

WMCA Monthly Economic Insights

October 2026



The Autumn Budget sets out significant opportunities for the **WMCA**, including greater fiscal devolution and new arrangements for locally led innovation investment. However, the latest labour market figures highlight the scale of the challenge. The WMCA employment rate fell by 0.8 percentage points to 69.3% in the year ending June 2026, remaining 6.5 percentage points below England (75.8%). Unemployment increased to 7.4%, compared with 4.7% nationally. Meanwhile, annual full-time resident earnings reached £37,499, remaining £3,641 below England. Despite these challenges, the Social Mobility Commission's Local Innovation and Economic Dynamism Index ranks the WMCA fourth out of 16 combined authority areas, highlighting its economic potential. Translating stronger regional innovation and investment into improved employment opportunities and living standards will be central to delivering inclusive growth.

Birmingham continues to demonstrate significant investment potential, ranking first nationally for growth potential and third for foreign investment attractiveness in the latest Investment Confidence Index. However, business demography figures suggest a more challenging environment for enterprise, with a fall in business births, and although deaths also fell, they exceeded new business registrations. The city's labour market also remains under pressure, with an employment rate of 66.5%, below the WMCA average of 69.3%, and unemployment at 8.2%. Strengthening business formation, supporting existing firms and connecting residents to new investment opportunities will be important to ensuring Birmingham's growth potential translates into broader economic prosperity.

Coventry recorded one of the strongest improvements in labour market performance across the WMCA in the year ending June 2026. Its employment rate increased by 4.3 percentage points to 74.3%, approaching the England average of 75.8%, while unemployment fell by 2.7 percentage points to 5.6%. The city also performs strongly on economic dynamism, ranking 15th out of 361 local authorities in the Social Mobility Commission's Local Innovation and Economic Dynamism Index, with a score of 63.2. Coventry's innovation ecosystem is supported by its universities, advanced manufacturing capabilities and the West Midlands Investment Zone, including Green Power Park.

Dudley's business environment presents a mixed picture, with signs of entrepreneurial resilience alongside growing financial pressures. New figures show 290 business births in Q3 2026, a 16.0% annual increase and the strongest growth among WMCA local authorities. With 225 business deaths, Dudley recorded a net increase of 65 businesses. However, the latest Red Flag Alert data reveals that the number of businesses experiencing significant financial distress increased by 39.5% over the year to 742, the sharpest rise among the West Midlands areas reported. Labour market performance remains comparatively strong, with Dudley's employment rate increasing to 76.6%, above the England average. The findings suggest that while business formation and employment provide grounds for optimism, rising operating costs and financial vulnerability remain significant risks to sustained local growth.

Sandwell continues to face significant challenges in improving employment outcomes and household incomes. The latest data reveals earnings remained £7,579 below England (£41,140). Workplace earnings were similarly low at £34,580, with England at £41,198. Although Sandwell's employment rate increased marginally to 65.9%, it remained 9.9 percentage points below England, while unemployment rose sharply by 2.6 percentage points to 9.5%, the highest rate across the WMCA. Educational outcomes also remain challenging, with an average Attainment 8 score of 42.1, compared with 46.2 nationally. These figures underline the importance of coordinated employment, skills and education interventions to improve access to higher-paid work and support more inclusive economic growth.

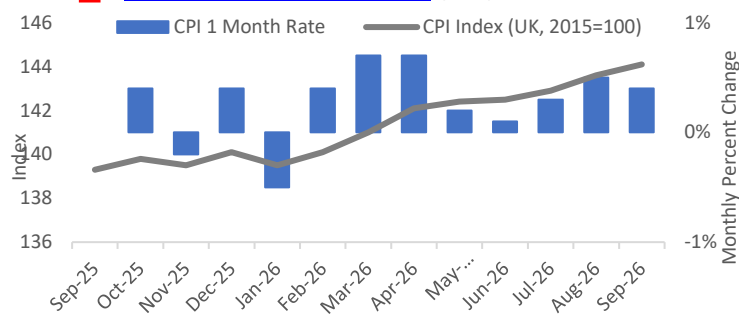
Solihull continues to record the highest resident earnings across the WMCA, with median annual full-time pay reaching £47,874 in 2026, approximately £6,734 above England. However, earnings growth was limited to 0.5%, compared with 4.2% nationally. The latest labour market figures also suggest emerging pressures, with the employment rate falling by 1.2 percentage points to 75.8%, while unemployment increased by 3.0 percentage points to 6.2%. Business formation has weakened considerably, with 190 business births recorded in Q3 2026, a 19.1% annual decline and the sharpest fall across the WMCA. Meanwhile, business deaths increased by 2.9%. Despite Solihull's comparatively strong earnings and employment position, these trends suggest a need to support business investment, enterprise growth and continued labour market resilience.

Walsall experienced a notable deterioration in employment performance, with its employment rate falling by 4.6 percentage points to 67.2%, substantially below England's 75.8%. However, unemployment declined by 1.5 percentage points to 4.4%, suggesting that changes in economic inactivity may be an important consideration when interpreting labour market trends. Resident earnings increased by 5.8% to £36,268, the strongest annual growth across the WMCA, although pay remains below the national average. Educational attainment presents a further challenge, with Walsall's Attainment 8 score falling by 0.4 points to 42.7, compared with 46.2 nationally. Strengthening pathways from education into employment, addressing barriers to labour market participation will be important priorities for the borough.

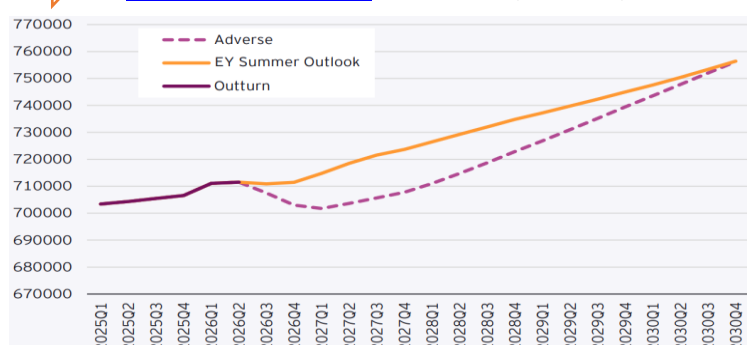
Wolverhampton's economic indicators reveal a contrast between its innovation potential and weakening labour market performance. The Social Mobility Commission ranks the city 16th out of 361 local authorities for economic dynamism, placing it among the highest-performing areas nationally. However, its employment rate fell by 7.8 percentage points to 67.3%, while unemployment increased to 9.1%. Wider regional business sentiment offers some optimism, with West Midlands confidence reaching 69% in September, significantly above the UK average of 41%. However, financial pressures persist, with Wolverhampton businesses experiencing significant financial distress increasing by 19.1% to 2,305. Translating regional confidence and innovation strengths into sustained investment remains a key priority.

Monthly Monitoring Indicators

UK Consumer Price Index (CPI)

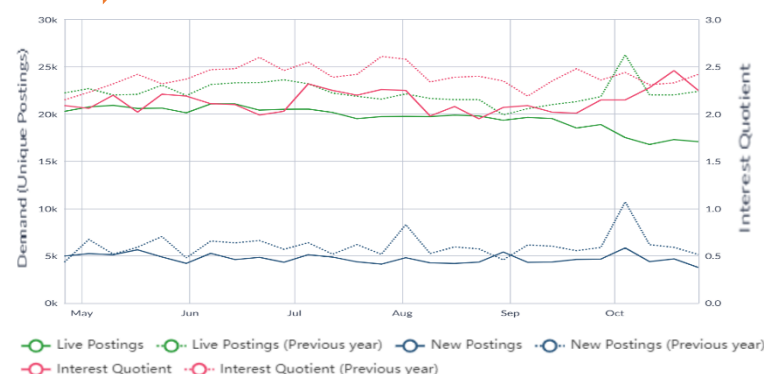


UK GDP Level Scenarios, Q real £m (2025-30)

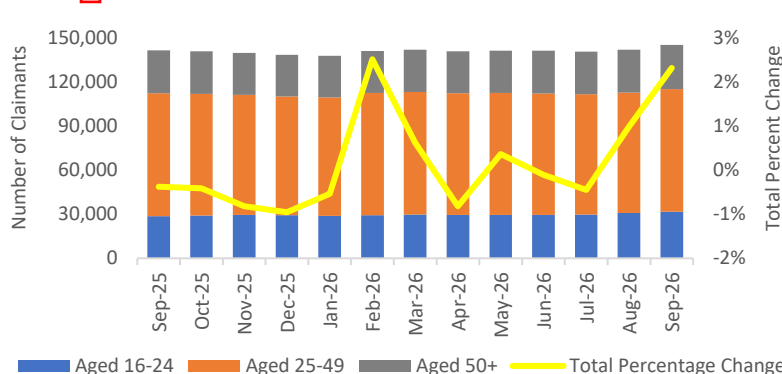


- Utilising a base year of 2015, UK **CPI was 144.1** in Sept 2026, an increase of **0.4%** from the previous month (**+3.5%** y-o-y).
- Despite activity softening, **underlying economic momentum held up relatively well** in Q2 2026.

WMCA Job Demand and Interest Trend

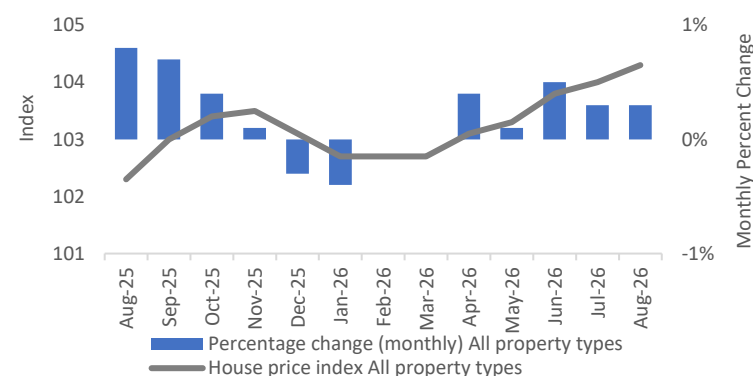


WMCA Claimants

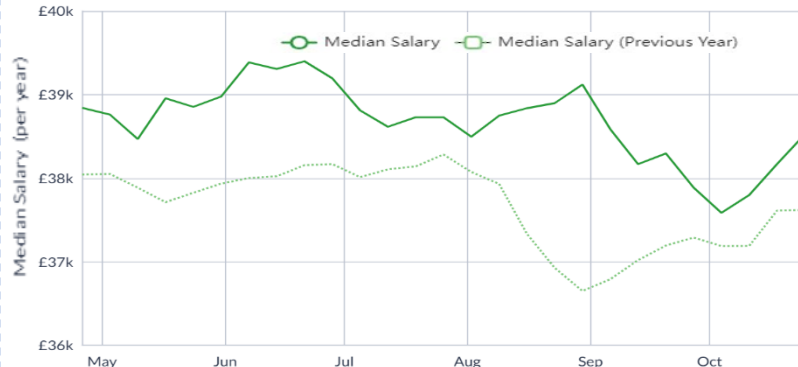


- In the past month for the WMCA: **38,933 postings (-24.5% y-o-y)**, **2.3 (high) Interest Quotient (IQ)**.
B'ham: 21,596 (-25.8%), 12.6 (high). **Coventry**: 3,995 (-29.7%), 2.1 (high). **Dudley**: 2,368 (-22.9%), 1.5 (high).
Sandwell: 2,697 (-11.8%), 2.0 (high). **Solihull**: 2,641 (-23.5%), 2.0 (high). **Walsall**: 2,023 (-26.0%), 1.1 (avg.). **W'ton**: 3,618 (-18.8%), 2.7 (high).
- In total, **145,055 WMCA claimants in September 2026**; **+3,275 since August 2026**, (+2,705 since Sept '25).
B'ham: 78,705; +1,890, (+1,735). **Coventry**: 14,170; +240, (+845). **Dudley**: 9,500; +290, (+250).
Sandwell: 15,180; +355, (+165). **Solihull**: 4,840; +175, (+200). **Walsall**: 10,820; +155, (+480). **W'ton**: 11,835; +195, (+25).

WMCA House Price Index



WMCA Salary Trend



- WMCA's **House Price Index was 104.3** in August 2026. The monthly **Index increased by 0.3%**.
B'ham: 101.0, +0.7%. **Coventry**: 104.6, +0.8%. **Dudley**: 107.2, +0.2%.
Sandwell: 108.3, +0.7%. **Solihull**: 100.5, -1.1%. **Walsall**: 108.8, +1.0%. **W'ton**: 108.0, -1.9%.
- In the past month for the WMCA, on Adzuna: **Median Salary of £38,006 per year, (+2.5% y-o-y)**.
B'ham: £40,452 (+2.8%). **Coventry**: £36,065 (-3.6%). **Dudley**: £35,054 (+5.2%).
Sandwell: £34,296 (+0.1%). **Solihull**: £35,055 (+6.1%). **Walsall**: £35,531 (+3.2%). **W'ton**: £35,338 (+0.5%).

Other Recent Releases

- The ONS [Annual Population Survey](#) (APS) has been updated to include the year ending June 2026 data for **labour market activity**. *Read our full briefing [here](#).* Key headlines:
 - **WMCA employment rate: 69.3%** (-0.8pp). Eng. 75.8%, unchanged since the year ending June 2025.
B'ham: 66.5% (-0.9pp). **Coventry:** 74.3% (+4.3pp). **Dudley:** 76.6% (+1.5pp).
Sandwell: 65.9% (+0.2pp). **Solihull:** 75.8% (-1.2pp). **Walsall:** 67.2% (-4.6pp). **W'ton:** 67.3% (-7.8pp).
 - **WMCA unemployment rate: 7.4%** (+0.7pp). Eng. 4.7%, +0.5pp since the year ending June 2025.
B'ham: 8.2% (+0.3pp). **Coventry:** 5.6% (-2.7pp). **Dudley:** 6.5% (+0.2pp).
Sandwell: 9.5% (+2.6pp). **Solihull:** 6.2% (+3.0pp). **Walsall:** 4.4% (-1.5pp). **W'ton:** 9.1% (+6.1pp).
- The ONS have released [Annual Survey of Hours and Earnings](#) (ASHE) for 2026. *Read our full briefing [here](#).* Key headlines:
 - **WMCA annual FT resident earnings: £37,499** (+4.2%). Eng. £41,140, +4.2% since 2025.
B'ham: £37,484 (+5.0%). **Coventry:** £37,815 (+0.7%). **Dudley:** £37,259 (+5.4%).
Sandwell: £33,561 (+2.0%). **Solihull:** £47,874 (+0.5%). **Walsall:** £36,268 (+5.8%). **W'ton:** £37,038 (+4.7%).
 - **WMCA annual FT workplace earnings: £39,561** (+4.8%). Eng. £41,198, +4.5% since 2025.
B'ham: £40,447 (+5.2%). **Coventry:** £42,373 (+2.7%). **Dudley:** £36,606 (+3.7%).
Sandwell: £34,580 (+4.2%). **Solihull:** £43,866 (+2.8%). **Walsall:** £36,705 (+4.2%). **W'ton:** £38,290 (+6.8%).
- The Department for Education have released [Key stage 4 performance](#) for the academic year 2025/26. *Read our full briefing [here](#).* Key headlines:
 - **WMCA Attainment 8 Score: 44.4** (+0.1). Eng. 46.2, +0.1 since 2024/25.
B'ham: 46.8 (+0.2). **Coventry:** 44.0 (-0.2). **Dudley:** 43.0 (unchanged).
Sandwell: 42.1 (+0.3). **Solihull:** 46.9 (-0.1). **Walsall:** 42.7 (-0.4). **W'ton:** 45.0 (+0.7%).
- The ONS have released [experimental data on quarterly business enterprise and deaths](#) at a local level, now up to Q3 2026. *Read our full briefing [here](#).* Key headlines:
 - **WMCA: 2,905 business births** (-9.1%, UK: -3.5% since Q3 2025).
B'ham: 1,205 (-14.8%). **Coventry:** 335 (-4.3%). **Dudley:** 290 (+16.0%). **Sandwell:** 365 (-9.9%). **Solihull:** 190 (-19.1%).
Walsall: 245 (0%). **W'ton:** 280 (-5.1%).
 - **WMCA: 2,705 business deaths** (-10.9%, UK: -1.1% since Q3 2025).
B'ham: 1,290 (-15.4%). **Coventry:** 280 (-6.7%). **Dudley:** 225 (0%). **Sandwell:** 290 (-12.1%). **Solihull:** 180 (+2.9%).
Walsall: 210 (-4.5%). **W'ton:** 230 (-11.5%).
- The Children's Commissioner produces [The Childhood Lottery](#) which is a **dataset that brings together 162 measures of children's lives** to build a comprehensive picture of the areas in England **where it is the hardest to grow up**.
 - **West Midlands region overall Score: 588** (mean score out of 960, higher is better)
B'ham: 540. **Coventry:** 611. **Dudley:** 560. **Sandwell:** 552. **Solihull:** 549. **Walsall:** 600. **W'ton:** 557.
- The Social Mobility Commission with The Productivity Institute have produced a [Local Innovation and Economic Dynamisms Tool](#) (The overall index score on a 0 to 100 scale. Higher scores indicate higher levels of local economic dynamism).
 - **WMCA Local Innovation and Economic Dynamism Index: 54.5 (4 out of 16)**
B'ham: 52.6 (136/361). **Coventry:** 63.2 (15/361). **Dudley:** 61.0 (33/361). **Sandwell:** 46.1 (251/361).
Solihull: 48.2 (213/361). **Walsall:** 51.5 (147/361). **W'ton:** 62.6 (16/361).
- Carnegie UK have released the latest edition of the [annual Life in the UK index](#). The **overall score for collective wellbeing in the West Midlands region in 2026 was 58** out of a possible 100 (UK stood at 61).
- HESA, part of Jisc, has developed an [interactive dashboard](#) using open data to explore the international reach of UK higher education. It shows **where international students study in the UK and overseas through UK universities, how these patterns change over time, and how international activity varies between higher education providers**.

Economy and Business Intelligence

THEME	KEY INSIGHTS
Economic Outlook	<ul style="list-style-type: none"> • This Budget marks the tenth Prime Minister and Chancellor pairing in a decade, EY note each has faced the same constraint: limited space to manoeuvre, driven by rising gilt yields and slowing growth. • The UK economy unexpectedly returned to growth, outperforming economists' forecasts and easing concerns about a slowdown in economic activity. The stronger-than-expected performance was supported by growth across key sectors, providing a boost to business confidence despite ongoing pressures from inflation, interest rates and global uncertainty. Economists cautioned that challenges remain, but the figures suggest the economy has shown greater resilience than anticipated, strengthening the outlook for businesses and investors in the months ahead. • Recent data from the Office for National Statistics (ONS) reveals in the three months to August 2026, compared with the three months to May 2026: <ul style="list-style-type: none"> ○ Real gross domestic product (GDP) grew by 0.7%, following growths of 0.5% in the three months to July 2026 and a growth of 0.5% in the three months to June 2026. • In the month to August 2026: <ul style="list-style-type: none"> ○ Monthly GDP grew by 0.1% in August 2026, following a growth of 0.4% in July 2026 and a growth of 0.4% in June 2026. • NIESR forecasts 0.7% growth in the third quarter and 0.2% in the fourth. They expect weaker services activity to temper the near-term outlook. • The IMF World Economic Outlook has nudged its UK growth forecast this year up 0.5 percentage points to 1.3%, the joint-largest upgrade in the G7. It also pencils in the biggest fall in borrowing of that grouping, with the deficit shrinking to just 1.4% of GDP by 2031. The Resolution Foundation has pointed out in a response, the picture changes once you do a headcount. On GDP per capita, the measure that matters most for living standards, the UK is set to grow by just 0.7% this year. So, while the Government has some reason to be cheery, the RF say we're not out of the woods yet. • EY's latest Economic Outlook notes economic and fiscal context is challenging. While growth in the UK economy has held up well so far this year, it is expected to slow in the second half of the year, as the impact of higher energy prices feed through the economy. Headroom depends critically on growth forecasts — EY's summer forecast sees growth slow in 2026 before returning to trend in 2027, but the outlook is threatened by further escalation in the Middle East. <ul style="list-style-type: none"> ○ Despite activity softening, underlying economic momentum held up relatively well in Q2 2026, helped by lower-than-expected inflation and falling global energy prices during the period of ceasefire in the Middle East. This resilience has supported the outlook this year, pushing growth forecasts up to 1.0% from 0.8% and reducing the expected peak of inflation from around 4% to just over 3.5% by the end of 2026. The risks to the central EY Summer Outlook are firmly skewed to the downside. Further escalation in the Middle East threatens to unwind the recent falls in energy prices. In the adverse scenario, UK inflation could hit 6% by the end of 2026, driving the UK economy into a recession in the second half of 2026 and early 2027. • The economic backdrop to this Budget is more difficult than was expected in the spring. The Institute for Fiscal Studies Economic Outlook reveals: <ul style="list-style-type: none"> ○ The Middle East conflict has replaced the hoped-for soft landing with a renewed cost-of-living shock. Oil has risen from around \$60 a barrel at the turn of the year to about \$100, while UK wholesale gas prices have more than doubled from roughly 70p to around 185p per therm. ○ Inflation is set to remain above target through 2027, but IFS do not expect it to become entrenched in our baseline. IFS expect CPI inflation to average 3.1% in 2026 and 3.0% in 2027, before returning to 2% in 2028. ○ Growth has been resilient in 2026, but households and the labour market are likely to feel the strain as we move into next year. IFS forecast real GDP growth of 1.4% in 2026, slowing to 1.2% in 2027 as higher prices and interest rates bite; by the end of 2027, real GDP is around 0.8% lower than it would have been without the conflict. • The OBR's Economic and Fiscal Outlook October 2026 reveals there have been further adverse developments since the March forecast, with both interest rates and energy prices rising significantly. As a net importer of energy, the rise in energy prices constitutes a negative terms-of-trade shock for the UK, which pushes up on inflation and lowers real household disposable incomes.

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	<ul style="list-style-type: none"> ○ In the central forecast – the mid-point of a wide range of possible outcomes – CPI inflation is 3.5% in 2027, compared to 2% expected in March. ○ Real GDP growth slows from around 1.25% in 2026 to 1% in 2027 – the latter around a 0.5 percentage point lower than the March forecast. ○ Assuming energy prices subsequently decline in line with market pricing, inflation returns to 2% by 2028 and GDP returns to the level expected in March by 2030. ○ After falling slightly in the near term, per person real household disposable income in 2030-31 is over 0.75% below the March forecast and only 2% above its pre-pandemic level.
Trading Environment	<ul style="list-style-type: none"> ● It's two years since CPI was below the 2% target. <ul style="list-style-type: none"> ○ The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 3.6% in the 12 months to September 2026, up from 3.3% the previous month. ○ On a monthly basis, CPIH rose by 0.4% in September 2026, compared with a rise of 0.1% in September 2025. ○ The Consumer Prices Index (CPI) rose by 3.5% in the 12 months to September 2026, up from 3.1% the previous month. ○ On a monthly basis, CPI rose by 0.5% in August 2026, compared with a rise of 0.4% in September 2025. ● Business confidence in the West Midlands surged by 22 points in September to 69%, the highest level recorded in the region this year and significantly above the UK average of 41%, according to the latest Lloyds Business Barometer. The increase was driven by stronger confidence in both trading conditions and the wider economy, with more than half of businesses expecting to increase staffing levels over the next 12 months. Regional firms also reported ambitious growth plans, including investment in AI, automation, new products and market expansion, highlighting continued optimism about the West Midlands economy despite a decline in business confidence nationally. ● The latest NatWest Purchasing Managers Index (PMI) reports the latest Business Activity Index figures are 51.4 in the West Midlands and UK is 52.0. ● ICAEW's Q3 2026 survey shows West Midlands business confidence rising sharply to +5.7, outperforming the UK average (-0.5). Businesses anticipate stronger exports growth (5.3%) over the next year, despite geopolitical uncertainty and rising labour costs. However, employment growth remains subdued (0.6%), while planned capital investment growth is slowing to 1.2%. R&D growth also lags nationally, highlighting continued challenges for regional productivity, innovation and long-term competitiveness. ● The latest British Chambers of Commerce (BCC) Quarterly Economic Survey shows that inflation remains firms' top concern, followed by taxation. <ul style="list-style-type: none"> ○ Nearly half of surveyed firms (47%) said they expect improved turnover over the next 12 months, up from 44% in Q2. While 20% expect a decline. ○ But long-term trends remain stuck. Only 17% of firms plan to increase investment in the next three months, unchanged from Q2 and still at a post pandemic low. ○ Less than a third (29%) of firms reported increased sales over the previous three months, while 25% reported a decrease. ○ Inflation remains the top concern for businesses, cited by 60% of firms (down from 66% in Q2) followed by taxation (52%) ● S&P Global's October 2026 Flash PMI shows UK private sector activity accelerating to an eight-month high (53.1), supported by the strongest growth in new orders since September 2024. Manufacturing output reached a 25-month high, while employment increased marginally for the first time in two years. However, rising energy, transport and raw material costs intensified inflationary pressures, while geopolitical uncertainty and subdued business confidence continued to constrain growth prospects. ● Business' expectations for growth in the next three months are at their least negative in two years, according to the CBI's latest Growth Indicator. Nonetheless, this result extends a period of negative predictions for growth that have persisted since late 2024. ● The Federation of Small Businesses (FSB) say this Budget should have been the moment to help small businesses with the soaring costs holding them back, and the taxes restricting job creation. Instead, they got nothing to ease sky-high energy bills and nothing to make hiring someone more affordable, while the increase in business rates relief excludes too many. The FSB's latest research shows nearly half of small businesses (47%) expect their revenues to shrink in the coming months, while only around a fifth (22%) expect revenue growth. They are three times more likely to be planning to reduce headcount than increase it (18% versus 6%). The FSB say there was nothing in the Autumn Budget anywhere near big enough to change that gloomy outlook.

THEME	KEY INSIGHTS
	<p>However the increase in Small Business Rate Relief for small firms in retail, hospitality and leisure is welcome for those who will be lifted out of rates.</p> <ul style="list-style-type: none"> • EY-Parthenon quarterly analysis of UK profit warnings report UK-listed companies issued 65 profit warnings in Q3 2026, the highest quarterly total since Q4 2024. Whilst the UK economy continues to grow, the headline picture masks a more challenging earnings environment, as supply-side shocks, rising costs and tighter financing conditions expose operational weaknesses. The Middle East conflict continued to trigger warnings during the quarter, with almost 40% directly referencing its impact. Disruption has fed through into higher input costs, delayed production and project schedules, whilst policy uncertainty and changing credit conditions have placed further pressure on business confidence, investment and margins. Seven warnings were issued by Midlands companies during Q3 2026, up from six in the previous three months. • Meanwhile, the number of West Midlands businesses in significant financial distress has risen by 23.2% in a year, far outpacing the national picture. According to BTG's latest Red Flag Alert data, 17,806 businesses across key West Midlands areas were in significant distress in the third quarter of 2026, up from 14,449 a year earlier. Across the UK, the figure rose by just 1.6% to 738,144. Dudley saw the sharpest rise, with the number of businesses in significant distress up 39.5% to 742. Birmingham was up 25.2% to 12,508, Wolverhampton rose 19.1% to 2,305, Walsall was up 15.6% to 1,543 and Stafford rose 7.4% to 708. By sector, the biggest increases came in construction, up 37.2% to 2,052, and real estate and property, up 24.5% to 2,737. Support services saw an 18.9% rise to 2,881. • Birmingham has been ranked first in the UK for growth potential and is the third-rated city in a study of the country's most attractive locations for foreign investment. The city has retained its position near the top of the Investment Confidence Index, which assesses 48 UK city locations using measures linked to their appeal to international investors. Overall, the city sits behind London and Edinburgh and ahead of Oxford and the city of Manchester in the Index. But the research suggests regions that use greater local autonomy to strengthen skills, infrastructure and investment-ready opportunities are likely to be best placed to improve their appeal to international investors. • A new report from Beauhurst looks at the role international capital plays in helping UK companies grow. Foreign investors have participated in fewer than 10% of UK equity deals over the past decade, but those deals account for more than half of all capital raised. The research also finds a market becoming more concentrated, with fewer overseas investors writing larger cheques. The regional picture is uneven. London captured 66.9% of foreign-backed value, at £84.6bn in 4,192 deals. The West Midlands has attracted £3.86bn between 2016 and H1 2026 in 133 deals. West Midlands companies reflect strengths in automotive, vehicle integration and autonomous systems. Despite this, investment declined in the West Midlands by 84.6% from 2023-2026. • Private equity and venture capital investment in West Midlands businesses more than doubled to £1.1bn last year, up from £439m in 2024, takes total private capital investment in the region to £4.3bn over the past five years, according to a report from industry body UK Private Capital. Private capital firms currently back 503 businesses across the West Midlands, which support more than 172,000 jobs and contribute £10.7bn a year to the region's economy. West Midlands businesses backed by private capital were 20% more likely to deliver sustained revenue growth of more than 10% a year than those without it. Venture-backed firms in the region were 60% more likely to trade internationally, and 2.7 times more likely to file patents. • The UK's universities have long been among the best in the world at producing groundbreaking research. Increasingly, they're also producing the businesses turning that research into commercial success. Data from Beauhurst shows UK spinouts raised £1.56bn in the first half of 2026, the second-highest half-year total in a decade and a 38% increase on the previous six months. Meanwhile there are 90 active spinouts in the West Midlands. Most come from the University of Birmingham, the University of Warwick, Coventry University and Aston University. Birmingham is home to 37, and Coventry to 30. West Midlands spinouts raised £146m (H1 2016-H1 2026). • This comes as new evidence reveals the Midlands experiences a higher rate of spinout out-migration than many other UK regions. For policymakers, the key message is that the Midlands appears well placed to retain many of its spinouts, but retention depends on supporting firms as they grow rather than simply encouraging them to remain geographically close to their founding university. The interviews suggest that priorities should include access to specialised facilities, affordable laboratory and office space, support for scale-up finance, stronger commercialisation support and continued investment in talent development. While most location decisions are influenced by founders, investors and business growth trajectories, targeted interventions that reduce the costs and risks of scaling could increase the likelihood that innovative firms choose to remain and expand within the Midlands over the long term.

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	<ul style="list-style-type: none"> • Re:State argue a small number of fast-growing firms account for a disproportionate share of new jobs and productivity growth, which is why they matter far more than their numbers suggest. Britain is unusually good at the early stages of innovation, ranking sixth in the 2025 Global Innovation Index. However, in many ways it fails to capture the benefits, with UK productivity growth having never recovered to its pre-2008 trend, and the gap between the most and least productive firms having widened. • Enterprise Britain have identified ~10,000 super scalers in the UK: a group of companies that have an outsized impact on job creation. These are scale-ups on steroids: growing at 20% per year for three years, with at least 50 employees and a minimum annual revenue of £5 million. They accounted for more than 30% of all jobs created from 2020-24, despite making up less than 1% of all companies, and increased their headcount by 46% on average during that period. The West Midlands is home to 8.3% of these Super Scalers. Super scalers want to hire — quickly. But five ‘brakes’ are holding them back: <ul style="list-style-type: none"> ○ Slow movement of talent: Long notice periods and non-competes are causing major delays in recruitment. ○ Skills shortages: Access to talent is a huge constraint on Britain’s super scalers, with shortages in technical skills a particular problem. ○ Rising cost of hiring: Payroll taxes — such as the recent increase in National Insurance contributions — continue to make companies think twice about taking people on. ○ Lack of domestic investment: Too many super scalers are forced to look overseas for funds, which often come with pressure to relocate. ○ Rigid regulation and bureaucracy: As headcount grows, compliance and bureaucracy are a sap on energy — leaving less time and resource for pursuing growth. • A new report from Enterprise Research reveals firms that innovate were found to grow about three times faster than non-innovating firms (6.6% annual growth compared with 2.1%). At the same time, the report shows that innovation is not a single phenomenon. Different sectors innovate in different ways, invest in different capabilities, collaborate through different networks and face markedly different barriers. This diversity has important implications for policy. While economy-wide support for R&D, technology adoption and innovation remains important, the evidence strongly suggests that future policy effectiveness will depend on recognising sector-specific needs. • The Innovation State of the Nation Survey (ISNS) 2026 provides an annual assessment of innovation activity among UK businesses. In 2026, 60% of UK businesses reported undertaking product or service innovation, a similar level to that in 2025. In the West Midlands, innovation activity has dropped from 61% in 2025 to 56% in 2026. Innovation activity is strongest in larger firms (79%) than micro firms (56%) and his highest amongst exporters (78%). • The National Centre for Universities and Business (NCUB) welcomes the ambition set out by Prime Minister Andy Burnham at the Innovation Nation Summit to make the UK a world leader in innovation, and the recognition of universities as one of the country’s greatest strengths in achieving this. Burnham’s speech follows an open letter sent to the Prime Minister, in which senior business and university leaders warn that devolution must strengthen the contribution of places to the UK’s innovation economy without fragmenting the national capabilities needed to compete globally. The letter calls for a new partnership combining stronger local leadership with sustained national investment and the ability to connect capabilities across the country behind opportunities where the UK can win. The speech outlined plans to devolve the £500 million Local Innovation Partnerships Fund to established mayors from 2028, commit £1 billion with UKRI over four years to support high-potential innovation clusters, and strengthen collaboration between complementary clusters across the UK. • TechNation has set out why the UK needs Repeat Entrepreneur Relief. It is a targeted capital gains tax deferral for founders who reinvest their exit proceeds into British startups, scaleups and growth funds. Around 800 UK founders sell their companies every year, and many of those deals put significant capital into the hands of British entrepreneurs. Yet very few of them reinvest that capital into the next generation. Only one in eight goes on to build again. As a result, around 10,200 UK founders have built and sold a company and not returned. Each of them has the networks and the hard-won experience of starting a business. <ul style="list-style-type: none"> ○ Only 1 in 8 UK founders who sell a company build another ○ Experienced founders’ companies raise 61% more capital and are 25% larger by headcount ○ Around £22,500 cost per reinvesting founder vs. an estimated £740,000 in employment taxes per new business ○ The scheme breaks even if it persuades fewer than 1 in 200 exited founders to reinvest

THEME	KEY INSIGHTS
Labour Market	<ul style="list-style-type: none"> • While the labour market remains broadly flat in 2026, data from the latest quarter shows the employment rate edging up and a small drop in unemployment. The number of workers on payroll remains slightly down over the same period, though data for the most recent month suggests that might be starting to level off. • The number of vacancies has seen its largest fall since the start of the year, concentrated mainly within smaller businesses, which cite increased labour costs as a key factor. • Regular wage growth remained relatively stable, though total pay – including bonuses – has eased to its lowest rate in nearly six years. • There are undoubted challenges in the global economy, so the continued ‘flatness’ of the UK labour market is a not unwelcome sign of resilience. However, this stability will feel like stagnation to those who are currently out of the labour market and trying to get in: the 5.3 people who want to work for every available vacancy, including the young people who are looking for an entry point into the world of work. And it puts the Government’s ambitions of an 80% employment rate further out of reach. • The latest KPMG and REC Report on Jobs reveals permanent staff placements across the Midlands increased at their fastest rate since November 2022, signalling improving employer confidence. Temporary recruitment also returned to growth, outperforming the UK average. However, permanent vacancies continued declining for the 28th consecutive month, while rising candidate availability intensified competition for jobs. Despite modest improvements, starting salary growth remained below national averages, highlighting continued challenges in the regional labour market. • This year’s What do graduates do? report looks at the experiences of graduates entering an increasingly competitive labour market. Surveyed 15 months after graduation, this cohort entered a labour market shaped by economic uncertainty, slower recruitment activity and increased competition for opportunities. Despite these challenges, most graduates had successfully moved into employment or further study. <ul style="list-style-type: none"> ○ The majority of graduates (54.8%) were in full-time work 15 months after graduating, while 13.1% were in part-time employment. ○ Of those graduates in work, 70.9% were in professional-level employment, down from 71.9% last year. ○ 8.5% of graduates in work were self-employed or actively working towards this goal. ○ 6.1% of graduates were engaged in further study, while 11% were both working and studying. ○ 6.8% were unemployed, slightly higher than the previous year’s figure of 6.2%. • The dynamism of economically insecure workers is vital to increase productivity, living standards, and improve growth in the economy. Before the Great Financial Crisis, labour market dynamism was contributing 20% of all productivity growth. Since 2008, it has contributed nothing. The financial crisis fundamentally transformed the state of labour market dynamism in the UK. Between 2002 and 2007, on average 2.7% of people moved from one job to another each quarter (the ‘job-to-job move’ rate). Since then, the only quarters that have seen figures higher than 2.5% have been in the immediate aftermath of the COVID-19 pandemic. And in fact, since 2023, we have seen a downward trend in dynamism, the quarterly job-to-job move rate now stands at just 2%. This slowdown really matters for productivity. Labour market dynamism plays an important role in productivity growth by ensuring that workers find roles that better match their skills, and allowing high-productivity firms to attract the talent they need to grow (while less productive firms cease to exist). Stronger labour market mobility boosts firm innovation, by promoting knowledge diffusion and positive spillovers from research and development • An article by the NCUB argues the UK’s skills shortage is not simply a labour market problem; it is a partnership problem. Employers need people with the right capabilities and experience, while too many individuals – particularly young people – struggle to find routes into learning and work that fit their lives. Closing that gap will require universities, businesses, colleges and government to work together much more deliberately. • The latest Open University Business Barometer, found that 57% of employers are experiencing skills shortages, up from 54% last year, and 42% believe those shortages will worsen over the next five years. At the same time: 70% of young people not in education, employment or training (NEETs) want to upskill to boost their careers, while only 6% want to remain out of work, training or education. There’s a clear disconnect — and a major opportunity. The Open University argues these findings underline the need for a stronger university-business compact that puts work-based education, flexible pathways and employer co-design at the centre of skills development.

Economy and Business Intelligence – By Sector

SECTOR	KEY INSIGHTS
Manufacturing and Engineering	<ul style="list-style-type: none"> A new report identifies opportunities to increase UK manufacturers' share of offshore wind castings and forgings demand from 8% to potentially 37%, generating £14.6bn GVA and over 10,800 jobs by 2050. The West Midlands is highlighted as a key foundry manufacturing region positioned to benefit. However, realising this potential requires targeted investment and government support to expand domestic manufacturing capabilities. The British Chambers of Commerce (BCC) and 13 British Chambers across Europe have jointly called for the UK to be included within the EU's emerging "Made in Europe" framework, arguing that the UK's deeply integrated supply chains and longstanding industrial relationships with Europe should be recognised. The business groups warn that treating the UK as a standard third country could increase costs, create additional bureaucracy and undermine investment across sectors such as automotive, aerospace, pharmaceuticals, chemicals, energy and advanced manufacturing. West Midlands Mayor Richard Parker has announced £4m to train local people in advanced manufacturing and engineering skills. The announcement follows Parker's commitment of £75m to construction skills, to help meet demand for 4,000 construction workers a year.
Construction	<ul style="list-style-type: none"> Total construction output is estimated to have fallen by 1.0% in the three months to August 2026; this is the second consecutive decrease in the three-monthly series. Over the three-month period, both new work and repair and maintenance fell, by 1.4% and 0.3%, respectively.
Retail, Hospitality and Tourism	<ul style="list-style-type: none"> The quantity of goods bought (volume) in retail sales is estimated to have 0.7% in Quarter 3 (July to Sept) 2026, compared with Quarter 2 (Apr to June) 2026. Fuel sales rose following lower sales in Quarter 2, while warm weather helped sales of food and beverages in Quarter 3. IPPR argue the high street is being taxed too much. International comparisons support the argument that the UK is unusually reliant on property taxation. Property taxes generated 10.5% of UK tax revenue, compared to an OECD average of 5.1%. Commercial property is a significant part of that picture – in 2026, business rates raised £27.6bn, or 3% of all UK tax revenue and 28% of UK property tax take. A possible reaction to this might be to increase taxes on warehouses. But this would reinforce existing reliance on property and penalise the infrastructure used by both online and high street retailers. Instead, the tax system must shift the burden away from premises and towards economic activity. A carefully designed online sales tax, with the proceeds used to reduce business rates, would begin to rebalance the tax system while wider reform is developed. The West Midlands accounted for almost 40% of all UK film and TV production spend in the first three months of 2026, according to new figures, as a new fund opens to attract more productions to the region. Filming in England data shows productions spent £15.5m in the region in the first quarter, more than anywhere else in the country.
Digital / Tech	<ul style="list-style-type: none"> One in five UK employees are now using AI everyday at work but 44% report a heavier workload. This month, government published its Digital and Technologies Jobs Plan, the workforce plan that sits within the Sector Plan in the Industrial Strategy. The ambition of this plan is to fill 800,000 digital and tech roles over 10 years, 200,000 entry-level jobs over 10 years, and 20,000 entry-level jobs a year on average. Notably, it covers not only specialist tech talent, but equally the need to drive up digital and AI capabilities across the wider workforce.
Transport Technologies and Logistics	<ul style="list-style-type: none"> Great British Railways takes shape as HQ and apprenticeship scheme confirmed. New headquarters in Derby will employ up to 450 staff and open up apprenticeships for up to 600 young people. Birmingham Airport contributes £3.75bn a year to the UK economy and supports 57,000 jobs in the region, according to a new report. The study highlights its growing role in international trade, with cargo rising from 5,100 tonnes in 2014 to 62,000 tonnes in 2024. The airport says each tonne carries around £670,000 of value for exporters. This comes as Birmingham Airport has unveiled a £2 billion draft Master Plan that could see the Airport handle close to 30 million passengers, strengthen the West Midlands' international connectivity and generate an additional £3.6 billion in GVA for the region. The plans are also expected to create more than 50,000 new jobs, including 3,800 on site at the Airport.
Environmental Technologies	<ul style="list-style-type: none"> The UK Government and Flood Re have launched new Flood Performance Certificates (FPCs), which will help homeowners access flood risk and resilience information about their properties in a consistent, accessible format. Flood Re is a scheme insurers use to cover flood claims, helping homeowners in high-risk areas obtain insurance. It is funded through a levy on UK home insurance policies. Additionally, the Government is establishing

SECTOR	KEY INSIGHTS
	<p>a Flood and Drought Resilience Taskforce to improve the nation's preparedness for extreme weather, bringing together more than 50 organisations to assess flood risks, drought response and long-term resilience.</p> <ul style="list-style-type: none"> • Record generation from wind and solar has allowed the UK to avoid £5.9bn in gas imports since the start of the Iran War, Carbon Brief analysis has revealed. Wind and solar have generated 41% of the UK's electricity requirements to date in 2026, with gas contributing only 25% of the total. Record wind and solar output in September 2026, at nearly 10 terawatt hours, saved the UK around £1.3bn in that month alone. • Extreme weather generated more than \$120bn in economic losses worldwide last year. In 2025, direct losses reached \$260bn, but less than half were insured. Across the EU, only around one quarter of climate-related losses are covered by insurance, with insurance penetration falling to as little as 5% in some countries. In the UK, figures suggest that wildfires cost £460m in 2025, according to the Moorland Association. The average wildfire cost is £10,000 per hectare. • New data from has revealed that 140 million jobs across the European Union (EU), UK and Switzerland are under threat from domestic nature loss, equivalent to 60% of people employed in the region. • As biodiversity COP gets under way this month, the Taskforce on Nature-related Financial Disclosures (TNFD), Science Based Targets Network (SBTN) and Nature Positive Initiative (NPI) have all published updates covering nature-related assessment, target-setting and reporting, marking a significant step forward for businesses and countries looking to improve action on protecting nature.

New Economic Shocks

COMPANY	LOCATION	SECTOR	DETAIL
Pneuride	Coventry	Manufacturing	Pneuride, a Coventry -based designer and manufacturer of advanced electronic control systems and air suspension components for the automotive industry, has collapsed into administration, with the majority of its staff made redundant. In recent months, the business faced significant financial challenges following a sustained period of soft trading and pressure on cashflow and margin, which impacted its ability to meet its financial obligations.
Integral Electrical Services Ltd	Sandwell	Manufacturing	West Bromwich -based electrical business Integral Electrical Services Ltd has collapsed into administration and ceased trading. Despite efforts to secure a buyer, no viable route forward could be found, and the business has ceased trading, with 13 employees being made redundant.
Poundland	Walsall	Retail	Poundland has filed a notice of intention to appoint administrators, putting 12,000 jobs at risk at the Walsall -based discount retailer.
Carlsberg Britvic	West Midlands Region	Food & Drink	Carlsberg Britvic is proposing to close Marston's Brewery in Burton upon Trent, putting 303 jobs at risk. Under the plans, the brewery and its primary logistics operation would close in summer 2027. The company said staff and trade unions had been told of the proposal, which is subject to consultation.

New Investment, Deals and Opportunities

COMPANY	LOCATION	SECTOR	DETAIL
Lovey	Birmingham	Fintech	Lovey, a Birmingham -based fintech and financial services provider specialising in SME lending and brokerage, has secured a senior secured credit facility of up to £250m. The facility with Pollen Street Capital is made up of £50m committed capital and a £200m accordion, making it the largest funding facility in Lovey's history.
Metcloud	Birmingham	Technology	Birmingham technology company Metcloud has launched Metcloud.ai, a strategic evolution of the business that could support the creation of up to 84 additional highly skilled roles as demand for secure Sovereign Artificial Intelligence continues to grow.

COMPANY	LOCATION	SECTOR	DETAIL
Cadent	Birmingham	Logistics	Gas distribution network Cadent is to create around 100 jobs in Birmingham after signing a 10-year lease on an 80,000 sq ft unit at Prologis Park Bromford Gate. The DC4 unit sits next to Cadent's existing National Distribution Centre on the park, allowing it to consolidate its Birmingham operations in one place.
LRQA	Birmingham	Finance	LRQA, a Birmingham -based global risk manager, has acquired a Hong Kong-based social compliance specialist. Omega Compliance brings expertise across key sourcing hubs in China, South Asia, Southeast Asia and Turkey, alongside a strong client base in key sectors such as retail and apparel.
C. Brandauer & Co Ltd	Birmingham	Automotive / Electric Vehicles	A Birmingham manufacturer has been awarded a six-figure grant to help it cater to the electric vehicle market. C. Brandauer & Co Ltd successfully applied to the West Midlands Supply Chain Transition Programme for £199,500 to develop a new manufacturing process for a critical component used inside electric vehicle motors.
Birmingham Botanical Gardens	Birmingham	Visitor Economy	Birmingham Botanical Gardens has been awarded £9.075m from the National Lottery Heritage Fund towards a £19.4m restoration of its historic site, including glasshouses that would otherwise have faced closure within two years.
Boparan Private Office	Birmingham	Food Manufacturing	Boparan Private Office, the Birmingham -headquartered owner of the iconic Bernard Matthews turkey brand, has revealed plans for £100m investment in British turkey. The investment will include general building improvements, new amenities for the 700 colleagues based at the site, a new lairage, new processing and refrigeration equipment and the introduction of advanced digital tools and robotics.
Birmingham Airport	Birmingham / Solihull	Travel	Birmingham Airport has unveiled a £2bn draft masterplan with the potential to take the transport hub to about 30 million passengers and create more than 50,000 jobs in the region. The first phase of development could start next year, with significant capital investments made in areas including baggage facilities, reconfiguration and additional aircraft stands, improvements into surface access and terminal facilities. It is thought the proposals could generate an additional £3.6bn GVA for the West Midlands , creating more than 50,000 jobs, with 3,800 on site at the airport.
Coventry Building Society Arena	Coventry	Visitor Economy	Coventry Building Society Arena is set to invest a further £15m over the next three years, after more than £15m of upgrades since 2022 helped drive record events revenue and push visitor numbers to 1.2 million a year. The new investment is part of the 10-year partnership between Coventry City Football Club, the arena and venue operator Legends Global.
Big Motoring World	Coventry	Automotive / Retail	Big Motoring World has acquired a brownfield site in Coventry that will become home to a major car retail outlet. The site, which will become Big Motoring World's 12th used car supermarket in the UK, has been unoccupied for more than three years and its re-opening is expected to lead to the creation of more than 100 jobs.
Watson Fuels	Coventry	Energy	Independent fuel and energy distributor Watson Fuels is moving its UK headquarters to Coventry after agreeing a 7,150 sq ft letting at Bourn. The company, which employs around 450 people across the UK, has chosen the city-centre workspace for its new headquarters and flagship office as it looks to create a more modern working environment for its teams.
Alloy Wire International	Dudley	Manufacturing	Dudley -based Manufacturer Alloy Wire International is increasing its existing work in the nuclear sector by 15 per cent. The company, which employs 29 people, made the announcement during the presentation of its ISO 19443 accreditation by certification specialist LRQA at its factory in Brierley Hill .
Estilo Interiors	Dudley / Birmingham	Construction	Estilo Interiors, based in Halesowen , has secured a £1.48m contract to carry out further refurbishment work at Centre City in Birmingham , extending its relationship with property and science and technology campus operator Bruntwood SciTech. The project covers approximately 30,000 sq ft across three

COMPANY	LOCATION	SECTOR	DETAIL
			floors of the 20-storey office building on Hill Street, close to Birmingham New Street Station.
Union Fasteners Ltd	Sandwell	Manufacturing	West Midlands -based fastener manufacturer Union Fasteners Ltd has invested £140,000 in a new Doosan Puma DNT2600LM CNC turning centre, further strengthening its in-house manufacturing capabilities and commitment to continued investment in British manufacturing. The latest addition to the company's Wednesbury machine shop represents another significant step in expanding production capacity, improving machining flexibility and supporting the growing demands of its UK and international customers.
Likewise Group	Solihull	Wholesale	NatWest has provided a £6m funding package to support Likewise Group as the flooring distributor moves into its next phase of growth. The funding backed Likewise Group's almost £10m acquisition of a new Corby distribution centre. It comprises a commercial mortgage alongside increased invoice finance facilities, enabling the Solihull -headquartered business to invest in infrastructure that will enhance operational efficiency and support future growth.
S&U PLC	Solihull	Finance	S&U PLC, a specialist motor and property finance lender based in Solihull , has completed a funding deal worth £600m to drive its next phase of growth. The new securitisation facilities, coming from two Tier 1 UK financial institutions, will provide up to £600m over an initial three-year term, replacing in full the existing £330m facilities. They will provide £350m of funding for Advantage, S&U's motor finance business, with a further £250m being available for Aspen, its property finance subsidiary.
Inteblu	Walsall	Retail	A Darlaston clothing business is targeting UK and international expansion as well as job creation as it aims to grow revenue to £50m within five years. Inteblu is based in a 5,000 square foot warehouse in Queen Street. The company employs about 20 workers across design, logistics and customer service, having invested approximately £500,000 in the site. It is now targeting aggressive growth both in the UK and overseas, including a new warehouse in Germany and expanding in the US market.
Bk plus	Walsall / Solihull	Financial Services	Walsall -headquartered Bk plus, a private equity-backed accountancy group employing more than 1,000 people, has further consolidated its presence in the West Midlands with an acquisition in Solihull . Sephton Accountants, an independently run practice based in Marston Green , covers accountancy, corporate and personal tax, VAT, bookkeeping, audit and payroll services. The team will continue to operate from their Solihull office following the acquisition.
United Pallet Network	Wolverhampton	Logistics	Technology-led logistics specialist northstarr Group has acquired United Pallet Network (UK) Ltd to create the UK's largest national pallet network. The Wolverhampton -headquartered group has added UPN to its rapidly growing portfolio of logistics businesses, which also includes Pallet-Track. Together, the networks will handle more than 6.3 million pallets a year, with both brands continuing to operate as standalone networks with their own membership models.
Recyclus	Wolverhampton	Circular Economy	Wolverhampton -based battery recycler Recyclus has signed its largest contract to date with a global car maker, which is expected to nearly double its volumes and revenue. Under the three-year agreement, Recyclus will recycle the unnamed manufacturer's electric vehicle lithium-ion battery packs at its industrial-scale Wolverhampton facility.

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