

West Midlands Region – Pen Picture



Overview

The West Midlands is a diverse and vibrant region that benefits from being located at the heart of the UK. With a total population of 5.3 million it comprises the counties of Shropshire, Staffordshire, Warwickshire and Worcestershire; the unitary authorities of Herefordshire, Stoke-on-Trent and Telford and Wrekin; and the seven metropolitan districts of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton.

The west of the region has large rural areas and there are also extensive rural areas to the east in North Staffordshire. The West Midlands has over 700 conservation areas, 32,000 listed buildings, 500 miles of waterways and in excess of 2,000 special collections of regional or national significance.

As the birthplace of the industrial revolution, the West Midlands was once known as the workshop of the world. Today the region remains Britain's manufacturing and agricultural heartland (despite a recent downturn) and is the hub of the nation's transportation network. It covers an area of 13,000 square kilometres, its western edge bordering Wales. It is a cosmopolitan region with vibrant multi-ethnic and multi-faith communities in the larger cities and towns.

The West Midlands is also one of Britain's most densely populated regions. Although total population has increased slightly over the past nine years, this masks continuing decline in the urban metropolitan areas and an outward migration of the young. Such migration is also a feature of many rural areas. The large rural areas, particularly those in the Welsh borders, are among the most sparsely populated in the country.



Coventry Cathedral



Worcester

Population

- The 2001 Census shows the population shows that over 83% of people of non white ethnic origin lives in five Boroughs (Birmingham, Coventry, Sandwell, Walsall and Wolverhampton) with nearly half in Birmingham.
- Within these ethnic minorities, 77% of the region's Bangladeshi community live in Birmingham and Sandwell, 73% of the Pakistani community live in Birmingham and Walsall, and 80% of the African-Caribbean community live in Birmingham, Sandwell and Wolverhampton. The largest single non-white communities - those of Indian background - are less concentrated than other groups.

Ethnic Minorities

- Almost 8% of the regional population are from non-white ethnic minority communities. This proportion is higher than any other region except London. The largest Black and Minority Ethnic groups (BME) are Asian or Asian British people who comprise 5.4% of the total West Midlands population, followed by Black or Black British people (2%).
- Whilst 16.3% of the West Midland Metropolitan County's population is of BME origin, this compares with less than 2% of the population of rural West Midlands. According to the Annual Population Survey, 83% of the Region's non-white minority ethnic population aged 16 and over live in Birmingham, Coventry, Sandwell, Walsall and Wolverhampton.
- The employment rate for the ethnic minority population is 54% compared to 74.4% for the white population (Annual Population Survey April 2008 – March 2009).

Disabilities

- Figures show that 243,380 sick and disabled people of working age are in receipt of incapacity benefits in the West Midlands. This compares with 2,651,310 in Great Britain. 46.2% of these are aged over 50.

- Incapacity benefits represent the largest and most persistent group of workless people in the region, with levels over 30% higher than those claiming Jobseeker's Allowance.
- After 2 years claiming Incapacity Benefit a person is more likely to die or retire than work again. Most IB recipients in the West Midlands – 60% - have been receiving benefit for more than five years.
- 40% of IB customers are claiming for mental and behavioural disorders. 20% claim for musculo-skeletal disorders.
- Over the past 30 years sickness and disability benefits have seen a threefold increase, and now account for more than half of out-of-work claimants, dwarfing unemployment benefits. Incapacity Benefits are concentrated in former industrial areas where labour demand has suddenly declined – Stoke is among the highest quintile nationally. This indicates a core of long-term unemployed who may have given up looking for work due to a mismatch between labour supply and demand.
- The number of people claiming Incapacity Benefit in the West Midlands has been reducing very slowly since 2002. In August 2002 there were 256,280 IB customers – compared to 215,710 in May 2009.
- Employment and Support Allowance (ESA) replaced Incapacity Benefit and Income Support on the grounds of incapacity for new claims from 27 October 2008. As of May 2009, there were 215,710 claimants of IB and 27,670 ESA claimants in the West Midlands.
- According to the Annual Population Survey (April 2008 to March 2009) 18.7% of the West Midlands working age population are disabled, in line with the national average of 18.3%. The North East region has the highest rate nationally of 21.9%.
- Economic inactivity among working aged disabled people in the West Midlands runs at 47% compared to 22.8% of the working age population as a whole.



Merry Hill shopping centre



Wolverhampton

Wage levels

- The Annual Survey of Hours and Earnings (2009) shows average weekly gross wages by resident in the West Midlands to be £457.40. Within the region, average earnings are highest in Solihull (£518.30) and lowest in Stoke-on-Trent (£402.40).
- Average weekly earnings across the UK as whole are £488.70. The West Midlands is ranked eighth out of the twelve regions nationally. Earnings are highest in London (£598.60) and lowest in the North East (£438.80).

Unemployment

- Unemployment in the West Midlands has increased significantly over the past 18 months. The region's large manufacturing base has led it being particularly badly hit by the recession.
- When seasonally adjusted, the claimant count in the West Midlands stood at 186,100 in October 2009, up 800 on the previous month's figure and up 69,900 on the figure for October 2008. This was the 20th monthly increase, although the rate of increase has slowed considerably since April.
- Unemployment was previously at these levels in June 1996, at which point the registers were seeing a steady decline from the high points of the early 1990s, when they reached 288,600 in December 1992. The current claimant count unemployment rate of 6.7% compares with 10.6% at that time.
- ILO unemployment (the international wider measure of unemployment) currently stands at 270,000 in the West Midlands for the period July to September 2009. The region has bucked the national trend by showing a reduction (of 14,000) in ILO unemployment since the previous quarter.
- Using this measure, the West Midlands has the highest unemployment rate in the country – 10% of the workforce compared to the national rate of 7.8%.
- The proportion of JSA claimants who have been claiming JSA for more than 6 months has risen from 24% in March 2009 to 38% in October 2009.

Employment

- The employment rate for the working age population in the West Midlands stands at 70% for the latest period available, July to September 2009. This is down 1.1% on the same period twelve months earlier. The UK employment rate is currently 72.5%.
- North East (68%), London (69%), Wales (69.2%) and Northern Ireland (66.1%) are the only regions with lower employment rates.

- Historically the urban areas have been internationally famous for manufacturing of a wide variety of products. North Staffordshire is the centre of UK ceramics, Birmingham has long been known as the 'city of a thousand trades', Coventry grew with the cycle, vehicle and aircraft industries and the Black Country towns of Wolverhampton, Walsall and Dudley were the focus of metal production and fabrication. All have endured lean times in recent years and much input has been relocated abroad. Manufacturing, although more significant than other regions, continues to decline. Latest figures (June 2009) show 286,262 employed in manufacturing, with an increasing focus on high technology production.
- The proportion of people employed in manufacturing in the West Midlands has reduced from 25% in 1999-2000 to just around 13% by June 2009. Across the UK, around 10% of all workers are in the manufacturing sector. Those employed in public administration, education and health in the West Midlands have increased from 23% to 28% over the same period.
- The region has a vibrant tourism related economy. The attractions include Alton Towers, Drayton Manor Park and Zoo (Staffordshire), Warwick Castle, Cadbury World (Bournville, Birmingham), the Ironbridge and Gorge Museum (Shropshire), the Black Country Museum (Dudley) and Stratford-Upon-Avon's links with William Shakespeare.
- Jobs requiring no qualifications are expected to have fallen to only 9% by 2010, compared with the 1991 level of 31%. Nearly a quarter of jobs are expected to require National Vocational Qualification (NVQ) level 4 by the decade's end.

Impact of the recession on skills and the labour market

- Findings from the regional British Chamber of Commerce Quarterly Economic Survey for the third quarter of 2009 show that increasing numbers of employers are taking on new staff. However, there were still more firms reducing their employment than increasing it. A further improvement in labour market conditions is expected in the final quarter of the year.
- Anecdotal information from the Sector Skills Councils shows that employment levels are increasing in the region in the following areas: the NHS, the care sector, independent garages, car servicing and repair, civil engineering and infrastructure projects, cleaning services and facilities management and HGV drivers.
- After falling steadily during 2008 the proportion of West Midlands employers trying to recruit has risen for three consecutive quarters. 30% of manufacturing companies indicated they were trying to recruit new staff in the 3rd quarter of 2009 – up from 26% in the first quarter. 33% of service companies indicated they were

trying to recruit new staff in the 3rd quarter of 2009 – up from 29% in the first quarter.

- Between September and November 2008, 5,920 potential redundancies were notified in the West Midlands. This compares to 10,896 compared to the corresponding period in 2008, a fall of 46%. However, volumes of potential redundancies have crept up over the past 4 months. Sectors affected in November 2009 have included local authorities, civil engineering and building services, manufacturing (including automotive) and finance.

Vacancies notified to Jobcentre Plus

- There has been an upturn in vacancies notified to Jobcentre Plus in the region but trends vary widely by sector and occupation. There were 103,204 vacancies notified in the region during the three months from August to October 2009. Although the figure is 8% lower than the corresponding period in 2008, it is 26% up on the previous quarter.
- Comparing this quarter to the previous quarter (May to July 2009), all sectors have seen an increase in notified vacancies apart from manufacturing and public administration, education and health.
- The largest increases since the last quarter have been in transport and communications (up from 2,492 to 4,595 - 84%) and banking, finance and insurance (up from 42,335 to 58,710 - 37%).