



Coventry & Warwickshire Business Intelligence

September 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 September 2023 edition of the Coventry & Warwickshire Smart Region report. This month our spotlight theme is the newly launched 'Local Skills Improvement Plan', 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), Department for Education, CW Chamber of Commerce, FSB, Gov.uk, WM-REDI, and other specialist labour market research and analysis bodies.

CW Growth Hub Update

"In our last CW Smart Region report I set out the case for an industrial strategy, given the need for businesses to plan their investment strategies over a number of years. Within the same context, the Prime Minister's "Net Zero" speech ran into direct opposition from industry with growing calls for the UK to deliver on the UK's net zero transition.

Rowing back on key commitments like the 2030 Electric Vehicle Target dampens business and investor confidence and disincentivises investment in the UK. Ford summarised the sentiment of the business community, stating that the private sector requires "ambition, commitment and consistency" from government. Indeed, within hours of the news, over 400 leading UK businesses, investors and CSOs provided an immediate rebuttal to the Prime Minister's speech, uniting in their opposition to the reversal on existing commitments which is estimated could cost the UK over £220 billion in lost investment if we backtrack on net zero. I would encourage you to let my team know how these announcements, and those concerning the potential cancellation of HS2 Phase 2, have impacted your business so that we can continue to ensure SMEs are heard by government by [completing this short questionnaire](#).

The upcoming Autumn Statement will be a clear opportunity to reassure businesses of the government's ambitions to deliver on its priorities in a timely, effective and fiscally responsible way. To do so, government must commit to delivering a clear plan for consistency that business needs from government to invest. This is the only way to lower costs for the taxpayer, to effectively target limited public resources to where it is most needed, and deliver the support needed by the private sector to unleash the wave of innovation and investment needed to bolster the UK's green economy."

Craig Humphrey, Chief Executive, CW Growth Hub

2. Latest Economic & Labour Market Trends

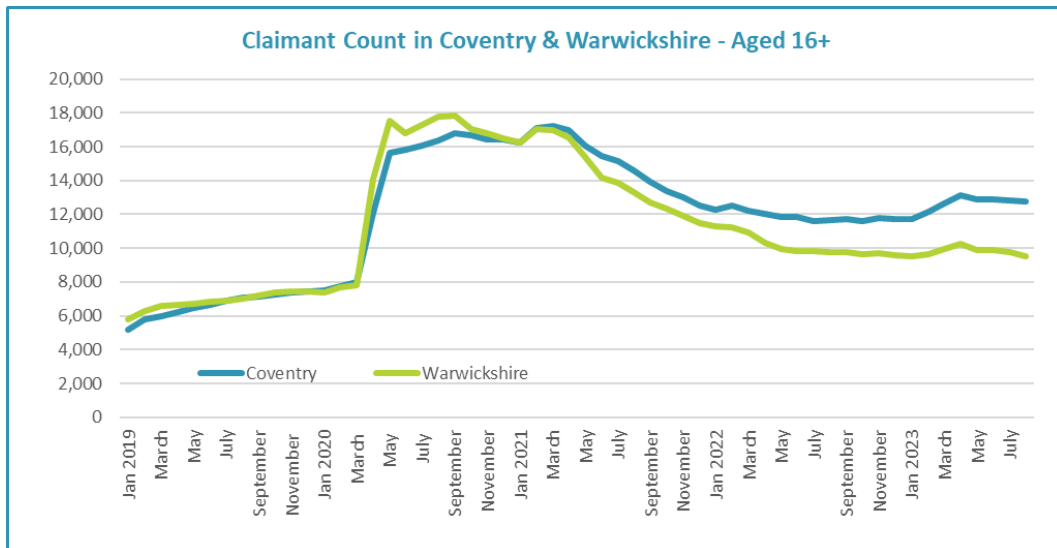
2.1 Labour Market Trends

- **In August 2023, the claimant count in Coventry & Warwickshire fell to 22,265 people.** At the start of the pandemic, over three years ago in March 2020, the claimant count stood at 15,830.

Area	March 2020	August 2022	June 2023	July 2023	August 2023
Coventry	8,000	11,650	12,905	12,830	12,760
North Warwickshire	845	995	1,005	980	960
Nuneaton & Bedworth	2,830	3,110	3,165	3,235	3,175
Rugby	1,535	1,940	2,065	2,020	1,970
Stratford-on-Avon	1,050	1,645	1,580	1,510	1,500
Warwick	1,570	2,085	2,055	2,020	1,900
Warwickshire	7,830	9,775	9,870	9,765	9,505
CWLEP	15,830	21,425	22,775	22,595	22,265

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 21,425 this time last year, although the past couple of months have seen some falls in the total.



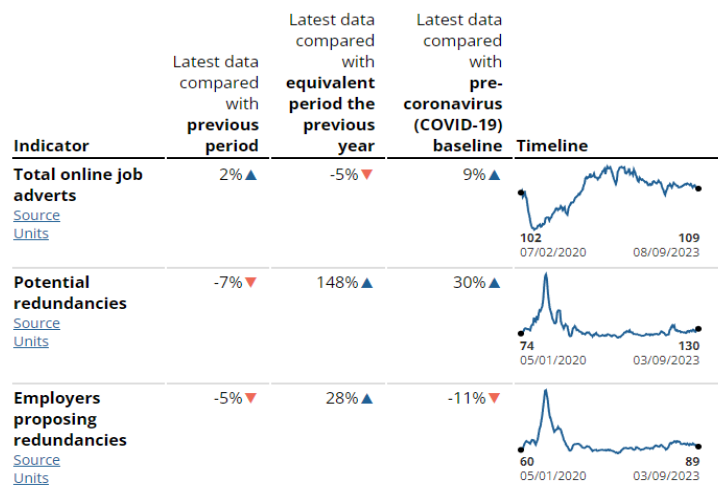
Source: Office for National Statistics

- **There is a slowly widening gap between the claimant counts in Coventry and in Warwickshire.**
- The falls in both counts slowed in early 2022, and have been relatively flat since then, except for the uptick in Coventry's count that occurred at the start of 2023.

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

- **The UK employment rate for May to July 2023 was 75.5%, 0.5 percentage points lower than the previous quarter.** Employment decreased on the quarter, driven by a fall in the number of full-time self-employed workers.
- **Latest estimates of payrolled employees for August 2023 remained largely unchanged on the month, down 1,000 on the July 2023 figures, to 30.1 million.**
- **The unemployment rate for May to July 2023 increased by 0.5 percentage points on the quarter to 4.3%.** The increase in unemployment was driven mainly by people unemployed for up to twelve months.
- **The economic inactivity rate increased by 0.1 percentage points to 21.1% in May to July 2023.** Looking at economic inactivity by reason, the increase was driven largely by those people aged 16 to 24. Those inactive due to 'long-term sickness' increased to another record high, whilst those 'looking after family or home' decreased to a record low.
- **In June to August 2023, the estimated number of vacancies fell by 64,000 on the quarter to 989,000** - the fourteenth consecutive monthly fall.

- **The most recent estimate of online job adverts, in early September, showed an increase of 2% on the previous month.**
- **However, the total number of online adverts was 5% lower than the corresponding period in 2022.** Notably, the Human Resources & Recruitment sector saw the biggest fall, of 38%, closely followed by 'Domestic help', with a 36% fall.



Source: Office for National Statistics; Release date – 14th September 2023

- **The growth in average total pay (including bonuses) was 8.5%, and regular pay (excluding bonuses) was 7.8% among employees in May to July 2023.** For regular pay, it is highest rate since comparable records began in 2001. Meanwhile, total pay was affected by NHS one-off bonus payments made in June and July 2023.
- **In real terms (adjusted for inflation) total pay increased by 1.2% and regular pay by 0.6% on the year in May to July 2023.**
- **In July 2023, there were 281,000 working days lost to labour disputes.** Most strikes were in the Education and Health & Social Work sectors.

2.2 Economic Trends

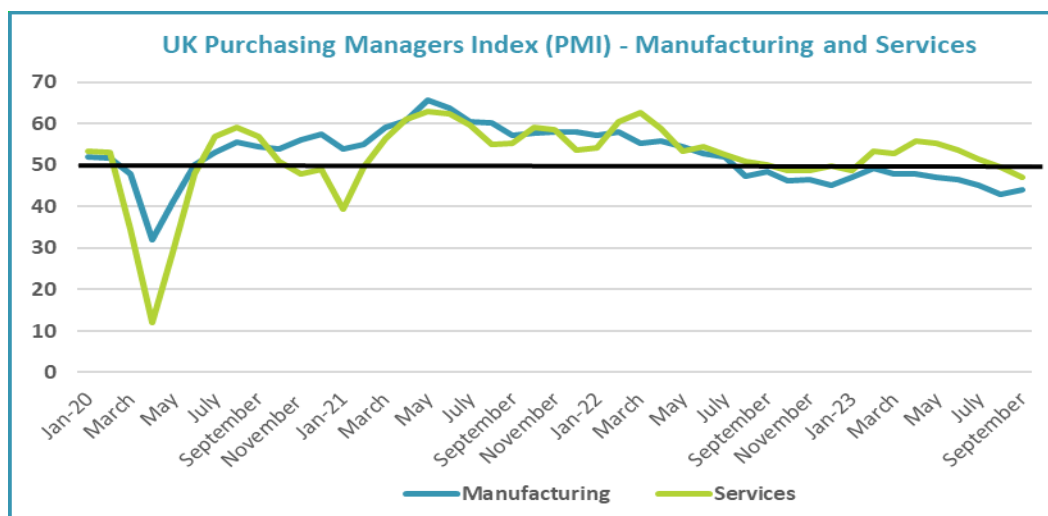
The Economic Development Service at Coventry City Council have compiled 'Business and Economy Briefing' highlights this month:

Economic Growth

- The UK economy **shrank by 0.5% in July**, with **Manufacturing, Construction, and Services all contributing to the fall in output**. Poor weather was key factor for fall in output of Construction and Service sector, as well as NHS industrial action that affected Health & Social Care output.
- The UK's GDP is now **forecast to grow by 0.4%** for the whole of 2023, followed by **0.3% growth in 2024 and 0.7% growth in 2025**.
- **Inflation decreased slightly to 6.7% last month, despite the forecast of a small increase**. British Chambers of Commerce are also forecasting that inflation could fall to 5% in Q4 2023 but not fall to 2% until Q4 2025.
- The Monetary Policy Committee decided on **21st September to leave the base rate unchanged at 5.25%**, following fourteen consecutive monthly increases.

Business Confidence

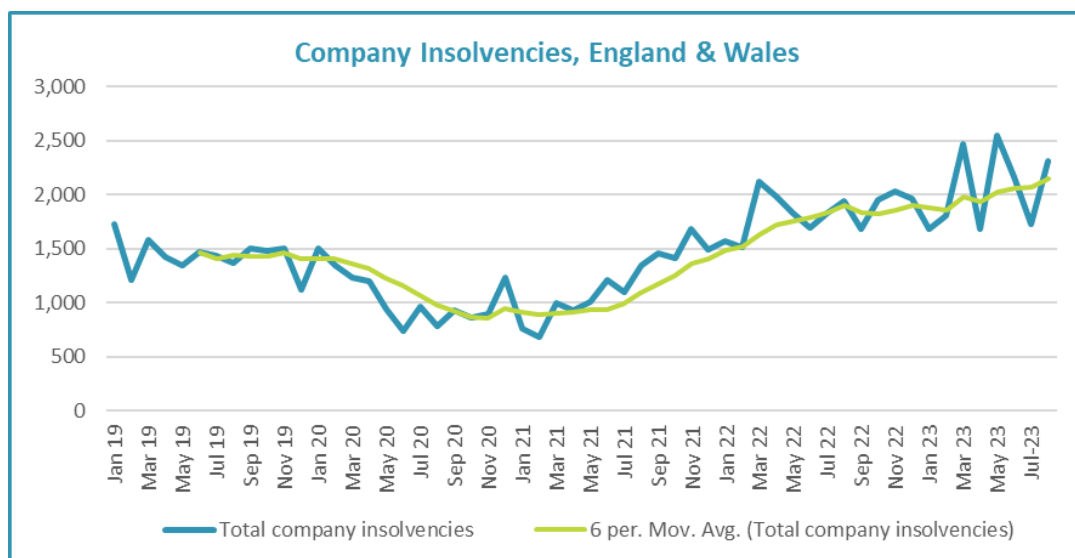
- The UK Purchasing Managers Index (PMI) for manufacturing increased slightly in September from a revised **43.0 in August to 44.2** (a figure above 50 represents growth, and contraction below 50). The manufacturing PMI has not been above 50 since July 2022. Reduced consumer demand, the delayed delivery 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 fell in September to **47.2 from a revised 49.5 in August**. The services PMI had been above 50 since the beginning of the year but has been pointing downwards over the Spring and Summer months.

- **The West Midlands Business Activity Index (Nat West PMI) fell from 51.3 in July to 50.0 in August.** This decline was driven by some firms experiencing falls in demand and higher borrowing costs, although others expanded output by clearing backlogs and managed to acquire new clients, as indicated by the New Business Index.
- **On a brighter note, the West Midlands registered the highest positive sentiment amongst the 12 UK regions, driven heavily by expectations of new business gains, product diversification, and efficiency gains.**
- **According to the latest ONS Business Insights Survey (BIS), West Midlands businesses are primarily worried about declining demand for their products and services.**
- **One in four WM businesses still face worker shortages, with employees in some businesses working longer hours to help meet demands.** These short-term solutions may harm productivity and competitiveness over the longer term. While the rollout of the Local Skills Improvement Plan (LSIP) will help, sustained investment in flexible training system is required to address evolving skills needs in key sectors of the local and regional economy.
- **Across the economy, there were 2,308 company insolvencies in August 2023 in England & Wales,** approximately 19% increase on the August 2022 number of 1,941. The overall trend in company insolvencies continues to rise.



Source: Insolvency Service

International Trade

- **Recent results from the Business Insights Survey shows that 34% of West Midlands businesses have exported in the past 12 months,** higher than the UK average of 27%. **Furthermore, 6.9% have suggested that they have export potential with products or services development.**

- **Enhanced export support and product development** could boost competitiveness, create additional jobs, and boost economic output in the region support additional jobs and economic output.
- **However, only 12.9% of WM firms that trade internationally were exporting more than a year ago, lower than the UK average of 16.7%. Importing trends were more stable, with 11.7% importing more and 13% importing less than a year ago.**
- **WM businesses have experienced higher post UK-EU transition period costs**, with 60.8% incurring extra costs, including 20% in transportation costs, 16.6% in red tape, and 9.5% in tariffs. To facilitate international trade, public interventions is required, such as intensified trade support, financial assistance, and digitization of trade document, especially for SMEs.
- **BCC forecasted a significant decline in both imports and exports in 2023, attributed to weak global demand, ongoing Brexit impacts and further regulatory changes.**

Automotive & Future Mobility Sector News

- **UK car production increased by 31.6% in July**, driven by hybrid and electric vehicles production, with rising demand from both domestic and international markets. Overall production volumes were up 14.2% compared to the first seven months of 2022. However, it is worth noting that UK car production is still 29.5% below pre-pandemic levels (July 2019).
- **The Society of Motor Manufacturers and Traders (SMMT) have called for a coherent strategy to attract investment and produce zero-emission vehicles.** They call for clarity on the upcoming [Zero Emission Vehicle Mandate](#) and incentives to encourage electric vehicle adoption.
- BMW announced a **£600m investment** to upgrade its Oxford factory for electric Mini production, with a £75 million government subsidy. **This investment secures 4,000 jobs and supports the West Midlands automotive supply chain.**
- **Innovate UK's [Driving the Electric Revolution](#) competition, focusing on power electronics, machines, and drives (PEMD) for the transition to net-zero carbon economy has awarded local funding.** The University of Warwick and Expert Tooling & Automation received £5.8m funding, and University College of Birmingham (supported by WMG and JLR) received £1.2m for battery manufacturing and innovation training in the West Midlands.

Innovation and new Tech Adoption

A [new report from the Federation of Small Businesses \(FSB\)](#), 'The Tech Tonic', identifies the barriers to small business innovation, and offers recommendations for future Government action. Based on a survey of over 1,000 UK small business, the report finds that 69% have introduced at least one innovation in the past three years, resulting in a 14.8% average increase in turnover. Other key findings include:

Barriers and Incentives – Some 40% cite lack of time, and 30% mention financial costs as barriers to innovation. R&D tax credits are seen as positive incentives, but concerns raised about UK Government cuts. Furthermore, 50% of firms considering innovation suggest that they need more support, and 42% want more information.

Intellectual Property (IP) – 70% of respondents have never successfully applied for IP or asserted copyright. Only 15% have successfully applied for a trademark, and 4% for a patent.

Green adoption – 17% of respondents introduced innovation to reduce their environmental impacts. 28% are finding transitioning to a net-zero economy very difficult, and only 36% have climate change plans.

The key recommendations for Government from the FSB's report to help increase incentives and support businesses to innovate:

- Allocate 10% of R&D budget for innovation diffusion, with 50% of Government R&D funding going to SMEs.
- Suggest tax reforms, including the modernisation of tax relief schemes, abolish 'Patent Box', and broaden green reliefs.
- Encourage large businesses receiving R&D grants to share innovations with smaller supply chain businesses.
- Devolve more Innovate UK funding to Combined Authorities and establish more grants funds.
- Establish 'Business England' for business support coordination and increase funding for Growth Hubs.
- Introduce 'Help to Green' scheme to boost SME net-zero investment.

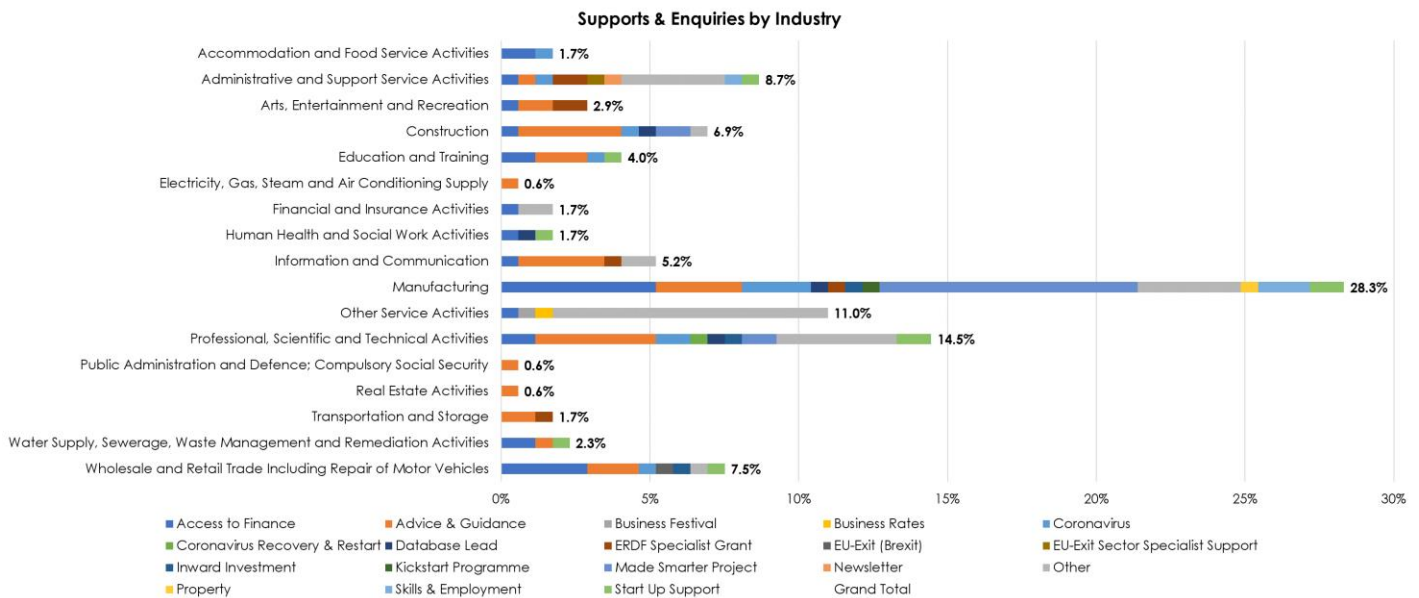
More widely, and in a very positive development, [the UK will now join the Horizon Europe programme](#) up to 2027, providing funding for R&D projects involving West Midlands universities and businesses. UK researchers will be able to lead consortia in Horizon Europe projects and play a leading role in global technology development and research projects.

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 5,716 engagements with local 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 **August 2023**. The chart shows the supports and enquiries that businesses made by sector.



NB: Figures have been rounded.

Other Support 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 **Advice & Guidance** and **Access to Finance** as key requirements for support. There was also guidance provided around the **Made Smarter programme, Start-Up Support, Covid-19, and ERDF Specialist Grants**.

The main sectors supported by CW Growth Hub were Manufacturing (29%), followed by Professional, Scientific & Technical Activities (14%) and Other Service Activities (11%).

The size profile of businesses supported over the past month consisted of **12% Sole Traders, 38% Micro businesses (2-9 employees), 33% Small businesses (10-49 employees), 13% Medium businesses (50-249 employees), and 4% Large businesses (250+ employees)** – 154 out of 174 businesses stated their size of profile.

There was an **increase in Small, Medium and Large Enterprises** and a **decrease in Sole Traders and Micro Enterprises** approaching CW Growth Hub compared to the previous month. Around 22% of respondents came from businesses that have begun trading since 2020 – 148 out of 174 businesses stated their incorporation date.

3.2 CW Growth Hub – Current Themes

CW Growth Hub Account Managers reported this month:

Local Business Intelligence

- **Recruitment** – Businesses continue to face persistent challenges with staff recruitment and retention, and meeting wage demands across various sectors. There is a growing need for targeted skills training and staff development to mitigate the risks linked to the lack of available talent.
- **Investment** – Businesses are not only looking for grant funding but also other types of investment to support future growth plans. Interest in capital investment projects appears to be consistent with recent months.
- **Material costs** – While some material cost issues persist, their impact is becoming less severe compared with the past twelve months. Furthermore, there are ongoing effects of EU-Exit, with high freight costs as well as customs delays due to incorrect paperwork continuing to affect international trade.
- **International workers** – Obtaining work visas for international workers, particularly for people from India and Germany, are proving difficult.

Business Needs and Concerns

- **Digital marketing** - Increase in support required for digital marketing, particularly social media, SEO, and online sales training.
- **Support needs** – Requests for support from businesses with legacy and succession planning, exit strategies, and business sales feature again this month. Also mentoring support is being sought by Managing Directors who are looking to step back from their businesses in the future.
- **Energy costs** – Remain a concern, particularly for businesses with high energy consumption activities such as manufacturing (e.g. laser machining) and some hospitality businesses (e.g. food preparation).

Economic Shocks or Opportunities

- **Rising cost of living** – Continued issues with increased cost-of-living driving requests for larger wage increases. Businesses having to manage this as they can whilst remain realistic about what they can afford.
- **Gender balance** - Becoming a more frequent topic of discussion as businesses that traditionally employ more male or female staff look to attract a more diverse workforce. Some work with education institutions to showcase career paths to students deciding on their future careers.
- **Mortgage rate increases** – Impacts being felt in the construction industry as demand for new builds slows and builders are starting to struggle selling homes.

4. Spotlight: Local Skills Improvement Plan

This month's spotlight focuses on the newly launched Local Skills Improvement Plan (LSIP), highlighting key issues relating to skills across Coventry & Warwickshire and the West Midland region. It also outlines key recommendations and actions proposed to tackle local skills gaps, whilst looking ahead to the next steps for the Plan.

4.1 Labour Market Overview for the West Midlands and Warwickshire

The working age population of the West Midlands and Warwickshire is 2,211,800, with some 73% of residents aged 16-64 in employment (January to December 2022). This proportion is lower than the national average of 75.6%, for the same period. The region experiences relatively higher levels of unemployment and economic inactivity compared to the national average.

Wider labour market challenges for the West Midlands and Warwickshire include:

- A relatively low skilled population compared to the national average.
- A significant decline in Apprenticeship starts and achievements since the beginning of the Covid-19 pandemic.
- A relatively high proportion of non and limited internet users.
- Employers struggling to find staff with acceptable digital skills, indicating a need for workforce upskilling in digital technologies.

The Levelling-Up White Paper highlights opportunities in the West Midlands and Warwickshire:

- Regional flexibility in skills provision emerging from the WMCA Trailblazer Deeper Devolution Deal, for the WMCA area.
- A world class Automotive & Future Mobility cluster, that is transitioning to low-emission vehicles production.
- The advancement of the country's fastest-growing tech sector.
- Facilitating emerging strengths in clean-tech and green energy.
- Stimulating Priority Growth Clusters identified by WMCA in its 'Plan for Growth'.

4.2 Local Skills Improvement Plan (LSIP) - Overview

In September 2022, Coventry & Warwickshire, the Black Country, and the Greater Birmingham & Solihull Chambers of Commerce partnered to shape and deliver the West Midlands Local Skills Improvement Plan (LSIP), funded by the Department for Education, and aligning with the goals outlined in [the Skills for Jobs White Paper](#).

To read the full LSIP report for the West Midlands and Warwickshire, follow the link to the CW Chamber LSIP page: <https://www.cw-chamber.co.uk/business-support/lqip>

Government approved the West Midlands and Warwickshire regional LSIP in Summer 2023, which will now be the driver for the region to tackle labour and skills shortages with £10.4m funding available to deliver its aims.

LSIP Aims and Objectives

The LSIP outlines key objectives and aims, highlighting their significance in the wider context of local economic development.

Key objectives are:

- **Understanding green skills needs** – The LSIP provides insights into the current and future demand for green skills in the region. This understanding is crucial to capitalise on local opportunities associated with the transition to a net-zero carbon economy.
- **Enhancing digital skills** – To better understand evolving digital skills requirements from employers, promoting innovate solutions and collaboration amongst providers of post-16 education and training.
- **Strategic priorities of employers** – LSIP will add to existing policy and strategy work of WMCA, identifying strategic priorities of regional employers, assessing their leadership and management capabilities in embracing digitisation, adopting new technologies, and the shift to delivering net-zero emissions.
- **Focus on digital and green skills** - Identifying immediate and future employer skills needs, shaping and creating a more flexible education system, and helping boost investment in skills for future regional employment opportunities.

4.3 Local Skills Improvement Plan Strategy – Key Priorities

Shaping the Plan involved establishing key priorities that have been identified through in-depth engagement with employers, providers, and stakeholders in the region. The LSIP will now use this to build dynamic partnerships between employers and education providers to shape future skills development across the West Midlands and Warwickshire for years to come. **After six months research and consultation with more than 1,000 employers, co-ordinated locally by Coventry & Warwickshire Chamber of Commerce, three key priorities have been identified:**

- **Priority One: Confirming sector skills needs** – This priority addresses sector-specific skills shortages, such as in Aerospace, or Automotive & Future Mobility. It will also inform providers about emerging skills needs and improve accessibility to education and training options. Additionally, it will help align funding, including the WMCA's Trailblazer Deeper Devolution Deal and the Local Skill Improvement Fund, with employer demand.

Key sectors for supporting the region's growth include:

- Engineering and manufacturing

- Construction
 - ICT and digital
 - Logistics and distribution.
- **Priority Two: Leadership and management skills** – Targeting leadership and management skill gaps that hinder businesses, particularly in digitisation and new technology adoption. Actions include bridging skill gaps, enhancing delivery methods, and promoting available offers.
 - **Priority Three: Essential employment skills** - Addressing essential 'soft' skills and basic digital skills needed by businesses across the region. This will focus on educating young people and providing skill access for adults in need. This includes a range of recommendations from the creation of a new short course programme through to mentoring and coaching.

Throughout the research, the most consistent responses on the format and availability of training which are applicable across all three Skills Priorities were:

- **Training in a short, modular format would remove barriers of time and cost.** This would also allow for the much better targeting of very specific skills needs.
- **The concept of developing micro-credentials**, enabling individuals to build up qualifications over time.
- **Exploring various training approaches, including how Apprenticeship Levy transfers, DWP programs and Skills Bootcamps, which were viewed as good practice, could be extended to address technical skills in additional sectors and occupations.** For instance, considering the Skills Bootcamp model for both general and specialists' leadership and management training.

4.3 Future Plans – LSIP Stage 2

The work so far represents LSIP's initial phase, resulting from extensive research and engagement activities conducted from October 2022 to May 2023.

Stage 2 of LSIP will focus on the West Midlands and Warwickshire region again and will build the collaboration with local partners to leverage opportunities presented from the devolution of skills provision to WMCA. It will also work closely with the Further and Higher education sector to improve progression routes and graduate retention.

Key future actions will be:

1. Ensuring that employers are fully utilising the provision already available and can navigate local skills systems

Coventry & Warwickshire Chamber of Commerce will continue to coordinate LSIP activities in our area, collaborating with employers, providers, and stakeholders. This will involve learner work placements, upskilling/reskilling programs, and using

Apprenticeship Levy transfers to address shared challenges. These actions support Priority One of LSIP and wider considerations around employment pathways and collaborative engagement.

2. Working with local providers on developing curriculum and commercial training opportunities from those areas highlighted through the LSIP work so far.

To support LSIP priorities, there will be enhanced collaboration between stakeholders and providers through the LSIP/LSIF Delivery Group led by College West Midlands and the West Midlands Provider Network (this includes Warwickshire providers). This will support the LSIP goals, articulating employer skills needs effectively, and engaging with providers and WMCA for curriculum planning and progress updates.

3. Seeking feedback from relevant employers on the effectiveness of changes being/have been implemented locally as a result of the LSIP.

The Chamber will coordinate meetings of the LSIP Steering Group and the West Midlands and Warwickshire Operational Board to ensure ongoing dialogue between employers and providers and the integration of LSIP into wider local strategies.

4. Furthering research and supporting employers to better articulate skill needs in a way that translates into stronger demand signals for providers.

Locally there will be further research conducted, to better understand and articulate employer skills needs and future demand and supply.

5. Using data and analysis to monitor the progress being made on delivering the change set out in the LSIP and to underpin any new actions or priorities.

To monitor progress of the LSIP, relevant data and analysis will be used, with reporting scheduled in 2024 and 2025. The LSIP will gather up-to-date labour market intelligence to adapt to changing employers' skill requirements, with this information available on the West Midlands & Warwickshire LSIP website as the project evolves.

Fay Winterburn, Lead Commissioner – Employability & Skills, at Warwickshire County Council outlines the impact of the first LSIP in Warwickshire:

“The Local Skills Improvement Plan (LSIP) provides a welcome opportunity to review the wider skills environment and to align priorities across academia and business. Over the coming months, the funding will allow local Warwickshire organisations to engage and maximise the connections with FE institutions to ensure the LSIPs achieve the impact for residents across the County. The forward programme will bring improvements which equip colleges with cutting edge technology, the ability to reach more students with innovative learning platforms and provides new targeted learning opportunities.

In Warwickshire, we look forward to engaging in this narrative and to support the diffusion of learning across the locality.”

Cllr Kindy Sandhu, Portfolio Holder for Education & Skills at Coventry City Council, reflects on the importance of the LSIP for the city, and its next steps:

"We welcome the Local Skills Improvement Plan (LSIP) which has given us some good intelligence on business needs. We are responding through our Skills Strategy Framework for Action Groups, focusing on; growing leadership and management training, increasing Coventry's green skills provision and ensuring key soft skills are built into a wide range of skills courses. We have also undertaken detailed mapping of Coventry's skills offer. This has helped define key courses for businesses, centralising and simplifying information on available provision.

We look forward to continuing to work in partnership on the next stages of the LSIP including the app, website, and development of the updated plan for 2024. In addition, we are working with FE colleges on the Local Skills Improvement Fund which will strengthen college provision in response to the key business needs identified in the LSIP."

5. Recommendations

September's Golden Recommendation:

It is crucial that the recommendations emerging from the first phase of the Local Skills Improvement Plans (LSIP) are taken forward and progressed. The work in co-ordinating and shaping the Plan to date has been considerable and extensive and should help build more dynamic partnerships between employers and education providers to shape future skills development across the West Midlands and Warwickshire for years to come.

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 short-term recommendations:

a. Short Term

5.1.a – The first round of West Midlands LSIP/LSIF projects around Electrification & Engineering Technologies; Low Carbon & Sustainable Construction; Green Skills; Essential and Advanced Digital Skills; and SME Business Engagement are scoped to be progressed with local colleges and other stakeholders and delivery partners across the West Midlands and Warwickshire.

5.1.b – Local partners are recommended to continue expanding the range of business intelligence on skills at local and regional level, so that we can monitor the success of the LSIP over the coming years, whilst helping it to become increasingly proactive, strategic, and to build on the business engagement delivered to date.

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 – Funding for the next round of LSIPs is approved and agreed by Government so that the work can continue to build on the momentum generated through the work to date, and to enable a more joined-up approach with other local and regional business support activities related to skills improvement.

5.2.b - The long-term uncertainty facing business support funding requires clarifying. As [CW Growth Hub](#) has highlighted, UKSPF is due to end in March 2025, and plans for the successor fund need to start swiftly. Moreover, these need flexibility to cover wider geographical areas, such as Coventry & Warwickshire-wide, and the funds need to finance both the account management type business support ecosystem, as well as a sufficient range of targeted support programmes that will enable business growth, innovation, and deliver the growth of priority economic sectors/clusters.

5.2.c – Local partners should continue to build on the engagement and collaborations with our local colleges and 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 - Future employment and skills support should become more locally designed, produced, and delivered. This approach should build on the findings and recommendations from the Local Skills Improvement Plans, to respond to future local economic/sectoral needs, including the long-term skills needs for the Electrification, Automotive & Future Mobility, Digital & Creative, and Tourism & Hospitality sectors.

5.3.b - 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.