

Communities O&S – November 2022

Economic Development Update

The following briefing note provides an update to the Communities Overview & Scrutiny Committee on recent economic development activity in Warwickshire.

It covers work undertaken by County Council officers and partners across a range of services as well as other key pieces of relevant news and information.

CONTENTS

1. Economic Overview
2. Business & Economy Support
3. Employability & Skills Support
4. Sector Development and Inward Investment

Appendix 1: Business News – Major business headlines from around Warwickshire

HEADLINES/ KEY SUMMARY POINTS

- [Warwickshire County Council has been awarded two prestigious 'best in the region' awards for its support for the local small business community.](#) WCC was among 250 councils in England who entered the inaugural Local Government awards run by the Federation of Small Businesses, sponsored by Maybe*. Local authorities from across the country applied for the awards which are aimed at celebrating and recognising those that have made the biggest impact on local SMEs during the Covid crisis and beyond. The competition was fierce, but WCC emerged triumphant in two of the regional categories; 'Programme of Business Support' and 'All-Round Small Business Friendly.' The latter award recognises WCC's work with businesses in the last two years to aid growth and economic recovery. The former was for the range of support provided not only during and since the pandemic but also programmes in place well before Covid.
- WCC, together with partners from local authorities and business has made a submission to Government for a package of Investment Zones capable of accelerating economic growth and delivering new homes and commercial space, at four locations in the county. The four sites are MIRA South site, Wellesbourne Innovation Campus, the West Midlands Gigafactory and Judkins Quarry. For more information, see the main article below.
- WCC has launched a new scheme to support businesses with the cost of installing energy efficiency measures. The Green Recovery Grant scheme provides free energy audits and grants towards the costs of energy efficiency measures or

investing in equipment that will lead to cost and carbon savings. It has been developed in response to the current energy crisis that is having a significant impact on business activities and the post Covid-19 economic recovery. WCC is also organising a series of events/ webinars to advise businesses on how to reduce their energy consumption and to raise awareness of the support available. For more information, see the stories below.

1. ECONOMIC OVERVIEW

National Overview

- **GDP** fell by 0.3% in June-August 2022 compared to the previous three-month period (March-May) and by 0.3% in August compared to July. This followed a rise of 0.1% in July.
- **Services output** fell by 0.1% in the three months to August 2022 compared with the three months to May 2022.
- **Manufacturing output** for the three months to August 2022 was 2.2% lower than the three months to May 2022.
- **The CPI inflation** rate was 10.1% in September 2022, up from 9.9% in August. The September figure was the joint highest recorded since the data series began. The ONS estimates that CPI is now higher than at any time since around 1982.
- The Bank of England's Monetary Policy Committee (MPC) raised **interest rates** to 2.25% on 22 September, up from 1.75%. This was the seventh rate rise in a row, and a further rise seems likely when the MPC meet on 3rd November.
- In April 2021 **median gross weekly earnings** for full-time employees in the UK were £611, up from £586 in April 2020. Adjusted for inflation, median earnings for full-time employees increased by 2.8%.
- The continued high rate of inflation meant that real earnings continued to fall in real terms in the three months to August 2022. The fall in this latest period was slightly smaller than recent falls, but still remains among the largest falls in earnings growth since records began in 2001.
- The **unemployment rate** fell to its lowest level since 1974 in May-July 2022, with a further fall in unemployment in the latest quarter. However, employment also fell in this quarter, while there was a large increase in economic inactivity. There are now over half a million more people who are inactive than there was pre-pandemic.
- The number of **vacancies** fell again in the latest quarter, but still remain well above pre-pandemic levels.

Local Overview

- Unsurprisingly, local businesses are reporting the pressures caused by increased energy bills and rising inflation, with many seeking grant funding for energy cost-saving measures, such as solar panels, and access to funding for cashflow purposes. Despite this, we are still seeing interest in capital investment projects

for which access to finance programmes such as Warwickshire County Council's Small Capital Grant can be utilised.

- The **latest Warwickshire unemployment rate** shows a slight uptick from 2.1% in Q1 2022 to 3% as of Q2 2022. Despite this slight increase, the unemployment rate still remains low in line with the national trend and lower than the latest national rate of 3.5%.

All latest economic updates can be found in the [Economic Recovery Dashboard](#) developed by WCC's Business Intelligence team for CWLEP partners.

2. BUSINESS & ECONOMY SUPPORT

Launch of new Green Recovery Grants

Warwickshire County Council has launched a new £300,000 Green Recovery Grant Scheme for Warwickshire businesses.

The new scheme, which is using £0.3 million of the Covid-19 General grant, will provide small & micro sized businesses in the retail, tourism, leisure and hospitality sectors, as well as certain other sectors most impacted by the Covid-19 pandemic, with grants towards the cost of installing energy efficiency measures.

The new scheme has been developed in response to the current energy crisis that is having a significant impact on business activities and the post Covid-19 economic recovery. In particular, it has been designed to complement both the Energy Bill Relief Scheme for businesses and other organisations recently announced by the Government and the existing Coventry & Warwickshire Green Business programme which provides grants for energy efficiency (among other measures) but only to SMEs in "business to business" sectors. The new scheme will support the Council Plan and emerging Sustainable Futures Strategy.

Grants of £1,000 to £20,000 will be available to implement the recommendations from free energy audits. In particular, the grants will fund up to 40% of the costs of installing energy efficiency measures or investing in equipment that will lead to cost and carbon savings. This is expected to include lighting, heating, ventilation, refrigeration and renewable technologies.

For more information visit: <https://www.warwickshire.gov.uk/greengrants> or contact Jon Stead in the Business & Economy team (jonstead@warwickshire.gov.uk).

To refer a Warwickshire business, contact WCC's Business Growth Delivery team (business@warwickshire.gov.uk).

Coventry and Warwickshire Duplex Fund

The Coventry and Warwickshire Duplex Investment Fund – which provides a combined loan and grant to businesses towards the costs of capital investments – has supported a further two businesses in Warwickshire with loans worth £219,600.

These include **Avon Boating** an established boat hire and river cruise company in Stratford upon Avon & a Warwick-based award-winning salon.

Duplex has now provided loans worth £1,578,598 and a further £469,496 of grants to 22 Warwickshire businesses in a range of sectors since it was launched in 2019. This has safeguarded 119 jobs, created 43 new jobs and 78 jobs are forecasted to be created.

The Duplex Fund – which is delivered by Coventry and Warwickshire Reinvestment Trust (CWRT) – is funded by a £2 million loan from WCC’s Capital Investment Fund as well as funding from Coventry City Council, the Growth Deal and CWLEP. It is expected to provide just under £10 million of investment to Warwickshire businesses over the next ten years and to create over 600 jobs by March 2033.

For more information visit: www.cwrt.uk.com/duplex or contact Jon Stead in the Business & Economy team (jonstead@warwickshire.gov.uk).

To refer a Warwickshire business, contact WCC’s Business Growth Delivery team (business@warwickshire.gov.uk).

ERDF Business Support Programme

A further 54 businesses completed the intensive support provided by the “CW Business – Start, Grow and Scale” programme during the third quarter of 2022 and a further six individuals were supported to start their own business. Despite the current economic situation over 20 jobs were created and filled this quarter alone as a result of the support given to these businesses. This brings the total number of businesses supported since 2016 to 984. 429 new jobs have also been created and 466 Warwickshire residents helped to start their own business.

The start-up support strand (delivered by Coventry and Warwickshire Chamber of Commerce on behalf of WCC) has been targeting businesses in the north of the county and an information event was also held in Rugby this quarter.

<https://www.cw-chamber.co.uk/business-support/business-start-up>

Two new business advisors have started work on the Business Ready strand (delivered by University of Warwick Science Park) as well as new mentors added to the pool available to assist high tech high growth businesses with a wide range of advice on different topics. <https://business-ready.co.uk/>

An [additional Business Growth advisor](#) has started within the WCC Business and Investment strand working 50% on the programme.

Meanwhile, Project Warwickshire – WCC’s dedicated programme for the tourism, leisure and hospitality sector and the newest programme strand – has now been running for over 12 months. 128 businesses have been engaged so far and 42 businesses have completed the support helping safeguard almost 40 jobs and created nine new jobs. Three road shows are planned for mid-November in Nuneaton, Atherstone and Coleshill to encourage businesses to “pop in” over their lunchtime to find out more about the support available. Advice on grants available

has also been given and five businesses have been allocated over £350k from local funds.

<https://www.cw-chamber.co.uk/business-support/project-warwickshire/>

The current phase of the programme (to June 2023) is funded by £1.8 million from the European Regional Development Fund (ERDF) as well as WCC, University of Warwick Science Park, and the District and Borough Councils.

For more information and/ or to refer a business or Warwickshire resident, visit: www.warwickshire.gov.uk/cwbsp or contact Gillian Dale in the Business & Economy team (gilliandale@warwickshire.gov.uk).

WRIF – Local Communities & Enterprise Fund

The Local Communities and Enterprise Fund (LCE) pillar of the WRIF – which was launched at the end of April – has now awarded six loans in total with a further three since the previous report.

Coventry and Warwickshire Reinvestment Trust (CWRT) who manage the scheme on behalf of WCC have agreed to provide £95,000 of loans to **CAE Tech**, a provider of intuitive web-based 3D configurators; **Intermodal Ltd** who are a customs broker supporting businesses submit customs declarations for goods imported and exported between the UK and the EU; and **Wesley Broad & Company Ltd** a legal recruitment specialist based in Warwick. The total amount now lent to businesses is £225,000.

The LCE Fund provides loans of between £1,000 and £100,000 to help small businesses including social enterprises start, survive, and grow. CWRT are a specialist finance provider who are managing the LCE fund on behalf of WCC.

For general information about the LCE Fund, contact Jon Stead in the Business & Economy team (jonstead@warwickshire.gov.uk).

For more detailed information, to register an interest or to refer a business, visit www.cwrt.uk.com/wrif-lce-fund

WCC Small Capital Grants

WCC's small capital grants programme is continuing to see a good level of interest. Enquiries continue to come from several different sectors including engineering, manufacturing, food & retail, and education services.

The most recent Grants Panel in September approved a further three investment projects worth over £270,000 with WCC agreeing to make total grant contributions of £65,311. The three projects, as well as unlocking over £205,000 of private sector investment, are expected to create nine new jobs.

The grants are part of the latest round of WCC's small capital programme. Since 2015, the programme has awarded over £2 million to Warwickshire businesses as part of a £14 million package of funding of finance, loans and grants with the grants alone already creating more than 200 jobs around the county.

In terms of delivery, we continue to receive enquiries on a near daily basis, and whilst some businesses and projects fit the criteria of the fund, they may not all decide to move ahead with investment plans immediately. We are also promoting the Coventry & Warwickshire Innovation and Coventry & Warwickshire Green Business grants as the final deadlines for both ERDF funded programmes are fast approaching.

For general information about the programme, contact Jon Stead in the Business & Economy team (jonstead@warwickshire.gov.uk).

To refer a Warwickshire business, contact WCC's Business Growth Delivery team (business@warwickshire.gov.uk).

JumpStart

The "JumpStart" start up project has supported 63 Warwickshire residents looking to start a business during the first two quarters of 2022/ 2023 which has resulted in the creation of 18 new business so far this year.

CWRT's JumpStart project – which is part funded by WCC's Place Shaping & Economic Recovery Fund – is one of two economic recovery projects focussed on meeting increased demand for start-up support. The community-based project complements the county-wide start-up service delivered by the Chamber on behalf of WCC by focusing on underrepresented groups and hard-to-reach individuals in certain parts of the county. JumpStart is expected to support 315 Warwickshire residents between April 2021 and March 2024.

For general information about the programme, contact Jon Stead in the Business & Economy team (jonstead@warwickshire.gov.uk). There are also a range of case studies available on CWRT's web site: www.cwrt.uk.com/jumpstart-case-studies

To make a referral to the programme, visit: www.cwrt.uk.com/jumpstart

Recent Business Events

WCC's Business Growth Delivery team presented at a recent Coventry and Warwickshire Green Business event in Stratford-upon-Avon to give an overview of the access to finance support funded by WCC. Organisers, Coventry City Council, also provides details of the Coventry and Warwickshire Green Business programme and how businesses can take advantage of both the energy audits and grants available.

The team also presented alongside CCC at a recent Coventry First Pro business breakfast event held at the University of Warwick Science Park to provide an overview of the access to finance and business support programmes available to members. CW First is a leading membership organisation for business professional and financial services companies. The event was organised specifically to talk about local authority backed access to finance programmes in the area.

In addition to this, the team presented at a recent NFU member meeting to raise awareness of the Warwickshire Recovery Investment Fund (WRIF) and other access

to finance initiatives that are available to agricultural and rural businesses in Warwickshire.

Cost of Energy Events

A series of energy events and webinars aimed at specific sectors, including retail, hospitality, tourism, leisure, manufacturing, and agriculture are also being organised to advise businesses on how to reduce their energy consumption and to raise awareness of the support programmes available.

Manufacturing Industry – 9th November

An event around sharing energy use and savings best practice is being co-organised with West Midlands IET and WMG and will focus on how businesses can reduce their energy consumption in light of the recent rise in energy costs. Details of the event can be found here:

<https://warwick.ac.uk/fac/sci/wmg/mediacentre/events/smesosenergyconsumptionn ov/>

Agricultural Energy Event – 15th November

<https://www.eventbrite.co.uk/e/agricultural-webinar-put-your-energy-into-saving-energy-tickets-443249259467>

Retail, Tourism, Leisure & Hospitality – 17th November

<https://www.eventbrite.co.uk/e/put-your-energy-into-saving-energyretail-hospitality-tourism-leisure-tickets-443219179497>

3. EMPLOYABILITY & SKILLS SUPPORT

Multiply Fund

Multiply, part of the UK Shared Prosperity Fund, is a new Government programme aimed at helping adults to improve their numeracy skills. WCC is responsible for managing and administering the fund in Warwickshire including the development of an investment plan and selecting the activities to be funded from a national menu of interventions.

It was announced in April 2022 that Warwickshire had a provisional allocation of £2.5 million over three years, and the Department for Education has now confirmed that it has approved Warwickshire's investment plan in full. WCC's first call for projects has also now closed and applications totalling almost £3 million were submitted. These applications are currently being assessed and it is expected that the first funding decisions will be announced later this month.

For more information about Multiply, visit www.warwickshire.gov.uk/multiply or contact the Business & Economy team (multiply@warwickshire.gov.uk).

Warwickshire Skills Hub

As the employment and skills landscape continues to change, the team are working closely with delivery partners, strategic partners and the Districts & Boroughs to

monitor the support available, the needs of those we support and any emerging gaps, specifically as the remaining European Social Fund programmes draw to a close in 2023.

As new labour market information is shared, as a priority the team are proactively sharing alternative programmes which may offer a continuation of support and have capacity to adapt current provision to meet new needs.

Business Skills Support

The Business Skills Support service continues to see a high demand for skills support, until recently the demand had reflected positive growth, however there are now calls to support businesses who wish to take cautious steps to remain economically viable which is reflective of the current economic climate.

- 60% of require Apprenticeship Support or funding
- 10% require support to understand the support on offer to evaluate their skills plans
- 25% require recruitment support
- 5% require support to upskill existing staff

Ukraine Employment and learning support

The programme has received over 100 applications for employment support with four workshops now running in a number of locations based in the team's Community Skills Hubs (based in Warwickshire Libraries)

The current sessions are running in locations which are reflective of demand and the location our Ukrainian guests are currently based.

- Atherstone
- Rugby
- Nuneaton
- Leamington

Fair Chance Employer Programme

The programme continues to attract many enquiries from businesses wanting to shape roles to be inclusive and tap into a talent pool of people who are actively seeking employment. The flexible support fund in the programme is also proving to be a success with 60% of the employers identifying how the fund could help them make reasonable adjustments in the workplace and train diversity mentors to support inclusive inductions for new starters with supportive needs.

Warwickshire Supported Employment Service

Further to the recent consultation of the Warwickshire Employment Support Team, on the 2nd of October the consultation closed, and the project team will now move forward to implement the new service and recruit to a number of new jobs the service will create.

The new Warwickshire Supported Employment Service is due to launch in January 2023, with a series of engagement and promotional events aimed at providing a collaborative platform to support the launch of the service.

4. SECTOR DEVELOPMENT AND INWARD INVESTMENT

The Inward Investment team are continuing to develop a relationship with the Swedish Chamber of Commerce and Invest Skane. 21 – 22nd September the SCC organised a 2 day event for Swedish based businesses to explore the UK market at an event called [Eco-System Exchange – Createch](#). This was a London based event which was attended by the Investment Team to promote the strengths of the region.

Continued support has been provided to the University of Warwick and their Creative Futures incubator programme (which has been funded by WCC) as they recruited their 5th cohort of creative businesses on to the programme. To date 25 businesses have received support through the programme.

The inward investment service exhibited with Coventry City Council and Invest Coventry & Warwickshire at the recent [Engineering Design Show](#) at CBS Arena in Coventry. This follows a similar presence at the [Low Carbon Vehicle Show](#) at Millbrook back in September. We picked up a number of enquiries for space and support.

For more information, contact Ian Flynn, Technical Specialist (Automotive, Advanced Engineering & Manufacturing) (ianflynn@warwickshire.gov.uk) or Stacy O'Connor, Technical Specialist (Digital Creative) (stacyoconnor@warwickshire.gov.uk).

Investment Zones

Warwickshire County Council, together with partners from local authorities and business have made a submission to Government for a package of Investment Zones capable of accelerating economic growth and delivering new homes and commercial space, at four locations in the county.

Investment zones are a new initiative which aim to attract investment and unlock development and economic activity. It is hoped that these zones will accelerate economic growth through public and private investment and deliver tens of thousands of new homes and jobs and support key industries to decarbonise supply chains. They are broadly similar to the Enterprise Zones launched in 2012, and which included the successful MIRA Technology Park.

If successful beyond the EOI stage, the zones in Warwickshire have the potential to unlock new public and private investment and boost the county economy by more

than £1.4bn a year, creating over 25,000 jobs, 450 new homes and 1.3m sqm of commercial space. The sites that have been put forward by Warwickshire County Council for consideration are:

- **MIRA South Site** – an advanced manufacturing site in North Warwickshire Borough, a southern extension of the highly successful Enterprise Zone MIRA Technology Park, Europe’s leading automotive and future mobility R&D campus
- **Wellesbourne Innovation Campus** – expansion of the successful technology campus, part of the University of Warwick estate, which has seen growth in recent years from automotive and future mobility expansion. It is also a major centre for agritech and crop science.
- **Judkins Quarry** – a mixed use residential and commercial property site, with the potential to support local housing and employment need in Nuneaton & Bedworth Borough, including growth at MIRA South Site
- **West Midlands Gigafactory** (*in partnership with the WMCA*) - Large sites at Coventry Airport and in its surroundings in Warwick District, with the primary objective of securing major inward investment in a battery gigafactory, and associated battery and automotive supply chain. It was submitted by WMCA in behalf of local partners, and was also included in the Warwickshire EOI.

We understand feedback on the EOIs is expected towards the end of the year.

APPENDIX 1: BUSINESS NEWS

Major business headlines from around Warwickshire

Digital Creative Sector

Warwick Innovation district recognised in leading research

An independent report from innovation and investment consultancy firm Beauhurst reveals how the University of Warwick and the Warwick Innovation District (WID) is helping to drive the West Midlands' position as a powerhouse for innovation, which is in turn supporting growth in the local economy.

[Full story here](#)

Automotive/ Future Mobility Sector

China's Geely takes major stake in Aston Martin Lagonda

Chinese carmaker Geely has taken a stake of almost eight per cent in Gaydon-based luxury car manufacturer Aston Martin. The company – which already owns marques including Volvo, Lotus, and taxi-cab manufacturer London EV Company – was one of the new investors in Aston Martin's £654 million equity capital raise on Friday (September 30). Geely also lost out to Laurence Stroll's Racing Point in a takeover of the business in 2020.

[Full story here](#)

Ansty EV Maker Reduces Headcount

Meanwhile, London EV Company, a Geely subsidiary, has said that cuts are needed because of lower demand during the pandemic and supply chain issues. LEVC lost 118 million pounds in the year ended December 2021, according to company filings. The company said in 2020 that it had expected to be profitable by 2021. The company is promising new models next year.

[Full story here](#).

Battery Maker Britishvolt in Crisis Talks

Troubled UK battery start-up Britishvolt is on the brink of falling into administration as early as today, putting some 300 UK jobs at risk, according to reports.

The company has been developing Britain's biggest electric car battery plant in Blyth, Northumberland, with the £3.8billion gigafactory set to employ up to 3,000 workers by the time it was due to be fully operational. It also has a large scale up unit at Hams Hall in Coleshill, and its registered address was Coventry.

[Full story here](#)

JLR Seeks to Retrain for a modern, all-electric future

Jaguar Land Rover has confirmed the launch a global upskilling drive in a bid to train 29,000 people in the next three years for its connected and data capabilities. The company's Future Skills Programme will involve more than 10,000 Jaguar Land Rover and franchised retailer employees in the UK, and almost 19,000 across the rest of the world, being trained in skills vital to electrification, digital and autonomous cars.

[Full story here](#)

US Giant Completes Takeover of Ansty based Meggitt

US engineering firm Parker-Hannifin has completed its £6.3 billion takeover of aerospace company Meggitt. Parker, which makes engineered products for the aerospace, automotive and manufacturing industries says the acquisition will provide complementary technologies and increase the aftermarket mix of its aerospace business. Parker also has manufacturing facilities in Warwick.

[Full story here](#)

Battery maker in rush to recharge funding

Britishvolt is in emergency talks to secure new funding from car makers or other investors, which could lead to a sale of the business. The company is in danger of running out of money by the end of the year, according to the Financial Times. Those rumoured to be considering investing include TATA, owner of JLR.

[Full story here](#)

Autonomous Tech Company Lists on AIM

An autonomous technology specialist which works with the automotive, aviation and transport industries has confirmed its admission to trading on AIM in a move that gives the company a "solid platform for growth". Aurrigo International has successfully raised gross proceeds of £8m in total, at a price of 48 pence per ordinary share. Upon admission, the business will have a market capitalisation of approximately £20m.

[Full story here](#)

Other Business News

Tourism sector sees visitors and spending return

South Warwickshire's tourism industry is on the road to post-pandemic recovery, according to new figures published by Shakespeare's England, the official tourism body for the area.

In 2021, the region attracted 7.8 million visitors – a 39 per cent increase on the previous year, while tourism employment numbers in the region increased by 4 per cent year-on-year to more than 10,000 people.

[Full story here](#)

Mike Ashley firm unveils plans for HQ campus in Rugby Borough

Retail giant Frasers Group, the company behind Sports Direct and House of Fraser, has unveiled plans for a global headquarters campus at Ansty. Designed by architect Grimshaw – the firm behind the Eden Project and London's Elizabeth Line – the campus would include logistics, offices, R&D retail, a hotel and leisure facilities.

[Full story here](#)

Stoford to create 450,000sqft of space near Studley

Developer Stoford has secured planning consent for the speculative development of almost 450,000 sq ft of industrial and logistics accommodation across two units, on the Stratford District/ Redditch. The Net Zero units will comprise 160,208 sq ft and 286,328 sq ft respectively and be developed on the southern side of the 78-acre Redditch Gateway site.

[Full story here](#)

Stratford Medtech Firm Acquired for £5.5m

Roquefort Therapeutics PLC has completed its acquisition of Stratford-upon-Avon biotech firm Oncogeni Ltd for £5.5 million.

[Full story here](#)