

The Solihull Economy, Employment & Skills

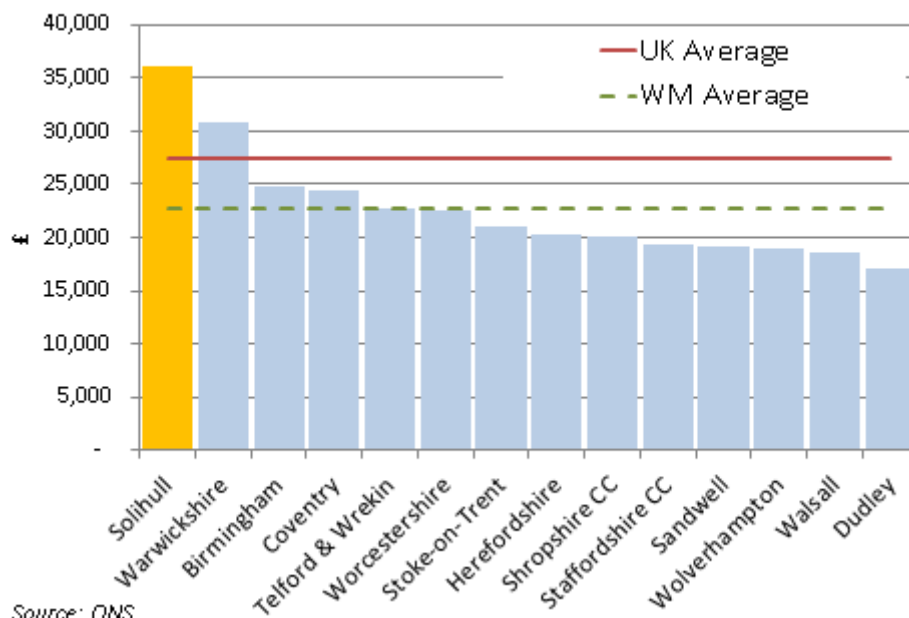
Economic Output

Total GVA in Solihull in 2017 was £7.71 billion, 5.8% of the West Midlands total. By way of comparison Birmingham is by far the largest economy in the region (21.1% of West Midlands total), followed by Warwickshire (13.0%), Staffordshire (12.6%) and Worcestershire (9.9%).

At £36,042 Solihull GVA per head is 31% higher than the UK average and 58% higher than that of the West Midlands region. Solihull has the 13th highest GVA per head out of 179 economic areas in the UK and the 4th highest outside of London and the South East (smaller only than Belfast, Edinburgh and Aberdeen).

Solihull has the largest GVA per head of any upper tier Local Authority in the West Midlands, where the range is £36,042 per head to £17,033 (Dudley).

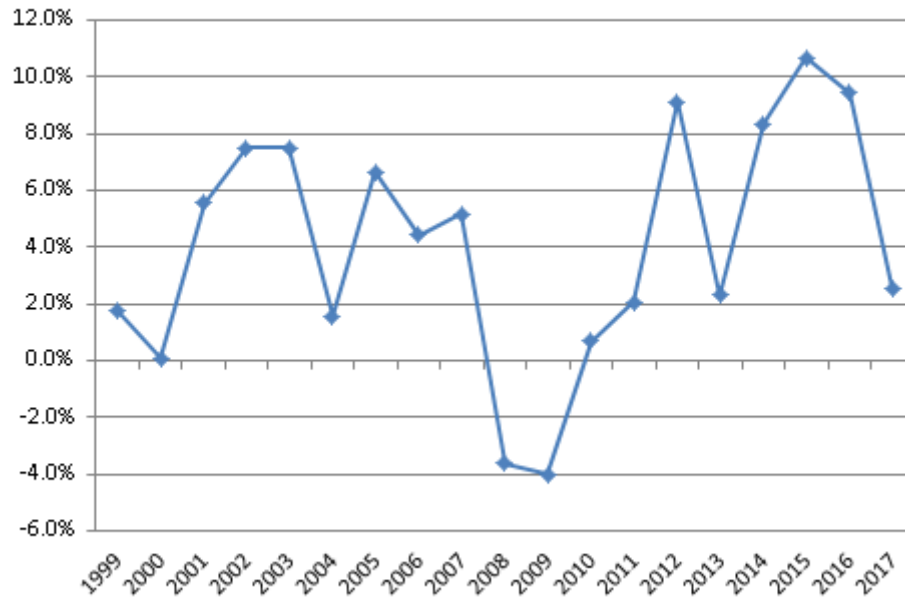
West Midlands GVA per Head 2017



Economic Growth

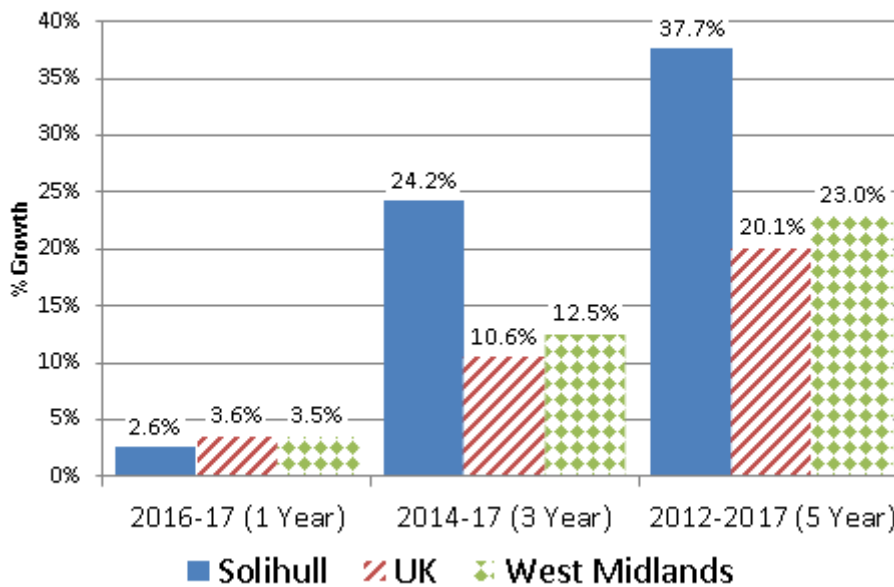
The Solihull economy increased by a total of 2.6% in 2017, the 8th consecutive year in which the local economy expanded.

Annual GVA Growth in Solihull



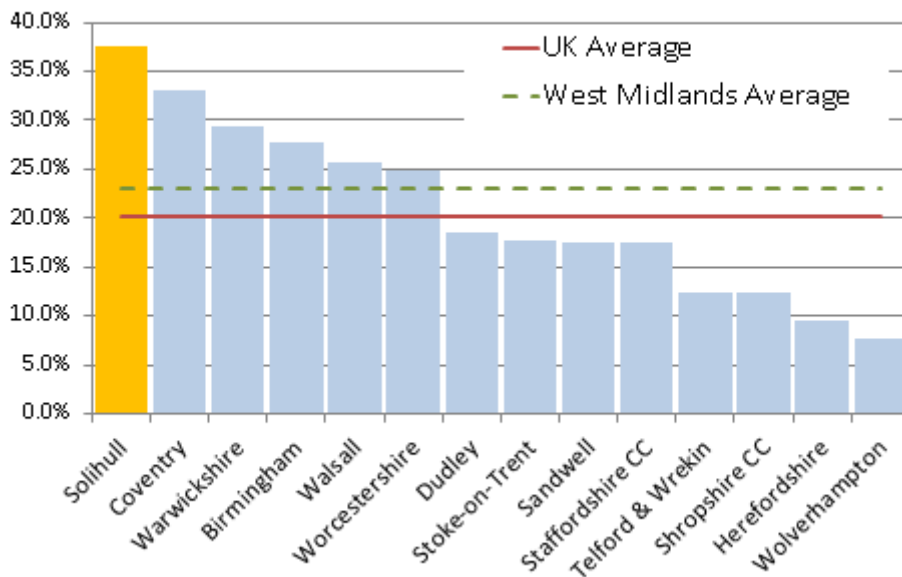
The Solihull economy increased by a total of 38% in the five years 2012 to 2017 compared to increases of 20% across the UK as a whole and 23% in the West Midlands region.

GVA Growth



Over this five year period Solihull has the 4th highest level of GVA growth out of 179 economic areas in the UK, behind only the combined total of the London Boroughs of Camden & City of London, Hounslow & Richmond and Mid Lancashire.

GVA Growth in West Midlands 2012-2017

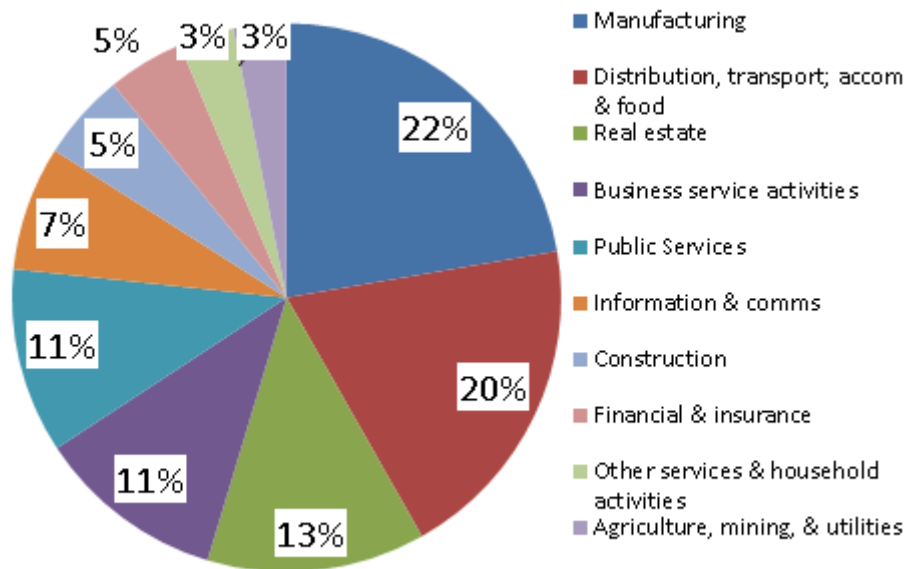


Source: ONS

Sector Contributions to the Solihull Economy

Manufacturing accounted for 22% of Solihull GVA in 2017, with distribution, transport, accommodation & food collectively making the next largest contribution (20%), followed by real estate activities (13%), business service activities (11%) and public services (11%).

Sector Contributions to Solihull GVA 2017



Source: ONS

Manufacturing makes a much larger contribution to Solihull GVA than to the UK as a whole (22% of the total compared to 17%), with information & communication (7% compared to 5%) and business service activities (11% compared to 9%) also more significant locally than

nationally. Most other sectors contribute a lower share to total GVA than across the UK, most notably public services (11% compared to 16%) and financial & insurance activities (4.5% compared to 5.9%).

	Sector GVA			
	Solihull GVA (£ million)	% Of Total GVA		
		Solihull	UK	West Midlands
Manufacturing	1,719	22.3%	16.9%	15.3%
Distribution; transport; accommodation & food	1,504	19.5%	18.7%	20.5%
Real estate activities	992	12.9%	14.6%	12.1%
Business service activities	856	11.1%	8.8%	10.1%
Public Services	842	10.9%	15.9%	18.6%
Information & communication	566	7.3%	5.0%	4.4%
Construction	396	5.1%	5.2%	6.1%
Financial & insurance	347	4.5%	5.9%	3.9%
Other services & household activities	250	3.2%	3.1%	4.3%
Agriculture, mining, electricity, gas, water & waste	240	3.1%	5.7%	4.7%
All industries	7,710			

Source: ONS GVA (I) 2017

Jobs in Solihull

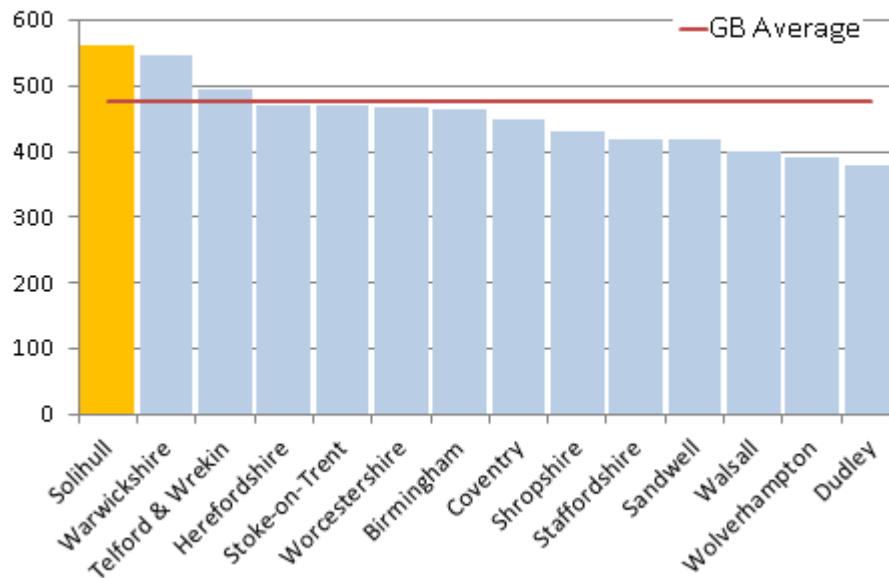
The ONS Business Register and Employment Survey (BRES) shows that there were 118,000 employees in Solihull in 2017 and a further 2,000 working owners. Solihull's total employment of 120,000 equates to an employment density of 561 per 1,000 population, 18% higher than the Great Britain average (477 per 1,000). Solihull has the highest job density of any upper tier Local Authority in the West Midlands and one of the 15 largest labour markets outside of London and the South East.

The private sector accounts for 87% of Solihull total employment (105,000) compared with the Great Britain average of 83%. As a result, private sector employment density in Solihull is 24% above the national average (491 compared to 397 per 1,000).

	Solihull Count 2017 [^]	Density (per 1,000 residents)		
		Solihull	Great Britain	West Midlands
Private Sector Employment	105,000	490.6	397.2	380.1
Public Sector Employment	15,000	70.0	79.6	74.5
Total Employment	120,000	560.9	476.8	454.6
Breakdown of Total Employment				
Employees	118,000	551.6	460.5	440.0
Working Owners	2,000	9.3	16.3	14.5

[^] Employment counts rounded to nearest 100
Source: ONS Business Register and Employment Survey 2017

Total Employment per 1,000 Population 2017



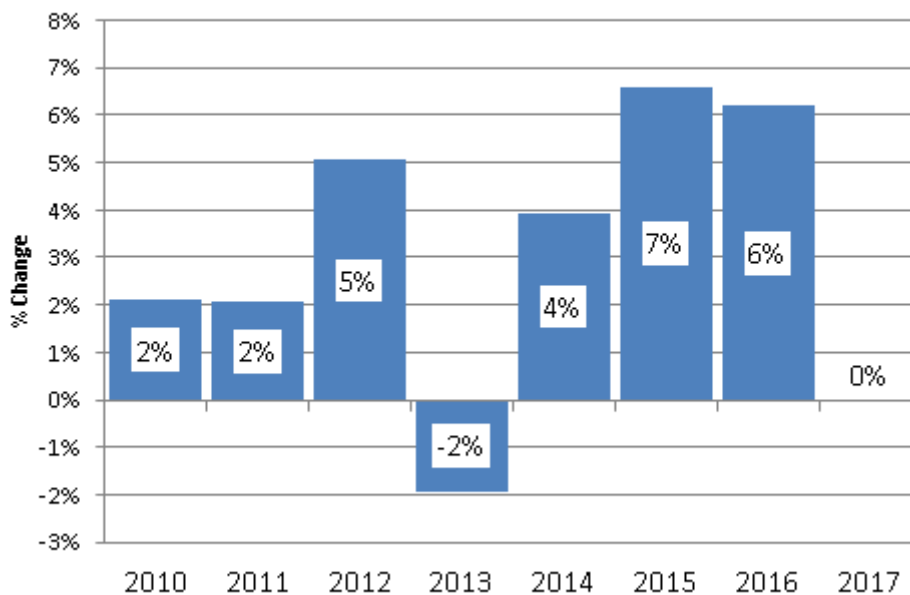
Source: ONS Business Register & Employment Survey

Jobs Growth

Total employment in Solihull was unchanged in 2017, compared to increases of 1% for Great Britain and 3% for the West Midlands.

Total employment in Solihull increased in five out of the last eight years and by an annual average of 3.0% per year over this period (+3,100 jobs per year). This is nearly three times the annual average increase recorded across Great Britain (+1.1%) and the West Midlands (+1.2%) for that period.

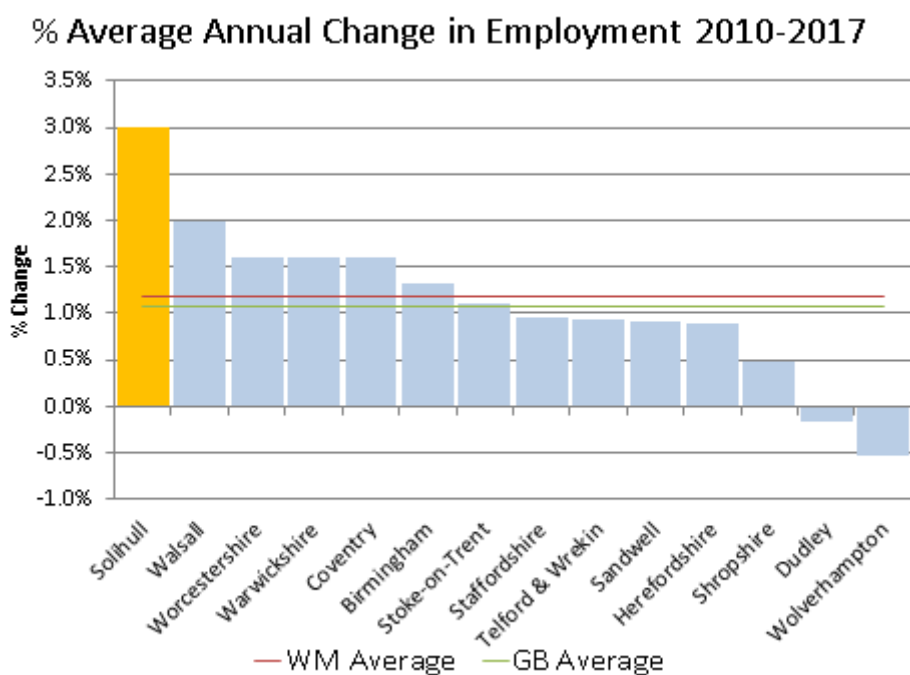
% Annual Change in Total Employment in Solihull



Source: ONS Business Register & Employment Survey

Over the eight years 2010-2017 Solihull has the one of the fastest growing labour markets in Great Britain. The average annual increase in total employment in Solihull (3.0%) over this period is the 10th highest out of 206 upper tier Local Authorities in Great Britain, with the borough ranked top outside of London on this measure.

Solihull has by far the highest levels of average annual employment growth in the West Midlands over the period 2010-2017.



Source: ONS Business Register & Employment Survey

Jobs by Sector

Solihull's largest sectors are business administration & support services (15,000), manufacturing (13,000), retail (11,000), the professional, scientific & technical sector (11,000) and accommodation & food services (11,000).

Compared with the Great Britain average Solihull has a large proportion of total employment in the transport & storage, business administration & support services, property, manufacturing, accommodation & food services and information & communication.

Solihull has a significantly below average proportion of total employment in the wholesale, health, and financial & insurance sectors and a relatively small proportion in a range of other sectors including health and the arts, entertainment and recreation sectors.

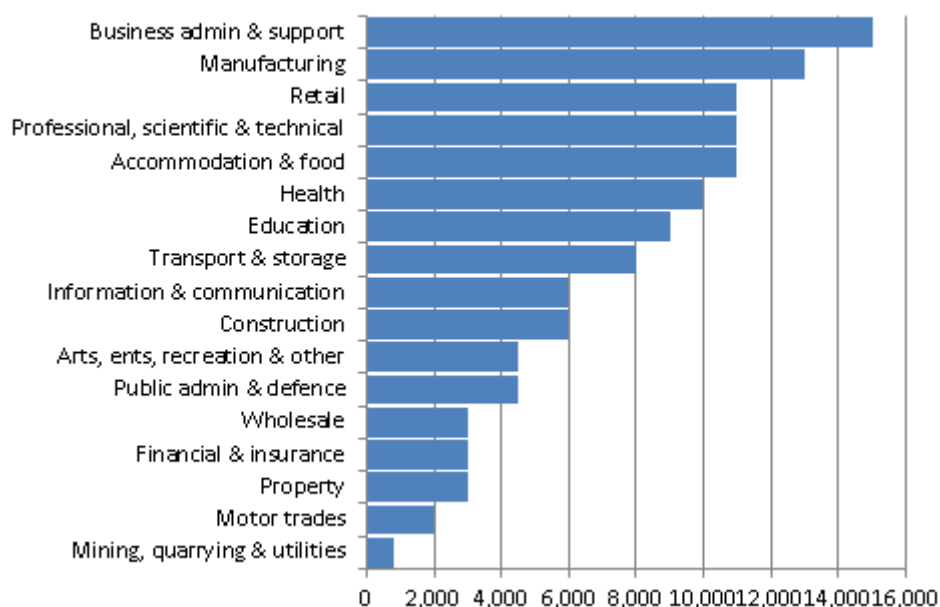
Sectors	Total Employment 2017			
	Solihull Count 2017 [^]	% Employment		Locational Quotient
		Solihull	Great Britain	
Agriculture, forestry & fishing	350	0.3%	1.6%	0.18
Mining, quarrying & utilities	800	0.7%	1.3%	0.52
Manufacturing	13,000	10.7%	8.0%	1.35
Construction	6,000	5.0%	4.9%	1.01

Motor trades	2,000	1.7%	1.8%	0.93
Wholesale	3,000	2.5%	3.8%	0.65
Retail	11,000	9.1%	9.5%	0.96
Transport & storage	8,000	6.6%	4.7%	1.42
Accommodation & food services	11,000	9.1%	7.4%	1.22
Information & communication	6,000	5.0%	4.2%	1.17
Financial & insurance	3,000	2.5%	3.4%	0.73
Property	3,000	2.5%	1.8%	1.39
Professional, scientific & technical	11,000	9.1%	8.5%	1.07
Business administration & support services	15,000	12.4%	8.9%	1.39
Public administration & defence	4,500	3.7%	4.1%	0.90
Education	9,000	7.4%	8.6%	0.86
Health	10,000	8.3%	13.0%	0.64
Arts, entertainment, recreation & other services	4,500	3.7%	4.6%	0.81
Total Employment	120,000			

^ Rounded to nearest 100

Source: ONS Business Register & Employment Survey 2017

Total Employment by Sector in Solihull 2017



Source: ONS 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 and management consultancy.

Key Employment Sectors in Solihull 2017		
Sector	Employment 2017^	LQ

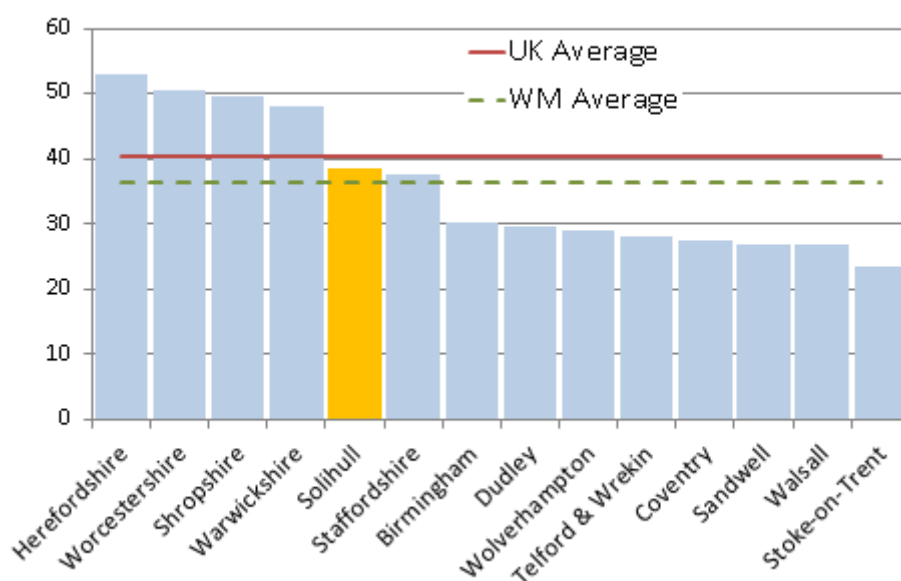
Manufacture of motor vehicles, trailers & semi-trailers	10,000	8.3%
Air transport	1,250	1.0%
Office administrative, office support & other business support activities	4,500	3.8%
Warehousing & support activities for transportation	4,500	3.8%
Activities of head offices; management consultancy activities	6,000	5.0%
Computer programming, consultancy & related activities	5,000	4.2%
Accommodation	3,000	2.5%
Construction of buildings	3,000	2.5%
Security and investigation activities	1,250	1.0%
Services to buildings & landscape activities	4,000	3.3%
Real estate activities	3,000	2.5%
^ Minimum 1,000 jobs		
Source: ONS Business Register and Employment Survey 2017		

Businesses in Solihull

In March 2018 there were 8,225 VAT and/or PAYE business enterprises in Solihull, equating to 38.4 per 1,000 resident, below the UK average of 40.4 per 1,000 but above that for the West Midlands (36.3).

Among the West Midlands upper tier Local Authorities, Solihull has the 5th highest number of business enterprises per head, with only the shire counties of Herefordshire, Worcestershire, Shropshire and Warwickshire being above the UK average. Solihull has proportionally the highest number of businesses among the region's Metropolitan boroughs.

Enterprises per 1,000 Residents 2018



Source: ONS – UK Business Counts

Business Growth

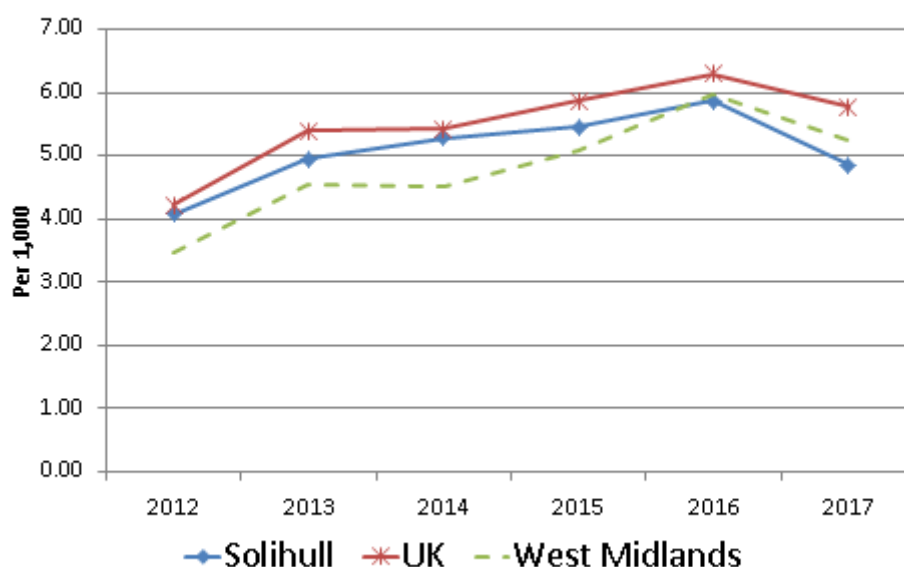
The number of business enterprises in Solihull has increased in each of the last five years and by a total of 23% (+1,520) since March 2013. This is broadly similar to both the UK (24%) and West Midlands (24%) averages.

	Annual Growth in Solihull Enterprises	% Annual Growth in Enterprises		
		Solihull	UK	West Midlands
2013-14	235	3.5%	4.4%	3.6%
2014-15	620	8.9%	8.2%	7.7%
2015-16	340	4.5%	4.3%	4.7%
2016-17	315	4.0%	4.5%	6.4%
2017-18	10	0.1%	0.0%	-0.4%
<i>Total for Five Years 2013 - 2018</i>				
2013-2018	1,520	22.7%	23.2%	23.7%
<i>Source: ONS UK Business Counts</i>				

Business Starts

The Business Demography UK data release shows that there were 1,040 business starts in Solihull in 2017. At 4.86 per 1,000 residents the number of business starts in Solihull in 2017 was below both the UK (5.78 per 1,000) and West Midlands (5.24 per 1,000) averages. The business start up rate in Solihull has been below that for UK in each year from 2012.

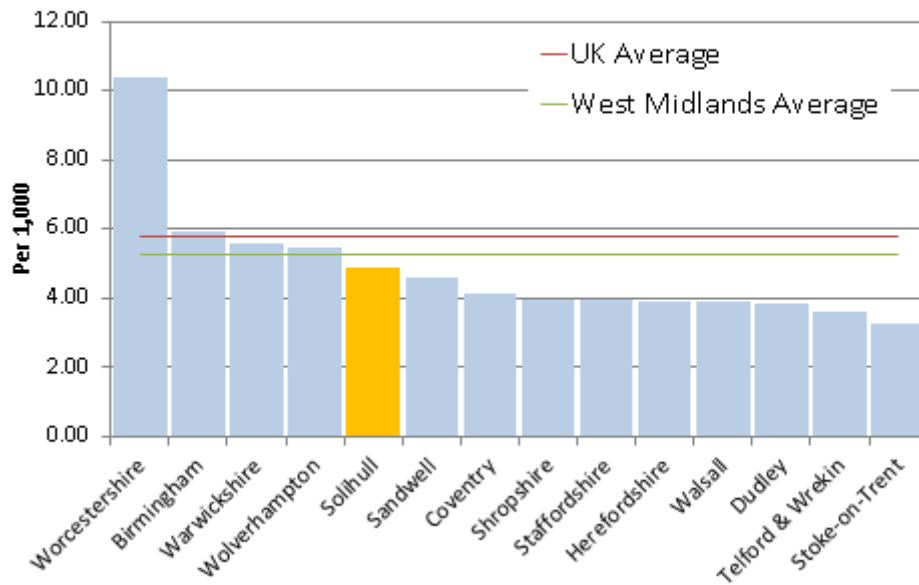
Business Enterprise Start Ups per 1,000 Population



Source: ONS Business Demography

Out of 206 upper tier Local Authorities in Great Britain Solihull had the 90th highest number of business starts per 1,000 population in 2017 (2nd quartile). Among upper tier West Midlands Local Authorities Solihull recorded the 5th highest number of business enterprise births per 1,000 population in 2016, behind Worcestershire, Birmingham, Warwickshire and Wolverhampton.

Business Enterprise Starts per 1,000 Population 2017

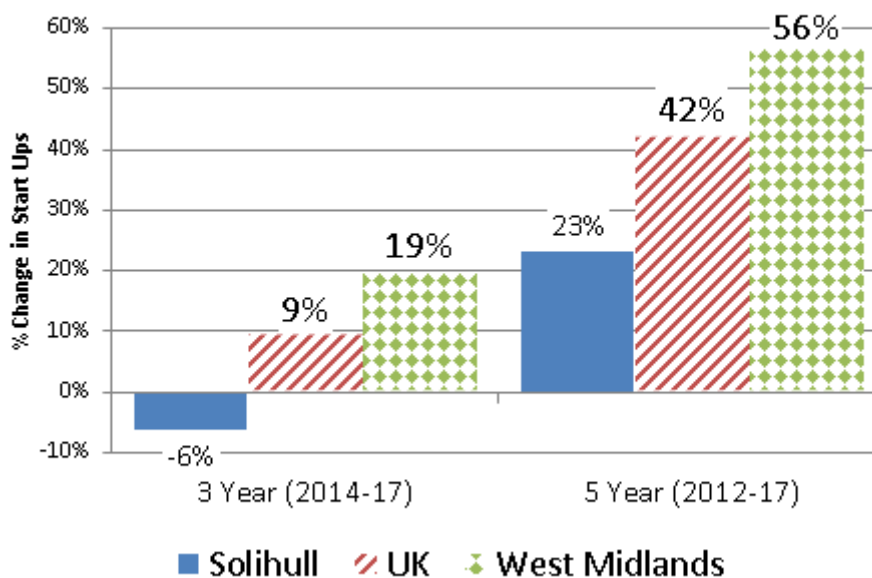


Source: ONS Business Demography

The number of business starts in Solihull fell by 16% in 2017 (-205 enterprises), which is consistent with, albeit more pronounced than, the pattern across the UK as a whole (-8%).

In the five years 2012 to 2017 the number of start-ups in Solihull increased by 23% (from 845 in 2012 to 1,040 in 2017), lower than the UK average increase (+42%) and that recorded in the West Midlands (+56%).

Growth in Business Enterprise Start Ups

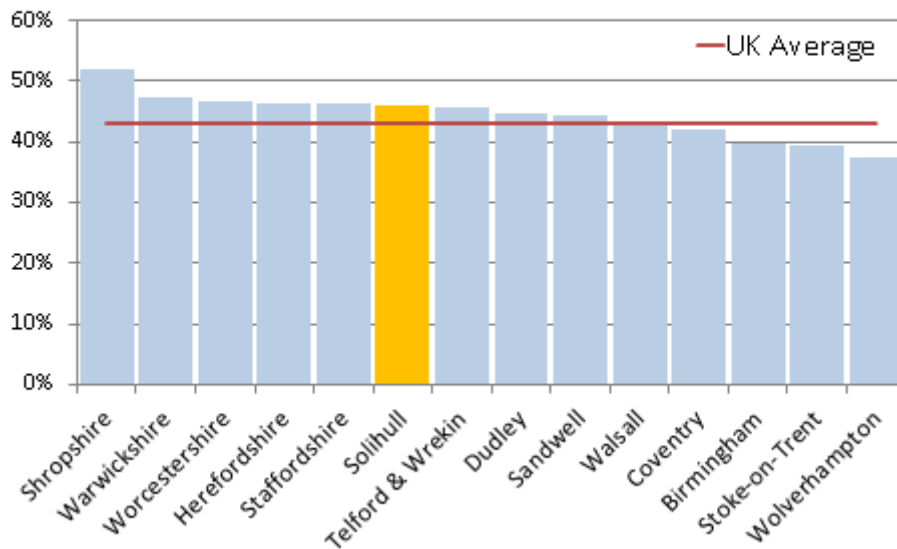


Source: ONS Business Demography

46.2% of businesses started in Solihull in 2012 were still active five years later in 2017. This five year survival rate is higher than both the UK (43.2%) and West Midlands (44.4%)

averages. The five year survival rate in Solihull is the 51st highest out of 206 upper tier Local Authorities in GB, where the range is 66.7% in the Isles of Scilly to 25.0% in Lambeth and the 6th highest in the West Midlands region.

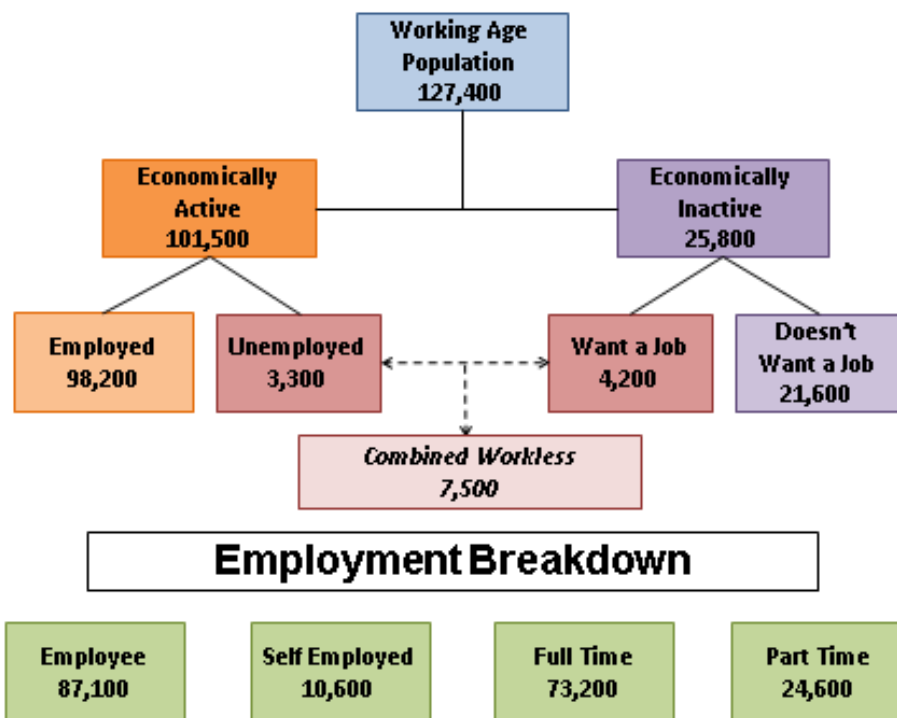
% of Businesses Starts in 2012 Still Active in 2017 (5yr Survival Rate)



Source: ONS Business Demography

Resident Employment Profile

The figure and table below show the employment status of working age Solihull residents taken from the sample based December 2017 Annual Population Survey (APS). Figures from the APS are therefore subject to a margin of error and available at borough level only.

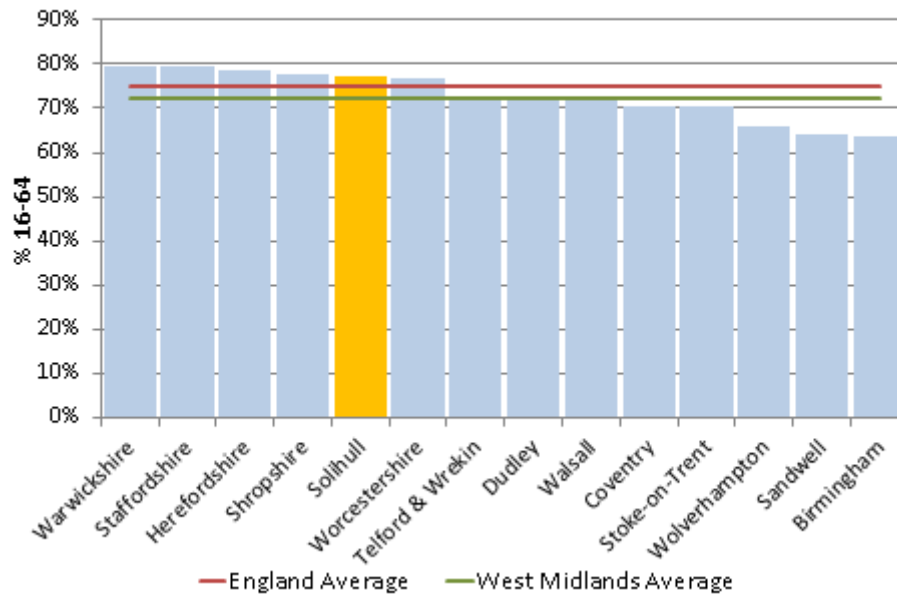


Working Age Employment Status – December 2017				
	Solihull Count	% 16-64 Population		
		Solihull	England	West Midlands
Employed	98,200	77.1%	75.1%	72.4%
Unemployed	3,300	2.6%	3.5%	4.0%
Economically Inactive	25,800	20.3%	21.4%	23.6%
Source: Annual Population Survey - December 2017				

Solihull Employment

As at December 2017 there were 98,200 working age Solihull residents in employment, equating to an employment rate of 77.1%. This is higher than the England (75%) and West Midlands averages (72%), where Local Authority rates range from less than 64% in Birmingham to nearly 80% in Warwickshire.

West Midlands Employment Rates – December 2017



Source: Annual Population Survey

Unemployment

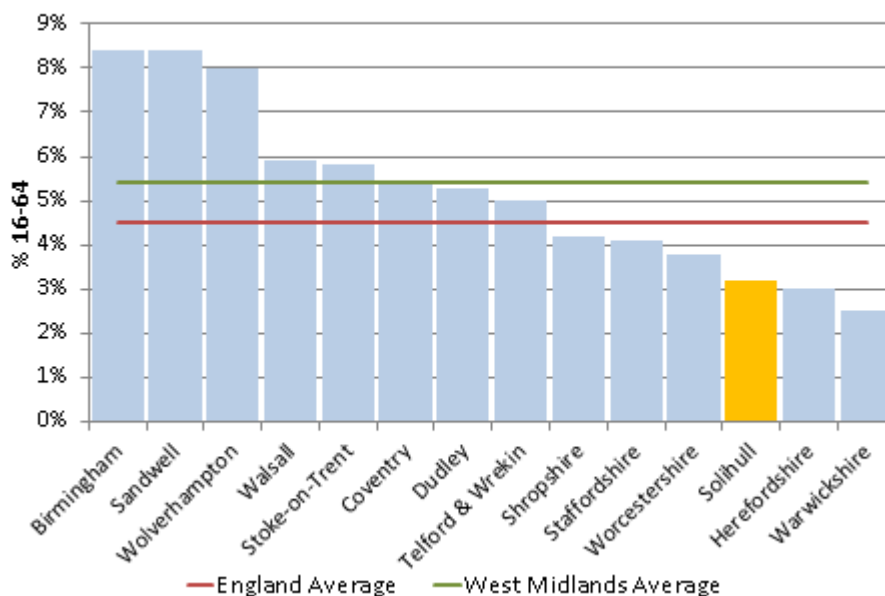
The Annual Population Survey uses the International Labour Organisation (ILO) definition for unemployment¹ as opposed to measures based solely on eligibility for benefits (e.g. Claimant Unemployment, Worklessness).

In December 2017 there were 3,300 working age Solihull residents classified as being unemployed, equating to an unemployment rate² of 3.2%. This is below both the England (4.5%) and West Midlands (5.4%) averages where the rate ranges from over 10% in Birmingham and Sandwell to 2.5% in Warwickshire.

¹ people without a job who are able to start work in the next two weeks and who had either looked for work in the previous four weeks or are waiting to start a job they have already obtained

² The unemployment Rate is the number unemployed as proportion of economically active population

West Midlands Unemployment Rates – December 2017



Source: Annual Population Survey

Economically Inactive

People are classified as being economically inactive if they are not in work and do not meet the internationally agreed definition of unemployment. They are people without a job who have not actively sought work in the last four weeks and/or are not available to start work in the next two weeks.

In December 2017 there were 25,800 16-64 year olds in Solihull economically inactive, equating to 20.3% of the working age population, below both the England (21.4%) and West Midlands (23.6%) averages.

A large majority of economically inactive adults in Solihull do not want a job (21,600, 84%) and have effectively opted out of the labour market.

Economic Inactivity by Reason – December 2017			
	Solihull Count	% Inactive	
		Solihull	England
Long-term sick	7,600	29.5%	21.1%
Student	5,600	21.5%	27.1%
Looking after family/home	5,100	19.6%	25.3%
Retired	4,100	15.7%	13.0%
Other	2,800	10.9%	11.4%
Temporary sick	700	2.8%	2.1%

Source: Annual Population Survey

Resident Skills Profile

The table below shows skills among the working age population, as measured by the highest level of National Vocational Qualification (NVQ) achieved. As at December 2017 50,000 working age Solihull residents had the equivalent of a degree or higher (NVQ level 4+), 12,600 had the equivalent of a GCSE qualification (NVQ level 1) and 10,700 had no formal qualifications.

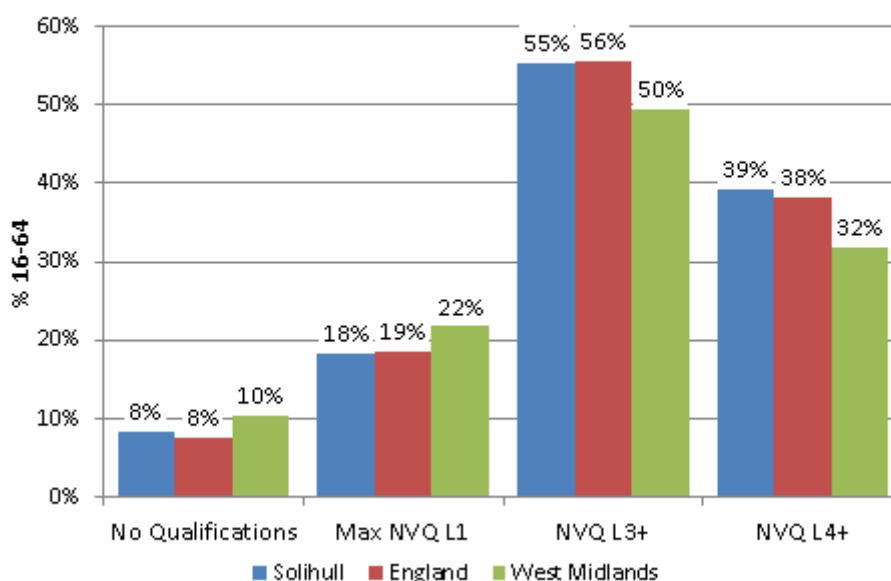
	Highest Level of Qualification - December 2017			
	Solihull Count	% 16-64 year olds		
		Solihull	England	West Midlands
NVQ4+	50,000	39.3%	38.3%	31.8%
NVQ3	20,500	16.1%	17.3%	17.7%
NVQ2	23,300	18.3%	16.1%	17.2%
NVQ1	12,600	9.9%	10.9%	11.3%
No qualifications	10,700	8.4%	7.6%	10.4%
Trade Apprenticeships	3,100	2.4%	2.9%	2.6%
Other qualifications	7,100	5.6%	6.9%	9.0%

Source: Annual Population Survey

39.3% of 16-64 year olds in Solihull have an NVQ4 qualification or above, more than both the England (38.3%) and West Midlands (31.8%) averages. However, the proportion qualified to NVQ level 3 and above (55.4%) is the same as England.

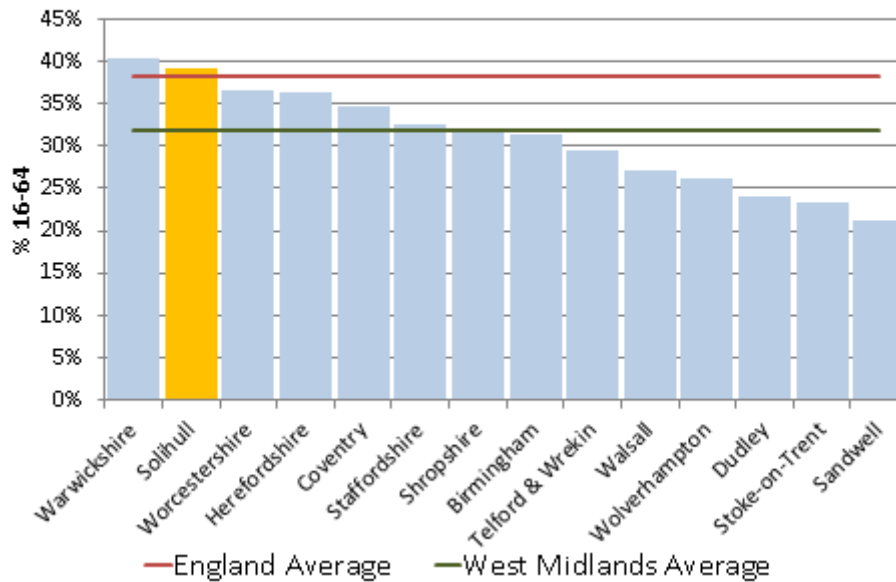
At the other end of the spectrum the proportion of Solihull 16-64 year olds with low skills (either no formal qualifications or a maximum of NVQ level 1) is, at 18.3%, in-line with the national average and below that for the region (21.7%).

Working Age Skills: Highest Level of Qualification – December 2017



In terms of individuals qualified to NVQ level 4 and above Solihull has the 2nd highest proportion in the West Midlands, behind only Warwickshire.

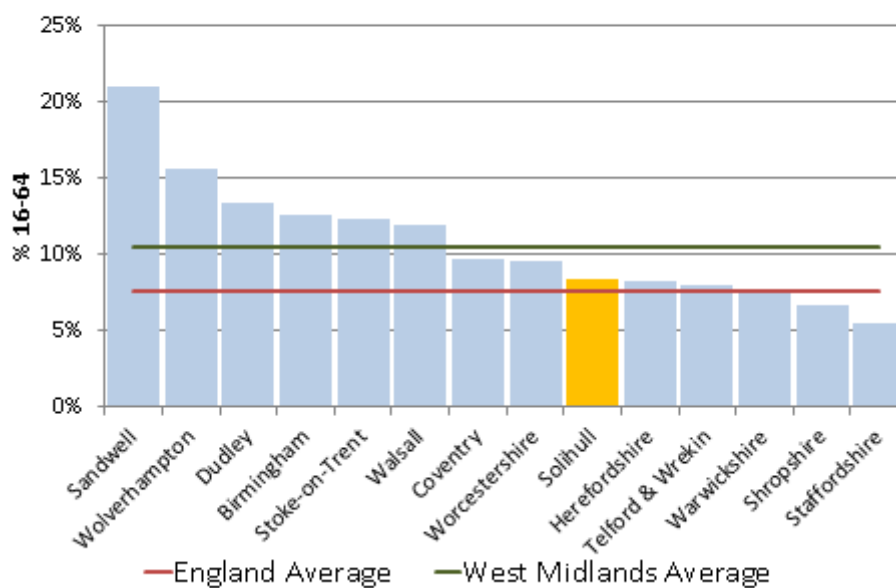
Working Age Population with NVQ Level 4+ Qualifications in West Midlands December 2017



Source: Annual Population Survey

In terms of individuals with no formal qualifications, Solihull at 8.4% is the lowest of the West Midlands Metropolitan Boroughs, although the rate is higher than a number of Shire counties, most notably Shropshire and Staffordshire.

Working Age Population with No Qualifications in West Midlands December 2017

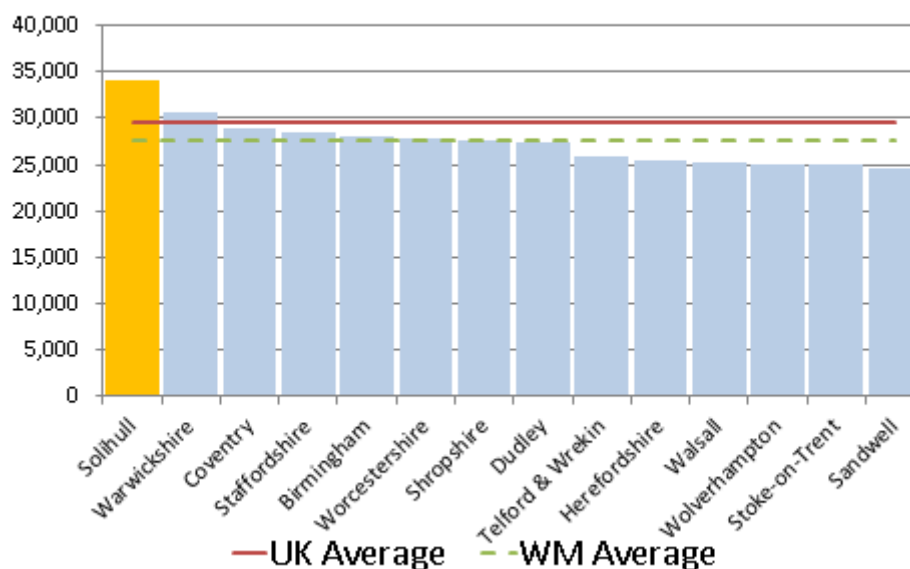


Source: Annual Population Survey

Resident Earnings

At £34,046 per year, average annual wages (measured by the median) for Solihull residents in full-time employment are 15% higher than the UK average, 23% higher than the West Midlands average and the highest among the region's upper tier Local Authorities.

Annual Average Resident Wages 2018



Source: DNS Annual Survey of Hours & Earnings 2018

In the five years 2013 to 2018 average (median) annual pay rose by 9% in nominal terms in Solihull, in-line with the UK and the West Midlands averages.

Individuals in Solihull on the 80th percentile from an earnings perspective earn on average £653 or 165% per week more than those on the 20th percentile, with this earnings gap much higher than the national or regional averages. Solihull residents earn more than the UK average across all percentile groups, with that positive wage differential increasing among the very highest earners.

Earnings Percentile	Average Gross Weekly Earnings (£)		
	Solihull	UK	West Midlands
10 percentile	395.6	383.3	366.8
20 percentile	421.9	412.1	392.4
25 percentile	456.4	440.8	419.5
30 percentile	514.6	500.0	473.3
40 percentile	645.2	569.0	536.6
Median	740.6	645.8	607.2
60 percentile	825.7	741.4	699.5
70 percentile	896.2	800.5	755.8
75 percentile	1,048.1	871.3	816.8
80 percentile	395.6	383.3	366.8
Difference between 20th & 80th percentile			
Total £	652.5	488.0	450.0
%	165%	127%	123%

Source: ONS Annual Survey of Hours & Earnings 2018