



Coventry & Warwickshire Business Intelligence

February 2023

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All previous editions of the Coventry & Warwickshire Smart Region report can be accessed from our Publications page: <https://www.cwgrowthhub.co.uk/publications>

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

1. Executive Summary

Welcome to the February 2023 edition of the Coventry & Warwickshire Smart Region report. This month our spotlight theme focusses on the 'High Growth Companies', highlighting how these have, and will, impact on the economy of both Coventry & Warwickshire. **We welcome contributions from Justine Chadwick & Jim Clark, High Growth and Scale-up Account Managers at CW Growth Hub.**

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

Other sources include the Official National Statistics (ONS), Beauhurst, Barclays Eagle Labs, Octopus, NESTA (National Endowment for Science, Technology & the Arts), Bank of England, International Monetary Fund, WM-REDI, and other specialist labour market research and analysis bodies.

Key Headlines

- **“Over recent months our ‘CW Smart Region’ reports have covered the challenges faced by local and regional businesses, all of which have been relayed back into central government, either directly or indirectly.**
- **Whilst we know that trading conditions are difficult now, arguably businesses have endured years of instability starting with the referendum and protracted negotiations where ‘No Deal’ with all its implications was very much an option, and then with little preparation or warning, a pandemic that put the economy into overnight reverse on an unprecedented scale.**
- **Alongside the business volatility, structural changes are being made on how businesses may be supported in the future as we see the end of European Funds, which underpin large parts of the business support ecosystem, replaced with UK Shared Prosperity Funds.**
- **This change also sees Local Enterprise Partnership functions integrated into local democratic institutions; a change that will also see CW Growth Hub reconstituted as a standalone entity in the form of a Community Interest Company (CIC).**
- **Collaboration through partnership has been a real strength of our sub regional economy, often to the envy of our peers. As we look ahead, we must ensure that we continue to build on this strength to ensure we have economic resilience, stability, and growth into the future.”**

Craig Humphrey, Manager Director, Coventry & Warwickshire Growth Hub

2. Latest Economic & Labour Market Trends

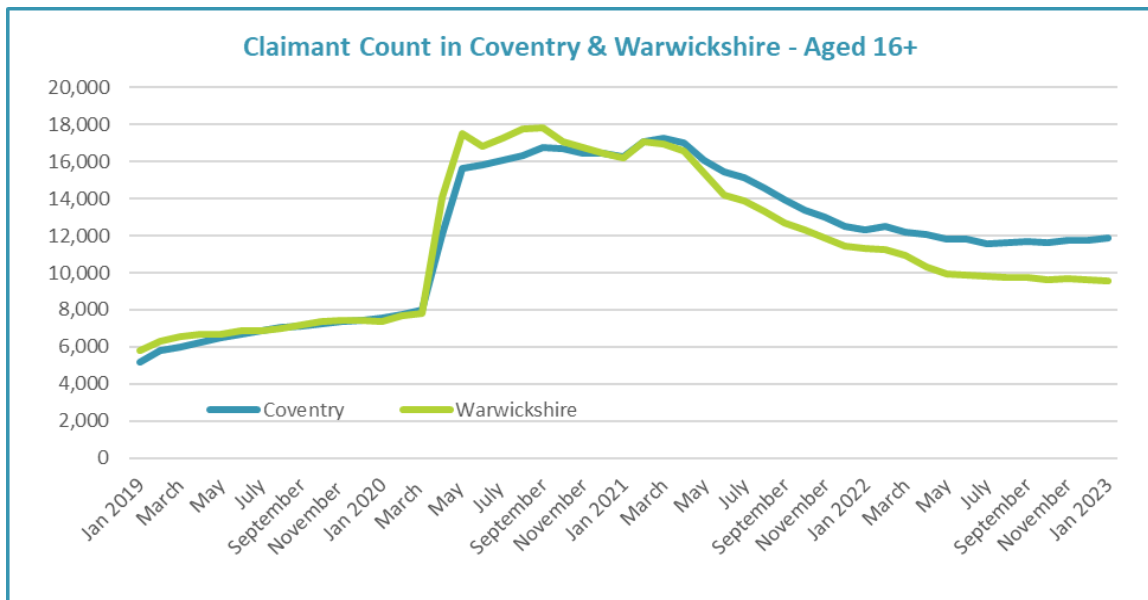
2.1 Labour Market Trends

- In January 2023, **the claimant count in Coventry & Warwickshire totalled 21,470 people**. At the start of the pandemic, in March 2020, the claimant count stood at 15,830.

Area	March 2020	January 2022	November 2022	December 2022	January 2023
Coventry	8,000	12,285	11,775	11,725	11,895
North Warwickshire	845	1,220	1,040	1,015	995
Nuneaton & Bedworth	2,830	3,605	3,050	3,055	3,110
Rugby	1,535	2,110	1,900	1,905	1,895
Stratford-on-Avon	1,050	1,980	1,630	1,610	1,570
Warwick	1,570	2,385	2,070	2,020	2,005
Warwickshire	7,830	11,300	9,690	9,605	9,575
CWLEP	15,830	23,585	21,465	21,330	21,470

Source: Office for National Statistics

- Over the past twelve months there has been a fall in the claimant count across Coventry & Warwickshire, falling from a total of 23,585 this time last year.



Source: Office for National Statistics

- There is a widening gap emerging between the counts in Coventry and in Warwickshire.
- Also, the falls in both Coventry and Warwickshire's claimant counts have slowed, levelled, and started to increase since the start of 2022. We will continue to monitor this over the coming months.

The Office for National Statistics (ONS) also reported in February 2023 that nationally:

- **The UK employment rate for October to December 2022 was 75.6%, 0.2 percentage points higher than the previous quarter.** Employment increased on the quarter, mainly driven by a growth in the number of part-time workers.
- **Latest estimate of payrolled employees for January 2023 showed another increase, up 102,000 on the revised December 2022 figures,** to a record 30 million.
- **The unemployment rate for October to December 2022 increased by 0.1 percentage points on the quarter to 3.7%.** In the last quarter, the number of people unemployed for up to six months increased, and this increase was driven largely by those aged 16-24 years.
- **The economic inactivity rate decreased by 0.3 percentage points to 21.4% in October to December 2022.** This decrease was driven by **those aged 16 to 24 years.** Looking at economic inactivity by reason, the fall was driven largely by those inactive that are either students, long-term sick, or retired.
- **In November to January 2023, the estimated number of vacancies fell by 76,000 on the quarter to 1,134,000,** the seventh consecutive quarterly falls since May to July 2022. A decreasing number of vacancies reflects uncertainty across industries, as businesses reported holding back on recruitment due to economic pressures.
- **The growth in average total pay (including bonuses) was 5.9% and regular pay (excluding bonuses) was 6.7% among employees in October to December 2022.** This is the strongest growth in regular pay since the start of the pandemic.
- **Average regular pay growth was 7.3% for the private sector and 4.2% for the public sector, in October to December 2022,** outside of the height of the pandemic, this is largest growth rate in private sector.
- **In real terms (adjusted for inflation) growth for total pay fell by 3.1% and regular pay by 2.5% in October to December 2022.** This is smaller than the record fall in real regular pay in February to April 2009, of 4.5%.
- **In December 2022, there were 843,000 working days lost to labour disputes, which is the highest since November 2011.** In November 2022, there were 461,000 working days lost.

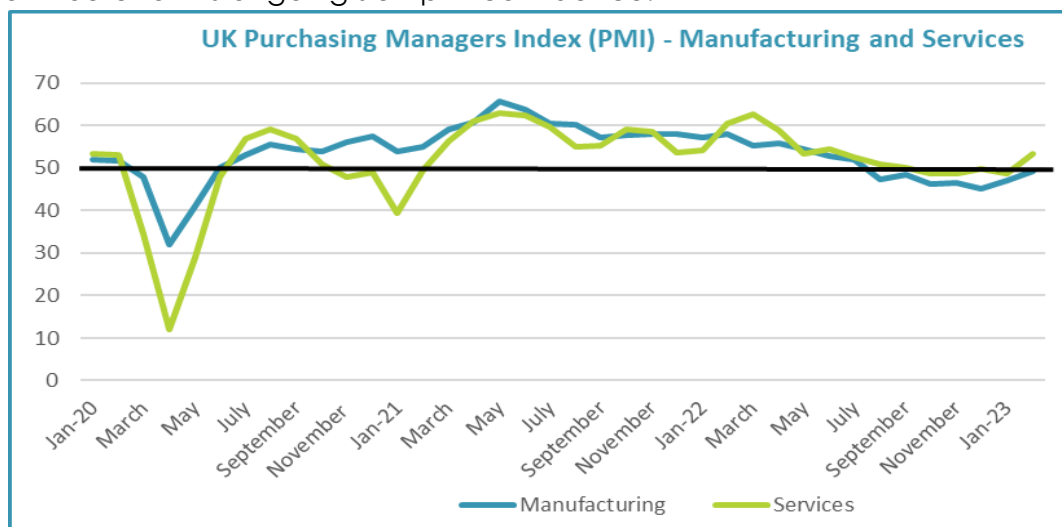
2.2 Economic Trends

Economic Growth

- GDP in the UK **contracted by 0.5% in** the quarter up to December 2022, but on a monthly basis recorded zero overall growth, so narrowly avoiding tipping the economy into recession. With the cost-of-living crisis far from abating, and business confidence still in negative territory, **GDP is forecast to fall gradually in each quarter in 2023 and into Q1 2024.**
- The Bank of England **raised interest rates** by 0.5 percentage points to 4% in February 2023, leaving the rate at its highest level for 14 years, mainly driven by higher than expected rises in private sector wages. City analysts expect interest rates to peak at 4.5% in the Spring, even though the Bank expects inflation to fall very sharply in the second half of 2023.
- The **IMF has forecast** that the UK will be the only G7 country to see its economy contract this year, by 0.6% in 2023 before returning to 0.9% growth over 2024 as a whole. High inflation, high interest rates, high energy bills and hit to the UK trade due to Brexit are thought to be the main factors stifling economic growth.

Business Confidence

- The national Purchasing Managers Index (PMI) for manufacturing increased in February to 49.2 from 47 in January (a figure above 50 represents growth, and contraction below 50). Reduced consumer demand, the delayed delivery of inputs, labour shortages, and increasing labour costs are all continuing to contribute to this ongoing slump in confidence.

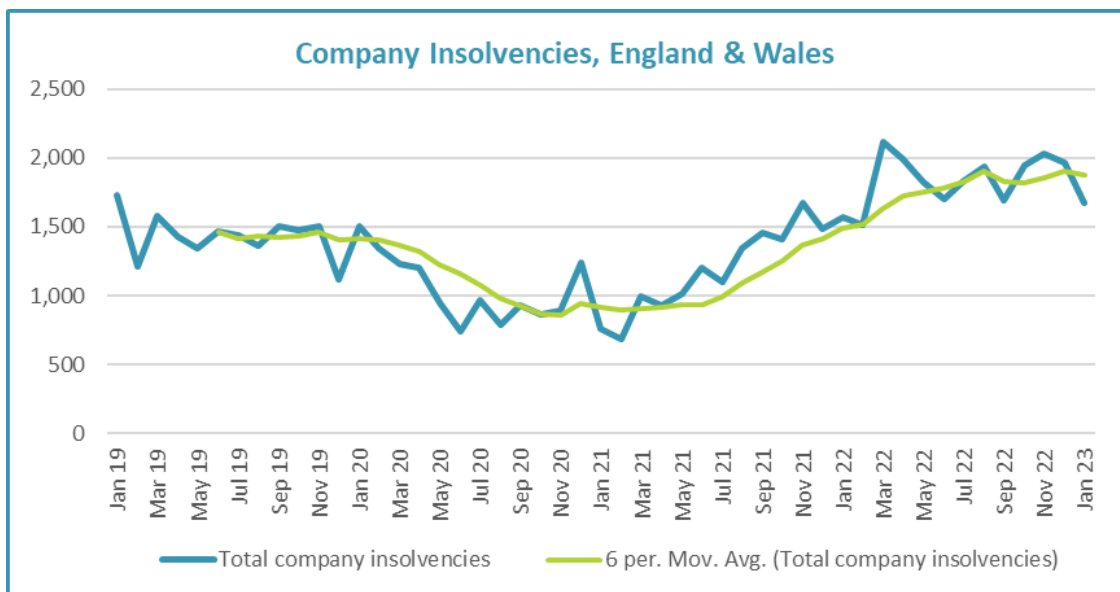


Source: Trading Economics

- For services, confidence has been hit harshly over the past twelve months, with the cost-of-living crisis likely to be impacting on service businesses. **However, promisingly, the services PMI increased to 53.3 in February from 48.7**

in January, showing positive signs of increasing service sector confidence, following the months of steady decline throughout 2022.

- Out of all the UK regions, **the West Midlands was highest for Future Business Activity in January 2023** scoring 76.5, increasing from a December score of 65.3, and pointing to stronger levels of WM regional business confidence.
- **In terms of the Employment Index, the West Midlands was the second highest-performing region with a score of 52.2**, with Northern Ireland the only region scoring higher, showing positive trends in confidence about employment growth.
- **However, confidence among small firms is at its lowest since the pandemic, according to [the latest report](#) from the FSB.**
- **In January 2023, there were 1,671 company insolvencies in England & Wales, with the overall trend in insolvencies continuing to remain high.**



Source: Insolvency Service

- The [British Chambers of Commerce](#) (BCC) highlighted a recent survey showing that **75% businesses are choosing not to increase investment in the UK due to the current economic conditions**. The BCC requests Government to prioritise four strategic goals:
 - Introduce full expensing for capital investment to compensate the end of the “super deduction”, including a 50% Investment Allowance.
 - Help individuals to re-skill throughout their careers by launching a two-year pilot turning the Apprenticeship Levy into a ‘Skills Challenge Fund’.
 - Extend the Industrial Energy Transformation Fund (IETF) from 2025 to 2030.

- Invest in alternative green energy solutions to enhance domestic energy security and boost green growth.

International Trade

- **There are ongoing concerning trends for international trade in the West Midlands, with continued barriers to businesses trading internationally.** Many businesses in the area are still not expanding their volume of international trade activity despite full EU Border controls on imports not yet fully implemented.
- In February's [ONS Business Insights Survey](#), 24.1% of West Midlands businesses reported to be exporting less than a year ago, compared with 14.4% amongst companies importing goods.

Centre For Cities – Outlook 2023

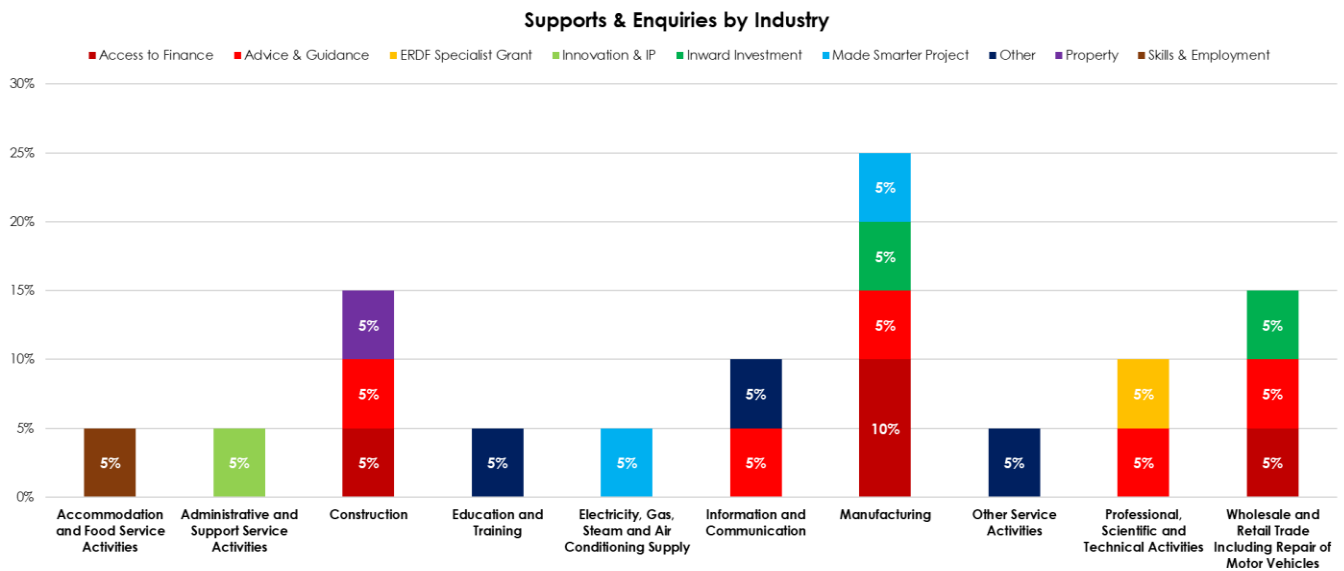
- The main focus of this year's '[Cities Outlook](#)' report **considers the impact of 'hidden unemployed' on regional inequality**, which includes the number of officially unemployed people, and number of people who are 'involuntarily inactive'.
- The report identifies that **the health outcomes, economic, social, and geographic factors play role in involuntarily inactive levels**. The majority of those classified as involuntarily inactive were people living in northern regions of England.
- There is a north-south divide in the labour market too, with **cities in the north more likely to face job shortages while cities in the south more likely to face labour shortages**. Coventry, like many other Midlands cities is experiencing both a shortage of jobs and labour shortages, and more high-value jobs need to be created in the area that would then lead to spin-off impacts of additional jobs being created.
- Based on latest 'City Monitor' metrics, Coventry is an outlier (either in the bottom or top 10 of 63 cities) in some of the following categories:
 - Housing Stock – Coventry had the 7th lowest housing stock growth over 2020-2021.
 - CO2 Emissions – Coventry had the 8th lowest CO2 emissions per capita.
 - GVA per Hour – Coventry ranks 15th at £37.50, but this is slightly below the national average of £38.90.
 - New Economy Firms (i.e., FinTech and advanced manufacturing) - Coventry ranks 43/63 at 14.7 new economy firms per 10k population whereas the national average is 20.7.
 - Working Age Population with no Qualifications – Coventry has the 27th highest rate at 7.6%. The national average is 6.8%.

3. Latest CW Growth Hub Insights

3.1 CW Growth Hub – Support & Enquiries

Since the start of the Covid-19 pandemic in March 2020, **CW Growth Hub has supported 5,092 businesses** including substantive discussions relating to a wide range of current issues impacting on their future growth.

This month's business insights are taken from intelligence gathered in **January 2023**. The chart shows the supports and enquiries businesses made by sector.



NB: Figures have been rounded.

Advice & Guidance was the most popular for support/enquiries over the past month, although there was also a spread across other enquiry types too. Businesses highlighted the **Access to Finance** as their main requirement for support. There was also additional guidance provided around **Inward Investment, Made Smarter Project, and Other Support**.

The main sectors supported by CW Growth Hub was Manufacturing (25%), followed by Wholesale & Retail Trade (including Repair of Motor Vehicles), and Construction at 15% in each sector. The volume of businesses from Manufacturing seeking help also includes the Made Smarter programme.

The size profile of businesses supported over the past month consisted of **44% Micro businesses (2-9 employees); 39% Small businesses (10-49 employees); and 17% Medium businesses (50-249 employees).**

There was an **increase in Micro Enterprise** and a **decrease in Sole Employees, Small and Medium Enterprise** approaching CW Growth Hub compared to the previous month. Around 21% of respondents came from businesses started trading since 2020.

3.2 CW Growth Hub – Current Themes

CW Growth Hub Account Managers reporting this month:

Hot Topics, Business & Economic Intelligence Headlines

- **Energy Prices** – Businesses are still facing increases in energy costs, with some reporting to the Growth Hub up to sixfold increases in energy bills as fixed price contracts come to an end. Whilst flexible working is likely to remain the norm employers are highlighting that they still need to keep workplaces open, heated, and staffed throughout the week/weekend, increasing energy costs.

New job losses, warnings, or potential economic shocks

- **Senior Roles** – A number of businesses have reported to our Account Managers that they are looking to streamline and reduce costs, cutting senior level roles and numbers in management team structures to save money.
- **Training, Staff Shortages and Retention** – Positive signs that local businesses are continuing to invest in the development of existing staff. Support required includes training and qualifications in customer service, digital marketing, sales, forklift driving and leadership & management. Additionally, there are reports of service engineers and general machine operator shortages being felt across our region.

New Opportunities, investments, and Job Gains

- **Growth Sectors** – Nursing, hotels & catering, and accountancy/finance businesses experiencing growth with increased recruitment in these sectors with many roles offered in the £20k-£40k salary range. Some reports of permanent roles decreasing in the construction, engineering, IT & digital sectors, with short term, temporary roles, and fixed-term contracts increasing.

Other Issues

- **Supply Chain and Materials** – Account Managers continuing to hear reports of businesses facing delays with the delivery of materials and other supplies, including electronic chips and processors, leading to fulfilment issues, and potentially delaying business growth. Low volume manufacturers are experiencing 40% increases in the costs of some supplies due to it not being cost effective to purchase in bulk. On a more positive note, the cost of steel is reported to have stabilised.
- **Cashflow** – Examples from businesses, including a local cider maker along with a supplier of industrial products, stating that they are actively delaying investments to protect cashflow. Both saying that they are not prepared to move forward with investments, that are planned to create and protect jobs, until they have sufficient reserves to mitigate future economic challenges.

4. Spotlight: High Growth Businesses

The start-ups and other businesses in our local economy that are growing at a rapid rate play a crucial role in driving economic growth and success – these are collectively known as high growth businesses. In this section we set out an overview of the importance of high growth businesses in Coventry & Warwickshire and the wider region.

4.1 Context

Definition of High Growth

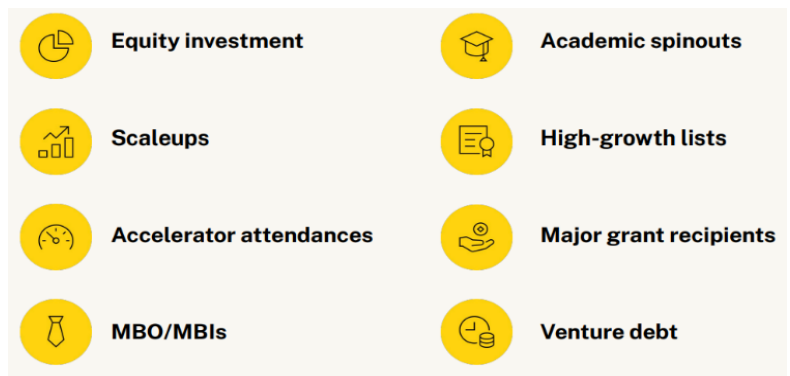
There is no one definition of what represents a high growth business, but the OECD provide a definition – **a business characterised both in terms of employment and turnover growing by an average of more than 20% per year for three consecutive years.**

Definition of High Growth - Beauhurst

Beauhurst track companies where turnover is growing by 20% year-on-year over three consecutive years.

It uses eight 'tracking' triggers that to identify high growth or ambitious companies, where at least one of those triggers are met since 2011. The triggers are shown in Figure 1.

Figure 1: Beauhurst criteria to identify high-potential



Source: Beauhurst

The importance of High Growth businesses

It is recognised that high growth businesses are not only key drivers to the local economy and can be critical in creating employment, productivity, innovation, and generating growth, but also provide resilience to economic shocks and downturns. Research carried out by NESTA into the importance of high growth companies, '[The Vital 6 Per Cent](#)' highlights that high growth firms are less likely than other firms to become insolvent when downturns, shocks, and recessions take hold.

Further, EY conducted a survey in May 2021 using eight tracking triggers and reported 78% of 505 responding high growth companies were able to grow revenues during the pandemic, and 22% grew revenues by more than 100%. Software-as-a-Service and Fintech sectors in particular saw the highest levels of growth, driven mainly by the impacts of the lockdowns and remote working, where both businesses and their consumers quickly adopted to digital service provision.

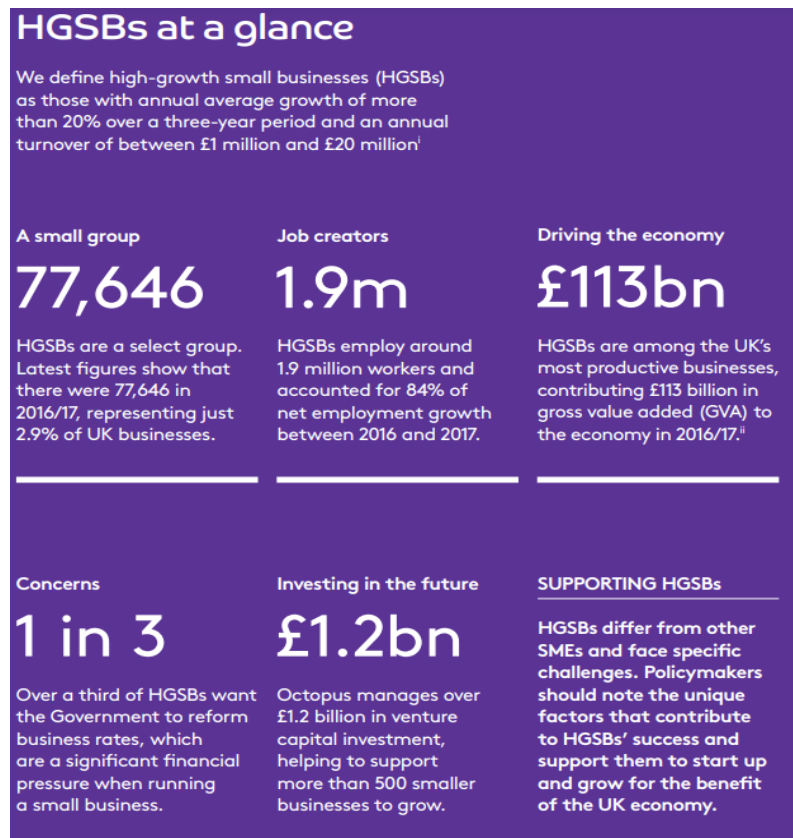
OCTOPUS High Growth Small Business

reported 2.9% of all businesses represent high growth ones, contributing around 6% to the UK economy. HGSBs were also found to be 24% more productive than LGSBs (low-growth small businesses).

Gross Value Added by Local Authority

High Growth companies have a strong positive correlation with GVA according to the report '[Unlocking Growth](#)', from Barclays and Beauhurst. It found that local authority areas that have 100 or more high growth businesses, have an average £138,000 GVA per head of population compared to £22,000 per head where there were fewer than 100 high growth companies. The presence of a high growth business ecosystem clearly generates significant added value, both through sale of high-value products and high salaries offered.

Figure 2: Overview of High Growth Small Business in 2016-2017



Source: High Growth Small Business Report 2019, Octopus

4.2 Coventry & Warwickshire Profile

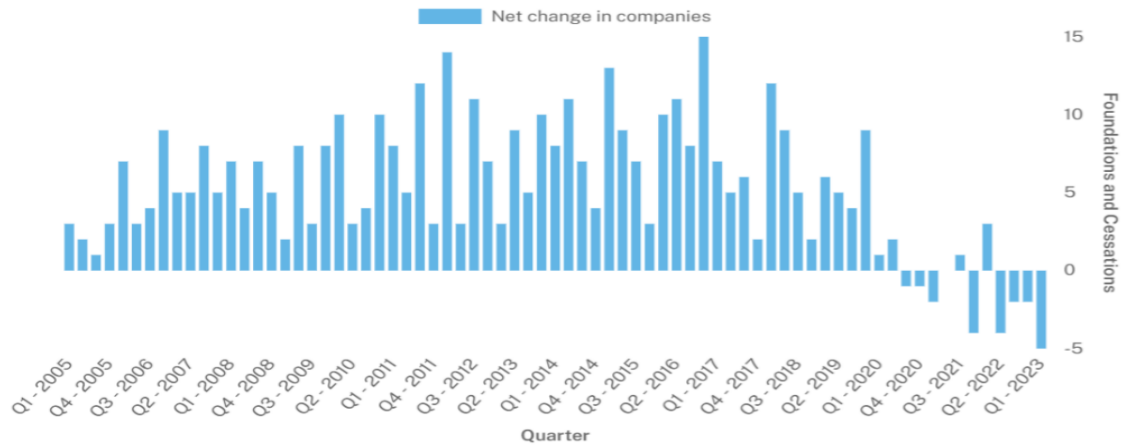
Some 670 high growth companies are in Coventry & Warwickshire, and out of those, 84% are currently active with Companies House. By sector, the highest proportions are in the Professional, scientific & technical activities at 21.3%, Information & communications at 16.5%, and 15.4% in Manufacturing.

Number of ceased High Growth Businesses

Figure 3 shows that since the Covid-19 pandemic, there have been a number of high growth firms' cessations (defined as either 'Company dissolved' or 'Converted / Closed'), reflecting the same patterns in the wide economy across the region.

However, high growth businesses appear more resilient compared to SMEs generally. For every one ceased high growth business there were 134 active high growth ones. Amongst SMEs generally the ratio is one ceased to every eighty-one firms, demonstrating the importance of high growth businesses to the local and wider regional economies.

Figure 3: Net change in active companies since March 2005 in Coventry and Warwickshire LEP



The use of this graph is governed by the Terms and Conditions of your Subscription to Beauhurst and the accompanying Data Policy.

Source: Beauhurst

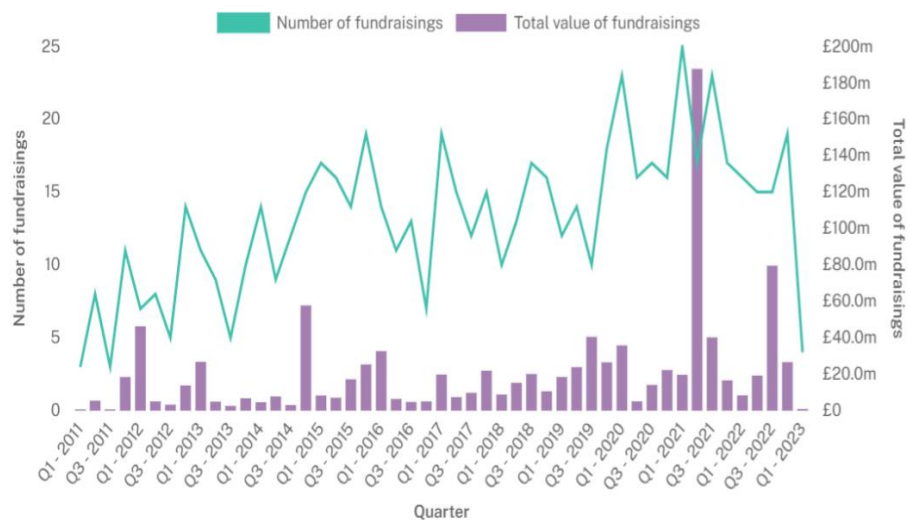
The data are up to 13th February 2023 only.

Overview of Fundraisings and Grants

Since the first quarter of 2011, a total of 679 fundraisings were associated with 265 high growth companies, with a total value of around £1.02bn and an average of £21.2m (excluded data of 2023 Q1).

Furthermore, 494 grants were awarded to 149 high growth firms, totalling £133.4m. Out of total high growth firms, 22% represent firms at the Established stage, followed by Venture and Seed stages at 21% and 19% respectively.

Figure 4: Fundraisings over time in Coventry & Warwickshire



Source: Beauhurst

The data are up to 13th February 2023, and not beyond that date.

4.3 Available Supports for High Growth Businesses

There is a wide range of support for high growth businesses locally:

- Business Ready Programme supported by the University of Warwick aims to support SMEs that have ambitious growth. The statistics revealed that £5.96m of finance raised for local businesses, where 97 new high value jobs have been created over the programme (high-tech growth jobs).

- [Early and High Growth Oversight](#) run by the Financial Conduct Authority provides support to 300 newly authorised companies to get used to their regulatory status and understand their obligations by the end of 2022/2023.
- [Made Smarter Programme](#) was launched to support the transformation of UK manufacturing by pioneering the development and integration of new and existing industrial digital technologies, including artificial intelligence (AI).
- [Help to Grow](#) Scheme consists of two programmes which are Digital (closed applications on 2nd February 2023) and Management. The Management course focuses on supporting SME business leaders to boost their leadership skills to increase productivity, seize investment opportunities, and to grow their business.
- [Start Ups Loans](#) programme administered by the British Business Bank, offers support for entrepreneurs looking to start their own business through financial help (personal loans up to £25,000), guidance, and advice.

4.4 Driving Innovation and High Growth

Coventry & Warwickshire Growth Hub, Stratford-on-Avon District Council, and the University of Warwick recently held a conference at the University's Wellesbourne Innovation Campus aimed at high growth and innovative businesses from across our region, to discuss the challenges and opportunities for growth, innovation, and future economic strategy.

The main focus of the day was on high-value sectors; high-tech manufacturing – including automation, AI, and electrification; agri-tech; and digital and creative industries. More background to the conference can be found here:

<https://www.cwgrowthhub.co.uk/news/collaboration-key-improving-skills-and-economy-summit-heard>

The conference brought together innovative industry leaders to gain a greater understanding of key economic drivers and future growth needs. It raised the profile of innovative high-tech automotive, engineering, and digital businesses and clusters across south Warwickshire and the importance of their role in fuelling current and future local economic growth.

It also delivered a greater understanding of the educational and training pathways required for current and future workforces, together with giving a view on the level of government support available, especially in response to skills shortages across high-tech sectors and their respective supply chains.

Key findings and next steps emerging from the event included:

- The increasing need to foster collaboration and partnership working to drive economic growth and a local skilled workforce.
- Recognition of the need for suitable expansion space for companies to quickly scale-up into where needed.
- Mapping of the support ecosystem in local areas so businesses are aware of the support available to help them.
- The need to establish and develop mentoring roles and networks, to support businesses on their journeys to high growth.

4.5 Q&A with Justine Chadwick & Jim Clark, High Growth and Scale-up Account Managers at CW Growth Hub

Jim – “I have been with the Growth Hub for over three years and have recently started to focus more on local High Growth businesses.

I have extensive business experience, having built a manufacturing, distribution, and service business from £500k to £5m, and then another business from £4m to £40m firstly as Sales & Marketing Director and eventually as M.D. and then owner. The latter was a global supplier to the likes of Marks & Spencer, JLP, and Primark.

We believe that high growth businesses (circa 10% to 20% per annum) can generate so much more to the economy of Coventry & Warwickshire.”

Justine – “I have worked at CW Growth Hub for four years, and before that a very varied background which included a partnership owning a software business, managing sales teams, establishing International Partnership agreements, working for professional bodies, sales and marketing companies, recruitment, awarding bodies, ISO Certification bodies, Learning & Technology Providers, and even running a wine bar!

Having started an SME from conception, being strategically involved with developing sales and marketing strategies, staff recruitment, developing supply chains, creating learning & development pathways, new product development, and financials, I have a real understanding of how challenging and rewarding the journey can be!”

Why do High Growth firms matter to Coventry & Warwickshire's economy?

“Often, too much emphasis is given to driving the creation of start-ups. The reality is that high growth, or scale-up businesses, create longevity of job creation, and create more jobs over time, and can help attract in additional investment to local areas.

Often, the talent required for high growth is significantly and predominantly at a higher salary level, which has spin-off benefits in providing good jobs for local economies and workers.

Coventry & Warwickshire is known for having strong links in several sectors – high-tech automotive, and digital & creative to name just two. We need to ensure that we keep that pool of High Growth businesses, entrepreneurs, and workforces in our sub-region, and to do this we need to support ambitious and innovative businesses, especially as they embark on their high growth journey.”

How will your roles support local High Growth Firms?

“In our experience, many business owners often do not know what is already available to them through the local business support ecosystem that we work with.

So, by being able to get to work with these owners we should be well placed to help them gain that support and put them on the path to high growth.

Examples of where we believe we can really help to make a difference include:

- Help identify funding outside of the local ecosystem to support growth.
- Introduce complementary businesses, and broker introductions to each other for collaborative projects/bids/tenders.
- Identify new business opportunities and alert the business.
- Identify and create relevant business clusters to share knowledge and exploit opportunities. This should be across multiple sectors.
- Act as an impartial ‘critical friend’ and mentoring to business owners and senior manager's – a mentoring role for them.
- Share diverse knowledge and experience – what is working, and what doesn't work, in other sectors and businesses.”

What Recommendations would you suggest around additional future support for high growth firms?

"It's a long and growing list of suggestions, but the key ones from our perspectives would be:

- Improve connections with our local universities for collaboration opportunities on product development/innovation/testing etc.
- Build support capacity to assist with grant applications – for large funds such as Innovate UK, and support with bid writing, pitch decks, and investor presentations and processes.
- Provide a value-add proposition which Growth Hubs can offer outside of 'standard' Account Management – and a more recognisable brand for Growth Hubs working with scale-ups across the country would assist with awareness and consistency of offer.
- Help businesses keep up-to-date with new initiatives such as Scale Up Visas.
- Partner with accreditation bodies to ease the accreditation process.
- Link businesses with schools more effectively and make them aware of ways to engage and inspire teachers, parents, and pupils. Our schools are where our future entrepreneurs and highly skilled workers currently are!"

5. Recommendations

February Golden Recommendation:

It is recommended that measures need to be put in place to ensure UK Shared Prosperity Funding (UKSPF) business support allocations in the region start promptly, so that there is no gap between EU funding ending and the UK Government support, though UKSPF, starting.

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

Reductions to Business Support funding remains a significant risk for our local economy – we need to ensure that appropriate funds are directed towards supporting as many businesses as possible to tackle the big challenges they currently face, notably by prioritising innovation (products, processes, and services), diversification (including into new markets), and in supporting local firms with high-growth potential.

5.1.b

With our relatively poor regional performance on International Trade, measures that support increasing the level of exporting should be implemented. Capacity on International Trade business support should be increased to help raise awareness around opportunities, both for companies that currently aren't engaged in trading internationally and those who currently are and would like to do more.

5.1.c

Businesses should be made aware of and be able to connect with redundancy support provision, to help as quickly and effectively as possible when and where economic shocks or company closures have the potential to adversely affect our local economy. Local examples include the Employability & Skills Team at Warwickshire County Council, and Coventry City Council's Job Shop.

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

Attracting new jobs in high-growth companies will create significant benefits for local economies in tackling worklessness and underemployment. A focus on the “new economy” is therefore vital because this could also stimulate wider job creation in other sectors as our economy becomes characterised more by sustainable and inclusive growth.

5.2.b

Widen the already excellent business engagement with local universities to deepen, R&D, product development, innovation, testing, and knowledge exchange.

c. Long Term

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

5.3.a

Government needs to offer greater incentives for businesses to invest in training and upskilling the local and regional workforce. This includes offering a more nuanced approach to deal with the high numbers of those working age economically inactive by recognising the broad spectrum of issues around the subject e.g., childcare costs, and mental and physical health challenges. We encourage Government to listen to industry groups and business bodies and consider their recommendations.

5.3.b

The importance of stronger devolution as a means of “levelling up” – one important factor here is that our local economy receives a strong share of any additional public R&D and innovation funding, to help foster and nurture the right conditions to encourage the high-growth companies of the future to establish and thrive here.

5.3.c

Future employment and skills support should become more locally designed, produced, and delivered. This approach should build on the findings and recommendations from the forthcoming Local Skills Improvement Plans and consider development of integrated local Technical Education Systems to respond to future local economic/sectoral needs.