



Sub-Regional Covid-19 Business Intelligence

July 2021

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1. Executive Summary

Welcome to the July edition of the Coventry & Warwickshire Smart Region report. This month our spotlight theme is the Tourism & Hospitality sector, with a focus on the re-opening of more of the sector locally. **And we welcome Helen Peters, CEO of Shakespeare's England, who shares first-hand insights on the challenges and opportunities facing the sector.**

Whilst the full economic impact of the pandemic may not be fully understood for some time, (if ever), as usual we present what we know right now, through a range of the latest economic data, statistics, and business intelligence.

The wider recommendations and findings in this month's report are based on intelligence gathered from CWLEP Growth Hub's contacts with local businesses, alongside survey data and information provided by Coventry City Council, Warwickshire County Council, and CWLEP.

Other sources include the Office for National Statistics, Beahurst, organisations such as the Tourism Alliance, and other research bodies with an ability in labour market analysis.

Key Headlines

- In June 2021, **the claimant count in Coventry & Warwickshire totalled 30,110 people.** At the start of the pandemic, in March 2020, the claimant count stood at 15,830.
- **The falls in the claimant count over the past few months give signs for optimism** as the local economy continues to reset, re-open, and recover.

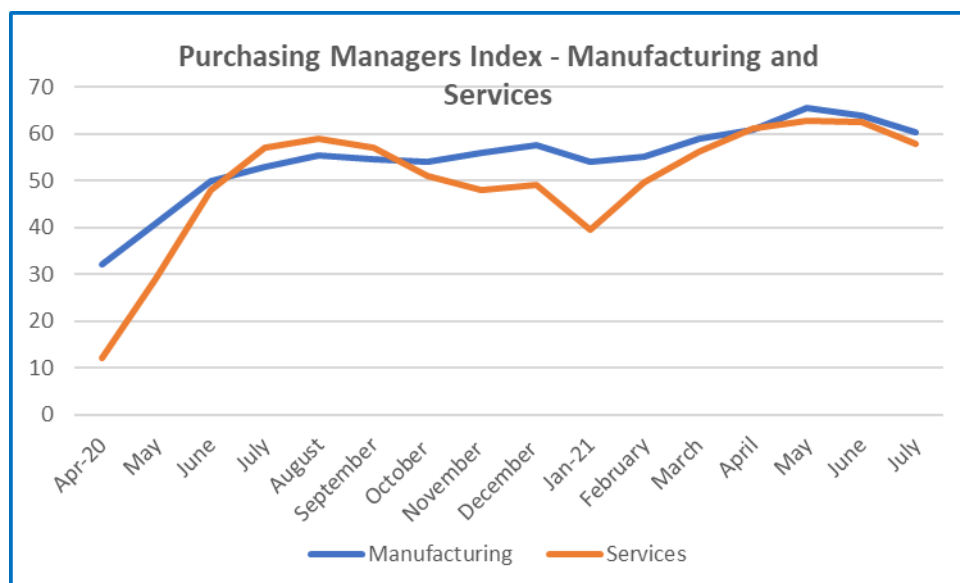
Area	March 2020	June 2020	April 2021	May 2021	June 2021
Coventry	8,000	15,825	16,995	16,075	15,695
North Warwickshire	845	1,980	1,960	1,770	1,610
Nuneaton & Bedworth	2,830	5,185	4,990	4,720	4,520
Rugby	1,535	3,135	3,065	2,880	2,735
Stratford-on-Avon	1,050	2,955	2,965	2,715	2,475
Warwick	1,570	3,560	3,585	3,295	3,075
Warwickshire	7,830	16,815	16,565	15,380	14,415
CWLEP	15,830	32,640	33,560	31,455	30,110

Source: Office for National Statistics

- Nationally, the claimant count stood at **2,325,510 in June 2021, compared with 2,590,175 twelve months ago.**

The Office for National Statistics (ONS) also reported that:

- **The number of payroll employees showed another monthly increase, up 356,000 in June 2021 to 28.9 million.** However, it remains 206,000 below pre-coronavirus pandemic levels. For the first time since the beginning of the pandemic, some regions are now above pre-pandemic (February 2020) levels – although not the West Midlands as yet.
- During the quarter March to May 2021, there was an **increase in the employment rate of 0.1 percentage points, to 74.8%, and a decrease in the unemployment rate of 0.2 percentage points, to 4.8%.**
- With the relaxation of many coronavirus restrictions, total hours worked increased on the quarter, however it is still below pre-pandemic levels. **The redundancy rate decreased on the quarter and has returned to pre-pandemic levels.**
- **There were 862,000 job vacancies in April to June 2021 – 77,500 above its pre-pandemic level in January to March 2020.** All but one industry saw quarterly increases in their number of vacancies.
- The overall picture with the labour market is **becoming generally more optimistic, although many uncertainties remain – and not all of these are pandemic related issues.** These are explored further in Section 3.
- **This uncertainty is also being reflected in business confidence.** The **Purchasing Managers Index (PMI) for manufacturing fell to 60.4 in July**, from 63.9 in June (a figure above 50 represents growth). Likewise, **for services the PMI also fell, from 62.4 in June to 57.8 in July.**



Source: The Markit/CIPS UK Services PMI (Purchasing Managers' Index)

2. Latest Economic Trends

2.1 Economic Trends

UK GDP grew by 0.8% in May, which was short of the 1.5% that the ONS had predicted. Growth in April was also revised down from 2.3% to 2.0%, and the economy remains 3.1% below its pre-pandemic peak. Services grew by 0.9% in May, but there were contractions in manufacturing and construction of 0.1% and 0.8% respectively. Automotive manufacturing has been slowed due to the worldwide shortage of semi-conductors, and a general shortage of building materials continues to hamper the UK construction industry, both in terms of supply chain disruption and price increases.

Concerns are growing about inflation, which [last month reached 2.5%](#), its highest level for almost three years. KPMG forecast inflation to peak at 3.0% by year-end.

A new WM-REDI report also highlights the scale of the regional challenge on economic recovery, given that the West Midlands encountered the largest contraction of all regions in 2020. However, the region's economy is expected to grow by 9.5% in 2021, the highest outside London and the South-East.

Although the West Midlands attracted the highest number of Foreign Direct Investment projects of any UK region outside London and the South-East in 2020/21 (145 projects creating 4,443 new jobs), [newly published data from ONS](#) shows significant disparities that still need to be addressed in the value of FDI and the value of each job created in many UK regions, relative to London and the Greater South-East. Significant further investment in the land, transport and digital infrastructure as well as the business, innovation and skills support ecosystems will be critical as enablers in the government's 'levelling-up' ambitions.

Locally, CW Chamber of Commerce reported in its Q2 2021 Survey that business confidence in the region had risen by ten points compared to the previous quarter, standing at 63.2. The service sector rose by 8.6 points to 61, while manufacturing also showed a significant improvement rising by ten points to 65. Services also saw a rapid increase in domestic orders (44.1 to 59.5), whilst manufacturing orders remained in positive balance at 51.3 and overseas orders increased to 57.1 (from 48.9 in Q1). Overseas orders remain in negative balance for Services at 43.5. Newly emerging uncertainties are likely to start appearing in the Q3 results.

2.2 Sector Insights

Retail - The British Retail Consortium, suggest retail sales for June were 13.1% higher than in the same month in 2019, and sales in Q2 this year overall were 10.4% higher than for the same period two years ago. However, the BRC warned of challenges ahead with businesses continuing to play catch-up from lockdown and city centres

still suffering from low footfall caused by working from home and a lack of international tourists.

Aviation - [Ryanair announced](#) it carried 5.3m passengers on 38,000 flights in June 2021 - a significant improvement on the 400,000 passengers it carried in June 2020. However, aviation and sectors dependent on international visitors (e.g. tourism and conferencing) continue to encounter challenges presented by international travel restrictions.

Automotive - [Nissan announced that it would be building](#) a Gigafactory in Sunderland in conjunction with Chinese manufacturer Envision and some Government investment (total investment of £1bn), to be operational by 2024. [Vauxhall also announced](#) a new £100m investment to build electric cars and vans at Ellesmere Port, which would be the first exclusive electric vehicle plant in the UK. Along with planning permission being granted for the BritishVolt site in Blyth, there is a need to support further Gigafactories across the UK, including the massive opportunities in building a Gigafactory at Coventry Airport.

Manufacturing - Make UK is warning of the impacts that staff having to self-isolate is having on manufacturing businesses. They warn that in some cases, 20% or more of the workforce is having to be absent from work due to being instructed to stay at home and self-isolate by the NHS Test and Trace app, despite testing negative for Covid-19.

2.3 International Trade

It has been more than six months since the Trade and Cooperation Agreement with the EU was introduced and industry bodies have identified numerous ongoing challenges. All of this emphasises the need for continued and expanded support to businesses to adapt to the changing international trade environment, and maximising cross-referrals to specialist support providers, such as WM Chambers' Export Academy.

Other headlines:

- British Chambers of Commerce [found that in Q1, 41% of its members had reported a fall in export sales](#). It warned that there were still many issues on skills shortages in light of the number of EU nationals that had left the UK, and labour mobility that need to be addressed.
- A [Financial Times](#) survey highlighted 17% of UK companies that previously traded with the EU have stopped since the start of the year, 31% indicated new barriers since 1/1/21 had a negative impact on commerce and just 6% reported an increase in trade. Moreover, two-thirds of companies said the new UK customs controls would have a negative effect on trade when they were implemented in January 2022.

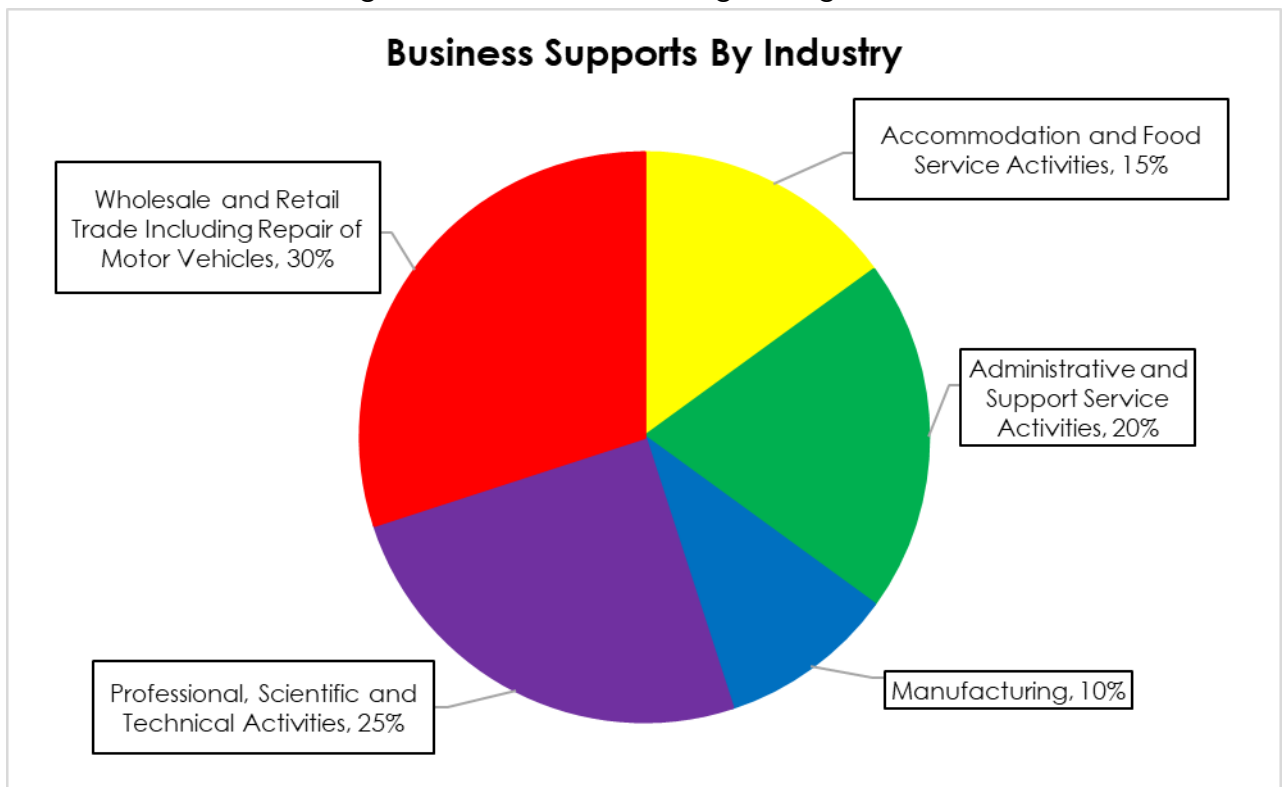
- Make UK reported [that 96% of manufacturers have reported challenges](#) in dealing with the new trading environment, and over one third of those still reporting on-going challenges with customs, primarily small and medium sized enterprises (SMEs).
- The newly-formed cross-party UK Trade and Business Commission [has urged the government to increase funding](#) for small businesses hit by post-EU Exit red tape. Midway through June, only £4.3m of the government's £20m Brexit Support Fund had been allocated to businesses, with applications for the fund now closed.
- The Chancellor has [confirmed](#) that the UK had not been able to strike a post-Brexit deal with the EU over the standardisation of financial services across the bloc. There are fears this could have a negative impact on the financial services sector and a knock-on effect with the wider economy.

3. Latest CWLEP Growth Hub Insights

3.1 CWLEP Growth Hub – Trends

Since the start of the pandemic in March 2020, the **CWLEP Growth Hub has supported 4,199 businesses and has had substantive discussions with 1,653 businesses specifically related to Covid-19 impact and EU Exit.**

This month's business insights are taken from intelligence gathered in **June 2021**.

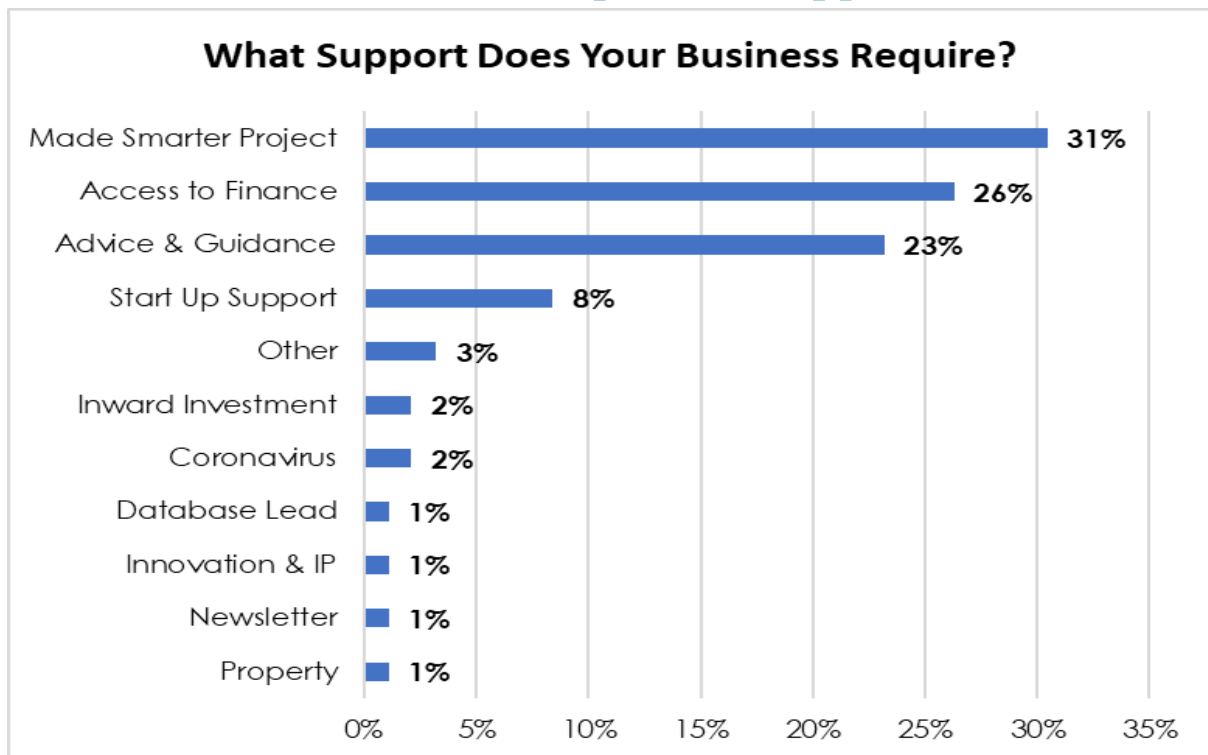


The top sectors supported by the CWLEP Growth Hub were **Wholesale & Retail Trade inc. Repair of Motor Vehicles (30%)**, followed by **Professional Scientific & Technical Activities (25%)**.

The volume of businesses from the **Wholesale & Retail Trade and Manufacturing sectors** seeking help reflects the high levels from these sectors that local business support systems have traditionally aided.

The size profile of the businesses supported over the past month consisted of **30% sole traders; 60% micro businesses (2-9 employees); and 10% small businesses (10-49 employees)**. There was an **increase in micro enterprises** and **decrease in sole traders and small enterprises** approaching the CWLEP Growth Hub compared to last month. Some 20% of all respondents came from businesses that started trading in either 2020 or 2021.

3.2 CWLEP Growth Hub – Enquiries & Support



The **Made Smarter Project** was the most popular reason for support over the past month. As clients have many different and complex business needs and wants, there is a spread across other enquiry types too. There was a high proportion of businesses highlighting **Access to Finance** and **Advice & Guidance** as their main support requirement, which could also have led to additional help around **Marketing support, Business rates, and Tax & legal issues**.

Finally, it is worth noting that whilst advice and guidance is always a key requirement from businesses seeking support from the CWLEP Growth Hub, there remains a proportion of businesses seeking advice about **Coronavirus Recovery & Restart support** and **Inward Investment**.

3.3 CWLEP Growth Hub - Themes - 'A Perfect Storm'

This month's round-up features themes discussed by the Coventry & Warwickshire partnership of Business Support providers, which includes CWLEP Growth Hub, Coventry City Council, Warwickshire County Council, Coventry & Warwickshire Chamber of Commerce, DIT, Federation of Small Businesses, and the Coventry & Warwickshire Reinvestment Trust, who meet every week to monitor key and emerging issues, challenges, and opportunities for the local economy.

A number of underlying issues in the economy are being monitored by the group, and one growing concern is that the range of issues are now merging into a 'Perfect Storm', threatening reset and recovery in the region during the remainder of 2021.

In no specific order:

Supply Chain difficulties – a range of product and raw material supply problems are being reported across multiple sectors, ranging from food shortages, fertiliser, construction materials, wood, steel, and aluminium, through to semiconductors. At best this is resulting in supply delays, and at worst significant price increases or even lack of supply resulting in halted production.

Movement of Goods – this is a major contributor to the supply chain problems above, with many businesses reporting ongoing major difficulties moving goods, via both import and export. Contributing factors include post-EU processes, increased time delays and costs (some HR driven) that businesses now incur with the need to complete customs and VAT declarations post EU exit, lack of availability and major price hikes in shipping containers (including ongoing impacts following the Suez Canal 'Ever Given' incident), and staff shortages at ports.

Labour and Skills shortages and mismatch – well documented shortage of labour, both skilled and semi-skilled. Whilst vacancies now exceed pre-pandemic levels, many employees remain on furlough, with businesses who are unable or struggling to build back to pre-pandemic levels. At the same time businesses who are recruiting are receiving applications often unsuited to advertised roles, whilst other employers are struggling with insufficient numbers of applicants to meet business demand.

Self-Isolation rules – compounding the labour and skills shortages and mismatch problem above, there are now record levels of workers being instructed to self-isolate by the NHS Covid-19 Test & Trace App, as the numbers of positive cases has increased over recent weeks. Often these workers are testing negative.

This is also contributing to re-opening plans being disrupted for many businesses of all sizes, with some having to reduce hours or services and some being forced to close.

Phasing out of Government support – with the phasing out of schemes such as CBILS, BBLS, Furlough, as well as the end to deferred HMRC payments, the issue of low working capital and high debt levels is now coming to the fore, and is being compounded with the issues highlighted above, to add to business closures, increasing at a now concerning rate.

Issues relating to end of Covid-19 restrictions – whilst strictly not an economic issue, many businesses flagging concerns relating to end of restrictions, including the shift in legal responsibility from Government rules in law, to the businesses and individuals themselves, for the health & wellbeing of their staff and customers. Consumer facing sectors such as retail and hospitality are raising concerns and issues relating to the wearing of masks, fall in consumer confidence, and footfall plateauing.

As no two businesses are the same it's crucial that firms have the flexibility to implement rules that work for them, including where the wearing of face masks and coverings are concerned. The FSB is urging shoppers, diners, and revellers to respect the house rules of every business when they are .

<https://www.fsb.org.uk/resources-page/respect-house-rules-small-businesses-urge-consumers-ahead-of-monday-re-opening.html>

Business and consumer confidence – Currently, there appears a distinctive shift in confidence in recent weeks, from the optimism high in May and June as restrictions started to be eased and Covid-19 cases were relatively low, to a great deal of concerns expressed now as restrictions are being fully relaxed at a time when cases had grown again, combined with the other impacts highlighted. This is resulting in a sense of instability and uncertainty for many businesses, workers, and consumers.

Next steps

The Growth Hub Account Management and Navigators team are continuing to gather evidence from their customer base, and a survey is being finalised, focusing on key issues such as supply chain problems and labour shortages, to gain more local intelligence, experiences, and insights from local businesses.

These issues are being reported to BEIS, in the weekly business intelligence reports to them. Through discussions at West Midlands meetings, and national BEIS Growth Hubs meetings, it is clear that these issues are not local to CW, albeit the degree of impact of each issue is varying between local areas.

In addition, evidence from the wider group of partnership business support advisers across Coventry & Warwickshire will continue to feed into our CW Smart Region report over the coming months.

4. Spotlight: CW Tourism & Hospitality Sector

4.1 Sector Update

Since the last Smart Region Report Tourism & Hospitality Spotlight section in October 2020, Coventry & Warwickshire's local business support organisations have provided a wide range of financial support to those businesses, including:

- almost £1.5m in Warwickshire County Council's [Adapt & Diversify](#) Scheme,
- almost £200,000 specifically to businesses in the visitor economy from the ERDF Specialist Grants awarded through the CWLEP Growth Hub, and
- over £3m lent to businesses in this sector by CWRT.

These are in addition to capital investments that have created conditions for the visitor economy to flourish, including the £45m into Coventry City Centre public realm redevelopment projects, and £86m into the Coventry Railway Station Masterplan.

For a full breakdown of financial support given to Coventry & Warwickshire businesses throughout the course of the pandemic, please see our [March 2021 Smart Region publication](#).

4.2 Context

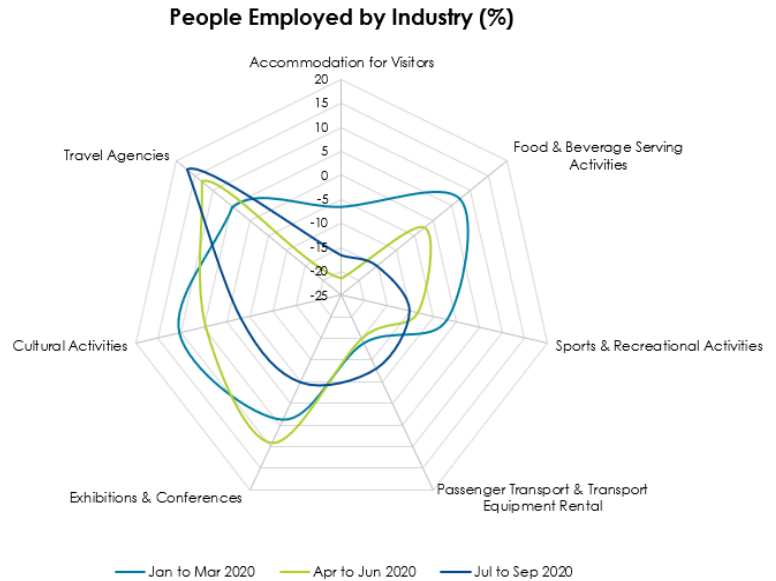
Over the past 15 months, a range of evidence has shown that the Tourism & Hospitality sector has been more adversely affected by Covid-19 than any other sector. Businesses had to reopen later than any other sectors and had to operate under restricted capacity for many months. The sector has faced ongoing fixed costs, persistent low revenues and dwindling cash reserves and potential closure of businesses. Small tourism and hospitality firms carrying some form of debt has risen from around 60% pre-Covid times to 77% post-Covid, meaning firms across the sector are also accumulating debt.

According to data by the Tourism Alliance, over four-fifths of Tourism & Hospitality businesses had to close at some point during the pandemic, compared to a quarter of businesses in all sectors. Also, around three-quarters of tourism employees have at some point been furloughed, compared to just over a quarter of employees across all sectors. Furthermore, tourism businesses also faced financial disruptions such as the sharp decrease in inbound expenditure (international visitors), dropping from £28.5 billion to £6 billion. This was the same for domestic expenditure as it decreased by around two-thirds (from £91.6 billion to £34.4 billion).

The number of visitors from overseas countries made just over 11 million visits to the United Kingdom throughout the pandemic - this was three-quarters lower than pre-pandemic levels.

4.3 Labour Market

The Tourism & Hospitality sector faced high level of job losses and redundancies as the pandemic took hold. The chart shows how the profile of employment changed over the first nine months of 2020, to highlight how the importance of different activities increased or decreased within the sector.



The pandemic not only caused shortages of visitors in the Tourism & Hospitality sector but also brought challenging operational and practical changes to be rapidly adopted around hygiene and social distancing, with new training and skills demands for staff. Many hospitality venues, for example, had to operate under limited capacity due to social distancing, and staff needed to be confident in implementing new ways of working. In addition, it has been estimated that hotels (with around 250 beds) will face an extra £100,000 in costs per year if they need to implement new Covid-19 cleaning protocols, according to Optii Solutions.

4.4 Business Tourism

During the pandemic, many workers switched to working from home where they could, and employers changed their policies and practice around business travel and tourism. City centres, in particular, have been negatively affected by these changes. Entertainment, cultural, retail, and hospitality business have been affected heavily by the shift to online business events, conferences, and meetings.

4.5 Tourism & Hospitality Recovery Plans

The Government has launched the Tourism Recovery Plan to encourage greener, innovative, and more resilient hospitality and tourism businesses, and to help grow the Tourism sector back to pre-pandemic levels. First objectives for this were to get the sector reopened safely and provide businesses with the support they need to be able to return to financial stability. Measures included the VAT cut for Tourism &

Hospitality, and business rates relief. Other measures proposed include introducing a spending voucher scheme, and domestic tourism rail products to increase demand.

The Government's Hospitality Strategy, launched on 16th July 2021, will support restaurants, pubs, cafes and nightclubs to reopen, recover and become more resilient. Key measures in this strategy include:

- Exploring how vocational training can support careers and skills in the sector including apprenticeships, bootcamps and other qualifications to raise the profile of careers in hospitality.
- Supporting businesses to achieve Net Zero targets by reducing emissions, waste, and single use plastic consumption.
- Establishing links with Innovate UK and other innovation bodies and programmes.
- Supporting the sector in achieving innovation and productivity by using management training such as Help to Grow: Management that will strengthen the sector's digital and management skills.

4.6 Guest Q&A - Helen Peters, CEO, Shakespeare's England

We invited a local leader from the Tourism & Hospitality sector to give us some up-to-date insights and experiences of what has been happening in the sector locally.

We started by asking Helen what impacts Covid-19 has had on the Tourism & Hospitality sector in Coventry & Warwickshire?

"Right from the beginning the Government recognised that Stratford was likely to be the fifth most impacted local authority in the country from Covid-19, due to the importance of both Tourism and the Automotive industry to our local economy.

The hospitality industry was the first to be forced to close and has been the last to re-open. Even now there are mixed messages regarding "Freedom Day" as case numbers have risen recently, and businesses are very aware that to re-grow confidence in both staff and customers, they potentially need to keep many of the mitigations in place like social distancing and the wearing of face masks and coverings.

International visitors had represented roughly 30% of the visitor base. We are unlikely to see many international visitors back until 2022, but VisitBritain anticipate it being 2024 before we realistically return to pre-pandemic levels. Increases in domestic visits via Staycations and Daycations will help, but international visitors on average spend three times that of a domestic visitor, so the negative economic impact will still be significant."

What steps have been taken to recover and encourage visitors back into the sub-region?

"Throughout the pandemic Shakespeare's England's focus has shifted far more towards local and domestic visitors. During the first lockdown we were running social media campaigns initially asking local people to share their favourite images of local places, walks, hidden gems, and other local treasures, so that we could inspire people on their daily allowed walks. We were also sharing any digital or virtual content our attractions had both domestically and internationally to keep interest up and inspire for the future.

When we came out of that lockdown we launched **#discoveryourdoorstep**, to keep people local but re-engage them with those places they had almost forgotten or not visited for years. Maybe they last went as a child, or some time ago and not visited since.

In summer 2020 when we were allowed to stay away from home and specifically around Father's Day, we were encouraging people to take their dads for an overnight stay at the B&B or hotel at the bottom of the road. As restrictions eased further, we extended this to include **#meetinthemiddle**. What better place to meet up with friends and family who you have not seen for months than the 'middle' of the country, i.e. Warwickshire!"

What is unique/important about tourism in Coventry & Warwickshire?

"The most obvious one for this year is Coventry as the UK City of Culture, originally due to kick off 1st January the launch was delayed until 15th May 2021 but is now in full-swing with a whole host of cultural activities going on every week through until May 2022 and happening right across Coventry & Warwickshire.

This will be followed soon after by the Birmingham Commonwealth Games. Although the Games are predominantly taking place in and around Birmingham the Coventry Building Society Arena (formerly the Ricoh) will be hosting the Wrestling, Judo and Rugby Sevens. The road Cycling will start and finish in St Nicholas Park, Warwick and both the Lawn Bowls and Para Bowls take place in Victoria Park, Leamington Spa.

Then you just need to throw into the mix Stratford-upon-Avon as the birthplace of Shakespeare, our 1,100 year old castle – Warwick Castle, the wonderful English Heritage site of Kenilworth Castle, the British Motor Museum at Gaydon and the Motor Museum in Coventry, Butterfly Farm MAD Museum, the home of the game of Rugby, the birthplace of George Eliot, an amazing canal and waterways infrastructure supporting boating, cycling, and walking, fantastic food and beverage including the Michelin starred Cross Restaurant in Kenilworth, and I think

we show we are not only full of USPs but we're an amazing destination to cover all tastes."

The CWLEP Strategic Reset Framework recognises the importance of Tourism & Hospitality to the sub-region. What would be your message to local and regional business leaders?

"The latest Tourism Economic Impact Assessments for both Shakespeare's England (South Warwickshire) and Warwickshire as a whole, say it all. The headline figures business leaders need to be aware of about the importance of our sector are:

	Warwickshire	Shakespeare's England
Annual Visitor Numbers	16.4 million	10.5 million
Total Tourism Value	£1.3 billion	£805.3 million
Employment	23,858	14,409
% of Workforce	7.4%	10.7%

It is a sector that is so often overlooked but is a huge contributor to UK GDP.

If you could suggest up to three recommendations to help the sector, what would they be?

1) Proper long-term funding for the visitor economy with all local authorities providing % grant funding for their Destination Management Organisation, proportionate to the economic impact tourism drives to their area.

2) Having a designated Secretary of State for Tourism, Hospitality, Culture – The Visitor Economy. Currently this is covered by DCMS, BEIS, and the Department of Transport, which results often in a lack of clarity and no coherent overarching strategy for our sector.

3) Make it an 'aspirational career choice' recognised by the red-brick universities and industry alike. A career in Travel & Tourism is not about waiting tables or changing beds, it is about being the Global Marketing Director for Merlin Entertainments Group, CEO of BA, Head of Procurement for Hilton Hotel Group, or heading up our National Tourist Board responsible for driving in excess of 44m visitors a year to UK with a spend power of £257bn, responsible for 3.7m jobs and 9.9% of GDP by 2025 (pre pandemic targets)."

Our thanks to Helen Peters for her insights.

More information can be found at: <https://shakespeares-england.co.uk/>

5. Recommendations

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

a. Short Term

5.1.a

In response to issues raised in the 'Perfect Storm' analysis (Section 3), local leaders should identify any further additional actions that could be quickly implemented to further assist and support local businesses in the current economic climate.

5.1.b

Following the Government's recent announcement around the new Hospitality Strategy, more clarity is required on the tangible outcomes of the strategy Taskforce.

Business support organisations will require a clearer idea of what the Government wants the future of hospitality and tourism to look like and the type of wraparound support that should be available in the short (as well as medium and long) terms.

5.1.c

There is an urgent need to address the staff shortages, both short-term and longer term, that the hospitality sector is currently facing.

In the shorter term, the **current issues with staff having to self-isolate is particularly problematic for the hospitality sector**, as they already experiencing staff shortages due to the ongoing issue of difficulty recruiting new members of staff. **Many previous staff members had moved on to different sectors during the pandemic lockdown(s)** and the prospect of a job in the hospitality sector might now be seen to be less stable than one in another sector, or less fitting with personal circumstances.

A strategy for attracting and retaining new employees is required for many hospitality businesses currently struggling to recruit sufficient staff levels to fully operate. This recent news story from [Coombe Abbey](#), highlights these concerns.

5.1.d

Clarity and support are required for businesses around requesting proof of vaccination or a negative covid-19 test before permitting the public to enter certain venues. This is particularly pertinent for those businesses who have just reopened in the hospitality sector, as the footfall is desperately needed, but must be balanced with the need to remain safe and as Covid-secure as possible.

Businesses need to know what exactly constitutes a space becoming 'crowded' and the level of ventilation that is required to be safe for those indoors, as some examples, as well as suitable staff training to handle new customer situations.

5.1.e

Given the lockdown continued further into 2021 than envisaged, there remains the **potential for increasing unemployment in the summer** and later this year - with further rounds of redundancies possible as the employment support schemes finally end, and there is a tail-off for hospitality businesses after the peak season, even if this is extended into the autumn.

Partners in the region can support enhanced promotion of the Employment Solutions portal, supported by CWLEP and other local partners, to promote current and future job opportunities to both local jobseekers and employers.

Visit cwemploymentsolutions.co.uk/

5.1.f

A focus on **training and reskilling for younger workers in particular will be needed short-term**, to help reduce unemployment levels over the summer and later this year.

Investment in digital skills should be encouraged, given the large number of businesses still without an active internet presence, during a time in which businesses will need to continue operating virtually in some capacity for the foreseeable future.

A specific focus should also be placed on those in need of training who are ineligible for Kickstart.

5.1.g

We have a clear opportunity throughout the rest of the summer and autumn 2021 to restart the visitor economy, especially with the commencement of the City of Culture programme since mid-May. **A clear strategy on how to navigate the potential barriers, such as the current international travel restrictions, will ensure that the move towards our local economic recovery is not unnecessarily stifled.**

A locally focused consumer confidence campaign could help to boost tourism in the CW economy, as we move out of this phase of the pandemic.

5.1.h

Support FSB's call for customers to respect the "House Rules" which many businesses have had to implement to allow for a safe reopening, especially those in the hospitality sector.

5.1.i

Consider a recognised extension to the more usual tourism season in order to give tourism and hospitality businesses as much opportunity as possible to recover some of their losses from earlier in the pandemic.

b. Medium Term

Added initiatives that would help the local economy and the labour market in the medium term could be led by Government and include:

5.2.a

Further to 5.1.f, **a new strategy is required to encourage visitors to stay in tourist spots for longer periods of time.** There is a difference between the spend generated by international visitors, as opposed to domestic visitors who should be encouraged to stay longer and spend more, to help to start to make up this shortfall.

5.2.b

Consider maintaining the 5% VAT level for tourism/hospitality businesses until at least April 2022, to give these businesses the best chance of survival/success possible, as called for by the FSB and other business support organisations.

5.2.c

Continue **vaccine rollout and enhancing facilities for increased regular workplace and community-based testing,** to sustain safe working environments for businesses in the region.

5.2.d

Better promotion of local, regional, national, and international initiatives and opportunities to expand trading relationships within the UK and helping to better utilise UK suppliers, in addition to highlighting the benefits of expanding markets globally. Services such as Coventry & Warwickshire's [FinditinCW](#) can help businesses to find new suppliers locally and build relationships.

5.2.e

Work alongside banks/lenders and other financial and business support institutions to explore ways to relieve the volume of debt in all sectors. This will ensure diversification, investment, and growth are not held back for longer than necessary.

5.2.f

Given the likelihood of some form of continued homeworking for many businesses in the sub-region, **an increased focus on cyber-security should be encouraged.**

Also, as a result of continued homeworking, employers should look to conduct **research into the working set-up/equipment/environment of their employees working from home, in an attempt to minimise any longer-term negative impacts** on their employees' health and wellbeing.

Looking ahead, **the provision of the equipment necessary to work from home will become an added expense for employers to consider.** Inconsistencies in the rollout

of broadband remain across Coventry & Warwickshire, which also needs to be addressed.

5.2.g

As mentioned in the FSB's recent report 'Menu for Recovery', the government may wish to create Hospitality Enterprise Zones (HEZs) in England. HEZs are locally defined areas in which small businesses can receive incentives to take over vacant spaces. They would be centrally funded through the Shared Prosperity Fund and locally delivered by LEPs.

C. 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

Conduct market research to explore the best ways to further address the issues businesses are facing following Covid-19 and post EU Transition period.

5.3.b

Drive and support initiatives to upskill the workforce, to promote diversification and boost the labour market in many sectors as the reset of the local economy occurs, including the **promotion of 'good work' opportunities and sustainable growth which reduces economic inequalities**.

A focus on training and reskilling for all age groups will be needed long-term, to help reduce unemployment levels post-pandemic.

5.3.c

Create and implement a clear and compelling presence for 'Coventry & Warwickshire' to showcase the offer from our local area, to be used to attract future inward investment to the sub-region and deliver against our Strategic Reset Strategy.

Building a strong and consistent branding and messaging style will help to strengthen the presence for Coventry & Warwickshire.

5.3.d

To further help businesses survive and grow, **further investment in innovation is required**. It is apparent from the last 12-18 months the **positive effect that diversification can have on a business that might otherwise have struggled**, therefore, this should be encouraged where possible.

