

The Industrial Strategy 8 Sectors in Sandwell

September 2025

*This analysis is **based on Office for National Statistics (ONS, 2023) data**, which provides the baseline for **proportions of businesses by sector, proportions of employees by sector, and business-size distributions**. Building on this baseline, **The Data City's Industrial Strategy Classification (ISC)**—developed with the **Department for Business and Trade**—is also used to capture key measures and company-level dynamics. Differences in definitions, coverage and reference dates mean figures from these sources are **not directly comparable**; The Data City results should be treated as **indicative**. The source for each item is specified on the relevant slide.*

*As there is no clear SIC definition for **Clean Energy Industries**, all data for this sector (including business and employment) are taken from **The Data City**.*

*Both ONS and The Data City data shows **no current presence** for the **Defence sector** in Sandwell. Therefore, Defence has been omitted from the analysis.*

- **Manufacturing strength:** Advanced Manufacturing is highly concentrated with a **Business LQ of 1.50**, **Employee LQ of 1.32**, and **Turnover LQ of 1.62**, marking it as a clear area of specialisation.
- **Clean Energy workforce:** Despite a weak **Business LQ (0.53)**, the sector shows strong labour specialisation with an **Employee LQ of 1.70**, suggesting a concentrated employment base.
- **Creative and tech underrepresentation:** Creative Industries (**Business LQ 0.55**; **Employee LQ 0.33**) and Digital & Technologies (**Business LQ 0.36**; **Employee LQ 0.64**) remain underrepresented, though Digital reaches **neutral turnover strength (0.75)**.
- **Financial Services gap:** With a **Business LQ of 0.33** and **Employee LQ of 0.29**, the sector is underrepresented across all measures, reflecting a limited footprint.

Sector	Business LQ	Employee LQ	Turnover LQ
Advanced Manufacturing	1.5	1.32	1.62
Clean Energy Industries	0.53	1.7	0.93
Creative Industries	0.55	0.33	0.3
Digital and Technologies	0.36	0.64	0.75
Financial Services	0.33	0.29	0.24
Life Sciences	0.82	0.67	0.47
Professional and Business Services	0.57	0.8	0.72

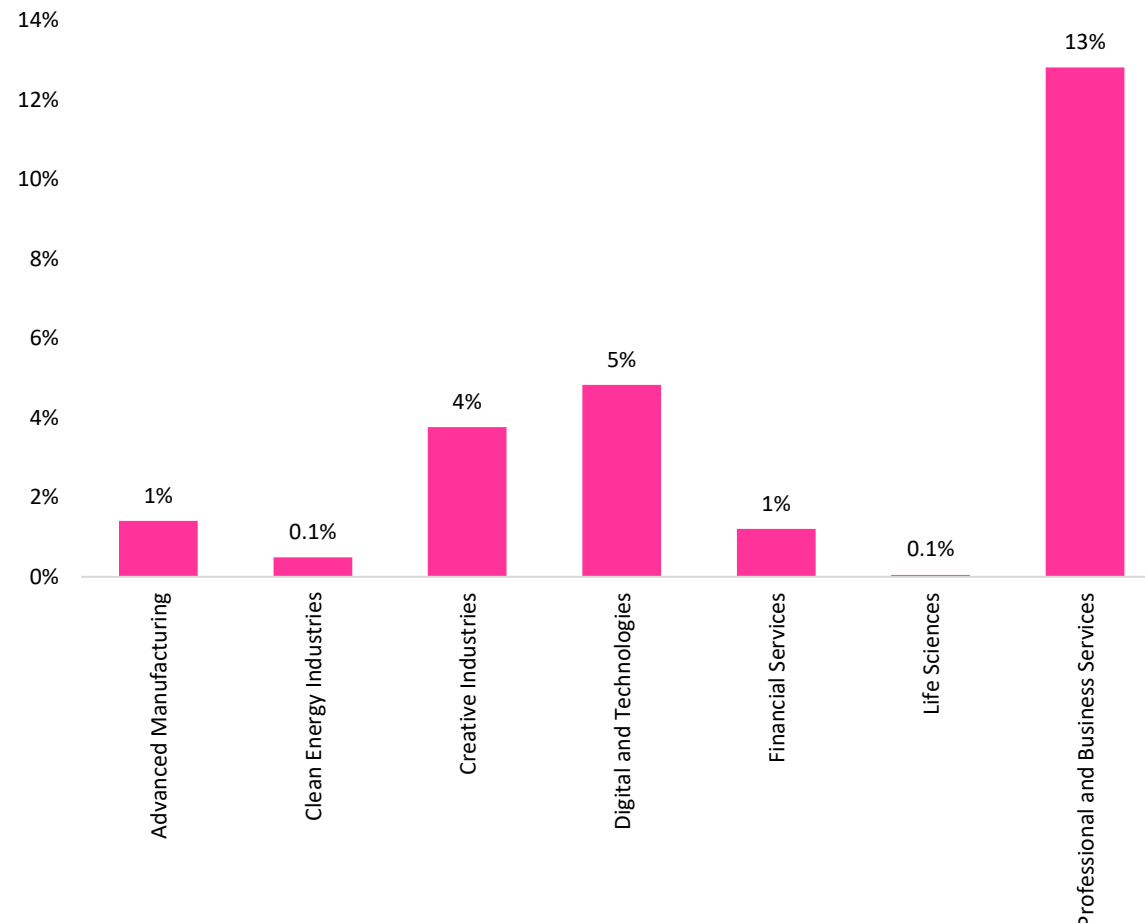
	Underrepresented (LQ < 0.75)
	Neutral (0.75 ≤ LQ < 1.25)
	Emerging strength (1.25 ≤ LQ < 2.0)
	Highly specialised (LQ ≥ 2.0)

While LQs offer a valuable indication of regional specialisation, they should not be interpreted as a definitive measure of opportunity. A low LQ score may reflect an early-stage or emerging opportunity area that has yet to develop scale in terms of employment, business count or turnover, but nonetheless holds significant strategic or innovation potential. As such, the LQ analysis should be considered alongside other contextual insights.

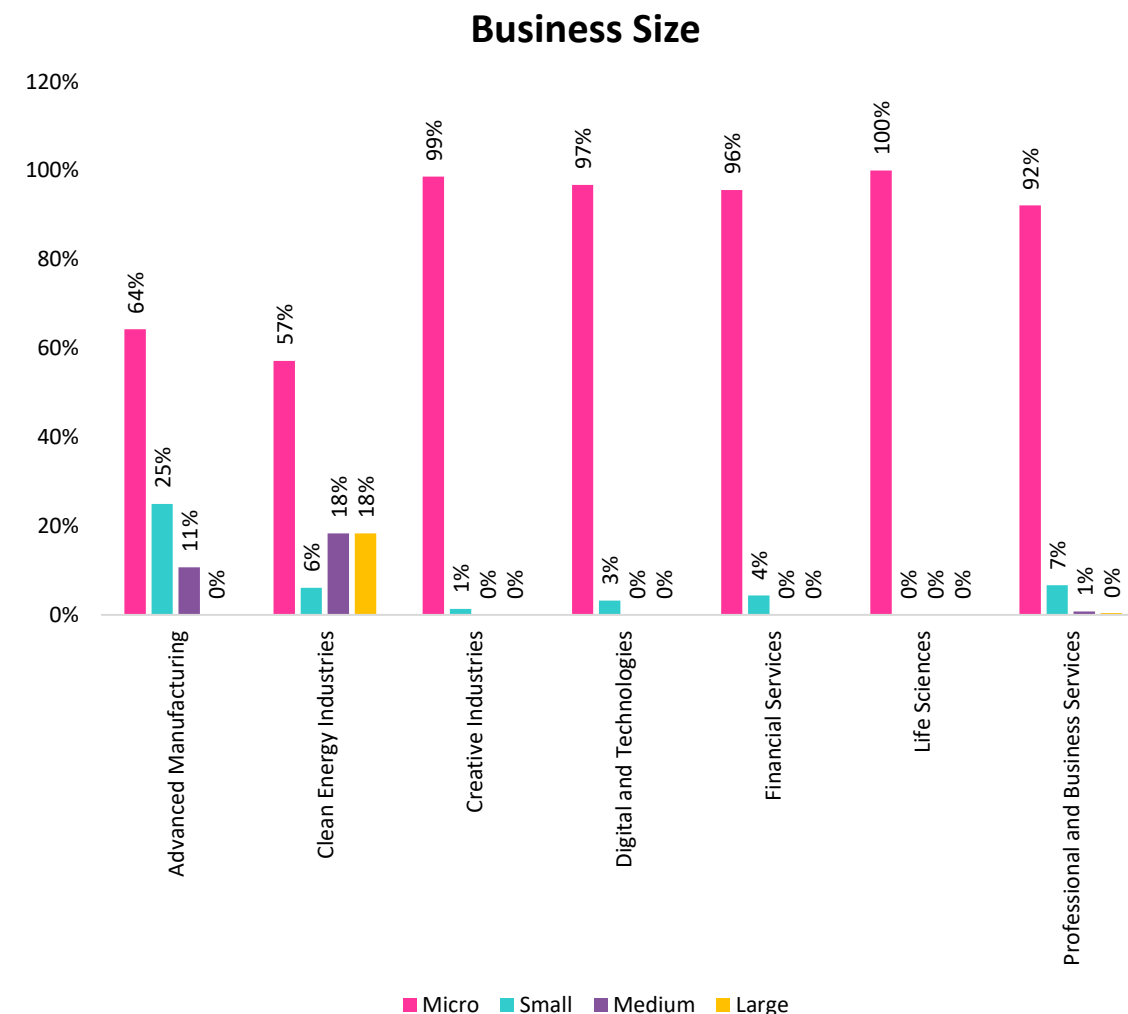
Proportion of Businesses

- **Services base:** Professional and Business Services account for 13% of firms, the largest sector in Sandwell's economy.
- **Digital strength:** Digital and Technologies represent 5% of businesses, signalling a notable tech footprint.
- **Creative industries:** Creative Industries make up 4% of companies, contributing to economic diversity.
- **Industrial and finance limited:** Advanced Manufacturing and Financial Services each account for just 1% of the business stock.
- **Low presence elsewhere:** Clean Energy Industries and Life Sciences show little identifiable presence in the local business base.

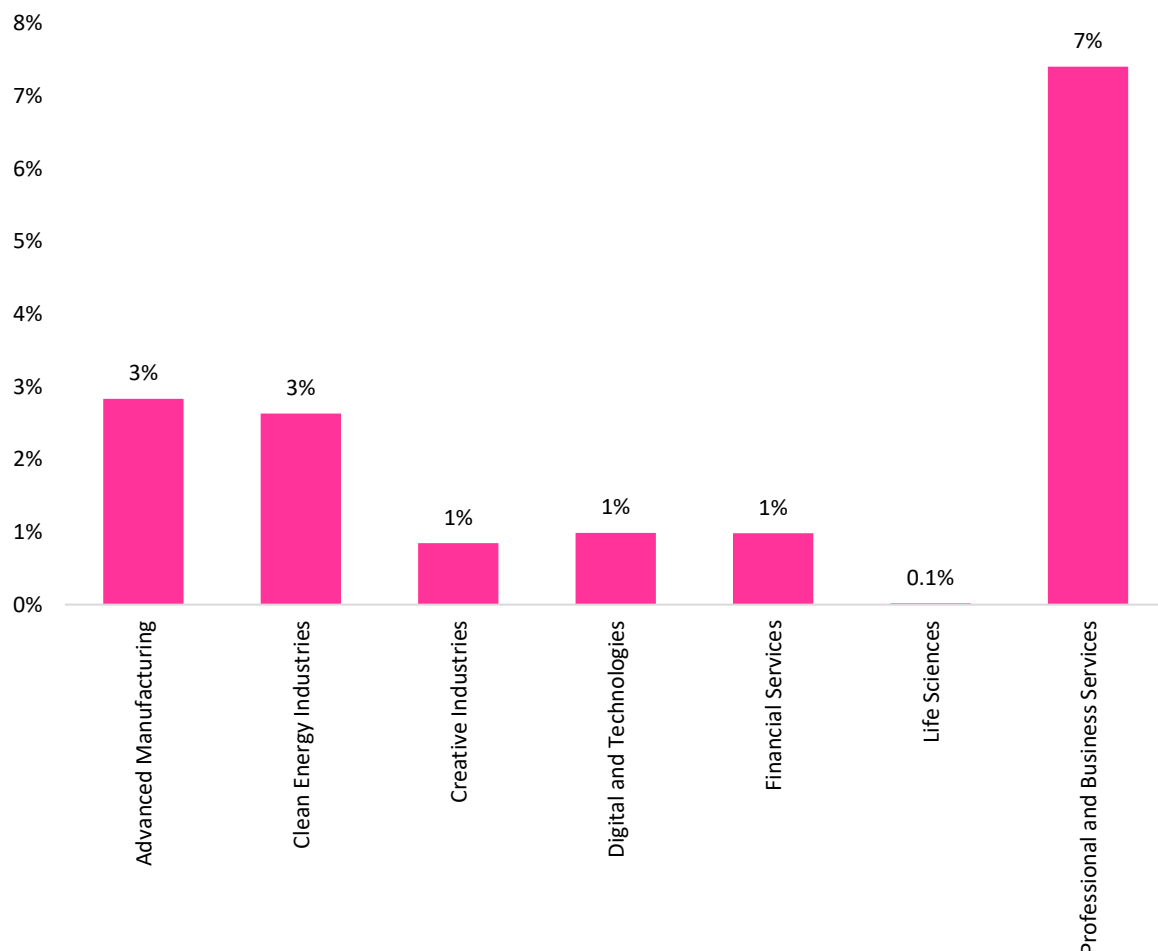
Proportion of Sandwell Businesses in IS-8 Sectors



- **Micro-business dominance:** Micro firms make up the overwhelming majority across all sectors, with shares ranging from **57% in Clean Energy Industries** to **100% in Life Sciences**.
- **Advanced Manufacturing diversity:** While **64%** of firms are micro-sized, Sandwell has a notable **25% share of small firms** and **11% medium**, reflecting a stronger distribution across business sizes.
- **Clean Energy balance:** The sector shows a relatively even spread, with **57% micro**, **18% small**, **6% medium**, and **18% large firms**, marking it as one of the more balanced size profiles in the borough.
- **Technology and services concentration:** Digital & Technologies (**97% micro**) and Financial Services (**96% micro**) are heavily micro-focused, with very limited presence of larger businesses.
- **Professional services structure:** Professional and Business Services are **92% micro-sized**, with **7% small firms**, suggesting some scaling potential.

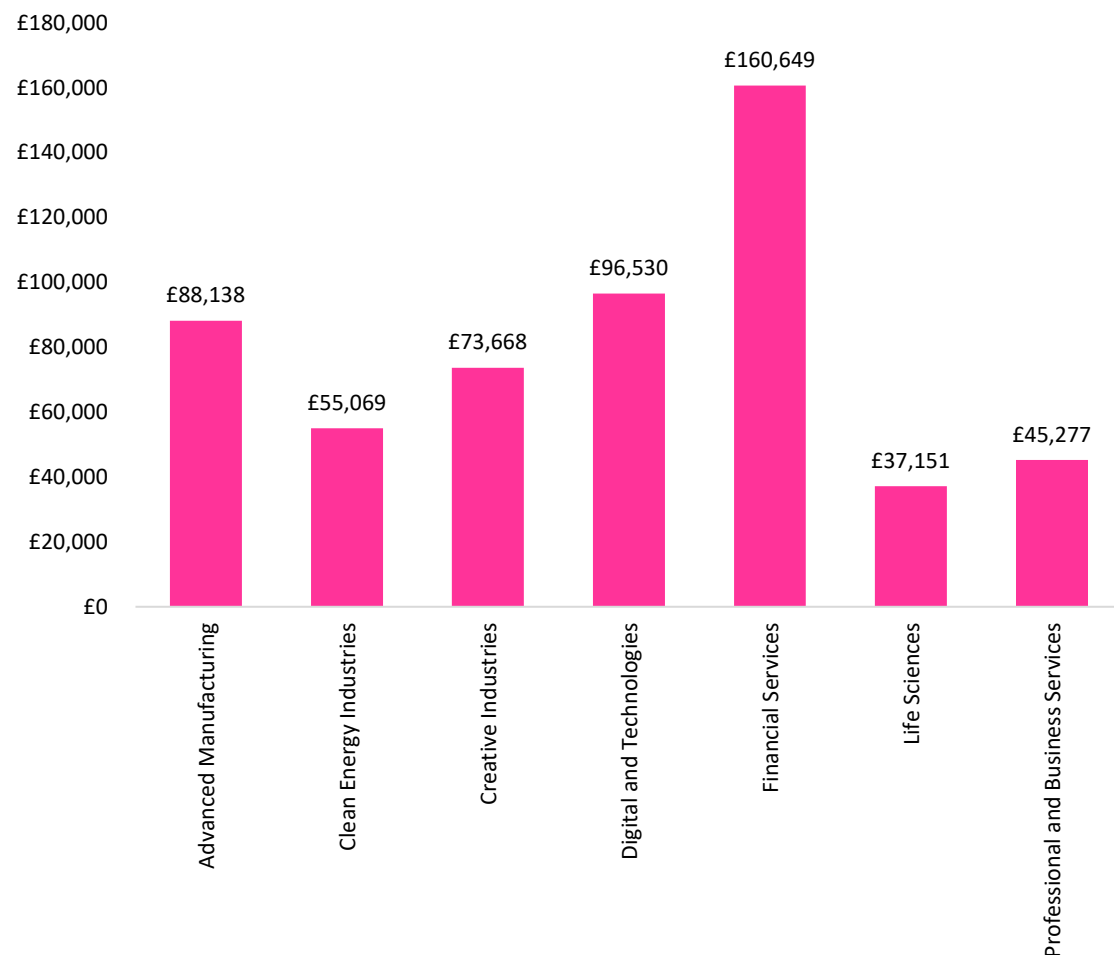


Proportion of Sandwell Employees
Working in IS-8 Sectors



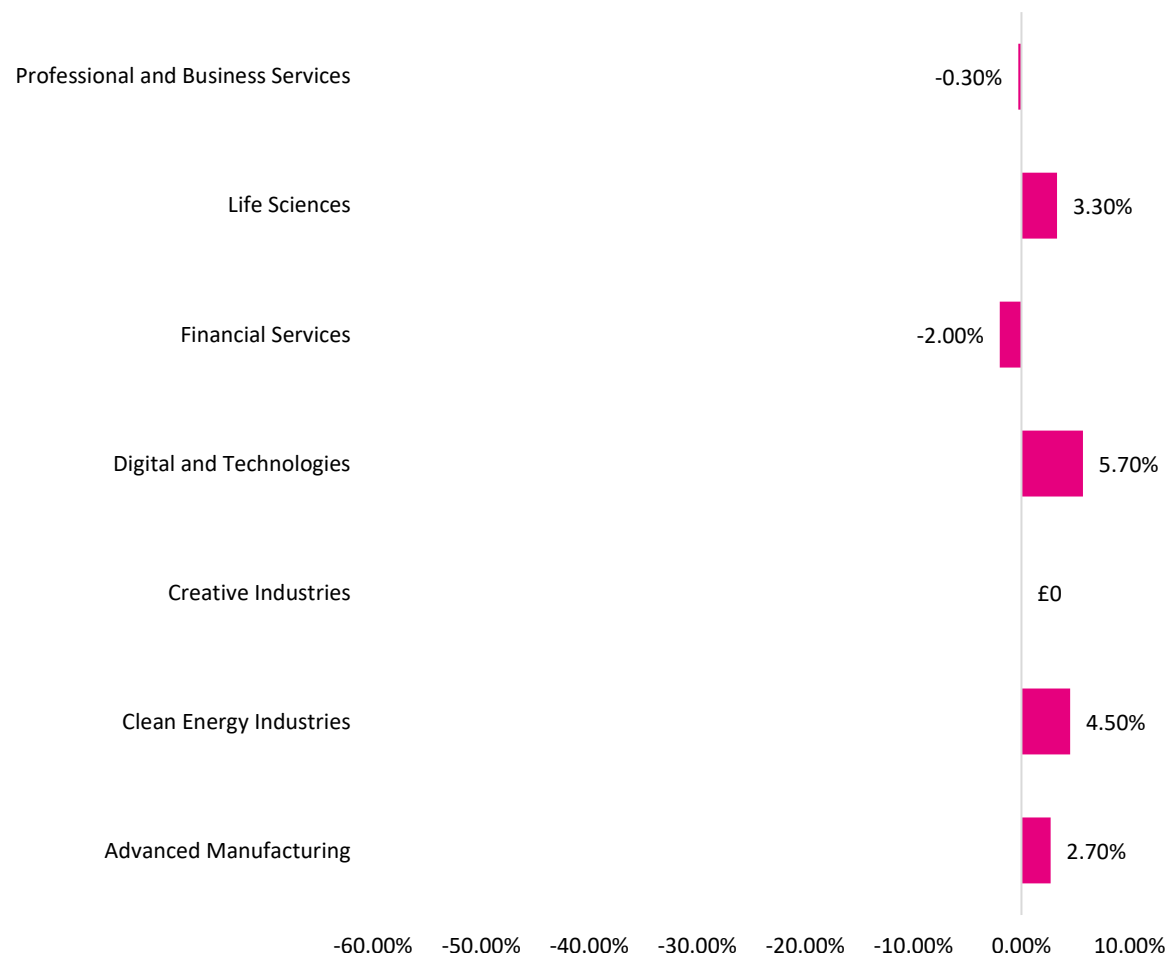
- **Services workforce: Professional and Business Services** employ the largest share at **7%** of the local economy, confirming their dominance in Sandwell's employment base.
- **Industrial contribution: Advanced Manufacturing and Clean Energy Industries** each account for **3%** of total employment, making them key pillars of Sandwell's workforce.
- **Creative and tech presence: Creative Industries and Digital & Technologies** both contribute **1%** of local jobs, providing modest but visible representation.
- **Finance footprint: Financial Services** employ **1%** of the workforce, maintaining a limited but consistent role in the economy.
- **Life Sciences minimal:** Very little employment is recorded in **Life Sciences**, indicating minimal workforce concentration in this sector.

GVA per Employee



- **Financial productivity: Financial Services** lead strongly with a GVA per employee of **£160,649**, positioning them as the most productive sector in Sandwell.
- **Digital strength: Digital & Technologies** also perform well, reaching **£96,530** per employee, highlighting the sector's high-value contribution.
- **Manufacturing value: Advanced Manufacturing** records **£88,138** GVA per worker, underlining its continued role as a productive industrial base.
- **Creative contribution: Creative Industries** generate **£73,668** per employee, showing mid-range productivity within the local economy.
- **Lower-value sectors: Professional and Business Services (£45,277), Clean Energy (£55,069), and Life Sciences (£37,151)** all report comparatively lower GVA per employee, reflecting service-led and early-stage industry profiles.

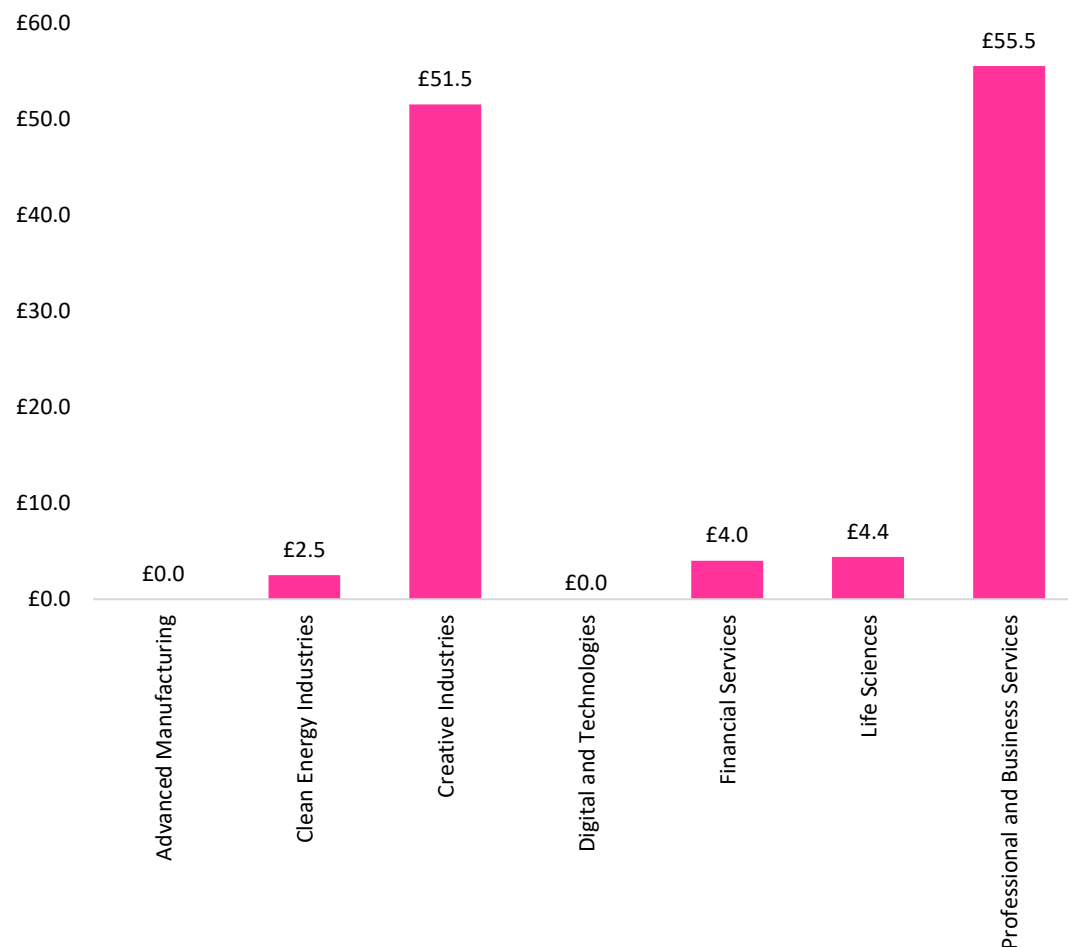
Growth Rate (No. of Employees)*



- **Digital growth: Digital & Technologies** are expanding rapidly, with an estimated annual employment growth rate of **5.7%**, the strongest among all sectors.
- **Clean energy momentum: Clean Energy Industries** show robust growth at **4.5%**, signalling the sector's potential as an emerging area of opportunity.
- **Life Sciences expansion:** Though smaller in employment share, **Life Sciences** report a positive growth rate of **3.3%**, suggesting early-stage scaling.
- **Manufacturing stability: Advanced Manufacturing** grows steadily at **2.7%**, maintaining a stable industrial base.
- **Service pressures: Financial Services** are contracting at **-2.0%**, while **Professional and Business Services** also show slight decline at **-0.3%**, pointing to challenges in sustaining employment levels.

**Source: The Data City, 2025. The growth rate is calculated by The Data City as a best estimate of the annual growth rate of the number of employees of all companies in the sector.*

Total Investment Funding (£m)



- **Creative investment: Creative Industries** attracted **£51.5m**, a major concentration of funding and a leading area for external investment in Sandwell.
- **Professional services draw: Professional and Business Services** secured the highest overall total at **£55.5m**, reinforcing its importance in the local economy.
- **Emerging support for Life Sciences:** The sector received **£4.4m**, modest but notable given its small employment base.
- **Finance presence: Financial Services** attracted **£4.0m**, adding incremental value to the sector's otherwise limited local footprint.
- **Low funding elsewhere:** Sectors including **Advanced Manufacturing** and **Digital & Technologies** recorded no measurable investment, signalling a funding gap despite wider regional relevance.

IS-8 Sector Summary

Summary of jobs and enterprises by IS-8 sector for Sandwell (and percentage of total for the UK):

Shaded cells indicate sectors where Sandwell's share is at or above the national level.

	Employees			Businesses		
	Sandwell	Sandwell % of Total	UK % of Total	Sandwell	Sandwell % of Total	UK % of Total
Advanced Manufacturing	3,600	3%	2%	140	1%	1%
Clean Energy Industries	3,338	3%	3%	49	0.1%	1%
Creative Industries	1,075	1%	5%	375	4%	10%
Digital and Technologies	1,255	1%	7%	480	5%	10%
Financial Services	1,250	1%	3%	120	1%	2%
Life Sciences	20	0.1%	0.1%	5	0.1%	0.1%
Professional and Business Services	9,405	7%	14%	1,275	13%	21%
Total	19,943	16.1%	34.1%	2,444	25.2%	45.1%