West Midlands
Monthly Economic Impact Monitor

Issue 116 Publication Date 30/06/24

This monitor aims to pull together information across regional partners to understand local economic developments and disseminate local research. 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 data and policy.

This month the World Bank has recommended the need for global cooperation is to safeguard trade, support green and digital transitions, deliver debt relief, and improve food security. These issues are being suffered globally as well as regionally and locally in the West Midlands.

Economy and Business

- Despite an improvement in near-term prospects, the global outlook remains subdued by historical standards. In 2024-25, growth is set to underperform its 2010s average in nearly 60 percent of economies, comprising over 80 percent of the global population.
- About 22% of trading businesses reported decreased turnover in May 2024 compared to April 2024, while 17% reported an increase and 52% reported no change.
- Online job adverts increased by 1% from the previous week but were 20% lower than the same period in 2023.
- 24% of trading businesses reported higher input prices in May 2024 compared to April 2024. About 11% of businesses expected to raise prices in July 2024.
- Only 6% of businesses with 10+ employees experienced supply chain disruptions in May 2024. 22% of businesses with 10+ employees reported worker shortages in early June 2024.
- Consumer Price Inflation: CPIH rose by 2.8% in the 12 months to May 2024, down from 3.0% in April. CPI rose by 2.0% in the same period, down from 2.3% in April.
- Core Inflation: Core CPIH (excluding energy, food, alcohol, and tobacco) rose by 4.2% in the 12 months to May 2024. Core CPI rose by 3.5% in the same period.
- Producer input prices fell by 0.1% in the year to May 2024, while output prices rose by 1.7%. Monthly, producer input prices showed no change, and output prices fell by 0.1%.
- Average UK private rents increased by 8.7% in the 12 months to May 2024. Average house prices increased by 1.1% in the 12 months to April 2024. In 2022, the economic output per hour in the WMCA area was £34.50. This was a 1.2% increase (+£0.40) from 2021, slightly lower than the UK's 1.5% growth. Compared to 2019, the WMCA area's output per hour grew by 6.5% (+£2.10), while the UK's grew by 8.5% (+£3.10).
- In 2022, the economic output per job in the WMCA area was £53,020. This was a 2.0% increase (+£1,054) from 2021, slightly lower than the UK's 2.2% growth. Compared to 2019, the WMCA area's output per job grew by 5.4% (+£2,721), while the UK's grew by 7.6%.
- The UK's economic output per job was £61,729 in 2022, meaning the WMCA area was £8,709 behind.
- The West Midlands Business Activity Index dropped from 55.5 in April 2024 to 54.2 in May 2024. Despite the drop from a 25-month high, this marks the eighth straight month of business growth, driven by higher demand, new clients, and better economic conditions.
- The UK's Business Activity Index also fell, from 54.1 in April 2024 to 53.0 in May 2024.
- Among the twelve UK regions, the West Midlands tied with London for the third highest business activity in May 2024.
- The West Midlands Future Business Activity Index rose from 78.7 in April 2024 to 80.5 in May 2024, reaching its highest level since May 2021. Optimism was fuelled by hopes for better economic conditions, increased tourism, marketing efforts, and new business.
- In May 2024, the West Midlands had the highest Future Business Activity Index among the twelve UK regions.
- In the year ending Q1 2024, the West Midlands exported £35.4 billion worth of goods and imported £42.1 billion, resulting in a trade deficit of £6.7 billion. This deficit decreased from £11.1 billion in the previous year.
- Compared to the previous year, the West Midlands' exports increased by £3.8 billion (+11.9%) to £35.4 billion, the highest percentage increase among UK regions. In contrast, UK exports overall decreased by 5.9% to £360.7 billion.
- The West Midlands made up 9.8% of the UK's exports, ranking third after the South East (11.4%) and London (10.7%).
- In the year ending Q1 2024, the West Midlands imported £42.1 billion worth of goods, a decrease of £616 million (-1.4%) from the previous year. UK-wide, total imports fell by 8.7% to £579.3 billion.

The WM Monitor is funded by Research England/UKRI

Labour market

- In the West Midlands, 73.9% of people aged 16-64 were employed in the three months ending April 2024, up 0.4% from the previous quarter but down 1% from the previous year. The UK employment rate was 74.3%, down 0.5% from the previous quarter and down 1.1% from the previous year. The West Midlands had the fifth highest employment rate, with the South East highest at 78.3% and Wales lowest at 68.9%. The West Midlands unemployment rate was 5.1%, up 0.9% from the previous quarter and 0.1% from the previous year. The UK unemployment rate was 4.4%, up 0.4% from the previous quarter and 0.5% from the previous year.
- In the West Midlands, 22.1% of people aged 16-64 were economically inactive in the three months ending April 2024, down 1% from the previous quarter but up 1.1% from the previous year. The UK economic inactivity rate was 22.3%, up 0.3% from the previous quarter and 0.8% from the previous year.
- Between March 2023 and March 2024, workforce jobs increased in 9 of the 12 UK regions. Scotland saw the largest increase with 168,000 new jobs. London had the highest percentage of service-based jobs (92.9%), while the East Midlands had the highest percentage of production sector jobs (12%). The West Midlands saw a decrease of 39,400 jobs (-1.3%), with service-based jobs making up 82.3% of its workforce. Comparing May 2024 to May 2023, the number of payrolled employees increased by 0.7% in the West Midlands, matching the East Midlands and the East, and was slightly above the UK-wide growth rate of 0.6%.

Impact of Austerity

- An investigation has found that Birmingham Council's financial issues, including equal pay disputes and a botched IT rollout, were exacerbated by significant austerity measures, with £1 billion cut from central funding since 2010. This has led to increased service demands and costs, pushing the council towards financial instability.
- 1 in 10 councils across the UK risk bankruptcy in the 2024/25 financial year. Local authorities in England, which collect less than 5% of taxes locally compared to higher percentages in other European countries, are heavily dependent on central government grants, which have been reduced by around 40% in real terms under austerity.
- Evidence indicates that austerity, initially intended as a short-term measure, has become a long-term issue for local authorities, forcing them into risky financial behaviours such as speculative investments in commercial property. Birmingham's financial crisis is set to worsen as the government plans further cuts to local government funding.

SME Finance

- The SME finance gap has been recognized as a barrier to growth since the 1931 Macmillan Committee report, with governments addressing this gap through various interventions.
- The European Union's Structural Funds have significantly contributed to regionally-based SME finance funds since 1995, with €18.5 billion allocated for SME growth and competitiveness in the 2021-27 ESIF programme.
- Large-scale funds with a mix of finance types are crucial for operational efficiency and meeting diverse business needs, adapting to market conditions like economic shocks.
- Long-term investment approaches are vital for early-stage ventures, with awareness of economic cycles and flexible investment periods essential for success.

Impact of COVID-19 on Remote Work

- The pandemic accelerated remote work adoption, particularly for high-skilled workers, raising questions about its effect on internal migration patterns and potential regional revitalization.
- Post-pandemic research shows varied migration patterns, with some regions experiencing urban-to-rural shifts, while others see continued urban migration, indicating country-specific trends.
- Remote work's potential to rejuvenate rural and economically struggling areas is a topic for debate, with concerns about rising housing costs and resource competition from high-skilled migrants.

Homelessness

- The UK has the highest homelessness rates in the developed world, with a significant increase over the past 14 years, particularly in the West Midlands.
- Homelessness creates a substantial financial burden, with Birmingham having the highest temporary accommodation expenses outside of London.
- The West Midlands region has the second-highest rate of households in temporary accommodation outside the Greater South East, with Coventry and Birmingham being the worst affected areas.
- WMREDI has developed a Homelessness Prediction Tool to help policymakers in the West Midlands anticipate and mitigate future homelessness by using multiple data sources to predict risk at a fine spatial scale.
- The tool considers household employment, household size, presence of dependent children, type of tenancy, and median income to assess homelessness risk, identifying Coventry North East and several Birmingham constituencies as high-risk areas.

The WM Monitor is funded by Research England/UKRI

Global, National and Regional Outlook

Alice Pugh, WMREDI

Global

World Bank Economic Outlook

In the World Bank's latest update of their economic outlook report their synopsis of current economic outlook was:

"Despite an improvement in near-term prospects, the global outlook remains subdued by historical standards. In 2024-25, growth is set to underperform its 2010s average in nearly 60 percent of economies, comprising over 80 percent of the global population. Downside risks predominate, including geopolitical tensions, trade fragmentation, higher-for-longer interest rates, and climate-related disasters. Global cooperation is needed to safeguard trade, support green and digital transitions, deliver debt relief, and improve food security. In EMDEs, public investment can boost productivity and catalyse private investment, promoting long-run growth. Comprehensive fiscal reforms are essential to address ongoing fiscal challenges in small states, including those arising from heightened exposure to external shocks."

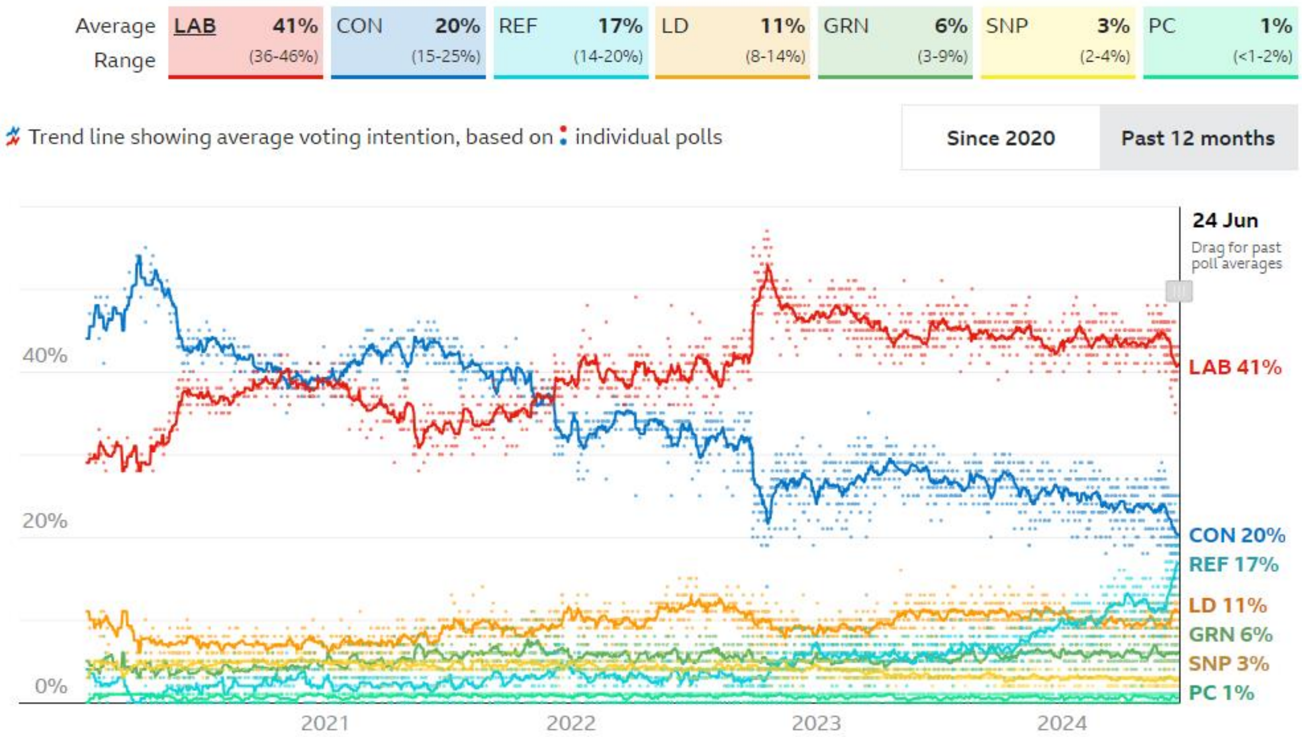
For greater detail on the World Bank's economic outlook please follow the link here

National

General Election Tracker

With one week left to the general election vote the polls have slightly changed since the election was first announced. On the BBC poll tracker the Conservatives are polling at 20%. Latest polls indicator Labour have a lead of 20 percentage points.

BBC Party Support Poll Tracker: 24th June 2024



Source: BBC, 2024

It would appear that some of the recent fall in predicted voter share for both the Conservatives and Labour is accounted for by Reform UK, which is now polling at 17%.

There has been some growth in the Liberal Democrats share of the vote. Other smaller parties have remained relatively stable in their vote share since the general election was called.

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

In the latest [Economic activity and social change in the UK] real-time indicators update from the ONS the [key findings] were:

- Overall retail footfall remained broadly unchanged in the week to 16 June 2024 when compared with the previous week but was 4% lower when compared with the equivalent week of 2023 (MRI OnLocation).
- The annual growth in automotive fuel prices was 4% in the week to 9 June 2024, remaining broadly unchanged when compared with the previous week (Department for Energy, Security and Net Zero).
- Around one in five (22%) trading businesses reported that their turnover had decreased in May 2024 compared with April 2024, which was broadly stable from last month; in contrast, 17% reported that their turnover was higher, and 52% reported that turnover stayed the same.
- The total number of online job adverts on 14 June 2024 increased by 1% from the level in the previous week but was 20% below the level in the equivalent period of 2023 (Adzuna).
- In the week to 16 June 2024, the System Price of electricity increased by 45% compared with the previous week from a seven-day average price of 5.011 pence per kilowatt hour to 7.242 pence per kilowatt hour; meanwhile, the System Average Price (SAP) of gas increased by 1% from 2.822 pence per kilowatt hour to 2.840 pence per kilowatt hour (Elexon, National Gas Transmission).
- In the week to 16 June 2024, the daily average number of UK flights increased by 1% when compared with the previous week and was 5% higher than the equivalent week of 2023 (EUROCONTROL).

Business insights and impact on the UK economy

In the latest [Business insights and impact on the UK economy], real-time indicators update from the ONS the [key findings] were:

- More than 1 in 5 (22%) trading businesses reported that their turnover had decreased in May 2024 compared with April 2024, which is broadly stable from last month; in contrast, 17% reported that their turnover was higher, while the proportion that reported turnover stayed the same was 52%.
- Nearly a quarter (24%) of trading businesses reported an increase in the prices of goods or services bought in May 2024 when compared with April 2024, down 4 percentage points.
- Approximately 1 in 10 (11%) trading businesses expected to raise the prices of goods or services they sell in July 2024, broadly stable with expectations for June 2024, while 68% reported that they expect prices to stay the same, up 4 percentage points over the same period.
- Fewer than 1 in 10 (6%) businesses with 10 or more employees experienced global supply chain disruption in May 2024, broadly stable with April 2024.
- Approximately 1 in 6 (16%) trading businesses reported that their overall performance increased in May 2024 compared with the same calendar month last year, while 22% reported that they expect their overall performance to increase over the next 12 months.
- In early June 2024, 22% of businesses with 10 or more employees reported that they were experiencing worker shortages, broadly stable with early May 2024.

Consumer price inflation

In the latest [Consumer price inflation], real-time indicators update from the ONS the [key findings] were:

- The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 2.8% in the 12 months to May 2024, down from 3.0% in the 12 months to April.
- On a monthly basis, CPIH rose by 0.4% in May 2024, compared with a rise of 0.6% in May 2023.
- The Consumer Prices Index (CPI) rose by 2.0% in the 12 months to May 2024, down from 2.3% in the 12 months to April.
- On a monthly basis, CPI rose by 0.3% in May 2024, compared with a rise of 0.7% in May 2023.

The WM Monitor is funded by Research England/UKRI

- The largest downward contribution to the monthly change in both CPIH and CPI annual rates came from food, with prices falling this year but rising a year ago; the largest upward contribution came from motor fuels, with prices rising slightly this year but falling a year ago.
- Core CPIH (excluding energy, food, alcohol and tobacco) rose by 4.2% in the 12 months to May 2024, down from 4.4% in April; the CPIH goods annual rate fell from negative 0.8% to negative 1.3%, while the CPIH services annual rate eased slightly from 6.0% to 5.9%.
- Core CPI (excluding energy, food, alcohol and tobacco) rose by 3.5% in the 12 months to May 2024, down from 3.9% in April; the CPI goods annual rate fell from negative 0.8% to negative 1.3%, while the CPI services annual rate eased from 5.9% to 5.7%.

Producer price inflation
In the latest Producer price inflation, real-time indicators update from the ONS the key findings were:
- Producer input prices fell by 0.1% in the year to May 2024, up from a revised fall of 1.4% in the year to April.
- Producer output (factory gate) prices rose by 1.7% in the year to May 2024, up from an increase of 1.1% in the year to April.
- On a monthly basis, producer input prices showed no movement, while output (factory gate) prices fell by 0.1% in May 2024.
- The annual inflation rates for both input and output PPI are at their highest levels since May 2023, based on provisional data.

Private rent and house prices
In the latest Private rent and house prices, real-time indicators update from the ONS the key findings were:
- Average UK private rents increased by 8.7% in the 12 months to May 2024 (provisional estimate), down from 8.9% in the 12 months to April 2024.
- Average rents increased to £1,301 (8.6%) in England, £736 (8.5%) in Wales, and £957 (9.3%) in Scotland, in the 12 months to May 2024.
- In Northern Ireland, average rents increased by 10.3% in the 12 months to March 2024.
- In England, rents inflation was highest in London (10.1%) and lowest in the North East (6.1%), in the 12 months to May 2024.
- In Great Britain, average rent was highest in Kensington and Chelsea (£3,397) and lowest in Dumfries and Galloway (£480).
- Average UK house prices increased by 1.1% in the 12 months to April 2024 (provisional estimate), up from 0.9% (revised estimate) in the 12 months to March 2024.

Regional

CNN journalists investigate underfunded Local Authorities using Birmingham as a case study
The investigators found that whilst some of the financial issues surrounding Birmingham Council are self-inflicted, such as equal pay and the roll-out of an IT system, austerity has most significantly impacted the council. The council has seen £1bn lashed in central funding from government since 2010, while the demand from services and the cost of providing them has shot up. Councils across the UK are facing bankruptcy, with 1 in 10 councils saying they are likely to go bankrupt in the 2024/25 financial year.

By international standards Local government in England is feeble. In Britain less than 5% of taxes are collected locally, whereas in France 14% are collected locally, in Germany 25% and in Sweden 35%. Unable to raise their own revenue, often local authorities have to approach central government for grants. But the grant revenue fund for local authorities has been drastically cut under austerity by around 40% in real terms. Additionally, as local authorities cannot raise their own funds through taxes and revenue grant funding from central government drastically reduced during the austerity period, some local authorities have been encouraged by central government to engage in risky financial behaviour. This has resulted in speculative investments in commercial property pushing councils into bankruptcy.

Investigators stated that austerity was intended to be a brief period of belt-tightening after the financial crash; however, it has become a long-term illness which continues to plague local authorities. The government plans to make further cuts to local government to resolve the current financial crisis.

For more research on Birmingham City Council Finance from City REDI please follow the links here

Insights into Birmingham City Council's Spending Power, Revenue Funding and Spending between 2010-11 and 2019-2020

Birmingham in Crisis: Understanding the Challenge of Local Authority Budget Cuts and the Effect on Good Financial Management

Smoothed GVA per Hour Worked and GVA per Filled Job 2022[1]: WMCA Area

The Economic Intelligence Unit

Interactive Version can be accessed here.

In Summary

- In 2022, GVA per hour in the WMCA area was £34.50. Since 2021, the WMCA area increased by 1.2% (+£0.40), slightly behind the UK growth of 1.5%. When compared to 2019, GVA per hour in the WMCA area increased by 6.5% (+£2.10) while the UK increased by 8.5% (+£3.10).
- In 2022, UK GVA per hour was £39.70 meaning the WMCA area had a shortfall of £5.20.

- In 2022, GVA per filled job in the WMCA area was £53,020. Since 2021, the WMCA area increased by 2.0% (+£1,054), while the UK increased by 2.2%. When compared to 2019, GVA per job filled in the WMCA area increased by 5.4% (+£2,721) while the UK increased by 7.6%.
- In 2022, UK GVA per job filled was £61,729 meaning the WMCA area had a shortfall of £8,709.

Full Brief

GVA per hour Worked[2]

- In 2022, GVA per hour in the WMCA area was £34.50. Since 2021, the WMCA area increased by 1.2% (+£0.40), slightly behind the UK growth of 1.5%. When compared to 2019, GVA per hour in the WMCA area increased by 6.5% (+£2.10) while the UK increased by 8.5% (+£3.10). In 2022, UK GVA per hour was £39.70 meaning the WMCA area had a shortfall of £5.20.

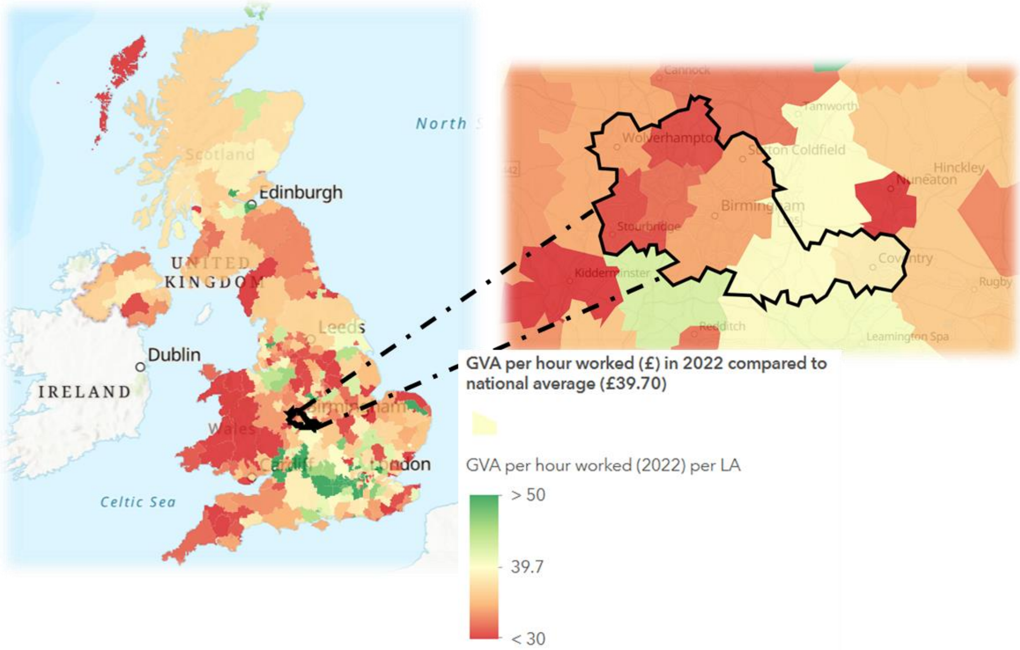
- Across the ten Combined Authority areas (excluding Greater London), the WMCA area was fourth lowest for GVA per hour in 2022. West of England Combined Authority was the highest at £39.60. The lowest GVA per hour was in the South Yorkshire Mayoral Combined Authority with £31.60. When compared to 2019, the WMCA was fourth highest, whereas West of England was still highest and South Yorkshire was the lowest.

- Within the WMCA, Solihull matched the UK GVA per hour figure, however, this was the only local authority to have an annual decrease (-1.5% or -£0.60) and when compared to 2019 (-6.6% or -£2.80). There was strong annual growth for Wolverhampton, increasing by 3.0% (+£1.00) to £34.00 in 2022. When compared to 2019, there was strong growth for Wolverhampton (+£15.3% or +£4.50), Walsall (+13.7%, or +£3.70) and Dudley (+11.6% or +£3.20).

GVA per Hour Worked Compared to National, 2022:

[1] Source: Office for National Statistics (ONS), Regional and subregional labour productivity, UK: 2022, released June 2024
Please note, data is current prices; i.e., data are not adjusted for inflation and the data is smoothed using a weighted 5-year moving average
[2] GVA per hour worked divides GVA by the total hours worked by the workforce in the area.

The WM Monitor is funded by Research England/UKRI



Smoothed GVA per hour worked in the WMCA and the UK, 2019 to 2022:

	2019	2020	2021	2022	2022 Gap to National	% Change Since 2021	Num. Change Since 2021	% Change Since 2019	Num. Change Since 2019
Birmingham	£31.80	£32.60	£33.60	£34.20	-£5.50	1.8%	£0.60	7.5%	£2.40
Solihull	£42.50	£41.40	£40.30	£39.70	£0.00	-1.5%	-£0.60	-6.6%	-£2.80
Coventry	£37.00	£37.50	£38.10	£38.50	-£1.20	1.0%	£0.40	4.1%	£1.50
Dudley	£27.60	£29.50	£30.40	£30.80	-£8.90	1.3%	£0.40	11.6%	£3.20
Sandwell	£30.40	£31.40	£31.70	£32.00	-£7.70	0.9%	£0.30	5.3%	£1.60
Walsall	£27.00	£28.80	£30.10	£30.70	-£9.00	2.0%	£0.60	13.7%	£3.70
Wolverhampton	£29.50	£31.30	£33.00	£34.00	-£5.70	3.0%	£1.00	15.3%	£4.50
Black Country	£28.70	£30.30	£31.30	£31.90	-£7.80	1.9%	£0.60	11.1%	£3.20
WMCA	**£32.40**	**£33.30**	**£34.10**	**£34.50**	**-£5.20**	**1.2%**	**£0.40**	**6.5%**	**£2.10**
UK (less Extra-Regio)	£36.69	£37.77	£38.33	£39.70	-	1.5%	£0.60	8.5%	£3.10

NatWest Purchasing Manager Index (PMI) Survey[3], Released June 2024: West Midlands Region

The Economic Intelligence Unit

In Summary:

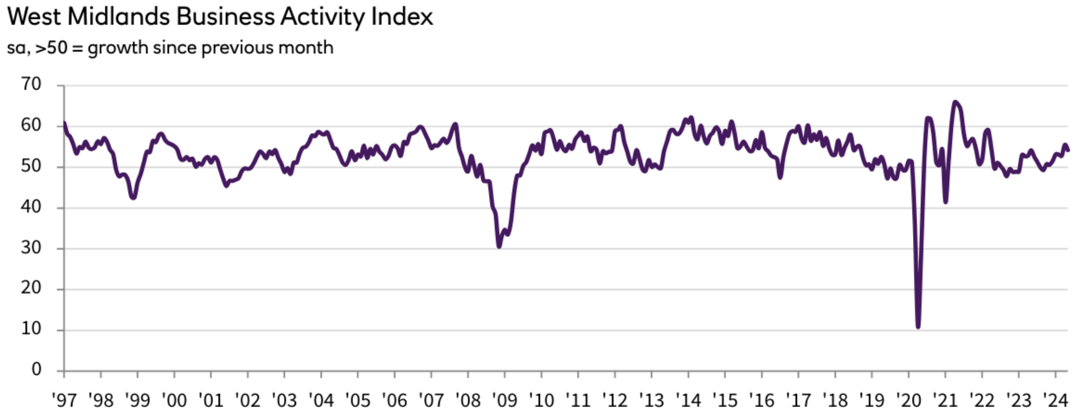
- The West Midlands Business Activity Index decreased from 55.5 in April 2024 to 54.2 in May 2024, despite falling from a 25-month high this is the eight consecutive month of business growth. The increase in activity was linked to higher demand, new clients and better economic conditions.
- The UK Business Activity Index decreased from 54.1 in April 2024 to 53.0 in May 2024.
- Out of the twelve UK regions, the West Midlands was joint third highest (with London) for business activity in May 2024.
- The West Midlands Future Business Activity Index increased from 78.7 in April 2024 to 80.5 in May 2024 – the highest reading since May 2021. Optimism was linked to the hope of improving economic conditions, tourism, marketing efforts and new business.
- Out of the twelve UK regions, the West Midlands was the highest for the Future Business Activity Index in May 2024.

In Detail:

Business Activity Index

- The West Midlands Business Activity Index decreased from 55.5 in April 2024 to 54.2 in May 2024, despite falling from a 25-month high, this is the eight consecutive month of business growth. The increase in activity was linked to higher demand, new clients and better economic conditions.

The following chart shows the West Midlands Business Activity Index trends up to May 2024:



Source: NatWest PMI, June 2024

- Out of the twelve UK regions, the West Midlands was joint third highest (with London) for business activity in May 2024. Northern Ireland was the highest with 56.4 and Yorkshire and The Humber was the lowest at 50.5.

The following chart shows the Business Activity Index across all UK regions in May 2024:

[3] Source: NatWest UK regional PMI reports for May 2024, released June 2024. Please note, the seasonally adjusted indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease.

Source: NatWest PMI, June 2024

Demand

- The West Midlands New Business Index decreased from 53.0 in April 2024 to 52.6 in May 2024, despite the slight fall this is the sixteenth consecutive month of growth. Firms in the West Midlands reported better economic conditions, improved client confidence and demand resilience.

Exports[4]

- The West Midlands Export Climate Index increased from 51.9 in April 2024 to 53.2 in May 2024, the strongest improvement in trade conditions in over a year. However, for the top five export markets, following registering growth for the first time in eleven months, France contracted in May 2024 (to 48.9). There was growth in the other four markets (USA 54.5, Germany 52.4, China 54.1 and Netherlands 52.5).

Business Capacity

- The West Midlands Employment Index increased from 47.5 in April 2024 to 48.8 in May 2024, but signals a fourth consecutive month of falls in employment. The fall was suggested to be linked to the difficulty in replacing voluntary leavers and voluntary redundancy programmes.
- The West Midlands Outstanding Business Index decreased from 48.0 in April 2024 to 47.8 in May 2024 as firms reported efficiency gains.

Prices

- The West Midlands Input Prices Index decreased from 64.3 in April 2024 to 58.0 in May 2024, the latest reading still indicates a rise in input prices but had considerably eased. Firms still reported higher prices in various areas such as food, fuel, materials, wages, electricity and energy.

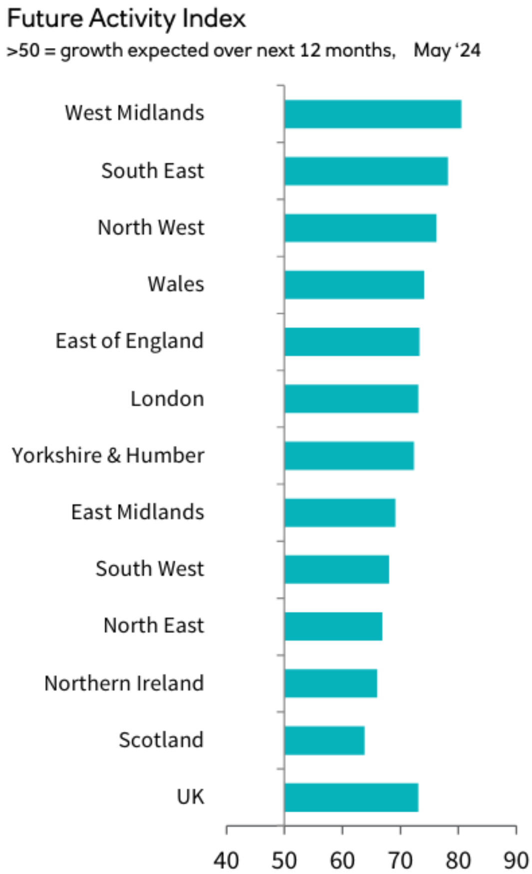
[4] The Export Climate Index is calculated by weighting together national PMI output data according to their importance to the manufacturing exports of the region. This produces an indicator for the economic health of the region's export markets.

- The West Midlands Prices Charged Index decreased from 56.3 in April 2024 to 54.5 in May 2024. The ongoing cost increases led to some firms to increase selling prices, but the rate of charge inflation was the weakest in three-and-a-half years. Some firms refrained from price hikes in a bid to boost sales.

Outlook

- The West Midlands Future Business Activity Index increased from 78.7 in April 2024 to 80.5 in May 2024 – the highest reading since May 2021. Optimism was linked to the hope of improving economic conditions, tourism, marketing efforts and new business.
- Out of the twelve UK regions, the West Midlands for the Future Business Activity Index in May 2024. The South East was the second highest at 78.2 and Scotland was the lowest at 63.8.

The following chart shows the Future Activity Index across all UK regions in May 2024:



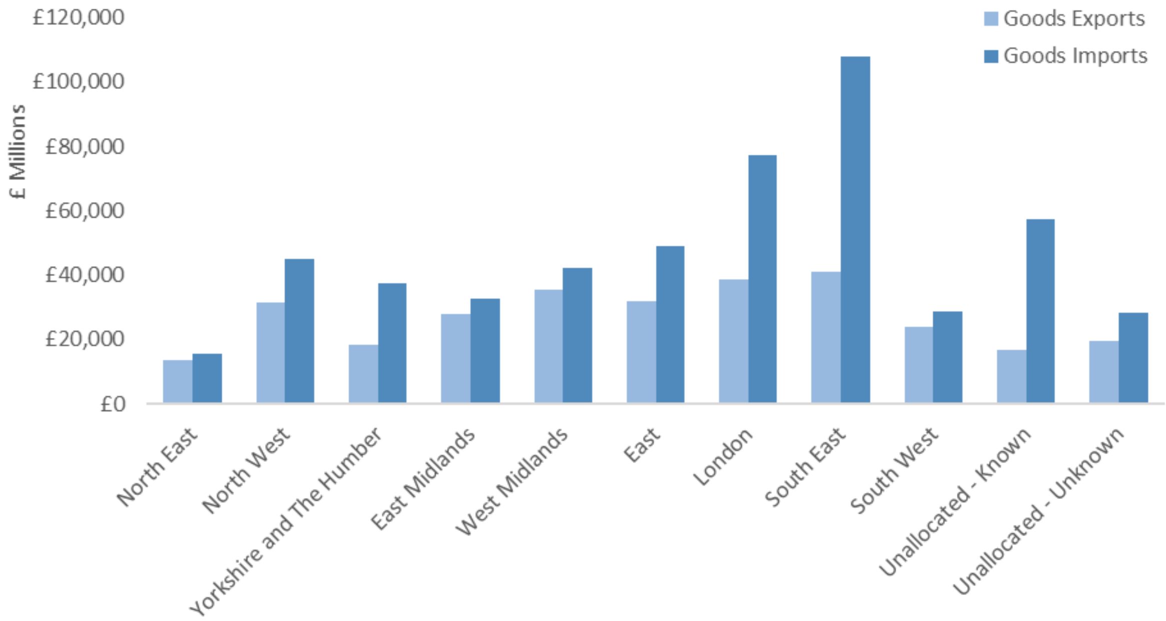
Source: NatWest PMI, June 2024

UK Regional Trade in Goods Statistics: Year Ending Q1 2024[5]; West Midlands

The Economic Intelligence Unit

- In the year ending Q1 2024, the West Midlands region exported £35.4bn worth of goods and imported £42.1bn. This represents a trade in goods deficit of £6.7bn, a decrease from the trade deficit in the previous annual period which was £11.1bn.

The following chart shows the value of goods imported and exported by region in the year ending Q1 2024:



- Compared to the previous annual period, the West Midlands region goods exports increased by nearly £3.8bn (+11.9%) to £35.4bn in the year ending Q1 2024, the highest percentage increase across the UK regions. Conversely, UK exports decreased by nearly 5.9% to £360.7bn.

- The West Midlands accounted for 9.8% of UK exports – third highest (after the South East and London at 11.4% and 10.7% respectively).

- In the year ending Q1 2024, goods imports to the West Midlands area region worth £42.1bn, a decrease of £616m (-1.4%) since the year ending Q1 2023. UK-wide total imports decreased by 8.7% to £579.3bn.

SITC Section

- The largest SITC section for goods exports in the West Midlands region was machinery &transport at £25.5bn – 72.2% of total; of which £16.0bn (62.8%) went to non-EU locations. Compared to the year ending Q1 2023, this SITC section overall increased by £4.0bn (+18.6%).

- The largest SITC section for goods imports to the West Midlands region was machinery & transport at £21.7bn, which is 51.5% of total imports (of which 66.0% or £14.3bn of imports for this section as from the EU). This section overall increased by £1.8bn (+9.0%) compared to the previous annual period.

[5] Source: HM Revenue & Customs, UK Regional Trade in Goods Statistics Quarter 1 2024 – Released June 2024.

Breakdown of goods exported and imported by SITC section and the percentage change between year ending Q1 2023 and year ending Q1 2024:

Total Exports by SITC Section	Year to Q1 2023	Year to Q1 2024	Annual Percent Change	Annual Number Change
	(Figures in £m)			(Figures in £m)
0 Food and Live Animals	£792	£844	6.6%	£52
1 Beverages and Tobacco	£67	£58	-13.4%	-£9
2 Crude Materials	£1,210	£1,028	-15.0%	-£182
3 Mineral Fuels	£203	£169	-16.7%	-£34
4 Animal and Vegetable Oils	£36	£19	-47.2%	-£17
5 Chemicals	£1,512	£1,395	-7.7%	-£117
6 Manufactured Goods	£3,582	£3,498	-2.3%	-£84
7 Machinery and Transport	£21,527	£25,533	18.6%	£4,006
8 Miscellaneous Manufactures	£2,681	£2,828	5.5%	£147
9 Other Commodities nes	£7	£11	57.1%	£4
Total Exports	£31,617	£35,383	11.9%	£3,766
Total Imports by SITC Section				
0 Food and Live Animals	£2,766	£3,035	9.7%	£269
1 Beverages and Tobacco	£328	£332	1.2%	£4
2 Crude Materials	£825	£620	-24.8%	-£205
3 Mineral Fuels	£1,636	£720	-56.0%	-£916
4 Animal and Vegetable Oils	£180	£122	-32.2%	-£58
5 Chemicals	£2,732	£2,373	-13.1%	-£359
6 Manufactured Goods	£8,573	£8,059	-6.0%	-£514
7 Machinery and Transport	£19,889	£21,688	9.0%	£1,799
8 Miscellaneous Manufactures	£5,779	£5,141	-11.0%	-£638
9 Other Commodities nes	£3	£3	0.0%	£0
Total Imports	£42,710	£42,094	-1.4%	-£616

- By Country Group[6], the highest value of goods exports from the West Midlands region was to the EU at £15.1bn, accounting for 42.7% of the total. The value of goods exports to the EU increased by £918m (+6.5%) compared to the year ending Q1 2023.

- The highest value of imports to the West Midlands region was from the EU at £26.2bn, which accounted for 62.2% of the total. Goods imports from the EU increased by over £1.3bn (+5.4%) when compared to the previous annual period.

Breakdown of goods exported and imported by Country Group and the percentage change between year ending Q1 2023 and year ending Q1 2024:

	Year to Q1 2023	Year to Q1 2024	Annual Percent Change	Annual Number Change
Exports by Country Group	(Figures in £m)			(Figures in £m)
Asia & Oceania	£5,589	£6,558	17.3%	£969
Eastern Europe (excl EU)	£414	£555	34.1%	£141
European Union	£14,190	£15,108	6.5%	£918
Latin America and Caribbean	£487	£510	4.7%	£23
Middle East and North Africa (excl EU)	£1,967	£2,398	21.9%	£431
North America	£7,502	£8,515	13.5%	£1,013
Sub-Saharan Africa	£363	£398	9.6%	£35
Western Europe (excl EU)	£1,102	£1,338	21.4%	£236
Undefined Country Group	£3	£3	0.0%	£0
Total Exports	£31,617	£35,383	11.9%	£3,766
Imports by Country Group				
Asia & Oceania	£10,958	£10,114	-7.7%	-£844
Eastern Europe (excl EU)	£317	£182	-42.6%	-£135
European Union	£24,835	£26,168	5.4%	£1,333
Latin America and Caribbean	£676	£476	-29.6%	-£200
Middle East and North Africa (excl EU)	£939	£929	-1.1%	-£10
North America	£2,649	£2,133	-19.5%	-£516

[6] Country Groups: Asia & Oceania, Eastern Europe (excl. EU), European Union, Latin America & Caribbean, Middle East & North Africa (excl. EU), North America, Sub-Saharan Africa, Western Europe (excl. EU) and undefined.

Sub-Saharan Africa	£333	£179	-46.2%	-£154
Western Europe (excl. EU)	£2,002	£1,914	-4.4%	-£88
Undefined Country Group	-	-	-	-
Total Imports	£42,710	£42,094	-1.4%	-£616

Regional Labour Market and WMCA Claimant Headline Figures: Released 11th June 2024

The Economic Intelligence Unit

Regional Labour Market[7] –

- For the three months ending April 2024, the West Midlands Region employment rate (aged 16 – 64 years) was 73.9%. Since the three months ending January 2024, the employment rate increased by 0.4 percentage points (pp). When compared to the same period in the previous year, the employment rate was 1.0pp lower. The UK employment rate was 74.3%, a decrease of 0.5pp when compared to the previous quarter and a decrease of 1.1pp when compared to the previous year. The highest employment rate within the UK for the three months ending April 2024 was in the South East with 78.3% and the lowest in Wales with 68.9%, the West Midlands was the fifth highest.

- For the three months ending April 2024, the West Midlands Region unemployment rate (aged 16 years and over) was 5.1%, which has increased by 0.9pp since the previous quarter and a 0.1pp increase when compared to the previous year. The UK unemployment rate was 4.4%, an increase of 0.4pp from the previous quarter and a 0.5pp increase when compared to the previous year. The highest unemployment rate in the UK for the three months ending April 2024 was in the East Midlands with 5.6% and the lowest in Northern Ireland with 2.2%. The West Midlands was joint second highest (with the North West).

- For the three months ending April 2024, the West Midlands Region economic inactivity rate (aged 16 – 64 years) was 22.1%, which has decreased by 1.0pp since the previous quarter but an increase of 1.1pp when compared to the previous year. The UK economic inactivity rate was also at 22.3%, with an increase of 0.3pp when compared to the previous quarter and a 0.8pp increase from the previous year. The highest economic inactivity rate in the UK for the three months ending April 2024 was in Wales with 28.4%, with the lowest in the South East with 18.7%, the West Midlands was the fifth lowest.

Summary of the latest headline estimates and quarterly changes for regions of the UK, seasonally adjusted, February to April 2024:

	Employment Rate - Feb to Apr 24 (aged 16 to 64)	Change on Nov 23 to Jan 24	Unemployment Rate - Feb to Apr 24 (aged 16+)	Change on Nov 23 to Jan 24	Inactivity Rate - Feb to Apr 24 (aged 16 to 64)	Change on Nov 23 to Jan 24
UK	74.3%	-0.5pp	4.4%	0.4pp	22.3%	0.3pp
Great Britain	74.4%	-0.6pp	4.4%	0.4pp	22.1%	0.3pp
England	74.8%	-0.5pp	4.5%	0.5pp	21.7%	0.2pp
North East	69.4%	-1.5pp	4.2%	0.4pp	27.4%	1.1pp
North West	72.9%	-0.5pp	5.1%	0.6pp	23.1%	0.1pp
Yorkshire and The Humber	72.8%	-1.1pp	3.9%	0.3pp	24.2%	1.0pp
East Midlands	75.5%	1.8pp	5.6%	0.4pp	20.1%	-1.9pp
West Midlands	**73.9%**	**0.4pp**	**5.1%**	**0.9pp**	**22.1%**	**-1.0pp**
East	75.3%	-0.9pp	3.8%	-0.1pp	21.6%	1.1pp
London	73.7%	-2.2pp	5.0%	1.2pp	22.5%	1.4pp
South East	78.3%	0.1pp	3.7%	-0.2pp	18.7%	0.1pp
South West	77.9%	0.7pp	3.7%	0.5pp	19.1%	-1.0pp
Wales	68.9%	-1.3pp	3.5%	-0.6pp	28.4%	1.7pp
Scotland	73.1%	-1.3pp	4.7%	0.4pp	23.2%	1.0pp
Northern Ireland	71.3%	0.0pp	2.2%	-0.1pp	27.0%	0.0pp

[7] Source: Office for National Statistics (ONS), Labour market in the regions of the UK: June 2024

The WM Monitor is funded by Research England/UKRI

- Between March 2023 and March 2024, workforce jobs increased in 9 out of 12 regions of the UK, with Scotland seeing the largest increase of 168,000; London had the highest proportion of service-based jobs (92.9%), while the East Midlands had the highest proportion of production sector jobs (12.0%). The West Midlands was one the regions to decrease on the year by 39,400 (-1.3%) to nearly 3.1 million jobs in March 2024. Service-based jobs accounted for 82.3% of the total West Midlands workforce in March 2024.

- Comparing May 2024 with the same period last year, changes in the number of payrolled employees ranged from a 1.6% increase in Northern Ireland, to a 0.2% increase in London. The West Midlands increased by 0.7% (joint second highest with East Midlands and the East) and was slightly above the UK-wide growth rate of 0.6%.

Claimant Count[8]

All Claimants Summary

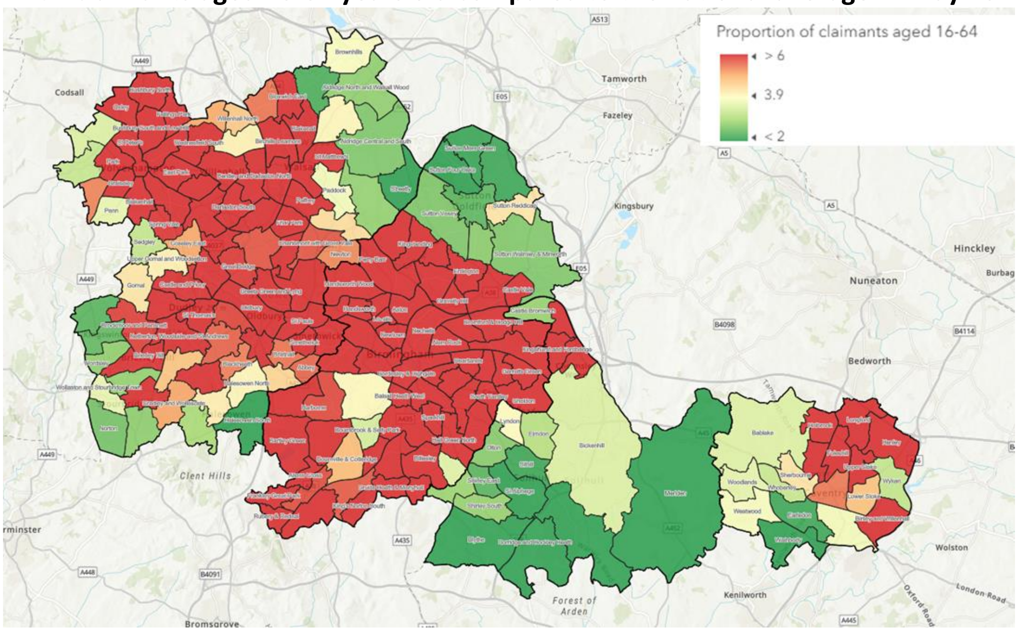
- There were 130,030 claimants in the WMCA area in May 2024. Since April 2024, there has been an increase of 3.7% (+4,595) claimants in the WMCA area, while the UK increased by 2.2%. When compared to May 2023 claimants have increased by 4.7% (+5,800) in the WMCA area, with the UK increasing by 6.5%.

- Overall, for the WMCA the number of claimants as a proportion of residents aged 16-64 years old was 7.1% compared to 3.9% for the UK in May 2024.

Latest Claimant Trends:

	May 2023	April 2024	May 2024	Monthly Change	Annual Change	Claimants as a proportion of residents aged 16-64: May 2024
Birmingham	62,420	65,590	68,295	4.1%	9.4%	9.3%
Coventry	12,895	12,385	12,930	4.4%	0.3%	5.8%
Dudley	9,075	8,815	9,005	2.2%	-0.8%	4.6%
Sandwell	13,365	13,165	13,695	4.0%	2.5%	6.3%
Solihull	4,130	4,095	4,185	2.2%	1.3%	3.2%
Walsall	9,840	9,510	9,780	2.8%	-0.6%	5.6%
Wolverhampton	12,510	11,870	12,145	2.3%	-2.9%	7.4%
WMCA	**124,230**	**125,435**	**130,030**	**3.7%**	**4.7%**	**7.1%**
UK	1,529,090	1,594,025	1,629,190	2.2%	6.5%	3.9%

Proportion of WMCA claimants aged 16-64 years old compared to the national average in May 2024:



[8] Source: ONS/DWP, Claimant Count, June 2024. Please note, the previous month figures have been revised.

Youth Claimant (Aged 18-24) Summary

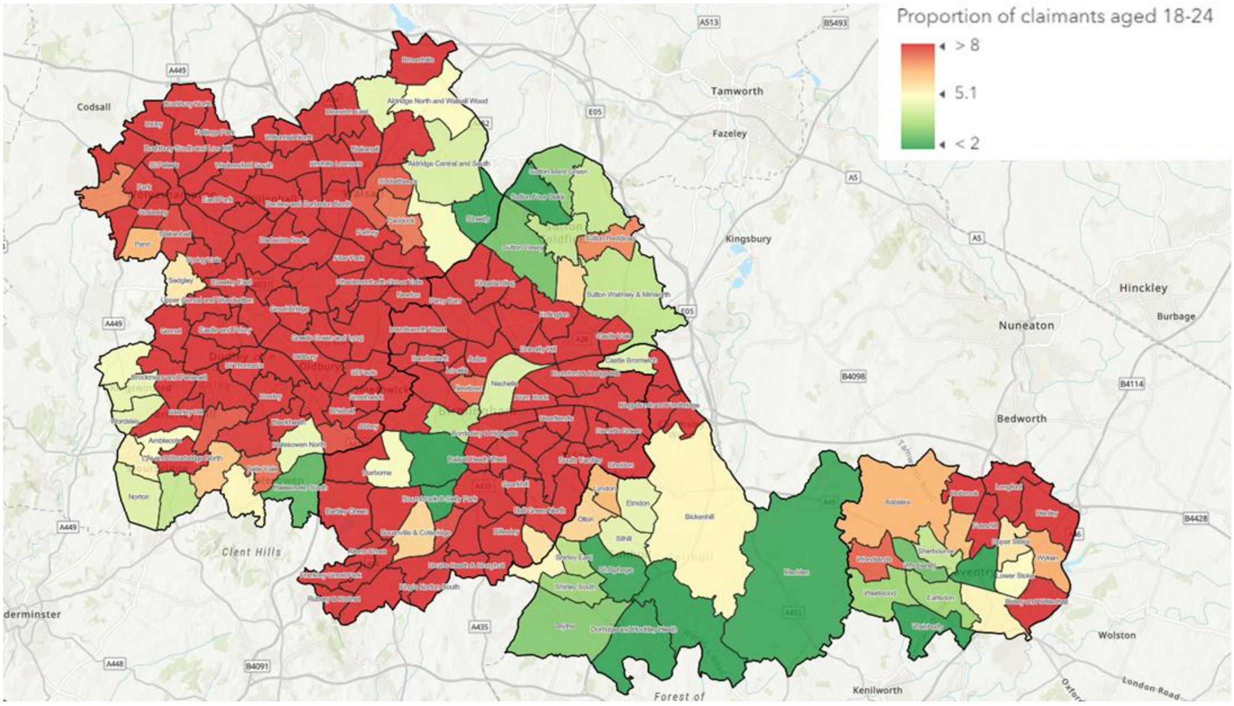
- There were 24,920 youth claimants in the WMCA area in May 2024. Since April 2024, there has been an increase of 0.7% (+175) youth claimants in the WMCA area, the UK decreased by 0.01%. When compared to May 2023, youth claimants have increased by 9.6% (+2,185) in the WMCA area, with the UK increasing by 6.6%.

- Overall, for the WMCA the number of claimants as a proportion of residents aged 18-24 years old was 8.8% compared to 5.1% for the UK in May 2024.

Latest Youth Claimant Trends:

	May 2023	April 2024	May 2024	Monthly Change	Annual Change	Claimants as a proportion of residents aged 18-24: May 2024
Birmingham	11,295	12,695	12,910	1.7%	14.3%	9.9%
Coventry	2,190	2,310	2,320	0.4%	5.9%	5.4%
Dudley	1,755	1,800	1,770	-1.7%	0.9%	7.5%
Sandwell	2,505	2,650	2,680	1.1%	7.0%	9.4%
Solihull	765	835	840	0.6%	9.8%	5.6%
Walsall	1,985	2,135	2,105	-1.4%	6.0%	9.3%
Wolverhampton	2,240	2,315	2,280	-1.5%	1.8%	10.6%
WMCA	**22,735**	**24,745**	**24,920**	**0.7%**	**9.6%**	**8.8%**
UK	262,830	280,130	280,115	-0.01%	6.6%	5.1%

Proportion of WMCA claimants aged 18-24 years old compared to the national average in May 2024:



What Can We Learn From 20 Years of EU Funding for SME Finance? Lessons From Wales and Beyond

Tim Fanning, Hatch and Neil Evans, Independent Economic Development Consultant

Drawing on findings from the Wales Business Fund evaluation, Tim Fanning and Neil Evans reflect on the lessons from attempts to address the SME finance gap in Wales and other UK regions.

The SME finance gap: a key barrier to growth

Gaps in access to finance for SMEs have been recognised as a market failure since the publication of the Macmillan Committee report in 1931. The ability to access debt and equity finance is a key enabler of growth for smaller firms. However certain firms and start-ups with viable investment propositions face difficulties due to structural market failures.

Ever since that report, Governments have sought to address this gap. In the past couple of decades, the European Union's Structural Funds have played an important role, driving the creation of regionally-based Funds offering repayable finance to SMEs where there is market failure. These emerged as early as 1995 and grew, especially in the 2014-2020 ERDF programme.

To give a sense of scale, the 2021-27 ESIF programme across the EU will see €18.5 billion invested in these financial instruments, most of it targeted at the growth and competitiveness of SMEs.

Whilst the UK obviously won't receive any more of that EU funding, the British Business Bank – set up by the Coalition Government – provides significant funding to small businesses. The Labour Party's report, the ***Commission on the UK's Future***, recently recommended renaming it the British Regional Investment Bank, with a new remit to tackle regional inequalities in access to investment capital.

Lessons from Wales and other UK regions

In Wales, the £216m Wales Business Fund (WBF) is the last in a series of EU-backed SME finance interventions. Having just evaluated the Fund, we were struck by some of the lessons we found not just there, but more generally from the experience of similar funds over the past two decades. Whilst some of these are specific to Wales, many also apply to other UK regions that have developed similar interventions (especially in the North and Midlands).

Here are eleven key observations:

1. ***The EU Funds facilitated the testing of approaches to repayable finance***

In Wales and other UK regions, prior to the introduction of venture capital and loan Funds, the provision of economic development finance to SMEs was predominantly grant-based. Indeed, many of those who were around then have referred to a prevailing "grant culture." Although there is still a role for grant finance for start-ups, it was recognised that grants lack the discipline that repayable finance brings, do not enable businesses to become educated in mainstream business finance, risk displacing private finance and do not generate any legacy funding that can be recycled into further investment (That is, the financial returns net of all operational costs, which, in line with EU and UK Government rules, can be reinvested in similar investment funds.)

The EU Structural Funds initially backed the creation of a small Welsh Fund to test the use of repayable finance. This then subsequently grew into the much larger Funds under the JEREMIE initiative, generating legacy funding for re-investment. This has enabled 'learning by doing' on addressing market failures, creating economic development benefits whilst generating reasonable financial returns, and educating new and growing businesses on the use of commercial finance. Indeed, the UK was at the forefront of Europe in the use of financial instruments to address SME finance market failure.

That said, there remain some deeply engrained and long-term attitudinal challenges. A good example is the aversion amongst some SMEs to giving up equity in their business in return for growth.

2. ***The Funds have helped to build wider capacity***

As a consequence of the operation and growth of these Funds over a long period, significant capacity and expertise have been built in Wales and other regions. This has meant that there is a set of professionals with a long track record in the delivery of these interventions, with a niche combination of corporate finance and economic development expertise.

Whilst much of the Fund Management expertise which has been built in Wales resides in the Fund Management arm of the DBW, this will have helped to build financial services supply chains. Outside of Wales, there has been more of a focus on independent Fund Managers, which has been important in building capacity (including embedding in particular regions such as the North West) and improving standards. But this path has not always been easy and some FMs have, arguably, fallen short in terms of professional standards.

3. ***The Funds have served to boost the profile of the region as a place to invest***

The majority of venture capital and private equity investors are located in London and its environs. The growing presence of the DBW and its predecessor, Finance Wales, and the creation of a track record and case studies of successful investments in SMEs, have helped to grow the profile of Wales as a place for investment (both from investors and companies). The Development Bank of Wales is now the fifth biggest equity investor in the whole of the UK (Source: Beauhurst). There is much, much more to be done, but there are some early signs of a virtuous circle, which makes it a little easier over time to attract a network of co-investors from these centres of finance (indeed, the early-stage equity funds run by DBW have attracted investment from Silicon Valley).

This can be particularly powerful when used alongside other public sector economic development investment targeting sector opportunities, such as life sciences in Wales. In Northern Ireland, there was some success in attracting international co-investors, including for example Angel and Tech investors from the US.

4. ***Pan-regional coverage has been valuable***

The fact that WBF and its predecessors have both operated across Wales and had targets for investment and outputs at a sub-regional level is important. A market-led Fund may naturally gravitate towards East Wales and especially Cardiff, where there are existing concentrations of businesses and regional decision-makers. By having explicit targets for West Wales and the Valleys, the Funds have been forced to go out and source investment opportunities and develop a presence. Although this has been challenging at times, it has generated economic benefits that would not otherwise been secured.

Exactly the same lesson could be drawn for places in other regions which have lacked the historic infrastructure of finance providers and intermediaries (and an appetite for external growth finance amongst local businesses).

5. ***Scale is key to success***

Funds like this need to be large enough to ensure economies of scale in operation and attraction of Fund Management talent, but also the scale of suitable investment opportunities, which in turn helps to secure the co-investment at fund and investment levels. The WBF is a good example, at £216m.

Whilst it might be tempting to establish small, niche funds that target a locally important sector or geography, these often lack the scale needed and their performance can suffer as a result.

6. ***Offering a mix of finance types aids flexibility***

Public sector-backed funds typically need the flexibility to be able to offer a mix of finance types, address the finance gaps and meet the finance-specific needs of businesses at different stages of development. The WBF covered a spectrum of investment needs, from early-stage tech through to established SMEs seeking growth capital.

The finance offered needs to be underpinned by market evidence and a strong business case from the start. However, Funds may need to change over time in response to market conditions. The WBF had to contend with the huge economic shock of the pandemic (as well as Brexit), which saw very significant shifts in the nature of demand (from growth to working capital) as well as supply (with unprecedented Government support for SMEs). Remaining agile is an important lesson, and DBW's close relationships with the private sector enabled real-time market intelligence to inform the decisions of DBW and the Welsh Government.

7. ***Patience is a virtue***

Patient capital and a reasonable scope to follow your money are very important when it comes to making investments in early-stage, innovative ventures. It can take multiple rounds of investment before a business attracts large-scale private investment. The British Business Bank recognises this and emphasises the patient capital approach.

Linked to this, in planning for and managing a fund, there is a need to be aware of the economic cycle and the impact recessions and other crises can have on financial outturns. It is helpful not to be hindered by unreasonably short investment and realisation periods.

8. ***The creation of the Development Bank of Wales itself was underpinned by Structural Funds aligned to Welsh Government funding***

The initial testing of repayable finance led to the creation of Finance Wales, which ran the WBF predecessor Funds. Finance Wales then evolved into the Development Bank of Wales (DBW) in 2017. The continuous building of financial returns has provided an important source of legacy funding – alongside ongoing contributions from ERDF and the Welsh Government – for reinvestment in SMEs and enabled the growth in the presence and reach of DBW. The expertise and track record built at Finance Wales (and its independent external review and critique) helped to drive the ambition and commercial credibility to launch the Development Bank with a wider remit. The DBW now runs many successful Funds, targeted at a wide range of market segments where there is market failure.

9. ***The approach of the EU Funds has enabled a head start on Environmental, Social and Governance (ESG) issues***

The ESG agenda has grown significantly in recent years in the finance community, driven by legislation and the requirements of investors. Given the centrality of the "S" part of ESG to the SME finance interventions, this has meant that the strategies, systems and processes for addressing this part of the equation are already in place in EU-backed Funds. Further, the stringent EU requirements on administration, management and reporting, whilst stretching, have meant that high standards and good practices are in place on the "G" part of ESG. Similarly, the EU requirement to build in Cross-Cutting Themes has meant that DBW has had to think about the "E" part of ESG too. These good practices will help in the administration of future Funds.

10. ***Funds need to integrate with the wider business support offer***

When done well, there can be benefits in having good links with the wider business support on offer in a region. This enables businesses to be cross-referred efficiently between different services depending on their needs. If this doesn't happen, this risks confusion amongst SMEs, duplication of effort, and opportunities missed. Good momentum was built up here over time in Wales, with an effective relationship between DBW and Business Wales.

11. ***Monitoring and evaluation needs to be carefully designed***

Monitoring the economic development benefits can be challenging and needs to be carefully designed and executed by professionals with appropriate expertise. Otherwise, the risk is that the data is flawed and does not provide decision-makers with the evidence they need. Likewise, independent evaluation is helpful to ensure that there is ongoing learning.

Building on what has been learned

The SME finance gap is not going to go away, especially in "the regions". Whilst the British Business Bank offers finance at a regional level, Combined Authorities recognise that there remains a role for complementary sub-national Funds of the sort backed by the Structural Funds. These interventions should build on what has been learned, and make the most of the legacy offered by these decades of experience.

Grasping the Nettle: The Urgent Reform of Business Rates
John Webber, Collier

John Webber, Director & Head of Rating at Colliers, discusses how the current business rates system needs reform. With rate bills becoming increasingly unaffordable for many businesses and the appeal process overly complex and costly, urgent action is needed to address the unsustainable nature of the system.

This article was written for the Birmingham Economic Review 2023.

The review is produced by City-REDI/ WMREDI, the University of Birmingham 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.

"There is wide agreement that the current business rates system needs urgent reform. Yet successive governments have totally failed to grasp the nettle and just tinkered around the system or put it in the "too difficult box".

The system which provides £32 billion gross (£26 billion net) for local authority funding is just unsustainable in its current form. The main issues are that rate bills are just too high and increasingly unaffordable for many businesses and the appeal process for those who disagree with their assessments is lengthy, complicated and costly.

Rate Bills

Rate bills are linked to the level of the multiplier (the uniform business rate which is multiplied by the rateable value of the property (RV) to calculate the rates bill). This has crept up over the past 30 years from 34p in 1990 to 51p today, thus creating a huge 51% tax on the rental value of a property. And with inflation, as it is, the multiplier will only get higher. Nowhere else in Europe do businesses pay half the rental value of premises in property taxes. This multiplier is the elephant in the room and until it is tackled any other changes to the system are window dressing.

The problem has been compounded by the fact that successive governments, rather than dealing with the growing burden of business rates, have instead found it politically expedient to hand out concessions and reliefs on a regular basis. As a result, out of 2.15 million properties in the rating list, 700,000 do not pay any business rates taxes, so that burden falls on those businesses that do not benefit from any reliefs that currently exist.

This situation will only get worse as the public finances require a sum of £26 billion. The poor state of the public purse means this sum will continue to grow, particularly in a relatively high inflationary environment. In fact, according to the OBR report, it seems that the Government is now forecasting that income from business rates is only going one way- upwards. Forecasts predict the income will rise to nearly £36 billion by 2027/28! If this leads to more relief, the result will be an even greater burden on a smaller number of businesses able to pay their rates bills. This is unsustainable.

Unless the 700,000 ratepayers start to pay something or a large proportion of the £26 billion sum is collected from some other tax resource, then the situation will worsen, and business rates will continue to be used as a political football.

So, what's to be done?

At Colliers we have drawn up a manifesto for reform, the main components of which are:

To start with we suggest the government rebates the Multiplier to a level that businesses can afford- to say 34p in the £. A lower fairer UBR would reduce the barriers to entry, help expansion and innovation for businesses and encourage growth. It would broaden the tax base, disincentivise tax avoidance and help reduce any gaps in revenue for the Exchequer caused by a lower UBR.

Next, we would reform the sticking plaster relief system. Re-basing the multiplier to something affordable will mean that the whole question of the myriad of reliefs can become simplified and resolved, as not so many businesses will need to claim them. Everyone who benefits from public utilities and local services needs to pay something- but at a fair rate, maybe starting at 10 or 15% for the smaller businesses. We believe reliefs should be reviewed at least every 3 years.

We would also introduce annual revaluations. The Government has moved from five-yearly revaluations to three-yearly revaluations, which is a step in the right direction, but in our view not far enough. By implementing annual revaluations, business rate bills will accurately reflect the dynamic movements of the market and allow occupiers to benefit immediately from adjustments to rateable values. This would have certainly helped the retail sector in the long period between the 2017 and 2023 Revaluation when many retailers were paying far too high business rates for far too long. The consequences for many high streets were dire.

And fourthly we would reform the appeal system and demand transparency from the VOA. The current system makes it too hard for businesses to either assess the fairness of their assessments or to appeal to them. Recent tinkering with (CCA) and removing the Check part of the system has only added to the confusion and the request for the annual provision of information from the ratepayer has also added a significant administrative burden.

We believe the current system needs to be transparent, easy to access for all and allow appeals to be resolved in 12 months so that businesses can get on with what they do best- running their businesses.

In its 2019 Manifesto, the Conservative Party promised, "To cut the burden of tax on business by reducing business rates. This will be done via a fundamental review of the system." Sadly, it still has not fulfilled this promise. And the Labour Party's stance is no better. Labour has threatened to abolish business rates altogether if it gets into power- but its plans on what to replace them with remain woolly. Suggestions of a Land Tax would create its own issues and would be difficult to implement.

What we need is a well-managed and transparent business rates system, and we need it now. The government must not continue to ignore the call for urgent reform and finally help businesses floundering in this over burdensome and unfair system."

The Post-pandemic Migration Shift? How Remote Work May Be Changing Where We Live

Darja Reuschke, WMREDI and Julie Macleavy, University of Bristol

The COVID-19 pandemic accelerated the adoption of remote work, especially for high-skilled workers, leading to questions about its impact on internal migration patterns. In our latest blog, Darja Reuschke and Julie MacLeavy explore the link between remote working and migration.

This blog is informed by the research presented in the book chapter 'Reshaping the geography of work: Remote worker migration and regional dynamics in the post-pandemic era' by Julie MacLeavy, Suzanne Mills, Katie Mazer and Darja Reuschke, forthcoming in The Handbook of the Future of Work (Routledge, 2025).

The COVID-19 pandemic dramatically accelerated the adoption of home-based remote work across industrialised nations and most of Europe. Remote work, defined as working at home or in another location away from the traditional office, had been steadily increasing. However, the pandemic triggered a geographical shift in work, particularly for high-skilled workers who can perform their duties remotely. This shift raises crucial questions: Will the newfound spatial freedom of highly skilled remote workers lead to significant shifts in internal migration patterns? Will we witness a rural renaissance coupled with declining urban populations? Moreover, can struggling regions leverage remote work to retain or attract new residents? This blog explores the link between remote working and internal migration patterns, drawing on current research. We then identify key areas for future research based on these insights.

How significant is remote work to internal migration patterns?

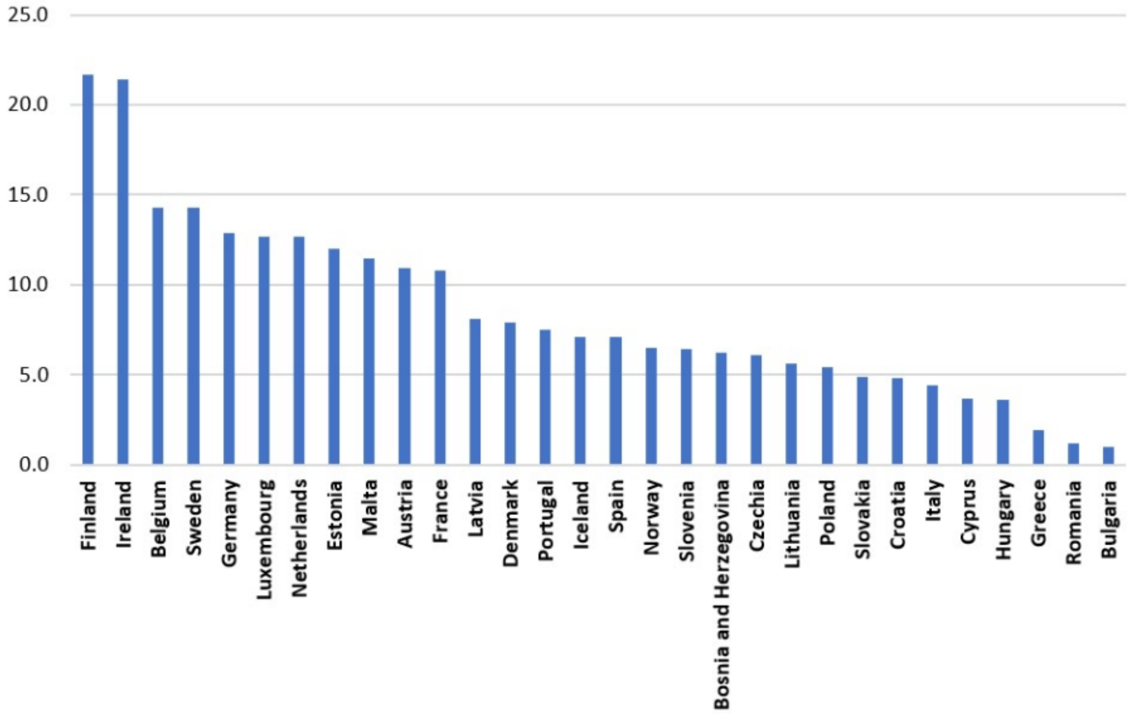
Economist David Autor, in his influential 2001 work on the impact of the Internet on labour markets, predicted that information and communication technologies (ICTs) would fundamentally reshape work. He envisioned online job searches changing how employers find employees, with a wider talent pool becoming available. He also foresaw a transition from physical to online service delivery, further weakening the tie between jobs and specific locations. This weakening, he argued, could be facilitated by outsourcing, where work is done remotely across borders. Notably, Autor considered ICT-facilitated remote work as a prime example of this shift, where the delivery of labour services transforms from on-site to online.

However, the limited empirical evidence on remote work at the time meant Autor did not foresee it as a full substitute for commuting. Instead, he viewed it as a way to extend work hours by enabling certain tasks to be done at home. This aligns with the pre-pandemic reality of remote work, often labelled 'telecommuting', which typically involved some commuting on work days. The proportion of employees who carried out most or all of their work from home was very low in 2019/early 2020, with figures as low as 3% in the UK and also rare in the rest of Europe and the USA. Therefore, geographical research was focused on the impact of remote work on commuting patterns and urban sprawl, with questions like whether longer commutes lead to a greater likelihood of adopting remote work practices or not.

The COVID-19 pandemic, however, dramatically changed the landscape, with current figures for the UK and some other European countries (Figure 1) suggesting a high proportion of workers who now work primarily or regularly from home. This indicates that remote working is no longer just an occasional practice or alternative to commuting, but rather a more established and integrated element of how work gets done. Confirming Autor's (2001) predictions, we can see how remote work has become a significant factor in weakening the tie between jobs and specific locations, fulfilling his vision of a more geographically independent workforce.

Figure 1. Percentage of employed persons 15-64 years who 'usually' work at home in 2023, by countries

The WM Monitor is funded by Research England/UKRI



Source: Eurostat, Table 'Employed persons working from home as a percentage of the total employment, by sex, age and professional status (%)' [lfsa_ehomp]

Clearly, this greater independence from local labour market conditions could enable migration, which raises the question: how has remote working actually transformed internal migration patterns post-pandemic? We still know little about this, although it has been suggested that the consequences of the weakening of geographical restrictions in the labour market through remote working are likely to extend well beyond urban areas. Indeed, while international evidence from several industrialised nations showed a decline in internal migration during the first lockdown in 2020, this was followed by a reported increase in the latter half of 2020. This trend occurred in Germany, Spain, Sweden and the United States and sparked research into pandemic-linked population decline in inner-city areas, along with population growth in rural areas and towns near metropolitan centres, including in Canada. While this research identified some important population shifts, notably from urban to rural areas, it also found that internal migration continued to decline in some countries, like Australia, while in others, such as Great Britain, it fell before rebounding to pre-COVID levels. This suggests that projections of a widespread 'urban exodus' or 'rural revival' linked to remote work have been country-specific and that further research is needed to specify and explain these variations.

Can remote work, through its influence on migration patterns, revitalise regional development?

The rise in remote work coupled with indications of a substantial but uneven impact on internal migration flows, has sparked a debate about its potential to address challenges in urban and regional development. This debate centres on the possibility of remote work facilitating out-migration from congested cities and large urban areas, with people relocating to more rural or less economically developed regions. Proponents argue that remote work migration can alleviate problems like congestion and pollution while simultaneously rejuvenating struggling rural and 'left behind' places. The concept of remote worker in-migration as a development strategy aligns with the promotion of 'creative rural spaces'. Here, the development of regional creative industries is seen as a pathway to economic growth and cultural vitality provided that challenges like limited infrastructure can be addressed. However, critics argue that the in-migration of high-skilled and high-income remote workers to desirable rural areas could lead to rising housing costs and competition for resources, potentially displacing lower-income residents.

However, the potential benefits of remote work extend beyond out-migration. Instead of simply causing out-migration from urban centres, remote work opportunities could also have the opposite effect: in cities and regions with fewer economic opportunities, particularly those that have historically seen an outflow of young, skilled workers (especially graduates), remote work could act as a retaining force. Staying put in their hometowns could become a more attractive option for these workers, allowing them to avoid the high cost of living in major cities. This is particularly relevant in the UK, where London has long benefited from an influx of young graduates from other regions, creating stark regional imbalances. The difficulty of retaining graduates isn't just an issue for Northern cities like Manchester or Sheffield, even those in the South East such as Southampton lose a significant proportion of their student population after graduation.

Remote work, then, has the potential to disrupt this pattern and contribute to a more balanced distribution of talent across the UK. The West Midlands, with its established cities like Birmingham, could be a prime beneficiary of this shift. However, Birmingham's recent out-migration trends, particularly among young people, suggest further investigation is needed to understand if, and how much, remote work is aiding retention in this specific region. In 2019, the West Midlands stood out in comparison to other English regions, as well as Scotland and Wales, because it experienced negative net internal migration, meaning more people were leaving than moving into the region within the UK. The only other region with this trend was London which has been attributed to the so-called 'escalator effect', where young people migrate to the capital for career advancement but tend to move elsewhere later in life.

Data on young people (22-30 years old) leaving Birmingham, specifically, shows minimal change or even a slight increase between 2019 and 2022 (an estimated outflow of 25,400 individuals in 2022 versus 24,000 individuals in 2019). These figures include all departures from Birmingham, which is the largest city in the West Midlands region, including movement to nearby cities (e.g. Solihull) and surrounding areas. To definitively assess remote work's impact on the region's ability to retain particularly young talent, a more detailed analysis is required. This analysis would need to reveal internal migration patterns within the region to show whether young people are (i) staying put in Birmingham (ii) moving to different areas within the West Midlands region, or (iii) relocating further afield. With a clearer picture of these migration flows, we would then be able to better assess the specific impact of remote work in this locality and its role in the evolving landscape of urban and regional development.

Looking forward: an agenda for research

Historically, internal migration has been on a steady decline in many countries. However, the pandemic, with its forced lockdowns and shift to remote working, has reignited international interest in these migration patterns and trends. The widespread adoption of remote work during the pandemic challenged assumptions about the need for physical proximity to work, leading researchers and policymakers to question whether remote work opportunities could lead to a resurgence of internal migration, particularly as people re-evaluate their living situations and priorities.

As we move forward in a post-pandemic world with increasingly widespread remote work opportunities, the impact on the level of migration remains uncertain. It's possible that migration could increase, leading to a shift in urban and regional population dynamics. Conversely, we could see a decline in movement as remote work allows people to stay put. In this way, remote work's influence on migration could mirror how ICTs have previously served to limit migration.

The ultimate impact likely varies significantly between countries. Factors like the pre-pandemic prevalence of remote work and the distribution – or concentration – of the working-age population and of jobs all play a role. To gain a clearer picture, further research is needed. This research should not only explore which regions are sending or receiving (high-skilled) internal migrants but also focus on graduate and worker retention. Key questions include: Can remote work attract and retain talent in economically disadvantaged or sparsely populated regions? And, under what conditions can remote work contribute to the revitalisation of declining or 'lagging behind' economies?

As remote work becomes increasingly commonplace, a comprehensive approach is essential for understanding and (potentially) shaping the future of work. While advancements in communication and collaboration tools undoubtedly play a pivotal role, the trajectory of this future hinges on more than just technological capabilities and skills. Policy implementation, particularly how regions respond to and leverage the opportunities for remote work to aid their (re)development, will be a major deciding factor. In essence, the 'how' of policy implementation holds equal weight to the 'what' of technological advancements when considering the long-term impact of remote work for urban and regional economies.

Britain the 'World's Worst on Homelessness' – What About the West Midlands?

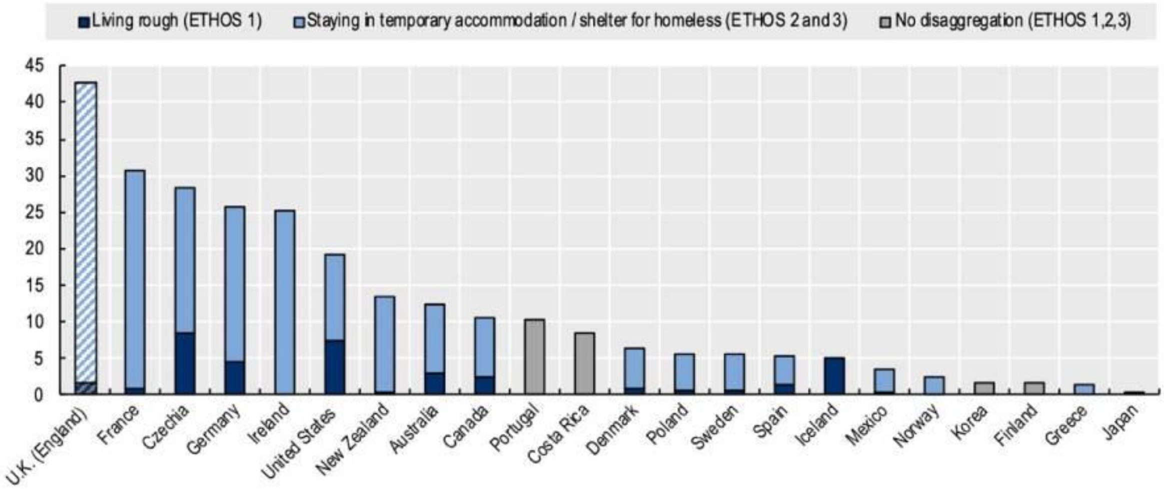
Matt Lyons and Maryna Ramcharan, WMREDI

The UK has the highest rates of homelessness in the developed world, with a significant increase over the past 14 years, particularly in the West Midlands. Alongside the physical, emotional and psychological impact it has on the individual, homelessness creates a substantial financial burden on local authorities, with Birmingham having the highest temporary accommodation expenses outside of London.

Matt Lyons and Maryna Ramcharan discuss how the WMREDI homelessness prediction tool aims to help policymakers in the West Midlands anticipate and mitigate future rises in homelessness.

Last week the FT reported that the UK has the highest rates of homelessness in the developed world. The piece used OECD data published in 2024 which indicated that homelessness in the UK was at the highest rate of all countries by some margin:

Figure. 1 Homelessness by country per 10,000 people, 2023



People experiencing homelessness who are living rough (ETHOS 1) or staying in emergency accommodation or accommodation for the homeless (ETHOS 2 and 3), Source: OECD, 2024 p.4.

The FT reports that the level of homelessness in the UK has risen dramatically over the past 14 years. In 2010, the rates of homelessness in England were 24 people per 10,000 (roughly one in 417 people), a level comparable to other European countries like Austria and Germany. The most recently available data shows the rate has jumped to 42 per 10,000 or 1 in 238 people, substantially higher than the next worst country France, with 31 per 10,000.

It is important to note that there are two measures of homelessness on display. Definition 1 (ETHOS 1) of homelessness is defined by people sleeping on the street for which the UK (England) has lower rates than many of the nations compared. Definition 2 (ETHOS 2 and 3) includes people staying in temporary accommodation.

The harms of living in such accommodation are set out in a report by Shelter. The poor conditions, including damp and infestations, have been linked to 55 deaths of children.

What about the West Midlands?

The latest data show that the West Midlands has the second highest rate of households living in temporary accommodation (TA) outside the Greater South East at 2.96 people per 1000, significantly above the English average excluding London of 2.43.

The WM Monitor is funded by Research England/UKRI

By another measure, 'households assessed as homeless' the West Midlands fares better but is still significantly above the England average excluding London at 1.90 and 1.72 respectively.

Table 1: Homelessness per (000s) 2023 by English region

Region	Total number of households in TA per (000s)	Households assessed as homeless per (000s)
London	17.42	2.72
South East	3.48	1.34
East of England	3.06	1.47
West Midlands	2.96	1.90
North West	2.41	2.19
South West	2.15	1.66
East Midlands	1.63	1.54
Yorkshire and The Humber	1.30	1.67
North East	0.79	2.32
England Average	**4.70**	**1.87**
England excl. London Average	**2.43**	**1.72**

Source: UK Gov

As we look within the region we can see that by different measures of homelessness, there is significant variation by Local Authority. Coventry and Dudley are the worst affected in terms of households assessed as homeless 3.9 and 3.8 per 1000. In terms of those in TA, the rates are highest for Birmingham (10.9) and Coventry (7.1).
So, although this is a national problem, it is a crisis at the sub-regional scale.

Table 2 Homelessness rates in the West Midlands 2023

Rank	LA	Households assessed as homeless per (000s)	Total number of households in TA per (000s)
1	Coventry	3.9	7.1
2	Dudley	3.8	0.1
3	Stoke-on-Trent	3.1	0.5
4	Redditch	2.7	0.9
5	Worcester	2.4	0.9
6	Birmingham	2.2	**10.9**
7	Wolverhampton	2.2	*
8	Stratford-on-Avon	1.7	0.8
9	Shropshire	1.7	1.6
10	Rugby	1.6	0.9
11	Wychavon	1.5	0.4
12	East Staffordshire	1.4	1.3
13	Stafford	1.3	*
14	Sandwell	1.3	1.3
15	Tamworth	1.2	0.7
16	Warwick	1.2	0.7
17	Lichfield	1.0	0.5
18	Solihull	1.0	1.8
19	Malvern Hills	1.0	0.3
20	Wyre Forest	0.8	1.2
21	North Warwickshire	0.8	*
22	Walsall	0.8	1.0
23	Staffordshire Moorlands	0.7	0.2
24	Bromsgrove	0.5	0.7
25	Cannock Chase	0.5	0.0
26	South Staffordshire	0.4	0.1

[*] Missing values
Source:* *UK Gov

Homelessness is an expensive and rising cost for regions

Homelessness in the UK costs local authorities a significant share of their annual budgets, which in many cases are already in the red with almost 1 in 5 council leaders fearing a section 114 notice (effective bankruptcy). Birmingham City Council, the council with the largest budget deficit in the UK and recipient of a section 114 notice, is also the council with the highest spend on temporary accommodation (outside London) according to Shelter:

Table 3: Total temporary accommodation spend, top 10 local authorities excluding London (2018/19)

Rank	Local authority	Total Temporary Accommodation spend (18/19)
1	Birmingham	£30,558,000
2	Manchester	£22,124,000
3	Brighton & Hove	£21,661,000
4	Luton	£16,254,000
5	Milton Keynes	£8,747,000
6	Slough	£5,826,000
7	Peterborough	£5,525,000
8	Northampton	£4,398,000
9	Cornwall	£4,173,000
10	Chelmsford	£4,135,320

Source:* *Shelter

A tool to predict homelessness

The homelessness prediction tool of WMREDI was developed to foresee how homelessness rises will hit areas across West Midlands at finer geographies than available in published data (e.g. Table 2). The prediction tool relies on what has been known about the likelihood of people experiencing homelessness and is based on data from multiple data sources.

Given the outcomes of the previous analysis performed by ONS in 2018 'Past experiences of housing difficulties in the UK: 2018' and assuming that it is household income that is influential in kick-starting the accumulation of rent arrears, the tool considers five factors that influence the likelihood a person will experience homelessness:

1. How many members of the household are employed and can therefore contribute to rent expenses?
2. Is it a one-person household?
3. Are there dependent children in the household?
4. Is a tenant renting privately or is she/he a council tenant?
5. What is the median income in the area?

The data fed into the model returns a score for each Parliamentary Constituency in the West Midlands reflecting the homelessness risk. Based on the latest data (2022) the model foresees the greatest risk of rise in homelessness in:

1. Coventry North East
2. Birmingham Ladywood
3. Birmingham Yardley
4. Birmingham Erdington
5. Birmingham Perry Bar.

Concluding remarks

Homelessness has become a significant issue in the UK in recent years. The impact of homelessness is being felt acutely in the West Midlands and the levers available to address it are in part held by a council in financial crisis. The WMREDI homelessness prediction tool can help forecast at a very fine spatial scale where homelessness is likely to rise.

This tool can help guide local policymakers to both address and prevent homelessness within the West Midlands.

Data Sources: for the WMREDI homelessness tool

- Annual population survey by ONS, 2020 (households data)
- Survey of personal income by HMRC, 2018-19 (income data)
- Coronavirus Job Retention Scheme Statistics by HMRC, October 2021 (furloughed jobs data)
- Census 2011 (Tenure type data)
- DWP statistics on Universal Credit at postcode level
- Geodemographic Mosaic data to describe family types

Understanding Community Engagement: A Nine-Dimensional Framework

Sara Hassan, WMREDI and Lucy Natarajan, Bartlett School of Planning

In this blog, Sara Hassan (City-REDI) reflects with Lucy Natarajan (Bartlett School of Planning) on their recently published article in ***Town Planning Review*** which proposes a nine-dimensional framework that evaluates community engagement in planning practice.

This blog was first published on the Liverpool University Press blog.

Community engagement lies at the heart of participatory planning and development initiatives worldwide. It represents a concerted effort to involve local residents, stakeholders, and communities in decision-making processes that directly impact their lives. However, the landscape of community engagement is complex and fraught with challenges, power differentials, and contextual nuances that demand careful consideration. In this exploration, we delve into the core concepts of community engagement through the lens of a nine-dimensional framework (9DF), synthesising insights from participatory planning literature and empirical data collected and co-produced by USE-IT! Community Researchers contributing to the UK2070 commission's work.

Empowerment

Empowerment, influence, and inclusion emerge as the foundational pillars of community engagement, each encompassing procedural, learning, and contextual dimensions. Empowerment, as revealed through both literature and Community Researcher data, underscores the significance of procedural justice, epistemic capacities, and the contextual realities that shape collective decision-making processes. It emphasises the need for recognising and addressing power differentials, particularly in disadvantaged communities where additional investments and efforts are required to animate interactions and make processes visible.

Influence

Influence, on the other hand, centres on the ability to enact change through community engagement efforts. The temporal dimension emerges as critical, highlighting the importance of long-term relationships and the diverse techniques necessary for meaningful engagement. Learning with and from communities' local knowledge becomes paramount, fostering confidence and resilience amidst the complexities of the knowledge-power nexus.

Inclusion

Inclusion, the third core concept, underscores the multiplicity of impacts on communities and the need to address existing marginalisation and inequality. Tailoring engagement processes to the needs of marginalised groups demands intensive efforts and continual learning, sensitive to local knowledge and identities that may influence participation. Understanding the evolving nature of places and the legacies of past engagement efforts further enriches our appreciation of inclusion within community engagement frameworks.

Understanding community engagement through the nine-dimensional framework

The nine-dimensional framework offers a comprehensive lens through which to evaluate and understand community engagement initiatives. By integrating empowerment, influence, and inclusion across procedural, learning, and contextual dimensions, the framework captures the dynamic interplay of factors shaping engagement outcomes. It moves beyond simplistic assessments of processes alone, recognising the intricate relationships between learning, context, and empowerment.

The framework also addresses existing gaps in evaluative tools for participatory planning, emphasising the value of lay and local knowledge, as well as the inequalities inherent in resource distribution and capabilities. By embracing a community-oriented perspective, the 9DF not only enhances the evaluation of engagement programmes but also contributes to the scholarly discourse in a transparent and inclusive manner.

Ultimately, the success of community engagement lies in its ability to foster meaningful dialogue, empower local voices, and drive positive change. Through the lens of the nine-dimensional framework, we gain deeper insights into the complexities of engagement processes and the transformative potential they hold for communities worldwide. As we navigate the evolving landscape of participatory planning, let us embrace a holistic approach that honours the diversity of voices and experiences within our communities, paving the way for a more inclusive and equitable future.

You can read more about the nine-dimensional framework in our article on the Liverpool University Press website.

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

The Economic Intelligence Unit

On the 20th June 2024, 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 the UK economy and society. These faster indicators are created using rapid response surveys, novel data sources, and experimental methods.

ONS also provides on a monthly basis (at the time of writing, the latest was from the 7th June 2024) social insights on daily life and events from the Opinions and Lifestyle Survey (OPN).

Online Job Adverts

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

Nationally, the total number of online job adverts on 14th June 2024 (which was at 94.2% of the average level in February 2020) decreased by 0.7% when compared with the previous week. For the latest weekly change, out of the 28 categories (excluding unknown) 14 increased; the largest weekly rise was in travel/tourism, which rose by 6.9% (to 124.5% of the average level in February 2020). The facilities/maintenance category remained unchanged at 107.9% of the average level in February 2020. While there were 13 categories that decreased; the largest weekly fall was in graduate, which fell by 8.1% (to 55.8% of the average level in February 2020). There were 19 categories that were below the February 2020 average level: the lowest was graduate.

Between the 7th and 14th June 2024, there was a mixed picture across the regions as four increased, one remained the same and four decreased for online job adverts. The West Midlands online job postings rose by 0.3% and on the 14th June 2024, it was at 90.7% of the average level in February 2020. On the 14th June 2024, there were only two regions above their February 2020 levels: Northern Ireland (128.0%) and the North East (109.5%).

System Price of Electricity and System Average Price of Gas

The National Gas Transmission, Elexon report in the week to 16th June 2024, the System Price of electricity increased by 45% compared with the previous week from a seven-day average price of 5.011 pence per kilowatt hour to 7.242 pence per kilowatt hour; meanwhile, the System Average Price (SAP) of gas increased by 1% from 2.822 pence per kilowatt hour to 2.840 pence per kilowatt hour.

Footfall

Data from MRI OnLocation, shows in the week to 16th June 2024, overall retail footfall remained broadly unchanged when compared with the previous week but was 4% below the level seen in the equivalent week of 2023. Retail park footfall and shopping centre footfall both increased when compared with the previous week, rising by 1% and 2% respectively, while high street footfall decreased by 2%. All three location categories saw a decrease in footfall when compared with the equivalent week in 2023, with the largest decrease being for high street footfall, which fell by 6%.

Overall retail footfall decreased in seven, increased in four and remained broadly unchanged in one of the twelve UK countries and English regions when compared with the previous week. The largest decrease was seen in the North East of England, which fell by 6%, while the largest increase was seen in Wales, rising by 2%. All twelve UK countries and English regions saw a decrease in overall retail footfall when compared with the equivalent week of 2023. The largest decrease was seen in the North East of England, which fell to 9% below the level seen in the equivalent week of 2023.

Advanced Notification of Potential Redundancies

Insolvency Service HR1 forms data shows, based on a four-week rolling average, the number of potential redundancies in the week to 9th June 2024 was 4% higher than the level in the equivalent week of 2023, while the number of employers proposing redundancies was 5% higher when compared with the same period.

Business Insights and Conditions Survey

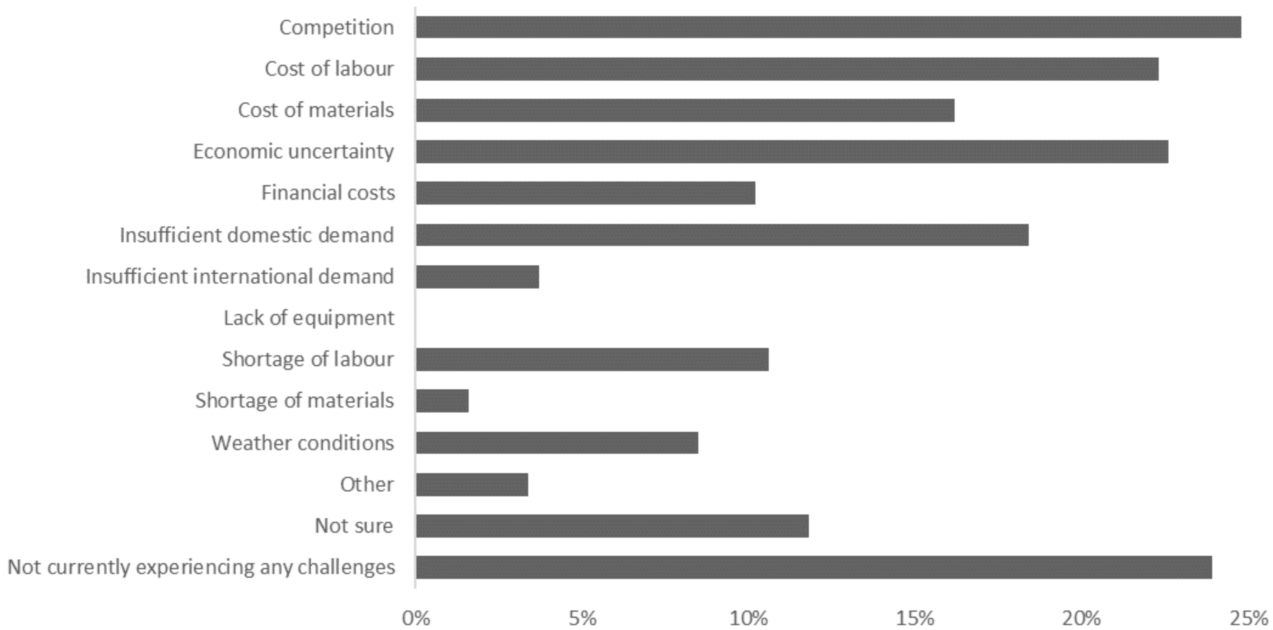
The final results from Wave 110 of the Business Insights and Conditions Survey (BICS) based off the 5,157 businesses surveyed across the West Midlands that businesses have a presence in with a response rate of 27.4% (1,411) and 3,162 businesses that are head quartered in the West Midlands, with a response rate of 26.5% (839). Please note, the survey reference period was 1st to 31st May 2024 with a survey live period of 3rd to 16th June 2024. Also, the data used is unweighted for regions and response levels can be low so the following results should be treated with caution when evaluating impacts. Due to weighted data being available for the UK a comparison has not been included.

Financial Performance

32.4% of responding West Midlands businesses reported that turnover in May 2024 had increased when compared to the previous calendar month. 41.4% of West Midlands businesses reported turnover had stayed the same. However, 18.1% had reported that turnover had decreased.

24.8% of West Midlands businesses reported competition was impacting turnover.

Challenges (if any) impacting West Midlands business's turnover:



31.1% of West Midlands businesses expect turnover to increase in July 2024. 48.7% reported expectations of turnover to stay the same. 8.9% of West Midlands business's expect turnover decrease in July 2024.

Demand for Goods and Services

17.2% of responding West Midlands businesses reported that domestic demand for goods and services in May 2024 when compared to the previous month had increased. 50.7% reported the domestic demand had stayed the same and 13.1% of West Midlands businesses reported the domestic demand for goods and services had decreased.

The WM Monitor is funded by Research England/UKRI

5.7% of West Midlands businesses reported that international demand for goods and services in May 2024 when compared to the previous month had increased. 24.4% reported the international demand had stayed the same and 4.6% of West Midlands businesses reported the international demand for goods and services had decreased.

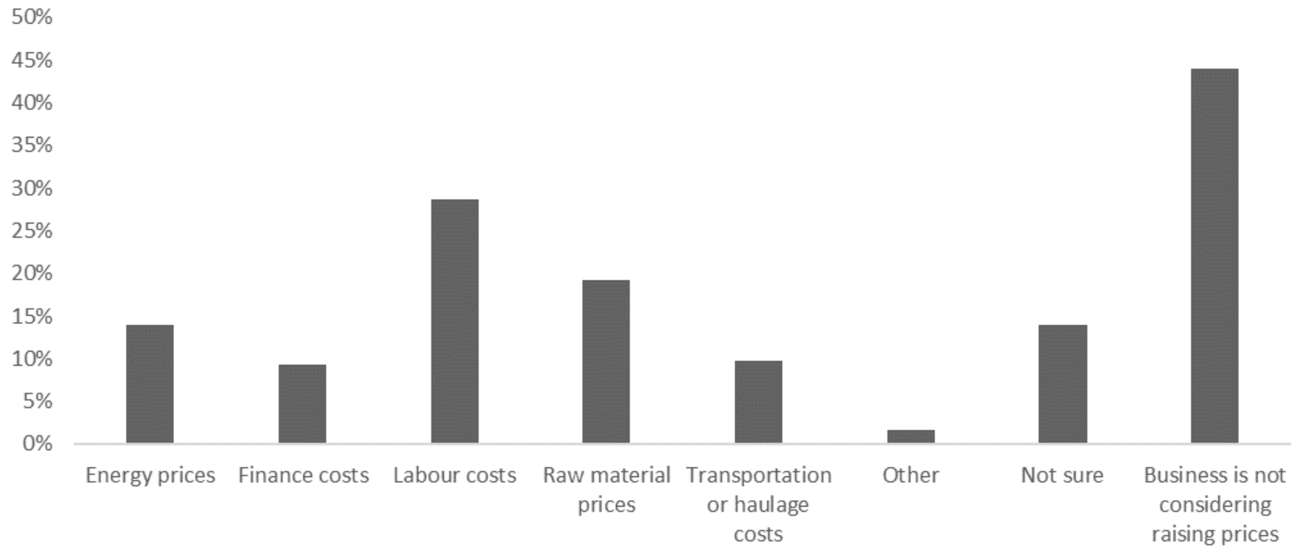
Prices

16.3% of responding West Midlands businesses reported the prices of goods and services brought in May 2024 when compared with the previous month had increased. 67.7% reported the prices had stayed the same and less than 1% reported a decrease.

8.6% of West Midlands businesses reported the prices of goods and services sold in May 2024 when compared with the previous month had increased. 76.5% reported the prices had stayed the same and 1.7% reported a decrease. 9.8% of West Midlands businesses expect the prices of goods and services sold in July 2024 will increase, 72.4% expect prices to stay the same and 1.1% expect a decrease.

28.7% of West Midlands businesses reported that labour costs would be a factor for raising prices in July 2024.

Factors (if any), causing West Midlands businesses to consider raising prices in July 2024:



Supply Chains

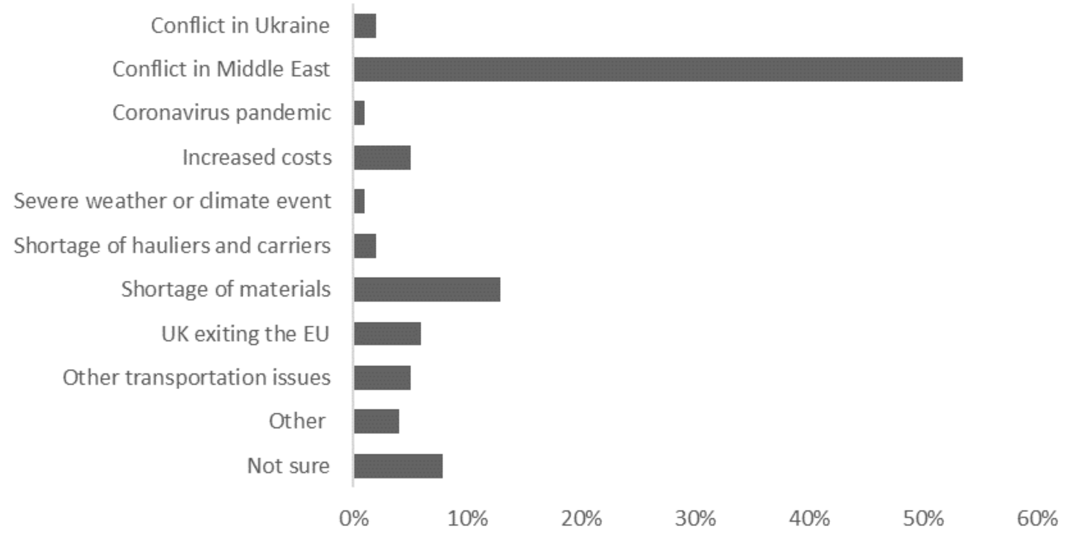
80.8% of responding West Midlands businesses reported to being able to get the materials, goods or services needed from within the UK in May 2024. A further 4.7% were able to get the materials, goods or services needed from within the UK but had to change suppliers or find alternative solutions. While 2.8% were not able to get the materials, goods or services needed.

Global Supply Disruption

7.2% of responding West Midlands businesses reported global supply chain disruption in May 2024. While 57.7% reported no disruption.

53.5% of West Midlands businesses reported the main reason for global supply disruption was due to the conflict in the Middle East.

Main reason for global supply chain disruption for West Midlands businesses:



Trade

25.4% of responding West Midlands businesses both exported and imported in May 2024. 3.8% exported only and 12.8% imported only. While 49.4% of West Midlands businesses did not export or import in May 2024.

Number of Employees

16.2% of responding West Midlands businesses expect the number of employees to increase in July 2024. 66.5% expect the number of employees to stay the same and 6.7% expect a decrease.

Worker Shortages

17.9% of responding West Midlands businesses reported to experiencing a shortage of workers whereas 65.7% reported no shortages.

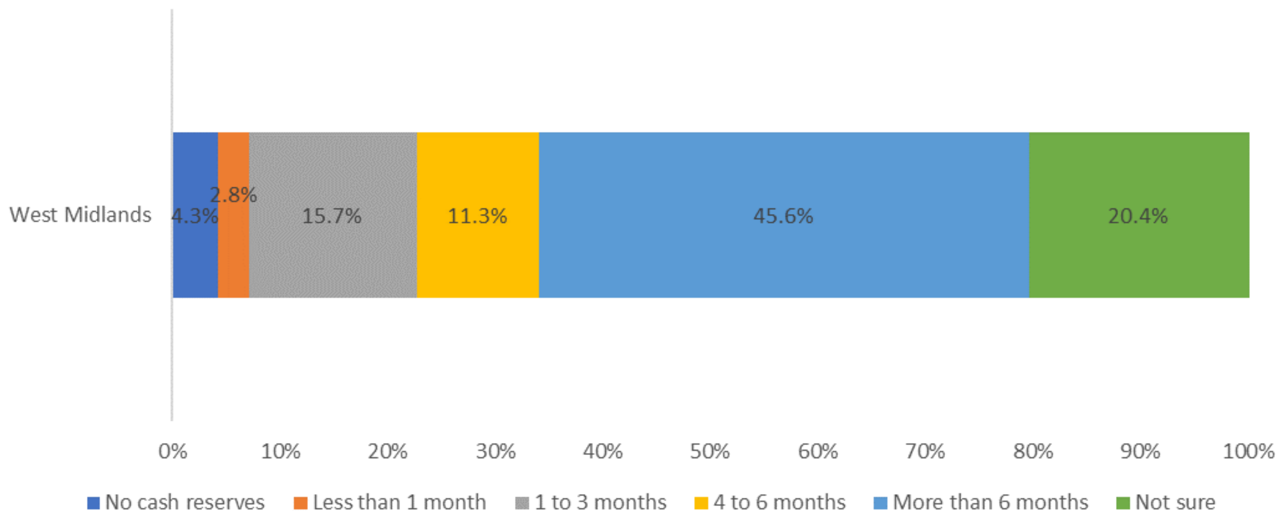
Recruitment Difficulties

19.2% of responding West Midlands businesses reported experiencing difficulties in recruiting employees in May 2024, whereas 54.6% experienced no difficulties in recruiting.

Cash Reserves

45.6% of responding West Midlands businesses reported to having more than 6 months of cash reserves.

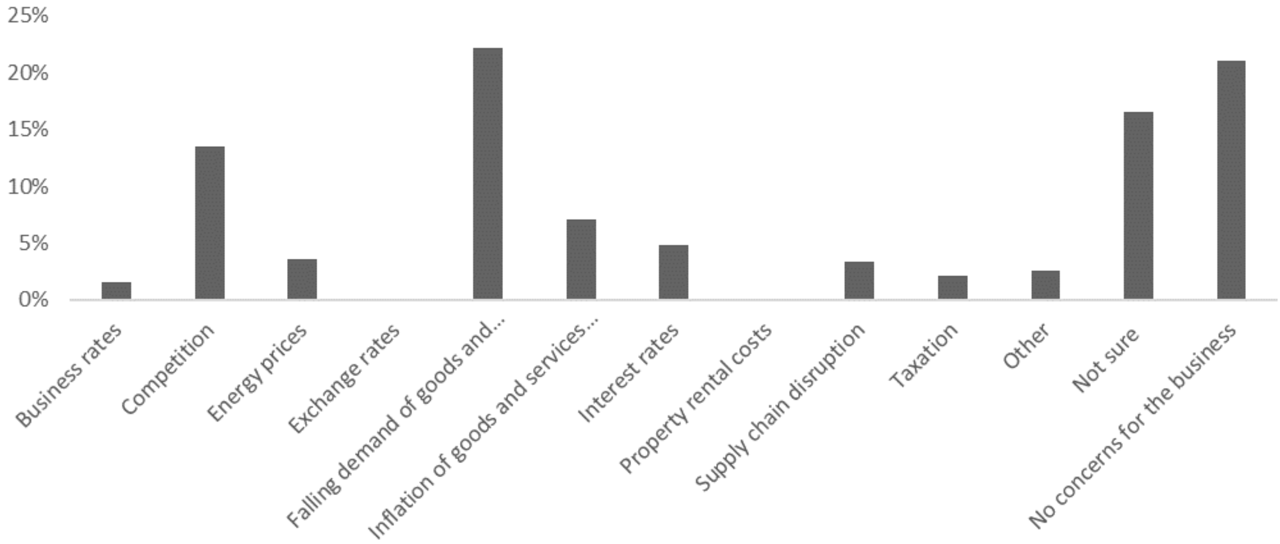
How long West Midlands businesses expect cash reserves to last:



Insolvency
6.3% of responding West Midlands businesses reported a moderate risk of insolvency. 45.2% reported a low risk of insolvency and 37.4% reported no risk.

Main Concern for Business
22.2% of responding West Midlands businesses reported the main concern in July 2024 will be a falling demand of goods and services.

The main concern (if any) for West Midlands businesses in July 2024:



Overall Performance
26.9% of responding West Midlands businesses reported that overall performance in May 2024 increased when compared to the same month in 2023. 42.9% of West Midlands businesses reported that performance had stayed the same and 18.8% reported that performance had decreased.

Over the next 12 months, 38.9% of West Midlands businesses expect that performance will increase, 39.5% expect performance will stay the same and 6.1% expect performance will decrease.

Public Opinions and Social Trends Headlines
Estimates are based on data collected (from adults in Great Britain) between 22nd May to 2nd June 2024.

Important Issues Facing the UK
The most commonly reported issues were the cost of living (87%), the NHS (85%), the economy (68%), crime (60%), housing (57%) and climate change and the environment. While other commonly reported issues facing the UK today were immigration (52%), international conflict (48%) and education (46%).

Cost of Living
54% reported that their cost of living had increased over the last month. For those who reported an increase in the cost of living in the past month, the most commonly reported reasons were rises in the price of their food shopping (91%), fuel (58%) or their gas and electricity bills (50%). The proportion reporting that the price of their gas or electricity bills had increased was 50%, a fall from the height at the start of 2024 (85% in the period 4th to 14th January 2024). The proportion reporting that the price of their fuel had increased was 58%, this has been rising since the start of 2024 (41% in the period 4th to 14th January 2024).

WMCA Growth Hub Intel

The Economic Intelligence Unit

Headlines

SECTOR	KEY INSIGHTS
Cross Sector	**Outlook** • With a General Election imminent, the focus is firmly on the UK economy. The economy has struggled in recent years under the pressures of economic shocks such as the COVID-19 pandemic and Ukraine war. **GDP growth came in at only 0.1% over 2023, with the dual headwinds of high inflation and increased interest rates weighing on economic activity.** • The UK economy has largely flatlined following the initial stages of post-pandemic recovery. Recent data from the Office for National Statistics (ONS) reveals **monthly real gross domestic product (GDP) is estimated to have shown no growth in April 2024, following growth of 0.4% in March 2024.** Real gross domestic product is estimated to have grown by 0.7% in the three months to April 2024 compared with the three months to January 2024. • The British Chambers of Commerce forecast has **upgraded growth expectations for 2024 to 0.8%, rising to 1% in 2025**. But the overall profile remains flat, as a **poor outlook for exports acts as a drag anchor and high interest rates continue to limit investment.** This comes as BCC surveys continue to show most SMEs are still not increasing their investment. • The latest CBI economic forecast points to **encouraging signs that the UK economy is on track to gradually pick up steam over 2024 and 2025**. UK GDP growth is projected to rise to 1.0% in 2024, momentum will continue with GDP growth in 2025 anticipated to reach 1.9%. • The latest NatWest Purchasing Managers Index (PMI) reports **West Midlands business activity decreased from 55.5 in April 2024 to 54.2 in May 2024, despite falling from a 25-month high this is the eight consecutive month of business growth**. The UK Business Activity Index decreased from 54.1 in April 2024 to 53.0 in May 2024. • **The West Midlands Future Business Activity Index increased from 78.7 in April 2024 to 80.5 in May 2024 – the highest reading since May 2021.** Optimism was linked to the hope of improving economic conditions, tourism, marketing efforts and new business. **Trading Environment** • The Consumer Prices Index including owner occupiers' housing costs (CPIH) **rose by 2.8% in the 12 months to May 2024, down from 3.0% in the 12 months to April. The Consumer Prices Index (CPI) rose by 2.0% in the 12 months to May 2024, down from 2.3% in the 12 months to April**. • While underlying price pressures have moderated somewhat, they remain uncomfortably high, with services inflation running at 5.7%. The Bank will need to see a continued fall in services inflation before it can be confident that headline inflation will stay sustainably at its 2% target in the medium term. **A slower pace of pay rises may lead to weakening services inflation, helped by a loosening labour market.** • **Interest rates have been held at 5.25% and remain at their highest level for 16 years.** The Bank of England had been widely expected to keep rates unchanged despite a further slowdown in inflation. It is the seventh time in a row that interest rates have been left unchanged. • While CPI inflation should dip below the Bank of England's 2% target this year, it is **expected to rise again to 2.3% across Q4 2024**. It is also forecast to be slightly above target in Q4 2025 at 2.1% and 2.2% in Q4 2026.

The WM Monitor is funded by Research England/UKRI

SECTOR	KEY INSIGHTS
	• **Energy prices continue to present a risk for the UK inflation outlook. Wholesale gas prices have risen by more than 30% since the start of April**, and if prices remain at this level into the autumn, household energy bills could potentially rise again in October. Nevertheless, the overall outlook for inflation remains broadly positive. • NIESR's measure of **underlying inflation**, which excludes 5% of the highest and lowest price changes to eliminate volatility and separate the signal from the 'noise', **fell to 2.0 per cent, reaching this rate for the first time in nearly three years**. This indicates that the fall in headline inflation is not driven by extreme price changes (e.g. energy price drops) but rather, reflects the average weighted price change in the basket – which is a good development. • New analysis from Grant Thornton finds that **labour productivity of UK mid-sized businesses, when measured as average annual revenue per employee, has surpassed that of larger and smaller companies, and the UK average**, for the past six years. However, they are not immune to the UK productivity drag, with productivity issues currently impacting almost every aspect of their business. **A lack of funding to invest and increasing levels of staff burnout are currently the most significant constraints to productivity.** • Analysis from KPMG reveals that **mid-sized UK businesses are in the best position to drive economic growth, with turnover increasing by 13.3% between 2017-2022**. Financial services companies, alongside those in wholesale and retail trade, information and communication and administrative and support services, made up the majority (62%) of firms in the top 1% of turnover growth from 2017 – 2022. **5.9% of top percentile growth firms were in the West Midlands**, 49.4% were in Greater London. • New ONS figures for mergers and acquisitions show the first quarter of the year has seen UK M&A activity perform at similar levels to the previous quarter showing there is still cautious confidence in the market. PwC comment that **macroeconomic conditions continue to stabilise making the conditions for deals more favourable.** This is evident in the volume and value overall, but we are still some way off the record breaking levels we saw in 2021 and the level of activity we were seeing pre-pandemic. **Some sectors are proving particularly resilient however, such as energy and technology.** • However, CBRE reveal **transaction activity in the UK real estate investment market has been muted over the last 18 months, with investors challenged by higher interest rates and falling capital values.** At £43bn, total investment in 2023 was at its second lowest level for a decade. The lowest level was recorded in 2020 during the pandemic. While the amount purchased by domestic investors fell 16% year-on-year, foreign investor purchases declined by a larger 44%. • **Challenging economic conditions are beginning to impact the financial performance of social enterprises**, but they are still making significant contributions to the UK economy. 50% of social enterprises increased their turnover in the past year, compared to 65% in 2023. 30% of social enterprises made a loss in the past year - an increase from 26% in 2023. • A recent survey conducted by the Federation of Small Businesses (FSB) highlights **significant concerns among small business owners regarding energy costs** in the lead-up to the general election. **More than half (53%) of respondents expressed worries about rising energy costs over the next five years.** • **Small firms say the "supply chain could crumble"** unless the next Government prioritises international trade. Figures from the Federation of Small Businesses (FSB) show that **one in five (22%) small firms are worried about the costs of exports and imports over the next five years.** The research also shows how one in four (27%) would like to see a reduction in the cost and time it takes to import and export. • **There was a sharp decline in the number of businesses set up in the Midlands last month, according to insolvency and restructuring trade body R3.** • Monthly analysis of regional start-up data from business intelligence provider Creditsafe shows that there were **4,951 businesses set up in the West Midlands in May, a 41.73%**

SECTOR	KEY INSIGHTS
	decrease compared to the 8,497 new businesses registered in April. The May figure is also 23.36% lower than the 6,460 start-ups established 12 months previously in May 2023. R3 Midlands chair explains: "The sudden and steep decline in entrepreneurship in the region is **reflected across the whole of the UK and highlights the effect that continuing economic challenges and uncertainty have on entrepreneurs as they seek to minimise their exposure.** The political uncertainty caused by the impending General Election, as well as longer term economic challenges, such as inflation, contracting economies and spiralling fuel, energy and wage costs, are all now taking effect. • However more positively **a surprise monthly fall in the number of company insolvencies in England and Wales could indicate that the tide is turning for the local economy, with an increase in business growth and prospects over coming months.** Corporate insolvencies decreased by 6.4% in May 2024 to a total of 2,006 compared to the previous month's total of 2,144, and by 21.2% against May 2023's figure of 2,547. • The West Midlands Combined Authority has approved a **delivery plan for an Investment Zone aimed at stimulating economic growth and creating thousands of new jobs** through targeted incentives and infrastructure investments. Spanning the entire West Midlands region, the Investment Zone will concentrate on three principal sites: the **Coventry-Warwick Gigapark, the Birmingham Knowledge Quarter and the Wolverhampton Green Innovation Corridor**. Each site will benefit from financial incentives and infrastructure investments designed to attract businesses and support their expansion. **Labour Market** • There are further signs that the labour market is cooling as **vacancies continue to fall and unemployment ticks up.** However, this has yet to translate into any noticeable weakening of growth in real wages. This would suggest that competition for skills is still strong, and the substantial cost pressures of wages and interest rates will continue for longer. **The rise in the number of economically inactive is also a cause for concern.** • Payrolled employees in the UK decreased by 36,000 (0.1%) between March and April 2024, but rose by 201,000 (0.7%) between April 2023 and April 2024. The early estimate of payrolled employees for **May 2024 decreased by 3,000 (0.0%) on the month but increased by 167,000 (0.6%) on the year,** to 30.3 million. The latest (provisional) figures show that there was a monthly small rise in payrolled employees for the WM 7 Met. area (+0.01%, UK -0.01%). There were over 1.25m payrolled employees in the WM 7 Met. area in May 2024. When compared to May 2023 payrolled employees were 1.0% higher (+12,204 in the WM 7 Met. area – above the UK growth of 0.6%). • In March to May 2024, the estimated number of vacancies in the UK decreased by 12,000 on the quarter to 904,000. Vacancies decreased on the quarter for the 23rd consecutive period but are still above pre-coronavirus (COVID-19) pandemic levels. • Annual growth in employees' average regular earnings (excluding bonuses) in Great Britain was **6.0% in February to April 2024, and annual growth in total earnings (including bonuses) was 5.9%.** • PwC research reveals the **mean gender pay gap has seen a decrease of 0.4% in the past year, from 12.2% in 2022/23 to 11.8% in 2023/24**, a more modest reduction than the previous year. Almost 60% of organisations reported decreases in their pay gaps this year, albeit by modest amounts. Despite the fall, the overall gender pay gap has only reduced by 1.6% since 2017, **meaning gender pay parity remains out of sight for a 21 year old woman entering the workforce today.** • **Permanent placements rose across the Midlands for the first time since November 2023** last month. The latest KPMG and REC UK Report on Jobs survey, compiled by S&P Global, **recorded the only rise experienced across the four monitored English regions. Temp**

SECTOR	KEY INSIGHTS
	billings also grew in the fifth month of the year. Vacancies for permanent roles rose at a marginal but slightly quicker rate but the increase in temporary job openings lost momentum. According to the survey, **an increase in demand for staff fuelled a further rise in starting salaries and temp pay rates in May.** • FutureDotNow has worked with Lloyds Bank and the data found in the 2023 Consumer Digital Index to provide sector-specific analysis and support targeted action. **54% of UK labour force (c.21.7m people) cannot complete all twenty tasks that industry and government agree are essential for work.** However, about half of these (c.11m) are just shy of full proficiency, confident with between seventeen and nineteen of the essential tasks. This gap is seen in varying levels in every sector of UK industry. Retail is the least proficient sector, with 65% unable to do all 20 essential tasks. • "Counterproductive" government reforms to funding have led **apprenticeship numbers in England to plummet by 36% for young people and by more than a quarter in Tees Valley, Liverpool City Region and the West Midlands**, new analysis by the Leaning and Work Institute has found. • ICAEW is calling for changes to the education system that integrate essential soft skills into the curriculum and better provide students with the skills they need to succeed in business. • This comes amid a new report which suggests up to **seven million workers may lack Essential Employment Skills (EES) to do their jobs by 2035. This is largely because most workers across the labour market will need to utilise EES more intensively in their jobs in the future.** Almost 90 per cent of the 2.2 million new jobs that will be created in England between 2020 and 2035 will be professional occupations, such as scientists and engineers. **These roles will require higher levels of proficiency in these EES. Unless workers' supply of these skills rises in response, skills gaps are likely to become more prevalent and more problematic.** • **62% of desk based workers have used social media or online platforms to learn new workplace skills, with 20% doing so regularly**, according to new research by KPMG UK, which suggests employers must develop more interactive ways of delivering their own in-house learning. 61% of all workers want training in generative AI, with more than half of 18–24 year-olds already using generative AI to learn skills for the workplace. • A large-scale survey which examines UK employee engagement has found that **a third of people are distracted at work due to their personal finances; they were also more likely to report unmanageable job stress.** This will be an issue to Midlands businesses, given the pressing cost of living crisis.
Manufacturing and Engineering	• **Britain's manufacturers are seeing a boost in growth prospects as output and orders pick up**, with the sector forecast to outpace the economy overall this year, according to Make UK's Q2 Manufacturing Outlook survey. It also finds that business confidence has risen to equal its highest level in the last decade, as companies look to finally emerge from a two year slump following the post-COVID rebound. West Midlands manufacturing confidence is at 7.0. • Manufacturer's expectations for average selling price inflation accelerated in June (+20%, from +15% in May), well above the long-run average of 7% according to CBI's Industrial Trends Survey. The survey also shows that output is expected to rise modestly in the three months to September (+13%). • Meanwhile a leading manufacturing boss is calling on the industry to **take control of its own destiny and to stop waiting on government to care about the sector.**
Construction	• **Monthly construction output is estimated to have decreased 1.4% in volume terms in April 2024, with the monthly value in level terms at £14,940 million.** The fall in monthly output came from decreases in both new work (1.9% fall), and repair and maintenance (0.8% fall); anecdotal evidence from survey returns suggests effects of heavy rainfall and strong winds affected output in April.

SECTOR	KEY INSIGHTS

Retail, Hospitality and Tourism	• **Retail sales volumes (quantity bought) rose by 2.9% in May 2024, following a fall of 1.8% in April 2024 (revised from a fall of 2.3%). Sales volumes rose across most sectors,** with clothing retailers and furniture stores rebounding following poor weather in April. More broadly, sales volumes rose by 1.0% in the three months to May 2024 when compared with the previous three months. However, they fell by 0.2% when compared with the three months to May 2023.
	• CBRE research reveals the extent to which it has been a difficult period for pub and restaurant operators. **Rising household expenses has led to consumer cutbacks, with a 4% fall in consumer spending on restaurants, pubs, and alcoholic beverages over the past 18 months.** This has been coupled with the higher operating costs, in particular, energy and staff costs, which are in total 14% higher than pre-pandemic. **The resulting pressure on profit margins has led to the closure of over 500 pubs in 2023.**
	• **The West Midlands lost more pubs than nearly every other region during the first quarter of 2024**, research has revealed. This has led to West Midlands pub groups and breweries among those demanding immediate cuts in beer duty.
	• **England and Scotland's Euro 2024 exploits are likely to net retailers a vital spending boost.** After weak retail sales growth in May of just 0.7%, a new poll of 2,000 UK shoppers suggests that the nations' love of football will translate into additional purchases. Groceries and electronics were the big winners, as more than one-in-eight people plan to spend more on drinks and snacks, while over one-in-twenty plan to buy new screens to watch the game on. The polling found:
	  ◦ **13% of people plan to spend more** on groceries, beer, wine & spirits, and takeaways to enjoy whilst watching the Euros
	  ◦ 9% plan to host or attend gatherings with family and friends to watch matches
	  ◦ **6% of shoppers expect to buy a new TV or electronic device to watch and keep up with the Euros**
	  ◦ 4% plan to purchase official merchandise

Digital / Tech	• **A £1m pitching competition for West Midlands-based founders has been launched to uncover promising new tech startups in the region**. The One to Win competition was launched at London Tech Week by TechWM. • The British Chambers of Commerce has launched its Digital Revolution report outlining a framework to create a connected, dynamic and secure future for UK businesses. • **The EU will launch its AI Office, responsible for tasks such as ensuring the coherent implementation of the AI Act**, from 16 June. The AI Office will directly enforce the rules for general-purpose AI models – foundational AI models that can be used for a wide range of purposes, some of which may be unknown to the developer, such as OpenAI's GPT-4. • **The UK is number one in Europe for AI investment** according to a report from Beauhurst. • **The UK remains Europe's leading destination for Foreign Direct Investment in Digital Technology, securing over a quarter (27%)** of all European digital tech projects last year, according to figures from EY Attractiveness Survey.
Transport Technologies and Logistics	• New research from PwC UK finds that nearly **half of consumers would be interested in a subscription service for their next vehicle.** Demand for subscription offerings largely driven by younger customers, particularly for premium and luxury brands. Key factors for current and aspiring motorists considering subscription include **access to latest cars and technology, budget-friendly running costs and driver convenience.** • **The West Midlands has ranked among the most eco-minded when it comes to car choices as the region tops the list for electric vehicle registrations,** ranking in the top 5 regions for the number of plug in cars registered. • **Bus fares in the West Midlands are set to rise by 6% at the end of June 2024, a**s operators grapple with escalating expenses while striving to maintain essential public transport services.

New Economic Shocks

COMPANY	LOCATION	SECTOR	DETAIL
The Haulage Group	Birmingham	Logistics	Administrators have been appointed at a family-owned logistics group, placing jobs at risk. The Haulage Group, based in **Sutton Coldfield**, claims to have one of the largest privately owned fleets in Birmingham, with operating licences for 70 trucks and 70 trailers.
FireAngel	Coventry	Manufacturing	Coventry-based smoke alarm manufacturer FireAngel is expected to cease trading on AIM next month after the offer for the company became unconditional. ISE has now requested the board of FireAngel to apply for the cancellation of the admission to trading on AIM.
Piper Homes	Solihull	Construction	Property developer Piper Homes has collapsed into administration. The **Solihull**-based firm saw turnover drop by almost half from £38m in 2021 to £20m in its accounts for 2022, citing a reduction in open market sales rates and "delays in achieving planning consent on new site starts" as factors.

New Investment, Deals and Opportunities

COMPANY	LOCATION	SECTOR	DETAIL
Pallet-Track	Wolverhampton	Transport technology	Pallet-Track is making a multi-million-pound investment in its technology to drive growth for its network and shareholder members. The **Wolverhampton**-based pallet network will launch a series of major updates to its IT systems and tracking technology throughout 2024.
TopLabs Prosthetics	Oldbury	Healthcare	TopLabs Prosthetics, a dental prosthetics manufacturer, has used a £146,000 commercial mortgage from HSBC UK to acquire a 45,000 sq ft laboratory in **Oldbury**. The acquisition will allow TopLabs Prosthetics to refurbish the site and adjust the laboratory to its specific requirements, creating space for an additional six new technicians to join the existing team of 30 staff.
Hayley Group Holdings	Dudley	Engineering	Turnover jumped towards the £300m mark at the company behind a **Dudley**-headquartered engineering giant during its latest financial year, new accounts have revealed, with pre-tax profits also rising. It has reported a turnover of £292m for the year to 31 December 2023, up from £259.1m in 2022. Pre-tax profits climbed from £12m to £18.1m.
Crane Garden Buildings	Solihull	Retail	Crane Garden Buildings has officially opened its 14th show centre in **Solihull**. Located off the M42 at Junction 4, the site looks to strengthen Crane's partnership with Notcutts Garden Centre.
Sterling Property Ventures	Brindleyplace (Birmingham)	Commercial Property	Sterling Property Ventures has acquired a canalside restaurant and bar development in **Birmingham.** The company has snapped up Water's Edge, Brindleyplace from British Airways Pensions Trustees Ltd. The 62,000 sq ft scheme has 12 units fully let to occupiers.
Indie Mart	Coventry	Retail	A new shopping venture will soon be launched at **Coventry**'s Creative Quarter in a bid to attract more independent businesses. FarGo Village has confirmed that Indie Mart will

COMPANY	LOCATION	SECTOR	DETAIL
			be unveiled in The Market Hall in September. Indie Mart will involve up to 60 small independent makers, curators, vintage and thrift traders selling from space on the shop floor while not having to be physically present.
Hurstwood Holdings	Aston (Birmingham)	Property	Hurstwood Holdings has acquired a landmark office building in Aston, **Birmingham** which extends to 40,000 sq ft. Aqueous II is almost fully let with three occupiers; the first two floors totalling 13,168 sq ft are leased to ATS Euromaster with The Association of British Dispensing Opticians taking 10,999 sq ft over the top two floors. The 5,300 sq ft ground floor suite is let to IKEA. Only a 6,577 sq ft suite on the third floor remains.
NN Private	Birmingham	Healthcare	A **Birmingham**-based dental practice has become the first company to secure growth funding from the new Community Investment Enterprise Fund (CIEF) through BCRS Business Loans. NN Private has received £50,000 from the CIEF, backed by Lloyds Bank. The practice plans to purchase a new, innovative dental laser.
DP Building Systems	Perry Barr (Birmingham)	Retail/ Wholesale	A **Birmingham**-based specialist distributor of cable management systems has secured a £200,000 funding package. DP Building Systems, based In **Perry Barr**, has secured funding from business investment specialist UKSE. DP Building Systems plans to digitise its internal operations by implementing a CRM system. The firm also aims to create 10 new job roles, including positions in technical sales, distribution, warehousing and apprenticeships.
Invesco Real Estate / Barwood Capital	Birmingham	Logistics	Two existing industrial units and an adjoining site in **Birmingham** have been acquired with a view to create a new 500,000 sq ft logistics development in the Midlands' 'Golden Triangle'. Two additional units ranging from 60,000 sq ft to 90,000 sq ft will also be developed on the adjoining 6.4 acres vacant site. Invesco Real Estate has partnered with Barwood Capital to bring forward plans for a Grade A scheme in one of the UK's main distribution centres.
Hill Dickinson	Birmingham	Legal Services	Commercial law firm Hill Dickinson has marked the opening of its new **Birmingham** office. Hill Dickinson's Birmingham office is the firm's seventh in the UK, joining offices in Leeds, Liverpool, London City, London St James's, Manchester and Newcastle.
Coltham Developments	Birmingham	Commercial Property	Plans for the construction of a trio of employment buildings on an industrial site in **Birmingham** have been approved. Coltham Developments brought forward proposals for the creation of six commercial units within three structures on Garretts Green Lane. The newly approved scheme will total approximately 32,000 sq ft, including ancillary office space.
Castings PLC	Walsall	Manufacturing	Castings PLC, an iron casting and machining group, has acquired the fixed assets and stock of a Chamberlin subsidiary from its administrators. Russell Ductile Castings was an iron foundry producing parts for the capital goods and energy market, some of which are common to the existing Castings group.
Total Media Connect	Birmingham	Business Services	Total Media Connect, an agency which forms part of Total Media Group, has opened a new office in **Birmingham** city

COMPANY	LOCATION	SECTOR	DETAIL
			centre. The agency said its move to the Arca Building, Temple Row, extends opportunities in media planning and buying to a broader talent pool. The central location of the office is designed to provide Total Media Connect with improved access for clients and employees, as well as links to its London and Manchester offices.
BlackRook Academy	Wolverhampton	Technology	BlackRook Academy are partnering with City of Wolverhampton College to offer a 'day release' industry bootcamp aimed at developing digital skills in business. The Social Media Content Creator Bootcamp for Business is aimed at any business looking to up-skill a member of staff so that they can make social media work better.
Lendlease	Birmingham	Property	Plans for the landmark Smithfield **Birmingham** regeneration project have been approved. The project includes a market aimed at attracting domestic and international visitors, approximately 3000 homes, office space totalling more than one million sq ft and a network of public squares and green spaces. The scheme is said to have the potential to create 9,000 jobs.
Rochda Ltd	Birmingham	Housing	Rochda Ltd has brought forward outline proposals to develop approximately seven acres of land at Western Business Park, Great Western Close. Plans involve the construction of seven residential blocks of between five and nine storeys, creating 451 one- to three-bed apartments.
Booghe	Birmingham	Retail	A **Birmingham** toy retailer will open its flagship store at the city's Fort Shopping Park after receiving support from HSBC UK. Booghe has secured a six-figure loan from HSBC UK to open a two-storey, 5,868 sq ft retail store. This will be the first of several new Booghe locations, with the retailer planning to open a site every six to 12 months, starting in the West Midlands.
Cordage 41	Wolverhampton	Green Energy/ Automotive	Plans have been lodged for the creation of an electric vehicle charging hub with convenience store and drive-thru restaurant in **Wolverhampton**. The EV hub would incorporate 16 covered charging bays equipped with solar panels and a substation.
Bromwich Hardy	Coventry	Commercial Property	Bromwich Hardy has been instructed to market an industrial unit in **Coventry** which totals almost 70,000 sq ft. The facility at 186 Torrington Avenue is available for sale or to let. The main warehouse, plus offices and lean-to, provides 4,426 sq ft of mezzanine space, over and above the 68,550 sq ft floorspace.
Mabbett & Associates Ltd	Wolverhampton	Environmental	Planning, design, environment, engineering and safety consultancy Mabbett & Associates Ltd has made its fourth major acquisition in two years. Crestwood Environmental Ltd, an environmental, ecological, heritage and landscape consultancy, has offices in **Wolverhampton** and a regional presence in London. The deal cements a two-year-long working relationship between Mabbett and Crestwood Environmental.
Tandem Investments	Coventry	Commercial Property	A **Coventry** industrial unit which extends to more than 45,000 sq ft and is let to a packaging firm has been acquired for a guide price of £2.75m. Tandem Investments has

COMPANY	LOCATION	SECTOR	DETAIL
			swooped for Unit 5 Crondal Road, which totals 45,118 sq ft and is situated on a site spanning 2.5 acres. The facility, purchased from Ocado, is let to Macfarlane Group UK who design, manufacture and distribute protective packaging products to business users.
George Wilson Industries	Coventry	Manufacturing	Jobs have been safeguarded with the acquisition of a historic **West Midlands** manufacturer of gas measurement equipment out of administration. George Wilson Industries' business and assets have been sold to Vantage Capital, which will trade as George Wilson Metering, safeguarding 26 jobs.
Alloy Wire International	Dudley	Manufacturing	Alloy Wire International, a manufacturer of round, flat and profile wire, has invested £200,000 in new machinery as it targets a £2m sales increase. The company has got its two single hole blocks, three-hole dry drawing machine and four-spindle spooler now fully operational at its factory.
Sanderson Weatherall / Towler Shaw Roberts	Wolverhampton	Housing	A site in **Wolverhampton** which is now home to a residential development has been brought to market by Sanderson Weatherall and Towler Shaw Roberts. The site has full planning consent for 49 apartments, 17 of which have already been constructed. 13 of these residential units have been let and produce an annual income of £96,480. A further 32 dwellings are still to be built.
Caddick Construction	Wolverhampton	Commercial Property	Work is due to start on a 100,000 sq ft distribution warehouse at **Wolverhampton**'s Vernon Park, with the £12m contract awarded to Caddick Construction by Staffordshire Pension Fund. Work on the two-storey high industrial unit will involve Caddick completing the base-build to accommodate manufacturing, storage and distribution. Building work will include the creation of access roads, hardstanding, car parking, cycle storage and external landscaping.
Superior Care	Tividale	Social Care	Superior Care has expanded with the multimillion-pound acquisition of a facility. Located in **Tividale**, Warrens Hall has 40 bedrooms and caters to elderly residents as well as younger individuals requiring specialised care and attention.
Vistry Group	Coventry	Housing	Developer Vistry Group has received planning permission to build 290 homes in Keresley, north of **Coventry**. This latest step allows Vistry to proceed with developing 290 mixed-tenure homes on the first site. The project will also include over £7.8m in investments for local community services.
The Hartshorne Group	Walsall	Retail	Commercial vehicle distributor, The Hartshorne Group has opened a new headquarters in **Walsall** on the site where the company has operated for nearly 60 years. The firm supplies and services Volvo trucks and buses throughout the Midlands.
RMB Commercials	Oldbury	Automotive	Administrators have sold a **West Midlands**-based truck repair business after a staff exodus saw it on the verge of collapse. Begbies Traynor were appointed as joint administrators of **Oldbury** truck repair business RMB Commercials. A sale of RMB Commercials meant that all the company's 45 employees were subject to TUPE and there were no redundancies.

COMPANY	LOCATION	SECTOR	DETAIL
GE Starr	Wolverhampton	Engineering	DSW Principal Partners has shed light on its role in a pre-pack deal which saved 25 jobs at a **Wolverhampton**-based engineering company. GE Starr specialises in metal forming, laser work, assemblies, toolmaking and prototype projects for clients including well-known automotive brands.
Novocomms	Birmingham	Technology	**Birmingham**-based antenna specialist Novocomms has secured £3.6m in funding from the Small Business Research Initiative (SBRI). The grant will be used to develop 5G mmWave consumer premises equipment. It will allow Novocomms to hire up to ten new electronic engineers, potentially creating an additional 50 production jobs if the new technology proves successful.
bp pulse	Birmingham	Visitor Economy	Birmingham's Resorts World Arena will be renamed bp pulse LIVE as part of a new sponsorship agreement.

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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