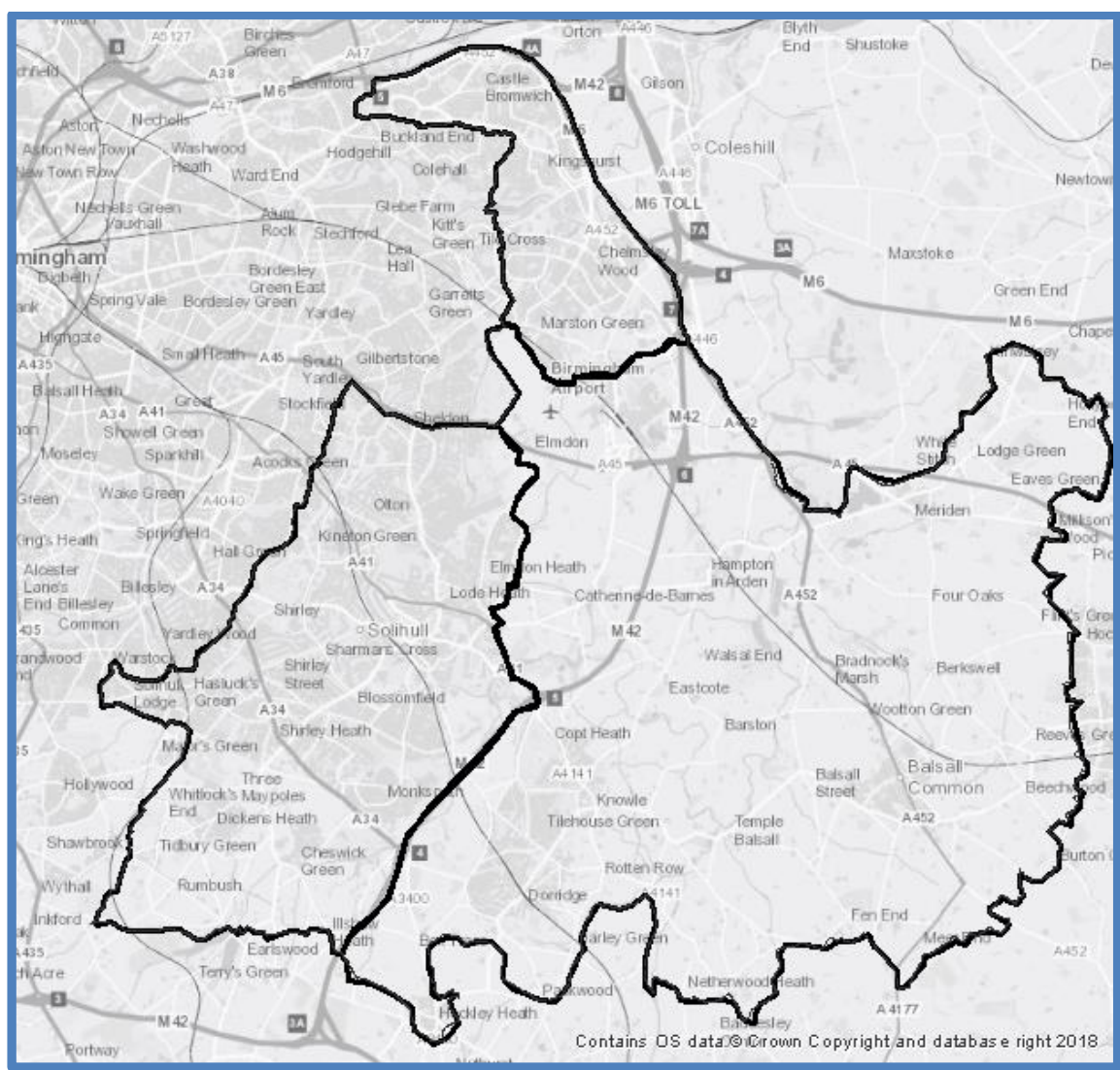


# Solihull Economy & Business Environment 2024



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## Key Economic Trends in Solihull

Solihull has a broad based mixed economy with strengths in both services and manufacturing. Solihull punches above its weight and on a per capita basis is the leading economy in the West Midlands Combined Authority (WMCA).

Solihull is characterised by high levels of economic output and has one of the highest concentrations of jobs in the country. This includes employment specialities in the service sector and especially in knowledge intensive industries, the current and future driver of labour demand.

However, despite signs of an upswing in early 2024 the UK is in the midst of a low growth economic environment. The consequence is weak productivity and wage growth, trends which are evident in Solihull too.

Despite exceptionally high job density, the Solihull business base is relatively small including below average levels of business start-ups. However, those businesses that do start in Solihull are more likely to survive over the medium-term than national or regional averages.

**Economic Output.** Solihull is the 5<sup>th</sup> largest economy in the UK outside London and the South-East.

GVA per head in Solihull in 2022 was £44,613, 31% higher than the England average (£33,975) and 73% higher than that of the WMCA (£25,843).

**Economic Growth.** Despite an uptick in 2022 economic growth in Solihull was among the weakest in the country in the period 2019-2022.

In nominal terms the Solihull economy is broadly the same size that it was before the onset of the Covid-19 pandemic at the start of 2020.

Adjusted for inflation the Solihull economy fell by -9.3% (£900 million) in the period 2019-2022 compared to a smaller fall of -1.3% across the WMCA, and an increase of 2.3% for England.

**Productivity.** Solihull is the most productive economy in the West Midlands region and is broadly in-line with the England average.

Like England as a whole, productivity growth in Solihull has been weak and under downward pressure since the onset of the Covid-19 pandemic.

Despite an uptick in 2022 inflation adjusted economic output per filled job Solihull is still -9% lower than it was in 2019.

**Business Activity.** Solihull has a smaller business base than England, but the largest among the urbanised WMCAs.

Like England 89% of Solihull businesses employ fewer than 10 people and have a turnover of less than £1 million per year.

The number of small businesses in Solihull has fallen between 2020 and 2023, consistent with national and regional trends.

**Start-Ups.** Business starts are less common in Solihull than across England, but so too are business closures.

The Solihull business start-up rate has been consistently below that for England and since 2020 and was lower between 2020 and 2022 than it was in the three preceding years.

Solihull start-ups are more likely to survive over the medium-term than national or regional averages. For instance, 44% of Solihull businesses started in 2017 were still active 5-years later compared to 39% across England and 35% for the WMCA.

**Jobs.** Employment density in Solihull is 30% higher than in England average and the borough has Britain's 4<sup>th</sup> largest labour market outside of London and the South-East.

91% of all jobs in Solihull are in the private sector and it is this element of the labour market that has been growing. The private sector in Solihull added 8,000 jobs between 2019 and 2022, compared to a fall of -1,000 public sector jobs.

**Sectors.** Solihull has sector strengths in business services, transport & storage and manufacturing all of which recorded an increase in employment between 2019 and 2022.

Employment specialities in Solihull are often linked to local economic assets, including motor vehicle manufacture (Jaguar Land Rover), air transport and warehousing & support activities for transportation (Birmingham Airport).

68% of all jobs in Solihull are in high value knowledge intensive industries compared to just 57% across the WMCA, including above-average concentrations of jobs in medium high-tech manufacturing and knowledge intensive service sectors.

**Workplace wages.** Average wages for Solihull based jobs are in-line with England but 6% higher than the West Midlands.

Growth in wages has been weak throughout the country and Solihull is no exception. For instance, wages across England fell by a total of -4% in real terms between 2019 and 2023 so that the average wage in 2023 was nearly £1,300 per year lower than in 2019.

## Economic Output and Productivity

### UK Economic Trends

A long-term view shows that UK economic growth has been weaker since the global financial crisis of 2007 to 2009. According to ONS data, GDP growth slowed from an annual average of 3.0% between 1993 and 2007 to 1.5% between 2009 and 2023<sup>1</sup>.

There are some tentative signs of recovery in the UK economy in 2024, but historic data on the Solihull economy should be viewed in the context of the low growth environment that has persisted in the UK for over a decade<sup>2</sup>.

The UK economy grew by 0.7% in the first quarter (Q1) of 2024 compared with the previous quarter. This marks the strongest period of GDP growth since the immediate recovery from the pandemic in 2021 and early 2022. It also follows two successive quarters of falling GDP in Q3 and Q4 2023<sup>3</sup>.

Economic indicators over recent months have also generally been optimistic. For example, the purchasing managers index (PMI), a survey of business activity, was positive in June and July 2024, with a noticeable increase in new business reported<sup>4</sup>.

In addition, consumer confidence increased in July 2024 to its highest level since September 2021<sup>5</sup>.

These signs of improving economic performance have led to economists revising their 2024 GDP growth forecasts higher, with the HM Treasury monthly survey showing that the average forecast for GDP growth over 2024 has gone up from 0.4% in January 2024 to 0.9% in July 2024<sup>6</sup>.

The outlook for GDP growth has been boosted by falling inflation. The UK inflation rate, peaked at a 41-year high of 11.1% in October 2022 but has now fallen to 2.0%<sup>7</sup>.

As inflation has fallen, average wages adjusted for inflation have increased: annual wage growth was the highest since summer 2021 in the three months to May 2024.

While overall inflation has declined to 2%, measures of underlying inflation remain higher. For example, 'core inflation', which excludes food and energy prices, was 3.5% in June 2024. Moreover, the annual inflation rate in services has fallen, but not by as much as overall inflation (it was 5.7% in June 2024).

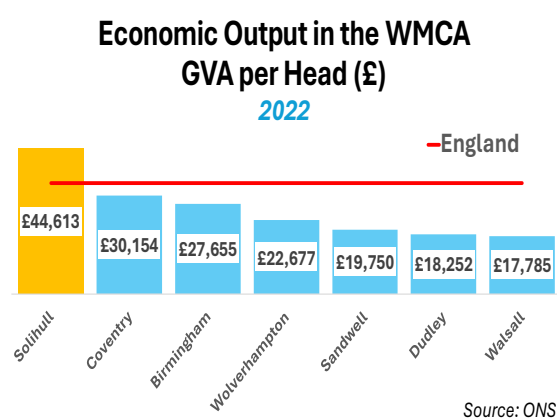
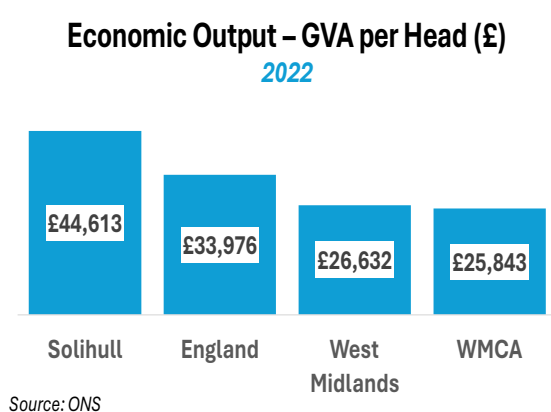
The persistence of inflation in services has been one factor in the Bank of England's Monetary Policy Committee (MPC) reluctance to cut interest rates. Despite a small cut in August, they remain at 5.00% despite overall inflation returning to the 2% target. The consensus view is that a further cut to 4.75% at the end of 2024 is likely.

## Solihull Economic Output

In 2022 the Solihull economy, as measured by Gross Valued Added (GVA), was £9.71 billion. This represents 13% of the total economic output of the West Midlands Combined Authority (WMCA). In context, Birmingham GVA in 2022 was £32 billion (42% of the WMCA economy) and Coventry £10.7 billion (14% of WMCA)<sup>8</sup>.

GVA per head in Solihull in 2022 was £44,613, 31% higher than the England average (£33,975) and 73% higher than that of the WMCA (£25,843). GVA per head in Solihull was the highest among upper tier local authorities in the West Midlands region in 2022.

Solihull has the 15<sup>th</sup> largest economy out of 174 economic areas in the UK and the 5<sup>th</sup> highest outside of London and the South-East. On a per capita basis only Edinburgh, Manchester, Swindon and Belfast are larger provincial economies.



## Solihull Economic Growth

In nominal terms, the Solihull economy grew by 10% between 2021 and 2022 (+£888 million). This is in-line with the England average and slightly higher than that for the West Midlands region or WMCA<sup>9</sup>.

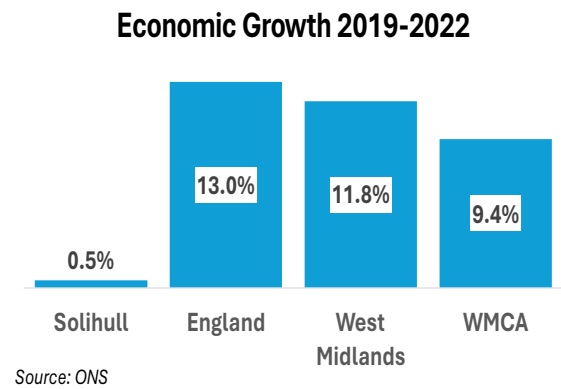
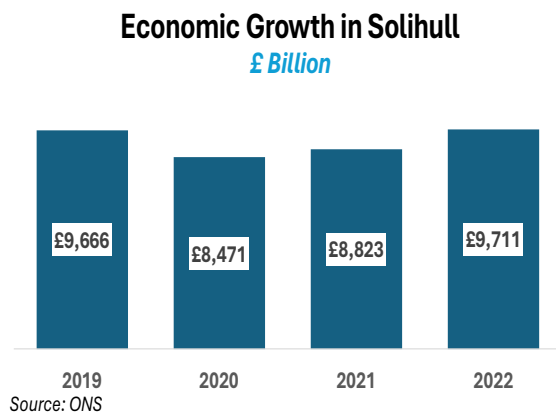
In nominal terms, the Solihull economy is broadly the same size that it was before the onset of the Covid-19 pandemic at the start of 2020, this follows a sharp fall in Solihull economic output in 2020.

Economic growth over the period 2019-2022 was much lower in Solihull (+0.5%, £45 million) than the comparator areas of England (+13%), West Midlands region (+11.8%) or WMCA (+9.4%).

Economic growth in Solihull in the period 2019-2022 (0.5%) was the 10<sup>th</sup> lowest among 179 economic areas in the UK. In context, the next lowest growth in the West Midlands region was Warwickshire (+5.0%) and the next lowest in the WMCA was Coventry (5.3%).

Nominal Economic Growth				
Area	2021-2022		2019-2022	
	% Change	Change £ Million	% Change	Change £ Million
Solihull	10.1%	£888	0.5%	£45
England	9.7%	£171,480	13.0%	£223,828
West Midlands Region	8.7%	£12,807	11.8%	£16,940
WMCA	9.1%	£6,348	9.4%	£6,565

Source: ONS



Notwithstanding recovery in 2022, economic growth in Solihull has been particularly weak when the impact of inflation is considered.

In real terms (2019 prices), the Solihull economy recovered in 2022, growing by 2.1% between 2021 and 2022 (+£181 million). This is only slightly lower than that for the West Midlands region (2.9%) but is much less favourable than that for the WMCA (4.1%) or for England (4.2%).

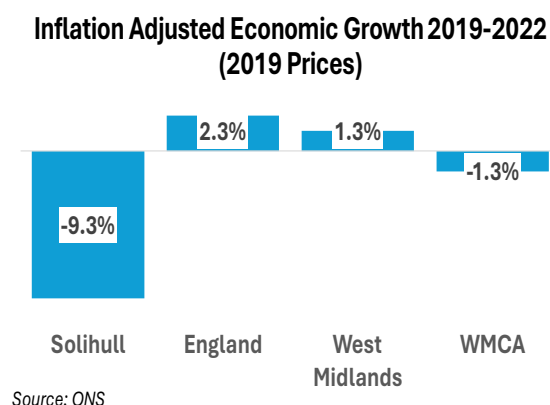
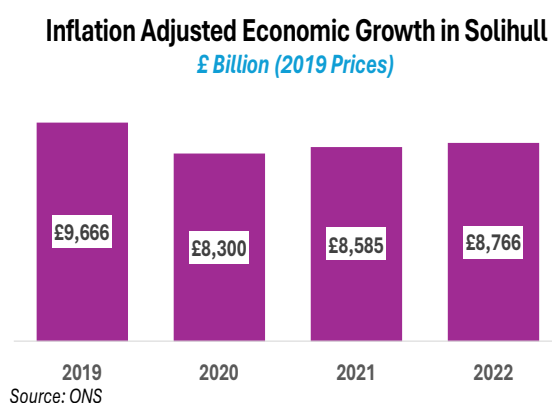
Adjusted for inflation, the Solihull economy is still smaller than it was before the onset of the Covid-19 pandemic at the start of 2020, this follows a sharp fall in real terms of economic output in 2020.

Adjusted for inflation the Solihull economy fell by -9.3% (£900 million) in the period 2019-2022 compared to a smaller fall of -1.3% across the WMCA, and real terms increases of 2.3% for England and 1.3% for the West Midlands region.

Economic growth in Solihull in the period 2019-2022 (0.5%) was the 10<sup>th</sup> lowest among 179 economic areas in the UK. In context, the next lowest growth in the West Midlands region was Warwickshire (+5.0%) and the next lowest in the WMCA was Coventry (5.3%).

Inflation Adjusted Economic Growth (2019 Prices)				
	2021-2022		2019-2022	
	% Change	Change £ Million	% Change	Change £ Million
Solihull	2.1%	£181	-9.3%	-£900
England	4.2%	£70,625	2.3%	£38,732
West Midlands Region	2.9%	£4,061	1.3%	£1,820
WMCA	4.1%	£2,697	-1.3%	£893

Source: ONS



### Solihull Economic Sectors

The largest sectors of the Solihull economy are business administration (£1.3 billion), real estate (£1.2 bn), manufacturing (£1.0 bn) and wholesale & retail (£843 million). Economic output in Solihull is more dependant than the England average on the manufacturing, construction, financial services and especially the business administration sectors. Among the sectors that make a comparatively smaller contribution to overall output in Solihull are wholesale & retail, professional services and all areas of the public sector including education and health<sup>10</sup>.



August 30, 2024

<b>Sector Economic Output 2022</b>			
Industry Sector	Solihull £ Million	% Total GDP	
		Solihull	England
Manufacturing	£1,040	11%	9%
Other Production	£148	2%	3%
Construction	£777	8%	6%
Wholesale & Retail	£843	9%	11%
Transport & Storage	£391	4%	4%
Accommodation & Food Services	£372	4%	3%
Information & Communication	£612	6%	7%
Financial Services	£987	10%	9%
Real Estate	£1,232	13%	13%
Professional Services	£676	7%	9%
Business Admin	£1,268	13%	5%
Public Administration	£299	3%	5%
Education	£388	4%	6%
Human Health & Social Work	£388	4%	7%
Arts, entertainment & Other Services	£286	3%	3%
Total GVA	£9,711		
<i>Source: ONS</i>			

In the three years 2019-2022 Solihull experienced significant growth in economic output in the financial services, construction, real estate, health and professional services sectors. Manufacturing, other production, accommodation & food and ICT were among the sectors that contracted.

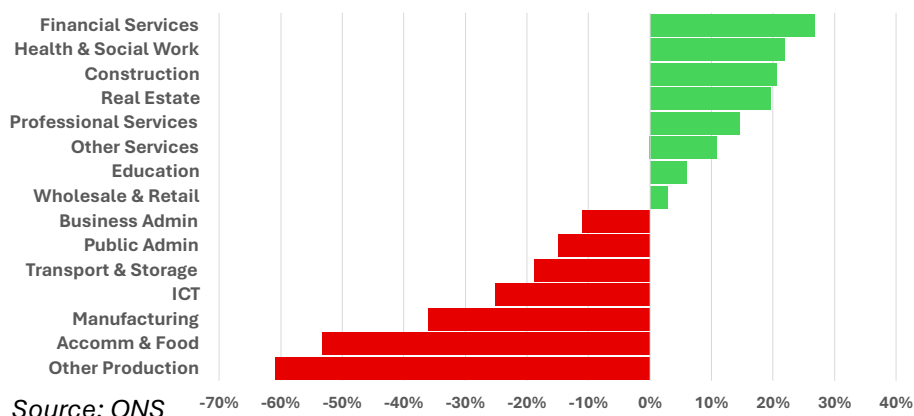
The pattern was similar in terms of change in the year to 2022, although a bounce-back in output from Solihull's transport & storage sector, business administration and public administration sectors is notable.

August 30, 2024

Inflation Adjusted Sector GVA Change in Solihull				
Sector	2021-2022		2019-2022	
	£ Million (2019 Prices)	% Change	£ Million (2019 Prices)	% Change
Manufacturing	-£251	-20%	-£561	-36%
Other Production	-£10	-7%	-£205	-61%
Construction	£86	14%	£123	21%
Wholesale & Retail	£33	5%	£20	3%
Transport & Storage	£72	28%	-£76	-19%
Accommodation & Food Services	-£83	-21%	-£364	-53%
Information & Communication	-£90	-13%	-£201	-25%
Financial Services	£67	9%	£171	27%
Real Estate	£80	7%	£192	20%
Professional Services	£3	0%	£78	15%
Business Admin	£113	11%	-£141	-11%
Public Administration	£10	4%	-£44	-15%
Education	£26	8%	£19	6%
Human Health & Social Work	£55	18%	£65	22%
Arts, entertainment & Other Services	£71	39%	£25	11%

Source: ONS

### Inflation Adjusted Sector Change in Solihull GVA 2019-2022



### Solihull Economic Productivity

Growth in labour productivity (the amount produced for every hour worked) has been weak across much of the developed world over the last decade contributing to depressed wage growth and high levels of government borrowing.

In the UK annual productivity growth averaged around 2% per annum for the 15 years before the financial crisis to around 0.5% since. Several factors are thought to contribute to low productivity growth including low levels of investment, skills gaps and a lack of innovation<sup>11</sup>.

The Office for Budget Responsibility expects UK productivity growth to recover a little in the coming years, to around 1% per year. But this is still below the average from before the financial crisis and productivity growth is likely to remain a significant challenge for the UK economy over the next decade<sup>12</sup>.

There are two measures of local productivity – GVA per hour worked (divides GVA by the total hours worked by the workforce in the area) and GVA per filled job (allocates GVA to the number of jobs based in the area). Both measures show that Solihull is one of the more productive UK economies outside of London and the South-East and is the most productive area in the WMCA<sup>13</sup>.

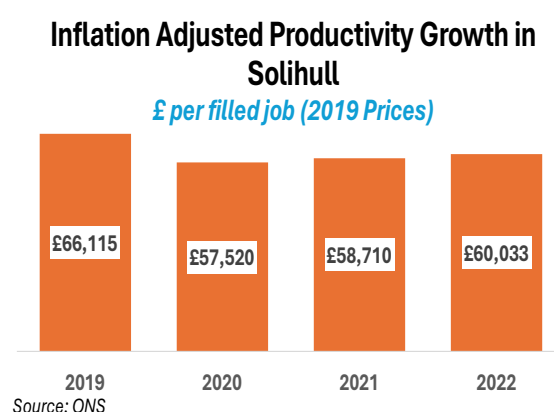
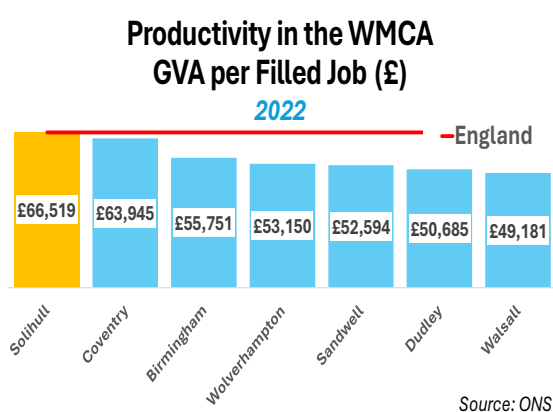
GVA per hour in Solihull in 2022 was £40.70, -2.2% lower than the England average (£41.60) but 15% higher than that of the WMCA (£35.30). GVA per hour in Solihull was the 2<sup>nd</sup> highest among upper tier local authorities in the West Midlands region in 2022.

GVA per hour in Solihull ranks 47<sup>th</sup> out of 179 economic areas in the UK and the 22<sup>nd</sup> highest outside of London and the South-East.

GVA per filled job in Solihull was in-line with the England average in 2022 and 18% higher than that of the WMCA. GVA per job in Solihull was the highest among upper tier local authorities in the West Midlands region in 2022.

GVA per job in Solihull ranks 32<sup>nd</sup> out of 179 economic areas in the UK and the 14<sup>th</sup> highest outside of London and the South-East.

Productivity growth in Solihull has been weak over the last few years, particularly when the impact of inflation is considered. For instance, GVA per filled job in Solihull fell in real terms by -13% between 2019 and 2020 and even though it has edged upwards in both 2021 and 2022 it remains -9% lower than it was prior to the Covid-19 pandemic. By contrast, inflation adjusted GVA per job increased 2% across England.



## Business Activity

### Solihull Business Profile

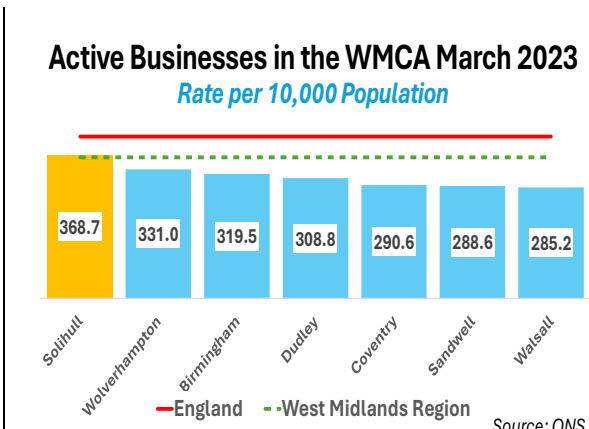
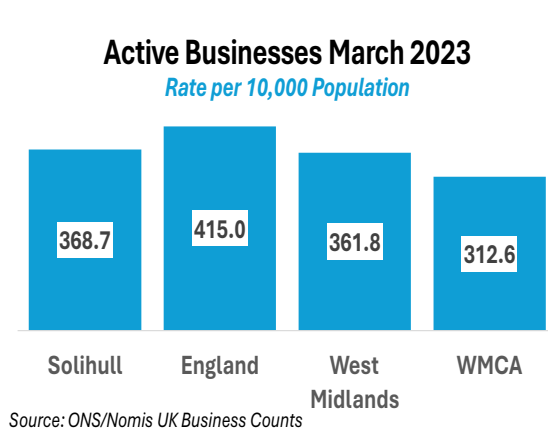
In March 2023 there were 8,025 active businesses in Solihull, 89% were small businesses employing fewer than 10 people and 89% had an annual turnover of less than £1 million. The profile of Solihull’s business base, with its preponderance of small businesses is very like that of England and regional comparators<sup>14</sup>.

Active Businesses March 2023					
Number of Employees	Number of Solihull Businesses	% of Total Solihull Businesses	Rate (Number of Businesses per 10,000 population)		
			Solihull	WMCA	England
0 to 4	6,285	78.3%	288.7	239.7	323.2
5 to 9	825	10.3%	37.9	37.4	46.9
10 to 19	455	5.7%	20.9	19.1	23.7
20 to 49	250	3.1%	11.5	9.9	13.0
50 to 99	90	1.1%	4.1	3.3	4.2
100 to 249	60	0.7%	2.8	1.8	2.3
250 to 499	15	0.2%	0.7	0.6	0.8
500 to 999	25	0.3%	1.1	0.4	0.4
1000+	20	0.2%	0.9	0.4	0.4
Total	8,025		368.7	312.6	415.0

Source: ONS/Nomis UK Business Counts

In 2023 there were fewer active businesses per head in Solihull (368.7 per 10,000) than the England average (415.0 per 10,000) but more than the regional comparators.

Nationally, Solihull has the 115<sup>th</sup> largest business base out of 217 upper tier local authorities in the UK. Solihull has the most businesses per head in the WMCA, but fewer than more rural neighbouring local authorities in the West Midlands region such as Warwickshire (444.5 per 10,000) or Worcestershire (441.6 per 10,000).



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89% of businesses in Solihull have a turnover of less than £1 million per year, including a total of 69% with a turnover less than £200,000. This is consistent with national and regional averages. There are fewer businesses per head in Solihull than England in all turnover size bands below £10 million per year. However, 2% of all Solihull businesses turnover more than £10 million per year, equating to 7.4 per 10,000 population. These very large businesses are more common in Solihull than across England (1.5% of total, 6.0 per 10,000 population).

<b>Active Businesses March 2023</b>					
Annual Turnover (£000s)	Number of Solihull Businesses	% of Total Solihull Businesses	Rate (Number of Businesses per 10,000 population)		
			Solihull	WMCA	England
0 to 49	1,230	15.3%	56.5	44.4	65.7
50 to 99	1,705	21.2%	78.3	70.5	86.5
100 to 199	2,570	32.0%	118.1	96.4	130.2
200 to 499	1,040	13.0%	47.8	42.7	55.9
500 to 999	585	7.3%	26.9	25.7	33.8
1,000 to 1,999	360	4.5%	16.5	14.2	18.9
2,000 to 4,999	260	3.2%	11.9	10.4	13.2
5,000 to 9,999	105	1.3%	4.8	4.0	5.0
10,000 to 49,999	105	1.3%	4.8	3.4	4.5
50,000+	55	0.7%	2.5	1.1	1.5
Total	8,025		368.7	312.6	415.0

*Source: ONS/Nomis UK Business Counts*

24% (1,935) of all businesses in Solihull are in business services (including a relatively large proportion of firms in the real estate and management consultancy sectors), followed by construction (15%, 1,220) and wholesale & retail (13%, 1,010).

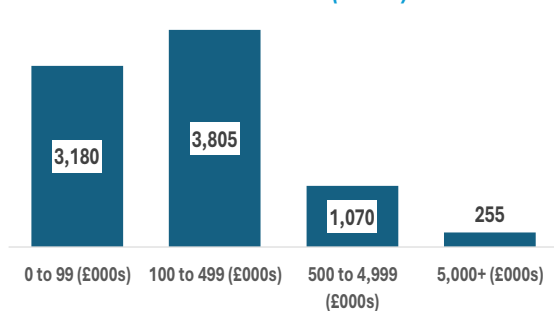
Compared with England Solihull has a relatively large number of business services and public services businesses, but fewer businesses operating in a range of sectors notably in manufacturing, wholesale & retail, accommodation & food services.

Compared with the WMCA Solihull has a large concentration of construction, ICT, finance, business services and public services businesses. Solihull has fewer businesses per capita than the WMCA in manufacturing, wholesale & retail, transport & storage and accommodation & food services.

Active Businesses March 2023					
Sectors	Number of Solihull Businesses	% of Total Solihull Businesses	Rate (Number of Businesses per 10,000 population)		
			Solihull	WMCA	England
Manufacturing	255	3%	11.7	21.2	20.4
Other Production	160	2%	7.4	2.7	18.4
Construction	1,220	15%	56.0	39.4	57.8
Wholesale & Retail	1,010	13%	46.4	60.5	61.3
Transport & storage	295	4%	13.6	28.1	19.9
Accommodation & food services	355	4%	16.3	20.5	25.5
Information & communication	685	9%	31.5	15.6	30.4
Finance	205	3%	9.4	5.1	9.4
Business Services	1,935	24%	88.9	50.3	83.2
Business admin & support	710	9%	32.6	27.5	35.5
Public Services	675	8%	31.0	23.1	25.4
Other services	515	6%	23.7	18.5	27.9
Total	8,025		368.7	312.6	415.0

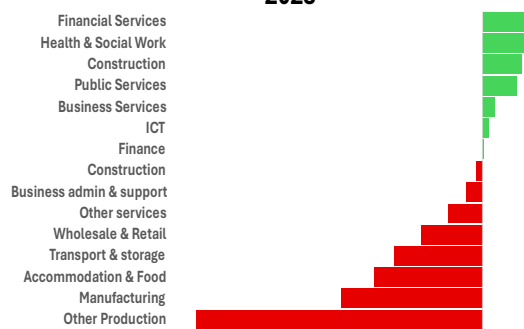
Source: ONS/Nomis UK Business Counts

**Active Businesses in Solihull 2023**  
Annual Turnover (£000s)



Source: ONS/Nomis UK Business Counts

**Number of Businesses in Solihull Relative to England 2023**



Source: ONS/Nomis UK Business Counts

### Solihull Business Growth

The number of active businesses in Solihull has edged downwards in each of the last three years and by a total of -3% (-280 businesses) in the period 2020-2023. This is downward pressure on the number of businesses is evident nationally and across the West Midlands region but is more pronounced in Solihull.

The fall in the number of Solihull businesses over the period 2020 to 2023 is almost entirely due to a reduction in the number of the very smallest active businesses employing fewer than five people. The number of these very small businesses in Solihull fell from 6,695 in 2020 to 6,285 in 2023 (-410, -6%).

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This was consistent with the trend across England where the number of businesses employing fewer than five people fell by -2% in the period 2020 to 2023 and the West Midlands region (-2.3%).

<b>Change in Number of Active Solihull Businesses 2020-2023</b>				
Number of Employees	Solihull Businesses 2020	Solihull Businesses 2023	Change 2020-2023	
			Number	%
0 to 4	6,695	6,285	<b>-410</b>	<b>-6%</b>
5 to 9	770	825	55	7%
10 to 19	420	455	35	8%
20 to 49	215	250	35	16%
50 to 99	100	90	<b>-10</b>	<b>-10%</b>
100 to 249	55	60	5	9%
250 to 499	10	15	5	50%
500 to 999	20	25	5	25%
1,000+	15	20	5	33%
<b>Total</b>	<b>8,305</b>	<b>8,025</b>	<b>-280</b>	<b>-3%</b>

*Source: ONS/Nomis Business Counts*

Between 2020 and 2023 the number of Solihull businesses fell most sharply in the ICT (-230, -25%) and business services (-230, -11%) sectors, with smaller falls in the number of finance (-20, -9%), business administration (-30, -4%), manufacturing (-30, -11%) and other production (-10, -6%) enterprises.

These declines were partially offset by increases in the number of construction, wholesale & retail, transport & storage, accommodation & food service and public services businesses.

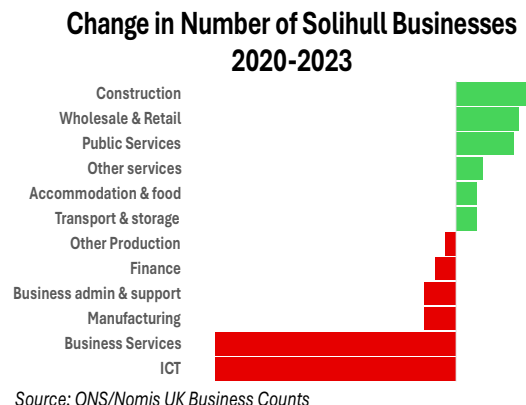
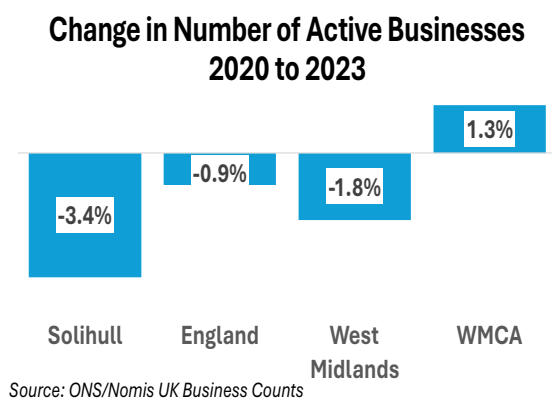
<b>Change in Number of Active Solihull Businesses 2020-2023</b>				
Sector	Solihull Businesses 2020	Solihull Businesses 2023	Change 2020-2023	
			Number	%
Manufacturing	285	255	-30	-10.5%
Other Production	170	160	-10	-5.9%
Construction	1,145	1,220	75	6.6%
Wholesale & Retail	950	1,010	60	6.3%
Transport & storage	275	295	20	7.3%
Accommodation & food services	335	355	20	6.0%
Information & communication	915	685	-230	-25.1%
Finance	225	205	-20	-8.9%
Business Services	2,165	1,935	-230	-10.6%
Business admin & support	740	710	-30	-4.1%
Public Services	620	675	55	8.9%
Other services	490	515	25	5.1%
<b>Total</b>	<b>8,305</b>	<b>8,025</b>	<b>-280</b>	<b>-3.4%</b>

*Source: ONS/Nomis Business Counts*

The sectoral pattern of change in Solihull was entirely consistent with that across England, with falls and increases in the number of active businesses in the same sectors as nationally.

Change in Number of Business by Sector 2020-2023		
Sector	Solihull	England
Manufacturing	-11%	-1%
Other Production	-6%	-6%
Construction	7%	8%
Wholesale & Retail	6%	4%
Transport & storage	7%	4%
Accommodation & food services	6%	9%
Information & communication	-25%	-17%
Finance	-9%	-4%
Business Services	-11%	-7%
Business admin & support	-4%	-4%
Public Services	9%	6%
Other services	5%	5%
Total	-3%	-1%

Source: ONS/Nomis Business Counts



### Solihull Business Start-Ups and Survival

In 2022 930 new businesses started in Solihull, equating to a business start-up rate of 42.7 per 10,000 population. This is a lower start-up rate than England (52.6 per 10,000), the West Midlands region (47.7 per 10,000) or the WMCA (52.3 per 10,000)<sup>15</sup>.

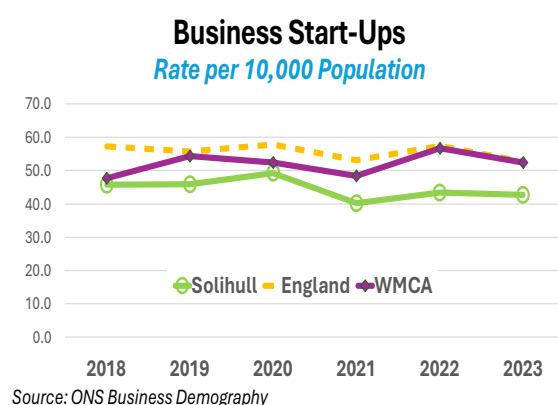
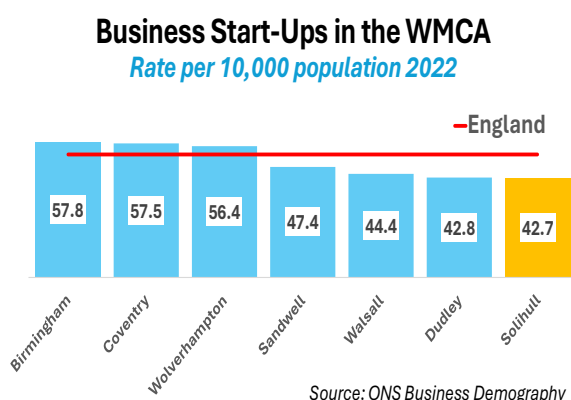
In 2022 Solihull had only the 108<sup>th</sup> highest start-up rate out of 217 upper tier local authorities in the UK, ranking it lower than any other area of the WMCA.

The number of Solihull business start-ups was an average of about 10% higher in the three years 2017 to 2019 than it was in the three subsequent years 2020 to 2022. Moreover, the Solihull business start-up rate has been consistently below that for England and since 2020 has also lagged below the WMCA average.



<b>Business Start-ups</b>				
Year	Solihull Start-ups	Start-up rate (per 10,000 population)		
		Solihull	England	WMCA
2017	980	45.7	57.2	47.7
2018	985	45.8	55.7	54.3
2019	1,065	49.2	57.9	52.4
2020	870	40.2	53.1	48.3
2021	940	43.4	57.4	56.7
2022	930	42.7	52.6	52.3

Source: ONS Business Demography

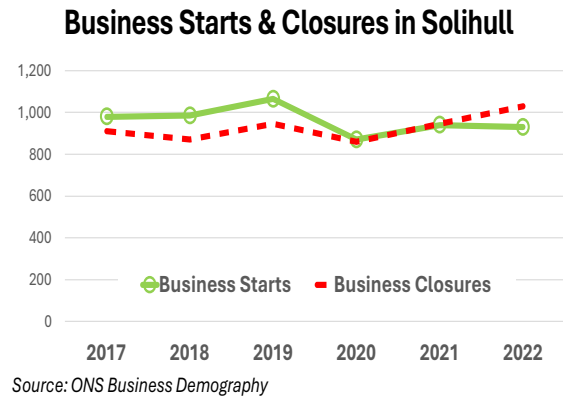
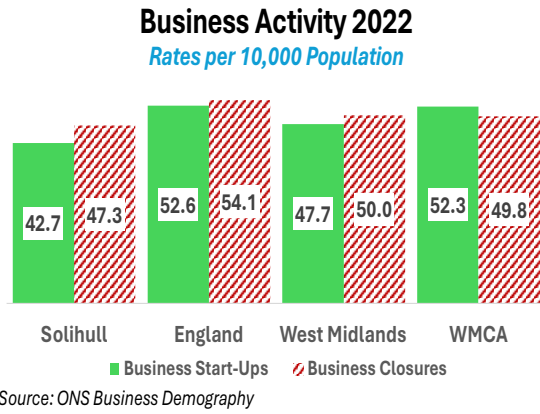


The number of business that cease to operate (business deaths) is much lower in Solihull (47.3 per 10,000) than the England average (54.1 per 10,000) and is also lower the regional benchmarks (West Midlands region 50.0, WMCA 49.8 per 10,000).

From 2017 through to 2019 the number of business start-ups in Solihull was higher than the number of closures as the business base expanded. This has not been the case over the last three years, with the number of closures increasing relatively sharply in 2022.

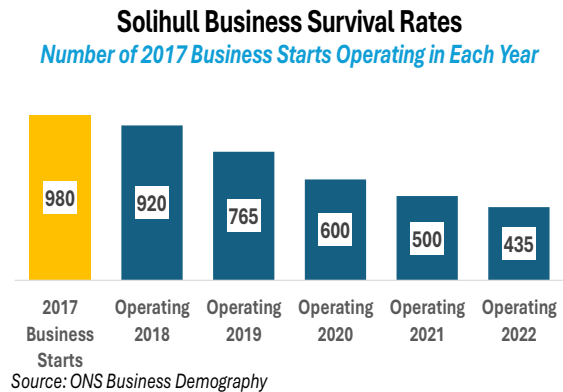
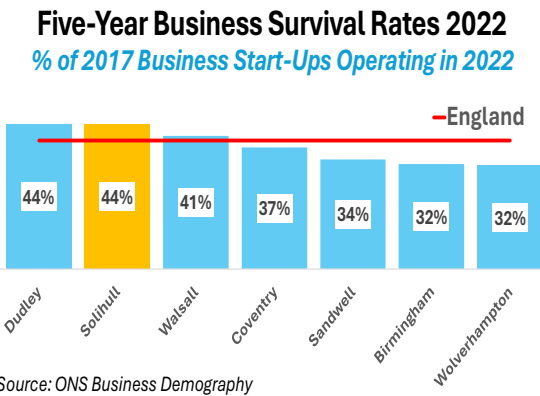
Comparing business activity across the benchmarks shows that the contraction in the Solihull business base in 2022 resulting from closures out-stripping starts was consistent with the pattern nationally and in the West Midlands region (although not in WMCA which recorded higher levels of business starts than closures).

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Although business start-up rates in Solihull are lower than the national or regional averages, those business that do start-up are more likely to survive over the medium-term. Of the 980 Solihull businesses that started in 2017 435 were still operating five years later in 2022, equating to a business survival rate of 44%.

The five-year business survival rate in Solihull (44%) is higher than the England (39%), West Midlands region (35%) or WMCA averages (35%). In 2022 Solihull had the 67<sup>th</sup> highest rate out of 217 upper tier local authorities in the UK and the joint highest rate in the WMCA.



## Workplace Jobs

### Employment in Solihull

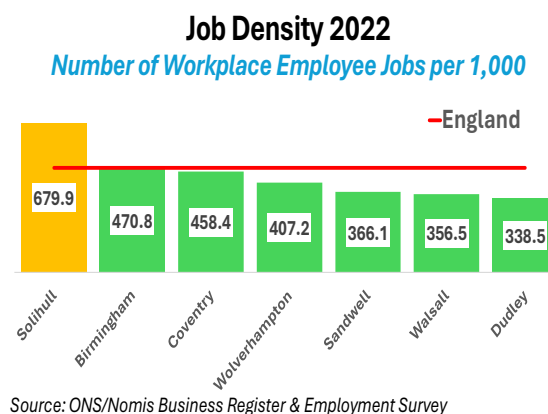
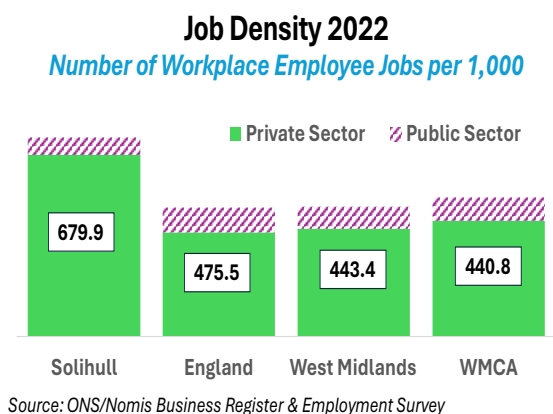
The ONS 2022 Business Register and Employment Survey (BRES) is an employer survey which records the number of jobs held by employees at the location of workplace.

According to the BRES there were 148,000 employees in Solihull in 2022 equating to an employment density of 679.9 per 1,000 population, 30% higher than the England average (475.5 per 1,000) and 54% higher than that of the WMCA (440.8 per 1,000). Solihull has the highest job density of any upper tier Local Authority in the West Midlands and is the 4<sup>th</sup> largest labour market outside of London and the South-East. Among British provincial economies only Manchester, Trafford and Aberdeen are proportionally larger than Solihull<sup>16</sup>.

The private sector accounts for 91% of Solihull jobs (135,000) compared with the England average of 83%. As a result, private sector employment density in Solihull is 57% above the national average (620.2 compared to 395.4 per 1,000).

Private and Public Sector Jobs 2022				
Sector	Solihull Jobs	Rate (Jobs per 1,000 Population)		
		Solihull	England	WMCA
Private Sector	135,000	620.2	354.8	395.4
Public Sector	13,000	59.7	86.0	80.1
All Employee Jobs	148,000	679.9	440.8	475.5

*Source: ONS/Nomis Business Register & Employment Survey*



### Solihull Employment Sectors

Solihull's largest employment sectors are business administration & support services (39,000 jobs), public services (21,500), business services (18,000), wholesale & retail (14,750) and manufacturing (14,000).

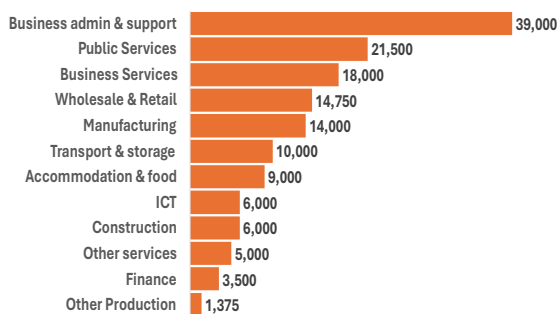
Compared with the England average Solihull has a large proportion of total employment in business administration & support services, transport & storage and manufacturing.

Solihull has a significantly below average proportion of total employment in non-manufacturing production industries and public services and to a lesser extent in a range of other sectors including finance, wholesale & retail and accommodation & food services.

<b>Workplace Jobs by Economic Sector 2022</b>				
Sector	Solihull Jobs 2022	% All Jobs		Location Quotient^
		Solihull	England	
Manufacturing	14,000	9%	7%	1.26
Other Production	1,375	1%	2%	0.54
Construction	6,000	4%	5%	0.85
Wholesale & Retail	14,750	10%	14%	0.71
Transport & storage	10,000	7%	5%	1.32
Accommodation & food	9,000	6%	8%	0.77
Information & communication	6,000	4%	5%	0.85
Finance	3,500	2%	3%	0.71
Business Services	18,000	12%	11%	1.08
Business admin & support	39,000	26%	9%	2.87
Public Services	21,500	15%	26%	0.56
Other services	5,000	3%	4%	0.78
All Jobs	148,000			

**^ Location Quotient: compares the concentration of jobs in a sector in Solihull to the concentration nationally (i.e. identifies sector specialisations)**  
 Source: ONS/Nomis Business Register & Employment Survey

### Workplace Jobs in Solihull 2022



Source: ONS/Nomis Business Register & Employment Survey

### Solihull Workplace Job Location Quotients 2022

Concentration of Jobs in Solihull vs England



Source: ONS/Nomis Business Register & Employment Survey

The table below shows Solihull’s sector strengths at a more detailed level (SIC 2 digit code), highlighting the importance of JLR (manufacture of motor vehicles) and the Airport (Air transport, Warehousing & support activities for transportation) to the local economy. Other local private sector strengths include computer programming, consultancy & related activities, financial services (except insurance & pension funding) and management consultancy.

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<b>Key Employment Sectors in Solihull 2022</b>		
Sector	Employment 2022 <sup>^</sup>	LQ
Manufacture of motor vehicles	10,000	14.56
Services to buildings & landscaping	30,000	8.56
Air transport	2,000	4.96
Security & investigation	2,500	2.17
Real estate	6,000	2.12
Warehousing & transport support	6,000	1.81
Management consultancy	6,000	1.38
Construction of buildings	3,000	1.29
Computer programming & consultancy	5,000	1.25
Architectural & engineering activities	3,000	1.15
Financial service activities	2,500	1.13
Accommodation	2,250	1.11
Office admin & support	3,000	1.05
<sup>^</sup> Minimum 2,000 jobs		
Source: ONS Business Register and Employment Survey		

### **Solihull Job Growth**

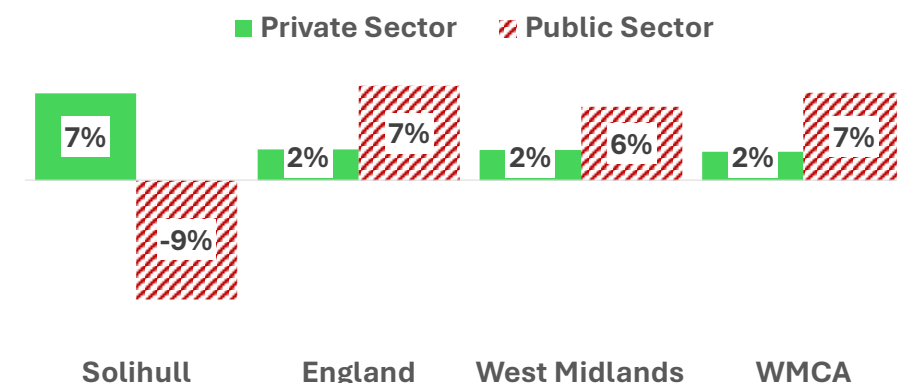
The number of workplace Solihull jobs increased by +5% (+7,000 jobs) between 2019 and 2022, more than the average across England (+3.2%), the West Midlands region (+3.0%) or the WMCA (+3.1%).

Job growth in Solihull was entirely due to the private sector where the number of jobs increased by 6% (+8,000) between 2019 and 2022, compared to a fall of -7% (-1,000) public sector jobs.

<b>Job Growth in Solihull 2019-2022</b>				
Sector	2019 Solihull Jobs	2022 Solihull Jobs	Change 2019-2022	
			Number of Jobs	%
Private sector	127,000	135,000	8,000	6%
Public sector	14,000	13,000	-1,000	-7%
All Jobs	141,000	148,000	7,000	5%
Source: ONS/Nomis Business Register & Employment Survey				

The pattern in Solihull was different to national and regional averages with weaker private sector growth and a stronger public sector in these benchmarks. For instance, in England private sector jobs increased by just 2% between 2019 and 2022 but public sector jobs grew by 7%.

## Job Growth 2019 to 2022



Source: ONS/Nomis Business Register & Employment Survey

Nationally, the growth in Solihull jobs between 2019 and 2022 was ranked 53 highest out of 206 upper-tier local authorities in Britain. Growth in Solihull was 3<sup>rd</sup> highest in the WMCA slightly behind Birmingham (5.8%) and Wolverhampton (5.8%).

Sectors job growth in Solihull has been dominated by the business services sector which added 5,000 between 2019 and 2022. Other sectors that have grown over this period include transport & storage (+2,000) and manufacturing (+1,000). By contrast, there have been contractions in the number of jobs in Solihull in accommodation & food services (-1,000), finance (-500) and the public sector (-500).

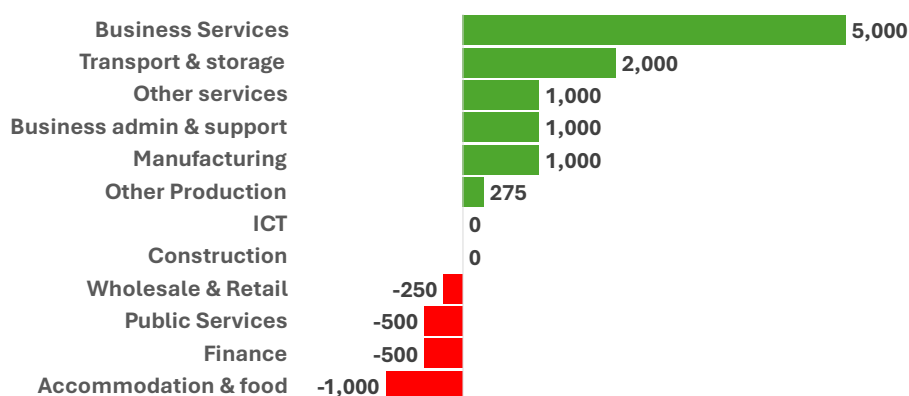
In percentage terms Solihull added far more business service jobs between 2019 and 2022 than England (+38% vs +7%). Other significant differences include a much brighter picture for manufacturing in employment in Solihull where job growth was 8% between 2019 and 2022 compared to a contraction of -3% across England and far stronger growth in Solihull in transport & storage (+25% vs +5% England). By contrast, jobs in the accommodation & food service sector in Solihull contracted by -10% in the three-years to 2022 compared to growth of 9% in England.

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<b>Sector Job Growth in Solihull 2019-2022</b>				
Sector	Solihull Jobs 2019	Solihull Jobs 2022	Change in Jobs 2019-2022	
			Number	Percentage
Manufacturing	13,000	14,000	1,000	8%
Other Production	1,100	1,375	275	25%
Construction	6,000	6,000	0	0%
Wholesale & Retail	15,000	14,750	-250	-2%
Transport & storage	8,000	10,000	2,000	25%
Accommodation & food	10,000	9,000	-1,000	-10%
Information & communication	6,000	6,000	0	0%
Finance	4,000	3,500	-500	-13%
Business Services	13,000	18,000	5,000	38%
Business admin & support	38,000	39,000	1,000	3%
Public Services	22,000	21,500	-500	-2%
Other services	4,000	5,000	1,000	25%
<b>Total</b>	<b>141,000</b>	<b>148,000</b>	<b>7,000</b>	<b>5%</b>

*Source: ONS/Nomis Business Register & Employment Survey*

## Sector Job Growth in Solihull 2019-2022



*Source: ONS/Nomis Business Register & Employment Survey*

## Jobs in Knowledge Intensive Industries in Solihull

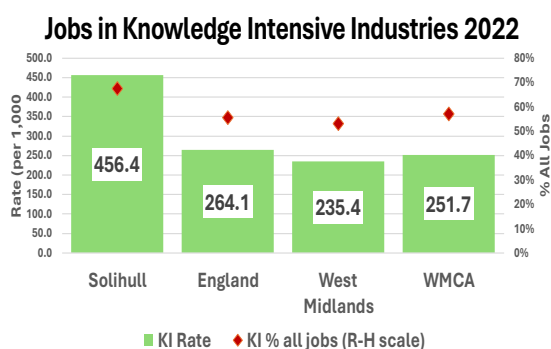
A strength of the Solihull economy is the high concentration of workplace jobs in knowledge intensive industries. These industries are characterised by their intensive use of technology and/or human capital and are the drivers of innovation, economic growth and job growth. Among other things, a labour market with a high proportion of jobs in knowledge intensive industries is reliant on access to a skilled and highly educated workforce and is commonly associated with above average wage levels.

In 2022 there were 99,400 jobs in knowledge intensive industries in Solihull, equating to 68% of all jobs compared to just 57% across the WMCA. The concentration of jobs in Solihull in each of the medium high-tech manufacturing, high-tech knowledge intensive sectors and knowledge intensive service sectors is higher than the national or regional averages.

<b>Knowledge Intensive Jobs 2022</b>			
	Solihull	England	WMCA
% KI Jobs	68%	56%	57%
KI Jobs per 1,000 population	456.4	264.1	251.7
KI Components (per 1,000 population)			
High-tech Manufacturing	0.2	1.5	0.3
Medium High-Tech Manufacturing	46.7	9.8	13.4
High-Tech Knowledge Intensive Service Sectors	30.3	24.6	15.3
Knowledge Intensive Service Sectors	379.3	228.2	222.7
<i>Source: ONS/Nomis Business Register &amp; Employment Survey</i>			

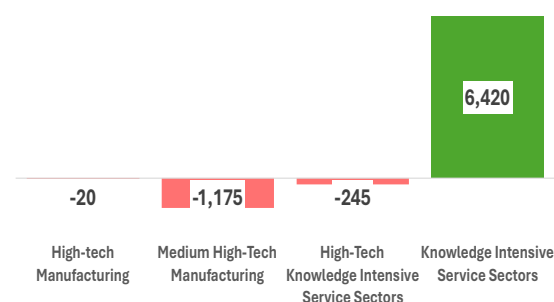
Between 2019 and 2022 the number of Solihull jobs in knowledge intensive industries increased by +5.3% (+4,980), broadly in-line with increases across England (+4.7%), the West Midlands region (5.0%) and the WMCA (+4.9%).

The increase in knowledge intensive jobs in Solihull was due to a rise in employment in knowledge intensive service sectors (+8%, +6,420 jobs), with falls in high-tech manufacturing (-31%, -20 jobs), medium high-tech manufacturing (-10%, -1,175 jobs) and high-tech knowledge intensive service sectors (-4%, -245 jobs).



Source: ONS/Nomis Business Register & Employment Survey

**Change in Solihull Knowledge Intensive Jobs in Solihull 2019 to 2022**



Source: ONS/Nomis Business Register & Employment Survey



## Workplace Wages

### Solihull Based Average Wages

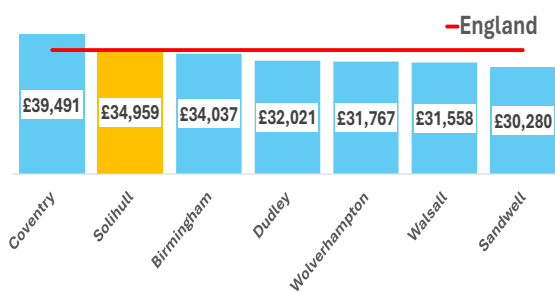
According to the ONS Annual Survey for Hours and Earnings (ASHE), the average annual wage for someone working full-time in a Solihull based job was £34,949 in 2023<sup>i</sup>. This is about the same as the England average, but 6% higher than that for the West Midlands region<sup>17</sup>.

The annual average wage for Solihull jobs is ranked 63<sup>rd</sup> out of 201 upper-tier local authorities in Britain and is the 2<sup>nd</sup> highest in the West Midlands after Coventry (£39,491).

Between 2019 and 2023 the average full-time wage for a Solihull job increased by just 6% (+£2,124) in nominal terms compared with an increase of +14% (+£4,402) for England and +16% (+£4,454) for the West Midlands. The trend in Solihull masks some annual fluctuations that are less apparent nationally and are likely to reflect the relatively significant margins of error associated with local authority data in this survey.

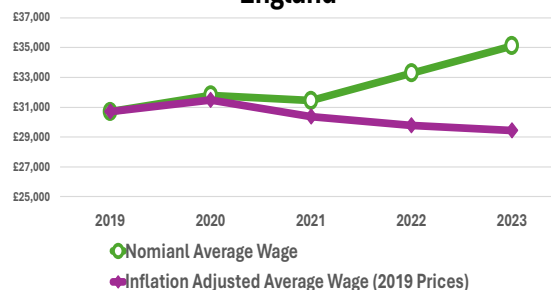
What is evident is that over the last few years at a national level workplace wages have not kept pace with inflation. Between 2019 and 2023 when adjusted for inflation average wages across England fell by a total of -4% so that the average wage in real terms in 2023 was nearly £1,300 per year lower than it was in 2019 (£30,7004 in 2019 vs £29,428 in 2023).

**Average Full-Time Wages in the WMCA**  
Workplace Jobs 2023



Source: ONS Annual Survey of Hours & Earnings

**Trends in Average Full-Time Wages in England**



Source: ONS Annual Survey of Hours & Earnings

<sup>i</sup> It should be noted that these averages are based on an annual survey which is subject to a fairly significant margin of error, especially at local authority level. For instance, in 2023 the margin of error for Solihull was +/- 4.8% meaning that the Solihull average was in the range of £33,300 to £36,600

## References

- <sup>1</sup> House of Commons Library: [Economic Indicators](#)
- <sup>2</sup> House of Commons Library: [Low growth: The economy's biggest challenge](#)
- <sup>3</sup> ONS: [UK Economic Output](#)
- <sup>4</sup> Trading Economics: [United Kingdom Manufacturing PMI](#)
- <sup>5</sup> [GfK Consumer Confidence Barometer | UK monthly consumer survey](#)
- <sup>6</sup> HM Treasury: [Forecasts for the UK economy](#)
- <sup>7</sup> ONS: [Inflation and price indices](#)
- <sup>8</sup> ONS: [Regional gross value added \(balanced\) per head and income components](#)
- <sup>9</sup> ONS: [Regional gross value added \(balanced\) per head and income components](#)
- <sup>10</sup> ONS: [Regional gross value added \(balanced\) by industry: all ITL regions](#)
- <sup>11</sup> House of Commons Library: [Low growth: The economy's biggest challenge](#)
- <sup>12</sup> [Office for Budget Responsibility \(OBR Homepage\)](#)
- <sup>13</sup> ONS: [Regional and subregional labour productivity, UK 2022](#)
- <sup>14</sup> ONS/NOMIS: [UK Business Counts](#)
- <sup>15</sup> ONS: [Business demography](#)
- <sup>16</sup> ONS/Nomis: [Business Register and Employment Survey \(BRES\)](#)
- <sup>17</sup> ONS/Nomis: [Annual Survey of Hours and Earnings \(ASHE\)](#)