

3.0 WISE December 2023 Annex

3.1 WMCA Dashboard

WMCA ECONOMIC DASHBOARD – NOVEMBER 2023



Monthly/Quarterly Business Dashboard

Theme	Indicator	October 2022	November 2022	December 2022	January 2023	February 2023	March 2023	April 2023	May 2023	June 2023	July 2023	August 2023	September 2023	October 2023	Trend	Relative to Peer Group ¹	Commentary
Business	Regional Business Activity Index ² (monthly update)	49.6	48.8	48.9	49.0	53.0	52.7	52.8	54.2	52.6	51.3	50.0	49.3	50.7		WM: 2 nd Highest Region UK: 48.7 London: 53.8 (1 st) North East: 43.5 (12 th)	The West Midlands Business Activity Index increased from 49.3 in September 2023 to 50.7 in October 2023. The renewed increase in output was linked to new product releases and demand resilience.
	Regional Future Business Activity Index ³ (monthly update)	60.7	64.7	65.3	76.5	78.4	78.0	76.5	78.5	74.4	76.8	78.5	78.4	73.8		WM: Highest Region South East: 71.9 (2 nd) Northern Ireland: 55.3 (12 th)	The West Midlands Future Business Activity Index decreased from 78.4 in September 2023 to 73.8 in October 2023, but was still the most optimistic region for the fourth consecutive month. Optimism remained in firms due to the expectations of demand conditions to improve and support business activity, along with expansion plans, new clients, product diversification and planned investment.
	National Business Investment ⁴ (update due 22 nd Dec 2023, provisional)			£57.5bn (Q4)			£59.8bn (Q1)				£62.2bn (Q2)			£59.6bn (Q3)		N/A	UK business investment fell 4.2% in Quarter 3 (July to Sept) 2023 to £59.6bn, but is still 2.8% above where it was the same quarter a year ago.

The Dashboard has been updated to reflect the WMCA 7 Met. geography where available (due to data availability, FDI jobs and projects indicators have remained as WMCA 3 LEP geography). The dashboard has been RAG rated based on: Red indicating a decline in performance, Amber where they have been an improvement in performance and Green indicators an improvement above UK-wide (excluding the UK-wide indicator where they are either green or red depending on change each quarter and business activity and future business activity where amber shows a decline in performance but above the 50-growth mark and green indicators continually increases).

¹ Comparisons vary depending on geography; Birmingham has been compared to Bristol, Cardiff, Edinburgh, Glasgow, Leeds, Liverpool, Manchester and Newcastle. Due to data availability, the WM 7 Met. has been either compared to other combined authorities (following what is available Greater London Authority is not always included), (combined authorities are Greater Manchester CA (GMCA), Sheffield City Region, West Yorkshire CA, Liverpool City Region CA, Tees Valley CA, Cambridgeshire and Peterborough CA, West of England CA, North East CA and North of Tyne CA) or NUTS 2 / ITL 2 geography. The West Midlands region has been compared to other regions in the UK. No comparators have been included for UK-wide.

² NatWest, UK regional PMI report for October 2023 – released November 2023.

³ NatWest, UK regional PMI report for October 2023 – released November 2023.

⁴ Office for National Statistics (ONS), Business investment in the UK: July to September 2023 provisional results – released November 2023.



WMCA ECONOMIC DASHBOARD – NOVEMBER 2023

Theme	Indicator	October 2022	November 2022	December 2022	January 2023	February 2023	March 2023	April 2023	May 2023	June 2023	July 2023	August 2023	September 2023	October 2023	Trend	Relative to Peer Group ¹	Commentary
Business	WMCA (7 Met.) Enterprise Deaths ⁴ <small>(quarterly – update due Feb 2023)</small>			3,570 (Q4)			5,505 (Q1)			3,510 (Q2)			2,855 (Q3)			WMCA: 2 nd Highest CA GMCA: 2,960 (1 st) Tees Valley: 480 (10 th)	<p>In Q3 2023, there were 2,855 business deaths in the WMCA area. A decrease of 19.7% when compared to Q3 2022 (UK -13.6%).</p> <p>Quarter on quarter analysis (between Q3 2023 and Q2 2023) shows a 18.7% decrease in business deaths across the WMCA area (UK -17.7%).</p>
	WMCA (7 Met.) Enterprise Births ⁴ <small>(quarterly – update due Feb 2024)</small>			3,120 (Q4)			3,310 (Q1)			3,240 (Q2)			3,535 (Q3)			WMCA: 2 nd Highest CA GMCA: 3,635 (1 st) Tees Valley: 615 (10 th)	<p>In Q3 2023, there were 3,535 business births in the WMCA area. An increase of 9.1% when compared to Q3 2022 (UK +1.9%).</p> <p>Quarter on quarter analysis (between Q3 2023 and Q2 2023) shows a 7.0% increase in business births across the WMCA area (UK +14.9%).</p>

⁴ ONS, Business demography, quarterly experimental statistics, low-level geographic breakdown, UK – released October 2023 (RAG rating based on quarterly change).

⁴ ONS, Business demography, quarterly experimental statistics, low-level geographic breakdown, UK – released October 2023 (RAG rating based on quarterly change).



WMCA ECONOMIC DASHBOARD – NOVEMBER 2023

Annual Business Dashboard

Theme	Indicator	2017	2018	2019	2020	2021	2022	Trend	Relative to Peer Group	Commentary
Business	WMCA (7 Met.) High Growth Enterprises ⁷ (annual – update due Nov 2024)	430	455	415	380	340	345		WMCA: 3 rd Highest CA GMCA: 490 (1 st) Tees Valley: 70 (10 th)	The latest available data for the WMCA area shows that the number of high growth enterprises has increased after 3 consecutive years of declines. There was a total of 345 high growth enterprises in the WMCA area in 2022, an increase of 1.5%, the UK increased by 7.4% since 2021.
	WMCA (7 Met.) Enterprise Births ⁸ (annual – update due Nov 2024)	13,795	15,785	15,310	14,125	16,550	15,435		WMCA: 2 nd Highest CA GMCA: 16,070 (1 st) Tees Valley: 2,470 (10 th)	Enterprise births in the WMCA area decreased by 6.7% (-1,115) since 2021 to 15,435 in 2022. Over this period, the UK decreased by 7.4%.
	WMCA (7 Met.) Enterprise Deaths ⁹ (annual – update due Nov 2024)	13,735	13,670	12,080	13,830	13,365	14,700		WMCA: 2 nd Highest CA GMCA: 15,530 (1 st) Tees Valley: 2,690 (10 th)	Enterprise deaths in the WMCA area increased by 10.0% (+1,335) since 2021 to 14,700 in 2022. Over this period, the UK increased by 5.2%.
	WMCA (7 Met.) 3 Year Enterprise Survival Rates ¹⁰ (annual – update due Nov 2024)		52.8% (2015 birth)	43.4% (2016 birth)	47.7% (2017 birth)	46.9% (2018 birth)	50.4% (2019 birth)		WMCA: Lowest CA UK: 55.9% West of England: 59.2% (1 st) Liverpool City Region: 51.7% (9 th)	The WMCA area performs better on short-term survival (1 year enterprise survival rates are higher than the UK average), but lags behind when it comes to longer-term survival (2-5 years enterprise survival rates in the UK are higher). Of the 15,310 enterprise births in 2019 in the WMCA area, 50.4% (7,710) were still active after 3 years compared to 55.9% for the UK.
	WM 7 Met. Innovation Active Businesses ¹¹ (Biennial – update due May 2024)		36.0% (2016-18)		45.0% (2018-20)				WM 7 Met.: Joint 17 th (with Kent and Northumberland & Tyne & Wear) / 40 UK: 44.9% Inner London-East: 58.9% (1 st) Highlands and Islands: 38.9% (40 th)	Prior to 2016-18, the WM 7 Met. area had more "innovation active" businesses than UK-wide proportions. There was a notable drop in 2016-18 which reflected national trends and the WM 7 Met. figure dropped below the UK (36.8% vs 37.6%). The latest available data shows the WM 7 Met. area has rebounded and was narrowly back above the UK-wide figure (45.0% vs 44.9%).

⁷ ONS, Business Demography, UK 2022 – released November 2023

⁸ ONS, Business Demography, UK 2022 – released November 2023

⁹ ONS, Business Demography, UK 2022 – released November 2023

¹⁰ ONS, Business Demography, UK 2022 – released November 2023

¹¹ Department for Business, Energy & Industrial Strategy, UK Innovation Survey 2021 – released May 2022



WMCA ECONOMIC DASHBOARD – NOVEMBER 2023

Quarterly Place Dashboard

Theme	Indicator	September 2022	October 2022	November 2022	December 2022	January 2023	February 2023	March 2023	April 2023	May 2023	June 2023	July 2023	August 2023	September 2023	Trend	Relative to Peer Group	Commentary																									
Place	Birmingham City Centre Rent ¹² (Quarterly – update due Jan/Feb 2024)	£40.00 Per Sq ft (Q3)			£40.00 Per Sq ft (Q4)			£40.00 Per Sq ft (Q1)			£41.00 Per Sq ft (Q2)			£41.00 Per Sq ft (Q3)	<table border="1"> <thead> <tr> <th>2019</th> <th>2020</th> <th>2021</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>£33.00 Q1</td> <td>£34.50 Q1</td> <td>£37.00 Q1</td> <td>£39.00 Q1</td> <td>£40.00 Q1</td> </tr> <tr> <td>£34.00 Q2</td> <td>£37.00 Q2</td> <td>£37.00 Q2</td> <td>£39.00 Q2</td> <td>£41.00 Q2</td> </tr> <tr> <td>£34.00 Q3</td> <td>£37.00 Q3</td> <td>£37.50 Q3</td> <td>£40.00 Q3</td> <td>£41.00 Q3</td> </tr> <tr> <td>£34.50 Q4</td> <td>£37.00 Q4</td> <td>£37.50 Q4</td> <td>£40.00 Q4</td> <td></td> </tr> </tbody> </table>	2019	2020	2021	2022	2023	£33.00 Q1	£34.50 Q1	£37.00 Q1	£39.00 Q1	£40.00 Q1	£34.00 Q2	£37.00 Q2	£37.00 Q2	£39.00 Q2	£41.00 Q2	£34.00 Q3	£37.00 Q3	£37.50 Q3	£40.00 Q3	£41.00 Q3	£34.50 Q4	£37.00 Q4	£37.50 Q4	£40.00 Q4		Birmingham: 4 th Highest / 9 Manchester: £43.00 (1 st) Cardiff: £25.00 (9 th)	The city's prime rent remains at £41.00 per sq. ft, on the quarter but up 2.5% on last year.
	2019	2020	2021	2022	2023																																					
£33.00 Q1	£34.50 Q1	£37.00 Q1	£39.00 Q1	£40.00 Q1																																						
£34.00 Q2	£37.00 Q2	£37.00 Q2	£39.00 Q2	£41.00 Q2																																						
£34.00 Q3	£37.00 Q3	£37.50 Q3	£40.00 Q3	£41.00 Q3																																						
£34.50 Q4	£37.00 Q4	£37.50 Q4	£40.00 Q4																																							
	WMCA (7 Met.) Gigabit broadband Connectivity ¹³ (tri-annual – update due Dec 2023)	88.7% (As of Sep 2022)			90.1% premises (As of Jan 2023)					90.6% premises (As of May 2023)					WMCA: Highest CA UK: 73.6% Tees Valley: 90.5% (2 nd) North East: 68.3% (10 th)	As of May 2023, 90.6% of premises in the WMCA area had gigabit broadband availability - significantly above the UK-wide figure of 73.6%.																										

¹² Avison Young, The Big Nine – created November 2023.

¹³ Ofcom, connected nations – released September 2023 (RAG rating based on quarterly change).



WMCA ECONOMIC DASHBOARD – NOVEMBER 2023

Quarterly Economy Dashboard

Theme	Indicator	June 2022	July 2022	August 2022	September 2022	October 2022	November 2022	December 2022	January 2023	February 2023	March 2023	April 2023	May 2023	June 2023	Trend	Relative to Peer Group	Commentary
Economy	Regional Exports in Goods ¹⁴ (quarterly – update due: Dec 2023)	£26.5bn (Year to Q2 2022)			£28.0bn (Year to Q3 2022)			£29.9bn (Full Year 2022)			£31.6bn (Year to Q1 2023)			£33.4bn (Year to Q2 2023)		WM – 5 th Highest Region South East: 11.7% (1 st) Northern Ireland: 2.7% (12 th)	<p>Since the year ending Q2 2022, the West Midlands region's total value in goods exports increased by £6.9bn (+26.1%) to £33.4bn in the year ending Q2 2023 – the highest increase reported across all UK regions. The overall value of UK trade in goods exports increased at a slower rate, by 12.2% (to £379.8bn) in the year ending Q2 2023.</p> <p>The West Midlands had a trade deficit of £9.1bn in the year ending Q2 2023.</p>
	Regional Imports in Goods ¹⁵ (quarterly – update due: Dec 2023)	£39.3bn (Year to Q2 2022)			£40.9bn (Year to Q3 2022)			£42.6bn (Full Year 2022)			£42.7bn (Year to Q1 2023)			£42.5bn (Year to Q2 2023)		WM – 6 th Highest Region South East: 18.1% (1 st) Northern Ireland: 1.6% (12 th)	<p>Since the year ending Q2 2022, the value of West Midlands region imports increased by £3.2bn (+8.1%) to £42.5bn in the year ending Q2 2023. UK-wide total imports increased by 12.2% to £627.8bn.</p>

¹⁴ HMRC, UK regional trade in goods statistics – released September 2023. Data is not comparable across the dashboard; the RAG rating is comparing the same period to the previous year.

¹⁵ HMRC, UK regional trade in goods statistics – released September 2023. Data is not comparable across the dashboard; the RAG on this occasion has not been applied.



WMCA ECONOMIC DASHBOARD – NOVEMBER 2023

Annual Economy Dashboard

Theme	Indicator	2017	2018	2019	2020	2021	2022	2023	Trend	Relative to Peer Group	Commentary
Economy	WMCA (3 LEP) FDI Projects ¹⁴ (annual – update due Jun/Jul 2024)	114 (2016/17)	140 (2017/18)	131 (2018/19)	130 (2019/20)	118 (2020/21)	132 (2021/22)	160 (2022/23)			In total there has been 1,446 FDI projects from 2011/12 to 2022/23 in the WMCA (3 LEP) area. Data shows for 2022/23 there were 160 FDI projects to the WMCA (3 LEP) area, an increase of 21.2% (+28) compared to an increase of 4.1% for the UK since 2021/22. Black Country LEP total FDI projects decreased by 32.0% (-8) since 2021-22 to 17 in 2022-23. Coventry & Warwickshire LEP increased by 24.4% (+11) to 56 and Greater Birmingham & Solihull LEP increased by 40.3% (+25) to 87.
	WMCA (3 LEP) FDI New Jobs ¹⁵ (annual – update due Jun/Jul 2024)	5,149 (2016/17)	7,933 (2017/18)	4,666 (2018/19)	3,558 (2019/20)	4,183 (2020/21)	4,176 (2021/22)	7,605 (2022/23)			In total there has been 70,072 new jobs created from FDI projects from 2011/12 to 2022/23 in the WMCA (3 LEP) area. Data shows for 2022/23 there were 7,605 new jobs in the WMCA (3 LEP) area, an increase of 82.1% (+3,429) compared to a decrease of 6.1% for the UK since 2021/22. Black Country LEP new jobs from FDI projects increased by 9.5% (+55) since 2021-22 to 634 in 2022-23. Coventry & Warwickshire LEP increased by 108.3% (+1,661) to 3,195 and Greater Birmingham & Solihull LEP increased by 83.0% (+1,713) to 3,776.
	WMCA (7 Met.) GVA per Hour ¹⁶ (Annual – TBC update due Jun 2024)	£30.96	£31.85	£32.69	£33.55	£34.05				WMCA: 5 th Highest CA / 11 UK: £38.33 Greater London Authority: £51.08 (1 st) South Yorkshire Mayoral CA: £30.04 (11 th)	In 2021, GVA per hour in the WMCA area was £34.05. Since 2020, the WMCA area increased by 1.5% (+£0.50), which matched the UK growth rate. When compared to 2019, GVA per hour in the WMCA area increased by 4.2% (+£1.36) while the UK increased by 4.5% (+£1.64). In 2021, UK GVA per hour was £38.33 meaning the WMCA area had a shortfall of £4.28.
	WMCA (7 Met.) Total GVA – Chained Volume Measures in 2019 Money Value ¹⁷ (Annual – update due Mar 2024)	£69.9bn	£71.0bn	£70.0bn	£61.8bn	£66.6bn				WMCA: 3 rd Highest CA / 11 Greater London Authority: £460.1bn (1 st) Tees Valley CA: £13.4bn (11 th)	In 2021, total GVA for the WMCA area was £66.6bn. An increase of 7.8% (+£4.8bn), which matched the UK growth rate. The latest annual change follows two years of declines in the WMCA (2018/19: -1.4%, UK +1.7% and 2019/20: -11.7%, UK -10.6%).

¹⁴ Department for Business and Trade (DBT), inward investment results – released July 2023.
¹⁵ DBT, inward investment results – released July 2023.
¹⁶ ONS, subregional productivity in the UK – released June 2023.
¹⁷ ONS, Regional economic activity by gross domestic product, UK: 1998 to 2021 – released April 2023.



WMCA ECONOMIC DASHBOARD – NOVEMBER 2023

Theme	Indicator	2017	2018	2019	2020	2021	2022	2023	Trend	Relative to Peer Group	Commentary
Economy	WMCA (7 Met.) Exports in Services ²⁰ (Annual – update due TBC 2024)	£7.1bn	£7.9bn	£8.2bn	£7.4bn	£7.3bn				WM 7 Met.: 11 th Highest ITL 2 / 31 Inner London - West: £96.5bn (1 st) Cornwall & Isles of Scilly: £562m (36 th)	Since the year ending 2020, the WMCA's total value in service exports decreased by £123m (-1.7%) to £7.3bn in 2021. The overall value of UK trade in service exports increased, by 6.8% (to £330.7bn) in 2021. The WMCA had a trade surplus of £3.6bn in 2021.
	WMCA (7 Met.) Imports in Services ²¹ (Annual – update due TBC 2024)	£3.2bn	£3.8bn	£4.1bn	£4.0bn	£3.6bn				WM 7 Met.: 13 th Highest ITL 2 / 41 Inner London - West: £38.1bn (1 st) Cornwall & Isles of Scilly: £170m (36 th)	Since 2020, the value of WMCA imports decreased by £408m (-10.2%) to £3.6bn in 2021. UK-wide total imports increased by 12.5% to £189.6bn.

²⁰ ONS, International trade in UK nations, regions and cities: 2021 – released June 2023.

²¹ ONS, International trade in UK nations, regions and cities: 2021 – released June 2023.



WMCA ECONOMIC DASHBOARD – NOVEMBER 2023

Monthly People Dashboard

Theme	Indicator	October 2022	November 2022	December 2022	January 2023	February 2023	March 2023	April 2023	May 2023	June 2023	July 2023	August 2023	September 2023	October 2023	Trend	Relative to Peer Group	Commentary
People	WMCA (7 Met.) Claimants (16+) ²² (monthly update)	118,890 (6.5% of Pop. aged 16-64)	120,155 (6.5% of Pop. aged 16-64)	120,795 (6.6% of Pop. aged 16-64)	119,470 (6.5% of Pop. aged 16-64)	120,960 (6.6% of Pop. aged 16-64)	123,900 (6.7% of Pop. aged 16-64)	127,325 (6.9% of Pop. aged 16-64)	124,230 (6.7% of Pop. aged 16-64)	124,225 (6.7% of Pop. aged 16-64)	124,505 (6.8% of Pop. aged 16-64)	123,075 (6.7% of Pop. aged 16-64)	123,025 (6.7% of Pop. aged 16-64)	123,990 (6.7% of Pop. aged 16-64)		WMCA: Highest CA UK: 3.7% GMCA: 4.9% (2 nd) West of England: 2.6% (10 th)	There were 123,990 claimants in the WMCA area in October 2023. Since September 2023, there has been an increase of 0.8% (+965) claimants in the WMCA, the UK increased by 1.1% when compared to October 2022, the WMCA increased by 4.3% (+5,100) while the UK increased by 3.4%.
	WMCA (7 Met.) Youth Claimants (18-24) ²³ (monthly update)	21,270 (7.5% of Pop. aged 18-24)	21,615 (7.6% of Pop. aged 18-24)	21,770 (7.7% of Pop. aged 18-24)	21,490 (7.6% of Pop. aged 18-24)	22,150 (7.8% of Pop. aged 18-24)	22,725 (8.0% of Pop. aged 18-24)	22,945 (8.1% of Pop. aged 18-24)	22,735 (8.0% of Pop. aged 18-24)	22,855 (8.0% of Pop. aged 18-24)	23,150 (8.2% of Pop. aged 18-24)	23,325 (8.2% of Pop. aged 18-24)	23,580 (8.3% of Pop. aged 18-24)	23,880 (8.4% of Pop. aged 18-24)		WMCA: Highest CA UK: 4.9% Tees Valley: 8.2% (2 nd) West of England: 2.5% (10 th)	In October 2023, there were 23,880 youth claimants in the WMCA area. Since September 2023, there was an increase of 1.3% (+300) youth claimants in the WMCA area, the UK increased by 1.8%. When compared to October 2022, the WMCA increased by 12.3% (+300) while the UK increased by 8.4%.
	WM 7 Met. Payrolled Employees ²⁴ (monthly update)	1,223,969	1,235,916	1,234,329	1,222,969	1,223,253	1,224,608	1,227,648	1,234,409	1,241,172	1,242,031	1,236,102	1,241,955	1,245,492		WM 7 Met.: 3 rd Highest NUTS 2 / 41 Surrey, East & West Sussex: 1,309,430 (1 st) Highlands & Islands: 207,151 (41 st)	The latest (provisional) figures show that there was a rise in payrolled employees for the WM 7 Met. area (+0.3% vs +0.04% UK). There were nearly 1.25m payrolled employees in the WM 7 Met. area in October 2023. When compared to October 2022 payrolled employees were 1.8% higher (+21,523 in the WM 7 Met. area – above the UK growth of 1.3%).
	WMCA (7 Met.) Employment Rate ²⁵ (quarterly – update due Jan 2024)			69.2% (Full Year 2022)				68.6% (Year Ending Mar 2023)			69.8% (Year Ending Jun 2023)					WMCA: Lowest CA UK: 75.5% Cambridgeshire & Peterborough: 78.7% (1 st) North of Tyne: 70.2% (9 th)	In the year ending June 2023, the employment rate in the WMCA area was 69.8%, compared to 75.5% UK-wide. The WMCA area increased by 0.5pp and the UK increased by 0.1pp when compared to the year ending June 2022. For the WMCA area to reach the UK rate of 75.5%, an additional 105,761 people are required to be employed.

²² ONS/DWP, claimant count – released November 2023.

²³ ONS/DWP, claimant count – released November 2023.

²⁴ ONS, Earnings and employment from Pay As You Earn Real Time Information – released November 2023.

²⁵ ONS, Annual Population Survey – released October 2023. Please note, figures are not comparable across the dashboard.



WMCA ECONOMIC DASHBOARD – NOVEMBER 2023

Theme	Indicator	October 2022	November 2022	December 2022	January 2023	February 2023	March 2023	April 2023	May 2023	June 2023	July 2023	August 2023	September 2023	October 2023	Trend	Relative to Peer Group	Commentary
People	WMCA (7 Met.) Economic Inactivity Rate ¹⁶ <small>(quarterly – update due Jan 2024)</small>			26.1% <small>(Full Year 2022)</small>			26.5% <small>(Year Ending Mar 2023)</small>			25.2% <small>(Year Ending Jun 2023)</small>						WMCA: 3 rd Highest CA UK: 21.5% North of Tyne: 26.9% (1 st) Cambridgeshire & Peterborough and West of England: 18.2% (10 th)	In the year ending June 2023, the economic inactivity rate in the WMCA area was 25.2%, a decrease of 0.7pp from the year ending June 2022. Over the same period the UK decreased by 0.1pp to 21.5%. The WMCA area had a higher percentage of people that were inactive when compared to the UK in three categories; students (29.0% vs 26.7%), looking after the family/home (26.1% vs 19.5%) and discouraged (0.6% vs 0.3%) and matched for temporary sick (2.3%).
	WMCA (7 Met.) Modelled Unemployment ¹⁷ <small>(quarterly – update due Jan 2024)</small>			6.2% <small>(Full Year 2022)</small>			6.6% <small>(Year Ending Mar 2023)</small>			6.6% <small>(Year Ending Jun 2023)</small>						WMCA: Highest CA England: 3.8% North East: 4.5% (2 nd) West of England: 3.6% (10 th)	In the year ending June 2023, the modelled unemployment rate in the WMCA area was 6.6%, compared to 3.8% for England-wide. The modelled unemployment rate for the WMCA area increased by 0.2pp when compared to the year ending June 2022. England's modelled unemployment rate decreased by 0.1pp.
	WMCA (7 Met.) Economic Activity Rate ¹⁸ <small>(quarterly – update due Jan 2024)</small>			73.9% <small>(Full Year 2022)</small>			73.5% <small>(Year Ending Mar 2023)</small>			74.8% <small>(Year Ending Jun 2023)</small>						WMCA: 3 rd Lowest CA UK: 78.5% Cambridgeshire & Peterborough: 81.8% (1 st) North of Tyne: 73.1% (10 th)	In the year ending June 2023, the economic activity rate in the WMCA area was 74.8%, compared to 78.5% UK-wide. The economic activity rate for the WMCA area increased by 0.7pp and for the UK, increased by 0.1pp when compared to the year ending June 2022. For the WMCA area to reach the UK rate of 78.3%, an additional 67,816 people are required.
	WMCA (7 Met.) Unique Job Postings ¹⁹ <small>(monthly update)</small>	95,762	97,636	94,432	94,412	101,889	114,041	110,579	124,571	125,028	117,603	95,013	84,975	122,007		WMCA: 2 nd Highest CA GMCA: 126,358 (1 st) Tees Valley: 16,834 (10 th)	There were 122,007 unique active jobs postings in October 2023. This has increased by 37,032 since September 2023. When compared to October 2022, unique job postings increased by 26,245.

¹⁶ ONS, Annual Population Survey – released October 2023. Please note, figures are not comparable across the dashboard.
¹⁷ ONS, modelled based estimates of unemployment – released October 2023. Please note, figures are not comparable across the dashboard.
¹⁸ ONS, Annual Population Survey – released October 2023. Please note, figures are not comparable across the dashboard.
¹⁹ Lightcast – accessed November 2023.



WMCA ECONOMIC DASHBOARD – NOVEMBER 2023

Annual People Dashboard

Theme	Indicator	2017	2018	2019	2020	2021	2022	2023	Trend	Relative to Peer Group	Commentary	
People	WMCA (7 Met.) Not In Education, Employment or Training (NEET) ⁴⁰ (annual – update due Jul 2024)		7.1%	6.7%	5.8%	6.0%	5.2%	4.8%		England: 5.2%	In 2023, in the WMCA area, 4.8% of residents aged 16-17 years old were NEET (including not known). This has decreased by 0.4pp in the WMCA area, while for the UK there was an increase of 0.5pp since 2022.	
	WMCA (7 Met.) Working Age Population with No Qualifications ⁴¹ (annual – update due Apr 2024)						10.6%			WMCA: Highest CA UK: 7.0% West Yorkshire: 9.5% (2 nd) West of England: 5.4% (10 th)	In 2022, in the WMCA area, 10.6% (184,000) of the working age population had no qualifications, this was above the UK-wide average of 7.0%. To match the UK proportion, 62,465 residents in the WMCA area would need to gain a qualification.	
	WMCA (7 Met.) Working Age Population with RQF4+ Qualifications ⁴² (annual – update due Apr 2024)							37.8%			WMCA: 3 rd Lowest CA UK: 45.5% West of England: 54.5% (1 st) Tees Valley: 33.1% (10 th)	In 2022, in the WMCA area, 37.8% (656,400) of the working age population had RQF4+ qualifications. This was below the UK-wide average of 45.5%, meaning there was a shortfall in the WMCA area of 134,215 people.
	WMCA (7 Met.) Average Life Satisfaction Score ⁴³ (annual – update due 2024)	7.54 (Year Ending Mar 2017)	7.51 (Year Ending Mar 2018)	7.56 (Year Ending Mar 2019)	7.56 (Year Ending Mar 2020)	7.38 (Year Ending Mar 2021)	7.44 (Year Ending Mar 2022)	7.38 (Year Ending Mar 2023)		WMCA: Joint 4 th Highest CA (with Sheffield City Region) UK: 7.45 North of Tyne: 7.56 (1 st) Liverpool City Region: 7.30 (10 th)	For the year ending March 2023, the average life satisfaction score for the WMCA area was 7.38 (out of 10), below the UK-wide average of 7.45. Since the year ending March 2022, there was a decrease of 0.07 for the WMCA area compared to a decrease 0.09 UK-wide.	

⁴⁰ Department for Education, Participation in education, training and NEET age 16 to 17 by local authority – released July 2023. Participation estimates are based on data collected in March each year. In order to ensure the most robust estimates of NEET and not known rates an average of December/January/February data is used for an estimate around the end of the calendar year.

⁴¹ ONS, Annual Population Survey – released August 2023. Please note, National Vocational Qualifications (NVQ) estimates have been replaced with estimates on a Regulated Qualifications Framework (RQF) basis. RQF based estimates are available for the Jan - Dec 2022 survey period, while estimates prior to Jan - Dec 2022 remain on an NVQ basis. Due to this change, trend analysis has been excluded.

⁴² ONS, Annual Population Survey – released August 2023. Please note, National Vocational Qualifications (NVQ) estimates have been replaced with estimates on a Regulated Qualifications Framework (RQF) basis. RQF based estimates are available for the Jan - Dec 2022 survey period, while estimates prior to Jan - Dec 2022 remain on an NVQ basis. Due to this change, trend analysis has been excluded.

⁴³ ONS, Annual personal well-being estimates – released November 2023. Respondents were asked "Overall, how satisfied are you with your life nowadays? Where 0 is 'not at all satisfied' and 10 is 'completely satisfied'"



WMCA ECONOMIC DASHBOARD – NOVEMBER 2023

Theme	Indicator	2017	2018	2019	2020	2021	2022	2023	Trend	Relative to Peer Group	Commentary
People	WMCA (7 Met.) Average Worthwhile Score ³⁴ (annual – update due 2024)	7.71 (Year Ending Mar 2017)	7.71 (Year Ending Mar 2018)	7.71 (Year Ending Mar 2019)	7.70 (Year Ending Mar 2020)	7.70 (Year Ending Mar 2021)	7.71 (Year Ending Mar 2022)	7.73 (Year Ending Mar 2023)		WMCA: 3 rd Highest CA UK: 7.73 North of Tyne: 7.75 (1 st) West of England: 7.61 (10 th)	For the year ending March 2023, the average worthwhile score for the WMCA area was 7.73 (out of 10), now matching the UK-wide average. Since the year ending March 2022, there was an increase of 0.03 for the WMCA area compared to a decrease 0.04 UK-wide.
	WMCA (7 Met.) Average Happiness Score ³⁵ (annual – update due 2024)	7.37 (Year Ending Mar 2017)	7.39 (Year Ending Mar 2018)	7.40 (Year Ending Mar 2019)	7.35 (Year Ending Mar 2020)	7.24 (Year Ending Mar 2021)	7.38 (Year Ending Mar 2022)	7.43 (Year Ending Mar 2023)		WMCA: 2 nd Highest CA UK: 7.39 North of Tyne: 7.44 (1 st) West Yorkshire: 7.20 (10 th)	For the year ending March 2023, the average happiness score for the WMCA area was 7.43 (out of 10), above the UK-wide average of 7.39. Since the year ending March 2022, there was an increase of 0.05 for the WMCA area compared to a decrease 0.06 UK-wide.
	WMCA (7 Met.) Average Anxiety Score ³⁶ (annual – update due 2024)	2.81 (Year Ending Mar 2017)	2.71 (Year Ending Mar 2018)	2.74 (Year Ending Mar 2019)	2.89 (Year Ending Mar 2020)	3.30 (Year Ending Mar 2021)	3.12 (Year Ending Mar 2022)	3.15 (Year Ending Mar 2023)		WMCA: 3 rd Lowest CA UK: 3.23 Greater Manchester: 3.40 (1 st) North of Tyne: 3.03 (10 th)	For the year ending March 2023, the average anxiety score for the WMCA area was 3.15 (out of 10), below the UK average. Since the year ending March 2022, there was an increase of 0.03 for the WMCA area compared to an increase 0.11 UK-wide.
	WMCA (7 Met.) Living Wage Foundation Rates (All) ³⁷ (annual – update TBC Nov 2023)	23.7%	23.5%	20.8%	20.1%	19.0%	12.6%			WMCA: 4 th Lowest CA UK: 12.2% Tees Valley: 17.7% (1 st) Cambridgeshire & Peterborough: 6.8% (10 th)	In 2022, approximately 12.6% of all jobs were earning below the Living Wage Foundation rates in the WMCA area. Since 2021, the proportion fell at a quicker rate for the WMCA than nationally (-6.4pp compared to -4.9pp) but remains slightly above the UK average (12.2%).

³⁴ ONS, Annual personal well-being estimates – released November 2023. Respondents were asked "Overall, to what extent do you feel the things you do in your life are worthwhile? Where 0 is 'not at all worthwhile' and 10 is 'completely worthwhile'".

³⁵ ONS, Annual personal well-being estimates – released November 2023. Respondents were asked "Overall, how happy did you feel yesterday? Where 0 is 'not at all happy' and 10 is 'completely happy'".

³⁶ ONS, Annual personal well-being estimates – released November 2023. Respondents were asked "Overall, how anxious did you feel yesterday? Where 0 is 'not at all anxious' and 10 is 'completely anxious'".

³⁷ ONS, Number and proportion of employee jobs with hourly pay below the living wage – released October 2022. Please note at the start of November only regional data was released.

3.2 EIU Review of Key Sectoral Headlines, Regional Economic Shocks, Investment, Deals, and Opportunities

HEADLINES	
SECTOR	KEY INSIGHTS
Manufacturing and Engineering	<p>Manufacturers reported that output volumes fell in the three months to November, disappointing expectations for expansion, according to the CBI's latest Industrial Trends Survey. A more subdued outlook for production comes as order books fell to their weakest level since the second COVID-19 lockdown in early 2021. Both total and export order books were reported as below normal in November, to the greatest extent since January and February 2021 respectively.</p> <p>There is likely to be regional differences in performance, with West Midlands manufacturing still relatively robust, in part due to the strong recovery in automotive: UK car manufacturing output went up 31.6% in October with 91,521 units rolling out of factories. Also in the last yearly period, manufacturing jobs increased according to ONS' Business Register and Employment Survey (BRES).</p> <p>Furthermore, industry has generally welcomed recent announcements by government to support the sector; for example through its new Advanced Manufacturing Plan (including announcements for aerospace, automotive, life sciences and green industries) and Battery Strategy but also directly through the full expensing and skills / apprenticeships policies announced in the Autumn Statement.</p>
Construction	<p>Monthly construction output in the UK is estimated to have increased 0.4% in volume terms in September 2023. This follows two consecutive falls in monthly construction output. While quarterly output increased 0.1%, coming solely from growth in September.</p> <p>This came from an increase in repair and maintenance (2.1%), partially offset by a decrease in new work (0.8% fall) on the month.</p> <p>Total construction new orders increased 3.9% (£393 million) in Quarter 3 2023 compared with Quarter 2 2023; this quarterly rise came mainly from public other new orders and infrastructure new orders, which increased 23.7% (£265 million) and 14.3% (204 million), respectively.</p>
Retail, Hospitality and Tourism	<p>Official data on UK retail sales shows that they fell to a two-year low in October 2023. The volume of products sold fell by 0.3% to the lowest level since February 2021 when large parts of the UK were in Covid lockdowns. Complementing this, retail sales volumes fell year-on-year in November for the seventh consecutive month, according to the latest quarterly CBI Distributive Trades Survey. Despite a slight uptick in sentiment, firms expect sales to decline again in December.</p> <p>Retail sales volumes fell in the year to November, but at a slower pace than last month (weighted balance of -11% from -36% in the year to October). Retailers expect an even slower decline in volumes next month (-6%).</p> <p>Retailers also reported a reduction in headcount in the year to November, while investment is set to decline in the year ahead. Price pressures in the sector are expected to remain acute.</p>

HEADLINES	
SECTOR	KEY INSIGHTS
	<p>There were mixed feelings from retail and hospitality related to the Autumn Statement; while on one hand the business rates relief extension is welcomed, The British Retail Consortium have claimed the Statement is a “sell out” that risks forcing up the pace of price rises in shops again.</p> <p>Positively, UK shop inflation eased to the lowest rate in more than a year in November as competition increased in the run-up to Christmas and food cost growth continued to fall, according to industry data.</p> <p>There is ongoing concern in the hospitality sector regarding the lack of available staff. This is leading a number of venues to review opening times. Reported by a local business support organisation, one late night bar which requires 25 people to operate, is considering shutting on a Friday night due to lack of staff.</p>

NEW ECONOMIC SHOCKS			
COMPANY	LOCATION	SECTOR	DETAIL
Colmore Tang Construction	Birmingham	Construction	Birmingham-based Colmore Tang Construction has entered voluntary liquidation. The firm, which was facing a winding up petition from HMRC, has appointed insolvency firm RP Pendle to wind the company down.

NEW INVESTMENT, DEALS AND OPPORTUNITIES			
COMPANY	LOCATION	SECTOR	DETAIL
University of Warwick	Coventry	Universities	The University of Warwick has secured a £12m grant from the Faraday Battery Challenge to enhance its production of essential materials for electric car batteries. This funding will support the creation of the advanced materials battery industrialisation centre (AMBIC) by the High Value Manufacturing Catapult at Warwick Manufacturing Group and CPI at Netpark in County Durham.
Octopus Energy	Coventry	Energy	Energy supplier Octopus Energy is set to open an office in Coventry at Two Friargate in the city centre. The deal with Coventry City Council involves Octopus occupying more than 10,000 sq ft of space on one floor of the building. This move includes relocating 150 staff from the company's Leamington office, with the occupation of Two Friargate expected by February 2024.
Clarion Housing / Latimer	Birmingham	Development	Clarion Housing's development division is seeking proposals for a £100m project focused on high-rise residences in Digbeth, Birmingham. Housing group Latimer aims to construct 480 apartments in a mixed-use development spanning 33 and 9 floors, situated between Clyde Street and the High Street.

NEW INVESTMENT, DEALS AND OPPORTUNITIES			
COMPANY	LOCATION	SECTOR	DETAIL
Aurrigo International	Coventry	Autonomous Vehicles	Aurrigo International, the Coventry-based company makes autonomous vehicles, has signed a deal with the Digital Testbed Cargo Project Consortium (DTAC) to deploy the company's Auto-DollyTug at Stuttgart Airport for autonomous cargo transport trials from the terminal to the deck of an aircraft.
Mailbox Birmingham	Birmingham	Property	The Mailbox is set to be put on the market following a challenging period where dividends were suspended and its value dropped. Comprising 1.07m sq ft of space, the Birmingham landmark building owned by Mailbox REIT is looking for bids in excess of £120m.
Hoodrich	Birmingham	Fashion	Birmingham-born streetwear brand HOODRICH has been acquired by a major brand management consultancy Iconix International, following a meteoric rise. Founded by Jay Williams in 2014, Williams sold his first thirty t-shirts from the boot of his car and worked independently for three years, before attracting attention from Foot Asylum.
Mills & Reeve	Birmingham	Law	Mills & Reeve has announced it will be taking the fourth and half of the fifth floor of One Centenary Way, at landmark development Paradise. The law firm will take 32,000 sq ft next summer, moving more than 300 staff from its current Colmore Row office, where it has spent the last 18 years.
Bourn	Coventry	Office Space	Bourn, one of Coventry's recently renovated office buildings known for its sustainability, has contributed to the creation of more than 75 new jobs. The 90,000 sq ft building has recently undergone a £9m refurbishment led by Solihull-based IM Properties and attracted tenant Corona Energy.
Rem3dy Health	Birmingham	Health / med-tech	Fast-growing health brand Rem3dy Health has announced its expansion into Europe after heritage pharmaceutical enterprise UPSA acquired a stake in the business.
Coventry University	Coventry	Engineering	Coventry University's Institute for Advanced Manufacturing and Engineering (AME), the UK's first 'Faculty on the Factory Floor,' has revealed a £6m expansion aimed at advancing the industry towards a clean, sustainable, and digital future.
Alloy Wire International	Brierley Hill	Manufacturing	A Black Country manufacturer of round, flat and profile wire said it is on track for a record year less than 12 months since its management buyout (MBO). Sales have jumped by £3m at Alloy Wire International since the deal was completed in January, taking turnover to £18m with the prospect of it breaking £20m in 2024.
Guest Motor Group	Wolverhampton	Engineering	Guest Motor Group has opened its latest development, a 28,000 sq ft facility in Bushbury, Wolverhampton. Guest Truck and Van represents a £4 million investment that has transformed a once abandoned site.

NEW INVESTMENT, DEALS AND OPPORTUNITIES			
COMPANY	LOCATION	SECTOR	DETAIL
Robert Irving Burns	Wolverhampton	Property	The landmark Beatties store site in Wolverhampton city centre has gone on the market for £7.5 million. The iconic former Beatties department store in Victoria Street, is set in a designated regeneration zone. The site is 376,636 sq ft and includes a multi-storey car park. It has existing planning permission for more than 400 residential units.
DX	Willenhall / Tipton	Logistics / Transport	Deliveries group DX, which has sites in Willenhall and Tipton, is being taken over by a private equity investment firm. The board of DX has agreed to the acquisition by a subsidiary of funds advised or managed by HIG Capital of the entire share capital.
Jhoots Pharmacy	Walsall	Pharmacies	Walsall health business Jhoots Pharmacy has bought 36 community pharmacies with support from HSBC UK. The deal is expected to protect 212 jobs and create up to 130 new roles across the UK.
Rotala / Diamond Bus	Tividale (Sandwell)	Transport	The deadline for an offer to be received to buy bus group Rotala, which operates Diamond Bus in the West Midlands, has been extended. A trio of directors of Tividale-based Rotala now have until 5pm on December 12 to announce a firm intention to make an offer.

3.3 WMREDI Modern and Low Carbon Cluster Deep Dive

Summary

There is little comprehensive information on Modern and Low Carbon clusters. This is because they are difficult to identify. The majority of businesses operating in the modern and low carbon sector are likely conducting this work secondary to their main business. For example, an automotive manufacturer will likely be producing high emission vehicles as their main source of income however, they may also produce low emission vehicles. This is difficult to pick out in available data due to the binary nature of how businesses are categorised within the available data.

Whilst some research has been conducted in to modern and low carbon clusters in the region, it is brief and at a high level. There is little in-depth knowledge on the sector. Policy makers will need to conduct in depth research into activities in this area to get a full understanding of the clustering of sector businesses within the region. The literature available, though, does highlight some key opportunities and challenges:

Opportunities

Low Carbon and Electric Vehicles will be strong sub-sector in the low carbon economy within the West Midlands as we transition away from combustion engine vehicles. The West Midlands has a strong automotive manufacturing industry, with supporting supply chains, a skilled workforce and is geographically well placed. This makes the region attractive to low emission vehicle manufacturers. The sector is currently the largest low carbon sub-sector. To further grow this sector businesses will have to be encouraged to stay within the region or supported to expand. Without support for the region businesses may move elsewhere in the UK, most likely to the North West or South East based on future projections.

Heat pumps within the low carbon heat industry is expected to become one of the biggest sectors within the Modern and Low Carbon sector by 2050. This is likely as a result of the strong history of manufacturing within the region, as well as the makeup of local housing stock which will make heat pumps more attractive than other modes of heating generation for houses. Heat pumps could be a fast-growing sector in the coming years, particularly as there is increased focus on energy sovereignty and the need for greater home energy generation. However, heat pumps are extremely costly and space consuming for many households or businesses to consider as an option. Therefore, to help the sector grow in the region, greater innovation needs to take place, in terms of reducing the cost and size, to make them viable for a larger market.

Construction and energy efficiency sector in relation to the improvement of the efficiency of housing. For instance, the production of energy efficiency products, will also be a strong cluster in the West Midlands. The literature considered in this deep dive has found that this sector will continue to grow and with the strong manufacturing links in the West Midlands and the regional construction sector being one of the largest in the UK, there is an incentive for firms to move to the region. However, businesses already within the sector in the West Midlands have to be encouraged to transition towards the production of low carbon products.

Challenges

Alternative Fuels and renewable energy generation is a weaker sector for the West Midlands region. There are few natural resources that the region holds, compared to the North East or Yorkshire and the Humber, which could support high growth in the sector. Therefore, policymakers should target alternative fuels and renewable energy generation which supports sub-sectors, which the local area does have strengths in. For instance, supporting hydrogen fuel production would match well with the move towards low emission vehicles. Additionally,

the manufacturing of solar panels would fit strongly with the production of energy efficiency products and strong manufacturing sector in the region.

Lack of knowledge of businesses operating in the modern and low carbon sector: data and research is lacking in this area and this will make it challenging for policy makers to make evidence-based decisions with regards to potential investments into the sector.

Recommendations

Working and innovation groups, greater support needs to be given to business-led working and innovation groups in the modern and low carbon sector within the region. This could be done by encouraging businesses working in the sector to join the groups, which should encourage innovation and knowledge sharing. These groups are also conducive to the development of new partnerships and working relationships between businesses. In the West Midlands [SuperTech](#) is a good example of the effectiveness of these groups. Ensuring university experts, policy makers and interested consumers attend these meeting can also be key to innovation and development.

Targeting assets, surveying or interviewing businesses already the region, can be invaluable to identifying other businesses in the region which may already be operating within the sector. Core sector businesses such as [Tyseley Energy Park](#) or pr-existing clusters such as [Repowering the Black Country](#), can be invaluable to identifying new businesses entering the market, as well as identifying challenges or opportunities in the sector, these businesses are the experts and their knowledge needs to be utilised to develop wider knowledge of the sector.

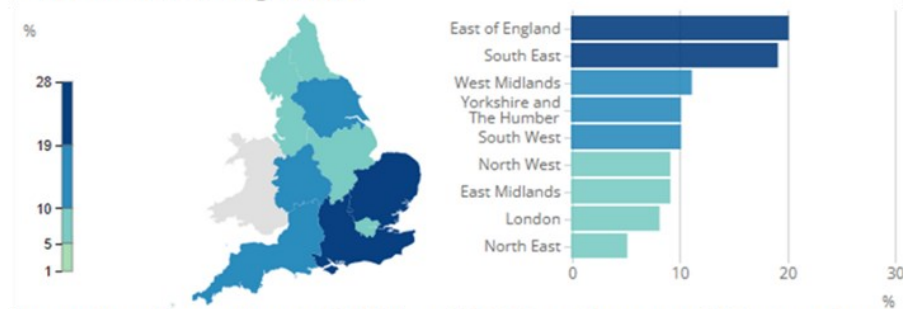
Business Mapping, given the lack of knowledge on the sector and the businesses operating within it, a business mapping exercise could help identify businesses within the sector and how they are clustered. Without this it may still be difficult to identify clusters, given low carbon activities are usually a secondary production within the business.

Low Carbon and Renewable Energy Sector

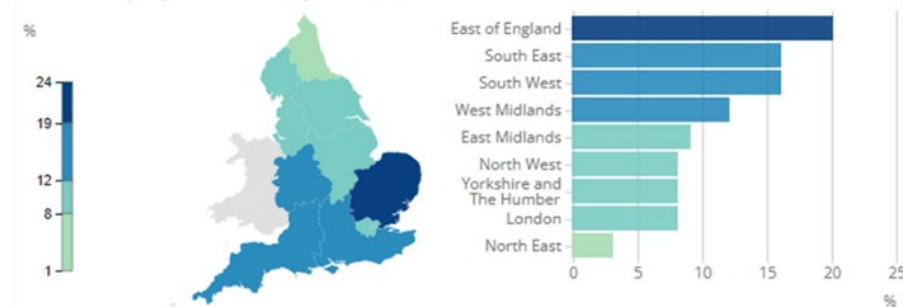
The Office for National Statistics (ONS) currently produces annual official estimates on the size of the UK's [low carbon and renewable energy economy \(LCREE\)](#). As the LCREE sector is spread across a wide range of industries, usually businesses conduct LCREE production as a secondary part of their business. Hence there is no clear definition of the sector which can be attained through the standardised SIC industrial groupings. As a result, ONS surveys businesses across a wide range of sectors to collect data on the LCREE sector.

Figure 1: Proportion of experimental LCREE and IDBR-based energy efficient products sector turnover and employment in England by region (%) (2020)

Proportion of experimental LCREE and IDBR-based energy efficient products sector turnover in England (%)



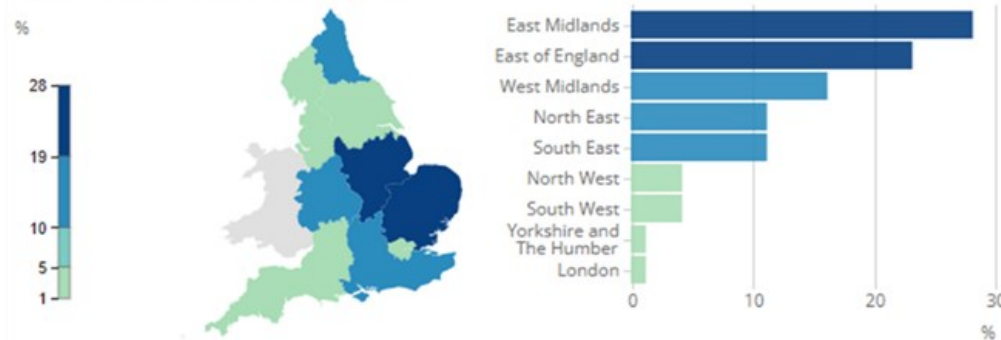
Proportion of experimental LCREE and IDBR-based energy efficient products sector employment in England (%)



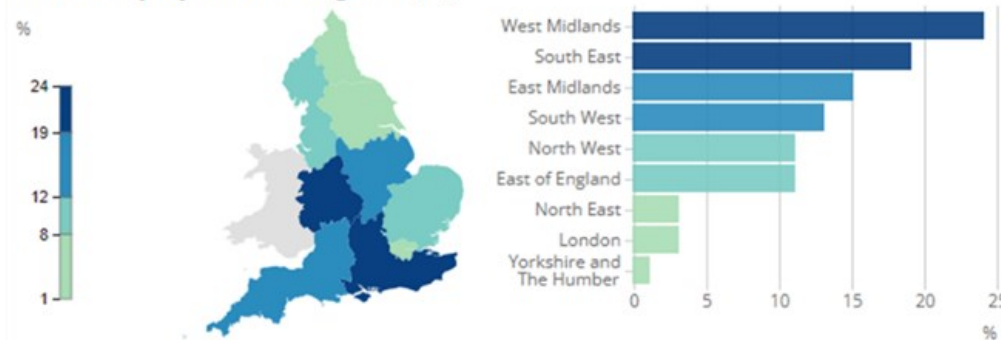
In their latest release on the [regional LCREE sector update](#) it was found that the sector was worth £34.7bn across England, employing 172,200 people in England. The largest sector within LCREE is energy efficient products (excluding energy efficient lighting). This sector alone accounted for £9.8bn in turnover, which is 30% of total LCREE turnover in England. The sector accounts for 43% of total LCREE employment in England. As can be seen in Figure 1, the West Midlands (ITL 1) has the 3rd largest turnover in the energy efficient products sector of England's regions, accounting for 11% of total England turnover, following the East of England accounting for 20% and the South East which accounts for 19%. In terms of employment the West Midlands (ITL 1) employees account for 12% of the total England sector employment in energy efficient products. The largest proportion are in the East of England which employs 20%, the South East at 16% and the South West at 16%, as seen in Figure 1.

The second largest sector within LCREE is the low emission vehicle (LEV) sector which accounts for £6.1bn in turnover for England in the LCREE sector. This is around 19% of the total LCREE sector turnover. This sector is larger in the West Midlands (ITL 1) than the energy efficient products sector. The West Midlands region (ITL 1) accounts for 16% of total England turnover in the LEV sector. It is the third largest contributing region behind the East Midlands which accounts for 28% and the East of England accounting for 23%, as can be seen in Figure 2. The West Midlands region, however, employs the highest number of LEV employees of any region, as a proportion of total England employment in the sector. The West Midlands employs 24% of total LEV employment in England. By comparison, the East of England employs 11%, the East Midlands 15% and the South West 19%.

Figure 2: Proportion of experimental LCREE and IDBR-based low emissions vehicles sector turnover and employment in England by region (%) (2020)
 Proportion of experimental LCREE and IDBR-based low emission vehicles sector turnover in England (%)



Proportion of experimental LCREE and IDBR-based low emission vehicles sector employment in England (%)



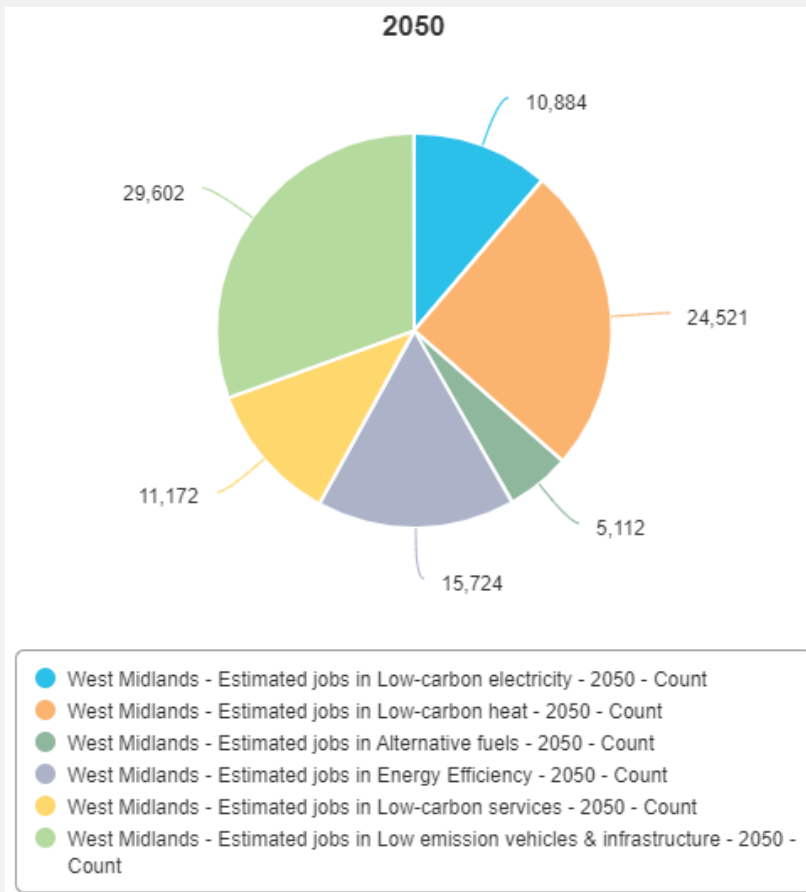
Low Carbon and Renewable Energy Sector 2050

The [Local Government Association](#) has conducted analysis of the jobs required for a net zero economy in England, and where these jobs will be located in the coming years. Based on industry insight from a series of expert interviews and a literature review, this report includes an assessment of the number of jobs that will be required, by sector. This estimate is further broken-down to regional and local authority level, based on industry insight and the current sectoral breakdown in each area. The following is a [summary of the key findings](#) in relation to the West Midlands (ITL) region:

By 2050 it is anticipated that there will be 97,015 total jobs in the Low Carbon and Renewable Energy Sector (LCRES), accounting for 8.25% of total England jobs in the LCRES sector. Comparatively, by 2050 the North West is expected to have the most jobs in LCRES at 170,601 or 14.5% of the England total. Closely followed by the Yorkshire and the Humber at 167,697 (14.3%), then the South East 163,014 (13.9%).

By 2050, in the West Midlands (ITL), it is anticipated that the largest sector within LCRES for employment will be Low Carbon Vehicles and Infrastructure accounting for 31% of employment. Low-carbon heat will then account for 25% of LCRES employment in the West Midlands. Followed by Energy Efficiency accounting for 16% of LCRES employment. Low Carbon service is expected to employ 12% of people in the LCRES sector in the region by 2050. Low carbon electricity 11% and finally Alternative Fuels 5% of the total LCRES sector in the region.

Figure 4: The number of jobs in the low carbon and renewable energy economy sectors West Midlands (2050)



By 2050, in the West Midlands (ITL), in Low-Carbon heat the largest sub-sector in the region will be Heat pumps. Bioenergy will be the largest sub-sector in alternative fuels. In Energy Efficiency the largest sub-sector will be jobs in Insulation. In low emission vehicles and infrastructure the largest sub sector will be EV transition.

For more information on the snapshot of the cluster, please follow the [link here](#)

Low Carbon Goods and Service Economy – Midlands Net Zero Hub

In 2021 the [Midlands Net Zero Hub](#), looking into the [Low Carbon Goods and Services economy](#) within the Midlands. As an output they produced a report on each of the 3 LEPs which quantified and analysed the sector in each geography. The key findings for each LEP were:

Greater Birmingham and Solihull LEP’s Low Carbon and Environmental Goods and Services (LCEGS) sector was worth £6.3bn to the Greater Birmingham and Solihull LEP’s economy in 2019/20, as indicated by the value of sales in the sector. These sales were generated by over 2,800 businesses that employed 48,000 people in the sector in 2019/20.

Employment

GBSLEP

Employment in Greater Birmingham and Solihull LEP’s Low Carbon and Environmental Goods and Services sector in 2019/20 was 48,322, up from 41,408 in 2017/18. The annual growth rate in employment was 11.0% between 2017/18 and 2018/19 and 5.2% between 2018/19 and 2019/20. This rate of growth is stronger than the MEH average (5.7% and 5.0% respectively). The UK average for the same period was 9.4% and 7.3% respectively; however, the fast rate of growth in London raises the UK average.

Companies

The number of companies in Greater Birmingham and Solihull LEP's Low Carbon and Environmental Goods and Services sector in 2019/20 was 2,864, up from 2,455 in 2017/18. Annual growth rate in the number of companies was 3.6% between 2017/18 and 2018/19 and 12.7% between 2018/19 and 2019/20. This rate of growth is stronger than the MEH average (3.7% and 6.9% respectively) and compares with the UK average for the same period (9.3% and 10.3% respectively); however, the fast rate of growth in London raises the UK average.

Greater Birmingham and Solihull LEP's sub-sectors

In 2019/20 Greater Birmingham and Solihull LEP's Low Carbon and Environmental Goods and Services sector was made up by the following proportions: Low Carbon 40%, Renewable Energy 39% and Environmental 21%.

Greater Birmingham and Solihull LEP's sub-sector strengths

The six largest sub-sectors in the Low Carbon and Environmental Goods and Services sector by sales account for 70% of the Greater Birmingham and Solihull LEP's total sales and are made up of:

Wind (£1.0bn) – this includes control systems development and manufacture, drive train development, manufacture and systems integration, consulting houses and companies providing power firming systems and services, maintenance services and grid integration services.

Building Technologies (£947m) – this includes head office functions, building systems design and consultancy and building systems providers and installers.

Alternative Fuels (£856m) – this includes R&D functions, alternative fuel providers, designers and consultancy, process implementation, sales and accounting and application development specialists.

Photovoltaic (£655m) – this includes head office functions, systems developers, providers and installers.

Water & Waste Water Treatment (£455m) – development and implementation by utilities along with supply, consultancy and implementation by independent consulting engineers

Biomass (£452m) – this includes systems development, supply, implementation and R&D

For more information, please follow [this link](#)

Coventry and Warwickshire LEP's Low Carbon and Environmental Goods and Services (LCEGS) sector was worth £3.5bn to the Coventry and Warwickshire LEP economy in 2019/20, as indicated by the value of sales in the sector. These sales were generated by over 1,200 businesses that employed 28,000 people in the sector in 2019/20.

Employment

CWLEP

Employment in Coventry and Warwickshire LEP's Low Carbon and Environmental Goods and Services sector in 2019/20 was 28,064, up from 24,222 in 2017/18. The annual growth rate in employment was 7.0% between 2017/18 and 2018/19 and 8.3% between 2018/19 and 2019/20. This rate of growth is stronger the MEH average (5.7% and 5.0%, respectively), but slower than the UK average for the same period (9.4% and 7.3% respectively); however, the fast rate of growth in London raises the UK average.

Companies

The number of companies in Coventry and Warwickshire LEP's Low Carbon and Environmental Goods and Services sector in 2019/20 was 1,286, up from 1,222 in 2017/18. The annual growth rate in the number of companies was 4.9% between 2017/18 and 2018/19 and 0.4% between 2018/19 and 2019/20. This rate of growth was variable compared with both the MEH average (3.7% and 6.9% respectively) and the UK average for the same period (9.3% and 10.3% respectively); however, the fast rate of growth in London raises the UK average.

Coventry and Warwickshire LEP's sub-sectors

In 2019/20 Coventry and Warwickshire LEP's Low Carbon and Environmental Goods and Services sector was made up by the following proportions: Renewable Energy 39%, Low Carbon 38% and Environmental 23%.

Coventry and Warwickshire LEP's sub-sector strengths

The five largest sub-sectors in the Low Carbon and Environmental Goods and Services sector by sales account for 64% of the Coventry and Warwickshire LEP's total sales and are made up of:

Wind (£564m) – this includes control systems development and manufacture, drive train development, manufacture and systems integration, consulting houses and companies providing power firming systems and services, maintenance services and grid integration services.

Building Technologies (£528m) – this includes head office functions, building systems design and consultancy and building systems providers and installers.

Alternative Fuels (£483m) – this includes R&D functions, alternative fuel providers, designers and consultancy, process implementation, sales and accounting and application development specialists.

Photovoltaic (£368m) – this includes head office functions, systems developers, providers and installers.

Water & Waste Water Treatment (£274m) – development and implementation by utilities along with supply, consultancy and implementation by independent consulting engineers.

For more information, please follow [this link](#)

Black Country LEP's Low Carbon and Environmental Goods and Services (LCEGS) sector was worth £2.3bn to the Black Country LEP's economy in 2019/20, as indicated by the value of sales in the sector. These sales were generated by over 900 businesses that employed 17,000 people in the sector in 2019/20.

Employment

Employment in Black Country LEP's Low Carbon and Environmental Goods and Services sector in 2019/20 was 17,398, up from 14,883 in 2017/18. The annual growth rate in employment was 6.3% between 2017/18 and 2018/19 and 10.0% between 2018/19 and 2019/20. This rate of growth is stronger than the MEH average (5.7% and 5.0%, respectively) and compares with the UK average for the same period (9.4% and 7.3%, respectively).

Black Country

Companies

The number of companies in Black Country LEP's Low Carbon and Environmental Goods and Services sector in 2019/20 was 946, up from 806 in 2017/18. The annual growth rate in the number of companies was 6.8% between 2017/18 and 2018/19 and 9.9% between 2018/19 and 2019/20. This rate of growth is stronger than the MEH average (3.7% and

6.9%, respectively) and slightly slower than the UK average for the same period (9.3% and 10.3%, respectively); however, the fast rate of growth in London raises the UK average.

Black Country LEP's sub-sectors

In 2019/20 Black Country LEP's Low Carbon and Environmental Goods and Services sector was made up by the following proportions: Low Carbon 39%, Renewable Energy 38% and Environmental 23%.

Black Country LEP's sub-sector strengths

The five largest sub-sectors in the Low Carbon and Environmental Goods and Services sector by sales account for 64% of the Black Country LEP's total sales and are made up of:

Wind (£378m) – this includes control systems development and manufacture, drive train development, manufacture and systems integration, consulting houses and companies providing power firming systems and services, maintenance services and grid integration services.

Building Technologies (£353m) – this includes head office functions, building systems design and consultancy and building systems providers and installers.

Alternative Fuels (£338m) – this includes R&D functions, alternative fuel providers, designers and consultancy, process implementation, sales and accounting and application development specialists.

Photovoltaic (£231m) – this includes head office functions, systems developers, providers and installers.

Water & Waste Water Treatment (£187m) – development and implementation by utilities along with supply, consultancy and implementation by independent consulting engineers

For more information, please follow [this link](#)

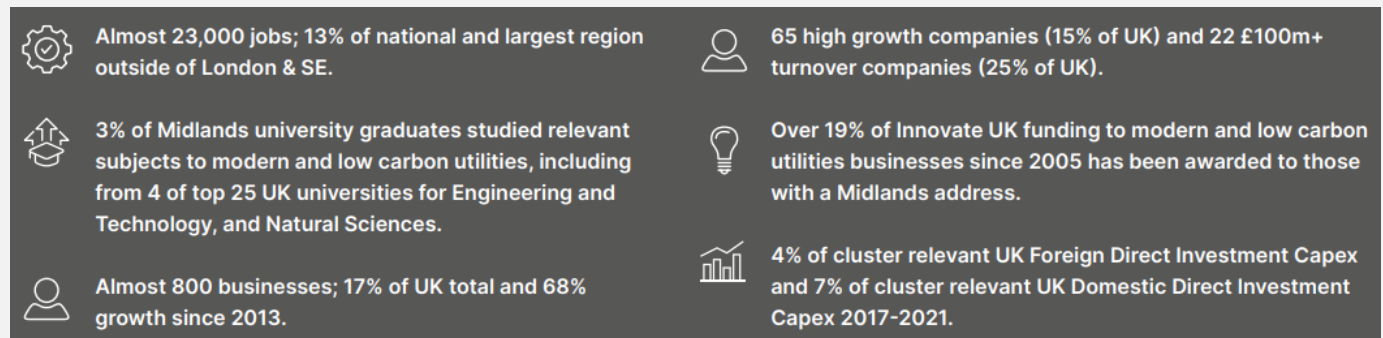
Modern and Low Carbon Utilities Cluster– Midlands Engine

Recently the [Midlands Engine](#) has been conducting research into clusters within the Midlands region. This includes a cluster snapshot being developed on the [Modern and Low Carbon Utilities Cluster in the Midlands](#). This work gives a picture of the wider Modern and Low Carbon Utilities sector that the WMCA is operating in, alongside some of the benefits within the WMCA. The [key findings of the report include](#):

The Midlands modern and low carbon utilities cluster, involving utilities such as electricity, gas and water, is largely defined by significant business and employee populations in the West Midlands Combined Authority area, Warwickshire and Nottinghamshire. Bolstered by strong graduate retention and a pipeline of 12,000 relevant HE and FE graduates each year; the sector is strong in these key locations.

Although the Midlands saw an increase in market share of investment post-pandemic, it still underperforms, with an opportunity to take a bigger share of the forecast \$15.7bn UK FDI Capex in 2025 in renewable energy.

Figure 3: Modern and Low Carbon Utilities Cluster in Context



Business Ecosystem

Total Cluster Business Count: 774
 £100m+ Turnover Companies: 22
 High Growth Companies: 65
 Incorporations 2017-22: 204
 Foreign-owned enterprises: 12%

Innovation Ecosystem

Accelerator Engagement: 6
 Relevant Cluster Organisations: Energy and Utilities Alliance; Energy UK
 Relevant high performing HEI research: Universities of Birmingham; Keele; Leicester; Loughborough; Nottingham; Warwick
 Significant Innovation Hubs: Energy Research Accelerator
 High Growth Company Grants: 1
 Innovate UK funding: £75m since 2005

Talent Ecosystem

Estimated Employees: 22,754
 Earnings: Average salary £34,530
 Further Education Leavers: 8,670
 Relevant HEI High-Ranking Department: Universities of Nottingham; Birmingham; Warwick; and Loughborough
 University Graduates: 4,260
 Graduate Retention: change over 3 years 100%

Investment Ecosystem

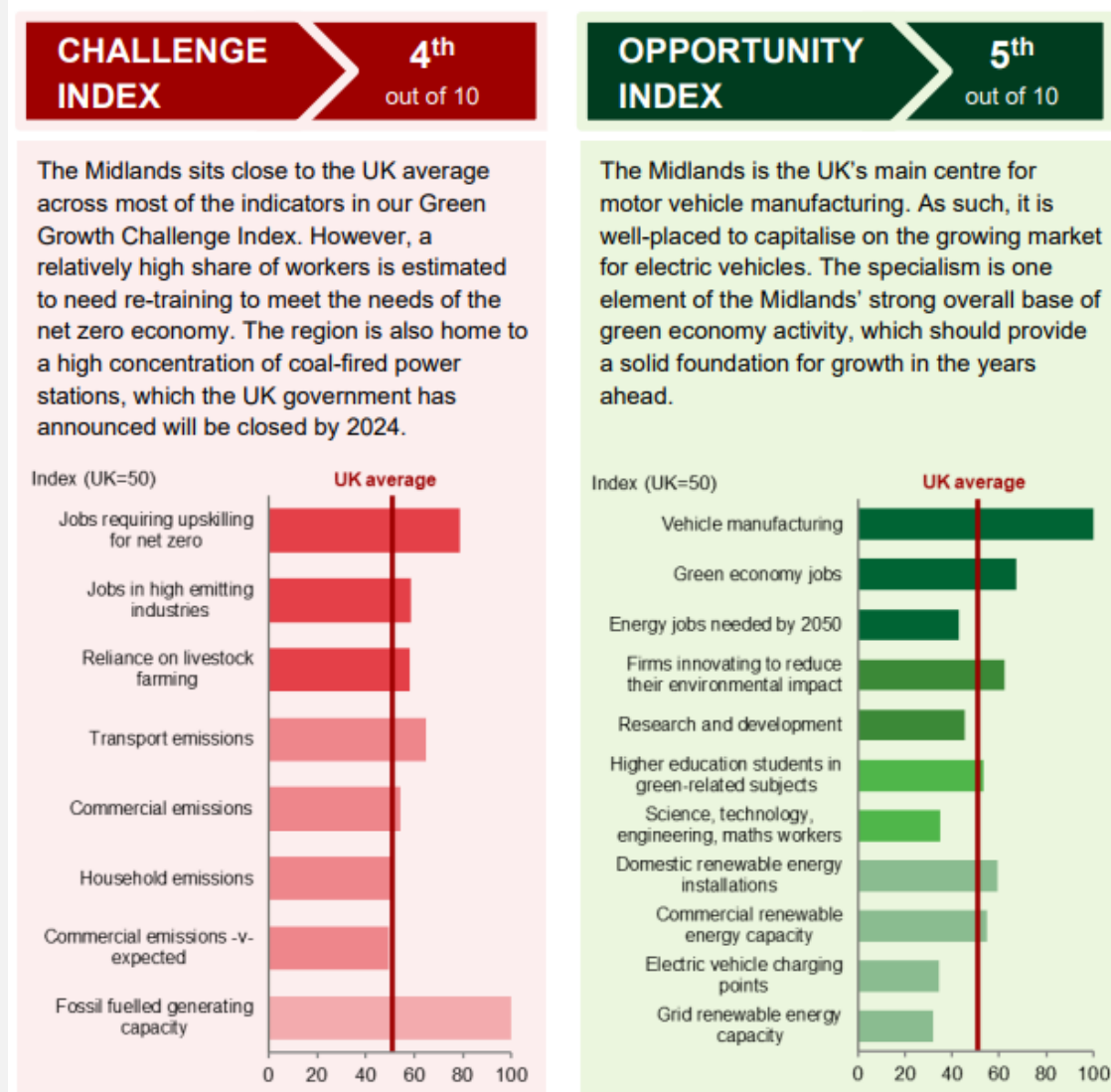
Investment/Venture Capital Firms: Funds HQ'd in Midlands
 Engine area 200
 FDI into High Growth Companies: 20%
 FDI Capex 2017-21: \$2.67bn
 DDI Capex 2017-21: \$710.25m
 Fundraising Volumes: Mean av. £499k fundraising investment
 FDI Jobs 2017-2021: 651 jobs
 DDI Jobs 2017-2021: 915 jobs
 FDI Projects 2017-2021: 4 projects
 DDI projects 2017-2021: 15 projects

For more information on the snapshot of the cluster, please follow the [link here](#)

UK Green Growth Index

[Lloyds Banking Group](#) commissioned Oxford Economics to produce the UK Green Growth Index, which aim was to look at the challenges and opportunities of transitioning to net zero across the nations and region of the UK. The [main findings of the Green Growth Index](#) in the Midlands were:

Figure 5: Challenge and Opportunity Indexes for the Midlands



Strengths

Some 61,000 workers were employed in the automotive manufacturing industry in the Midlands in 2019 and, as such, the region should be well placed to capitalise on the growing market for electric vehicles. More broadly, the Midlands is estimated to already have a relatively high concentration of green economy jobs upon which to build.

A relatively high share of firms in the region is already innovating to reduce their environmental impact. An estimated 8.5% of firms reported that sustainability was an important driver of their innovation—the second highest share in our comparison.

The take up of renewable energy equipment amongst households and businesses is slightly ahead of the UK average.

Investment Needs and Opportunities

The Midlands is an important generator of energy for the UK. However, it is home to much of the UK's gas-fired power generating capacity and the majority of the country's coal-fired power generation capacity is located in the region ([the government has announced the latter will close by 2024](#)). This implies a need for investment to shift generation towards renewables, as well as the development of carbon capture, usage, and storage to enable gas power stations to operate more cleanly. Just over 11% of jobs are estimated to need reskilling to meet the needs of the net zero economy: the highest share across all nations and regions. There is therefore a need to leverage the region's skills and training infrastructure to ensure the workforce is equipped for the future and to enable the Midlands to realise its full green growth potential.

Key Green Economy Assets

The [Energy Systems Catapult](#) has its headquarters in Birmingham and a second site in Derby. The Catapult centre, overseen by Innovate UK, was set up to accelerate the decarbonisation of the UK's energy system. It does this by bringing together innovative businesses and researchers to foster collaboration and accelerate the development of new goods and services.

The Black Country is one of [seven UK strategic industrial clusters](#) to receive support from BEIS and Innovate UK to develop the world's first net zero industrial cluster by 2040. The Black Country has a base of more than 3,000 energy-intensive businesses, many of them working in metal processing. The [programme](#) will seek to provide cost-efficient energy infrastructure; help manufacturers to use resources more efficiently; and help businesses to benefit from new opportunities in the circular economy.

For more information on the UK Green Growth Index, please follow the [link here](#)