

### 3.0 WISE February 2025 Annex

#### 3.1 WMCA Dashboard (prepared by the Economic Intelligence Unit)

##### National

##### Six Weekly Business Dashboard

Theme	Indicator	September 2023	October 2023	November 2023	December 2023	January 2024	February 2024	March 2024	April 2024	May 2024	June 2024	July 2024	August 2024	September 2024	Trend	Relative to Peer Group <sup>1</sup>	Commentary																														
Business	National Business Investment <sup>2</sup> (update due Feb 2025)	£61.7bn (Q3)			£62.8bn (Q4)			£63.0bn (Q1)			£64.1bn (Q2)			£65.3bn (Q3)	<table border="1"> <thead> <tr> <th>Year</th> <th>2020</th> <th>2021</th> <th>2022</th> <th>2023</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Q1</td> <td>£60.6bn</td> <td>£53.8bn</td> <td>£58.9bn</td> <td>£62.6bn</td> <td>£63.0bn</td> </tr> <tr> <td>Q2</td> <td>£49.0bn</td> <td>£58.0bn</td> <td>£60.3bn</td> <td>£63.2bn</td> <td>£64.1bn</td> </tr> <tr> <td>Q3</td> <td>£54.7bn</td> <td>£57.0bn</td> <td>£60.9bn</td> <td>£61.7bn</td> <td>£65.3bn</td> </tr> <tr> <td>Q4</td> <td>£57.8bn</td> <td>£57.2bn</td> <td>£59.2bn</td> <td>£62.8bn</td> <td></td> </tr> </tbody> </table>	Year	2020	2021	2022	2023	2024	Q1	£60.6bn	£53.8bn	£58.9bn	£62.6bn	£63.0bn	Q2	£49.0bn	£58.0bn	£60.3bn	£63.2bn	£64.1bn	Q3	£54.7bn	£57.0bn	£60.9bn	£61.7bn	£65.3bn	Q4	£57.8bn	£57.2bn	£59.2bn	£62.8bn		-	<p>UK business investment increased by 1.9% in Q3 (July to September) 2024 (revised up from the 1.2% provisional estimate) to £65.3bn and is 5.8% above the level in the same quarter a year ago.</p> <p>Whole economy investment (GFCF) in the UK was 18.1% of GDP in Q3 2024, the lowest of the G7 nations.</p>
Year	2020	2021	2022	2023	2024																																										
Q1	£60.6bn	£53.8bn	£58.9bn	£62.6bn	£63.0bn																																										
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##### Regional

##### Monthly / Quarterly Business Dashboard

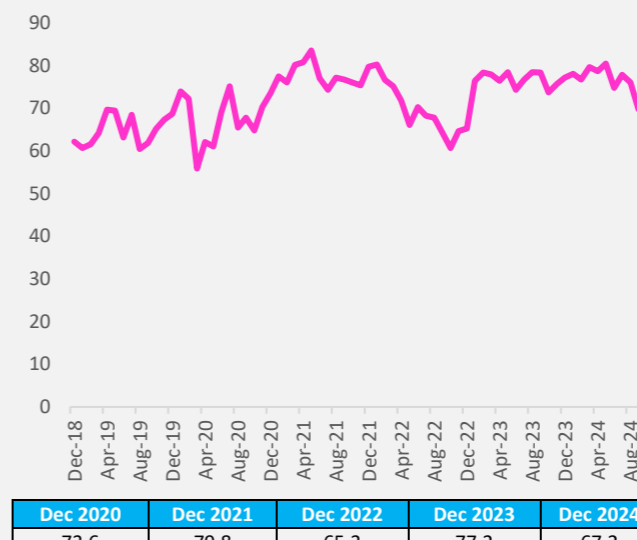
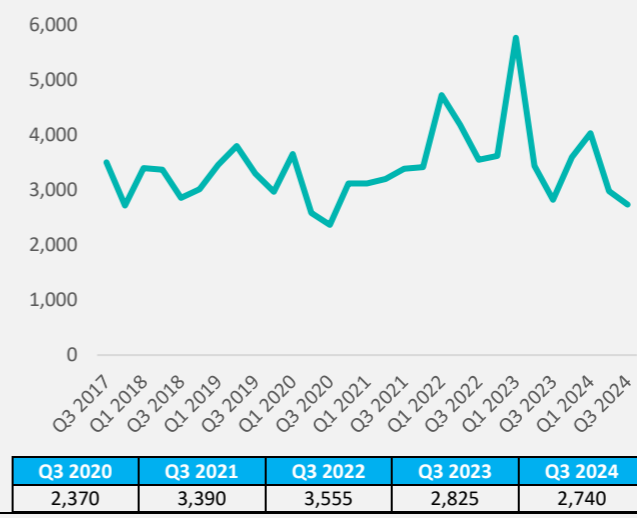
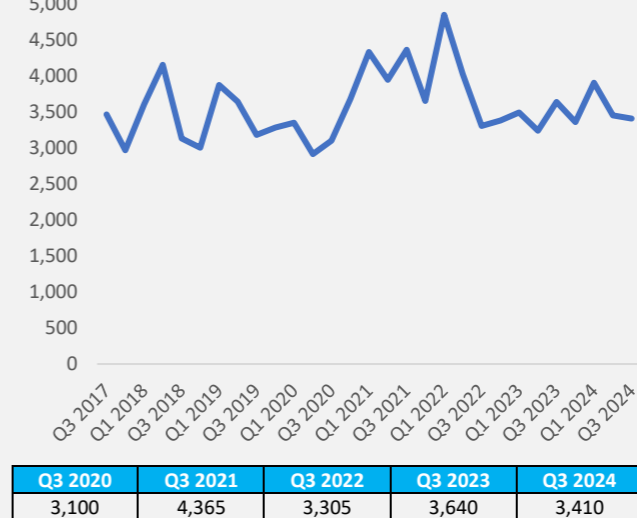
Theme	Indicator	December 2023	January 2024	February 2024	March 2024	April 2024	May 2024	June 2024	July 2024	August 2024	September 2024	October 2024	November 2024	December 2024	Trend	Relative to Peer Group	Commentary												
Business	Regional Business Activity Index <sup>3</sup> (monthly update)	51.5	53.1	53.1	52.8	55.5	54.2	51.6	51.2	52.2	51.2	50.0	49.9	48.9	<table border="1"> <thead> <tr> <th>Year</th> <th>Dec 2020</th> <th>Dec 2021</th> <th>Dec 2022</th> <th>Dec 2023</th> <th>Dec 2024</th> </tr> </thead> <tbody> <tr> <td></td> <td>54.2</td> <td>50.7</td> <td>48.9</td> <td>51.5</td> <td>48.9</td> </tr> </tbody> </table>	Year	Dec 2020	Dec 2021	Dec 2022	Dec 2023	Dec 2024		54.2	50.7	48.9	51.5	48.9	<p>WM: 6<sup>th</sup> Highest Region UK: 50.4 North East: 55.1 (1<sup>st</sup>) North West and Scotland: 46.9 (Joint 12<sup>th</sup>)</p>	<p>The West Midlands Business Activity Index decreased from 49.9 in November 2024 to 48.9 in December 2024, a second successive fall in business activity across the region despite the rate of contraction being modest. Firms that signalled a fall in activity remarked on subdued client confidence and reduced intakes of new business.</p>
Year	Dec 2020	Dec 2021	Dec 2022	Dec 2023	Dec 2024																								
	54.2	50.7	48.9	51.5	48.9																								

The Dashboard has been updated to reflect the WMCA 7 Met. geography where available.

<sup>1</sup> 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), (traditional combined authorities are Greater Manchester CA (GMCA), Sheffield City Region, West Yorkshire CA, Liverpool City Region CA, Tees Valley CA, Cambridgeshire and Peterborough CA, West of England CA, North East CA and North of Tyne CA, however for claimants/ ONS labour market activity new CAs are now available meaning the 11 will be - GMCA, South Yorkshire, West Yorkshire, Liverpool City Region, Tees Valley, WMCA, Cambridgeshire & Peterborough, West of England, York & North Yorkshire, East Midlands and the North East) or NUTS 2 / ITL 2 geography. The West Midlands region has been compared to other regions in the UK. No comparators have been included for UK-wide.

<sup>2</sup> Office for National Statistics (ONS), Business investment in the UK: July to September 2024 revised results – released December 2024

<sup>3</sup> NatWest, UK regional growth tracker report for December 2024 – released January 2025.

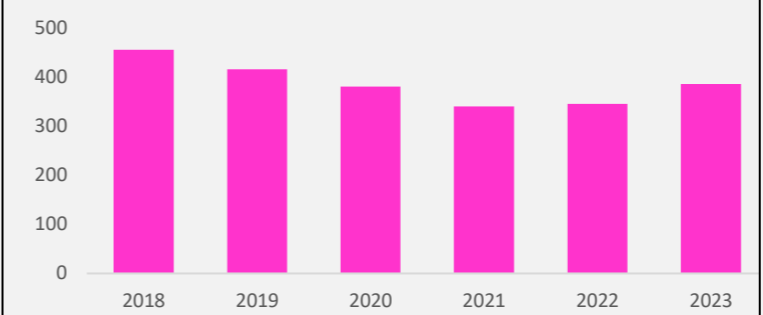
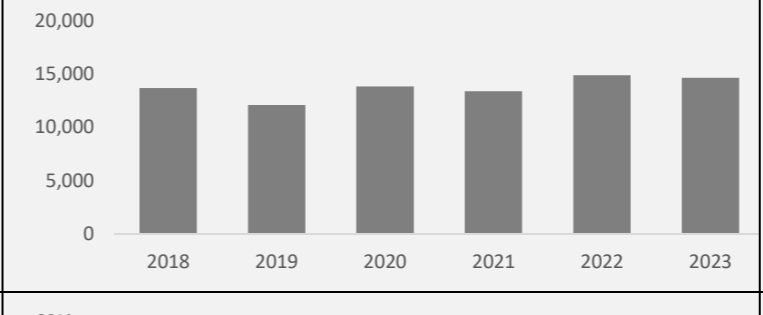
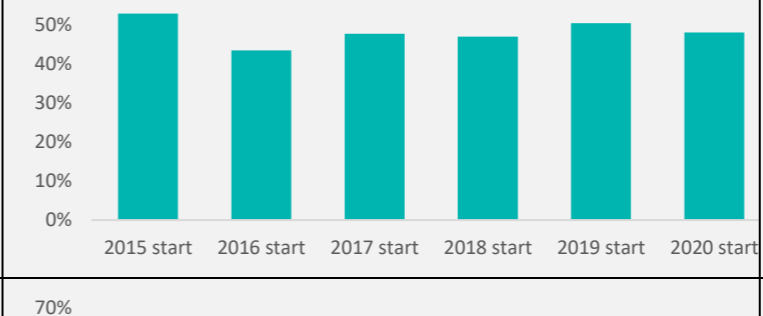
Theme	Indicator	December 2023	January 2024	February 2024	March 2024	April 2024	May 2024	June 2024	July 2024	August 2024	September 2024	October 2024	November 2024	December 2024	Trend	Relative to Peer Group	Commentary
Business	Regional Future Business Activity Index <sup>4</sup> (monthly update)	77.2	78.1	76.8	79.7	78.7	80.5	74.8	77.9	76.1	69.8	71.0	68.6	67.2		WM: 5 <sup>th</sup> Highest Region East Midlands: 70.4 (1 <sup>st</sup> ) Scotland: 54.7 (12 <sup>th</sup> )	The West Midlands Future Business Activity Index decreased from 68.6 in November 2024 to 67.2 in December 2024, a two-year low. Firms remained confident that output would increase in 2025 with optimism being underpinned by advertising, investment and hopes of a recovery in client demand.
	WMCA (7 Met.) Enterprise Deaths <sup>5</sup> (quarterly – update due Jan 2025)	3,600 (Q4)			4,040 (Q1)			2,985 (Q2)				2,740 (Q3)				WM: 2 <sup>nd</sup> Highest Met. Area / 6 Greater Manchester: 2,870 (1 <sup>st</sup> ) Tyne & Wear: 795 (6 <sup>th</sup> )	In Q3 2024, there were 2,740 business deaths in the WMCA area. A decrease of 8.2% when compared to Q2 2024 (UK -13.2%). Quarter on year quarter analysis (between Q3 2023 and Q3 2024) shows a 3.0% decrease in business deaths across the WMCA area (UK -4.5%).
	WMCA (7 Met.) Enterprise Births <sup>6</sup> (quarterly – update due Jan 2025)	3,360 (Q4)			3,900 (Q1)			3,445 (Q2)				3,410 (Q3)				WM: 2 <sup>nd</sup> Highest Met. Area / 6 Greater Manchester: 3,715 (1 <sup>st</sup> ) Tyne & Wear: 880 (6 <sup>th</sup> )	In Q3 2024, there were 3,410 business births in the WMCA area. A decrease of 1.3% when compared to Q2 2024 (UK -7.6%). Quarter on year quarter analysis (between Q3 2023 and Q3 2024) shows a 6.3% decrease in business births across the WMCA area (UK -3.7%).

<sup>4</sup> NatWest, UK regional growth tracker report for December 2024 – released January 2025

<sup>5</sup> ONS, Business demography, quarterly experimental statistics, low-level geographic breakdown, UK – released October 2024.

<sup>6</sup> ONS, Business demography, quarterly experimental statistics, low-level geographic breakdown, UK – released October 2024.

Annual Business Dashboard

Theme	Indicator	2018	2019	2020	2021	2022	2023	Trend	Relative to Peer Group	Commentary
Business	WMCA (7 Met.) High Growth Enterprises <sup>7</sup> (annual – update due Nov 2025)	455	415	380	340	345	385		WMCA: 3 <sup>rd</sup> Highest CA GMCA: 585 (1 <sup>st</sup> ) Tees Valley: 95 (11 <sup>th</sup> )	The latest available data for the WMCA area shows that the number of high growth enterprises has increased for the second consecutive year. There was a total of 385 high growth enterprises in the WMCA area in 2023, an increase of 11.6% (+40) since 2022, the UK increased by 19.7%.
	WMCA (7 Met.) Enterprise Births <sup>8</sup> (annual – update due Nov 2025)	15,785	15,310	14,125	16,550	15,435	14,080		WMCA: 2 <sup>nd</sup> Highest CA GMCA: 14,510 (1 <sup>st</sup> ) Tees Valley: 2,475 (11 <sup>th</sup> )	Enterprise births in the WMCA area decreased by 8.8% (-1,355) since 2022 to 14,080 in 2023. Over this period, the UK decreased by 6.2%.  In 2023, there were 550 fewer enterprise births than deaths.
	WMCA (7 Met.) Enterprise Deaths <sup>9</sup> (annual – update due Nov 2025)	13,670	12,080	13,830	13,375	14,865	14,630		WMCA: Highest CA GMCA: 14,210 (2 <sup>nd</sup> ) Tees Valley: 2,400 (11 <sup>th</sup> )	Enterprise deaths in the WMCA area decreased by 1.6% (-235) since 2022 to 14,630 in 2023. Over this period, the UK decreased by 11.3%.  In 2023, there were 550 more enterprise deaths than births.
	WMCA (7 Met.) 3 Year Enterprise Survival Rates <sup>10</sup> (annual – update due Nov 2025)	52.8% (2015 birth)	43.4% (2016 birth)	47.7% (2017 birth)	46.9% (2018 birth)	50.4% (2019 birth)	48.0% (2020 birth)		WMCA: 10 <sup>th</sup> Highest UK: 53.0% York and North Yorkshire: 62.9% (1 <sup>st</sup> ) Liverpool City Region: 47.0% (11 <sup>th</sup> )	Across 1-to-5-year enterprise survival rates, the WMCA performs worse than nationally. Of the 14,125 enterprise births in 2020 in the WMCA area, 48.0% (6,775) were still active after 3 years compared to 53.0% for the UK.
	WM 7 Met. Innovation Active Businesses <sup>11</sup> (Biennial – update due May 2026)	36.8% (2016-18)		45.0% (2018-20)		31.7% (2020-22)			WM 7 Met.: 8 <sup>th</sup> Lowest/ 40 UK: 36.3% Berkshire, Buckinghamshire & Oxfordshire and Gloucestershire, Wiltshire & Bath/Bristol area: 45.0% (Joint 1 <sup>st</sup> ) Outer London – East & North East: 27.0% (40 <sup>th</sup> )	Trends in the proportion of businesses that are innovation active continues to fluctuate.  Following the national trend (decreasing from 44.9% in 2018-2020 to 36.3% in 2020-22), the WM 7 Met. Area decreased from 45.0% in 2018-20 to 31.7% in 2020-22.

<sup>7</sup> ONS, Business Demography (provisional for 2022), UK 2023 – released November 2024

<sup>8</sup> ONS, Business Demography (provisional for 2022), UK 2023 – released November 2024

<sup>9</sup> ONS, Business Demography (provisional for 2022), UK 2023 – released November 2024

<sup>10</sup> ONS, Business Demography (provisional for 2022), UK 2023 – released November 2024

<sup>11</sup> Department for Business and Trade, UK Innovation Survey 2023 – released May 2024

Quarterly Place Dashboard

Theme	Indicator	September 2023	October 2023	November 2023	December 2023	January 2024	February 2024	March 2024	April 2024	May 2024	June 2024	July 2024	August 2024	September 2024	Trend	Relative to Peer Group	Commentary																														
Place	Birmingham City Centre Rent <sup>12</sup> (Quarterly – update due Feb 2025)	£41.00 Per Sq ft (Q3)			£41.00 Per Sq ft (Q4)			£42.50 Per Sq ft (Q1)			£43.25 Per Sq ft (Q2)			£43.25 Per Sq ft (Q3)	<table border="1"> <thead> <tr> <th>Year</th> <th>2020</th> <th>2021</th> <th>2022</th> <th>2023</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Q1</td> <td>£34.50</td> <td>£37.00</td> <td>£39.00</td> <td>£40.00</td> <td>£42.50</td> </tr> <tr> <td>Q2</td> <td>£37.00</td> <td>£37.00</td> <td>£39.00</td> <td>£41.00</td> <td>£43.25</td> </tr> <tr> <td>Q3</td> <td>£37.00</td> <td>£37.50</td> <td>£40.00</td> <td>£41.00</td> <td>£43.25</td> </tr> <tr> <td>Q4</td> <td>£37.00</td> <td>£37.50</td> <td>£40.00</td> <td>£41.00</td> <td></td> </tr> </tbody> </table>	Year	2020	2021	2022	2023	2024	Q1	£34.50	£37.00	£39.00	£40.00	£42.50	Q2	£37.00	£37.00	£39.00	£41.00	£43.25	Q3	£37.00	£37.50	£40.00	£41.00	£43.25	Q4	£37.00	£37.50	£40.00	£41.00		Birmingham: 4 <sup>th</sup> Highest / 9 Bristol: £50.00 (1 <sup>st</sup> ) Cardiff: £25.00 (9 <sup>th</sup> )	Birmingham's prime rent remained unchanged from the previous quarter at £43.25 per sq. ft, with expectations of further growth before year-end. However, there was an increase of 5.5% for the 12-month change.  Notable deals include 100 Woodcock Street by Aston University (189,053 sq ft) and 1 Brindley Place by GBS (68,192 sq ft).
	Year	2020	2021	2022	2023	2024																																									
Q1	£34.50	£37.00	£39.00	£40.00	£42.50																																										
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Q3	£37.00	£37.50	£40.00	£41.00	£43.25																																										
Q4	£37.00	£37.50	£40.00	£41.00																																											
	WMCA (7 Met.) Gigabit broadband Connectivity <sup>13</sup> (tri-annual – update due Spring 2025)	91.3% premises (As of Sep 2023)			92.3% premises (As of Jan 2024)							93.3% premises (As of Jul 2024)			WMCA: Highest CA UK: 81.7% Tees Valley: 92.3% (2 <sup>nd</sup> ) York & North Yorkshire: 73.2% (11 <sup>th</sup> )	As of July 2024, 93.3% of premises in the WMCA area had gigabit broadband availability - significantly above the UK-wide figure of 81.7%.																															

<sup>12</sup> Avison Young, The Big Nine – created November 2024.

<sup>13</sup> Ofcom, connected nations – released December 2024. Please note, there was no Summer 2024 release.

Quarterly Economy Dashboard

Regional

Theme	Indicator	September 2023	October 2023	November 2023	December 2023	January 2024	February 2024	March 2024	April 2024	May 2024	June 2024	July 2024	August 2024	September 2024	Trend	Relative to Peer Group	Commentary
Economy	Regional Exports in Goods <sup>14</sup> (quarterly – update due March 2025)	£34.1bn (Year to Q3 2023)			£34.9bn (Full Year 2023)			£35.4bn (Year to Q1 2024)			£35.4bn (Year to Q2 2024)			£35.4bn (Year to Q3 2024)		WM – 3 <sup>rd</sup> Highest Region South East: 11.3% (1 <sup>st</sup> ) Northern Ireland: 3.2% (12 <sup>th</sup> )	Since the year ending Q3 2023, the West Midlands region’s total value in goods exports increased by £1.2bn (+3.5%) to £35.4bn in the year ending Q3 2024. The overall value of UK trade in goods exports decreased by 6.3% to £353.5bn.  The West Midlands had a trade deficit of £7.1bn in year ending Q3 2024.
	Regional Imports in Goods <sup>15</sup> (quarterly – update due March 2025)	£42.7bn (Year to Q3 2023)			£42.5bn (Full Year 2023)			£42.1bn (Year to Q1 2024)			£42.4bn (Year to Q2 2024)			£42.5bn (Year to Q3 2024)		WM – 5 <sup>th</sup> Highest Region South East: 18.7% (1 <sup>st</sup> ) Northern Ireland: 1.7% (12 <sup>th</sup> )	Since the year ending Q3 2023, the value of West Midlands region imports decreased by £214m (-0.5%) to £42.5bn in the year ending Q3 2024. UK-wide total imports decreased by 5.6% to £577.9bn.

<sup>14</sup> HMRC, UK regional trade in goods statistics – released December 2024. Data is not comparable across the dashboard. Please note, annual change figures in the commentary section may not sum due to rounding.

<sup>15</sup> HMRC, UK regional trade in goods statistics – released December 2024. Data is not comparable across the dashboard. Please note, annual change figures in the commentary section may not sum due to rounding.

Annual Economy Dashboard

Theme	Indicator	2018	2019	2020	2021	2022	2023	2024	Trend	Relative to Peer Group	Commentary
Economy	WMCA FDI Projects <sup>16</sup> (annual – update due June 2025)							70		WM 7 Met.: 3 <sup>rd</sup> Highest ITL 2 / 29 Inner London - West: 333 (1 <sup>st</sup> ) Southern Scotland: 11 (29 <sup>th</sup> )	New geographical data shows in 2023/24 there were 70 single site FDI Projects in the WMCA area.  Data has been suppressed for the Black Country LEP. However, insights for Coventry & Warwickshire LEP shows there was a decrease by 12.0% (-6) to 44 and Greater Birmingham & Solihull LEP decreased by 22.4% (-17) to 59.  The UK had an overall decrease of 6.0% to 1,555.
	WMCA FDI New Jobs <sup>17</sup> (annual – update due June 2025)							6,082		WM 7 Met.: 2 <sup>nd</sup> Highest ITL 2 / 29 Inner London - West: 12,824 (1 <sup>st</sup> ) Lincolnshire: 182 (29 <sup>th</sup> )	New geographical data shows in 2023/24 there 6,082 new jobs created from FDI Projects in the WMCA area.  Data has been suppressed for the Black Country LEP. However, insights for Coventry & Warwickshire LEP shows there was a decrease by 32.4% (-1,034) to 2,161 and Greater Birmingham & Solihull LEP increased by 31.4% (+1,187) to 4,963.  The UK had an overall decrease of 10.1% to 71,478.
	WMCA (7 Met.) Smoothed GVA per Hour <sup>18</sup> (Annual – update due June/July 2025)	£31.70	£32.40	£33.30	£34.10	£34.50				WMCA: 4 <sup>th</sup> Lowest CA / 10 UK: £39.70 West of England: £39.60 (1 <sup>st</sup> ) South Yorkshire Mayoral CA: £31.60 (10 <sup>th</sup> )	In 2022, GVA per hour in the WMCA area was £34.50. Since 2021, the WMCA area increased by 1.2% (+£0.40) and the UK increased by 1.5%. When compared to 2019, GVA per hour in the WMCA area increased by 6.5% (+£2.10) while the UK increased by 8.5%.  In 2022, UK GVA per hour was £39.70 meaning the WMCA area had a shortfall of £5.20.
	WMCA (7 Met.) Total GVA – Chained Volume Measures in 2019 Money Value <sup>19</sup> (Annual – update due TBC 2025)	£70.6bn	£69.8bn	£61.0bn	£66.2bn	£68.9bn				WMCA: 2 <sup>nd</sup> Highest CA / 10 GMCA: £81.5bn (1 <sup>st</sup> ) Tees Valley CA: £14.4bn (11 <sup>th</sup> )	Continuing the economic recovery following the Covid-19 pandemic, the WMCA area total GVA increased from £66.2bn in 2021 to £68.9bn in 2022. This equated to a 4.1% (+£2.7bn) annual increase which matched the UK growth rate.

<sup>16</sup> Department for Business and Trade (DBT), inward investment results – released June 2024.

<sup>17</sup> DBT, inward investment results – released June 2024.

<sup>18</sup> ONS, regional and subregional labour productivity – released June 2024, please note Greater London Authority has been excluded for the peer group.

<sup>19</sup> ONS, Regional economic activity by gross domestic product, UK: 1998 to 2022 – released April 2024.

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

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

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

Monthly People Dashboard

Theme	Indicator	December 2023	January 2024	February 2024	March 2024	April 2024	May 2024	June 2024	July 2024	August 2024	September 2024	October 2024	November 2024	December 2024	Trend	Relative to Peer Group	Commentary											
People	WMCA (7 Met.) Claimants (16+) <sup>22</sup> (monthly update)	122,735 (6.7% of Pop. aged 16-64)	122,890 (6.7% of Pop. aged 16-64)	125,425 (6.8% of Pop. aged 16-64)	127,035 (6.9% of Pop. aged 16-64)	127,435 (6.8% of Pop. aged 16-64)	127,730 (6.9% of Pop. aged 16-64)	135,515 (7.4% of Pop. aged 16-64)	147,175 (8.0% of Pop. aged 16-64)	147,585 (8.0% of Pop. aged 16-64)	149,215 (8.1% of Pop. aged 16-64)	148,960 (8.0% of Pop. aged 16-64)	147,115 (8.0% of Pop. aged 16-64)	147,660 (8.0% of Pop. aged 16-64)	<table border="1"> <tr><th>Dec 2020</th><th>Dec 2021</th><th>Dec 2022</th><th>Dec 2023</th><th>Dec 2024</th></tr> <tr><td>170,180</td><td>134,120</td><td>120,795</td><td>122,735</td><td>147,660</td></tr> </table>	Dec 2020	Dec 2021	Dec 2022	Dec 2023	Dec 2024	170,180	134,120	120,795	122,735	147,660	WMCA: Highest CA UK: 4.1% West Yorkshire: 5.5% (2 <sup>nd</sup> ) York & North Yorkshire: 2.1% (11 <sup>th</sup> )	There were 147,660 claimants in the WMCA area in December 2024. Since November 2024, there has been an increase of 0.4% (+545) claimants in the WMCA area, while the UK increased by 0.2%. When compared to December 2023, claimants have increased by 20.3% (+24,925) in the WMCA area, with the UK increasing by 12.1%.	
	Dec 2020	Dec 2021	Dec 2022	Dec 2023	Dec 2024																							
	170,180	134,120	120,795	122,735	147,660																							
	WMCA (7 Met.) Youth Claimants (18-24) <sup>23</sup> (monthly update)	23,955 (8.4% of Pop. aged 18-24)	24,035 (8.5% of Pop. aged 18-24)	24,675 (8.7% of Pop. aged 18-24)	25,100 (8.8% of Pop. aged 18-24)	24,745 (8.7% of Pop. aged 18-24)	24,555 (8.6% of Pop. aged 18-24)	24,610 (8.7% of Pop. aged 18-24)	25,255 (8.9% of Pop. aged 18-24)	25,815 (9.1% of Pop. aged 18-24)	26,025 (9.2% of Pop. aged 18-24)	26,390 (9.3% of Pop. aged 18-24)	26,740 (9.4% of Pop. aged 18-24)	26,990 (9.5% of Pop. aged 18-24)	<table border="1"> <tr><th>Dec 2020</th><th>Dec 2021</th><th>Dec 2022</th><th>Dec 2023</th><th>Dec 2024</th></tr> <tr><td>34,245</td><td>22,810</td><td>21,770</td><td>23,955</td><td>26,990</td></tr> </table>	Dec 2020	Dec 2021	Dec 2022	Dec 2023	Dec 2024	34,245	22,810	21,770	23,955	26,990	WMCA: Highest CA UK: 5.4% Tees Valley: 7.8% (2 <sup>nd</sup> ) York & North Yorkshire and West of England: 2.8% (Joint 11 <sup>th</sup> )	There were 26,990 youth claimants in the WMCA area in December 2024. Since November 2024, there has been an increase of 0.9% (+250) youth claimants in the WMCA area, while the UK increased by 1.1%. When compared to December 2023, youth claimants have increased by 12.7% (+3,035) in the WMCA area, with the UK increasing by 8.6%.	
Dec 2020	Dec 2021	Dec 2022	Dec 2023	Dec 2024																								
34,245	22,810	21,770	23,955	26,990																								
WM 7 Met. Seasonally Adjusted Payrolled Employees <sup>24</sup> (monthly update)	1,251,832	1,252,205	1,252,903	1,253,480	1,256,241	1,258,075	1,256,151	1,256,198	1,255,227	1,255,117	1,255,716	1,253,230	1,252,061	<table border="1"> <tr><th>Dec 2020</th><th>Dec 2021</th><th>Dec 2022</th><th>Dec 2023</th><th>Dec 2024</th></tr> <tr><td>1,139,535</td><td>1,193,750</td><td>1,227,839</td><td>1,251,832</td><td>1,252,061</td></tr> </table>	Dec 2020	Dec 2021	Dec 2022	Dec 2023	Dec 2024	1,139,535	1,193,750	1,227,839	1,251,832	1,252,061	WM 7 Met.: 3 <sup>rd</sup> Highest NUTS 2 / 41 Surrey, East & West Sussex: 1,312,565 (1 <sup>st</sup> ) Highlands & Islands: 207,601 (41 <sup>st</sup> )	The latest (provisional) figures show there was another slight decline in payrolled employees for the WM 7 Met. area (-0.1%, UK -0.2%). There were over 1.25m payrolled employees in the WM 7 Met. area in December 2024. When compared to December 2023 there were 229 more payrolled employees (+0.02% in the WM 7 Met. area – whereas there was a 0.03% decline nationally).		
Dec 2020	Dec 2021	Dec 2022	Dec 2023	Dec 2024																								
1,139,535	1,193,750	1,227,839	1,251,832	1,252,061																								
WMCA (7 Met.) Employment Rate <sup>25</sup> (quarterly – update due Apr 2025)	70.5% (Year Ending Dec 2023)			69.6% (Year Ending Mar 2024)				69.6% (Year Ending Jun 2024)			69.5% (Year Ending Sep 2024)			<table border="1"> <tr><th>Year to Sep 19</th><th>Year to Sep 20</th><th>Year to Sep 21</th><th>Year to Sep 22</th><th>Year to Sep 23</th><th>Year to Sep 24</th></tr> <tr><td>70.5%</td><td>70.0%</td><td>69.8%</td><td>69.0%</td><td>70.2%</td><td>69.5%</td></tr> </table>	Year to Sep 19	Year to Sep 20	Year to Sep 21	Year to Sep 22	Year to Sep 23	Year to Sep 24	70.5%	70.0%	69.8%	69.0%	70.2%	69.5%	WMCA: Lowest CA UK: 75.4% West of England: 79.3% (1 <sup>st</sup> ) GMCA and Liverpool City Region: 70.9% (Joint 10 <sup>th</sup> )	The WMCA area employment rate was 69.5% in the year ending September 2024, this was a decrease of 0.8pp since the year ending September 2023. The UK employment rate was 75.4% with an annual decrease of 0.3pp.
Year to Sep 19	Year to Sep 20	Year to Sep 21	Year to Sep 22	Year to Sep 23	Year to Sep 24																							
70.5%	70.0%	69.8%	69.0%	70.2%	69.5%																							

<sup>22</sup> ONS/DWP, claimant count – released January 2025.

<sup>23</sup> ONS/DWP, claimant count – released January 2025.

<sup>24</sup> ONS, Earnings and employment from Pay As You Earn Real Time Information – released January 2025.

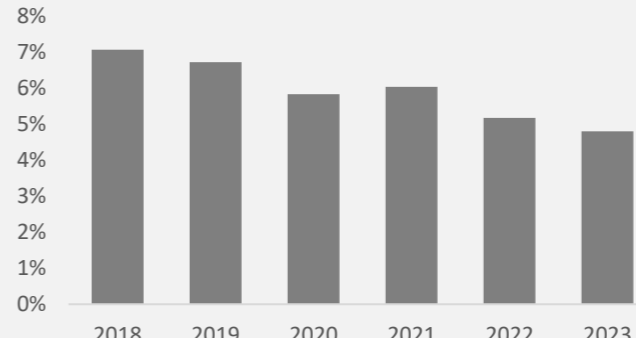
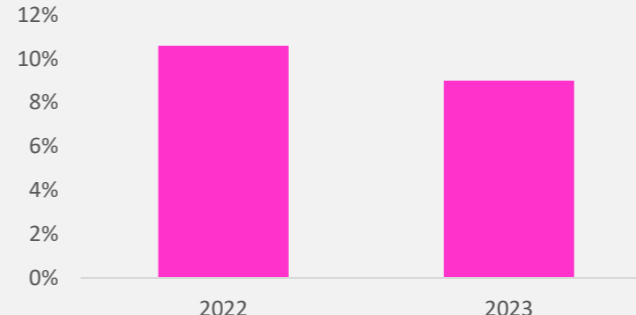
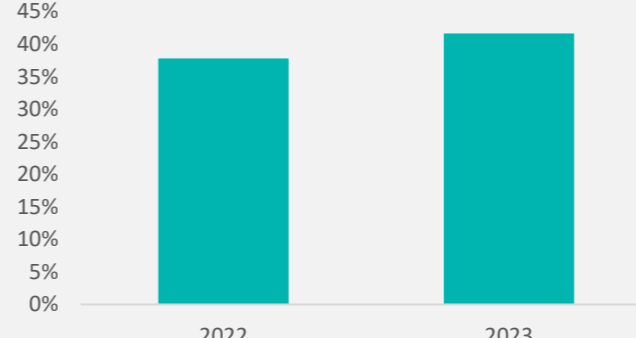
<sup>25</sup> ONS, Annual Population Survey – released January 2025. Please note, figures are not comparable across the dashboard.



Theme	Indicator	December 2023	January 2024	February 2024	March 2024	April 2024	May 2024	June 2024	July 2024	August 2024	September 2024	October 2024	November 2024	December 2024	Trend	Relative to Peer Group	Commentary
People	WMCA (7 Met.) Economic Inactivity Rate <sup>26</sup> (quarterly – update due Apr 2025)	24.4% (Year Ending Dec 2023)			26.1% (Year Ending Mar 2024)			26.1% (Year Ending Jun 2024)			26.1% (Year Ending Sep 2024)				<p>Year to Sep 19: 26.1% Year to Sep 20: 25.3% Year to Sep 21: 24.7% Year to Sep 22: 26.1% Year to Sep 23: 24.7% Year to Sep 24: 26.1%</p>	WMCA: Highest CA UK: 21.6% South Yorkshire: 26.0% (2 <sup>nd</sup> ) West of England: 18.5% (11 <sup>th</sup> )	For WMCA area overall, the economic inactivity rate was 26.1% in the year ending September 2024, an increase of 1.4pp since the year ending September 2023. The UK economic inactivity rate increased by 0.3pp to 21.6%.
	WMCA (7 Met.) Modelled Unemployment <sup>27</sup> (quarterly – update due Apr 2025)	6.6% (Year Ending Dec 2023)			5.7% (Year Ending Mar 2024)			5.7% (Year Ending Jun 2024)			5.9% (Year Ending Sep 2024)				<p>Year to Sep 19: 6.2% Year to Sep 20: 6.6% Year to Sep 21: 7.2% Year to Sep 22: 6.7% Year to Sep 23: 6.5% Year to Sep 24: 5.9%</p>	WMCA: Highest CA England: 3.8% Greater Manchester: 4.8% (2 <sup>nd</sup> ) York and North Yorkshire: 1.8% (11 <sup>th</sup> )	Since the year ending September 2023, the WMCA area modelled unemployment rate has decreased by 0.6pp to 5.9% in the year ending September 2024. England's modelled unemployment rate remained unchanged at 3.8%.
	WMCA (7 Met.) Economic Activity Rate <sup>28</sup> (quarterly – update due Apr 2025)	75.6% (Year Ending Dec 2023)			73.9% (Year Ending Mar 2024)			73.9% (Year Ending Jun 2024)			73.9% (Year Ending Sep 2024)				<p>Year to Sep 19: 73.9% Year to Sep 20: 74.7% Year to Sep 21: 75.4% Year to Sep 22: 73.9% Year to Sep 23: 75.4% Year to Sep 24: 73.9%</p>	WMCA: Lowest CA UK: 78.4% West of England: 81.5% (1 <sup>st</sup> ) West Yorkshire: 73.7% (10 <sup>th</sup> )	Overall, for the WMCA area, the economic activity rate was 73.9% in the year ending September 2024, a decrease of 1.4pp since the year ending September 2023. Over the same period, the UK economic activity rate was 78.4% and decreased at a slower rate of 0.3pp
	WMCA (7 Met.) Adzuna Job Postings <sup>29</sup> (monthly update)	53,875	53,337	59,532	56,222	53,676	57,579	51,531	53,943	56,610	49,369	57,484	49,859	43,248	<p>Dec 2020: 56,554 Dec 2021: 118,862 Dec 2022: 61,329 Dec 2023: 53,875 Dec 2024: 43,248</p>	-	<p>In December 2024, there were 43,248 unique job postings on Adzuna, a decrease of 13.3% (-6,611) from the previous month. When compared to December 2023, postings were 19.7% lower (-10,627).</p> <p>The latest number of postings is high compared to the average for all combined authorities. The Interest Quotient was high at 2.6.</p>

<sup>26</sup> ONS, Annual Population Survey – released January 2025. Please note, figures are not comparable across the dashboard.  
<sup>27</sup> ONS, modelled based estimates of unemployment – released January 2025. Please note, figures are not comparable across the dashboard.  
<sup>28</sup> ONS, Annual Population Survey – released January 2025. Please note, figures are not comparable across the dashboard.  
<sup>29</sup> Adzuna Intelligence – accessed January 2025.

Annual People Dashboard

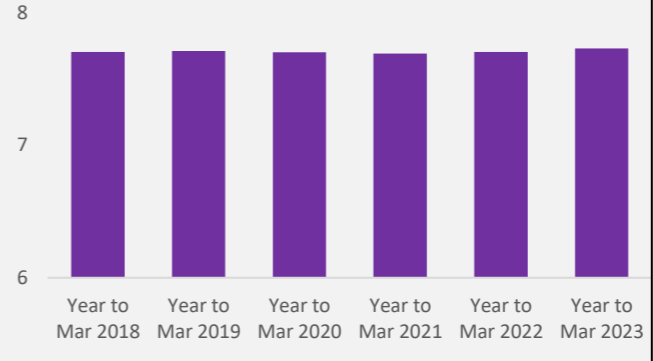
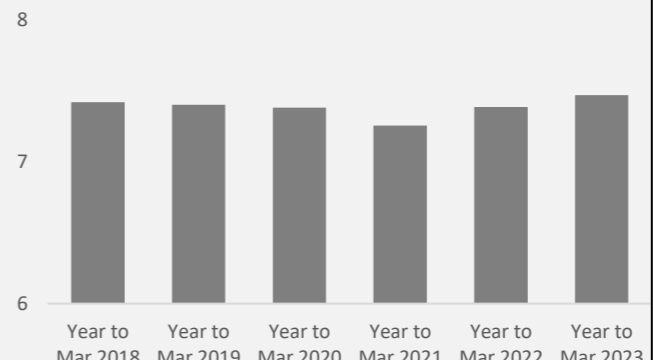
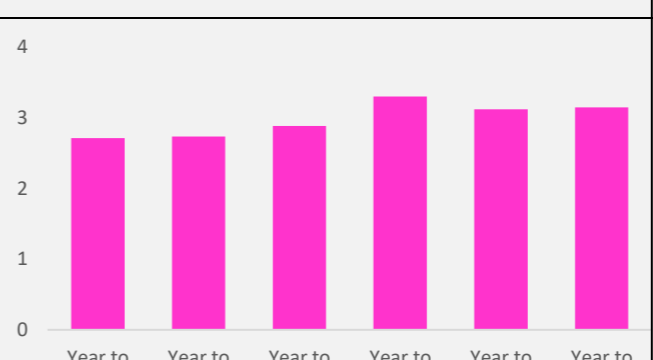
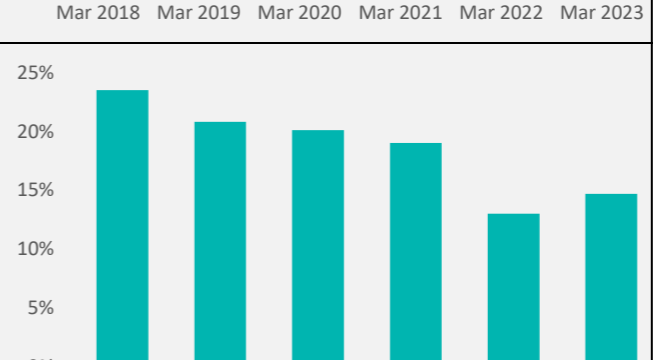
Theme	Indicator	2017	2018	2019	2020	2021	2022	2023	Trend	Relative to Peer Group	Commentary
People	WMCA (7 Met.) Not In Education, Employment or Training (NEET) <sup>30</sup> (annual – update TBC)		7.1%	6.7%	5.8%	6.0%	5.2%	4.8%		England: 5.2%	In 2023, in the WMCA area, 4.8% of residents aged 16-17 years old were NEET (including not known). This has decreased by 0.4pp in the WMCA area, while for the UK there was an increase of 0.5pp since 2022.
	WMCA (7 Met.) Working Age Population with No Qualifications <sup>31</sup> (annual – update due Apr 2025)						10.6%	9.0%		WMCA: Joint 2 <sup>nd</sup> Highest CA (with North East) UK: 6.6% Sheffield City Region: 10.9% (1 <sup>st</sup> ) West of England: 3.8% (10 <sup>th</sup> )	For the WMCA area, 9.0% (164,000) of the working age population had no qualifications in 2023, a decrease of 10.9% (-20,000) since 2022. While for the UK, 6.6% had no qualifications, an annual decrease of 2.9%. To match the UK proportion, 43,118 residents in the WMCA area would need to gain a qualification.
	WMCA (7 Met.) Working Age Population with RQF4+ Qualifications <sup>32</sup> (annual – update due Apr 2025)						37.8%	41.6%		WMCA: 4 <sup>th</sup> Lowest CA UK: 47.1% West of England: 53.3% (1 <sup>st</sup> ) North East: 35.7% (10 <sup>th</sup> )	For the WMCA area, 41.6% (758,500) of the working age population had RQF4+ qualifications in 2023, an increase of 15.6% (+102,100) since 2022. For the UK, 47.1% were qualified to RQF4+ levels, an annual increase of 5.9%. There was a shortfall in the WMCA area (to reach to the national average) of 98,847 people.
	WMCA (7 Met.) Average Life Satisfaction Score <sup>33</sup> (annual – update TBC)	7.54 (Year Ending Mar 2017)	7.51 (Year Ending Mar 2018)	7.56 (Year Ending Mar 2019)	7.56 (Year Ending Mar 2020)	7.38 (Year Ending Mar 2021)	7.44 (Year Ending Mar 2022)	7.38 (Year Ending Mar 2023)		WMCA: Joint 4 <sup>th</sup> Highest CA (with Sheffield City Region) UK: 7.45 North of Tyne: 7.56 (1 <sup>st</sup> ) Liverpool City Region: 7.30 (10 <sup>th</sup> )	For the year ending March 2023, the average life satisfaction score for the WMCA area was 7.38 (out of 10), below the UK-wide average of 7.45. Since the year ending March 2022, there was a decrease of 0.06 for the WMCA area compared to a decrease 0.09 UK-wide.

<sup>30</sup> Department for Education, Participation in education, training and NEET age 16 to 17 by local authority – released July 2023. Participation estimates are based on data collected in March each year. In order to ensure the most robust estimates of NEET and not known rates an average of December/January/February data is used for an estimate around the end of the calendar year.

<sup>31</sup> ONS, Annual Population Survey – released April 2024. Please note, National Vocational Qualifications (NVQ) estimates have been replaced with estimates on a Regulated Qualifications Framework (RQF) basis. RQF based estimates are available from the Jan – Dec 2022 survey period, while estimates prior to Jan – Dec 2022 remain on an NVQ basis.

<sup>32</sup> ONS, Annual Population Survey – released April 2024. Please note, National Vocational Qualifications (NVQ) estimates have been replaced with estimates on a Regulated Qualifications Framework (RQF) basis. RQF based estimates are available from the Jan – Dec 2022 survey period, while estimates prior to Jan – Dec 2022 remain on an NVQ basis.

<sup>33</sup> ONS, Annual personal well-being estimates – released November 2023. Respondents were asked "Overall, how satisfied are you with your life nowadays? Where 0 is 'not at all satisfied' and 10 is 'completely satisfied'"

Theme	Indicator	2017	2018	2019	2020	2021	2022	2023	Trend	Relative to Peer Group	Commentary
People	WMCA (7 Met.) Average Worthwhile Score <sup>34</sup> (annual – update TBC)	7.71 (Year Ending Mar 2017)	7.71 (Year Ending Mar 2018)	7.71 (Year Ending Mar 2019)	7.70 (Year Ending Mar 2020)	7.70 (Year Ending Mar 2021)	7.71 (Year Ending Mar 2022)	7.73 (Year Ending Mar 2023)		WMCA: 3 <sup>rd</sup> Highest CA UK: 7.73 North of Tyne: 7.75 (1 <sup>st</sup> ) West of England: 7.61 (10 <sup>th</sup> )	For the year ending March 2023, the average worthwhile score for the WMCA area was 7.73 (out of 10), now matching the UK-wide average. Since the year ending March 2022, there was an increase of 0.02 for the WMCA area compared to a decrease 0.04 UK-wide.
	WMCA (7 Met.) Average Happiness Score <sup>35</sup> (annual – update TBC)	7.37 (Year Ending Mar 2017)	7.39 (Year Ending Mar 2018)	7.40 (Year Ending Mar 2019)	7.35 (Year Ending Mar 2020)	7.24 (Year Ending Mar 2021)	7.38 (Year Ending Mar 2022)	7.43 (Year Ending Mar 2023)		WMCA: 2 <sup>nd</sup> Highest CA UK: 7.39 North of Tyne: 7.44 (1 <sup>st</sup> ) West Yorkshire: 7.20 (10 <sup>th</sup> )	For the year ending March 2023, the average happiness score for the WMCA area was 7.43 (out of 10), above the UK-wide average of 7.39. Since the year ending March 2022, there was an increase of 0.05 for the WMCA area compared to a decrease 0.06 UK-wide.
	WMCA (7 Met.) Average Anxiety Score <sup>36</sup> (annual – update TBC)	2.81 (Year Ending Mar 2017)	2.71 (Year Ending Mar 2018)	2.74 (Year Ending Mar 2019)	2.89 (Year Ending Mar 2020)	3.30 (Year Ending Mar 2021)	3.12 (Year Ending Mar 2022)	3.15 (Year Ending Mar 2023)		WMCA: 3 <sup>rd</sup> Lowest CA UK: 3.23 Greater Manchester: 3.40 (1 <sup>st</sup> ) North of Tyne: 3.03 (10 <sup>th</sup> )	For the year ending March 2023, the average anxiety score for the WMCA area was 3.15 (out of 10), below the UK average. Since the year ending March 2022, there was an increase of 0.03 for the WMCA area compared to an increase 0.11 UK-wide.
	WMCA (7 Met.) Living Wage Foundation Rates (All) <sup>37</sup> (annual – update due TBC 2025)	23.7%	23.5%	20.8%	20.1%	19.0%	13.0%	14.7%		WMCA: Joint 4 <sup>th</sup> Highest CA (with Sheffield) UK: 12.9% Tees Valley: avg. 18.9% (1 <sup>st</sup> ) Cambridgeshire & Peterborough: avg. 9.0% (10 <sup>th</sup> )	In 2023, approximately 14.7% of all jobs were earning below the Living Wage Foundation rates in the WMCA area. Since 2022, following the national trend, the proportion increased by 1.7pp (nationally +0.6pp).

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

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

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

<sup>37</sup> ONS, Number and proportion of employee jobs with hourly pay below the living wage – released January 2024

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

HEADLINES	
SECTOR	KEY INSIGHTS
Cross Sector	<p><b>Outlook</b></p> <ul style="list-style-type: none"> <li>• <b>Forecasting</b> UK economic performance in 2025 is a challenging task. In the first half of 2024, the United Kingdom stood out as one of the top-performing G7 economies, but that momentum faded quickly. Government debt markets across the world are having a jittery start to 2025, and the <b>UK is one of the most affected economies</b>, with gilt yields volatile amid concerns about stagflation.</li> <li>• Recent data from the <a href="#">Office for National Statistics (ONS)</a> reveals <b>monthly real gross domestic product (GDP) is estimated to have grown by 0.1% in November 2024</b> largely because of a growth in services, following an unrevised fall of 0.1% in October 2024. <b>Real GDP is estimated to have shown no growth in the three months to November 2024</b>, compared with the three months to August 2024.</li> <li>• <b>NIESR project growth to stagnate in the fourth quarter of 2024</b>, with flatlining growth in the Services and Production sectors and a slight fall in the Construction sector. An early estimate for the first quarter of 2025 projects growth of 0.3%. This is consistent with signals from the purchasing managers' index and recent business and confidence surveys.</li> <li>• <b>Recent financial market volatility has further dampened the economy's growth outlook, casting concerns over fiscal sustainability.</b> However, the increase in government borrowing costs reflects deeper structural issues—including weak productivity growth alongside low levels of investment in the public and private sectors—<b>which have left the economy more vulnerable to external headwinds.</b></li> <li>• <a href="#">British Chamber of Commerce</a> forecasts <b>expect GDP to pick up slightly in 2025 and 2026</b>, but this is driven largely by increased government spending. Right now, firms are struggling to deal with a raft of extra costs following the Budget. Investment levels are likely to remain low for the foreseeable future, as businesses try to balance their books. The BCC urge government action to <b>ease cost-pressures and spark investment</b> by focussing on business rates reform, infrastructure projects and promoting trade to unlock economic growth.</li> <li>• <b>The outlook for 2025 will be challenging for many small to medium sized businesses who rely on shareholder and lender support to continue as a going concern.</b> Christmas trading was subdued for many businesses, and <a href="#">PwC</a> expect to see an <b>increase in insolvency filings in January and February as companies take stock of their results and look toward impending tax changes in April.</b> <a href="#">PwC</a> will need to see an uptick in market sentiment and consumer appetite, to avoid the risk of corporate insolvency levels in 2025 remaining at some of the highest levels seen in decades.</li> <li>• Despite a weak end to 2024, the <a href="#">EY ITEM Club</a> expects <b>growth to pick up in 2025.</b> Further real income growth and lower levels of consumer caution will support household spending. But the lagged impact of past monetary tightening will continue to emerge, and fiscal policy will become more restrictive, preventing a stronger pickup in activity.</li> <li>• However, <b>61% of UK CEOs are optimistic about UK economic growth in the next 12 months (up from 39% in 2023), and are also positive about the global outlook (64% expect this to improve, compared with 58% of CEOs globally).</b> Longer-term confidence in their own business has declined slightly since last year, with 57% of UK CEOs feeling very positive about their organisation's prospects over three years, compared with 61% last year.</li> <li>• The Institute of Directors (IoD) has published a new policy paper, <a href="#">Annual Policy Outlook: Trends, risks and opportunities for business in 2025</a>. <b>The paper reviews the main UK policy developments that affected business in 2024, and explores the economic, political, technological and geopolitical risks and opportunities facing UK business in the year ahead.</b></li> </ul> <p><b>Trading Environment</b></p> <ul style="list-style-type: none"> <li>• The <a href="#">Consumer Prices Index</a> including owner occupiers' housing costs (CPIH) <b>rose by 3.5% in the 12 months to December 2024</b>, unchanged from November. <b>The Consumer Prices Index (CPI) rose by 2.5% in the 12 months to December 2024</b>, down from 2.6% in the 12 months to November. The largest downward contribution to the monthly change in both CPIH and CPI annual rates came from <b>restaurants and hotels</b>; the largest upward contribution to both came from <b>transport</b>.</li> <li>• <a href="#">NIESR's</a> measure of <b>underlying inflation</b>, which excludes 5% of the highest and lowest price changes to eliminate volatility and separate the signal from the 'noise', <b>recorded 1.3%.</b> This low figure indicates that the <b>headline rate is being driven by large price increases in a few sectors, with inflation rates broadly falling for most items.</b></li> <li>• <a href="#">NIESR</a> predicts <b>inflationary pressures stemming from the new budget, and global uncertainty surrounding the Trump presidency will likely keep interest rates higher for longer than previously anticipated.</b></li> <li>• The latest Quarterly Economic survey by the <a href="#">British Chamber of Commerce</a> reveals mixed business sentiment:       <ul style="list-style-type: none"> <li>○ <b>63% of businesses say tax, including national insurance, is now a concern, following the Chancellor's Budget – the highest level since 2017</b></li> <li>○ <b>Business confidence has slipped to its lowest level</b> since the aftermath of the mini-Budget in Autumn 2022</li> <li>○ <b>Many firms (55%) now expect prices to go up in the next three months</b>, with labour costs the biggest driver</li> <li>○ <b>Only 20% of businesses have increased investment in the past three months – 24% have decreased</b></li> <li>○ <b>Business conditions are weak</b>, with only 24% of firms reporting increased cashflow and 30% a decrease.</li> </ul> </li> <li>• The latest <a href="#">Black Country Chamber of Commerce Quarterly Economic Survey</a> shows that <b>local companies are reassessing their plans following the recent Budget</b>, just as businesses are doing nationally, with taxation their primary concern. Businesses here have previously been more optimistic than British businesses overall, which highlights their resilience. Recent Black Country surveys showed confidence remained consistently high until now. Outlook among <a href="#">Coventry and Warwickshire</a> firms is normally well</li> </ul>

HEADLINES	
SECTOR	KEY INSIGHTS
	<p>ahead of the national average and has remained so in recent surveys. However, businesses in <a href="#">Coventry and Warwickshire</a> are <b>appealing for certainty, stability and a platform from which to grow in 2025</b>, highlighting a need for stability.</p> <ul style="list-style-type: none"> <li>• Sentiment tracked by ICAEW's <a href="#">Business Confidence Monitor</a> put <b>sentiment at just 0.2 on the index, the weakest reading since Q4 2022</b> and down from 14.4 in the previous quarter. <b>This decline in confidence reflected record concerns over the tax burden and weaker domestic sales growth. Drops in confidence were recorded in every sector</b> of the economy, with retail and wholesale businesses hardest hit. ICAEW's latest BCM also revealed that the number of businesses reporting the tax burden as a growing challenge hit a record high at 41% in Q4.</li> <li>• The latest <a href="#">NatWest Purchasing Managers Index (PMI)</a> reports the <b>West Midlands Business Activity Index decreased from 49.9 in November 2024 to 48.9 in December 2024</b>, a second successive fall in business activity across the region despite the rate of contraction being modest. Firms that signalled a fall in activity remarked on <b>subdued client confidence and reduced intakes of new business</b>. The UK Business Activity Index decreased from 50.5 in November 2024 to 50.4 in December 2024.</li> <li>• <b>The West Midlands Future Business Activity Index decreased from 68.6 in November 2024 to 67.2 in December 2024</b>, a two-year low. <b>Firms remained confident that output would increase in 2025</b> with optimism being underpinned by advertising, investment and hopes of a recovery in client demand.</li> <li>• <b>The UK has risen to become the second-most attractive global destination for international investment</b> according to <a href="#">PwC's 28th Annual Global CEO Survey</a>. This is the first time the UK has secured this spot in the 28-year history of the survey. This shift in attitude towards the UK comes at a time when CEOs globally are looking at new sectors and markets – more than a third said they had started to compete in new sectors in the last five years – to stay competitive.</li> <li>• Encouragingly, <b>total insolvency figures didn't hit the same peak levels as 2023, and December 2024 also saw some respite</b> compared to the previous month. <a href="#">PwC</a> analysis shows that some sectors are more disproportionately affected than others, with retail related insolvencies increasing by over 30% in December compared to November – with the equivalent of six retailers going out of business every day. Restaurants, however, saw a 50% reduction in insolvencies month-on-month. <b>Manufacturing failures were up by over 25% month-on-month, and construction continues to account for a considerable number of corporate bankruptcies, with over 220 in December alone.</b></li> <li>• Following a slow 2023, <b>M&amp;A activity in the UK's financial services industry picked up in 2024</b>, with a 26% year-on-year increase in the number of deals, according to <a href="#">EY</a>. UK banks, insurers and asset managers publicly disclosed 380 M&amp;A deals in 2024 – the highest annual volume since 2012 – compared to 272 deals in 2023. <b>The total disclosed deal value also rose from £12.5bn in 2023 to £20.2bn in 2024.</b></li> <li>• Accountancy and business advisory firm, <a href="#">BDO LLP</a> has advised on <b>69 deals</b> across the Midlands and East of England with a combined value of <b>£3.4bn in 2024</b>. Deal activity spanned 10 sectors, with over a third of BDO's activity international/cross-border in nature.</li> <li>• Social impact lender <a href="#">UKSE</a> says <b>West Midlands businesses remain optimistic and ready to grow</b>. UKSE West Midlands has provided £1.87m to local companies via a mixture of debt and equity, creating 96 jobs.</li> <li>• In 2024, <a href="#">Coventry and Warwickshire Growth Hub</a> referred 3,353 businesses to programmes run by a wide range of partners throughout the region, including support for hospitality, leisure and tourism businesses, scaleup SMEs, manufacturers, and net-zero and sustainability support. <b>Almost 1,200 individual local businesses were supported by its account management teams, creating 2,505 jobs and safeguarding another 9,783 jobs. The value to the local economy is expected to reach £53.9 million while the investment from the private sector totalled £13.3 million.</b></li> </ul> <p><b>Labour Market</b></p> <ul style="list-style-type: none"> <li>• Estimates for <a href="#">payrolled employees</a> in the UK <b>decreased by 32,000 (0.1%) between October and November 2024</b> but rose by <b>95,000 (0.3%) between November 2023 and November 2024</b>.</li> <li>• <b>The estimated number of vacancies in the UK decreased by 24,000 on the quarter</b> to 812,000 in October to December 2024. Vacancies decreased on the quarter for the <b>30th consecutive period</b> but are still above pre-coronavirus (COVID-19) pandemic levels.</li> <li>• <b>Annual growth in employees' average earnings for both regular (excluding bonuses) and total earnings (including bonuses) in Great Britain was 5.6% in September to November 2024.</b> <a href="#">NIESR</a> forecast total pay growth to slow to 4.6 in Q1 of 2025.</li> <li>• <a href="#">Institute of Directors</a> data shows that, despite some recovery in December, <b>employer hiring intentions remain around lows reached in 2020. The significant increases in employer NI, the forthcoming increase in the minimum wage and concerns over the cost of employment rights continue to sap demand for workers.</b> With the economy likely to have flatlined over the second half of 2024, the labour market is softening sharply.</li> <li>• The latest Quarterly Recruitment Survey by the <a href="#">British Chamber of Commerce</a> reveals workforce growth struggles: <ul style="list-style-type: none"> <li>○ <b>The proportion of firms who increased their workforce falls to less than a quarter (24%)</b> from 27% in Q3</li> <li>○ <b>Of those attempting to recruit 79% of firms faced difficulties</b>, up from 76% last quarter</li> <li>○ <b>75% of firms say they are facing pressure to put up prices because of labour costs</b></li> <li>○ <b>Construction (83%) manufacturing (82%) and transport and logistics (81%) firms most likely to be facing recruitment problems</b></li> <li>○ <b>19% of firms reduced training investment</b>, up from 13% in the previous quarter.</li> </ul> </li> <li>• Grant Thornton's <a href="#">Business Outlook Tracker</a> reveals <b>over half (52%) of the businesses surveyed anticipate that they will have to reduce hiring or cut jobs and offer reduced or no pay increases and bonuses to their employees, due to the increasing cost burden.</b> Two thirds (66%) also plan to review their employee benefits offering, with 16% expecting to reduce their investment in employee reward and benefits over the next six months.</li> </ul>

HEADLINES	
SECTOR	KEY INSIGHTS
	<ul style="list-style-type: none"> <li>• <b>Permanent staff appointments in the Midlands fell at the fastest pace for 16 months</b>, according to the latest <a href="#">KPMG and REC UK Report on Jobs</a> survey. Temporary billings continued to increase, albeit at a softer rate than that seen in November. Demand for permanent staff continued to fall in December, with the rate of decrease the most pronounced in four-and-a-half years.</li> <li>• Half of UK employees struggle with sleep, impacting wellbeing, mood and workplace safety, says leading UK sleep charity, Sleep Action. <b>Sleep deprivation could be costing Midlands businesses £1,248 per employee per year.</b></li> </ul>
Manufacturing and Engineering	<ul style="list-style-type: none"> <li>• <b>UK manufacturing exhibited a particularly sharp drag on economic output in December.</b> In many parts of the manufacturing sector, sector-level Output PMIs were well below the 50.0 no-change mark, signalling steep rates of decline. <b>Firms reported weak demand both at home and from abroad with new export orders falling at the quickest pace in ten months.</b></li> <li>• <b>Sentiment across the manufacturing sector fell at the fastest pace in over two years</b> in January, according to the <a href="#">Confederation of British Industry's (CBI)</a> latest quarterly Industrial Trends Survey.</li> <li>• <b>For UK manufacturers, 2025 will be defined by the ability to adapt.</b> With government policies and uncertainty over energy bills increasing pressure on costs, manufacturers are looking for ways to boost productivity and accelerate growth. <b>And with the announcement of a new UK industrial strategy, the sector will be critical in unlocking the UK's economic potential.</b></li> <li>• <a href="#">The Make UK Executive Survey</a> reveals those feeling optimistic are eyeing the opportunity: <b>almost one third of manufacturers (29%) are looking to technology, cloud and artificial intelligence (AI)</b> to succeed in 2025, aiming to boost productivity and reduce overheads.</li> <li>• <a href="#">Make UK</a> has warned <b>the cost of electricity is deterring international factory investment in the UK</b>, creating an "unseen queue" of projects that will eventually have to be connected to the grid, adding <b>the cost of electricity is the "single biggest barrier" to industry's efforts to decarbonise its activities.</b></li> <li>• The <a href="#">Confederation of British Metalforming</a> (CBM), a trade body that represents 200 companies has called for <b>"serious backing" for Midlands manufacturers</b> as part of the Government's new industrial strategy.</li> </ul>
Construction	<ul style="list-style-type: none"> <li>• <b>Construction output is estimated to have increased by 0.4% in volume terms</b> in November 2024; this follows an upwardly revised decrease of 0.3% in October 2024. This increase in monthly output came from rises in both new work (0.3%) and repair and maintenance (0.5%).</li> </ul>
Retail, Hospitality and Tourism	<ul style="list-style-type: none"> <li>• <b>Retail sales volumes (quantity bought) are estimated to have fallen by 0.3% in December 2024, following a small rise of 0.1% in November 2024 (revised down from 0.2%).</b> Falls in supermarkets were partly offset by a rise in non-food stores, such as clothing retailers, which rebounded from falls in recent months.</li> <li>• <a href="#">The British Retail Consortium</a> warns <b>consumers are feeling the January Blues as consumer confidence in the economy fell to a new low, with concerns most pronounced among older generations.</b> Gen Z (18-27) remain the only group to expect the economy to improve, while two-thirds of Boomers (60-78) expect things to get worse. Feelings around people's own finances fell slightly, with older generations remaining the most pessimistic. <b>Expectations of retail spending and wider spending both fell significantly, though much of this is likely to be the end of the Christmas period, as people tightened their belts for the new year ahead.</b> On top of this challenging market backdrop, <b>retailers are facing £7bn in additional costs from the Budget and new packaging levy.</b> With retailers' tight margins leaving little scope to absorb more costs, many are warning of price rises and job cuts in the coming months.</li> <li>• <b>More than one million people visited Coventry Building Society Arena last year</b> driven by the venue's sustained growth in business events, live entertainment and sport. <b>The leading Midlands venue hit 1.2 million visitors for 2024, supported by its new live events proposition driving 50,000 new visitors to the venue.</b></li> <li>• <b>A total of 12 West Midlands businesses are also named as recipients of a share in a £16.2m Cultural Development Fund.</b> The £60m investment will help make West Midlands 'creative powerhouse'.</li> </ul>
Digital / Tech	<ul style="list-style-type: none"> <li>• <b>More than 100 AI trials, including 12 in the West Midlands, will receive a share of £7 million in Government funding to boost productivity and drive innovation in small businesses.</b></li> <li>• <a href="#">Data centres</a> often conjure an image of a pristine and immaculate site, newly built with all the bells and whistles to support the growing demands for colocation/ GenAI services. <b>However, for 47% of global facilities (built over 11 years ago) this is not the case and their aging mechanical and electrical (M&amp;E) equipment can drastically impact valuations when disposing/ acquiring these sites.</b></li> <li>• The <a href="#">Local Digital Index</a> reveals within the WMCA area there are 6 data centres; 5 in Wolverhampton and 1 in Coventry.</li> </ul>
Transport Technologies and Logistics	<ul style="list-style-type: none"> <li>• In contrast to the growth period for <a href="#">UK new car registrations</a> during the first seven months of 2024, <b>last year ended on a downward trajectory</b>, with year-on-year declines in each month of the last quarter. New car sales declined marginally by 0.2% year-on-year in December, marking a fourth and final fall of 2024. This resulted in an overall increase for the year of 2.6% and a total of 1.953 million sales. <b>The key reasons behind last month's fall in registrations mirrored the challenges that have faced the UK's automotive sector throughout the year, including a challenging regulatory environment, increasing competition and costs, and changing consumer needs.</b></li> <li>• <a href="#">Birmingham Airport</a> is set to invest a million pounds per week in improving facilities "for the foreseeable future", with high single digit growth forecast, boosted by recent decisions allowing an increase in the number of night flights arriving and departing.</li> </ul>
Environmental Technologies	<ul style="list-style-type: none"> <li>• <b>Researchers developing cutting-edge fusion energy are being given investment of £410m investment to kickstart economic growth.</b> The funding will support rapid development of the UK fusion energy sector over the next two years, with investment in the skills needed for scientists, engineers, welders and programme managers to enter the cutting-edge industry. Fusion already supports at least 2,400 jobs in the UK, with thousands more to follow as the technology advances.</li> <li>• <b>The UK's energy storage boom slowed in 2024, with a 40% drop in submitted capacity compared to 2023.</b> While the UK remains a leader in operational storage, with 7GWh installed, rejection rates rose due to <b>community concerns over fire risks.</b></li> </ul>

HEADLINES	
SECTOR	KEY INSIGHTS
	<ul style="list-style-type: none"> <li>Electric vehicles could account for 5% of the UK's <a href="#">total power demand</a> by 2030, raising concerns over whether energy capacity can keep up. With the government pushing for 80% of new <a href="#">car sales</a> to be electric, analysts at Montel warn that the grid faces an uphill battle to meet rising demand.</li> </ul>

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

NEW INVESTMENT, DEALS AND OPPORTUNITIES			
COMPANY	LOCATION	SECTOR	DETAIL
<a href="#">Ometis</a>	Birmingham	Information Technology	A <b>Birmingham</b> -based data integration, governance and analytics firm has acquired a consultancy specialising in the hospitality sector. The acquisition of Tahola, which has over 20 years of experience providing data solutions to UK hospitality brands, will expand Ometis' capabilities in the sector. It aims to strengthen the firm's position in the hospitality industry by combining both companies' expertise in data management.
<a href="#">LaSalle Investment Management</a>	Birmingham	Property	LaSalle Investment Management has provided a £68.7m green loan to finance the delivery of Vita Group's 540-bed student scheme in <b>Birmingham</b> . The 105,000 sq ft scheme will comprise two tower blocks standing at 10 and 29 storeys. It will include amenities such as private dining rooms, a hub space for socialising and studying, a gym, an outdoor basketball court, outdoor terraces and shared cycle storage.
<a href="#">Hygen / HSBC</a>	Birmingham	Energy	Hygen, a low-carbon hydrogen developer, has struck a funding deal with HSBC UK to expand its <b>Birmingham</b> production site and develop new locations across the UK. Based at its Tyseley site, the company supplies green hydrogen to customers like National Express and JCB to help with their decarbonisation efforts.
<a href="#">BHSF Occupational Health</a>	Birmingham	Health & Wellbeing	Optima Health, a provider of corporate health and wellbeing solutions, has acquired BHSF Occupational Health in a £1.4m deal. The acquisition will expand Optima's customer base and add 60 occupational health clinicians to its team. BHSF Occupational Health specialises in preventing work-related illnesses and injuries, safeguarding workers from occupational hazards, and promoting overall workplace health and safety.
<a href="#">Clive Henry Group</a>	Birmingham	Health	A digital healthcare platform has formed a partnership with <b>Birmingham</b> -based consultancy Clive Henry Group and secured investment from its founders. ilarna uses digital technology to match the right care professional with individuals who need access to services such as dementia care, palliative care, and personal care.
<a href="#">Bracebridge Engineering Ltd</a>	Birmingham	Manufacturing / Green Energy	Bracebridge Engineering Ltd a leading metal presswork manufacturer based in <b>Birmingham</b> , has announced the completion of a major solar energy installation at its factory. The 239-panel system, valued at £100,000, will generate 99kW of electricity and significantly reduce the company's reliance on non-renewable energy sources.
<a href="#">Jaguar Land Rover</a>	Castle Bromwich	Manufacturing	Jaguar Land Rover is committing £65m to expand its special paint facilities in <b>Castle Bromwich</b> and Nitra, Slovakia, as part of its strategy to meet the growing demand for personalised luxury vehicles. As part of a £41m investment in new SVO facilities at <b>Castle Bromwich</b> , £26m will be injected to replace existing paint booths at the site, with all new state-of-the-art application booths set to be installed this year.
<a href="#">LondonMetric</a>	Coventry	Property / Retail	LondonMetric Property has sold a retail park in <b>Coventry</b> as part of several non-core disposals worth £74.2m. Airport Retail Park has been sold for £37.3m to NFU Mutual. The 138,000 sq ft asset is let to 13 occupiers including Currys, Aldi, B&M, and Dunelm.
<a href="#">Coventry Building Society</a>	Coventry	Banking	Coventry Building Society has formally completed the acquisition of The Co-operative Bank. The top-ten UK lender will now have assets of around £89bn and around four and a half million members and customers across the country. The Co-operative Bank has become a subsidiary of Coventry Building Society, and the combination of the two organisations will see the Bank brought back under mutual ownership.

NEW INVESTMENT, DEALS AND OPPORTUNITIES			
COMPANY	LOCATION	SECTOR	DETAIL
<a href="#">Corona Energy</a>	Coventry	Energy	Corona Energy is growing in <b>Coventry</b> , adding 150 new jobs as it expands its office space at the Bourn Building. Taking over another 15,021 sq ft and securing a 10-year lease. Bourn has recently undergone a £9m makeover, turning it into a 90,000 sq ft, energy-efficient office building.
<a href="#">Spectron Gas Control Systems Ltd</a>	Coventry	Manufacturing	Spectron Gas Control Systems Ltd, a <b>Coventry</b> -based international supplier of gas safety and control equipment, has expanded with the acquisition of a cleanroom system manufacturer from Switzerland.
<a href="#">Deeley Group</a>	Coventry	Construction	A <b>Coventry</b> -based construction and development company, Deeley Group, has finalised deals to deliver new homes and care facilities for adults with complex needs across the Midlands. The firm has secured three projects, which include two care homes and up to nine custom-built homes, with developments spanning the West Midlands, Warwickshire and Leicestershire.
<a href="#">Alfred Victoria</a>	Dudley	Manufacturing	A multi-million-pound deal has seen a bathroom manufacturer acquire seven adjoining industrial warehouses, along with a standalone office block in <b>Brierley Hill</b> . The property spans more than 70,000 sq ft and has been acquired by Alfred Victoria.
<a href="#">Merry Hill</a>	Dudley	Retail	Shopping destination Merry Hill has completed a string of new signings and reinvestments at its lower retail park covering more than 117,000 sq ft. Costa and Bensons for Beds have taken space at the scheme which, alongside B&M Bargains and Matalan renewing, means that the retail park is almost fully let.
<a href="#">Urban8</a>	Kings Norton	Logistics	Urban8, now the Midlands' largest mid-box, speculatively built logistics scheme, offers 400,000 sq ft across eight units, ranging from 26,000 sq ft to 70,000 sq ft. Developed by GMI Construction, the £32.9m BREEAM Outstanding rated scheme is expected to create around 900 jobs.
<a href="#">Polydrain Civils</a>	Sandwell	Manufacturing	Two adjoining warehouses spanning more than 61,000 sq ft have been sold for a multi-million-pound sum to a plastic drainage components specialist. Watling Real Estate handled the sale with Polydrain Civils acquiring the properties for its own use. Situated on a three-acre site, Units 1 & 2 Ridgacre Road in <b>West Bromwich</b> were marketed with a guide price of £3m.
<a href="#">Dovetail Group</a>	Solihull	Various	All 102 jobs at a <b>Solihull</b> -based facilities, waste management and fire protection firm have been saved following a pre-pack deal. Specialist business advisory firm FRP were appointed as joint administrators of Dovetail Group, and on their appointment immediately secured a pre-pack sale of the company to L&L Group. Following the deal, all 102 jobs at the firm have been saved, with all staff transferring to the new owner.
<a href="#">Lidl</a>	Walsall	Retail	Major discount retailer Lidl has lodged hybrid plans for a transformation of its Bloxwich site in <b>Walsall</b> . Lidl is looking for outline planning to demolish the four existing warehouse buildings it's operated and owned since 2008 and build 420,000 sq ft of warehouse and distribution space in its place.
<a href="#">Siemens Mobility</a>	West Midlands	Transport	Siemens Mobility has secured four contracts worth £560m with HS2 Ltd for key infrastructure and long-term maintenance. The company will join key contractors under the Rail Systems Alliance and will play a role in the completion and operation of the new 225-kilometre-long British high-speed railway that will connect London and the <b>West Midlands</b> .

The West Midlands Insights on Society and Economy (WISE) newsletter is a monthly publication by the West Midlands Combined Authority that sets out the social and economic trends that matter to the West Midlands. The newsletter contributes to our understanding of the economic conditions of the West Midlands, as part of the wider regional research and intelligence ecosystem. Further information is available on the West Midlands research and insights website at [wmca.org.uk/research](http://wmca.org.uk/research) and previous issues are available at [wmca.org.uk/wise](http://wmca.org.uk/wise).

This edition was prepared by Phillip Nelson, Victoria Tidy, and Tawfieg Zakria, and incorporates commissioned content from the Economic Intelligence Unit (EIU) and other regional partners.