The Industrial Strategy 8 Sectors in Wolverhampton

September 2025

Data Considerations

*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.*

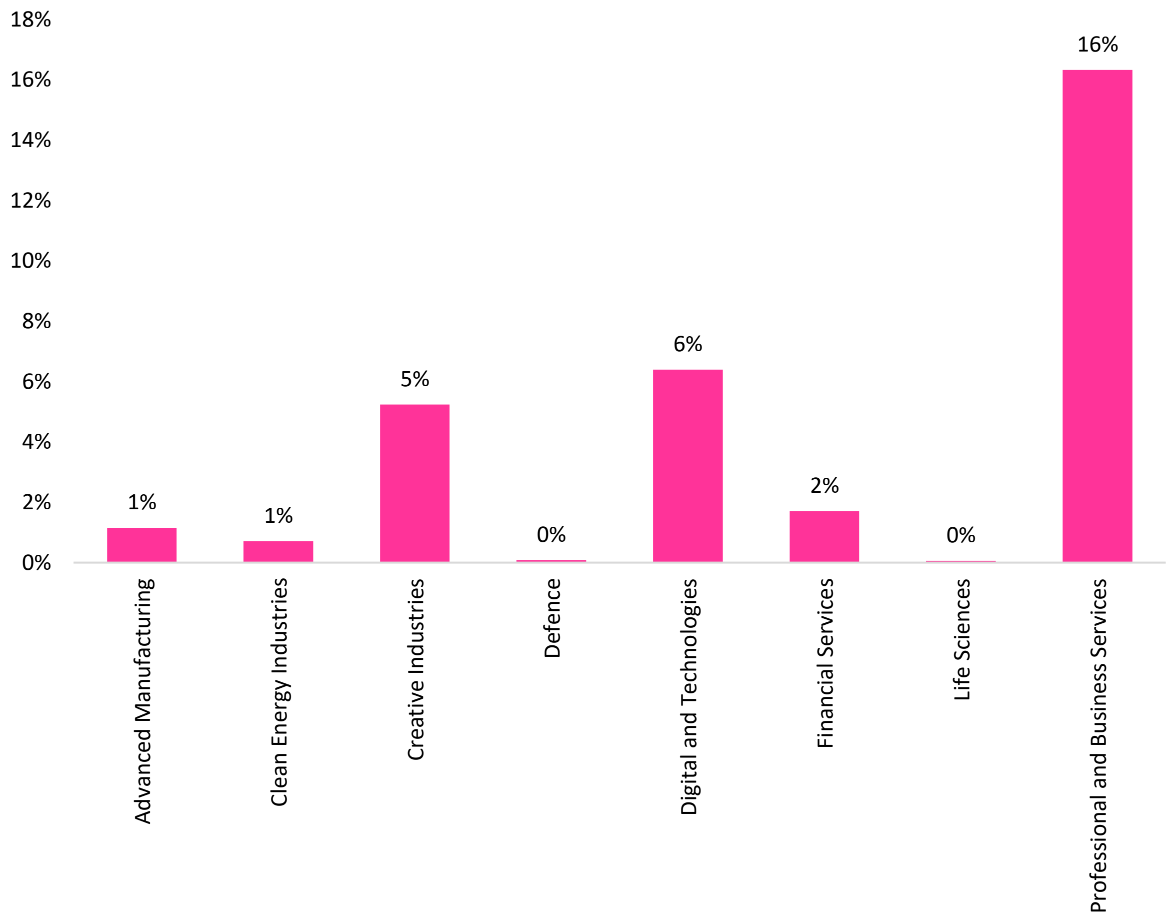
*As there is no clear SIC definition for **Clean Energy Industries**, **all data for this sector (including business and employment)** are taken from **The Data City**.*

*ONS data shows **no current presence** for the **Defence sector** in Wolverhampton. However, **The Data City ISC system** does identify activity, and given Wolverhampton's important role in the **Defence supply chain**, the sector has been **included in this analysis**. All data for this sector including **business** and **employment figures** are therefore drawn from **The Data City**.*

Proportion of Businesses

- **Business services lead:** Professional and Business Services account for **16%** of all firms, making them the largest single cluster in Wolverhampton's business base.
- **Digital and creative presence:** Digital & Technologies (6%) and Creative Industries (5%) also hold a visible share, showing growth potential beyond services.
- **Financial services moderate:** Financial Services represent **2%** of businesses, a smaller share compared with their employment contribution.
- **Limited industrial footprint:** Advanced Manufacturing and Clean Energy each account for just **1%** of companies, reflecting narrower representation.
- **Minimal role for other sectors:** Life Sciences and Defence records very little measurable business presence within the local economy.

Proportion of Wolverhampton Businesses in IS-8 Sectors



Source: ONS, 2023. Data for 'Clean Energy Industries' and 'Defence' taken from The Data City, 2025.

Business Size

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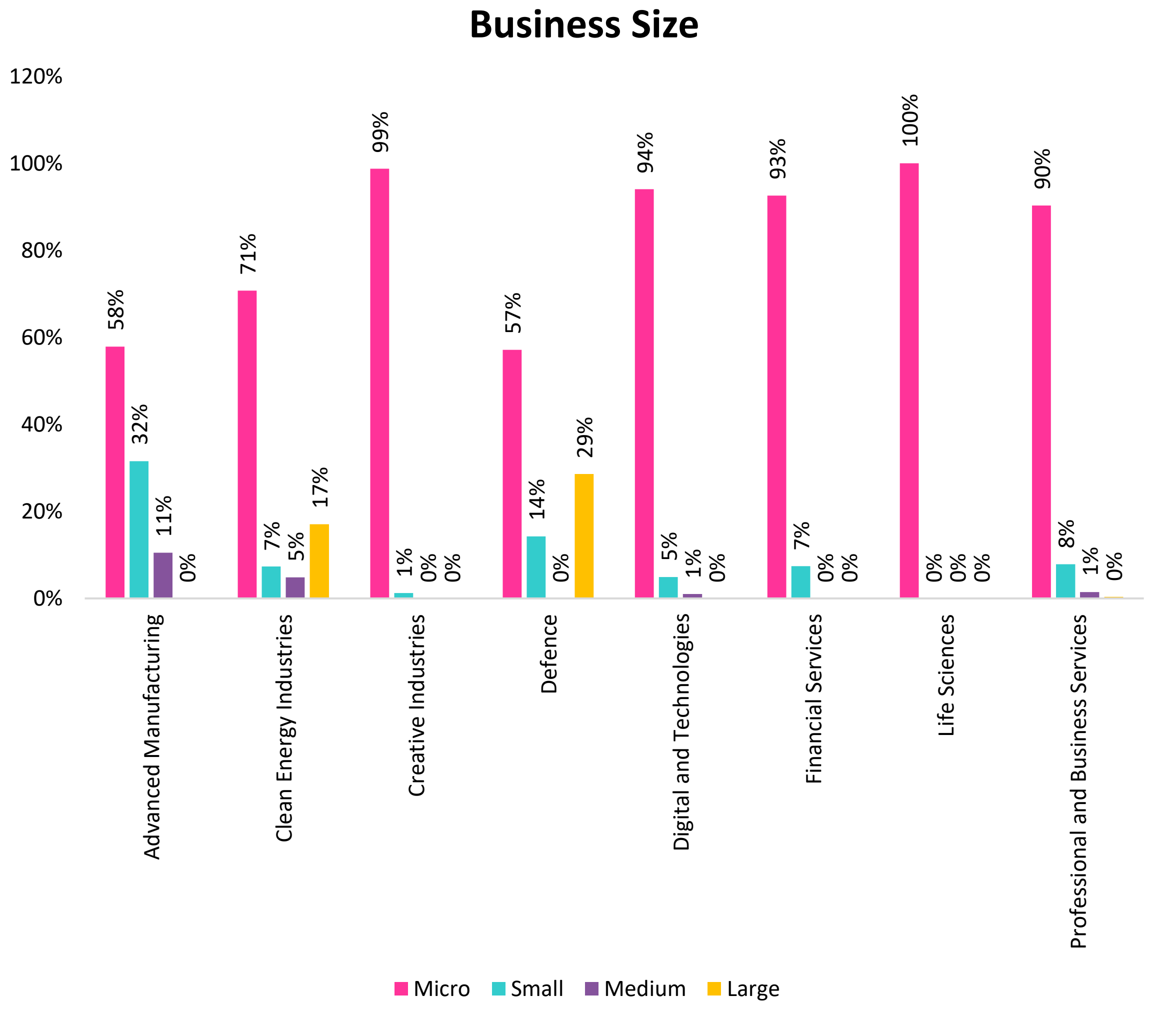
- **Micro-business dominance:** Most sectors are overwhelmingly micro-sized, with Creative Industries (99%), Life Sciences (100%), and Financial Services (93%) almost entirely made up of micro firms.

- **Professional services concentrated in micro firms:** Professional and Business Services show **90% micro-businesses**, underlining a fragmented structure.

- **Digital and Clean Energy similar:** Digital & Technologies (94%) and Clean Energy (71%) are also strongly micro-led, though Clean Energy has a small share of medium and large firms.

- **Advanced Manufacturing and Defence more balanced:** While 58% are micro, these sectors have higher proportions of small and medium / large firms, indicating a broader business size mix.

- **Large firms rare:** Across all sectors, large companies are almost absent, with only **Clean Energy (7%)** and **Professional Services (1%)** showing any notable presence.



Source: ONS, 2023. Data for 'Clean Energy Industries' and 'Defence' taken from The Data City, 2025.

Location Quotient

- **Manufacturing strong: Advanced Manufacturing** shows strength with a **business LQ of 1.09**, **employee LQ of 1.46**, and **turnover LQ of 1.76**, confirming it as a local area of specialisation.
- **Defence niche: Defence** has a very high **turnover LQ of 5.10** and an above-average **employee LQ of 1.32**, though its **business LQ is low (0.36)**, pointing to concentrated but limited firms.
- **Services near neutral: Financial Services** (business LQ 0.94) and **Professional and Business Services** (business LQ 0.76) both sit close to neutrality, with broadly average employee and turnover LQs.
- **Life Sciences emerging: Life Sciences** show potential with an **employee LQ of 1.33**, though both **business (0.84)** and **turnover (0.45)** LQs remain weaker.
- **Creative and digital under-represented: Creative Industries** (employee LQ 0.50; turnover LQ 0.79) and **Digital & Technologies** (employee LQ 0.35; turnover LQ 0.70) remain below national averages across all measures.

Sector	Business LQ	Employee LQ	Turnover LQ
Advanced Manufacturing	1.09	1.46	1.76
Clean Energy Industries	0.6	0.6	0.84
Creative Industries	0.64	0.5	0.79
Defence	0.36	1.32	5.1
Digital and Technologies	0.52	0.35	0.7
Financial Services	0.94	0.7	0.74
Life Sciences	0.84	1.33	0.45
Professional and Business Services	0.76	0.58	0.92

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.

Source: The Data City. A Location Quotient (LQ) is a measure that compares the concentration of an industry, sector, or occupation in a specific region to its concentration at a broader geographic level (in this case, the national average).

Investment

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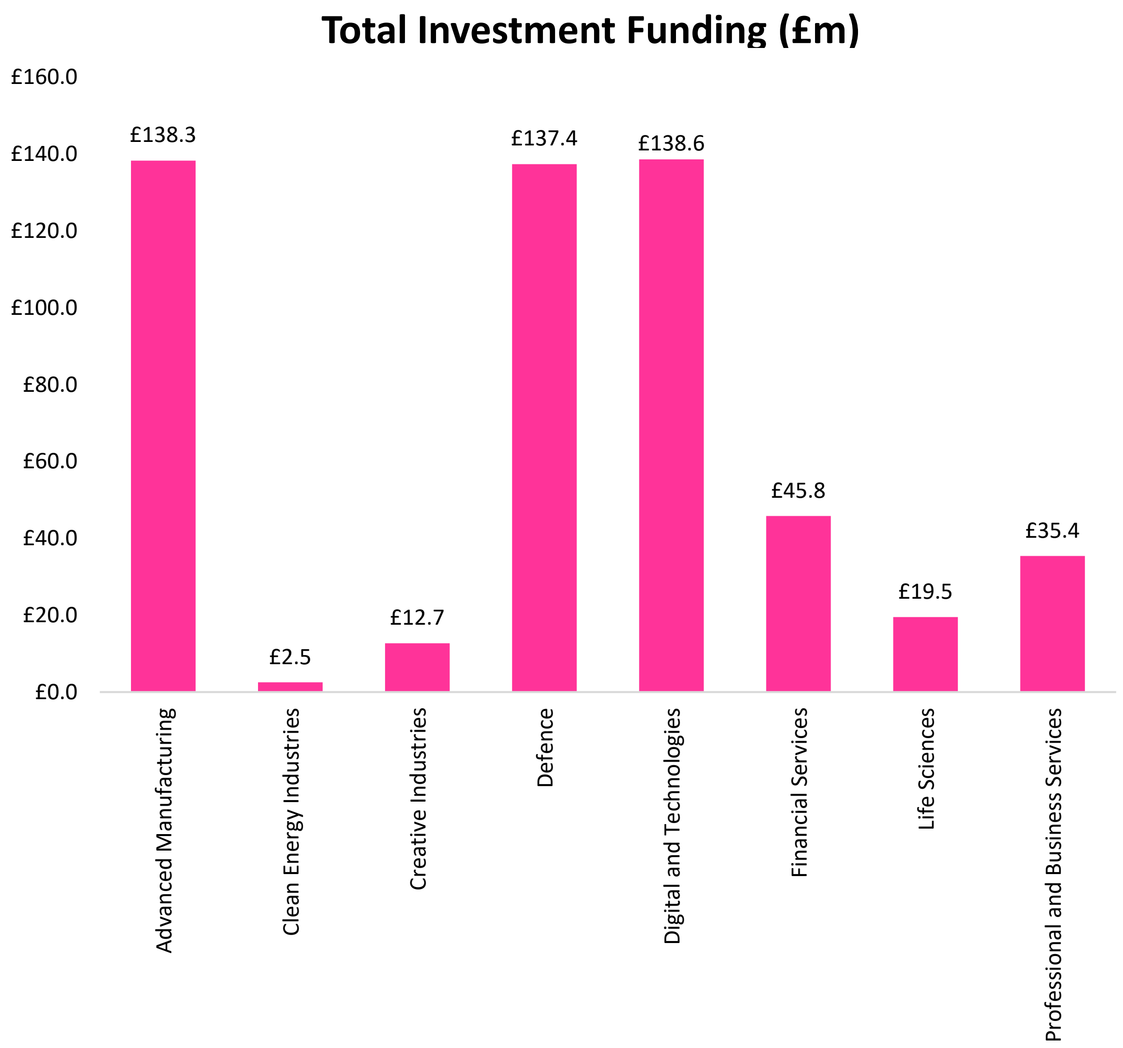

- **Digital sector well supported:** At **£138.6m**, Digital and Technologies attracted substantial investment, underlining its importance to Wolverhampton's innovation and growth potential

- **High investment in manufacturing:** Advanced Manufacturing (£138.3m) and Defence (£137.4m) also received large investment, reflecting strong backing for core industrial activities.

- **Moderate funding for services:** Financial Services (£45.8m) and Professional & Business Services (£35.4m) attracted mid-level investment, lower relative to their scale in employment terms.

- **Lower investment in emerging sectors:** Life Sciences (£19.5m), Creative Industries (£12.7m) and Clean Energy (£2.5m) secured the smallest totals, suggesting underinvestment in sectors aligned to future growth priorities.

Source: The Data City, 2025

Proportion of Employees

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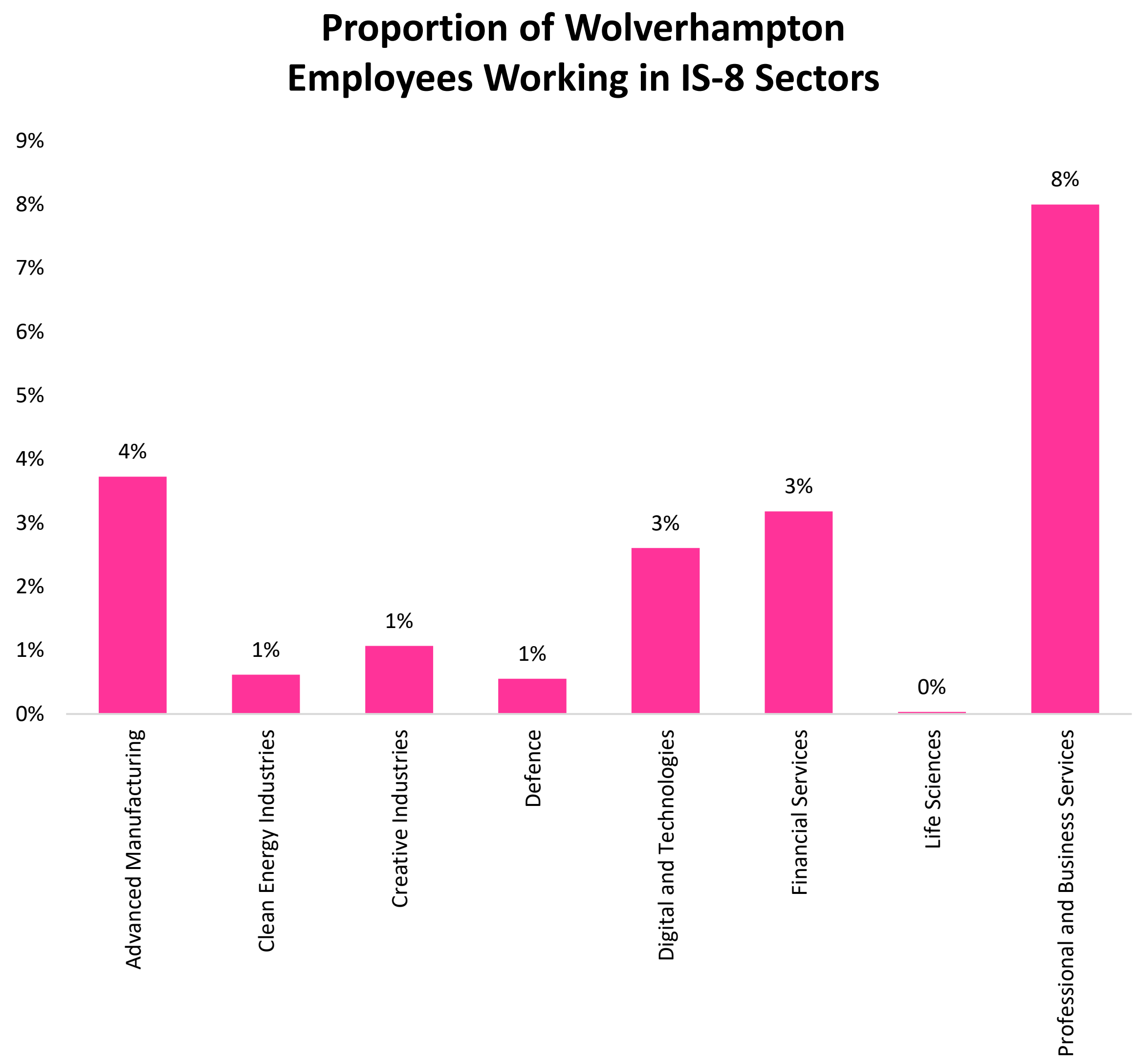
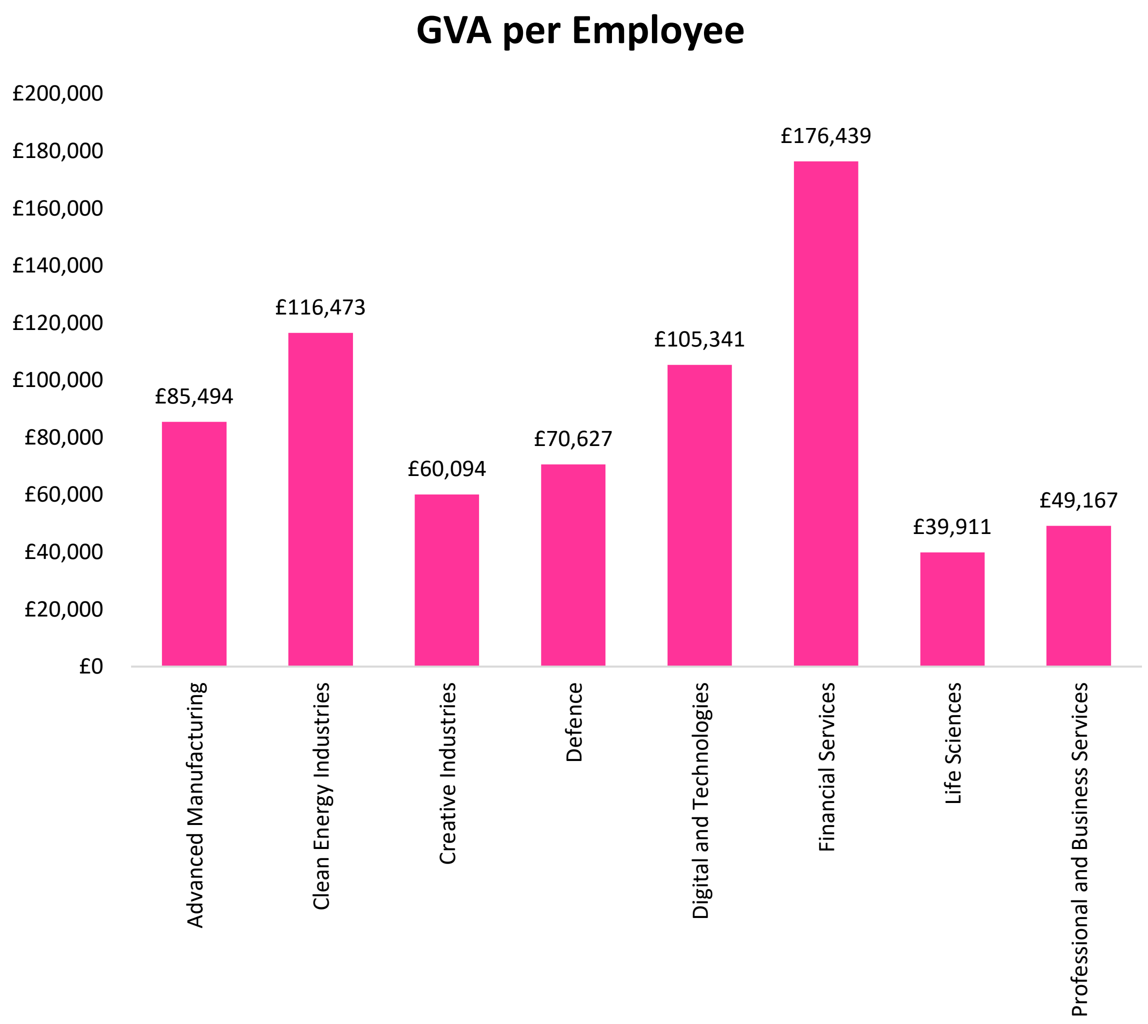


- **Business services lead:** Professional and Business Services employ **8%** of Wolverhampton's workforce, the largest share across clusters.
- **Manufacturing presence:** Advanced Manufacturing represents **4%** of employment, providing a strong industrial anchor relative to other clusters.
- **Finance and digital contribution:** Financial Services (3%) and Digital & Technologies (3%) each account for a modest but meaningful proportion of local jobs.
- **Smaller clusters visible:** Creative Industries, Defence and Clean Energy each contribute **1%** of total employment.
- **Minimal role elsewhere:** Life Sciences (0%) makes little measurable contribution to the local workforce.

Source: ONS, 2023. Data for 'Clean Energy Industries' and 'Defence' taken from The Data City, 2025.

GVA per Employee



- **Financial services lead:** With a GVA per employee of **£176,439**, Financial Services far outperform all other sectors in productivity terms.
- **Strong clean energy and digital:** Clean Energy Industries (£116,473) and Digital & Technologies (£105,341) also record high levels of productivity, well above the average across sectors.
- **Advanced manufacturing contribution:** Advanced Manufacturing generates **£85,494 per employee**, reflecting its role as a solid, mid-ranking productivity driver.
- **Lower-value sectors:** Defence (£70,627), Creative Industries (£60,094) and Professional & Business Services (£49,167) sit below the leading sectors.
- **Life sciences lagging:** Life Sciences report the lowest productivity at **£39,911 per employee**, highlighting a gap compared to both services and manufacturing sectors.

Source: The Data City, 2025

Growth Rate

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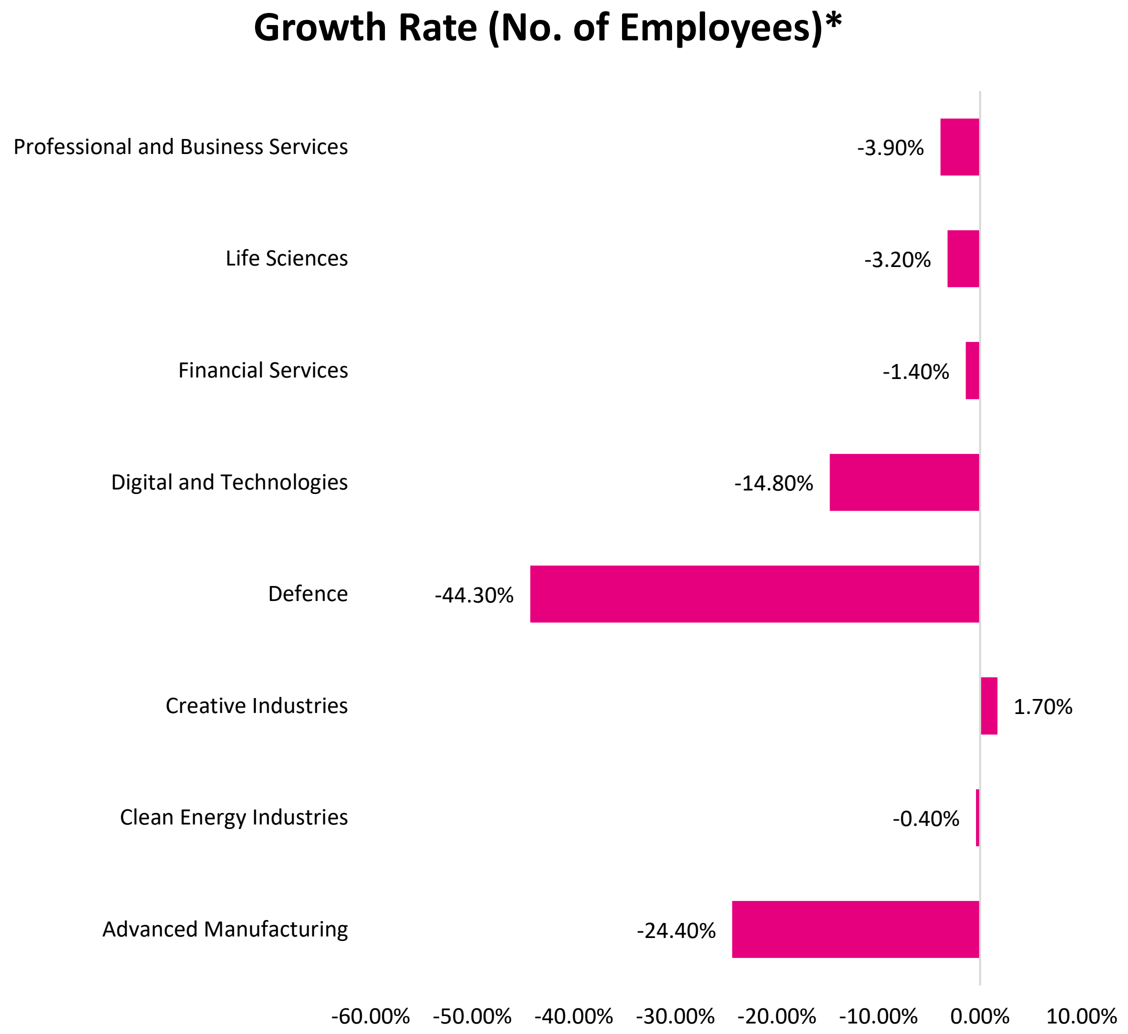

- **Creative industries resilient:** The only sector showing positive employment growth, at **+1.7% per year**, highlighting its role as a relative bright spot.

- **Service sectors contracting:** Professional and Business Services (-3.9%), Life Sciences (-3.2%), and Financial Services (-1.4%) are all experiencing gradual declines.

- **Digital in decline:** Despite high investment and productivity, Digital & Technologies employment is shrinking at **-14.8% per year**, raising concerns over sustainability – this could be due to increases in automation and AI.

- **Industrial contraction:** Advanced Manufacturing (-24.4%) and Defence (-44.3%) face sharp employment losses, pointing to structural challenges in Wolverhampton's manufacturing base.

- **Clean energy stagnation:** Employment growth in Clean Energy is effectively flat at **-0.4%**, suggesting early-stage development with limited workforce expansion.

**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.*

IS-8 Sector Summary

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

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

	Employees			Businesses		
	Wolverhampton	**Wolverhampton % of Total**	**UK % of Total**	**Wolverhampton**	**Wolverhampton % of Total**	**UK % of Total**
Advanced Manufacturing	4,100	4%	2%	95	1%	1%
Clean Energy Industries	679	1%	3%	58	1%	1%
Creative Industries	1,175	1%	5%	430	5%	10%
Defence	611	1%	0%	7	0%	0%
Digital and Technologies	2,865	3%	7%	525	6%	10%
Financial Services	3,500	3%	3%	140	2%	2%
Life Sciences	35	0%	0%	5	0%	0%
Professional and Business Services	8,800	8%	14%	1,340	16%	21%
Total	**21,765**	**20%**	**34%**	**2,600**	**32%**	**45%**

Source: ONS, 2023. Data for 'Clean Energy Industries' and 'Defence' taken from The Data City, 2025.