West Midlands
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.

An interesting fact: marmalade has seen a rapid rise in sales surging by 18%, as the nation paid its respects to the Queen. Sales of supermarket own brands continue to surge in an effort to battle the cost-of living crisis. Sales of wonky fruit and vegetables have soared 38% and Lidl is the fastest growing grocer for the fifth month in a row. This week 76% of all adults reported being very or somewhat worried about rising costs of living in the past two weeks.

Economy

- The UK Business Activity Index decreased from 49.6 in August 2022 to 49.1 in September 2022.
- The Future Business Activity Index decreased from 67.8 in August 2022 to 64.4 in September 2022, meaning the degree of optimism towards business growth is at its lowest level since May 2020.
- Out of the 12 UK regions, the West Midlands was third highest for Future Business Activity in September 2022.
- Petrol prices are climbing following the announcement from OPEC that it will be cutting output by 2m barrels per day, equivalent to 2% of the global supply. The cut was far greater than forecasters expected.
- The IMF is forecasting 3.2% growth for this year and 2.7% growth for next year, a result of the world's three largest economies - the USA, the Euro area and China - continuing to stall in terms of growth.
- This week the IFS released their Green Book 2022 report. The report included analysis of the global economic outlook their key findings were:
  1. The economy will grow by 2.9% this year and 2.5% next year, below the long run average of 3%. Europe, in the short term, and the US, later in 2023, are likely heading for recession.
  2. The increase in gas prices alone is imposing a burden of up to 8% of GDP on European households and firms.
  3. A series of supply shocks has driven global inflation to 7% this year, 6% in 2023 and 3.5% in 2024, above the global long-run average of 3%. Therefore, inflation set to stay and should trigger further significant interest rate hikes from central banks.
- The IFS alongside Citi, has predicted that to fund the spending in the mini budget, would require significant fiscal tightening in the medium-term, the costed plan is set to be released by the Chancellor later this month. Under the central forecast, it would require fiscal tightening of £62bn in 2026-27 to stabilise debt as a fraction of national income. Tax cuts would not be enough, even if the tax cuts did generate higher growth, growth of 0.25% a year stronger than predicted, would still require fiscal tightening of £41bn to stabilise debt. This will mean significant cuts in government spending.
- Government borrowing costs continued to soar, placing further pressure on mortgage and business borrowing costs. This has heightened concern around pension funds selling off government debts in a "fire sale dynamic". To stem this, the Bank of England (BoE) has stepped in by buying more government bonds to try and stabilise their price and prevent selloffs.
- The West Midlands Business Activity Index (PMI) decreased from 49.3 in August 2022 to 47.8 in September 2022, the second month in a row to register a decline. Output has fallen at its quickest pace since January 2021. Out of the 12 UK regions, the West Midlands was the sixth highest for Business Activity in September 2022.
- Take-home grocery sales rose by 4.8% in the 12 weeks to 2 October 2022 while grocery price inflation has hit another new peak, according to Kantar's latest figures. Grocery inflation now stands at 13.9%, a record high since Kantar began tracking prices in this way during the 2008 financial crash. Kantar is forecasting that the average household is facing a £643 jump in their annual grocery bill to £5,265 if they continue to purchase the same items.
- MillionPlus has published a new report, which highlights the plight of students in the cost of living crisis. Maintenance rises are outstripped by price rises. Many students are not eligible for any cost-of-living benefits and may not be able to access the energy relief as they often pay rent 'all bills included'. Prior to current crisis, 52% were already concerned about the cost of living. There are significant numbers of students at risk, including older students, those who commute, and those from some ethnic minority group or lower socio-economic backgrounds. Already universities in the region are setting up onsite foodbanks to provide students with emergency food parcels.
- Around 26% of households across the UK are on a variable rate on their mortgages. If the same average was applied to the WMCA area, this would mean around 135,011 households could be facing large rises in the mortgages. Mortgages have now hit 6%, this will mean for variable rate holders, first time buyers and re-mortgagers, repayment will rise to £1,514 per month. This is an additional £478 per month or an additional £5,736 per year, 31% of their total earnings.

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

West Midlands Combined Authority UKRI Research England

Labour Market

- For the UK, early September figures indicate that the number of payrolled employees rose by 2.5% (+714,000) compared with last September – all age groups saw an increase; there was an increase of 165,000 payrolled employees aged under 25 years.
- From June to August 2022, reports of UK-wide redundancies in the 3 months prior to interview increased by 0.5 per thousand employees compared with the previous 3 month period, to 2.4 per thousand employees.
- The UK employment rate was estimated at 75.5% in the latest period (June to August 2022), which is 0.3 percentage points lower than the previous three-month period (March to May 2022) and 1.0 percentage points lower than before the pandemic (December 2019 to February 2020).
- There are several notable trends regarding UK employment rate. The number of full-time employees decreased during the latest three-month period but is still above pre-pandemic levels. Part-time employees had generally been increasing since the beginning of 2021; there was, however, a decrease during the latest three-month period. The number of self-employed workers fell in the first year of the coronavirus pandemic and has remained low, although the number has increased during the latest three-month period for both the full-time and part-time self-employed. Previous evidence has shown that people aged 65 years and over have driven recent increases in self-employment.
- The UK unemployment rate was estimated at 3.5% in June to August 2022, which is 0.3 percentage points lower than the previous three-month period and 0.5 percentage points below pre-pandemic levels. Over the latest three-month period, the unemployment rate decreased to the lowest rate since December to February 1974.
- The UK economic inactivity rate was estimated at 21.7% in June to August 2022, which is 0.6 percentage points higher than the previous three-month period and 1.4 percentage points higher than before the pandemic.
- For the UK, the number of job vacancies in July to September 2022 was 1,276,000; this was a decrease of 3.6% (-46,000) from the previous quarter – the third consecutive quarterly fall.
- UK growth in average total pay (including bonuses) was 6.0% and growth in regular pay (excluding bonuses) was 5.4% among employees in June to August 2022; this is the strongest growth in regular pay seen outside of the coronavirus pandemic period. Growth in total and regular pay fell in real terms (adjusted for inflation) on the year in June to August 2022, at 2.4% for total pay and 2.9% for regular pay; this is slightly smaller than the record fall in real regular pay we saw April to June 2022 (3.0%) but remains among the largest falls in growth since comparable records began in 2001.
- In the year ending June 2022, the employment rate in the WMCA (3 LEP) area was 71.7%, compared to 75.4% for UK-wide. This was a 0.9pp decrease in the employment rate for the WMCA (3 LEP) area when compared to the year ending June 2021. UK employment rate increased by 1.1pp over the same period.
- The economic activity rate for the WMCA (3 LEP) area was 76.0% compared to 78.4% for the UK in the year ending June 2022. For the WMCA (3 LEP) area, there has been a 1.4pp decrease in the economic activity rate, the UK increased by 0.1pp since the year ending June 2021.
- The economic inactivity rate for the WMCA (3 LEP) area was 24.0% compared to 21.6% UK-wide for the year ending June 2022. For the WMCA (3 LEP) area, this increased by 1.4pp, while the UK decreased by 0.1pp since the year ending June 2021.
- In the year ending June 2022, the modelled unemployment rate in the WMCA (3 LEP) area was 5.6%, compared to 3.9% for England-wide. This was a 0.6pp decrease in the unemployment for the WMCA (3 LEP) area when compared to the year ending June 2021. England-wide unemployment rate decreased by 1.2pp over the same period.
- There were 145,065 claimants in the WMCA (3 LEP) area in September 2022. Since August 2022, there has been an increase of 1.1% (+1,645) claimants in the WMCA (3 LEP) area, while the UK increased by 0.9%. When compared to March 2020 (pre-pandemic figures), the number of claimants has increased by 23.4% (+27,475) in the WMCA (3 LEP) area, with the UK increasing by 20.9% over the same period.
- There were 25,405 youth claimants in the WMCA (3 LEP) area in September 2022. Since August 2022, there was an increase of 1.9% (+485) youth claimants in the WMCA (3 LEP) area, while the UK increased by 1.5%. When compared to March 2020 (pre pandemic figures), the number of youth claimants has increased by 12.5% (+2,825) in the WMCA (3 LEP) area, with the UK increasing by 7.2% over the same period.

Trade

- The West Midlands region's total value in goods exports increased by £321m (+1.2%) to £26.5bn in year ending Q2 2022. The overall value of UK trade in goods exports increased at a greater rate, by 12.3% (to £338.4bn).
- The value of West Midlands region' imports increased by £6.3bn (+19.2%) to £39.3bn in year ending Q2 2022. The UK-wide total imports increased by 25.0% to £553.6bn over the same period.
- The West Midlands had a trade in goods deficit of £12.8bn in the year ending Q2 2022.
- The largest value goods exports for a SITC section in the West Midlands was machinery & transport at £17.1bn. This SITC section accounted for 64.7% of the total exports value; of which 57.8% (£9.9bn) were non-EU exports. Compared to year ending Q2 2021, the total value of these exports has decreased by £670m (-3.8%). Separately, manufactured goods exports demonstrated a recovery in the year to Q2 2022 compared to the year before (+22.4% or £608m).
- The highest value of West Midlands goods exports was to the EU at £12.8bn, accounting for 48.3% of the total in year ending Q2 2022. Exports to the EU from the West Midlands increased by nearly £901m (+7.6%) since year ending Q2 2021 - below the UK overall growth (+18.4%).

ONS reporting

- Nationally, between the 23rd and 30th September 2022, total online job adverts increased by 0.4%. On the 30th September 2022, total online job adverts were at 115.5% of their average level in February 2020.
- As of the 16th September 2022, for the West Midlands region visits to retail and recreation, transit stations and workplaces had not yet returned to pre-coronavirus levels.
- Excluding "not sure" responses, 32.4% of responding West Midlands businesses reported to exporting within the last 12 months, 4.9% reported to exporting over 12 months ago.
- 12.9% of West Midlands businesses reported fixed gas prices were expiring by 31st December 2022. 19.0% of West Midlands respondents reported gas prices were already on variable rates. 13.1% of West Midlands businesses reported fixed electricity prices were expiring by 31st December 2022. While 17.3% of West Midlands respondents reported electricity prices were already on variable rates.
- 19.3% of West Midlands expect gas bills to increase by more than 300% once the fix contract ends and 18.2% of West Midlands expect electricity bills to increase by more than 300% once the fix contract ends.
- 37.9% of West Midlands businesses reported to currently experiencing a shortage in workers. Although, 48.9% reported no shortages in workers.
- 61.7% of West Midlands businesses reported that the worker shortage had caused employees to work increased hours.
- 17.6% of West Midlands businesses are very concerned about the impact of climate change may have on the business and a further 44.4% were somewhat concerned. While 19.6% of West Midlands businesses reported no concerns.
- 20.1% of West Midlands businesses have a climate change strategy to help protect the environment.
- 28% of those who are currently paying rent or mortgage payments reported they are finding it very or somewhat difficult to make these payments.

Global, National and Regional Outlook

Alice Pugh, WMREDI

Global

Russian retaliations

Over the weekend, it was reported that Ukraine successfully managed to sabotage a key strategic bridge for Russia, which connects the annexed Crimea to Ukraine. However, in the light of this Russia launched a series of attacks on cities in Ukraine, justifying this action by saying the Crimean bridge attack was a "terrorist attacks on Russian territory". Russia carried out a large wave of missile strikes on cities across Ukraine; Ukraine's air force reports 83 missiles were launched, of which more than 43 were shot down. Unfortunately, this has resulted in the loss of life with 11 people confirmed dead and a further 60 injured by the attacks.

This has been a highly visual attack by Russia. Civilian and critical infrastructure has been attacked, with pedestrian bridges, parks and museums being attacked, alongside critical energy infrastructure. Lviv, Poltava, Sumy and Ternopil regions were left with no power, and supply has been partially disrupted in other areas, according to Ukraine's state emergency service, following the attack on critical infrastructure.

Belarusian leader Alexander Lukashenko has said Belarus and Russia will deploy a joint military task force in response to what he called an aggravation of tension on the country's western borders, Belarusian media are reporting. According to the Belarusian leader the two countries had been pulling forces together since Saturday. Until now, as whilst the Belarusian leader has been allowing Russia to use the country for passage, he has been avoiding deploying Belarusian troops. The Belarusian leader is relatively unpopular, having face some of the largest protests in Belarusian history against his re-election only two years ago. Lukashenko may struggle to justify this move to the people in the coming months, especially as the Ukrainian military has proved to be highly efficient and successful.

OPEC

Petrol prices are climbing again following the announcement from OPEC that it will cut oil production. OPEC decided it would be cutting output by 2m barrels per day, equivalent to 2% of the global supply. It is unsurprising the production was cut given Russia is a member of OPEC; however, the cut was far greater than forecasters expected. This will place even greater pressure on some of the drivers for the cost-of-living crisis.

Global Economic Outlook

This week the IFS released their Green Book 2022 report. The report included analysis of the global economic outlook. Key findings were:

1. IFS forecasts that the economy will grow by 2.9% this year and 2.5% next year - below the long run average of 3%. Europe, in the short term, and the US, later in 2023, are likely heading for recession.
2. Russia has used gas as a weapon in recent months, eliminating 40% of the EU's gas supply, triggering a severe energy crisis in most of Europe. The increase in gas prices alone is imposing a burden of up to 8% of GDP on European households and firms. It is more than likely that the price shock will trigger a recession, but in the long-term this will likely lead to structural changes in the European economy, weighing on growth for a prolonged period.
3. A series of supply shocks has driven global inflation to 7% this year. Inflation is likely to be 6% in 2023 and 3.5% in 2024, above the global long-run average of 3%. Therefore, inflation sets to stay and should trigger further significant interest rate hikes from central banks.

The IMF is forecasting 3.2% growth for this year and 2.7% growth for next year. The slowdown is expected as a result of the world's three largest economies - the US, the Euro area and China - continuing to stall in terms of growth. In the Euro area the energy crisis is a large reason for reduced growth, reducing it by 0.5% in 2023. China has seen its growth forecasts lowered to 4.4%, due to a weakening property sector and continued lockdowns. Major risks to growth include:

- Monetary policy could miscalculate the right stance to reduce inflation.
- Diverging policy paths in the largest economies could exacerbate the US dollar's appreciation.
- Tightening global financing could trigger emerging market debt distress.
- The worsening of China's property sector could undermine growth.

The IMF highlighted, policymakers should focus on the restoration of price stability and alleviating cost of living pressures.

National

Cost of living and shopping trends

Take-home grocery sales rose by 4.8% in the 12 weeks to 2 October 2022 while grocery price inflation has hit another new peak, according to Kantar's latest figures. Grocery inflation now stands at 13.9%, a record high since Kantar began tracking prices in this way during the 2008 financial crash. Kantar is forecasting that the average household is facing a £643 jump in their annual grocery bill to £5,265 if they continue to purchase the same items.

Consumers are looking for ways to manage their budgets and avoid paying more on shopping trips. Generally, we are creatures of habit and stick to the foods we know and love. This means people tend to stick to their favourites, whilst trying to find cheaper alternatives, such as supermarket own brands. Kantar found little evidence of dietary changes; for instance, while frozen vegetable sales have slightly increased, there has not been a significant shift away from fresh produce which usually costs around ten times more. However, Kantar noted that the standout star from the data for this month was marmalade, with sales surging by 18%, as the nation paid its respects to the Queen.

Sales of supermarket own labels continue to grow as consumers move away from branded products. According to Kantar, own labels increased by 8.1% this month whilst branded products declined 0.7%. Additionally, savvy shoppers are finding other ways to say money. For instance, many shoppers have converted to the wonky fruit and vegetables on offer, allowing grocers to sell visually imperfect fruit and vegetables at a discounted price. As a result, Kantar found that sales of ranges like Tesco Perfectly Imperfect or Morrisons Naturally Wonky were up collectively 38% this month.

Furthermore, with consumers' eyes on rising energy bills, shoppers have been searching for cheaper ways to cook as they try to avoid using their energy hungry ovens. Sales of cooking appliances including slow cookers, air fryers and sandwich makers, all of which use less energy than a conventional oven, are up by 53% according to Kantar. Meanwhile, Kantar found sales of duvets and electric blankets were up 8%, and candles had also seen a 9% increase, suggesting that people may be preparing for possible winter blackouts.

For the fifth month in a row, Kantar recorded Lidl was the fastest growing grocer, with sales increasing by 20.9% over the 12 weeks to 2nd October 2022. This is marginally ahead of Aldi, which over the same period saw sales rise by 20.7%. Lidl's share of the market is now 7.1%, up from 6.2% last year while Aldi moved to 9.3% from 8.0%.

Student Cost of living crisis

MillionPlus has published a new report, 'Learning with the lights off: students and the cost-of-living crisis', on the impact of the cost-of-living crisis on higher education students and identifies those students that will be most gravely affected. MillionPlus key findings were:

- Over the past year, increases in student maintenance funding in the UK, of around 2%, have been far outstripped by rising prices. This places significant strain on the finances of students.
- Students in full-time education are not eligible for many means tested benefits, nor Winter Fuel payments. This not only prevents access to help linked directly to means tested benefits, but also precludes access to the Household Support Fund where receipt of benefits is often a condition of applying.
- Many students rent from private landlords, seeing a single payment covering both accommodation and household costs. This raises confusion as to who receives energy bill relief payments. As the bill payer, landlords are most likely to receive relief payments, and whilst it is a legal requirement for landlords to pass on these savings, there is a question as to r how this will be policed.
- It is recommended by most universities that students should only work around 10 to 15 hours, as there is evidence of a link between an increase in paid employment and a reduction in academic performance. Therefore, for most students national insurance and income tax changes will not make a significant impact on finances.

Cost of Living Concerns

- Prior to the current crisis, 52% of students reported that the cost of everyday living was their main concern, while 8% said that the costs of learning resources – a category including the costs of travelling to campus – concerned them most. Students were already struggling before April with rising costs, since when financial struggles will have only increased. Concerningly, 17% of the students surveyed –representing between 300,000-338,000 of the UK's student population – fall into this at-risk category.
- Two of the strongest predictors of being at-risk are 'age' and belonging to a 'Black' ethnic group. Over a quarter of students aged over 25 are at-risk, as opposed to 16% of students aged 25 and under. This represents 40,900-44,000 students over 25. Similarly, 27% of Black students are at-risk of financial hardship, this represents between 40,000-43,000 Black students.
- The socio-economic classification of a student can also impact on the likelihood of being at-risk. Students from upper-middle and middle-class backgrounds are less likely than students from working class backgrounds of being at-risk. This places 48,000-53,000 students from working class backgrounds in the at-risk category.
- There are also large numbers of at-risk students that commute to campus. Given the additional costs associated with commuting, it should not be surprising that between 61,900-68,400 commuter students face financial difficulties.

Recommendations

The figure below shows the recommendations made by MillionPlus to help students, who may be facing hardship as a result of the cost-of-living crisis.

Recommendations

UK Government

- An immediate increase to maintenance funding for students. Ideally in the shape of maintenance grants, though maintenance loan increases would bring welcome relief in the short-term.
- The better inclusion of students in the wider cost of living assistance programmes announced in September 2022.
- Implement enforcement measures to ensure energy discount payments are passed on to tenants where fixed energy costs are included in their rental charges.*

*In these circumstances, landlords who resell energy to their tenants should pass on the payments appropriately in line with Ofgem rules.

Office for Students and Student Awards Agency Scotland (SAAS)

- An immediate increase in hardship funds for universities to be targeted at students most at need.

Potential measures that all universities could implement

- Work with local student unions to widen the reach and lessen the stigma of the use of financial assistance programmes available for at-risk students.
- Clearly sign post mental health service provision that is available to all students.
- Work with local businesses and councils to agree measures to reduce the financial burden for 'at-risk' students while on campus – for example discounted food, free breakfasts, travel vouchers, introducing more shared space for studying in the evening.

Source: MillionPlus, 2022

Government Spending

The IFS alongside Citi has predicted in a central forecast that to fund the spending on the energy price guarantee and tax cuts in the mini budget would require significant fiscal tightening in the medium-term. The costed plan is set to be released by the Chancellor later this month. Under the central forecast, it would require fiscal tightening of £62bn in 2026-27 to stabilise debt as a fraction of national income. Even the tax cuts would not be enough. If the tax cuts did generate higher growth, growth of 0.25% a year stronger than predicted, would still require fiscal tightening of £41bn to stabilise debt. This will mean significant cuts in government spending. The question is where should the cuts come from given 10 years of austerity have already cut many budgets down to the bone?

This week government borrowing costs continued to soar, almost back to levels seen just after the 'mini budget' announcement. This has placed further pressure on mortgage and business borrowing costs. There is heightening concern around round pension funds selling off government debts in a "fire sale dynamic". To stem this the Bank of England (BoE) has stepped in by buying more government bonds to try and stabilise their price and prevent selloffs,

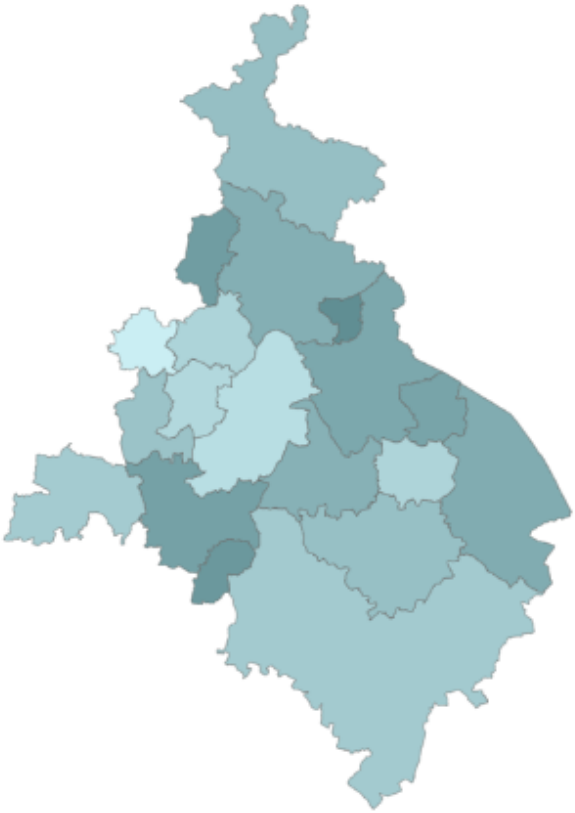
which could place pension funds at risk of collapse. However, the BoE cannot continue to by bonds forever and has already stated it will stop buying government bonds later in the week. If the markets continue to question whether the government can come up with fully costed solutions to its spending plans, then markets will remain volatile.

The BoE is essentially just buying time for the government by buying bonds. However, by the end of the week when the BoE stops buying bonds, there will most likely be a run on the markets, as investors sell government debt. It is unlikely that investors will wait to the 31st of October for the Chancellor's 'fully costed plan', and if there is a sell off this weekend (which is likely) the economy will quickly fall into turmoil, pension funds may collapse, and interest rate will likely soar again, rapidly increasing the cost of borrowing. It is likely that the Chancellor will have to act to prevent this over the coming weekend, most likely by cancelling the tax cuts that were introduced in the 'mini budget'.

Regional

Mortgages

Across the WMCA area 31.58% (519,273 households) of households are owned with either a mortgage or loan. This rate varies by local authority with Tamworth (38.69%), Redditch (37.54%) and Cannock Chase (36.93%), having the highest percentage of households owned through a mortgage or loan. Wolverhampton (27.25%), Birmingham (29.14%) and Sandwell (29.85%) display the lowest proportions. The map graph below shows the variance in household ownership via a mortgage or loan by local authority.



Local Authority	Percentage of Households owned with mortgage or loan
Tamworth	38.69
Redditch	37.54
Cannock Chase	36.93
Bromsgrove	36.47
Nuneaton and Bedworth	36.10
North Warwickshire	35.65
Rugby	35.17
Lichfield	34.81
Solihull	34.51
East Staffordshire	32.82
Warwick	32.77
Dudley	32.36
Stratford-on-Avon	31.49
Wyre Forest	31.37
Walsall	30.38
Coventry	30.32
Sandwell	29.85
Birmingham	29.14
Wolverhampton	27.25
WMCA	31.58

Visualisation by WM REDI. Data source: ONS, 2022

Around 26% of households across the UK are on a variable rate on their mortgages. If the same average was applied to the WMCA area, this would mean around 135,011 households could be facing large rises in the mortgages as the cost of borrowing or interest rates soar as a result of the non-costed 'mini budget' announcement.

The rise in the cost for mortgages will be substantial. In December 2021 the average rate for two-year fixed rate mortgage was 2.34%, the average price for a house in the WMCA was £234,947 in March 2022, repaying this over a 25-year repayment scheme the monthly mortgage repayment would be £1,036. Mortgages have now hit 6%. This will mean for variable rate holders, first time buyers and re-mortgagers, repayments will rise to £1,514 per month. This is an additional £478 per month or an additional £5,736 per year. The table below shows the impact of rising interest rates on monthly and total annual mortgage repayments, by mortgage debt value.

Mortgage debt	£150,000			£250,000			£350,000		
Interest	2.34%	6%	Difference in mortgage repayments	2.34%	6%	Difference in mortgage repayments	2.34%	6%	Difference in mortgage repayments
Monthly repayment	£661	£967	£306	£1,202	£1,611	£409	£1,543	£2,256	£713
Total Annual repayment	£7,932	£11,604	£3,672	£14,424	£19,332	£4,908	£18,516	£27,072	£8,556

Data Source: Money Saving Expert, 2022

Assuming that there are two working person households earning the WMCA earnings average of £29,737 each, on a 25-year mortgage variable rate on a £234,947 house, then as a percentage of their total earnings the new mortgage repayment of £1,514, will account for 31% of their total earnings per month, having risen from 21% when the interest rate was 2.34%. This is an additional 10% of their earnings per month which will be going to pay for the increase in interest rates.

These figures alone would be scary to a household at any time. However, households are being squeezed on all sides. Mortgages are rising, energy bills are over 90% higher than at the same time last year with the highest rate of fuel poverty being in the West Midlands. Likewise, food prices are continuing to increase. It is likely that households on a large scale across the WMCA and UK will rapidly fall into poverty. To reduce interest rates the government will need to come up with a fully costed plan for their 'mini budget'. In turn, this should help stabilise the market and interest rates should come back down.

Students

The table below shows the number of students by term-time accommodation and university within the WMCA area. There is a question as to whether students in rented accommodation will see the benefit from the energy price cap. Currently, 30.8% of students across the WMCA area are in rented accommodation. Many of these students may miss out on savings from the energy price cap if landlords as the bill payers do not pass these savings on. As noted above, legally they must pass the savings on; however, as no one is policing the measure and some landlords may not pass on savings to their tenants. If students do not receive these savings, it will add additional pressure to their finances. This is especially so as they face other cost of living pressures such as higher food bills, higher interest rates on borrowing and higher fuel bills. Potentially, this will force students to increase their working hours, likely reducing their academic attainment; or worse, students may no longer be able to afford the opportunity cost of going to university over working and they may be forced to drop out.

HE provider	Provider maintained property	Private-sector halls	Parental/ guardian home	Own residence	Other rented accommodation	Other	Not in attendance at the provider	Not known	Total
Aston University	5	2,740	6,425	1,495	1,355	430	15	590	13,055
Birmingham City University	100	4,175	10,665	4,935	5,155	0	165	0	25,195
The University of Birmingham	5,000	1,510	5,235	3,600	11,920	1,145	235	3,075	31,715
University College Birmingham	520	140	1,485	1,840	330	335	5	10	4,665
Coventry University	8,890	2,155	7,565	4,300	6,160	1,725	330	1,690	32,810
Newman University	120	0	1,265	575	180	80	0	0	2,225
The University of Warwick	8,790	435	1,715	1,940	8,205	1,425	650	765	23,925
The University of Wolverhampton	690	660	6,395	4,720	1,195	20	0	785	14,460
University of Worcester	1,130	0	2,535	2,375	1,930	195	0	195	8,365
Total	25,245	11,815	43,285	25,780	36,430	5,355	1,400	7,110	156,415

Data Source: HESA, 2022

Already universities in the region are setting up onsite foodbanks to provide students with emergency food parcels, to help them during the cost-of-living crisis. So, students within the region are already struggling with affording food and this will likely continue to worsen as prices of goods continue to rise. In the coming months students, especially low-income students, will need continued support to cope with the rising cost of living and maintain their attendance at university.

Labour Market Statistics and Claimant Count: Released October 2022

Black Country Consortium Economic Intelligence Unit

UK Summary[1]

- For the UK, early estimates for September 2022 indicate that the number of payrolled employees rose by 2.5% (+714,000) compared with September 2021 – as all age groups saw an increase in payrolled employees; there was an increase of 165,000 payrolled employees aged under 25 years. The number of payrolled employees was up by 2.5% (+730,000) since February 2020. The latest monthly change shows payrolled employment increased by 0.2% (+69,000) when compared to August 2022[2].
- In June to August 2022, reports of UK-wide redundancies in the three months prior to interview[3] increased by 0.5 per thousand employees, compared with the previous three-month period, to 2.4 per thousand employees.
- The UK employment rate was estimated at 75.5% in the latest period (June to August 2022), which is 0.3 percentage points lower than the previous three-month period (March to May 2022)[4] and 1.0 percentage points lower than before the pandemic (December 2019 to February 2020). Notable trends in the UK employment rate include; the number of full-time employees decreased during the latest three-month period but is still above pre-pandemic levels. Part-time employees had generally been increasing since the beginning of 2021; there was, however, a decrease during the latest three-month period. The number of self-employed workers fell in the first year of the coronavirus pandemic and has remained low, although the number has increased during the latest three-month period for both the full-time and part-time self-employed. Previous evidence has shown that people aged 65 years and over have driven recent increases in self-employment.
- The UK unemployment rate was estimated at 3.5% in June to August 2022, which is 0.3 percentage points lower than the previous three-month period and 0.5 percentage points below pre-pandemic levels. Over the latest three-month period, the unemployment rate decreased to the lowest rate since December to February 1974.
- The UK economic inactivity rate was estimated at 21.7% in June to August 2022, which is 0.6 percentage points higher than the previous three-month period and 1.4 percentage points higher than before the pandemic. Although economic inactivity increased across all age groups in the latest three-month period, those aged 50 to 64 years and those aged 16 to 24 years drove the increase in inactivity.
- For the UK, the number of job vacancies in July to September 2022 was 1,276,000; this was a decrease of 3.6% (-46,000) from the previous quarter – the third consecutive quarterly fall. In July to September 2022, the total number of vacancies was 450,000 (+56.6%) above the January to March 2020 pre-coronavirus pandemic level and 10.3% (+117,000) above the level of a year ago.
- The UK growth in average total pay (including bonuses) was 6.0% and growth in regular pay (excluding bonuses) was 5.4% among employees in June to August 2022; this is the strongest growth in regular pay seen outside of the coronavirus pandemic period. Growth in total and regular pay fell in real terms (adjusted for inflation) on the year in June to August 2022, at 2.4% for total pay and 2.9% for regular pay; this is slightly smaller than the record fall in real regular pay we saw April to June 2022 (3.0%) but still remains among the largest falls in growth since comparable records began in 2001.
- Early estimates show for the UK in September 2022 that median monthly pay increased by 6.3% compared with September 2021, and increased by 14.6% when compared with February 2020.

Regional Labour Market Summary

- For the three months ending August 2022, the West Midlands Region employment rate (aged 16 – 64 years) was 74.6%. Since the three months ending May 2022, the employment rate decreased by 0.5 percentage points (pp) and when compared to the same period in the previous year, the employment rate was the same level. The UK employment rate was 75.5%, a decrease of 0.3pp when compared to the previous quarter but an increase of 0.3pp when compared to the previous year.
- For the three months ending in August 2022, the West Midlands Region unemployment rate (aged 16 years and over) was 4.7% - the highest unemployment rate across all region and has increased by 0.3pp since the previous

[1] Source: ONS, Labour Market Overview; UK: October 2022
[2] This should be treated as a provisional estimate and is likely to be revised when more data is received next month.
[3] 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.
[4] When comparing estimates for June to August 2022 against the previous three-month period (March to May 2022), be aware that survey estimates for March to May 2022 had a notably higher employment rate and lower economic inactivity rate than other recent periods.

quarter but a decrease of 0.2pp from the previous year. The UK unemployment rate was 3.5%, a decrease of 0.3pp from the previous quarter and a 0.9pp decrease when compared to the previous year.

- For the three months ending August 2022, the West Midlands Region economic inactivity rate (aged 16 – 64 years) was 21.6%, an increase of 0.3pp from previous quarter and an increase of 0.1pp when compared to the previous year. The UK economic inactivity rate was 21.7%, an increase of 0.6pp from the previous quarter and an increase of 0.5pp from the previous year.

WMCA (3 LEP) Quarterly Annual Population Survey Summary

- In the year ending June 2022, the employment rate in the WMCA (3 LEP) area was 71.7%, compared to 75.4% for UK-wide. This was a 0.9pp decrease in the employment rate for the WMCA (3 LEP) area when compared to the year ending June 2021. The UK employment rate increased by 1.1pp over the same time period.
- The economic activity rate for the WMCA (3 LEP) area was 76.0% compared to 78.4% for the UK in the year ending June 2022. For the WMCA (3 LEP) area, there has been a 1.4pp decrease in the economic activity rate, the UK increased by 0.1pp since the year ending June 2021.
- The economic inactivity rate for the WMCA (3 LEP) area was 24.0% compared to 21.6% UK-wide for the year ending June 2022. For the WMCA (3 LEP) area, this increased by 1.4pp, while the UK decreased by 0.1pp since the year ending June 2021.
- In the year ending June 2022, the modelled unemployment rate in the WMCA (3 LEP) area was 5.6%, compared to 3.9% for England-wide. This was a 0.6pp decrease in the unemployment for the WMCA (3 LEP) area when compared to the year ending June 2021. England-wide unemployment rate decreased by 1.2pp over the same time period.

WMCA (3 LEP) Claimant Summary

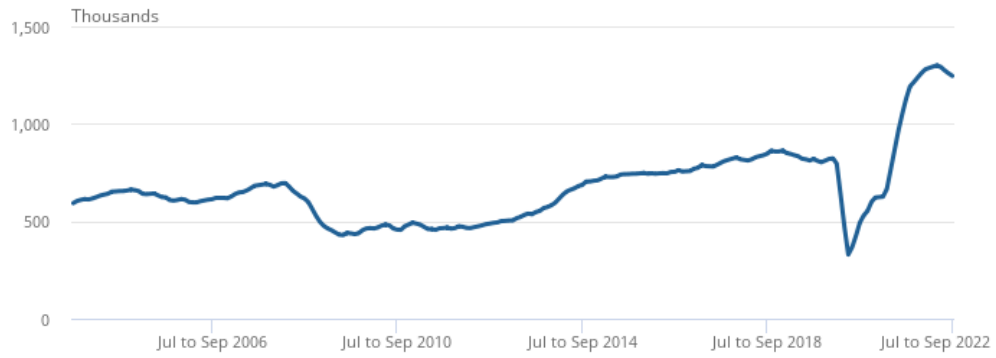
- There were 145,065 claimants in the WMCA (3 LEP) area in September 2022. Since August 2022, there has been an increase of 1.1% (+1,645) claimants in the WMCA (3 LEP) area, while the UK increased by 0.9%. When compared to March 2020 (pre-pandemic figures), the number of claimants has increased by 23.4% (+27,475) in the WMCA (3 LEP) area, with the UK increasing by 20.9% over the same period.
- There were 25,405 youth claimants in the WMCA (3 LEP) area in September 2022. Since August 2022, there was an increase of 1.9% (+485) youth claimants in the WMCA (3 LEP) area, while the UK increased by 1.5%. When compared to March 2020 (pre pandemic figures), the number of youth claimants has increased by 12.5% (+2,825) in the WMCA (3 LEP) area, with the UK increasing by 7.2% over the same period.

In Depth:

UK Labour Market Statistics – UK Vacancies[5]

- In July to September 2022, the estimated number of vacancies fell by 46,000 on the quarter to 1,246,000, and are at their lowest since October to December 2021.

The following chart shows the number of vacancies in the UK, seasonally adjusted, July to September 2003 to July to September 2022:



Source: ONS – Vacancy Survey

[5] Source: ONS, Vacancies and Jobs in the UK: October 2022. Please note, the headline vacancy estimates are based on three-month averages which naturally involve some time lag. Insights into trends in September 2022 are provided by two experimental sources, single-month vacancy estimates. Both the single month vacancy estimates and the online job advert estimates have fallen in September 2022.

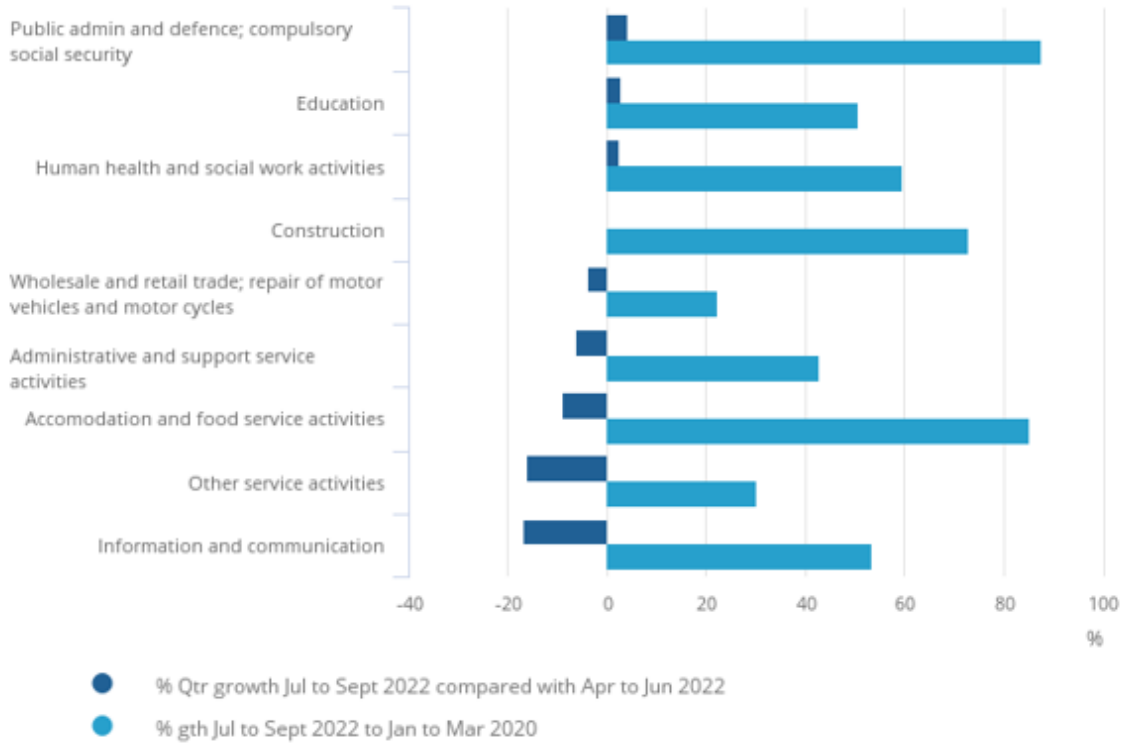
- The rate of quarterly growth fell to negative 3.6% in July to September 2022, with growth falling in 13 of the 18 industry sectors. Information and communication and other service activities fell at the fastest rate, at negative 16.6% and 16.0%, respectively.

- In July to September 2022, the 46,000 decrease in the number of vacancies was the largest fall on the quarter seen since June to August 2020. The industry sectors displaying the largest falls in vacancy numbers were accommodation and food service activities, down 15,000, and information and communication, down 13,000 on the quarter. Human health and social work had the largest increase in vacancies, up by 5,000 on the quarter. The recent fall in the number of vacancies has coincided with an increasing number of respondents reporting lower levels of recruitment because of a variety of economic pressures.

- In July to September 2022 the total number of vacancies was 450,000 (56.6%) above the January to March 2020 pre-pandemic level, with the largest increase in human health and social work which was up 81,000. When comparing with the same time last year, total vacancies rose by 117,000 (10.3%) with human health and social work again showing the largest growth of 38,000 (21.3%).

- The number of vacancies remains high after a prolonged period of positive growth from July to September 2020 to April to June 2022. Despite the market contracting recently, the large number of vacancies combined with low levels of unemployment contribute to an historically tight labour market. Notably, in June to August 2022 the number of unemployed people per vacancy fell to a new record low of 0.9.

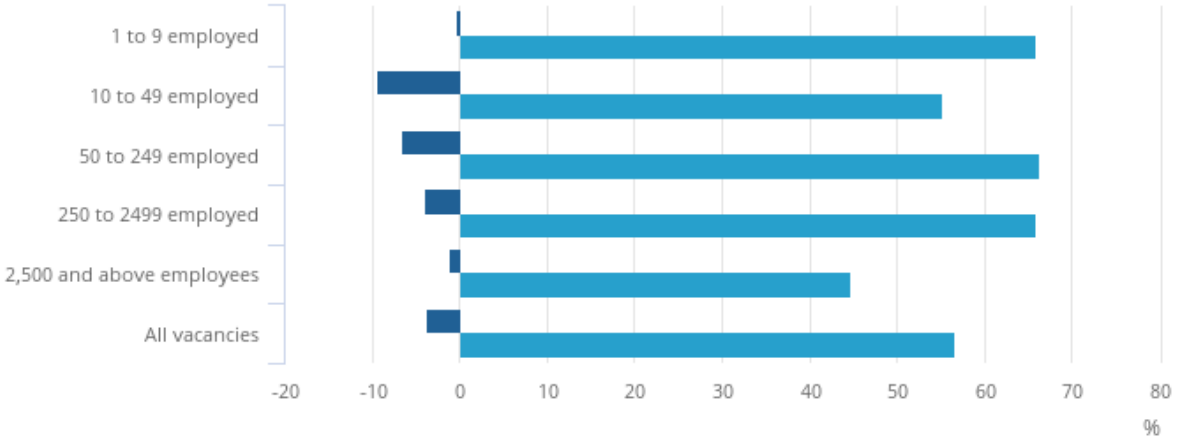
The following chart shows for July to August 2022 three-month average vacancies in the UK, quarterly percentage growth from April to June 2022 and percentage growth from pre-coronavirus pandemic January to March 2020:



Source: ONS – Vacancy Survey

- For the second consecutive period there was no quarterly growth in any industry size band.

The following chart shows July to September 2022 three-month average vacancies in the UK, quarterly growth from April to June 2022 and growth from a pre-coronavirus pandemic January to March 2020:



Source: ONS – Vacancy Survey

Regional Labour Market[6]

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

- For the three months ending August 2022, the West Midlands Region employment rate (aged 16 – 64 years) was 74.6%. Since the three months ending May 2022, the employment rate decreased by 0.5 percentage points (pp) and when compared to the same period in the previous year, the employment rate was the same level. The UK employment rate was 75.5%, a decrease of 0.3pp when compared to the previous quarter but an increase of 0.3pp when compared to the previous year. The highest employment rate within the UK for the three months ending August 2022 was in the East of England with 79.1% and the lowest in Northern Ireland with 69.9%.

- For the three months ending in August 2022, the West Midlands Region unemployment rate (aged 16 years and over) was 4.7%, which has increased by 0.3pp since the previous quarter but a decrease of 0.2pp from the previous year. The UK unemployment rate was 3.5%, a decrease of 0.3pp from the previous quarter and a 0.9pp decrease when compared to the previous year. The highest unemployment rate in the UK for the three months ending August 2022 was in the West Midlands, with the lowest unemployment rate in South West at 2.7%. Notably, there were record lows for London (4.0%) and the North East (4.4%) and a joint record low in the North West (3.5%).

- For the three months ending August 2022, the West Midlands Region economic inactivity rate (aged 16 – 64 years) was 21.6%, an increase of 0.3pp from previous quarter and an increase of 0.1pp when compared to the previous year. The UK economic inactivity rate was 21.7%, an increase of 0.6pp from the previous quarter and an increase of 0.5pp from the previous year. The highest economic inactivity rate in the UK for the three months ending August 2022 was in Northern Ireland with 27.8%, with the lowest in the East of England with 18.5%.

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

The table below provides a summary of the latest headline estimates and quarterly changes for regions of the UK, seasonally adjusted, June to August 2022:

	Employment rate – Jun to Aug 22 (aged 16- 64 years)	Change on Mar to May 22	Unemployment rate - Jun to Aug 22 (16 years +)	Change on Mar to May 22	Inactivity rate – Jun to Aug 22 (aged 16-64 years)	Change on Mar to May 22
UK	75.5%	-0.3pp	3.5%	-0.3pp	21.7%	0.6pp
Great Britain	75.7%	-0.3pp	3.5%	-0.3pp	21.5%	0.6pp
England	75.9%	-0.3pp	3.5%	-0.3pp	21.3%	0.6pp
North East	71.2%	-0.3pp	4.4%	-0.6pp	25.5%	0.6pp
North West	73.8%	-0.3pp	3.5%	-0.8pp	23.5%	1.0pp
Yorkshire and The Humber	74.4%	-0.1pp	3.9%	-0.6pp	22.6%	0.5pp
East Midlands	75.0%	-1.9pp	3.1%	0.6pp	22.6%	1.4pp
West Midlands	**74.6%**	**-0.5pp**	**4.7%**	**0.3pp**	**21.6%**	**0.3pp**
East	79.1%	0.8pp	2.8%	-0.7pp	18.5%	-0.3pp
London	75.1%	-0.3pp	4.0%	-0.6pp	21.7%	0.9pp
South East	78.2%	-0.2pp	3.2%	0.2pp	19.2%	0.1pp
South West	78.6%	-0.6pp	2.7%	-0.1pp	19.1%	0.7pp
Wales	72.1%	-1.6pp	3.3%	-0.5pp	25.3%	1.9pp
Scotland	75.8%	0.4pp	3.3%	-0.3pp	21.6%	-0.2pp
Northern Ireland	69.9%	-0.1pp	3.0%	0.4pp	27.8%	-0.2pp

Source: ONS – Labour Force Survey

Annual Population Survey: Employment Activity: Year Ending June 2022[7]

The table below provides a summary of the latest headline estimates for the working age population in the WMCA and the UK for the year ending June 2022 and percentage point (pp) change since year ending June 2021:

	Economic Activity Rate		Employment Rate		Economically Inactive	
	Year Ending Jun 2022	PP change	Year Ending Jun 2022	PP change	Year Ending Jun 2022	PP change
Birmingham	70.5%	-1.4pp	65.1%	0.3pp	29.5%	1.4pp
Bromsgrove	81.1%	-5.5pp	78.0%	-7.0pp	18.9%	5.5pp
Cannock Chase	88.8%	3.9pp	80.9%	1.9pp	11.2%	-3.9pp
Coventry	75.4%	1.1pp	70.8%	0.5pp	24.6%	-1.1pp
Dudley	79.9%	-1.2pp	76.6%	-0.5pp	20.1%	1.2pp
East Staffordshire	81.2%	0.9pp	77.2%	0.2pp	18.8%	-0.9pp
Lichfield	78.7%	0.5pp	77.0%	4.1pp	21.3%	-0.5pp
North Warwickshire	80.8%	-3.4pp	76.4%	-6.7pp	19.2%	3.4pp
Nuneaton and Bedworth	81.9%	-0.6pp	80.1%	0.6pp	18.1%	0.6pp
Redditch	76.8%	-5.9pp	72.2%	-5.2pp	23.2%	5.9pp
Rugby	83.8%	-0.2pp	83.0%	3.0pp	16.2%	0.2pp
Sandwell	69.7%	-8.5pp	65.8%	-8.0pp	30.3%	8.5pp
Solihull	80.7%	-2.1pp	76.0%	-3.5pp	19.3%	2.1pp
Stratford-on-Avon	82.7%	3.8pp	79.6%	4.6pp	17.3%	-3.8pp
Tamworth	81.7%	0.6pp	79.4%	-1.7pp	18.3%	-0.6pp
Walsall	78.8%	3.3pp	74.3%	4.7pp	21.2%	-3.3pp
Warwick	81.5%	-3.7pp	78.6%	-1.9pp	18.5%	3.7pp
Wolverhampton	77.1%	1.4pp	71.0%	-0.3pp	22.9%	-1.4pp
Wyre Forest	69.4%	-16.5pp	65.8%	-17.0pp	30.6%	16.5pp

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

WM 7 Met.	**74.1%**	**-1.2pp**	**69.3%**	**-0.5pp**	**25.9%**	**1.2pp**
Black Country LEP	76.2%	-1.6pp	71.8%	-1.3pp	23.8%	1.6pp
Coventry and Warwickshire LEP	79.3%	0pp	76.0%	0.5pp	20.7%	0pp
Greater Birmingham and Solihull LEP	74.5%	-2.0pp	69.6%	-1.3pp	25.5%	2.0pp
WMCA (3 LEP)	**76.0%**	**-1.4pp**	**71.7%**	**-0.9pp**	**24.0%**	**1.4pp**
UK	78.4%	0.1pp	75.4%	1.1pp	21.6%	-0.1pp

Employment Rate

- In the year ending June 2022, the employment rate in the WMCA (3 LEP) area was 71.7%, compared to 75.4% for UK-wide. This was a 0.9pp decrease in the employment rate for the WMCA (3 LEP) area when compared to the year ending June 2021. The UK employment rate increased by 1.1pp over the same time period. For the WMCA (3 LEP) area to reach the UK rate of 75.4%, an additional 96,359 people are required.

- Since the year ending June 2021, the employment rate for the WM 7 Met. area decreased by 0.5pp and was 69.3% in the year ending June 2022. For the WM 7 Met. area to reach the UK rate of 75.4%, an additional 112,898 people are required.

- Within the WMCA (3 LEP) area, the Black Country LEP employment rate decreased by 1.3pp since the year ending June 2021 to 71.8% in the year ending June 2022. Coventry and Warwickshire LEP's employment rate remains higher than the UK average (76.0% vs 75.4%) and increased by 0.5pp since the year ending June 2021. Greater Birmingham and Solihull LEP experienced a decrease of 1.3pp to an employment rate of 69.6%.

- At local authority level in the WMCA (3 LEP) area, nine of the local authorities' employment rate increased; Walsall had the largest percentage point increase since the year ending June 2021; by 4.7pp; the employment rate was then 74.3%. In contrast, Wyre Forest had the highest percentage point decrease in employment rate; by 17.0pp – down to 65.8% in the year ending June 2022.

Economic Activity Rate

- The economic activity rate for the WMCA (3 LEP) area was 76.0% compared to 78.4% for the UK in the year ending June 2022. For the WMCA (3 LEP) area, there has been a 1.4pp decrease in the economic activity rate, the UK increased by 0.1pp since the year ending June 2021.

- The economic activity rate in the WM 7 Met. area for the year ending June 2022 was 74.1%, a decrease of 1.2pp from the year ending June 2021.

- The Black Country LEP area experienced a 1.6pp decrease from the year ending June 2021 to 76.2% in the year ending June 2022. While Coventry and Warwickshire LEP remained at 79.3% and Greater Birmingham and Solihull LEP decreased by 2.0pp to 74.5% over the same period.

- Economic activity rate varies across the WMCA (3 LEP) local authorities in the year ending June 2022, from 69.4% in Wyre Forest (decreasing by 16.5pp since the year ending June 2021, the highest decrease in the WMCA) to 88.8% in Cannock Chase (increasing by 3.9pp, the highest increase in the WMCA).

Economic Inactivity Rate

- The economic inactivity rate for the WMCA (3 LEP) area was 24.0% compared to 21.6% UK-wide for the year ending June 2022. For the WMCA (3 LEP) area, this increased by 1.4pp, while the UK decreased by 0.1pp since the year ending June 2021.

- The economic inactivity rate in the WM 7 Met. area for the year ending June 2022 was 25.9%, an increase of 1.2pp from the year ending June 2021.

- In the year ending June 2022, the WMCA (3 LEP) had a higher percentage of people that were inactive when compared to the UK in two categories, these categories were; students (31.4% vs 27.2%) and looking after the family/home (24.4% vs 19.6%), with similar patterns seen in the WM 7 Met. area.

The following table shows the proportions of economic inactivity rate by reason[8] for the WMCA and UK-wide in the year ending June 2022:

	WM 7 Met.	Black Country LEP	Coventry & Warwickshire LEP	Greater Birmingham & Solihull LEP	WMCA (3 LEP)	UK
Student	32.4%	21.3%	31.4%	36.8%	31.4%	27.2%
Looking after family/home	26.0%	27.2%	20.1%	24.6%	24.4%	19.6%
Temporary sick	1.8%	2.9%	3.1%	1.4%	2.2%	2.2%
Long-term sick	22.5%	26.8%	21.0%	20.3%	22.3%	25.6%
Discouraged	0.1%	0.5%	0.1%	0.2%	0.3%	0.3%
Retired	6.8%	8.9%	9.6%	8.6%	8.9%	13.6%
Other	10.2%	12.3%	14.7%	8.2%	10.6%	11.5%

Employment by Occupation

- In the year ending March 2022, the WMCA (3 LEP) area had a higher percentage of people employed in four of the nine occupations when compared to the UK, these include; associate professional occupations (15.4% vs 14.9%), administrative & secretarial occupations (10.8% vs 10.1%), process, plant & machine operatives (7.9% vs 5.7%) and elementary occupations (11.2% vs 9.6%) - the WM 7 Met. area followed similar patterns.

The following table shows the proportions of employment by occupation for the WMCA and UK in the year ending June 2022:

	WM 7 Met.	Black Country LEP	Coventry & Warwickshire LEP	Greater Birmingham & Solihull LEP	WMCA (3 LEP)	UK
1: managers, directors and senior officials	7.5%	7.9%	6.9%	9.5%	8.4%	10.3 %
2: professional occupations	24.2 %	19.3%	26.4%	26.5%	24.5%	25.8 %
3: associate prof & tech occupations	15.4 %	16.0%	16.7%	14.4%	15.4%	14.9 %
4: administrative and secretarial occupations	11.3 %	12.3%	10.0%	10.2%	10.8%	10.1 %
5: skilled trades occupations	7.8%	9.6%	8.0%	7.5%	8.2%	8.6%
6: caring, leisure and other service occupations	7.7%	8.5%	6.4%	6.4%	7.0%	7.9%
7: sales and customer service occupations	6.1%	5.5%	5.8%	7.0%	6.3%	6.7%
8: process, plant and machine operatives	8.0%	10.2%	7.0%	7.1%	7.9%	5.7%
9: elementary occupations	11.6 %	10.3%	12.7%	11.0%	11.2%	9.6%

Modelled Unemployment Rate[9]

- In the year ending June 2022, the modelled unemployment rate in the WMCA (3 LEP) area was 5.6%, compared to 3.9% for England-wide. This was a 0.6pp decrease in the unemployment for the WMCA (3 LEP) area when compared to the year ending June 2021. England-wide unemployment rate decreased by 1.2pp

[8] Please note, the proportion of those who are inactive due to being discouraged is a proxy estimate.

[9] The model-based estimate improves on the APS estimate by borrowing strength from the claimant count to produce an estimate that is more precise i.e. has a smaller confidence interval. The claimant count is not itself a measure of unemployment but is strongly correlated with unemployment, and, as it is an administrative count, is known without sampling error. The gain in precision is greatest for areas with smaller sample sizes. Modelled unemployment rate is based on all people aged 16+ without a job who were available to start work in the two weeks following their interview and who had either looked for work in the four weeks prior to interview or were waiting to start a job they had already obtained. The unemployment count as a percentage of the economically active population aged 16+.

over the same time period. For the WMCA (3 LEP) area to reach the England rate of 3.9%, a reduction of 35,355 people is required.

- Since the year ending June 2021, the modelled unemployment rate for the WM 7 Met. area decreased by 0.8pp and was 6.4% in the year ending June 2022.

- Within the WMCA (3 LEP) area, the Black Country LEP modelled unemployment rate decreased by 0.3pp since the year ending June 2021 to 5.6% in the year ending June 2022. Coventry and Warwickshire LEP's unemployment rate decreased by 0.6pp to 4.1% in the year ending June 2022. Greater Birmingham and Solihull LEP experienced a decrease of 0.7pp to an unemployment rate of 6.4%.

- At local authority level in the WMCA (3 LEP) area, since the year ending June 2021, four local authorities increased – Bromsgrove (+0.1pp to 3.7%), Cannock Chase (+0.1pp to 4.0%), Solihull (+0.2pp to 4.6%) and North Warwickshire (+0.3pp to 3.7%). In contrast, Walsall had the highest percentage point decrease in the unemployment rate; by 1.3pp – down to 5.4% in the year ending June 2022.

The table below provides a summary of the modelled unemployment rate for those aged 16 years and over in the WMCA and the England for the year ending June 2022 and percentage point (pp) change since year ending June 2021:

	Modelled Unemployment Count	Modelled Unemployment Rate	PP change Since Year Ending Jun 21
Birmingham	40,200	7.5%	-1.0pp
Bromsgrove	1,900	3.7%	0.1pp
Cannock Chase	2,100	4.0%	0.1pp
Coventry	10,700	5.6%	-0.4pp
Dudley	7,000	4.4%	-0.8pp
East Staffordshire	2,400	3.9%	0pp
Lichfield	1,800	3.6%	-0.8pp
North Warwickshire	1,100	3.7%	0.3pp
Nuneaton and Bedworth	2,600	3.9%	-0.5pp
Redditch	1,700	4.2%	-0.6pp
Rugby	2,000	3.5%	-0.4pp
Sandwell	9,100	6.0%	-0.3pp
Solihull	4,800	4.6%	0.2pp
Stratford-on-Avon	2,200	3.5%	-0.4pp
Tamworth	1,500	4.1%	0pp
Walsall	7,700	5.4%	-1.3pp
Warwick	2,700	3.6%	-0.2pp
Wolverhampton	7,600	6.0%	-0.6pp
Wyre Forest	1,800	4.1%	-0.2pp
WM 7 Met.	**90,800**	**6.4%**	**-0.8pp**
Black Country LEP	32,800	5.6%	-0.3pp
Coventry and Warwickshire LEP	20,100	4.1%	-0.6pp
Greater Birmingham and Solihull LEP	62,300	6.4%	-0.7pp
WMCA (3 LEP)	**115,200**	**5.6%**	**-0.6pp**
England	1,107,600	3.9%	-1.2pp

Claimant Count

Claimant count for people aged 16 years and over[10]:

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

- There were 145,065 claimants in the WMCA (3 LEP) area in September 2022. Since August 2022, there has been an increase of 1.1% (+1,645) claimants in the WMCA (3 LEP) area, while the UK increased by 0.9%. When compared to September 2021, the number of claimants has decreased by 18.0% (-31,820) in the WMCA (3 LEP) area, with the UK decreasing by 24.6% over the same period. When compared to March 2020 (pre-pandemic figures), the number of claimants has increased by 23.4% (+27,475) in the WMCA (3 LEP) area, with the UK increasing by 20.9% over the same period.

- The Black Country LEP area had 44,480 claimants aged 16 years and over in September 2022, an increase of 490 (+1.1%) claimants from the previous month. Compared to the same month in 2021, Black Country LEP claimants decreased by 10,070 (-18.5%). When compared to March 2020, the number of claimants has increased by 6,205 (+16.2%).

- In Coventry and Warwickshire LEP, there were 21,795 claimants aged 16 years and over in September 2022, an increase of 370 (+1.7%) claimants since August 2022. Compared to the same month in 2021, Coventry and Warwickshire LEP claimants decreased by 4,865 (-18.2%). When compared to March 2020, the number of claimants has increased by 5,970 (+37.7%).

- In Greater Birmingham and Solihull LEP, there were 78,790 claimants aged 16 years and over in September 2022, an increase of 785 (+1.0%) claimants since August 2022. Compared to the same month in 2021, Greater Birmingham and Solihull LEP claimants decreased by 16,885 (-17.6%). When compared to March 2020, the number of claimants has increased by 15,300 (+24.1%).

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

	Mar 2020	Sep 2021	Aug 2022	Sep 2022	Sep 2022 (Claimants as proportion aged 16-64) Rates	% Change Since Mar 20	% Change Since Sep 21	% Change Since Aug 22
Birmingham	49,370	73,035	61,000	61,665	8.4%	24.9%	-15.6%	1.1%
Bromsgrove	1,165	2,035	1,565	1,515	2.6%	30.0%	-25.6%	-3.2%
Cannock Chase	1,655	2,600	1,975	2,015	3.2%	21.8%	-22.5%	2.0%
Coventry	8,000	13,945	11,650	11,910	4.7%	48.9%	-14.6%	2.2%
Dudley	8,515	11,570	9,300	9,315	4.8%	9.4%	-19.5%	0.2%
East Staffordshire	1,720	3,045	2,160	2,235	3.0%	29.9%	-26.6%	3.5%
Lichfield	1,320	2,040	1,560	1,515	2.4%	14.8%	-25.7%	-2.9%
North Warwickshire	845	1,400	995	1,030	2.6%	21.9%	-26.4%	3.5%
Nuneaton and Bedworth	2,830	4,070	3,110	3,170	4.0%	12.0%	-22.1%	1.9%
Redditch	1,535	2,420	1,985	2,010	3.8%	30.9%	-16.9%	1.3%
Rugby	1,535	2,430	1,940	1,920	2.9%	25.1%	-21.0%	-1.0%
Sandwell	10,780	16,125	13,195	13,440	6.6%	24.7%	-16.7%	1.9%
Solihull	3,650	5,790	4,205	4,240	3.3%	16.2%	-26.8%	0.8%
Stratford-on-Avon	1,050	2,175	1,645	1,655	2.2%	57.6%	-23.9%	0.6%
Tamworth	1,490	2,200	1,660	1,670	3.5%	12.1%	-24.1%	0.6%
Walsall	8,605	12,375	9,620	9,610	5.5%	11.7%	-22.3%	-0.1%
Warwick	1,570	2,640	2,085	2,110	2.3%	34.4%	-20.1%	1.2%
Wolverhampton	10,380	14,475	11,880	12,115	7.4%	16.7%	-16.3%	2.0%
Wyre Forest	1,580	2,505	1,900	1,930	3.3%	22.2%	-23.0%	1.6%
WM 7 Met.	**99,300**	**147,320**	**120,850**	**122,300**	**6.6%**	**23.2%**	**-17.0%**	**1.2%**
Black Country LEP	38,275	54,550	43,990	44,480	6.0%	16.2%	-18.5%	1.1%
Coventry and Warwickshire LEP	15,825	26,660	21,425	21,795	3.6%	37.7%	-18.2%	1.7%

	Mar 2020	Sep 2021	Aug 2022	Sep 2022	Sep 2022 (Claimants as proportion aged 16-64) Rates	% Change Since Mar 20	% Change Since Sep 21	% Change Since Aug 22
Greater Birmingham and Solihull LEP	63,490	95,675	78,005	78,790	6.2%	24.1%	-17.6%	1.0%
WMCA (3 LEP)	**117,590**	**176,885**	**143,420**	**145,065**	**5.5%**	**23.4%**	**-18.0%**	**1.1%**
United Kingdom	1,268,620	2,032,690	1,520,035	1,533,175	3.7%	20.9%	-24.6%	0.9%

- Overall, for the WMCA (3 LEP) the number of claimants as a proportion of residents aged 16-64 years old was 5.5% compared to 3.7% for the UK in September 2022.

Youth Claimants (Aged 18-24)

- There were 25,405 youth claimants in the WMCA (3 LEP) area in September 2022. Since August 2022, there was an increase of 1.9% (+485) youth claimants in the WMCA (3 LEP) area, while the UK increased by 1.5%. When compared to September 2021, the number of youth claimants has decreased by 21.1% (-6,805) in the WMCA (3 LEP) area, with the UK decreasing by 27.2% over the same period. When compared to March 2020 (pre pandemic figures), the number of youth claimants has increased by 12.5% (+2,825) in the WMCA (3 LEP) area, with the UK increasing by 7.2% over the same period.

- The Black Country LEP area had 7,965 youth claimants in September 2022, an increase of 120 (+1.5%) claimants from the previous month. Compared to the same month in 2021, Black Country LEP youth claimants decreased by 2,345 (-22.7%). When compared to March 2020, the number of youth claimants has increased by 275 (+3.6%).

- In Coventry and Warwickshire LEP, there were 3,640 youth claimants in September 2022, an increase of 100 (+2.8%) claimants since August 2022. Compared to the same month in 2021, Coventry and Warwickshire LEP youth claimants decreased by 905 (-19.9%). When compared to March 2020, the number of claimants has increased by 765 (+26.6%).

- In Greater Birmingham and Solihull LEP, there were 13,800 youth claimants in September 2022, this is an increase of 265 (+2.0%) claimants since August 2022. Compared to the same month in 2021, Greater Birmingham and Solihull LEP youth claimants decreased by 3,555 (-20.5%). In the Greater Birmingham and Solihull LEP area, when compared to March 2020, the number of claimants has increased by 1,785 (+14.9%).

The following table shows a breakdown of number of claimants aged 18-24 years old and change on selected months for WMCA and UK:

	Mar 2020	Sep 2021	Aug 2022	Sep 2022	Sep 2022 (Claimants as proportion aged 18-24) Rates	% Change Since Mar 20	% Change Since Aug 21	% Change Since Sep 22
Birmingham	9,105	13,175	10,490	10,700	7.6%	17.5%	-18.8%	2.0%
Bromsgrove	215	350	270	255	4.3%	18.6%	-27.1%	-5.6%
Cannock Chase	365	500	400	400	5.6%	9.6%	-20.0%	0.0%
Coventry	1,535	2,360	1,980	2,055	3.8%	33.9%	-12.9%	3.8%
Dudley	1,750	2,250	1,630	1,680	7.1%	-4.0%	-25.3%	3.1%
East Staffordshire	320	505	320	350	4.1%	9.4%	-30.7%	9.4%
Lichfield	270	345	285	265	3.8%	-1.9%	-23.2%	-7.0%
North Warwickshire	160	270	185	190	4.3%	18.8%	-29.6%	2.7%
Nuneaton and Bedworth	555	780	570	575	6.2%	3.6%	-26.3%	0.9%

	Mar 2020	Sep 2021	Aug 2022	Sep 2022	Sep 2022 (Claimants as proportion aged 18-24) Rates	% Change Since Mar 20	% Change Since Aug 21	% Change Since Sep 22
Redditch	310	425	345	355	6.0%	14.5%	-16.5%	2.9%
Rugby	235	395	290	290	4.0%	23.4%	-26.6%	0.0%
Sandwell	2,115	2,995	2,360	2,420	9.2%	14.4%	-19.2%	2.5%
Solihull	825	1,155	760	805	5.3%	-2.4%	-30.3%	5.9%
Stratford-on-Avon	160	300	215	220	2.7%	37.5%	-26.7%	2.3%
Tamworth	295	460	330	325	5.8%	10.2%	-29.3%	-1.5%
Walsall	1,915	2,465	1,855	1,825	8.0%	-4.7%	-26.0%	-1.6%
Warwick	230	435	300	310	1.9%	34.8%	-28.7%	3.3%
Wolverhampton	1,910	2,595	2,000	2,045	9.8%	7.1%	-21.2%	2.3%
Wyre Forest	310	435	340	345	5.2%	11.3%	-20.7%	1.5%
WM 7 Met.	**19,155**	**27,000**	**21,080**	**21,525**	**7.1%**	**12.4%**	**-20.3%**	**2.1%**
Black Country LEP	7,690	10,310	7,845	7,965	8.5%	3.6%	-22.7%	1.5%
Coventry and Warwickshire LEP	2,875	4,545	3,540	3,640	3.6%	26.6%	-19.9%	2.8%
Greater Birmingham and Solihull LEP	12,015	17,355	13,535	13,800	6.8%	14.9%	-20.5%	2.0%
WMCA (3 LEP)	**22,580**	**32,210**	**24,920**	**25,405**	**6.4%**	**12.5%**	**-21.1%**	**1.9%**
United Kingdom	238,085	350,700	251,265	255,135	4.6%	7.2%	-27.2%	1.5%

- Overall, for the WMCA (3 LEP) the number of youth claimants as a percentage of residents aged 18-24 years old was 6.4% compared to 4.6% for the UK in September 2022.

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

- As seen in the following table, there were a selection of age bands where claimants increased from September 2022 to August 2022.

- For those aged 16-24 in the WMCA (3 LEP) area, when comparing September 2022 to the previous month, there was an overall increase of 480 claimants. This can be split by an increase of 265 males and an increase of 215 females.

- For those aged 25-49 in the WMCA (3 LEP) area, when comparing September 2022 to the previous month, there was an overall increase of 1,230 claimants. This can be split by an increase of 405 males and an increase of 825 females.

- For those aged 50 years and over in the WMCA (3 LEP) area, when comparing September 2022 to the previous month, there was an overall decrease of 65 claimants. This can be split by a decrease of 55 males and a decrease of 15 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 September 2022:

		Mar 2020	Sep 2021	Aug 2022	Sep 2022	No. Change Since Mar 20	No. Change Since Jul 21	No. Change Since Jun 22
Total	**Age 16+**	**117,590**	**176,885**	**143,420**	**145,065**	**27,475**	**-31,820**	**1,645**
	Aged 16-24	**22,835**	**32,510**	**25,175**	**25,655**	**2,820**	**-6,855**	**480**
	Aged 16-17	250	305	250	250	0	-55	0
	Aged 18-24	22,580	32,210	24,920	25,405	2,825	-6,805	485

[11] Please note, figure may not sum due to rounding.

		Mar 2020	Sep 2021	Aug 2022	Sep 2022	No. Change Since Mar 20	No. Change Since Jul 21	No. Change Since Jun 22
	Aged 25-49	**67,130**	**103,075**	**84,200**	**85,430**	**18,300**	**-17,645**	**1,230**
	Aged 25-29	15,945	23,665	18,400	18,405	2,460	-5,260	5
	Aged 30-34	15,635	24,425	19,815	20,140	4,505	-4,285	325
	Aged 35-39	13,715	21,760	18,335	18,725	5,010	-3,035	390
	Aged 40-44	11,230	17,930	15,280	15,640	4,410	-2,290	360
	Aged 45-49	10,605	15,295	12,375	12,515	1,910	-2,780	140
	Aged 50+	**27,635**	**41,295**	**34,045**	**33,980**	**6,345**	**-7,315**	**-65**
	Aged 50-54	9,960	14,820	12,035	12,030	2,070	-2,790	-5
	Aged 55-59	8,985	13,045	10,540	10,535	1,550	-2,510	-5
	Aged 60-64	7,675	11,020	9,370	9,260	1,585	-1,760	-110
	Aged 65+	1,020	2,410	2,110	2,160	1,140	-250	50
Male	**Age 16+**	**69,420**	**103,990**	**84,485**	**85,105**	**15,685**	**-18,885**	**620**
	Aged 16-24	**14,100**	**19,820**	**15,545**	**15,810**	**1,710**	**-4,010**	**265**
	Aged 16-17	115	125	115	110	-5	-15	-5
	Aged 18-24	13,980	19,705	15,430	15,705	1,725	-4,000	275
	Aged 25-49	**38,965**	**60,080**	**48,950**	**49,355**	**10,390**	**-10,725**	**405**
	Aged 25-29	9,610	14,415	11,250	11,250	1,640	-3,165	0
	Aged 30-34	9,095	14,275	11,595	11,665	2,570	-2,610	70
	Aged 35-39	7,730	12,465	10,380	10,580	2,850	-1,885	200
	Aged 40-44	6,440	10,195	8,665	8,825	2,385	-1,370	160
	Aged 45-49	6,080	8,735	7,055	7,045	965	-1,690	-10
	Aged 50+	**16,355**	**24,080**	**19,990**	**19,935**	**3,580**	**-4,145**	**-55**
	Aged 50-54	5,820	8,595	7,030	7,005	1,185	-1,590	-25
	Aged 55-59	5,295	7,660	6,210	6,200	905	-1,460	-10
	Aged 60-64	4,575	6,375	5,445	5,390	815	-985	-55
	Aged 65+	655	1,445	1,300	1,340	685	-105	40
Female	**Age 16+**	**48,175**	**72,895**	**58,940**	**59,965**	**11,790**	**-12,930**	**1,025**
	Aged 16-24	**8,730**	**12,690**	**9,630**	**9,845**	**1,115**	**-2,845**	**215**
	Aged 16-17	135	180	140	145	10	-35	5
	Aged 18-24	8,595	12,510	9,490	9,705	1,110	-2,805	215
	Aged 25-49	**28,165**	**42,995**	**35,255**	**36,080**	**7,915**	**-6,915**	**825**
	Aged 25-29	6,340	9,250	7,150	7,155	815	-2,095	5
	Aged 30-34	6,530	10,155	8,210	8,480	1,950	-1,675	270
	Aged 35-39	5,985	9,295	7,955	8,145	2,160	-1,150	190
	Aged 40-44	4,790	7,735	6,615	6,820	2,030	-915	205
	Aged 45-49	4,525	6,560	5,315	5,470	945	-1,090	155
	Aged 50+	**11,280**	**17,215**	**14,060**	**14,045**	**2,765**	**-3,170**	**-15**
	Aged 50-54	4,135	6,220	5,010	5,020	885	-1,200	10
	Aged 55-59	3,690	5,380	4,325	4,335	645	-1,045	10
	Aged 60-64	3,100	4,645	3,925	3,875	775	-770	-50
	Aged 65+	360	965	805	815	455	-150	10

Alternative Claimant Count[12]

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.

[12] Source: Department for Work and Pensions, Alternative claimant statistics, October 2022

All Ages

- The alternative claimant count data estimated 133,560 claimants in the WMCA (3 LEP) area in August 2022, a decrease of 25.3% (-45,332) when compared to August 2021. Over the same period the UK decreased by 31.4%. Longer-term trends show the WMCA (3 LEP) had 21,724 more claimants in August 2022 when compared to August 2017, this equated to an increase of 19.4% (UK +12.7%).

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

	Aug-17	Aug-18	Aug-19	Aug-20	Aug-21	Aug-22	% Change Since Aug 21	Num. Change Since Aug 21
WM 7 Met.	**95,968**	**96,816**	**100,656**	**176,570**	**149,424**	**113,112**	**-24.3%**	**-36,312**
Black Country LEP	38,365	38,101	38,750	68,294	55,252	40,769	-26.2%	-14,483
Coventry & Warwickshire LEP	14,284	14,747	15,401	34,467	27,122	20,670	-23.8%	-6,452
Greater Birmingham & Solihull LEP	59,187	60,777	63,715	114,875	96,518	72,121	-25.3%	-24,397
WMCA (3 LEP)	**111,836**	**113,625**	**117,866**	**217,636**	**178,892**	**133,560**	**-25.3%**	**-45,332**
UK	1,269,184	1,254,570	1,280,856	2,749,220	2,085,002	1,430,877	-31.4%	-654,125

16-24 years old

- The alternative claimant count data estimated 23,278 youth claimants in the WMCA (3 LEP) area in August 2022, a decrease of 28.0% (-9,066) when compared to August 2021. Over the same period the UK decreased by 34.9%. Longer-term trends show the WMCA (3 LEP) had 6,018 more claimants in August 2022 when compared to August 2017, this equated to an increase of 34.9% (UK +18.9%).

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

	Aug-17	Aug-18	Aug-19	Aug-20	Aug-21	Aug-22	% Change Since Aug 21	Num. Change Since Aug 21
WM 7 Met.	**14,985**	**15,142**	**17,188**	**34,196**	**27,183**	**19,830**	**-27.0%**	**-7,353**
Black Country LEP	6,301	6,067	6,787	13,356	10,248	7,245	-29.3%	-3,003
Coventry & Warwickshire LEP	1,922	2,030	2,406	6,437	4,567	3,305	-27.6%	-1,262
Greater Birmingham & Solihull LEP	9,037	9,492	10,819	22,241	17,529	12,728	-27.4%	-4,801
WMCA (3 LEP)	**17,260**	**17,589**	**20,012**	**42,034**	**32,344**	**23,278**	**-28.0%**	**-9,066**
UK	192,929	186,673	209,188	515,038	352,175	229,308	-34.9%	-122,867

Lightcast Job Postings WMCA 3 LEP Geography September 2022[13]

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

- The majority of local authorities experienced a decrease from the previous month; with the only increases in East Staffordshire, Wyre Forest (both +1%), Lichfield (+2%) and Sandwell (+7%).

- Cannock Chase, Redditch and Stratford-on-Avon had no change in unique postings over the month period.

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

	September 2022 Unique Postings	**% Change (August 2022 - September 2022)**
Birmingham	52,958	-2%
Bromsgrove	1,266	-6%
Cannock Chase	2,221	0%
Coventry	12,899	-4%
Dudley	5,457	-8%
East Staffordshire	5,040	1%
Lichfield	2,352	2%
North Warwickshire	1,065	-6%
Nuneaton and Bedworth	3,010	-2%
Redditch	2,809	0%
Rugby	2,979	-2%
Sandwell	6,679	7%
Solihull	5,832	-2%
Stratford-on-Avon	3,471	0%
Tamworth	2,811	-6%
Walsall	4,073	-2%
Warwick	6,946	-1%
Wolverhampton	6,110	-5%
Wyre Forest	1,565	1%

[13] Source: Lightcast, October 2022 - please note, as of March 2022, Lightcast, previously known as Emsi Burning Glass 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. Lightcast believe that these new procedures will mean fewer duplicates are collected upfront alongside an enhanced deduplication process.

NatWest Purchasing Manager Index (PMI) Survey: West Midlands Region: Released October 2022[14]

Black Country Consortium Economic Intelligence Unit

In Summary:

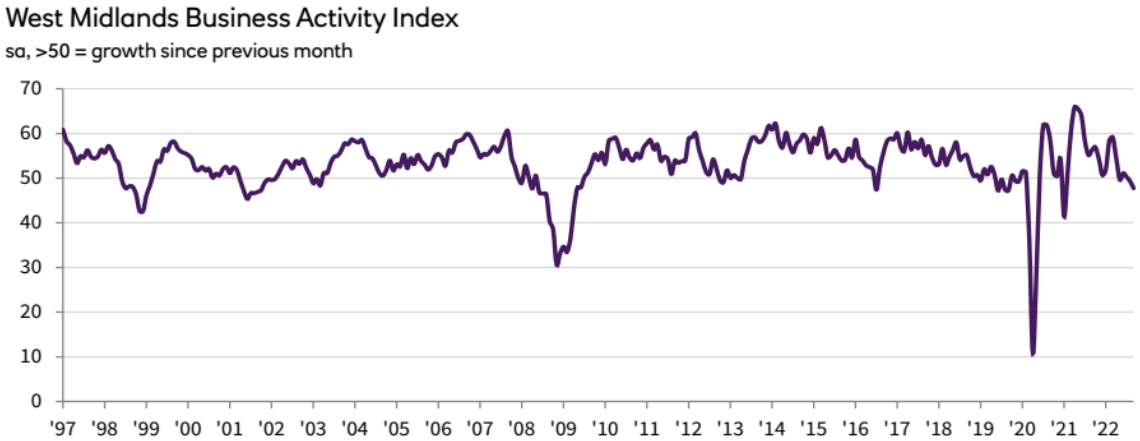
- The West Midlands Business Activity Index decreased from 49.3 in August 2022 to 47.8 in September 2022, the second month in a row to register a decline. Output has fallen at its quickest pace since January 2021.
- Out of the 12 UK regions, the West Midlands was the sixth highest for Business Activity in September 2022.
- The UK Business Activity Index decreased from 49.6 in August 2022 to 49.1 in September 2022.
- The West Midlands Future Business Activity Index decreased from 67.8 in August 2022 to 64.4 in September 2022, meaning the degree of optimism towards business growth is at its lowest level since May 2020. The decline in optimism can potentially be linked to recession worries, acute inflationary pressures, competitive conditions, subdued demand and spending fears among households.
- Out of the 12 UK regions, the West Midlands was third highest for Future Business Activity in September 2022.

In Detail:

Business Activity Index

The West Midlands Business Activity Index decreased from 49.3 in August 2022 to 47.8 in September 2022, the second month in a row to register a decline (below the 50-growth mark). Output has fallen at its quickest pace since January 2021.

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



Source: NatWest PMI, October 2022

Out of the 12 UK regions, the West Midlands was the sixth highest for business activity in September 2022. London was the highest with 52.0 and the Northern Ireland was the lowest at 42.3.

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

[14] Source: NatWest regional PMI report for September 2022, released October 2022. The 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.

Source: NatWest PMI, October 2022

Demand

The West Midlands New Business Index decreased from 48.5 in August 2022 to 46.0 in September 2022, the fourth consecutive month for a decline in new work intakes (50 and above indicates growth). Also, the latest figures shows that the rate of contraction was the fastest seen in 20 months. The decline in new business was linked to rising energy costs, acute price pressures and troubles in financial markets.

Exports

The West Midlands Export Climate Index increased from 48.5 in August 2022 to 49.0 in September 2022. Despite the slight increase, figures remain below the 50-growth mark, meaning this was the second successive month for deterioration in trade conditions.

The following tables shows the top export markets for the West Midlands in September 2022:

Top export markets, West Midlands

Rank	Market	Weight	Output Index, Sep '22
1	USA	21.2%	49.3*
2	Germany	11.1%	45.7
3	China	8.7%	53.0**
4	France	6.1%	51.2
5	Ireland	6.2%	52.2

**September 'flash' data.*

*** August PMI data. Due to a later release date, September data for China were not available for inclusion in the ECI.*

Source: NatWest PMI, October 2022

Business Capacity

The West Midlands Employment Index decreased from 53.5 in August 2022 to 53.4 in September 2022 – but still a 19 month increase for job creation. Where staff numbers increased, firms reported the replacement of voluntary leavers and the expansion in certain departments. While other firms reported that employment growth was restricted due to a lack of capacity pressure, subdued demand, skills shortages and staff leaving for new careers.

The West Midlands Outstanding Business Index decreased from 47.3 in August 2022 to 46.5 in September 2022. The latest clearing of unfinished workloads was linked to improved efficiency, job creation and lower sales.

Prices

The West Midlands Input Prices Index increased from 72.1 in August 2022 to 74.9 in September 2022, after three months of the index easing, the latest figures show input cost inflation accelerated in September. The increase was among the weakest seen over the past 18 months as firms cited inflationary pressures on raw material scarcity, the conflict in Ukraine, sterling weakness, energy price volatility along with reports of higher food, fuel and labour costs.

The West Midlands Prices Charged Index decreased from 66.0 in August 2022 to 65.2 in September 2022. There has been a substantial increase in prices charged for goods and services in the West Midlands in quarter three – although softening to the slowest since October 2021 as firms that had lifted selling prices had passed through costs increases to clients.

Outlook

The West Midlands Future Business Activity Index decreased from 67.8 in August 2022 to 64.4 in September 2022, meaning the degree of optimism towards business growth is at its lowest level since May 2020. The decline in optimism can potentially be linked to recession worries, acute inflationary pressures, competitive conditions, subdued demand and spending fears among households.

Out of the 12 UK regions, the West Midlands was third highest for Future Business Activity in September 2022. Yorkshire and The Humber was the highest with 67.7 and the Northern Ireland was the lowest at 44.9.

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

Source: NatWest PMI, October 2022

UK Regional Trade in Goods Statistics: Q2 2022[15]

Black Country Consortium Economic Intelligence Unit

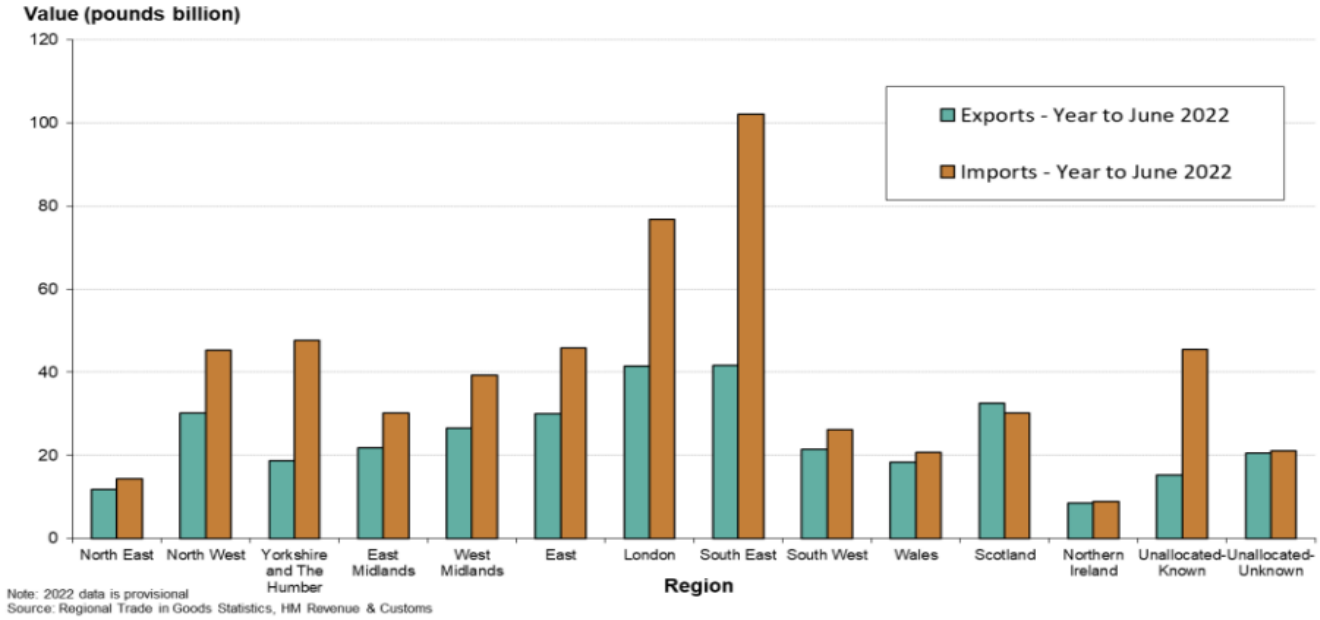
Key Points:

- Since the year ending Q2 2021, the West Midlands region's total value in goods exports increased by £321m (+1.2%) to £26.5bn in year ending Q2 2022. The overall value of UK trade in goods exports increased at a greater rate, by 12.3% (to £338.4bn in year ending Q2 2022).
- Since the year ending Q2 2021, the value of West Midlands region' imports increased by £6.3bn (+19.2%) to £39.3bn in year ending Q2 2022. The UK-wide total imports increased by 25.0% to £553.6bn over the same period.
- The West Midlands had a trade in goods deficit of £12.8bn in the year ending Q2 2022.
- In the year ending Q2 2022, the largest value goods exports for a SITC section in the West Midlands was machinery & transport at £17.1bn. This SITC section accounted for 64.7% of the total exports value; of which 57.8% (£9.9bn) were non-EU exports. Compared to year ending Q2 2021, the total value of these exports has decreased by £670m (-3.8%). Separately, manufactured goods exports demonstrated a recovery in the year to Q2 2022 compared to the year before (+22.4% or £608m).
- The highest value of West Midlands goods exports was to the EU at £12.8bn, accounting for 48.3% of the total in year ending Q2 2022. Exports to the EU from the West Midlands increased by nearly £901m (+7.6%) since year ending Q2 2021 - below the UK overall growth (+18.4%).

In Detail:

- In the year ending Q2 2022, the West Midlands region exported £26.5bn and imported £39.3bn worth of goods, leading to a trade in goods deficit of £12.8bn. This reflects a much larger deficit when compared to year ending Q2 2021 when the trade deficit was £6.8bn. This has been driven largely by a large rise in imports from three Country Groups which has not been met by a corresponding rise in exports.

The following chart shows the value of imports and exports by region in year ending Q2 2022:



Goods Exported

- Since the year ending Q2 2021, the overall value of UK trade in goods exports increased by 12.3% (to £338.4bn in year ending Q2 2022). Excluding the North East, all other regions saw an increase in the annual export value.

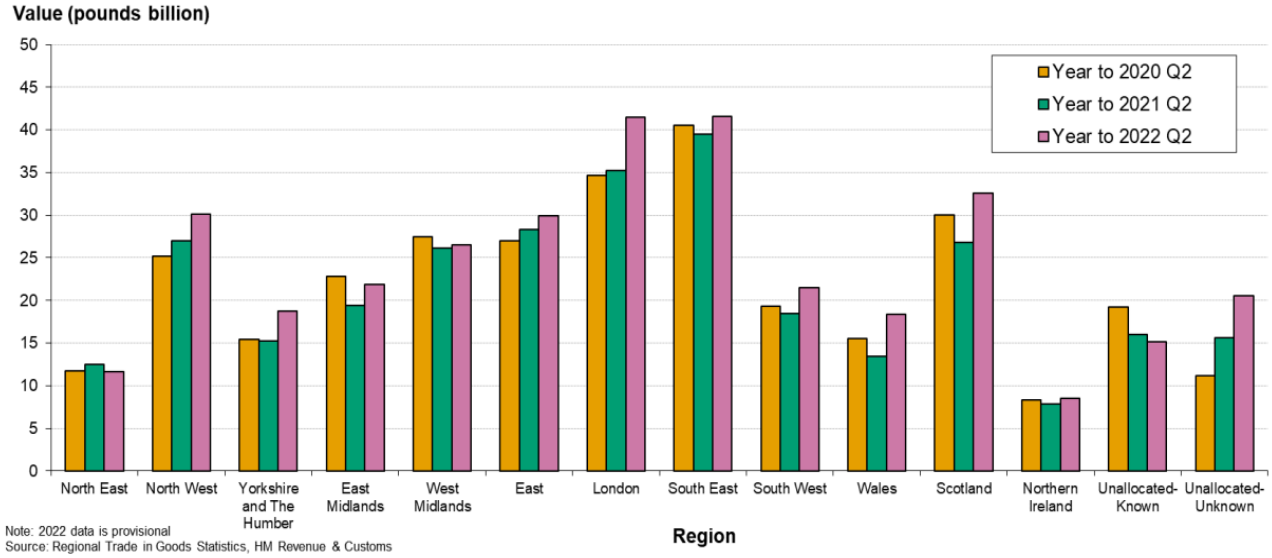
- Since the year ending Q2 2021, the West Midlands total value in goods exports increased by £321m (+1.2%) to £26.5bn in year ending Q2 2022; where regions increased, the West Midlands had the lowest rise in goods

[15] Source: HM Revenue & Customs, UK Regional Trade in Goods Statistics Quarter 2 2022 – Released October 2022.

exported. Within this, the value of exports from the West Midlands to the EU increased by £901m (+7.6%, UK +18.4%) to £12.8bn, this was offset by the value of exports to Non-EU locations decreasing by £581m (-4.1%, UK +6.5%) to £13.7bn. The West Midlands has therefore reported slower than average growth.

- The West Midlands region accounted for 7.8% of UK total exports in year ending Q2 2022. The West Midlands region accounted for 7.3% of UK exports to the EU and 8.3% for Non-EU locations.

The following chart shows UK exports by region, years to Q2 2020, Q2 2021 and Q2 2022:



- Quarterly exports analysis shows that when comparing Q2 2022 to Q1 2021, total goods exports from the West Midlands increased by £16m (+0.2%, UK +10.8%); the lowest increase across all UK regions. The lower-than-average quarterly rise in goods exports was due to Non-EU exports, decreasing by £204m (-5.6%, UK 11.43%), meaning EU exports from the West Midlands increased by £220m (+6.7%, UK +10.4%).

- When comparing Q2 2022 to Q2 2021 only, total exports from the West Midlands increased by £648m (+10.3%, UK +18.9%). EU exports from the West Midlands increased by £493m (+16.3%, UK +24.2%) and Non-EU exports from the West Midlands increased by £155m (+4.7%, UK +13.6%).

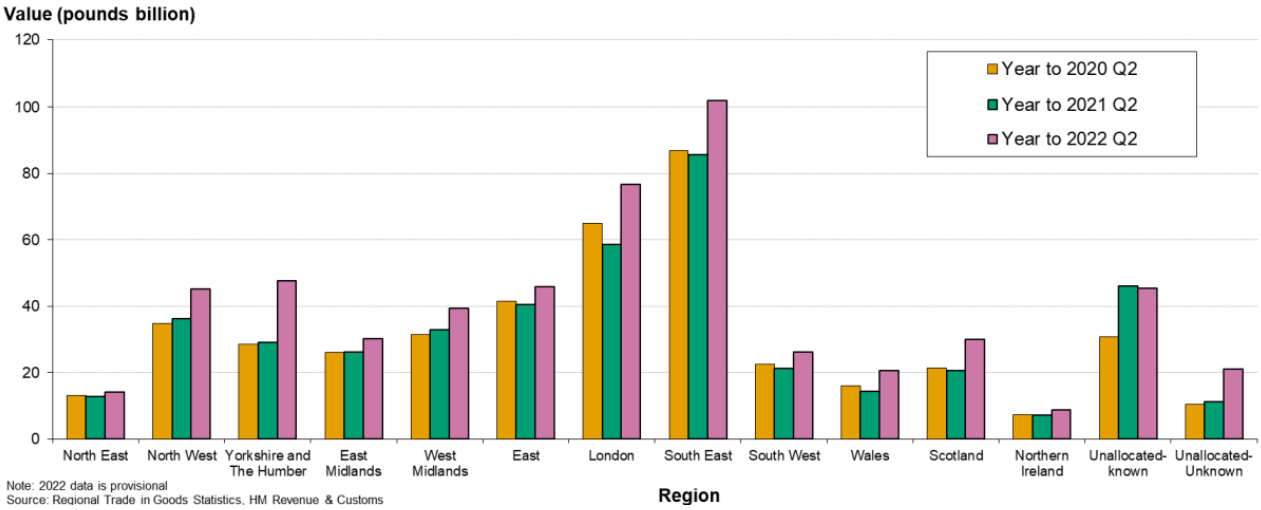
Goods Imported

- Since the year ending Q2 2021, the value of West Midlands region goods imports increased by £6.3bn (+19.2%) to £39.3bn in year ending Q2 2022. All UK regions increased over this period and the UK-wide total imports increased by 25.0% to £553.6bn over the same period.

- Since the year ending Q2 2022, the value of imports to the West Midlands from the EU increased by £2.5bn (+13.2%, UK +17.6%) to nearly £21.8bn in year ending Q2 2022. Over the same period, the value of imports to the West Midlands from Non-EU locations increased by nearly £4.8bn (+27.5%, UK +32.7%) to £17.5bn in year ending Q2 2022.

- The West Midlands region accounted for 7.1% of UK total imports in year ending Q2 2022. The West Midlands region accounted for 8.2% of UK exports to the EU and 6.1% for Non-EU locations.

The following chart shows UK imports by region, years to Q2 2020, Q2 2021 and Q2 2022:



- When comparing Q2 2022 to Q1 2022, total imports to the West Midlands increased by £222m (+2.0%, UK +1.3%). EU exports to the West Midlands increased by £134m (+2.1%, UK +7.0%) and Non-EU imports to the West Midlands increased by £89m (+2.0%, UK -4.2%).

- Quarterly imports analysis shows that when comparing Q2 2022 to Q2 2021, total imports to the West Midlands increased by £2.7bn (+32.6%, UK +39.7%). EU imports to the West Midlands increased by £2.0bn (+46.0%, UK +49.9%) and Non-EU imports to the West Midlands increased by nearly £694m (+17.6%, UK +30.2%).

Standard International Trade Classification (SITC)

- The total value of goods exports in seven of the ten SITC sections increased in the West Midlands when compared to year ending Q2 2021. The three decreases were in machinery & transport, miscellaneous manufactures and other commodities nes.

- In the year ending Q2 2022, the largest value goods exports for a SITC section in the West Midlands was machinery & transport at £17.1bn. This SITC section accounted for 64.7% of the total exports value; of which 57.8% (£9.9bn) were non-EU exports. Compared to year ending Q2 2021, the total value of these exports has decreased by £670m (-3.8%); the value has decreased quarter-on-quarter (-5.3% from £4.6bn in Q1 2022 to £4.4bn in Q2 2022). but has risen when compared to Q2 2021 (£4.1bn). Separately, manufactured goods exports demonstrated a recovery in the year to Q2 2022 compared to the year before (+22.4% or £608m).

- West Midlands imports from nine of the ten SITC sections increased from the year ending Q2 2021; the only decrease was in other commodities nes. The SITC section with the largest total value of imports in year ending Q2 2022 was machinery & transport at £17.3bn, reflecting 44.0% of total imports; of which 60.5% (£10.5bn) came from the EU. Imports of this SITC section overall have increased since year ending Q2 2021 by £2.4bn (+16.0%) and have decreased quarter-on-quarter (-0.8% or -£41m to £5bn) and when compared to Q2 2021 only, imports have increased by 38.6% (+£1.4bn). While mineral fuels imports (+£1.1bn, +267.8%) and manufactured goods (+£1.7bn, +24.9%) have seen the most considerable year-on-year increases.

The following table shows a breakdown of total exports and imports by SITC section and the percentage change between year ending Q2 2021 and year ending Q2 2022:

	West Midlands Region			UK		
	Year Ending Q2 2021	Year Ending Q2 2022		Year Ending Q2 2021	Year Ending Q2 2022	
Total Exports by SITC Section	£ Millions		% Change	£ Millions		% Change
0 Food and Live Animals	£690	£772	11.9%	£13,997	£14,545	3.9%
1 Beverages and Tobacco	£68	£74	8.8%	£6,889	£7,981	15.9%
2 Crude Materials	£887	£1,199	35.2%	£8,171	£10,316	26.3%
3 Mineral Fuels	£126	£192	52.4%	£20,783	£39,026	87.8%
4 Animal and Vegetable Oils	£33	£42	27.3%	£531	£700	31.8%
5 Chemicals	£1,387	£1,451	4.6%	£51,630	£56,829	10.1%
6 Manufactured Goods	£2,717	£3,325	22.4%	£35,673	£38,357	7.5%
7 Machinery and Transport	£17,804	£17,134	-3.8%	£110,646	£115,490	4.4%
8 Miscellaneous Manufactures	£2,421	£2,293	-5.3%	£39,425	£39,651	0.6%
9 Other commodities nes	£37	£7	-81.1%	£13,539	£15,515	14.6%
Total Exports	**£26,169**	**£26,490**	**1.2%**	**£301,284**	**£338,411**	**12.3%**
Total Imports by SITC Section						
0 Food and Live Animals	£2,538	£2,620	3.2%	£38,999	£42,865	9.9%
1 Beverages and Tobacco	£249	£306	22.9%	£6,589	£7,341	11.4%
2 Crude Materials	£685	£887	29.5%	£13,622	£15,557	14.2%
3 Mineral Fuels	£398	£1,464	267.8%	£29,182	£87,134	198.6%
4 Animal and Vegetable Oils	£112	£153	36.6%	£1,509	£2,125	40.8%
5 Chemicals	£2,181	£2,514	15.3%	£56,355	£69,803	23.9%
6 Manufactured Goods	£6,868	£8,577	24.9%	£59,623	£66,156	11.0%
7 Machinery and Transport	£14,902	£17,286	16.0%	£157,025	£172,337	9.8%
8 Miscellaneous Manufactures	£5,021	£5,484	9.2%	£73,845	£77,818	5.4%
9 Other commodities nes	£15	£6	-60.0%	£6,296	£12,454	97.8%
Total Imports	**£32,970**	**£39,295**	**19.2%**	**£443,044**	**£553,588**	**25.0%**

Country Group

- The highest value of West Midlands goods exports was to the EU at £12.8bn, accounting for 48.3% of the total in year ending Q2 2022. Exports to the EU from the West Midlands increased by nearly £901m (+7.6%) since year ending Q2 2021 - below the UK overall growth (+18.4%).

- There were three Country Groups where goods exports from the West Midlands declined between year ending Q2 2021 and year ending Q2 2022. The Country Groups that declined were; Asia & Oceania, by £381m (-7.8%) to £4.5bn, Eastern Europe (excl. EU) by £98m (-14.4%) to £584m and North America by £501m (-8.4%) to £5.5bn.

- Since year ending Q1 2021, West Midlands goods imports increased in all of the eight Country Groups.

- The highest value of goods imports was from the EU at £21.8bn, accounting for 55.4% of total West Midlands imports. This reflects a £2.5bn (+13.2%) increase in value from year ending Q2 2021, similar to the UK overall rate of change (+17.6%).

- The second highest value of imports was from Asia & Oceania at £10.9bn, accounting for 27.8% of total imports in year ending Q2 2022. Imports from Asia & Oceania to the West Midlands increased by nearly £2.0bn (+13.2%) since year ending Q2 2022. Whereas the country groups with the largest rate of increases of goods imported to the West Midlands were from Western Europe (+68.6%) and Eastern Europe (+75.1%).

The following table shows a breakdown of exports and imports by country group and the percentage change between year ending Q2 2021 and year ending Q2 2022:

	West Midlands Region			UK		
	Year Ending Q2 2021	Year Ending Q2 2022		Year Ending Q2 2021	Year Ending Q2 2022	
Exports by Country Group	£ Millions		% Change	£ Millions		% Change
Asia & Oceania	£4,884	£4,503	-7.8%	£51,825	£54,603	5.4%
Eastern Europe (excl EU)	£682	£584	-14.4%	£5,381	£5,214	-3.1%
European Union	£11,885	£12,786	7.6%	£147,054	£174,177	18.4%
Latin America and Caribbean	£325	£423	30.2%	£4,182	£5,217	24.7%
Middle East and North Africa (excl EU	£1,142	£1,300	13.8%	£13,862	£16,567	19.5%
North America	£5,999	£5,498	-8.4%	£49,549	£52,464	5.9%
Sub-Saharan Africa	£328	£334	1.8%	£4,771	£5,645	18.3%
Western Europe (excl. EU)	£923	£1,059	14.7%	£14,801	£14,619	-1.2%
Undefined Country Group	£2	£3	50.0%	£9,859	£9,907	0.5%
Total Exports	**£26,169**	**£26,490**	**1.2%**	**£301,284**	**£338,411**	**12.3%**
Imports by Country Group						
Asia & Oceania	£8,975	£10,934	21.8%	£111,127	£118,762	6.9%
Eastern Europe (excl EU)	£293	£513	75.1%	£8,332	£8,789	5.5%
European Union	£19,224	£21,770	13.2%	£226,895	£266,813	17.6%
Latin America and Caribbean	£487	£629	29.2%	£5,271	£8,093	53.5%
Middle East and North Africa (excl EU	£676	£842	24.6%	£9,100	£20,584	126.2%
North America	£1,833	£2,270	23.8%	£38,438	£52,788	37.3%
Sub-Saharan Africa	£282	£316	12.1%	£7,478	£9,966	33.3%
Western Europe (excl. EU)	£1,199	£2,022	68.6%	£31,324	£61,899	97.6%
Undefined Country Group	-	-	-	£5,081	£5,896	16.0%
Total Imports	**£32,970**	**£39,295**	**19.2%**	**£443,044**	**£553,588**	**25.0%**

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

ONS economic activity and social change in the UK, real-time indicators

Black Country Consortium Economic Intelligence Unit

On the 6th 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 are 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 23rd and 30th September 2022, total online job adverts increased by 0.4%. On the 30th September 2022, total online job adverts were at 115.5% of their average level in February 2020. Out of the 28 categories (excluding unknown) 18 increased; the largest weekly increase was in "graduate", which rose by 13.4% (to 106.5% of the average level in February 2020). In contrast, the highest decrease was in "transport/ logistics/warehouse", falling by 4.4% (to 234.3% of the average level in February 2020). There were nine categories that were below the February 2020 average level, with the lowest in "legal" at 76.3%.

There was a mixed picture for online job adverts across the UK regions as 6 regions decreased, 1 remained the same (East Midlands at 116.5%) and 5 regions increased between the 23rd and 30th September 2022. The West Midlands online job adverts increased by 1.0% and on the 30th September 2022, it was at 118.7% of the average level in February 2020. All 12 regions were above their February 2020 levels, varying from; 103.1% in London (+0.2% since previous week) to 152.3% in Northern Ireland (-9.8% largest decrease since previous week).

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.

As of the 16th September 2022, for the West Midlands region visits to retail and recreation, transit stations and workplaces had not yet returned to pre-coronavirus levels.

Visits to each location type for the West Midlands region in the week to 23rd September 2022 compared with the previous week shows that residential was the only category to increase; rising by 2.2% (to 104.6%). As transit stations decreased by 3.3% (to 79.7%), grocery & pharmacy decreased by 3.9% (to 103.3%), parks decreased by 4.2% (to 117.4%) and retail and recreation decreased by 6.3% (to 85.7%) and workplaces decreased by 9.6% (to 73.6%).

National Company Incorporations and Voluntary Dissolutions

Companies House data shows for the UK, there were 16,994 company incorporations in the week to the 30th September 2022, up from 15,024 recorded in same week in 2021. This is down from 17,940 recorded in the same week in 2020 but down in the same week in 2019 (13,791).

Also, for the week to the 30th September 2022, there were 5,857 voluntary dissolution applications, down from 6,202 recorded in the same week in 2020. This is also down from 6,198 recorded in the same week of 2020 and up from the same week in 2019 (4,900).

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 25th September 2022, across the UK there were 30 employers proposing 1,530 potential redundancies. The potential redundancies 4-week rolling average was 2,808 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 57 and the employers proposing redundancies 4-week rolling average was 72.

System Average Price of Gas

The System Average Price (SAP) of gas decreased by 17% in the week to 2nd October 2022 (from the previous week), it was 22% higher than the equivalent time in the previous year, but 60% lower than the peak level recorded on 31st August 2022. It was 756% higher when compared to the pre-Coronavirus baseline.

Business Insights and Conditions Survey

The results from Wave 66 of the Business Insights and Conditions Survey (BICS) based off the 5,090 businesses surveyed across the West Midlands that businesses have a presence in with a response rate of 26.7% (1,360) and 3,081 businesses that are head quartered in the West Midlands, with a response rate of 15.1% (767). Please note, the survey reference period was 1st to 31st August 2022 with a survey live period of 20th September to 2nd 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.

Trade

Excluding “not sure” responses, 32.4% of responding West Midlands businesses reported to exporting within the last 12 months, 4.9% reported to exporting over 12 months ago. While 46.8% of West Midlands businesses reported to have never exported and do not have the goods or services suitable for export – although, 8.0% reported to never exporting previously but have goods or services that could be developed for exporting.

Excluding “not sure” responses, 47.5% of responding West Midlands businesses reported that exporting stayed the same in August 2022 when compared to August 2021. 19.0% of West Midlands businesses reported to exporting less and 19.3% reported to exporting more.

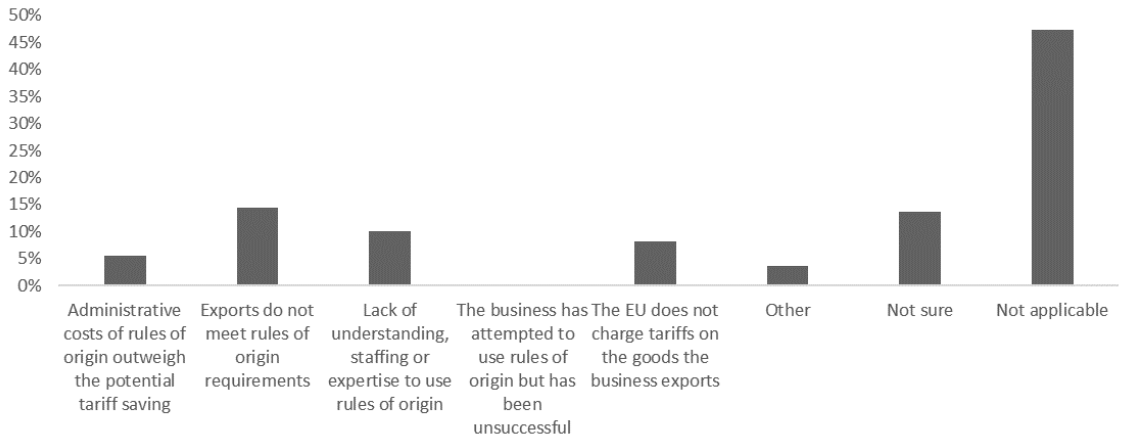
Excluding “not sure” responses, 53.8% of responding West Midlands businesses reported that importing stayed the same in August2022 when compared to same month in the previous year. 13.0% of West Midlands businesses reported to importing less and 16.0% reported to importing more.

11.2% of West Midlands businesses reported to currently using rules of origin to access lower or zero tariffs on exports to EU countries only and 22.2% were to both EU and non-EU countries. While 25.2% of West Midlands businesses reported they were not using rules of origin to access lower or zero tariffs on exports.

32.9% of West Midlands businesses reported that administration had stayed the same when using rules of origin when exporting to the EU. While 57.5% reported that administration had increased.

14.5% of West Midlands businesses reported not using rules of origin to access lower or zero tariffs due to exports not meeting the rules of origin requirements.

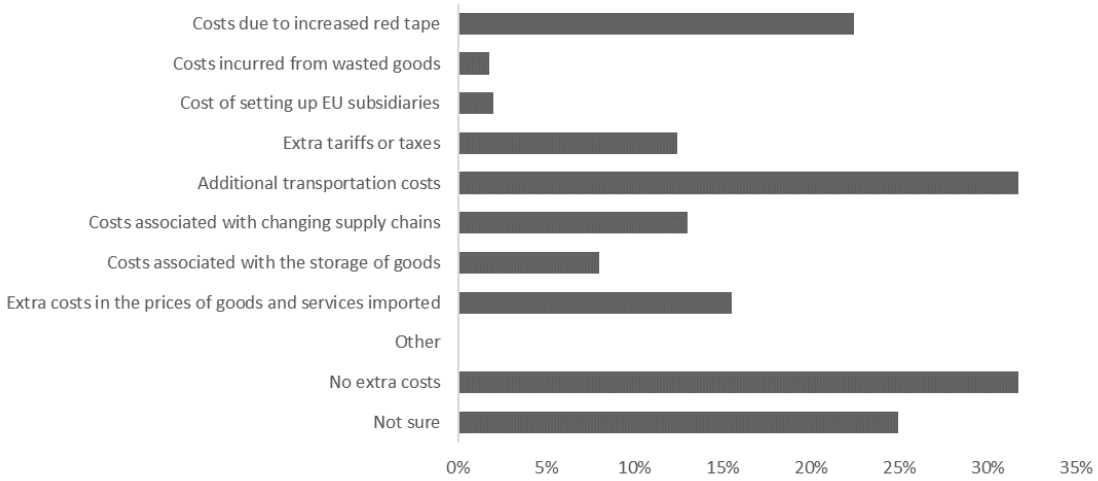
Reasons, if any, why West Midlands businesses are not currently using rules of origin to access lower or zero tariffs:



Supply Chains

31.7% of West Midlands businesses reported additional transport costs due to the end of the EU transition period.

Reasons, if any, West Midlands businesses had extra costs due to the end of the EU transition period:



2.8% of West Midlands businesses intend to open new branches or subsidiaries in the EU in the next 12 months.

Where applicable, 67.0% of West Midlands businesses had been able to get the materials, goods or services it needed and a further 13.8% had but the business had to change suppliers or find alternative solutions. While 7.3% of responding West Midlands businesses reported not being able to get the material, goods or services needed.

4.2% of West Midlands businesses reported no disruption to the business caused from these challenges and 33.2% reported just a minor disruption. While 52.4% of West Midlands businesses reported moderate disruption and 7.0% reported major disruption.

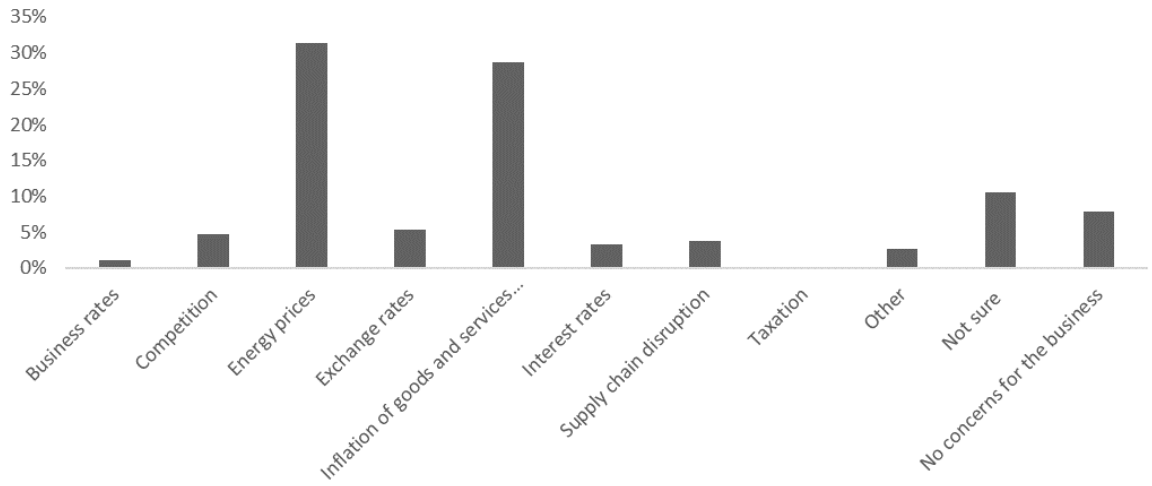
Global Supply Disruption

20.5% of West Midlands businesses reported experiencing global supply chain disruption in August 2022. In contrast, 46.7% reported none.

Main Concerns for Business

31.4% of West Midlands businesses expect the main concern for business in October 2022 will be energy prices, previously the highest main concern had always been inflation of goods and services.

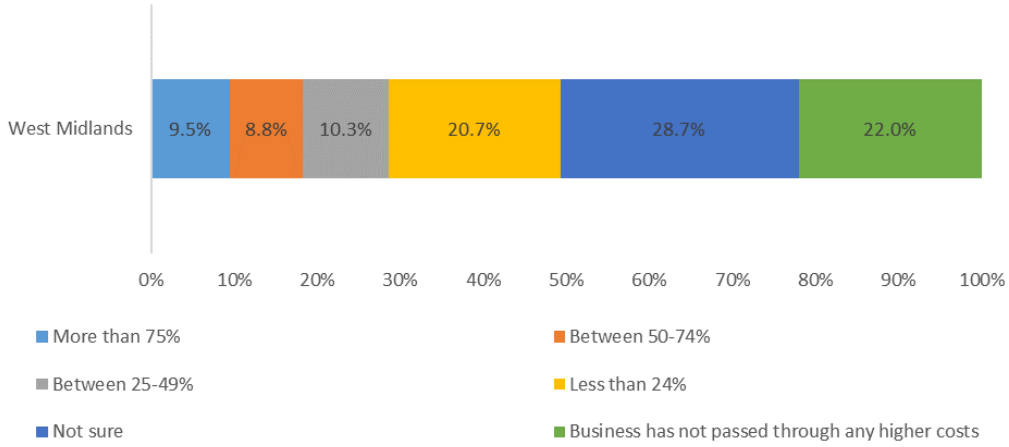
The main concern (if any) for businesses in the West Midlands:



Higher Costs to Prices

22.0% of West Midlands businesses reported to have not passed through any higher costs, this was followed by 20.7% of West Midlands businesses that had passed through less than 24%.

The extent that West Midlands businesses have already passed through higher costs to prices:

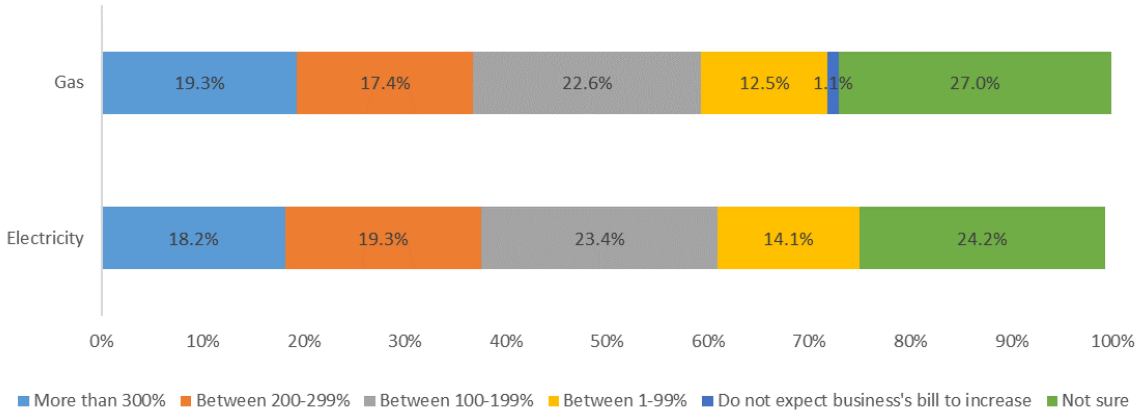


Gas and Electricity

12.9% of West Midlands businesses reported fixed gas prices were expiring by 31st December 2022. While 19.0% of West Midlands respondents reported gas prices were already on variable rates. 13.1% of West Midlands businesses reported fixed electricity prices were expiring by 31st December 2022. While 17.3% of West Midlands respondents reported electricity prices were already on variable rates.

19.3% of West Midlands expect gas bills to increase by more than 300% once the fix contract ends and 18.2% of West Midlands expect electricity bills to increase by more than 300% once the fix contract ends.

How much West Midlands businesses expect gas and electricity bills to increase once the fixed contract ends:

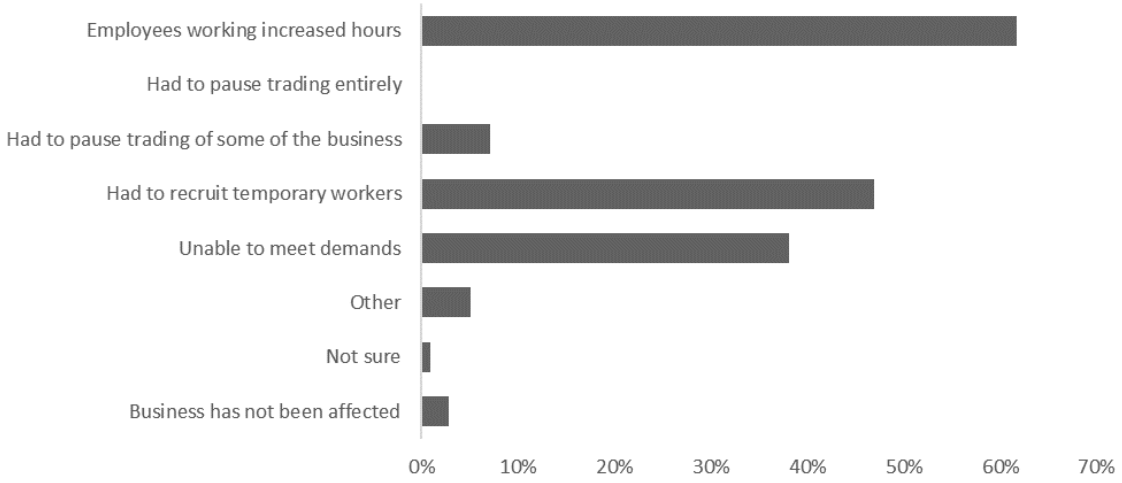


Worker Shortages

37.9% of West Midlands businesses reported to currently experiencing a shortage in workers. Although, 48.9% reported no shortages in workers.

61.7% of West Midlands businesses reported that the worker shortage had caused employees to work increased hours.

How the shortage of workers has affected West Midlands businesses:



EU Workers and Non-EU Workers

Where relevant and excluding not sure and prefer not to say responses, 2.0% of West Midlands businesses reported the number of workers from within the EU had increased in August 2022 when compared with the same period in the previous year. 21.0% of West Midlands businesses reported the number of workers within the EU had the stayed the same and 13.0% reported a decrease.

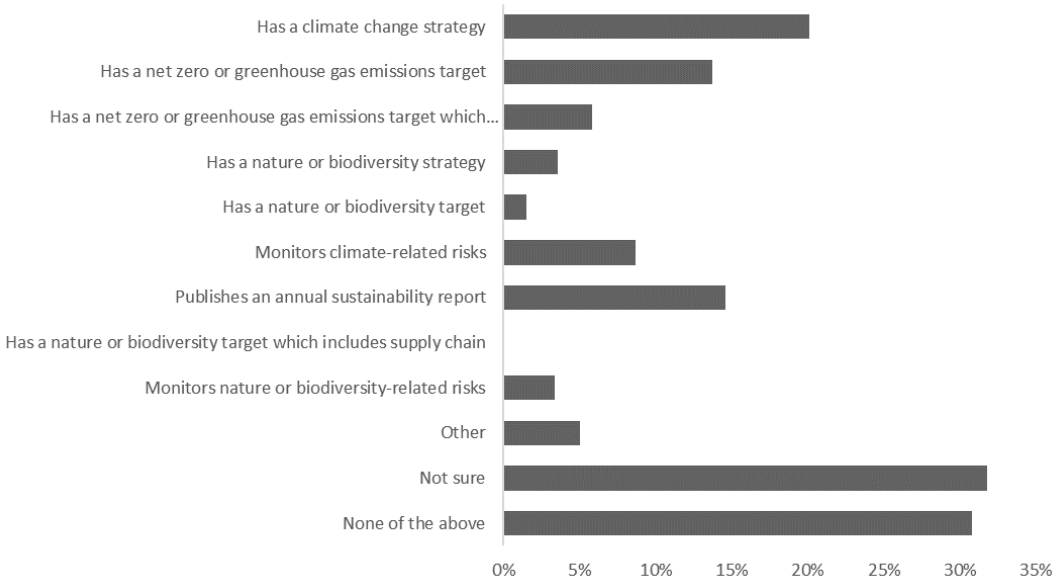
Also, where relevant and excluding not sure and prefer not to say responses, 4.6% of West Midlands businesses reported the number of workers from outside the EU had increased in August 2022 when compared with the same period in the previous year. 16.1% of West Midlands businesses reported the number of workers outside the EU had the stayed the same and 4.1% reported a decrease.

Net Zero

17.6% of West Midlands businesses are very concerned about the impact of climate change may have on the business and a further 44.4% were somewhat concerned. While 19.6% of West Midlands businesses reported no concerns.

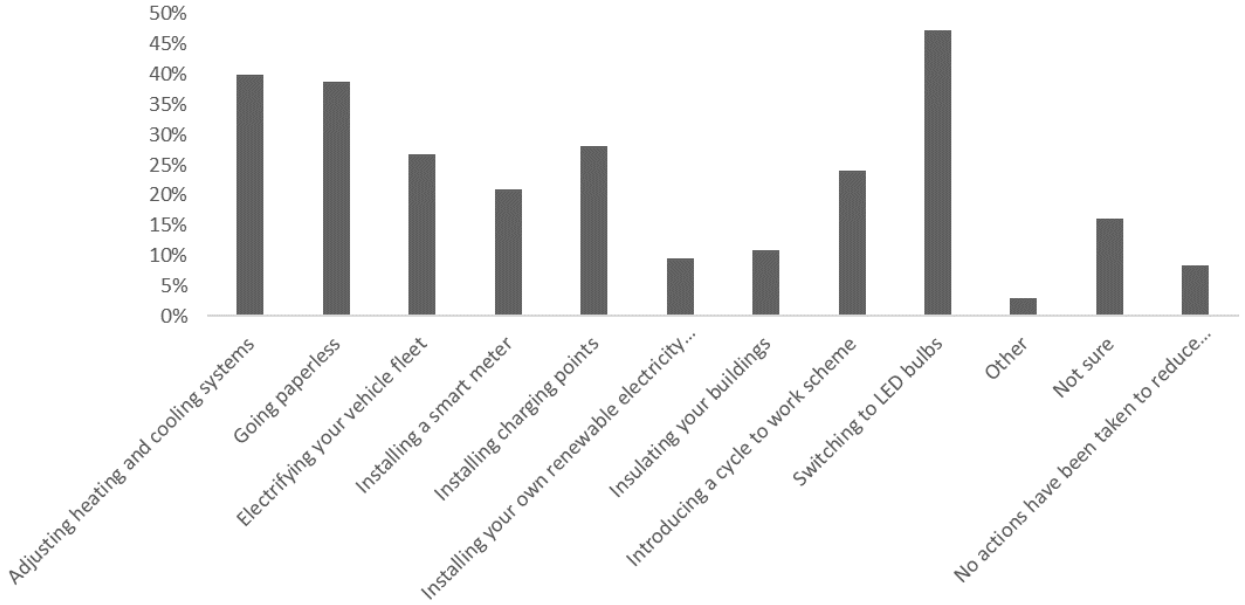
20.1% of West Midlands businesses have a climate change strategy to help protect the environment.

Actions, if any, West Midlands businesses have taken to protect the environment:



47.2% of West Midlands businesses have switched to LED bulbs in order to reduce carbon emissions.

Actions, if any, West Midlands businesses have taken to reduce carbon emissions:



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 OPN survey. Estimates are based on data collected between 14th to 25th September 2022, (the "latest period") and 31st August to 11th September 2022 (the "previous period"). During this period, the Chancellor of the Exchequer delivered the Growth Plan 2022 to Parliament on 23rd September 2022 and also the UK was reflecting on the passing of Her Majesty Queen Elizabeth II through a period of National Mourning, which ended on 19th September.

Cost of Living Crisis

76% of all adults reported being very or somewhat worried about rising costs of living in the past two weeks.

Paying Energy Bills

48% of adults who pay energy bills said they found it very or somewhat difficult to afford them in the latest period.

Rent or Mortgage Payments
28% of those who are currently paying rent or mortgage payments reported they are finding it very or somewhat difficult to make these payments.

Working Arrangements
63% of working adults reported they were not doing anything differently in terms of their work situation because of increases in the cost of living. Where working adults had changed patterns, the three highest impacts reported were because of increases in the cost of living they were looking for a job that pays more money, including a promotion (19%), working more hours than usual in their main job (15%) and going to their place of work more often to reduce home energy costs (7%).

4% of working adults reported working more than one job because of increases in the cost of living.

Perceptions for the Future
42% of adults reported feeling fairly or very unsure about the future. Although 26% of adults reported feeling very or fairly sure about the future.

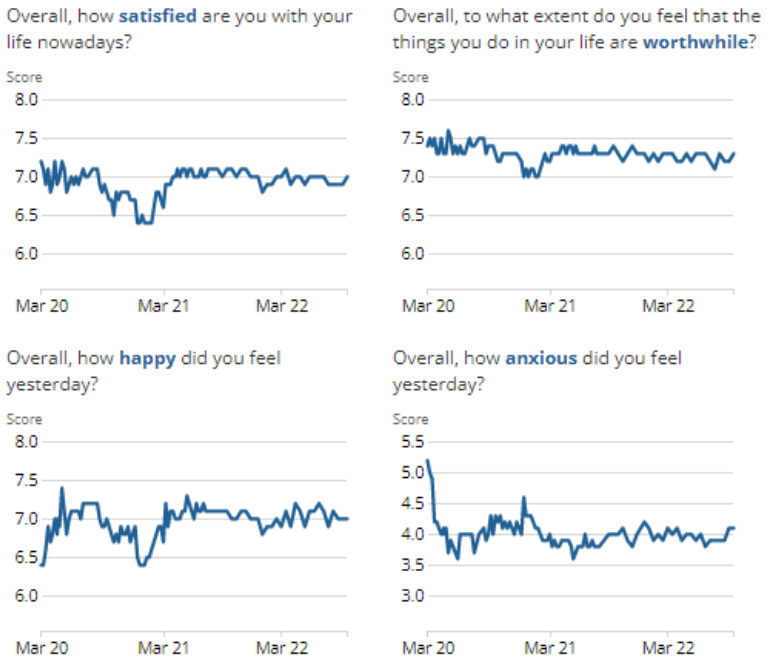
Personal Well-Being
Life satisfaction – increased to 7.0 in the latest period (from 6.9 in the previous period).

Feeling that the things done in life are worthwhile – increased to 7.3 in the latest period (from 7.2 in the previous period).

Happiness – remained at 7.0 since the previous period.

Anxiety – remained at 4.1 since the previous period.

Levels of personal well-being, Adults in Great Britain, March 2020 to September 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 (26% in the previous period).

WMCA Growth Hub Intel for WM Weekly Economic Monitor- 15th October 2022

Black Country Consortium Economic Intelligence Unit

Headlines

SECTOR	KEY INSIGHTS
Cross Sector	**Trading Environment** West Midlands businesses are continuing to sound the alarm over skyrocketing bills and overheads. Concerns shared by businesses continue to be focused on the **rising cost of energy, but wage inflation and cost inflation also key contributors too.** • Rising costs and challenging economic conditions are causing businesses across all sectors to become more concerned over their future survival. This is impacting every step of supply chains, while putting firms in a **difficult position deciding between substantially raising prices for customers or absorbing costs.** - There are reported examples across a wide variety of sectors, including **hospitality, leisure, and agriculture** among the many other examples with retail, manufacturing and service-based businesses. Government support in recent weeks, including through the "mini-budget" was **initially welcomed,** but its real **effectiveness and long-term benefit remains to be seen by many businesses and communities.** • Many announcements made in the mini-budget have been cautiously welcomed by businesses and industry groups, in particular the **ambition for growth and reductions in National Insurance, Income Tax and Corporation Tax, which are deemed necessary for stimulating investment and productive activity as well for supporting businesses through the cost of living crisis.** The commitment to regional investment zones and accelerating infrastructure investment are also seen as a strong opportunity in principle for the Midlands Engine, and a way of "levelling up" areas of the country outside of London and the South East. However, more detail of delivery is required to ensure successes from the announcements, while the fiscal event overall has been described as a "**gamble" by many; with the adverse effects of this already on show in the short-term given recent pressure on the value of sterling and the potential for further costly interest rate increases**. • Business leaders in the region have stressed that the Government must keep a variety of options on the table to **ensure businesses from all sectors are supported through the cost-of-living crisis.** While moves to stimulate investment and reduce overheads were welcome, more measures are still required to help firms in hard-hit sector such as hospitality. Businesses are urging the Government to **swiftly introduce VAT relief for struggling hospitality businesses and non-essential retailers, continue reform of the business rates system and expand the Shortage Occupation List** to directly help those businesses most impacted by the current economic environment. • Business leaders have expressed concern that the **cost of borrowing has been impacting their plans for growth,** while clearly policies that "spooked the stock market" are not conducive to a stable business and economic environment. **Rising interest rates are beginning to have an impact on businesses** efforts to move towards net zero. Before the rise in interest, a business before could economically finance a solar PV array to reduce their energy bills. However, with interest rates as they are, this is a challenging case to make for many businesses. The 6-month **Energy Bill Relief Scheme has been welcomed by businesses**. The scheme has undoubtedly prevented redundancies amongst local businesses, particularly in manufacturing. Business leaders have commented that they hope the **bill reduction can be applied as quickly as possible**, and not retroactively at the end of the next quarter.

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

SECTOR	KEY INSIGHTS
	• However, business leaders remain concerned with regards to the price of energy. While they have immediate relief of skyrocketing energy bills, they are aware that the broader causes of rising energy prices have not changed. **Once the scheme ends in six months' time, business leaders will be a similar situation and will be forced to take steps to protect their business.** • Business owners suggest that more support should be provided for SMEs, and had hoped that the Government **would go further than the bare minimum energy wholesale price.** • Businesses that are currently protected by fixed price arrangements with their energy providers are **taking the time to mitigate the risk of future increases by investing in energy saving projects such as solar PV and ground/air source heating.** • **Recent rumours about energy "blackouts" during the winter are concerning for all businesses too.** The ongoing cost of doing business crisis continues to show up in economic indicators and confidence surveys, on what appears to be a **worsening situation despite the government help**. For example, **business output, optimism and employment all fell in September** as increased uncertainty amid mounting inflation took its toll on businesses across the UK, according to the latest Business Trends report from accountancy and business advisory firm, BDO. While the **West Midlands Purchasing Managers Index (PMI) continues to fall, reflecting the major pressure on business**; at a time of further uncertainty in the global environment and also "hangover" effects of Brexit and Covid. • Many businesses are experiencing ongoing issues relating to the pandemic. **Cashflow recovery proving more difficult to bounce back from.** Others that lost contracts finding it harder to replace lost business as a result of closures. • While some companies are benefitting from the export benefits of a weak pound, **West Midlands international trade is still lagging behind other UK regions and hasn't recovered to pre-Covid or pre-Brexit levels yet.** In addition, there have been reports from businesses, particularly in manufacturing, that the **UK is no longer seen as a strong investment location** – making it hard for foreign-owned firms in the UK to convince their foreign owners to further invest in activity here. The current environment has led to **company insolvencies hitting a 13-year high in England and Wales, with similar trends estimated in the West Midlands.** **Labour Market** • **Recruitment –** Ongoing shortages of candidates in the Hospitality and Tourism sectors are leading **to businesses operating with less staff or not being able to open at all as they are unable to serve customers.** This is damaging reputations and risking the future of these businesses that may be forced to close. Other issues are present with candidates who are applying for jobs but simply not turning up for interviews, leading to frustration and valuable time being wasted. • **Ageing Workforces** – Growth Hub advisors are working with local businesses on succession planning and fleet upgrades addressing the **balance of replacing older machines with new technologies whilst being mindful of ageing workforces that may not be able to operate them**. Apprenticeships proving vital in supporting the provision of the next generation of engineers. **Enquiries** Recent common enquiries to West Midlands Growth Hubs include the following: • **Low Carbon Grants** – A significant rise in businesses looking for grants related to the reduction in energy consumption and those looking for more sustainable low carbon

SECTOR	KEY INSIGHTS
	solutions. Many are requesting energy audits to understand where improvements can be made. These often lead to locally offered low carbon ERDF grant funding. • **Grants** – Ongoing interest in grant funding for capital purchases including machinery, plant equipment and purchases related to warehousing and property renovations featuring highly. • **IP and Patent Support** – Construction businesses looking for support to protect innovative products and new software products. Automotive businesses also seeking support, including one high end manufacturer re-engineering high performance suspension parts for Porsche. • **R&D Tax Credit Support** – Many businesses are looking to exploit all opportunities to reduce tax liabilities which in turn is offsetting increasing energy and materials costs. • **Innovation** – Green Innovation is a feature this month with support required for interesting technologies such as the recycling and repurposing of used car tyres for products such as tracks for tanks for the MoD. • **Mentoring** – Ongoing trend of businesses looking for mentoring, particularly with cashflow management and sales/marketing strategies. • **Banking** – Businesses frustrated with their current banking providers, partly prompted by inflexibility in the wake of the pandemic, looking to change and are seeking introductions to alternatives. • **DiT** – Support with international trade and particularly exporting being sought by regional businesses.
Manufacturing	• MakeUK slashed its growth forecasts for manufacturing in September 2022, predicting sector **growth of just 0.6% in 2023, down from 1.7% forecast as recently as June.** As well as the need for short-term measures, MakeUK also re-iterated its call for a long-term **National Manufacturing Plan which sets out a longer-term vision for the economy.** • MakeUK have also released a report and action plan related to **"Closing the Skills Gap"** in the sector, by 2030.
Construction	• The **National Brownfield Institute (NBI)** at the University of Wolverhampton's flagship **£120m Springfield Campus has launched**, opening doors for the future of brownfield regeneration. • The West Midlands played host to major activities within **UK Construction Week in the first week of October (at the NEC), while also hosting a sector jobs fair at Edgbaston Stadium.** • According to ONS data, **construction is the sector with the highest number of recent company insolvencies, seeing a sharp rise in company insolvencies since 2021.**
Hospitality & Retail	• Retail and hospitality businesses have again highlighted their fears over **waning consumer confidence,** with many reporting a drop in footfall and orders as household disposable income sharply declines. **Businesses have reiterated the need for both stability and reassurance from the Government to promote consumer spending.** • Several businesses that have **reported investing their personal financial reserves to keep their business afloat,** and are incredibly scared for the future. Indeed, a large number of businesses in this sector have shared that they will be **pushed to the wall and are in danger of shutting down without meaningful intervention.** • There is a hope that some form of government support can be continued for businesses in the **medium to long-term.** • **The British Independent Retailers Association** (Bira) says consumer confidence has been damaged and is urging government to take swift action. They say a decline in sales figures is evidence that the cost-of-living crisis has **crushed consumer confidence.**

New Economic Shocks

COMPANY	LOCATION	SECTOR	DETAIL
Economy-wide	Region-wide	All	Two thirds of Midlands businesses see bills rise through 'no fault of their own'; business owners in the Midlands had seen an increase in two-thirds of their bills and essential business expenses in the past 12 months even before the latest energy bill rises.
Wetherspoons	Black Country	Hospitality	Up to 50 staff will need to be relocated as Wetherspoons announces plans to close West Brom and Willenhall outlets and sell off the buildings.
Pizza Hut	Coventry	Food Service	A second Pizza Hut restaurant has permanently closed down in Coventry in less than a year. Pizza Hut, at Arena Shopping Park, shut its doors in recent days.

New Investment, Deals and Opportunities

COMPANY	LOCATION	SECTOR	DETAIL
Pendragon	Black Country	Automotive	Car dealership group Pendragon has received a £400 million takeover offer from its largest shareholder.
KFC	Wolverhampton	Hospitality	KFC has had plans approved to open a new branch in Wolverhampton centre, creating 20 full time jobs and 10 part time jobs.
Ten Entertainment Group	Walsall	Leisure	Up to 40 new jobs will be created at a new ten pin bowling alley opening in Walsall.
GDK	Dudley	Hospitality	40 new jobs have been created as a new eatery opens in Merry Hill.
Guardian Warehousing	Willenhall	Logistics	48 new jobs have been created as Willenhall logistics and warehousing company complete extension as part of a £6m investment.
HS2 West Midlands hub	Coventry	Construction	The first images of a proposed HS2 maintenance depot which will create more than 550 jobs in the area have been revealed. The Washwood Heath Depot, to the northwest of Coventry and the north east of Birmingham city centre, is where HS2 trains will be maintained, serviced and stored.
AC Lloyd Commercial	Warwickshire	Commercial Property	Plans have been submitted to construct new business premises which could see the creation of 500 jobs in Warwickshire. AC Lloyd Commercial has applied for outline planning permission to Stratford-on-Avon District Council for the 285,000 sq ft scheme in Southam.
Coventry Building Society	Coventry	Financial	Plans to relocate Coventry Building Society in the city centre have been put in motion. The current CBS branch, which is on High Street with the rest of the banking giants, will move this year.
DHL	Coventry	Logistics	DHL has begun construction work on a new £230 million hub on the edge of Coventry that will create 650 new jobs. The new hub in SEGRO Park will double DHL's handling capacity in the area.
British Business Bank	Region-wide	Economy-wide	The British Business Bank's Start Up Loans programme has provided funding worth more than £73m to new business owners in the West Midlands since launching in 2012.
Goldman Sachs	Birmingham	Investment Banking	Goldman Sachs has agreed a deal for a permanent office in Birmingham. The firm says this will lead to hiring several hundred more employees in the years ahead.

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COMPANY	LOCATION	SECTOR	DETAIL
Delph Industrial Estate	Brierley Hill	Industrial	A Black Country business park has been sold for £6 million. Delph Industrial Estate in Brierley Hill has been purchased by London-based property group Telereal Trillium.
Falcon Panel Products	Birmingham	Manufacturing	A wood importer and distributor is to open a new £3.9 million warehouse in Birmingham. Falcon Panel Products has signed a ten-year lease for 43,000 sq ft at Merlin Park industrial estate in Castle Bromwich as part of its expansion plans.
Bond Wolfe	West Bromwich	Commercial	A four-storey office block in West Bromwich town centre has been snapped up in a £2.7m deal sealed by property specialist Bond Wolfe. Landchard House, a 26,000 sq ft building on Victoria Street with multiple tenants, has been purchased by a private investor.
Nicol Thomas	Coventry	Industrial	An application has been submitted proposing the creation of more than 50,000 sq ft of industrial and warehousing space in Coventry. Nicol Thomas has lodged plans to develop land at Rowley Drive, adjacent to the Stonebridge Highway A45. The site is currently occupied by a vacant building with a footprint of approximately 33,865 sq ft.
Jaguar Land Rover	Region-wide	Automotive	Jaguar Land Rover is to train 29,000 employees to work on electric cars in the next three years. The car giant said the move would support the “rapid transition” to electrification. The Future Skills Programme will train more than 10,000 Jaguar Land Rover and franchised retailer employees in the UK and nearly 19,000 across the rest of the world, in skills vital to electrification, digital and autonomous cars.
ACR Heat Products	Birmingham	Manufacturing	A Birmingham-based manufacturer of wood burning, gas and electric stoves has been acquired by a Canadian company whose shares are traded on the TSX Venture Exchange. Decisive Dividend Corporation (DDC) has snapped up ACR Heat Products to complement its existing platform company, Blaze King, which operates across North America.

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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