



# Coventry & Warwickshire Business Intelligence

February 2022

## Contents

.....	0
1. Executive Summary .....	2
2. Latest Economic & Labour Market Trends .....	3
3. Latest CWLEP Growth Hub Insights.....	7
3.1 CWLEP Growth Hub – Support & Enquiries.....	7
3.2 CWLEP Growth Hub – Themes .....	8
4. Spotlight: The Levelling-up White Paper.....	11
4.1 What is Levelling-up?.....	11
4.2 Policy Objectives - 12 Levelling Up Missions .....	11
4.3 Levelling-up Capitals Framework .....	12
4.4 Devolution Powers to Mayors and Local Leaders .....	13
4.5 Future Government Funds .....	14
4.6 Q&A with Sarah Windrum, Chair, CWLEP .....	15
5. Recommendations .....	19
a. Short Term .....	19
b. Medium Term .....	19
c. Long Term.....	20

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

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

More economic data and indicators about the Coventry & Warwickshire economy can be found on our Smart Region Economic Recovery Dashboard: [CW Smart Region Economic Recovery Dashboard](#)

# 1. Executive Summary

Welcome to the February 2022 edition of the Coventry & Warwickshire Smart Region report. **This month our spotlight theme is the recently published and long-awaited 'Levelling-up White Paper'**, looking at the Government backed priorities and missions to deliver levelling-up across the country, as well as highlighting future funding support for local areas and communities.

**This month we welcome a guest contribution from Sarah Windrum, CWLEP Chair, giving an overview on how levelling-up could benefit our economy across Coventry & Warwickshire.**

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, CWLEP and Warwickshire County Council.

Other sources include the Office for National Statistics, Gov.UK, and organisations such as City-REDI/WM-REDI and other research bodies specialising in labour market analysis.

## Key Headlines

- **There have been continued improvements to the Coventry & Warwickshire labour market, with growing employment, record numbers of vacancies, and falling unemployment and redundancies.**
- **The impact of the removal of the remaining Covid-19 restrictions on the economy is likely to provide a further boost, in particular for parts of the service sector such as in tourism, hospitality, and retail. We will monitor wider impacts over the coming months.**
- **Several negative economic impacts, such as rapidly rising costs, recruitment difficulties, and delays in raw material supply, affecting a wide range of sectors, are continuing to be felt by businesses locally. Together these have created a 'Perfect Storm' for our economy.**
- **Local business support partners will continue to focus on minimising negative economic impacts, be they from the pandemic, EU exit, cost of living crisis, or any other driver, to help continue the reset, reopening, and recovery of our economy.**

## 2. Latest Economic & Labour Market Trends

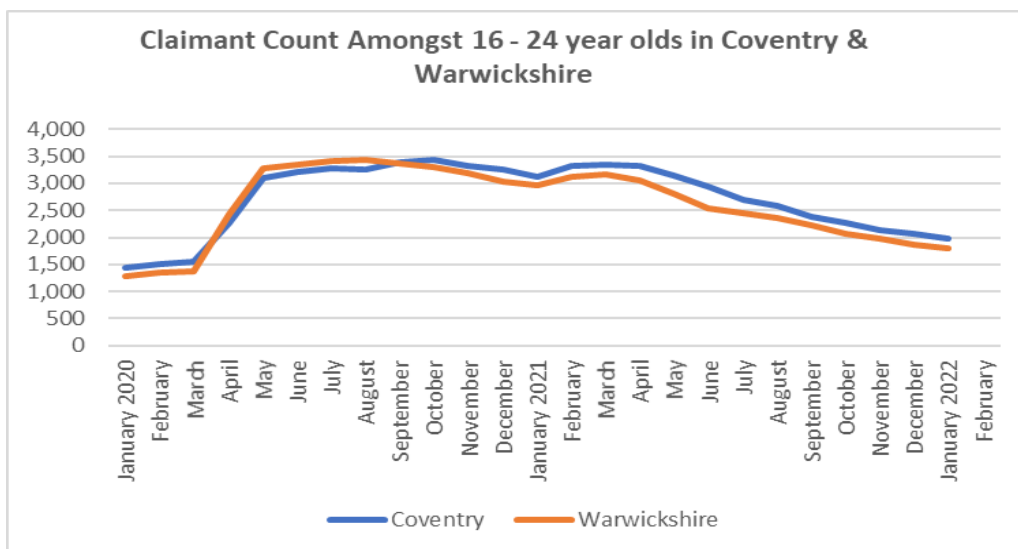
### 2.1 Labour Market Trends

- In January 2022, **the claimant count in Coventry & Warwickshire totalled 23,930 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**, especially as the local economy continues to reset, re-open, and recover, with the easing and removal of the remaining Covid-19 restrictions.

Area	March 2020	January 2021	November 2021	December 2021	January 2022
Coventry	8,000	16,195	12,975	12,495	12,505
North Warwickshire	845	1,905	1,260	1,210	1,235
Nuneaton & Bedworth	2,830	4,895	3,870	3,650	3,620
Rugby	1,535	2,990	2,210	2,145	2,130
Stratford-on-Avon	1,050	2,855	2,090	2,035	2,030
Warwick	1,570	3,505	2,460	2,430	2,410
Warwickshire	7,830	16,150	11,890	11,470	11,425
<b>CWLEP</b>	<b>15,830</b>	<b>32,345</b>	<b>24,865</b>	<b>23,965</b>	<b>23,930</b>

Source: Office for National Statistics

- **Amongst young people there has been a steady fall in the claimant count since Spring 2021**. The further removal of Covid-19 restrictions in the labour market should continue to job opportunities for young people locally.



Source: Office for National Statistics

- **At the time of publication, the Government's recently announced removal of the remaining Covid-19 restrictions are being removed. We will monitor the impact that these have had on the local economy over the coming months as new data is released.**

The Office for National Statistics (ONS) also reported for January 2022 that:

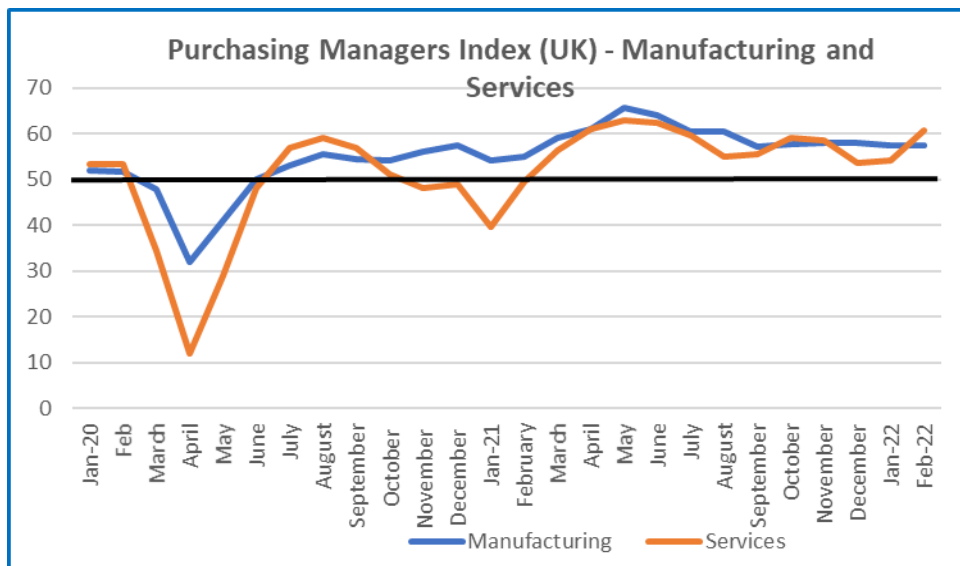
- Nationally, the latest Labour Force Survey (LFS) estimates for October to December 2021 **show a continuing recovery in the labour market.**
- **The number of payroll employees saw another monthly increase, up 108,000 to a record 29.5 million.**
- The UK **employment rate increased by 0.1 percentage points to 75.5%.** The **number of self-employed workers remains low following decreases seen during the pandemic,** however the number of **employees increased on the quarter to another record high.**
- **Job-to-job moves remained buoyant,** with record numbers recorded in October to December 2021.
- The **unemployment rate decreased by 0.2 percentage points** to 4.1%, while the **economic inactivity rate increased by 0.1 percentage points** to 21.2%.
- The number of job vacancies in November 2021 to January 2022 **rose to a new record of 1,298,400, an increase of 513,700 from its pre-coronavirus January to March 2020 level.** However, the rate of growth in vacancies continued to slow down.

## 2.2 Economic Trends

*Analysis from the Economic Development Team, at Coventry City Council highlights:*

### Business Confidence

**Uncertainty continues to be reflected in business confidence,** although the easing of Covid-19 restrictions has increased confidence for Services over the past month.



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

The Purchasing Managers Index (PMI) for Manufacturing remained at 57.3 in February, the same as the previous month, and has remained steady since early Autumn 2021 (a figure above 50 represents growth). Encouragingly, for Services the PMI increased sharply from 54.1 in January to 60.8 in February.

### Economic Growth

The UK economy contracted 0.2% (as measured by GDP) in December 2021, according to the Office for National Statistics, as the effects of the Omicron variant of Covid-19 and introduction of 'Plan B' measures hit consumer spending, plus ongoing supply chain issues, took their toll on the country's recovery.

An increase in government spending on the rollout of the vaccine booster spending prevented a larger contraction of 0.6% that analysts had predicted, but this contraction resulted in the UK economy ending 2021 0.4% smaller than Q4 2019 levels. This is in contrast to the Eurozone, which is now back to its Q4 2019 levels, whilst the United States economy is 3% above Q4 2019 levels.

Of further concern, the latest regional economic forecasts from EY find that all regions of England are expected to have regained their pre-pandemic level of GVA by the end of 2022, except for the West Midlands. The report acknowledges that the West Midlands is one of the three areas worst affected by the pandemic, along with London and the North-West, and predicts its economy will recover to just 94.5% of its 2019 size by the end of 2022.

### Economic and Business Trends

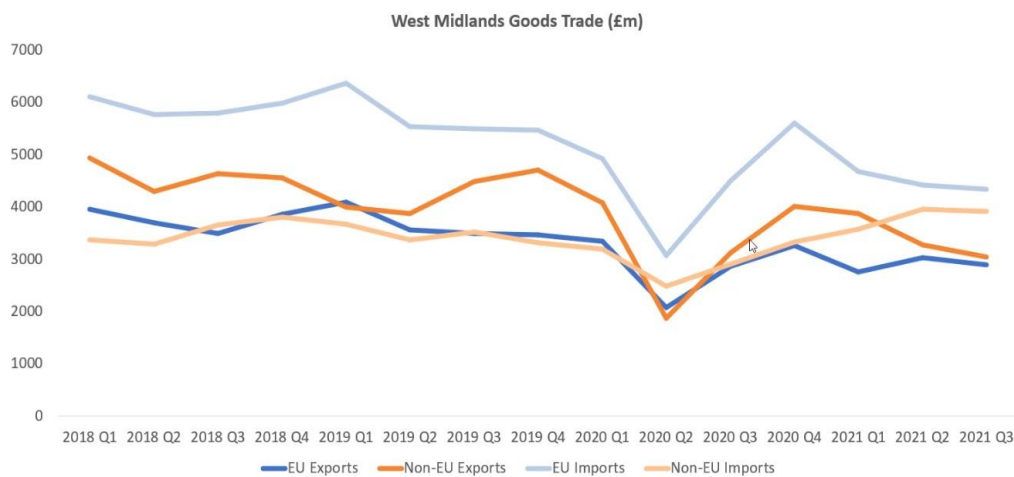
A new report by the Public Accounts Committee (PAC) has delivered its verdict on the impact of Brexit on international trade – one year on from the end of the transition period. The report suggests that border checks in place since the beginning of 2021 had increased business costs and suppressed trade with the EU. It also warns that the situation could worsen in September, when stricter checks are implemented by the EU.

The latest Business Insights and Conditions Survey (BICS) also indicates that just 37% of businesses have not experienced cost increases since the end of the Brexit transition period. It is notable that 3 in 10 have experienced rising transport costs and over 1 in 5 experiencing further red tape.

Continued support for Coventry & Warwickshire companies exporting will also be critical given its importance to our local economy. Pre-pandemic ONS data showed that the West Midlands contributed significantly to the UK's total manufacturing exports, representing 13.8% of UK total for manufacturing in 2019 (£26.5bn), the largest proportion of which (60.9%) was exported to non-EU countries. The areas in the West Midlands that were exporting the most at that time were Warwickshire and Solihull, which exported £6.2bn and £6.0bn of goods respectively in 2019. These

exports are likely related to large automotive and technical manufacturing firms located in our area.

More recently, **the West Midlands recorded a trade deficit of £7.7bn in the year ending Q3 2021, and in a recent ONS [survey](#), 22.4% of West Midlands businesses reported “exporting, but less than normal”, while just 3.0% reported “exporting more than normal”,** Meanwhile, 15.0% of West Midlands businesses reported “importing, but less than normal”, with 6.4% reporting “importing more than normal”. These are similar trends to much of the second half of 2021, and **further emphasises the importance for further public investment in the region’s businesses support ecosystem to build capacity that will enable more SMEs to trade internationally for the longer term.**



Source: Office for National Statistics

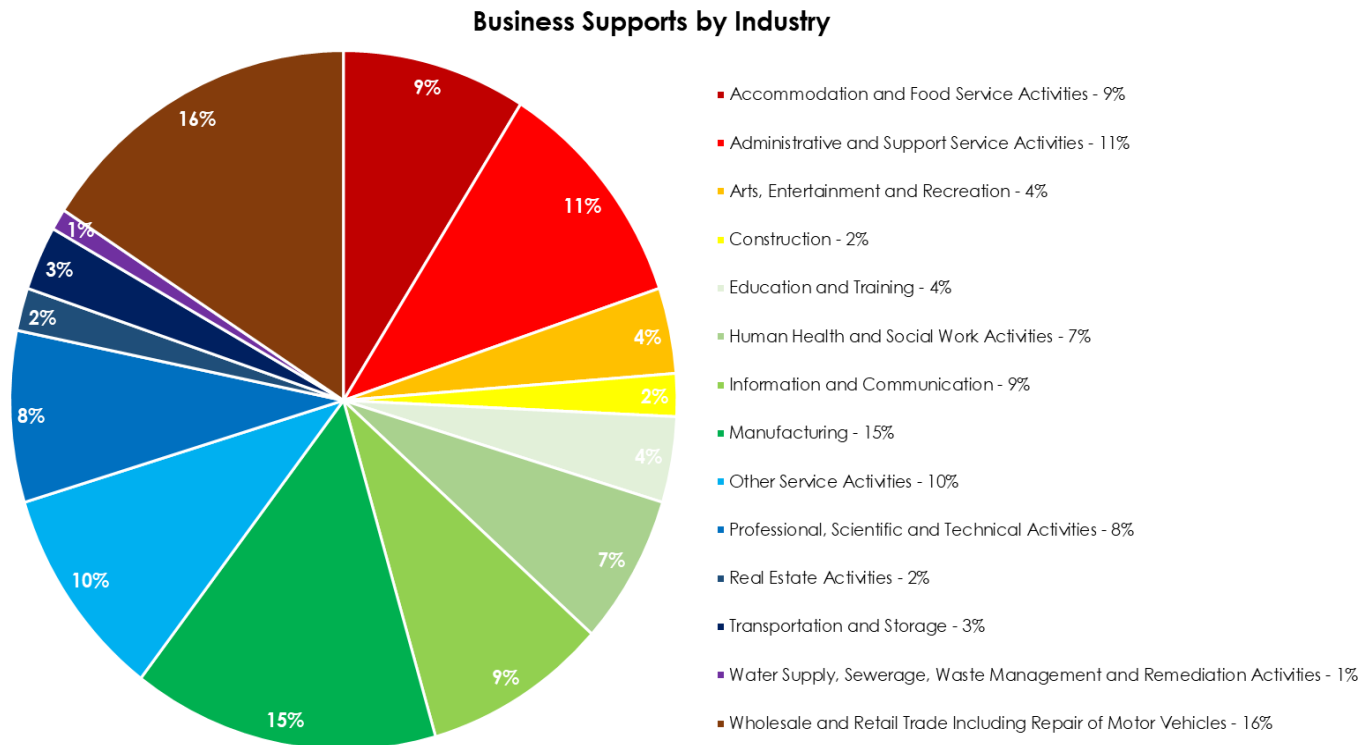
**Finally, there are increasing concerns about rising energy costs amongst businesses** as well as amongst households. This month, the Chancellor announced a package of measures to help alleviate the spiralling costs of electricity and gas for domestic users, but businesses remain concerned.

The British Chambers of Commerce has called on the Chancellor to expand the support package to include small businesses, who it says will struggle to meet rising energy costs without passing those costs onto the consumer. The FSB has joined the calls for further support, **citing that rising energy costs, the recent increase in the baseline interest rate to 0.5%, plus the planned increase to National Insurance contributions in April, will severely impact small firms in their recovery from the pandemic.**

### 3. Latest CWLEP Growth Hub Insights

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

Since the start of the pandemic in March 2020, the **CWLEP Growth Hub** has supported **4,690 businesses** and had substantive discussions with **1,733 businesses** specifically related to **Covid-19 impact and EU Exit**.



This month's business insights are taken from intelligence gathered in **February 2022**. **Access To Finance** was the most popular reason for support/enquiries over the past month. There was a spread across other enquiry types too. Businesses highlighted **Advice & Guidance** and the **Made Smarter Programme** as their main requirement for support, which could also have led to additional help around **Skills & Employment, EU Exit (Brexit) advice, ERDF Specialist Grant, and Tax & legal issues**.

The size profile of businesses supported over the past month consisted of **39% Sole traders; 41% Micro businesses (2-9 employees); 16% Small businesses (10-49 employees); 1% Medium businesses (50-249 employees); and 3% Large businesses (250+ employees)**.

There was an **increase in Sole traders and Large Enterprises** and a **decrease in Micro, Small and Medium Enterprises** approaching the CWLEP Growth Hub compared to last month. Around 24% of respondents came from businesses that started trading since 2020.



## 3.2 CWLEP Growth Hub – Themes

### Hot Topics, Business & Economic intelligence headlines

- **Net Zero** – A clear trend emerging with businesses across almost all sub-regions embracing green initiatives in efforts to reduce their carbon footprints and in turn appear more attractive to customers. Projects include a business offering EV charging points to staff along with a salary sacrifice to contribute wages towards the purchase of electric vehicles, a locally cidery looking to find alternative uses for fruit waste to develop fuel for their boilers and plans for one business to capture and reuse carbon produced from their manufacturing process.

A further example includes a Coventry business, looking to create an Education Programme designed at Plastic Bottle Recycling, setting up pop up bins at local schools and clubs. Aimed at encouraging young people to collect waste bottles in competition with others leading to the creation of usable acrylic sheets.

- **Supply Chain Shortages and Stockpiling** – Although there are reports that supply chain problems are starting to ease, businesses concerned about ensuring continuity are still stockpiling materials which is not only affecting cash-flow but leading to pressures on storage facilities and increased demand on available premises, already in short supply.

The global shortage with electronic microchips remains an issue, particularly to local car manufacturer JLR, with the Guardian recently highlighting how the EU are tackling the issue, potentially leaving the UK further exposed:

<https://www.theguardian.com/technology/2022/feb/09/eu-hopes-43bn-plan-will-fix-chip-shortages-as-supply-chain-crisis-bites>

- **Skills & Training** – Leads in to both regional ERDF funded, and SERCO national skills and training support programmes continue and are linked to the increased focus on the investment in existing staff and to attract potential new employees. Project Management training, digital marketing, and management development and mentoring featuring highly.
- **Demand for Grants** – Continued demand for grants from all sources to assist with projects related to capital machinery purchases, premises refurbishment, marketing/branding, and website creation/development. Available funds becoming limited due to ERDF grants streams becoming exhausted also adding pressure on the remaining smaller schemes available. The situation likely to worsen as we await more details on the replacement UK Shared Prosperity Fund.

- **Exit Strategies** – Several new enquiries relating to support and guidance from business owners looking at succession planning and exit strategies. Similar support required around mergers and acquisitions from one company experiencing rapid growth, having already merged with one US firm, now looking to do the same again.

### New job losses, warnings, or potential economic shocks

- **Recruitment Struggles** – Examples of local businesses facing the reality of investing in the correct environment for prospective employees as well as improving remuneration and salary packages. These have also included factors such as standards of cleanliness in workplaces, and reviews of management.
- **Increased Wages** - Companies starting to see wage inflation affecting their ability to recruit, with companies recruiting in the logistic sector around Coventry saying that they have seen a 15% rise in hourly rates over recent months.
- **Post Pandemic Burnout** – Reports from businesses that they are overwhelmed with increased orders but the lack of resources and materials to fulfil these, leading to burnout whilst trying to keep up.

### New Opportunities, investments, and job gains

- **Recruitment** – Companies engaging with CW Growth Hub highlighting roles they have with immediate start dates in the technical production & operatives' market and are also experiencing an increase in Marketing & IT positions, with companies looking to start these roles in March.

### Business Support Ecosystem

Coventry & Warwickshire SMEs benefitted from a chance to hear from six of the contractors delivering the Birmingham 2022 Commonwealth Games on 3rd February. The virtual **Meet the Contractors** event, was attended by over 250 businesses, and was an excellent opportunity for SMEs to learn about the final requirements for the Games and get involved as a supplier. The contractors: Birmingham Ceremonies, GL Events, Arena Events Group, ADI.tv, Outdoor Spaces Unusual Places, and CSM Live, between them will deliver the opening and closing ceremonies, Festival Live Sites; look, wayfinding, and signage; venue structures, seating and infrastructure, and overlay.

There are still many opportunities for Coventry & Warwickshire businesses to supply these contractors, who place an emphasis on sustainability, recycling and CSR, and are looking for local suppliers for many items, including toilets, water, heating, power, lighting, marquees, drainage systems, costumes, props, staging, audio, cleaning, catering, PPE, cranes and plant hire, signage and branding, timber wholesalers, crowd barriers, LED screens, directors, performers, SFX, cultural content providers, production personnel, wide format printing, warehousing, fabrication – metal and

woodwork, transportation, local crewing services. Furthermore, there is an immediate opportunity for a tarmac supplier for Birmingham Ceremonies, for which they would like to hear from local suppliers as a matter of priority.

### Other intelligence and data not captured above

- **5G in Coventry & Warwickshire – uXplore** - Multiple networking events took place over the last week with Coventry & Warwickshire 5G advisors gaining knowledge from experts overseas in the US. In addition, several B2B referrals have emerged with clients that have existing relationships with the Growth Hub Account Managers.

For more information on uXplore visit: [www.uxploreproject.co.uk](http://www.uxploreproject.co.uk)

- **Regional Insights** – A view from a Rugby based Insolvency Practitioner:

---

*“For some, business is good but for many they are burdened with government backed loans which were free and easy to get and now reality has hit that they need to be repaid.”*

*Everyone we speak to has a BBL and often many other types of loans. The fact the government are now objecting to strike-offs wherever a company has a BBL will inevitably lead to more work for us as the only other option. Retail and hospitality and still hard hit but there are some success stories out there.”*

---

## 4. Spotlight: The Levelling-up White Paper

### 4.1 What is Levelling-up?

Whilst 'Levelling-up' as a term has been widely used since the 2019 General Election, the detail around what it means, and how it will be delivered, has really started to emerge with the publication of the Levelling-up White Paper at the beginning of February 2022. Levelling-up means different things to different places, communities, and people, although it is seen as the long-term actions requiring a fundamental shift in how society and the economy operates to reduce imbalances, boost innovation and economic growth to unlock new jobs, reduce inequalities, and create future prosperity for all parts of the UK.

### 4.2 Policy Objectives - 12 Levelling Up Missions

The White Paper sets out how Levelling-up will require achieving the following four comprehensive high-level objectives:

1. Boost productivity, pay, jobs, and living standards by growing the private sector, especially in those places where they are lagging.
2. Spread opportunities and improve public services, especially in those places where they are weakest.
3. Restore a sense of community, local pride and belonging, especially in those places where they have been lost.
4. Empower local leaders and communities, especially in those places lacking local agency.

To accomplish these, 12 Levelling-up 'Missions' have been shaped. The missions will be measurable and progress towards them can be measured over time. ONS has released indicators, [Subnational Indicators Explorer](#) outlining these metrics, and their current performance, that will be used to measure progress against Levelling-up.

#### Levelling-up Missions

The twelve Levelling-up Missions that are to be achieved by 2030 are as follows:

- **Living Standards:** Pay, employment and productivity will have risen in every area of the UK.
- **Research & Development:** Domestic public investment in R&D outside the South-East will increase by at least 40% and around one third over the Spending Review period.
- **Transport Infrastructure:** Local public transport connectivity across the country will be significantly closer to the standards of London, with improved services, simpler fares, and integrated ticketing.
- **Digital Connectivity:** The UK will have nationwide gigabit-capable broadband and 4G coverage, with 5G coverage for most of the population.
- **Education:** The number of primary school children achieving the expected standard in reading, writing and maths will have significantly increased.

- **Skills:** The number of people successfully completing high-quality skills training will have significantly increased in every area of the UK.
- **Health:** The gap in Healthy Life Expectancy (HLE) between local areas where it is highest and lowest will have narrowed, and by 2035 HLE will rise by 5 years.
- **Wellbeing:** Well-being will have improved in every area of the UK, with the gap between top performing and other areas closing.
- **Pride in Place:** People's satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK.
- **Housing:** Renters will have a secure path to ownership with the number of first-time buyers increasing in all areas.
- **Crime:** Homicide, serious violence, and neighbourhood crime will have fallen, focused on the worst-affected areas.
- **Local Leadership:** Every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution and a simplified, long-term funding settlement.

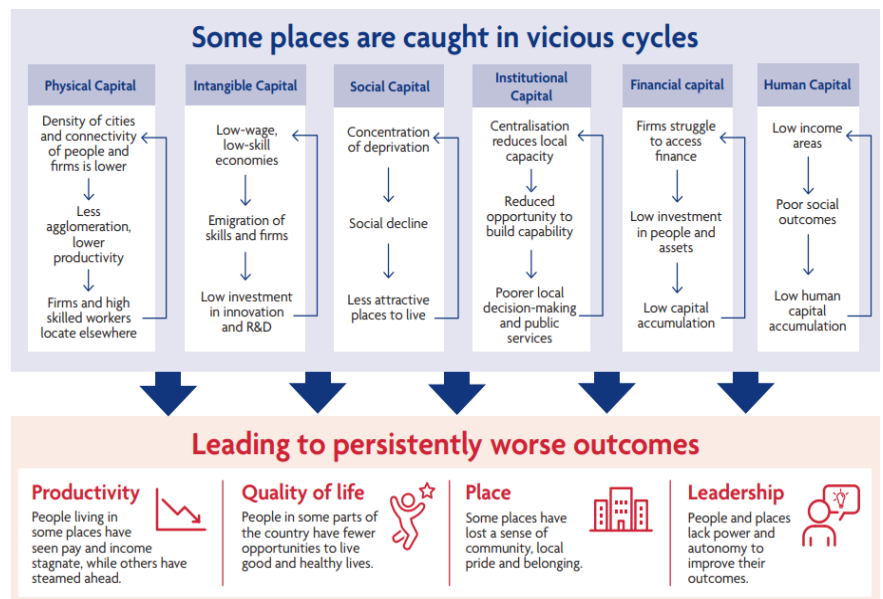
### 4.3 Levelling-up Capitals Framework

The Levelling-up framework also consists of six Capitals, to ensure its delivery:

- **Physical capital** – infrastructure, machines, and housing.
- **Human capital** – the skills, health, and experience of the workforce.
- **Intangible capital** – innovation, ideas, and patents.
- **Financial capital** – resources supporting the financing of companies.
- **Social capital** – the strength of communities, relationships, and trust.
- **Institutional capital** – local leadership, capacity, and capability.

The Framework demonstrates how and why some areas have not been able to keep pace, and where inequalities have increased, often over many years and decades.

Places benefiting from most or all six capitals have been those that have managed to gain advantage, for example, places home to high levels of skilled people with high quality jobs and have access to outstanding schools and globally competitive universities, and encourage innovative business growth.



**Source:** *Levelling Up the United Kingdom White Paper, Department for Levelling Up, Housing and Communities*

## 4.4 Devolution Powers to Mayors and Local Leaders

Government has also pledged that every part of England wishing to have 'London-style' devolution deal with powers at or approaching highest level of devolution with long-term funding settlement will have one by 2030. Consequently, Government wants to delegate more power to Mayors and elected Leaders where appropriate, convening power and delivering greater local leadership in levelling-up communities and localities.

### West Midlands Combined Authority (WMCA) area, including Coventry

The West Midlands CA area will receive greater political powers and financial freedoms as part of its further devolution. They have been selected as one of two national 'trailblazer' areas to transfer more 'London-style' powers to combined authorities to drive and deliver new jobs, homes, better transport, and skills for local people.

Levelling-up project announcements awarded within the WMCA area include:

- **Coventry, Dudley, Walsall, and Sandwell** to become **Education Investment Areas** with focussed support to improve schools' performance and low educational attainment.
- To drive new digital start-ups in health-tech, future mobility and smart energy, the **West Midlands will benefit from Smart City-Region funding**. The ambition is to ensure the West Midlands becomes the UK's first Smart City-Region.
- The West Midlands Combined Authority ensure the **allocation of the new UK Shared Prosperity Fund** to improve education and training opportunities.
- WMCA will receive extra **£28 million** to create hundred homes and jobs on former industrial and other brownfield sites.
- The Government will target **£100m of investment in three new Innovation Accelerators**. These will be piloted in the West Midlands, Greater Manchester, and Glasgow City-Region.
- Local leaders will have a **greater say over how their local railways are run** through new partnership arrangements.
- An extension of the region's successful **digital and retrofit skills bootcamps alongside new ones in green skills, professional services, manufacturing, and healthcare**.

### Projects underway in Warwickshire

Detail around future devolution in Warwickshire is still to be determined but the county is delivering a range of projects contributing to Levelling-up and enabling future economic growth. These include:

- **Tech Challenge** – a small competitive fund which challenged local digital creative sector to **develop innovative new approaches to support town centres** recover from the pandemic.

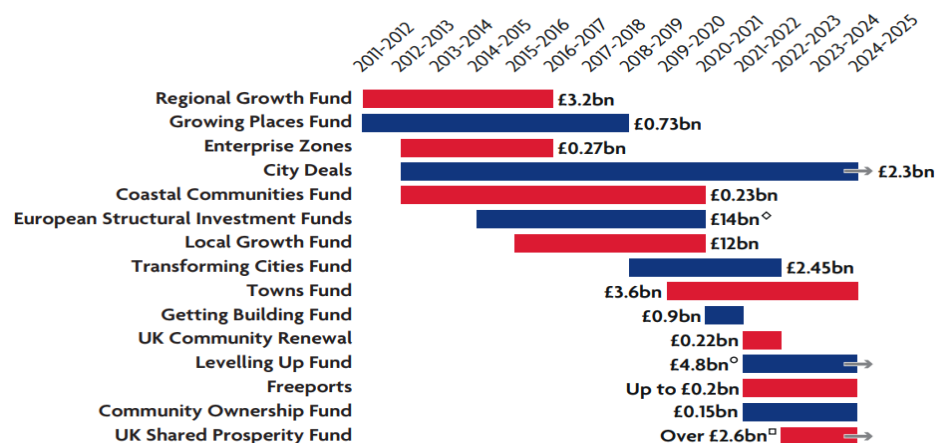
- **Art Challenge** – utilising external funding through the Getting Building Fund, a programme **working with local artists and creatives to develop art installations across town centres** to create new focal points.
- **Warwickshire Future Places work** – working with the Institute of Place Management, a series of interactive workshops and learning sessions with partners, stakeholders, and representatives of town centres to explore future drivers of change and opportunities.
- Continuing and extending mainstreaming **business start-up and business support programmes, and investing more in support for disadvantaged groups across Warwickshire to consider self-employment** as an option
- Delivering the **£140m Warwickshire Recovery & Investment Fund** to stimulate the economic, support growth in our future growth sectors, help local businesses expand and grow, and create new jobs in the county.
- Promoting **Warwickshire as a location for inward investment** and as tourist location to support key visitor economy across the county.
- Continuing a focus on supporting **town centres across Warwickshire to recover, diversify, and prosper.**

## 4.5 Future Government Funds

The Levelling-up White Paper also contained initial details around the new UK Shared Prosperity Fund, which will be a key part of the replacement of the EU Structural Funds. Some £2.6 billion will be devolved to local leaders by March 2025 in a tapered way as EU Funds come to an end, with investment helping to regenerate communities, boost skills, and support local businesses.

To support Manufacturing UK Government is looking to extend and increase £24M worth of additional funding into the **Made Smarter Programme**, supporting technological advances and the creation of transformative expertise. The Government is also adding £18m worth of funding to the **Creative Scale-up Programme**, supporting those companies that have high growth potential.

Furthermore, Government also plans to support the Combined Authority to enable it to raise its own funding through the business rate system to fund local priorities that could positively impact on businesses and communities.



◊ Using an exchange rate of £1 = €1.18. This exchange rate was used in the October 2021 Spending Review calculations used by HMT.

◊ Of which £0.3bn comes from Towns Fund.

◊ Of which £1.5bn in 2024/25.

Source: Levelling Up the United Kingdom White Paper, Department for Levelling Up, Housing and Communities

## 4.6 Q&A with Sarah Windrum, Chair, CWLEP

### **Sarah, what would you say are the main concerns currently affecting Coventry & Warwickshire businesses?**

“Concerns for the business community in Coventry & Warwickshire currently range from managing short-term challenges to strategically addressing longer-term seismic shifts in our economy. We held a Net Zero round table event recently with representatives from games development, hospitality, retail, energy, IT, and automotive and it was clear that every business is on a different journey to reducing their carbon emissions. However, the key point that came from the round table was how crucial it is to support businesses to take the first step in making Net Zero a long-term business priority, especially those who are growing. If you can build sustainability by design into your business as you grow, that will place you in a stronger position for the future.

However, for hospitality and retail in particular, there is a struggle to make something like Net Zero a focus when they are trying to recover from a significant financial hit as a result of Covid-19 and short-term struggles to recruit. Money for long-term investment is tight especially with Government loans now being paid back. The FSB also joined us on the round table and their proposal for Government to provide a ‘Help to Green’ programme of financial support and expert guidance as they are with ‘Help to Grow Digital’ would really help to bridge the gap in investment and knowledge for SMEs in our region.

More immediate concerns for business now are also about the return to work and recruitment of new trainee roles. Young people especially have been hit hard over

---

*“I am always so proud of the Coventry & Warwickshire eco-system, and the pandemic reinforced how strong and how pivotal our partnership working is”*

---

the last two years and we all need strong eco-systems of support to promote good well-being in the workplace. Those who know me will know I have experienced my own mental health challenges and am passionate about the crucial role

business must play in well-being and the improvements good support brings to productivity. To play our role with confidence, we need to be informed and educated in the tools available and the specialist support we can signpost to.”

### **What steps have been taken to reset and recover from the COVID-19 pandemic?**

“I am always so proud of the Coventry & Warwickshire eco-system, and the pandemic reinforced how strong and how pivotal our partnership working is. I have so many examples to choose from and not enough space for them all! Because I am a little biased, I will highlight the work of CWLEP’s Digital Creative Business Group. In May 2020, we started a piece of work highlighting our creative freelancers when it



seemed that Government support didn't recognise how crucial their economic impact was. Our work spread nationally and led to discretionary grants from the Local Authorities for freelancers and now Coventry City Council and the CW Growth Hub are delivering a programme of support through the Community Renewal Fund for creative freelancers working closely with all our local freelancer networks and partners - <https://www.cwcreativefreelancers.org/>. I want to say a huge thank you here to Sarah Brewster at Fresh Seed HR who led this crucial work and continues to raise awareness and support to help a valued community thrive post Covid-19.

It was the many examples of great work across our Business Groups that led CWLEP to publish our Strategic Reset Framework at the end of 2020 highlighting our six pillars to making Coventry & Warwickshire a highly attractive place to live, work, study, and invest. And whilst we were asking every business to think of themselves as a new business as part of Reset, we were also thinking of ourselves as a new economic partnership. Our Vision Group met over the spring and summer of 2021 to define what we needed to look like as an organisation to deliver against our Strategic Reset priorities. From there, our CW Smart Region Data Dashboard was created to track our own performance against new objectives like household disposable income and health and well-being. We also welcomed University Hospitals Coventry & Warwickshire onto our Board to represent the health sector for both their direct economic impact on the region procuring from local businesses and recruiting local residents, as well as their strategic importance to ensuring a healthy workforce for us all."

### **What are Coventry & Warwickshire's USP's and how can we utilise these to increase our future prosperity?**

"We have world-leading credibility in Net Zero transport through innovations like Very Light Rail, the new urban drone airport, and Coventry as the first UK all-electric bus city as well as globally

recognised research & development and supply chains in the future of EV battery technology and power electronics. We are building on the success of UKBIC through our ambitious Gigafactory proposal

---

*"We are building on the success of UKBIC through our ambitious Gigafactory proposal which would be a game-changer for our regional supply chain and secure our continual role in the future of automotive and mobility"*

---

which would be a game-changer for our regional supply chain and secure our continual role in the future of automotive and mobility.

I also want to us using our Net Zero transport credentials to attract the industries that value that for their own objectives. City of Culture has brought the world of creative content production to Coventry & Warwickshire, and we have more TV filming and production here than ever before! With these industries having to report on their carbon footprint and wanting to show real commitment to reducing their impact on

the environment, we have everything to support them by setting up a Net Zero 'Centre for Excellence for Content Production' in CW and we have already shown them what incredible talent we have here.

Creative industries contributed over £1.1 billion in GVA pre-Covid in Coventry & Warwickshire alone and I am excited as we continue to explore the overlap between our strengths in manufacturing, healthcare, and cultural tourism with games technology areas like storytelling, UX design, and data analysis especially with the acceleration of 5G infrastructure rollout in the region. We need to support the innovative new ideas developing and help them to commercialise through new investment and consortia. It's so exciting to be at the start of new technology that you can genuinely see is going to change the world, but we need to make sure we think of it, design it, build it, and grow it here!"

### How could Levelling-up help Coventry & Warwickshire over the next 5-10 years?

"'Levelling-up' appears to have two slightly different public-facing definitions from central Government and, as a girl from Portsmouth who went to Oxford University and now works and invests in the technology sector in the West Midlands, I believe in both! Levelling-up should be about addressing the challenge of social mobility as well as addressing regional disparities in investment and growth. And whilst Coventry & Warwickshire was the fastest growing LEP geography pre-Covid, we still have much to do to ensure everyone benefits. This is why we have new measurements of economic growth on our CW Smart Region Data Dashboard like household disposable income. If that figure is strong, it means people have access to skilled work and when their bills are paid, they have money left to spend in our local leisure economy. Programmes like Warwickshire County Council's 'Fair Chance Employers' also give businesses the guidance they need to recruit differently and support people into work who have previously struggled to access employment. To me, this is what Levelling-up should be about: how we make a real difference to people's lives and ensure everyone's world improves.

From a wider regional perspective, when I am looking to invest in new businesses, I see the gap that exists where the Midlands should be. There's an UK wide angel investor network I won't name that is running events across the country to encourage 'regional angels' but has failed to put one on in the Midlands at all. Structures like the Midlands Engine and the West Midlands Combined Authority are seeking to address this and Levelling-up should be a construct to support and give focus to the

---

*"To me, this is what Levelling-up should be about: how we make a real difference to people's lives and ensure everyone's world improves."*

---

Midlands as an area with huge potential. However, I also believe we should be masters of our destiny. I am working with other local investors to see what we can do

to support our own eco-system both with financial investment but also with our own expertise and learning. If you would like to get involved in this - please do get in touch! It is up to us to make sure we give Levelling-up real meaning for Coventry & Warwickshire else I fear it will remain just another political buzzword!"

**The CWLEP Strategic Reset Framework recognises the fundamental reset of our local economy. If you could suggest up to three recommendations to help the Coventry & Warwickshire "Level-up", what would they be?**

**"For me, apprenticeships are the number one priority for Levelling-up.** I have seen in my own technology business what value apprenticeships bring and I have also seen what a powerful tool they are for social mobility. I paid a recent visit to MIRA's Technology Institute delivered in partnership with North Warwickshire, Hinckley, and South Leicestershire College and was blown away. Someone can walk through the door knowing nothing and, if they have the passion and dedication and are not afraid of hard work, the opportunity is there for them to follow a clear pathway of technical education to leave as a global expert in their field.

**My second priority is wider opportunities for private investors to contribute to our eco-system without having to have millions in the bank!** Many business leaders who have run a company for a while have a passion for supporting future entrepreneurs and we need to find a way to tap into that at a Coventry & Warwickshire level.

**And third is to work more closely and honestly with employers to understand and really support Fair Chance employment and workplace well-being in the long term.**

There are great initiatives for us to build on and we need to continue to engage and

---

*"With this, as with everything else, we will achieve greater positive impact if we work closely together, and we respect and trust each other. My CWLEP education has taught me that!"*

---

listen to businesses and share knowledge in a way they readily understand and identify with. Many of the well-being programmes I engaged with as an employer needed translation from the language of public health into the language of workplace culture. With

this, as with everything else, we will achieve greater positive impact if we work closely together, and we respect and trust each other. My CWLEP education has taught me that!"

**Further background information:**

- Funds and support available for [Town Centres & High Street](#)
- Funds and supports available for [Net Zero](#)
- More details about [UK Shared Prosperity Fund and Community Renewal Fund](#)

## 5. Recommendations

### January's Golden Recommendation:

---

**All areas within Coventry & Warwickshire need to be able to build on the opportunities in our area to level-up, regardless of their starting point. Levelling-up priorities should provide areas that require serious investment to level-up access to that, whilst ensuring this is not achieved through the “levelling-down” of other areas.**

---

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 three short term recommendations:

#### a. Short Term

##### 5.1.a

Ensure that funding Levelling-up and post-Covid recovery opportunities are both maximised. The West Midlands in particular has been affected by the impacts of Covid-19 and EU Exit, and as such should be particularly targeted with support and policy to aid sustainable and inclusive growth over and above that expected in pre-Covid times.

##### 5.1.b

Remove the uncertainty around the ending of EU Structural Funds prior to the UK Shared Prosperity Fund (UKSPF) funding package being confirmed. There is a need to avoid a cliff-edge of funding support which will enable businesses to become more productive and grow, as has been the case through EU funding locally over many years. Any gaps between the availability of funding locally will create uncertainty and affect businesses' ability to reach their potential.

##### 5.1.c

Invest more in helping businesses with international trading. This could include:

- Access to better localised and up-to-date exports/imports data
- Make clear and implement the opportunities of new trade deals
- Collaborative delivery on LEP-level international trade strategies (DIT/LEPs)
- Support for the greater diversification of export markets.

#### b. Medium Term

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

**5.2.a**

Publish the full details and allocations for UKSPF funding as soon as possible so local businesses and policymakers can plan. Local policy makers need to understand the expected balance between different aspects of “place”, “business” and “employment and skills” funding. Once these are known, we will be in a better position to plan how our funding in Coventry & Warwickshire could be used to benefit our local economy.

**5.2.b**

The Levelling-up White Paper contained few references to how Net Zero will help with delivery, in particular green innovation and green technology. Policy and strategy are required to couple the aspirations of Levelling-up and the need to achieve Net Zero. This is particularly pertinent given rising energy costs, as helping to lower energy requirements should help to lower the demand for fossil fuels.

**5.2.c**

Clarity is required on the expected shape and structure of devolution, and who/what will be the primary resource for Levelling-up in Coventry & Warwickshire. This could impact on all levels within Coventry & Warwickshire, from the sub-region as a whole through to individual projects within localities.

## **C. Long Term**

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

**5.3.a**

The long-term agenda for Levelling-up is not clear. How Coventry & Warwickshire can continue to strategically plan and build beyond 2030 needs scoping. Clarity and confirmation from Government is needed on longer-term financial packages, to help areas and regions to plan and deliver where the Government intends to prioritise.

**5.3.b**

Ensure that Levelling-up and Net Zero align post 2030, ensuring that both compliment and inform one another to provide long-term opportunities of green innovation and enterprise.

**5.3.c**

The White Paper contains a series of suggestions around measuring success against Levelling-up. There is an opportunity for Coventry & Warwickshire to lead the way with strong and robust data and analytics for the region, around its own priorities and requirements. Ongoing measuring progress is also key to help show the delivery and progress against Levelling-up.