Sub-Regional Covid-19 Business Intelligence

4th – 17th August 2020

Contents

1. Executive Summary

The recommendations and findings of this week's report are based on intelligence gathered across the CWLEP Growth Hub's business engagements and survey data, and information provided by Coventry City Council, Warwickshire County Council and CWLEP. Sources include the Warwickshire County Council's Weekly Business and Economic Update and other reports by WCC's Warwickshire Economics, Coventry City Council's Business and Economy briefing, Coventry & Warwickshire Chamber of Commerce, the Midlands Engine and the West Midlands Combined Authority (WMCA)

Key Findings

- Overall, businesses in CWLEP Area were **offered £558.7m split across 14,457 loan offers** through the BBLS and CBILS loans schemes

- Between February and April 2020, the Purchasing Managers Index (PMI) declined sharply nationally, from a score of 53.0 to just 12.9; however, it rose back to 47.6 in June and **57.1 in July**

- Between March and July 2020, Coventry & Warwickshire's unemployment level increased from **15,585 to 33,800, meaning that 18,215 had become claimants of unemployment benefits** since lockdown

- Many businesses continue to operate below capacity, with the FSB reporting that **82% of its members are operating below capacity** and **75% of its members experienced a fall in profits in Q2 2020**

- **The EU accounts for 44% of exports** from West Midlands manufacturers

- For the West Midlands region, which accounts for 8.5% of the UK total of Foreign Direct Investment (FDI) projects in 2019/20, FDIs have increased by 1.3% compared to 2018/19.

2. Macroeconomic Insights

The UK has endured a deep recession during the first half of 2020 and although many sectors of the economy have been permitted to reopen since early July 2020, many businesses continue to operate below full capacity due to continued social distancing requirements and low consumer confidence. The economic recovery will therefore need to be facilitated through carefully targeted support.

This week we received details on the number of loans offered through the Coronavirus Business Interruption Loans Scheme (CBILS) and the Bounce Back Loans Scheme (BBLS) to businesses in our region by constituency. The number of loans also does not represent the number of businesses, some may have had two or more – it doesn't give info on take-up. **Overall, businesses in CWLEP Area were offered £558.7m split across 14,457 loan offers.**

	CBILS		BBLS		TOTAL	
Constituency	Number of Loans Offered	Offered Value of Loans (£)	Number of Loans Offered	Offered Value of Loans (£)	Number of Loans Offered	Offered Value of Loans (£)
Coventry North East	42	12,436,070	1,815	52,448,424	1,857	64,884,494
Coventry North West	32	6,071,000	1,365	39,584,028	1,397	45,655,028
Coventry South	71	21,210,587	1,705	53,268,857	1,776	74,479,444
Rugby	63	14,300,558	1,578	41,496,861	1,641	55,797,419
North Warwickshire	73	25,391,178	1,248	37,339,859	1,321	62,731,037
Nuneaton	53	10,780,996	1,123	32,783,898	1,176	43,564,894
Warwick & Leamington	117	24,587,721	1,602	49,148,009	1,719	73,735,730
Kenilworth & Southam	59	11,607,813	1,390	40,833,954	1,449	52,441,767
Stratford-on-Avon	154	25,152,752	1,967	60,249,257	2,121	85,402,009
Total CWLEP AREA	664	151,538,675	13,793	407,153,147	14,457	558,691,822

2.1 Observed Economic Trends

Coventry City Council's recent economic & business briefing outlined that the UK is currently enduring its deepest recession on record and the largest contraction in GDP of all G7 nations. Following 0.0% growth in Q4 2019, the UK recorded a 2.2% contraction of GDP Q1 2020 and a 20.4% contraction in Q2. This 20.4% contraction was double the scale of contraction in the Eurozone and United States economies. The Warwickshire County Council Economics briefing's August Edition added to this information that during the recession of 2008/09 the lowest growth fell to was -2.1%. From ONS figures it is also clear that the **service sector has been the worse effected in the UK economy**, with most service sector businesses being customer facing and thus forced to close with no real alternatives.

The level of contraction was highest in construction (35%), although services (19.9%) and production (including manufacturing – 16.9%) also contracted significantly. A range of factors, highlighted in CW Chamber's Q2 Quarterly Economic Survey, have contributed to this contracting, including significant decreases in both domestic and overseas sales, and declines in investment and cashflow.

There are some signals of recovery in economic activity. Between February and April 2020, the Purchasing Managers Index (PMI) declined sharply nationally, from a score of 53.0 to just 12.9; however, it rose back to 47.6 in June and 57.1 in July. Similarly, if the UK's Q2 GDP figures are analysed by monthly performance, the Quarter performance was driven by a large fall in April, but UK GDP increased modestly by 1.8% in May and then 8.7% in June. Vacancies also increased by 10% nationally between May and July 2020.

Though this has been the largest quarterly fall in GDP of the 21st century, it is important to note that GDP grew in the month of June as the government eased some of the lockdown restrictions, allowing businesses to reopen, as shown in Graph 2. This is very much part of the 'V' shaped recovery that was initially forecasted by economists, which has since become a 'U' shaped recovery as it becomes clear that easing lockdown and allowing business activity again won't mean a return to pre-COVID19 circumstances.

We continue to witness significant job losses in the economy. Nationally 730,000 jobs have been lost in the economy between March and July 2020 and during this period unemployment (using the Claimant Count as a measurement) has more than doubled from 1.27m (3.0%) to 2.67m (6.4%), with the youngest and oldest workers most affected. Between March and July 2020, **Coventry's unemployment level increased from 7,825 (3.2%) to 16,310 (6.7%), meaning that 8,485 had become unemployed since lockdown** (although the increase in from June to July slowed to around 300). **In neighbouring Warwickshire, the number unemployed increased from 7,760 (2.2%) in March 2020 to 17,490 (5.0%) during this period.**

Moreover, 46,600 workers in Coventry and 84,000 in neighbouring Warwickshire were furloughed in July 2020. This presents around 30% of potentially eligible jobs for the Coronavirus Job Retention Scheme in the area. With the Scheme ending in October 2020 and with enduring low consumer confidence and social distancing restrictions, further intervention is needed to minimise the number of these furloughed posts becoming lost permanently, especially as the OBR is expecting 15% of posts supported through this scheme to be made redundant (i.e. potentially 6,990 in Coventry and 12,600 in Warwickshire). Such further interventions should be targeted at sectors most affected by continued closures or slowly recovering demand such as retail, leisure, hospitality, manufacturing and creative & cultural industries.

The latest West Midlands Weekly Economic Impact Monitor outlined that the UK has officially entered a recession. Data released this week showed the UK economy declined 20.4% in Q2, which is the worst slump on record and perhaps signifies the worst economic crisis and reduction in national wealth since the South Sea Bubble crisis of 1720.

2.2 Future Economic Projections

The OBR's most updated economic projections suggest that UK GDP will contract by 12.4% for 2020 overall (potentially as high as 14.3% in worst case scenario), with the OECD forecasting that the UK will experience the highest GDP contraction of all developed economies. In its central scenario, the OBR also projects unemployment to peak at 12% in Q4 2020 (4.1m people nationally or 23,300 in Coventry) or 13% in early 2021 in its worst-case scenario. The ICAEW has forecast that the West Midlands will see the sharpest fall in economic output of all English regions in 2020 (due to its sectoral composition), and although it will see the most rapid rise in 2021. Overall, the OBR is not expecting the economy to return to 2019 levels until late 2022 (2024 in the worst case scenario), although it should be noted that these projections assume that the UK will secure a free trade arrangement with the EU before the end of 2020.

Despite the reopening of many sectors of the economy since June 2020, many businesses continue to operate below capacity, with the FSB reporting that 82% of its members are operating below capacity and 75% of its members experienced a fall in profits in Q2 2020.

2.3 Labour Market Information

The latest West Midlands Weekly Economic Impact Monitor outlined that the latest labour market statistics that were released this week presented a stark decline in the number of employees on payrolls and a significant reduction in hours worked. This is evidence of the continuing impact of Covid-19 on the labour market.

- This week unemployment data was released by the ONS. Almost three-quarters of a million jobs have been dropped from company payrolls since the start of the Covid-19 pandemic, but the unemployment figure of 3.9% remains relatively unchanged.
- The indicators for July 2020 suggest the number of UK employees on payrolls was down by 730,000 compared to March 2020.

The WCC Economics August briefing monitors job vacancies which give an insight in to labour demand in the local economy. Across the national economy it is becoming clear that labour demand is reducing, and now much lower than labour supply. This is a trend observed in Warwickshire. As labour supply increases (rise in claimant count) it is noted that labour demand is falling (fall in number of job vacancies).

During April 2020, job vacancies reached a low around 2500 as businesses were forced to close. As of August, this figure has now risen to approximately 3200 as the economy reopens, albeit with limited capacity. This is almost half of the amount of vacancies that were advertised in February. During times of uncertainty capital and human investment falls with labour demand in particular becoming compromised as businesses are attempting to retain their current workforce.

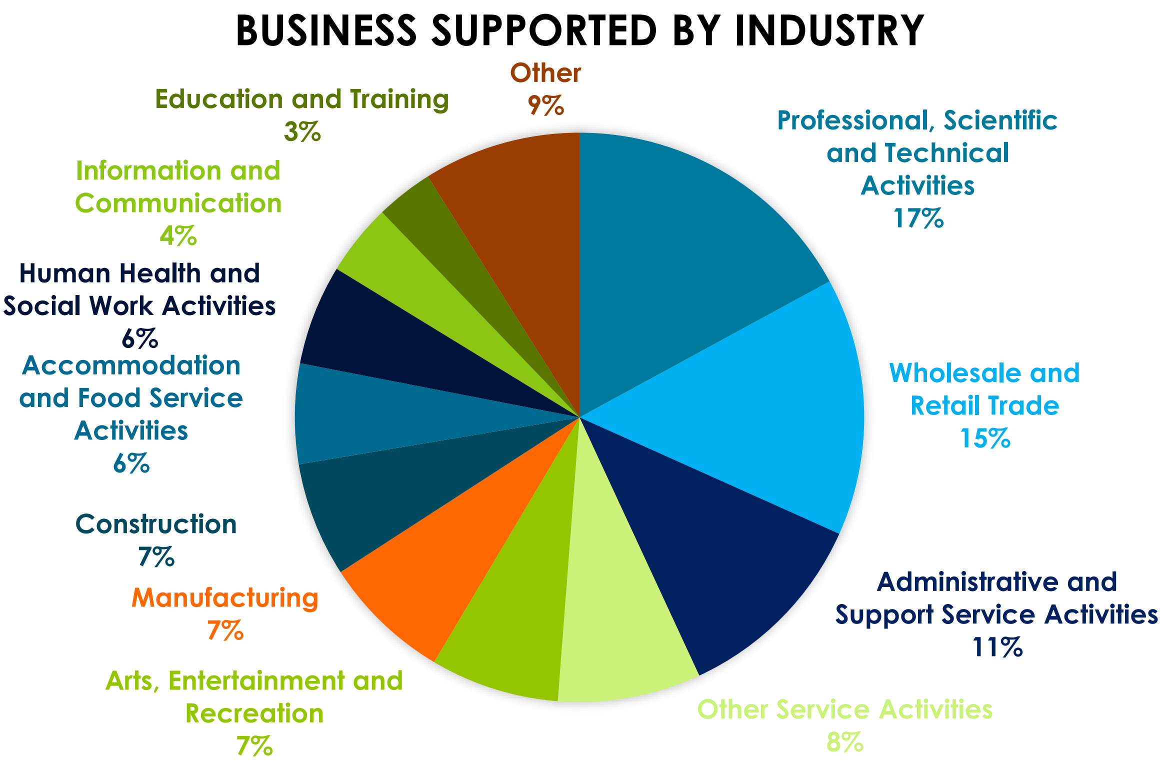
3. Business Insights

3.1 CWLEP Growth Hub – Trends

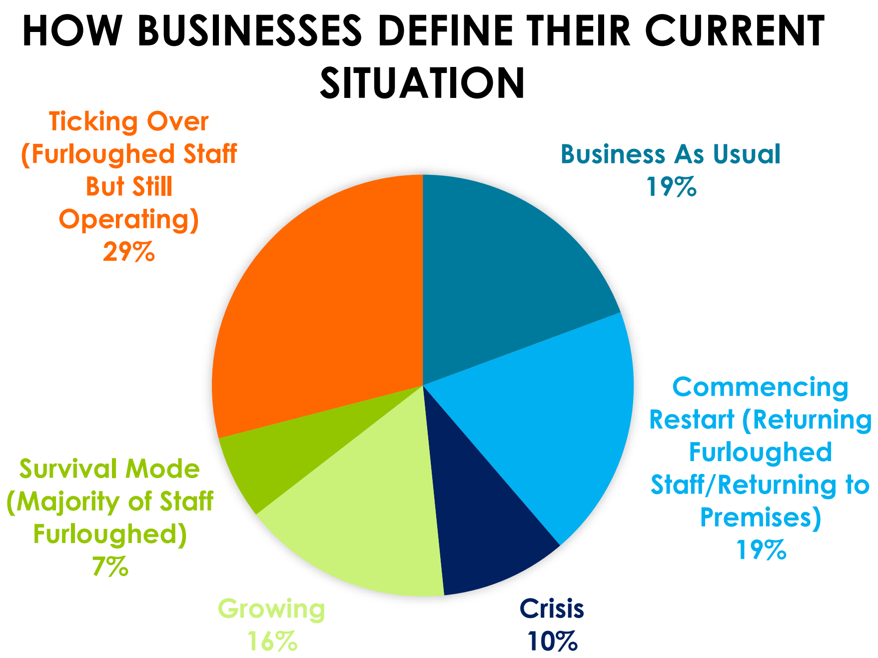
This week's business insights are taken from intelligence gathered from supported businesses since 21st July 2020. To date **the Growth Hub has supported 2980 businesses since 1st March and has had substantive discussions with 1,082 businesses**. 25 including C&W responses to the current West Midlands Cluster Telemarketing survey were received over the period between 4th – 17th August.

3.1.1 Overview

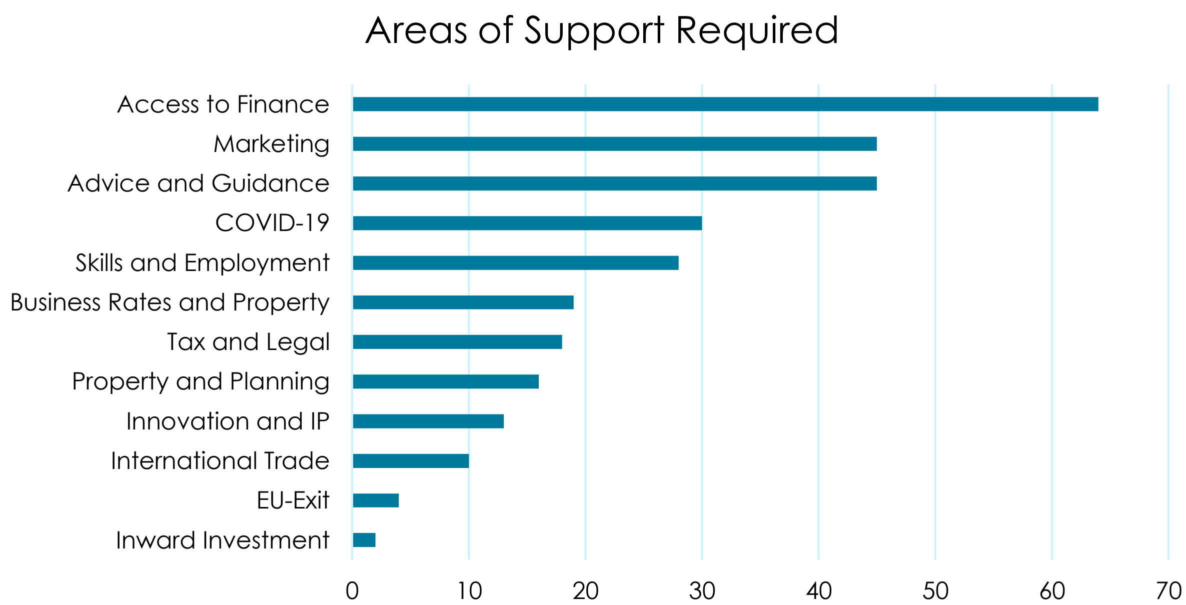
The top sectors supported by the Growth Hub over this time frame were **Professional, Scientific and Technical Activities (17%); Wholesale and Retail Trade (15%); Administrative and Support Service Activities (11%)**. The size profile of the businesses supported this week consisted of **37% of sole employees, 42% of micro businesses (2-9 employees), 15% small businesses (10-49) and 6% medium businesses (50-249).**



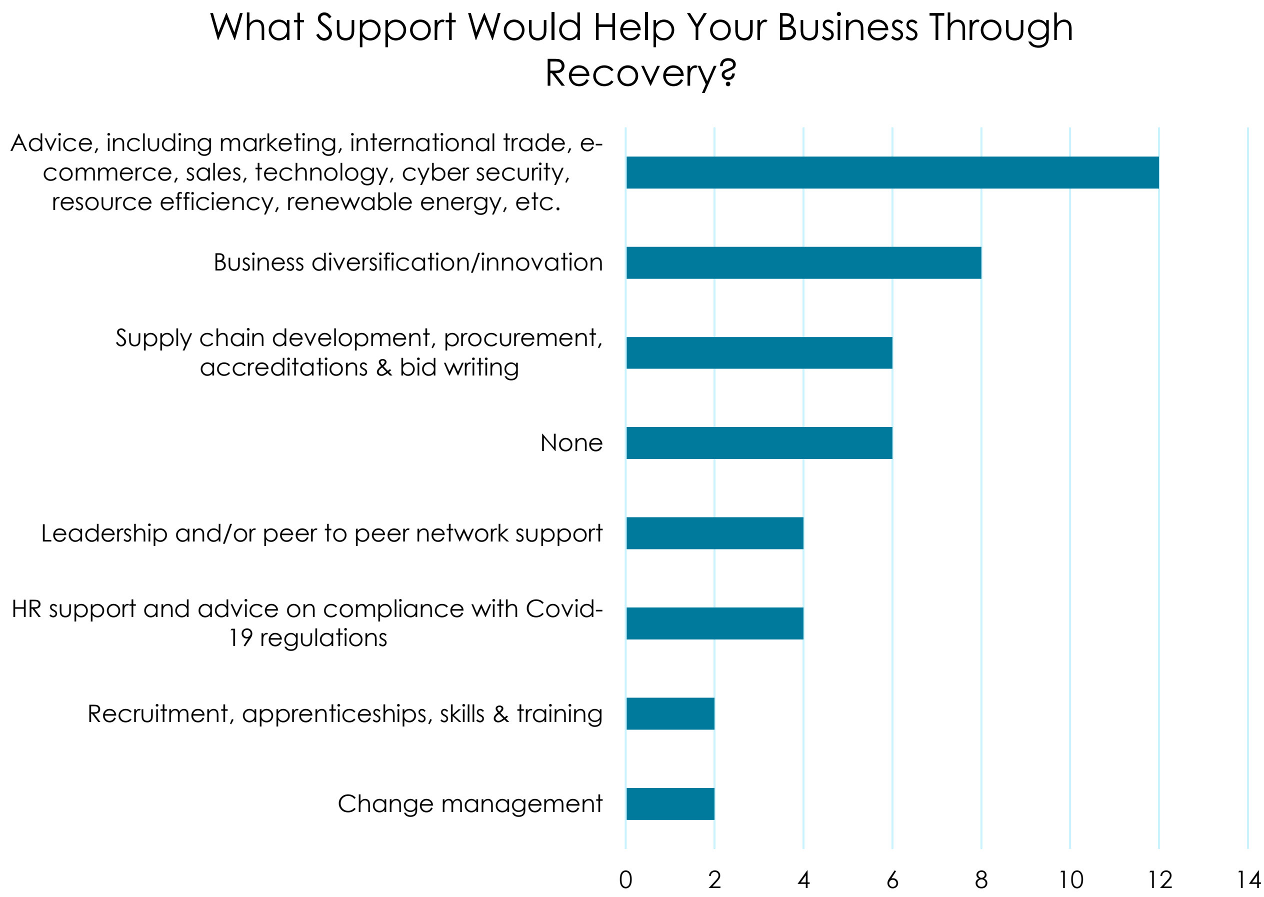
Businesses are defining their current situation in the majority (29%) as "Ticking over", indicating that staff may still be on furlough. 19% of businesses are respectively continuing with "business as usual" and "commencing restart", some of which indicating return of furloughed staff and return to premises.



Access to finance continues to be the key area where businesses are seeking support. Marketing support is also a leading area, alongside general advice and guidance and COVID-19-related queries – with skills & employment topics also gaining popularity as a topic of discussion with businesses.

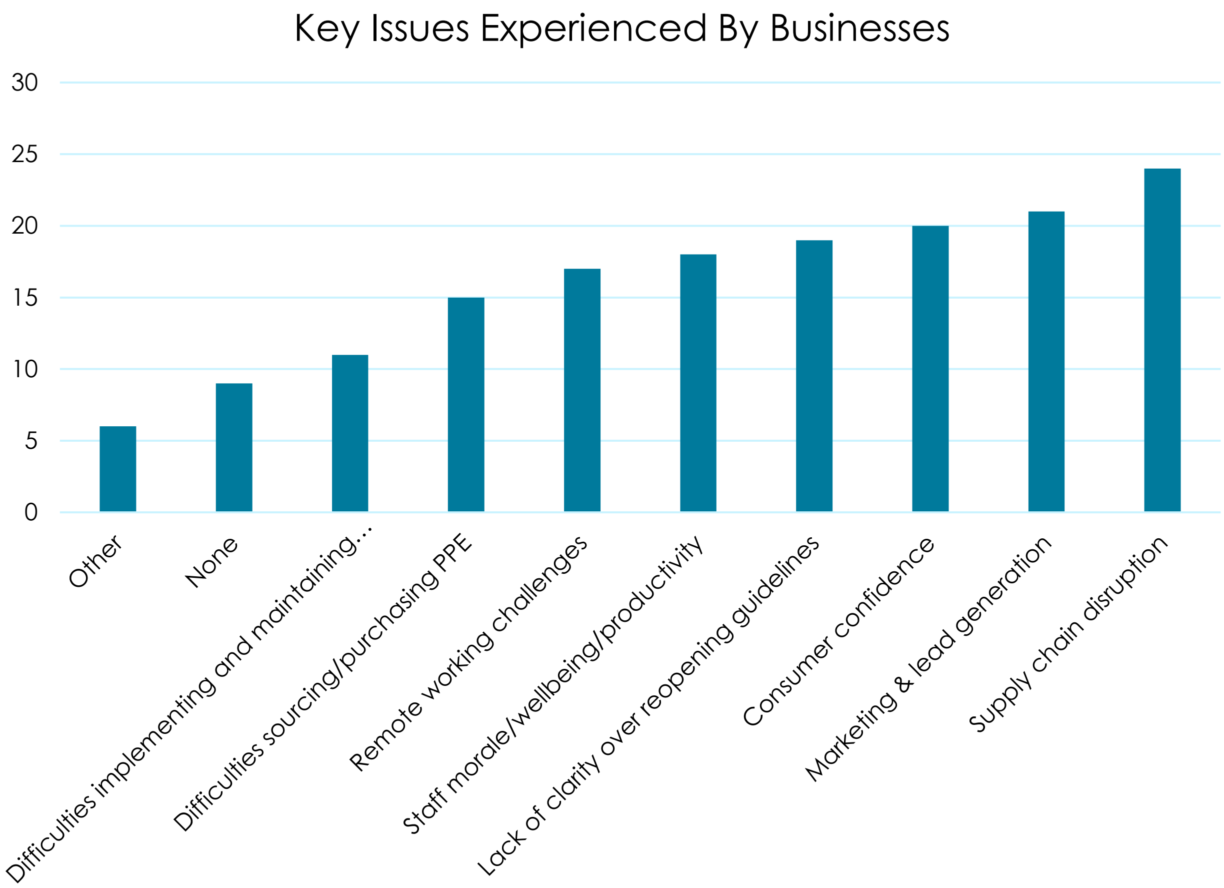


In effect, being asked about what types of support businesses would find most helpful to help them through recovery, **businesses quoted that specialist advice would be most valuable to them**. Equally, business innovation and diversification will form an import area of support to help businesses recover, alongside supply chain development support and procurement.



Areas in which businesses expect the issues going forward have shown that **supply chain disruption is one of the key concerns for businesses at the moment**, closely followed by issues around marketing and lead generation.

It is also worth noting that businesses are mentioning staff morale/well-being and working remotely as challenging – raising concerns that, although the working from home model has been implemented widely – this could have severe impacts on employees and employers in the longer term.



3.1.2 Key Trends

- It was recently announced that HelloFresh, global fresh meal-kit producers, have moved in to a newly built 230,000 square foot facility in Nuneaton borough. This will have a positive impact on employment and supply chain opportunities.
- There has been a significant increase in inbound enquiries fielded by all members of the team. A high volume of these has been regarding the subject of the new ERDF Specialist Grants that were announced by government and to be distributed by the Growth Hub.
- Feedback suggests that businesses across all sectors will make redundancies correlating to the end of the Furlough Scheme (22,000 are expected to be lost in the Restaurant Sector alone).

Recruitment

- Companies starting to consider recruitment campaigns & planning to employ staff from potentially October, but still concerns about future. Companies considering part time hours & home-based workers when they start recruiting.

Some companies bringing employees back into the office, and some more thinking about how to interview candidates & plan recruitment campaigns.
- General view from Recruitment Agencies, that some signs market picking up, but most agency staff still furloughed at least for another month, with expectation they will start in September.
- Sectors which appear to be increasing requirements are skilled warehouse position, and also been an increase in demand for IT and digital sector, with these roles being predominately contract based
- Feeling across businesses in all sectors is that likely more redundancies in next 6 months, especially once furlough scheme ends and would welcome any assistance from a central point, rather than them searching across different partners.

3.1.3 Emerging Themes

New enquiries & Specialist Grants – there has been a significant increase in inbound enquiries fielded by all members of the team. A high volume of these has been regarding the subject of the new ERDF Specialist Grants that were announced by government and to be distributed by the Growth Hub.

Some confusion from businesses enquiring about these grants as they have been described as various things such as Kickstart and Technology grants, making it difficult to establish the nature of enquiries. There is a risk of further confusion and reputational damage for those offering and administering this scheme.

There is a clear appetite for these grants, particularly for accountancy and IT related projects. Caution will need to be employed to ensure that these projects are related to COVID recovery/adaptability/diversification and not BAU.

Inward Investment – reports from partners that there is an increase in inward investment opportunities across the region. It was recently announced that HelloFresh, global fresh meal-kit producers, have moved in to a newly built 230,000 square foot facility in Nuneaton borough. This will have a positive impact on employment and supply chain opportunities.

Referrals & BAU – continued increase of referrals to programme and support providers on a broad range of topics which is both reassuring and encouraging. Capital purchases and digital projects featuring highly. Many businesses are pushing forward with growth plans that were underway or due to start prior to the COVID outbreak and they continue to show interest in grant support programmes.

Change Management – businesses reporting that they are re-evaluating their staffing structure and business planning. Companies are redeploying staff to other areas of business, where possible, to retain employment levels although further redundancies are likely and, in some cases, already in the planning. The changes that COVID has brought to working practices and target markets has meant that businesses have been forced to look at overall strategic planning and priorities as it is becoming more evident that these have, or will, change as effects of the pandemic continue.

Events & Hospitality – supporting recent news coverage local reports of this sector struggling to survive as there has been no clear strategy for the return to normality. Knock on effects now more evidently affecting the supplier chain following changes to the CJRS (Furlough) scheme and the need for employers to contribute more to the funding of wages.

Skills / Apprenticeships and associated funding – more interest in how to access funding and replenish staff numbers with apprentices where redundancies have occurred for legacy planning. IBM Digitalisation webinar highlighted skills (and concern over aging workforce) required in:- Additive Manufacturing/ AI/ Simulation/ Automation/ Contactless technologies/ Asset Performance.

Grantfinder – more research done than normal to find other types of funding

Specialist Grants – lots of enquiries since the Government announcement, (lots of small companies and sole traders), with a number of companies trying to find a project 'to fit' the criteria, i.e. chasing 'free money'. CW Growth Hub Landing page is the interim signpost until launch date.

BAU & Success Stories – Lots of success stories; companies relocating, recruiting and investing £1.4m through COVID, capitalising on retaining staff on furlough (one company attracted £64k), another winning a new £1m contract in a new Croatian market. Companies coming back as strong as before lockdown, looking at new opportunities, and being more disruptive. Digital industries reporting no redundancies through the team and seem less affected due to the nature of the businesses, and how they work remotely normally.

Redundancies – a number of companies making redundancies after looking at the short/ medium/ long term business projections, and taking specialist HR advice on consultation periods, and legalities. Redundancies higher in the retail sector.

Capitalising on competitor failure/ International markets - companies taking advantage of market share from competitors who have sadly failed to survive, and thinking outside the box with new products, and diversification. Interest in developing International relationships outside of the 'norm'

EU Exit – could be positive due to visa restrictions meaning staff travel to the UK instead of the other way Around. Import tax could work positively for UK companies.

Automotive – concern that JLR/ Bentley/ Maclaren and Aston Martin will not be returning to 'normal' until at least October, and maybe December. They are cancelling projects, or postponing until 2021, delaying invoice payments from 30 days to 90 days resulting in cashflow issues for supply chain.

Focus Digital Referrals – more interest from companies looking to develop virtual / digital capabilities.

FinditinCW Portal – opportunities highlighted from IBM Digitalisation webinar – Governments will invest in technology solutions, automation, robotics, contactless solutions etc. (so these companies should register). Companies overhauling supply chain, less reliance on bulk buying from few suppliers, more emphasis on ethical, personal choice, environment, pollution, fuel etc not just buying for convenience. Real opportunity for data scientists to sell their services.

Premises – companies looking to use the portal for renting out space.

4. Sector Spotlight – International Trade & EU Transition

The sector focus for this report will be on international trade and EU transition. In the past months it may appear that this topic has taken the backhand as businesses have been concerned with tackling the impacts of the COVID-19 pandemic. As we have been using these reports to help us grasp the impact of the pandemic on local businesses we need to understand what challenges they are now facing in this context as we are moving towards the EU exit on 31st December – how has COVID-19 impacted businesses in preparing for the EU Exit and a no-deal scenario and what impacts are they already seeing on their EU and international supply chain?

Recent reports have shown positives that across the West Midlands region, which accounts for 8.5% of the UK total of Foreign Direct Investment (FDI) projects in 2019/20, FDIs have increased by 1.3% compared to 2018/19.

The Midlands Engine Economic Impact of Covid-19 report from 17th July outlines that, according to the Office for National Statistics (ONS), within the first two weeks of July 1% of businesses stopped exporting in the West Midlands. 61.4% of exporting businesses in the West Midlands reported they were still exporting but less than normal. Of those businesses that continued to trade and import, 51.2% of the West Midlands were importing less then normal, compared to 44.5% across the UK.

Nearly 31% of West Midlands businesses that were exporting reported they had not been affected, compared to 37% across the UK. **For importers in the West Midlands, 38% of businesses said importing had not been affected compared to nearly 45% across the UK.**

Over the Midlands Engine area, business organisations expressed strong concern over the end of the EU transition period**. Organisations are citing lack of cash reserves, inability to stockpile and general business disruption caused by Covid have made them less resilient and prepared for disruption likely through the EU Exit.**

The report also indicated that international trade enquiries are returning to business as usual on enquiries on trade, as Covid-19 enquiries are dropping off. In Make UK's West Midlands Briefing it was further highlighted that within manufacturing the EU accounted for 44% of exports – uncertainties of the EU Exit already was having an impact before the pandemic.

Local business representative organisations have been collecting business intelligence around the impacts of the EU exit since 2018 with weekly submissions to the Department for Business, Energy and Industrial Strategy. The below outlines more recent attitudes of the local business community towards EU Exit themes.

4.1 CWLEP Growth Hub Business Insights

The CWLEP Growth Hub has the questions on the EU Exit in its standard business diagnostic questionnaire, its currently active telemarketing survey and its West Midlands business trends survey.

Our Telemarketing campaign that commenced on 14th July indicates that 54% of businesses are not concerned with the EU Exit, as 26% said they were concerned, 20% were neutral towards the EU Exit. The high number of businesses showing no concern can be seen as a positive, in particular if this can be an indicator that businesses do not expect major disruptions or negative impacts on their business. However, it can also indicate that there has been a shift in priorities as businesses are still focusing on reopening their businesses and bringing staff back from furlough.

Respondents were also asked whether they had taken time to consider impacts of the EU exit on their businesses to which 37% responded yes, 32% responded no, with the rest 31% stating this question was not applicable to their business. This is striking as it contrasts with responses from the EU Exit telemarketing survey conducted across the West Midlands Growth Hubs Cluster in Autumn 2019, as 76% of firms reported they had taken time to consider the potential impacts of the EU Exit on their business. Some respondents provided additional information, saying that tackling the impacts of COVID-19 had taken overhand or affected any cash flow provisions that had been made in preparations.

Where respondents had not taken time to consider the impacts for EU Exit on their business they indicated that their UK customer and supplier base was primarily in the UK. Asked about whether businesses exported to EU countries, several of the respondents that said no, indicated that exporting was not an option for them as a service business. Looking further at service business respondents – those looking at exporting (primarily in the IT sectors) indicated concern about tax implications being a key factor for their future trade with EU countries.

Overall businesses were less inclined to highlight issues relating to the EU Exit in the current telemarketing campaign – with the clear focus of their current concerns being on COVID-19 and ensuring staff return and business continuity.

One of the reoccurring themes however was that respondents required advice or feared to be missing information on preparing for and the general implications of the EU Exit on their business.

However, outside of the EU Exit focused questions, businesses have highlighted that the pandemic has presented them with new or different opportunities to reach out and stay in touch with they international client bases and market their products and services in a new way.

Under 3.1.1 we have seen that there is a keen interest in gaining specialist advice on growing business' international trade among other areas. This also includes understanding new markets and new routes to selling. This may indicate that, despite business' focus on recovering from the impacts the COVID-19 pandemic had on local businesses – we are seeing a **surge in businesses exploring new markets, ways to sell their products and services and a keen interest in getting expert help.**

4.2 C&W Chamber of Commerce

The C&W Chamber of Commerce QES in Q2 of 2020 has shown that the overseas orders index for both the services and manufacturing sectors fell considerably within Coventry & Warwickshire.

The overseas orders index for the service sector plummeted from 48.8 to 17.5 in Q2 2020. With 66% of the service sector businesses being exporters, most respondents stated that both current and advanced overseas orders had decreased as of Q2.

Similarly, the overseas orders index for the manufacturing sector also decreased to 23.9 in Q2 2020 from 47.4 in the previous quarter. 83% of manufacturing sector businesses that were surveyed were exporters and the majority of respondents stated a decrease in current and advance overseas orders.

The contractions observed in the overseas orders index for both the services and manufacturing sectors shows stark pessimism by local businesses as both indexes fall significantly below the 50 mark in Q2 2020. The restrictive measures placed by various governments (including restrictions on travel) alongside business/factory closures (to protect workers health), has undoubtedly played a key role in triggering significant drops in global trade and reduced export demand for UK goods and services reflected within Coventry & Warwickshire.

4.3 Trade Agreements

Agreements with the following countries and trading blocs are expected to take effect when existing EU trade agreements no longer apply to the UK, from 1 January 2021.

- Andean countries (2)
- CARIFORUM trade bloc
- Central America
- Chile
- Eastern and Southern Africa (ESA) trade bloc
- Faroe Islands
- Georgia
- Iceland and Norway (3)
- Israel
- Jordan
- Kosovo
- Lebanon
- Liechtenstein
- Morocco
- Pacific states
- Palestinian Authority
- South Korea
- Southern Africa Customs Union and Mozambique (SACUM) trade bloc
- Switzerland
- Tunisia

The following list contains the names of countries where Trade Agreements are still in discussion. If an agreement is not reached by 31 December 2020, trade with other WTO members will take place on WTO terms.

- Albania (Western Balkans)
- Algeria
- Bosnia and Herzegovina (Western Balkans)
- Cameroon (Central Africa)
- Canada
- Côte d'Ivoire
- East African Community (EAC)
- Egypt
- Ghana (Western Africa)
- Mexico
- Moldova
- Montenegro (Western Balkans)
- North Macedonia (Western Balkans)
- Serbia (Western Balkans)
- Singapore

The U.K. has signed Mutual Recognition Agreements (MRAs) with the following countries:

- Australia
- New Zealand
- United States of America

This means that the UK has signed MRAs which replicate the effect of existing EU arrangements. These are expected to take effect from 1 January 2021. The withdrawal agreement allows for the EU's arrangements to continue to apply to the UK until then.

For more information on the status of trade agreements within the United Kingdom, please follow this link.

5. Recommendations

The following recommendations have been derived off the back of careful analysis of macro-economic and business-level data that we have collated from Coventry & Warwickshire-based stakeholders.

5.1 Short Term

5.1.a
It is crucial that Government introduces further interventions during the recovery/restart phase:

- More on the ground resource needed in business support to **respond to new economic needs and longer term funding to business support initiatives beyond ERDF**
    - Consider ERDF reserves to be put into International Trade – 100m of ERDF yet to be allocated – international trade and technology vouchers (flexible funds for companies to pay for 1-1 follow on support)
- Further resources to filtrate information through to business base – **Need to help businesses prepare for new arrangements**. (e.g. https://www.adsgroup.org.uk/blog/transition-period-michael-gove-writes-to-businesses/)
- Businesses are losing capacity, knowledge and experience through loss of employees – need to upskill. Potential to run a skills initiative
- Awareness raising for additional resource – those exporting need to know what they need to do. **Need to get SMEs thinking about exports that aren't exporting yet.**
- Awareness raising for international trade opportunities
- Promote digital skills and importance of e-Commerce
- The introduction of **a *"Diversification Fund"* to support manufacturers with capital or revenue expenditure** to help develop new products or expand production to supply more sectors.
- **Develop targeted programmes to support the continued growth and development of the low emission vehicles and battery technology supply chains,** building on opportunities presented by UKBIC and potentially a Gigafactory within the region.
- **Provide financing incentives to encourage the purchase and greater take-up of electric vehicles** to again help stimulate demand and production.
- **Invest in international trade support capacity, particularly to support the manufacturing sector** that his a high propensity to export to adapt to changes in trading conditions that will occur after the transition arrangements with the EU end in December 2020 and will also be compounded by COVID19. Such support needs to be introduced immediately and should continue until at least Spring 2021 to ensure that businesses can adapt to new trading arrangements in a sustainable manner.

- Allow **local authorities to retain any unspent COVID19 grant funds after the 28th August** and introduce greater flexibilities to be able to support manufacturers with modernisation or diversification, particularly through purchasing and/or adopting new technologies
- What are the **implications of EU Exit on Kent and other logistics centres**?

5.1.b

Local stakeholders can further support with the following to benefit the local third sector in the short term:

- Flex and promote existing **business and grant support around adoption of ICT for businesses**
- Business support network should be **prepared to mobilise as and when government guidance changes**
- Assess implications of EU Exit locally – what are the implications on Coventry & Warwickshire as a centre for logistics (in particular North Warwickshire?) **What are the practical implications that could have detrimental impact for day to day running activities**
- Engage with freight forwarders – what are the implications for Kent and the backup plan.
- Will there be a **higher demand for customs warehousing?**
- Free ports consultation – does this have implications for longer term? Will it suck companies out of CW? → Local stakeholders to consider a proactive piece to protect local sectors as there is risk of C&W losing out in the longer term.
- Raising capacity of Support programmes – having enough awareness across advisers, refer them appropriately (West Midlands DIT team and Coventry & Warwickshire DIT Channel Manager) → Need to continue Channel Manager activity beyond ERDF funding ending next year.
- **Promote FinditinCW in order to get more manufacturing opportunities and manufacturers** on the platform
- Local Business Support organisations to encourage SMEs **to map suppliers and customers**

5.1.c

In general more resource needed to target international opportunities for our priority sectors **– Share experiences with other regions** that have high levels of tourism and Advanced manufacturing and engineering.

5.1.d

Dedicate resources to a consistent sales pitch **"We're open to trade and investment"**

5.2 Medium Term

5.2.a
Additional initiatives that would benefit the planning and property in the medium term could be led by Government and could include:

- **Help businesses accelerate technology usage to make more informed decisions and drive efficiency**
- Increase **focus on cybersecurity and data privacy** in communications to businesses

5.3 Long Term

Businesses and the economy would benefit if both Central Government and local stakeholders consider and support these long-term recommendations

5.3.a
Continue to **push message around the role of new energy vehicles and transport –** support the role a **Gigafactory as a collaboration between public and private sector could play for the country. Promote Coventry & Warwickshire as the strategic location for this**, at the heart of the new energy transport industries.

5.3.b
Drive and **support initiatives to accelerate digital connectivity projects** to support flexible working for employees in both rural and urban areas, and to provide manufacturers and businesses across a range of other sectors to fast and reliable broadband and 5G infrastructure to facilitate innovation and development of new products and services.