West Midlands
Monthly Economic Impact Monitor

WM REDI CITY REDI

Issue 117 Publication Date 26/09/24

This monitor aims to pull together information across regional partners to understand local economic developments and disseminate local research. Where possible it will utilise all forms of quantitative and qualitative intelligence. However, we urge caution in the use of the contents as this is an emerging data and policy.

This week has seen the first Labour Party Conference since the General Election in July 2024. Looking ahead to the Chancellor's first budget in October, Rachel Reeves announced there would be no increase in income tax, national insurance or VAT, refusing to return to austerity. There was an announcement of the return of industrial strategy. Reeves also announced a new measure to target tax dodgers and close the £39.8bn shortfall between the amount of tax owed and that which has been collected.

Economic Outlook

- Global output growth has remained resilient, and inflation has continued to be moderate, with output growth being relatively robust in many G20 countries, including the UK.
- Real wage growth is now supporting household incomes and spending, though purchasing power is yet to return fully to pre-pandemic levels in the majority of countries.
- Global GDP growth is projected to stabilise at 3.2% in 2024 and 2025, with further disinflation, improving real incomes and less restrictive monetary policy in many economics helping to underpin demand.
- Inflation is projected to be back to target in most G20 countries by the end of 2025.
- Labour market pressures are anticipated to ease as the number of job vacancies continue to decline from peak levels during the pandemic.
- There still remain significant risks, particularly around persisting geopolitical and trade tensions, which continues to damage investment and raise import prices.
- The UK economy grew 0.7% in Q2 2023, the second consecutive quarter of growth after a technical recession. However, this figure was aided by string levels of government spending, which may be masking ongoing weaknesses in the UK GDP, as household consumption has remained low and business investment declines.
- However, rises in consumer confidence, following strong wage growth higher than inflation, will be key to economic growth over the following year.
- Whilst wage growth in now positive in real terms, wage pressures still remain from previous years of inflationary pressures. The easing of inflation though could continue to lead to easing of restrictive monetary policy, which could further ease pressures on income and spending.
- Overall retail footfall in the week to 15 September 2024 was broadly unchanged when compared with both the previous week and the equivalent week of 2023; meanwhile, retail park footfall increased when compared with the previous week but decreased when compared with the equivalent week of 2023 (MRI OnLocation).
- Approximately one in five (20%) trading businesses reported an increase in the prices of goods or services bought in August 2024 when compared with July 2024, while less than 1 in 10 (6%) reported an increase in the prices of goods or services sold; these are the lowest proportions reported since these response options were introduced in March 2022.
- More than a quarter (26%) of trading businesses reported a decrease in their turnover in August 2024 compared with July 2024, up 3 percentage points from last month and the highest proportion reported since January 2024; in contrast, 14% reported an increase in their turnover, remaining broadly stable from last month.
- The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 3.1% in the 12 months to August 2024, unchanged from July.
- Core CPIH (excluding energy, food, alcohol and tobacco) rose by 4.3% in the 12 months to August 2024, up from 4.1% in July; the CPIH goods annual rate fell from negative 0.5% to negative 0.9%, while the CPIH services annual rate rose from 5.7% to 5.9%.
- The NatWest UK regional growth tracker has found that the West Midlands (ITL) is expanding, but at a slower rate than the trend over the past six months, as of the 3 months to August 2024.
- The West Midlands has one of the highest growth rates in Future activity, just below the South East, it has had the softest rise in new work, with the increase in new work only marginal and slower than the three months to July.
- The West Midlands, alongside the East Midlands, were the only two regions to see a decrease in workforce numbers over this period, though in the West Midlands this was only a marginal decline. In terms of inflation, businesses in the West Midlands and South East, recorded the lowest levels of cost rises.

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

Impact of funding allocations, cuts and changes to institutions

- City-REDI and partners have won funding to look at funding allocations and inequalities. The findings could help shape the future of public funding in England, leading to more targeted and effective investments in areas that need it most.
- Research by City-REDI into the impact of Birmingham City Council funding cuts has found that although one might assume that the poorest will be hit hardest by tax and fiscal shocks, the results from modelling are more nuanced. They indicate that while lower-income households are hit harder than higher-income households it is those with incomes of £14,500 to £23,500 that will be the most impacted - seeing their real incomes fall -0.48%. The analyses show that council tax rises are a less regressive way of addressing the budget deficit than transfer cuts. This work was carried out using the Socio-Economic Impact Model for the UK (SEIM-UK): a multi-region input-output model that is a powerful tool for evaluating changes in the national or regional economy, which can be used for partners' projects and assessing change and shocks. After years of austerity and cuts to council budgets what is clear is that this is not just an issue for Birmingham City Council. According to a survey by the Local Government and Information Unit, 9% of councils surveyed were likely to declare effective bankruptcy in the next 12 months.
- The work of the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) demonstrates the power of collaborative partnerships which has enabled evidence-based, locally informed investment and project decisions to be made for the benefit of all our communities. GBLSEP was able to take moderate amounts of government funding to leverage substantial investments from both the public and private sectors. For every £1 the GBLSEP spent, £3 was generated – making public money go further. Find out more in our report about the GBSLEP – From Vision to Legacy.

Impact of PhDs

- Education and teaching are seen as social multipliers and PhD holders help share knowledge and research that is created. Each research project has an impact on a sector, a place, and a person. Directing these impacts to address the important challenges facing a locality, community, business, sector and/or group of people demonstrates how universities, through PhD funding, can make a difference in their place.
- Funders and providers should develop more explicit links outside of academia, particularly with industry outside of STEM; support greater opportunities for student career development; and to improve the work-life balance of students in order to maximise the economic, social and civic impacts of PhDs.
- University leaders and directors of research institutes should work strategically to ensure the research addresses challenges or supports specific sectors important to their local area, enabling students to gain a broader experience and access to potential employer networks. Embedding doctoral training to support the needs of the local area is an important part of a civic university.

Impact of Long COVID

- Long COVID sufferers with symptoms lasting for more than 28 weeks, which is beyond the maximum period of statutory employment protection in the UK, have a higher risk of employment exit compared to those without COVID symptoms.
- Working zero hours (sickness absence) is increased among those with Long COVID 5-28 weeks, similar to those with short COVID. But those with Long COVID 29+ weeks are not more (or less) likely to be temporarily absent from work than those with no COVID symptoms.
- Having Long COVID (5-28 weeks or 29+ weeks) is not associated with reduced working hours. Moreover, if still in work, those with Long COVID 29+ do not work less (or more) than they did before the pandemic.
- Comparing the mental health across the study groups shows large negative associations with Long COVID compared to those with no COVID symptoms – and more so on average for those who experienced symptoms for 29+ weeks. People with Long COVID for 29+ weeks seem to 'buffer' the low mental well-being found in group comparison which is likely to point to adaptations to live and work with Long COVID.
- For those with Long COVID 5-28 weeks, the negative impact on mental health is mediated by earnings which hints at possible job characteristics associated with higher/lower income that facilitate workplace adaptions (or not).

Creative industries and meaningful work

- Work by City-REDI argues that 'meaningfulness' continues to attract new recruits, despite changes in production foundations. The concept of 'meaning' shifts with these contexts.
- While many studies focus on meaningful work as a personal relationship between workers and their labour conditions, this work examines how 'meaningfulness' evolves within neo-bureaucratic frameworks.
- The loosening grip of neo-bureaucracy may be disrupting television production, with major broadcasters trying to control the market by hiring familiar freelancers on long-term contracts, yet losing control as familiarity diminishes.
- At the same time, freelancers face increasingly precarious job markets, initially struggling to integrate into networks and finding work sporadic. As the television industry continues to evolve, questions remain about what attracts staff to an industry that promises meaningfulness but is also marred by precarity. Despite the intense pressures, new recruits remain drawn in by the promise of meaningful work.

Global, National and Regional Outlook

Alice Pugh, WMREDI

Global

OECD Economic Outlook, Interim Report

The OECD has released its Interim Economic outlook report for 2024. The key findings include:

- Global output growth has remained resilient and inflation has continued to be moderate, with output growth being relatively robust in many G20 countries, including the UK.
- Real wage growth is now supporting household incomes and spending, though purchasing power is yet to return fully to pre-pandemic levels in the majority of countries.
- Global GDP growth is projected to stabilise at 3.2% in 2024 and 2025, with further disinflation, improving real incomes and less restrictive monetary policy in many economics helping to underpin demand.
- Inflation is projected to be back to target in most G20 countries by the end of 2025.
- Labour market pressures are anticipated to continue to ease, as the number of job vacancies continue to decline from peak levels during the pandemic.
- There still remain significant risks, particularly around persisting geopolitical and trade tensions, which continue to damage investment and raise import prices.

For more details on key findings please follow the link here

National

CEBR UK Economic Outlook

The Centre for Economic and Business Research (CEBR) has released its UK Economic Outlook, the key findings include:

- The UK economy grew 0.7% in Q2 2023, the second consecutive quarter of growth after a technical recession. However, this figure was aided by strong levels of government spending, which may be masking ongoing weaknesses in UK GDP, as household consumption has remained low and business investment declines.
- However, rises in consumer confidence following strong wage growth higher than inflation, will be key to economic growth over the following year.
- Whilst wage growth in now positive in real terms, wage pressures still remain from previous years of inflationary pressures. The easing of inflation though could continue to lead to easing of restrictive monetary policy, which could further ease pressures on income and spending.

Labour Party Conference

Usually at party conferences government make some announcements on policy, as has happened at the Labour party conference this week. The Chancellor, Rachel Reeves reaffirmed the government's commitment this week to appoint a Covid corruption commissioner to help recoup £674m of disputed contracts that the previous Conservative government agreed waive. It was also announced that Labour would be piloting free breakfast clubs in 750 primary school in England from April. Looking ahead to the Chancellor's first budget in October, Reeves announced there would be no increase in income tax, national insurance or VAT, refusing to return to austerity. Alongside announcing the return of industrial strategy. Reeves also announced a new measure to target tax dodgers and close the £39.8bn shortfall between the amount of tax owed and that which has been collected. To do this 5,000 more tax officials will, be recruited over the next five years, with 200 new compliance officers set to start at HMRC in November. Further announcements are anticipated to be made in the Autumn budget.

Economic activity and social change in the UK, real-time indicators

In the ONS latest release and analysis of this data, the key findings were:

- Overall retail footfall in the week to 15 September 2024 was broadly unchanged when compared with both the previous week and the equivalent week of 2023; meanwhile, retail park footfall increased when compared with the previous week but decreased when compared with the equivalent week of 2023 (MRI OnLocation).

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

- The seasonally adjusted total Direct Debit failure rate increased by 1% in August 2024, when compared with the previous month; however, this is 12% higher than the August 2023 failure rate (Vocalink).
- The number of firms reporting an increase in turnover in August 2024, when compared with the previous month, was broadly equal to the number of firms reporting a decrease (HM Revenue and Customs Value Added Tax returns).
- The total number of online job adverts on 13 September 2024 was largely unchanged when compared with the previous week, but 14% lower than the equivalent period of 2023 (Adzuna).
- Approximately one in five (20%) trading businesses reported an increase in the prices of goods or services bought in August 2024 when compared with July 2024, while less than 1 in 10 (6%) reported an increase in the prices of goods or services sold; these are the lowest proportions reported since these response options were introduced in March 2022.
- Both the System Average Price (SAP) of gas and the System Price of electricity decreased in the week to 15 September 2024 when compared with the equivalent week of 2023, down 6% and 30%, respectively (Elexon, National Gas Transmission).
- The daily average number of UK flights was broadly unchanged in the week to 15 September when compared with the previous week, but was 3% higher than the equivalent week of 2023 (EUROCONTROL).

Business insights and impact on the UK economy

In the ONS latest release and analysis of this data, the key findings were:

- More than a quarter (26%) of trading businesses reported a decrease in their turnover in August 2024 compared with July 2024, up 3 percentage points from last month and the highest proportion reported since January 2024; in contrast, 14% reported an increase in their turnover, remaining broadly stable from last month.
- Almost 1 in 5 (19%) trading businesses expect an increase in turnover in October 2024, with 53% expecting turnover to stay the same up 2 and down 5 percentage points on expectations for September 2024; in contrast 14% expect a fall in turnover, remaining broadly stable over the same period.
- Approximately 1 in 5 (20%) trading businesses reported an increase in the prices of goods or services bought in August 2024 when compared with July 2024, while less than 1 in 10 (6%) reported an increase in the prices of goods or services sold; these are the lowest proportions reported since these response options were introduced in March 2022.
- More than two-thirds (67%) of trading businesses expect the prices of goods or services they sell to stay the same in October 2024, up 3 percentage points on expectations for September 2024; the proportion of businesses that expect to increase their prices in October 2024 was 11%, remaining broadly stable with September 2024.
- In early September 2024, 8% of all businesses and 20% of businesses with 10 or more employees reported that they were experiencing worker shortages; both figures are broadly stable with early August 2024.

Consumer price inflation

In the ONS latest release and analysis of this data, the key findings were:

- The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 3.1% in the 12 months to August 2024, unchanged from July.
- On a monthly basis, CPIH rose by 0.4% in August 2024, the same rate as in August 2023.
- The Consumer Prices Index (CPI) rose by 2.2% in the 12 months to August 2024, unchanged from July.
- On a monthly basis, CPI rose by 0.3% in August 2024, the same rate as in August 2023.
- The largest upward contribution to the monthly change in both CPIH and CPI annual rates came from air fares, which rose this year but fell a year ago; the largest offsetting downward contributions came from motor fuels, and restaurants and hotels.
- Core CPIH (excluding energy, food, alcohol and tobacco) rose by 4.3% in the 12 months to August 2024, up from 4.1% in July; the CPIH goods annual rate fell from negative 0.5% to negative 0.9%, while the CPIH services annual rate rose from 5.7% to 5.9%.
- Core CPI (excluding energy, food, alcohol and tobacco) rose by 3.6% in the 12 months to August 2024, up from 3.3% in July; the CPI goods annual rate fell from negative 0.6% to negative 0.9%, while the CPI services annual rate rose from 5.2% to 5.6%.

Producer price inflation
In the ONS latest release and analysis of this data, the key findings were:

- Producer input prices fell by 1.2% in the year to August 2024, down from a revised increase of 0.2% in the year to July 2024.
- Producer output (factory gate) prices rose by 0.2% in the year to August 2024, down from an increase of 0.8% in the year to July 2024.
- On a monthly basis, producer input prices fell by 0.5%, while output (factory gate) prices fell by 0.3% in August 2024.

Regional

NatWest UK Regional Growth tracker
The NatWest UK regional growth tracker has found that the West Midlands (ITL) is expanding, but at a slower rate than the trend over the past six months, as of the 3 months to August 2024. Whilst the NatWest identified that the West Midlands has one of the highest growth rates in Future activity, just below the South East, it has had the softest rise in new work, with the increase in new work only marginal and slower than the three months to July. The West Midlands, alongside the East Midlands, were the only two regions to see a decrease in workforce numbers over this period, though in the West Midlands this was only a marginal decline. In terms of inflation, businesses in the West Midlands and South East recorded the lowest levels of cost rises.

Shaping Birmingham's Future Together: Shaping and informing Birmingham Council's Corporate Plan
Shaping Birmingham's Future Together (SBFT) was announced by Councillor John Cotton, Leader of Birmingham City Council in March 2024, to establish a partnership supported by local companies, community groups and individual residents to support the development of Birmingham's Future. Currently the plan is in the development phase having just finished a series of workshops and a survey to inform the future vision, missions and priorities of Birmingham City Council.

Improving Public Funding Allocations to Reduce Geographical Inequalities: introducing a new project

Charlotte Hoole, City-REDI

Challenges in Addressing Geographical Inequalities in the UK

In recent years, the issue of widening geographical inequalities across the UK has gained significant attention. This is fuelled by several interconnected factors. A highly centralised governance system, coupled with fragmented devolution, has led to policies ill-suited for diverse local and regional needs. In addition, short-term, small-scale initiatives and competitive funding practices have failed to provide sustained support for struggling areas. Compounding these issues, austerity measures and fiscal crises affecting many English local authorities have severely limited their capacity to drive sustainable local growth. This combination of structural problems and financial constraints has created a challenging environment for addressing local and regional disparities and promoting equitable development across the country.

A New UK Government

The election of a new UK Labour Government in July 2024 presents an opportunity for change, with addressing spatial disparities a top priority. The Government's plan involves a three-pronged approach: empowering communities; fostering partnerships between Westminster, local leaders, and the private sector; and adopting a proactive central government role. The idea is to unlock local potential and coordinate efforts more effectively over the longer term. However, a crucial challenge remains: how to efficiently allocate limited public resources in a strained economy to support this ambitious agenda. The new government must balance its transformative goals with the fiscal realities it inherits, requiring innovative strategies to maximise the impact of available funds and stimulate sustainable local and regional growth.

Our Research Approach

To address this complex issue, the research team working on the project seeks to answer five fundamental questions:

1. What funds and funding allocation approaches exist in the UK, and how do they interact at different institutional levels and geographical scales?
2. How do funding approaches impact opportunities to utilise funding in places to best meet local needs?
3. What are the implications of devolution for the allocation and use of funding in place?
4. How can funding allocation better align with the priorities of people in place?
5. What are the options for policy reform to improve funding allocation in England?

By addressing these questions, the research team aim to contribute to the UK Government's policy goal of reducing spatial inequalities by suggesting more effective ways of allocating funding between different areas in England.

Our methodological approach combines drawing together existing evidence on public funding allocation and bringing new knowledge to bear on the issues via stakeholder engagement, in coproduction with national and local policymakers and other interested groups.

Expected Outcomes and Impact

As the UK continues to grapple with local and regional disparities, a more equitable and efficient public funding allocation system could play a crucial role in narrowing the gap between prosperous and disadvantaged areas. By involving stakeholders, including citizens and co-producing knowledge with policymakers, the project team aim to ensure that findings are relevant and applicable to what is happening on the ground. The findings could help shape the future of public funding in England, leading to more targeted and effective investments in areas that need it most. This, in turn, could help create a more balanced and prosperous nation, where opportunities are less determined by geographical location.

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

Stay tuned for updates on this important project. As we move forward, we invite policymakers, local leaders, and interested citizens to join the conversation and help reshape how public funds are allocated in the UK to support a more balanced and prosperous nation.

Learn more about this project – Improving public funding allocations to reduce geographical inequalities.

Tax Rises Less Regressive Than Spending Cuts – How Does the Council Financial Crisis Impact Households?

Matt Lyons, City-REDI

There is increasing concern about the financial viability of some local authorities with estimates by the Local Government Association suggesting that councils in England are facing a funding gap of £4 billion.

In 2023 Birmingham City Council (BCC) was served a section 114 notice. This means that effectively the council ran out of money. In short, BCC needs to raise £300m to fulfil its budget deficit over 2 years. The ways in which this 'financial hole' is addressed will impact some households more than others. Birmingham City Council however is not the only council in crisis with an estimated £4bn funding gap severely impacting services.

In this blog, Matt Lyons and Kurt Kratena use an economic model – the SEIM-UK – to consider how different household groups are likely to be impacted by the potential policy responses to address the deficit and what policy lessons can be learned.

View our policy briefing – Addressing the local authority financial crises

How is Birmingham City Council responding to the Crisis?

There are two main levers BCC is pulling to address the crisis namely, council tax rises and spending cuts (the main levers open to all councils).

Council tax rises have been announced and take the form of a 9.99% rise in 2024-25 and again in 2025-26. Those households on low incomes – around 75,000 households out of the 461,000 households in Birmingham – will be exempt from the council tax rises.

Spending cuts are not fully detailed as yet but early announcements included:

- Dimming of street lights (saving £1m per year)
- 600 job cuts in local government
- Reduced frequency of waste collection
- Spending cuts on highways (saving £12m annually)
- Adult social care to be cut £23.7m from a total budget of £471m
- Children's Young People and Families department will be forced to find £51.5m in savings
- Renegotiating children's travel contracts could also save £13m a year

Calibrating these changes for modelling

The SEIM-UK, a model developed by City-REDI, allows for the simulation of changes to the regional economy. By simulating different policies or shocks (positive or negative) we can gain an understanding of how regions and households can be impacted.

We estimate BCC will have to raise £300m over two years and based on what has been published so far (above), we estimate the money will be raised through three avenues:

- £130m will be raised through council tax rises.
- £81m will be saved through reductions in council spending.
- £88m will be saved through reductions in social care spending.

We input these changes into the SEIM-UK in three ways. i) We incorporate the council tax raises through altering the effective tax rate for different household groups. ii)We incorporate the cuts in council spending that relate to goods and services as reductions in public consumption. iii) We incorporate the cuts to social care through reduced government transfers.

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

What is the potential impact on household groups?

Using the SEIM-UK economic model we estimate the impact of these cuts and tax rises on household groups by income quintile.

Figure 1 shows the impacts on real incomes. What we observe is **council tax rises most impact those with incomes in the 40% to 60% quintile, representing those who earn between £32,300 and £43,500.** The impact is closely followed by those in the 20-40% quintile. The analysis shows that those on the lowest incomes (below £14,000) are effectively protected from this rise while, at the same time, those on the highest incomes (earning over £43,500) are least impacted.

Transfer cuts refer to reductions in government social welfare payments, in this case, cuts to social care spending. The modelling shows the impact of transfer cuts is disproportionately felt by those in the lowest two income groups, especially those with incomes below £14,000.

Taken together the analysis indicates **the BCC crisis is likely to be most heavily felt by those on lower incomes,** with those on the lowest incomes observing a small but significant drop in incomes -0.30% against those on the highest incomes who observe just a -0.09% fall.

Figure 1. Direct real income impact, council tax & transfer cuts by household income group

Source: SEIM-UK

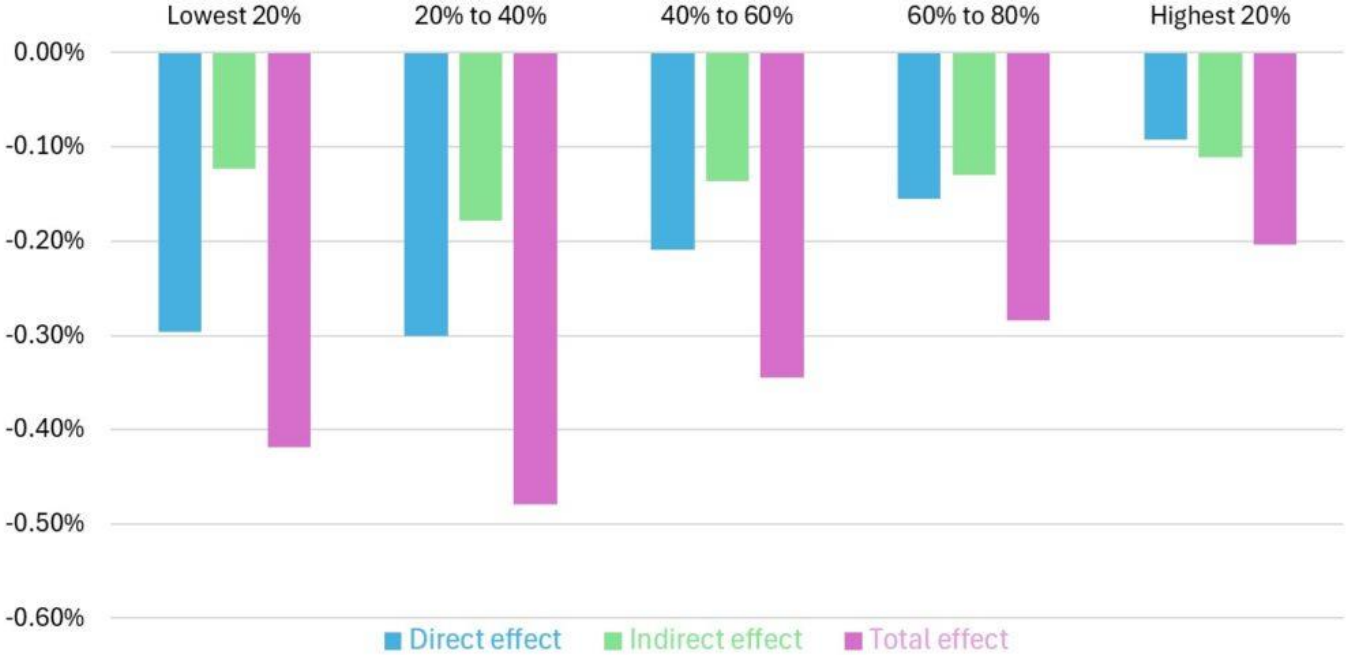
Figure 2 separates the impact of these changes into direct, indirect, and total (direct + indirect). Unlike Figure 1, Figure 2 also includes the impact of public consumption cuts i.e. a reduction in government spending on goods and services for public use.

When we consider the additional impacts of public consumption cuts and the indirect impacts unsurprisingly, we see all income groups see further falls in incomes. Perhaps more surprisingly, we find that the lowest income group is no longer the biggest loser.

Figure 2 shows that those in the lowest income group see incomes fall -0.42% but the second lowest quintile (20% to 40%), representing those with incomes between £14,500 to £23,500 see incomes fall further still, by -0.48 %. This is due to the relatively greater exposure to indirect impacts generated by other quintiles.

As we go up the income quintiles, we observe the indirect impact makes up a relatively higher share of the overall impact until in the highest 20% the indirect impact is greater than the direct impact. This reflects well-established findings that the spending of low-income households generates a significant income increase for higher-income households, who – in turn – spend proportionally less of this income increase, thereby generating only a small income feedback for low-income-households. This mechanism also works for income decreases and is responsible for the relatively high indirect impact on the top earners.

Figure 2. Direct, indirect and total real income impact of tax rises, transfer and public consumption cuts*



*Note: Unlike Figure 1, Figure 2 includes the impact of public consumption cuts
Source: SEIM-UK

Concluding remarks

Modelling results indicate that the BCC crisis will have significant and negative impacts on households across income groups.

One might assume that the poorest will be hit hardest by tax and fiscal shocks. The results show more nuance than this – indicating that while lower-income households are hit harder than higher-income households it is those with incomes of £14,500 to £23,500 that will be the most impacted seeing their real incomes fall -0.48%.

The cuts to public consumption and transfers are likely to have further compounding negative effects not captured by the modelling. The impact of cuts to the Children's Young People and Families department will mean less money for services such as parental education, children's mental health, nutrition, and other important services. Birmingham is also in a homelessness crisis – the financial crisis in the BCC will mean the council has fewer resources to respond, potentially further worsening outcomes for those most vulnerable in the city.

After years of austerity and cuts to council budgets what is clear is this is not just an issue for the BCC. According to a survey by the Local Government and Information Unit, 9% of councils surveyed were likely to declare effective bankruptcy in the next 12 months.

As more councils come under financial pressure increasingly councils will have to decide how to deal with their deficits. What our analysis shows is that both spending cuts and tax rises will negatively impact households especially those on lower incomes. However, it also shows that **council tax rises are a *less* regressive** way of addressing the budget deficit than transfer cuts.

Financial crises in local government are likely to be an ongoing challenge for the new Labour Government which may see council tax rises as the least worst option.

View our policy briefing – Addressing the local authority financial crises

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

Project Spotlight: Socio-Economic Impact Model for the UK (SEIM-UK)

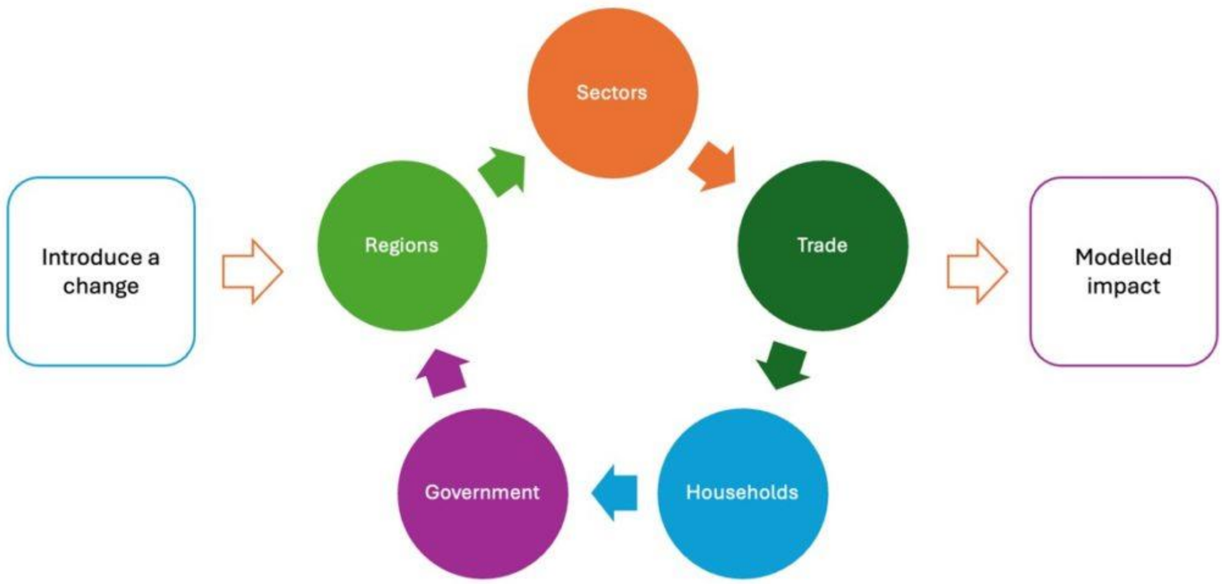
Matt Lyons, City-REDI

An economic model of the UK

Socio-Economic Impact Model for the UK (SEIM-UK) is a multi-region input-output model that is a powerful tool for evaluating changes in the national or regional economy.

But what does that mean? An economic model is a simplified representation of reality. It uses mathematical equations and logical relationships to describe economic processes and predict outcomes. In the case of SEIM-UK it provides a highly detailed picture of the UK economy revealing the inter-relationships between 30 industrial sectors, 41 UK regions (NUTS-2 classification), foreign trade flows and an increasing array of household characteristics at the NUTS-1 level.

This allows our researchers to forecast future economic activity, analyse the structure of the West Midlands economy or provide policy analysis by evaluating the potential effects of government policies, like tax changes.
The SEIM-UK simplified:



Collaboration

So how did this model come about? City-REDI teamed up with Professor Geoffrey Hewings, from the University of Illinois Urbana-Champaign and Professor Kurt Kratena, from the Centre of Economic Scenario Analysis and Research (CESAR) who helped to develop the model along with Professor Raquel Ortega-Argiles, previously at City-REDI but now working for The Productivity Institute and also Assistant Professor Andre Carrascal, formerly of City-REDI but now based at the University of Oviedo.

The project is currently led by Dr Matt Lyons and Dr Huanjia Ma, Research Fellows at City-REDI.

Research using SEIM-UK

City-REDI has used the SEIM-UK to undertake research in a variety of ways:

Understanding how the UK economy works

Fundamental to the City-REDI vision is providing high-quality evidence to help address longstanding issues that blight the UK economy. This involves diagnosing problems in the UK economy but importantly offering solutions.

The ‘North/South divide’, the concept of ‘left behind places’, and the pursuit of ‘inclusive growth’ are all related to the entrenched issue of regional inequality.

The SEIM-UK is a powerful tool for understanding how the UK economy works, and in turn, can perpetuate regional inequalities. In a 2022 publication, Andre Carrascal-Incera and Geoff Hewings used SEIM-UK to understand the flows of incomes through the UK economy. The authors found that while there are only modest changes in the aggregate income propagation by region the accumulation of income is dominated by London and to a lesser extent other major metropolitan regions. Put simply, it provides evidence that incomes generated in peripheral regions flow to already prosperous parts of the UK.

Understanding these fundamentals of the UK economy allows us to ask, how can these inequalities be addressed? How can we achieve ‘levelling up’? One route to closing these gaps is to solve the productivity puzzle in UK regions through investment in R&D. In a 2024 working paper by Huanjia Ma, Raquel Ortega-Argilés and Matt Lyons the SEIM-UK was used to model the impact of increasing public R&D spending in regions. The paper found that increasing R&D investment in those areas with the least has the potential to address these inequalities without damaging national competitiveness. The findings of the paper are discussed in a blog hosted by Research Professional News.

Understanding the Local Economy: The Birmingham Commonwealth Games 2022
In 2022, Birmingham held the Commonwealth Games. The games brought the attention of the world to the city and the region, with over 1.5 million people buying tickets for the games as well as being streamed on the BBC a record-breaking 57 million times. It showed off Birmingham at its best, as a dynamic and exciting city, and made people want to visit the region.

In August 2022, Matt Lyons published “An early assessment of the economic impact of the Birmingham Commonwealth Games” in collaboration with the University of Strathclyde. The research used the Socio-Economic Impact Model for the UK (SEIM-UK) to assess the economic impact of the Games and estimated that it would lead to an increase in output of £140-£208 million, an increase in GVA by £68-£101million and create between 1,893 and 2,814 jobs (FTE). The work was well received and Matt was called upon for a series of news stories about the Commonwealth Games, providing economic commentary on whether Birmingham should hold the games again for the Guardian, for CTV Calgary on whether the region should go ahead and host the Games, and more recently in the Dispatch, discussing whether Birmingham should bid for the Olympics.

The SEIM has been used to address a range of other topics relating to the local economy:

- Understanding the structure of the West Midlands economy
- The impact of COVID-19 on the regional economy and on the Midlands automotive sector.
- Understanding the labour market impact of expanding child care support
- The impact of proposed cuts to Civil Service jobs in 2022

What next for the SEIM-UK Project?
The SEIM-UK has seen significant developments since its inception. The most recent developments allow us to answer new questions about how policy changes and shocks to the economy could impact the **economy**, **environment**, **people** and **places**.

Economy
The SEIM-UK has undergone significant developments to allow for the evaluation of shocks to different parts of the economy and with many more variables than were initially included. These developments allow us to provide forecasts out to 2040, evaluate changes in tax policies, estimate the impact of price shocks, understand the impact of changes on total factor productivity and many more. In short, we can do more than ever with a more accurate model.

Environment
Policymakers at the national, regional and city levels are increasingly pursuing aggressive emissions reduction targets. Economic activity produces emissions, some activities more than others and these activities are distributed across different regions. We plan to develop novel techniques to understand what the regional emissions picture looks like and how policies to reduce emissions could unfold across space.

People

The recent disaggregation of households within the UK economy led by Dr Huanjia Ma means the distributional impacts of changes in the economy can now be modelled. An example of this can be found in the Policy Briefing: '[Addressing the Local Authority Financial Crisis'](). The briefing demonstrates the impact different policy options have on different household income groups. The analysis found tax rises to be the least regressive option.

Places

A central issue in the UK's regional economic problem is ensuring the right skills are in the right places. With new developments to better understand the regional labour market, we can show how big investments in places can lead to skills shortages, and how to address them.

The SEIM-UK is central to City-REDI' ability to generate evidence to evaluate projects, model different policy options, and model disasters or other unexpected upsets. If you want to better understand the UK economy – don't hesitate to get in touch.

Rail Nationalisation – Real Policy Change or Just Ideology?

Donald Houston, Magda Cepeda-Zorrilla, Sara Hassan, City-REDI

The UK Labour Government elected in July 2024 promised in its Manifesto to renationalise Britain's train operating companies when their current contracts come to an end. But does this signal a new era of greater investment, improved services and cheaper fares? Or is it merely a case of rearranging the deckchairs on the Titanic?

The core issue facing British railways is not ownership but investment. Ownership comes with its ideological baggage, which can often obscure more pressing concerns. Whether the ownership is public or private it may not fundamentally alter the factors that matter most to passengers, such as reliability, pricing and level of service. Ownership alone doesn't dictate how the system functions or how affordable it is to passengers.

For over three decades, rail passenger numbers in the UK have trended upward, leading to widespread issues like overcrowding, service frequency and reliability problems, especially in the North of England. Data from 2023 showed that punctuality and reliability (17.6%) and sufficient room for passengers to sit or stand (11.0%) were among the top complaints (Rail factsheet: 2023) from rail users. To address these concerns and boost regional economies, significant investment is required in rail capacity. This would not only help alleviate overcrowding but also encourage more people to opt for trains over cars, thereby contributing to sustainability goals.

The previous Labour Government laid the groundwork for significant rail projects, including High-Speed 2 (HS2). The increased capacity brought by HS2 is more important than the relatively modest number of minutes it takes off city-to-city (err… now only Birmingham to London) running times. Subsequent governments expanded upon the boldness of HS2, culminating in the Integrated Rail Plan for the North and Midlands (IRP) published in 2021. Despite some setbacks, including axing HS2 north of Birmingham, the IRP remains a critical step forward in addressing the long-term infrastructure needs of the UK's rail network. However, the IRP is not enough on its own. Widespread investment on key east-west routes, larger and better trains, improved infrastructure and higher service frequencies are all urgently needed. Whether these are delivered by a public or private entity is less important than ensuring they are all delivered.

Labour's plans to create Great British Railways giving it greater strategic oversight and reducing the financial risks faced by train operators, can be seen as a continuation of the former Conservative government's proposals. This approach makes sense in terms of ensuring timely investment. However, the more significant shift in Labour's plan is its intention to expand state control over more train operating companies as contracts expire, gradually transitioning them to state-backed companies without shareholders. While this might mark a change in ownership, it's not likely to be a fundamental change in how the rail system operates.

The reality is that Labour's renationalisation plans aren't as radical or far-reaching as they may initially appear. Since the wholesale privatisation of British Rail in the mid-1990s, parts of the rail network, including track, signalling, and some train operating companies, have already been brought back into public ownership due to financial crises affecting those companies. The question now isn't just about who owns the railways but about how much investment will be directed into the system and how efficiently it will be used.

The former state-owned British Rail (1948-96) was often unfairly characterised as inefficient, and lacking in innovation, with the infamous "British Rail sandwich" becoming a symbol of its perceived shortcomings. Yet this narrative overlooks significant innovations, such as the transition from steam to diesel and electric trains, the introduction of modern electronic signalling and the rationalisation of the network. British Rail was also responsible for considerable innovation, including pioneering tilting train technology and conceiving new services like overnight sleeper trains and the Motor Rail service, which carried both passengers and their cars. However, low government investment levels, operating deficits on most routes, and entrenched working practices limited British Rail's potential.

Privatisation, rushed through between 1995 and 1997, fragmented the industry into companies responsible for different aspects of rail operations, including track, signalling, rolling stock and operating train services. This further division, coupled with short-term operating franchises hindered investment and innovation. Despite these challenges, rail passenger numbers increased in the years following privatisation, as did freight volumes (excluding coal). This was

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

partly due to private investment and innovation but also the result of a period of strong economic growth, increased public funding for the rail industry and growing road congestion pushing more people toward rail.

Several private rail companies eventually ran into financial difficulties, leading to the state stepping in to take over key parts of the network. Track and signalling were brought back under public control in 2002, and infrastructure maintenance followed in 2004. The government also has twice had to take over the flagship East Coast Main Line due to financial and operational problems affecting operators, firstly between 2008 and 2015 and again from 2018 onwards. The COVID-19 pandemic exacerbated the fragility of the franchising system, forcing the UK Government to replace franchises with concession contracts which shifted commercial risk from operator to the state.

Labour's plans to extend public ownership to more train operators aim to reduce the financial risks associated with private ownership, but they are not a radical departure from recent trends. Britain's railways, whether publicly or privately owned, have long struggled with issues like underinvestment, profitability and operational efficiency. There have been examples of both success and failure in public and private hands, but the overarching lesson is that ownership alone does not guarantee success. What matters most is the investment, innovation and effective governance – issues that require attention regardless of whether the system is publicly or privately owned.

The direction of travel (pun intended) since privatisation under both Labour and Conservative Governments has been toward more public ownership and more regulation. Labour's plan, therefore, is less of a radical shift and more of a continuation of this direction. If it stimulates investment and innovation, then rail users, and cities served by the rail network, will benefit. If it doesn't, the system will continue to struggle.

What is needed now is a step change to make the rail network more appealing and affordable, if the UK is serious about achieving its economic, sustainability and Net Zero ambitions. Without significant improvements in capacity, pricing and service quality, nationalisation alone won't be enough to meet the challenges ahead.

Vision to Legacy

Anne Green, WMREDI, City-REDI

What were the Local Enterprise Partnerships?

Local Enterprise Partnerships (LEPs) were non-statutory bodies responsible for local economic development in England, until their funding ended in March 2024. These business-led partnerships united the private sector, local authorities, and academic and voluntary institutions. LEPs prioritised policies and actions based on clear economic evidence and intelligence from businesses and local communities. Their interventions aimed to improve productivity across the local economy, benefiting people and communities while fostering more inclusive economies.

LEPs collaborated with local authorities in several ways to drive economic growth and development. Some key aspects of their collaboration included:

1. **Strategic Planning and Prioritisation**: The LEPs aimed to work closely with local authorities to develop strategic plans for their sub-regions.
2. **Infrastructure Investment**: The LEPs aimed to collaborate with local authorities to identify infrastructure needs.
3. **Skills and Workforce Development**: The LEPs partnered with local authorities to address skills gaps and workforce development.
4. **Business Support and Innovation**: The LEPs and local authorities aimed to jointly support businesses.
5. **Regeneration and Place-Making**: Collaborating on regeneration projects, LEPs and local authorities enhanced public spaces, attract investment, and improved quality of life.
6. **Policy Advocacy**: The LEPs and local authorities advocated for policies that benefited the local economy.

The specifics of collaboration varied on the unique context of each LEP and its local authority partners.

The Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP)

GBSLEP was set up in 2011 and operated until March 2024. It was a partnership of business, public sector and further and higher education leaders with a mission to drive inclusive and sustainable economic growth in the Greater Birmingham and Solihull area. It consisted of nine local authorities:

- Birmingham
- East Staffordshire
- Cannock Chase
- Lichfield
- Tamworth
- Wyre Forest
- Bromsgrove
- Redditch

It was one of the largest partnerships in the country, covering a population of over 1.96 million people and supporting approximately 840,000 jobs.

Key programmes of work

Strategy for Growth

Published in 2013, this strategy set a clear goal to regain Greater Birmingham & Solihull's status as the major driver of the national economy outside of London.

2019 Local Industrial Strategy

Working in collaboration with the Black Country LEP and the Coventry & Warwickshire LEP, the GBSLEP took the lead on the development of five high-growth sectors originally identified in the West Midlands Industrial Strategy:

- Business, professional and financial services (BPFS)

- Creative industries
- Data-driven health and life sciences
- Advanced manufacturing – food and drink
- Low carbon and energy technology

The GBSLEP led the growth strategy for the region's business professional and financial services sector and launched SuperTech – a dedicated ProfTech supercluster in 2021.

SuperTech brought together established business and financial firms, alongside rapidly growing FinTech (financial technology), PropTech (property technology) and LawTech (technology for legal services) organisations.

The aim was to establish Birmingham and the region as a centre of next-generation services by enabling technology-led evolution, building innovation capacity and enhancing connectivity between businesses to accelerate ecosystem development. It has also been at the forefront of developing digital skills for innovation.

GBSELP Growth Hub
The GBSLEP's Growth Hub, which was led, managed and partly funded by the GBSLEP, operated from 2015 to 2023. It improved access to business support and finance through various national and European-funded programmes.
Key statistics from the GBSLEP Growth Hub Impact Report 2016-2023 illustrate the scale of its activity and impact:

- £18.3M – private sector leverage
- £103M turnover increase amongst businesses that received three or more hours of support from the Growth Hub since 2016
- 4,623 jobs created
- 8,528 – jobs safeguarded
- Support for 7,189 businesses in the GBSLEP area
- £16.37 value created in the GBLSEP area for every £1 invested
- £23 turnover increase for businesses as a direct result of business support provided by the GBSLEP Growth Hub

Local Growth Fund
Working in partnership with local authorities, businesses and the educational sector GBSLEP managed the Local Growth Fund which supported strategic investment decisions on mainly capital projects, to unlock inclusive and sustainable economic growth. The partnership model of engaging with political and business leaders, ensured effective allocation of £207.9M between 2016 and 2021, funding 100 projects, 69 of which had innovation at their heart.

Enterprise Zone Fund
The GBSLEP worked closely with partners to unlock sites for development and to co-invest in master planning, urban design and improvements to create green infrastructure and accessibility for businesses to grow through the Enterprise Zone Fund. High-profile sites representing significant growth opportunities in the city included Paradise and HS2's Curzon Street Station. By using the uplift in business rates generated by these developments and investing in priority schemes, GBSLEP was instrumental in driving inclusive and sustainable economic recovery.

Skills
GBSLEP worked closely with higher and further education institutions, alongside private training providers, to develop the region's skills.

It helped establish the Commonwealth Games Volunteer Programme for young people – Gen22. This was designed to equip a younger workforce, particularly those facing labour market barriers, with training and skills to apply for Games-related jobs and placements.

GBSLEP funded the Greater Birmingham Ladder from the outset in 2018, working collaboratively to create local solutions to a national problem – upskilling, filling vacancies, working with schools, supporting apprentices through the pandemic and engaging with diverse communities. Around 40% of apprenticeships starting through the Ladder were from BAME communities. Its commitment to sustainable investment also saw £273k invested in the Ladder Skills Academy which opened in Spring 2023.

Conclusion

The work of the GBSLEP demonstrates the power of collaborative partnerships which has enabled evidence-based, locally informed investment and project decisions to be made for the benefit of all our communities. GBLSEP was able to take moderate amounts of government funding to leverage substantial investments from both the public and private sectors. For every £1 the GBLSEP spent, £3 was generated – making public money go further.

Find out more in our report about the GBSLEP – From Vision to Legacy.

Towards a Civic University: Unpacking the Role of PhD Study in Personal Development, Professional Practice, and the World We Live In

Johannes Read, City-REDI

The four main audiences for this blog are directors of research institutes or funding bodies leading or developing PhD programmes; business leaders looking to link with universities; current or prospective PhD students looking towards their future careers; and senior leaders at universities looking to demonstrate their civic impact. A summary table of indicators relating to the effects of PhDs can be found on pages 4-6 of the report.

What is in it for me?

At an individual level, earnings increase with qualifications. The graduate premium, going from a taught Master's degree to a PhD, increases earnings by £5,500 per year, bringing average earnings to £39,200 five years after graduation. The graduate premium is especially strong for women, as there is evidence that PhDs have greater returns on earnings for women than for men, after controlling for background characteristics.

However, while holding a PhD increases the chances of earning a good wage, having a PhD alone does not have as much impact on increasing the chances of very high earnings. Gaining a PhD increases the probability of earning over £30,000 by 9% for women and 5% for men. However, holding a PhD reduces the probability of earning over £50,000 by 7% for women and 14% for men, after controlling for background characteristics. This could be in part due to PhDs focusing on specialist research skills but not on broader leadership and management skills to support progression into senior leadership. Therefore, funders of PhD studies should also consider incorporating training in a broad range of skills to support students working towards managerial roles. Self-confidence, professionalism, and problem-solving are all important soft skills gained from PhD study. These soft skills help increase the chances of working in high-skilled employment, as 78% of postgraduates find work in high-skill jobs, compared to 66% of graduates and 24% of non-graduates. However, there are still barriers facing PhD students from ethnic minorities as just 1% of black people go on to study for a PhD, compared to 2.7% of white people.

A life outside of academia

PhDs are for life, not just for academia. Around 30% of PhD students go on to become early career researchers, meaning 70% of PhD holders go on to leave academia. This is not necessarily bad news, as around two-thirds of leavers utilise their skills in R&D-intensive roles. As only 15% of PhD graduates go-to hold tenured positions at universities, there is a need to purposefully embed PhD training, not just towards skills as a university lecturer, but with the needs of industry and the "real world".

There is a divide between physical and social sciences where PhD holders work after graduation. Around two-thirds of PhD holders go into work in the life sciences, whereas around 30% of social science PhD holders go into research roles outside of academia. Of these, 46% go into a non-research role. This divide adds fuel to the fire around the value of degrees in social sciences compared to science, technology, engineering and maths (STEM) subjects. However, this debate misses an important point: that potentially STEM PhDs are more closely aligned to the technical needs of the industry than social sciences. For all businesses, and particularly small businesses, hiring PhD holders leads to statistically significant improvements in knowledge sharing, innovation, productivity and profitability. Evidence from Canada shows that further research opportunities for PhD students in their second year further increase the quality of research and skill development and help support impactful work. Embedding a research culture that integrates placements and work experience can help integrate social sciences PhDs with businesses and make the most of the research skills. Integrating PhDs has significant potential for business development and professional development for both social and natural sciences.

Public good and a civic university

Education and teaching are seen as social multipliers and PhD holders help share knowledge and research that is created. The next step is how to harness these spillovers of PhD study to help work towards a university's civic mission.

Each research project has an impact on a sector, a place, and a person. Directing these impacts to address the important challenges facing a locality, community, business, sector and/or group of people demonstrates how universities, through PhD funding, can make a difference in their place.

Funders and providers should develop more explicit links outside of academia, particularly with industry outside of STEM; support greater opportunities for student career development; and to improve the work-life balance of students in order to maximise the economic, social and civic impacts of PhDs.

University leaders and directors of research institutes should work strategically to ensure the research addresses challenges or supports specific sectors important to their local area, enabling students to gain a broader experience and access to potential employer networks. Embedding doctoral training to support the needs of the local area is an important part of a civic university.

Universities are one part of the wider business and innovation environment and play an important part in wider society. Linking the PhD programmes with the needs of businesses, particularly businesses in important sectors to a local/regional economy and exploring the role of social sciences PhDs in supporting businesses, can also help maximise the impacts of PhD study.

And finally, students, who are the future of our research work, can also make an impact. On an individual level, PhD study can be transformational for improving incomes, employment opportunities and choice to pursue a career of interest. More broadly, even though PhD studies do not have to be for everyone, the societal benefits of spillovers of PhD studies can manifest in the broader economy and society. Harnessing these economic and social impacts to make a difference for people, place and society is what a civic university is all about.

Read online - Towards a Civic University: Unpacking the Role of PhD Study in Personal Development, Professional Practice, and the World We Live In

Long COVID: Job Loss, Work Hours and Mental Health of Workers

Darja Reuschke, City-REDI

Context

COVID-19 infections are on the rise again. While for some, the symptoms will be flu-like, for others, an infection with the virus will cause long-term illness. By the end of March 2024, an estimated 2 million people in England and Scotland were experiencing Long COVID. The term Long COVID is used to describe persistent COVID-19 symptoms or late complications of a COVID-19 virus infection that develop at least five weeks after an initial infection with the virus.

In a new study, Darja Reuschke and Donald Houston (City-REDI, University of Birmingham) and Paul Sissons (Keele University) study the consequences of this new multi-symptom post-viral illness for UK workers.

Characteristics of Long COVID

Symptoms of Long COVID are multidimensional and can include physical, cognitive and mental illness. Often reported are chronic fatigue symptoms, breathing problems and chest pain, inability to concentrate and muscle pain. Because of the complexity of the health conditions, Long COVID is difficult to diagnose. Most people who are suffering from Long COVID had mild symptoms at first or could even have been asymptomatic. What is more, there is no effective treatment for the illness which often limits what people can do.

Some people are more likely to develop the post-viral illness than others. International evidence supports that people between 45 to 54 years of age, women and those with a pre-existing health condition are more likely to develop Long COVID. For the UK, the ONS has identified a greater risk of Long COVID for those between 35 to 69, highlighting the risk for the working-age population.

The study

We investigate whether Long COVID increases the risk of leaving employment and whether those who remain in employment with Long COVID experience a reduction in hours worked and/or an impact on mental health.
Because the study looks specifically at risk of leaving employment, two different groups of Long COVID sufferers are distinguished:

- A first group experiences COVID symptoms for 5 to 28 weeks which is up to the maximum period of Statutory Sick Pay in the UK.
- A second group has symptoms for 29 weeks or more. After 28 weeks (six months) of sickness leave, especially workers on low income and those in non-professional jobs (which often do not come with employer sick pay schemes), face redundancies.

These two groups are compared with people who do not have COVID symptoms or who have COVID symptoms for a short period (less than 5 weeks which is within the period of recovery from a viral infection).

Using a large population survey for the whole UK population, for these four groups we investigate the likelihood of employment exit; working zero hours (sickness absence); reduction in working hours; and reduction in mental well-being.

Key findings

- Long COVID sufferers with symptoms lasting for more than 28 weeks, which is beyond the maximum period of statutory employment protection in the UK, have a higher risk of employment exit compared to those without COVID symptoms.
- Working zero hours (sickness absence) is increased among those with Long COVID 5-28 weeks, similar to those with short COVID. But those with Long COVID 29+ weeks are not more (or less) likely to be temporarily absent from work than those with no COVID symptoms.
- Having Long COVID (5-28 weeks or 29+ weeks) is not associated with reduced working hours. Moreover, if still in work, those with Long COVID 29+ do not work less (or more) than they did before the pandemic.

- Comparing the mental health across the study groups shows large negative associations with Long COVID compared to those with no COVID symptoms – and more so on average for those who experienced symptoms for 29+ weeks. The study also finds that people with Long COVID for 29+ weeks seem to 'buffer' the low mental well-being found in group comparison which is likely to point to adaptations to live and work with Long COVID.
- For those with Long COVID 5-28 weeks, the negative impact on mental health is mediated by earnings which hints at possible job characteristics associated with higher/lower income that facilitate workplace adaptions (or not).

Policy implications

COVID-related health impacts on our society and workforce have not gone away. The pandemic is over but the longer-lasting health effects continue to pose risks to public health, the economy, and individuals' employment and earnings.

The extension of Statutory Sick Pay beyond 28 weeks and greater flexibility to manage phased returns to work would help to reduce the risk of leaving employment of those with Long COVID. Financial support for employers to maintain employment until recovery from Long COVID would help to preserve employment and tackle the rising level of inactivity in the UK.

Working fewer hours can help accommodate a work-limiting disability. But the study did not find that those with Long COVID work fewer hours (if they are still in work). This is a concern and calls for better management of this complex illness in the workplace. Employers need to provide adaptions and flexibility to manage the physical and mental symptoms of the illness. A sizeable number of workers with Long COVID are likely to meet the definition of disability (long-term activity-limiting illness) and therefore have the right to receive reasonable workplace adjustments.

Passion and Precarity: How Creative Industries Leverage Motivation

James Davies, City-REDI

Work in Television has Changed Dramatically

The case of television production is unusual in a number of ways. It is both technical and artistic, a mainstream activity (Carter and McKinlay, 2013; Grugulis and Stoyanova, 2012), but positioned between industrial and artistic worlds, rather than a marginal 'high-end' form.

Over the past 30 years, TV production in the UK, and beyond, has transformed dramatically. Traditional structures were replaced by sector-level disintegration due to globalization, technological change, digitalization, and deregulation (Morris et al., 2016). State interventions have included creating Channel 4 with outsourced content, and the 1990 Broadcasting Act mandating the BBC to source at least 25% from the independent sector. Subsequent reforms accelerated the shift, favouring independent producers over in-house production (Carter et al., 2020). With much of TV production now outsourced, freelance work has become the norm (Work Foundation, 2019) with between 30% – 50% of the film and television workforce operating as freelancers on short-term contracts (OFCOM, 2019).

A Battle for Control

The television industry's job market can be characterised as a battle for control:

- Large broadcasters have traditionally attempted to maintain control over the market by employing familiar faces on long-term freelance contracts.
- For freelancers, job markets have become increasingly precarious, especially for young or new workers who struggle to join the networks through which employment is negotiated.
- As broadcasters become less familiar with the freelancers, as older workers retire, they lose control.
- Insecurity often accompanies creative work, with a tendency to result in self-exploitation (Eikhof and Warhurst, 2013; Hoedemaekers, 2018).

Such tensions indicate the necessity of understanding these settings within the broader context of the creative labour process (Hesmondhalgh and Baker, 2011).

The Work Itself is a Form of Control

However, the quest for 'meaningfulness' may represent a new form of workplace exploitation. Despite numerous challenges, workers in precarious, intense, and uncertain conditions continue to pursue their artistic dreams. This persistence often places their passion for their work in conflict with the material demands of their lives. The 'love of the job' is used to offset increasing precarity and the absence of stable organizational support. There exists, among creative professionals, a notion that difficult work conditions are made acceptable by the significance of the work, which reinforces the idea that precarity is part of 'the experience' (Umney and Kretsos, 2015). In other words, the work is difficult, ***because*** it's meaningful.

Most studies on meaningfulness overlook the external industry context that shapes this experience (Robertson et al., 2020). In modern fields like television, meaningful work blends creative self-expression with precarity (Petriglieri et al., 2019). Although some emphasize its emancipatory potential, empirical research reveals tensions: workers may find satisfaction in their work, yet suffer from negative aspects like poor conditions, job insecurity, and irregular employment, highlighting its 'tensional' nature (Symon and Whiting, 2019).

Modern TV production relies on social networks and reputational effects but is controlled by large producers who centralize strategy, decision-making, and resources. This can be seen as a 'neo-bureaucratic' structure (Morris et al., 2016): one that emphasises control without formal structural supports to minimise production risk, and contributes to the creation of a precarious workforce. Against the background of such structural changes, the search for personally meaningful work can be read as an attempt to recuperate dignity in the face of financial disadvantage and career instability (Boltanski and Chiapello, 2005).

Conclusion

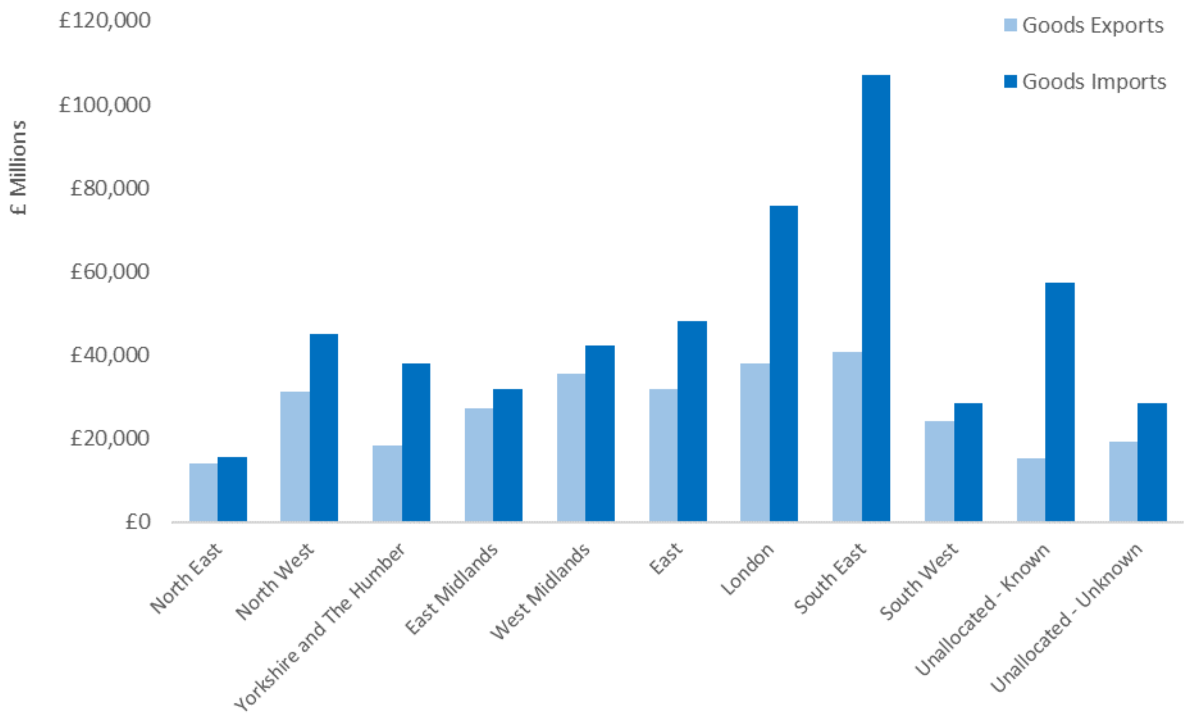
This paper argues that 'meaningfulness' continues to attract new recruits, despite changes in production foundations. The concept of 'meaning' shifts with these contexts. While many studies focus on meaningful work as a personal relationship between workers and their labour conditions, our perspective examines how 'meaningfulness' evolves within neo-bureaucratic frameworks. The loosening grip of neo-bureaucracy may be disrupting television production, with major broadcasters trying to control the market by hiring familiar freelancers on long-term contracts, yet losing control as familiarity diminishes. At the same time, freelancers face increasingly precarious job markets, initially struggling to integrate into networks and finding work sporadic. As the television industry continues to evolve, questions remain about what attracts staff to an industry that promises meaningfulness but is also marred by precarity. Despite the intense pressures, new recruits remain drawn in by the promise of meaningful work.

Read online - Passion and Precarity: How Creative Industries Leverage Motivation

UK Regional Trade in Goods Statistics: Year Ending Q2 2024[1] West Midlands
The Economic Intelligence Unit

- In the year ending Q2 2024, the West Midlands region exported £35.4bn worth of goods and imported £42.4bn. This represents a trade in goods deficit of £7.0bn, a decrease from the trade deficit in the previous annual period which was £9.1bn.

The following chart shows the value of goods imported and exported by region in the year ending Q2 2024:



- Compared to the previous annual period, the West Midlands region goods exports increased by nearly £2.0bn (+6.0%) to £35.4bn in the year ending Q2 2024, the second highest percentage increase across the UK regions behind Northern Ireland (+6.8%). Conversely, UK exports decreased by 6.7% to £356.8bn.

- The West Midlands accounted for 9.9% of UK exports – third highest (after the South East and London at 11.4% and 10.6% respectively).

- In the year ending Q2 2024, goods imports to the West Midlands area region were worth £42.4bn, a decrease of £89m (-0.2%) since the year ending Q2 2023. UK-wide total imports decreased by 8.2% to £576.7bn.

SITC Section

- The largest SITC section for goods exports in the West Midlands region was machinery & transport at £25.7bn – 72.5% of total; of which £16.2bn (63.2%) went to non-EU locations. Compared to the year ending Q2 2023, this SITC section overall increased by £2.5bn (+10.9%).

- The largest SITC section for goods imports to the West Midlands region was machinery & transport at £21.8bn, which is 51.5% of total imports (of which 66.8% or £14.6bn of imports for this section as from the EU). This section overall increased by £1.4bn (+6.9%) compared to the previous annual period.

Breakdown of goods exported and imported by SITC section and the percentage change between year ending Q2 2023 and year ending Q2 2024:

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

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

Total Exports by SITC Section	Year to Q2 2023 (Figures in £m)	Year to Q2 2024	Annual Percent Change %	Annual Number Change (Figures in £m)
0 Food and Live Animals	£796	£885	11.2%	£89
1 Beverages and Tobacco	£67	£56	-16.4%	-£11
2 Crude Materials	£1,107	£1,026	-7.3%	-£81
3 Mineral Fuels	£187	£168	-10.2%	-£19
4 Animal and Vegetable Oils	£31	£19	-38.7%	-£12
5 Chemicals	£1,495	£1,413	-5.5%	-£82
6 Manufactured Goods	£3,576	£3,457	-3.3%	-£119
7 Machinery and Transport	£23,175	£25,691	10.9%	£2,516
8 Miscellaneous Manufactures	£2,977	£2,689	-9.7%	-£288
9 Other commodities nes	£7	£11	57.1%	£4
Total Exports	£33,417	£35,414	6.0%	£1,997
Total Imports by SITC Section				
0 Food and Live Animals	£2,844	£3,142	10.5%	£298
1 Beverages and Tobacco	£324	£348	7.4%	£24
2 Crude Materials	£722	£599	-17.0%	-£123
3 Mineral Fuels	£1,291	£779	-39.7%	-£512
4 Animal and Vegetable Oils	£172	£117	-32.0%	-£55
5 Chemicals	£2,630	£2,402	-8.7%	-£228
6 Manufactured Goods	£8,460	£8,016	-5.2%	-£444
7 Machinery and Transport	£20,432	£21,832	6.9%	£1,400
8 Miscellaneous Manufactures	£5,622	£5,172	-8.0%	-£450
9 Other commodities nes	£4	£2	-50.0%	-£2
Total Imports	£42,500	£42,411	-0.2%	-£89

Country Group

- By Country Group[2], the highest value of goods exports from the West Midlands region was to the EU at £15.0bn, accounting for 42.5% of the total. The value of goods exports to the EU increased by £587m (+4.1%) compared to the year ending Q2 2023.

- The highest value of imports to the West Midlands region was from the EU at £26.5bn, which accounted for 62.5% of the total. Goods imports from the EU increased by over £1.5bn (+6.1%) when compared to the previous annual period.

Breakdown of goods exported and imported by Country Group and the percentage change between year ending Q2 2023 and year ending Q2 2024:

Exports by Country Group	Year to Q2 2023 (Figures in £m)	Year to Q2 2024	Annual Percent Change	Annual Number Change (Figures in £m)
Asia & Oceania	£6,160	£6,693	8.7%	£533
Eastern Europe (excl EU)	£463	£565	22.0%	£102
European Union	£14,457	£15,044	4.1%	£587
Latin America and Caribbean	£519	£488	-6.0%	-£31
Middle East and North Africa (excl EU)	£2,011	£2,311	14.9%	£300
North America	£8,253	£8,601	4.2%	£348
Sub-Saharan Africa	£399	£377	-5.5%	-£22
Western Europe (excl. EU)	£1,151	£1,333	15.8%	£182
Undefined Country Group	£4	£2	-50.0%	-£2
Total Exports	£33,417	£35,414	6.0%	£1,997

[2] Country Groups: Asia & Oceania, Eastern Europe (excl. EU), European Union, Latin America & Caribbean, Middle East & North Africa (excl. EU), North America, Sub-Saharan Africa, Western Europe (excl. EU) and undefined.

Imports by Country Group				
Asia & Oceania	£11,001	£9,992	-9.2%	-£1,009
Eastern Europe (excl EU)	£232	£189	-18.5%	-£43
European Union	£24,983	£26,515	6.1%	£1,532
Latin America and Caribbean	£633	£470	-25.8%	-£163
Middle East and North Africa (excl EU)	£897	£1,017	13.4%	£120
North America	£2,504	£2,135	-14.7%	-£369
Sub-Saharan Africa	£283	£175	-38.2%	-£108
Western Europe (excl. EU)	£1,967	£1,917	-2.5%	-£50
Undefined Country Group	-	-	-	-
Total Imports	£42,500	£42,411	-0.2%	-£89

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

Purchasing Manager Index (PMI) – NatWest UK Regional Growth Tracker Report[3], Released September 2024: West Midlands Region

The Economic Intelligence Unit

In Summary:

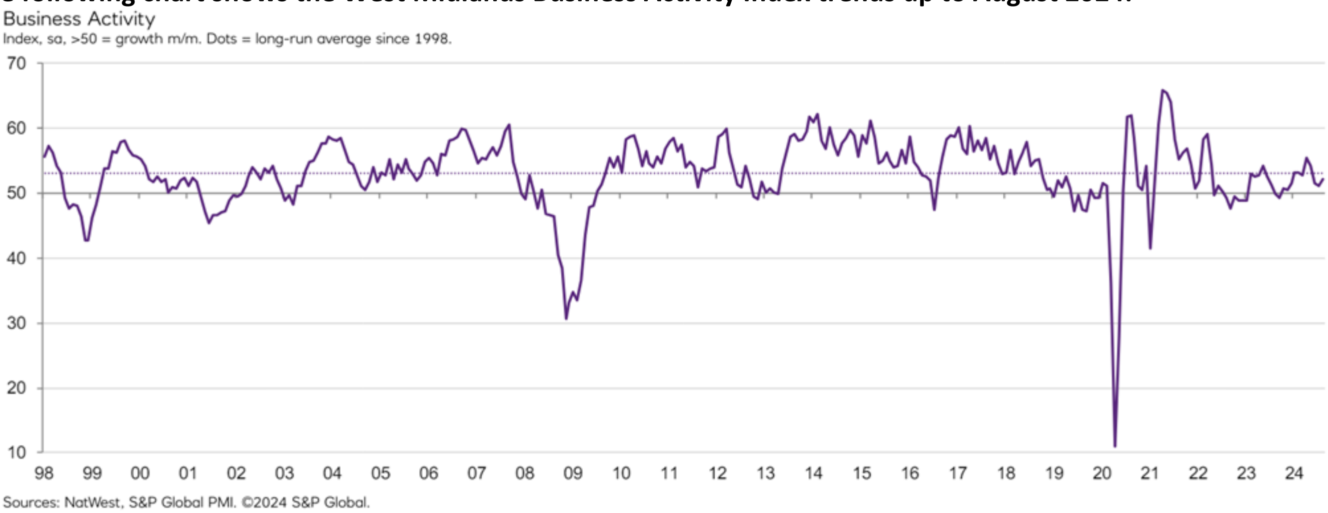
- The West Midlands Business Activity Index increased from 51.2 in July 2024 to 52.2 in August 2024, the fastest growth seen for three months. The expansion in business activity was linked to demand resilience and upbeat forecasts along with greater availability of raw materials and completions of pending workloads.
- The UK Business Activity Index increased from 52.8 in July 2024 to 53.8 in August 2024.
- The West Midlands Future Business Activity Index decreased from 77.9 in July 2024 to 76.1 in August 2024. Despite the fall from July, firms in the West Midlands remain optimistic for the upcoming 12 months.

In Detail:

Business Activity Index

- The West Midlands Business Activity Index increased from 51.2 in July 2024 to 52.2 in August 2024, the fastest growth seen for three months. The expansion in business activity was linked to demand resilience and upbeat forecasts along with greater availability of raw materials and completions of pending workloads. However, activity was restricted due to lower volume of new orders.
- In a typical business cycle, regions will move through four phases – expansion, slowdown, contraction and recovery. The August 2024 reading shows the West Midlands regions remains in slowdown, meaning that the region is expanding, but at a slower rate than the trend over the past six months.
- Out of the twelve UK regions, the West Midlands was fifth lowest and the East Midlands and was fourth lowest for business activity in August 2024. Northern Ireland was the highest at 55.7 and the North East was the lowest at 51.2.

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



Demand

- The West Midlands New Business Index decreased from 51.5 in July 2024 to 50.3 in August 2024, this is the nineteenth consecutive month of growth. There was a mixed picture across West Midlands firms as some reported more demand resulting in additional orders in specific goods and services. Although, there were also reports of reduced orders and a lack of investment and fierce competition.

[3] Source: NatWest UK regional growth tracker report for August 2024, released September 2024. Please note, the seasonally adjusted indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease.

Exports[4]

- The West Midlands Export Climate Index increased from 51.5 in July 2024 to 51.8 in August 2024.

Business Capacity

- The West Midlands Employment Index remained at 49.8 in August 2024 and signals a seventh consecutive month of declines in employment. However, the reading is slightly below the 50 no change mark which indicates workforce numbers are broadly stable. However, there was a mixed picture across the region where some firms reported an increase in jobs while others reported a fall related to automation, AI adoption and staff churn.
- The only two regions to register a decline in employment in August 2024 was the West Midlands and East Midlands.
- The West Midlands Outstanding Business Index decreased from 46.9 in July 2024 to 45.5 in August 2024, the latest fall was the strongest seen in eleven months.

Prices

- The West Midlands Input Prices Index decreased from 58.3 in July 2024 to 56.6 in August 2024, despite the fall, the latest reading still indicates a continual rise in costs linked to insurance premiums, labour and materials. However, the rise was supressed by lower prices for energy and metals.
- The West Midlands Prices Charged Index decreased from 55.1 in July 2024 to 54.5 in August 2024, easing to a joint (with May) 44-month low. Some firms reported sharing additional cost burdens with customers whereas some applied discounted rates due to competition and in a bid to secure new work.

Outlook

- The West Midlands Future Business Activity Index decreased from 77.9 in July 2024 to 76.1 in August 2024. Despite the fall from July, firms in the West Midlands remain optimistic for the upcoming 12 months.

Future Activity Index across all UK regions in August 2024:

[4] The Export Climate Index is calculated by weighting together national PMI output data according to their importance to the manufacturing exports of the region. This produces an indicator for the economic health of the region's export markets.

Labour Market and Claimant Count Headline Figures: Released 10th September 2024

The Economic Intelligence Unit

Regional Labour Market[5] –

- For the three months ending July 2024, the West Midlands Region employment rate (aged 16 – 64 years) was 73.5%. Since the three months ending April 2024, the employment rate decreased by 0.4 percentage points (pp). When compared to the same period in the previous year, the employment rate was 0.7pp lower. The UK employment rate was 74.8%, an increase of 0.5pp when compared to the previous quarter but a decrease of 0.1pp when compared to the previous year. The highest employment rate within the UK for the three months ending July 2024 was in the South West with 79.0% and the lowest in the North East with 69.4%, the West Midlands ranked among the middle of all regions.
- For the three months ending July 2024, the West Midlands Region unemployment rate (aged 16 years and over) was 4.7%, which has decreased by 0.4pp since the previous quarter and a decrease of 0.5pp when compared to the previous year. The UK unemployment rate was 4.1%, a decrease of 0.2pp from the previous quarter and also a 0.2pp decrease when compared to the previous year. The highest unemployment rate in the UK for the three months ending July 2024 was in the North East with 5.6% and the lowest in Northern Ireland with 2.0%. The West Midlands had the fourth highest rates across all regions.
- For the three months ending July 2024, the West Midlands Region economic inactivity rate (aged 16 – 64 years) was 22.9%, an increase of 0.8pp since the previous quarter and an increase of 1.2pp when compared to the previous year. The UK economic inactivity rate was 21.9%, a 0.3pp decrease when compared to the previous quarter but a 0.3pp increase from the previous year. The highest economic inactivity rate in the UK for the three months ending July 2024 was in Northern Ireland with 27.5%, with the lowest in the South West with 18.3%, the West Midlands ranked among the middle of all regions.
- Between June 2023 and June 2024, workforce jobs increased in 9 out of 12 regions of the UK, with Scotland seeing the largest increase of 116,000. The West Midlands was one of the three regions to decrease (lowest decrease) by 23,217 to a total of nearly 3.1 million workforce jobs.
- Comparing August 2024 with the same period last year, changes in the number of payrolled employees ranged from a 1.8% increase in Northern Ireland, to a decrease of 0.1% London (only region to decrease). The West Midlands increased by 0.5% to a total of over 2.6 million.

Claimant Count[6]

All Claimants Summary

- There were 150,220 claimants in the WMCA area in August 2024. Since July 2024, there has been an increase of 2.1% (+3,045) claimants in the WMCA area, while the UK increased by 0.9%.
- When compared to August 2023 claimants have increased by 22.1% (+27,145) in the WMCA area, with the UK increasing by 17.3%.
- All areas in the WMCA had a monthly and annual increase in claimants.
- Overall, for the WMCA the number of claimants as a proportion of residents aged 16-64 years old was 8.2% compared to 4.3% for the UK in August 2024. Across the Combined Authorities, the WMCA had the highest rates, West Yorkshire was the second highest at 5.8% down to 2.2% for York and North Yorkshire.

WMCA and UK-Wide Latest Claimant Summary:

	August 2023	July 2024	August 2024	August 2024: Claimants as a proportion of residents aged 16-64	Monthly Change	Annual Change

[5] Source: Office for National Statistics (ONS), Labour market in the regions of the UK: September 2024. These are official statistics in development. Labour Force Survey (LFS) estimates have been reweighted for periods from July to September 2022; headline UK seasonally adjusted series prior to this have been modelled, but other series, including regional, have a discontinuity at this point and because of increased volatility of LFS estimates, estimates of quarterly change should be treated with additional caution. The ongoing challenges with response rates and levels mean that LFS-based labour market statistics will be considered official statistics in development until further review. Read more in measuring the data.

[6] Source: ONS/Department for Work and Pensions (DWP), Claimant Count, September 2024. Please note, when new data is released, the previous month is also revised. The UK Claimant Count for August 2024 increased on the month and on the year, to 1.792 million. Commencing in May 2024, the DWP are rolling out an increase in the administrative earnings threshold for full work search conditionality. This change is likely to affect around 180,000 claimants over a period of around six months, increasing the Claimant Count over that time.

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

Birmingham	62,540	78,095	79,820	10.8%	2.2%	27.6%
Coventry	12,605	13,925	14,065	6.3%	1.0%	11.6%
Dudley	8,960	10,170	10,305	5.2%	1.3%	15.0%
Sandwell	13,220	15,840	16,270	7.5%	2.7%	23.1%
Solihull	4,030	4,665	4,800	3.7%	2.9%	19.1%
Walsall	9,545	11,195	11,450	6.6%	2.3%	20.0%
Wolverhampton	12,175	13,290	13,510	8.2%	1.7%	11.0%
WMCA	123,075	147,175	150,220	8.2%	2.1%	22.1%
United Kingdom	1,529,745	1,777,620	1,794,405	4.3%	0.9%	17.3%

Youth Claimant (Aged 18-24) Summary

- There were 26,245 youth claimants in the WMCA area in August 2024. Since July 2024, there has been an increase of 3.9% (+990) youth claimants in the WMCA area, while the UK increased by 2.4%.
- When compared to August 2023, youth claimants have increased by 12.5% (+2,920) in the WMCA area, with the UK increasing by 8.1%.
- All areas in the WMCA had a monthly and annual increase in youth claimants.
- Overall, for the WMCA the number of claimants as a proportion of residents aged 18-24 years old was 9.2% compared to 5.3% for the UK in August 2024. Across the Combined Authorities, the WMCA had the highest rates, Tees Valley was the second highest at 7.9% down to 2.6% for York and North Yorkshire.

WMCA and UK-Wide Latest Youth Claimant Summary:

	August 2023	July 2024	August 2024	August 2024: Claimants as a proportion of residents aged 18-24	Monthly Change	Annual Change
Birmingham	11,775	13,180	13,730	10.5%	4.2%	16.6%
Coventry	2,175	2,335	2,400	5.6%	2.8%	10.3%
Dudley	1,750	1,770	1,805	7.6%	2.0%	3.1%
Sandwell	2,555	2,705	2,835	9.9%	4.8%	11.0%
Solihull	785	865	910	6.1%	5.2%	15.9%
Walsall	2,060	2,100	2,210	9.8%	5.2%	7.3%
Wolverhampton	2,230	2,300	2,360	11.0%	2.6%	5.8%
WMCA	23,325	25,255	26,245	9.2%	3.9%	12.5%
United Kingdom	269,440	284,290	291,250	5.3%	2.4%	8.1%

ONS economic activity and social change in the UK, real-time indicators

The Economic Intelligence Unit

On the 19th September 2024, the Office for National Statistics (ONS) released 'economic activity and social change in the UK, real-time indicators' statistical bulletin. These statistics are early experimental data and analysis on the UK economy and society. These faster indicators are created using rapid response surveys, novel data sources, and experimental methods.

ONS also provides on a monthly basis (at the time of writing, the latest was from the 20th September 2024) social insights on daily life and events from the Opinions and Lifestyle Survey (OPN).

Online Job Adverts

Figures are taken from jobs adverts provided by Adzuna. The Adzuna categories do not correspond to SIC categories and therefore not comparable with the ONS Vacancy Survey. Please note, index of job adverts on Adzuna by category, 100 = average job adverts in February 2020 for non deduplicated job adverts.

Nationally, the total number of online job adverts on 13th September 2024 remained at 95.7% of the average level in February 2020 when compared with the previous week. For the latest weekly change, out of the 28 categories (excluding unknown) 9 increased; the largest weekly rise was in charity / voluntary which rose by 18.8% (to 86.0% of the average level in February 2020). While there were 19 categories that decreased; the largest weekly fall was in travel / tourism, which fell by 19.3% (to 95.7% of the average level in February 2020). There were 20 categories that were below the February 2020 average level: the lowest was marketing / advertising / PR at 53.1%.

Between the 6th and 13th September 2024, there was a mixed picture across the regions as seven increased, two remained the same and three decreased for online job adverts. The West Midlands online job postings rose by 1.0% (second highest increase, just behind Northern Ireland with +1.3%) and on the 13th September 2024, it was at 93.1% of the average level in February 2020. On the 13th September 2024, there were only three regions above their February 2020 levels: Northern Ireland (193.4%), the North East (114.9%) and Scotland (101.4%).

Monthly Direct Debit Average Transaction Amount and Failure Rate

The monthly Direct Debit failure rate and average transaction amount are anonymised, and aggregated datasets made available to the ONS by Pay.UK and Vocalink. The data are unadjusted for inflation and reflect economic activity in nominal terms.

Nationally, the total Direct Debit failure rate increased by 1% in August 2024 when compared with July 2024, and increased by 12% when compared with August 2023. The total monthly Direct Debit average transaction amount increased by 2% in August 2024 when compared with August 2023.

System Price of Electricity and System Average Price of Gas

The National Gas Transmission, Elexon report in the week to 15th September 2024, the System Average Price (SAP) of gas decreased by 2% compared with the previous week, from a seven-day average price of 3.028 pence per kilowatt hour to 2.964 pence per kilowatt hour. This was 6% lower than the equivalent week of 2023, which had a seven-day average price of 3.167 pence per kilowatt hour. The System Price of electricity decreased by 30% in the week to 15th September 2024 compared with the previous week, from a seven-day average price of 8.756 pence per kilowatt hour to 6.114 pence per kilowatt hour. This was 30% lower than the equivalent week of 2023, which had a seven-day average price of 8.781 pence per kilowatt hour.

Footfall

Data from MRI OnLocation, shows overall retail footfall in the week to 15th September 2024 was broadly unchanged when compared with the previous week and when compared with the equivalent week of 2023. Retail park and shopping centre footfall increased by 4% and 1%, respectively, when compared with the previous week. Meanwhile, high street footfall decreased by 2%. When compared with the equivalent week of 2023, high street footfall rose by 2%, while shopping centre and retail park footfall fell by 2% and 3%, respectively.

Overall retail footfall increased in 6, was broadly unchanged in 3 and decreased in 3 of the 12 UK countries and English regions, when compared with the previous week. The largest increase was in Northern Ireland, where retail footfall increased by 3%. When compared with the equivalent week of 2023, overall retail footfall increased in 3, decreased in 5, and remained broadly unchanged in 4 of the 12 UK countries and English regions. The largest year-on-year increases were seen in the North East and Scotland, which rose by 2%, while the largest year-on-year decreases were seen in the East of England, Yorkshire and the Humber, South East and East Midlands where retail footfall fell by 2%.

Value Added Tax Flash Estimates

Value Added Tax (VAT) returns from HM Revenue and Customs shows after seasonal adjustment, the number of firms reporting an increase in turnover in August 2024, when compared with the previous month, was broadly equal to the number of firms reporting a decrease. This is a decrease of 2 percentage points from July 2024, and within normal month-on-month variation.

Advanced Notification of Potential Redundancies

Insolvency Service HR1 forms data shows, based on a four-week rolling average, the number of potential redundancies in the week to 8th September 2024 was 56% lower than the equivalent week of 2023, calculated as a four-week rolling average. The number of employers proposing redundancies was 3% lower when compared with the same equivalent period.

Business Insights and Conditions Survey

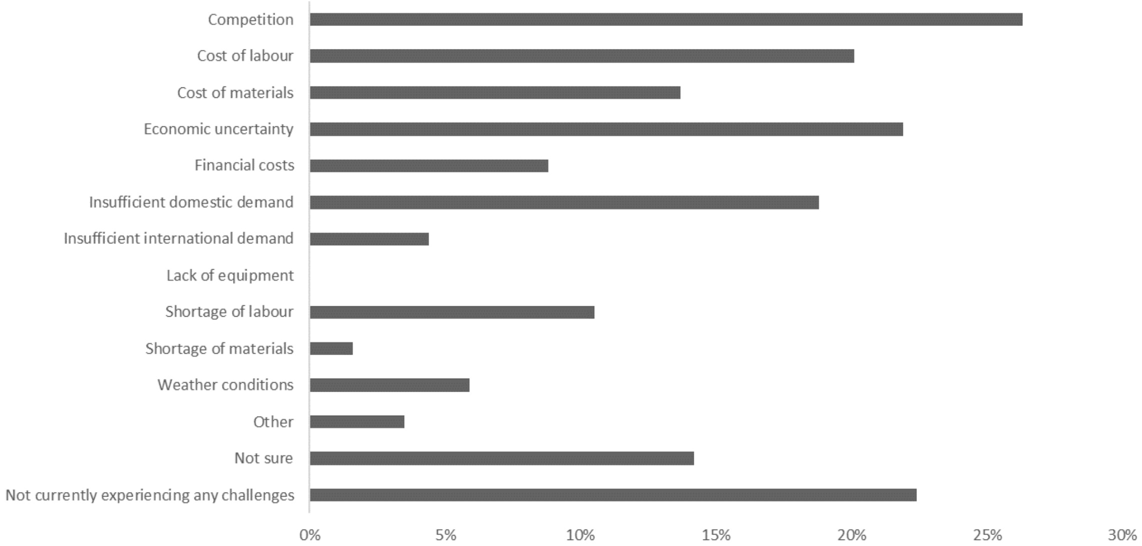
The final results from Wave 116 of the Business Insights and Conditions Survey (BICS) based off the 5,162 businesses surveyed across the West Midlands that businesses have a presence in with a response rate of 27.7% (1,430) and 3,163 businesses that are head quartered in the West Midlands, with a response rate of 25.8% (816). Please note, the survey reference period was 1st to 31st August 2024 with a survey live period of 2nd to 15th September 2024. Also, the data used is unweighted for regions and response levels can be low so the following results should be treated with caution when evaluating impacts. Due to weighted data being available for the UK a comparison has not been included.

Financial Performance

20.2% of responding West Midlands businesses reported that turnover in August 2024 had increased when compared to the previous calendar month. 40.2% of West Midlands businesses reported turnover had stayed the same. However, 31.9% had reported that turnover had decreased.

26.3% of West Midlands businesses reported competition was impacting turnover.

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



31.1% of West Midlands businesses expect turnover to increase in October 2024. 45.3% reported expectations of turnover to stay the same. 11.5% of West Midlands business's expect turnover decrease in October 2024.

Demand for Goods and Services

12.3% of responding West Midlands businesses reported that domestic demand for goods and services in August 2024 when compared to the previous month had increased. 47.6% reported the domestic demand had stayed the same and 21.0% of West Midlands businesses reported the domestic demand for goods and services had decreased.

4.0% of West Midlands businesses reported that international demand for goods and services in August 2024 when compared to the previous month had increased. 23.3% reported the international demand had stayed the same and 7.0% of West Midlands businesses reported the international demand for goods and services had decreased.

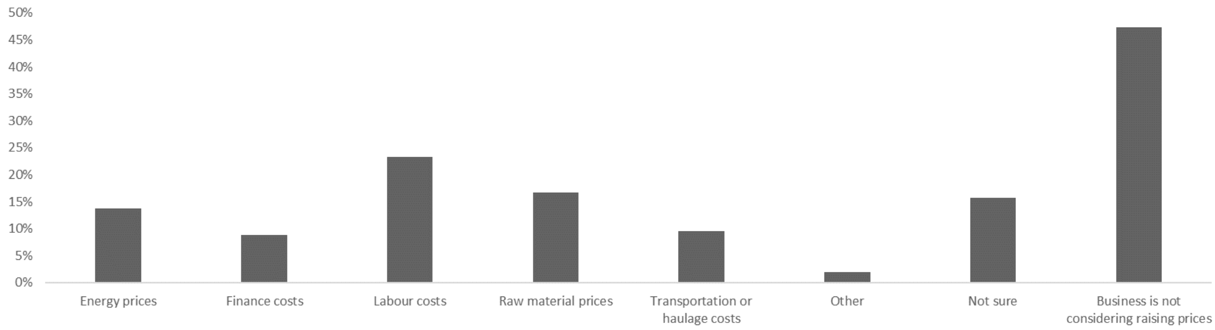
Prices

12.0% of responding West Midlands businesses reported the prices of goods and services brought in August 2024 when compared with the previous month had increased. 71.1% reported the prices had stayed the same and 1% reported a decrease.

5.7% of West Midlands businesses reported the prices of goods and services sold in August 2024 when compared with the previous month had increased. 77.8% reported the prices had stayed the same and 2.2% reported a decrease. 7.6% of West Midlands businesses expect the prices of goods and services sold in October 2024 will increase, 72.2% expect prices to stay the same and 1.8% expect a decrease.

23.3% of West Midlands businesses reported that labour costs would be a factor for raising prices in July 2024.

Factors (if any), causing West Midlands businesses to consider raising prices in October 2024:



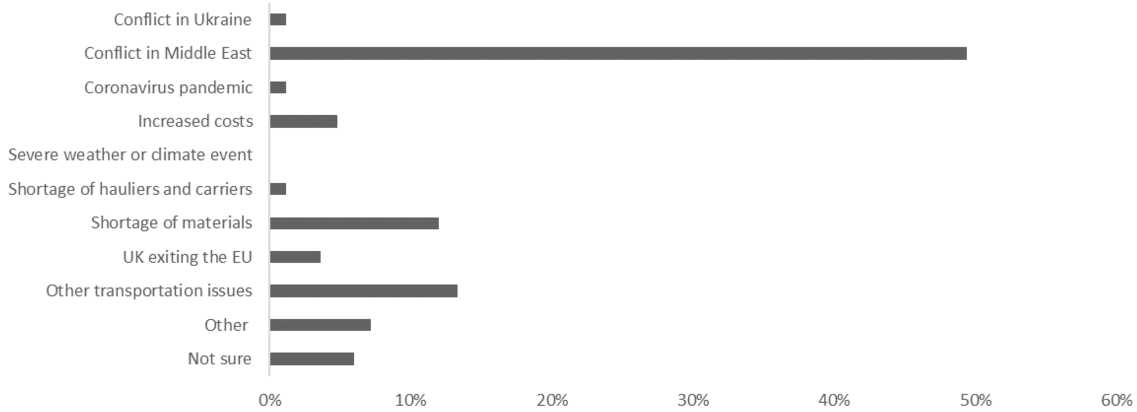
The WM Weekly monitor is funded by the West Midlands Combined Authority, Research England/UKRI

Supply Chains
80.3% of responding West Midlands businesses reported to being able to get the materials, goods or services needed from within the UK in August 2024. A further 4.4% were able to get the materials, goods or services needed from within the UK but had to change suppliers or find alternative solutions. While 3.0% were not able to get the materials, goods or services needed.

Global Supply Disruption
5.8% of responding West Midlands businesses reported global supply chain disruption in August 2024. While 56.6% reported no disruption.

49.4% of West Midlands businesses reported the main reason for global supply disruption was due to the conflict in the Middle East.

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



Trade
25.7% of responding West Midlands businesses both exported and imported in August 2024. 2.7% exported only and 12.0% imported only. While 48.7% of West Midlands businesses did not export or import in August 2024.

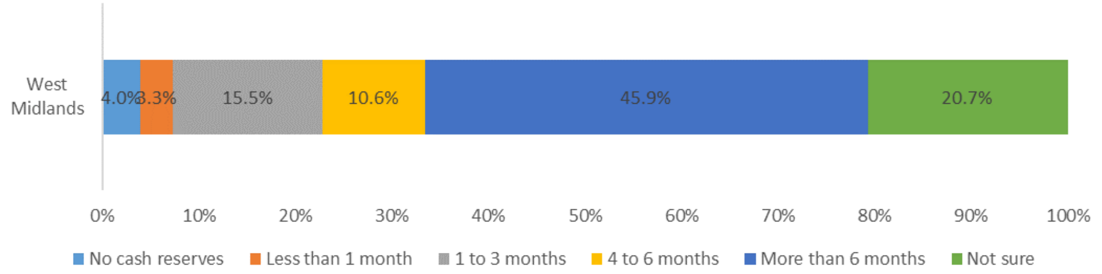
Number of Employees
15.3% of responding West Midlands businesses expect the number of employees to increase in October 2024. 64.1% expect the number of employees to stay the same and 9.2% expect a decrease.

Worker Shortages
17.2% of responding West Midlands businesses reported to experiencing a shortage of workers whereas 67.2% reported no shortages.

Recruitment Difficulties
17.4% of responding West Midlands businesses reported experiencing difficulties in recruiting employees in August 2024, whereas 56.1% experienced no difficulties in recruiting.

Cash Reserves
45.9% of responding West Midlands businesses reported to having more than 6 months of cash reserves.

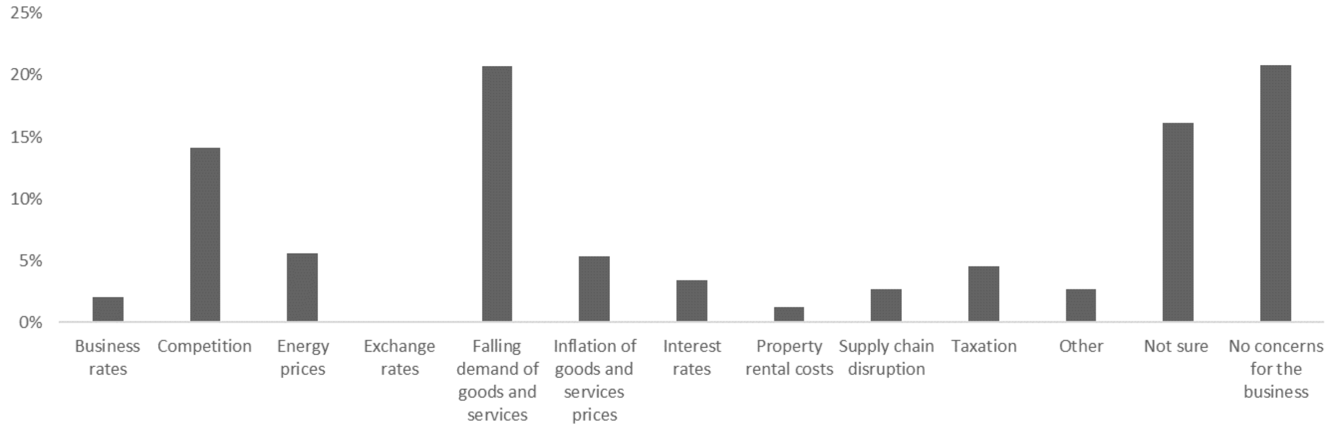
How long West Midlands businesses expect cash reserves to last:



Insolvency
5.6% of responding West Midlands businesses reported a moderate risk of insolvency. 44.5% reported a low risk of insolvency and 38.0% reported no risk.

Main Concern for Business
20.7% of responding West Midlands businesses reported the main concern in October 2024 will be a falling demand of goods and services.

The main concern (if any) for West Midlands businesses in October 2024:



Overall Performance
24.9% of responding West Midlands businesses reported that overall performance in August 2024 increased when compared to the same month in 2023. 38.5% of West Midlands businesses reported that performance had stayed the same and 24.3% reported that performance had decreased.

Over the next 12 months, 41.6% of West Midlands businesses expect that performance will increase, 35.9% expect performance will stay the same and 7.0% expect performance will decrease.

Public Opinions and Social Trends Headlines
Estimates are based on data collected (from adults in Great Britain) between 7th August to 1st September 2024.

Important Issues Facing the UK
The most commonly reported issues were the cost of living (86%), the NHS (81%), the economy (66%), crime (65%), immigration (60%) and housing (58%). Notably, Crime and immigration being reported as important issues facing the UK today has gradually increased since the question was first asked in October 2022 (49% and 43%, respectively).

Cost of Living
49% of adults reported that their cost of living had stayed the same in the past month, and 49% reported that their cost of living had increased. The proportion of adults reporting increases to their cost of living has gradually declined from 80% in the period 12th to 23rd October 2022, to 49% in the latest period. Those reporting that their cost of living has stayed the same has increased over the same period, to 49% reporting this in the latest period.

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

The small proportion of adults reporting that their cost of living has decreased has remained stable and was 3% in the latest period.

Attitudes Towards Artificial Intelligence (AI)

17% of adults said they often or always recognised using AI; this awareness was higher among adults aged 16 to 29 years (35%), decreasing with age to just 5% among those aged 70 years and over, and was also higher among men (22%) than women (12%), and among adults with a degree or equivalent (23%) than those with no degree (15%).

37% of adults strongly agreed or agreed that AI would benefit them; adults in professional occupations (56%), Asian or Asian British adults (55%), adults aged 16 to 29 years (54%), those with a degree or equivalent qualification (53%), and men (44%) were more likely to report this.

Adults were more likely to report using AI in their home (37% of all adults) if they were parents of a dependent child (50%), qualified to degree level or equivalent (46%), or aged 30 to 49 years (45%).

65% of adults reported they have not undertaken any learning on AI in the past 12 months; those most likely to report this were retired (84%), in administrative and secretarial occupations (75%), without a degree (72%), and women (70%).

Areas of AI that people would like to know more about included how AI is regulated (44%), how to judge the accuracy of information generated by AI (42%), how to recognise when they were using AI (42%), and AI ethics and responsible use (35%).

Headlines

SECTOR	KEY INSIGHTS
Cross Sector	**Outlook** • **After a welcome recovery from last year's short recession, the UK economy has performed better than expected in 2024. The UK was the fastest-growing economy among the G7 in the first half of this year, which could be attributed to 'catch-up' effects after experiencing a shallow technical recession last year.** However, higher-frequency indicators and survey data highlight signs of slowing down – while business activity continues to expand, we can expect the pace of growth to be slower compared to what we have seen since the beginning of the year. • Recent data from the Office for National Statistics (ONS) reveals **monthly real gross domestic product (GDP) is estimated to have shown no growth in July 2024,** after showing no growth in June 2024. **Real GDP is estimated to have grown by 0.5% in the three months to July 2024,** compared with the three months to April 2024 with **widespread growth in the services sector driving growth in this period.** • **This has led to NIESR forecasting GDP to grow by 0.2% in the third quarter of 2024.** • The British Chambers of Commerce (BCC) Quarterly Economic Forecast is now forecasting 0.4% for Q3. **But this momentum is expected to tail off**, with 0.2% in Q4, and for every quarter in 2025. Business investment is expected to increase by 0.3% in 2024, **a revision down from the previous forecast**. Business investment is then expected to grow by 1.4% in 2025 and 2.0% in 2026. The services sector is projected to be the highest growth sector in the economy, with yearly growth above 1% across the forecasting period. • The BCC has **upgraded growth expectations for 2024 to 1.1%, following an improved picture so far this year.** The forecast for 2025 remains unchanged at 1.0%, with a minor upward revision for 2026 to 1.1%. • **The BCC say CPI is expected to be slightly higher than previously forecast by the end of 2024, at 2.6% due to global trade uncertainties, pay growth, and rising energy costs**. It is then expected to slow, closer to the Bank of England 2% target, reaching 2.2% in Q4 2025 and 2.1% in Q4 2026. • **Private sector firms expect activity to rise modestly in the three months to November (weighted balance of +9%)**, according to the CBI's latest Growth Indicator. **Activity is anticipated to be driven by growth in services (+14%) as growth in business & professional services (+19%) is set to offset a small decline in consumer services activity (-4%). Manufacturing output is also expected to rise (+9%),** though expectations for growth have softened compared to the last couple of months. Furthermore, distribution sales are expected to fall again (-4%), albeit at a much slower pace than declines seen in recent months. • The latest NatWest Purchasing Managers Index (PMI) reports the West Midlands **Business Activity Index increased from 51.2 in July 2024 to 52.2 in August 2024, the fastest growth seen for three months. The UK Business Activity Index increased from 52.8 in July 2024 to 53.8 in August 2024.** • The **West Midlands Future Business Activity Index** decreased from 77.9 in July 2024 to 76.1 in August 2024. Despite the fall from July, firms in the West Midlands remain optimistic for the upcoming 12 months. **Trading Environment** • The Consumer Prices Index including owner occupiers' housing costs (CPIH) **rose by 3.1% in the 12 months to August 2024, unchanged from July. The Consumer Prices Index (CPI) rose by 2.2% in the 12 months to August 2024, unchanged from July.** The largest upward contribution to the monthly change in both CPIH and CPI annual rates came from air fares,

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

SECTOR	KEY INSIGHTS
	which rose this year but fell a year ago; the largest offsetting downward contributions came from motor fuels, and restaurants and hotels. • NIESR's measure of **underlying inflation**, which excludes 5% of the highest and lowest price changes to eliminate volatility and separate the signal from the 'noise', **continued to fall to 1.4%, remaining around the lowest levels in nearly three years. This is a positive development which indicates that the headline rate is being driven by large price increases in a few sectors, with inflation rates broadly falling for most items. NIESR expect inflation to rise towards the end of the year due to base effects, before stabilising in early 2025.** • As was widely expected, **the interest rate was held at 5% by the Bank of England.** CBI say **monetary policy will be walking a fine line for a little while yet: between balancing upside risks to inflation, but not being too tight, so as to choke off activity.** Developments in fiscal policy in **October's Budget** will also be a key consideration for growth prospects. • New research from Grant Thornton UK LLP finds that **the UK is a preferred international destination for 89% of Indian businesses.** Indian mid-market businesses **view the UK as a key growth market** due to its 'strong infrastructure', 'strong innovation ecosystem' and 'digital competitiveness'. But while Indian businesses recognise the opportunities for growth in the UK market, significant barriers remain that need to be addressed. The biggest barriers identified are the **'high cost of doing business' in the UK, 'high cost of regulatory compliance' and 'immigration policies and visas'.** • This comes amid new research from CBI and Pertemps showing a **significant majority (62%) of employers predict a decline in the UK as an attractive place to invest and do business over the next five years.** Notably, businesses are increasingly pessimistic with a 6% upswing in those concerned that the UK is set to become 'much less attractive'. • Beauhurst have released their **Startup Index** report for H1 2024 which reveals there were **38,800 new business incorporations between H1 2023 and H1 2024 in the West Midlands. This is up by 10.1%.** • Further data from Dealroom reveals there were **34 funding rounds in the West Midlands (valued at approx. £56.3M).** The region also had 1 investment in September so far worth £10m. Dealroom is limited with what information is available publicly or through their partners, and only focuses on the startup and innovative ecosystem. This means that companies outside of this scope are not considered. Data is also likely to change. • **Academic spinouts play a pivotal role in enhancing the UK's global competitiveness by bringing groundbreaking innovations to market.** New data from Beauhurst reveals Equity investment in spinouts fell to £2.34bn, down from the pandemic-related peaks in 2021 and 2022. Despite this decline, the number of deals has remained consistent between 2020 and 2023, with between 420 and 426 deals occurring each year. In 2023, top academic institutions in the Midlands receiving equity deals included: The University of Warwick (10 deals at £51.6m), University of Nottingham (7 deals) University of Birmingham (7 deals at £30.6m), Loughborough University (7 deals). • CBI have launched its new Planning for Growth report, which has identified a series of **recommendations to accelerate building projects, boost connections and drive economic growth** by going beyond the areas for consultation put forward in the NPPF. • J.P. Morgan have partnered with Beauhurst to deliver a comprehensive over into **women-powered businesses, which reveals the West Midlands is home to 800 women-powered businesses, with 27.7% classed as high-growth.** • CBI have called on the Government to **fix the business rates rules in England to boost investment and grow the economy. Businesses from all regions of England told the CBI that the current business rates system is too complex, unpredictable and unfair – factors that dampen productivity and economic growth.** The Government has already committed to reforming the rates regime but insists that overall revenue must remain the same, which makes root and branch reform almost impossible and risks simply creating new and different imbalances.

SECTOR	KEY INSIGHTS
	Labour Market • There are some further signs of loosening in the jobs market as vacancies continue to fall and wage growth slows. **But pay continues to outpace inflation by some margin and high levels of economic inactivity mean recruitment difficulties are likely to persist.** • With over 850,000 more people no longer seeking work than before the pandemic, this remains a big concern. • The British Chambers of Commerce thinks the autumn statement presents a key opportunity to reverse this trend. • **Payrolled employees in the UK decreased by 59,000** (negative 0.2%) on the month but increased by 122,000 (0.4%) on the year, to 30.3 million. **The West Midlands decreased by 0.2% on the month**, but has increased by 0.5% over the year to a total of over 2.6 million. • In June to August 2024, the estimated number of vacancies decreased by 42,000 on the quarter to 857,000. Vacancies decreased on the quarter for the 26th consecutive period but are still above pre-coronavirus (COVID-19) pandemic levels. • Annual growth in employees' average regular earnings (excluding bonuses) in Great Britain was 5.1% in May to July 2024, and annual growth in total earnings (including bonuses) was 4.0%. **This total annual growth is affected by the NHS and civil service one-off payments made in June and July 2023.** • PwC have released their latest Good Growth for Cities Report. In it, **West Midlands cities fair poorly, with Birmingham, Walsall and Wolverhampton each ranked 'below average', Coventry ranked as 'average', and Stoke-on-Trent is 'above average'.** • The Workplace Equity Commission, convened by the British Chambers of Commerce, has outlined more than **40 recommendations to improve employment opportunities and breakdown barriers for people in the workplace.** • The Youth Futures Foundation reveal that **currently 1 in 8 young people are NEET** (not in education, employment or training), with many experiencing the scarring effects of being left out of opportunities to earn or learn long-term**. These rates are the highest they have been in 8 years. Research with PwC shows that if the UK lowered the NEET rate to a level comparable with the Netherlands, we could increase GDP by £69bn.** • Last month's GCSE results paint a clear picture for the new Labour government, with the entrenched disadvantage gap continuing to grow. In 2019, the ground breaking Youth Jobs Gap by youth charity Impetus, found **young people who did not achieve a grade 4 in English and maths GCSE were twice as likely to be not in education, employment or training (NEET) as those with five GCSEs**. Worse still, better-off young people were only half as likely to be low qualified, compared with their worse-off peers. Youth Futures Foundation call policymakers to action to **safeguard the 200,000 16-year-olds who did not achieve grade 4 in English and maths GCSE, and are now at increased risk of being NEET.**
Manufacturing and Engineering	• **British industrial facilities pay up to 50% more for electricity than competitors in France and Germany, which is hampering their ability to decarbonise, the steel industry is warning.** Steel UK has warned that power costs for a fully electrified industry would represent up to 180% of the GVA that the sector brings to the economy. • MakeUK's Manufacturing Outlook for Q3 Report reveals **business and economic confidence remains unshaken and has instead improved even further despite the negative performance of output growth and UK orders. West Midlands output is up, employment is down, and investment is down, with a business confidence score of 5.9.**
Construction	• **Monthly construction output is estimated to have decreased 0.4% in volume terms in July 2024; this follows an increase of 0.5% in June 2024. The decrease in monthly output came from falls in both new work (0.2%) and repair and maintenance (0.7%).** • **The latest S&P Global construction purchasing managers' index (PMI) scored 53.6 in August.** Any reading above the 50.0 threshold indicates that activity in the industry is increasing, while anything below means it is shrinking.

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

SECTOR	KEY INSIGHTS
	• **Property developers surveyed in the Midlands have pointed to funding as their key concern according to new research from Shawbrook.**
Retail, Hospitality and Tourism	• Retail sales volumes (quantity bought) are estimated to have **risen by 1.0% in August 2024, following a rise of 0.7% in July 2024 (revised up from a 0.5% rise).** Some supermarkets and clothing retailers reported a boost because of warmer weather and end-of-season sales. • The British Retail Consortium report that **sales growth picked up in August, particularly for food as people came together to host barbecue and picnic gatherings for family and friends, and for summer clothing, health & beauty products as people prepared for trips away and summer social events.** While computing did well as university students made the most of summer discounting and readied themselves for the new academic year, other back to school related sales were weaker than normal as some families opted for second hand purchases. • Oxford Economics analysis reveals **pubs contributed £34.4 billion to the economy in 2022, the most recent year on record, and £17.4 billion in tax.** • The British Beer and Pubs Association said it wants a **cut to beer duty, adding that pubs currently make an average of 12p profit on every pint of beer once taxes and costs have been deducted.** • PwC have explored store openings and closures for retailers in January to June 2024, there have been **582 store closures and 397 store openings in the West Midlands, a net change of -185. In the East Midlands there have been 436 closures, 293 openings, net change of -143.**
Digital / Tech	• Research by Amazon Web Services estimate that 35% of businesses in the West Midlands have adopted AI. **29% of companies in the West Midlands are 'digital leaders' (companies in the top 20% of digital intensity).** If half of all SMEs in the UK caught up to 'digital leader' status, this would add £38 billion to the UK economy, including **£2.5bn to the West Midlands economy**. • IT employers report a **UK Net Employment Outlook of +48% for the fourth quarter of 2024. 77% of IT employers said they're facing difficulty finding the talent they need.** • DSIT research reveals that **across the economy, around half (44%) of businesses have skills gaps in basic technical areas**. Incident management skills gaps have increased from 27% in 2020 to 48% in 2024. Demand for cyber security professionals has fallen, with core cyber job postings decreasing by 32% between 2002 and 2023. There have been challenging macroeconomic factors and job cuts in the technology sector, but cyber security has been more resilient than the wider digital sector. **The UK has made significant improvements in training new potential talent for the cyber security labour market and the number of cyber security graduates has increased by 34%.**
Transport Technologies and Logistics	• **Birmingham has been selected to host the prestigious 2027 Intelligent Transport Systems (ITS) World Congress, showcasing the latest innovations in global transport technology.** The event, set to take place at the NEC Birmingham, will bring together thousands of international delegates to demonstrate cutting-edge advancements, including autonomous vehicles, zero-emission transport, 5G technology, and traffic management systems. • **The Midlands Rail Hub programme could yield almost 13,000 new roles,** according to recent analysis. The Hub is the region's biggest and most ambitious rail improvement scheme, which will serve more than 50 stations – covering seven million people across the region, with work expected to run from next year until 2033. Economically, over the course of the project, **Midlands Rail Hub could generate an additional £240m in economic value throughout the supply chain. And a further £45m uplift is expected in social value benefits, thanks to enhanced skills and knowledge and sustained employment.**
Environmental Technologies	• **Five million people a year are affected by floods and droughts in the UK, with the number and the cost of damage set to increase in the coming years due to climate change.** However, scientists find predicting their location and measuring their intensity and impact a

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

SECTOR	KEY INSIGHTS
	significant challenge. A new research infrastructure launched today with £38 million in UK funding will advance our understanding of how, when and where floods and droughts occur. **The River Severn, amongst others, is initially being used to test a range of digital instrumentation and monitoring techniques**. • **The UK Government has been urged to develop a National Food Security Strategy to ensure the resilience of the nation's food systems against multiple risks such as extreme weather events and armed conflict.** • **The IPPR have released a report calling on the Government to progress policy to restore the natural environment.** Four years on from the commitment to protect at least 30% of the UK's land and sea for nature by 2030 and with less than six years left to meet it, the area of England effectively protected for nature is only around 3% on land and 8% at sea. As a result, the new government has inherited a series of pressing policy challenges. • New LinkedIn data has revealed that while **demand for green skills is expected to double by 2050, the current supply is not keeping pace, leading to a significant skills gap.** Global demand for green talent increased by 11.6% from 2023 to 2024, but supply grew by only 5.6%. **This disparity is projected to widen to 101.5% by 2050 if trends continue. Countries at the forefront of green talent demand include the UK, where 13% of job roles require at least one green skill.**

New Economic Shocks

COMPANY	LOCATION	SECTOR	DETAIL
Recyclus Group	Black Country	Manufacturing	Jobs will be axed at a battery metal recycling firm. Technology Minerals has announced a cost reduction programme after reviewing operations and will cut jobs across its workforce, including in its subsidiary Recyclus Group who operate across the **Black Country**, including a lithium-ion (Li-ion) battery recycling facility in **Wolverhampton**.
The Electrolytic Plating Company	Walsall	Manufacturing	A **Walsall**-based manufacturer has collapsed into administration. The Electrolytic Plating Company fell into administration after struggling with several financial challenges, particularly since the Covid-19 pandemic. Two divisions of the firm have been carved out and rescued after administrators at BDO secured a sale to Wolverhampton Electro Plating.
The Park Playground	Birmingham	Visitor Economy	A virtual reality attraction provider has shut down its UK operations in **Birmingham** and Leeds. The Park Playground has closed its two UK venues including in **Birmingham**'s Brindleyplace. Five staff have been axed with the UK closures.

New Investment, Deals and Opportunities

COMPANY	LOCATION	SECTOR	DETAIL
HORIBA MIRA	West Midlands	Automotive / engineering	A new crash testing facility has opened at the West Midlands home of automotive engineering consultancy HORIBA MIRA in a move that represents a multimillion-pound investment. Jointly funded by HORIBA MIRA and West Midlands Combined Authority's (WMCA) funding partner, Frontier Development Capital, the project has enabled the length of the previous Crash Facility runway to be doubled from 85 to 170 metres. This distance is needed to conduct

COMPANY	LOCATION	SECTOR	DETAIL
			'car-to-car' Mobile Progressive Deformable Barrier (MPDB) crash tests in the UK for the first time.
Birmingham Botanical Gardens	Birmingham	Visitor Economy	**Birmingham**'s Botanical Gardens is embarking on a five-year £13.8m development project to restore and preserve part of its estate which is considered at risk by Historic England. Plans will restore the Grade II historic glasshouse estate, improve visitor and learning facilities.
David Wilson Homes	Coventry	Property	Hallam Land has disposed of 491 residential plots in **Coventry** to the David Wilson Homes division of national housebuilder Barratt Developments. The development is set to create a total of 2,400 homes alongside 37 acres of employment land, a primary school, district and local centres, green open spaces, community facilities and playing fields.
Fablink Group	Wolverhampton	Manufacturing	More than 500 jobs have been saved after a specialist metals manufacturer was acquired in seven pre-pack deals. Fablink Group and its subsidiaries have been bought by Ensco 1 and will now be known as Wharfside Industrials after administrators at Interpath were appointed. The Group trades across six sites including in **Wolverhampton**.
DMN Group / Specialist Vehicle Logistics Limited	Sandwell	Logistics	A logistics company headquartered in the West Midlands has been acquired in a deal supported by prominent advisers. Wilkes has acted on behalf of DMN Group in the acquisition of Specialist Vehicle Logistics Limited. The deal looks to enhance DMN's capacity to provide comprehensive logistics services across the UK.
Aurrigo International	Coventry	Manufacturing	Aurrigo International, a supplier of airside solutions, has opened its first operational office in the United States. It is located within the Delta Cargo building at Cincinnati/Northern Kentucky International Airport (CVG). The project has already begun setup and mapping at CVG, with full operations set to commence soon.
Accura Engineering	Willenhall	Engineering	A 20,500 sq ft industrial/warehouse unit in **Willenhall** has been leased to a West-Midlands engineering company. Accura Engineering has signed a 10-year lease on Unit 7 at Electrium Point, a speculative development near Junction 10 of the M6.
Cooksongold	Birmingham	Manufacturing	**Birmingham**-based Cooksongold has launched a new industrial division, Cookson Industrial, to advance metal additive manufacturing (AM) for performance-critical applications. Part of HM Precious Metals, the division offers end-to-end services, including consultancy, R&D and production, managed from its **Birmingham** site.
CTD Tiles	Brierly Hill / Sutton Coldfield	Retail	A tile store in the **Black Country** has been saved as part of a rescue deal. CTD Tiles, **Brierley Hill**, is among stores saved in takeover deals. It has been bought by Kajaria-UKP Limited, a UK joint venture with New Delhi-based tile manufacturer Kajaria Ceramics. Rescue deals have been struck to save 23 former CTD Tiles stores including a branch in **Sutton Coldfield**.
LondonMetric	Darlaston / Wednesbury	Logistics	LondonMetric has bought a fully let logistics park between **Darlaston** and **Wednesbury** for £25 million. The 211,000 sq ft Axcess 10 has been bought from a pension fund. The deal is part of £70m of warehouse acquisitions and £50m disposals announced by the property group.

COMPANY	LOCATION	SECTOR	DETAIL
Unipart Manufacturing	Coventry	Manufacturing	Unipart Manufacturing is set to play a role in Project PULSE (Power Electronics Upscale for Localisation and Sustainable Electrification), an £11m initiative funded by the UK government through the Advanced Propulsion Centre. Led by Protean Electric, the project brings together five industrial partners and two universities—**Coventry** University and Warwick Manufacturing Group. As a partner, Unipart will establish a flexible power electronics manufacturing capability at its manufacturing site in Coventry.
HyProMag	Birmingham	Engineering / Technology	A metal processing company in **Birmingham** has announced its involvement in the £11m PULSE project, which aims to create the first In-Wheel Motors (IWM) that uses recycled magnets. The magnets that PULSE aims to create in the IWM motors will be produced using HyProMag's in-house manufacturing capabilities and its patented Hydrogen Processing of Magnet Scrap (HPMS) technology, developed at the University of Birmingham.
Specialist Vehicle Logistics	Sandwell / Dudley	Logistics	Commercial vehicle transportation group DMN has acquired a **Tipton-**based logistics firm as part of its strategy to improve its position in the UK automotive logistics sector. Specialist Vehicle Logistics' operations will add to DMN's 4,000 vehicles at their eight sites including in **Smethwick** and **Brierley Hill**.
Anthony Collin	Wolverhampton	Legal Services	Social purpose law firm Anthony Collin has expanded its Midlands presence with the opening of a private client office in **Wolverhampton**. The firm's fourth hub will increase the number of families the firm supports with legal expertise and will build on work carried out by the childcare team across the region.
Hill & Smith	Solihull	Infrastructure	Hill & Smith has completed its fourth acquisition of the year with the £23m ($30.2m) purchase of Whitlow Electric Service Company. Hill & Smith says that a well-invested facility will also increase its structural steel fabrication capacity and present good opportunities for cross-selling and margin expansion.
Urban Logistics REIT	Wolverhampton	Property	Urban Logistics REIT has acquired a **Wolverhampton** industrial unit from Oxenwood Real Estate in a £17m deal. The 145,998 sq ft unit is let to Ibstock Bricks, a manufacturer of clay bricks, concrete products and building solutions until 2033.
Purple Transform	West Midlands	Technology	AI data analytics startup Purple Transform has secured £4.5m in funding from a round led by Mercia Ventures, supported by the Midlands Engine Investment Fund II and Sure Valley Ventures. The funds will help Purple Transform scale its operations following recent contract wins in the rail industry, expand into other sectors and improve its presence in the **West Midlands**.
DBA Law	Birmingham	Legal Services	A team of five from Thursfields has partnered with Excello Law to establish DBA Law, a boutique property and property litigation firm based in **Birmingham**. Operating out of Excello Law's Birmingham office, DBA Law will provide services to a wide range of property clients, addressing both transactional and contentious real estate matters.

COMPANY	LOCATION	SECTOR	DETAIL
NP Aerospace	Coventry	Manufacturing	NP Aerospace has secured a £71m wheeled vehicle support contract led by the Ministry of Defence (MoD). The four-year deal, known as the Conventional Vehicle Systems Spares and Post Design Services (CVSSP) contract, will create and sustain jobs at NP Aerospace's Coventry facility, with its site set to expand in order to deliver the contract.
One Stop / Veolia	Walsall	Circular Economy	Retail convenience business One Stop, headquartered in **Walsall**, has partnered with resource management company Veolia to create a closed-loop process to recycle more than 380,000 milk bottles a year from their stores.
United Steels	Dudley	Wholesale	A **Dudley**-based decoiler has been acquired by steel service centre USP in a deal supported by Higgs LLP. The new combined company is now said to be one of the largest mill partnered independent steel distributors and processors in the UK.
T C Morris Ltd	Dudley	Food & Drink	T C Morris Ltd, a food manufacturer based in **Dudley**, has secured funding from Central Business Finance to future-proof its operations. Central Business Finance supported the business by providing a funding package incorporating a six-figure grant and asset finance package to facilitate the purchase of an industrial oven and equipment.
GB Tyres	Sandwell	Retail / Wholesale	A West Midlands tyre supplier has rolled into a new warehouse in **West Bromwich** after securing a £7.6m funding package from HSBC UK. GB Tyres has used the seven-figure commercial mortgage to support the purchase of an £11.5m site. With the company's second facility based in **Oldbury**, this brings all of its storage facilities into the West Midlands.
NanoSyrinx	Coventry	Technology	NanoSyrinx, a synthetic biology company developing nanosyringes as a platform for targeted intracellular delivery of biologic therapeutics, has closed a £10m funding round. The funding aims at supporting further advancements on the **Coventry**-based firms technology platform to accelerate the development of biologic therapeutics. Funding was co-led by BGF, Octopus Ventures and M Ventures, with support from existing investors IQ Capital and Meltwind.
BNP Paribas Personal Finance	Solihull	Financial Services	BNP Paribas Personal Finance is set to relocate 800 staff to a new UK headquarters in **Solihull** town centre. From January 2025, the finance provider will move to AIR on Homer Road in **Solihull**, a 25,000 sq ft office.

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

Rebecca Riley R.Riley@Bham.ac.uk
Alice Pugh A.Pugh@Bham.ac.uk
Delma Dwight Delma_Dwight@blackcountryconsortium.co.uk
Anne Green A.E.Green.1@bham.ac.uk

This programme of briefings is funded by the West Midlands Combined Authority, Research England and UKRI (Research England Development Fund)

The West Midlands Regional Economic Development Institute
and the
City-Region Economic Development Institute
Funded by UKRI