



SmartRegion
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Coventry & Warwickshire Business Intelligence

October 2024

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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 October 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, WM-REDI, and other labour market research and analysis bodies.

CW Growth Hub Update

“Businesses and individuals will be keeping a keen eye on this month's budget, which will be an important milestone so early in the new government's tenure. It is well documented that growth is a central mission of this government and, whilst the economy grew for the first six months following a brief recession - in fact, we recorded the fastest growth of all the G7 countries - however, the UK economy stalled in June and July.

At the recent Labour Party conference, I attended lots of fringe meetings where there was plenty of talk around the £20bn gap, which is due to the rules the government has chosen to follow over how much money it can borrow over the next few years and ruling out borrowing to fund day-to-day spending, therefore emphasising the difficult decisions that lie ahead.

Given that most Chancellors approach to budgets is one of fiscal neutrality, in an attempt to make the tax system fairer, one wonders whether the budget will try to tidy up some illogicalities of the system or simply raise as much revenue as possible.

A £20bn tax rise, which is obviously a significant sum for the exchequer, is the equivalent to about £6 per week for every man, woman, and child in the country. About a quarter of the money government expects to raise comes from income tax, with other sources coming from taxes such as VAT, National Insurance, Corporation Tax and Business Rates, etc. Interestingly, when assessing how to balance income and expenditure, behind health and education, interest on National Debt is the third largest area of government expenditure, all of which gives any Chancellor plenty to think about when determining whether to increase tax or borrow.

We will all have to wait until October 30th to see which approach is taken and my team and I will analyse the detail to determine what it means for businesses across Coventry and Warwickshire. We will also feature key local budget headlines in the next edition of our CW Smart Region report.”

Craig Humphrey, Chief Executive, CW Growth Hub Group

2. Latest Economic & Labour Market Trends

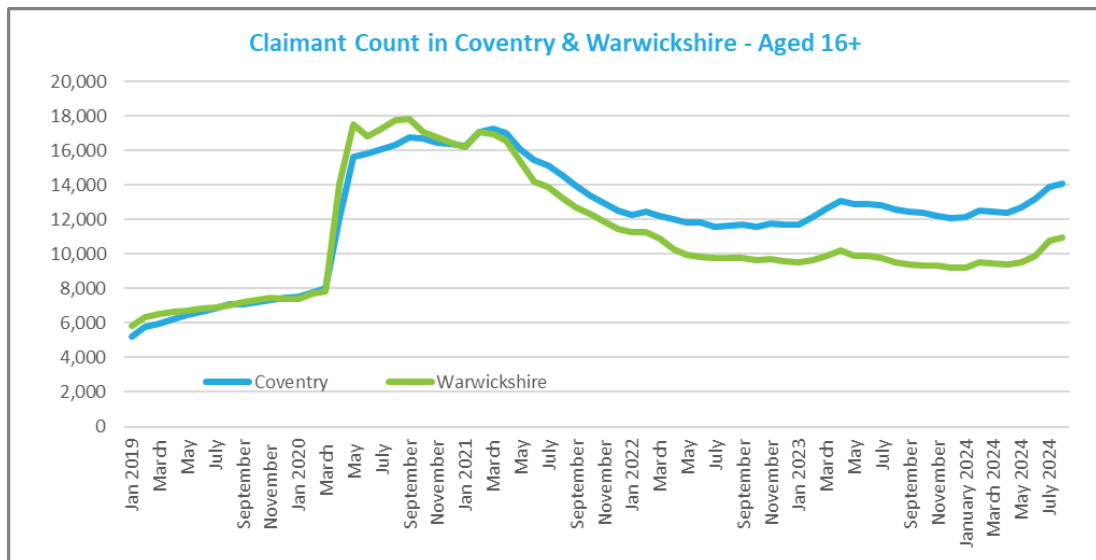
2.1 Labour Market Trends

- In August 2024, the claimant count in Coventry & Warwickshire rose to **25,040 people**. At the start of the pandemic, over four years ago in March 2020, the claimant count stood at 15,830.

Area	March 2020	August 2023	June 2024	July 2024	August 2024
Coventry	8,000	12,605	13,230	13,925	14,065
North Warwickshire	845	985	1,030	1,095	1,110
Nuneaton & Bedworth	2,830	3,130	3,225	3,495	3,635
Rugby	1,535	1,970	2,000	2,175	2,200
Stratford-on-Avon	1,050	1,510	1,635	1,720	1,740
Warwick	1,570	1,935	2,020	2,260	2,290
Warwickshire	7,830	9,525	9,915	10,750	10,975
Coventry & Warwickshire	15,830	22,130	23,145	24,675	25,040

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 22,130 this time last year.



Source: Office for National Statistics

- The current upticks are concerning, and we will monitor them over coming months. Coventry’s claimant count is currently the highest since September 2021, whilst in Warwickshire it is the highest since March 2022.
- 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 August 2024 increased on the month and on the year, to 1.792 million.

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

- **The estimate of payrolled employees in the UK for August 2024 decreased by 59,000 (negative 0.2%) on the month** and increased by 122,000 (0.4%) on the year, to 30.3 million.
- **The UK employment rate for May to July 2024 was estimated at 74.8%**, below the estimate of a year ago, although an increase over the latest quarter.
- **The UK unemployment rate for May to July 2024 was estimated at 4.1%**. The unemployment rate is below estimates of a year ago and decreased in the latest quarter.
- **Economic inactivity amongst working-aged people decreased in the latest quarter, to 21.9%**, but remains above the estimate of a year ago.
- **In June to August 2024, the estimated number of vacancies in the UK economy fell by 42,000 on the quarter to 857,000**. Vacancies fell on the quarter for the 26th consecutive period.

Job vacancies

Number of job vacancies

Quarterly change: ▼ -42,000

Since Jan-Mar 2020: ▲ 61,000

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

Source: Vacancy Survey from ONS

[Read more](#)



Source: Office for National Statistics

- **Annual total earnings growth (including bonuses) in Great Britain was 4.0%** in May to July 2024.
- **Annual employee's average regular earnings growth (excluding bonuses) was 5.1%** in May to July 2024.
- **The annual growth in real terms (adjusted for inflation using Consumer Prices Index, including owner occupier's housing costs (CPIH)), for total pay was 1.1% in May to July 2024, and for regular pay was 2.2%.**
- **There were 42,000 working days lost due to labour disputes in the UK in July 2024**. Most of these strikes were in the health and social work sector. Twelve months ago, in July 2023, there were 284,000 working days lost.

2.2 Economic Trends

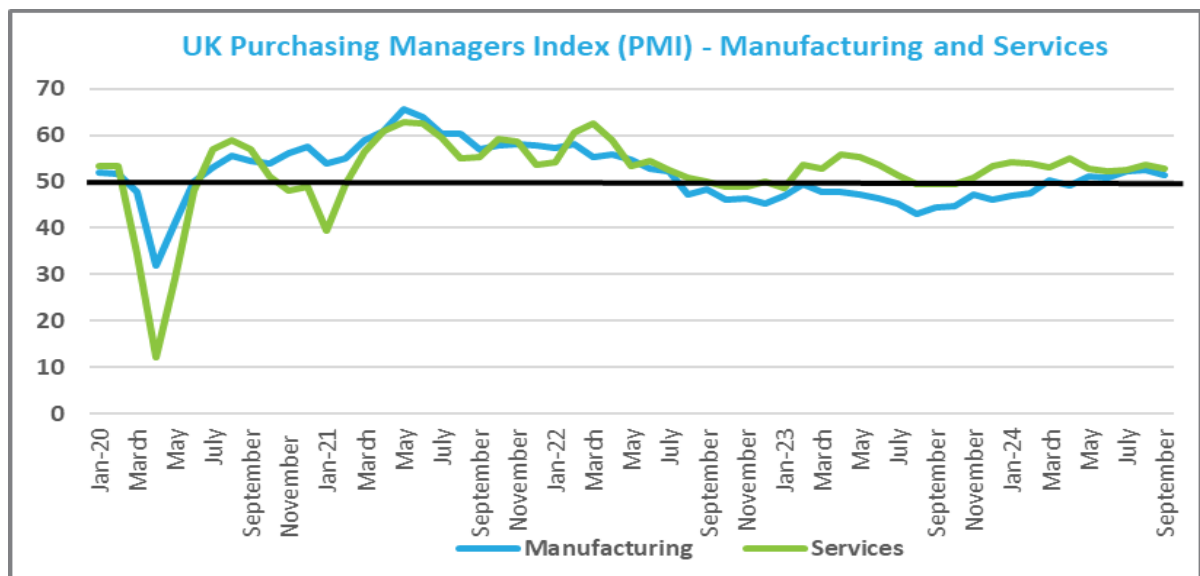
The Economic Development Service at Coventry City Council have compiled the 'Business and Economy Briefing' highlights this month:

Economic Growth

- [According to the Office for National Statistics \(ONS\)](#), the UK economy posted zero GDP growth in July 2024, the second consecutive month of no growth.
- [The British Chambers of Commerce](#) highlight that businesses are **struggling to increase investment and trade** due to continuing global economic and political uncertainty.
- **The Bank of England held the base rate of interest at 5%**. In its latest economic commentary, the Bank said that whilst demand for consumer goods and services remains subdued, there is hope that consumption growth will pick up in the Autumn.

Business Confidence

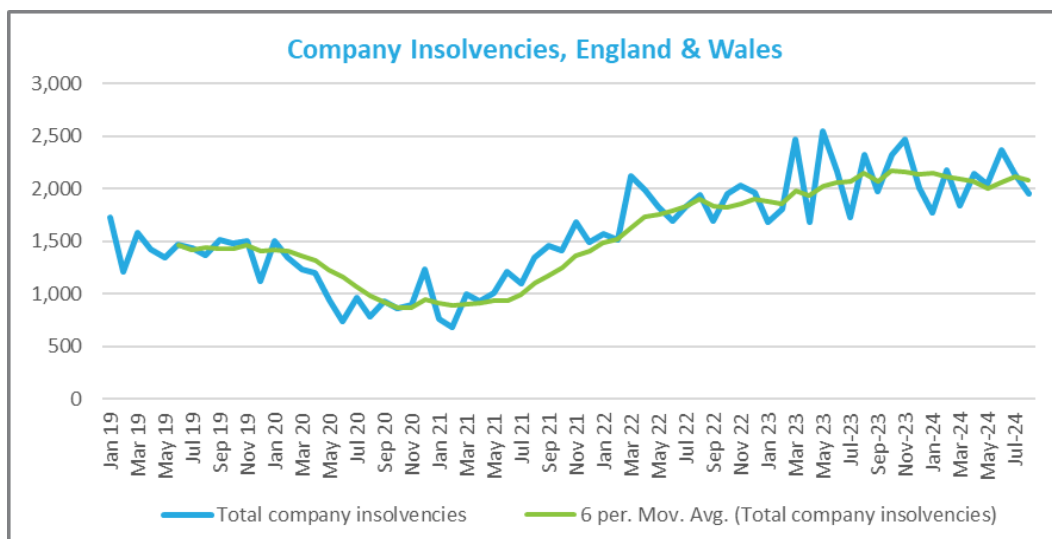
- **The UK Purchasing Managers Index (PMI) for manufacturing decreased to 51.5 in September, from 52.5 points in August** (a figure above 50 represents growth, and contraction below 50).



Source: Trading Economics

- **New export orders remained relatively subdued. Renewed job cuts and a combination of subdued demand and reduced backlogs are encouraging leaner inventory strategies across the manufacturing sector.**
- **Meanwhile, the services PMI also decreased, to 52.8 in September from 53.7 in August.** Despite the slight fall, it was the eleventh consecutive month of growth in services, driven by inflows of new business, improved sales pipelines, and effective marketing and promotional initiatives.

- According to a new report by PwC, Coventry lags other UK cities in terms of economic growth. Coventry was ranked 27th out of fifty-one cities, and posted ‘average’ scores across all categories, including jobs, income, health, housing, transport, and environment. However, Coventry performed better than other areas of the West Midlands, with Wolverhampton, Walsall, and Birmingham receiving rankings of 39th, 48th, and 49th respectively.
- Despite this, the [latest NatWest Regional Growth Tracker](#) shows that business activity in the **West Midlands remains positive**, with an activity score of 52.2.
- Coventry’s [visitor economy grew by £100m](#) on the previous year, according to the latest figures from STEAM – **the third consecutive year of growth, with the total value of Coventry’s visitor economy rising to £855m in 2023. Some 11.4m people visited Coventry last year**, which marks a second consecutive record year, and is a rise of over a million people since 2019.
- According to the [latest figures from the Society of Motor Manufacturers and Traders \(SMMT\)](#), **UK car production fell 14.4% year-on-year in July**. Mike Hawes (SMMT’s Chief Executive) acknowledged the ongoing volatility of the industry as it transitions to zero-emission vehicles and called on the Government to provide **more investment in skills, healthy markets, cheaper green energy, and more favourable trade deals**.
- A new report by London Economics, commissioned by Universities UK, has [revealed the economic impact of the higher education sector](#) on the UK economy. **According to the report, focussed on the 2021-22 academic year, for every £1 of public money invested in the sector, £14 is put back into the economy.**
- Across the economy, there were 1,953 company insolvencies in August 2024 in England & Wales**, a 15% decrease on the August 2023 number. The overall trend in company insolvencies has been relatively level over the past fifteen months



Source: UK Insolvency Service

International Trade

- According to the [latest ONS Business Insights and Conditions Survey \(BICS\)](#), **10.4% of local firms said transport costs had become increasingly challenging this month for exports.**
- **In terms of imports, increased transport costs were again the biggest challenge (12.0%),** followed by additional paperwork (8.4%), customs duties (8.0%), and changes in exchange rates (7.3%).
- **The BCC [highlighted weak July trade figures](#), calling on the Government to **focus its forthcoming Trade Strategy on goods exports, to maximise growth potential.****
- A [new report from Aston University Business School](#) has further highlighted the post -Brexit slump in the trade of goods with Europe. The report found that between 2021 and 2023, **there was a 27% fall in UK exports and a 32% reduction in imports to and from the EU.**
- The recommendations from the report from Aston University Business School include:
 - **The Government could mitigate the effects of TCA** (Trade & Cooperation Agreement) by improving customs procedures with new digital technologies.
 - **The UK should reconfigure its supply chains** by upgrading port infrastructure, strengthening domestic supply chains, and diversifying businesses sourcing strategies.
 - **Provide support for businesses in adapting to new trade barriers.**

Business Challenges

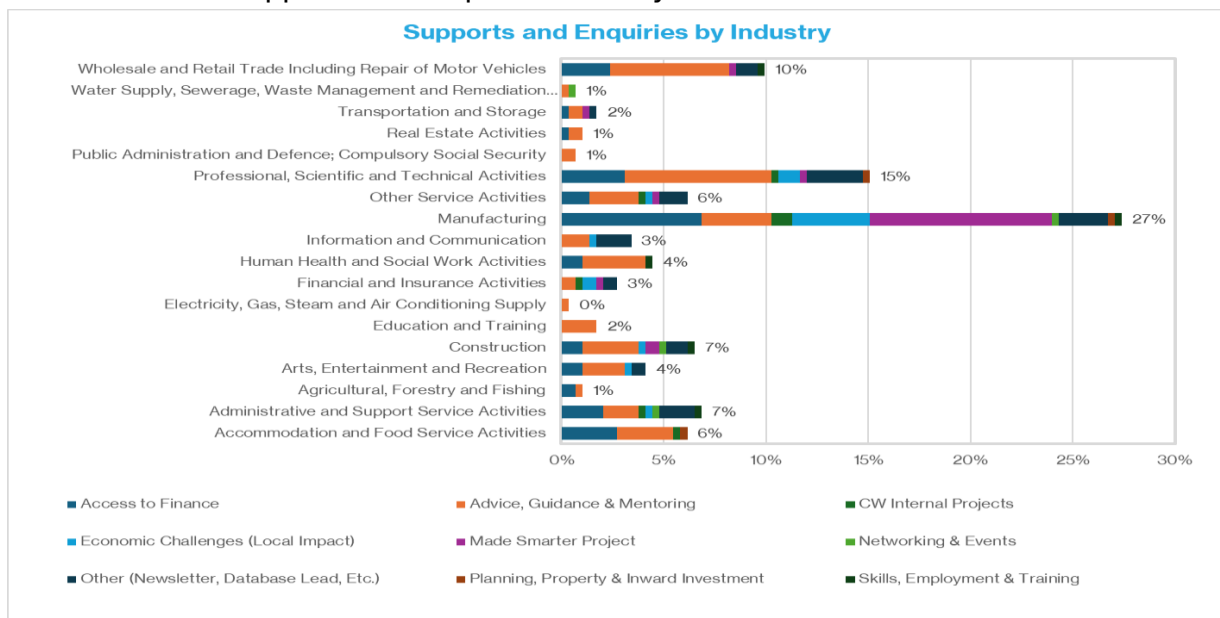
- According to the [latest ONS Business Insights and Conditions Survey \(BICS\)](#), a fifth of West Midlands businesses (20.7%) say that **falling demand for goods and services** is their current main concern.
- Local businesses are also struggling with **rising costs, with 12.0% reporting cost increases in August** compared with the previous month.

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 8,986 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 **August 2024**. The chart shows the supports and enquiries made by sector.



NB: Figures have been rounded.

Access to Finance, Advice & Guidance 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 (15%), Wholesale & Retail Trade including Repair of Motor Vehicles (10%), Administrative & Support Service Activities (7%), and Construction (7%).

The size profile of businesses supported over the past month consisted of **34.7% Small businesses (10-49 employees), 29.8% Micro businesses (2-9 employees), 18.5% Sole Traders, 15.8% Medium sized businesses (50-249 employees), and 1.1% Large businesses (250+ employees)**, with 265 out of 292 businesses stating their size.

There was an **increase in Sole Traders** and a **decrease in Micro, Small, Medium, and Large businesses** approaching CW Growth Hub compared to the previous month. Around 25% of respondents came from businesses that have started trading since 2020, with 252 of 292 businesses stating their incorporation date.

3.2 CW Growth Hub – Current Themes

CW Growth Hub Account Managers reported this month:

Local Business Intelligence

- **Manufacturing** – Business owners are keen to get involved with peer-to-peer networking groups to **understand how similar businesses overcome shared challenges, understand more about the latest methods and technologies, and to expose themselves to potential new commercial opportunities.**
- **Interns** – Businesses highlighting the **change in culture** surrounding the employment of interns for short term projects. Companies find that they must pay or incentivise interns in new and different ways to ensure completion and quality of work.
- **Interest Rates** – Volatility and uncertainty around **interest rates is affecting customer buying habits and the commitment to bigger orders** or longer-term deals. In turn, this is affecting cashflow forecasting and the ability to commit to longer-term planning.
- **General Concerns** – Coventry & Warwickshire Growth Hub advisors are frequently hearing concerns regarding:
 - **Retention of staff** and seeking advice around motivating good employees.
 - **Cashflow issues** and best way to manage and mitigate risks.
 - **Lack of reasonably priced and suitable commercial premises.**
 - **Securing high quality apprentices.**

Business Needs and Concerns

- **Net Zero** – **Demand for free energy audits and grants** to support energy saving and environmental projects, such as rain harvesting machinery for heating systems. In addition, solar and lighting projects are more common although businesses are reporting difficulties with contractors and installers.
- **Demand for General support** – C&W Growth Hub Account Managers are frequently asked for general help with **Grant Funding; Mentoring; Marketing; Business Planning, Legal Support; Patents & IP; and Networking.**

Economic Shocks or Opportunities

- **Skills** – Construction and engineering companies voicing their concerns attracting suitably skilled workers. There is an appetite to complete more training of younger people, particularly females, as businesses continue to struggle recruiting newly qualified people, and people interested in traditional fabrication and welding roles. Such businesses are keen to work with local colleges to meet both the current and future demand for skilled workforces.

4. Spotlight: Rehabilitation of ex-offenders into the workplace

This month's Spotlight focuses on the rehabilitation of ex-offenders into the workplace, and outlines some of the available support programmes and schemes. The section also highlights how inclusive employers have benefited from actively employing ex-offenders and the response from businesses working with them.

Introduction

Employment is key to the Government's ambition for rehabilitation. For people with a history of offending, one of the most effective ways of preventing reoffending and improving life chances is to find and keep a job. Offering quality experiences of work, adopting innovative approaches to recruitment, and breaking down barriers to entering work for people from disadvantaged groups can benefit business by tackling skills shortages, building new talent pipelines, boosting retention rates, and achieving higher productivity.

Business Benefits

There are a wide range of benefits for employers who employ prisoners and ex-offenders. These include:

- **Reducing recruitment costs** – By engaging with Government schemes opening recruitment up to prison leavers, overheads can be cut.
- **Reliability and increasing staff retention** – Employers suggest that prison leavers place higher value on obtaining and retaining a job due to their desire to stay out of prison.
- **Diversity, inclusion, and social responsibility** – Employers highlight how recruiting ex-offenders has increased the diversity of their workforce.
- **Resolving skills shortages** – One in three organisations find that they are unable to resolve skills gaps, which can have a negative impact on productivity. As prisons can teach a variety of industry level skills, prisoners can achieve professional qualifications which enable them to fill skills gaps.
- **Improved staff retention** – On, average, prison leavers tend to stay with employers for longer than other employees, which can reduce long-term recruitment costs and staff turnover.
- **Diverse talent pool** – Individuals have a range of life experiences and skills, including English, Maths, ICT, and industry-level qualifications.

Examples of inclusive employers for ex-offenders

- **Iceland** – Iceland Foods has hired 330 former offenders since the launch of its ‘Second Chance’ rehabilitation scheme. Iceland works with prisons across the UK to recruit prison leavers across its nine hundred stores and supply chain. Over the past eighteen months, it has offered roles to 680 ex-offenders, half of whom have gone on to be successfully placed, in roles including store workers and delivery drivers.
- **Tesco** – Tesco has an inclusive recruitment policy and works alongside the Prison Service to find employment opportunities for ex-offenders and people who are in custody.
- **Pret a Manger** – Pret a Manger runs a scheme offering around seventy places a year. The scheme enables individuals to access a three-month work placement within Pret stores which, if successful, can often lead to a full-time job.
- **Co-op** – The Co-op offers a range of different employment opportunities, as well as providing financial education within UK prisons. They also work to help people who are being released to set up bank accounts.
- **Virgin Group** – Virgin Group actively encourages the recruitment of people with convictions in the local community, as well as those who are in custody and are working towards release.
- **Timpson** – Timpson, a leading service retailer covering multiple brands across the UK including Timpson, Max Spielman, and Johnsons the cleaners, employs more prison leavers than any other company. They provide training workshops in prisons that train up to thirty-five apprentices at any one time, with successful applicants going to work in stores. Timpson also helps other employers to employ people with convictions.
- **National Grid** – National Grid operate a Young Offender Programme throughout twenty-two prisons and provide training and employment after offenders are released. They also act in an agency capacity to over eighty other companies they have links with.
- **Compass Group** – Compass Group engage in food services, healthcare, education, and sport & leisure. They offer opportunities to people with convictions and have recently written an open letter to the Financial Times indicating the positive experiences they have had in employing former offenders.
- **Boots** – Boots are one of the founding members of ‘Ban the Box’ in the UK. This is a campaign to encourage the employment of people from all walks of life.
- **Greggs** – Greggs first started working with ex-offenders in 2010, when they visited women’s prisons to build up their employability skills. Since then, they have been

regularly offering opportunities to ex-offenders, claiming that they are among their most loyal employees.

- **Redemption Roasters** – Produce high-end coffee beans and provide training for prisoners in barista skills at HMP YOI Aylesbury. They are now the world’s first organisation to roast coffee in a prison, employing offenders as their production team.
- **Bernard Matthews** – Bernard Matthews works with HMP Norwich to fill vacancies at their turkey processing plant in Norfolk. Bernard Matthews frequently runs recruitment drives due to the business’ rural location and a significant labour shortage in the area.

Ban the Box Campaign

One of the biggest hurdles to securing employment can be the recruitment process itself. Launched in 2013 in the UK, the Ban the Box campaign calls on UK employers to give people with criminal records a fair chance to compete for jobs by removing the ‘tick-box’ from application forms, and instead ask about criminal convictions later during the recruitment process. It encourages fair chance recruitment practices by employers in the UK.

To find more information about the campaign, visit - <https://www.bitc.org.uk/ban-the-box-campaign/>

Supporting Rehabilitation - Available Schemes

There are several Government schemes that bridge the gap between prison and employment. These include:

- **The Future Skills Programme** – This programme helps employers and training providers deliver training to prison leavers as they near the end of their sentence. Those involved are asked to provide a job interview, or offer on release, for those who complete the course.
To read more about the programme, visit - [The Future Skills Programme](#)
- **HMP Academies** – HMP Academies are spaces in prisons, hosted by employers who train people for employment on release. Timpson is one example of a well-established HMP Academy, which mimics their high street stores in a prison setting, and helps prisoners become trained in the services they provide.
More details can be found here - [HMP Academies](#)
- **New Futures Network** – The New Futures Network is a specialist part of HM Prison and Probation Service (HMPPS), which attracts and supports employers to work with prisons in England and Wales.
To read more about the New Futures Network, visit - [New Futures Network](#)

- **Probation Employment Pathway (PEP) scheme** – Launched in Autumn 2023, the PEP scheme helps people with criminal records and those who have been released from prison find employment. The scheme aims to remove barriers to employment that people with convictions may face. For more details about the scheme, visit - [Probation Employment Pathway Scheme](#)

Supporting Rehabilitation - Organisations

There are several organisations that help prison leavers get back to work, including:

- **St Giles Trust** – St Giles Trust provides impartial, client centre employment support for people who have experienced barriers such as homelessness, time spent in prison, mental health, and addiction issues. To know more about the organisation, visit - [St Giles Trust](#)
- **Ex-seed Recruitment Network** – Ex-seed is an employment agency which places ex-offenders into stable employment and supports them to enjoy crime-free and more fulfilling lives. Visit - [Ex-seed Recruitment Network](#)
- **Clean Sheet** – Clean Sheet is a registered charity that offers people with convictions the hope of a better future by finding sustainable employment. Further information - [Clean Sheet](#)
- **Working Chance** – Working Chance is the UK's only employment charity solely for women with convictions. Further information - [Working Chance](#)
- **Novus** – For almost 30 years, Novus has been providing education in prisons, as well as training and support services to adult and youth prisoners. To know more about Novus visit - [Novus](#)
- **Bounce Back** – Bounce Back is a charity and a social enterprise that works with people both inside and outside of prison who may be at risk of or have a history of offending and substance use. To find out more about Bounce Back visit - [Bounce Back](#)

Local Support in Coventry & Warwickshire

- **Fair Chance Employment Programme** – This is an innovative and inclusive programme, led by the Warwickshire Skills Hub, developed with Warwickshire employers to support them in making their recruitment processes more flexible, inclusive, and accessible to a wider talent pool of people who may have barriers accessing the job market. Further information - skillshub.warwickshire.gov.uk
- **Employer Engagement Team** - Based at the Coventry Job Shop, Coventry City Council's Employer Engagement Team provides a free bespoke recruitment, training, and wellbeing service. In addition to recruitment activities, the Employer

Engagement Team supports employers increase their productivity through evaluating employee wellbeing, with additional support to sign up to the West Midlands Combined Authority's 'Thrive at Work' Charter. For more about the team, visit - [Employer Engagement Team](#)

- **HMP Onley** – HMP Onley is a Category C Training and Resettlement prison with an operational capacity of 742, for male sentenced prisoners. There are further plans to develop the site from 2024, which will result in a population increase to over 1,000 prisoners.
 - **Release Areas** – Approximately 60% are released back to the London area, and 40% to central Midlands.
 - **HMP Onley operates an education scheme for inmates at the prison.** This includes Maths and English, ICT and ESOL.
 - **Onley also delivers a range of vocational training courses in a range of sectors including:**
 - Dri Lining and Skimming training Academy qualifications City & Guild (C&G) Level 2
 - Concrete Workshop (which includes Forklift Truck qualification)
 - Construction Skills Certification Scheme (CSCS) cards
 - Railtrack Personal Track Safety (PTS) L2
 - Painting and Decorating Workshops qualifications C&G L2
 - Joinery
 - Bricklaying Workshop qualifications C&G L2
 - Bike Repair workshop Cytech L3
 - Barista C&G L2
 - Food Preparation C&G L2 NVQ
 - Food Safety
 - Barbering C&G L2
 - Horticulture qualifications C&G L2
 - Industrial Cleaning Workshop offering Waste management and cleaning qualifications.
 - New training Academies for 2024 include:
 - **Greene King Training Academy** - HMP Onley was accepted as a Greene King Academy and will be working to provide employment on release opportunities after its launch in November.
 - **Call Centre** – commercial contract due to open in October.

For further information, please contact Theresa.Salisbury@justice.gov.uk or Gemma.Glass@justice.gov.uk

Best Practice for Employers

The Centre for Mental Health worked with partner organisations supporting offenders and ex-offenders into employment to analyse effective and best practice. This includes:

- Employers should play an instrumental role **in creating and developing opportunities for paid work for offenders.**
- **Recruitment needs to be pragmatic**, based on attitude and ‘character’ rather than qualifications or health status.
- **Support should be offered to employees and their managers.**
- **Opportunities for ‘pre-employment’ and ‘in-work’ skills development** should be linked to realistic employment opportunities.
- Criminal justice and other statutory agencies should **facilitate effective pathways and access to real work and appropriate skills development** while offenders are in the criminal justice system

Responses from businesses already working with prisoners and ex-offenders

James Timpson, Chief Executive of Timpson, said:

“When I first started employing people from prison my biggest concern was what people would think – and that’s not just colleagues I work with, but also our customers. Far more people come to our shops because of what we do and see it as a really positive thing.”

Max Dubiel, Founder of Redemption Roasters, said:

“Setting up the roastery was actually not as complicated as we thought. We have had so much support from HMP Aylesbury itself and from the Ministry of Justice that we managed to get it on the road pretty quickly.”

Nicky Fisher, Head of the Pret Foundation Trust, Pret A Manger said:

“Pret has been working with both Working Chance and Novus for several years to take ex-offenders on to our Rising Stars Programme. We see this as an excellent talent pool with many Rising Stars enjoying a great career within Pret.”

Andrew Sherwood, HR Director at Bernard Matthews said:

“I would recommend working with ex-offenders. Our experience has been that the people who come to work with us have been loyal and hard-working. Many of them have moved on to become machine minders or forklift drivers. It’s a fantastic opportunity for them and it’s great for us as well.”

Conclusion

Having a stable job is a critical part of a prison leaver’s journey back into society. Employment after release equips prison learners with independence, earning power, a structured routine, social contact, and a sense of purpose and direction, as well as providing business benefits for employers.

5. Recommendations

October's Golden Recommendation:

There is a need for sustained and improved investment in the local and regional business support ecosystem beyond March 2025. A simplified and innovative business support framework, with a commitment to building and evolving it over at least the next decade, will help underpin the new Government's growth agenda.

The following recommendations have been derived from analysis of macro-economic and business-level data and intelligence collated from Coventry & Warwickshire stakeholders. We begin with short-term recommendations:

a. Short Term

5.1.a – The long-term uncertainty facing business support funding needs addressing.

UKSPF is due to end in March 2025, and plans for the successor fund need to start swiftly. Moreover, these need to include clarity on future funding for Growth Hubs, currently being sought from Government through the Growth Hub Network.

5.1.b - Successor funding needs to improve on the experience of UKSPF, and have flexibility to cover wider geographical areas, such as being Coventry & Warwickshire-wide.

The funds need to better finance both account management type business support, as well as a sufficient range of targeted support programmes that will enable business growth, innovation, and deliver the sustainable growth of priority economic sectors/clusters in our local economy from next March.

5.1.c – To further facilitate investment in training, Government should make longer-term funding available for Local Skills Improvement Plans (LSIPs) and the skills improvement agenda.

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.**

b. Medium Term

Further initiatives that would help the local economy and the labour market in the medium term include the following recommendations:

5.2.a – A third of businesses suggest that they are unable to address skills gaps in their workforce, according to the Chartered Institute of Personnel and Development (CIPD).

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 such challenges.

5.2.b – The new Government is urged to continue at pace with the fullest devolution of powers to local areas across the country, 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.

5.3.c – The Made Smarter programme in the West Midlands has proved a success in driving digital transformation amongst SMEs across the region in recent years. The new Government is urged to deliver on the commitment to continue with the roll-out of Made Smarter nationally, to ensure it builds on manufacturing competitiveness, innovation, and longer-term growth.

c. Long Term

Businesses and the economy would benefit if both central government and local stakeholders support these long-term recommendations:

5.3.a - Providing high quality support to businesses should be seen as a strategic intervention in both short and long-term economic recovery and success. It is essential we keep pace with our competitors but in a landscape that is crowded, confusing, and often supplier led, we need to reduce the fragmentation in the business support system. **Taking a longer-term view on support will help give businesses the stability they need and underpin the new Government’s focus on growth as part of its forthcoming Industrial Strategy.**

5.3.b – 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.

5.3.c – 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 that will emerge through the Industrial Strategy. This needs 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.