

## West Midlands Insights on Society and Economy

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

Issue 4, January 2024

### 1.0 Headlines

#### 1.1 January Editorial

Welcome to the fourth edition of the WISE Newsletter. Following the publication of the latest Ofcom Connected Nations report, and launch of the refreshed WM Digital Roadmap (details in section 2.2), our editorial this month focuses on the opportunities for digital technologies to transform our region.

Universal access to fast and reliable mobile and broadband connectivity is the foundation of our digital economy. The latest independent Umlaut data confirms that the West Midlands has extended its leadership as the best connected region for 5G (outside of London) – with over 65% 5G geographic coverage – and the December Ofcom Connected Nations report shows our relative advantage in gigabit broadband – with 94% of premises having access versus 79% in the UK overall. This reflects the unique partnership between operators, Local Authorities and Government led by WM5G.

But we have to do more. There remain significant parts of our region that don't have access to fast and reliable mobile and broadband connectivity. For example, there are over 100,000 premises that don't have and are unlikely to get access to gigabit broadband in the next three years. The Government has cancelled the Birmingham and Black Country Project Gigabit Lot to accelerate gigabit broadband rollout in these locations and the latest Ofcom data shows over a third of households are struggling to afford connectivity during the cost-of-living crisis.

We must also accelerate ICT adoption. Despite the West Midlands' digital strengths, our region ranks as 6th out of 12 UK regions for business ICT adoption overall. Hence, we're delighted to have won £3.8m of Government investment to accelerate the adoption of 5G, data & AI in the advanced manufacturing, social care & housing sectors – working closely with our partners JLR and the WMCA constituent Local Authorities. In addition, as part of the Deeper Devolution Deal, we're leading a pioneering programme called Smart City Region to scale the adoption of key technologies to accelerate hospital discharges, speed-up cancer diagnosis and boost wellness & prevention.

By accelerating the adoption of new technologies, we'll not only transform the demand-side sectors that we're strong in – creating skilled jobs and attracting inward investment – but we'll also accelerate the growth of the West Midlands £15 Billion tech sector – creating more successful scale-up businesses, following in the footsteps of SCC, Gymshark, and others. The potential of the latter is evidenced by recent analysis showing that there are already 300 AI businesses in the Midlands (11% of the national total) – a growth of 122% in the last decade.

Robert Franks, Managing Director, WM5G Limited

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#### 1.2 Coming Up in the Month Ahead

- [Launch Event for the Create Growth Programme](#) 10 January
- [Centre for Cities: Cities Outlook](#) 22 January
- [Create Central Skills Accelerator Market Place Event](#) 24 January

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## 1.3 National Headlines

- Both good and bad news for UK economy released in December
- Resolution Foundation releases final report of Economy 2030 Inquiry
- UK Government announces provisional local government finance settlement 2024–25

### Both good and bad news for UK economy released in December

The [ONS announced](#) UK economy shrank by 0.3% in October 2023. This followed 0.2% growth in September, and in line with a Bank of England prediction of a flat growth rate for the end of 2023 and into 2024. In more welcome news, [inflation fell](#) to 3.9% in November, lower than many anticipated, primarily driven by falling petrol prices. As inflation appears to come down sooner than anticipated by the Bank, pressure will rise to reduce the base rate, ease pressure on mortgaged households and get the economy moving again. As a strong goods exporting region, falling interest rates should also put downward pressure on the pound, making West Midlands business's prices more internationally competitive.

### Resolution Foundation releases final report of Economy 2030 Inquiry

The third and final [report](#) of the 2030 Inquiry attracted significant national media interest, primarily due to the two keynote speeches delivered by the Leader of the Opposition and the Chancellor of the Exchequer respectively, but also due to its findings. The report proffers a stark analysis of the shortfalls in the UK economy and proposes a new economic strategy to tackle persistent stagnation, which has been caused by low wage growth, high income inequality, and decreased uptake in education.

The Resolution Foundation suggests a package of measures that it says will boost growth by 7% over 15 years and reduce inequality, contending that the UK should build on its strengths as the second biggest services exporter in the world, ensure there is good-work available across the country, and prioritise growth in the West Midlands and Manchester.

To do this, the Resolution Foundation proposes a scale of investment previously unheard of in the UK, increasing the capital stock in the West Midlands and Manchester by 15–20%. It also proposes giving local leaders more tools to deliver economic growth, including allowing the retention of income tax for Mayoral Combined Authorities, and a radical reform of council tax.

### UK Government announces provisional local government finance settlement 2024–25

The UK government has unveiled a £64 billion funding package for English councils in 2024–25, marking a 6.5% rise from the previous year. This includes an additional £1bn for social care. Councils can increase council tax by up to 3%, with an extra 2% for adult social care. But there will be an extension to the Funding Guarantee to ensure every council sees at least a 3% increase in Core Spending Power before any council tax decisions locally.

The Local Government Association said that the settlement “does not provide enough funding to meet the severe cost and demand pressures facing councils”.

A [consultation](#) on the proposed settlement is open and will run until 15 January 2024.

## 1.4 Regional Headlines

- Continued growth in regional manufacturing exports
- West Midlands universities amongst the country's best for promoting economic growth
- Mayor requests police and crime commissioner powers

### Continued growth in regional manufacturing exports

In the year ending September 2023, the West Midlands region exported £34.1bn worth of goods and imported £42.7bn. This represents a trade in goods deficit of £8.5bn, a decrease from the trade deficit in the previous year of £13.0bn. Since September 2022, the West Midlands region goods exports increased by 22.0%, while the UK as a whole increased by just 2.7%. Notably, the West Midlands region had the highest annual percentage increase of all regions in the UK. Longer-term trends show the West Midlands exports are now at their highest since records were made publicly available in 2014. The region accounted for 9.2% of UK exports – fourth highest after the South East, London and Scotland. The largest sector for goods exports in the region was machinery and transport at £24.0bn (70.4% of total). Since the year ending Q3 2022, this sector increased its exports by 31.0%, reflecting a recovery in the automotive sector and wider manufacturing industry.

### West Midlands universities amongst the country's best for promoting economic growth

The third national [Knowledge Exchange Framework](#) (KEF) highlights West Midlands universities, including Aston, Birmingham, and Warwick, as top performers in business collaboration and research commercialization. These universities excel in fostering 'spin-out' businesses and driving economic growth. Initiatives like the [Universities as Drivers of Trade and Investment](#) aim to boost overseas investment in regional research & development (R&D). Midlands Mindforge Ltd., a capital investment firm, amplifies commercialization of innovative university technologies. The KEF once again spotlights the attractiveness of the West Midlands as a place in which to invest in R&D.

### Mayor requests police and crime commissioner powers

Provisions afforded by the [Levelling-Up and Regeneration Act](#) to facilitate the conferral of Police and Crime Commissioner (PCC) functions to the Mayor have been exercised, with the Mayor of the West Midlands having requested that the Home Secretary begin the process. Should the transfer go ahead, the West Midlands will elect a Mayor with PCC functions in the May 2024 election. The Mayor with the PCC functions will then be responsible for ensuring an efficient and effective police force, holding the Chief Constable to account, setting the West Midlands Police budget and issuing policing plans. The government has now approved the start of a six-week long [consultation](#), which is due to end on 31 January.

## 2.0 In More Depth

### 2.1 National Round-up

#### Government sets out plans for a new competitive UK carbon capture, usage and storage market

The UK government has unveiled a plan, the CCUS Vision, to establish a competitive Carbon Capture, Usage, and Storage (CCUS) market by 2035. This initiative aims to position the UK as a global leader in CCUS technology, leveraging its unique geology and infrastructure. By 2050, it's projected to boost the economy by £5 billion annually. The strategy involves transitioning from early government-backed projects – with investments of up to £20bn – to a self-sustaining market in which UK companies will compete to build carbon capture facilities and sell their services to the world. This move aligns with the UK's net-zero commitments, creating jobs and driving economic growth. As an identified [megatrend](#) affecting our region, the WMCA is already supporting the [Biochar CleanTech Accelerator](#) that is engaging in CCUS through its [Innovation Accelerator](#). As new opportunities become available through the UK Government's CCUS vision, the WMCA will seek to identify opportunities where it could offer additional support to this industry within our region.

#### Department for Science Innovation and Technology announces national vision for engineering biology

The [vision for supporting engineering biology](#) is part of a bid to make the UK a "science and technology superpower" and follows an earlier call for evidence, to which WMCA made a submission. The document sets out a national plan to harness the application of biosciences to deliver new products like medical therapies, crop varieties, eco-friendly fuels and chemicals. This requires a responsive skills system where providers and employers work together to meet local and national technical workforce needs, focusing on talent for scale-up and commercialisation where there is currently an acute need. The vision coincides with the West Midlands' growth in this area, including the launch of the WMCA-backed [West Midlands Health Tech Innovation Accelerator](#) programme to boost commercialisation activity in the region and also the £210m [Birmingham Health Innovation Campus](#) set to be created at Edgbaston. DSIT have also published [official statistics](#) on bioscience and health technology sectors for 2021 to 2022, showing the number of life science businesses in the UK is steadily rising (up 1pp since 2020/21), with the bulk of businesses in the South East (23% of total employment).

#### Future Governance Forum publishes "Rebuilding the Nation 01: progressive principles for effective investment"

According to the Future Governance Forum (FGF), the UK faces a significant investment shortfall, estimated at £100bn annually, affecting both public and private sectors. This deficit hampers economic growth and diminishes returns for savers. In its latest [publication](#), the FGF emphasizes the need for policy stability, fiscal strategy, and institutional reforms. Key recommendations include: establishing a clear economic strategy; ensuring policy stability for investment; enhancing the role of the National Infrastructure Commission; simplifying project approval processes; and consolidating and streamlining existing investment institutions. Notably, there's a call for robust regional representation, suggesting that the West Midlands Combined Authority should play a pivotal role in driving growth through strategic investment decisions tailored to the region's needs.

#### Confederation of British Industry produces business manifesto

The [manifesto](#) sets out a programme for the next UK government as a path to sustainable growth with five missions for government in its first 100 days, 100 weeks and Parliamentary term. Key to the plan, which makes this one different from other plans released recently, is the call for the state to deliver resilient public services by encouraging partnership, through public-private investment forums, outcomes-focused regulatory regimes, a renewed public-private model for rail, an independent Health Commission, and a strengthened National Infrastructure Commission. The WMCA is already on a path to fulfil at least some of this vision with its key focus on innovation, as led by the public-private Innovation Board.

### Local Government Information Unit (LGiU) publishes manifesto

The [Manifesto](#) proposes a renewed relationship between central and local government, emphasizing equality, local decision-making, mutual cooperation, and increased citizen participation. Key suggestions include establishing a sub-constitutional framework for collaboration, ending competitive funding bids, adopting multi-year financial settlements, and fostering regular consultations between both levels. Future transformative steps encompass statutory subsidiarity, expansive devolution, revising taxation, a unified local budget, and introducing new local taxes. Finally, the Manifesto calls for a senate of mayors and council leaders and reforming the House of Lords to incorporate regional representation. The WMCA's trailblazer devolution deal that will see reformed financing of the combined authority is a first step in the direction of travel the LGiU would like to see, but clearly do not believe is ambitious enough.

### National Centre for Social Research analyses risk factors for being NEET among young people

This [report](#) explores the factors that increase the risk of a young person becoming NEET (not in education, employment, or training). It identifies 19 risk factors, the most common being: (i) post-16 caring responsibilities (45%); (ii) coming from a single parent household (34%); and (iii) social renting (31%). However, factors affecting NEET are often multidimensional and complex with the disadvantage also being unequally distributed. Particularly at risk were those that grew up in low-income households, young people of black or mixed ethnicity, as well as people of Pakistani and Bangladeshi origin, and people who identified their sexuality as homosexual, bisexual or 'other'. The scale of intersectionality therefore means when devising policy interventions, policy makers should consider specific risk factors rather than solely targeting everyone in a one-size-fits-all approach. Yet, while improving education and skills has an important role to play in tackling youth unemployment/NEET figures, it can only ever be part of the solution.

### "EDSK" (Education and Skills) reports on "Broken Ladders"

The [report](#) considers the barriers and impacts on young people through a lack of parity between vocational and academic pathways. It argues that the emphasis on raising higher education participation has come at the cost of enabling sufficient focus on good careers for the 60% of young people who do not pursue the academic path. Continual policy churn through apprenticeships, reviews of level 2 and 3 qualifications and the introduction of T Levels, has conflated matters, so that employers too are unsure of how to support (or even if they should hire) young people. The report calls for better pipelines to good quality jobs for those who want to get a job after school or college, applauding models such as the Young Apprenticeships Programme, Traineeships and the Increased Flexibility Programme as examples of what works, particularly for disadvantaged young people and those with special needs and disabilities, to develop the employability skills and confidence valued by employers. The WMCA were involved in the development of the report and its findings align with the analysis and recommendations that has come out of own work on youth unemployment. For more on this issue, see also the Resolution Foundation report included in the [November WISE](#).

### Department for Education releases report on the impact of AI on UK jobs and training

The [report](#) review occupations, sectors and areas within the UK labour market that are expected to be most impacted by AI. Teachers were amongst the occupations most impacted as well as finance and insurance, law, and business management roles. Employees in the construction, manufacturing and transportation sectors were considered to be least exposed to AI because the nature of the roles are manual and still require a level of technical skill that cannot be automated easily or would not where automation would not provide effective savings (such as roofers, plasterers or hairdressing). Jobs that require higher-level qualifications (4, 5, and 6) are most likely to be impacted by AI, though some lower-level clerical and customer service roles could be affected by automation. This speculative research would suggest the West Midlands is likely to be less affected by AI than London, where skills levels are higher. However, research considered in last month's [WISE](#) included pieces which suggested the impact of AI on jobs will be limited, and that there could be more jobs created by AI and automation in the West Midlands than would be removed by it.

### [Universal Credit Work Capability Assessment released by Department for Work and Pensions](#)

This [Assessment](#) contains data on the number of people on universal credit (UC) who have a health condition or disability. In 2023, 1.8 million people were on UC health, compared to 1.5 million in 2022. 52% were female, 38% were aged 50 plus and 11% were under the age of 25. 28% of all UC claimants and 3% of the population in the West Midlands region were health claimants in 2023. This was close to the UK average of 2.8% of the population claiming UC health benefits. Numbers on UC health has been steadily rising since 2019 when the figure was only 0.6% of the population for both the UK and West Midlands region. While the rise may seem alarming, a comparison with the rest of the UK reveals that this is part of a national trend and the West Midlands is by no means an outlier in this regard.

## 2.2 Regional Economic Round-up

### Labour force headlines<sup>1</sup>

#### Median pay

In November, median monthly pay rose by 5.3% nationally compared with the same period in 2022. In the WMCA area, median pay rose by 5.7% over the same period. Adjusting for inflation, this is a real median pay increase of 1.8% in our region.

#### Jobs

In September 2023, the top three sectors for workforce jobs in the West Midlands region were human health & social work (13.6% of total jobs), wholesale & retail trade (13.5%) and manufacturing (10.4%). In real terms since September 2022, the construction sector had the largest increase by 42,511 jobs (to 189,271). While in contrast, accommodation and food services had the largest decrease by 17,099 (to 174,552). When compared to September 2018, the human health & social work sector had the largest increase (56,120 jobs). While in contrast, wholesale & retail had the largest decrease by 36,855.

#### Youth claimant count

Latest data showed the youth claimant count rose by 11.9% in the WMCA area on the year to November 2022 (UK: 8.1%). The number of youth claimants as a proportion of residents aged 18–24 was 8.5% compared to 5.0% for the UK in October. Across the Combined Authorities, the WMCA had the highest rate, Tees Valley was the second highest at 8.0% down to 2.5% for the West of England.

### The WMCA publishes the West Midlands Digital Roadmap

The WMCA is set to publish a refreshed Digital Roadmap (2024–2027) in January 2024. This is a follow up to the CA's first Digital Roadmap that was published in 2021. The updated Roadmap identifies new ways to support the West Midlands region to become a forward looking and inclusive digital economy. Much of this is informed by the accompanying evidence based report which outlines some of the key digital opportunities and challenges for the West Midlands region, these include:

#### Challenges

- The region has 92,000 more adults that are unable to complete foundational digital tasks compared to the national average and 2/5th of the population are non/limited users of the internet.
- 36% of the region's employers say they find digital skills difficult to obtain, compared to 34% nationally.
- Less than a fifth of regional businesses share data (17%), even though this is above the national average of 16%.
- Ofcom data shows that full fibre broadband connectivity is poor in the Black Country; at 36% in Sandwell, 25% in Walsall, and less than 7% in Dudley, all below the regional average of 43%.
- The data shows that 47% of people in the wider region are accessing public services online, below the national average of 50%.

#### Opportunities

- The region's Tech economy is worth £15.3bn, whilst the digital and creative sector is worth over £5bn.
- SMEs that use two or more business management technologies can experience productivity gains of up to 25%.
- 85% of technology decision makers in the West Midlands feel the region is a good place to start and grow a technology business.

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<sup>1</sup> All data reported in this section is available through [Nomis](#)

- The wider Midlands region now has 300 AI companies. This represents 11% of the UK's AI business base.
- At 65%, the region has the best 5G geographic coverage of any regional Combined Authority area.
- As of September 2023, 91.3% of premises in the WMCA area had gigabit broadband availability – significantly above the UK-wide figure of 76.0% – and 0.7 percentage points higher than the previous quarter.
- Research shows that public use of digital technologies could help industry reduce carbon emissions by 4–10%, thus contributing to the WMCA aspirations to be carbon neutral by 2041.

A Digital Roadmap Steering Group will be established to oversee the work programme for the Roadmap and insights will be provided to WISE for future editions.

### [WMREDI produce manufacture of future housing cluster deep dive](#)

There are several challenges facing the Manufacture of Future Housing Sector, with the main issue being a lack of confidence amongst consumers, developers and lenders. This is dampening progression of the sector given that the spectre of post-war mid-century housing still looms as poor quality in most individuals' minds.

If confidence is to be improved amongst these stakeholders, the sector would likely grow rapidly. However, the main hindrance is the lack of evidence demonstrating successful projects. In the process of researching this topic numerous examples of both successful private and public sector projects or programmes were found but the lack of evaluation demonstrating the success of these projects was high. This makes it difficult to evidence to key stakeholders that the sector, and associated skills, are worth investing in. Current housing projects using advanced manufacturing in homes, particularly modern methods of construction (MMC), need to be fully evaluated to demonstrate the value of investment.

While challenges persist, the WMCA and its partners are pioneering advancements in the Manufacture of Future Housing sector. By addressing scepticism through evidence-based successes and leveraging regional strengths, the sector is poised for growth, sustainability, and innovation. See the full deep dive report in the [annex](#).

### [PwC release green jobs barometer](#)

In its third year running, the Green Jobs Barometer measures the UK's transition to a green economy with a focus on the labour industry. Centred around 5 pillars, measuring different regions and sectors across the UK, there is evidence that green jobs have a significant barrier to entry as they are concentrated in white collar and skilled roles. The West Midlands has had a 5% increase in green jobs creation since 2022 but scores 43 out of 100 on the green jobs barometer, not far off from the UK average (46/100) but significantly less than the highest performing region, Scotland (80/100). Midlands Engine recently released two papers outlining how the Midlands could increase the number of green jobs in the region, as covered in the [November WISE](#).

### [Scaleup Institute publishes annual review](#)

The Scaleup Institute's [annual review](#) revealed that while scaleup activity and pipelines had spread across the UK, there remained regional disparities. The UK had a total of 28,410 scaleups – of which 7.3% were in the West Midlands' Local Enterprise Partnerships (LEPs). Unfortunately for the West Midlands region, all of its LEPs saw negative growth in scaleup density over the last eight years. The Black Country had the highest negative change of all areas (-1.6), followed closely by Coventry & Warwickshire & Worcestershire (-1.1) in scaleups per 100k population since 2013. However, some scaleup clusters bucked the overall trend, with health and social work growing by 3.4% in the West Midlands. The report highlights the importance of skills and talent to boost scaleup activity. The West

Midlands is [known to suffer from brain drain](#) in the direction of London, offering one explanation for the poor performance of the region.

### Midlands Engine releases state of the region report

The 2023 Midlands Engine [State of the Region report](#) offers insights into the wider Midlands region's economic performance. Despite challenges post-pandemic, including technological and climate shifts, the region has demonstrated resilience according to the report. However, it also emphasizes the need for increased public and private investment in skills, infrastructure, green innovation, and business finance. Addressing these areas is crucial to fostering inclusive growth, closing productivity gaps, and ensuring sustainable development for future generations in the Midlands.

## 2.3 Regional Business Roundup<sup>2</sup>

### Made Smarter scheme to be rolled out nationally

The [Made Smarter scheme is to be rolled out nationally](#) after the government committed to expanding the Made Smarter Adoption Programme to all nine English regions in 2025–26 before working with Scotland, Wales, and Northern Ireland from 2026–27. New figures released by Made Smarter West Midlands show there were 560 registrations between April 2021 and November 2023 with 115 grants being awarded from April 2021 to this October valued at £1.94m. This has resulted in increasing the gross value added across the West Midlands so far since April 2021 by £128.1m.

### Expert Technologies Group awarded contract to build new assembly system

A Midlands industrial automation specialist which [has landed a major order from Jaguar Land Rover](#) has secured a £5.5m loan from Frontier Development Capital (FDC). Expert Technologies Group has secured an eight-figure contract to create a 'body in white' robotic assembly system for a luxury electric vehicle to be produced at JLR's Solihull plant. The assembly system will be manufactured at Expert Technologies' Coventry headquarters and is part of JLR's plan to electrify production and invest £15bn over the next five years at its UK manufacturing sites.

### Bucking the trend at Birmingham's Bullring & Grand Central

Hammerson has revealed a [flurry of openings](#) at Birmingham's Bullring & Grand Central. Sportswear giant Nike has launched its 'Nike Rise' concept store, located at the gateway to Bullring and spanning 13,000 sq ft. Inditex's urban fashion brands, Bershka and Pull&Bear, have also made their regional debuts at the venue. The two stores, spread over 36,000 sq ft in total, take Inditex's presence at the Bullring to more than 76,000 sq ft.

### West Midlands Trains secures £50m for new rail depot

West Midlands Trains (WMT) has secured a [£50m investment](#) from Angel Trains for the development of its Tyseley rail depot. The funding will be used to enhance the facility for maintaining WMT's new rolling stock.

### Plans submitted to revitalise brownfield site in Wolverhampton with £28m development

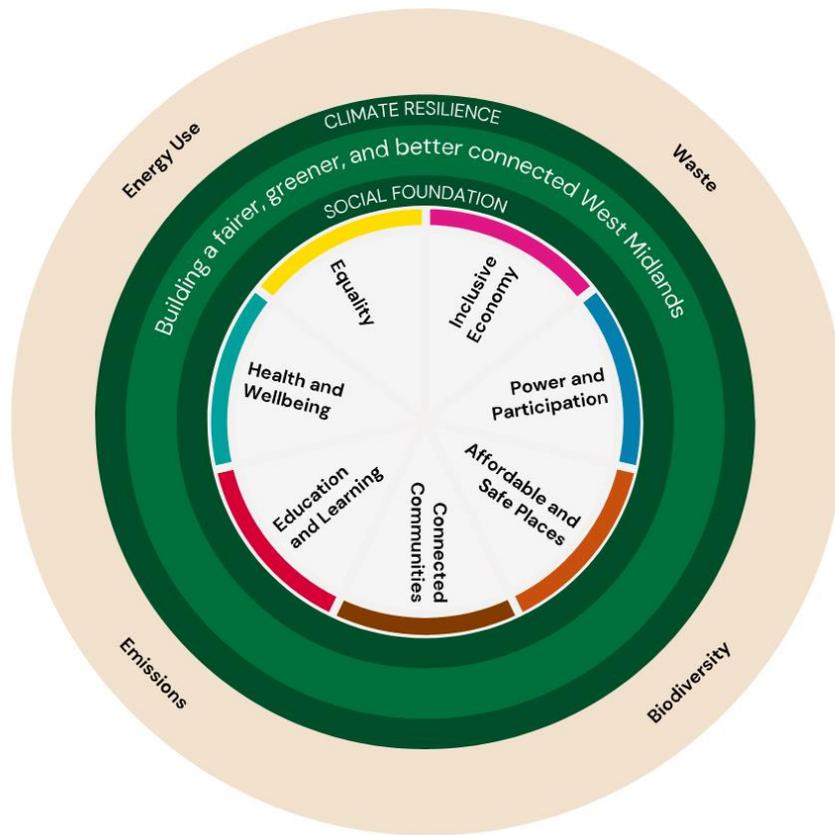
Goold Estates has submitted plans to [revitalise a vacant brownfield site in Wolverhampton](#), potentially generating up to 300 jobs. The Oldbury-based property investment and development company has submitted a planning application for the development of a 12-acre plot at the Bilston Urban Village employment site, off Brook Street in Bilston.

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<sup>2</sup> See the [annex](#) for a full review of business updates.

## 2.4 Inclusive Growth Roundup

This section looks at the regional news highlights which relate to our eight fundamentals of the [West Midlands Inclusive Growth fundamentals](#).



### Inclusive economy

#### Resolution Foundation releases insight into public perceptions of growth

The [Economy 2030 Inquiry](#) highlighted that boosting productivity required radical reforms and tough decisions. In [Talking Trade-offs](#), the Resolution Foundation reports on recent public engagement sessions in Birmingham and Manchester, revealing residents' desires for progress but also concerns. Participants valued their cities and desired growth but emphasized the need for equality, social safety nets, and preservation of green spaces. They stressed the importance of robust public services, trust in leadership, and shared benefits from growth. Residents' support for growth hinges on transparency, inclusivity, and tangible benefits for all. For the West Midlands Combined Authority, this underscores the necessity of its Inclusive Growth approach.

#### NHS Employers publishes toolkit on recruiting people with experience of homelessness

The [toolkit](#) contains advice, tools and resources that will help organisations to recruit people who have experienced homelessness into the workforce, to support them to stay in their roles and become an asset to the organisation. It recommends 10 key considerations for successful design and delivery, including:

- Application processes can be made more accessible, including re-introducing applications in a non-online format.
- Interviews can be made more inclusive through drafting questions that focus on general life experiences, rather than solely work experience.
- Offer internal training and career pathways to support long-term aspirations and employment.

With rough sleeping on the rise in the WMCA area, and while the WMCA works to [Design Out Homelessness](#), this tool can be useful to all organisations looking to make a difference to the lives of people who are disadvantaged when it comes to finding a stable job.

## “Two Nations: The state of poverty in the UK”

The Centre for Social Justice’s [report](#) outlines the UK’s current state of poverty, and the growing inequalities between the rich and the poor. Quality of life is decreasing, particularly for those from more deprived backgrounds, 40% of whom have a mental health condition compared to 13% of the general population. The most disadvantaged view poor mental health as the biggest factor holding them back, which only ranks fifth for non-disadvantaged groups. For many, work is not worth it, and it is more cost effective to claim benefits that have a minimum wage job with poor prospects and security. The West Midlands has a proportionally high reliance on the transportation and storage sector, but this is identified as one of four most insecure sectors for jobs.

## CLES formulates a new vision for community wealth and power

According to [the vision](#), local governments face challenges with inadequate funding, hindering long-term planning. However, this paper advocates for community wealth building, emphasizing that generated wealth should benefit communities in need. Drawing insights from UK councils and highlighting Birmingham’s [I Can project](#), the paper highlights local leaders’ efforts to boost their economies and offers recommendations for local practices, such as prioritizing shared visions and valuing broader impacts. Recommendations for the UK government include long-term funding for local governments, devolution of powers, empowering the NHS in local economies, and enacting legislation supporting inclusive economic development and community wealth building.

## Climate resilience

### COP28 review

COP28 reinforced the 1.5°C goal and recognised the need for a 43% reduction in emissions by 2030 and 60% by 2035 relative to the 2019 level. The agreement made history by including language on reducing usage of fossil fuels, although this arguably didn’t go far enough. Agreement was met to triple renewable energy capacity globally and double the global average annual rate of energy efficiency improvements by 2030. Limited progress was made on climate adaptation and finance, although the Loss and Damage fund was operationalised, with major detail still to be worked out. The agreement recognised the funding gap of trillions of dollars for adaptation and climate finance.

## New Economics Foundations outlines the ecological case for universal basic services

In their explainer, the New Economic Foundation reviews [the ecological case for Universal Basic Services](#) (UBS). UBS advocates for universal access to life’s essentials while prioritizing ecological sustainability. It integrates services like healthcare and schools, aiming to meet basic needs through collective measures like public funding and regulations. UBS promotes sustainability, equity, and a secure social foundation, aligning with UN Sustainable Development Goals and IPCC findings. By expanding public consumption, transforming service provision, and generating green jobs, UBS aims to safeguard the planet, reduce inequalities, and build popular support for green policies. Establishing UBS requires building consensus and influencing policymaking for a sustainable future.

## Affordable and safe places

### House prices steady while rents rise

According to [Zoopla](#), house prices across the West Midlands fell by an average of 0.7% in the year to November 2023. This compared to a national fall of -1.1% on average. Turning to rental prices, [Zoopla reports](#) that prices on new rentals were up 10.1% in the West Midlands region over the year to October 2023, having also risen by 10.0% the previous year. This compared to a national average of 11.0% in 2023. The [ONS](#) estimated annual inflation rates on **all rents** in the West Midlands region was at 6.0% on the year to November 2023, highlighting that not all landlords are increasing rents, or necessarily keeping pace with market rates.

## Dramatic reduction in knife crime in Coventry

Knife and bladed crimes in Coventry have [dropped by nearly half from the previous year](#), credited to initiatives like the Community Initiative to Reduce Violence (CIRV). Launched in May 2023 with a £2m

budget, CIRV offers targeted support to at-risk youth, addressing root causes like poverty and household violence. Operated until August 2025 and funded by the Home Office and the Youth Endowment Fund, CIRV is overseen by the West Midlands Violence Reduction Partnership and West Midlands Police. Officials praise its positive impact and emphasize its potential in crime prevention.

### Connected communities

#### WMCA area now with Gigabit broadband Connectivity to 91.3% of households

As of September 2023, 91.3% of premises in the WMCA area had gigabit broadband availability – significantly above the UK-wide figure of 76.0% – and 0.7 percentage points higher than the previous quarter. See the WMCA Dashboard in the [annex](#) for historical figures.

### Health and wellbeing

#### Health Inequalities Dashboard updated by Office for Health Improvement and Disparities

The [dashboard](#) presents the latest health inequalities data for England, including statistics on life expectancy and mortality, child health, risk factors and wider determinants of health. Evidence shows an increase in 16–17-year-olds not in education, employment or training (NEET) in the West Midlands region, from 5% (2021/22) to 5.2% (2022/23). Additionally, there was an increase in the gap in employment rate between those who have a disability and those who do not, from 8.9pp (2021/22) to 9.9pp (2022/23). The WMCA's place-based approach aims to reduce inequalities in the workplace through training, supporting disadvantaged groups to advance their career opportunities.

## 2.5 Latest from the City-REDI Blog

### Latest City-REDI Monitor

The Monitor reviews data releases and provides analysis on global, national and regional trends. Find the latest Monitor [here](#).

### Self-employment in the West Midlands

[The analysis](#) looks at self-employment statistics from the ONS for the West Midlands region. The West Midlands has had one of the largest reductions in self-employment (behind London and the North West), falling from 13.2% in 2020 to 11.6% in 2022. Against this background, and looking across the major conurbations in England, there was a particularly sharp fall in Birmingham, experiencing one of the largest drops from 15.4% in 2020 (then above the national average of 15.2%) to 8.5% in 2022 (below the 12.9% national average). Conversely, Birmingham has seen a strong increase in its employment rate, with paid employment in the city having increased by 6%, suggesting the sharp fall in self-employment may relate to the growth in paid employment. Due to data limitations, insights for what this might suggest for entrepreneurial capacity or innovation in the future is limited.

### International students in the West Midlands – economic impact and the challenges of graduate retention

The [blog](#) highlights the economic impact of international students and explores how their presence affects employment opportunities and tax revenues. In 2021, 32.6% of international graduates were in UK based employment and 57% were economically inactive. This economically inactive group can play a valuable role in filling employment gaps in the UK, especially through the Graduate Route Visa Scheme, which allows international graduates to stay in the UK for employment purposes after completing their studies. Five years after their graduation, first-degree graduates earn a median of £28,000 and postgraduates have the potential to earn £35,000.

### Companies at Risk of Insolvency in the WMCA

The WMCA, like the UK, faces rising insolvencies, exacerbated by economic challenges like Covid, cost-of-living issues, and inflation. Using Red Flag Alert data from companies house, the [blog](#) assesses business risks across the WMCA area. Key findings include Birmingham having 8.71% of its businesses at risk, with the construction and wholesale sectors most vulnerable. Real estate struggles due to high interest rates, and professional services face increased costs and reduced consumer spending due to inflation.

### Forging Future Frontiers: The Power of Collaborative Clusters in the UK Space Sector

The UK's space sector is seeing rapid growth, emphasizing the importance of regional space clusters for national innovation. The Space Cluster Development Programme funds 15 UK clusters, promoting collaboration and diversification into sectors like finance and agriculture. Midlands Space Cluster, backed by £6.5 million from the UK Space Agency, merges East and West Midlands' expertise, aiming to boost the region's space economy. The City-REDI [blog](#) assesses regional capabilities, fostering collaboration and optimizing investments within these clusters.

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