



# Coventry & Warwickshire Business Intelligence

August 2021

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# 1. Executive Summary

Welcome to the August 2021 edition of the Coventry & Warwickshire Smart Region report. **This month, our spotlight theme is the 'Perfect Storm'**, highlighting the range of potentially severe economic issues that are currently aligning to have an impact on businesses across the sub-region over the coming weeks and months.

We also welcome a **contribution from Lee Osborne, Development Manager for the Federation of Small Businesses (FSB) in Coventry & Warwickshire**. Lee shares his insights on how FSB members have been affected over the past eighteen months.

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

Other sources include the Office for National Statistics, British Chamber of Commerce, organisations such as the Paragon Bank, and other research bodies specialising in labour market analysis.

## Key Headlines

- There have been significant improvements to the Coventry & Warwickshire labour market, with many reasons to be optimistic in recent months, with falling unemployment, growing employment, record numbers of vacancies, and falling redundancies.
- The impact of the end of the furlough scheme, due at the end of September 2021, will start to become known over the coming weeks – at the end of June there were 25,000 jobs in Coventry & Warwickshire remaining furloughed.
- However, both business and consumer confidence are showing signs of slowing and decreasing over the past three months, despite the further relaxation of Covid-19 restrictions.
- A number of increasingly negative economic impacts, affecting a wide range of sectors, are starting to be felt by businesses locally. Together these have the potential to create a 'Perfect Storm' for our economy as we head towards the autumn and winter.
- Local business support partners will continue to focus on minimising negative economic impacts, be they from the pandemic, EU exit, or any other driver, to help continue the reset, reopening, and recovery of our economy.

## 2. Latest Economic & Labour Market Trends

### Labour Market Trends

- In July 2021, **the claimant count in Coventry & Warwickshire totalled 29,385 people**. At the start of the pandemic, in March 2020, the claimant count stood at 15,830.
- **The falls in the claimant count over the past few months give some signs for optimism** as the local economy continues to reset, re-open, and recover.

Area	March 2020	July 2020		May 2021	June 2021	July 2021
Coventry	8,000	16,090		16,075	15,475	15,320
North Warwickshire	845	2,030		1,770	1,580	1,575
Nuneaton & Bedworth	2,830	5,300		4,720	4,490	4,410
Rugby	1,535	3,205		2,880	2,665	2,650
Stratford-on-Avon	1,050	3,030		2,715	2,425	2,440
Warwick	1,570	3,705		3,295	3,030	2,990
Warwickshire	7,830	17,270		15,380	14,190	14,065
<b>CWLEP</b>	<b>15,830</b>	<b>33,360</b>		<b>31,455</b>	<b>29,665</b>	<b>29,385</b>

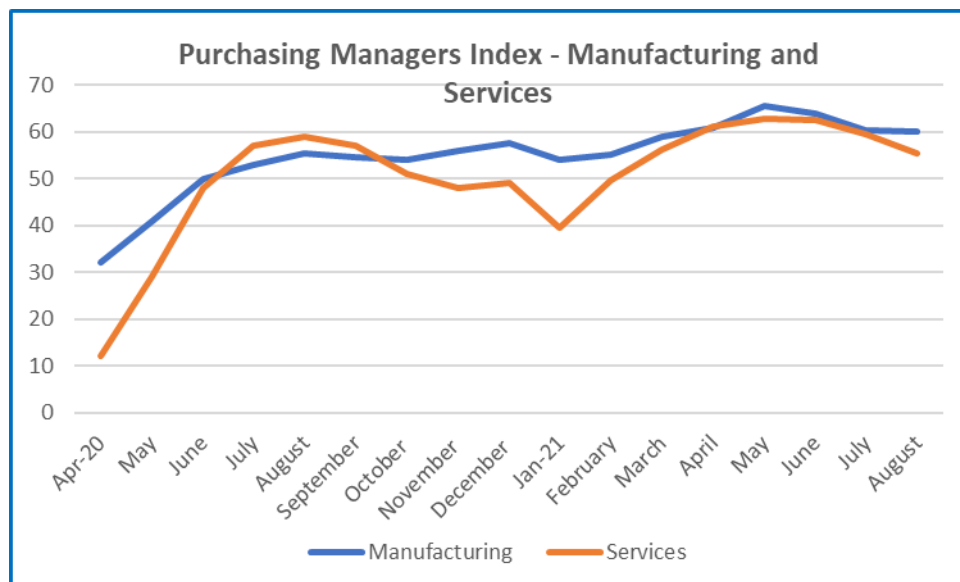
Source: Office for National Statistics

- Nationally, the claimant count stood at **2,268,660 in July 2021, compared with 2,642,815 twelve months ago**.
- Whilst this appears encouraging, there are **concerns about the ending of the Coronavirus Job Retention Scheme at the end of September, leading to significant job losses**. At the end of June there were 9,200 jobs furloughed in Coventry and 16,200 in Warwickshire, approximately 7% of all eligible employments and a 1.0 percentage point decrease on May's total.

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

- **The number of payroll employees showed another monthly increase, up 182,000 to 28.9 million in July 2021**. However, it remains 201,000 below pre-coronavirus (Covid-19) pandemic levels.
- There was an **increase in the employment rate of 0.3 percentage points between April to June 2021, to 75.1%, and a decrease in the unemployment rate of 0.2 percentage points, to 4.7%. The economic inactivity rate was down 0.2 percentage points on the previous quarter, to 21.1%**.
- With the relaxation of coronavirus restrictions, total hours worked increased on the quarter, although remains below pre-pandemic levels. **The redundancy rate decreased on the quarter and is now below pre-pandemic levels**.

- There were an estimated 953,000 job vacancies in May to July 2021, a record high, having grown by 290,000 compared with the previous quarter and 168,000 more than its pre-pandemic level (January to March 2020).
- Evidence from Coventry City Council's Employer Hub shows that there are **currently 3,000 job vacancies in Coventry, and a further 32,000 vacancies within a 25-mile radius of the city**. The most common vacancies in Coventry are in Logistics (288), Food & beverage (219) and Construction (144).
- The overall picture with the labour market **remains optimistic for now, although many uncertainties remain – and not all of these are pandemic related issues**. These are explored further in Sections 3 and 4.
- **Uncertainty is, however, being reflected in business confidence if not yet in the labour market, which has now been falling for three months**. The **Purchasing Managers Index (PMI) for manufacturing fell to 60.1 in August**, from 60.4 in June (a figure above 50 represents growth). Likewise, **for services the PMI also fell, from 59.6 in July to 55.5 in August**.



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

## Economic Trends

### Economic Growth:

**UK GDP rose by 1.0% in June thanks to the reopening of the economy and an increase in consumer spending.** The service sector (which makes up 80% of UK GDP) rose by 1.5% in the month, as people returned to cafes, bars, and restaurants. This contributed to an overall rise of 4.8% in Q2 2021, following a 1.6% contraction in the economy in Q1. But challenges remain in a number of areas of the economy. Construction suffered a 1.3% contraction in June as the availability and rising prices

of materials continue to hamper the sector. **Overall, the economy remains 4.4% below pre-pandemic peak levels (Q4 2019).**

New [analysis from the OECD](#) shows that global economic growth is now expected to be 5.8% this year, a sharp upwards revision from the 4.2% forecast in December. The UK economy has yet to reach pre-crisis levels of GDP per capita, unlike the USA which is already there, with Japan expected to return to pre-pandemic levels in autumn and Germany in early 2022. **It is expected that the UK will reach pre-crisis level sometime in summer 2022**, with the UK's recovery to pre-crisis levels slower than other G7 nations.

**The West Midlands encountered the largest fall in GDP of all English regions in 2020** and (along with the East Midlands) was one of just two English regions to have witnessed a [GDP contraction](#) in Q4 2020. This followed the [slowest](#) rate of economic growth of all regions in the year before the Covid-19 crisis (2018/19). This highlights **the scale of economic challenge faced regionally.**

#### **International Trade:**

**UK exports have risen above pre-Brexit levels for the first time** after a small increase in June, from £14.1bn to £14.3bn, [according to figures from the ONS](#). Overall, exports were up this quarter by £4.1bn compared with Q1, whilst imports rose by £8.8bn.

**However, [regional data](#) suggests that more needs to be done to facilitate recovery of international trade to pre-pandemic and pre EU Exit levels.** An ONS survey shows 25.2% of exporting businesses in the West Midlands reported their businesses were still exporting but less than EU Exit, and of those businesses who continued to trade and import, 19.1% in the West Midlands were importing less. Just 3.8% of businesses in the West Midlands are exporting more than EU Exit and 3.4% importing more.

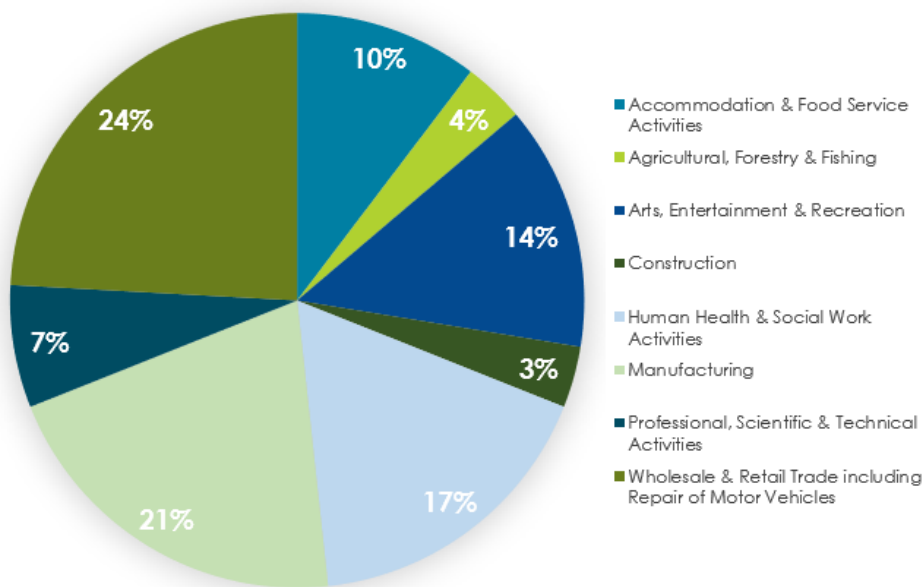
**Supply chain difficulties and delays are increasing.** A [report released this month by the British Chambers of Commerce](#) urged the government to "review new processes resulting from the Trade and Co-operation Agreement (TCA) and work with the EU to simplify/streamline, in order to reduce the burden of paperwork and prevent delays, particularly on VAT and Rules of Origin."

### 3. Latest CWLEP Growth Hub Insights

#### 3.1 CWLEP Growth Hub – Trends

Since the start of the pandemic in March 2020, the **CWLEP Growth Hub has supported 4,228 businesses and has had substantive discussions with 1,668 businesses specifically related to Covid-19 impact and EU Exit.**

**Business Support by Industry**



This month's business insights are taken from intelligence gathered in **July 2021**. The top sectors supported by the CWLEP Growth Hub were **Wholesale & Retail Trade inc. Repair of Motor Vehicles (24%)**, followed by **Manufacturing (21%)**.

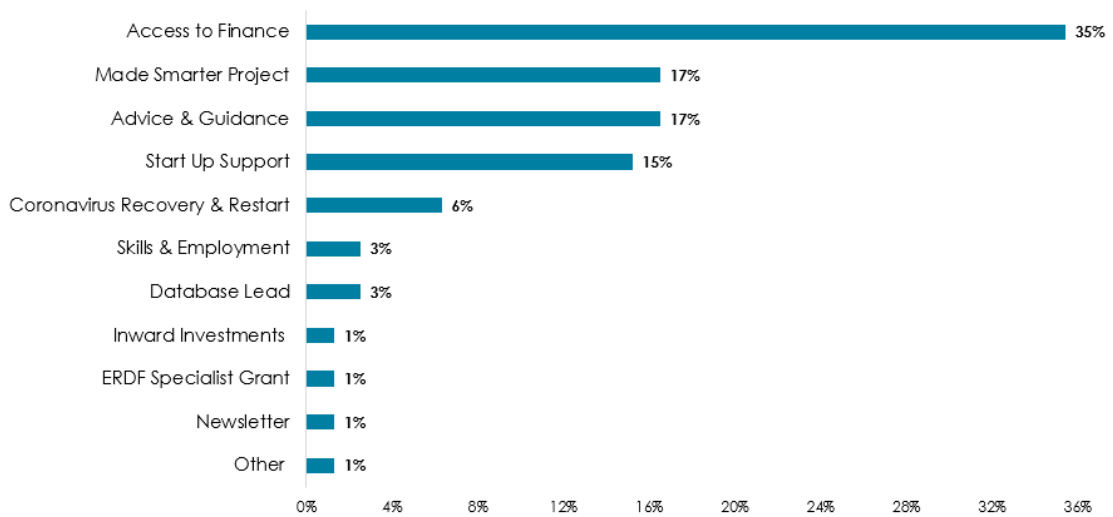
The volume of businesses from the **Wholesale & Retail Trade and Manufacturing sectors** seeking help reflects the high levels from these sectors that local business support systems have traditionally aided.

The size profile of the businesses supported over the past month consisted of **34% Sole traders; 59% Micro businesses (2-9 employees); 3% Small businesses (10-49 employees); and 3% Medium businesses (50-249 employees)**.

There was an **increase in Sole Traders and Medium Enterprises** and **decrease in Micro Enterprises and Small Enterprises** approaching the CWLEP Growth Hub compared to last month. Around 38% of all respondents came from businesses that started trading in either 2020 or 2021.

## 3.2 CWLEP Growth Hub – Enquiries & Support

What Support does your Business Require?



**Access to Finance** was the most popular reason for support over the past month. As clients have many different and complex business needs and wants, there is a spread across other enquiry types too. There was a high proportion of businesses highlighting the **Made Smarter Project** and **Advice & Guidance** as their main requirement for support, which could also have led to additional help around **Marketing support, Business rates, and Tax & legal issues.**

Finally, whilst Advice and Guidance is always a key ask from businesses seeking support from CWLEP Growth Hub, there remains a proportion of businesses seeking advice about **Coronavirus Recovery**, and **Skills and Employment.**



## 4. Spotlight: The Perfect Storm

### 4.1 Context

This month, we are highlighting the 'Perfect Storm', aspects of which are being reported to all Coventry & Warwickshire business support providers – including CWLEP Growth Hub, Coventry City Council, Warwickshire County Council, Coventry & Warwickshire Chamber of Commerce, the Department for International Trade, the Federation of Small Businesses, and the Coventry & Warwickshire Reinvestment Trust, currently meeting weekly to monitor key and emerging issues, challenges, and opportunities for the local economy.

These challenges are currently aligning at the same time to affect businesses in the sub-region and are forming our 'Perfect Storm'.

### 4.2 The 'Perfect Storm' Clouds

#### Supply Chain Difficulties

- A wide range of product and raw material supply problems are being reported across multiple sectors, ranging from food shortages, fertiliser, construction materials, wood, steel and aluminium, and semiconductors.
- At best this is resulting in supply delays, at worst significant price increases or even lack of supply resulting in halted production. This is now impacting cashflow for many businesses in the supply chain.
- Manufacturing is being particularly affected by these issues, with emerging threats of temporary production shut-downs to come.
- In the Construction sector supply shortages are being compounded by major projects' demands for materials, resulting in short supplies and price increases elsewhere.

#### Movement of Goods

- Businesses are reporting ongoing major difficulties moving goods, through both import and export. Contributing factors include post-EU processes, along with the need to complete additional customs and VAT declarations, increased time delays and costs (some HR driven), major price hikes and lack of availability for shipping containers, and staff shortages at ports.
- Increasing concern about the shortage of HGV drivers and the impact this will have on the transportation of goods; latest estimates for the UK put the figure at 100,000, out of a pre-pandemic workforce total of about 600,000.

#### Labour and Skills Shortages

- There is an emerging shortage of labour, both skilled and semi-skilled across numerous sectors of the economy. ONS this month reporting vacancies in the UK now exceed pre-pandemic levels. However, in the West Midlands, over

140,000 workers currently remain on furlough, in many cases 'locked in' to businesses where the job support will finish at the end of September.

- At the same time, businesses who are recruiting are receiving applications often unsuited to the roles advertised. In some cases, e.g. fruit picking, there have been insufficient numbers of applicants to meet demand.

### Self-Isolation rules

- Recently there have been record numbers of workers instructed to self-isolate by the NHS Covid-19 App. This has impacted businesses at very short notice, although the restrictions around this have eased over the past couple of weeks.
- For many firms, this uncertainty has led to the disruption of re-opening plans, with some having to reduce hours or services, whilst others have been forced to close for periods of time as a result.

### Phasing out of Government support

- With the phasing out of schemes such as CBILS, BBLs, Furlough, as well as the end to deferred HMRC payments, the issue of low working capital and high debt levels is now coming to the fore, and is being compounded with the issues highlighted above, making for an increasingly uncertain business outlook through the autumn and winter.

### Issues relating to end of Covid-19 restrictions

- Whilst strictly not an economic issue, many businesses are flagging concerns relating to end of Covid-19 restrictions, including the shift in legal responsibility from Government rules in law, to the businesses themselves, for the health & wellbeing of both staff and customers.
- Consumer facing sectors such as retail and hospitality are raising concerns relating to the wearing of face coverings, fall in consumer confidence, and footfall plateauing.
- The current uncertainty around the potential need (or not) for proof of vaccine is affecting the plans for outlook for the sectors affected such as travel, leisure, culture and tourism for the rest of this year and into next.
- As no two businesses are the same, it is crucial that small firms are able to operate ongoing arrangements that work for them, including where face coverings are concerned. The FSB are urging shoppers, diners and revellers to respect the unique house rules of every business when they are out.

### Business and consumer confidence

- Anecdotally there has been a shift in confidence over recent weeks, from a high degree of optimism in late Spring as the restrictions started to be eased, to more uncertainty and pessimism currently, affecting both business and consumer confidence.

- Footfall in many city and town centres across the region has 'flatlined', stifling the recovery of the retail, and hospitality sectors in particular, and also those centres relying on office workplaces and office worker spending.

### 4.3 Q&A with Lee Osborne, Development Manager at the Federation of Small Businesses (FSB)

We invited Lee Osborne from our local FSB to give some up-to date **insights and experiences of the impacts of the 'Perfect Storm' on small businesses** in Coventry & Warwickshire. We started off by asking Lee:

#### What will the end of business support measures mean for local FSB members?

"The business support measures have proved to be a lifeline for many small firms. As restrictions lift small businesses, in the main, are well positioned to take advantage of the opportunities on offer to them as the economy recovers.

However, firms across the region are now having to manage debt repayments, rent arrears, and skills shortages on top of rising prices. Skills shortages and rising input costs should concern us all – anything that puts the brakes on small business recovery is bad news for the economy.

Firms' finances are still recovering, and concerns remain about those struggling with emergency loans and debt. According to latest FSB data four in ten small businesses with debt now view their level of borrowing as unmanageable, which clearly strikes a warning note. Now that bounce-back loans are kicking in, we are urging banks to reach out to make customers aware of Pay As you Grow options, as these facilities were made possible to help struggling firms.

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*"anything that puts the brakes on small business recovery is bad news for the economy"*

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There is still uncertainty on the horizon as firms respond to the end of the support schemes and we move into autumn whilst trying to understand the impact Coronavirus will have on our daily lives. Small businesses across Coventry & Warwickshire are resilient, ambitious and while confidence is moving in the right direction, we need to see further positive actions from Government to energise the small business recovery further.

With most restrictions now eased, we are urging everyone to respect the 'house rules' at each business, as owners strive to keep customers and staff safe. Concerted action and mutual respect will be key to delivering a speedy, safe and sustainable recovery."

## What are the unique challenges facing FSB members in Coventry & Warwickshire?

“With small firms making up over 98% of private sector businesses across Coventry & Warwickshire it is positive to see new FSB data showing that small firms have strong growth and hiring aspirations.

However there remain challenges locally with concerns around debt, rising costs, skills shortages and international trade disruption. Profit expectations of West Midlands small businesses remain lower than the UK average. Locally businesses are citing inputs such as raw materials and components as a main contributor to increased operating costs. Labour costs, utilities and fuel are also frequently flagged as sources of rising outgoings as inflationary pressures takes hold.

The rising price of business-critical insurance is another area of concern, with firms struggling to access the policies they need. It is vital that small firms are given the best chance of survival by policymakers mitigating the effects of spiralling costs. **FSB has called for a reduction in Employer National Insurance Contributions, and a relaunch of the SME Brexit Support Fund.**

It is concerning for small businesses in cities and towns, and their supply chains, to see that footfall has ‘flatlined’. Recent data shows that Coventry is recovering more slowly and has not yet returned to previous levels of city centre activity and footfall.

The fact that some areas are seeing lower footfall than they would usually expect is the main driver behind FSBs summer social media campaign **#MyHiddenGems**. The campaign encourages people to shout about their favourite small firm, whether a café, shop, pub – anywhere you want to recommend and share with others – to help our local small business community.”

## How have your members managed to maintain ‘business as usual’ in the last 18 months?

“The last 18 months have been an extremely challenging time. However, we have seen some brilliant examples of small businesses being able to speedily react and adapt their business models and strategies. Many small business leaders have demonstrated high levels of resourcefulness with some taking their business online or developed their website offering, whilst others have created new products.

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*“we have seen some brilliant examples of small businesses being able to speedily react and adapt their business models and strategies”*

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Despite the difficulties, FSB research after the first lockdown shows that **small businesses innovated and reinvented themselves whilst helping their communities in the process**. This shows that small business leaders carried out a community role

during the crisis, supported vulnerable customers, provided support to key workers and home deliveries to vulnerable customers free of charge.

Examples include retailers using interactive social media sessions to increase their reach and mentoring and coaching businesses moving online to keep their businesses running and offering support. Many hospitality businesses started offering new services. Food and drink businesses across the area offered 'cooked to order' food, many with special offers and deliveries. Pubs and other similar businesses operated as takeaways or converted their business space to sell essential items.

FSB research also found that smaller firms started making hand sanitisers to support the coronavirus response. An exhibition stands and events business designed and offered screens to help with social distancing and many businesses designed, produced, and delivered PPE for the NHS.

It is important to note that not all businesses were able to innovate due to the nature of their business. Many of these small businesses worked incredibly hard to provide the same services whilst following social distancing rules. For example, a number of hotels signed up to offer accommodation services to key workers and nurseries continued to look after key workers children."

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*"Many of these small businesses worked incredibly hard to provide the same services whilst following social distancing rules"*

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### **What opportunities are there for small businesses in the sub-region at the moment, and how can businesses take advantage of them?**

"With Coventry having started its year as UK City of Culture and attracting the national spotlight we should expect more people to visit the region to make the most of what this opportunity offers. This will be an opportunity for leisure, hospitality, and tourism businesses and for the region as a whole. This will be followed by the Commonwealth Games, with events to be held in Coventry & Warwickshire.

The Games alongside other major investment projects such as HS2 will also provide many supply chain opportunities for small businesses helping them to survive and create and sustain jobs.

We have also seen positive examples from local authorities across the region encouraging and supporting local small businesses to supply to the councils through disaggregating larger contracts and providing information and practical advice to make it easier for small businesses to bid. **We would encourage small businesses to look out for Meet the Buyer events through FSB and other support organisations, which provide details about these projects. We would encourage small firms to register on portals advertising procurement opportunities for example CSW-JETS, and FinditInCW which allow local suppliers to access a whole range of business opportunities.**

There are also many grant-funding and local initiatives offered through local stakeholders such as local authorities and Universities – we would urge small firms to contact them to see if there is any help or support available through existing or future programmes.”

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

- “We need to see small firms **given space to recover** without new burdens and for Government to be doing all it can do clear the way for small firms to hire, invest and grow and maintain recovery into the Autumn. This should **include cutting Employer National Insurance Contributions and extending and expanding Kickstart alongside other initiatives and extending business rates relief throughout full financial year.**
- The late payment crisis has worsened through lockdowns. We need to **readdress the widespread poor payment practices** which have no place a in ‘build back better’ approach to economic recovery and **need Government to act urgently** to bring forward reforms.
- As we enter the next phase of the recovery, small firms will face challenges around high levels of Covid debt, managing cash flow and rising costs. **FSB has launched a new Recovery Ready hub** which contains **free resources and guides** to help support small firms through business recovery and growth. We would recommend that business take a look and make use of the resources available.” <https://www.fsb.org.uk/campaign/recovery-ready.html>

*With our thanks to Lee Osborne from Coventry & Warwickshire FSB for his insights.*

## 5. Recommendations

The following recommendations have been derived from analysis of macro-economic and business-level data and intelligence collated from Coventry & Warwickshire stakeholders.

### a. Short Term

#### 5.1.a

**There is an urgent need to address the issues raised in ‘Perfect Storm’ scenario. These should importantly seek to help overcome immediate staff shortages, both short-term and longer term, that some certain sectors such as hospitality, caring, and logistics, are currently facing.**



### 5.1.b

The **recent issues with staff having to self-isolate is also proving problematic for many sectors**, again including hospitality, caring, and logistics, as they already experiencing staff shortages due to the ongoing issue of difficulty recruiting new members of staff. **Some previous staff members will also have moved into new occupations during the pandemic lockdown(s).**

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

### 5.1.c

**An immediate effort must be made to modernise the ways these vacancies are advertised.** Record numbers of vacancies are being advertised, but there are clearly difficulties recruiting into them. Jobs in sectors such as hospitality or logistics should be marketed in such a way to appeal to the most suitable candidates – and in ways that will attract new entrants into those sectors.

The Logistics sector is a good example of this, traditionally roles may have focussed on warehouse work but in a rapidly changing sector many emerging logistics roles will centre more around problem-solving, programming, communications or IT.

### 5.1.d

**Clarity and support are required for businesses around requesting proof of vaccination or a negative Covid-19 tests.** This is particularly pertinent for those businesses who have just reopened in the hospitality sector, as the footfall is desperately needed, but must be balanced with the need to remain safe and as Covid-19 secure as possible.

Businesses need to know what exactly constitutes a space becoming 'crowded' and the level of ventilation that is required to be safe for those indoors, as some examples, as well as suitable staff training to handle new customer situations.

### 5.1.e

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

Investment in digital skills should undoubtedly be encouraged, given the number of businesses still without an active internet presence, during a time in which businesses will need to continue operating virtually in some capacity for the foreseeable future.

There is also a need for investment in training and upskilling for those who are ineligible for Kickstart support.

## b. Medium Term

Added initiatives that would help the local economy and the labour market in the medium term could be led by Government and include:

### 5.2.a

Continue **vaccine rollout and enhancing facilities for increased workplace and community-based testing**, to sustain safe working environments for businesses in the region who are currently attempting to recoup their losses after the last 18 months.

### 5.2.b

Given the likelihood of some form of continued homeworking for many businesses in the sub-region, **an increased focus on cyber-security should be encouraged**.

Also, with continued homeworking, employers should look to use the results of **research into the working set-up/equipment/environment of their employees working from home, in an attempt to minimise any longer-term negative impacts** on employees' health and wellbeing.

Looking ahead, **the provision of the equipment necessary to work from home will become an added expense for employers to consider**. Inconsistencies in the rollout of broadband remain across Coventry & Warwickshire also need to be addressed.

### 5.2.c

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

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

### 5.2.d

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

We endorse the **calls of business support organisations in the sub-region, such as the FSB, regarding measures to help businesses with cash-flow and rising costs, addressing the late-payments crisis, and recognise the need to continue to raise the**



**profile of the real-time issues our businesses are facing, as we run-up to the next Budget statement.**

## C. Long Term

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

### 5.3.a

**Conduct market research to explore the best ways to further address the issues** businesses are facing following the Covid-19 pandemic and the EU Exit period, in order to better shape the business support landscape in the region.

### 5.3.b

**As mentioned in the FSB's recent report '[Menu for Recovery](#)', the government should consider creating Hospitality Enterprise Zones (HEZs) in England.** HEZs are locally defined areas in which small businesses can receive incentives to take over vacant spaces.

### 5.3.c

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

### 5.3.d

**The focus on the green agenda underlines the need for approval for investment in the Gigafactory in Coventry & Warwickshire.**

Finally, there is also a need for **better charging infrastructure for electric vehicles**, which should be addressed as part of longer-term strategic planning processes.