

West Midlands Insights on Society and Economy

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

Issue 1, October 2023

1.0 Headlines

1.1 October Editorial

Welcome to the first edition of the 'WISE' newsletter – a monthly round-up of economic news, research and intelligence for the West Midlands region that brings together material from dashboards, monitors and other trusted sources of information in a single online and offline resource.

September has been steady-as-she-goes from a national economic perspective with a small fall in the inflation rate allowing the Bank of England to hold the base rate of interest at 5.25% and a small contraction in the national economy in line with most predictions after a rainy summer.

From a regional perspective, the data paints a mixed picture. A new City-REDI report shows the impact of rising energy and materials prices leading to firm insolvencies, redundancies, reduction in business hours and a decrease in private spending on research and development across regional businesses. Labour market data suggests growing youth unemployment in the region too. But business confidence remains higher in the West Midlands than the national average and regional house prices are rising too.

Birmingham has hit the headlines this month as the council's unresolved equal pay claim triggered a section 114 notice and national government intervention. The economic consequences will no doubt have a steady ripple effect, as will the damage to business confidence created by the government's delaying on green commitments and wobbles on HS2.

But behind the headlines there is much more to be positive about. The latest CBRE UK Office Market Report shows that Birmingham recorded the highest office take-up outside London and the South East during the second quarter of this year – just the recipe for productivity growth in the region according to the latest Economy 2030 report published by the Resolution Foundation. Our universities have been successful in attracting innovation funding for cutting-edge manufacturing projects including rapid-charging motorcycles and self-driving cars. And a three-way collaboration between the NEC, EV Network and bp pulse will develop The GigaHub - the largest-ever private investment in a UK electric vehicle project to date.

These long-term investments in the future of mobility and advanced engineering represent precisely the kind of approach advocated by academic and international visitors to a special Regional Economy Symposium hosted by the WMCA this month. More than 60 people joined the event to hear about the successes of 'turnaround' city-regions like Dortmund, Bilbao and Pittsburgh and the messages were clear: clarity of regional economic vision, a strong evidence base and collaborative effort are the key ingredients to investor confidence. We hope this newsletter is a small but important contribution to that effect.

Ed Cox

Executive Director for Strategy, Economy and Net Zero at WMCA

1.2 Coming Up in the Month Ahead

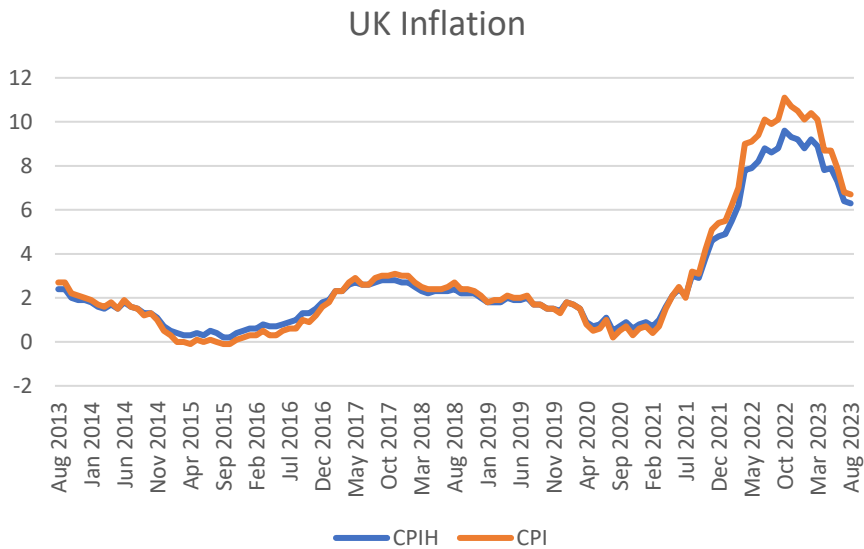
- [Birmingham Tech Week 16-22 October](#)
- Launch of [Social Economy Clusters](#)

1.3 National Headlines

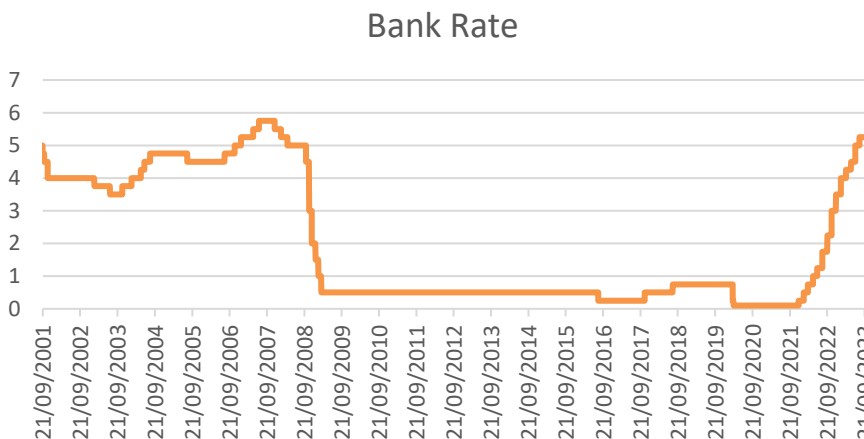
- The inflation rate in the UK falls slightly to 6.3% in August 2023
- Bank of England retains base rates at 5.25% in September 2023
- Prime Minister announced changes to the UK’s green commitments including a delay to the ban on new petrol and diesel cars – mixed response from West Midlands which is responsible for 30% of automotive employment in the West Midlands
- Prime Minister hints at rethink on HS2 link between Birmingham and Manchester

Inflation continues to fall and Bank rates stay the same

Contrary to widespread expectation of a small increase in the rate of inflation during August, latest figures released on 20 September by the Office for National Statistics (ONS) revealed a slight drop to 6.3% from 6.4% in July. Downward pressure on prices came primarily from restaurants and hotels, food and non-alcoholic beverages, recreation and culture, and furniture and household goods. See the [ONS release](#) for more information.

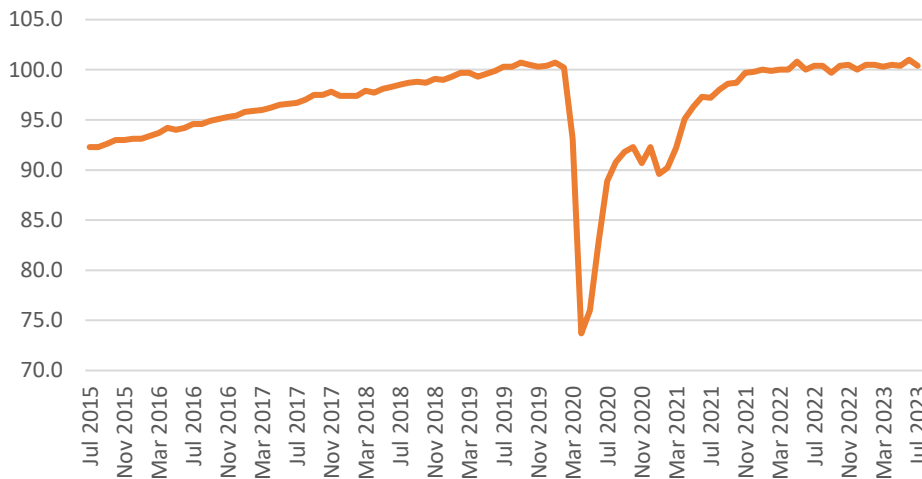


As a result of the positive inflation news, the Bank of England (BoE) decided to keep its base rate at 5.25% on 21 September. This is a positive sign that rates may be peaking, with the start of a reversal expected in late 2024. Peaking rates will be welcome news for borrowers. See the full BoE release [here](#).



While inflation and interest rate news was fairly positive, Gross Domestic Product (GDP) figures released on 13 September suggested a contraction of the economy in July of 0.5%. While seemingly large, this movement was matched by a 0.5% increase in June. BoE estimates have forecasted growth rates close to zero over 2023 for some time, so these figures are broadly in line with those expectations. For more information see the original ONS release [here](#).

Monthly GDP



UK Government announces new environment policies

On 20 September, Rishi Sunak announced a swathe of new and changed environment policies. Key updates relevant to the WMCA include:

- Delay of a ban on the sale of new petrol and diesel cars from 2030 to 2035.
- Delay of a ban on the sale of new gas boilers in favour of heat pumps from 2030 to 2035, with exemptions introduced for some vulnerable households.
- Home Upgrade Grant has increased by 50% to £7.5k for eligible households.
- Scrapping of the plan for new rental properties to have at least an Energy Performance Certificate (EPC) rating of 'C' by 2025, and all properties by 2028.
- Ruling out any car sharing proposals.
- Ruling out further recycling plans.
- No taxation to disincentivise eating meat and flying.
- New oil and gas extraction from the North Sea will not be banned.
- New £150 million Green Futures Fellowship, to develop new 'green' technologies.
- The Government will publish 'comprehensive new reforms to energy infrastructure'.
- When Parliament votes on future Carbon Budgets, it will have to consider plans to meet that budget at the same time.

West Midlands stakeholders responded with a mixed set of views, with the Mayor backing some of the measures, but disagreeing with the postponement of the ban on the sale of new petrol and diesel cars; a mixed response from the automotive industry; concerns from energy suppliers; and local Councillors concerned about the potential impact on plans for an electric vehicle battery gigafactory. [Find out more](#).

Prime Minister hints at rethink on HS2 link between Birmingham and Manchester

[Sources suggest](#) the Prime Minister may be preparing to cancel the Birmingham to Manchester portion of HS2 after costs continue to mount. The same sources suggested a decision would be made ahead of the Conservative Party Conference from 1–4 October. At the time of writing, the Prime Minister has refused to confirm either way. A scrapping of this section of high-speed line would be an economic blow to the West Midlands.

1.4 Regional Headlines

- Business confidence remains high despite rising energy and materials prices
- 8.2% rise in youth claimant count across UK in year to August 2023
- Birmingham City Council announces section 114 notice
- Launch of Business Growth West Midlands to support the growth of new businesses
- Millions awarded to cutting edge manufacturing projects in the West Midlands

Business confidence remains high

Latest figures from the West Midlands Future Business Activity Index remained high at 78.5 in August 2023. This is a strong rise since August last year at 67.8. (See Dashboard, p.1 [Section 5.1]).

The impact of rising prices on businesses

A City-REDI report highlights the challenges of rising energy and materials prices on businesses in the West Midlands in recent years. Still, there is evidence of promising signs ahead. For example, data from Lloyds Bank shows that 62% of West Midlands firms said they are confident they would have greater success in the coming 12 months, compared to the past year. Meanwhile, 51% are expecting a higher turnover than in 2022 (Green, 2023). This is partly because companies expect annual input price inflation to soften to 4.9% over the next 12 months (ICAEW, 2023). See the report [here](#).

A rising issue of youth claimants

While the total claimant count has remained relatively stable over the last 6 months, the youth claimant count has been growing, with 8.3% of those aged 18–24 now claiming jobseeker's allowance, compared to 7.4% this time last year. Nevertheless, this growth is matched across the UK, showing that this is a wider issue than the WM. (See Dashboard, p.7 [Section 5.1]).

Birmingham City Council announces section 114 notice

Birmingham City Council effectively declared itself bankrupt in September. The Council has announced that [vital services are safe](#). Key contributors to the financial difficulties the Council is facing are the costs of meeting an equal pay claim and a failed IT system. The Prime Minister has ruled out a bailout. This has raised issues about the funding and stability of local authorities in the future. The IFS pointed out in July 2023 that nationally Local authority 'spending power' – the amount of money authorities have to spend from government grants, council tax and business rates – fell by 17.5% between 2009/10 and 2019/20, before partially recovering. However, in 2021/22 it was still 10.2% below 2009/10 levels. (See The Monitor, For further information see pages 14–15 of (Annex B) or [online](#)).

The WMCA launches Business Growth West Midlands (BGWM)

The [BGWM](#) is a business support service newly established in partnership with the region's seven local authorities to help new businesses access skills, training, and job opportunities. The BGWM advises on funding and finance, net zero, skills, and general business queries. Expert Business Advisors are now on hand to help take local businesses to the next level.

Over £50 million awarded to cutting edge manufacturing projects

This [award](#) will see funding for 30 cutting-edge manufacturing projects including rapid-charging motorcycles and self-driving cars, to boost the UK's innovation of clean, green technologies, helping to create jobs and grow the economy.

2.0 In More Depth

2.1 National Round-up

UK Government reduces age to be automatically enrolled into pension from 22 to 18

Since the introduction of Automatic Enrolment in 2012, 55% of eligible employees saved into a workplace pension, which by 2021 had risen to 88%, with an additional £33 billion saved in real terms in 2021 compared to 2012. The requirements should help millions including low earners, women and younger workers. The proportion of eligible women in a workplace pension has increased from 59% in 2012 to 89% in 2021, while the proportion of eligible 22 to 29-year-olds has more than doubled – from 35% in 2012 to 86% in 2021. Notable that pensions saving rates have increased across the country, with the largest increase in private sector participation rates being in the West Midlands, rising from 39% in 2012 to 87% in 2021. [Find out more.](#)

UK Government plans to tear up water quality challenged by Labour

Labour peers in the House of Lords voted down the government's amendment to the Levelling Up and Regeneration Bill on 13 September. The amendment would have scrapped laws on nutrient neutrality, which stop new developments being built if they lead to higher levels of phosphates and nitrates in waterways. Labour's shadow levelling-up secretary Angela Rayner said, "there are far better ways to build the new homes we desperately need than green-lighting water pollution". Read more [here](#).

Rachel Reeves pledges charter of budget responsibility

The Shadow Chancellor of the Exchequer has committed the Labour Party to a single annual budget every autumn. "Stability" and "certainty" is the message, which is good for business. See Financial Times article [here](#).

Metro Mayors respond constructively and firmly to Prime Minister's rethink on HS2

WMCA Mayor Andy Street has referred to scrapping as '[cancelling the future](#)' and presented private funding as a solution to the issue of any funding gap, insisting that the rail link is essential to investor confidence and regional growth. Greater Manchester Mayor Andy Burnham has repeatedly requested a meeting with the Prime Minister to discuss the issue, arguing that [HS2 could be built in phases, but certainly should not be scrapped](#).

Sick leave taken by workers hits 10-year high

[UK workers are taking more sick days](#), with an average of 7.8 days in the past year, up from 5.8 before the pandemic, according to research by the Chartered Institute for Personnel and Development (CIPD). Stress, Covid-19, and the cost-of-living crisis were identified as key factors behind the increase, affecting employee wellbeing significantly. The CIPD called for employers to better address workplace causes of ill-health and create a supportive culture for employees.

Minister for Digital Infrastructure outlines three-point plan to ensure secure and high-quality connectivity across the UK

[The plan](#) includes extending fixed and wireless broadband coverage, investing in future telecom technologies like 6G, and emphasizing security and resilience in digital infrastructure. The Minister also discusses initiatives to support rural communities, promote spectrum sharing, and diversify the telecom supply chain.

2.2 Regional Economic Round-up

Latest labour force statistics show no change month-on-month or year-on-year

According to the latest labour force survey, estimates of employment for those aged 16–64 in the West Midlands stands at approximately 75%, unemployment at 5% and inactivity at 21%. Despite monthly fluctuations, employment and inactivity levels remain relatively unchanged on the quarter and on the year. Claimant counts are increasing, however, with most marked [change in youth claimant figures](#).

The WMCA holds successful regional economy symposium

More than 60 people joined this successful event. The key takeaway from the day was that the role of private investment is critical but all regions outside of London are seen as ‘high risk’ since the financial crash. This makes investor confidence critical to future success and various international comparator studies gave good indications as to some of the key drivers of such confidence including:

- Comprehensive strategies and a clear narrative rather than piecemeal, ad-hoc approaches;
- Building on existing economic strengths based on a strong and coherent evidence base;
- Significant, stable and long-term funding; and,
- Multi-level governance and dense regional networks of collaboration between sectors.

New report outlines one strategy for productivity growth in Birmingham: *A Tale of Two Cities*

This report from the Centre for Economic Performance (LSE), Resolution Foundation, and Nuffield Foundation outlines a strategy for productivity growth in the West Midlands as part of the [Economy 2030 Inquiry](#). The report proposes a focus on high-value tradeable services supported by high-value human capital that tends to cluster in Birmingham city centre. In its conclusion, the report calls for strong leadership from the WMCA and a long-term plan for the region. Find the full report [here](#).

New regional snapshot published: *Logistics and E-Commerce*

With more than 90% of the UK population within four hour’s drive of the Midlands, Logistics and E-Commerce is a well-established pan-regional cluster that continues to grow – with \$3.1bn of international investment into this cluster in the Midlands from 2017 to 2021 [Midlands Engine report](#) reveals. This logistics and e-commerce cluster does not appear to feature significantly in external research & development in comparison to other sectors, where this is more evident. There are no current spinouts from universities belonging to this cluster. However, there are 117 tracked high growth companies and a workforce over 80,000 strong in the Midlands which has been referred to as the “golden triangle of logistics”. There are numerous viable investment propositions captured in the [Midlands Investment Portfolio](#) across new business parks close to major travel infrastructure and two Freeports including the UK’s only inland Freeport. Such opportunities put the Midlands in a strong place to secure market share of the forecast UK FDI Capex of \$3.28bn in this sector in 2025.

HM Treasury announces £381m boost for EV charging as Chancellor opens West Midlands hub

The Gigahub™, located at the city’s NEC Campus, is the largest-ever private investment in a UK electric vehicle project to date. The project has been developed by a three-way collaboration between the NEC, EV Network and bp pulse, and is now operated by bp pulse. The site is strategically positioned to become a major transport hub for the future – located in the heart of the UK motorway network, including the M42, M6 and A45 and the new HS2 interchange station. Read more [here](#).

New regional snapshot published: *Connected Device Technology*

From 5G and Industry 4.0 to applied connected and automated mobility (CAM), connected device technology is a pan-regional specialism with clusters of business, talent and innovation [Midlands Engine report](#) highlights. With a strong pipeline of around 19,000 HE and FE graduates annually, there are notable clusters around Worcestershire and Herefordshire’s Cyber Valley, and in the wider West Midlands around automotive and other applied industries. Notably, the majority (71%) of early-stage fundraising investments in high growth companies have come from foreign investors. The strength of

cluster organisation through sites such as Malvern Science Park, Skylon Park, Space Park, and high performing universities in computer science (Warwick, Birmingham, Nottingham, Loughborough, Coventry, Leicester and Lincoln) with 10 current spin-outs, make the Midlands a strong investment proposition. Department for Business and Trade (DBT) have allocated CAM modelling and simulation a High Potential Opportunity across the Midlands.

[New West Midlands Metro extension to Wolverhampton Railway Station opened on 17 September](#)

The £50 million extension creates two new tram stops at Pipers Row and Wolverhampton Railway Station, offering seamless connections to bus and train services helping to create a major public transport hub for the city. Read more [here](#).

[WMCA Regulated Qualifications Framework \(RQF\) Profile](#)

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%. Conversely, the WMCA area had a higher proportion of residents with RQF3 (21.5% vs 21.2%), RQF2 (20.6% vs 19.0%) and other qualifications (6.8% vs 4.7%). RQF1 qualifications in the WMCA matched the UK proportion of 2.7%. Although, 10.6% (184,000) of the working age population had no qualifications, which was above the UK-wide average of 7.0%.

[Severn Trent announce £12.5bn spend which could create 7,000 jobs in West Midlands](#)

The investment aims to reduce sewage spills and benefit the natural environment. The plan includes improving capacity, reducing leakage by 16%, and cutting spills from storm overflows by 30%. The new strategy aligns with the government's 2050 industry targets and puts Severn Trent in place to deliver five years ahead of that schedule.

2.3 Regional Business Roundup

Over £50 million awarded to cutting edge manufacturing projects

This [award](#) will see funding for 30 cutting-edge manufacturing projects including rapid-charging motorcycles and self-driving cars, to boost the UK's innovation of clean, green technologies, helping to create jobs and grow the economy.

Investments in the WM region include:

- The Faraday Battery Challenge, delivered by Innovate UK, has awarded £700,000 to Coventry University to lead a group that will create the National Electrifications Skills Forum and Framework (NESFF). The NESFF will support the UK's manufacturing competitive advantage in electrification by ensuring that the right skills are identifiable and accessible across sectors and nations.
- University College Birmingham and Newcastle University will each get a share of £2.5 million to run the Battery Workforce Training Initiative in their local areas.
- Centre for Connected and Autonomous Vehicles 13 projects includes work with Coventry University and the University of Warwick, as well as several businesses allied to region. The self-drive potential could also offer positive change for residents with disabilities and mobility challenges.

Birmingham recorded the highest office take-up outside London and the South East during the second quarter of this year

CBRE's latest [UK Office Market Report](#) showed that three of the five biggest deals transacted during this period were also in Birmingham, including 36,000 sq ft at Louisa Ryland House, 22,900 sq ft at Crossway House/156 Great Charles Street and 21,500 sq ft at 54 Hagley Road. A total of 174,907 sq ft of space was let in the city in Q2, 15 per cent up on Q1. In total, 327,000 sq ft was taken-up in H1, 12 per cent more than the same period last year and the highest H1 take-up since 2020.

Plans to refurbish and extend Colmore Gate building to create new jobs in the region

More than 3,600 jobs could be created after plans were submitted for the partial demolition and extension of the Colmore Gate building. Rather than redevelop, [AP Colmore](#) (a subsidiary of Ashtrom Properties), is working alongside Lichfields and Buckley Gray Yeoman (BGY) architects to refurbish and extend the existing building to create a 26-storey tower and a 10-storey shoulder building for Colmore Row.

WMCA Board approves of Business Energy Advice Service

On 15 September the [WMCA Board approved](#) £24,609,772 of pilot funding to support a regional decarbonisation advice and grants programme for businesses, jointly funded by DESNZ and DLUHC, providing circa £9m revenue funding for energy assessment audits and roadmaps for SMEs in both the industrial and commercial sectors across the the West Midlands alongside £5m capital funding for energy reduction grants an additional £10.5m for grants from DLUHC would be provided in the WMCA area. A Local Authority will be appointed to deliver the £10.5m DLUHC grants within the WMCA area (currently to be decided via a short bidding round). WMG and MTC will deliver energy-intensive assessments as part of the High-Value Manufacturing Catapult programme across the West Midlands region.

Coventry City Council forges Strategic Energy Partnership with E.ON

Coventry City Council has joined forces with E.ON to launch a pioneering 15-year partnership which will transform the city's approach to carbon reduction whilst helping people save money and boosting the local economy. The initiative will see E.ON become the city's new Strategic Energy Partner, forming an alliance that will build a cleaner and more sustainable city and drive a new green economy that will bring jobs and skills for generations to come. [Read more](#).

[WMCA holds Energy Capital Partnership Autumn Conference and signs landmark energy collaboration agreement with SSE Energy Solutions](#)

Over 130 delegates attended the Energy Capital Partnership Conference on 21 Sept, with representation from energy industry, supply chain businesses and academia. Significant sponsorship and social media activity reflected regional leadership in the energy and net zero area. At the event, energy infrastructure giant, SSE Energy Solutions, and the WMCA signed an agreement that will see them work together on new clean energy projects across the region. This private and public sector collaboration is the WMCA's first with an energy company. It will support the WMCA, and its local authority partners, as they explore region-wide opportunities to bolster energy security and support the [#WM2041](#) net zero commitment.

[New construction starts up by 8%](#)

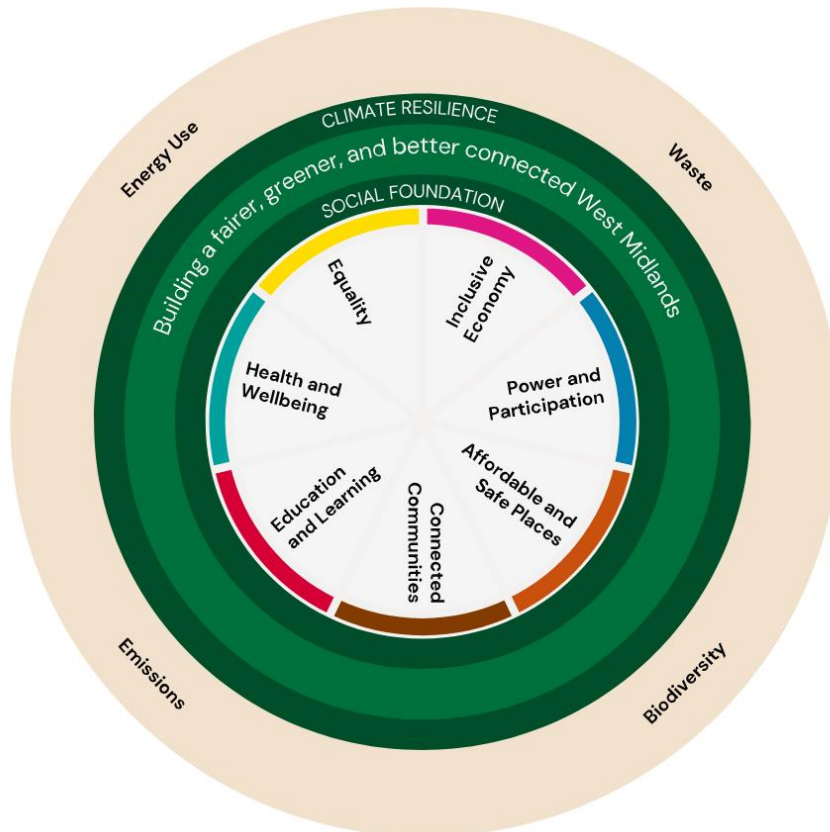
West Midlands construction has seen an increase in new projects as starts edged up by 8% in the three months to August 2023 compared to the previous three months. This was driven by the office sector, where the underlying value of office starts tripled on a year ago, to £112 million and this should continue with other schemes moving towards breaking ground. [Glenigan's research](#) shows that a start is due in November on the £67.8 million Drum redevelopment of the former John Lewis department store in central Birmingham. The Beorma Quarter office and residential scheme at Digbeth in Birmingham also continues to produce opportunities. JRL will start on the £200 million Phase 2-3 section next month.

[PGS Group opens new facility in West Bromwich creating over 50 jobs](#)

A logistics group has launched a new warehouse in the Black Country, creating more than 50 jobs. [PGS Group](#) has opened the 80,000 sq ft facility in West Bromwich from where it will run a parcel and pallet delivery operation. The warehouse, which will run on solar-power for at least 80 per cent of the year, adds to the group's growing portfolio of sites which now sits at more than 650,000 sq ft of space across the West Midlands.

2.4 Inclusive Growth Roundup

This section looks at the regional news highlights which relate to our eight fundamentals of Inclusive Growth. This includes one fundamental focused on planetary boundaries, ‘climate resilience’, and seven human focused fundamentals: ‘inclusive economy’, ‘power and participation’, ‘affordable and safe places’, ‘connected communities’, ‘education and learning’, ‘health and wellbeing’, and ‘equality’. Below is our Inclusive Growth Doughnut. To find out more about the WMCA’s commitment to Inclusive Growth see [here](#).



Power and participation

UK Onward release data on levels of social trust across England

Social trust is the fabric that holds societies together. The presence of good neighbours is vital for a strong community, and their absence is an economic warning light. The study asked people, “generally speaking, would you say that people can be trusted or that you can’t be too careful in dealing with people?”. Responses were used to create a ‘net trust’ score from -100 to +100%, where -100% represents only negative responses being received and +100 represents only positive responses. In the WMCA area, UK Onward found Solihull had the highest levels of trust and Sandwell, the lowest. See table below and original release [here](#).

Area	Net trust
Solihull	+2%
Birmingham	-11%
Coventry	-11%
Dudley	-12%
Wolverhampton	-14%
Walsall	-15%
Sandwell	-20%
England Average	-2%

Affordable and safe places

New hate crime hub opens at The Loft in Birmingham

In their latest bid to target offenders, local officers and partners who work with businesses in Birmingham's Gay Village have created a safe place where people can report violence, intimidation and abuse anonymously. Read about the new hub [here](#).

Team of officers who are tasked with improving safety on our roads is set to increase by two thirds

The Road Harm Prevention Team is made up of officers, with a range of experience in enforcement, collision investigation and community engagement. There are currently 11 Road Harm Prevention Officers. A total of seven new police officers will be joining the Road Harm Prevention Team, which was set up to improve road safety, reduce collisions and promote responsible driving behaviour in the West Midlands. [Find out more](#).

Education and learning

Successful transition from training to work requires comprehensive support, new study argues

According to the [research](#) published by the American Enterprise Institute, sector programs should be supplemented with comprehensive supports that address non-training needs, such as direct subsidies, childcare, transportation, and mental health resources. By incorporating these principles, such programs could substantially amplify their impact, thereby addressing the economic inequalities and improving employment outcomes more effectively.

Lifelong Learning Bill becomes law

From 2025, all adults can get students loans worth up to £37,000, for use flexibly over their working lives to upskill or retrain and cover full-time courses (e.g., degrees or Higher Technical Qualifications (HTQs)), and also individual modules from courses. People who have already taken out a loan for a degree will also be able to use the rest of their entitlement to study subjects to gain additional skills that employers want. [Find out more](#).

Health and wellbeing

UK Government announces 'Get Active' – a strategy for the future of sport and physical activity

To lower high levels of inactivity, the UK Government has published its [strategy](#) setting out how it will work with the sport and physical activity sector to increase accessible, inclusive and sustainable opportunities. The strategy will be overseen through a joint government and sector National Physical Activity Taskforce with targets to measure success, including targets to reduce disparities in participation, including for those with disabilities and racialised communities and to ensure at least 75% of Sport England place investment is committed to areas with the lowest levels of physical activity and social outcomes as part of levelling up.

Research reveals potential benefits of social prescribing in the West Midlands

The Institute of Community Research and Development (ICRD) at the University of Wolverhampton and the West Midlands Regional Economic Development Institute (WMREDI) have discovered potential economic and employment impacts of social prescribing to include: returning to work; gaining transferable skills; building confidence and aspirations; and improving engagement with education which in turn improves opportunities for work. Further, social prescribing can be seen to play a role in moving young people away from benefits and into employment – through increasing confidence and making more positive choices. Read more about the findings from the initial phases of this research programme [here](#).

Birmingham and Solihull Integrated Care System releases new Integrated Care Strategy 2023–2033

The report details the vision for the next ten years for how residents live, work and receive care within Birmingham and Solihull. It outlines the challenges, shared objectives, and five big differences intended as a result of the strategy, including adopting a 'one stop shop' model through fully integrated care based around the individual and, working closely with existing partnerships such as health and

wellbeing boards, on the wider determinants of health such as housing, employment and education to reduce inequalities. The strategy is accompanied by its engagement place that sets out the ICS' partnership model, with reference to the WMCA as one organisation that can help address inequalities. Find the Strategy [here](#).

Equality

[Social Mobility Commission publishes *State of the Nation 2023: People and Places*](#)

This report sets out social mobility across 41 UK regions and progress made. WMCA has some of the highest levels of childhood poverty, youth unemployment, and parents in lower working-class occupations area (along with Greater London and Greater Manchester). The geographical distribution of youth unemployment closely parallels that of childhood poverty. The report further suggests it is possible that areas with a more favourable R&D environment will be among the more dynamic areas of the country in future decades, and so will provide favourable conditions for upward mobility. See the report [here](#).

[New research delves into weight discrimination at work](#)

This study identified people's attitudes, perceptions and experiences of weight discrimination at work. Further it considered the action taken by organisations and the perceived impact this had by employees. The report notes that perceptions and experiences differ depending on an individual's Body Mass Index. Whilst the research concludes there is weight discrimination, many respondents do not consider it to be a problem and more work is needed to raise awareness amongst employers (including subtle or benevolent forms) to enable equality and inclusion. Read the report [here](#).

3.0 Annex

3.1 Achieving a step change in evaluation of business support

George Bramley, WMREDI

There have been numerous reviews of evaluation of business support that have concluded they do not meet a specific methodological gold standard ([National Audit Office \(2020\)](#)¹, [OECD \(2023\)](#), [What Works Centre for Local Economic Growth \(2016a\)](#)²). As someone who started out as a commissioner of business support for eleven years in the then Department of Trade and Industry (DTI), working with WMREDI partners and as a current Council Member of the UK Evaluation Society, I am aware evaluations are commissioned for many different pragmatic reasons to support key policy decisions.

Whilst working with the DTI Small Business Service and due to having inherited 300 programmes developed across government, I was asked to develop the concept of strategic evaluation. This drew on a utility-focused approach to evaluation developed by Quinn Patton and involved identifying the strategic imperative for undertaking an evaluation in terms of information needs for policy colleagues. At the time colleagues were experimenting with new forms of business support, many of which are now commonplace – including support for social enterprise, community development finance, regional venture capital funds, supporting less advantaged groups and communities starting their own businesses which necessitated initially a more developmental evaluation approach that captured key learning. Consequently, the strategic imperative was often concerned with proof of concept and capturing learning to refine provision as it was too early to undertake a rigorous assessment of cost effectiveness. At the time we also had, what now seems a luxury, three-year funding. This allowed us to undertake an early assessment in the first year and make adjustments providing a cohort of businesses that were receiving optimised support in year 2 to assess effectiveness and value for money at the end of year 3. Whilst working at the DTI, I had the privilege of representing the UK Government on the OECD Working Party on SMEs and Entrepreneurship and being co-chair of the steering committee for the OECD Framework for the evaluation of SME and entrepreneurship policies and programmes. It was therefore, with great interest I read the recently revised Framework published this summer (OECD 2023)³.

The OECD framework is based around thinking developed here in the West Midlands by Professor David Storey when he led the ESRC Centre for SMEs at Warwick Business School. In many ways the OECD was early adopter of what is now being called context appropriate best practice in evaluation. David's key contribution is a useful and helpful departure from the Maryland Scale which privileges evidence from RCTs in setting out what he described as 'six steps to evaluation heaven' which have been adopted by the OECD.

The Maryland Scale approach to assessing quality of evidence on the effectiveness of interventions is used by [What Works Centres \(2016b\)](#)⁴. The Maryland Scale is predicated on a preference for randomised control trials (RCTs) in evaluating interventions and the assumption that randomisation to intervention and control groups will take account of unobserved variables, thereby providing the strongest possible evidence on the counterfactual. The successful implementation of a RCT requires high fidelity (consistency) in the delivery of the intervention. This is possible for very specific and less intensive business support interventions where randomised allocation can be built into the design of the intervention – for example, the evaluation of the Growth Vouchers Programme (Khan 2014). With

¹ National Audit Office (2020). Business Support Schemes. Report by Comptroller and Auditor General. <https://www.nao.org.uk/wp-content/uploads/2020/01/Business-support-schemes.pdf>

² What Works Centre for Local Economic Growth (2016). Evidence Topic: Business Advice. <https://whatworksgrowth.org/resource-library/business-advice/>

³ OECD (2023), *Framework for the Evaluation of SME and Entrepreneurship Policies and Programmes 2023*, OECD Studies on SMEs and Entrepreneurship, OECD Publishing, Paris, <https://doi.org/10.1787/a4c818d1-en>.

⁴ What Works Centre for Local Economic Growth (2016). Guide to scoring evidence using the Maryland Scientific Methods Scale. https://whatworksgrowth.org/wp-content/uploads/16-06-28_Scoring_Guide.pdf

more intensive and reactive business support the application of RCT approach becomes problematic. This is because support is business needs driven (demand-led) as opposed to provision of a standardised offer (a provider-led) approach. Tailored support based on detailed diagnosis of need can combine several interventional offers available within a regional business support ecosystem. The 'six steps' approach provides us with a useful framework for developing robust quasi-experimental approaches to evaluating business support programmes. The six steps are described in Box 1 below.

Box 1: The six steps in the OECD Framework

In the OECD framework each step represents an increase in the evidence for evaluation purposes. Step 1 is considered to be the least and Step 6 is the most sophisticated approach. The six steps are:

- **Step 1:** Take up of schemes
- **Step 2:** Recipients' opinions
- **Step 3:** Recipients' views of the difference made by the assistance

The above three steps tend to be associated with qualitative approaches, but the following three steps typify quantitative evaluations:

- **Step 4:** Comparison of the performance of assisted with typical firms
- **Step 5:** Comparison with matched firms
- **Step 6:** Taking account of selection bias

The first three steps Storey considered to be monitoring, not evaluation. Step 6 involves modelling for selection bias (developed by Heckman 1997⁵) that are more widely used in labour market and welfare programmes.

In updating the Framework, the OECD reviewed recent developments in good practice and identified 50 potential exemplar evaluations in member economies of hard (financial) and soft (non-financial) business support policies and programmes. While there has been progress in the adoption and adaption of more robust methodologies for assessing effectiveness and value for money, including the use of RCTs and synthetic control groups, they were few evaluations that fully meet the OECD assessment criteria.

The revised framework echoes and complements UK Government guidance provided in the [Magenta Book \(HM Treasury 2020\)](#)⁶ and [BEIS \(2019\) supplementary guidelines for evaluating business support](#)⁷. It also makes several recommendations pertinent to developing robust evaluation of business support in the West Midlands:

- a) The inclusion of three core metrics (sales, employment and survival) in all evaluations, complemented with additional metrics for other objectives where specified for wider environmental and social benefits.
- b) More routinised capturing of expenditure data to facilitate cost effectiveness assessments.
- c) Using routinely collected data by government on businesses to assess performance (e.g. tax records) to provide information on core metrics.
- d) Consideration of the impact of macro policies in delivering and achievement of objectives.
- e) Identifying exceptional performers and considering the role of such firms on reaching judgment on the overall effectiveness of a programme; and
- f) Systematically including the performance of non-surviving SMEs and start-ups when assessing treatment and control group performance.

OECD guidelines also recommend that every three years all major SME and entrepreneurship programmes should be the subject of a reliable evaluation, defined as a minimum of Step 5. The

⁵ Heckman, JJ, Ichimura H, Todd P (1997). Matching as an econometric estimator: evidence from evaluating a job training programme. Review of Economic Studies, 64(4), 605-654

⁶ HM Treasury (2020). Magenta Book: Central Government guidance on evaluation. <https://www.gov.uk/government/publications/the-magenta-book>

⁷ BEIS (2019). Business Support Evaluation Framework. <https://www.gov.uk/government/publications/business-support-evaluation-framework>

guidelines suggest only what the OECD call “short-lifers” be excluded, as it is not feasible to undertake sufficiently robust evaluation of programmes that last less than two years.

Within the UK, evaluations are expected to adhere to the BEIS Business Support Evaluation Framework, where funding is provided by the then Department for Business, Energy and Industrial Strategy (BEIS) are expected to adhere to this framework⁸. This Framework builds on Magenta Book Guidelines for evaluation which sets out public officials should consider when commissioning and undertaking evaluations of central government funded programmes. The framework includes a set of principles listed in the Box 2 below.

Box 2: Supporting Principles for good evaluation of business support

- A. Evidence needs to be of sufficient quality for all evaluations, in order to provide convincing evidence of what works.
- B. Evaluations need to **clearly map out the anticipated outcomes of the intervention and identify the appropriate outcome measures that will provide a reliable and meaningful assessment of impact** (through developing a logic model and/or theory of change).
- C. The evaluation needs to be **designed to be able to detect impact**. The design needs to be able to demonstrate that the intervention is causing any change in outcome measures (e.g. productivity) or **at least intermediate or proxy measures** (e.g. adoption of new management practices, or self-reported improvements in efficiency). Considerations around the anticipated size of the impact needs to be factored into the design phase, to ensure the appropriate methodology is used.
- D. Evaluations should be **accurate in detecting impact, including controlling for any biases**. Where biases are uncontrollable, these should be clearly reported on and caveated in evaluation plans and reports. Some techniques (in some circumstances) may overestimate or underestimate the impact of a programme (e.g. not controlling for selection bias).
- E. **Similar metrics need to be collected across different interventions where possible**, so that the department is able to compare like with like .
- F. **Measurement tools need to be high quality and consistent where possible**. For example, the phrasing of a survey question can influence the answer given and may elicit different information, particularly when using a slightly different definition of a concept.
- G. Evaluations **should collect and calculate the same final impact measures (e.g. productivity) to ensure comparability across evaluations. Administrative data can be used to track longer-term outcomes, where it is not feasible to collect these measures directly**. Evaluators will need to clearly label what metrics will be reported on from the outset (e.g. defined in the logic model or theory of change), and clearly report how outcome measures are calculated. This will help to ensure that appropriate comparisons can be made.
- H. **Intermediate outcomes, as defined in the logic model/theory of change, are likely to differ** for each intervention. However, some level of standardisation where possible is desirable.
- I. **Evaluation plans and technical reports need to be detailed and transparent, including clear write-ups of planned and completed evaluation activity**, so that informed comparisons can be made between the different interventions. This includes a logic model or theory of change, overarching objectives, independent variables to test for impact and when measures will be collected.

⁸ As result of reorganisation of government departments, directorates with BEIS were transferred to Department of Science, Innovation and Technology, Department for Business and Trade who have continued to use the framework.

- J. ***Capturing and publishing details on the interventions themselves is important, so that intervention designs can be compared and contrasted.*** This is also important for understanding how the results have been achieved and could be replicated where an intervention is effective.
- K. Similarly, it is ***important to know which businesses the intervention was targeted at, and the characteristics of the businesses receiving the intervention.***

An opportunity that has been created in the West Midlands for a step change in evaluation of business support.

There are two developments that will contribute improve evaluation coverage. The first is the recent comprehensive review of provision undertaken by Metro Dynamics. The second is the replacement of European Regional Development Fund (ERDF) with the UK Shared Prosperity Fund (UKSPF) in April 2023 as the principal source of funding for business support. Both have only provided not only the opportunity to realign provision but how it is evaluated.

The West Midlands Future Business Support Review (Metro Dynamics 2021)⁹ drew several conclusions including:

- a) effective business support is a core part of strategic investment in jobs and skills
- b) there is a strong case for change
- c) stronger business support can best be achieved through a modular and phased approach, not a 'big bang' change
- d) it is necessary to develop an improved ecosystem with a modern, customer journey, built around the user not the provider
- e) it is important to build on existing strengths in provision and some programmes should not continue once their current funding ends

The response of the WMCA and its partners was to convene working groups that examined how best address the different pillars of an effective business support ecosystem identified in the review. It is the recommendations of the working groups makes a new cost-effective approach to evaluating business support feasible. These included:

- (a) Investing in an account management infrastructure protected from funding cycles to provide the stability needed.
- (b) Adoption of a core diagnostic tool which aligns existing diagnostic tools and provides a template for capturing core data on businesses engaged.
- (c) The creation of shared knowledge hub and shared central CRM for the region.
- (d) A database of business in the region including buying access to data held on a commercial database.
- (e) Developing a set of core products that all businesses across all parts of the region can access.
- (f) Creation of premium products which are thematic programmes that contain products which complement each other and support business growth.
- (g) Development of business guides that help raise awareness of the consistent West Midlands offer and maximise take-up.
- (h) A campaign to drive take up by eligible businesses.

If fully implemented these recommendations will allow the West Midlands to develop the evaluation and monitoring infrastructure required more robust evaluation of business support. This can be

⁹ Metro Dynamics (2021). West Midlands – Future Business Support. Final Report 2021. Can be accessed at: <https://www.cwgrowthhub.co.uk/west-midlands-business-support-report> [Accessed 13.09.2023]

achieved through linking detailed data on assistance provided to individual businesses and their performance data over time making it possible to assess against three core metrics of sales (turnover/GVA), employment and survival. It would also enable the creation of synthetic control groups need to assess the counterfactual based on observable characteristics of businesses assisted such age, sector, turnover, and employment and more sophisticated forms of evaluation.

DRAFT

3.2 WMCA Economic Intelligence Unit Dashboard

Themes	Indicator	August 2022	September 2022	October 2022	November 2022	December 2022	January 2023	February 2023	March 2023	April 2023	May 2023	June 2023	July 2023	August 2023	Trend	Relative to Peer Group ¹	Commentary										
Business	Regional Business Activity Index ² (monthly update)	49.3	47.8	49.6	48.8	48.9	49.0	53.0	52.7	52.8	54.2	52.6	51.3	50.0	<table border="1"> <tr><th>Aug 2019</th><th>Aug 2020</th><th>Aug 2021</th><th>Aug 2022</th><th>Aug 2023</th></tr> <tr><td>47.5</td><td>61.9</td><td>55.2</td><td>49.3</td><td>50.0</td></tr> </table>	Aug 2019	Aug 2020	Aug 2021	Aug 2022	Aug 2023	47.5	61.9	55.2	49.3	50.0	WM: 4 th Highest Region UK: 48.6 Wales: 50.5 (1 st) Northern Ireland: 45.7 (12 th)	The West Midlands Business Activity Index decreased from 51.3 in July 2023 to 50.0 in August 2023, marking the end of a six-month period of growth. There was a mixed picture reported, as some firms reported output growth due to new client wins and clearing of backlog while others reported lack of new business and elevated borrowing costs restricted business activity.
	Aug 2019	Aug 2020	Aug 2021	Aug 2022	Aug 2023																						
	47.5	61.9	55.2	49.3	50.0																						
Regional Future Business Activity Index ³ (monthly update)	67.8	64.4	60.7	64.7	65.3	76.5	78.4	78.0	76.5	78.5	74.4	76.8	78.5	<table border="1"> <tr><th>Aug 2019</th><th>Aug 2020</th><th>Aug 2021</th><th>Aug 2022</th><th>Aug 2023</th></tr> <tr><td>60.5</td><td>65.5</td><td>77.2</td><td>67.8</td><td>78.5</td></tr> </table>	Aug 2019	Aug 2020	Aug 2021	Aug 2022	Aug 2023	60.5	65.5	77.2	67.8	78.5	WM: Highest Region South East: 75.1 (2 nd) North East: 56.6 (12 th)	The West Midlands Future Business Activity Index increased from 76.8 in July 2023 to 78.5 in August 2023, the joint highest level since January 2022. Optimism in West Midlands firms was linked to expectations of new business gains, product diversification and internal efficiency.	
Aug 2019	Aug 2020	Aug 2021	Aug 2022	Aug 2023																							
60.5	65.5	77.2	67.8	78.5																							
National Business Investment ⁴ (monthly – update due 29 th Sep 2023, provisional)			£55.9bn (Q3)													N/A	Provisional figures show that UK business investment increased on the quarter by 3.4% in Quarter 2 2023 to £59.6bn. Investment in air transport was the main contributor to the increase in Quarter 2 2023, increasing by 23.0%. UK business investment is now 6.7% 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 (GMA), 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 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 August 2023 – released September 2023.

³ NatWest, UK regional PMI report for August 2023 – released September 2023.

⁴ Office for National Statistics (ONS), Business Investment in the UK: April to June 2023 provisional results – released August 2023.



WMCA ECONOMIC DASHBOARD – SEPTEMBER 2023

Themes	Indicator	August 2022	September 2022	October 2022	November 2022	December 2022	January 2023	February 2023	March 2023	April 2023	May 2023	June 2023	July 2023	August 2023	Trend	Relative to Peer Group ³	Commentary										
Business	WMCA (7 Met.) Enterprise Deaths ⁵ (quarterly – update due Oct/Nov 2023 TBC)		3,310 (Q3)			3,560 (Q4)			5,485 (Q1)			3,500 (Q2)			<table border="1"> <thead> <tr> <th>Q2 2019</th> <th>Q2 2020</th> <th>Q2 2021</th> <th>Q2 2022</th> <th>Q2 2023</th> </tr> </thead> <tbody> <tr> <td>3,805</td> <td>2,590</td> <td>3,205</td> <td>4,190</td> <td>3,500</td> </tr> </tbody> </table>	Q2 2019	Q2 2020	Q2 2021	Q2 2022	Q2 2023	3,805	2,590	3,205	4,190	3,500	WMCA: 2 nd Highest CA GMCA: 3,550 (1 st) Tees Valley: 630 (10 th)	<p>The number of business deaths in the WMCA area in Q2 2023 was 3,500. This figure is 16.5% lower than the number of business deaths in Q2 2022 reflecting a considerable (and positive) fall in business closures in the region, from recent highs.</p> <p>Quarter on quarter analysis (between Q2 2023 and Q1 2023) shows a 36.2% decrease in business deaths across the WMCA area (UK - 21.0%).</p>
	Q2 2019	Q2 2020	Q2 2021	Q2 2022	Q2 2023																						
3,805	2,590	3,205	4,190	3,500																							
WMCA (7 Met.) Enterprise Births ⁶ (quarterly – update due Oct/Nov 2023 TBC)			3,190 (Q3)			3,115 (Q4)			3,305 (Q1)			3,240 (Q2)		<table border="1"> <thead> <tr> <th>Q2 2019</th> <th>Q2 2020</th> <th>Q2 2021</th> <th>Q2 2022</th> <th>Q2 2023</th> </tr> </thead> <tbody> <tr> <td>3,645</td> <td>2,915</td> <td>3,945</td> <td>3,970</td> <td>3,240</td> </tr> </tbody> </table>	Q2 2019	Q2 2020	Q2 2021	Q2 2022	Q2 2023	3,645	2,915	3,945	3,970	3,240	WMCA: 2 nd Highest CA GMCA: 3,455 (1 st) Tees Valley: 605 (10 th)	<p>The number of business births in the WMCA area in Q2 2023 was 3,240. This figure is 18.4% lower than the number of business births in Q2 2022 and is the lowest number of business creations in a second quarter since 2018 (excluding 2020 Q2 as a majorly Covid-affected quarter).</p> <p>Quarter on quarter analysis (between Q2 2023 and Q1 2023) shows a 2.0% decrease in business births across the WMCA area (UK - 2.5%).</p>	
Q2 2019	Q2 2020	Q2 2021	Q2 2022	Q2 2023																							
3,645	2,915	3,945	3,970	3,240																							

³ ONS, Business demography, quarterly experimental statistics, low-level geographic breakdown, UK – released July 2023 (RAG rating based on quarterly change).

⁶ ONS, Business demography, quarterly experimental statistics, low-level geographic breakdown, UK – released July 2023 (RAG rating based on quarterly change).



WMCA ECONOMIC DASHBOARD – SEPTEMBER 2023

Annual Business Dashboard

Themes	Indicator	2017	2018	2019	2020	2021	Trend	Relative to Peer Group	Commentary
Business	WMCA (7 Met.) High Growth Enterprises ⁷ (annual – update due Nov 2023)	430	455	415	380	340		WMCA: 2 nd Highest CA GMCA: 460 (1 st) Tees Valley: 80 (10 th)	The latest available data for the WMCA area shows that the number of high growth enterprises has decreased further, from 380 in 2020 to 340 in 2021. This equates to a decrease of 10.5% (-60 enterprises), which was below the UK decrease of 11.2%. The number of high growth enterprises has now decreased in each of the last 3 years, perhaps somewhat unexpected given major economic shocks.
	WMCA (7 Met.) Enterprise Births ⁸ (annual – update due Nov 2023)	13,795	15,785	15,310	14,125	16,550		WMCA: 2 nd Highest CA GMCA: 17,510 (1 st) Tees Valley: 2,620 (10 th)	In the WMCA area, there were 16,550 enterprise births in 2021. This represents an increase compared to 2020 above the national average (+17.2% compared to +9.3% across the UK) and are above pre-Covid-19 levels (15,310 births in 2019).
	WMCA (7 Met.) Enterprise Deaths ⁹ (annual – update due Nov 2023)	13,735	13,670	12,080	13,745	13,220		WMCA: 2 nd Highest CA GMCA: 14,410 (1 st) Tees Valley: 2,250 (10 th)	Enterprise deaths in the WMCA area decreased by 3.8% (-525 deaths) since 2020 to 13,220 in 2021. While in contrast, the UK increased by 9.4%.
	WMCA (7 Met.) 3 Year Enterprise Survival Rates ¹⁰ (annual – update due Nov 2023)		52.8% (2015 birth)	43.4% (2016 birth)	47.7% (2017 birth)	46.9% (2018 birth)		WMCA: Lowest CA UK: 57.6% West of England: 63.3% (1 st) GMCA: 51.9% (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 than in the West Midlands). Of the 15,785 enterprise births in 2018 in the WMCA area, 46.9% (7,405) were still active after 3 years compared to 57.6% for the UK.
	WM 7 Met. Innovation Active Businesses ¹¹ (Biennial – update due May 2024)			36.8% (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 2021 – released November 2022

⁸ ONS, Business Demography, UK 2021 – released November 2022

⁹ ONS, Business Demography, UK 2021 – released November 2022

¹⁰ ONS, Business Demography, UK 2021 – released November 2022

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



WMCA ECONOMIC DASHBOARD – SEPTEMBER 2023

Quarterly Place Dashboard

Themes	Indicator	May 2022	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																									
Place	Birmingham City Centre Rent ¹² (Quarterly – update due Oct 2023)		£39.00 Per Sq ft (Q2)			£40.00 Per Sq ft (Q3)			£40.00 Per Sq ft (Q4)			£40.00 Per Sq ft (Q1)			£41.00 Per Sq ft (Q2)	<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></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		£34.50 Q4	£37.00 Q4	£37.50 Q4	£40.00 Q4		Birmingham: 3 rd Highest/9 Bristol and Edinburgh: £42.50 (Joint 1 st) Cardiff: £25.00 (9 th)	The city's prime rent is at £40.00 per Sq ft, up 5.1% 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																																								
£34.50 Q4	£37.00 Q4	£37.50 Q4	£40.00 Q4																																								
	WMCA (7 Met.) Gigabit broadband Connectivity ¹³ (tri-annual – update due Autumn 2023)	84.0% (As of May 2022)				88.7% (As of Sep 2022)				90.1% premises (As of Jan 2023)							WMCA: 2 nd Highest CA UK: 71.9% Tees Valley: 90.4% (1 st) North East: 67.5% (10 th)	As of January 2023, 90.1% of premises in the WMCA area had gigabit broadband availability - significantly above the UK-wide figure of 71.9%.																									

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

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



WMCA ECONOMIC DASHBOARD – SEPTEMBER 2023

Quarterly Economy Dashboard

Themes	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 – SEPTEMBER 2023

Annual Economy Dashboard

Themes	Indicator	2017	2018	2019	2020	2021	2022	2023	Trend	Relative to Peer Group	Commentary
Economy	WMCA (3 LEP) FDI Projects ¹⁶ (annual – update due Jun/Jul 2024)	114 (2016/17)	140 (2017/18)	181 (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 36 and Greater Birmingham & Solihull LEP increased by 40.3% (+25) to 87.
	WMCA (3 LEP) FDI New Jobs ¹⁷ (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 ¹⁸ (Annual – TBC update due June 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.

¹⁶ Department for Business and Trade (DBT), inward investment results – released July 2023.

¹⁷ DBT, inward investment results – released July 2023.

¹⁸ ONS, subregional productivity in the UK – released June 2023.



WMCA ECONOMIC DASHBOARD – SEPTEMBER 2023

Monthly People Dashboard

Themes	Indicator	August 2022	September 2022	October 2022	November 2022	December 2022	January 2023	February 2023	March 2023	April 2023	May 2023	June 2023	July 2023	August 2023	Trend	Relative to Peer Group	Commentary												
People	WMCA (7 Met.) Claimants (16+) ¹⁹ (monthly update)	120,850 (6.6% of Pop. aged 16-64)	120,045 (6.5% of Pop. aged 16-64)	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)	124,780 (6.8% of Pop. aged 16-64)	<table border="1"> <tr><th>Aug 2019</th><th>Aug 2020</th><th>Aug 2021</th><th>Aug 2022</th><th>Aug 2023</th></tr> <tr><td>91,605</td><td>170,570</td><td>152,360</td><td>120,850</td><td>124,780</td></tr> </table>	Aug 2019	Aug 2020	Aug 2021	Aug 2022	Aug 2023	91,605	170,570	152,360	120,850	124,780	WMCA: Highest CA UK: 3.7% GMCA: 4.9% (2 nd) West of England: 2.6% (10 th)	There were 124,780 claimants in the WMCA area in August 2023. Since July 2023, there has been an increase of 0.2% (+275) claimants in the WMCA area – matching the UK growth rate. When compared to March 2020 (pre-Coronavirus pandemic), claimants have increased by 23.7% (+25,480) in the WMCA area, with the UK increasing by 22.0%.		
	Aug 2019	Aug 2020	Aug 2021	Aug 2022	Aug 2023																								
	91,605	170,570	152,360	120,850	124,780																								
	WMCA (7 Met.) Youth Claimants (18-24) ¹⁹ (monthly update)	21,080 (7.4% of Pop. aged 18-24)	21,105 (7.4% of Pop. aged 18-24)	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)	22,945 (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)	23,590 (8.3% of Pop. aged 18-24)	<table border="1"> <tr><th>Aug 2019</th><th>Aug 2020</th><th>Aug 2021</th><th>Aug 2022</th><th>Aug 2023</th></tr> <tr><td>17,765</td><td>34,565</td><td>28,510</td><td>21,080</td><td>23,590</td></tr> </table>	Aug 2019	Aug 2020	Aug 2021	Aug 2022	Aug 2023	17,765	34,565	28,510	21,080	23,590	WMCA: 2 nd Highest CA UK: 4.9% Tees Valley: 8.4% (3 rd) West of England: 2.4% (10 th)	In August 2023, there were 23,590 youth claimants in the WMCA area. Since July 2023, there was an increase of 1.9% (+440) youth claimants in the WMCA area – matching the UK growth rate. When compared to March 2020 (pre-Coronavirus pandemic), youth claimants have increased by 23.2% (+4,435) in the WMCA area, with the UK increasing by 14.1%.	
Aug 2019	Aug 2020	Aug 2021	Aug 2022	Aug 2023																									
17,765	34,565	28,510	21,080	23,590																									
WM 7 Met. Payrolled Employees ²¹ (monthly update)	1,211,945	1,217,267	1,224,145	1,235,742	1,233,758	1,222,057	1,221,702	1,222,616	1,224,560	1,231,736	1,238,028	1,239,800	1,235,366	<table border="1"> <tr><th>Aug 2019</th><th>Aug 2020</th><th>Aug 2021</th><th>Aug 2022</th><th>Aug 2023</th></tr> <tr><td>1,168,976</td><td>1,142,490</td><td>1,172,756</td><td>1,211,945</td><td>1,235,366</td></tr> </table>	Aug 2019	Aug 2020	Aug 2021	Aug 2022	Aug 2023	1,168,976	1,142,490	1,172,756	1,211,945	1,235,366	WM 7 Met.: 3 rd Highest NUTS 2 / 41 Surrey, East & West Sussex: 1,310,806 (1 st) Highlands & Islands: 209,540 (41 st)	The latest (provisional) figures show that there was a contraction in payrolled employees for the WM 7 Met. area (-0.4% vs -0.3% UK). There were nearly 1.24m payrolled employees in the WM 7 Met. area in August 2023. When compared to March 2020 payrolled employees were 5.7% higher (+66,253 in the WM 7 Met. area – above the UK growth of 4.5%).			
Aug 2019	Aug 2020	Aug 2021	Aug 2022	Aug 2023																									
1,168,976	1,142,490	1,172,756	1,211,945	1,235,366																									
WMCA (7 Met.) Employment Rate ²² (quarterly – update due Oct 2023)		68.9% (Year Ending Sep 2022)			69.2% (Full Year 2022)			68.6% (Year Ending Mar 2023)							<table border="1"> <tr><th>Year to Mar 2018</th><th>Year to Mar 2019</th><th>Year to Mar 2020</th><th>Year to Mar 2021</th><th>Year to Mar 2022</th><th>Year to Mar 2023</th></tr> <tr><td>67%</td><td>69%</td><td>69%</td><td>70%</td><td>70%</td><td>68.6%</td></tr> </table>	Year to Mar 2018	Year to Mar 2019	Year to Mar 2020	Year to Mar 2021	Year to Mar 2022	Year to Mar 2023	67%	69%	69%	70%	70%	68.6%	WMCA: Lowest CA UK: 75.4% West of England: 79.3% (1 st) North of Tyne: 70.4% (9 th)	In the year ending March 2023, the employment rate in the WMCA area was 68.6%, compared to 75.4% UK-wide. The employment rate for the WMCA area decreased by 1.4pp when compared to the year ending March 2022. In contrast, the UK employment rate increased by 0.3pp. For the WMCA area to reach the UK rate of 75.4%, an additional 126,867 people are required to be employed.
Year to Mar 2018	Year to Mar 2019	Year to Mar 2020	Year to Mar 2021	Year to Mar 2022	Year to Mar 2023																								
67%	69%	69%	70%	70%	68.6%																								

¹⁹ ONS/DWP, claimant count – released September 2023.

²⁰ ONS/DWP, claimant count – released September 2023.

²¹ ONS, Labour Market in the Regions of the UK – released September 2023.

²² ONS, Annual Population Survey – released August 2023. Please note, figures are not comparable across the dashboard.

3.3 WMCA / City-REDI review of regional economic shocks and investment, deals and opportunities

NEW ECONOMIC SHOCKS			
COMPANY	LOCATION	SECTOR	DETAIL
Wilko	Nationwide	Retail	The administrators of collapsed retail chain Wilko have revealed which 52 stores are set for closure in mid-September. For the West Midlands, Wilko's Brownhills and Stafford stores will shut on September 12, and Walsall and Uttoxeter will close on September 14, impacting 74 jobs. Administrators said they are "committed to preserving as many jobs as possible" as active discussions are ongoing with interested parties looking to purchase parts of the business.
Metalast	Dudley	Manufacturing	A buyer is being sought for a Dudley supplier of ballast and counterweight products that has seen sales hit by the war in Ukraine. RSM UK Restructuring Advisory has been appointed administrators of Metalast at Blackbrook Valley Industrial Estate, Narrowboat Way.
Buckingham Group	Willenhall / Darlaston	Construction	One of the main contractors behind the project to deliver new railway stations in Willenhall and Darlaston (and Birmingham City's Tilton and Kop stands) has filed for administration. Buckingham Group said huge losses on major contracts has resulted in the company not being able to continue trading currently.
Wider Housing Market	Region-Wide	Housing	Economic uncertainty is deterring buyers, says housebuilder Crest Nicholson. The housebuilder said that it had faced bad conditions, which got worse in recent weeks, as interest rates continue to rise. It said that when homes sell, the prices have not changed much. This is because there are not many people selling at the moment, so the supply is low, helping to keep prices higher.

NEW INVESTMENT, DEALS AND OPPORTUNITIES			
COMPANY	LOCATION	SECTOR	DETAIL
PGS Group	West Bromwich	Logistics	A logistics group has launched a new warehouse in the Black Country, creating more than 50 jobs. PGS Group has opened the 80,000 sq ft facility in West Bromwich from where it will run a parcel and pallet delivery operation. The warehouse, which will run on solar-power for at least 80 per cent of the year, adds to the group's growing portfolio of sites which now sits at more than 650,000 sq ft of space across the West Midlands.
Supply 2 Location	Wednesbury	Film and TV	A specialist support company to the film and television production sector has agreed a deal to create a Midlands regional hub. Supply 2 Location Group has agreed a lease on warehouse units 5-6 at Franchise Street, Wednesbury. The property offers warehouse accommodation with a self-contained yard. It has a gross internal floor area of just under 6,000 sq ft.
Atkore	West Bromwich	Manufacturing	A global manufacturer has secured a warehousing and logistics hub in West Bromwich following a deal agreed with investment group Topland. Atkore is to move into a £5m speculative industrial facility at Delta Point Estate imminently, a move aimed at complementing its other premises on the 325,000 sq ft scheme. The company, which specialises in the manufacture of electrical conduits and fittings, cables and cable management systems and infrastructure and security products, has signed a ten-year lease agreement with no break clause.
Hortons' Estate	Coseley	Industrial / Warehouse Development	Independent property company, Hortons' Estate has secured more than 51,000 sq ft of lettings at a newly refurbished industrial estate in Coseley. The Birmingham-based firm has let three industrial/warehouse units at the multi-let Wellington Industrial Estate on Bean Road. The largest of the lettings has been agreed with Hy-Ten Reinforcement, a leading stockist and fabricator of concrete reinforcement bar, mesh and accessories.
Pegasus Group	Bobbington / Stourbridge	Airports	An airport near Wolverhampton and Dudley has changed hands as part of a £4.5 million deal. Wolverhampton Halfpenny Green Airport near Bobbington began life as an RAF airfield in 1941. The Stourbridge-based Pegasus Group is the new owner. Pegasus and Halfpenny Estates, based in Droitwich, have bought Stockstame and its four subsidiary companies which included the 400-acre airfield.
Chemique Adhesives	Walsall	Manufacturing	Following continued year-on-year growth, Chemique Adhesives, a UK manufacturer of industrial adhesives and supplier of adhesive application

NEW INVESTMENT, DEALS AND OPPORTUNITIES			
COMPANY	LOCATION	SECTOR	DETAIL
			equipment, has implemented its expansion plan and moved into a new 1200m ² facility. The new unit is being utilised for raw material and finished goods storage, and extra racking has also been installed, creating over 700 pallet spaces.
SCC	Birmingham	Technology	Technology solutions and services firm SCC has made a majority investment in a Sheffield digital engineering consultancy, as it looks to build a 2,000-person European digital consultancy within the decade.
Aurrigo	Coventry	Aerospace	Aurrigo International is set to develop an autonomous electric vehicle, designed to move heavy cargo loads in partnership with a global logistics company. The Coventry-based transport tech firm is set to create Auto-Cargo over the next 14 months at East Midlands Airport – the UK's second-largest cargo terminal.
Thursfields	Birmingham	Legal	A law firm, Thursfields, has recently expanded to larger premises in the heart of Birmingham. The new office is located on the corner of Colmore Row and Bennetts Hill.
Caddick Construction	Birmingham	Construction	Birmingham's Northspring Temple Street has welcomed Caddick Construction as its latest tenant. The company will move into the fourth floor of the building.
AP Colmore	Birmingham	Development	More than 3,600 jobs could be created after plans were submitted for the partial demolition and extension of the Colmore Gate building. Rather than redevelop, AP Colmore (a subsidiary of Ashtram Properties), is working alongside Lichfields and Buckley Gray Yeoman (BGY) architects to refurbish and extend the existing building to create a 26-storey tower and a 10-storey shoulder building for Colmore Row.
Meditelle	Birmingham	Health / Manufacturing	A medical equipment manufacturer, Meditelle, based in Birmingham has been bought by Agile Group Holdings.
Barberry Group	Oldbury	Development	Development and investment company Barberry Group has completed the purchase of Mecca Bingo, at 50 Halesowen Street, Oldbury, Sandwell, in a £5.92 million deal as part of a high quality income-producing "value add" opportunity.
Praxis / Veld Capital	Birmingham	Development	A commercial campus in Birmingham city centre which comprises office, retail, hospitality and leisure space and is home to a range of national brands has been acquired in a deal worth £125m. Praxis, a UK property investment and

NEW INVESTMENT, DEALS AND OPPORTUNITIES			
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			management platform, and Veld Capital, a private credit specialist investor, have swooped for Brindleyplace from HSBC Alternative Investments.
Novus Renewable Services	Warwickshire	Renewables	An 80-acre solar farm proposed for Warwickshire has been green lit. The application has been supported by Loughborough-based specialist land development and property consultancy Mather Jamie. Novus Renewable Services, a solar PV development company, has been granted permission by Nuneaton and Bedworth Borough Council to develop, construct and operate a solar project at Tolldish Hall Farm, North East of Aldermans Green.
Format Ltd	Coventry	IT	A computer server supplier which counts one of the world's largest scientific experiments as a major client has moved to Coventry and is eyeing growth. Format Ltd, originally from Poland, programmes and assembles servers for high performance computing (HPC) clients, which typically involve high demands on processing power and data storage. Format has moved to the Vanguard Centre, part of the University of Warwick Science Park to grow its presence in the UK market and reach out to customers across the globe.
Vigour	Coventry	Motorsport	Vigour, a manufacturing and engineering business in Coventry which counts Formula 1 teams among its clients, is eyeing growth after receiving support for its expansion plans.
Squab Storage	Warwickshire	Storage	A business centre and self-storage company has announced a major expansion after completing the purchase of a new site in Warwick. Squab Storage, which has its headquarters in Leamington, has purchased a site at Tournament Fields Business Park and will have invested close to £3.5 million in the facility once it has been converted to a self-storage operation.
Coventry University / Frogmore	Coventry	Accommodation	Coventry University has sold a 627-bed hall of residence with "significant" asset management opportunities for an undisclosed sum to real estate fund manager Frogmore. The property will be refurbished and managed by specialist student accommodation provider The Mansion Group.
KJ Fasteners	Dudley	Engineering	A Dudley-based bolting specialist has been sold to a Gateshead-based industrial fasteners company. KBS Corporate has overseen the sale of KJ Fasteners to a Gateshead-based industrial specialist.

The West Midlands Insights on Society and Economy (WISE) Newsletter is part of a series of Summer Lane Insights produced by the West Midlands Combined Authority with content commissioned from the Economic Intelligence Unit (EIU); the City-Region Economic Development Institute (City-REDI) at the University of Birmingham; and other partners in the regional research ecosystem. Find out more at [wmca.org.uk](https://www.wmca.org.uk).

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