# 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.**

COVID-19 cases have been rising. In England, the percentage of people testing positive for COVID-19 remained high in the week ending 2 April 2022; ONS estimate that 4,141,600 people in England had COVID-19 equating to 7.60% of the population or around 1 in 13 people, but deaths still remain low. This level of illness however is a further pressure on services and manufacturing as people take sick leave. The last month has demonstrated that West Midlands businesses are still faced with increasing costs from energy prices, talent and labour shortages, supply chain disruption, VAT for hospitality returning to 20% and rampant inflation with key sectors still needing time recover from two years of COVID-19 pandemic.

**Economy**

- KPMG's main scenario assumes that global oil prices will be US$30 higher than their path prior to the escalation of the Ukraine crisis, whilst gas prices across Europe will be 50% higher, alongside a 5% rise in global food prices. A more severe scenario looks at the potential impact of world oil prices being US$40 higher, alongside a 100% rise in gas prices for Europe and a 50% increase for the rest of the world. This scenario also assumes a 10% rise in global food prices. Both scenarios incorporate a 23% rise in average metal prices and a 4% increase in the cost of agricultural inputs. They also include higher investment risk premia and additional government spending in Europe. However, in the best-case scenario the estimate is of a potential return to February levels, providing the crisis ceases. Depending on scenario, KPMG has estimated that global GDP could range between 3.3%-4% this year and between 2.5%-3.2% in 2023. However, even in their downside scenarios they have not envisaged a situation where Russia cuts off energy supplies because of importers of Russia energy being unwilling to pay in Russia Rubles.
- On Russian sanctions, there is concern over the disruption to metals and materials for industries such as aerospace. There is further disruption to Aerospace as businesses are starting to cut ties with Russian suppliers and associations. This is affecting businesses which may import materials from Russia to make a product and sell to UK businesses. Additionally, businesses with closer ties to Russia are experiencing concern from their employees, resulting in people leaving or being poached. There is also concern from food manufacturers who expect more inflation and supply shortages from the disruption of wheat production.
- The UK economy slowed down in February as weaker activity in the health sector, supply chain disruptions and storms undermined strong tourism growth, raising concerns as the cost-of-living crisis grows. According to ONS, GDP grew 0.1% between January and February, down from 0.8% the previous month. Tour operations and accommodation may have seen a 33% and 35% growth, retrospectively. Most firms are suffering the impact of rapidly rising energy prices placing them under greater and greater cost burdens. The services sector only grew by 0.2% comparative to 0.8% in the previous month. Additionally, manufacturing fell by 0.4%, with the automotive sector continuing to struggle to source parts.
- The WM Business Activity Index (PMI) increased from 58.4 in February 2022 to 59.1 in March 2022; this was the fastest rate of growth in nine months. This increase was associated with backlog-clearing efforts, greater sales and a rush to beat price hikes. Out of the twelve UK regions, the West Midlands (WM) was 6th lowest.
- The WM Future Activity Index decreased from 76.7 in February 2022 to 75.2 in March 2022. Despite the overall level of positive sentiment falling to an eight-month low, firms in the region remained upbeat for the next twelve months.
- 78.8% of WM businesses reported they had high confidence that the business will survive the next three months, with a further 15.8% with moderate confidence
- 30.4% of WM businesses reported that they were, or intended, to use increased homeworking as a permanent business model going forward. The highest response as to why at 83.2% was due to "improved staff wellbeing".
- WM businesses are experiencing continued upward pressures on wages.
- The clearest effects of the COVID-19 pandemic on the economy were on turnover and employment in small and medium-sized enterprises (SMEs) and the collapse in the numbers of self-employed. In q4 2020 there was a sharp fall in the number of individuals in the very early stages of setting up a new business compared to the pre-pandemic high in 2019. There is undoubtedly an appetite for people to start their own businesses but they had decided to delay the actual decision to get the business operational.
- Two-thirds of GEM respondents (the highest ever proportion) indicated that they planned to set up a business within 3 years and the pandemic had influenced their decision to re-assess their future engagement with the labour market. The challenge is to increase the number of them that grow.

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

West Midlands Combined Authority UKRI Research England

- In January 2022, the North West led other regions with 10% of new firms created. The East Midlands and West Midlands follow with 8.2% of firms created. The share of firms created in the WM briefly increased to 9.4 in March 2021; it fell to 8.2% again in January 2022.
- For the UK and particularly for regions outside London, more High technology (HTEC)/ knowledge-intensive services (KIS) firms need to be created as part of the wider drive to stimulate innovation. However, the opposite is happening. In WM the share of HTEC/KIS firms is 26.6% in January 2022; this is notably lower compared with 31.7% in the North West and 31.2% in the East where there are a similar number of new firms created. The WM had one of the highest birth rates at 12.2% and the second-highest death rate of 11.9%. Its net rate of firm formation for that year was 0.3%, the lowest of the English regions and this churn has been a consistent challenge for the region.
- Raw materials and energy are impacted at the moment and may start to make some businesses unsustainable. This is due to an often-limited ability to pass on costs to consumers. This could dent confidence in businesses and make them ever more cautious, deferring decisions, and delaying possible investments. In response, businesses are seeking to ensure that their cost base is as stripped back as it can possibly be with the searches for the cheapest options ongoing.
- Businesses have told the region's Growth Hubs that the proportion of expenditure on energy bills is resulting in negative adjustments to business growth projections over the next few years. The knock-on impact of energy prices on the supply chain has meant that businesses in the construction sector are finding it difficult to provide accurate quotes for work, due to materials fluctuating in cost. For businesses with a high use of compressed Co2, such as food and drink manufacturers, their costs can be expected to increase by up to 75% or more.
- The lack of components in some manufacturing businesses means that 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 is also frustrating businesses as they are unable to fulfil orders. In particular, metals, timber and electronics components are in short supply.
- In 2021, the WM region's export value was worth £25.5bn, an increase of £931m (+3.8%) since 2020; the UK increased by 6.6% to £309.9bn. Over the same period, the WM imported £34bn worth of goods. This has increased by £4bn (+13.5%). The value of all UK imports increased by 9% to £461.2bn. The West Midlands had a trade in goods deficit of £8.5bn in 2021.
- In 2021, the largest value export for a SITC section in the WM was machinery & transport at £17bn. This SITC section accounted for 66.6% of the total exports value. Compared to 2020, the total value of these exports has increased by £667m (+4.1%).
- In 2021, the highest value of WM exports was to the EU at £11.8bn, accounting for 46.1% of the total. Exports to the EU from the West Midlands increased by £236m (+2.0%) since 2020, considerably lower than the UK overall rate (+6.9%) and below the rate of all other exporter regions excluding North America.
- 57% of WM adults reported that the household could afford to pay an unexpected but necessary expense of £850 (58% GB). Although 34% of WM adults reported they could not (29% GB). 18% of WM 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 (17% GB). 51% of WM adults reported that it was somewhat or very difficult to afford the energy bills (43% GB). 29% of WM adults reported it to be somewhat or very difficult to afford the rent or mortgage payments (30% GB).
- At the end of February, the government announced the most significant reform to the student loan system in England since 2012. Graduates with lower-middling earnings will be hit will by the majority of changes with a lifetime loss of around £30,000. The highest-earning graduates will repay around £20,000 less as a result of the lower interest rate. The system will also become substantially less generous for middle-earning graduates from the 2012–22 starting cohorts.
- The Department for Transport (DfT) has today confirmed a £1.05 billion grant to transform transport infrastructure across the West Midlands. The City Region Sustainable Transport Settlement (CRSTS) money, topped up with local funding, will deliver £1.3 billion investment over the next five years. West Midlands Combined Authority (WMCA) have already drawn up a priority list of schemes to drive the decarbonisation of transport, target investment into areas of poor connectivity and support inclusive economic growth.

**Employment and skills**

- For the three months ending February 2022, the WM employment rate was 75.4%. Since the three months ending November 2021, the employment rate increased by 0.6 percentage points (pp) which was the third highest across all regions.
- For the three months ending in February 2022, the WM unemployment rate was 5.1%, which has increased by 0.4pp since the previous quarter but a decrease of 0.7pp from the previous year.
- For the three months ending February 2022, the WM economic inactivity rate was 20.6% - a decrease of 0.9pp from previous quarter and a decrease of 1.7pp when compared to the previous year – both time comparisons were the largest decreases across all regions.
- There were 159,105 claimants in the WMCA (3 LEP) area in March 2022. Since February 2022, there has been an increase of 0.2% (+315) claimants in the WMCA (3 LEP) area, while the UK decreased by 1.3%.
- There were 26,765 youth claimants in the WMCA (3 LEP) area in March 2022. Since February 2022, there was an increase of 0.9% (+240) youth claimants in the WMCA (3 LEP) area, while the UK decreased by 0.7%.
- The number of unique job postings rebounded across the WMCA 3 LEP geography in March 2022, increasing by 22% to 164,978.

- In the WMCA (3 LEP) area, the number of people with NVQ 4+ qualifications increased by 3.5% over the year to approximately 983,200 (from 949,800 in 2020) compared to a UK increase of 0.9%. That means 38% of the working age population were educated to NVQ 4+ qualifications in the WMCA (3 LEP) area against the UK average of 43.5% in 2021. Despite this improvement, a further 142,450 of the working age WMCA (3 LEP) residents are required to obtain an NVQ 4+ qualifications to equal the UK average.
- The number of people in the WMCA (3 LEP) area with no qualifications, decreased from approximately 227,500 in 2020 to 219,300 in 2021. This equates to 8,200 less people without any qualifications or a decrease of 3.6% compared to an increase of 1.8% across the UK.
- That means 8.5% of the working age population in the WMCA (3 LEP) area had no qualifications against the UK average of 6.7% in 2021. To eradicate the gap with the UK average, 45,924 of the working age WMCA (3 LEP) residents are needed to obtain at least one qualification.

**Green Jobs**

- The LSE and Placed-Based Climate Change Action Network (PCAN) has found that one in five workers, and 6.3 million jobs in total, will be affected by the transition to net zero, with around 3 million workers requiring upskilling and another 3 million that will be in high demand:
    - Energy: The energy sector is unlikely to see declines in demand in the future, however it will see major changes in the demand for type of energy.
    - Construction: 30% of the current workforce will need to be reskilled to meet the demand of changing regulation, policies and new technologies in infrastructure, as we progress to a net zero.
    - Transport and Storage: transitional reskill of 26% of the current workforce will need to be supported. Currently there are policies in place to ban the sale of combustion engine cars after 2030, therefore those within the transport industry will need to be reskilled in how to manufacture and operate new technologies.
    - Manufacturing: It is expected that around 17% of jobs within the current workforce will need a transition reskill.
- The Centre for Progressive Policy (CCP) found that on average earnings for some of the highest emitting jobs is £680 per week compared to the rest of the economy for which the average weekly wage is £580.
- Sectors which are likely to face the largest transition, such as manufacturing, construction and energy, usually have higher employment rates within stereotypically 'left behind' areas. However, the RSA also highlights that a substantial number of the areas which are expected to be most impacted by these future sectorial changes, are not considered within the levelling up agenda priority areas.
- CPP created two categories of areas 'High Emitters and extremely economically vulnerable' and 'High Emitters and economic vulnerable'. 100 local authorities will have the highest reliance on high emitting industries for employment and of these 74 were deemed to be economically vulnerable.
- Onward found that the East Midlands and West Midlands had the highest percentage of jobs within high emitting industries, around 40% for both regions. These areas characterised by large industry, manufacturing and aviation employers.
- The Social Market Foundation created a Net Zero Opportunity Index which ranked areas based on key opportunities including proximity to renewable energy sites, proximity to a decarbonising industrial cluster, and proximity to a top university for STEM research with associated innovation opportunities. The West Midlands ranked high on their index indicating that the region may see relatively higher levels of economic and employment opportunity in the transition to net zero compared to other regions.
- The Environmental Audit Committee recommends that in order to ensure a 'just transition' of people from high-polluting employment to low-polluting employment, the government needs a place-based targeted skills plan to up-skill those in 'at-risk' industries.

**Net Zero**

- The growth of global GHG emissions has slowed down in the past decade from 2.1% per year between 2000 and 2009 to 1.3% per year between 2010 and 2019.
- China (39%) and India (14%) contributed the most to the 6.5 $GtCO_2eq$ of emissions from 2010 to 2019.
- The impact of COVID-19 has temporarily set back the delivery of many SDGs. COVID-19 trigged an economic depression and reductions in $CO_2$ emissions; however, most countries have rebounded by 2020.
- The pathways consistent with the implementation of current policies in countries would see GHG emissions reaching 57 $GtCO_2eq$ per year by 2030 to 47-67 $GtCO_2eq$ per year by 2050, leading to median global warming of 2.4°C to 3.5°C by 2100.
- Long-term emission reduction is best achieved by introducing new mitigation policies while at the same time re-evaluating existing policies that support GHG emission reduction.
- Sub-national actors such as municipalities and regional governments play an essential role as they have jurisdiction over climate-relevant sectors such as land use, waste and urban policy.

# Global, National and Regional Outlook

**Alice Pugh, WMREDI**

## Global

Given the ongoing conflict in Europe, there is great uncertainty, especially as Russia is a major exporter of oil. KPMG has estimated three possible scenarios with regards to prospects for the world economy. Their main scenario assumes that global oil prices will be US$30 higher than their path prior to the escalation of the crisis, whilst gas prices across Europe will be 50% higher. Additionally, a 5% rise in global food prices is assumed. A more severe scenario looks at the potential impact of world oil prices being US$40 higher, alongside a 100% rise in gas prices for Europe and a 50% increase for the rest of the world. This scenario also assumes a 10% rise in global food prices. Both scenarios incorporate a 23% rise in average metal prices and a 4% increase in the cost of agricultural inputs. They also include higher investment risk premia and additional government spending in Europe. However, the best-case scenario estimates a potential return to February levels, providing the crisis ceases. Depending on the scenario, KPMG has estimated that global GDP could range between 3.3%-4% this year and between 2.5%-3.2% in 2023.

However, even in their downside scenarios they have not envisaged a situation where Putin cuts off energy supplies, because of importers of Russia energy being unwilling to pay in Russian Rubles. If this was to occur, it would cause massive economic disruption with industries potentially having to close and shutdown across high importer countries, as well as prices soaring throughout Europe. Alongside this the pandemic is still causing shutdowns in major economies, and a new wave could undo the progress in easing global supply chain blockages. However, most economies have been significantly weakened over the past two years, as economies still reel from the pandemic, and most economies may struggle to whether any further significant economic shocks, according to KPMG.

Tensions throughout Europe, however, are continuing to rise as both Finland and Sweden are to have a vote on joining the security alliance NATO. Given the recent invasion of Ukraine by Putin's Russia, public support in both countries has sharply risen and it appears that both countries will likely vote to join by the end of the summer. Finland shares a massive 1,340km border with Russia and the Kremlin has stressed that if Finland were to join NATO then Putin would have to 'rebalance the situation' with its own measures before the vote, and videos are now starting to surface of Russian military tanks heading to the Finnish border. Additionally, the UN has also voted to suspend Russia from the Human Rights committee, following war crimes being reported in certain areas of Ukraine. If Finland was to vote to join NATO, then they will face the very real threat that this war comes to them. Accepting Finland and Sweden into NATO would also very likely mean at least a cold war, and this would further weaken already struggling economies, at least within Europe.

## National

The UK economy slowed down in February as weaker activity in the health sector, supply chain disruptions and storms undermined strong tourism growth, raising concerns as the cost-of-living crisis grows. According to ONS, GDP grew 0.1% between January and February, down from 0.8% the previous month. Whilst tour operations and accommodation may have seen a 33% and 35% growth retrospectively, most firms are suffering the impact of rapidly rising energy prices placing them under greater and greater cost burdens. The services sector only grew by 0.2% compared to 0.8% in the previous month. Additionally, manufacturing fell by 0.4%, with the automotive sector continuing to struggle to source parts.

At the end of February, the government announced the most significant reform to the student loan system in England since 2012. The central planks of the reform are:

- A lower earnings threshold for student loan repayments, dropping to £25,000 and then frozen until 2026-27.
- A change in the future uprating of the earnings threshold from the rate of average earnings growth to the rate of RPI inflation.
- An extension of the repayment period from 30 to 40 years.
- A cut in the maximum RPI inflation plus 3%, to the rate of RPI inflation alone.

The new system will largely apply to the 2023 university entry cohort; however, those who began their degrees between 2012 and 2022 will also see significant changes.

IFS analysis has found this means:

- **Transformation of the student loan system**. pre-reform student loans mostly functioned as a graduate tax: a large majority of graduates were set to pay back 9% of their earnings above the repayment threshold for 30 years, irrespective of their student loan balance. This is no longer true under the new system and more than 70% of graduates can expect to repay in full and will receiving no taxpayer-financed write-off of their loans.
- **Graduates with lower-middling earnings will be hit will by the majority of changes with a lifetime loss of around £30,000.** These earners enjoyed large taxpayer subsidies before the reform but will have to pay back a much larger share of their loans under the new system.
- **The highest-earning graduates will repay around £20,000 less as a result of the lower interest rate.** These graduates would largely have paid back their loans in full even under the pre-reform system. For them, the lower interest rate translates into lower repayments overall, whereas the lower repayment threshold merely causes them to pay off their loans more quickly.
- **The long-run taxpayer savings as a result of changes announced at the end of February is around £2.3 billion.** The short-run impact on the budget deficit will be much larger at around £6.3 billion for the 2023 cohort. This is due to an accounting quirk.
- **The system will also become substantially less generous for middle-earning graduates from the 2012–22 starting cohorts.** These students are affected nearly as much by changes in repayment thresholds as students from the 2023 cohort onwards, but do not benefit from lower interest rates. Compared with the pre-reform system, 2022 starters stand to lose around £20,000.

The Metropolitan Police this week have found both the Prime Minister and the Chancellor guilty of illegally attending parties during lockdowns, with at least 50 fines having been issued. This investigation is separate from the one undertaken by the senior civil servant Sue Gray, which flagged attendance at certain events within her initial findings. It appears that neither the Prime Minister and nor the Chancellor have any immediate plans to resign. This raises a question about the precedent that this sets for the future: a lack of trust in the government could cause greater economic instability with uncertainty regarding the extent to which people would follow any future lockdown rules.

## Regional

Despite, ongoing supply chain issues due to global shocks, the West Midlands private sector has continued to see sentiment improve. The latest PMI report by NatWest highlights how business activity in the region has seen its strongest rise in 9 months, thanks to backlog clearing efforts, greater sales and a rush to beat price hikes. With the Business Activity index rising from 58.5 in February to 59.1 in March. With WM companies signalling a further upturn in new work intake. Ongoing improvements in customer demand and successful marketing have supported sales.

However, growth has been repeated curbed by future uncertainty, volatility of financial markets and the cancellation of projects. With reports of high energy prices, supply shortages, wage pressures and conflict in Ukraine all likely to mean an increasing cost burden for West Midlands firms, while having an inflation rate that has quickly approached double figures. Businesses in the WM also reported capacity pressures, with businesses citing staff shortages, supply delays and new order growth as the reason for backlogs rising.

The Department for Transport (DfT) has today confirmed a £1.05 billion grant to transform transport infrastructure across to the West Midlands. The City Region Sustainable Transport Settlement (CRSTS) money, topped up with local funding, will deliver £1.3 billion investment over the next five years. The West Midlands Combined Authority (WMCA) has already drawn up a priority list of schemes to drive the decarbonisation of transport, target investment into areas of poor connectivity and support inclusive economic growth. The confirmation of the first four projects has been given, these being:

- £24 million to seek sites for, plan and deliver a network of 10 electric vehicle charging stations across the West Midlands
- £43 million to extend the West Midlands Metro depot at Wednesbury to service the region's growing tram fleet and network – including the extension to Dudley in 2024.
- £17 million to replace and upgrade the Metro power supply on the existing Wolverhampton to Birmingham line for the first time since it opened 22 years ago.

- £56 million to deliver phase two of the Sprint bus priority corridor with more bus lanes and junction upgrades along the full route between Solihull and Walsall. Phase one along the A34 and A45 in Birmingham is nearing completion.

This is the largest single investment in West Midlands infrastructure and will largely be targeted towards delivering on green transport goals.

Reforms to the student loan system will impact those considering University within the West Midlands. Currently the West Midlands has one of the worst attainment rates with regards to qualifications. The new system may put some students off higher education, as it will cost them more than it potentially would have done in the past. It will particularly impact lower-middling earning graduates. It will also be more likely to impact those from poorer socio-economic backgrounds, as they may see the greater cost burden as simply too much debt. This will impact not only students who wish to further their education, but also the universities in the region.

# Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report - A summary

**Annum Rafique, WMREDI**

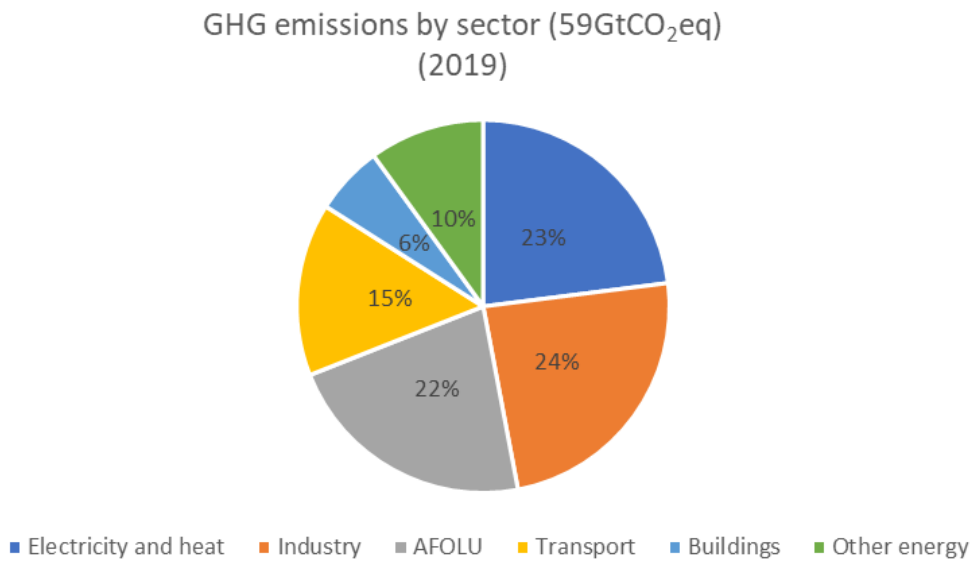
***Annum Rafique summaries the new IPCC Sixth Assessment report. This piece will be followed by a series of briefs looking into how sectors within the West Midlands will be impacted by the findings from this report and how business models may need to change to mitigate against the risks posed by climate change.***

## Introduction

The IPCC's Sixth Assessment Report (AR6) builds upon the previous IPCC reports and assesses the state of *'knowledge on the scientific, technological, environmental, economic and social aspects of climate change mitigation'*. The AR6 assesses new literature, methodologies and recent trends and approaches to climate change mitigation since IPCC's Fifth Assessment Report (AR5) in 2014.

## Emissions trends and drivers

- Total annual emissions in 2019 were 59±6.6 $GtCO_2eq$.
- GHG emissions rose 6.5 $GtCO_2eq$ from 2010 to 2019.
- The growth of global GHG emissions has slowed down in the past decade from 2.1% per year between 2000 and 2009 to 1.3% per year between 2010 and 2019.
- China (39%) and India (14%) contributed the most to the 6.5 $GtCO_2eq$ of emissions from 2010 to 2019.
- Twenty-four countries have reduced their GHG emissions and consumption-based $CO_2$ emissions for at least ten years.
- Emission reduction in countries has been driven by climate and non-climate policies and structural changes.
- Most emission reductions, to date, were realised in the electricity and heat sector, followed by industry and buildings.
- Sectoral GHG emissions




Source: Based on Lamb et al. (2021); Data: Minx et al. (2021)

## Impact of COVID-19

- The impact of COVID-19 has temporarily set back the delivery of many SDGs.
- COVID-19 trigged an economic depression and reductions in $CO_2$ emissions; however, most countries have rebounded by 2020.
- The lockdown policies implemented by various countries led to an estimated 4% decline in primary energy demand and a 5.8% decline in global $CO_2$ emissions in 2020 compared to 2019.
- Reduction in energy demand was seen across all sectors except for the residential sector due to work-from-home policies and home schooling.

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- It was estimated that there was between a 3% to 4.5% reduction in $CO_2$ emissions from 2019 to 2020 in the power generation sector.
- Due to different travel restrictions, the transportation sector was greatly affected, especially the aviation sector. International aviation emissions fell by 45%.
- The decline in energy investments during the COVID-19 pandemic has prompted a shift towards low-carbon investments to boost economic and the sector growth while increasing public spending and private investments

## Mitigation pathways

- Since AR5, emphasis has been placed on development pathways, especially at a national scale.
- The pathways range from near-term (2019-2030) to mid-term (2030-2050) to long-term (up to 2100) pathways.
- The pathways consistent with the implementation of current policies in countries would see GHG emissions reaching 57 $GtCO_2eq$ per year by 2030 to 47-67 $GtCO_2eq$ per year by 2050, leading to median global warming of 2.4°C to 3.5°C by 2100.
- The pathways following NDCs until 2030 show a smaller reduction in fossil fuel use and slower deployment of low-carbon alternatives; however, after 2030, there is a much faster reduction in emissions and fossil fuel use to meet 2050 targets.

## Recent developments in sectors

### Energy

- Global warming cannot be limited to 2°C of 1.5°C without deep reduction in GHG and $CO_2$ emissions in the energy systems
- Wide-scale approach to the deployment of energy sector mitigation options can reduce emissions over the next 10-years while still setting the stage for further emission reduction beyond 2030, especially in electricity generation.
- Limiting global warming to 2°C of 1.5°C in the next 30 years would require a reduction in consumption of fossil fuels and an increase in energy production from alternative and zero/low-carbon sources.
- The unit cost of various mitigation options such as solar PV, wind power and batteries has dropped rapidly over the past five years.
- Energy generated by global solar PV grew by 170% ( to 680TWh), and wind power grew by 70% (to 1420TWh) from 2015 to 2019 due to pressures limiting fossil fuel generation, low-interest rates and cost reduction in the mitigation option.
- An electricity system powered mostly via renewables would be highly viable in the future; however, it would be a challenge to supply the entire energy system with renewable energy.

### Urban and other settlements

- Future urban population growth will occur in developing countries which have low per capita emissions. Their per capita emissions are predicted to rise because of an expected increase in construction, establishing new infrastructure and built environment, as well as changes in income and lifestyle.
- Urban areas generated 67-72% (28$GtCO_2eq$) of global $CO_2$ emission in 2020 through the production and consumption of goods and services.
- The urban emissions are projected to rise to 34-65 $GtCO_2eq$ by 2050 with moderate to no mitigation effort due to population growth, urban land expansion and infrastructure development.
- Potential mitigation strategies to reduce GHG emissions in urban settings will vary depending on city land use, the state of urbanisation and infrastructure.
- Urban green and blue infrastructures such as urban forests and trees, permeable surfaces and green roofs can potentially mitigate climate change indirectly through cooling effects which will reduce energy demands as well as reduce energy use for water treatment.

### Transport

- In 2019, direct emissions from the transport sector were 8.7$GtCO_2eq$ and accounted for 23% of global energy-related emissions.

- In 2019, 70% of transport emissions came directly from road vehicles, while 1%, 11%, and 12% came from rail, shipping, and aviation, respectively.
- Land-based, long-range, heavy-duty trucks can be decarbonised through hydrogen and biofuel based fuels; however, these technologies face challenges regarding driving range, capital and operating costs and infrastructure availability.
- Without any intervention, $CO_2$ emissions from the transport sector can grow from 16% to 50% by 2050.

**Buildings**

- Global emissions from buildings were 12Gt$CO_2$eq in 2019, accounting for 21% of global GHG emissions.
- Residential buildings consumed 70% (90EJ) of global final energy demand from buildings in 2019.
- Reasons for GHG emissions from buildings include population growth, and increasing floorspace are per capita, the inefficiency of newly constructed buildings, an increase in the use of appliances driven by income and continued reliance on carbon-intensive heat and electricity.
- Since AR5, an integrated approach to construction and retrofit of buildings has increased the number of zero energy or carbon buildings.
- Building energy codes represent the main regulatory instrument to reduce emissions from both new and existing buildings.

**Industry**

- Global emissions from industry in 2019 were 20 Gt$CO_2$eq or 34% of the total global GHG emissions, including 7GtCO2eq only from direct fuel combustion.
- Energy efficiency would play an essential role in reducing emissions from the industry.
- Electrification via hydrogen is emerging as a key mitigation option.
- The potential of electricity powered via solar and wind can reshape where energy-intensive production is located.
- Net-zero $CO_2$ industrial sector is possible by reducing material demands, increasing material efficiency and circular economy solutions, which can potentially reduce the need for primary production.
- The production cost of low to zero-emission materials would be high, but the cost to the consumer would be low due to innovation, commercialisation, and market uptake policies.

**Agriculture, forestry and other land uses (AFOLU), and food systems**

- The AFLOU sector was responsible for 13-21% of the global GHG emissions, on average, between 2010 and 2019.
- Deforestation, which accounts for 45% of total AFLOU emissions, has decreased while global tree cover is increasing.
- Between 2020 and 2050, protection, improved management, and restoration of forests, peatlands, coastal wetlands, savannas, and grasslands have the potential to reduce emissions by 7.3 Gt$CO_2$eq per year, and 4.1 Gt$CO_2$eq emissions can be saved per year from cropland and grassland soil carbon management, agroforestry, use of biochar, improved rice cultivation, and livestock and nutrient management. Further, 2.2 Gt$CO_2$eq emissions per year can be reduced by demand-side measures such as healthy, sustainable diets and reducing food waste.
- AFLOU mitigation options are greatly hampered by financing.
- The provision of biomass for bioenergy provides the greatest mitigation potential in AFLOU.
- Land-based AFLOU mitigation measures can positively or negatively affect biodiversity, ecosystem functioning, air quality, water availability and quality, soil productivity, rights infringements, food security, and human wellbeing, so local conditions should be monitored carefully.
- AFLOU mitigation methods are well understood, but their deployment has been slow, resulting in an emissions reduction of 0.65 Gt$CO_2$eq per year from 2010-to 2019
- Absolute GHG emissions from food systems increased from 14 to 17 Gt$CO_2$eq between 1990 to 2018
- Both supply and demand-side measures are impotent to reduce emissions from food systems
- Diets high in plant protein and low in meat and dairy are associated with lower GHG emissions

## Potential solutions

- Long-term emission reduction is best achieved by introducing new mitigation policies while at the same time re-evaluating existing policies that support GHG emission reduction.

- Institutions can create policies to deploy low-carbon mitigation options and create an economy-wide measure for systemic restructuring.
- Market-based and regulatory policies work hand-in-hand. Policies can help identify a framework and set targets.
- Policies based on mitigations strategies would be quickly adopted and implemented if they align with a country's dominant values, ideas and beliefs.
- Sub-national actors such as municipalities and regional governments play an essential role as they have jurisdiction over climate-relevant sectors such as land use, waste and urban policy.
- Media can play a vital role in shaping public discourse about climate change. Media support can help accelerate the adoption of different mitigation options.
- Carbon pricing is an effective tool in promoting the implantation of low-carbon options.
- International cooperation has had a positive impact on reducing GHG emissions through GHG accounting, creating GHG markets, and investing in low-carbon technologies.

# A 'Just transition' towards 'Green Jobs'

**Alice Pugh, WMREDI**

***In partnership with the Midlands Engine, City-REDI / WMREDI staff have compiled several think pieces on key emerging trends on regional economic data points.***

**View our Midlands Engine Observatory project page**

*Alice Pugh analyses how a just transition to green jobs will be key to ensuring the long-term resilience of local economies against the impact of a move to net zero. This is particularly important given the sectoral makeup of the Midlands regional economy, and that 40% of all employment across the Midlands is employed within high emitting industries, such as manufacturing and aviation.*

## Introduction

In this piece we discuss the lack of clarity around what defines or constitutes a 'green job', as well as how to effectively measure them. We also consider the need for a 'just transition' to ensure that in the coming years those working within high polluting sectors are effectively supported to transition into low polluting roles. It considers the consequences of a failure to effectively support this transition and makes a series of recommendations, which will need to be addressed in order for the UK to ensure its long-term resilience and sustainability of sectors and places that will be highly impacted.

## What are 'Green Jobs'?

This is a very good question. Most of us talk about green jobs and we generally think of people designing electric vehicles and working in the renewable energy sector. However, according to the ONS, there is no official definition of 'green jobs' and often more than one definition is cited and different definitions can suit different uses. Even within the government's Green Jobs Taskforce report, the difficulty in setting a single definition of a 'green job', which could be applied to the whole economy, is outlined.

For instance, if you are a car engineer and make both EV cars and fossil fuel-based cars, are you working within the green economy or not? Additionally, there are every few SIC codes which differentiate green jobs from the wider industry; for instance the 4-digit SIC codes under car manufacturing do not include EV car production; therefore, you cannot separate this sector from the wider car production industry. It is therefore, very difficult to quantify and define 'green jobs'.

Currently, the ONS focuses on two definitions for which it estimates green jobs. The first data set, with which ONS estimates green jobs, is based around the UN System of Environmental Accounting definition, which defines the Environmental Goods and Services Sector (EGSS) as "areas of the economy engaged in producing goods and services for environmental protection purposes, as well as those engaged in conserving and maintaining natural resources". The second data set, which the ONS estimates green jobs with is the Low Carbon and Renewable Energy Economy (LCREE) survey. The specific definition of sectors included within this survey is: "economic activities that deliver goods and services that are likely to help the UK generate lower emissions of greenhouse gases, predominantly carbon dioxide". This is a much narrower definition than the UN's and less internationally comparable, however the ONS claims that LCREE potentially collects more activity, as it samples businesses across the economy, no matter their primary purpose.

However, last year the Green Jobs taskforce created a new definition of 'green jobs' following the investigation of the skills needed to reach net zero by 2050 and how workers in high-polluting sectors can be supported to transition to the new green economy. The Green Taskforce report defines 'green jobs' as: "employment in an activity that directly contributes to - or indirectly supports - the achievement of the UK's net zero emissions target and other environmental goals, such as nature restoration and mitigation against climate risks."

However the 'Investing in a Just Transition UK project', led by researchers from The Grantham Research Institute at LSE and the Sustainability Research Institute at the University of Leeds, are leading a process of research and dialogue to identify specific roles that investors can play in linking the environmental and social dimensions of the transition to a zero-carbon and resilient economy in the UK. These researchers divide 'green jobs' into two categories, the first is 'transition aligned': jobs within the workforce that could derive benefits and new opportunities from the transition, expected to be in high demand due to their important role in the net-zero economy. The second category is 'transition reskill': jobs within the workforce likely to require significant changes in skills and knowledge, these jobs will likely be within high polluting sectors such as manufacturing.

Currently, there are a wide range of definitions and metrics which are being used to understand and estimate 'green jobs'. The Environmental Audit Committee highlights that a lack of consensus around the definition and monitoring metrics for 'green jobs' will create an issue for the monitoring of performance of green job support interventions in the years to come.

### The case for a 'Just Transition'

In order to meet future climate change goals, enshrined in international agreements and legislation, businesses will need to be supported as they decarbonise and green their business models, including the upskilling of staff with green skills. This is especially so for those in high polluting sectors, such as steal and cement, which will have to make costly and technologically complex upgrades to their business models and processes to cut emissions. In order to prevent this, a 'Just Transition' needs to be supported, which means greening the economy in a way that is fair and inclusive as possible to everyone concerned, creating decent work opportunities and leaving no one behind.

For instance, research conducted by TUC, has found that in the high polluting manufacturing sector, 660,000 jobs could be at risk if the UK fails to transition to net zero as fast as other nations. The analysis has identified jobs that could be moved offshore to countries that offer superior green infrastructure and greater support for decarbonising industry. This is referred to by many policy makers as 'carbon leakage', meaning the high costs of emitting greenhouse gases domestically could prompt businesses to relocate production to countries with less strict rules on emissions, or countries which offer greater support for transitioning to net zero than the UK. If firms do relocate abroad for the above reasons, then the Environmental Audit Committee has stated that this could greatly undermine the climate change agenda and therefore the long-term sustainability of green jobs.

### Sectoral Impact

The LSE and Placed-Based Climate Change Action Network (PCAN), has found that one in five workers, and 6.3 million jobs in total, will be affected by the transition to net zero, with around 3 million workers requiring upskilling and another 3 million that will be in high demand. The sectors which are likely to face the largest transitional changes towards lower-carbon jobs are:

1. **Energy**: The energy sector is unlikely to see declines in demand in the future; however, it will see major changes in the demand for type of energy. For instance, last year saw the oil and gas sector see one of its steepest ever declines in market capitalisation, with thousands of jobs being lost. During the transition employees within this sector will have to undergo significant reskilling, to adapt to switching with clean energy technologies.
2. **Construction**: In the UK one of the largest contributors to climate change is built infrastructure. Generally, infrastructure in the UK often has poor energy efficiency and as a result many consume large amounts of energy to heat their homes. In the coming years, the LSE and PCAN report estimates that 30% of the current workforce will need to be reskilled to meet the demand of changing regulation, policies and new technologies in infrastructure, as we progress to a net zero future.
3. **Transport and Storage**: Here a transitional reskill of 26% of the current workforce will need to be supported, according the LSE and PCAN. Currently there are policies in place to ban the sale of combustion engine cars after 2030, therefore those within the transport industry will need to be reskilled in how to manufacture and operate, new EV or Hydrogen car technologies.

4. **Manufacturing**: It is expected that around 17% of jobs within the current workforce will need a transition reskill. Manufacturing can be high polluting, due to the production of goods consuming vast amounts of energy and producing high volumes of waste. The sector will have to develop a more circular approach to the production of goods.

The sectors which are expected to be most impacted by decarbonisation in the coming years were also some of the most heavily impacted sectors by the pandemic. Supporting a just transition as part of a green recovery will not only support these industries as economies reopen, but support their long-term resilience against market changes, as we progress towards climate change goals.

Research has also highlighted that many trade unions in high polluting sectors are sceptical of the rhetoric around a just transition, given past transitions have scarred communities leaving a trail of social and economic destruction in their wake. For instance, the impact of the decline of mining and manufacturing sectors, and the structural unemployment that was left as the industries declined, caused long-term social and economic damage, with many of those areas that suffered still feeling the impact of being left behind. In order to ensure a just transition, distrust that often characterise inter-regional, inter-movement, and industrial relations most be rectified.

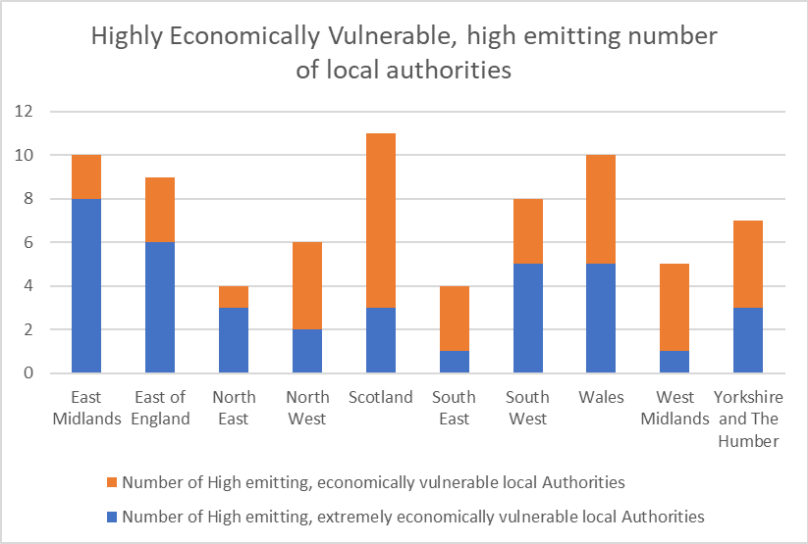
Additionally, the Centre for Progressive Policy (CCP) also found that average earnings for some of the highest emitting jobs is £680 per week, compared to the rest of the economy for which the average weekly wage is £580. People are unlikely to want to transition if it means accepting a lower wage, but many high emitting industries will have to change - some already are and some jobs may disappear from the economy entirely. Ensuring that people can transition to a new or altered role in their existing industry or can find well-paid and secure employment elsewhere, will be key to ensuring economic resilience in the future. Which will help industries avoid the kind of economic dislocation found in the 1980s after the decline of coal mining.

### Place-based Impact

Additionally, some of the UK's most deprived areas are likely to face some of the largest transitional changes, for both reskill of jobs and jobs that will be in high demand in the future. This is because the sectors which are likely to face the largest transition, such as manufacturing, construction and energy, usually have higher employment rates within stereotypically 'left behind' areas. However, the RSA also highlights that a substantial number of the areas which are expected to be most impacted by these future sectoral changes, are not considered within the levelling up agenda priority areas.

Research by the CPP looked at the vulnerability of different areas to a transition to a greener economy. This was carried out by looking at the volume of employment within local areas that are reliant on high emitting GHG emission industries. Alongside, this they calculated the economic vulnerability of these areas based on a number of key variables including skills, age of population, economic diversity and employment rate. As a result, they created two categories of areas 'High Emitters and extremely economically vulnerable' and 'High Emitters and economically vulnerable', finding that 100 local authorities will have the highest reliance on high emitting industries for employment and of these 74 were deemed to be economically vulnerable.

The table below shows the number of Highly economically vulnerable, high emitting Local Authorities:




Source: Centre for Progressive Policy, 2021

Scotland has the highest number of high economically vulnerable, high emitting number of local authorities; this is unsurprisingly given that Scotland is one of the largest oil and gas exporters in Europe. However, the Scottish Government has already set up a commission looking into a Just transition 'to support the delivery of this ambition, in a way that is co-designed and co-delivered by communities, businesses, unions and workers, and all society'. The aim of the commission is to understand who will be most affected by a net zero transition, including the consideration of other economic variables, to help set the foundations to plan for a just transition.

Wales is also expected to be highly impacted in certain areas, largely as a result of the heavy manufacturing areas, such as Port Talbot. However, the area which will see the highest number of extremely economically vulnerable areas impacted, is the East Midlands. Of the 37 extremely vulnerable areas, 22% are within the East Midlands (8 out of 37). Again, much like Wales this is due the high concentration of employment within heavy manufacturing communities.

## Impact on the Midlands

The Midlands area is likely to be highly impacted by a net zero transition, due to the high concentration of heavy manufacturing industries. Onward found that the East Midlands and the West Midlands had the highest percentage of jobs within high emitting industries, around 40% for both regions. These areas are both characterised by constituencies with large industry, manufacturing and aviation employers. Many of the constituencies and regions that were identified as transition vulnerable in the report, were also areas which Onward identified in their Repairing our Social Fabric and Levelling Up research as particularly at need of social regeneration and economic development. The CPP also found, as can be seen in the diagram above, that the East Midlands also had the highest number of extremely economically vulnerable areas, with a high concentration of high emitting employment. This means that some of the areas which will be most in need of levelling up going forward will also be the regions that face the greatest change during the net zero transition.

However, whilst areas in the Midlands may be one of the areas to face the greatest economic loss for a transition to net zero, it is also one of the areas which has the opportunity to gain the most as well. The Social Market Foundation created a Net Zero Opportunity Index which ranked areas based on key opportunities including proximity to renewable energy sites, proximity to a decarbonising industrial cluster, and proximity to a top university for STEM research with associated innovation opportunities. The Midlands, especially the West Midlands, ranked high on the index indicating that the region may see relatively higher levels of economic and employment opportunity in the transition to net zero, comparative to other regions.

## Ensuring a 'Just Transition'

### Clearer Definitions

Currently, there is no official single definition or single way to measure green jobs, as highlighted by the Environmental Audit Committee, as well as the ONS and the Green Jobs taskforce. This outlines the difficulty of creating a single definition to capture all green jobs within the economy; as a result, more than one definition is often cited and different definitions are often used to suit different uses. A number of different definitions have been suggested or used within a number of different government reports surrounding 'green jobs', for instance at least 3 different definitions are debated by ONS, but this definition differs to the one within the Green Jobs Taskforce report by BEIS.

Additionally, there is little labour market intelligence on 'green jobs', as it is difficult to distinguish 'green jobs' from wider industries. The RSA recommends in their Decarbonisation Dynamics report, which looks into the UK transition to Net Zero, that the UK's SIC codes that form the backbone of official statistics need to better distinguish between green and polluting industries. Decision makers need clearer data surrounding 'green jobs' going forward in order to make well informed policy decisions.

Furthermore, the lack of an official definition and metric with which to measure green jobs may make it increasingly difficult for decision makers trying to ensure a just transition. The Environmental Audit Committee highlights that without a clear definition and metric the Government will be unable to assess whether its policies are leading to good quality, green jobs in the sectors and regions where they are most needed. Recommending that the Government needs to set out how it will measure progress towards its green jobs targets; including defining 'green jobs', and how it will measure the number, type and location of these, for the purpose of monitoring and evaluating the impact of its policies.

### Clear Policies and a Robust Plan on decarbonisation across the UK

According to the Climate Change Committee (CCC), the UK's emissions reduction targets may now be in line with scientific advice, however the policy commitments that match these targets are insufficient. The CCC recommends that the climate challenge must be reflected throughout all policy and planning decisions, and must be a key consideration in the Government's proposed planning reforms.

Additionally, EY states that in order help industries transition to a more sustainable business model, governments must incentivise the market and mandate change. The government could mandate change by imposing tougher regulations and standards on energy performance, emissions and pollutants. Taxes could be placed on those not meeting these standards, whilst rebates are given to those that do meet them. Grants, subsidies and loans are also a proven incentive for encouraging the transition to net zero and are recommended as an incentive for industry by IPPR, in their 'A Just Transition report'.

### Place based Policies

The Environmental Audit Committee advised the government last year that the Government would need to publish a 'just transition' plan by the end of 2021 which:

- Assesses regional as well as sectoral impact, to ensure regional skills transitioning plus employment and pension support is in place, and
- A strategy to maintain public support for net zero.

'Green jobs' is a cross cutting issue, requiring action across Government alongside co-ordination with local authorities and the devolved administrations to deliver the Government's ambitions. The Plan would need to outline clear lines of responsibility and a mechanism for co-ordination, otherwise green jobs risks being given insufficient priority within departments, constraining the Government's efforts to develop the green jobs and skills needed in the economy. Failure to embed the idea of a just transition across all government departments could consequently

negatively impact the future livelihoods and communities of workers in high-polluting industries and these impacts will likely disproportionately affect different places based on the high-polluting industry makeup. This is also why the Environmental Audit Committee also recommends it should also align with the levelling up agenda going forward.

There are also a number of opportunities which could be felt by local areas based on their industry make-up, usually in areas of need of levelling up. However, in order for local places to benefit from these opportunities the government needs to provide greater funding in a place-based sectoral manner, focusing on the areas that are most in need of levelling up, mainly the Midlands and the North.

### Public Investment

The current UK government level of investment into decarbonisation are significantly falling behind competitor economies. Research conducted by TUC found that the UK is the 6th out of the G7 economies for its green recovery investment. Whilst the UK treasury is currently only planning to invest £180 per person on green recovery and jobs over the next decade, the US government is planning to allocate over £2,960 per person. Scaled by population, the TUC estimates the UK's green recovery investment plans are just a quarter (24%) of France, a fifth of Canada (21%) and 6% of the US plan. Without greater investment into decarbonisation there may be a loss or deuteriation of high polluting industries in the UK as they potentially move elsewhere, where there is greater transitional support offered.

### Up-skilling of the workforce

As we transition towards a greener more sustainable economy jobs may be lost in high-polluting sectors and be replaced by green jobs. In the long-term the Environmental Audit Committee recommends that in order to ensure a 'just transition' of people from high-polluting employment to low-polluting employment the government needs a place-based targeted skills plan to up-skill those in 'at-risk' industries. The government will need to work alongside businesses, educational institutions and local government to better understand current and future skills gaps surrounding green jobs.

Adult learning and on-the-job training is expected by researchers, to be an important route for reskilling and upskilling existing workers that need to transition into green occupations. Firm-level investments in skills will need to be incentivised - the LSE suggests, for instance, making government support packages conditional on training provision or introducing human capital tax credits. The RSA suggests a 'Just transition Fund' to support local authorities which have the highest share of employment in industries most likely to be impacted by decarbonisation, in order to help reskill the workforce.

# Entrepreneurial Behaviour and the COVID-19 Pandemic – A Collapse in Confidence or a Positive Response to Uncertainty?

***Mark Hart, Aston University***

***Mark Hart uses data from the Global Entrepreneurship Monitor (GEM) Annual Population Surveys to examine the impact COVID-19 has had on entrepreneurship in the UK.***

***This blog highlights the work of a new project "Lifting the Lid on Enterprise Diversity & Growth in the West Midlands", which will collect and analyse panel data on business creation of ethnic minorities in the West Midlands to add to the Global Entrepreneurship Monitor (GEM) dataset. This will generate data to support evidence-based policymaking on minority enterprise and inclusive.***

***This project is being run in partnership with the Enterprise Research Centre and Centre for Research, the Centre for Research in Ethnic Minority Entrepreneurship, Aston University and the West Midlands Regional Economic Development Institute.***

The first case of the COVID-19 virus in the UK was in January 2020 and by early March it had begun to take hold among the UK population. As public health restrictions were introduced in the Spring of 2020, many businesses and sectors of the economy saw significant limitations introduced on their activities. This had an immediate and dramatic effect on the economy as businesses were forced to close their doors with the resultant collapse of revenues and the knock-on effect on levels of employment and household incomes.

The clearest effects of the COVID-19 pandemic on the economy were on turnover and employment in small and medium-sized enterprises (SMEs) and the collapse in the numbers of self-employed. As we approach the end of Q1 in 2022 – 2 years after the start of the pandemic – many parts of the economy have bounced back to their pre-COVID levels even as the pandemic continues to impact many organisations through increased levels of absenteeism now that all legal restrictions have been removed.

Yet many scars remain, and it is perhaps timely to look at the impact the crisis has had upon the entrepreneurial endeavours of the UK population at large. We can do this by using data from the Global Entrepreneurship Monitor (GEM) Annual Population Surveys (APS) which have been undertaken in the UK since 1998 and led by a team of researchers at Aston Business School since 2007. This annual household survey of around 10,000 individuals rather than businesses allows us to track entrepreneurial attitudes, intentions, activity, motivations, and ambitions before and during the COVID-19 crisis.

The 2020 APS was conducted later than usual in Q4 of 2020 due to the reluctance to undertake fieldwork at the height of the first wave of the pandemic so the results provide invaluable insight on entrepreneurial behaviour in the middle of the pandemic. The analysis showed a sharp fall in the number of individuals in the very early stages of setting up a new business compared to the pre-pandemic high in 2019 (the GEM TEA rate – Total early-stage Entrepreneurial Activity). This is hardly surprising given the unprecedented nature of the economic shock, but the analysis has also shown that the entrepreneurial foundations of the economy and society are still strong, and these will be crucial for the recovery after the pandemic and in dealing with the ongoing economic fallout from Brexit.

Those ethnic minority communities that have borne the brunt of the pandemic in terms of infection, hospitalisation and sadly deaths demonstrated their resilience by maintaining their previous levels of early-stage entrepreneurial activity which were significantly higher than for the non-ethnic minority population. Clearly, the pandemic has had no damaging impact on the level of entrepreneurial activity by immigrants and ethnic minorities although it has depressed it for people born in the UK who have always lived in the same region (i.e., life-long residents) and the non-ethnic population.

Finally, the results from late 2020 showed that there is undoubtedly an appetite for people to start their own businesses in the next three years and many respondents reported new opportunities because of the pandemic but they had decided to delay the actual decision to get the business operational.

As the recovery got underway despite further waves of the virus causing further implementation of public health restrictions and short periods of lockdown what was the reaction of the population in terms of entrepreneurial endeavour? The GEM APS for 2021, undertaken as usual between June and September, saw the UK's early-stage entrepreneurial rate increase significantly to 12.6%, from 7.6% in 2020 which is the highest ever recorded since the start of the GEM project in the late 1990s. This occurred while undergoing the dual challenges of Brexit and COVID-19 and gives a clear indication that, when it comes to assessing risk in uncertain times, many entrepreneurs are prepared to pursue the new opportunities that have arisen. Indeed, over half of those early-stage entrepreneurs in 2021 reported that they had identified new business opportunities because of the pandemic.

This can explain much of the rise in the UK's TEA rate but there is also the fact that in the 2020 GEM APS around two-thirds of respondents (the highest ever proportion) indicated that they planned to set up a business within three years and that the pandemic had influenced their decision to re-assess their future engagement with the labour market. Combined with those who had simply delayed the decision to launch their new venture in 2020 we can understand why the UK's TEA rate has hit its historic high and indeed closed the gap considerably with the United States (16.5%).

The GEM UK APS is currently being prepared for launch in May/June 2022 and alongside that, we have our ongoing work on the Panel Study of Entrepreneurial Dynamics (PSED) which creates a panel of nascent entrepreneurs to track over time. The results of both surveys will provide further insights into not only the levels of entrepreneurial activity but also the challenges they faced over time in a time of great uncertainty and how their responses changed as a result.

Looking back over the last two years of GEM UK data we can conclude that those early-stage entrepreneurs and those intending to start their own business have clearly embraced the challenges thrown up by the crisis and demonstrate that the entrepreneurial foundations of the UK are strong in terms of start-up rates. The challenge is to see what can increase the number of them that grow, and the WMREDI/Aston PSED project will hopefully provide a deeper understanding of the barriers that too many businesses in the UK face if they seek to grow – and not all do!

# Fewer Firms are Created in UK Regions Outside London and the South East

***Huanjia Ma and Simon Collinson, WMREDI***

***This piece discusses new firm creation in regions outside London and the South-East in the context of the government's levelling up policy plans.***

The UK government's recent levelling up plans promise large investments in infrastructure, R&D, skills and education, and the relocation of public sector employment, to stimulate economic growth in regions outside London and the South-East. One of the major objectives is to improve the innovation ecosystems of these regions and drive-up firm-level productivity.

One of the challenges facing this agenda is the persistently lower levels of new firm creation in places that have experienced slower economic growth. This is one key indicator of the entrepreneurial vitality of regional systems of innovation and should be a focus for policymakers.

## Spatial Patterns of New Firm Formation

Recent data shows that the number of new firms created across the UK has grown relative to the pre-covid period, indicating a strong recovery and future employment opportunities. However, London still accounts for a disproportionately high percentage of the total number of new firms and is the main driver of this UK-wide growth trend.

Figure 1 plots the percentage of new firms created in UK regions by NUTS1 since January 2019 using registry data which includes information on all 5 million UK companies from Companies House (published in March 2022; the data can be found here). The percentage of firms created in London increased from 29.6% in January 2019 to 35% in January 2022. On the other hand, the percentage of firms created in South East declined to 10.7% in January 2022 from 13.6% in 2019. The total percentage of firms created in regions outside London and South East has decreased from 57% in January 2019 to just over 54% in January 2022.

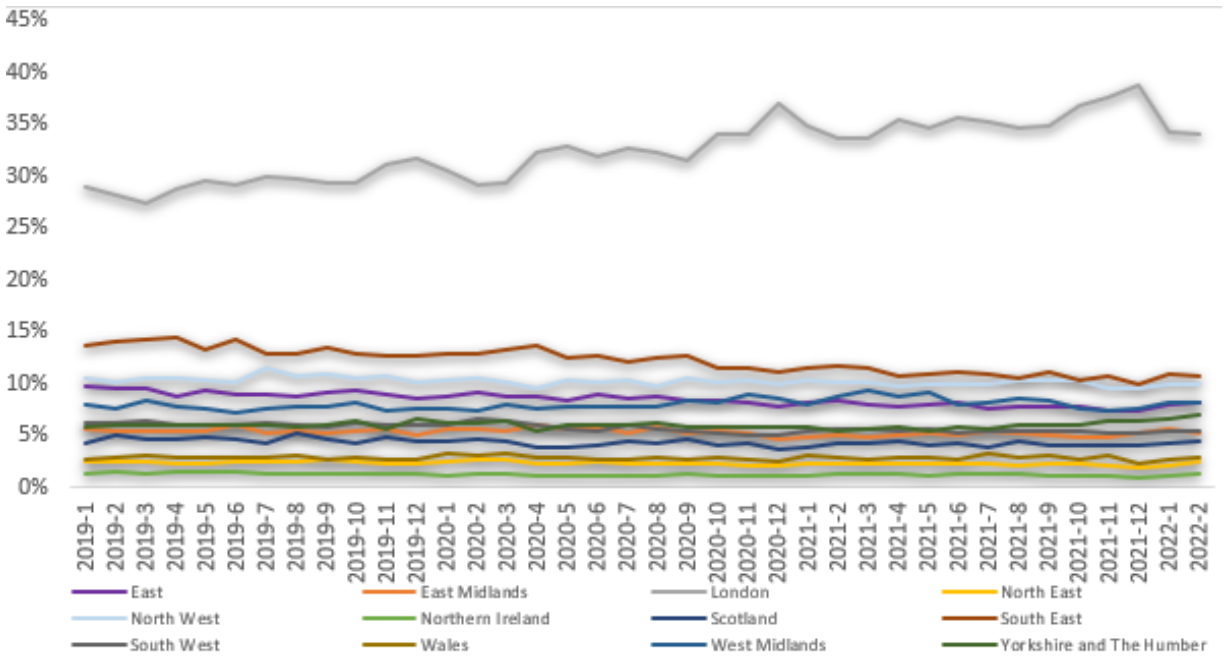



Figure 1: Percentage of new firms created by NUTS1 regions

There is also a large disparity between regions outside London and the South East (Figure 2). In January 2022, the North West leads other regions with 10% of new firms created. The East Midlands and West Midlands follow with 8.2% of firms created. The North-East sits at the bottom of the ranking of English regions with just 2% of firms created over the last three years, surpassing only Northern Ireland in the UK. There were no significant changes in trends in most regions. The share of firms in the East declined to 8% in January 2022 from 9.6% in January 2019. While the share of firms created in the West Midlands briefly increased to 9.4 in March 2021, it fell to 8.2% again in

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

January 2022. On the other hand, Yorkshire and the Humber is the only region growing their share of overall firms created since the start of the Covid Pandemic in March 2021.

Note that the data is a snapshot of firms that are still alive as of March 2022. A region with a high firm birth rate and a high death rate will look very similar to a region with moderate birth and death rates. So, the data reflects how long new firms survive in different regions, and points very clearly to the breadth and depth of policies needed to incentivise firm creation outside of London and the South East.

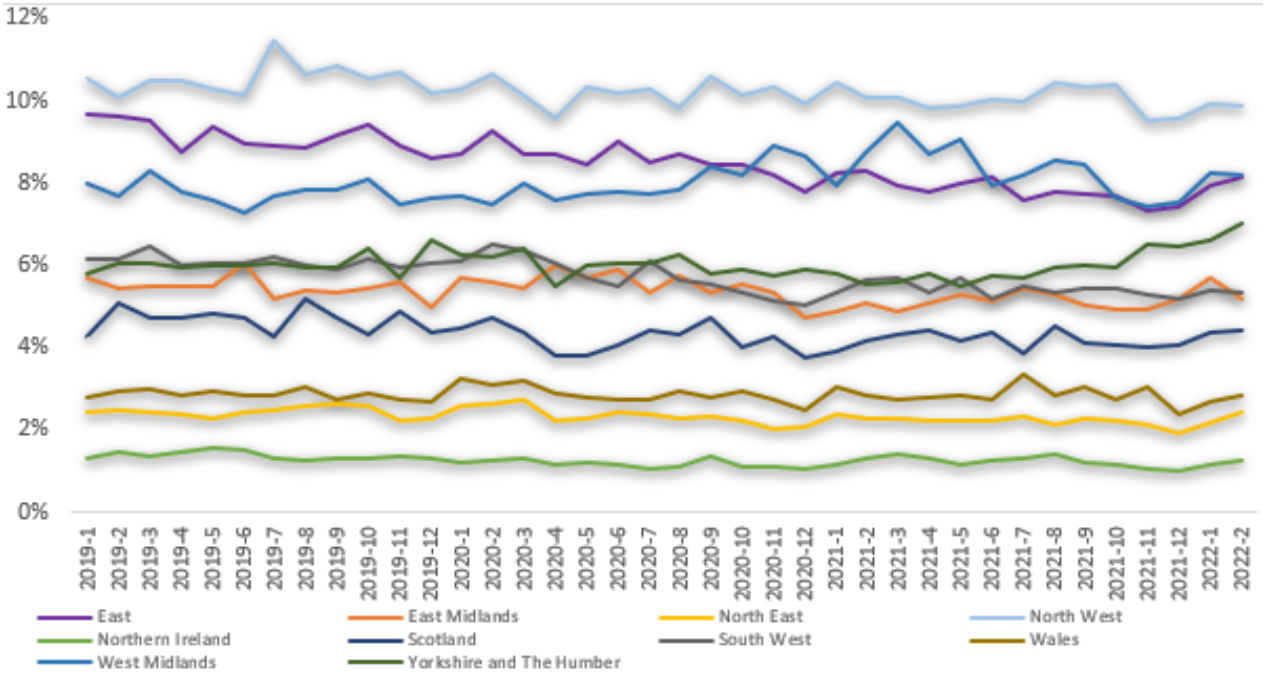



Figure 2: Percentage of new firms created by NUTS1 regions (excluding London and the South East)

## Too Few High-Tech and Knowledge-Intensive Services Firms in Target Regions

For the UK overall, and particularly for regions outside London, more High technology (HTEC)/ knowledge-intensive services (KIS) firms need to be created as part of the wider drive to stimulate innovation. However, the opposite is happening. Combining firm registry data with Eurostat data on HTEC/KIS firms, we can trace the total volume and geographic distribution of these over time. Nationally, HTEC firms in the economy remain consistently low at around 0.2%, with no significant increase between 2019 and 2022, and the share of new HTEC/KIS firms declined from 36.8% in 2019 to 31.8% in 2022.

Figure 3 shows the share of new firms in HTEC/KIS industries except for London and the South-East in January 2019 and January 2022. The share of HTEC/KIS firms decreased from 2019 to 2022 in almost all regions except Northern Ireland. The shares of HTEC/KIS firms in London and South-East are highest in the UK (35% and 36% respectively). There is also a wide discrepancy in the shares of HTEC/KIS firms among other regions. Take the West Midland as an example, the share of HTEC/KIS firms is 26.6% in January 2022, this is notably lower compared with 31.7% in the North-West and 31.2% in the East where there are a similar number of new firms created.

It is important to recognise that this only reflects the ***number*** of firms and not the level of ***added value*** created by firms. The West Midlands may produce as much as value added in HTEC/KIS industries compared to the other regions with a higher percentage of new firms in HTEC/KIS industries.

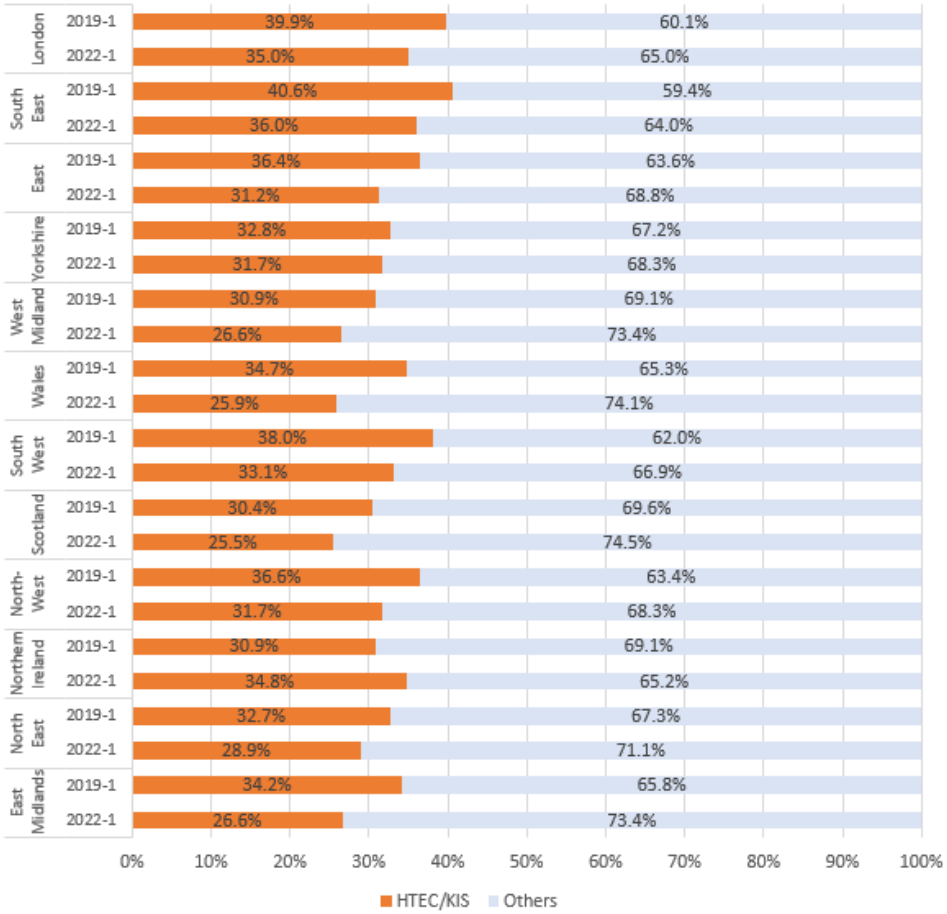



Figure 3: Share of new firms in HTEC/KIS industries

## What Kinds of Policy Interventions are Needed?

If the government follows up on its pledge to increase public R&D spending outside London by 40% by 2030, there are significant opportunities to attract matched private sector investment in R&D and help regions grow. But this should be done on the basis of a robust understanding of (1) local regions and their very different growth constraints and opportunities, and (2) past evaluations and experience of R&D investment as a stimulus for local growth.

In particular we know that:

- Some policies can crowd out existing local industries. There is evidence showing that the relocation of public workers, for example, can have the effect of crowding out tradeable sectors (such as manufacturing) while only increasing employment in non-tradable sectors (such as construction).
- Inward investment by R&D-intensive firms which employ higher-skilled, higher-income earners usually has a positive effect on regional productivity (GVA per head) and consumption-driven multipliers through increased demand for local services. But this can also drive-up house prices and displace lower-skilled workers, often to areas where they have less access to employment.
- New entrants into a region may also have fewer local linkages, and for example, create less demand for local SME suppliers. This results in lower spill-over or multiplier effects for other firms in the region.

All of these examples illustrate the importance of understanding regional economies as complex, interactive systems. This also points to the need for coordination across a range of complementary policies, addressing skills, housing, transport infrastructure, business support programs and entrepreneurship support.

## Firms, Jobs and Households

One of the most important relationships in regional socio-economic systems is the link between firms and households, largely mediated via employment. Firms create employment that underpins household incomes. More high income jobs (a product of firm demand and skills availability) mean higher average household incomes and less vulnerability and deprivation, but only if these jobs are spread across socio-economic groups.

A high level of new business formation in a region indicates a vibrant entrepreneurial culture, but if the mortality rate is also high, this is unlikely to help create long-term employment. Out of just over 3 million firms in the UK in 2020, there were 358 thousand new firms born (11.9%) and 316 thousand 'deaths' (10.5%). London had the highest rate of turnover, with both the highest business birth rate at 14.0% and death rate at 12.1% but resulting in a strong net growth rate. The West Midlands had one of the highest birth rates at 12.2% and the second-highest death rate of 11.9%. Its net rate of firm formation for that year was 0.3%, the lowest of the English regions and this has been a consistent challenge for the region.

Depending on the local dynamics of firm creation, individuals and households with different backgrounds will be affected differently. New firms will increase competition levels and can push incumbent firms in the same industry to innovate. This can drive increased investment in R&D and labour skills, which grows the pool of skilled workers. But less innovative, agile firms can be driven out of the market, and this will normally impact lower-skilled workers and increase unemployment in lower socio-economic communities.

Labour markets are also dynamic. If new firms are in high-skilled, knowledge-intensive sectors this can attract national and international migrant workers. High-skilled migration has a complex impact on the local economy. On the one hand, it benefits both native skilled and unskilled individuals by promoting long-run economic growth by creating innovation, increasing productivity, and expanding the consumer base. But it can also have negative effects, leading to reduced wage and employment opportunities for low-skilled workers, pushing up the cost of living (particularly housing) and creating welfare loss through a squeeze on relative incomes. If most new firms are less skill intensive, this is positive in terms of reducing unemployment (but also lowers productivity). But it can trigger the in-migration of low skill workers and depress wages, with a longer-term impact on more deprived communities.

## Conclusions

The Government's plans to improve innovation ecosystems and entrepreneurial vitality through a basket of policies face an uphill struggle. Both the spatial data and the trend data on new firm formation work against this objective and point to the need for stronger policies and higher levels of investment. The share of new firms in regions outside London and the South East has decreased despite the fact that more new firms have been created across the UK, relative to the pre-covid period. In addition to this, the presence of HTEC/KIS firms in low-growth regions is small and declining. These are critical to regional innovation and competitiveness, and to high-skilled and high-income employment.

# NatWest Purchasing Manager Index (PMI) Survey: West Midlands Region Released April 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 58.4 in February 2022 to 59.1 in March 2022; this was the fastest rate of growth in nine months. This increase was associated with backlog-clearing efforts, greater sales and a rush to beat price hikes. Out of the twelve UK regions, the West Midlands region was sixth lowest for the Business Activity Index in March 2022.

- The overall UK Business Activity Index increased from 59.9 in February 2022 to 60.9 in March 2022.

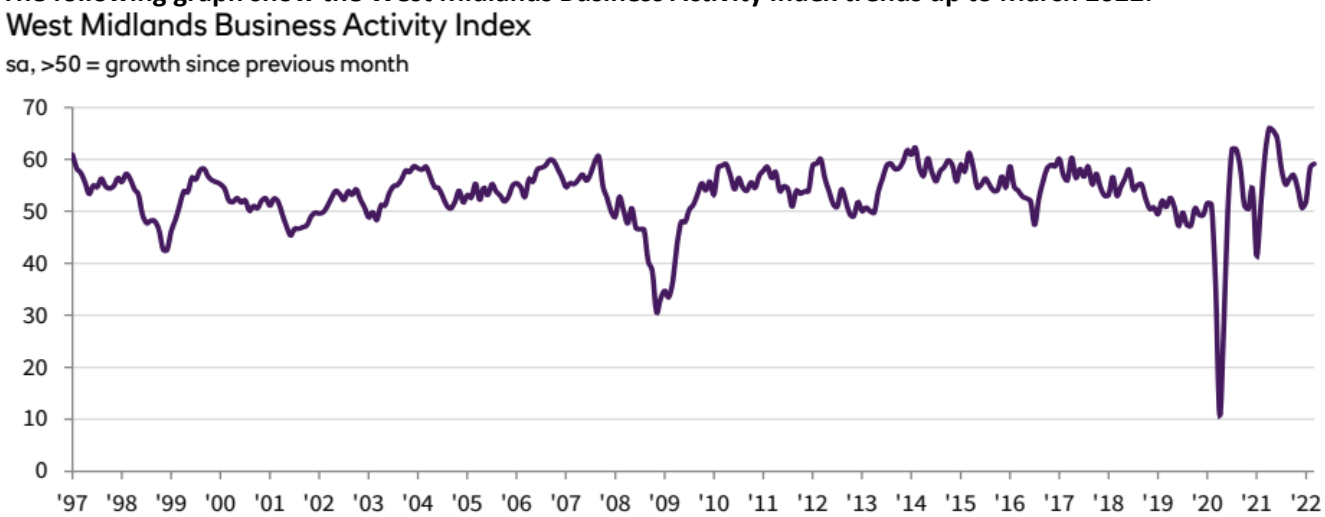
- The West Midlands Future Activity Index decreased from 76.7 in February 2022 to 75.2 in March 2022. Despite the overall level of positive sentiment falling to an eight-month low, firms in the West Midlands remained upbeat for the next twelve months. Optimism stemmed from plans to invest in advertising, strategies to expand clients and product diversification; although optimism was restricted due to supply-chain concerns, inflationary pressures and Russia's invasion of Ukraine. Out of the twelve UK regions, the West Midlands was the third highest for the Future Business Activity Index in March 2022.

**In Detail:**

**Business Activity Index**

The West Midlands Business Activity Index increased from 58.4 in February 2022 to 59.1 in March 2022, this was the fastest rate of growth in nine months. This increase was associated with backlog-clearing efforts, greater sales and a rush to beat price hikes.

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




Source: IHS Market/NatWest, April 2022

Out of the twelve UK regions, the West Midlands region was sixth lowest for the Business Activity Index, with the South West and the Yorkshire and the Humber the joint highest, both at 64.3 down to the North East the lowest at 50 in March 2022.

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

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


Source: IHS Market/NatWest, April 2022

**Demand**

The West Midlands New Business Index decreased from 58.7 in February 2022 to 55.4 in March 2022. Despite easing from February 2022, there was still a three-month sequence of expansion in new business and was still historically high. The increase was linked to improvements in customer demand and marketing efforts supporting sales. The increase was restricted due to future uncertainty, financial volatility and project cancellations.

**Exports**[2]

The West Midlands Export Climate Index decreased from 54.6 in February 2022 to 53.9 in March 2022. Despite the decline from February 2022, the index shows a strong improvement in export conditions and above the long-run average of 53.3. The decline can be linked to China where the output was 43.9 and also slower increases of 55.1 in Germany. Although, France (56.3), the USA (57.7) and Ireland (61) increased at a quicker rate.

**Business Capacity**

The West Midlands Employment Index decreased from 56.3 in February 2022 to 53.9 in March 2022. More jobs were created in the West Midlands in March 2022 but the rate has slowed to a one-year low, although the employment growth remains above the long-term average. The decline was linked to cost-cutting efforts and workers leaving for higher paid jobs.

The West Midlands Outstanding Business Index decreased from 51.7 in February 2022 to 50.8 in March 2022. The rate of accumulation has eased from February 2022, however, firms continued to report capacity pressures as new order growth, delayed deliveries from suppliers and staff shortages led to higher backlogs.

**Prices**

The West Midlands Input Prices Index increased from 83.6 in February 2022 to 83.8 in March 2022. West Midlands firms reported an increase in cost burdens linked to higher energy prices, supply shortages, wage pressures and Russia's invasion of Ukraine. The overall rate of inflation accelerated to the second highest since data collection started in January 1997.

[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.

The West Midlands Prices Charged Index increased from 68.5 in February 2022 to 70.7 in March 2022. For the seventh month in a row, the rate of output price inflation in the West Midlands reached a series record during March 2022 (since November 1999). Firms reported substantial increases in input prices and cost burdens being passed onto clients.

**Outlook**

The West Midlands Future Activity Index decreased from 76.7 in February 2022 to 75.2 in March 2022. Despite the overall level of positive sentiment falling to an eight-month low, firms in the West Midlands remained upbeat for the next twelve months. Optimism stemmed from plans to invest in advertising, strategies to expand clients and product diversification. Although, optimism was restricted due to supply-chain concerns, inflationary pressures and Russia's invasion of Ukraine.

Out of the twelve UK regions, the West Midlands was the third highest for the Future Business Activity Index with Yorkshire and the Humber the highest at 80.1 and Northern Ireland the lowest at 52.7 in March 2022.

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


Source: IHS Market/NatWest, April 2022

# UK Regional Trade in Goods Statistics: 2021[3]

## Black Country Consortium Economic Intelligence Unit

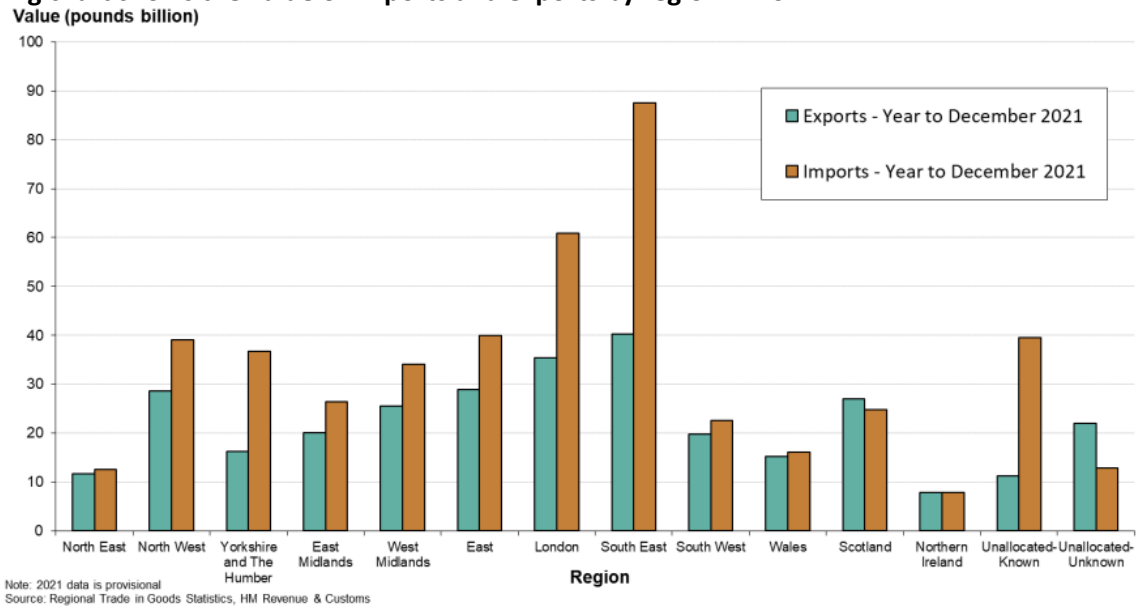
**Key Points:**

- In 2021, the West Midlands region's export value was worth £25.5bn, an increase of £931m (+3.8%) since 2020; the UK increased by 6.6% to £309.9bn. Over the same period, the West Midlands imported £34bn worth of goods. This has increased by £4bn (+13.5%). The value of all UK imports increased by 9% to £461.2bn.
- The West Midlands had a trade in goods deficit of £8.5bn in 2021.
- In 2021, the largest value export for a SITC section in the West Midlands was machinery & transport at £17bn. This SITC section accounted for 66.6% of the total exports value. Compared to 2020, the total value of these exports has increased by £667m (+4.1%).
- In 2021, the highest value of West Midlands exports was to the EU at £11.8bn, accounting for 46.1% of the total. Exports to the EU from the West Midlands increased by £236m (+2.0%) since 2020, considerably lower than the UK overall rate (+6.9%) and below the rate of all other exporter regions excluding North America.

**In Detail:**

- In 2021, the West Midlands region exported £25.5bn and imported £34bn, leading to a trade in goods deficit of £8.5bn. This reflects a much larger deficit when compared to 2020 when the trade deficit was £5.4bn.
- This has been driven largely by a large rise in imports from Asia (+37.4%) which has not been met by a corresponding rise in exports (+10.9%)

**The following chart shows the value of imports and exports by region in 2021:**

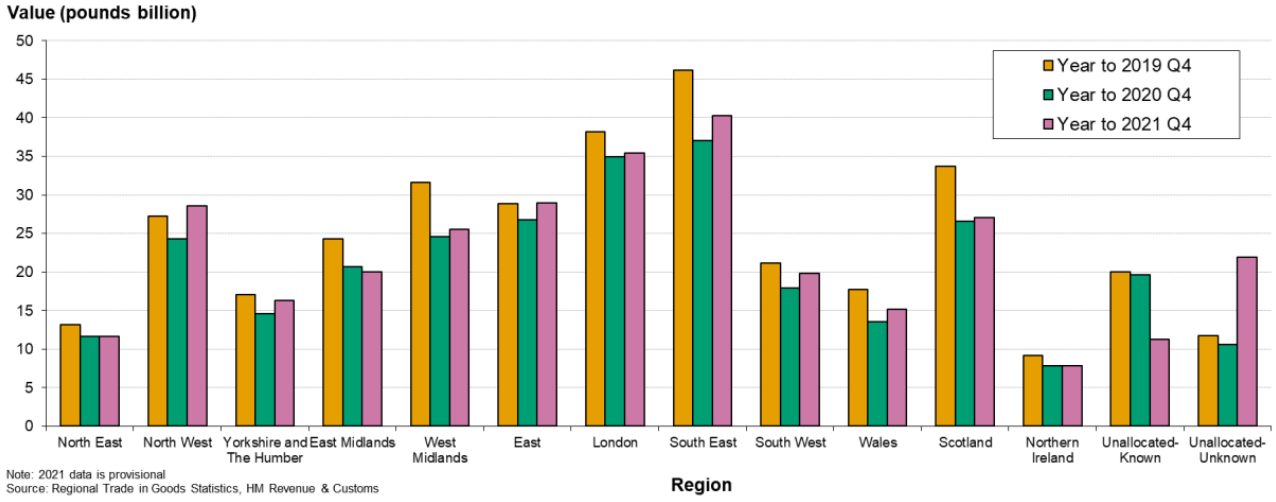



**Exports**

- Since 2020, the overall value of UK trade in goods exports increased by 6.6% (to £309.9bn in 2021). Excluding the East Midlands and Northern Ireland, all other regions saw an increase in the annual export value.
- Since 2020, the West Midlands total value in exports increased by £931m (+3.8%) to £25.5bn in 2021. Over the same period, the value of exports from the West Midlands to the EU increased by £236m (+2.0%, UK +6.9%) to £11.8bn. The value of exports from the West Midlands to Non-EU locations increased by £695m (+5.3%, UK +6.4%) to £13.8bn.
- The West Midlands region accounted for 8.2% of UK total exports in 2021. The West Midlands region accounted for 7.7% of UK exports to the EU and 8.7% for Non-EU locations.

[3] Source: HM Revenue & Customs, UK Regional Trade in Goods Statistics Quarter 4 2021 – Released April 2022.

**The following chart shows UK exports by region, years to Q4 2019, Q4 2020 and Q4 2021:**

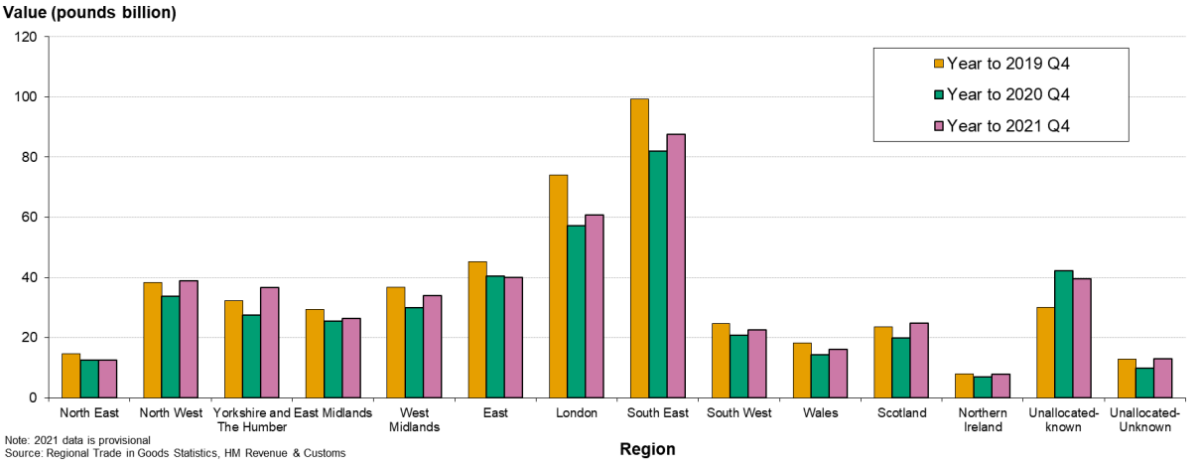



- Quarterly exports analysis shows that when comparing Q4 2021 to Q3 2021, total exports from the West Midlands increased by £750m (+12.6%, UK +13.3%). EU exports from the West Midlands increased by £209m (+7.2%, UK +13.8%) and Non-EU exports from the West Midlands increased by £541m (+17.8%, UK +12.9%).
- Quarterly exports analysis shows that when comparing Q4 2021 to Q4 2020, total exports from the West Midlands decreased by £576m (-7.9%, UK +5.6%). EU exports from the West Midlands decreased by £154m (-4.7%, UK +6.1%) and Non-EU exports from the West Midlands decreased by £422m (-10.5%, UK +5.0%).

## Imports

- Since 2020, the value of the West Midlands region's imports increased by £4bn (+13.5%) to £34bn in 2021. The East of England was the only location that decreased over the period, decreasing by £385m (-1.0%) but still imported a total value of £40bn. UK-wide total imports increased by 9.0% to £461.2bn over the same period.
- Since 2020, the value of imports to the West Midlands from the EU increased by £108m (+0.6%, UK -4%) to £18.2bn in 2021. Over the same period, the value of imports to the West Midlands from Non-EU locations increased by £3.9bn (+33.1%, UK +23.9%) to £15.8bn in 2021.
- The West Midlands region accounted for 7.4% of UK total imports in 2021. The West Midlands region accounted for 8.4% of UK exports to the EU and 6.5% for non-EU locations.

**The following chart shows UK imports by region, years to Q4 2019, Q4 2020 and Q4 2021:**




- Quarterly imports analysis shows that when comparing Q4 2021 to Q3 2021, total imports to the West Midlands increased by £816m (+9.9%, UK +12.2%). EU exports to the West Midlands increased by £322m (+7.4%, UK +4.2%) and Non-EU imports to the West Midlands increased by £494m (+12.6%, UK +19.5%).

- Quarterly imports analysis shows that when comparing Q4 2021 to Q4 2020, total imports to the West Midlands increased by £157m (+1.8%, UK +5.4%). EU imports to the West Midlands decreased by £922m (-16.4%, UK -14.1%) and Non-EU imports to the West Midlands increased by nearly £1.1bn (+32.4%, UK +28.4%).

## Standard International Trade Classification (SITC)

- The total value of exports in seven of the ten SITC sections increased in the West Midlands when compared to 2020. The three decreases were in beverages and tobacco, miscellaneous manufactures and other commodities nes.
- In 2021 the largest value export for a SITC section in the West Midlands was machinery & transport at £17bn. This SITC section accounted for 66.6% of the total exports value; of which 59.8% (£10.2bn) were non-EU exports. Compared to 2020, the total value of these exports has increased by £667m (+4.1%) and it has increased quarter-on-quarter (from £3.8bn in Q3 2021 to £4.4bn in Q4 2021) but has fallen when compared to Q4 2020 (£5bn).
- West Midlands imports from five of the ten SITC sections increased from 2020. The decreases were in food and live animals, animal and vegetable oils, chemicals, miscellaneous manufactures and other commodities nes.
- The SITC section with the largest total value of imports in 2021 was machinery & transport at £14.9bn, reflecting 43.7% of total imports; of which 57.2% (£8.5bn) came from the EU. This SITC section overall has increased since 2020 by £1.7bn (+12.6%) and has increased quarter-on-quarter (from £3.4bn in Q3 2021 to £3.8bn in Q4 2021) but has fallen since Q4 2020 (£4.2bn).

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

| | West Midlands Region | | | UK | | |
|---|---|---|---|---|---|---|
| | 2020 | 2021 | | 2020 | 2021 | |
| Total Exports by SITC Section | £ millions | | % Change | £ millions | | % Change |
| 0 Food and Live Animals | £646 | £738 | 14.2% | £14,947 | £13,252 | -11.3% |
| 1 Beverages and Tobacco | £80 | £66 | -17.5% | £6,404 | £7,041 | 9.9% |
| 2 Crude Materials | £707 | £1,041 | 47.2% | £6,389 | £9,563 | 49.7% |
| 3 Mineral Fuels | £139 | £147 | 5.8% | £20,487 | £25,462 | 24.3% |
| 4 Animal and Vegetable Oils | £25 | £42 | 68.0% | £523 | £606 | 15.9% |
| 5 Chemicals | £1,381 | £1,392 | 0.8% | £52,450 | £52,208 | -0.5% |
| 6 Manufactured Goods | £2,636 | £2,985 | 13.2% | £32,941 | £35,281 | 7.1% |
| 7 Machinery and Transport | £16,345 | £17,012 | 4.1% | £107,588 | £111,108 | 3.3% |
| 8 Miscellaneous Manufactures | £2,593 | £2,108 | -18.7% | £39,646 | £37,704 | -4.9% |
| 9 Other commodities nes | £58 | £11 | -81.0% | £9,246 | £17,670 | 91.1% |
| **Total Exports** | **£24,610** | **£25,541** | **3.8%** | **£290,620** | **£309,894** | **6.6%** |
| **Total Imports by SITC Section** | **£ millions** | | **% Change** | **£ millions** | | **% Change** |
| 0 Food and Live Animals | £2,596 | £2,485 | -4.3% | £40,671 | £37,604 | -7.5% |
| 1 Beverages and Tobacco | £241 | £265 | 10.0% | £6,680 | £6,514 | -2.5% |
| 2 Crude Materials | £597 | £747 | 25.1% | £11,646 | £14,721 | 26.4% |
| 3 Mineral Fuels | £376 | £796 | 111.7% | £26,170 | £51,087 | 95.2% |
| 4 Animal and Vegetable Oils | £122 | £120 | -1.6% | £1,497 | £1,624 | 8.5% |
| 5 Chemicals | £2,232 | £2,154 | -3.5% | £53,719 | £59,615 | 11.0% |
| 6 Manufactured Goods | £5,794 | £7,700 | 32.9% | £53,626 | £60,849 | 13.5% |
| 7 Machinery and Transport | £13,203 | £14,864 | 12.6% | £151,064 | £154,251 | 2.1% |
| 8 Miscellaneous Manufactures | £4,832 | £4,900 | 1.4% | £71,528 | £68,902 | -3.7% |
| 9 Other commodities nes | £9 | £14 | 55.6% | £6,451 | £6,017 | -6.7% |
| **Total Imports** | **£30,002** | **£34,045** | **13.5%** | **£423,052** | **£461,184** | **9.0%** |

## Country Group

- The only Country Group where exports from the West Midlands declined between 2020 and 2021 was to North America, by £265m (-4.5%) to £5.6bn.
- The highest value of West Midlands exports was to the EU at £11.8bn, accounting for 46.1% of the total in 2021. Exports to the EU from the West Midlands increased by £236m (+2.0%) since 2020. This is considerably lower

than the UK overall rate (+6.9%) and below the rate of all other exporter regions excluding North America. It is also the lowest EU export growth between 2020 and 2021 of all English regions outside of London.

- The quarter-on quarter change shows a 7.2% increase in EU exports – from £2.9bn in Q3 2021 to £3.1bn in Q4 2021. Although, when compared to Q4 2020, there is a decline of 4.7% (-£154m).
- Since 2020, West Midlands imports increased in seven of the eight Country Groups. There was a decrease in imports from North America (-3.4%).
- The highest value of imports was from the EU at £18.2bn, accounting for 53.5% of total West Midlands imports. This reflects a £108m (+0.6%) increase in value from 2020, whilst the UK overall figure reflected a decrease of 4.0%. These findings, together with the modest EU export growth, might reflect Brexit-related issues and re-alignments within international trade.
- The second highest value of imports was from Asia & Oceania at £10.3bn, accounting for 30.3% of total imports in 2021. Imports from Asia & Oceania to the West Midlands increased by £2.8bn (+37.4%) since 2020. This increase has largely driven the growth of the West Midlands' trade in goods deficit.

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

| | West Midlands Region | | | UK | | |
|---|---|---|---|---|---|---|
| | 2020 | 2021 | | 2020 | 2021 | |
| **Exports by Country Group** | £ millions | | % Change | £ millions | | % Change |
| Asia & Oceania | £4,228 | £4,688 | 10.9% | £49,262 | £52,501 | 6.6% |
| Eastern Europe (excl EU) | £575 | £752 | 30.8% | £4,600 | £5,957 | 29.5% |
| European Union | £11,531 | £11,767 | 2.0% | £142,623 | £152,453 | 6.9% |
| Latin America and Caribbean | £282 | £344 | 22.0% | £4,159 | £4,362 | 4.9% |
| Middle East and North Africa (excl EU) | £997 | £1,106 | 10.9% | £14,555 | £14,536 | -0.1% |
| North America | £5,839 | £5,574 | -4.5% | £48,703 | £49,613 | 1.9% |
| Sub-Saharan Africa | £295 | £334 | 13.2% | £4,499 | £5,147 | 14.4% |
| Western Europe (excl. EU) | £861 | £972 | 12.9% | £14,269 | £13,542 | -5.1% |
| Undefined Country Group | £2 | £3 | 50.0% | £7,950 | £11,783 | 48.2% |
| **Total Exports** | **£24,610** | **£25,541** | **3.8%** | **290,620** | **309,894** | **6.6%** |
| **Imports by Country Group** | £ millions | | % Change | £ millions | | % Change |
| Asia & Oceania | £7,503 | £10,308 | 37.4% | £99,543 | £113,895 | 14.4% |
| Eastern Europe (excl EU) | £285 | £423 | 48.4% | £7,602 | £9,392 | 23.5% |
| European Union | £18,097 | £18,205 | 0.6% | £226,320 | £217,349 | -4.0% |
| Latin America and Caribbean | £422 | £593 | 40.5% | £5,387 | £5,616 | 4.3% |
| Middle East and North Africa (excl EU) | £599 | £712 | 18.9% | £8,764 | £12,792 | 46.0% |
| North America | £1,903 | £1,839 | -3.4% | £39,495 | £41,449 | 4.9% |
| Sub-Saharan Africa | £269 | £269 | 0.0% | £6,026 | £8,503 | 41.1% |
| Western Europe (excl. EU) | £925 | £1,696 | 83.4% | £24,603 | £47,231 | 92.0% |
| Undefined Country Group | - | - | | £5,311 | £4,959 | -6.6% |
| **Total Imports** | **£30,002** | **£34,045** | **13.5%** | **£423,052** | **£461,184** | **9.0%** |

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

# Labour Market Statistics and Claimant Count: Released April 2022

## Black Country Consortium Economic Intelligence Unit

### UK Summary[4]

- For the UK, early estimates for March 2022 indicate that the number of **payrolled employees** rose by 4.9% compared with March 2021, a rise of 1,376,000 employees; the number of payrolled employees was up by 1.9% since February 2020, a rise of 544,000. There were 35,000 more people in payrolled employment in March 2022 when compared with February 2022.
- The number of **job vacancies** in January to March 2022 rose to a new record of 1,288,000; an increase of 492,400 from the pre-COVID-19 pandemic level in January to March 2020. However, the rate of growth in vacancies continued to slow down. Over the quarter the number of vacancies increased by 50,200. The ratio of vacancies to every 100 employee jobs increased slightly on the quarter to 4.2 in January to March 2022, with 8 of the 18 industry sectors displaying record high ratios.
- The **UK employment rate** was largely unchanged on the quarter at 75.5%, but still below pre-COVID-19 pandemic levels. The number of full-time employees increased on the quarter; this was offset by a decrease in part-time employees. The **unemployment rate** for December 2021 to February 2022 decreased by 0.2 percentage points on the quarter to 3.8%. Those unemployed for up to 12 months decreased during the latest period to a record low. Meanwhile, those unemployed for over 12 months continued to decrease from the peak in July to September 2021. The **economic inactivity** rate increased by 0.2 percentage points to 21.4% in December 2021 to February 2022. This increase was driven by those who are economically inactive because they are looking after family or home, retired, or long-term sick.
- In December 2021 to February 2022, reports of **redundancies** in the three months prior to interview[5] decreased by 0.1 per thousand employees, compared with the previous three-month period, to 2.7 per thousand employees.
- For the UK, Growth in average **total pay** (including bonuses) was 5.4%, and growth in regular pay (excluding bonuses) was 4.0% among employees in December 2021 to February 2022. In real terms (adjusted for inflation) in December 2021 to February 2022, growth in total pay was 0.4% and regular pay fell on the year at negative 1.0%.

### Regional Labour Market Summary[6]

- For the three months ending February 2022, the **West Midlands region employment rate** was 75.4%. Since the three months ending November 2021, the employment rate increased by 0.6 percentage points (pp) which was the third highest across all regions. There was an increase of 2.3pp when compared to the same period in the previous year – the largest change across all UK regions. The UK employment rate was 75.5%, remaining unchanged when compared to the previous quarter and an increase of 0.8pp when compared to the previous year.
- For the three months ending in February 2022, the **West Midlands region unemployment rate** was 5.1%, which has increased by 0.4pp since the previous quarter but a decrease of 0.7pp from the previous year. The UK unemployment rate was 3.8%, 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 February 2022, the **West Midlands region economic inactivity rate** was 20.6% - a decrease of 0.9pp from previous quarter and a decrease of 1.7pp when compared to the previous year – both time comparisons were the largest decreases across all regions. The UK economic inactivity rate was 21.4%, an increase of 0.2pp from the previous quarter and an increase of 0.2pp from the previous year.

### WMCA Annual Population Survey Summary

- In 2021, the **employment rate in the WMCA (3 LEP)** area was 72%, compared to 74.7% for UK-wide. This was a 0.6pp decrease in the employment rate for the WMCA (3 LEP) area when compared to 2020. The UK employment rate decreased by 0.4pp over the same time period.

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[4] Source: ONS, Labour Market Overview; UK: April 2022

[5] 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.

[6] Source: ONS, Labour Market in the Regions of the UK: April 2022

- The **unemployment rate for the WMCA (3 LEP)** was 6.0% in 2021 compared to 4.5% UK-wide. For the WMCA (3 LEP), this remained the same compared to a decrease of 0.2pp for the UK since 2020.
- The **economic activity rate for the WMCA (3 LEP)** area was 76.6% compared to 78.2% for the UK in 2021. For the WMCA (3 LEP) area, there has been a 0.6pp decrease in the economic activity rate which matched the UK decrease rate since 2020.
- The **economic inactivity rate for the WMCA (3 LEP)** area was 23.4% compared to 21.8% UK-wide for 2021. For the WMCA (3 LEP) area, this has increased by 0.6pp matching the UK growth rate since 2020.

**WMCA (3 LEP) Claimant Summary**

- There were 159,105 **claimants** in the WMCA (3 LEP) area in March 2022. Since February 2022, there has been an increase of 0.2% (+315) claimants in the WMCA (3 LEP) area, while the UK decreased by 1.3%. When compared to March 2021, the number of claimants has decreased by 26% (-56,005) in the WMCA (3 LEP) area, with the UK decreasing by 34.5% over the same period. When compared to March 2020 (pre-pandemic figures), the number of claimants has increased by 35.3% (+41,515) in the WMCA (3 LEP) area, with the UK increasing by 38.2% over the same period.
- There were 26,765 **youth claimants** in the WMCA (3 LEP) area in March 2022. Since February 2022, there was an increase of 0.9% (+240) youth claimants in the WMCA (3 LEP) area, while the UK decreased by 0.7%. When compared to March 2021, the number of youth claimants has decreased by 36.8% (-15,595) in the WMCA (3 LEP) area, with the UK decreasing by 45.4% over the same period. When compared to March 2020 (pre pandemic figures), the number of youth claimants has increased by 18.5% (+4,185) in the WMCA (3 LEP) area, with the UK increasing by 16.4% over the same period.

## In Depth:

**UK Labour Market Statistics - Vacancies[7]**

- The number of job vacancies in January to March 2022 rose to a new record of 1,288,000; an increase of 492,400 from the pre-coronavirus (COVID-19) pandemic level in January to March 2020.
- In January to March 2022, the total number of vacancies increased by 50,200 from the previous quarter, with the largest increase in human health and social work, which increased by 13,100 to a new record of 215,500 vacancies.
- The quarterly rate of growth continues to fall; in January to March 2022, it was down to 4.1% and is at its lowest since June to August 2020.
- The ratio of vacancies to every 100 employee jobs increased slightly on the quarter to 4.2 in January to March 2022, with 8 of the 18 industry sectors displaying record high ratios

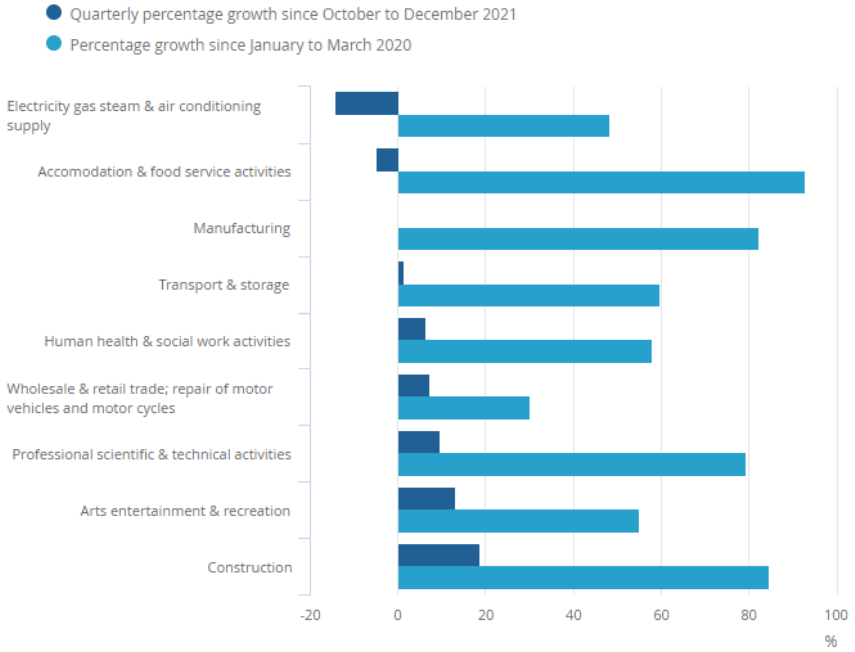
**The following chart shows the number of vacancies in the UK, seasonally adjusted, January to March 2003 to January to March 2022:**


*Source: ONS – Vacancy Survey*

[7] Source: UK labour market: February 2022

- In January to March 2022, quarterly vacancy growth slowed across most industry sectors, and while it remains positive, growth fell to 4.1% from 9.8% in the previous quarter. The growth in vacancies over recent periods, alongside a reduction in the unemployment rate, has seen the ratio of unemployed people to every vacancy reach a record low of 1.0 in December 2021 to February 2022.

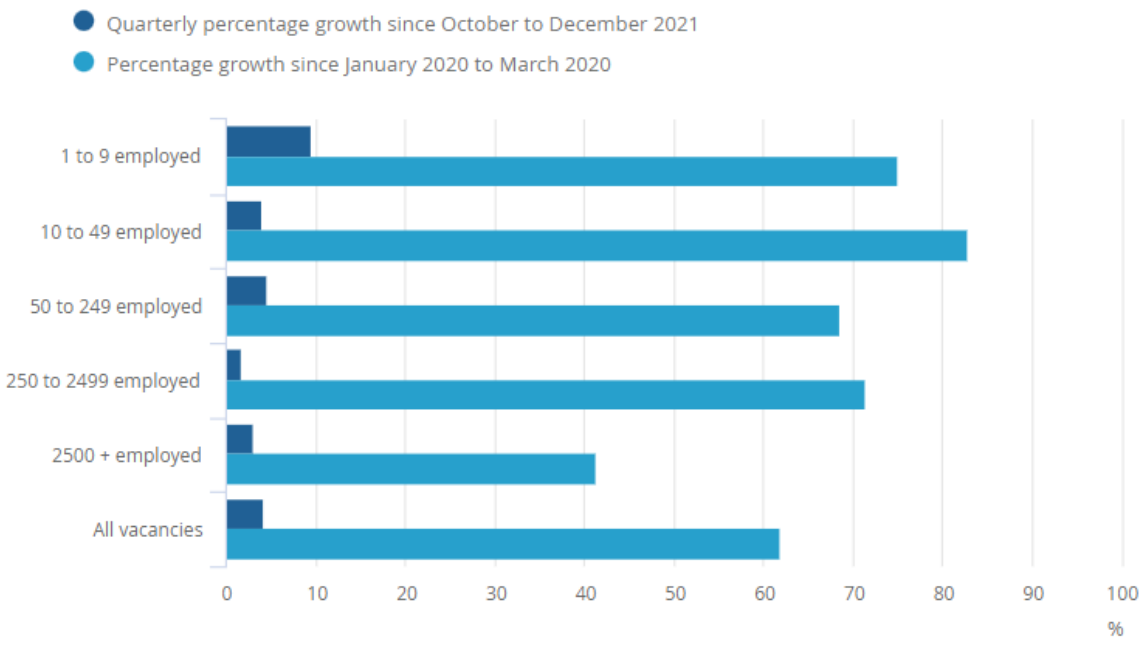
**The following chart shows quarterly percentage growth since October to December 2021 and percentage growth since January to March 2020 by industry:**




*Source: ONS – Vacancy Survey*

- The rate of quarterly growth varies across industries, with the fastest rates of growth seen in construction at 18.7% and arts, entertainment and recreation at 13.1%, while electricity, gas, steam and air conditioning supply showed the largest negative growth of 14.0%.
- While the overall rate of vacancy growth has slowed for eight consecutive periods, the number of vacancies continues to increase across most industries. On the quarter, vacancies increased by 50,200, with the largest increases in human health and social work (13,100), professional, scientific and technical activities (11,500) and wholesale and retail trade; repair of motor vehicles and motorcycles (11,300). While these industries are the biggest drivers on the quarter, it should be noted that this is the smallest quarterly volume increase since February to April 2021.
- All industries were above their January to March 2020 pre-COVID-19 levels in January to March 2022, with the largest increase in human health and social work, up by 79,200 (58.1%).

**The following chart shows quarterly percentage growth since October to December 2021 and percentage growth since January 2020 to March 2020 by employment size band:**




*Source: ONS – Vacancy Survey*

- Although there is positive quarterly growth across all industry size bands in January to March 2022, the level of growth does vary, with the 1 to 9 size band having the highest growth at 9.5%.

## Regional Labour Market[8]

Please note data is only available at a regional level – please see the quarterly Annual Population Survey section for lower-level analysis.

- For the three months ending February 2022, the West Midlands Region employment rate (aged 16 – 64 years) was 75.4%. Since the three months ending November 2021, the employment rate increased by 0.6 percentage points (pp) which was the third highest across all regions. There was an increase of 2.3pp when compared to the same period in the previous year – the largest change across all UK regions. The UK employment rate was 75.5%, remaining unchanged when compared to the previous quarter and an increase of 0.8pp when compared to the previous year. The highest employment rate within the UK for the three months ending February 2022 was in the South West (78.7%) and the lowest in the North East (70.2%).
- For the three months ending in February 2022, the West Midlands Region unemployment rate (aged 16 years and over) was 5.1%, which has increased by 0.4pp since the previous quarter but a decrease of 0.7pp from the previous year. The UK unemployment rate was 3.8%, 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 February 2022 was in the North East with 5.4%, with the lowest unemployment rate in Northern Ireland at 2.5%.
- For the three months ending February 2022, the West Midlands Region economic inactivity rate (aged 16 – 64 years) was 20.6% - a decrease of 0.9pp from previous quarter and a decrease of 1.7pp when compared to the previous year – both time comparisons were the largest decreases across all regions. The UK economic inactivity rate was 21.4%, an increase of 0.2pp from the previous quarter and an increase of 0.2pp from the previous year. The highest economic inactivity rate in the UK for the three months ending February 2022 was in Northern Ireland (27%), with the lowest in the South West (19%).

**The table below provides a summary of the latest headline estimates and quarterly changes for regions of the UK, seasonally adjusted, December 2021 to February 2022:**

[8] Source: ONS, Labour Market in the Regions of the UK: April 2022

| | Employment rate – Dec 21 to Feb 22 (aged 16- 64 years) | Change on Sep to Nov 2021 | Unemployment rate- Dec 21 to Feb 22 (16 years +) | Change on Sep to Nov 2021 | Inactivity rate – Dec 21 to Feb 22 (aged 16-64 years) | Change on Sep to Nov 2021 |
|---|---|---|---|---|---|---|
| UK | 75.5% | 0pp | 3.8% | -0.2pp | 21.4% | 0.2pp |
| Great Britain | 75.6% | 0pp | 3.9% | -0.2pp | 21.3% | 0.2pp |
| England | 75.8% | 0pp | 4.0% | -0.2pp | 21.0% | 0.2pp |
| North East | 70.2% | -0.3pp | 5.4% | -0.4pp | 25.7% | 0.7pp |
| North West | 73.3% | -0.3pp | 4.3% | -0.4pp | 23.3% | 0.6pp |
| Yorkshire and The Humber | 72.3% | -0.4pp | 4.2% | 0.4pp | 24.5% | 0.1pp |
| East Midlands | 76.1% | 0.8pp | 2.8% | -0.7pp | 21.7% | -0.3pp |
| **West Midlands** | **75.4%** | **0.6pp** | **5.1%** | **0.4pp** | **20.6%** | **-0.9pp** |
| East | 78.3% | -1.1pp | 3.2% | 0.4pp | 19.1% | 0.8pp |
| London | 75.8% | 0.2pp | 4.6% | -0.8pp | 20.4% | 0.2pp |
| South East | 78.1% | 0.4pp | 3.4% | -0.7pp | 19.1% | 0.1pp |
| South West | 78.7% | -0.1pp | 2.9% | -0.1pp | 19.0% | 0.3pp |
| Wales | 74.1% | 0.1pp | 3.0% | -0.4pp | 23.6% | 0.3pp |
| Scotland | 74.7% | -0.3pp | 3.5% | -0.1pp | 22.5% | 0.4pp |
| Northern Ireland | 71.2% | 1.1pp | 2.5% | -0.6pp | 27.0% | -0.7pp |

*Source: ONS – Labour Force Survey*

## Annual Population Survey: Employment Activity: 2021[9]

**The table below provides a summary of the latest headline estimates for the working age population in the WMCA and the UK for 2021 and percentage point (pp) change since 2020:**

| | Economic Activity Rate | | Employment Rate | | Unemployment Rate | | Economically Inactive | |
|---|---|---|---|---|---|---|---|---|
| | 2021 | PP change 2020 | 2021 | PP change 2020 | 2021 | PP change 2020 | 2021 | PP change 2020 |
| Birmingham | 71.3% | -0.5pp | 64.4% | -1.0pp | 9.7% | 0.8pp | 28.7% | 0.5pp |
| Bromsgrove | 86.1% | 4.4pp | 83.0% | 2.5pp | 3.5% | - | 13.9% | -4.4pp |
| Cannock Chase | 83.9% | -4.2pp | 75.9% | -7.6pp | 9.5% | 4.2pp | 16.1% | 4.2pp |
| Coventry | 75.8% | 0pp | 71.2% | 0pp | 6.0% | -0.1pp | 24.2% | 0pp |
| Dudley | 82.2% | 5.4pp | 78.6% | 7.0pp | 4.4% | -2.3pp | 17.8% | -5.4pp |
| East Staffordshire | 83.0% | 2.5pp | 80.1% | 3.7pp | 3.4% | -1.7pp | 17.0% | -2.5pp |
| Lichfield | 70.8% | -12.3pp | 67.3% | -9.5pp | 5.0% | -2.6pp | 29.2% | 12.3pp |
| North Warwickshire | 85.8% | 8.9pp | 84.7% | 8.9pp | - | - | 14.2% | -8.9pp |
| Nuneaton and Bedworth | 83.3% | 1.7pp | 82.4% | 3.5pp | - | - | 16.7% | -1.7pp |
| Redditch | 77.4% | -8.1pp | 75.5% | -3.6pp | 2.5% | -5.0pp | 22.6% | 8.1pp |
| Rugby | 80.2% | -2.6pp | 78.8% | -0.7pp | - | - | 19.8% | 2.6pp |
| Sandwell | 77.2% | 2.0pp | 73.2% | 2.1pp | 5.2% | -0.3pp | 22.8% | -2.0pp |
| Solihull | 80.4% | -1.0pp | 77.4% | -0.4pp | 3.7% | -0.8pp | 19.6% | 1.0pp |
| Stratford-on-Avon | 79.8% | -4.5pp | 76.8% | -5.2pp | 3.8% | 1.1pp | 20.2% | 4.5pp |
| Tamworth | 72.3% | -14.1pp | 71.1% | -14.7pp | - | - | 27.7% | 14.1pp |
| Walsall | 75.6% | -1.0pp | 70.1% | -2.4pp | 7.3% | 2.0pp | 24.4% | 1.0pp |
| Warwick | 82.7% | -1.1pp | 79.4% | -1.2pp | 3.9% | 0.1pp | 17.3% | 1.1pp |
| Wolverhampton | 76.1% | -0.8pp | 71.1% | -2.0pp | 6.5% | 1.6pp | 23.9% | 0.8pp |
| Wyre Forest | 76.0% | -8.0pp | 73.4% | -6.9pp | 3.4% | -1.0pp | 24.0% | 8.0pp |
| WM 7 Met. | 75.1% | 0.3pp | 69.8% | 0.2pp | 7.1% | 0.2pp | 24.9% | -0.3pp |
| Black Country LEP | 77.9% | 1.6pp | 73.4% | 1.4pp | 5.7% | 0.1pp | 22.1% | -1.6pp |
| Coventry and Warwickshire LEP | 79.4% | -0.3pp | 76.3% | 0.1pp | 3.9% | -0.5pp | 20.6% | 0.3pp |
| Greater Birmingham and Solihull LEP | 74.6% | -2.1pp | 69.2% | -2.2pp | 7.2% | 0.2pp | 25.4% | 2.1pp |
| **WMCA (3 LEP)** | **76.6%** | **-0.6pp** | **72.0%** | **-0.6pp** | **6.0%** | **0pp** | **23.4%** | **0.6pp** |
| UK | 78.2% | -0.6pp | 74.7% | -0.4pp | 4.5% | -0.2pp | 21.8% | 0.6pp |

[9] ONS, Annual Population Survey, April 2022. Please note the WMCA (3 LEP) summary is based on LEPs and not local authorities due to data gaps.

**Employment Rate**

- In 2021, the employment rate in the WMCA (3 LEP) area was 72%, compared to 74.7% for UK-wide. This was a 0.6pp decrease in the employment for the WMCA (3 LEP) area when compared to 2020. The UK employment rate decreased by 0.4pp over the same time period. For the WMCA (3 LEP) area to reach the UK rate of 74.7%, an additional 69,923 people are required.
- Since 2020, the employment rate for the WM 7 Met. area increased by 0.2pp and was 69.8% in 2021. For the WM 7 Met. area to reach the UK rate of 74.7%, an additional 90,832 people are required.
- Within the WMCA (3 LEP) area, the Black Country LEP employment rate increased by 1.4pp since 2020 to reach 73.4% in 2021. Coventry and Warwickshire LEP's employment rate remains higher than the UK average (76.3% vs 74.7%) and increased by 0.1pp since 2020. Greater Birmingham and Solihull LEP experienced a decrease of 2.2pp to an employment rate of 69.2%.
- At local authority level in the WMCA (3 LEP) area, Tamworth had the largest percentage point decrease since 2020; by 14.7pp; the employment rate was then 71.1%. In contrast, North Warwickshire had the highest increase in employment rate; by 8.9pp and reached 84.7% in 2021 (the highest employment rate in the WMCA).

**Unemployment Rate[10]**

- The unemployment rate for the WMCA (3 LEP) was 6.0% in 2021 compared to 4.5% UK-wide. For the WMCA (3 LEP), this remained the same compared to a decrease of 0.2pp for the UK since 2020. For the WMCA (3 LEP) area to reach the UK rate of 4.5%, required a reduction of 30,412 people.
- The unemployment rate for the WM 7 Met. area increased from 6.9% in 2020 to 7.1% in 2021. For the WM 7 Met. area to reach the UK rate of 4.5%, required a reduction of 36,427 people.
- Within the WMCA (3 LEP), since 2020, the Black Country LEP's unemployment rate increased by 0.1pp to 5.7% in 2021. Coventry & Warwickshire LEP decreased by 0.5pp to 3.9% in 2021. Greater Birmingham and Solihull LEP increased by 0.2pp to 7.2% in 2021.

**Economic Activity Rate**

- The economic activity rate for the WMCA (3 LEP) area was 76.6% compared to 78.2% for the UK in 2021. For the WMCA (3 LEP) area, there has been a 0.6pp decrease in the economic activity rate which matched the UK decrease rate since 2020.
- The economic activity rate in the WM 7 Met. area for 2021 was 75.1%, an increase of 0.3pp from 2020.
- The Black Country LEP area experienced a 1.6pp increase from 2020 to 77.9% in 2021. While Coventry and Warwickshire LEP decreased by 0.3pp to 79.4% and Greater Birmingham and Solihull LEP decreased by 2.1pp to 74.6% over the same period.
- Economic activity rate varies across the WMCA (3 LEP) local authorities in 2021, from 70.8% in Lichfield (decreasing by 12.3pp since 2020) to 86.1% in Bromsgrove (+4.4pp). North Warwickshire had the highest increase in the economic activity rate since 2020 by 8.9pp to 85.8% in 2021 and in contrast Tamworth had the highest decrease by 14.1pp to 72.3%.

**Economic Inactivity Rate**

- The economic inactivity rate for the WMCA (3 LEP) area was 23.4% compared to 21.8% UK-wide for 2021. For the WMCA (3 LEP) area, this has increased by 0.6pp matching the UK growth rate since 2020.
- The economic inactivity rate in the WM 7 Met. area for 2021 was 24.9%, a decrease of 0.3pp from 2020.
- In 2021, the WMCA (3 LEP) had a higher percentage of people that were inactive when compared to the UK in three categories, these categories were; students (32.5% vs 28.1%), looking after family home (21.8% vs 19.1%) and temporarily sick (2.4% vs 2.0%), with similar patterns seen in the WM 7 Met. area.

**The following table shows the proportions of economic inactivity rate by reason for the WMCA and UK in 2021:**

| | WM 7 Met. | WMCA (3 LEP) | UK |
|---|---|---|---|
| Student | 34.8% | 32.5% | 28.1% |
| Looking after family/home | 23.0% | 21.8% | 19.1% |
| Temporary sick | 2.8% | 2.4% | 2.0% |
| Long-term sick | 21.4% | 22.1% | 24.8% |
| Discouraged | 0.4% | 0.3% | 0.5% |
| Retired | 7.7% | 10.3% | 13.8% |
| Other | 10.0% | 10.7% | 11.7% |

[10] Due to data gaps local authority data was excluded from analysis

**Employment by Occupation**

- In 2021, the WMCA (3 LEP) area had a higher percentage of people employed in three of the nine occupations when compared to the UK; these include: caring, leisure and other service occupations (9.7% vs 9.2%), process, plant and machine operatives (7.2% vs 5.5%) and elementary occupations (10.7% vs 9.5%). The WM 7 Met. area followed similar patterns, although there was also a higher proportion for administrative and secretarial occupations when compared to the UK (10.9% vs 10.2%).

**The following table shows the proportions of employment by occupation for the WMCA and UK in 2021:**

| | WM 7 Met. | WMCA (3 LEP) | UK |
|---|---|---|---|
| 1: managers, directors and senior officials | 8.0% | 9.3% | 10.5% |
| 2: professional occupations | 21.9% | 22.7% | 23.7% |
| 3: associate prof & tech occupations | 14.3% | 14.5% | 15.3% |
| 4: administrative and secretarial occupations | 10.9% | 10.1% | 10.2% |
| 5: skilled trades occupations | 8.5% | 8.6% | 8.8% |
| 6: caring, leisure and other service occupations | 10.8% | 9.7% | 9.2% |
| 7: sales and customer service occupations | 6.5% | 6.9% | 7.0% |
| 8: process, plant and machine operatives | 7.4% | 7.2% | 5.5% |
| 9: elementary occupations | 11.5% | 10.7% | 9.5% |

## Claimant Count

**Claimant count for people aged 16 years and over[11]:**

- There were 159,105 claimants in the WMCA (3 LEP) area in March 2022. Since February 2022, there has been an increase of 0.2% (+315) claimants in the WMCA (3 LEP) area, while the UK decreased by 1.3%. When compared to March 2021, the number of claimants has decreased by 26% (-56,005) in the WMCA (3 LEP) area, with the UK decreasing by 34.5% over the same period. When compared to March 2020 (pre-pandemic figures), the number of claimants has increased by 35.3% (+41,515) in the WMCA (3 LEP) area, with the UK increasing by 38.2% over the same period.
- The Black Country LEP area had 48,975 claimants aged 16 years and over in March 2022, an increase of 255 (+0.5%) claimants from the previous month. Compared to the same month in 2021, Black Country LEP claimants decreased by 18,050 (-26.9%). When compared to March 2020 (38,275) the number of claimants has increased by 10,700 (+28%).
- In Coventry and Warwickshire LEP, there were 23,565 claimants aged 16 years and over in March 2022, a decrease of 165 (-0.7%) claimants since February 2022. Compared to the same month in 2021, Coventry and Warwickshire LEP claimants decreased by 10,655 (-31.1%). When compared to March 2020 (15,825) the number of claimants has increased by 7,740 (+48.9%).
- In Greater Birmingham and Solihull LEP, there were 86,565 claimants aged 16 years and over in March 2022, an increase of 225 (+0.3%) claimants since February 2022. Compared to the same month in 2021, Greater Birmingham and Solihull LEP claimants decreased by 27,300 (-24%). When compared to March 2020 (63,490) the number of claimants has increased by 23,075 (+36.3%).

**The following table shows a breakdown of number of claimants aged 16+ and change since March 2021 on selected months for WMCA and UK:**

| | Mar 2020 | Mar 2021 | Feb 2022 | Mar 2022 | Mar. 2022 (Claimants as proportion aged 16-64) Rates[4] | % Change Since Mar 20 | % Change Since Mar 21 | % Change Since Feb 22 |
|---|---|---|---|---|---|---|---|---|
| Birmingham | 49,370 | 83,920 | 66,780 | 67,085 | 9.1% | 35.9% | -20.1% | 0.5% |
| Bromsgrove | 1,165 | 2,655 | 1,825 | 1,820 | 3.1% | 56.2% | -31.5% | -0.3% |
| Cannock Chase | 1,655 | 3,420 | 2,215 | 2,215 | 3.5% | 33.8% | -35.2% | 0.0% |
| Coventry | 8,000 | 17,245 | 12,485 | 12,445 | 4.9% | 55.6% | -27.8% | -0.3% |
| Dudley | 8,515 | 14,400 | 10,350 | 10,315 | 5.3% | 21.1% | -28.4% | -0.3% |
| East Staffordshire | 1,720 | 3,925 | 2,495 | 2,480 | 3.4% | 44.2% | -36.8% | -0.6% |
| Lichfield | 1,320 | 2,760 | 1,685 | 1,685 | 2.7% | 27.7% | -38.9% | 0.0% |

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

| | Mar 2020 | Mar 2021 | Feb 2022 | Mar 2022 | Mar. 2022 (Claimants as proportion aged 16-64) Rates[4] | % Change Since Mar 20 | % Change Since Mar 21 | % Change Since Feb 22 |
|---|---|---|---|---|---|---|---|---|
| North Warwickshire | 845 | 2,020 | 1,230 | 1,205 | 3.0% | 42.6% | -40.3% | -2.0% |
| Nuneaton and Bedworth | 2,830 | 5,105 | 3,600 | 3,555 | 4.5% | 25.6% | -30.4% | -1.3% |
| Redditch | 1,535 | 3,215 | 2,215 | 2,185 | 4.2% | 42.3% | -32.0% | -1.4% |
| Rugby | 1,535 | 3,120 | 2,130 | 2,115 | 3.1% | 37.8% | -32.2% | -0.7% |
| Sandwell | 10,780 | 19,875 | 14,525 | 14,680 | 7.2% | 36.2% | -26.1% | 1.1% |
| Solihull | 3,650 | 7,580 | 4,965 | 4,930 | 3.8% | 35.1% | -35.0% | -0.7% |
| Stratford-on-Avon | 1,050 | 3,050 | 1,935 | 1,905 | 2.5% | 81.4% | -37.5% | -1.6% |
| Tamworth | 1,490 | 2,905 | 1,940 | 1,930 | 4.1% | 29.5% | -33.6% | -0.5% |
| Walsall | 8,605 | 15,310 | 10,885 | 10,910 | 6.3% | 26.8% | -28.7% | 0.2% |
| Warwick | 1,570 | 3,680 | 2,355 | 2,340 | 2.5% | 49.0% | -36.4% | -0.6% |
| Wolverhampton | 10,380 | 17,435 | 12,965 | 13,065 | 8.0% | 25.9% | -25.1% | 0.8% |
| Wyre Forest | 1,580 | 3,480 | 2,225 | 2,230 | 3.8% | 41.1% | -35.9% | 0.2% |
| **WM 7 Met.** | **99,300** | **175,770** | **132,950** | **133,435** | **7.2%** | **34.4%** | **-24.1%** | **0.4%** |
| Black Country LEP | 38,275 | 67,025 | 48,720 | 48,975 | 6.6% | 28.0% | -26.9% | 0.5% |
| Coventry and Warwickshire LEP | 15,825 | 34,220 | 23,730 | 23,565 | 3.9% | 48.9% | -31.1% | -0.7% |
| Greater Birmingham and Solihull LEP | 63,490 | 113,865 | 86,340 | 86,565 | 6.8% | 36.3% | -24.0% | 0.3% |
| **WMCA (3 LEP)** | **117,590** | **215,110** | **158,790** | **159,105** | **6.1%** | **35.3%** | **-26.0%** | **0.2%** |
| United Kingdom | 1,268,620 | 2,675,305 | 1,776,875 | 1,753,090 | 4.2% | 38.2% | -34.5% | -1.3% |

- 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 4.2% for the UK in March 2022[12].

**Youth Claimants (Aged 18-24)**

- There were 26,765 youth claimants in the WMCA (3 LEP) area in March 2022. Since February 2022, there was an increase of 0.9% (+240) youth claimants in the WMCA (3 LEP) area, while the UK decreased by 0.7%. When compared to March 2021, the number of youth claimants has decreased by 36.8% (-15,595) in the WMCA (3 LEP) area, with the UK decreasing by 45.4% over the same period. When compared to March 2020 (pre pandemic figures), the number of youth claimants has increased by 18.5% (+4,185) in the WMCA (3 LEP) area, with the UK increasing by 16.4% over the same period.
- The Black Country LEP area had 8,445 youth claimants in March 2022, an increase of 15 (+0.2%) claimants from the previous month. Compared to the same month in 2021, Black Country LEP youth claimants decreased by 5,140 (-37.8%). When compared to March 2020 (7,750) the number of youth claimants has increased by 7,555 (+9.8%).
- In Coventry and Warwickshire LEP, there were 3,790 youth claimants in March 2022, an increase of 65 (+1.7%) claimants since February 2022. Compared to the same month in 2021, Coventry and Warwickshire LEP youth claimants decreased by 2,665 (-41.3%). When compared to March 2020 (2,920) the number of claimants has increased by 915 (+31.8%).
- In Greater Birmingham and Solihull LEP, there were 14,530 youth claimants in March 2022, this is an increase of 160 (+1.1%) claimants since February 2022. Compared to the same month in 2021, Greater Birmingham and Solihull LEP youth claimants decreased by 7,790 (-34.9%). In the Greater Birmingham and Solihull LEP area, when compared to March 2020 (12,165) the number of claimants has increased by 2,515 (+20.9%).

**The following table shows a breakdown of number of youth claimants and change since March 2021 on selected months for WMCA and UK:**

[12] WMCA Economic Growth Board Dashboard reports the number of claimants as a proportion of population aged 16 years and over – WMCA 3 LEP was 4.7% and the UK was 3.2% in March 2022.

| | Mar 2020 | Mar 2021 | Feb 2022 | Mar 2022 | Mar. 2022 (Claimants as proportion aged 18-24) Rates[4] | % Change Since Mar 20 | % Change Since Mar 21 | % Change Since Feb 22 |
|---|---|---|---|---|---|---|---|---|
| Birmingham | 9,105 | 16,305 | 11,095 | 11,180 | 8.0% | 22.8% | -31.4% | 0.8% |
| Bromsgrove | 215 | 490 | 275 | 275 | 4.6% | 27.9% | -43.9% | 0.0% |
| Cannock Chase | 365 | 720 | 405 | 410 | 5.7% | 12.3% | -43.1% | 1.2% |
| Coventry | 1,535 | 3,325 | 1,970 | 2,045 | 3.8% | 33.2% | -38.5% | 3.8% |
| Dudley | 1,750 | 3,050 | 1,825 | 1,805 | 7.6% | 3.1% | -40.8% | -1.1% |
| East Staffordshire | 320 | 725 | 375 | 395 | 4.6% | 23.4% | -45.5% | 5.3% |
| Lichfield | 270 | 535 | 275 | 270 | 3.9% | 0.0% | -49.5% | -1.8% |
| North Warwickshire | 160 | 415 | 210 | 210 | 4.8% | 31.3% | -49.4% | 0.0% |
| Nuneaton and Bedworth | 555 | 965 | 645 | 640 | 6.9% | 15.3% | -33.7% | -0.8% |
| Redditch | 310 | 600 | 365 | 360 | 6.1% | 16.1% | -40.0% | -1.4% |
| Rugby | 235 | 560 | 350 | 330 | 4.5% | 40.4% | -41.1% | -5.7% |
| Sandwell | 2,115 | 4,020 | 2,485 | 2,515 | 9.6% | 18.9% | -37.4% | 1.2% |
| Solihull | 825 | 1,685 | 890 | 920 | 6.0% | 11.5% | -45.4% | 3.4% |
| Stratford-on-Avon | 160 | 495 | 225 | 230 | 2.8% | 43.8% | -53.5% | 2.2% |
| Tamworth | 295 | 625 | 370 | 380 | 6.8% | 28.8% | -39.2% | 2.7% |
| Walsall | 1,915 | 3,255 | 2,035 | 2,035 | 8.9% | 6.3% | -37.5% | 0.0% |
| Warwick | 230 | 690 | 320 | 335 | 2.0% | 45.7% | -51.4% | 4.7% |
| Wolverhampton | 1,910 | 3,260 | 2,080 | 2,090 | 10.0% | 9.4% | -35.9% | 0.5% |
| Wyre Forest | 310 | 635 | 330 | 345 | 5.2% | 11.3% | -45.7% | 4.5% |
| **WM 7 Met.** | **19,155** | **34,905** | **22,385** | **22,585** | **7.4%** | **17.9%** | **-35.3%** | **0.9%** |
| Black Country LEP | 7,690 | 13,585 | 8,430 | 8,445 | 9.0% | 9.8% | -37.8% | 0.2% |
| Coventry and Warwickshire LEP | 2,875 | 6,455 | 3,725 | 3,790 | 3.8% | 31.8% | -41.3% | 1.7% |
| Greater Birmingham and Solihull LEP | 12,015 | 22,320 | 14,370 | 14,530 | 7.2% | 20.9% | -34.9% | 1.1% |
| **WMCA (3 LEP)** | **22,580** | **42,360** | **26,525** | **26,765** | **6.8%** | **18.5%** | **-36.8%** | **0.9%** |
| United Kingdom | 238,085 | 507,210 | 279,030 | 277,045 | 4.9% | 16.4% | -45.4% | -0.7% |

- 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 4.9% for the UK in March 2022[13].

**Claimant Count by Age and Gender (WMCA 3 LEP)[14]**

- For those aged 16-24 in the WMCA (3 LEP) area, when comparing March 2022 to the previous month, there was an overall increase of 240 claimants. This can be split by an increase of 90 males and an increase of 150 females.
- For those aged 25-49 in the WMCA (3 LEP) area, when comparing March 2022 to the previous month, there was an overall increase of 200 claimants. This can be split by a decrease of 45 males but an increase of 235 females.
- For those aged 50 years and over in the WMCA (3 LEP) area, when comparing March 2022 to the previous month, there was an overall decrease of 130 claimants. This can be split by a decrease of 70 males and a decrease of 55 females.

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

| | | March 2020 | March 2021 | February 2022 | March 2022 | No. Change Since Mar. 20 | No. Change Since Mar. 21 | No. Change Since Feb 22 |
|---|---|---|---|---|---|---|---|---|
| **Total** | **Age 16+** | **117,590** | **215,110** | **158,790** | **159,105** | **41,515** | **-56,005** | **315** |
| | **Aged 16-24** | **22,835** | **42,735** | **26,805** | **27,045** | **4,210** | **-15,690** | **240** |
| | Aged 16-17 | 250 | 375 | 285 | 280 | 30 | -95 | -5 |
| | Aged 18-24 | 22,580 | 42,360 | 26,525 | 26,765 | 4,185 | -15,595 | 240 |
| | **Aged 25-49** | **67,130** | **122,350** | **93,980** | **94,180** | **27,050** | **-28,170** | **200** |
| | Aged 25-29 | 15,945 | 28,960 | 20,665 | 20,730 | 4,785 | -8,230 | 65 |
| | Aged 30-34 | 15,635 | 28,720 | 22,320 | 22,245 | 6,610 | -6,475 | -75 |
| | Aged 35-39 | 13,715 | 25,125 | 20,195 | 20,355 | 6,640 | -4,770 | 160 |
| | Aged 40-44 | 11,230 | 20,895 | 16,820 | 16,960 | 5,730 | -3,935 | 140 |
| | Aged 45-49 | 10,605 | 18,640 | 13,985 | 13,885 | 3,280 | -4,755 | -100 |
| | **Aged 50+** | **27,635** | **50,015** | **38,000** | **37,870** | **10,235** | **-12,145** | **-130** |

[13] WMCA Economic Growth Board Dashboard reports the number of claimants as a proportion of population aged 16- 24 years old, WMCA 3 LEP was 5.5% and the UK was 4.0% in March 2022.
[14] Please note, figure may not sum due to rounding.

| | | March 2020 | March 2021 | February 2022 | March 2022 | No. Change Since Mar. 20 | No. Change Since Mar. 21 | No. Change Since Feb 22 |
|---|---|---|---|---|---|---|---|---|
| | Aged 50-54 | 9,960 | 18,245 | 13,540 | 13,560 | 3,600 | -4,685 | 20 |
| | Aged 55-59 | 8,985 | 15,850 | 11,970 | 11,855 | 2,870 | -3,995 | -115 |
| | Aged 60-64 | 7,675 | 13,250 | 10,265 | 10,195 | 2,520 | -3,055 | -70 |
| | Aged 65+ | 1,020 | 2,670 | 2,215 | 2,260 | 1,240 | -410 | 45 |
| Male | **Age 16+** | **69,420** | **127,915** | **93,785** | **93,770** | **24,350** | **-34,145** | **-15** |
| | **Aged 16-24** | **14,100** | **26,180** | **16,680** | **16,770** | **2,670** | **-9,410** | **90** |
| | Aged 16-17 | 115 | 185 | 130 | 125 | 10 | -60 | -5 |
| | Aged 18-24 | 13,980 | 25,990 | 16,550 | 16,645 | 2,665 | -9,345 | 95 |
| | **Aged 25-49** | **38,965** | **72,615** | **54,805** | **54,760** | **15,795** | **-17,855** | **-45** |
| | Aged 25-29 | 9,610 | 17,930 | 12,585 | 12,630 | 3,020 | -5,300 | 45 |
| | Aged 30-34 | 9,095 | 17,110 | 13,075 | 13,060 | 3,965 | -4,050 | -15 |
| | Aged 35-39 | 7,730 | 14,675 | 11,555 | 11,555 | 3,825 | -3,120 | 0 |
| | Aged 40-44 | 6,440 | 12,140 | 9,620 | 9,585 | 3,145 | -2,555 | -35 |
| | Aged 45-49 | 6,080 | 10,765 | 7,965 | 7,930 | 1,850 | -2,835 | -35 |
| | **Aged 50+** | **16,355** | **29,120** | **22,300** | **22,230** | **5,875** | **-6,890** | **-70** |
| | Aged 50-54 | 5,820 | 10,540 | 7,875 | 7,920 | 2,100 | -2,620 | 45 |
| | Aged 55-59 | 5,295 | 9,275 | 7,085 | 6,975 | 1,680 | -2,300 | -110 |
| | Aged 60-64 | 4,575 | 7,690 | 6,025 | 5,980 | 1,405 | -1,710 | -45 |
| | Aged 65+ | 655 | 1,620 | 1,315 | 1,360 | 705 | -260 | 45 |
| Female | **Age 16+** | **48,175** | **87,190** | **65,005** | **65,335** | **17,160** | **-21,855** | **330** |
| | **Aged 16-24** | **8,730** | **16,560** | **10,125** | **10,275** | **1,545** | **-6,285** | **150** |
| | Aged 16-17 | 135 | 190 | 150 | 155 | 20 | -35 | 5 |
| | Aged 18-24 | 8,595 | 16,370 | 9,975 | 10,115 | 1,520 | -6,255 | 140 |
| | **Aged 25-49** | **28,165** | **49,735** | **39,180** | **39,415** | **11,250** | **-10,320** | **235** |
| | Aged 25-29 | 6,340 | 11,040 | 8,080 | 8,100 | 1,760 | -2,940 | 20 |
| | Aged 30-34 | 6,530 | 11,615 | 9,245 | 9,190 | 2,660 | -2,425 | -55 |
| | Aged 35-39 | 5,985 | 10,445 | 8,640 | 8,795 | 2,810 | -1,650 | 155 |
| | Aged 40-44 | 4,790 | 8,760 | 7,195 | 7,375 | 2,585 | -1,385 | 180 |
| | Aged 45-49 | 4,525 | 7,875 | 6,015 | 5,960 | 1,435 | -1,915 | -55 |
| | **Aged 50+** | **11,280** | **20,895** | **15,700** | **15,645** | **4,365** | **-5,250** | **-55** |
| | Aged 50-54 | 4,135 | 7,705 | 5,670 | 5,640 | 1,505 | -2,065 | -30 |
| | Aged 55-59 | 3,690 | 6,575 | 4,890 | 4,880 | 1,190 | -1,695 | -10 |
| | Aged 60-64 | 3,100 | 5,565 | 4,245 | 4,220 | 1,120 | -1,345 | -25 |
| | Aged 65+ | 360 | 1,060 | 900 | 900 | 540 | -160 | 0 |

## Alternative Claimant Count[15]

These statistics measure the number of people claiming unemployment related benefits by modelling what the count would have been if Universal Credit had been fully rolled out since 2013. Trends over time for local areas can be considered using the Claimant Count prior to 2013, and the Alternative Claimant Count from 2013. The figures cannot be directly compared as they are defined differently.

### All Ages

- The alternative claimant count data estimated 154,554 claimants in the WMCA (3 LEP) area in February 2022, a decrease of 28.7% (-62,316) when compared to February 2021. Over the same period the UK decreased by 35.2%. However, the figures are higher in February 2022 when compared to the monthly figures of February 2017-2020. Compared to February 2020, claimants in the WMCA (3 LEP) area had increased by 26.9% (+32,788), the UK increased by 30.4%.

**The following table shows the all-ages alternative claimant count, February 2017 – February 2022:**

| | Feb-17 | Feb-18 | Feb-19 | Feb-20 | Feb-21 | Feb-22 | % Change Since Feb. 20 | % Change Since Feb. 21 |
|---|---|---|---|---|---|---|---|---|
| **WM 7 Met.** | **96,971** | **95,068** | **98,239** | **103,459** | **177,837** | **129,785** | **25.4%** | **-27.0%** |
| **Black Country LEP** | 39,199 | 37,872 | 38,239 | 39,747 | 67,645 | 47,545 | 19.6% | -29.7% |
| **Coventry & Warwickshire LEP** | 14,241 | 14,265 | 14,939 | 16,045 | 33,831 | 23,332 | 45.4% | -31.0% |

[15] Source: Department for Work and Pensions, Alternative claimant statistics, April 2022

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Greater Birmingham & Solihull LEP** | 59,332 | 59,113 | 62,318 | 65,974 | 115,394 | 83,677 | 26.8% | -27.5% |
| **WMCA (3 LEP)** | **112,772** | **111,250** | **115,496** | **121,766** | **216,870** | **154,554** | **26.9%** | **-28.7%** |
| **UK** | 1,297,045 | 1,267,835 | 1,292,655 | 1,330,888 | 2,678,569 | 1,735,090 | 30.4% | -35.2% |

### 16-24 years old

- The alternative claimant count data estimated 25,273 youth claimants in the WMCA (3 LEP) area in February 2022, a decrease of 38.3% (-15,687) when compared to February 2021. Over the same period the UK decreased by 45.9%. However, the youth claimant figures are higher in February 2022 when compared to the monthly figures of February 2017-2020. Compared to February 2020, youth claimants in the WMCA (3 LEP) area had increased by 20.8% (+4,345), the UK increased by 20.5%.

**The following table shows the 16–24-year-olds alternative claimant count, February 2017 – February 2022:**

| | Feb-17 | Feb-18 | Feb-19 | Feb-20 | Feb-21 | Feb-22 | % Change Since Feb. 20 | % Change Since Feb. 21 |
|---|---|---|---|---|---|---|---|---|
| **WM 7 Met.** | **15,305** | **14,455** | **15,491** | **17,868** | **33,861** | **21,399** | **19.8%** | **-36.8%** |
| **Black Country LEP** | 6,482 | 6,110 | 6,103 | 7,051 | 13,041 | 7,902 | 12.1% | -39.4% |
| **Coventry & Warwickshire LEP** | 1,914 | 1,840 | 2,083 | 2,597 | 6,137 | 3,513 | 35.3% | -42.8% |
| **Greater Birmingham & Solihull LEP** | 9,166 | 8,771 | 9,814 | 11,280 | 21,782 | 13,858 | 22.9% | -36.4% |
| **WMCA (3 LEP)** | **17,562** | **16,721** | **18,000** | **20,928** | **40,960** | **25,273** | **20.8%** | **-38.3%** |
| **UK** | 197,570 | 187,599 | 198,455 | 218,748 | 487,472 | 263,486 | 20.5% | -45.9% |

## EMSI Job Postings WMCA 3 LEP Geography March 2022[16]

***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 March 2022, increasing by 22% to 164,978.
- All 19 LA areas in the WMCA 3 LEP geography recorded an increase in the number of postings ranging from 16% in Birmingham to 43% in Stratford-on-Avon.
- Posting intensity, i.e., the effort towards hiring for particular positions, remains high in Birmingham, 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 March 2022 and the percentage change from the previous month:**

| Local Authority | March 2022 Unique Postings | % Change (February 2022 to March 2022) |
|---|---|---|
| Birmingham | 79,600 | 16% |
| Bromsgrove | 1,591 | 43% |
| Cannock Chase | 2,286 | 26% |
| Coventry | 14,237 | 29% |
| Dudley | 6,655 | 27% |
| East Staffordshire | 7,161 | 29% |
| Lichfield | 2,429 | 24% |
| North Warwickshire | 1,160 | 22% |

[16] Source: Emsi Burning Glass, April 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.

| | | |
|---|---|---|
| Nuneaton and Bedworth | 4,028 | 27% |
| Redditch | 3,693 | 23% |
| Rugby | 3,415 | 24% |
| Sandwell | 6,000 | 26% |
| Solihull | 5,924 | 33% |
| Stratford-on-Avon | 2,142 | 43% |
| Tamworth | 2,776 | 30% |
| Walsall | 4,591 | 21% |
| Warwick | 8,351 | 28% |
| Wolverhampton | 7,246 | 24% |
| Wyre Forest | 1,693 | 26% |

# APS Qualifications (NVQ)

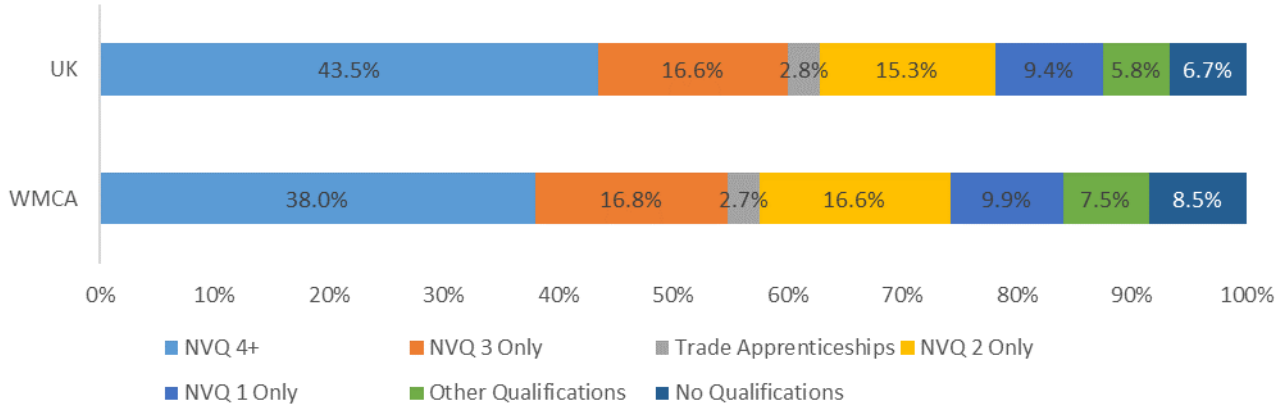
## Black Country Consortium Economic Intelligence Unit

*The Annual Population Survey (APS) datasets from the Office of National Statistics were updated on 12th April 2022 with new figures for the Jan 2021 – Dec 2021 survey period.*

### Headline Summary

- In the WMCA (3 LEP) area, the number of people with NVQ 4+ qualifications increased by 3.5% over the year to approximately 983,200 (from 949,800 in 2020) compared to a UK increase of 0.9%.
- That means 38% of the working age population were educated to NVQ 4+ qualifications in the WMCA (3 LEP) area against the UK average of 43.5% in 2021.
- Despite this improvement, a further 142,450 of the working age WMCA (3 LEP) residents are required to obtain an NVQ 4+ qualifications to equal the UK average.
- The number of people in the WMCA (3 LEP) area with no qualifications decreased from approximately 227,500 in 2020 to 219,300 in 2021. This equates to 8,200 less people without any qualifications or a decrease of 3.6% compared to an increase of 1.8% across the UK.
- That means 8.5% of the working age population in the WMCA (3 LEP) area had no qualifications against the UK average of 6.7% in 2021.
- To eradicate the gap with the UK average, 45,924 of the working age WMCA (3 LEP) residents are needed to obtain at least one qualification.

**The graph below shows the breakdown of qualifications for the WMCA (3 LEP) and UK in 2021:**



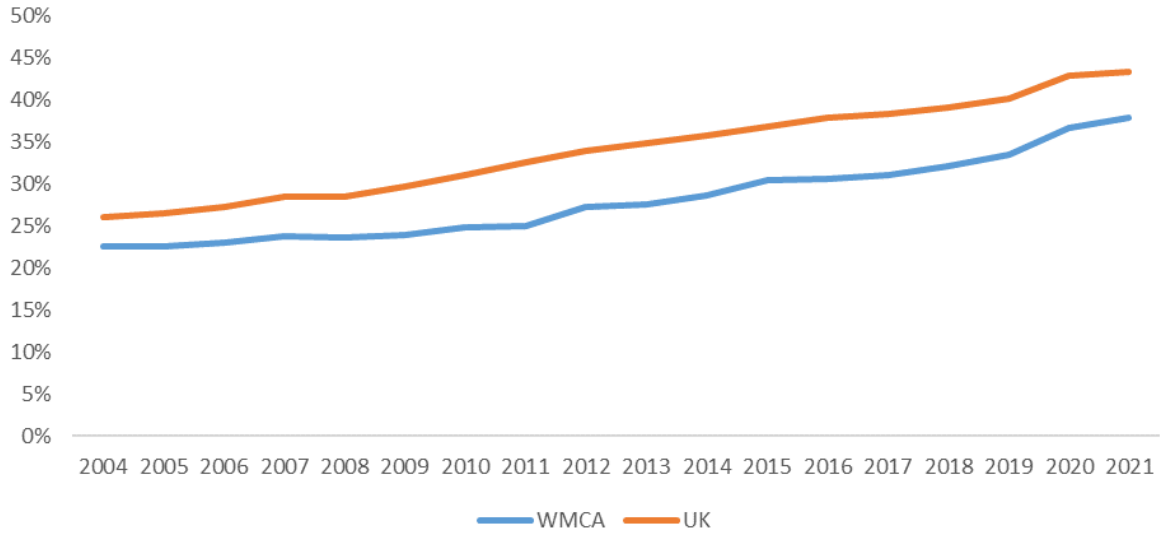

### In Full:

**NVQ 4+**

- In the WMCA (3 LEP) area, the number of people with NVQ 4+ qualifications increased by 3.5% over the year to approximately 983,200 (from 949,800) compared to a UK increase of 0.9%. That means 38% of the working age population were educated to NVQ 4+ qualifications in the WMCA (3 LEP) area against the UK average of 43.5% in 2021. Despite this improvement, a further 142,450 of the working age WMCA (3 LEP) residents are required to obtain an NVQ 4+ qualification to equal the UK average.
- The WM 7 Met. area had 681,300 people with NVQ 4+ qualifications in 2021, equivalent to 36.9%, up by 6.8% (+43,200) from 2020.
- The Black Country LEP had 227,100 people with NVQ 4+ qualifications in 2021, equivalent to 31.1%, up by 6.4% (+13,600) from 2020. Coventry and Warwickshire LEP had 252,400 people with NVQ 4+ qualifications, equivalent to 42.9%, down 2.0% (-5,100) from the previous year. Greater Birmingham and Solihull LEP had 503,700 people with NVQ 4+ qualifications, equivalent to 39.7%, up 5.2% (+24,900) from the previous year.
- Within the WMCA (3 LEP) area, the local authorities with the highest levels of people with NVQ 4+ qualification include Rugby (52.5%), Warwick (49.5%) and Stratford-on-Avon (48.7%). Conversely, the areas with the lowest rates of people with NVQ 4+ qualifications include Walsall (26.8%), Sandwell (27.5%) and Redditch (31.1%).

- Since 2020, 13 out of the 19 local authorities increased, Tamworth saw the largest increase at 22.6%, reaching 32.7% of working age people with NVQ 4+ qualifications. While 6 areas decreased, including Warwick which decreased by 24.4%, although it still had the second highest rates throughout the WMCA (3 LEP) area.

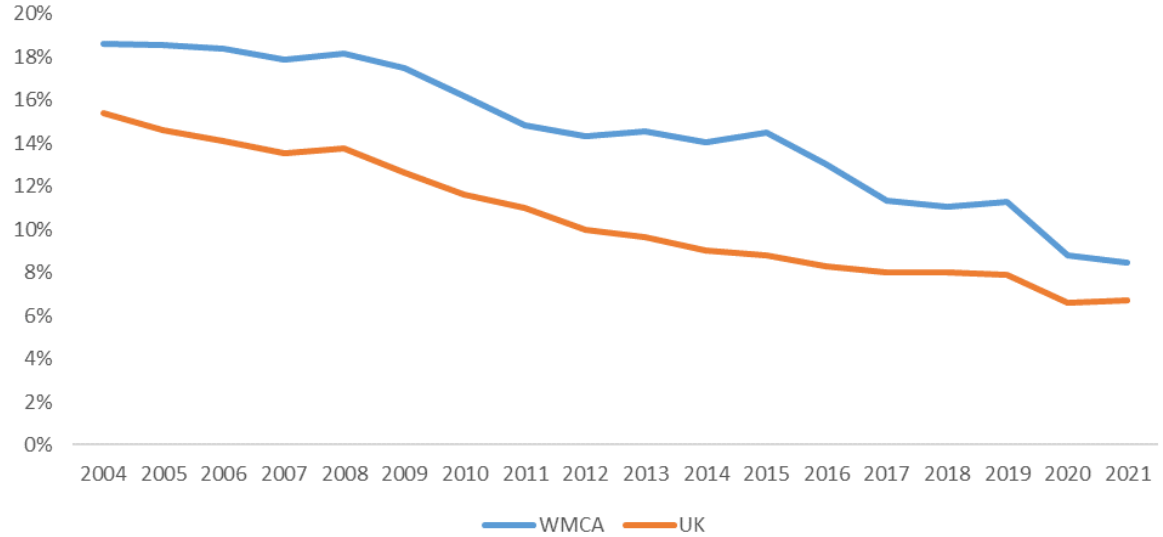
**The graph below shows people with NVQ 4+ qualifications for the WMCA (3 LEP) and UK, 2004 to 2021**




**No qualifications**

- The number of people in the WMCA (3 LEP) area with no qualifications, decreased from approximately 227,500 in 2020 to 219,300 in 2021. This equates to 8,200 less people without any qualifications or a decrease of 3.6% compared to an increase of 1.8% across the UK. That means 8.5% of the working age population in the WMCA (3 LEP) area had no qualifications against the UK average of 6.7% in 2021. To eradicate the gap with the UK average, 45,924 of the working age WMCA (3 LEP) residents are needed to obtain at least one qualification.
- The WM 7 Met. area had 176,400 people with no qualifications in 2021, equivalent to 9.6%, down by 5.8% (-10,900) from 2020.
- The Black Country LEP had 71,400 people with no qualifications, equivalent to 9.8% in 2021, down 22.6% (-20,800) from 2020. Coventry and Warwickshire LEP had 37,200 people with no qualifications, equivalent to 6.3%, up by 14.1% (+4,600) from the previous year. Greater Birmingham and Solihull LEP had 110,700 people with no qualifications, equivalent to 8.7%, up 7.8% (+8,000) from the previous year.
- Within the WMCA (3 LEP) area (where available), the local authorities with the highest levels of people with no qualifications include Sandwell (11.2%), Birmingham (10.8%) and Walsall (9.9%). Conversely, the areas with the lowest rates of people with no qualifications include Bromsgrove (3.5%), Warwick (3.7%) and North Warwickshire (3.9%).

**The graph below shows people with no qualifications for the WMCA (3 LEP) and UK, 2004 to 2021**



**NVQ 3 only**

- The number of people in the WMCA (3 LEP) area with NVQ 3 only qualifications has decreased by 6.1% over the year to approximately 434,900 (from 463,200) compared to a UK decrease of 1.5%. That means 16.8% of the working age population were educated to NVQ 3 only against the UK average of 16.6% in 2021.
- The WM 7 Met. area had 309,200 people with NVQ 3 only qualifications in 2021, equivalent to 16.8%, down by 7% (-23,100) from 2020.
- The Black Country LEP had 122,300 people with NVQ 3 only qualifications, equivalent to 16.7% in 2021, up by 2.3% (+2,700) from 2020. Coventry and Warwickshire LEP had 99,700 people with NVQ 3 only qualifications, equivalent to 16.9%, down 4.9% (-5,100) from the previous year. Greater Birmingham and Solihull LEP had 212,900 people with NVQ 3 only qualifications, equivalent to 16.8%, down 10.8% (-25,900) from the previous year.

**Trade Apprenticeships**

- The number of people in the WMCA (3 LEP) area with trade apprenticeships qualifications has increased by 11.1% over the year to approximately 70,300 (from 63,300) compared to a UK decrease of 1.1%. That means 2.7% of the working age population held trade apprenticeships against the UK average of 2.8% in 2021. In order to meet UK levels of people with Trade qualifications, a further 2,156 of the working age WMCA (3 LEP) residents are required to obtain this qualification.
- The WM 7 Met. area had 47,200 people with trade apprenticeship qualifications in 2021, equivalent to 2.6%, up by 7.3% (+3,200) from 2020.
- The Black Country LEP had 24,600 people with trade apprenticeships, equivalent to 3.4% in 2021, up by 17.7% (+3,700) from 2020. Coventry and Warwickshire LEP had 13,900 people with trade apprenticeships, equivalent to 2.4%, down 11.5% (-1,800) from the previous year. Greater Birmingham and Solihull LEP had 31,800 people with trade apprenticeships, equivalent to 2.5%, up 19.1% (+5,100) from the previous year.

**NVQ 2 only**

- The number of people in the WMCA (3 LEP) area with NVQ 2 only qualifications has decreased by 2.5% over the year to approximately 430,300 (from 441,200) compared to a UK decrease of 1.2%. That means 16.6% of the working age population were educated to NVQ 2 only qualifications against the UK average of 15.3% in 2021.
- The WM 7 Met. area had 296,800 people with NVQ 2 only qualifications in 2021, equivalent to 16.1%, down by 4% (-12,500) from 2020.
- The Black Country LEP had 129,700 people with NVQ 2 only qualifications, equivalent to 17.7% in 2021, up by 1.6% (+2,000) from 2020. Coventry and Warwickshire LEP had 98,900 people with NVQ 2 only qualifications, equivalent to 16.8%, up 18.0% (+15,100) from the previous year. Greater Birmingham and Solihull LEP had 201,700 people with NVQ 2 only qualifications, equivalent to 16.1%, down 12.2% (-28,000) from the previous year.

**NVQ 1 only**

- The number of people in the WMCA (3 LEP) area with NVQ 1 only qualifications has decreased by 4.6% over the year to approximately 255,300 (from 267,600) compared to a UK decrease of 2.8%. That means 9.9% of the working age population were educated to NVQ 1 only against the UK average of 9.4% in 2021.
- The WM 7 Met. area had 179,800 people with NVQ 1 only qualifications in 2021, equivalent to 9.7%, down by 7.2% (-14,000) from 2020.
- The Black Country LEP had 80,200 people with NVQ1 only qualifications, equivalent to 11.0% in 2021, down by 4% (-3,300) from 2020. Coventry and Warwickshire LEP had 50,600 people with NVQ1 only qualifications, equivalent to 8.6%, down 14.7% (-8,700) from the previous year. Greater Birmingham and Solihull LEP had 124,500 people with NVQ1 only qualifications, equivalent to 9.8%, down 0.2% (-300) from the previous year.

**Other qualifications**

- The number of people in the WMCA (3 LEP) area with other qualifications has increased by 9.8% over the year to approximately 194,600 (from 177,200) compared to a UK increase of 0.1%. That means 7.5% of the working age population held other qualifications against the UK average of 5.8% in 2021.
- The WM 7 Met. area had 154,900 people with other qualifications in 2021, equivalent to 8.4%, up by 16.1% (+21,500) from 2020.

- The Black Country LEP had 75,900 people with other qualifications, equivalent to 10.4% in 2021, up by 4.8% (+3,500) from 2020. Coventry and Warwickshire LEP had 36,400 people with other qualifications, equivalent to 6.2%, up 8.0% (+2,700) from the previous year. Greater Birmingham and Solihull LEP had 82,300 people with other qualifications, equivalent to 6.5%, up 15.8% (+11,200) from the previous year.

**WMCA (3 LEP) Qualifications (NVQ) Aged 16-64 Summary:**

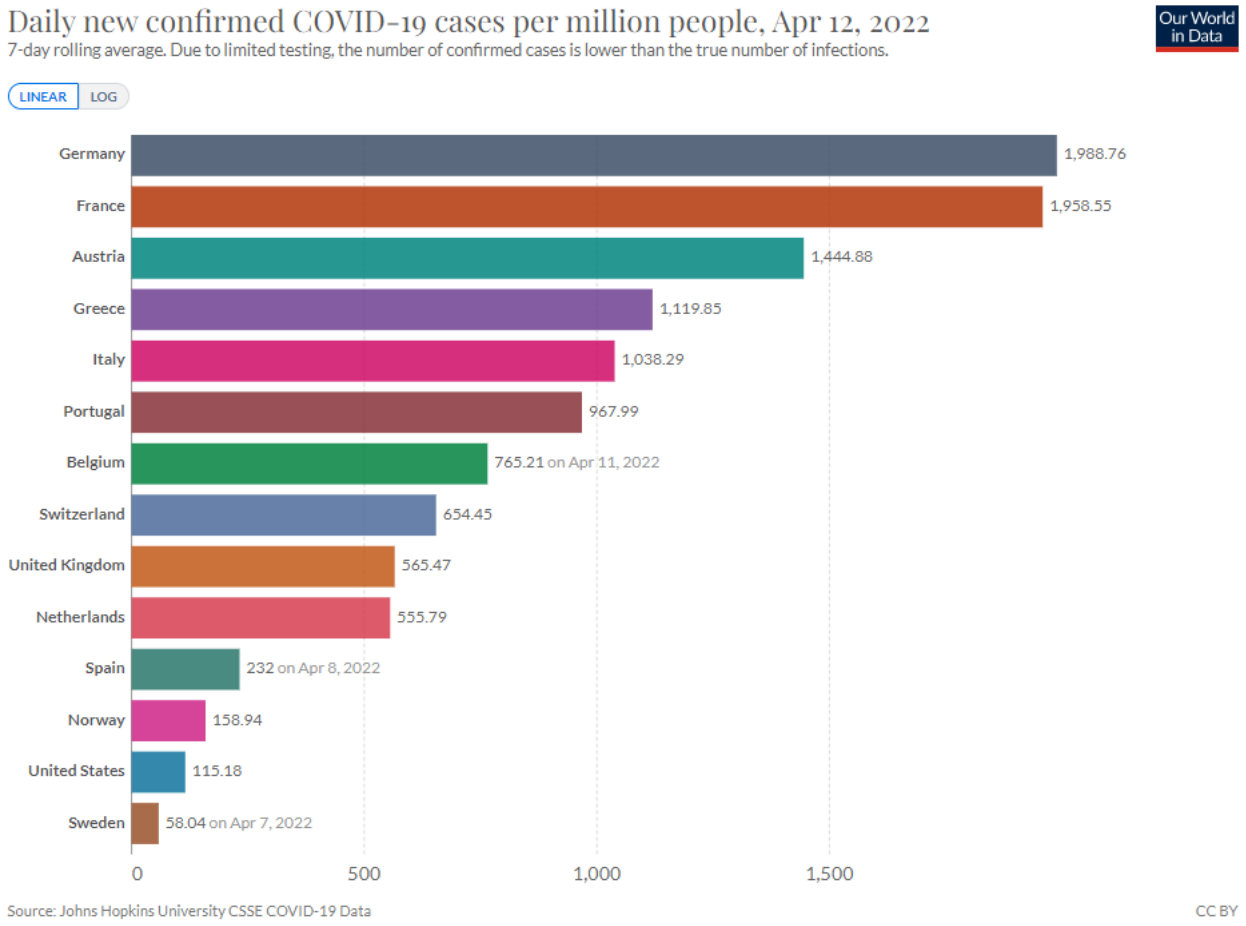
| | **WMCA (3 LEP) 2020** | | **WMCA (3 LEP) 2021** | | **UK 2021** | **WMCA Change 2020-2021** | **UK Change 2020-2020** | **Gap to UK** |
|---|---|---|---|---|---|---|---|---|
| NVQ4+ | 949,800 | 36.7% | 983,200 | 38.0% | 43.5% | 3.5% | 0.9% | 142,450 |
| NVQ3 only | 463,200 | 17.9% | 434,900 | 16.8% | 16.6% | -6.1% | -1.5% | Above UK |
| Trade Apprenticeships | 63,300 | 2.4% | 70,300 | 2.7% | 2.8% | 11.1% | -1.1% | 2.156 |
| NVQ2 only | 441,200 | 17.0% | 430,300 | 16.6% | 15.3% | -2.5% | -1.2% | Above UK |
| NVQ1 only | 267,600 | 10.3% | 255,300 | 9.9% | 9.4% | -4.6% | -2.8% | Above UK |
| Other qualifications | 177,200 | 6.8% | 194,600 | 7.5% | 5.8% | 9.8% | 0.1% | Above UK |
| No qualifications | 227,500 | 8.8% | 219,300 | 8.5% | 6.7% | -3.6% | 1.8% | -45,924 |

# Infection Rates and Vaccine Update

## Alice Pugh WMREDI/WMCA

Case numbers across Europe are somewhat of a mixed bag currently; some countries have seen their case number rise whilst others have seen a substantial decrease. For Switzerland, for example, the number of cases has more than halved, whereas in France they more than doubled. However, the number of new cases in each country is largely still determined by the extent of the vaccine take up rate, as well as the level of social distancing restrictions.

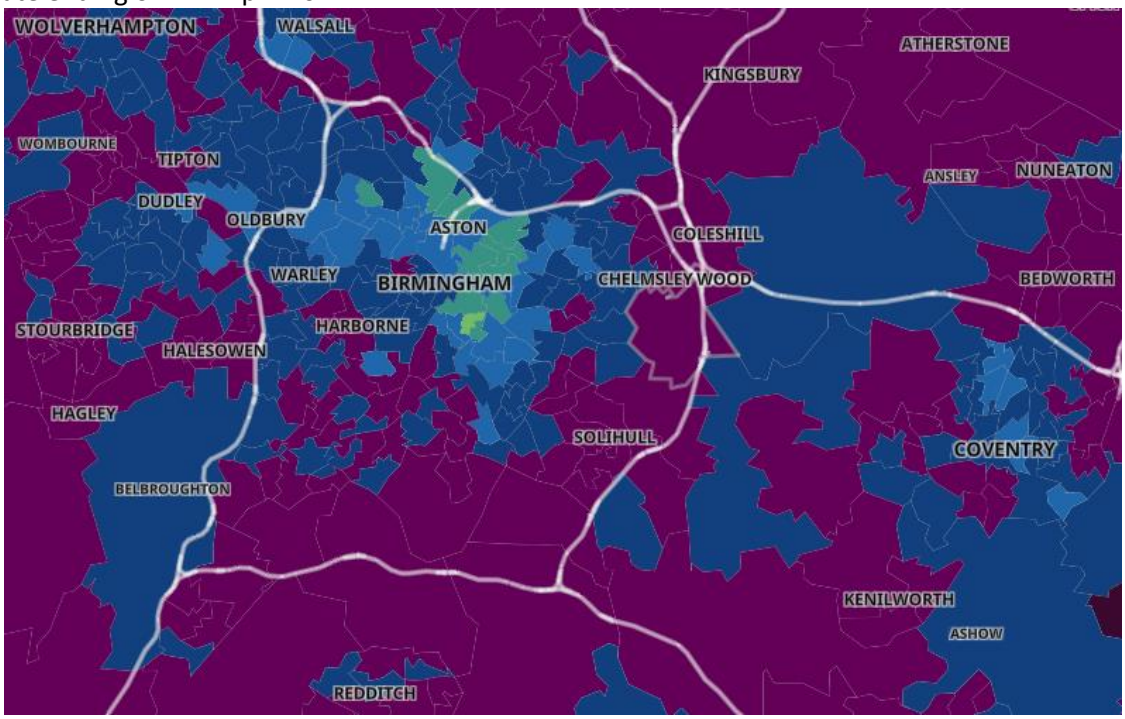
Since 31 December 2019 and as of week 2022-13, **490 777 296 cases** of COVID-19 (in accordance with the applied case definitions and testing strategies in the affected countries) have been reported, including **6 158 591 deaths.**




Latest ONS infection survey data (8th April 2022 next release to be 14th April 2022) states:

- In England, the percentage of people testing positive for coronavirus (COVID-19) remained high in the week ending 2 April 2022; we estimate that 4,141,600 people in England had COVID-19 (95% credible interval: 4,033,600 to 4,249,500), equating to 7.60% of the population or around 1 in 13 people.
- In Wales, the percentage of people testing positive for COVID-19 continued to increase in the week ending 2 April 2022; we estimate that 230,800 people in Wales had COVID-19 (95% credible interval: 208,900 to 253,100), equating to 7.59% of the population or around 1 in 13 people.
- In Northern Ireland, the trend in the percentage of people testing positive for COVID-19 was uncertain in the week ending 2 April 2022; we estimate that 113,900 people in Northern Ireland had COVID-19 (95% credible interval: 97,100 to 131,500), equating to 6.21% of the population or around 1 in 16 people.
- In Scotland, the percentage of people testing positive for COVID-19 decreased in the week ending 3 April 2022; we estimate that 396,800 people in Scotland had COVID-19 (95% credible interval: 359,800 to 434,200), equating to 7.54% of the population or around 1 in 13 people.
- In the week ending 3 April 2022, the Omicron BA.2 variant remained the dominant variant across all UK countries; the percentage of people with infections compatible with the Omicron BA.2 variant remained high in England and continued to increase in Wales, however the trend was uncertain in Scotland and 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 11th April 2022.




## 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 | 27-Mar-22 | 28-Mar-22 | 29-Mar-22 | 30-Mar-22 | 31-Mar-22 | 01-Apr-22 | 02-Apr-22 | 03-Apr-22 | 04-Apr-22 | 05-Apr-22 | 06-Apr-22 | 07-Apr-22 | 08-Apr-22 | 09-Apr-22 | 10-Apr-22 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **ENGLAND** | **2,037** | **2,280** | **2,219** | **2,355** | **2,124** | **1,846** | **1,826** | **2,103** | **2,164** | **2,308** | **2,176** | **1,999** | **1,751** | **1,702** | **1,792** |
| East of England | 225 | 211 | 270 | 255 | 198 | 199 | 174 | 239 | 260 | 240 | 204 | 190 | 175 | 176 | 210 |
| London | 219 | 263 | 264 | 231 | 246 | 187 | 209 | 234 | 220 | 257 | 218 | 216 | 184 | 172 | 164 |
| Midlands | 385 | 426 | 373 | 473 | 438 | 376 | 348 | 366 | 423 | 451 | 443 | 414 | 363 | 355 | 383 |
| North East and Yorkshire | 347 | 424 | 384 | 391 | 395 | 319 | 327 | 333 | 334 | 368 | 331 | 332 | 256 | 263 | 298 |
| North West | 289 | 299 | 349 | 370 | 290 | 239 | 245 | 300 | 336 | 399 | 333 | 284 | 288 | 249 | 224 |
| South East | 319 | 349 | 334 | 372 | 327 | 281 | 322 | 401 | 351 | 372 | 381 | 320 | 271 | 286 | 290 |
| South West | 253 | 308 | 245 | 263 | 230 | 245 | 201 | 230 | 240 | 221 | 266 | 243 | 214 | 201 | 223 |

### Mechanical Ventilation beds - occupied by confirmed COVID-19 patients

| Name | 30-Mar-22 | 31-Mar-22 | 01-Apr-22 | 02-Apr-22 | 03-Apr-22 | 04-Apr-22 | 05-Apr-22 | 06-Apr-22 | 07-Apr-22 | 08-Apr-22 | 09-Apr-22 | 10-Apr-22 | 11-Apr-22 | 12-Apr-22 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **ENGLAND** | **318** | **311** | **311** | **308** | **306** | **306** | **319** | **317** | **312** | **315** | **323** | **329** | **337** | **339** |
| East of England | 36 | 39 | 39 | 39 | 35 | 37 | 34 | 31 | 33 | 41 | 43 | 32 | 38 | 37 |
| London | 104 | 100 | 99 | 97 | 97 | 100 | 99 | 104 | 103 | 103 | 106 | 110 | 111 | 114 |
| Midlands | 40 | 34 | 31 | 29 | 31 | 35 | 35 | 37 | 39 | 36 | 40 | 42 | 47 | 44 |
| North East and Yorkshire | 43 | 47 | 43 | 44 | 40 | 42 | 45 | 41 | 43 | 41 | 41 | 42 | 39 | 43 |
| North West | 33 | 36 | 39 | 34 | 36 | 33 | 41 | 37 | 33 | 32 | 35 | 36 | 39 | 35 |
| South East | 32 | 28 | 32 | 35 | 34 | 29 | 33 | 34 | 35 | 35 | 33 | 38 | 39 | 39 |
| South West | 30 | 27 | 28 | 30 | 33 | 30 | 32 | 33 | 26 | 27 | 25 | 29 | 24 | 27 |

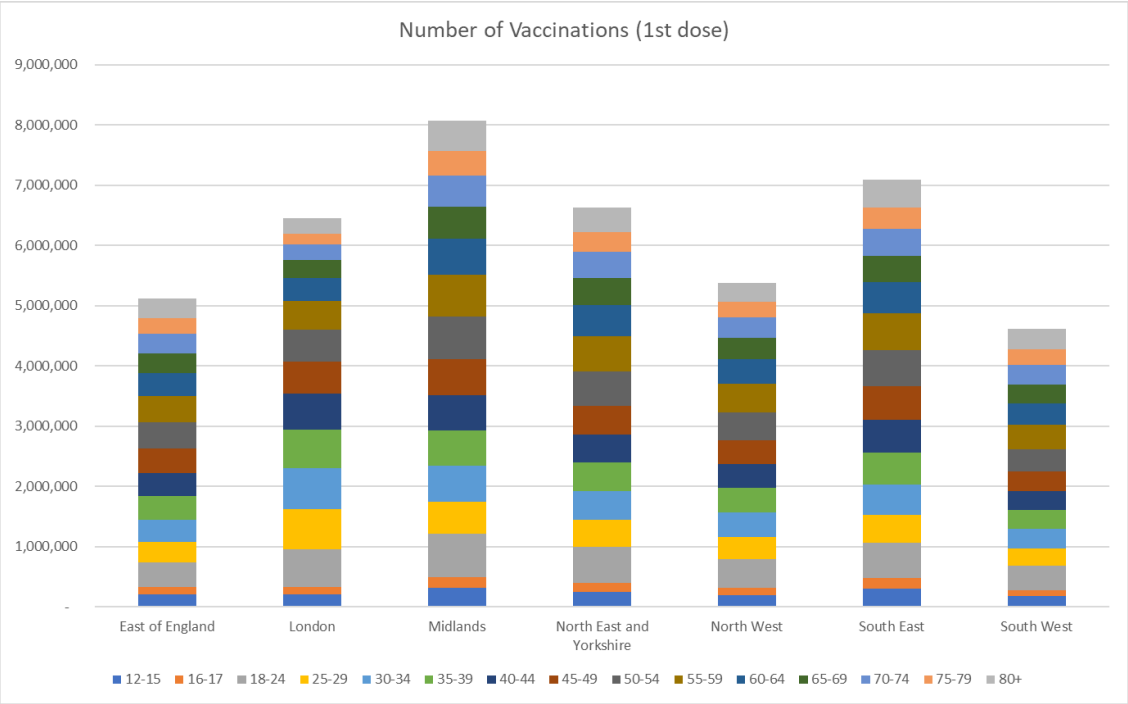
### Total beds - occupied by confirmed COVID-19 patients (as at 08:00)

| Name | 30-Mar-22 | 31-Mar-22 | 01-Apr-22 | 02-Apr-22 | 03-Apr-22 | 04-Apr-22 | 05-Apr-22 | 06-Apr-22 | 07-Apr-22 | 08-Apr-22 | 09-Apr-22 | 10-Apr-22 | 11-Apr-22 | 12-Apr-22 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **ENGLAND** | **15,632** | **15,648** | **15,966** | **15,739** | **15,989** | **16,466** | **16,552** | **16,587** | **16,600** | **16,366** | **15,876** | **16,039** | **16,442** | **16,131** |
| East of England | 1,702 | 1,738 | 1,692 | 1,697 | 1,701 | 1,721 | 1,805 | 1,779 | 1,810 | 1,704 | 1,660 | 1,659 | 1,739 | 1,641 |
| London | 2,330 | 2,434 | 2,448 | 2,417 | 2,433 | 2,511 | 2,497 | 2,487 | 2,489 | 2,429 | 2,396 | 2,427 | 2,484 | 2,459 |
| Midlands | 2,837 | 2,767 | 2,897 | 2,889 | 2,995 | 3,125 | 3,131 | 3,195 | 3,180 | 3,203 | 3,146 | 3,280 | 3,273 | 3,274 |
| North East and Y | 2,561 | 2,612 | 2,634 | 2,656 | 2,679 | 2,783 | 2,777 | 2,797 | 2,731 | 2,682 | 2,580 | 2,556 | 2,643 | 2,621 |
| North West | 2,337 | 2,352 | 2,387 | 2,279 | 2,315 | 2,389 | 2,435 | 2,464 | 2,501 | 2,529 | 2,417 | 2,428 | 2,473 | 2,438 |
| South East | 2,174 | 2,074 | 2,259 | 2,198 | 2,286 | 2,401 | 2,445 | 2,438 | 2,443 | 2,423 | 2,322 | 2,301 | 2,411 | 2,294 |
| South West | 1,691 | 1,671 | 1,649 | 1,603 | 1,580 | 1,536 | 1,462 | 1,427 | 1,446 | 1,396 | 1,355 | 1,388 | 1,419 | 1,404 |

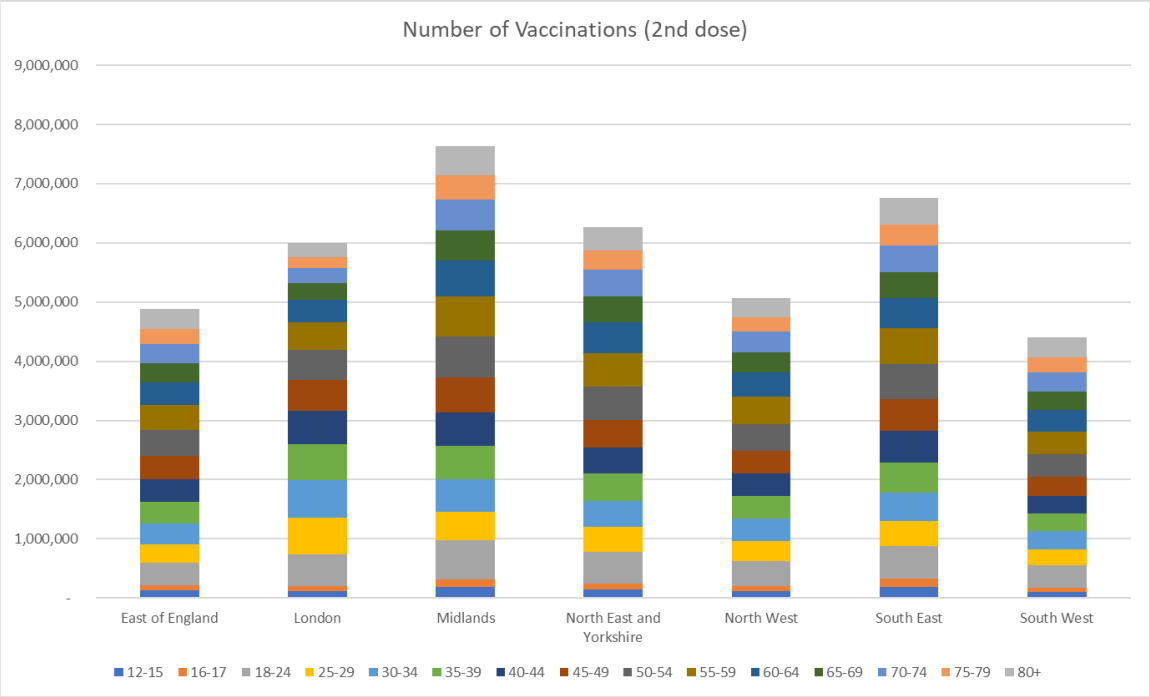
*The WM Weekly monitor is funded by the West Midlands Combined Authority, Research England/UKRI*

**Vaccine Update**

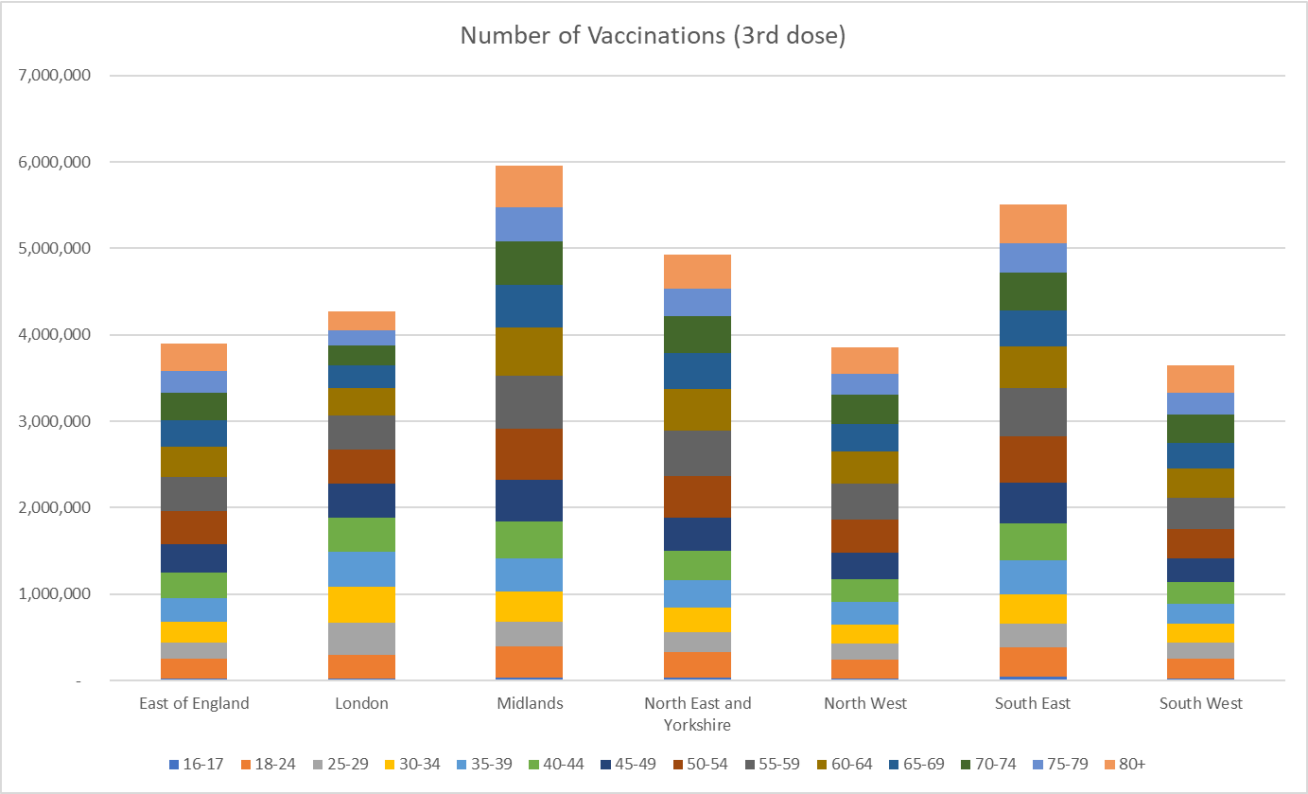
Between the 8th December 2020 and the 3rd April 2022 the Midlands has successfully vaccinated **8,109,808** people with the first dose and **7,645,043** of these individuals have received the second dose as well. A further **5,956,440** have received their booster. Meaning the Midlands has successfully 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** | 62.2% | 76.0% | 82.9% | 83.2% | 89.2% | 90.5% | 94.8% | 91.2% | 95.6% | 98.0% | 99.9% | 97.0% | 95.8% | 100%* | 91.1% |
| East of England | 65.8% | 80.1% | 85.7% | 86.9% | 90.3% | 90.6% | 95.0% | 92.0% | 95.7% | 98.3% | 99.9% | 96.6% | 95.5% | 100%* | 91.2% |
| London | 48.8% | 62.4% | 84.7% | 87.4% | 83.6% | 81.9% | 87.9% | 90.3% | 91.8% | 94.5% | 94.9% | 92.6% | 90.8% | 94.2% | 82.4% |
| Midlands | 62.0% | 75.3% | 76.4% | 74.5% | 85.6% | 89.6% | 94.3% | 89.8% | 95.8% | 97.4% | 100%* | 96.6% | 96.3% | 100%* | 92.4% |
| North East and Yorkshire | 61.9% | 75.3% | 78.4% | 77.1% | 86.8% | 90.6% | 94.8% | 89.4% | 95.5% | 97.4% | 99.2% | 97.6% | 96.9% | 100%* | 91.2% |
| North West | 58.7% | 74.0% | 78.6% | 76.7% | 85.6% | 90.5% | 95.3% | 90.2% | 95.3% | 97.8% | 100%* | 97.6% | 96.3% | 100%* | 91.3% |
| South East | 70.7% | 82.6% | 83.8% | 86.7% | 96.4% | 94.8% | 96.7% | 92.1% | 95.6% | 98.2% | 100%* | 97.6% | 95.2% | 100%* | 91.6% |
| South West | 69.5% | 83.8% | 87.6% | 88.4% | 95.1% | 95.3% | 97.9% | 91.7% | 95.9% | 99.2% | 100%* | 96.8% | 96.2% | 100%* | 93.6% |



| 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** | 33% | 58% | 74% | 76% | 83% | 86% | 91% | 89% | 94% | 96% | 98% | 96% | 95% | 100%* | 91% |
| East of England | 37% | 62% | 78% | 81% | 85% | 87% | 92% | 90% | 94% | 97% | 99% | 96% | 95% | 100%* | 91% |
| London | 25% | 45% | 72% | 80% | 78% | 77% | 84% | 87% | 89% | 91% | 92% | 90% | 89% | 93% | 81% |
| Midlands | 33% | 57% | 69% | 68% | 80% | 85% | 91% | 87% | 94% | 96% | 99% | 96% | 96% | 100%* | 92% |
| North East and Yorkshire | 32% | 56% | 70% | 70% | 81% | 86% | 91% | 87% | 94% | 96% | 98% | 97% | 96% | 100%* | 91% |
| North West | 31% | 54% | 69% | 70% | 79% | 85% | 91% | 87% | 93% | 96% | 99% | 97% | 96% | 100% | 91% |
| South East | 41% | 66% | 77% | 81% | 91% | 91% | 94% | 90% | 94% | 97% | 99% | 97% | 95% | 100%* | 91% |
| South West | 35% | 66% | 80% | 83% | 90% | 92% | 95% | 90% | 94% | 98% | 100% | 96% | 96% | 100%* | 94% |




| NHS Region of residence name | % of people (not just those eligible) who have had at least 3 doses (using ONS denominators) | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 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** | 16.3% | 41.8% | 46.2% | 54.3% | 60.7% | 69.7% | 72.4% | 81.2% | 86.2% | 90.6% | 91.0% | 91.8% | 98.1% | 87.1% |
| East of England | 17.5% | 46.4% | 50.4% | 57.0% | 63.2% | 72.5% | 75.5% | 83.4% | 88.5% | 92.2% | 91.8% | 92.3% | 100%* | 88.2% |
| London | 11.5% | 36.9% | 49.1% | 50.4% | 51.8% | 59.6% | 64.7% | 70.4% | 75.6% | 79.7% | 81.4% | 82.8% | 86.8% | 75.5% |
| Midlands | 15.3% | 38.1% | 39.5% | 50.5% | 59.0% | 68.8% | 71.3% | 81.6% | 86.0% | 91.4% | 91.0% | 92.6% | 98.0% | 88.6% |
| North East and Yorkshire | 15.6% | 39.0% | 40.9% | 51.0% | 59.9% | 69.4% | 71.2% | 81.8% | 87.0% | 91.2% | 92.5% | 93.5% | 98.2% | 87.6% |
| North West | 15.3% | 35.7% | 38.3% | 47.2% | 56.4% | 66.3% | 68.8% | 79.1% | 84.8% | 90.4% | 91.2% | 92.0% | 96.7% | 87.0% |
| South East | 20.5% | 47.7% | 53.0% | 64.1% | 69.4% | 77.1% | 78.1% | 85.2% | 89.5% | 93.3% | 93.0% | 92.1% | 100%* | 88.3% |
| South West | 20.0% | 51.0% | 54.7% | 64.1% | 70.6% | 78.6% | 78.2% | 85.7% | 90.6% | 93.7% | 92.7% | 93.4% | 100%* | 90.8% |

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

# Weekly Deaths Registered: 1st April 2022

## Black Country Consortium Economic Intelligence Unit

**The following analysis compares the latest available time period (the week of the 1st April 2022) to the previous week period (the week of the 25th March 2022) for the number of deaths registered and the number of deaths registered related to the Coronavirus[17].**

Across England and Wales, the overall registered death figures decreased from 10,745 in the week of the 25th March 2022 to 9,840 in the week of 1st April 2022. The number of deaths registered that state Coronavirus on the death certificate increased from 780 to 853 people over the same period.

Regional level analysis shows that the West Midlands' overall registered death figures decreased from 1,098 people in the week of 25th March 2022 to 977 in the week of 1st April 2022. The number of registered deaths related to Coronavirus decreased from 81 people to 78 people over the same period.

There was a total of 651 deaths registered across the WMCA (3 LEP) area in the week of the 1st April 2022. There were 38 deaths registered that were related to Coronavirus over the same period. In comparison to the week of the 25th March 2022, the overall registered death figures in the WMCA (3 LEP) area decreased by 99, with the number of registered deaths related to Coronavirus decreasing by 9 people.

At local authority level in the week of the 1st April 2022, five local authorities the WMCA (3 LEP) area registered no deaths related to the Coronavirus. Of the 38 registered Coronavirus related deaths; Coventry accounted for 7 deaths, Cannock Chase accounted for 6 deaths and Birmingham accounted for 5 deaths.

Of the 38 registered Coronavirus deaths in the WMCA (3 LEP) involving Coronavirus in the week of the 1st April 2022, 32 were registered in a hospital, 4 deaths were registered at a care home and 2 deaths were registered at a hospice.

**Place and number of deaths registered that are related to Coronavirus in the week of 1st April 2022:**

| Area name | Care home | Elsewhere | Home | Hospice | Hospital | Other communal establishment | Total |
|---|---|---|---|---|---|---|---|
| Cannock Chase | 0 | 0 | 0 | 0 | 6 | 0 | 6 |
| East Staffordshire | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Lichfield | 1 | 0 | 0 | 0 | 1 | 0 | 2 |
| Tamworth | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| North Warwickshire | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| Nuneaton and Bedworth | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Rugby | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Stratford-on-Avon | 0 | 0 | 0 | 0 | 2 | 0 | 2 |
| Warwick | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Bromsgrove | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| Redditch | 0 | 0 | 0 | 0 | 2 | 0 | 2 |
| Wyre Forest | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| Birmingham | 0 | 0 | 0 | 1 | 4 | 0 | 5 |
| Coventry | 0 | 0 | 0 | 0 | 7 | 0 | 7 |
| Dudley | 1 | 0 | 0 | 1 | 2 | 0 | 4 |
| Sandwell | 0 | 0 | 0 | 0 | 3 | 0 | 3 |
| Solihull | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Walsall | 1 | 0 | 0 | 0 | 1 | 0 | 2 |
| Wolverhampton | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| **WM 7 Met.** | **2** | **0** | **0** | **2** | **18** | **0** | **22** |
| Black Country LEP | 2 | 0 | 0 | 1 | 7 | 0 | 10 |
| Coventry & Warwickshire LEP | 1 | 0 | 0 | 0 | 10 | 0 | 11 |
| Greater Birmingham & Solihull LEP | 1 | 0 | 0 | 1 | 15 | 0 | 17 |
| **WMCA (3 LEP)** | **4** | **0** | **0** | **2** | **32** | **0** | **38** |

[17] 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, 13th April 2022.

# ONS Weekly Release Indicators

## Black Country Consortium Economic Intelligence Unit

On the 7th April 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, google mobility, footfall data, Value-Added Tax returns, national company incorporations and voluntary dissolutions, potential redundancies, System Average Price of Gas, final results from Wave 53 of the Business Insights and Conditions Survey (BICS), and results from Wave 87 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 25th March 2022 and 1st April 2022, total online job adverts increased by 1.4%. On the 1st April 2022, total online job adverts were at 136.7% of their average level in February 2020. Out of the 28 categories (excluding unknown) 18 increased from the previous week. The largest weekly increase was in "travel/tourism", which rose by 10.7% and was then at 129.0% of the February 2020 level. Categories below the February 2020 average level were "legal" (89.7%), "energy/oil & gas" (95.9%) and "graduate" (98%). The largest week-on-week decrease was in "charity/voluntary" decreasing by 9.2% to 129.9% of the average level in February 2020.

Excluding Wales, online job adverts for all regions increased between the 25th March 2022 and 1st April 2022. Regional increases varied from 0.1% in the West Midlands to a 2.6% increase for London. The West Midlands online job adverts on the 1st April 2022 were at 150.7% of their average level in February 2020. On the 1st April 2022, all 12 regions were above their February 2020 levels, varying from; 123.3% in Wales to 170.5% in the North East.

### Google Mobility

Google Mobility data provide an indicator of changes in the volume of visits to different location types compared with a pre-coronavirus baseline. ONS have transformed the publicly available anonymised data into an indexed seven-day moving average to smooth the weekday and weekend.

Visits to retail and recreation locations have not yet returned to pre-coronavirus levels and remain below pre-Omicron variant levels. There has been a slow upward trend in visits to workspaces since the low of April 2020, but these are still 21% below pre-coronavirus levels. Visits to transit stations have been the slowest to recover and are still 28% below pre-coronavirus levels.

Visits to each location type in the week to 1st April 2022 compared with the previous week shows that parks decreased by 12%, retail and recreation decreased by 1%, transit stations had no change, grocery and pharmacy increased by 1% and the workplace increased by 1%.

### Footfall

According to Springboard, overall retail footfall in the UK in the week to 2nd April 2022 was at 84% of the level seen in the equivalent week of 2019; this was a 9% decrease when compared to the previous week. In the week to 2nd April 2022, footfall in high streets decreased by 13% 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 2% and was 98% 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.

## Value-Added Tax Returns

The seasonally adjusted number of new VAT reporters in the UK was 20,920 in March 2022, which was 12% lower than in February 2022. In the services industry, there were 16,250 new VAT reporters in March 2022, a 13% decrease from the 18,740 reported in February 2022 and 27% lower than reported in March 2021. The number of new reporters in the production industries increased by 9% compared with the previous month, while the number of new reporters in construction industries fell by 7% over the same period. The number of new VAT reporters in the production and construction industries were 110% and 126% of their March 2021 levels, respectively.

The all-industry turnover estimate for February 2022 shows that in the past month, more firms had reported increasing rather than decreasing turnover (net 5%).

## National Company Incorporations and Voluntary Dissolutions

Companies House data shows for the UK, there were 17,210 company incorporations in the week to 1st April 2022. This is up from 15,069 recorded in the same week in 2021 and higher when compared to the same weeks in 2020 (9,758) and 2019 (15,994).

Also, for the week to 1st April 2022, there were 6,721 voluntary dissolution applications, an increase from 5,170 recorded in the same week in 2021. The number of voluntary dissolution applications was also higher than levels seen in the same weeks of 2020 (5,378) and 2019 (5,953).

## 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 March 2022, across the UK there were 37 employers proposing 3,216 potential redundancies. The potential redundancies 4-week rolling average was 4,565 and the employers proposing redundancies 4-week rolling average was 40. 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 93 and the employers proposing redundancies 4-week rolling average was 72.

Regional analysis is available for February 2022 and in the West Midlands region there were 17 employers submitting HR1 forms with a total of 1,323 potential redundances.

## System Average Price of Gas

The System Average Price (SAP) of gas increased by 17% in the week to 3rd April 2022, with the level now 58% of that on 10th March 2022, when prices peaked in the rolling seven-day series; the SAP is 444% higher compared with the same period last year (week ending 4th April 2021) and 983% higher compared with pre-Covid-19 baseline.

## Business Insights and Conditions Survey (BICS)

The final results from Wave 53 of the BICS based on the 5,101 businesses surveyed across the West Midlands that businesses have a presence in with a response rate of 25.1% (1,279) and 3,047 businesses that are head quartered in the West Midlands, with a response rate of 24.5% (748). Please note, the survey reference period was 7th March 2022 to 3rd April 2022 with the survey live period between 21st March to 3rd April 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

98.8% of responding West Midlands businesses were trading over the survey period, of which 94.6% were full trading and 3.6% were partially trading.

Excluding "not sure" responses, 19.1% of responding West Midlands business reported that turnover over the month when compared to normal expectations for the time of year had decreased. While 52.8% of West Midlands businesses reported turnover had not been affected and approximately 17.8% reported turnover had increased.

Excluding "not sure" responses, 33.4% of responding West Midlands businesses reported that Covid-19 was the main reason for the change in the business turnover, 1.0% reported that the "end of the EU transition period" was the main reason. While 33.6 reported "other" as the main reason and 12.4% of West Midlands businesses reported Covid-19 and the end of the EU transition period".

**International Trading**

Excluding "not sure" responses, 69.7% of responding West Midlands businesses reported "exporting as normal" over the last month when compared with normal expectations for the time of year. 16.8% of West Midlands businesses reported "exporting, but less than normal". 3.5% reported "exporting more than normal" and 1.0% reported they had "not been able to export in the last month".

Excluding "not sure" or "no" responses, 9.8% of West Midlands businesses reported to use the rules of origin to access lower or zero tariffs on exports to EU countries. Less the 1% reporting using the rules of origin to non-EU countries and 18.8% reported they were to both EU and non-EU countries.

Excluding "not sure" responses, 72.7% of responding West Midlands businesses reported "importing as normal" over the last month when compared with normal expectations for the time of year. 11.6% of West Midlands businesses reported "importing, but less than normal" and 5.6% reported "importing more than normal".

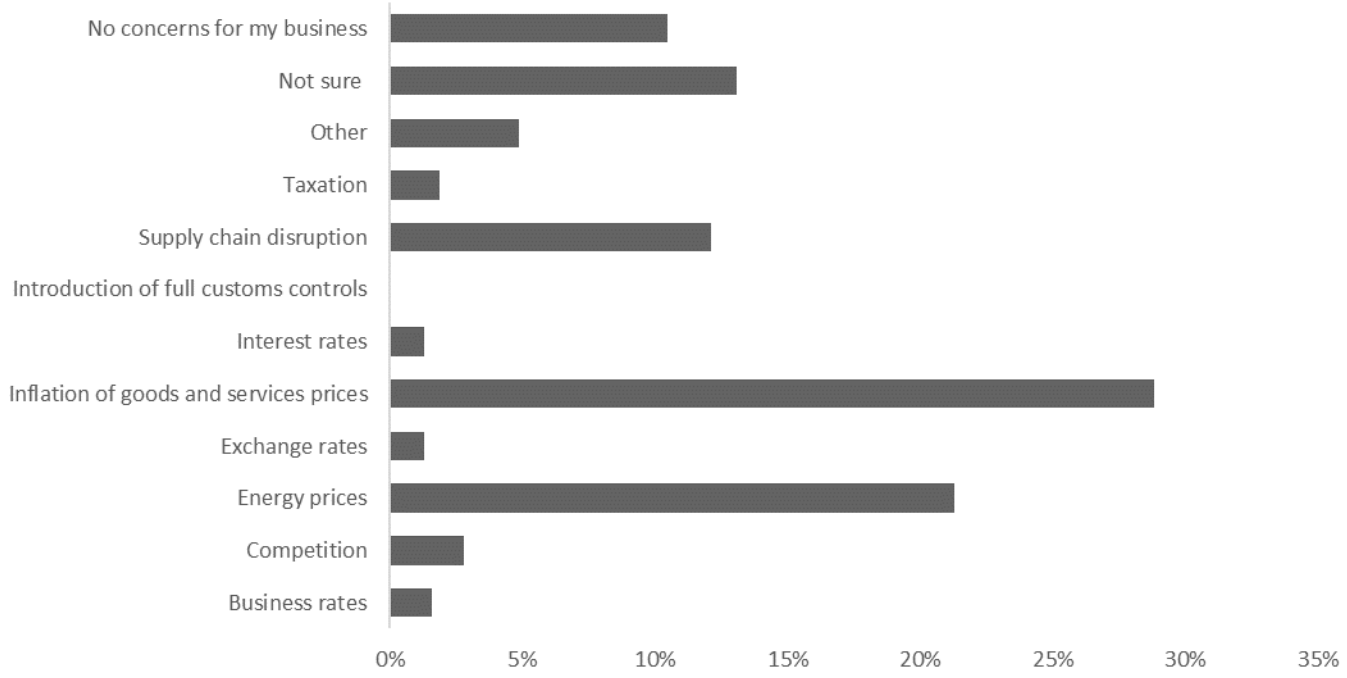
**Global Supply Disruption**

32.7% of West Midlands businesses reported experiencing global supply chain disruption over the last month.

**Main Concerns for Business**

28.8% of West Midlands businesses reported the main concen for business was "inflation of goods and services prices" over the next month.

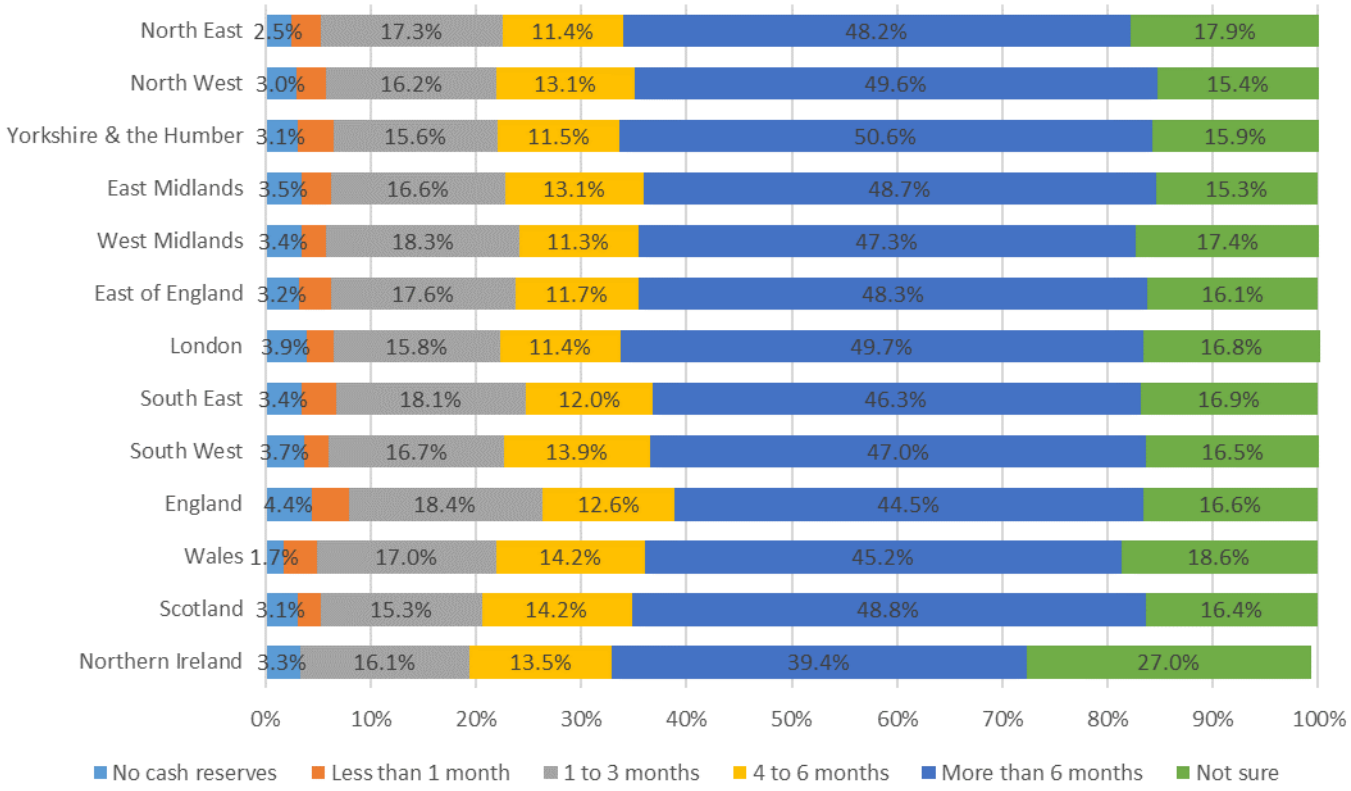
**The following chart shows the main concern (if any) for businesses in the West Midlands over the next month:**




**Cash Reserves**

3.4% 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**

78.8% of West Midlands businesses reported they had high confidence that the business will survive the next three months, with a further 15.8% with moderate confidence.

Excluding "not sure" or "not applicable" responses, 2.9% of West Midlands businesses reported that repayments were over 50% of turnover. 3.2% of West Midlands businesses reported that repayments were between 20% and 50% of turnover". 25.6% of West Midlands businesses reported that repayments were up to 20% of turnover".

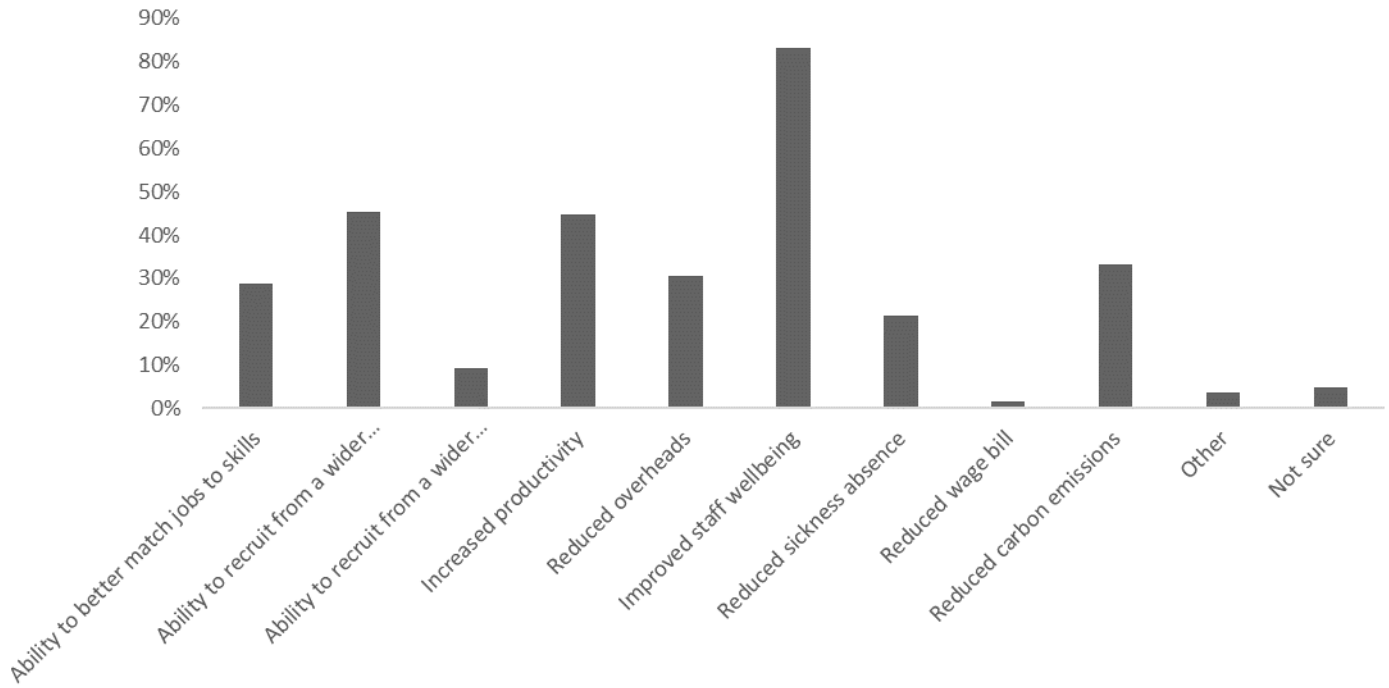
Excluding "not sure" or "do not have any debt obligations" responses, less than 1% of West Midlands businesses reported having no confidence that the business will meet the debt obligations. 1.3% reported having low confidence, 14.1% reported moderate confidence and 54.2% reported high confidence.

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 5.4% reporting "moderate risk", 47% reporting "low risk" and 39.2% of West Midlands businesses reporting "no risk".

**Homeworking**

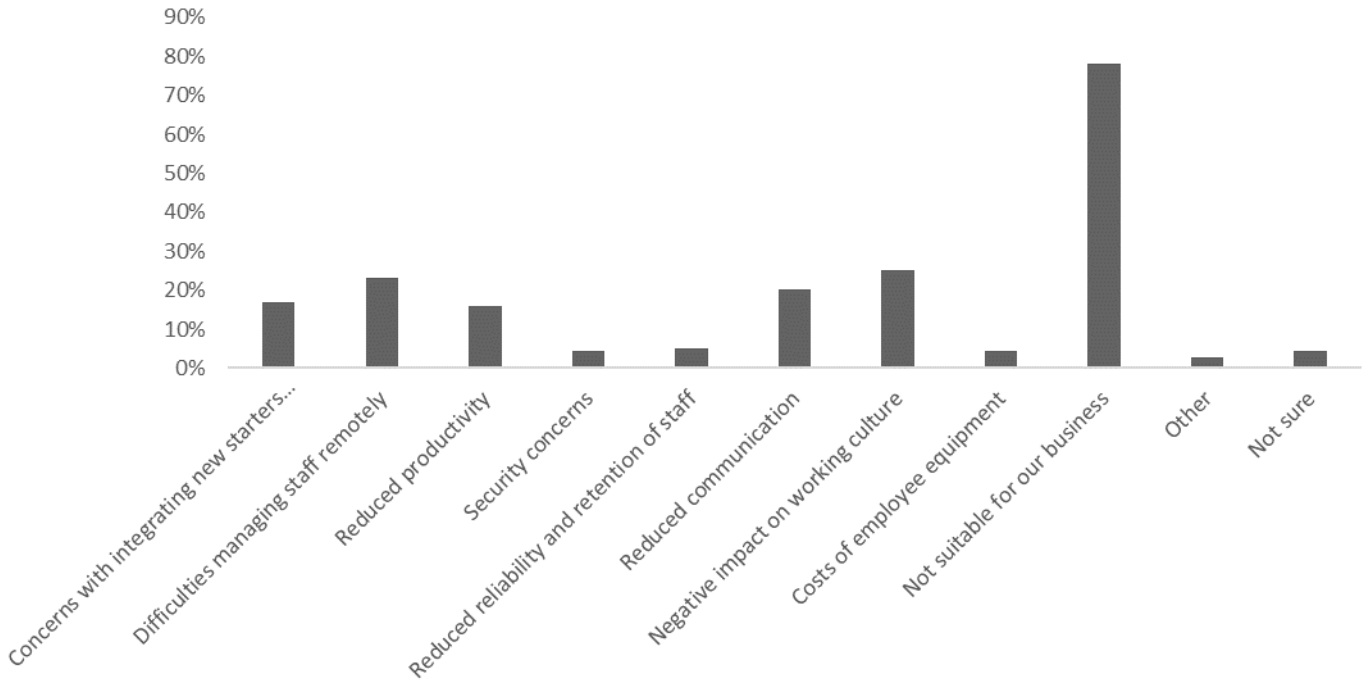
30.4% of West Midlands businesses reported there were using or intending to use increased homeworking as a permanent business model going forward. Of these businesses, the highest response as to why they were using or intending to increase homeworking at 83.2% was due to "improved staff wellbeing".

**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, 43.9% of West Midlands businesses reported they are not using or do not intend to use increased homeworking as a permanent business model going forward. Of these businesses, the highest response as to why they were not using or not intending to use increase homeworking at 78% was 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:**




**Sick Pay**

Excluding "not sure", "not applicable" and "prefer not to say" responses, 34.5% of West Midlands businesses reported to paying sick leave for the voluntary self-isolation of employees testing positive for Covid-19. While, 23.3% of West Midlands businesses reported to not paying sick pay.

**Wages**

Excluding "not sure" or "not applicable" responses, 53.1% 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

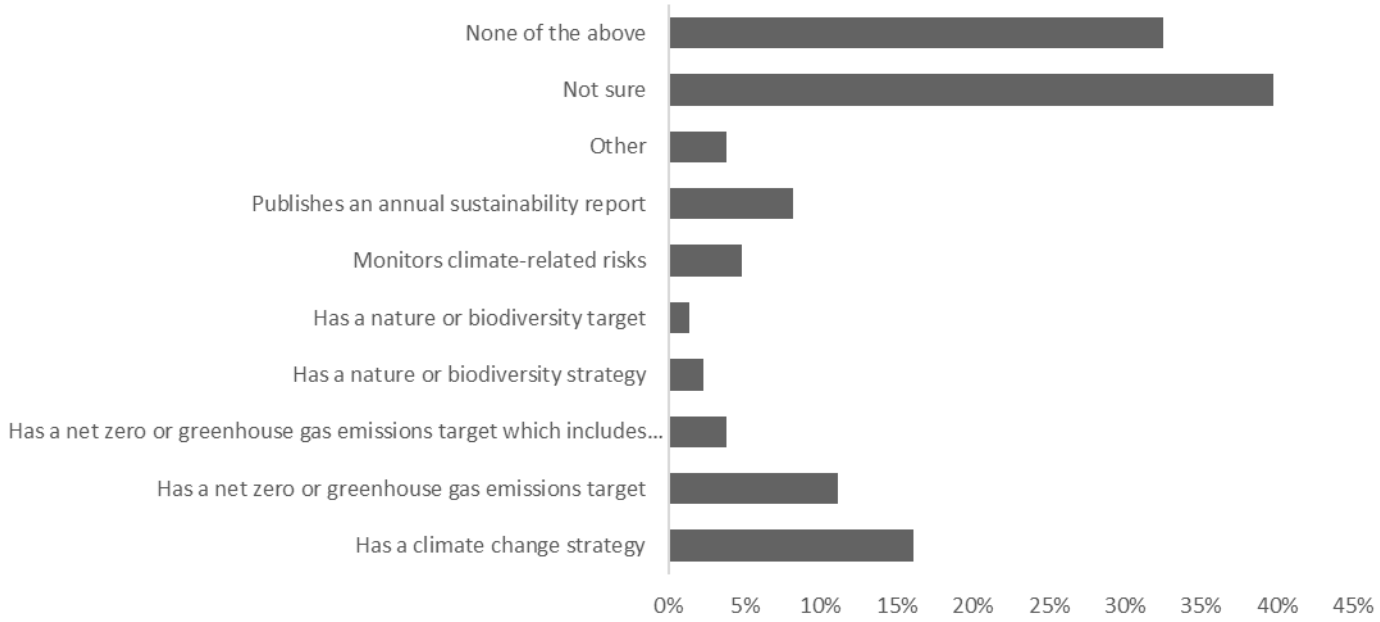
been affected. 26.8% reported that wages were higher and 1% of West Midlands businesses reported wages were lower.

Excluding "not sure" or not applicable" responses, 46.2% 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. 31.3% reported that wages were higher and less than 1% of West Midlands businesses reported wages were lower.

**Net Zero**

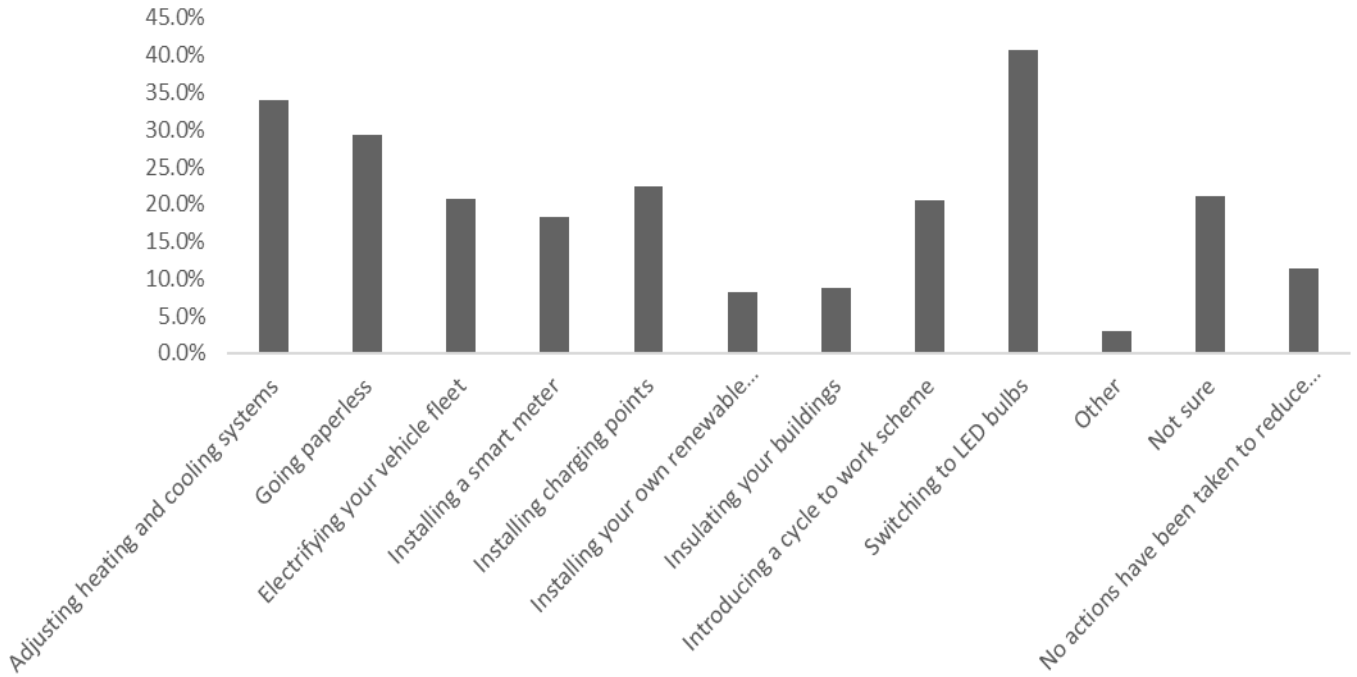
16.1% of West Midlands businesses have a climate change strategy in place to protect the environment.

**The following chart shows for West Midlands businesses, what actions, if any, actions taken to protect the environment:**




40.6% of West Midlands businesses have switched to LED bulbs to reduce carbon emissions.

**The following chart shows for West Midlands businesses, what actions, if any, actions taken to reduce carbon emissions:**



## Social Impacts of the Coronavirus

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

**Financial Situation and Borrowing**

57% of West Midlands adults reported that the household could afford to pay an unexpected but necessary expense of £850 (58% GB). Although 34% of West Midlands adults reported they could not (29% 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 (17% GB).

29% of West Midlands adults reported it was easy or very easy to pay usual household bills in the last month compared to a year ago (matching GB). While 26% of West Midlands adults reported it was difficult or very difficult to pay usual household bills in the last month compared to a year ago (23% GB).

34% 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 (37% GB). While 47% of West Midlands adults reported that in view of the general economic situation, that they would not be able to save money in the next 12 months (43% GB).

41% of West Midlands adults reported that it was somewhat or very easy to afford the energy bills (47% GB). While 51% of West Midlands adults reported that it was somewhat or very difficult to afford the energy bills (43% GB).

8% of West Midlands adults reported to being behind on payments for gas or electricity bills (6% GB).
Among those who are currently paying off a mortgage and/or loan, or rent or shared ownership, 57% of West Midlands adults reported it to be somewhat or very easy to afford the rent or mortgage payments (54% GB). While 29% of West Midlands adults reported it to be somewhat or very difficult to afford the rent or mortgage payments (30% GB).

5% of West Midlands adults reported being behind on rent or mortgage payments (3% GB).

**Well-Being, Loneliness and Perceptions of the Future**

Mean personal well-being scores for life satisfaction was 7.0 in the West Midlands (7.1 GB), worthwhile was 7.3 in the West Midlands (matching GB), happiness was 7.0 for West Midlands adults (7.1 GB) and anxious was recorded at 4.0 for West Midlands adults (matching GB)[18].

8% of adults in the West Midlands reported low levels of life satisfaction (matching GB). 8% of West Midlands adults reported low level of feeling worthwhile (matching GB). 15% of responding West Midlands adults reported low level of happiness (11% GB) and 33% reported high levels of anxiety (34% GB)[19].

27% of adults in the West Midlands reported to often/always or some of the time to feeling lonely (24% GB). While 49% reported hardly ever or never feeling lonely in the West Midlands (50% GB).

10% of West Midlands adults believe it will take 6 months or less before life returns to normal (8% GB). 6% of West Midlands adults believed it will take 7 to 12 months (8% GB). 32% of West Midlands adults think it could more than a year to return back to normal (30% GB), 15% of the West Midlands adults thought it would never go back to normal (14% GB) and 10% reported that they thought life had returned to normal (14% GB).

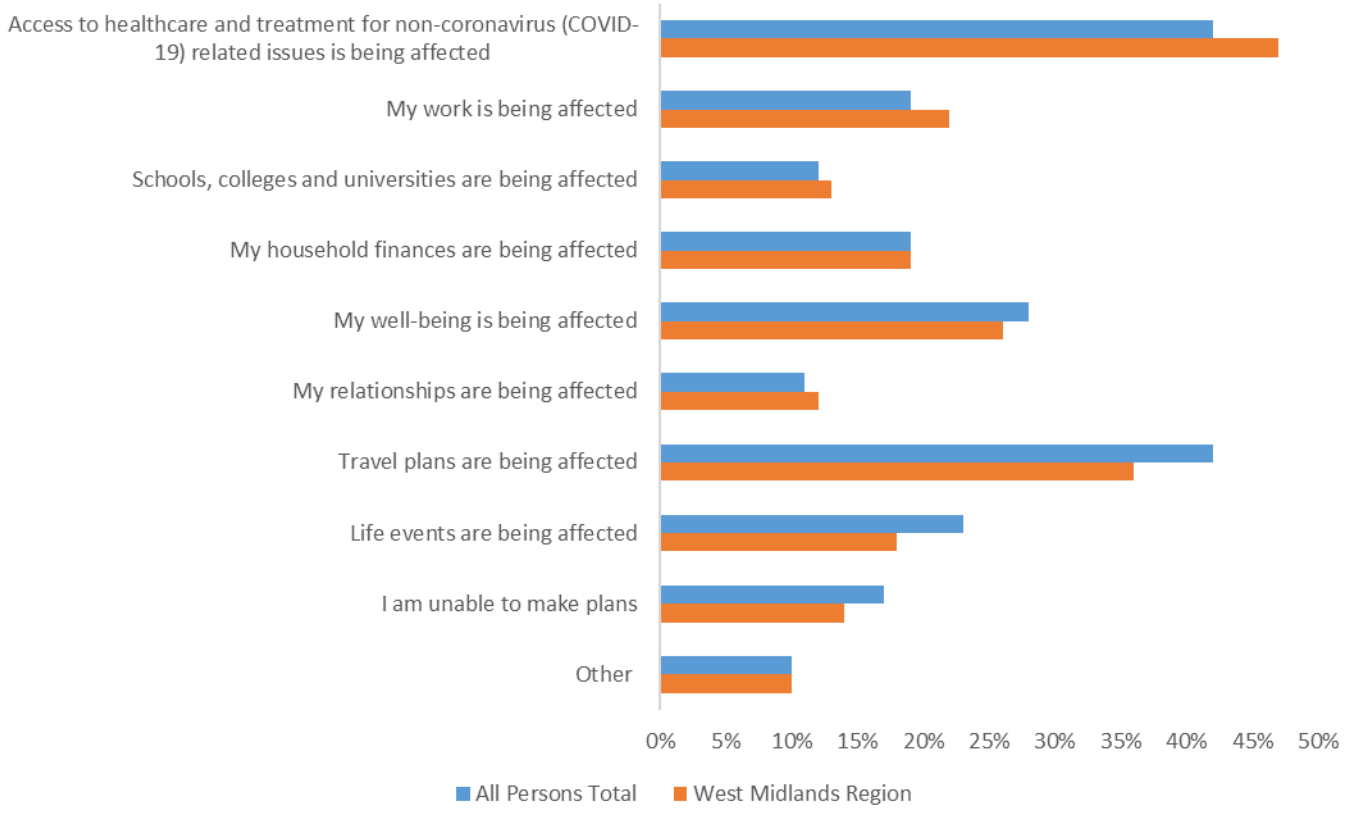
**Impact on People's Life Overall**

In the West Midlands, 28% of adults reported they were very or somewhat worried about the effect Covid-19 was having on their life (35% GB). 31% of responding West Midlands adults reported that they were somewhat unworried or not at all worried (matching GB).

[18] Each of these questions are answered on a scale of 0 to 10, where 0 is "not at all" and 10 is "completely".
[19] 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?".

47% of West Midlands adults reported that Covid-19 was affecting their life due to access to health and treatment for non-Covid-19 related issues. (42% GB).

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



## Headlines

| SECTOR | KEY INSIGHTS |
|---|---|
| **Cross Sector** | **Overview**<br>The last month has demonstrated that West Midlands businesses are still faced with **increasing costs from energy prices, talent and labour shortages, supply chain disruption, VAT for hospitality returning to 20% and rampant inflation** with key sectors still needing time recover from two years of COVID-19 pandemic. These especially include those with high business rates (retail, hospitality etc.).<br><br>Regional business leaders have continued to **urge the Government to act on cost pressures**, including by **maintaining lower levels of VAT, delaying rises to NI, offering financial support for those suffering from high energy bills**, and continuing reform of the business rates system.<br><br>The Chancellor's recent Spring Statement did not **directly implement significant change or policy in these areas,** but did offer some positive help for businesses: such as the **Fuel Duty Cut, rise in Employment Allowance** and temporary business rates relief for some sectors.<br><br>It is also widely acknowledged that the government has limited levers to pull, and that it is important that the **priority is supporting lower income households with the cost of living crisis**, in step with **continued humanitarian relief to Ukraine and its people.**<br><br>**Russian Invasion of Ukraine**<br>On Russian sanctions, there is concern over the disruption to **metals and materials for industries such as aerospace**. There is increased concern from aerospace companies that there will be further disruption as businesses are starting **to cut ties with Russian suppliers and associations.** This is affecting businesses who may import materials from Russia to make a product and then make and sell to UK businesses. Additionally, businesses with closer ties to Russia are **experiencing concern from their employees, which is resulting in people leaving or being poached.** There is also concern from food manufacturers who expect more inflation and supply shortages from the disruption of wheat production.<br><br>Serious issues also exist in the **paper market** - including the **increased costs in the production of paper and transportation** from A to B are happening weekly. A specific paper mill in Bulgaria has closed initially 4-6 weeks currently due to the issues in Ukraine. They source their gas and coal from Ukraine but currently cannot. **UK Paper brokers were ordering 6 loads a month from this mill which they now cannot**. The demand is still very high.<br><br>In addition:<br>• Automotive retail, new car deliveries from order date 9 to 12 months. **Component delays and semi-conductors for vehicle electronics.** This is driving used car prices up and vehicle demand is moving to buying used vehicles.<br>• In terms of Access to Finance, businesses are upbeat about their prospects following the lifting of covid restrictions. That optimism has however **been doused due to inflation and the knock-on economic effects of the Ukraine invasion.**<br>• For the low carbon sector ,the impact of the Russian invasion of Ukraine on the broader trend towards a low carbon economy is mixed. **Some business leaders feel that the invasion will ultimately have a negative impact on the drive towards low carbon energy** as a recession may result. However, other representatives have stated that the |

| SECTOR | KEY INSIGHTS |
|---|---|
| | invasion is **forcing Europe to address its long-standing energy security issues** and may force an increase in development of wind and solar energy that is produced domestically.<br>• Goods from Russia, some as obscure as **recreational paintballs,** are in short supply as the chemicals used in them are now no longer available and alternatives are hard to come by. Supplies of uniforms sourced from the Republic of Ireland also seeing cross border delays, some up to five months. **Stock from China also problematic as shipments are delayed and sometimes incomplete**.<br><br>**Trading Environment**<br>Cost of living Increases and increasing inflation is causing concern and may lead to severe impacts. **Raw materials and energy are impacted and may start to make some businesses unsustainable.** This is due to an often-**limited ability to pass on costs to consumers**. This could dent confidence in businesses and make them ever more cautious, deferring decisions, and **delaying possible investments**. In response, businesses are seeking to ensure their cost base is as stripped back as it can possibly be with the searches for the cheapest options ongoing.<br><br>Energy prices continue to put significant pressure on SMEs, especially those in the manufacturing sector or otherwise that have significant energy usage.<br>Businesses have told the region's Growth Hubs that the **proportion of expenditure on energy bills is resulting in negative adjustments to business growth projections over the next few years.** The knock-on impact of energy prices on the supply chain has meant that businesses in the construction sector are **finding it difficult to provide accurate quotes for work**, due to materials fluctuating in cost. Furthermore, for businesses with a high use of compressed **Co2, such as food and drink manufacturers, their costs can be expected to increase by up to 75% or more.**<br><br>SMEs consulted recently stated that **cashflow is coming under pressure**, with some organisations spending 20% of their revenue on energy costs.<br>The increase in wholesale energy has however driven a **number of businesses to explore and adopt energy efficiency measures in an effort to curb expenditure on their energy bills.** When asked, business leaders state that they likely would have not adopted such measures, had energy prices not risen to the extent that they have.<br><br>Many businesses are also still reporting **supply issues with increased costs, delays 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 is also frustrating businesses as they are unable to fulfil orders. In particular, **metals, timber and electronics components are in short supply.**<br>**Steel price increases**, particularly high grade steel, risk crippling businesses in the manufacturing and construction industries. Many suppliers are **not prepared to hold quoted pricing** for long, with some reportedly only holding pricing for **just 4 hours**, as the wholesale cost changes frequently. Increased costs are again being passed on to the end consumer. Those that can afford it, are **stockpiling materials to ensure the best levels of continuity possible.**<br><br>**Labour Market**<br>• **Staff Shortages** – Regional businesses, particularly in unskilled roles and retail are highlighting **difficulty in recruiting sufficient numbers of staff,** putting strain on the staff they do have. The care sector is also experiencing the same issue with a number of businesses in this sector saying that the situation is now critical. Skilled technical roles along with office-based sales positions also in high demand. |

| SECTOR | KEY INSIGHTS |
|---|---|
| | • **Cost of Living Wage Increases** – View across recruitment sector is that 1 and 2% rise in annual salaries are a thing of the past – **expectations that annual salary increases of circa 5%** will be the minimum expected by employees with rise in cost of living. Likely to force employers to pay more or offer the option of reduced hours for the same salaries.<br>• **Flexibility** – There has been a notable rise in companies **offering flexibility with office/home working** due to the increase in fuel costs, with most office-based companies now offering 3 days in office at maximum.<br><br>**Enquiries**<br>From a finance standpoint, a fair number of businesses are primarily concerned about the **dearth of grant opportunities in the region**. There have been a lot of recent requests from businesses for micro grants to facilitate things like marketing, recruitment, digitisation and training among others.<br><br>The general dwindling of grants impacts businesses negatively as they are **often unable or unwilling to access other forms of capital to fund these growth expenses**, which in turn confines them to slow organic growth. Most are simply making do with existing support such as debt funding (where applicable) while others are simply waiting for increased grant opportunities.<br><br>It is crucial that the **UK Shared Prosperity Fund, or other alternative to ERDF funding is considered by government soon if financial support is still to be offered to SME's across our region.**<br><br>Other topics that businesses are enquiring to Growth Hubs frequently include:<br>• **Digital Marketing Support** – a continued high demand from businesses across all sectors keen to develop their digital marketing skills and capability.<br>• **Mentoring** – particularly around strategy, succession/legacy planning, planning for growth and scaling up for high growth businesses<br>• **Planning Disputes**<br>• **Innovation and proving of concepts**<br>• **Research and Development**<br>• **Skills Support** – broad range<br>• **Inward Investment** and Property/Land Searches<br>• **B2B Referrals**<br>• **International Trade**<br>• **5G Support**<br>• **Networking**<br>• **Legal & HR Support** – referral to membership organisations |
| **Agriculture** | • Dairy farmers in the region and beyond are being **forced to slaughter herds of livestock as costs rocket and milk prices spiral.**<br>• In the two weeks since Russia's tanks rolled into Ukraine, one local dairy farmer has slaughtered 26 cows — a tenth of his herd on a West Midlands farm. The unplanned killings came as **bills for fertiliser and fuel almost doubled overnight due to the mayhem in the global commodities markets.** Credit from suppliers is now almost non-existent.<br>• That sudden cashflow squeeze means that many of the **cows intended for milking will now end up in food.** |
| **Logistics & Transport** | • Investment in industrial and logistics assets in the Midlands **almost doubled** from its previous high in 2020 (£1.6bn) to **£3.1bn in 2021**, latest figures show.<br>• **Demand for bigger buildings is becoming more dominant**, with nearly 10 million sq ft of space taken up in the 400,000 sq ft plus size band – a record five-year record high |

| SECTOR | KEY INSIGHTS |
|---|---|
| **Manufacturing** | • China's latest Covid lockdown in Shenzhen is already impacting the **supply chains of technology and automotive firms.** Toyota, Volkswagen and Apple supplier Foxconn are among the firms affected by factory shutdowns following the surge of the virus which has left 12.5 million civilians placed under quarantine. This may have knock-on impacts for wider West Midlands supply chains.<br>• The industry has suggested that there was **little in the way of support for manufacturers in the Spring Statement** – particularly support for high energy costs.<br>• The **West Midlands 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. |
| **Retail** | • PWC / Local Data Company data on retail shop closures shows that, the **West Midlands saw 641 openings and 1,676 closures in 2021, a net change of 1,035**. When examining multiple retailer percentage closures by region, the **West Midlands was the second worst performing region second at -5.4% net closures.**<br>• This impact on cities is a key driver as why the West Midlands heavily underperformed, given **the size and negative impact of Covid on retail in Birmingham city centre**.<br>• The big net declines in key retail categories (fashion, banks) reveal **changes in how consumers transact:** the shift to online, accelerated by consumer behaviour during lockdowns. This continues to be the biggest denominator for closures in retail and services.<br>• **Town and city centres are suffering from all-time highs in vacancy** rates, exacerbated by Covid. Four WMCA centres are highlighted as particularly under threat in data presented by Power to Change. They find that the following West Midlands towns / cities have **a vacancy rate higher than the national average while some have grown much worse since 2015: Dudley, Wolverhampton, West Bromwich, and Northfield (Birmingham).** |

## New Economic Shocks

| COMPANY | LOCATION | SECTOR | SOURCE/DETAIL |
|---|---|---|---|
| A Write Card | Coventry | Retail | A Write Card has gone into liquidation leaving staff in Coventry and Nuneaton devastated at the loss of their jobs. A sign has been put up in the window of the branch in the Abbeygate Shopping Centre in Nuneaton which explains that the company ceased trading as of March 16. |
| Lloyds Banking Group | National – branches across region | Financial | Lloyds Banking Group has confirmed it will close 60 branches across the UK in a move which could result in 124 job losses. |
| Liberty Steel | West Bromwich | Steel | 45 workers will lose their jobs in West Bromwich, and 162 roles will be lost at the high value manufacturing Stocksbridge plant at Sheffield as a major steel company gets rid of 207 roles across the UK. Liberty Steel, a manufacturer of complex steel for the aerospace and energy sector, is making the move as it starts the next step in its restructuring and transformation plans. |
| Gymshark | Solihull | Retail | Gymshark has announced a restructure of its business that places 121 jobs at risk. The Solihull-based firm says the move is driven by "international expansion, ambitious growth plans and the need to create commercial |

| | | | |
|---|---|---|---|
| | | | accountability within the regions and ensure customer strategies are driven by local lenses, specific knowledge and data, not just by those of us here in Solihull." |

## New Investment, Deals and Opportunities

| COMPANY | LOCATION | SECTOR | DETAIL & SOURCE |
|---|---|---|---|
| Cazenove Capital / Schroders Group | Birmingham | Wealth Management | Cazenove Capital, one of the UK's leading wealth management businesses and part of the Schroders Group, has announced the opening of a new office at 2, Chamberlain Square, Birmingham, to support its expanding Midlands client base. |
| Printful | Wolverhampton | Creative | Print-on-demand firm and Latvian 'unicorn' business Printful has officially opened its first UK fulfilment centre in Wolverhampton, creating 50 new jobs over the first year of trade plans |
| Belvoir | Region-wide | Property | House sales increased by 54% for local group Belvoir last year. They were up from 8,003 in 2020 to 12,320 for the group which includes offices in Cannock, Dudley, Stone, Telford, Walsall, Wednesbury and Wolverhampton, |
| Cellnex UK | Leamington Spa | Telecoms and broadcasting | 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, providing Cellnex UK with access to local talent to help deliver its growth ambitions. |
| Just for Pets | Nationwide | Wholesale & Retail | As part of its planned expansion drive, Just for Pets enlisted national property consultancy Carter Jonas to hunt for more stores. The chain now has 21 branches trading/secured and aims to open an additional four sites by the end of 2022. |
| Next | Nationwide | Retail | Next has reported an "exceptionally productive year" with total group sales topping the £4.8bn mark. The retail giant's chairman added that it is looking ahead with confidence despite lowering its profit guidance |
| Servo Steel | Dudley | Steel | Steel supplier Servo Steel is under new ownership following an MBO led by its existing senior leadership team. |
| Blackstone | Birmingham | Commercial | Property investor Blackstone has entered the UK's regional office market after buying the Colmore Building in Birmingham for £182m. The US firm has swooped for the 314,000 sq ft office block, after agreeing a deal with Ashby Capital. |
| Jaguar Land Rover | Wolverhampton | Automotive | New jobs are being created at Jaguar Land Rover's giant engine manufacturing centre near Wolverhampton. JLR's recruitment partner Randstad is in the midst of working with JobCentre Plus in the city to find 100 production operatives for the 100,000 sq metres plant. |
| Adapttech | Dudley | Life Sciences | A Birmingham-based biomedical start-up has raised £2.25m from a range of investors to further develop wearable technologies. Adapttech has secured funding from Mercia Asset Management, ACF Investors, Wren Capital and Wealth Club. It will be used to further develop smart, wearable technologies to help people with physical limitations improve their quality of life. |

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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