



# Coventry & Warwickshire Business Intelligence

September 2021

## Contents

1. Executive Summary .....	2
2. Latest Economic & Labour Market Trends .....	3
3. Latest CWLEP Growth Hub Insights.....	7
3.1 CWLEP Growth Hub – Trends .....	7
3.2 CWLEP Growth Hub – Enquiries & Support.....	8
3.3 CWLEP Growth Hub – Themes .....	8
4. Spotlight: International Trade: Import & Export .....	10
4.1 Context .....	10
4.2 Q&A with James Ahearne, Strategic Partnership Manager at the Department for International Trade .....	11
5. Recommendations .....	14
a. Short Term .....	14
b. Medium Term .....	15
c. Long Term.....	17

# 1. Executive Summary

Welcome to the September 2021 edition of the Coventry & Warwickshire Smart Region report. **This month, our spotlight theme is 'International Trade'**, looking at the varied range of issues that are currently impacting businesses, but also the opportunities available to those already importing/exporting, and those looking to do so.

We also welcome a **guest contribution from James Ahearne**, Strategic Partnership Manager at the Department for International Trade.

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, British Chamber of Commerce and organisations such as the Atradius, and other research bodies specialising in labour market analysis.

## Key Headlines

- There have been significant improvements to the Coventry & Warwickshire labour market, with many reasons to be optimistic in recent months, with falling unemployment, growing employment, record numbers of vacancies, and falling redundancies.
- The impact of the end of the furlough scheme, due at the end of September 2021, will start to become known over the coming weeks – at the end of July there were 22,600 jobs in Coventry & Warwickshire remaining furloughed.
- However, both business and consumer confidence are showing signs of slowing and decreasing over the past three months, despite the further relaxation of Covid-19 restrictions.
- A number of increasingly negative economic impacts affecting a wide range of sectors, including the current high-profile focus on the Logistics sector, are starting to be felt by businesses locally. Together these are creating a 'Perfect Storm' for our economy as we head towards the autumn and winter.
- Local business support partners will continue to focus on minimising negative economic impacts, be they from the pandemic, EU exit, or any other driver, to help continue the reset, reopening, and recovery of our economy.

## 2. Latest Economic & Labour Market Trends

### Labour Market Trends

- In August 2021, **the claimant count in Coventry & Warwickshire totalled 28,310 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 some signs for optimism** as the local economy continues to reset, re-open, and recover.

Area	March 2020	August 2020	June 2021	July 2021	August 2021
Coventry	8,000	16,350	15,475	15,125	14,800
North Warwickshire	845	2,100	1,580	1,540	1,505
Nuneaton & Bedworth	2,830	5,445	4,490	4,350	4,205
Rugby	1,535	3,245	2,665	2,620	2,590
Stratford-on-Avon	1,050	3,160	2,425	2,405	2,330
Warwick	1,570	3,800	3,030	2,955	2,880
Warwickshire	7,830	17,750	14,190	13,870	13,510
<b>CWLEP</b>	<b>15,830</b>	<b>34,100</b>	<b>29,665</b>	<b>28,995</b>	<b>28,310</b>

Source: Office for National Statistics

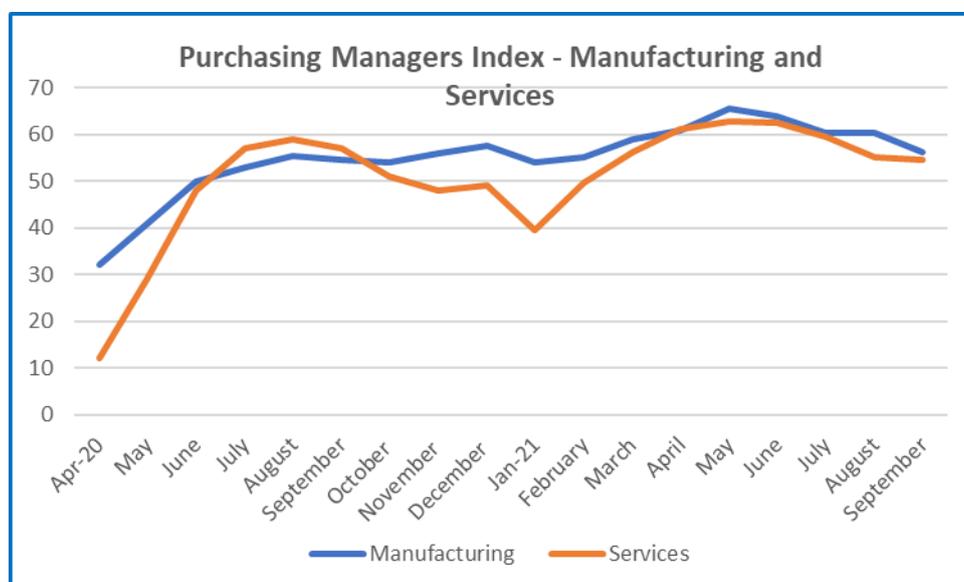
- Nationally, the claimant count stood at **2,185,420 in August 2021, compared with 2,688,110 twelve months ago**.
- Whilst this appears encouraging, there are **concerns about the ending of the Coronavirus Job Retention Scheme (furlough) at the end of September, leading to job losses**. At the end of July there remained **22,600 jobs furloughed across Coventry & Warwickshire**, 5.5% of all eligible employments.

	June 2020 - Total number of workers furloughed	Take-Up	August 2021 - Total number of workers furloughed	Take-Up
Coventry	49,200	31.3%	8,200	5.7%
North Warwickshire	10,600	34.5%	1,700	5.8%
Nuneaton & Bedworth	19,900	31.5%	3,200	5.3%
Rugby	15,900	28.6%	2,500	4.6%
Stratford-on-Avon	21,200	35.0%	3,400	5.9%
Warwick	21,300	30.5%	3,600	5.5%
Warwickshire	88,900	31.8%	14,400	5.4%
<b>CWLEP</b>	<b>138,100</b>	<b>31.6%</b>	<b>22,600</b>	<b>5.5%</b>

Source: Office for National Statistics

The Office for National Statistics (ONS) also reported for August 2021 that nationally:

- **The number of payroll employees showed another monthly increase, up 241,000 to 29.1 million, returning to pre-pandemic (February 2020) levels.** All regions except London, Scotland and the South-East are now above pre-pandemic levels.
- There was a **quarterly increase in the employment rate of 0.5 percentage points between May to July, to 75.2%, and a decrease in the unemployment rate of 0.3 percentage points, to 4.6%. The economic inactivity rate is down 0.3 percentage points** on the previous quarter, to 21.1%.
- **The number of job vacancies in June to August 2021 was 1,034,000, which is the first-time vacancies have risen over 1 million since records began, and is now 249,000 above its pre-pandemic January to March 2020 level.** Vacancies grew on the quarter in June to August 2021 by 269,300 (35.2%), with all industry sectors increasing their number of vacancies and the majority reaching record levels.
- The overall picture with the labour market **remains optimistic for now, although many uncertainties remain – and not all of these are pandemic related issues.** These are explored further in Sections 3 and 4.
- **Uncertainty is, however, continuing to be being reflected in business confidence if not yet in the labour market, which has now been falling for four months.** The **Purchasing Managers Index (PMI) for manufacturing fell to 56.3 in September**, from 60.3 in August (a figure above 50 represents growth). **For services the PMI also fell, from 55.0 in August to 54.6 in September.**



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

## Economic Trends

### Economic Growth

**UK GDP rose by just 0.1% in July, despite the removal of almost all coronavirus restrictions in England. The economy remains 2.1% below the pre-pandemic peak and this re-emphasises the unevenness of the recovery**, not least on a sector basis where those businesses most dependent for example on physical footfall or highly dependent on international travel, e.g. tourism, conferencing and suppliers, are taking longer to recover. Meanwhile, some sectors, such as hospitality, will have endured reduced economic activity due to temporary labour shortages (isolating after being contacted by the NHS app) as well as longer-term labour shortages, such as those being experienced in the Logistics sector.

The Bank of England is still forecasting that the UK economy will return to pre-pandemic levels by late 2021 and into early 2022. However, **as the West Midlands encountered the biggest economic contraction of all regions in 2020, its return to pre-pandemic levels is likely to be slower.**

Following last month's analysis around the UK being slower to return to pre-crisis GDP per capita levels than competitors, **new OECD analysis suggests that the UK will not return to pre Covid-19 employment levels until late 2023. And in the West Midlands, WM-REDI's 'State of the Region report 2021' forecasts a similar trajectory for our region.**

The government has announced a 1.25 percentage point increase in National Insurance contributions to help pay for the NHS backlog and social care reform. The move has been criticised by both the CW Chamber of Commerce and The Federation for Small Businesses (FSB) **who highlight that the move is a blow particularly to small businesses already struggling to recover from the pandemic and could lead to the loss of up to 50,000 jobs in the UK after it is enacted in April next year.**

### Business Start-ups and Closures

CWLEP Growth Hub (Beauhurst data) on company incorporations and closures across Coventry & Warwickshire shows that since Q2 2020:

- There have been 7,300 business failures in Coventry & Warwickshire
- The highest failure levels were during Q4 2020 and Q1 2021, both during periods of lockdowns
- Failure levels were lowest in Q2 2020, most likely due to Government loan and grant support mechanisms being taken up

- Across Coventry & Warwickshire the highest numbers of failures were in the Professional, Scientific or Technical Services (18%), and Retail & Wholesale (13%) sectors.

**Positively, there has been a net gain in the number of businesses in Coventry & Warwickshire, with 13,100 businesses registered over this period, and net gains across all sectors.** The highest number of registrations were in Professional, Scientific or Technical Services; Retail & Wholesale; and Administration. Construction and Real Estate also saw high net gains.

### Sector Insights

**Logistics** - It is estimated that there is now a shortage of around 100,000 HGV drivers in the UK. Whilst part of this is due to EU nationals leaving the country post EU Exit, logistics companies have faced challenges recruiting new drivers for some time. There have been struggles to diversify the workforce and improve working conditions, delays in testing and processing new drivers due to the pandemic, and changes to employment law (IR35) impacting on agency drivers.

CW Chamber of Commerce has joined industry calls to urge Government to include HGV drivers on the Shortage Occupation List, which would allow firms to bring in drivers from the EU on a fast-track visa, and Government have just announced measures to enable this between now and Christmas. Pertemps, based just outside Coventry, is introducing subsidised training for LGV licences, and National Express have opened a similar scheme but for CPC licences to drive their buses.

**Automotive** - New car sales in the UK fell by 22% in August with just 68,033 vehicles registered compared with more than 87,000 in August 2020. The sector continues to grapple the effects of the global shortage of semiconductors which is placing severe restrictions on the manufacturing of new vehicles. Coupled with this are the effects of staff shortages from the 'pingdemic' which has added further strain.

Despite the overall drop in new car sales, the demand for electric and hybrid-electric vehicles continues to increase. According to the SMMT, sales of the latest battery electric (BEV), hybrid (HEV) and plug-in hybrid (PHEV) vehicles, rose by 32.2%, 45.7% and 72.1% respectively.

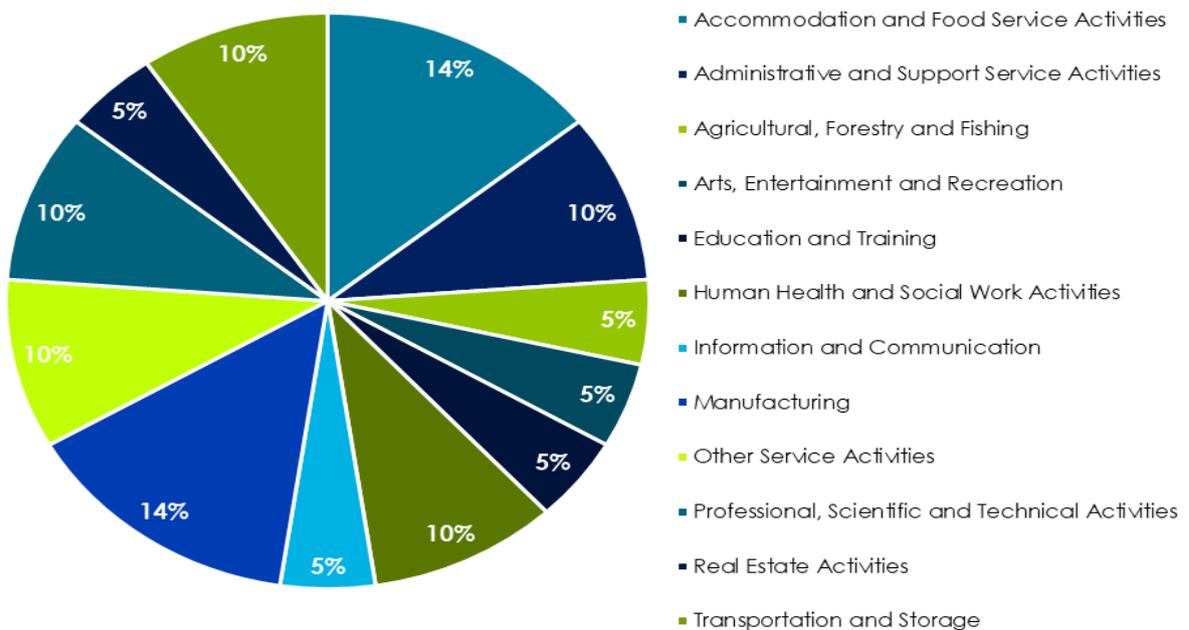
**Retail** - Halfords is the latest retail chain to experience the current supply chain difficulties, blaming these for a 26% slump in sales in recent months. The cycle retailer had enjoyed a prosperous 2020 with many people turning to cycling as a means of exercise and getting out and about during the lockdowns. But the short supply of adult bikes in particular, due to parts and labour shortages, as well as the impact of the difficulties being experienced in the Logistics sector moving causing difficulties getting new bikes to customers. Halfords joins a long line of retailers voicing concerns over current supply chain issues impacting on recovery from the pandemic.

### 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 4,249 businesses and had substantive discussions with 1,683 businesses specifically related to Covid-19 impact and EU Exit.**

**Business Support by Industry**



This month's business insights are taken from intelligence gathered in **September 2021**. The top sectors supported by the CWLEP Growth Hub were **Accommodation and Food Service Activities (14%)**, and **Manufacturing (14%)**.

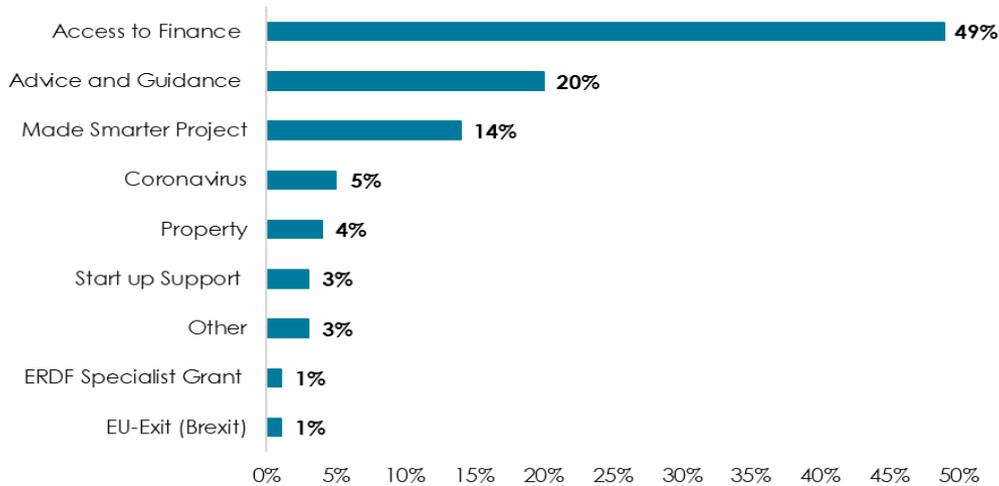
The volume of businesses from the **Accommodation & Food Service Activities and Manufacturing sectors** seeking help reflects the high levels from these sectors that local business support systems have traditionally aided.

The size profile of the businesses supported over the past month consisted of **62% Sole traders; 29% Micro businesses (2-9 employees); 5% Small businesses (10-49 employees); and 5% Medium businesses (50-249 employees)**.

There was an **increase in Sole Traders, Small and Medium Enterprises** and a **decrease in Micro Enterprises** approaching the CWLEP Growth Hub compared to last month. Around 21% of all respondents came from businesses that started trading in either 2020 or 2021.

### 3.2 CWLEP Growth Hub – Enquiries & Support

**What Support Does Your Business Require?**



**Access to Finance** 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 the **Made Smarter Project** and **Advice & Guidance** as their main requirement for support, which could also have led to additional help around **Marketing support, Business rates, and Tax & legal issues.**

Finally, whilst Advice and Guidance is always a key ask from businesses seeking support from CWLEP Growth Hub, there remains a proportion of businesses seeking advice about **Start-Up support and EU-Exit.**

### 3.3 CWLEP Growth Hub – Themes

The themes highlighted below have been highlighted during discussions with local businesses in recent weeks:

**Materials Shortages and Supply Issues** – Economic confidence slowing due to the lack of available materials across all sectors. Examples of businesses that have both turned away or have been unable to fulfil contracts as a result. The Film and TV industry also affected by the lack of materials to make props and sets for movies and television dramas.

**Grants** – There continues to be strong demand for regular business support grant streams, particularly for capital investment and property related projects. A number of these also looking to take advantage of the 130% tax super deduction offered by Government.

However, a small number of businesses that have been awarded funding for new machinery, which subsequently cannot be manufactured due to the shortage of parts such as semi-conductors, are reporting that they are having to change the scope of their projects to ensure they can still benefit from cash grant contributions as the costs of their projects have increased rapidly. So, cost increases during the time it took to apply for, and be awarded, the grants are being blamed.

**Furlough** – Renewed concerns regarding the end of the CJRS (furlough) scheme at the end of September, with employers faced with re-integration of roles back into the workplace or releasing staff through redundancies. Timing is proving a key consideration as employers need to ensure there is sufficient work – again, another situation hampered by supply chain issues.

**Local Procurement** – A strong appetite exists to source products, supplies and services locally, exists across Coventry & Warwickshire. However, in some cases outsourcing abroad is proving to be cheaper.

**International Growth** – Pressures on businesses that have viable products and clear international markets seeking assistance from DiT to help with the ongoing issues related to international Covid-19 travel restrictions.

**Skills Shortages** – Employers across Coventry & Warwickshire facing difficulties recruiting for positions at all levels, including Apprentices, Interns and Engineers.

**Improved Employment Terms and Packages** - We are seeing continued increase in wage levels, as companies struggle to fill roles. Examples of additional benefits for employees being considered include staff coaches to pick staff up from train/bus stations, and flexible hybrid working as standard to encourage new and retain existing employees.

**Return to the Workplace** – Broadly mixed views and opinions regarding the return to the workplace. Safety of staff remains the key driver to continue with home working or hybrid arrangements versus the need for collaboration and creativity with teams returning to places of work. Other industries mitigating the risks by making the decision, where possible, to remove the non-home workplace entirely, with all staff having to adapt to working remotely permanently.

**Other Issues** – Requests for support from CW Growth Hub for other issues include, Property and Planning, 5G Technology, support with Acquisitions, Start-Up support and Digital Marketing.

## 4. Spotlight: International Trade: Import & Export

### 4.1 Context

Overall, international trade has been severely impacted by the pandemic and EU Exit. Exports have dropped drastically by around 17% year-on-year, whereas imports have decreased to about 12%. Furthermore, trade with EU countries has decreased more (by around a fifth) than trade with non-EU countries (by one tenth).

Due to ongoing supply chain issues with the EU, the UK has shifted focus to trading with other international countries, as well as investing in local supply chains. And there has been some improvement in the trading of goods over the last 3 months, according to the British Chambers of Commerce. They report that exports and imports of goods in Q2 were up by 12%, compared to Q1 2021. We will continue to monitor how trade trends change over the coming quarters.

By sector there have been very varied results, up to April 2021 the increase in imports of goods from non-EU countries was mostly propelled by non-ferrous metals and crude oil, while the increase with EU countries was driven by general miscellaneous manufacturers. Exports of goods to non-EU countries decreased, caused by motor vehicles, while an increase in exports to EU countries was driven by iron and steel.

Exports of food from the UK to the EU have declined. The Food and Drink Federation (FDF) have reported that UK food producers have suffered a loss in sales to the EU of £2bn in the first half of this year. Exporters have struggled with extra paperwork and administrative costs that came into force with companies required to document products for trading standards, customs, and health reasons before entry to the EU.

Looking ahead, the Government has announced it will again delay new border checks on certain food items entering the UK from the EU that were due to be imposed from 1<sup>st</sup> October. The implementation of these additional import measures, originally due to be in April this year, has been delayed giving businesses more time to prepare. There is now a further nine months until July 2022 until implementation.

### Trade Agreements

From 1<sup>st</sup> January 2021, an agreement with other countries and trading blocs took effect. There was a total of 67 countries that had trade agreements either in ratified, provisional application, or bridging mechanism position.

Currently, there are 3 countries that have agreements under discussion where trading agreements were in place before 1<sup>st</sup> January 2021.

- Algeria
- Bosnia and Herzegovina
- Montenegro

Finally, UK has also signed MRAs (Mutual Recognition Agreements) with the following countries:

- Australia
- New Zealand
- United States of America

## 4.2 Q&A with James Ahearne, Strategic Partnership Manager at the Department for International Trade

We invited James Ahearne from the Department for International Trade to give some up-to-date **insights and experiences of the impacts of International Trade issues on small and medium sized businesses in Coventry & Warwickshire**. We started off by asking James:

### What are the main issues around international trade that are currently affecting Coventry & Warwickshire businesses?

It won't come as any surprise to hear that businesses in the region really have been facing a 'perfect storm' when it comes to international trade over the last few months. The need to adapt to new post-Brexit trade rules has been compounded by Covid-19 related disruption and subsequent challenges in terms of international supply chains. This has affected businesses both in terms of their ability to import products and materials, but also their ability to fulfil export orders to overseas customers.

Companies will need forward thinking strategies for how they will manage their supply chains and customs & logistics processes in the months and years ahead. But whilst we have been through a period of disruption, we know there are huge

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*Companies will need forward thinking strategies for how they will manage their supply chains and customs & logistics processes in the months and years ahead*

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opportunities out there for Coventry & Warwickshire firms as the global economy opens back up and economic stimulus packages kick in. It's going to be more important than ever that businesses take a strategic

approach to international trade and plan and prepare for export sales.

### Why should a business look to trade internationally and how can they do so effectively?

Companies should look to trade internationally because it's a way of accessing new markets, new customers, and creating a more diverse and sustainable business. By unlocking new export markets, a company can diversify its revenue streams and make itself less reliant on the home market. So, if sales are down in one country, they

may be growing in another. We know from recent government research that businesses that export are 21% more productive than those that do not and that median wages in firms that export are around 7% higher than the national median. Export really can be a great way of unlocking a company's full potential and taking a business to the next level.

I've always been a firm believer that the best way to approach international trade is to look at it strategically. You're unlikely to be able to conquer the whole world at once so where are you going to focus your efforts? Which markets offer the best potential for your products or services? If you are shipping goods, how are you going to do it? What processes and costs are involved and are there any free trade agreements you can take advantage of to make your pricing more competitive? These are the kinds of questions businesses should be asking now more than ever. The disruption faced over the last few years, and the changes that are still to come, mean that it is critical that businesses plan and prepare for international trade and adopt a holistic view of the process. Taking this kind of approach can help businesses avoid pitfalls and fast-track them on their export journey.

Any firms that need help with their export strategy should get in touch with the Department for International Trade who can get them signed up to the new Export Academy initiative or can introduce them to a locally based International Trade Adviser (ITA) who will help them develop their international strategy and tap into a wide variety of support.

### **How can businesses in the region take advantage of the opportunities that have arisen from the collaborative work of local business support organisations and the Department of International Trade?**

Coventry & Warwickshire really does have a fantastic business support ecosystem and I'm pleased to say that over the last few years, the organisations within the region really have upped their game. There is far more advice and support around for companies looking to trade internationally than there was a few years ago. The Department for International Trade (DIT) and the Growth Hub have collaborated on a great series of 1:1 clinics, offering specialist advice on key issues such as the new VAT rules, supply chain management and import procedures. The Chamber of Commerce have a dedicated customs and logistics adviser and they have just launched their new Customs Declaration Service. All this great work is on top of existing services and new initiatives launched internally by DIT recently including the Export Academy programme for new exporters.

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*Coventry & Warwickshire really does have a fantastic business support ecosystem*

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Any business looking to tap into this can contact us directly or get in touch with their existing local adviser who will be able to link them up with the right support.

### **How have local SMEs who import and export adapted to the challenging circumstances in recent months?**

The circumstances of the last few months have really shone a light on the importance of international trade to businesses in the region – whether they are directly involved in import/export or not. There are a huge range of factors involved here and the precise strategies that businesses can look at to mitigate disruption will really depend on their specific circumstances. We've seen a variety of strategies from businesses to try and manage the disruption – companies have looked at where they source from, what shipping methods they use, their stock levels, what customs procedures they can use (e.g., Inward processing, customs warehousing etc), and many have adjusted their lead times for export orders.

One positive from the slowdown due to Covid-19 has been that it allowed businesses time to take a step back and look at international trade in a strategic and pro-active way. We've seen strong and sustained demand for our services and, in

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particular, for our export training workshops over the last year and a half as businesses have looked at what

markets they export to, where the demand will be in the future, and critically the methods they use to ship their goods. I would encourage any businesses looking at this to get in touch and find out about the support that is out there.

### **The CWLEP Strategic Reset Framework recognises the importance of SMEs for the local economy within the sub-region. If you could suggest up to three recommendations to help SMEs what would they be?**

First and foremost, preparation is key. Companies need to plan ahead and think strategically about their supply chains, delivery timescales, and the processes and costs involved. Agreeing suitable Incoterms (international commercial terms) to set out who is going to take responsibility (and bear the costs) for the different stages of the international shipment process is more important than ever to help companies avoid any unexpected costs or delays in their international shipments.

Secondly, focus your efforts. Identify the markets that are most important to your business and consider how you are going to maintain and grow your business with these countries. What changes are taking place that will affect your ability to trade with these markets? What information and resources will you need to put in place to adapt? What markets will you look at in the future?

Thirdly, tap into the support available. An international trade adviser from DIT can work strategically with a company to help them with their export plan, look at the

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*Coventry & Warwickshire has always been a very strong region when it comes to exporting and international trade*

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potential issues they might face and develop a proactive strategy so they can do all that is within their power to mitigate any challenges. And, as I mentioned earlier, in addition to the support from DIT

there is wide range of support available across different organisations within the region covering a huge range of issues.

Coventry & Warwickshire has always been a very strong region when it comes to exporting and international trade. Although there have clearly been challenges when we look at what has been going on with the global economy over the last few years, there is still literally a world of opportunity out there for businesses to tap into.

## 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

**There is an ongoing and urgent need to address the issues raised in our 'Perfect Storm' scenario, set out in detail in last month's Smart Region report. These should importantly seek to help overcome staff shortages, both short-term and longer term, that sectors such as hospitality, caring, and logistics, are currently facing.**

#### 5.1.b

Local business support programmes must raise awareness of the **merits of international market opportunities to businesses** and ensure they are **signposting effectively to specialist support services** available through DIT, CW Growth Hub and CW Chamber etc.

#### 5.1.c

**A strategy for attracting and retaining new employees is required for many of these businesses currently struggling to recruit** sufficient staff levels to fully operate. In addition, many of these positions were previously held by EU nationals who will have recently left the UK following EU Exit - support is needed for those sectors disproportionately affected by this.

#### 5.1.d

A focus on **training and reskilling, for younger workers in particular, will be needed short-term**, to help with immediate problems such as emergent customer-facing situations, but also to build skills in these sectors currently facing difficult times finding suitably trained candidates to fill their vacancies.

Investment in digital skills should undoubtedly be encouraged, given the 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. There is also a need for investment in training and upskilling for those who are ineligible for Kickstart support.

#### 5.1.e

Further to 5.1.d, as well as a need for more investment in upskilling – particularly those not qualifying for Kickstart or Restart, **the sectors most affected by labour shortages need to work with training providers and employment support bodies and consider how they advertise vacancies and make working conditions and progression routes more attractive** to encourage more people to pursue a career in those sectors.

#### 5.1.f

Local partners and business support programmes must proactively promote the new **Chamber Customs Declaration Service** and appropriately raise awareness.

#### 5.1.g

The **forthcoming Spending Review needs to provide a platform to enable Coventry & Warwickshire and the wider West Midlands to deliver a sustained economic recovery**. Facilitating green innovation should be a major priority, including through investment in the Coventry Airport Gigafactory and further supporting the growth of key supply chains in the region such as electric vehicles and battery technologies. The **Spending Review should also provide the platform for sustaining and further enhancing the region's business, innovation and skills support ecosystem**.

## 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

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**.

#### 5.2.b

Also, with continued homeworking, employers should look to use the results of **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 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 also need to be addressed.

### 5.2.c

Some sectors, such as HGV/LGV driving, have a very skewed gender balance. For example, in the UK, approximately 1% of registered truck drivers are female. **A concerted effort should be made over the coming months and years to encourage greater workforce diversity**, and to improve general working conditions in the sector, to encourage a wider range of applicants.

This could include exploring new ways of working within the industry. As technology develops, it is likely that changes to 'last mile' delivery processes will feature more prominently and will be a key part of the re-shaping of the sector.

### 5.2.d

As the 'Perfect Storm' scenario of last month's Smart Region report demonstrates, the **speed of the recovery is not in line with the pace at which business support measures, such as furlough, are currently being phased out.**

We endorse the **calls of business support organisations in the sub-region, such as the FSB, regarding measures to help businesses with cash-flow and rising costs, addressing the late-payments crisis, and recognise the need to continue to raise the profile of the real-time issues our businesses are facing, as we run-up to the next Budget statement.**

The area's business support programmes will also maximise flexibilities where possible to help businesses tackle new challenges and opportunities that they are facing.

### 5.2.e

**There is still a need to extend the Brexit Support Fund**, both in terms of timescales but also value of support businesses can obtain, given the ongoing challenges small businesses are facing with importing and exporting (and associated cost and resource burdens).

### 5.2.f

**The government should still consider targeted support to those sectors still facing a slow trajectory of recovery from the pandemic** – these could include extensions to

existing loans, top up loans, business rates relief and also bespoke business and innovation support to accelerate their recovery.

### 5.2.g

Strong and carefully considered PR campaigns during the autumn and winter that **protect public health safety** should be considered as a means of **increasing both consumer and business confidence**.

## 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 the Covid-19 pandemic and the EU Exit period, in order to better shape the business support landscape in the region.

### 5.3.b

**With COP26 approaching and an ever-increasing focus on Net Zero, there is a need to invest in green skills to equip the workforce appropriately. With stronger local supply chains, not only would this contribute to achieving Net Zero targets, it would also mitigate some of the supply chain delays** referenced in the 'Perfect Storm' analysis of last month's report.

### 5.3.c

As a continued recommendation, the **focus on the green agenda underlines the need for approval for investment in the Gigafactory in Coventry & Warwickshire**.

Finally, there is also a need for **better charging infrastructure for electric vehicles**, which should be addressed as part of longer-term strategic planning processes and will reduce the reliance on internal combustion engines.