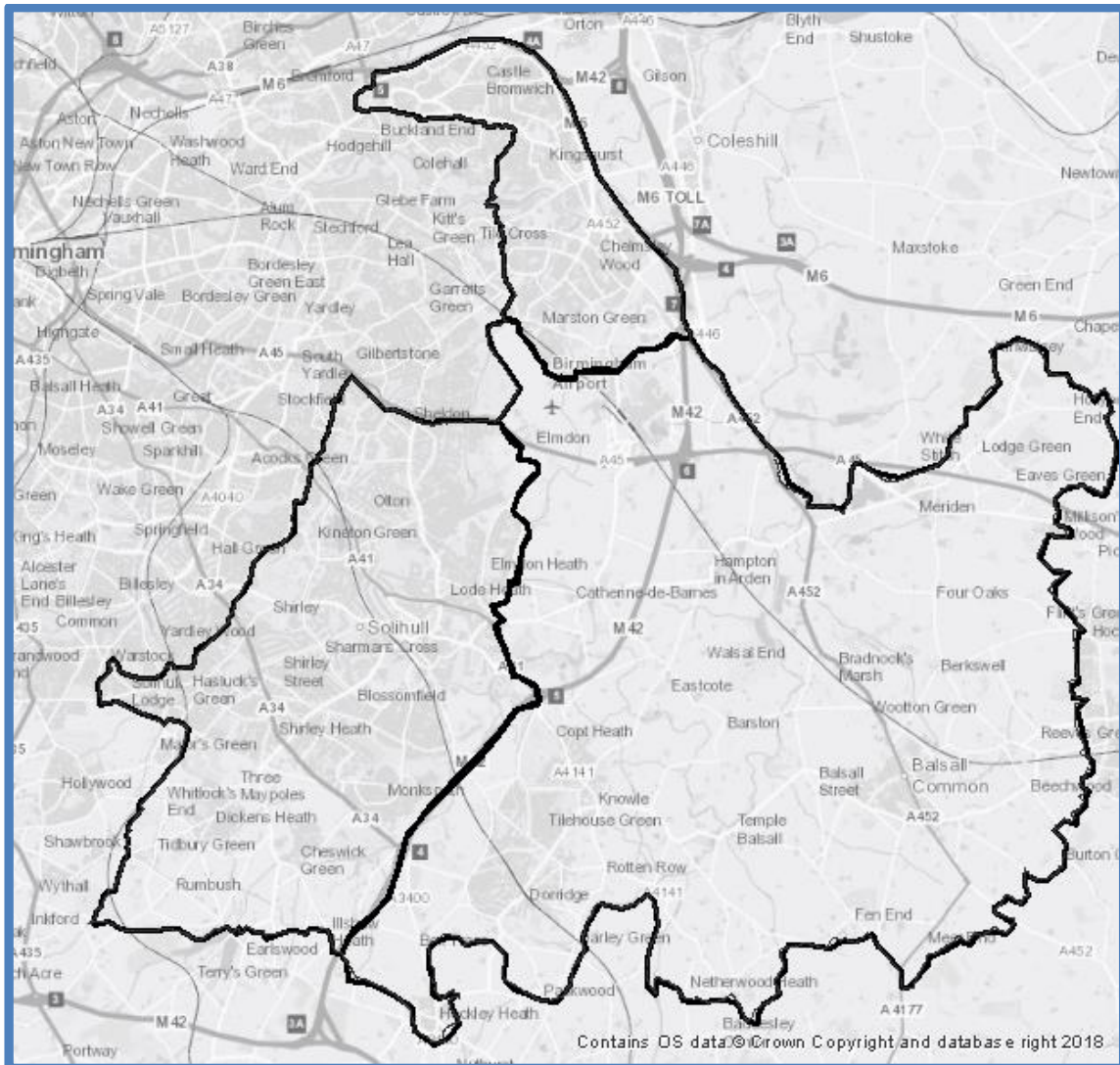


# The Solihull Economy 2021



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## Economic Growth and Productivity

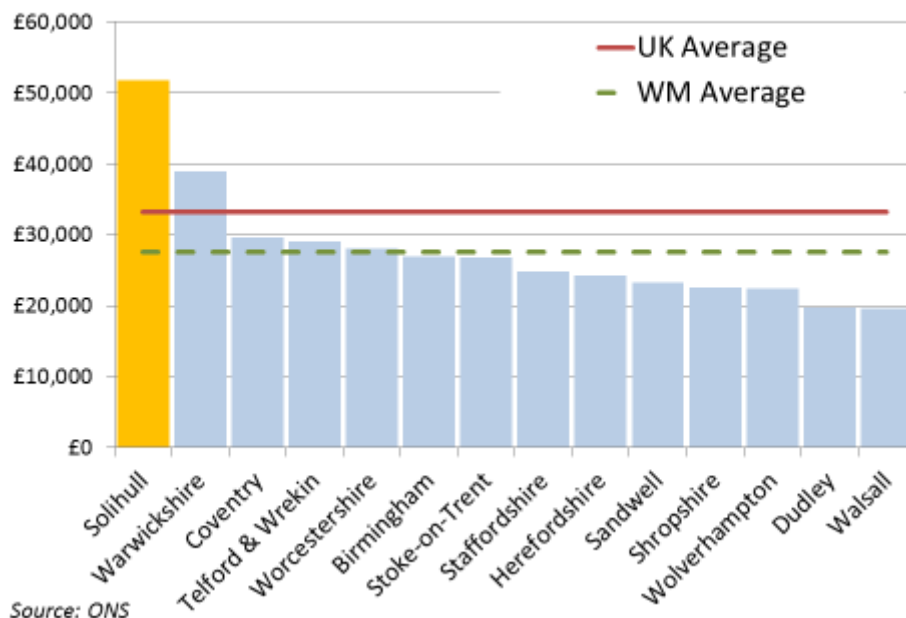
### Economic Output

Total GVA in Solihull in 2019 was £10.34 billion, 7.2% of the West Midlands total. By way of comparison Birmingham is by far the largest economy in the region (19.2% of West Midlands total), followed by Warwickshire (13.7%), Staffordshire (13.1%) and Worcestershire (10.0%)<sup>1</sup>.

At £51,751 Solihull GDP per head is 56% higher than the UK average and 88% higher than that of the West Midlands region. Solihull has the 8<sup>th</sup> highest GDP per head out of 179 economic areas in the UK and the highest outside of London and the South East.

Solihull has the largest GVA per head of any upper tier Local Authority in the West Midlands, where the range is £51,751 per head to £19,543 (Walsall).

### West Midlands GDP per Head 2019



### Economic Growth

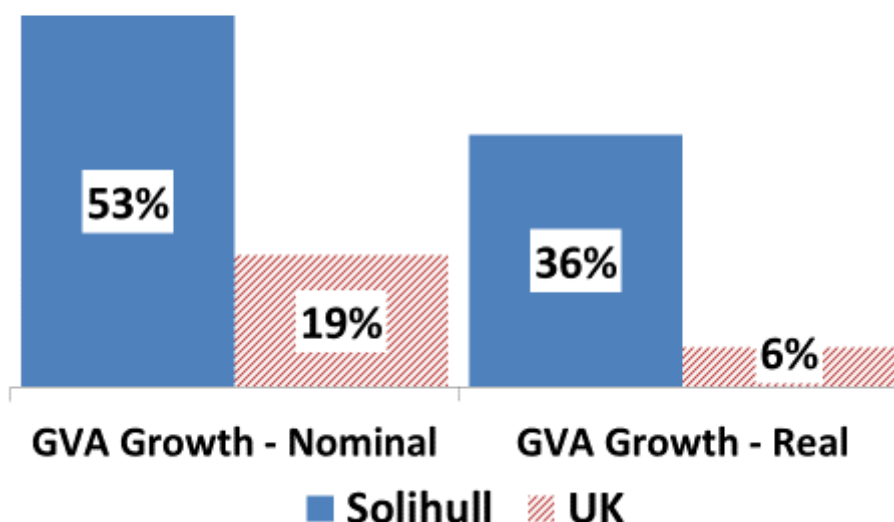
The Solihull economy increased by 3.4% (£342 million) in 2019 compared to the UK average of 3.5%, the 10<sup>th</sup> consecutive year in which the local economy has expanded. Over the five year period 2014-2019 GVA in Solihull increased by a total of 53% (£3.6 billion) more than double the UK average (19%)<sup>2</sup>.

In real terms (taking account of cost of living increases) the Solihull economy grew by 36% in the period 2014-2019 compared to the UK average of 6%.

GDP per head in Solihull increased by 2.8% (+£1,412) in 2019 in-line with the UK average, the 10<sup>th</sup> consecutive year in which GDP per head has expanded. Over the five year period 2014-2019 GDP per head in Solihull increased by a total of 47% (£16,608) three times the UK average (15%).

In real terms GVA per head in Solihull grew by 31% in the period 2014-2019 compared to the UK average of 2%.

## Economic Growth 2014-2019



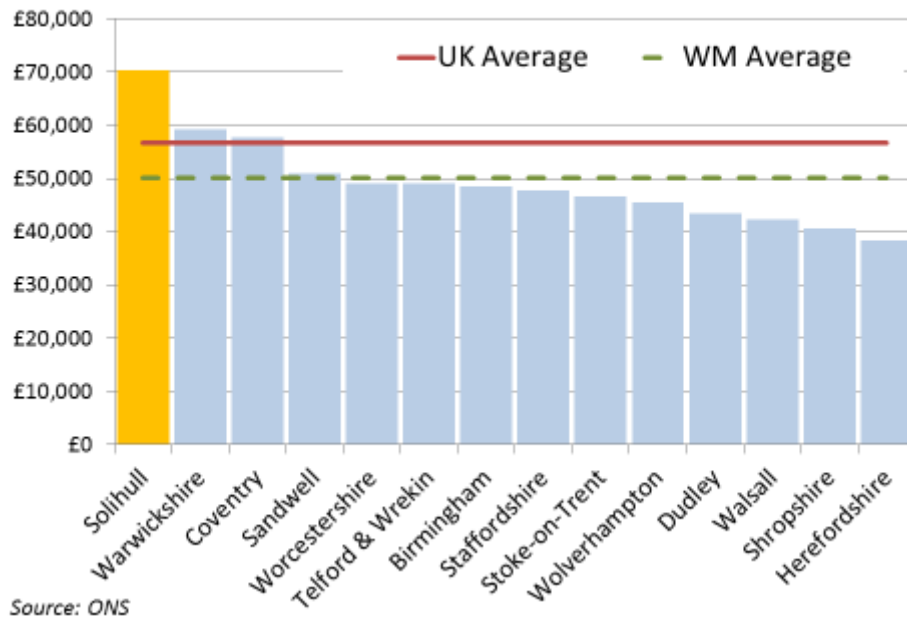
### Productivity

GVA per head is a useful measure of comparing economic activity of local areas of different size, but it does have limitations, particularly for areas with high net in- or out-commuting such as Solihull. Census data shows that 69% of Solihull residents in employment travel to work outside of the borough, while 62% of jobs in Solihull are filled by residents from other Local Authorities. For this reason, productivity measures such as GVA per job or hour worked are often a better comparison of local economic strength.

Productivity matters because increases are critical to long-run economic growth, while rising labour productivity also tends to have a positive impact on real wage growth.

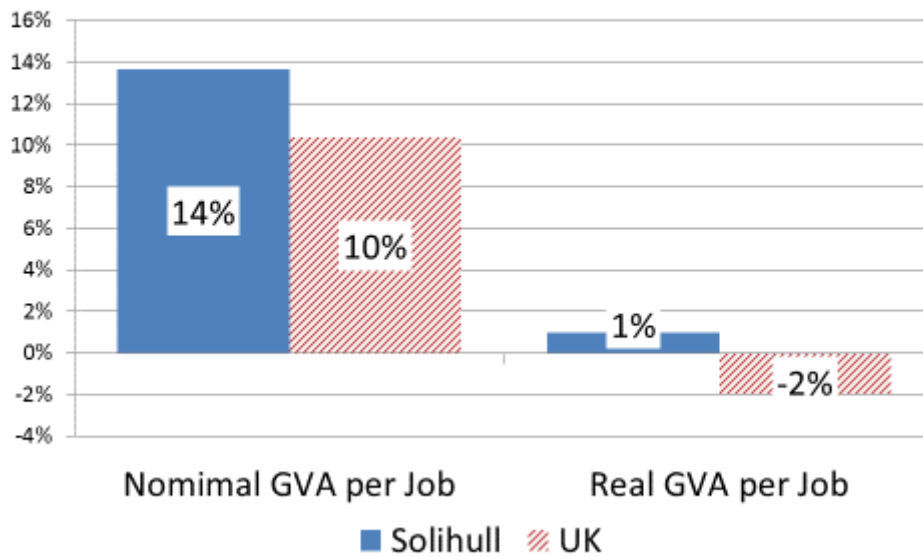
At £70,455 GVA per filled job in Solihull was 24% higher than the UK average (£56,670) in 2019<sup>3</sup>. Solihull has the 13<sup>th</sup> highest GVA per job out of 179 economic areas in the UK and the 2<sup>nd</sup> highest outside of London and the South East.

## West Midlands GVA per Job 2019



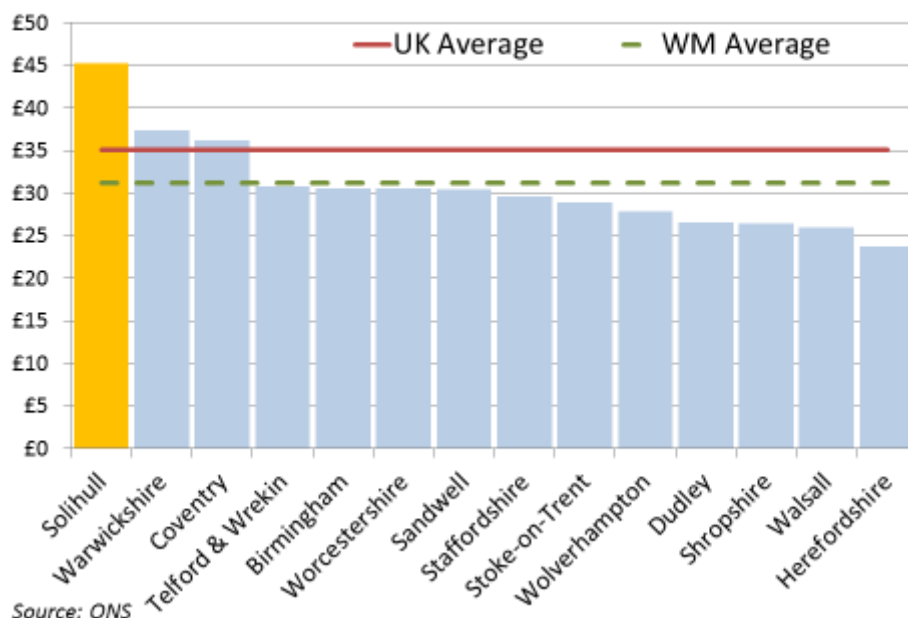
GVA per job in Solihull increased by £8,456 in nominal terms in the five years 2014 to 2019. At 14% this is higher than the UK (10%) and West Midlands (11%) averages, but only the 45<sup>th</sup> highest out of 179 economic areas in the UK. After adjusting for the cost of living Solihull recorded an increase in productivity in real terms of just 1% over this five year period, although by comparison GDP per job fell by -2% across the UK average as a whole.

## Growth in Productivity (GVA per Job) 2014-2019



At £45.20 GVA per hour worked in Solihull was 29% higher than the UK average (£35.20) in 2019<sup>4</sup>. Solihull has the 9<sup>th</sup> highest GVA per hour worked out of 168 economic areas in the Great Britain and the 2<sup>nd</sup> highest outside of London and the South East.

## West Midlands GVA per Hour Worked 2019



GVA per hour worked in Solihull increased by £5.83 in the five years 2014 to 2019. At 15% this is higher than the UK (10%) and West Midlands (12%) averages, but only the 33<sup>rd</sup> highest rate of growth out of 168 economic areas in Great Britain over this five year period.

## Employment in Solihull

### Total Employment

The ONS 2019 Business Register and Employment Survey (BRES) is an employer survey which records the number of jobs held by employees at the location of workplace, broken down by those in full/part-time employment and by detailed industry (5 digit SIC2007). The data is available from country down to borough and small sub-borough geographies (lower level super output area). This data is restricted, requires a license to access and from 2016 employment totals will be rounded.

Information is available on a range of types of employment, as follows:

- Employees;
  - Full-time employees;
  - Part-time employees;
- Total employment – employees and working owners<sup>i</sup>.

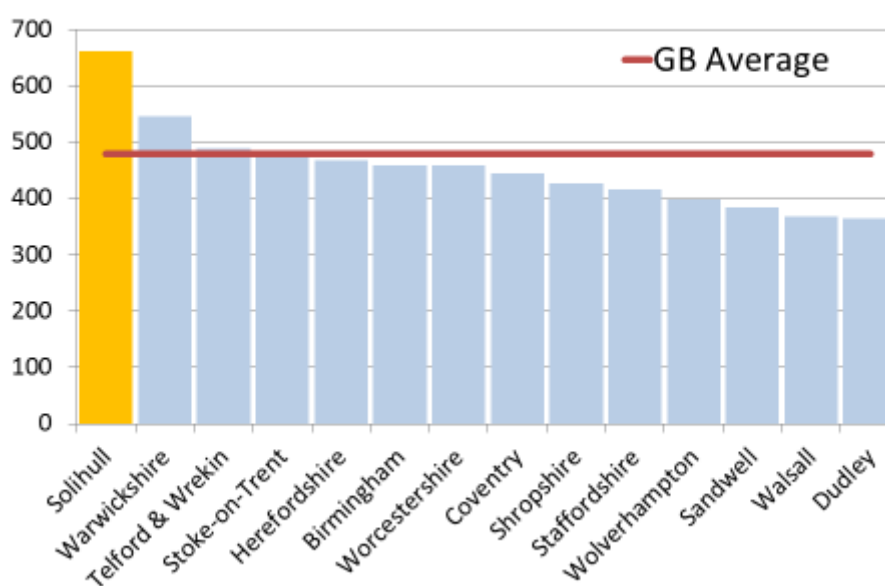
<sup>i</sup> Working owners include sole traders, sole proprietors or partners who are registered for VAT or Pay-as-You-Earn (PAYE) schemes.

According to the BRES there were 141,000 employees in Solihull in 2019 and a further 2,000 working owners. Solihull’s total employment of 143,000 equates to an employment density of 661 per 1,000 population, 38% higher than the Great Britain average (479 per 1,000)<sup>5</sup>. Solihull has the highest job density of any upper tier Local Authority in the West Midlands and one of the 20 largest labour markets in Great Britain.

The private sector accounts for 90% of Solihull total employment (128,758) compared with the Great Britain average of 83%. As a result, private sector employment density in Solihull is 49% above the national average (595 compared to 400 per 1,000).

	Solihull Count 2019 <sup>^</sup>	Density (per 1,000 residents)		
		Solihull	Great Britain	West Midlands
Private Sector Employment	128,758	595.1	399.6	378.7
Public Sector Employment	14,328	66.2	79.4	72.4
Total Employment	143,085	661.3	479.0	451.1
<b>Breakdown of Total Employment</b>				
Employees	141,000	651.6	463.4	437.0
Working Owners	2,000	9.2	15.5	14.2
<sup>^</sup> Employment counts rounded to nearest 100				
Source: ONS Business Register and Employment Survey 2019				

### Total Employment per 1,000 Population 2019



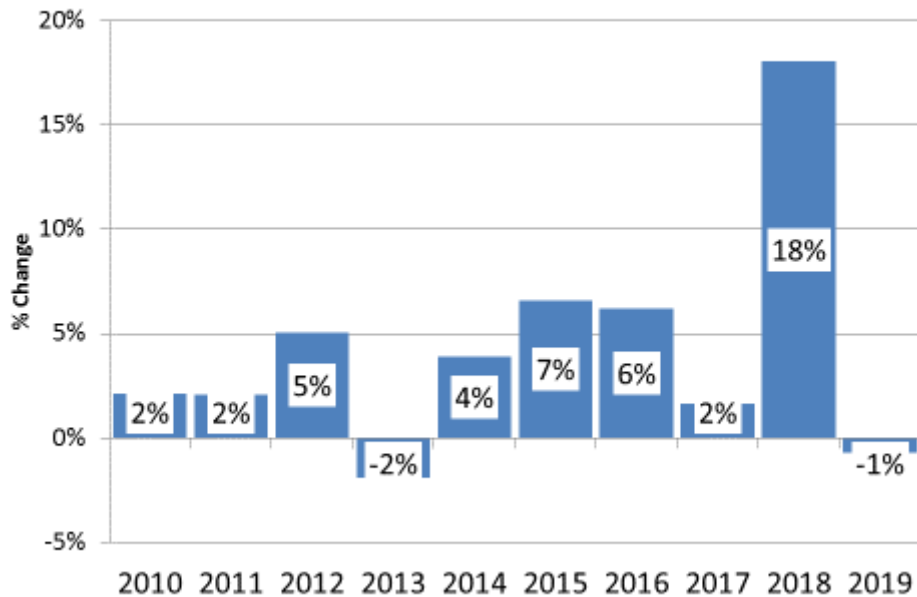
Source: ONS Business Register & Employment Survey

### Employment Growth

Total employment in Solihull fell by -1% in 2019 compared to increases of 1% for Great Britain and the West Midlands.

Total employment in Solihull has increased in eight out of the last ten years and by an annual average of 4.3% per year over this period (+4,800 jobs per year). This is four times the annual average increase recorded across Great Britain (+1.0%) and the West Midlands (+1.0%) for that period.

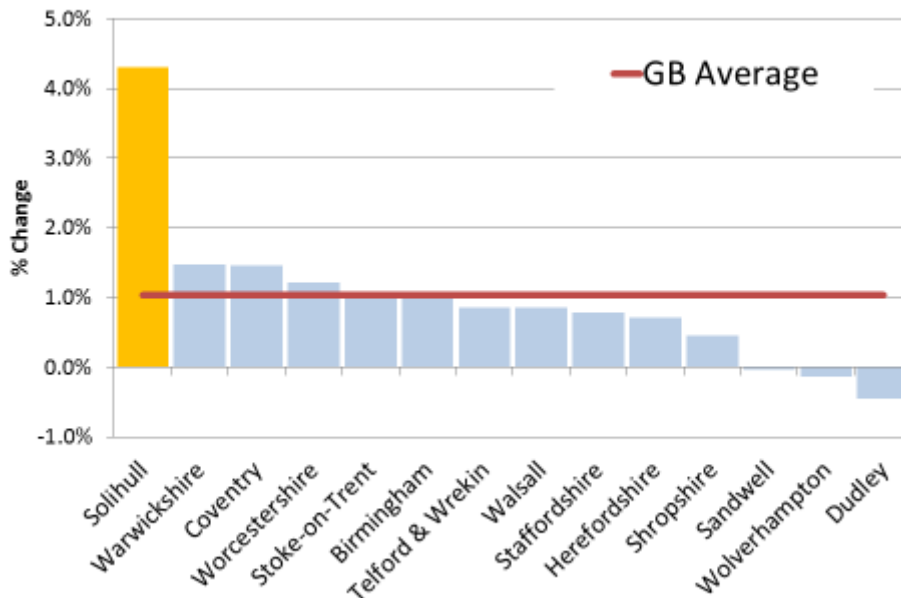
### % Annual Change in Total Employment in Solihull



Source: ONS Business Register & Employment Survey

Over this ten year period 2010-2019 Solihull has the 2<sup>nd</sup> fastest growing labour market in Great Britain and by far the highest in the West Midlands.

### % Average Annual Change in Employment 2010-2019



Source: ONS Business Register & Employment Survey

### Sectors

Solihull's largest sectors are business administration & support services (38,000), manufacturing (13,000), the professional, scientific & technical sector (11,000), retail and accommodation & food services (both 10,000).

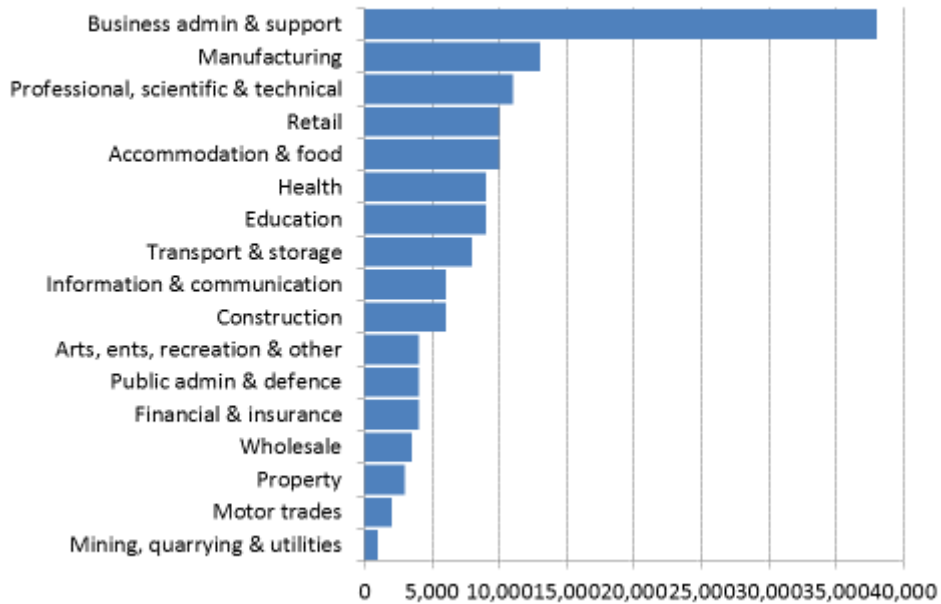


Compared with the Great Britain average Solihull has a large proportion of total employment in business administration & support services, manufacturing transport & storage and property.

Solihull has a significantly below average proportion of total employment in non-manufacturing production industries, public services, wholesale & retail and in a range of other sectors including the arts, entertainment and recreation sector and finance & insurance.

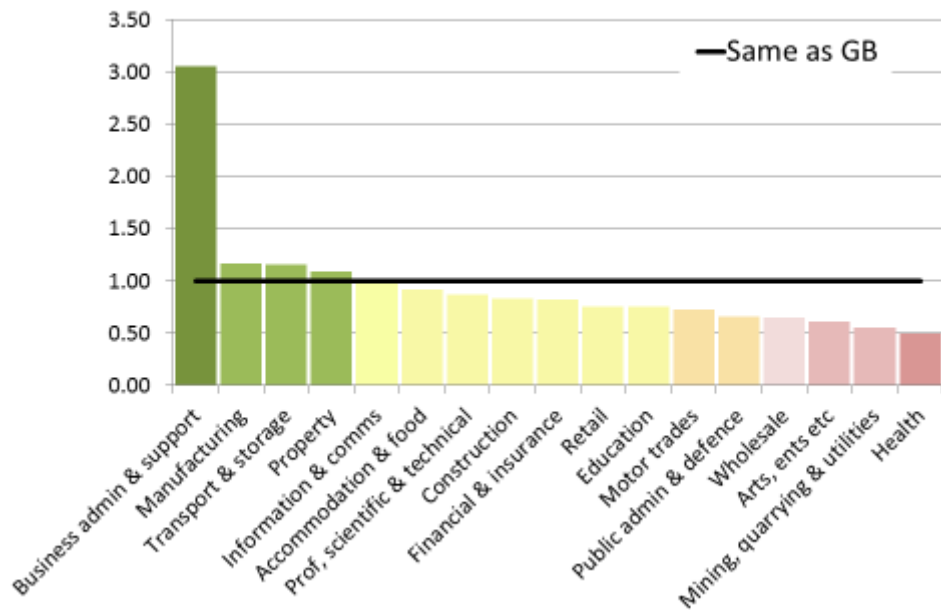
<b>Total Employment 2019</b>				
Sector	Solihull Employment Count	% Total Employment		Location Quotient
		Solihull	GB	
Agriculture, forestry & fishing	225	0.2%	1.6%	0.10
Mining, quarrying & utilities	1,000	0.7%	1.3%	0.56
Manufacturing	13,000	9.1%	7.8%	1.17
Construction	6,000	4.2%	5.0%	0.83
Motor trades	2,000	1.4%	1.9%	0.73
Wholesale	3,500	2.4%	3.8%	0.65
Retail	10,000	7.0%	9.2%	0.76
Transport & storage	8,000	5.6%	4.8%	1.15
Accommodation & food services	10,000	7.0%	7.6%	0.92
Information & communication	6,000	4.2%	4.2%	1.00
Financial & insurance	4,000	2.8%	3.4%	0.82
Property	3,000	2.1%	1.9%	1.09
Professional, scientific & technical	11,000	7.7%	8.8%	0.87
Business admin & support services	38,000	26.6%	8.7%	3.06
Public admin & defence	4,000	2.8%	4.2%	0.66
Education	9,000	6.3%	8.4%	0.75
Health	9,000	6.3%	12.8%	0.49
Arts, ents, recreation & other	4,000	2.8%	4.5%	0.61
Total Employment	143,000			
<i>Source: ONS Business Register &amp; Employment Survey</i>				

### Total Employment by Sector in Solihull 2019



Source: ONS Business Register & Employment Survey

### Solihull Locational Quotients 2019



Source: ONS Business Register & Employment Survey

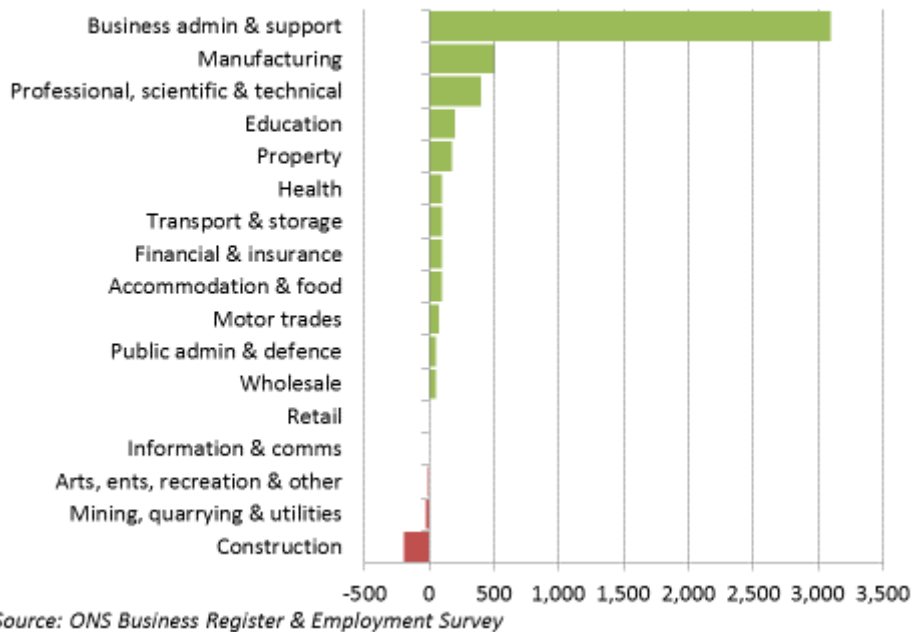
The table below shows Solihull’s sector strengths at a more detailed level (SIC 2 digit code), highlighting the importance of JLR (manufacture of motor vehicles) and the Airport (Air transport, Warehousing & support activities for transportation) to the local economy. Other local private sector strengths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

Key Employment Sectors in Solihull 2019		
Sector	Employment 2019 <sup>^</sup>	LQ
Manufacture of motor vehicles, trailers & semi-trailers	10,000	13.7
Services to buildings & landscape activities	28,000	8.3
Air transport	900	2.6
Warehousing & support activities for transportation	6,000	2.4
Security & investigation activities	2,000	2.0
Computer programming, consultancy & related activities	5,000	1.5
Office admin, support & other business support activities	3,500	1.4
Financial service activities, except insurance & pension funding	3,000	1.3
Construction of buildings	3,000	1.3
Activities of head offices; management consultancy activities	4,500	1.2
Architectural & engineering activities; technical testing & analysis	3,000	1.1
Real estate activities	3,000	1.1
Accommodation	2,500	1.1
<sup>^</sup> Minimum 800 jobs		
Source: ONS Business Register and Employment Survey 2019		

**Sector Growth**

In the ten years 2010-2019 the main driver of employment growth in Solihull was business administration & support services, with much smaller contributions to growth from manufacturing, the professional, scientific & technical sector and education. Over this period employment fell only the construction and mining, quarrying & utilities sectors.

**Annual Average Employment Growth by Sector in Solihull 2010-2019**



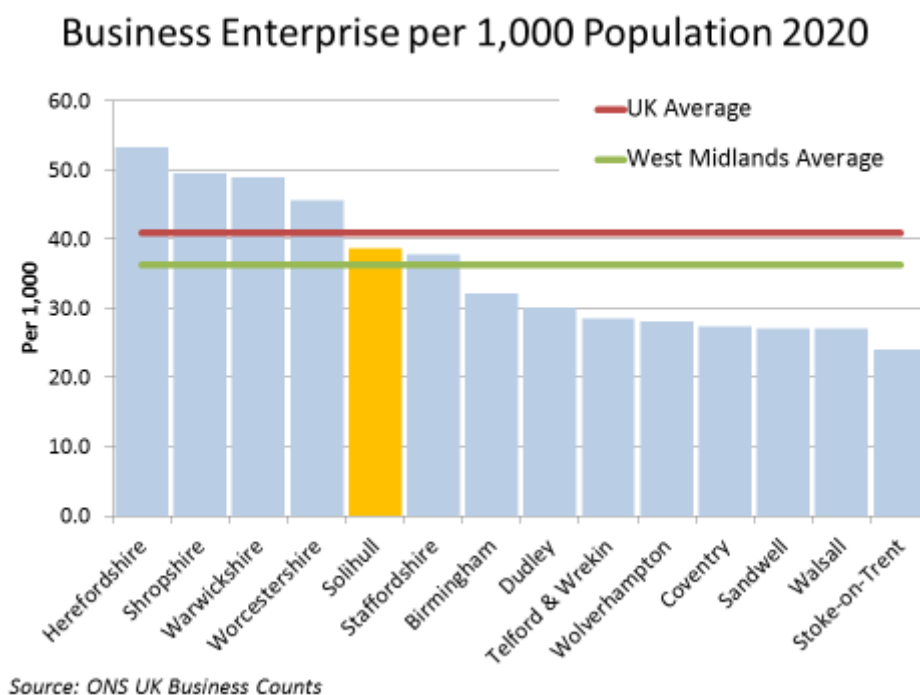
## BUSINESS ENTERPRISE

### Solihull Businesses

In March 2020 there were 8,305 VAT and/or PAYE business enterprises in Solihull, 90% employing fewer than 10 people and nearly three quarters having a turnover of less than £200,000 per year<sup>6</sup>.

The total number of businesses in Solihull equates to 38.2 per 1,000 population, below the UK average of 41.0 per 1,000 but above that for the West Midlands (37.2).

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



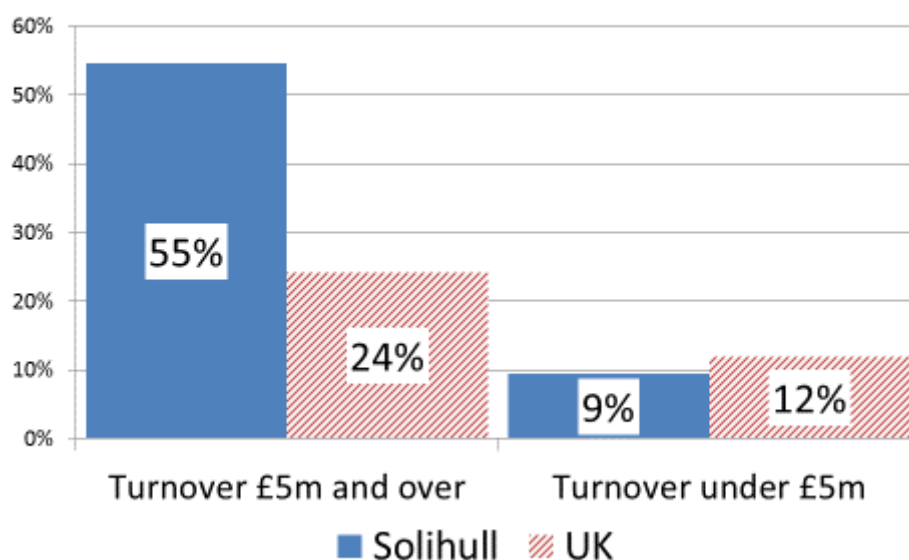
The number of business enterprises in Solihull has increased in each of the last five years and by a total of 9.9% (+745) since March 2015. This is lower than both the UK (12.3%) and West Midlands (15.8%) averages.

	Annual Growth in Solihull Enterprises	% Annual Growth in Enterprises		
		Solihull	UK	West Midlands
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%
2018-19	70	0.9%	1.8%	0.7%
2019-20	10	0.1%	1.2%	3.7%
<b>Total for Five Years 2015 - 2018</b>				

2015-2020	745	9.9%	12.3%	15.8%
<i>Source: ONS UK Business Counts</i>				

Although the increase in the total number of enterprises in Solihull over the five year period 2015-2020 was lower than the national average, the growth in businesses with a turnover of over £5 million per year was much greater. The number of enterprises with a turnover of £5 million+ in Solihull increased by 55% between 2015-2020 (+90), compared to the UK average of 24%. This is important because larger companies are more likely to trade overseas and deliver productivity gains.

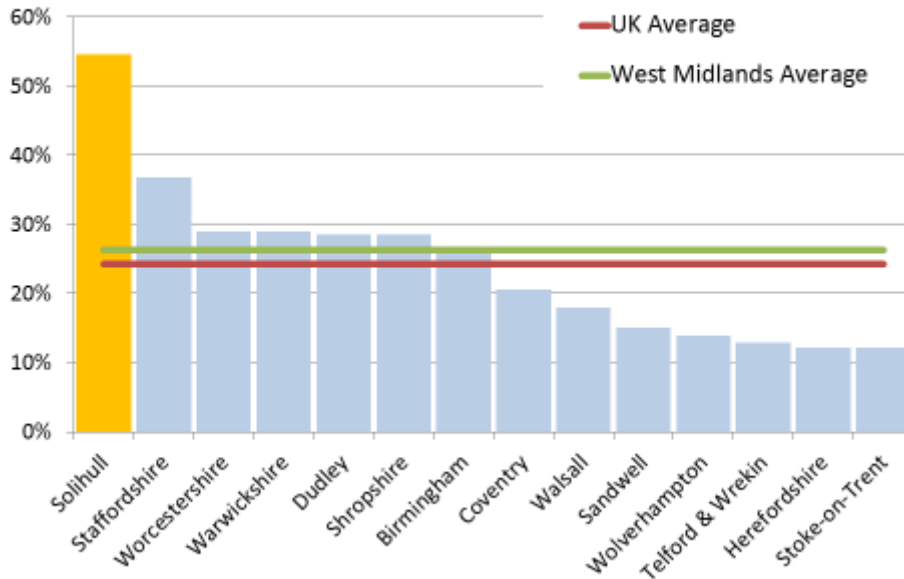
### Growth in Number of Enterprises 2015-2020



*Source: ONS UK Business Counts*

Solihull recorded the largest increase in enterprises with a turnover of £5 million and over in the West Midlands during the period 2015-2020.

### Growth in Businesses with Annual Turnover £5 million and Over 2015-2020

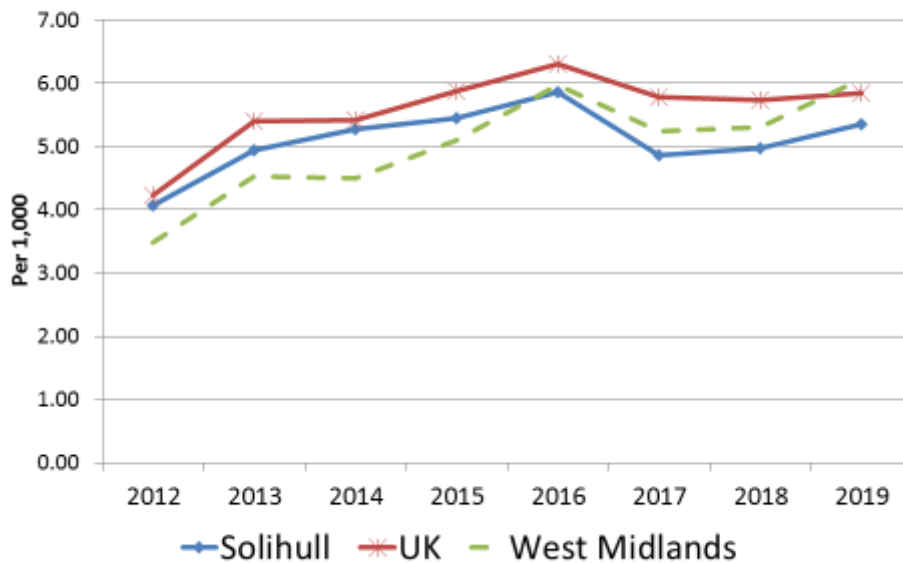


Source: ONS UK Business Counts

### Business Start Ups and Survival

The Business Demography UK data shows that there were 1,160 business starts in Solihull in 2019<sup>7</sup>. At 5.36 per 1,000 residents the number of business starts in Solihull in 2019 was below both the UK (5.84 per 1,000) and West Midlands (6.07 per 1,000) averages. The business start-up rate in Solihull has been below that for UK in each year from 2012.

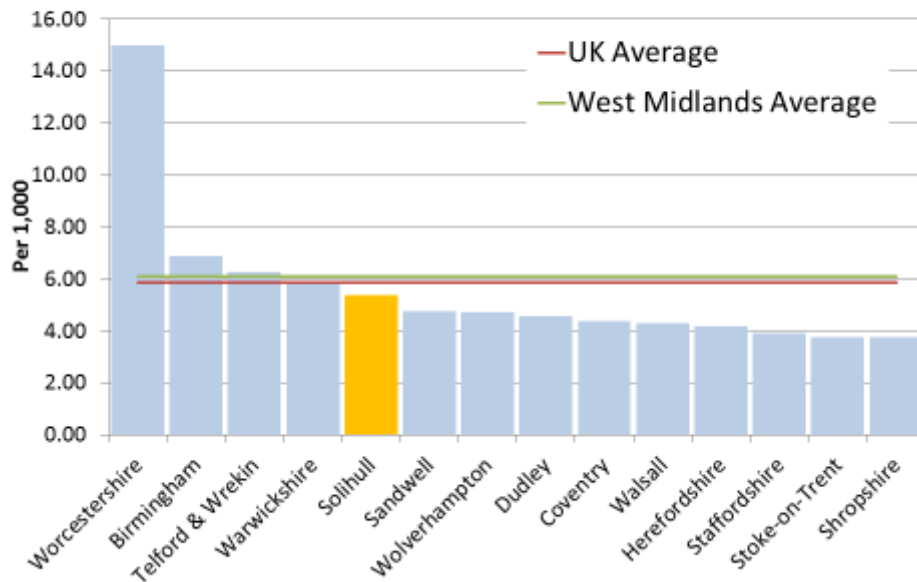
### Business Enterprise Start Ups per 1,000 Population



Source: ONS Business Demography

Out of 212 upper tier Local Authorities in the UK Solihull had the 77<sup>th</sup> highest number of business starts per 1,000 population in 2019 (2<sup>nd</sup> quartile). Among upper tier West Midlands Local Authorities Solihull recorded the 5<sup>th</sup> highest number of business enterprise births per 1,000 population in 2019, behind Worcestershire, Birmingham, Telford & Wrekin and Warwickshire.

### Business Enterprise Starts per 1,000 Population 2019

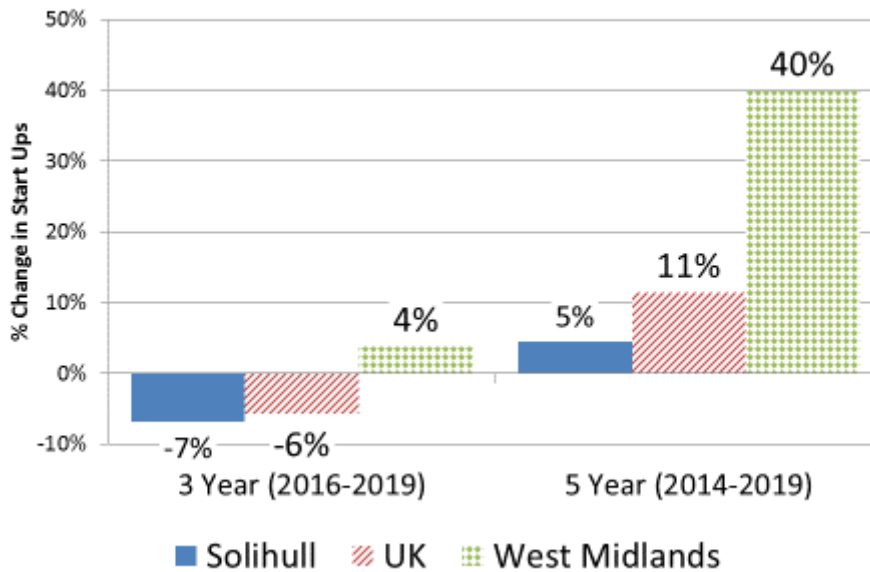


Source: ONS Business Demography

The number of business starts in Solihull increased by 9% in 2019 (+95 enterprises), which compares to an increase of 5% across the UK as a whole.

In the five years 2014 to 2019 the number of start-ups in Solihull increased by 5% (from 1,110 in 2014 to 1,160 in 2019), lower than the UK average increase (+11%) and that recorded in the West Midlands (+40%).

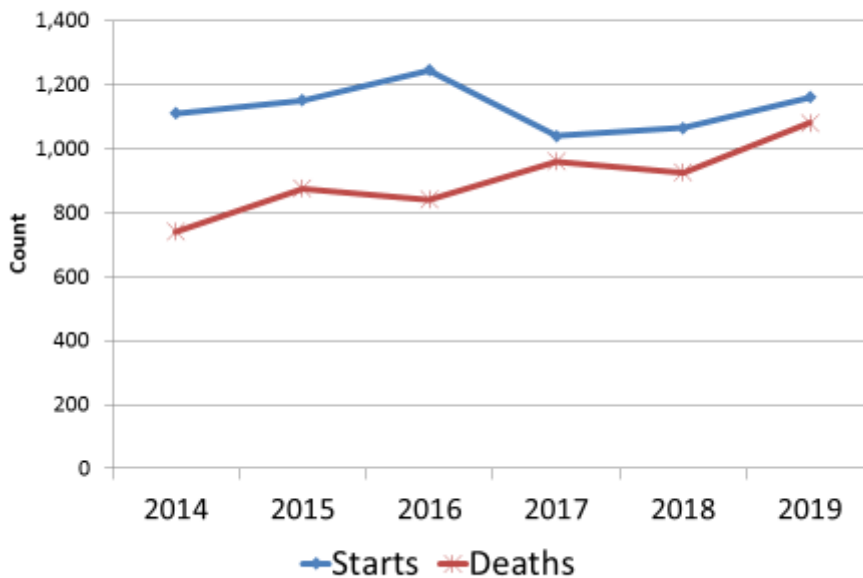
## Growth in Business Enterprise Start Ups



Source: ONS Business Demography

The number of business closures (deaths) in Solihull has trended upwards since 2014 (from 740 in 2014 to 1,080 in 2019), with the gap between births and deaths narrowed substantially between 2014 and 2017.

## Business Enterprise Starts and Deaths in Solihull



Source: ONS Business Demography

45% of businesses started in Solihull in 2014 were still active five years later in 2019. This five year survival rate is higher than both the UK (43%) and West Midlands (43%) averages. The five year survival rate in Solihull is the 86<sup>th</sup> highest out of 233 upper tier Local Authorities in the UK, where the range is

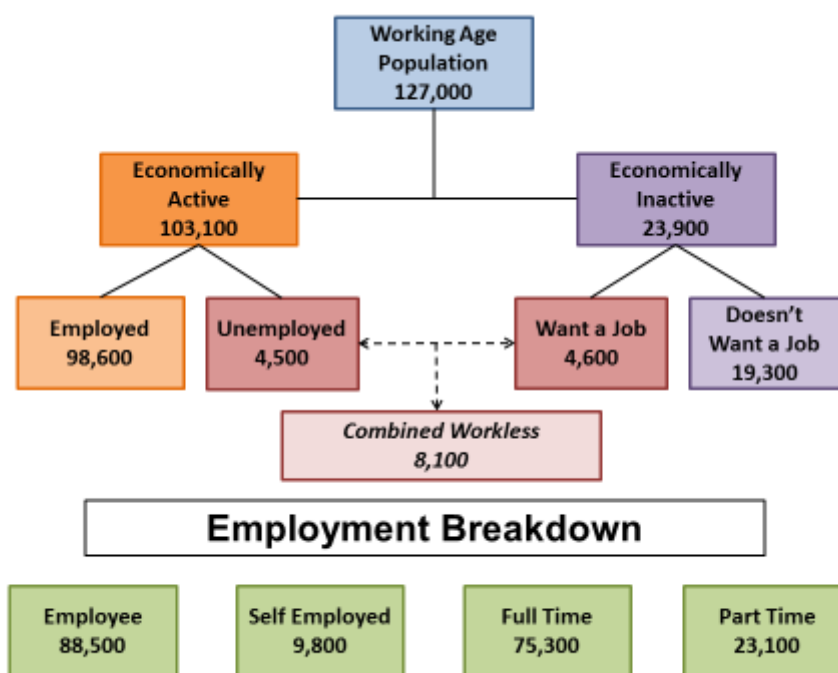


67% in the Isles of Scilly to 20% in Lambeth and the 6<sup>th</sup> highest in the West Midlands region behind the rural counties of Herefordshire, Shropshire, Staffordshire, Worcestershire and Warwickshire.

## RESIDENT EMPLOYMENT

### Economic Activity

The figure and table below show the employment status of working age Solihull residents taken from the sample based December 2020 Annual Population Survey (APS)<sup>8</sup>. Figures from the APS are therefore subject to a margin of error and available at borough level only.



Source: ONS Annual Population Survey

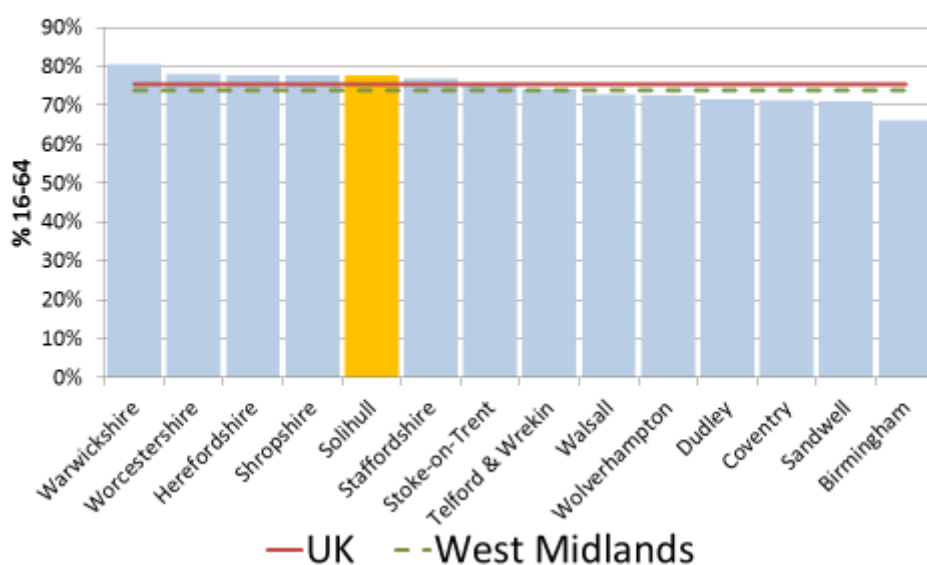
Working Age Employment Status – December 2020				
	Solihull Count	% 16-64 Population		
		Solihull	UK	West Midlands
Employed	98,600	77.6%	75.3%	73.7%
Unemployed	4,500	3.5%	3.7%	4.2%
Economically Inactive	23,900	18.8%	21.1%	22.0%

Source: Annual Population Survey

### Employment

As at December 2020 there were 98,600 working age Solihull residents in employment, equating to an employment rate of 77.6%. This is higher than the UK (75%) and West Midlands averages (74%), where Local Authority rates range from 66% in Birmingham to nearly 81% in Warwickshire<sup>9</sup>.

## Working Age Employment Rates – December 2020



Source: ONS Annual Population Survey

Excepting that the data below is subject to margin of error variation, Solihull has relatively high female employment rates, as well as above average levels among 16-24 year olds.

	Employment Rates (% 16-64)	
	Solihull	UK
Male	78.4%	78.6%
Female	76.7%	72.0%
Aged 16-24	61.9%	52.3%
Aged 25-49	84.8%	84.7%
Aged 50-64	74.4%	71.7%

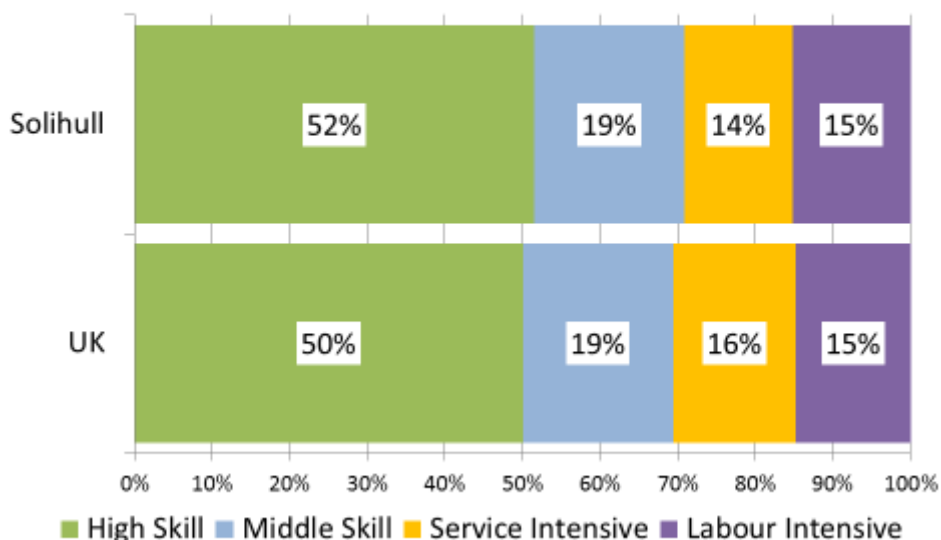
Source: Annual Population Survey - December 2020

The occupational profile of Solihull residents in employment is similar to the UK, with just over half of working age residents working in higher skilled management and professional positions and just 15% working in labour intensive jobs<sup>10</sup>.

Occupation Profile of Those in Employment 2020			
Occupation Group	Occupation	Solihull	UK
High Skill Occupations	Managers, directors & senior officials	12%	11%
	Professional occupations	23%	23%
	Associate prof & tech occupations	17%	16%
Middle Skill Occupations	Administrative & secretarial occupations	12%	10%
	Skilled trades occupations	8%	9%
Service Intensive Occupations	Caring, leisure & other service occupations	7%	9%
	Sales & customer service occupations	7%	7%
Labour Intensive Occupations	Process, plant & machine operatives	7%	6%

	Elementary occupations	8%	9%
<i>Source: ONS Annual Population Survey</i>			

## Occupational Profile of Employed Population 2020



*Source: ONS Annual Population Survey*

The sector profile of Solihull residents in employment shows that public services (31%), professional services & finance (20%), distribution, hotels & restaurants (17%) and manufacturing (12%) are the largest employment sectors<sup>11</sup>.

Compared with the UK, relatively a large proportion of the Solihull employed population work in the manufacturing and professional service & finance sectors. By contrast, employment is much lower than the UK in other services, construction and the public sector.

	Resident Employment by Sector December 2020			
	Solihull Count	% Employment		Difference with UK
		Solihull	UK	
Agriculture & fishing	700	0.7%	0.8%	-0.1%
Energy & water	1,600	1.6%	1.8%	-0.2%
Manufacturing	12,100	12.3%	8.7%	3.6%
Construction	5,200	5.3%	6.6%	-1.3%
Distribution, hotels & restaurants	16,300	16.6%	17.0%	-0.4%
Transport & communications	8,500	8.6%	9.3%	-0.7%
Professional Services & finance	20,000	20.3%	18.2%	2.1%
Public admin. education & health	30,000	30.4%	31.5%	-1.1%
Other services	4,200	4.2%	5.7%	-1.5%
Total services	79,000	80.2%	81.7%	-1.5%

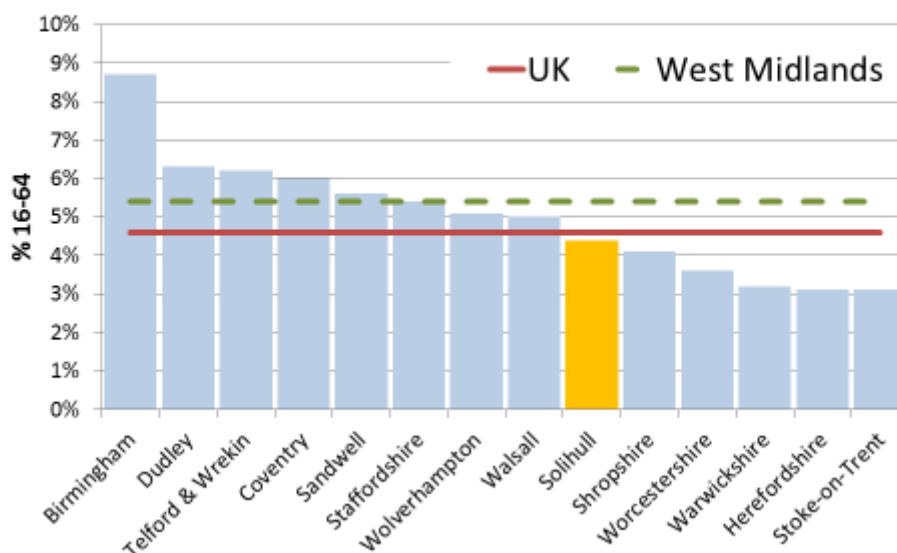
*Source: Annual Population Survey*

## Unemployment

The Annual Population Survey uses the International Labour Organisation (ILO) definition for unemployment<sup>ii</sup> as opposed to measures based solely on eligibility for benefits (e.g. Claimant Unemployment). It is a more complete classification of unemployment, although as it is based on survey evidence it is subject to a margin of error.

In December 2020 there were 4,500 working age Solihull residents classified as being unemployed, equating to an unemployment rate<sup>iii</sup> of 4.4%<sup>12</sup>. This is lower than the UK (4.6%) and West Midlands averages (5.4%), where the rate ranges from 8.7% in Birmingham to 3.1% in Herefordshire and Stoke.

### Working Age Unemployment Rates – December 2020



Source: ONS Annual Population Survey

Unemployment rates in Solihull are below the UK average for males (4.4% compared to 5.0%) and broadly the same for females (4.4% compared to 4.2%). Age breakdowns are not available for this measure.

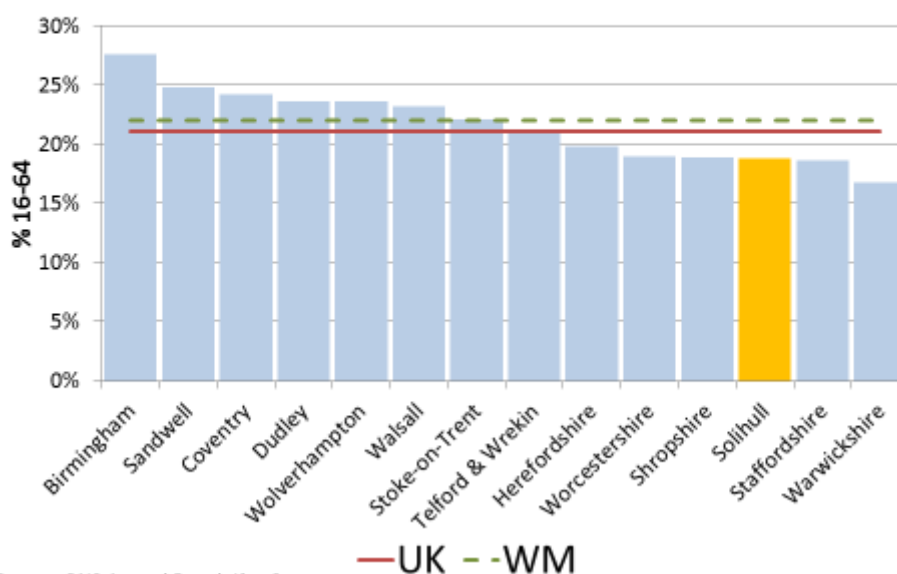
## Economic Inactivity

As at December 2020 there were 23,900 working age Solihull residents economically inactive, equating to an economic inactivity rate of 18.8%. This is lower than the UK (21.1%) and West Midlands averages (22.0%), where Local Authority rates range from 28% in Birmingham to 17% in Warwickshire<sup>13</sup>.

<sup>ii</sup> 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

<sup>iii</sup> The unemployment Rate is the number unemployed as proportion of economically active population

## Working Age Economic Inactivity Rates – December 2020



Source: ONS Annual Population Survey

Nearly 81% of Solihull residents who are economically inactive do not want a job (78% male, 84% female) compared to the UK average of 78%. The most common reasons for economic inactivity in Solihull are because the individual is retired (26% of all those economically inactive), they are a student (22%), they are long-term sick (21%) or they are looking after the family or home (16%). Compared with the UK as a whole, early retirement (26% vs 14%) is common, but looking after family/home (26% vs 20%) and long-term sickness (21% vs 24%) are less common.

Reason for Economic Inactivity (% of all economically inactive) – December 2020		
Reason	Solihull	UK
Retired	26.2%	13.5%
Student	22.4%	26.8%
Long-term sick	20.8%	24.0%
Looking after family/home	16.2%	20.1%
Other reason	12.3%	12.8%
Temporary sick	No Data	2.0%
Discouraged	No Data	0.7%

Source: Annual Population Survey

## RESIDENT SKILLS and SKILLS DEVELOPMENT

### Adult Qualifications

The skills profile of Solihull working age residents is broadly in-line with the UK average but much more favourable than that of the West Midlands region<sup>14</sup>.

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 2020 53,500 working age Solihull

residents had the equivalent of a degree or higher (NVQ level 4+), 9,500 had the equivalent of a GCSE qualification (NVQ level 1) and 7,700 had no formal qualifications.

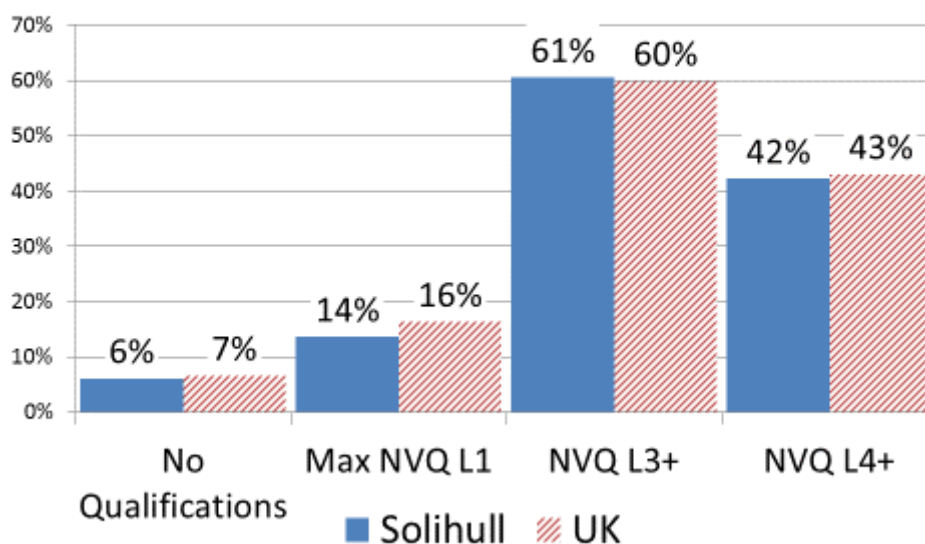
Highest Level of Qualification - December 2020				
	Solihull Count	% 16-64 year olds		
		Solihull	UK	West Midlands
NVQ4+	53,500	42.2%	43.0%	37.1%
NVQ3	23,100	18.3%	16.9%	18.4%
NVQ2	26,000	20.5%	15.5%	17.0%
NVQ1	9,500	7.5%	9.7%	10.3%
No qualifications	7,700	6.1%	6.6%	8.2%
Trade Apprenticeships	1,300	1.1%	2.8%	2.6%
Other qualifications	5,500	4.4%	5.6%	6.5%

*Source: Annual Population Survey*

42.2% of 16-64 year olds in Solihull have an NVQ4 qualification or above, slightly less than the UK (43.0%) but above that for the West Midlands (37.1%).

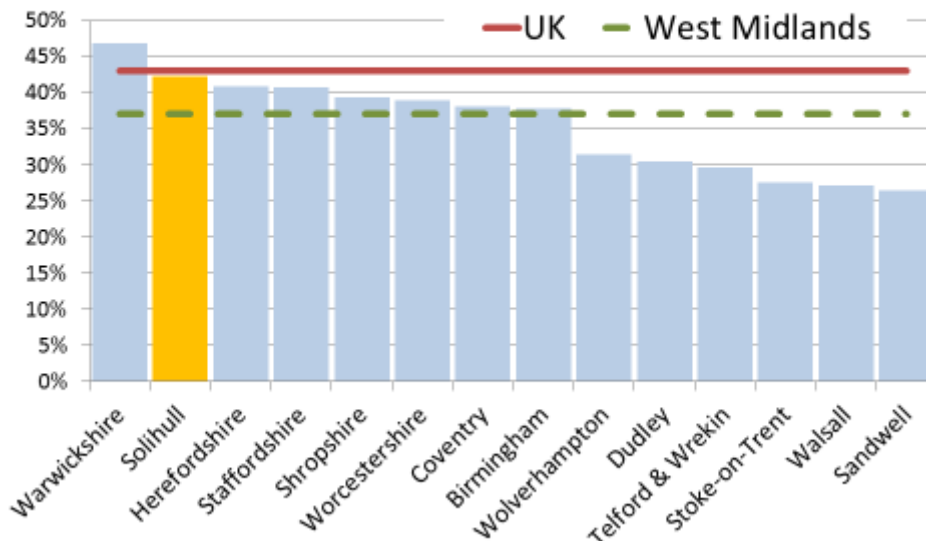
At the other end of the spectrum the proportion of Solihull 16-64 year olds with low skills (either no formal qualifications or a maximum of NVQ level 1) is, at 13.6%, well below the national average (16.3%) and that for the region (18.5%).

### Working Age Skills – Highest Level of Qualification December 2020



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

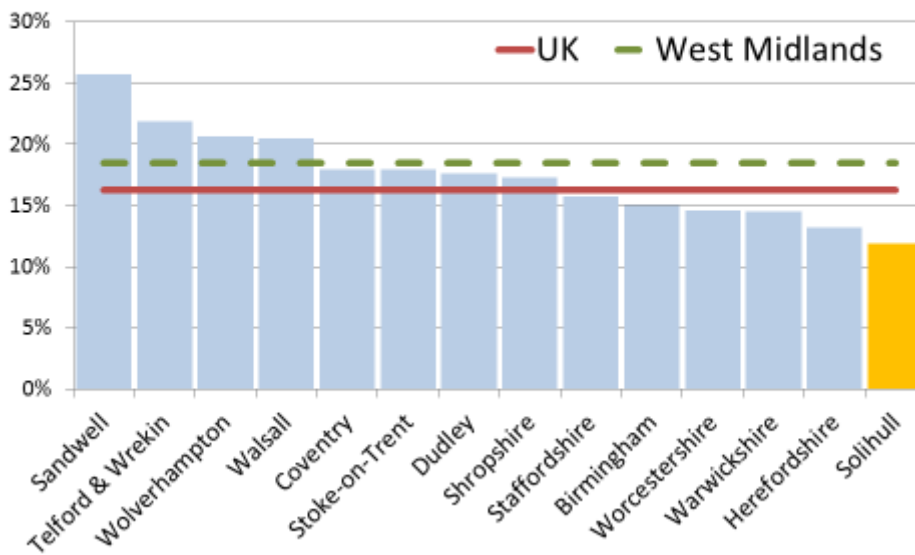
## Working Age Population with NVQ L4+ December 2020



Source: ONS Annual Population Survey

In terms of working age individuals with low qualifications (either no formal qualifications or maximum NVQ L1), Solihull at 15.8% has the lowest proportion in the West Midlands.

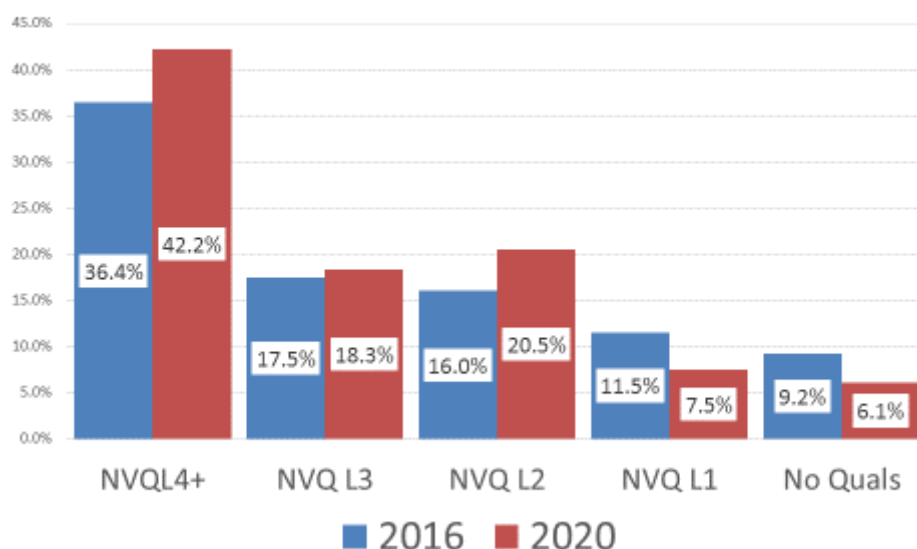
## Working Age Population with Low Skills December 2020



Source: ONS Annual Population Survey

The skills profile of the Solihull working age population is improving, with the proportion having higher level qualifications (NVQ L3 or NVQ L4+) increasing and those with low skills or no qualifications falling (NVQ L1 or no formal qualifications). For instance, between 2016 and 2020 the proportion of Solihull adults with an NVQ L4+ qualifications increased from 36.4% to 42.2%, while those with no qualifications fell from 9.2% to 6.1%. This same trend is evident across the UL as a whole.

## Trends in Adult Qualifications in Solihull



Source: ONS Annual Population Survey

### Young People Skills

The skills profile of Solihull young people aged 16-24 is broadly in-line with the UK average but much more favourable than that of the West Midlands region<sup>15</sup>.

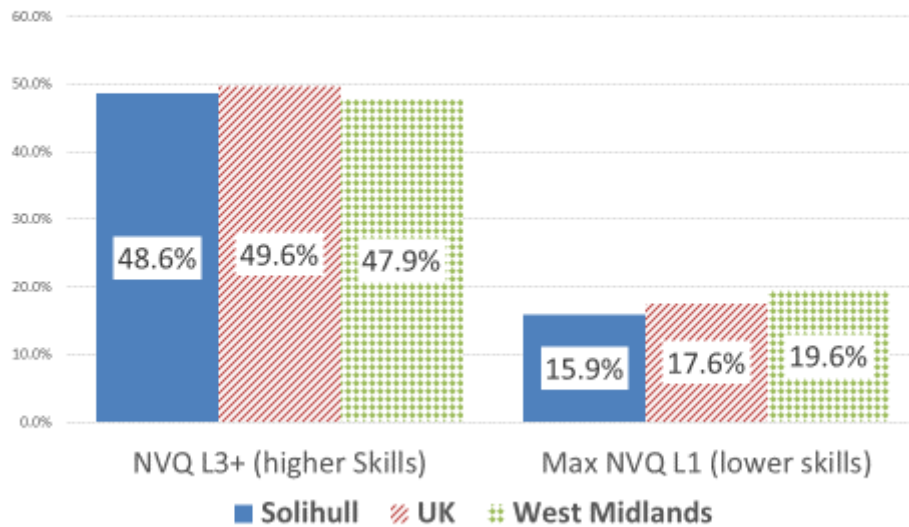
	Highest Level of Qualification - December 2020			
	Solihull Count	% 16-24 year olds		
		Solihull	UK	West Midlands
NVQ4+	5,500	25.1%	20.8%	17.6%
NVQ3	5,200	23.5%	20.8%	30.3%
NVQ2	7,400	33.4%	27.3%	27.2%
NVQ1	1,500	6.6%	9.6%	10.3%
No qualifications	2,100	9.3%	8.0%	9.3%

Source: Annual Population Survey

The proportion of the 16-24 year old population qualified to NVQ3 and above is slightly lower than the UK average (48.6% vs 49.6%). However, relatively few young people in Solihull have lower level skills with just 15.9% qualified to a maximum of NVQ level 1 compared to 17.6% for the UK and 19.6% for the West Midlands.



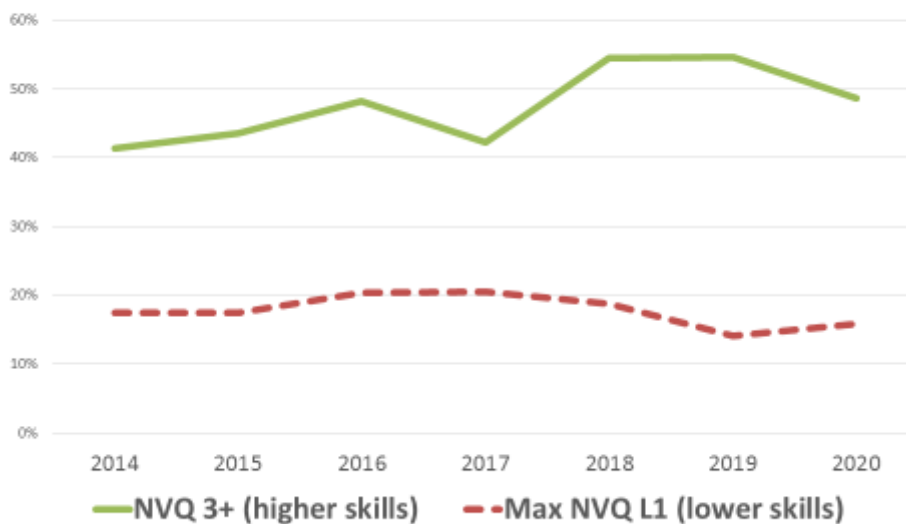
## Highest Level of Qualification Aged 16-24 in 2020



Source: ONS Annual Population Survey

Despite some fluctuations in the data, the proportion of 16-24 year olds with NVQ level 3 qualifications and above has increased from 41% in 2014 to 49% in 2020. At the same time those qualified to a maximum of NVQ level 1 has fallen from 18% to 16%.

## Highest Level of Qualification in Solihull 16-24 Population



Source: ONS Annual Population Survey

## Apprenticeships

There were 1,350 Apprenticeship starts by Solihull residents in the academic year 2019/20, equating to 10.5 per 1,000 working age population. This is higher than the rate for England (9.2 per 1,000) and the West Midlands (10.1 per 1,000)<sup>16</sup>.

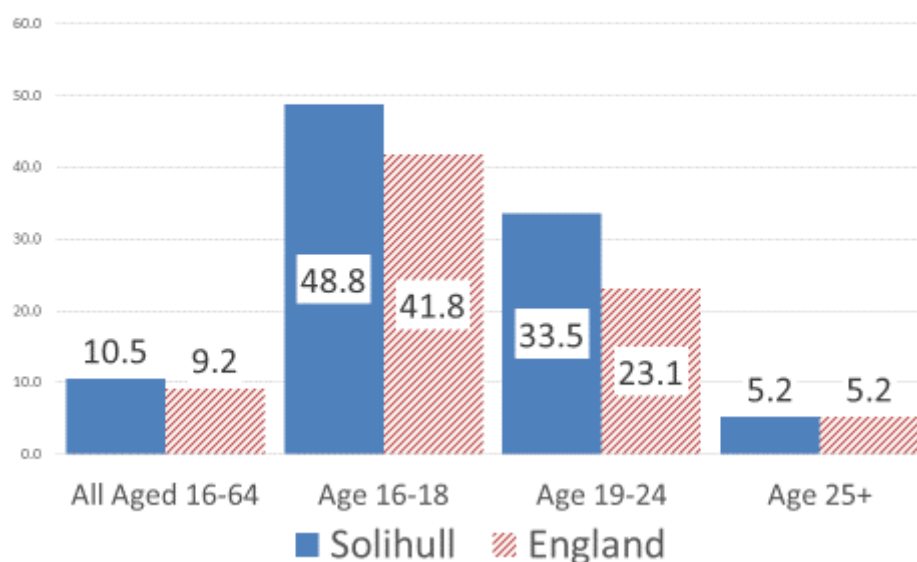
41% of Apprenticeship starts in Solihull were by individuals aged 25 and over, 32% by those aged 19-24 and 27% by 16-18 year olds. Compared with England a larger proportion of Solihull starts were by learners aged 16-24 years old and fewer by those aged 25+ (41% compared to 47%).

Proportionally, the number of starts by those aged 16-24 was higher in Solihull than the England average, but the rate was the same among learners aged 25+.

	<b>Apprenticeship Starts in 2019/20</b>				
	Number in Solihull	% Apprenticeship Starts		Rate per 1,000	
		Solihull	England	Solihull	England
Aged 16-18	360	27%	24%	48.8	41.8
Aged 19-24	430	32%	30%	33.5	23.1
Aged 25+	560	41%	47%	5.2	5.2
All Ages	1,350			10.5	9.2

*Source: Education and Skills Funding Agency*

## **Apprenticeship Starts 2019/20 Per 1,000 Population**



Apprenticeships are divided into three levels: Intermediate Apprenticeships are at level 2 (equivalent to 5 GCSE passes at grade A\*-C), Advanced Apprenticeships at level 3 (equivalent to 2 A Level passes) and Higher Apprenticeships at levels 4 to 7 (equivalent to a foundation degree and above).

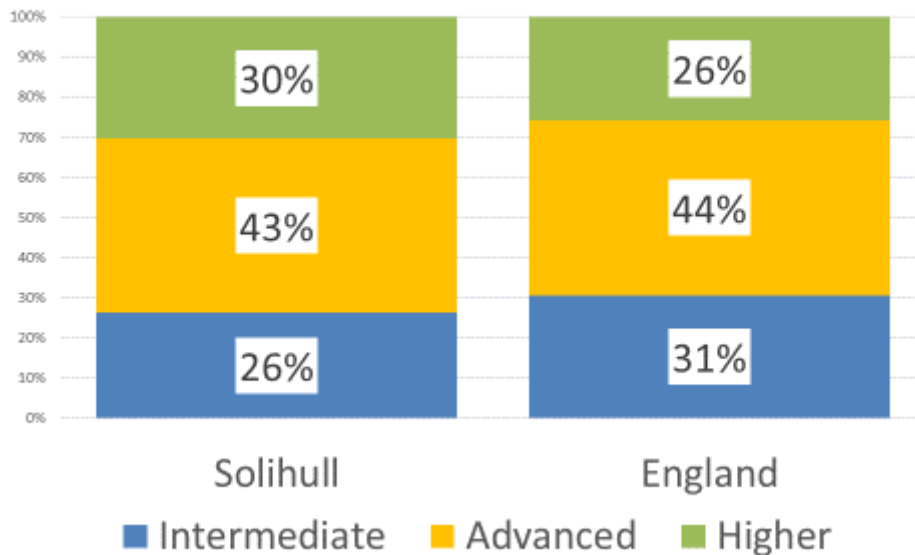
26% of Apprenticeship starts in Solihull in 2019/20 were at Intermediate level, 43% were at Advanced level and 30% at higher level. Compared with the England average there were proportionally more

Higher apprenticeship starts than nationally (25% compared to 19%) and at Intermediate level and about the same at Advanced level.

	<b>Apprenticeship Starts in 2019/20</b>		
	Number in Solihull	% Apprenticeship Starts	
		Solihull	England
Intermediate Apprenticeships	350	26%	31%
Advanced Apprenticeships	580	43%	44%
Higher Apprenticeships	410	30%	26%
All Levels	1,540		

*Source: Education and Skills Funding Agency*

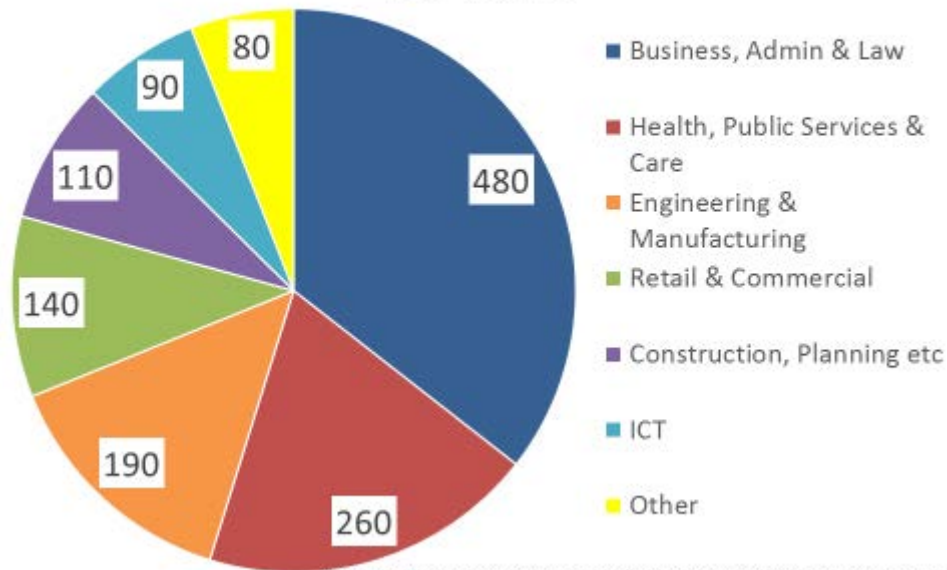
### Apprenticeship Starts 2019/20 by Level



*Source: Department for Education, Apprenticeship and Traineeships Data*

Over a third of Apprenticeship starts in Solihull in 2019/20 were in Business, Administration and Law (36%), with other major sectors being Health, Public Services and Care (19%); Engineering and Manufacturing Technology (14%) and Retail and Commercial Enterprise (10%).

## Apprenticeship Starts in Solihull 2019/20

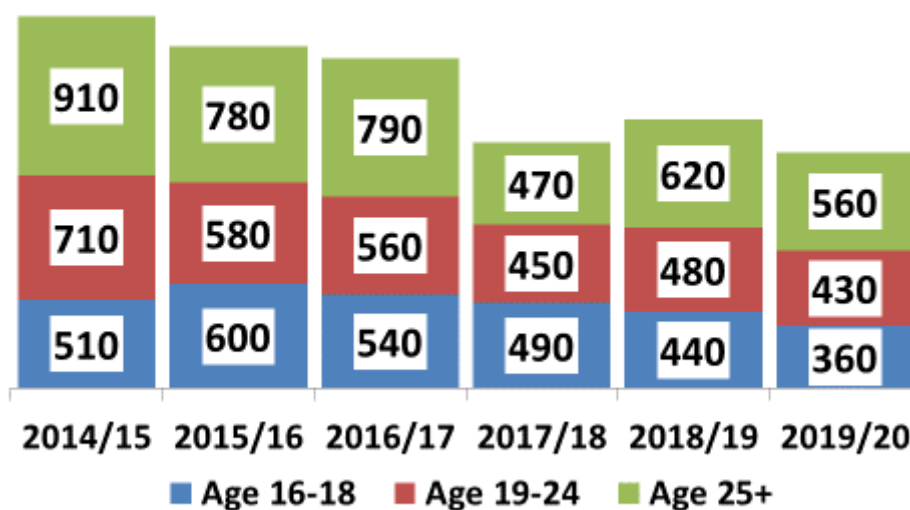


Source: Department for Education, Apprenticeship and Traineeships Data

The number of apprenticeship starts in Solihull has been trending downwards since 2014/15 with a pronounced fall in 2017/18. This trend reversed in 2018/19, but the onset of the pandemic saw apprenticeship starts decline again in 2019/20. The number of apprenticeship starts has fallen roughly equally across all age groups. However, there are big differentials by level. For instance, between 2016/17 and 2019/20 Intermediate apprenticeship starts fell by -64%, Advanced by -25%, but the number of Higher level apprenticeship starts increased by +177%.

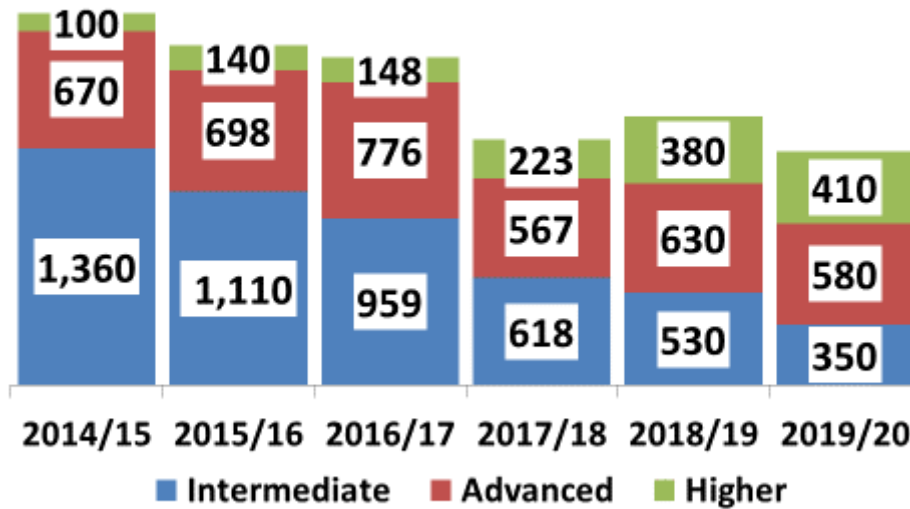
The patterns in Solihull are consistent with England as a whole.

## Apprenticeship Starts in Solihull



Source: Department for Education, Apprenticeship and Traineeships Data

## Apprenticeship Starts in Solihull



Source: Department for Education, Apprenticeship and Traineeships Data

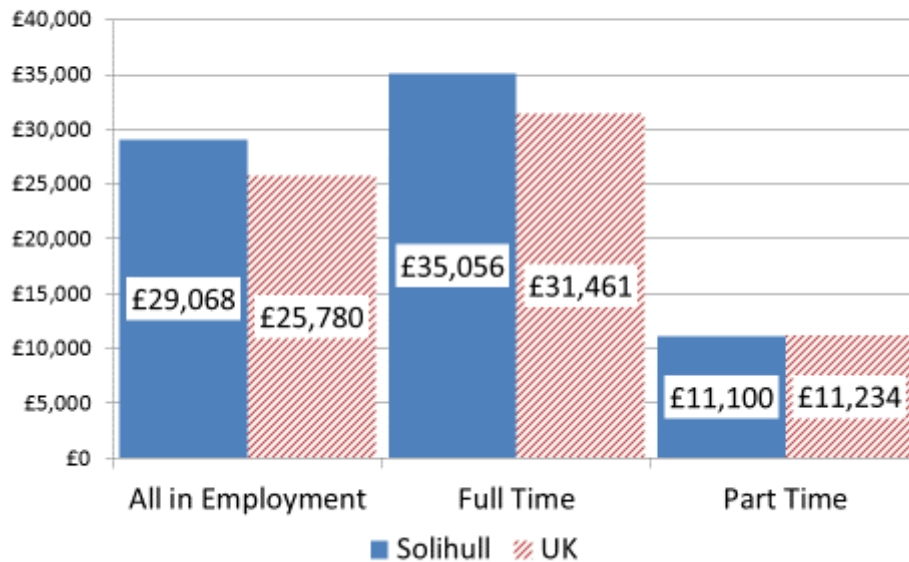
A major reason for the decline in Apprenticeship starts both locally and nationally has been the introduction of a new funding system in May 2017, the apprenticeship levy. Prior to the changes being introduced the majority of apprenticeship starts were on apprenticeship frameworks. For this type of apprenticeship, the government paid all the training costs for 16-18 year olds, half the training costs for 19-23 year olds and up to half for apprentices aged 24 and over. Since May 2017, apprentices on both apprenticeship frameworks and apprenticeship standards have been funded in the same way. Employers who pay the apprenticeship levy will pay for their training costs from their levy funds, while employers who do not pay the levy will generally pay 10% of the cost of training with the government contributing the remaining 90%. The government will provide additional payments, mainly targeted at younger apprentices<sup>17</sup>.

The Centre for Progressive Policy highlights longstanding problems with the apprenticeship system, with the apprenticeship levy shifting apprenticeship opportunities away from young people looking to take the first step onto the skills ladder and towards highly qualified existing employees<sup>18</sup>.

## Wages

On average Solihull residents in employment earn 13% more than the UK average and 18% more than that for the West Midlands.<sup>19</sup>

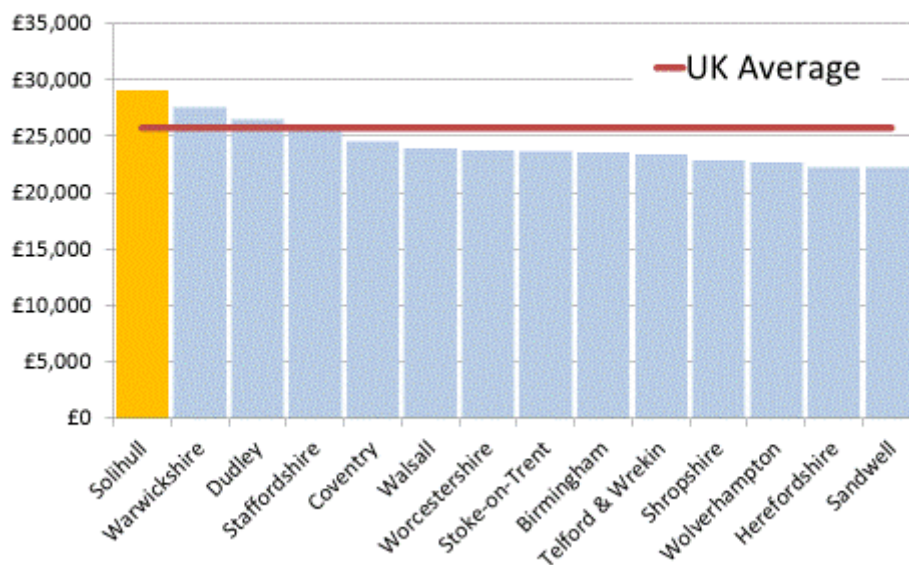
### Average Annual Resident Wages 2020



Source: ONS Annual Survey of Hours & Earnings

Solihull residents have the highest average wage among upper tier West Midlands Local Authorities.

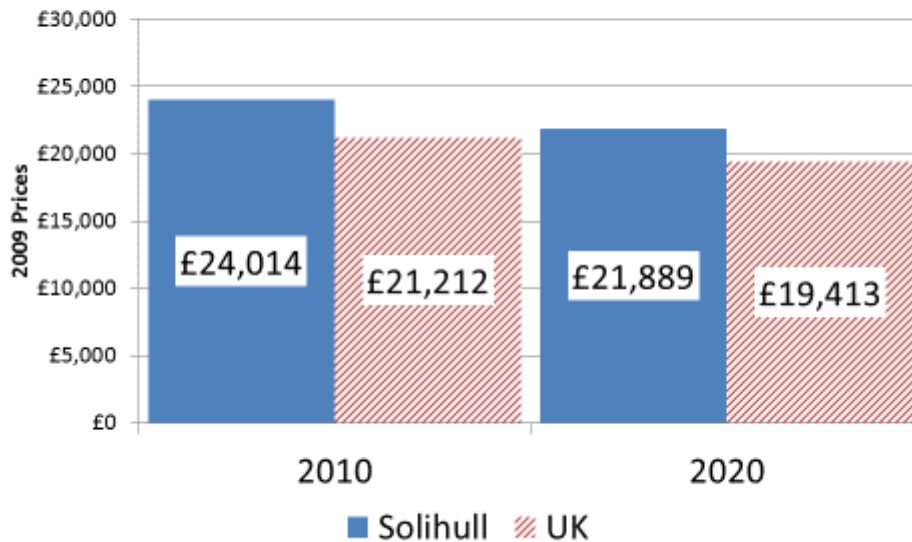
### Average Annual Resident Wages 2020



Source: ONS Annual Survey of Hours & Earnings

Average wages for Solihull residents increased by 21% in nominal terms (+£5,054) between 2010 and 2020, in-line with the increase across the UK as a whole (+22%). Over this period wages have been falling in real terms across the UK and the average Solihull resident received 9% less pay in 2020 than in 2010, a fall of just over £2,100 in real terms.

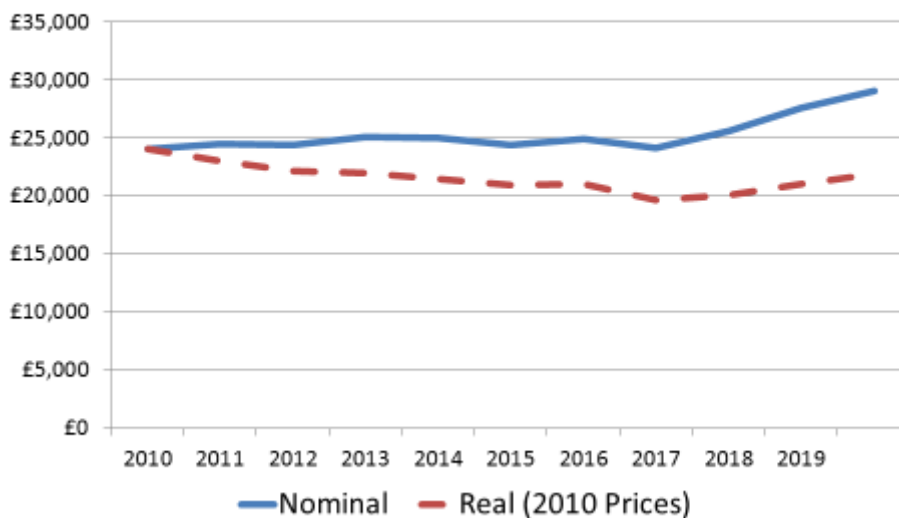
### Comparison of Average Annual Wages Adjusted for Inflation



Source: ONS Annual Survey of Hours & Earnings

More positively, average annual wages for Solihull residents increased in real terms in each of the last 3 years suggesting a return to positive real growth. Furthermore, productivity, a key driver of wage growth, is growing in the Solihull economy in real terms at twice the rate of the national average.

### Annual Average Wages for Solihull Residents



Source: ONS Annual Survey of Hours & Earnings

## References

- 
- <sup>1</sup> ONS: [Regional Economic Activity by GDP \(Balanced\) 1998-2019](#)
  - <sup>2</sup> ONS: [Regional Economic Activity by GDP \(Balanced\) 1998-2019](#)
  - <sup>3</sup> ONS: [Sub-regional Productivity in the UK by NUTS2 and NUTS3 Sub-regions 2002-2019](#)
  - <sup>4</sup> ONS: [Sub-regional Productivity in the UK by NUTS2 and NUTS3 Sub-regions 2002-2019](#)
  - <sup>5</sup> ONS/Nomis: [Business and Employment Register](#)
  - <sup>6</sup> ONS/Nomis: [UK Business Counts](#)
  - <sup>7</sup> ONS: [UK Business Demography](#)
  - <sup>8</sup> ONS/Nomis: [Annual Population Survey](#)
  - <sup>9</sup> ONS/Nomis: [Annual Population Survey](#)
  - <sup>10</sup> ONS/Nomis: [Annual Population Survey](#)
  - <sup>11</sup> ONS/Nomis: [Annual Population Survey](#)
  - <sup>12</sup> ONS/Nomis: [Annual Population Survey](#)
  - <sup>13</sup> ONS/Nomis: [Annual Population Survey](#)
  - <sup>14</sup> ONS/Nomis: [Annual Population Survey](#)
  - <sup>15</sup> ONS/Nomis: [Annual Population Survey](#)
  - <sup>16</sup> Department for Education: [Apprenticeships and Traineeships 2019-20](#)
  - <sup>17</sup> House of Commons Briefings: [Apprenticeship Statistics for England](#)
  - <sup>18</sup> Centre for Progressive Policy: [The Budget Should Have Tackled the Structural Problems with Apprenticeships, March 2021](#)
  - <sup>19</sup> ONS/Nomis: [Annual Survey of Hours and Earnings](#)