



**SmartRegion**  
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# Coventry & Warwickshire Business Intelligence

December 2024

Executive  
Summary

Latest Economic  
& Labour Market  
Trends

Latest CW  
Growth Hub  
Insights

Spotlight - Best  
of 2024

Recommendations



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All previous editions of the Coventry & Warwickshire Smart Region report can be accessed from our Publications page:

<https://www.cwgrowthhub.co.uk/publications>

For more details about CW Growth Hub, see our latest YouTube update:

<https://www.youtube.com/watch?v=YtKd6Xib5SQ>

# 1. Executive Summary

**Welcome to the December 2024 edition of the Coventry & Warwickshire Smart Region report.** Analysis in this month's report is based on intelligence from CW Growth Hub's contacts with local businesses, alongside survey data, information, and other intelligence provided by Coventry City Council and Warwickshire County Council.

Other sources of data in this month's report include the Official National Statistics (ONS), Department for Education, CW Chamber of Commerce, FSB (Federation of Small Businesses), Gov.uk, City-REDI, and other labour market research and analysis bodies.

## CW Growth Hub Update

**“Businesses have always had to adapt to the changing circumstances around them, and the last 12 months have certainly thrown up both changes and challenge in equal measure.**

**Change is inevitable following a general election as an incoming government sets out its priorities, with growth being the central pillar of the new administration, the narrative was certainly aimed at working with businesses to achieve it. The challenge came in the guise of the budget, as businesses work out how they will incorporate the increases to National Insurance, alongside implementing the changes in employment law.**

**There is no doubt that as we turn the page into the new year that change will continue, some of which will be seized upon as a huge opportunity, particularly around new power trains and autonomous vehicles, both of which play into the sub regions strengths, whilst some will be more challenging, such as upskilling and equipping businesses with the tools they need to be more competitive.**

**In the policy space we will see a greater desire for more devolution, detailed within the English Devolution White paper, designed to push more power away from Westminster into England's regions and counties. There will also be consultation and then launch of a new Business Growth Service, which will deliver core support to all SMEs with pathways to more specialised programmes aimed at growth and innovation. The new service will build upon the integrated local ecosystem with the Growth Hub central to its success, and as a nationally recognised exemplar we will work closely with policy officials in both its design and delivery.**

**So as the calendar year draws to a close, on behalf of everyone at the CW Growth Hub Group, we wish you a very Happy Christmas and hope you enjoy the festivities. Business does not shut down for Christmas and neither does the Growth Hub, so if you need our support then please do not hesitate to contact us and we look forward to working with you again next year.”**

**Craig Humphrey, Chief Executive, CW Growth Hub Group**

## 2. Latest Economic & Labour Market Trends

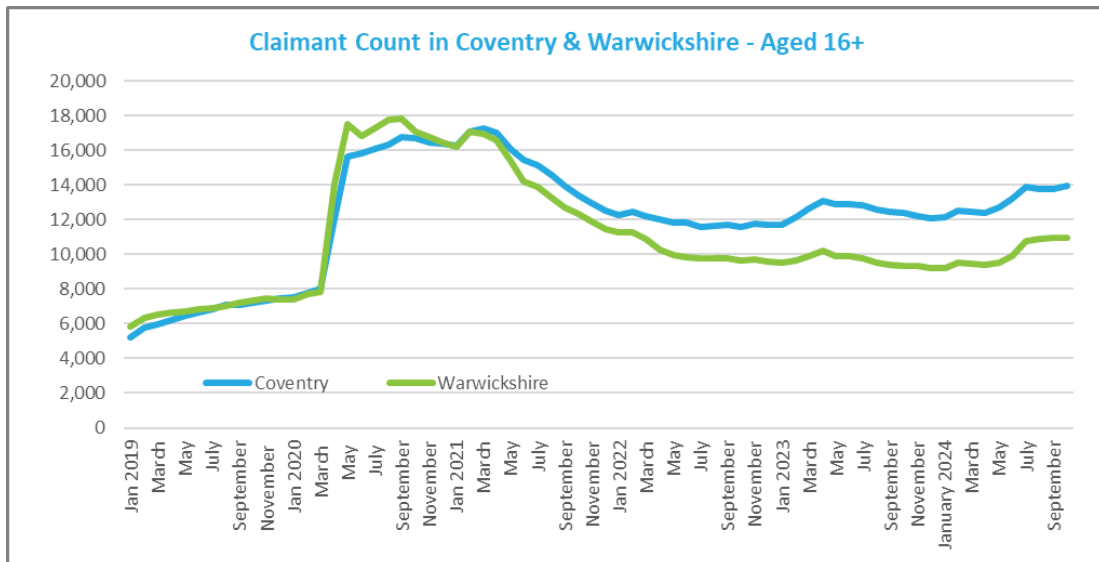
### 2.1 Labour Market Trends

- **In October 2024, the claimant count in Coventry & Warwickshire rose to 24,900 people.** At the start of the pandemic, over four years ago in March 2020, the claimant count stood at 15,830.

Area	March 2020	October 2023	August 2024	September 2024	October 2024
Coventry	8,000	12,380	13,785	13,775	13,945
North Warwickshire	845	945	1,120	1,110	1,090
Nuneaton & Bedworth	2,830	3,065	3,575	3,580	3,640
Rugby	1,535	1,930	2,170	2,165	2,130
Stratford-on-Avon	1,050	1,470	1,785	1,765	1,755
Warwick	1,570	1,925	2,255	2,320	2,345
Warwickshire	7,830	9,335	10,900	10,940	10,955
<b>Coventry &amp; Warwickshire</b>	<b>15,830</b>	<b>21,715</b>	<b>24,685</b>	<b>24,715</b>	<b>24,900</b>

Source: Office for National Statistics

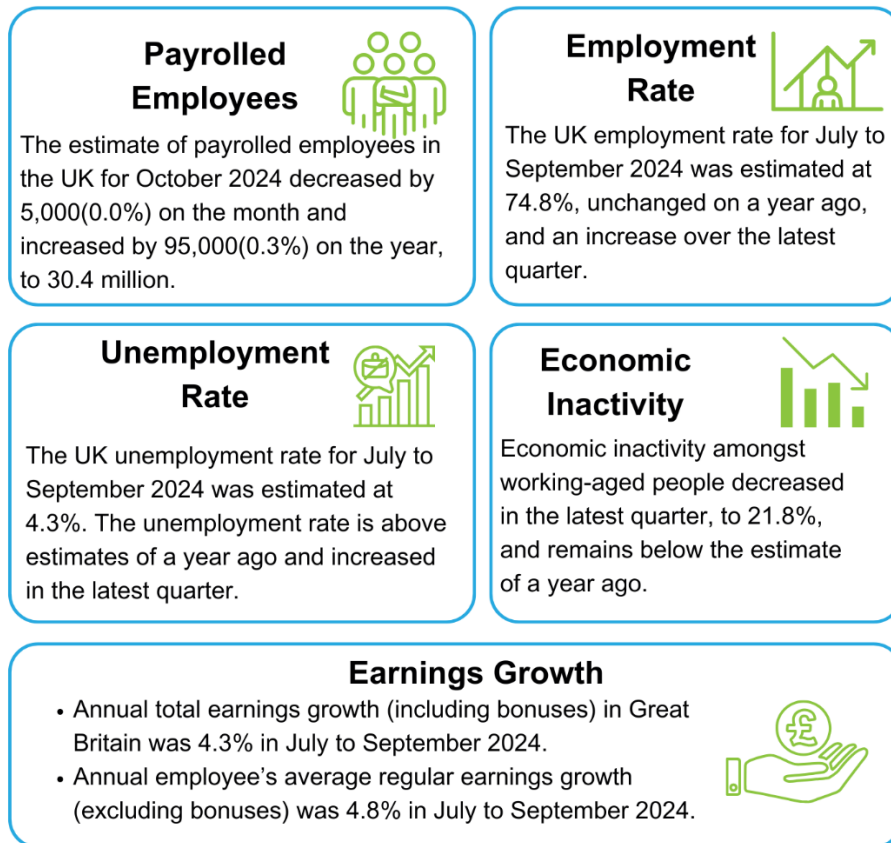
- **Over the past twelve months there has been an increase in the claimant count across Coventry & Warwickshire, rising from a total of 21,715 this time last year.**



Source: Office for National Statistics

- Coventry's claimant count is currently the highest since August 2021, whilst in Warwickshire it is the highest since February 2022. We will monitor the current upticks over the coming months.
- **The slowly widening gap between the claimant counts in Coventry and in Warwickshire, which had been occurring since the start of 2022, appears to have slowed.**
- The UK claimant count for October 2024 increased on the month and on the year, to 1.806 million.

The Office for National Statistics (ONS) also reported in October 2024 that nationally:



- **In August to October 2024, the estimated number of vacancies in the UK economy fell by 35,000 on the quarter to 831,000.** Vacancies fell on the quarter for the 28th consecutive period.

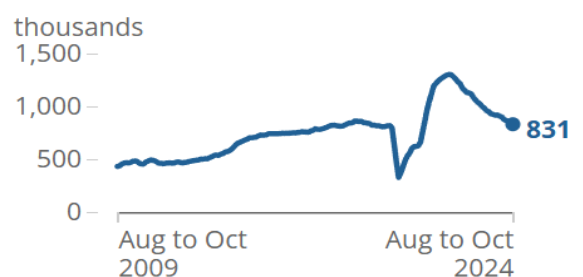
**Job vacancies**

Number of job vacancies

Quarterly change: ▼ -35,000  
Since Jan-Mar 2020: ▲ 35,000

Vacancies decreased on the quarter but remain above pre-pandemic levels.

**Source: Vacancy Survey from ONS**  
[Read more](#)



Source: Office for National Statistics

- **The annual growth in real terms** (adjusted for inflation using Consumer Prices Index, including owner occupier's housing costs (CPIH)), **for total pay was 1.4% in July to September 2024, and for regular pay was 1.9%.**
- **There were 48,000 working days lost due to labour disputes in the UK in September 2024.**

## 2.2 Economic Trends

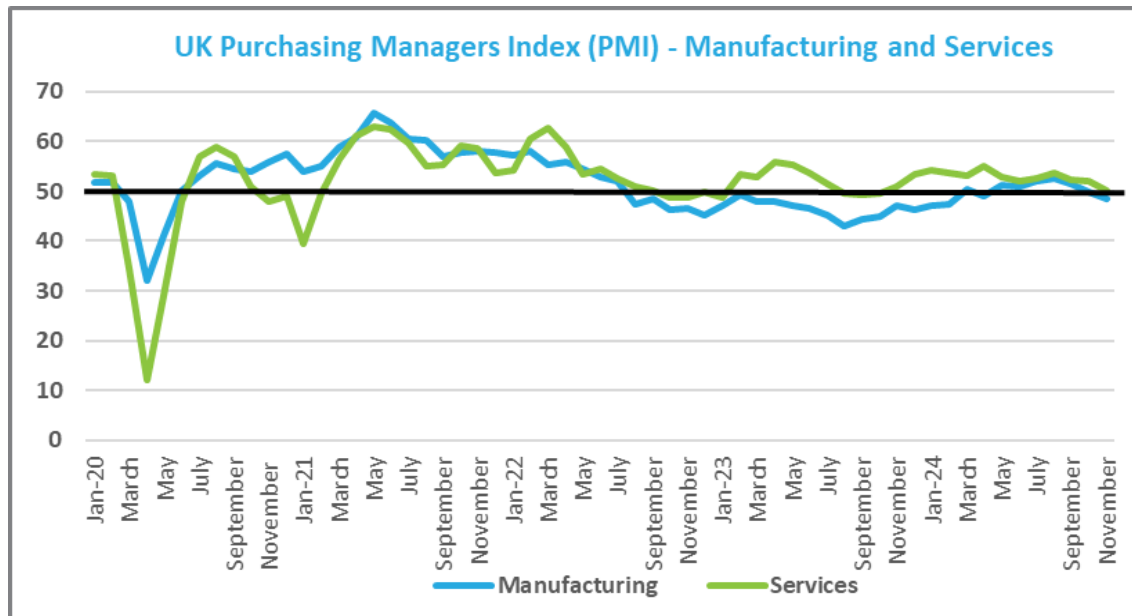
The Economic Development Service at Coventry City Council have compiled the 'Business and Economy Briefing' highlights this month:

### Economic Growth

- [According to the Office for National Statistics \(ONS\)](#), UK GDP grew by 0.1% in Q3 2024, following growth of 0.7% and 0.5% in Q1 and Q2, respectively.
- The latest Office for Budget Responsibility(OBR) [Economic and Fiscal Outlook forecasts modest growth of 1.1% this year](#) before rising to 2.0% in 2025 and 1.8% in 2026.
- **The Bank of England has cut the base rate of interest from 5% to 4.75%**. The Chamber of Commerce [said the rate cut was good news](#), however, the cost of borrowing is still a significant barrier to growth.
- **Inflation rose again in October to 2.3%**, having dropped to 1.7% the previous month. **Higher energy costs** were the primary driver of the increase.
- [The British Chambers of Commerce](#) (BCC), said that the Budget will be challenging for UK businesses in the short-term because of the increases on employer National Insurance (NI) contributions and the minimum wage.
- The [FSB was a little more positive](#) in its praise, welcoming the rise in the employment allowance, which will increase the level at which SMEs start paying NI.
- The [CBI welcomed the new approach](#) to the government's own fiscal rules, which allow it to make extra funds available for investment. However, it also said that the Budget will increase the burden on business and will hit the ability to invest, and ultimately make it more expensive to hire staff or award pay rises.
- The [SMMT welcomed the announcement](#) of a further £2bn Automotive Transformation funding. However, it warned that the additional NI contributions will put 'massive pressure' on the automotive supply chain, which is predominantly SMEs.
- On 14<sup>th</sup> November 2024, the Chancellor delivered her [maiden Mansion House speech](#), in which she announced a series of reforms to catalyse investment and help grow the UK economy. It included plans to reform pensions by creating pension 'megafunds'.

## Business Confidence

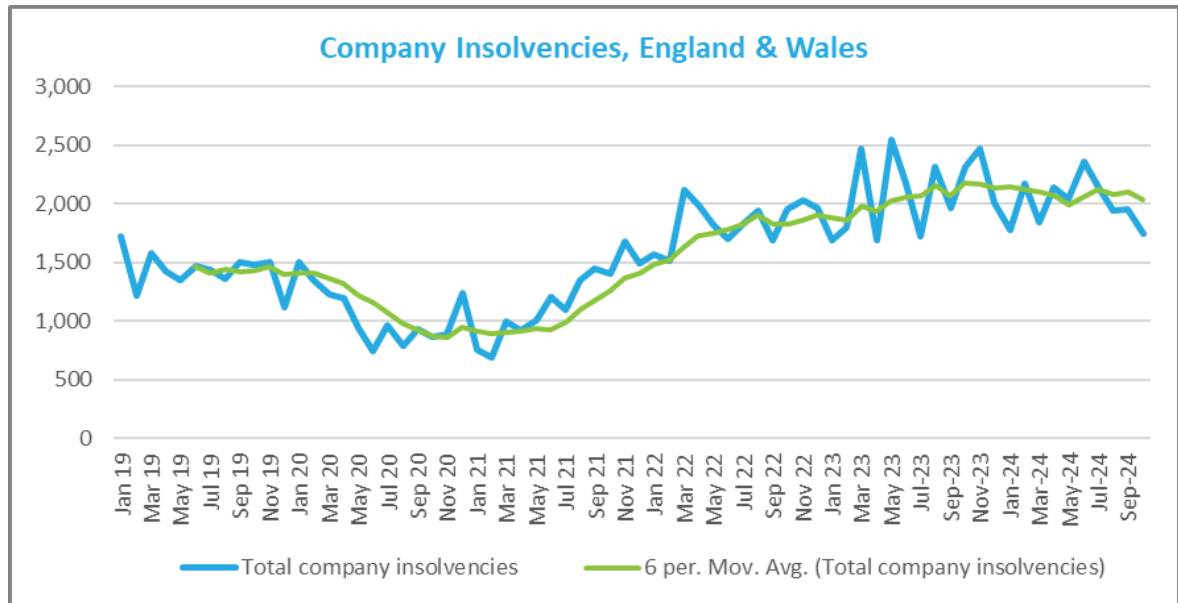
- The UK Purchasing Managers Index (PMI) for manufacturing decreased to 48.6 in November, from 49.9 points in October** (a figure above 50 represents growth, and contraction below 50).



Source: Trading Economics

- The manufacturing PMI pointed to the first contraction in the sector in seven months. This comes amid subdued customer demand while some firms noted delayed investment decisions, as well as cutbacks to new projects in response to worsening domestic business conditions and geopolitical uncertainty.**
- Meanwhile, the services PMI also decreased, to 50.0 in November, from 52.0 in October.** Service providers primarily attributed challenges to weak business confidence and client caution following the Autumn Budget.
- According to the [latest NatWest Regional Growth Tracker report](#), **the rate of growth of business activity in the West Midlands fell to 50.0 in October –** indicating no change on the previous month.
- Anecdotal evidence suggests that lack of demand, uncertainty around the Budget, and competitive conditions are the main factors for the stagnated Business Activity in the WM region. However, WM business activity is growing at a slower rate than nationally.
- The Coventry & Warwickshire Chamber of Commerce [Quarterly Economic Survey](#) provides a slightly more optimistic picture of the region's economy, suggesting a growth, but at a slower rate in Q3 2024.

- **Across the national economy, there were 1,747 company insolvencies in October 2024 in England & Wales, a 24% decrease on the October 2023 number.** The overall trend in company insolvencies has been relatively level over the past fifteen months.



Source: UK Insolvency Service

### Business Challenges

- According to the [latest Business Insights and Conditions Survey \(BICS\) from the ONS](#), **falling demand for goods and services, competition, price inflation, energy prices and taxation are the main concerns for businesses in the West Midlands.**
- More local businesses expect their capital expenditure to increase between October and December (14.5%) than decrease (9.2%). Between July and September, almost half of businesses in the West Midlands (45%) invested in plant and machinery.
- [New research released](#) by the BCC suggests there is a significant divide by business size when it comes to the existence of environment targets.

### International Trade

- **UK International Trade Week** took place between 11-15 November, hosted by the **Department for Business and Trade (DBT)**, and intended to inspire businesses to explore global opportunities.
- According to the updated [goods trade figures](#), **exports from the West Midlands region were worth £35.4bn in the year to June 2024, which is up 6.0% on the previous year. West Midlands imports were worth £42.4bn, down 0.2% on last year.**

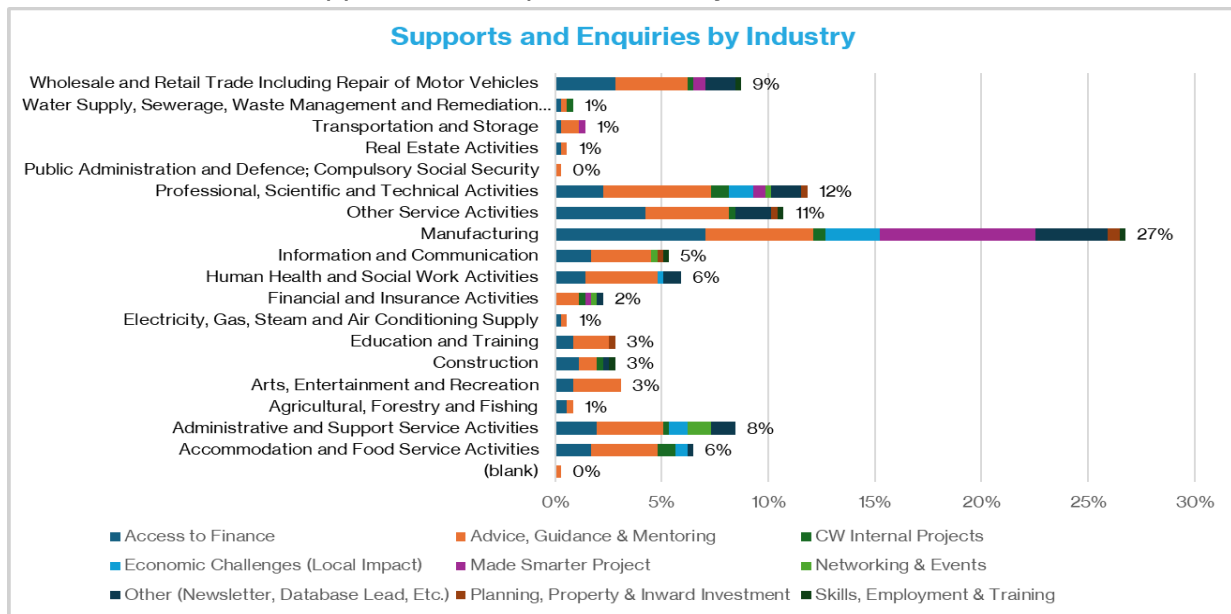


### 3. Latest CW Growth Hub Insights

#### 3.1 CW Growth Hub – Support & Enquiries

Since the start of the Covid-19 pandemic in March 2020, CW Growth Hub has held 9,661 engagements with local businesses, including substantive discussions covering a wide range of issues impacting on potential current and future growth.

This month’s business insights are taken from intelligence gathered in **October 2024**. The chart shows the supports and enquiries made by sector.



NB: Figures have been rounded.

**Advice & Guidance, Access to Finance, and Other support** were the most popular reasons for support/enquiries over the past month, although there was also a spread across other enquiry types. These include guidance provided around the **Made Smarter Project and Economic Challenges**.

**The main sectors supported by CW Growth Hub were Manufacturing (27%), followed by Professional, Scientific & Technical Activities (12%), Other Service Activities (11%), Wholesale & Retail Trade including Repair of Motor Vehicles (9%), and Administrative and Support Service Activities (8%).**

The size profile of businesses supported over the past month consisted of **37% Small businesses (10-49 employees), 28% Micro businesses (2-9 employees), 22% Sole Traders, 12% Medium sized businesses (50-249 employees), and 1% Large businesses (250+ employees)**, with 299 out of 355 businesses stating their size.

There was an **increase in Small, Medium, and Large businesses and a decrease in Sole Traders and Micro businesses** approaching CW Growth Hub compared to the previous month. Around 27% of respondents came from businesses that have started trading since 2020, with 306 of 355 businesses stating their incorporation date.

## 3.2 CW Growth Hub – Current Themes

### CW Growth Hub Account Managers reported this month:

#### Local Business Intelligence

- **Budget 2024:**
  - **National Insurance** – Overwhelming dissatisfaction with proposed changes to employer national insurance contributions. Some businesses voicing positives around maybe slowing down the workforce expectations on continued high wage increases whilst others feel this may lead to unhappy workforces due to low or delayed pay increases.
  - **Minimum Wage Increase** – The minimum wage increases from £11.44 to £12.21 an hour, means businesses will have to find this additional funding. Some businesses suggest they could be faced with laying-off staff or deciding not to replace employees as they leave.
  - **Recruitment** – Increase in the minimum wage will restrict general recruitment and the employment of apprentices. Concerns that it may also unsettle established and skilled workforces in creating uncertainty about their own job security.
  - **Zero-Hour Contracts** – As a result of budget changes, businesses suggesting they are now more likely to employ new staff as contractors or on zero-hour contracts rather than as employees. This will allow them to better manage the risks and costs associated with new employment regulations.
  - **Business Growth** – Some SME businesses echo the view “it has not been a budget for growth and does little to encourage businesses to invest.” although can see opportunities as “there will be a greater impact on larger customers which will put them under cost pressures” allowing them to pick up additional work, lost by other businesses, as a result. Additionally, businesses raised issue with a perceived “lack of incentives for individuals looking to start or expand a business.”
  - **Capital Gains and Inheritance Tax** – Some negative references to the changes to capital gains and inheritance tax that may affect succession planning and established businesses, including their assets, being passed on to the next generation.
  - **Some Positives** – There were some positive references following the budget which includes: Changes to R&D tax credits; NHS and public services investment; Changes to Apprenticeship Levy; HS2 to go to all the way to Euston; Made Smarter extension; and Global investment opportunities.
- **Demand for General support** – C&W Growth Hub Account Managers are frequently asked for general help with **Grant Funding; Start Up Support; Skills; Mentoring; Net Zero; DBT and Cashflow.**

## Business Needs and Concerns

- **‘Amazon Mentality’** – Emergence of a growing ‘Amazon Mentality’ from clients who expect services and products “on demand” or “next day” which is often unrealistic and increasingly hard to manage.
- **Steel Prices** – UK steel prices remain high, leading some to source cheaper Chinese stocks.
- **Container Prices** – Container prices are still high at £13k for a single container, compared with around £3k pre-pandemic. Businesses often ordering extra, smaller products they would not normally purchase, just to fill empty space in containers.
- **Recruitment** – Reports of increases in the number of candidates applying for jobs, passing interview stages but unable to fulfil job roles as they lack the skills they claimed to have, thus wasting time and money for the process.

Challenges mixing aging workforces with newer younger staff and/or apprentices. Problems reported around work ethics, attitudes, and expectations when adopting a blend of traditional and modern ways of working.

- **New Employment Rights Bill** – Concerns regarding potential new employment law, particularly with regards to the increased cost of Statutory Sick Pay.
- **General Concerns** – Coventry & Warwickshire Growth Hub Advisors and Account Managers are frequently hearing ongoing concerns about:
  - **Retention of staff** and seeking advice around motivating good employees.
  - **Cashflow issues** and the best ways to manage and mitigate risks.
  - **Lack of reasonably priced and suitable commercial premises.**
  - **Securing high quality apprentices.**

## 4. Spotlight: Review of 2024

This month’s spotlight takes a Review of 2024, recapping on the themes we have covered during the year, challenges and opportunities raised, and highlighting some of the recommendations we have made.

All previous editions of the Coventry & Warwickshire Smart Region report can be accessed from our Publications page - [Smart Region Report](#)

### January 2024: Older Entrepreneurs



January’s Spotlight focused on **Older Entrepreneurs**, giving a background to the trends, issues, and opportunities amongst the older entrepreneur community, and the importance of them in supporting economic growth in the local economy.

#### Economic benefits provided by Older Entrepreneurs include:

- Utilisation of practical and personal skills of the older community.
- Different experiences.
- Drive economic growth and reduce the tax burden.
- Support from close networks.

The section also highlighted the support for Older Entrepreneurs including:

- **The Silverpreneurs Programme.**
- **The Olderpreneur Alliance.**
- **Support by Coventry City Council.**
- **Support by Warwickshire County Council.**

### February 2024: Levelling Up



February’s Spotlight focused on the progress made since the **Levelling Up** White Paper was published in February 2022, how the Levelling Up funds in Coventry & Warwickshire have been used and looking ahead to the future focus for reducing inequalities.

Key features of the Levelling Up approach include:

- The creation of **twelve national missions.**
- A new framework for **devolution.**
- A new reporting framework and greater accountability.
- Future policy changes.

The Levelling Up White Paper set the key factors that drive Levelling Up as **six capitals:**

- **Physical Capital**
- **Human Capital**
- **Intangible Capital**
- **Financial Capital**
- **Social Capital**
- **Institutional Capital**

**March 2024: Spring Budget**



The **Spring Budget Statement** was the focus for our **March Spotlight**. The then Chancellor framed the Budget Statement as helping to create more investment, more jobs, improvements to public services, and longer-term economic growth.

The Spring Budget announced changes across the following areas:

- **Taxation and Wages**
- **Transport and Energy**
- **Benefits and Income Support**
- **Public, Debt, Inflation, and the Economy**
- **Business Investment and Innovation**
- **Regional Development and Levelling Up**

**Long-Term Recommendations included:**

- The long-term uncertainty facing business support needs addressing.
- Providing high quality support to businesses should be seen as a strategic intervention in both short and long-term economic recovery and success.
- More sub-national investment is needed to build long-term sustainable growth opportunities for Coventry & Warwickshire and to reduce inequalities.

**May 2024: Ten Years of CW Growth Hub**



May's Spotlight focused on **ten years of Coventry & Warwickshire Growth Hub**. The report highlighted the wide range of business support activities offered by the Growth Hub, alongside how Coventry & Warwickshire's economy has changed over the ten-year period.



**July 2024: Made Smarter Adoption Programme**



July’s Smart Region report focused on the **Made Smarter Adoption Programme**, giving an overview of the programme nationally and in the West Midlands region, and highlighted results from its first three years.

Benefits from the programme include:

- **Skills Development**
- **Technology Adoption**
- **Additionality**
- **Business Growth**
- **Carbon emissions**
- **Diversity**

Impact on the West Midlands economy:

- Positively impacted hundreds of businesses, generating more than **£158m in GVA** since its launch.
- **635 businesses** in the region registered with the programme **with over £2.2 million worth of grant funding awarded.**

**August 2024: Young Entrepreneurs**



August’s spotlight focused on **Young Entrepreneurs**, giving a background to the challenges and opportunities amongst the younger entrepreneur community, and the importance they bring to supporting economic growth for the local economy.

Economic benefits provided by Young Entrepreneurs include:

- **Jobs creation**
- **Innovation**
- **Tax revenue**

Young people are affected most by changes in the labour market, often more than other groups of workers:

- High youth unemployment rates and lack of good quality jobs.
- Young workers are often first to lose their jobs during economic downturns and the last to recover when conditions improve.
- Young people are more adaptable in technology-intensive environments.

The section also highlighted the support for Younger Entrepreneurs including:

- **Coventry & Warwickshire Champions – Next Generation**
- **Young Enterprise**
- **Prince’s Trust**
- **Start-Up Support Programme via CW Chamber of Commerce**
- **Coventry University Social Enterprise (CUSE)**
- **Warwick Enterprise Programmes**
- **Warwickshire Skills Hub**
- **Youth Business International**
- **The Teenage Market**

**September 2024: The Future for High Streets**



**The Future for High Streets** was the focus for September’s Spotlight, following the publication of new research from the FSB.

The report highlights the biggest opportunities for the future success of the UK’s high streets:

- Increased investment in marketing and promotion of local areas.
- Increased investment in public transport and infrastructure.
- The introduction of new local businesses and services to diversify their offer.
- Establishment of new tourist attractions and cultural events.
- Investment in new housing and/or apartments.
- Creation of new exciting and high-quality public spaces and civic amenities.
- Improvement of pedestrian access and walkability between high street facilities.

The section also highlighted partnerships, initiatives, and projects in Coventry & Warwickshire

- **Coventry City Centre South**
- **Coventry City Centre North**
- **Transforming Nuneaton**
- **Transforming Leamington**
- **Warwickshire Towns Network**
- **Local BIDs**

**October 2024: Rehabilitation of ex-offenders into the workplace**



October’s Spotlight focused on the **Rehabilitation of Ex-offenders into the Workplace**, outlining available support programmes and schemes. The section also highlighted how inclusive employers have benefited from actively employing ex-offenders and the response from businesses working with them.

Some local support available includes:

- **Fair Chance Employment Programme by the Warwickshire Skills Hub.**
- **Employer Engagement Team at Coventry City Council.**
- **HMP Onley.**

**Short term recommendation:**

Employers are recommended to consider wider recruitment opportunities through the employment of ex-offenders as a means of exploring new talent pools that could help overcome skills gaps.

**HMP Onley is a Category C Training and Resettlement prison and delivers a range of vocational training courses across sectors including:**

- Dri-lining and Skimming training
- Construction Skills Certification Scheme (CSCS) cards
- Railtrack Personal Track Safety (PTS)
- Painting, Decorating & Joinery
- Bricklaying and Concrete skills
- Bike Repair
- Barista
- Food Preparation and Food Safety
- Barbering
- Horticulture and Industrial Cleaning.

**November 2024: Autumn Budget**



November’s Spotlight focused on the **Autumn Budget Statement**. The Chancellor delivered Labour’s first Budget since 2010, after the party’s return to power in July’s general election.

The Autumn Budget announced changes across the following areas:

- **Growth, Inflation and Debt**
- **Taxation and Wages**
- **Wages, Benefits and Pension**
- **Business Support**
- **Schools and Education**
- **Transport**
- **Drinking and Smoking**
- **Government Spending and public services**
- **Housing**
- **Innovation**

Recommendations included:

- **The Budget announced some reductions to funding allocations for cultural and inward investment activities in the West Midlands area.** There is a need for clarity around how we get the right amount of funding in place to regenerate regional and local cultural assets for the future.
- **There were positive announcements in the Budget on the automotive, aerospace, and life sciences sectors.** Clarity is now needed on how future funding will be allocated and given to local economies and how these can be bid for.
- **Growth forecasts for the economy, as presented in the Budget, suggest steady but unspectacular growth over the coming years.** The challenge for Government remains how to improve public finances by introducing the measures needed to remove the blockers to growth.



## 5. Recommendations

### December's Golden Recommendation:

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**The Autumn Budget statement set out a future direction for growing the economy. To deliver this, the next twelve months provides the opportunity to work with local, regional, and national partners so that the detailed options and plans around organisation, structures, enablers, and governance can be co-developed and co-produced through the Industrial Strategy, Small Business Strategy, Trade Strategy, and Devolution White Paper.**

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The following recommendations have been derived from analysis of macro-economic and business-level data and intelligence collated from Coventry & Warwickshire partners and stakeholders:

#### **5.a – The long-running uncertainty facing business support funding needs**

**addressing.** UKSPF is extended for twelve months beyond March 2025, albeit at a much-reduced level, and plans for successor funding for business support needs clarifying swiftly. Moreover, the ambitions in the forthcoming Small Business Strategy need to set out how the longer-term future for Growth Hubs will dovetail, complement, and be integral to the newly announced Business Growth Service.

**5.b – Government is urged to continue at pace with the fullest devolution of powers to local areas across the country through the newly published Devolution White Paper, including its deals to transfer greater powers to the West Midlands and to Warwickshire,** which will encourage longer-term local and regional sustainable and inclusive growth.

**5.c – Twelve-month extensions to other business support funding, including Made Smarter and Help to Grow Management, are welcomed.** Government is recommended to now outline the necessary changes to be in place to deliver these as part of its wider ambitions around business support, skills, and infrastructure.

**5.d – The Budget announced some reductions to funding allocations for cultural and inward investment activities in the West Midlands area.** There is a need for clarity around how we get the right amount of funding in place to regenerate regional and local cultural assets for the future.

**5.e – There were positive announcements in the Budget on the automotive, aerospace, and life sciences sectors.** Clarity is now needed on how future funding will be allocated and given to local economies and how these can be bid for.

**5.f – Growth forecasts for the economy, as presented in the Budget, suggest steady but unspectacular growth over the coming years, which is being reflected in the most recent economic indicators.** The challenge for Government remains how to improve public finances by introducing the measures needed to remove the blockers to growth.

**5.g – To further facilitate investment in training, Government should make longer-term funding available for the skills improvement agenda and wider labour market measures.** Measures should include strengthening the role of FE colleges in the local innovation ecosystem and reviewing the regulation of training providers. **The new Skills & Growth Levy should be flexible enough to ensure businesses across all sectors can get access to the skilled workforces they need as the economy evolves.**

**5.h – Clarity is needed on the scale of gigafactories the National Wealth Fund will invest in,** including investment in the West Midlands Gigafactory. Also, clarity is called for on **how the Government will provide sufficient investment to deliver the necessary supply chain, innovation, and skills programmes** to service the sector.

**5.i – More sub-national investment is needed to build long-term sustainable growth opportunities for Coventry & Warwickshire through the new Government’s strategic economic priorities and plans emerging through the Industrial Strategy, Small Business Strategy, Trade Strategy, and Devolution White Paper.** These need to include resource and capacity linked to:

- Building sustainable local supply chains
- Developing green skills and green innovation opportunities
- Internationalisation and intensive support for exporters.