MIDLANDS ENGINE
Observatory

MIDLANDS ENGINE
REGIONAL ECONOMIC IMPACT MONITOR

EDITION 19: October 2021

Executive Summary

This month's Midlands Engine Economic Impact Monitor is released in the context of the Government's recent **Autumn Budget and Spending Review**, published and delivered by the Chancellor on Wednesday 27th October.

- Amongst the positive news, UK **GDP is set to reach its pre-pandemic peak by 2022**, slightly earlier than expected.
- A key focus for government spending is to "level-up" through creating high-wage and high-skilled jobs; policies include freezing the **public sector pay freeze**, cutting the Universal Credit Taper rate, and **raising the Living Wage.**
- Investment into skills, infrastructure and innovation was announced as part of the government's Plan for Growth Vision: this includes R&D spend, the extension of regional access to finance networks and a raft of announcements related to **education and skills** – such as a new numeracy programme for adults in England **('Multiply').**
- Investment into the Midlands Engine goes into the billions of pounds, including **£400m worth of funding from successful Levelling Up Fund bids**, **over £1bn in City Region and Transport Block transport settlements** and a share of national road, health diagnostics and brownfield land remediation funding pots amongst others.
- The **UK Shared Prosperity Fund** was launched, with more detail to come alongside the **Levelling up White Paper.**

Understanding the detailed implications of Budget and SR funding is critical for the future of the Midlands, particularly given the ongoing headwinds and uncertainty faced by businesses and communities. In this context, the monitor and wider Midlands Engine Observatory continues to track key metrics and intelligence to help inform decision-making across the region. Recent data and intelligence releases reported in this month's monitor include:

- ***Economic and Labour Market Impacts***
- **Business activity:** The West Midlands Business Activity Index increased from 55.2 in August 2021 to 56.3 in September 2021, while the East Midlands' increased from 52.1 in August 2021 to 52.4 in September 2021. Firms indicated that a further recovery in demand and expanded capacities supported the rise in output.
- **Claimants:** The number of claimants continues to reduce, falling by 6,785 in September compared to August. This equates to a decrease of 1.9% for the Midlands Engine area, whilst the UK decreased by 3.0%.
- **Furlough:** At the end of August, there was still 194,000 people on furlough, though this fell further from July. The figure equates to a 4.5% take-up rate for the scheme regionally, compared to UK-wide of 4.6%.

- ***Business Environment***
- **Business Demography Snapshot:** The snapshot from March 2021 shows there were 380,560 enterprises in the Midlands Engine area, an increase of 0.4% compared to March 2020; the UK increased by 0.6%.
- **International Trade:** The value of exports for the Midlands have decreased by £4.8bn (-9.5%) in Q2 2021 when compared to year ending Q2 2020, almost triple the fall of the UK overall (-3.5%). In contrast, the value of imports for the Midlands have increased by £1.3bn (+2.3%) , above the national average increase (1.3%). While EU exports increased between Q1 and Q2 2021 across the Midlands, both the East and West Midlands regions reported lower than average quarter-on-quarter growth compared to the UK overall (9.6% and 9.9% compared to 18.1%).
- **Access to Finance:** The British Business Bank's first annual Regions and Nations Tracker has reported that funding disparities risk the economic potential of the Midlands Engine. The final data on BBLS and CBILS loans is also out, showing that over 240,000 CBILS and BBLS loans have been offered across the region, totalling a value of £10.6bn. **Insolvencies:** Nationally and regionally, profit warnings and business closures are on the rise following the ending of emergency government support.

- ***Household Income***
- **Gross Disposable Household Income (GDHI):** The Midlands Engine GDHI per head has increased from £17,830 in 2018 to £18,241 in 2019. This equates to a 2.3% (+£411) increase, slightly below the UK-wide growth of 2.5%.
- **Earnings:** Average full-time annual earnings for Midlands Engine residents decreased by £256 (-0.9%) since April 2020 to £29,754 in April 2021; the UK decreased by 0.6%. Midlands' resident earnings are at 95.1% of the UK.

Much of the presented data is now reflective of insight reported by businesses and communities over many months, both benefits and challenges. The **varied environment continues to bring up a contrast of business and personal experiences**, from reports of high output and confidence to major issues related to labour and materials supply, and stresses on the cost of living caused by rising prices for fuel, energy and food alongside looming tax rises.

Taking a step back, this month's monitor also **explores wider themes** and their potential implication for the Midlands:

- Strengthening Economies in **Rural and Coastal Areas**
- The **Value of Ethnic Minority Firms** to the UK
- Regional Economic Impact of **Student Spending**

1) Autumn Budget and Spending Review

Autumn Budget and Spending Review
Key Points and UK-Wide Announcements

Introduction and Economic Forecasts

The Autumn Budget and Spending Review 2021 took place on Wednesday 27th October. Amongst the positive news, **UK GDP is set to reach its pre-pandemic peak by 2022, slightly earlier than expected.**

Real wages also increased by 3.4% compared to 2020, but these figures have been skewed by a significant dip in wages during the pandemic. However, **inflation hit 3.1% in September 2021 and is set to top 4% over the coming 12 months.**

Additionally, in July 2020 the OBR forecast that unemployment would peak close to 12% by the end of the year as a result of the end of furlough. However, as the scheme was extended till September 2021 **unemployment only rose to 5.2%.** The Budget and SR focuses on investing in the recovery, reform and resilience of the public services, ensuring they are fit for the future and to drive up standards across the country.

Main Announcements

Through the Budget and SR, government has committed that Taxpayers' money "will be spent where it makes the most difference to people's daily lives**: creating high-wage and high-skilled jobs**, reducing NHS waiting lists, putting more police on the streets, upgrading roads and railways, and building new homes, hospitals & schools":

- The **Public Sector pay freeze has been cancelled**
- National Insurance contributions will increase by 1.25% from April 2022
- **Increase in the National Living wage** to £9.50 p/h
- **Cut in Universal Credit Taper rate** from 63p to 55p
- Major overhaul of alcohol taxes
- NHS England is set to receive £5.9bn
- **Rise in Fuel Duty has been cancelled**
- An additional £1.5bn in transport spending
- £11.5bn to build up to 180,000 affordable homes
- **Business rates to be cut by £7bn,** including a 50% discount for retail, hospitality & leisure
- **Increased funding to education** will see the funding for each pupil return to 2010 levels
- £1.6bn to roll out new T-levels for 16 to 19-year-olds; £550m for adult skills; £170m for apprenticeships
- New **£560m fund 'Multiply',** to increase numeracy and basic maths for 500,000 adults
- First successful bidders from the **Levelling Up Fund,** providing an initial £1.7 billion
- Launch of the **UK Shared Prosperity Fund** (UKSPF), worth over £2.6 billion

Housing

The Treasury has earmarked **£24bn for housing, including £11.5bn to build up to 180,000 affordable homes**, with brownfield sites targeted for development.

- Included is £300 million **locally-led grant funding that will be distributed to Mayoral Combined Authorities and Local Authorities to unlock brownfield sites.**
- Also, an additional £65 million investment to **improve the planning regime.**

Education and Skills

£2.6bn will be spent on creating **30,000 new school places for children with special educational needs and disabilities**, including improving school buildings' accessibility. As aforementioned, the budget also includes **£1.6bn over three years to roll out new T-levels for 16 to 19-year-olds, plus investment in maths skills, adult skills and apprenticeships**.

Research and Business

The Government has aimed to put its Plan for Growth into action through the Budget and SR. This includes investment in **skills, infrastructure as well as business and innovation**. Notable announcements include:

- Increasing **public investment in R&D to £20 billion by 2024-5,** a cash increase of 50% by the end of the current parliament. The target for increasing R&D spending has now been put back to 2026/27 though
- **Reforming R&D tax reliefs** to support modern research
- The announcement of **£1.4bn Global Britain Investment Fund,** helping spread economic opportunities more evenly across the UK by supporting investment in the **UK life sciences (£354m), offshore wind (£230m) and the electrification of automotive manufacturing (£817m)**
- Extending the government's long-term **commitment to the aerospace sector**
- Confirming over **£1.6 billion for the British Business Bank's Regional Funds** to provide debt and equity finance to SMEs, and to expand **Regional Angels.**
- The Recovery Loan Scheme will be extended

Net Zero / Green policies

There is set to be a £1.5bn investment in net zero innovation, including **nuclear technologies and offshore wind**, with £1.7bn to facilitate a final investment decision on a large nuclear project. The Government has also announced an extra £9m to go towards allowing councils to turn neglected urban spaces into **"pocket parks"** roughly the size of a tennis court.

Autumn Budget and Spending Review: Levelling Up and Midlands Engine Investment

Levelling Up

The government's approach to levelling up was reinforced in the Budget and SR; it is underpinned by four principles:

- **spreading opportunity and improving public services**, particularly where they are weaker
- **boosting living standards**
- **restoring local pride**
- **empowering local leaders and communities**

The Levelling Up Fund will mean **£1.7bn will be invested in local areas across the UK,** with the Budget announcing the first successful bidders.

Furthermore, the Budget and SR launched the **UK Shared Prosperity Fund (UKSPF), worth over £2.6 billion**. Funding will rise to £1.5 billion a year by 2024-25, **eventually replacing EU Structural Funds – at a minimum matching the size of EU funds** in each nation and in Cornwall each year. The UKSPF will support a range of skills and employment focused programmes, including, as a first priority, the Multiply programme.

A cross-cutting ambition, government used the Budget and SR to set out their ambitions and programmes for delivering across the UK. For example through:

- **£5.7 billion to 8 English city regions over 5 years to transform local transport networks** through London style settlements
- £205 million to build or transform 8,000 community football pitches
- Allocation of the first 21 projects from the £150 million **Community Ownership Fund**
- £2.6 billion between 2020 and 2025 for a long-term pipeline of over 50 **local road upgrades** and £5 billion of local road maintenance
- **£3 billion over this Parliament on English bus services**, including £1.2 billion for London style transformation deals
- Over **£5 billion over the parliament for buses, cycling and walking**
- £850m to protect museums, galleries, libraries, and local culture
- The **£9 million Levelling Up Parks Fund** will create over 100 new parks to ensure access to green space in urban areas
- £500m for 'family hubs' which will fund 75 new hubs

The Government's **Levelling Up White Paper to be published later this year** will set out further detail on plans in this area.

Investment in the Midlands Engine

Supplementary Budget and SR documents – specifically the Regional Fact Sheet – confirm the **direct investment to the Midlands Engine.** This is in addition to the region benefitting from its share of national programmes.

- **£400m worth of funding from successful Levelling Up Fund bids**, across 21 projects and 16 local authority areas. This represents **almost one quarter of the whole UK-wide pot** and includes:
  - £50m to build a new junction on the A50 in Derbyshire
  - £20m for a City Learning Quarter in Wolverhampton
  - £20m to re-develop Stoke-on-Trent City Centre
  - £20m to establish a new science centre at Twycross Zoo
  - £20m to improve the A16 corridor in Lincolnshire
- **City Region Sustainable Transport Settlements: £1.05 billion to the West Midlands Combined Authority over five years to transform local transport networks.** The funding will pay for projects including completing the 11km Wednesbury to Brierley Hill Metro extension
- **Over £610m of local roads maintenance funding between 2022-23 and 2024-25** across the West Midlands and East Midlands.
- **£400 million of new funding for the British Business Bank's Midlands Engine Investment Fund.**
- **Over £115m for smaller transport improvement priorities** through the Integrated Transport Block.
- **£40 million investment in Leicester and £35 million in Stoke-on-Trent through the Transforming Cities fund.**
- **£7 million for the National Forest to support woodland creation in the East Midlands.**
- Allocation of share of £70 million **Zero Emission Bus Regional Area (ZEBRA) funding to support delivery of around 96 zero emission buses in Leicester.**
- **£3.5m will be allocated towards the regeneration of 4 estates in the from the share of the Brownfield Land Release Fund**: in Newcastle-under-Lyme, Solihull, Derbyshire Dales; and Newark and Sherwood.
- **10 Community Diagnostic Centres will be built in the Midlands in 2021/22,** expanding diagnostic capacity whilst targeting areas of deprivation.
- **£2.6 million to amplify Coventry UK City of Culture**
- **Strategic and Local road upgrades** from respective national pots of over £26 billion, including the Worcester Carrington Bridge, North Hykeham Relief Road in Lincolnshire and key junctions in Coventry and at Birmingham Airport.

2) Economic and Labour Market Impacts

Global and National Outlook

Global

The export of natural gas from Russia to Moldova has reached a stand-off in October. **The contract supplying gas from Russia to Moldova expired at the end of September** 2021. No agreement has been made on a new contract partly due to the near 40% increase in global natural gas prices. Russian gas company Gazprom has retaliated to the Moldovan rejection of an expensive new contract with the **demand of a repayment of debt worth around £500m and the threat of turning off the gas taps to Moldova**. Up until now, 100% of gas used in Moldova has come from Russia. A 30-day state of emergency has been declared in Moldova as officials continue negotiations. **Moldova has secured an import of one million cubic metres of gas from Poland**. However, this does not get close to securing the long-term future of Moldova's gas supply. **The geopolitical fallouts from the gas negotiations between Russia and Moldova could grow** - particularly as Moldova has recently been **leaning more towards Europe and the gas dispute is seen by some as a way of keeping Russian political influence over Moldova**. With European countries also importing a large proportion of its gas from Russia, the economic and social impacts that are hitting Moldovan people right now could be felt in other countries in the future too.

As the United Nations COP26 climate change conference draws closer, **nations across the world have been pledging commitments** to significantly reduce carbon emissions by 2030. Scientists agree that **cutting emissions by 45% by 2030 and achieving net zero by 2050 is a significant step in halting the worst effects of climate change.** The United States has pledged to halve its emissions by 2030 compared to 2005 levels, and the UK has announced that all its electricity will come from renewable sources by 2035. The UK has also released its strategy for Net Zero. Australia, however, has been criticised for its lack of ambition in setting targets for reducing emissions by 2050 rather than 2030.

The US has ordered a "legal investigation" into whether the **crimes committed by the Ethiopian government against Tigray people amount to genocide.** Geopolitical relations between the Ethiopian government, the US and the EU have significantly declined since the start of the war between the Tigray people and Ethiopian government. The **shift of the Ethiopian government away from the West** has played a part in the EU and US threatening sanctions against Ethiopia. However, this may not deter the Ethiopian government since there are credible reports that the **government has weapons, loans and political protection from states such as Iran, Turkey, Saudi Arabia, China, and Russia.** Trapped amongst this war is a humanitarian crisis and fears that if the conflict is not resolved soon then there could be **long-term instability across the Horn of Africa.**

National

The Budget and Spending Review 2021 took place on 27th October. Amongst the positive news, **UK GDP is set to reach its pre-pandemic peak by 2022.** Annual growth of the **economy is forecast to reach 6.5% in 2021** and 6% in 2022, before returning to a lower growth state of just over 1% in the medium term (2024/25). **Real wages also increased by 3.4%** compared to 2020, but these figures have been skewed by a significant dip in wages during the pandemic. However**, inflation hit 3.1% in September 2021** and is set to top 4% over the coming 12 months. **Unemployment is set to rise to 5.2%** but this is lower than predicted in previous forecasts. **Foreign aid spending is set to return to 0.7% of GDP** by 2024/25, which is the level it was set before the pandemic.

The **easing of restrictions** in response to the coronavirus pandemic has been noted as part of the reason for the **better-than-expected economic performance**. Restrictions such as **physical and social distancing, as well as mask wearing, are still seen as important** for eight in ten adults, according to ONS research. However, only four in ten adults actually adhere to those measures. This **disconnect could have implications for case rates as the UK** moves into winter, and whether restrictions could be reintroduced should cases and hospitalisations continue to rise.

Prior to the Budget speech, announcements on the wages for people in the public sector and on the national minimum wage were made. **The minimum wage for people aged 23 and over will increase from £8.91 to £9.50 per hour on 1st April 2022**. This is branded as the National Living Wage by the government. However, this is **separate to the Real Living Wage**, an independently calculated wage rate based on the cost of living. Still, the gap between the government's National Living Wage and the Real Living Wage is closing.

The **minimum wage increase may do little in the short-term** to address problems in the **rising number of low-income households currently in debt arrears**. A survey from the Joseph Rowntree Foundation **estimates that 3.8 million households are in arrears on rent, council tax, electricity and gas**. Four in 10 of those who fell into arrears during the pandemic are of working age. A growing number of people are also in **'exempt' accommodation** which offers housing to people who have recently become homeless, fled domestic abuse, or are dealing with addiction. National homelessness charity Crisis estimates that over 150,000 households are in this 'exempt' accommodation, an **increase of 62% from 2016**. This sector is underregulated with providers allowed to charge higher rents in poorly managed, and dangerous accommodation.

Policy Considerations

THEME	KEY INSIGHTS
Budget and Spending Review 2021	• Businesses & business groups have **welcomed elements** of the Autumn Budget and SR**.** In particular: - **Progress on business rates reform and the 50% discount** for retail, hospitality, and leisure sectors - **Cashflow-boosting tax changes related to fuel** (ending of fuel duty) and alcohol - Additional access to **finance** through regional lenders and an extension of the recovery loan scheme - Continued investment in R&D, including through tax credit relief, new funds such as the **£1.4bn Global Britain Investment Fund**, and net zero innovation investment - Further **investment in education and skills**, from schools through to colleges and adult skills • However, it remains to be seen whether the commitments made will be **enough to truly deliver levelling up** and a high-growth, high productivity, high-wage economy. The devil will be in the detail. - Despite some announcements related to HGV driver shortages, **supply chain disruption and material shortages / price rises were not directly addressed**; nor was the ongoing energy crisis. - While skills interventions are welcome, there are **concerns about scale and their ability to do enough to reverse the major labour shortages in the immediate term**. - More information is required to understand **how Midlands businesses can access new funding**.
Outlook	The UK economy is edging **closer to its pre-pandemic growth levels**, according to figures released by the Office for National Statistics (ONS). However, regional business leaders say the **government must set out a plan to address the rising cost pressures and labour shortages** that are facing firms, while providing confidence to Midlands businesses on Covid-19 planning in the face of **rising Covid cases**. As winter approaches, businesses are expressing concerns of **exacerbated staffing shortages** given the rise of illness – including Covid but also cold and flu symptoms forcing staff to stay at home. Contingency plans are being looked at across most sectors. This is at a time of a **very vulnerable labour market**, with businesses hit by skills gaps and labour shortages as a legacy of Covid-19 and Brexit. Businesses in the region have continued to report that the **main challenge they face is recruitment**. Markets are highly disrupted, affecting the certainty and confidence businesses need. This reflects a **perfect storm** of temporary and structural challenges in labour markets and supply chains. On the latter, **severe supply chain disruption continues to result in delayed deliveries and increased prices**. One in five mid-sized businesses surveyed by Grant Thornton nationally said they are **finding it harder to move products around the UK** and across the world because of the ongoing issues. In addition, BDO's regional survey reports that staff shortages and supply chain issues are **piling on the pressure.** In more positive news, there have been reports of **promising opportunities and investments** for the ongoing recovery phase across the region. For example, • Progress in Coventry around the former **Daimler Car Factory and emerging Gigafactory** site.. • The awarding of over **£9m to Derby City Council for the Nuclear Advanced Manufacturing Research Centre (Nuclear AMRC)** at Infinity Park in Derby. • The announcement that **music festival Camp Bestival will be coming to Weston Park** in 2022. • A positive future presented through the **Birmingham Economic Review 2021.**
Business Demand	Particularly **frequent business support enquiries of late** include: • **Grants** – Growth Hub advisors in some parts of the region have seen unprecedented demand for grant funding, from all sources, by businesses looking to support start up, growth and scale up. • **Finance & Investment** – As well as the demand for smaller grant funding, there is also a number of requests for support with larger strategic investment. Some larger SME's, some with a global presence, with ambitious growth plans investing heavily in the region. • **Net Zero** – A healthy increase in the number of enquiries from businesses looking to adopt wider green business strategies. Not only are businesses seeking grants, some are looking to undertake strategic reviews and implementing longer term plans to be more energy efficient. • **Business Rates charges and arrears continue to be a massive concern for local businesses.** With many businesses suggesting they are working with Local Authorities to get an extension on their business rates break beyond the current deadline of 31st March 2022. • **Mental Health** – Issues around Mental Health have been raised by a number of companies where both management and employees are suffering burn out, money worries, anxiety and isolation. Whilst many are able to seek self-help, others are struggling to process this problem.

Business Activity

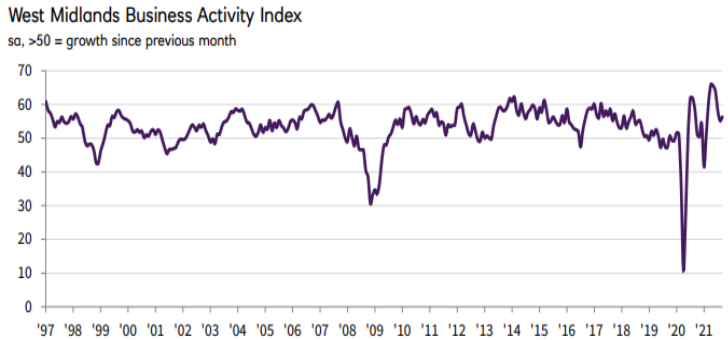
Business Activity Index

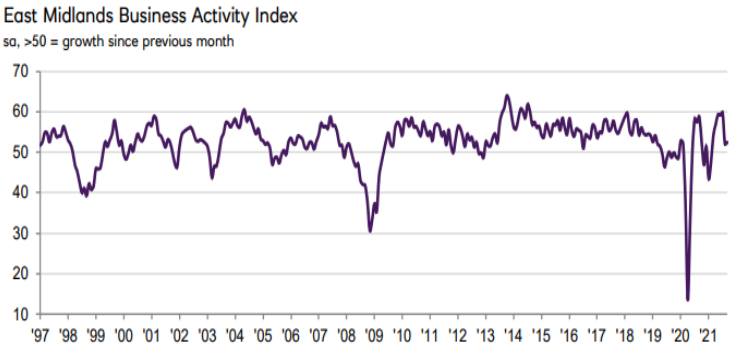
The **West Midlands Business Activity Index increased from 55.2 in August 2021 to 56.3 in September 2021.** Firms indicated that a further recovery in demand and expanded capacities supported the rise in output.

The **East Midlands Business Activity Index increased from 52.1 in August 2021 to 52.4 in September 2021**. The expansion was due to sustained rise in client demand; however, growth was hindered by labour and material shortages.

The overall UK Business Activity Index increased from 54.8 in August 2021 to 54.9 in September 2021.

The following graphs show the West Midlands and East Midlands Business Activity Index trends:





Source: IHS Markit, NatWest PMI, October 2021

Of the twelve UK regions, the **West Midlands region was second highest** and the East Midlands was second lowest for the Business Activity Index in September 2021.

Demand

The latest data shows the **West Midlands New Business Index decreased from 59.8 in August 2021 to 57.3 in September 2021. The East Midlands New Business Index decreased from 52.9 in August 2021 to 51.7 in September 2021.** For both regions, the rate of new business growth was the slowest seen in the last seven months; however, firms reported an expansion in new orders due to improved demand conditions.

Source: IHS Markit, NatWest PMI, October 2021.

Exports

The **West Midlands Export Climate Index decreased from 55.4 in August 2021 to 54.9 in September 2021**. The **East Midlands Export Climate Index decreased from 55.9 in August 2021 to 55.1 in September 2021**. For both regions, the latest figures still signal a strong improvement in export conditions.

Business Capacity

The **West Midlands Employment Index decreased from 58.2 in August 2021 to 56.3 in September 2021** as firms reported growth was dampened by shortages of candidates, retirements and resignations. The **East Midlands Employment Index decreased from 54.5 in August 2021 to 53.1 in September 2021**. The rate of job creation was the slowest in five months due to labour shortages.

The **West Midlands Outstanding Business Index decreased from 58.1 in August 2021 to 55.6 in September 2021**. The **East Midlands Outstanding Business Index decreased from 55.7 in August 2021 to 55.4 in September 2021**.

Prices

The **West Midlands Input Prices Index decreased from 78.3 in August 2021 to 78.0 in September 2021.** The overall rate of input price inflation was still one of the strongest seen in the series history. **The East Midlands Input Prices Index increased from 77.2 in August 2021 to 77.6 in September 2021**; the rate of input price inflation was second-fastest increase on record.

The **West Midlands Prices Charged Index increased from 62.2 in August 2021 to 64.7 in September 2021**. The latest rise in output charges was the fastest in the history of the series. The **East Midlands Prices Charged Index increased from 62.0 in August 2021 to 64.8 in September 2021.** The rate of charge inflation was the second-fastest increase since August 2008.

Outlook

The **West Midlands Future Activity Index decreased from 77.2 in August 2021 to 76.8 in September 2021**. The **East Midlands Future Activity Index decreased from 80.0 in August 2021 to 77.4 in September 2021.** For both regions, firms signalled a robust degree of optimism during September, although it was slightly weaker than the previous month.

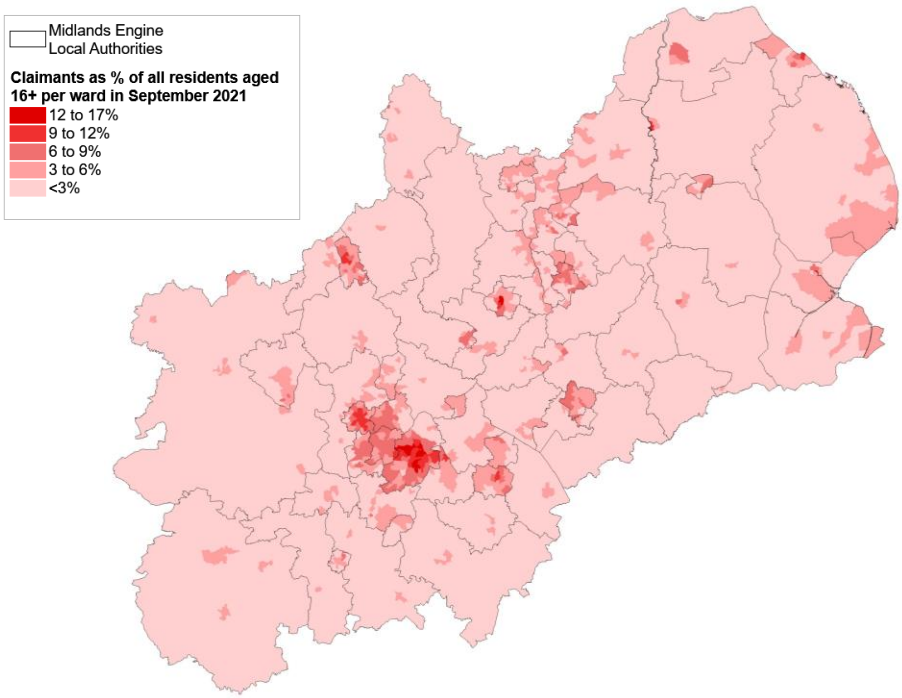
Out of the twelve UK regions, the **East Midlands was the fourth highest and the West Midlands was fifth highest** for the Future Business Activity Index in September 2021.

Labour Market Impacts: Claimants

There were **342,700 claimants aged 16 years and over in the Midlands Engine area in September 2021**, a decrease of 6,785 claimants since August 2021. This equates to a decrease of 1.9% for the Midlands Engine area, whilst the UK decreased by 3.0%. **There are 121,160 (+54.7%, UK +63.9%) more claimants when compared to March 2020**.

The number of claimants as a percentage of residents aged 16 years and over was 2.7% (UK 2.4%) in March 2020, this has increased to 4.1% in the Midlands Engine (UK 3.8%) in September 2021.

Claimants as Percentage of Residents Aged 16 Years and Over in September 2021:



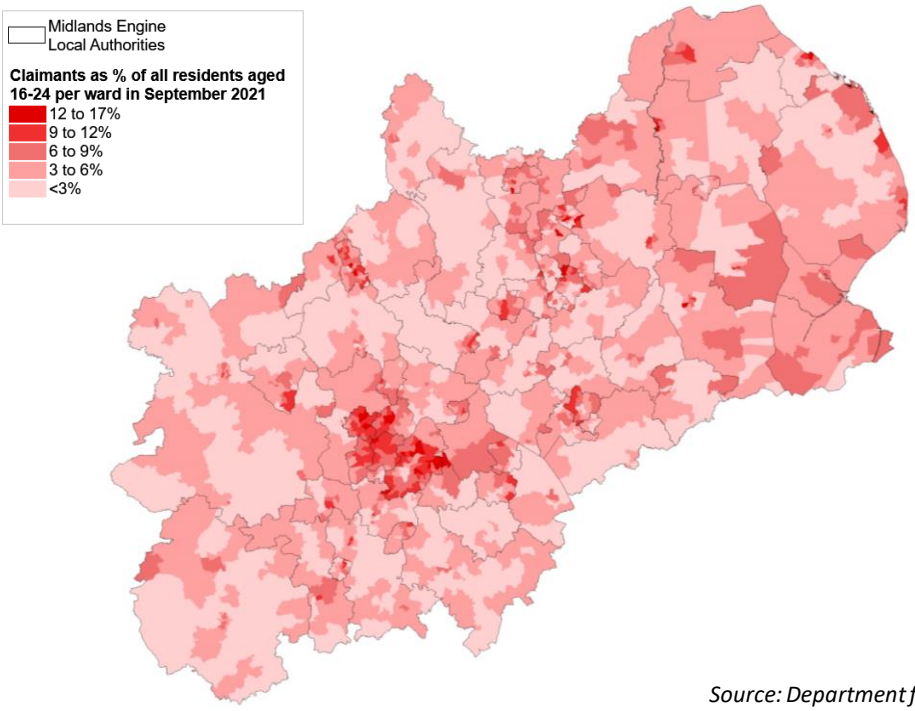
Out of the 1,511 wards within the Midlands Engine, **411 were at or above the UK average of 3.8%** for the number of claimants as a percentage of the population aged 16 years and over in September 2021.

The wards with the highest number of claimants as a percentage of the population aged 16 years and over were based in Birmingham, with Handsworth the highest with 16.4%. This is followed by Birchfield at 16.2% and then Lozells at 15.7%.

There were 63,475 youth claimants (16-24 years old) in the Midlands Engine area in September 2021 – a decrease of 1,820 claimants since August 2021. This equates to a decrease of 2.8% with the UK decreasing by 3.8%. Since March 2020 (44,195 claimants), **the number of youth claimants has increased by 19,280** (+43.6%, UK +51.3%).

The number of claimants as a percentage of residents aged between 16 and 24 years old was 3.8% (UK 3.4%) in March 2020, this has increased to 5.5% in the Midlands Engine and 5.2% for the UK in September 2021.

Claimants as Percentage of Residents Aged 16 – 24 Years Old in September 2021:



Out of the 1,511 wards within the Midlands Engine, **598 were at or above the UK average of 5.2%** for the number of claimants as a percentage of the population aged between 16-24 years old in September 2021.

The wards with the highest number of claimants as a percentage of the population were; Portland (Mansfield) at 16.8%, Handsworth (Birmingham) at 14.8% and Oak Tree (Mansfield) at 14.2%.

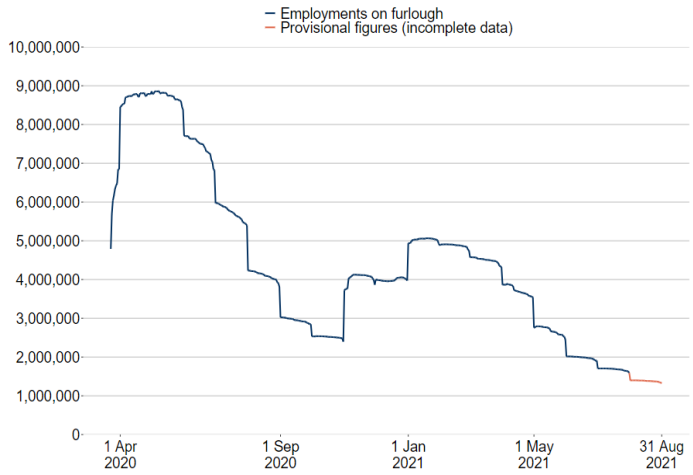
Source: Department for Work and Pensions, October 2021

Labour Market Impacts: Furloughed Workers

UK Summary:

Furlough in the UK peaked at 8.9m workers on 8th May 2020, with the number of workers furloughed steadily dropping through June to October 2020. The number of workers furloughed increased throughout November 2020 to January 2021. The number of employments on furlough has fallen since January and provisional figures show that **the number of employments on furlough was 1.3 million on the 31st August 2021.** Since the start of the scheme a **total of 11.7 million jobs have been put on furlough** for at least part of the duration of the scheme.

The total number of employments furloughed in the UK trend up to 31st August 2021:



Source: HMRC CJRS data

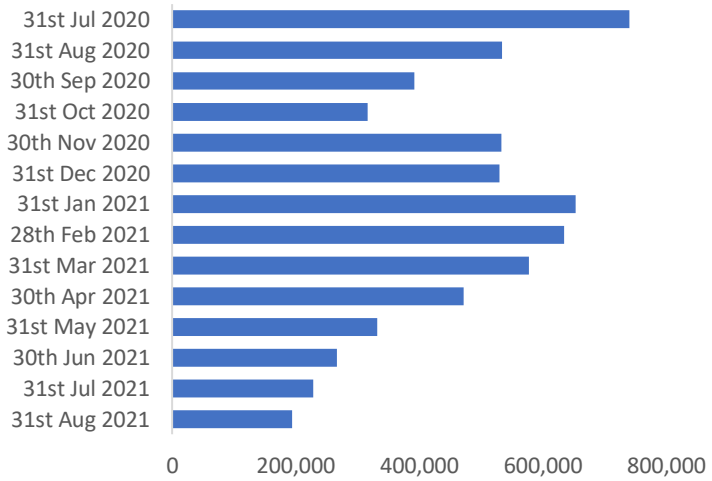
At the end of August **those aged 65 and over had the highest take-up of all age groups**. The 65 and over age band had take-up rates of 7% and 8% for female and male employments at 31st August 2021.

The largest reduction is for employers with 250 or more employees where the number of employments on furlough decreased by 78,900 from 31st July 2021 to a provisional estimate of 185,800 at 31st August 2021.

Midlands Engine Summary:

Analysis over time shows that across the Midlands Engine there were 740k employments furloughed on the 31st July 2020, with the figure decreasing between August and October 2020. There was an increase in the number of employments furloughed between November 2020 to January 2021. The number of employments on furlough has fallen since January and provisional figures show that **the number of employments on furlough was 194k on the 31st August 2021. T**his equated to a **4.5% take-up** rate for the scheme, compared to UK-wide of 4.6%.

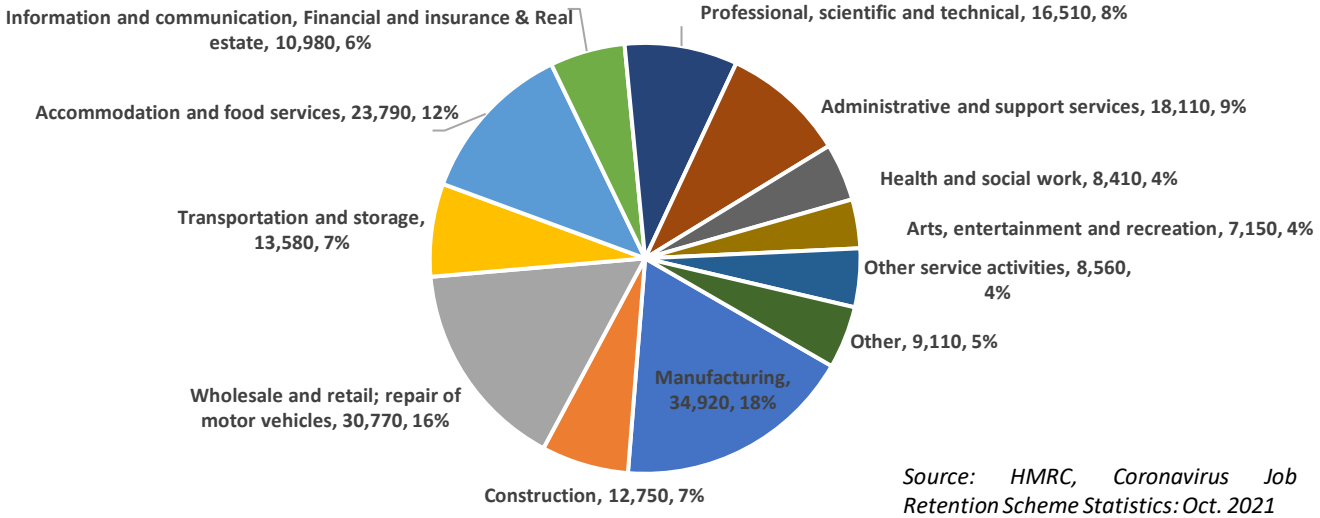
Total number of employments furloughed in the Midlands Engine at the end of each month:



On the 31st August 2021, for the Midlands Engine area there was a higher percentage of **males furloughed at 4.9%** compared to **females at 4.1%**. The figures for UK were 4.9% for males and 4.3% for females.

On the 31st August 2021, the sector with the highest number of employments furloughed was manufacturing **at 34,920.**

Number of employments furloughed by broad sector for the Midlands Engine area on the 31st August 2021:



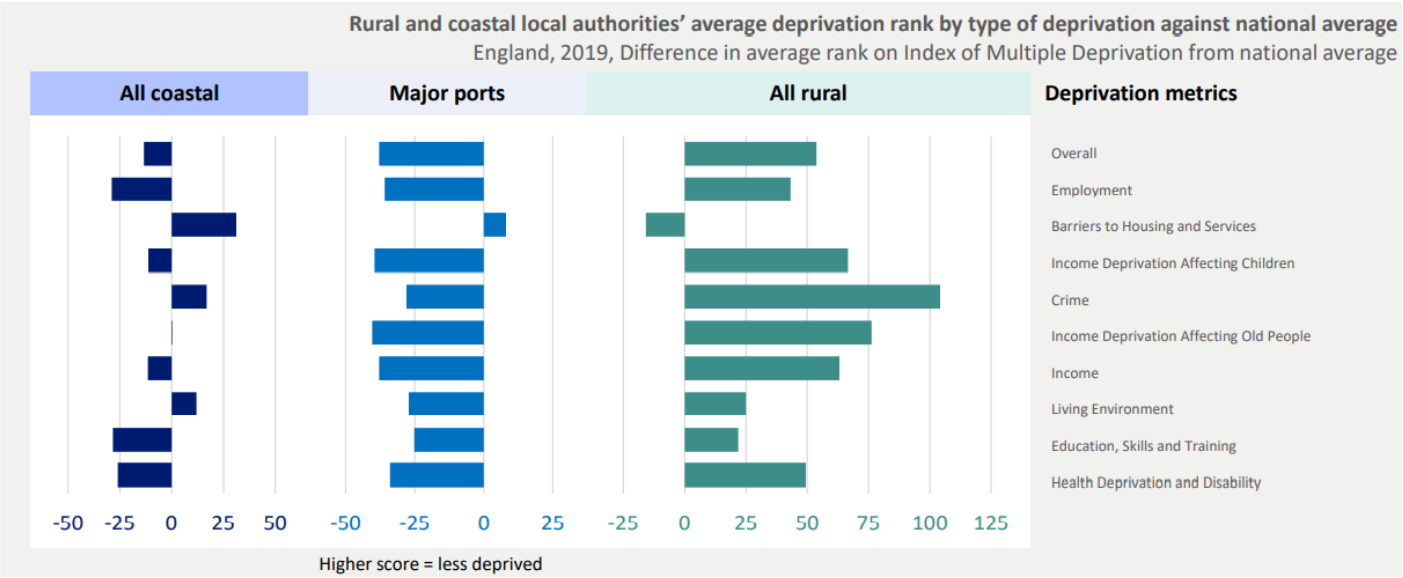
Source: HMRC, Coronavirus Job Retention Scheme Statistics: Oct. 2021

Strengthening Economies in Rural and Coastal Areas

Pragmatix Advisory, commissioned by the Local Government Association, has explored the **economic challenges facing rural and coastal areas**, specifically around deprivation. There are known issues in rural and coastal areas such as more poor quality housing, higher suicide rates, more drug-related deaths, weaker educational achievement, an ageing population, and **a £102 billion productivity gap**. The **full impact of COVID-19 is yet to be seen** in these places. Targeted investment to capitalise on emerging trends could ensure rural and coastal economies future growth.

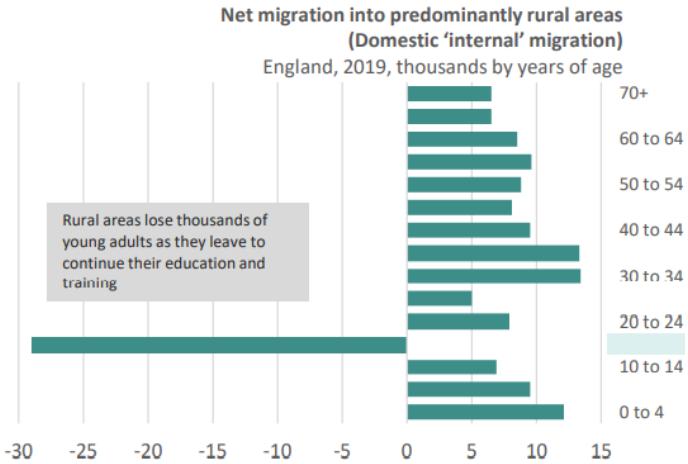
Current measures that inform the Index of Multiple Deprivation and agglomeration of statistics at local authority level hide pockets of deprivation. This includes issues like **mental health which is a significant concern**, especially among farmers. Secondly, students in coastal areas are more likely to attend secondary school rated 'inadequate' or 'required improvement', lowering academic outcomes for individuals and communities. This compounds the **dramatic loss of young people** as they leave to continue their training and education. Consequently, there is an aging population and a **higher burden of care** in rural and coastal areas which is disproportionally undertaken by volunteers as local authorities struggle with funding and low population density. **In 2019-20, nearly 45% of rural residents volunteered** compared to just under 30% in urban areas.

Deprivation is uneven across different sorts of rural and coastal communities



There are **higher levels of entrepreneurs in rural areas**, but this hides the **seasonality of work and multiple jobs** held by rural and coastal residents. **Levels of underemployment in rural and coastal areas are consistently higher** than the national average. Low levels of digital connectivity are an issue with around **8% of premises in mainly rural local authorities being without 4G mobile coverage** and **nearly 7% of all premises in mainly rural local authorities not reaching at least 30Mbit/s,** with **3% not reaching the universal service obligation of 10Mbit/s**.

Migration patterns show a loss of young people from rural and coastal areas. There are also high levels of self-employment and entrepreneurship



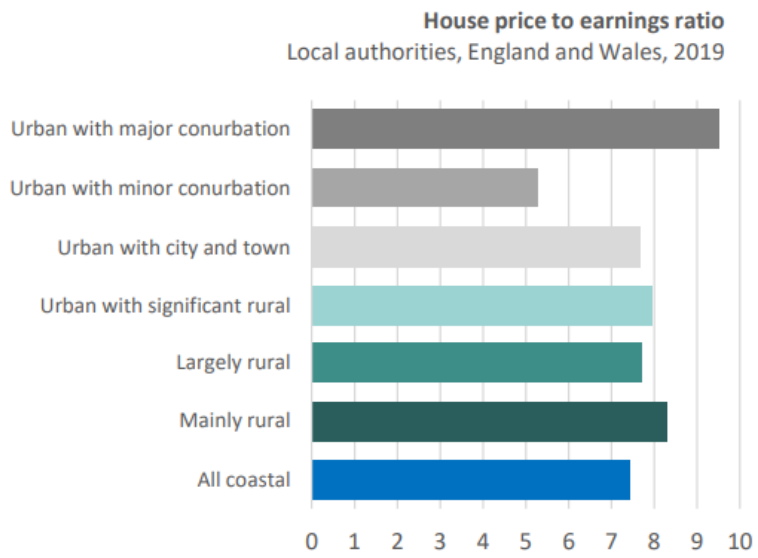
Source: Pragmatix Advisory, Rural recognition, recovery, resilience and revitalisation, 2021

Strengthening Economies in Rural and Coastal Areas

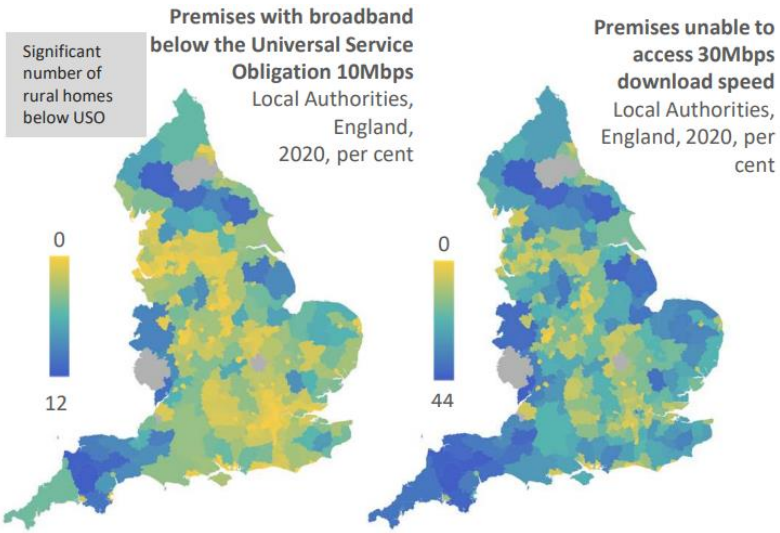
Employment in rural and coastal industries are dominated by **tourism, manufacturing, and agriculture**. All of these sectors have been severely affected by the pandemic. This results in **lower wages and more causal employment patterns**, which has an impact on household incomes. Many rural and coastal households run multiple cars and are seeing **house prices increase** due to the growth of second homes and holiday homes in desirable areas. The house price to earnings ration is not considered by Multiple Indexes of Deprivation and therefore is not accounted for in the distribution of government funding.

It has been estimated that **one third of coastal communities were yet to recover from the 2008 financial crash** when the pandemic arrived. However, there are positive trends that may support rural and coastal economic recovery – **increased purchase of local food**, more people opting for **'staycations'** and **increased homeworking**. These trends **could contribute £51 billion per annum to the rural economy by 2030**. However, support is needed to ensure this benefit is realised. This includes **improved digital connectivity**, **improved physical connectivity**, and ensuring a **balance between residential and tourist needs**. This would allow small businesses, which are more common in rural and coastal areas than the national average, to access a larger market and labour pool, as well as allow more people to work from home and young people to access training and education more easily.

House price to earnings ratio is poor in rural and coastal communities



Maps showing the coverage of 10 and 30 Mbps internet speeds across England



Small businesses **require additional financial and business support**, as nano and micro enterprises often have the least cash reserves. **Seasonality of business** also needs to be addressed, with an additional later bank holiday potentially extending the season.

Improved public transport and increased access to electric vehicle charging points which account for large numbers of tourists during peak season would improve accessibility of services and reduce emissions across rural and coastal areas. However, this **requires increased capacity for rural areas across the grid** through the increased production of renewable energy by rural and coastal areas.

Reimagining rural and coastal towns and villages would address population growth and deprivation. **Creating village hub and GigaPubs** – local centres with gigabit broadband, hot desking, and networking - would support **business growth and internet connectivity**, as well as encouraging the use of **local high streets**.

Skills for traditionally rural and coastal sectors like farming and forestry **require extensive training in technologies and equipment**. Online and hybrid teaching allows more young people to attain these specialist skills without relocating to major towns and cities. However, courses need to be **aligned to local and national skills** needs and further consideration needs to be given to how courses are delivered to reduce the 'brain drain' in rural and coastal communities.

Plans for the success of rural and coastal communities must **respond to specific local challenges**. **Smaller councils lack the capacity to bid for government funds**, but this should not limit the growth of these areas.

Source: Pragmatix Advisory, Rural recognition, recovery, resilience and revitalisation, 2021

Regional Economic Impact of Student Spending

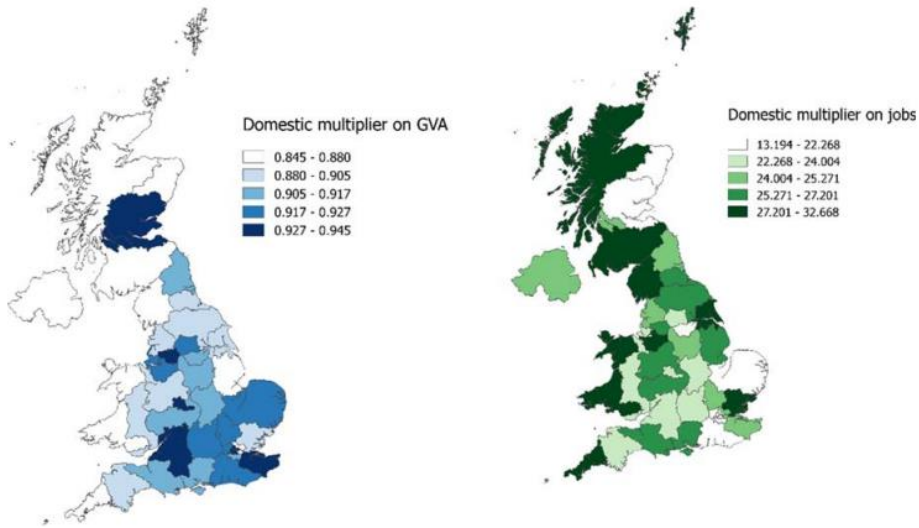
Higher Education Institutes (HEIs) are **significant contributors to national and local economies**, where they act as **catalysts of positive change** through investment, training, and jobs. However, as new research by City REDI shows, the **economic impacts are not evenly distributed across UK regions**. Universities have become civic institutions and tools for regional development, making their economic impact on the region important for local success.

There have been previous attempts to quantify the regional economic impact of universities, but these have been limited because of **assumed absorptive capacity of the regions** for these benefits and a **lack of regional data**. A new approach which uses a multi-regional input-output framework focuses on the **role of local industrial structures** and relationships to **measure the trade spill overs and feedback effects** of student spending.

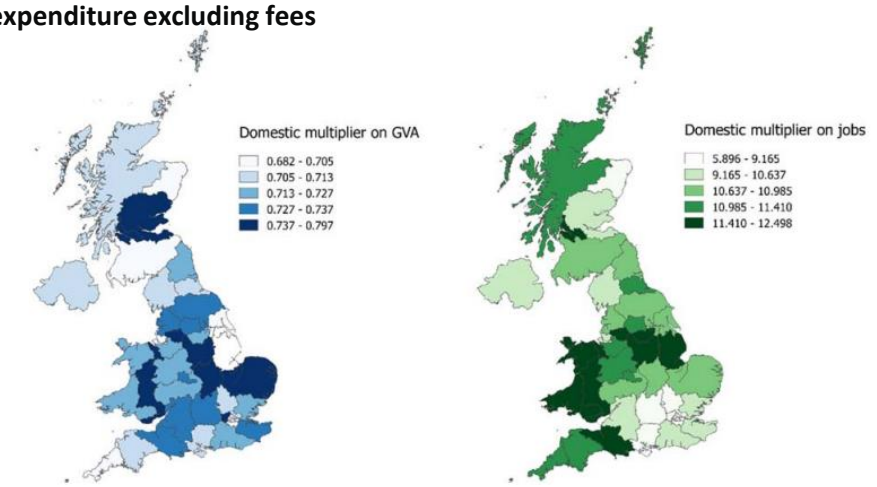
The **maximum direct GVA multiplier is 17% higher** than the minimum multiplier, **and job multipliers reaching a maximum of 12.5 jobs per £1 million expenditure**, twice the minimum. These differences are due to variations in spill overs and the ability of regions to capitalise on student expenditure.

This method allows spending to be broken down by **the effect on different industries**. By focusing on spending that is actually happening, this model is also able to overcome the issue other models face around supply restrictions. It also allows for **trade relations between regions** within a national economy to be accounted for, as different regions are involved in the supply chains. **Different fee status's** are also considered (UK, non UK, post graduate and under graduate).

Domestic multipliers on GVA and jobs (per 1 million spent) from student expenditure on fees



Domestic multipliers on GVA and jobs (per 1 million spent) from student expenditure excluding fees



Based on the latest data available for student spending (2014/15), **more than 40% of student expenditure is on education, with 18% on accommodation**. These products account for two-thirds of the total consumption by university students.

Fee-related multipliers are higher than the rest of the student expenditure, whilst **GVA multipliers vary** more widely. More urban areas, such as the West Midlands, see **highest GVA multipliers as education centres are often closely related to other services**. Student expenditure in the West Midlands generates more direct jobs than in Inner London, even though it has 20% fewer FTE students. This is because the interaction between student spend and industrial structures interact with the size of the local economy to determine the importance of the student spend. **Student spending accounts for up to 4.2% of GVA and 4.7% of employment in the West Midlands**.

There are some places such as Derbyshire and Nottingham and Leicestershire, Rutland, and Northamptonshire that have **high absorptive capacity but limited spill over inflow** from other areas. These regions would benefit from **increasing trade flows** with other regions. The West Midlands has some of the strongest direct and indirect benefits from student expenditure. The level of regional diversification and specialisation determine the differences in direct and spill over effects.

Source: Universities, students and regional economies: a symbiotic relationship?, City REDI

The Value of Ethnic Minority Firms to the UK

The Federation of Small Businesses have sought to quantify the economic and social contributions of ethnic minority led firms on UK communities and the economy in their latest report. Data is sparse, with the report relying on the 2018 Small Business Survey and the Global Entrepreneurship Monitor (GEM). The research shows that there are **higher instances of entrepreneurship, export, and process investment and research among ethnic minatory led-businesses**, but this seems to be declining. There are variations between different ethnic groups.

Ethnic Minority Businesses (EMBs) contribute £25 billion per annum GVA, which is equivalent to the chemical industry or large cities like Manchester or Birmingham. EMBs can be found in sectors such **as Information Technology and Construction, as well as traditional strongholds like retail and hospitality**. Businesses tend to be geographically centred in large cities like London and the West Midlands. They provide vital services to communities as owners of convenience stores and corner shops, grocers and private hire taxi firms. **The success of ethnic minority entrepreneurs will be important to the economic and social recovery** programme after COVID-19.

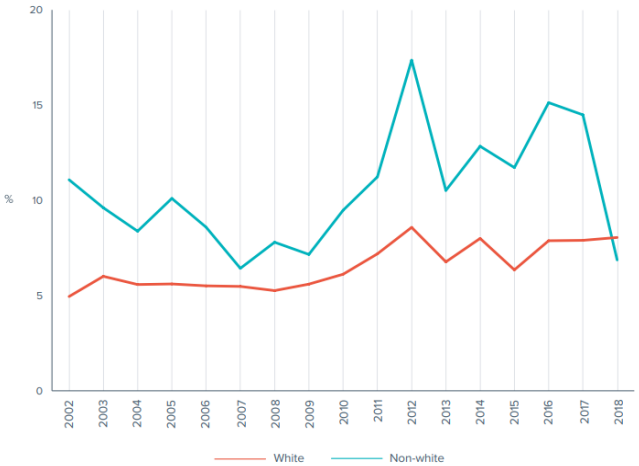
However, EMBs have suffered particular risks and challenges throughout the pandemic. This includes higher concentrations of ethnic communities and businesses in deprived areas, putting them at **greater risk of COVID-19**. EMBs are also **overly concentrated in sectors most adversely affected like hospitality, retail, and transport**. They also have less engagement with formal networks of support and guidance.

EMBs have been successful up to the pandemic. **There were 250,000 EMB firms in 2018, with 42,000 or 17% of these being women led**. South Asian women are most likely to lead a business, and **25% of Pakistani and 19% of the Bangladeshi workforce being self-employed**. The majority of ethnic led businesses have no employees.

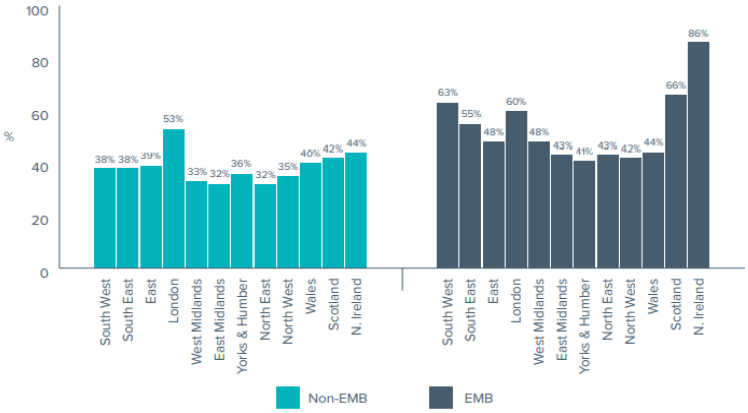
From 2018, there is a **marked decline in entrepreneurial activity, investment, and exports**. There is no clear reason for this, but the report suggests that the uncertainty caused by the EU referendum may be a factor. Total Entrepreneurial Activity (TEA rate) dropped to a record low for non-white groups, with the GEM recording a higher TEA rate for the white group than the non-white group for the first time.

GEM data shows that EMB respondents had higher levels of exports than non-EMBs in every region. **In 2015, more than 10 per cent of ethnic minority-led firms reported export activity** in the past 12 months compared to 12.4% of non-EMB businesses. In **2018 where 15 per cent of EMBs reported exports in the previous year** compared to the 13.9 per cent amongst white firms. EMB firms were more likely to plan to export in the future**. Process and product innovation among EMB firms saw a drop between 2015 and 2018**, although remaining above the non-EMB average.

TEA rate 2002-2018 by Ethnic Group, GEM



% of SMEs that export, split by Non-EMB and EMB by region, GEM



Business support, networks, and finance are fundamental to growth, but **EMBs often do not access formal networks**. Informal networks are used more across all non-white ethnic groups. In **2015, 60.2% of EMBs engaged with informal networks, compared to 55.8% of non-EMBs.**

The **make up of EMB entrepreneurs is changing** as Asian entrepreneurs move towards knowledge-rich activities and corner shop ownership moves to Polish, Somali, Kurdish or Arab owners. **Comprehensive and regular studies into ethnic minority entrepreneurship should be conducted**, including **improved categorisations of ethnicity** to reflect the growing 'mixed' population and white but foreign entrepreneurs (for example from Europe or South Africa). It is only with further research that better support can be provided for different ethnicities and challenges within the EMB community.

Source: FBS, Unlocking Opportunity: The value of ethnic minority firms to UK economic activity and enterprise, 2021

3) Business Environment

UK Business: Activity, Size and Location

The UK Business: activity, size and location dataset released in October 2021 provides a snapshot of the Business Demography dataset from 12th March 2021. The fuller Business Demography is released in November each year which provides the total number of active enterprises, births, deaths and survival rates.

Enterprises and Characteristics

The snapshot from March 2021 shows there were **380,560 enterprises** in the Midlands Engine area, an increase of 0.4% (+1,525 enterprises) compared to March 2020 snapshot, the UK increased by 0.6%.

The latest snapshot data (March 2021) shows in the Midlands Engine area, **89.3% (339,750) of enterprises employed between 0-9 employees**, below the UK average of 89.7%. The percentage of enterprises that employed 10-49 people was above the UK average (8.7% vs 8.4%) and also for enterprises that employed 50 to 249 people (1.6% vs 1.5%).

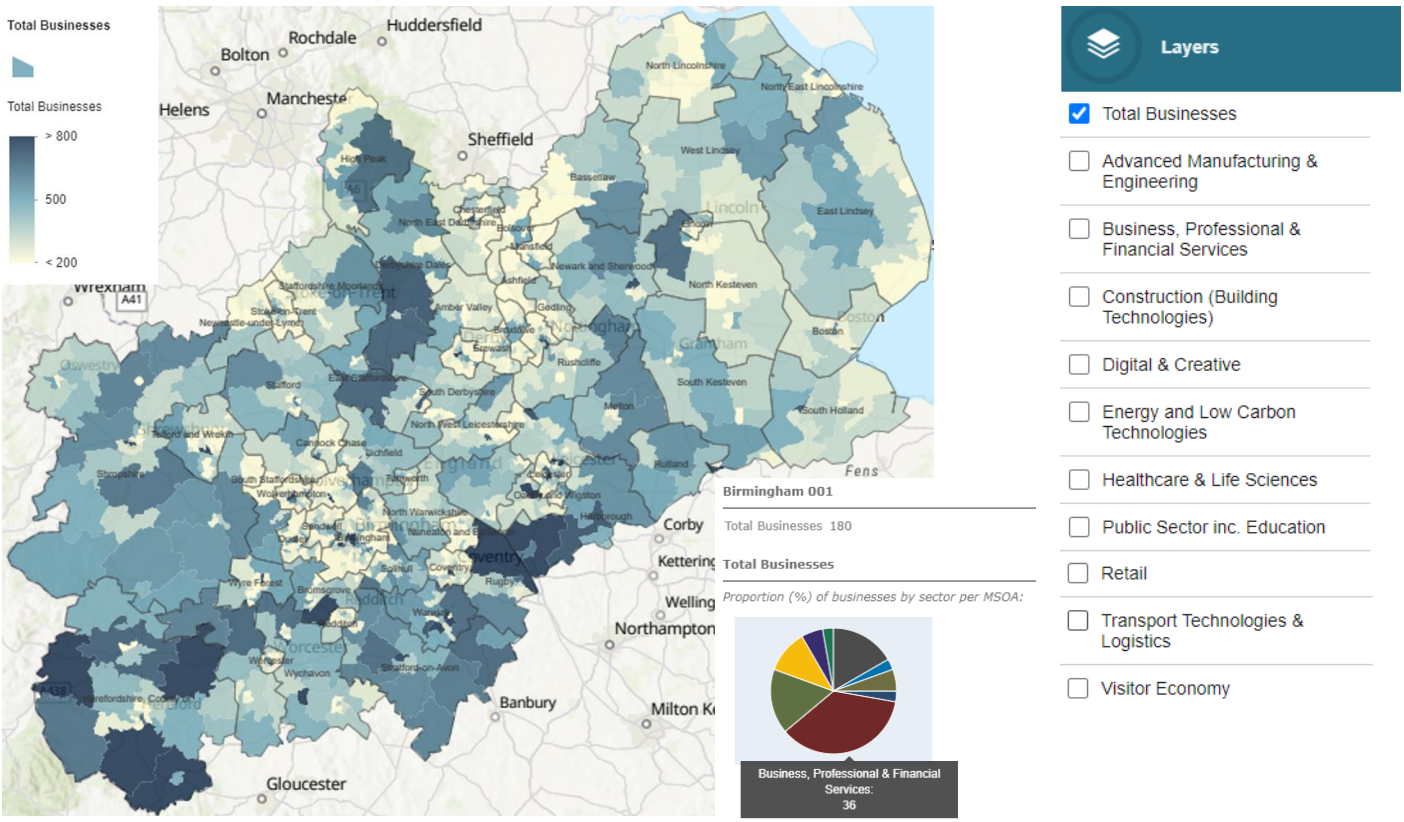
The Midlands Engine area had a **higher proportion of enterprises with a turnover between £250,000 - £999,000 at 21%** of enterprises, the UK was at 20.2%. The region also exceeds the UK average for enterprises with turnovers between **£1m - £4.99m at 7.3% of enterprises**, while the UK average was 7.0%.

Enterprises by Sector

In the Midlands Engine area, the sector with the highest proportion of enterprises was the **business professional and financial services which accounted for 30.5% of the business base**, compared to UK average of 33%.

The 2021 snapshot shows that the Midlands Engine had a **higher proportion of enterprises in six sectors when compared to the UK**. These sectors were; advanced manufacturing and engineering (6.7% vs 5.1%), energy and low carbon activities (6.0% vs 5.7%), healthcare and life sciences (4.0% vs 3.8%), public sector including education (2.1% vs 1.9%), retail (16.4% vs 14.7%) and transport technologies and logistics (6.8% vs 5.0%).

Located in the business section of the Midlands Engine State of the Region 2021 report is an interactive map at Middle layer Super Output Areas (MSOA's) which shows the total enterprises by the ten sectors**. An example of the total enterprises map can be seen below,** when total businesses is selected and a MSOA, a pie chart is produced to also show the breakdown of enterprises by sector (Birmingham 001 has been used to demonstrate this) or individual sectors can be selected to look at a fuller picture of the sector.



Regional Trade in Goods

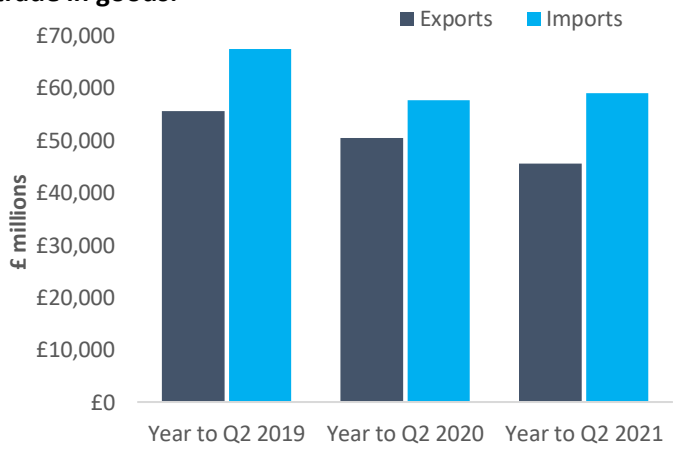
In the year ending Q2 2021, the **Midlands area exported £45.6bn worth of goods and imported nearly £59bn**. This represents a trade deficit of £13.3bn.

The **value of exports for the Midlands have decreased by £4.8bn (-9.5%) when compared to year ending Q2 2020.** The **UK decreased overall by 3.5% to £302bn** over the same period. Excluding the North East, North West and the East, all other UK countries and regions saw a decrease in the annual export value.

The **Midlands area accounts for 20.4% of England's exports which is above London (15.9%) and the South East (17.8%).**

The **value of imports for the Midlands have increased by £1.3bn (+2.3%)** when compared to year ending Q2 2020. The North West, Yorkshire and the Humber and Northern Ireland also saw an increase in the value of imports, UK-wide value increased by 1.3% to £441.3bn over the same period.

The following chart shows the Midlands trends for trade in goods:



Standard International Trade Classification (SITC)

The largest SITC section for exports in the Midlands area was **machinery and transport at £30.1bn** – 66% of total; of which £17.4bn (57.8%) went to non-EU locations. Compared to the year ending Q2 2020, overall this SITC section decreased by £4bn (-11.7%).

The largest SITC section that was imported across the Midlands area was **machinery and transport at £25.5bn,** which is 43.2% of total imports (of which £15.1bn of imports was from the EU). This section overall has decreased since the year ending Q2 2020 by £332m (-1.3%). However, when split between EU and non-EU, there was an increase of £228m from the EU but a decrease of £559m from non-EU countries.

The following table shows a breakdown of exports and imports by SITC section:

	Midlands Region		
	Year to Q2 2020	Year to Q2 2021	% Change
Total Exports by SITC Section	£ millions		
0 Food and Live Animals	£1,643	£1,612	-1.9%
1 Beverages and Tobacco	£121	£107	-11.6%
2 Crude Materials	£1,086	£1,400	28.9%
3 Mineral Fuels	£265	£210	-20.8%
4 Animal and Vegetable Oils	£60	£73	21.7%
5 Chemicals	£2,996	£3,045	1.6%
6 Manufactured Goods	£4,894	£4,458	-8.9%
7 Machinery and Transport	£34,083	£30,111	-11.7%
8 Miscellaneous Manufactures	£5,135	£4,521	-12.0%
9 Other commodities nes	£104	£82	-21.2%
Total Exports	**£50,388**	**£45,620**	**-9.5%**
Total Imports by SITC Section			
0 Food and Live Animals	£5,702	£5,586	-2.0%
1 Beverages and Tobacco	£464	£474	2.2%
2 Crude Materials	£1,259	£1,484	17.9%
3 Mineral Fuels	£751	£568	-24.4%
4 Animal and Vegetable Oils	£161	£169	5.0%
5 Chemicals	£4,338	£4,553	5.0%
6 Manufactured Goods	£9,646	£10,457	8.4%
7 Machinery and Transport	£25,817	£25,485	-1.3%
8 Miscellaneous Manufactures	£9,491	£10,158	7.0%
9 Other commodities nes	£14	£25	78.6%
Total Imports	**£57,642**	**£58,957**	**2.3%**

Country Group

The highest value of exports from the Midlands area was to the European Union at £22bn which accounted for 48.3% of the total. **The value of exports to the European Union has decreased by £1bn (-4.4%) from the year ending Q2 2020.** However, while EU exports increased between Q1 and Q2 2021 across the Midlands, both the East and West Midlands regions reported lower than average quarter-on-quarter growth (9.6% and 9.9% respectively compared to 18.1% across the UK overall).

The **highest value of imports to the Midlands area was from the European Union at £32bn, which accounted for 56% of the total.** This was a **decrease of £135m** (-0.4%) when compared to the year ending Q2 2020.

The following table shows a breakdown of exports and imports by Country Group:

	Midlands Region		
	Year to Q2 2020	Year to Q2 2021	% Change
Exports by Country Group	£ millions		
Asia & Oceania	£10,255	£9,023	-12.0%
Eastern Europe (excl EU)	£792	£888	12.1%
European Union	£23,039	£22,030	-4.4%
Latin America and Caribbean	£669	£590	-11.8%
Middle East and North Africa (excl EU)	£2,687	£2,040	-24.1%
North America	£10,291	£8,597	-16.5%
Sub-Saharan Africa	£797	£667	-16.3%
Western Europe (excl. EU)	£1,856	£1,782	-4.0%
Undefined Country Group	£2	£3	50.0%
Total Exports	£50,388	£45,620	**-9.5%**
Imports by Country Group			
Asia & Oceania	£14,443	£16,580	14.8%
Eastern Europe (excl EU)	£568	£451	-20.6%
European Union	£33,143	£33,008	-0.4%
Latin America and Caribbean	£954	£928	-2.7%
Middle East and North Africa (excl EU)	£1,291	£1,115	-13.6%
North America	£4,805	£3,825	-20.4%
Sub-Saharan Africa	£623	£701	12.5%
Western Europe (excl. EU)	£1,816	£2,349	29.4%
Undefined Country Group			
Total Imports	**£57,642**	**£58,957**	**2.3%**

Access to Finance

The British Business Bank's first annual Regions and Nations Tracker has reported that **funding disparities risk the economic potential of the Midlands Engine.**

- The West Midlands has accounted for **three per cent of equity investments since 2011 and 6% of private debt** activity in 2018 and 2019, while hosting **eight per cent of the business population**.
- The East Midlands has accounted for **two per cent of equity investments since 2011** and **six per cent of private debt** activity in 2018 and 2019, while hosting **seven per cent of the business population.**

The largest four regions within the UK, London, the South East, the East of England and the North West, host 55% of the business population but take in 86% of equity investment. These areas also outperform on private debt, attracting 69% of investment.

The disparity is despite **almost half of Midlands' businesses using external finance in 2021**, a trend overall moving upwards: the level of external finance usage across the UK is 13 percentage points up on the first quarter of 2020 and is among the highest rates of usage seen across the last 10 years. The East Midlands is one of the most London-reliant parts of the country, with **50% of UK-based backers of the region operating from the capital.**

West Midlands

Finance Demand		
Measure	**Period**	**Value**
Proportion of SMEs Willing to Use Finance to Grow	2020	35.0%
Proportion of SMEs that View Finance as a Major Obstacle	2020	7.5%
Proportion of SMEs with a Formal Business Plan	2020	24.2%
Proportion of SMEs aware of the British Business Bank	2020	24.0%

Finance Supply			
Measure	**Period**	**Value**	**% of UK Total**
Number of SME Loans and Overdrafts approved	2020	122,274	7.9%
Number of SME Equity Deals	2020	52	2.5%
Value of SME Equity Deals	2020	£381,891,071	4.3%
Number of Private Debt Deals	2019	42	9.9%

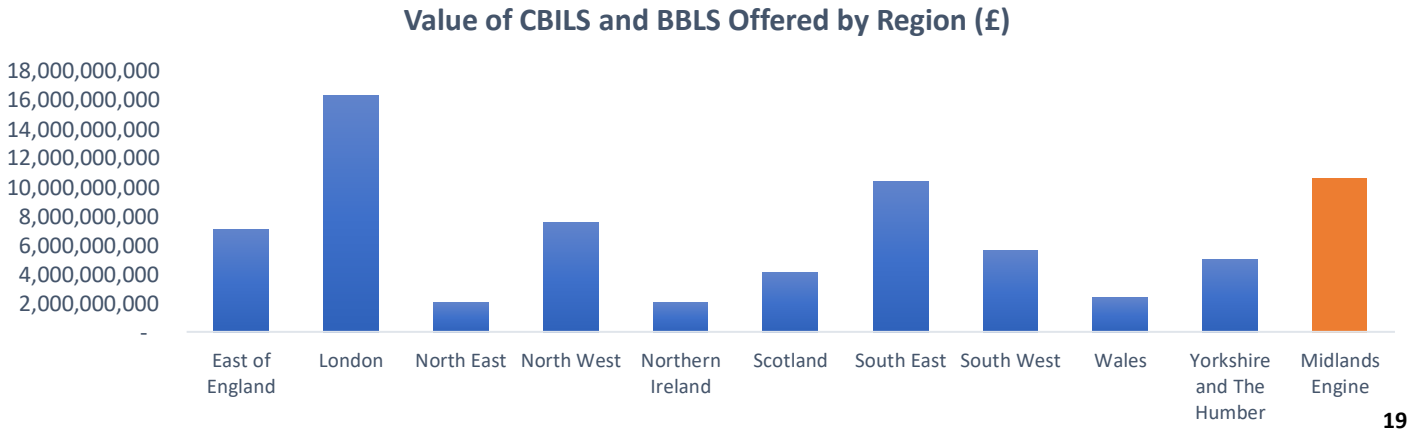
East Midlands

Finance Demand		
Measure	**Period**	**Value**
Proportion of SMEs Willing to Use Finance to Grow	2020	29.0%
Proportion of SMEs that View Finance as a Major Obstacle	2020	9.6%
Proportion of SMEs with a Formal Business Plan	2020	23.2%
Proportion of SMEs aware of the British Business Bank	2020	26.0%

Finance Supply			
Measure	**Period**	**Value**	**% of UK Total**
Number of SME Loans and Overdrafts approved	2020	76,991	5.0%
Number of SME Equity Deals	2020	32	1.6%
Value of SME Equity Deals	2020	£76,241,757	0.9%
Number of Private Debt Deals	2019	23	5.4%

The intense working capital pressures businesses faced in the wake of the pandemic led to the creation of the Coronavirus Business Interruption Loan Schemes; the Bounce Back Loan Scheme (BBLS) and the Coronavirus Business Interruption Loan Scheme (CBILS). These schemes were used in great number by the business population contributing to a record **16% of businesses reporting that they were using bank loans at the end of 2020, higher than the proportions utilising credit cards or overdrafts.**

Analysis of final loans scheme's data by British Business Bank reveals the regional and local distribution of these loans. Businesses **across the UK have benefitted from 1,670,939 government-guaranteed loans worth £79.3bn**. These loans helped support their cashflow during the crisis through schemes delivered by the British Business Bank. The data shows that the proportion of overall loans in each of the nine English regions and three Devolved Nations matches **closely their respective share of the UK business population.**



Access to Finance

The total number of CBILS and BBLS loans provided to Midlands' businesses (West and East Midlands regions) represents **15% of the national total**, in line with the relative size of the regions' business population.

Across the Midlands Engine area as a whole, **over 240,000 CBILS and BBLS loans have been offered, totalling a value of £10.6 billion.** This is higher than any other UK region outside of London, stressing the desperation for regional businesses to access funding during the pandemic.

Specifically:

- Nearly **225,000 loans** worth **over £6.7bn** have been offered in the **Midlands Engine** under the Bounce Bank Loan Scheme (BBLS).
- **Over 16,000 loans worth nearly £4bn** have been offered in the **Midlands Engine** under the Coronavirus Business Interruption Loan Scheme (CBILS)

LEP-level data provides a breakdown across different Midlands places – also available at lower geographies including constituencies and local authorities.

	CBILS		BBLS		TOTAL	
LEP / Region	**Value of Loans Offered (£)**	**Number of Loans Offered**	**Value of Loans Offered (£)**	**Number of Loans Offered**	**Value of Loans Offered (£)**	**Number of Loans Offered**
Black Country	£386m	1,561	£738m	23,500	£1.1bn	25,061
Coventry and Warwickshire	£379m	1,513	£602m	20,261	£981m	21,774
Derby, Derbyshire, Nottingham and Nottinghamshire	£753m	3,049	£1.2bn	41,198	£1.9bn	44,247
Greater Birmingham and Solihull	£730m	2,884	£1.4bn	44,722	£2.2bn	47,606
Greater Lincolnshire	£334m	1,435	£576m	20,599	£910m	22,034
Leicester and Leicestershire	£454m	1,881	£738m	23,811	£1.2bn	25,692
Stoke-on-Trent and Staffordshire	£372m	1,643	£632m	21,398	£1.0bn	23,041
The Marches	£240m	1,053	£452m	15,440	£692m	16,493
Worcestershire	£256m	1,005	£383m	13,284	£639m	14,289
West Midlands	£2.1bn	8,413	£3.8bn	124,011	£5.9bn	132,424
East Midlands	£1.8bn	7,325	£2.9bn	98,670	£4.7bn	105,995
Midlands Engine (9-LEP)	£3.9bn	16,024	£6.8bn	224,213	£10.6bn	240,237

- Of the Midlands LEPs, **Greater Birmingham and Solihull, and Derby, Derbyshire, Nottingham and Nottinghamshire LEPs received the highest amount and value of loans**: £2.2bn from 44,722 loans and £1.9bn from 41,198 loans respectively.
- Most likely due to their general smaller size, **Worcestershire and The Marches LEPs received the least number and value for CBILS and BBLS loans**: £639m from 13,284 loans and £692m from 15,440 loans respectively.
- **Black Country LEP has the highest differential between the proportion of Midlands businesses and loan uptake**, suggesting **demand for CBILS and BBLS was disproportionately high** compared to other LEPs. Greater Birmingham and Solihull and Leicester & Leicestershire see a similar trend but to a lesser extent.

The national data also provides analysis of loan uptake across sectors with **construction (17%) and wholesale and retail (15%)** receiving the highest proportion of total loans.

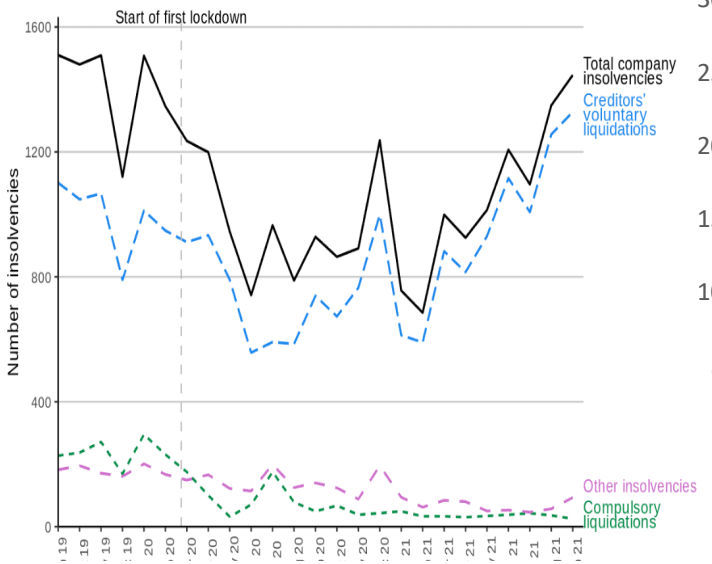
Insolvencies

The ongoing impact of Covid and legacy of lockdowns, coupled with the tapering off of emergency government support provides a difficult environment for business. This is reflected in the increased demand for business finance in the last 18 months, as **firms attempt to stabilise their cash flow and ultimately survive**. With much emergency government support now withdrawn, the impacts are beginning to show in the data, with the **number of profit warnings issued by UK listed businesses based in the Midlands** rising by one to six in the third quarter of the year, according to new research:

- EY-Parthenon's latest Profit Warnings report found that **warnings nationally rose to 51 in the third quarter of the year, up 19 from Q2 2021,** as threats to growth and profitability increased.
- Most warnings in the region came from **Industrial FTSE sectors and a third (33 per cent)** of Midlands-based companies issuing a warning said that **supply chain issues were hampering their business.**
- Midlands listed businesses issued the **joint second highest number of profit warnings**, along with the South East.

Even more alarmingly, **business closures are now at their highest total since March 2020 across the UK.** This is according to the latest monthly company insolvency statistics released by **The Insolvency Service, as reported by BusinessRescueExpert**.

- The number for England and Wales inclusively last month was **1,446 – which has increased by 98 from 1,348 in August (up 7.2%) and is also 56% higher than the corresponding period of September last year** when there were only 928 insolvencies recorded.
- The figure is now **only slightly lower (4%) than the last pre-pandemic period two years ago when 1,510 were recorded in September 2019** but it appears to be only a matter of time until the numbers rise higher than this watermark.



BusinessRescueExpert's Year of Lockdown's report provided a Corporate Insolvency ratio by region, estimating that the **West Midlands had the 4th highest ratio (statistically likelihood of businesses undergoing an insolvency event) – 1 in 473 – while the East Midlands had the 6th highest ratio (1 in 249).**

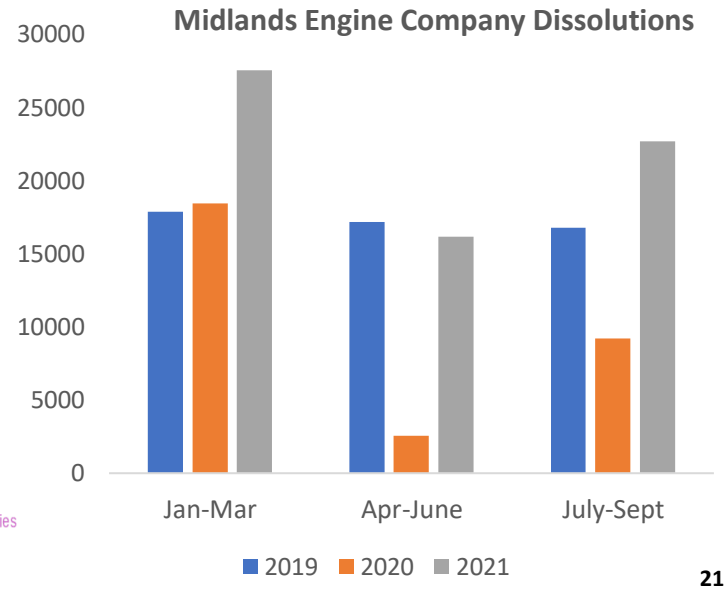
Yet the previous analysis on 2020 focuses on the fact that **corporate insolvencies fell to their lowest records since 2007**, the main reason being the plethora of government emergency support measures to keep businesses afloat.

Individual insolvencies **also decreased in 2020**, for the first time in five years.

- In 2020 the rate of individual insolvency in England and Wales was **23.7 per 10,000 adults**, meaning that one in every 422 adults entered an insolvency procedure during that year.
- The **East Midlands rate was 25.4 per 10,000 adults**, a decrease from 28.2 in 2019.
- The **West Midlands rate was 24.3 per 10,000 adults**, also a decrease from 26.4 in 2019.

However, the end of most government financial support appears to be resulting in a **return to normal, pre-Covid levels of insolvency,** or potentially a worse situation given the vulnerabilities and **ongoing challenges that businesses and individuals are facing.** This reflects business insolvency currently given the data available.

High-level analysis of the FAME database reports that overall **company dissolutions appear to be rising to pre-Covid levels and higher**. In the latest quarter (Q3), **23,000 dissolutions were reported in the Midlands Engine, compared to 9,206 in 2020 and 16,753 in 2019**. A similar story of increasing company closures was also reported earlier in the year.



4) Household Incomes

Gross Disposable Household Income

Office for National Statistics (ONS) recently released Gross Disposable Household Income for the period of 2019. Gross Disposable Household Income (GDHI) is **the amount of money that all of the individuals in the household sector have available for spending or saving after they have paid direct and indirect taxes and received any direct benefits**. GDHI is a concept that is seen to reflect the "material welfare" of the household sector. GDHI estimates are produced in current prices.

Total GDHI

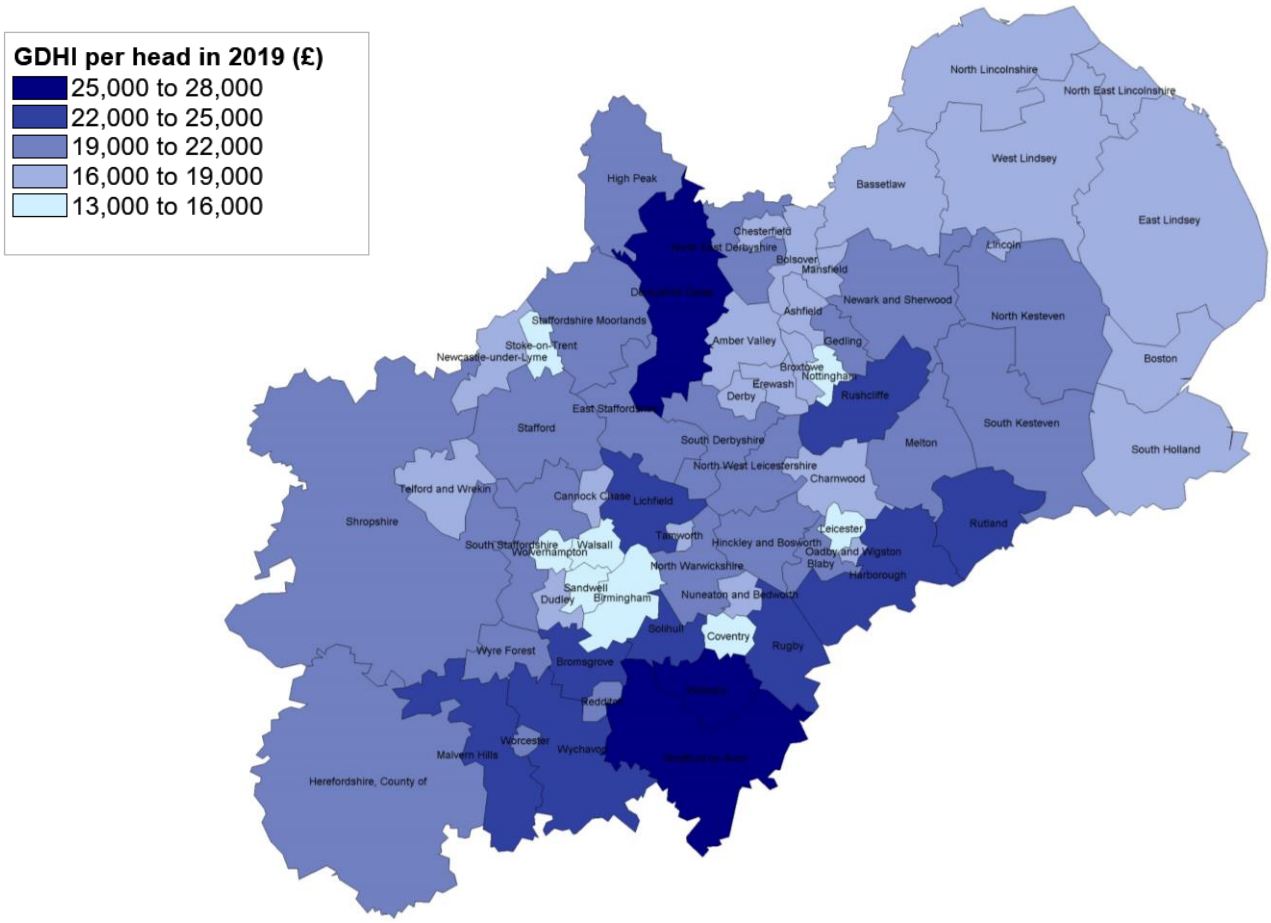
The Midlands Engine total GDHI has increased from £183.5bn in 2018 to £188.8bn in 2019. This equates to a 2.9% (+£5.3bn) annual increase, below UK-wide growth of 3.1%. **Within the Midlands Engine all local authorities experienced an increase** in total GDHI between 2018 and 2019. Warwick had the highest percentage GDHI increase, reporting 8.0% growth (+£299m) to £4bn. This was followed by Rutland, increased by 6.3% (+£58m) to nearly £1bn and then South Kesteven increasing by 5.9% (+£170m) to nearly £3.1bn.

GDHI per Head

The Midlands Engine GDHI per head has increased from £17,830 in 2018 to £18,241 in 2019. This equates to a 2.3% (+£411) increase, slightly below the UK-wide growth of 2.5%. There is a **shortfall of £3,192 to the UK figure** (£21,433).

Within the Midlands Engine, Since 2018, **Warwick had the highest percentage GDHI per person increase**, reporting 7.1% growth (+£1,848) to £27,980 in 2019, which is £6,547 above the UK. Warwick also had the highest GDHI per head in 2019. In contrast since 2018, **GDHI per person decreased in four local authorities**: Stratford-on-Avon (-0.8%), Bromsgrove (-0.5%), Rugby (-0.5%) and Harborough (-0.5%), although all four local authorities GDHI per head remains above the UK-wide figure in 2019. Nottingham had the lowest GDHI per head (£13,381) across all ITL3 areas in the UK in 2019. This was followed by Leicester being second lowest (£13,802) and then Sandwell the third lowest (£14,454).

The following map shows GDHI per head in 2019 for local authorities across the Midlands Engine:



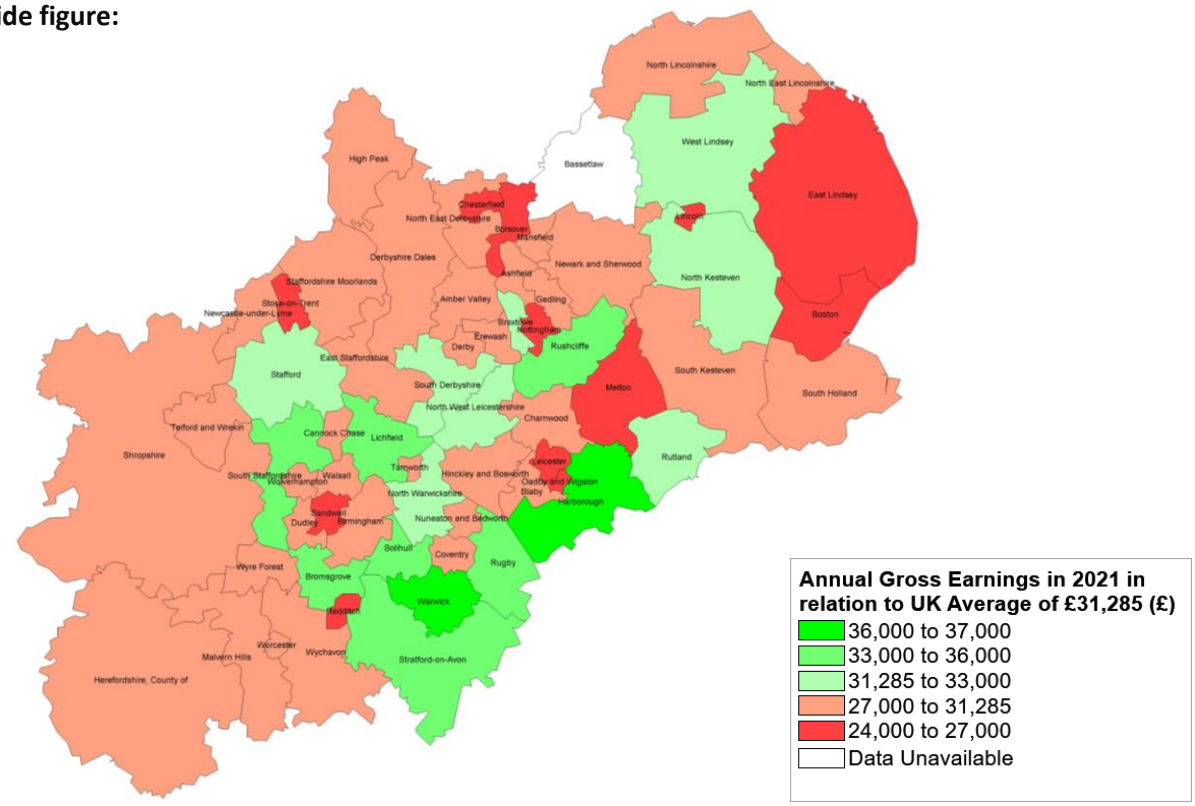
Earnings

Full Time Annual Earnings

Average full-time annual earnings for Midlands Engine residents decreased by £256 (-0.9%) since April 2020 to £29,754 in April 2021, the UK decreased by 0.6%. The Midlands Engine resident earnings are at 95.1% of the UK average, with the average resident earning £1,531 less than the UK average of £31,285.

At local authority level within the Midlands Engine, resident full-time earnings vary from £24,017 in Melton to £36,862 in Warwick in April 2021.

The following map shows resident annual full-time earnings across the Midlands Engine in 2019 in relation to the UK-wide figure:



Average **full-time workplace annual earnings** for the Midlands Engine increased by £121 (+0.4%) since April 2020 to reach **£28,491** in April 2021, the UK decreased by 0.6%. The Midlands Engine workplace earnings are at 91.1% of the UK average, with the average earnings £2,794 less than the UK average of £31,285.

Gender pay gap

Gender pay gap is defined as the difference between men's and women's hourly earnings as a percentage of men's earnings. Within the Midlands Engine, the **largest median gender pay gap for work-based pay was Redditch at 36.8%** and the **largest median gender pay gap for home based was South Staffordshire at 35.3%**. Notably at local authority level within the Midlands Engine, **Tamworth and North East Derbyshire both had a negative work based median gender pay gap** (women being paid higher than men on average) at -9.1% and -5.2% respectively.

Regional National Minimum Wage and National Living Wage

In April 2021, there were approximately **99,000 employee jobs in the West Midlands Region and 82,000 employee jobs in the East Midlands** with employees aged 16 years and over who were **paid below the National Minimum Wage (NMW) or National Living Wage (NLW)**. For both the East Midlands and West Midlands regions this accounts for 4.3% of employee jobs, the UK rate was 3.8%.

Source: ONS – Annual Survey of Hours and Earnings, October 2021. Please note, compositional and base effects are likely to affect the growth rates, as the data for April 2020 was affected by both the coronavirus pandemic, in terms of wages and hours worked in the economy, and also disruption to the collection of data from businesses; this means **that comparisons with 2020 need to be treated with caution.**

5) Business Intelligence

Business and Insights and Conditions Survey

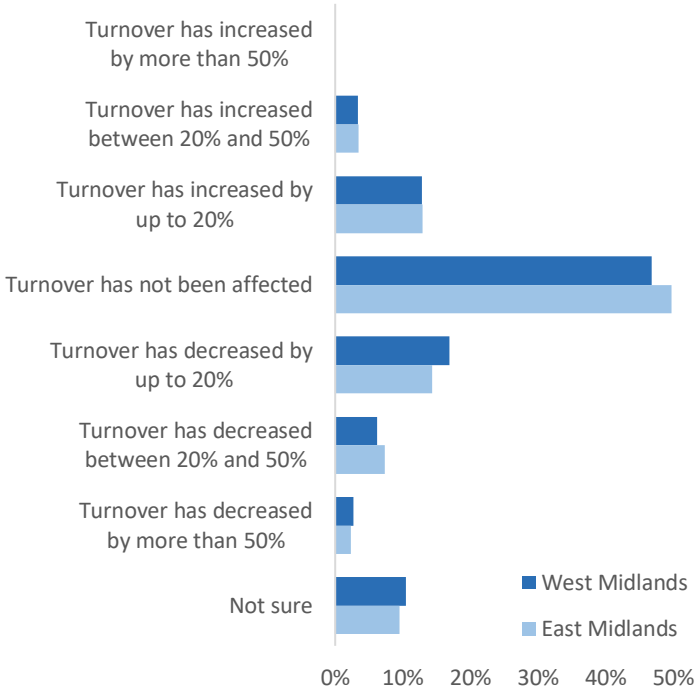
The Office for National Statistics (ONS) have published the final results from [Wave 41 of the Business Insights and Conditions Survey (BICS)](#).

Trading and Financial Performance

98.8% of responding West Midlands businesses and also 98.8% of East Midlands businesses reported their business trading status as currently trading.

25.8% of trading businesses in the West Midlands and 23.9% of East Midlands businesses reported their turnover had decreased by at least 20%.

The following chart shows how business turnover has been affected in Midlands regions:

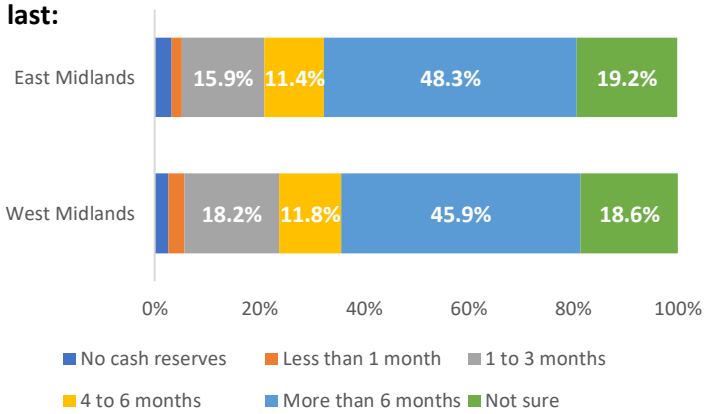


Excluding 'not sure' responses, **42.2% of West Midlands businesses and 43.9% of East Midlands businesses reported the main reason for the change in the business turnover in the last two weeks was due to COVID-19.** 2.1% of West Midlands businesses and 2.5% of East Midlands businesses reported the main reason as the end of the EU transition period. 15.0% of West Midlands businesses and 13.2% of East Midlands businesses reported that it was due to both COVID-19 and the end of the EU transition period and 24.0% of West Midlands businesses and 23.4% of East Midlands businesses reported 'other' as the main reason for the change in turnover.

Cash Reserves

2.6% of West Midlands businesses and 3.2% of East Midlands businesses have no cash reserves.

The following chart shows for West Midlands and East Midlands businesses how long their cash reserves would last:



International Trading

2.3% of West Midlands and 2.2% of East Midlands businesses within the last two weeks had not been able to export. Meanwhile, less than 1% of business in the West Midlands and less than 1% of East Midlands businesses had not been able to import within the last two weeks.

23.4% of exporting businesses in the West Midlands and 22.9% for the East Midlands reported their businesses were still exporting but less than normal. 18.7% in the West Midlands and 17.9% in the East Midlands were importing less than normal.

60.4% of West Midlands businesses and 62.4% of East Midlands businesses who were exporting reported that they had not been affected and 65.3% of West Midlands importers and 64.2% of East Midlands importers said that importing had not been affected.

2.3% of businesses in the West Midlands and 2.5% of East Midlands businesses were exporting more than normal. The figures for importing more than usual are 3.6% for the West Midlands and 6.2% for the East Midlands.

Business Confidence, Debts and Insolvency

73.7% of West Midlands businesses and 77.2% of East Midlands businesses had high confidence of business survival for the next three months.

23.5% of West Midlands businesses and 23.3% of East Midlands businesses reported debt repayments were up to 20% of turnover. Approximately 5.9% of West Midlands businesses and 2.5% of East Midlands businesses reported debt repayments were over 20% of turnover. Although, 39.2% of West Midlands businesses and 41.4% of East Midlands businesses reported no debt obligations.

5.6% of West Midlands businesses and 5.3% of East Midlands businesses reported they were at moderate risk from insolvency.

Business Insights and Conditions Survey

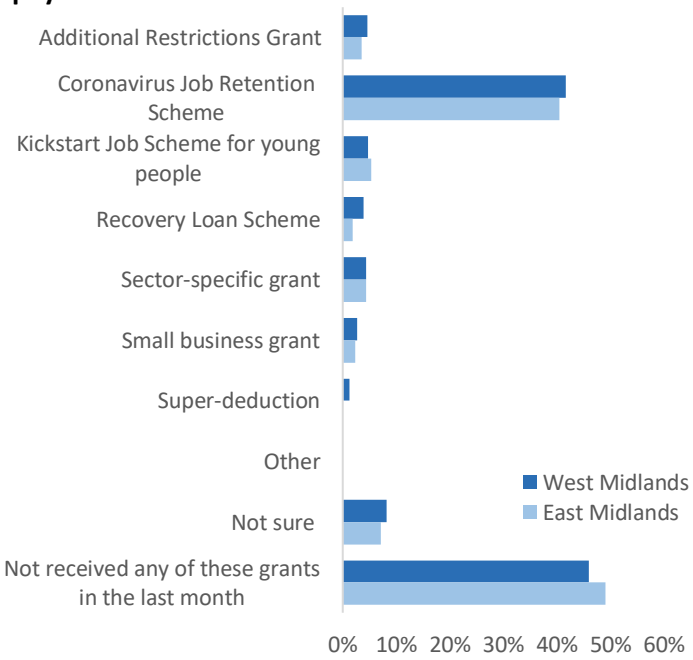
Return to the Workplace

Excluding 'not sure' or 'not applicable' responses, **49.8% of West Midlands businesses and 48.2% of East Midlands businesses reported the workforce had already returned to the normal place of work.** 21.6% of West Midlands businesses and 23.4% of East Midlands businesses expected the workforce to return in less than six months. 1.4% of West Midlands businesses and 1.6% of East Midlands businesses expected the workforce to return in over six months time. 7.6% of West Midlands businesses and 7.0% of East Midlands businesses reported there was no expectations of the workforce returning to the normal place of work.

Grant Payments

In the last month, 41.6% of West Midlands businesses and 40.4% of East Midlands businesses have received payment from the Coronavirus Job Retention Scheme.

The following graph shows (if known or applicable) what grant or scheme businesses have received payment in the last month:

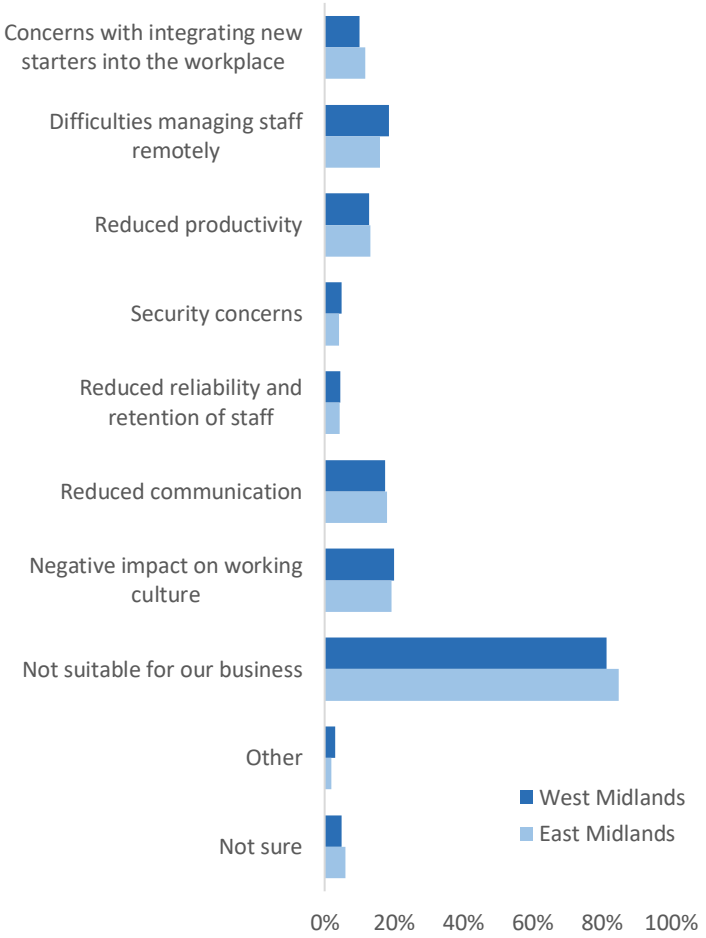


Homeworking

33.2% of West Midlands businesses and 33.5% of East Midlands businesses reported their business intended to use increased homeworking as a permanent business model going forward. The favoured response as to why the business intend to use increased homeworking going forward at 84.2% of West Midlands businesses and 83.4% of East Midlands businesses was improved staff wellbeing.

38.9% of West Midlands businesses and 39.8% of East Midlands businesses that they did not intend to increase homeworking as a permanent business model. The favoured response as to why businesses do not intend to use increased homeworking going forward at 81.4% of West Midlands businesses and 85% of East Midlands businesses was that it was not suitable for the business.

The following chart shows the Midlands regions why businesses do not intend to use increased homeworking:



Carbon Emissions

40.2% of West Midlands businesses and 41.1% of East Midlands businesses reported they had switched to LED bulbs to reduce carbon emissions.

29.7% of West Midlands businesses and 31.5% of East Midlands businesses reported no action was being taken to reduce carbon emissions.

In the West Midlands there was a response rate of 24% and in the East Midlands a response rate of 25.3% where businesses have a presence in the region. There was a response rate of 22.4% for the West Midlands and 25% of East Midlands businesses are headquartered in. Businesses were asked for their experiences for the reference period 20th September to 3rd October 2021. However, for questions regarding the last two weeks, businesses may respond from the point of completion of the questionnaire (4th to 17th October 2021). The data is unweighted and should be treated with caution.

Local Business Intelligence

This section draws on contributions from the East Midlands Chamber, Make UK, the NFU, FSB and Universities across the region (sourced from Midlands Innovation and Midlands Enterprise Universities networks).

East Midlands Overview (EMC - East Midlands Chamber)

The results from the Quarterly Economic Survey for the third quarter of 2021 show a **mixed picture** that hides a number of variables at play in the East Midlands economy.

Growth continues across most indicators, with domestic markets again being the strongest performer. Cashflow continues to improve for more businesses than not, training investment intentions are positive and overall confidence in future turnover continues its upward trajectory. As the economy continues its reopening after a successful vaccine rollout, the pent-up demand that characterised much of the summer remains a positive factor. But there are also a few of areas of concern. Price **pressures continue from increased raw material costs, pay settlements and, increasingly, energy costs.** This has knock-on effects with investment in machinery and equipment growth – an important ingredient in fuelling a recovery – falling back slightly on the previous quarter.

Performance in overseas markets remains volatile and, while turnover confidence has grown from Q2, confidence in increased profitability has fallen back, a result of rising input costs and squeezed margins.

Recruitment is also a growing problem, with over seven in 10 struggling to fill vacancies across all skills levels.

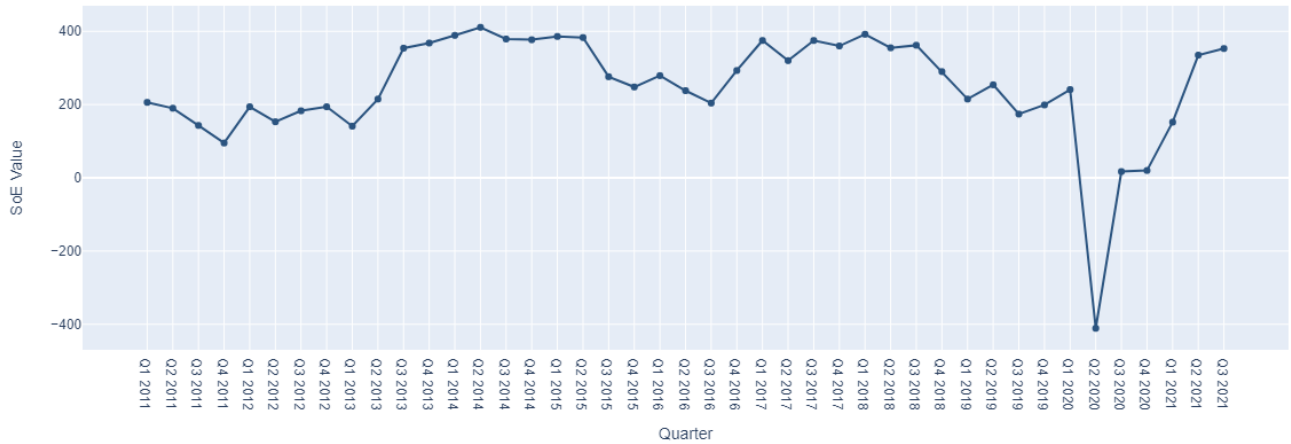
Summary of Q3 Quarterly Economic Survey:

Indicators	Net Value - Q2 2021	Net Value - Q3 2021	Net change over quarter	Direction of change
UK Sales	31.0 %	37.0 %	6.0 %	●
UK Orders	34.0 %	36.0 %	2.0 %	●
Overseas Sales	0.0 %	8.0 %	8.0 %	●
Overseas Orders	11.0 %	6.0 %	-5.0 %	●
Labour Force (Past 3 Months)	20.0 %	25.0 %	5.0 %	●
Cash Flow	7.0 %	15.0 %	8.0 %	●
Workforce (Next 3 months)	41.0 %	38.0 %	-3.0 %	●
Future Prices	48.0 %	46.0 %	-2.0 %	●
Investment in Machinery	17.0 %	16.0 %	-1.0 %	●
Investment in Training	23.0 %	26.0 %	3.0 %	●
Confidence Turnover	62.0 %	63.0 %	1.0 %	●
Confidence Profitability	41.0 %	37.0 %	-4.0 %	●

EMC State of the Economy Index Q3

Compared to Quarter 2, this quarter saw slight growth. The state of economy index value for the current quarter is 353. Although the rate of improvement slowed in Q3, this composite index continues to improve from its historic low point in Q2 2020.

The following chart shows the state of economy index trends:



The EMC report shows many factors at play in shaping current challenges for businesses – the impact of policy responses to the pandemic on the recovery, changes in individual approaches to work expectations, structural changes to supply chain operations and immigration rules as a result of Brexit, and global shortages as the whole world looks to bounce back. The balance of influence of these different factors, some which are temporary and others that may be longer term, is still being unpicked. Full report on the EMC QES can be found here.

Manufacturing - Make UK - Overview

Make UK's Q3 2021 Manufacturing Outlook report, in partnership with BDO, highlights the sector's return to growth following many months of turmoil. Last quarter **manufacturers reported output levels expanding at record rates,** thanks mainly to **growth in domestic orders.** However, export orders have also continued to improve since the start of the year as manufacturers from the UK side better adapt to new trading conditions. Yet, some risks remain as manufacturers from the EU side are only beginning to understand the weight of the changes in the UK-EU relationship. The third quarter's figures have shown remarkable improvement across all our primary metrics, with 8 out of 10 rising to record heights. The latest data confirms that the bounce back which started early this year has maintained speed till now with only supply-chain disruptions highlighted as the main barrier holding manufacturers back. Still, we are yet to achieve any new growth as on average manufacturers are still clawing back lost output from 2020.

An output balance of 42% this quarter indicates the largest ever share of manufacturers who have increased their output levels, relative to those that have reported a decrease. **This continual expansion in output is mirrored by the continual growth in order books both domestically and internationally**. Both the UK order and export order balances have expanded to record levels this quarter, reporting at 48% and 37% respectively. The UK order balance has grown in positive territory for the last three quarters now, meaning the domestic market may well be establishing itself as a reliable source of demand for UK manufacturers. **This is likely driven partly by the increased frictions between UK-EU trade leading to some manufacturers seeking new relationships with suppliers at home.** However, exports are also improving with the orders balance here jumping from 22% to 37% this quarter.

Qualitative intelligence

Make UK report growing concern in relation to energy costs – particularly in those sub-sectors that are more intensive users of energy, such as steel. Whilst gas and electricity prices rose over the past eight months across Europe, due to increased gas demand in Asia and lower supply from Russia, the increase is considerably higher here in the UK. In April, UK electricity prices rose to £50/MWh (compared to just £30/MWh the year before), before soaring above £100/MWh in August. **September saw UK volatile wholesale prices explode to astronomical levels, not seen for decades, peaking at £2,500/MWh.** Even more worryingly, the monthly average UK wholesale cost reached £200/MWh – double compared to French & German averages at £110/MWh.

It is expected that the UK will continue to experience high and frequent peaks in electricity prices leading to further production stoppages, damages to plants and long-term injury to the UK steel sector. On top of the widely different wholesale price element of the total cost, the ongoing policy cost disparity that UK steelmakers have suffered for years has also increased. Altogether, this has resulted in the overall price disparity now rocketing out of proportion to £109.30MWh – adding a further £22m per month to UK steelmakers, **costs that our competitors are not paying.**

Post Brexit changes to trading arrangements with the EU have been a major source of concern for manufacturers for some time. **The specific nature of this concern is shifting as we approach the end of the year** and international economies have opened-up. The practicalities of international travel for staff are becoming a greater source of concerns, as is the prospect in January of full implementation by the EU of rules of origin checks on imports from the UK.

Logistics and supply problems remain a fact of life for many. Lead times and costs of containers required to transport goods internationally have increased markedly. Alternative local sources of supply are not available for many manufacturing inputs.

Small Business – FSB

Since the last report, Midlands-based small businesses have seen the end of the furlough scheme, the scrapping of the small employer sick pay rebate, and the closure of the Apprenticeship Incentive.

FSB is concerned about the challenges that small businesses in the Midlands now face as **support is withdrawn and other pressures mount up, including inflation, staff and supply shortages, energy price spikes, increased VAT,** and the prospect of major tax rises and the ending of the suspension of insolvency rules. Local, regional and cross-regional meetings have seen these issues flagged time and again by small firms and by business-facing stakeholder organisations alike.

The announcement of a 1.25% increase in National Insurance Contributions was a major concern, as it means annual Employer NICs for a small business with five employees on salaries of £31,000 will rise to £16,500. The total annual cost of the hike to the small business community is set to be £5.7bn and FSB analysis suggests that unemployment could rise by as many as 50,000 as a direct consequence.

FSB Midlands members who trade internationally continue to report major difficulties due to the Covid-19 pandemic and the UK's exit from the EU. **Since the end of the transition period, around 19 per cent of small exporters have temporarily stopped exporting to the EU, 21 per cent are considering stopping exporting to the EU and 4 per cent have already stopped exporting to the EU.** A link to the FSB report 'Ready to Launch' on export strategy is available here.

The FSB wrote to the Treasury in advance of the Budget and Spending Review setting out wide-ranging recommendations to help mitigate the impacts of rising costs and driving value in public sector spending, particularly with regards to procurement.

Farming – NFU

Concerns remain within the sector about the impact that the UK's new immigration system is having on the availability of labour – particularly for seasonal roles. The recent announcement of 800 temporary visas for skilled butchers is welcomed and it is hoped that this will help to ease the widely reported bottlenecks in the processing of meat that have resulted in problems for farmers, particularly pork producers. The NFU has advocated the introduction of a '12-month Covid recovery visa scheme' as a means to ease recruitment problems for key roles affecting the sector.

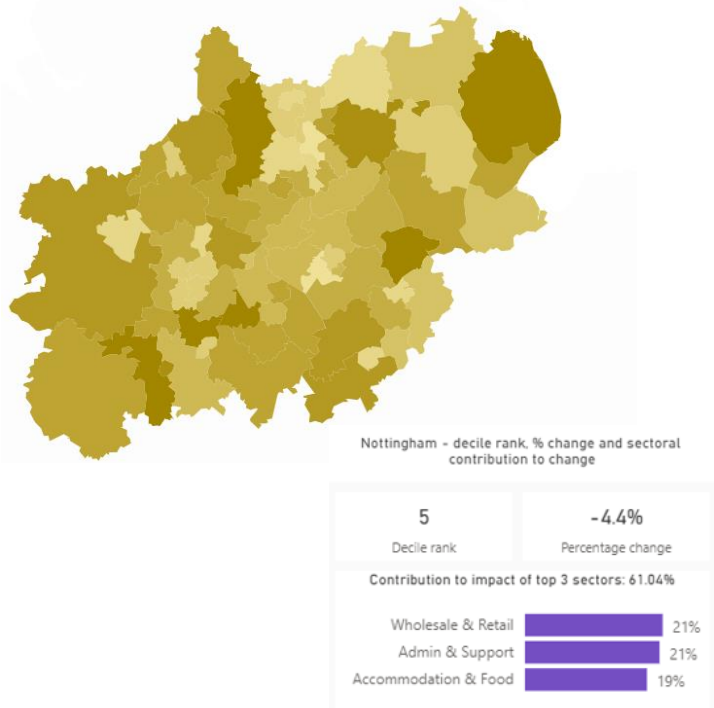
A degree of scepticism is reported relating to the attractiveness of short-term seasonal employment to UK workers at a time of rising demand for labour and hence recruitment in other sectors.

The widely reported loss of some 100,000 lorry drivers as a result of the combination of Brexit and the pandemic continues to cause problems – particularly in relation to the frequency of collections from farms producing perishable food products and deliveries to supermarkets.

Local Authority Estimates for Impacts on Private Sector Employment, Sales and Investment

Researchers at Nottingham Trent University (NTU) and the Derby, Derbyshire, Nottingham and Nottingham (D2N2) LEP have updated their **estimates of the impact of pandemic on local economies.**

One product of this work is a simple dashboard that combines monthly Bank of England Decision Maker Panel (DMP) data with that from the Office for National Statistics (ONS) Business Register and Employment Survey (BRES) to estimate historic and expected impacts on private sector employment, sales and investment for every UK local authority – the dashboard is available here. The dashboard has been revised to include more information on the sectoral composition of local economies that in turn drive the spatial variations in outcome estimates. **Example of Employment Growth Expectations for 2021 Q3:**



From a policy perspective, this analysis continues to highlight the importance of spatially sensitive targeting of support to local economies. Also, the likelihood that different areas may experience recovery over differing timescales is high which again with implications for the duration of support required.

Local Business Intelligence By Sector

SECTOR	KEY INSIGHTS
Manufacturing	• Manufacturers are concerned with the winter periods and the **staffing shortages** they may face due to staff being advised to stay at home for cold and flu like symptoms. This will have an **impact on productivity and cost due to over time.** • Regarding the energy crisis, some current suppliers have now gone out of business and manufacturing organisations are having to look at other energy saving opportunities that are on offer. Due to the size and complexity of some of these buildings, **solutions for heating etc could be extremely costly.** • Companies report ongoing issues with **steel quotas,** short deliveries, **long lead times for raw materials**, cashflow as terms extended and suppliers terms shortened, cash tied up in stock, difficulties in recruiting, difficulties in retention with additional costs. There is a **particular shortage of welders and drivers.** • **SMMT:** September was a desperately **disappointing month for the automotive sector** with registrations of **new cars and vans decreasing by -34.4% and -39.5% respectively**. Despite strong demand for new vehicles over recent months, these markets have been stalled by the reduced global availability of semiconductors.
Food & Drink / Agriculture	• An ambitious project will create a **top 10 global food cluster in Greater Lincolnshire** with the potential to create an additional £2bn of GVA and 11,000 jobs by 2030. • The **UK Food Valley food cluster** will be officially launched at the Greater Lincolnshire LEP's annual conference at the Lincolnshire Showground on Tuesday 2nd November. • In the immediate term, **UK agriculture continues to be hit hard by labour shortages**.
Low Carbon	• The narrative around the **climate emergency is beginning to reach businesses** that have not previously engaged with sustainability and net zero. However, there is concern that a lack of in-depth knowledge in the sector may cause them to be accused of "greenwashing". **Improved education is part of the solution as well as outreach to businesses to provide support and encouragement with their net zero journey.** • **Energy prices** ahead of winter are becoming a concern for businesses that have a high usage. A combination of variables have caused energy, particularly wholesale gas prices, to rise, and for businesses operating on a tight profit margin, this could be a significant threat. • Startups launching in the climate/clean energy space are experiencing interest from financiers, but in many situations this is **yet to translate to actual investment.** • The continued narrative around **COP26** in November is causing businesses to consider their carbon footprint, and take steps to quantify and mitigate its growth. There is **concern that the narrative will drop after COP passes.**
Hospitality & Entertainment	• With Covid cases on the rise, **nightclub owners in the region are concerned about potential closures during the Christmas and New Year periods,** stating that they may not survive another extended closure period. • Several hospitality business engaged with are expressing concern over the rising cases, and the possible reintroduction of certain restrictions. For those **operating pubs, winter can often be the best time of the year and reports of declining attendance have already started coming through.** Those who managed to stay afloat during the pandemic and reopened on the 17th May 21 cannot afford to take any further knocks and are counting on the winter period to carry them through. • The sector's grave staff shortages issue also continues, with **bouncers / security staff the latest role to be identified** as an area with large gaps in employees.
Social Economy	• A showpiece Shropshire conference bringing together social enterprises and private companies has been moved to a new date in the new year (February 17th). • The **Spark Social Conference** – organised by the Marches Growth Hub Shropshire and Shropshire Council – will show businesses how **teaming up with social enterprises can help boost their bottom line.** • Other local areas provide focus on social enterprise too, such as the **Black Country LEP with a recently formed Social Enterprise Taskforce.** • **Social Enterprise Day 2021,** co-ordinated by Social Enterprise UK, is on Thursday 11th November.

DISCLAIMER OF LIABILITY

Every effort is made to provide accurate and complete information however we make no claims, promises or guarantees and expressly disclaim any liability for errors, omissions or actions taken by others on the basis of information provided.

For any queries please contact the lead authors:

Professor Delma Dwight/ Rebecca Riley/ William Rossiter

Delma_Dwight@blackcountryconsortium.co.uk R.L.Riley@bham.ac.uk William.Rossiter@ntu.ac.uk

MIDLANDS ENGINE Observatory

Produced by:

Black Country Consortium Economic Intelligence Unit

WM REDI

NOTTINGHAM BUSINESS SCHOOL NOTTINGHAM TRENT UNIVERSITY

In Partnership:

Black Country LEP

UNIVERSITY OF BIRMINGHAM BIRMINGHAM BUSINESS SCHOOL

CITY REDI

Aston University BIRMINGHAM UK

Birmingham City Council

BIRMINGHAM CITY University

Midlands Enterprise Universities

UK Research and Innovation

West Midlands Growth Company

West Midlands Combined Authority

BPS BIRMINGHAM

CWLEP Coventry & Warwickshire Local Enterprise Partnership

Greater Birmingham Chambers of Commerce

Greater Birmingham & Solihull Local Enterprise Partnership

fsb

East Midlands Chamber Derbyshire Nottinghamshire Leicestershire

CBI

MAKE uk The Manufacturers' Organisation

Greater Lincolnshire Local Enterprise Partnership

llep creating economic prosperity Leicester & Leicestershire Enterprise Partnership

MIDLANDS INNOVATION

The Marches Local Enterprise Partnership Herefordshire · Shropshire · Telford & Wrekin

D2N2 Derby Derbyshire Nottingham Nottinghamshire

Stoke-on-Trent & Staffordshire Enterprise Partnership

Worcestershire Local Enterprise Partnership