects of the pandemic and Brexit – investment in interventions to support the cultural sector are shown to have strong impacts in four areas: Health, Culture, Economy, and Society. The region contains nationally significant concentrations of culture, and the region's cultural sector is an important economic entity yet is under-recorded in published data. Prior to the pandemic, the sector was growing strongly but has been hit extremely hard by the restrictions. Projects evaluated have provided a valuable career development opportunity for emerging arts practitioners. There is currently an under-representation of diverse groups within the workforces of the cultural and creative industries in the Midlands.

Global, National and Regional Outlook

Alice Pugh, WMREDI

Global

Impact of the Russian Invasion of Ukraine

Beyond the suffering and humanitarian crisis from Russia's invasion of Ukraine, the entire global economy will feel the effects of slower growth and faster inflation. Impacts will be across three main channels, according to the IMF. The first, higher prices for commodities, such as food and energy, will push inflation up further, in turn eroding the value of incomes and weighing on demand. Secondly, neighbouring countries especially will face significant supply chain and trade disruptions, as well as facing a historic surge in refugee flows. Thirdly, reduced business confidence and higher investor uncertainty will weigh on asset prices, this will tighten financial conditions and potentially spurring capital outflows.

Commodity prices are set to be the impacted the most and are expected to remain high for the foreseeable future. The commodities expected to be impacted will be:

- **Oil**- prices are expected to remain above US$100/b as long as the conflict continues. As long as sanctions loom over Russian energy supplies, energy markets will increasingly tighten. As seen in the image below, prices for oil has surged since the beginning of this crisis. However, large oil and gas suppliers in Asia, the Middle East and Africa may benefit from rising energy prices.
- **Gas**- The Economist Intelligence Unit (EIU) has predicted that gas prices will rise by at least 50% this year, on top of a fivefold rise last year. Europe already has limited gas stockpiles, and there are rising concerns about gas supplies in the 2022/23 winter months.
- **Metals**- Russia is a major producer of several base metals (aluminium, titanium, palladium and nickel), all of which will see price increases. Prices for these materials will remain at peak level as long as the conflict continues, substantially impacting industrial sectors, especially automotive, across the globe.
- **Agricultural Commodities**- Ukraine is the world's second largest exporter of grains and Russia often tops the ranking for wheat exports. Together both also account for around 80% of sunflower oil trade. Disruptions to trade will increase the prices of these commodities globally, especially impacting those that directly trade in agricultural commodities, mainly those in Asia, Africa and the Middle East. Increasing food prices will also worsen food insecurity and potentially spur uncertainty and conflict in regions that face food insecurity.

Source: IMF, 2022

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

As a result of supply chain shocks with regards to energy from Russia and commodities from the Ukraine, Morgan Stanley's European economists have revised their inflation forecast upwards to 5.3% for 2022 and 2.3% for 2023. They also reduced their estimations for GDP growth from 3.9% to 3%, noting Germany and Italy would suffer the greatest impact. However, EIU predictions have predicted that global inflation for this year could rise to above 6%, given the rapid increase in prices of commodities. EIU also downgraded their growth predictions for Europe down from 3.9% to 2%, a much greater fall than is being predicted by Morgan Stanley.

National

Impact of the Russian Invasion of Ukraine on Trade

The UK has few direct links to Russia. Trade between the two is small relatively small, with Russia accounting for 0.7% of UK goods and service exports, and 1.5% of imports. The UK's biggest exports to Russia are vehicles and their parts, machinery and appliances. Imports from Russia were almost entirely comprised of oil and petroleum products and precious metals in 2019.

As stated above, Ukraine and Russia are both major agricultural exporters. Any disruption to flows would quickly ripple through to buyers globally driving up costs for food. Whilst the UK may have low direct trade in commodities with Russia and Ukraine, the disruption or loss of this supply would impact global supply chains and thus global prices. Whilst commodity prices may only make up a small proportion over the overall prices of food products, UK consumers will likely see higher prices in supermarkets, this will likely manifest later this year at a time of climbing inflation.

Going forwards trade is likely to be disrupted as a result of the conflict for four reasons:

1. Firms will face logistical issues in getting goods to and from Russia. A number of logistics giants, such as Maersk and MSC, have already announced a stoppage on all cargo bookings to/from the country, so stopping the shipping of all goods, with the exception of some goods such as food, medical supplies and humanitarian goods.
2. Sanctions include a ban on the export of 'dual-use' goods and technology to Russia (that is, those that have a military as well as civilian use), and may be extended further. Financial sanctions, including locking some Russian banks out of the SWIFT money messaging system, also make payments for international transactions difficult.
3. International businesses are already withdrawing from Russia due to reputational concerns, as well as difficulties imposed by current and future sanctions on the ability to trade within Russia.
4. The steep devaluation of the ruble means that imports will become significantly more expensive for Russian households and firms, ultimately reducing their demand for imports.

The combination of these is likely to substantially reduce Russia's trade volumes; however given the trade links between Russia and the UK are small, the spill-over effect on the UK economy is likely to be minimal, according to the Institute for Government. A far bigger issue for the UK will be the indirect effect from price rises and volatility in commodity markets, particularly energy.

Energy

Russia is a prominent exporter of energy, with more than a third of Europe's gas coming from Russia. The UK imported around 13% of its total fuel (oil, gas, LNG, electricity) from Russia in 2019. Relative to central and eastern European countries this means the UK is less reliant on Russia as a direct energy supply - Germany, for example, imported around 30% of its total fuel from Russia in 2019, meaning it is much more dependent on Russia for its energy supply.

However, any disruption to the European energy supply will impact the wholesale energy prices in the UK to a greater extent than implied by direct energy trade links. Energy prices are usually set at the global level, usually based on global demand and supply trends. Many countries are now stopping the trade of Russian energy within their countries, this will reduce the availability of energy supplies for countries who place these sanctions on Russia, as supply drops the price globally will increase. This will increase energy prices in the UK, as well as increase energy

prices from other large energy suppliers, such as Norway. This worrying given reduced supplies of gas over the last two years has already caused rapid price increases in the UK, deepening the cost-of-living crisis, further energy price increases would exacerbate this.

Job Vacancies hit a record high
Over the winter pressure increased on the UK labour market, with official data showing that the number of unfilled jobs or vacancies rose to a record of more than 1.3 million, whilst wages continued to fall in real terms and people continue to leave the workforce. Businesses are keen to increase real wages to find staff, but unemployment as fallen to almost pre-pandemic levels and inflationary price increases is leaving little room for businesses to increase wages above inflation. However, labour shortages are increasing nominal wages, but not real wages. This is putting greater pressure on the Bank of England to increase interest rate to 0.75%.

Regional

Impact of the Russian Invasion of Ukraine
The price of metals has reached peak levels and as Russia is one of the largest suppliers of metals, prices are set to continue to rise as long as the conflict continues, and Russia faces sanctions. This is set to have significant impacts on the automotive industry, the sector will face raw material shortages and supply chain disruptions. This will greatly impact the West Midlands large manufacturing sector, which has already been struggling to recover due to on-going supply chain disruptions from suppliers in Asia, as Covid-19 outbreaks continue to hit Asian economies.

Food and drinks manufacturing in the West Midlands will also be hit by the rising commodity prices, of grains, wheat and other food products produced in Russia and the Ukraine. This will place greater pressure on food and drinks manufacturers within the West Midlands to rise prices, especially as these producers are already set to see soaring energy prices. As well as energy expected to continue to rise as the conflict continues.

Greater Birmingham Chambers of Commerce West Midlands Quarterly Economic Snapshot – 2022 Key statistics:

- Recruitment Difficulties
  - Of all firms surveyed, 72% faced recruitment difficulties in Q4 – an increase of 10% compared to Q3 2021. Businesses in the Black Country and Greater Birmingham experienced this most acutely (77% and 76% respectively), while it was slightly lower in Coventry and Warwickshire (73%).
  - 77% of manufacturers in the region faced recruitment difficulties – an increase of 9% compared to Q3 2021 and the highest on record.
  - 70% of service firms in the region faced recruitment difficulties – a 10% increase compared to Q3 2021
- Export Trends
  - 31% of manufacturers across the West Midlands reported an increase in their overseas sales compared to 21% of service firms.
  - 26% of all companies across the region expected their international output to go up over the next 3 months. 50% of firms expected their overseas orders to stay the same for Q1 2022 whereas 24% of all businesses expected them to fall in the upcoming months.
- Business Resilience
  - 47% of service firms expect the prices of their goods and services to increase over the next three months, compared to 76% of manufacturers.
  - 29% of manufacturers and 23% services firms across the region expect their cash flow levels to fall
- Business Investment
  - 24% of businesses reported that investment plans for capital expenditure had been revised upwards, 59% responded that investment in capex had remained the same and 17% had 24% lowered their plans for investing in equipment.
  - 24% of service companies across the region increased their capex spend, 61% maintained 24% consistency in their spend and 15% reduced it.

Please find the full report here.

Female labour force participation rate

The Midlands has seen improvements to its female labour force participation rate but decreases in the overall regional rating on the Women in Work Index, according to PWC. Since the Index began in 2010, the Midlands has seen a steady improvement in all five measured indicators. However, PWC found that although the West Midlands has increased one place in this year's Index rising from 12th to 11th place, the East Midlands has dropped from 5th place to 12th in this year's overall rating.

The Midlands labour force participation rate for women is 75%, higher than the national average of 74%, whilst the gender pay gap in the West Midlands has reduced to 16% from 18%. The West Midlands has also seen a decrease in its participation rate gap, decreasing from 11% to 9%, on par with the East Midlands. Though, while the female unemployment rate remained the same at 5% in the West Midlands, it has increased by 1% in the East Midlands from 4% to 5%.

The '2020 Shock' on the Midlands Automotive Sector

Matt Lyons and Raquel Ortega-Argiles, WMREDI

Matt Lyons and Raquel Ortega-Argiles provide an analysis of the economic impact of Brexit and Covid-19 on the automotive sector in the Midlands during 2020.

The automotive industry remains an integral part of the national economy.

The automotive industry is one of the UK's major employers, supporting over 800,000 jobs throughout the supply chain. The automotive sector is heavily clustered in the Midlands, with the region housing 430 specialist automotive firms including market leaders, Jaguar Land Rover and Aston Martin Lagonda.

The economic benefits to the Midlands are multifaceted. In 2019, 35 per cent of all UK's automotive employment was in the West Midlands. The automotive sector is export intensive, and the West Midlands is the UK's leading region making 40 per cent of all cars exported from the UK. The UK automotive sector supply chain is broad with strong linkages to metals, engineering, R&D and other advanced manufacturing sectors.

Covid-19 and Brexit have disrupted industries' production, demand and trade throughout the automotive supply chain.

The automotive sector saw significant growth from 2008 to 2016. However, the trend has weakened.

Covid-19 has had a dramatic effect on the automotive sector as well. Society of Motor Manufacturers and Traders (SMMT) figures show that new car production was down -29.3% in 2020 and 28.7% in 2021 compared to 2019 levels, representing the lowest levels of car production since 1984.

The reasons for this fall in output are found both on the supply-side and demand side. In 2020, multiple automotive firms saw plant closures at large firms. The causes of the plant closures were threefold. Firstly, related to health with employers required to help reduce the spread of infection. Secondly, supply chain interruptions were caused due production closures in China and elsewhere in the world. Thirdly, due to a significant decline in demand.

The significant shock to the automotive sector leads to a series of risks to the Midlands economy. Research by WMREDI revealed that 21 large manufacturing firms in the automotive sector are at high risk due to relatively poor liquidity ratios. The outsized automotive sector in the West Midlands and the sector's vulnerability has raised concerns that the region may be one of the hardest hit by Covid-19.

Economic Impact Assessment Approach

To provide some analysis of the economic impact the fall in output in the automotive sector has had on the region's economy, we follow a hypothetical extraction method (HEM) using the Socio-Economic Impact Model for the UK (SEIM-UK).

The SEIM is a multi-regional input-output table built in City-REDI. The SEIM shows a complete picture of the flows of goods and services in the UK economy over one year (base year 2016). HEM involves the extraction of sales and purchases made by a sector from the economic model (SEIM-UK). With the sector extracted, the new smaller hypothetical economy can be compared with the original model to determine the extent of the economic shock.

Defining the automotive sector.

The automotive sector is defined in Figure 1. The definition includes activities directly related to automotive manufacturing and the backwards linkages into metals and engineering sectors.

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Automotive				Metals		Engineering	
2910: Manufacture of motor vehicles	29201 : Manufacture of bodies (coachwork) for motor vehicles (except caravans)	2932: Manufacture of other parts and accessories for motor vehicles	2931: Manufacture of electrical and electronic equipment for motor vehicles	24 : Manufacture of basic metals	25 : Manufacture of fabricated metal products, except machinery and equipment	71121 : Engineering design activities for industrial process and production	7120 : Technical testing and analysis

Narrow definition

Broad definition

Figure 1. Defining the automotive sector with Standard Industrial Classification codes (2007).

Identifying automotive manufacturing clusters

The automotive sector is distributed across the UK, with one in every fourteen employed in manufacturing being automotive employees nationwide. However, the concentration is as high as one in six in the North East and the West Midlands. This study will focus on the four biggest clusters of automotive employment in the UK (see Table 1). Together, the selected regions accounted for 62 per cent of automotive employment in 2019.

To estimate the size of the shock, we use the latest figures from the SMMT that assumes a drop in output of 28.7 per cent for the automotive sector.

	-28.7% North	-28.7% Midlands
North UKC2 Northumberland UKD6 Cheshire UKD7 Merseyside **Midlands** UKG1 Herefordshire UKG2 Shropshire UKG3 West Midlands	Scenario 1	Scenario 2

Table 1. The 2020 shock scenarios.

Comparing the shocks

The automotive sector is bigger in the Midlands than in the North, and therefore the negative impacts are more significant. The shock in the North sees some 28,321 jobs lost (FTE) throughout the UK, representing 0.09% of all FTE. The shock sees 61,211 jobs lost in the Midlands, representing 0.20% of all FTE. In output terms, the shock in the North sees output fall -£4.9 billion in the Midlands -£11 billion.

Table 2: UK level impacts comparing shock in the North vs Midlands

UK impacts	North	Midlands
Total gross output UK (£ millions)	-4903.8	-10976.4
Output change (% of UK total)	-0.14%	-0.31%
GVA UK (£ millions)	-1652.2	-3863.7
GVA change (% of UK total)	-0.09%	-0.22%
Jobs UK (FTE)	-28,321	-61,211
Jobs change (% of UK total FTE)	-0.09%	-0.20%

An economic shock to the automotive sector in one region will spillover into other regions due to the interconnectedness of industries across the UK. Figure 2 allows us to understand how a negative shock in the major hubs of automotive sector activity can ripple out across UK regions.

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Looking between maps 1 and 2, we can see the most strongly affected geographies where the shock occurred. We can also see that a shock in either the Midlands or the North strongly affects the other. This is to be expected due to the interconnectedness of the automotive supply chain. The shocks also indicate that some regions in the South West, Northern Ireland and Scotland are relatively unaffected.

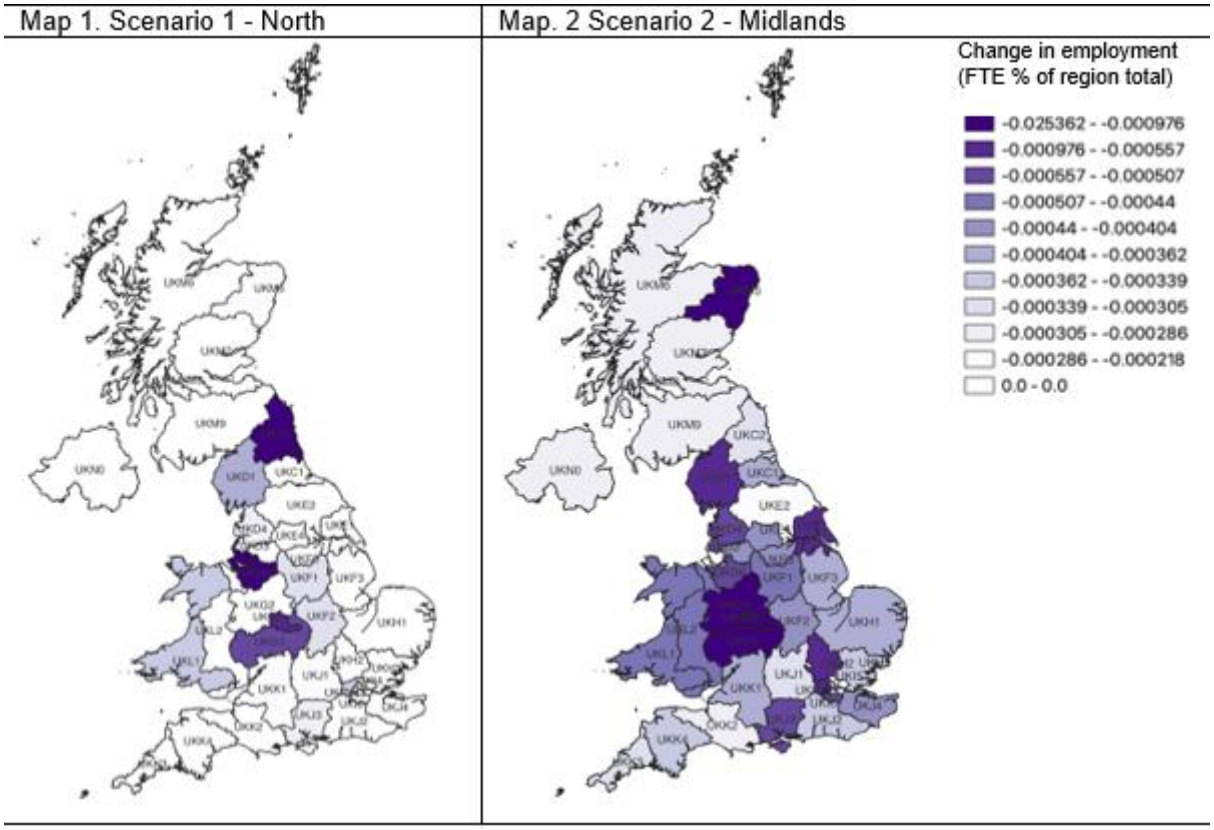


Figure 2. Interregional impacts of the shock scenarios on the automotive sector.

Figure 3 shows the change in output as a percentage of each region's total output due to each shock. Both graphs exclude the 'shocked sectors' under each scenario (see table 1). This allows for the comparison of the most significantly impacted regions outside of the shocked regions under each scenario.

The shock in the North of England most significantly impacts two of the regions in the Midlands – the West Midlands (UKG3) and Herefordshire, Worcestershire (UKG1), followed by West Wales and other regions in the North. This hints strongly that the Midlands is heavily exposed to shocks in the automotive sector.

For the shock in the Midlands, we can see the most significantly impacted regions include North Eastern Scotland, Cumbria, West Wales and Lancashire. These four regions are more rural and less diversified than other regions. They all also share industries with raw inputs to automotive manufacturing such as energy (oil, gas and nuclear), mining and metals. Perhaps surprisingly, areas in the Northern automotive cluster (Northumberland, Cheshire and Merseyside) are not as significantly impacted. From this, we might infer that a large shock in the automotive industry will have outsized impacts in rural regions that provide raw inputs to industry.

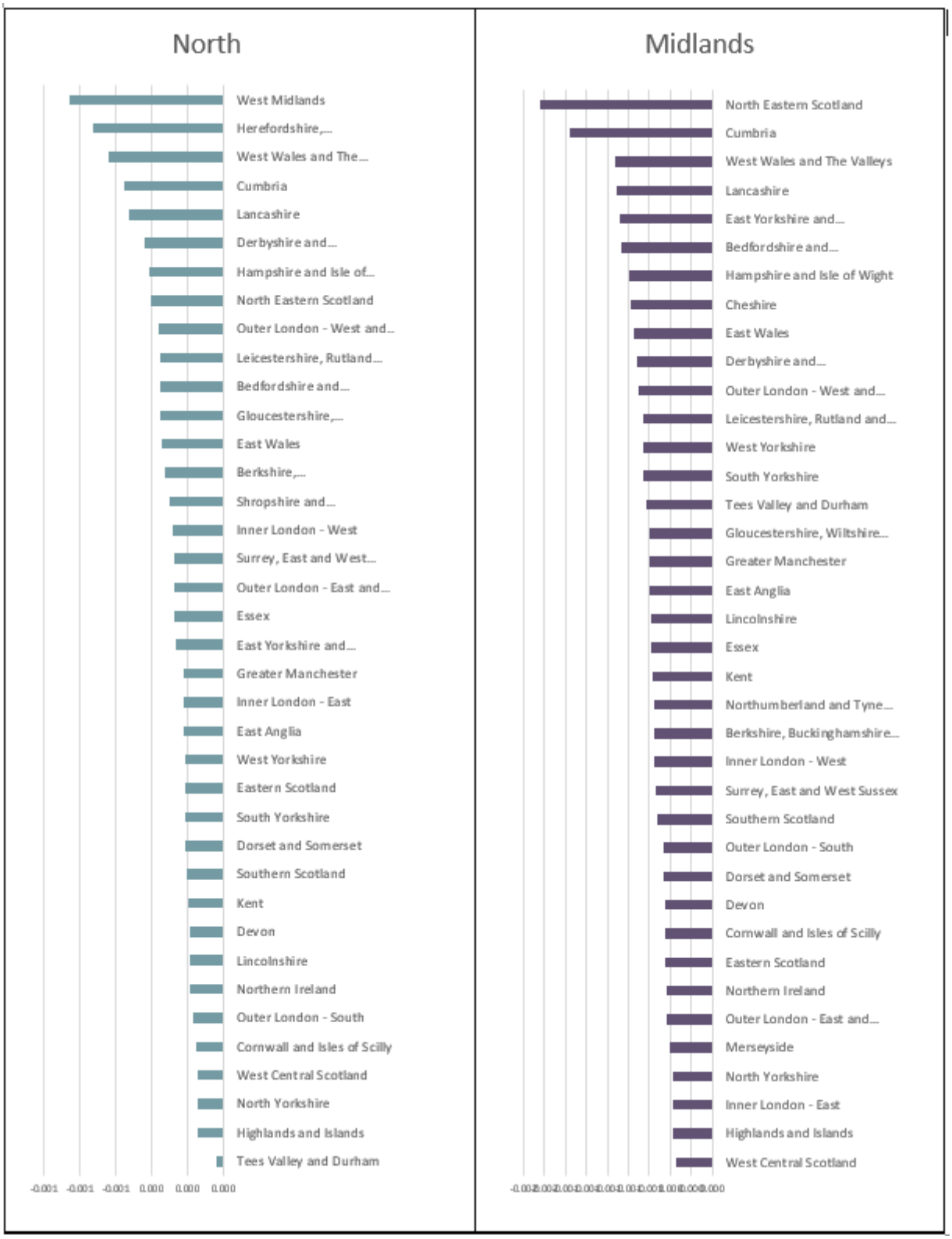


Figure 3 Change in output as a percentage of region total output (excluding shocked regions)

Figure 4 illustrates the changes in GVA of the major affected sectors that are more or less aligned for each scenario, albeit more significantly affected under the Midlands shock scenario. Unsurprisingly the most vulnerable sectors are most closely linked to automotive manufacturing (automotive, engineering and metals). Manufacturing of transport equipment falls by between £575m and £1.2 billion. This is followed by Professional, scientific and technical activities (Engineering) and the manufacture of basic and fabricated metal products (metals).

The next most significantly impacted sector is the sale and repair of vehicles (-£181m to -£353m). This is again to be expected – fewer cars produced, fewer cars passing through car dealerships.

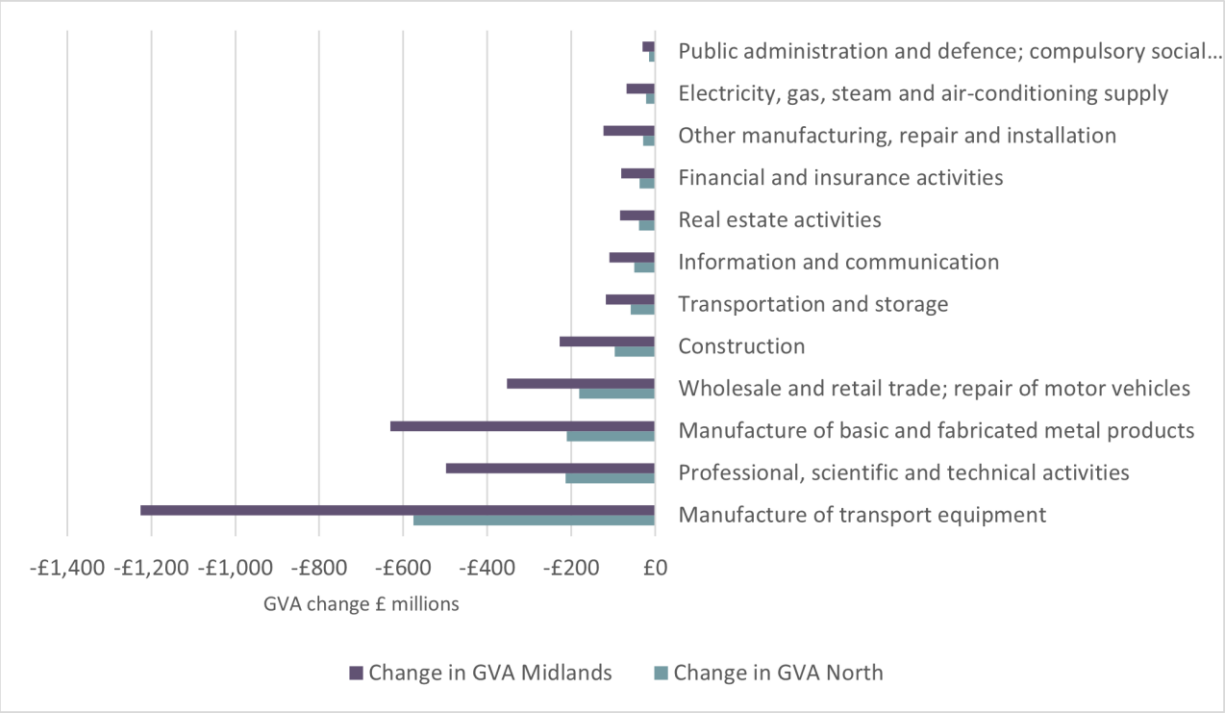


Figure 4 Change in GVA £ millions by sector due to the '2020 shock' in the North of England and the Midlands.

What Does this Analysis Mean for Policy?

This analysis has provided some estimates of Covid-19 and Brexit's economic impact on the UK regional economies. The economic picture described suggests the Midlands and particularly the West Midlands, will see a significant economic shock.

Pandemic uncertainty can undermine previous assumptions about regional resilience

The Delta and subsequent Omicron variants have shown that the Covid-19 pandemic is not yet over. The immediate impacts and determinants of Covid-19 for industries and regions are very well understood by the population as well as the analysts (Bailey et al., 2020; McCann and Ortega-Argiles, 2021; McCann et al., 2021). However, the uncertainty of the future of Covid-19 and the knowledge that future pandemics 'could be worse' means that evaluating the regional economic and labour impact of such shocks is important for future policy decisions such as implementing further lockdowns. The lockdowns that many countries have instituted mean that the global demand for many final goods and services has collapsed, and many international supply chains (or more precisely, global value-chains) have been stalled. The pandemic has affected places and regions in a very different way. While online services have seen their share prices soar, advanced manufacturing in areas not connected with medical, bioscience or pharmaceutical has seen their productions heavily affected. This evaluation has illustrated regional resilience to the pandemic in regional output (percentage of total regional GVA) in regions with a dominant automotive manufacturing cluster.

The sector is facing multiple crises

Our analysis has shown that the contractions linked with value chain shocks have to be taken seriously and that the degree of severity will differ between places, depending on their economic structures and how governments have responded to it. The briefing has reasserted how important the automotive manufacturing sector remains to the Midlands economy. The sector is facing multiple crises, and the lack of resilience in the Midlands and North of England has been further evidenced. Major UK employers in sectors such as aerospace, automobiles, transportation and retail announced widespread redundancies and a high number of firms dissolving.

Our evidence is part of emerging evidence that points to the economically weaker regions to the UK being the most adversely affected by the coronavirus shock (Innes et al., 2020; Scott, 2020; McCann et al., 2021, among others) and the Brexit shock (Chen et al., 2018; Thyssen et al., 2020, among others). In contrast, the services sectors of London are likely to be the least affected sectors in the medium and long term (Davenport et al., 2020). If the UK government is to achieve levelling up, regions and sectors outside of London and the South-East must be supported proportionately (McCann and Ortega-Argiles, 2021).

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

The automotive sector is facing significant change over the next decade. Diesel and petrol engines are being phased out with a ban on new combustion engines from 2030 in the UK. The supply chains for alternative propulsion engines may be significantly different to the status quo leading to further uncertainty in the future regional automotive sector. For policy, this means regions like the Midlands will have to recalibrate their labour markets with the help of universities in preparation for demand for new skills and technologies.

Regions have started preparing for these new challenges through large investments such as the construction of a battery electric vehicle ("gigafactory") plant in Sunderland by Nissan's battery partner Envision. While this is an important first step the SMMT has stressed that the nine gigawatts hours (GWh) per year of capacity committed by Envision-Nissan represents less than a sixth of the 60GWh per year needed to support the expected mass electric vehicle production in the UK.

The Faraday Institution argued last year that without battery manufacturing in the UK, the automotive industry will slowly decline over time. In the West Midlands, JLR is investing at Hams Hall near Birmingham to assemble battery packs for the new Jaguar XJ EV, but it is again small scale. To ensure industry and regional resilience will be important to have battery cells made in the UK to ensure the auto production remains in the country and to avoid potential currency fluctuations associated with battery cells imports and trade affected by Brexit.

Summary

While there is uncertainty surrounding the economic impact of Covid-19 and Brexit on the automotive sector, the impact in 2020 is likely to have been severe. Concurrent issues of Brexit, microchip shortages, and Covid-19 policy interventions like the furlough scheme complicate impact assessments.

The analysis shows that a sizable chunk of the automotive ecosystem is at risk for the Midlands and the North of England. The supply chain linkages in the automotive sector are broad and have significant regional spillovers. The analysis indicates that these shocks in the automotive sectors will not be contained in their local geographies but have impacts throughout the UK notably in rural areas which house factor inputs.

In terms of the resilience of the sector and the region and given the Net Zero policy agenda, potential solutions should be centred on the provision of battery electric vehicle plants to support the mass electric vehicle production ahead of the 2030 ban of on new combustion engine deadline.

Click here for more analysis of the 2020 shock at the NUTS1 level

The Future Business District

Kevin Johnson, Urban Communications

Kevin Johnson from Urban Communications discusses the future business district study and how this research can benefit city centres. 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 4 of the Birmingham Economic Review for 2021, Connected Places: Foundations for Growth

Click here to read the Review.

Predicting the future might be fun but, for professional players, it can be a mug's game. From the global financial crash to Brexit; from Trump to COVID-19, there are few engaged in politics or economics careers who have accurately forecast all the seismic events of the last decade or so.

Establishing the study

When the Future Business District study was established, we wanted to go under the bonnet to analyse the underlying trends in which COVID-19 was supercharging. We set out to develop scenarios – rather than forecasts – along with ideas and interventions that would be useful to businesses and policymakers.

Even as the first wave of the pandemic receded and some started to plan a return to the office, COVID-19 came back to bite. Opinions on post-COVID-19 working have shifted, often several times as the pandemic passed through its waves, but some central themes have endured.

Anne Green from City-REDI/WMREDI, who led the research, highlights some of the key issues to emerge from the study on these pages, including attitudes to transport and safety; greater emphasis on collaboration activity as well as the growing importance of culture and connectivity as drivers to the business district.

Birmingham

Birmingham's offer remains powerful – a well-connected location with a young and diverse population. Home to world-class businesses and universities, our business, professional and financial services sector continues to be a driving force in the region's economic renaissance.

The clustering of BPFS firms alongside the likes of HS2, BT and more recently Goldman Sachs enhanced by culture, hospitality and retail offers with transport connectivity has given effect to the agglomeration effects felt in Colmore Business District and beyond. There is nothing to suggest these attributes will be any less attractive, but we will need to work harder to promote the full range of assets on offer.

There are already positive signs as most restrictions fall away, with purchasing managers reporting positive data and business sentiment and job vacancies on the up.

Hospitality and the Retail Sector

Hospitality, retail, and culture have been significantly affected by the pandemic. Birmingham 2022 Commonwealth Games comes at an opportune time in the drive to return business tourism – another important component of Birmingham's economy in recent years – to where it was and beyond.

Talent and Diversity

Access to talent and quality of life were already key drivers, but they will be increasingly important to investors.

Much of what went before will remain, but not everything will be the same. As we heard through interviews and workshops conducted in Spring 2021, mindsets have changed. But we don't face a binary choice, we were told, as there will be differences across businesses, mistakes and changes will be made along the journey and there will be no single destination for how, where, and when we all work.

Working from other places

To underline the spectrum of experiences and opinions from research participants, these comments reflect what we heard:

"City centres are very unique places that you can't replicate from your dining room or home office, or even some town centres and neighbourhood centres"

"You don't have to be present to be productive"

"Zoom and Teams are levellers"

"Let's make sure we don't just fall into the trap of going back to normal because normal wasn't perfect. Let's go back to a better normal."

Firms are already demonstrating agility and flexibility in how they operate, optimising their building space in the city for collaboration, keeping employees safe, and taking advantage of the benefits of hybrid working. The rapid adoption of technology is one of the positives to emerge from this very challenging period.

As curators of this leading business environment, Colmore Business District and its partners will adapt to the evolving demands of occupiers and visitors, helping businesses to increase the economic value generated in the area and make it even more open and inclusive.

We know that employees and employers value the features of high-quality office facilities and a wider business environment, underlined by dramatic improvements in Birmingham's office market in the second quarter of 2021 with commitments such as Arup to One Centenary Way in the Paradise development.

The office was already becoming a destination in its own right, with that trend set to grow.

An even greater appreciation of green and open spaces is evident from the study, as is the priority attached to health and wellbeing.

It's the ***space between*** that makes the Colmore Business District and a wider city centre that makes it attractive to businesses and professionals. Curating this ***space between*** – balancing business, culture, and open places alongside a transformation of retail, residential, and transport use – will play a big part in its post-COVID-19 success.

This blog was written by Kevin Johnson, project director for the Future Business District study, a project curated by Colmore Business District backed by Birmingham City Council and West Midlands Combined Authority and a range of partners.

‘Green Freeports’- What are they good for?

Professor David Bailey and Dr Ivan Rajic, Birmingham Business School

The UK has some of the widest regional disparities amongst developed countries. The government’s recent ‘Levelling Up’ White Paper was a welcome recognition of the scale of the challenge and that tackling this will need a long term strategy. But this has been an issue that has been around for a very long time and one which will require a level of investment and financing many multiple times more than that on offer via the government’s levelling up approach. It will also require a much greater degree of devolution than that currently on offer.

‘Freeports’ are one of the flagship post-Brexit policy initiatives seen as important in helping ‘left behind’ places and to tackle some of these disparities. What are freeports? Well, in essence, freeports are designated places or special economic zones – normally around seaports, airports, or rail ports – where firms typically enjoy benefits such as reduced taxes, various tariff (a tax paid on imports) reductions, quicker planning approvals and other administrative simplifications, and good quality infrastructure. The government’s hope is that benefits such as these will attract firms to invest in freeports, bringing more economic prosperity to the regions where they are located. And as noted, this is seen by the UK government as especially important for poorer regions.

The Scottish Government has now agreed its own version of freeports with the UK government, which they termed ‘Green Freeports’. This came after a disagreement with the UK government over its freeport policy. The Scottish Government initially rejected the UK approach and drew up its own ‘greenport’ plans, which would require firms to be signed up to a real living wage and agree to net zero commitments.

But these ‘red lines’ were rejected by the UK Government over fears about how competitive such freeports would be. A stand-off occurred with the UK Secretary of State for Scotland, Alister Jack, arguing that if Scotland were to go it alone on freeports, the Scottish Government would only have enough funding for one site and that tax rules would leave Scotland’s versions at a competitive disadvantage. That’s because the Scottish Government does not have the legal power to exempt goods from tariffs as it is a reserved policy area so cannot unilaterally be included in any Scotland-specific green freeport model.

The Scottish Government Minister for Business, Ivan McKee, was dropped as Scottish lead negotiator on the issue after he said that the UK freeport proposal “does not respect devolution, undermines the Scottish economy and fails to provide equivalent funding to what is on offer for ports in England”. In came Scottish Finance and Economy Secretary Kate Forbes as lead negotiator, and talks were revived around two ‘Green Freeports’.

These Scottish ‘Green Freeports’ are essentially the same as UK freeports, except that the SNP hopes that firms locating there will commit to paying living wages, pursuing inclusive growth, and to decarbonisation. While the Scottish government claim such goals are central to the Green Freeport idea (they have to “shift the dial on net zero” said Forbes recently), it’s not clear how binding any of these commitments will be, given the previous dispute with the UK government over such issues.

The Scottish Greens, despite being in coalition with the SNP, remain opposed to freeports, including the Scottish ‘greenport’ variant, calling them ‘greenwash’. They argue that freeports can attract low wage economic activities and money laundering and are often effectively a vehicle to transfer public subsidies to large international corporations. In 2020, for example, the EU announced a review of over 80 freeports across the EU after identifying that their tariff and duty status helped financing terrorism, money laundering and organised crime.

Standing back from the tussle between the UK and Scottish governments, freeports – whether ‘green’ or not – really need to be assessed from the perspective of whether they can create high-value economic activities (such as research and development intensive activities), and serve as hubs from which companies will establish strong regional supply chains. Unfortunately, this is probably too much to expect from freeports.

In one way or another, most of the benefits of freeports ultimately revolve around cost reductions. While firms are often happy to lower their costs, for high-value activities this is typically not ***the*** determining factor in where to locate. What counts more is labour skills, the presence of specialist suppliers in the same region, proximity to competitors, availability of relevant technology, close contacts with important stakeholders, the general quality of

life in the area and so on. If a region does not already possess these characteristics, a freeport will not make them suddenly materialise there.

Rather, a freeport in a poorer region will simply attract activities, such as assembly, that firms already tend to locate in such regions to take advantage of cheaper labour, lower rents, etc. Rather, a much more holistic industrial policy will be needed to help regions develop, which was a key argument in our recent Manufacturing after Brexit report.

In this context, it is important to bear in mind that, even though many 'green' sectors represent advanced parts of an economy, they still contain many 'simpler' activities within them, such as assembly or routine repair and maintenance operations. So, even if a Scottish 'greenport' manages to attract the production of, for example, offshore wind turbines, it may still be the case that what is attracted may be assembly activities, while higher value activities such as research and development and the production of specialist components might be done elsewhere.

Another point to remember is that large firms can choose among many freeports (and other similar special economic zones) around the world. If they are coming to a freeport to cut their costs, why would they choose to commit to paying higher wages, when they can just as easily go to a location that does not pose this requirement?

Overall, just like freeports in the rest of the UK, Scottish 'greenports' can probably be a useful tool to attract investment to certain areas, and perhaps they can be used as part of a broader industrial strategy aimed at upgrading UK manufacturing. But, on their own they are unlikely to bring the sort of benefits that the Scottish or UK government are hoping for.

Professor David Bailey and Dr Ivan Rajic both work at the Birmingham Business School and are funded by the ERSC's UK in a Changing Europe Programme

Rapid Review of Evaluations and Evaluative Studies of Cultural and Heritage Sector Activity in the West Midlands

Joanne Mills and George Bramley, WMREDI

As part of a secondment to the WMREDI consortium Evaluation Lab Joanne undertook a rapid review of evaluations and evaluative studies of cultural and heritage sector activity in the West Midlands published in last three years and the report is now available. The report aims to form a basis for further work in the field and provide an accessible source of information on interventions that have occurred within the region and identifies several examples of best practice within evaluation reporting within the sector.

While direct comparison between the evaluation studies proved difficult due to the range of topics and purposes of the source material, it has been possible to compile a list of findings, recommendations and conclusions detailing good practices for the cultural and heritage sectors. Most projects and evaluations reviewed received funding from Arts Council England (ACE), while other funders also contributed to the activities being undertaken – see Figure 1.

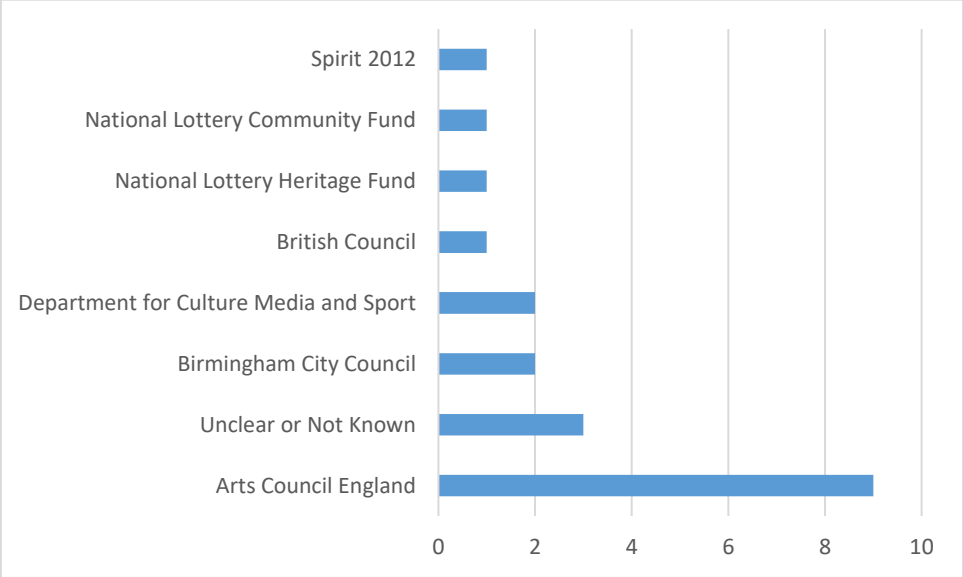


Figure 1: Funders of Reviewed Projects and Evaluations

Evaluated activity in the sample of evaluations reviewed included:

- Individual advice
- Group training and projects
- Strategy
- Peer support
- Sharing best practice
- Grants and match funding
- Sector analysis
- Regional analysis and mapping
- Audience engagement
- Delivery of events
- Information sharing (e.g. through websites)

The key findings from the review can be broadly grouped into four themes:

A. The role and relevance of culture

- While there is a move towards delivery, attention needs to remain on impact and outcomes.

- Galleries and heritage sites are seen as 'safe' spaces where difficult topics can and should be discussed. To facilitate this, there is a need for specific training for staff and volunteers to equip them for this role

B. Issues facing the sector

- The region contains nationally significant concentrations of culture, and the region's cultural sector is an important economic entity yet is under-recorded in published data.
- Prior to the pandemic, the sector was growing strongly but has been hit extremely hard by the restrictions.

C. Value of interventions to arts professionals and organisations

- The projects evaluated have provided a valuable career development opportunity for emerging arts practitioners.
- There is currently an underrepresentation of diverse groups within the workforces of the cultural and creative industries in the Midlands. Many of the barriers to career development experienced by Black and Minority Ethnic (BAME) arts practitioners are societal and deeply-entrenched, however there is strong evidence of the importance of mentoring and role models in the career progression of BAME arts practitioners.
- Strengthened networks can help by sharing expertise and advocacy.
- Seeking and securing private income takes time. A clear pathway would help organisations to enable them to secure private income

D. Barriers to community engagement

- The sector is beneficial to social wellbeing. Consequently, there is a need to reach and include those with lower levels of mental wellbeing.
- There is a need to reach communities with low engagement with the arts, in particularly those from ethnic minorities. For such groups, the arts provide a sense of cultural continuity – however the dominant images of the arts do not reflect their interests (and are seen as elitist).

The studies reviewed include recommendations covering innovation and improvement within the regional sector and beyond, engaging audiences, and the development of accessible resources, which can be seen to have implications across the regional sector.

While the long-term impacts of the programmes evaluated are still to be fully determined – particularly in relation to the economic effects of the pandemic, Brexit – investment in interventions to support the cultural sector are shown to have strong impacts in four areas: Health, Culture, Economy, and Society.

The review provides insights on Heritage and Cultural programmes that could usefully inform policy and strategy development for the sector including recruitment and training policies, as well as further funding applications.

Breaking Bias: International Women's Week – Where Are All the Women Innovators?

Carolin Ioramashvili, WMREDI

Carolin Ioramashvili explores the gender pay gap among Innovate UK-funded businesses.

STEM (Science, technology, engineering, and maths) industries are notorious for the under-representation of women, as well as ethnic and other minorities. Long seen as "boys'" subjects, this under-representation starts from the choice of undergraduate courses and is echoed at higher levels of higher education and in industry. Since 2017, the UK Government mandates businesses with more than 250 employees to report on the gap in earnings between male and female employees, the idea being that exposure of systematically lower earnings for women would encourage businesses to hire more women in higher-paid positions and support women in advancing their careers.

While legislation mandates equal pay for equal work, the causes of pay differences run deeper: women are less likely to advance to higher-paid managerial positions, are more likely to work part-time, and are less likely to work in high-paid industries, such as STEM. Through initiatives such as gender pay gap reporting, the government tries to reduce this gap. It is also a major supporter of STEM research, with the UK's research capability widely seen as a driver of productivity growth, and investments in innovation promoted as a pillar of the "levelling up" agenda. But do the two overlap? In its own funding allocation, does the government practice what it preaches in terms of supporting women to advance in STEM industries?

To find out, we can look at the gender pay gap in businesses that have received innovation funding from Innovate UK, the UK's innovation funding agency. Data on the gender pay gap is available from 2017/18 to 2020/21. To cover a similar period, this is matched to businesses that have received Innovate UK funding between January 2015 and February 2022. Each year, just over 9,000 businesses reported their gender pay gap. The number was substantially lower in 2019/20 at 5,888, possibly because the reporting period at the end of the financial year coincided with the outbreak of the Covid-19 pandemic in the UK.

Innovate UK funding benefits businesses with large gender pay gaps and few women at the top

The gender pay gap reporting collects a number of statistics. In this blog, the focus is on two: the median earnings gap and the share of women in the top earnings quartile. The median earnings gap reports the percentage difference

in median earnings between men and women in an organisation. The larger the gap, the higher are median earnings of men compared to women. The share of women in the top earnings quartile indicates the share of women who are among the 25% of highest earners – across genders – within an organisation.

The figure below shows the average gap in median earnings across three groups of firms. The first bar shows businesses that have received Innovate UK funding, while the third shows all businesses that did not receive funding. These are obviously two very different groups of businesses: innovative businesses are more likely to be in manufacturing or high-skilled services industries. To correct for this, the middle bar includes only unfunded businesses but is weighted by the industry mix (measured by 5-digit industrial classifications) observed among the Innovate UK-funded businesses.

Among Innovate UK funded businesses, the median earnings gap is the highest: In these organizations, median male earnings are on average 14% higher than median female earnings. This is slightly lower in the non-funded group that replicates the Innovate UK industry mix, at about 13%, and lowest in the general population of UK businesses, at just under 12%. While high, these differences do not necessarily indicate discrimination. Rather they are likely the result of women occupying lower earning positions within organisations.

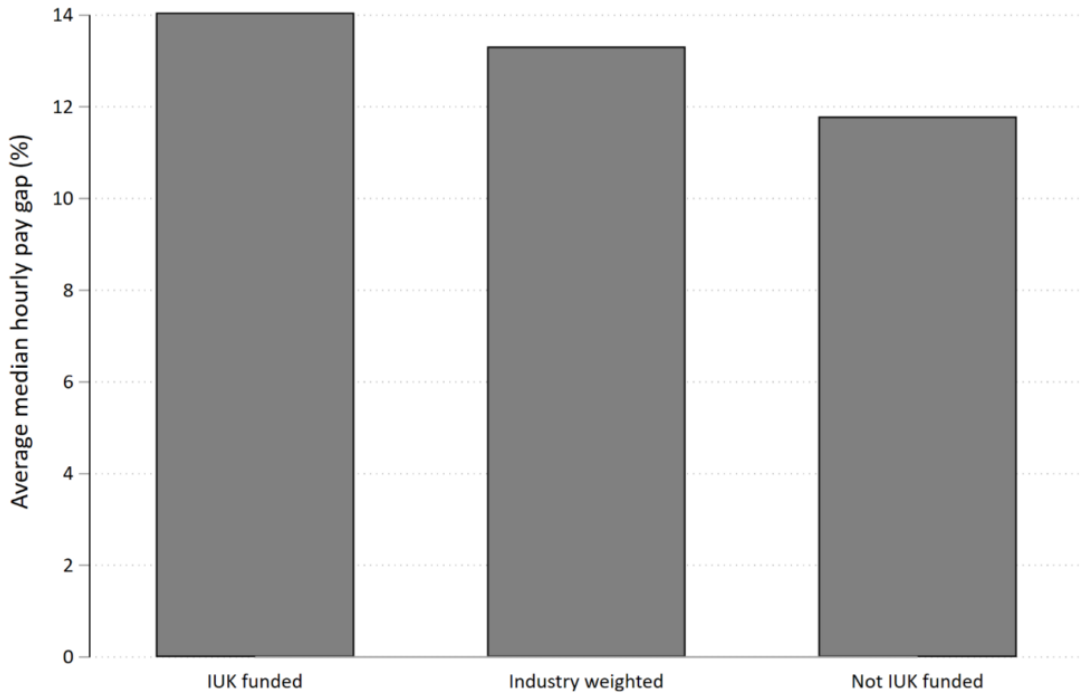


Figure 1: Gap in median hourly earnings between Innovate UK funded and non-funded firms

The next figure shows the differences in the representation of women among the highest earners in an organisation. Lower bars mean that there are fewer women among the 25% of top earners in an organisation. This repeats the findings of the figure above. The share of women in the top-earning quartile is only around 23% in Innovate UK funded businesses, just under 35% in the non-funded businesses representing the same industry mix, and around 39% in the general UK business population.

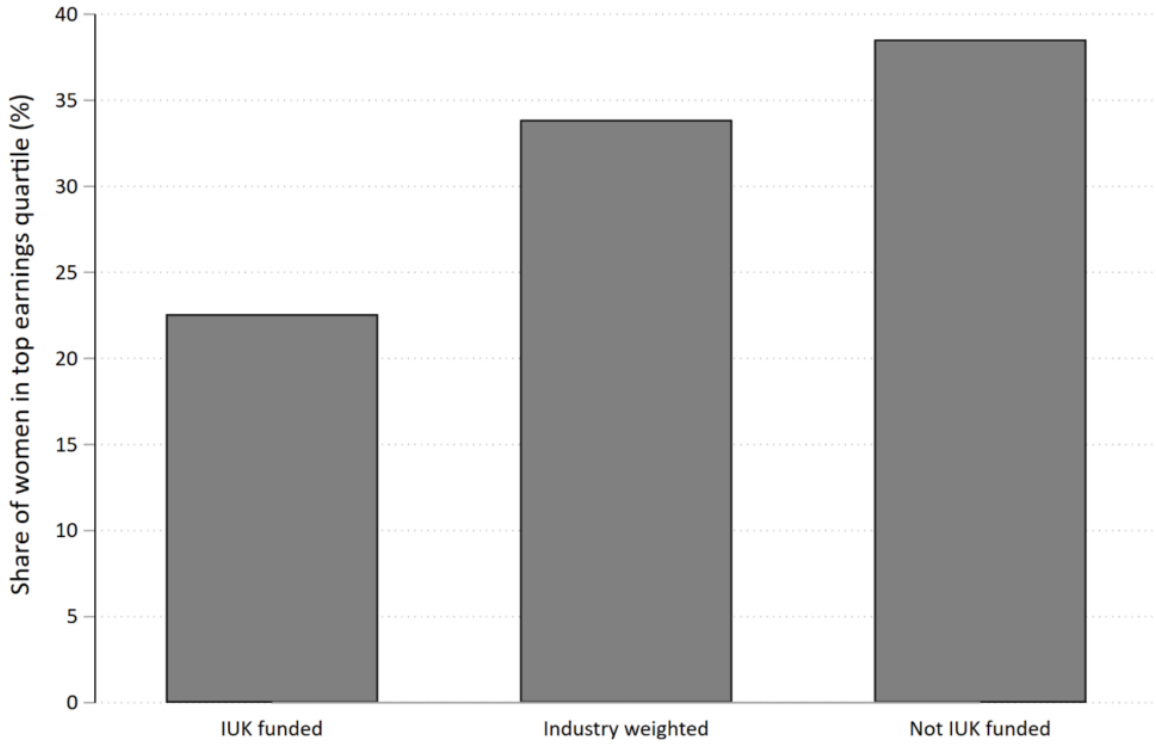


Figure 2: The share of women in the top earnings quartile

What to do about it? Invest in industries with higher representation of women

Shifting the funding mix towards industries with more representation of women at the top could substantially reduce the gender pay gap in Innovate UK's portfolio. The table below shows the ten industries (by 2-digit Standard Industrial Classification) with the highest share of women in the highest-earning quartile. The table also includes the average median gender pay gap and the share of Innovate UK funding received by businesses in the industry between 2015 and 2022. This funding share needs to be caveated, as funding is often allocated to consortia of multiple firms. However, from the data published by Innovate UK, it is not possible to discern how much money was received by each firm in a consortium. Therefore, funding is double-counted for businesses operating in consortia. The table also only includes businesses that received Innovate UK funding, where also information on the gender pay gap is available, as only the industry code for these businesses is available.

As the table shows, the industry with the highest share of women at the top – 77% of top earners are women – is the manufacturing of wearing apparel, i.e. the fashion industry. However, the industry, which also has a relatively low overall pay gap of 8%, received only 0.002% of the overall funding made available by Innovate UK. The other industries in the table have a typically high share of women in the workforce, such as health care, education, creative industries, and retail. None of these, except crop and animal production, represents more than 1% of Innovate UK funding.

Table 1: 10 industries with the highest share of top-earning women among Innovate UK funded companies

Industry	Women in the top earnings quartile	The average median gender pay gap	Share of Innovate UK funding
Manufacture of wearing apparel	77%	8%	0.002%
Human health activities	73%	8%	0.03%
Real estate activities	51%	9%	0.003%
Education	49%	11%	0.06%
Creative, arts and entertainment activities	46%	9%	0.03%
Retail trade, except motor vehicles and motorcycles	46%	8%	0.16%
Manufacture of beverages	45%	-4%	0.14%

Security and investigation activities	41%	14%	0.02%
Crop and animal production, hunting and related service activities	40%	18%	3.16%
Employment activities	40%	26%	0.02%

In contrast, the table below shows the five industries that received the most Innovate UK funding between 2015 and 2022, among businesses where gender pay data is also available. All of these are manufacturing industries, with fabricated metal products at the top. These industries, such as car manufacturing, are traditionally male-dominated. Among these industries, the highest share of top-earning women is among manufacturers of electrical equipment, with 33%. The lowest gender pay gap is among car manufacturers, with 4%. However, this industry simultaneously has the lowest share of women in the top earnings quartile, of only 10%.

Table 2: Industries receiving the most Innovate UK funding between 2015 and 2022

Industry	Women in top earnings quartile	Average median gender pay gap	Share of Innovate UK funding
Manufacture of fabricated metal products, except machinery and equipment	***12%***	***11%***	***29.04%***
Manufacture of electrical equipment	***33%***	***13%***	***20.81%***
Manufacture of other transport equipment	***12%***	***11%***	***15.68%***
Manufacture of motor vehicles, trailers and semi-trailers	***10%***	***4%***	***8.81%***
Manufacture of computer, electronic and optical products	***13%***	***19%***	***3.30%***

Of course, the onus of improving the representation of women in innovation is not on Innovate UK alone – businesses themselves need to invest in hiring and supporting women throughout their careers. But the picture above reinforces the suspicion that male-dominated industries are somehow more “important”, more “serious”, and more deserving of support by the government. This needs rethinking: The UK is world-leading in the creative industries, the shows at London fashion week influence trends around the world, with major luxury brands contributing to the UK’s export base, and medical researchers from the UK developed one of the leading Covid-19 vaccines. Innovate UK could support these highly successful and innovative industries, while also contributing to lowering the gender pay gap across the UK economy.

NatWest Purchasing Manager Index (PMI) Survey: West Midlands Region Released March 2022[1]

Black Country Consortium Economic Intelligence Unit

The following seasonally adjusted indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease.

In Summary:

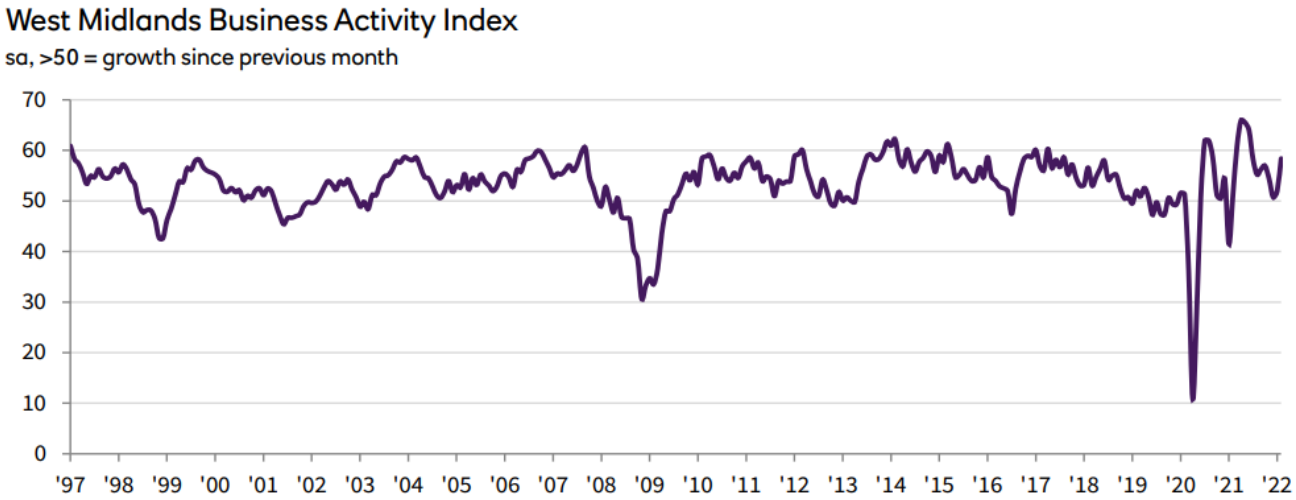
- The West Midlands Business Activity Index increased from 51.9 in January 2022 to 58.4 in February 2022, this was the fastest rate of growth in eight months. This increase was associated with a strong improvement of demand conditions amid the end of restrictions.
- The overall UK Business Activity Index increased from 54.2 in January 2022 to 59.9 in February 2022.
- Out of the twelve UK regions, the West Midlands region was fifth lowest for the Business Activity Index in February 2022, with Yorkshire & Humber the highest at 63.1 down to the North East the lowest at 51.9.
- The West Midlands Future Activity Index decreased from 80.3 in January 2022 to 76.7 in February 2022. Despite the overall level of positive sentiment falling to a three-month low, firms in the West Midlands remained upbeat towards growth prospects with a favourable demand environment expected to be sustained along with forecast of new client wins and a recovery in the automotive sector and productivity gains.
- Out of the twelve UK regions, the West Midlands was the fourth highest for the Future Business Activity Index in February 2022, with London the highest at 81.0 and the North East the lowest at 62.6.

In Detail:

Business Activity Index

The West Midlands Business Activity Index increased from 51.9 in January 2022 to 58.4 in February 2022, this shows the fastest rate of growth in eight months. This increase was associated with a strong improvement of demand conditions amid the end of restrictions.

The following graph show the West Midlands Business Activity Index trends up to February 2022:



Source: IHS Market/NatWest, March 2022

Out of the twelve UK regions, the West Midlands region was fifth lowest for the Business Activity Index in February 2022, with Yorkshire & Humber the highest at 63.1 down to the North East the lowest at 51.9.

The following chart shows the Business Activity Index across all UK regions in February 2022:

[1] Source: IHS Markit/NatWest West Midlands PMI, March 2022

Source: IHS Market/NatWest, March 2022

Demand

The West Midlands New Business Index increased from 52.4 in January 2022 to 58.7 in February 2022. The growth was sharp and the strongest since August 2021. Firms reported that the expansion was due to improved client confidence, the relaxation of Covid-19 restrictions and favourable demand conditions. Although, the latest increase in local business was weaker than seen on average across the UK.

Exports[2]

The West Midlands Export Climate Index increased from 52.3 in January 2022 to 54.6 in February 2022, this was the strongest improvement in export conditions since November 2021 and also the rate of growth outpaced its long-run average. Output expanded at quicker rates in four of the top five export markets, the exception being China (50.1) where growth was fractional and stable. Growth was led by Ireland (59.1), followed by the USA (55.9), Germany (55.6) and France (55.5).

Business Capacity

The West Midlands Employment Index increased slightly from 56.2 in January 2022 to 56.3 in February 2022. Amongst reports of resilient demand conditions and efforts to clear backlogs, firms in the West Midlands continued to hire extra staff in February. This is causing a sharp rise of job creation well above the trend, and the strongest since October 2021.

The West Midlands Outstanding Business Index increased from 50.8 in January 2022 to 51.7 in February 2022. Following monthly trends throughout the past year, business volumes rose remarkably in February. Though moderate, the rate of accumulation quickened to a three-month high and was historically elevated. Firms indicated that staff shortages, delivery delays, raw material scarcity, supply-chain issues and strong sales all led to higher backlogs. The

[2] The West Midlands Export Climate Index is calculated by weighting together national PMI output data according to their importance to the manufacturing exports of the West Midlands. This produces an indicator for the economic health of the region's export markets.

increase was the slowest of the 11 regions that registered accumulation as the North East was the only area to post a reduction in outstanding work.

Prices

The West Midlands Input Prices Index increased from 83.4 in January 2022 to 83.6 in February 2022. West Midlands firms continued to report higher operating expenses in February, with the overall rate of inflation accelerating to the second highest since data collection started in January 1997. As firms reported higher commodity, energy, freight, fuel, raw material, and staff costs.

The West Midlands Prices Charged Index increased from 67.0 in January 2022 to 68.5 in February 2022. For the sixth month in a row, the rate of output price inflation in the West Midlands reached a series record during February (since November 1999). Monitored firms that had hiked their fees reported that partial pass-through of rising cost burdens to consumers and demand strength.

Outlook

The West Midlands Future Activity Index decreased from 80.3 in January 2022 to 76.7 in February 2022. Despite the overall level of positive sentiment falling to a three-month low, firms in the West Midlands remained upbeat towards growth prospects with a favourable demand environment expected to be sustained along with forecast of new client wins and a recovery in the automotive sector and productivity gains and also some reporting plans to lift investment and offer new products and services.

Out of the twelve UK regions, the West Midlands was the fourth highest for the Future Business Activity Index in February 2022, with London the highest at 81.0 and the North East the lowest at 62.6.

The following chart shows the Future Activity Index across all UK regions in February 2022:

Source: IHS Market/NatWest, March 2022

WMCA Labour Market and Claimant Count Statistics: Released March 2022

Black Country Consortium Economic Intelligence Unit

UK Labour Market Summary[3]

- In February 2022, there was a record 29.7 million payrolled employees in the UK: up 275,000 on January 2022 level and up 662,000 on the pre-coronavirus February 2020 level.
- Job vacancies across the UK rose to a new record of 1,318,000 in the period from December 2021 to February 2022; an increase of 105,000 from the previous quarter with half of the industry sectors showing record highs. Although, the quarterly rate of growth fell to 8.7% in December 2021 to February 2022; the seventh consecutive fall since May to July 2021.
- The total number of workforce jobs in the UK in December 2021 was an estimated 35.2 million, and while that remains 482,000 below December 2019, the number of workforce jobs has risen every quarter in 2021, helping to reduce the jobs deficit from pre-coronavirus pandemic levels.
- The UK employment rate increased by 0.1 percentage points on the quarter (Nov 2021 to Jan 22) to 75.6%. Full-time employees drove the increase in the employment rate during the latest three-month period. While the number of part-time employees decreased strongly during the coronavirus pandemic, it has been increasing since April to June 2021. However, the number of self-employed workers remains low following decreases through the coronavirus pandemic.
- The UK unemployment rate decreased by 0.2 percentage points on the quarter to 3.9%, while the economic inactivity rate increased by 0.1 percentage points to 21.3%. During the coronavirus pandemic, increases in economic inactivity compared with the previous three-month period were largely driven by those aged 16 to 24 years. However, the number of economically inactive people aged 16 to 24 years has been decreasing since early 2021, with those aged 50 to 64 years driving the recent increases in economic inactivity.
- In November 2021 to January 2022, reports of redundancies in the UK three months prior to the interview[4] decreased by 1.0 per thousand compared with the previous three-month period to a record low of 2.4 per thousand employees.
- Growth in average total pay (including bonuses) was 4.8% and growth in regular pay (excluding bonuses) was 3.8% among employees in November 2021 to January 2022. In real terms (adjusted for inflation), growth in total pay was 0.1% and regular pay fell on the year at negative 1.0%.
- Total actual weekly hours worked in the UK have been increasing since the relaxation of coronavirus lockdown measures. Compared with the previous three-month period, total actual weekly hours worked increased by 4.7 million hours to 1.03 billion hours in November 2021 to January 2022. However, this is still 23.1 million below pre-coronavirus pandemic levels (December 2019 to February 2020).

Regional Labour Market Summary[5]

- For the three months ending in January 2022, the West Midlands Region employment rate (aged 16 – 64 years) was 75.7% - a record high. Since the three months ending October 2021, the employment rate saw an increase of 1.1pp; while there is an increase of 2.7pp when compared to the same period in the previous year – with the latter the largest increase across all regions. The West Midlands employment rate was above the UK rate of 75.6%, an increase by 0.1pp when compared to the previous quarter and an increase of 0.9pp when compared to the previous year.
- For the three months ending in January 2022, the West Midlands Region unemployment rate (aged 16 years and over) was 4.9%, which has increased by 0.2pp since the previous quarter but a decrease of 1.3pp from the previous year. The UK unemployment rate was 3.9%, a decrease of 0.2pp from the previous quarter and a 1.2pp decrease when compared to the previous year.
- For the three months ending in January 2022, the West Midlands Region economic inactivity rate (aged 16 – 64 years) was a record low of 20.3% - a decrease of 1.3pp from previous quarter and a decrease of 1.6pp when compared to the previous year - both time comparisons were the largest decreases across all regions. The UK economic inactivity rate was 21.3%, an increase of 0.1pp from the previous quarter and no change from the previous year.

[3] Source: ONS, Labour Market Overview; UK: March 2022

[4] The redundancy estimates measure the number of people who were made redundant or who took voluntary redundancy in the three months before the Labour Force Survey interviews; it does not take into consideration planned redundancies.

[5] Source: ONS, Labour Market in the Regions of the UK: March 2022

WMCA (3 LEP) Claimant Summary

- There were 161,485 claimants in the WMCA (3 LEP) area in February 2022. Since January 2022, there has been an increase of 2.4% (+3,745) claimants in the WMCA (3 LEP) area, while the UK increased by 1.8%. When compared to February 2021, the number of claimants has decreased by 24.9% (-53,585) in the WMCA (3 LEP) area, with the UK decreasing by 32.4%. When compared to March 2020 (pre-pandemic figures), the number of claimants has increased by 37.3% (+43,895) in the WMCA (3 LEP) area, with the UK increasing by 42.6%.
- There were 27,000 youth claimants (aged 18-24 years old) in the WMCA (3 LEP) area in February 2022. Since January 2022, there was an increase of 3.3% (+865) youth claimants in the WMCA (3 LEP) area, above the UK increase of 2.6%. When compared to February 2021, the number of youth claimants has decreased by 35.7% (-14,980) in the WMCA (3 LEP) area, with the UK decreasing by 43.6%. When compared to March 2020 (pre pandemic figures), the number of youth claimants has increased by 19.6% (+4,420) in the WMCA (3 LEP) area, with the UK increasing by 19.5%.

In Depth:

UK Labour Market Stastics - Vacancies[6]

- Job vacancies rose to a new record of 1,318,000 in the period from December 2021 to February 2022; an increase of 105,000 from the previous quarter with half of the industry sectors showing record highs.

- The quarterly rate of growth fell to 8.7% in December 2021 to February 2022; the seventh consecutive fall since May to July 2021.

- The ratio of vacancies for every 100 employee jobs reached a new record high of 4.4 in the period from December 2021 to February 2022; the 12th consecutive period of growth.

- The ratio of unemployed people to every vacancy fell to a new record low of 1.0 in November 2021 to January 2022.

The following chart shows the number of vacancies in the UK, seasonally adjusted, December 2002 to February 2003 to December 2021 to February 2022:

Source: ONS – Vacancy Survey

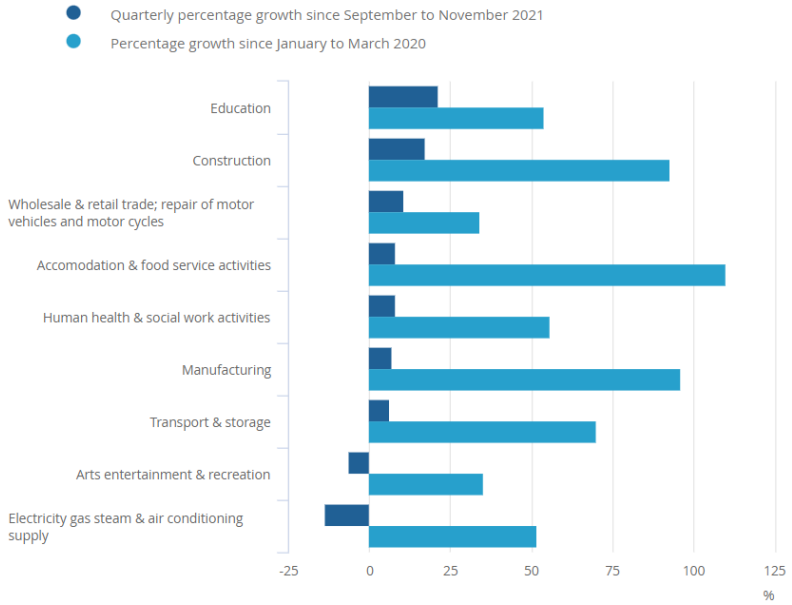
- In December 2021 to February 2022, vacancies grew more slowly at 8.7%, down from 17.2% in the last quarter, despite this, 13 of the 18 industry groups showed increased vacancy numbers on the quarter.

- The growth in vacancies over recent periods has seen the ratio of vacancies to every 100 employee jobs increase to a new record high of 4.4.

[6] Source: UK labour market: March 2022

- Despite the rate of growth slowing in December 2021 to February 2022, most industries increased their number of vacancies

December 2021 to February 2022 three-month average vacancies in the UK, quarterly percentage growth from September to November 2021 and percentage growth from pre-pandemic January to March 2020:

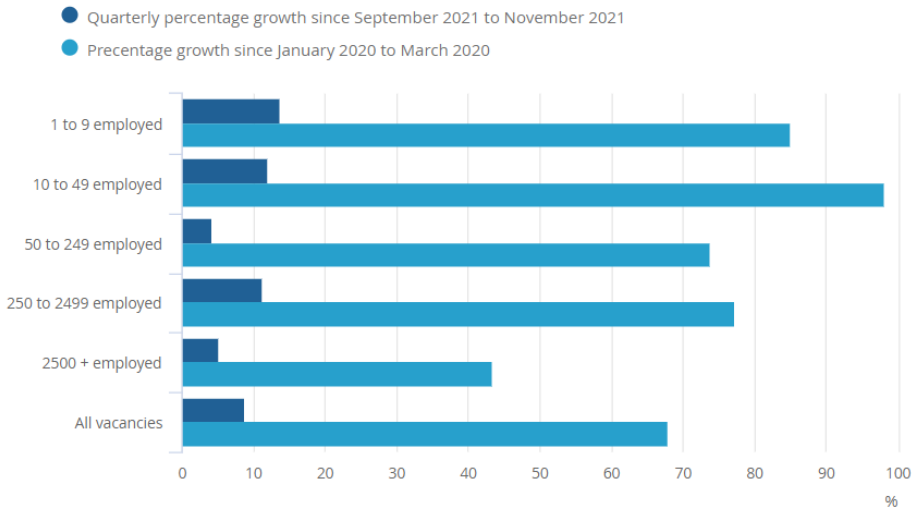


Source: ONS – Vacancy Survey

- The rate of quarterly growth varies across industries with the fastest rates of growth seen in education at 21.2% and construction at 17.3%, while electricity, gas, steam and air conditioning supply showed the largest negative growth of 13.8%.
- It is notable that while 9 of the 18 industry groups posted record numbers of vacancies, only education and public administration, defence and compulsory social security showed improved rates of growth on the quarter.

- December 2021 to February 2022 saw all industries above their January to March 2020 pre-coronavirus pandemic levels, with the largest increase in accommodation and food service activities, up by 92,700 (110.1%).

December 2021 to February 2022 three-month average vacancies in the UK, quarterly growth from September to November 2021 and growth from a pre-pandemic January to March 2020:



Source: ONS – Vacancy Survey

- There was positive quarterly growth and growth from a pre-coronavirus pandemic January to March 2020 in every size band in December 2021 to February 2022

Regional Labour Market[7]

- For the three months ending January 2022, the West Midlands Region employment rate (aged 16 – 64 years) was 75.7% - a record high. Since the three months ending October 2021, the employment rate saw an increase of 1.1pp; while there is an increase of 2.7pp when compared to the same period in the previous year – the largest change when compared to the same period in the previous year across all UK regions. The West Midlands employment rate was above the UK rate of 75.6%, the UK rate increased by 0.1pp when compared to the previous quarter and an increase of 0.9pp when compared to the previous year. The highest employment rate within the UK for the three months ending January 2022 in the East of England (78.9%) and the lowest in Northern Ireland (70.4%).

- For the three months ending in January 2022, the West Midlands Region unemployment rate (aged 16 years and over) was 4.9%, which has increased by 0.2pp since the previous quarter but a decrease of 1.3pp from the previous year. The UK unemployment rate was 3.9%, a decrease of 0.2pp from the previous quarter, and a 1.2pp decrease when compared to the previous year. The highest unemployment rate in the UK for the three months ending January 2022 was in the North East with 5.5%, with the lowest unemployment rate in Northern Ireland at 2.7%.

- For the three months ending January 2022, the West Midlands Region economic inactivity rate (aged 16 – 64 years) was a record low of 20.3% - a decrease of 1.3pp from previous quarter and a decrease of 1.6pp when compared to the previous year – both time comparisons were the largest decreases across all regions. The UK economic inactivity rate was 21.3%, an increase of 0.1pp from the previous quarter and no change from the previous year. The highest economic inactivity rate in the UK for the three months ending January 2022 was in Northern Ireland (27.5%), with the lowest in the East (18.6%).

The table below provides a summary of the latest headline estimates for Regions of the UK, seasonally adjusted, November 2021 to January 2022:

	Employment rate – Nov 21 to Jan 22 (aged 16- 64 years)	Change on Aug to Oct 2021	Unemployment rate – Nov 21 to Jan 2022 (16 years+)	Change on Aug to Oct 2021	Inactivity rate – Nov 21 to Jan 21 (aged 16-64 years)	Change on Aug to Oct 2021
UK	75.6%	0.1pp	3.9%	-0.2pp	21.3%	0.1pp
Great Britain	75.7%	0.1pp	4.0%	-0.2pp	21.1%	0.1pp
England	75.9%	0.1pp	4.1%	-0.2pp	20.9%	0.1pp
North East	70.9%	0.6pp	5.5%	0.2pp	24.9%	-0.8pp
North West	73.7%	-0.3pp	4.5%	0.1pp	22.9%	0.3pp
Yorkshire and The Humber	72.5%	-0.4pp	3.9%	-0.2pp	24.5%	0.5pp
East Midlands	76.0%	0.5pp	3.1%	-1.1pp	21.6%	0.4pp
West Midlands	**75.7%**	**1.1pp**	**4.9%**	**0.2pp**	**20.3%**	**-1.3pp**
East	78.9%	-0.2pp	3.1%	-0.1pp	18.6%	0.4pp
London	75.8%	0.3pp	5.0%	-0.4pp	20.2%	-0.1pp
South East	77.6%	-0.7pp	3.8%	-0.2pp	19.3%	0.9pp
South West	78.7%	0.5pp	2.8%	-0.2pp	18.9%	-0.3pp
Wales	74.4%	0.4pp	3.0%	-0.7pp	23.2%	0pp
Scotland	74.5%	-0.1pp	3.8%	-0.3pp	22.4%	0.3pp
Northern Ireland	70.4%	0pp	2.7%	-0.8pp	27.5%	0.6pp

Source: ONS – Labour Force Survey

- Between September and December 2021, workforce jobs increased in 7 out of 12 regions of the UK; the South West had the largest increase of 50,000, Yorkshire and The Humber had the largest decrease of 35,000.

- Provisional figures show where were 2,966,221 workforce jobs in the West Midlands in December 2021. This was a decrease of 8,835 (-0.3%) workforce jobs in the West Midlands since September 2021. However, when compared to December 2020, workforce jobs have increased by 47,290 (+1.6%).

[7] Source: ONS, Labour Market in the Regions of the UK: March 2022

- In December 2021, workforce jobs by broad industry show in the West Midlands that 14.6% (433,721) were in wholesale & retail trade; repair of motor vehicles and motor cycles. This was followed by 12.8% (380,195) in human health & social work activities and then 10.2% (302,362) in administrative & support service activities.

- The latest quarter change (between September 2021 and December 2021) shows at industry level that accommodation & food service activities increased by 9,738 (+6.3%) to 164,936 workforce jobs (5.6% of total), followed by other service activities increased by 8,815 (+11.2%) to 87,623 workforce jobs (3% of total jobs). In contrast, people employed by households decreased by 36.3% (-1,615 workforce jobs) to 2,835 workforce jobs (only accounting for 0.1% of jobs). The largest number decrease over this period was wholesale & retail trade; repair of motor vehicles and motor cycles by 25,599 to 433,721 workforce jobs (14.6% of total jobs).

Claimant Count

Claimant count for people aged 16 years and over[8]:

- There were 161,485 claimants in the WMCA (3 LEP) area in February 2022. Since January 2022, there has been an increase of 2.4% (+3,745) claimants in the WMCA (3 LEP) area, while the UK increased by 1.8%. When compared to February 2021, the number of claimants has decreased by 24.9% (-53,585) in the WMCA (3 LEP) area, with the UK decreasing by 32.4%. When compared to March 2020 (pre-pandemic figures), the number of claimants has increased by 37.3% (+43,895) in the WMCA (3 LEP) area, with the UK increasing by 42.6%.
- The Black Country LEP area had 49,545 claimants aged 16 years and over in February 2022, an increase of 810 (+1.7%) claimants from the previous month. Compared to the same month in 2021, Black Country LEP claimants decreased by 17,515 (-26.1%). When compared to March 2020 (38,275) the number of claimants has increased by 11,270 (+29.4%).

- In Coventry and Warwickshire LEP, there were 24,165 claimants aged 16 years and over in February 2022, an increase of 585 (+2.5%) claimants since January 2022. Compared to the same month in 2021, Coventry and Warwickshire LEP claimants decreased by 9,995 (-29.3%). When compared to March 2020 (15,825) the number of claimants has increased by 8,340 (+52.7%).

- In Greater Birmingham and Solihull LEP, there were 87,775 claimants aged 16 years and over in February 2022, an increase of 2,350 (+2.8%) claimants since January 2022. Compared to the same month in 2021, Greater Birmingham and Solihull LEP claimants decreased by 26,075 (-22.9%). When compared to March 2020 (63,490) the number of claimants has increased by 24,285 (+38.3%).

- The latest figures show since January 2022 in the WMCA (3 LEP) area that claimant count increased in 17 local authorities with 1 local authority (Stratford-on-Avon) remaining the same and 1 local authority (Lichfield) decreasing by 5.

The following table shows a breakdown of number of claimants aged 16+ and percentage change when compared to February 2022 for WMCA and UK:

	Mar 2020	Feb 2021	Jan 2022	Feb 2022	Feb 2022 (Claimants as proportion aged 16-64) Rates[4]	% Change Since Mar 20	% Change Since Feb 21	% Change Since Jan 22
Birmingham	49,370	83,655	65,935	67,820	9.2%	37.4%	-18.9%	2.9%
Bromsgrove	1,165	2,725	1,785	1,870	3.2%	60.5%	-31.4%	4.8%
Cannock Chase	1,655	3,465	2,210	2,260	3.5%	36.6%	-34.8%	2.3%

[8] ONS/DWP, Claimant count, March 2022. Please note, figures for previous months have been revised.

	Mar 2020	Feb 2021	Jan 2022	Feb 2022	Feb 2022 (Claimants as proportion aged 16-64) Rates[4]	% Change Since Mar 20	% Change Since Feb 21	% Change Since Jan 22
Coventry	8,000	17,100	12,285	12,710	5.0%	58.9%	-25.7%	3.5%
Dudley	8,515	14,540	10,365	10,510	5.4%	23.4%	-27.7%	1.4%
East Staffordshire	1,720	3,855	2,475	2,550	3.5%	48.3%	-33.9%	3.0%
Lichfield	1,320	2,750	1,725	1,720	2.8%	30.3%	-37.5%	-0.3%
North Warwickshire	845	2,045	1,220	1,250	3.2%	47.9%	-38.9%	2.5%
Nuneaton and Bedworth	2,830	5,100	3,605	3,655	4.6%	29.2%	-28.3%	1.4%
Redditch	1,535	3,290	2,220	2,255	4.3%	46.9%	-31.5%	1.6%
Rugby	1,535	3,165	2,110	2,165	3.2%	41.0%	-31.6%	2.6%
Sandwell	10,780	19,930	14,560	14,830	7.2%	37.6%	-25.6%	1.9%
Solihull	3,650	7,650	4,900	5,055	3.9%	38.5%	-33.9%	3.2%
Stratford-on-Avon	1,050	3,050	1,980	1,980	2.6%	88.6%	-35.1%	0%
Tamworth	1,490	2,890	1,955	1,970	4.2%	32.2%	-31.8%	0.8%
Walsall	8,605	15,320	10,950	11,065	6.3%	28.6%	-27.8%	1.1%
Warwick	1,570	3,700	2,385	2,410	2.6%	53.5%	-34.9%	1.0%
Wolverhampton	10,380	17,270	12,860	13,140	8.0%	26.6%	-23.9%	2.2%
Wyre Forest	1,580	3,570	2,215	2,275	3.9%	44.0%	-36.3%	2.7%
WM 7 Met.	**99,300**	**175,465**	**131,855**	**135,125**	**7.3%**	**36.1%**	**-23.0%**	**2.5%**
Black Country LEP	38,275	67,060	48,735	49,545	6.7%	29.4%	-26.1%	1.7%
Coventry and Warwickshire LEP	15,825	34,160	23,580	24,165	4.0%	52.7%	-29.3%	2.5%
Greater Birmingham and Solihull LEP	63,490	113,850	85,425	87,775	6.9%	38.3%	-22.9%	2.8%
WMCA (3 LEP)	**117,590**	**215,070**	**157,740**	**161,485**	**6.1%**	**37.3%**	**-24.9%**	**2.4%**
United Kingdom	1,268,620	2,678,280	1,777,485	1,809,660	4.3%	42.6%	-32.4%	1.8%

- Overall, for the WMCA (3 LEP) the number of claimants as a proportion of residents aged 16 - 64 years old was 6.1% compared to 4.3% for the UK in February 2022[9].

Youth Claimants (Aged 18-24)

- There were 27,000 youth claimants (aged 18-24 years old) in the WMCA (3 LEP) area in February 2022. Since January 2022, there was an increase of 3.3% (+865) youth claimants in the WMCA (3 LEP) area, above the UK increase of 2.6%. When compared to February 2021, the number of youth claimants has decreased by 35.7% (-14,980) in the WMCA (3 LEP) area, with the UK decreasing by 43.6%. When compared to March 2020 (pre pandemic figures), the number of youth claimants has increased by 19.6% (+4,420) in the WMCA (3 LEP) area, with the UK increasing by 19.5%.

- The Black Country LEP area had 8,555 youth claimants in February 2022, an increase of 150 (+1.8%) claimants from the previous month. Compared to the same month in 2021, Black Country LEP youth claimants decreased by 4,905 (-36.4%). When compared to March 2020 the number of youth claimants has increased by 865 (+11.2%).

- In Coventry and Warwickshire LEP, there were 3,805 youth claimants in February 2022, an increase of 120 (+3.3%) claimants since January 2022. Compared to the same month in 2021, Coventry and Warwickshire LEP youth claimants decreased by 2,585 (-40.5%). When compared to March 2020 the number of claimants has increased by 930 (+32.3%).

[9] WMCA Economic Growth Board Dashboard reports the number of claimants as a proportion of population aged 16 years and over – WMCA 3 LEP was 4.8% and the UK was 3.3% in February 2022.

- In Greater Birmingham and Solihull LEP, there were 14,640 youth claimants in February 2022, this is an increase of 595 (+4.2%) claimants since January 2022. Compared to the same month in 2021, Greater Birmingham and Solihull LEP youth claimants decreased by 7,490 (-33.8%). In the Greater Birmingham and Solihull LEP area, when compared to March 2020, the number of claimants has increased by 2,625 (+21.8%).

- The latest figures show since January 2022 in the WMCA (3 LEP) area that youth claimant count increased in 13 local authorities with 4 local authorities (Bromsgrove, Lichfield, North Warwickshire and Wyre Forest) remaining the same, 1 local authority (Warwick) decreasing by 5 and 1 local authority (Walsall) decreasing by 30.

The following table shows a breakdown of number of claimants aged 18-24 years old and percentage change when compared to February 2022 for WMCA and UK:

	Mar 2020	Feb 2021	Jan 2022	Feb 2022	Feb 2022 (Claimants as proportion aged 18-24) Rates	% Change Since Mar 20	% Change Since Feb 21	% Change Since Jan 22
Birmingham	9,105	16,085	10,790	11,295	8.1%	24.1%	-29.8%	4.7%
Bromsgrove	215	515	275	275	4.6%	27.9%	-46.6%	0%
Cannock Chase	365	730	400	415	5.8%	13.7%	-43.2%	3.8%
Coventry	1,535	3,305	1,935	2,000	3.7%	30.3%	-39.5%	3.4%
Dudley	1,750	3,060	1,810	1,855	7.8%	6.0%	-39.4%	2.5%
East Staffordshire	320	720	355	380	4.5%	18.8%	-47.2%	7.0%
Lichfield	270	505	280	280	4.0%	3.7%	-44.6%	0%
North Warwickshire	160	390	220	220	5.0%	37.5%	-43.6%	0%
Nuneaton and Bedworth	555	975	640	665	7.2%	19.8%	-31.8%	3.9%
Redditch	310	605	345	370	6.3%	19.4%	-38.8%	7.2%
Rugby	235	545	330	355	4.9%	51.1%	-34.9%	7.6%
Sandwell	2,115	3,975	2,485	2,535	9.6%	19.9%	-36.2%	2.0%
Solihull	825	1,695	905	910	5.9%	10.3%	-46.3%	0.6%
Stratford-on-Avon	160	495	225	240	2.9%	50.0%	-51.5%	6.7%
Tamworth	295	615	360	375	6.7%	27.1%	-39.0%	4.2%
Walsall	1,915	3,210	2,095	2,065	9.0%	7.8%	-35.7%	-1.4%
Warwick	230	690	335	330	2.0%	43.5%	-52.2%	-1.5%
Wolverhampton	1,910	3,220	2,020	2,095	10.1%	9.7%	-34.9%	3.7%
Wyre Forest	310	655	335	335	5.1%	8.1%	-48.9%	0%
WM 7 Met.	**19,155**	**34,545**	**22,035**	**22,760**	**7.5%**	**18.8%**	**-34.1%**	**3.3%**
Black Country LEP	7,690	13,460	8,405	8,555	9.1%	11.2%	-36.4%	1.8%
Coventry and Warwickshire LEP	2,875	6,390	3,685	3,805	3.8%	32.3%	-40.5%	3.3%
Greater Birmingham and Solihull LEP	12,015	22,130	14,045	14,640	7.2%	21.8%	-33.8%	4.2%
WMCA (3 LEP)	22,580	41,980	26,135	27,000	6.8%	19.6%	-35.7%	3.3%
United Kingdom	238,085	504,495	277,295	284,420	5.1%	19.5%	-43.6%	2.6%

- Overall, for the WMCA (3 LEP) the number of youth claimants as a percentage of residents aged 18- 24 years old was 6.8% compared to 5.1% for the UK in February 2022[10].

Claimant Count by Age and Gender (WMCA 3 LEP)[11]

- Overall, for the WMCA (3 LEP) area between January 2022 and February 2022, excluding the age bracket of 16-17 (where it remained the same) all age brackets increased in the number of claimants.

[10] WMCA Economic Growth Board Dashboard reports the number of claimants as a proportion of population aged 16 – 24 years old, the WMCA 3 LEP area was 5.5% and the UK was 4.1% in February 2022.
[11] Please note, figure may not sum due to rounding.

- For those aged 16-24 in the WMCA (3 LEP) area, when comparing February 2022 to the previous month, there was an overall increase of 870. This can be split by an increase of 630 males and an increase of 235 females. The age bracket of 16-17 claimants decreased by 5 females over the period.

- For those aged 25-49 in the WMCA (3 LEP) area, when comparing February 2022 to the previous month, there was an overall increase of 2,405. This can be split by an increase of 1,480 males and an increase of 915 females.

- For those aged 50 years and over in the WMCA (3 LEP) area, when comparing February 2022 to the previous month, there was an overall increase of 480 claimants. This can be split by an increase of 345 males and an increase of 135 females. Within this age range, females aged 65 years and over decreased by 20 while males increased by 35.

The following table shows a breakdown by age brackets and gender for the WMCA (3 LEP) area over selected time periods and change since February 2022:

		Mar 2020	Feb 2021	Jan 2022	Feb 2022	No. Change Since Mar 20	No. Change Since Feb 21	No. Change Since Jan 22
Total	**Age 16+**	**117,590**	**215,070**	**157,740**	**161,485**	**43,895**	**-53,585**	**3,745**
	Aged 16-24	**22,835**	**42,345**	**26,415**	**27,285**	**4,450**	**-15,060**	**870**
	Aged 16-17	250	365	285	285	35	-80	0
	Aged 18-24	22,580	41,980	26,135	27,000	4,420	-14,980	865
	Aged 25-49	**67,130**	**122,450**	**93,275**	**95,680**	**28,550**	**-26,770**	**2,405**
	Aged 25-29	15,945	29,070	20,495	21,030	5,085	-8,040	535
	Aged 30-34	15,635	28,715	22,125	22,750	7,115	-5,965	625
	Aged 35-39	13,715	25,120	20,060	20,530	6,815	-4,590	470
	Aged 40-44	11,230	20,820	16,660	17,140	5,910	-3,680	480
	Aged 45-49	10,605	18,720	13,945	14,230	3,625	-4,490	285
	Aged 50+	**27,635**	**50,275**	**38,040**	**38,520**	**10,885**	**-11,755**	**480**
	Aged 50-54	9,960	18,370	13,440	13,720	3,760	-4,650	280
	Aged 55-59	8,985	15,980	11,990	12,125	3,140	-3,855	135
	Aged 60-64	7,675	13,240	10,320	10,375	2,700	-2,865	55
	Aged 65+	1,020	2,680	2,285	2,295	1,275	-385	10
Male	**Age 16+**	**69,420**	**128,065**	**92,915**	**95,380**	**25,960**	**-32,685**	**2,465**
	Aged 16-24	**14,100**	**25,910**	**16,355**	**16,985**	**2,885**	**-8,925**	**630**
	Aged 16-17	115	180	125	130	15	-50	5
	Aged 18-24	13,980	25,730	16,235	16,855	2,875	-8,875	620
	Aged 25-49	**38,965**	**72,920**	**54,295**	**55,775**	**16,810**	**-17,145**	**1,480**
	Aged 25-29	9,610	18,030	12,455	12,815	3,205	-5,215	360
	Aged 30-34	9,095	17,190	12,910	13,325	4,230	-3,865	415
	Aged 35-39	7,730	14,705	11,465	11,740	4,010	-2,965	275
	Aged 40-44	6,440	12,135	9,495	9,805	3,365	-2,330	310
	Aged 45-49	6,080	10,865	7,960	8,095	2,015	-2,770	135
	Aged 50+	**16,355**	**29,230**	**22,270**	**22,615**	**6,260**	**-6,615**	**345**
	Aged 50-54	5,820	10,590	7,790	7,985	2,165	-2,605	195
	Aged 55-59	5,295	9,340	7,085	7,175	1,880	-2,165	90
	Aged 60-64	4,575	7,665	6,055	6,090	1,515	-1,575	35
	Aged 65+	655	1,635	1,335	1,370	715	-265	35
Female	**Age 16+**	**48,175**	**87,005**	**64,820**	**66,110**	**17,935**	**-20,895**	**1,290**
	Aged 16-24	**8,730**	**16,435**	**10,065**	**10,300**	**1,570**	**-6,135**	**235**
	Aged 16-17	135	185	160	155	20	-30	-5
	Aged 18-24	8,595	16,255	9,905	10,145	1,550	-6,110	240
	Aged 25-49	**28,165**	**49,520**	**38,985**	**39,900**	**11,735**	**-9,620**	**915**
	Aged 25-29	6,340	11,040	8,030	8,215	1,875	-2,825	185
	Aged 30-34	6,530	11,520	9,210	9,425	2,895	-2,095	215
	Aged 35-39	5,985	10,420	8,595	8,785	2,800	-1,635	190
	Aged 40-44	4,790	8,685	7,165	7,350	2,560	-1,335	185
	Aged 45-49	4,525	7,860	5,990	6,130	1,605	-1,730	140
	Aged 50+	**11,280**	**21,045**	**15,770**	**15,905**	**4,625**	**-5,140**	**135**
	Aged 50-54	4,135	7,785	5,655	5,730	1,595	-2,055	75

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

		Mar 2020	Feb 2021	Jan 2022	Feb 2022	No. Change Since Mar 20	No. Change Since Feb 21	No. Change Since Jan 22
	Aged 55-59	3,690	6,640	4,910	4,955	1,265	-1,685	45
	Aged 60-64	3,100	5,575	4,265	4,290	1,190	-1,285	25
	Aged 65+	360	1,040	950	930	570	-110	-20

EMSI Job Postings WMCA 3 LEP Geography February 2022[12]

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

- The number of unique job postings rebounded across the WMCA 3 LEP geography in February 2022, increased by 7% to 135,339.
- All 19 LA areas in the WMCA 3 LEP geography recorded an increase in the number of postings ranging from 2% in Stratford-on-Avon to 16% in North Warwickshire.
- Posting intensity, i.e., the effort towards hiring for particular positions remains high in Dudley, Nuneaton and Bedworth, Walsall and Wolverhampton.

The following table reports the number of unique job postings across the WMCA (3 LEP) local authorities in February 2022 and the percentage change from the previous month:

	February 2022 Unique Postings	% Change (January 2022 to February 2022)
Birmingham	68,386	5%
Bromsgrove	1,114	15%
Cannock Chase	1,810	6%
Coventry	11,053	10%
Dudley	5,236	4%
East Staffordshire	5,532	11%
Lichfield	1,955	12%
North Warwickshire	954	16%
Nuneaton and Bedworth	3,164	8%
Redditch	3,010	6%
Rugby	2,751	10%
Sandwell	4,780	11%
Solihull	4,456	13%
Stratford-on-Avon	1,498	2%
Tamworth	2,141	11%
Walsall	3,782	7%
Warwick	6,528	9%
Wolverhampton	5,842	10%
Wyre Forest	1,347	12%

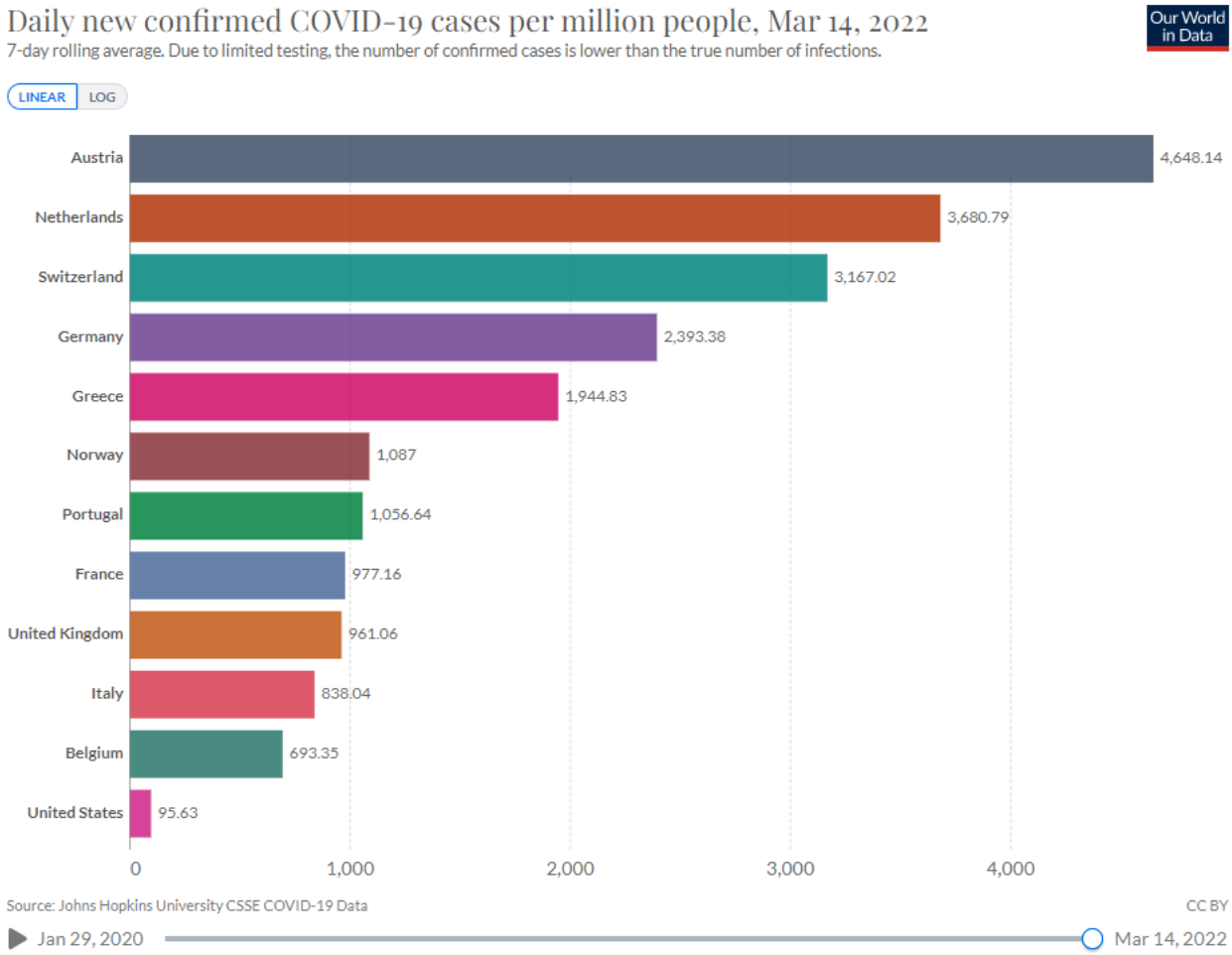
[12] Source: Emsi Burning Glass, March 2022 - please note, as of March 2022, Emsi Burning Glass have implemented new data collection and processing procedures within the Analyst Tool. It is estimated that this will result in an approximate 22% reduction in overall job posting counts, which will vary depending on the filters used within the research. Emsi Burning Glass believe that these new procedures will mean fewer duplicates are collected upfront alongside an enhanced deduplication process.

Infection Rates and Vaccine Update

Alice Pugh WMREDI

Across Europe case numbers have been falling, as in the graph below. This is largely because of continued vaccination programmes, as well as the end of winter. Additionally, as a result of the social distancing ending and countries and economies reopening, vaccination rates have increased, this is because many countries, events and venues, require guests to be vaccinated.

Since 31 December 2019 and as of week 2022-9, **446 363 008 cases** of COVID-19 (in accordance with the applied case definitions and testing strategies in the affected countries) have been reported, including **6 019 640 deaths.**

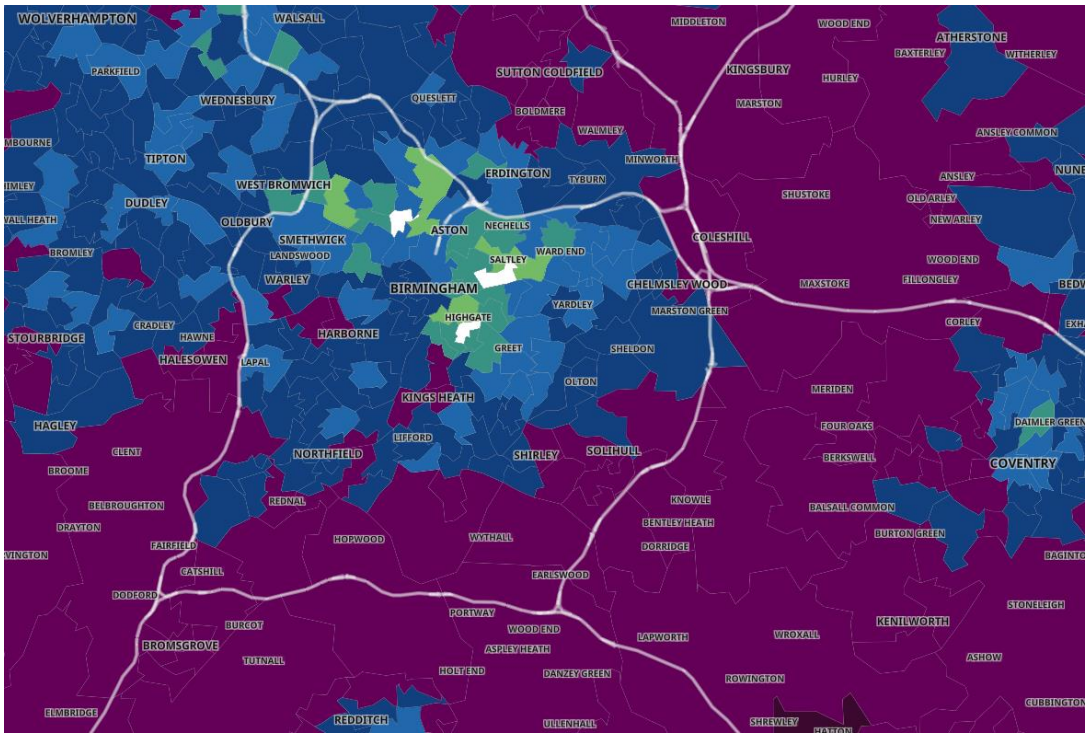


Latest ONS infection survey data (11th March 2022 next release to be 18th March 2022) states:

- In England, the percentage of people testing positive for coronavirus (COVID-19) increased in the week ending 5 March 2022; we estimate that 2,073,900 people in England had COVID-19 (95% credible interval 1,992,700 to 2,155,900), equating to 3.80% of the population or around 1 in 25 people.
- In Wales, the percentage of people testing positive for COVID-19 increased in the week ending 5 March 2022; we estimate that 97,900 people in Wales had COVID-19 (95% credible interval: 83,000 to 114,500), equating to 3.22% of the population or around 1 in 30 people.
- In Northern Ireland, the percentage of people testing positive for COVID-19 increased in the week ending 5 March 2022; we estimate that 143,800 people in Northern Ireland had COVID-19 (95% credible interval: 124,700 to 163,900), equating to 7.84% of the population or around 1 in 13 people.
- In Scotland, the percentage of people testing positive for COVID-19 continued to increase in the week ending 6 March 2022; we estimate that 299,900 people in Scotland had COVID-19 (95% credible interval: 270,200 to 332,300), equating to 5.70% of the population or around 1 in 18 people.
- In the week ending 5 March 2022 (6 March 2022 for Scotland), the percentage of infections compatible with the Omicron BA.2 variant increased in England, Wales, Northern Ireland and Scotland; the percentage of

infections compatible with the Omicron BA.1 variant decreased in England, Wales and Scotland and the trend was uncertain in Northern Ireland.

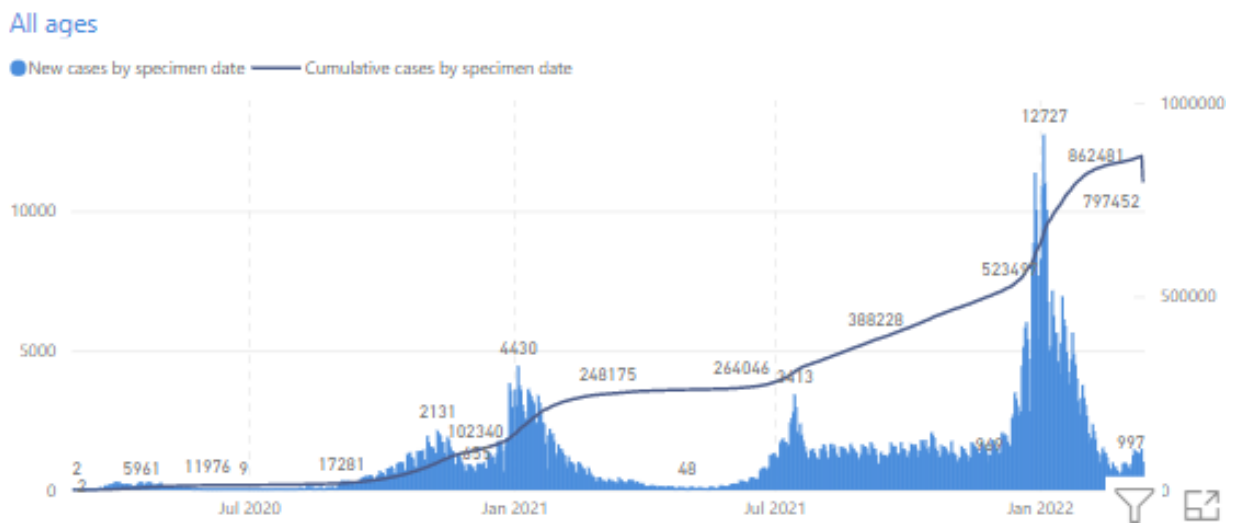
The map below displays weekly data, which are updated every day here. Seven–day rolling rate of new cases by specimen date ending on 24th February 2022.



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
04 March 2022	795	906	851349	5765	196.85
03 March 2022	884	909	850554	5563	189.95
02 March 2022	961	934	849670	5387	183.95
01 March 2022	958	807	848709	5234	178.72
28 February 2022	950	1882	847751	5095	173.97
27 February 2022	659	0	846801	5127	175.07
26 February 2022	558	0	846142	5222	178.31
25 February 2022	593	702	845584	5377	183.60
24 February 2022	708	866	844991	5697	194.53
23 February 2022	808	942	844283	6145	209.83
22 February 2022	819	858	843475	6652	227.14
21 February 2022	982	796	842656	7194	245.65
20 February 2022	754	857	841674	7722	263.68



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	25-Feb-22	26-Feb-22	27-Feb-22	28-Feb-22	01-Mar-22	02-Mar-22	03-Mar-22	04-Mar-22	05-Mar-22	06-Mar-22	07-Mar-22	08-Mar-22	09-Mar-22	10-Mar-22	11-Mar-22	12-Mar-22	13-Mar-22
ENGLAND	**841**	**888**	**949**	**1,145**	**1,111**	**1,184**	**1,226**	**1,044**	**1,050**	**1,260**	**1,278**	**1,389**	**1,521**	**1,414**	**1,412**	**1,368**	**1,591**
East of England	80	103	125	135	146	128	144	103	121	175	147	154	204	155	134	155	212
London	104	92	112	134	137	153	135	129	133	165	159	143	201	177	196	166	168
Midlands	143	159	156	195	179	205	216	189	170	196	222	208	249	224	231	226	265
North East and Yorkshire	145	141	126	193	148	157	165	129	131	147	145	191	201	218	227	207	249
North West	112	118	145	157	165	164	172	145	147	200	190	212	214	210	199	207	173
South East	158	149	177	178	187	220	227	199	172	242	205	270	262	253	237	217	291
South West	99	126	108	153	149	157	167	150	176	135	210	211	190	177	188	190	233

Mechanical Ventilation beds - occupied by confirmed COVID-19 patients

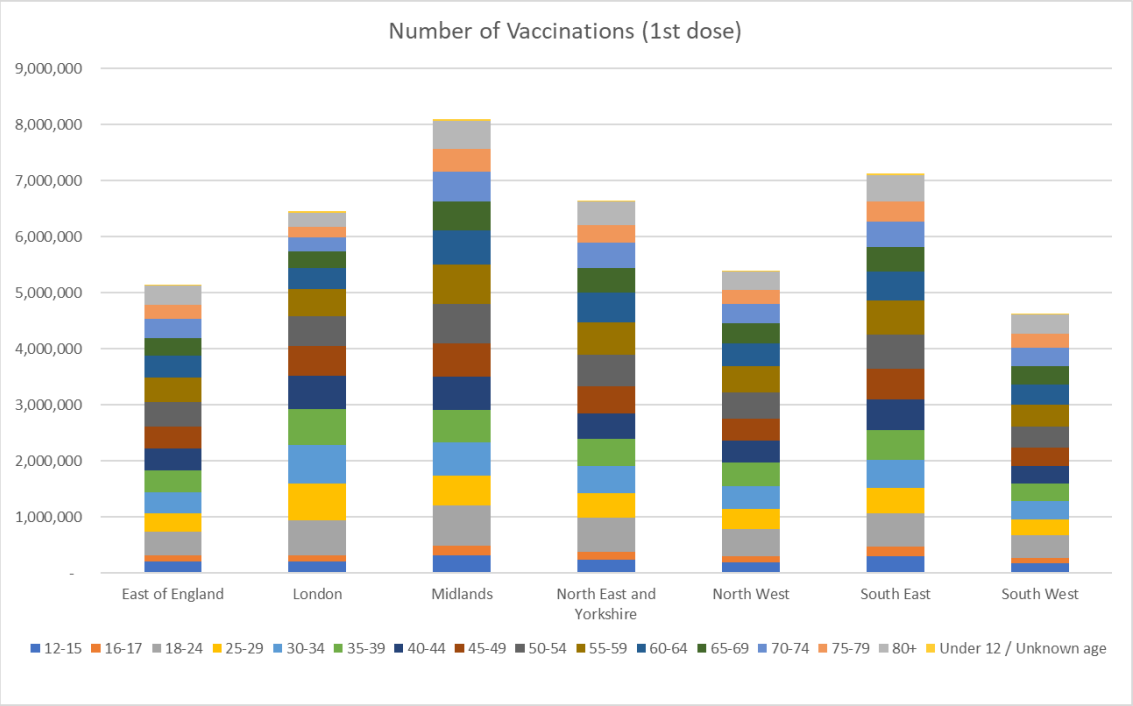
Name	27-Feb-22	28-Feb-22	01-Mar-22	02-Mar-22	03-Mar-22	04-Mar-22	05-Mar-22	06-Mar-22	07-Mar-22	08-Mar-22	09-Mar-22	10-Mar-22	11-Mar-22	12-Mar-22	13-Mar-22	14-Mar-22	15-Mar-22
ENGLAND	**239**	**254**	**245**	**249**	**234**	**232**	**231**	**234**	**239**	**242**	**235**	**221**	**221**	**216**	**215**	**239**	**235**
East of England	24	28	25	28	22	20	19	21	22	25	25	25	27	29	28	39	37
London	92	98	96	97	93	89	95	92	92	92	91	84	87	82	86	87	90
Midlands	29	35	30	23	21	30	24	26	27	25	22	21	22	23	22	26	23
North East and Yorkshire	32	31	31	39	30	31	34	29	30	34	35	30	30	24	26	25	27
North West	23	20	22	26	28	25	26	29	29	26	23	23	22	24	22	28	25
South East	23	23	23	25	25	19	19	22	23	22	22	23	20	21	20	23	20
South West	16	19	18	11	15	18	14	15	16	18	17	15	13	13	11	11	13

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

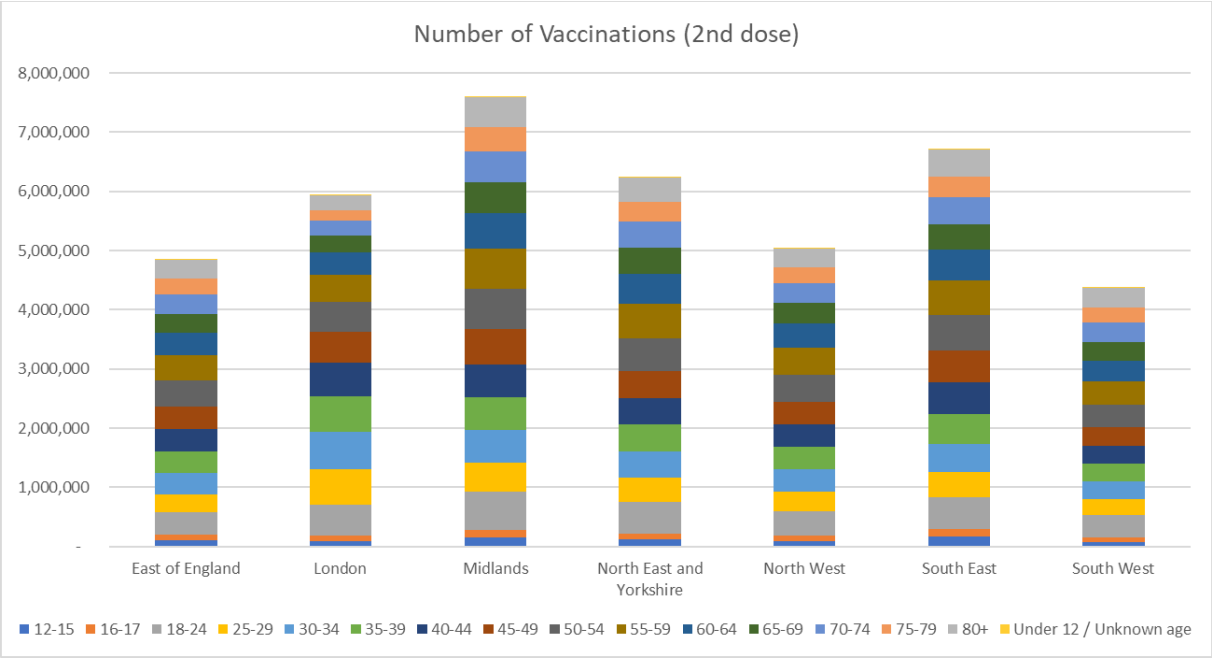
Name	27-Feb-22	28-Feb-22	01-Mar-22	02-Mar-22	03-Mar-22	04-Mar-22	05-Mar-22	06-Mar-22	07-Mar-22	08-Mar-22	09-Mar-22	10-Mar-22	11-Mar-22	12-Mar-22	13-Mar-22	14-Mar-22	15-Mar-22
ENGLAND	**8,305**	**8,538**	**8,486**	**8,402**	**8,210**	**8,403**	**8,400**	**8,502**	**8,923**	**9,176**	**9,163**	**9,241**	**9,369**	**9,618**	**9,908**	**10,576**	**10,877**
East of England	827	912	935	933	925	934	919	943	981	1,052	998	1,058	1,067	1,120	1,135	1,201	1,240
London	1,572	1,579	1,575	1,573	1,553	1,529	1,476	1,496	1,595	1,624	1,641	1,619	1,653	1,632	1,728	1,823	1,867
Midlands	1,547	1,609	1,581	1,530	1,519	1,506	1,483	1,487	1,557	1,568	1,594	1,582	1,582	1,606	1,630	1,747	1,836
North East and Yorkshire	1,308	1,314	1,297	1,294	1,129	1,297	1,342	1,345	1,370	1,424	1,394	1,373	1,390	1,443	1,482	1,580	1,614
North West	1,178	1,219	1,210	1,208	1,183	1,192	1,213	1,212	1,286	1,308	1,329	1,350	1,371	1,396	1,456	1,514	1,542
South East	1,145	1,159	1,162	1,115	1,134	1,140	1,152	1,170	1,229	1,277	1,284	1,341	1,345	1,455	1,459	1,630	1,664
South West	728	746	726	749	767	805	815	849	905	923	923	918	961	966	1,018	1,081	1,114

Vaccine Update

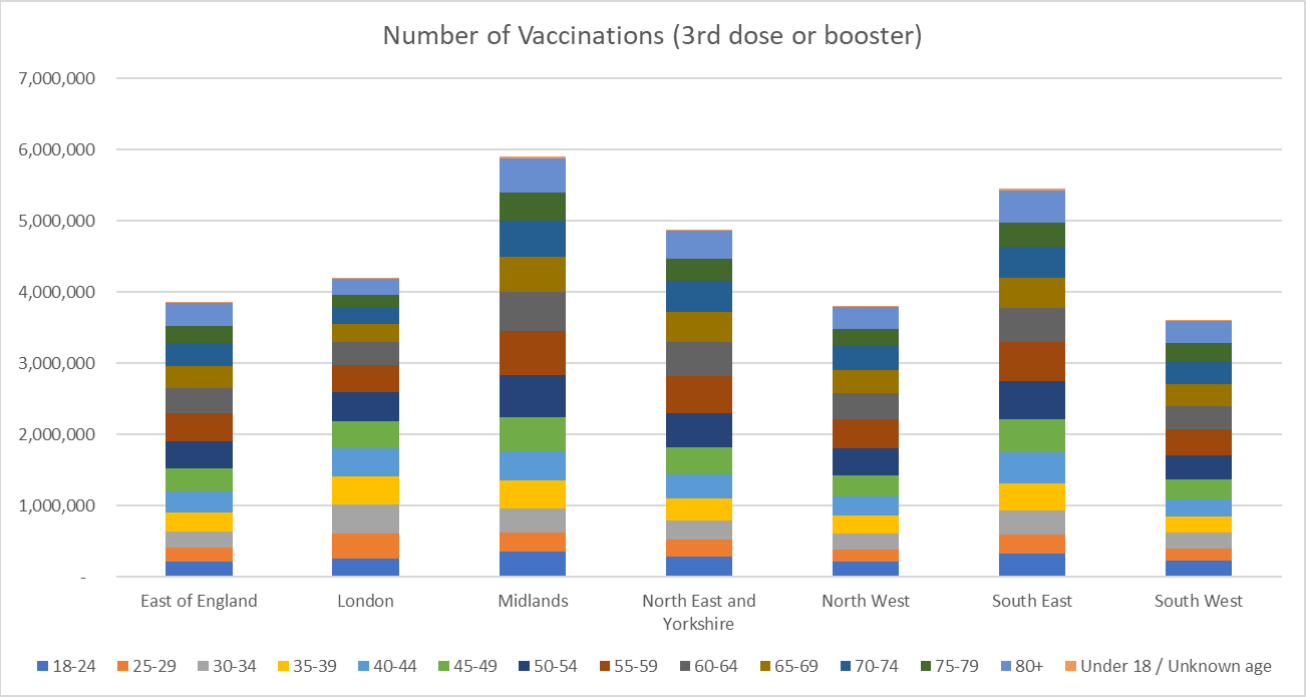
Between the 8th December 2020 and the 6th March 2022 the Midlands has successfully vaccinated **8,095,769** people with the first dose and **7,590,034** of these individuals have received the second dose as well. A further **5,900,783** have received their booster. Meaning the Midlands has successfully provided the most jabs out of any region including London.



NHS Region of residence name	% of people 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	61.1%	75.2%	82.4%	82.8%	89.0%	90.3%	94.6%	91.2%	95.6%	98.0%	99.9%	97.1%	95.9%	100%*	91.8%
East of England	65.0%	79.4%	85.4%	86.6%	90.1%	90.5%	94.9%	92.0%	95.7%	98.3%	100.0%	96.6%	95.6%	100%*	91.9%
London	47.8%	61.5%	83.6%	86.8%	83.4%	81.8%	87.9%	90.2%	91.8%	94.5%	94.9%	92.7%	90.9%	94.4%	83.0%
Midlands	61.0%	74.7%	76.1%	74.2%	85.3%	89.4%	94.2%	89.8%	95.8%	97.4%	100%*	96.7%	96.5%	100%*	93.1%
North East and Yorkshire	60.8%	74.7%	78.0%	76.8%	86.6%	90.5%	94.7%	89.3%	95.5%	97.4%	99.2%	97.7%	97.0%	100%*	92.0%
North West	57.5%	73.2%	78.0%	76.4%	85.4%	90.3%	95.2%	90.1%	95.3%	97.8%	100%*	97.7%	96.4%	100%*	92.1%
South East	69.6%	81.9%	83.5%	86.5%	96.1%	94.7%	96.6%	92.0%	95.6%	98.2%	100%*	97.7%	95.3%	100%*	92.3%
South West	68.1%	83.2%	87.2%	88.2%	95.0%	95.2%	97.9%	91.7%	95.9%	99.2%	100%*	96.9%	96.4%	100%*	94.4%



NHS Region of residence name	% of people who have had at least 2 doses (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	30.1%	56.1%	73.4%	75.9%	82.9%	85.6%	90.9%	88.5%	93.5%	96.3%	98.4%	95.9%	95.1%	100%*	91.2%
East of England	34.5%	60.5%	77.9%	80.3%	84.8%	86.5%	91.8%	89.8%	94.0%	97.0%	98.9%	95.8%	95.0%	100%*	91.4%
London	22.1%	43.2%	71.2%	79.3%	77.4%	76.9%	83.6%	86.6%	88.5%	91.4%	92.2%	90.3%	88.9%	92.6%	81.6%
Midlands	29.5%	55.2%	68.2%	67.9%	79.5%	84.9%	90.6%	87.3%	94.0%	95.9%	99.0%	95.8%	95.8%	100%*	92.6%
North East and Yorkshire	28.6%	54.9%	69.6%	70.1%	80.4%	85.7%	91.0%	86.9%	93.7%	96.2%	98.2%	96.9%	96.5%	100%*	91.6%
North West	27.8%	52.8%	68.9%	69.3%	78.6%	84.8%	90.7%	87.0%	93.0%	95.9%	98.9%	96.7%	95.7%	100%*	91.5%
South East	37.3%	63.9%	76.2%	80.4%	90.8%	90.8%	93.8%	90.0%	94.1%	96.9%	99.1%	96.7%	94.6%	100%*	91.8%
South West	31.3%	64.8%	80.0%	82.3%	89.9%	91.4%	95.0%	89.8%	94.4%	98.0%	99.6%	96.1%	95.8%	100%*	93.9%



NHS Region of residence name	% of people (not just those eligible) who have had at least 3 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	40.2%	44.9%	53.1%	59.7%	68.9%	71.8%	80.7%	85.9%	90.4%	90.9%	91.8%	98.1%	87.5%
East of England	45.0%	49.1%	55.9%	62.2%	71.7%	74.9%	83.0%	88.2%	92.1%	91.7%	92.3%	100%*	88.7%
London	34.8%	47.3%	49.0%	50.7%	58.6%	63.8%	69.8%	75.1%	79.3%	81.1%	82.6%	86.6%	75.7%
Midlands	36.8%	38.5%	49.5%	58.2%	68.1%	70.8%	81.3%	85.7%	91.2%	91.0%	92.6%	98.1%	89.1%
North East and Yorkshire	37.6%	39.8%	49.9%	59.0%	68.6%	70.6%	81.4%	86.7%	91.1%	92.5%	93.5%	98.3%	88.1%
North West	34.0%	37.0%	46.0%	55.4%	65.4%	68.1%	78.6%	84.4%	90.1%	91.2%	92.0%	96.7%	87.3%
South East	46.2%	51.7%	62.9%	68.4%	76.2%	77.5%	84.8%	89.2%	93.1%	93.0%	92.1%	100%*	88.7%
South West	49.4%	53.4%	63.1%	69.8%	77.9%	77.7%	85.4%	90.3%	93.5%	92.6%	93.4%	100%*	91.3%

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

Weekly Deaths Registered: 4th March 2022

Black Country Consortium Economic Intelligence Unit

The following analysis compares the latest available time period (the week of the 4th March 2022) to the previous week period (the week of the 25th February 2022) for the number of deaths registered and the number of deaths registered related to the Coronavirus[13].

Across England and Wales, the overall registered death figures increased from 11,150 in the week of the 25th February 2022 to 11,226 in the week of 4th March 2022. The number of deaths registered that state Coronavirus on the death certificate decreased from 766 to 670 people over the same period.

Regional level analysis shows that the West Midlands' overall registered death figures decreased from 1,174 people in the week of 25th February 2022 to 1,101 in the week of 4th March 2022. The number of registered deaths related to Coronavirus decreased from 83 people to 73 people over the same period.

There was a total of 755 deaths registered across the WMCA (3 LEP) area in the week of the 4th March 2022. There were 52 deaths registered that were related to Coronavirus over the same period. In comparison to the week of the 25th February 2022, the overall registered death figures in the WMCA (3 LEP) area decreased by 36, with the number of registered deaths related to Coronavirus decreasing by 8 people.

At local authority level in the week of the 4th March 2022, five local authorities (North Warwickshire, Rugby, Stratford-on-Avon, Bromsgrove and Walsall) in the WMCA (3 LEP) area had no registered deaths related to the Coronavirus. Of the 52 registered Coronavirus related deaths; Birmingham accounted for 13 deaths, Nuneaton and Bedworth accounted for 7 deaths and Coventry accounted for 6 deaths.

Of the 52 registered Coronavirus deaths in the WMCA (3 LEP) involving Coronavirus in the week of the 4th March 2022, 39 were registered in a hospital, 8 deaths were registered at home, 4 were registered at a care home and 1 death was registered at a hospice.

Place and number of deaths registered that are related to Coronavirus in the week of 4th March 2022:

Area name	Care home	Elsewhere	Home	Hospice	Hospital	Other communal establishment	Total
Cannock Chase	1	0	0	0	0	0	1
East Staffordshire	1	0	0	0	0	0	1
Lichfield	0	0	0	1	2	0	3
Tamworth	0	0	0	0	2	0	2
North Warwickshire	0	0	0	0	0	0	0
Nuneaton and Bedworth	0	0	0	0	7	0	7
Rugby	0	0	0	0	0	0	0
Stratford-on-Avon	0	0	0	0	0	0	0
Warwick	1	0	1	0	3	0	5
Bromsgrove	0	0	0	0	0	0	0
Redditch	0	0	1	0	1	0	2
Wyre Forest	0	0	0	0	1	0	1
Birmingham	0	0	2	0	11	0	13
Coventry	0	0	3	0	3	0	6
Dudley	1	0	0	0	3	0	4
Sandwell	0	0	1	0	2	0	3
Solihull	0	0	0	0	3	0	3
Walsall	0	0	0	0	0	0	0
Wolverhampton	0	0	0	0	1	0	1
WM 7 Met.	**1**	**0**	**6**	**0**	**23**	**0**	**30**
Black Country LEP	1	0	1	0	6	0	8
Coventry & Warwickshire LEP	1	0	4	0	13	0	18
Greater Birmingham & Solihull LEP	2	0	3	1	20	0	26
WMCA (3 LEP)	**4**	**0**	**8**	**1**	**39**	**0**	**52**

[13] 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, 15th March 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 10th March 2022, 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: online job adverts, footfall data, Value-Added Tax returns, national company incorporations and voluntary dissolutions, potential redundancies, final results from Wave 51 of the Business Insights and Conditions Survey (BICS), and results from Wave 85 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. On this occasion there is more of time-lag in data than normal for this section.

Nationally, between the 18th February 2022 and 25th February 2022, total online job adverts decreased by 1.7 percentage points. On the 25th February 2022, total online job adverts were at 144.8% of their average level in February 2020. Out of the 28 categories (excluding unknown) 12 increased from the previous week. The largest weekly increase was in "domestic help", which rose by 14.1 percentage points and was at 207.8% of the February 2020 level. Categories below the February 2020 average level were "legal" (91.1%), and "energy/oil & gas" (95.6%). The largest week-on-week decrease was in "facilities/maintenance" decreasing by 21.8 percentage points to 185.5% of the average level in February 2020.

Excluding London, online job adverts for all regions decreased between the 18th February 2022 and 25th February 2022. Regional decreases varied from 2.0 percentage points in the East of England to a 6.7 percentage point decrease for the North East, London increased by 1 percentage point. The West Midlands online job adverts decreased by 3.6 percentage points and on the 25th February 2022 total online job adverts were at 158% of their average level in February 2020. On the 25th February 2022, all 12 regions were above their February 2020 levels, varying from; 125.9% in London to 179.6% in the North East.

Footfall

According to Springboard, overall retail footfall in the UK in the week to 5th March 2022 was at 84% of the level seen in the equivalent week of 2019; this was a 4% decrease when compared to the previous week. In the week to 5th March 2022, footfall in high streets decreased by 4% from the previous week and was 81% of the level seen in the equivalent week of 2019. Over the same period, footfall in retail parks decreased by 1% and was 95% of the level seen in the equivalent week of 2019 and shopping centres decreased by 6% and was 79% of the level seen in the equivalent week of 2019.

In the week to 5th March 2022, there were decreases in retail footfall in 7 out of the 10 English regions and UK countries. The largest weekly falls in retail footfall were in Wales and the South West, both of which fell by 8% compared with the previous week.

Value-Added Tax Returns

The seasonally adjusted number of new VAT reporters in the UK was 23,730 in February 2022, which was 13% higher than in January 2022. This is 14% higher than the 2015 to 2019 longer-term average (20,906). This was the largest monthly increase since March 2021 when the seasonally adjusted number of new VAT reporters grew by 40%.

The month-on-month, all-industry turnover estimate for January 2022 shows that a net 5% of firms reported increasing turnover. January 2022 had the largest net positive reported turnover since February 2021 when a net 7% increase was reported.

National Company Incorporations and Voluntary Dissolutions

Companies House data shows for the UK, there were 15,086 company incorporations in the week to 4th March 2022. This is down from 19,104 recorded in the same week in 2021, higher when compared to the same week in 2020 (13,268) and lower than the same week in 2019 (15,747).

Also, for the week to 4th March 2022, there were 5,604 voluntary dissolution applications, a decrease from 6,806 recorded in the same week in 2021. The number of voluntary dissolution applications was higher than levels seen in the same week of 2020 (5,411) and than the same week in 2019 (5,145).

Potential Redundancies

HR1 forms are used by employers to notify the Insolvency Service's Redundancy Payments Service of potential redundancies. They are only required when firms wish to make 20 or more redundancies. The data is presented in a week-ending Sunday format. The data does not record the total number of redundancies; they record the number of potential redundancies filed on HR1 forms.

On the 27th February 2022, across the UK there were 37 employers proposing 4,283 potential redundancies. The potential redundancies 4-week rolling average was 4,476 and the employers proposing redundancies 4-week rolling average was 42. When indexed (100 = weekly average from week ending 21st April 2019 to week ending 23rd February 2020), the potential redundancies 4-week rolling average was 91 and the employers proposing redundancies 4-week rolling average was 75.

Business Insights and Conditions Survey (BICS)

The final results from Wave 51 of the BICS based off the 5,087 businesses surveyed across the West Midlands that businesses have a presence in with a response rate of 20.8% (1,059) and 3,035 businesses that are head quartered in the West Midlands, with a response rate of 20.5% (623). Please note, the survey reference period was 7th February 2022 to 6th March 2022 with the survey live period between 21st February to 6th March 2022. 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 survey period, of which 95.9% were full trading and 3.0% were partially trading.

Excluding “not sure” responses, 21.6% of responding West Midlands business reported that turnover over the last two weeks when compared to normal expectations for the time of year had decreased. While 54.3% of West Midlands businesses reported turnover had not been affected and approximately 13.5% reported turnover had increased.

Excluding “not sure” responses, 36.2% of responding West Midlands businesses reported that Covid-19 was the main reason for the change in the business turnover, 1.3% reported that the “end of the EU transition period” was the main reason. While 34.0% reported “other” as the main reason and 12.9% of West Midlands businesses reported “Covid-19 and the end of the EU transition period”.

International Trading

Excluding “not sure” responses, 68.4% of responding West Midlands businesses reported “exporting as normal” over the last month when compared with normal expectations for the time of year. 19.1% of West Midlands businesses reported “exporting, but less than normal”. 2.7% reported “exporting more than normal” and less than 1.0% reported they “had not been able to export in the last month”.

Excluding “not sure” responses, 71.4% of responding West Midlands businesses reported “importing as normal” over the last month when compared with normal expectations for the time of year. 13.7% of West Midlands businesses

reported "importing, but less than normal". 6.3% reported "importing more than normal" and less than 1% reported they "had not been able to import in the last month".

Excluding "not applicable" and "not sure" responses", 32.0% of West Midlands businesses they were "fully prepared" for the introduction of full customs controls for goods imported from the EU from 1st January 2022. 43.6% of West Midlands businesses reported they were "somewhat prepared" and 4.1% were "not prepared".

Excluding "not applicable" and "not sure" responses", 1.2% of West Midlands businesses reported "major disruption" to the business from the introduction of full customs control. 26.5% of West Midlands businesses reported "moderate disruption" and 41.0% had "minor disruption".

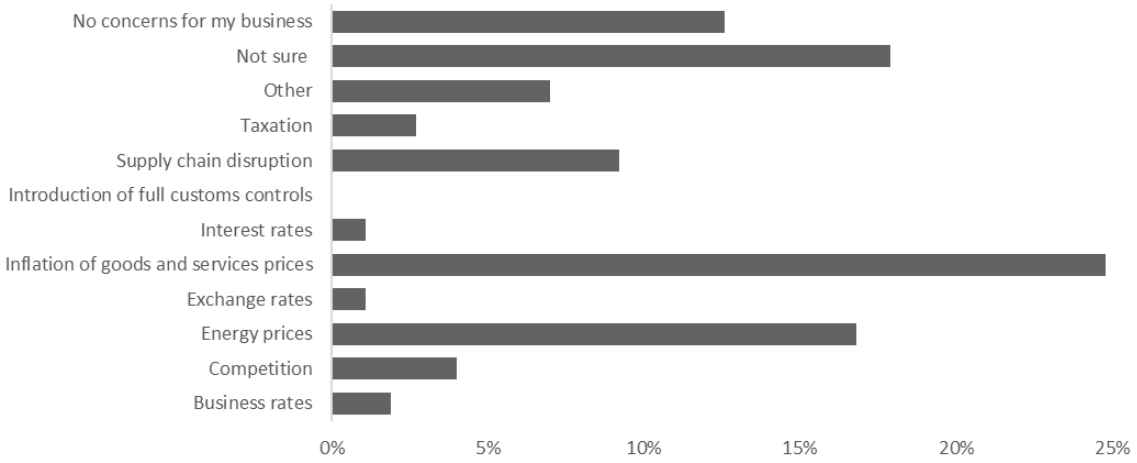
Global Supply Disruption

29.2% of West Midlands businesses reported experiencing global supply chain disruption over the last month.

Main Concerns for Business

24.8% of West Midlands businesses reported the main concern for business was "inflation of goods and services prices" over the next month.

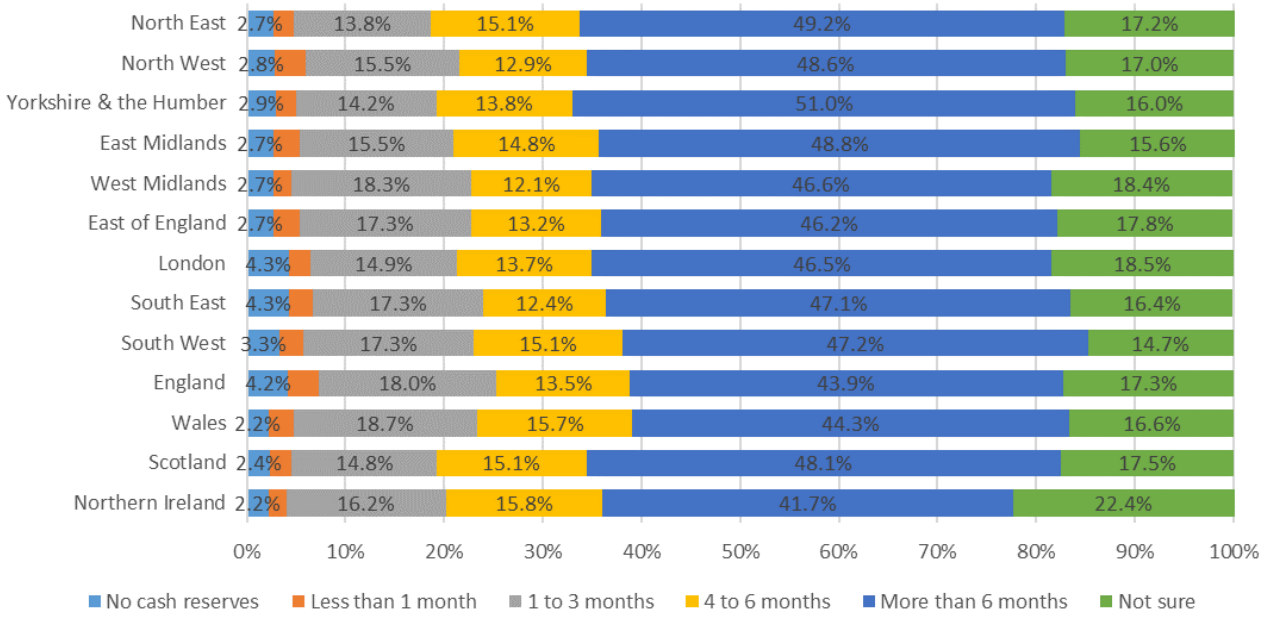
The following chart shows the main concern (if any) for businesses in the West Midlands over the next month:



Cash Reserves

2.7% 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, Debts and Insolvency

76.2% of West Midlands businesses reported they had high confidence that the business will survive the next three months, with a further 17.9% with moderate confidence.

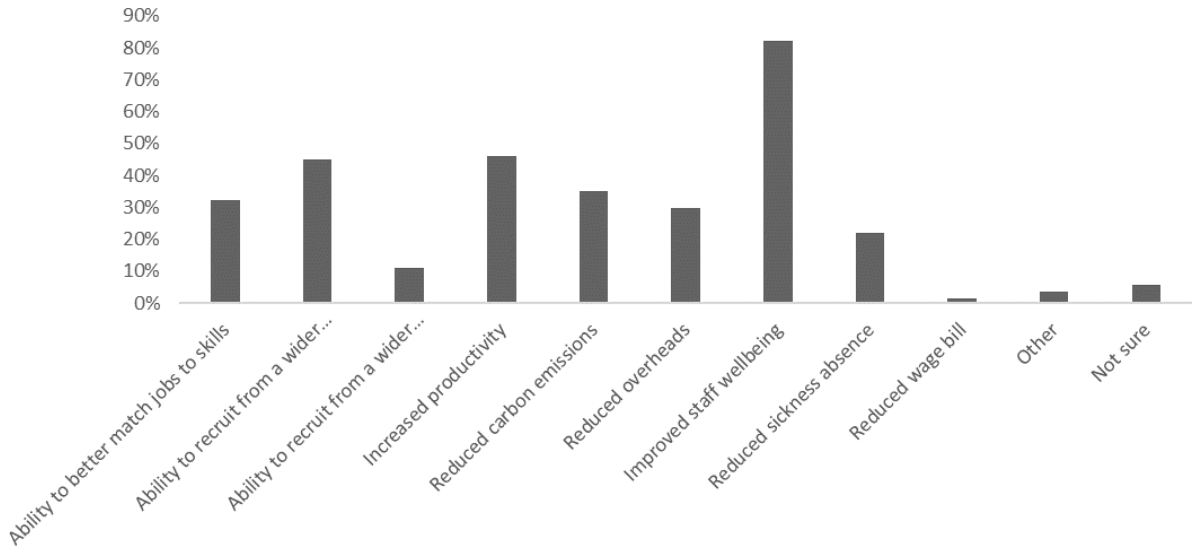
2.6% of West Midlands businesses reported that repayments were over 50% of turnover. Less than 1% of West Midlands businesses reported having low confidence that the business will meet the debt obligations.

Excluding "the business is insolvent" and "not sure" responses, less than 1% of West Midlands businesses reported to being at "severe risk" of insolvency. With 6.0% reporting a "moderate risk", 49.4% reporting "low risk" and 37.6% of West Midlands businesses reporting "no risk".

Homeworking

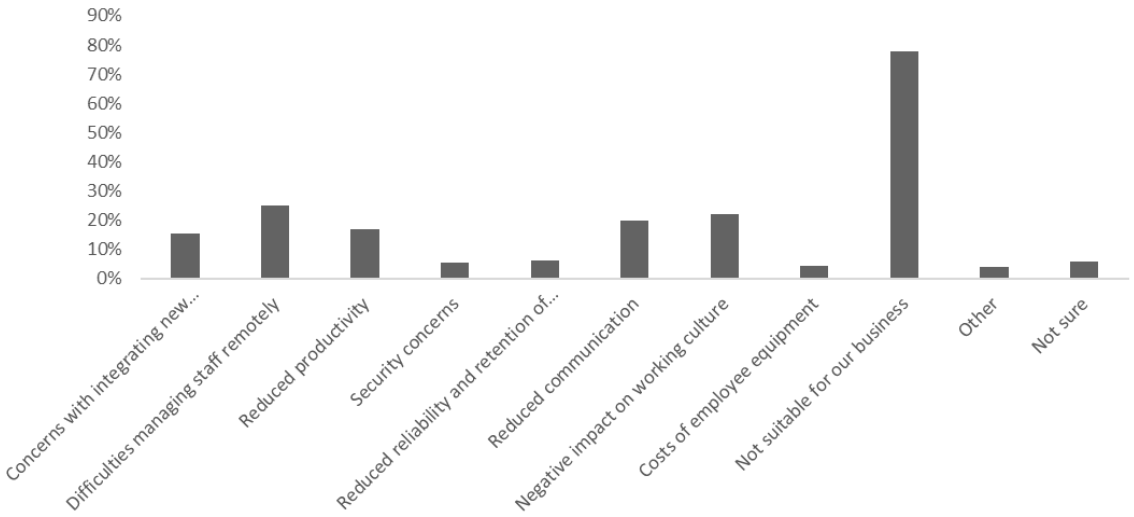
29.7% of West Midlands businesses reported there were using or intending to use increased homeworking as a permanent business model going forward. Of these businesses, the highest response as to why they were using or intending to increase homeworking at 82.1% was due to "improved staff wellbeing".

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, 45.6% 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 77.8% 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, 56.9% of West Midlands businesses reported that the "workforce already returned to their normal place of work", with 14.4% expected to return within the next six months and 1.4% to return after 6 months. 6.9% of West Midlands businesses reported that they "were not expecting the workforce to return to their normal place of work".

Wages

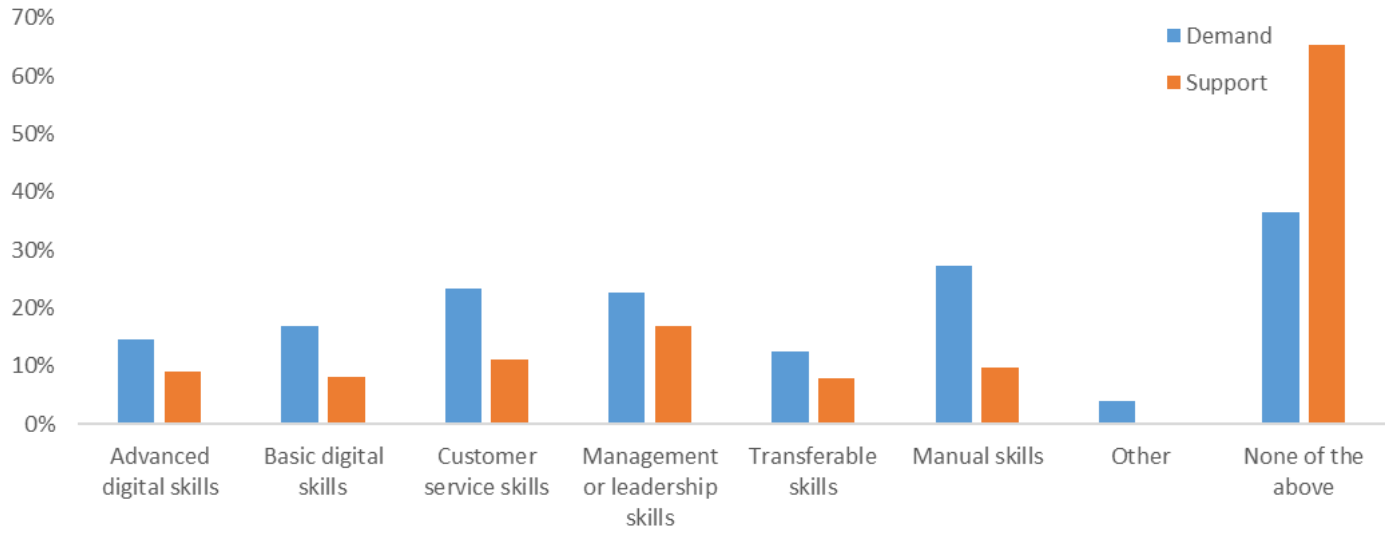
Excluding "not sure" or "not applicable" responses, 54.3% of responding West Midlands businesses reported existing employees' hourly wages over the last month when compared with normal expectations or the time of year had not been affected. 25.3% reported that wages were higher and 1.7% of West Midlands businesses reported wages were lower.

Excluding "not sure" or not applicable" responses, 41.2% 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. 32.1% reported that wages were higher and less than 1% of West Midlands businesses reported wages were lower.

Skills Demand and Support

27.2% of West Midlands businesses reported in the last 12 months they had experienced an increase in demand for "manual skills". 16.9% of West Midlands reported that the skills the workforce required extra support or training in was "management or leadership skills".

The following chart shows for West Midlands businesses over the last 12 months where there was an increase in demand for skills and also what the West Midlands businesses reported the skills the workforce needed extra support or training in:



Worker Shortages

39.6% of West Midlands businesses reported to currently experiencing a shortage of workers.
Of those, 61.0% of West Midlands businesses reported the worker shortage was causing "employees working increased hours".

The following chart shows for West Midlands businesses how the shortage of workers affected the business:

Social Impacts of the Coronavirus

The following section refers to the period of 16th to 27th February 2022. Please note, only a selection of indicators at a regional level are included in this section.

Financial Situation and Borrowing

62% of West Midlands adults reported that the household could afford to pay an unexpected but necessary expense of £850 (59% GB).

18% of West Midlands adults reported that they have had to borrow more money or use more credit than usual in the last month compared to a year ago (matching GB).

45% of West Midlands adults reported that in view of the general economic situation, that they will be able to save money in the next 12 months (41% GB).

Well-Being, Loneliness and Perceptions of the Future

Mean personal well-being scores for life satisfaction was 7.2 in the West Midlands (7.0 GB), worthwhile was 7.5 in the West Midlands (7.3 GB), happiness was 7.0 for West Midlands adults (matching GB) and anxious was recorded at 4.1 for West Midlands adults (3.9 GB)[14].

6% of adults in the West Midlands reported low levels of life satisfaction (9% GB). 6% of West Midlands adults reported low level of feeling worthwhile (7% GB). 13% of responding West Midlands adults reported low level of happiness (12% GB) and 35% reported high levels of anxiety (32% GB)[15].

23% of adults in the West Midlands reported to often/always or some of the time to feeling lonely (24% GB). While 55% reported hardly ever or never feeling lonely in the West Midlands (49% GB).

8% of West Midlands adults believe it will take 6 months or less before life returns to normal (9% GB). 11% of West Midlands adults believed it will take 7 to 12 months (10% GB). 31% of West Midlands adults think it could more than a year to return back to normal (32% GB), 12% of the West Midlands adults thought it would never go back to normal (matching UK GB) and 10% reported that they thought life had returned to normal (9%).

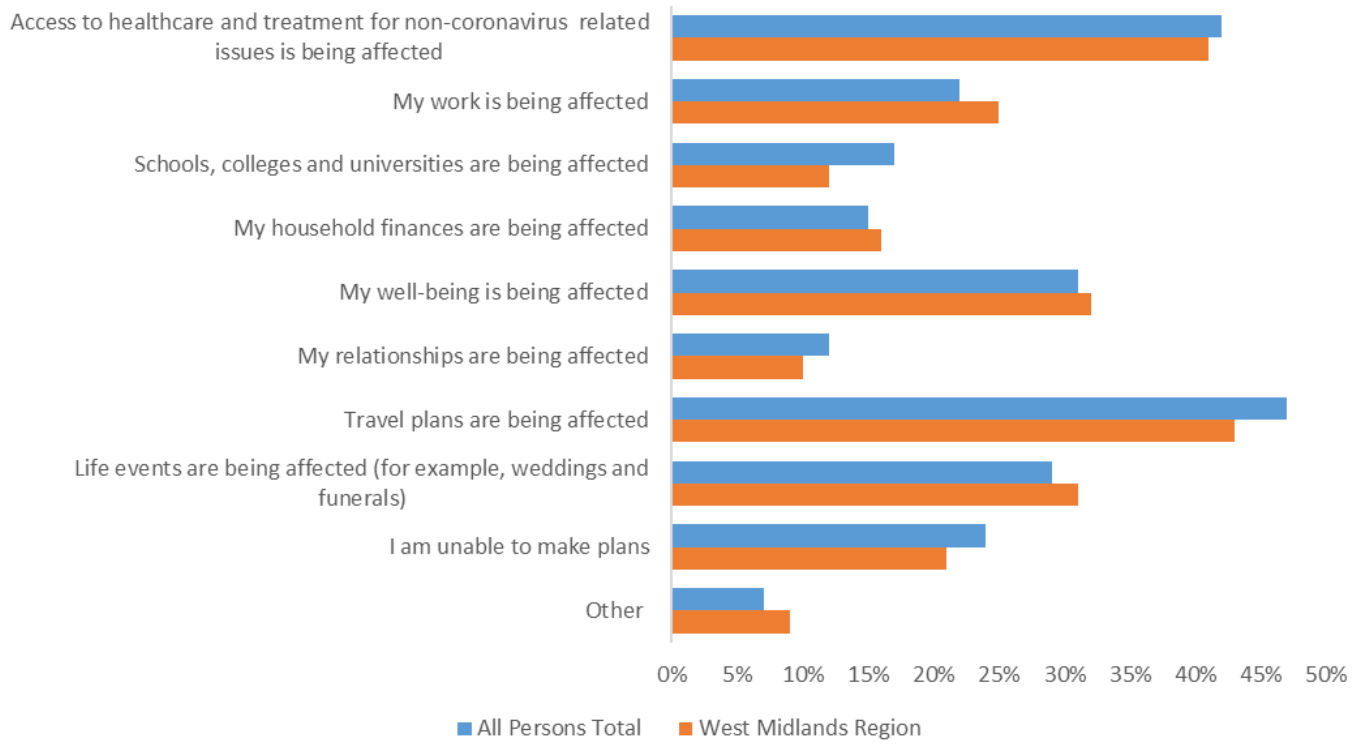
Impact on People's Life Overall

[14] Each of these questions are answered on a scale of 0 to 10, where 0 is "not at all" and 10 is "completely".
[15] 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?".

In the West Midlands, 40% of adults reported they were very or somewhat worried about the effect Covid-19 was having on their life (41% GB). 27% of responding West Midlands adults reported that they were somewhat unworried or not at all worried (25% GB).

43% of West Midlands adults reported that Covid-19 was affecting travelling plans (47% GB).

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



WMCA Growth Hub Intel for WM Weekly Economic Monitor – 16th March 2022

Black Country Consortium Economic Intelligence Unit

Headlines

SECTOR	KEY INSIGHTS
Cross Sector	**Outlook** Just as the domestic economy began to settle down, recover and grow from what seems to be the worst of the pandemic, global military developments risk another economic crisis which whilst clearly secondary to the humanitarian crisis unfolding in Ukraine, will have an economic impact. The **full economic impact of the invasion on the UK, West Midlands and the Black Country will evolve over time and will depend on any resolutions reached**. But **business concerns related to the conflict are already building**, mostly regarding **commodity supply and price hikes**. In the meantime, the new year did bring some confidence to local business activity, while still being tempered by pandemic and Brexit related issues. • The latest **Business Barometer from Lloyds Bank Commercial Banking** said that confidence in the West Midlands **rose by eight points during the February to 47 per cent**. A net balance of 44 per cent of businesses in the region expect to increase staff levels over the next year, up 24 points on last month. • **West Midlands smaller businesses are showing strong signs of recovery and a renewed appetite for growth**, according to figures revealed by the British Business Bank's eighth annual Small Business Finance Market Report 2021/22. Equity investment in West Midlands smaller businesses reached £277 million by the end of 2021's third quarter across 46 deals. This was an **18 per cent rise on the number of equity deals completed in the same period in 2020**, however the region experienced a 25 per cent drop in investment value. Separately, The Government's Living with Covid plan was **warmly welcomed by many local firms**, particularly in sectors such as hospitality, retail and travel, who have noted that this is a major step towards normality. Several businesses have flagged that caution must still be exercised, and that **certain measures adopted during the pandemic (e.g. face coverings, lateral flow testing before attending crowded venues) should remain in place for the long-term** to protect businesses in the face of future variants which could jeopardise trading. This is likely to become of greater importance as **Covid cases rise again**, testing the effectiveness of the Government's Living with Covid strategy. Businesses are continuing to flag major concerns about the **cost pressures they are facing and the rising cost of doing business.** Local firms, in particular SMEs, have shared that rising wages, energy prices, shipping costs, business rates, and incoming NI rises are having a detrimental impact on their business. Many have shared their concerns about their **ability to survive should these cost pressures be sustained without policy intervention.** Regarding wage growth, a number of businesses across all sectors have shared that they have had to increase wages by at least 5% this year in order to retain and recruit staff. **Russia's Invasion of Ukraine** Although primarily a humanitarian crisis, there are wider economic and business implications from the Russian invasion of Ukraine. The CBI's initial economic impact analysis outlines **four main channels of impact for the UK economy**, supplemented by live business intelligence via local firms:

SECTOR	KEY INSIGHTS
	1) Commodities • **Higher energy prices are by far the greatest concern for the UK economy** which will likely result in further upward pressure on inflation and a modest hit to GDP growth over the next two years. - Around 5-6% of UK gas imports come from Russia. However, with Russia withholding resources over the last two years, the UK has been exposed to volatile international gas markets. **While our supply is unlikely to be affected, the price we pay for gas is, leading to rising energy bills this year.** - This will put **further pressure on West Midlands businesses** which are already dealing with increasing material costs, rising labour costs due to the skills shortages, the end of Government funded support etc. • **Higher prices for non-energy commodities (such as industrial metals, foodstuffs and fertilisers) together with the potential for supply disruption,** could exacerbate supply chain pressures in some sectors. Sectors at particular risk include automotive, technology and food & drink, given the prominent role of Russia and Ukraine in exports of key inputs/components. - Together, Ukraine and Russia account for: ➢ more than half the world's exports of **pig iron** ➢ double-digit shares of **semi-finish iron/steel products** ➢ Russia supplies one fifth of the worlds' **nickel** exports (used in the production of lithium-ion batteries, for example). ➢ Russia accounts almost one tenth of the world's **aluminium** (with uses ranging from car bodies to aircraft to household appliances) and copper (widely used in construction and electronics). ➢ Russia also produces a range of other metals, including 43% of the world's **palladium** (a component of catalytic converters). ➢ Ukraine is also a major exporter of **mineral products, such as ceramics and clays.** Other supply chains risks cited by analysts include key inputs used in the production of semi-conductors, such as **neon**, 90% of which comes from Ukraine and Russia. ➢ Russia and Ukraine are the world's largest and third largest exporters of **wheat,** respectively, together supplying more than one-quarter of the world's wheat exports (8% from Ukraine). Ukraine supplies 12% of barley exports, almost 13% of corn exports and 40% of sunflower oil exports. ➢ Russia is also the world's largest exporter of fertilisers. - **The isolation of these supplies due to sanctions will inevitably create shortages and increase costs further**. - Several important West Midlands sectors will be particularly affected. They are likely to face either **supply shortages, price increases, or both.** Local evidence of problems is already surfacing within the business community: ➢ **Metals and Materials**: As noted by manufacturers in the West Midlands Metals and Materials Forum, Russia supply a lot of raw materials (e.g. iron, minerals, steel) into Europe, which UK manufacturers import for wider processing and production. Restrictions of trade will therefore damage the supply and cost of these important commodities, impacting the wider supply chain. ➢ **Transport / Logistics:** Rising fuel costs – an issue before the invasion – is damaging local haulage firms. As reported locally, businesses are seeking protection through the capping or lowering of fuel duty. More broadly, shipping costs are expected to soar further globally. ➢ **Food & Drink:** Local food manufacturers have warned that food costs could "leap like fuel" due to the war's impact on the supply of foodstuffs. It is thought that national and local food security is under major threat, likely to have damning effect on businesses and communities.

SECTOR	KEY INSIGHTS
	➢ **Automotive**: Russia and Ukraine are key sources of chemical gases C4F6 and neon that are vital to semiconductor production. Chip manufacturers could be among the most badly affected if supplies from Ukraine are severely hampered for an extended period, lengthening issues in automotive and its related supply chains. ➢ **Construction:** Several analysts last week said that Russia's invasion of its neighbour could drive inflation in the cost of products used on UK construction sites. Main contractors have been urged to act now to avoid catastrophic supply chain disruption because of the war in Ukraine. Shortages and price hikes affecting materials and deliveries could bring big projects to a standstill in the coming months unless solutions are found **2) Trade and Investment** • Overall, Russia and Ukraine represent relatively small export markets for the UK—around 1% for Russia, even less for Ukraine. **However, any escalation of sanctions against Russia that resulted in disruption to international payments would take a toll on international trade for individual businesses.** - UK exports to Russia are worth around **£4.3bn per year,** dominated by business services, cars, telecoms, pharmaceuticals and financial services. Imports are worth **£11.6bn per year**, dominated by energy and other commodities. - UK exports to Ukraine are worth around **£750m per year,** with imports worth £1bn, dominated by foodstuffs and steel. • The **West Midlands region exports over £500m worth of goods exports to Russia and Ukraine a year.** This represents 2% of all the region's goods exports, the **highest proportion of all regions – suggesting the region is more reliant on Russia and Ukraine markets than other places in the UK.** This is driven by the region's automotive strength. - This reflects a small proportion of overall exports, but **individual businesses that do trade with this part of the world will be affected,** not least those in automotive and wider manufacturing supply chains. - Vehicle manufacturer **JLR has suspended sales to Russia**. The firm announced that it made the decision due to the "wellbeing" of its workforce and those "within our extended network". Sanctions imposed on Russia have heavily restricted the ability of companies to sell goods there. • DIT has expanded its helpline to act as a single-entry point of enquiry for businesses and traders relating to the situation in Ukraine and Russia. **Businesses with enquiries relating to Ukraine/Russia are encouraged to contact DIT's Export Support Service helpline (0300 303 8955) or Digital Enquire Service.** The ESS landing page also features a dedicated link for Ukraine/Russia enquiries. ESS will be the first point of contact for business and trade enquiries relating to Ukraine/Russia, as well as continuing to provide support to businesses exporting to Europe. **3) Financial Conditions** • Financial links between Russia and the rest of the world are relatively limited. Reflecting this, **global financial conditions tightened only slightly following Russia's invasion**, with stock markets dipping by a couple of percentage points, and bond prices rising only slightly. • According to J.P.Morgan, the total exposure of foreign banks to Russian corporates and banks (based on BIS locational banking statistics) is relatively small at $89bn. Of this, UK banks have a total exposure of $13.7bn, of which $4.9bn is lent to Russian banks. • The West Midlands is not likely to **be more affected than anywhere else by changes in global financial markets.** **4) Sentiment and Confidence**

SECTOR	KEY INSIGHTS
	• There is a possibility of an impact through broader sentiment channels. Previous episodes of conflict in the region (such as the annexation of Crimea in March 2014) did not have clear or lasting impacts on business surveys in Europe. • However, the **scale and broader geo-political significance of Russia's actions this time, coupled with the extreme tail-risks for commodity supplies and prices, mean a more noticeable impact of business sentiment across Europe remains a possibility**, with knock-on impacts on consumer spending and business investment. • Indeed, **West Midlands businesses have reported their initial concern of the impacts of the crisis, particularly related to supply difficulties and price rises.** • Beyond the humanitarian element, there is also **higher risk of cyber-attacks emanating from Russia,** to consider. • There are wider concerns from business leaders about the **Government's 'bandwidth'** to deal with ongoing issues. Clearly the very serious issues arising from the crisis will focus much of the Government's attention over coming weeks and months, and will also start to impact Local Government, for example dealing with refugees. This will **compound the many other economic issues Government is already dealing, putting bandwidth under further pressure which may delay and restrict their decision-making processes.** **Labour Market** Permanent placements **rose at their softest pace for five months** during February, according to new research from KPMG and REC. The latest KPMG and REC, UK Report on Jobs: Midlands said that the second month of the year experienced the softest rise in the number of permanent staff appointments since last September, **while temporary billings also a reporting deceleration in the rate of increase**. While this is likely to reflect a more stabilised economy, it may also point to the **continued problems businesses are having filling vacancies with suitable staff**: **Lack of Suitable Candidates –** Feedback from regional recruiters further highlighting the **severe lack of suitably qualified candidates**, a problem faced across all sectors, particularly IT and Finance further demonstrating that recruiting and retaining people is as important as ever. **Forced Wage Increases & Flexible Working** – Companies continue to see an increase in wage demands with manufacturing, warehouse and the commercial sector reporting rises of between 5-10%. Similarly, companies are starting to bring employees back into the office as Covid restrictions end, but with the majority of companies offering employees 'hybrid working' between being office and home based. **Apprenticeships** - Although there is an increase in interest in giving young people an opportunity to gain a start in their careers, within SMEs there seems to be a problem with attraction and applications. This is also being confirmed via most training providers. Specifically, the number and quality of applicants for Apprenticeships. Providers are reporting struggling with very well attended courses for AEB funded provision pre Covid, now struggling to fill the same courses. **Trainers -** All sectors are reporting a lack **of instructional staff, assessors, and those to carry out end point assessment.** Those staff who are suitably experienced to deliver the skills for technical skills are often highly paid and in management positions and are not prepared to take a salary cut to take on a trainer/assessors role. However, it remains a **positive story that many businesses are looking to recruit additional staff as a result of positive experiences during the pandemic and from those experiencing a strong recovery phase.** A broad range of both skilled and unskilled positions are being advertised, although recruiters acutely aware that as it is a candidates market, flexible hours and enhanced packages will need to be offered to entice and retain new employees.

SECTOR	KEY INSIGHTS

	Trading Conditions
	
	Local businesses have again highlighted their concern regarding **drastically increasing cost pressures and lack of governmental action.** Many have shared that, during an already difficult trading period, they have seen:
	• energy costs rising
	• wages increasing
	• business rates change incoming, and
	• National Insurance Contributions increases incoming.
	
	The rise in the **costs of wholesale of energy are being felt** by some businesses and is certainly on the radar of those that are coming to the end of fixed or capped deals. Some businesses that have come to terms with the fact that this is a significant issue in relation to pricing models and profitability are **looking at alternative ways to offset increased overheads and are looking to take advantage of energy saving initiatives and government grants.**
	
	Furthermore, many businesses are still reporting **supply issues with increased costs, with delays occurring as a result**. The lack of components in some manufacturing businesses meaning **products cannot be completed, leading to cancelled orders**. This is one of a number of contributing factors for **some businesses struggling with cashflow issues**. A lack of other available materials also frustrating businesses as they are unable to fulfil orders. Metals, timber and electronics components among the main in short supply.
	
	As noted in previous sections, the **Ukraine crisis will only worsen heightened commodity prices and product shortages, putting pressure on businesses to rise prices.** This will disproportionately affect the West Midlands, given our **strengths in energy-intensive industries like manufacturing, and international trade**. Reflecting this, cost and price pressures a key theme in MakeUK's most recent Manufacturing Monitor.
	
	In order to support greater levels of internationalisation, recent projects have been announced:
	• The **West Midlands Global Growth Programme**, a new Government-backed incentive package to bolster trade and investment between the West Midlands and global markets, launched recently, and is now welcoming applications globally.
	• The Institute of Export has launched the **International Trade Accelerator Voucher scheme**, aimed to accelerate understanding, efficiency, and risk reduction in international trade.
	• DIT has also expanded its helpline to act as a single entry point of enquiry for businesses and traders relating to the situation in Ukraine and Russia.
	
	Enquiries
	
	Recent business enquiries to West Midlands Growth Hubs include a focus on:
	• There continues to be requests for funding toward costs related to **Net Zero**, as well as better understanding for companies of how specific sectors can make a difference and implement affordable changes.
	  - The narrative amongst the broad West Midlands business community is now **shifting from 'setting net zero targets' to 'how can we deliver net zero'**. There has been interest in the grants available for businesses to decarbonise their operations or improve the energy performance of their buildings.
	  - Concepts such as the **circular economy are proving very popular for businesses to explore.** Manufacturers that use wood and biomaterials are interested in exploring

SECTOR	KEY INSIGHTS
	how they can repurpose and reuse waste materials. Discussions are beginning between potential partners around the creation of internal and regional supply chains for materials and heat. • **Mentoring** – particularly around strategy, succession planning and scaling up for high growth businesses. • **Grants and Access to Finance** – High demand for grant funding with common repeat projects such as the purchase of **capital equipment as part of growth strategies, premises refurbishments and digital projects**. Availability of grants has become more difficult as some of the popular ERDF grants streams have run out of money, leading to strain on the remaining available funds. It is crucial that the UK Shared Prosperity Fund, or other alternative to ERDF funding is considered by government sooner rather than later if financial support is still to be offered to SME's across our region. • **Technology & Innovation** – Businesses continuing to recover from the global pandemic making use of support programmes with the development of new products and services.
Social Enterprise	• Social enterprises across the region are being urged to **take their share of £16.3m of funding** that will help their communities recover from the impact of Covid-19. • The **Social Enterprise Support Fund (SESF)** reopened for applications on February 28, with organisations across England able to apply for grants of between £**10,000 and £100,000 to help them deliver essential services or increase trading in the communities they serve.** • Funded by The National Lottery Community Fund, the initiative's first round in December received **800 applications and a request for funding of over £37 million**.
Creative	• Birmingham's international reputation as a hub for content production will strengthen later this year when **The Bond: Creative Content Hub for the West Midlands opens in Digbeth.** • Following last week's announcement that BBC One primetime series MasterChef will be moving production to Steven Knight's Digbeth Loc. Studios in Birmingham, the **Creative Content Hub will be host to top TV production companies.** • **Create Central has announced the Creative Content Hub will be its new HQ**, where it will act as a lightning rod for new production and will provide training, development, meet the commissioner events and networking opportunities for the next generation of production talent. • The **£18 million facility based in the city's historic Creative Quarter** received a £3 million grant from GBSLEP's Local Growth Fund programme. This funding helped bridge the financial gap, enabling the project to be delivered by Oval Real Estate and Oval Developments.
Life and Health Sciences	• Within the science sector, funding to innovate is crucial and there is great interest around the new **£40m Innovation Accelerator Fund and the Levelling Up Fund;** specifically, what these can mean for the WM. Businesses are pleased that the government have made life sciences a priority, but this **needs to be backed up now.** • Despite its strengths in the life sciences, the West Midlands is **falling far short of its potential, as seen by concurrent growth in other regions**. The West Midlands is the only UK region with a drop in life sciences employment in the last 10 years. The stymied growth can be attributed to a range of factors: - **Lack of external funding** (venture capital and FDI) - **Lack of space** and incentives for growth - Fragmented ecosystem - **Skills** shortfall - No big brands
Manufacturing	• Manufacturers are **increasing their prices at record levels** in the face of escalating inflationary pressures which show little sign of abating, according to a new report. • A survey by Make UK and business advisory firm BDO showed that **prices for the UK and exports increased for the fourth successive quarter.**

SECTOR	KEY INSIGHTS
	• The survey of almost 300 firms was held before the invasion of Ukraine and the substantial increases in energy and raw material costs, which are **likely to have pushed price increases even higher, said the report.** • The survey's wider findings suggest a **"mixed start" to 2022 for UK manufacturers.** • Another survey, by the Manufacturing Growth Programme, suggests **that supply chain improvement and longer-term assistance are at the top of the wish list for UK manufacturing SMEs.** • The **WM Made Smarter programme is now in the final stages of completing Phase 1 and has been deemed a success**, has been well received by those taking part and BEIS targets have been met. Phase 2 of Made Smarter is due to Start in April 2022, this is expected to be a three-year programme. • The **number of cars built in the UK last year fell to the lowest total since 1956**.

New Economic Shocks

COMPANY	LOCATION	SECTOR	SOURCE/DETAIL
Sainsburys	National with Branches across WM	Retail	Sainsbury's is to close 200 cafés, putting 2,000 jobs at risk
McColls	National with Branches across WM	Retail	Shares have plunged in convenience store chain McColl's after it confirmed talks to secure cash needed to stop it collapsing into administration. The company, which employs around 16,000 people, is working with advisers to find a buyer or a third party willing to inject fresh funding.
HSBC	National with Branches across WM	Retail Banking	HSBC has said it will shut 69 branches — as it continues to close banks because of customers switching online. The banking giant has confirmed the branch in the Intu Merry Hill Shopping Centre in Brierley Hill will shut on July 28th, while the Harborne branch will shut on August 11th.
Jaguar Land Rover	Multiple Sites	Automotive	Jaguar Land Rover's sales continued to fall during the third quarter of its financial year because of the ongoing shortage of computer chips.

New Investment, Deals and Opportunities

COMPANY	LOCATION	SECTOR	DETAIL & SOURCE
Coventry Building Society	Coventry	Finance	Strong savings and mortgages performance by Coventry Building Society: in its final results, Coventry Building Society reported its profit before tax was significantly higher at £233m than in 2020 (£124m).
Meggitt	Coventry	Aerospace	A scheme set up by the West Midlands Combined Authority (WMCA) to fund apprenticeship training for SMEs has been boosted by a £100,000 donation by an international aerospace, defence and energy market business. Meggitt, based in Coventry, donated its unspent apprenticeship levy to the WMCA's Apprenticeship Levy Transfer scheme which sees funds support job opportunities and a boost in skills for local people.
Coventry Engineering	Coventry	Engineering	A Coventry manufacturer, Coventry Engineering, has secured a £400,000 loan from the MEIF to invest in new equipment and create new jobs over the next three years.

St Modwen	Longbridge	Construction	St Modwen plans new job-creating £20m industrial scheme; the Birmingham-based regeneration specialist says project could create 300 new jobs in Longbridge.
Hortons' Estate	Wolverhampton	Property	Hortons' Estate has completed the £6.05m acquisition of a retail warehouse near Wolverhampton. Hortons' has purchased the 45,102 sq ft standalone unit, which is located on a 3.3 acre site on Springvale Way in Bilston, just off the Black Country Route.
Gerald Eve / Darby Keye Property	Birmingham	Industrial Development	Gerald Eve and Darby Keye Property have agreed lettings on five of the 18 modern eco-friendly units at Urban Express Park – a new 95,682 square feet (8,889 square metre) warehouse / industrial scheme in Aston.
Prologis UK	Coventry	Logistics	Construction on four new units is underway at two West Midlands logistic parks as Prologis expands its portfolio at Prologis Park Hams Hall and Prologis Park Ryton, near Coventry.
3P innovation	Warwick	Life Sciences	3P innovation is doubling the size of its premises again with a £5m investment at a 30,000 sq ft facility in Warwick. The eco-friendly development is being constructed in an effort to expand the engineering firm's UK and international operations.
Stadium	Coventry	Security	A Midlands security company, Stadium, has launched one of the biggest recruitment drives in its history with almost 300 new jobs available across Birmingham and the West Midlands.
The Office of the Public Guardian	Birmingham	Civil Service	The government has reaffirmed its commitment to Birmingham as it expands its physical presence in the region. The Office of the Public Guardian has signed for a 67,000 sq ft space on multiple floors in Victoria Square House.
Cellnex	Warwickshire	Telecoms	Telecoms infrastructure provider Cellnex UK has opened a trio of offices, including one in Warwickshire. The new sites in Leamington Spa, Manchester and North Lanarkshire, close to Glasgow, will host more than 150 people.
ArcelorMittal	Solihull	Manufacturing	The Solihull branch of ArcelorMittal, the world's leading integrated steel and mining company, has acquired new office space. The 50-strong ArcelorMittal team is relocating to a 7,060 sq ft space at Friars Gate on the A34 Stratford Road, on a 10-year lease.
Private Investor	Wolverhampton	Commercial	An office block in Wolverhampton city centre has been sold in a deal worth £2.8m. The six-storey and 42,000 sq ft Waterloo Court building has been bought by an investor.
Hadley Group	Smethwick	Manufacturing	Hadley Group, a global steel engineering business, has taken the entire Pinnacle 191 scheme in Smethwick. Topland's 191,268 sq ft unit has been let to the firm on a 10-year lease.
Bornmore Metals	Dudley	Metals	A metals specialist based in Dudley has been acquired by a £40m turnover firm. Bornmore Metals has purchased P&P Non-Ferrous, a stockholder, processor, and distributor of non-ferrous metals.
KWB	Walsall	Industrial	A 10,000 sq ft industrial unit on a 1.72 acre site in Aldridge, Walsall is up for sale. Middlemore Lane West is a freehold opportunity and comprises 4,461 sq ft workshop with 2,729 sq ft of internal storage and 2,910 sq ft of recently refurbished office space.

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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