



Sub-Regional Covid-19 Business Intelligence

23rd June – 6th July 2020

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1. Executive Summary

The recommendations and findings of this week's report are based on intelligence gathered across the CWLEP Growth Hub's business engagements and survey data, and information provided by Coventry City Council, Warwickshire County Council and CWLEP. Sources include the Warwickshire County Council's Weekly Business and Economic Update and other reports by WCC's Warwickshire Economics, Coventry City Council's Business and Economy briefing, Coventry & Warwickshire Champions, the FSB and the Coventry & Warwickshire Co-Operative Development Agency.

This report focuses on intelligence gathered since 23rd June 2020. Our sector spotlight will be the voluntary and third sector.

Key Findings

- **At least 109 jobs are at risk locally**
 - 38 Jobs at risk at W Potter and Sons in Rugby
 - Several jobs to be lost at Café Rouge in Leamington
 - 71 Jobs at risk across three Coventry & Warwickshire Businesses
- **At least 70 jobs are to be created** by Montpelier Estates at a new care home in Leamington Spa
- **94 redundancies were reported by businesses that were in touch with the Growth Hub** over the last couple of weeks with businesses reporting more are likely to come.
- **Majority of small businesses (62%)** have **been subject to late or frozen payments** in the wake of the Covid-19 outbreak according to the FSB.
- The **voluntary sector made up 3% of the overall number of businesses supported** by CWLEP Growth Hub since 1st March 2020. This is due to the nature of our support parameters and alternative specialist support provision available to the sector.
- **56% of West Midlands Consumers have used more local stores and services to support them** through the lockdown period and it's likely they will continue to do so as restrictions ease

2. Macroeconomic Insights

A running total (as of 6th July 2020) in payments of £157.3m were made to businesses across Coventry & Warwickshire to date for

- Small Business Grants Fund (SBGF) scheme
- Retail, Hospitality and Leisure Business Grants Fund (RHLGF)

The area of Coventry and Warwickshire continues to do very well compared the national average (86%), in particular across the boroughs and districts. Whilst the percentage for Coventry is lower it is worth noting that the City Council paid out £1.3m in discretionary grants in less than a month and launched a second round of the discretionary grants scheme. The uptake of the discretionary grants has been high across the Stratford District as well. All Warwickshire businesses are continuing to access the discretionary grants scheme.

Local Authority	Initial Allocation	Number of hereditaments that the local authority has identified may be in scope to receive a grant as at 06 July	Number of grant payments made to hereditaments as at 06 July	Value of payments (£)	% of allocation paid
Coventry City Council	£53,896,000	4,562	3,855	£45,795,000	84.97%
North Warwickshire Borough Council	£13,118,000	1,184	1,125	£12,885,000	98.22%
Nuneaton and Bedworth Borough Council	£21,680,000	1,653	1,533	£18,870,000	87.04%
Rugby Borough Council	£20,044,000	1,508	1,415	£17,495,000	87.28%
Stratford-on-Avon District Council	£35,520,000	2,974	2,561	£31,655,000	89.12%
Warwick District Council	£33,124,000	2,637	2,360	£30,650,000	92.53%
	£177,382,000	14,518	12,849	£157,350,000	

Job Losses

- **Regional: 6,550 at risk**
 - **160** Jobs at risk at Steelite International in Stoke-On-Tent ([Full story here](#))
 - **250** Jobs at risk at Birmingham Airport ([Full story here](#))
 - **140** Jobs at risk at Paintbox in Birmingham ([Full story here](#))
 - **6,000** Jobs to go across the West Midlands at Café Rouge (Multiple sites)
 - **4,000 +** Job losses likely as Swissport sets to reduce jobs across the UK, including circa 500 in the West Midlands ([Full story here](#))
 - A further **200** West Midlands jobs are at risk of redundancy at a factory in Birmingham ([Full story here](#))

- **94** redundancies were reported by businesses that were supported by the Growth Hub over the last couple of weeks with businesses reporting more are likely to come.
- At least **20** jobs have been lost at Listers Honda Garage in Coventry as of 22nd June 2020.
- One in 6 jobs in the UK Motor Industry are classed as 'at-risk' – a third of all workers in this industry across the UK are still on furlough and it seems more unlikely that they will return to work without significant financial support ([Full story here](#))

Job Wins & Safeguarded

- NP Aerospace are recruiting approx. **30** people.
- **300** Jobs to be created in Birmingham through HS2 ([Full story here](#))
- **70+** Jobs to be created by Montpelier Estates at a new care home in Leamington Spa ([Full story here](#))
- **7** jobs have been saved at a Coventry swimming school, thanks to CWLEP Growth Hub and community support ([Full story here and under “Case Studies”](#))

Job Vacancies

Warwickshire County Council provided an analysis on job vacancies in the latest Warwickshire Economics briefing (published 19th June 2020). In Coventry & Warwickshire the number of job vacancies has fallen noticeably for most sectors when comparing the same period from 2019 to 2020, with **overall job vacancies falling from 31,000 to 14,000** in the same time period between 2019 and 2020.

- The top sectors most in demand between 2019 and 2020, education and retail trade have seen significant reductions. However, the **human health activities sector is the only sector to see an increase** going from 1,823 to 1,830 standing testament to the COVID 19 pandemic being a human health crisis
- This increase in vacancies for the human health sector matches the national trend.
- There is a notable **shift from some of Coventry & Warwickshire's key sector (tourism and professional services) to essential services** driven by key workers such as regional nurses and cleaners.
- To further reflect the need for healthcare workers, **14% of all advertised jobs across Coventry & Warwickshire are being sought after by the NHS.**
- Further to this, there is **an increased presence in vacancies from supermarkets (Sainsbury's and Aldi) and delivery companies (Hermes)** as needs have shifted during the pandemic.
- **Personal Care Assistants are the most demanded job across 5/6 Districts & Boroughs** (with Coventry being the exception as Registered Nurse jobs are listed with the highest number of vacancies) currently (20th March – 17th June 2020).

3. Business Insights

Negative News (Regional and National):

- 21% of West Midlands Consumers have stopped using local businesses based on their Covid-19 response ([Full story here](#))

Positive News (Regional and National):

- Between February and April 2020, the **Purchasing Managers Index (PMI)** declined sharply nationally, from a score of 53.0 in February 2020 to 37.1 in March and just 12.9 in April 2020 across both products and services, although reflecting trends in the Eurozone, it has then increased to 30.0 in May 2020 **and 47.6 in June.**
 - In terms of business outlook, firms in almost all UK areas reported **optimism towards the outlook for activity over the coming year.**
- **Support from CWLEP GH has enabled a start-up business to continue despite the lockdown restrictions.** The business launched just two weeks prior to the lockdown period and following support and advice from our advisors they have been quick to adapt and continue operating ([Full story here](#))
- **56% of West Midlands Consumers have used more local stores and services** to support them through the lockdown period and it's likely they will continue to do so as restrictions ease ([Full story here](#))
- Majority of businesses we are engaged with have identified that they are relieved at the ease of the lockdown restrictions, some are concerned about a future spike in cases, but **most are relieved to be re-opening.**
- Hundreds of unemployed people in the region will be given an opportunity to **re-train and gain new job skills ahead of Coventry UK City of Culture 2021** ([Full story here](#))

3.1 CWLEP Growth Hub – Trends

This week's business insights are taken from intelligence gathered from supported businesses since 23rd June 2020. To date **the Growth Hub has supported 2,779 businesses since 1st March and has had substantive discussions with 1,043 businesses.** 41 responses were received over the period between 23rd June – 6th July.

3.1.1 Weekly Overview

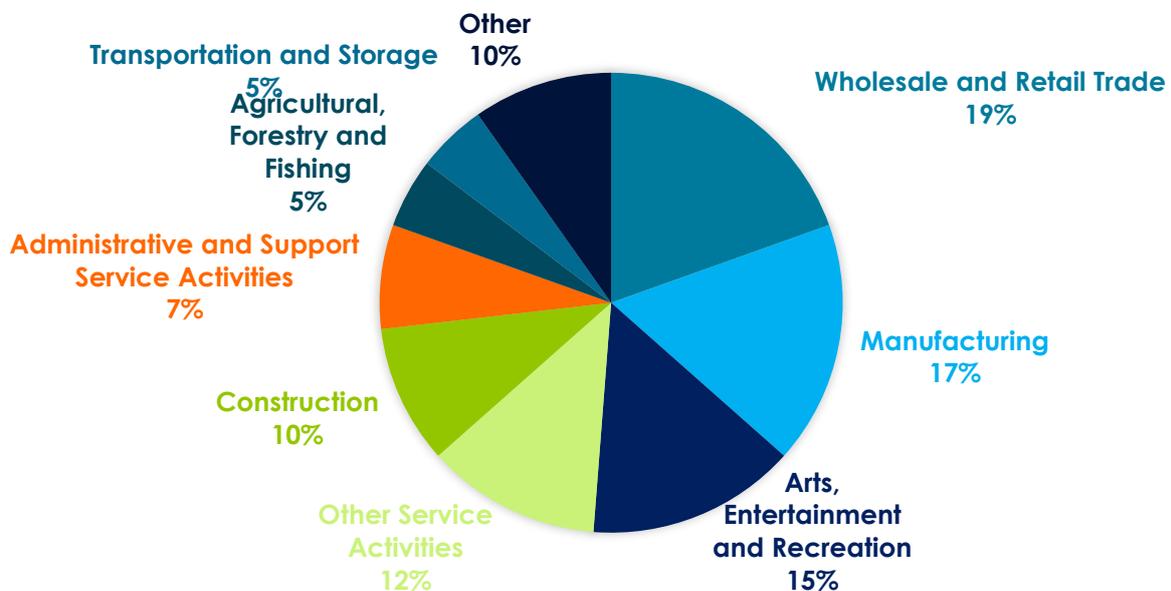
The top sectors supported by the Growth Hub over this time frame were the **Wholesale and Retail Trade (19%); Manufacturing (17%); Arts, Entertainment and Recreation (15%).** Besides the need for funding and financial support, there was an increase for need of support around the issues of employment and employees, as well as a support need around business continuity. The size profile of the businesses

supported this week consisted of **41% of sole employees, 28% of micro businesses (2-9 employees), 21% small (10-49) and 10% medium businesses (50-249).**

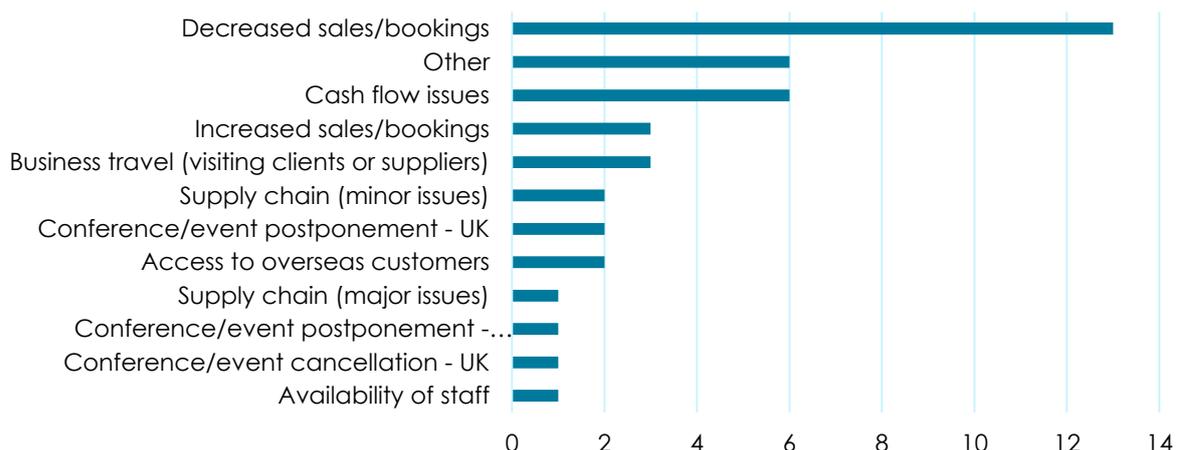
There have been no immediate cash flow issues reported by those businesses that provided the information. However, with those indicating their cash flow “should be ok”, some have stated that this is due to them **providing alternative services and having made changes to their business model.** One events venue reported to have made 37 staff redundant whilst serving now as a storage location, securing them income for a minimum of 12 months.

In depth conversations with businesses circled around **future planning and potential redundancies, recruitment and rent payment issues** that are primarily affecting sole traders and micro businesses. Redundancies were reported by businesses **across construction, manufacturing, agricultural, arts & entertainment and wholesale – overall 94 redundancies were reported to us over the last couple of weeks with more businesses stating that redundancies are likely to happen** but unclear when and how many.

BUSINESSES SUPPORTED BY INDUSTRY



How is COVID19 Affecting your Business?



What Support Does the Business Need?



3.1.2 Key Trends

General Findings:

- More businesses are **using this time to diversify** and there is a significant drive for businesses **to reduce their carbon emissions and look at new, greener ways of working**.
- There is still some **concern around a second spike in cases** and possible local lockdowns – this is creating some hesitation about investment in future projects that could aid recovery. Companies are instead **retaining cash reserves to insure against the impacts of a second wave**.
- A handful of new businesses who were **almost ready to launch have now been delayed due to the pandemic**. In a meeting with other stakeholders earlier this week it was referenced that many of their clients are in the same situation, a **number are delaying launching their business until 2021** (after the Covid-19 pandemic and after EU-Exit)
- Despite the point above, **many clients are reaching out and engaging with CWLEP GH for start-up support and advice**.
- Many **businesses still seeking financial support to survive** even following the same sectors being re-opened in the last two weeks.

Sector Specific:

- **Tourism, Leisure and Arts:** Majority of these businesses have welcomed being able to reopen in July. They believe it is the first step in helping to save the industry, although **many have struggled significantly throughout the lockdown period**. Some have concerns about how they might **make their business Covid-19 secure**
- **Hair and Beauty:** As above, majority are keen to get back to work, however as many salons also carry out beauty treatments, they are unsure of the rulings and **seeking further clarity**. One client we have engaged with this week is glad to be able to open, but **will lose 75% of their income if they cannot carry out beauty treatments**
- **Professional Services:** Demand for these offerings has remained steady throughout the lockdown period. Some **lost a few clients due to site closures**, but on the whole, mostly positive. Many businesses we have spoken to in this

sector have advised that they have **carried out some form of diversification to ensure business continuity**

- **Catering and Hospitality:** Most of the businesses we are speaking to were hit hard initially by the lockdown period, but many **have adapted either now operating as a take-away service or by selling new products/services to new markets**. Majority are celebrating successes, but the general feel is that further support will be required as the restrictions ease
- **Events:** The **events industry as a whole is still struggling to cope with the pandemic**, many businesses unsure about how they will survive going forwards, **diversification is playing a key part in survival**, but not all are able to explore new routes. In addition, **Coventry City of Culture 2021 has now been postponed to start in May 2021**
- **Retail:** Although footfall is significantly down, **retailers are reporting buoyant sales** that they attribute to shoppers going to buy and not to browse and who are **making specific purchases where the decision to buy has already been made**.

3.1.3 Emerging Themes

Diversification – Frontline Growth Hub seeing further positive evidence of sector diversification and changes in the way businesses are using their facilities and properties. Also, businesses adapting delivery methods for certain intangible products and services. i.e.: training, animal and human health, marketing and PR. Engineering firms creating new quick turnaround products, that are unrelated to their normal product lines, to keep staff employed.

IR35 – challenge for some businesses, particularly with those using contractors. Difficulty in “packaging jobs” in advance, especially where the scope of the job may change part way through. Time consuming process when time could be better spent on survival/recovery. Maintenance contracts have been identified as an example.

Discretionary Grants – There is a variation in demand between local authority areas. Local authorities are adopting different approaches. Some areas faced challenges at getting money out quickly to applicants. (cf. updated details on payments made by local authorities in section 2)

Bounceback Loans – Businesses reporting increased stress and mental health in dealing with the pressure of taking on additional debt during uncertain times. In some cases, there is no choice if businesses wish to survive and recover. Those that are unable or unwilling to take on debt having to consider redundancies or business closure. Still reports of inconsistent approach to lending by banks. Particularly to those with multiple businesses where lenders are cherry picking which they will lend against.

- **Note:** Some contacts within jewellery retail have suggested that sales of high-end watches and jewellery have increased since the launch of bounce back loans. Similar stories heard previously from prestige car dealerships although difficult to verify.

Start-Ups – a strong influx of start-up enquiries has been received by frontline Growth Hub advisors and other partners in a broad range of sectors and industries over the whole of C&W. Examples include: mobile bars and hair salons/barbers, specialist food production, online sales of sleep products, pest control and a café. Demonstrating a positive increase in regional entrepreneurship. Recognising the role start-ups could play in addressing worklessness,

Redundancies – as before, companies are preparing for redundancies post Job Retention Scheme. Demand for some services, particularly leisure/hotels, significantly reduced, if not removed altogether, leading to redundancies and company closures. Some larger businesses already entering administration or making national cutbacks, particularly workforce. Impact on supply chain. Clearer guidance required for businesses wishing to use flexible furlough. Some businesses unclear on how the scheme works. Major concerns about high levels of redundancy post JRS in October. Redundancies fuelled by increased productivity and efficiency with smaller workforces who are working better, potentially as a result of WFH.

Supply Chain – companies that have been using existing stocks now starting to struggle obtaining parts or supplies, halting or delaying production. May lead to further furloughing of staff. Smaller companies originally sourcing products or supplies from India and China, no longer able to do so and have had to find more expensive local sources.

Office Space & WFH – ongoing and similar issues. Working from home identified by most businesses as highly effective bringing into question the need for expensive fixed office bases. New flexible attitude to home working a positive step although will negatively impact commercial (office) property rental markets. Warehousing and Logistics are an exception to this and remain in strong demand.

Successes, Recruitment & Grants – continued upturn in referrals, grant applications (particularly Innovation) to all partners. Grants being awarded to business diversifying or adapting as a result of COVID-19. Some businesses recruiting for both skilled and unskilled positions. Positive although will not address the demand for all those seeking employment.

Recruitment - Feedback from businesses across Coventry & Warwickshire regarding recruitment this week:

- Starting to see some companies starting to consider recruitment campaigns & planning to employ staff from potentially September, but still concerns about future orders.
- Sectors they are interested in are Finance, Part Time Admin/Office Manager role, skilled warehouse roles.
- Feeling across businesses in all sectors is that probably more chance of redundancies in short term, and would welcome any assistance from a central point, rather than them searching across different partners.
- General view from Recruitment Agencies, that some signs market picking up, but most agency staff still furloughed at least for another couple of months.

3.2 Local Authority Intelligence

Data trends for **Coventry City Centre footfall** show that **last week footfall had roughly doubled on the previous week** due to some retail reopening but is around **60% down on the same week in 2019 and around 55% down on levels seen during the first week of March.**

Queue data is being tracked for popular shops and since Monday last week **Primark has seen the largest queues but since then queue sizes appear to be falling** from the initial rush experienced on the first day many shops reopened.

In Warwick/Leamington 54% of shops had reopened on the first day.

3.3 FSB West Midlands Intelligence

The FSB has looked at **late payments and its effects on businesses trying to recover from Covid-19.** The following data has been published by the FSB:

- **Majority of small businesses (62%) have been subject to late or frozen payments** in the wake of the Covid-19 outbreak
- **Only one in ten (10%) small businesses have agreed changes to payment terms with clients**, meaning the vast majority of this fresh wave of poor practice has not been formally signed off by creditors or debtors
- The study shows that – despite concerted efforts by government at all levels to improve procurement practices, efforts that were accelerated following Carillion's collapse – **there is no discernible difference in late payment activity between public and private sector supply chains**
- Around two thirds (**65%**) of small businesses that supply to other businesses have **suffered late or frozen payments.**
- An almost identical number (**63%**) of firms in **public sector supply chains have experienced the same treatment**
- Small firms in the wholesale (**71%**), legal and accounting (**62%**) and advertising and marketing sectors (**62%**) have been **hardest hit in this regard.**
- The latest Pay.UK [data](#) show that the **sum of late payments due across the country rose 80% to £23.4bn** at the end of last year.

The full report can be accessed via the following link:

<https://www.fsb.org.uk/resources-page/late-again-how-the-coronavirus-pandemic-is-impacting-payment-terms-for-small-firms--.html>

3.4 C&W Chamber of Commerce

CW Chamber's [Quarterly Economic Survey](#) for Q2 2020 further highlights the challenges faced by businesses locally. The **overall economic outlook has decreased from 59.0 to 29.2 since Q1** (a score of 50 is balance), with **business confidence down from 71.1. to 38.4 in services and 57.4 to 39 in manufacturing**. Sales have been particularly badly affected, with domestic sales down from **59.4 to 14.0 in services/56.7 to 20.6 in manufacturing** and overseas sales down from 48.8 to 17.5 in services/47.4 to 23.9 in manufacturing. **Investment and cashflow dropped from 56.9 to 27.2 in services/54.1 to 30.2 in manufacturing**, and the employment indicator also saw significant falls.

3.5 Case Studies



Octanauts, Coventry - A community swimming school is staying afloat thanks to kind-hearted Coventry and Warwickshire businesses and parents rallying round. Octanauts Swim School teaches babies from 18 months through to adults to get their water wings six days a week.

Around 420 children attend the lessons six days a week at West Coventry

Academy in Tile Hill, Coventry, and 30 youngsters had started attending classes at Tiverton Special School in Whitley, Coventry, until the lockdown led to their closure. The business, which for the last three years has been led by managing director Susan Murrell, has been receiving advice and information from the Coventry and Warwickshire Local Enterprise Partnership (CWLEP) Growth Hub.

Susan said the Coronavirus had threatened to close Octanauts Swim School until businesses and parents had donated prizes for a raffle to raise much-needed funds. "Once the lessons were forced to stop on March 20, the Growth Hub was really good at sending through information about grants and loans that were available and suggested online networking events and to increase our profile on social media.

"That got me thinking to organising an internal raffle based around free swimming lessons and that raised £530 which covered our insurance because despite not being open, we still had to pay even though it was slightly reduced. Since then we have run raffles on our Facebook page and website with prizes from local businesses as well as small businesses owned by parents of youngsters we teach. This mutually beneficial support has meant we have been able to cover some of our costs before we are allowed to open again.

"When we receive the go ahead, we will need to train our seven staff for a week to make sure lessons are safe and everyone is updated on the safety measures but we can't wait to get back in the pools again! The support of the business community and parents has been fantastic, and we wouldn't have been able to keep going without them."

Louise Wright, business navigator at the CWLEP Growth Hub, said the generosity of Coventry and Warwickshire businesses and parents had provided a much-needed lifeline to Octanauts Swim School. She said: "The community has really rallied round this much-loved swimming school which underlines just how much it means to families. Octanauts Swim School has also been providing homework to help youngsters retain their skills by setting a stroke a month to practice on dry land which emphasises their community ethos." ([full case study here](#))

Helping Hands, Warwickshire - Around 50 different businesses, community groups and local schools have come together to support vulnerable people with donations of food and supplies during the Coronavirus pandemic.

Local supporters from the community have donated to Leamington-based charity Helping Hands, to help the most vulnerable during the crisis. Donations have gone towards helping to furnish houses for people who have been rehomed during lockdown, including homeless people and domestic abuse survivors. The charity, which furnishes ten properties on average per week through the House to Home scheme, is relying on donations to buy new rugs, furniture, mattresses and kitchenware with volunteers unable to collect previously owned items safely during lockdown.



Donations from local companies such as Aston Martin have included brand new cookers, toasters and kettles for those that have moved into permanent unfurnished accommodation. There have also been donations of support from companies across the area including Wright Hassall, Deeley Group, Comtech, Lime Recruitment and Warwick Castle which have gone towards helping to house and feed vulnerable people in the community. Other donations have gone towards the Chef's Helping Hands project, which aims to continue their work feeding over 1518 vulnerable people a week with food donated by local businesses including Aubrey Allen, New Bowling Green in Warwick, Coffee Architects, and Café 31 in Warwick who donated commercial fridge and freezers for all the food supplies.

Lianne Kirkman who runs Helping Hands, said: "We are so grateful for all the support we have received during these difficult times that is allowing us to continue supporting those most in need. We have been working with the Council, the Salvation Army and LWS night shelter to support the most vulnerable during this crisis to provide safe permanent homes, as part of a council-led Housing First project and Helping Hand has been able to contribute through the House2home project by providing essential household items.

Mark Ryder, Strategic Director for Communities at Warwickshire County Council, added: "The hard work of Helping Hands supports the community's most vulnerable year-round, but at times like these this support is needed now more than ever. The Warwickshire community has shown its support with so many different businesses, schools and community groups pledging their help wherever they can. The response from these groups says a lot about our community as a whole and it's wonderful to see such a response."

4. Sector Spotlight – Third Sector

The Third Sector, as defined by the National Audit Office, “is a term used to describe the range of organisations that are neither public sector nor private sector. It includes **voluntary and community organisations (both registered charities and other organisations such as associations, self-help groups and community groups), social enterprises, mutuals and co-operatives.** ([more info here](#)).

These organisations are **value driven and motivated by social goals.** Other names for the third sector are voluntary or civic sector.

Regarding the impact of COVID19 on this sector, the Government has released a Commons Select Committee report “[The COVID19 crisis and charities](#)” which was published in early May 2020. Key areas raised in this:

- The sector is highly diverse in terms of size, structure and services offered.
- **Challenges for charities in accessing Government support for businesses**
 - o The Job Retention scheme did not help charities and third sector organisations that work either on the frontline or need to maintain facilities. The Scheme left no space for helping organisations reduce staff hours, only left the choice for working or not working employees
 - o The CBILS scheme, even as adjustments had been made to the scheme around eligibility (e.g. removing the criteria that income needed to be generated at least to 50% from trading for charities), many third sector organisations that may be eligible were not and are not in the position to take on debt finance
 - o The announcement made in April to by Government of £750 million of emergency support for charities was welcomed but raises concern it will not be enough (the overall income losses UK wide are forecasted at £4 billion) and there is a lack of transparency in how funds are being delivered and restricted to frontline response to COVID19
- **Financial implications**
 - o Social distancing measures have resulted in loss of income through fundraising (through community activities, sponsored sport activities – spring and summer tend to be the busiest time of year for this activity) and trading
 - o Closing of charity shops
 - o Income streams such as trusts and legacies becoming more challenging
 - o Organisations needing to draw upon reserves, if available
 - o Philanthropy and charitable giving through people and businesses will be crucial through one-off donations, fundraising activities etc
- **Increased demand for services**
 - o The pandemic has caused an increased demand for support services provided by the voluntary sector, i.e. services supporting the public services to fight COVID19 or assisting vulnerable people to shield – however with increased demand there was a disconnect to the

additional need for capacity and financial support to help organisations deliver these vital services.

- This has again drawn attention to the huge importance of the sector but also has raised areas of unclarity. Supporting the pressures of the health and social care sector (including medical and care, as well as providing accommodation to vulnerable people) there has been a lack of guidance around need for PPE and testing

- **Consequences of these pressures**

- Support needed to plug the funding gap – more than 70% of charitable organisations are reported to go bust across the UK if there is no additional funding support
- Delays to vital clinical research – some labs locally have reportedly reopened only in June
- Loss of voluntary organisations could have a severe impact on the vulnerable in society – it is fundamental to save the beneficiaries

Locally some **vital efforts have been made by organisations to support and coordinate services provided by the voluntary sector across Coventry & Warwickshire** by organisations such as **Warwickshire Community and Voluntary Action** Group (WCAVA) and the **One Coventry Partnership**. Across Warwickshire alone there are **approximately 10,000 community groups and voluntary organisations**.

WCAVA champions the voluntary sector and provides support to organisations, specifically providing advice and support around the areas of recruiting volunteers. [WCAVA has been working with Warwickshire County Council to recruit extra volunteers to support Warwickshire's communities during the pandemic.](#)

The **One Coventry Partnership** is a mechanism supporting and engaging the voluntary sector across. It links to the City's health and well-being board and is **supporting the reset and recovery through a coordinated approach** – providing oversight and galvanising support for the prevention & community streams working with partner agencies across the city.

Some further useful resources have been produced in response to how the voluntary sector has been nationally impacted – including some key recommendations that will inform our response and recommendations at a local level, including findings from the [Locality report](#), the [Centre for Local Economic Strategies "Own the Future"](#) report, focusing on community wealth building, and some impact research on the charity sector during the Coronavirus done in June 2020 by the [Institute of Fundraising](#).

4.1 CWLEP Growth Hub Business Insights – Third Sector

For the purpose of this sector spotlight analysis we have included CWLEP Growth Hub's business engagements with businesses that **have either classified themselves as charitable incorporated organisation, unincorporated charitable trust, community interest company, company ltd by guarantee and any private ltd company that stated in their business description that they operate as a social or voluntary enterprise**. This does not include commercial businesses that have started to provide charitable services to the community.

The sector has an array of specialist industry support bodies, such as Social Enterprise UK, NCVO, Co-operatives UK, Plunkett (focused on rural social enterprise), etc. **Locally we work closely with the Coventry & Warwickshire Cooperative Development Agency (CWEDA) that provides business support via the Growth Hub to social and community businesses**. This includes community interest companies, trading charities and co-operatives.

The **voluntary sector made up 3% of the overall number of businesses supported** by CWLEP Growth Hub since 1st March 2020. 23% of these businesses are sole employees, 41% are micro businesses (2-9 employees), 27% are small businesses (10-49), 5% are medium-sized (50-249) and 4% are large businesses (250+).

Decreased sales/bookings are impacting this sector the most, next to cash flow issues and event/conference cancellations in the UK. Under "Other impacts" numerous organisations stated the **inability to raise funds, access to local customers and, connected to this, the social distancing measures impacting on their provision of services**, in particular for healthcare and social work charities.

One voluntary organisation stated, "We have tried to diversify but **volunteer groups are popping up and taking our core business** as if people can get our services for nothing why would they want to pay us?! We have tried to deliver music at social distance but **don't have enough take up to keep someone employed full time and the current furlough arrangements do not permit someone to be employed on lesser hours**. Community Interest Companies seem to be the forgotten ones!" This highlights the **gap of support provision to CICs from the Government and challenges voluntary organisations may have faced over the last months as competition cropped up – either community or business-led**. This may have made some of the services offered by voluntary organisations less competitive, putting usual sources of fundraising and income at risk.

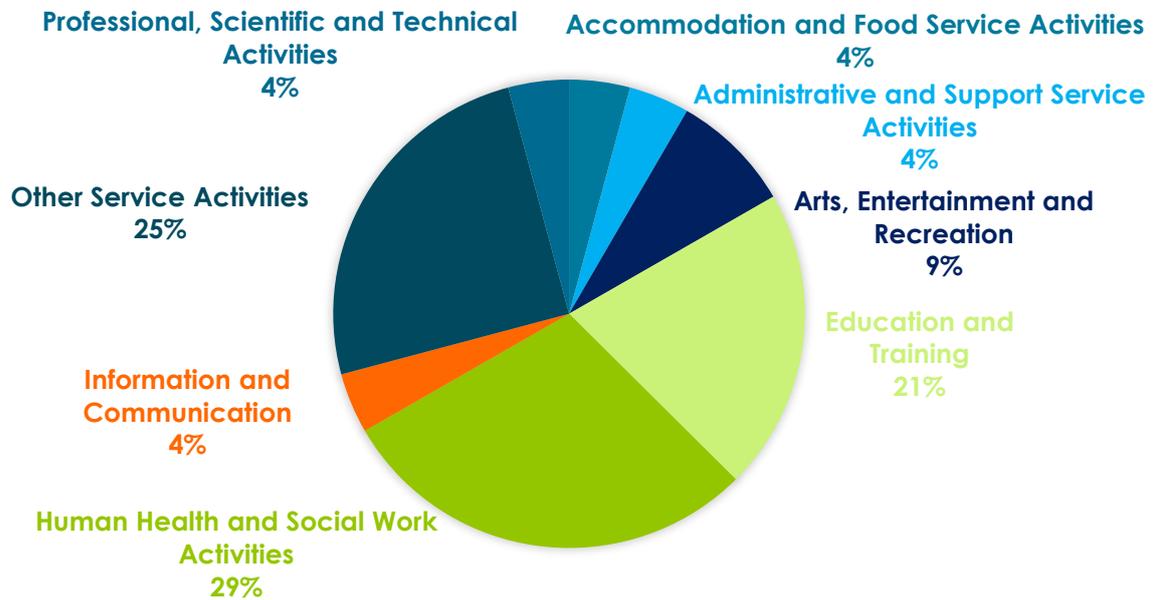
The key support needs that voluntary organisations approached us with were needs around funding/financial, operational activity (including supply chain and loss of sales) and employment & employees. Next to community support calls, self-employment/director support were also key support concerns for the sector.

Educational charities have raised concerns around their sustainability and risks to the education support sector in the long term, with one organisation stating "We **have over 100 children who will have no Learning provision**. Our full-time staff member and part time worker jobs are in jeopardy. Users will suffer as they will not be able to access a vital service." Another states, "when the GCSE exams were

cancelled, **almost 80% of my income was wiped overnight from the books** as they were GCSE students who were now being told they didn't need to take exams".

The **loss of the educational voluntary support infrastructure may have a severe long-lasting impact on the local skills provision**, leaving children with special educational needs at a severe disadvantage.

BUSINESS SUPPORTED IN THE THIRD SECTOR BY INDUSTRY



4.2 Coventry & Warwickshire Co-Operative Development Agency

The [CWCDA](#) has continued to support the voluntary sector over the course of pandemic and is **one of the key local support organisations supporting businesses and organisations operating in the voluntary sector**. As the organisation provided its input on the impacts the CDA has seen on the sector, it recognised that the **sector is diverse**. If we take the third sector to be synonymous with the voluntary, **community and social enterprise sectors the majority will be delivering services, but a large number of small community and voluntary organisations will be doing so on a purely voluntary basis**.

The vast majority of third sector organisations have **experienced a negative impact (either increased demand, reduced income or a combination of the two together with service delivery disruption)**, require support (that will vary depending on their size and operating model, etc) and would like to see the economy reconstructed in a way that will **increase localism, social justice and environmental sustainability**.

4.3 Coventry City Of Culture Trust

The **Coventry City of Culture Trust has been working to support the communities of Coventry & Warwickshire throughout the pandemic and the lockdown period**.

Resources that had been originally allocated to the test event and the Godiva festival have been redistributed and supported local artistic commissions.

The Trust has been impacted as the **launch of the planned apprenticeship programme has been delayed** and it was recently announced that the start date of Coventry's year as City of Culture has been delayed and is now set [to commence its year-long programme in May 2021](#).

The below list showcases the invaluable support the Trust has provided by **flexing their support and available funds to adapt to the community's needs** – this will likely **have a lasting positive impact on the community and adds to the social value of Coventry's City of Culture title**. This is not least thanks to the financial support that has been directed by the Trust to the voluntary sector ([more info on the below can be found here](#)):

- Developing **new artistic commissioning opportunities** with Shoot Festival, the Belgrade Theatre and Sitting Rooms of Culture
- With four host organisations, they have been flexible in the way they have been working with them, to provide the support that is most useful to them. This work is ongoing, and so far, they have:
 - Produced and **distributed 400 creative packs** – art materials for vulnerable people that would regularly meet for creative activities so they can continue this learning and participate in creative challenges taking place online.
 - Supported **Grapevine to move planned activity to online spaces**, including Dads Dads Dads Family Disco and New Vibes DJ sets.
 - Moved elements of **Positive Youth Foundation's Changing Trax programme online** to support young people across the city.

- Supported **Central England Law Centre’s communications strategy** to help them reach vulnerable people with relevant, accurate advice and guidance during these uncertain times.
- Led on a range of **commissioning opportunities including a new music and visual art project** supporting 30 artists based in CV-postcodes which will launch this week.
- Confirmed **£100k of support to cultural organisations** across the city to allow them to continue to operate and plan for 2021.
- Supported City of Culture team members to **join the City Councils’ Operation Shield volunteer programme** to provide assistance to communities across the city.

Plus, to complement national funding programmes, they are also supporting small organisations and freelancers. To help with this, they have:

- **Created a £60,000 Coventry 2021 Coronavirus Resilience Fund.** This funding will go directly to individuals and organisations based and working in the cultural sector in Coventry and Warwickshire who have been impacted by loss of earnings because of the pandemic.
- Committed **£46,000 to support 92 local residents who applied for the Leadership Programme.** This will give these future cultural leaders the opportunity to develop new ideas and projects during this unprecedented time.
- **Honoured all existing employment and freelance contracts** and continued to bring in new freelance support as planned.
- Continued with their **ongoing recruitment to build a skilled team** to deliver a fantastic UK City of Culture in 2021.
- Through **chairing the West Midlands Combined Authority’s Cultural Leadership Board**, supported the collating of evidence and development of plans, to help government and funders make smart decisions that will support the cultural sector to recover.

4.4 Heart of England Community Foundation

The **Heart of England Community Foundation provides one of the key sources of grants to local voluntary organisations.** These grants serve organisations across the West Midlands (covering Birmingham, the Black Country, Coventry, Solihull and Warwickshire). The Foundation has been quick to provide COVID19 support funds as the crisis hit and the lockdown began in March. They set up their **Coronavirus Resilience Fund programme which was completed end of July.** Another “Doing Things Differently” Fund was launched to **support organisations with changing the way they deliver their work to continue to meet the developing needs of communities during COVID19,** and the fund continues to stay live. At the same time the foundation had made the decision to halt their regular grant programmes.

The report on the Resilience Fund shows that **109 voluntary organisations and individuals across Coventry & Warwickshire alone have benefited of grants from the Foundation, totalling to £411,352** – these grants were used towards activities to help tackle emerging issues in our communities during the pandemic. Full list of projects

that were supported across the West Midlands can be found [here](#). **The Foundation remains dependent on contributions from individuals, trusts and the private sector.**

5. Recommendations

The following recommendations have been derived off the back of careful analysis of macro-economic and business-level data that we have collated from Coventry & Warwickshire-based stakeholders.

5.1 Short Term

5.1.a

The third sector should be supported over the coming weeks and months. Additional initiatives that would benefit third sector organisations for the short term could be led by Government and could include:

- Offering **one-off tax credits for individuals to be donated to a third sector organisation** of their choice; **and introducing incentives for industry to roll out payroll giving schemes** to support the sector
- Provide **clarity around PPE and social distancing measures to voluntary organisations** operating to support vulnerable people in social and healthcare settings
- Do not take blanket approach when supporting the third sector
 - Develop **special support schemes for grassroots arts and theatres** as they fall between the cracks of support schemes
 - Develop **tailored programmes suiting businesses within the sector that fall through the gaps**
 - **Recognise the key role of the sector in the areas of training and upskilling the economy's current and future workforce** → consider boosting educational and training charities
- Support third sector through the **building of digital skills, including digitisation and ICT training to build their web presence**. E.g. following the example of how the heritage sector is supported to go digital through initiatives such as “Digital Skills for Heritage” to promote digital skills and leadership and supporting digital skills development
- Consider easing guidelines for **charity shops as a vital source of income for charities**
- **Support confidence of beneficiaries of services provided by the third sector and their families through messaging**, for example issuing “Do's and Dont's” and encourage third sector organisations to communicate guidelines for beneficiaries, both through signage and online to create a comfortable service experience.
- **Double down on efforts to ensure public sector procurement is fully accessible to small businesses during the recovery**. Public procurement processes need to be accessible to them. The public sector has made important progress in disaggregating large contracts into smaller lots and this work needs to

continue at pace. (cf. FSB) → On a local scale stakeholders should endorse the use of local procurement, [FinditinCW platform](#) could support these areas.

- Recognising the **role start-up business support could play in addressing worklessness**

5.1.b

Local stakeholders can further support with the following to benefit the local third sector in the short term:

- Encourage **confidence in the third sector through local campaigns**
- Encourage **volunteering and support giving to third sector organisations**
- Encourage **businesses to incentivise giving and volunteering to their employees** (e.g. employees could benefit from 5 working days per year or 1 working hour per week to be dedicated to volunteering to an organisation of their choice)
- **Push existing local business support programmes to help third sector organisations** diversify their products and services
- Recognising the **role start-up support could play in addressing worklessness**
- **Openly honouring and recognising the vital role organisations have played such as the Heart of England Foundation, the CWDA and the Coventry City of Culture Trust in supporting the community throughout the last months.**

5.1.c

The events sector needs to see further support directed at it. Business events struggle and venues are seeing a surge in further cancellations – **Employers need to encourage events and confidence in visiting business events** and work with venues to support a confident and comfortable events experience.

5.2 Medium Term

5.2.a

Additional initiatives that would benefit third sector organisations in the medium term could be led by Government and could include:

- Consider the **offering of technology vouchers for organisations to drive investment, increase connectivity, digital capability and capacity**, as well as help organisations tackle cybercrime. Vouchers could be used towards both hardware, growing online services and providing digital training
- Encourage the **growth of corporate social responsibility networks** – medium and long term aspiration to ask businesses to direct resources to supporting voluntary organisations
- Raise **awareness of local collaborations and opportunities** to further strengthen local supply chains → Back local initiatives such as [FinditinCW](#) to support this
- **“Diversification Fund”** to support manufacturers with capital or revenue expenditure to help develop new products or expand production of existing products to enable these businesses to supply more sectors.
- Consider directing **further resources to support new start-ups** in the face of a growing number of redundancies to **encourage entrepreneurship**.

5.2.b

Local stakeholders can further support with the following to benefit the local third sector in the medium term

- Encourage **closer links between social enterprises and the wider private sector**
- Continue **promoting local initiatives to support collaborations**

5.2.c

As businesses are seeing increased pressure and halts on sales, Government could **consider relaxing quarantine rules for supporting business travel/ international supply chain**

5.2.d

More support for **spas, beauty therapists etc. businesses that are still legally required to remain closed.**

5.3 Long Term

5.3.a

Following the recommendation of the West Midlands Combined Authority Social Enterprise Taskforce – Local stakeholders to **back and encourage all regional public sector bodies & publicly funded bodies to spend at least 5% of their commissioning and procurement with VCSE organisations.**

5.3.b

Business community and public sector require a shift in their perception of the third sector as a **professional sector with a vast potential of supporting the private sector and public sector throughout the economic restart and beyond.**