

West Midlands Insights on Society and Economy

A monthly newsletter on the trends that matter to the West Midlands.

Issue 8, May 2024

1.0 Headlines

1.1 May Editorial

After the excitement of the 22nd Commonwealth Games held in Birmingham in the summer of 2022, we now have a clearer idea of the economic and business benefits to the city, region and UK with the publication of an independent review of the Games' impact. As Chair of Commonwealth Games England, a Brummie and businessman, I wanted to reflect on the return we got on the £778m of public funding and £120m invested in the Games from the commercial sector.

We proved to a global audience that Birmingham and the West Midlands can deliver. A condensed lead-in, the pandemic, and supply chain disruption had a major impact but all local, national and international partners united to deliver the Games on time and under budget. Our tracks, gyms, sports fields and pools were a high-quality backdrop for Team England to win a record breaking 176 medals, all manufactured in Birmingham's Jewellery Quarter.

My personal highlight was how we used top class sport to bring people together and to develop new skills. The wonderful volunteers from the Commonwealth Collective gave athletes and visitors alike a warm West Midlands welcome. Nearly 12,000 volunteers, nearly two thirds from the West Midlands, gave more than a million hours of their time and were a credit to the region. The Games' Jobs and Skills Academy helped a further 21,000 people (52% from ethnic minority groups) develop skills and kickstart their careers, securing jobs related to the preparation and delivery of the Games.

West Midlands businesses stepped up to capitalise on the commercial opportunities. According to the independent evaluation, the Games boosted the region's economic output by £516.2m (£1.2bn overall across the UK) during the five years culminating in the summer of 2022. This includes the benefits of the Business and Tourism Programme, expertly led by the West Midlands Growth Company, which attracted additional visitors to the West Midlands and increased visitor spend in the city and region. I'm delighted that the evaluation also recognised the Organising Committee's efforts, to deliver a carbon neutral Games and, through its procurement, an exemplar social value programme.

Finally, we should be proud of our bold legacy. Over 2,450 schools engaged with the Games and young people are benefitting from the 16,000 pieces of used Games equipment handed out to over 290 West Midlands organisations. Having delivered the Games under-budget, the Government was persuaded to return the £70m surplus to the region in the shape of the Commonwealth Games Legacy Enhancement Fund, which is being disbursed by the Combined Authority. This has been used to support a variety of initiatives across the West Midlands in line with the original legacy ambitions, including the ongoing work of United by 2022, the excellent Games legacy charity.

Through the Global West Midlands programme, the Legacy Fund has continued to invest more widely in the business and tourism opportunities created by the Games. Hosting the Games has enabled the region to secure the 2026 European Athletics Championships as well as 9 regional events across 2024 and 2025, including 2 major E-sports tournaments, the Kabaddi World Cup, Judo junior European cup and cultural events such as Coventry's Godiva Festival and the Birmingham Weekender. April 2024 also saw the region successfully host 1,500 top global sports administrators and business leaders, for the 2024 Sport Accord summit at the ICC. With Ugur Erdener, the President of Sport Accord,

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describing the summit as “the best Sport Accord ever”, the West Midlands is absolutely at the Heart of UK Sport, firmly embedded as the Region of choice for hosting major sports events, with all the business and social benefits this will bring.

Ian Metcalfe OBE

Chair of Commonwealth Games England (2014 – 2022), Non-executive director on the Board of the Birmingham 2022 Commonwealth Games (2018-2022), and Chair of SportAccord-West Midlands Executive Steering Group (2024)

1.2 Coming Up in the Month Ahead

- Update on Transformation of Research and Development Statistics – 1st May
- Measuring Progress, Well-being and Beyond GDP in the UK – 9th May
- Index of Private Housing Rental / House Prices – 22nd May
- Business insights and impact on the UK economy – 23rd May
- Deaf awareness week – 6th – 12th May
- Coeliac awareness week – 13th 19th May
- Stroke awareness Month – May

1.3 National Headlines

- Centre for Cities reviews the success of Devolution through the lens of a public survey
- UK Halfway to Net Zero according to latest provisional data
- Labour set out transport plans
- Productivity Institute argues productivity in public sector requires redefinition
- Department for Work and Pensions reviews benefits levels in the UK

[Centre for Cities reviews the success of Devolution through the lens of a public survey](#)

The Centre for Cities polled people across major mayoral areas to assess devolution's success. [Findings](#) show high recognition of mayors, especially in London (88%) and Manchester (83%), with 65% of residents the West Midlands able to name the mayor at the time. Transport policies are most recognized, while candidate quality outweighs party affiliation. There's strong support for local policy power, with mayors seen favourably for transport decisions. However, awareness is low in regions voting for mayors for the first time, signalling a need for outreach. Overall, mayoral visibility suggests success, but new areas require more awareness-building efforts.

[UK Halfway to Net Zero according to latest provisional data](#)

The UK leads in emissions reduction, with a 53% decrease since 1990 and a 5% drop from 2022 to 2023 according to a [latest data release](#). Key sectors, including electricity, homes, and industry, saw notable reductions. The UK's renewable energy sector flourishes, generating nearly half of its electricity. Despite economic growth, emissions fell. Territorial greenhouse gas emissions decreased more than other major economies combined since 1990. The Government says it is committed to realistic climate targets, attracting significant low-carbon investment and creating jobs.

[Labour sets out transport plans](#)

Labour has [proposed a unified railway governance structure](#) to prioritize passengers, aiming to bring train operators under public ownership. They plan Great British Railways, led by rail experts, to enhance operational efficiency and passenger experience. Labour has also outlined a [bus network overhaul](#), empowering local authorities to control services, accelerate franchising, and safeguard networks. They aim to support public ownership and remove barriers to improve bus services nationwide. Critics argue that the railway proposals are unlikely to lead to lower prices anytime soon, and franchising may not be the panacea Labour thinks it is.

[Productivity Institute argues productivity in public sector requires redefinition](#)

The [report](#) challenges the UK government's approach to public sector productivity, criticizing its focus on cost-efficiency and urging broader innovation measures. It outlines the complexity of defining and measuring productivity in the public sector, emphasizing the need for a multifaceted approach. Recommendations include embracing digital transformation with flexibility, fostering an agile workforce, and adapting management practices to public sector realities. The report suggests a shift from short-term cost-cutting to sustained investment in skills, culture, and technology.

[Department for Work and Pensions reviews benefits levels in the UK](#)

The Department for Work and Pensions manages welfare policy for about 9.3 million working-age individuals in the UK. This [report](#) examines benefit levels for working-age people, following a previous recommendation to review their adequacy. Evidence suggests current benefit levels are insufficient for daily living and additional costs due to health conditions or disabilities. The lack of clear objectives for benefit levels poses a challenge. The report proposes developing principles to guide benefit level discussions, establishing benchmarks linked to living costs, and ensuring annual uprating consistency. It also recommends improving transparency in benefit uprating procedures and monitoring employment support changes' impact on claimants.

1.4 Regional Headlines

- Mayoral polls close
- WMCA area grows at same rate as UK but lags behind rest of country since pandemic
- Independent review reveals extensive benefit of Commonwealth Games to regional economy
- SportAccord World Summit 2024 success
- ONS releases data on households below average income
- City-REDI releases April West Midlands Economic Impact Monitor

[Polls have closed on the Mayoral election 2024](#)

At time of publication, polls will have closed on the mayoral election, with results expected on Saturday, 4 May, in the afternoon.

[WMCA area grows at same rate as UK but lags behind rest of country since pandemic](#)

Continuing the economic recovery following the Covid-19 pandemic, the WMCA area total gross value added (GVA) increased from £66.2bn in 2021 to £68.9bn in 2022, according to the [latest data release](#) by the ONS. This equated to a 4.1% (+£2.7bn) annual increase which matched the UK growth rate. Compared to 2017, the latest WMCA GVA figure is 1.5% lower (-£1.0bn) while for UK-wide this has increased by 4.8%. Out of the ten Combined Authorities, the WMCA had the fourth lowest annual percentage change in GVA, with the North of Tyne the highest (+8.2%), down to Cambridgeshire and Peterborough and North East (both +2.6%). Within the WMCA, there was annual growth across all of the local authorities, with notable strong growth in Wolverhampton (+6.4%). For further analysis provided by the Economic Intelligence Unit see the [annex](#).

[Independent review reveals extensive benefit of Commonwealth Games to regional economy](#)

An [independent review](#) has found that the Commonwealth Games delivery and legacy activities have delivered an additional £516m of economic benefit and £79.5m of social value in the region. With the Games being delivered on time and under-budget, the surplus is being [invested in the region](#) by the WMCA.

[SportAccord World Summit 2024 success](#)

The SportAccord World Sport & Business Summit 2024 concluded, [drawing 1,700 attendees from 65 countries to Birmingham](#). The event featured high-profile speakers like Epic Games' Mark Rein and Olympic champion Dame Katherine Grainger, covering topics from sustainability to esports. [Research](#) conducted ahead of the Summit, highlighted that sports tourism contributed significantly to the West Midlands economy, with 1 in 7 visits attributed to sports-related activities, generating £1.9bn for the economy and supporting 18,352 jobs.

[ONS releases data on households below average income](#)

Latest [Data](#) indicates the West Midlands region has the highest proportion of working age people living in low-income households. In England, 14% of people fall into the category, while in the West Midlands the proportion is 19% (700,000). Though the West Midlands region constitutes roughly 9% of the working age population in the UK, it accounts for 11% of the population living in low-income households.

[City-REDI releases April West Midlands Economic Impact Monitor](#)

Key points from [this edition](#) include:

- The forecast for global growth five years from now, at 3.1%, is at its lowest in decades.
- Global inflation is forecast to decline steadily, from 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025.
- Economic momentum is set to return to all parts of the UK between 2024 and 2027.