West Midlands
Monthly Economic Impact Monitor

Issue 119 Publication Date 29/01/25

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.

In the USA President Trump re-entered the White House as the 47th President in January 2025. The Trump presidency is expected to foster a more protectionist trade environment. Renewed trade hostilities could disrupt global commerce, create supply chain bottlenecks and most likely increase costs for consumers and businesses. Other developments include curtailing of green infrastructure investment and deportation of undocumented migrants, with economic implications for the USA and beyond.

Global outlook

- According to the International Monetary Fund and the OECD global growth is projected at 3.3% h in 2025. This is below the historical (2000–19) average of 3.7%.
- The International Monetary Fund expects global headline inflation to decline to 4.2% in 2025 and to 3.5% in 2026, converging back to target earlier in advanced economies than in emerging market and developing economies.
- The OECD Global Economic Outlook suggests that despite some easing in labour markets, labour and skill shortages remain at very high levels. Over the past decade, job vacancy rates have nearly doubled, with particularly sharp increases in sectors like healthcare and ICT. Population ageing is exacerbating these shortages and is expected to accelerate in the coming decades. Persistent labour shortages can impede economic growth and making the most out of digital and green transitions.

Business confidence

- At UK level, business sentiment contracted sharply in Q4 2024, only just remaining positive. Higher business taxes announced in the Autumn Budget are likely the principal cause of this drop in optimism, alongside the slowdown in economic activity. Business confidence declined across all sectors and regions compared to the previous quarter.
- Following the policies announced in the Budget, the tax burden has become the most prevalent rising challenge for businesses, just above regulatory requirements, reaching a survey-record high in Q4 2024.
- Business confidence in the West Midlands improved slightly but while sentiment is ahead of the region's historical norm, it remains below the UK average.
- Companies in the region recorded weak sales growth both domestically and abroad, but they expect significant improvements in both over the coming year.
- Businesses reported the joint-lowest input price increases in the UK alongside Yorkshire & Humberside and further moderation is expected. The region also has the lowest salary growth expectations in the UK.

Regional business activity and capacity

- The West Midlands Business Activity Index decreased from 49.9 in November 2024 to 48.9 in December 2024, a second successive fall in business activity across the region despite the rate of contraction being modest. Firms that signalled a fall in activity remarked on subdued client confidence and reduced intakes of new business.
- Out of the twelve UK regions, the West Midlands ranked sixth highest for business activity in December 2024. The North East ranked highest at 55.1 while the North West ranked lowest at 46.9.
- The West Midlands Future Business Activity Index decreased from 68.6 in November 2024 to 67.2 in December 2024, a two-year low. Firms remained confident that output would increase in 2025 with optimism being underpinned by advertising, investment and hopes of a recovery in client demand.
- The West Midlands New Business Index decreased from 48.8 in November 2024 to 47.4 in December 2024, a second consecutive month of contractions in new orders placed to its fastest rate in two years. The rate of reduction was also quicker than the UK average, with challenging economic conditions, subdued client confidence and the postponement of orders being identified as the main factors behind the fall in sales.
- The West Midlands Employment Index decreased from 47.5 in November 2024 to 43.9 in December 2024, the fastest rate of job shedding in over four years. A lack of existing and new work, alongside the upcoming increase in employer National Insurance Contributions and minimum wages, prompted companies to reduce headcounts.

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

Labour market indicators

- For the three months ending November 2024, the West Midlands Region employment rate (aged 16–64 years) was 73.5%. Since the three months ending August 2024, the employment rate decreased by 0.3 percentage points (pp). When compared to the same period in the previous year, the employment rate was 0.4pp lower. The UK employment rate was 74.8%, a decrease of 0.1pp when compared to the previous quarter and no change when compared to the previous year.
- For the WMCA area, the economic activity rate (aged 16-64) was 73.9% in the year ending September 2024, a decrease of 1.4 percentage points (pp) since the year ending September 2023. The UK economic activity rate was 78.4% and decreased at a slower rate of 0.3pp.
- The WMCA area employment rate was 69.5% in the year ending September 2024. This was a decrease of 0.8pp since the year ending September 2023. The UK employment rate was 75.4%.
- For WMCA area overall, the economic inactivity rate was 26.1% in the year ending September 2024, an increase of 1.4pp since the year ending September 2023. The UK economic inactivity rate increased by 0.3pp to 21.6%.
- In the year ending September 2024, the WMCA area was the highest Combined Authority for unemployment.
- Permanent staff appointments in the Midlands fell at the fastest pace for 16 months, according to the latest KPMG and REC UK Report on Jobs survey. Temporary billings continued to increase, albeit at a softer rate than that seen in November. Demand for permanent staff continued to fall in December, with the rate of decrease the most pronounced in four-and-a-half years.

Economic geographies of the West Midlands

- Mapping of a range of fine-grained origin-destination indicators across the West Midlands reveals some evidence for polycentricity – albeit the functional economic area with Birmingham at its core is bigger than the other areas. When different indicators are combined, three key geographies emerge within and across the WMCA area: (1) Birmingham – with large parts of Solihull and parts of Sandwell; (2) the Black Country – which subdivides on certain indicators; and (3) Coventry – with a small part of Solihull and with Warwickshire.
- The 'boundaries' of the different areas in the West Midlands are porous. On many of the indicators, functional economic relationships are evidently overlapping. This suggests that the situation on the ground is 'messy' and there are no 'hard edges'. It is clear also that there are some strong links with places outside of the WMCA area. This means that the WMCA area's overall socio-economic character and performance has been shaped not only by its constituent authorities but also by Kidderminster, Bromsgrove, Redditch, Warwick/ Leamington Spa, Nuneaton, Tamworth, Lichfield and Cannock.
- Megatrends such as technological change and digitisation, adaptation to climate change and the transition to net zero carbon, and geopolitical developments will shape economic geographies over the medium- and longer-term. For individuals, it is likely that functional economic geographies will be increasingly differentiated, varying by age, occupation and income/wealth. Relationships between home and work will be more complicated and less predictable.

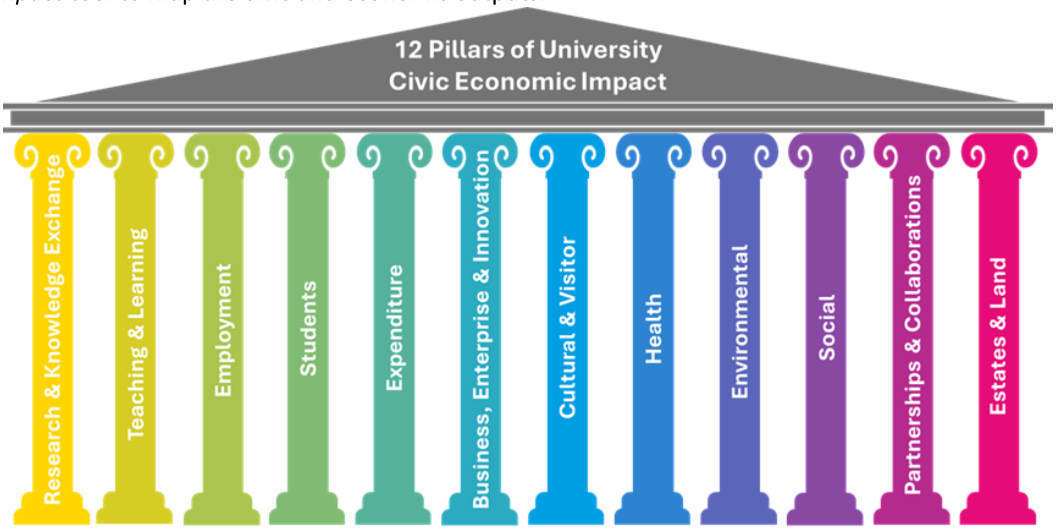
When will the UK hit 'Peak Car'?

- New car purchases have fallen since their peak in 2016 and driving licences are falling amongst the young.
- The total number of cars on the road has stabilised after a long period of growth. The total number of cars on the road in 1994 was 21.2 million, by 2004 it has risen by 27% to 27 million, by 2014 the number rose by 10% to 29.6 million. by 2024 the number is expected to rise another 10% to 32.6 million. City-REDI analysis suggests that over the next six years to 2030 that number will rise to 32.8 million a meagre 0.7% rise.
- Automotive is important sector for the Midlands region employing 44,000 full time equivalent (FTEs) employees and with 1/3 of all cars produced in the UK built in the West Midlands. It is important to the future economy of the region to understand the trends in demand.
- Looking ahead there are opportunities: estimates suggest electric vehicles will see rising demand over the next decade. From an environmental perspective fewer cars will mean lower emissions, reducing carbon footprints and lowering demand for fossil fuels. From a health perspective fewer vehicles on the road means less air pollution and more active travel is linked with improved health. Falling car dependency presents an opportunity to hand over space to people. Increasing the vibrancy of towns and communities.
- With regard to risks, falling demand for a key export of the region could have consequences for regional resilience and employment, where reskilling is required. There are concerns the domestic automotive market is 'losing the race' to produce competitive electric vehicle products with a 'Gigafactory gap' stymying production.

The economic impacts of civic universities

- Civic universities are universities which are embedded within their local area, they are rooted within a town, city and/or city-region. Universities make a significant civic and economic contribution to their locality, whether or not they adopt an explicit mission to generate local or regional impact.
- With changes in the policy context, it has become increasingly important for universities to demonstrate their civic and economic impacts.

- Currently university impact assessments are largely prescriptive and descriptive in nature. Yet university impact assessments have the potential to demonstrate the unique impact of individual universities at both a civic and economic level.
- To gain a better understanding of their civic economic impact, universities can utilise the *12 Pillars of University Civic Economic Impact* tool to map the civic and economic outputs.



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Global, National and Regional Outlook

Alice Pugh, City-REDI

Global

International Monetary Fund

The International Monetary Fund (IMF) has updated its world economic outlook. The main findings within the summary include:

- Global growth is projected at 3.3% both in 2025 and 2026, below the historical (2000–19) average of 3.7%. The forecast for 2025 is broadly unchanged from that in the October 2024 World Economic Outlook (WEO), primarily on account of an upward revision in the United States offsetting downward revisions in other major economies.
- Global headline inflation is expected to decline to 4.2% in 2025 and to 3.5% in 2026, converging back to target earlier in advanced economies than in emerging market and developing economies.
- Medium-term risks to the baseline are tilted to the downside, while the near-term outlook is characterized by divergent risks. Upside risks could lift already-robust growth in the United States in the short run, whereas risks in other countries are on the downside amid elevated policy uncertainty. Policy-generated disruptions to the ongoing disinflation process could interrupt the pivot to easing monetary policy, with implications for fiscal sustainability and financial stability. Managing these risks requires a keen policy focus on balancing trade-offs between inflation and real activity, rebuilding buffers, and lifting medium-term growth prospects through stepped-up structural reforms as well as stronger multilateral rules and cooperation.

OECD Economic Outlook

The OECD has released its latest global economic outlook. The main findings within the summary include:

- Global GDP growth is projected to strengthen slightly to 3.3% in 2025 and remain stable at this level through 2026. In OECD economies, GDP growth is projected to be modest relative to the pre-pandemic period, at 1.9% in both 2025 and 2026. In non-OECD economies, aggregate growth is also anticipated to remain broadly stable around its current pace with emerging Asia continuing to be the biggest contributor to global growth.
- Headline inflation has continued to ease in most countries through 2024, led by further falls in food, energy and goods price inflation. However, services price inflation is still proving persistent and was approximately 4% in the median OECD economy in September. Looking ahead, annual consumer price inflation in the G20 countries is expected to decline further and, by the end of 2025 or early 2026, inflation is projected to be back to target in almost all remaining major economies.
- Despite some easing in labour markets, labour and skill shortages remain at very high levels. Over the past decade, job vacancy rates have nearly doubled, with particularly sharp increases in sectors like healthcare and ICT. Population ageing is exacerbating these shortages and is expected to accelerate in the coming decades. Persistent labour shortages can impede economic growth and making the most out of digital and green transitions.
- The OECD's central scenario in the *Economic Outlook* portrays a picture of resilience. However, this optimism is tempered by significant uncertainties. Elevated geopolitical tensions risk disrupting energy markets and supply chains, potentially driving inflation higher and dampening economic activity. More broadly, these tensions have created headwinds for trade in both advanced and emerging markets, heightening uncertainty over the future course of global trade. A more fragmented, protectionist trading environment and inward-looking policies would negatively affect competition, raise prices, and hinder productivity and growth, while also weighing on the potential for emerging market economies to catch up.

Election of President Trump

President Trump was elected as President back in November and has re-entered the White House as the 47th President of the United States this month. Here we highlight some of the anticipated economic impacts that are anticipated from a new Trump Presidency based on the platform that he ran on in recent months:

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Increased Protectionism?	The Trump presidency is expected to foster a more protectionist trade environment. President Trump has stated that he intends to impose board tariffs on trading partners, to incentivise US companies to reshore production to the United States. However, over the last couple of weeks it has become apparent Trump does not necessarily intend to apply these tariffs but use them as leverage to negotiate better trade deals for the US. The outcome on this will depend on how the Trump administration approaches these negotiations and how trading blocs, such as the EU and China, respond. It is likely that if the Trump administration does implement tariffs on trade, trading blocs will likely retaliate with similar tariffs, whilst trying to negotiate a different trade deal. However, renewed trade hostilities could disrupt global commerce, create supply chain bottlenecks and most likely increase costs for consumers and businesses. As the US is the largest economy in the world, the impacts would likely be felt globally, with economies most closely tied to US trade policies most likely to bear the impact.
End of the Green Infrastructure Investment	In 2022 President Biden introduced the Inflation Reduction Act, which aimed to direct nearly $400bn in federal funding towards clean energy. However, the new Trump administration has signed an executive order to end this Bill. This will see the end of hundreds of billions of dollars into green infrastructure, such as subsidies for electric vehicles, solar power, and wind energy. Already, investors have backed out of investing in production of such infrastructure in the US following the election of President Trump.
Mass Deportation	Mass Deportation of illegal immigrants will lead to significant economic impacts within the US, particularly if birthright citizenship is also revoked in the US. Mass deportation could lead to a shrinking of the US economy by 1.2% by 2028 if the government deports 1.3 million people, however, this could rise to 7.4% over the same period if it deports 8.3m undocumented immigrants. Whilst undocumented immigrants are a small proportion of the US workforce, within certain sections they are over-represented. For instance, undocumented immigrant make-up 14% of workers in the construction industry, 1 in 14 workers in the hospitality sector, a fourth of cleaners and 1 in 8 agricultural workers (and more in some states). The mass deportation of undocumented workers and potentially their birthright citizenship children would significantly impact the US economy and likely lead to a reduction in GDP and increased inflation.

National

ICAEW UK Business Confidence Monitor: National

In the ICAEW most recent UK business confidence monitor included the following key findings:

- Business sentiment contracted sharply in Q4 2024, only just remaining positive. Higher business taxes announced in the Autumn Budget are likely the principal cause of this drop in optimism, alongside the slowdown in economic activity. Business confidence declined across all sectors and regions compared to the previous quarter.
- Following the policies announced in the Budget, the tax burden has become the most prevalent rising challenge for businesses, just above regulatory requirements, reaching a survey-record high in Q4 2024.
- Domestic sales growth slowed compared to Q3 2024 and was only marginally above the historical average. Exports growth increased slightly compared to the previous quarter but remained below the historical average. However, companies remain optimistic about domestic and export sales growth, predicting both will improve over the coming year.
- As the rate of growth in input costs and salaries eased further in Q4 2024, profits growth rose above the historical average and companies predict a further uplift over the next 12 months. However, these strong

projections are not expected to translate to capital investment or R&D budget growth which are both expected to ease over the next year.
- Sentiment fell in all sectors in Q4 2024. The Construction sector, previously the most confident sector, experienced the most significant decline of any sector, only just remaining positive, while Retail & Wholesale is the most pessimistic sector in Q4 2024, dropping into negative territory.

Public opinions and social trends

In the most recent update of [Public opinions and social trends] data from the ONS, the key findings are:

- Around 1 in 2 adults (47%) reported that they have no or low trust in Big Tech companies; 1 in 4 (25%) had high or moderately high trust.
- Similar proportions of adults agreed (27%) and disagreed (27%) that Big Tech companies will benefit them; almost half (46%) neither agreed nor disagreed.
- Healthcare (58%), education (57%), defence (42%) and transport (40%) were the public services people thought Big Tech companies could have the most impact on; 22% reported that they did not think Big Tech companies could have any impact on public services.
- When asked about the important issues facing the UK today, the most commonly reported issues were the NHS (88%), the cost of living (86%), the economy (72%), crime (62%), immigration (61%), climate change and the environment (60%) and housing (60%).
- Around 1 in 6 (16%) adults reported occasionally, hardly ever or never keeping comfortably warm in their home in the past two weeks.
- Around 3 in 10 (30%) adults who pay rent or mortgage payments reported that they find it very or somewhat difficult to afford to afford those payments; a similar proportion of adults (32%) reported finding it very or somewhat difficult to afford their energy bills.
- Among the 15% of adults in Great Britain who told us they were currently on an NHS hospital waiting list, over 1 in 3 (36%) rated their overall experience of waiting as very poor or poor.

Business insights and impact on the UK economy

In the most recent update of [Business insights and impact on the UK economy] data from the ONS, the key findings are:

- Around 3 in 10 (30%) trading businesses reported that their turnover had decreased in December 2024 compared with the previous calendar month, up 5 percentage points from the proportion reported for November 2024, and the highest proportion reported since December 2022; in contrast, 14% reported their turnover was higher, broadly stable from last month.
- Around 1 in 5 (20%) trading businesses reported that they expect their turnover to decrease in February 2025, down 5 percentage points from expectations for January 2025; conversely, 17% reported that they expect their turnover to increase in February 2025, up 4 percentage points over the same period.
- In early January 2025, 62% of trading businesses reported that they were experiencing at least one challenge that was having an impact on their turnover, broadly stable from early December 2024; the most reported challenge was economic uncertainty at 28%.
- Around 1 in 5 (20%) trading businesses reported that they expect to raise the prices of goods or services they sell in February 2025, broadly stable with January 2025, but up 10 percentage points from expectations for December 2024; 26% cited labour costs as a reason for considering raising prices, broadly stable from January 2025.
- In early January 2025, 16% of trading businesses with 10 or more employees reported that they were currently experiencing worker shortages, the lowest proportion since the question was introduced in October 2021.
- Nearly 1 in 5 (18%) trading businesses with 10 or more employees reported that they had experienced recruitment difficulties in December 2024; this is the lowest proportion reported since the question was introduced in March 2022.

Economic activity and social change in the UK

In the most recent update of [Economic activity and social change in the UK] data from the ONS, the key findings are:

- Overall retail footfall in the week to 19 January 2025 increased by 7% compared with the previous week and increased by 3% compared with the equivalent week of 2024 (MRI OnLocation).

- The total Revolut debit card spending remained broadly unchanged in the week to 19 January 2025 compared with the previous week but increased by 10% compared with the equivalent week of 2024; the seasonally adjusted Direct Debit failure rate decreased by 1% in December 2024 compared with the previous month, but was 4% higher than December 2023 (Revolut, Vocalink and Pay.UK).
- The number of new online job adverts decreased by 11% in November 2024 when compared with the previous month and decreased by 7% when compared with November 2023 (Textkernel).
- Around 3 in 10 (30%) trading businesses reported that their turnover had decreased in December 2024 compared with the previous calendar month, up 5 percentage points from the proportion reported for November 2024, and the highest proportion reported since December 2022; in contrast, 14% reported their turnover was higher, broadly stable from last month.
- The System Average Price (SAP) of gas increased by 3% to 3.828 pence per kilowatt hour (p/kWh) in the week to 19 January 2025 compared with the previous week, while the System Price of electricity decreased by 44% to 10.665p/kWh over the same period (National Gas Transmission, Elexon).
- The number of ship visits to major UK ports in the week to 19 January 2025 increased by 5% compared with the previous week but decreased by 4% compared with the equivalent week of 2024; the number of UK flights decreased by 4% compared with the previous week but increased by 4% compared with the equivalent week of 2024 (exactEarth, EUROCONTROL).

Regional

ICAEW Business Confidence Monitor (BCM): West Midlands

In the ICAEW most recent West Midlands business confidence monitor included the following key findings:

- Business confidence in the West Midlands improved slightly but while sentiment is ahead of the region's historical norm, it remains below the UK average.
- Companies in the region recorded weak sales growth both domestically and abroad, but they expect significant improvements in both over the coming year.
- Businesses reported the joint-lowest input price increases in the UK alongside Yorkshire & Humberside and further moderation is expected. The region also has the lowest salary growth expectations in the UK.
- Stronger sales expectations and lower cost pressures support the highest profits growth projections of all UK regions for the next 12 months.
- Despite optimism about the future, customer demand was the most widespread rising challenge, closely followed by regulatory requirements. The tax burden, competition in the marketplace and late payments all remain prevalent.
- Capital investment spending growth increased compared to the previous quarter, but companies plan to reduce the rate of expansion. However, businesses anticipate the fastest growth in R&D budgets in the UK.

Midlands State of the Region 2024

The Midlands Engine has released the State of the Region for 2024. Some of the key findings include:

- GVA (Gross Value Added) total £277.2bn, annual increase of 8.3%. GVA per head £26,421, an annual increase of 7.1% and shortfall of £6,805 against national average. Productivity gap £97.1bn, increase of 15.7% - primarily due to population increase. GVA per hour (unsmoothed) £34.45 in 2021, an annual increase of 3.3% with a shortfall of £5.55 compared to the national average.
- 395,935 enterprises, annual decrease of 2.2% which follows national trend (-1.9%). 43,230 enterprise births - 10.7% decrease compared to UK wide decrease of 6.2%. More enterprise creations than closures in Q2 at 11,135 v 10,480, according to more up-to-date experimental data.
- 10.6 million residents, higher than national average of residents 15 and under (18.7% of total vs 18.5%) and aged 65 years and over (19.5% vs 18.7%). 4.6m jobs (2023), annual increase of 0.3%. Nearly 1.4m people economically inactive, of which 28.4% long term and temporary sick. This is below the national average of 29.5%.
- 41.5% of working age population with Regulated Qualifications Framework (RQF) level 4+ qualifications is below the UK average of 47.1%, resulting in shortfall of 345,411. A higher than average share of residents with no qualifications at 7.3% vs 6.6% UK average - 38,808 residents would need to gain a qualification to match the UK average.

- £62.7bn worth of regional goods exports – represents a £7.2bn increase from pre-pandemic levels and an annual increase of 4.6% compared to a 6.7% decrease nationwide. The Midlands Engine area accounted for 24.1% of England's exports: more than London and the South East. Machinery and transport exports were worth £44.9bn, 71.5% of total Midlands Exports = largest regional Standard International Trade Classification (SITC) section for goods exports. 206 FDI (Foreign Direct Investment) Projects creating 10,282 new jobs. Highest number of net zero FDI projects at 39 / 19% of UK total, creating 2,722 new jobs in 2023-4. 63 FDI projects created 3,024 jobs linked to R&D.

Economic Geographies of the West Midlands – Current Features and Future Implications

Anne Green, City-REDI

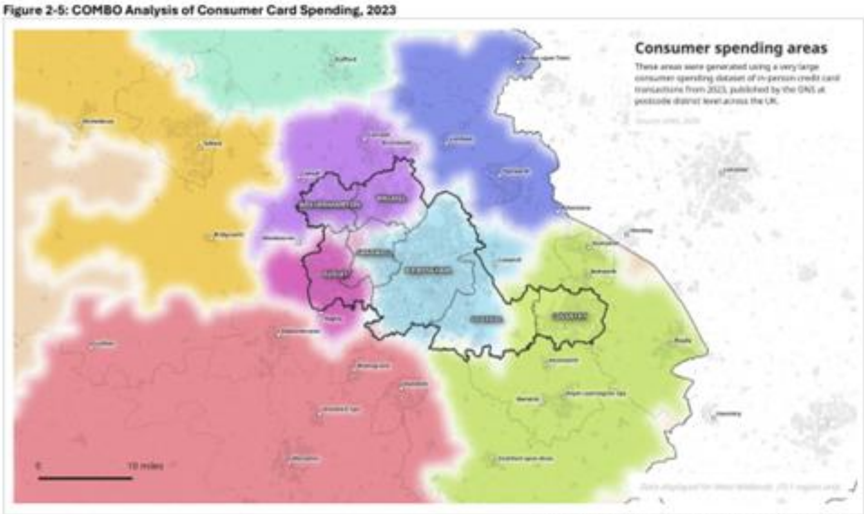
In December 2024 the West Midlands Combined Authority (WMCA) published a study on the [Economic Geographies of the West Midlands,] co-authored by [SQW], [City-REDI] and [Automatic Knowledge].

The purpose of the report was to expand and deepen understanding of the economic geographies of the West Midlands, with a particular focus on the interdependencies and connections between places within the region and how these might evolve in the future given key megatrends.

Analysis of flows

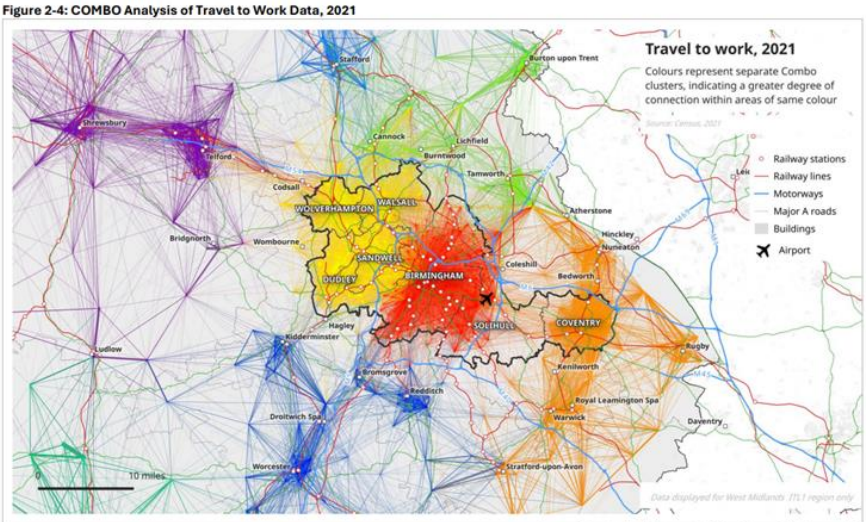
The study involved analysis of micro-area level data on commuting and migration from the 2011 and 2021 Census of Population, consumer spend data from the Office for National Statistics and mobile-phone generated origin-destination Mobile Network Data from the BT Group using COMBO: a network partitioning algorithm. The figures below are selected examples of the maps from the study, displaying travel-to-work data and consumer spending data, respectively.

Figure 2-5: COMBO Analysis of Consumer Card Spending, 2023



Source: Automatic Knowledge analysis of consumer card spend data, ONS

Figure 2-4: COMBO Analysis of Travel to Work Data, 2021



Source: Automatic Knowledge analysis of travel to work data, Census 2021

Across all the different indicators mapped there is some evidence for polycentricity – albeit the functional economic area with Birmingham at its core is bigger than the other areas. When different indicators are combined, three key geographies emerge within and across the WMCA area:

1. Birmingham – with large parts of Solihull and parts of Sandwell
2. The Black Country – which subdivides on certain indicators
3. Coventry – with a small part of Solihull and with Warwickshire

This signals that the West Midlands is different from monocentric city regions, such as London and Greater Manchester – albeit Birmingham is the major regional centre with considerable assets for agglomeration economies within the wider polycentric West Midlands structure.

The 'boundaries' of the different areas in the West Midlands are porous. On many of the indicators, functional economic relationships are evidently overlapping. This suggests that the situation on the ground is 'messy' and there are no 'hard edges'. However, the picture also varies and in reality the different areas may well be 'layered' such that particular places are in multiple geographies.

It is clear also that there are some strong links with places outside of the WMCA area. This means that the WMCA area's overall socio-economic character and performance has been shaped not only by its constituent authorities but also by Kidderminster, Bromsgrove, Redditch, Warwick/ Leamington Spa, Nuneaton, Tamworth, Lichfield and Cannock. This means that the WMCA needs a constructive and creative dialogue with its near neighbours – particularly in Warwickshire, northern Worcestershire and southern Staffordshire.

Looking ahead and implications

Megatrends such as technological change and digitisation, adaptation to climate change and the transition to net zero carbon, and geopolitical developments will shape economic geographies over the medium- and longer-term. For individuals, it is likely that functional economic geographies will be increasingly differentiated, varying by age, occupation and income/wealth. Relationships between home and work will be more complicated and less predictable. Insofar as future social and economic life does depend on in-person interactions, the transport infrastructure will continue to be crucially important.

Digitisation will lead to a range of effects, opening up greater possibilities for living in the West Midlands and working elsewhere or working in the West Midlands and living elsewhere – at least for some people, while for others life worlds will be extremely localised. The recent increase in remote/hybrid working may have implications for innovation and productivity. It also emphasises the importance of considering what makes places attractive – in terms of living, working and enjoying leisure for different segments of the population. The environmental dimensions of engaging with work, leisure and key services will have a bearing on functional economic space driven by changing values and a more widespread acceptance of the need to reduce individual carbon footprints.

Overall, megatrends combine in different ways to influence the nature and timing of work, patterns of leisure-related consumption and supply chain dynamics and so shift the underpinning functional economic geographies of the West Midlands. These geographies continue to be shaped by the transport infrastructure, settlement patterns, economic and social structures, demography, and income and wealth distribution. This means that effective functional geographies are changing and becoming more complex: some are shrinking, while others become larger.

However, most will be capable of being influenced, directly or indirectly, by local, regional and/or national policies. In relation to transport, for example, ticketing policies, joined-up services, road pricing, active travel and sustainable transport measures have an influence on travel patterns. Policies linked to the allocation and delivery of both housing sites and employment land will have an impact over the medium- and long-term. Measures linked to employability and skills will influence how people can participate and benefit from opportunities, and here the digital infrastructure and digital skills will be critical.

The West Midlands has a rich and diverse geography. A key challenge for the WMCA and its partners is how it uses its powers and this geography going forward.

For further details read the full report.

When will the UK hit 'Peak Car'?

Matt Lyons and Sara Hassan, City-REDI; Kurt Kratena

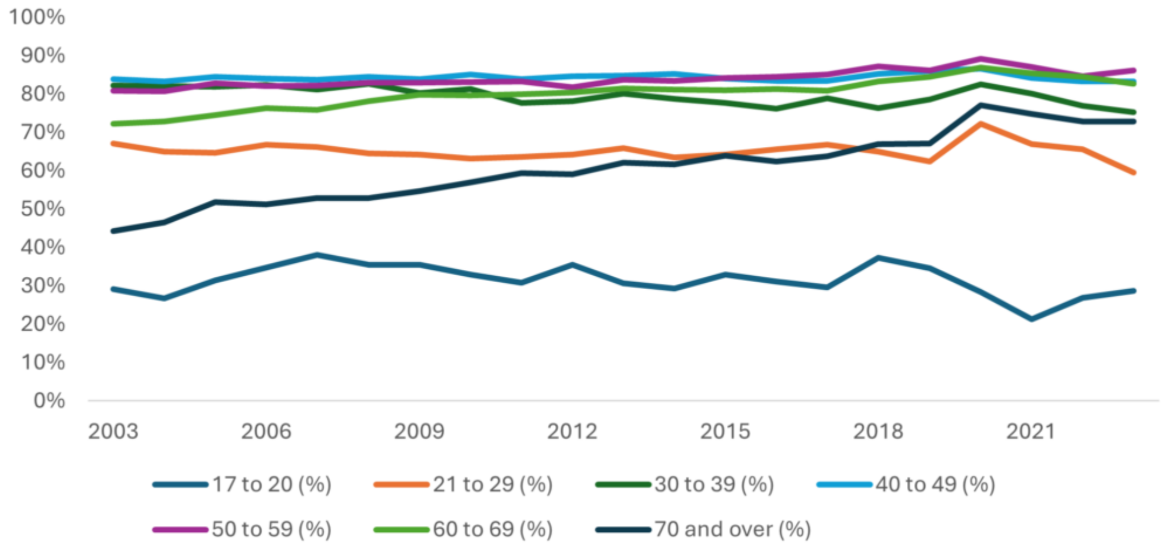
New car purchases have fallen since their peak in 2016 and driving licences are falling amongst the young.

In this blog, Matt Lyons, Kurt Kratena and Sara Hassan consider the question when will the UK reach peak car?

People are driving less

Figures from the DfT (Figure 1) show that the proportion of adults holding a driving licence are not rising and in younger groups remain stubbornly low. The reasons for this perhaps reflect relatively lower disposable incomes and changing preferences. But it is also an important indicator about the future of car ownership in the UK.

Figure 1: Proportion of adults holding UK driving licenses by age group (2003 – 2023)



Source: Department for Transport

The demand for new cars is peaking

To understand whether the number of cars on the road is rising or falling we need to know two things:

1. The number of new cars registered each year
2. The number of cars removed from the road each year (implied deprecation rate)

On the former, these numbers are routinely published by the UK Government and industry groups. On the latter, we can estimate the depreciation rate by looking at the total number of vehicles $I_{veh,t}$ licensed each year and the total vehicle stock in each year, $K_{veh,t}$, applying the following formula:

The change in the stock of vehicles between two years therefore can be decomposed into those vehicle licenses that just substitute those that have exited the stock (depreciations) and those that really represent new cars, i.e. the ***net*** car purchases.

Figure 2 shows this net number of car purchases (without depreciation) each year from 2001 to 2023 and then extrapolates a trend out to 2030. There are clear peaks and troughs in net cars each year with notably a falling number of net car purchases after the Covid-19 and Brexit conditions combined to form the so-called 2020 shock.

The trend of new car purchases (not depreciation) goes towards zero and that stabilizes the car stock – almost.

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

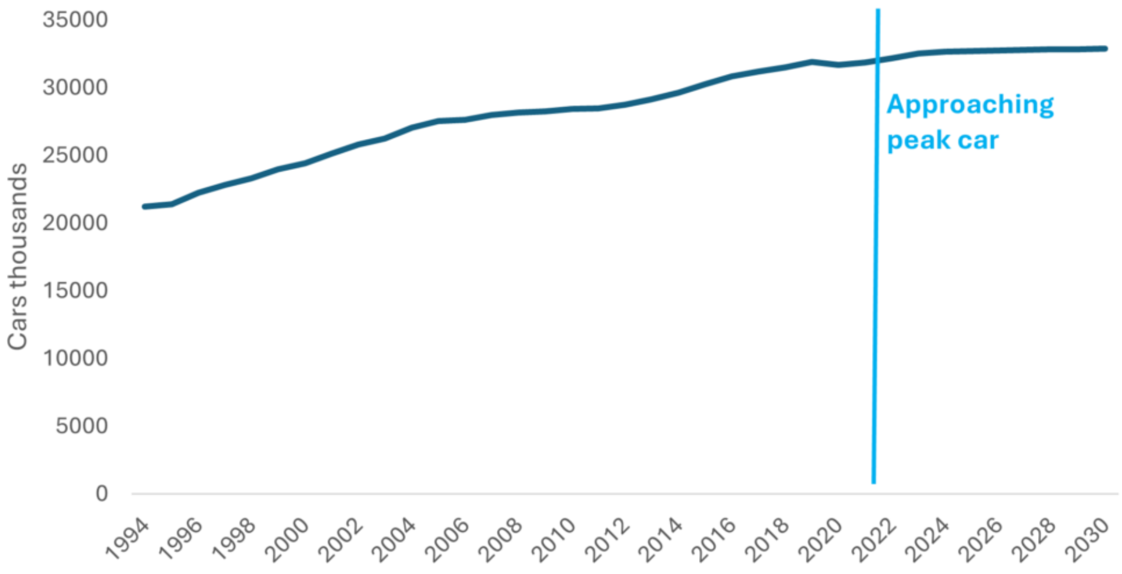
Figure 2: Net cars by year versus trend (2001 to 2030)

Source: DfT

The total number of cars on UK roads may soon start to fall

The consequences of the above analysis mean that the total number of cars on the road has stabilised after a long period of growth. Figure 3 shows that the total number of cars on the road in 1994 was 21.2 million by 2004 it has risen by 27% to 27 million by 2014 the number rose by 10% to 29.6 million by 2024 the number is expected to rise another 10% to 32.6 million. Our analysis suggests that over the next six years to 2030 that number will rise to 32.8 million a meagre 0.7% rise.

Figure 3: The total number of cars on UK roads



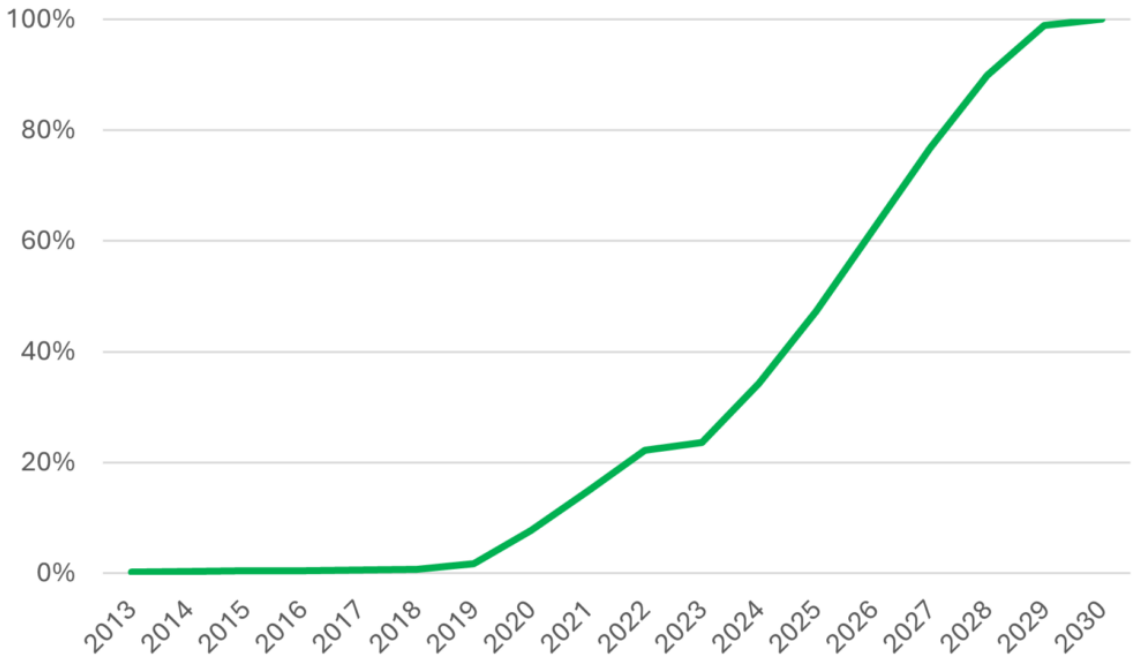
Source: DfT

A growing share of cars are electric

As demand for new cars is softening the type of vehicle being purchased is also going through a radical shift with the electric share of new purchases reaching 23.7% in 2023. To estimate whether this trend will continue analysis is conducted using a growth rate that decreases by a fixed factor over time.

Figure 4 shows the findings of this analysis which suggests electric vehicles could make up 100% of all new car purchases by 2030 if the trend continues. This will please UK Government and industry that is pivoting towards electric drivetrains as the sole system come 2030.

Figure 4: Share of new vehicles that are electric



Source: DfT

What does this mean for the West Midlands?

Automotive is important sector for the Midlands region employing 44,000 full time equivalent (FTEs) employees and with 1/3 of all cars produced in the UK built in the West Midlands. It is important to the future economy of the region to understand the trends in demand for one of its key areas of competitive advantage.

There are opportunities

- **EV economy** – estimates suggest EVs will see rising demand over the next decade.
- **Environment** – fewer cars will mean lower emissions, reducing carbon footprints and lowering demand for fossil fuels.
- **Health** – fewer vehicles on the road means less air pollution and more active travel is linked with improved health.
- **Wellbeing** – Falling car dependency presents an opportunity to hand over space to people. Increasing the vibrancy of towns and communities.

There are risks

- **Risk to industry** – Falling demand for a key export of the region could have consequences for regional resilience and employment.
- **EV economy** – There are concerns the domestic automotive market is 'losing the race' to produce competitive EV products with a 'gigafactory gap' stymying production.
- **Social Equity** – The regions industrial composition will change in the face of falling demand for manufacturing labour. A failure to appropriately reskill and manage the transition will have strong negative impacts for groups within the region.

How can policy respond?

The analysis suggests that the UK will hit peak car in the early 2030s. Alongside this, we are likely to see a steep drop off in demand for ICE vehicles.

Regional policy should be informed by this trend and act under the assumption the future will not look like it does today. The concept of policy being informed by the long-term trends is explored in the report, Megatrends in the Midlands. The report links long-term global megatrends to impacts in place. 'Peak car' should be viewed in similar terms where 'megatrend informed' policy acts on the basis there will not be ever growing number of cars on the road.

Policy should act to seize the opportunities and mitigate the risks. Some ways in which it might do this:

- **Transport infrastructure** – Demand for road space is peaking, meaning there should be less emphasis on car centric infrastructure projects.
- **Active travel** – There is an opportunity to invest more in adjusting for a world with more active travel which has the co-benefits of helping reach health/wellbeing and climate objectives
- **Just transition** – As is well established, ICE vehicle demand is anticipated to fall sharply. This demand may not wholly be replaced by EV vehicle demand. As such policy should be considering how it can support the transition to EV production, ensuring supply-chain readiness (i.e. EV parts can be sourced in region). But, also preparing for a region with potentially lower demand for a key export, automotive products.
- **Skills Agenda** – Related to this transition is ensuring that skills training in the region is calibrated for a region that will have lower demand for manufacturing skills.

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

Demonstrating the Economic Impacts of Civic Universities

Alice Pugh, Johannes Read, Sara Hassan and Rebecca Riley, City-REDI and NCIA

Alice Pugh discusses the need for universities to improve how they measure and assess their civic and economic impact, particularly in relation to regional inequalities.

It critiques current impact assessments for being overly prescriptive and lacking a clear rationale, urging universities to integrate these assessments into strategic frameworks and develop more dynamic, locally contextualized evaluations to better reflect their unique contributions to society.

These findings were found by Alice Pugh, Johannes Read, Dr Sara Hassan, and Professor Rebecca Riley in a recent report on civic universities in collaboration with the NCIA.

Context

Civic universities are universities which are embedded within their local area, they are rooted within a town, city and/or city-region. Their names, histories, specialisms, were often developed in line with the geographical location within which they were founded. Universities make a significant civic and economic contribution to their locality, whether or not they adopt an explicit mission to generate local or regional impact.

In recent years there has been an increase in national policy focus towards universities in their places and addressing regional inequalities. As a result universities, as anchor institutions, have become a significant part of place-based discussions. Thus, it has become increasingly important for universities to demonstrate their civic and economic impacts.

Key questions

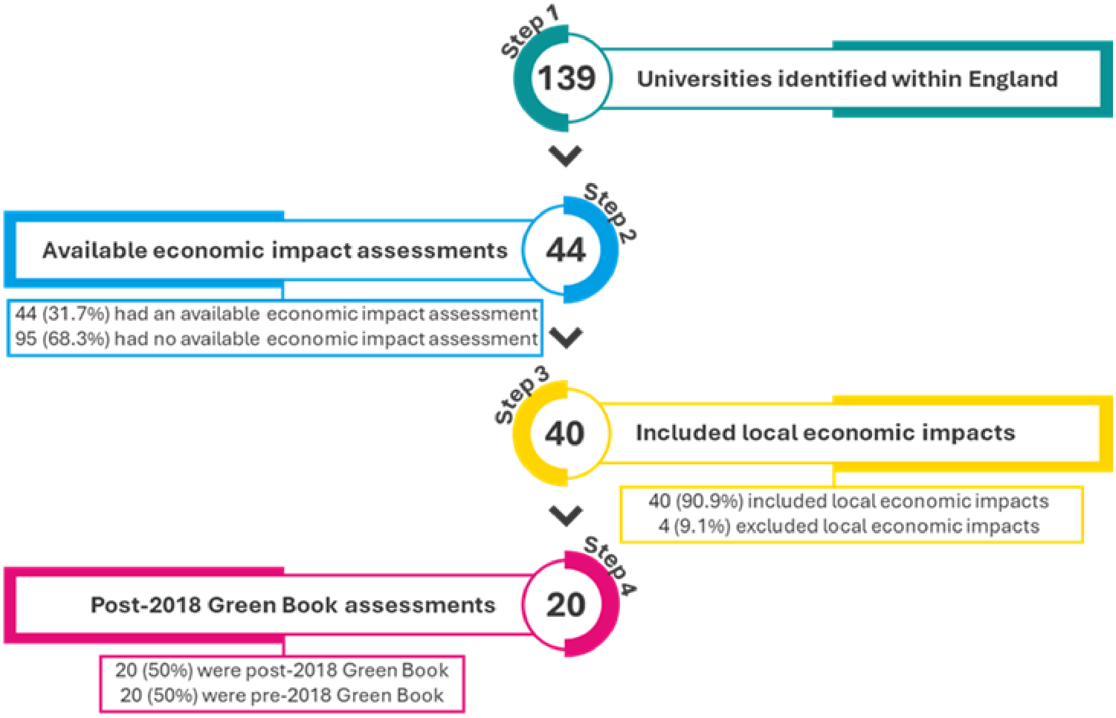
Currently, universities only measure their impact through economic impact assessments. However, these impact assessments are usually inconsistent and fail to capture the full picture of university impact. To improve impact assessments, we first need a greater understanding of:

1. Why do universities conduct impact assessments?
2. How do they use impact assessments to inform policy and strategy?
3. What outputs do universities assess within their impact assessments?

Methodology

To understand how universities conduct their impact assessments we had to review a range of impact assessments, the steps to identifying the 20 university impact assessments that were analysis in this report can be seen in the figure below.

Identification of relevant University Impact Assessments



Analysis of the place-based economic impacts from the 20 assessments were captured using a data collection sheet. The data collection sheet was initially piloted by two reviewers independently before analysis of the full sample commenced. Throughout the analysis the data collection sheet operated as a living document. This enabled the coding of economic outputs into different themes.

Findings

Rationale for university impact assessments

Few of the reviewed impact assessments included a strong rationale for conducting an economic impact assessment. Often there was little explanation as to the purpose of the assessments and how the assessments would inform policy and strategy within the university or with local and regional stakeholders.

Outputs assessed within the impact assessment

The university outputs that were assessed and monetised within the impact assessments were largely economic in nature, with no civic element. Civic impacts, except geographical impacts, were only considered in the qualitative section of the impact assessments. Additionally, the impact assessments failed to demonstrate the uniqueness of the individual institution. Largely the outputs assessed were prescriptive and descriptive, with very little demonstration of the impact that the universities aiming to achieve as an organisation. Based on the prescriptive nature of the outputs assessed within these impact assessments, it would appear that universities as an institution are not fully aware of neither the economic nor civic outputs they are producing and thus, unaware of the wider civic economic impact.

Summary

The purpose of this study was to understand how universities were measuring their civic economic impact. It was found that the university impact assessments are largely prescriptive and descriptive in nature. University impact assessments have the potential to demonstrate the unique impact of individual universities at both a civic and economic level, at present however, they are failing to demonstrate the civic.
Furthermore, universities should do more to embed their civic economic impact within their strategic framework and decision-making. Otherwise, there is a risk that the impact assessment is a static hollow document, when it should be utilised as an evidence base within their strategy and decision making for improving upon university civic economic agenda.

Going forward, undertaking economic impact assessments at a local level needs to be reframed as a dynamic, contextualised exercise that is part of the wider strategic decision-making process. Where universities set SMART (Specific, Measurable, Achievable, Realistic and Time-limited) civic economic objectives and outputs, these will be only achieved in collaboration with civic partner organisations in place.

We recommend:

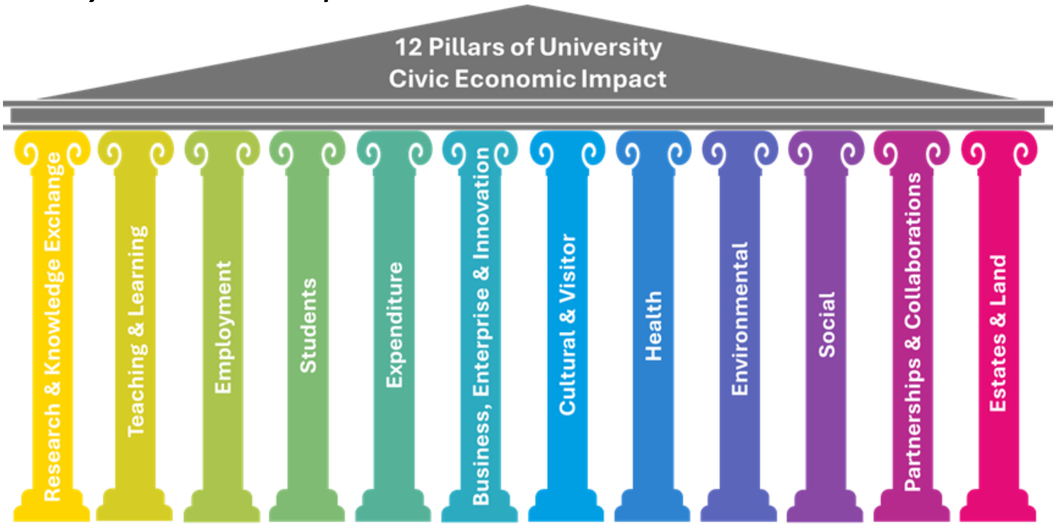
- Reframing civic economic impact assessments as dynamic, contextualised and evaluative pieces of work. That provide an evidence based for the university civic mission, embedding these impact assessments within the university's strategic framework and decision-making.

- Universities need to utilise the ***University Civic Economic Impact ROAMEF cycle*** (see figure below) to develop a robust and university specific rationale and objectives for university civic economic impact. Specifically developing their SMART objectives in partnership with civic and economic partners, to more accurately demonstrate their civic economic impact.

University Civic Economic Impact ROAMEF cycle

- Universities need to have a greater awareness of their own civic economic impact. To gain a better understanding of their civic economic impact, universities should be utilising the ***12 Pillars of University Civic Economic Impact*** tool to map the civic and economic outputs that the university is producing. However, this needs to be an ongoing process and sufficient monitoring of the outputs needs to be developed, in order to effectively measure impact.

12 Pillars of University Civic Economic Impact



- Implementing civic economic impact assessments is part of an ongoing effort to improve universities' civic role at a local, regional, national and global level. Universities should develop implementation plans with senior level ownership and accountability to action the findings arising from economic impact assessments.

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

Is the UK Government's Employment White Paper up to the task?

Donald Houston and Anne Green, City-REDI

The UK Government published its employment White Paper ***Get Britain Working*** on 26th November 2024.

In this blog, Donald Houston and Anne Green reflect on how realistic the White Paper's target of an 80% employment rate is. They also assess the merits and limitations of the proposals in getting there. They conclude with some constructive suggestions as to what else is needed.

What is the White Paper proposing?

The White Paper promises "a fundamentally different approach" to "tackle the root causes of why people are not working, joining up help and support, based on the needs of local people and local places". The rhetoric of providing help and support is a shift from coercive activation and benefit sanctions. However, it remains to be seen to what extent this shift in rhetoric is matched by a shift in policy, with a strong statement in the White Paper about the new jobs and careers service being "underpinned by a clear expectation that jobseekers do all they can to look for work".

Five key reforms are proposed:

1. Increased support for the NHS to tackle health conditions closely linked to worklessness and integrate employment and health support services.
2. A Youth Guarantee that all 18-21 year olds in England have access to education, training or help to find a job or an apprenticeship.
3. Merging Jobcentre Plus with the National Careers Service in England.
4. Encouraging employers to promote healthy and inclusive workplaces.
5. Empowering local areas to design and implement the above, including additional resources for the local NHS Integrated Care System (ICS) and new Connect to Work funding to provide supported employment for people returning to work.

Do wider Government policies pull in the same direction?

The White Paper is part of a broader strategy to grow the number of good jobs via a new modern Industrial Strategy, and to improve the quality and security of employment through a Plan to Make Work Pay underpinned by the recent Employment Rights Bill.

In theory, a mix and demand and supply side labour market policies, if working in tandem and with the grain of market pressures, can pay dividends. However, the priority sectors in the modern Industrial Strategy are not ones likely to be accessible to many of the economically inactive, a disproportionate number of whom previously worked in manual and lower-skilled occupations.

The Employment Rights Bill proposes a raft of employment rights from day one of starting with a new employer. There are strong arguments to improve the security of employment to combat labour market deregulation and increased precarity. However, employment rights from day one shifts the risks of poor hiring decisions all onto employers.

Other downward pressures on hiring include the recently announced increases in employer National Insurance contributions and substantial rises in the National Minimum Wage (NMW). These reforms may serve to reduce hiring, particularly in the current challenging business environment after a period of substantial cost rises. The proposed removal of age discrimination in the NMW may make delivering on the Youth Guarantee more challenging. Hence, wider employment and fiscal policies may undermine the aim of the ***Get Britain Working*** White Paper to grow employment.

Is the 80% employment rate realistic?

The White Paper sets an ambitious target of raising the employment rate to 80% of the population aged 16-64 years. The UK's employment rate currently stands at 74.8%. The latest ONS figures for July-Sept 2024 indicate that to reach 80% some 2.2 million people currently not working would need to shift into employment. As the White Paper notes, because unemployment is relatively low by historic standards, the majority of that 2.2 million would need to come from those currently economically inactive. This is a tall order, given that the economically inactive are (by definition) currently not searching and/or not available for work.

The big recent rise in economic inactivity has been due mainly to population ageing, long-term sickness or disability, including Long Covid, and – early in the pandemic – early retirement. These groups are less likely to return to work compared with students and those looking after family and home, so making the 80% target seem even more challenging. As such, concentrating services on people and places with the greatest levels of poor health among existing workers (rather than those who have already exited the labour market) may be more effective than focusing on areas with the greatest numbers already out of the labour market.

Demographic cohort progression means that in five years, everyone currently aged 60-64 will have moved out of the 16-64 age range. Those aged 60+ have substantially higher economic inactivity than those just five years younger in the 55-59 age range. This means that if people currently aged 55-59 can be supported to stay in work then the employment rate will gradually move upwards. The Government may be dealt a favourable hand by the large tail of the late baby boomers moving out of the normal working age range (16-65 years) over the next few years.

There are currently only three OECD countries with working-age employment rates in excess of 80%: Iceland (83.8%), the Netherlands (82.5%) and Switzerland (80.8%). New Zealand and Japan come close at 79.8% and 79.3%, respectively. The UK is 14th (out of 38 OECD members) at just under 75%, substantially higher than many major economies, including the USA (72.0%) and France (68.4%). The White Paper mentions the three countries with employment rates above 80%, but international comparisons can be misleading. The Netherlands and Switzerland achieve very high employment rates mainly by virtue of being ranked first and second, respectively, for part-time employment. In the Netherlands 34.1% of its working age population works part-time. The UK's part-time employment rate is 20.4%.

The Government should be aware of possible unintended consequences of targeting an 80% employment rate, in particular inadvertently moving people from economic inactivity to precarious employment. From the point of view of growing the economy, other meaningful targets could include hours worked alongside the employment rate. After all, you only need to work one hour per week to be counted as employed. From an inclusion perspective, reducing the number of workless households and underemployment (employed people who want to work more hours) might also be useful targets.

Conclusions

The White Paper highlights a shift from coercion to support; a focus on health, young people and economic inactivity; local flexibility in design and delivery; and an integration of health, employment and welfare services. There are welcome additional resources for health-related employment interventions. Situating the White Paper as part of a suite of demand- and supply-side interventions is positive.

But different Government policies are pulling in different directions and may undermine the objectives set out in the White Paper. The priority sectors in the modern Industrial Strategy do not match the occupations in which economically inactive people are likely to find employment. The Employment Rights Bill and increased National Insurance and National Minimum Wage costs on employers may limit confidence to hire new staff, particularly young people when lower minimum wage bands for younger groups are removed.

The proposed integration of health and employment services, and the strong focus on devolution and place-based approaches, are new in extent although not in principle. The thrust of the proposals develops and extends existing initiatives. For instance, the previous Government's Work Well initiative and increased funding for mental health services already brought health and employment support into single services. There already exist considerable locally-based employment services.

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

There are a number of specific shortcomings that will need to be addressed for the new Government to have a substantial impact on the labour market. Underemployment, self-employment and the gig economy have become entrenched parts of the UK labour market over the last decade or more. Yet the employment White Paper makes no mention of them. The 80% employment rate target is arbitrary and possibly unrealistic. Alongside the employment rate target, there needs to be an emphasis on 'good work'.

Supply-side activation and support mechanisms in the labour market are needed, roughly as set out in the employment White Paper. Industrial, fiscal and regional policies need to be aligned with employment policy to deliver meaningful results.

The Impact of WMREDI: Shaping Evidence-Based Policy and Business Cases

Ellie McDonald, City-REDI

This blog highlights the work of the West Midlands Economic Development Institute (WMREDI) in developing evidence-based policy, business cases, and evaluation frameworks to support regional growth. It discusses WMREDI's impact on building analytical capabilities, fostering resilience, and shaping local industrial strategies through innovative tools, research, and collaborations.

In the dynamic landscape of regional policy development, the West Midlands Economic Development Institute (WMREDI) has become a pivotal force in helping to shape evidence-based policy and enhance the analytical capabilities of the West Midlands city region.

This chapter of the WMREDI Story, highlights the journey WMREDI has taken in developing its evidence base, collaborating with partners, and applying HM Treasury's Green Book methodology to support the design and appraisal of business cases. Through this work, WMREDI has empowered local stakeholders, built capacity, and helped to position the region for sustainable, inclusive growth.

The Role of Evidence in Shaping Policy

At the core of WMREDI's work is the development of a strong evidence base that is integral to creating robust, effective policy. This evidence-driven approach follows the government's policy cycle, known as the ROAMEF framework, as outlined in HM Treasury's Green Book.

This cycle emphasizes the need to provide a clear rationale for policy interventions, assess the economic and social impacts, design interventions, and evaluate their success. By focusing on these stages, WMREDI has helped local authorities, academic institutions, and policymakers build the evidence needed to inform decisions and ensure that resources are allocated effectively.

One of the first steps in this process involves developing the economic rationale for intervention. This means identifying the pressing issues in the region and defining strategic objectives that align with the broader goals of the West Midlands Combined Authority (WMCA). For example, in partnership with PwC, WMREDI conducted a prioritization of the 2020 Comprehensive Spending Review (CSR) proposals, providing economic assessments of potential interventions for the region. This was an important exercise, as it helped to demonstrate the economic value of the proposed projects and their alignment with national policy objectives.

Business Case Development and Capacity Building

WMREDI's expertise in developing business cases has led to its recognition as a centre of excellence for business case development. The team has applied HM Treasury's Five Case Framework and Better Business Cases methodologies to create business cases that are both rigorous and adaptable to the needs of the region.

These methodologies combine economic, financial, and policy analysis to assess the viability of proposed projects. WMREDI's team, which includes economists, evaluators, and policy experts, has worked closely with regional stakeholders, often serving as advisors, consultants, and critical friends to ensure that business cases are robust and reflect local priorities.

The Business Case Lab, established in 2021, is a testament to WMREDI's commitment to building local capacity. This lab brought together a team of experts from diverse fields, including economics, business, and finance, and enabled them to become accredited in HM Treasury's Better Business Cases qualification. This qualification, which forms part of a wider training program, has helped over 60 local government officials, service providers, and academics to better understand the principles of business case development and apply them in practice.

The approach to business case development goes beyond technical knowledge. It incorporates collaboration, stakeholder engagement, and practical application of the Green Book's guidelines to evaluate and prioritize interventions. By running workshops and facilitating discussions, WMREDI has supported the development of rationales, identified benefits, and appraised options in ways that are grounded in real-world needs and local conditions.

Evaluation and Developing a Culture of Learning

Alongside business case development, evaluation has been central to WMREDI's work. The creation of an Evaluation Lab has been key in piloting innovative evaluation approaches with regional partners. This lab has been instrumental in developing a culture of evaluative thinking across the region.

As part of this initiative, WMREDI has adopted a transdisciplinary approach to evaluation, drawing on academic theory and practical expertise to inform decision-making processes. The team has been heavily influenced by thinkers such as Michael Quinn Patton and his Utilization-Focused Evaluation (UFE) model, as well as developmental evaluation techniques designed for complex, dynamic environments.

WMREDI's commitment to evaluation also aligns with its focus on inclusive growth. By using the OECD's evaluation criteria, WMREDI ensures that its work supports sustainable development goals (SDGs) and promotes social equity, gender equality, and economic inclusion. These criteria guide the Institute's evaluations, helping to assess the social and economic impacts of interventions with a view toward long-term, sustainable outcomes.

The emphasis on developmental evaluation and the use of the theory of change and logic modelling has also allowed WMREDI to refine its approach over time. By continuously learning from previous evaluations and feeding those insights into future policies and projects, WMREDI has ensured that its work remains relevant and responsive to the region's evolving needs.

Innovative Tools and Methods for Policy Insights

In addition to its work on business cases and evaluations, WMREDI has been at the forefront of developing new tools and techniques to provide high-quality economic intelligence to policymakers. Among the most notable tools developed is the Socio-Economic Impact Model for the UK (SEIM-UK). This model allows for detailed, region-specific economic analysis and has proven invaluable in assessing the economic impacts of policy interventions at the regional level. The SEIM-UK is a multi-region input-output model that tracks the interrelationships between industries, regions, and household characteristics across the UK. Its ability to provide granular economic insights has been essential for regional policymakers seeking to understand the local economic impacts of their decisions.

Another innovative tool developed by WMREDI is the homelessness prediction model. This tool uses data from various sources to predict homelessness trends in the West Midlands, providing policymakers with insights on where and how to direct resources. Developed in response to the COVID-19 pandemic and its impact on housing stability, the homelessness prediction model considers factors such as furlough data, Universal Credit recipients, and demographic trends to forecast future needs.

Moreover, WMREDI has developed a series of data dashboards to help policymakers assess the impact of higher education institutions, track levelling up progress across local authorities, and measure the civic impact of various regional actors. These dashboards provide a transparent, data-driven view of regional performance and help to ensure that interventions are targeted where they are most needed.

Shaping Industrial Strategy and Fostering Resilience

WMREDI's impact extends beyond business case development and evaluation. It has played a critical role in shaping the industrial strategy of the West Midlands, highlighting the importance of overlooked sectors such as Professional and Business Services (PBS). Research conducted by WMREDI demonstrated that the PBS sector constitutes a significant portion of the regional economy and has the potential to drive growth and innovation across various industries. This research helped to position the PBS sector as a core focus in the region's Local Industrial Strategy (LIS) and has led to over £2 billion in new investments.

In the wake of the COVID-19 pandemic, WMREDI's work also supported resilience-building efforts for small and medium-sized enterprises (SMEs). Through initiatives such as the Recovery Advice for Business Scheme, WMREDI helped local businesses access vital resources and policy support during a time of unprecedented economic disruption.

Conclusion

WMREDI's work in the West Midlands exemplifies the power of evidence-based policy and strategic business case development. Through a combination of rigorous analysis, innovative tools, and close collaboration with local stakeholders, the Institute has helped to shape policies and interventions that promote inclusive growth, resilience, and long-term prosperity. By continuing to build capacity, provide high-quality economic intelligence, and foster a culture of evaluative learning, WMREDI is setting the stage for a more resilient and sustainable future for the West Midlands city region.

Find out more and download the WMREDI Story

Understanding Labour Demand and Skills Trends in Greater Birmingham and Solihull

Anne Green and Kostas Kollydas, City-REDI

The 2024 Birmingham Economic Review provides a comprehensive analysis of the city's economy as we emerge from a period of high inflation and local, regional, and national elections, and actionable measures businesses and stakeholders from across the city-region can take to drive economic growth.

Read the full [Birmingham Economic Review 2024.]

Anne Green and Kostas Kollydas examine job vacancy trends in the Greater Birmingham and Solihull area, highlighting key sectors with rising or falling demand.

They offer insights for job seekers, employers, and policymakers to navigate the shifting labour market by focusing on high-demand industries and addressing skills shortages.

The labour market is constantly evolving, influenced by economic conditions, technological advancements, and changes in societal needs. To better navigate this landscape, it's essential to examine labour demand and skills trends.

This blog delves into job vacancy trends in the Greater Birmingham and Solihull (GBS) area, using data from Adzuna to explore key insights into regional and national job market dynamics.

Job Vacancy Trends in Greater Birmingham and Solihull (GBS): A Regional Snapshot

From January 21 to July 21, 2024, the Greater Birmingham and Solihull area recorded 176,613 unique job postings, representing 3.2% of the total UK job demand of 5.46 million. The data reveals that the region's job market, although slightly shrinking, remains diverse and varied. The top ten job categories in the GBS area accounted for a significant 75% of all vacancies, underscoring key sectors that continue to drive employment opportunities despite the broader economic challenges.

Teaching emerged as the highest-ranking job category, despite a year-over-year (YoY) decline of 11.5%. Other notable sectors included engineering, sales, accounting, IT, and healthcare. However, job postings in the GBS area dropped by 24.8% compared to the same period in 2023, with the most significant declines observed in IT (-38.4%), administration jobs (-37.9%), trade and construction (-32.8%), and healthcare and nursing (-30.8%).

Interestingly, while the GBS area's job market saw a 24.8% reduction, the national decline in job openings (-26.0%) outpaced the regional downturn. The IT sector, in particular, saw the steepest decline, reflecting a broader hesitancy in hiring driven by economic uncertainties stemming from a mild recession, inflation, and rising energy costs throughout 2022 and 2023.

Sector-Specific Insights: Demand vs. Interest

An analysis of sector-specific demand shows notable variations in hiring patterns across different industries. Fields such as "trade & vehicle repair," "health & social work," "professional & scientific activities," and "accommodation & food services" exhibited above-average demand compared to the region's overall job market. However, the data also highlighted certain industries with high demand but relatively low interest levels, suggesting a potential mismatch between labour supply and demand. Sectors like "professional & scientific activities" and "public admin & social security" exhibit high demand but comparatively lower interest, indicating a shortage of skilled professionals in these areas.

The construction industry, with a location quotient of 1.5, stands out as having 50% more concentrated job postings in GBS than the UK average. Public admin and social security also share this high location quotient. In contrast, industries such as manufacturing and electricity & gas supply have lower concentrations of job postings, indicating that these sectors are less prominent in the GBS area compared to national trends.

Time to Fill Vacancies: Sector Variations

The time it takes to fill job postings also varies significantly by industry. Some sectors require more time due to the complexity of roles or a shortage of specific skills. For example, vacancies in "water supply & waste management" and "finance & insurance" take the longest to fill, with median times of 47 and 34 days, respectively. On the other hand, "public admin & social security" roles are filled relatively quickly, with a median time of 27 days. These variations underscore the importance of sector-specific recruitment strategies and skill development initiatives.

Remote and Flexible Work: A Growing Trend

The ongoing shift towards remote and flexible working arrangements is another key trend in the GBS area. While 80% of job postings in the region were for non-remote positions, 15% offered flexible work options, and 5% were entirely remote. Sectors such as "electricity & gas supply," "finance & insurance," and "professional & scientific activities" are leading the way in offering flexible work arrangements, with 58%, 38%, and 38% of postings, respectively, providing such options.

This shift towards more adaptable work environments reflects the growing demand for work-life balance, as well as the increasing availability of digital tools that allow for greater flexibility in where and when work is completed. These trends present an opportunity for employers to adopt more progressive workplace policies to attract and retain top talent.

Evolving Skill Requirements: What Employers Want

As the job market evolves, so too do the skills required to succeed. An analysis of the skills most in demand in the GBS area reveals some interesting shifts. Communication skills, for instance, appear in 36.8% of online job postings, showing their growing importance. Management skills also remain highly valued, featured in 27.4% of postings. Meanwhile, technical and interpersonal skills, such as engineering and customer service, also saw slight increases in demand.

These shifts reflect the broader demands of the modern job market, which increasingly values both interpersonal and technical abilities. For job seekers, this suggests that honing a blend of soft skills (e.g., communication, management) and hard skills (e.g., engineering, IT) can increase employability and career advancement opportunities.

Salary Trends and Gender Pay Gaps

Salary data across different industries in the GBS area reveals significant disparities, with "electricity & gas supply" offering the highest average salary at £49,011, followed by "information & communication" at £41,201. Notably, the gender pay gap remains a concern, with industries like real estate, finance, and construction exhibiting the highest gaps in pay between men and women. Real estate, for example, has a gender pay gap of 33.9%, while finance and insurance and construction follow closely behind with 27.2% and 24.8%, respectively.

Interestingly, the water supply and waste management sector is the only industry where women earn more than men, with a reverse pay gap of -9.9%. These disparities highlight the ongoing need for gender equality initiatives and equal career progression opportunities for women in higher-paying industries.

Educational Requirements: A Growing Demand for Degree-Level Qualifications

Finally, the GBS job market also shows a clear trend towards higher educational requirements. Industries like "finance & insurance," "education," and "professional & scientific activities" have the highest proportion of job postings that require at least a degree-level qualification, with percentages ranging from 71.8% to 77.7%. On the other hand, sectors such as “trade & vehicle repair” and “real estate” have lower shares of degree-level qualifications, highlighting the diverse educational demands across industries.

Conclusion: Navigating the Shifting Job Market

In conclusion, the job market in Greater Birmingham and Solihull is characterized by a mix of demand for high-skilled professionals in certain sectors and challenges related to labour shortages in others. Job seekers should focus on high-demand sectors like education, healthcare, and professional services, while employers can enhance their recruitment efforts by offering flexible work options and addressing skill shortages. Policymakers, meanwhile, should continue to support workforce training and education to ensure that local talent is equipped to meet the evolving needs of the economy.

The GBS job market’s trends provide valuable insights into the future of employment in the region, underscoring the importance of adaptability, skills development, and equitable career opportunities. By paying attention to these factors, both job seekers and employers can thrive in an increasingly dynamic labour market.

Read the full Birmingham Economic Review 2024.

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

NatWest UK Regional Growth Tracker Report[1], Released January 2025: West Midlands Region

The Economic Intelligence Unit

In Summary:

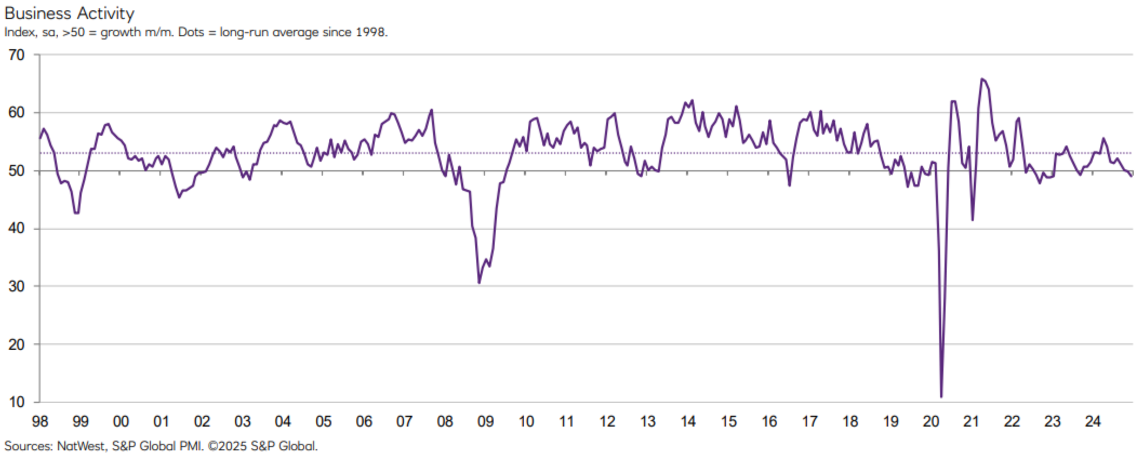
- The West Midlands Business Activity Index decreased from 49.9 in November 2024 to 48.9 in December 2024, a second successive fall in business activity across the region despite the rate of contraction being modest. Firms that signalled a fall in activity remarked on subdued client confidence and reduced intakes of new business.
- The UK Business Activity Index decreased from 50.5 in November 2024 to 50.4 in December 2024.
- The West Midlands Future Business Activity Index decreased from 68.6 in November 2024 to 67.2 in December 2024, a two-year low. Firms remained confident that output would increase in 2025 with optimism being underpinned by advertising, investment and hopes of a recovery in client demand.

In Detail:

Business Activity Index

- The West Midlands Business Activity Index decreased from 49.9 in November 2024 to 48.9 in December 2024, a second successive fall in business activity across the region despite the rate of contraction being modest. Firms that signalled a fall in activity remarked on subdued client confidence and reduced intakes of new business.
- In a typical business cycle, regions will move through four phases – expansion, slowdown, contraction and recovery. The December 2024 reading shows the West Midlands remained in contraction meaning that the region is contracting and at a faster rate than the trend over the past six months.
- Out of the twelve UK regions, the West Midlands ranked sixth highest for business activity in December 2024. The North East ranked highest at 55.1 while the North West ranked lowest at 46.9.

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



Demand

- The West Midlands New Business Index decreased from 48.8 in November 2024 to 47.4 in December 2024, a second consecutive month of contractions in new orders placed to its fastest rate in two years. The rate of reduction was also quicker than the UK average, with challenging economic conditions, subdued client confidence and the postponement of orders being identified as the main factors behind the fall in sales.

Business Capacity

- The West Midlands Employment Index decreased from 47.5 in November 2024 to 43.9 in December 2024, the fastest rate of job shedding in over four years. A lack of existing and new work, alongside the upcoming increase in employer National Insurance Contributions and minimum wages, prompted companies to reduce headcounts.

[1] Source: NatWest UK regional growth tracker report for December 2024, released January 2025. 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.

- The West Midlands Outstanding Business Index decreased from 45.3 in November 2024 to 43.3 in December 2024, the sharpest fall since August 2023.

Prices

- The West Midlands Input Prices Index increased from 60.1 in November 2024 to 60.2 in December 2024, an eight-month high with businesses paying more for chemicals, foodstuff, insurance premiums, metals, minerals, rubber, transportation and zinc.
- The West Midlands Prices Charged Index increased from 52.1 in November 2024 to 53.2 in December 2024. Despite an increase from the previous month, inflation was still below the long run average and the lowest of any UK region. Price increases were due to the pass-through of rising business expenses to clients.

Outlook

- The West Midlands Future Business Activity Index decreased from 68.6 in November 2024 to 67.2 in December 2024, a two-year low. Firms remained confident that output would increase in 2025 with optimism being underpinned by advertising, investment and hopes of a recovery in client demand.

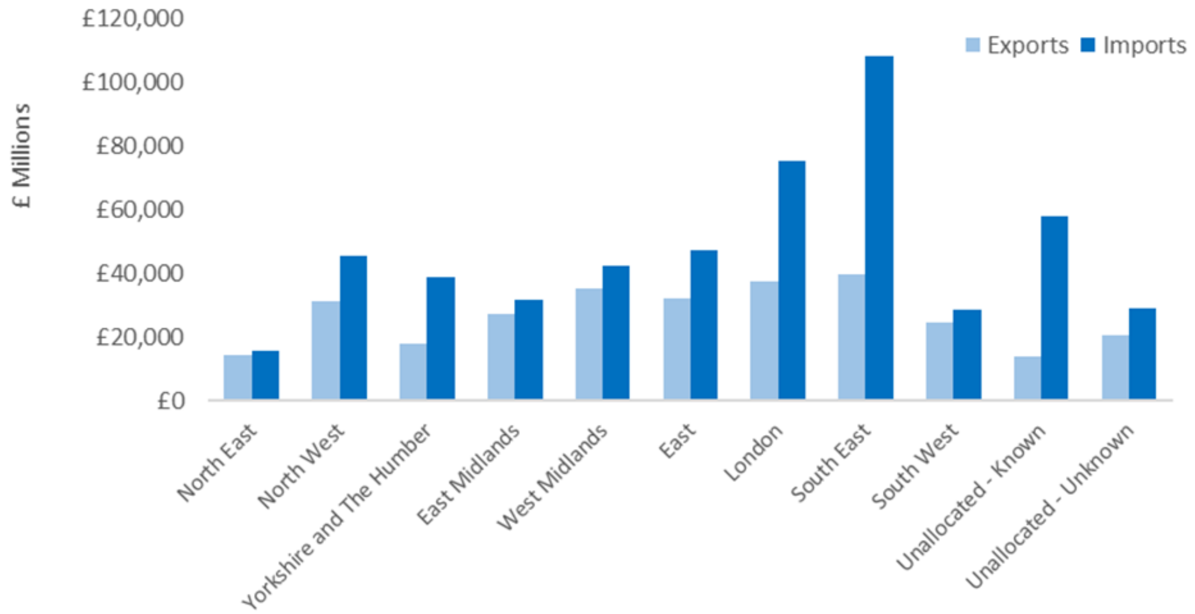
Future Activity Index across all UK regions in December 2024:

UK Regional Trade in Goods Statistics: Year Ending Q3 2024[2]; West Midlands

The Economic Intelligence Unit

- In the year ending Q3 2024, the West Midlands region exported £35.4bn worth of goods and imported £42.5bn. This represents a trade in goods deficit of £7.1bn, a decrease from the trade deficit in the previous annual period which was £8.5bn.

The following chart shows the value of goods imported and exported by region in the year ending Q3 2024:



- Compared to the previous annual period, the West Midlands region goods exports increased by £1.2bn (+3.5%) to £35.4bn in the year ending Q3 2024, the third highest percentage increase across the UK regions behind Northern Ireland (+5.5%) and the North East (+4.8%). Conversely, UK exports decreased by 6.3% to £353.5bn.

- The West Midlands accounted for 10.0% of UK exports – third highest (after the South East and London at 11.3% and 10.5% respectively).

- In the year ending Q3 2024, goods imports to the West Midlands area region were worth £42.5bn, a decrease of £214m (-0.5%) since the year ending Q3 2023. UK-wide total imports decreased by 5.6% to £577.9bn.

SITC Section

- The largest SITC section for goods exports in the West Midlands region was machinery & transport at £25.7bn – 72.6% of total; of which £16.5bn (64.2%) went to non-EU locations. Compared to the year ending Q3 2023, this SITC section overall increased by £1.6bn (+6.7%).

- The largest SITC section for goods imports to the West Midlands region was machinery & transport at £21.8bn, which is 51.2% of total imports (of which 66.8% or £14.5bn of imports for this section were from the EU). This section overall increased by £610m (+2.9%) compared to the previous annual period.

[2] Source: HM Revenue & Customs, UK Regional Trade in Goods Statistics Quarter 3 2024 – Released December 2024.

Breakdown of goods exported and imported by SITC section and the percentage change between year ending Q3 2023 and year ending Q3 2024:

Total Exports by SITC Section	Year to Q3 2023 (Figures in £m)	Year to Q3 2024	Annual Percent Change	Annual Number Change (Figures in £m)
0 Food and Live Animals	£803	£933	16.2%	£130
1 Beverages and Tobacco	£64	£53	-17.2%	-£11
2 Crude Materials	£1,066	£1,053	-1.2%	-£13
3 Mineral Fuels	£173	£165	-4.6%	-£8
4 Animal and Vegetable Oils	£27	£21	-22.2%	-£6
5 Chemicals	£1,444	£1,426	-1.2%	-£18
6 Manufactured Goods	£3,522	£3,447	-2.1%	- £75
7 Machinery and Transport	£24,062	£25,670	6.7%	£1,608
8 Miscellaneous Manufactures	£2,994	£2,592	-13.4%	-£402
9 Other commodities nes	£6	£10	66.7%	£4
Total Exports	**£34,162**	**£35,370**	**3.5%**	**£1,208**
Total Imports by SITC Section				
0 Food and Live Animals	£2,940	£3,178	8.1%	£238
1 Beverages and Tobacco	£321	£362	12.8%	£41
2 Crude Materials	£695	£586	-15.7%	-£109
3 Mineral Fuels	£1,061	£825	-22.2%	-£236
4 Animal and Vegetable Oils	£152	£121	-20.4%	-£31
5 Chemicals	£2,551	£2,410	-5.5%	-£141
6 Manufactured Goods	£8,351	£8,046	-3.7%	-£305
7 Machinery and Transport	£21,152	£21,762	2.9%	£610
8 Miscellaneous Manufactures	£5,471	£5,192	-5.1%	-£279
9 Other commodities nes	£4	£2	-50.0%	-£2
Total Imports	**£42,699**	**£42,485**	**-0.5%**	**-£214**

Country Group

- By Country Group[3], the highest value of goods exports from the West Midlands region was to the European Union at £14.8bn, accounting for 41.8% of the total. The value of goods exports to the European Union increased by £68m (+0.5%) compared to the year ending Q3 2023.

- The highest value of imports to the West Midlands region was from the European Union at £26.5bn, which accounted for 62.5% of the total. Goods imports from the European Union increased by £877m (+3.4%) when compared to the previous annual period.

Breakdown of goods exported and imported by Country Group and the percentage change between year ending Q3 2023 and year ending Q3 2024:

Exports by Country Group	Year to Q3 2023 (Figures in £m)	Year to Q3 2024	Annual Percent Change	Annual Number Change (Figures in £m)
Asia & Oceania	£6,474	£6,806	5.1%	£332
Eastern Europe (excl EU)	£492	£583	18.5%	£91
European Union	£14,714	£14,782	0.5%	£68
Latin America and Caribbean	£532	£459	-13.7%	-£73
Middle East and North Africa (excl EU)	£2,144	£2,181	1.7%	£37
North America	£8,179	£8,871	8.5%	£692
Sub-Saharan Africa	£383	£396	3.4%	£13

[3] 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.

Western Europe (excl. EU)	£1,240	£1,291	4.1%	£51
Undefined Country Group	£4	£2	-50.0%	-£2
Total Exports	£34,162	£35,370	3.5%	£1,208
Imports by Country Group				
Asia & Oceania	£10,826	£9,980	-7.8%	-£846
Eastern Europe (excl EU)	£176	£195	10.8%	£19
European Union	£25,672	£26,549	3.4%	£877
Latin America and Caribbean	£591	£453	-23.4%	-£138
Middle East and North Africa (excl EU)	£889	£1,037	16.6%	£148
North America	£2,439	£2,139	-12.3%	-£300
Sub-Saharan Africa	£229	£176	-23.1%	-£53
Western Europe (excl. EU)	£1,877	£1,955	4.2%	£78
Undefined Country Group	-	-	-	£0
Total Imports	£42,699	£42,485	-0.5%	-£214

Labour Market and Claimant Count Headlines: Released 21st January 2025

The Economic Intelligence Unit

Regional Labour Market[4] –

Please note: Labour Force Survey (LFS) estimates have been reweighted to 2022 mid-year population estimates for periods from January to March 2019; headline UK seasonally adjusted series before this have been modelled, but other series have a discontinuity at this point. LFS estimates have been affected by increased volatility, resulting from smaller achieved sample sizes, meaning that estimates of change should be treated with additional caution. The LFS reweighting partially closes the gap between the employment indicators but the longer-term broad coherence between workforce jobs and real time indicators, when looking at annual change, suggests that these sources are likely to be providing a more reliable read on employment, particularly for employees; these sources continue to indicate that we have seen a sustained moderation of growth in employment over the last year. Despite these coherence challenges, the LFS continues to be the sole source of data for unemployment, economic inactivity and self-employment, and provides a range of breakdowns that are only possible from LFS data. It is also likely that some of the recent movements in LFS estimates are being affected by the increased sample size and change in data collection methods taken over the last year, in addition to any underlying changes in the labour market.

- For the three months ending November 2024, the West Midlands Region employment rate (aged 16 – 64 years) was 73.5%. Since the three months ending August 2024, the employment rate decreased by 0.3 percentage points (pp). When compared to the same period in the previous year, the employment rate was 0.4pp lower. The UK employment rate was 74.8%, a decrease of 0.1pp when compared to the previous quarter and no change when compared to the previous year. The highest employment rate within the UK for the three months ending November 2024 was in the South West with 78.3% and the lowest in Wales with 70.0%, the West Midlands was fifth lowest.

- For the three months ending November 2024, the West Midlands Region unemployment rate (aged 16 years and over) was 4.7%, which has increased by 0.4pp since the previous quarter and an increase of 0.5pp when compared to the previous year. The UK unemployment rate was 4.4%, an increase of 0.4pp from the previous quarter and an increase of 0.5pp when compared to the previous year. The highest unemployment rate in the UK for the three months ending November 2024 was in London with 6.2% and the lowest in Northern Ireland with 1.7%, the West Midlands ranked fourth highest.

- For the three months ending November 2024, the West Midlands Region economic inactivity rate (aged 16 – 64 years) was 22.7%, a decrease of 0.1pp since the previous quarter and no change when compared to the previous year. The UK economic inactivity rate was 21.6%, a decrease of 0.2pp when compared to the previous quarter and a 0.4pp decrease from the previous year. The highest economic inactivity rate in the UK for the three months ending November 2024 was in Northern Ireland with 26.1%, with the lowest in the South West with 18.5%, the West Midlands ranked among the middle of all regions.

- Comparing December 2024 with the same period last year, the UK overall decreased by 0.03% and regional changes in the number of payrolled employees ranged from a 0.6% increase in Northern Ireland to a 0.5% decrease in Scotland. The West Midlands was broadly unchanged.

Annual Population Survey – Labour Market: Year Ending September 2024[5]

Following a quality assessment, APS estimates have now been downgraded to "official statistics in development" - [Annual Population Survey: Quality assessment.](#)

- Overall, for the WMCA area, the economic activity rate (aged 16-64) was 73.9% in the year ending September 2024, a decrease of 1.4 percentage points (pp) since the year ending September 2023. The UK economic activity rate was 78.4% and decreased at a slower rate of 0.3pp.

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[4] Source: Office for National Statistics (ONS), Labour market in the regions of the UK: January 2025

[5] ONS, Annual Population Survey (APS), released January 2025. Combined Authorities are West of England, Cambridgeshire and Peterborough, York and North Yorkshire, East Midlands, Liverpool City Region, Greater Manchester, West Yorkshire, North East, South Yorkshire, Tees Valley and West Midlands.

- In the year ending September 2024, the WMCA was the lowest Combined Authority for economic activity. West of England Combined Authority was the highest at 81.5% and South Yorkshire Combined Authority was the second lowest at 74.0%.

- The WMCA area employment rate was 69.5% in the year ending September 2024, this was a decrease of 0.8pp since the year ending September 2023. The UK employment rate was 75.4% with an annual decrease of 0.3pp.

- In the year ending September 2024, the WMCA was the lowest Combined Authority for employment rate. West of England Combined Authority was the highest at 79.3% and the joint second lowest was Greater Manchester Combined Authority and Liverpool City Region, both at 70.9%.

- For WMCA area overall, the economic inactivity rate was 26.1% in the year ending September 2024, an increase of 1.4pp since the year ending September 2023. The UK economic inactivity rate increased by 0.3pp to 21.6%.

- In the year ending September 2024, the WMCA was the highest Combined Authority for economic inactivity. West of England Combined Authority was the lowest at 18.5% and the second highest was South Yorkshire Combined Authority at 26.0%.

Summary of WMCA and UK-wide economically active, employment rate and economically inactive for year ending September 2024 and change from year ending September 2023:

	Economic Activity Rate		Employment Rate		Economically Inactive	
	Percentage	Percentage Point Annual Change	Percentage	Percentage Point Annual Change	Percentage	Percentage Point Annual Change
Birmingham	71.5%	-0.9pp	66.4%	-0.5pp	28.5%	0.9pp
Coventry	78.0%	0.8pp	72.7%	0.3pp	22.0%	-0.8pp
Dudley	76.0%	-4.6pp	73.4%	-4.1pp	24.0%	4.6pp
Sandwell	71.2%	-3.3pp	66.4%	-3.8pp	28.8%	3.3pp
Solihull	80.4%	-0.5pp	79.6%	1.7pp	19.6%	0.5pp
Walsall	78.4%	1.2pp	76.0%	5.8pp	21.6%	-1.2pp
Wolverhampton	69.9%	-3.9pp	63.7%	-4.7pp	30.1%	3.9pp
WMCA	73.9%	-1.4pp	69.5%	-0.8pp	26.1%	1.4pp
UK	78.4%	-0.3pp	75.4%	-0.3pp	21.6%	0.3pp

- Since the year ending September 2023, the WMCA area modelled unemployment[6] rate has decreased by 0.6pp to 5.9% in the year ending September 2024. England's modelled unemployment rate remained unchanged at 3.8%.

- In the year ending September 2024, the WMCA was the highest Combined Authority for unemployment. Greater Manchester Combined Authority was the second highest at 4.8% down to York and North Yorkshire Combined Authority which was the lowest at 1.8%.

Summary of WMCA and England-wide modelled unemployment rate for year ending September 2024 and change from year ending September 2023:

	Model-Based Unemployment Rate	Percentage Point Annual Change
Birmingham	6.7%	-0.6pp
Coventry	5.0%	-0.4pp
Dudley	4.2%	0.2pp

[6] ONS, APS – model-based estimates of unemployment, released January 2025. The model-based estimate improves on the APS estimate by borrowing strength from the claimant count to produce an estimate that is more precise, for example; has a smaller confidence interval. The claimant count is not itself a measure of unemployment but is strongly correlated with unemployment, and, as it is an administrative count, is known without sampling error. The gain in precision is greatest for areas with smaller sample sizes. Modelled unemployment rate is based on all people aged 16+ without a job who were available to start work in the two weeks following their interview and who had either looked for work in the four weeks prior to interview or were waiting to start a job they had already obtained.

Sandwell	5.7%	0.1pp
Solihull	2.7%	-0.9pp
Walsall	4.6%	-1.4pp
Wolverhampton	5.8%	-0.4pp
WMCA	5.9%	-0.6pp
England	3.8%	0.0pp

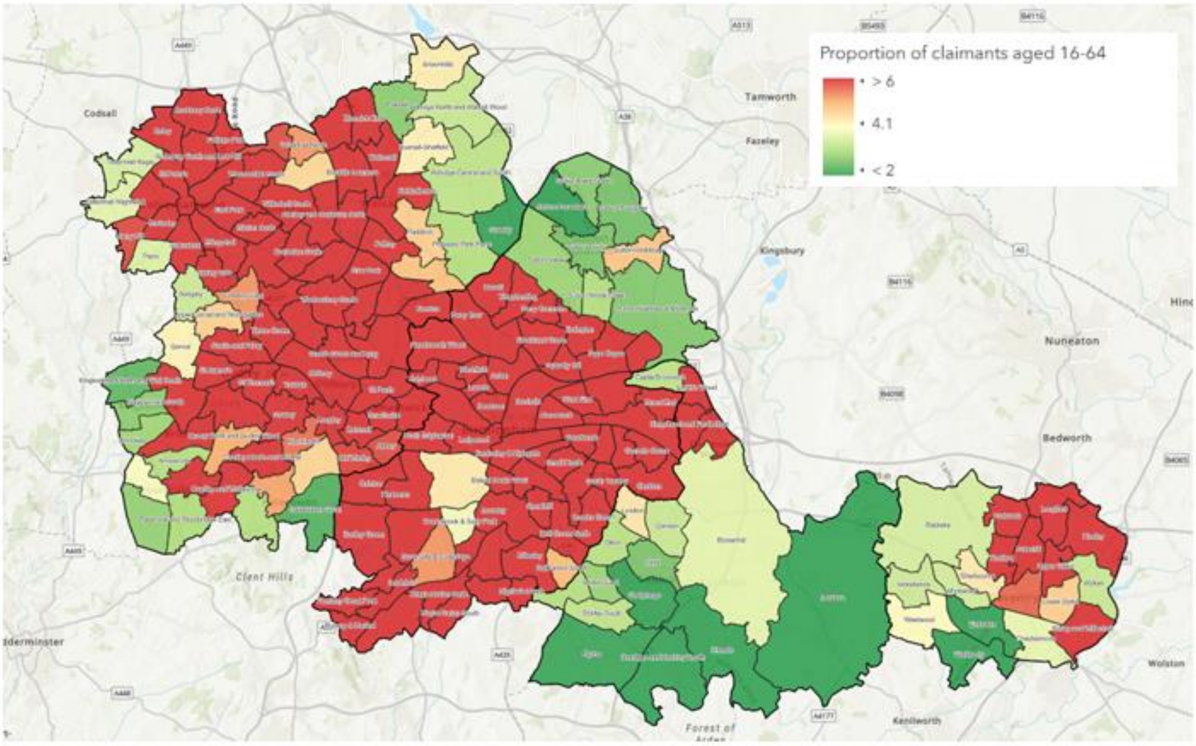
Claimant Count[7]

All Claimants Summary

- There were 147,660 claimants in the WMCA area in December 2024. Since November 2024, there has been an increase of 0.4% (+545) claimants in the WMCA area, while the UK increased by 0.2%. When compared to December 2023, claimants have increased by 20.3% (+24,925) in the WMCA area, with the UK increasing by 12.1%.

- Overall, for the WMCA the number of claimants as a proportion of residents aged 16-64 years old was 8.0% compared to 4.1% for the UK in December 2024. Across the Combined Authorities, the WMCA had the highest rates, West Yorkshire Combined Authority was the second highest at 5.5% down to 2.1% for York and North Yorkshire Combined Authority.

WMCA claimant rate per 16–64-year-old population against national average in December 2024:



Youth Claimant (Aged 18-24) Summary

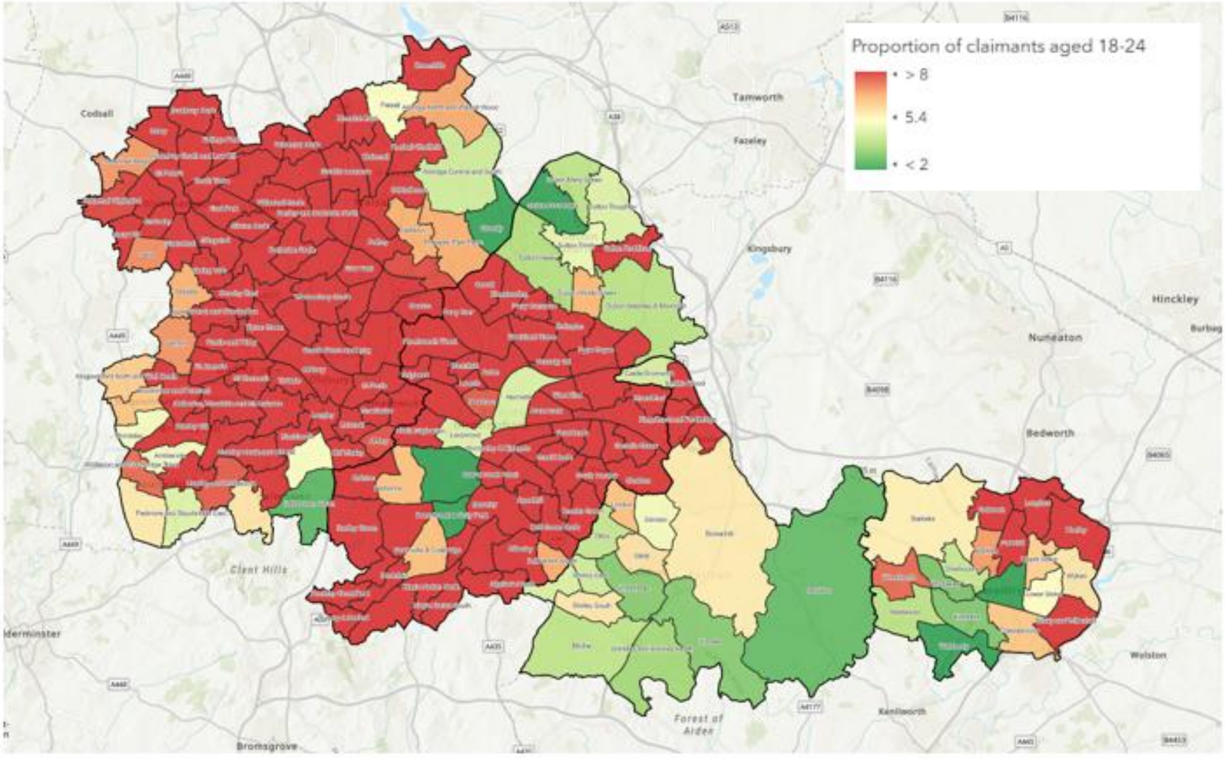
- There were 26,990 youth claimants in the WMCA area in December 2024. Since November 2024, there has been an increase of 0.9% (+250) youth claimants in the WMCA area, while the UK increased by 1.1%. When compared to December 2023, youth claimants have increased by 12.7% (+3,035) in the WMCA area, with the UK increasing by 8.6%.

[7] Source: ONS/DWP, Claimant Count, January 2025. Please note, when new data is released, the previous month is also revised.

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

- Overall, for the WMCA the number of claimants as a proportion of residents aged 18-24 years old was 9.5% compared to 5.4% for the UK in December 2024. Across the Combined Authorities, the WMCA had the highest rates, Tees Valley Combined Authority was the second highest at 7.8% down to 2.8% for both the West of England and York and North Yorkshire Combined Authority.

WMCA youth claimant rate per 18–24-year-old population against national average in December 2024:



ONS economic activity and social change in the UK, real-time indicators
The Economic Intelligence Unit

On the 23rd January 2025, 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 24th January 2025) social insights on daily life and events from the Opinions and Lifestyle Survey (OPN).

System Price of Electricity and System Average Price of Gas

The National Gas Transmission, Elexon reports, in the week to 19th January 2025, The System Average Price (SAP) of gas increased by 3% when compared with the previous week, from a seven-day average price of 4.063 pence per kilowatt hour (p/kWh) to 4.173 p/kWh. This was 70% higher than the equivalent week of 2024, which had a seven-day average price of 2.451p/kWh.

In the week to 19th January 2025, the System Price of electricity decreased by 44% when compared with the previous week, from a seven-day average price of 19.091p/kWh to 10.665p/kWh. However, this was 32% higher than the equivalent week of 2024, which had a seven-day average price of 8.083 p/kWh.

Footfall

Data from MRI OnLocation, shows in the week to 19th January 2025, high street and shopping centre footfall increased by 12% and 3%, respectively when compared with the previous week, while retail park footfall was broadly unchanged. When compared with the equivalent week of 2024, high street, shopping centre and retail park footfall all increased, by 4%, 2% and 1%, respectively.

When compared with the previous week, overall retail footfall increased in 11 of the 12 UK regions. The largest week-on-week increase was in Northern Ireland where overall retail footfall increased by 21%. Increases were also seen in 10 of the 12 UK regions when compared with the equivalent week of 2024, while the South East and East of England remained broadly unchanged.

Advanced Notification of Potential Redundancies

Insolvency Service HR1 forms data shows the number of potential redundancies in the week to 12th January 2025 was 35% lower than the equivalent week of 2024, calculated as a four-week rolling average. The number of employers proposing redundancies was 2% higher when compared with the same period.

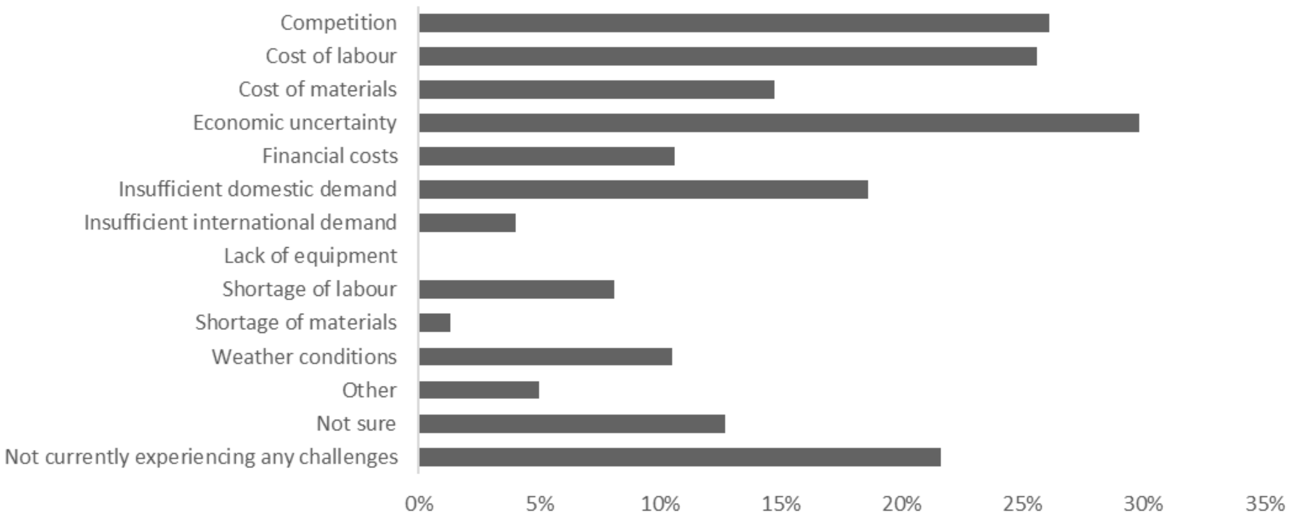
Business Insights and Conditions Survey

The final results from Wave 124 of the Business Insights and Conditions Survey (BICS) based off the 5,238 businesses surveyed across the West Midlands that businesses have a presence in with a response rate of 28.0% (1,466) and 3,215 businesses that are head quartered in the West Midlands, with a response rate of 25.8% (831). Please note, the survey reference period was 1st to 31st December 2024 with a survey live period of 6th to 19th January 2025. 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
20.1% of responding West Midlands businesses reported that turnover in December 2024 had increased when compared to the previous calendar month. 32.8% of West Midlands businesses reported turnover had stayed the same. However, 39.2% had reported that turnover had decreased.

29.8% of West Midlands businesses reported economic uncertainty was impacting turnover.

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



28.9% of West Midlands businesses expect turnover to increase in February 2025. 41.5% reported expectations of turnover to stay the same. 16.5% of West Midlands business's expect turnover decrease in February 2025.

Demand for Goods and Services
11.2% of responding West Midlands businesses reported that domestic demand for goods and services in December 2024 when compared to the previous month had increased. 41.6% reported the domestic demand had stayed the same and 27.2% of West Midlands businesses reported the domestic demand for goods and services had decreased.

3.8% of West Midlands businesses reported that international demand for goods and services in December 2024 when compared to the previous month had increased. 20.2% reported the international demand had stayed the same and 10.2% of West Midlands businesses reported the international demand for goods and services had decreased.

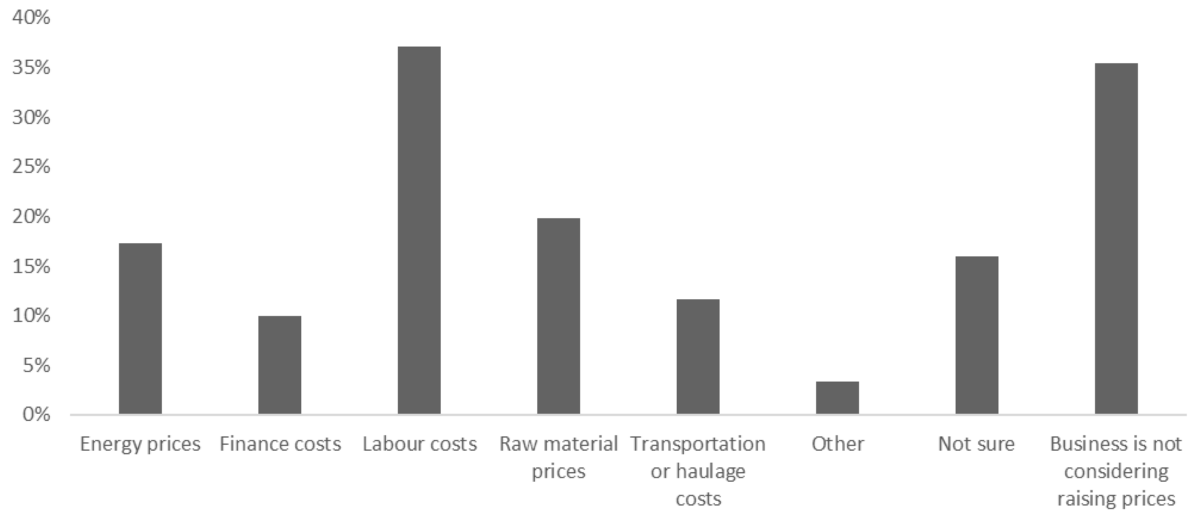
Prices
12.2% of responding West Midlands businesses reported the prices of goods and services brought in December 2024 when compared with the previous month had increased. 69.5% reported the prices had stayed the same and less than 1% reported a decrease.

5.8% of West Midlands businesses reported the prices of goods and services sold in December 2024 when compared with the previous month had increased. 77.2% reported the prices had stayed the same and 1.9% reported a decrease.

22.1% of West Midlands businesses expect the prices of goods and services sold in February 2025 will increase, 59.2% expect prices to stay the same and 1.0% expect a decrease.

37.1% of West Midlands businesses reported that labour costs would be a factor for raising prices in February 2025.

Factors (if any), causing West Midlands businesses to consider raising prices in February 2025:



Capital Expenditure
15.8% of responding West Midlands businesses expect capital expenditure to increase between in January and March 2025. While 40.1% expect it to stay the same and 10.8% to decrease.

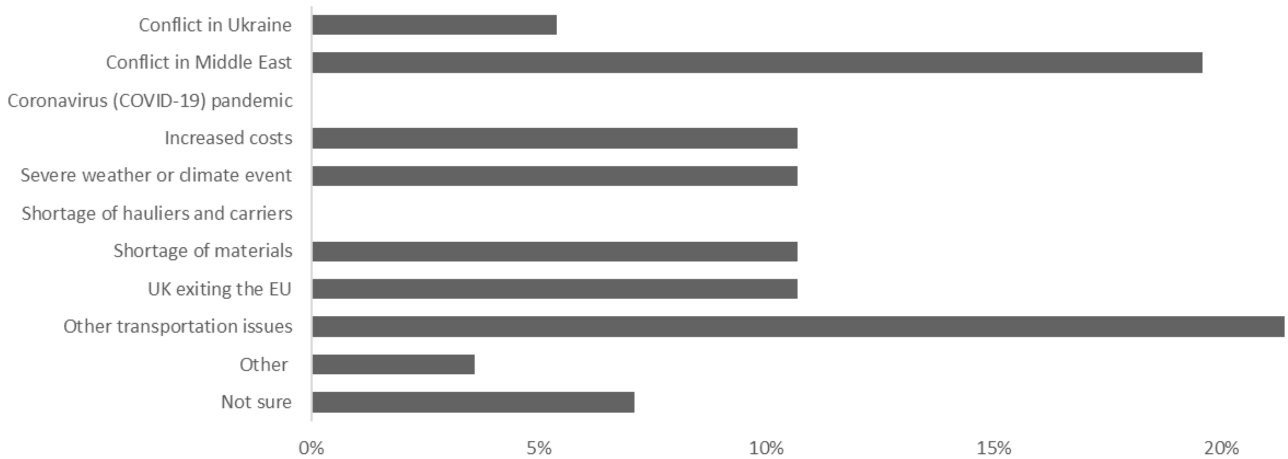
Plant and Machinery
43.4% of responding West Midlands businesses invested in plant and machinery between October and December 2024. With 41.3% of West Midlands businesses using the full expensing capital allowance on qualifying plant and machinery investment over this period.

Supply Chains
79.1% of responding West Midlands businesses reported to being able to get the materials, goods or services needed from within the UK in December 2024. A further 4.0% were able to get the materials, goods or services needed from within the UK but had to change suppliers or find alternative solutions. While 2.5% were not able to get the materials, goods or services needed.

Global Supply Disruption
3.8% of responding West Midlands businesses reported global supply chain disruption in December 2024. While 58.9% reported no disruption.

21.4% of West Midlands businesses reported the main reason for global supply disruption was due to other transportation issues.

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



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

Trade
23.8% of responding West Midlands businesses both exported and imported in December 2024. With 2.9% which exported only and 13.7% imported only. While 49.2% of West Midlands businesses did not export or import in December 2024.

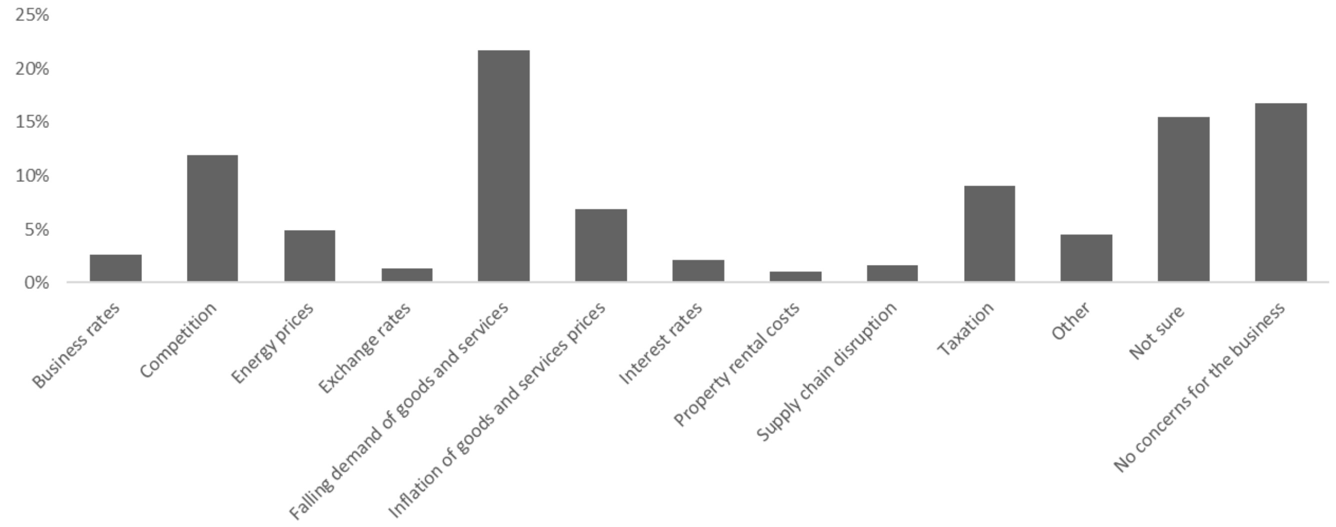
Number of Employees
14.5% of responding West Midlands businesses expect the number of employees to increase in February 2025. 62.1% expect the number of employees to stay the same and 12.1% expect a decrease.

Worker Shortages
14.1% of responding West Midlands businesses reported to experiencing a shortage of workers whereas 71.8% reported no shortages.

Recruitment Difficulties
15.8% of responding West Midlands businesses reported experiencing difficulties in recruiting employees in December 2024, whereas 58.6% experienced no difficulties in recruiting.

Main Concern for Business
21.7% of responding West Midlands businesses reported the main concern in February 2024 will be a falling demand of goods and services.

The main concern (if any) for West Midlands businesses in February 2025:



Overall Performance
26.0% of responding West Midlands businesses reported that overall performance in December 2024 increased when compared to the same month in 2023. 39.3% of West Midlands businesses reported that performance had stayed the same and 23.7% reported that performance had decreased.

Over the next 12 months, 38.2% of West Midlands businesses expect that performance will increase, 35.6% expect performance will stay the same and 9.8% expect performance will decrease.

Public Opinions and Social Trends Headlines
Estimates are based on data collected (from adults in Great Britain) between 4th December 2024 to 5th January 2025.

Important Issues Facing the UK
The most commonly reported issues were the NHS (88%), the cost of living (86%), the economy (72%), crime (62%), immigration (61%), climate change and the environment (60%) and housing (60%).

Financial Pressures

57% of all adults reported their cost of living had increased in the last month (4th December 2024 to 5th January 2025). Of all adults, 55% said they had reacted by spending less on non-essentials, 48% were shopping around more, and 39% were using less fuel, such as gas or electricity, in their home.

32% of adults who pay energy bills reported finding it very or somewhat difficult to afford these, down from 39% in late autumn and winter 2023 (18th October 2023 to 1st January 2024). Additionally, 16% reported they were occasionally, hardly ever, or never, able to keep comfortably warm in their home in past two weeks, compared with 19% in late autumn and winter 2023. These comparisons should be treated with caution, as such changes are likely influenced by various factors, including differing fieldwork periods, weather, and energy prices.

Health

65% of adults reported that their health was very good or good. This figure is similar to the previous year (67% in the period 13th December 2023 to 1st January 2024).

Among the 15% of adults in Great Britain who reported to be on an NHS hospital waiting list, 36% rated their overall experience of waiting as very poor or poor.

Big Tech Companies

Big Tech companies are generally defined as the largest and most influential companies globally in the information technology (IT) industry.

47% of adults reported that they have no or low trust in Big Tech companies; 25% had high or moderately high trust.

Similar proportions of adults agreed (27%) and disagreed (27%) that Big Tech companies will benefit them; 46% neither agreed nor disagreed.

Healthcare (58%), education (57%), defence (42%) and transport (40%) were the public services people thought Big Tech companies could have the most impact on; 22% reported that they did not think Big Tech companies could have any impact on public services.

Headlines

SECTOR	KEY INSIGHTS
Cross Sector	**Outlook** • **Forecasting UK economic performance in 2025 is a challenging task. In the first half of 2024, the United Kingdom stood out as one of the top-performing G7 economies, but that momentum faded quickly. Government debt markets across the world are having a jittery start to 2025, and the UK is one of the most affected economies, with gilt yields volatile amid concerns about stagflation.** • Recent data from the Office for National Statistics (ONS) reveals **monthly real gross domestic product (GDP) is estimated to have grown by 0.1% in November 2024** largely because of a growth in services, following an unrevised fall of 0.1% in October 2024. **Real GDP is estimated to have shown no growth in the three months to November 2024,** compared with the three months to August 2024. • **NIESR project growth to stagnate in the fourth quarter of 2024**, with flatlining growth in the Services and Production sectors and a slight fall in the Construction sector. An early estimate for the first quarter of 2025 projects growth of 0.3%. This is consistent with signals from the purchasing managers' index and recent business and confidence surveys. • **Recent financial market volatility has further dampened the economy's growth outlook, casting concerns over fiscal sustainability.** However, the increase in government borrowing costs reflects deeper structural issues—including weak productivity growth alongside low levels of investment in the public and private sectors—**which have left the economy more vulnerable to external headwinds**. • British Chamber of Commerce forecasts **expect GDP to pick up slightly in 2025 and 2026,** but this is driven largely by increased government spending. Right now, firms are struggling to deal with a raft of extra costs following the Budget. Investment levels are likely to remain low for the foreseeable future, as businesses try to balance their books. The BCC urge government action to **ease cost-pressures and spark investment** by focussing on business rates reform, infrastructure projects and promoting trade to unlock economic growth. • **The outlook for 2025 will be challenging for many small to medium sized businesses who rely on shareholder and lender support to continue as a going concern.** Christmas trading was subdued for many businesses, and PwC expect to see an **increase in insolvency filings in January and February as companies take stock of their results and look toward impending tax changes in April**. PwC will need to see an uptick in market sentiment and consumer appetite, to avoid the risk of corporate insolvency levels in 2025 remaining at some of the highest levels seen in decades. • Despite a weak end to 2024, the EY ITEM Club expects **growth to pick up in 2025**. Further real income growth and lower levels of consumer caution will support household spending. But the lagged impact of past monetary tightening will continue to emerge, and fiscal policy will become more restrictive, preventing a stronger pickup in activity. • However, **61% of UK CEOs are optimistic about UK economic growth in the next 12 months (up from 39% in 2023), and are also positive about the global outlook (64% expect this to improve, compared with 58% of CEOs globally).** Longer-term confidence in their own business has declined slightly since last year, with 57% of UK CEOs feeling very positive about their organisation's prospects over three years, compared with 61% last year. • The Institute of Directors (IoD) has published a new policy paper, Annual Policy Outlook: Trends, risks and opportunities for business in 2025. **The paper reviews the main UK**

SECTOR	KEY INSIGHTS

	policy developments that affected business in 2024, and explores the economic, political, technological and geopolitical risks and opportunities facing UK business in the year ahead.
	
	Trading Environment
	• The Consumer Prices Index including owner occupiers' housing costs (CPIH) **rose by 3.5% in the 12 months to December 2024**, unchanged from November. **The Consumer Prices Index (CPI) rose by 2.5% in the 12 months to December 2024**, down from 2.6% in the 12 months to November. The largest downward contribution to the monthly change in both CPIH and CPI annual rates came from **restaurants and hotels**; the largest upward contribution to both came from **transport**.
	• 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', **recorded 1.3%**. This low figure indicates that the **headline rate is being driven by large price increases in a few sectors, with inflation rates broadly falling for most items.**
	• NIESR predicts **inflationary pressures stemming from the new budget, and global uncertainty surrounding the Trump presidency will likely keep interest rates higher for longer than previously anticipated.**
	• The latest Quarterly Economic survey by the British Chamber of Commerce reveals mixed business sentiment:
	  ○ **63% of businesses say tax, including national insurance, is now a concern, following the Chancellor's Budget – the highest level since 2017**
	  ○ **Business confidence has slipped to its lowest level** since the aftermath of the mini-Budget in Autumn 2022
	  ○ **A majority of firms (55%) now expect prices to go up in the next three months,** with labour costs the biggest driver
	  ○ **Only 20% of businesses have increased investment in the past three months –** 24% have decreased
	  ○ **Business conditions are weak,** with only 24% of firms reporting increased cashflow and 30% a decrease.
	• The latest Black Country Chamber of Commerce Quarterly Economic Survey shows that **local companies are reassessing their plans following the recent Budget**, just as businesses are doing nationally, with taxation their primary concern. Businesses here have previously been more optimistic than British businesses overall, which highlights their resilience. Recent Black Country surveys showed confidence remained consistently high until now. Outlook among Coventry and Warwickshire firms is normally well ahead of the national average and has remained so in recent surveys. However, businesses in Coventry and Warwickshire are **appealing for certainty, stability and a platform from which to grow in 2025,** highlighting a need for stability.
	• Sentiment tracked by ICAEW's Business Confidence Monitor put **sentiment at just 0.2 on the index, the weakest reading since Q4 2022** and down from 14.4 in the previous quarter. **This decline in confidence reflected record concerns over the tax burden and weaker domestic sales growth**. **Drops in confidence were recorded in every sector** of the economy, with retail and wholesale businesses hardest hit. ICAEW's latest BCM also revealed that the number of businesses reporting the tax burden as a growing challenge hit a record high at 41% in Q4.
	• The latest NatWest Purchasing Managers Index (PMI) reports the **West Midlands Business Activity Index decreased from 49.9 in November 2024 to 48.9 in December 2024**, a second successive fall in business activity across the region despite the rate of contraction being modest. Firms that signalled a fall in activity remarked on **subdued client confidence and reduced intakes of new business**. The UK Business Activity Index decreased from 50.5 in November 2024 to 50.4 in December 2024.

SECTOR	KEY INSIGHTS
	• **The West Midlands Future Business Activity Index decreased from 68.6 in November 2024 to 67.2 in December 2024**, a two-year low. **Firms remained confident that output would increase in 2025** with optimism being underpinned by advertising, investment and hopes of a recovery in client demand. • **The UK has risen to become the second-most attractive global destination for international investment** according to PwC's 28th Annual Global CEO Survey. This is the first time the UK has secured this spot in the 28 year history of the survey. This shift in attitude towards the UK comes at a time when CEOs globally are looking at new sectors and markets - more than a third said they had started to compete in new sectors in the last five years - to stay competitive. • Encouragingly, **total insolvency figures didn't hit the same peak levels as 2023, and December 2024 also saw some respite** compared to the previous month. PwC analysis shows that some sectors are more disproportionately affected than others, with retail related insolvencies increasing by over 30% in December compared to November - with the equivalent of six retailers going out of business every day. Restaurants, however, saw a 50% reduction in insolvencies month-on-month. **Manufacturing failures were up by over 25% month-on-month, and construction continues to account for a considerable number of corporate bankruptcies, with over 220 in December alone.** • Following a slow 2023, **M&A activity in the UK's financial services industry picked up in 2024**, with a 26% year-on-year increase in the number of deals, according to EY. UK banks, insurers and asset managers publicly disclosed 380 M&A deals in 2024 – the highest annual volume since 2012 – compared to 272 deals in 2023. **The total disclosed deal value also rose from £12.5bn in 2023 to £20.2bn in 2024.** • Accountancy and business advisory firm, BDO LLP has advised on **69 deals** across the Midlands and East of England with a combined value of **£3.4bn in 2024**. Deal activity spanned 10 sectors, with over a third of BDO's activity international/cross-border in nature. • Social impact lender UKSE says **West Midlands businesses remain optimistic and ready to grow.** UKSE West Midlands has provided £1.87m to local companies via a mixture of debt and equity, creating 96 jobs. • In 2024, Coventry and Warwickshire Growth Hub referred 3,353 businesses to programmes run by a wide range of partners throughout the region, including support for hospitality, leisure and tourism businesses, scaleup SMEs, manufacturers, and net-zero and sustainability support. **Almost 1,200 individual local businesses were supported by its account management teams, creating 2,505 jobs and safeguarding another 9,783 jobs. The value to the local economy is expected to reach £53.9 million while the investment from the private sector totalled £13.3 million.** **Labour Market** • Estimates for payrolled employees in the UK **decreased by 32,000 (0.1%) between October and November 2024** but **rose by 95,000 (0.3%) between November 2023 and November 2024**. • **The estimated number of vacancies in the UK decreased by 24,000 on the quarter** to 812,000 in October to December 2024. Vacancies decreased on the quarter for the **30th consecutive period** but are still above pre-coronavirus (COVID-19) pandemic levels. • **Annual growth in employees' average earnings for both regular (excluding bonuses) and total earnings (including bonuses) in Great Britain was 5.6% in September to November 2024.** NIESR **forecast total pay growth to slow to 4.6** in Q1 of 2025. • Institute of Directors data shows that, despite some recovery in December, **employer hiring intentions remain around lows reached in 2020. The significant increases in employer NI, the forthcoming increase in the minimum wage and concerns over the cost of employment rights continue to sap demand for workers.** With the economy

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	likely to have flatlined over the second half of 2024, the labour market is softening sharply. • The latest Quarterly Recruitment Survey by the British Chamber of Commerce reveals workforce growth struggles: ○ **The proportion of firms who increased their workforce falls to less than a quarter (24%)** from 27% in Q3 ○ **Of those attempting to recruit 79% of firms faced difficulties,** up from 76% last quarter ○ **75% of firms say they are facing pressure to put up prices because of labour costs** ○ **Construction (83%) manufacturing (82%) and transport and logistics (81%) firms most likely to be facing recruitment problems** ○ **19% of firms reduced training investment,** up from 13% in the previous quarter. • Grant Thornton's Business Outlook Tracker reveals **over half (52%) of the businesses surveyed anticipate that they will have to reduce hiring or cut jobs and offer reduced or no pay increases and bonuses to their employees, due to the increasing cost burden.** Two thirds (66%) also plan to review their employee benefits offering, with 16% expecting to reduce their investment in employee reward and benefits over the next six months. • **Permanent staff appointments in the Midlands fell at the fastest pace for 16 months,** according to the latest KPMG and REC UK Report on Jobs survey. Temporary billings continued to increase, albeit at a softer rate than that seen in November. Demand for permanent staff continued to fall in December, with the rate of decrease the most pronounced in four-and-a-half years. • Half of UK employees struggle with sleep, impacting wellbeing, mood and workplace safety, says leading UK sleep charity, Sleep Action. **Sleep deprivation could be costing Midlands businesses £1,248 per employee per year.**
Manufacturing and Engineering	• **UK manufacturing exhibited a particularly sharp drag on economic output in December.** In many parts of the manufacturing sector, sector-level Output PMIs were well below the 50.0 no-change mark, signalling steep rates of decline. **Firms reported weak demand both at home and from abroad with new export orders falling at the quickest pace in ten months.** • **Sentiment across the manufacturing sector fell at the fastest pace in over two years** in January, according to the Confederation of British Industry's (CBI) latest quarterly Industrial Trends Survey. • **For UK manufacturers, 2025 will be defined by the ability to adapt.** With government policies and uncertainty over energy bills increasing pressure on costs, **manufacturers are looking for ways to boost productivity and accelerate growth. And with the announcement of a new UK industrial strategy, the sector will be critical in unlocking the UK's economic potential.** • The Make UK Executive Survey reveals **those feeling optimistic are eyeing the opportunity: almost one third of manufacturers (29%) are looking to technology, cloud and artificial intelligence (AI)** to succeed in 2025, aiming to boost productivity and reduce overheads. • The Confederation of British Metalforming (CBM), a trade body that represents 200 companies has called for **"serious backing" for Midlands manufacturers** as part of the Government's new industrial strategy.
Construction	• Construction output **is estimated to have increased by 0.4% in volume terms in** November 2024; this follows an upwardly revised decrease of 0.3% in October 2024. This increase in monthly output came from rises in both new work (0.3%) and repair and maintenance (0.5%).
Retail, Hospitality and Tourism	• Retail sales volumes **(quantity bought) are estimated to have fallen by 0.3% in December 2024, following a small rise of 0.1% in November 2024 (revised down from**

SECTOR	KEY INSIGHTS
	0.2%). Falls in supermarkets were partly offset by a rise in non-food stores, such as clothing retailers, which rebounded from falls in recent months. • The British Retail Consortium **warns consumers are feeling the January Blues as consumer confidence in the economy fell to a new low, with concerns most pronounced among older generations.** Gen Z (18-27) remain the only group to expect the economy to improve, while two-thirds of Boomers (60-78) expect things to get worse. Feelings around people's own finances fell slightly, with older generations remaining the most pessimistic. **Expectations of retail spending and wider spending both fell significantly, though much of this is likely to be the end of the Christmas period, as people tightened their belts for the new year ahead.** On top of this challenging market backdrop, **retailers are facing £7bn in additional costs from the Budget and new packaging levy.** With retailers' tight margins leaving little scope to absorb more costs, many are warning of price rises and job cuts in the coming months. • **More than one million people visited Coventry Building Society Arena last year** driven by the venue's sustained growth in business events, live entertainment and sport. **The leading Midlands venue hit 1.2 million visitors for 2024, supported by its new live events proposition driving 50,000 new visitors to the venue.** • **A total of 12 West Midlands businesses are also named as recipients of a share in a £16.2m Cultural Development Fund.** The **£60m investment** will help make West Midlands 'creative powerhouse'.
Digital / Tech	• **More than 100 AI trials, including 12 in the West Midlands, will receive a share of £7 million in Government funding to boost productivity and drive innovation in small businesses.** • Data centres often conjure an image of a pristine and immaculate site, newly built with all the bells and whistles to support the growing demands for colocation/ GenAI services. **However, for 47% of global facilities (built over 11 years ago) this is not the case and their aging mechanical and electrical (M&E) equipment can drastically impact valuations when disposing/ acquiring these sites.**
Transport Technologies and Logistics	• In contrast to the growth period for UK new car registrations during the first seven months of 2024, **last year ended on a downward trajectory**, with year-on-year declines in each month of the last quarter. New car sales declined marginally by 0.2% year-on-year in December, marking a fourth and final fall of 2024. This resulted in an overall increase for the year of 2.6% and a total of 1.953 million sales. **The key reasons behind last month's fall in registrations mirrored the challenges that have faced the UK's automotive sector throughout the year, including a challenging regulatory environment, increasing competition and costs, and changing consumer needs.** • **Birmingham Airport is set to invest a million pounds per week in improving facilities "for the foreseeable future", with high single digit growth forecast**, boosted by recent decisions allowing an increase in the number of night flights arriving and departing.
Environmental Technologies	• **Researchers developing cutting-edge fusion energy are being given investment of £410m investment to kickstart economic growth**. The funding will support rapid development of the UK fusion energy sector over the next two years, with investment in the skills needed for scientists, engineers, welders and programme managers to enter the cutting-edge industry. Fusion already supports at least 2,400 jobs in the UK, with thousands more to follow as the technology advances. • **The UK's energy storage boom slowed in 2024, with a 40% drop in submitted capacity compared to 2023.** While the UK remains a leader in operational storage, with 7GWh installed, rejection rates rose due to **community concerns over fire risks**. • **Electric vehicles could account for 5% of the UK's total power demand by 2030, raising concerns over whether energy capacity can keep up.** With the government pushing for 80% of new car sales to be electric, analysts at Montel warn that the grid faces an uphill battle to meet rising demand.

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New Economic Shocks

COMPANY	LOCATION	SECTOR	DETAIL
Wharfside Industrials	Wolverhampton	Manufacturing	A specialist metals manufacturer has crashed into administration for the second time, resulting in the loss of 427 jobs. EY has been appointed to handle the administration of Wharfside Industrials as well as four Fablink subsidiaries in **Wolverhampton**, Evenwood, Luton, and Northampton.
The Rical Group	Smethwick	Manufacturing	A Black Country manufacturing group has collapsed into administration, placing 185 jobs at risk. The Rical Group, headquartered in **Smethwick**, manufactures fine blanking, metal pressings and fabrications for customers across sectors such as automotive, defence, jewellery, construction and catering.
Sainsbury's	Solihull	Retail	Sainsbury's has announced it will be cutting more than 3,000 jobs as it plans to shut 61 in-store cafes including in **Solihull**.

New Investment, Deals and Opportunities

COMPANY	LOCATION	SECTOR	DETAIL
Ometis	Birmingham	Information Technology	A **Birmingham**-based data integration, governance and analytics firm has acquired a consultancy specialising in the hospitality sector. The acquisition of Tahola, which has over 20 years of experience providing data solutions to UK hospitality brands, will expand Ometis' capabilities in the sector. It aims to strengthen the firm's position in the hospitality industry by combining both companies' expertise in data management.
LaSalle Investment Management	Birmingham	Property	LaSalle Investment Management has provided a £68.7m green loan to finance the delivery of Vita Group's 540-bed student scheme in **Birmingham**. The 105,000 sq ft scheme will comprise two tower blocks standing at 10 and 29 storeys. It will include amenities such as private dining rooms, a hub space for socialising and studying, a gym, an outdoor basketball court, outdoor terraces and shared cycle storage.
Hygen / HSBC	Birmingham	Energy	Hygen, a low-carbon hydrogen developer, has struck a funding deal with HSBC UK to expand its **Birmingham** production site and develop new locations across the UK. Based at its Tyseley site, the company supplies green hydrogen to customers like National Express and JCB to help with their decarbonisation efforts.
BHSF Occupational Health	Birmingham	Health & Wellbeing	Optima Health, a provider of corporate health and wellbeing solutions, has acquired BHSF Occupational Health in a £1.4m deal. The acquisition will expand Optima's customer base and add 60 occupational health clinicians to its team. BHSF Occupational Health specialises in preventing work-related illnesses and injuries, safeguarding workers from occupational hazards, and promoting overall workplace health and safety.

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COMPANY	LOCATION	SECTOR	DETAIL
Clive Henry Group	Birmingham	Health	A digital healthcare platform has formed a partnership with **Birmingham**-based consultancy Clive Henry Group and secured investment from its founders. ilarna uses digital technology to match the right care professional with individuals who need access to services such as dementia care, palliative care, and personal care.
Bracebridge Engineering Ltd	Birmingham	Manufacturing / Green Energy	Bracebridge Engineering Ltd a leading metal presswork manufacturer based in **Birmingham**, has announced the completion of a major solar energy installation at its factory. The 239-panel system, valued at £100,000, will generate 99kW of electricity and significantly reduce the company's reliance on non-renewable energy sources.
Jaguar Land Rover	Castle Bromwich	Manufacturing	Jaguar Land Rover is committing £65m to expand its special paint facilities in **Castle Bromwich** and Nitra, Slovakia, as part of its strategy to meet the growing demand for personalised luxury vehicles. As part of a £41m investment in new SVO facilities at **Castle Bromwich**, £26m will be injected to replace existing paint booths at the site, with all new state-of-the-art application booths set to be installed this year.
LondonMetric	Coventry	Property / Retail	LondonMetric Property has sold a retail park in **Coventry** as part of several non-core disposals worth £74.2m. Airport Retail Park has been sold for £37.3m to NFU Mutual. The 138,000 sq ft asset is let to 13 occupiers including Currys, Aldi, B&M, and Dunelm.
Greenpower Park	Coventry	Manufacturing / Technology	The approval of a £21m funding package has set plans in motion for a battery manufacturing and technology hub. The West Midlands Combined Authority has greenlit the funding Greenpower Park – a 5.7m sq ft hub set to create up to 6,000 jobs across battery manufacturing, recycling and research.
Coventry Building Society	Coventry	Banking	Coventry Building Society has formally completed the acquisition of The Co-operative Bank. The top-ten UK lender will now have assets of around £89bn and around four and a half million members and customers across the country. The Co-operative Bank has become a subsidiary of Coventry Building Society, and the combination of the two organisations will see the Bank brought back under mutual ownership.
Corona Energy	Coventry	Energy	Corona Energy is growing in **Coventry**, adding 150 new jobs as it expands its office space at the Bourn Building. Taking over another 15,021 sq ft and securing a 10-year lease. Bourn has recently undergone a £9m makeover, turning it into a 90,000 sq ft, energy-efficient office building.
Alfred Victoria	Dudley	Manufacturing	A multi-million-pound deal has seen a bathroom manufacturer acquire seven adjoining industrial warehouses, along with a standalone office block in **Brierley Hill**. The property spans more than 70,000 sq ft and has been acquired by Alfred Victoria.
Urban8	Kings Norton	Logistics	Urban8, now the Midlands' largest mid-box, speculatively built logistics scheme, offers 400,000 sq ft across eight units, ranging from 26,000 sq ft to 70,000 sq ft. Developed

COMPANY	LOCATION	SECTOR	DETAIL
			by GMI Construction, the £32.9m BREEAM Outstanding rated scheme is expected to create around 900 jobs.
Polydrain Civils	Sandwell	Manufacturing	Two adjoining warehouses spanning more than 61,000 sq ft have been sold for a multi-million-pound sum to a plastic drainage components specialist. Watling Real Estate handled the sale with Polydrain Civils acquiring the properties for its own use. Situated on a three-acre site, Units 1 & 2 Ridgacre Road in **West Bromwich** were marketed with a guide price of £3m.
Dovetail Group	Solihull	Various	All 102 jobs at a **Solihull**-based facilities, waste management and fire protection firm have been saved following a pre-pack deal. Specialist business advisory firm FRP were appointed as joint administrators of Dovetail Group, and on their appointment immediately secured a pre-pack sale of the company to L&L Group. Following the deal, all 102 jobs at the firm have been saved, with all staff transferring to the new owner.
Lidl	Walsall	Retail	Major discount retailer Lidl has lodged hybrid plans for a transformation of its Bloxwich site in **Walsall**. Lidl is looking for outline planning to demolish the four existing warehouse buildings it's operated and owned since 2008 and build 420,000 sq ft of warehouse and distribution space in its place.
Siemens Mobility	West Midlands	Transport	Siemens Mobility has secured four contracts worth £560m with HS2 Ltd for key infrastructure and long-term maintenance. The company will join key contractors under the Rail Systems Alliance and will play a role in the completion and operation of the new 225-kilometre-long British high-speed railway that will connect London and the **West Midlands**.

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

For any queries please contact the lead Authors:

Rebecca Riley R.Riley@Bham.ac.uk
Alice Pugh A.Pugh@Bham.ac.uk
Delma Dwight Delma.Dwight@theeiu.org
Anne Green A.E.Green.1@bham.ac.uk

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