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.

We are seeing severe unseasonal weather with Europe seeing high temperatures, closing ski resorts and the US seeing temperatures as low as -45C. At home the most important pressures facing the UK are the cost of living (93%), the NHS (81%), the economy (78%), and climate change and the environment (58%). Around 9 in 10 (92%) adults reported their cost of living had increased compared with a year ago. The Prime Minister has made 5 pledges, to halve inflation, grow the economy, ensure national debt falls, cut NHS waiting lists and pass laws to stop small boats.

Business Activity

- 17,145 businesses shut up shop over the year, 49.6% higher than last year. Shops were closing at a rate of 47 per day throughout 2022, large chains closed 6,055 shops while 11,090 were shut by independents. compared to 2019 the number of store closures has only increased 6.7% as last year (2021) covid policies supported businesses so there were fewer closures.
- The WM Business Activity Index decreased from 49.6 in October 2022 to 48.8 in November 2022 – remaining below the 50-growth mark for the fourth consecutive month. The decline in business activity across the WM was linked to lower sales, high stock levels and subdued market confidence. However, out of the 12 UK regions, the WM was the fourth highest for business activity in November 2022.
- WM Future Business Activity Index decreased to the lowest level seen in over two-and-a half years in October 2022 (60.7), the index rose to 64.7 in November 2022. WM firms were optimistic for the next 12 months due to hopes of contained inflation, lower interest rates, better trade conditions, advertising and new products launches. Out of 12 UK regions, WM was 2nd highest for Future Business Activity in Nov 2022.

Prices

- Take home grocery sales increased by 7.6% in the 12 weeks to the 25th December. Comparative year on year growth was even higher at 9.4%: the fastest rate recorded since February 2021, with sales reaching a new record of £12.8bn. Whilst value sales were up, the real driver of this spend has been grocery price inflation rather than increased purchasing. Looking at the amount people bought within this period, sales measured by volume are down by 1% year-on-year.
- YouGov found that most people planned to spend around the same amount as last year, with 42% of respondents stating they insist they will do anything to have the Christmas they want this year. However, 25% of the of respondents stated they were unable to have the celebration they would like as they were unable to afford it; this is double the 12% that stated this in 2021. 38% of people also reported that the cost of Christmas was "too stressful", with 25% unable to enjoy the occasion as they worry about the expense.
- 54% of people also reported, at the time of this survey (30th November to 1st December), that they had fallen behind or were struggling to keep up with their bills and credit commitments, up from 41% at the same time last year. 22% of respondents expecting that their debts will increase over the Christmas period, this is up 14% from last year. Among those already in financial distressed 37% expect their debts to increase over the period. 1 in 11 people (9%) will also avoid paying back debt, to fund their Christmas plans.
- The WM Input Prices Index increased from 75.1 in Oct 2022 to 76.7 in Nov 2022, the strongest increase seen in five months. WM firms reported higher energy, food, material, transportation, utility, and wage costs.

Trade in Goods

- Since the year ending Q3 2021, the WM region's total value in goods exports increased by nearly £1.9bn (+7.2%) to £28.0bn in the year ending Q3 2022. The overall value of UK trade in goods exports increased at a greater rate, by 17.4% (to £359.5bn in the year ending Q3 2022).
- The WM had a trade in goods deficit of £12.95bn in the year ending Q3 2022.
- In the year ending Q3 2022, the largest value goods exported for a SITC section in the WM was machinery & transport at £18.3bn. This SITC section accounted for 65.6% of the total exports value; of which 59.0% (£10.8bn) were non-EU exports.
- The highest value of WM goods exports was to the EU at £13.2bn, accounting for 47.2% of the total in the year ending Q3 2022. Exports to the EU from the WM increased by £1.3bn (+10.9%) since year ending Q3 2021 - below the UK overall growth (+24.0%).

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

West Midlands Combined Authority UKRI Research England

Enterprise trends

- The latest available data for the WMCA (3 LEP) area shows that the number of high growth enterprises has decreased further, from 610 in 2020 to 550 in 2021.
- In the WMCA (3 LEP) area, there were 25,360 enterprise births in 2021. This represents an increase compared to 2020 above the national average (+19.3% compared to +9.3% across the UK) but remains below pre-Covid levels (almost 27,000 births in 2019).
- Enterprise deaths in the WMCA (3 LEP) area increased by 7.3% (+1,630 deaths) since 2020 to 24,065 in 2021, slightly below the UK overall increase of 9.4%.
- The WMCA 3-LEP area performs better on short-term survival (1–2-year enterprise survival rates are higher in the WM than the UK average), but lags when it comes to longer-term survival (3-5 years enterprise survival rates in the UK are higher than in the WM). Of the 23,215 enterprise births in 2018 in the WMCA (3 LEP) area, 47.5% (11,035) were still active after 3 years compared to 57.6% for the UK.

Other economic trends and indicators

- Smoothed GVA per hour worked for the WM 7 Met. area increased by 1.8% (+£0.59) since 2019 to reach £33.70 in 2020, the UK increased by 2.1% (+£0.78 to £37.73). The WM 7 Met. area had a shortfall of £4.03 to the UK-wide rate in 2020, reflecting regional disparities in productivity.
- The latest available data shows that there was a decline in expenditure for R&D in the WM region (-11.2%, UK-wide +3.4%) to £2.9bn.
- Visits to retail and recreation locations have yet to be above pre-pandemic levels in the WM region. In August 2022, it was at 94.8.% which was above the UK average of 90.7%.
- Online job adverts decreased for all the UK regions between the 9th and 16th Dec 2022. The WM online job postings fell by 6.4% and on the 16th December 2022, it was at 107.7% of the average level in February 2020.
- 39.1% of WM businesses reported the prices of goods or services brought in Nov 2022 when compared to the previous month had increased. 45.9% reported that prices had stayed the same and 1% of WM businesses reported that prices of goods or services brought had decreased.
- 50.1% of WM businesses reported that energy prices were a factor for the business to consider rising prices in January 2023.
- 2.0% of WM businesses reported that debt repayments were between 50% and 100% of turnover in November 2022. 2.5% of WM businesses reported that repayments were between 20% and 50% of turnover. 29.0% of WM businesses reported that repayments were up to 20% of turnover.
- In December 2022, respondents across the UK felt the four main issues facing the UK were the cost of living (93%), NHS (81%), economy (78%) and climate change & the environment (58

Labour Market Statistics

- The sector which has consistently had the highest number of vacancies throughout the duration of this period has been healthcare. This is unsurprising given longstanding staff shortages and the rise in vacancies in this sector during the pandemic.
- WMCA has a growing professional services sector, however many employers are clearly struggling to find the skills they need to fill these vacancies. This will be having a detrimental effect of the region's growing financial and professional services sector, which in turn may slow down its rate of growth.
- For the three months ending October 2022, the WM Region employment rate (aged 16 – 64 years) was 73.6%. Since the three months ending July 2022, the employment rate decreased by 1.7 percentage points (pp) - the largest decrease seen across all regions. When compared to the same period in the previous year, the WM employment rate decreased by 1.1pp. The UK employment rate was 75.6%, an increase of 0.2pp when compared to the previous quarter also an increase of 0.2pp when compared to the previous year.
- For the three months ending in October 2022, the WM Region unemployment rate (aged 16 years and over) was 4.9% - the highest rate across all UK regions. The UK unemployment rate was 3.7%.
- For the three months ending October 2022, the WM Region economic inactivity rate (aged 16 – 64 years) was 22.5%, an increase of 1.6pp from previous quarter, which was the largest increase across all regions. When compared to the previous year, the WM economic inactivity rate has increased by 1.1pp. The UK economic inactivity rate was 21.6.
- There were 144,535 claimants in the WMCA (3 LEP) area in November 2022. Since October 2022, there has been an increase of 2.4% (+3,455) claimants in the WMCA (3 LEP) area, which matched the UK growth rate.
- 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 3.6% for the UK in November 2022.
- There were 25,905 youth claimants in the WMCA (3 LEP) area in November 2022. Since October 2022, there was an increase of 3.1% (+770) youth claimants in the WMCA (3 LEP) area, the UK increased by 2.9%. Overall, for the WMCA (3 LEP) the number of youth claimants as a percentage of residents aged 18-24 years old was 6.5% compared to 4.6% for the UK in November 2022.

Unemployment and well-being

- In the wake of the COVID-19 pandemic there is growing emphasis on well-being, particularly of young people whose mental health was more likely to be negatively impacted than the UK population by the social restrictions introduced to limit the spread of the virus in 2020.
- A Policy Commission being led by the University of Birmingham, as part of the European University for Wellbeing (EUniWell) network, is looking at the impact of the pandemic specifically on the well-being of young people, highlights that making ongoing mental health support widely available through education providers, employers, and the health service will be an essential part of an inclusive recovery.

Delivering skills for local productivity, innovation and prosperity

- Research and practice highlight local areas are best served by policies that seek to nurture skills ecosystems, which stimulate dialogue and collaboration between further and higher education institutions and build demand among employers across businesses and public services. International evidence indicates that best practices can be found where local and national regulatory and funding approaches have been aligned to support sustained partnerships.
- To improve local skills ecosystems, we need to provide confidence and coherence for the different actors in local areas by committing to policies and investing in the capability of local institutions beyond the short term. This crucially includes more substantial devolution of powers and funding for skills and the factors that influence them.

Can AI provide coherent responses to policy challenges?

- An experiment to see if a chatbot can answer any of the big questions about regional inequality in the UK reveals that it is only able to provide general explanations.
- The experiment shows that policy development relies on current, robust information, that is geographically and thematically relevant. Even where information is available, it will take the skills, knowledge, and capacity of people to make it relevant and responsive in real-time – and especially to take account of the tacit knowledge of felt experiences and what will make a real difference to people's lives.

Global, National and Regional Outlook

Alice Pugh, WMREDI

Global

China Re-opens

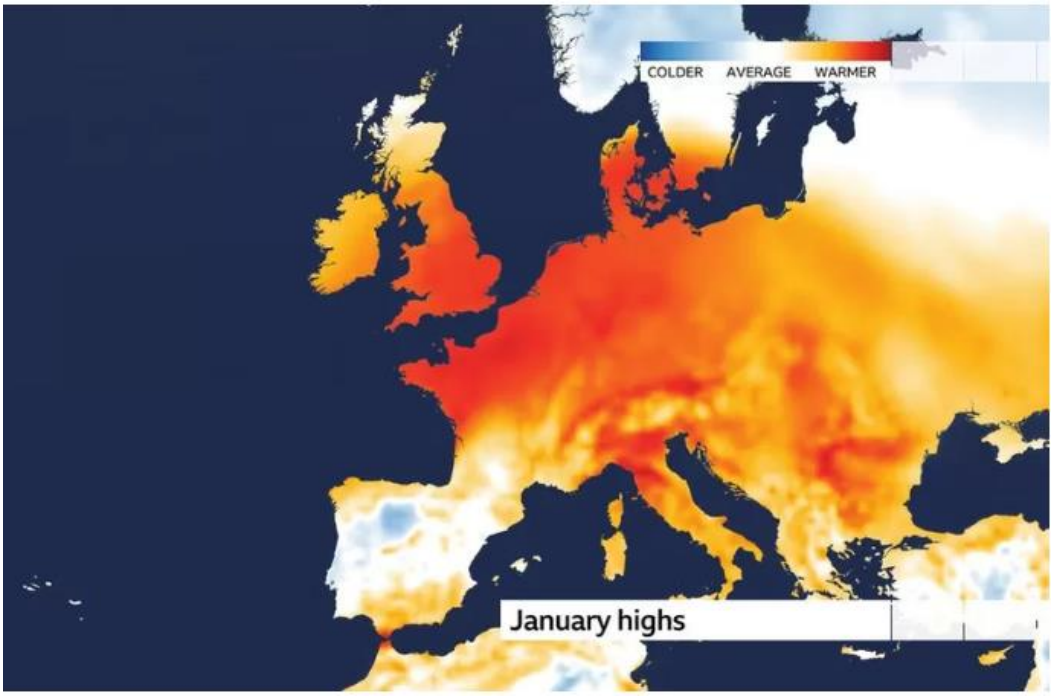
From the 8th of January Chinese citizens will be able to travel internationally. As a result, travel sites have seen a massive spike in website traffic. However, there are increasing concerns around Chinese citizens travelling internationally. This is because the country is currently tackling its largest Covid surge since the beginning of the pandemic, with reports of hospitals being overwhelmed and shortages of drugs. Therefore, there are concerns amongst the international community that Chinese tourists could bring Covid with them. As a result, many countries are placing restriction on Chinese tourists, requesting that Chinese travellers provide a negative Covid test in order to enter. Therefore, while the return of Chinese tourism is likely a relief for many in this sector, there is a question as to whether this could lead to surges in Covid cases in other countries.

US House of Representatives

For the first time since 1923 the US House of Representatives has failed to elect a Speaker in the first round of voting. This should have been an easy win for Republicans who have the majority in the House; however, the right wing of the party rebelled and voted for a second Republican candidate instead. This led to no majority for a nominee and the House is without a speaker after the first round of voting in 100 years. This state of affairs shows fractures in the party between the moderate and right wing of the party. The House will now have to keep voting until a leader is chosen. Until a leader is found, however, the House will be hindered in carrying out its core functions like passing spending bills or raising the debt ceiling.

Weather and Climate Change

Temperatures for January have reached an all-time high throughout Europe. National records have been broken in eight countries, including the Netherlands, Liechtenstein, Lithuania, Latvia, Czech Republic, Poland, Denmark and Belarus. Warsaw in Poland recorded temperatures of 18.9C on Sunday, whilst Bilbao in Spain recorded temperatures of 25.1C, more than 10C above average. Germany, France and Ukraine, also saw some regional temperature records broken.



Source: BBC, 2023

Switzerland has also recorded its highest New Year temperature as the thermostats hit 20C. This has led to a lack of snow on the Swiss Alps, with many Ski resorts having to close their slopes due to the lack of snow. The lack of snow is

so severe that artificial snow will have to be brought in for the Skiing World Cup. Some resorts are opening their summer sports to tourists given the snow for winter sports simply is not there.

However, across the Atlantic, the US and Canada has been gripped by a severe cold snap, with a vast storm spanning 2,000 miles from Texas to Quebec. Near white out conditions have been reported in Minnesota, Iowa, Wisconsin, Michigan and New York (Buffalo), where the US national weather service reported zero-mile visibility in each. Even Hell has frozen over, as the Michigan town, as well as some areas in Montana, recorded temperatures of -45C. Even usually mild southern states such as Florida, Louisiana and Alabama are reporting hard freeze warnings.

This dramatic weather is also having life threatening consequences - 19 people so far have been reported to have died as a result of weather-related fatalities. The freeze is also expected to continue in the coming weeks, which will likely mean greater numbers of fatalities, especially as many of these are related to vehicle accidents on icy roads. US energy companies are reporting that hundreds of thousands of people are without power. The concern is whether people will be able to effectively heat their homes as the blizzard continues, and if not, whether the fatality numbers will rise in the coming weeks. These extreme weather events are also causing severe economic damage.

National

Shrinking Retail Sector

Data from the Centre for Retail Research (CRR) has found that there has been a sharp increase in the number of shops closing on UK high streets across the UK. 17,145 businesses shut up shop over the year, this is 49.6% higher than last year. On average shops were closing at a rate of 47 per day throughout 2022. Over this period large chains closed 6,055 shops while 11,090 were shut by independents.

Source: Centre for Retail Research, 2023

However, compared to 2019 the number of store closures has only increased 6.7%. Whilst this is still a significant increase, it is substantially smaller figure than when comparing the change from 2021. Part of the reason why there were not significant shop closures during the pandemic period was because businesses were supported by Covid policies implemented by the government. This year support was removed, and the sector was hit by new challenges, including sharp reductions in consumer spending, rising costs due to rapidly increasing energy bills and wages, and rising inflation. This has meant that businesses have been move vulnerable to closure this year than over the last 2 years. The larger concern now is the impact that the loss of energy support may have on businesses from April onwards, especially as businesses will see their energy bills rapidly increase from April 2023, when the energy price guarantee for businesses will likely be removed.

Grocery Shopping

Take home grocery sales increased by 7.6% in the 12 weeks to the 25th December 2022 according to the latest figures from Kantar. Comparative year on year growth was even higher at 9.4%: the fastest rate recorded since February 2021, with sales reaching a new record of £12.8bn. However, whilst value sales were up, the real driver of this spend has been grocery price inflation rather than increased purchasing. Looking at the amount people bought within this period, Kantar found that sales measured by volume are actually down by 1% year-on-year. This indicates that people are spending more money on fewer goods than last year.

Household and Consumer Trends

This survey by ONS provides insights into daily life and current events, including the cost of living, working arrangements and wellbeing, the latest survey made the following findings:

- When asked about the important issues facing the UK today, the most commonly reported issues continue to be: the cost of living (93%), the NHS (81%), the economy (78%), and climate change and the environment (58%).
- Around 9 in 10 (92%) adults reported their cost of living had increased compared with a year ago, while a lower percentage (76%) reported an increase in their cost of living compared with one month ago.
- Around 6 in 10 (60%) adults reported they were planning on cutting back on the amount of money they spent this Christmas season compared with last year.
- Of adults who reported cutting back their spending over the Christmas season, the most frequently reported ways adults were planning to spend less money were: buying fewer presents (79%), buying less expensive presents (73%), buying less expensive food and drink (62%), eating out less (58%) or buying less food and drink (56%).
- Around 6 in 10 (60%) adults reported that they were worried (very or somewhat) about keeping warm in their home this winter (57% in the previous period from 22 November to 4 December 2022).
- Around a quarter of adults (24%) reported they were occasionally, hardly ever, or never able to keep comfortably warm in their home in the past two weeks (15% occasionally, 8% hardly ever, and 1% never); this is similar to the previous period (14% occasionally, 7% hardly ever, and 1% never).
- The proportion of adults reporting using less fuel such as gas or electricity in their home because of the rising cost of living (56%) decreased compared with the previous period (63%), perhaps reflecting recent colder weather throughout Great Britain.

During the height of the seasonal shopping period (7th to 18th December) people were most concerned about the cost of living, with 9 in 10 people reporting that there cost of living had increased since last year. As a result, 60% of respondents stated they would be spending less this year than in the previous Christmas season. However, looking at figures from various data analysts such as Kantar would suggest that families will have likely spent similar amounts to last year, just on fewer goods.

In an effort to reduce spending adults were reporting spending less on buying presents (79%), buying fewer expensive presents (73%), buying less expensive food and drink (62%), eating out less (58%) ore buying less food and drink (56%). This will hit the retail and hospitality sectors hard when many are already struggling. These sectors depend heavily on the seasonal fourth quarter of the year to help them through the quieter periods in the first quarter of the next year. With less purchasing being made over the Christmas period, many businesses will be more vulnerable in quarter 1 of this year than in previous years. This is a will be a great concern for many businesses, especially as at the end of this quarter the energy price guarantee for businesses will be removed and the majority will see their energy bills rise rapidly. Without further government support around energy costs and firms being already vulnerable due to low sales over Christmas, we may see a rise in business closures from quarter 2 of this year.

A recent YouGov poll found that the majority of people planned to spend around the same amount as last year, with 42% of respondents stating they insist they will do anything to have the Christmas they want this year. However, 25% of the of respondents stated they were unable to have the celebration they would like as they were unable to afford

it; this is double the 12% that stated this in 2021. 38% of people also reported that the cost of Christmas was "too stressful", with 25% unable to enjoy the occasion as they worry about the expense.

54% of people also reported, at the time of this survey (30th November to 1st December), that they had fallen behind or were struggling to keep up with their bills and credit commitments, up from 41% at the same time last year. With 22% of respondents expecting that their debts will increase over the Christmas period, this is up 14% from last year. Among those already in financial distressed 37% expect their debts to increase over the period. 1 in 11 people (9%) will also avoid paying back debt, in order to fund their Christmas plans. The proportion of people that expect they will turn to credit or borrowing to afford presents and gifts has also increased, with 18% planning to use credit cards (15% in 2021) and 7% who will use pay instalment schemes such as Klarna or Clearpay (up from 5%).

Rishi Sunak 5 pledges

Rishi Sunak opened the New Year with a speech setting out this government's goals for this year. The 5 pledges made in the speech were:

1. **Halving inflation**: to ease the cost of living and give people financial security
2. **Growing the economy**: creating better-paid jobs and opportunity across the country
3. **Ensuring our national debt is falling**: to secure the future of public services
4. **Cutting NHS waiting lists**: so that people get the care they need more quickly
5. **Passing new laws to stop small boats**: making sure that those who come to the UK illegally are detained and swiftly removed

However, many of these issues are going to be difficult for the Prime Minister to tackle. Inflation will be a particular issue, as it is largely out of the government's hands, since it is largely as a result of Russia's invasion of the Ukraine, rapidly rising energy prices, Covid-19 backlogs and Brexit. However, the OBR has predicted that inflation will halve this year, so it is expected that this target should be achievable, but not necessarily because of government policy or plans – rather as a result of external factors.

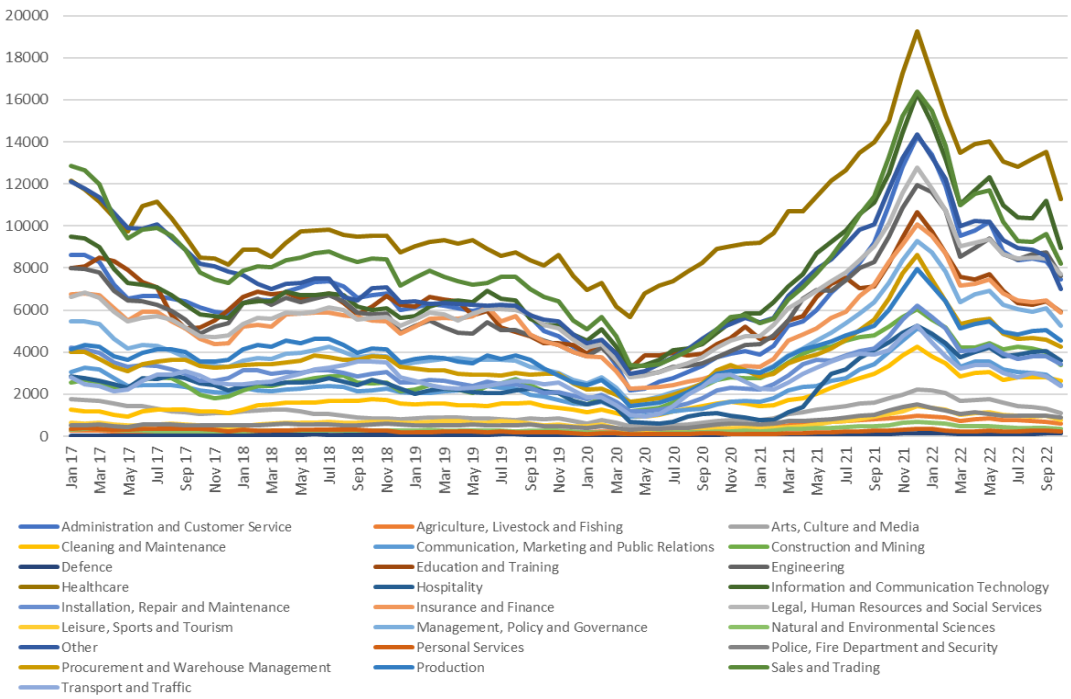
Growing the economy is also going to be very difficult target, especially as consumer spending is falling. Additionally, whilst the inflation rate is expected to fall it is still forecast to be 3.8% by the end of the year, which will still dampen consumer spending within the economy, particularly when wages will likely not raise at the same rate as inflation over the year. Additionally, the government is set to remove the energy support for businesses from April, which will likely mean that many businesses will be struggling from the second quarter of this year, likely reducing private sector investment in the coming months.

The NHS is currently facing record waiting times for hospital treatment, which will be a very difficult challenge. Currently, the NHS is struggling with sharp rises in Covid and flu admissions, placing even greater pressure on the NHS, which is already creaking under the weight of the backlog. However, the Prime Minister did acknowledge that a large proportion of the backlog was partially as a result of shortages of capacity within social care, meaning there is often a delay in patients leaving hospital. This delay on patient discharges is then leading to fewer available hospital beds for patients in urgent medical need. This is why the government has chosen to specifically help tackle social care capacity to help ease the pressure on hospitals.

Regional

Labour Demand

The graph below shows data released by ONS on labour demand by online job adverts from January 2017 to December 2022 for the WMCA 3-LEP area. As can be seen from the graph the sector which has consistently had the highest number of vacancies throughout the duration of this period has been healthcare. This is unsurprising given longstanding staff shortages and the rise in vacancies in this sector during the pandemic.



Data Source: ONS, 2022

Other sectors (excluding health) which have consistently reported high levels of job vacancies over this period have been:

1. Sales and Trading
2. Information and Communication Technology
3. Administration and Customer Service
4. Legal, Human Resources and Social Services
5. Engineering

Shortages in these sectors would suggest that the WMCA has a growing professional services sector, however many employers are clearly struggling to find the skills they need to fill these vacancies. This will be having a detrimental effect of the region's growing financial and professional services sector, which in turn may slow down its rate of growth.

To tackle this policy makers will have to engage with industry leaders, as well as educational partners to understand where there are specific skills shortages within the industry. By encouraging these sectors to work together education, skills and training could be improved to meet the demands of the job market. Regional policy makers and skills hubs should also consider this job vacancy data when developing skills programmes for people in the region.

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

Black Country Consortium Economic Intelligence Unit

In Summary:

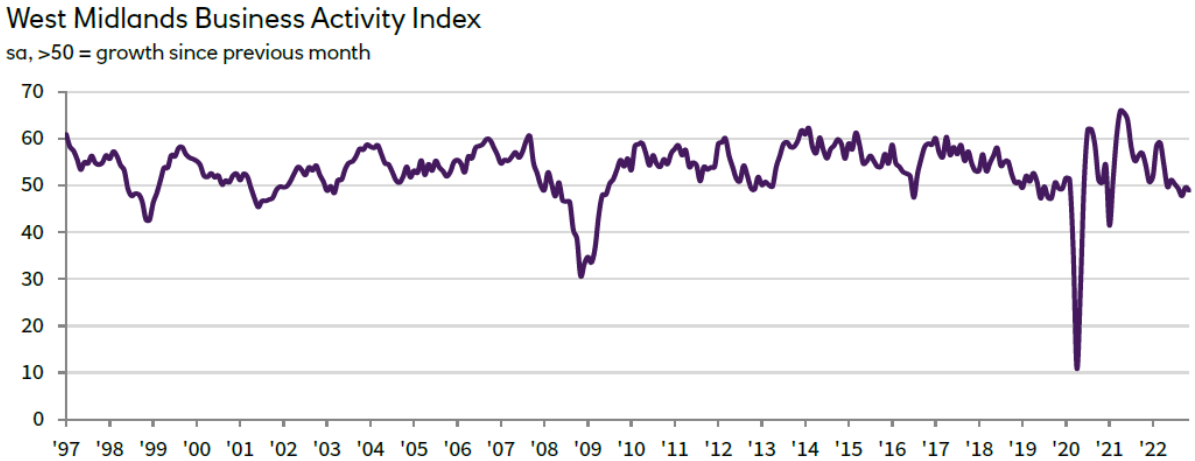
- The West Midlands Business Activity Index decreased from 49.6 in October 2022 to 48.8 in November 2022 – remaining below the 50-growth mark for the fourth consecutive month. The decline in business activity across the West Midlands was linked to lower sales, high stock levels and subdued market confidence.
- Out of the 12 UK regions, the West Midlands was the fourth highest for business activity in November 2022.
- The UK Business Activity Index remained unchanged at 48.2 in November 2022.
- After the West Midlands Future Business Activity Index decreased to the lowest level seen in over two-and-a half years in October 2022 (60.7), the index rose to 64.7 in November 2022. West Midlands firms were optimistic for the next 12 months due to hopes of contained inflation, lower interest rates, better trade conditions, advertising and new products launches.
- Out of the 12 UK regions, the West Midlands was second highest for Future Business Activity in November 2022.

In Detail:

Business Activity Index

The West Midlands Business Activity Index decreased from 49.6 in October 2022 to 48.8 in November 2022 – remaining below the 50-growth mark for the fourth consecutive month. The decline in business activity across the West Midlands was linked to lower sales, high stock levels at clients and subdued market confidence.

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



Source: NatWest PMI, December 2022

Out of the 12 UK regions (all regions were below the 50-growth mark), the West Midlands was the fourth highest for business activity in November 2022. Wales was the highest with 49.8 and Scotland was the lowest at 43.9.

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

[1] Source: NatWest regional PMI report for November 2022, released December 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, December 2022

Demand

The West Midlands New Business Index increased from 48.5 in October 2022 to 48.8 in November 2022, meaning this was the sixth consecutive month for a decline in new work intakes (50 and above indicates growth). The decline in new business was linked to subdued demand conditions, the cost-of-living crisis, future uncertainty and destocking among clients.

Exports

The West Midlands Export Climate Index decreased from 48.2 in October 2022 to 47.5 in November 2022. Figures remain below the 50-growth mark for the fourth successive month and the latest reading was the lowest level seen since May 2020, indicating further deterioration in trade prospects.

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

Top export markets, West Midlands

Rank	Market	Weight	Output Index, Nov '22
1	USA	21.2%	46.4
2	Germany	11.1%	46.3
3	China	8.7%	47.0
4	France	6.1%	48.7
5	Ireland	6.2%	48.8

Source: NatWest PMI, December 2022

Business Capacity

The West Midlands Employment Index decreased from 53.9 in October 2022 to 52.7 in November 2022, although, West Midlands firms continued to hire workers in November. Job creation was restricted due to staff leaving for higher pay elsewhere, retirements, redundancies and cost-cutting measures.

The West Midlands Outstanding Business Index increased from 50.6 in October 2022 to 50.8 in November 2022. Where a rise was reported, West Midlands firms reported insufficient staff and a lack of key inputs.

Prices

The West Midlands Input Prices Index increased from 75.1 in October 2022 to 76.7 in November 2022, the strongest increase seen in five months. West Midlands firms reported higher energy, food, material, transportation, utility and wage costs.

The West Midlands Prices Charged Index increased from 64.3 in October 2022 to 64.6 in November 2022. West Midlands firms suggested that the ongoing increases in input costs were being transferred through to the clients.

Outlook

After the West Midlands Future Business Activity Index decreased to the lowest level seen in over two-and-a half years in October 2022 (60.7), the index rose to 64.7 in November 2022. West Midlands firms were optimistic for the next 12 months due to hopes of contained inflation, lower interest rates, better trade conditions, advertising and the launching of new products.

Out of the 12 UK regions, the West Midlands was second highest for Future Business Activity in November 2022. Yorkshire and The Humber was the highest with 70.7 and the Northern Ireland was the lowest at 46.2.

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

Source: NatWest PMI, December 2022

UK Regional Trade in Goods Statistics[2]: West Midlands, Year to Q3 2022

Black Country Consortium Economic Intelligence Unit

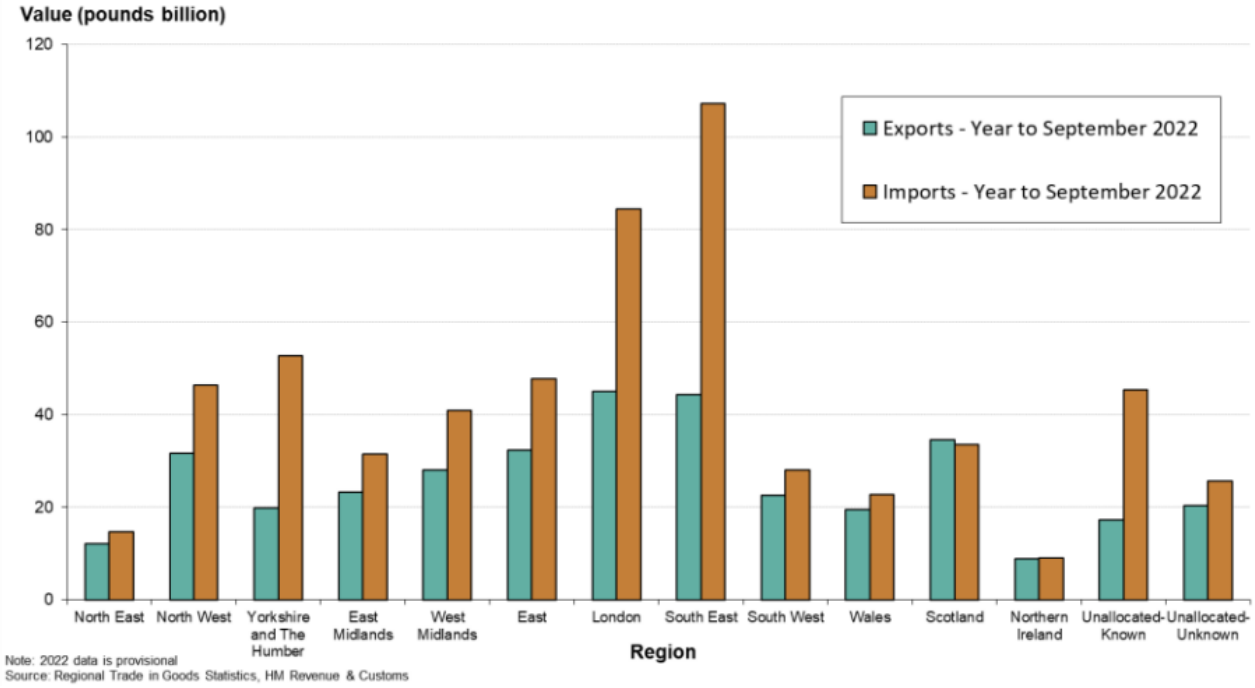
Key Points:

- Since the year ending Q3 2021, the West Midlands region's total value in goods exports increased by nearly £1.9bn (+7.2%) to £28.0bn in the year ending Q3 2022. The overall value of UK trade in goods exports increased at a greater rate, by 17.4% (to £359.5bn in the year ending Q3 2022).
- Since the year ending Q3 2021, the value of West Midlands region' imports increased by £7.1bn (+21.0%) to £40.9bn in the year ending Q3 2022. The UK-wide total imports increased by 30.0% to £589.9bn over the same period.
- The West Midlands had a trade in goods deficit of £12.95bn in the year ending Q3 2022.
- In the year ending Q3 2022, the largest value goods exported for a SITC section in the West Midlands was machinery & transport at £18.3bn. This SITC section accounted for 65.6% of the total exports value; of which 59.0% (£10.8bn) were non-EU exports. Compared to the year ending Q3 2021, the total value of these exports has increased by £717m (+4.1%). Separately, manufactured goods exports also demonstrated a recovery in the year to Q3 2022 compared to the year before (+20.5% or +£585m).
- The highest value of West Midlands goods exports was to the EU at £13.2bn, accounting for 47.2% of the total in the year ending Q3 2022. Exports to the EU from the West Midlands increased by £1.3bn (+10.9%) since year ending Q3 2021 - below the UK overall growth (+24.0%).

In Detail:

- In the year ending Q3 2022, the West Midlands region exported nearly £28.0bn and imported £40.9bn worth of goods, leading to a trade in goods deficit of £12.95bn. This reflects a much larger deficit when compared to year ending Q3 2021 when the trade deficit was £7.7bn.

The following chart shows the value of imports and exports by region in the year ending Q3 2022:



Goods Exported

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

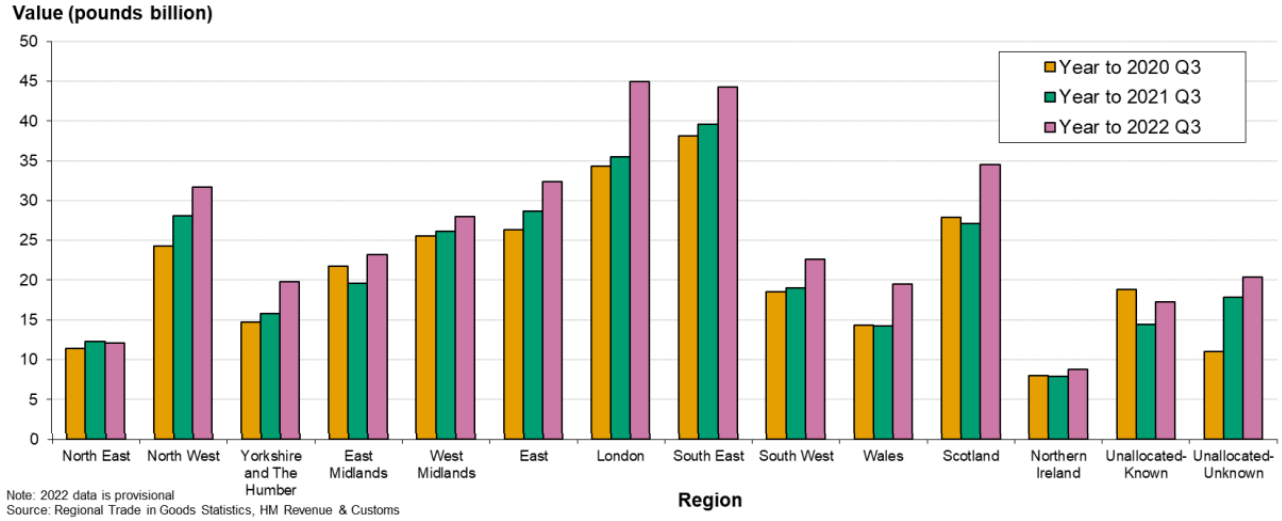
The WM Weekly monitor is funded by the West Midlands Combined Authority, Research England/UKRI

- Since the year ending Q3 2021, the overall value of UK trade in goods exports increased by 17.4% (to £359.5bn in the year ending Q3 2022). Excluding the North East, all other regions saw an increase in the annual export value.

- Since the year ending Q3 2021, the West Midlands total value in goods exports increased by nearly £1.9bn (+7.2%) to nearly £28.0bn in the year ending Q3 2022; where regions increased, the West Midlands had the lowest rise in goods exported. Within this, the value of exports from the West Midlands to the EU increased by £1.3bn (+10.9%, UK +24.0%) to £13.2bn and the value of exports to Non-EU locations increased by £579m (+4.1%, UK +11.0%) to £14.8bn.

- The West Midlands region accounted for 7.8% of UK total exports in the year ending Q3 2022. The West Midlands region accounted for 7.1% of UK exports to the EU and 8.6% for Non-EU locations.

The following chart shows UK exports by region, years to Q3 2020, Q3 2021 and Q3 2022:



- Quarterly exports analysis shows that when comparing Q3 2022 to Q2 2022, total goods exports from the West Midlands increased by £466m (+6.7%, UK +5.4%) to £7.4bn; this was the third highest increase across all UK regions. The rise in goods exports was due to Non-EU exports, increasing by £680m (+19.8%, UK +5.3%) to £4.1bn, meaning EU exports from the West Midlands decreased by £214m (-6.1%, UK +5.5%) to £3.3bn.

- When comparing Q3 2022 to Q3 2021 only, total exports from the West Midlands increased by £1.5bn (+25.1%, UK +27.6%). EU exports from the West Midlands increased by £416m (+14.4%, UK +33.5%) and Non-EU exports from the West Midlands increased by nearly £1.1bn (+35.2%, UK +21.7%).

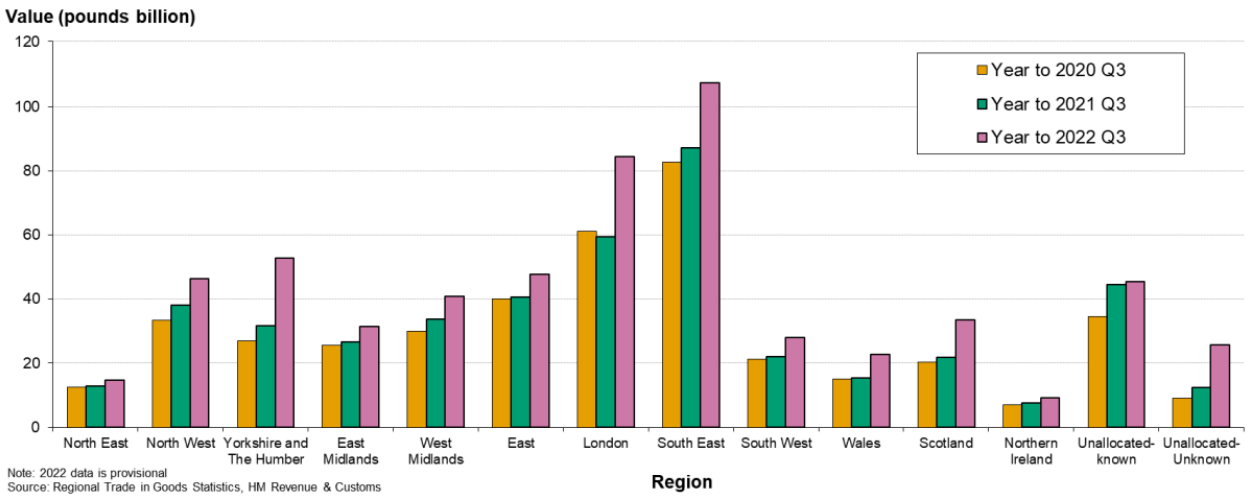
Goods Imported

- Since the year ending Q3 2021, the value of West Midlands region goods imports increased by £7.1bn (+21.0%) to £40.9bn in the year ending Q3 2022. All UK regions increased over this period and the UK-wide total imports increased by 30.0% to £589.9bn over the same period.

- Since the year ending Q2 2021, the value of imports to the West Midlands from the EU increased by £3.8bn (+20.1%, UK +26.4%) to nearly £22.9bn in the year ending Q3 2022. Over the same period, the value of imports to the West Midlands from Non-EU locations increased by nearly £3.3bn (+22.1%, UK +33.6%) to £18.0bn in the year ending Q3 2022.

- The West Midlands region accounted for 6.9% of UK total imports in the year ending Q3 2022. The West Midlands region accounted for 8.0% of UK imports to the EU and 5.9% for Non-EU locations.

The following chart shows UK imports by region, years to Q3 2020, Q3 2021 and Q3 2022:



- When comparing Q3 2022 to Q2 2022, total imports to the West Midlands decreased by £1.2bn (-10.8%, UK -0.9%) to nearly £9.9bn. EU imports to the West Midlands decreased by £972m (-15.1%, UK -6.4%) to nearly £5.5bn and Non-EU imports to the West Midlands decreased by £232m (-5.0%, UK +5.0%) to £4.4bn.

- Quarterly imports analysis shows that when comparing Q3 2022 to Q3 2021 only, total imports to the West Midlands increased by £1.6bn (+19.8%, UK +31.2%). EU imports to the West Midlands increased by £1.1bn (+26.1%, UK +34.2%) and Non-EU imports to the West Midlands increased by nearly £500m (+12.8%, UK +28.4%).

Standard International Trade Classification (SITC)

- The total value of goods exported increased in nine of the ten SITC sections in the West Midlands when compared to the year ending Q3 2021. The only decrease was 'other commodities nes'.

- In the year ending Q3 2022, the largest value goods exported for a SITC section in the West Midlands was machinery & transport at £18.3bn. This SITC section accounted for 65.6% of the total exports value; of which 59.0% (£10.8bn) were non-EU exports. Compared to the year ending Q3 2021, the total value of these exports has increased by £717m (+4.1%); the value has increased quarter-on-quarter (+14.1% from £4.4bn in Q2 2022 to £5.0bn in Q3 2022) and has risen when compared to Q3 2021 (£3.8bn). Manufactured goods exports also demonstrated a recovery in the year to Q3 2022 compared to the year before (+12.3% or +£585m).

- West Midlands imports from nine of the ten SITC sections increased from the year ending Q3 2021; the only decrease was in 'other commodities nes'.

- The SITC section with the largest total value of imports in the year ending Q3 2022 was machinery & transport at £18.3bn, reflecting 44.6% of total imports; of which 61.1% (£11.2bn) came from the EU. Imports of this SITC section overall have increased since year ending Q3 2021 by £3.2bn (+21.0%), but have decreased quarter-on-quarter (-12.8% or -£642m to £4.4bn) and when compared to Q3 2021 only, imports have increased by 29.2% (+£986m). While mineral fuels imports (+£1.2bn, +236.0%) and manufactured goods (+£1.4bn, +18.5%) 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 Q3 2021 and year ending Q3 2022:

	West Midlands Region			UK		
	Year Ending Q3 2021	Year Ending Q3 2022		Year Ending Q3 2021	Year Ending Q3 2022	
Total Exports by SITC Section	£ millions		% Change	£ millions		% Change
0 Food and Live Animals	£713	£779	9.3%	£13,743	£15,094	9.8%
1 Beverages and Tobacco	£68	£75	10.3%	£6,942	£8,629	24.3%
2 Crude Materials	£986	£1,198	21.5%	£9,054	£10,310	13.9%
3 Mineral Fuels	£128	£209	63.3%	£23,286	£46,320	98.9%
4 Animal and Vegetable Oils	£37	£41	10.8%	£556	£758	36.3%
5 Chemicals	£1,402	£1,485	5.9%	£52,063	£59,893	15.0%
6 Manufactured Goods	£2,852	£3,437	20.5%	£35,720	£41,214	15.4%
7 Machinery and Transport	£17,626	£18,343	4.1%	£110,880	£122,477	10.5%
8 Miscellaneous Manufactures	£2,268	£2,407	6.1%	£38,805	£40,674	4.8%
9 Other commodities nes	£25	£7	-72.0%	£15,178	£14,133	-6.9%
Total Exports	£26,105	£27,981	7.2%	£306,227	£359,502	17.4%
Total Imports by SITC Section						
0 Food and Live Animals	£2,530	£2,617	3.4%	£38,606	£45,015	16.6%
1 Beverages and Tobacco	£251	£323	28.7%	£6,486	£7,687	18.5%
2 Crude Materials	£741	£848	14.4%	£14,696	£15,242	3.7%
3 Mineral Fuels	£497	£1,670	236.0%	£36,456	£103,445	183.8%
4 Animal and Vegetable Oils	£119	£168	41.2%	£1,545	£2,382	54.2%
5 Chemicals	£2,211	£2,620	18.5%	£59,271	£72,763	22.8%
6 Manufactured Goods	£7,376	£8,742	18.5%	£60,791	£66,292	9.0%
7 Machinery and Transport	£15,099	£18,271	21.0%	£157,575	£180,903	14.8%
8 Miscellaneous Manufactures	£4,991	£5,668	13.6%	£72,206	£80,928	12.1%
9 Other commodities nes	£15	£4	-73.3%	£6,154	£15,255	147.9%
Total Imports	£33,831	£40,932	21.0%	£453,787	£589,911	30.0%

Country Group

- The highest value of West Midlands goods exports was to the EU at £13.2bn, accounting for 47.2% of the total in the year ending Q3 2022. Exports to the EU from the West Midlands increased by £1.3bn (+10.9%) since year ending Q3 2021 - below the UK overall growth (+24.0%).

- There were two Country Groups where goods exports from the West Midlands declined from the year ending Q3 2021. The Country Groups that declined were; Asia & Oceania, by £35m (-0.7%) to £4.7bn and Eastern Europe (excl. EU) by £204m (-29.2%) to £494m.

- Since the year ending Q3 2021, West Midlands goods imports increased in all of the eight Country Groups.

- The highest value of goods imports was from the EU at £22.9bn, accounting for 56.0% of total West Midlands imports. This was a £3.8bn (+20.1%) increase in value from year ending Q3 2021 - below the UK overall rate of change (+26.4%).
- The second highest value of imports was from Asia & Oceania at £11.6bn, accounting for 27.3% of total imports (compared to 16.8% of exports) in the year ending Q3 2022. Imports from Asia & Oceania to the West Midlands increased by £1.5bn (+15.7%) since year ending Q3 2022 – notably as mentioned previously exports decreased to Asia & Oceania.

The following table shows a breakdown of exports and imports by country group and the percentage change between year ending Q3 2021 and year ending Q3 2022:

	West Midlands Region			UK		
	Year Ending Q3 2021	Year Ending Q3 2022		Year Ending Q3 2021	Year Ending Q3 2022	
Exports by Country Group	£ millions		% Change	£ millions		% Change
Asia & Oceania	£4,731	£4,696	-0.7%	£52,127	£57,728	10.7%
Eastern Europe (excl EU)	£698	£494	-29.2%	£5,625	£4,788	-14.9%
European Union	£11,909	£13,206	10.9%	£150,870	£187,014	24.0%
Latin America and Caribbean	£345	£462	33.9%	£4,260	£5,822	36.7%
Middle East and North Africa (ex	£1,185	£1,475	24.5%	£14,096	£18,231	29.3%
North America	£5,920	£6,234	5.3%	£49,854	£55,897	12.1%
Sub-Saharan Africa	£334	£350	4.8%	£4,999	£5,893	17.9%
Western Europe (excl. EU)	£980	£1,060	8.2%	£13,934	£15,618	12.1%
Undefined Country Group	£2	£3	50.0%	£10,461	£8,511	-18.6%
Total Exports	£26,105	£27,981	7.2%	£306,227	£359,502	17.4%
Imports by Country Group						
Asia & Oceania	£9,649	£11,160	15.7%	£113,119	£120,019	6.1%
Eastern Europe (excl EU)	£302	£538	78.1%	£8,251	£7,457	-9.6%
European Union	£19,069	£22,907	20.1%	£226,105	£285,786	26.4%
Latin America and Caribbean	£517	£654	26.5%	£5,417	£9,596	77.1%
Middle East and North Africa (ex	£690	£896	29.9%	£10,289	£25,510	147.9%
North America	£1,857	£2,391	28.8%	£39,974	£57,502	43.8%
Sub-Saharan Africa	£273	£347	27.1%	£8,183	£10,016	22.4%
Western Europe (excl. EU)	£1,472	£2,040	38.6%	£37,479	£67,853	81.0%
Undefined Country Group	-	-		£4,971	£6,172	24.2%
Total Imports	£33,831	£40,932	21.0%	£453,787	£589,911	30.0%

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

Labour Market Statistics and Claimant Count: Released December 2022

Black Country Consortium Economic Intelligence Unit

UK Summary[3]

- For the UK, early estimates for November 2022 indicate that the number of payrolled employees rose by 2.7% (+777,000) compared with November 2021 - all age groups saw an increase, with an increase of 121,000 payrolled employees for those aged under 25 years. The number of payrolled employees was up by 3.2% (+932,000) since February 2020. The latest monthly change shows payrolled employment increased by 0.4% (+107,000) when compared to October 2022[4].
- In August to October 2022, reports of UK-wide redundancies in the three months prior to interview[5] increased by 0.9 per thousand employees, compared with the previous three-month period, to 3.1 per thousand employees.
- The UK employment rate for August to October 2022 increased by 0.2 percentage points (pp) on the quarter to was 75.6% and is still lower than before the Covid-19 pandemic (December 2019 to February 2020). Over the latest three-month period, the number of employees increased, while self-employed workers decreased.
- The UK unemployment rate for August to October 2022 increased by 0.1pp on the quarter to 3.7%. In the latest three-month period, the number of people unemployed for up to six months increased, and this increase was seen across all age groups.
- The economic inactivity rate decreased by 0.2pp on the quarter to 21.5% in August to October 2022. The decrease in economic inactivity during the latest three-month period was driven by those aged 50 to 64 years. Looking at economic inactivity by reason, the quarterly decrease was driven by those inactive because they are retired.
- For the UK, the number of job vacancies in September to November 2022 was 1,187,000; this was a decrease of 5.2% (-65,000) from the previous quarter – the fifth consecutive quarterly fall. In September to November 2022, total vacancies fell by nearly 34,000 from the level of a year ago, which is the first annual fall since January to March 2021; despite this, all industries remained above their pre-coronavirus January to March 2020 levels.
- The UK growth in average total pay (including bonuses) and growth in regular pay (excluding bonuses) among employees were the same at 6.1% in August to October 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 both fell by 2.7%; this is slightly smaller than the record fall in real regular pay seen in April to June 2022 (3.0%) but still remains among the largest falls in growth since comparable records began in 2001.
- For the UK, early estimates for November 2022 indicate that median monthly pay increased by 8.0% compared with November 2021, and increased by 17.3% when compared with February 2020.
- UK-wide, total hours worked decreased compared with the previous three-month period and are still below pre-coronavirus pandemic levels.
- Across the UK, there were 417,000 working days lost because of labour disputes in October 2022, which is the highest since November 2011.
- In September 2022, workforce jobs rose by 97,000 on the quarter to a new record high of 36.2 million for the UK.

Regional Labour Market Summary

- For the three months ending October 2022, the West Midlands Region employment rate (aged 16 – 64 years) was 73.6%. Since the three months ending July 2022, the employment rate decreased by 1.7 percentage points (pp) - the largest decrease seen across all regions. When compared to the same period in the previous year, the West Midlands employment rate decreased by 1.1pp. The UK employment rate was 75.6%, an increase of 0.2pp when compared to the previous quarter also an increase of 0.2pp when compared to the previous year.
- For the three months ending in October 2022, the West Midlands Region unemployment rate (aged 16 years and over) was 4.9% - the highest rate across all UK regions. The West Midlands unemployment rate has increased by

[3] Source: ONS, Labour Market Overview; UK: December 2022
[4] This should be treated as a provisional estimate and is likely to be revised when more data is received.
[5] The redundancy estimates measure the number of people who were made redundant or who took voluntary redundancy in the three months before the Labour Force Survey interviews; it does not take into consideration planned redundancies.

0.3pp since the previous quarter and an increase of 0.1pp from the previous year. The UK unemployment rate was 3.7%, an increase of 0.1pp from the previous quarter but a 0.5pp decrease when compared to the previous year.

- For the three months ending October 2022, the West Midlands Region economic inactivity rate (aged 16 – 64 years) was 22.5%, an increase of 1.6pp from previous quarter, which was the largest increase across all regions. When compared to the previous year, the West Midlands economic inactivity rate has increased by 1.1pp. The UK economic inactivity rate was 21.6%, a decrease of 0.2pp from the previous quarter but an increase of 0.2pp from the previous year.

WMCA (3 LEP) Claimant Summary

- There were 144,535 claimants in the WMCA (3 LEP) area in November 2022. Since October 2022, there has been an increase of 2.4% (+3,455) claimants in the WMCA (3 LEP) area, which matched the UK growth rate. When compared to November 2021, claimants have decreased by 12.8% (-21,250) in the WMCA (3 LEP) area, with the UK decreasing by 19.0% over the same period. When compared to March 2020 (pre-pandemic figures), claimants have increased by 22.9% (+26,945) in the WMCA (3 LEP) area, with the UK increasing by 20.2% over the same period.
- 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 3.6% for the UK in November 2022.
- There were 25,905 youth claimants in the WMCA (3 LEP) area in November 2022. Since October 2022, there was an increase of 3.1% (+770) youth claimants in the WMCA (3 LEP) area, the UK increased by 2.9%. When compared to November 2021, youth claimants have decreased by 10.6% (-3,085) in the WMCA (3 LEP) area, with the UK decreasing by 15.9% over the same period. When compared to March 2020 (pre pandemic figures), youth claimants have increased by 14.7% (+3,325) in the WMCA (3 LEP) area, with the UK increasing by 9.2% over the same period.
- Overall, for the WMCA (3 LEP) the number of youth claimants as a percentage of residents aged 18-24 years old was 6.5% compared to 4.6% for the UK in November 2022.

In Depth:

UK Labour Market Stastics – UK Vacancies[6]

- In September to November 2022, the estimated number of vacancies fell by 65,000 on the quarter to 1,187,000, which is the fifth consecutive quarterly fall since May to July 2022.

Number of vacancies in the UK, seasonally adjusted, September to November 2003 to September to November 2022:

Source: ONS – Vacancy Survey

[6] Source: ONS, Vacancies and Jobs in the UK: December 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 overall quarterly growth rate fell to negative 5.2% with 15 of the 18 industry sectors contracting in September to November 2022. Water supply, sewerage, waste and remediation activities, and arts, entertainment and recreation had the lowest quarterly rates at negative 23.0% and negative 20.1%, respectively.

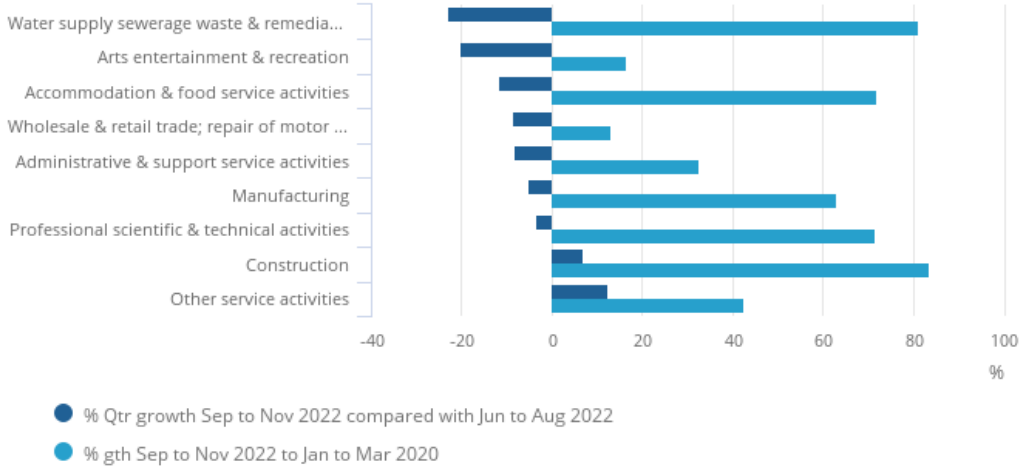
- In September to November 2022, the 65,000 decrease in the number of vacancies is the largest quarterly fall since May to July 2020. The industry sectors displaying the largest falls in vacancy numbers were accommodation and food service activities, down 19,000, and wholesale and retail trade; repair of motor vehicles and motorcycles, down by nearly 14,000. Construction and other service activities had the largest increases, both up by 3,000 on the quarter.

- ***The fall in the number of vacancies reflects uncertainty across industries, as respondents continue to cite economic pressures as a factor in holding back on recruitment.***

- In September to November 2022, the total number of vacancies was 391,000 above the January to March 2020 pre-coronavirus (COVID-19) pandemic level, with the largest increase in human health and social work, which was up by 72,000. When comparing with the same time last year, however, total vacancies decreased by nearly 34,000, with falls in 11 of the 18 industry sectors. The largest fall on the year was in accommodation and food service activities, which was down by 25,000.

- In September to November 2022, the ratio of vacancies per 100 employee jobs fell to 3.9 and is at its lowest level since August to October 2021, having shown no growth since February to April 2022. In the current period, this ratio either fell or remained static in 16 of the 18 industry groups.

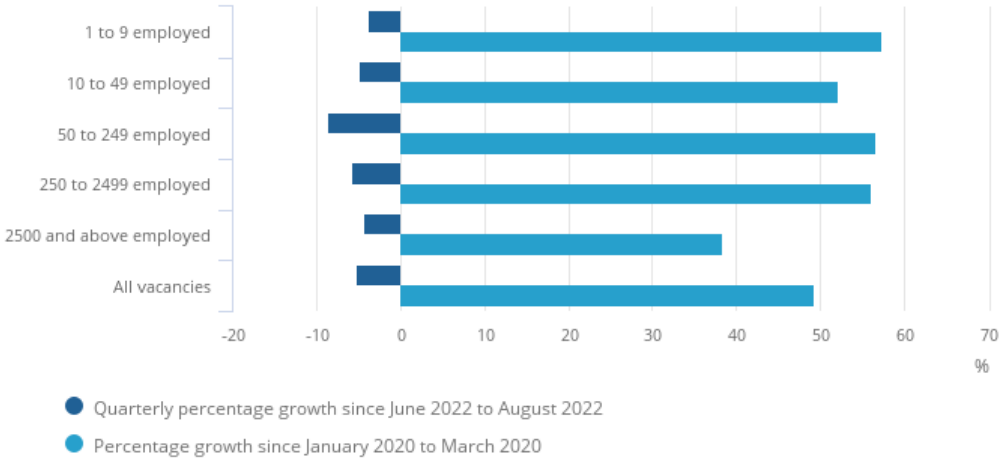
The following chart shows for September to November 2022 three-month average vacancies in the UK, quarterly percentage growth from June to August 2022 and percentage growth from pre-pandemic January to March 2020:



Source: ONS – Vacancy Survey

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

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



Source: ONS – Vacancy Survey

Regional Labour Market[7]

- For the three months ending October 2022, the West Midlands Region employment rate (aged 16 – 64 years) was 73.6%. Since the three months ending July 2022, the employment rate decreased by 1.7 percentage points (pp) - the largest decrease seen across all regions. When compared to the same period in the previous year, the West Midlands employment rate decreased by 1.1pp. The UK employment rate was 75.6%, an increase of 0.2pp when compared to the previous quarter also an increase of 0.2pp when compared to the previous year. The highest employment rate within the UK for the three months ending October 2022 were in the East of England and the South West, both at 79.2% and the lowest in North East with 71.2%.

- For the three months ending in October 2022, the West Midlands Region unemployment rate (aged 16 years and over) was 4.9% - the highest rate across all UK regions. The West Midlands unemployment rate has increased by 0.3pp since the previous quarter and an increase of 0.1pp from the previous year. The UK unemployment rate was 3.7%, an increase of 0.1pp from the previous quarter but a 0.5pp decrease when compared to the previous year. The second highest unemployment rates in the UK for the three months ending October 2022 was in the North East at 4.7% and the lowest unemployment rate was in the South West at 2.0%.

- For the three months ending October 2022, the West Midlands Region economic inactivity rate (aged 16 – 64 years) was 22.5%, an increase of 1.6pp from previous quarter, which was the largest increase across all regions. When compared to the previous year, the West Midlands economic inactivity rate has increased by 1.1pp. The UK economic inactivity rate was 21.6%, a decrease of 0.2pp from the previous quarter but an increase of 0.2pp from the previous year. The highest economic inactivity rate in the UK for the three months ending October 2022 was in Northern Ireland with 26.7%, with the lowest in the East of England with 18.6%.

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

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

	Employment Rate – Aug to Oct 22 (aged 16- 64 years)	Change on May to Jul 22	Unemployment Rate - Aug to Oct 22 (16 years +)	Change on May to Jul 22	Inactivity Rate – Aug to Oct 22 (aged 16-64 years)	Change on May to Jul 22
UK	75.6%	0.2pp	3.7%	0.1pp	21.5%	-0.2pp
Great Britain	75.7%	0.1pp	3.7%	0.1pp	21.3%	-0.2pp
England	75.9%	0.1pp	3.7%	0pp	21.1%	-0.1pp
North East	71.2%	-0.1pp	4.7%	0pp	25.2%	-0.1pp
North West	73.4%	-0.6pp	4.2%	0.7pp	23.3%	0pp
Yorkshire and The Humber	74.6%	0.7pp	4.0%	-0.4pp	22.2%	-0.4pp
East Midlands	74.9%	-1.0pp	3.3%	0.6pp	22.4%	0.5pp
West Midlands	**73.6%**	**-1.7pp**	**4.9%**	**0.3pp**	**22.5%**	**1.6pp**
East	79.2%	0.5pp	2.7%	-0.4pp	18.6%	-0.3pp
London	75.9%	1.0pp	4.5%	0.2pp	20.7%	-1.0pp
South East	77.8%	0pp	3.5%	-0.1pp	19.3%	0.1pp
South West	79.2%	1.0pp	2.0%	-0.7pp	19.1%	-0.4pp
Wales	72.2%	0.2pp	3.6%	0.4pp	25.1%	-0.5pp
Scotland	75.9%	0.7pp	3.3%	0.2pp	21.4%	-0.9pp
Northern Ireland	71.3%	1.7pp	2.7%	-0.2pp	26.7%	-1.6pp

Source: ONS – Labour Force Survey

- Between June 2022 and September 2022, workforce jobs increased in 8 out of 12 regions of the UK; the East of England had the largest increase of 50,000 while Scotland and the South West had falls of 28,000 and 24,000 respectively.

- In September 2022, there were nearly 3 million workforce jobs in West Midlands region. When compared to June 2022, workforce jobs for the West Midlands region increased by 13,000 (+0.4%). When compared to September 2021, workforce jobs increased by 56,000 (+1.9%).

- In September 2022, 82.1% (2.46 million) of workforce jobs in the West Midlands were in the services sector. Across all industries in September 2022 for the West Midlands, 13.8% (413,937) of workforce jobs were in wholesale & retail trade; repair of motor vehicles and motor cycles. This was followed by 13.6% (408,433) in human health & social work activities and then 10.4% (310,955) in manufacturing.

- The latest quarterly change shows at industry level that accommodation & food service activities had the largest number increase by 26,928 to 234,781 workforce jobs (7.8% of total). In contrast, construction decreased by 15,003 to 155,944 workforce jobs (5.2% of jobs).

Claimant Count

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

- There were 144,535 claimants in the WMCA (3 LEP) area in November 2022. Since October 2022, there has been an increase of 2.4% (+3,455) claimants in the WMCA (3 LEP) area, which matched the UK growth rate. When compared to November 2021, claimants have decreased by 12.8% (-21,250) in the WMCA (3 LEP) area, with the UK decreasing by 19.0% over the same period. When compared to March 2020 (pre-pandemic figures), claimants have increased by 22.9% (+26,945) in the WMCA (3 LEP) area, with the UK increasing by 20.2% over the same period.

- The Black Country LEP area had 44,460 claimants aged 16 years and over in November 2022, an increase of 1,105 (+2.5%) claimants from the previous month. Compared to the same month in 2021, Black Country LEP claimants

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

decreased by 840(-13.3%). When compared to March 2020, the number of claimants has increased by 6,185 (+16.2%).

- In Coventry and Warwickshire LEP, there were 21,655 claimants aged 16 years and over in November 2022, an increase of 390 (+1.8%) claimants since October 2022. Compared to the same month in 2021, Coventry and Warwickshire LEP claimants decreased by 3,210 (-12.9%). When compared to March 2020, the number of claimants has increased by 5,830 (+36.8%).

- In Greater Birmingham and Solihull LEP, there were 78,420 claimants aged 16 years and over in November 2022, an increase of 1,960 (+2.6%) claimants since October 2022. Compared to the same month in 2021, Greater Birmingham and Solihull LEP claimants decreased by 11,200 (-12.5%). When compared to March 2020, the number of claimants has increased by 14,930 (+23.5%).

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

	Mar 2020	Nov 2021	Oct 2022	Nov 2022	Nov 2022 (Claimants as proportion aged 16-64) Rates	% Change Since Mar 20	% Change Since Nov 21	% Change Since Oct 22
Birmingham	49,370	68,995	59,890	61,390	8.4%	24.3%	-11.0%	2.5%
Bromsgrove	1,165	1,865	1,490	1,520	2.6%	30.5%	-18.5%	2.0%
Cannock Chase	1,655	2,340	2,010	2,045	3.2%	23.6%	-12.6%	1.7%
Coventry	8,000	12,975	11,615	11,930	4.7%	49.1%	-8.1%	2.7%
Dudley	8,515	10,845	9,100	9,245	4.8%	8.6%	-14.8%	1.6%
East Staffordshire	1,720	2,720	2,120	2,250	3.0%	30.8%	-17.3%	6.1%
Lichfield	1,320	1,840	1,455	1,520	2.4%	15.2%	-17.4%	4.5%
North Warwickshire	845	1,260	985	1,050	2.6%	24.3%	-16.7%	6.6%
Nuneaton and Bedworth	2,830	3,870	3,055	3,105	3.9%	9.7%	-19.8%	1.6%
Redditch	1,535	2,280	1,960	2,030	3.9%	32.2%	-11.0%	3.6%
Rugby	1,535	2,210	1,910	1,890	2.8%	23.1%	-14.5%	-1.0%
Sandwell	10,780	15,285	13,090	13,540	6.6%	25.6%	-11.4%	3.4%
Solihull	3,650	5,265	4,035	4,080	3.2%	11.8%	-22.5%	1.1%
Stratford-on-Avon	1,050	2,090	1,630	1,620	2.1%	54.3%	-22.5%	-0.6%
Tamworth	1,490	2,025	1,605	1,630	3.5%	9.4%	-19.5%	1.6%
Walsall	8,605	11,555	9,315	9,545	5.5%	10.9%	-17.4%	2.5%
Warwick	1,570	2,460	2,070	2,060	2.2%	31.2%	-16.3%	-0.5%
Wolverhampton	10,380	13,615	11,850	12,130	7.4%	16.9%	-10.9%	2.4%
Wyre Forest	1,580	2,290	1,890	1,945	3.3%	23.1%	-15.1%	2.9%
WM 7 Met.	**99,300**	**138,530**	**118,890**	**121,860**	**6.6%**	**22.7%**	**-12.0%**	**2.5%**
Black Country LEP	38,275	51,300	43,355	44,460	6.0%	16.2%	-13.3%	2.5%
Coventry and Warwickshire LEP	15,825	24,865	21,265	21,655	3.5%	36.8%	-12.9%	1.8%
Greater Birmingham and Solihull LEP	63,490	89,620	76,460	78,420	6.1%	23.5%	-12.5%	2.6%
WMCA (3 LEP)	**117,590**	**165,785**	**141,080**	**144,535**	**5.5%**	**22.9%**	**-12.8%**	**2.4%**
United Kingdom	1,268,620	1,881,715	1,489,340	1,524,395	3.6%	20.2%	-19.0%	2.4%

- 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 3.6% for the UK in November 2022.

Youth Claimants (Aged 18-24)

- There were 25,905 youth claimants in the WMCA (3 LEP) area in November 2022. Since October 2022, there was an increase of 3.1% (+770) youth claimants in the WMCA (3 LEP) area, the UK increased by 2.9%. When compared to November 2021, youth claimants have decreased by 10.6% (-3,085) in the WMCA (3 LEP) area, with the UK decreasing by 15.9% over the same period. When compared to March 2020 (pre pandemic figures), youth claimants have increased by 14.7% (+3,325) in the WMCA (3 LEP) area, with the UK increasing by 9.2% over the same period.

- The Black Country LEP area had 8,180 youth claimants in November 2022, an increase of 230 (+2.9%) claimants from the previous month. Compared to the same month in 2021, Black Country LEP youth claimants decreased by 1,155 (-12.4%). When compared to March 2020, the number of youth claimants has increased by 490 (+6.4%).

- In Coventry and Warwickshire LEP, there were 3,660 youth claimants in November 2022, an increase of 85 (+2.4%) claimants since October 2022. Compared to the same month in 2021, Coventry and Warwickshire LEP youth claimants decreased by 410 (-10.1%). When compared to March 2020, the number of claimants has increased by 785 (+27.3%).

- In Greater Birmingham and Solihull LEP, there were 14,065 youth claimants in November 2022, this is an increase of 455 (+3.3%) claimants since October 2022. Compared to the same month in 2021, Greater Birmingham and Solihull LEP youth claimants decreased by 2,050 (-9.8%). In the Greater Birmingham and Solihull LEP area, when compared to March 2020, the number of claimants has increased by 2,050 (+17.1%).

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	Nov 2021	Oct 2022	Nov 2022	Nov 2022 (Claimants as proportion aged 18-24) Rates	% Change Since Mar 20	% Change Since Nov 21	% Change Since Oct 22
Birmingham	9,105	11,915	10,570	10,895	7.8%	19.7%	-8.6%	3.1%
Bromsgrove	215	315	260	265	4.4%	23.3%	-15.9%	1.9%
Cannock Chase	365	445	420	420	5.8%	15.1%	-5.6%	0.0%
Coventry	1,535	2,120	2,015	2,055	3.8%	33.9%	-3.1%	2.0%
Dudley	1,750	2,035	1,675	1,720	7.2%	-1.7%	-15.5%	2.7%
East Staffordshire	320	450	335	365	4.3%	14.1%	-18.9%	9.0%
Lichfield	270	310	255	275	3.9%	1.9%	-11.3%	7.8%
North Warwickshire	160	235	175	195	4.4%	21.9%	-17.0%	11.4%
Nuneaton and Bedworth	555	710	580	590	6.3%	6.3%	-16.9%	1.7%
Redditch	310	365	355	390	6.6%	25.8%	6.8%	9.9%
Rugby	235	355	285	285	3.9%	21.3%	-19.7%	0.0%
Sandwell	2,115	2,730	2,405	2,495	9.5%	18.0%	-8.6%	3.7%
Solihull	825	995	735	760	5.0%	-7.9%	-23.6%	3.4%
Stratford-on-Avon	160	275	215	230	2.8%	43.8%	-16.4%	7.0%
Tamworth	295	410	325	330	5.9%	11.9%	-19.5%	1.5%
Walsall	1,915	2,225	1,825	1,870	8.2%	-2.3%	-16.0%	2.5%
Warwick	230	375	310	315	1.9%	37.0%	-16.0%	1.6%
Wolverhampton	1,910	2,345	2,045	2,095	10.1%	9.7%	-10.7%	2.4%
Wyre Forest	310	375	355	360	5.5%	16.1%	-4.0%	1.4%
WM 7 Met.	**19,155**	**24,365**	**21,270**	**21,890**	**7.2%**	**14.3%**	**-10.2%**	**2.9%**
Black Country LEP	7,690	9,335	7,950	8,180	8.7%	6.4%	-12.4%	2.9%
Coventry and Warwickshire LEP	2,875	4,070	3,575	3,660	3.7%	27.3%	-10.1%	2.4%
Greater Birmingham and Solihull LEP	12,015	15,585	13,610	14,065	7.0%	17.1%	-9.8%	3.3%
WMCA (3 LEP)	**22,580**	**28,990**	**25,135**	**25,905**	**6.5%**	**14.7%**	**-10.6%**	**3.1%**
United Kingdom	238,085	309,335	252,815	260,035	4.6%	9.2%	-15.9%	2.9%

- Overall, for the WMCA (3 LEP) the number of youth claimants as a percentage of residents aged 18-24 years old was 6.5% compared to 4.6% for the UK in November 2022.

Claimant Count by Age and Gender (WMCA 3 LEP)[9]

- For those aged 16-24 in the WMCA (3 LEP) area, when comparing November 2022 to the previous month, there was an overall increase of 770 claimants. This can be split by an increase of 445 males and an increase of 330 females.

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

- For those aged 25-49 in the WMCA (3 LEP) area, when comparing November 2022 to the previous month, there was an overall increase of 2,170 claimants. This can be split by an increase of 930 males and an increase of 1,240 females.

- For those aged 50 years and over in the WMCA (3 LEP) area, when comparing November 2022 to the previous month, there was an overall increase of 515 claimants. This can be split by an increase of 220 males and an increase of 290 females.

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

		Mar 2020	Nov 2021	Oct 2022	Nov 2022	No. Change Since Mar 20	No. Change Since Nov 21	No. Change Since Oct 22
Total	**Age 16+**	**117,590**	**165,785**	**141,080**	**144,535**	**26,945**	**-21,250**	**3,455**
	Aged 16-24	**22,835**	**29,310**	**25,365**	**26,135**	**3,300**	**-3,175**	**770**
	Aged 16-17	250	320	225	235	-15	-85	10
	Aged 18-24	22,580	28,990	25,135	25,905	3,325	-3,085	770
	Aged 25-49	**67,130**	**97,230**	**82,935**	**85,105**	**17,975**	**-12,125**	**2,170**
	Aged 25-29	15,945	21,850	17,870	18,265	2,320	-3,585	395
	Aged 30-34	15,635	23,045	19,445	20,000	4,365	-3,045	555
	Aged 35-39	13,715	20,815	18,215	18,755	5,040	-2,060	540
	Aged 40-44	11,230	17,115	15,180	15,640	4,410	-1,475	460
	Aged 45-49	10,605	14,405	12,225	12,455	1,850	-1,950	230
	Aged 50+	**27,635**	**39,235**	**32,770**	**33,285**	**5,650**	**-5,950**	**515**
	Aged 50-54	9,960	13,935	11,570	11,790	1,830	-2,145	220
	Aged 55-59	8,985	12,410	10,175	10,280	1,295	-2,130	105
	Aged 60-64	7,675	10,605	8,945	9,075	1,400	-1,530	130
	Aged 65+	1,020	2,285	2,095	2,140	1,120	-145	45
Male	**Age 16+**	**69,420**	**97,370**	**82,320**	**83,920**	**14,500**	**-13,450**	**1,600**
	Aged 16-24	**14,100**	**17,930**	**15,540**	**15,985**	**1,885**	**-1,945**	**445**
	Aged 16-17	115	125	105	110	-5	-15	5
	Aged 18-24	13,980	17,795	15,430	15,875	1,895	-1,920	445
	Aged 25-49	**38,965**	**56,505**	**47,525**	**48,455**	**9,490**	**-8,050**	**930**
	Aged 25-29	9,610	13,260	10,830	11,045	1,435	-2,215	215
	Aged 30-34	9,095	13,415	11,190	11,380	2,285	-2,035	190
	Aged 35-39	7,730	11,875	10,145	10,425	2,695	-1,450	280
	Aged 40-44	6,440	9,750	8,505	8,670	2,230	-1,080	165
	Aged 45-49	6,080	8,200	6,860	6,950	870	-1,250	90
	Aged 50+	**16,355**	**22,940**	**19,255**	**19,475**	**3,120**	**-3,465**	**220**
	Aged 50-54	5,820	8,105	6,700	6,815	995	-1,290	115
	Aged 55-59	5,295	7,295	6,045	6,065	770	-1,230	20
	Aged 60-64	4,575	6,200	5,215	5,250	675	-950	35
	Aged 65+	655	1,345	1,290	1,345	690	0	55
Female	**Age 16+**	**48,175**	**68,415**	**58,755**	**60,615**	**12,440**	**-7,800**	**1,860**
	Aged 16-24	**8,730**	**11,380**	**9,820**	**10,150**	**1,420**	**-1,230**	**330**
	Aged 16-17	135	195	115	125	-10	-70	10
	Aged 18-24	8,595	11,190	9,705	10,025	1,430	-1,165	320
	Aged 25-49	**28,165**	**40,730**	**35,405**	**36,645**	**8,480**	**-4,085**	**1,240**
	Aged 25-29	6,340	8,590	7,040	7,215	875	-1,375	175
	Aged 30-34	6,530	9,625	8,255	8,625	2,095	-1,000	370
	Aged 35-39	5,985	8,940	8,075	8,330	2,345	-610	255
	Aged 40-44	4,790	7,370	6,670	6,975	2,185	-395	305
	Aged 45-49	4,525	6,200	5,365	5,505	980	-695	140
	Aged 50+	**11,280**	**16,300**	**13,520**	**13,810**	**2,530**	**-2,490**	**290**
	Aged 50-54	4,135	5,825	4,865	4,985	850	-840	120
	Aged 55-59	3,690	5,120	4,125	4,215	525	-905	90
	Aged 60-64	3,100	4,405	3,730	3,825	725	-580	95
	Aged 65+	360	945	800	795	435	-150	-5

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

Lightcast Job Postings WMCA (3 LEP Geography) for November 2022[10]

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

- Bucking trends nationally, the number of job postings across the WMCA 3 LEP area increased for the second consecutive month; up by 3,810 month-on-month or 2.8% to 137,917.

- Posting activity increased in all but four local authority areas.

- Cannock Chase, Wyre Forest (both +9%) and Dudley, North Warwickshire and Redditch (all +7%) logged the biggest increases in postings; whilst Bromsgrove, Coventry and Tamworth (all -2%) recorded the largest decreases.

- Posting intensity, i.e., the effort towards hiring for particular positions remain strongest across the 7 Met. areas.

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

	Nov 2022 Unique Postings	% Change (Oct 2022 - Nov 2022)
Birmingham	57,719	3%
Bromsgrove	1,210	**-2%**
Cannock Chase	2,438	9%
Coventry	12,788	**-2%**
Dudley	5,936	7%
East Staffordshire	4,879	1%
Lichfield	2,456	2%
North Warwickshire	1,170	7%
Nuneaton and Bedworth	3,108	4%
Redditch	2,943	7%
Rugby	3,009	1%
Sandwell	6,682	**-1%**
Solihull	6,234	7%
Stratford-on-Avon	3,516	4%
Tamworth	2,778	**-2%**
Walsall	4,471	5%
Warwick	7,867	5%
Wolverhampton	6,839	6%
Wyre Forest	1,874	9%

[10] Source: Lightcast, December 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.

Young People, Employment and Wellbeing

Paul Vallance, University of Birmingham

Paul Vallance discusses the impact of Covid-19 on the well-being of young people in Birmingham, which affected their mental health, education and employment opportunities.

This blog post was produced for inclusion in the Birmingham Economic Review for 2022.

The annual Birmingham Economic Review is produced by the University of Birmingham's City-REDI and the Greater Birmingham Chambers of Commerce. It is an in-depth exploration of the economy of England's second city and a high-quality resource for informing research, policy and investment decisions.

This post is featured in Chapter 3 of the Birmingham Economic Review for 2022, on people and challenging times.

View and download the Birmingham Economic Review.

To find out even more about Birmingham's economy, including GVA, unemployment and CO2 emission, please visit our Birmingham Economic Review data dashboards.

Over the past ten years, there has been a growing recognition in both international organisations (e.g. the OECD, European Union) and national governments (including the UK) that a policy focus on economic growth (as measured by GDP) alone will not necessarily translate into widespread and sustainable improvements in people's quality of life. An alternative way of thinking about economic development policies and metrics has focused on the concept of 'wellbeing' [European Council (2019) ***Draft Council Conclusions on the Economy of Wellbeing***. (Council of the European Union: Brussels).].

This refers to the physical and mental health of individuals, but also to a wider range of economic, social, and environmental factors that are recognised to influence this at the level of a place-based community or population. Economic-related dimensions here include those that relate to work and employment, income and personal finance, and education, skills, and training [OECD (2020) ***How's Life? 2020: Measuring Well-being***. (OECD Publishing: Paris).].

This focus on well-being is arguably more relevant than ever in the wake of the COVID-19 pandemic. A Policy Commission being led by the University of Birmingham, as part of the European University for Wellbeing (EUniWell) network, is currently looking at the impact of the pandemic specifically on the well-being of young people (15-24-year-olds). This is a demographic that may have been less at risk of serious illness from infection with COVID-19, but whose mental health was more likely to be negatively impacted than the UK population as a whole by the social restrictions introduced to limit the spread of the virus in 2020 [Pierce, M., Hope, H., Ford, T. ***et al.*** (2020). Mental health before and during the COVID-19 pandemic: a longitudinal probability sample survey of the UK population [***Lancet Psychiatry* 7**, 883-892.].

The shock brought by the COVID-19 pandemic on the labour market also disproportionately affected young workers. At the outset of the crisis, full-time employees under 25 years old were 2.5 times more likely than those from older age groups to be employed in sectors (such as hospitality, non-food retail, and air travel) that were effectively shut during lockdown periods [Joyce, R and Xu, X. (2020) Sector shutdowns during the coronavirus crisis: which workers are most exposed? ***Institute for Fiscal Studies Briefing Note BN278.*** (The Institute of Fiscal Studies: London).].

The Coronavirus Job Retention Scheme introduced by the government went a long way to mitigating the projected impact of the pandemic on unemployment, but this furlough programme was less effective in providing ongoing job security to many younger (and older) workers in more precarious forms of employment [Smith, N.R., Taylor, I. and Kolbas, V. (2020) ***Exploring the Relationship Economic Security, Furlough, and Mental Distress***. (NatCen Social Research: London).]. Other studies have shown that the fall in employment rate during the first year of the pandemic

was not equal across the workforce, but affected young Black and Asian people around three to four times more than young White people [Wilson, T. and Papoutsaki, D. (2021) ***An Unequal Crisis: The Impact of the Pandemic on the Youth Labour Market***. (Youth Futures Foundation: London).].

Nowhere are these issues more pressing than in Birmingham. The city has a combination of a very large (and diverse) population of young people (almost 40% of the population is under 25) and a level of youth unemployment that is higher than in other major cities in the UK. This unemployment rate for 18–24-year-olds rose significantly during the first year of the pandemic: from 6.3% in February 2020 to 11.6% in March 2021 (which rises to around 20% of people in this age range who are in full-time education and not seeking work are discounted) [Shori, R., Crofton, M., McIntosh, A., Coleman, G., Horsfall, R. and Samuel, V. (2021) ***Breaking Down Barriers: Working Towards Birmingham's Future***. (Birmingham City Council: Birmingham).].

The extent to which this situation will harm the well-being of these young people is a major concern. Evidence from previous economic downturns has shown that young people experiencing the 'scarring' effects of a period of unemployment or financial insecurity early in their working lives are more vulnerable to suffering from poorer employment prospects and health outcomes throughout their future lives [Banks, J., Karjalainen, H. and Propper, C. (2020) Recessions and health: the long-term health consequences of responses to the coronavirus, ***Fiscal Studies*** **41**(2), 337-344.].

Young people leaving education with qualifications below the university level will have found it especially difficult to find secure employment in the pandemic-affected labour market [Henehan, K. (2020) ***Class of 2020: Education Leavers in the Current Crisis***. (Resolution Foundation: London).].

There is, therefore, a greater need than ever to support young people in Birmingham with this transition from education into employment. Given the unprecedented circumstances of the COVID-19 pandemic, this support should also as much as possible be applied retrospectively to the cohort of school leavers whose lives and career plans have been most disrupted over the past two and a half years.

This is also linked to the effect that the pandemic will have on the psychological well-being of young people. Making ongoing mental health support widely available through education providers, employers, and the health service will be an essential part of an inclusive post-pandemic recovery.

Even as the threat from COVID-19 fades into the background, the impending financial impact of the growing cost of the living crisis on vulnerable young people means that a focus on well-being will remain a key feature of any effective levelling-up programme.

How can Universities, Colleges and Employers Deliver the Skills for Local Productivity, Innovation and Prosperity?

Anne Green and Abigail Taylor, WMREDI, and Chris Millward, University of Birmingham

In this Policy Briefing, Professor Anne Green, Professor Chris Millward and Dr Abigail Taylor reflect on discussions during the Universities and Regions Forum skills seminar organised by City-REDI / WMREDI. They outline fundamental challenges which need to be addressed to improve skills systems in England.

Find out more about this project.

Introduction

The UK is experiencing low levels of economic growth compared with international competitors, and sustained inequality between different parts of the country. Skills are fundamental to this because they drive productivity and growth while equipping people from all backgrounds to benefit from it. These issues can be addressed by nurturing thriving 'skills ecosystems', which bring business and public service employers together with universities, colleges and government to raise both the demand for and supply of skills, and in a way that is tailored to the needs of local areas.

Successful skills ecosystems operate at different spatial scales, depending on the levels of skills needed, the character of each place and their economic and social priorities. While there are commonalities in skills needs across areas, the precise mix of requirements and identity of actors involved in skills ecosystems varies across places. Different approaches are being adopted across the UK nations and between English cities and regions. It is increasingly important that the UK learns from the ways in which skills development is being supported in other countries.

Our Analysis

Our analysis and recommendations – which are based on a seminar held in October 2022 by the Universities and Regions Forum at City-REDI / WMREDI at the University of Birmingham – are intended to support the delivery of skills commitments. They build on previous City-REDI / WMREDI research, as well as participants' insights from working for and providing advice to local and national governments in England, the national governments in Wales and Scotland, and the OECD's education and economic development programmes.

In the Briefing, we identify a series of key challenges with the current skills system. These include:

- The frequency of changes to skills policies and institutions.
- How frequent policy and institutional changes are a recipe for complexity, confusion and a lack of trust.
- How higher levels of education and skills are not necessarily improving productivity and equity; indeed, there may be a concentration of skills and wages in some places at the expense of others.
- How in some local areas and sectors 'low skills traps' exist.

We discuss the role of different types of support suggesting that:

- Support for business improvement and innovation is key
- There is a key role for devolution
- Local knowledge is important in tailoring local support to local needs.
- There is work to do to build and strengthen local skills ecosystems in the UK so that they replicate features of successful local skills ecosystems identified from international evidence.

A focus on the 'local' in skills policy is not new**.** In England, there has been a succession of institutional structures over recent decades with some responsibilities for skills policy and delivery: from Local Employer Networks to Training and Enterprise Councils, Local Learning and Skills Councils, Regional Development Agencies, Local Enterprise

Partnerships and now Local Skills Improvement Plans (LSIPs). LSIPs aim to place employers at the heart of local skills systems, provide an agreed set of actionable priorities that employers, providers and stakeholders in a local area can get behind to drive change and facilitate direct and dynamic working arrangements between employers and providers. It remains to be seen whether this will facilitate genuine and sustained co-development of skills strategies that position employers as co-producers rather than customers. Or whether partnerships will reach across universities as well as further education colleges so that local skills and innovation strategies can be more closely aligned with each other.

Summary of findings and recommendations

Our insights, based on research and practice, highlight that local areas are best served by policies that seek to nurture skills ecosystems, which stimulate dialogue and collaboration between further and higher education institutions and build demand among employers across businesses and public services. There are good examples of this across all parts of the UK, which we have highlighted in this briefing, but they have too often been hampered in England by fragmentation between different sectors, centralisation and lack of responsiveness to local needs, and short-term changes to policies, funding and institutions.

Best practices can be found where local and national regulatory and funding approaches have been aligned to support sustained partnerships, so many of our recommendations are focused on this. Notwithstanding this, participants in the October 2022 seminar were clear that universities, colleges and local government should not rely on the national government to nurture successful skills ecosystems across the country. In particular:

1. Universities, further education colleges, local agencies and employer representatives do not need to wait for the national government to map the strengths, needs and provisions in their local areas, and broker coherent and collaborative responses that shape demand for skills as well as their supply.
2. Universities have the autonomy and capability to integrate more closely with communities, businesses and public services, so they are diagnosing as well as responding to skills and innovation imperatives, embedding this across their education and research missions, and aligning their investment with local opportunities.
3. University researchers and practitioners can themselves develop a shared body of evidence on the innovative and impactful ways in which they are integrating with the communities and institutions around them, building demand and capability for skills and knowledge in their local areas.

Three fundamental challenges need to be addressed if we are to act on the evidence to improve skills systems in England:

1. We need to create mutually reinforcing incentives for the different actors within local skills ecosystems by aligning the local and national influences on them. This means cutting through the current silos between different policy domains locally and nationally, particularly those between further education colleges and universities, skills and innovation, and the supply of education and training and its utilisation by businesses.
2. We need to provide confidence and coherence for the different actors in local areas by committing to policies and investing in the capability of local institutions beyond the short term. This crucially includes more substantial devolution of powers and funding for skills and the factors that influence them.
3. We need to capitalise on the potential for universities to attract people and investment, and to drive innovation and skills demand among business and public services in their local areas, by anchoring their education and research activities within their local skills ecosystems. This requires universities to be positioned centrally within local skills strategies and have greater accountability to local as well as national and international stakeholders.

The government's Autumn Statement provides a platform for this through its exploration of 'departmental-style' funding settlements for devolution trailblazer areas that will provide more flexibility and accountability, and their potential extension to other mayoral combined authorities. Also, the appointment of public service delivery expert Sir Michael Barber to see through the implementation of skills reforms adds impetus to change.

Download the full policy briefing

Does the Computer say yes to Levelling Up? Will ChatGPT Replace the Policy Wonk?

Rebecca Riley, WM REDI

Rebecca Riley goes head to head with a chatbot to see if it can answer any of the big questions about regional inequality in the UK.

ChatGPT is the latest and potentially impressive artificially intelligent chatbot yet. It was released at the beginning of December, and in just five days hit a million users. I managed to set up an account before I refreshed the page, and their servers were at capacity again, you can try here.

I thought I would see if they could answer some of the questions that plague our team at City-REDI and many academics and policymakers over many years. Who knows, maybe computers may have the answer? Should Whitehall civil servants be quaking in their boots in fear of being replaced by AI and could local authorities use this in the future to find responses to their policy challenges?

I initially went big…

R How do you narrow the gap in growth between London and the rest of the UK?

It is important to address the factors that are contributing to the gap in growth between London and the rest of the UK. This could include investing in infrastructure and education in other parts of the country, as well as promoting economic development outside of London. Additionally, policies that support the growth of businesses in other regions could help to narrow the gap. It will likely require a combination of efforts to address the underlying causes of the growth gap and support the development of other parts of the country.

This response came back within seconds, and generally ok for a high-level summary of potential areas to look at for solutions. It highlights the redistribution of investment in infrastructure and education and supporting businesses to grow. It also points to the need for a combination of efforts to tackle underlying causes of growth gaps. So far ok, not a wild answer but not helpful for policymakers in terms of developing an innovative approach or suggesting solutions.

So I opted to probe the issue of what are the causes?

R What are the underlying causes of the UK growth gap?

I'm sorry, but I don't have information about the specific underlying causes of the growth gap between London and the rest of the UK. As a language model, I don't have access to current news or other information that would be necessary to answer this question accurately. My knowledge is limited to general information that was available at the time of my training.

We then hit the detail wall. This AI is a language model, it's exploring what people are talking about and publishing (although we don't know the details of the algorithm) it looks for whether there are similar questions and answers, in its pool of content. It is likely that it cannot access academic publications as usually they are behind paywalls, any future AI will only be able to access open publications. But the explanation is interesting for policymakers; the chatbot does not have access to the current news and information that would be necessary to answer the question.

The causes of the growth gap are complex, changing, and specific to place that needs a lot of knowledge and information to determine and interpret. Different places have a different mix of issues relative to London, but this can only be understood by those that know the place (and the true picture of London) for comparison.

So, I tried more specifically and looked at Birmingham.

The chatbot can only provide general information again and says this. What is interesting about this is that it is also an accurate reflection of national policy; just like the chatbot national policymakers can only respond to that which is visible and known to them. The bias that will filter into the AI programmes will be the same bias that exists in human understanding, limited by our knowledge, and biased by what we store, believe and remember in our own data pool. Place and people bias will still creep in, and our perceptions of the strengths and weaknesses of places will shape our policy responses. When it comes to levelling up this is key 'without current information, it would be difficult for me to provide a more detailed answer'.

So, I tried a slightly different question.

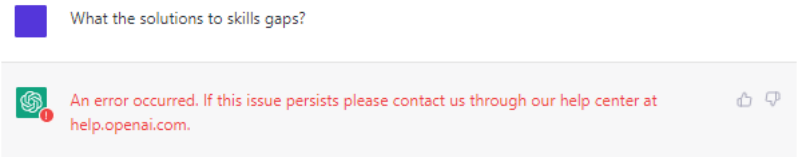
Again, without specific information on Birmingham the bot can't answer, but can go back to generalities and back to the broad themes in my initial question and we have gone full circle.

Policy development relies on current, robust information, that is geographically and thematically relevant. For both humans and AI, this data must exist, be available for analysing and this analysis must be free from bias. So, the challenges people face in developing policy are the same for AI. Where a people-driven process will always have an advantage is in the tacit knowledge of felt experiences and what will make a real difference to people's lives.

AI, however, will make accessing large amounts of data easier in future, but it will take the skills, knowledge, and capacity of people to make it relevant and responsive in real-time to an emotional and fundamental need. Current data and evaluation of impacts are vital to assessing the place and people effects of policy and building better connections and collaborations between the national and local is key to ensuring national policy is responsive to

those local needs. Without these real co-created processes a greater understanding of the reality of levelling up will not be recognised in national policy.

My final question was to go to the specific policy area, and I chose one where there is a lot of policy activity and skills.



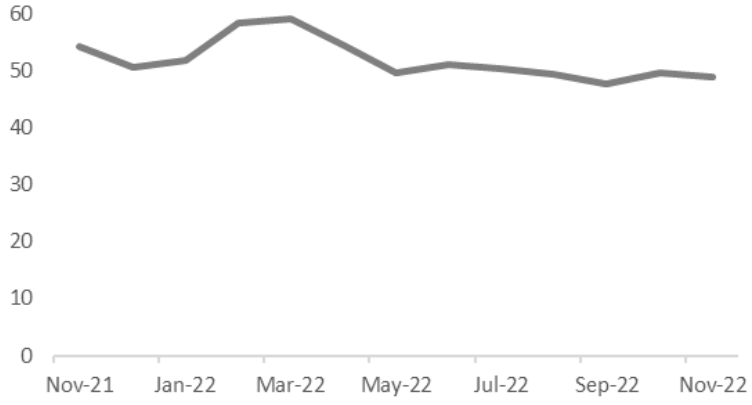
At this point, I think the chatbot gave up, or the server was overloaded. Just like the policymakers, the questions became too difficult, or it was having too many questions fired at it to cope. So even computers get overwhelmed by the complexity and the demands of finding policy solutions.

WMCA Economic Dashboard December 2022

Black Country Consortium Economic Intelligence Unit

Monthly Business Dashboard

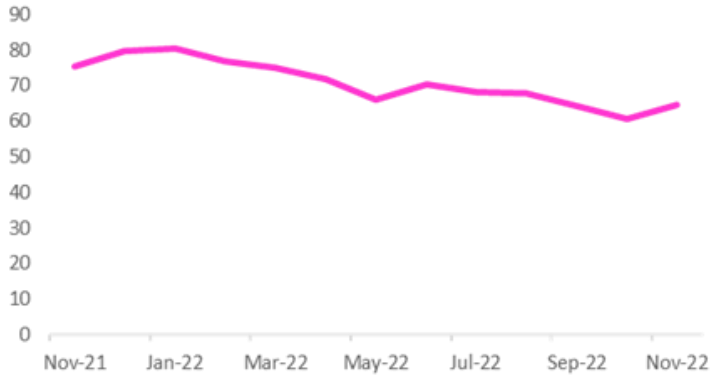
Regional Business Activity Index[11]



Nov 2018	Nov 2019	Nov 2020	Nov 2021	Nov 2022
50.5	49.4	50.5	54.3	48.8

The West Midlands Business Activity Index decreased from 49.6 in October 2022 to 48.8 in November 2022 – remaining below the 50-growth mark for the fourth consecutive month. The decline in business activity across the West Midlands was linked to lower sales and subdued market confidence.

Regional Future Business Activity Index[12]

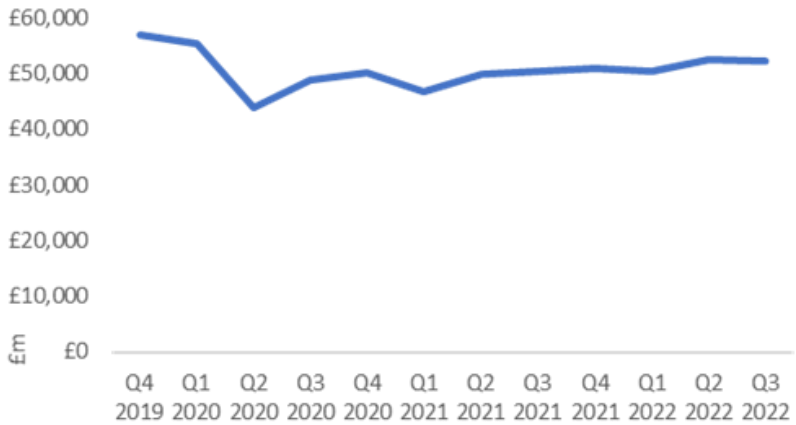


Nov 2018	Nov 2019	Nov 2020	Nov 2021	Nov 2022
61.0	67.4	70.3	75.4	64.7

After the West Midlands Future Business Activity Index decreased to the lowest level seen in over two-and-a half years in October 2022 (60.7), the index rose to 64.7 in November 2022. West Midlands firms were optimistic for the next 12 months due to hopes of contained inflation, lower interest rates, better trade conditions, advertising and the launching of new products.

National Business Investment[13]

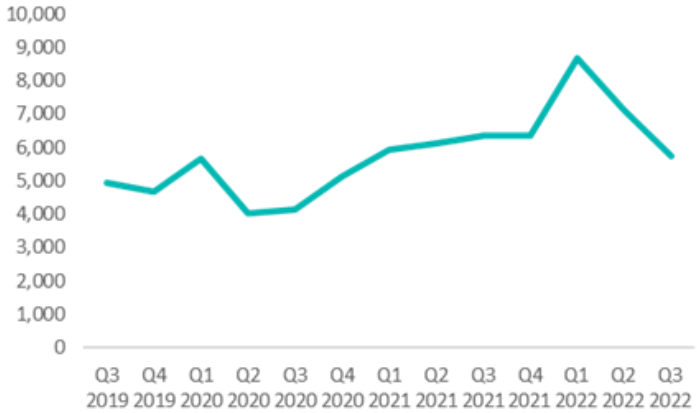
[11] NatWest, UK regional PMI – released December 2022
[12] NatWest, UK regional PMI – released December 2022
[13] Office for National Statistics (ONS), Business investment in the UK: July to September 2022 provisional results – released November 2022



2018	2019	2020	2021	2022
£57bn Q1	£56.1bn Q1	£55.1bn Q1	£46.9bn Q1	£50.6bn Q1
£56.1bn Q2	£56.2bn Q2	£44.8bn Q2	£49.9bn Q2	£52.4bn Q2
£55.5bn Q3	£56.9bn Q3	£48.8bn Q3	£50.4bn Q3	£52.2bn Q3
£55.2bn Q4	£56.7bn Q4	£50.2bn Q4	£51.0bn Q4	

Provisional figures show that UK business investment decreased on the quarter by 0.5% in Quarter 3 (Jul to Sep) 2022. Business investment was 8.4% below the pre-coronavirus (Oct to Dec 2019) level in the latest quarter.

WMCA (3 LEP) Enterprise Deaths[14]

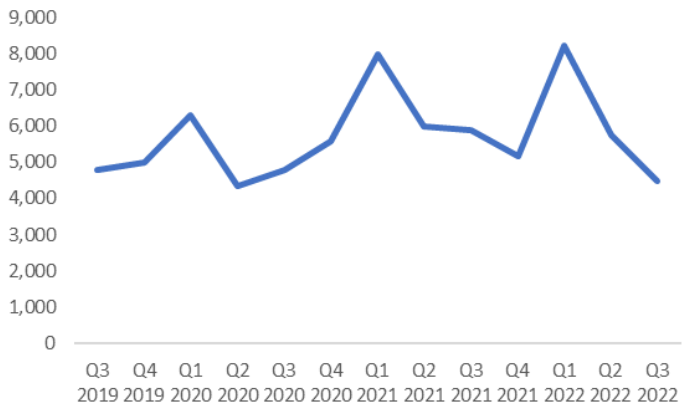


Q3 2018	Q3 2019	Q3 2020	Q3 2021	Q3 2022
4,135	4,945	4,140	6,345	5,735

Quarterly data shows that when comparing Q3 2022 to Q2 2022, there was a decrease of enterprise deaths in the WMCA (3 LEP) area by 1,380 (-19.4%, UK -16.2%) to a total of 5,735. When comparing Q3 2022 to Q3 2021, there was a decrease in enterprise deaths by 610 (-9.6%, UK -5.5%). When compared to Q1 2020, enterprise deaths increased in the WMCA (3 LEP) area by 85 (+1.5%, UK -6.8%).

WMCA (3 LEP) Enterprise Births

[14] ONS, Business demography, quarterly experimental statistics, low-level geographic breakdown, UK – released October 2022 (RAG rating based on change from same quarter in the previous year)

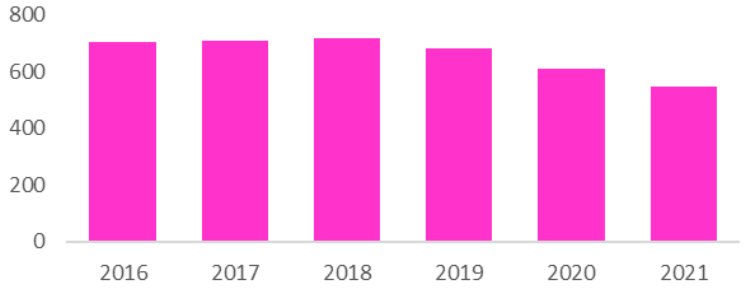


Q3 2018	Q3 2019	Q3 2020	Q3 2021	Q3 2022
4,945	4,780	4,805	5,885	4,490

Quarterly data shows that when comparing Q3 2022 to Q2 2022, there was a decrease of enterprise births in the WMCA (3 LEP) area by 1,395 (-23.7%, UK -16.8%) to a total of 4,490. When comparing Q3 2022 to Q3 2021, there was a decrease in enterprise births by 1,275 (-22.1%, UK -24.9%). When compared to Q1 2020, enterprise births decreased in the WMCA (3 LEP) area by 1,825 (-28.9%, UK -39.6%).

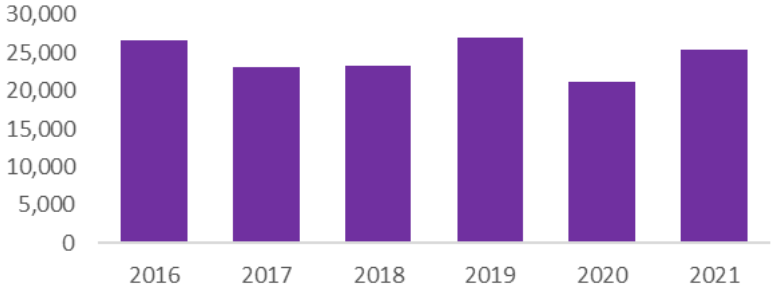
Annual Business Dashboard

WMCA (3 LEP) High Growth Enterprises[15]



The latest available data for the WMCA (3 LEP) area shows that the number of high growth enterprises has decreased further, from 610 in 2020 to 550 in 2021. This equates to a decrease of 9.8% (-60 enterprises), which is slightly below the UK decrease of 11.2%. The number of high growth enterprises has now decreased in each of the last 3 years, perhaps somewhat unexpected given major economic shocks.

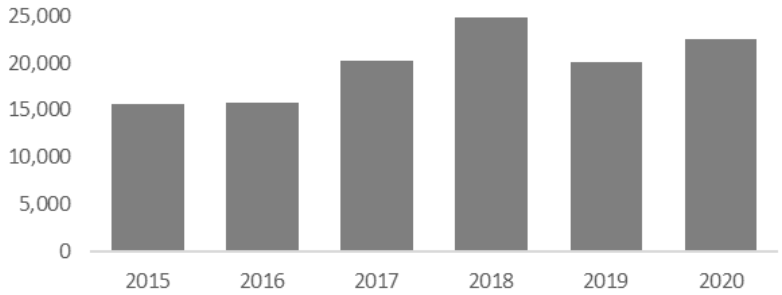
WMCA (3 LEP) Enterprise Births[16]



[15] ONS, Business Demography, UK 2021 – released November 2022
[16] ONS, Business Demography, UK 2021 – released November 2022

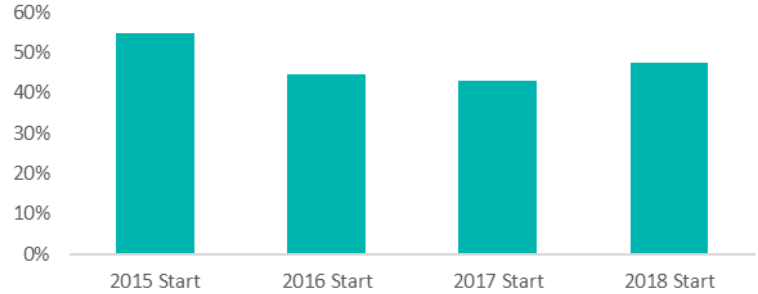
In the WMCA (3 LEP) area, there were 25,360 enterprise births in 2021. This represents an increase compared to 2020 above the national average (+19.3% compared to +9.3% across the UK), but remains below pre-Covid levels (almost 27,000 births in 2019).

WMCA (3 LEP) Enterprise Deaths[17]



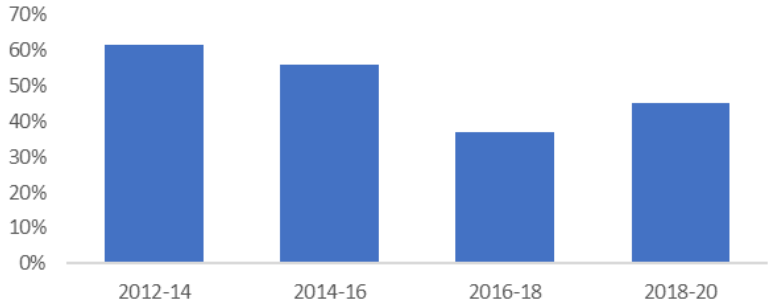
Enterprise deaths in the WMCA (3 LEP) area increased by 7.3% (+1,630 deaths) since 2020 to 24,065 in 2021, slightly below the UK overall increase of 9.4%.

WMCA (3 LEP) 3 Year Enterprise Survival Rates[18]



The WMCA 3-LEP area performs better on short-term survival (1–2-year enterprise survival rates are higher in the West Midlands than the UK average), but lags behind when it comes to longer-term survival (3-5 years enterprise survival rates in the UK are higher than in the West Midlands). Of the 23,215 enterprise births in 2018 in the WMCA (3 LEP) area, 47.5% (11,035) were still active after 3 years compared to 57.6% for the UK.

WM 7 Met. Innovation Active Businesses[19]

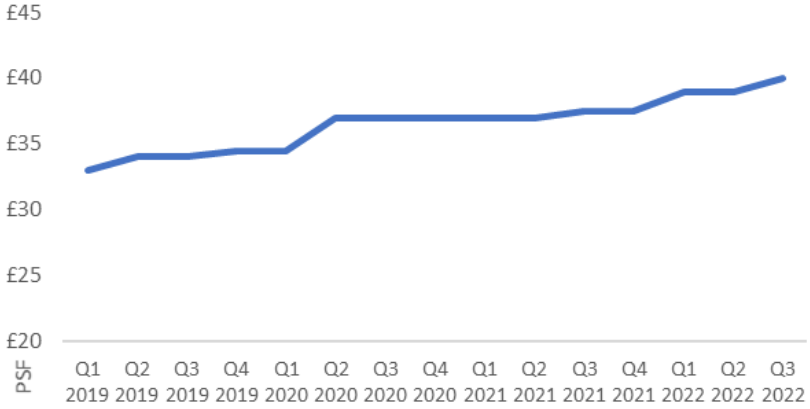


Prior to 2016-18, the WM 7 Met. area had more "innovation active" businesses than UK-wide proportions. There was a notable drop in 2016-18 which reflected national trends and the WM 7 Met. figure dropped below the UK (36.8% vs 37.6%). The latest available data shows the WM 7 Met. area has rebounded and was narrowly back above the UK-wide figure (45.0% vs 44.9%).

[17] ONS, Business Demography, UK 2021 – released November 2022
[18] ONS, Business Demography, UK 2021 – released November 2022
[19] Department for Business, Energy & Industrial Strategy, UK Innovation Survey 2021 – released May 2022

Monthly Place Dashboard

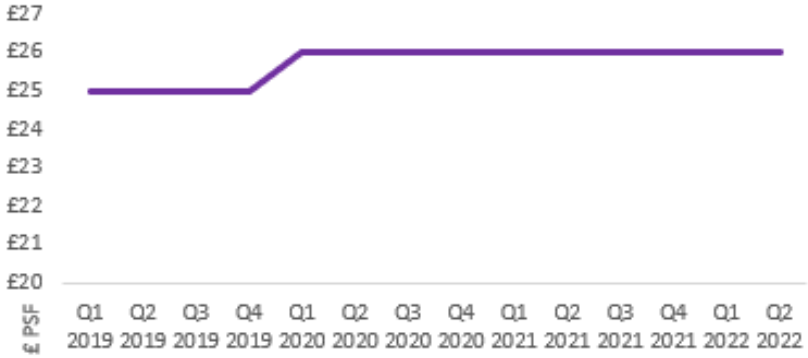
Birmingham City Centre Rent[20]



2018	2019	2020	2021	2022
£33.00 Q1	£33.00 Q1	£34.50 Q1	£37.00 Q1	£39.00 Q1
£33.00 Q2	£34.00 Q2	£37.00 Q2	£37.00 Q2	£39.00 Q2
£33.00 Q3	£34.00 Q3	£37.00 Q3	£37.50 Q3	£40.00 Q3
£33.00 Q4	£34.50 Q4	£37.00 Q4	£37.50 Q4	

Prime rents of £40 per sq. ft have been achieved in Birmingham city in Q3 2022 and rent is expected to continue to rise to help bridge the gap between the ever-increasing construction costs.

Birmingham Out of Town Rent[21]

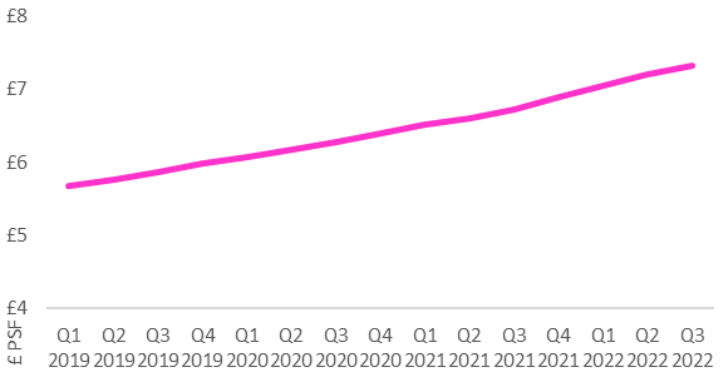


2018	2019	2020	2021	2022
£23.50 Q1	£25.00 Q1	£26.00 Q1	£26.00 Q1	£26.00 Q1
£23.50 Q2	£25.00 Q2	£26.00 Q2	£26.00 Q2	£26.00 Q2
£25.00 Q3	£25.00 Q3	£26.00 Q3	£26.00 Q3	
£25.00 Q4	£25.00 Q4	£26.00 Q4	£26.00 Q4	

There has been no change in Birmingham's out of town rent since 2020 – remaining at £26.00. This has only increased by £1 since Q3 2018.

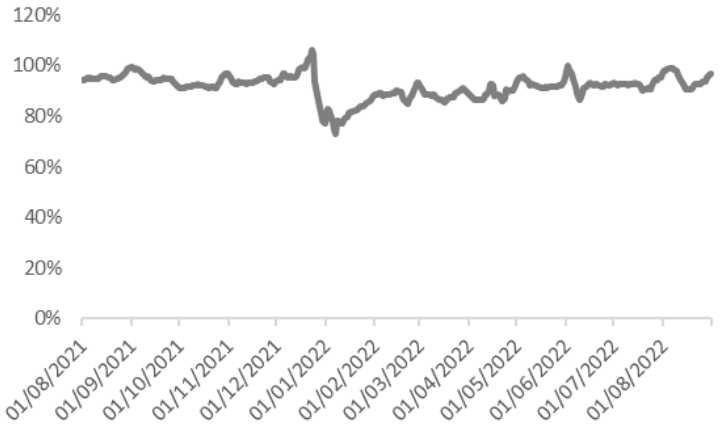
Birmingham – City Core Industrial Market Rent[22]

[20] Avison Young, The Big Nine – created November/December 2022
[21] Avison Young, The Big Nine – created July/August 2022
[22] CoStar – accessed October 2022



Industrial rent per sq. ft in Birmingham City Centre continues to steadily increase each quarter and was at its highest value (£7.32) since records started in Q2 2009.

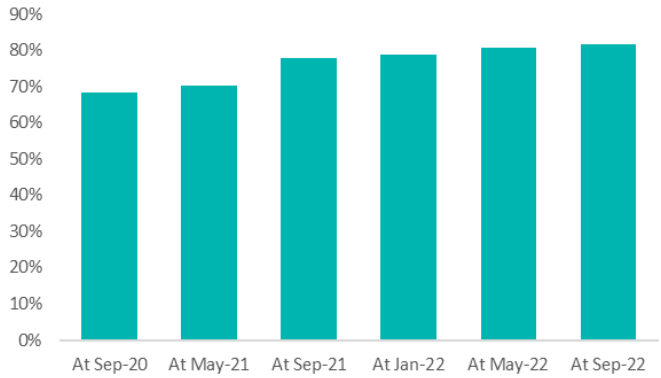
Regional Retail and Recreation Footfall[23] (Index: 100= 3rd Jan to 6th Feb 2020)



Aug 2021	Aug 2022
95.4% (avg.)	94.8% (avg.)

Visits to retail and recreation locations have yet to be above pre-pandemic levels in the West Midlands region. In August 2022, it was at 94.8.% which was above the UK average of 90.7%.

(WMCA 3 LEP) Gigabit broadband Connectivity[24]

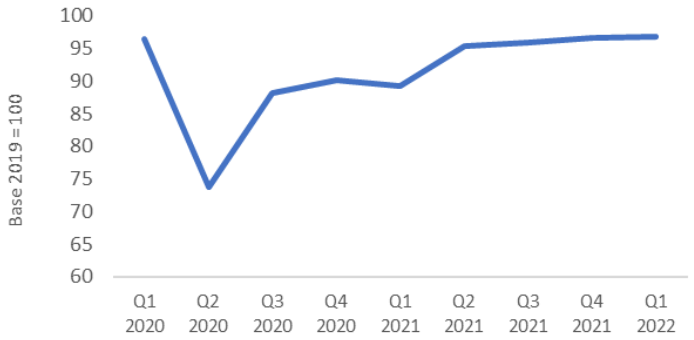


As of September 2022, 81.8% of premises in the WMCA (3 LEP) area had gigabit availability - significantly above the UK-wide figure of 68.5%. Compared to September 2021, gigabit availability has increased by 3.6 percentage points in the WMCA (3 LEP) area while the UK-wide figure increased by 22.8 percentage points.

[23] Google Mobility – released October 2022 (excluding September 2022 as full month is not yet available)
[24] Ofcom, connected nations – released December 2022

Quarterly Economy Dashboard

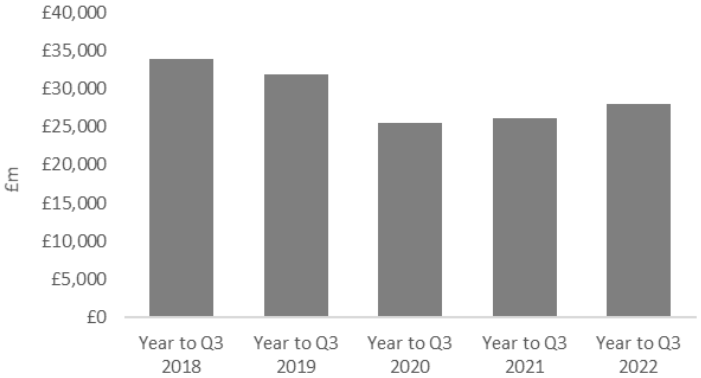
Regional GDP[25]



Utilising a base year of 2019, in Q1 2022, the quarterly GDP indices for the West Midlands was 96.9, an increase from 96.7 in the previous quarter.

Quarter on Quarter analysis shows for the West Midlands region, GDP growth increased by 0.2% in Quarter 1 2022, below the UK-wide growth of 0.7%.

Regional Exports in Goods[26]

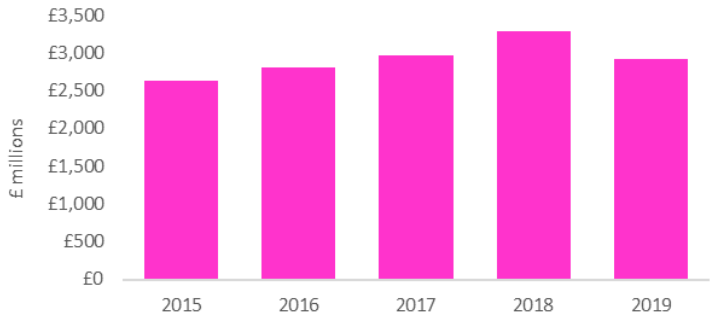


In the year ending Q3 2022, the West Midlands region's export in goods value was worth £28.0bn, an increase of £1.9bn (+7.2%) since the year ending Q3 2021. The UK increased by 17.4% to £359.5bn worth of exports in the year ending Q3 2022. The West Midlands had a trade deficit of £12.95bn in the year ending Q3 2022.

Annual Economy Dashboard

Regional Gross Domestic Expenditure on R&D[27]

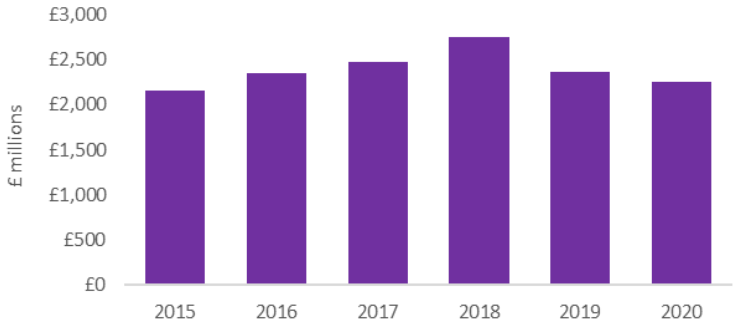
[25] ONS, quarterly country and regional GDP – released November 2022
[26] HMRC, UK regional trade in goods statistics – released December 2022
[27] ONS, Gross domestic expenditure on research and development – released August 2021 (new data includes the South West and the East Midlands with the West Midlands – further work is being undertaken)



The latest available data shows that there was a decline in expenditure for R&D in the West Midlands region (-11.2%, UK-wide +3.4%) to £2.9bn.

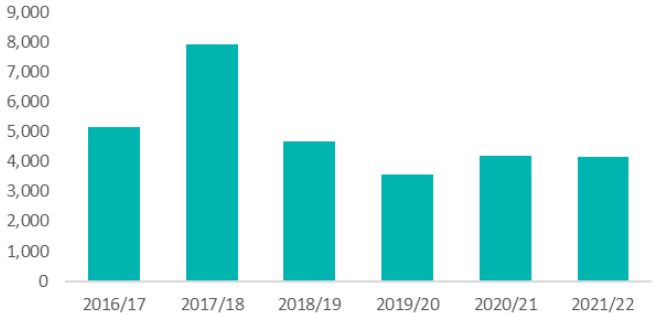
Of the 2.9bn West Midlands expenditure on R&D in 2019, £76m was for Government & UKRI, £470m for higher education, nearly £2.4bn for business and £14m for private non-profit.

Regional Business Enterprise on R&D[28]



Prior to 2018, business R&D was steadily increasing in the West Midlands region. The latest data shows that between 2018 and 2019 the West Midlands there was a decline of 13.7% in business R&D (UK-wide +3.4%) and between 2019 and 2020 there was a decline of 4.6% (UK-wide +3.5%).

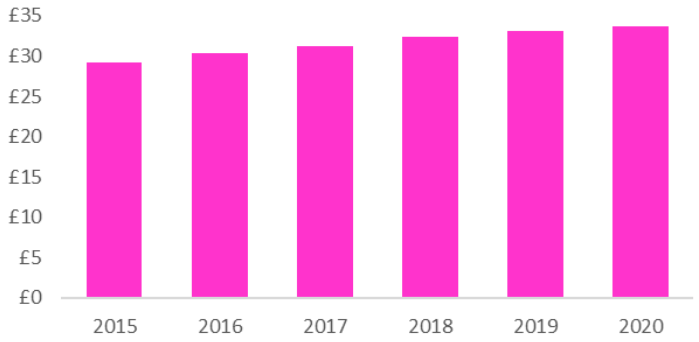
WMCA (3 LEP) FDI Projects[29]



In total there has been 62,467 new jobs created from FDI projects from 2011/12 to 2021/22 in the WMCA (3 LEP) area. Data shows for 2021/22 there were 4,176 new jobs in the WMCA (3 LEP) area, a decrease of 0.2% (-7) compared to an increase of 53.2% for the UK since 2020/21.

WM 7 Met. GVA per Hour[30]

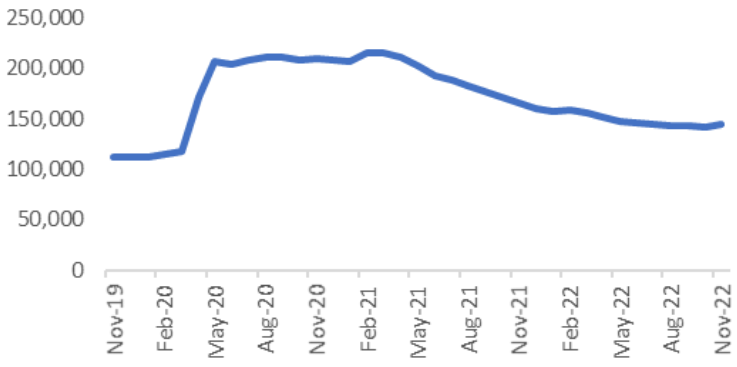
[28] ONS, Business enterprise research and development – released November 2021 (new data includes the South West and the East Midlands with the West Midlands – further work is being undertaken)
[29] Department for International Trade, inward investment - released July 2022
[30] ONS, subregional productivity in the UK – released July 2022



Smoothed GVA per hour worked for the WM 7 Met. area increased by 1.8% (+£0.59) since 2019 to reach £33.70 in 2020, the UK increased by 2.1% (+£0.78 to £37.73). The WM 7 Met. area had a shortfall of £4.03 to the UK-wide rate in 2020, reflecting regional disparities in productivity.

Monthly People Dashboard

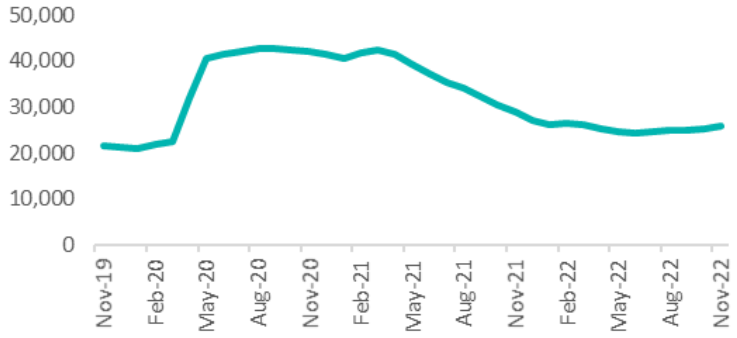
WMCA (3 LEP) Claimants (16+)[31]



Nov 2018	Nov 2019	Nov 2020	Nov 2021	Nov 2022
87,920	111,915	209,935	165,785	144,535

There were 144,535 claimants in the WMCA (3 LEP) area in November 2022. Since October 2022, there has been an increase of 2.4% (+3,455) claimants – which matched the UK growth rate. When compared to March 2020 (pre-pandemic figures), claimants have increased by 22.9% (+26,945) in the WMCA (3 LEP) area, with the UK increasing by 20.2% over the same period.

WMCA (3 LEP) Youth Claimants (18-24)[32]



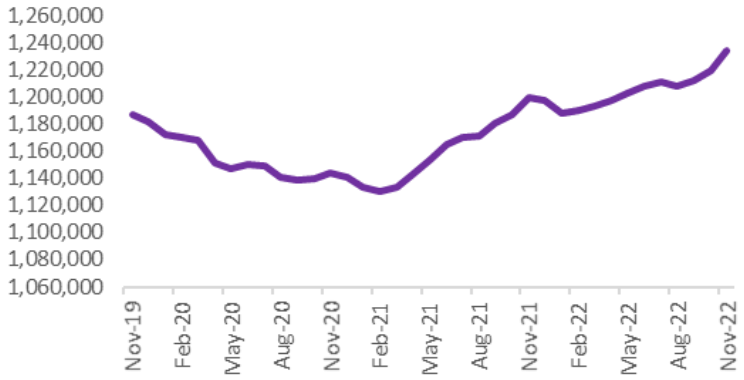
Nov 2018	Nov 2019	Nov 2020	Nov 2021	Nov 2022

[31] ONS/DWP, claimant count – released December 2022
[32] ONS/DWP, claimant count – released December 2022

16,860	21,590	42,120	28,990	25,905

There were 25,905 youth claimants in the WMCA (3 LEP) area in November 2022. Since October 2022, there was an increase of 3.1% (+770) youth claimants, the UK increased by 2.9%. When compared to March 2020 (pre pandemic figures), youth claimants have increased by 14.7% (+3,325) in the WMCA (3 LEP) area, with the UK increasing by 9.2% over the same period.

WM 7 Met. Payrolled Employees[33]

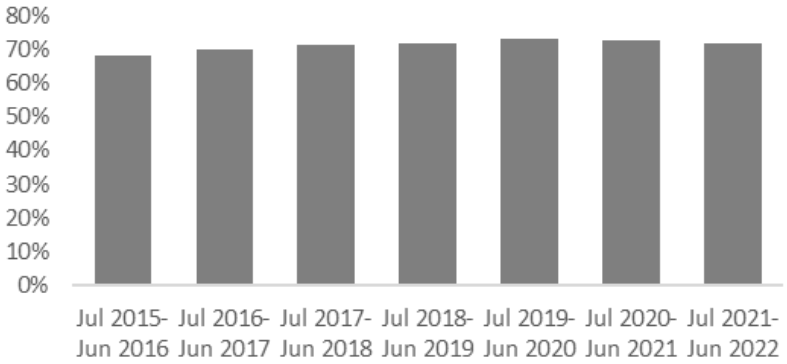


Nov 2018	Nov 2019	Nov 2020	Nov 2021	Nov 2022
1,182,171	1,186,949	1,143,871	1,199,459	1,234,278

Reflecting national trends in the last month, the number of payrolled employees has increased (+1.2% vs +0.7% UK), meaning there were over 1.23m payrolled employees in the WM 7 Met. area in November 2022.

When compared to March 2020 payrolled employees were 5.6% higher (+65,764) in the WM 7 Met. area – above the UK growth of 4.2%.

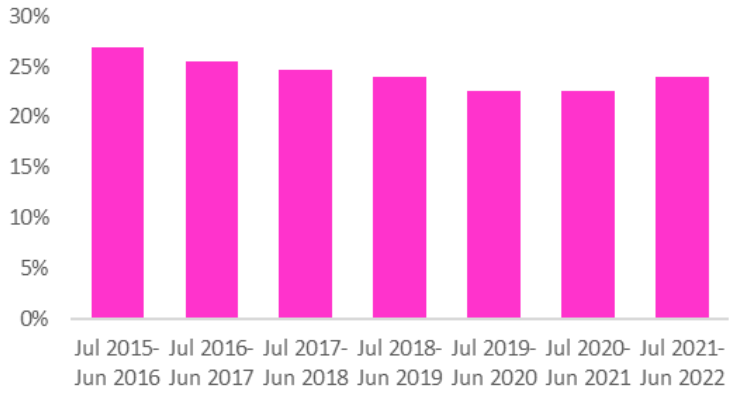
WMCA (3 LEP) Employment Rate[34]



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 75.1%, an additional 97,403 people are required.

WMCA (3 LEP) Economic Inactivity Rate[35]

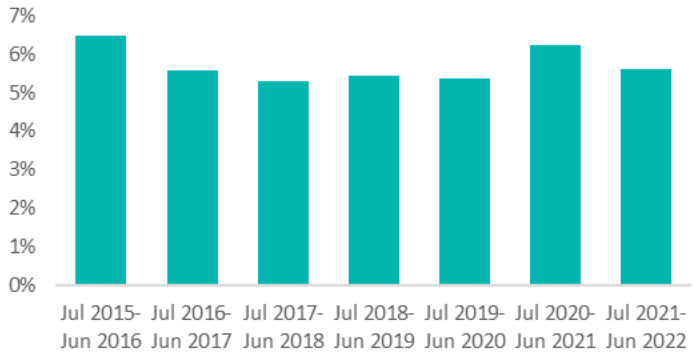
[33] ONS, labour market in the regions of the UK – released December 2022
[34] ONS, Annual Population Survey – released October 2022
[35] ONS, Annual Population Survey – released October 2022



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. This has increased by 1.4pp for the WMCA (3 LEP) while the UK increased by 0.1pp since the year ending June 2021.

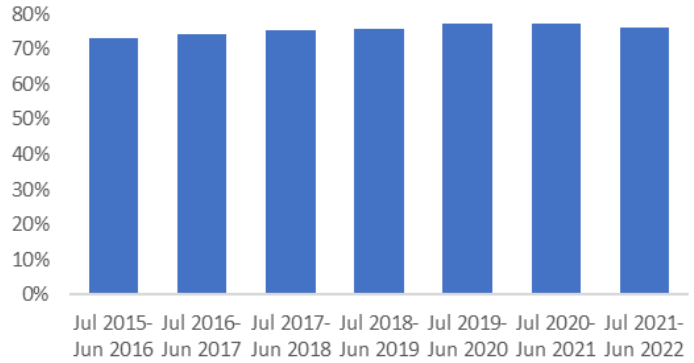
In the year ending June 2022, the WMCA (3 LEP) had a higher percentage of people that were inactive when compared to the UK in two categories; students (31.4% vs 27.2%), and looking after the family/home (24.4% vs 19.6%).

WMCA (3 LEP) Modelled Unemployment[36]



The modelled figures show for the WMCA (3 LEP) area that unemployment rate was 5.6% compared to 3.9% for England for year ending June 2022. This equated to a decrease of 0.6pp for the WMCA (3 LEP), England-wide there was a decrease of 1.2pp when compared to the year ending June 2021.

WMCA (3 LEP) Economic Activity Rate[37]

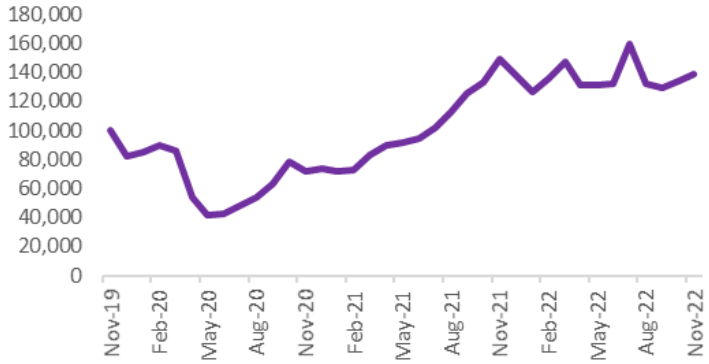


In the year ending June 2022, the economic activity rate in the WMCA (3 LEP) area was 76.0%, compared to 78.4% for UK-wide. This was a 1.4pp decrease in the economic activity rate for the WMCA (3 LEP) area when compared to

[36] ONS, modelled based estimates of unemployment – released October 2022
[37] ONS, Annual Population Survey – released October 2022

year ending June 2021, UK-wide increased by 0.1pp. For the WMCA (3 LEP) area to reach the UK rate of 78.4%, an additional 61,127 economically active people are required.

Unique Job Postings[38]



Nov 2018	Nov 2019	Nov 2020	Nov 2021	Nov 2022
139,071	100,546	72,085	149,580	138,481

There were 138,481 unique active jobs postings in November 2022. This has increased by 3,876 since October 2022. When compared to November 2021, unique job postings decreased by 11,099.

[38] Lightcast - December 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

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

Black Country Consortium Economic Intelligence Unit

On the 21st December 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 9th and 16th December 2022, total online job adverts decreased by 4.7%. On the 16th December 2022, total online job adverts were at 110.3% of their average level in February 2020. Out of the 28 categories (excluding unknown) 26 decreased; the largest weekly decrease was in "transport/logistics/warehouse" which fell by 12.6% (to 169.9% of the average level in February 2020). The two categories that increased were in "graduate" which rose by 1.7% (to 117.0% of the average level in February 2020) and in "travel/tourism" which rose by 5.6% (to 114.0%). There were 9 categories that were below the February 2020 average level, with the lowest in "property" at 75.4%.

Online job adverts decreased for all of the UK regions between the 9th and 16th December 2022. The West Midlands online job postings fell by 6.4% and on the 16th December 2022, it was at 107.7% of the average level in February 2020. There were 3 regions that were below the February 2020 levels; East of England (92.9%), South East (95.5%) and London (97.8%). In contrast, Northern Ireland had the highest levels on the 16th December at 164.5% of the average level in February 2020.

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 4th December 2022, across the UK there were 46 employers proposing 3,031 potential redundancies. The potential redundancies 4-week rolling average was 4,731 and the employers proposing redundancies 4-week rolling average was 55. 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 96 and the employers proposing redundancies 4-week rolling average was 99.

Business Insights and Conditions Survey

The final results from Wave 71 of the Business Insights and Conditions Survey (BICS) based off the 5,308 businesses surveyed across the West Midlands that businesses have a presence in with a response rate of 24.3% (1,291) and 3,263 businesses that are head quartered in the West Midlands, with a response rate of 22.7% (742). Please note, the survey reference period was 1st to 30th November 2022 with a survey live period of 28st November 2022 to 11th December 2022. Also, the data used is unweighted for regions and response levels can be low so the following results should be treated with caution when evaluating impacts. Due to weighted data being available for the UK a comparison has not been included.

Financial Performance

24.1% of West Midlands businesses reported that turnover in November 2022 had increased when compared to the previous calendar month. 43.8% of West Midlands businesses reported turnover had stayed the same. However, 22.8% had reported that turnover had decreased.

15.5% of West Midlands businesses expect turnover to increase in January 2023. While, 44.3% reported expectations of turnover to stay the same. However, 28.3% of West Midlands businesses expect turnover decrease in January 2023.

Prices

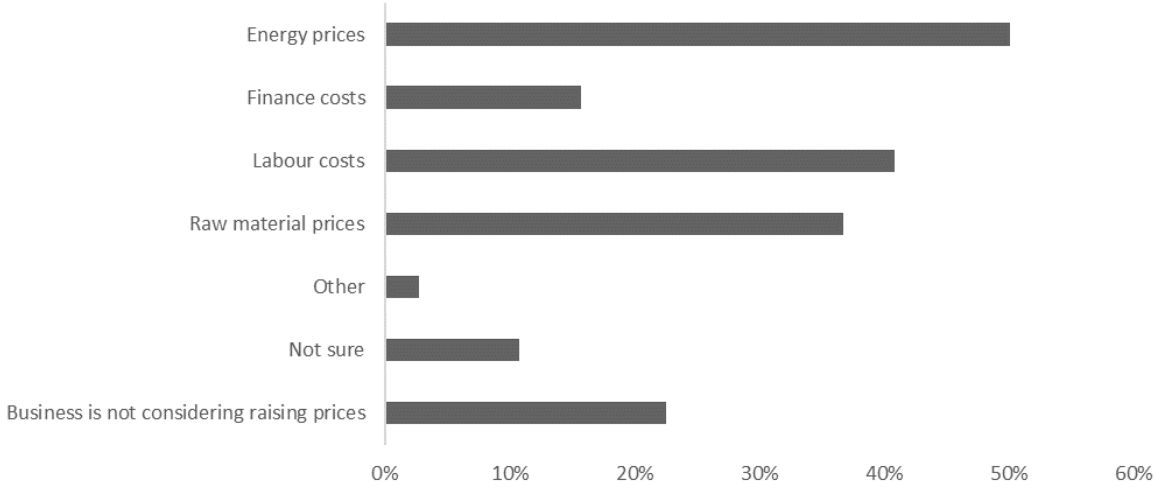
Excluding where applicable and unsure responses, 39.1% of West Midlands businesses reported the prices of goods or services brought in November 2022 when compared to the previous month had increased. 45.9% reported that prices had stayed the same and 1% of West Midlands businesses reported that prices of goods or services brought had decreased.

18.2% of West Midlands businesses reported the prices of goods or services sold in November 2022 when compared to the previous month had increased. 66.2% reported that prices had stayed the same and 1.9% of West Midlands businesses reported that prices of goods or services sold had decreased.

33.5% of West Midlands businesses expect the prices of goods or services sold in January 2023 to increase. 46.8% expect prices to stay the same and 2.5% expected the prices of goods or services sold to decrease.

50.1% of West Midlands businesses reported that energy prices were a factor for the business to consider rising prices in January 2023. While, 22.5% of responding West Midlands businesses reported to not be considering raising prices in January 2023.

Factors (if any), are causing West Midlands businesses to consider raising prices in January 2023:



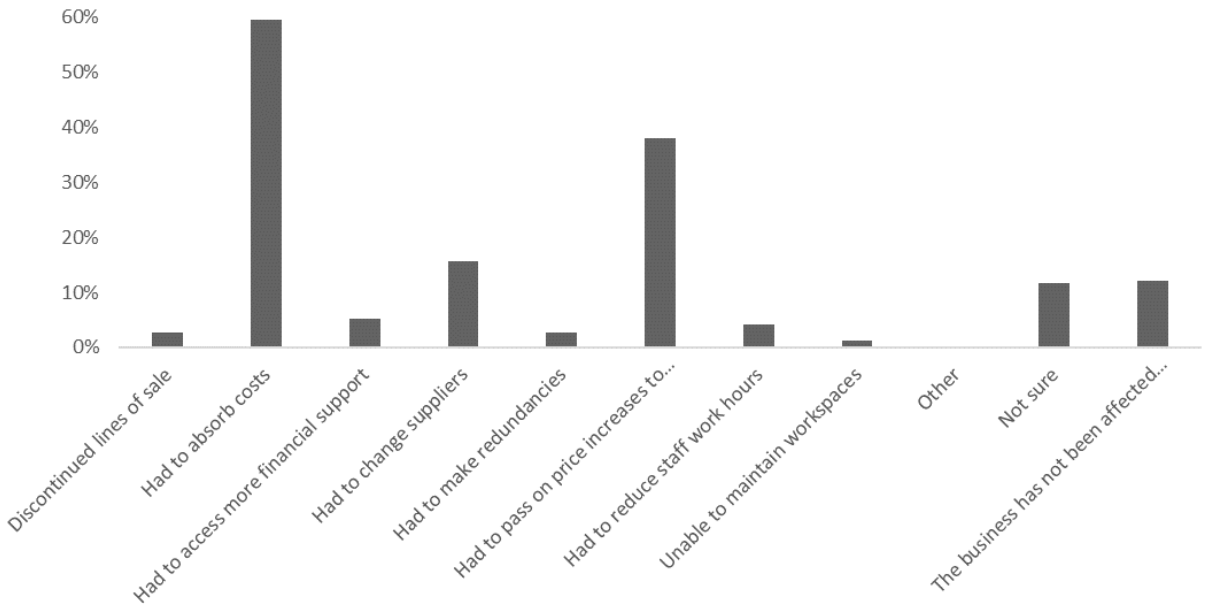
Energy Prices

5.4% of West Midlands businesses reported production had been affected by recent increases in energy prices, 17.7% of West Midlands businesses reported suppliers had been affected and 24.4% of West Midlands businesses reported that both production and suppliers were affected. 26.6% of West Midlands businesses reported to not being affected by the recent increases in energy prices.

Impacts of Price Rises

59.5% of West Midlands businesses have had to absorb costs due to price rises.

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



Demand for Goods and Services

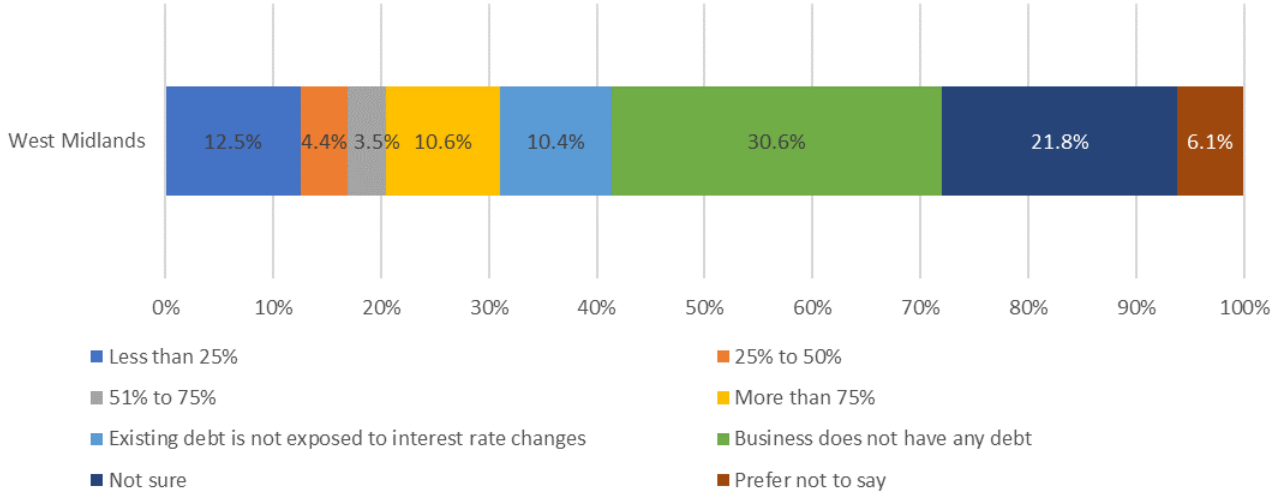
15.1% of West Midlands businesses reported that domestic demand for goods and services in November 2022 when compared to the previous month had increased. 51.9% reported the domestic demand had stayed the same and 15.9% of West Midlands businesses reported the domestic demand for goods and services had decreased.

5.0% of West Midlands businesses reported that international demand for goods and services in November 2022 when compared to the previous month had increased. 25.6% reported the international demand had stayed the same and 6.5% of West Midlands businesses reported the international demand for goods and services had decreased.

Debts and Borrowing

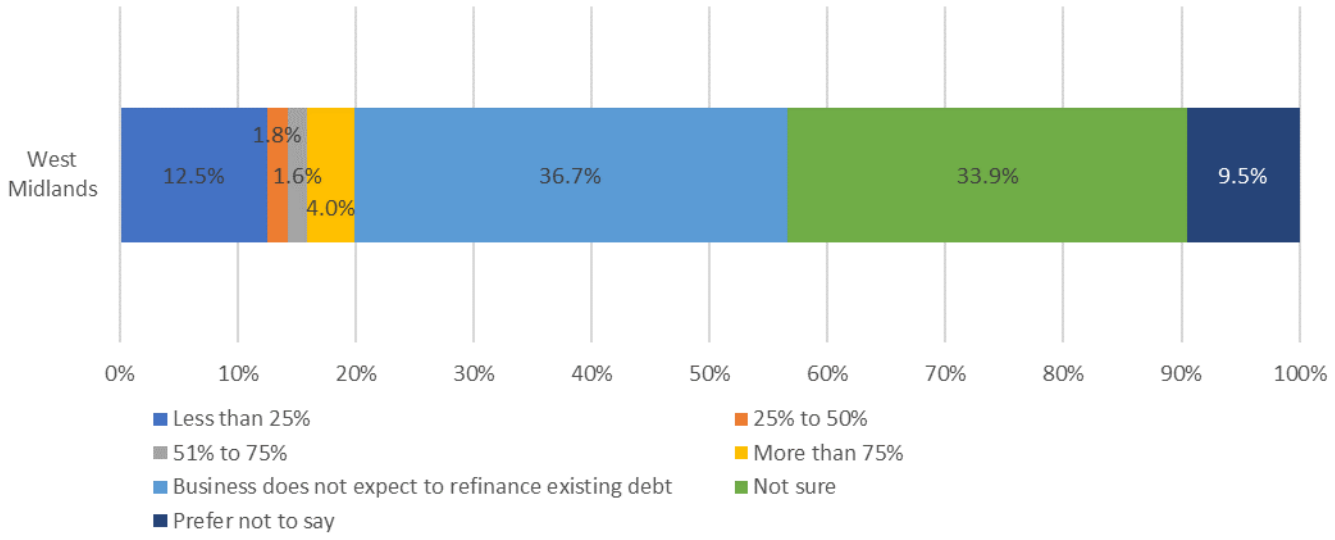
12.5% of West Midlands businesses reported that less than 25% of existing debt is exposed to interest changes.

How much West Midlands businesses existing debt is exposed to interest rate changes:



12.5% of West Midlands businesses reported that less than 25% of existing debt is expected to be refinanced in the next 12 months.

The percentage of West Midlands businesses with existing debt that is expected to be refinanced in the next 12 months:



10.7% of West Midlands businesses expect the amount of borrowing to increase in the next 12 months. While 36.2% expect the amount of borrowing to stay the same and 11.9% expect a decrease in the amount of borrowing.

Number of Employees

21.4% of West Midlands businesses reported in November 2022 when compared to the previous month, that the number of employees increased, 58.6% reported the number of employees had stayed the same and 13.5% of West Midlands businesses reported the number of employees had decreased.

20.0% of West Midlands businesses expect the number of employees will increase in January 2023, 58.4% expected the number of employees to stay the same and 11.0% of West Midlands businesses expect the number of employees to decrease.

Recruitment Difficulties

37.2% of West Midlands businesses reported to experiencing difficulties in recruiting employees in November 2022. However, 37.0% of responding West Midlands businesses did not experience any difficulties.

EU Workers and Non-EU Workers

Where relevant and excluding not sure and prefer not to say responses, 2.7% of West Midlands businesses reported the number of workers from within the EU had increased in November 2022 when compared with the same period in the previous year. 22.8% of West Midlands businesses reported the number of workers within the EU had the stayed the same and 8.2% reported a decrease.

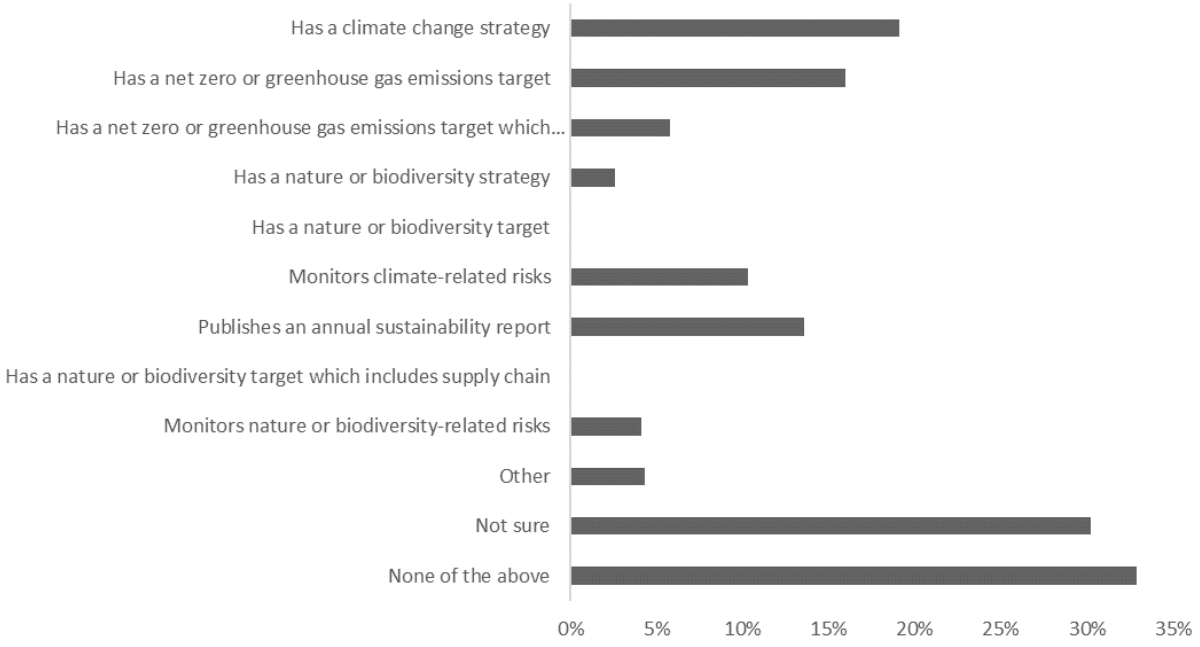
3.6% of West Midlands businesses reported the number of workers from outside the EU had increased in November 2022 when compared with the same period in the previous year. 16.4% of West Midlands businesses reported the number of workers outside the EU had the stayed the same and 3.4% reported a decrease.

Net Zero

60.6% of West Midlands businesses were either very or somewhat concerned about the impact climate change may have on the business.

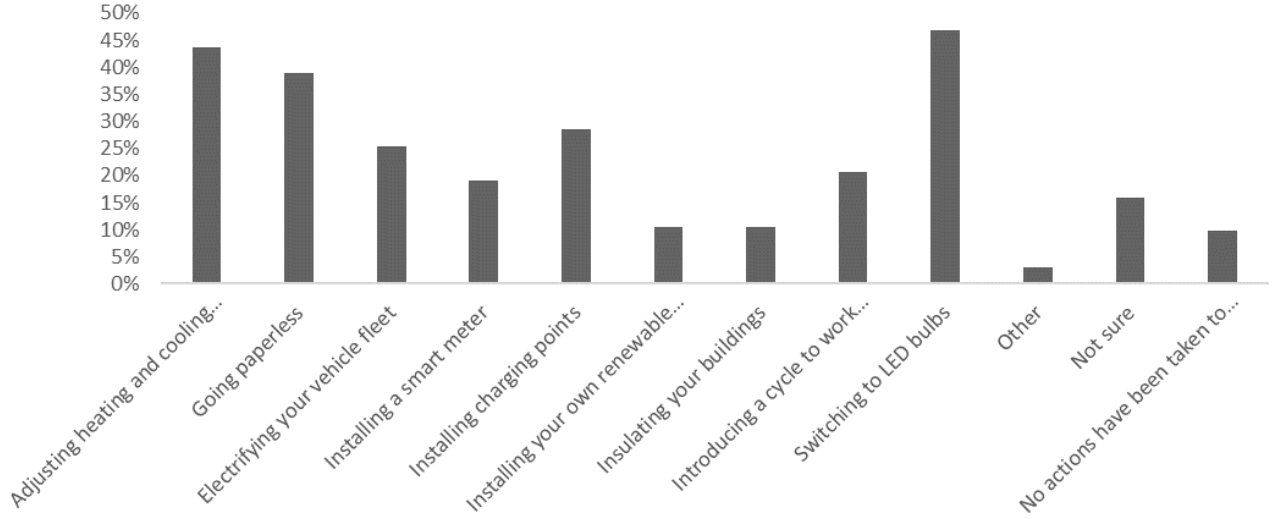
19.1% of West Midlands businesses have a climate change strategy to help protect the environment.

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



46.8% 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:



Debts and Insolvency

2.0% of West Midlands businesses reported that debt repayments were between 50% and 100% of turnover in November 2022. 2.5% of West Midlands businesses reported that repayments were between 20% and 50% of turnover. 29.0% of West Midlands businesses reported that repayments were up to 20% of turnover.

46.8% of West Midlands businesses reported high confidence to meet the current debt obligations, 13.2% had moderate confidence and 1.8% had low confidence.

6.2% of West Midlands businesses reported to be at moderate risk of insolvency, 46.2% reported low risk and 37.6% reported no risk.

Overall Performance

30.4% of West Midlands businesses reported that overall performance in November 2022 increased when compared to November 2021. 39.9% of West Midlands businesses reported that performance had stayed the same and 18.6% reported that performance had decreased.

For the next 12 months, 35.2% of West Midlands businesses expect that performance will increase, 35.5% expect performance will stay the same and 13.1% expect performance will decrease.

Public Opinions and Social Trends

Please note, a breakdown by region is no longer provided within this dataset due to the smaller responding sample size of the Opinions and Lifestyle Survey (OPN). Estimates are based on data collected between 7th to 18th December 2022 (the "latest period") and the 22nd November to 4th December 2022 (the "previous period").

Important Issues Facing the UK

In the latest period, respondents felt the four main issues facing the UK were; the cost of living (93%), NHS (81%), economy (78%) and climate change & the environment (58%).

Cost of Living Crisis

75% of all adults reported being very or somewhat worried about rising costs of living in the past two weeks (up from 73% reported in the previous period).

Paying Energy Bills

47% of adults who pay energy bills said they found it very or somewhat difficult to afford them in the latest period (down from 48% in the previous period).

Among those who reported they have gas or electricity supplied to their home, 4% reported they were behind on these bills (same as the previous period).

Rent or Mortgage Payments

29% of those who are currently paying rent or mortgage payments reported that these payments have gone up in the last six months (down from 30% in the previous period).

31% of those who are currently paying rent or mortgage payments reported that they are finding it very or somewhat difficult to make these payments (down from 33% in the previous period).

Household Finances

18% of adults reported they did not have any savings (same as previous period) and 7% of adults reported that they had a direct debit, a standing order or bill that they were unable to pay in the past month (same as previous period).

8% of adults reported that they had cancelled at least one financial product in the past month because of increases in the cost of living (same as previous period).

Personal Well-Being and Loneliness

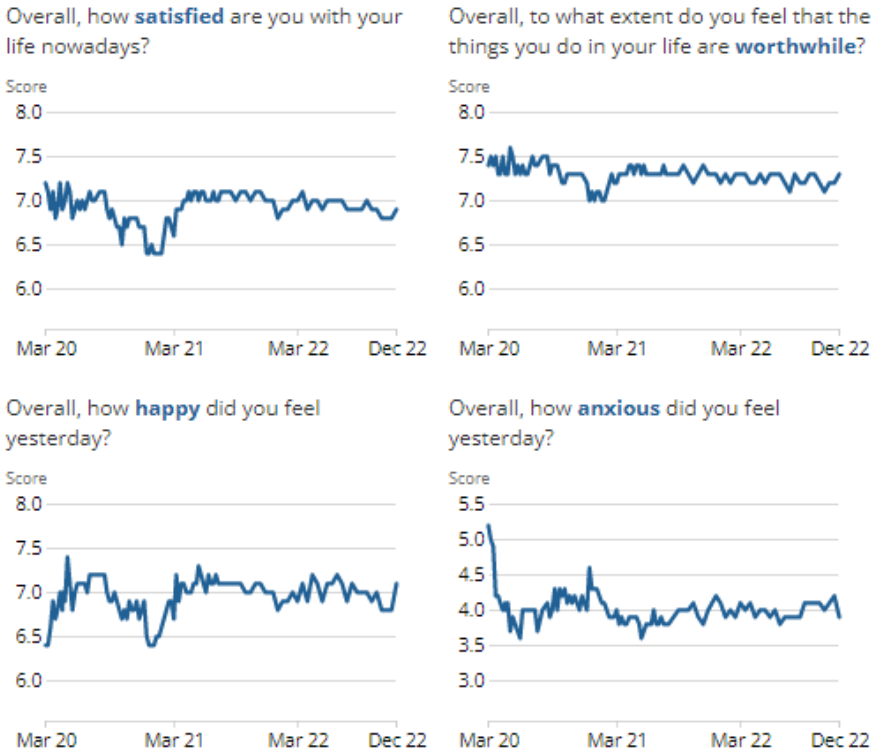
Life satisfaction – increased to 6.9 in the latest period (from 6.8 in the previous period).

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 – increased to 7.1 in the latest period (from 6.8 in the previous period).

Anxiety – decreased to 3.9 in the latest period (from 4.2 in the previous period).

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



Source: Office for National Statistics – Opinions and Lifestyle Survey

22% of adults reported feeling lonely always, often or same of the time in the latest period (down from 26% reported in the previous period).

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