West Midlands
Monthly Economic Impact Monitor

Issue 120 Publication Date 31/03/25

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

Concerns about geopolitical risks and further fragmentation of the global economy are leading to policy uncertainty and a weakening of business and consumer sentiment. In the Spring Statement the UK Chancellor of the Exchequer announced welfare reforms and civil service cost cuts, alongside an increase in defence spending. Businesses and households are facing increasing bills from April 2025. The West Midlands Employment Index is showing the fastest rate of job shedding in over four years but the West Midlands Future Business Activity Index displays an increase in confidence.

Global outlook

- The latest OECD Economic Outlook Interim Report highlights that recent activity indicators point to a softening of global growth prospects. Business and consumer sentiment have weakened in some countries. Inflationary pressures continue to linger in many economies. Policy uncertainty has been high and significant risks remain. Further fragmentation of the global economy is a key concern.
- Global GDP growth is expected to moderate from 3.2% in 2024 to 3.1% in 2025 and 3.0% in 2026, with higher trade barriers in several G20 economies and increased policy uncertainty weighing on investment and household spending.

National outlook – Spring Statement, March 2025, and OBR forecasts

- In her first Spring Statement the Chancellor of the Exchequer has made a number of policy announcements, with more announcements around departmental spending in June following a Spending Review.
- With regard to **welfare reform**, incapacity benefits under universal credit will be halved and cut for new claimants, with Incapacity Benefits being frozen in cash terms for existing claimants at £97 per week from April next year, with a potential top-up payment for those with the most severe conditions.
- There will also be a stricter eligibility test for personal independence payments (PIPs), the main disability benefit, from November 2026.
- Those aged under 22 will no longer be able to claim the incapacity benefit top-up of universal credit.
- In **public services**, a target has been set by the Chancellor for government departments to reduce administrative costs by 15% by 2030.
- 10,000 civil service jobs are anticipated to be cut, including staff working in HR, policy advice, communications and office management.
- Defence spending, which was expected to rise to £2.9bn next year, is to increase by a further £2.2bn.
- From April 2025 **households face increasing bills** for water, energy and council tax, alongside rises in additional costs around car tax, broadband, phone and TV licence bills and stamp duty.
- The Office for Budget Responsibility forecasts nearly 4 million additional people will be expected to pay income tax and 3 million more will be shifted into the higher rate of tax, as a result of the threshold being frozen.
- The Office for Budget Responsibility (OBR) has highlighted in their economic and fiscal outlook for the Spring Statement that the outlook has become more challenging since the Autumn Budget. In the second half of the 2024 financial year domestic output has stagnated and business and consumer confidence has trended downwards. These pressures have largely arisen due to a worsening of geopolitical risks since the previous forecast in October 2024.
- Against this more challenging backdrop, real GDP growth is expected to fall to 1% this year, halving from the October forecast. However, growth will recover to average around 1.75% over the rest of the decade.

Regional outlook

- The UK regional economic gap is set to widen over the next three years. Steady economic growth is expected for all parts of the UK between 2025 and 2028, but the Midlands, North of England, Scotland and Wales are forecast to see slower-than-average GVA growth. The EY UK Regional Economic Forecast expects UK GVA to grow 1.6% between 2025 and 2028. The West Midlands is expected to grow by 0.6% in 2025, and an average of 0.5% between 2025-2028.

Regional trade in goods

- In 2024, the West Midlands region exported £35.3bn worth of goods and imported £42.7bn. This represents a trade in goods deficit of £7.4bn, a decrease from the trade deficit in 2023 which was £7.6bn.
- Since 2023, the West Midlands region goods exports increased by £336m (+1.0%) to £35.3bn in 2024, the third highest percentage increase across all UK regions behind the North East and Northern Ireland (both increasing by 1.1%). Conversely, UK exports decreased by £20.8bn (-5.6%) in the same period.
- The West Midlands accounted for 10.1% of UK exports – third highest (after the South East and London).
- In 2024, goods imports to the West Midlands area region were worth £42.7bn, an increase of £213m (+0.5%) since 2023. UK-wide total imports decreased by 3.5% to £577.2bn.
- The largest SITC section for goods exports and imports in the West Midlands region was machinery and transport.

Business activity in the West Midlands

- The West Midlands Business Activity Index increased from 47.2 in January 2025 to 48.7 in February 2025. Some companies linked a decline in activity to price pressures and the loss of existing clients, but other firms pointed to an expected recovery in new contract wins.
- The UK Business Activity Index decreased from 50.6 in January 2025 to 50.5 in February 2025.
- The West Midlands Future Business Activity Index increased from 69.8 in January 2025 to 74.3 in February 2025, the highest level of confidence since August 2024 and the highest level of all UK regions in February 2025. Optimism was linked to advertising, investment, tourism and the planned launch of new products.
- The West Midlands Employment Index decreased from 42.4 in January 2025 to 40.9 in February 2025, the fastest rate of job shedding in nearly four-and-a-half years. This was linked to some staff leaving in search of higher pay, while others reported cutbacks due to the upcoming increase in employer payroll expenses and attempts to control costs.

Labour market and claimant count indicators

- For the three months ending January 2025, the West Midlands Region employment rate (aged 16–64 years) was 74.0%. Since the three months ending October 2024, the employment rate increased by 0.1 percentage points (pp). When compared to the same period in the previous year, the employment rate was 0.9pp higher. The UK employment rate was 75.0%, an increase of 0.1pp when compared to the previous quarter and 0.3pp higher when compared to the same period in the previous year.
- For the three months ending January 2025, the West Midlands Region unemployment rate (aged 16 years and over) was 4.5%, which has increased by 0.1pp since the previous quarter and an increase of 0.2pp when compared to the previous year. The UK unemployment rate was 4.4%, an increase of 0.1pp from the previous quarter and an increase of 0.3pp when compared to the previous year.
- For the three months ending January 2025, the West Midlands Region economic inactivity rate (aged 16-64 years) was 22.4%, a decrease of 0.3pp since the previous quarter and a 1.1% decrease when compared to the previous year. The UK economic inactivity rate was 21.5%, a decrease of 0.2pp when compared to the previous quarter and a 0.6pp decrease from the previous year.
- There were 149,790 claimants in the WMCA area in February 2025. Since January 2025, there has been an increase of 4.3% (+6,215) claimants in the WMCA area, while the UK increased by 5.1%. When compared to February 2024, claimants have increased by 19.4% (+24,365) in the WMCA area, with the UK increasing by 11.8%.
- There were 27,265 youth claimants in the WMCA area in February 2025. Since January 2025, there has been an increase of 3.6% (+940) youth claimants in the WMCA area, while the UK increased by 4.7%. When compared to February 2024, youth claimants have increased by 10.5% (+2,590) in the WMCA area, with the UK increasing by 8.9%.

Digital skills shortages

- A recent study on digital skills and the potential economic impact of digital skills shortages, using the newly updated Socio-Economic Impact Model for the UK (SEIM-UK) (a macroeconomic Multi-Regional Input-Output model) shows that digital skills shortages could cost the UK economy up to £27.6 billion and more than 380,000 jobs by 2030.
- The digital skills shortage is not restricted to high-tech clusters but affects all regions across the UK and employment in high and low tech occupations.
- Professional roles, which rely heavily on advanced digital skills, are the most affected by skills shortages.

Work Integrated Learning programmes in the Midlands space cluster

- A study focusing on 'Work Integrated Learning' (WIL) programmes in the Midlands' space cluster has examined how closer collaboration between academia and industry through WIL programmes, involving a range of innovative space education and industry collaboration initiatives, can impact workforce capabilities and sector performance.
- The four case studies show how students gain practical, industry-relevant experience that complements their theoretical knowledge.

- A common thread running through the four programmes examined is the crucial role of individual leadership in their inception, development, and ongoing success.
- Based on the case studies recommendations include: (1) adopting a mixed approach to space education that integrates both specialised and interdisciplinary programmes, catering to the diverse needs of the sector; (2) providing hands-on experience with state-of-the-art facilities and equipment is important; (3) developing soft skills is essential for producing well-rounded professionals; (4) creating collaborative spaces that foster innovation and industry engagement can significantly enhance the learning experience and promote cross-pollination of ideas; (5) developing flexible partnership models with industry can create a more dynamic and responsive educational ecosystem; (6) engaging with the broader community through outreach programmes and public events extending the impact of space education beyond the classroom, so inspiring the next generation.

Working from home, job satisfaction, commuting and productivity

- Analyses of Understanding Society data using job satisfaction to explore the relationship between working from home and employee productivity, shows that for women those who have greater autonomy over their work location and those who work sometimes from home, are more satisfied with their job.
- Working from home has some, although limited positive relationship with job satisfaction, but it is the commute that matters the most and more so than other autonomy-enhancing aspects of the job.
- For men, working from home or autonomy over work location does not show a relationship with job satisfaction. A number of autonomy-related aspects of the job are not relevant either. Yet, similar to women, there is a strong relationship between job satisfaction and commute satisfaction.
- The results from the analyses suggest a need to focus on the detrimental impact of commuting on how well employees do on their jobs and on the links between transportation and work productivity.

The Procurement Act 2023 supporting social housing retrofitting goals

- A joint Innovation Procurement Empowerment Centre project, funded by Catapult Connected Places and Innovate UK to empower councils and local authorities, is seeking to embrace innovative procurement practices.
- The Procurement Act 2023 took full effect in February 2025, marking a major shift in how public sector contracts are awarded in the UK. With a focus on transparency, efficiency, and inclusivity, the Act is particularly significant for social housing providers looking to retrofit homes to improve energy efficiency and sustainability.
- The Act presents a critical opportunity to overcome key barriers in retrofitting social housing across the West Midlands. By simplifying procurement processes, reducing administrative burdens, and improving supplier access, the Act is set to enhance regional supply chains and foster economic growth, and contributing to both housing quality and long-term net-zero goals as well as economic growth.

Global, National and Regional Outlook

Alice Pugh, City-REDI

Global

OECD Economic Outlook, Interim Report March 2025

The latest OECD Economic Outlook Interim Report has been released. Key summary information from the report include:

- The global economy remained resilient in 2024, expanding at a solid annualised pace of 3.2% through the second half of the year. However, recent activity indicators point to a softening of global growth prospects. Business and consumer sentiment have weakened in some countries. Inflationary pressures continue to linger in many economies. At the same time, policy uncertainty has been high and significant risks remain. Further fragmentation of the global economy is a key concern. Higher-than-expected inflation would prompt more restrictive monetary policy and could give rise to disruptive repricing in financial markets. On the upside, agreements that lower tariffs from current levels could result in stronger growth.
- Global GDP growth is expected to moderate from 3.2% in 2024 to 3.1% in 2025 and 3.0% in 2026, with higher trade barriers in several G20 economies and increased policy uncertainty weighing on investment and household spending. Annual real GDP growth in the United States is projected to slow from its very strong recent pace, to 2.2% in 2025 and 1.6% in 2026. Euro area real GDP growth is projected to be 1.0% in 2025 and 1.2% in 2026, as heightened uncertainty keeps growth subdued. Growth in China is projected to slow from 4.8% this year to 4.4% in 2026.
- Inflationary pressures persist in many economies, with headline inflation recently turning up again in an increasing share of economies. Services price inflation has stayed elevated, with a median rate of 3.6% across OECD economies. Over 2025-26 inflation is projected to be higher than previously expected, although still moderating as economic growth softens. Headline inflation is projected to fall from 3.8% in 2025 to 3.2% in 2026 in the G20 economies. Underlying inflation is now projected to remain above central bank targets in many countries in 2026.
- The high level of geopolitical and policy uncertainty at present brings with it substantial risks to the baseline projections. One possible risk is the escalation of trade restrictions. An illustrative exercise, where bilateral tariffs are raised further on all non-commodity imports into the United States with corresponding increases in tariffs applied to non-commodity imports from the United States in all other countries, shows that global output could fall by around 0.3% by the third year, and global inflation could rise by 0.4 percentage points per annum on average over the first three years. The impact of these shocks would be magnified if policy uncertainty were to increase further or there was widespread risk repricing in financial markets. These would add to the downward pressures on corporate and household spending around the world.

National

Spring Statement 2025

In her first Spring Statement the Chancellor of the Exchequer made some new policy and fiscal announcements; see the following section. There will be more announcements around departmental spending in June following a spending review.

Business investment in the UK

The ONS has released its latest figures on Business investment in the UK. Key findings include:

- UK business investment decreased by 1.9% in Quarter 4 (Oct to Dec) 2024, revised up from a 3.2% decrease in the provisional estimate.
- The largest contributors to the fall in business investment were decreases in transport, partially offset by increases in buildings and intellectual property products (IPP).
- UK business investment is 1.8% above the level seen in the same quarter a year ago.

- UK whole economy investment (technically known as gross fixed capital formation (GFCF)), which includes business and public sector investment, decreased by 0.6% in Quarter 4 2024, revised up from a 0.9% decrease in the provisional estimate.
- UK GFCF is 2.2% above the level seen in the same quarter a year ago.

Consumer trends, UK: October to December 2024

The ONS has released its latest figures on Consumer trends, key findings include:

- In Quarter 4 (October to December) 2024, household spending growth (adjusted for inflation) was positive 0.1% compared with Quarter 3 (July to September) 2024.
- The largest positive contribution to growth in Quarter 4 2024 was from restaurants and hotels (showing a 1.3% increase compared with Quarter 3 2024).
- The largest negative contribution to growth in Quarter 4 2024 was from food and non-alcoholic beverages (showing a 0.8% decrease compared with Quarter 3 2024).
- Compared with the same quarter a year ago (Quarter 4 2023), household spending was positive 1.2%.

Retail sales, Great Britain: February 2025

The ONS has released its latest figures on Retail sales. Key findings include:

- Retail sales volumes (quantity bought) are estimated to have risen by 1.0% in February 2025. This follows a rise of 1.4% in January 2025 (revised down from a rise of 1.7% in our last bulletin).
- Non-food store sales volumes grew strongly in February 2025, with rises across all four sub-sectors (department, other non-food, clothing, and household goods stores), while supermarket sales volumes fell back following a strong rise in January 2025.
- More broadly, sales volumes rose by 0.3% in the three months to February 2025, compared with the three months to November 2024, and by 2.0% when compared with the three months to February 2024.

UK trade: January 2025

The ONS has released its latest figures on UK Trade. Key findings include:

- The value of goods imports remained stable in January 2025 because a fall in imports from the EU was offset by a rise in imports from non-EU countries.
- The value of goods exports rose by £1.8 billion (6.3%) in January 2025 because of a rise in exports to both EU and non-EU countries.
- Exports of goods to the United States increased by £0.1 billion, the second consecutive monthly rise, while imports of goods from the United States fell by £0.1 billion.
- Early estimates suggest that the value of services imports rose slightly by £0.1 billion (0.5%) in January 2025, and services exports were estimated to have increased by £0.8 billion (1.9%).
- The total goods and services trade deficit widened by £0.5 billion to £5.7 billion in the three months to January 2025, because imports rose more than exports.
- The trade in goods deficit widened by £0.4 billion to £55.6 billion in the three months to January 2025, while the trade in services surplus is estimated to have narrowed slightly by around £0.1 billion to £50.0 billion.

Regional

Black Country Annual Economic Review 2024

The Economic Intelligence Unit has released their annual economic review for the Black Country for 2024. This provides an opportunity to understand the current challenges and opportunities facing the Black Country. The key summary findings include:

- In 2022 the Black Country's total **GVA was £23.9bn**. This increased by nearly £1.9bn since 2021 which equated to a growth rate of 8.4% - the England rate increased by 9.7%.
- **GVA per head in the Black Country in 2022 was £19,532**. An increase of 7.6% (+£1,384) compared to a growth of 8.6% nationally since 2021. GVA per head was **£14,444 lower than the England average** of £33,976**.**
- **The Black Country had an output gap of £17.7bn in 2022.**
- In 2023, there were **42,395 enterprises** in the Black Country, **following the national trend (-1.9%), there was an annual decrease** of 1.4%. Overall, there are still **too few enterprises** in the Black Country. There were

343 enterprises per 10,000 population for the Black Country area compared to 439 per 10,000 population for **England** in 2023.

- There are sector strengths in **manufacturing, in particular metals and materials supply chains and links to transport manufacturing along with retail / wholesale, and logistics / transport technologies.**
- Mid-year 2023 population estimates show that the **Black Country was home to 1.24m residents**. Since 2022, **the Black Country population has risen by 1.0%** - matching the national average growth rate.
- Overall **35.7% of Black Country residents had RQF4+ qualifications** compared to 46.7% nationally in 2023. For the Black Country **to reach the national level requires 79,769 residents to gain a qualification at Level 4 and above**.
- **21.1% of households in the Black Country were in fuel poverty in 2022 -** notably above the national rate of 13.1%.

The full findings of the report can be found here.

Productivity in the Midlands: Trends, Challenges & Solutions

The Productivity in the Midlands: Trends, Challenges & Solutions Report written by the Productivity Institute offers a strategic assessment of the region productivity landscape, highlighting key challenges and proposing practical solutions. Currently the Midlands faces several productivity challenges, including workforce and skills shortages, infrastructure and connectivity gaps, regional economic disparities and underinvestment in R&D. Furthermore, the Midlands has an economic structure which is heavily reliant on traditional industries, driving disparities between urban and rural, hindering balanced growth. To see more on this report, including recommendations for policymakers to foster resilience and long-term growth, please follow the link here.

The Spring Statement 2025

Alice Pugh, City-REDI

In her first Spring Statement the Chancellor of the Exchequer has made a number of announcements. There will be more announcements around departmental spending in June following a spending review.

Alice Pugh looks at the key announcements.

Office for Budget Responsibility Forecast

The Office for Budget Responsibility (OBR) has highlighted in their economic and fiscal outlook for the spring statement that the outlook has become more challenging since the Autumn Budget. In the second half of the 2024 financial year domestic output has stagnated and business and consumer confidence has trended downwards. These pressures have largely arisen due to a worsening of geopolitical risks since the previous forecast in October.

Against this more challenging backdrop, real GDP growth is expected to fall to 1% this year, halving from the October forecast. However, growth will recover to average around 1.75% over the rest of the decade, with growth largely being upgraded over the next few years. With higher energy and food prices, alongside persistently high wage growth, will lead to higher inflation at 3.7% this year, before returning to the 2% target over the rest of the forecast. There are significant risks currently for the government and they have left a small level of fiscal headroom (£9.9bn). Currently, global trade disputes are the greatest uncertainty surrounding this budget and if they continue to worsen, there could be a significant impact on the UK.

Welfare Changes

- Incapacity Benefits under universal credit will be halved and cut for new claimants, with Incapacity Benefits being frozen in cash terms for existing claimants at £97 per week from April next year, with a potential top-up payment for those with the most severe conditions.
- There will also be a stricter eligibility test for personal independence payments (PIPs), the main disability benefit, from November 2026.
- Those aged under 22 will no longer be able to claim the incapacity benefit top-up of universal credit.

Public Services

- A target has been set by the Chancellor for government departments to reduce administrative costs by 15% by 2030.
- 10,000 civil service jobs are anticipated to be cut, including staff working in HR, policy advice, communications and office management.

Defence

- Defence spending, which was expected to rise to £2.9bn next year, is to increase by a further £2.2bn.
- There are plans to increase defence spending to 36% of national income next year, with plans to raise it to 2.5% by 2027.
- This increased spending will be funded through cuts to overseas aid, with overseas aid decreasing from 0.5% to 0.3% of gross national income.

What about announcements made previously?

Whilst there have been relatively few new announcements, we must not forget about the wider context to the Spring Statement which will impact households from April, including:

- Water Bills - Water bills for households are due to go up in England and Wales by £10 per month on average, though this varies significantly water company. In Scotland bills will rise by 10%, with the publicly owned Scottish Water citing climate change as the main driver behind the rise in costs. Northern Ireland households will not see an increase in bills as water is a publicly funded system.
- Energy bills - the annual energy bill for an average household will increase by up to £111 a year to £1,849.
- Council Tax - It is likely that for most council tax is likely to increase in April by up to 4.99%, the risk of this has likely risen following the announcement of spending cuts.

- Car tax - Car tax for cars registered after April 2017 will rise by £5 a year.
- Broadband, phone and TV licence - Following inflationary pressures in the last couple of years, many mobile phone companies will in increasing the cost of contracts; this is similarly set to be the case for broadband operators as well. The TV licence will also increase by £5 to £174.50.
- Stamp Duty - From April Home buyers in England and Northern Ireland will start paying stamp duty on properties over £125,000, instead of over £250,000. First-time buyers who currently pay no stamp duty on homes up to £425,000 will now see this drop to up to £300,000.
- Hidden taxes - The government kept the freeze on tax thresholds on income tax and national insurance until 2028. This means that more people will likely be dragged into higher rate tax.

What is the anticipated impact of the Spring Statement 2025?

Alice Pugh, City-REDI

The most significant announcements have been in changes to benefits and welfare. Alice Pugh discusses the anticipated impact of measures announced in the Spring Statement 2025.

Benefits and Welfare

There have been significant changes to Personal Independence Payments (PIPs) and Universal Credit in the Spring statement. These will impact households across the country, largely from November 2026. The Department of Work and Pensions has completed an impact assessment of anticipated welfare changes finding:

- By 2029-20, 3.2 million families, both current and future recipients, will see cuts, with an average loss of £1,720 per year in real terms.
- Changes to PIP entitlement rules will see 370,000 recipients' lose entitlement and 430,000 future PIP recipients who do not yet receive PIP they would have been entitled to under the previous rules. The average loss per year will be £4,500.
- The health element of universal credit will also be frozen at £97 a week until 2029-30 for existing claimants and halved for future claimants to £50 a week in 2026-27 and the frozen.
- The DWP also forecasts that as a result of changes to PIP and universal credit there will be an additional 250,000 people in relative poverty after housing costs by 2029/30.
- However, 3.8 million families £420 better off as a result of rises to universal credit announced in the autumn, after inflation has been taken into account.

Household Bills and Living Standards

No major government announcement happens in isolation. Whilst there were no announcements around tax or wages, there are set to be fiscal policies, as well as bill changes, coming into play in April 2025. For instance, there is set to be a number of rises in bills for necessities in a number of areas, including water, energy and council tax, alongside rises in additional costs around car tax, broadband, phone and TV licence bills and stamp duty.

However, the minimum and the living wage will be increasing from April 2025, with the living wage for those aged over 21 increasing by 77p per hour. Though it should be noted that the continued freeze in income tax will see more people dragged into higher tax brackets by 2028-29, the Office for Budget Responsibility (OBR) forecasts nearly 4 million additional people will be expected to pay income tax and 3 million more will be shifted into the higher rate of tax, as a result of the threshold being frozen.

Overall, real disposable household income per person is anticipated to grow in real terms, growing by an average of around 0.5% a year between 2025-26 to 2029-30 in real terms. Compared to the October forecast by the OBR, this is a growth in anticipated living standards, largely resulting from wage growth.

Public Services

It is anticipated that public sector spending will decline, with government departments being asked to reduce administrative costs by 15% by 2030. Around 10,000 civil service jobs are expected to be cut over this period, however, most of these roles are anticipated to be lost through voluntary exist schemes. The departmental spending review, anticipated to be announced in June, will outline departmental cuts and spending.

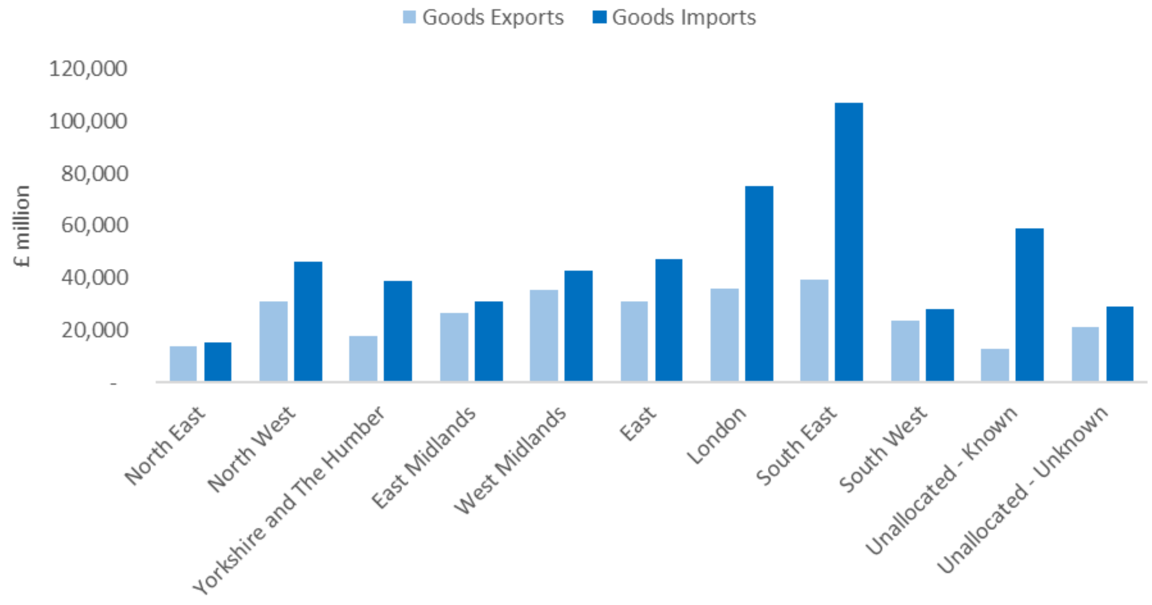
UK Regional Trade in Goods Statistics: 2024[1]; West Midlands

The Economic Intelligence Unit

Key Points:

- In 2024, the West Midlands region exported £35.3bn worth of goods and imported £42.7bn. This represents a trade in goods deficit of £7.4bn, a decrease from the trade deficit in 2023 which was £7.6bn.

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



- Since 2023, the West Midlands region goods exports increased by £336m (+1.0%) to £35.3bn in 2024, the third highest percentage increase across all UK regions behind the North East and Northern Ireland (both increasing by 1.1%). Conversely, UK exports decreased by £20.8bn (-5.6%) in the same period.
- The West Midlands accounted for 10.1% of UK exports – third highest (after the South East and London).
- In 2024, goods imports to the West Midlands area region were worth £42.7bn, an increase of £213m (+0.5%) since 2023. UK-wide total imports decreased by 3.5% to £577.2bn.

SITC Section

- The largest SITC section for goods exports in the West Midlands region was machinery and transport at £25.6bn – 72.6% of total; of which £16.7bn (65.1%) went to non-EU locations. Since 2023, overall, this SITC section increased by £750m (+3.0%).
- The largest SITC section for goods imports to the West Midlands region was machinery and transport at £21.7bn, which is 50.7% of total imports (of which 67.1% or £14.5bn of imports for this section was from the EU). This section overall has decreased since 2023 by £66m (-0.3%).

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

	2023	2024	Annual Percent Change	Annual Number Change
Total Exports by SITC Section	(Figures in £m)			(Figures in £m)
0 Food and Live Animals	£830	£968	16.6%	£138
1 Beverages and Tobacco	£61	£54	-11.5%	-£7
2 Crude Materials	£1,037	£1,069	3.1%	£32
3 Mineral Fuels	£170	£153	-10.0%	-£17
4 Animal and Vegetable Oils	£21	£23	9.5%	£2
5 Chemicals	£1,414	£1,434	1.4%	£20
6 Manufactured Goods	£3,505	£3,395	-3.1%	-£110

[1] Source: HM Revenue & Customs, UK Regional Trade in Goods Statistics Quarter 4 2024 – Released March 2025.

7 Machinery and Transport	£24,873	£25,623	3.0%	£750
8 Miscellaneous Manufactures	£3,017	£2,552	-15.4%	-£465
9 Other commodities nes	£12	£4	-66.7%	-£8
Total Exports	**£34,939**	**£35,275**	**1.0%**	**£336**
Total Imports by SITC Section				
0 Food and Live Animals	£3,018	£3,246	7.6%	£228
1 Beverages and Tobacco	£316	£374	18.4%	£58
2 Crude Materials	£660	£584	-11.5%	-£76
3 Mineral Fuels	£715	£842	17.8%	£127
4 Animal and Vegetable Oils	£137	£126	-8.0%	-£11
5 Chemicals	£2,424	£2,451	1.1%	£27
6 Manufactured Goods	£8,209	£8,157	-0.6%	-£52
7 Machinery and Transport	£21,728	£21,662	-0.3%	-£66
8 Miscellaneous Manufactures	£5,298	£5,280	-0.3%	-£18
9 Other commodities nes	£4	£1	-75.0%	-£3
Total Imports	**£42,509**	**£42,722**	**0.5%**	**£213**

Country Group

- By Country Group[2], the highest value of goods exports from the West Midlands region was to the EU at £14.4bn, accounting for 40.9% of the total. The value of goods exports to the EU has decreased by £917m (-6.0%) since 2023.
- The highest value of imports to the West Midlands region was from the EU at £26.6bn, which accounted for 62.3% of the total. Goods imports from the EU increased by £411m (+1.6%) when compared to 2023.

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

	2023	2024	Annual Percent Change	Annual Number Change
Exports by Country Group	(Figures in £m)			(Figures in £m)
Asia & Oceania	£6,441	£6,774	5.2%	£333
Eastern Europe (excl EU)	£509	£519	2.0%	£10
European Union	£15,347	£14,430	-6.0%	-£917
Latin America and Caribbean	£529	£467	-11.7%	-£62
Middle East and North Africa (excl EU)	£2,238	£2,135	-4.6%	-£103
North America	£8,159	£9,324	14.3%	£1,165
Sub-Saharan Africa	£393	£391	-0.5%	-£2
Western Europe (excl. EU)	£1,321	£1,232	-6.7%	-£89
Undefined Country Group	£3	£1	-66.7%	-£2
Total Exports	**£34,939**	**£35,275**	**1.0%**	**£336**
Imports by Country Group				
Asia & Oceania	£10,380	£10,165	-2.1%	-£215
Eastern Europe (excl EU)	£178	£186	4.5%	£8
European Union	£26,199	£26,610	1.6%	£411
Latin America and Caribbean	£529	£466	-11.9%	-£63
Middle East and North Africa (excl EU)	£921	£1,087	18.0%	£166
North America	£2,208	£2,104	-4.7%	-£104
Sub-Saharan Africa	£186	£180	-3.2%	-£6
Western Europe (excl. EU)	£1,908	£1,925	0.9%	£17
Undefined Country Group	-	-	-	-
Total Imports	**£42,509**	**£42,722**	**0.5%**	**£213**

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

Purchasing Manager Index (PMI) – NatWest UK Regional Growth Tracker Report[3], Released March 2025: West Midlands Region

The Economic Intelligence Unit

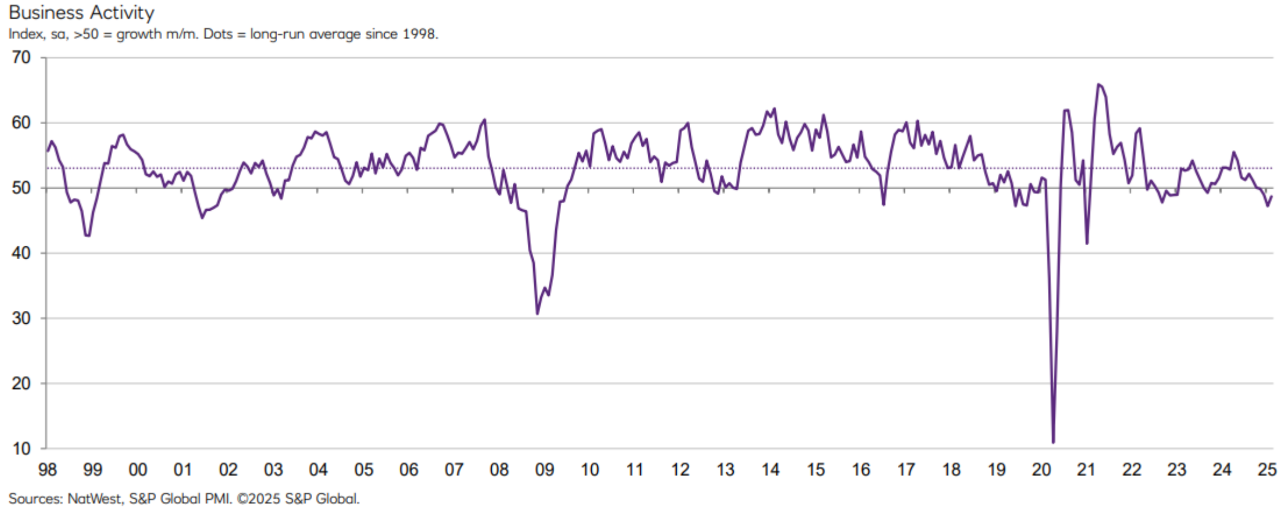
In Summary:

- The West Midlands Business Activity Index increased from 47.2 in January 2025 to 48.7 in February 2025. Some companies linked a decline in activity to price pressures and the loss of existing clients, but other firms pointed to an expected recovery in new contract wins.
- The UK Business Activity Index decreased from 50.6 in January 2025 to 50.5 in February 2025.
- The West Midlands Future Business Activity Index increased from 69.8 in January 2025 to 74.3 in February 2025, the highest level of confidence since August 2024 and the highest level of all UK regions in February 2025. Optimism was linked to advertising, investment, tourism and the planned launch of new products.

In Detail:

- **Business Activity Index**
- The West Midlands Business Activity Index increased from 47.2 in January 2025 to 48.7 in February 2025. Some companies linked a decline in activity to price pressures and the loss of existing clients, but other firms pointed to an expected recovery in new contract wins.
- Out of the twelve UK regions, the West Midlands ranked fifth lowest for business activity in February 2025. London ranked highest at 54.0 while the East Midlands ranked lowest at 44.7.

The following chart shows the West Midlands Business Activity Index trends up to February 2025:



- In a typical business cycle, regions will move through four phases – expansion, slowdown, contraction and recovery. The February 2025 reading shows the West Midlands remained in contraction meaning that the region was contracting and at a faster rate than the trend over the past six months.

Demand

- The West Midlands New Business Index decreased from 46.3 January 2025 to 46.0 in February 2025, a fourth consecutive month of contractions in new orders placed to its fastest rate in nearly two-and-a-half years. Where a reduction in new demand was reported, companies indicated that clients were reluctant to commit to new contracts amid economic uncertainty and budgetary challenges.

Business Capacity

- The West Midlands Employment Index decreased from 42.4 in January 2025 to 40.9 in February 2025, the fastest rate of job shedding in nearly four-and-a-half years. This was linked to some staff leaving in search of

[3] Source: NatWest UK regional growth tracker report for February 2025, released March 2025. Please note, the seasonally adjusted indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease.

higher pay, while others reported cutbacks due to the upcoming increase in employer payroll expenses and attempts to control costs.
- The West Midlands Outstanding Business Index decreased from 41.6 in January 2025 to 41.5 in February 2025, the sharpest fall in close to five years. This was mainly due to shortages of new work.

Prices

- The West Midlands Input Prices Index increased from 63.9 in January 2025 to 64.8 in February 2025, the fastest rate since March 2023. Firms reported greater outlays on energy, food, fuel, labour, freight and insurance premiums.
- The West Midlands Prices Charged Index decreased from 57.7 in January 2025 to 57.5 in February 2025 as firms continued to share part of their additional cost burdens with clients. In some cases, firms indicated that output prices rose in response to announced changes in the minimum wage and national insurance contributions.

Outlook

- The West Midlands Future Business Activity Index increased from 69.8 in January 2025 to 74.3 in February 2025, the highest level of confidence since August 2024 and the highest level of all UK regions in February 2025. Optimism was linked to advertising, investment, tourism and the planned launch of new products.

Future Activity Index across all UK regions in February 2025:

Regional Labour Market[4] –

- For the three months ending January 2025, the West Midlands Region employment rate (aged 16 – 64 years) was 74.0%. Since the three months ending October 2024, the employment rate increased by 0.1 percentage points (pp). When compared to the same period in the previous year, the employment rate was 0.9pp higher. The UK employment rate was 75.0%, an increase of 0.1pp when compared to the previous quarter and 0.3pp higher when compared to the same period in the previous year. The highest employment rate within the UK for the three months ending January 2025 was in the South West with 79.1% and the lowest in Wales with 69.9%, the West Midlands was joint fifth lowest (with London).

- For the three months ending January 2025, the West Midlands Region unemployment rate (aged 16 years and over) was 4.5%, which has increased by 0.1pp since the previous quarter and an increase of 0.2pp when compared to the previous year. The UK unemployment rate was 4.4%, an increase of 0.1pp from the previous quarter and an increase of 0.3pp when compared to the previous year. The highest unemployment rate in the UK for the three months ending January 2025 was in London with 6.3% and the lowest in Northern Ireland with 1.5%, the West Midlands ranked fourth highest.

- For the three months ending January 2025, the West Midlands Region economic inactivity rate (aged 16 – 64 years) was 22.4%, a decrease of 0.3pp since the previous quarter and a 1.1% decrease when compared to the previous year. The UK economic inactivity rate was 21.5%, a decrease of 0.2pp when compared to the previous quarter and a 0.6pp decrease from the previous year. The highest economic inactivity rate in the UK for the three months ending January 2025 was in Northern Ireland with 26.6%, with the lowest in the South West with 18.0%, the West Midlands ranked sixth lowest.

Summary of the latest headline estimates and quarterly changes for regions of the UK, seasonally adjusted, November 2024 to January 2025:

	Employment rate aged 16 to 64 years	Change on August to October 2024	Unemployment rate aged 16 years+	Change on August to October 2024	Inactivity rate aged 16 to 64 years	Change on August to October 2024
UK	75.0%	0.1pp	4.4%	0.1pp	21.5%	-0.2pp
North East	70.5%	1.2pp	4.7%	-0.6pp	26.1%	-0.7pp
North West	74.6%	1.0pp	3.9%	-0.3pp	22.4%	-0.7pp
Yorkshire and The Humber	72.6%	0.5pp	4.0%	0.5pp	24.3%	-0.9pp
East Midlands	75.0%	0.0pp	4.2%	-0.3pp	21.5%	0.2pp
West Midlands	**74.0%**	**0.1pp**	**4.5%**	**0.1pp**	**22.4%**	**-0.3pp**
East	77.6%	0.0pp	4.3%	0.9pp	18.8%	-0.9pp
London	74.0%	-1.8pp	6.3%	0.3pp	21.0%	1.6pp
South East	78.3%	0.7pp	4.0%	0.2pp	18.3%	-0.8pp
South West	79.1%	0.3pp	3.5%	-0.5pp	18.0%	0.1pp
Wales	69.9%	-0.7pp	5.4%	-0.1pp	26.0%	0.8pp
Scotland	74.1%	0.9pp	3.7%	0.1pp	22.9%	-1.0pp

[4] Source: Office for National Statistics (ONS), Labour market in the regions of the UK: March 2025. *Please note: Labour Force Survey (LFS) estimates have been affected by increased volatility, resulting from smaller achieved sample sizes, meaning that estimates of change should be treated with additional caution. It is also likely that some of the recent movements in LFS estimates are being affected by the increased sample size and the changes made to data collection methods over the last year, in addition to any underlying changes in the labour market. The LFS continues to be the sole source of data for unemployment, economic inactivity and self-employment, and provides a range of breakdowns that are only possible from LFS data. LFS estimates are weighted to 2022 mid-year population estimates for periods from January to March 2019; headline UK seasonally adjusted series before this have been modelled, but other series have a discontinuity at this point. Labour market statistics based on both the LFS and Annual Population Survey (APS) will be considered official statistics in development until further review. In the March 2025 publication, LFS data have been revised back to January to March 2019 because of a seasonal adjustment review.*

Northern Ireland	72.2%	0.0pp	1.5%	0.0pp	26.6%	0pp

- Comparing February 2025 with the same period last year, the UK overall increased by 0.2% and regional changes in the number of payrolled employees ranged from a 1.3% increase in Northern Ireland to 0.1% decrease in Scotland. The West Midlands increased by 0.3%.

- Workforce jobs increased in 10 out of 12 regions of the UK (South East and Wales declined) between December 2023 and December 2024, with London seeing the largest increase of 169,937. The West Midlands had an annual increase of 34,274 workforce jobs to total nearly 3.1m in December 2024.

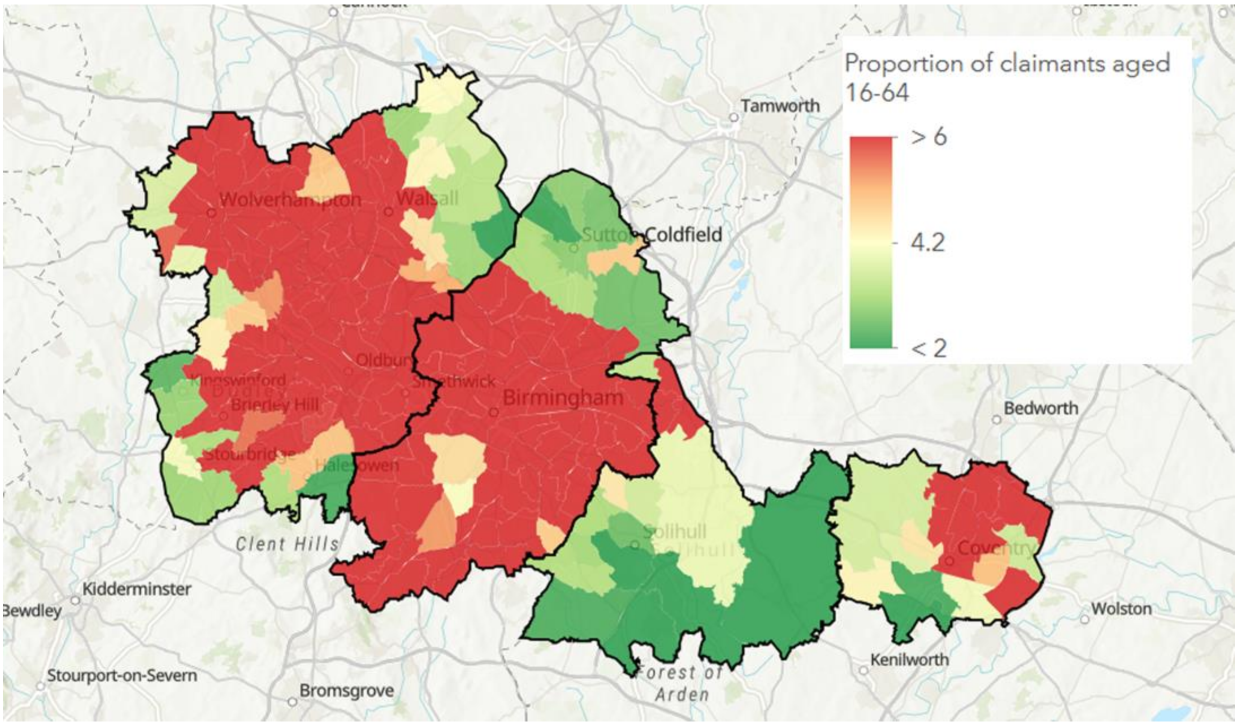
Claimant Count[5]

All Claimants Summary

- There were 149,790 claimants in the WMCA area in February 2025. Since January 2025, there has been an increase of 4.3% (+6,215) claimants in the WMCA area, while the UK increased by 5.1%. When compared to February 2024, claimants have increased by 19.4% (+24,365) in the WMCA area, with the UK increasing by 11.8%. When compared to February 2020, claimants have increased by 54.4% (+52,765) in the WMCA area, with the UK increasing by 42.0%.

- Overall, for the WMCA the number of claimants as a proportion of residents aged 16-64 years old was 7.9% compared to 4.2% for the UK in February 2025. Across the Combined Authorities, the WMCA had the highest rates, West Yorkshire Combined Authority was the second highest at 5.4% down to 2.2% for York and North Yorkshire Combined Authority.

Ward claimant rate per population compared to National Average (4.2%) for 16-64 year old in February 2025:



Youth Claimant (Aged 18-24) Summary

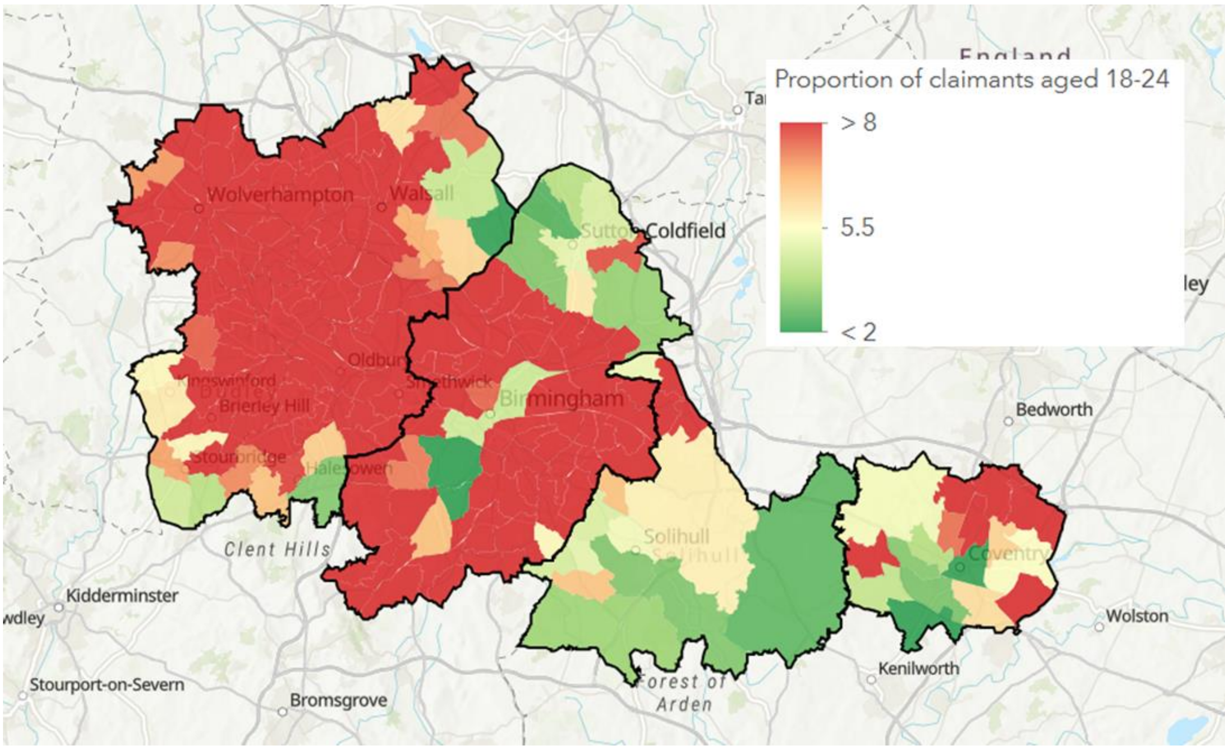
- There were 27,265 youth claimants in the WMCA area in February 2025. Since January 2025, there has been an increase of 3.6% (+940) youth claimants in the WMCA area, while the UK increased by 4.7%. When compared to

[5] Source: ONS/DWP, Claimant Count, March 2025. Please note, when new data is released, the previous month is also revised.

February 2024, youth claimants have increased by 10.5% (+2,590) in the WMCA area, with the UK increasing by 8.9%. When compared to February 2020, youth claimants have increased by 47.1% (+8,735) in the WMCA area, with the UK increasing by 31.7%.

- Overall, for the WMCA the number of claimants as a proportion of residents aged 18-24 years old was 9.6% compared to 5.5% for the UK in February 2025. Across the Combined Authorities, the WMCA had the highest rates, Tees Valley Combined Authority was the second highest at 8.1% down to 2.9% for the West of England Combined Authority.

Ward claimant rate per population compared to National Average (5.5%) for 18-24 year olds in February 2025:



Digital Skills Shortage : UK Faces £27.6 Billion Loss by 2030 Due to Digital Skills Shortage

Huanjia Ma, City-REDI

Digital skills shortages could cost the UK economy up to £27.6 billion and more than 380,000 jobs by 2030.

As the UK races towards a digital-first economy, the consequences of persistent digital skills shortages are becoming increasingly apparent. Projections indicate that without intervention, these shortages could cost the UK economy up to £27.6 billion by 2030, coupled with significant job losses and reduced productivity.

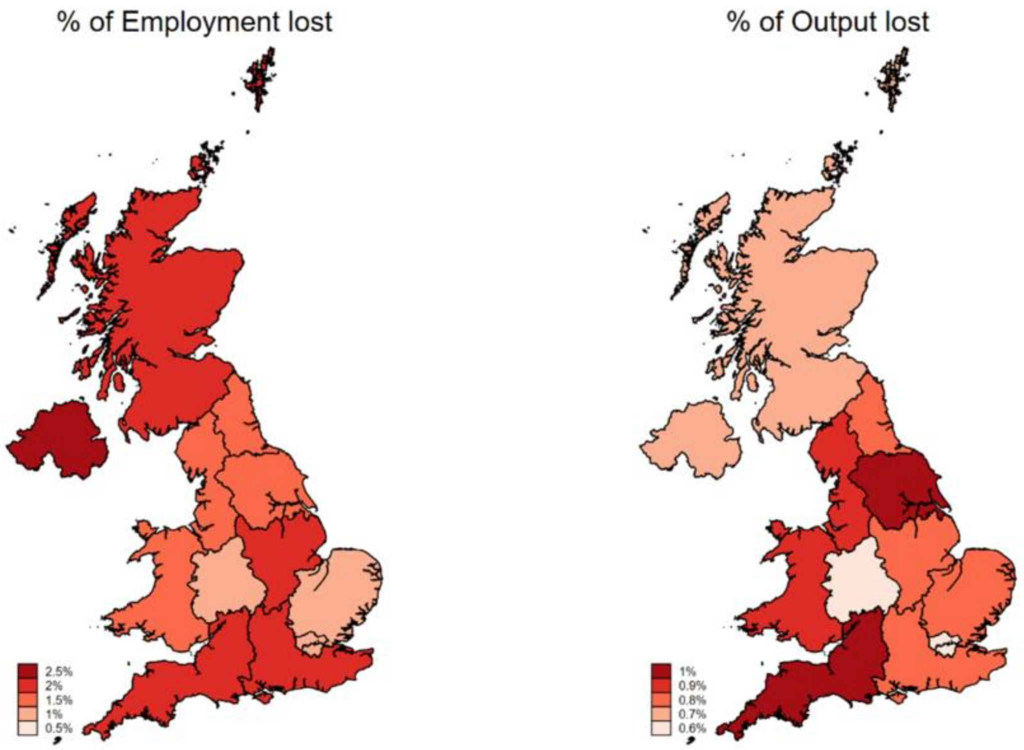
The analysis in this blog comes from a recent study on digital skills and the potential economic impact of digital skills shortages authored by Dr Huanjia Ma, Dr Konstantinos Kollydas, Dr Matthew Lyons, and Professor Anne Green.

The digital economy and the skills shortages impacting it: What regions will be most affected?

No region is immune to the economic costs of the digital skills shortage. London and the South East are forecast to be hit hardest in absolute terms due to their predominant role in the digital economy. However, given the large size of the economy in these regions, the region is less impacted in percentage terms (see Figure 1).

When considering the percentage impacts, regions such as the North West, Yorkshire and the Humber, and the East of England are also projected to incur significant economic costs. These regions may not have the highest levels of demand for digital skills, yet they are poised to bear significant economic impacts relative to the size of their economies.

Figure 1. The cost of the digital skills shortage in employment and economic output % terms across ITL-1 regions

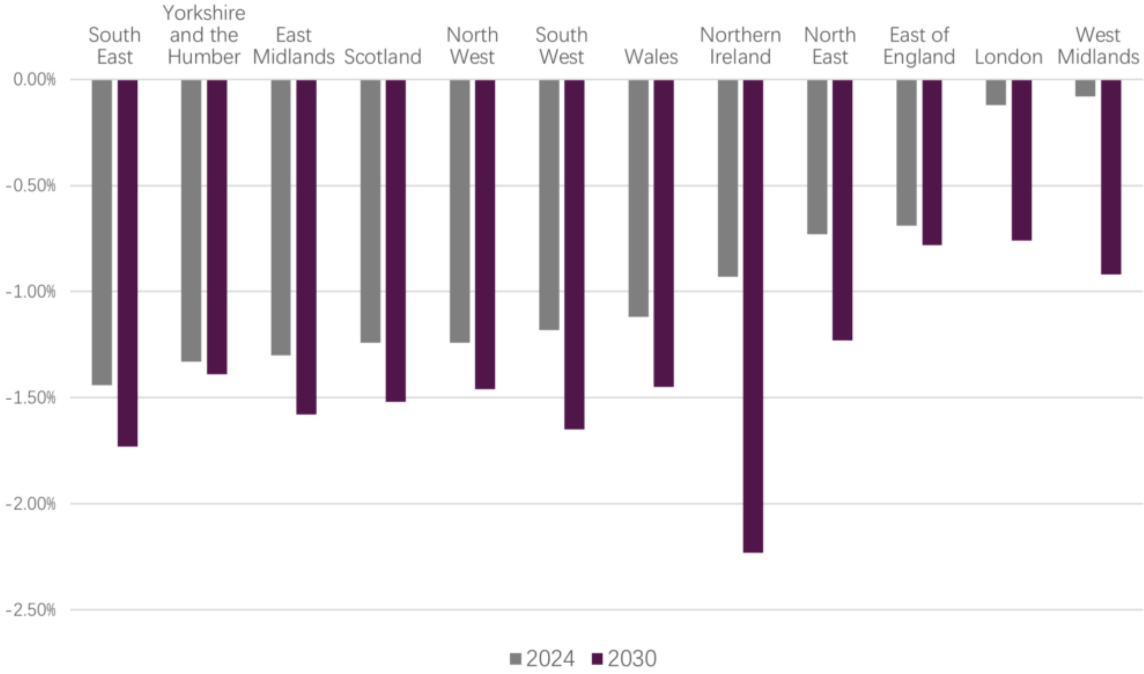


2024 data
Source: SEIM-UK

When considering the impact over time we can see that in 2024 the South East was the region most impacted (-1.44%) and the West Midlands the least impacted (-0.08%) by the digital skills shortage as a percentage of employment.

By 2030, the picture is forecast to look different with all regions average seeing more employment impacted with the average employment impact in 2024 of -0.95% falling to -1.39% in 2030. We also observe some reordering with the West Midlands and London regions insulated in 2024 hit much harder in 2030.

Figure 2: Impact of Digital skills shortages on employment (%) by region 2024 and 2030



The digital skills shortage doesn't just hit high tech sectors.

The digital skills shortage is not contained to high-tech clusters but affects all regions across the UK and employment in high and low tech occupations.

For example, low-tech industries, such as food manufacturing and **retail, are forecast to be hit hardest suffering losses of up to £14 billion by 2030** due to their inability to integrate digital technologies. **High-tech sectors appear more resilient**, though they are also constrained by shortages, limiting their potential for innovation and growth.

Table 1: Impact of Digital Skills Bottlenecks on Output by Types of Sectors – UK, 2024-2030 (Million £)

Sector Type	2024	2025	2026	2027	2028	2029	2030
Other	**-422 (-0.11%)**	**-1341 (-0.33%)**	**-2542 (-0.63%)**	**-2728 (-0.68%)**	**-2742 (-0.68%)**	**-2145 (-0.54%)**	**-2779 (-0.69%)**
Low-Tech	**-2246 (-0.16%)**	**-7114 (-0.51%)**	**-13286 (-0.95%)**	**-14142 (-1.01%)**	**-14267 (-1.02%)**	**-11185 (-0.80%)**	**-14365 (-1.03%)**
Medium-Tech	**-402 (-0.08%)**	**-1199 (-0.23%)**	**-2164 (-0.42%)**	**-2198 (-0.43%)**	**-2327 (-0.46%)**	**-1825 (-0.36%)**	**-2313 (-0.45%)**
High-Tech/Knowledge Intensive	**-1323 (-0.08%)**	**-4066 (-0.26%)**	**-7520 (-0.48%)**	**-7939 (-0.51%)**	**-8086 (-0.52%)**	**-6360 (-0.41%)**	**-8143 (-0.52%)**

Source: SEIM-UK

Occupations across the economy are at risk

Professional roles, which rely heavily on advanced digital skills, are the most affected, with projected FTE losses of over 69,000 by 2030. Even elementary occupations, which are increasingly reliant on basic digital skills, face significant constraints, with employment losses of up to 48,000 FTE jobs.

Key Policy Lessons

Addressing digital skills shortages requires coordinated efforts across education, industry, and government. Key recommendations include:

- Expanding access to advanced digital skills training, particularly in regions with acute shortages.
- Shortages in high-demand regions, such as London and the South East, should be addressed to prevent ripple effects that exacerbate challenges elsewhere. Strengthening interregional collaboration and resource-sharing initiatives can distribute digital talent and expertise more equitably, enhancing the overall resilience of the UK economy.

Notes on the methodology

To model the impact of digital skills shortages on the UK economy, the newly updated Socio-Economic Impact Model for the UK (SEIM-UK), a macroeconomic Multi-Regional Input-Output (MRIO) model, is employed to project the potential economic costs associated with these shortages and to estimate the benefits that could be realised by addressing them. The novel development in the SEIM-UK model links labour demand and labour supply, incorporating constraints in labour supply to account for labour mobility across regions and occupations. This allows the model to track bottlenecks in labour supply given increases in demand, as well as the associated economic impacts.

To model the increased impact of digital skills supply shortages on the economy, we assumed that the demand in digital skills jobs, in the form of Full-Time Equivalent (FTE) jobs, grows at rate equals to the average growth rate between 2012 to 2022, from 2024 to 2030, while on the other hand, there is no substantial supply in workforce equipped with the right digital skills.

Work-Integrated Learning in the Midlands Space Cluster: Bridging Academia and Industry

Chloe Billing, City-REDI

This blog post by Dr Chloe Billing summarises her research into work-integrated learning (WIL) models in the Midlands space cluster and their role in addressing skills challenges and enhancing productivity in the UK space sector.

The research, funded by the Productivity Institute's "Investment in Places" initiative, examines WIL initiatives at four key institutions in the Midlands.

Context and Methodology

The UK faces a pressing productivity challenge, with its productivity gap widening compared to leading economies like Germany and the United States. Within this context, the UK has faced significant challenges in its skills policies, characterised by underinvestment and coordination gaps. These issues directly contribute to persistent skills shortages, which in turn severely hamper productivity growth. The space industry, a high-tech, high-value sector with significant growth potential, offers a unique lens through which to examine this skills-productivity nexus. In this sector, the presence or absence of specialised skills can dramatically impact technological advancements, operational efficiency, and overall economic output, making it an ideal case study for productivity enhancement strategies rooted in skills development.

The study focuses on 'Work Integrated Learning' programmes in the Midlands' space cluster (this spans the ITL1 regions of the East Midlands and West Midlands) as a case study, examining how closer collaboration between academia and industry through WIL programmes can impact workforce capabilities and sector performance. The research investigates whether WIL approaches in the space sector, defined as an educational approach that combines academic studies with practical work experience in a relevant professional setting, can contribute to developing a more skilled workforce, fostering innovation, and improving the translation of research into commercial success. By exploring these relationships, the study aims to shed light on how WIL might serve as a mechanism for addressing productivity challenges in high-tech industries, particularly in the context of regional economic development.

This research employed a qualitative approach centred on in-depth interviews conducted with representatives from four key university institutions within the Midlands space cluster. The institutions included the University of Birmingham, the University of Warwick, the University of Nottingham (specifically the Nottingham Geospatial Institute), and the University of Leicester. These universities were selected for their significant contributions to space-related education and research in the region. Semi-structured interviews were conducted with senior academics and programme leaders from each institution, allowing for a comprehensive exploration of their space education programmes, industry collaborations, and work-integrated learning approaches. The interviews focused on gathering detailed information about curriculum design, student experiences, industry partnerships, and perceived impacts on skills development and regional talent retention.

Key Findings

The case studies presented in the report showcase a range of innovative space education and industry collaboration initiatives, particularly in the Midlands region. The MSc Space Engineering Programme at the University of Birmingham demonstrates a focused postgraduate initiative designed to address specific industry needs. The Warwick University Satellite Team (WUSAT) programme illustrates a long-running, hands-on undergraduate project that closely simulates real-world space industry practices. The Nottingham Geospatial Institute (NGI) at the University of Nottingham exemplifies a cross-disciplinary approach to integrating space technologies into broader engineering education. Finally, the University of Leicester's space education programmes showcase a comprehensive ecosystem of space-related courses and initiatives, including the innovative Space Park Leicester, which fosters direct industry collaboration on a significant scale.

The four Midlands institutions collectively showcase the significant potential of WIL in developing industry-ready graduates, fostering innovation, and strengthening the links between academia and industry. This aligns with research emphasising the importance of collaboration between educational institutions and employers in providing students with valuable work experience (O Regan and Bhattacharya, 2023). The impact of these programmes on skills development is evident across all case studies, with students gaining practical, industry-relevant experience that complements their theoretical knowledge. This hands-on approach, whether through satellite development projects, industry placements, or cross-disciplinary applications of space technologies, is proving effective in preparing students for the unique challenges of the space sector.

Early indicators for talent retention and productivity are promising, with graduates securing positions within the space sector both regionally and nationally. This success resonates with findings that "experience seekers" and "early movers" who harness the dynamic of learning through work see experience accounting for a significant portion of their lifetime earnings (Madgavkar, 2022). The long-term impact of Leicester's established programmes and the emerging influence of newer initiatives at Birmingham suggest a positive trajectory for talent retention in the Midlands space cluster.

A common thread running through these programmes is the crucial role of individual leadership in their inception, development, and ongoing success. The MSc Space Engineering Programme at the University of Birmingham, launched in 2023, reflects the foresight of its academic leader who recognised the need for specialised space engineering education aligned with industry needs. The Warwick University (WUSAT) programme, running since 2006, stands as a testament to the long-term commitment and vision of its leadership, persevering for nearly two decades. The Nottingham Geospatial Institute (NGI) at the University of Nottingham exemplifies how strong leadership can create a cross-cutting research group that integrates space-related technologies across multiple engineering disciplines. Finally, the University of Leicester's space education programmes, showcase how sustained leadership over decades can build a comprehensive ecosystem of space education, with the recent development of Space Park Leicester further demonstrating how visionary leadership can create physical spaces that catalyse industry-academia collaboration. These case studies highlight how individual leaders within academic institutions, often working in close collaboration with industry partners and policymakers, have been instrumental in identifying opportunities, securing resources, and driving the development of innovative space education initiatives.

The research has also identified several other best practices for HE-industry collaboration. These include the development of physical hubs like Space Park Leicester, the use of Industrial Advisory Boards, long-term project structures, and extensive networks of industrial partners. The flexibility and diversity of these approaches highlight the importance of tailoring collaboration models to specific institutional strengths and local contexts. These approaches align with recommendations for deep consultation with a broad range of stakeholders to ensure educational provision matches local needs (Walker, 2021).

Key Recommendations for enhancing the effectiveness of WIL in the space sector

Based on our study, we have developed a set of key recommendations to provide a roadmap for enhancing the effectiveness of WIL in the space sector. These include:

- Adopting a mixed approach to space education that integrates both specialised and interdisciplinary programmes, catering to the diverse needs of the sector.
- Providing hands-on experience with state-of-the-art facilities and equipment is important, as it familiarises students with the tools and technologies they'll encounter in their future careers. Resource sharing across institutions may enable this
- Emphasis on developing soft skills is essential for producing well-rounded professionals. While technical expertise is crucial in the space sector, the ability to communicate effectively, work in diverse teams, manage projects, and think critically are equally important. Institutions should integrate soft skills development into their curricula through group projects, presentations, internships, and industry collaborations.
- We also recommend developing diverse postgraduate offerings that cater to various aspects of the space sector, allowing for specialisation and advanced study in emerging areas.
- Creating collaborative spaces that foster innovation and industry engagement can significantly enhance the learning experience and promote cross-pollination of ideas. To ensure continuity and professional development, implementing robust knowledge transfer mechanisms is essential.

- Engaging with the broader community through outreach programmes and public events can extend the impact of space education beyond the classroom, inspiring the next generation of space professionals.
- Developing flexible partnership models with industry can create a more dynamic and responsive educational ecosystem.

For policymakers, recommendations include providing sustained funding and support for regional development initiatives such as Space Park Leicester and the Midlands Space Cluster Initiative, supporting international collaborations in space education, and developing national frameworks to streamline space education efforts across the UK. This funding should come from a variety of sources to ensure sustainability and diverse support. Potential funding avenues could include government agencies like the UK Space Agency and relevant departments, research councils such as UKRI, regional cluster funds, and industry partnerships. By diversifying funding sources, the sector can build a more resilient financial base and create a network of stakeholders invested in the success of these initiatives. Policymakers should work to facilitate access to these various funding streams and create frameworks that encourage multi-stakeholder investment in the UK's space education and industry development.

Future Research and Broader Perspectives

While this study has focused on university-level education in the Midlands space cluster, future research should broaden its scope to encompass the entire educational ecosystem supporting the space sector. A key area for further investigation is the role of Further Education (FE) institutions, non-degree routes, and degree apprenticeships in addressing the sector's skills needs. These alternative pathways may offer unique advantages in terms of flexibility, industry alignment, and addressing specific skills gaps, and thus warrant in-depth study alongside university programmes. This expanded focus could provide a more comprehensive understanding of the skills pipeline feeding into the space industry.

Furthermore, recent developments underscore the importance of digital skills across various sectors, including space. A report published by Skills England (Skills England report: driving growth and widening opportunities – GOV.UK, 2023) highlights the crucial role of digital skills in driving growth and widening opportunities. This aligns closely with the needs of the space sector, where software development, data analysis, and digital systems management are increasingly vital. Future research should explore how space education programmes are integrating these critical digital skills into their curricula and how this integration impacts graduates' readiness for the evolving demands of the space industry.

Additionally, further investigation is needed into how Work Integrated Learning (WIL) can specifically address the unique risks and safety concerns of the space sector. This research should aim to ensure that graduates are not only technically proficient but also well-versed in critical risk management aspects of space operations, including launch safety, satellite infrastructure costs, and the challenges posed by harsh space environments.

By expanding the scope of research to include these broader perspectives, we can gain a more comprehensive understanding of the entire space education ecosystem. This holistic approach will be crucial in developing strategies to address skills gaps, enhance industry readiness, and ultimately drive innovation and growth in the UK space sector.

Find out more about the project.

Is Working From Home Bad for Employees' Productivity?

Darja Reuschke, City-REDI

Dr Darja Reuschke explores how job satisfaction, autonomy, and commute experiences shape employee performance.

Whether working from home impacts employees' productivity and performance is not a new question, but one that has received renewed attention with media coverage of organisations asking their staff to work fully or a minimum number of days in the office. Most recently, members of Metropolitan Police staff have begun a two-week strike in a dispute over hybrid working.

The Office for National Statistics (ONS) is one of those employers in the UK that want their staff back in the office due to concerns about low productivity and innovation due to a lack of face-to-face contact. Another concern is likely to be that employees sleep, rest or exercise more when out of sight, based on an ONS report from 2024 that looked at time use patterns of those working from home compared to those working away from home. However, this headline seems misleading. Working hours for employees working from home were similar to those working away from home. The key difference is that home workers gained nearly an extra hour per day by skipping the commute. This suggests that working from home helps employees achieve a better work-life balance.

Measuring employee productivity – especially in the service sector, which dominates the UK economy – is not straightforward. For instance, labour market surveys don't provide individual productivity data. This complexity contributes to the ongoing debate about working from home, as studies often rely on different methods to compare the performance and productivity of remote workers with those working on-site.

What job satisfaction tells us about working from home and commuting

Job satisfaction is linked to productivity. The two are not the same, but it is assumed that the more satisfied employees are with their jobs, the greater their productivity or performance. I therefore use job satisfaction in my analysis to explore the relationship between working from home and employee productivity.

The data comes from a large, high-quality annual survey of the UK population called Understanding Society and was released in November 2024, with interviews carried out between 2022 and 2024. In this survey, employees were asked how satisfied they were with their jobs on a scale from 1 (completely disappointed) to 7 (completely satisfied). Employees were also asked how much autonomy they have over different aspects of their job including over their work location, whether they have an agreement with their employer to work from home on a regular basis, how often they work from home, and how satisfied they are with their commute.

Findings are based on just over 16,000 employees and displayed in Figures 1 and 2 separately for women and men. The estimates are adjusted for age, occupational social group (which captures wage and status) and usual hours worked per week. The vertical red line indicates no relationship with job satisfaction. The closer to the red line, the smaller the relationship, if any. The further away from the line, the greater the relationship.

Looking first at women's job satisfaction, those who have greater autonomy over their work location and those who work sometimes from home, are more satisfied with their job. Always or often working from home or having an agreement for flexible working from home, are not related to job satisfaction.

Some other aspects of autonomy over the job are important for job satisfaction, in particular, how the work is being done (work manner). However, the strongest relationship with job satisfaction is shown for the satisfaction with the commute. Hence, working from home has some, although limited positive relationship with job satisfaction, but it is the commute that matters the most and more so than other autonomy-enhancing aspects of the job.

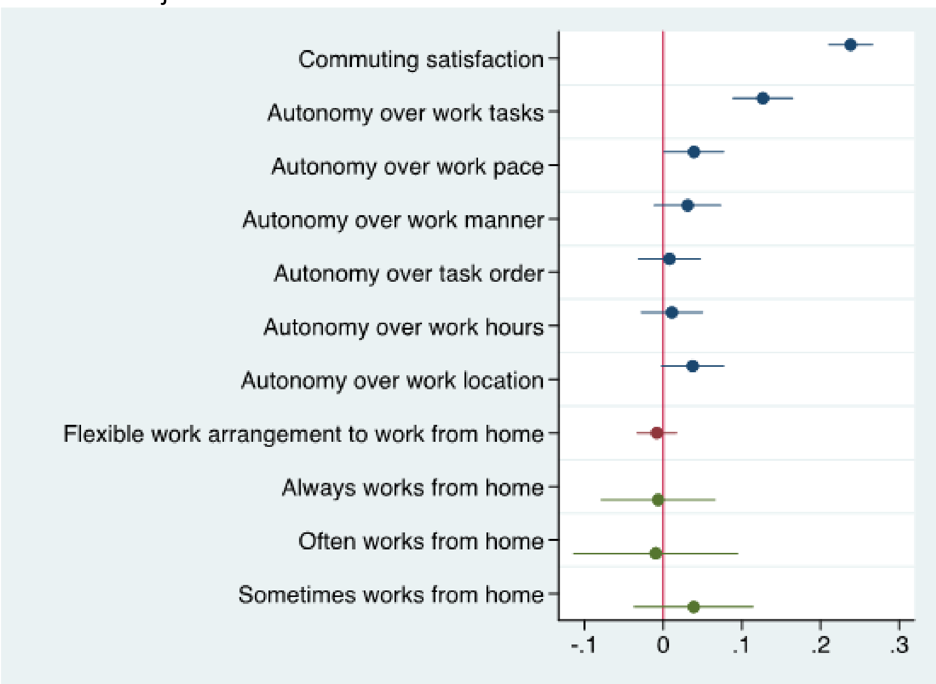
Figure 1. Determinants of women's job satisfaction

Source: Author's compilation using the Understanding Society wave 14 (2022-2023). Women aged 16-64 who are in paid employment. All coefficients are standardised and adjusted for age, occupational social class and hours worked. The vertical lines indicate the confidence intervals. The colours blue, red and green indicate that the coefficients are from different models.

The better the commute experience, the greater the satisfaction with the job, which will be reflected (in some ways) in work productivity.

For men, working from home or autonomy over work location does not show a relationship with job satisfaction. A number of autonomy-related aspects of the job are not relevant either. What is outstanding again, similar to women, is the strong relationship between job satisfaction and commute satisfaction. The better the commute experience, the greater the satisfaction with the job, which will be reflected (in some ways) in work productivity.

Figure 2. Determinants of men's job satisfaction



Source: Author's compilation using the Understanding Society wave 14 (2022-2023). Men aged 16-64 who are in paid employment. All coefficients are standardized and adjusted for age, occupational social class and hours worked. The vertical lines indicate the confidence intervals. The colours blue, red and green indicate that the coefficients are from different models.

Let's talk about commuting and work productivity

If commute satisfaction is so strongly related to job satisfaction, while working from home is weakly related to women's job satisfaction and not at all to men's, then the question of whether working from home is bad for work productivity and the economy, seems the wrong question. We should rather focus on the detrimental impact of commuting on how well employees do on their jobs and on the links between transportation and work productivity. Commute satisfaction is impacted by the accessibility, speed, reliability and quality of transport networks which need to become a more focal point in the discussion about work productivity moving forward.

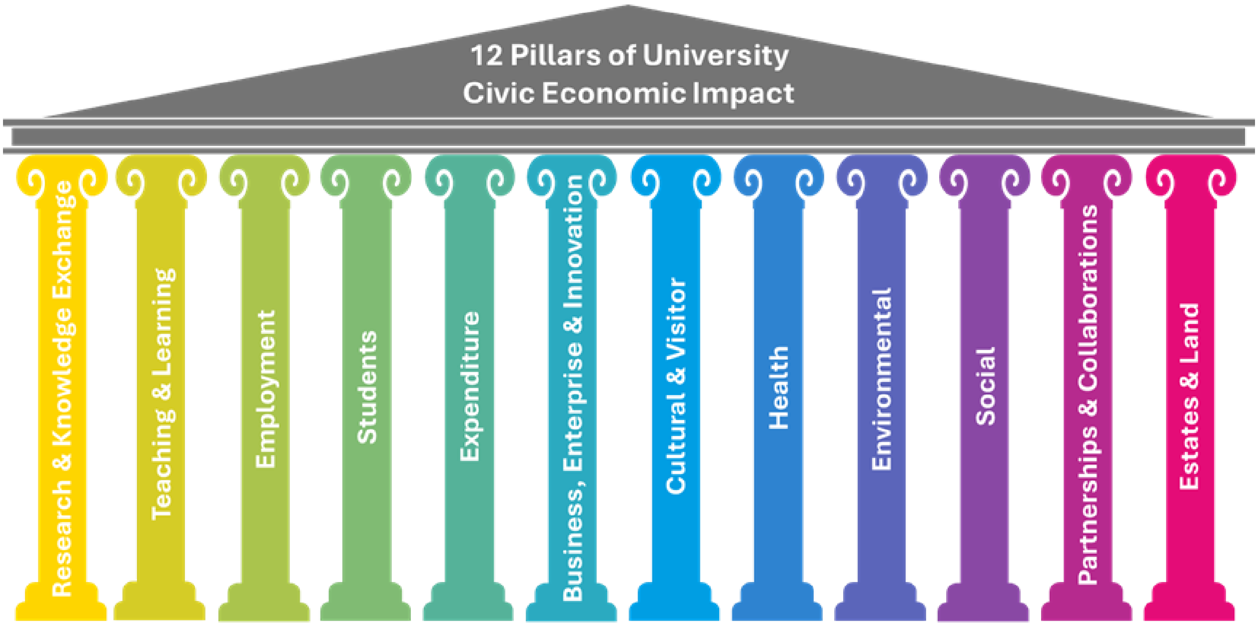
Project Spotlight: National Civic Impact Accelerator

Johannes Read, City-REDI

In a new series of blogs, we will be reviewing the current and past work of City-REDI. In the next blog from this series we look at the National Civic Impact Accelerator and its recent report on demonstrating the economic impacts of civic universities.

What are the 12 pillars of civic university economic impact?

The report identifies different ways universities can impact the economy. We term this the 12 pillars of civic university economic impact. These pillars are our answer to the question: "What ***would an ideal economic impact assessment look like***?" Following the analysis of a sample of 40 economic impact assessments, we identified how universities and economic consultancies demonstrated their economic impacts. These were grouped into the 12 pillars.



Very few economic impact assessments included all 12 pillars. The most common pillars of impact, such as research & knowledge exchange, teaching & learning, employment, students and expenditure, are all seen as the "core" part of university operations and are easily quantifiable.

The report outlines how these pillars are "filled up" and include metrics on research income, contract research, graduate productivity, direct employment and university spend on goods and services.

The pillars on the cultural, health, environmental, social, partnership and estates impacts of universities are less well-defined. Whilst some impact assessments include monetised metrics on student volunteering, visits to university-owned museums, and attendance at conferences, this is not as common practice. Other impacts, such as the role of universities as a partner and collaborator are also less easy to monetise. Rather than considering a qualitative case study or contribution of how these parts of a university contributes to local economic development, these pillars are often missed out. However, it is these broader pillars that often underpin the wider research and teaching income of a university.

Equally, there is often a lack of a place-based impact, recognition of how a university contributes towards local economic strategies or addressing broader policy issues. An economic impact assessment that does not recognise a universities' purpose and role in its place is underselling its purpose. Rather than be used as a promotional material, economic impact assessments should also be used to inform the civic impacts and strategies of the university.

How did the 12 pillars come about?

The University of Birmingham's City-REDI and its previous WMREDI programme is a leading voice in the national civic university movement, focusing on how universities can support inclusive economic growth. Our work will focus on the economic impact of universities on place.

City-REDI are partners in the National Civic Impact Accelerator's (NCIA) programme, funded by Research England, part of UK Research and Innovation (UKRI), to create collaboration and policy and practice innovation involving universities, local government and business groups, and the community sector to drive place-based transformations.

The programme increases the connectivity, momentum, and effectiveness of the Higher Education sector's civic activities for local societal, economic, and environmental benefit. This works towards the UK Government's five priorities for higher education reform around:

- Playing a stronger role in expanding access and improving outcomes for disadvantaged students.
- Making a stronger contribution to economic growth.
- Playing a greater civic role in their communities.
- Raising the bar further on teaching standards.
- Sustained efficiency and reform.

The 12 pillars of economic impact comes from City-REDI's work on the NCIA to improve universities' contributions in addressing societal challenges and supporting the priorities of national, regional and local policy priorities. Recommendations for civic universities' roles in the economy

The report recommends the following actions for an improved civic and economic role of universities:

- **Reframing civic economic impact assessments as dynamic, contextualised and evaluative pieces of work** that provide an evidence base for the university civic mission and embedding these impact assessments within the university's strategic framework and decision-making.
- **Utilise the *12 Pillars of University Civic Economic Impact* tool to map the civic and economic outputs**. This needs to be an ongoing process and sufficient monitoring of the outputs needs to be developed in order to effectively measure impact.
- **Use the *Theory of Civic Change*** to develop a robust and university-specific rationale and objectives for university civic economic impact. They need to develop their SMART objectives in partnership with civic and economic partners to demonstrate their civic economic impact.
- **Implementing civic economic impact assessments** as part of an ongoing effort to improve universities' civic roles. Universities should develop implementation plans with senior-level ownership and accountability to action the findings arising from economic impact assessments.

The 12 pillars of economic civic impact tool can be used by:

- **National policymakers** developing and implementing the forthcoming higher education strategy
- **Local and regional policymakers** to understand the contribution universities can make to local economic development and addressing policy priorities
- **University leaders** to evidence, measure and improve the civic impact and role of universities.
- **Economics consultancies** looking to improve their impact assessments and meet the demand of what universities expect from their reports.

This project is currently led by Johannes Read, Dr Sara Hassan, Alice Pugh, Professor Anne Green, Professor Bec Riley and Dr. Maryna Ramcharan.

Procurement Act 2023 Taking Full Effect in February 2025: How the Act Supports Retrofitting Goals

Annum Rafique, City-REDI

Dr Annum Rafique explores how the Procurement Act 2023 transforms social housing retrofits to accelerate the UK's net-zero transition.

Dr Rafique is part of a team of researchers from the University of Birmingham and the University of Manchester working on a joint project funded by Catapult Connected Places and Innovate UK to empower councils and local authorities to embrace innovative procurement practices. Find out more about the Innovation Procurement Empowerment Centre.

Introduction

The Procurement Act 2023 took full effect on 24th February 2025, which marks a major shift in how public sector contracts are awarded in the UK. With a focus on transparency, efficiency, and inclusivity, the Act is particularly significant for social housing providers looking to retrofit homes to improve energy efficiency and sustainability.

This blog explores how the Procurement Act 2023 facilitates the retrofitting of social housing and benefits providers by streamlining procurement processes, supporting innovation, and promoting sustainable practices.

Procurement is the process of acquiring goods, services, and works from external sources to support an organisation's operations efficiently, ethically, and sustainably. It encompasses a series of activities, including supplier selection, contract negotiation, purchasing, and supplier relationship management. According to the Chartered Institute of Procurement and Supply (CIPS), procurement involves "the buying of goods and services that enable an organisation to operate in a profitable and ethical manner" (CIPS, 2025)

The Procurement Act 2023

The Procurement Act 2023 introduces a transformative approach to public sector contracting, replacing outdated regulations with a more efficient, transparent, and inclusive framework. Designed to streamline procurement processes, the Act reduces administrative complexities, enhances accessibility through a central digital platform, and encourages greater participation from small and medium-sized enterprises (SMEs) by removing unnecessary bureaucratic barriers. Importantly, it shifts the focus of procurement decisions beyond cost alone, prioritising social value and sustainability to ensure long-term economic and environmental benefits. For social housing providers, these changes create a faster, fairer, and more adaptable procurement system, making securing contracts for retrofitting projects that support the UK's net-zero goals easier.

The key features of the Procurement Act 2023 include (UK Government, 2025; CCS, 2023):

1. **Simplified and Flexible Procurement Procedures** – The Act introduces a 'competitive flexible procedure', replacing rigid and prescriptive procurement methods. This flexibility allows social housing providers to design procurement processes that best suit their retrofitting projects, ensuring efficiency while maintaining compliance with public procurement rules.
2. **Improved transparency Through a Digital Procurement System** – A central digital platform will be introduced to enhance transparency in procurement, ensuring that all public sector contracts are visible and accessible. This is particularly beneficial for social housing providers, where centralising information allows them to search for relevant suppliers, compare bids, and manage contracts more effectively (ProcurePlus, 2023).
3. **Enhanced Support for SMEs and Social Enterprises –** The Act encourages the participation of SMEs and voluntary, community, and social enterprises (VCSEs) by reducing bureaucratic barriers and ensuring prompt payment terms (30-day payment period). This is crucial for retrofitting projects as it increases supplier diversity, allowing for more cost-effective and innovative solutions.
4. **New Procurement Review Unit (PRU) for Oversight** -A PRU will be established to oversee procurement decisions and prevent unfair exclusion of suppliers. This ensures that social housing providers can challenge unfair procurement processes and secure better contract terms for their retrofitting projects.

5. **Prioritisation of Social Value in Procurement Decisions –** The Act replaces the 'most economically advantageous tender' (MEAT) criterion with the 'most advantageous tender' (MAT). This means social housing providers can prioritise sustainability, social impact, and long-term value over cost alone when selecting suppliers for retrofitting initiatives.

How the Procurement Act 2023 Facilitates Social Housing Retrofits

The Procurement Act 2023 introduces transformative changes that will significantly impact social housing procurement, particularly in retrofitting efforts. While procurement professionals have expressed concerns about increased administrative burdens, ensuring compliance across organisations, and adapting to negotiation after nearly a decade of restricted tenders (Stapleford, 2023), the Act also presents substantial opportunities. The Act provides a strong foundation for accelerating retrofitting initiatives across the social housing sector by streamlining procurement processes, fostering competition, and prioritising sustainability.

Some key ways the Act supports retrofitting activities include:

1. **Reducing Administrative Burdens for Housing Associations –** Procurement processes can be complex and time-consuming for many housing associations, especially for contracts valued below £5 million. The Procurement Act's shift toward a less prescriptive approach significantly reduces administrative burdens, making procurement more efficient and accessible (RetrofitWorks, 2023).
2. **Increased Access to Qualified Suppliers –** The Act fosters a more open and competitive procurement landscape, enabling housing associations to connect with a broader pool of contractors specialising in energy-efficient retrofitting. This expanded access encourages higher-quality work, greater innovation, and more cost-effective solutions for social housing retrofits.
3. **Greater Financial Certainty for Retrofitting Investments –** One of the most significant changes under the Act is enhancing prompt payment terms, ensuring that contractors receive timely payments (RetrofitWorks, 2023). This reduces financial risk and improves cash flow stability, particularly for SMEs and local suppliers, encouraging greater participation in retrofitting initiatives.
4. **Encouraging Local and Sustainable Procurement –** With a stronger emphasis on social value, the Act enables housing associations to prioritise:
   - Locally sourced materials
   - Energy-efficient solutions
   - Sustainable contractors

This approach strengthens both environmental benefits and regional economic resilience by fostering local supplier engagement (RetrofitWorks, 2023).

Implications for Housing Associations, Local, and the Combined Authority in the West Midlands

The Procurement Act 2023 presents a critical opportunity to overcome key barriers in retrofitting social housing across the West Midlands. By simplifying procurement processes, reducing administrative burdens, and improving supplier access, the Act is set to enhance regional supply chains and foster economic growth (CCS, 2023; UK Government, 2025). The introduction of more flexible bidding procedures and prompt payment mechanisms will allow greater participation from SMEs, which dominate the local supply chain, while its emphasis on sustainable procurement strategies encourages the prioritisation of energy-efficient solutions and local suppliers. This alignment ensures that retrofitting projects contribute not only to environmental targets but also to the broader economic resilience of the region.

Procurement barriers significantly hinder large-scale retrofitting efforts in the West Midlands, delaying progress toward net-zero targets. Key challenges include limited funding, a fragmented supplier market, and stakeholder coordination issues. Many housing providers operate within short-term funding cycles, making planning and executing long-term retrofitting projects difficult (Rafique, 2025). Additionally, the dominance of SMEs in the supply chain presents difficulties in meeting procurement requirements, while strict regulatory frameworks often slow project implementation (Rafique and Yuan, 2025). The new framework directly addresses these issues by simplifying contract aggregation and introducing more flexible bidding processes, enabling housing associations to accelerate retrofitting projects and improve overall efficiency.

A study by Rafique and Yuan (2025) found that 65% of the 23 retrofitting contracts in the West Midlands in 2022 were valued at £500,000 or less. The existing procurement system creates bureaucratic obstacles that hinder project delivery, but the new framework aims to streamline these processes, allowing social housing providers to implement sustainability improvements more swiftly and effectively. However, a critical gap remains in supplier participation: the same study revealed that only 3 out of 20 suppliers involved in social housing retrofitting were based in the West Midlands. This highlights the need for targeted procurement strategies to encourage local supplier engagement, ensuring that the economic benefits of retrofitting stay within the region.

Another major challenge is contract duration. Rafique and Yuan (2025) found that half of all procurement notices issued in 2022 were for contracts lasting just one year or less—a significant issue given that retrofitting projects typically require longer timeframes to achieve meaningful sustainability outcomes. Moreover, their study indicated that SMEs dominate the retrofitting supply chain, with 13 out of 20 suppliers falling into this category. The Procurement Act's reforms, particularly the introduction of competitive flexible procedures, have the potential to better accommodate SME participation while also fostering more stable, long-term contracts.

Despite the opportunities the Act presents, adapting to the new framework requires careful planning and implementation. Housing associations must update their internal procurement policies before the Act comes into effect in February 2025, ensuring alignment with the revised guidelines while maintaining operational efficiency. Staff training will also be crucial—procurement teams must familiarise themselves with the new digital procurement tools and competitive flexible procedures introduced under the Act. While these updates may present initial challenges, the delay in implementation has provided stakeholders with valuable time to prepare, ensuring a smoother transition (Messenger, 2024).

Ultimately, the Procurement Act 2023 offers a transformative opportunity for the West Midlands, enabling local authorities and housing providers to streamline procurement, enhance supplier access, and accelerate the region's progress toward sustainability and net-zero targets. By addressing existing barriers and leveraging the Act's new provisions, the region can ensure that retrofitting efforts contribute to both housing quality and long-term net-zero goals as well as economic growth.

Powering Net-Zero: How Universities and Regions Can Transform Together

Amal Umar, University of Birmingham

Amal Umar (BSc Global Environmental Change & Sustainability) presents the outcomes of the University's Summer Sustainability Internship at City-REDI.

Amal summarises the findings of her work – decarbonisation pathways in the City of Birmingham and the West Midlands region and what the University of Birmingham can do and must do to achieve the goal.

Two pathways for decarbonisation

Decarbonisation is the reduction of Carbon Dioxide (CO2) emissions using low carbon/renewable energy sources. The challenge of decarbonising the UK can be observed from both a commercial and residential lens. Commercial decarbonisation will require innovation into hydrogen fuels and electrification as carbon fuel alternatives. Residential decarbonisation will focus on the challenge of retrofitting to ensure current and future homes are both fuel efficient and decrease fuel poverty in the UK. Both pathways for decarbonisation will require a highly skilled workforce to oversee the deployment of the low carbon energy transition. The achievement of both commercial and residential decarbonisation will put the UK in a steady position to meet its Net-Zero by 2050 targets, which will in turn ensure a climate resilient future for us all.

The need for an integrated approach to decarbonisation

Actions towards Decarbonisation are crucial for the UK to meet its Net Zero targets with an **integrated, holistic and placed-based** approach. Net Zero carbon goals will be impossible if the means fail to engage the public and benefit communities, and if there is a shortage of skilled workers to achieve the transition. The West Midlands is of high interest when considering decarbonisation as this region has the highest fuel poverty rates of all regions in the UK. Within the context of Birmingham in the West Midlands region, the Birmingham City Council is undertaking a number of initiatives for decarbonisation, while the West Midlands Combined Authority (WMCA) and the regional energy partnership Energy Capital are helping develop place-based energy solutions to decarbonisation by bringing the private and public sector partners together and supporting the energy transition and Net Zero goals of the West Midlands.

Net Zero Neighbourhoods as a place-based approach

Progress towards the need for an integrated and holistic approach is already being demonstrated by the WMCA/Energy Capital partnership through the **innovative establishment of Net Zero Neighbourhoods in the West Midlands.** This project is identifying 3-7 neighbourhoods across the greater Birmingham area that will serve as case studies for residential decarbonisation, transforming neighbourhoods into low carbon energy communities.

The hope for the Net Zero Neighbourhood trials is to build climate resilient communities and pool data to establish the best approaches that local authorities can take to encourage households to invest in deep retrofit and clean heating technologies. In the West Midlands, 300,000 homes will need to be retrofitted by 2026 to meet the WMCA's carbon neutral goal by 2041. Currently, however, there are very little incentives for retrofit. Retrofitting initiatives are typically associated with big savings on household energy bills, but this isn't always the case in some households and there is very little data on how energy is being used by individuals in new buildings. Retrofitting is also expensive, with only those who can afford to be climate conscious in older buildings investing in the scheme. Finally, retrofitted energy systems like heat pumps garner displacement concerns while they are being fitted, and noise concerns while they run.

In 2023, the Department for Energy Security and Net Zero awarded the WMCA/Energy Capital partnership with £6.2m of funding to launch a Local Net Zero Accelerator Programme. The aim of this programme is to address the funding gap for Net Zero projects, by collecting evidence from the cohort of Net Zero Neighbourhoods, engaging investors, and developing the enabling infrastructure to connect investors to projects. The Net Zero Neighbourhood trials in the West Midlands region are well placed to collect data on a wide range of retrofit scenarios to properly make the case for retrofit and community engagement. Such data will pave the way for investing at scale in net zero initiatives across the region and, in turn, help engage investors to connect with the Net Zero projects.

The role of Heat Networks in Birmingham to address commercial decarbonisation

Major cities in the UK are addressing **commercial decarbonisation through the building of district heat networks**. The deployment of district heating schemes across the UK will be essential if we are to reduce greenhouse gas emissions, move away from fossil fuels and utilise renewable energy sources on a country-wide scale. Birmingham is currently leading the way, with the Birmingham District Energy Scheme's establishment of 3 heating schemes throughout 2007-2010, which are still in operation today. The first scheme, the 'Broad Street Scheme', covers the Broad Street central business district. The remaining schemes, the 'East Side Schemes', serve the area with combined heat and power systems in Aston University and the Birmingham Children's Hospital. The combined schemes are saving over 18,000 tonnes of CO_2 every year, offering landlords and developers in the region the opportunity to plug in to the network and save on energy bills while assisting the Birmingham City Council to achieve Net Zero goals.

Where does the University of Birmingham fit in?

The University of Birmingham (UoB) has an opportunity to assist the City of Birmingham with decarbonisation and Net Zero goals in multiple ways. Firstly, through **aiding in the skills transition for decarbonisation**. Due to the scale of the energy transition challenge, there is a skills shortage in the energy sector. There are many engineers in gas/boiling, but they will need support to transfer their skills to clean energy deployment such as wind, photovoltaics, hydrogen power and low carbon construction technology.

The University of Birmingham is also assisting the city of Birmingham through the current building of the National Centre for the Decarbonisation of Heat (NCDH) at Tyseley Energy Park. The NCDH which will focus entirely on realising the commercial and industrial decarbonisation of Britain by leveraging research and innovation to scale up the deployment of low carbon heating solutions across the UK. The NCDH will oversee the development of a Skills Academy to help train both existing and new heating engineers across heat pumps, hydrogen boilers, smart system controls, energy efficiency, and retrofit surveying & coordination through technical programmes and training apprenticeships.

The University must act now

The NCDH will be completed by 2026, however, **it's crucial that the UoB considers ways it can act now to benefit the City of Birmingham in the future.** For example, other education institutions like South and City College, Birmingham City University and Aston University have a wide range of accredited courses geared towards mobilising a skilled future workforce in clean energy.

The University of Birmingham has had strengths in research and innovation. Tyseley Energy Park holds UoB's Birmingham Energy Institute which is currently working on materials innovation research and hydrogen solutions for the larger goal of decarbonisation. However, it is important that we do not lose sight of the value of rapid, practical technology deployment, too. The University has an excellent opportunity to combine its traditional research strengths with practical approaches, alongside future developments at Tyseley Energy Park, to assess where it can provide the most value in aiding the skills transition and support the City of Birmingham towards Net Zero.

Concluding points

- An integrated practical and holistic approach towards decarbonisation of the region will be required to sustainably secure Birmingham's Net Zero goals
- Decarbonisation must be considered in terms of the challenges of both residential and commercial decarbonisation which will require communities and industries to make conscious investments into associated initiatives (namely, retrofitting and district heat schemes)
- The prioritisation of community benefit, community engagement and the skills transition will accelerate Net Zero goals
- The University of Birmingham must act now in conjunction with future developments (the BEI and the NCDCH) to identify where it can maximise the benefit for the region

ONS economic activity and social change in the UK, real-time indicators
The Economic Intelligence Unit

On the 20th March 2025, the Office for National Statistics (ONS) released 'economic activity and social change in the UK, real-time indicators' statistical bulletin. These statistics are early experimental data and analysis on the UK economy and society. These faster indicators are created using rapid response surveys, novel data sources, and experimental methods.

ONS also provides on a monthly basis (at the time of writing, the latest was from the 21st March 2025) social insights on daily life and events from the Opinions and Lifestyle Survey (OPN).

System Price of Electricity and System Average Price of Gas
The National Gas Transmission, Elexon reports the System Average Price (SAP) of gas increased by 1% to 4.265 pence per kilowatt hour (p/kWh) in February 2025, compared with the previous month; the System price of electricity decreased by 16% to 10.173p/kWh over the same period

Consumer Behaviour
Pay.UK and Vocalink report in February 2025, the seasonally adjusted "Total" Direct Debit failure rate increased by 2%, compared with the previous month. This increase was partly caused by a 4% rise in failure rates for "Loans" and a 2% rise in "Mortgages". "Electricity and Gas" and "Water" decreased by 2% and 1%, respectively, over the same period.

The seasonally adjusted "Total" Direct Debit failure rate increased by 6% in February 2025, compared with February 2024. This was partly caused by increases in failure rates of 11% for "Electricity and Gas" and 10% for "Water". This was slightly offset by a decrease in failure rates of 2% for "Mortgages".

The seasonally adjusted "Total" Direct debit average transaction amount increased by 1% in February 2025, compared with the previous month. Over this period, Direct Debit average transaction amounts rose by 1% for "Water", but fell by 1% for "Electricity and Gas". The average transaction amount remained broadly unchanged for both "Loans" and "Mortgages".

Revolut Spending on Debit Cards
Total Revolut debit card spending decreased by 4% in the week to 16 March 2025, compared with the previous week. The largest decreases were seen in the "Services" sector (11%) and "Entertainment" sector (6%).

Total Revolut debit card spending decreased by 6% in February 2025, compared with the previous month. The largest decreases were in the "Services" sector, which fell by 22%, and the "Shopping" sector, which fell by 7%.

Total Revolut debit card spending increased by 2% when compared with February 2024. The largest increases were in the "Entertainment" sector (10%) and the "Health" sector (7%).

Retail Footfall
Data from MRI OnLocation, shows retail footfall decreased across all three location categories in the week to 16th March 2025. High streets saw a 6% decrease, and retail parks and shopping centres both fell by 1%. Overall footfall increased by 2% when compared with the equivalent week of 2024. Retail park and shopping centre footfall both increased by 4% and high street footfall increased by 1%.

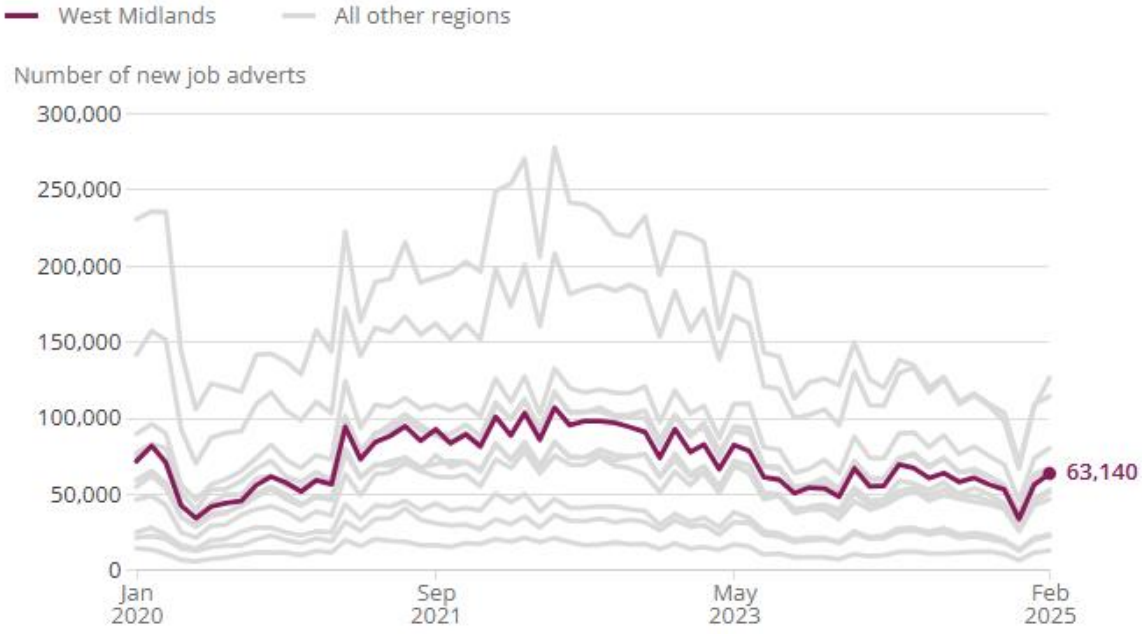
Overall retail footfall decreased in 7 of the 12 UK regions when compared with the previous week. The largest decrease was in East England, which fell by 8%. North West England, Northern Ireland, and Wales all increased by 5%. There were increases in 7 of the 12 regions, compared with the equivalent week of 2024. The largest increases were in Scotland, which increased by 8%, and North East England, which increased 6%.

Textkernel New Online Job Adverts

The number of new adverts increased by 10% when compared with February 2024. They increased from approximately 662,000 adverts to just over 725,000 adverts in February 2025. The number of new adverts in February 2025 also increased by 10% when compared with the previous month.

All UK countries and English regions had an increase in the number of new adverts in February 2025, compared with the previous year. The largest percentage increase was in Northern Ireland (39%) and the smallest was in London (1%).

Volume of new adverts, UK countries and English regions, January 2020 to February 2025, non-seasonally adjusted:



Source: Textkernel

Business Insights and Conditions Survey

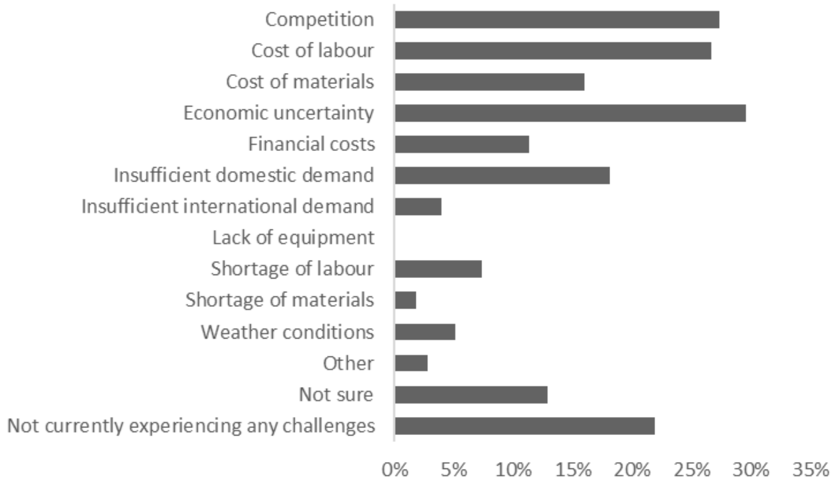
The final results from Wave 128 of the Business Insights and Conditions Survey (BICS) based off the 5,194 businesses surveyed across the West Midlands that businesses have a presence in with a response rate of 29.0% (1,506) and 3,171 businesses that are head quartered in the West Midlands, with a response rate of 26.8% (849). Please note, the survey reference period was 1st to 28th February 2025 with a survey live period of 3rd February to 16th February 2025. Also, the data used is unweighted for regions and response levels can be low so the following results should be treated with caution when evaluating impacts. Due to weighted data being available for the UK a comparison has not been included.

Financial Performance

24.2% of responding West Midlands businesses reported that turnover in February 2025 had increased when compared to the previous calendar month. 39.8% of West Midlands businesses reported turnover had stayed the same. However, 27.9% had reported that turnover had decreased.

29.6% of West Midlands businesses reported economic uncertainty was impacting turnover.

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



35.5% of West Midlands businesses expect turnover to increase in April 2025. 43.3% reported expectations of turnover to stay the same. 9.6% of West Midlands business's expect turnover decrease in April 2025.

Demand for Goods and Services
14.4% of responding West Midlands businesses reported that domestic demand for goods and services in February 2025 when compared to the previous month had increased. 48.1% reported the domestic demand had stayed the same and 18.2% of West Midlands businesses reported the domestic demand for goods and services had decreased.

5.4% of West Midlands businesses reported that international demand for goods and services in February 2025 when compared to the previous month had increased. 23.2% reported the international demand had stayed the same and 6.7% of West Midlands businesses reported the international demand for goods and services had decreased.

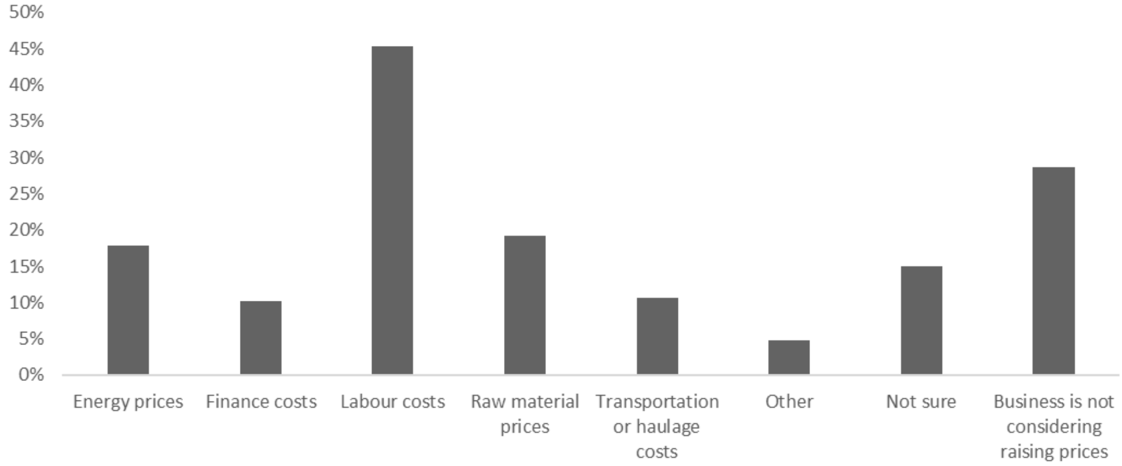
Prices
18.3% of responding West Midlands businesses reported the prices of goods and services brought in February 2025 when compared with the previous month had increased. 63.8% reported the prices had stayed the same and less than 1% reported a decrease.

9.1% of West Midlands businesses reported the prices of goods and services sold in February 2025 when compared with the previous month had increased. 74.4% reported the prices had stayed the same and 1.5% reported a decrease.

29.9% of West Midlands businesses expect the prices of goods and services sold in April 2025 will increase, 50.6% expect prices to stay the same and 1.0% expect a decrease.

45.3% of West Midlands businesses reported that labour costs would be a factor for raising prices in April 2025.

Factors (if any), causing West Midlands businesses to consider raising prices in April 2025:

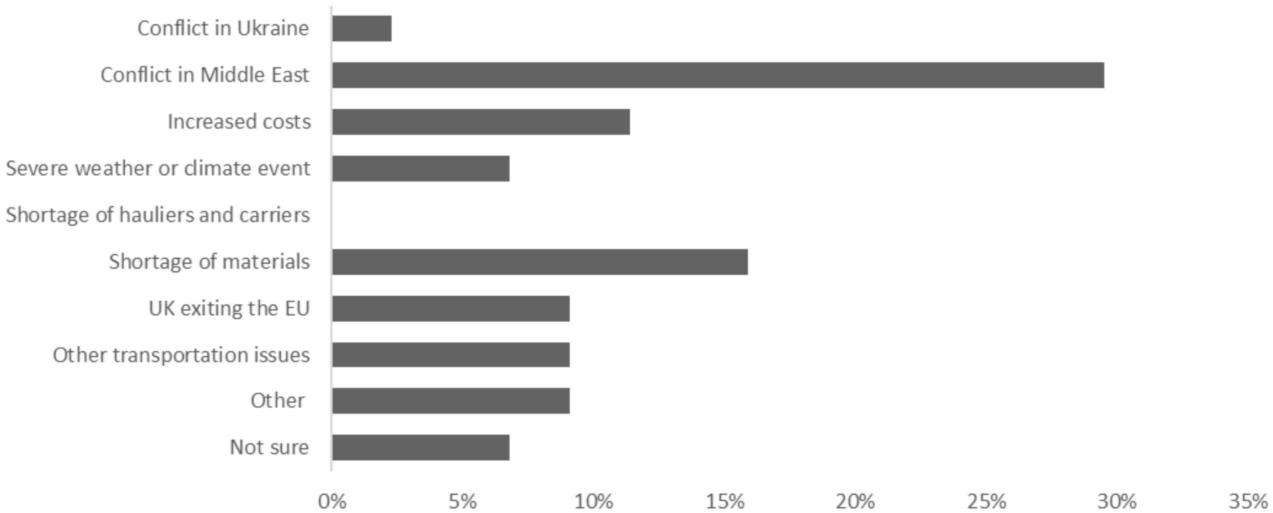


Supply Chains
80.3% of responding West Midlands businesses reported to being able to get the materials, goods or services needed from within the UK in February 2025. A further 3.9% were able to get the materials, goods or services needed from within the UK but had to change suppliers or find alternative solutions. While 2.5% were not able to get the materials, goods or services needed.

Global Supply Disruption
2.9% of responding West Midlands businesses reported global supply chain disruption in February 2025. While 59.6% reported no disruption.

29.5% of West Midlands businesses reported the main reason for global supply disruption was due to conflict in the Middle East.

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



Trade
24.5% of responding West Midlands businesses both exported and imported in February 2025, with 2.8% which exported only and 13.3% imported only. While 50.3% of West Midlands businesses did not export or import in February 2025.

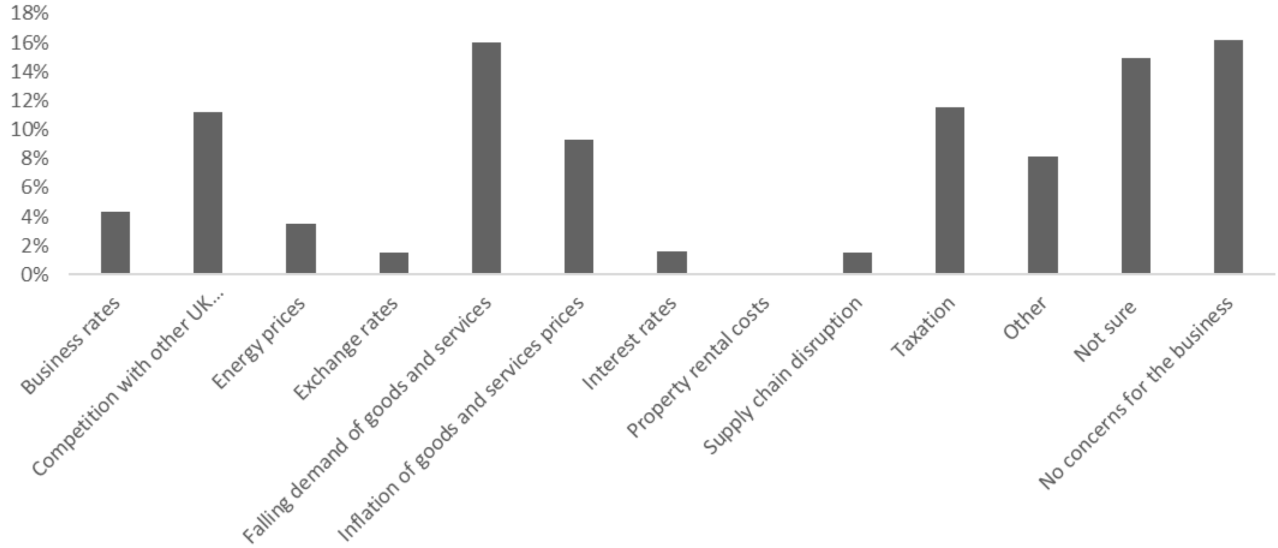
Number of Employees
15.2% of responding West Midlands businesses expect the number of employees to increase in April 2025. 60.7% expect the number of employees to stay the same and 12.5% expect a decrease.

Worker Shortages
13.4% of responding West Midlands businesses reported to experiencing a shortage of workers whereas 71.5% reported no shortages.

Recruitment Difficulties
15.0% of responding West Midlands businesses reported experiencing difficulties in recruiting employees in February 2025, whereas 58.8% experienced no difficulties in recruiting.

Main Concern for Business
16.0% of responding West Midlands businesses reported the main concern in April 2025 will be a falling demand of goods and services.

The main concern (if any) for West Midlands businesses in April 2025:



Overall Performance
25.2% of responding West Midlands businesses reported that overall performance in February 2025 increased when compared with the same calendar month last year. 40.6% of West Midlands businesses reported that performance had stayed the same and 22.5% reported that performance had decreased.

Over the next 12 months, 36.6% of West Midlands businesses expect that performance will increase, 35.9% expect performance will stay the same and 10.9% expect performance will decrease.

Public Opinions and Social Trends Headlines
Estimates are based on data collected (from adults in Great Britain) between 5th February to 2nd February 2025.

Important Issues Facing the UK
The most commonly reported issues were the NHS (87%), the cost of living (86%), the economy (70%), crime (63%), immigration (58%), housing (56%) and climate change and the environment (55%).

Household Finances and the Cost of Living
59% of adults reported that their cost of living has increased in the last month. This proportion has been increasing since the low of 45% between 5th to 28th July 2024. While 39% reported that their cost of living has stayed the same and 2% said it had decreased in the last month.

Adults aged 70 years and over were most likely to report an increase in their cost of living in the last month (68%) compared with any other age group (52% of those aged 16 to 29 years; 59% of those aged 30 to 49 years; 60% of those aged 50 to 69 years).

Affordability

21% of adults reported they were borrowing more money or using more credit in the last month compared with a year ago; those aged 30 to 49 years were more likely to report this (30%) when compared with any other age group (18% of those aged 16 to 29 years; 20% of those aged 50 to 69 years and 10% for those aged over 70 years).

In the last month, 5% of adults reported they had not been able to pay a direct debit, standing order, or household bill; those aged 30 to 49 years were more likely to report this (7%) than those aged 70 years and over (1%).

Housing and Energy Bills

32% of adults who paid rent or mortgage bills said that they found these payments very or somewhat difficult to afford. This was similar across age groups. This proportion has decreased slightly from a similar period a year ago (39% between 14th and 25th February 2025).

36% of adults paying energy bills found it very or somewhat difficult to afford their bills, a slight decrease from a similar period a year ago.

15% of adults reported that they were occasionally, hardly ever or never able to stay warm at home; this is similar to last year's figure (17%).

WMCA Growth Hub Intel

The Economic Intelligence Unit

Headlines

SECTOR	KEY INSIGHTS
Cross Sector	**Outlook** • **The Spring Statement presents an opportunity to reinforce economic stability rather than introduce further uncertainty.** • Recent data from the Office for National Statistics (ONS) reveals **monthly real gross domestic product (GDP) is estimated to have fallen by 0.1% in January 2025** mainly caused by a fall in the production sector, after growth of 0.4% in December 2024. **Real GDP is estimated to have grown by 0.2% in the three months to January 2025**, compared with the three months to October 2024, mainly because of growth in the services sector. • NIESR **project GDP to expand by 0.3% in the first quarter of 2025**, with growth primarily driven by the Services sectors. However, underlying weaknesses persist, with services providing modest support while manufacturing remains under pressure due to weak domestic and external demand. • **The UK regional economic gap is set to widen over the next three years**. Steady economic growth is expected for all parts of the UK between 2025 and 2028, but the **Midlands**, North of England, Scotland and Wales are forecast to see slower-than-average GVA growth. The EY UK Regional Economic Forecast expects UK GVA to grow 1.6% between 2025 and 2028. **The West Midlands is expected to grow by 0.6% in 2025, and an average of 0.5% between 2025-2028.** • British Chambers of Commerce (BCC) forecasts **predict GDP will grow 0.9% in 2025**, driven largely by increased government spending. The national insurance hike is expected to hit investment, recruitment and prices in the coming months. The BCC suggests that to unlock growth, the government should publish a tax roadmap on national insurance and business rates. This would enable firms to know when cost-pressures will ease, allowing them to plan their investment decisions. • The BCC forecast picture on growth varies significantly across sectors. **Manufacturing production is expected to contract -0.2%** (down from 0.6% in the last forecast) rising to 0.8% in 2026 and 1.1% in 2027. In comparison, the **construction industry will grow by 1.3% this year** and reach 1.5% in 2026. The services sector is forecast to increase at 1.1% in 2025 and 1.5% in 2026. • With businesses facing increased cost pressures following last Autumn's Budget, **inflation is now expected to remain above the Bank of England's target until the last quarter of 2027.** CPI is forecast to be 2.8% in Q4 2025 (up from 2.2% in the last forecast), before falling to 2.1% by the end of 2026 and 2% in Q4 2027. **Trading Environment** • The latest NatWest Purchasing Managers Index (PMI) reports the **West Midlands Business Activity Index increased from 47.2 in January 2025 to 48.7 in February 2025**. Some companies linked a decline in activity to price pressures and the loss of existing clients, but other firms pointed to an expected recovery in new contract wins. The UK Business Activity Index decreased from 50.6 in January 2025 to 50.5 in February 2025. • **The West Midlands Future Business Activity Index increased from 69.8 in January 2025 to 74.3 in February 2025**, the highest level of confidence since August 2024 and the highest level of all UK regions in February 2025. Optimism was linked to advertising, investment, tourism and the planned launch of new products. • KPMG Private Enterprise Barometer 2025 reveals **92% of privately owned business owners and leaders are confident about their company's growth prospects, with 59%**

SECTOR	KEY INSIGHTS
	describing themselves as very confident. Such high levels of optimism suggest that private enterprises have weathered the challenging trading conditions of recent times and believe they have the resilience to leverage opportunities ahead. • Despite this, the UK Composite PMI Output Index **posted only just above the key 50.0** mark in February (50.5), indicative of another month of sub-par expansion for the UK private-sector economy. The increase in activity was **almost entirely driven by services companies as manufacturing production shrank for a fourth successive month.** • The latest Small Business Index data have revealed **a large deterioration in confidence, from -24.4% in 2024 Q3 to -64.5 in Q4. Businesses are now at their most pessimistic since the onset of the Covid-19 pandemic, with Q4's reading being the second weakest on record.** Such negativity is wide-ranging across business demographics. All sectors recorded a negative, and worsening, SBI score in Q4, with particularly low readings exhibited for consumer-facing services, such as accommodation and food services and wholesale and retail. When considering the data at the regional level, the same trend of unanimous negativity and worsening was observed. The West Midlands confidence was -61.2. • PwC analysis shows that February saw **2,035 company insolvencies**, which although an increase of 3% month on month, is still below the February 2024 figure of 2,188 – a positive sign that might temper some of the uncertainty felt by businesses as they look further into 2025. • **Insolvency-related activity surged in the Midlands last month**, according to the latest figures from R3, with the region also recording a steep fall in the number of new businesses. Insolvency-related activity increased by 41.09% in the West Midlands, compared to January's levels. At the same time, the number of new businesses set up in the region fell by almost a fifth compared to February 2024, dropping from 6,889 to 5,597. • New data from Beauhurst reveals that since 2015, **while the number of high growth companies has increased in all areas of the UK, the proportion of high growth companies has become more concentrated in London**, growing from 26.2% of the total to 31.9%. As a result, proportions have fallen in the regions, including in the West Midlands (reducing from 6.8% to 5.9% of the total), accounting for 3,192 companies. • **Venture capital investment in the West Midlands jumped 78% in Q4 2024 to £69.8 million,** driven by a major deal with Quanta Dialysis, as the UK retained its position as Europe's top destination for VC funding. • **The Midlands has recorded a surge in aspiring entrepreneurs taking out finance to bring business plans to life in the five years since the first Covid-19 lockdown**. In the West Midlands, there has been an 18% jump in the number of first loans, amounting to a 47% rise in total value. The average first loan value to entrepreneurs climbed by £2,809, or 26%. • Businesses have welcomed government **pledges to cut red tape and unnecessary regulation**, saying **the focus must be on removing barriers to growth**, especially in evolving sectors such as tech and AI where the opportunities to achieve a competitive advantage are strong. • At a time when Equality, Diversity and Inclusion interventions are increasingly being challenged, and in the context of severe national skills shortages, it is essential that the important contribution made by women researchers is fully recognised. **Women now represent four in ten (41%) of active researchers in the UK**, which is in line with the US (42%) and the average for the European Union (42%). The UK has also seen an improving trend in awarding grants to female researchers, with close to two fifths of grants awarded to women in 2022.

SECTOR	KEY INSIGHTS
	Labour Market • Estimates for payrolled employees in the UK increased by 21,000 (0.1%) in February 2025 when compared with January 2025 and rose by 67,000 (0.2%) between February 2024 and February 2025. • **The estimated number of vacancies in the UK was broadly unchanged on the quarter** with estimates suggesting a small increase of 1,000 (0.1%) vacancies to 816,000 in December 2024 to February 2025. Vacancies remained above pre-coronavirus (COVID-19) pandemic levels. • **The Midlands recorded a considerably softer decline in permanent placements during February**, according to the latest KPMG and REC UK Report on Jobs survey, which could signal that "the worst is behind us". The report shows that the reduction in new permanent joiners was the softest in eight months and only modest overall. However, temp billings fell for the first time in just under a year, albeit only marginally. **Demand for staff remained weak during February, with both permanent and temporary vacancies declining sharply.** • **Annual growth in employees' average earnings was 5.9% for regular earnings (excluding bonuses) and 5.8% for total earnings (including bonuses) in Great Britain in November 2024 to January 2025.** • NIESR **forecast total pay growth to slow but remain elevated at 5.4% in Q1 2025.** • The Joseph Rowntree Foundation predicts **that incomes (after housing costs) will be lower in Q4 2029 than in Q4 2024.** • This comes as new analysis from the Living Wage Foundation reveals that **both the proportion and number of jobs paid below the real Living Wage increased between 2023 and 2024. This marks the largest annual rise since the time series began in 2012.** 15.7% of employee jobs in the UK (4.5 million jobs) were paid below the real Living Wage in April 2024 – an increase from 13.0% (3.7 million jobs) in April 2023. In the West Midlands, this increased from 14.3% to 18.3%. **This reflects the economic pressures of the cost-of-living crisis, as low-paid workers faced a steep rise in day-to-day costs while wages failed to keep pace.** The findings highlight that low pay remains a significant challenge in the UK labour market and reinforce the need for wages that reflect the rising cost of living. • NIESR has found that **stagnation in real income growth in the last 15 years has caused UK living standards to plummet and cost UK workers thousands of pounds per year. This is driven by weak productivity growth: countries that experienced stronger productivity growth over the 2010s had the strongest wage growth.** • Institute of Directors data shows that **47% of business leaders facing higher National Insurance bills plan to reduce employment** in response, and that business hiring intentions over the next year remain around lows last seen at the height of the COVID-19 pandemic. • Today, **one in five workers (20.6%) work mainly from home, quadrupling since 2019** when only one in 20 people did (5%). However, with 'return to office' mandates hitting the headlines on a regular basis, there has been limited attention paid to the experiences of disabled workers. Nearly one in four of the working-age population are disabled, but disabled people continue to face a substantial employment gap and disadvantages in the labour market. Despite increasing demand for remote and hybrid roles, there is an advertising gap, with only one in 26 vacancies (3.8%) on the Department for Work and Pensions Find a Job portal including an option for such work. • **People in professional occupations do not reflect the population as a whole – with those from working class and ethnic minority backgrounds notably underrepresented**. **This analysis** of UK recruitment data on 2 million young people ascribes these inequalities to employer decisions during recruitment. In other words, employers are disproportionately filtering out candidates from underrepresented groups. Applicants from lower socio-economic backgrounds are 32% less likely to get an offer than similar

SECTOR	KEY INSIGHTS
	applicants from professional backgrounds. That gap is 45% for Black applicants, and 30% for Asian. One notable exception is that women are more likely to receive a job offer than similar male applicants. • This comes as new research by the Sutton Trust reveals **only 5% of medical students are from working class backgrounds despite efforts to widen access to the profession**. The research, finds that although the proportion of medical students from the lowest socio-economic backgrounds more than doubled since 2012, they still accounted for just 5% of entrants in 2021. In contrast, **75% were from higher socio-economic backgrounds, based on their parents' occupation**.
Manufacturing and Engineering	• UK manufacturing **output PMI fell to 47.3, from 49.2 in January**, signalling a fourth successive monthly contraction in production. Trends in domestic and foreign markets contributed to a deepening of the downturn. • **Manufacturing output volumes fell in the three months to March**, at a slightly steeper pace than in the three months to February, according to the Confederation of British Industry's (CBI) latest monthly Industrial Trends Survey (ITS). Looking ahead, manufacturers expect output volumes to be broadly unchanged in the quarter to June. • New US tariffs threaten $3.4 billion of UK exports to the US, **as UK steel will now face a 25% import tax** after President Trump ordered a new tax on all steel and aluminium entering the US. The US's two biggest steel companies, Tata Steel and British Steel, have already lost US customers. • **Britain's manufacturers have hit the brakes on recruitment and investment plans** amid rising employment taxes and business costs, according to Make UK and BDO's Q1 2025 Manufacturing Outlook report. **Improved business confidence was reported in the West Midlands.**
Construction	• Construction output **is estimated to have fallen by 0.2% in volume terms in January 2025**; this follows a decrease of 0.2% in December 2024. This decrease in monthly output came solely from a fall in new work (0.7%) as repair and maintenance grew by 0.4%. • PwC analysis highlights the **construction sector continues to face severe challenges, with over 400 construction-related businesses failing during February 2025**. High input costs (both in raw materials and labour), and the inability to fully pass these cost increases onto consumers means tight margins are being further squeezed, leaving some businesses in a difficult position.
Retail, Hospitality and Tourism	• In a matter of weeks, **retailers grapple with the reality of billions in extra costs from the increases to employer National Insurance and the National Living Wage.** This **£5bn in new costs will give many no option but to push prices up. Food inflation is likely to hit 5% by the end of the year**, and with further costs from the new packaging tax and implementation of the Employment Rights Bill, prices risk being pushed up further. • A quarter of a million retail jobs have been lost in the last five years, according to the latest report by the ONS. **The number of retail jobs in 2024 was the lowest since the data began in 1996**, despite total jobs in the economy continuing to rise. A recent survey of retail Finance Directors showed that half were planning hiring freezes or cutting jobs, both in head offices and stores across the UK.
Digital / Tech	• A **new AI training programme** is empowering small business owners in the **West Midlands** to bridge the AI skills gap, as research reveals that while entrepreneurs are eager to embrace AI, many lack the necessary training to do so effectively. A study by **Small Business Britain**, in partnership with **BT Group**, found that **68% of small business owners** believe AI could significantly boost their growth. However, many struggle with understanding and integrating AI into their operations. To tackle this challenge, **Small Business Britain** and **BT Group** have launched the **AI for Small Business programme**—a **free, six-week online course** designed to upskill small business owners with essential AI and digital skills.

SECTOR	KEY INSIGHTS
Transport Technologies and Logistics	• New analysis by Midlands Connect shows that **440,000 people along the route of the proposed next stage of electrification of the Midland Mainline are at major risk of social exclusion.**
Environmental Technologies	• The Government has announced a **major expansion of electric vehicle (EV) charging infrastructure in the Midlands,** with more than 16,000 new charge points planned. The Department for Transport has confirmed that 13 local authorities, supported by Midlands Connect, have secured £40.8m from the Local EV Infrastructure (LEVI) Fund to support the rollout. • Innovate UK has announced that **54 new charging hubs for zero-emission heavy goods vehicles (HGVs) will be built under its Zero Emission HGV and Infrastructure Programme.** The hubs will be located at depots, motorway services and key transport routes across the UK, providing charging and hydrogen refuelling for freight operators. • This comes as new research reveals 43% of public charge points are in London and the South East, leaving many regions, particularly rural areas, poorly served. • New research has revealed that the **UK Government would have gained an additional £2.9bn in revenue over the next two fiscal years if it had kept its Emissions Trading Scheme (ETS) prices in line with the EU.**

New Economic Shocks

COMPANY	LOCATION	SECTOR	DETAIL
Santander	Various	Banking	Santander has announced plans to close 95 branches across the UK, putting around 750 jobs at risk. The Spanish-owned high street bank will also reduce operating hours at 36 locations and convert 18 branches into counter-free sites. Locations include **Brierley Hill**, **Dudley**, **Wolverhampton** and **Solihull**.
Mutt Motorcycles	Birmingham	Manufacturing	A **Birmingham**-based motorcycle manufacturer has closed its doors due to falling demand, costing all jobs. Mutt Motorcycles, known for its small cc, retro-styled bikes and lifestyle store, appointed administrators on March 3. The business has now ceased trading, with all 18 employees made redundant.

New Investment, Deals and Opportunities

COMPANY	LOCATION	SECTOR	DETAIL
EcoFlow	Birmingham	Energy	EcoFlow, an international home energy solutions company, is opening its UK headquarters in **Birmingham**, creating 35 new jobs. The company will occupy space at Bruntwood SciTech's Innovation Birmingham campus, located in the city's Knowledge Quarter.
The Construction Consultants	Birmingham	Construction	The Construction Consultants (TCC), based in **Birmingham**, has been selected to assist with the development of a £5.8m Porsche centre in Exeter. TCC will provide quantity surveying and employer's agent services for the new Porsche dealership.
Urban 8 Logistics Park	Birmingham	Logistics	The £32.9m Urban 8 Logistics Park in **King's Norton, Birmingham**, has been completed, transforming the former Pilkington Automotive and GKN Aerospace sites into a logistics hub. The development spans 29 acres of

COMPANY	LOCATION	SECTOR	DETAIL
			former brownfield land, and it's set to create up to 900 jobs.
Sporting Group International	Birmingham	Sport	Charlton Athletic is strengthening its commercial strategy to attract new sponsorships for its 2025/26 campaign through a new partnership. The club has appointed Sporting Group International (SGI) as a key commercial partner. Headquartered in **Birmingham**, SGI specialises in sports partnerships and will assist in securing sponsorships for the playing kit and other commercial assets, building on the club's growing momentum.
Impact Repair Centre	Birmingham	Automotive	Impact Repair Centre has secured a new commercial premises with the help of a six-figure funding package from Lloyds. The repair business which operates four locations across the West Midlands – including Redditch, Warwick, Bromsgrove, and its new flagship site in Lifford Lane, **Birmingham** – has used the £760,000 package to purchase the commercial unit. The business handles repairs for insurers and manufacturers like Jaguar, Land Rover, and BMW, employing more than 85 people.
Frontier Development Capital	Birmingham	Financial Services	**Birmingham**-based investment firm Frontier Development Capital, part of Mercia Asset Management, is backing the expansion of Gilbanks with a multi-million-pound funding deal. The investment will help the workspace provider expand its network of service-led office spaces. Gilbanks is already expanding in Birmingham with a new 22,000 sq ft workspace at Five St Philips.
Barberry Industrial	Birmingham	Property	Barberry Industrial has secured planning consent for a £17m development at Quinton Business Park, **Birmingham**. The 77,750 sq ft Grade A distribution and manufacturing unit will be available for sale or lease once construction begins later this year.
MJ Quinn	Brierly Hill	Property	National infrastructure service provider MJ Quinn has secured a newly refurbished industrial site in **Brierley Hill** as part of its ongoing UK expansion. The company has signed a five-year lease on Hulbert Park, a 24,463 sq ft detached warehouse on Level Street.
Lawton Tubes	Coventry	Manufacturing	Lawton Tubes, a family-run manufacturer of copper tubing, has announced plans for a £20m facility near its current headquarters in **Coventry**. The new 120,000 sq ft building, located on Torrington Avenue, will combine manufacturing, storage and office space.
IPP	Coventry	Logistics	A European provider of sustainable wooden pallet pooling, IPP, has secured a supply chain agreement with Irish food brand, Tayto Snacks. With its UK & Ireland headquarters based in **Coventry**, IPP will now be the sole supplier of pallets for Tayto Snacks, managing the transportation of pallets to distribution centres, retail outlets, and supermarkets across Ireland.
Downing Renewable Developments	Sandwell	Energy	Downing Renewable Developments has secured approvals for two large-scale energy storage projects including a 100MW Battery Energy Storage System near **Rowley Regis**, West Midlands. The **Rowley Regis** project will have

COMPANY	LOCATION	SECTOR	DETAIL
			the capacity to store enough energy to power 300,000 homes for two hours.
PDS Direct	Sandwell	Logistics	**Oldbury**-based logistics specialist PDS Direct is accelerating its growth with a funding package from Lloyds. The support is fuelling an expansion of fleet, workforce and infrastructure following a five-year contract win. With the funding, the company has increased its fleet by 25%, recruited 45 new employees and invested in sustainable operations.
Benbow Steels	Sandwell / Wolverhampton	Manufacturing	All jobs at Benbow Steels, a specialist supplier of colour-coated steel products based in **West Bromwich**, have been saved with its sale out of administration. The administrators sold the business and its assets to **Wolverhampton**-based Nautilus Designs Ltd.
Likewise Group	Solihull	Wholesale	Flooring distributor Likewise Group is set to expand its delivery fleet to support its growth. By the end of 2025, the **Solihull**-based company plans to have 158 vehicles on the road. The first of these new vehicles, one of 30 trucks on order, was delivered to Likewise's Glasgow distribution centre this week. 14 more trucks are on order for Valley Wholesale Carpets, one of the group's subsidiaries.
PJ Hegarty	Solihull	Construction	Irish building contractor PJ Hegarty has expanded into the West Midlands after agreeing to a lease for one of two newly refurbished offices at Quartz Point in **Solihull**. The construction giant, with a turnover of over €500m, has taken 2,309 sq ft of offices to expand its UK and Ireland operations.
Jaguar Land Rover	Solihull / Wolverhampton	Manufacturing	JLR is recruiting 150 maintenance technicians in the West Midlands to boost its electrification strategy. Of the 150 roles, JLR is recruiting 50 technicians for its **Solihull** plant. These roles will maintain automated manufacturing equipment essential to the production of Range Rover Electric, which is launching later this year. The remaining 100 maintenance roles are based at JLR's Electric Propulsion Manufacturing Centre in **Wolverhampton**.
Harvey Norman	Sutton Coldfield	Retail	Harvey Norman is set to open its UK headquarters at the Gracechurch Centre in **Sutton Coldfield**, bringing up to 100 new jobs to the area. It marks the company's fourth store in the UK, following the opening of its flagship store at Merry Hill Shopping Centre, and is part of its broader expansion across the West Midlands.
Bowmer & Kirkland	Walsall	Construction	Construction firm Bowmer & Kirkland has landed a contract to build two industrial units as part of the £100m Spark development in **Walsall**, West Midlands. Bowmer & Kirkland will deliver a 23,500 sq m unit and a smaller 1,650 sq m building, with both set to be completed later this year.
Orbital10	Walsall	Technology	**Walsall**-based Orbital10 Ltd, an IT support and managed service provider, has announced the acquisition of Pro-Active Business Information Ltd. The integration of Pro-Active's data and digital marketing proficiency with Orbital10's IT infrastructure services aims to provide

COMPANY	LOCATION	SECTOR	DETAIL
			clients with a holistic technology approach to business growth.
GenAir UK	Wednesbury	Services	GenAir UK, a **Wednesbury**-based air compressor supplier, has been acquired by STAR Capital Partnership LLP. The acquisition was financed by Clydesdale Bank (trading as Virgin Money) and Santander UK. GenAir UK, which operates a fleet of over 800 air compressors and dryers, serves various sectors, including aerospace, petrochemical, rail, sewage treatment, and civil engineering. The company's subsidiary, GenAir Asset Leasing is also part of the acquisition.
Merridale	Wolverhampton	Manufacturing	**Wolverhampton**-based fuelling equipment company, Merridale, has been acquired by Swedish industrial group Teqnion. Merridale is a commercial fuelling manufacturer, designing and developing a full range of in-house equipment—from single pumps to complete turnkey solutions.
DTZ Investors	Wolverhampton	Retail	DTZ Investors has disposed of two Midlands retail parks for £33m, to reinvest the capital into retail warehouse opportunities. St John's Retail Park in **Wolverhampton** was sold to Brookhouse Group for £16.5m.

Disclaimer: The contents of this document are based on the latest data available and the contribution of regional partners in a fast paced environment, therefore we urge caution in its use and application
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This programme of briefings is funded by the West Midlands Combined Authority, Research England and UKRI (Research England Development Fund)

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