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.

This month US President Joe Biden has announced he will run for re-election in 2024, seeking a second Presidential term. War has returned to Sudan, potentially leading to a greater humanitarian crisis in the region. Overall key features of the economic outlook remain the cost of living crisis and inflation.

Economy

- Latest data shows there has been a recovery in total GVA. The WMCA area total GVA increased from nearly £66.7bn in 2020 to nearly £71.0bn in 2021. This equated to a 6.4% (+£4.3bn) annual increase with the UK increasing by 7.2%.
- WMCA GVA p/h increased from £22,677 in 2020 to £24,334 in 2021. This equated to a 7.3% (+£1,657) increase. There is still a shortfall against the UK of £6,109 (UK: £30,443) in 2021.
- All sectors increased their GVA over the year with the highest value increase in advanced manufacturing from £711m (+8.8%) to £8.8bn, accounting for 12.4% of GVA.
- Of the WMCA ten sectors, Business, Professional & Financial Services remains the largest in terms of GVA at £20.9bn (29.5% of the total, UK 35.3%).
- The WM Business Activity Index fell from 53.0 in Feb 2023 to 52.7 in March 2023. Growth was linked to new work, greater client spending, higher footfall, and better demand conditions.
- The UK Business Activity Index decreased from 53.1 in February 2023 to 52.2 in March 2023.
- The West Midlands was the fourth highest for business activity in March 2023.
- A net 2% of firms in March 2023 reported increased turnover on the previous month; the total number of online job adverts decreased by 3% in 14 April 2023.
- There was no growth in transport indicators in the week to 16 April 2023, daily ship visits were down, car traffic in London and the number of UK flights were unchanged; compared with the same period last year, flights were 9% higher while ship visits were 19% lower.
- The proportion of businesses reporting that their turnover had increased compared with the previous calendar month continued to climb in March 2023, to nearly one in five (19%).

Labour Market

- Figures for the UK in March 2023 indicate that payrolled employees rose by 1.8% (+533,000) compared with March 2022. There was an increase of 7,000 employees aged under 25 years. The latest monthly change saw an increase of 0.1% (+31,000) to a total of 30.0m. Compared to Feb 2020, the increase in payrolled employees was 3.4% (+986,000).
- In the period Dec 22 to Feb 23, reports of UK-wide redundancies increased by 0.3 per thousand employees, compared with the previous three-month period, to 3.2 per thousand employees. The redundancy rate is below pre-coronavirus pandemic levels.
- The UK employment rate was estimated at 75.8% in the 3 months ending Feb 23; this was 0.2 percentage points (pp) higher than the 3 months ending Nov 22 and 0.8pp lower than before the pandemic (Dec 19 to Feb 20). The increase was driven by part-time employees and self-employed workers.
- In the West Midlands (WM) region the employment rate (aged 16–64 years) was 73.7%. Since the 3 months ending Nov 22, the employment rate decreased by 0.8 percentage points (pp).
- For the 3 months ending Feb 23, the WM economic inactivity rate (aged 16–64 years) was 22.7%, an increase of 0.7pp from previous quarter and an increase of 2.2pp when compared to the previous year, with the latter being the highest increase seen across all regions.
- The employment rate in the WMCA area was 69.2%, compared with 75.5% for UK-wide. The rate decreased by 0.6pp when compared to 2021. In contrast, the UK employment rate increased by 0.8pp.
- The economic activity rate in the WMCA area was 73.9%, compared with 78.3% UK-wide. This is a decrease of 1.2pp when compared to 2021.
- The economic inactivity rate in 2022 the WMCA area was 26.1%, an increase of 1.2pp from 2021. Over the same period the UK remained at 21.7%.

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

- The modelled unemployment rate in the WMCA area was 6.2%, compared with 3.6% England-wide, a decrease by 0.8pp when compared with 2021. For England there was a decrease of 0.9pp over the same period.
- There were 125,690 claimants in the WMCA area in March 2023. Since Feb 2023 there has been an increase of 3.9% (+4,730) claimants in the WMCA area, while the UK increase was 3.3%. When compared to March 2020 (pre-pandemic figures), the number of claimants has increased by 26.6% (+26,390) in the WMCA area, with the UK increasing by 24.3% over the same period.
- In WMCA area the number of claimants as a proportion of residents aged 16-64 years old was 6.8% compared to 3.7% for the UK in March 2023.
- There were 22,985 youth claimants in the WMCA area in March 23. Since Feb 23, there has been an increase of 3.8% (+835) youth claimants, while in the UK the increase was 3.3%. When compared to March 20 (pre-pandemic figures), the number of youth claimants has increased by 20.0% (+3,830), with the UK increasing by 14.0% over the same period.
- Overall, for the WMCA the number of youth claimants as a percentage of residents aged 18-24 years old was 8.1% compared to 4.9% for the UK in March 2023.

FDI
- Between 2020 and 2021, the value of the UK's outward foreign direct investment (FDI) earnings increased nearly threefold, from £49.6 billion to £134.7 billion. The UK's inward FDI earnings grew by a smaller amount, from £56.1 billion to £71.8 billion
- In 2021, regions in the South and East tended to have relatively higher inward stock (position) values for financial and insurance industries, while those in the Midlands, Wales and the North of England tended to have higher inward stocks for manufacturing industries.
- Between 2020 and 2021, WM outward earnings rose from £1.7bn to £4.9bn: more than double the scale of outward earnings. This means that domestic WM businesses are investing internationally at a larger scale in 2021 than in 2020. The WM accounts for 2.7% of total UK outward FDI.
- Of total outward FDI in the region manufacturing made up 30.5%; Financial and Insurance 29%; Information and Communication 3.2%; Professional and Support 2.3%; Wholesale transportation and storage 8.8% and other 10.4%.
- Of total inward FDI in the WM region manufacturing made up 41.8%; Financial and Insurance 11.3%; Information and Communication 6.5%; Mining and Quarrying 0.3%; Professional and Support 8.9%; Wholesale, transportation and storage 18.7%; other 11.3%.

Creative industries
- There is a lack of workers with the right skills to make them employable; this may be characterised as a mismatch rather than a shortage.
- Where industry and education collaboration has occurred, it has been very successful in developing effective and specific courses. There is a need to foster that collaboration at a more general level within regions to focus the contribution universities and Further Education (FE) colleges can make.
- The development of more modular, flexible courses would also cater for the lack of talent in more senior positions but may require agility beyond Higher Education institutions (HEIs) and be better served by colleges or independent training providers.
- In the West Midlands, we find an undervaluing of the creative industries in policy and an apparent reticence in the video games industry to appear visible and accessible.
- This contrasts with the position in Wales: where there is strong regional leadership, we can see closer alignment between industry needs and policy provision. Creative Wales is an example of what a network that connects industry, education and government could look like.

Retention and Migration of Graduates
- The West Midlands graduate retention rate stands at 44%, the average characteristics of graduates of the five universities in Birmingham who work in the WMCA area differ markedly from those who left Birmingham to access jobs elsewhere in the UK or in other countries.
- The likelihood of staying locally for work is lower for younger graduates (aged 24 years and under), who account for 60.4% of the Birmingham graduates employed relative to nearly 70% of those who migrated elsewhere for work. First-degree holders exhibit a lower propensity to stay for employment than those with other qualification levels.
- Of the total number of Pakistani and Bangladeshi graduates who studied in Birmingham, 73% remained in the area after finishing their course. They comprise 17.2% of the Birmingham graduates who work in the area, which is 12.3pp higher than the respective share of those who found a job in other areas (4.9%).
- Explanations for this pattern relate to the concentration of specific ethnic minorities in the West Midlands, their lower average socio-economic and educational background, and cultural attitudes to long-distance moves. Graduates with parents in highly skilled employment are more likely than others to be geographically mobile. In a similar vein, academic

performance is negatively correlated with the probability of staying in the location of study, as Birmingham graduates with a first-class or upper second-class degree have a greater chance of relocating to other regions/countries for employment.

- The probability of staying local is considerably higher for Birmingham graduates with a degree in Arts, Humanities, and Education than those with STEM (Science, Technology, Engineering and Mathematics) and LEM (Law, Economics and Management) qualifications. Finally, the Public Admin, Education and Health sectors in the area absorb a large number of Birmingham graduates (57.9%) relative to those who move to other locations (41.6%).
- Increasing graduate retention in the West Midlands could be achieved by improving the opportunities in sectors with growth outlooks that are adaptive to future skills needs. In this context, investing in growing sectors (such as advanced manufacturing, life sciences, low-carbon, high-tech and digital industries) can create good jobs in the West Midlands, both to retain and attract university-educated talent to the area.

Cost of living and doing business

- Between April 2022 and March 2023, the Trussell Trust gave out almost 3m food parcels, with more than a third being provided for children. This is a 37% increase in the number of food parcels provided the year before, and double the numbers in 2017/8.
- In March 2023, the average proportion of gross income spent on rent in the UK was 26.8%; this ratio is comparable with that of March 2022, but the data indicate that rent is now less affordable than it was in 2019 though it has been broadly stable for the last two years.
- In April 2023 both the System Average Price (SAP) of gas and System Price of electricity fell when compared with the previous week, by 9% and 12%, respectively. Both were 46% lower than the equivalent period last year.
- Almost 2 in 5 (38%) trading businesses reported an increase in the prices of goods or services bought in March 23 compared with February 23; however, the proportion of businesses reporting higher prices compared with the previous month has steadily fallen from a peak of 48% in September 2022.
- Approximately 1 in 6 (16%) trading businesses reported an increase in the prices of goods or services sold in March 23 compared with Feb 23; in comparison; 62% of businesses reported prices stayed the same.
- More than half (53%) of businesses with 10 or more employees reported their staffing costs had increased in the last 3 months to early April 23; in comparison, 58% reported they expect their staffing costs to increase over the next 3 months, higher than the 52% of businesses that expected higher costs in Jan 23.
- Retail sales volumes are estimated to have fallen by 0.9% in March 2023, following a rise of 1.1% in February 2023 (revised from a rise of 1.2%).
- Food store sales volumes fell by 0.7% in March 2023, following a rise of 0.6% in February 2023.
- Non-store retailing (predominantly online retailers) sales volumes fell by 0.8% in March 2023, following a rise of 0.3% in February 2023.
- Automotive fuel sales volumes rose by 0.2% in March 2023, following a fall of 1.2% in February 2023; sales remain 8.5% below their pre-coronavirus (COVID-19) February 2020 levels
- The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 8.9% in the 12 months to March 2023, down from 9.2% in February.
- The largest upward contributions to the annual CPIH inflation rate in March 23 came from housing and household services (principally from fuels), and food and non-alcoholic beverages.
- Core CPIH (excluding energy, food, alcohol and tobacco) rose by 5.7% in the 12 months to March 23, unchanged from Feb; the CPIH goods annual rate eased from 13.4% to 12.7% over the two months, while the CPIH services annual rate rose slightly from 5.6% to 5.7%.
- Average UK house prices increased by 5.5% in the 12 months to Feb 23, down from 6.5% in January 2023.
- The average UK house price was £288,000 in February 2023, which is £16,000 higher than 12 months ago, but £5,000 below the recent peak in November 2022.
- The average UK house price has fallen for the third consecutive month, on both a seasonally adjusted basis and a non-seasonally adjusted basis.
- WM had the highest annual house price inflation between February 2022 and February 2023. Average prices in the WM increased by 8.6%, with the average house price increasing from £233,852 to £253,921. However, this is down from the average annual percentage change in January 2023 of 9.1%.
- Total website sales made by businesses in the UK non-financial sector reached £459.2 billion in 2021, an increase of £102.8 billion (28.8%) compared with 2019.
- UK website sales were dominated by businesses with 1,000 or more employees; their sales were £272.8 billion in 2021 and accounted for 59.4% of total UK website sales.

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

West Midlands Combined Authority

Research England

Global, National and Regional Outlook

Alice Pugh, WMREDI

Global

US Elections

US President Joe Biden has announced he will run for re-election in 2024, seeking a second Presidential term. This would most likely mean a rematch between Biden and former President Trump for the 2024 Presidential election, as Trump is now the most likely candidate for the Republican nomination. Biden had a strong legislative first term, even with high inflation; under Biden unemployment has dramatically dropped and he developed a $1.2tn infrastructure bill. However, Biden's main issue with the electorate will be his age: he is already the oldest president in history and by the time of the election Biden will be 82 and by the end of the term 89.

Sudan

War has returned to Sudan. The fighting in Sudan largely began in the Sudanese capital of Khartoum, as a direct result of a power struggle from within the country's military leadership. Clashes have broken out between the regular army and a paramilitary force called the Rapid Support Forces (RSF). The issue is the leaders of these two forces, Gen Abdel Fattah al-Burhan, Head of the Armed Forces and President, and his deputy leader of the RSF Gen Monhamed Hamden Dagalo, essentially disagree over the direction of the country and the move towards proposed civilian rule. The RSF has a long-standing reputation itself, it has its roots in the notorious Arab militia the Janjaweed, which committed genocide against the Black Christian population, following a severe drought as a result of climate change.

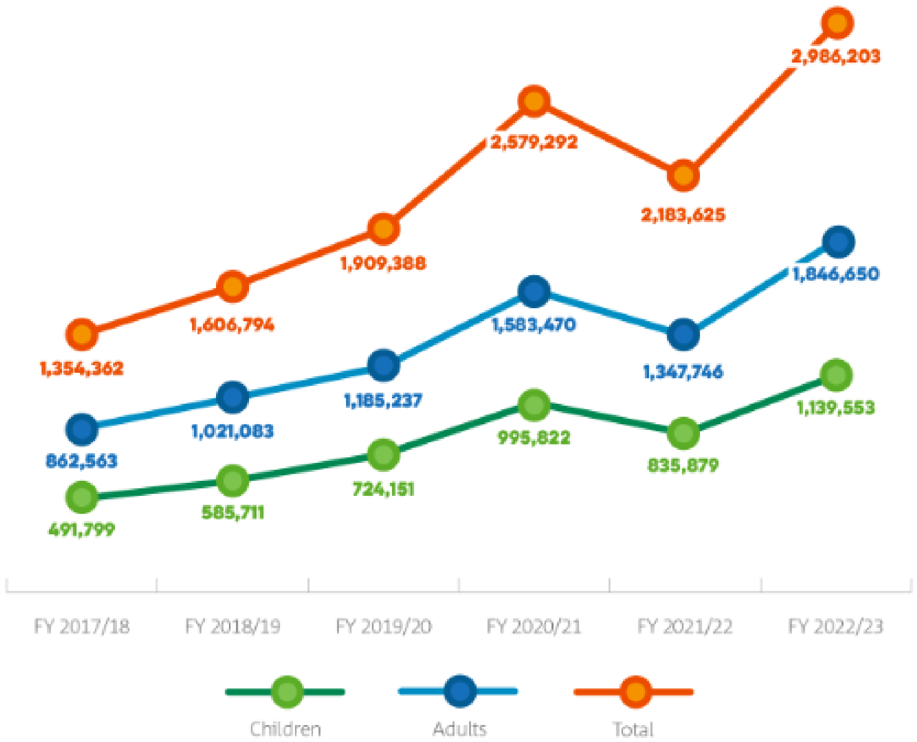
Part of the problem is that Sudan is geographically strategically attractive: it has access to the Red Sea and great agricultural wealth. Fighting broke out 5 days after the RSF was meant to be absorbed into the Sudanese army. However, Gen Monhamed Hamden Dagalo does not want this, as he would potentially lose the position of influence that he currently holds. In reality neither leader has expressed enthusiasm about a civilian government as it would lead to them both losing their positions of power. The fear is that the conflict could spiral and spread to neighbouring countries in the region. This would potentially lead to a greater humanitarian crisis in the region.

National

Trussell Trust

Between April 2022 and March 2023, the Trussell Trust gave out almost 3 million food parcels, with more than a third being provided for children. This is a 37% increase in the number of food parcels provided the year before. As seen in the graph below this is more than double the number of parcels given out in 2017/18, and more than the peak seen during the pandemic. With 760,000 people using a food bank for the first time ever, December was the busiest month for the Trust; a parcel was handed out every 8 seconds. The cost-of-living crisis, and particularly food price inflation, is placing significant pressure on families and with wages remaining significantly below the inflation rate, families are going to Trussell Trust to find food. More and more people are struggling to afford the basic necessities. This is forcing many families to make very difficult decisions.

Number of emergency food parcels given by food banks in the Trussell Trust Network, April 2022 to March 2023



Source: Trussell Trust, 2023

FDI

The ONS has released experimental subnational foreign direct investment inward and outward positions, earnings and flows statistics. Key findings include:

- Between 2020 and 2021, the value of the UK's outward foreign direct investment (FDI) earnings increased nearly threefold, from £49.6 billion to £134.7 billion.
- The UK's inward FDI earnings grew by a smaller amount, from £56.1 billion to £71.8 billion over the same period.
- Outward earnings of companies in London and the South East increased the most in value terms between 2020 and 2021, by £34.7 billion and £26.0 billion, respectively.
- Scotland's outward earnings were the lowest of all International Territorial Level 1 (ITL1) regions and countries in 2020 but the third highest in 2021, after an increase of £7.6 billion between the two years.
- In 2021, International Territorial Level 2 (ITL2) regions in the South and East of England tended to have relatively higher inward stock (position) values for financial and insurance industries, while those in the English Midlands, Wales and the North of England tended to have higher inward stocks for manufacturing industries.
- There were six ITL2 regions where manufacturing made up over 50% of their outward FDI position, compared with only one for financial and insurance industries.

Economic activity and social change in the UK

The ONS has released early experimental data and analysis on economic activity and social change in the UK. Key findings were:

- In March 2023, the average proportion of gross income spent on rent in the UK was 26.8%; this ratio is comparable with that of March 2022, but the data indicate that rent is now less affordable than it was in 2019 though it has been broadly stable for the last two years (Dataloft).
- In the week to 16 April 2023, both the System Average Price (SAP) of gas and System Price of electricity fell when compared with the previous week, by 9% and 12%, respectively, and both were 46% lower than the equivalent period last year (National Gas Transmission, Elexon).
- After seasonal adjustment, a net 2% of firms in March 2023 reported increased turnover on the previous month; meanwhile, the total number of online job adverts decreased by 3% on 14 April 2023 compared with

the previous week, having generally trended downwards over the last 12 months (HM Revenue and Customs Value Added Tax (VAT) returns, Adzuna).
- Consumer behaviour indicators showed broad decreases in the latest week, likely due to reduced activity following the Easter period in the previous week. Revolut debit card spending fell by 12 percentage points and overall retail footfall decreased to 97% of the level of the previous week (Revolut, Springboard).
- There was no growth in transport indicators in the week to 16 April 2023, daily ship visits were down when compared with last week, whereas car traffic in London and the number of UK flights were broadly unchanged; compared with the same period last year, flights were 9% higher while ship visits were 19% lower (exactEarth, Transport for London, EUROCONTROL).

Business insights and impact on the UK economy
The ONS has released data on the impact of challenges facing the economy and other events on UK businesses. Key findings include:
- The proportion of businesses reporting that their turnover had increased compared with the previous calendar month continued to climb in March 2023, with nearly one in five (19%) trading businesses reporting this compared with 16% in February 2023.
- Almost two in five (38%) trading businesses reported an increase in the prices of goods or services bought in March 2023 compared with February 2023; however, the proportion of businesses reporting higher prices compared with the previous month has steadily fallen from a peak of 48% in September 2022.
- Approximately one in six (16%) trading businesses reported an increase in the prices of goods or services sold in March 2023 compared with February 2023; in comparison, 62% of businesses reported prices stayed the same.
- When asked in early April 2023, nearly a quarter (23%) of trading businesses reported they expect to raise their prices in May 2023, while more than half (53%) expect the prices of goods or services they sell to stay the same.
- More than half (53%) of businesses with 10 or more employees reported their staffing costs had increased in the last three months to early April 2023; in comparison, 58% reported they expect their staffing costs to increase over the next three months, higher than the 52% of businesses that expected higher costs when asked in early January 2023.

Retail Sales
The ONS has released data on estimates of retail sales in volume and value terms for March 2023, key findings were:
- Retail sales volumes are estimated to have fallen by 0.9% in March 2023, following a rise of 1.1% in February 2023 (revised from a rise of 1.2%).
- Looking at the broader picture, sales volumes rose by 0.6% in the three months to March 2023 when compared with the previous three months; the first three-month on three-month rise since August 2021.
- Non-food stores sales volumes fell by 1.3% in March 2023, following a rise of 2.4% in February, with feedback from retailers that poor weather conditions throughout most of March affected sales.
- Food store sales volumes fell by 0.7% in March 2023, following a rise of 0.6% in February 2023.
- Non-store retailing (predominantly online retailers) sales volumes fell by 0.8% in March 2023, following a rise of 0.3% in February 2023.
- Automotive fuel sales volumes rose by 0.2% in March 2023, following a fall of 1.2% in February 2023; sales remain 8.5% below their pre-coronavirus (COVID-19) February 2020 levels.

Producer price inflation
The ONS has released data on changes in the prices of goods bought and sold by UK manufacturers in January to March 2023. Key findings include:
- Producer input prices rose by 7.6% in the year to March 2023, down from 12.8% in the year to February 2023.
- Producer output (factory gate) prices rose by 8.7% in the year to March 2023, down from 11.9% in the year to February 2023.
- Inputs of crude oil and petroleum products provided the largest downward contributions to the change in the annual rates of input and output inflation, respectively.

- While annual inflation rates have been falling in recent months, the index levels for both input and output prices have been broadly stable since June 2022.
- On a monthly basis, producer input prices increased by 0.2% and output prices increased by 0.1% in March 2023.
- Services producer prices rose by 4.9% in the year to Quarter 1 (Jan to Mar) 2023, down from 5.3% in the year to Quarter 4 (Oct to Dec) 2022.

Consumer price inflation
The ONS has released data on consumer price inflation for March 2023. Key findings were:
- The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 8.9% in the 12 months to March 2023, down from 9.2% in February.
- The largest upward contributions to the annual CPIH inflation rate in March 2023 came from housing and household services (principally from electricity, gas and other fuels), and food and non-alcoholic beverages.
- On a monthly basis, CPIH rose by 0.7% in March 2023, compared with a rise of 0.9% in March 2022.
- The Consumer Prices Index (CPI) rose by 10.1% in the 12 months to March 2023, down from 10.4% in February.
- On a monthly basis, CPI rose by 0.8% in March 2023, compared with a rise of 1.1% in March 2022.
- The largest downward contributions to the monthly change in both the CPIH and CPI annual rates came from motor fuels, and housing and household services (particularly liquid fuels), partially offset by upward contributions from food, and recreation and culture.
- Core CPIH (excluding energy, food, alcohol and tobacco) rose by 5.7% in the 12 months to March 2023, unchanged from February; the CPIH goods annual rate eased from 13.4% to 12.7% over the two months, while the CPIH services annual rate rose slightly from 5.6% to 5.7%.

UK House Price Index
The ONS has released data on monthly house price inflation in the UK. Key findings include:
- Average UK house prices increased by 5.5% in the 12 months to February 2023, down from 6.5% in January 2023.
- The average UK house price was £288,000 in February 2023, which is £16,000 higher than 12 months ago, but £5,000 below the recent peak in November 2022.
- The average UK house price has fallen for the third consecutive month, on both a seasonally adjusted basis and a non-seasonally adjusted basis.
- Average house prices increased over the 12 months to £308,000 (6.0%) in England, £215,000 in Wales (6.4%), £180,000 in Scotland (1.0%) and £175,000 in Northern Ireland (10.2%).
- Scotland's annual house price inflation has generally been slowing since the recent peak of 13.8% in the 12 months to April 2022, slowing to 1.0% in the 12 months to February 2023.
- The West Midlands saw the highest annual percentage change of all English regions in the 12 months to February 2023 (8.6%), while London saw the lowest (2.9%).

Index of Private Housing Rental Prices
The ONS has released data on an experimental price index tracking the prices paid for renting property from private landlords in the UK, in March 2023. The key findings were:
- Private rental prices paid by tenants in the UK rose by 4.9% in the 12 months to March 2023, up from 4.8% in the 12 months to February 2023.
- Annual private rental prices increased by 4.6% in England, 4.4% in Wales and 5.1% in Scotland in the 12 months to March 2023.
- Within England, the East Midlands saw the highest annual percentage change in private rental prices in the 12 months to March 2023 (5.1%), while the South East saw the lowest (4.2%).
- London's annual percentage change in private rental prices was 4.8% in the 12 months to March 2023, above the England average and its highest annual rate since December 2012.

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

Digital Economy

The ONS has released data on the use of information and communication technology (ICT) and the value of website sales by UK businesses. Key findings were:

- Total website sales made by businesses in the UK non-financial sector reached £459.2 billion in 2021, an increase of £102.8 billion (28.8%) compared with 2019.
- UK website sales were dominated by businesses with 1,000 or more employees; their sales were £272.8 billion in 2021 and accounted for 59.4% of total UK website sales.
- The industry sector making the highest proportion of website sales in 2021 was the retail sector, where 34.5% of businesses made website sales.
- Total UK website sales to customers outside the UK were £77.8 billion in 2021, of which 96.9% of sales were made via businesses' own websites or apps.

Public opinions and social trends

The ONS has released data on Social insights on daily life and events, including the cost of living, industrial action, and energy savings in the home from the Opinions and Lifestyle Survey (OPN). The key findings were:

- When asked about the important issues facing the UK today, the most commonly reported issues continue to be the cost of living (92%), the NHS (85%), the economy (73%), and climate change and the environment (64%).
- Around half of adults reported that they were worried about the cost of energy (49%) and the cost of food (49%) in the past two weeks, with over one in three (35%) worried about their general health.
- People living in the most deprived fifth of areas in England more frequently reported being more worried about the cost of food (64%), the cost of energy (60%) and their general health (46%) than those living in the least deprived fifth of areas in England (40%, 42% and 29%, respectively).
- Around 4 in 10 (39%) adults had been affected by industrial action in the last month, an increase from 27% in the previous period. More adults have been affected by having to spend more money on travel (22%) and more adults were unable to attend a medical appointment (12%) than in the previous period (14% and 5%, respectively).
- When asked what actions adults have taken to look after their well-being during the past two weeks, the most reported actions were being more physically active (46%), trying to get enough sleep (46%), increasing the amount of time spent outdoors (45%) and spending more time with family or friends (39%).

Regional

FDI

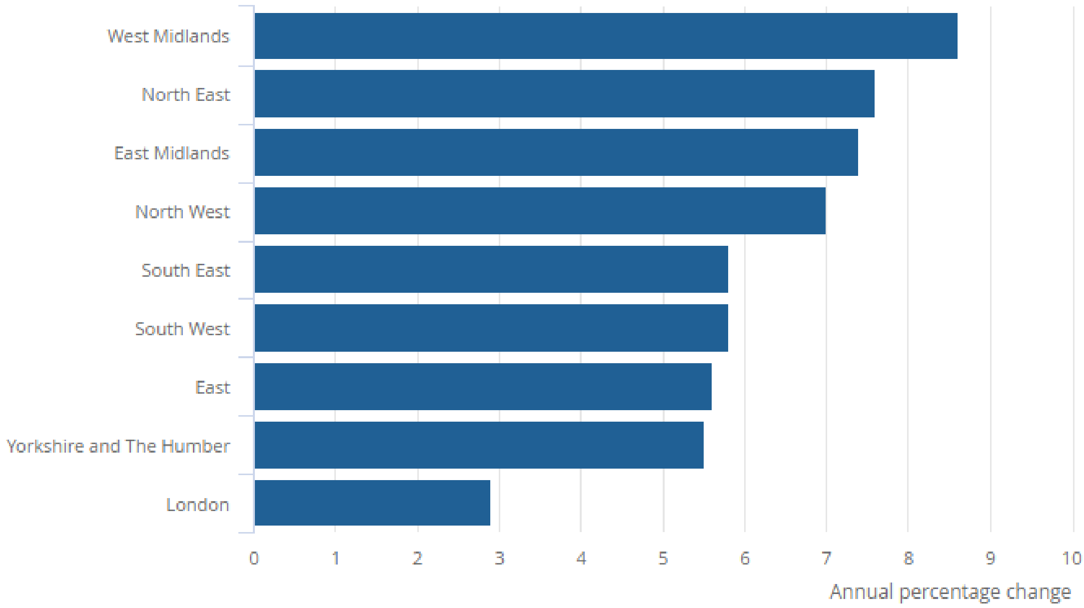
The ONS has released experimental subnational foreign direct investment inward and outward positions, earnings and flows statistic. Key findings in relation to the West Midlands (WM) include:

- Between 2020 and 2021, WM outward earnings rose from £1.7bn to £4.9bn more than double the scale of outward earnings. Meaning domestic WM businesses are investing internationally at a larger scale in 2021 than in 2020. With the WM accounting for 2.7% of total UK outward FDI.
- Inward earnings between 2020 and 2021, more than trebled in the region from £1.1bn to £3.4bn. This means that foreign businesses are starting to invest in the region again, with the WM accounting for 2.9% of total UK inward FDI.
- Of total outward FDI in the region manufacturing made up 30.5%; Financial and Insurance 29%; Information and Communication 3.2%; Professional and Support 2.3%; Wholesale transportation and storage 8.8% and other 10.4%.
- Of total inward FDI in the WM region manufacturing made up 41.8%; Financial and Insurance 11.3%; Information and Communication 6.5%; Mining and Quarrying 0.3%; Professional and Support 8.9%; Wholesale, transportation and storage 18.7%; other 11.3%.

UK House Price Index

In the ONS house price index release it was found that the West Midlands had the highest annual house price inflation between February 2022 and February 2023. Average prices in the WM increased by 8.6%, with the average house price increasing from £233,852 to £253,921. However, this is down from the average annual percentage change in January 2023 of 9.1%.

All dwellings annual house price changes, 12 months to February 2023



Source: ONS, 2023

Gross Value Added (GVA): Released April 2023[1]

Black Country Consortium Economic Intelligence Unit

GVA Balanced estimates are produced by combining the existing income and production approach measures using weighted quality metrics. GVA estimates are presented in current basic prices. They do not allow for different regional price levels or changes in prices over time (inflation).

The following analysis focuses on the WMCA as the WM 7 Met. area opposed to the 3 LEP geography.

Key Points:

- Latest data shows there has been a recovery in total GVA (since the impacts of Covid-19). The WMCA (7 Met.) area total GVA increased from nearly £66.7bn in 2020 to nearly £71.0bn in 2021. This equated to a 6.4% (+£4.3bn) annual increase for the WMCA (7 Met.) area with the UK increasing by 7.2%.
- The WMCA (7 Met.) area GVA per head increased from £22,677 in 2020 to £24,334 in 2021. This equated to a 7.3% (+£1,657) increase, reflecting the UK-wide growth rate. There is still a shortfall for the WMCA (7 Met.) area to the UK which was £6,109 (UK: £30,443) in 2021.
- All sectors increased over the year with the highest value increase in advanced manufacturing by £711m (+8.8%) to £8.8bn, accounting for 12.4% of GVA.
- Of the WMCA (7 Met.) ten sectors, Business, Professional & Financial Services remains the largest in terms of GVA at £20.9bn (29.5% of the total, UK 35.3%) and this sector increased by 2.8% (+£573m) over the year.

Full Briefing:

Total GVA

- After the impacts of Covid-19 (and GVA declining between 2019 and 2020), the latest figures show that total GVA in the WMCA (7 Met.) area has made a recovery in 2021 and is now at the highest levels seen on the timeseries (since 2004).

- The WMCA (7 Met.) area total GVA increased from nearly £66.7bn in 2020 to nearly £71.0bn in 2021. This equated to a 6.4% (+£4.3bn) annual increase, below the national growth rate of 7.2% and was the lowest percentage increase across the comparative city regions.

- Within the WMCA (7 Met.) area, all local authorities total GVA increased between 2020 and 2021. Percentage wise the largest increase at 11.0% was Wolverhampton (+£549m to £5.5bn). At the other end of the scale, the smallest percentage increase was in Sandwell with a growth rate of 1.7% (+£106m to £6.4bn).

Total GVA in the WMCA and UK-wide:

	2020	2021	% Change	Num. Change
	£ Millions			£ Millions
Birmingham	£27,175	£28,913	6.4%	£1,738
Solihull	£9,027	£9,688	7.3%	£661
Coventry	£9,670	£10,095	4.4%	£425
Dudley	£5,109	£5,502	7.7%	£393
Sandwell	£6,303	£6,409	1.7%	£106
Walsall	£4,413	£4,832	9.5%	£419
Wolverhampton	£4,974	£5,523	11.0%	£549
WMCA (7 Met.)	**£66,669**	**£70,961**	**6.4%**	**£4,292**
Black Country	£20,798	£22,265	7.1%	£1,467

[1] Office for National Statistics (ONS): Regional economic activity by gross domestic product, UK: 1998 to 2021 - released April 2023.

Coventry and Warwickshire	£27,708	£29,687	7.1%	£1,979
Greater Birmingham and Solihull	£51,594	£55,008	6.6%	£3,414
UK	£1,903,575	£2,040,499	7.2%	136,924

GVA per Head and Employee

- The WMCA (7 Met.) area GVA per head increased from £22,677 in 2020 to £24,334 in 2021. This equated to a 7.3% (+£1,657) increase, reflecting the UK-wide growth rate. There is still a shortfall for the WMCA (7 Met.) area to the UK which was £6,109 (UK: £30,443) in 2021.

- Within the WMCA (7 Met.) area, the highest increase in GVA per head was in Coventry (+15.4% or £3,915) to £29,404 leading to a shortfall of £1,039 to the UK average. Solihull was above the UK average by £14,269 with GVA per head standing at £44,712 in 2021. Sandwell's GVA per head decreased between 2020 and 2021, by £400 (-2.1%) to £18,754.

GVA per Head in the WMCA and UK-wide:

	2020	2021	% Change	Num. Change
Birmingham	£23,826	£25,307	6.2%	£1,481
Solihull	£41,505	£44,712	7.7%	£3,207
Coventry	£25,489	£29,404	15.4%	£3,915
Dudley	£15,848	£17,002	7.3%	£1,154
Sandwell	£19,154	£18,754	-2.1%	-£400
Walsall	£15,390	£16,995	10.4%	£1,605
Wolverhampton	£18,811	£20,918	11.2%	£2,107
WM 7 Met.	**£22,677**	**£24,334**	**7.3%**	**£1,657**
Black Country	£17,296	£18,345	6.1%	£1,049
Coventry and Warwickshire	£28,767	£31,498	9.5%	£2,732
Greater Birmingham and Solihull	£25,165	£26,726	6.2%	£1,561
UK	£28,377	£30,443	7.3%	£2,066

- The WMCA (7 Met.) GVA per employee was £55,352 in 2021; this was a 4.1% (+£2,187) increase from 2020. England increased at a slower rate, by 3.9% to £66,179 per employee. However, despite the faster growth rate the WMCA (7 Met.) area still has a shortfall to the England figure (£66,179) by £10,828.

GVA by Sector[2]

- All sectors increased over the year with the highest value increase in advanced manufacturing by £711m (+8.8%) to £8.8bn, accounting for 12.4% of GVA.

- Of the WMCA (7 Met.) ten sectors, Business, Professional & Financial Services remains the largest in terms of GVA at £20.9bn (29.5% of the total, UK 35.3%) and this sector increased by 2.8% (+£573m) over the year.

- The WMCA (7 Met.) area has a higher proportion when compared to the UK in six sectors, these are highlighted in green in the table below.

GVA by Sector for the WMCA and UK-wide:

	WMCA (7 Met.)					UK			
	2020	2021	% Change	Num. Change	% of 2021 total	2020	2021	% Change	% of 2021 total
	£ Millions			£ Millions		£ Millions			
Advanced Manufacturing	£8,103	£8,814	8.8%	£711	**12.4%**	£183,920	£199,850	8.7%	9.8%

[2] please note, the ONS GVA SIC code groupings have been broadly applied to ten WMCA sectors

Business, Professional and Financial Services	£20,359	£20,932	2.8%	£573	29.5%	£688,681	£720,325	4.6%	35.3%
Construction	£4,456	£4,842	8.7%	£386	**6.8%**	£117,626	£132,871	13.0%	6.5%
Creative & Cultural	£3,936	£4,182	6.3%	£246	5.9%	£150,638	£160,920	6.8%	7.9%
Life Sciences & Healthcare	£6,903	£7,283	5.5%	£380	**10.3%**	£162,293	£171,328	5.6%	8.4%
Logistics & Transport Technologies	£2,611	£2,840	8.8%	£229	**4.0%**	£61,964	£63,464	2.4%	3.1%
Low Carbon & Environmental Technologies	£2,206	£2,495	13.1%	£289	3.5%	£81,411	£92,671	13.8%	4.5%
Public Sector inc. Education	£9,953	£10,382	4.3%	£429	**14.6%**	£221,691	£234,861	5.9%	11.5%
Retail	£6,992	£7,589	8.5%	£597	**10.7%**	£198,343	£215,527	8.7%	10.6%
Tourism	£1,152	£1,603	39.1%	£451	2.3%	£37,008	£48,682	31.5%	2.4%
Total	£66,669	£70,961	6.4%	£4,292	100%	£1,903,575	£2,040,499	7.2%	100%

NatWest Purchasing Manager Index (PMI) Survey: West Midlands Region Released April 2023[3]

Black Country Consortium Economic Intelligence Unit

In Summary:

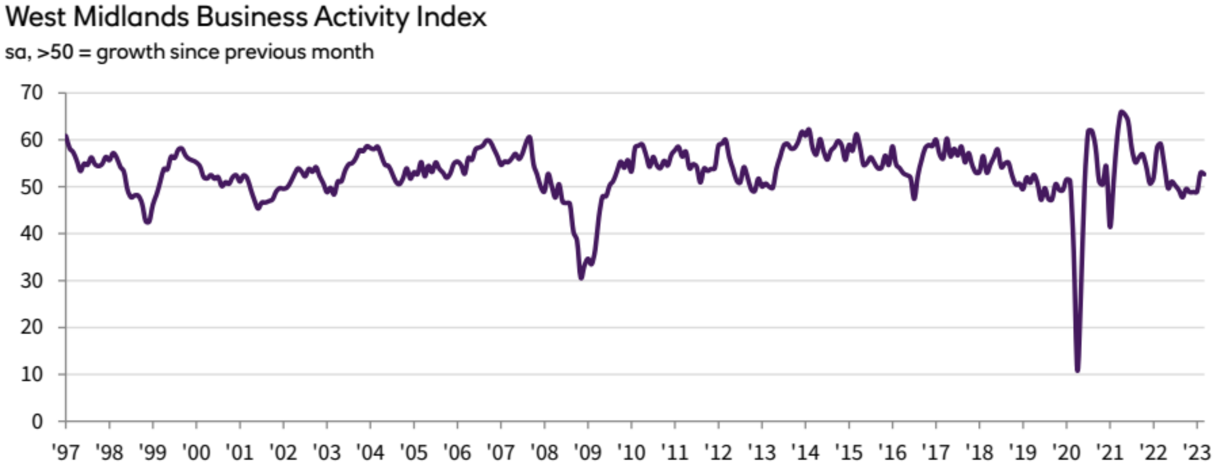
- The West Midlands Business Activity Index fell from 53.0 in February 2023 to 52.7 in March 2023, although remains above the 50-growth mark for the second consecutive month. Business activity growth was linked to creation of new work, greater client spending, higher consumer footfall and overall better demand conditions.
- The UK Business Activity Index decreased from 53.1 in February 2023 to 52.2 in March 2023.
- Out of the 12 UK regions, the West Midlands was the fourth highest for business activity in March 2023.
- The West Midlands Future Business Activity Index decreased from 78.4 in February 2023 to 78.0 in March 2023, but the latest reading still shows a strong degree of optimism for the upcoming year. The latest reading is the second highest seen in 14 months. Optimism in West Midlands firms for the upcoming 12 months was linked to new clients, new product launches and the relocation of some firms away from London.
- Out of the 12 UK regions, the West Midlands was the highest for Future Business Activity in March 2023.

In Detail:

Business Activity Index

The West Midlands Business Activity Index fell from 53.0 in February 2023 to 52.7 in March 2023, although remains above the 50-growth mark for the second consecutive month. Business activity growth was linked to creation of new work, greater client spending, higher consumer footfall and overall better demand conditions.

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



Source: NatWest West Midlands PMI, April 2023

Out of the 12 UK regions, the West Midlands was the fourth highest for business activity in March 2023. London was the highest with 55.1 and the East of England was the lowest at 50.0.

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

[3] Source: NatWest UK regional PMI report for March 2023, released April 2023. The seasonally adjusted indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease.

Source: NatWest West Midlands PMI, April 2023

Demand

The West Midlands New Business Index rose from 53.2 in February 2023 to 54.1 in March 2023, the second consecutive month to increase. The rise in new work was linked to improved demand conditions, advertising, approval of pending quotes and higher consumer footfall.

Exports

The West Midlands Export Climate Index increased from 51.8 in February 2023 to 52.5 in March 2023. The latest reading is a nine-month high, indicating favourable trade prospects for West Midlands firms.

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

Top export markets, West Midlands

Rank	Market	Weight	Output Index, Mar' 23
1	USA	24.3%	52.3
2	Germany	11.9%	52.6
3	China	8.5%	54.5
4	France	7.7%	52.7
5	Ireland	7.2%	52.8

Source: NatWest West Midlands PMI, April 2023

Business Capacity

The West Midlands Employment Index decreased from 53.2 in February 2023 to 50.5 in March 2023, although remains above the 50-growth mark. The expansion in jobs was the weakest seen in the 25 months of consecutive growth. Firms still reported greater investment in resources to support the delivery of set targets. The increase was restricted due to recruitment challenges and redundancies at some firms.

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

The West Midlands Outstanding Business Index increased from 48.9 in February 2023 to 49.9 in March 2023, the fourth consecutive month under the 50-mark threshold. Firms reported that new contract wins and insufficient labour capacity caused higher backlogs.

Prices

The West Midlands Input Prices Index decreased from 69.4 in February 2023 to 65.7 in March 2023. The latest reading shows cost inflation easing to a 26-month low as recent improvements in input supply helped reduce price pressures. However, rises are still sharp by historical standards.

The West Midlands Prices Charged Index decreased from 62.7 in February 2023 to 59.7 in March 2023, this was the weakest rise seen since April 2021. The rate of output price inflation remains substantial as some firms increased selling prices due to ongoing increases in expenses this was offset by others passing some cost savings onto clients.

Outlook

The West Midlands Future Business Activity Index decreased from 78.4 in February 2023 to 78.0 in March 2023, but the latest reading still shows a strong degree of optimism for the upcoming year. The latest reading is the second highest seen in 14 months. Optimism in West Midlands firms for the upcoming 12 months was linked to new clients, new product launches and the relocation of some firms away from London.

Out of the 12 UK regions, the West Midlands was the highest for Future Business Activity in March 2023. Yorkshire & The Humber was the second highest with 75.6 and the North East was the lowest at 60.6.

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

Source: NatWest West Midlands PMI, April 2023

Labour Market Statistics and Claimant Count: Released April 2023

Black Country Consortium Economic Intelligence Unit

UK Summary[4]

- For the UK, early estimates for March 2023 indicate that the number of payrolled employees rose by 1.8% (+533,000) compared with March 2022. Notably, all age groups saw an increase in payrolled employees between March 2022 and March 2023; there was an increase of 7,000 payrolled employees aged under 25 years. The latest monthly change shows payrolled employment increased by 0.1% (+31,000[5]) to a total of 30.0m. When compared to February 2020, payrolled employees was up by 3.4% (+986,000).
- In December 2022 to February 2023, reports of UK-wide redundancies in the three months prior to interview[6] increased by 0.3 per thousand employees, compared with the previous three-month period, to 3.2 per thousand employees. The redundancy rate is below pre-coronavirus pandemic levels.
- The UK employment rate was estimated at 75.8% in the three months ending February 2023, this was 0.2 percentage points (pp) higher than the three months ending November 2022 and 0.8pp lower than before the pandemic (December 2019 to February 2020). The increase in employment over the latest three-month period was driven by part-time employees and self-employed workers
- The UK unemployment rate was estimated at 3.8% in the three months ending February 2023, this was 0.1pp higher than the previous three-month period (ending November 2022) and 0.2pp below pre-pandemic levels. The increase in unemployment was driven by people unemployed for up to six months.
- The UK economic inactivity rate decreased by 0.4pp on the quarter, to 21.1% in December 2022 to February 2023. The decrease in economic inactivity during the latest three-month period was largely driven by people aged 16 to 24 years. Looking at economic inactivity by reason, the quarterly decrease was largely driven by people inactive because they are students. The latest UK economic inactivity rate was 0.9pp higher than before the pandemic.
- For the UK, the number of job vacancies in January to March 2023 was 1,105,000; this was a decrease of 4.0% (-47,000) from the previous quarter – the ninth consecutive quarterly fall as vacancies fell in 13 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 January to March 2023, total vacancies were down by 188,000 from the level of a year ago, although they remained 304,000 above their pre-coronavirus January to March 2020 levels.
- The UK growth in average total pay (including bonuses) was 5.9% and growth in regular pay (excluding bonuses) was 6.6% among employees in December 2022 to February 2023. Average regular pay growth for the private sector was 6.9% in December 2022 to February 2023 and 5.3% for the public sector. The difference between the private and public sector growth rates has narrowed in recent months. In real terms (adjusted for inflation), growth in total and regular pay fell on the year in December 2022 to February 2023, by 3.0% for total pay and by 2.3% for regular pay. A larger fall on the year for real total pay was last seen in February to April 2009, when it fell by 4.5%, but it still remains among the largest falls in growth since comparable records began in 2001.
- Early estimates for March 2023 indicate that the UK median monthly pay was £2,207, an increase of 6.3% compared with the same period of the previous year.
- Across the UK, there were 384,000 working days lost which were linked to labour disputes in February 2023, this is up from 210,000 in January 2023. The education section accounted for over three-fifths of the strikes in February 2023.

Regional Labour Market Summary

- For the three months ending February 2023, the West Midlands Region employment rate (aged 16 – 64 years) was 73.7%. Since the three months ending November 2022, the employment rate decreased by 0.8 percentage points (pp). When compared to the same period in the previous year, the employment rate was 1.8pp lower which alongside Wales was the largest decrease seen. The UK employment rate was 75.8%, an increase of 0.2pp when compared to the previous quarter and an increase of 0.3pp when compared to the previous year.

[4] Source: ONS, Labour Market Overview; UK: April 2023
[5] This should be treated as a provisional estimate and is likely to be revised when more data is received next month.
[6] 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.

- For the three months ending in February 2023, the West Midlands Region unemployment rate (aged 16 years and over) was 4.6%, which has increased by 0.3pp since the previous quarter and a decrease of 0.5pp from the previous year. The UK unemployment rate was 3.8%, an increase of 0.1pp from the previous quarter but a 0.1pp decrease when compared to the previous year.
- For the three months ending February 2023, the West Midlands Region economic inactivity rate (aged 16 – 64 years) was 22.7%, an increase of 0.7pp from previous quarter and an increase of 2.2pp when compared to the previous year, with the latter being the highest increase seen across all regions. The UK economic inactivity rate was 21.1%, a decrease of 0.4pp from the previous quarter and an increase of 0.3pp from the previous year.

WMCA (7 Met.) Annual Population Survey Summary

- In 2022, the employment rate in the WMCA (7 Met.) area was 69.2%, compared to 75.5% for UK-wide. The employment rate for the WMCA area decreased by 0.6pp when compared to 2021. In contrast, the UK employment rate increased by 0.8pp over the same time period.
- In 2022, the economic activity rate in the WMCA (7 Met.) area was 73.9%, compared to 78.3% for UK-wide. The economic activity rate for the WMCA area decreased by 1.2pp when compared to 2021.
- In 2022, the economic inactivity rate in the WMCA (7 Met.) area was 26.1%, an increase of 1.2pp from 2021. Over the same period the UK remained at 21.7%.
- In 2022, the modelled unemployment rate in the WMCA (7 Met.) area was 6.2%, compared to 3.6% for England-wide. The modelled unemployment rate for the WMCA area decreased by 0.8pp when compared to 2021. England's modelled unemployment rate decreased by 0.9pp over the same time period.

WMCA (7 Met.) Claimant Summary

- There were 125,690 claimants in the WMCA (7 Met.) area in March 2023. Since February 2023, there has been an increase of 3.9% (+4,730) claimants in the WMCA area, while the UK increased by 3.3%. When compared to March 2020 (pre-pandemic figures), the number of claimants has increased by 26.6% (+26,390) in the WMCA area, with the UK increasing by 24.3% over the same period.
- Overall, for the WMCA the number of claimants as a proportion of residents aged 16-64 years old was 6.8% compared to 3.7% for the UK in March 2023.
- There were 22,985 youth claimants in the WMCA (7 Met.) area in March 2023. Since February 2023, there has been an increase of 3.8% (+835) youth claimants in the WMCA area, while the UK increased by 3.3%. When compared to March 2020 (pre-pandemic figures), the number of youth claimants has increased by 20.0% (+3,830) in the WMCA area, with the UK increasing by 14.0% over the same period.
- Overall, for the WMCA the number of youth claimants as a percentage of residents aged 18-24 years old was 8.1% compared to 4.9% for the UK in March 2023.

In Depth:

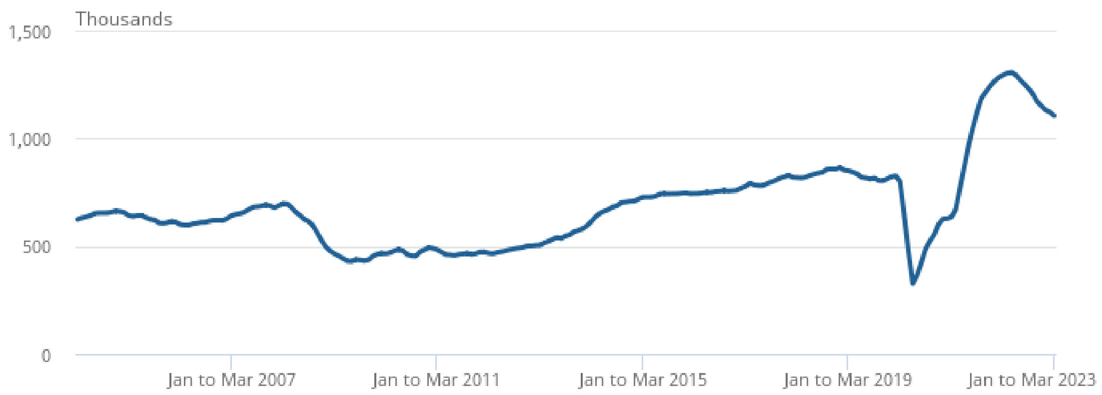
UK Labour Market Stastics – UK Vacancies[7]

- In January to March 2023, the estimated number of vacancies fell by 47,000 on the quarter to 1,105,000, which is the ninth consecutive period to see a quarterly fall since May to July 2022.

The following chart shows the number of vacancies in the UK, seasonally adjusted, January to March 2004 to January to March 2023:

[7] Source: ONS, Vacancies and Jobs in the UK: April 2023

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



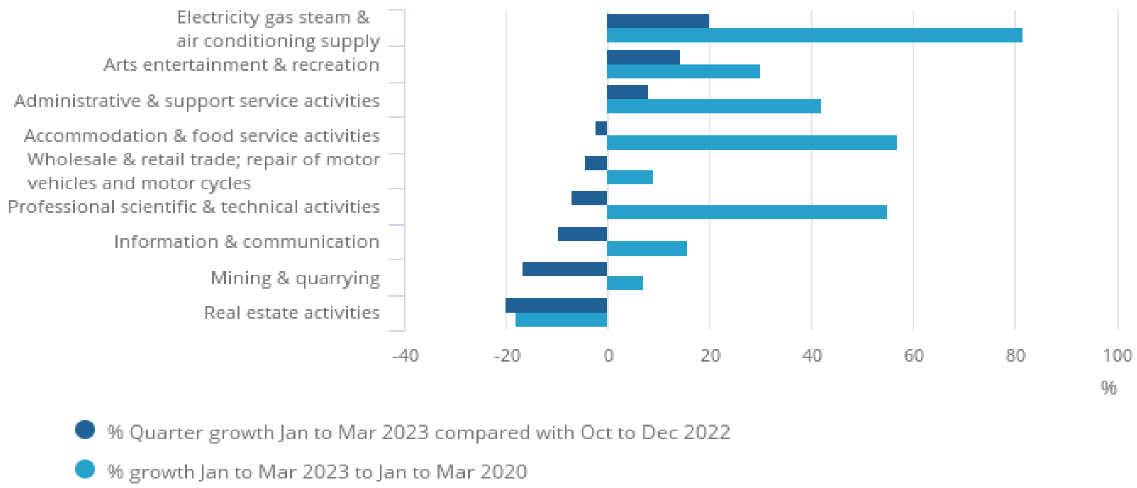
Source: ONS – Vacancy Survey

- The overall quarterly growth was negative 4.0% in January to March 2023, with vacancies declining in 13 of the 18 industry sectors. The industries showing the largest falls were real estate activities and mining and quarrying, at negative 20.1% and negative 16.7%, respectively.
- January to March 2023 saw the number of vacancies fall on the quarter for the ninth consecutive period, decreasing by 47,000. The industry sectors displaying the largest falls in vacancy numbers were professional, scientific, and technical activities, and wholesale and retail trade; repair of motor vehicles and motorcycles, down on the quarter by 8,000 and 7,000, respectively. The industries which saw the largest growth on the quarter were administrative and support service activities and arts, entertainment, and recreation, growing by 6,000 and 4,000, respectively.

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

- When comparing January to March 2023 with the same time last year, total vacancies decreased by 188,000 (14.5%), with the largest falls in wholesale and retail trade; repair of motor vehicles and motorcycles, and information and communication, both of which were down by 27,000. However, the total number of vacancies remains 304,000 above the January to March 2020 pre-coronavirus levels, with human health and social work activities showing the largest increase, at 64,000.

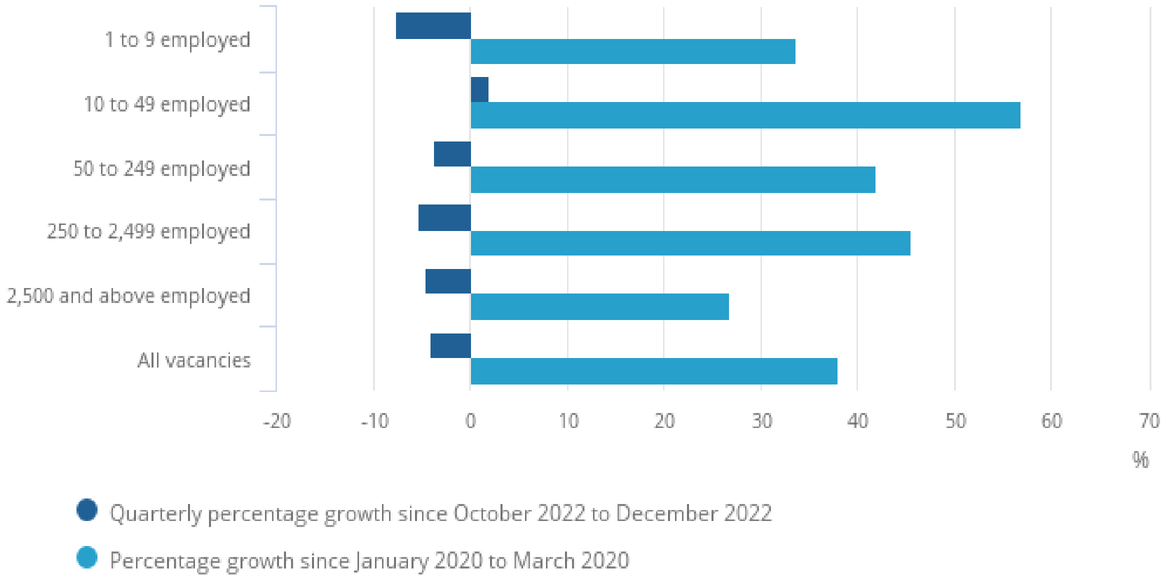
The following chart shows for January to March 2023 three-month average vacancies in the UK, quarterly percentage growth from October to December 2022 and percentage growth from pre-coronavirus pandemic (January to March 2020):



Source: ONS – Vacancy Survey

- For the second consecutive period, the only quarterly growth in the number of vacancies was in the 10 to 49 size band.

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



Source: ONS – Vacancy Survey

Regional Labour Market[8]

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

- For the three months ending February 2023, the West Midlands Region employment rate (aged 16 – 64 years) was 73.7%. Since the three months ending November 2022, the employment rate decreased by 0.8 percentage points (pp). When compared to the same period in the previous year, the employment rate was 1.8pp lower which alongside Wales was the largest decrease seen. The UK employment rate was 75.8%, an increase of 0.2pp when compared to the previous quarter and an increase of 0.3pp when compared to the previous year. The highest employment rate within the UK for the three months ending February 2023 was in the South West with 79.5% and the lowest in Northern Ireland with 71.9%.
- For the three months ending in February 2023, the West Midlands Region unemployment rate (aged 16 years and over) was 4.6%, which has increased by 0.3pp since the previous quarter and a decrease of 0.5pp from the previous year. The UK unemployment rate was 3.8%, an increase of 0.1pp from the previous quarter but a 0.1pp decrease when compared to the previous year. The highest unemployment rate in the UK for the three months ending February 2023 was in London at 4.7% with the lowest unemployment rate in South West at 2.3%.
- For the three months ending February 2023, the West Midlands Region economic inactivity rate (aged 16 – 64 years) was 22.7%, an increase of 0.7pp from previous quarter and an increase of 2.2pp when compared to the previous year, with the latter being the highest increase seen across all regions. The UK economic inactivity rate was 21.1%, a decrease of 0.4pp from the previous quarter and an increase of 0.3pp from the previous year. The highest economic inactivity rate in the UK for the three months ending February 2023 was in Northern Ireland with 26.2%, with the lowest in the South East with 17.7%.

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

[8] Source: ONS, Labour Market in the Regions of the UK: April 2023

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

	Employment Rate – Dec 22 to Feb 23 (aged 16-64 years)	Change on Sep to Nov 22	Unemployment Rate – Dec 22 to Feb 23 (16 years +)	Change on Sep to Nov 22	Inactivity Rate – Dec 22 to Feb 23 (aged 16-64 years)	Change on Sep to Nov 22
UK	75.8%	0.2pp	3.8%	0.1pp	21.1%	-0.4pp
Great Britain	75.9%	0.2pp	3.8%	0.1pp	21.0%	-0.4pp
England	76.1%	0.3pp	3.9%	0.2pp	20.7%	-0.5pp
North East	73.1%	1.6pp	4.2%	-0.5pp	23.6%	-1.3pp
North West	74.6%	0.4pp	3.8%	0.0pp	22.5%	-0.4pp
Yorkshire and The Humber	74.7%	0.4pp	3.5%	-0.6pp	22.6%	0.1pp
East Midlands	75.2%	0.3pp	3.5%	0.1pp	21.9%	-0.4pp
West Midlands	**73.7%**	**-0.8pp**	**4.6%**	**0.3pp**	**22.7%**	**0.7pp**
East	78.4%	0.3pp	4.0%	0.8pp	18.2%	-0.9pp
London	74.9%	-0.3pp	4.7%	0.4pp	21.3%	-0.3pp
South East	79.0%	1.2pp	3.9%	0.2pp	17.7%	-1.5pp
South West	79.5%	0.1pp	2.3%	0.1pp	18.6%	-0.3pp
Wales	72.4%	0.1pp	3.5%	0.1pp	24.9%	-0.3pp
Scotland	75.7%	-0.4pp	3.0%	-0.3pp	22.0%	0.7pp
Northern Ireland	71.9%	0.6pp	2.4%	-0.3pp	26.2%	-0.4pp

Source: ONS – Labour Force Survey

Annual Population Survey: Employment Activity: 2022[9]

Please note the following analysis is based on the West Midlands Metropolitan area (7 Met.) and will be referred to primarily as the WMCA. This is opposed to the WMCA 3 LEP geography.

The table below provides a summary of the latest headline estimates for the working age population (16-64) in the WMCA (7 Met.) area and the UK for the 2022 and percentage point (pp) change since 2021:

	Economic Activity Rate		Employment Rate		Economically Inactive	
	2022	Change Since 2021	2022	Change Since 2021	2022	Change Since 2021
Birmingham	71.4%	0.0pp	66.3%	1.7pp	28.6%	0.0pp
Coventry	75.7%	-0.2pp	72.1%	0.6pp	24.3%	0.2pp
Dudley	81.3%	-0.7pp	77.9%	-0.5pp	18.7%	0.7pp
Sandwell	68.0%	-8.8pp	63.9%	-8.8pp	32.0%	8.8pp
Solihull	81.7%	1.2pp	77.9%	0.5pp	18.3%	-1.2pp
Walsall	78.2%	2.7pp	71.6%	1.6pp	21.8%	-2.7pp
Wolverhampton	71.3%	-4.5pp	66.0%	-4.8pp	28.7%	4.5pp
WMCA	**73.9%**	**-1.2pp**	**69.2%**	**-0.6pp**	**26.1%**	**1.2pp**
UK	78.3%	0.0pp	75.5%	0.8pp	21.7%	0.0pp

Employment Rate

- In 2022, the employment rate in the WMCA (7 Met.) area was 69.2%, compared to 75.5% for UK-wide. The employment rate for the WMCA area decreased by 0.6pp when compared to 2021. In contrast, the UK employment rate increased by 0.8pp over the same time period. For the WMCA area to reach the UK rate of 75.5%, an additional 116,182 people are required to be employed.
- Since 2021, the employment rate for Birmingham increased by 1.7pp and was 66.3% in 2022. For Birmingham to reach the UK rate of 75.5%, an additional 116,182 people are required.
- Since 2021, the employment rate for Coventry increased by 0.6pp and was 72.1% in 2022. For Coventry to reach the UK rate of 75.5%, an additional 8,609 people are required.
- The employment rate for Dudley was 77.9% in 2022, a decrease of 0.5pp since 2021. Despite the decline, Dudley's employment rate remains above the UK average of 75.5%.

[9] ONS, Annual Population Survey (APS), April 2023.

- The employment rate for Sandwell was 63.9% in 2022, a decrease of 8.8pp since 2021. For Sandwell to reach the UK rate of 75.5%, an additional 24,224 people are required.
- Since 2021, the employment rate for Solihull increased by 0.5pp and was 77.9% in 2022. Solihull's employment rate was above the national average of 75.5% in 2022.
- The employment rate for Walsall was 71.6% in 2022, an increase of 1.6pp since 2021. For Walsall to reach the UK rate of 75.5%, an additional 6,670 people are required.
- The employment rate for Wolverhampton was 66.0% in 2022, a decrease of 4.8pp since 2021. For Wolverhampton to reach the UK rate of 75.5%, an additional 15,529 people are required.

Economic Activity Rate

- In 2022, the economic activity rate in the WMCA (7 Met.) area was 73.9%, compared to 78.3% for UK-wide. The economic activity rate for the WMCA area decreased by 1.2pp when compared to 2021. The UK economic activity rate remained at 78.3% over this period. For the WMCA area to reach the UK rate of 78.3%, an additional 81,782 people are required.
- Since 2021, the economic activity rate for Birmingham remained at 71.4%. For Birmingham to reach the UK rate of 78.3%, an additional 51,835 people are required.
- Since 2021, the economic activity rate for Coventry decreased by 0.2pp and was 75.7% in 2022. For Coventry to reach the UK rate of 78.3%, an additional 6,524 people are required.
- The economic activity rate for Dudley was 81.3% in 2022, a decrease of 0.7pp since 2021. Despite the decline, Dudley's economic activity rate remains above the UK average of 78.3%.
- The economic activity rate for Sandwell was 68.0% in 2022, a decrease of 8.8pp since 2021. For Sandwell to reach the UK rate of 78.3%, an additional 21,626 people are required.
- Since 2021, the economic activity rate for Solihull increased by 1.2pp and was 81.7% in 2022. Solihull's employment rate was above the national average of 78.3% in 2022.
- The economic activity rate for Walsall was 78.2% in 2022, an increase of 2.7pp since 2021. For Walsall to reach the UK rate of 78.3%, an additional 240 people are required.
- The economic activity rate for Wolverhampton was 71.3% in 2022, a decrease of 4.5pp since 2021. For Wolverhampton to reach the UK rate of 78.3%, an additional 11,462 people are required.

Economic Inactivity Rate

- In 2022, the economic inactivity rate in the WMCA (7 Met.) area was 26.1%, an increase of 1.2pp from 2021. Over the same period the UK remained at 21.7%.
- In 2022, the WMCA area had a higher percentage of people that were inactive when compared to the UK in four categories; students (29.3% vs 26.3%), looking after the family/home (26.4% vs 19.7%), temporary sick (2.4% vs 2.3%) and discouraged (0.9% vs 0.3%).

The following table shows the economic inactivity rate and by reason for the WMCA and UK-wide in 2022:

	WMCA		UK	
Economic Inactivity	**484,500**	**26.1%**	**9,001,600**	**21.7%**
Student	142,100	29.3%	2,371,700	26.3%
Looking after family/home	127,700	26.4%	1,776,900	19.7%
Temporary sick	11,500	2.4%	203,800	2.3%
Long-term sick	113,900	23.5%	2,350,300	26.1%
Discouraged	4,100	0.9%	24,900	0.3%
Retired	31,500	6.5%	1,234,600	13.7%
Other	53,600	11.1%	1,039,300	11.5%

Employment by Occupation

- In 2022, the WMCA (7 Met.) area had a higher percentage of people employed in three of the nine occupations when compared to the UK; administrative & secretarial occupations (11.5% vs 10.0%), process, plant & machine operatives (7.5% vs 5.6%) and elementary occupations (13.3% vs 9.5%).

The following table shows 16+ employment by occupation for the WMCA and UK in 2022:

	WMCA		UK	
1: managers, directors and senior officials	101,200	7.6%	3,369,800	10.3%
2: professional occupations	319,600	24.1%	8,531,300	26.1%
3: associate prof & tech occupations	182,000	13.7%	4,799,100	14.7%
4: administrative and secretarial occupations	152,400	11.5%	3,281,500	10.0%
5: skilled trades occupations	105,200	7.9%	2,879,700	8.8%
6: caring, leisure and other service occupations	99,400	7.5%	2,642,300	8.1%
7: sales and customer service occupations	84,500	6.4%	2,110,900	6.5%
8: process, plant and machine operatives	99,500	7.5%	1,833,600	5.6%
9: elementary occupations	175,900	13.3%	3,090,100	9.5%

Modelled Unemployment Rate[10]

- In 2022, the modelled unemployment rate in the WMCA (7 Met.) area was 6.2%, compared to 3.6% for England-wide. The modelled unemployment rate for the WMCA area decreased by 0.8pp when compared to 2021. England's modelled unemployment rate decreased by 0.9pp over the same time period. For the WMCA area to reach the UK rate of 3.6%, requires a reduction of 36,812 people.
- Since 2021, the modelled unemployment rate for Birmingham decreased by 0.7pp and was 7.3% in 2022. For Birmingham to reach the England rate of 3.6%, requires a reduction of 20,322 people.
- Since 2021, the modelled unemployment rate for Coventry decreased by 0.6pp and was 4.9% in 2022. For Coventry to reach the England rate of 3.6%, requires a reduction of 2,390 people.
- The modelled unemployment rate for Dudley was 4.3% in 2022, an increase of 0.2pp since 2021. For Dudley to reach the England rate of 3.6%, requires a reduction of 1,146 people.
- The modelled unemployment rate for Sandwell was 6.2% in 2022, an increase of 0.4pp since 2021. For Sandwell to reach the England rate of 3.6%, requires a reduction of 3,766 people.
- Since 2021, the modelled unemployment rate for Solihull decreased by 0.5pp and was 3.8% in 2022. For Solihull to reach the England rate of 3.6%, requires a reduction of 103 people.
- The modelled unemployment rate for Walsall was 5.5% in 2022, a decrease of 1.0pp since 2021. For Walsall to reach the England rate of 3.6%, requires a reduction of 2,399 people.
- The modelled unemployment rate for Wolverhampton was 6.3% in 2022, a decrease of 0.2pp since 2021. For Wolverhampton to reach the England rate of 3.6%, requires a reduction of 3,086 people

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

	Modelled Unemployment Count	Modelled Unemployment Rate	Change Since 2021
Birmingham	40,200	7.3%	-0.7pp
Coventry	9,400	4.9%	-0.6pp
Dudley	6,900	4.3%	0.2pp
Sandwell	9,100	6.2%	0.4pp
Solihull	4,000	3.8%	-0.5pp
Walsall	7,400	5.5%	-1.0pp
Wolverhampton	7,400	6.3%	-0.2pp
WMCA	**88,000**	**6.2%**	**-0.8pp**

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

	Modelled Unemployment Count	Modelled Unemployment Rate	Change Since 2021
England	1,040,100	3.6%	-0.9pp

Claimant Count

Please note the following analysis is based on the West Midlands Metropolitan area (7 Met.) and will be referred to primarily as the WMCA. This is opposed to the WMCA 3 LEP geography.

Claimant count for people aged 16 years and over[11]:

- There were 125,690 claimants in the WMCA (7 Met.) area in March 2023. Since February 2023, there has been an increase of 3.9% (+4,730) claimants in the WMCA area, while the UK increased by 3.3%. When compared to March 2022, the number of claimants has decreased by 4.1% (-5,430) in the WMCA area, with the UK decreasing by 8.2% over the same period. When compared to March 2020 (pre-pandemic figures), the number of claimants has increased by 26.6% (+26,390) in the WMCA area, with the UK increasing by 24.3% over the same period.
- Birmingham had 62,675 claimants aged 16 years and over in March 2023, an increase of 2,120 (+3.5%) claimants from the previous month. Compared to the same month in 2022, Birmingham claimants decreased by 3,310 (-5.0%). When compared to March 2020, the number of claimants has increased by 13,305 (+26.9%).
- Coventry had 12,860 claimants aged 16 years and over in March 2023, an increase of 720 (+5.9%) claimants from the previous month. Compared to the same month in 2022, Coventry claimants increased by 655 (+5.4%). When compared to March 2020, the number of claimants has increased by 4,860 (+60.8%).
- Dudley had 9,365 claimants aged 16 years and over in March 2023, an increase of 190 (+2.1%) claimants from the previous month. Compared to the same month in 2022, Dudley claimants decreased by 770 (-7.6%). When compared to March 2020, the number of claimants has increased by 850 (+10.0%).
- Sandwell had 13,860 claimants aged 16 years and over in March 2023, an increase of 605 (+4.6%) claimants from the previous month. Compared to the same month in 2022, Sandwell claimants decreased by 555 (-3.9%). When compared to March 2020, the number of claimants has increased by 3,080 (+28.6%).
- Solihull had 4,215 claimants aged 16 years and over in March 2023, an increase of 180 (+4.5%) claimants from the previous month. Compared to the same month in 2022, Solihull claimants decreased by 635 (-13.1%). When compared to March 2020, the number of claimants has increased by 565 (+15.5%).
- Walsall had 9,925 claimants aged 16 years and over in March 2023, an increase of 425 (+4.5%) claimants from the previous month. Compared to the same month in 2022, Walsall claimants decreased by 790 (-7.4%). When compared to March 2020, the number of claimants has increased by 1,320 (+15.3%).
- Wolverhampton had 12,795 claimants aged 16 years and over in March 2023, an increase of 485 (+3.9%) claimants from the previous month. Compared to the same month in 2022, Wolverhampton claimants decreased by 30 (-0.2%). When compared to March 2020, the number of claimants has increased by 2,415 (+23.3%).

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

	Mar 2020	Mar 2022	Feb 2023	Mar 2023	Mar 2023 (Claimants as proportion aged 16-64) Rates	% Change Since Mar 20	% Change Since Mar 22	% Change Since Feb 23
Birmingham	49,370	65,985	60,555	62,675	8.5%	26.9%	-5.0%	3.5%
Coventry	8,000	12,205	12,140	12,860	5.7%	60.8%	5.4%	5.9%
Dudley	8,515	10,135	9,175	9,365	4.8%	10.0%	-7.6%	2.1%
Sandwell	10,780	14,415	13,255	13,860	6.4%	28.6%	-3.9%	4.6%
Solihull	3,650	4,850	4,035	4,215	3.3%	15.5%	-13.1%	4.5%
Walsall	8,605	10,715	9,500	9,925	5.7%	15.3%	-7.4%	4.5%
Wolverhampton	10,380	12,825	12,310	12,795	7.8%	23.3%	-0.2%	3.9%
WMCA	**99,300**	**131,120**	**120,960**	**125,690**	**6.8%**	**26.6%**	**-4.1%**	**3.9%**
UK	1,268,620	1,717,660	1,526,525	1,576,390	3.7%	24.3%	-8.2%	3.3%

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

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

- Overall, for the WMCA the number of claimants as a proportion of residents aged 16-64 years old was 6.8% compared to 3.7% for the UK in March 2023.

Youth Claimants (Aged 18-24)

- There were 22,985 youth claimants in the WMCA (7 Met.) area in March 2023. Since February 2023, there has been an increase of 3.8% (+835) youth claimants in the WMCA area, while the UK increased by 3.3%. When compared to March 2022, the number of claimants has increased by 3.9% (+855) in the WMCA area, with the UK increasing by 0.2% over the same period. When compared to March 2020 (pre-pandemic figures), the number of youth claimants has increased by 20.0% (+3,830) in the WMCA area, with the UK increasing by 14.0% over the same period.
- Birmingham had 11,335 youth claimants in March 2023, an increase of 330 (+3.0%) youth claimants from the previous month. Compared to the same month in 2022, Birmingham youth claimants increased by 395 (+3.6%). When compared to March 2020, the number of youth claimants has increased by 2,230 (+24.5%).
- Coventry had 2,195 youth claimants in March 2023, an increase of 110 (+5.3%) youth claimants from the previous month. Compared to the same month in 2022, Coventry youth claimants increased by 185 (+9.2%). When compared to March 2020, the number of claimants has increased by 660 (+43.0%).
- Dudley had 1,800 youth claimants in March 2023, an increase of 45 (+2.6%) youth claimants from the previous month. Compared to the same month in 2022, Dudley youth claimants increased by 25 (+1.4%). When compared to March 2020, the number of youth claimants has increased by 50 (+2.9%).
- Sandwell had 2,580 youth claimants in March 2023, an increase of 115 (+4.7%) youth claimants from the previous month. Compared to the same month in 2022, Sandwell youth claimants increased by 120 (+4.9%). When compared to March 2020, the number of youth claimants has increased by 465 (+22.0%).
- Solihull had 795 youth claimants in March 2023, an increase of 40 (+5.3%) claimants from the previous month. Compared to the same month in 2022, Solihull youth claimants decreased by 105 (-11.7%). When compared to March 2020, the number of youth claimants has decreased by 30 (-3.6%).
- Walsall had 2,005 youth claimants in March 2023, an increase of 115 (+6.1%) claimants from the previous month. Compared to the same month in 2022, Walsall youth claimants remained at 2,005. When compared to March 2020, the number of youth claimants has increased by 90 (+4.7%).
- Wolverhampton had 2,280 youth claimants in March 2023, an increase of 85 (+3.9%) youth claimants from the previous month. Compared to the same month in 2022, Wolverhampton youth claimants increased by 235 (+11.5%). When compared to March 2020, the number of youth claimants has increased by 370 (+19.4%).

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	Mar 2022	Feb 2023	Mar 2023	Mar 2023 (Claimants as proportion aged 18-24) Rates	% Change Since Mar 20	% Change Since Mar 22	% Change Since Feb 23
Birmingham	9,105	10,940	11,005	11,335	8.7%	24.5%	3.6%	3.0%
Coventry	1,535	2,010	2,085	2,195	5.1%	43.0%	9.2%	5.3%
Dudley	1,750	1,775	1,755	1,800	7.6%	2.9%	1.4%	2.6%
Sandwell	2,115	2,460	2,465	2,580	9.0%	22.0%	4.9%	4.7%
Solihull	825	900	755	795	5.3%	-3.6%	-11.7%	5.3%
Walsall	1,915	2,005	1,890	2,005	8.9%	4.7%	0.0%	6.1%
Wolverhampton	1,910	2,045	2,195	2,280	10.7%	19.4%	11.5%	3.9%
WMCA	**19,155**	**22,130**	**22,150**	**22,985**	**8.1%**	**20.0%**	**3.9%**	**3.8%**
UK	238,085	270,970	262,835	271,535	4.9%	14.0%	0.2%	3.3%

- Overall, for the WMCA the number of youth claimants as a percentage of residents aged 18-24 years old was 8.1% compared to 4.9% for the UK in March 2023.

Claimant Count by Age and Gender (WMCA 7 Met.)[12]

- For those aged 16-24 in the WMCA (7 Met.) area, when comparing March 2023 to the previous month, there was an overall increase of 830 claimants. This can be split by an increase of 515 males and an increase of 315 females.

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

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- For those aged 25-49 in the WMCA area, when comparing March 2023 to the previous month, there was an overall increase of 3,200 claimants. This can be split by an increase of 1,220 males and an increase of 1,985 females.
- For those aged 50 years and over in the WMCA area, when comparing March 2023 to the previous month, there was an overall increase of 695 claimants. This can be split by an increase of 345 males and an increase of 345 females.
- Notably, the only age range where there was an overall decrease when compared to February 2023 was those aged 16-17 years old. This age range decreased by 5 claimants, due to females decreasing by approximately 10 claimants, this was offset due to an increase in male claimants.

The following table shows a breakdown by age brackets and gender for the WMCA area over selected time periods and change since March 2023:

		Mar 2020	Mar 2022	Feb 2023	Mar 2023	No. Change Since Mar 20	No. Change Since Mar 22	No. Change Since Feb 23
Total	**Age 16+**	**99,300**	**131,120**	**120,960**	**125,690**	**26,390**	**-5,430**	**4,730**
	Aged 16-24	**19,345**	**22,335**	**22,330**	**23,160**	**3,815**	**825**	**830**
	Aged 16-17	190	205	180	175	-15	-30	-5
	Aged 18-24	19,155	22,130	22,150	22,985	3,830	855	835
	Aged 25-49	**56,930**	**77,690**	**71,680**	**74,880**	**17,950**	**-2,810**	**3,200**
	Aged 25-29	13,505	17,070	15,480	16,200	2,695	-870	720
	Aged 30-34	13,315	18,260	16,590	17,210	3,895	-1,050	620
	Aged 35-39	11,650	16,800	15,775	16,630	4,980	-170	855
	Aged 40-44	9,535	14,070	13,530	14,115	4,580	45	585
	Aged 45-49	8,925	11,490	10,300	10,725	1,800	-765	425
	Aged 50+	**23,020**	**31,095**	**26,950**	**27,645**	**4,625**	**-3,450**	**695**
	Aged 50-54	8,360	11,150	9,610	9,990	1,630	-1,160	380
	Aged 55-59	7,490	9,830	8,420	8,630	1,140	-1,200	210
	Aged 60-64	6,340	8,335	7,140	7,190	850	-1,145	50
	Aged 65+	830	1,785	1,780	1,830	1,000	45	50
Male	**Age 16+**	**58,885**	**77,650**	**70,960**	**73,040**	**14,155**	**-4,610**	**2,080**
	Aged 16-24	**11,970**	**13,945**	**13,890**	**14,405**	**2,435**	**460**	**515**
	Aged 16-17	85	80	80	85	0	5	5
	Aged 18-24	11,885	13,865	13,810	14,315	2,430	450	505
	Aged 25-49	**33,260**	**45,350**	**41,200**	**42,420**	**9,160**	**-2,930**	**1,220**
	Aged 25-29	8,180	10,480	9,375	9,765	1,585	-715	390
	Aged 30-34	7,825	10,770	9,645	9,845	2,020	-925	200
	Aged 35-39	6,605	9,515	8,855	9,180	2,575	-335	325
	Aged 40-44	5,525	7,990	7,495	7,695	2,170	-295	200
	Aged 45-49	5,125	6,595	5,830	5,935	810	-660	105
	Aged 50+	**13,655**	**18,355**	**15,870**	**16,215**	**2,560**	**-2,140**	**345**
	Aged 50-54	4,880	6,550	5,570	5,750	870	-800	180
	Aged 55-59	4,420	5,795	4,995	5,100	680	-695	105
	Aged 60-64	3,815	4,920	4,170	4,205	390	-715	35
	Aged 65+	535	1,090	1,135	1,165	630	75	30
Female	**Age 16+**	**40,415**	**53,470**	**50,000**	**52,650**	**12,235**	**-820**	**2,650**
	Aged 16-24	**7,375**	**8,385**	**8,440**	**8,755**	**1,380**	**370**	**315**
	Aged 16-17	105	125	100	90	-15	-35	-10
	Aged 18-24	7,270	8,265	8,340	8,670	1,400	405	330
	Aged 25-49	**23,670**	**32,340**	**30,480**	**32,465**	**8,795**	**125**	**1,985**
	Aged 25-29	5,325	6,590	6,105	6,435	1,110	-155	330
	Aged 30-34	5,490	7,495	6,945	7,370	1,880	-125	425
	Aged 35-39	5,045	7,285	6,925	7,450	2,405	165	525
	Aged 40-44	4,010	6,075	6,035	6,420	2,410	345	385
	Aged 45-49	3,800	4,895	4,470	4,790	990	-105	320
	Aged 50+	**9,365**	**12,740**	**11,080**	**11,425**	**2,060**	**-1,315**	**345**
	Aged 50-54	3,475	4,595	4,040	4,245	770	-350	205
	Aged 55-59	3,070	4,035	3,430	3,530	460	-505	100
	Aged 60-64	2,525	3,415	2,965	2,990	465	-425	25
	Aged 65+	295	695	645	665	370	-30	20

Lightcast Job Postings WMCA Geography March 2023[13]

The number of unique job postings across the WMCA area continues to fluctuate from month-to-month.

- Whereas unique job postings were down 6.6% in February 2023 there was an increase of 1.4% in March to 114,049, bucking trends nationally.
- Job posting activity across the WMCA area rebounded in all bar Sandwell in the last month.
- Posting intensity, i.e., the effort towards hiring for particular positions was highest in Coventry and Walsall.

The following table reports the number of unique job postings across the WMCA local authorities in March 2023 and the percentage change from the previous month:

WMCA 7 Met.	Mar 2023 Unique Postings	Percentage Change (Feb 2023 - Mar 2023)
Birmingham	62,993	2%
Coventry	14,706	5%
Dudley	7,389	1%
Sandwell	7,072	-6%
Solihull	7,443	1%
Walsall	5,881	3%
Wolverhampton	8,565	1%

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

Screen Skills, Shortages and Silicon Spa

James Davies and Matt Lyons, WMREDI

Dr James Davies and Dr Matt Lyons discuss how we can solve the creative skills shortage in the West Midlands. This blog and research are part of a project for the Creative Industries Policy and Evidence Centre.

The phenomenon of skills shortages in the creative industries is well-known in the academic literature and policy debates.

The lack of appropriately skilled workers is stymieing the growth of creative clusters in regions already lagging behind London and the South East. Our research seeks to dig a bit deeper into the regional nature of creative industries' skills ecosystems, to identify what policy interventions could close the gap.

Research

The first stage of our research compared two creative clusters:

1. The Film & TV focused cluster in the Cardiff Capital Region (CCR):

Large-scale productions, such as Netflix's ***Sex Education*** and the BBC/HBO adaptation of ***His Dark Materials*** have been filmed in studios and on location across Wales, with the majority of production based around Cardiff.

2. The Video Games focused on a cluster in the West Midlands Combined Authority (WMCA):

Home to world-renowned videogames franchises including ***Forza Horizon, Fable,*** and the ***DiRT*** and official ***F1*** games, are developed by teams based in and around the Warwickshire town of Leamington Spa, known colloquially as ***Silicon Spa***.

These two creative clusters are quite different in their economic contexts and in their sub-sectors. Film, television and video game production share characteristics and technologies, but there are important distinctions, too. Importantly they also differ in their institutional landscapes, with different policy levers available in the CCR (the Capital city in a devolved nation) compared to the West Midlands. Our research uses interviews with stakeholders across the range of industry, education, training providers and local government, to better understand what these differences mean for the skills ecosystem in each region, and what lessons can be learned to better inform policy.

In 2023, the UK Government announced a Deeper Devolution deal for the West Midlands, allocating more funds and autonomy to address priority areas for Levelling up, presenting a great opportunity for the region to consider what greater devolution could mean for the creative sector when considering the example set in the CCR. While we await the publication of the full report by the Creative Industries PEC, likely to be in the summer of 2023, this blog sets out a summary of our findings and their implications for policy:

Summary of Findings

- It's not that workers aren't skilled, more that there aren't workers with the ***right*** skills to make them employable: better characterised as a mismatch rather than a shortage.
- Where industry and education collaboration ***has*** occurred, it has been very successful in developing effective and specific courses. There is a need to foster that collaboration at a more general level within regions to focus the contribution universities and Further Education (FE) colleges can make to their creative industries.
- The development of more modular, flexible courses would also cater for the lack of talent in more senior positions but may require agility beyond Higher Education institutions (HEIs) and be better served by colleges or independent training providers.
- Different levels of government operated in the two regions of focus, and resulted in markedly different levels of interaction with their regional sub-sectors.
- In the West Midlands, we find an undervaluing of the creative industries in policy and an apparent reticence in the video games industry to appear visible and accessible.

- Where there is strong regional leadership, we can see closer alignment between industry needs and policy provision. Creative Wales is an example of what a network that connects industry, education and government could look like.
- We find that there are different constraints on creative sectors and geographies when seeking talent, particularly in the aftermath of the COVID pandemic. These nuances are not widely understood and require tailored policy responses.
- A recognition of fragility is essential to mitigate against shocks, whether that be further economic uncertainty, the pandemic, inward investment leaving (especially in TV), or political, in the form of the impact of Brexit, and allocation of Levelling up funding. Creative industries are not inevitable nor indefatigable.

Recommendation: Commission surveys to better understand regional skills gaps and mismatches.
Our understanding of regional skills issues for creative industries needs to go beyond a simple consideration of demand exceeding supply and acknowledge that there is a proliferation of talent, particularly at the entry-level, that is **mismatched** with the industry's needs and expectations. Regional-level surveys of the screen sector workforce, renewed annually, can help to provide a picture of the workforce composition that better reflects the regional dynamics of the labour market, and shifting needs over time.

Recommendation: Design flexible, modular courses with foundational input from the industry to contribute to solving technical skills gaps.
Better **industry engagement,** in both the designing and tailoring of creative industries courses to the relevant needs of the sub-sectors from year to year, offers greater agility than is possible with traditional HE courses. Hybridised courses, that split classroom time with industry experience, or more **small-scale modular courses** that cater to skills requirements to aid with 'stepping up' to more senior positions, would benefit from industry engagement being foundational in their creation, resulting in courses that best serve the creative industries' needs, and will help to clarify the role of the university in supporting regional creative clusters.

Recommendation: Build and support networks that foster collaboration between education providers and industry.
Effective and continuous university and industry links are hugely valuable to the creative sectors in both regions. More structure enabling these collaborations would improve training at Higher Education (HE) level, and lower the risk associated with the industry in employing graduates. Continuity above also extends to appointing the right people and then keeping them there for the longer-term strategy, a combination of these approaches would go some distance to limit the amount of 'churn' within the institutions that have a remit for CI ecosystems, and allow more strategic and sustained support.

Recommendation: Devolve Creative Leadership to the functional economic area of the creative cluster.
Where there is strong regional leadership, we can see closer alignment between industry needs and policy provision. Devolving decision-making to regional and local government levels across regions such as the West Midlands would enable continuity of funding and personnel, and enhance legitimacy and structure. We call for the establishment of independent creative agencies for any region that has the capacity and desire to grow its creative cluster. Well-funded agencies with sector champions will help foster collaboration between industry, policy and education, and benefit from being more securely funded, permitting longer-term planning, the development of relationships and continuity – all areas acknowledged to be challenges for the sector.

Recommendation: Introduce technical visas for key creative sectors.
The dearth of appropriately skilled workers in some sub-sectors and roles is likely too specific and dynamic for regional education providers to be able to respond to alone. Both sub-sectors have been heavily impacted by recent shocks, with TV facing an exodus of more senior personnel over the pandemic, and video game global talent pipelines being impacted heavily by Brexit. As such, the most efficient route to addressing these shortages would be to import more workers and offer talent visas to facilitate their swift relocation and integration.

Recommendation: To boost resilience in the sector recognising fragility is a feature.
A recognition of fragility is essential to mitigate against shocks (further economic/pandemic) uncertainty, inward investment leaving (especially in TV), Political (Brexit and allocation of Levelling up funding). Creative Industries are not inevitable or indefatigable.

Building Bridges
In their major 2022 Skills Review, the British Film Institute (BFI) recommend the building of stronger bridges into industry from education, and from outside the production sector. Industry working more collaboratively to set standards and frameworks for apprenticeships and technical education, forming better links with educators and training bodies at the local level, and engaging more with education to inform curriculum development is a route to addressing issues relating to the supply and demand of a region's creative sector specifically.

We support the findings of the BFI in this regard and hope that our research has provided further evidence for an increased regionally specified policy approach to the UK's creative clusters, and attendant devolution of decision-making powers away from Westminster, allowing the West Midlands to take control of their identity and destiny. With the announcement of the Deeper Devolution Deal allocating not only a windfall of £1.5bn of investment into the region but also the devolution of an unparalleled amount of control over spending in key areas, this is a prime opportunity for the West Midlands to recognise the potential of its creative sector. Developments in Digbeth around TV production, including the recent opening of ***Peaky Blinders*** creator Steven Knight's Digbeth Loc Studios demonstrate that the creative industries are a major part of the West Midlands' future, it is vital to ensure the world leading creative cluster already on its doorstep, in the form of ***Silicon Spa*** are not overlooked, but rather prioritised and supported.

What Characteristics Influence the Retention/Migration Decisions of Birmingham Graduates?

Kostas Kollydas and Anne Green, WMREDI

Kostas Kollydas and Anne Green provide a breakdown of the type of graduates that remain in the region after they complete their degrees.

The skills composition of the labour force plays a vital role in a region's productivity, economic growth and innovation capabilities.

In this context, creating the conditions for retaining highly skilled university graduates in an area can improve its workforce skills base and contribute to regional convergence. This becomes more important considering that the Covid-19 pandemic has exacerbated economic and welfare inequalities across the UK, while, in parallel, there is an increased policy interest in levelling up UK places.

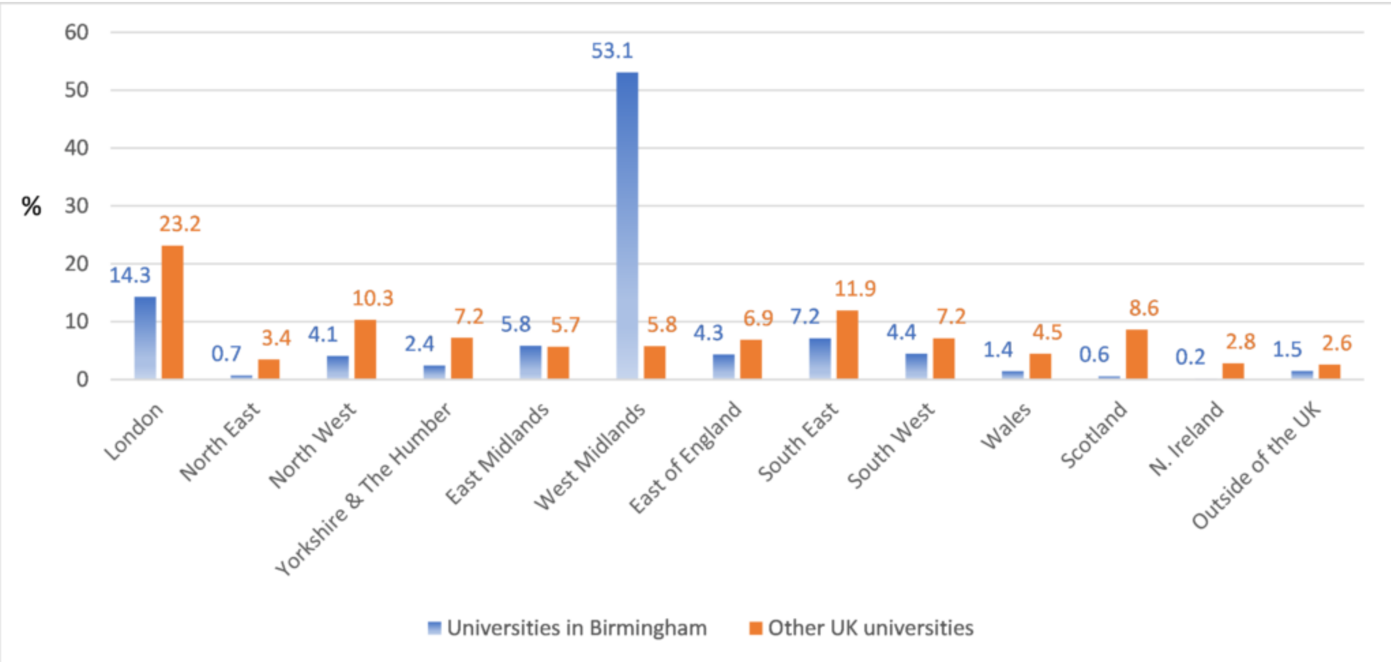
To understand better the mechanisms that drive the mobility behaviour of highly educated people, it is important to shed light on the characteristics of graduates who stay in their area of study for work relative to those who choose to migrate to other places.

The Graduate Outcome Survey

The Graduate Outcomes Survey provides comprehensive information about the employment destinations of those graduates who responded to the Survey for the academic years 2017/18 and 2018/19.

Of the total number of UK-domiciled graduates (i.e. who lived in the UK before commencing their studies) of the five universities in Birmingham who were in employment 15 months after completing their course, 53.1% stayed in the West Midlands for work (see the graph below). The rest of Birmingham graduates (46.9%) moved to other UK regions (or outside the UK), predominantly to London (14.3%), the South East (7.2%) and the East Midlands (5.8%).

Distribution of new graduate workers by region of workplace and university attended (in grouped form)



Source: Own elaboration using pooled data from the Graduate Outcomes Survey (Higher Education Statistics Agency), 2017/18-2018/19. Note: The graph presents the distribution of higher education graduates in employment 15 months after finishing their course across workplace regions. The sample comprises only UK-domiciled people (i.e., those who lived in the UK before commencing their studies). The "universities in Birmingham" are the University of Birmingham, Birmingham City University, Aston University, University College Birmingham, and Newman University.

The West Midlands
By focusing on the metropolitan West Midlands County (i.e. the 7-Met area), the corresponding graduate retention rate stands at 44% (on average for both academic years). Interestingly, the table below (table 1) reveals that the average characteristics of graduates of the five universities in Birmingham who work in the 7-Met area differ markedly from those who left Birmingham to access jobs elsewhere in the UK or in other countries.

Gender
More specifically, women are more likely than men to stay in the 7-Met area for work. In particular, females comprise 65.2% of the 7-Met area workforce sample compared to 58.6% of the Birmingham graduates who migrated to other areas for work. A key factor here could be unequal interregional occupation opportunities between genders, particularly at the beginning of graduates' careers.

Age
Moreover, the likelihood of staying locally for work is lower for younger graduates (aged 24 years and under), who account for 60.4% of the Birmingham graduates employed in the 7-Met area relative to nearly 70% of those who migrated elsewhere for work. Likewise, first-degree holders exhibit a lower propensity to stay in the 7-Met area for employment than those with other qualification levels.

Ethnicity
There are substantial ethnic differences between these two groups of graduates. For example, of the total number of Pakistani and Bangladeshi graduates who studied in Birmingham, 73% remained in the 7-Met area after finishing their course. As a corollary, they comprise 17.2% of the Birmingham graduates who work in the 7-Met area, which is 12.3 percentage points higher than the respective share of those who found a job in other areas (4.9%).

Some likely explanations for this pattern relate to the concentration of specific ethnic minorities in the West Midlands, their lower average socio-economic and educational background, and cultural attitudes to long-distance moves. Indeed, graduates with parents in highly skilled employment (i.e., holding managerial/professional jobs) are more likely than others to be geographically mobile. In a similar vein, academic performance is negatively correlated with the probability of staying in the location of study, as Birmingham graduates with a first-class or upper second-class degree have a greater chance of relocating to other regions/countries for employment.

Degree Theme
The probability of staying local is considerably higher for Birmingham graduates with a degree in Arts, Humanities, and Education than those with STEM (Science, Technology, Engineering and Mathematics) and LEM (Law, Economics and Management) qualifications. Finally, the Public Admin, Education and Health sectors in the 7-Met area absorb a remarkably large number of Birmingham graduates (57.9%) relative to those who move to other locations (41.6%). The latter results are attributable to different occupation opportunities across subjects of study and sectors emanating from the industrial structure in the 7-Met area.

Increasing graduate retention in the West Midlands could be achieved by improving the opportunities in sectors with auspicious growth outlooks that are adaptive to future skills needs. In this context, investing in growing sectors (such as advanced manufacturing, life sciences, low-carbon, high-tech and digital industries) can create good jobs in the West Midlands, thus both helping to retain and attract university-educated talent to the area.

Table One:

Average characteristics of graduates of universities in Birmingham by area of employment (7-Met area versus other areas)			
Variable	***Other areas (%)***	***7-Met area (%)***	***Difference***
Gender			

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

Women	*58.6*	*65.2*	*-6.6*
Men	*41.4*	*34.8*	*6.6*
Age group			
Under 21	*2.9*	*3.2*	*-0.3*
21-24	*67*	*57.2*	*9.8*
25-29	*12.3*	*16.8*	*-4.5*
30-39	*8.4*	*13.2*	*-4.8*
40-49	*6.2*	*6.9*	*-0.7*
50 and over	*3.2*	*2.7*	*0.5*
Ethnicity			
White	*70.6*	*55.8*	*14.8*
Black Caribbean	*1.9*	*4.2*	*-2.3*
Black African	*5.6*	*5.9*	*-0.3*
Other Black	*0.3*	*0.4*	*-0.1*
Indian	*9*	*8.5*	*0.5*
Pakistani	*3.7*	*13.1*	*-9.4*
Bangladeshi	*1.2*	*4.1*	*-2.9*
Chinese	*0.9*	*0.8*	*0.1*
Other Asian	*1.9*	*1.8*	*0.1*
Mixed	*4.1*	*4.2*	*-0.1*
Other ethnic group	*0.7*	*1.2*	*-0.5*
Socio-economic background (parental occupation)			
Managerial/Professional occupation	*62*	*44.9*	*17.1*
Other (including long-term unemployed)	*38*	*55.1*	*-17.1*
Subject area of study			
STEM	*43.5*	*41.6*	*1.9*
LEM	*23.8*	*19*	*4.8*
Other	*20*	*28.4*	*-8.4*
Combined degree	*12.7*	*11.1*	*1.6*
Level of qualification			
Postgraduate (research)	*3.1*	*3.2*	*-0.1*
Postgraduate (taught)	*25.9*	*29.2*	*-3.3*
First degree	*65.5*	*60.1*	*5.4*
Other undergraduate	*5.5*	*7.5*	*-2*
Class of first degree			
First class / Upper-second class honours	*88*	*80*	*8*
Other degree class	*12*	*20*	*-8*
Industry sector (grouped form)			
Energy and water	*1.6*	*0.5*	*1.1*
Manufacturing	*6.6*	*3.3*	*3.3*
Construction	*1.6*	*1.8*	*-0.2*

Distribution, hotels and restaurants	*13.9*	*12.3*	*1.6*
Transport and communication	*9.4*	*4.6*	*4.8*
Banking and finance	*20.4*	*16*	*4.4*
Public admin, education and health	*41.6*	*57.9*	*-16.3*
Other services	*4.8*	*3.6*	*1.2*
Observations	***9,370***	***7,360***	

The parental occupation applies only to young graduates (i.e., those aged 20 or less at the time of entry to higher education).

The figures for the “Agriculture, forestry and fishing” industry sectors are not reported because of their small sample size. STEM subjects comprise “Physical sciences”, “Mathematical sciences”, “Computer science”, “Biological sciences”, “Veterinary science”, “Engineering & technology”, “Agriculture & related subjects”, and “Architecture, building & planning”. LEM subjects refer to “Law”, “Business & administrative studies”, and “Social studies”. Other subjects include “Mass communications & documentation”, “Languages”, “Historical & philosophical studies”, “Creative arts & design”, and “Education”. The “combined” subjects relate to joint degrees in more than one subject code (e.g., “BSc in Economics & Mathematics”).

You can find out more about Labour Markets, Graduate Retention and Skills on our website.

What is Next for Levelling Up?

Rebecca Riley, WMREDI

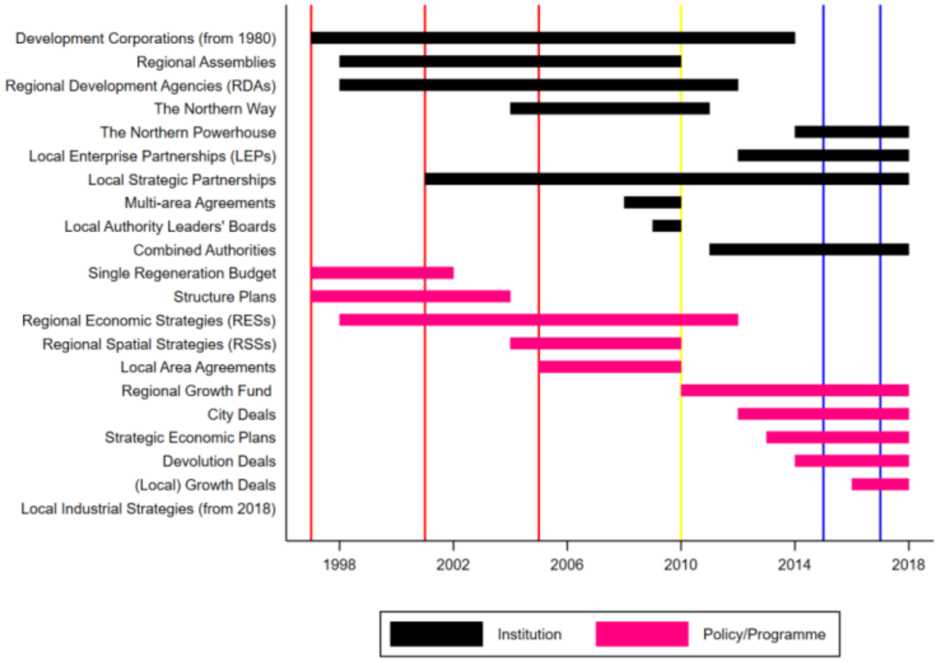
Rebecca Riley recently appeared on a panel session hosted by [The Policy Institute at Kings College London](). In this blog, she discusses how Levelling Up should be about giving people the capacity, confidence, and courage to drive change. This article was first posted on the [UK in a Changing Europe]() blog.

It isn't a new problem

The first thing to highlight is levelling up is not a new problem. Successive governments have tried and failed to a greater and lesser degree to solve it. Although the label of the policy approach has changed the disparities between places have remained. Levelling Up should be looking to tackle long-term persistent structural issues embedded in places left behind by the demise of heavy industry. Still, political change makes it very difficult to embed long-term change.

Therefore, successive governments have introduced various programmes and policies to tackle this, with varying focus and operational approaches. There was the 1920s Industrial Transference scheme, the urban agenda in the 1960s, City Deals, Government Offices and Regional Development Agencies in the 1990s prior to the current competitive funding for Levelling Up.

As seen in the chart below (SQW 2019) there has been a plethora of interventions since the late 90s alone.



Source: SQW

However, there is often a disjoint between what people see on the ground and want "fixing", which are often dealt with through small pots of money and 'quick fixes', versus the things which need to happen to change places in the long term. This is a difficult balancing act for the government and is seen in the UK In a Changing Europe report, by King's College London on what people think.

What have we learned from all this activity?

To improve places we need consistent and coherent funding over the long term to change large-scale structural issues and it's not about small pots of hanging basket competitive investment.

Andy Haldane mentioned losers in his opening speech and in WM there were over 110 bids in round 1 of Levelling Up and only 11 were funded, that's time and investment, potentially £3.3m, that could be better spent. Local authorities, who have had a 20% reduction in real funding since 2010, are bidding into a centralised pot of money for the opportunity to develop something in their area. 74% of the 834 bids submitted nationally were not funded.

Funding

The nature of competitive funding is still creating a gap between winners and losers when funding should be inclusive by design. Across both rounds of Levelling Up funds, whilst most of the funding went to 'left behind' regions, it did not necessarily go to the most deprived areas within them. For instance, for those in the least deprived Local Authority grouping, 300+ had a per capita spend of £544.62, whilst Local Authorities in the most deprived grouping (1 to 50) had the lowest spend per capita of £57.75. Constant change and new funds are causing confusion in the system, making it difficult to navigate for people, businesses and the public sector. Institutional reorganisation is further compounding this.

Local institutions don't have the levers they need to deliver levelling up: they lack the decision-making powers, budgetary capacity and institutional capabilities to make transformative policy interventions in the drivers of productivity. There are some important areas of delivery local organisations have no control over at all, such as skills and education. Outcomes are often set within the context of past performance and path dependency; which places find difficult to shake off. This raises the importance of investing in the knowledge and confidence of the leaders to take strategic decisions, for them to have agency in how they deliver, and creativity in what they define as responses to challenges.

The North-South Divide

Levelling Up is not merely a North-South issue either. It is a story of hyper-local disparities that may be disguised at the national level, and which data does not always reveal. The lived experience of the people in place testifies to this. A recent policy forum we held looking at 'Pride in Place' emphasised this. Places are intangible and need strong partnerships and leadership, which need to be based on a human-centred approach to developing interventions. Hence, alongside broader structural factors, local approaches to understanding both the quantitative impacts and the qualitative lived realities are essential to understand to tackle 'levelling up'.

Levelling Up should be about giving people the **capacity, confidence, and courage** to drive change. Providing a public investment in place, helps businesses and people to gain the confidence to invest for themselves. There is a lack of this understanding in current public policy.

What should come next?

Based on our evidence:

1. Put the investment where it's needed, enact the findings of the levelling up analysis and utilise the wealth of evidence there is to design interventions and tackle issues. Move away from piloting to changing the mainstream.
2. End the lurching from competitive programme to programme and streamline into long-term investments, to reduce the waste in public resources from bidding. Streamlining funding in skills, innovation, enterprise, and infrastructure, which should be based on need and delivered through local structures with local accountability.
3. Adapt national frameworks and put in place processes to trace the combined impacts of place funding, so we can understand and measure the success of programmes.
4. This will provide confidence to the markets, businesses, and local people in the long-term investment in place (even if it is small to start).
5. Help places develop the confidence, skills and expertise needed to drive change locally, develop evidence and evaluation skills and encourage learning from others.

What will be next?

1. The mission targets do not match against departmental targets, so until they are aligned progress will be piecemeal.
2. The ethos of levelling up could be lost in the political debate and instability in the run-up to the election.

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

3. The danger is that a new government wants something different to distance itself from the previous government, or rename the policy but the focus is lost when the issues remain the same.

You can see the work City-REDI/WMREDI have done on Levelling up here.

The Role of Universities in 'Levelling Up' the Region Post-Pandemic

John Goddard, WMREDI

John Goddard discusses the challenges of 'levelling up' within the higher education sector and how they can play a leading role going forward, post-pandemic.

The challenges of 'levelling-up' cities and regions of the country will not go away. Universities can and do play a leading role as 'anchor institutions' throughout the country with a huge sunk capital and social investment contributing to place-making in the round.

Universities played a key role during the pandemic which was an economic crisis. They are even more significant as we enter yet another period of economic turbulence with widening geographical disparities. They are here for the long haul!

More specifically, universities are major employers in their own right, local procurers of goods and services. The activities of their staff and students have a direct economic, social, and cultural impact. Through collaborative research with businesses, public authorities, and the community and voluntary sectors, universities can contribute to innovation in all manner of organisations, including helping them confront global challenges like climate change locally.

They can use their independent status and analytical insights to bring all stakeholders together in the co-creation of knowledge. Through education, they contribute to the skills needed to link research to innovation and ensure that students from less advantaged areas have access to local employment opportunities so that they do not need to move away. Last but not least, they have global reach and can help attract and inward investment to their city and region.

Data

Evidence of the scale of the contribution of the universities in Birmingham can be found in our data lab where users can access information both about all universities and their localities across England.

From this source it is clear that the University of Birmingham exhibits many of the characteristics of an anchor institution, acting with and for the City and wider region. It is an investment in establishing City-REDI and the appropriately named Exchange building in the city centre bears witness to this.

From within the University, City-REDI is providing evidence to guide and evaluate the impact of policies and practises that can contribute to long-term local economic and social development.

A good example of this is working with the Birmingham Chamber using Foresight methodologies to identify megatrends that can be used to transform future challenges into opportunities for Greater Birmingham.

Policy

But activities like this must be sustained by government policy. To this end, we have been seeking to shape the national discourse about the contribution that universities can make to levelling up. In this respect, the Levelling Up White Paper is strangely silent, no doubt because of silos within the central government between those departments responsible for research, innovation, higher education, and local government. So, we will be responding to the challenge issued by Lord Kerslake in a recent Policy Forum that we hosted using it to help us write 'the missing chapter' in the White paper.

As many national politicians have said, every area of the country can engage with the levelling up agenda, provided they can put forward viable projects and demonstrate effective partnership and accountability arrangements.

National Network of Civic Universities

The national network of civic universities has shown that universities can play a role through Civic University Agreements drawn up with local partners.

With the funding from Research England, the NCIA's vision is to increase the connectivity, momentum, and effectiveness of the HE sector's civic activities for local societal, economic, and environmental benefit and maximise the contribution universities can make towards addressing societal challenges and responding to policy priorities.

Experience with the process of preparing such agreements suggests that localities that are best prepared and most agile will gain the most. Key ingredients everywhere are joint leadership between universities, businesses and local government in the delivery of planned investment. And doing this in consultation with the wider public.

Collaboration and Partnerships

The partnerships between Birmingham City Council, the University of Birmingham, the other universities, the West Midland Combined Authority and the Chamber of Commerce indicate that we are well placed to address the levelling up challenges, including those of so-called 'left behind' communities in our region.

The Green Economy in Birmingham and the West Midlands

Martin Freer, University of Birmingham

Professor Martin Freer discusses what the region needs to do to meet net zero targets. This blog post was produced for inclusion in the Birmingham Economic Review for 2022.

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

This post is featured in Chapter 5 of the Birmingham Economic Review for 2022, on opportunities and building on the strengths of the region.

Read the Birmingham Economic Review.

Visit the WMREDI Data Lab to find out more about Birmingham.

Across the West Midlands, there is a universal commitment to delivering net zero on a timescale which aligns with and sometimes is vastly more ambitious than, the 2050 UK target.

The West Midlands Combined Authority has set a target of 2041. The ambition has been backed up by a high-level plan. This will require significant investment, with an estimated £4.7bn in the first five years and £15.4bn by 2041. A similar review by Leeds City Council estimates £2.6bn a year for 10 years is required for net zero. However, these plans are probably at the lower end of the regional investment required, focussing on local authority-controlled assets, and a more accurate reflection of the cost of decarbonisation is revealed by the estimated cost of decarbonising London's 4 million homes of £98 billion.

Indeed, decarbonisation of domestic heating lies at the more challenging end of the spectrum given that there is no low-cost option and that unlike decarbonisation of the electricity grid, where large wind farm investments are invisible to the consumer, heat requires a change to virtually every home.

The UK has 24 million gas boilers that will need replacing, and for many of these homes, the thermal efficiency needs enhancement in order to be optimal for heat pump installation.

Fuel Poverty

As illustrated in HM Government's Heat and Building Strategy, the West Midlands has the highest levels of fuel poverty in England at 17.5% compared to 7.5% in the South East and the lowest levels of energy efficiency of buildings of 35% again compared to London and South East of 45%. At the time of extreme energy prices, driven by the present high cost of gas, means that the West Midlands is greatly exposed to the accelerated levels of fuel poverty and has homes which leak energy at the highest rates and hence cost more to run.

The bottom line is, that both from net zero and the cost of energy perspectives there is a need to prioritise investment into the domestic heating sector and in turn, this would provide a much-needed injection into the West Midlands Green Economy.

Birmingham

The need for local coordination around heat is clear. Be it heat pumps or district heating both require engagement with communities around the type of heating solution deployed, the infrastructure required and aggregation of demand to a scale that there it is commercially attractive to deliver. It is unlikely that a pepper pot of solutions will work and that the optimal approach is street by street, community by community. It will also need to recognise existing energy assets which have hitherto not been exploited.

East Birmingham is a good example. It is an area of Birmingham in which there are communities at the extreme end of the energy crisis. The fuel poverty and unemployment rates are highest and the life expectancy of certain communities is 10 years less than elsewhere in the city. The traditional, pre-1900, housing is some of the worst performing in terms of the Energy Performance Certificate, EPC, ratings. In total, there are around 110,000 homes for which a range of district heating and heat pump solutions are on the table.

East Birmingham has a number of energy assets, which include the large energy from waste, EfW, plant at Tyseley which incinerates the city's household waste, and generates electricity, but wastes the heat. Similarly, there is the Minworth, Severn Trent, sewage works which produce, from the final effluent stream, an estimated 95 MW of thermal energy. These assets produce enough thermal energy that they could, in principle, serve the energy requirements of 50% of the homes in East Birmingham.

Policy

A recent policy commission led by Sir John Armitt makes the case that regions like East Birmingham could be part of a national pathfinder programme. This pathfinder would not only deliver lower carbon energy, higher energy efficiency and reduced fuel poverty but generate jobs and skills for the communities which are part of the pathfinder – a virtuous circle. The proposed 3 Cities programme, which focuses on 150,000+ homes in Birmingham, Coventry and Wolverhampton, would similarly accelerate the economic benefits of the low-carbon transition.

The key to the Green Economy is ensuring that the benefits of the growth in this sector flow through to the communities in the West Midlands and not to the South East, or worse, overseas.

The discussions that the West Midlands Combined Authority are having with HM Government around devolution will be important to success.

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

Black Country Consortium Economic Intelligence Unit

On the 20th April 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 crisis from the Opinions and Lifestyle Survey (OPN).

Online Job Adverts

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

Nationally, between the 6th and 14th April 2023, total online job adverts decreased by 2.5%. On the 14th April 2023, total online job adverts were at 111.3% of their average level in February 2020. Out of the 28 categories (excluding unknown) 25 decreased; the largest weekly decrease was in "accounting/finance" which fell by 5.5% (to 95.7% of the average level in February 2020). Of the 3 categories that increased ("catering & hospitality", "energy/oil & gas" and "travel/tourism"), the highest increase was in "travel/tourism" which rose by 21.4% (to 135.1% of the average level in February 2020). There were 9 categories that were below the February 2020 average level, with the lowest in "sales" at 77.0%.

Excluding Northern Ireland (which increased), online job adverts decreased across all other UK regions between the 6th and 14th April 2023. The West Midlands online job postings fell by 3.2% and on the 14th April 2023, it was at 109.2% of the average level in February 2020. There were 4 regions that were below the February 2020 levels; East of England (92.1%), London (93.5%), South East (96.4%) and the East Midlands (98.9%). In contrast, Northern Ireland had the highest levels on the 14th April 2023 at 156.8% of the average level in February 2020.

Potential Redundancies

HR1 forms are used by employers to notify the Insolvency Service's Redundancy Payments Service of potential redundancies. They are only required when firms wish to make 20 or more redundancies. The data is presented in a week-ending Sunday format. The data does not record the total number of redundancies; they record the number of potential redundancies filed on HR1 forms.

On the 9th April 2023, across the UK there were 53 employers proposing 3,766 potential redundancies. The potential redundancies 4-week rolling average was 5,160 and the employers proposing redundancies 4-week rolling average was 74. 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 105 and the employers proposing redundancies 4-week rolling average was 133.

System Average Price of Gas and System Price of Electricity

The System Average Price (SAP) of gas decreased by 9% in the week to 16th April 2023 (from the previous week) which continues the downward trend since mid-December 2022. This was 46% lower than the equivalent level in 2022. However, when compared to the pre-Covid-19 baseline, SAP of gas was 312% higher (but the smallest comparison so far in 2023 so far).

The SAP of electricity decreased by 12% in the week to 16th April 2023 (from the previous week) and is 46% lower than the equivalent level in 2022. However, when compared to the pre-Covid-19 baseline, SAP of electricity was 155% higher.

Housing

Data from Dataloft shows that in March 2023, the average proportion of gross income spent on rent in the UK was 26.8%; this ratio is comparable with that of March 2022, but the data indicates that rent is now less affordable than it was in 2019 though it has been broadly stable for the last two year.

Consumer Behaviour

Consumer behaviour indicators showed broad decreases in the latest week likely because of reduced activity following the Easter period in the previous week; Revolut debit card spending fell by 12 percentage points and overall retail footfall decreased to 97% of the level of the previous week

Value Added Tax Flash Estimates

After seasonal adjustment, HM Revenue and Customs Value Added Tax (VAT) returns shows a net 2% of firms in March 2023 reported increased turnover on the previous month, compared with a net 1% who reported decreased turnover in March 2022. Production had the highest net percentage of firms reporting an increase, with 5%, followed by construction and agriculture both reporting a net 2% increase. Services had the lowest net percentage of firms reporting an increase, with 1%.

Business Insights and Conditions Survey

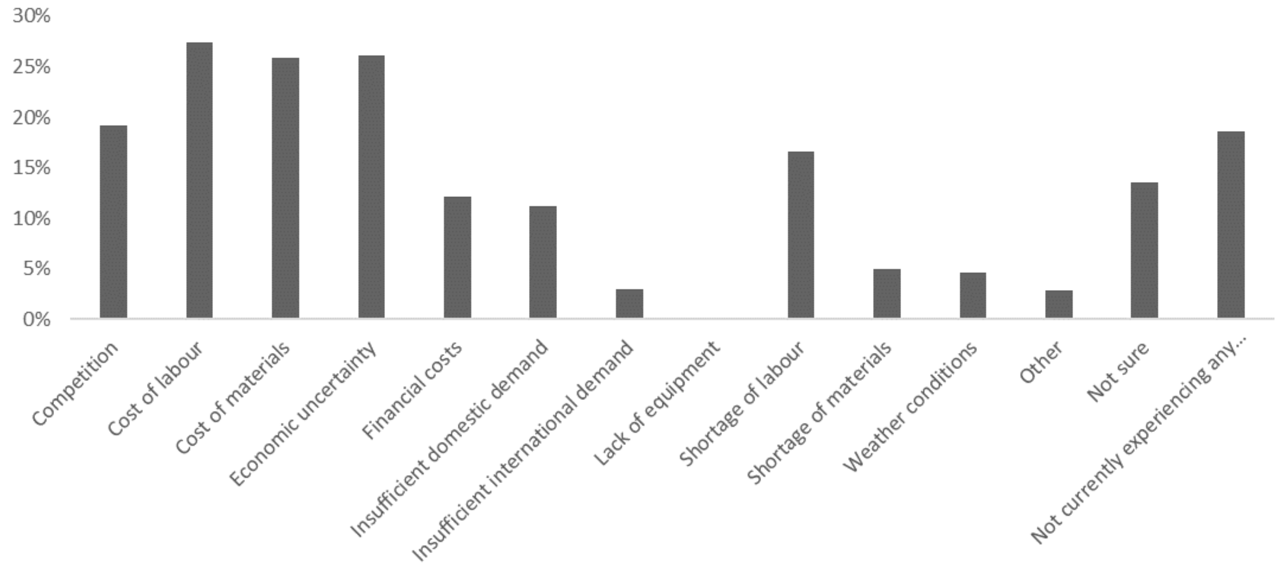
The final results from Wave 80 of the Business Insights and Conditions Survey (BICS) based off the 5,303 businesses surveyed across the West Midlands that businesses have a presence in with a response rate of 25.1% (1,330) and 3,268 businesses that are head quartered in the West Midlands, with a response rate of 24.0% (785). Please note, the survey reference period was 1st to 31st March 2023 with a survey live period of 3rd to 16th April 2023. Also, the data used is unweighted for regions and response levels can be low meaning the following results should be treated with caution when evaluating impacts. Due to weighted data being available for the UK a comparison has not been included.

Financial Performance

44.5% of responding West Midlands businesses reported that turnover in March 2023 had increased when compared to the previous calendar month. 36.4% of West Midlands businesses reported turnover had stayed the same. However, 12.0% had reported that turnover had decreased.

27.4% of West Midlands businesses reported cost of labour as a challenge that is currently impacting turnover. 18.6% of West Midlands businesses reported to not experiencing any challenges.

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



28.6% of West Midlands businesses expect turnover to increase in May 2023. While, 48.6% reported expectations of turnover to stay the same. However, 10.7% of West Midlands businesses expect turnover to decrease in May 2023.

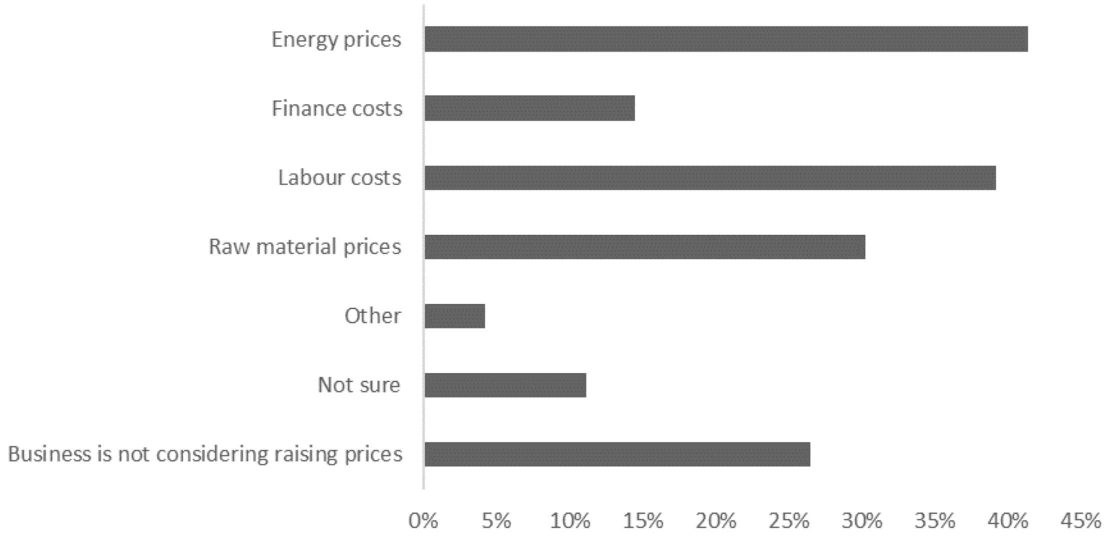
Prices
32.4% of responding West Midlands businesses reported the prices of goods or services brought in March 2023 when compared to the previous month had increased. 50.9% reported that prices had stayed the same and less than 1.0% of West Midlands businesses reported that prices of goods or services brought had decreased.

16.6% of West Midlands businesses reported the prices of goods or services sold in March 2023 when compared to the previous month had increased. 67.6% reported that prices had stayed the same and 1.4% of West Midlands businesses reported that prices of goods or services sold had decreased.

26.7% of West Midlands businesses expect the prices of goods or services sold in May 2023 to increase. 54.1% expect prices to stay the same and 1.2% expect the prices of goods or services sold to decrease.

35.9% of West Midlands businesses reported that energy prices was a factor for the business to consider rising prices in May 2023. While 27.6% of responding West Midlands businesses reported to not be considering raising prices in May 2023.

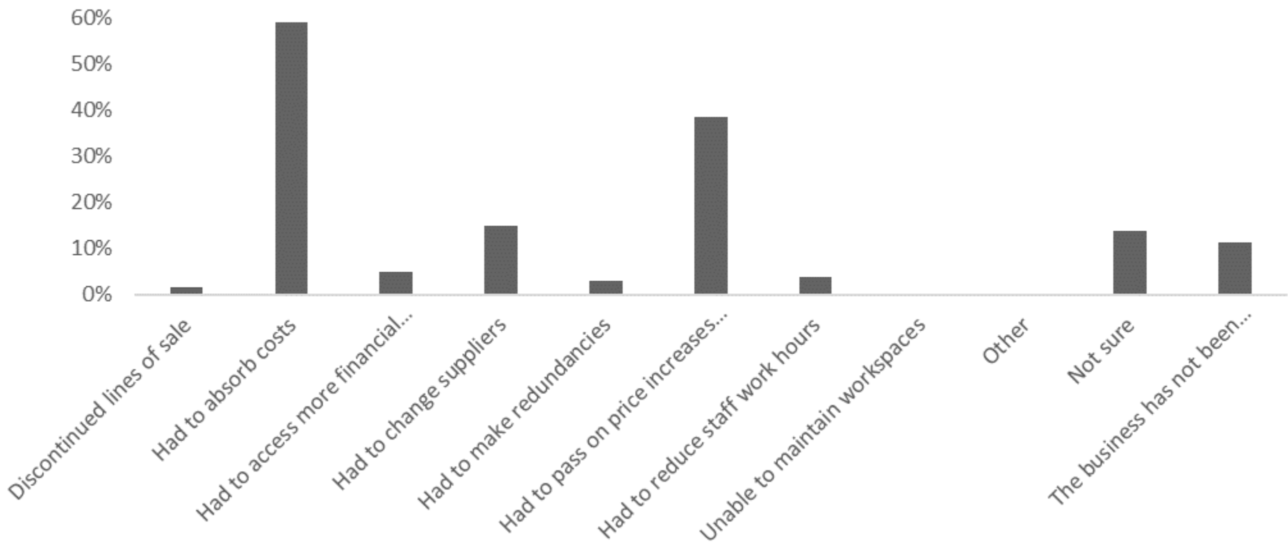
Factors (if any) causing West Midlands businesses to consider raising prices in May 2023:



Energy Prices
6.5% of responding West Midlands businesses reported production had been affected by recent increases in energy prices, 16.0% of West Midlands businesses reported suppliers had been affected and 22.8% of West Midlands businesses reported that both production and suppliers were affected. While 25.9% of West Midlands businesses reported to not being affected by the recent increases in energy prices.

Impacts of Price Rises
59.1% of West Midlands businesses have had to absorb costs due to price rises.

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



Demand for Goods and Services
24.5% of responding West Midlands businesses reported that domestic demand for goods and services in March 2023 when compared to the previous month had increased. 48.8% reported the domestic demand had stayed the same and 9.8% of West Midlands businesses reported the domestic demand for goods and services had decreased.

7.6% of West Midlands businesses reported that international demand for goods and services in March 2023 when compared to the previous month had increased. 25.1% reported the international demand had stayed the same and 4.3% of West Midlands businesses reported the international demand for goods and services had decreased.

Stock Levels and Stockpiling
10.1% of responding West Midlands businesses reported that stock levels of raw materials in March 2023 when compared to the previous month were higher. 35.6% reported that stock levels stayed the same and 7.7% of West Midlands businesses reported stock was lower.

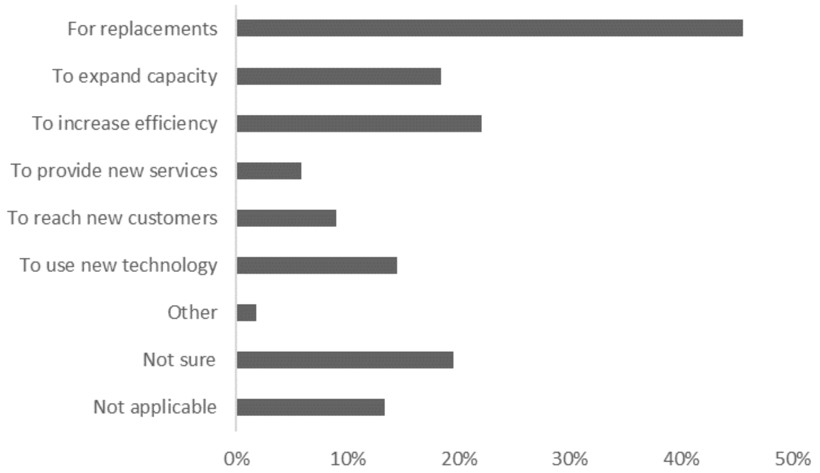
11.7% of responding West Midlands businesses reported that stock levels of finished materials in March 2023 when compared to the previous month were higher. 32.4% reported that stock levels stayed the same and 7.9% of West Midlands businesses reported stock was lower.

7.7% of responding West Midlands businesses reported to stockpiling goods or materials.

Capital Expenditure
19.2% of responding West Midlands businesses expect capital expenditure to increase over the next three months. 40.8% expect capital expenditure to stay the same and 8.9% expect capital expenditure to decrease over the next three months.

45.6% of West Midlands businesses are expecting to authorise capital expenditure for replacements in May 2023.

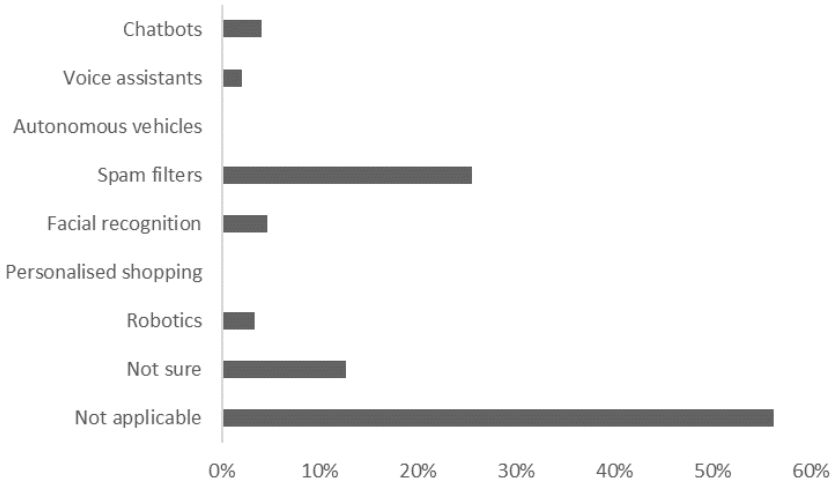
Reasons (if any) West Midlands businesses are expecting to authorise capital expenditure in May 2022:



Artificial Intelligence

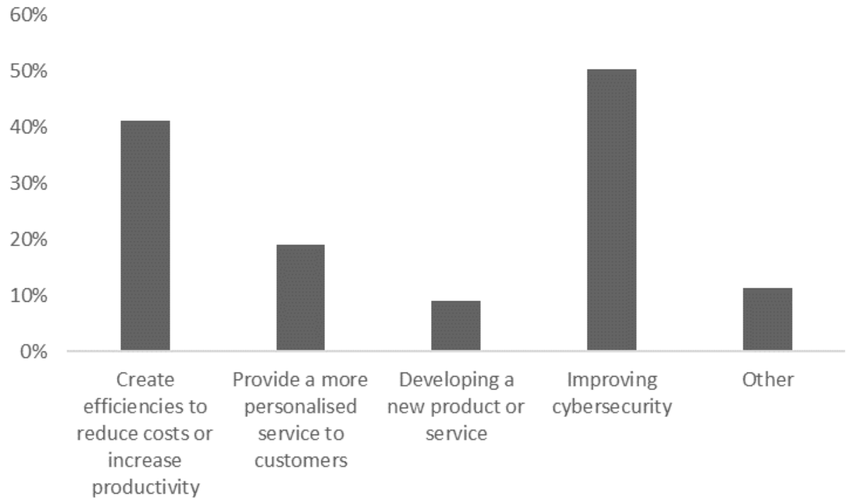
25.5% of responding West Midlands businesses currently use spam filter from artificial intelligence applications.

Artificial Intelligence applications used (if any) by West Midlands businesses:



50.4% of West Midlands businesses currently use or plan to use artificial intelligence to improve cybersecurity.

How West Midlands businesses currently use, or plan to use, artificial intelligence applications:



Number of Employees
22.5% of responding West Midlands businesses reported in March 2023 when compared to the previous month, that the number of employees increased, 58.5% reported the number of employees had stayed the same and 11.9% of West Midlands businesses reported the number of employees had decreased.

25.4% of West Midlands businesses expect the number of employees will increase in May 2023, 58.2% expected the number of employees to stay the same and 4.8% of West Midlands businesses expect the number of employees to decrease.

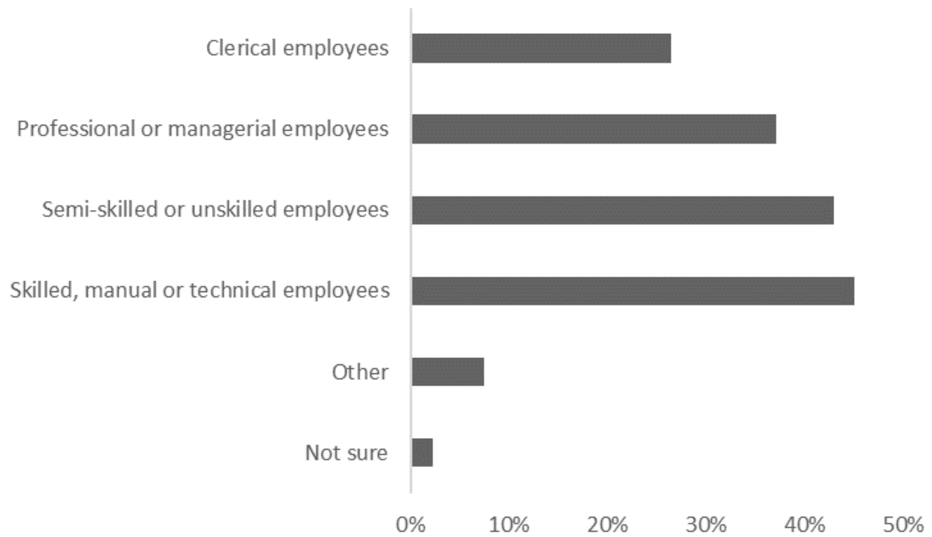
Staffing Costs
50.9% of responding West Midlands businesses reported staffing costs have increased over the last three months. 35.0% reported staffing costs have stayed the same and 2.1% reported the staffing costs have decreased.

53.7% of responding West Midlands businesses expect staffing costs to increase over the next three months. 30.6% expect staffing costs to stay the same and 1.7% expect staffing costs to decrease.

Recruitment Difficulties
31.2% of responding West Midlands businesses reported to experiencing difficulties in recruiting employees in March 2023. However, 40.9% of West Midlands businesses did not experience any difficulties.

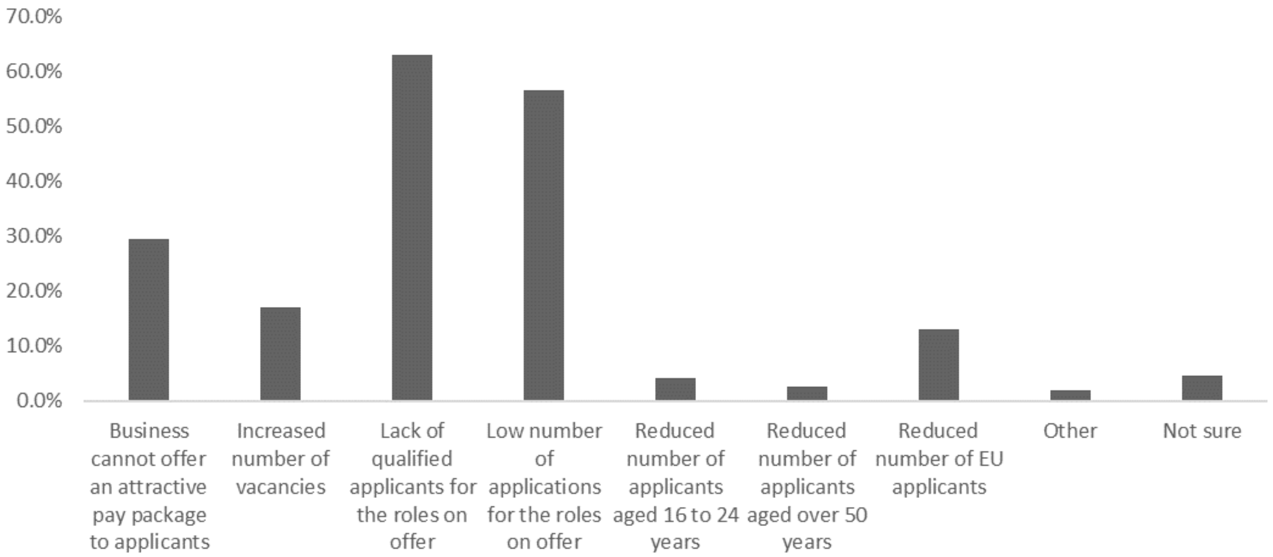
45.1% of West Midlands businesses had difficulties in recruiting skilled, manual or technical employees.

Employees West Midlands businesses had difficulties in recruiting:



As 63.1% of West Midlands businesses have experienced difficulties in recruiting employees due to lack of qualified applicants for the roles on offer.

Reasons West Midlands businesses experienced difficulties in recruiting employees:



Debts and Insolvency

2.4% of responding West Midlands businesses reported that debt repayments were between 50% and 100% of turnover in March 2023. 4.2% of West Midlands businesses reported that repayments were between 20% and 50% of turnover. 26.1% of West Midlands businesses reported that repayments were up to 20% of turnover. While 43.3% of responding West Midlands businesses reported that it was not applicable.

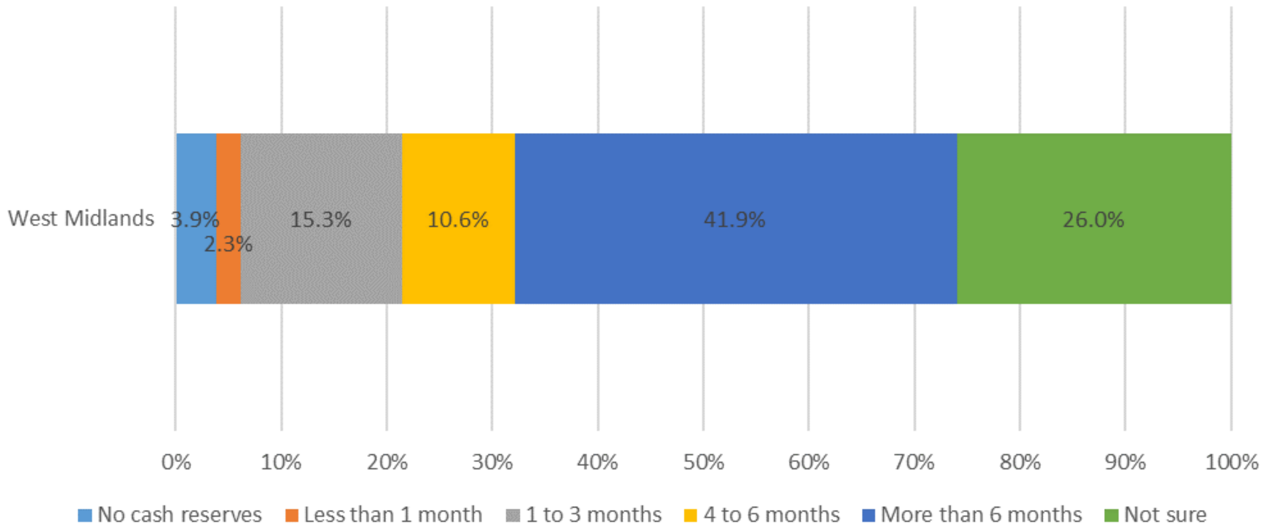
47.8% of West Midlands businesses reported high confidence to meet the current debt obligations, 12.1% had moderate confidence and 1.1% had low confidence.

5.5% of West Midlands businesses reported to be at moderate risk of insolvency, 43.1% reported low risk and 41.9% reported no risk.

Cash Reserves

3.9% of responding West Midlands businesses have no cash reserves.

How long West Midlands businesses expect cash reserves to last:



Overall Performance

36.9% of responding West Midlands businesses reported that overall performance in March 2023 increased when compared to the same period in the previous year. 37.1% of West Midlands businesses reported that performance had stayed the same and 14.0% reported that performance had decreased.

For the next 12 months, 41.0% of West Midlands businesses expect that performance will increase, 35.7% expect performance will stay the same and 7.3% expect performance will decrease.

Public Opinions and Social Trends

Please note, a breakdown by region is no longer provided within this dataset due to the smaller responding sample size of the Opinions and Lifestyle Survey (OPN). Estimates are based on data collected between 5th to 16th April 2023 (the "latest period") and the 22nd March to 2nd April 2023 (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 (92%), NHS (85%), economy (73%) and climate change & the environment (64%).

Worrying Issues

85% of adults were worried about one or more issue in the past two weeks. The most reported issues were; cost of energy (49%), cost of food (49%) and their general health (35%).

People living in the most deprived fifth of areas in England more frequently reported being worried about the cost of food (64%) and the cost of energy (60%). This was when compared with those living in the least deprived fifth of areas in England (40% and 42%, respectively). Those living in the most deprived fifth of areas were more likely to report being worried about their general health (46%) than people in least deprived areas (29%).

Those living in the most deprived fifth of areas in England were also more likely to report being worried about the cost of rent or mortgage payments (35%) and feeling safe in their neighbourhood (28%). This was when compared with those living in the least deprived fifth of areas in England (18% and 13%, respectively)

Paying Energy Bills

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

Industrial Action

38% of adults reported industrial action as an important issue in the UK. During the latest period, 39% of adults reported that they had been affected by industrial action in the last month, an increase from 27% in the previous period 22 March to 2 April 2023. Among those affected by industrial action, the largest changes in the way adults have been impacted by industrial action included: spending more money on travel: 22% in the latest period (14% in the previous period) and unable to attend a medical appointment: 12% in the latest period (5% in previous period).

Personal Well-Being

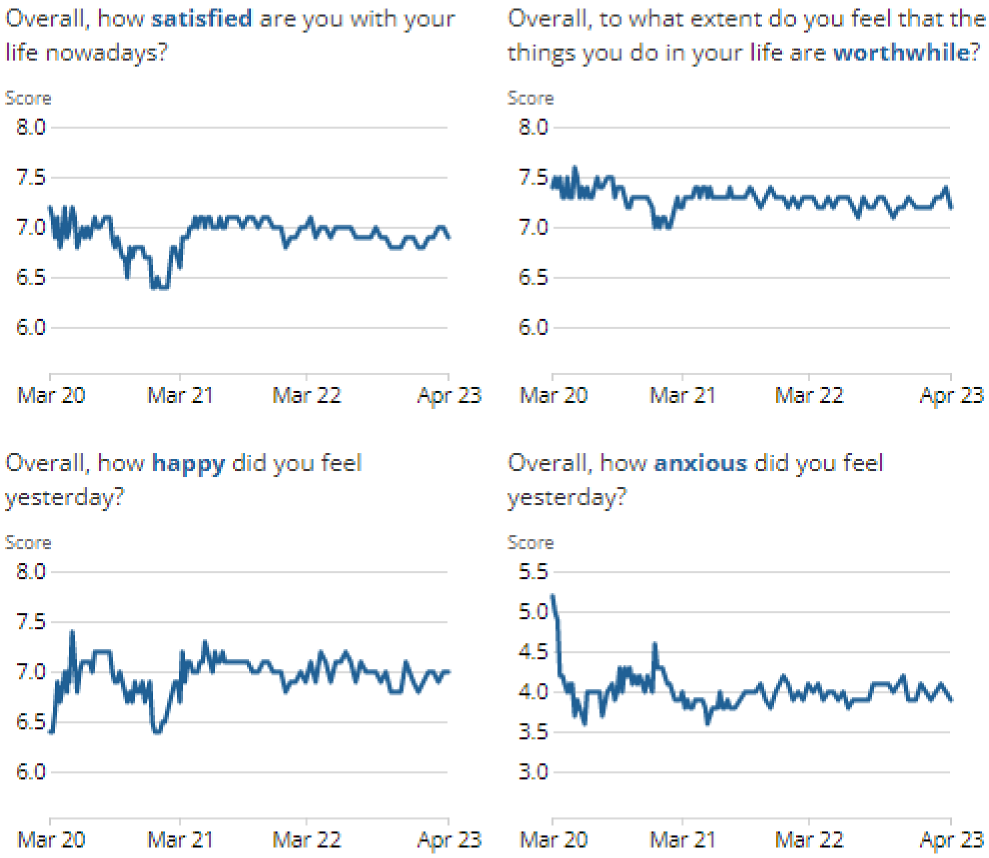
Life satisfaction – decreased to 6.9 in the latest period (from 7.0 in the previous period).

Feeling that the things done in life are worthwhile – decreased to 7.2 in the latest period (from 7.4 in the previous period).

Happiness – remained at 7.0 since the previous period.

Anxiety – decreased to 3.9 in the latest period (from 4.0 in the previous period).

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



Source: Office for National Statistics – Opinions and Lifestyle Survey

Actions to Look After Well-Being

In the latest period, 87% of adults had taken at least one action to look after their well-being in the last two weeks. The most reported actions were: being more physically active (46%), trying to get enough sleep (46%), increasing the amount of time spent outdoors (45%) and spending more time with family or friends (39%).

Headlines

SECTOR	KEY INSIGHTS
Cross Sector	**Outlook** The current regional economic and business outlook appears to be mixed; it is certainly **better than parts of 2022 but still very uncertain and unsettled**. There are also mixed results coming from different surveys and barometers which makes understanding the reality on the ground difficult. For example: • According to the ICAEW's latest Business Confidence Monitor (BCM) for the West Midlands, **business confidence in the West Midlands has improved, but still remains relatively weak (behind the UK average).** - The Business Confidence Index for the West Midlands has risen to **+1.2 in Q1 2023,** after being in firmly negative territory through most of 2022. That said, the index is only just positive and is still below the UK average (+2.5). On balance, only businesses in the North West, Scotland and London are less optimistic about economic prospects. - Business sentiment is clearly being dampened by the wide range of challenges that companies face. **Customer demand is now the most prominent growing issue for businesses in the West Midlands.** In Q1 2023, 40% of companies cite this challenge. - **Difficulties in the labour market remain widespread.** The availability of non-management skills still sits among the most prevalent challenges in the region, with 34% of companies experiencing growing problems. This is closely followed by staff turnover, which is a source of difficulty for 31%. That said, the **percentage of businesses citing each of these issues does now appear to be lessening, after surging to record rates during 2021 and early 2022.** This suggests that recruitment difficulties are beginning to dissipate. • However, the latest **Lloyds Bank Business Barometer suggests that, at 48%, business confidence in the West Midlands is the highest in the UK.** - There was a broad rise in business confidence across the sectors, **particularly in construction (47 per cent, up 28 points) and manufacturing (37 per cent, up ten points) both at a ten-month high and retail (32 per cent, up 11 points)** the highest since February 2022. - West Midlands businesses identified their top target areas for growth in the next six months as **investing in their team (45 per cent), diversifying into new markets (36 per cent), and evolving their offer (28 per cent).** These contrasting results also appear to filter through into impact and results of such conditions, also unclear and constantly changing fast – with **differing findings across different types of companies:** • Positively, listed companies in the Midlands issued only five profit warnings in Q1 2023, **nine less than Q4 2022 – a decrease of 64%** – and the lowest number of warnings since Q2 2021, according to the latest EY-Parthenon Profit Warnings Report. • Whereas the Analysis of notices in The Gazette by Interpath Advisory reveals that a total of **29 companies based in the Midlands fell into administration in Q1 2023, up from 22 in Q1 2022 and representing a jump of 32 per cent.** Nationally, corporate insolvencies have reached a three-year high. It appears therefore that **increased costs – while experienced by all businesses - are affecting firm operations in varying ways dependant on circumstance.** These include

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

SECTOR	KEY INSIGHTS
	impacts on affecting operational costs and cashflow, reducing margins and stunting growth, while at the more extreme end requiring redundancies or even company closure. Reflecting the less fatal impact of cost increase, according to a new report from Small Business Britain **more than three in five (61%) small business owners think they will grow this year, but there are signs that many are hitting the brakes on investment in core area**s, such as marketing and new technology. This is raising concerns for recovery. **Trading Environment** • **Energy Costs –** Concerns continue from businesses relating to rising energy costs and keeping offices open and staffed 5 days per week. Appetite is increasing for 4-day weeks and other flexible working patterns and that these will remain as the norm at least through the rest of 2023. • **Importing and exporting** -Time delays and customs/freight costs are too high. One importer of high-end furniture and home goods choosing to close their business this month due to rising costs making their products unattractive to buyers. • **Materials costs increasing** – Notably glass bottles and CO_2 gas prices eating into margins. Also, the cost of leather up 24% and some foams and rubbers up to 80% more expensive this year. • Some businesses **paying travel and fuel costs for some key workers in an effort to offset personal expenses for staff.** • Business **frustration with the lack of funded programmes to follow EU funded business** support. **Labour Market** • The downturn in permanent placements softened during March, according to a report from KPMG and REC. The **KPMG and REC, UK Report on Jobs: Midlands showed that permanent placements and temporary billings remained in contractionary territory at the end of the first quarter of 2023.** However, both segments saw softer reductions in comparison to February. The downturn in candidate availability also eased, with candidates available for permanent roles falling at the second-slowest pace in almost two years while temp staff availability experienced the softest decrease in the current 25-month sequence of reduction. • The **logistics sector is still struggling with the recruitment & retention of drivers.** • Recruitment agencies saying that the **lack of temporary staff, especially in the construction sector, is driving up hourly rates.** • **Care sector struggling to find suitable staff and meet wage demands**, often as they operate on historic contractual agreements with set pricing. Some seeking to employ foreign workers from India and Zimbabwe. • **Manufacturing facing real issues with ageing workforces and the recruitment of new, younger talent** and skilled machinists. • **Candidate's Market** – salaries and working conditions being dictated by prospective employees. Work from home and flexibility are all being negotiated as strongly as salaries. Some businesses having to negotiate higher salaries than those advertised to secure new staff. Delays with onboarding as candidates will often await multiple offers before accepting and are using this as a negotiating tool. • **Real struggles recruiting talent**. Those that are available demanding high salaries, particularly those with sought after skills. CAD designers able to command £100/hr plus.

SECTOR	KEY INSIGHTS
	• Major **shortage of newly qualified engineers**. High performing businesses relocating or setting up branches in the region looking to recruit vast numbers of engineers. Most of these operate in the EV battery and EV infrastructure industry and are looking at recruiting staff with transferrable skills to fill gaps. Many businesses keen to develop relationships with schools and colleges to address longer term issues. • **Cost of living** – staff demanding pay increases is ongoing. Some paying up to 10% above the national living wage for unskilled labour.
Manufacturing	**Make UK Survey across UK Manufacturers** – Highlights: • **36% of vacancies in Manufacturing sector are difficult to fill** – compared to 27% national average. • People recognise that manufacturing is important for the UK, there's **spill-over in innovation that benefits society.** • The attitudes to work are changing as people increasingly look for flexible working, but there's a **misconception that manufacturing doesn't offer as much flexibility.** • Future funding for skills will reduce because of Brexit, and the sector needs to not only invest more into skills programmes, but also **identify the specific skills that are lacking** (because the term 'digital skills' are broad and means differently to different people). Following this a concrete strategy on how to then close this gap is needed, something which perhaps can be fed into an industrial strategy. **The lack of an industrial strategy from the current government was also pointed out as inconducive to solving the skills gap.** • There's a change in preferred methods of learning. **Younger people don't want to learn something until it's needed because technology changes so fast and frequently**.
Construction / Land	• **Activity in the development land market throughout the Midlands is predicted to return in the summer** following an encouraging start to the year, according to research from Savills. • Savills said the **land pipelines of the major housebuilders have remained strong over the past two years** – currently 15 per cent larger than the 2015-2019 pre-pandemic average – despite the mix of rising borrowing costs along with the end of Help to Buy seeing the land market, at a broader level, slow in Q4 2022. • The return to higher levels of buying activity in the land market is, according to the research, **likely to depend on the pace of the recovery of transactions in the residential market.**
High Achievers	West Midlands businesses operating in a broad range of industries, including a green technology company, a developer of personalised vitamin gummies and a manufacturer of wooden buildings, structures and fencing, have been named as **winners of the King's Awards for Enterprise 2023.** The awards are designed to recognise and encourage outstanding achievements in the fields of **Innovation, International Trade, Sustainable Development and Promoting Opportunity (through social mobility).** Winners located in the WMCA area this year are: • **Forest Garden Group** (Hartlebury, Innovation) • **Remedy Health** (Birmingham, Innovation) • **Ammo & Company** (Birmingham, International Trade) • **Green Sheep Group** (Stratford-Upon-Avon, International Trade) • **NRG Marine** (Solihull, International Trade) • Shelforce (Birmingham, Promoting Opportunities)

COMPANY	LOCATION	SECTOR	DETAIL
Prezzo	Nationwide	Restaurants	Prezzo has confirmed it is closing 46 of its 'loss-making' venues including four West Midlands outlets at Mere Green in Sutton Coldfield. Shirley in Solihull, Redditch in Worcestershire and Rugby in Warwickshire.
David's Bridal	Birmingham	Retail	Wedding dress retailer David's Bridal has collapsed into administration hours after its American owner filed for bankruptcy. The UK business has four stores, in Birmingham, Glasgow, London and Watford, and employs more than 150 people.

New Economic Shocks

New Investment, Deals and Opportunities

COMPANY	LOCATION	SECTOR	DETAIL
Taverna Meraki	Leamington	Food Service	The owners of a successful Warwickshire pub chain are set to open a new Greek restaurant in Leamington town centre after a delivery version of the business proved popular during lockdown
ePropelled	Warwick	Automotive	An ambitious electric motor start-up which is developing revolutionary new technology to dramatically increase electric vehicle efficiency is looking to bring up to 30 jobs to Coventry in the next few years.
Angling Direct	Coventry	Retail	A national angling firm is opening a new shop in Coventry. Angling Direct will be moving into 513 Fletchamstead Highway, which was previously home to Barclays Bank.
Beauty Parlour	Coventry	Retail	Work has begun on what could reportedly be a new beauty parlour in Coventry. The store, located along Jubilee Crescent in Radford, is set to welcome customers this year and construction is now taking place before its grand opening.
Novocomms	Birmingham	Telecoms	Birmingham-based Novocomms is expanding its operations following a successful funding round, paving the way for new opportunities and economic growth in the West Midlands.
Prosperity Group	Birmingham	Residential Development	Prosperity Group, a specialist residential developer and investor based in Birmingham, has announced plans to launch a new social housing company. Prosperity Vita, which remains subject to regulatory approval, will enable the direct delivery of social housing within larger residential developments being brought forward by the Prosperity Group.
Jaguar Land Rover	Region-wide	Automotive	JLR revealed its Engine Manufacturing Centre in Wolverhampton, currently producing Ingenium internal combustion engines for its vehicles, will have an electric future, producing electric drive units and battery packs for JLR's next generation vehicles. It will be renamed the Electric Propulsion Manufacturing

COMPANY	LOCATION	SECTOR	DETAIL
			Centre to reflect the move. And, in positive news for the future of the historic Castle Bromwich site in the West Midlands, JLR confirmed that its stamping facilities that prepare pressed body metalwork for its vehicles will be expanded to play a key role in the company's electric future, by providing bodywork for next generation electric vehicles.
St. Modwen Logistics	West Bromwich	Commercial Development	St. Modwen Logistics has acquired 150,000 sq ft of space across four units in West Bromwich. The assets on Doranda Way Industrial Park are fully let to pallet manufacturer CHEP UK, specialist plumbing merchant Wolseley, wooden panel distributor Falcon Panel Products and heat treatment specialist ADI Treatments.
QAHE	Birmingham	Commercial Development	QAHE has taken 45,000 sq ft of office space at Louisa Ryland House in Birmingham in what is the city's biggest office letting of the year.
Quadrant	Birmingham	Mixed Use Development	Quadrant has secured planning permission for a new 100,000 sq ft logistics unit at Star City, its 410,000 sq ft leisure led mixed use complex in Birmingham.
Technology Minerals	Wolverhampton	Battery Recycling	Technology Minerals, the listed UK company focused on battery metals, has revealed that its 48.25%-owned battery recycling business, Recyclus Group, has received the final Draft Operator Review from the Environment Agency ("EA") for to start full operations for its lithium-ion (Li-ion) battery recycling plant in Wolverhampton
Nicklin Transit Packaging	Wednesbury	Packaging	A Black Country based pallet and packaging company has invested more than £1m in a renewable energy plant as part of its ongoing drive to lower its carbon footprint. Nicklin Transit Packaging, which is the UK's largest independent pallet and packaging firm, has installed the new biomass heating system at its main manufacturing site on the Woods Bank Estate in Wednesbury.
Vita Group	Birmingham	Regeneration	Urban regeneration specialist Vita Group has completed a deal with LCR to purchase a major regeneration site in Birmingham city centre. Axis Square was formerly Birmingham Central Goods Station and the site spans approximately 4.15 acres and is situated adjacent to The Mailbox and Arena Central.
Court Collaboration	Birmingham	Residential Development	A specialist residential developer's plans for a build-to-rent scheme in central Birmingham featuring hundreds of homes and a 46-storey tower have been recommended for approval. Located next to Centenary Square and adjacent the City Centre Gardens, Court Collaboration's proposals for Brindley Drive include a 46-storey residential tower and an additional 15-storey structure providing 581 properties.

COMPANY	LOCATION	SECTOR	DETAIL
Direct Air	Coventry	Compressed Air Services	A Midlands provider of compressed air services is expanding its footprint and recruiting new apprentices. Direct Air, whose head office is based on Binley Industrial Estate in Coventry, is expanding into a neighbouring 6,687 sq ft unit on Herald Way as the business marks its 30th anniversary.
DS Willetts / Bradley McLaren Holdings	Bilston	Steel supply	A stainless steel supplier which works with a range of blue-chip clients has been acquired by a global company in a deal supported with funding from Lloyds Bank. Prominent advisers worked on the transaction. Bradley McLaren Holdings, the holding company of the Masteel UK Group of companies, has snapped up Bilston-based DS Willetts (Stainless).
Jask Creative	Solihull	Creative Agency	A creative agency has doubled its office space after taking a 15-year lease in Solihull. Jask Creative has taken a 3,000sq ft office space at Shelly Farm, Monkspath

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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