West Midlands
Economic Impact Monitor

WM REDI CITY REDI

Issue 90 Publication Date 28/10/22

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.

Rishi Sunak is now UK Prime Minister. Concerns about inflation remain paramount for businesses, households and individuals. Russia has continued its targeted attack on Ukrainian energy supplies since last Monday, with an estimated 1.5m households now without electricity. With almost a third of Ukraine's power stations and other energy-generating facilities having been destroyed in the attacks again hitting the energy supply in Europe, with both short-term and potential long term impacts.

Pressing social and political issues

- Ipsos has run a survey amongst 20,000 people across 29 countries to gauge what the public believes are the most pressing social and political issues. 4 in 10 surveyed thought inflation was the most significant, making it the 6th month in a row that this had been the most prominent issues for most people.
- 36% of respondents believe their country is heading in the right direction when it comes to solving major issues of concern.

National and regional developments

- The UK has its 3rd government within a year, following the resignation of Prime Minister Liz Truss. Rishi Sunak is now Prime Minister.
- According to many foreign newspapers, the reputation of the UK as stable nation has been destroyed.
- Following the 'mini-budget' there was an estimated up to £72bn black hole in public finances. When Jeremy Hunt became Chancellor, he decided to scrap a number of expensive policies within the 'mini-budget' in an effort to reduce the deficit.
- The reversals and changes announced have reduced the shortfall to around £39.7bn, but there will likely be austerity (spending cuts) introduced in the future. The IFS forecasts that to help close the funding gap from the 'mini budget' the government would have to reduce day-to-day spending on public services (outside of the NHS and defence) by 15%.
- The University of Glasgow has found that austerity led to twice as many excess deaths as had been previously thought. Cuts to public services and living standards across Britain from 2010 to 2019 contributed to 335,000 excess deaths. There were overall falls in UK life expectancy between 2014 and 2018.
- Between, 2010/11 and 2020/21 councils have faced dramatic decreases in their spending power. Government funded spending power across England fell -52.3%. Given that this was the largest funding stream for local authorities, it had a large impact on their spending power. Birmingham has had budget cuts of 36.3%, Wolverhampton 32.8%, Sandwell 32.1%; the smallest cut was Warwickshire at 13.4%.
- Royal Mail has announced plans to make up to 6,000 people redundant by next August, blaming ongoing strike action and rising losses at the business. Royal Mail has said it plans to reduce its overall headcount by 10,000. 6,000 job losses will be through redundancies, whilst an additional 4,000 will be through natural attrition.
- University of Birmingham analysis of the financial resilience of the largest West Midlands manufacturers on the basis of their current ratio finds that 20 of these firms are considered to be high-risk. Cumulatively these firms have a workforce of 105,320. 12 firms are medium-risk and employ 34,757 individuals. There are 18 low-risk firms that together employ 68,675 people. These firms are considered relatively healthy in terms of their financial resilience; thus, we consider these jobs relatively secure.
- 30.8% of West Midlands businesses reported that turnover in September 2022 had increased when compared to the previous calendar month. 39.0% reported turnover had stayed the same. 22.7% had reported that turnover had decreased.
- Where applicable and excluding the unsure responses, 43.2% of West Midlands businesses reported the prices of goods or services brought in September 2022 when compared to the previous month had increased. 40.4% reported that prices had stayed the same and 1.1% of West Midlands businesses reported that prices of goods or services brought had decreased.
- 22.8% of West Midlands businesses reported in September 2022 when compared to the previous month, that the number of employees increased, 57.4% reported the number of employees had stayed the same and 12.4% of West Midlands businesses reported the number of employees had decreased.

Energy

- Cornwall Insight forecasts that by April 2023, the average price for gas could rise to 30.8p per/kwh in April and 91.8p per/kwh for electricity. Taking this as the high case, this would raise the England average annual household energy bill to £6,628. This would be a 166% increase in energy bills compared to under the cap, and a 482% increase on the £1,138 price cap in April 2021. The average annual household energy bill for the WMCA area will be £7,255 based on current usage and

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

standing charges. This is a 179% increase in the average annual bill compared to under the price cap, and a 538% increase from the England average [£1,138 price cap in April 2021](). A large part of the reason that there is expected to be a greater increase in the energy bill for the WMCA is due to higher electricity use, which is more expensive per/kwh than gas

- The current average yearly earnings for the WMCA is £29,737 annually, the average WMCA energy bill under the cap is £2,597, this is equivalent to 8.7% of current earnings. If the cap is removed in April 2023, and energy bills increase to the low case of £3,893, this would be equivalent to 13.1% of annual earnings. If energy bills rise to the central case of £6,469, then energy bills as a proportion of earnings would be equivalent to 21.8%. In the high case of £7,225, this would be equivalent to 24.4% of earnings. When the average England cap was £1,138 in April 2021, this was equivalent to 3.8% of earnings.
- 5.8% of West Midlands businesses reported production had been affected by recent increases in energy prices, 17.9% of West Midlands businesses reported suppliers had been affected and 22.7% of West Midlands businesses reported that both production and suppliers were affected. 24.6% of West Midlands businesses reported to not being affected by the recent increases in energy prices.
- 43% of adults who pay energy bills said they found it very or somewhat difficult to afford them in the latest period (44% in the previous period).
- Only 4% of households in the UK have renewable energy installed, whereas only 1.7% of households in Birmingham have renewable energy capability. Studies show that several barriers, such as high costs, lack of public acceptance and limited knowledge and experience relating to the technology, are hindering the adoption of low-carbon technology.

Birmingham Economic Review

- Businesses report pressure to raise prices: The GBCC's Q2 Quarterly Business Report sees record levels of businesses reporting pressure to raise prices, driven by energy costs and staff shortages.
- The cost-of-living crisis bites: as the ONS report that inflation hits 9.9% in August 2022, driven by price increases in food, energy and fuel.
- The UK economy struggles to recover from the pandemic: Upwardly revised ONS estimates show the UK economy grew by 0.2% in Q2 2022 rather than contracted by 0.1% as previously thought. However, the economy was still 0.2% smaller than pre-pandemic (Q4 2019) and is the only G7 economy to not have recovered yet.

Jobs

- WMCA (3 LEP) area: there were 1.88m jobs in 2021. This represents an increase of 1.4% (+26,000 jobs), below the national rate of increase (+3.1%). In 2021, there were nearly 1.29m full-time employees and 594,000 part-time employees in the WMCA (3 LEP) area. When compared to 2020, full-time employee jobs increased by 1.2% (England +3.6%) while part-time increased by 1.4% (England +2.1%).
- WMCA (3 LEP) area: the business, professional and financial services sector accounts for the highest percentage of jobs at 18.6% (approximately 349,150 jobs); this is also the highest sector nationally at 21.6% in 2021. This sector's jobs decreased by 6.0% (-22,195) between 2020 and 2021.

Earnings

- Average full-time resident annual earnings for the WMCA (3 LEP) rose by £1,857 (+6.1%) since April 2021 to reach £32,417 in April 2022, the UK increased by 5.7%. The WMCA (3 LEP) workplace earnings are at 98.2% of the UK average, with the average resident earning £583 less than the UK average of £33,000.
- Average full-time workplace annual earnings for the WMCA (3 LEP) rose by £1,349 (+4.4%) since April 2021 to reach £31,794 in April 2022, the UK increased by 5.7%. The WMCA (3 LEP) workplace earnings are at 96.3% of the UK average, with the average workplace earning £1,206 less than the UK average of £33,000.

Disposable income

- WMCA (3 LEP) total Gross Disposable Household Income increased from £74.4bn in 2019 to £75.2bn in 2020. This equates to a 1.1% (+£785m) annual increase, above UK-wide growth of 0.3%.
- WMCA (3 LEP) GDHI per head has increased from £17,743 in 2019 to £17,841 in 2020. This equates to a 0.6% (+£98) increase, above the UK-wide decline of 0.2%. A shortfall of £3,599 to the UK figure (£21,440).
- WM 7 Met. total GDHI increased from £47.3bn in 2019 to £48.1bn in 2020, an increase of 1.8% (+£836m).
- WM 7 Met. GDHI per head increased from £16,147 to £16,369 between 2020 and 2021, an increase of 1.4% (+£222). This is in contrast to a small decrease across the UK overall (-0.2%).

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

Global, National and Regional Outlook

Alice Pugh, WMREDI

Global

China

China's leader Xi Jinping has begun a historic third term in power; no other party leader besides the Chinese Communist Party founder Mao Zedong has ever served a third term. Jinping was enabled to serve a third term following more than 2,300 delegates electing various leadership groups and giving Jinping a new mandate over the party. Jinping has since stacked his team with loyalists. Experts have stated that this shows he values loyalty over expertise and experience.

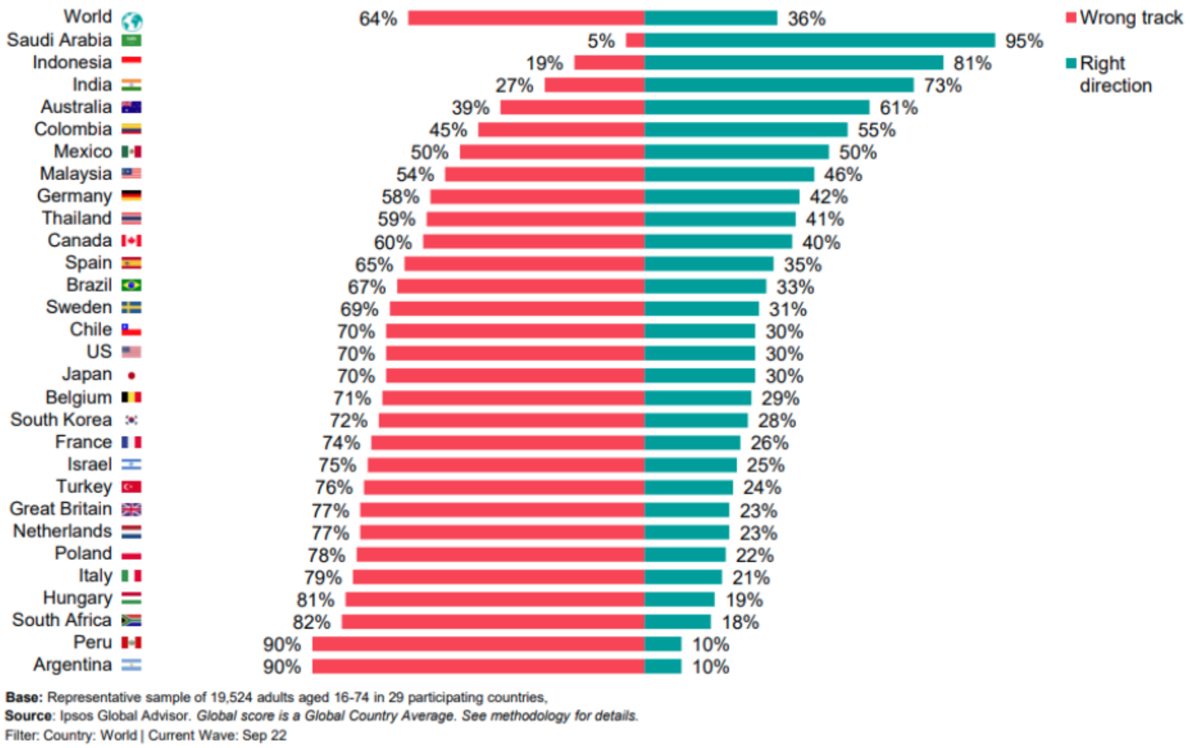
Ukraine

Russia has continued its targeted attack on Ukrainian energy supplies since last Monday, with an estimated 1.5m households now without electricity. Almost a third of Ukraine's power stations and other energy-generating facilities have been destroyed in the attacks. Russia's strategy is to destroy critical infrastructure before winter, weakening Ukraine's capacity to fight and lowering morale amongst the Ukrainian population which is facing a very cold winter.

Inflation

Ipsos has run a survey amongst 20,000 people across 29 countries to gauge what the public believes are the most pressing social and political issues. It found that 4 in 10 surveyed thought inflation was the most significant issue impacting their country, making it the 6th month in a row that this had been the most prominent issue for most people. Worry levels having also doubled since the beginning of 2022, when 20% cited it as a significant issue. 67% of people surveyed thought their country's economy was in a poor economic situation.

Many governments are implementing measures to reduce inflationary pressures, alongside policies to tackle other issues. However, the Ipsos survey shows that many respondents are not convinced that their governments are taking the correct approach. The figure below demonstrates respondent confidence by country around the direction of government policies in reducing inflation and tackling other areas of concern.



Source: Ipsos Global Advisor, 2022. World Economic Forum, 2022.

As the figure above illustrates, only 36% of respondents believe their country is heading in the right direction when it comes to solving major issues of concern. Saudi Arabia (95%) and Indonesia (81%) have the most positive

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

populations. The UK and France have seen the greatest declines in the number of people who believe their country is heading towards better times, both down by nine percentage points.

National

Political Instability

The UK has its 3rd government within a year, following the resignation of our second Prime Minister Liz Truss this week. This is the shortest Premiership in British history at 45 days, and 10 of these days were spent in mourning following the Queen's death, meaning the suspension of all parliamentary activity across the UK. This has triggered the second Tory leadership and election of a Prime Minister within the last 4 months.

The resignation comes following a somewhat swift and effective rebellion within the fractured Conservative party. Many Tory MPs were already unhappy following the calamity that was the massive 'mini budget'. Truss hoped that the sacking of her Chancellor Kwasi Kwarteng would solve her leadership issues following the 'mini budget'. But her authority was undermined when she ended up with a number of U-turns on policies from the 'mini-budget'.

Then Labour forced a vote on whether MPs should be allowed to get a say on the government's fracking plans. Conservative MPs were told this vote would be treated as a test of loyalty of the government - essentially a motion of confidence. There were chaotic scenes in the voting lobby with allegations of bullying, physical manhandling and harassment. By the end of the vote the Chief and Deputy whips had resigned. However, within a couple of hours both were back in place having un-resigned.

Tensions were already high following the resignation of Suella Braverman; it was stated that she resigned following an accidental breach of security, where she sent a sensitive document from her personal email. Suella Braverman also stated in her resignation letter her concerns about policies that did not honour manifesto commitments:

"As Home Secretary I hold myself to the highest standards and my resignation is the right thing to do. The business of government relies upon people accepting responsibility for their mistakes. Pretending we haven't made mistakes, carrying on as if everyone can't see that we have made them, and hoping that things will magically come right is not serious polities. I have made a mistake; I accept responsibility: I resign."

"I have concerns about the direction of this government. Not only have we broken key pledges that were promised to our voters, but I have had serious concerns about this Government's commitment to honouring manifesto commitments"

Political Commentators stated this statement was an obvious and deliberate attack on the Prime Minister. The next day Liz Truss resigned. Rishi Sunak has now won the leadership election for the Conservative party. He is the 3rd Prime Minister this year. He is the first British Asian Prime Minister.

Many world leaders have expressed concern about events in UK politics. The UK has its 5th Conservative leader and Prime Minister within 6 years, with many stating this sums up the instability in the UK since the Brexit referendum. Some foreign newspapers have stated that the reputation of the UK as stable national has been destroyed, with some noting that the UK is starting to look like an isolated state rather than a global player.

'Mini-Budget'

Following the 'mini-budget' there was an estimated up to £72bn black hole in public finances. This plunged the UK economy into chaos, as there was no explanation as to how this expenditure would be funded. When Jeremy Hunt became Chancellor, he decided to scrap a number of expensive policies which were in the 'mini-budget', in an effort to reduce the black hole. The table below shows the measures from the 'mini-budget', which have been scrapped, changed or retained:

	Policy	What was pledged in the 'mini-budget'?	What has changed?
✗	**Income Tax**	The 45% income tax rate would be scrapped	The government will not be scrapping the highest rate of income tax (45%)
		Reduction in the basic rate of income tax to 19p in the pound by April 2023	The government also scrapped the reduction in the basic rate of income tax, retaining the current 20p in a pound
✗	**Corporation Tax**	The rise in the UK-wide rise in corporation tax from 19% to 25% in April would be scrapped	The corporation tax rise from 19% to 25% will still go ahead in April
✗	**Alcohol Duty**	Planned increases in alcohol duty would be cancelled	This was scrapped and alcohol duty will continue to rise
✗	**Dividend Rates**	The government pledged, the additional 1.25% rate applying to dividend income would be scrapped from April 2023	Mr Hunt announced the government would no longer reverse the 1.25% rise in dividends
✗	**VAT-Free shopping**	In the mini budget the government pledged VAT-free shopping for overseas visitors	The policy has now been scrapped
✗	**IR35**	The government promised to simplify IR35 rules	The government have now scrapped these changes
✗	**Energy Price Guarantee**	An energy price cap of around £2,500 (for the average household) for 2 years	The energy price guarantee will now only last to April 2023, when the cap for the average household energy bill is expected to rise to £4,000
✓	**National Insurance**	The National insurance rise of 1.25% would be reversed from the 6th of November	This policy is set to remain
✓	**Bankers' Bonuses**	The removal of the cap which limits bankers' bonuses	This policy is set to remain
✓	**Stamp Duty**	Cut in stamp duty, with no stamp duty on the first £250,000 of any property and no stamp duty on the first £425,000 for first-time buyers	This policy is set to remain

Whilst tax changes mean one of the highest tax burdens in decades, the reversal of changes to income taxes has resulted in a more progressive tax system than would otherwise have been under the 'mini budget' policies. The Resolution Foundation found that changes to income tax, announced by Mr Hunt, will led to a fall in incomes by £1,000 for a typical household, compared to a £780 fall under the 'mini-budget'. The richest 5% will see an average income loss of £4,330, compared to gains of £2,520 that they would have received from 'mini budget' personal tax changes.

These reversals have reduced the £72bn black hole in public finances, as shown in the graph below.

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

Source: BBC, 2022. Figures from HM Treasury spending forecasts for 2026-27

Overall, the reversals and changes announced have reduced the shortfall to around £39.7bn. As a result of the remaining shortfall, there will likely be austerity (spending cuts) introduced in the future. The IFS forecasts that to help close the funding gap from the 'mini budget' the government would have to reduce day-to-day spending on public services (outside of the NHS and defence) by 15%. Whilst the reversal of some of these policies have reduced the shortfall, and spending cuts may not have to be as large, spending cuts will still have to be made. This will impact on public services which have already faced almost a decade of austerity cuts. Moreover, government departments are already facing large cuts to services as they try to cost in inflationary pressures within their budgets.

Additionally, research from the University of Glasgow released this month, has found that austerity led to twice as many excess deaths as had been previously thought. Cuts to public services and living standards across Britain from 2010 to 2019 contributed to 335,000 excess deaths. There were actual overall falls in UK life expectancy between 2014 and 2018, with large falls for particular groups such as the poorest tenth of the population, although the health of people living in the best-off areas continued to improve. The majority that died prematurely were generally older. Pensions over this time rose only by £12 in real terms. The likelihood is that this winter will see a rise in excess deaths as inflation and energy prices continue to rise and with local authorities also set to face more cuts, there may be little capacity to provide the help that will be much needed by residents.

Redundancies at Royal Mail

Royal Mail has announced plans to make up to 6,000 people redundant by next August, blaming ongoing strike action and rising losses at the business. Royal Mail has said it plans to reduce its overall headcount by 10,000. 6,000 job losses will be through redundancies, whilst an additional 4,000 will be through natural attrition. Natural Attrition is when employees leave voluntarily, for instance they have a new job, they retire or they are going back to study, and their role is not replaced. The announcement comes following Communication Workers Union (CWU) beginning a fresh round of strikes over pay and conditions, which includes 19 days of industrial action, including Black Friday.

This year the Royal Mail expects to hit £350m in losses, forecasting that this could reach as high as £450m if deliveries continue to reduce and industrial action continues. The CWU says that the failure is not due to industrial action but as a result of gross mismanagement, the removal of daily delivery options, a reduction in the terms, pay and conditions of postal workers, and Royal Mail being transitioned into a gig economy courier. However, Royal Mail argues that every day of industrial action severely weakens their financial situation and the higher the number of strikes the greater the losses, and as a result, the higher the redundancies will be. During the first have of the year industrial action had directly accounted for at least £70m.

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

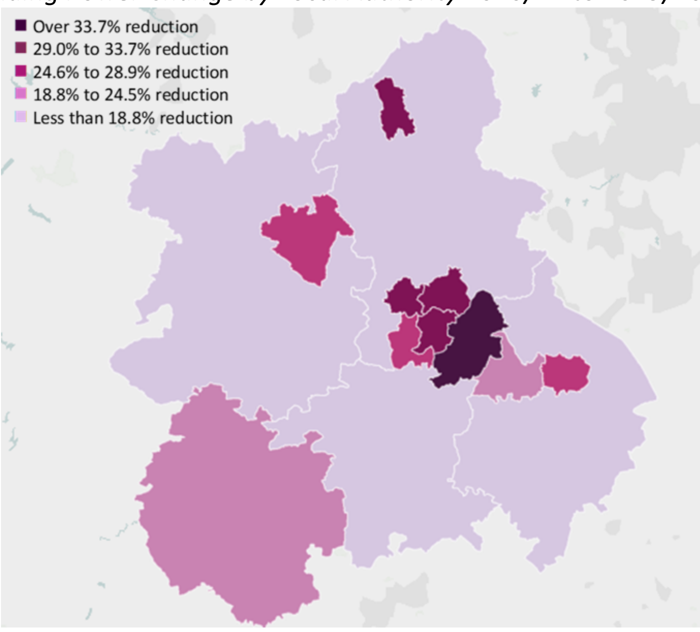
[Royal Mail](#) has also revealed that it will have to enter talks with the union because its legacy voluntary redundancy scheme, offering up to two years of pay, is now unaffordable. During, a cost-of-living crisis, when most are struggling to pay bills in employment, redundancy without their expected redundancy pay will leave many employees substantially financially vulnerable. The [CWU](#) has accused the Royal Mail of essentially holding postal workers to ransom for taking legal industrial action against a business approach which is not in the interest of the workers or consumers.

Regional

Spending Cuts

Between, 2010/11 and 2020/21 councils have faced dramatic decreases in their spending power. The graph below demonstrates how spending power of West Midlands single tier local authorities and councils has been impacted. Over this period, government funded spending power across England fell -52.3%. Given that this was the largest funding stream for local authorities, it had a large impact on spending powers for local authorities. Local authorities that generally have higher need and, therefore, higher spend, have seen the largest reduction is spending power. For instance, Birmingham has seen the largest reduction of -36.3%, compared to Warwickshire which saw a -13.4% reduction in spend.

Spending Power Change by Local Authority 2010/11 to 2019/20



Single Tier Local Authority and counties	Spending Power change between 2010/11 and 2020/21
Birmingham	-36.3%
Stoke-on-Trent	-33.3%
Wolverhampton	-32.8%
Sandwell	-32.1%
Walsall	-30.9%
Coventry	-29.0%
Dudley	-26.7%
Telford and Wrekin	-25.0%
Solihull	-24.4%
Herefordshire	-21.3%
Staffordshire	-18.1%
Worcestershire	-17.3%
Shropshire	-17.2%
Warwickshire	-13.4%

Source: [NAO](#), 2021

Already, local authorities in the region are struggling to fund services, with most discretionary services being dramatically cut over the period. Further cuts alongside rising inflation and energy bills may lead to serious issues with councils not only struggling to fund discretionary services but also essential ones. This will seriously impact mostly poor income households which rely heavily on local authority provided services. Moreover, demand on LA services has increased over this period, largely as a result of an aging population, with England seeing the number of people aged 85+ increase by 20.7%. Further reductions in LA spending, where there is a growing service need, increasing inflation driving up costs, and extensive cuts already dramatically reducing capacity, may bring some local authorities, especially where high need is concentrated, to their knees. The need for support will only grow as the cost-of-living crisis deepens.

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

Energy Price Cap reduction

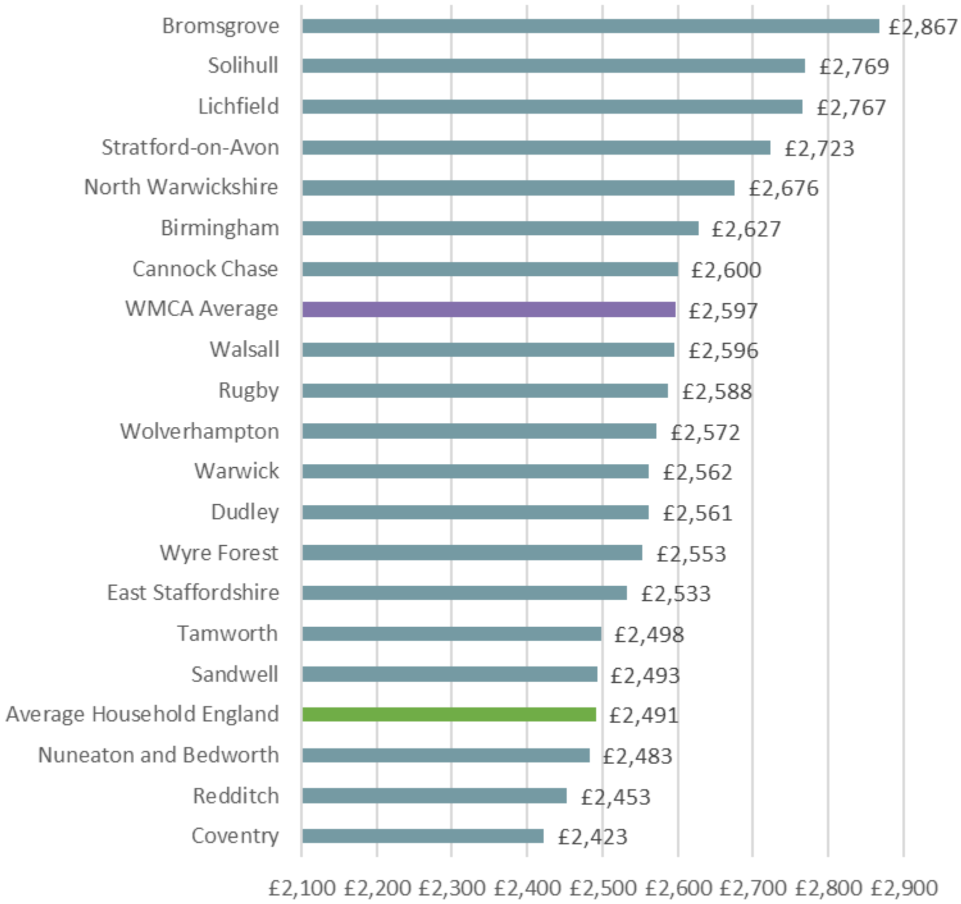
Alice Pugh, WMREDI

The removal of the energy price cap from April 2023 will have a massive impact on energy bills for households within the WMCA area. The West Midlands region has the largest number of fuel poor households within England, at 17.8%.

Current Cap

The current cap on electricity prices for the Midlands is around 32.121p per/kwh and for gas it is 9.842p per/kwh. Currently, the UK average for cap on electricity usage is 34p per/kwh and 10.3p per/kwh for gas according to OFGEM[1]. Including the standard charge, under the current price cap the average UK household pays around £2,491 per year on energy bills, based on the average gas usage of 12,000kwh per meter and electricity usage of 2,900kwh per meter. In the WMCA the average household under the current cap for regional prices pays around £2,597 per year, based on an average gas usage across the region of 12,455 per/kwh per meter and electricity an average electricity usage of 3,430 per/kwh per meter[2].

Energy Bills under the current price cap by Local Authority



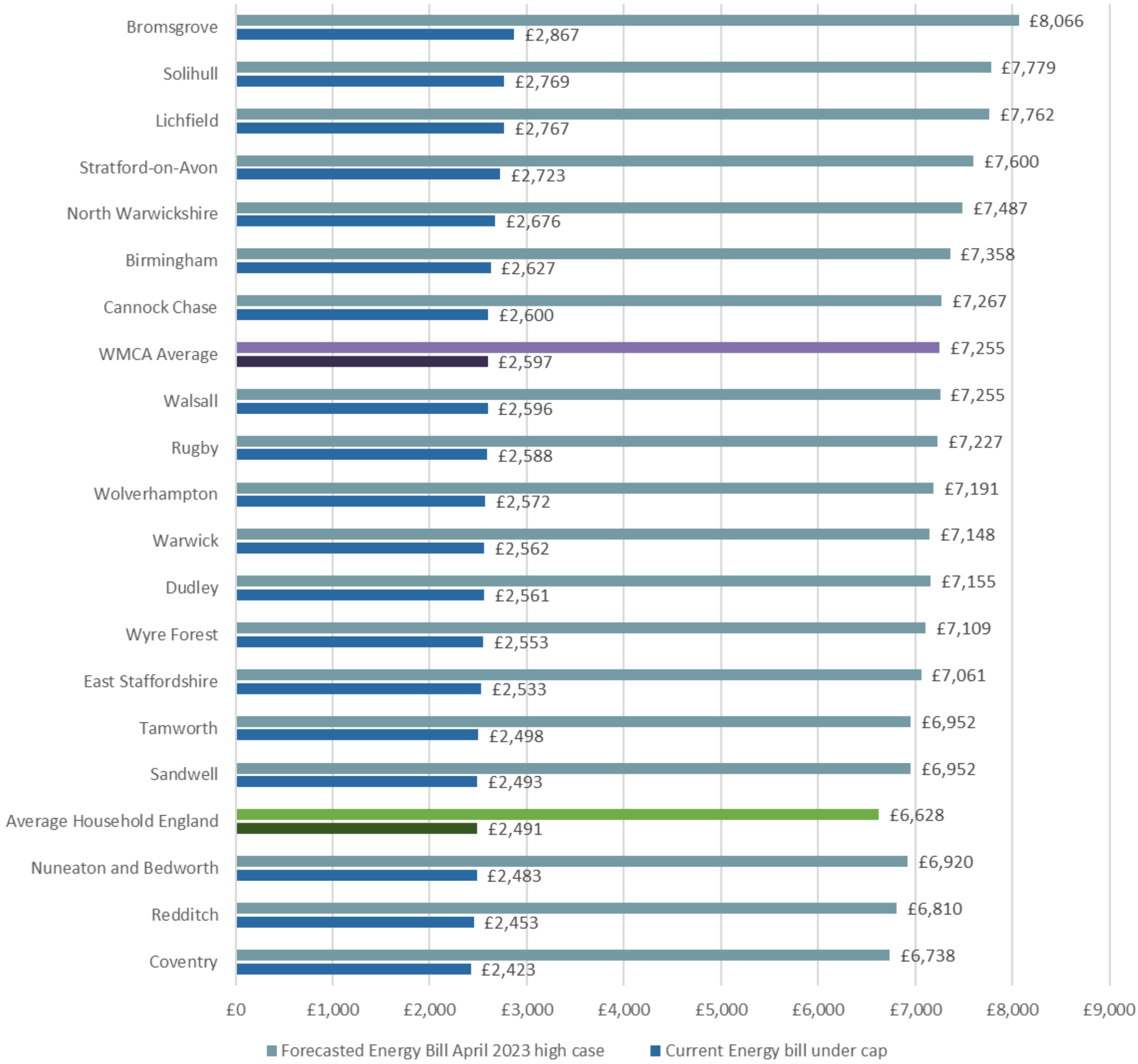
Average usage varies across the region by local authority. In Bromsgrove, for instance, average gas usage is 13,941kwh per meter with 3,816kwh per meter for electricity usage, leading to the average household in Bromsgrove paying around £2,867 on their average annual energy bill. In contrast, average usage for Coventry is much lower at an average gas usage of 11,773kwh per meter and electricity usage of 3,096kwh per meter - therefore the average bill in the region is currently around £2,423.

[1] These calculations are based on direct debit payments; rates will vary by payment method as well as region and meter type.
[2] 2019 consumption was used for this analysis, as it was thought the average 2020 (latest update) usage would be unusually high for domestic dwellings, due to lockdowns during the pandemic period. Figures energy usage estimates are from ONS Sub-national electricity consumption statistics 2005 to 2020 and Sub-national gas consumption statistics 2005 to 2020.

High Case

Cornwall Insight forecasts that by April 2023 the average price for gas could rise to 30.8p per/kwh in April and 91.8p per/kwh for electricity. Taking this as the high case, this would raise the England average annual household energy bill to £6,628, based on the retention of the same household usage and current standing charges[3], as seen in the figure below. This would be a 166% increase in energy bills compared to under the cap, and a 482% increase on the £1,138 price cap in April 2021. The average annual household energy bill for the WMCA will be £7,255 based on current usage and standing charges. This is a 179% increase in the average annual bill compared to under the price cap, and a 538% increase from on the England average £1,138 price cap in April 2021. A large part of the reason that there is expected to be a greater increase in the energy bill for the WMCA is due to higher electricity use, which is more expensive per/kwh than gas, with electricity expected to be 61p per/kwh more expensive than gas. On average electricity usage in the WMCA is 18.3% higher than the England average and gas usage is only around 3.8% higher than the England average.

Energy bills in the High Case comparative to energy bills under the current cap



Comparison across different cases

However, this is at the top end of forecast. Comparisons of different price increases can be seen below in the figure below. Different forecasted capped unit prices from Cornwall Insight were applied to compare potential price increase. These were the unit prices under the 3 cases:

[3] It is likely that the current standing charge will increase, but there is uncertainty around what the change in the rate will be, so the current rate was retained

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

- High Case: Cornwall Insight predict April prices could be as high as 91.8p per/kwh for electricity and 30.8p per/kwh for gas, these figures was used to forecast the high case.
- Central Case: Cornwall Insight have forecasted the October 2023 prices will be around 79.8p kwh/per for electricity and 27.8p per/kwh for gas.
- Low Case: Current Autumn 2022 energy prices without the cap, Cornwall Insight have forecasted would be around 51.9p per/kwh for electricity and 14.8p per/kwh for gas, this was used as the low case.

Comparison of Energy bills by high, central, and low cases, WMCA vs England Average

The current average yearly earnings for the WMCA area is £29,737 annually, the average WMCA energy bill under the cap is £2,597; this is equivalent to 8.7% of current earnings. If the cap is removed in April 2023, and energy bills increase to the low case of £3,893, this would be equivalent to 13.1% of annual earnings. The central case of £6,469, then energy bills as a proportion of earnings would be equivalent to 21.8% and in the high case of £7,225, it would be equivalent to 24.4% of earnings. The average England cap was £1,138 in April 2021; this was equivalent to 3.8% of earnings.

If energy bills reached the high case this would devastate many households in the region, especially given almost 1 in 5 are already fuel poor. There is a serious question as to how households will realistically afford this. Whilst there is expected to be targeted support from April to help those most in need, marked rises in energy bills will likely leave even middle-income households struggling from April. It should also be noted that the price per kwh for both electricity and gas is expected to decrease from July; however, the extent of the decrease will largely depend on the conflict in the Ukraine. If Russia continues with its invasion, then sanctions will remain in place and gas and electricity prices will remain high, as energy prices are set against the global market prices. The government faces limited options on interventions that can be implemented, given global energy prices and the fact that investment in new energy supplies will be too long-term to have an immediate impact. A further extension of the energy price guarantee (cap) would be expensive. This will leave the government with little room to manoeuvre in the coming months.

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

Birmingham Economic Review 2022: A Year of Change
WMREDI and Greater Birmingham Chambers of Commerce

Summary

Global events rock the economic landscape:

- Russia invades Ukraine: causing Europe's largest refugee crisis since WWII and a global food shortage. The international community imposes sanctions on Russia, pushing energy prices to historic highs.
- The fight against Covid-19 persists: with a varied global response causing unpredictable and volatile market conditions.

Businesses and individuals face challenges at home:

- Businesses report pressure to raise prices: The GBCC's Q2 Quarterly Business Report sees record levels of businesses reporting pressure to raise prices, driven by energy costs and staff shortages.
- The cost-of-living crisis bites: as the ONS report that inflation hits 9.9% in August 2022, driven by price increases in food, energy and fuel.
- The leadership of the UK changes: Rt Hon. Elizabeth Truss MP is appointed Prime Minister on 6th September, two days prior to the death of Her Majesty Queen Elizabeth II and succession of His Majesty King Charles III.
- The UK economy struggles to recover from the pandemic: Upwardly revised ONS estimates show the UK economy grew by 0.2% in Q2 2022 rather than contracted by 0.1% as previously thought. However, the economy was still 0.2% smaller than pre-pandemic (Q4 2019) and is the only G7 economy to not have recovered yet.

Population - a young and diverse city:

- A young and diverse population: Birmingham is the youngest city in Europe and home to 180 different nationalities. Almost one in two residents belong to an ethnic minority group and more than one in four were born overseas.
- Skills attainment continues to improve: the number of people at NVQ4+ increased from 31.8% in 2017 to 39.7% in 202. The number of people with no qualifications increased in 2021 to 8.7% but remains significantly lower than 2017 (10.3%).
- Regional unemployment rates have decreased from pandemic highs: the unemployment rate for the three months to July 2022 was 4.7% for the West Midlands, down from 6.5% in Q4 2020, although slightly up on Q1 2022 when the rate was 4.6%.
- A rise in economic inactivity contributes to tight labour markets: economic inactivity was declining across the city-region pre-pandemic and hit a low of 23.3% in 2020. It rose by 2.1 percentage points in 2021.
- High levels of deprivation: 41% of Birmingham's lower super output areas are in the top 10% most deprived nationally.

Connecting the city with new opportunities:

- High Speed 2: Construction of the London-Crewe High Speed 2 route is well underway, with almost 25,000 jobs, over 800 apprentices and more than 2,400 UK-registered businesses are already involved.
- Investment in sustainable transport: The Department for Transport has confirmed a five-year, £1.05 billion City Region Sustainable Transport Settlement for the West Midlands Combined Authority, intended to support further extension of the Metro, improvements to bus services, development of new rail stations, multi-modal transport accessibility, sustainable travel, infrastructure maintenance and the improvement of local networks.

- The legacy of the Birmingham 2022 Commonwealth Games: It's estimated hundreds of millions tuned in globally to watch the Games. Almost £800m of public investment continues to drive regeneration and investment across the city and the Business and Tourism Programme aims to continue the legacy of the Games by promoting the region's reputation as a leading destination for tourism, trade and investment.

Please follow the link here to access the full Birmingham Economic Review (BER)

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

Business Register and Employment Survey[4] – October 2022 Release

Black Country Consortium Economic Intelligence Unit

The following briefing is based on the number of employees.

Key Points:

- In the WMCA (3 LEP) area there were 1.88m jobs in 2021. Since 2020, this represents an increase of 1.4% (+26,000 jobs), below the national rate of increase (+3.1%). In 2021, there were nearly 1.29m full-time employees and 594,000 part-time employees in the WMCA (3 LEP) area. When compared to 2020, full-time employee jobs increased by 1.2% (England +3.6%) while part-time increased by 1.4% (England +2.1%).
- In 2021, there were over 1.28m jobs in the WM 7 Met. area, an increase of 2.2% (+28,000 jobs) from 2020. There were approximately 874,000 full-time employees and 408,000 part-time employees in 2021, which represents an increase from 2020 of 1.5% for full-time employees and an increase of 3.3% for part-time employees.
- In the WMCA (3 LEP) area, the business, professional and financial services sector accounts for the highest percentage of jobs at 18.6% (approximately 349,150 jobs); this is also the highest sector nationally at 21.6% in 2021. In the WMCA (3 LEP) area, this sector's jobs decreased by 6.0% (-22,195) between 2020 and 2021.

Full Briefing:

- In the WMCA (3 LEP) area there were 1.88m jobs in 2021. Since 2020, this represents an increase of 1.4% (+26,000 jobs), below the national rate of increase (+3.1%). In 2021, there were nearly 1.29m full-time employees and 594,000 part-time employees in the WMCA (3 LEP) area. When compared to 2020, full-time employee jobs increased by 1.2% (England +3.6%) while part-time increased by 1.4% (England +2.1%).
- In 2021, there were over 1.28m jobs in the WM 7 Met. area, an increase of 2.2% (+28,000 jobs) from 2020. There were approximately 874,000 full-time employees and 408,000 part-time employees in 2021, which represents an increase from 2020 of 1.5% for full-time employees and an increase of 3.3% for part-time employees.

- Out of the 19 local authorities within the WMCA (3 LEP) area, 13 experienced an increase in the number of jobs (with an additional 3 local authorities with no change) between 2020 and 2021. There were 532,000 employees in Birmingham in 2021, an increase of 3.3% (+17,000), which was the largest increase in real terms. In percentage terms, the largest increase was in Wyre Forest at +8.8% (+3,000) to reach 37,000 in 2021. The strong increase was due to growth of 9.1% (+2,000 to 24,000) in full-time employees.
- In contrast, Bromsgrove had 41,000 jobs in 2021, a decrease of 19.6% (-10,000) since 2020. There was a decrease of 21.2% (-7,000 to 26,000) for full-time employees and a decrease of 22.2% (-4,000 to 14,000) for part-time employees.
- In the Black Country LEP area, there were approximately 446,000 jobs in 2021, an increase of 2.3% since 2020. There were approximately 299,000 full-time employees and 147,000 part-time employees in 2021. The increase in jobs since 2020 in the Black Country LEP area was due to part-time jobs increasing by 4.3% (+6,000) while full-time jobs increased by 1.4% (+4,000).
- In the Coventry and Warwickshire LEP area, there were approximately 466,000 jobs in 2021, an increase of 1.7% since 2020. There were approximately 322,000 full-time employees and 144,000 part-time employees in 2021. The increase in jobs since 2020 in Coventry and Warwickshire LEP area was due to part-time jobs increasing by 2.9% (+4,000) and full-time jobs increasing by 0.9% (+3,000).
- In Greater Birmingham and Solihull LEP, there were approximately 970,000 jobs in 2021, increasing by 0.8% (+8,000) since 2020. There were approximately 665,000 full-time employees and 303,000 part-time employees in 2021. Part-time jobs decreased by 0.7% (-2,000), but full-time jobs increased by 1.2% (+8,000).

---

[4] Office for National Statistics (ONS)/Nomis, Business Register and Employment Survey (BRES), October 2022

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

Jobs (split by full-time and part-time) and change within the WMCA (3 LEP) and England for 2020 and 2021[5]:

	Employees 2020	Employees 2021	Employees Change	Full-time employees 2020	Full-time employees 2021	Full-time employees Change	Part-time employees 2020	Part-time employees 2021	Pull-time employees Change
Birmingham	515,000	532,000	3.3%	360,000	368,000	2.2%	156,000	164,000	5.1%
Bromsgrove	51,000	41,000	-19.6%	33,000	26,000	-21.2%	18,000	14,000	-22.2%
Cannock Chase	39,000	42,000	7.7%	26,000	29,000	11.5%	13,000	13,000	0.0%
Coventry	162,000	163,000	0.6%	111,000	111,000	0.0%	51,000	51,000	0.0%
Dudley	112,000	116,000	3.6%	73,000	72,000	-1.4%	39,000	44,000	12.8%
East Staffordshire	66,000	60,000	-9.1%	42,000	43,000	2.4%	23,000	17,000	-26.1%
Lichfield	47,000	49,000	4.3%	31,000	33,000	6.5%	16,000	16,000	0.0%
North Warwickshire	45,000	46,000	2.2%	35,000	35,000	0.0%	11,000	11,000	0.0%
Nuneaton and Bedworth	44,000	47,000	6.8%	28,000	30,000	7.1%	16,000	17,000	6.3%
Redditch	39,000	38,000	-2.6%	28,000	26,000	-7.1%	11,000	11,000	0.0%
Rugby	49,000	50,000	2.0%	35,000	35,000	0.0%	14,000	15,000	7.1%
Sandwell	121,000	124,000	2.5%	85,000	88,000	3.5%	36,000	36,000	0.0%
Solihull	142,000	142,000	0.0%	95,000	96,000	1.1%	47,000	46,000	-2.1%
Stratford-on-Avon	69,000	70,000	1.4%	48,000	50,000	4.2%	21,000	21,000	0.0%
Tamworth	29,000	29,000	0.0%	20,000	20,000	0.0%	9,000	9,000	0.0%
Walsall	100,000	100,000	0.0%	67,000	66,000	-1.5%	33,000	34,000	3.0%
Warwick	89,000	90,000	1.1%	62,000	61,000	-1.6%	27,000	29,000	7.4%
Wolverhampton	103,000	106,000	2.9%	70,000	73,000	4.3%	33,000	33,000	0.0%
Wyre Forest	34,000	37,000	8.8%	22,000	24,000	9.1%	12,000	13,000	8.3%
WM 7 Met.	**1,255,000**	**1,283,000**	**2.2%**	**861,000**	**874,000**	**1.5%**	**395,000**	**408,000**	**3.3%**
Black Country LEP	436,000	446,000	2.3%	295,000	299,000	1.4%	141,000	147,000	4.3%
Coventry and Warwickshire LEP	458,000	466,000	1.7%	319,000	322,000	0.9%	140,000	144,000	2.9%
Greater Birmingham and Solihull LEP	962,000	970,000	0.8%	657,000	665,000	1.2%	305,000	303,000	-0.7%
WMCA (3 LEP)	**1,856,000**	**1,882,000**	**1.4%**	**1,271,000**	**1,286,000**	**1.2%**	**586,000**	**594,000**	**1.4%**
England	25,793,000	26,601,000	3.1%	17,580,000	18,217,000	3.6%	8,213,000	8,383,000	2.1%

Jobs by Sector[6]

- In 2021, the WMCA (3 LEP) area had a higher proportion of jobs than the national proportion in six sectors, these were; advanced manufacturing and engineering (9.8% vs 7.1%), construction (7.4% vs 7.3%), life sciences and healthcare (14.5% vs 14.2%), logistics & transport technologies (6.1% vs 5.2%), low carbon and environmental technologies (1.8% vs 1.7%) and retail (16.0% vs 14.6%).

- In the WMCA (3 LEP) area, the business, professional and financial services sector accounts for the highest percentage of jobs at 18.6% (approximately 349,150 jobs); this is also the highest sector nationally at 21.6% in 2021.

- Out of the ten sectors, jobs decreased in 3 in the WMCA (3 LEP) area between 2020 and 2021. Advanced manufacturing decreased by 2.3% (-4,280) to 183,560 jobs, construction decreased by 5.4% (-7,890) to 139,150 and business, professional and financial services decreased by 6.0% (-22,195).

- The sector to report the largest number increase in jobs between 2020 and 2021 was life sciences & healthcare (+19,790), followed by tourism (+18,320).

[5] LEP figures may not sum due to rounding

[6] Please note, when broken down by 2-digit SIC code for sectors the figures will vary and when all sectors added together it will not equal the overall figure. The overall figure is also subject to rounding.

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

Jobs per sector for the WMCA (3 LEP) area and England between 2020 and 2021:

	WMCA (3 LEP) 2020	WMCA (3 LEP) 2021	WMCA (3 LEP) Change	WMCA (3 LEP) Change	WMCA (3 LEP) % of 2021 Total	Eng. 2020	Eng. 2021	Eng. Change	Eng. % of 2021 Total
Advanced Manufacturing	187,840	183,560	-4,280	-2.3%	9.8%	1,888,020	1,885,250	-0.1%	7.1%
Business, Professional & Financial Services	371,345	349,150	-22,195	-6.0%	18.6%	5,454,000	5,745,000	5.3%	21.6%
Construction	147,265	139,375	-7,890	-5.4%	7.4%	1,856,300	1,942,200	4.6%	7.3%
Creative & Cultural	65,215	76,495	11,280	17.3%	4.1%	1,416,000	1,465,000	3.5%	5.5%
Life Sciences & Healthcare	252,555	272,345	19,790	7.8%	14.5%	3,613,000	3,770,000	4.3%	14.2%
Logistics & Transport Technologies	113,995	114,270	275	0.2%	6.1%	1,340,000	1,385,000	3.4%	5.2%
Low Carbon & Environmental Technologies	29,095	33,790	4,695	16.1%	1.8%	455,000	447,500	-1.6%	1.7%
Public Sector inc. Education	251,025	255,050	4,025	1.6%	13.6%	3,562,000	3,639,000	2.2%	13.7%
Retail	297,025	301,510	4,485	1.5%	16.0%	3,932,000	3,888,000	-1.1%	14.6%
Tourism	135,695	154,015	18,320	13.5%	8.2%	2,278,000	2,437,000	7.0%	9.2%
Total	**1,851,055**	**1,879,560**	**28,505**	**1.5%**	**100%**	**25,794,320**	**26,603,950**	**3.1%**	**100%**

Annual Survey of Hours and Earnings (ASHE) 2022[7]
Black Country Consortium Economic Intelligence Unit

Resident and work-based figures are for the WMCA (3 LEP) area are based on an average of the local authorities' earnings within the set geography.

In Summary:

- Average full-time resident annual earnings for the WMCA (3 LEP) rose by £1,857 (+6.1%) since April 2021 to reach £32,417 in April 2022, the UK increased by 5.7%. The WMCA (3 LEP) workplace earnings are at 98.2% of the UK average, with the average resident earning £583 less than the UK average of £33,000.
- Average full-time workplace annual earnings for the WMCA (3 LEP) rose by £1,349 (+4.4%) since April 2021 to reach £31,794 in April 2022, the UK increased by 5.7%. The WMCA (3 LEP) workplace earnings are at 96.3% of the UK average, with the average workplace earning £1,206 less than the UK average of £33,000.

- Full-time resident annual earnings for the WM 7 Met. area was £30,634 in April 2022, an increase of 5.1% (+£1,492) from April 2021. The WM 7 Met. area full-time resident earnings were £2,366 below the UK-wide figure.
- Full-time workplace annual earnings for the WM 7 Met. area was £33,237 in April 2022, an increase of 7.6% (+£2,351) from April 2021. The WM 7 Met. area full-time resident earnings were £237 above the UK-wide figure.
- In 2022, for the WM 7 Met. area, there was a higher median full-time gender pay gap for work based at 13.4% compared to 10.1% for home based, both proportions were above the UK-wide median full-time gender pay gap of 8.3%.

- For the West Midlands region, in April 2022, there were approximately 50,000 employee jobs with employees aged 16 years and over who were paid below the NMW or NLW (2.1% of employee jobs). This compares with 100,000 (4.4% of employee jobs) in 2021, 188,000 (8.3% of employee jobs) in 2020 and 38,000 (1.6% of employee jobs) in 2019.
- At a more local level geography, National Living Wage Foundation can be used as a proxy. For the WM 7 Met. area, for all employee jobs, 3.5% were earning below the Living Wage Foundation rates. This rises to 5.5% for full-time employees and drops to 4.2% for part-time employees.

Full Brief:
Resident Based

- Average full-time resident annual earnings for the WMCA (3 LEP) rose by £1,857 (+6.1%) since April 2021 to reach £32,417 in April 2022, the UK increased by 5.7%. The WMCA (3 LEP) workplace earnings are at 98.2% of the UK average, with the average resident earning £583 less than the UK average of £33,000.

- Full-time resident annual earnings for the WM 7 Met. area was £30,634 in April 2022, an increase of 5.1% (+£1,492) from April 2021. The WM 7 Met. area full-time resident earnings were £2,366 below the UK-wide figure.

- Within the WMCA (3 LEP), the Black Country LEP resident annual full-time earnings increased by 2.3% (+£658) to reach £28,824. Coventry and Warwickshire LEP increased by 8.3% (+£2,668) to reach £34,648 and Greater Birmingham and Solihull LEP increased by 5.8% (+1,729) to reach £31,793.

- At local authority level within the WMCA (3 LEP), resident full-time earnings vary from £26,851 in Redditch to £37,042 in Solihull in April 2022. Tamworth had the highest increase from April 2021 by 21.6% which equated to

[7] Sources: Office for National Statistics - Annual Survey of Hours and Earnings - Employee earnings in the UK: 2022, low and high pay in the UK: 2022 and gender pay gap in the UK: 2022; released October 2022
Please note, Over the coronavirus pandemic period, earnings estimates were affected by changes in composition of the workforce and the impact of the Coronavirus Job Retention Scheme (furlough) making interpretation difficult; also data collection disruption and lower response rates mean that, for 2020 and 2021, data were subject to more uncertainty and should be treated with caution; it is encouraged to focus on long-term trends rather than year-on-year changes.

£5,958 to reach £33,481 in April 2022. There were two local authorities which experienced a decrease compared to April 2021; Walsall by 0.2% (-£71 to £28,373) and Cannock Chase by 1.1% (-£223 to £29,035).

There were nine local authorities within the WMCA (3 LEP) that were above the UK figure which can be seen in the following table:

Full-Time Annual Resident Earnings:

	2021	2022	Percentage Change	Number Change
Birmingham	£28,884	£30,744	6.4%	£1,860
Bromsgrove	£34,593	£36,811	6.4%	£2,218
Cannock Chase	£29,368	£29,035	-1.1%	-£333
Coventry	£30,663	£33,887	10.5%	£3,224
Dudley	£29,298	£30,417	3.8%	£1,119
East Staffordshire	£28,054	£31,373	11.8%	£3,319
Lichfield	£35,042	£36,006	2.8%	£964
North Warwickshire	£31,145	£33,955	9.0%	£2,810
Nuneaton and Bedworth	£28,853	£29,974	3.9%	£1,121
Redditch	£25,723	£26,851	4.4%	£1,128
Rugby	£33,386	£35,305	5.7%	£1,919
Sandwell	£26,615	£27,471	3.2%	£856
Solihull	£35,515	£37,042	4.3%	£1,527
Stratford-on-Avon	£34,610	£36,950	6.8%	£2,340
Tamworth	£27,523	£33,481	21.6%	£5,958
Walsall	£28,444	£28,373	-0.2%	-£71
Warwick	£36,238	£36,670	1.2%	£432
Wolverhampton	£27,993	£29,855	6.7%	£1,862
Wyre Forest	£28,700	£31,721	10.5%	£3,021
WM 7 Met.	**£29,142**	**£30,634**	**5.1%**	**£1,492**
Black Country LEP	£28,166	£28,824	2.3%	£658
Coventry and Warwickshire LEP	£31,980	£34,648	8.3%	£2,668
Greater Birmingham and Solihull LEP	£30,064	£31,793	5.8%	£1,729
WMCA (3 LEP)	**£30,560**	**£32,417**	**6.1%**	**£1,857**
West Midlands Region	£29,662	£31,399	5.9%	£1,776
United Kingdom	£31,224	£33,000	5.7%	£1,776

- Due to data availability, WMCA (3 LEP) has been excluded from analysis for resident part-time annual earnings analysis. The WM 7 Met. area part-time annual earnings were £12,226, in April 2022, this has increased by 8.1% (+£916). The UK increased by 8.6% (+£967) over this period to reach £12,247, meaning the WM 7 Met. area had lower part time earnings by £21.
- The Black Country LEP resident part time earnings increased by 9.4% (+£1,049) to £12,165. Coventry and Warwickshire LEP increased by 6.7% (+£814) to reach £13,003 and Greater Birmingham and Solihull LEP increased by 7.3% (+£818) to reach £11,974.

Workplace Based

- Average full-time workplace annual earnings for the WMCA (3 LEP) rose by £1,349 (+4.4%) since April 2021 to reach £31,794 in April 2022, the UK increased by 5.7%. The WMCA (3 LEP) workplace earnings are at 96.3% of the UK average, with the average workplace earning £1,206 less than the UK average of £33,000.

- Full-time workplace annual earnings for the WM 7 Met. area was £33,237 in April 2022, an increase of 7.6% (+£2,351) from April 2021. The WM 7 Met. area full-time resident earnings were £237 above the UK-wide figure.

- Within the WMCA (3 LEP), the Black Country LEP workplace annual full-time earnings increased by 2.5% (+£734) to reach £29,502. Coventry and Warwickshire LEP increased by 2.5% (+£794) to reach £32,686 and Greater Birmingham and Solihull LEP increased by 8.2% (+£2,518) to reach £33,193.

- At local authority level within the WMCA (3 LEP), workplace full-time earnings vary from £27,033 in Nuneaton and Bedworth to £40,723 in Solihull in April 2022. Tamworth had the highest increase from April 2021 by 23.2% which equated to £5,889 to reach £31,248 in April 2022. There were four local authorities which experienced a decrease compared to April 2021; Wyre Forest by 0.2% (-£50 to £27,527), Cannock Chase by 3.6% (-£1,013 to £27,121), Stratford-on-Avon by 3.9% (-£1,255 to £31,190) and Redditch by 14.6% (-£4,630 to £27,062).

There were four local authorities within the WMCA (3 LEP) that were above the UK figure which can be seen in the following table:

Full-time Annual Workplace Earnings:

	2021	2022	Percentage Change	Number Change
Birmingham	£31,987	£33,924	6.1%	£1,937
Bromsgrove	£28,584	£29,285	2.5%	£701
Cannock Chase	£28,134	£27,121	-3.6%	-£1,013
Coventry	£33,313	£33,722	1.2%	£409
Dudley	£29,926	£31,047	3.7%	£1,121
East Staffordshire	£28,123	£30,140	7.2%	£2,017
Lichfield	£26,436	£27,124	2.6%	£688
North Warwickshire	£28,647	£31,431	9.7%	£2,784
Nuneaton and Bedworth	£25,522	£27,033	5.9%	£1,511
Redditch	£31,692	£27,062	-14.6%	-£4,630
Rugby	£35,745	£35,929	0.5%	£184
Sandwell	£27,547	£27,581	0.1%	£34
Solihull	£35,486	£40,723	14.8%	£5,237
Stratford-on-Avon	£32,445	£31,190	-3.9%	-£1,255
Tamworth	£25,359	£31,248	23.2%	£5,889
Walsall	£29,064	£29,415	1.2%	£351
Warwick	£30,594	£31,909	4.3%	£1,315
Wolverhampton	£28,441	£30,531	7.4%	£2,090
Wyre Forest	£27,577	£27,527	-0.2%	-£50
WM 7 Met.	**£30,886**	**£33,237**	**7.6%**	**£2,351**
Black Country LEP	£28,768	£29,502	2.5%	£734
Coventry and Warwickshire LEP	£31,892	£32,686	2.5%	£794
Greater Birmingham and Solihull LEP	£30,675	£33,193	8.2%	£2,518
WMCA (3 LEP)	**£30,445**	**£31,794**	**4.4%**	**£1,349**
West Midlands Region	£29,893	£31,601	5.7%	£1,708
United Kingdom	£31,224	£33,000	5.7%	£1,776

- Due to data availability, WMCA (3 LEP) has been excluded from analysis for workplace part-time annual earnings analysis. The WM 7 Met. area part-time annual earnings were £12,546, in April 2022, this has increased by 8.8% (+£1,014). The UK increased by 8.6% (+£967) over this period to reach £12,247, meaning the WM 7 Met. area had higher part time earnings by £299.

- The Black Country LEP resident part time earnings increased by 9.0% (+£990) to £12,026. Coventry and Warwickshire LEP increased by 2.3% (+£280) to reach £12,543 and Greater Birmingham and Solihull LEP increased by 11.6% (+£1,299) to reach £12,497.

National Minimum Wage and National Living Wage – West Midlands Region

- In the UK in April 2022, there were approximately 509,000 employee jobs with employees aged 16 years and over who were paid below the National Minimum Wage (NMW) or National Living Wage (NLW) (1.7% of employee jobs). This compares with 1,097,000 (3.9% of employee jobs) in 2021, 2,085,000 (7.4% of employee jobs) in 2020 and 409,000 (1.4% of employee jobs) in 2019. As many employees were furloughed with reduced pay in 2020 and 2021, the proportion of employee jobs below the NMW was higher in these years. The proportion of employees below the NMW in 2022 has returned to levels similar to those seen before the coronavirus pandemic.

- For the West Midlands region, in April 2022, there were approximately 50,000 employee jobs with employees aged 16 years and over who were paid below the NMW or NLW (2.1% of employee jobs). This compares with 100,000 (4.4% of employee jobs) in 2021, 188,000 (8.3% of employee jobs) in 2020 and 38,000 (1.6% of employee jobs) in 2019.

- At a more local level geography, National Living Wage Foundations rates (work based) can be used. For the WM 7 Met. area, for all employee jobs, 3.5% were earning below the Living Wage Foundation rates. This rises to 5.5% for full-time employees and drops to 4.2% for part-time employees.

Gender Pay Gap

The gender pay gap is defined as the difference between men's and women's hourly earnings as a percentage of men's earnings. The following analysis is based on full-time employees.

- In 2022, for the WM 7 Met. area, there was a higher median full-time gender pay gap for work based at 13.4% compared to 10.1% for home based, both proportions were above the UK-wide median full-time gender pay gap of 8.3%.

- The Black Country LEP had a higher gender pay gap for home based (4.4%) than work based (1.7%). While the Coventry and Warwickshire LEP had a higher median gender pay gap for work based (15.3%) compared to home based (13.0%). Greater Birmingham and Solihull LEP also had a higher median gender pay gap for work based (16.1%) compared to home based (12.1%).

- Notably at local authority level within the WMCA, Sandwell had a negative full-time gender pay gap at 0.1% for home based and negative 2.2% for work based. Wolverhampton had a negative full-time gender pay gap at 3.9% for home based and negative 2.8% for work based. While Redditch had a negative full-time gender pay gap at 7.4% for home based, it was positive (+12.9%) for work based. Tamworth had a positive full-time gender pay gap at 15.1% for home based and but was negative (-16.4%) for work based.

Median gender pay gap for full-time employee jobs, 2022:

	Home Based	Work Based
Birmingham	13.7%	18.4%
Bromsgrove	18.3%	1.9%
Cannock Chase	2.5%	6.2%
Coventry	17.0%	16.7%
Dudley	10.1%	2.4%
East Staffordshire	17.5%	14.0%
Lichfield	14.0%	2.9%
North Warwickshire	17.8%	5.9%
Nuneaton and Bedworth	12.3%	22.2%
Redditch	-7.4%	12.9%
Rugby	2.6%	28.1%
Sandwell	-0.1%	-2.2%
Solihull	17.5%	22.2%
Stratford-on-Avon	10.0%	20.5%
Tamworth	15.1%	-16.4%
Walsall	7.5%	7.9%
Warwick	15.4%	15.8%
Wolverhampton	-3.9%	-2.8%
Wyre Forest	7.1%	6.8%
WM 7 Met.	**10.1%**	**13.4%**
Black Country LEP	4.4%	1.7%
Coventry and Warwickshire LEP	13.0%	15.3%
Greater Birmingham and Solihull LEP	12.1%	16.1%
West Midlands Region	9.9%	10.8%
United Kingdom	8.3%	8.3%

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

Gross Disposable Household Income, 2020 – Released October 2022[8]

Black Country Consortium Economic Intelligence Unit

Introduction

Gross Disposable Household Income (GDHI) is the amount of money that all of the individuals in the household sector have available for spending or saving after they have paid direct and indirect taxes and received any direct benefits. GDHI is a concept that is seen to reflect the "material welfare" of the household sector. GDHI estimates are produced in current prices.

It should be noted that these estimates relate to totals for all individuals within the household sector for a region rather than to an average household or family unit. GDHI per head are estimates of values for each person, not each household.

Key Points:

- The WMCA (3 LEP) total GDHI increased from £74.4bn in 2019 to £75.2bn in 2020. This equates to a 1.1% (+£785m) annual increase, above UK-wide growth of 0.3%.
- The WMCA (3 LEP) GDHI per head has increased from £17,743 in 2019 to £17,841 in 2020. This equates to a 0.6% (+£98) increase, above the UK-wide decline of 0.2%. There is a shortfall of £3,599 to the UK figure (£21,440).
- The WM 7 Met. total GDHI increased from £47.3bn in 2019 to £48.1bn in 2020, equating to an increase of 1.8% (+£836m).
- The WM 7 Met. GDHI per head increased from £16,147 to £16,369 between 2020 and 2021, an increase of 1.4% (+£222). This is in contrast to a small decrease across the UK overall (-0.2%).

Full Brief:

Total Gross Disposable Household Income (GDHI)

- The WMCA (3 LEP) area, total GDHI increased from £74.4bn in 2019 to £75.2bn in 2020. This equates to a 1.1% (+£785m) annual increase, above UK-wide growth of 0.3%.
- The WM 7 Met. total GDHI increased from £47.3bn in 2019 to £48.1bn in 2020, equating to an increase of 1.8% (+£836m).
- Within the WMCA (3 LEP) area, 12 local authorities experienced an increase in total GDHI between 2019 and 2020. Wolverhampton had the highest percentage GDHI increase, reporting 2.8% growth (+£116m) to £4.2bn. This was followed by Birmingham, increasing by 2.3% (+£415m) to nearly £18.1bn. Stratford-on-Avon saw the largest decline, at 2.3% (-£87m to £3.7bn).
- Black Country LEP total GDHI has increased from £18.8bn to £19.1bn, an increase of 1.8% (+£341m).
- Coventry and Warwickshire LEP total GDHI has increased from £18.9bn to £19.0bn, an increase of 0.3% (+£58m).
- Greater Birmingham and Solihull LEP total GDHI has increased from £36.7bn to £37.1bn, an increase of 1.1% (+£386m).

GDHI at current basic prices (£m) by area, 2019 and 2020

	2019	2020	Num. Change	Percentage Change
Birmingham	£17,661	£18,076	£415	2.3%
Bromsgrove	£2,375	£2,372	-£3	-0.1%
Cannock Chase	£1,714	£1,741	£27	1.6%
Coventry	£5,693	£5,803	£110	1.9%
Dudley	£5,401	£5,481	£80	1.5%
East Staffordshire	£2,332	£2,359	£27	1.2%
Lichfield	£2,455	£2,408	-£47	-1.9%

[8] Source: Office for National Statistics (ONS): Regional Gross Disposable Household Income, UK: 1997 to 2020 – released October 2022

North Warwickshire	£1,236	£1,240	£4	0.3%
Nuneaton and Bedworth	£2,310	£2,352	£42	1.8%
Redditch	£1,678	£1,659	-£19	-1.1%
Rugby	£2,265	£2,287	£22	1.0%
Sandwell	£4,814	£4,921	£107	2.2%
Solihull	£5,155	£5,125	-£30	-0.6%
Stratford-on-Avon	£3,773	£3,686	-£87	-2.3%
Tamworth	£1,349	£1,377	£28	2.1%
Walsall	£4,472	£4,510	£38	0.8%
Warwick	£3,669	£3,636	-£33	-0.9%
Wolverhampton	£4,091	£4,207	£116	2.8%
Wyre Forest	£1,986	£1,974	-£12	-0.6%
WM 7 Met.	**£47,287**	**£48,123**	**£836**	**1.8%**
Black Country LEP	£18,778	£19,119	£341	1.8%
Coventry and Warwickshire LEP	£18,946	£19,004	£58	0.3%
Greater Birmingham and Solihull LEP	£36,705	£37,091	£386	1.1%
WMCA (3 LEP)	**£74,429**	**£75,214**	**£785**	**1.1%**
United Kingdom	£1,434,461	£1,438,237	£3,776	0.3%

Components of Total GDHI

In 2020, the WMCA (3 LEP) area balance of primary incomes[9] totalled £79.2bn, the balance of secondary incomes[10] totalled -£6.0bn, leading to total GDHI of £48.1bn.

Breakdown of GDHI components for 2020 for the WMCA (3 LEP) and UK (figures are in millions)

Transaction	WMCA (3 LEP)	UK
Operating surplus	£7,980	£180,449
Mixed income	£6,034	£145,517
Compensation of employees	£58,416	£1,125,796
Property income, received	£7,769	£178,399
Primary resources total	£80,202	£1,630,161
Property income, paid	£953	£19,154
Primary uses total	£953	£19,154
Balance of primary incomes	£79,249	£1,611,007
Imputed social contributions/Social benefits received	£22,946	£403,094
Other current transfers, received	£2,231	£38,842
Secondary resources total	£25,175	£441,936
Current taxes on income, wealth etc	£10,981	£248,694
Social contributions/Social benefits paid	£17,242	£314,860
Other current transfers, paid	£2,963	£51,152
Secondary uses total	£31,182	£614,706
Balance of secondary income	-£6,007	-£172,770
Gross Disposable Income	£73,240	£1,438,237

GDHI per Head

- The WMCA (3 LEP) area GDHI per head increased from £17,743 in 2019 to £17,841 in 2020. This equated to a 0.6% (+£98) increase, above the UK-wide decline of 0.2%. There is still a shortfall of £3,599 between the WMCA (3 LEP) area and UK figure (£21,440).
- The WM 7 Met. area GDHI per head increased from £16,147 to £16,369 between 2020 and 2021, an increase of 1.4% (+£222).

[9] The allocation of primary income account for the household sector reflects incomes and outgoings arising as part of the production process or through the ownership of assets required for production. Balance of primary income = primary resources less primary uses.

[10] The secondary distribution of income account reflects money transferred to, or from, households unrelated to a productive activity. This includes government redistribution of primary income and traces the various transfers that occur subsequent to the allocation of primary income. Balance of secondary income = secondary resources less secondary uses.

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

- Within the WMCA (3 LEP), Birmingham had the highest percentage GDHI per person increase of all local authority areas, reporting 2.5% growth (+£381) to £15,849, which is £5,591 below the UK. In contrast, GDHI per person decreased in ten local authorities: Stratford-on-Avon (-4.0%), Lichfield (-2.7%) and Warwick (-1.7%) saw the largest percentage decreases. In five WMCA (3 LEP) local authorities, GDHI per head is above the UK-wide figure in 2020, with Stratford-on-Avon at £6,399 above. Sandwell has the lowest GDHI per head at £14,956, which was £6,484 below the UK average.

GDHI per head at current basic prices by area, 2019 and 2020

	2019	2020	Num. Change	Percentage Change
Birmingham	£15,468	£15,849	£381	2.5%
Bromsgrove	£23,778	£23,583	-£195	-0.8%
Cannock Chase	£17,014	£17,154	£140	0.8%
Coventry	£15,324	£15,296	-£28	-0.2%
Dudley	£16,795	£17,003	£208	1.2%
East Staffordshire	£19,471	£19,508	£37	0.2%
Lichfield	£23,436	£22,796	-£640	-2.7%
North Warwickshire	£18,945	£18,938	-£7	0.0%
Nuneaton and Bedworth	£17,787	£18,044	£257	1.4%
Redditch	£19,682	£19,392	-£290	-1.5%
Rugby	£20,794	£20,671	-£123	-0.6%
Sandwell	£14,656	£14,956	£300	2.0%
Solihull	£23,823	£23,566	-£257	-1.1%
Stratford-on-Avon	£29,003	£27,839	-£1,164	-4.0%
Tamworth	£17,588	£17,910	£322	1.8%
Walsall	£15,666	£15,731	£65	0.4%
Warwick	£25,521	£25,089	-£432	-1.7%
Wolverhampton	£15,533	£15,911	£378	2.4%
Wyre Forest	£19,610	£19,519	-£91	-0.5%
WM 7 Met.	**£16,147**	**£16,369**	**£222**	**1.4%**
Black Country LEP	£15,663	£15,899	£236	1.5%
Coventry and Warwickshire LEP	£19,955	£19,731	-£224	-1.1%
Greater Birmingham and Solihull LEP	£17,935	£18,091	£157	0.9%
WMCA (3 LEP)	**£17,743**	**£17,841**	**£98**	**0.6%**
United Kingdom	£21,475	£21,440	-£35	-0.2%

WMREDI Policy Briefing: Financial Resilience During Economic Decline

Dr Amir Qamar, Dr Emma Gardner, Professor Anne Green and Professor Simon Collinson, WMREDI

In this policy briefing, Dr Amir Qamar, Dr Emma Gardner, Professor Anne Green and Professor Simon Collinson review the financial health of the largest 50 manufacturing firms within the West Midlands.

Introduction

The ongoing impact of the UK's departure from the EU, the aftermath of the pandemic, and the recent depreciation of the pound provide a clear need and opportunity to explore strong resilience, and in turn regional resilience in some depth. The manufacturing sector is particularly vulnerable as the aforementioned factors have significantly increased production costs.

As the fifth largest region in terms of gross value added the West Midlands plays an important role in the UK economy. Given that the West Midlands manufacturing sector produces 15.4% of the region's total output, which is 5.5% higher than the average across UK regions (9.9%), with over 300,000 people working in the sector, the region is relatively dependent on the manufacturing sector relative to other regions.

As manufacturing sectors are some of the hardest hit by the changing macro-environmental factors there is an urgent need to understand the financial health of operating firms within the UK. More specifically, we study the largest (based on revenue) 50 manufacturing firms in the West Midlands, to assess which of these firms are likely to require the most support during the current economic downturn.

Findings

Our analysis of the financial resilience of the largest West Midlands manufacturers on the basis of their current ratio finds that 20 of these firms are considered to be high-risk. Cumulatively these high-risk firms have a workforce of 105,320.

Crucially, a large proportion of the identified high-risk firms are located downstream or 'relatively' downstream (close to the end consumer) within their respective supply chains. Thus, if these giant firms were to fail there would be severe repercussions amongst their supply chains (e.g. ripple effects) which could lead to downsizing and inevitably redundancies more broadly across the sector. This is particularly relevant to the automotive sector and a number of OEMs (e.g. Jaguar Land Rover, Aston Martin) are highlighted as high-risk firms.

We find that there are 12 firms which we identify as medium-risk and these firms employ 34,757 individuals. Finally, there are 18 low-risk firms that together employ 68,675 people. These firms are considered relatively healthy in terms of their financial resilience; thus, we consider these jobs relatively secure.

Key policy findings:

In line with our findings we call for a number of policy interventions:

- Policymakers need to ensure support mechanisms are properly governed (e.g. energy relief scheme).
- Support packages need to be proportionally tailored to firms that account for a disproportionate share of employment and value-added in the region.
- Should there be major redundancies it is crucial that skilled workers are supported to other jobs within the sector or to other sectors where their skills can be utilised productively.
- Policies need to reflect the importance of existing foreign investment as opposed to solely attracting new investment.

[Download the Policy Briefing]

Exploring Factors Influencing the Adoption of Low-Carbon and Renewable Technologies in Domestic Buildings in Birmingham

Annum Rafique, WMREDI

The Energy Crisis is on everyone's minds, to raise awareness of National Energy Saving Week, Annum Rafique discusses the factors influencing the adoption of low-carbon and renewable technologies in domestic buildings in Birmingham.

Climate change has been recognised as a global challenge. To combat climate change, the UK government has made ambitious targets for the country to become a net zero-carbon economy by 2050.

Local authorities have also set their targets to meet this goal. Low-carbon and renewable energy is increasingly being promoted in domestic buildings to reduce carbon emissions since energy consumption in homes accounts for 19.9% of the total GHG emissions.

Reducing Emissions

For the reduction in emissions from the consumption of energy, there has been a shift towards low-carbon and renewable sources such as wind, solar, hydro and biomass to replace the conventional energy sources of fossil fuels like coal and natural gas.

Grants

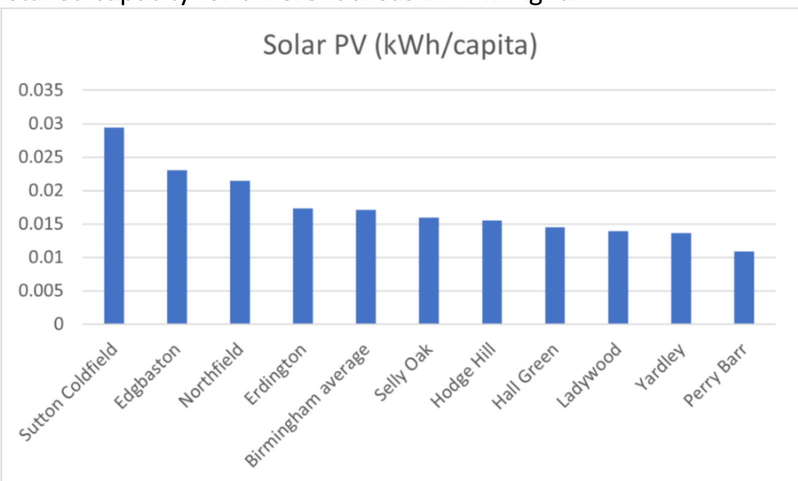
Grants and subsidies allow domestic consumers to adopt low-carbon and renewable energy measures in their homes. Grants are also available to improve household energy efficiency, minimise energy losses, and reduce energy demand. Despite major efforts, the uptake of low-carbon technology in domestic buildings remains low. Only 4% of households in the UK have renewable energy installed, whereas only 1.7% of households in Birmingham have renewable energy capability.

Studies

Studies show that several barriers, such as high costs (Sharpton, Lawrence et al. 2020), lack of public acceptance and limited knowledge and experience relating to the technology, are hindering the adoption of low-carbon technology (Jiang, Wu et al. 2022).

We are conducting a study to explore the factors influencing domestic consumers' adoption of low-carbon technology in different areas of Birmingham. Figure 1 shows the per capita solar PV installed in other areas in Birmingham.

Figure 1: Total Solar PV installed capacity for different areas in Birmingham



Source: Ofgem. Feed-in Tariff Installation Report (2022)

Sutton Coldfield and Edgbaston have the highest solar PV installed per capita, whereas Perry Bar has the lowest. The difference between the highest and the lowest solar PV installed per capita in different areas is more than double, implying that there are other reasons for not adopting solar PV than just unwillingness to adopt the technology.

To examine the adoption of low-carbon technology in different areas in Birmingham, we will explore household characteristics such as household size, house size, age, education, and household income that make different areas in the city distinctive.

We aim to promote the uptake of low-carbon technologies in Birmingham by exploring factors that significantly impact the adoption of such technologies. Based on the results, we will propose several practical recommendations to improve the uptake of these technologies to reduce Birmingham's emissions from domestic buildings.

ONS economic activity and social change in the UK, real-time indicators
Black Country Consortium Economic Intelligence Unit

On the 20th October 2022, the Office for National Statistics (ONS) released 'economic activity and social change in the UK, real-time indicators' statistical bulletin. These statistics are early experimental data and analysis on economic activity and social change in the UK. These faster indicators are created using rapid response surveys, novel data sources, and experimental methods.

ONS also provides on a fortnightly basis the social insights on daily life and events, including impacts on health and well-being and the cost of living from the Opinions and Lifestyle Survey (OPN).

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

Nationally, between the 7th and 14th October 2022, total online job adverts increased by 0.7%. On the 14th October 2022, total online job adverts were still at 121.7% of their average level in February 2020. Out of the 28 categories (excluding unknown) 17 increased; the largest weekly increase was in "wholesale and retail", which rose by 7.2% (to 273.1% of the average level in February 2020) a further 1 category remained at the same level – "IT/computing/software" at 114.6% of the average level in February 2020. In contrast, the highest decrease was in "other/general" which fell by 5.8% (to 125.1% of the average level in February 2020). There were 8 categories that were below the February 2020 average level, with the lowest in "legal" at 77.0%.

Online job adverts increased for 9 of the UK regions between the 7th and 14th October 2022. The West Midlands was 1 of the 3 regions that decreased (East Midlands and East of England both decreased by 0.1%) in job postings, falling by 1.1% and on the 14th October 2022, it was at 122.9% of the average level in February 2020. All 12 regions were above their February 2020 levels, varying from; 107.8% in the South East to 190.4% in Northern Ireland.

National Company Incorporations and Voluntary Dissolutions
Companies House data shows that for the UK, there were 15,707 company incorporations in the week to the 14th October 2022, up from 14,144 recorded in same week in 2021. This is down from 16,821 recorded in the same week in 2020 but up in the same week in 2019 (14,107).

Also, for the week to the 14th October 2022, there were 5,003 voluntary dissolution applications, down from 6,678 recorded in the same week in 2020. This is up from 4,974 recorded in the same week of 2020 but down from the same week in 2019 (5,898).

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 9th October 2022, across the UK there were 62 employers proposing 4,164 potential redundancies. The potential redundancies 4-week rolling average was 3,213 and the employers proposing redundancies 4-week rolling average was 51. 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 65 and the employers proposing redundancies 4-week rolling average was 91.

System Average Price of Gas
The System Average Price (SAP) of gas decreased by 8% in the week to 16th October 2022 (from the previous week), it was 28% lower than the equivalent level in 2021 and 68% lower than the peak level recorded on 28th August 2022. However, it was 536% higher when compared to the pre-Coronavirus baseline.

Business Insights and Conditions Survey

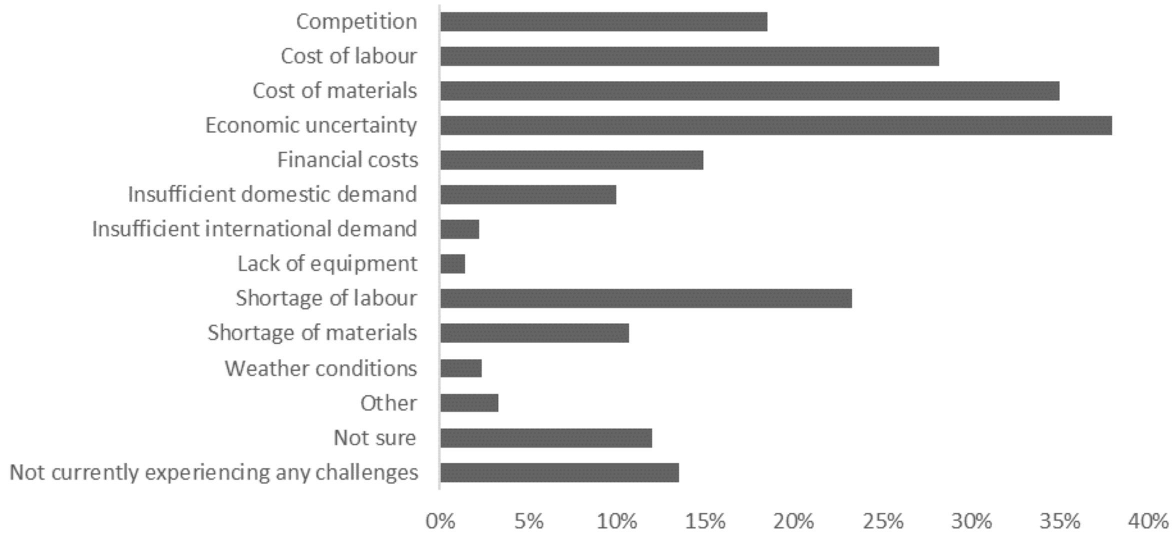
The final results from Wave 67 of the Business Insights and Conditions Survey (BICS) based off the 5,100 businesses surveyed across the West Midlands that businesses have a presence in with a response rate of 26.0% (1,324) and 3,088 businesses that are head quartered in the West Midlands, with a response rate of 24.0% (740). Please note, the survey reference period was 1st to 30th September 2022 with a survey live period of 3rd to 16th October 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 impacts. Due to weighted data being available for the UK a comparison has not been included.

Financial Performance

30.8% of West Midlands businesses reported that turnover in September 2022 had increased when compared to the previous calendar month. 39.0% of West Midlands businesses reported turnover had stayed the same. However, 22.7% had reported that turnover had decreased.

35.0% of West Midlands businesses reported that the cost of materials was impacting turnover.

Challenges (if any), impacting West Midlands businesses turnover:



21.2% of West Midlands businesses expect turnover to increase in November 2022. While, 52.4% reported expectations of turnover to stay the same. However, 15.1% of West Midlands businesses expect turnover decrease in November 2022.

Prices

Where applicable and excluding the unsure responses, 43.2% of West Midlands businesses reported the prices of goods or services brought in September 2022 when compared to the previous month had increased. 40.4% reported that prices had stayed the same and 1.1% of West Midlands businesses reported that prices of goods or services brought had decreased.

Where applicable and excluding unsure responses, 20.6% of West Midlands businesses reported the prices of goods or services sold in September 2022 when compared to the previous month had increased. 64.3% reported that prices had stayed the same and 1.1% of West Midlands businesses reported that prices of goods or services sold had decreased.

Where applicable and excluding unsure responses, 27.5% of West Midlands businesses expect the prices of goods or services sold in November 2022 to increase. 52.7% expect prices to stay the same and 1.4% expected the prices of goods or services sold to decrease.

Factors that are causing West Midlands businesses to consider raising prices in November 2022 include; energy prices (44.6%), raw material prices (34.6%) and labour costs (28.9%). While, 25.3% of responding West Midlands businesses reported to not be considering raising prices in November 2022.

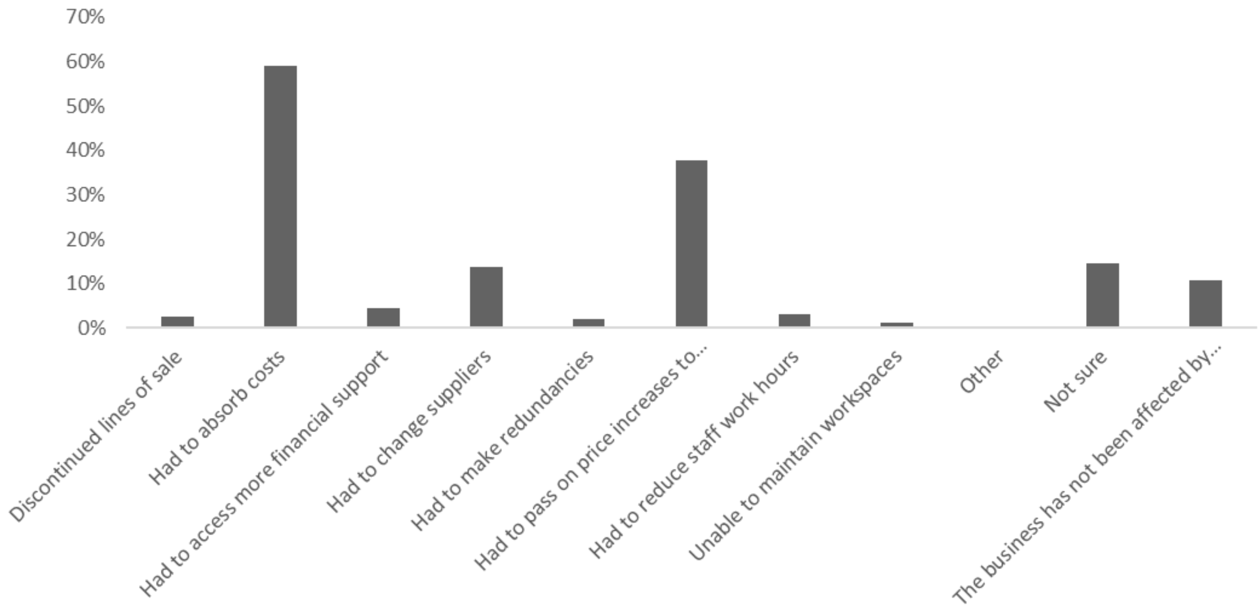
Energy Prices

5.8% of West Midlands businesses reported production had been affected by recent increases in energy prices, 17.9% of West Midlands businesses reported suppliers had been affected and 22.7% of West Midlands businesses reported that both production and suppliers were affected. 24.6% of West Midlands businesses reported to not being affected by the recent increases in energy prices.

Impacts of Price Rises

59.0% of West Midlands businesses have had to absorb costs due to price rises. 10.6% of West Midlands businesses reported to not being affected by price rises.

Reasons (if any), West Midlands businesses have been affected by price rises:



Demand for Goods and Services

13.5% of West Midlands businesses reported that domestic demand for goods and services in September 2022 when compared to the previous month had increased. 52.1% reported the domestic demand had stayed the same and 15.7% of West Midlands businesses reported the domestic demand for goods and services had decreased.

5.3% of West Midlands businesses reported that international demand for goods and services in September 2022 when compared to the previous month had increased. 25.9% reported the international demand had stayed the same and 5.2% of West Midlands businesses reported the international demand for goods and services had decreased.

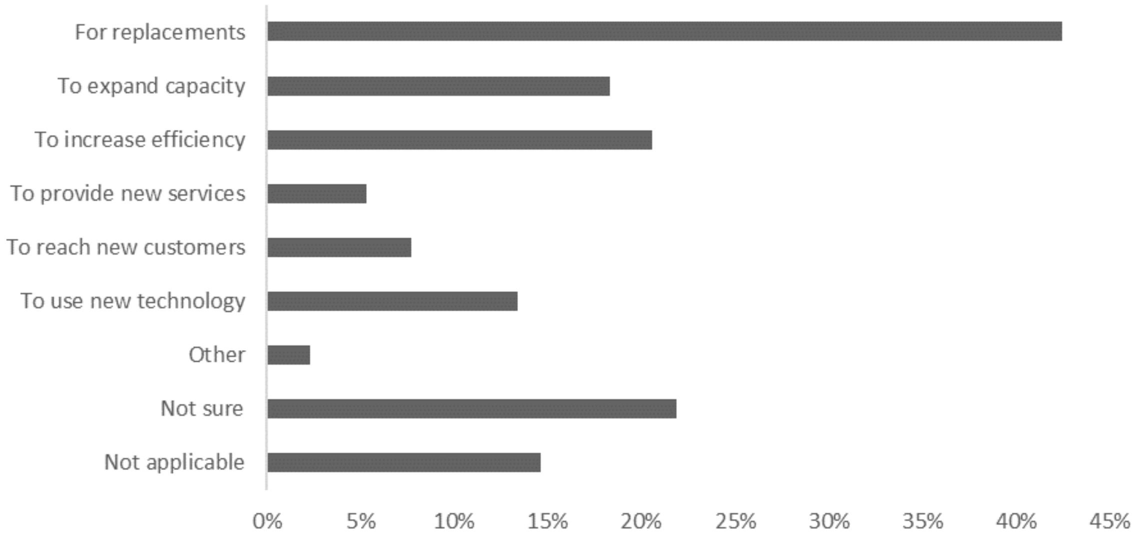
Capital Expenditure

16.3% of West Midlands businesses expect capital expenditure will increase over the next three months. 40.9% expect capital expenditure to stay the same and 10.9% of West Midlands businesses expect capital expenditure to decrease over the next three months.

42.5% of West Midlands businesses are expecting to authorise capital expenditure for replacements in November 2022.

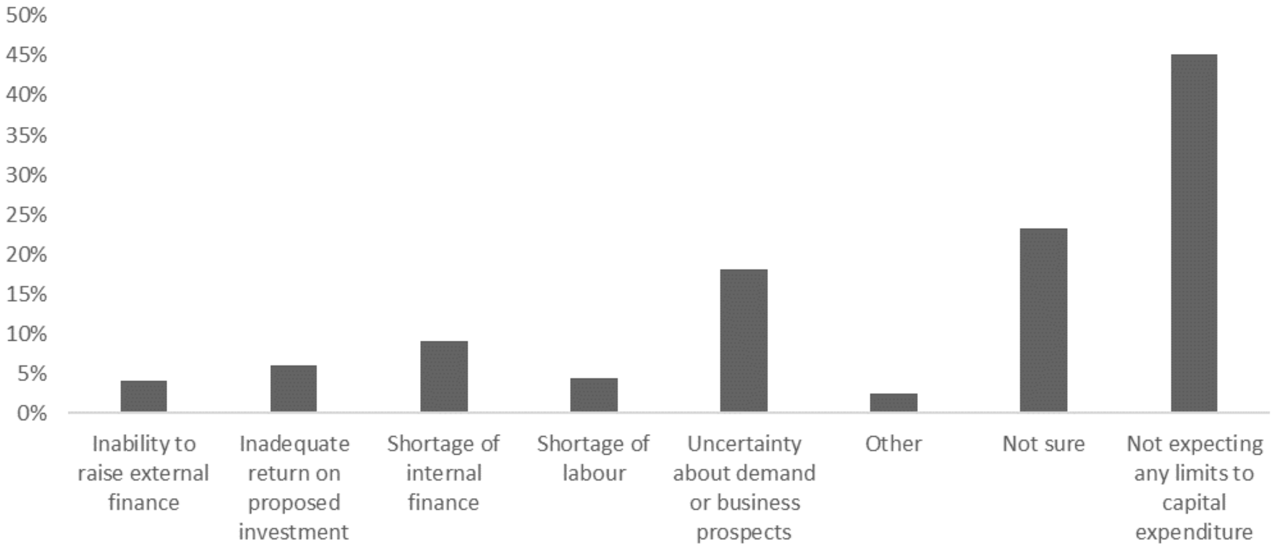
The WM Weekly monitor is funded by the West Midlands Combined Authority, Research England/UKRI

Reasons West Midlands Businesses expect to authorise capital expenditure in November 2022:



18.1% of West Midlands businesses expect to limit capital expenditure due to uncertainty about demand or business prospects in November 2022. However, 45.2% of responding West Midlands businesses do not expect to limit any capital expenditure in November 2022.

Reasons (if any) West Midlands businesses expect to limit capital expenditure in November 2022:



1.0% of West Midlands businesses scraped a capital asset earlier than intended in September 2022.

Number of Employees and Staffing Costs

22.8% of West Midlands businesses reported in September 2022 when compared to the previous month, that the number of employees increased, 57.4% reported the number of employees had stayed the same and 12.4% of West Midlands businesses reported the number of employees had decreased.

20.9% of West Midlands businesses expect the number of employees will increase in November 2022, 62.3% expected the number of employees to stay the same and 5.4% of West Midlands businesses expect the number of employees to decrease.

46.1% of West Midlands businesses reported that staffing costs had increased over the last three months. 38.6% reported staffing costs had stayed the same while 2.8% reported a decrease.

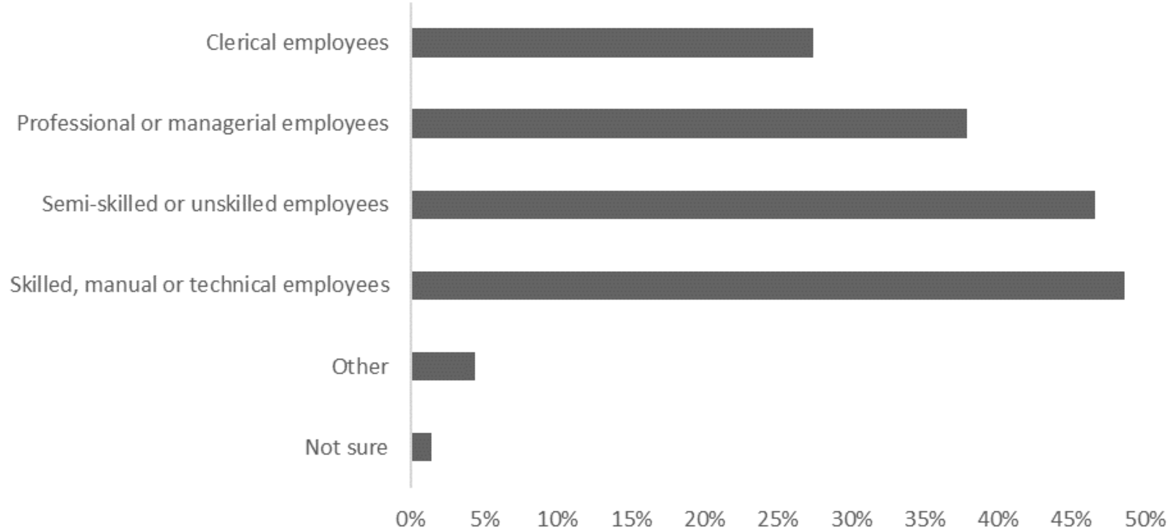
41.9% of West Midlands businesses expect staffing costs to increase over the next three months. 38.2% expect staffing costs to remain the same and 3.8% expect a decrease.

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

Recruitment Difficulties
38.4% of West Midlands businesses reported to experiencing difficulties in recruiting employees in September 2022. However, 34.7% of responding West Midlands businesses did not experience any difficulties.

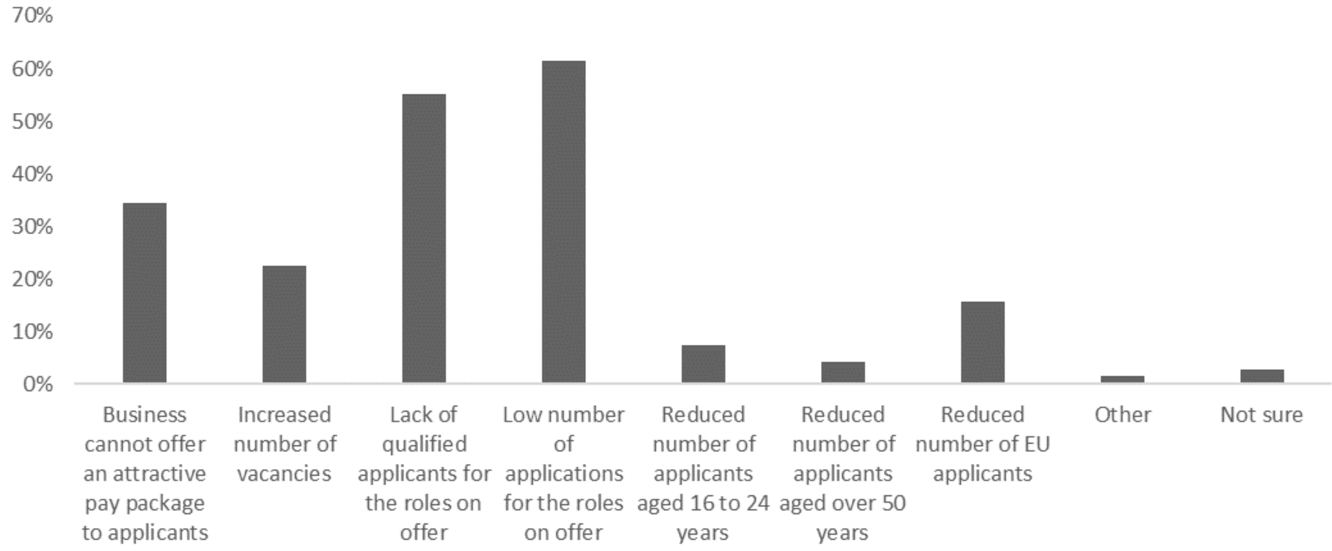
48.6% of West Midlands businesses reported difficulties in recruiting semi-skilled or unskilled employees.

Employees that West Midlands businesses have had difficulties in recruiting:



61.5% of West Midlands businesses reported the difficulties in recruiting employees was low number of applications for the roles on offer.

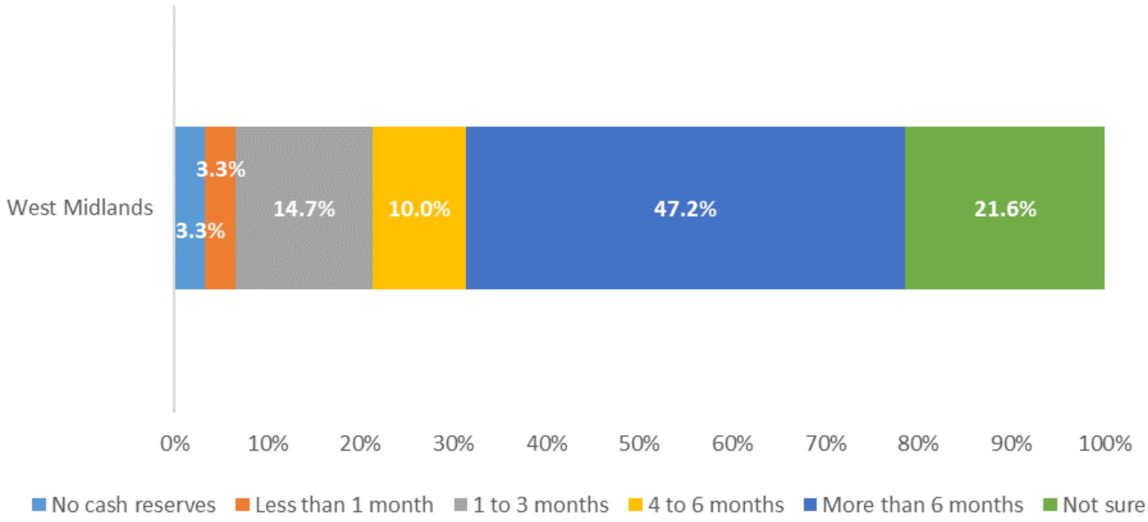
Reasons as to why West Midlands businesses experienced difficulties in recruiting employees:



Cash Reserves
3.3% of responding West Midlands businesses reported no cash reserves left.

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

How long West Midlands expect cash reserves will last:



Overall Performance

30.1% of West Midlands businesses reported that overall performance in September 2022 increased when compared to September 2021. 38.2% of West Midlands businesses reported that performance had stayed the same and 20.7% reported that performance had decreased.

For the next 12 months, 33.3% of West Midlands businesses expect that performance will increase, 35.3% expect performance will stay the same and 12.9% expect performance will decrease.

Public Opinions and Social Trends

Please note - a breakdown by region is no longer provided within this dataset due to the smaller responding sample size of the Opinions ad Lifestyle Survey (OPN). Estimates are based on data collected between 29th September to 9th October 2022, (the "latest period") and 14th to 25th September 2022 (the "previous period"). During the latest period, there was an increase to the energy price cap from 1 October 2022. On the same day, the government introduced the Energy Price Guarantee, limiting the amount households pay for energy bills over the next two years.

Cost of Living Crisis

77% of all adults reported being very or somewhat worried about rising costs of living in the past two weeks (matching the previous period).

Paying Energy Bills

43% of adults who pay energy bills said they found it very or somewhat difficult to afford them in the latest period (44% in the previous period).

Rent or Mortgage Payments

33% of those who are currently paying rent or mortgage payments reported that these payments have gone up in the last six months (31% in the previous period).

3% of adults reported that they are behind on their mortgage payments (3% in the previous period).

30% of those who are currently paying rent or mortgage payments reported that they are finding it very or somewhat difficult to make these payments (27% in the previous period).

Working Arrangement

61% of adults reported they were not doing anything differently in terms of their work situation because of increases in the cost of living. However, for those that were included; 20% were looking for a job that pays more money including promotion, and 15% were working more hours than usual in their main job.

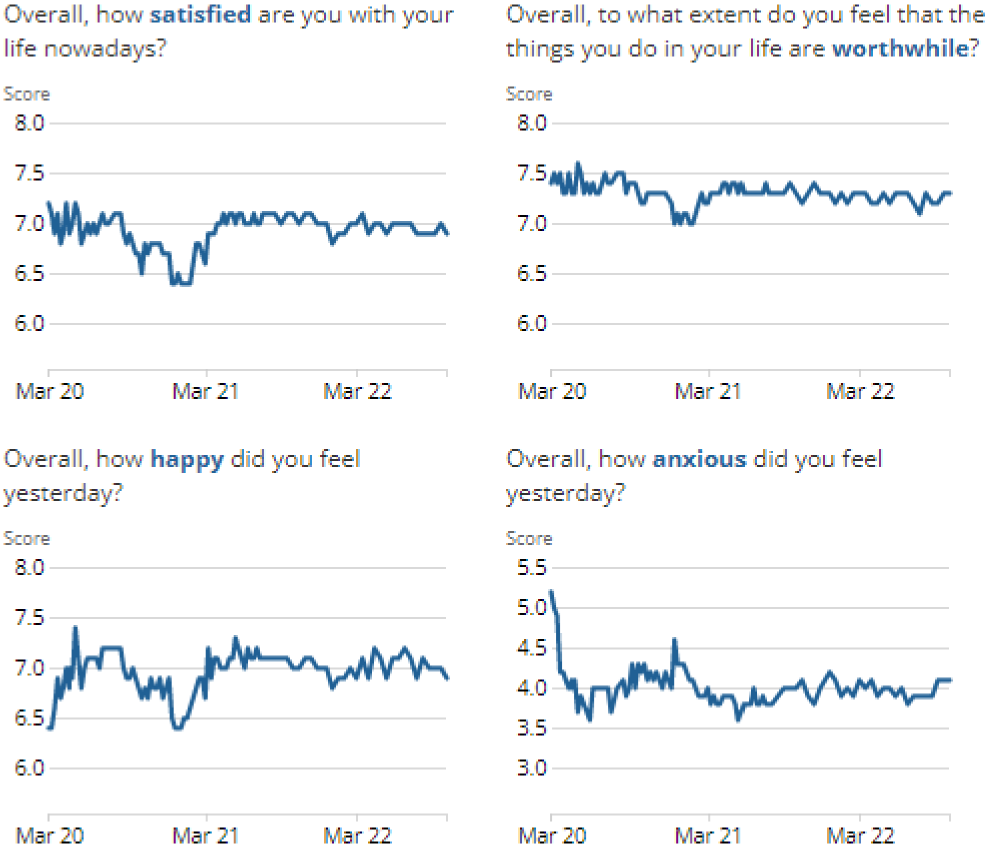
Personal Well-Being
Life satisfaction – decreased to 6.9 in the latest period (from 7.0 in the previous period).

Feeling that the things done in life are worthwhile – remained at 7.3 since the previous period.

Happiness – decreased to 6.9 in the latest period (from 7.0 in the previous period).

Anxiety – remained at 4.1 since the previous period.

Levels of personal well-being, Adults in Great Britain, March 2020 to October 2022:



Source: Office for National Statistics – Opinions and Lifestyle Survey

25% of adults reported feeling lonely always, often or same of the time in the latest period (the same as in the previous period).

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
For any queries please contact the lead Authors:

Rebecca Riley R.Riley@Bham.ac.uk
Alice Pugh A.Pugh@Bham.ac.uk
Delma Dwight Delma_Dwight@blackcountryconsortium.co.uk
Anne Green A.E.Green.1@bham.ac.uk

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

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