



Coventry & Warwickshire Business Intelligence

July 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>

1. Executive Summary

Welcome to the July 2023 edition of the Coventry & Warwickshire Smart Region report. This month our spotlight theme is **'Inward Investment'**, highlighting latest trends, issues, challenges, and future opportunities.

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), West Midlands Combined Authority (WMCA), WM-REDI, Bank of England (BoE), and other specialist labour market research and analysis bodies.

Key Headlines

"It has been nearly three months since Coventry & Warwickshire Growth Hub became a stand-alone organisation following the closure of CWLEP. It has been business as usual as far as Coventry & Warwickshire businesses are concerned, even though we have been transitioning from our parent company, CWLEP, into a stand-alone entity.

In terms of delivering our services, we are acutely aware of the need for continuity and are very mindful of the changes going on around us, with the regionalisation of funding, and fragmentation of the UK Shared Prosperity Fund.

It is worth noting that Coventry & Warwickshire's LEP geography area, as an economic entity, has been among the fastest growing in England over many years. One of the factors fuelling that growth is access to talent, and here we benefit because we have outstanding innovation assets which are university-driven, and we have two catapults with the MTC, and WMG at the University of Warwick, which are giving those companies with ambition a pipeline of talent that they can tap into.

Even in an increasingly virtual world, location is also still key, and we are almost unrivalled in our situation at the heart of the country. Geography is an important ingredient but so is the breeding of talent, R&D facilities, and knowledge-led businesses.

We have all of those in abundance, and looking ahead the Growth Hub can continue to ensure that they work in unison to help Coventry & Warwickshire maximise our future economic potential."

Craig Humphrey, Chief Executive, CW Growth Hub

2. Latest Economic & Labour Market Trends

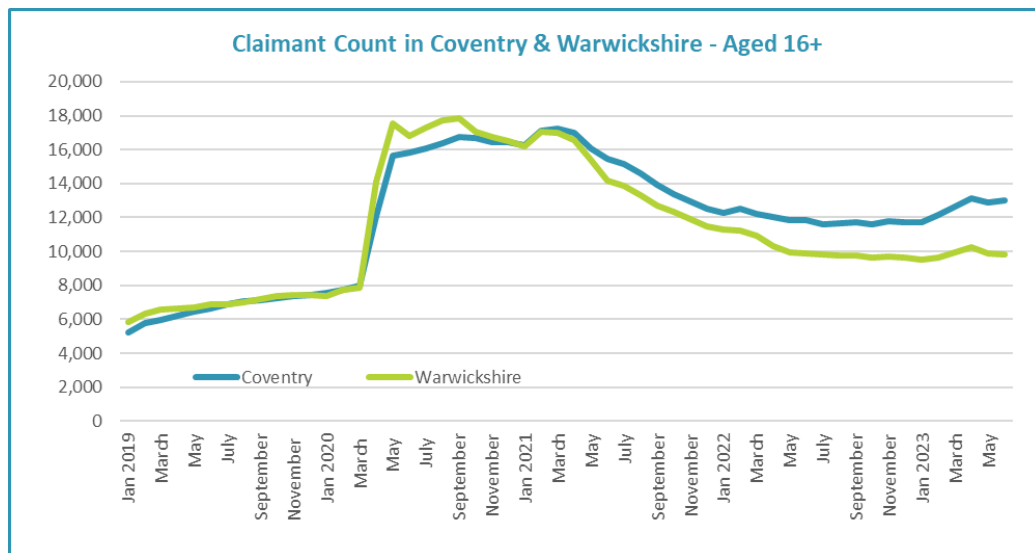
2.1 Labour Market Trends

- In June 2023, **the claimant count in Coventry & Warwickshire totalled 22,875 people**. At the start of the pandemic, over three years ago in March 2020, the claimant count stood at 15,830.

Area	March 2020	June 2022	April 2023	May 2023	June 2023
Coventry	8,000	11,820	13,115	12,895	13,030
North Warwickshire	845	1,030	1,060	1,015	995
Nuneaton & Bedworth	2,830	3,180	3,280	3,200	3,210
Rugby	1,535	1,900	2,120	2,045	2,070
Stratford-on-Avon	1,050	1,610	1,675	1,570	1,560
Warwick	1,570	2,135	2,105	2,050	2,010
Warwickshire	7,830	9,855	10,240	9,880	9,845
CWLEP	15,830	21,675	23,355	22,775	22,875

Source: Office for National Statistics

- Over the past twelve months there has been an increase in the claimant count across **Coventry & Warwickshire**, rising from a total of 21,675 this time last year.



Source: Office for National Statistics

- There is a widening gap emerging between the claimant counts in **Coventry and in Warwickshire**.
- The increase in both Coventry and Warwickshire's claimant counts had been accelerating **since the start of 2023, most notably in Coventry**. We will continue monitoring this over the coming months to determine whether this is a short-term or seasonal effect, or whether it points to a more concerning trend.

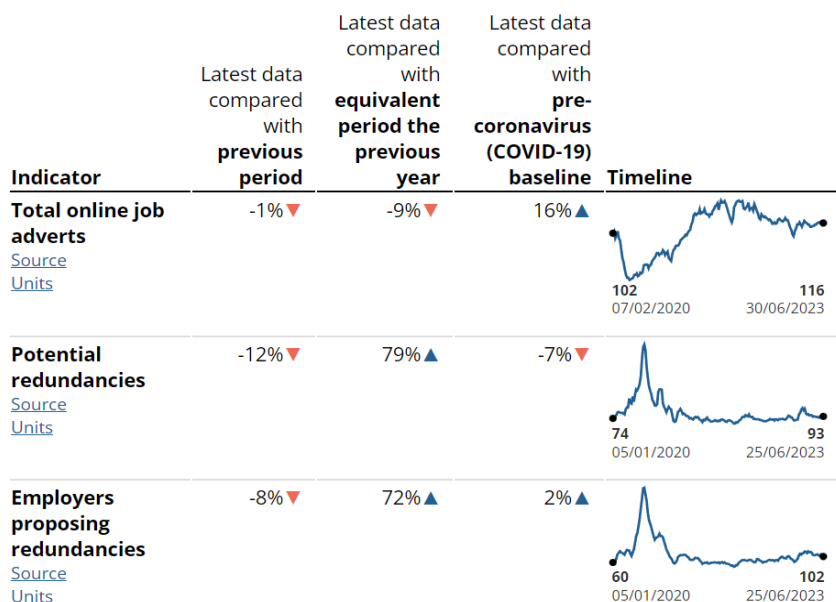
The Office for National Statistics (ONS) also reported in July 2023 that nationally:

- **The UK employment rate for March to May 2023 was 76.0%, 0.2 percentage points higher than the previous quarter.** Employment increased on the quarter, driven by increasing numbers of part-time employees.
- **Latest estimates of payrolled employees for June 2023 showed a decrease, down 9,000 on the revised May 2023 figures, to 30.0 million.**
- **The unemployment rate for March to May 2023 increased by 0.2 percentage points on the quarter to 4.0%.** The increase in unemployment was driven mainly by people unemployed for up to 12 months.
- **The economic inactivity rate decreased by 0.4 percentage points to 20.8% in March to May 2023.** Looking at economic inactivity by reason, the fall was driven largely by those inactive for 'other reasons', those 'looking after family or home' and those who are 'retired' all returning to the labour market.
- **The increase in the employment and unemployment rates and the decrease in the activity rate during the last quarter was mainly amongst men.**

- **In April to June 2023, the estimated number of vacancies fell by 85,000 on the quarter to 1,034,000 - the twelfth consecutive fall.**

- **The most recent estimate of the number of online job adverts showed a decrease, down by 1% from the previous figure, having remained relatively stable over the last five months. The current level is 9% lower than the corresponding period in 2022, where**

notably, the 'Human Resources (HR) and Recruitment' sector experienced a substantial decrease of 45%.



Source: Office for National Statistics

Release date – 6th July 2023

- **The growth in average total pay (including bonuses) was 6.9%, and regular pay (excluding bonuses) was 7.3% among employees in March to May 2023.** For regular pay, this equals the highest growth rate, which was also seen last month and during the Covid-19 pandemic period for April to June 2021.
- **In real terms (adjusted for inflation) total pay fell by 1.2% and regular pay by 0.8% on the year in March to May 2023.**

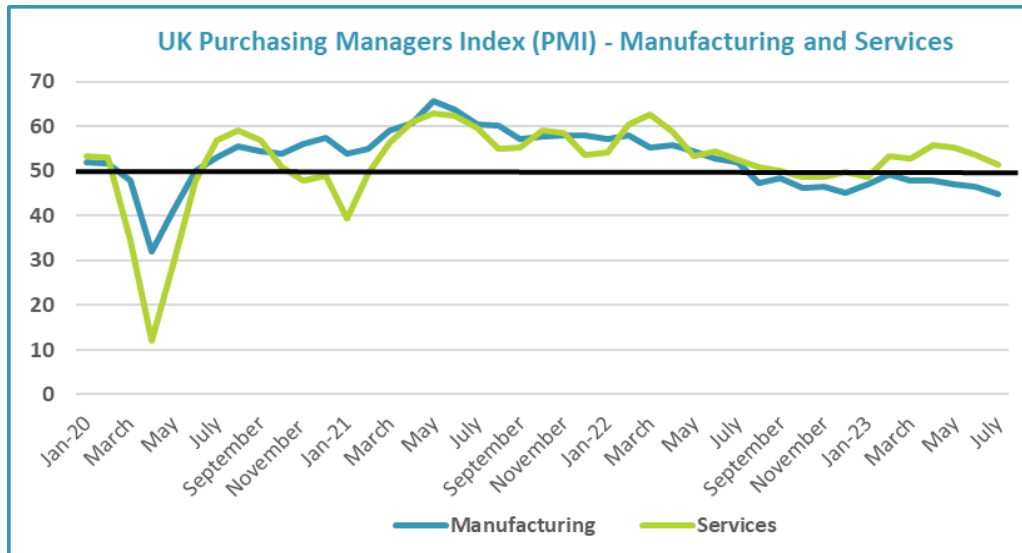
2.2 Economic Trends

Economic Growth

- **The UK economy shrank by 0.1% in May** following a 0.3% rise in GDP the previous month. While the three Bank Holidays in May were a boon for the arts, recreation, leisure, and entertainment sectors, the overall effect on activity was a negative one. Construction was down by 0.2%, production was down 0.6%, and the services sector overall saw 0.0% growth.
- **UK CPI inflation fell from 8.7% in May to 7.9% in June**, which represented a bigger fall than the forecast 8.2% outturn. Core CPI inflation, which does not include more volatile prices like food and energy costs, also fell from 7.1% in May to 6.9% in June.
- **The higher than anticipated fall will alleviate fears of another dramatic interest rate hike next month**, with the likelihood now that the Bank of England will favour a quarter-point rise rather than a half-point one. This in turn is likely to ease pressure, albeit only slightly, on households facing increased costs, especially where housing is concerned.
- **In continuing to tackle inflation moving forward, there is a need to consider both demand side issues, making it more expensive to borrow money and reducing consumer spending on goods, and supply side issues, such as rising energy prices and increasing labour costs due to tight labour markets.**
- **In the latest OECD Economic Outlook, the UK economy is expected to be one of the worst performing of the OECD countries.** While the forecast might be grim reading for the UK economy, it does point to opportunities for our region's SMEs in terms of emerging export markets, with India and East Asia looking particularly attractive. This, as well as the UK's recent accession to the Indo Pacific Trade Bloc provides potential new international market opportunities for Coventry & Warwickshire businesses.

Business Confidence

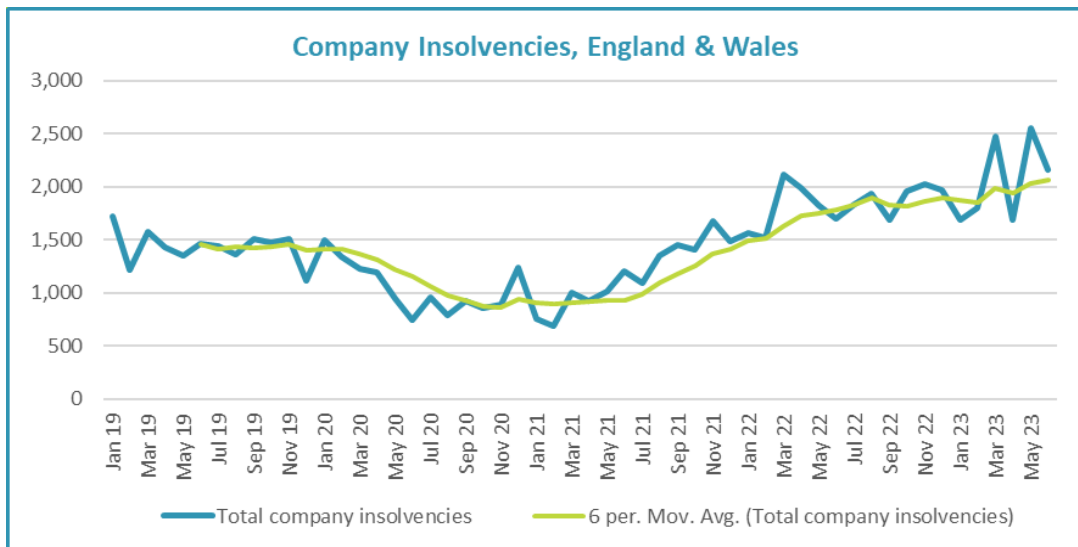
- **The national Purchasing Managers Index (PMI) for manufacturing decreased further in July to 45.0 from a revised 46.5 in June** (a figure above 50 represents growth, and contraction below 50). The manufacturing PMI hasn't been above 50 since July 2022. Reduced consumer demand, the delayed delivery of inputs, energy costs, labour shortages, and increasing labour costs are all continuing to contribute to this subdued confidence.



Source: Trading Economics

- **However, the services PMI also fell in July, to 51.5 from a revised 53.7 in June.** The services PMI has been above 50 since the beginning of the year but is pointing towards falling below this over the next couple of months.
- **The West Midlands Business Activity Index (Nat West PMI) also fell, from 54.2 in May to 52.6 in June.** This means that while business activity in the region grew last month, the rate of growth declined slightly. The upturn in activity was put down to the onboarding of new clients, and demand resistance.
- **The West Midlands was fourth highest of all regions for output at the end of the second quarter and was second highest for the Future Activity Index (growth expected over the next 12 months).** Some 27% of West Midlands firms also reported an increase in turnover in June, compared to 17% reporting a decrease.
- **There are signs of positive trends around investment levels, with 65% of West Midlands businesses having made capital investments between April 2021 and March 2023,** with 37% using the “super deduction”, and 62% expecting to make further capital investments up to March 2026.
- The latest ONS Business Insights and Conditions Survey (BICS) survey shows that **inflation remains the issue of most concern for businesses in the West Midlands.**
- **However, falling demand is now also as much of a concern for businesses in the region as energy prices,** which have been of particular concern over the past fifteen months.

- **Across the economy, there were 2,163 company insolvencies in June 2023 in England & Wales, a 27% increase on the June 2022 number of 1,698. The overall trend in company insolvencies continues to rise.**



Source: Insolvency Service

International Trade

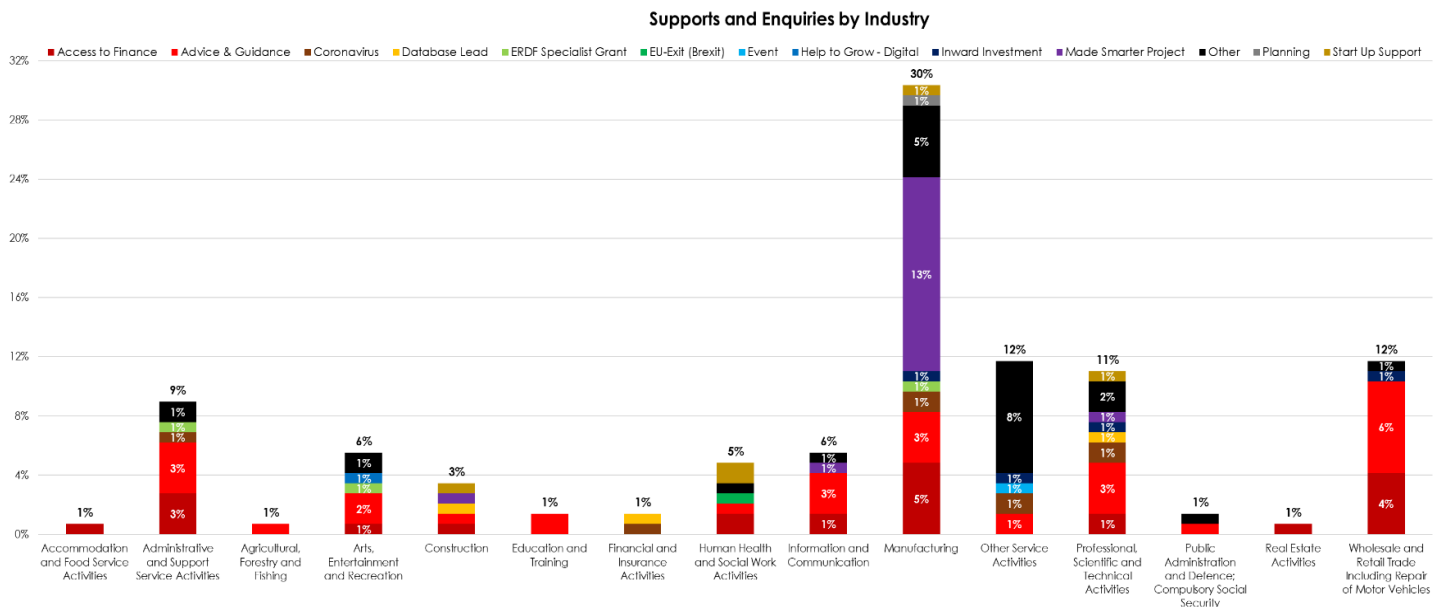
- **British Chambers of Commerce (BCC) latest research shows that UK international trade continues to stall. Their latest survey has found that in Q2 2023, some 50% of SME exporters saw no change in overseas sales, and almost a quarter, at 24%, reporting a decrease.** Just over a quarter (26%) saw their overseas sales increase. The last time more than 30% of firms saw increased export sales was in Q4 2018.
- **The latest ONS Business Insights Survey also indicates that the percentage of West Midlands firms exporting less than 12 months ago has risen from 21.3% last month to 25.2% in June.** The picture was slightly better on imports where the number importing less than 12 months ago has fallen from 16.8% in May to 15.6% in June.
- **Data from the Economic Intelligence Unit shows that between Q1 2022 and Q1 2023, the value of goods exported from the West Midlands grew at a higher rate (22.2%) than the value of the goods exported by the UK overall (17.5%).** However, the rate of growth for goods imported into the West Midlands was lower than the UK rate, with a 16.7% increase in the region compared with a 23.5% nationally.
- **This month the UK secured a trade deal with a collection of Indo-Pacific nations called the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).** While the UK already has free trade deals with nine of the eleven member states of the CPTPP, the Government estimates that the new deal will be worth an additional £1.8bn to the UK over ten years, the equivalent of 0.08% GDP.

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 5,368 businesses** including substantive discussions covering a wide range of issues impacting on potential future growth.

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



NB: Figures have been rounded.

Advice & Guidance was the most popular reason for support/enquiries over the past month, although there was also a spread across other enquiry types. In addition, businesses highlighted the **Access to Finance and Other Support** as a key requirement for support. There was also guidance provided around **Made Smarter Project, Inward Investment, Coronavirus and Start-up Support**.

The main sectors supported by CW Growth Hub were **Manufacturing (30%)**, followed by **Wholesale & Retail Trade, including Repair of Motor Vehicles** and **Other Service Activities (12% in each sector)**.

The size profile of businesses supported over the past month consisted of **13% Sole Traders, 44% Micro businesses (2-9 employees), 31% Small businesses (10-49 employees), 10% Medium businesses (50-249 employees), and 2% Large businesses (250+ employees)** - 121 out of 146 businesses stated their size of profile.

There was an **increase in Micro, Small and Large Enterprises** and a **decrease in Sole Traders and Medium Enterprises** approaching CW Growth Hub compared to the previous month. Around 14% of respondents ((125 out of 146 businesses stated their date of incorporation) came from businesses that have begun trading since 2020.

3.2 CW Growth Hub – Current Themes

CW Growth Hub Account Managers reported this month:

Hot Topics, Business & Economic Intelligence Headlines

- **Net Zero 'Evidence'** - Businesses reporting increased demands from potential clients for evidence of Net Zero credentials, a result of growing awareness around the issues linked to this. Several businesses bidding for contracts have highlighted they lack the resources or skills to complete lengthy documents demonstrating Net Zero credentials. As a result, some are opting out of bidding for potentially lucrative contracts, hampering future growth.
- **Networking** - Businesses are increasingly eager to network more, particularly at trade shows and established events, to connect with regional companies and explore opportunities with potential new suppliers and customers. EV/Automotive, the Personal Services supply chain, and Energy related companies amongst those with the most growing appetite for this.
- **Raising Finance** – Several enquiries from businesses looking to invest in significant capital purchases, using outside of usual funding streams.
- **Supply Costs** – Further reports of increases, particularly with the supply of consumables across several sectors, including medical and cleaning supplies.
- **Energy** – Energy costs have presented a lower profile amongst business engagements this month, partly influenced by the warmer weather and the practice of passing on some costs to clients or absorbing into profit margins. Referrals for energy audits are increasing again and are likely to grow further as new funding for these becomes available.

New job losses, warnings, or potential economic shocks

- **Recruitment** – Businesses continue to face ongoing challenges in recruiting staff across numerous sectors and at all levels. High salary demands have made it difficult to attract suitably qualified candidates. For instance, HGV drivers are now being offered £26-30k base salaries, which has increased from £18k a year ago. In some cases, businesses have reported that despite raising salaries, they are still unable to recruit into available roles.
- **EU Workers** – EU exit implications continue to impact local employers. Some businesses making further calls for changes from Government to make working in the UK easier for certain categories of workers and specific occupations.

New Opportunities, Investments, and Job Gains

- **Re-shoring** – Example from a Rugby based gin distillery which has recently re-shored its glass bottles suppliers back to the UK, specifically within the West

Midlands, to help save them significant costs. They also utilise multiple support sources for marketing and recruitment, including participation in the Natwest Accelerator programme, highlighting the importance of such schemes.

- **New Contracts** – A specialist foam products in Stratford plans to recruit a further 20 staff to meet the high demands of a major automotive OEM in the region, by creating a new nightshift after winning a lucrative new contract to supply parts directly.
- **Temporary -vs- Permanent** – Businesses reporting a distinct reduction in temporary roles they are offering. Alongside this, there are significant increases in permanent roles for Administration, Warehouse, IT, and CNC Machine Operators.

3.3 CW Growth Hub – Other Business Insights

Skilled employment in emerging green technologies – Coventry & Warwickshire and the wider West Midlands are attracting investment in green energy and zero-carbon transport technologies, making it an ideal location for expansion now, and future growth.

One recent example – a company relocating into the area and opening a new office in Rugby, where it will be creating 15 new engineering roles. The new facility will focus on prototype testing and can draw on the skilled engineering workforce in the area. Moreover, the business has invested £500k in the new facility and will benefit from the well-established supply chain network here. **[Cleantech company, Rugby]**

Business growth with support – A rapidly growing business moving into Coventry & Warwickshire after a search for better premises for future expansion. The client highly appreciated CW Growth Hub's assistance in helping them settle in Coventry & Warwickshire.

The Growth Hub provided valuable support, including:

- Planning support for solar panels
- Grants for innovation & low-carbon initiatives
- Inward investment support for plants and machinery
- Made Smarter programme
- Skills Hub access
- Access to university and MTC resources.

The move to Alcester has been highly successful, and the business continues to invest in training and recruitment to meet their future growth goals.

[Silicone & Rubber Hose Supplier, Stratford-Upon-Avon]

4. Spotlight: Inward Investment

This month's spotlight focuses on inward investment, highlighting both the challenges currently faced in successfully attracting projects and jobs, whilst also outlining the opportunities and competitive advantages that we have in Coventry & Warwickshire to build on our hugely successful track record of recent years.

4.1 Overview of Foreign Direct Investment (FDI) in the UK and the West Midlands

Future sustainable growth for the UK economy will be driven by a combination of domestic and overseas investment. According to recent data released by the Department for Business and Trade (DBT), **the West Midlands has strengthened its position as a popular global destination for foreign direct investment (FDI), emerging as the top regional location for attracting FDI outside London.** It has also achieved the highest annual growth rate amongst all UK locations.

The DBT data for 2022/2023 reveals that the West Midlands successfully attracted 181 FDI projects, surpassing the combined number of projects in Scotland and Wales. For the first time, it also outperformed the South-East region in this regard. **The West Midlands projects also accounted for over 10% of the UK's total FDI wins (1,654), making it the region with the largest share of FDI projects outside of the capital.** Moreover, The West Midlands also beat the national trend for new jobs created, where for the UK there was a fall in FDI-related jobs.

New projects and jobs from FDI into the UK

Region	FDI Projects 21/22	FDI projects 22/23	Change	New jobs 21/22	New jobs 22/23	Change
London	444	528	18.9%	18,125	20,647	13.9%
South East	149	130	-12.8%	4,098	3,941	-3.8%
North West	145	137	-5.5%	5,480	5,820	6.2%
West Midlands	143	181	26.6%	5,571	8,252	48.1%
Scotland	119	130	9.2%	4,408	3,428	-22.2%
Yorkshire and the Humber	104	103	-1.0%	3,738	7,378	97.4%
East Midlands	99	84	-15.2%	6,888	2,839	-58.8%
South West	96	91	-5.2%	2,533	3,908	54.3%
East of England	81	75	-7.4%	3,421	2,613	-23.6%
North East	71	61	-14.1%	5,843	3,047	-47.9%
Wales	43	47	9.3%	1,793	3,062	70.8%
Northern Ireland	32	33	3.1%	2,112	1,416	-33.0%
TOTAL	1,589	1,654	4%	84,759	79,549	-6.1%

Source: Department for Business and Trade Inward Investment Results, 2022/23, DBT

FDI by Sector

The table overleaf shows the impact of FDI across sectors, highlighting the importance of technological advancements, environmental sustainability, and economic resilience. The data shows how different industries contribute to job creation, job security, and overall economic development across all regions.

Notably, the **Software & Computer Services** sector attracted the highest number of FDI projects, with **382 projects recorded**, followed closely by **Financial Services**, which emerged as a significant job creator, generating the **second highest number of total jobs**. Both sectors' ability to create highly-skilled jobs demonstrates their pivotal role as drivers of economic growth.

FDI projects and jobs into the UK by sector, 2022/2023

Sector	FDI Projects	New Jobs	Safeguarded Jobs	Total Jobs
Advanced engineering and supply chain	141	3,327	1,371	4,698
Aerospace	53	3,208		3,208
Automotive	76	3,807	1,689	5,496
Biotechnology and pharmaceuticals	57	2,089		2,089
Business and consumer services	45	3,373		3,373
Chemicals and agriculture	48	847		847
Creative and media	55	3,003		3,003
Electronics and communications	37	2,079		2,079
Environment, infrastructure and transportation	150	7,710	38	7,748
Extraction industries	12	399		399
Financial services	236	8,722	434	9,156
Food and drink	101	5,596	647	6,243
Life sciences	93	3,546	577	4,123
Renewable energy	67	3,773		3,773
Software and computer services	382	19,584	190	19,774
Wholesale	101	8,486		8,486
Total	1,654	79,549	4,946	84,495

Source: Department for Business and Trade Inward Investment Results 2022/23, DBT

4.2 Promoting Inward Investment: Invest Coventry & Warwickshire

Invest Coventry & Warwickshire is the lead investment promotion agency for the city and county area. It works with partners regionally at the West Midlands and wider Midlands level, and nationally with Department for Business & Trade to both promote the local offer and to provide 'soft-landing' support for businesses setting up in the area.

The city and county have strengths in particular sectors, with high concentrations of businesses, supply chains and talent. These include Automotive & Future Mobility, Digital Creative & Video Games Development, and Tourism & Hospitality. Located within the logistics 'golden triangle', the area has been successful in attracting e-commerce and logistics investment.

FDI Intelligence Magazine recognised the strength of the local inward investment offer, placing Coventry & Warwickshire in the top 10 for three categories in its annual FDI European Cities and Regions of the Future Awards 2023. The Coventry & Warwickshire area placed third for FDI Strategy, eighth for economic potential ninth for and business friendliness. The rankings benchmark European cities and regions according to their economic, financial, and business strengths. Invest Coventry & Warwickshire's local investment strategy stood out due to the strength of its

support to businesses in establishing themselves in the area, close collaboration with local partners, and unique offer to inward investors.

Promoting Inward Investment: West Midlands Growth Company (WMGC)

The West Midlands Growth Company operates across the Black Country, Birmingham & Solihull, and Coventry & Warwickshire. It achieved a record-high performance last year, with a 171% increase in the number of recorded projects compared to the previous year.

One of WMGC's key drivers for this success lies in the Global Growth Programme, which played a pivotal role in securing a third of the portfolio of inward investment projects during 2022/2023. This support package helps international companies looking to start their growth journey in the UK. Notable companies in the programme include international payments company, Fincra; Singapore based company, Primacy; Indian company, Mind & Matter; Indian business, The Disposal Company; and Canadian based Kora.

The Business and Tourism Programme (BATP)

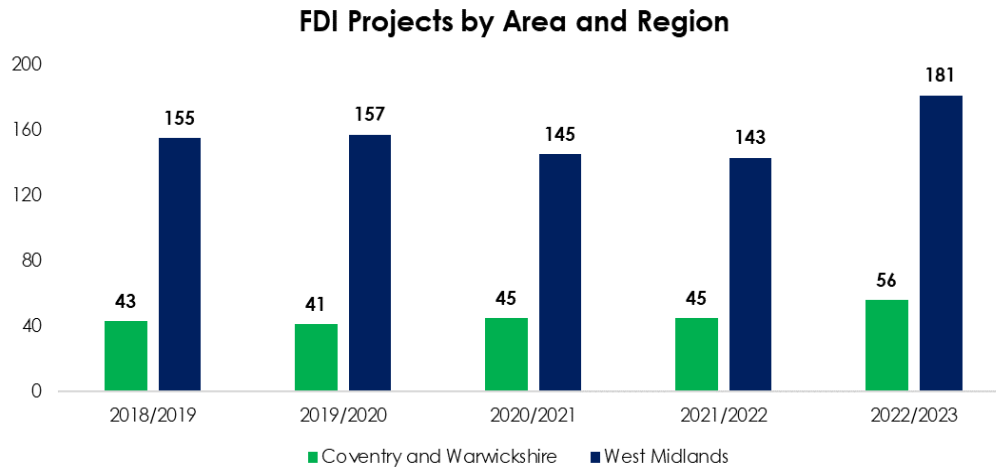
A critical initiative in boosting the West Midlands's inward investment performance is the Business & Tourism Programme (BATP), the first programme of its kind aimed at boosting the economic impact of the Commonwealth Games. **Over the past year, trade and investments led by BATP with India, Australia, Malaysia, Singapore, and the United States have strengthened existing trade relationships and have helped the region venture into new markets.** Of particular significance is India, which has surpassed the USA in becoming the leading source for FDI in the West Midlands.

4.3 Overview of FDI in Coventry & Warwickshire

Over the last eight years, up to 2022, Coventry & Warwickshire has been a magnet for FDI successes, witnessing the creation of 19,519 jobs through 347 FDI projects. Notably, in the last year alone 56 FDI projects and 3,195 new jobs were secured.

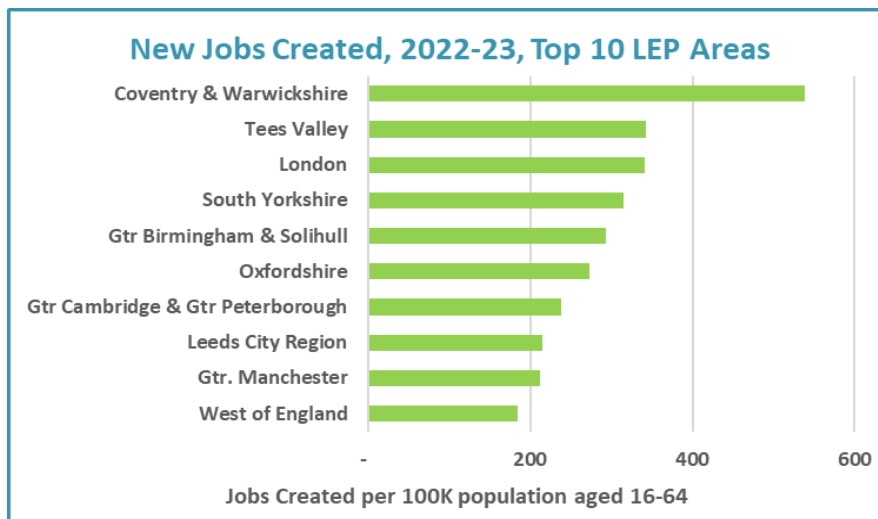
By sector, Coventry & Warwickshire has established itself as a particularly attractive location for investment in Automotive & Future Mobility, Digital, Creative and Software, E-commerce, and Logistics. For 2022/3, these sectors again performed well, with automotive and future mobility (17 projects) and digital creative and software (13 projects) and e-commerce and logistics (5 projects). **The area also accounted for 17% of the total UK automotive projects. Investments included those from countries including Australia, China, Germany, India, Japan, the US, and Sweden.**

FDI projects in Coventry & Warwickshire and the West Midlands over the past 5 years



Source: Department for Business & Trade (DBT)

And on a population basis, **Coventry & Warwickshire was the best performing LEP area of all 38 nationally, for the numbers of new jobs created through FDI investment per 100,000 working age people in 2022/23.** Our area was well above other high performing areas including Tees Valley and London.



Source: Department for Business & Trade (DBT), Office for National Statistics

4.4 Challenging Times for Inward Investment

Despite the positive performance for both the West Midlands, and Coventry & Warwickshire in particular, attracting inward investment remains challenging with current economic conditions. Some of the contributing factors are based on longstanding structural issues in the national, regional, and local economies, whilst others are more recent.

- **Industrial Strategy:** The absence of a UK Industrial Strategy to underpin and encourage investment and growth nationally means the economy risks not

delivering to its full potential, and means some companies are choosing to invest and locate elsewhere around the world.

- **Structural shifts in Manufacturing towards more innovation based and R&D activities:** Our area has a rich history of manufacturing, but the global landscape for the sector is evolving rapidly. There is a growing emphasis on research and development (R&D) and innovation activities in the sector, and Coventry & Warwickshire will need to further adapt to this shift to remain competitive and to attract future investment. The sector locally has adapted exceptionally well to date but will need to continue this transformation.
- **Spatial Challenge:** Coventry & Warwickshire faces a spatial challenge, as many prime development sites within the sub-region are on the city's and county's outskirts, with some crossing borders with Warwickshire, others with borders beyond the sub-region. This presents some complexity around co-ordination, and a complicated landscape for potential investors. However, strong partnership collaboration through [InvestCW](#) is proving key in implementing and delivering cohesive investment strategies.
- **Brexit Uncertainty:** Brexit continues to bring uncertainties in the investment market. There remains the risk that some companies may choose to relocate to other countries to maintain more frictionless trade within the European Union, affecting potential investment in our region.

In addition, [a recent report released by the Coventry & Warwickshire Chamber of Commerce](#) highlights the challenges and issues faced in Coventry & Warwickshire in attracting inward investment within a range of current pressures and constraints linked to the availability of land and premises locally. Key challenges include:

- **Lack of adequate employment land supply and commercial premises:** Companies operating in Coventry & Warwickshire are struggling with a shortage of suitable and affordable commercial space, hindering expansion plans, and subsequently causing a lag in local economic growth.
- **Constraints on SME expansion:** SME's face limited opportunities for expansion due to inability to afford high quality land, which is often acquired by larger businesses.
Furthermore, large scale logistics companies have taken up many sites allocated through Local Authority Plans, due to the surge in demand for warehouse and storage facilities, driven partially by the rise of online shopping and direct deliveries during and following the Covid-19 pandemic.
- **Scarcity of large-scale employment land:** Coventry & Warwickshire doesn't have large-scale employment land available over 20 hectares throughout many parts of the sub-region, potentially hindering the attraction of inward investment.

- **Delayed development of allocated sites:** Numerous sites designated for employment land, such as in Kenilworth, Stratford Road in Warwick, and Eastern Green in Coventry, remain unavailable for development due to significant infrastructure requirements and investments.
- **Loss of employment land to higher value uses:** Pressure to accommodate new housing across urban areas has resulted in the loss of employment land and premises to higher value uses, particularly housing. This shift impacts local businesses seeking cost-affordable premises or units with reasonable rents.

The risk from these is that highly skilled jobs move to different parts of the country, creating longer-term competitive disadvantages for Coventry & Warwickshire.

4.5 Coventry & Warwickshire as an Inward Investment Opportunity for SMEs

Around Coventry & Warwickshire there is estimated to be at least 20m sqft of industrial space recently delivered or in the process of being brought forward, including land allocated for the West Midlands Gigafactory.

Of this, around 5% is earmarked for units for small and medium sized business (SMEs) investment. However, there are a range of schemes in development around Coventry & Warwickshire contributing to address this imbalance:

Sucham Park, Southam

Sucham Park will deliver nine light industrial units, ranging in size from 1,900sqft to 15,000sqft. The overall 42,000sqft development will be completed in November 2023, producing space to suit a range of businesses.

Space Park, Leamington Spa

An ultra-low carbon business centre development comprising of 61 commercial units in Tachbrook Park. These range in size from 200sqft to 750sqft for industrial, storage, or distribution, and commercial, business and service uses.

Holbrook Park, Coventry

Holbrook Park is a development of new trade/warehouse and industrial units located close to the A444, and available on a leasehold basis. Holbrook Park comprises 17 new trade/industrial/warehouse units, ranging from 2,466 – 40,118sqft.

Exhall Gate, Bedworth

Exhall Gate is a brand-new development of ten high quality production and industrial units totalling 78,187sqft (7,263sq m) with units available from 2,000sqft to 27,500sqft.

Cadle Pool, Stratford-upon-Avon

These new units are constructed from steel portal frame design providing flexibility to create ten smaller units of circa 2,200sqft, or one large unit of 25,700sqft.

For more details of these and other investment and opportunity sites, see [Warwickshire Means Business](#), June 2023.

4.6 Future Prospects in Coventry & Warwickshire

Opportunities for investment in larger scale development schemes across Coventry & Warwickshire continue to be brought forward. These high-quality, strategically important, investment opportunities cover major schemes that are changing the very fabric of the sub-region to specific opportunities for investors and end user occupiers. These include:

- West Midlands Gigafactory, Coventry
- SEGRO Coventry Gateway
- Friargate, Coventry
- City Centre South, Coventry
- Coventry City Centre Cultural Gateway
- Transforming Nuneaton
- The Woods, Warwick (former IBM Offices)
- Creative Quarter, Leamington
- Spa Park, Leamington Spa
- MIRA Technology Park, Southern Manufacturing Site
- University of Warwick Innovation Campus, Stratford-on-Avon
- Rugby Town Centre
- Tritax Symmetry Park, Rugby.

More details on each of these opportunities is outlined on the [InvestCW](#) website.

Coventry & Warwickshire's key to future success lies in the fusion of traditional competitive advantages with new and emerging sector strengths and an increasing diversity of economic activity. For example, as the local economy continues to evolve, the integration of Automotive with rapidly growing Digital/Tech and Future Mobility sectors will be vital for Coventry & Warwickshire's future sustainable growth.

Our area's unique mix of workforce competencies and skills, along with strong collaboration between local partners, sets CW apart from other areas also competing for inward investment. Coventry & Warwickshire's commitment to innovation, R&D, and a talent-driven economy, should continue to build on its position as a prime destination for future inward investment.

5. Recommendations

July's Golden Recommendation:

With the hugely positive FDI figures for Coventry & Warwickshire, and for the wider West Midlands, it is vital that we build on this good performance to continue to grow the local and regional profile in seeking new investment. In Coventry & Warwickshire the activities of InvestCW continuing to showcase the assets that we have locally will help build on recent successes.

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 - With interest rates likely to rise further, we must ensure that local businesses are able to access the necessary support to tackle barriers to growth and improve efficiency and productivity. This includes access to local business support programmes being delivered through the UK Shared Prosperity Fund (UKSPF).

5.1.b – With JLR's recent announcement of investment in a Gigafactory in Somerset, Government is recommended to continue pushing for investment in the Gigafactory in Coventry & Warwickshire to happen as soon as possible. That investment will contribute to help prevent the UK Automotive & Future Mobility sector falling behind the rest of the world when it comes to the transition to electrified vehicles. The West Midlands is best placed to play a key role in that opportunity, but the investment is needed to deliver it.

5.1.c – There is a need for a coherent, co-ordinated, and innovative International Trade Strategy. This will provide a clear framework for businesses seeking to explore trading opportunities internationally, whilst setting the ambition around UK businesses wishing to trade in global markets. As part of this further resources should be provided in international trade advice capacity, plus financial support, to ensure more local businesses have full awareness of international market opportunities.

b. Medium Term

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

5.2.a – We need to see targeted investment to unlock the growth potential of key sectors of Coventry & Warwickshire’s economy, notably Net Zero, Future Mobility and Electrification. Whilst the CW Gigafactory Levelling-up Zone promises to be a helpful step, work is underway to secure the location for the Investment Zone within the West Midlands, to not only provide financial and tax incentives to accelerate future investment, but also provide funding for business, innovation, and skills support, and to help realise regional supply chain growth potential in these sectors.

5.2.b With high growth economies in Asian and Far East nations, there needs to be further support for SMEs to expand international trade. With the signing of the new CPTPP, and the expanding markets in India and East Asia, support to local businesses should be expanded to take advantage of these emerging opportunities. This should include raising awareness of the scale of new market opportunities, what the new trade deal will entail, and growing the support in accessing routes to market.

5.2.c – Local partners should continue to build on the engagement and collaborations with our local universities. This will ensure that we maximise the benefits to Coventry & Warwickshire’s economy of current and future talent, skills, future workforce, R&D facilities, and innovation assets.

c. Long Term

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

5.3.a - We need to build on announcements in the WMCA Trailblazer Deeper Devolution Deal, and to work with local and regional partners to lobby Innovate UK to devolve funds to the region to deliver programmes that will support more small firms to innovate and invest, and be targeted at growing priority sectors and clusters, including Advanced Manufacturing, Electrification, Future Mobility, and Creative Sectors. This should help attract further long-term inward investment into our area for these sectors.

5.3.b - 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 the National Electrification Skills framework, to respond to future local economic/sectoral needs, including the long-term skills needs for the Electrification, Automotive and Future Mobility sectors.