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.

The West Midlands Combined Authority has had a boost of £1.5bn for the "Trailblazer" devolution programme as part of the Budget Announcements. In the Deeper Devolution Deal plans include greater responsibility for affordable housing provision, public transport with the extension of the Metro between Dudley and Brierley Hill, and the retention of business rates.

Budget 2023

- Amongst the announcements on Budget Day were eight new 'investment zones', one of which is due to be the West Midlands region. The scheme, backed by £80m of investment over five years in each of the new high-growth zones, is designed to accelerate research and development in the UK's "most budding industries".
- Changes to pensions were announced also. The total amount that workers can accumulate in their pension savings before paying extra tax is to be increased. People are expected to be able to save up to £1.8m over a lifetime, up from £1.07m currently. This is intended to encourage high earners in the 50-64 age group to continue working rather than taking early retirement
- Changes to childcare were announced, with one- and two-year-olds becoming eligible for 30 hours of free childcare per week. However, only 20% of eligible families took up current support in 2021. There is also the 'wraparound childcare pathfinder scheme' which is aimed at parents of primary school aged children.

Economy

- The UK, US, and Australia have launched a new security partnership.
- Two banks in the USA, Silicon Valley Bank and Signature Bank, have collapsed in the biggest failure since 2008. The effects have reverberated around the global financial system with shares of banks in Japan, Germany, and Spain falling between 7% and 10%. There is a risk of wider contagion.
- As the OBR has pointed out, the UK will narrowly avoid entering a technical recession this year, but the economy will still shrink (-0.2% GDP).
- Inflation is now likely to fall further than forecasted in the Autumn budget to 2.9% by the end of the year. This is partly because of wholesale gas prices rapidly reducing, with annual energy prices for the average household expected to fall below £2,200 by the end of the year.
- Disposable household incomes will fall by a cumulative 5.7% over the next two financial years. This is lower than previously forecasted but is still the largest fall since records began in the 1950s.
- There will be no increase in the energy price guarantee cap, remaining at the £2,500 level, for the next 3 months.
- The WM Business Activity Index rose from 49.0 in Jan 2023 to 53.0 in Feb 2023. The WM Future Business Activity Index increased from 76.5 in January 2023 to 78.4 in February 2023
- 50% of trading businesses reported that they were able to get the materials, goods or services they needed from within the UK in Jan 2023 without encountering any supply issues; a further 11% reported that they were able to get the materials, goods or services they needed but had to change suppliers or find alternative solutions to do so, with both percentages broadly stable when compared with December 2022.
- In Jan 2023, 12% of businesses with 10 or more employees experienced global supply chain disruption, down 3pp from Dec 2022; the most commonly reported reason for this disruption was a shortage of materials (35%).
- Analysis from Kantar regarding inflation shows that grocery price inflation rose to 17.1% in the four weeks to 19th February 2023.
- Analysis of three surveys of firms conducted by the British Chambers of Commerce reveals that the biggest challenge facing firms across 2021 and 2022 has been increased costs. Labour, skill, and supply chain issues are also major concerns but ease slightly in mid-2022.
- Significant issues for firms working with the new TCA trading arrangements with the EU are those associated with red tape and bureaucracy, shipping/transport issues and delays, increased costs, and customs and border controls.
- Progress on the HS2 line beyond Birmingham has been stalled following rising costs. The line between Birmingham and Crewe has been delayed by two years following a doubling in costs of HS2 from £33bn to £71bn.

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Labour market

- For the three months ending January 2023, the WM Region employment rate (aged 16 – 64 years) was 74.0.
- For the three months ending in January 2023, the WM Region unemployment rate (aged 16 years and over) was 4.5% (the highest rate with London across all regions).
- There were 145,560 claimants in the WMCA (3 LEP) area in Feb 2023. Since January 2023, there has been an increase of 2.6% (+3,725) claimants in the WMCA (3 LEP) area, the UK increased by 2.7%. When compared to March 2020 (pre-pandemic figures), the number of claimants has increased by 23.8% (+27,970) in the WMCA (3 LEP) area, with the UK increasing by 21.6% 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 3.7% for the UK in February 2023.
- There were 26,445 youth claimants in the WMCA (3 LEP) area in February 2023. Since January 2023, there was an increase of 3.9% (+985) youth claimants in the WMCA (3 LEP) area, while the UK increased by 3.6%. When compared to March 2020 (pre pandemic figures), the number of youth claimants has increased by 17.1% (+3,865) in the WMCA (3 LEP) area, with the UK increasing by 11.3% over the same period.
- Overall, for the WMCA (3 LEP) area the number of youth claimants as a percentage of residents aged 18-24 years old was 7.0% compared to 4.8% for the UK in February 2023.
- The total number of online job adverts grew by 4% in the week to 3 March 2023, but was 20% lower than the equivalent period of 2022; with increases in 16 of the 28 job categories, and 10 of the 12 UK countries and English regions compared with the previous week.
- Current figures on job vacancies are less positive with UK job vacancies fall for eighth time in a row. This continuing trend shows the correction of the oversupply of vacancies following the coronavirus pandemic, where there were more advertisements than people searching for work.
- The unemployment outlook in Birmingham is not positive with the Centre for Cities Unemployment Tracker noting that the city has the highest claimant count rate at 6.8%. However, in the WM as a whole, unemployment fell by 0.4pp to 4.5% and employment was up by 0.3pp.
- Eurostat shows that, in the EU, employed non-nationals are more likely to be over-qualified than nationals for their job. The over-qualification rate for national citizens is 20.8% compared to 32.0% for citizens of other EU countries, and 39.6% for non-EU citizens.
- In the EU, the majority of employed people aged 15-64 years were men (54% men compared with 46% women). The share of female part-time workers aged 15-64, in the third quarter of 2022, was higher (28%) than the share of men (8%). However, the gender gap for income across the EU was narrower in rural areas than cities.

Social Trends

- Strike action has continued with teachers, junior doctors, civil servants, London Underground, university staff, and journalists striking over pay and employment conditions. The most affected week will be from Monday 13th until Saturday 18th March 2023.
- 3 in 10 (27%) adults experienced shortages of essential food items that were needed on a regular basis in the past two weeks; an increase from 18% in the previous period
- When asked about the important issues facing the UK today, the most reported issues continue to be the cost of living (93%), the NHS (84%), the economy (74%) and climate change and the environment (61%).
- In the latest period, 4 in 10 (40%) adults reported that industrial action was an important issue, while 1 in 4 (25%) adults had been impacted by industrial action.

International Women's Day

- The Global Entrepreneurship Monitor 2020/2021 observes that inclusiveness in entrepreneurship is crucial to reap the benefits that new businesses bring to the economy and society (employment, innovation, income, new products and services). To place an economic value on this, the Alison Rose Review of Female Entrepreneurship notes that the UK economy misses out on 1.1 million new businesses and £250 billion of new value-added that could be realized if women start and scale new businesses at the same rate as men in the UK
- Work by the London School of Economics has highlighted that this gender pay gap convergence phenomenon is skewed by a specific group of couples the 15% of working couples – those women who work with their husbands and casts doubt on the interpretation of women conforming to earnings norms. They found that the distribution drop happens when a couple run a business together, work in the same large firm, or has similar occupations, and are likely to have similar earnings, either because they are in comparable jobs or for tax purposes.
- According to the Institute for Fiscal Studies, in the UK the average working-age woman earned 40% less than the average working-age men in 2019, and 19% less per hour. Studies suggest that well-paid paternity leave provision and affordable childcare are key to addressing gender inequalities. This will also address issues of male-dominant workplaces and women

being less visible in the workplace because of flexible working which has detrimental effects on women's promotions and opportunities for progression.

- Research shows that women start their careers with as much ambition as men on average (Abouzahr *et.al*, 2017), and in an international survey by The New York Women's Foundation, 59% of women stated that ambition was essential to a successful career. Offering the opportunity for greater flexible and agile working environment, especially in senior positions, could help women's work progression, especially, as it may lessen the time spent working part-time which appears to be the largest detriment to a woman's career progression.
- The Centre for Progressive Policy (Franklin and Hochlaf, 2021) found that if women had access to adequate childcare services, and were able to work the hours they wished, it would increase their earnings by £7.6bn to £10.6bn per annum- potentially generating up to £28.2bn in economic output per annum.
- Women often miss out on progression opportunities because processes around hiring and progression are often quite opaque and informal, in many cases with job opportunities and sponsorships happening without women having access to the mechanisms of how they work (Jones, 2019).

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Global, National and Regional Outlook

Hannes Read, WMREDI

Global

AUKUS Alliance

UK, US and Australia have launched a new security partnership. The 'AUKUS' alliance has been put in place to enhance the development of joint capabilities and technology sharing. Under the pact, the ability for Australia to purchase nuclear-powered submarines is seen by China as "disregarding" concerns of the international community. However, one of the key reasons behind the security partnership is to counteract China's more "aggressive stance" in the Pacific region.

Collapsing Banks

Two banks in the USA, Silicon Valley Bank and Signature Bank, have collapsed in the biggest failure since 2008. The effects have reverberated around the global financial system with shares of banks in Japan, Germany, and Spain falling between 7% and 10%. The California Financial Regulator has taken possession of the bank in an act of state intervention. The state has also intervened in the UK as the UK arm of Silicon Valley Bank has been rescued by HSBC, following interventions from the Bank of England and Prime Minister Rishi Sunak. The risks of the collapse were seen to significantly harm the tech and start-up sector in the UK, which prompted the UK government and Bank of England to step in. Significant emergency state intervention in the economy has been a common sight in recent years, in the wake of the Coronavirus pandemic.

Overqualified Immigrants

A publication from Eurostat on immigration shows that, in the EU, employed non-nationals are more likely to be over-qualified than nationals for their job. The over-qualification rate for national citizens is 20.8% compared to 32.0% for citizens of other EU countries, and 39.6% for non-EU citizens. The differences in overqualification gaps between nationals and non-nationals shows, firstly, the difficulties in integrating into the labour market. Secondly, , if the gap in overqualification rates were to close, then there is a large labour pool potential to fit into the higher skilled jobs. This shows that immigration can continue to facilitate a move a high skilled workforce. The most recent figures for the UK show that 16% of all in employment are over-qualified (rising to 31% for graduates). However, these figures are only available until 2017 because since then the UK left Eurostat and the European Union.

International Women's Day

After International Women's Day was celebrated on 8th March 2023, there has been a sharpened focus on the inequalities between men and women in the economy. In the EU, the majority of employed people aged 15-64 years were men (54% men compared with 46% women). The share of female part-time workers aged 15-64, in the third quarter of 2022, was higher (28%) than the share of men (8%). However, the gender gap for income across the EU was narrower in rural areas than cities. There are longstanding gender inequalities in the workforce. And whilst progress is being made to closing the gap in the proportion of men and women employed, there is still a majority of the full-time, and higher paid jobs being done by men rather than women.

National

(Budget Day see separate detailed section)

Public Opinions and Social Trends Survey

The public opinions and social trends survey for February – March 2023 was released by the ONS. The headline findings are that:

- Around 3 in 10 (27%) adults experienced shortages of essential food items that were needed on a regular basis in the past two weeks; an increase from 18% in the previous period (8 to 19 February 2023).
- More than a third of adults (35%) reported that they could not find a replacement when the items they needed were not available when food shopping in the past two weeks; an increase from 25% in the previous period.

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- 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 (84%), the economy (74%) and climate change and the environment (61%).
- In the latest period, 4 in 10 (40%) adults reported that industrial action was an important issue, while 1 in 4 (25%) adults had been impacted by industrial action.
- Among those impacted by industrial action, impacts included spending more money on travel (18%), being unable to take part in leisure activities (14%) and not being able to travel for holiday or leisure as planned (13%).
- Around half (47%) of adults reported that they were worried (very or somewhat) about keeping warm in their home this winter, down from 56% in the period when we first asked the question at the start of winter, from 26 October to 6 November 2022.

Business Insights and Conditions Survey

The Business Insights and Conditions Survey (BICS) for the fortnight before 9th March 2023 showed that:

- Half (50%) of trading businesses reported that they were able to get the materials, goods or services they needed from within the UK in January 2023 without encountering any supply issues; a further 11% reported that they were able to get the materials, goods or services they needed but had to change suppliers or find alternative solutions to do so, with both percentages broadly stable when compared with December 2022.
- In January 2023, one in eight (12%) businesses with 10 or more employees experienced global supply chain disruption, down 3 percentage points from December 2022; the most commonly reported reason for this disruption was a shortage of materials (35%).
- For March 2023, 7 in 10 (70%) businesses reported some form of concern for their business, broadly stable with the proportion for February 2023 (72%); the top two concerns reported by businesses for March 2023 continued to be energy prices (19%) and inflation of goods and services prices (15%).
- More than 1 in 10 (13%) businesses reported that their employees' hourly wages had increased in January 2023 compared with December 2022; this was 24% for businesses with 10 or more employees.
- More than a quarter (27%) of businesses with 10 or more employees were experiencing worker shortages in late February 2023, broadly stable when compared with early January 2023 (28%).
- In January 2023, 1 in 10 (10%) businesses had been affected as a result of industrial action, with more than a quarter (26%) of those businesses reporting that they were unable to fully operate as a consequence.

Economic Activity and Social Change Survey

Other indicators of economic activity and social change in the period to 9th March 2023 in the publication released from the ONS showed that:

- Recorded spending activity indicators increased when compared with the previous week, coinciding with usual within-month variations, with Revolut debit card spending on "travel and accommodation" rising by 6 percentage points; meanwhile the number of in-store transactions at Pret A Manger locations in London airports and London stations increased by 7 percentage points over the same period.
- The total number of online job adverts grew by 4% in the week to 3 March 2023, but was 20% lower than the equivalent period of 2022; with increases in 16 of the 28 job categories, and 10 of the 12 UK countries and English regions compared with the previous week.
- Both the System Average Price of gas and System Price of electricity remained lower than the equivalent week of last year, at 63% and 48% lower, respectively; both prices remained above the pre-coronavirus baseline, however, at 419% above for the System Average Price of gas and 348% above for the System Price of electricity.
- Transport indicators have shown mixed changes to activity in the week to 5 March 2023, with the average number of daily ship visits to UK ports decreasing by 18%, while traffic camera activity for cars in London was unchanged in the week, and pedestrian and cyclist activity in London grew by 6% compared with the previous week.

Grocery Price Inflation

Analysis from Kantar regarding inflation shows that grocery price inflation rose to 17.1% in the four weeks to 19th February 2023. This has a big impact on day-to-day lives, especially as the report also shows that grocery price inflation is the second most important financial issue for the public behind energy costs. In order to combat this, own-brand ranges have seen increases in sales of 13.2% in the last month, well ahead of branded products at 4.6%. One year on from when grocery price inflation rose above 4%, the trend of large price increases and subsequent squeezes on living standards shows little sign of stopping.

Strikes

Strike action has continued with teachers, junior doctors, civil servants, London Underground, university staff, and journalists striking over pay and employment conditions. The most affected week will be from Monday 13th until Saturday 18th March 2023. The disruption is significant as junior doctors account for 40% of the medical workforce, 133,000 civil servants in 100 government agencies, National Education Union members of all schools in England, and members of the RMT and ASLEF train unions are due to strike over the course of the week.

Vacancies

Current figures on job vacancies are less positive with UK job vacancies fall for eighth time in a row. This continuing trend shows the correction of the oversupply of vacancies following the coronavirus pandemic, where there were more advertisements than people searching for work. This could be a correction or a sign of a lack of supply of labour. This may be that the UK economy could have capacity for an expanded workforce but these are not being filled, and businesses are stopping advertising in lieu of reduced migration and more older workers leaving the labour market.

Trade and Supply Chains

The UK Trade Policy Observatory has produced a briefing paper regarding the challenges facing UK firms: Trade and supply chains.

- Analysis of three surveys of firms conducted by the British Chambers of Commerce reveals that the biggest challenge facing firms across 2021 and 2022 has been *increased costs. Labour, skill and supply chain issues* are also major concerns but ease slightly in mid-2022.
- Significant issues for firms working with the new TCA trading arrangements with the EU are those associated with *red tape and bureaucracy*, *shipping/transport issues and delays*, *increased costs*, and *customs and border controls*. The least significant issue, in the context of the TCA, would appear to be *labour and skill issues.*
- Specifically related to the TCA, the biggest changes over time are the rise in the significance of *taxes, tariffs and duties* for firms, the role of *increased costs* for firms, and the increased perception of a *competitive disadvantage* for the UK.
- There is a notable rise in negative sentiment in the North East and in Northern Ireland. Negative sentiment is the highest in *public administration,* and in *agriculture*, and is also relatively high in *manufacturing*. The lowest negative sentiment scores are in *education* and *legal services*.
- According to the latest survey, *Brexit* and *COVID-19* are the principal causal factors in supply chain shortages, with the most significant shortages amongst *electronic components/goods* and *labour*.
- The most frequently cited opportunity refers generically to *business expansion opportunities*, but was mentioned in less than 2% of the responses.

Regional

Devolution Deal

Devolution is also a key part of the Budget, with the West Midlands receiving more powers over business rates retention. In the Budget, the Chancellor announced a number of devolution measures to the 10 English combined authorities. The West Midlands Combined Authority has had a boost of £1.5bn for the "Trailblazer" devolution programme. In the Deeper Devolution Deal, the plans include greater responsibility for affordable housing provision, public transport to extend the Metro between Dudley and Brierley Hill, and the retention of business rates. The deal includes:

- 100% business rates retention for 10 years, worth an estimated £450m
- A funding commitment to help expand the Metro network, create new railway stations and more bus and cycle lanes

- A housing deal worth up to £500m that should pave the way for additional brownfield regeneration and a faster programme of affordable homes
- A move to expand high-speed broadband and get more people online
- Up to six so-called levelling up zones, backed by 25-year business rate retention, worth an estimated £500m to the region
- More help improving skills, careers and employment support for people across the West Midlands
- Devolution of the bus service operators grant and a new partnership with Great British Railways to offer greater control of public transport services

The devolution package will be different from the other deals, such as with Greater Manchester, however, continuing the "patchwork" approach to English devolution.

Investment Zones
Announced on Budget Day were eight new 'investment zones', one of which is due to be the West Midlands region. The scheme, backed by £80m of investment over five years in each of the new high-growth zones, is designed to accelerate research and development in the UK's "most budding industries". The announcement was a refocussing of the scope of existing policy and are set to grow five priority areas in: digital and tech; green industries; life sciences; advanced manufacturing; and creative industries. The six levelling up zones that have been announced are East Birmingham-North Solihull; Wolverhampton Innovation Corridor; Walsall Growth Corridor; Dudley & Sandwell Metro Corridors (including the Wednesbury to Brierley Hill link); and the Coventry and Warwickshire gigafactory zone.

Unemployment
In general, unemployment is not positive outlook in Birmingham with the Centre for Cities Unemployment Tracker notes that Birmingham is the city with the highest claimant count rate at 6.8%. However, in the West Midlands as a whole, unemployment fell by 0.4 percentage points to 4.5% and employment up by 0.3 percentage points in the period August to October 2022. This is still below the UK average rates of employment (75.7%) and unemployment (3.7%).

HS2
Progress on the HS2 line beyond Birmingham has been stalled following rising costs. The line between Birmingham and Crewe has been delayed by two years following a doubling in costs of HS2 from £33bn to £71bn. The impacts may be that, whilst Birmingham will be even better connected to London, there is no improvement in connectivity of Birmingham to the rest of the Midlands and the North.

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Key Announcements Spring Statement 2023

Alice Pugh and Hannes Read, WMREDI

Wednesday 15th March 2023 was Budget Day. Jeremy Hunt delivered his first spring budget, and first major economic policy reveal, since the revoking of policies outlined in Liz Truss' mini-budget in September 2022.

OBR Forecasts for the economy

As the OBR has pointed out the UK will narrowly avoid entering a technical recession this year, but the economy will still shrink (-0.2% GDP). High interest rates, gas prices remaining double what they were before the pandemic, stagnation of business investment since 2016, rising labour market inactivity and lowering productivity since the financial crisis, are all weighing down on growth.

Inflation is now likely to fall further than forecasted in the Autumn budget to 2.9% by the end of the year. Falling inflation is partly as a result of wholesale gas prices rapidly reducing, with annual energy prices for the average household expected to fall below £2,200 by the end of the year.

Real disposable household incomes are projected to fall by a cumulative 5.7% over the next two financial years. Whilst lower than previously forecasted, this is still the largest fall since records began in the 1950s.

Overall, the OBR figures are more positive than the November forecasts, however only so. The economy will still contract this year, although it will not enter a technical recession and inflation will reduce on its own without any real government intervention. Over the medium-term households will become poorer and by 2027-28 money will be worth less than it was before the pandemic. The UK has some serious structural issues which will place significant downward pressure on economic growth going forward if not actively tackled by government.

Key Announcements

Below sets out the key announcements made by the Chancellor within the monitor to tackle the on-going economic turmoil in the UK:

Taxation and wages

- Cap on amount workers can accumulate in pensions savings over their lifetime before having to pay extra tax (currently £1.07m) to be abolished
- Tax-free yearly allowance for pension pot to rise from £40,000 to £60,000
- Fuel Duty will remain frozen, with the 5p cut remaining for a further year
- Alcohol taxes to rise in line with inflation from August, there will be reliefs for pubs though on beer, cider and wine
- Taxes on tobacco will increase 2% above inflation, rising to 6% above inflation for hand-rolling tobacco

Energy

- Energy Price Guarantee limiting the average household energy bill to £2,500 a year to be extended until the end June
- £200m to bring prepayment meter energy charges into line with prices for consumers paying via direct debits
- Commitment to invest £1bn per year for the next two decades on low-carbon energy projects
- Nuclear energy to be reclassified as environmentally stable for investment purposes
- £63m to help leisure centres with rising energy costs for heating pools and investment in energy efficiencies

Jobs and Work

- 30 hours of free childcare for working parents in England expanded to cover one- and two-year-olds
- Families on universal credit will receive childcare support up front instead of in arrears, with the per child cap raised to £941 from £646 per month

- £600 "incentive payments" for those becoming childminders, and relaxed rules in England to let childminders look after more children
- New fitness-to-work testing regime to qualify for health-related benefits
- Funding for up to 50,000 places on new voluntary employment scheme for disabled people, called Universal Support
- Tougher requirements to look for work and increased job support for lead child carers on universal credit
- More places on "skills boot camps" to encourage over-50s who have left their jobs to return to the workplace
- Immigration rules to be relaxed for five roles in construction sector, to ease labour shortages

Business and Trade

- Main rate of corporation tax, paid by businesses on taxable profits over £250,000, confirmed to increase from 19% to 25%
- Companies with profits between £50,000 and £250,000 to pay between 19% and 25%
- Companies able to deduct investment in new machinery and technology to lower their taxable profits
- Tax breaks and other benefits for 12 new Investment Zones across the UK, funded by £80m each over the next five years

Energy Price Guarantee

Much to the relief of many households there will be no increase in the energy price guarantee cap. Originally the cap for the average household was expected to increase to £3,000 from £2,500, now it will be remaining at the £2,500 level, for the next 3 months. After this the OBR has forecasted wholesale prices will continue to fall which means the average household will pay below the current cap from July, so it is expected the cap will either be removed from September or lowered.

Childcare

The announcement was dubbed a 'back to work' budget. One of the most significant announcements was the changes to childcare, with one- and two-year-olds becoming eligible for 30 hours of free childcare per week. Previously, the allowance was available for three- and four-year olds but this has now been expanded. The childcare changes have come amidst a backdrop of the core hourly funding rate provided by the government falling by 14% in real terms since the high point of 2017/18. The announcement of the funding is an important step, but the take-up and implementation is another. With only 20% of eligible families taking up the support in 2021, work is needed to break down barriers to increase take-up and the effectiveness of the policy. One such change is the ability for Universal Credit recipients to claim the funding in advance rather than arrears, which is intended to remove a barrier to entry for working families claiming the support.

Some of these measures are welcome, such as the changes to childcare allowances which should help some parents restricted by childcare become more economically active. However, there are some serious concerns as to how this will work. The IFS outlined that whilst this reform will leave Whitehall in charge of the price of 80% of all pre-school childcare in England (up from just under 50% now), it is entirely dependent on its implementation. If the government fails to get the funding rate right, it could worsen the childcare market: price the funding rate too low and providers could opt out of delivering the new entitlement or even exit the market entirely, reducing supply and thus increasing costs. However, it should be noted that there is a delay to this policy of two and a half years.

There is also the 'wraparound childcare pathfinder scheme' which is aimed at parents of primary school aged children. The scheme will provide funding of £289 million to schools and local authorities to provide wraparound childcare from 8am till 6pm, enabling parents to work longer hours. Again, this policy will only start from the next financial year.

Pensions

Changes to pensions were announced also. The total amount that workers can accumulate in their pension savings before paying extra tax is to be increased. People are expected to be able to save up to £1.8m over a lifetime, up from £1.07m currently. This is intended to encourage high earners in the 50-64 age group to continue working rather than taking early retirement, as the post-pandemic trends have seen an increasing number of early retirees. However early analysis from the Resolution Foundation indicates this is an expensively targeted policy for already wealthy people, where only 10,000 of the richest people are able to save above this amount costing £835m per year.

Business Investment
From April, and for the next three years, businesses will be able to deduct 100% of all plant and machinery investment spending immediately when calculating taxable profits. This increased generosity of capital allowances will boost business investment in the short run, as reported by the IFS. However, as the IFS pointed out there are significant concerns around the short-termism of the policy and without long-term certainty the timing of investments will be distorted and the overall boost to investment lower than expected.

Investment Zones
12 investment zones are set to be created across the UK boosting growth and supporting links between universities and businesses in five priority sectors. The investment zones will have the opportunity to choose from £80 million of funding for skills, business support and infrastructure, or £35 million in funding and a set of tax reliefs that the government estimates will cost £45 million over five years. The reliefs include full relief from stamp duty land tax on property sales of commercial property, business rates on new or extended properties and enhanced capital allowances. However, the success of such zones can be 'iffy' generally they do boost investment in the areas, research has found that the investment would have happened anyway, just not necessarily in those areas before they were made into investment zones. So, there is an issue of creating winners and losers with such policies.

However, one topic was not mentioned as much as others was **public spending**. Despite unresolved issues with public sector pay and with tight spending plans for after the next spending review, there was relatively little mention of how these would be resolved, potentially leading to further disputes in the near future.

NatWest Purchasing Manager Index (PMI) Survey: West Midlands Region March 2023

Black Country Consortium Economic Intelligence Unit

In Summary:

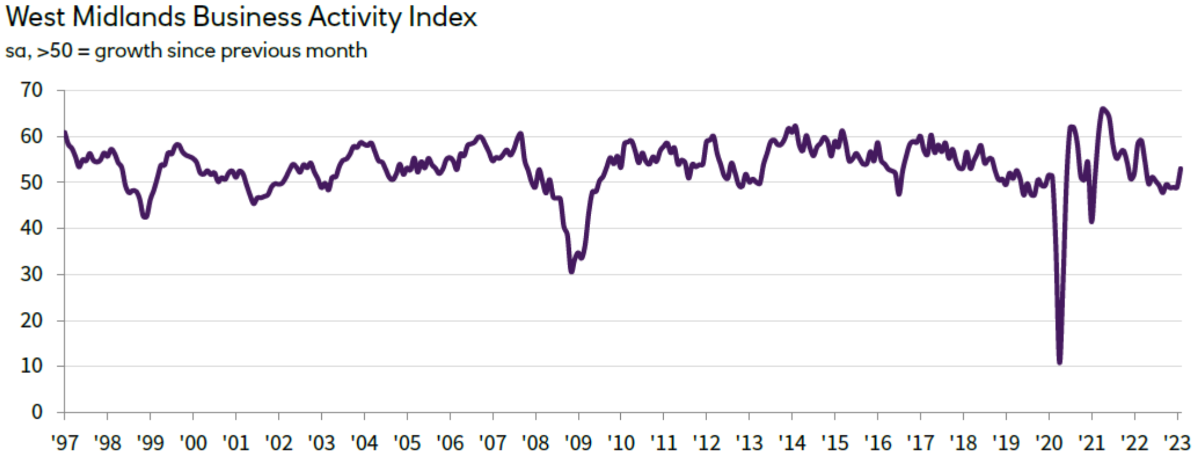
- The West Midlands Business Activity Index rose from 49.0 in January 2023 to 53.0 in February 2023. The latest reading is above the 50-growth mark for first time in seven months and also at its highest level since April 2022. The boost in business activity was linked to better underlying demand and expanded clientele.
- The UK Business Activity Index increased from 48.5 in January 2023 to 53.1 in February 2023.
- Out of the 12 UK regions, the West Midlands was the third highest for business activity in February 2023.
- The West Midlands Future Business Activity Index increased from 76.5 in January 2023 to 78.4 in February 2023, the latest reading shows that the overall degree of optimism improved to its best since the start of 2022. Optimism in West Midlands firms for the upcoming 12 months was linked to new market opportunities, retreating pressure on energy markets, new product launches and more favourable demand conditions.
- Out of the 12 UK regions, the West Midlands was the highest for Future Business Activity in February 2023.

In Detail:

Business Activity Index

The West Midlands Business Activity Index rose from 49.0 in January 2023 to 53.0 in February 2023. The latest reading is above the 50-growth mark for first time in seven months and also at its highest level since April 2022. The boost in business activity was linked to better underlying demand and expanded clientele.

The following chart show the West Midlands Business Activity Index trends up to February 2023:

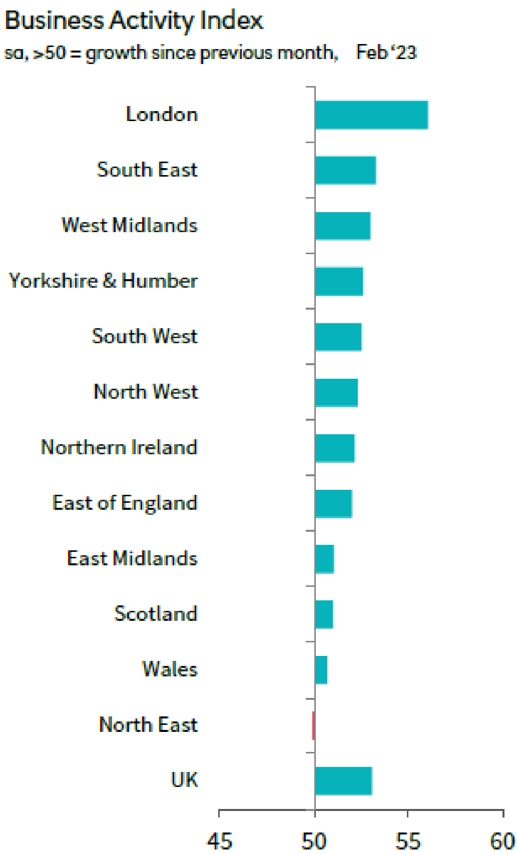


Source: NatWest West Midlands PMI, March 2023

Out of the 12 UK regions, the West Midlands was the third highest for business activity in February 2023. London was the highest with 56.0 and the North East was the lowest at 50.0.

The following chart shows the Business Activity Index across all UK regions in February 2023:

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



Source: NatWest West Midlands PMI, March 2023

Demand

The West Midlands New Business Index increased from 49.8 in January 2023 to 53.2 in February 2023, indicating a renewed increase in new work intake which ended an eight-month sequence of decline. The rise in new work was linked to an increase in demand and clients seeking to rebuild inventories, along with successful advertising and new customer acquisitions.

Exports

The West Midlands Export Climate Index increased from 49.7 in January 2023 to 51.8 in February 2023. The latest reading shows improvement in trade prospects for the first time in seven months.

The following tables shows the top export markets for the West Midlands in February 2023:

Top export markets, West Midlands

Rank	Market	Weight	Output Index, Feb' 23
1	USA	24.3%	50.1
2	Germany	11.9%	50.7
3	China	8.5%	54.2
4	France	7.7%	51.7
5	Ireland	7.2%	54.5

Source: NatWest West Midlands PMI, March 2023

Business Capacity

The West Midlands Employment Index increased from 52.2 in January 2023 to 53.2 in February 2023. Increases were related to rising workloads, acquisitions and the replacement of the workforce following voluntary leavers.

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The West Midlands Outstanding Business Index increased from 46.6 in January 2023 to 48.9 in February 2023, which is the third consecutive month under the 50-mark threshold. Outstanding business volumes can be linked to improved capacity, efficiency gains and outsourced support.

Prices

The West Midlands Input Prices Index decreased from 70.8 in January 2023 to 69.4 in February 2023, the latest figures still show sharp input costs but the rate of inflation has eased for the third consecutive month. West Midlands firms reported that exchange rate movements, energy price volatility and higher wage bills were the main cost pressures but the increases were restricted due to competition for new work among suppliers, lower shipping costs and improved availability of some raw materials.

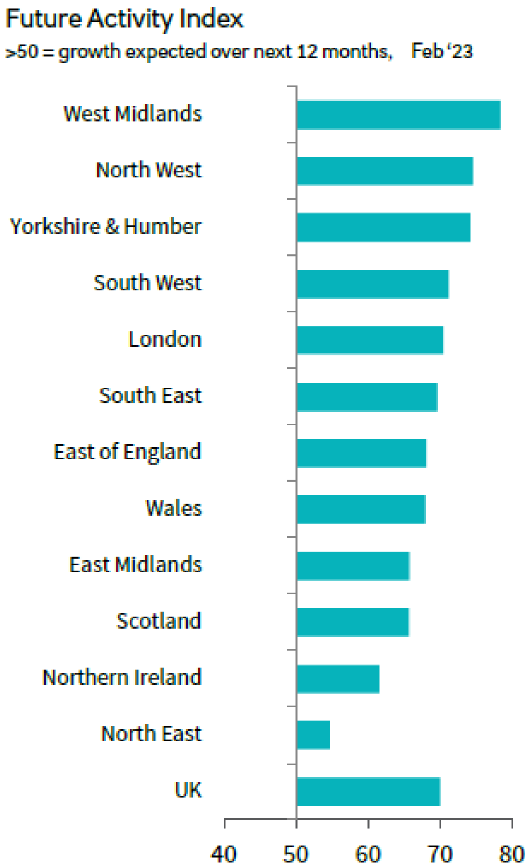
In line with softer increase in input costs, the West Midlands Prices Charged Index decreased from 62.9 in January 2023 to 62.7 in February 2023, although the latest reading continues the current sequence of inflation to 33 months. The rate of output price inflation remains substantial but has eased to the lowest levels seen since August 2021.

Outlook

The West Midlands Future Business Activity Index increased from 76.5 in January 2023 to 78.4 in February 2023, the latest reading shows that the overall degree of optimism improved to its best level seen since the start of 2022. Optimism in West Midlands firms for the upcoming 12 months was linked to new market opportunities, retreating pressure on energy markets, new product launches and more favourable demand conditions.

Out of the 12 UK regions, the West Midlands was the highest for Future Business Activity in February 2023. North West was the second highest with 74.6 and the North East was the lowest at 54.7.

The following chart shows the Future Activity Index across all UK regions in February 2023:



Source: NatWest West Midlands PMI, March 2023

Labour Market Statistics and Claimant Count: Released March 2023

Black Country Consortium Economic Intelligence Unit

UK Summary[1]

- For the UK, early estimates for February 2023 indicate that the number of payrolled employees rose by 2.3% (+684,000) compared with February 2022. Notably, all age groups saw an increase in payrolled employees between February 2022 and February 2023; there was an increase of 67,000 payrolled employees aged under 25 years. The latest monthly change shows payrolled employment increased by 0.3% (+98,000[2]) to a total of 30.0m. When compared to February 2020, payrolled employees was up by 3.6% (+1,040,000).
- In November 2022 to January 2023, reports of UK-wide redundancies in the three months prior to interview[3] increased by 0.2 per thousand employees, compared with the previous three-month period, to 3.3 per thousand employees. This is now similar to pre-pandemic levels.
- The UK employment rate was estimated at 75.7% in November 2022 to January 2023, 0.1 percentage points (pp) higher than the previous three-month period. The increase in employment over the latest three-month period was driven by part-time employees and self-employed workers.
- The unemployment rate for November 2022 to January 2023 was largely unchanged on the quarter at 3.7%. The number of people unemployed for over 12 months increased slightly in the latest three-month period.
- The economic inactivity rate decreased by 0.2pp on the quarter, to 21.3% in November 2022 to January 2023. The decrease in economic inactivity during the latest three-month period was driven by people aged 16 to 24 years. Looking at economic inactivity by reason, the quarterly decrease was driven by people inactive because they are students or retired.
- Total public sector employment increased in December 2022 compared with the previous quarter and the previous year; central government is the main contributor to the rise. There were an estimated 5.80 million employees in the public sector in December 2022, which is 0.6% (+34,000) higher than in September 2022 and 1.5% (+84,000) higher than in December 2021. There were an estimated 27.04 million employees in the private sector in December 2022, which is 32,000 (+0.1%) more than in September 2022 and 225,000 (+0.8%) more than in December 2021.
- For the UK, the number of job vacancies in December 2022 to February 2023 was 1,124,000; this was a decrease of 4.3% (-51,000) from the previous quarter – the eighth consecutive quarterly fall as vacancies fell in 12 of 18 industries, this reflects uncertainty across industries, as survey respondents continue to cite economic pressures as a factor in holding back on recruitment. In December 2022 to February 2023, total vacancies were down by 162,000 from the level of a year ago, although they remained 328,000 above their pre-coronavirus January to March 2020 levels.
- The UK growth in average total pay (including bonuses) was 5.7% and growth in regular pay (excluding bonuses) was 6.5% among employees in November 2022 to January 2023. Average regular pay growth for the private sector was 7.0% in November 2022 to January 2023, and 4.8% for the public sector; a larger growth outside of the coronavirus pandemic period for the public sector was last seen in December 2005 to February 2006 (5.2%).
- Early estimates for February 2023 indicate that for the UK median monthly pay increased by 6.7% compared with February 2022, and increased by 17.8% when compared with February 2020.
- Across the UK, there were 220,000 working days lost which were linked to labour disputes in January 2023, this is down from 822,000 in December 2022.
- In December 2022, workforce jobs across the UK rose by 211,000 on the quarter to a new record high of 36.4 million, with 6 of the 20 industry sectors at record high levels.

Regional Labour Market Summary

- For the three months ending January 2023, the West Midlands Region employment rate (aged 16 – 64 years) was 74.0%. Since the three months ending October 2022, the employment rate increased by 0.3 percentage points

[1] Source: ONS, Labour Market Overview; UK: March 2023
[2] This should be treated as a provisional estimate and is likely to be revised when more data is received next month.
[3] The redundancy estimates measure the number of people who were made redundant or who took voluntary redundancy in the three months before the Labour Force Survey interviews; it does not take into consideration planned redundancies.

(pp), but when compared to the same period in the previous year, the employment rate was 1.7pp lower. The UK employment rate was 75.7%, increased by 0.1pp since the previous quarter and also an increase of 0.3pp when compared to the previous year.

- For the three months ending in January 2023, the West Midlands Region unemployment rate (aged 16 years and over) was 4.5% (the highest rate with London across all regions), which has decreased by 0.4pp since the previous quarter and a decrease of 0.5pp from the previous year. The UK unemployment rate was 3.7%, remaining unchanged from the previous quarter but a 0.3pp decrease when compared to the previous year.
- For the three months ending January 2023, the West Midlands Region economic inactivity rate (aged 16 – 64 years) was 22.5%, remaining unchanged from previous quarter but an increase of 2.2pp when compared to the previous year, the largest increase seen across the regions. The UK economic inactivity rate was 21.3%, a decrease of 0.2pp from the previous quarter but a decrease of 0.1pp from the previous year

WMCA (3 LEP) Claimant Summary

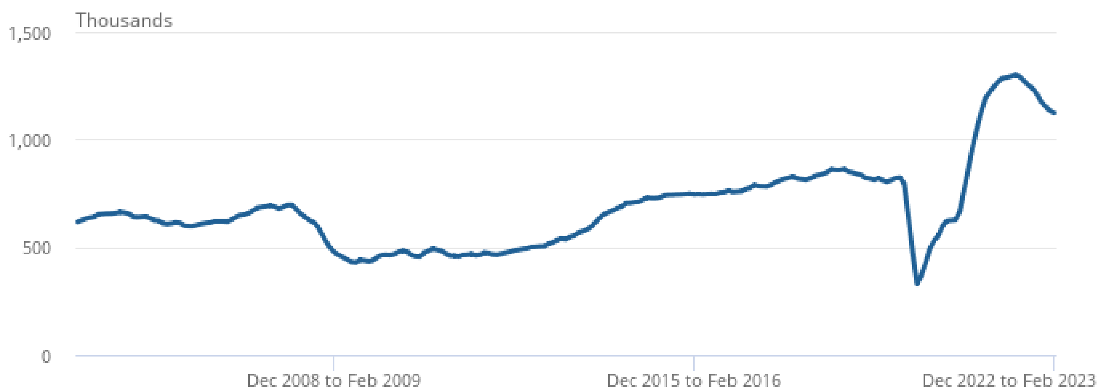
- There were 145,560 claimants in the WMCA (3 LEP) area in February 2023. Since January 2023, there has been an increase of 2.6% (+3,725) claimants in the WMCA (3 LEP) area, the UK increased by 2.7%. When compared to March 2020 (pre-pandemic figures), the number of claimants has increased by 23.8% (+27,970) in the WMCA (3 LEP) area, with the UK increasing by 21.6% 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 3.7% for the UK in February 2023.
- There were 26,445 youth claimants in the WMCA (3 LEP) area in February 2023. Since January 2023, there was an increase of 3.9% (+985) youth claimants in the WMCA (3 LEP) area, while the UK increased by 3.6%. When compared to March 2020 (pre pandemic figures), the number of youth claimants has increased by 17.1% (+3,865) in the WMCA (3 LEP) area, with the UK increasing by 11.3% 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 7.0% compared to 4.8% for the UK in February 2023.

In Depth:

UK Labour Market Stastics – UK Vacancies[4]

- In December 2022 to February 2023, the estimated number of vacancies fell by 51,000 to 1,124,000, the eighth consecutive period to show a fall on the quarter since May to July 2022.

The following chart shows the number of vacancies in the UK, seasonally adjusted, December 2003 to February 2004 to December 2022 to February 2023:



Source: ONS – Vacancy Survey

- The total number of vacancies fell by 4.3% from the previous quarter, with real estate activities and other service activities contracting the most, falling by 19.5% and 17.3%, respectively. Since peaking in March to May 2022,

[4] Source: ONS, Vacancies and Jobs in the UK: March 2023

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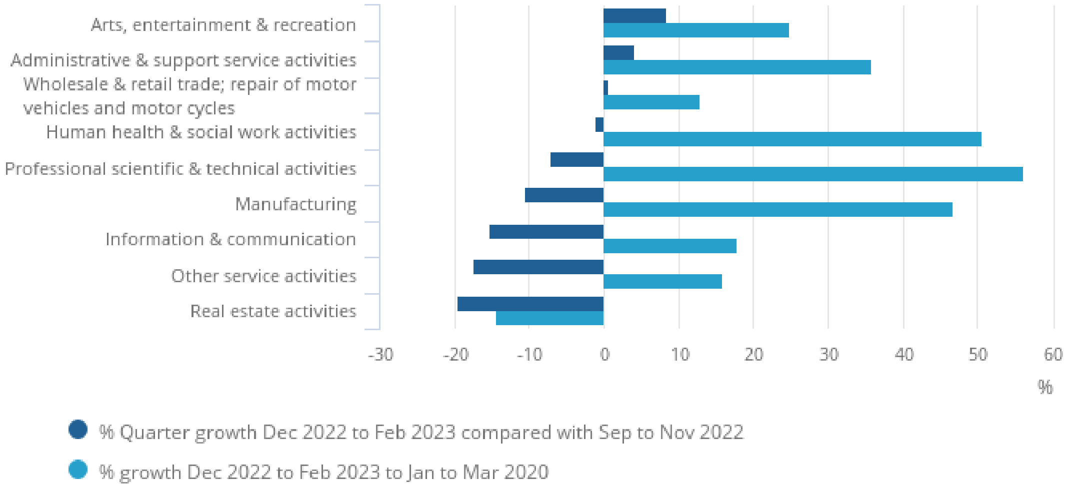
vacancy numbers have declined by 13.6%, and while the rate at which the market is contracting has slowed over the most recent periods, vacancies remain at historically high levels.

- December 2022 to February 2023 was the eighth consecutive period to show a fall on the quarter, decreasing by 51,000. The industry sectors with the largest falls in vacancy numbers were information and communication, manufacturing and professional, scientific and technical activities, which all fell by 9000.
- ***The fall in the number of vacancies reflects uncertainty across industries. Survey respondents continue to cite economic pressures as a factor in holding back on recruitment.***
- When comparing December 2022 to February 2023 with the same time last year, total vacancies decreased by 162,000 (12.6%) with falls in 15 of the 18 industry sectors, with the largest fall in information and communication, which was down by 27,000. However, the total number of vacancies remains 328,000 above January to March 2020 pre-coronavirus levels, with human health and social work activities showing the largest increase, at 69,000. Notably, real estate activities was the only industry below January to March 2020 pre-pandemic levels, falling by 2,000.
- In November 2022 to January 2023, the number of unemployed people per vacancy was at 1.1, up slightly from 1.0 in August to October 2022. This ratio is low by historical standards and is indicative of a tight labour market.

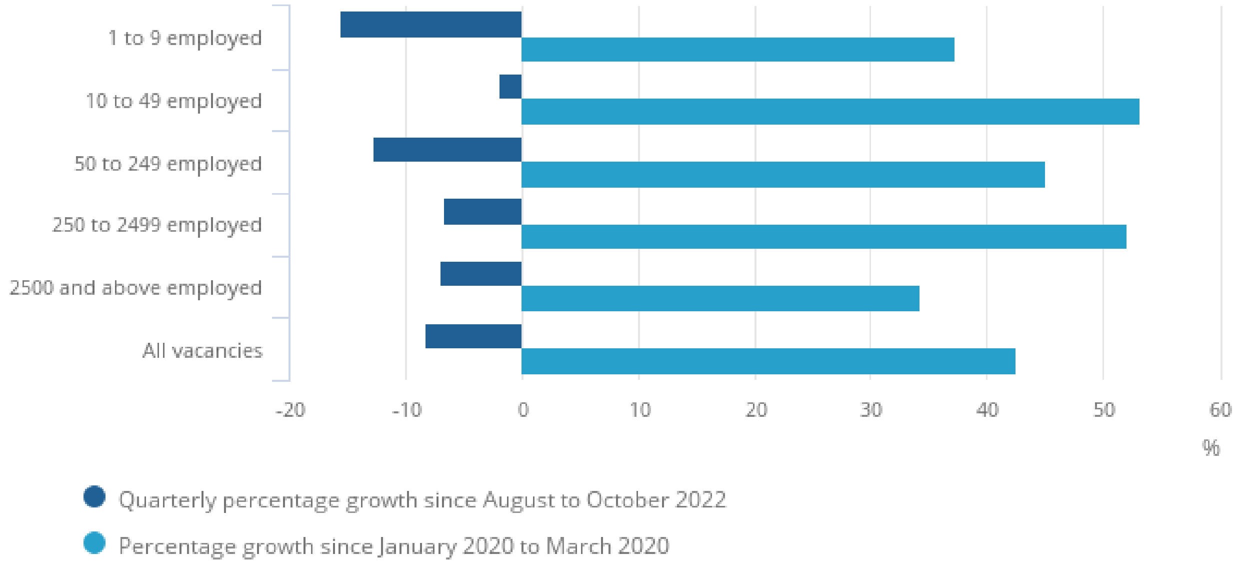
The following chart shows for December 2022 to February 2023 three-month average vacancies in the UK, quarterly percentage growth from September to November 2022 and percentage growth from pre-coronavirus pandemic January to March 2020:



Source: ONS – Vacancy Survey

- The only quarterly growth was in the 10 to 49 size band, but this is the first quarterly growth we have seen in any size band since May to July 2022.

The following chart shows December 2022 to February 2023 three-month average vacancies in the UK, quarterly growth from September to November 2022 and growth from a pre-coronavirus pandemic January to March 2020:



Source: ONS – Vacancy Survey

Regional Labour Market[5]

- For the three months ending January 2023, the West Midlands Region employment rate (aged 16 – 64 years) was 74.0%. Since the three months ending October 2022, the employment rate increased by 0.3 percentage points (pp), but when compared to the same period in the previous year, the employment rate was 1.7pp lower. The UK employment rate was 75.7%, increased by 0.1pp since the previous quarter and also an increase of 0.3pp when compared to the previous year. The highest employment rate within the UK for the three months ending January 2023 was in the South West with 79.9% and the lowest were both in the North East and Northern Ireland with 71.8%.
- For the three months ending in January 2023, the West Midlands Region unemployment rate (aged 16 years and over) was 4.5%, which has decreased by 0.4pp since the previous quarter and a decrease of 0.5pp from the previous year. The UK unemployment rate was 3.7%, remaining unchanged from the previous quarter but a 0.3pp decrease when compared to the previous year. The highest unemployment rate in the UK for the three months ending January 2023 was in the West Midlands and London both at 4.5% with the lowest unemployment rate in South West at 2.3%.
- For the three months ending January 2023, the West Midlands Region economic inactivity rate (aged 16 – 64 years) was 22.5%, remaining unchanged from previous quarter but an increase of 2.2pp when compared to the previous year, the largest increase seen across the regions. The UK economic inactivity rate was 21.3%, a decrease of 0.2pp from the previous quarter but a decrease of 0.1pp from the previous year. The highest economic inactivity rate in the UK for the three months ending January 2023 was in Northern Ireland with 26.4%, with the lowest in the South East with 18.0%.

[5] Source: ONS, Labour Market in the Regions of the UK: March 2023

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The table below provides a summary of the latest headline estimates and quarterly changes for regions of the UK, seasonally adjusted, November 2022 to January 2023:

	Employment Rate – Nov 22 to Jan 23 (aged 16-64 years)	Change on Aug to Oct 22	Unemployment Rate – Nov 22 to Jan 23 (16 years +)	Change on Aug to Oct 22	Inactivity Rate – Nov 22 to Jan 23 (aged 16-64 years)	Change on Aug to Oct 22
UK	75.7%	0.1pp	3.7%	0.0pp	21.3%	-0.2pp
Great Britain	75.8%	0.1pp	3.7%	0.0pp	21.2%	-0.2pp
England	76.0%	0.1pp	3.8%	0.0pp	21.0%	-0.1pp
North East	71.8%	0.6pp	4.1%	-0.6pp	24.9%	-0.3pp
North West	74.2%	0.9pp	3.7%	-0.5pp	22.8%	-0.5pp
Yorkshire and The Humber	74.8%	0.1pp	3.2%	-0.8pp	22.8%	0.5pp
East Midlands	74.9%	0.0pp	3.5%	0.1pp	22.3%	0.0pp
West Midlands	**74.0%**	**0.3pp**	**4.5%**	**-0.4pp**	**22.5%**	**0.0pp**
East	78.3%	-0.9pp	3.8%	1.1pp	18.5%	0.0pp
London	74.6%	-1.3pp	4.5%	0.1pp	21.9%	1.2pp
South East	78.8%	1.0pp	3.8%	0.4pp	18.0%	-1.4pp
South West	79.9%	0.7pp	2.3%	0.4pp	18.1%	-1.0pp
Wales	72.3%	0.1pp	3.5%	-0.1pp	24.9%	-0.1pp
Scotland	76.5%	0.5pp	3.1%	-0.2pp	21.0%	-0.4pp
Northern Ireland	71.8%	0.5pp	2.4%	-0.4pp	26.4%	-0.3pp

Source: ONS – Labour Force Survey

- Between September and December 2022, workforce jobs increased in 10 out of 12 regions of the UK, with the West Midlands seeing the largest increase, while Scotland and Yorkshire and The Humber had falls of 26,000 and 5,000, respectively; London had the highest proportion of service-based jobs (92.4%), while the East Midlands and Yorkshire and The Humber jointly had the highest proportion of production sector jobs (12.7%).
- In December 2022, there were nearly 3.1 million workforce jobs in West Midlands region. When compared to September 2022, workforce jobs for the West Midlands region increased by 82,000 (+2.7%). When compared to December 2021, workforce jobs increased by 144,000 (+4.9%).
- In December 2022, 82.3% (over 2.5 million) of workforce jobs in the West Midlands were in the services sector. Across all industries in December 2022 for the West Midlands, 13.8% (423,000) of workforce jobs were in wholesale & retail trade; repair of motor vehicles and motor cycles and also human health & social work activities. This was followed by 10.1% (310,000) in manufacturing.
- The latest quarterly change shows 3 industries that declined; other service activities by 5.2% or 4,000 (to 76,000 workforce jobs), agriculture, forestry & fishing declined by 21.4% or 7,000 (to 25,000 workforce jobs) and transport & storage declining by 0.3% or 1,000 to 189,000 workforce jobs.
- Of the 82,000 quarterly increase for workforce jobs in the West Midlands, 15,000 was from construction (to 170,000), 14,000 was from human health & social work activities (to 423,000).

Claimant Count

Claimant count for people aged 16 years and over[6]:

- There were 145,560 claimants in the WMCA (3 LEP) area in February 2023. Since January 2023, there has been an increase of 2.6% (+3,725) claimants in the WMCA (3 LEP) area, the UK increased by 2.7%. When compared to February 2022, the number of claimants has decreased by 8.3% (-13,230) in the WMCA (3 LEP) area, with the UK decreasing by 13.2% over the same period. When compared to March 2020 (pre-pandemic figures), the number of claimants has increased by 23.8% (+27,970) in the WMCA (3 LEP) area, with the UK increasing by 21.6% over the same period.

[6] ONS/DWP, Claimant count, March 2023. Please note, figures for previous months have been revised.

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- The WM 7 Met. area had 122,725 claimants aged 16 years and over in February 2023, an increase of 3,255 (+2.7%) claimants from the previous month. Compared to the same month in 2022, WM 7 Met. claimants decreased by 10,225 (-7.7%). When compared to March 2020, the number of claimants has increased by 23,425 (+23.6%).
- The Black Country LEP area had 44,885 claimants aged 16 years and over in February 2023, an increase of 900 (+2.0%) claimants from the previous month. Compared to the same month in 2022, Black Country LEP claimants decreased by 3,835 (-7.9%). When compared to March 2020, the number of claimants has increased by 6,610 (+17.3%).
- In Coventry and Warwickshire LEP, there were 22,000 claimants aged 16 years and over in February 2023, an increase of 745 (+3.5%) claimants since December 2022. Compared to the same month in 2022, Coventry and Warwickshire LEP claimants decreased by 1,730 (-7.3%). When compared to March 2020, the number of claimants has increased by 6,175 (+39.0%).
- In Greater Birmingham and Solihull LEP, there were 78,675 claimants aged 16 years and over in February 2023, an increase of 2,080 (+2.7%) claimants since January 2023. Compared to the same month in 2022, Greater Birmingham and Solihull LEP claimants decreased by 7,665 (-8.9%). When compared to March 2020, the number of claimants has increased by 15,185 (+23.9%).

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

	Mar 2020	Feb 2022	Jan 2023	Feb 2023	Feb 2023 (Claimants as proportion aged 16-64) Rates	% Change Since Mar 20	% Change Since Feb 22	% Change Since Jan 23
Birmingham	49,370	66,780	59,775	61,395	8.3%	24.4%	-8.1%	2.7%
Bromsgrove	1,165	1,825	1,505	1,525	2.6%	30.9%	-16.4%	1.3%
Cannock Chase	1,655	2,215	2,040	2,115	3.4%	27.8%	-4.5%	3.7%
Coventry	8,000	12,485	11,725	12,345	5.5%	54.3%	-1.1%	5.3%
Dudley	8,515	10,350	9,135	9,260	4.7%	8.7%	-10.5%	1.4%
East Staffordshire	1,720	2,495	2,240	2,345	3.0%	36.3%	-6.0%	4.7%
Lichfield	1,320	1,685	1,555	1,545	2.4%	17.0%	-8.3%	-0.6%
North Warwickshire	845	1,230	985	1,005	2.5%	18.9%	-18.3%	2.0%
Nuneaton and Bedworth	2,830	3,600	3,080	3,170	3.8%	12.0%	-11.9%	2.9%
Redditch	1,535	2,215	1,980	2,035	3.8%	32.6%	-8.1%	2.8%
Rugby	1,535	2,130	1,910	1,880	2.6%	22.5%	-11.7%	-1.6%
Sandwell	10,780	14,525	13,210	13,510	6.2%	25.3%	-7.0%	2.3%
Solihull	3,650	4,965	3,985	4,100	3.2%	12.3%	-17.4%	2.9%
Stratford-on-Avon	1,050	1,935	1,560	1,590	2.0%	51.4%	-17.8%	1.9%
Tamworth	1,490	1,940	1,595	1,680	3.4%	12.8%	-13.4%	5.3%
Walsall	8,605	10,885	9,510	9,645	5.6%	12.1%	-11.4%	1.4%
Warwick	1,570	2,355	1,995	2,010	2.1%	28.0%	-14.6%	0.8%
Wolverhampton	10,380	12,965	12,130	12,465	7.6%	20.1%	-3.9%	2.8%
Wyre Forest	1,580	2,225	1,915	1,930	3.3%	22.2%	-13.3%	0.8%
WM 7 Met.	**99,300**	**132,950**	**119,470**	**122,725**	**6.7%**	**23.6%**	**-7.7%**	**2.7%**
Black Country LEP	38,275	48,720	43,985	44,885	6.0%	17.3%	-7.9%	2.0%
Coventry and Warwickshire LEP	15,825	23,730	21,255	22,000	3.7%	39.0%	-7.3%	3.5%
Greater Birmingham and Solihull LEP	63,490	86,340	76,595	78,675	6.1%	23.9%	-8.9%	2.7%
WMCA (3 LEP)	**117,590**	**158,790**	**141,835**	**145,560**	**5.5%**	**23.8%**	**-8.3%**	**2.6%**
United Kingdom	1,268,620	1,776,875	1,502,820	1,543,080	3.7%	21.6%	-13.2%	2.7%

- Overall, for the WMCA (3 LEP) the number of claimants as a proportion of residents aged 16-64 years old was 5.5% compared to 3.7% for the UK in February 2023.

Youth Claimants (Aged 18-24)

- There were 26,445 youth claimants in the WMCA (3 LEP) area in February 2023. Since January 2023, there was an increase of 3.9% (+985) youth claimants in the WMCA (3 LEP) area, while the UK increased by 3.6%. When compared to February 2022, the number of youth claimants has decreased by 0.3% (-80) in the WMCA (3 LEP) area, with the UK decreasing by 5.1% over the same period. When compared to March 2020 (pre pandemic figures), the number of youth claimants has increased by 17.1% (+3,865) in the WMCA (3 LEP) area, with the UK increasing by 11.3% over the same period.

- The WM 7 Met. area had 22,355 youth claimants in February 2023, an increase of 865 (+4.0%) claimants from the previous month. Compared to the same month in 2022, WM 7 Met. area youth claimants decreased by 30 (-0.1%). When compared to March 2020, the number of youth claimants has increased by 3,200 (+16.7%).
- The Black Country LEP area had 8,380 youth claimants in February 2023, an increase of 240 (+2.9%) claimants from the previous month. Compared to the same month in 2022, Black Country LEP youth claimants decreased by 50 (-0.6%). When compared to March 2020, the number of youth claimants has increased by 690 (+9.0%).
- In Coventry and Warwickshire LEP, there were 3,750 youth claimants in February 2023, an increase of 185 (+5.2%) claimants since January 2023. Compared to the same month in 2022, Coventry and Warwickshire LEP youth claimants increased by 25 (+0.7%). When compared to March 2020, the number of claimants has increased by 875 (+30.4%).
- In Greater Birmingham and Solihull LEP, there were 14,315 youth claimants in February 2023, this is an increase of 560 (+4.1%) claimants since January 2023. Compared to the same month in 2022, Greater Birmingham and Solihull LEP youth claimants decreased by 55 (-0.4%). In the Greater Birmingham and Solihull LEP area, when compared to March 2020, the number of claimants has increased by 2,300 (+19.1%).

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	Feb 2022	Jan 2023	Feb 2023	Feb 2023 (Claimants as proportion aged 18-24) Rates	% Change Since Mar 20	% Change Since Feb 22	% Change Since Jan 23
Birmingham	9,105	11,095	10,660	11,120	8.6%	22.1%	0.2%	4.3%
Bromsgrove	215	275	265	260	4.2%	20.9%	-5.5%	-1.9%
Cannock Chase	365	405	390	410	5.8%	12.3%	1.2%	5.1%
Coventry	1,535	1,970	1,970	2,095	4.9%	36.5%	6.3%	6.3%
Dudley	1,750	1,825	1,705	1,765	7.5%	0.9%	-3.3%	3.5%
East Staffordshire	320	375	375	405	4.5%	26.6%	8.0%	8.0%
Lichfield	270	275	280	260	3.7%	-3.7%	-5.5%	-7.1%
North Warwickshire	160	210	200	195	4.5%	21.9%	-7.1%	-2.5%
Nuneaton and Bedworth	555	645	570	600	6.3%	8.1%	-7.0%	5.3%
Redditch	310	365	380	390	6.4%	25.8%	6.8%	2.6%
Rugby	235	350	295	310	4.1%	31.9%	-11.4%	5.1%
Sandwell	2,115	2,485	2,445	2,495	8.7%	18.0%	0.4%	2.0%
Solihull	825	890	720	755	5.0%	-8.5%	-15.2%	4.9%
Stratford-on-Avon	160	225	230	235	3.0%	46.9%	4.4%	2.2%
Tamworth	295	370	320	340	5.9%	15.3%	-8.1%	6.3%
Walsall	1,915	2,035	1,870	1,915	8.5%	0.0%	-5.9%	2.4%
Warwick	230	320	300	315	2.1%	37.0%	-1.6%	5.0%
Wolverhampton	1,910	2,080	2,120	2,205	10.3%	15.4%	6.0%	4.0%
Wyre Forest	310	330	365	370	5.6%	19.4%	12.1%	1.4%
WM 7 Met.	**19,155**	**22,385**	**21,490**	**22,355**	**7.9%**	**16.7%**	**-0.1%**	**4.0%**
Black Country LEP	7,690	8,430	8,140	8,380	8.7%	9.0%	-0.6%	2.9%
Coventry and Warwickshire LEP	2,875	3,725	3,565	3,750	4.3%	30.4%	0.7%	5.2%
Greater Birmingham and Solihull LEP	12,015	14,370	13,755	14,315	7.4%	19.1%	-0.4%	4.1%
WMCA (3 LEP)	**22,580**	**26,525**	**25,460**	**26,445**	**7.0%**	**17.1%**	**-0.3%**	**3.9%**
United Kingdom	238,085	279,030	255,705	264,880	4.8%	11.3%	-5.1%	3.6%

- Overall, for the WMCA (3 LEP) the number of youth claimants as a percentage of residents aged 18-24 years old was 7.0% compared to 4.8% for the UK in February 2023.

Claimant Count by Age and Gender (WMCA 3 LEP)[7]

- For those aged 16-24 in the WMCA (3 LEP) area, when comparing February 2023 to the previous month, there was an overall increase of 1,005 claimants. This can be split by an increase of 725 males and an increase of 280 females.

[7] Please note, figures may not sum due to rounding.

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

- For those aged 25-49 in the WMCA (3 LEP) area, when comparing February 2023 to the previous month, there was an overall increase of 2,515 claimants. This can be split by an increase of 1,445 males and an increase of 1,070 females.
- For those aged 50 years and over in the WMCA (3 LEP) area, when comparing February 2023 to the previous month, there was an overall increase of 195 claimants. This can be split by an increase of 100 males and an increase of 100 females.
- Notably, there were only two sub age ranges where there was an overall decrease when compared to January 2023, these were; aged 55-59 years old (-25) and those aged 60-64 years old (-35).

The following table shows a breakdown by age brackets and gender for the WMCA (3 LEP) area over selected time periods and then change compared to February 2023:

		Mar 2020	Feb 2022	Jan 2023	Feb 2023	No. Change Since Mar 20	No. Change Since Feb 22	No. Change Since Jan 23
Total	**Age 16+**	**117,590**	**158,790**	**141,835**	**145,560**	**27,970**	**-13,230**	**3,725**
	Aged 16-24	**22,835**	**26,805**	**25,665**	**26,670**	**3,835**	**-135**	**1,005**
	Aged 16-17	250	285	205	225	-25	-60	20
	Aged 18-24	22,580	26,525	25,460	26,445	3,865	-80	985
	Aged 25-49	**67,130**	**93,980**	**83,675**	**86,190**	**19,060**	**-7,790**	**2,515**
	Aged 25-29	15,945	20,665	17,910	18,575	2,630	-2,090	665
	Aged 30-34	15,635	22,320	19,580	20,135	4,500	-2,185	555
	Aged 35-39	13,715	20,195	18,570	19,060	5,345	-1,135	490
	Aged 40-44	11,230	16,820	15,625	16,195	4,965	-625	570
	Aged 45-49	10,605	13,985	11,995	12,230	1,625	-1,755	235
	Aged 50+	**27,635**	**38,000**	**32,500**	**32,695**	**5,060**	**-5,305**	**195**
	Aged 50-54	9,960	13,540	11,430	11,645	1,685	-1,895	215
	Aged 55-59	8,985	11,970	10,120	10,095	1,110	-1,875	-25
	Aged 60-64	7,675	10,265	8,785	8,750	1,075	-1,515	-35
	Aged 65+	1,020	2,215	2,160	2,200	1,180	-15	40
Male	**Age 16+**	**69,420**	**93,785**	**82,710**	**84,975**	**15,555**	**-8,810**	**2,265**
	Aged 16-24	**14,100**	**16,680**	**15,820**	**16,545**	**2,445**	**-135**	**725**
	Aged 16-17	115	130	95	105	-10	-25	10
	Aged 18-24	13,980	16,550	15,725	16,440	2,460	-110	715
	Aged 25-49	**38,965**	**54,805**	**47,840**	**49,285**	**10,320**	**-5,520**	**1,445**
	Aged 25-29	9,610	12,585	10,825	11,190	1,580	-1,395	365
	Aged 30-34	9,095	13,075	11,260	11,610	2,515	-1,465	350
	Aged 35-39	7,730	11,555	10,405	10,695	2,965	-860	290
	Aged 40-44	6,440	9,620	8,640	8,950	2,510	-670	310
	Aged 45-49	6,080	7,965	6,715	6,845	765	-1,120	130
	Aged 50+	**16,355**	**22,300**	**19,045**	**19,145**	**2,790**	**-3,155**	**100**
	Aged 50-54	5,820	7,875	6,570	6,705	885	-1,170	135
	Aged 55-59	5,295	7,085	6,025	5,970	675	-1,115	-55
	Aged 60-64	4,575	6,025	5,095	5,095	520	-930	0
	Aged 65+	655	1,315	1,355	1,380	725	65	25
Female	**Age 16+**	**48,175**	**65,005**	**59,130**	**60,580**	**12,405**	**-4,425**	**1,450**
	Aged 16-24	**8,730**	**10,125**	**9,845**	**10,125**	**1,395**	**0**	**280**
	Aged 16-17	135	150	110	120	-15	-30	10
	Aged 18-24	8,595	9,975	9,735	10,005	1,410	30	270
	Aged 25-49	**28,165**	**39,180**	**35,835**	**36,905**	**8,740**	**-2,275**	**1,070**
	Aged 25-29	6,340	8,080	7,085	7,385	1,045	-695	300
	Aged 30-34	6,530	9,245	8,320	8,530	2,000	-715	210
	Aged 35-39	5,985	8,640	8,170	8,360	2,375	-280	190
	Aged 40-44	4,790	7,195	6,980	7,250	2,460	55	270
	Aged 45-49	4,525	6,015	5,280	5,375	850	-640	95
	Aged 50+	**11,280**	**15,700**	**13,455**	**13,555**	**2,275**	**-2,145**	**100**
	Aged 50-54	4,135	5,670	4,865	4,945	810	-725	80
	Aged 55-59	3,690	4,890	4,095	4,125	435	-765	30
	Aged 60-64	3,100	4,245	3,685	3,660	560	-585	-25
	Aged 65+	360	900	810	830	470	-70	20

Lightcast Job Postings WMCA (3 LEP) Geography - February 2023[8]

- The number of unique job postings across the WMCA 3 LEP area continues to fluctuate from month-to-month. Whereas job posting were up 25% in January they were down -6.6% to 150,726 in February 2023.
- Job posting activity was subdued in all areas bar Bromsgrove and Redditch - both of which logged a positive change on the previous month.
- Posting activity was particularly weak in East Staffordshire (-15%), Cannock Chase (-13%), Rugby (-12%) and Nuneaton and Bedworth (-10%), all recording a double-digit decline.
- Posting intensity, i.e., the effort towards hiring for particular positions was highest across the WMCA 7 Met area.

The following table reports the number of unique job postings across the WMCA (3 LEP) local authorities in January 2023 and the percentage change from the previous month:

	Feb 2023 Unique Postings	% Change (Jan 2023 - Feb 2023)
Birmingham	61,530	-7%
Bromsgrove	1,742	6%
Cannock Chase	2,747	-13%
Coventry	13,972	-8%
Dudley	7,265	-4%
East Staffordshire	4,180	-15%
Lichfield	2,577	-9%
North Warwickshire	1,244	-5%
Nuneaton and Bedworth	2,652	-10%
Redditch	3,347	2%
Rugby	2,879	-12%
Sandwell	7,441	-7%
Solihull	7,333	-5%
Stratford-on-Avon	3,908	-6%
Tamworth	3,217	-5%
Walsall	5,681	-3%
Warwick	8,492	-7%
Wolverhampton	8,432	-2%
Wyre Forest	2,087	-5%

[8] Source: Lightcast, March 2023. Please note - the data below reports unique job postings, derived from the Lightcast Analyst Tool, and is not comparable to official vacancy data.

International Women's Day: Female Entrepreneurship in the UK
Juliane Schwarz, WMREDI

In celebration of International Women's Day, Juliane Schwarz looks at how females in the UK are represented in business as entrepreneurs. This blog is part of an International Women's Day series.

Females account for one in three entrepreneurs in the UK.

The Female Founder Forum describes in One in a Million that similar economies such as Spain, the US and the Netherlands have greater balance in the number of female and male entrepreneurs and in Switzerland, almost half (47%), of entrepreneurs, are female. Under-representation of female entrepreneurs is particularly evident in high-growth sectors such as high-tech, finance and ICT.

How do start-up accelerators benefit female entrepreneurship?
The impact of start-up accelerators on female entrepreneurship can be significant. A recent study in Israel suggests that accelerators are particularly useful for overcoming barriers more prevalent among female founders:

Quote from Science Direct.

They conclude that accelerators can increase the number of female entrepreneurs and thus should be supported by effective policy.

Five barriers to female entrepreneurship and how these are addressed in business start-up accelerators
1. **Entrepreneurial knowledge and skills** are vital for start-up creation, growth and. Although the general education level and work experience of female and male founders are often similar, female founders seem to lag in domain-specific knowledge and skills. They are less likely to have studied business, finance or STEM fields, and have less business and managerial work experience. Accelerators are time-limited (3-9 months) 'boot camps' that address the knowledge imbalance of founders which can drain a venture of scarce resources and potentially put the whole business at risk of failure.
2. **Business networks** are essential for start-ups to access knowledge, customers, suppliers, partners and, most importantly, investors. Both male and female founders have to build and constantly increase their professional networks. Research suggests that women are less successful in utilising their social networks in male-dominated environments and industries. The reason for this is not conclusive, see Poggesi (2020). Accelerators help founders to build and extend their formal and informal networks by co-locating founders during the duration of the programme and connecting them with various networks of experts, professions and businesses.

3. **Entrepreneurial identity** and regarding entrepreneurship as a valid and valuable option needs to be developed and strengthened. Founders need confidence in their ability to succeed in, and with, their ventures. This is critical during the initial process of business formation but also in relation to growth. Research indicates that a lack of confidence in their capabilities to start a business prevents women from becoming entrepreneurs in the first place and results in lower entrepreneurial outcomes. In business accelerators, founders are co-located with other founders. They are exposed, sometimes for the first time, to peers with similar outlooks, drive and purpose. Confidence is established by individuals understanding entrepreneurial drive positively, that they are taken seriously by their peers, their tutors and established business owners.
4. **The legitimacy of a new venture** is particularly important in relation to resource providers. Suppliers, buyers, regulatory agencies, resource providers, etc. need to trust in the viability of a new venture. Stereotypes and ideas about entrepreneurship being a masculine domain create barriers for female entrepreneurs. Having the strong support of a reputable organisation, being accepted onto an accelerator after an intensive selection process and being provided with mentors and champions signal legitimacy within the entrepreneurial ecosystem.
5. **Access to finance** affects the survival and growth of a new venture as it allows space to experiment, explore opportunities and connect with potential customers. Both venture capitalists and angel investors invest less in female-led than in male-led business ventures. The lack of access to capital is seen as the main barrier to female entrepreneurship. Accelerators focus on fundraising skills (e.g., pitching), founders get feedback on their investment readiness level and are connected with potential investors. Participating founders are often given the opportunity to pitch to investors on their graduation day.

Why is it a problem when females lag behind in entrepreneurship?

The Global Entrepreneurship Monitor 2020/2021 observes that inclusiveness in entrepreneurship is crucial to reap the benefits that new businesses bring to the economy and society (employment, innovation, income, new products and services). To place an economic value on this, the Alison Rose Review of Female Entrepreneurship notes that the UK economy misses out on 1.1 million new businesses and £250 billion of new value-added that could be realized if women start and scale new businesses at the same rate as men in the UK. Thus, supporting female entrepreneurship is an important step forward not only for the equality, diversity and inclusion agenda, but also to make the UK economy stronger and more competitive internationally.

International Women's Day: Are Women Holding Back Their Careers to Fit Gender Norms?

Rebecca Riley, WMREDI

Rebecca Riley discusses whether women hold back in their career plans to fit gender norms and if they feel uncomfortable earning more than their partner or male counterparts. This blog is part of an International Women's Day series.

The World Value Survey, says 36% of Americans agree with the statement "if a woman earns more money than her husband, it's almost certain to cause problems." In the European Union, this view is shared by 39% of the population. Even in a country like Finland, which is generally more liberal, 34% agree with this view. The percentage of households in the UK in which the female partner earns more than the male partner has steadily risen from 19.8 per cent in 2004 to 23.3 per cent in 2019.

The drop in the distribution

Marianne Bertrand and co-authors argue that this norm may put women with high-earning potential at a disadvantage, affecting the formation of couples. It may also restrict high-earning married women, forcing them to reduce their working hours. The drop in the distribution of relative earnings seen in the data, Bertrand suggests, reflects that couples are particularly keen to avoid the situation where the wife just out-earns the husband. This article has been widely cited both in the media (including in the New York Times, here and here, and in The Economist) and in academia. But are women in relationships really holding back their careers because of gender norms?

The convergence of roles

Goldin, suggests that the convergence of roles of men and women has been 'among the grandest advances in society and the economy in the last century'. There has been a narrowing of gendered differences in paid hours, hours of domestic work, lifetime workforce experience, occupations, university courses, access to education and there has been a convergence of earnings alongside this. The author highlights how the next step for real equity is flexibility, how work is structured and firms valuing work-life balance. Post-pandemic the demand for this flexibility is rising across both genders and we are seeing record retirement and job churn. The older workforce is leaving the job market and part-time, flexible working is one of the solutions to helping people stay in employment longer.

Work by the London School of Economics has highlighted that this gender pay gap convergence phenomenon is skewed by a specific group of couples the 15% of working couples – those women who work with their husbands and casts doubt on the interpretation of women conforming to earnings norms. They found that the distribution drop described by Bertrand happens when a couple run a business together, work in the same large firm, or has similar occupations, and are likely to have similar earnings, either because they are in comparable jobs or for tax purposes. This fits with relationships being formed in university or through work. After couples start to work together their earnings converge and this breaks the distribution pattern seen in the rest of the population.

This raises an interesting question about who these equal-earning couples are and how this equalisation phenomenon plays out. It is difficult, however, to find these couples in real life, especially at lower income levels. Some high-earning, influential couples do give us some insight into the shared backgrounds, education, values, insights, and skills that draw people together in supportive relationships, which can catapult women into important positions.

Women as CEOs

Marion O. Sandler of Golden West Financial Corporation (GWFC) became the second CEO of a Fortune 500 company in 1974 and stayed on the list until 1994. In 1995 there were no women, as GWFC dropped out of the 500, but she re-entered in 1996, the company went in and out of the top 500, with Marion as CEO until 2006 when the company was sold, her last year in the top 500. She remained one of only 2 women consistently in the Top 500 for nearly 30 years. Marion was Co-CEO of the company with her husband, and they built and established the company to have assets of over $125bn and 12,000 employees. They founded the Centre for Responsible Lending and the Centre for American Progress and worked together to build philanthropic investments until their deaths.

Since those early days, the number of women CEOs has grown, in 2023 among the top 500 companies only 41 women (8.2%) held the CEO position. Many of these women have husbands in the same industry in supportive roles or in equal roles in other companies. Mary T Barra CEO of General Motors (GM), the highest-ranking woman in the 2023 top 500, followed her father into the company, and she worked her way up through GM. She met her husband Tony at university, he is a consultant and has held various senior positions (President/Partner) in technology and consultancy firms. They both have senior jobs and, although given the size/value of GM, Mary will earn more, they have equally high-flying roles.

Flexibility and "Seesaw marriages"

Also in the top 500 is Jane Fraser CEO of Citi, whose husband (Alberto Piedra) was also a banker (Head of Global Banking for Dresdner Kleinwort, and prior to that Head of Bank of America's financial Institutions group in Europe) but gave up his role in 2009 to support Jane. However, he continues with a portfolio career, including serving on the Board of Dean's Advisors at Harvard. He is quoted as saying a successful banking career requires "opportunism and adaptability" something he seems to have applied in supporting his wife since 1996.

Former First Lady Michelle Obama calls her marriage a "seesaw marriage" with them each taking turns to step back and support the other at various points in their career. Michelle put her law career on hold to be the first lady, and now it's Barack's turn. She was an active First Lady and changed the shape of the role. She wrote in her memoir that they were two people in a full-on merger, with the well-being of the family taking precedence. Similarly, Jill Biden is the first president's wife with a PhD, and was the first wife of a sitting Vice President to hold a paying job, she also continues to teach as the First Lady. As a partnership, Joe and Jill Biden have had a similar supportive seesaw marriage.

Kamala Harris made history as the first female Vice President and brings with her another historic first—her husband, Doug Emhoff, serves as the country's first second gentleman. Prior to this, Harris was a two-term Attorney General in a state bigger than most countries. Harris and Emhoff met when both already had established successful careers, her as a lawyer and politician and he as an entertainment lawyer. As the 2020 presidential race drew closer, Emhoff (a partner at DLA Piper) knew he had to take a step back. He took a leave of absence from his law firm during the campaign and officially left once Harris was elected. Emhoff was frequently seen on the campaign trail alongside his wife. In preparing for his new role, Emhoff researched former second ladies to find a way to fulfil his new duties and support his wife. Their marriage has been described as "profoundly modern" and his support of his wife can be considered unwavering.

Dave Goldberg, the husband of Sheryl Sandberg, former COO of Facebook, was a vocal advocate for women in the workplace, Sandberg has said that picking a spouse, especially one who splits housework, is a woman's most important career choice. She followed that advice with her own husband, Dave Goldberg. Although Dave had his own successful career as CEO of SurveyMonkey, he was an equal partner and viewed his and Sandberg's careers as equal. Together, they made decisions for their futures, raised their two children, and pitched in around the house. She wrote her ground-breaking book "Lean In: Women, Work and the Will to Lead," which many women all over the world read.

Marrying your glass ceiling

Journalist and documentarian, Pete Paphides is the husband of author Caitlin Moran, and when they first had children, they tried to split childcare duties as evenly as possible. But as is common with work-from-home mothers (13.4% of mothers report they work from home compared to 10.7% of fathers), most of it still fell to Moran, who was writing a book in her head as she nursed babies and changed diapers. When their daughter turned one, Paphides began working from home so he could have a more flexible schedule and allow Moran to put her book on paper. Her resulting book, ***How to Be a Woman***, is all about feminism, and Moran notes the irony that it couldn't have existed without the support of a man. Caitlin comments "female peers I know flying high in their careers have partners who are scrupulous about equality in housework and childcare. Without exception, the ones who are struggling are the ones whose partners, for example, find laundry 'too confusing'. All too often, women marry their glass ceiling. And then, eventually, divorce them".

The negative view that women conform and hold themselves back to ensure they don't out-earn their partners is a bleak view of the capacity and capability of women. The LSE research mentioned previously, shows this is also not necessarily the driver, rather people are more likely to partner with people they work with, share interests with and have similar ambitions to. The examples above are a testament to Goldin's work, that the adage that "behind every great/successful man there stands a woman" is now equally relevant the other way round. Indeed, behind any successful person, there is likely to be a successful and supportive partner. People enter supportive relationships with a give-and-take that enables them both to succeed, equally. The negative interpretation of the situation suggests partnerships remain unequal even when the woman is capable of success, LSE's and Goldin's work seems to show that there are positive signs of equalising based on supportive shared relationships.

International Women's Week: Inequality Between Men and Women in the Workplace

Charlotte Hoole, Sara Hassan and Abigail Taylor, WMREDI

Inequality between men and women in the workplace takes on many forms, including unequal pay, disparities in working hours and promotions, and differences in social norms and caring responsibilities. In celebration of International Women's Week, Sara Hassan, Charlotte Hoole and Abigail Taylor discuss women in the workplace and how inequality can affect various factors like childcare and flexible working. This blog is part of an International Women's Day series.

According to the Institute for Fiscal Studies, in the UK the average working-age woman earned 40% less than the average working-age men in 2019, and 19% less per hour. While this gap has closed in recent decades due to the catch-up in the educational attainment of women compared to men, policy, the economy, and society continue to disproportionately impact women in and out of the workplace (IFS, 2021). Gender pay gaps are especially large at the top of the pay scale, with women in the top 90th percentile of earnings being paid 77% of their male counterparts compared to 90% in the bottom 10th percentile (IFS, 2021). Women are underrepresented in positions of leadership and make up only 39% of the boards of Britain's top 100 companies and 30% of those in UK management roles in the UK. The Reykjavik Index for Leadership measures the perceptions of both men and women about gender equality in leadership. In their latest report for 2021-22, the Index stands at 73 (where a value of 100 would indicate that men and women are equally suited for leadership) for G7 countries, showing how societal prejudice towards men being more suited for leadership roles still remains in society. Studies in the US have also shown how women are less likely to be promoted than men.

The past five decades have seen important increases in women's employment. For example, the proportion of women of working age in employment rose from 53% in 1971 to nearly 72% in 2021. Over the same period, the male employment rate has fallen from 91% to 78%. This is also true for mothers, with three in four mothers with dependent children in the UK in work between April-June 2021. Mothers are also now less likely to work part-time, with the proportion of employed mothers working full-time generally increasing with the age of their youngest child. However, despite increases in the proportion of employed mothers, considerably fewer mothers than fathers currently work. Possible reasons for this include men in families being less likely to adjust their working arrangements than women. Analysis of the Annual Population Survey reveals women are more likely than men to choose to work part-time to spend more time with family.

Research also indicates employed women with dependent children continue to spend more time than men on unpaid housework and caring responsibility. In 2019, a study led by Professor Anne McMunn at University College London found that "women still do the bulk of housework, even in couples with similar levels of education, time in paid work and shared beliefs about gender roles". They conclude that gender inequality and gender norms remain strong when it comes to housework and caring. On the issue of caring responsibilities, research carried out by the Centre for Progressive Policy revealed that in the UK, women provide 450 million hours of unpaid childcare each week in contrast to 186 million hours by men. They also find that unpaid care work for adults also disproportionately impacts women. Furthermore, they find that millions of women in the UK are prevented from taking on more hours of work, new roles and different jobs due to a lack of flexible working options available to them. Charities such as Pregnant Then Screwed and Mother Pukka are campaigning for change in this area.

The landscape of flexible working in the UK

Flexible working is a working arrangement that is designed to give flexibility over "where, when and the hours that people work". Different types of flexible working exist including:

- job sharing,
- working from home,
- working part-time,
- working compressed hours (where employees work full-time hours over fewer days),
- flexitime,

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- annualised hours (where employees work a specified number of hours over a year but have some flexibility over then work these hours).
- staggered hours (where employees have start, finish and break times from other employees)
- phased retirement.

The timeline below shows how maternity and flexible working rights have been built up gradually over the last six decades. The laws are designed to ensure employment protection and equality. Following the UK joining the EU in 1972, EU provisions were frequently translated into UK law until 2020 when the UK left the EU. The UK preceded the EU in introducing some policies such as flexible working rights.

Figure 1: Key milestones in maternity and flexible working rights in the UK
[Adapted from working families](#)

1957 EU Treaty of Rome – Established principles of freemovement of people, goods, services and capital

Early 1970s
1970 Equal Pay Act – enshrined the right to pay equality between women and men.
1975 Sex Discrimination Act – protection from discrimination on grounds of sex of marital status

Mid and late 1970s
1975 Employment Protection Act – limited rights to maternity leave and pay. Right to work after maternity leave. Dismissal unfair if due to pregnancy or maternity
1975 Race Relation Act – protection from discrimination on race grounds
1976 EU Equal Treatment Directive – established principle of equal treatment for men and women in access to jobs, training and working conditions

Early 1990s
1992 EU Pregnant Workers Directive Granted maternity leave for 14 weeks of which 2 weeks must occur before birth. Established women must not be dismissed from work due to pregnancy or maternity leave. Introduced paid time off for antenatal care.
1993 EU Working Time Directive – maximum 48-hour working week, right to rest period, right to a minimum amount paid holiday.

Mid 1990s
1995 Disability Discrimination Act – projection from discrimination in emploment on grounds of disability
1996 Employment Rights Act – paid time off or antenatal care. Protection for individuals made redundant whilst on maternity leave
1997 EU part-time work Directive – established part-time workers must not be treated less favourably than full time workers

2000s
2000 EU General Framework Directive
2000 EU Race Discrimination Directive
2002 Employment Act – introduced 2 weeks paid paternity leave, adoption leave, right to request flexible working for parents
2006 Work and Families Act – extended maternity leave to 52 weeks, introduced additional paternity leave, extended right to request flexible working to carers

2010s onwards
2010 Equality Act – consolidated and strengthened equality legislation, made provision for gender pay reporting
2014 Children and Families Act – introduced Shared Parental Leave, extended rights to unpaid parental leave, extended rights to adoption leave and pay, right to request flexible working extended to all employees

Flexible working in the UK was first introduced in 2003 when the UK Government introduced the 'right to request flexible working' for parents and certain other carers. Since 2014, all employees with at least 26 weeks of continuous employment, regardless of parental or caring responsibilities, can apply for flexible working. The right to request flexible working does not extend to all categories of workers, for example, certain agency workers are not entitled to apply for flexible working. For those who are eligible, applications must be made in writing and employers are required to consider flexible requests in a 'reasonable manner' and are expected to generally make a decision within 3 months of receiving the request.

Numerous reports have emphasised the business case for employers investing in flexible working. For example, a recent report for Mother Pukka and Sir Robert McAlpine found that "***current levels of flexible working already***

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

deliver a £37 billion-a-year boost to the UK" and that "***by increasing flexible working rates by 50 per cent, its value could rise from £37 billion to £55 billion***". Benefits of flexible working cited by the CIPD include improved engagement, job satisfaction and loyalty; reduced absenteeism and improved well-being; and improved employee retention and progression.

Does it take a village to raise a child? The importance of flexible working for women with children

The African proverb "it takes a village to raise a child" sends the message that it takes the support of many people ("the village") to provide a safe, healthy environment for children. This implies that parents, siblings, extended family members, neighbours, teachers, professionals, community members and policymakers, all share a responsibility to care for a child. In the past, in many countries including the UK, direct care to the children and/or support to the parent in looking after their children was provided. However, the village, today, looks very different, communities are fragmented and dissipated. Many individuals are increasingly isolated and are not eager or keen to ask for, or provide help to, others. Studies show that migration, family breakdown, economic pressures, long working hours, and increased mobility have all contributed to families feeling less connected to extended family members and others around them. The social networks that women relied on are nowadays very different.

Direct social networks are usually complemented by having reliable childcare. However, in the UK the real costs (see the 2022 Working Families Index) of childcare are prohibiting many women from having a fulfilled work arrangement whether it's flexible or not. During lockdown in 2020 and until now many women struggle with the burdens of care making them vulnerable in the labour market. Not to mention, the massive disparity between parental leave for men vs women that further complicates those inequalities directly affecting women's work and career progression.

As discussed in another City-REDI blog, the UK stands out compared to other countries in terms of the high cost of childcare, and inequalities in childcare use across income groups. Consequently, childcare can be a barrier to employment for parents, particularly women. Within this context, providing flexible working is important in offering parents additional options to balance looking after their children and pursuing their careers. Alongside investing in childcare infrastructure, companies could foster employee engagement, satisfaction and retention by taking a proactive approach to flexible working.

Nonetheless, it is also important to recognise the need for flexibility among all women including those without children or other care responsibilities. Evidence from the Working from Home during COVID-19 Lockdown Project, led by Professor Heejung Chung from the University of Kent's School of Social Policy, Sociology and Social Research, and Dr Holly Birkett and Dr Sarah Forbes from Birmingham Business School, suggests that demand for flexible working rose among non-parents during lockdown as they saw the advantages of working more flexibly. However, research conducted by Krystal Wilkinson from Manchester Metropolitan University indicates that non-work parents can be reluctant to request flexible working or other changes at work due to being unfamiliar with how the law has changed to extend flexible working rights to non-parents and carers.

Many policy interventions can help address these issues including incentivising men to share caring responsibility through paternity pay and shared parental leave. Studies suggest that well-paid paternity leave provision and affordable childcare are key to addressing gender inequalities. This will also address issues of male-dominant workplaces and women being less visible in the workplace because of flexible working which has detrimental effects on women's promotions and opportunities for progression. Recently, the UK government announced reforms that enable flexible working arrangements as a default right for both men and women allowing equal opportunity.

International Women's Day: Mind the Gap

Alice Pugh, WMREDI

In celebration of International Women's Day, Alice Pugh looks at how employers can help women overcome the obstacles they face in the workplace. This blog is part of an International Women's Day series.

Research shows that women start their careers with as much ambition as men on average (Abouzahr ***et.al***,2017), and in an international survey by The New York Women's Foundation, 59% of women stated that ambition was essential to a successful career. Therefore, why are there significantly fewer women in senior leadership roles compared to men?

Figure 1 below shows the number of corporate managers and directors in the UK by gender, the graph clearly demonstrates that there are far more men in the most senior positions compared to women.

As of 2021, 66% of corporate managers and directors were male, with 34% female. The question this blog aims to answer is – why women are hitting a glass ceiling and unable to reach the same career level as men?

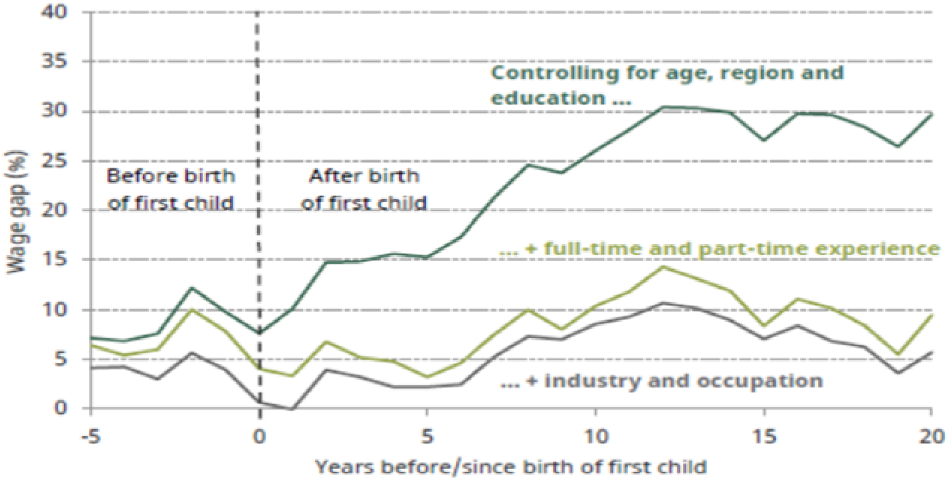
Source: Annual Population Survey, 2022

The Motherhood Penalty

Claims are often made that women are less ambitious than men when it comes to occupational gain because they have greater ambitions to be mothers. However, research has shown that mothers when surveyed were as equally ambitious as women without children (Abouzahr ***et.al***,2017).

Nevertheless, even though mothers are as ambitious as women without children, having a child can have a significant impact on women's wages and career progression. Figure 2 below is based on research by Costa Dias ***et.al*** (2018), which demonstrates the impact that having a child can have on a women's career progression in the UK. The figure models the gender difference in wage progression following the birth of the first child. The research found that before the birth of a first child, there is a pay gap between men and women but following the birth of a first child this gap rapidly grows, generally increasing over time.

Figure 2: Gender wage gap by time to/since the birth of a first child, controlling for association between wages and other characteristics

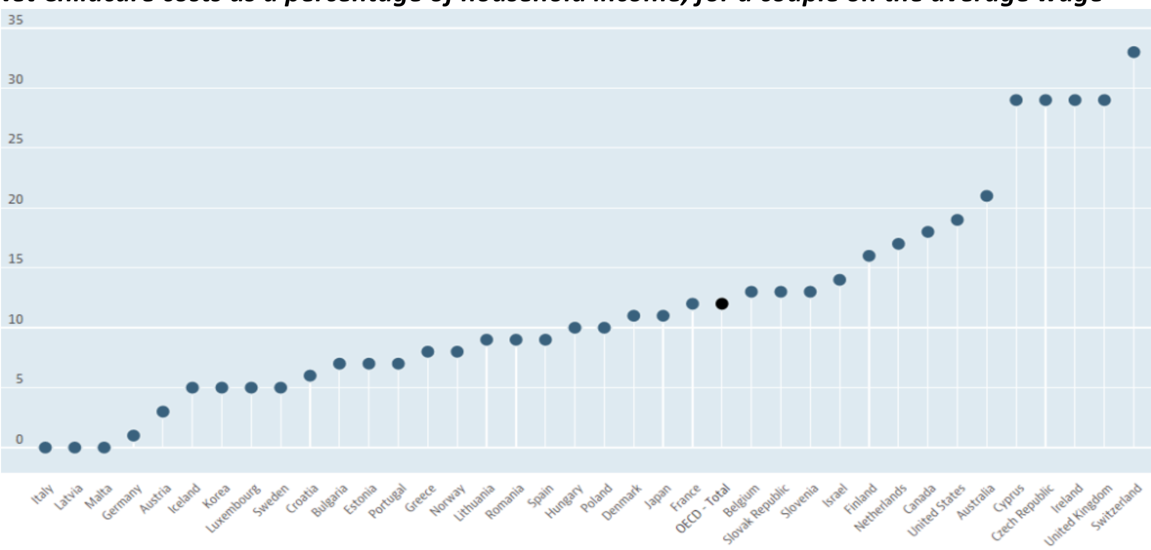


Source: Costa Dias et.al, 2018

However, rather than being a mother, the divergence was largely due to a symptom of becoming a mother, which is childcare. Many new families cannot necessarily afford to pay for full-time childcare; therefore, one parent usually must go part-time to care for their child or children. According to research from [Pregnant then Screwed] and Mumsnet (2022), in a survey of more than 26,000 parents of young children in the UK, 62% said that their childcare costs the same or more than their monthly rent/mortgage. With 43% of mothers stating that they have considered leaving their job due to the costs and 40% saying they have to work fewer hours than they would prefer as a result of childcare costs. This is no surprise given the UK has some of the highest childcare costs in the developed world, with net childcare costs for a couple on the average wage, accounting for 22% of the household income.

As can be seen in Figure 3 below, this is the second highest cost out of the OECD countries, with only Switzerland having a higher cost for households, the OECD average is 9% of household income.

Figure 3: Net Childcare costs as a percentage of household income, for a couple on the average wage



Source: OECD, 2021

Societally the role of childcare provider falls to the mother, once women start part-time work to care for their child this shuts down wage and career progression (Costa Dias ***et.al***, 2018 and Bukodi ***et.al*** 2012). Whilst the average full-time employee sees year-on-year wage growth, as a result of increased experience, part-time workers experience virtually no growth once they begin part-time work. The research found that the gender difference in rates of part-time and full-time work accounts for half of the widening of the gender wage gap in the first 20 years of a family's first child's life (Costa Dias *et.al*, 2018).

Attack of the Clones

Studies by Atkinson, 2011; White et.al, 2012; Bagilhole, 2016; Shepard, 2017; and Kumra, 2010, all identify that there was a tendency for social cloning in the promotion process. Whereby, those in positions of authority tended to seek to champion and promote individuals who were similar to themselves. The similarities could take many forms, including career path development and leadership style. Given that many senior positions are often male-dominated, it places women at a disadvantage, as they are less likely to be seen as possessing the relevant qualifications of the archetypal candidate. Research has also found the process of social cloning strengthens where informal systems for hiring and promotion are conducted through networks (Leung *et.al*, 2015).

The Old Boy's Club

Several different studies have found that male employees are more likely to spend time socialising with male employers or managers, comparative to female employees. The result of these informal networks is that male employees can engage in self-promotion when in social or networking settings more than women, especially as men are more likely to make up managerial positions the higher they progress. This can then lead to greater opportunities to receive more high-profile projects than the female counterparts, leading to increased development of career capital and thus a greater likelihood of promotion opportunities. These networks also allow for greater sharing of opportunities and promotion of successful work. Additionally, women are usually excluded from these socialising opportunities as a result of childcare responsibilities, which can limit their ability to actively engage in these informal networks (Jones, 2019).

The Equality and Human Rights Commission found in the UK that a third (32%) of the FTSE 350 companies still rely heavily on personal networks of current and recent board members to identify potential candidates, with the majority of these companies not even advertising new posts and simply looking through their networks. Finding that women have less access to these networks than men especially as women are less likely to be promoted to senior positions in the first place to engage in such closed networks.

Solutions to help women progress

Flexible working

Offering the opportunity for greater flexible and agile working environment, especially in senior positions, could help women's work progression. Especially, as it may lessen the time spent working part-time which appears to be the largest detriment to a woman's career progression (Jones, 2019). Additionally, the implementation of flexible working may allow for a more equal distribution of childcare responsibilities between couples, as it would also enable men to take on more childcare responsibilities than they have in the past (CMI and GEO, 2019). Potentially it could also help retain and attract female employees and reduced economic inactivity amongst this group (ibid).

Childcare Sector Investment

The Centre for Progressive Policy (Franklin and Hochlaf, 2021) found that if women had access to adequate childcare services, and were able to work the hours they wished, it would increase their earnings by £7.6bn to £10.6bn per annum- potentially generating up to £28.2bn in economic output per annum. They recommended that the government should provide greater funding for subsidised childcare, especially in a child's early years and during school holiday periods. Such investment would enable parents to afford childcare, whilst ensuring that there is capacity in the sector, improving both parents' abilities to commit to a greater number of working hours.

Clear hiring policies

Women often miss out on progression opportunities because processes around hiring and progression are often quite opaque and informal, in many cases with job opportunities and sponsorships happening without women having access to the mechanisms of how they work (Jones, 2019). Often the old boys club and self-cloning of managers can play a part in the offering of promotions and notification of career opportunities. A clear, transparent, and formal hiring process can reduce the risk of these barriers. However, as found by Jones (2019) this has to be supported by accountability mechanisms, otherwise, these processes can be seen as symbolically meritocratic procedures and actually have a negative impact.

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

Black Country Consortium Economic Intelligence Unit

On the 9th March 2023, 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 for non deduplicated job adverts.

Nationally, between the 24th February and 3rd March 2023, total online job adverts increased by 4.0%. On the 3rd March 2023, total online job adverts were at 115.4% of their average level in February 2020. Out of the 28 categories (excluding unknown) 17 increased; the largest weekly increase was in "transport/logistics/warehouse", which rose by 52.2% (to 201.3% of the average level in February 2020). "Property" remained at the same level at 86.3% of the average level in February 2020. In contrast, of the 10 categories that decreased, the highest decrease was in "scientific/QA" which fell by 11.2% (to 102.7% of the average level in February 2020). There were 6 categories that were below the February 2020 average level, with the lowest in "sales" at 80.9%.

Excluding East Midlands and Northern Ireland (which decreased 0.1% and 0.2% respectively), online job adverts increased for all other UK regions between the 24th February and 3rd March 2023. The West Midlands online job postings rose by 2.3% and on the 3rd March 2023, it was at 114.1% of the average level in February 2020. On the 3rd March 2023, only 2 regions were below their February 2020 levels (London 98.3% and the East of England 96.4%). In contrast, Northern Ireland was the highest at 161.9% of the average level of 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 26th February 2023, across the UK, there were 73 employers proposing 6,241 potential redundancies. The potential redundancies 4-week rolling average was 7,471 and the employers proposing redundancies 4-week rolling average was 69.

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 152 and the employers proposing redundancies 4-week rolling average was 125.

System Average Price of Gas and System Price of Electricity

The System Average Price (SAP) of gas decreased by 1% in the week to 5th March 2023 (from the previous week), it was 63% lower than the equivalent level in 2022. However, when compared to the pre-Covid-19 baseline, SAP of gas was 419% higher. The System Price of electricity rose by 15% in the week to 5th March 2023, it was 48% lower than the equivalent level in 2022, but 348% higher than the pre-Covid-19 baseline.

Business Insights and Conditions Survey

The final results from Wave 77 of the Business Insights and Conditions Survey (BICS) based off the 5,322 businesses surveyed across the West Midlands that businesses have a presence in with a response rate of 27.3% (1,453) and 3,283

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businesses that are head quartered in the West Midlands, with a response rate of 25.6% (840). Please note, the survey reference period was 1st to 31st January 2023 with a survey live period of 20th February to 5th March 2023. Also, the data used is unweighted for regions and response levels can be low so the following results should be treated with caution when evaluating impacts. Due to weighted data being available for the UK a comparison has not been included.

International Trade

32.2% of responding West Midlands businesses reported to exporting within the last 12 months, 5.2% reported to exporting over 12 months ago. While 48.3% of West Midlands businesses reported to have never exported and do not have the goods or services suitable for export – although, 7.5% reported to never exporting previously but have goods or services that could be developed for exporting.

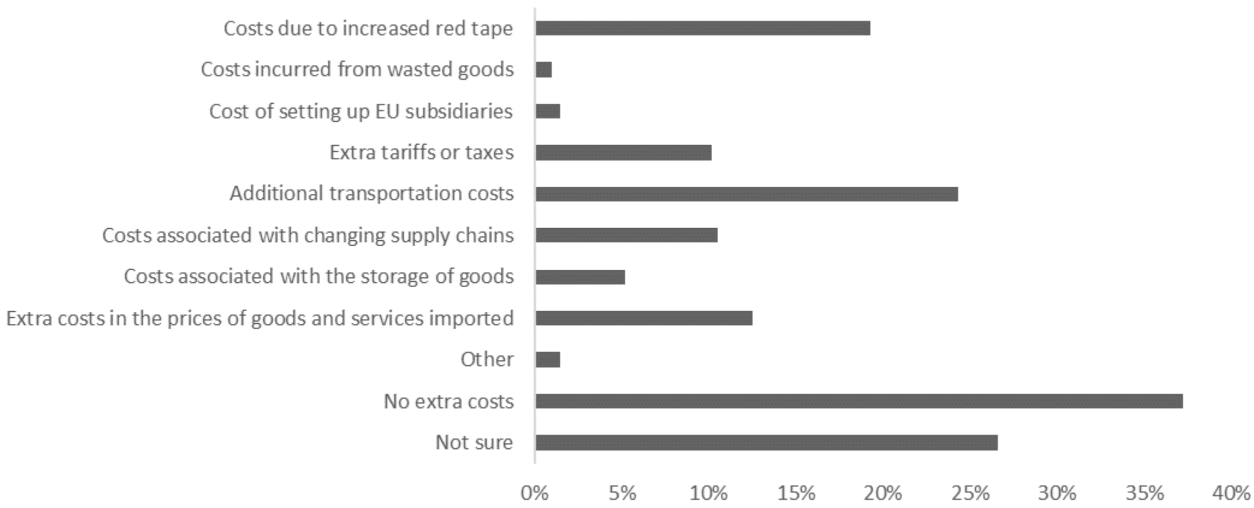
51.5% of West Midlands businesses reported that exporting stayed the same in January 2023 when compared to January 2022. 17.5% of West Midlands businesses reported to exporting less and 16.7% reported to exporting more.

55.5% of West Midlands businesses reported that importing stayed the same in January 2023 when compared to same month in the previous year. 13.5% of West Midlands businesses reported to importing less and 14.8% reported to importing more.

Supply Chains

24.3% of responding West Midlands businesses reported additional transportation costs due to the end of the EU transition period.

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



2.1% of West Midlands businesses reported to intending to open new branches or subsidiaries in the EU in the next 12 months.

80.9% of West Midlands businesses were able to get the materials, goods or services it needed from the EU in January 2023. Of this, 13.2% of West Midlands businesses were only able to get the materials, goods or services it needed by changing suppliers or finding alternative solutions. While, 5.6% were not able to get materials, goods or services needed.

90.1% of West Midlands businesses reported disruption from the above challenges. The 90.1% can be split by 8.1% reporting major disruption, 41.2% reporting moderate and 40.8% reported minor disruption. While 4.8% reported no disruption.

Global Supply Disruption

12.4% of responding West Midlands businesses reported experiencing global supply chain disruption in January 2023. In contrast, 53.6% reported none.

39.1% of West Midlands businesses reported the main reason for global supply chain disruption was due to shortage of materials.

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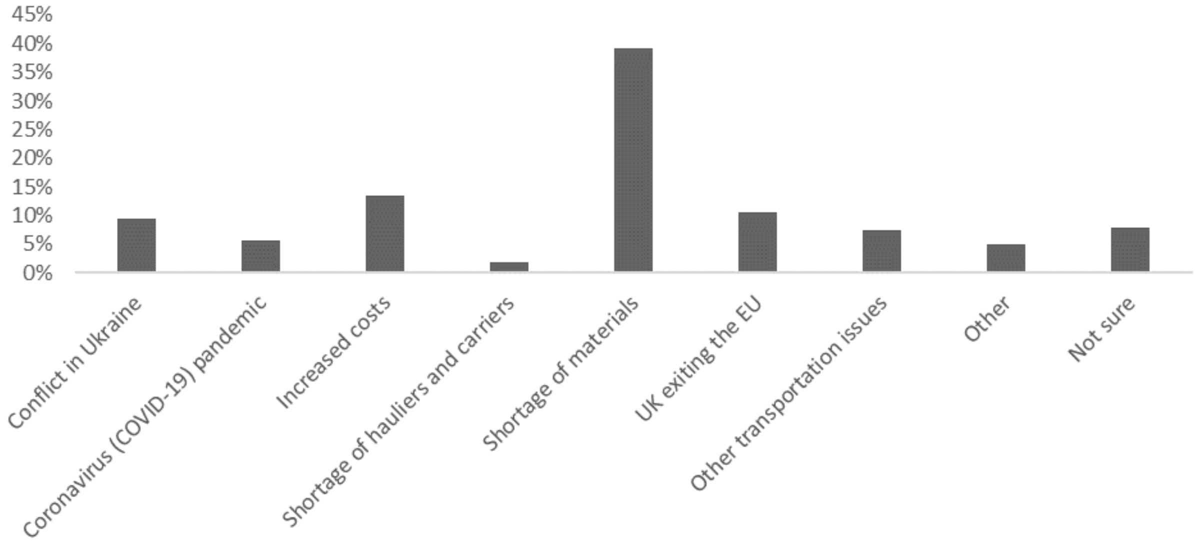
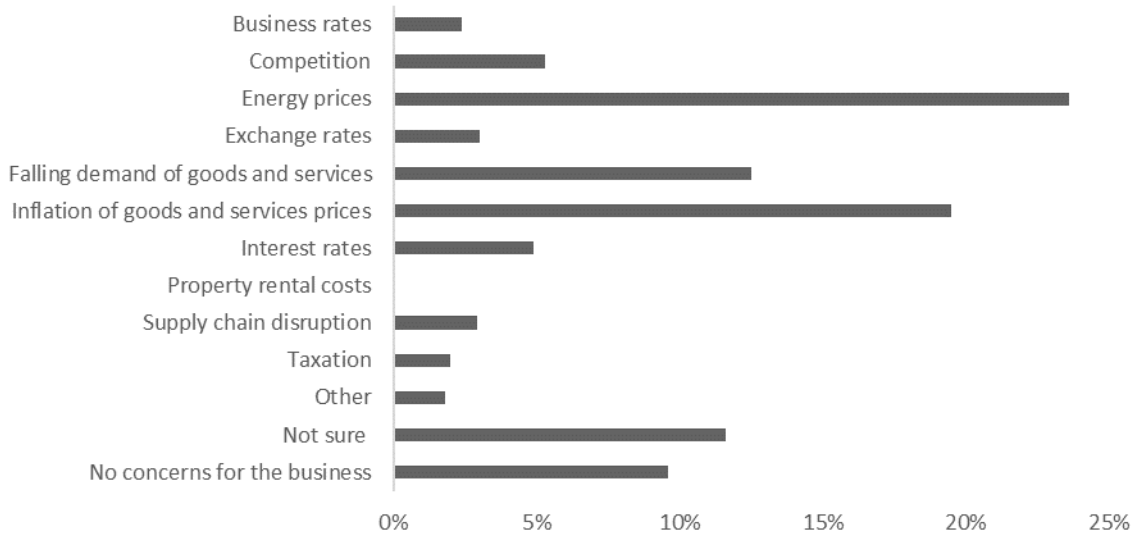
Main reason for West Midlands businesses global supply chain disruption:



Main Concerns for Business

23.6% of responding West Midlands businesses expect the main concern for business in March 2023 will be energy prices.

The main concern (if any) for businesses in the West Midlands in March 2023:



Worker Shortages

20.8% of responding West Midlands businesses reported to currently experiencing a shortage of workers.
57.9% of West Midlands businesses reported employees were working increased hours due to the shortage of workers.

How the shortage of workers affected West Midlands businesses:

Hourly Wages

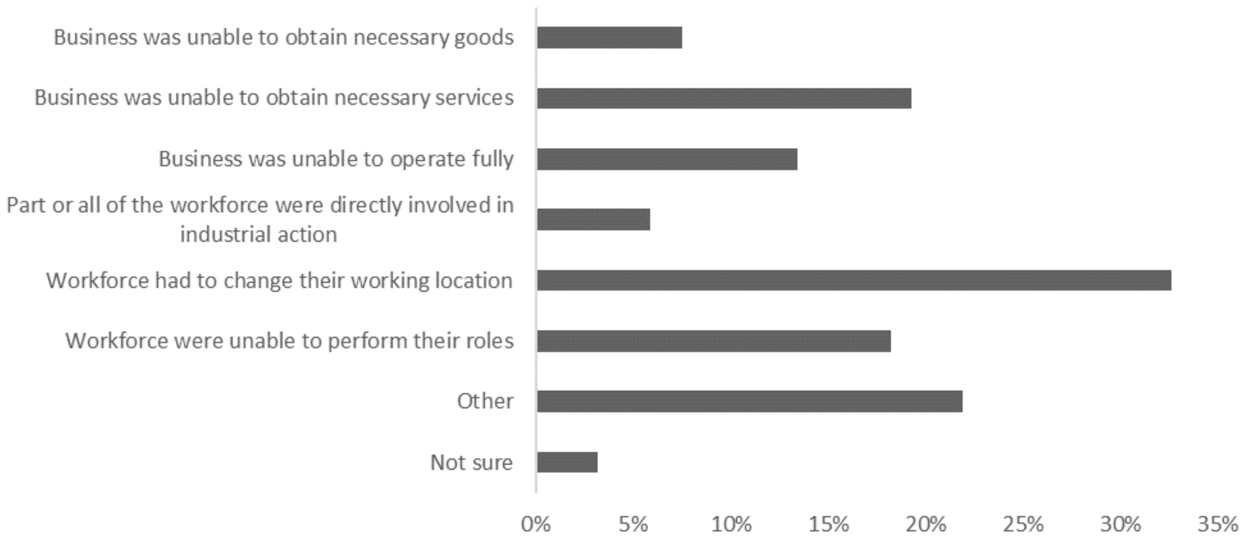
68.1% of responding West Midlands businesses reported on average employees' hourly wages in January 2023 when compared to the previous calendar month had stayed the same. While 23.0% reported wages had increased and 1.3% reported wages had decreased.

Industrial Action

13.0% of responding West Midlands businesses reported to being affected by industrial action in January 2023. Although, 58.7% of West Midlands businesses reported not being affected by industrial action.

32.6% of responding West Midlands businesses reported 'workforce had to change their working location' from the reasons listed to how the business was affected from industrial action in January 2023.

How West Midlands businesses were affected by industrial action in January 2023:



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 22nd February and 5th March 2023, (the "latest period") and 8th and 19th February 2023 (the "previous period").

Personal experiences of Shortages of Goods
27% of responding adults experienced shortages of essential food items that were needed on a regular basis in the past two weeks (an increase from 18% in the previous period).
35% of adults reported that they could not find a replacement when the items they needed were not available when food shopping in the past two weeks (an increase from 25% in 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 (84%), economy (74%) and climate change & the environment (61%).

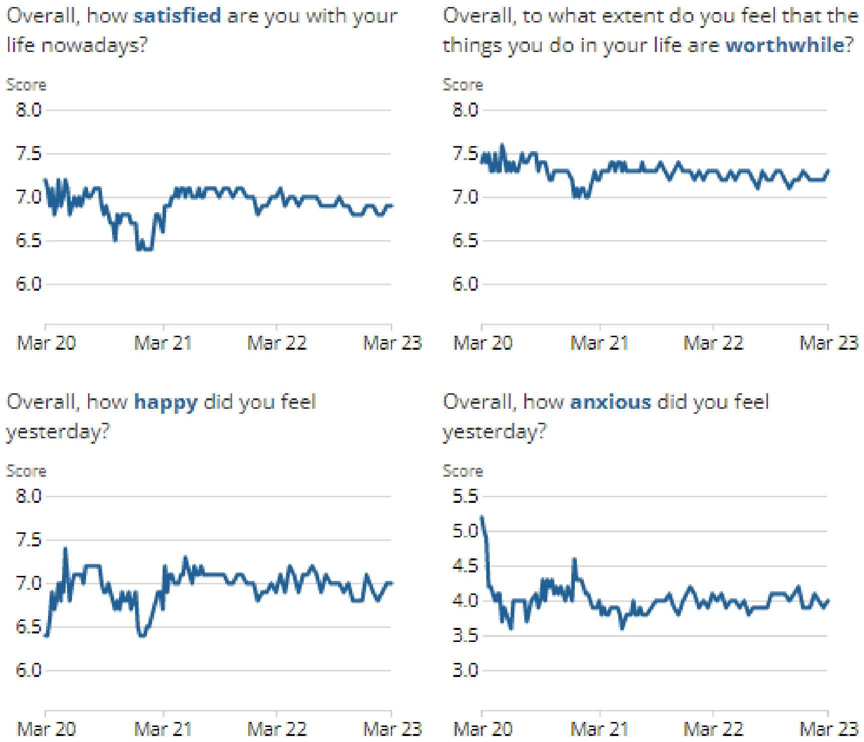
Impacts of Industrial Action
In the latest period, 40% of responding adults reported industrial action as an important issue in the UK today.
25% of adults reported that they had been impacted by industrial action over the last month.

Paying Energy Bills
48% of responding adults who pay energy bills said they found it very or somewhat difficult to afford them in the latest period (same as the previous period).

Rent or Mortgage Payments
30% of those who are currently paying rent or mortgage payments reported that these payments have gone up in the last six months (up from 27% in the previous period).
32% 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).

Personal Well-Being
Life satisfaction – 6.9 in the latest period (same as the previous period).
Feeling that the things done in life are worthwhile – 7.3 in the latest period (up from 7.2 in the previous period).
Happiness – 7.0 in the latest period (same as the previous period).
Anxiety – 4.0 in the latest period (up from 3.9% in the previous period).

Levels of personal well-being, Adults in Great Britain, March 2020 to March 2023:



Source: Office for National Statistics – Opinions and Lifestyle Survey

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Headlines

SECTOR	KEY INSIGHTS
Cross Sector	**Outlook** Recent indicators suggest some positive shifts in local and national economies – with **inflation falling and business confidence stabilising or rising.** **Business confidence in the West Midlands surged during February, according to the latest figures from Lloyds Bank Commercial Banking, making it the most positive of all UK regions and nations.** The Business Barometer said confidence in the region rose by 30 points to 48 per cent. **A net balance of 50 per cent of firms expect to increase staff levels over the next year, up 26 points on last month**. Companies in the region reported higher confidence in their own business prospects month-on-month, up 33 points at 57 per cent. **When taken alongside their optimism in the economy, up 29 points to 41 per cent, this gives a headline confidence reading of 48 per cent.** These findings are backed up by other reports, such as the latest Accenture/ S&P Global UK Business Outlook – **showing that West Midlands business confidence has more than doubled to + 46 per cent**, the largest increase seen by any UK region. This reflects that, while stark challenges remain in the current business environment – **high energy costs, industrial action, labour and skills shortages, material costs and supply, and investment pressures** – elements of confidence and success do exist. According to EY's latest Regional Economic Forecast, the **West Midlands is also set to be one of the fastest growing regions.** It reports that the West Midlands is one of five regions set to match or beat UK average annual GVA growth of 2.1 per cent between 2024 and 2026. Furthermore, **deal activity in the Midlands returned its strongest year to date in 2022, according to a report from Experian Market IQ.** The company's latest M&A Review said there were **1,068 transactions in the region, up by 2.3% year-on-year and a total value of £26.8bn, up by 22.6%.** The Midlands was the UK's busiest region for deal-making outside of London and the South East, with an involvement in 12 per cent of total value and 15 per cent of the total volume of all UK deals. A clear message coming from the West Midlands business community is **shifting the narrative from challenge to opportunity.** **Trading Environment** However, local businesses are still facing huge pressures, particularly from **soaring energy costs, supply chain disruption and ongoing recruitment challenges.** In particular, labour costs and utility costs are still heavily impacting on local businesses, with businesses pleading for support in the Spring Budget and beyond. A consistent, cross-party approach to policy has been called for from across sectors, focused on a **proper long-term industrial strategy that is up to date.** This should be the public and private sector working collaboratively, providing incentives for investment and growth.

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SECTOR	KEY INSIGHTS
	In the shorter term, The Federation of Small Businesses (FSB) is leading a coalition of business groups to call for a **"Help to Green" scheme that could help increase energy efficiency.** **In addition:** • There are **ongoing complaints about the planning system**: process is rigid, outdated and subject to unrealistic conditions leading to delays in growth strategies. Calls for more leniency and flexibility. • **The impact of industrial strikes continues to damage businesses across sectors and regions.** ONS analysis highlights key industries and areas affected. **In December 2022, 24 working days per 1,000 employees were lost in the West Midlands**, below the regional average. • FSB have continued their **campaign around late payments** through a report "Time is Money", recommending **payment reform t**o support small businesses. **Labour Market** • Businesses are still struggling with labour supply and demand issues, along with the challenges of finding adequately skilled staff. Local employers continue to highlight **skills shortages, recruitment challenges and competition for workers**, fuelled by low unemployment and increasing economic inactivity levels. Specifically: - **Candidate shortages are present across the board** and wider labour market issues remain. - Businesses have reported a **rise in the cost of wages throughout 2022 and more recently**. - Apprenticeships (including degree apprenticeships) will be a critical part of solving labour market issues. And yet, **the Apprenticeship Levy does not work for many businesses: in particular it's not flexible enough and is hard to navigate.** - There remains a **need for leadership and management training** to maintain, refresh and upskill senior leaders to drive businesses forward effectively. - Concerns are being raised that **training will become less of a priority given rising cost of doing business.** - The link between infrastructure / connectivity and the labour market – e.g. **getting people from home to work** – has also been highlighted as a challenge to tackle across the region. - Feedback has also shown a **digital skills shortage in the labour market, as businesses look to upskill both young and older members of the workforce to meet the new demands** that their businesses are facing. - The **high volume of West Midlands residents leaving the workforce** is adding to the pressure facing businesses. - The **burden of childcare is a major barrier to inactive workers re-entering the workforce.** Some local firms have commented that they have **struggled to get workers back in employment as these workers saw that the incredibly high cost of childcare** meant that it would be more financially viable for them not to enter full time employment right now. **Access to Finance** • Despite being the ones who need external funding the most, **early-stage businesses are suffering tremendously from a lack of affordable funding options.** Debt has become

SECTOR	KEY INSIGHTS
	more expensive, sales have flatlined or dropped in some industries and there is a dearth of pre-seed equity funding. Owing to all these, the reduction in the number of grants and public funding options is not helping. **Businesses cannot wait for the new SPF-led funding/grant programmes to come through.** • Businesses cannot **find grants to help with operational matters such as, marketing, hiring, and supply chain issues.** **High Performers** A host of recognisable names have been included in **Insider's list of the top 25 Midlands "Gazelles"**, with a broad range of industries represented. To make the list a company had to have shown more than **20% annual growth in turnover consistently over three years**. It also had to have started that period with at least £1m turnover. WMCA-based companies in the list are: • **Likewise Group**, (Birmingham, distributor of floorcoverings and mattings) • **Facepunch** (Birmingham, game developer) • **Fortess Operations** (Kingswinford, McDonald's restaurants) • **GymShark** (Solihull, apparel) • **Stiltlz** (Kingswinford, home lifts) • **Granemore Group** (Coventry, site preparation) • **Oakland International (Redditch, Food storage and distribution)**
Manufacturing	• **Manufacturing output volumes fell at their fastest pace since September 2020 in the three months to February**, according to the CBI's latest Industrial Trends Survey. • The survey found that **expectations for selling price inflation were at their lowest since May 2021**, having declined steadily from the multi-decade highs seen in early 2022. **But expectations for selling price inflation remained well above their long-run average.** • The **volume of total order books and export order books were reported as below normal**, while stocks of finished goods were seen as broadly adequate. • There are more concerns about the **sustainability and competitiveness of the UK steel industry** – particularly related to net-zero linked investment in green steel (or the lack of it), and more immediately the potential for • **A number of manufacturing firms have said they are having to use previous cash liquidity which has been accumulated in their business to ensure that they have enough profit to pay their staff for the next 4 months,** after which they predict that their turnover would increase with an easing of price pressures. Another measure being used is **4-day weeks.** • New research from national audit, tax, advisory and risk firm Crowe shows the vast majority (**81 per cent) of the UK's manufacturing sector believe they are not receiving adequate government support in light of ongoing economic instability.** Despite this, sustainability remains in focus as 66 per cent have continued to invest in becoming carbon neutral.
Low Carbon / Net Zero	• Research has shown that more **businesses are now taking steps to net-zero and sustainability and will do in future.** • There are **several elements to the net-zero journey that will depend on businesses individual operations and sectors**: for example, operational emissions, material efficiency / recycling, manufacture of decarbonised products. • There is no excuse for not doing more on net zero, and no business is too small to contribute to sustainability. But **many businesses don't know where to start on their net zero journey and have other immediate crises to deal with (e.g. energy costs**). There is however an element of businesses needing to "help themselves" in net-zero ambitions / other activity.

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SECTOR	KEY INSIGHTS
	• Businesses of all sizes must be encouraged to **make realistic step-changes on their net zero journey, including by bringing sustainability into common conversations** rather than just being "nice to have", and **brokering relationships between SMEs and universities / larger organisations.**
Services	• Businesses involved in **service sector activities such as, but not limited to, commercial cleaning firms, seeing a reduction in demand for their services as clients are cutting back on costs or going out of business.** • The number of **new technology companies incorporated in the West Midlands increased 25% in 2022**, according to analysis of Companies House data by audit, tax and consulting firm RSM UK. A **total of 2,378 tech businesses were incorporated in the West Midlands last year, up from 1,901 the previous year.**
Hospitality and Retail	• The hospitality and retail sector have noticed a slight uptake since the start of the year as **customers seem to have got over the "winter hibernation" period**, whereby customers are reluctant to eat out. However, this **increased footfall only seems to be seen in out-of-town hospitality and retail outlets,** with many inner-city outlets still experiencing difficulties. • However, in general hospitality is going through a tough time. **Owners have explained that they feel overlooked and that the significance and impact the sector has on employment and job creation is ignored.** Most are not seeking handouts but rather **reform around business rates and a fresh look at the level of VAT being paid**, that some feel is inappropriate to this industry. • The ongoing cost of living is having a well-documented effect on the hospitality sector, **but the knock-on effects are now being felt in the supply chain**. For example, suppliers of meat, vegetables and packaging have all reported decreases in order sizes. • According to PWC / the Local Data Company, the **West Midlands was the part of the country most impacted by retail store closures in 2022.** This is despite the region's **store closure rate slowing for the first time in 7 yearly period**. Overall, across the UK, chain outlets are closing at their slowest rate since 2014.

New Economic Shocks

COMPANY	LOCATION	SECTOR	DETAIL
Imperial Bathrooms	Aldridge	Manufacturing	Imperial Bathrooms on Empire Industrial Estate, Brickyard Road, Aldridge, ceased trading with the loss of all jobs. Some of the assets of one of Walsall's oldest domestic bathroom manufacturers have been sold by administrators.
Robinson Brothers	West Bromwich	Chemicals Manufacturing	Robinson Brothers in Phoenix Street, West Bromwich, is in consultation with the Unite and GMB unions over a potential 30 job losses from its 237-strong workforce. Adrian Hanrahan, managing director of the 154-year-old business, said that the company was facing a "perfect storm" from the impact of lost trade due to Brexit, cheaper costs of manufacturing for Chinese rivals and rising energy costs.
Marston's PLC	Region-wide	Pubs	Pub group Marston's has put 61 pubs on the market after a review of its estate. Reportedly, around eight of these are in the West Midlands.

COMPANY	LOCATION	SECTOR	DETAIL
Monks & Crane	Wednesbury	Manufacturing	An industrial supplies company which has its head office in Wednesbury has collapsed into administration after suffering Covid-related losses. Damian Webb, Tom Straw and Chris Lewis of RSM UK Restructuring Advisory were appointed joint administrators of Monks & Crane Industrial Group on 24 February. Founded 160 years, the company specialises in the sourcing and distribution of high quality industrial products for customers across the UK.

New Investment, Deals and Opportunities

COMPANY	LOCATION	SECTOR	DETAIL
Rendel	Birmingham	Engineering design consultancy	Engineering design consultancy, Rendel, has marked a key milestone in its growth journey by moving to a new permanent office space in Birmingham, following a number of significant contract wins.
HR Duo	Birmingham	HR/Tech	An Irish HR tech company has opened new offices in the cultural and creative heart of Birmingham as part of its multi-million-pound expansion plans
Recyclus Group	Tipton	Automotive	Recyclus Group has revealed it is in "advanced discussions" with companies from around the world as it prepares to launch the UK's first industrial-scale recycling capability for lithium-ion batteries. It already recycles lead-acid batteries at its site in Tipton and has now reached the final stage of approvals from the Environment Agency to handle lithium-ion batteries.
Latham's Steel Security Doors	Tividale	Manufacturing	Latham's Steel Security Doors has opened a £2.5m warehouse and office at its premises in Tividale.
Slow Food Birmingham	Jewellery Quarter	Food	Plans have gone in for an urban farm at the top of a car park in Birmingham's Jewellery Quarter. As well as the urban farm, the plans for the Vyse Street site from Slow Food Birmingham include glass houses, a community space and garden, education hub and cafe.
Tata Technologies	Leamington Spa	Engineering & Digital	Tata Technologies, the global product engineering and digital services company, has announced its plans to scale up its West Midlands operations that will see the creation of around 350 jobs in the region.
Bloom & Wild	Nuneaton	Florist	Online florist Bloom & Wild has acquired space in Nuneaton as part of its growth plans. Bloom & Wild was looking to put down roots in the area and its acquisition is one of seven deals recently completed by Coventry-based commercial property agent Holt Commercial.
Guthrie Douglas	Warwick	Manufacturing	A specialist blinds company whose products feature on a range of landmark buildings across the globe has agreed a deal to establish a new headquarters in Warwick. The company is now set to move to Unit 3 at Titan Business Centre after a deal was agreed.
Hush Property Developments	Dudley	Development	Three landmark buildings in Dudley to be turned into a £4 million 'leisure quarter' with an indoor sports and

COMPANY	LOCATION	SECTOR	DETAIL
			hospitality complex, an hotel and restaurant, creating about 40 new jobs. Hush Property Developments has signed an agreement to take over Dudley's former museum and art gallery, Old Glasshouse restaurant and a neighbouring office block to create a new leisure zone around Stone Street Square.
Aurrigo International	Coventry	Automotive	Aurrigo International plc, which designs, engineers, manufactures and supplies OEM products and autonomous vehicles, has secured a government-backed project and launched a fresh recruitment drive. The company has been awarded a £700,000 grant through Innovate UK and the Centre for Connected and Autonomous Vehicles (CCAV) Commercialising Connected and Automated Mobility (CAM) competition.
LoneStar Group	Wednesbury	Manufacturing	Private equity firm Epiris has acquired a global manufacturer and supplier of high-performance fasteners, sealing products, precision-engineered components and pipeline packages for the world's industrial and energy markets. Headquartered in the West Midlands, LoneStar Group supplies blue-chip customers worldwide from its manufacturing and distribution sites in the UK, USA and Middle East.
M Core	Chelmsley Wood	Retail	M Core, one of the largest, privately held commercial property portfolios in the UK, has bought Chelmsley Wood Shopping Centre in Birmingham as it continues its investment drive.

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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