

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

This fortnight, with a new PM in place, leading business representative organisations, including the [CBI](#), [FSB](#) and the [Chambers of Commerce](#) have called for certainty and stability from the new Prime Minister to restore business confidence in the UK. They are calling for Rishi Sunak to restore fiscal credibility, stabilise the economy and deliver much needed support for businesses. This is whilst data shows there is increasing fear around costs and the future within households and businesses nationally.

Climate and energy

- [Provisional State of the Global Climate 2022](#) report, released on the 26th of October, which claims that the past eight years were on track to be the warmest on record. The [report](#) also details that global methane production has seen its largest increase on record with its causes still being investigated
- The [Emissions Gap Report 2022](#) details that currently there is no credible pathway from the Paris agreement goals to get the agreed 1.5C needed to limit global warming
- The System Average Price (SAP) of gas decreased by 20% in the week to 30th October 2022 (from the previous week), it was 74% lower than the equivalent time in the previous year; however, it was 102% higher when compared to the pre-Coronavirus baseline
- 24.0% of West Midlands businesses in the last three months have switched electrical equipment to standby or off more than usual when not in use to reduce energy costs. While 33.0% of West Midlands businesses have made no changes in the last three months.
- 20.2% of West Midlands businesses plan to switch electrical equipment to standby or off more than usual when not in use to reduce energy costs in November 2022. While 27.2% do not plan to reduce energy consumption

Population

- The [2021 Census](#) has found that the residential population of England and Wales has increased to its highest ever level at 59,597,542.
- The population is getting older with [median age of England and Wales was 40 years](#), higher than the previous median age of 39 years in 2011. The region with the [lowest median age](#) was London at 35 years. there 24.8 million households in England and Wales, which is an increase of 6.1% from 23.4 million in 2011. 51.7% of households (12.8 million) in England and Wales were deprived in at least one dimension.
- The number of people who were born outside the UK has increased by 2.5 million since 2011, the latest census data shows. According to [ONS](#) this has increased from the 2011 census from 7.5 million which is around 13.4% of the total population to 10 million, which accounts for around 16.8% of the total population of the UK. In 2021 more than [4 in 10](#) (40.6%) of residents in London were non-UK born and more than 1 in 5 (23.3%) had a non-UK passport
- Across the WMCA the [2021 Census](#) has revealed that the LA which has the lowest Median average was Birmingham at 34, followed by Coventry at 35 driven by high student populations
- LAs with the lowest proportion of households not deprived in any dimension being Sandwell 37.9%, Walsall 40.2% and Wolverhampton 40.3%.
- Coventry, Birmingham, Sandwell and Wolverhampton all have over a fifth of residents born outside of the UK. Whereas, Cannock Chase, North Warwickshire, and Lichfield all have below 5% of its population born outside of the UK.

Economy and Politics

- International politics continues to be in turmoil as various elections are underway, including the US where inflation and abortion rights are swaying voters. In the east missile strikes off the coasts of North and South Korea, underpins the international instability of governments
- The Bank of England recently increased its benchmark rate from [2.25% to 3%](#), this is eighth consecutive increase since December 2021, pushing the rate to its highest level for 14 years
- With interest rates rising, about [1.6 million people](#) on tracker and variable rate mortgages will see an immediate increase in their monthly payments
- Out of the 28 categories of Adzuna job adverts, 15 decreased; the largest weekly decrease was in "education", which fell by 9.4% (to 108.5% of the average level in February 2020). "Part-time / weekend" online job adverts remained at the same level over the period at 135.8% of the average level in February 2020. In contrast, the highest increase was in "management/exec/consulting", rising by 3.3% (to 101.2% of the average level in February 2020).

- There was a mixed picture for online job adverts across the UK regions as 8 regions decreased, and 4 regions increased between the 21st and 28th October 2022. The West Midlands online job adverts increased by 0.2% and on the 28th October 2022, it was at 122.0% of the average level in February 2020. All 12 regions were above their February 2020 levels
- 79% of all adults reported being very or somewhat worried about rising costs of living in the past two weeks (77% in the previous week).
- 32% of those who are currently paying rent or mortgage payments reported that these payments have gone up in the last six months (33% in the previous period).

Business environment

- Areas of priority for the West Midlands include a longer-term package of support measures on energy bills, and fully costed proposals to deal with labour shortages, spiralling inflation, and climbing interest rates as part of a long-term economic plan for growth and levelling-up.
- Consumer confidence is at historically low levels according to [Deloitte](#), while the [FSB](#) track small business pessimism as at its worst outside lockdowns: a net confidence score of -35.9 in Q3 2022, down 11.2 points compared to the previous quarter.
- The current environment is increasing the vulnerability of many businesses, not least through reduced liquidity. Figures from restricting trade body [R3](#) show that the Midlands is home to the largest number of companies with late payments outside Greater London, while [EY](#) report that the number of profit warnings issued to listed companies in the Midlands increased during Q3 2022. In total, 86 profit warnings were issued nationally between July and September 2022, compared to 51 in the same period of 2021.
- 73.1% of West Midlands businesses reported that employees' hourly wages in September 2022 when compared with the previous calendar month had stayed the same. While, 18.2% reported an increase and 1.3% reported a decrease in hourly wages
- 44.9% of responding West Midlands businesses reported that exporting stayed the same in September 2022 when compared to September 2021. 21.6% of West Midlands businesses reported to exporting less and 14.7% reported to exporting more.
- 49.0% of responding West Midlands businesses reported that importing stayed the same in September 2022 when compared to same month in the previous year. 13.2% of West Midlands businesses reported to importing less and 15.0% reported to importing more.
- 68.5% of West Midlands businesses were able to get the materials, goods or services it needed from within the UK in September 2022. Although, 12.6% of West Midlands businesses were only able to get the materials, goods or services it needed but had to change suppliers or find alternative solutions and 7.5% were not able to get materials, goods or services needed.
- 21.0% of West Midlands businesses reported experiencing global supply chain disruption in September 2022. In contrast, 47.0% reported none
- 26.7% of West Midlands businesses expect the main concern for business in November 2022 will be inflation of goods and services

Global, National and Regional Outlook

Reen Blake-Carr and Alice Pugh, WMREDI

Global

COP27

COP27 began on the 6th of November 2022, in earnest with UN Secretary General Antonio Guterres responding to the [Provisional State of the Global Climate 2022](#) report, released on the 26th of October, which claims that the past eight years were on track to be the warmest on record. The [report](#) also details that global methane production has seen its largest increase on record with its causes still being investigated.

Further reports such as the [Emissions Gap Report 2022](#) details that currently there is no credible pathway from the Paris agreement goals to get the agreed 1.5C needed to limit global warming. Highlighting, that current pledges would only reduce the global emission production to 2.4C or 2.6C rise by the end of the century. It shows that the current pledges are not enough to reduce global temperature to the acceptable 1.5C, therefore it will be even more imperative for countries and global leaders to agree to more ambitious targets and plans at this COP, if global temperature is to be reduced to acceptable levels before the end of the century.

The Egyptian foreign minister Sameh Shoukry, urged leaders to not let [food and energy crisis](#) related to Russia's invasions of Ukraine get in the way of action on climate change. The war in the Ukraine over this year, has increased the [price of natural gas five-fold](#) since the summer of 2020. This has led to increases in the prices of other fuel sources, such as coal, as with the shortage of gas many power stations around the globe have had to switch to using [alternative energy sources](#). The energy crisis will place pressure on many countries at this COP, who have significant domestic energy issues, specifically in Europe, and are potentially facing energy shortages over the winter. These crises are clashing with the need to make progression towards climate change goals. As world leaders are being forced to switch to less environmentally friendly sources of fuel to keep the lights on over the winter. This may potentially limit short term commitments that countries are willing to pledge to at the COP.

Prime Minister Rishi Sunak has also [reversed his decision not to attend the COP27](#) summit, previous reason he had cited for not attending, was the domestic pressure regarding the upcoming budget on the 17th of November. However, following criticism for the public, and rapid work towards developing the budget, he reversed this decision and travelled to the COP over the weekend.

Political Elections

On the 2nd of November it has been reported that [Benjamin Netanyahu](#) is on the brink of coming back into power with help of the far-right party. With around 90.7% of votes from Tuesday's election counted, Mr Netanyahu is set to [win 65 out of the 120 seats](#). According to the partial results Netanyahu's party stands to [gain 32 seats](#), which will form a majority with support from nationalist and religious parties. Benjamin Netanyahu is a controversial political figure in Israeli politics, as he is currently under investigation for [bribery, fraud, and breach of trust](#). However, his partners in the coalition government, have said that they will [reform the law](#), which would stop his trial. This would set a precedent for politicians in Israel who have been accused of corruption, as it would make it a harder for them to be held accountable by the law. The election of the far right-wing leader follows election of other far right-wing leaders in other countries, such as [Hungary](#) and [Italy](#).

On the 31st October it was announced that former president Luiz Inacio Lula da Silva had won the election race by securing 50.9% of the majority vote, to Bolsonaro's 49.1%, winning the [Brazilian Presidency](#). Whilst thanking his voters Bolsonaro did not acknowledge defeat and had repeatedly cast doubts on the voting system before the election took place. His son claimed that Brazil's president was the victim of "[greatest electoral fraud ever seen](#)", which comes from unproven allegations of voter fraud. This type of language echoes language that Donald Trump used in 2021 claiming voter fraud, which is seemingly becoming a popular claim among right wing leaders. Even though de Silva won against Bolsonaro the majority winning vote was only by a narrow margin, this further highlights the division between right wing and left-wing ideology in Brazil.

Rising Tensions between North and South Korea

North and South Korea have fired several missiles into the waters near each country's coasts. North Korea launched [at least 23 missiles](#), the most it has launched in a single day, with one landing about 37 miles away from South

Korea’s city of Sokcho. North Korea said these launches are in response to large scale military exercises currently being conducted by South Korea and the United States. [Pyongyang](#) has said that they would pay “the most horrible price in history” if the joint military drills are continued, with many seeing that as a veiled threat to indicate use of nuclear weapons. Despite the many sanctions that North Korea is under, it has still managed to conduct [six nuclear tests](#) between 2006 and 2017, they are also rumoured to be planning a seventh one. Tensions are unlikely to decrease any time soon, especially with the arrival of a [nuclear-powered submarine from the USA](#), which could inflame tensions in the region.

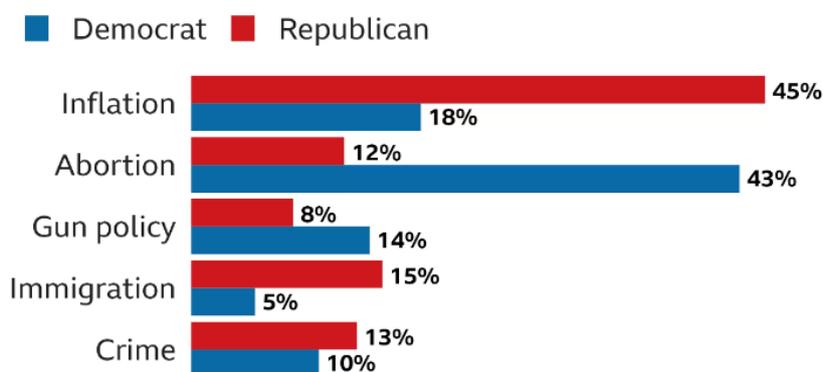
US Midterms

It is set to be a close race in the mid-term elections in the US, with exit polls thus far showing an almost 50-50 split over the various levels of government. However, it would appear that the democrats are set to [lose the House of Representatives](#), which will hinder President Biden’s plans over the next 2 years of his Presidency, as a Republican majority in the House could led to many policies being voted down.

[Rising inflation and abortion rights](#) were the main two issues at the top of voters’ minds as they cast their ballots, according to a national exit poll. Almost [a third of respondents](#) said inflation was the issue that mattered most in deciding how they voted. With a large majority of voters highlighting inflation had caused them hardship in the last year. The second largest issue for voters was abortion rights, with [27%](#) of people saying this was their deciding factor. This follows the majority conservative Supreme Court overturning a ruling which had given nationwide protections for abortion rights. However, voters were [deeply divided along party lines](#), with inflation being the far biggest concern amongst Republicans, whilst abortion rights were by far the biggest concern for Democrats. The graph below demonstrates the divide along party lines.

National exit poll: Issues by party

Which issue mattered most in deciding how to vote



Sample size: 4,636 respondents.
 Figures may not sum to 100 and all figures have a margin of error

Source: [BBC](#), 2022

Twitter

[Elon Musk takes control of Twitter in \\$44bn deal](#), the completion of this deal has put to end months of legal process but has now raised questions of around the future direction the company. Elon Musk who has described himself as a [champion of free speech](#), saying he would reverse bans on suspended accounts, so users like Donald Trump may return to twitter after being banned from the platform following the capital riot in January 2021. This could see a rise in spread of misinformation and hate speech that would come from reversing such users like political extremists, covid-19 deniers and QAnon Loyalists, all notorious for spreading mis-information rhetoric.

Musk is also introducing a [\\$8 \(£7\) monthly charge](#) to Twitter users who want to have the blue tick which indicates a verified account, which would affect around 400,000 blue tick accounts on twitter. This latest move is to make the company more profitable, and Musk justified the measure saying “[we need to pay the bills somehow](#)”. However the move hasn’t gone down to well with Twitter users as response to a Twitter poll which was published by tech investor Jason Calacanis had an [80% response in that users wouldn’t pay](#). The charging for blue ticks would also make it harder to spot any misinformation as well it will make it harder for users to filter through low-quality information. As

it would allow users to impersonate academics, journalists and other figures, who publish accurate and high-quality information, thus making it harder to gain reliable information.

National

Census 2021

Population

The [2021 Census](#) has found that the residential population of England and Wales has increased to its highest ever level at 59,597,542. Growing by more than [3.5 million \(6.3%\) since the 2011 census](#), when residential population was 56,075,912. The total population of England also grew in all nine regions with the highest population growth being in the [East of England](#) which increased by approximately 488,000 thousand residents.

The [median age of England and Wales was 40 years](#), higher than the previous median age of 39 years in 2011. The region with the highest median age was the [South West at 44 years](#). The LA's with the [highest median age](#) were North Norfolk at 54 years, Rother at 53 years and East Lindsey at 52 years. This increase in the average median age for the English and Welsh population, is likely a reflection of the aging population in the UK.

The region with the [lowest median age](#) was London at 35 years. This is unsurprising given the high level of young professionals that choose to start their career in the region. The LA's with the [lowest median age](#) were Tower Hamlets at 30 years, followed by Nottingham, Cambridge, Oxford and Manchester all at 31 years.

Household and resident characteristics

The [2021 Census](#) revealed there 24.8 million households in England and Wales, which is an increase of 6.1% from 23.4 million in 2011. Of the 59.6 million residents in England and Wales in 2021, 58.6 million (98.3%) lived in households and 1 million (1.7%) lived in communal accommodation. The average household size of 2.4 people per household has remained the same since 2011. Newham, Slough and Redbridge has the highest household size, all having an average of 3 people per household.

In the [2021 Census results](#), households were considered deprived if they meet one or more of the following four dimensions of deprivation:

- employment: where any member of a household, who is not a full-time student, is either unemployed or long-term sick
- education: no person in the household has at least five or more GCSE passes (grade A* to C or grade 4 and above) or equivalent qualifications, and no person aged 16 to 18 years is a full-time student
- health and disability: any person in the household has general health that is "bad" or "very bad" or is identified as disabled
- housing: the household's accommodation is either overcrowded, with an occupancy rating of negative 1 or less (implying that it has one fewer room or bedroom required for the number of occupants), or is in a shared dwelling, or has no central heating

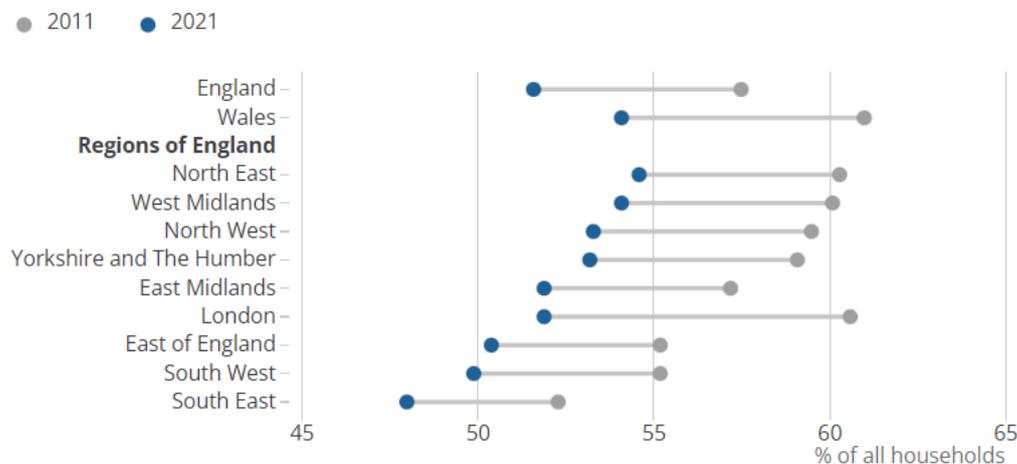
On this basis it was found that 51.7% of households (12.8 million) in England and Wales were deprived in at least one of these dimensions. This has decreased from 2011 when there was 57.6% of households (13.5 million), which were deprived in at least one dimension. [Of these:](#)

- 33.5% (8.3 million) households were deprived in one dimension.
- 14.3% (3.5 million) households were deprived in two dimensions.
- 3.7% (929,000) were deprived in 3 dimensions
- 0.2% (57,000) were deprived in all four dimensions

The North East had the [highest proportion](#) of households which were deprived in at least one dimension at 54.6% (641,000). By contrast, the South East had the highest proportion of [non-deprived households](#) at 52% (2 million). In England, the [LA's](#) with the highest proportion of households deprived in at least one dimension was Barking and Dagenham at 62.4% and Sandwell at 62.1%. The [LAs](#) with the highest proportion of non-deprived households were

Elmbridge at 61.9%, Wokingham at 61.5% and Richmond upon Thames at 61%. The graph below shows the change in the proportion of households deprived in at least one dimension by region, between 2011 and 2021.

Households deprived in at least one dimension, 2011 and 2021, England, Wales and regions of England



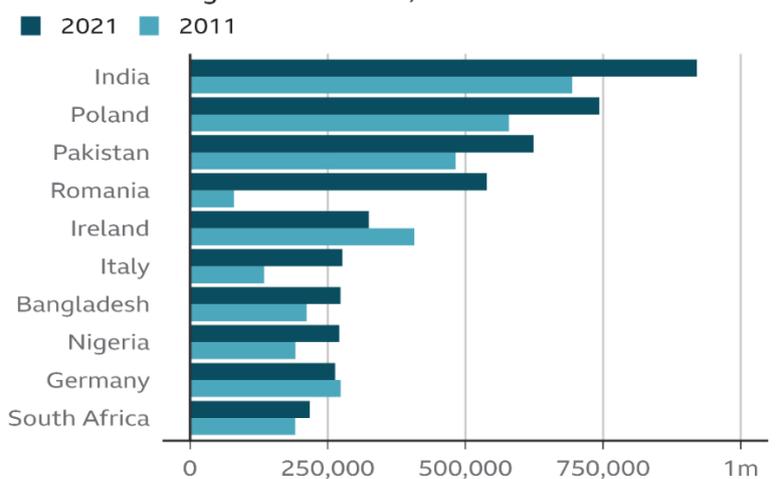
Source: [ONS, 2022](#)

International migration

The number of people who were born outside the UK has increased by 2.5 million since 2011, the latest census data shows. According to [ONS](#) this has increased from the 2011 census from 7.5 million which is around 13.4% of the total population to 10 million which accounts for around 16.8% of the total population of the UK, with India remained the most common country of birth outside the UK in 2021 which is around of 920,000 people, 1.5% of usual residents.

The [BBC reports](#) that the Republic of Ireland retained its position in the top 10 non-UK countries of birth, but it had the greatest decrease at 20.3% from 407,000 in 2011 to 325,000 in 2021. Whilst the number of Romanian-born people in England and Wales have risen by 576% between 2011 and 2021 to 539,000, this is a large increase amongst Romanian nationals is driven by working restrictions being lifted for them in 2014 according to some census officials.

Top ten non-UK countries of birth Residents of England and Wales, 2021 and 2011



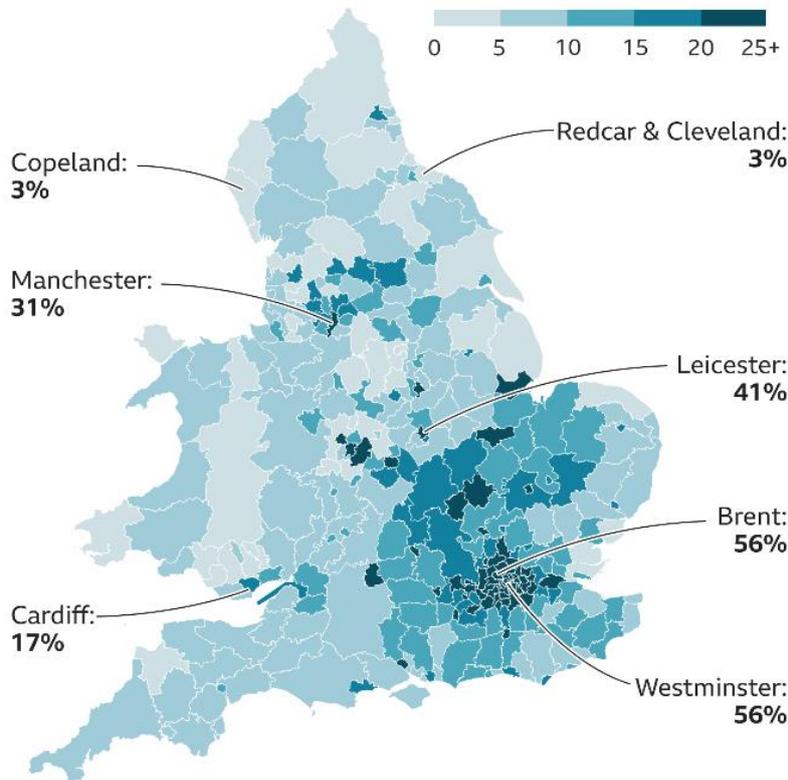
Source: [BBC, 2022](#)

From the 2011 census London has remained the region with both the [largest proportion](#) of people born outside of the UK and the largest proportion of people with non-UK passports. In 2021 more than [4 in 10](#) (40.6%) of residents in London were non-UK born and more than 1 in 5 (23.3%) had a non-UK passport, this has been a small increase since

2011, when 36.7% of London were non-UK born and 21% had a non-UK passport. This would suggest that despite Brexit and multiple pandemics the migration of non-UK born citizens had actually increased and that migration patterns had not been as [adversely affected by Brexit](#) than previously thought.

London and other cities have the highest proportion of residents born outside the UK

Percentage of residents who were born outside the UK, 2021



Source: [BBC News, 2022](#)

Police Watchdog report

[On the 2nd of November 2022 it was](#) revealed that hundreds of police officers who should have failed vetting checks may be in a job in England and Wales the police watchdog has found. After looking into eight forces, it had found there was decisions on officers which were "[questionable at best](#)". An officer convicted of domestic abuse, and one accused of sexual assault were among those accepted. After analysing 725 sample cases concerns were raised by 131 officers cleared to serve in police forces but the watchdog has said the true total could be much higher.

The report also highlights that misogyny and sexual misconduct were rife with out of the 11,000 officers and staff the women who responded said "[an alarming number alleged appalling behaviour by male colleagues](#)" which would raise concerns about risks to people outside the police. The report did find that most respondents thought their forces culture discouraged negative behaviour, with men in general more positive about the culture. This report comes at a time when the police forces are facing intense public and political scrutiny after high profile cases such as the [Sarah Everard](#) case. The report highlights that more reforms need to take place within the police force, for it to restore public trust and faith.

Migrant detention centres

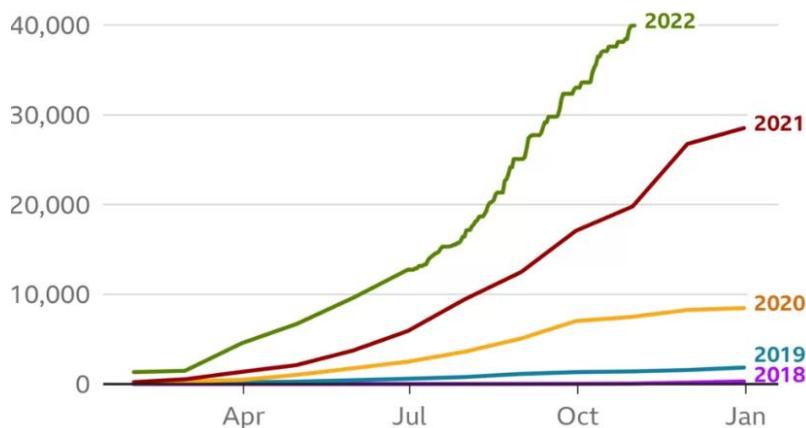
Migrant detention centres have been at the focus of the National news since [The Dover Migrant centre](#) was firebombed by a man from high Wycombe. This has now put the spotlight on other migrant centres that are placed around the UK. Following the attack, 4,000 migrants have been reportedly held at the camp, which is meant to only host 1,600 over the last few days.

[Home Secretary Suella Braverman](#) has been accused by opposition parties of ignoring legal advice that said she had to source additional hotel accommodation to prevent overcrowding. She has also been accused of using [inflammatory language](#) after saying southern England was facing a "invasion" of migrants. With record boat

crossings this year as shown in the chart below it is dangerous for such language to be used as it can encourage more hate towards migrants crossing the border and could potentially lead to more attacks on immigrant and BAME groups.

People crossing the English Channel in boats

Lines represent individuals detected by year



Note: Data to June 2022 is monthly totals, more recent figures are updated daily and weekly. Some data from the latest week may be unavailable

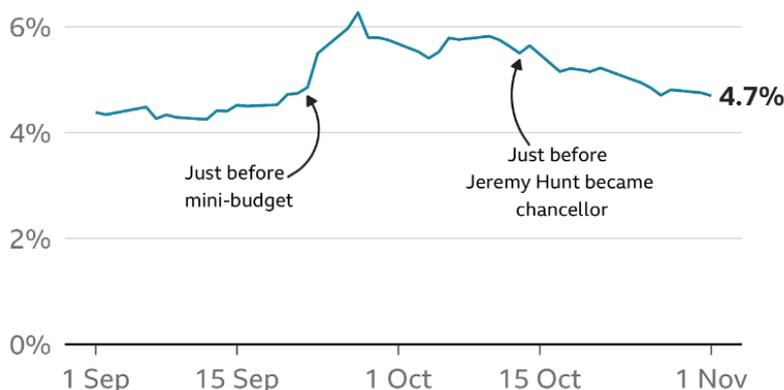
Source: [BBC, 2022](#)

Interest Rates

The Bank of England recently increased its benchmark rate from [2.25% to 3%](#), this is eighth consecutive increase since December 2021, pushing the rate to its highest level for 14 years. This also marks the biggest single increase since 1989. The [BBC](#) reports that analysts suggest rates could reach 4.75% next year, however the peak is lower than predictions had suggested a few weeks ago when the government had announced the mini-budget that was so badly received. The below graph shows the forecast from the 1st September to the 1st November.

Interest rate forecasts rose then fell

Market expectations for June 2023 bank rate



Source: [BBC, 2022](#)

With interest rates rising, about [1.6 million people](#) on tracker and variable rate mortgages will see an immediate increase in their monthly payments. The increase from 2.25% to 3% means those on tracker mortgages will pay about [£73.50 more a month](#) whereas, those on variable rate mortgages face a £46 increase. This comes on top previous interest rate rises. Compared with pre-December 2021 average tracker mortgage holders will be paying [£284 more a month](#) and variable mortgage holders about £179 more.

Grocery inflation

Take home grocery sales rose by 5.2% in the 12 weeks to 30th October 2022 and four week grocery price inflation has also hit another peak since [Kantar](#) began tracking these prices back in 2008, now sitting at 14.7%. Now [Kantar](#) is forecasting an annual £682 jump to consumers shopping bill if they continue to buy the same items as now. Additionally, over a quarter (27%) of households now saying they are [struggling financially](#), almost double the proportion that were recorded last November. [Kantar](#) also reported that 9 in 10 of this group say higher food and drink prices are now a major concern, second only to energy bills.

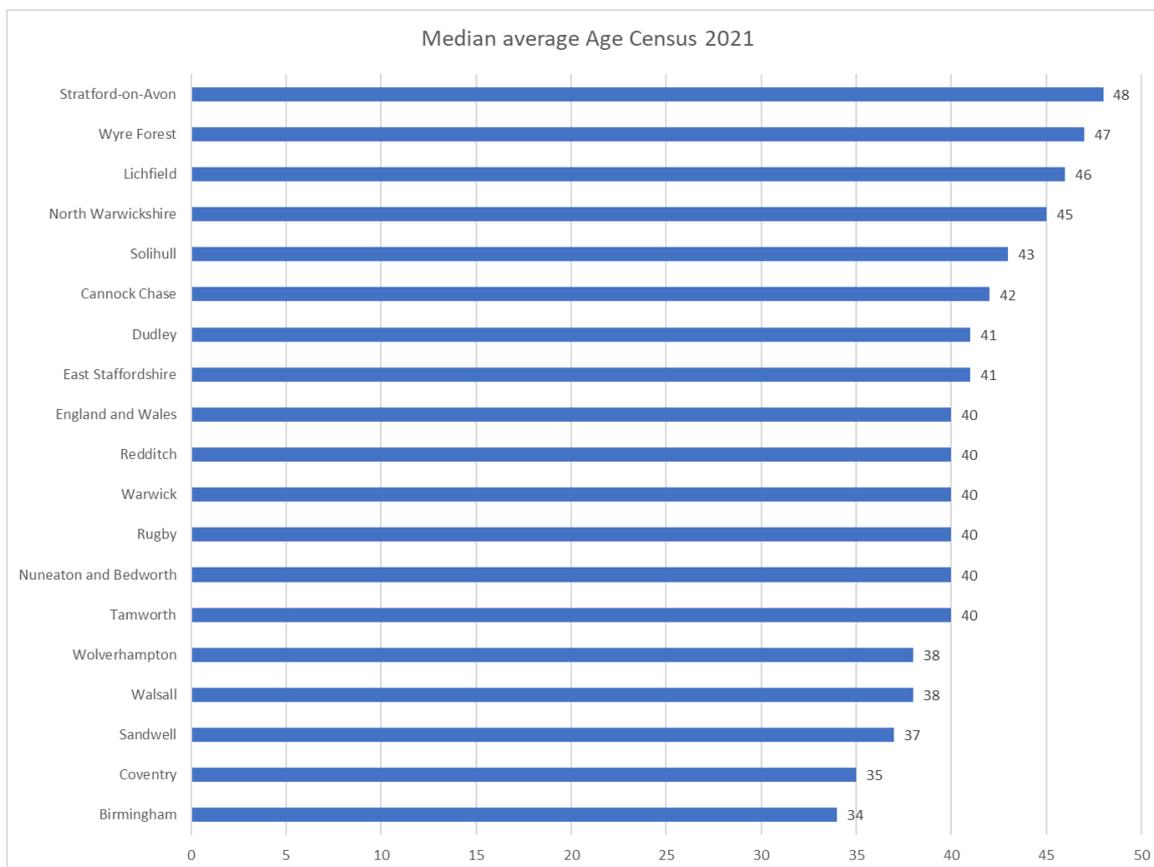
[Supermarkets own label sales](#) also grew by 10.3% over the last four weeks, as consumers adopt different strategies to manage their budgets. The branded goods market grew far slower at 0.4%. [Kantar](#) also reported that current legislation is changing the way we shoppers buy products as there is new regulations on products high in fat, sugar and salt this is changing the way these products are sold. For instance, the [proportion of confectionary](#) that was bought on promotion during the month of October was 26% down from 36% the same time last year.

[Kantar](#) recorded that Aldi was the fastest growing retailer in the latest period, with increased sales by 22.7%, this is only very slightly ahead of Lidl which boosted its sales by 21.5%. Aldi retained its new position as the [4th largest supermarket](#), whilst Lidl achieved its highest market share ever at 7.2%.

Regional

Median Age

Across the WMCA the [2021 Census](#) has revealed that the LA which has the lowest Median average was Birmingham at 34, followed by Coventry at 35, and Sandwell at 37. It is unsurprising that Birmingham and Coventry had the youngest median, as these cities have higher numbers of university students in their geographies, which the ONS pointed out generally led to lower average median ages. Whereas LAs with the highest average Median age were Stratford-upon-Avon (48), followed by Wyre Forest (47) and Lichfield (46).

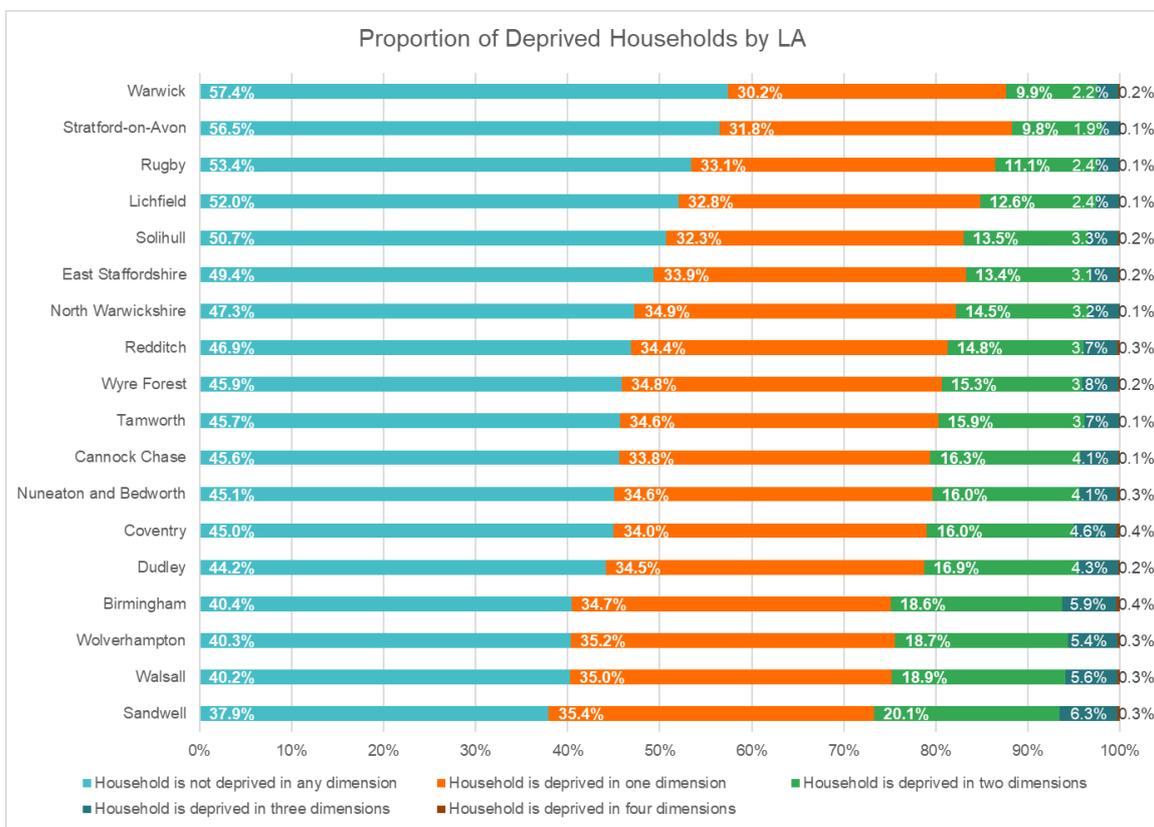


Visualisation by WMREDI. Data Source: [ONS](#), 2022

Household and resident characteristics

In terms of household deprivation, the key findings from the [2021 census data](#) were:

- LAs which had the highest proportion of household not deprived in any dimension were Warwick at 57.4%, Stratford-upon-Avon 56.5% and Rugby at 53.4%. This is unsurprising given these areas are more affluent areas. Comparative to less affluent areas which saw lower levels of deprivation. LAs with the lowest proportion of households not deprived in any dimension being Sandwell 37.9%, Walsall 40.2% and Wolverhampton 40.3%.
- Areas with the highest proportion of households deprived in four dimensions were Birmingham 0.39%, Coventry 0.37%, and Sandwell 0.30%. Areas with the lowest proportion of households deprived in four dimensions were Stratford-upon-Avon 0.05%, Rugby 0.09%, and Tamworth 0.12%.
- LAs with the highest proportion of households deprived in three dimensions were Sandwell 6.3%, Birmingham 5.9%, and Walsall 5.6%. Areas with the lowest proportion of households deprived in three dimensions were Stratford-upon-Avon 1.9%, Warwick 2.2%, and Rugby 2.4%.
- LAs with the highest proportion of households deprived in two dimensions were Sandwell 20.1%, Walsall 18.9%, and Wolverhampton 18.7%. Areas with the lowest proportion of households deprived in two dimensions were Stratford-upon-Avon 9.8%, Warwick 9.9%, and Rugby 11.1%.
- Areas with the highest proportion of households deprived in one dimension were Sandwell 35.4%, Wolverhampton 35.2%, and Walsall 35.0%. Areas with the lowest proportion of households deprived in one dimension were Warwick 30.2%, Stratford-upon-Avon 31.8%, Solihull 32.3%.

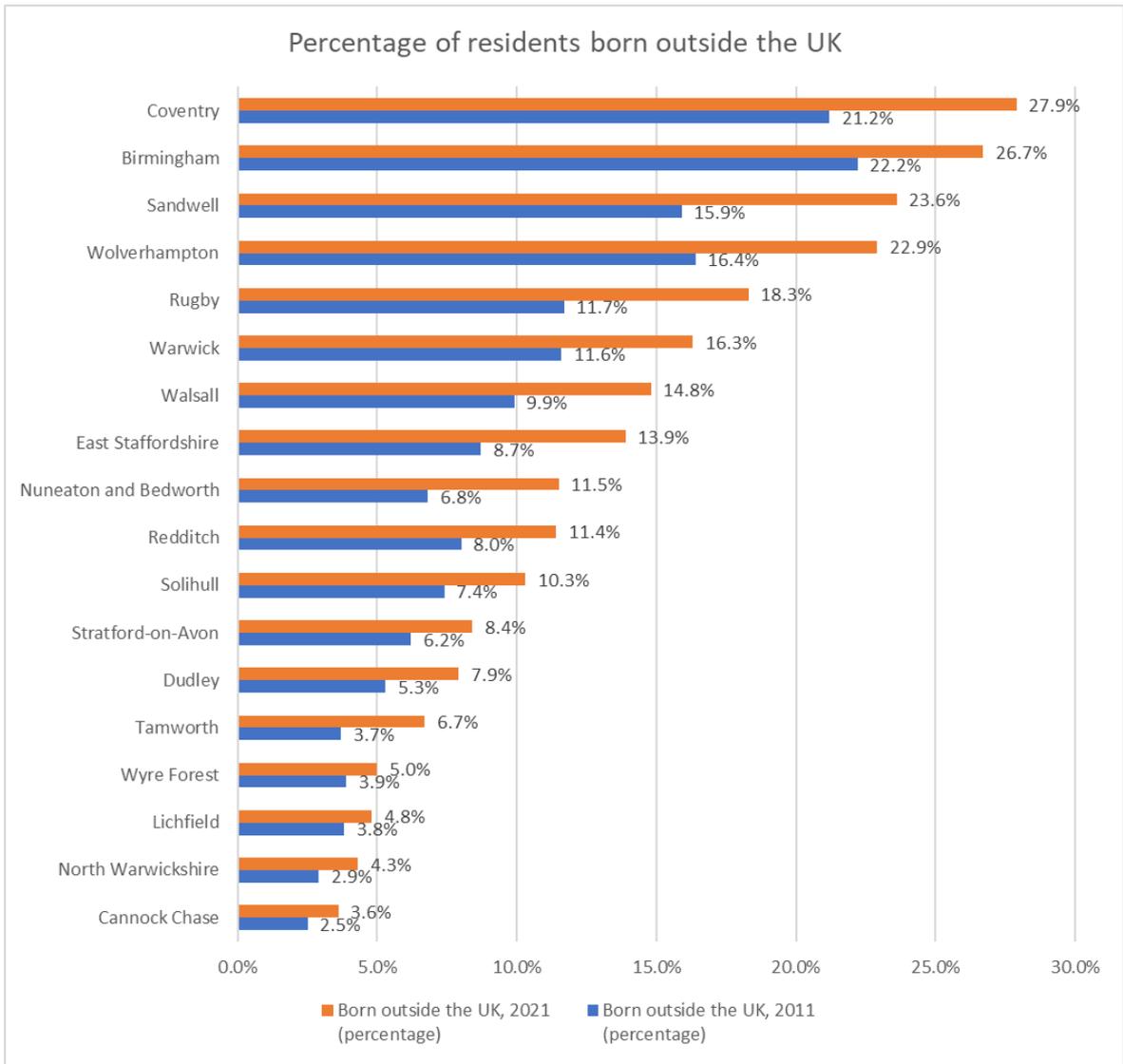


Visualisation by WM REDI. Data Source: [ONS](https://ons.gov.uk), 2022

International migration

Coventry now has the highest proportion of residents born outside of the UK, knocking Birmingham of the top spot since the 2011 census. However, every local authority has seen an increase in the number of residents born outside of the UK. Coventry, Birmingham, Sandwell and Wolverhampton all have over a fifth of residents born outside of the UK. Whereas, Cannock Chase, North Warwickshire, and Lichfield all have below 5% of its population born outside of the UK.

The average increase across all the local authorities in the number of residents born outside of the UK was 3.9%. However, the growth in none-UK born residents varies between LA. For instance, Sandwell saw a 7.7% increase, Coventry a 6.7% increase and Rugby a 6.6% increase, comparative to Lichfield which saw a 1% increase, Cannock Chase a 1.1% increase and Wyre Forest a 1.1% increase. Generally, areas which already had the highest levels of non-UK born residents saw a largest growth, whereas areas which had the lowest levels of non-UK born residents also saw the lowest growth in these residents over the 10-year period.



Visualisation by WMREDI. Data Source: [ONS](#), 2022

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

Black Country Consortium Economic Intelligence Unit

On the 3rd November 2022, the Office for National Statistics (ONS) released 'economic activity and social change in the UK, real-time indicators' statistical bulletin. These statistics are early experimental data and analysis on economic activity and social change in the UK. These faster indicators are created using rapid response surveys, novel data sources, and experimental methods.

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

Online Job Adverts

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

Nationally, between the 21st and 28th October 2022, total online job adverts decreased by 1.1%. On the 28th October 2022, total online job adverts were at 118.5% of their average level in February 2020. Out of the 28 categories (excluding unknown) 15 decreased; the largest weekly decrease was in "education", which fell by 9.4% (to 108.5% of the average level in February 2020). "Part-time / weekend" online job adverts remained at the same level over the period at 135.8% of the average level in February 2020. In contrast, the highest increase was in "management/exec/consulting", rising by 3.3% (to 101.2% of the average level in February 2020). There were 8 categories that were below the February 2020 average level, with the lowest in "legal" at 80.9%.

There was a mixed picture for online job adverts across the UK regions as 8 regions decreased and 4 regions increased between the 21st and 28th October 2022. The West Midlands online job adverts increased by 0.2% and on the 28th October 2022, it was at 122.0% of the average level in February 2020. All 12 regions were above their February 2020 levels, varying from; 104.8% in the East of England (-1.0% since previous week) to 181.4% in Northern Ireland (-1.6% since previous week).

National Company Incorporations and Voluntary Dissolutions

Companies House data shows for the UK, there were 16,168 company incorporations in the week to the 21st October 2022, down from 16,574 recorded in same week in 2021. This is up from 15,268 recorded in the same week in 2020 and in the same week in 2019 (12,487).

Also, for the week to the 21st October 2022, there were 7,001 voluntary dissolution applications, up from 5,764 recorded in the same week in 2020. This is also up from 4,528 recorded in the same week of 2020 and in the same week in 2019 (5,045).

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 16th October 2022, across the UK there were 62 employers proposing 3,389 potential redundancies. The potential redundancies 4-week rolling average was 3,312 and the employers proposing redundancies 4-week rolling average was 54. 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 67 and the employers proposing redundancies 4-week rolling average was 98.

System Average Price of Gas

The System Average Price (SAP) of gas decreased by 20% in the week to 30th October 2022 (from the previous week), it was 74% lower than the equivalent time period in the previous year; however, it was 102% higher when compared to the pre-Coronavirus baseline (February 2020).

Sales by Small Businesses

Please note, these figures are not adjusted for inflation. Data is recorded by Xero.

Across the UK, sales by small businesses decreased by 6% in September 2022 compared with August 2022, but were 4% higher than September 2021. Jobs in small businesses were unchanged compared with the previous month and were 4% lower than September 2021.

Business Insights and Conditions Survey

The final results from Wave 68 of the Business Insights and Conditions Survey (BICS) based off the 5,353 businesses surveyed across the West Midlands that businesses have a presence in with a response rate of 26.2% (1,404) and 3,312 businesses that are head quartered in the West Midlands, with a response rate of 24.3% (804). Please note, the survey reference period was 1st to 30th September 2022 with a survey live period of 17th to 30th 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.

International Trade

34.3% of responding West Midlands businesses reported exporting within the last 12 months, 4.2% reported to exporting over 12 months ago. While 46.6% of West Midlands businesses reported to have never exported and do not have the goods or services suitable for export – although, 7.5% reported to never exporting previously but have goods or services that could be developed for exporting.

44.9% of responding West Midlands businesses reported that exporting stayed the same in September 2022 when compared to September 2021. 21.6% of West Midlands businesses reported to exporting less and 14.7% reported to exporting more.

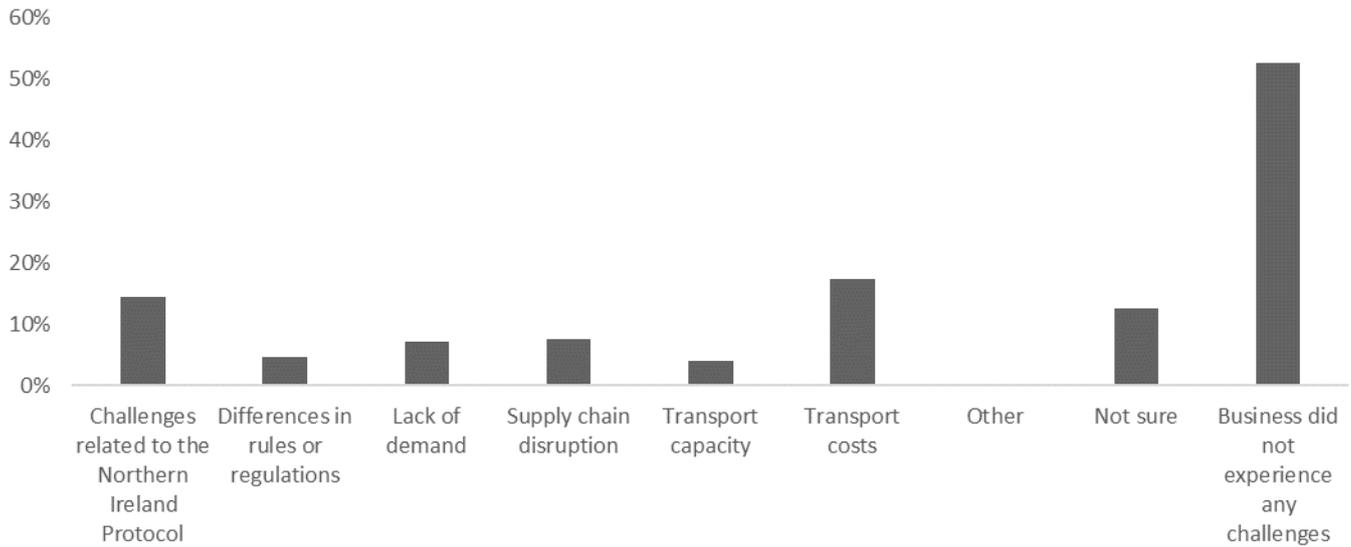
49.0% of responding West Midlands businesses reported that importing stayed the same in September 2022 when compared to same month in the previous year. 13.2% of West Midlands businesses reported to importing less and 15.0% reported to importing more.

Intra-UK Trade

47.2% of West Midlands businesses reported in the last 12 months to selling goods or services to customers in other UK nations – 42.7% reported to have not.

The top challenges West Midlands businesses faced while selling goods or services to customers in other UK nations were transport costs (17.4%) and challenges related to the Northern Ireland Protocol (14.5%).

Challenges (if any), West Midlands businesses have experienced when selling goods or services to customers in other UK nations in the last 12 months:



Supply Chains

Where applicable, 68.5% of West Midlands businesses were able to get the materials, goods or services it needed from within the UK in September 2022. Although, 12.6% of West Midlands businesses were only able to get the materials, goods or services it needed but had to change suppliers or find alternative solutions and 7.5% were not able to get materials, goods or services needed.

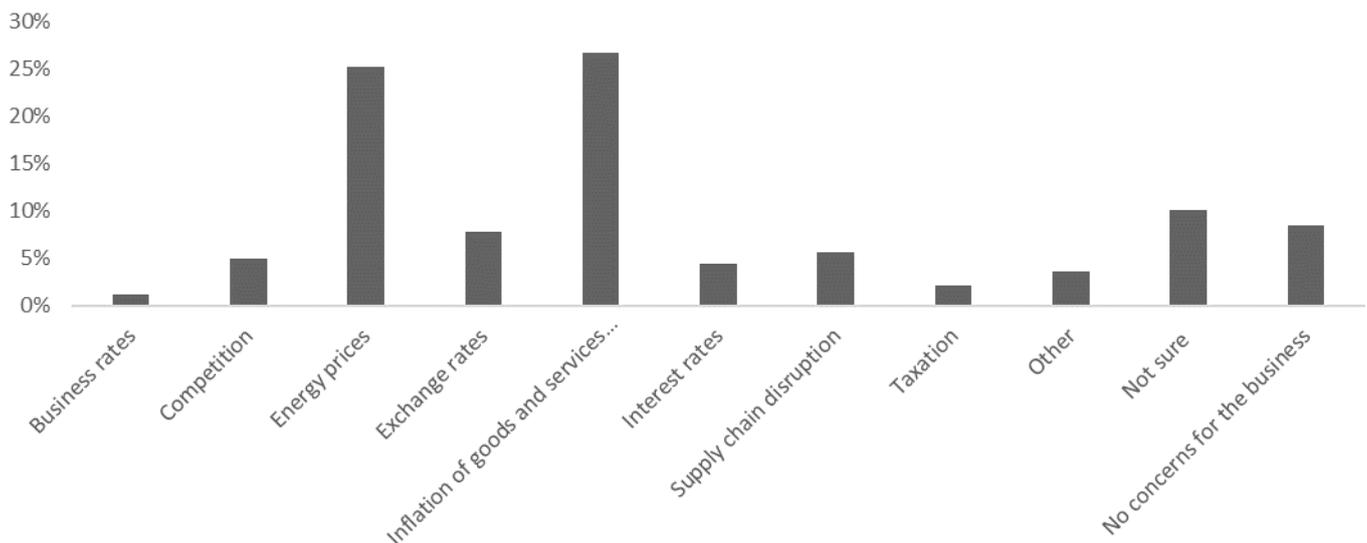
Global Supply Disruption

21.0% of West Midlands businesses reported experiencing global supply chain disruption in September 2022. In contrast, 47.0% reported none.

Main Concerns for Business

26.7% of West Midlands businesses expect the main concern for business in November 2022 will be inflation of goods and services.

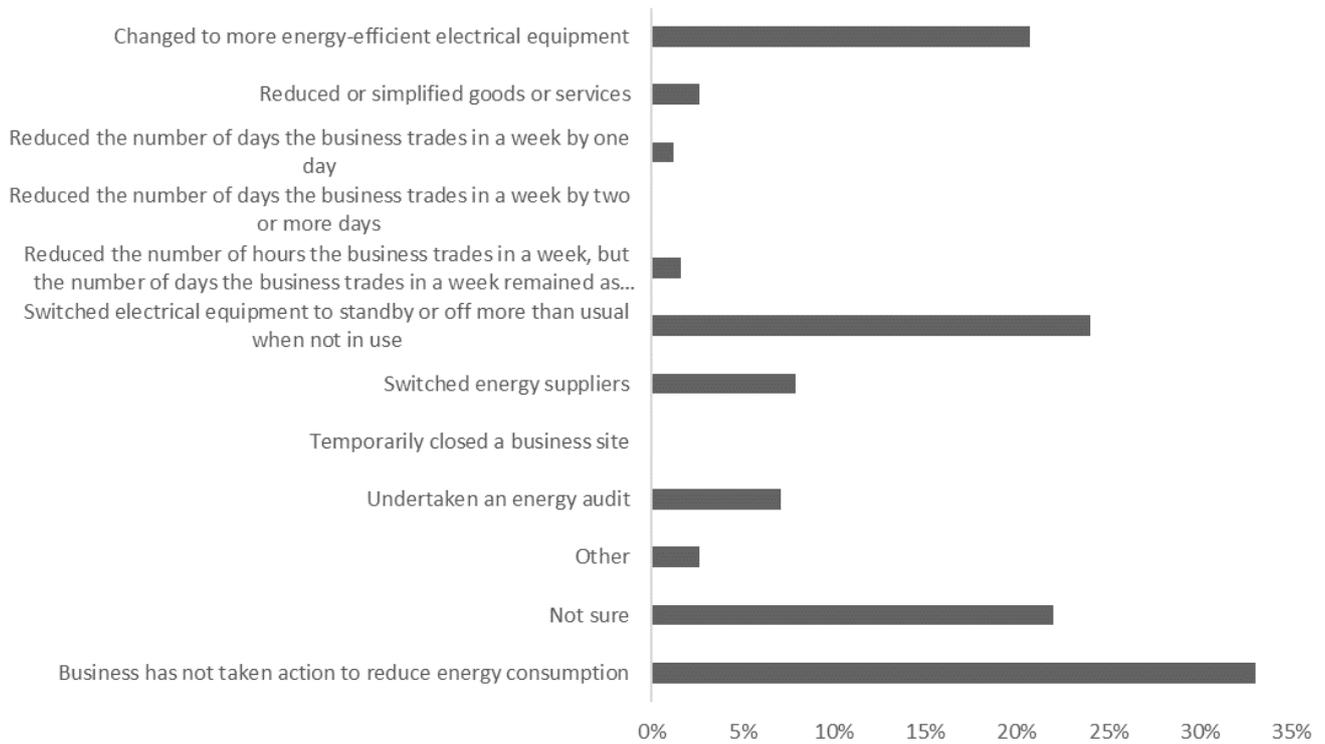
The main concern (if any) for businesses in the West Midlands:



Energy Actions

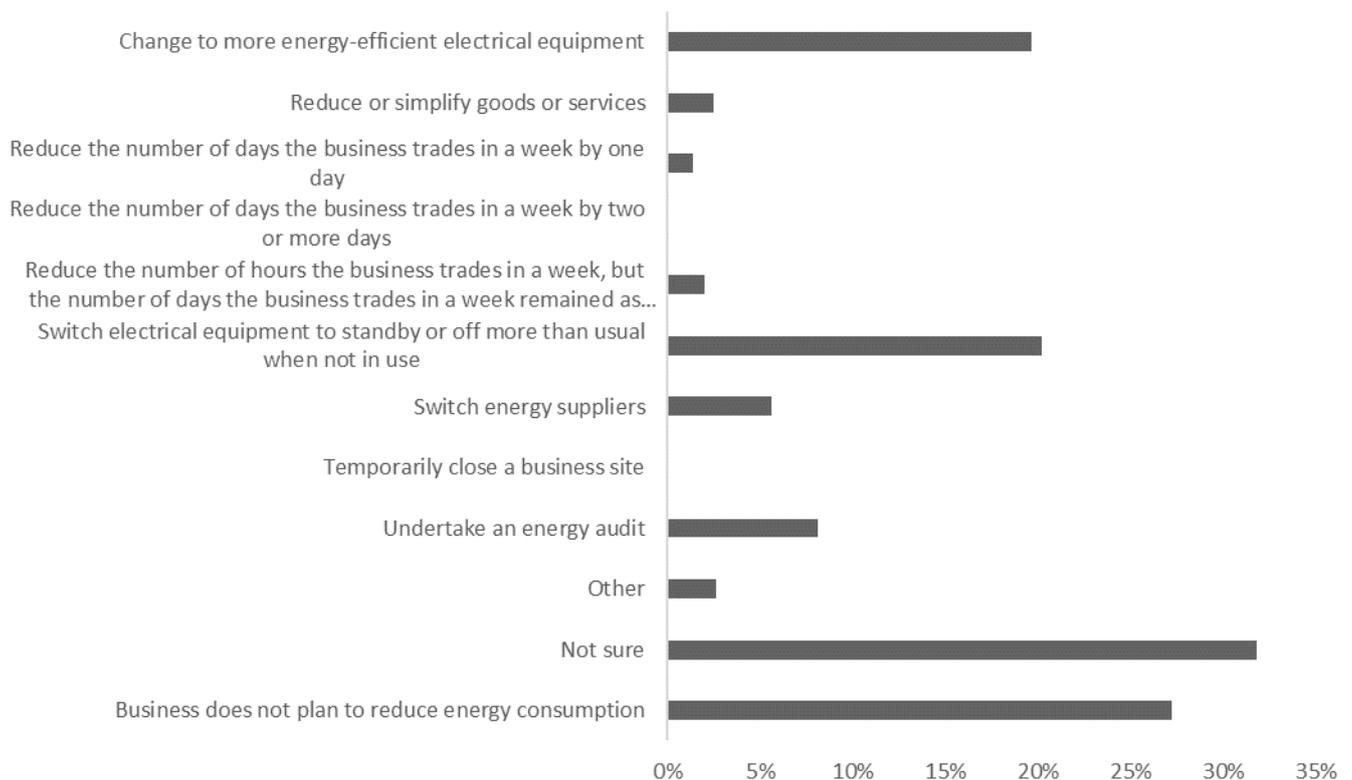
24.0% of West Midlands businesses in the last three months have switched electrical equipment to standby or off more than usual when not in use to reduce energy costs. While 33.0% of West Midlands businesses have made no changes in the last three months.

What actions (if any), West Midlands businesses have taken to reduce energy costs in the last three months:



20.2% of West Midlands businesses plan to switch electrical equipment to standby or off more than usual when not in use to reduce energy costs in November 2022. While 27.2% do not plan to reduce energy consumption.

What actions (if any), West Midlands businesses plan to take to reduce energy costs in November 2022:



Hourly Wages

73.1% of West Midlands businesses reported that employees' hourly wages in September 2022 when compared with the previous calendar month had stayed the same. While, 18.2% reported an increase and 1.3% reported a decrease in hourly wages.

Industrial Action

11.9% of West Midlands businesses reported to being affected by industrial action in September 2022. Although, 58.0% of West Midlands businesses reported not being affected by industrial action.

31.3% of West Midlands businesses reported 'other' from the reasons listed to how the business was affected from industrial action in September 2022.

How West Midlands businesses were affected by industrial action in September 2022:



Public Opinions and Social Trends

Please note - a breakdown by region is no longer provided within this dataset due to the smaller responding sample size of the Opinions and Lifestyle Survey (OPN). Estimates are based on data collected between 12th to 23rd October 2022, (the "latest period") and 29th September to 9th October 2022 (the "previous period").

Cost of Living Crisis

79% of all adults reported being very or somewhat worried about rising costs of living in the past two weeks (77% in the previous week).

Paying Energy Bills

42% of adults who pay energy bills said they found it very or somewhat difficult to afford them in the latest period.

Among those who reported they have gas or electricity supplied to their home, 3% reported they were behind on these bills (4% in the previous period). This proportion has appeared to be relatively stable since the question was first asked in March 2022.

Rent or Mortgage Payments

32% of those who are currently paying rent or mortgage payments reported that these payments have gone up in the last six months (33% in the previous period).

33% of those who are currently paying rent or mortgage payments reported they are finding it very or somewhat difficult to make these payments (30% in the previous period).

Interest Rate Changes

48% of adults with a mortgage reported being very or somewhat worried about the change in mortgage interest rates, and 21% reported being somewhat unworried or not at all worried. The proportion of adults with a mortgage who were very or somewhat worried was highest for those aged 50 to 69 (57%) and those aged 30 to 49 (55%).

Perceptions for the Future

52% of adults reported feeling fairly or very unsure about the future (an increase from 41% during 14th to 25th September 2022, when question first asked). 18% of adults reported feeling very or fairly sure about the future (decrease from 26% since 14th to 25th September 2022).

Personal Well-Being

Life satisfaction – remained at 6.9 since the previous period.

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

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

Anxiety – remained at 4.1 since the previous period.

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



Source: Office for National Statistics – Opinions and Lifestyle Survey

27% of adults reported feeling lonely always, often or some of the time in the latest period (25% in the previous period).

Headlines

SECTOR	KEY INSIGHTS
<p>Cross Sector</p>	<p>Outlook Leading business representative organisations, including the CBI, FSB and the Chambers of Commerce have called for certainty and stability from the new Prime Minister to restore business confidence in the UK. They are calling for Rishi Sunak to restore fiscal credibility, stabilise the economy and deliver much needed support for businesses.</p> <p>Areas of priority for the West Midlands include a longer-term package of support measures on energy bills, and fully costed proposals to deal with labour shortages, spiralling inflation, and climbing interest rates as part of a long-term economic plan for growth and levelling-up.</p> <p>The calls from business come after a tumultuous period following September’s “mini-budget” announcements, with the results worsening the already declining business confidence. Reflective of the period before Liz Truss resigned, consumer confidence is at historically low levels according to Deloitte, while the FSB track small business pessimism as at its worst outside lockdowns: a net confidence score of -35.9 in Q3 2022, down 11.2 points compared to the previous quarter.</p> <p>Generally, businesses have welcomed the new Government’s commitment and approach so far, to stabilising the economy and focusing on economic growth; possibly reflected in a rise in business confidence in the region during October: The Business Barometer from Lloyds Bank Commercial Banking said confidence in the West Midlands grew by eight points over the last month to 27 per cent, third highest of all UK nations and region.</p> <p>Businesses are hoping that the Autumn Budget will bring a range of meaningful announcements – from action on business rates to fiscal intervention to tackle inflation – which will help them weather the expected instability of the coming months. Businesses have noted that they are hoping to see further funding from the UK Shared Prosperity Fund to help the West Midlands ‘level up’, as well as measures relating to VAT and tax relief.</p> <p>Trading Environment But the business community continues to be incredibly concerned by high levels of inflation and rising interest rates, and the effect that these will have on their plans for the coming months and the next financial year. Some businesses are concerned that, should this economic crisis be prolonged much further, they will not have the financial means to continue operating. In particular, the Bank of England’s interest rate rise to 3% has been described as a “further headache” for business.</p> <p>The current environment is increasing the vulnerability of many businesses, not least through reduced liquidity. Figures from restricting trade body R3 show that the Midlands is home to the largest number of companies with late payments outside Greater London, while EY report that the number of profit warnings issued to listed companies in the Midlands increased during Q3 2022. In total, 86 profit warnings were issued nationally between July and September 2022, compared to 51 in the same period of 2021.</p> <p>Although corporate insolvencies fell across the UK between August and September, reflected in a fall in West Midlands business deaths between Q2 and Q3, this is unlikely to be a true reflection of the financial health of local businesses. This is reflected in analysis that suggests the number of failing businesses in the West Midlands has risen sharply.</p>

SECTOR	KEY INSIGHTS
	<p>While a survey commissioned by BusinessRescueExpert found economic conditions were worsening for businesses across the region and in every industrial sector.</p> <ul style="list-style-type: none"> • 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. • Electricity and gas bills had risen for 84.2 per cent of firms, fuel and transport costs for 81.5 per cent, staff pay for 71 per cent and rents for 60.5 per cent . <p>Though the Energy Bill Relief Scheme announced by the previous Government was relatively well received, many businesses have raised concerns about the extent to which the measure would tackle high energy bills and what support would be in place beyond April. There is concern over what the Government would consider a ‘vulnerable business’ should the support be extended for such businesses, with hospitality and retailers concerned that funding will largely go to high energy consuming businesses rather than SMEs struggling with high overheads. SMEs have noted their interest in targeted grant support to help them cope with dramatically increased bills which are eating into their overheads.</p> <p>Furthermore, volatility in the price of materials continues although does vary depending on the sector and the size of the business looking to procure. Steel prices remain high although have seen reductions however the price of high-grade plywood boards increased by 80%. Many businesses are keen to reduce costs and speed up lead times by re-shoring production elements.</p> <p>Labour Market</p> <p>In its Employment Trends Survey with Pertemps Network Group, the CBI reports that shortages in the labour market are having a material impact on firms’ ability to operate at capacity, let alone grow.</p> <p>Three-quarters of respondent businesses have been impacted by labour shortages over the last year and a majority now believe the issue is a threat to labour market competitiveness.</p> <p>This corroborates with FSB’s call for action on the labour market, as job vacancies driven by long-term sickness hit a record high.</p> <p>Additional findings from recent Growth Hub / LEP engagement with local businesses include:</p> <ul style="list-style-type: none"> • Staff Retention & Recruitment – Retention of staff is a huge focus for businesses as pressures to offer inflated salaries to retain staff continue. Higher annual wages and bonuses being offered to encourage staff to stay. Some businesses looking to recruit skilled and professional services are offering signing on bonuses, in some cases up to 10% of annual salaries, leading to concerns around the sustainability of such schemes as further financial pressures continue. Other businesses have been reprofiling jobs and employment bands as they struggle to find suitable human resource. • Skills – Opportunities to plug in to regional support partners for skills training as employers, struggling to find suitable people, are forced to take on unskilled workers to then train a range of basic and advanced skills. Also having to “train to retain” existing staff, investing in their own personal development in the hope that their workforce stays. • Companies are therefore having to adapt their strategies, including by investing in apprentices, offering new incentives such as work from home options and yearly bonuses, as well as a pay increase and joining bonuses. • The shift in the recruitment landscape and labour market has led to an increased recognition that companies need to offer more than just salary to entice new talents and the ‘add-ons’ are what differentiates the likelihood of them getting people on board. This is particularly true for the ‘next generation’ of the labour market, as University students now expect flexible working as the norm and a big factor in deciding which company they’d like to join.

SECTOR	KEY INSIGHTS
	<ul style="list-style-type: none"> Strategies and practical tips shared from businesses that have been successful in include making the job advertising more attractive by listing everything that the company offers and stand for; avoiding the use of organisation specific jargons (for example: Salary band A); ensuring that the job tittle advertised reflects the actual work and responsibilities and encouraging current staff to leave positive reviews. Companies need to better communicate their values and work culture, as employees increasingly look to work in a positive environment. <p>Enquiries Recent common enquiries to West Midlands Growth Hubs include the following:</p> <ul style="list-style-type: none"> Grants – CNC Machines/robotics, fit outs, IT infrastructure/software upgrades, green and carbon reduction projects all feature highly again this month as the appetite for investment for growth continues, although somewhat cautiously in some circumstances. Property Searches – Businesses that are experiencing strong growth leading to multiple property search requests. Inward Investment opportunities, Growth Strategies MRP Systems – Regional manufacturers looking for support with the implementation of MRP (Material Requirements Planning) systems as they continue to look for efficiencies. Bid Writing – Support required for the writing of bids to help innovative businesses, including one company developing an atomic tractor, write successful applications for larger Innovate UK grants. Innovation & Product Development – A push on allocation of remaining ERDF Innovation grants has led to a swathe of interest from regional businesses looking to take advantage of such schemes to bring forward innovation projects. Enquiries from start-up companies continue to dominate the nature of enquiries though. Energy Efficiency - Companies are continuing to seek help to become more energy efficient, however many have a lack of understanding in what this actually means for them. There is continued concern and frustration around the lack of available funding pots to assist with sustainability and a green agenda
<p>Manufacturing</p>	<ul style="list-style-type: none"> UK manufacturers reported a further fall in output in the three months to October, but expect production to pick up in the coming quarter, according to the CBI's latest quarterly Industrial Trends Survey. The survey, important to the West Midlands given our sector strength, found: Output in the three months to October fell slightly, and at a similar pace as in the quarter to September (balance of -4% from -4%). However, firms expect output to increase slightly in the next three months (+7%). The share of firms citing a shortage of skilled labour as a factor likely to constrain output over the next three months reached its highest level since October 1973 (49%, from 39% in the quarter to July). New orders fell in the quarter to October (balance of -8% compared to +11% in the quarter to July), reflecting a decline in domestic orders (-8% from +7%) and the quickest fall in export orders since the quarter to July 2020 (-18% from -2%). Business sentiment fell for a fourth successive quarter, and at its fastest rate since April 2020 (balance of -48% from -21% in July). MHA recently commissioned a poll of manufacturing companies, when asked what their felt their biggest challenge would be over the next 6 months, 52% answered energy costs, with 23% stating custos issues and 21% stating parts or labour shortages.
<p>Technology / R&D</p>	<ul style="list-style-type: none"> Six technology companies have outlined regional investment plans in the West Midlands which are expected to create an initial 73 jobs in the region. Included in this tranche of investments is carbonTRACK, an Australian smart energy and IoT company. After choosing Birmingham as the location for its UK headquarters in 2019,

SECTOR	KEY INSIGHTS
	<p>carbonTRACK has confirmed that it projects recruiting up to 15 additional people in the city in 2023.</p> <ul style="list-style-type: none"> • Birmingham-based mobile payments company Voilo is also among the new investors into the region. The business, which achieved a £2m valuation in just seven months since its product launch, is taking on an additional eight employees by April 2024. • Despite R&D investments across the region, the UK's overall share of global R&D investment has fallen by a fifth since 2014, according to new analysis of the most recent data by IPPR. The UK only places 11th in the OECD in terms of total R&D investment as a percentage of GDP, well behind countries like Austria, Switzerland and the USA.
Hospitality & Retail	<ul style="list-style-type: none"> • UK retail sales volumes grew at a solid pace in the year to October, following last month's decline, according to the latest CBI Distributive Trades Survey. Next month, retailers expect sales volumes to fall again, but at a slow pace. • There is a substantial shortage of a skilled workforce in hospitality, as highlighted in a recent sector roundtable in the region. Individuals do not consider hospitality as a long-term career or as a sector where there is a clear progression route. • There is a lack of level 3 skills across employed and unemployed workforce. The rise in the cost of living is having an effect in the labour market with some employers offering low wages which would not allow to cover the increase in the cost of living.
Arts & Entertainment	<ul style="list-style-type: none"> • Arts Council England has announced funding for West Midlands attractions through its 2023-2026 Investment Programme applications. • During 2023-26, the Investment Programme will invest £446 million in 990 organisations from across the UK, including the following attractions / organisations in the West Midlands: <ul style="list-style-type: none"> - B:Music - Belgrade Theatre - Birmingham Museums Trust - Black Country Living Museum - BRB - CBSO - Compton Verney - FABRIC - Ikon Gallery - Ironbridge Gorge Museums - RSC - Shakespeare Birthplace Trust - The Rep - Walsall New Art Gallery

New Economic Shocks

COMPANY	LOCATION	SECTOR	DETAIL
Meggitt	Coventry	Aerospace	Around 200 workers at Coventry's Meggitt factory are set to lose their jobs by Christmas. The devastating news has been broken to all affected employees at the firm, which used to be based in Holbrooks and is now at a new site in Ansty Park.
Boomin	Birmingham	Professional services	Sky News has reported that Boomin has called in liquidators just a week after the firm made a number of employees redundant. It is reported an accountancy firm, BK Plus, has been brought in to handle the firm's liquidation after it failed to find the £6 million to keep the enterprise afloat. Boomin is operated by Birmingham-based PD Innovations Ltd.

Bates Butchers	Wolverhampton	Butchers	Heritage butcher's business in Wolverhampton closes after 90 years of trading due to the cost-of-living crisis making the business - Bates Butchers - unviable.
LEVC	Coventry	Automotive	The London Electric Vehicle Company (LEVC) has announced that it will lay off 20% of its staff, which results in around 140 job losses at its Coventry factory in Ansty. The automotive firm which manufactures electric black cabs and vans has said it's been heavily impacted by the pandemic and is therefore looking to improve its cash flow.
McColls	Nationwide including Black Country	Retail	Up to 1300 jobs could be at risk as Morrisons plans to close 132 McColls stores across the country, exact locations have not yet been released.
Corporate Solutions Logistics	Solihull	Transport/Logistics	More than 200 jobs have been lost at a Solihull-based logistics business after it ceased trading

New Investment, Deals and Opportunities

COMPANY	LOCATION	SECTOR	DETAIL
Aldi	Coventry and Warwickshire	Retail	Popular German retailer Aldi is keen to open new stores in Coventry and Warwickshire as part of aggressive expansions plans. The discount supermarket chain has attracted record numbers of new shoppers in the past six months, according to its trading update.
Tim Hortons	Coventry	Food Service	A brand-new Tim Hortons restaurant and drive-thru will create up to 50 jobs, the company has said. Construction is well under way for the huge new coffeehouse at Bermuda Park in Nuneaton.
CeX	Coventry	Retail	A big name has announced it is opening a new branch in Coventry. CeX, which specialises in second-hand technology, computing, video games, DVDs and technology repair, will be moving into Arena Shopping Park.
The Entertainer	Coventry	Retail	The Entertainer has opened a new outlet in Coventry. The National Toy retailer has opened within the Tesco Extra at Arena Shopping Park in Phoenix Way. News about the addition to the store was spotted on Facebook. It's The Entertainer's second outlet in Coventry, adding to its store in the Lower Precinct Shopping Centre.
EY	Birmingham	Financial services/ Technology	Financial services firm EY has announced plans to establish a new UK technology hub at its offices in Birmingham.
TechTalent	Birmingham	Technology	An AI-driven EdTech business has revealed plans to create 150 jobs in the West Midlands. The roles at TechTalent will be created in collaboration with both small and large businesses operating across a range of sectors in the region. TechTalent expects the first of the new roles to be confirmed imminently, with the full 150 jobs rolled out in the coming months.
Airguard	Wolverhampton	Manufacturing	Wolverhampton based Airguard have secured £80k in R&D tax credits for their innovation efforts to increase recyclable components and reduce landfill effects.
Poundland	Walsall	Retail	Poundland has opened a new store in Bloxwich creating 25 new jobs.

COMPANY	LOCATION	SECTOR	DETAIL
Ibstock	Walsall	Construction	Ibstock invest £60mil to increase brick capacity in order to meet growing demand for supplies.
IMI Group	Birmingham	Manufacturing	Birmingham-headquartered IMI Group is set to expand after agreeing to buy a smart thermostatic control manufacturer in a £110m deal. Heatmiser was founded by Gordon Kay in 1968 in Blackburn to develop products for residential buildings.
PGS	West Bromwich	Logistics	A Birmingham-based logistics and warehouse specialist is investing £10 million in a purpose-built warehouse in West Bromwich to support continued growth. PGS is set to deliver over 30 new jobs once the 80,000 sq. ft facility opens in early 2023, adding to the company's existing 14-acre site near Birmingham Airport, and growing the group's total warehouse space to 350,000 sq ft.

Disclaimer: The contents of this document are based on the latest data available and the contribution of regional partners in a fast paced environment, therefore we urge caution in its use and application

For any queries please contact the lead Authors:

Rebecca Riley R.Riley@Bham.ac.uk

Alice Pugh A.Pugh@Bham.ac.uk

Delma Dwight Delma_Dwight@blackcountryconsortium.co.uk

Anne Green A.E.Green.1@bham.ac.uk

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



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

